



INTEGRATED REPORT 2022

Our Hearts for “Life Design Developer”
Creating the future of our lives is the feeling of each of us.



AEON MALL CO., LTD.



Basic Principle

The Customer Comes First

Management Philosophy

AEON MALL is a Life Design Developer*, creating the future of community living.

*Life Design extends beyond the framework of the shopping mall. Life Design addresses functions associated with different customer life stages, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles.

Management Vision

Becoming a Company That will Touch the Hearts of 5 Billion Visitors Throughout Asia

AEON MALL Integrated Report 2022 Editorial Policies

The AEON MALL Group is a Life Design Developer, creating the future of community living. Under this management philosophy, we aim to be a company that touches the hearts of the 5 billion people throughout Asia. Accordingly, in FY2018, we began publishing an integrated report for our shareholders, investors, and other stakeholders to encourage a better understanding of our initiatives toward corporate value creation over the medium and long term.

In editing this integrated report, we have provided information we deemed important from the standpoint of medium- and long-term corporate value creation. Our efforts referenced the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation published by the Ministry of Economy, Trade and Industry. Among other topics, this integrated report addresses our strengths developed as a retail-based mall business, our value creation process and future strategies, business activities forming the foundation of value creation, and ESG initiatives. Further, we provide information related to those ESG initiatives that have a significant impact on corporate value creation based on considerations of materiality. Please see our ESG Report, sustainability webpage, and IR webpage for more information related to ESG.

Brand Statement



We call our initiatives to contribute to and revitalize communities and society, Heartful and Sustainable. We pursue these initiatives to offer sustainable societal development as a good corporate citizen under our management philosophy as a Life Design Developer. We strive to create a better society, not only on our own, but also in partnership with our customers, communities, companies, shareholders, and investors.

Environment
Social
Governance



価値協創ガイダンス Guidance for Collaborative Value Creation

Period:

March 1, 2021 to February 28, 2022

Information from outside this period is noted where necessary.

Organization:

AEON MALL Co., Ltd., group companies belonging to AEON MALL Co., Ltd., and facilities managed by these entities. Environmental indicators exclude 49 malls contracted for operations by AEON Retail Co., Ltd., mozo wondercity, Kobe Harbor Island umie, Qualite Prix, AEON Senrito Senmonkan, and OPA Co., Ltd. commercial facilities.



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Our History of Value Creation

AEON MALL continues to evolve in response to changing lifestyles.

As ever, we remain committed to growing and developing, both in Japan and overseas.

The rise of motorization

Innovating customer shopping experiences through malls in suburbs across Japan

The first AEON MALL location, AEON MALL Tsugaru Kashiwa (Aomori Pref.), opened in 1992 amid growing domestic motorization. A mall with a large parking lot and diverse tenants offering a wide variety of merchandise in a suburban area proved successful from the aspect of town planning in attracting customers who drove to the store in their own cars. It was the harbinger of an era in which lifestyles shifted from urban areas and train stations to the suburbs.

Ongoing need to revitalize communities

A community-based space offering a wide range of lifestyle services

As we expand to residential and business districts throughout Japan, AEON MALL has extended beyond the framework of commercial facilities. We have evolved into infrastructure for local communities, offering entertainment, public administration and community functions, and disaster relief support. We played a role in reactivating communities by responding to calls for opening AEON MALL shopping centers.

A growing community presence in Japan and overseas

Unique malls tailored to the characteristics of each region and country

Shopping centers throughout Japan became more homogenized and subject to even more competition. AEON MALL developed unique malls that focused on localization, pursuing a strategy of opening in growth areas of Asia seeing an expansion of the middle class. We are increasing our presence in local communities both in Japan and overseas.

Medium-Term
Management Plan
2011-2013

Medium-Term
Management Plan
2014-2016

Large-Scale Retail Stores Law

Three Laws Related to Town Development

Revised City Planning Act

•Operating Income

(¥ billion)
60 —

40 —

20 —

0

1989 1992 2000 2002 2004 2006 2008 2011 2012 2013 2014 2015 2016

Start of large-scale shopping center development, operations development business

Tree planting initiative at the first AEON MALL location in Japan

Listing on the First Section of the Tokyo Stock Exchange

Environmental management system ISO 14001 certification

Merger with Diamond City Co., Ltd.

Opened first mall in China

Consolidated the development functions of the AEON Group development business under AEON MALL

Launched the AEON Store Association

* Managing organization for tenants opening stores in AEON Group commercial facilities

Opened first mall in Vietnam
Opened first mall in Cambodia

Converted OPA Co., Ltd., (urban shopping centers) to subsidiary
* 21 facilities as of July 2022

Opened first mall in Indonesia

Contract management and operation of 69 large-scale commercial facilities owned by AEON Retail Co., Ltd.
* 49 malls as of July 2022

Names of the AEON Group mall facilities standardized as AEON MALL

4.5

6.5

9.0

14.9

21.9

37.9

39.7

40.7

41.7

42.2

41.9

43.9

44.9

A growing middle class in Asia

The dominant commercial developer in Asia, striving to resolve local issues in Japan and overseas

In China and ASEAN, AEON MALL serves as a partner in urban and regional development. We build malls that respond to strong consumer markets. In Japan, AEON is confronting the challenge of weakened connections within communities. Here, we pursue value by working with local governments as a leader in regional revitalization.

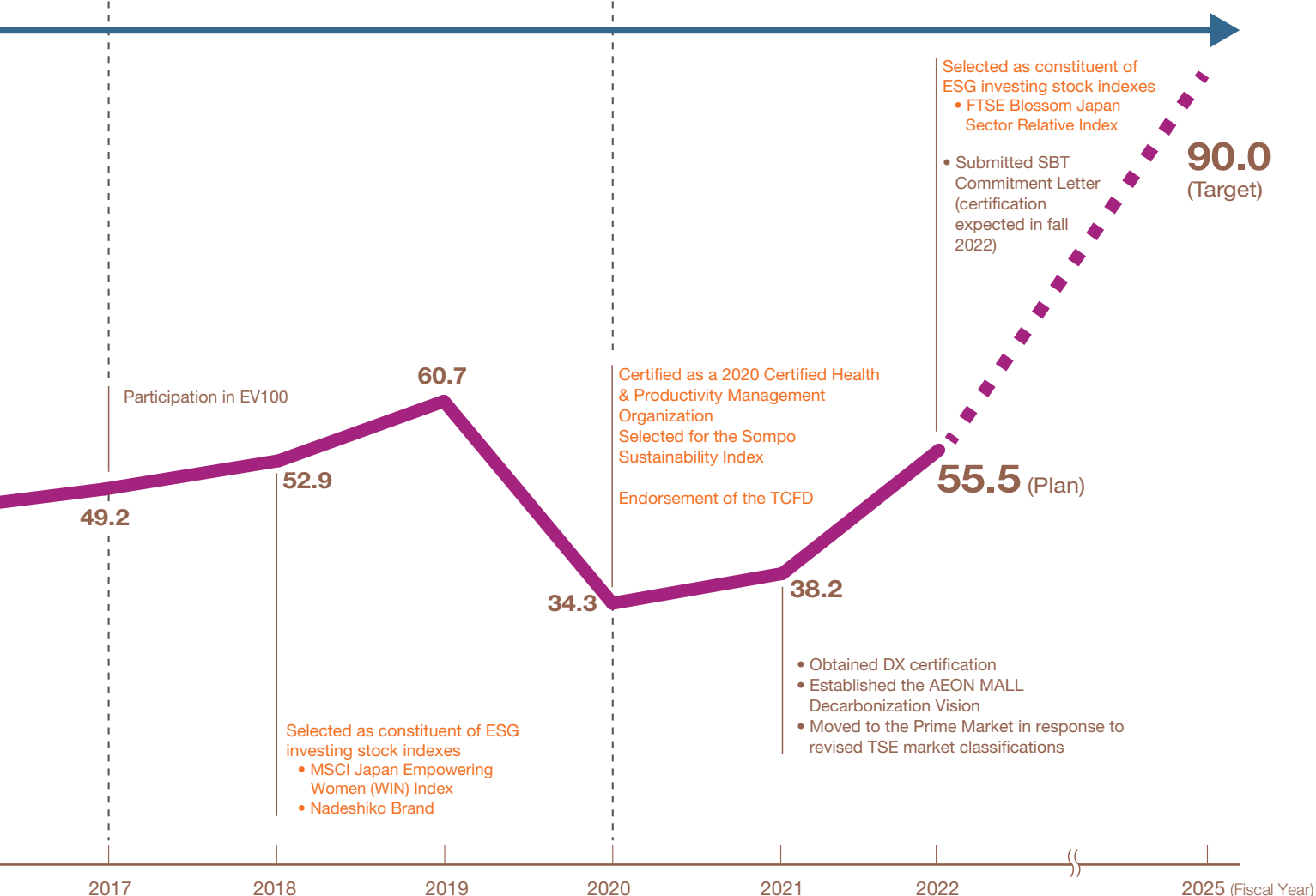
Toward Sustainable Societies

**Becoming a Life Design Developer
Offering Solutions for the Future of
Community Living**

In a business environment of increasing uncertainty and accelerating change, we aim to become a business that provides solutions to issues faced by local communities and society, without being bound to the framework of a commercial facility. In so doing, we will establish ourselves as core facilities and social infrastructure in local communities.

**Medium-Term Management Plan
2017-2019****Medium-Term Management Plan 2020-2022**

Pursing measures for high profit growth in our overseas business and expand the regional market share of our businesses in Japan



The Strengths of AEON MALL

AEON MALL has continued to grow in step with the growth of our communities through shopping mall development, management, and operations.

By building on our six strengths, we intend to establish an even stronger management foundation.

Leveraging Retail Development Expertise



Based on Customer-Centric Management

Strength

1

Ability to Generate and Procure Funds for Growth

We generate cash flows through managing and operating shopping malls. This allows us to maintain a consistent sound financial position and leverage borrowing capacity to procure funds. We generate growth funds through the sale of mall land and buildings to real estate investment trusts and the use of development leases. These vehicles allow us access to flexible investments in growth, while accelerating the speed of return on investment and improving asset efficiency.

- EBITDA: **¥101.9 billion**
(Overseas: ¥28.6 billion *Simplified operating cash flows)
- Equity ratio: **28.5 %**
- Net D/E ratio: **1.6 times**
- ESG Bonds issued: **¥50.0 billion**

Strength

2

Overwhelming Scale of Operations and Ability to Attract Customers

AEON MALL manages and operates more than 160 malls in Japan, serving nearly 1.0 billion customer visits annually. We leverage the retail-based development expertise we cultivated in Japan through localized operations to expand in China, ASEAN, and other countries overseas. In anticipation of an increase in car ownership overseas, we have secured property to provide an abundance of parking space from the beginning stages of development to win a competitive advantage.

- No. of malls: Japan: **142** Overseas: **34**
(Other urban shopping centers: 21)
* as of July, 2022
- No. of customer visits in Japan: **Approx. 1.0 billion**
- Gross leasable area (GLA): **10,399,000m²**
Japan: 8,033,000m² Overseas: 2,366,000m²
* as of July, 2022
- App membership: **Approx. 7.5 million downloads**

Strength

3

Diversity of Staff
Driving Growth

We strive to create an environment in which a diversity of human resources can maximize their abilities regardless of gender, age, or nationality. Along with giving our Japanese employees the opportunity to obtain business experience overseas, we strive to promote overseas local staff to senior management positions. We view the development of diverse, creative, adaptable human resources as the most important capital we possess, and we are engaged in a variety of measures to this end.

• Percentage of women in managerial positions: **19.4%**

• Percentage of local personnel in management positions: **26.0%**
(GM/Director or above)

• No. of local staff overseas: **1,465 employees**

• Percentage of male employees taking child care leave: **100%**

Strength

4

Sustainable Malls that
Coexist with
Local Communities

We use the expertise gained through operating nearly 200 locations worldwide to develop and operate safe, secure, and comfortable malls that meet the needs of a wide spectrum of customers. We aim to be the sustainable mall of choice for customers and specialty store operators.

• No. of malls signing disaster prevention agreements with local authorities: **121**

• No. of malls serving as disaster prevention sites: **48**

* Disaster prevention site: A location that provides temporary shelter, rescue and relief space, and food sales areas in the event of a disaster. Disaster prevention sites also offer an energy supply system, including in-house power generation facilities, to allow stores and facilities to resume operations as soon as possible after a disaster.

Strength

5

Robust Network

We have established a nationwide network of specialty store operators and work in close and equal partnership to expand public functions by creating local community spaces and strengthening cooperation with local governments based on the characteristics and needs of each community. We hold customer service role playing contests in Japan and overseas, aiming to raise awareness of customer service and share excellent examples and knowledge across industries. In this way and others, we strive to raise the service level of AEON MALL as a whole.

• No. of specialty store operators:

Approx. **8,000 companies**

• No. of participants in the AEON Store Association Customer Service Role-Playing Contest* (Japan):

Approx. **8,000 companies**
and employees from approx. **30,000 retail stores**

* Events where tenant specialty store employees compete, displaying their customer service skills. In addition to Japan, these events are held in China, Cambodia, Vietnam, and Indonesia.
* FY2019 results

• Community localization projects: **1,547 projects**
(Cumulative since 2015)

• No. of vaccination centers provided: **17**

Strength

6

Environmental Preservation

AEON MALL has introduced technologies to reduce our environmental impact, including LED lighting, solar power generation, EV (electric vehicle) charging stations, and trash recycling systems. We are working to save energy, reduce CO₂ emissions, and decrease waste emissions. We also act as centers of the community in the areas we serve, conducting environmental communication activities for our customers, educational visits for elementary school students, and more. At the same time, we foster stronger environmental management by acquiring ISO 14001 certification and other initiatives.

• No. of malls using 100% renewable energy: **6**

• No. of malls with ABINC® certification: **15**

• No. of EV charging stations:

Japan: **1,841 stations** (136 malls)

China: **563 stations** (17 malls)

ASEAN: **10 stations** (5 malls)

Our Value Creation Model

AEON MALL leverages our comprehensive strengths as a life design developer experienced in everything from development to mall management and operations to solve social issues and achieve our 2025 long-term vision.

Basic Principle

The Customer Comes First

Management Philosophy

AEON MALL is a Life Design Developer*, creating the future of community living.

* Life Design extends beyond the framework of the shopping mall. Life Design addresses functions associated with different customer life stages, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles.

External environment/Risks and opportunities

Overseas

- Population growth
- Intensifying competition with other commercial facilities

Japan

- Demographic change due to declining population and aging society
- Rise of the sharing economy

Domestic/Overseas

- Advancements in digitalization ahead of Society 5.0
- Global warming and constant abnormal weather

Businesses and Six Strengths



- 1 Ability to generate and procure funds for growth
- 2 Overwhelming scale of operations and ability to attract customers
- 3 Diversity of staff driving growth
- 4 Sustainable malls that coexist with local communities
- 5 Robust network
- 6 Environmental preservation

Foundation for value creation → P49



Materiality

Developing community and social infrastructure

Build community relationships

Corporate Governance → P77

Local Communities

- Acceleration of regional development and return to rural areas, reconsideration of suburbs
- Pressure on local government finances

Consumers

- Changes in lifestyles, scope of activities, and modes of transportation
- Acceleration of e-commerce, acceleration of the cashless economy

Corporations

- Increase in the power of e-commerce players
- Acceleration in restructuring and formation of oligopolies among business partners and competing facilities

Three-Year Medium-Term Plan 2020-2022

Vision for 2025

Priority Measures

- 1 Achieve high profit growth overseas
- 2 Achieve stable growth in Japan
- 3 Build a financing mix and governance structures supporting growth
- 4 Pursue ESG-based management

Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation.

Put in the same class as the top global commercial developers, aiming for consolidated operating income of ¥90 billion.

Conduct floor space expansions and renovations in Japan to become the dominant mall in each area.

Secure growth markets overseas, expand overseas business to 50 malls, and record operating income of ¥27 billion (25% profit margin).

Quantitative Goals

Operating Revenue **¥490** billion

Operating Income **¥90** billion

Environment

Diversity and
work-style reformPromote responsible
business**The AEON MALL Vision**

Provide solutions to regional and social issues, establishing a position through social infrastructure functions to be a central facility for the local community.

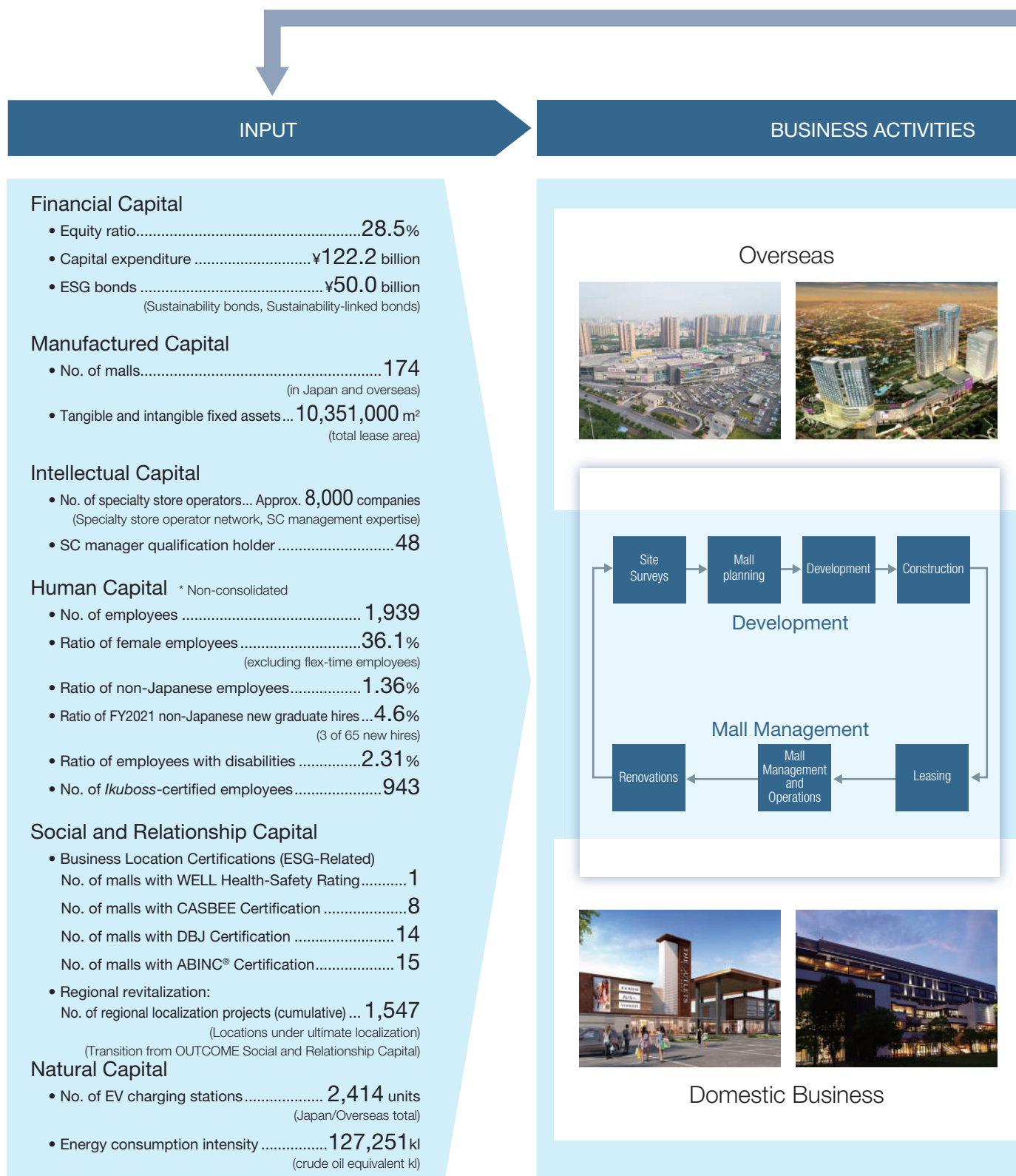
Management Vision

Becoming a Company That will Touch the Hearts of 5 Billion Visitors Throughout Asia



Our Value Creation Model [Capital and Value Proposition]

AEON MALL leverages our comprehensive strengths as a commercial developer experienced in everything from shopping mall development to mall management and operations to solve social issues and achieve our 2025 long-term vision.



OUTPUT

OUTCOME

Overseas



- No. of total malls: **34** (+2)
- Operating Income: **¥6.2 billion** (+¥2.4 billion)

Japan



- No. of total malls: **140** (+4)
- No. of reactivated malls: **10**
- Operating Income: **¥31.9 billion** (+¥1.3 billion)

ESG



- No. of malls with 100% renewable energy: **6**
- No. of malls serving as disaster relief facilities: **48**

* FY2021 results. Numbers in () represent year-on-year comparison.

Economic Value

Financial Capital/Manufactured Capital

- Operating revenue **¥316.8 billion**
- Operating income **¥38.2 billion**
- Net interest-bearing debt/EBITDA ratio **6.6 times**
- ROIC **2.4%**
- EPS **¥-25.0**
- Dividends..... **¥11.3 billion**

Social Value

Intellectual Capital

- Service/Operations
..... Secure, safe, comfortable malls
(Strengthened BCP system, established AEON COVID-19 Prevention Protocol, etc.)

Human Capital

- Percentage of male employees taking childcare leave. **100 %**
(36)
- Ratio of female officers to total officers..... **35.3%**
- Ratio of female managers to total managers **19.4%**
(Manager and higher)

Social and Relationship Capital

- No. of customer visits (annual) Approx. **1.0 billion**

Environmental Value

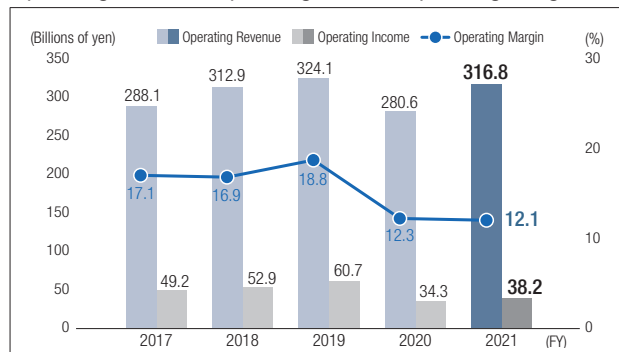
Natural Capital

- Renewable energy generated **79,887 MWh**
- GHG emissions..... **285,168 t-CO₂**
- Wastewater discharge **3,119,524 m³**
(Japan total)

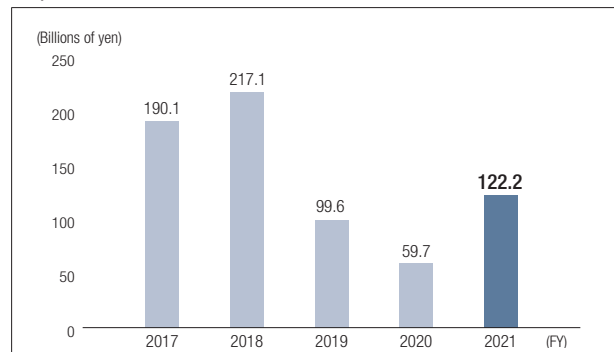
Financial and Non-Financial Highlights

Financial Highlights

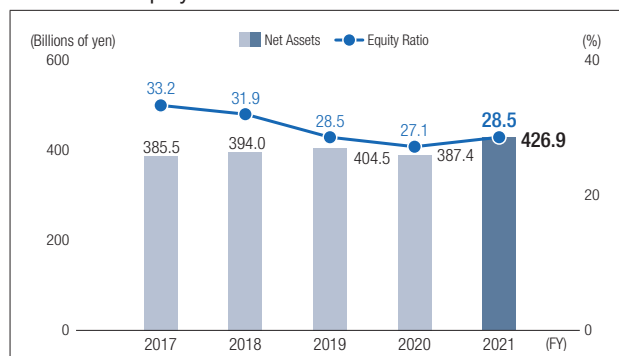
Operating Revenue/Operating Income/Operating Margin



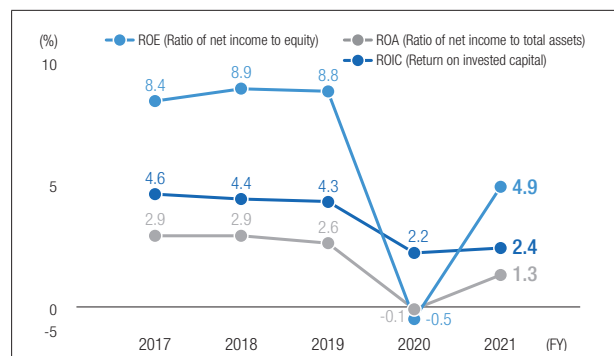
Capital Investment



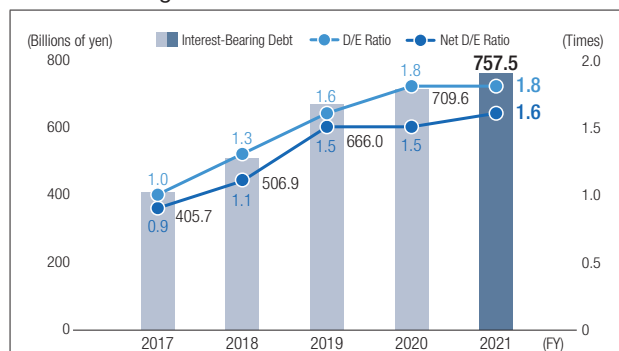
Net Assets/Equity Ratio



ROE/ROA/ROIC

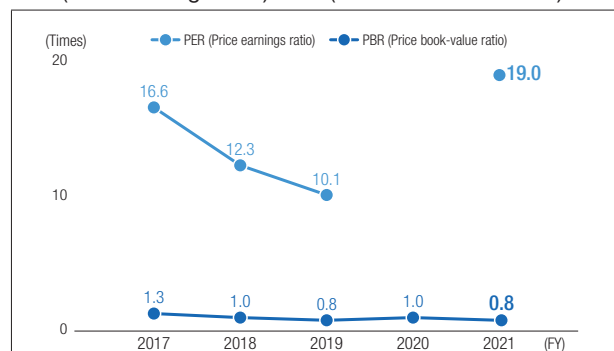


Interest-Bearing Debt/D/E Ratio



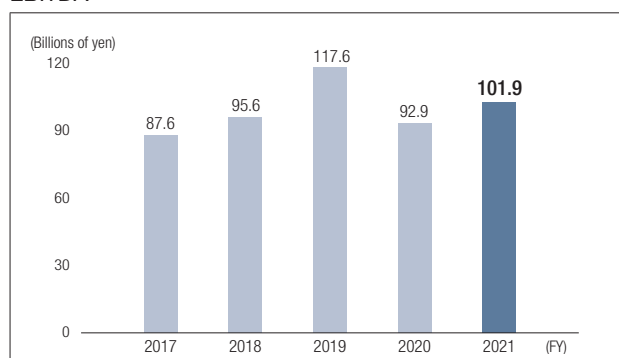
* The company has applied IFRS 16 beginning in fiscal 2019 for consolidated subsidiaries overseas.

PER (Price earnings ratio)/PBR (Price book-value ratio)

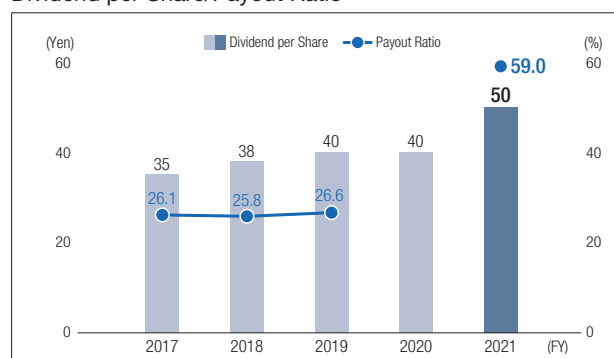


* PER for fiscal 2020 is not provided, as the company recorded a net loss attributable to owners of the parent.

EBITDA



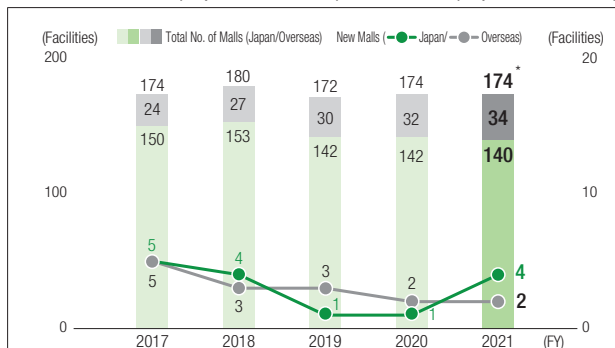
Dividend per Share/Payout Ratio



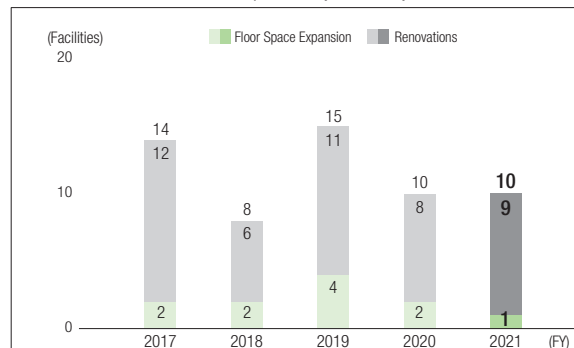
* We did not calculate a dividend payout ratio for fiscal 2020 as we recorded a net loss per share.

Non-Financial Highlights

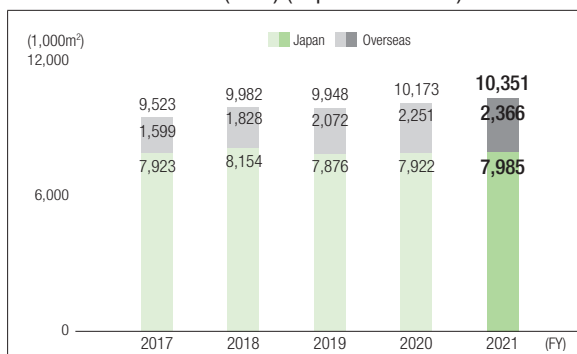
Total No. of Malls (Japan/Overseas)/New Malls (Japan/Overseas)



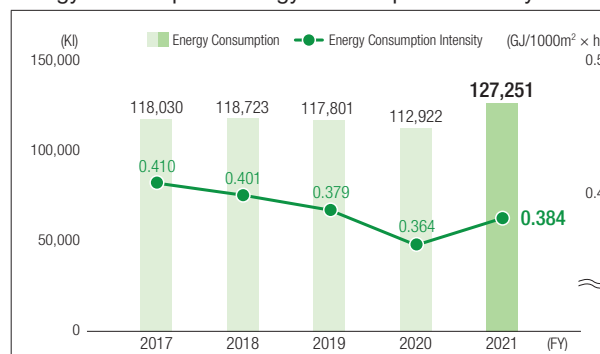
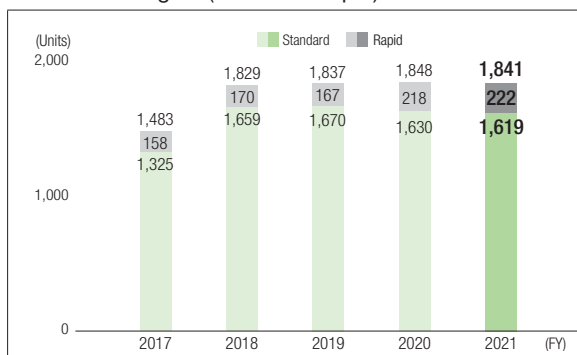
* The company ended contract management and operations services for 6 largescale shopping facilities owned by AEON Retail Co., Ltd. on February 28, 2022.

No. of Reactivated Malls (Floor Space Expansion/Renovations)*¹

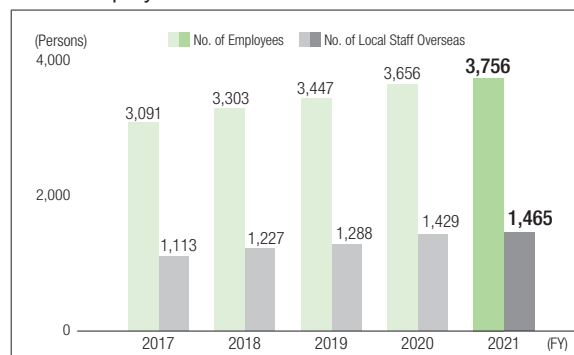
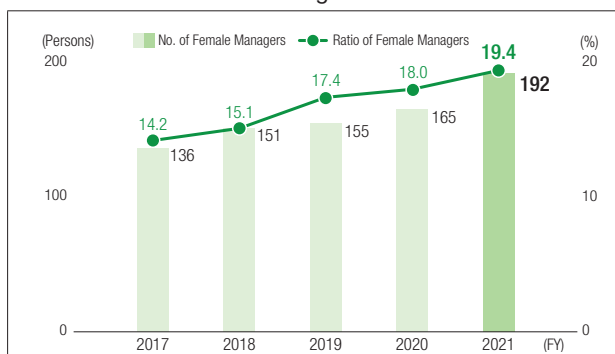
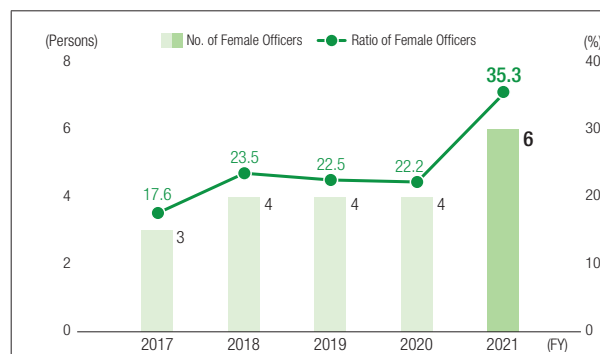
Gross Leasable Area (GLA) (Japan/Overseas)




Energy Consumption/Energy Consumption Intensity

No. of EV Chargers (Standard/Rapid)*¹

No. of Employees/No. of Local Staff Overseas

No. and Ratio of Female Managers*¹No. and Ratio of Female Officers*¹*¹ Non-consolidated

A portrait of Yasutsugu Iwamura, President and CEO of AEON MALL. He is a middle-aged man with dark hair, wearing a dark grey suit, a white shirt, and a dark tie with diagonal stripes. He is standing in front of a blurred background that appears to be an office or a modern building with large windows and greenery. The text is overlaid on the right side of the image.

To Our Stakeholders

Striving for Empathy as a Watchword, AEON MALL
Aims to Become a Life Design Developer that
Offers New Value for the Future.

And what should the future of AEON MALL be after this time of the COVID-19 pandemic? How best can we empathize with employees, business partners, shareholders, and local customers, and share the fruits of our growth? How best can we progress toward achieving our vision for 2025? President and CEO Yasutsugu Iwamura shares his thoughts on the today and tomorrow of AEON MALL.

Yasutsugu Iwamura
President and CEO

A Look Back on AEON MALL and Fiscal 2021

Fiscal 2021 was an important year for us to advocate for ourselves as a Life Design Developer and to determine the future shape of AEON MALL as a company.

COVID-19 showed no signs of abating and had a significant impact on our business performance. And while revenue and profits increased year on year, performance did not return to the pre-COVID-19 profit levels of two years ago. As a result, we fell short of our full-year plan.

Amid the two-year span of the COVID-19 pandemic, infections continued in Japan and overseas. Our malls were subject to many restrictions, including temporary closings and shortened operating hours. Customers, who were forced to stay in their homes, experienced changing lifestyles. We saw a shift in focus from shopping at brick-and-mortar stores to e-commerce. Still, this was not a trend arising solely due to COVID-19. We should look at this shift as a rapid acceleration of a trend expected to occur several years in the future.

The prolonged nature of the pandemic caused many to seriously consider the meaning and the *why* of their travel outside the home. For us, the main outcome of the past year was the opportunity to take a hard look at the future role of AEON MALL as a platform the response to this “why.” How do we survive the post-COVID-19 era? We must think about how to integrate the real and the online seamlessly, offering experiential value. Even in an era of rapid social change, we believe there are not only rational economic people, who seek mainly efficiency, but also those who seek slower, experiential value that cannot be obtained through the pursuit of efficiency alone. We must find ways to offer pleasing experiences to customers who spend time in our malls. Society will only make greater demands for environmental friendliness, safety, and security in the future. These are the greatest concerns of any person, and we aim to answer these concerns as a matter of course, ensuring that our customers spend purely joyful time at malls, with no worries about the outside world.

Overview of Fiscal 2021 Consolidated Results

• Consolidated Statements of Income

(¥millions)

| | FY2021 | FY2020 | YoY Change | | Full-Year Plan | |
|---|---------|---------|------------|-------|----------------|-------------------|
| | Actual | Actual | Change | % | | Progress rate (%) |
| Operating revenue | 316,813 | 280,688 | +36,125 | 112.9 | 344,000 | 92.1 |
| Operating costs | 248,884 | 218,926 | +29,958 | 113.7 | — | — |
| Gross profit | 67,928 | 61,761 | +6,167 | 110.0 | — | — |
| Selling, general and administrative expenses | 29,700 | 27,367 | +2,332 | 108.5 | — | — |
| Operating income | 38,228 | 34,394 | +3,834 | 111.1 | 59,000 | 64.8 |
| Ordinary income | 32,540 | 28,437 | +4,103 | 114.4 | 50,500 | 64.4 |
| Net income (loss) attribute to owners of parent | 19,278 | ▲ 1,864 | +21,142 | — | 31,000 | 62.2 |
| Net income per share (yen) | 84.72 | ▲ 8.19 | +92.91 | — | 136.23 | — |

*Scheduled for April 2021 announcement



*1 AEON MALL Hakusan: Opened in July 2021 in Hakusan City, Ishikawa Prefecture. This mall offers one of the largest food zones in the Hokuriku area, and provides enjoyment, surprise, and excitement for people of all ages, from trendy fashion to culture and entertainment. This mall will serve as a regional hub of interchange.



*2 AEON MALL Nagoya Noritake Garden: Opened in October 2021 in Nagoya City, Aichi Prefecture. Located in a rare urban setting surrounded by greenery, this mall represents a business model combining new commercial facility development with offices that support the growth of workers and companies.



*3 Establishment of AEON MALL Cambodia LOGIPLUS. AEON MALL plans to establish and operate a multi-function logistics center in a special economic zone. The center has the necessary licenses for cross-border e-commerce businesses, including bonded functions, as well as customs clearance and fulfillment center functions.

Finding the *Why* Brings the Shape of the Next-Generation Mall into Focus

Our vision for AEON MALL is to be the center of the local community, providing solutions indispensable for everyday living.

We have been thinking about what it means for customers to visit a mall amid the constraints of the COVID-19 pandemic, taking on new initiatives and delivering tangible answers.

One initiative is to provide value in terms of the mall environment, and we have focused on creating spaces that appeal to all five senses. AEON MALL Hakusan (Ishikawa Prefecture)*¹ offers relaxing spaces and greenery. AEON MALL Nagoya Noritake Garden (Aichi Prefecture)*² is an office complex that responds to changing work styles. These two facilities embody our vision of a new model for shopping malls.

Overseas, we plan to open a multifunctional logistics center*³ in Cambodia in fiscal 2023 as a means to provide solutions in the region. This center is an effort to solve the shortage of logistics facilities in the special economic zone, where foreign companies continue to expand operations. Here, we are solving local social issues beyond the framework of a conventional mall business. In taking on new challenges one at a time through trial and error, I believe we are making progress toward change. We must take on these challenges driven by a strong desire to make these initiatives new pillars of our business, rather than merely functions that complement the mall business.

Achieve digital transformation (DX) as conceived by AEON MALL is another important topic. Technology is not an answer in itself. The first step is to identify the issue, and then leverage technology as a solution. This is an initiative by which we envision our ideal future, giving shape to this vision to achieve a DX*⁴ that supports emotions and ideas. I am convinced that driven by a strong desire, we will grow into an advanced DX company.

Innovation

Putting our management philosophy and vision into practice

Pioneer business domains as a Life Design Producer that creates new lifestyles beyond the framework of commercial facilities

Achieve Digital Transformation (DX) Focused on Human Perception

Digitization Digitalization

Responding to a digitalized society

Establish a mall business and operating system that respond to a new era

Transformation

Mindset reform

Foster a corporate culture that asks *why*, leading to action and the creation of opportunities



*4 In January 2022, AEON MALL obtained certification as a DX Certified Business Operator under the DX Certification System established by the Ministry of Economy, Trade and Industry.

Fiscal 2022 Will be a Bridge to a New Medium-Term Management Plan

Fiscal 2022 is the final year of our current three-year medium-term management plan. We defined four growth initiatives and formulated five management measures to pursue these initiatives. We believe that this current fiscal year is important not only for completing the current medium-term plan, but also for solidifying the foundation for the measures we will pursue under a new medium-term plan for fiscal years 2023 through 2025.

Three-Year Plan Growth Policies

1. Achieve high profit growth overseas
2. Achieve stable growth in Japan
3. Build a financing mix and governance structures supporting growth
4. Pursue ESG-based management

We have identified the following management issues and future vision to pursue the growth initiatives above:

1. Achieve profitable growth in our overseas business and accelerate new mall openings
2. Maximize the appeal of brick-and-mortar malls through customer experience (CX)
3. Build next-generation malls and pursue the urban shopping center business
4. Pursue digital transformation(DX)
5. Pursue Medium-Term Strategies, accelerate reforms based on ESG perspectives

*See P25 to P36 for more on initiatives 1. through 5.



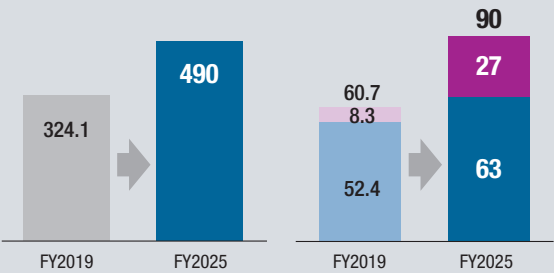
The figures in our fiscal 2022 earnings plan*⁵ are based on the state of COVID-19 in Japan and overseas.

In China, a variant strain began spreading throughout the country in January resulting in continued harsh conditions, including city lockdowns through the end of May. However, the Chinese government is expected to launch a large-scale economic recovery program, and we anticipate the economy to return to a growth track beginning in the second half of the year.

Vision for 2025

Operating Revenue
¥490 billion

Operating Income
¥90 billion



Operating Margin of Japan and Overseas

| | FY2019 | FY2025 |
|----------|--------|--------|
| Japan | 86.3% | 70.0% |
| Overseas | 13.7% | 30.0% |

*⁵ Operating Income ¥404 billion, Operating Income ¥55.5 billion, Ordinary income ¥45.5 billion, Net income attributable to owners of parent ¥23 billion

The spread of variants of COVID-19 continues in Vietnam and other ASEAN countries. However, sales are recovering in Vietnam, where consumer confidence is strong, thanks to the government's shift in direction toward a with-COVID-19 policy and an emphasis on economic activities.

And while the spread of infections in Japan is likely to continue for the time being, we expect the economy to recover moderately due to lower risks on infection based on vaccine-based immunity and behavioral changes, as well as the government's economic recovery policy. Together with our own sales measures, we expect the economy to return to fiscal 2019 levels.

Forming a Medium-Term Management Plan Looking Ahead to 2030

Our medium-term plan beginning in fiscal 2023 will be the last plan leading toward our long-term vision ending in fiscal 2025. We intend to prepare steadily toward creating an ideal AEON MALL in 2025, building a solid foundation upon which to pass the baton to a post-2025 medium-term plan. Continuing as before by focusing on short-term figures will not produce the results we seek. If we provide value sufficient to earn the support and appreciation of our customers, then the numbers will follow in turn.

Gone are the days when simply opening a large mall in the suburbs is enough to provide great value to customers. How do we provide new value unique to brick-and-mortar malls while ensuring the safety and security of our customers? We must anticipate changes in customer lifestyles, consider the new experiential value to be gained beyond purchasing behavior, and respond with a sense of urgency.

This is also true for opening malls overseas. Rather than simply building numerous shopping centers as we have in the past, we must consider the value we provide as a foreign company. What types of infrastructure are necessary for each country or region? How do we create deep roots and become accepted members of local communities? The answers will lead ultimately to an increase in the number of overseas mall openings and profit growth.

We view Vietnam^{*6} as our most important area for development. When I served as a representative of our local subsidiary in Vietnam, I learned about the needs, culture, and climate of each area. We provided solutions that included employment opportunities and contributions to community development. As a result, our malls have become important sources of value, and we received an invitation to open malls in other areas.

In this way, we must look ahead, even in uncertain times, anticipating trends in the world and planting seeds that will bloom in the year 2030. I want the next generation who will lead the way in 2030 to give shape to their vision of an ideal AEON MALL. New generations have difficulty in taking ownership of and implementing plans created by and from the perspective of the current generation of management. This is why I hope our employees not only do their assigned jobs, but also think about the *why* of their work, taking greater

^{*6} Since opening the first AEON MALL in 2014, the company has contributed to the economic development of the region in collaboration with local governments. Six malls are under current operation. We plan to have 16 malls in operation by FY2025 toward an eventual 20-mall network in the country.



Hanoi City, Socialist Republic of Viet Nam
Dai Ki, Hoang Mai District
We plan to open the first overseas Office
BIZrium at AEON MALL Hoang Mai.

*7 Started in July 2021. A working group to envision the ideal AEON MALL in the year 2030, and to reform our internal mindset through actions toward this vision.

→ See P.22

responsibility. Mindset reform within each individual will lead to the growth of the entire organization, and allow us to provide even greater value to our customers.

We launched studio LIFE DESIGN*7 last year with the aim of mindset reform within the company. This project is a working group consisting mainly of young employees who are thinking about the future ideal of AEON MALL. We asked this group to envision society in the years 2040 and 2050, backcasting to how AEON MALL will become a deeply rooted member of our communities in the year 2030.

Embodying the AEON MALL Philosophy of Heartful and Sustainable

Beyond sustainable growth and improved corporate value, I believe stakeholders want to see the future we aim to achieve for AEON MALL as a company. I am strongly committed to the brand statement, *Heartful and Sustainable*. The concept of Heartful and Sustainable is the very essence of AEON MALL corporate activities that contribute to the development and revitalization of local communities and society. In this pursuit, we act as a corporate citizen toward sustainable societies based on our management philosophy of being a Life Design Developer. Heartful and Sustainable is a term that embodies the philosophy and actions on which AEON MALL has focused since before the words ESG or SDGs were even known. Instead of creating initiatives for the SDGs, we consider how the things we already do in pursuit of our philosophy fit within the 17 goals of the SDGs.

Most recently, we have been working on the local production for local consumption of electricity, efforts to reduce food waste, and clothing recycling through our Happy Clothes Relay! program. In these ways and others, we seek to create circular economies.



We call our initiatives to contribute to and revitalize communities and society, Heartful and Sustainable. We pursue these initiatives to offer sustainable societal development as a good corporate citizen under our management philosophy as a Life Design Developer. We strive to create a better society, not only on our own, but also in partnership with our customers, communities, companies, shareholders, and investors.

Among the social issues AEON MALL must address are those of particular importance to our stakeholders and those closely related to our Heartful and Sustainable corporate activities. These issues, including global climate change and plastic waste, were selected as materialities*8, and we move forward focusing on solutions and improvements. Beginning last year, we established clear KPIs for materialities, and we have all been working together to achieve these goals.

Last fiscal year, we also took steps to enhance the functions of the board of directors and increased the number of independent outside directors to bolster our governance structure*9.

*8 Materiality

→ See P.49

*9 Governance structures

→ See P.77



We believe the next step is to focus on global governance and improve risk management in anticipation of overseas business expansion. We must also concentrate on the mindset of our employees regarding governance.

Working with Stakeholders Through a Cycle of Empathy

We believe our business is built on a cycle of empathy. Employees empathize with each other to create new ideas, which are then shared among partner specialty store companies and become a tangible part of our malls. The malls share these ideas with customers, who in turn share them with each other. This in turn leads to empathy within the local community, which eventually leads back to our partners and employees. As this cycle expands, we become a presence rooted in each of our communities.

We are a platform for creating a stage together with the support of our partners. We can only co-create value when we foster empathy with local communities. We are convinced that this cycle of empathy is what we stand for as a *Life Design Developer* that creates the future of community living.

We hope to expand the cycle of empathy with all stakeholders and develop our business further. We look forward to your continued support.

Special
Feature

Project for Thinking About the Future of AEON MALL

Our young employees who will lead the next generation use backcasting to envision development paths, formulate visions, and take action, creating a catalyst for change.

In-House Project: studio LIFE DESIGN



studio LIFE DESIGN is a project to express the direction that we should take through actions based on a future ideal of our company that imagines the future of consumers, our customers, and society. The project members, primarily young employees selected from internal open recruitment, look ahead to 2040 and 2050, using free-form backcasting to consider the kind of presence and role of AEON MALL in the year 2030 as a member of our local communities and societies.

These discussions are also visualized in diagrams and illustrations and disclosed internally in a timely manner to increase transparency, fostering a sense of participation in creating our future among non-project member employees as well.

studio LIFE DESIGN's Mission

Our Desired Business: A Life Design Developer that Creates the Future of Community Living

Provide solutions to regional and social issues, establishing a position through social infrastructure functions to be a central facility for the local community

The corporate culture required to achieve this vision (Organizational state)

A company structure with the ability to provide solutions to local communities and society through sustainable businesses (generating profit), rather than social contribution activities

studio LIFE DESIGN

AEON MALL engages in discussion, transcending departments, titles, seniority, and age (free thought without rules), about what kind of presence we want and should have for society, and takes action symbolizing this

Comments from Project Members

Witnessing the reality of the declining number of new properties in Japan has given me an opportunity to reconsider the future of our company. I would like to make the most of this opportunity.
A Development Division member

I would like members from a variety of different departments with different perspectives to take the lead in driving action and communicating their approach and results internally, which will serve as action hints for many employees.
A CX Creation Division member

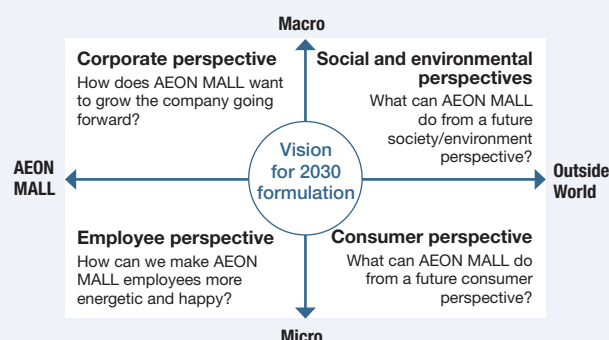


PHASE 1

Vision Formulation (July 2021 to February 2022)

We envision the future from the perspective of the society and our own company, and verbalize our Ideal Vision for AEON MALL.

Looking to the formulation of our Vision for 2030, we summarized perspectives from perspectives of the social environment and the consumer, envisioning what life will be like for consumers in the year 2030. We imagined the changes in values and lifestyles, as well as the value we want to deliver as a company. We also discussed how we want to grow and what we want to be from both corporate and employee perspectives. By synthesizing and analyzing the results of these discussions, we were able to put the society we want to achieve and the value we provide in 2030 into words, and derived our aim to evolve into a regional co-creator.



PHASE 2

Study Actions, Implementation Preparation (March 2022 to August, 2022)

Considering actions to realize the Vision for 2030

With the direction of the Vision for 2030 in mind, we freely brainstorm ideas for action, and multifaceted proposals are shared among members. Ideas feasible for project promotion are discussed, prioritized, and refined, prepared and planned for execution, and finally discussed with management.

1. Extraction and prioritization of action ideas

Idea sharing and feedback

Presenting/finalizing ideas

2. Refinement and preparation for execution of action ideas

Refinement and preparation for execution

Presentation of business plans

PHASE 3

Action Execution (September 2022-)

Expressing the company's required direction and showing the company taking actions to internal stakeholders

In executing actions, we emphasize internal communication to foster a corporate culture of internal change and challenge. Through the three actions listed to the right, we aim to spread studio LIFE DESIGN behavior throughout AEON MALL.

- Project members take the initiative to create pioneering best practices and lead by example
- Giving a supportive push to employees who want to work together and take action
- Communicating action details to provide new insight and inspiration



Overview and Progress of the Three-Year Medium-Term Plan

We will steadily implement our business strategy to achieve our Vision for 2025 by pursuing objectives such as building a portfolio consisting of multiple businesses and capturing growing markets overseas.

| | | 2014 Medium-Term Management Plan FY2014-FY2016 | | | 2017 Medium-Term Management Plan FY2017-FY2019 | | |
|---|---|---|-------|-------|---|-------|-------|
| Growth Policies | | Accelerate store openings in Japan and overseas in preparation for a growth takeoff <ol style="list-style-type: none"> 1. Expansion of new business bases in Japan 2. Improve profitability 3. Establish business foundations in China and the ASEAN region 4. Omni-channel support 5. Ensure financial discipline | | | Generating profit and setting a path for stable growth in our overseas businesses <ol style="list-style-type: none"> 1. Capture Asian growth opportunities 2. Develop latent sources of domestic demand 3. Become the overwhelmingly dominant mall in each region 4. Capture urban growth opportunities 5. Build a financing mix and organizational structure supporting growth | | |
| Quantitative Goals | | 2014-2016 Three-Year Medium-Term Plan | | | 2017-2019 Three-Year Medium-Term Plan | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Consolidated Results | Operating Revenue (¥100 million) | 2,039 | 2,297 | 2,697 | 2,881 | 3,129 | 3,241 |
| | Operating Income (¥100 million) | 418 | 438 | 449 | 492 | 529 | 607 |
| Operating Income by Market Segment | Domestic Mall Business (¥100 million) | 463 | 493 | 475 | 497 | 527 | 526 |
| | Urban Shopping Center Business (¥100 million) | — | — | 12 | 3 | △ 3 | △ 2 |
| | Overseas Business (¥100 million) | △ 44 | △ 54 | △ 37 | △ 8 | 5 | 83 |
| Target Performance Indicators | EPS Growth Rate (%) *1 *2 | — | — | — | — | — | — |
| | Net Interest-Bearing Debt/EBITDA (times) *1 | — | — | — | — | — | — |
| | ROIC (%) | 4.9 | 4.5 | 4.4 | 4.6 | 4.4 | 4.3 |
| *1 Adopted as a target performance indicator from FY2020. *2 Annual growth rate from FY2019. | | | | | | | |
| Results | | <ul style="list-style-type: none"> • We have opened a total of 31 malls, 15 in Japan and 16 overseas • In Japan, we opened new malls based on new concepts, such as those that support consumer spending and locations in front of stations • Overseas, we promoted the expansion of new store openings and the search for properties in China and ASEAN, which will become our new growth drivers | | | <ul style="list-style-type: none"> • We have opened a total of 21 malls, 10 in Japan and 11 overseas • The number of overseas malls opened exceeded that of domestic malls. The shift overseas is in full swing and we achieved profitability overseas in FY2018 • In Japan, we promoted the expansion and renovation of existing malls to strengthen their profitability (8 malls), and the consolidated profit growth in three years was 10.6% on average per year, getting back on the path to growth | | |
| Issues | | <ul style="list-style-type: none"> • Overseas, net loss increased (¥5.4 billion in FY2015) due to the expansion of new store openings • In Japan, the investment efficiency of new malls decreased due to soaring construction unit prices • As a result, profit growth for three years slowed to an average of 2.1% per year, and both operating margins and asset efficiency declined | | | <ul style="list-style-type: none"> • Performance was sluggish due to the lack of progress in reforming OPA's business model in the urban business • Overseas business operating margins and asset efficiency improved | | |

2020 Medium-Term Management Plan

FY2020-FY2022

Strengthening our business portfolio, which is centered around overseas profit growth

1. Achieve high profit growth overseas
2. Achieve stable growth in Japan
3. Build a financing mix and governance structures supporting growth
4. Pursue ESG-based management

2020-2022 Three-Year Medium-Term Plan

| 2020 | 2021 | 2022 (Initial target) | 2022 (Revised target) |
|-----------------|--------|-----------------------|-----------------------|
| 2,806 | 3,168 | 3,600 | 4,040 ^{*4} |
| 343 | 382 | 680 | 555 |
| 318 | 334 | 527 | 470 |
| △ 12 | △ 15 | 8 | △ 15 |
| 37 | 62 | 145 | 100 |
| — ^{*3} | △ 25.0 | 5.0 | △ 12.4 |
| 6.2 | 6.6 | Within 5.0 | 6.1 |
| 2.2 | 2.4 | At least 4.0% | 3.2 |

^{*3} Not calculated due to net loss per share.

^{*4} The "Accounting Standard for Revenue Recognition" (Corporate Accounting Standards, No. 29) will be applied starting in FY2022.

Vision for 2025

1. Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation
2. Put AEON MALL in the same class as the top global commercial developers, aiming for consolidated operating income of ¥90 billion
3. Conduct floor space expansions and renovations in Japan to become the dominant mall in each area
4. Secure growth markets overseas, expand overseas business to 50 malls, and record operating income of ¥27 billion (25% profit margin)

2025 Quantitative Goals

4,900

900

618

12

270

At least 7%

Within 4.5

At least 5.0%

Progress of the 2020 Medium-Term Management Plan

- Income growth was sluggish during the two years of the COVID-19 pandemic, and income targets were revised
- 5 malls were opened in Japan, and 4 were opened overseas
- Despite severe results in terms of business performance, we have made progress in laying the groundwork for new measures that will lead to future growth

Management issues on the way to achieving growth measures

- | | | |
|---|--|-----|
| 1 | Achieve profit growth and accelerate new mall openings in our overseas business | P25 |
| 2 | Maximize the appeal of brick-and-mortar malls through the customer experience (CX) | P27 |
| 3 | Build next-generation malls and pursue the urban shopping center business | P29 |
| 4 | Pursue DX (Digital Transformation) | P31 |
| 5 | Pursue medium- to long-term strategies, accelerate reforms based on ESG perspectives | P35 |

1 Achieve Profit Growth and Accelerate New Mall Openings in Our Overseas Business

Our overseas business is the pillar of our growth strategy. Here, we aim to create a 52-mall overseas network by accelerating new mall openings while continuing to increase the value of existing malls that are entering the profit growth stage. We will accelerate the opening of new malls in fiscal 2023 and beyond by securing new properties in our priority areas of inland China and Vietnam.

FY2021 Results

Opened Two Malls and Conducted Multiple Mall Renovations Amid the Ongoing Pandemic

COVID-19 infections remained uncontained during the fiscal year, although differences were evident among various countries and regions. Amid the pandemic, certain malls were forced to shorten operating hours or close temporarily. Meanwhile, we opened a fourth mall in Guangdong Province, China, AEON MALL Guangzhou Xinjiang (Guangzhou City) in May. We opened certain sections of our fourth mall in Indonesia, AEON MALL Tanjung Barat (South Jakarta) in November, holding the grand opening in May 2022. We will



AEON MALL Guangzhou Xinjiang



AEON MALL Tanjung Barat

continue to evolve our existing malls through renovations and localization programs, developing specialty stores and facilities that meet the lifestyles of our customers. At the same time, we will engage in initiatives that highlight the attractiveness of our local communities. We evolved in both physical and intangible aspects, renovating one mall in Indonesia and seven malls in China.

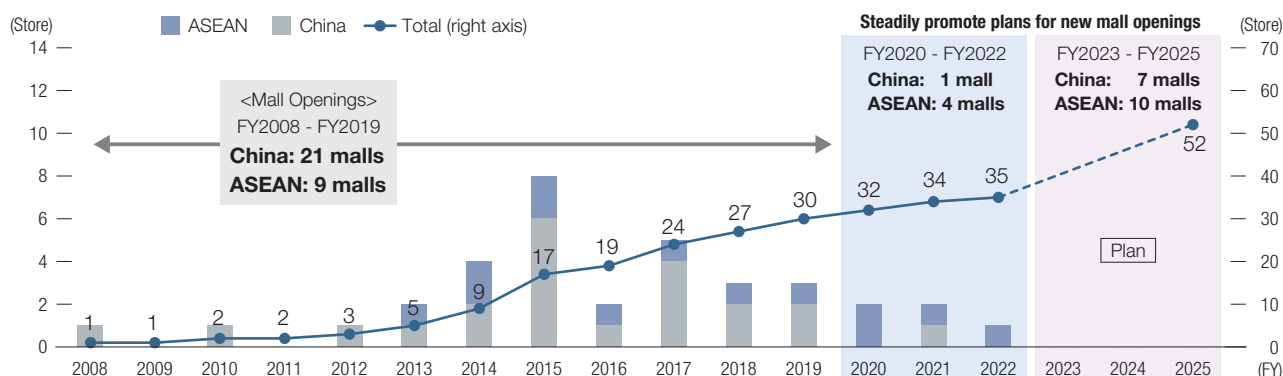
Future Plans

Aiming for a 52-Mall Network Overseas by Fiscal 2025

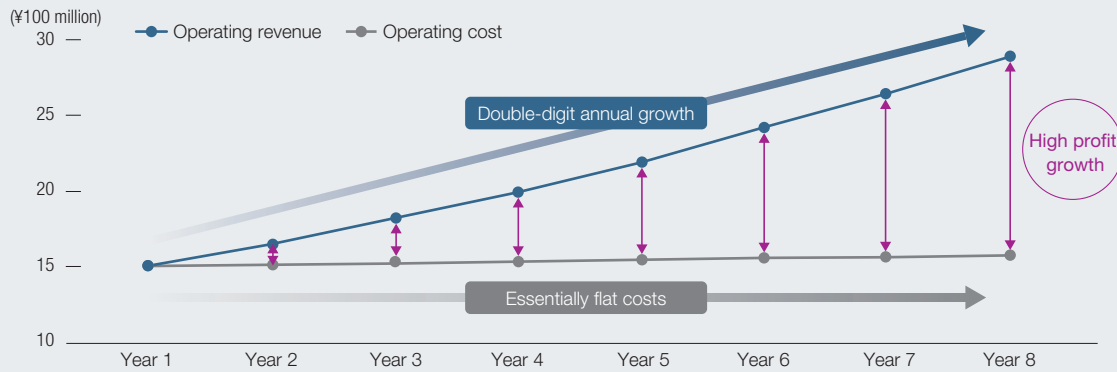
We will continue to open new malls at a steady pace over the next three-year period between fiscal 2023 and fiscal 2025, aiming to create a 52-mall network by the end of fiscal 2025. We view Vietnam as our top priority, and we plan to enter a

phase of accelerating mall openings by investing management resources to the country in a clear manner. We also plan to open seven malls in China, mainly in inland areas with high economic growth potential.

Changes in Number of New Malls Opened Overseas



Profit Growth Model



- Costs remain essentially fixed over time, as the majority of operating costs are real estate costs.
- Grow operating revenue through commission rental income tied to store sales growth.
- Activation measures for tenants reaching the end of a three-year lease lead to projected profit growth; stores forecast to reach same profitability levels as tenants in Japan beginning in year seven or eight.

CHINA

Expand Site Selection Areas, Mainly in Inland Areas where Market Growth is High

We pursue area-dominant mall openings in four areas of China: (1) Beijing, Tianjin, Hebei, and Shandong, (2) Jiangsu and Zhejiang, (3) Hubei, and (4) Guangdong. We currently operate 22 malls in China. To reach 29 malls by 2025, we will continue to secure potential sites, focusing particularly on Hunan Province and other inland areas with remarkable economic development. We will also revitalize existing malls on an aggressive schedule, including floor space expansions and renovations. In this way, we plan to upgrade the freshness of the malls and enhance mall profitability.



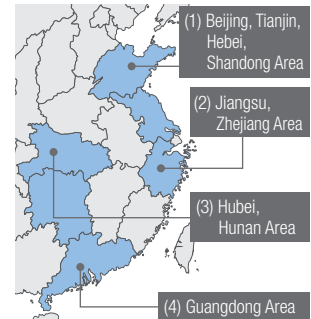
AEON MALL Wuhan Jiangxia
(tentative name) (Hubei Province)
Scheduled to open in 2023



AEON MALL Changsha Tiantang
(tentative name) (Hunan Province)
Scheduled to open in 2024



AEON MALL Hangzhou Qiantang
New Area (Zhejiang Province)
Scheduled to open in 2024

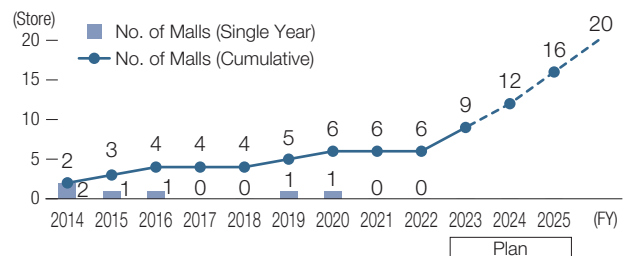


ASEAN

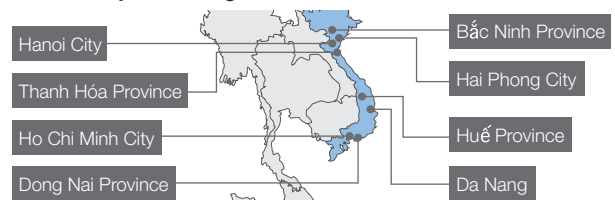
Treating Vietnam as a Top Priority Area, Aiming to Have 20 Malls in Operation

We see Vietnam as one of the most promising markets in ASEAN over the medium to long term, and we are treating this market as our No. 1 priority in the region. Since opening our first mall in 2014, we have contributed to the economic development of the country by opening malls in cooperation with local governments. We are receiving an increasing number of invitations from local governments, the process of securing land for properties in the northern, central, and southern regions of the country moves forward in support with the goal of opening 16 malls in Vietnam by the year 2025. To solve regional and social issues in ASEAN countries, we strive to develop new businesses that go beyond the framework of retail, utilizing our accumulative of expertise.

Vietnam Mall Opening Plan



Mutual Cooperation Agreements with Local Governments



2 Maximize the Appeal of Brick-and-Mortar Malls Through the Customer Experience (CX)

Amid the dramatic changes in customer purchasing behavior following the COVID-19 crisis, we are focusing on creating “value that can only be felt and experienced through a visit” by leveraging the strengths of a physical store. We are working to increase the number of mall enthusiasts on various fronts, developing spaces that appeal to the five senses, in which people can relax and the community can interact.

Convenience

Digitally Create New Value for Our Customers Both Before and During Their Visits to Our Malls

By utilizing digital technology, AEON MALL aims to create new value in all aspects of our customers' lives, both before and during their visits to our malls.

Creating customer contacts through the use of apps



We developed the AEON MALL app with the goal of enhancing the customer shopping experience. The app had been downloaded a total of around 7.5 million times (as of the end of February 2022). We aim to strengthen our connection with customers and increase the frequency of their visits by providing up-to-date information that is relevant to each customer segment.

Encouraging the use of food delivery services



We have reserved parking spaces at our malls that are used exclusively by food delivery services

We formed a partnership with Demae-can and Uber Eats that will create contact points between malls and customers and raise public awareness by increasing the number of sales channels for restaurants.

Comfort

Sharing and Co-Creating New Value That is Unique to AEON MALL, which Strives to Create Comfortable Malls in which People Enjoy Spending Longer Periods of Time

Creating spaces that people want to visit, and in which they can use all five senses to experience the interaction between people, time, and space

By creating welcoming spaces in which customers can relax and enjoy spending time, we will provide value that can only be derived from a brick-and-mortar mall. We hope to create a comfortable environment that appeals to the five senses through a design that incorporates elements of nature, scent and sound.

Promoting the creation of facility environments that will become a place of relaxation for our customers

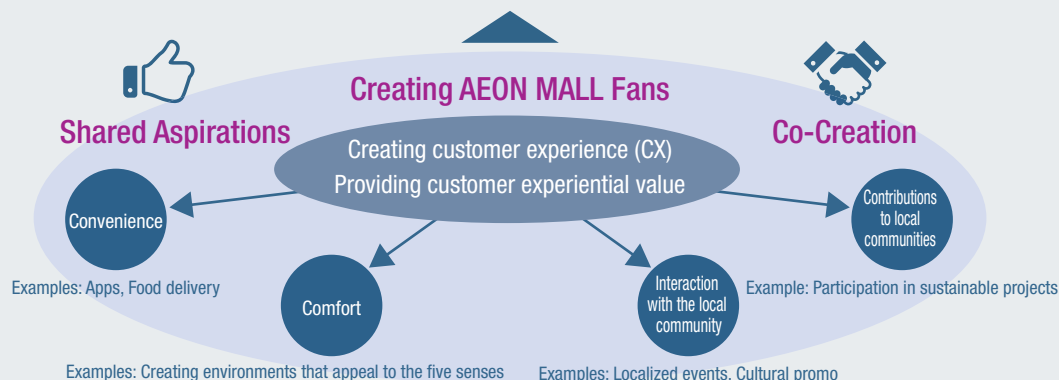


Co-existing with the natural environment, creating a place for relaxation, and providing an open, comfortable atmosphere

Pursuing the Value of the Customer Experience

Create Spaces in which Customers can Gather, Increase the Number of Devoted AEON MALL “Fans”

Attract more customers, increase the frequency of visits, and capture market share in the market area



Promote initiatives to create customer experiences from a variety of perspectives in order to provide our customers with experiential value

Interaction with local communities**Becoming a Center for Local Communities Through Ongoing Interactions**

We position our malls to be places where the local community can interact, and through events, places where we can offer our customers a variety of experiences through which they can make new discoveries and gain a new appreciation for the local attractions whenever they visit our malls.

National calligraphy performance competition sponsor

We sponsored the final of the 1st National High School Calligraphy Performance Grand Prix Final at AEON MALL Makuhari Shintoshin in January 2022. Creating spaces for expression to share excitement, nurture the future, and inspire dreams.

Hosting official table tennis T-League matches

In December 2021, AEON MALL Okayama hosted an official table tennis T-League match. This marked the first time this type of event was held at a commercial facility in Japan and it helped support not only the local Okayama Rivets team, but also promoted sports in general.

Contributions to local communities**Contributing to Local Communities Through Sustainable Activities at Each of Our Malls**

Each of our malls aims to become a member of the local community through sustainable activities. To help create a sustainable society, each mall will formulate and implement initiatives aimed at solving local and societal issues from an ESG perspective.

Implementation of the Happy Clothes Relay! World clothing drive

By leveraging our business expansion in Japan and overseas, we are implementing the Happy Clothes Relay! World, an initiative through which we distribute clothing we collect in Japan to local children in Cambodia. We will conduct clothing drives at seven malls in Japan (Reduce), and donate the clothes to children living on the outskirts of Phnom Penh in Cambodia (Reuse).

3 Build Next-Generation Malls and Pursue the Urban Shopping Center Business

We pursue the development of next-generation malls, offering new value by diversifying development models based on location characteristics and regional issues. We engage in business portfolio reform by proposing new lifestyles and by solving regional issues through initiatives for regional innovative outlets and urban shopping centers.



Hiratsuka Project Image Pass (tentative name), scheduled to open in spring 2023

Office Complex Development

An Office Complex Answering Needs of the Next Generation

AEON MALL Nagoya Noritake Garden (Aichi Prefecture) opened in October 2021. This is the first of our malls in a business format that integrates commercial facility development with offices that support the growth of workers and companies. The neighboring BIZrium Nagoya, which is the first-ever AEON MALL office building, connects work and life seamlessly, offering more relaxed lifestyles and flexible work styles. Located in the heart of the city, yet blessed with abundant greenery, this complex provides space in which people can be themselves, spending time in a natural way, embodying the concept, *to be a place for nature and to be natural*.



BIZrium Nagoya



AEON MALL Nagoya Noritake Garden



Precertification of Well Building Standards Obtained in December 2020

Planning a Next-Generation Multi-Use Commercial Facility to Solve Social Issues

The Hachioji Interchange North (Tokyo; tentative name), scheduled to open in fiscal 2025, will feature a Customer Fulfillment Center (CFC)*¹ developed by AEON Next Co., Ltd.*² in cooperation with the Ocado group of the U.K. By developing new lifestyle facilities that integrate online and offline, the CFC will provide convenience to people living in the community. Through these plans, we intend to create a next-generation multi-use commercial facility that will continue to contribute solutions to local social issues, including the aging population, labor shortages, shopping refugees, childcare support, and disaster-response measures.

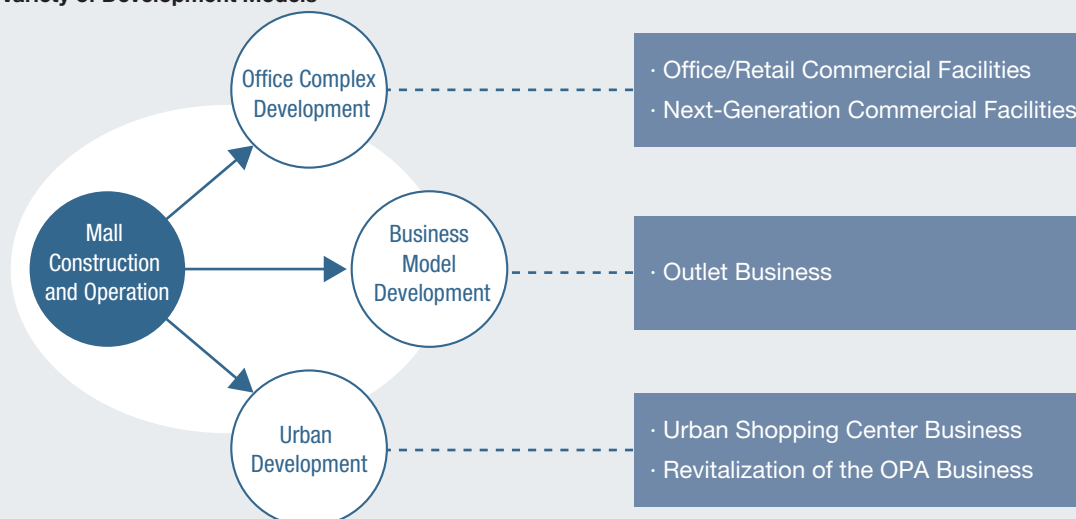


Hachioji Interchange North (tentative name), exterior concept

*¹ Customer Fulfillment Center (CFC): A state-of-the-art facility that uses the latest AI and robot technologies to perform a series of processes, from receiving product orders to placing orders for products.

*² AEON Next Co., Ltd.: An AEON Group company that aims to build Japan's first CFC equipped with state-of-the-art AI and robotics. The company plans to begin full-scale operations of its online supermarket business in 2023.

A Variety of Development Models



Business Model Development

Contributing to the Revitalization of Local Cultures and Economies Through Community Creation

Apart from our traditional mall model, we are designing our THE OUTLETS model as another approach to retail space for regional revitalization. These facilities serve as a hybrid of full-fledged outlet malls combined with entertainment and spaces for harmony with local communities. And in collaboration with local communities, THE OUTLETS will contribute to economic revitalization, attracting customers from a wide area who see the appeal of culture and lifestyle rooted in the local community.

In April 2022, we opened the second THE OUTLETS facility, THE OUTLETS KITAKYUSHU. In addition to an outlet shopping experience, the facility is working with local companies to secure a position as a community learning center, highlighting local culture and attractions to become a focus of tourism from inside and outside Japan.



Urban Development

Revitalization Business Enhances the Attractiveness of Urban Areas, Creating New Value

AEON MALL creates new value for shopping centers in the with-COVID-19 era by enhancing the attractiveness and value of urban areas, improving the convenience of daily life. Specifically, we pursue a revitalization business in which we

purchase properties owned by third parties and redevelop them. The OPA business is engaged in reform to restructure its urban SC business, pursuing the revitalization of existing stores. In 2021, OPA renovated the Kanazawa FORUS facility.

Utilize Group-Owned Properties

Jiyugaoka 2-Chome Plan (tentative name), scheduled to open in Fall 2023



AEON MALL Yokohama Nishiguchi (tentative name), scheduled to open in Fall 2023



OPA Business Restructuring

AEON MALL reorganized its urban shopping center business through an absorption-type merger of its subsidiary OPA. At the same time, among the 21 domestic facilities operated by OPA, eight urban facilities centered on terminal locations were split and transferred to a new company (OPA Co., Ltd.).

OPA Co., Ltd. 8 facilities (terminal locations)

- Specialize in the management and operations of urban facilities, mainly located in transportation terminals
- Create new value by focusing management resources



AEON MALL Co., Ltd. OPA 13 facilities (daily needs)

- Transform OPA facilities to meet the daily needs of the community by leveraging tenant leasing capabilities
- Each area business unit will implement its own sales structure
- Improve profitability and efficiency through the measures above

4 Pursue DX (Digital Transformation)

Our vision for digital transformation (DX) is to achieve DX centered on individual sensibilities. In our pursuit, we will assign dedicated departments under which we will continue to develop businesses that create new value according to the life stages of our customers, create new business models via co-creation with local communities and partners using digital technology and data, and establish operating systems for the next generation. Through associated mindset reform, we will link DX with the next stage of growth.



DX Promotion Overview

Reaching Beyond the Commercial Facility Framework to Provide Lifestyle Solutions Through Digital Technologies

We defined a number of steps reflecting a medium- to long-term perspective to achieve the Ideal Vision for AEON MALL through digital transformation. Next Service for customers will be Phase 1 of this project. Next Solution for specialty store businesses and Next Business for local communities will

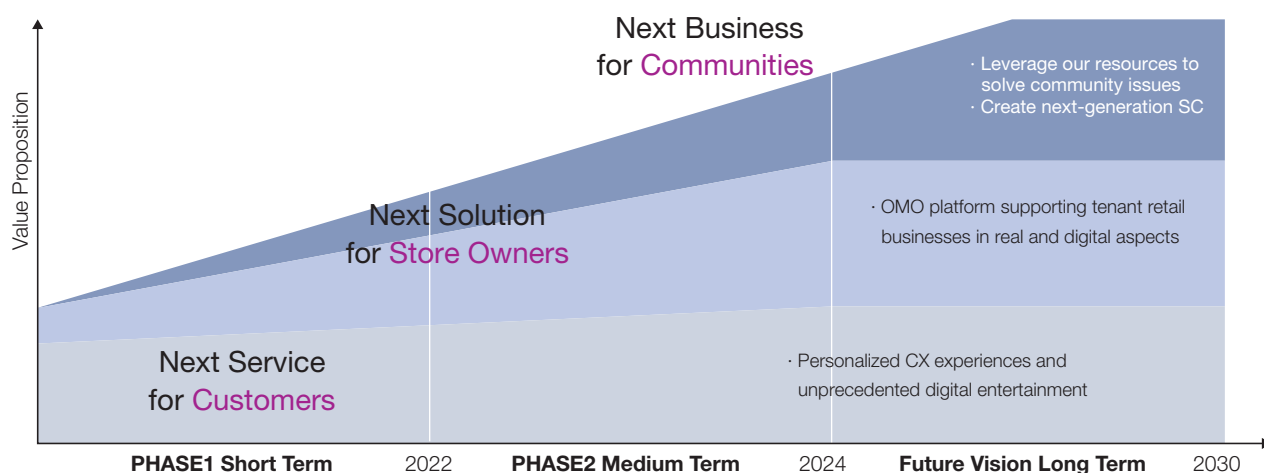
represent Phase 2. Our goal is to not stop at selling products and services, but to also provide new value that solves regional issues, utilizing big data and technology, while working together with co-creation partners.

Develop the “NEXT VALUE”

We will design the future of community living and continue to deliver new value.

We will create new services, new relationships, and new ways of doing business by combining brick-and-mortar malls with DX.

Three Perspectives and Steps to DX Promotion



Foundation

- Review business platforms, systems configuration, and business processes independent of work styles or locations
- Address IT security and IT governance
- Expand our digital organization, recruit and develop DX human resources

Our DX Vision Achieve People-Centered Digital Transformation (DX)

| | | |
|--------------------------------|--|--|
| Goals (KGI) | Customer Interactions | Improve customer convenience and satisfaction by combining the knowledge gained from real assets at approximately 200 facilities in Japan and overseas with digital technologies to propose new, personalized value attuned to customer life stages and interests. |
| | Cooperation with Local Communities and External Entities | Create new business domains and serve as a platform for solutions to regional issues by co-creating with communities and external partners through data collaboration and the use of digital technologies. |
| | Support for Tenants | Use the latest in digital equipment and big data to reduce the workload (work hours) in connection with store operations. Provide management support and create new business opportunities that contribute to the sales of tenant companies. |
| | Strengthen Our Own Company | Pursue operational efficiencies through digital technologies and a review of IT infrastructure. Create an environment in which we can focus on creating new added value based on mindset reform and the development of DX-fluent human resources. |
| Action Indicators (Major KPIs) | Customer Interactions | <ul style="list-style-type: none"> • AEON MALL App Number of downloads, active use rate, number of coupons used • Live Shopping Number of malls offering live shopping, live shopping sales • Food Delivery Number of participating specialty stores, food delivery sales |
| | Support for Tenants | AEON MALL WORKS Number of locations, tenant ES, reduction in paper-based applications |

Goals at Each Step

Become an Entity that Delivers New Value to Solve Community Issues

| | | |
|-----------------------------------|---|---|
| PHASE 1 Short Term -FY2022 | <ul style="list-style-type: none"> · Develop infrastructure for customer behavior data analysis · Support specialty store businesses | <ul style="list-style-type: none"> · Establish OMO platform · Develop new digital entertainment |
| PHASE 2 Medium Term -FY2024 | <ul style="list-style-type: none"> · Create personalized customer experiences (CX) based on collected data · Create a new revenue model that leverages data resources | |
| Our Ideal Future Long Term | <ul style="list-style-type: none"> · AEON MALL will not stop at selling products and services, but will become an entity that provides new value that solves regional issues, utilizing big data and technology, while working together with co-creation partners. | |

TOPICS 1

AEON MALL Co-Creation Program for a New Future of Living

The AEON MALL Co-Creation Program is designed to create innovative businesses and services in collaboration with a variety of companies. With a view to the challenges of local communities and major changes in the consumption environment, this program invites start-up companies to join us in creating businesses together for a new future of living through the combination of our management resources with external technologies and networks. From the 123 applications received, we conducted repeated cycles of screening and deliberations, selecting three companies we believe have the highest business potential and synergies with AEON MALL. We will work with these companies to prepare for proof-of-concept tests and examine the impact of these new businesses.

*See P.33 to P.34 for more.

TOPICS 2

DX Certified Business Operator Certification

In January 2022, we obtained certification as a DX Certified Business Operator under the DX Certification System established by the Ministry of Economy, Trade and Industry. The DX Certification System is based on the Act on Facilitation of Information Processing and aims to promote DX throughout Japan by having the government certify companies demonstrating excellent management and systems governance.



Special
Feature

AEON MALL Co-Creation Program

Transforming the Community, Building the Future

AEON MALL, in collaboration with a diverse range of companies, has implemented the AEON MALL Co-Creation Program with the aim of creating innovative businesses and services. Representatives from two of the three companies selected to participate in the program, Mr. Satoshi Sakai, Representative Director of NEWROPE Co., Ltd. and Mr. Kunehito Nakahara, Representative Director of souco Inc., spoke to us about their enthusiasm for future co-creation with our company.



Further Added Value Through AI
Analysis of Information Gathered from
Physical Stores

Satoshi Sakai
NEWROPE Co. Ltd.
Representative Director

Can you give us an overview of NEWROPE Co., Ltd., as well as some of its defining characteristics?

Since its founding in 2014, NEWROPE has been developing its business in the fields of fashion and technology. I started the company with an eye towards creating a business that fused IT and design, both of which I had been interested in since my student days. We are currently striving to provide a recommendation service that uses fashion-focused AI to analyze trends, and improve the EC user experience.

Please tell us about your vision for the future.

In the future, I believe that by gaining an understanding of not only fashion, but also consumer hobbies, interests, and lifestyles, we will be able to expand our coverage to interior design, cosmetics, and dining & entertainment.

I also believe that we can reduce the burden on the environment as we solve issues in the fashion industry and revitalize it by delivering the right product to the right customer, optimizing inventory, and reducing the amount of unsold merchandise.

Our goal is to foster a thriving fashion industry that leads to forward-thinking investment in our next creation and creates a virtuous cycle with consumers.

Please tell us about what you hope to accomplish by being selected for the Co-Creation Program.

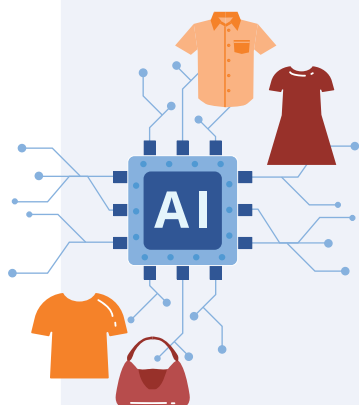
Up until now, we have accumulated a huge amount of data from things like SNS and EC, but going forward, we'll be able to add real customer information that AEON MALL collects from actual retail sites all over Japan.

We hope to be able to build a highly original and more nuanced trend database by supplementing information regarding diverse trends in each region across a wider range of age groups. It would be difficult for us to obtain that kind of information on our own.

We hope that AEON MALL tenants will utilize this database and that this will lead to better product lineups and more enjoyable shopping experiences.

How do you plan to use your company's strengths in the Co-Creation Program?

Our strengths are not limited to simple image recognition—we can verbalize that information through more precise analytical accuracy. By carefully analyzing real information that apparel manufacturers did not have access to in the past, we can respond to the diversification of rapidly changing trends, predict what customers across a wide range of age groups in Japan “want,” and create connections between products and customers.



The AEON MALL Co-Creation Program

AEON MALL's philosophy is to design the future of community living that goes beyond shopping by stepping outside the commercial facility framework and implementing initiatives that focus on individual customers as they experience different stages of their lives. Taking into account issues in local communities and major changes in the consumer landscape, and based on the themes of (1) solutions for social and regional issues that leverage AEON MALL resources, (2) creation of next-generation shopping malls, and (3) creation of new business domains, the program recruited start-up companies with whom we could create new businesses. The results went far beyond our expectations, with applications received from 123 companies.

We are now preparing to conduct trials with the three selected companies, and build new businesses while verifying the effectiveness of the program.

Changing the Nature of Logistics with a Local Production-Local Consumption Platform



Can you give us an overview of souco Inc., as well as some of its defining characteristics?

We are a start-up company that has developed a share-type logistics platform on which information about companies with vacant space in logistics facilities and warehouses and shipping companies that need space is aggregated, and transportation can be arranged.

The service was launched in June 2019, consisting of more than 1,500 registered warehouses across Japan (as of June 2022). By utilizing our database of registered warehouses, we offer short-term, small-scale, and convenient services to a degree never seen before.

Please tell us about your vision for the future.

It is commonly thought that there is a shortage of trucks in Japan, but the loading efficiency is actually only 40%. People think that there is a shortage of warehouses, but the reality is that 20% of warehouses are empty. This contradiction is largely due to the centralized structure of logistics in Japan, where so-called logistic hubs are established.

In order to eliminate this unreasonableness, wastefulness, and inconsistency, we need to achieve local production-local consumption logistics, and to create a decentralized logistics network, we believe that systems and platforms need to be standardized, and concepts, such as

optimizing shipping bases according to shipping destinations and types of goods to be shipped, need to be embraced.

Please tell us about what you hope to accomplish by being selected for the Co-Creation Program.

We have built a platform using our database of logistics resources nationwide and have every expectation that by teaming up with AEON MALL, which operates malls nationwide, we hope to be able to transform services that were being provided on an individual basis into services that make use of our network.

How do you plan to use your company's strengths in the Co-Creation Program?

Through the combination of AEON MALL, which operates a retail platform, and souco, which operates a logistics platform, we hope to create a new reality in logistics. In the logistics industry, problems such as soaring costs and labor shortages are becoming apparent, and delivering products on time and at the lowest possible price is a societal issue. The mall business is inextricably connected to logistics and through co-creation with AEON MALL, which has a nationwide network and whose corporate philosophy is "creating a future where we live together with local communities", we expect that we will be able to realize our goal of local production-local consumption logistics.



Kunehito Nakahara
souco Inc.
Representative Director



5 Pursue Medium- to Long-Term Strategies, Accelerate Reforms Based on ESG Perspectives

Amid growing social demands for sustainability, we position ESG clearly in our growth strategy, identifying materialities, and pursuing maximum economic and social value. We accelerate our pursuit of materiality by raising awareness within the company through a strengthened implementation program, as well as a new evaluation and commendation system.

Roadmap Toward ESG

Toward a Stage in Which Every Person Acts Independently, Motivated by Materiality to Solve Community Issues

In 2021, we implemented organizational reforms to create social and economic value through ESG-Based Management and collaborative growth with local communities. We established the ESG Promotion Group as the entity responsible to accelerate company-wide initiatives to achieve materiality KPIs. In addition, we divided the CSR Committee, which functioned to suggest and report on social contribution

and environmental activities, etc., into the ESG Promotion Committee, responsible for CSR and ESG issues, and the ESG Promotion Subcommittee. To strengthen our organizational structure and raise the awareness of every employee, we strive to communicate our materialities throughout the company, including the addition of ESG elements in annual personal goals.

Identify Materialities (2019)

Establish KPIs (2020)

Thinking and Act Independently (2021 -)

Solve Local Issues (2030)

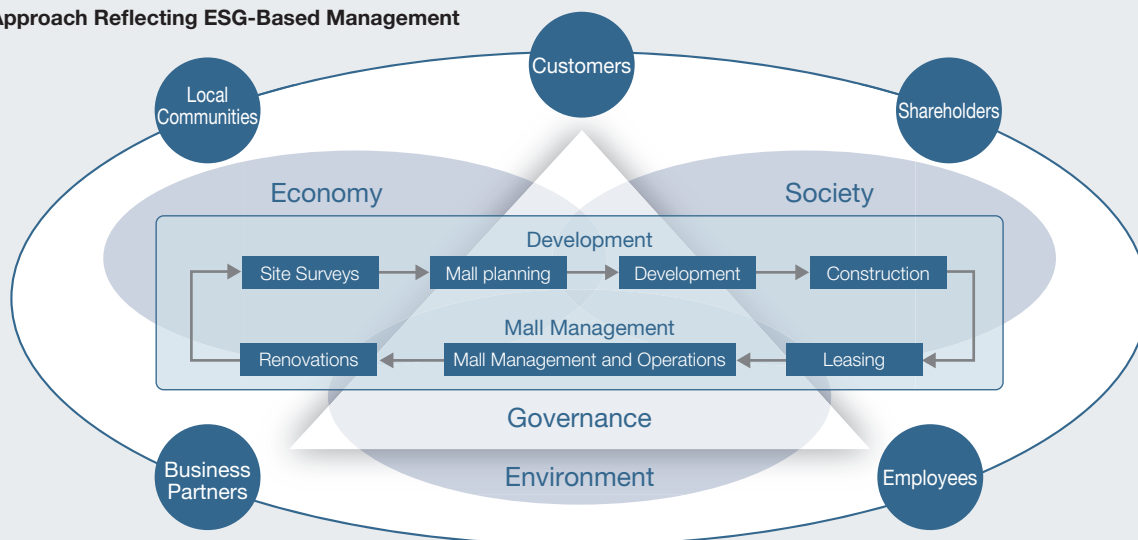
The Ideal Vision for Society (2050)

The Materiality Analysis Process

| | |
|---------------|--|
| Step 1 | Identify Topics We identified relevant social issues by referencing sources including DJSI ^{*1} , FTSE ^{*2} , GRI, generally accepted industry issues, etc. The AEON MALL Group defined 34 topics related to our business in Japan and overseas, reflecting SDGs and issues specific to Japanese society. <small>*1 Sustainability indicators jointly selected by S&P Dow Jones Indices (US) and RobecoSAM (Switzerland). *2 The London-based FTSE calculates and manages stock indices.</small> |
| Step 2 | Importance to Stakeholders We used SASB* and other guidelines, as well as categories used by ESG benchmarking organizations, to assess the importance to stakeholders. <small>* US-based Sustainability Accounting Standards Board</small> |
| Step 3 | Importance to AEON MALL We used our management philosophy and medium-term management plan to evaluate the importance of these topics to AEON MALL. |
| Step 4 | Confirm Relevance Finally, we confirmed the relevance (materiality analysis process and results) of these topics from the standpoint of our outside independent directors and in consideration of the unique AEON MALL business model. We revised group-wide materiality based on these opinions and then confirmed the topics in a meeting of the CSR Council (currently the ESG Promotion Committee). |

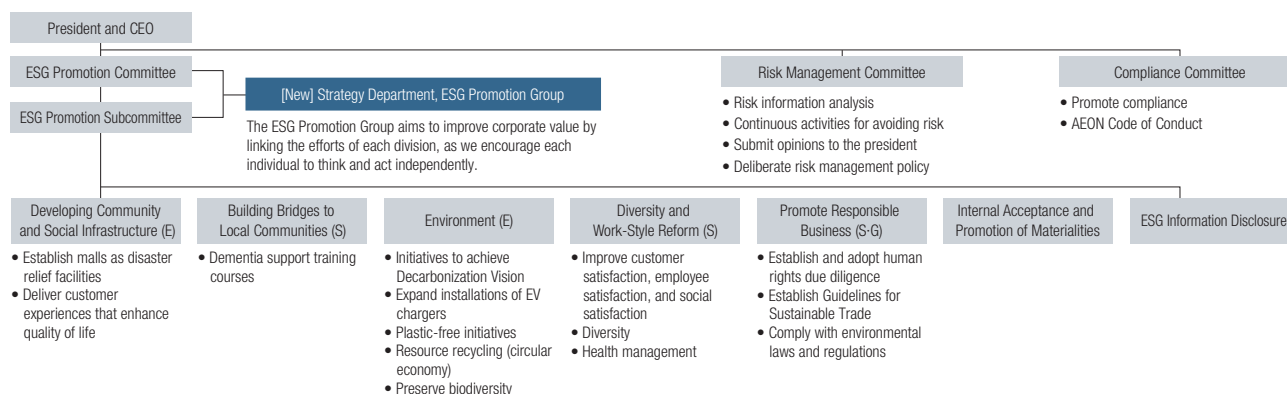
Materialities → P41

| | |
|--|---|
| Developing community and social infrastructure | Developing sustainable and resilient infrastructure |
| | Production and consumption formats |
| Build community relationships | Cultural preservation and inheritance |
| | Low birth rates, aging society |
| Environment | Climate change, global warming |
| | Protecting biodiversity, resources |
| Diversity and workstyle reform | Health and welfare |
| | Diversity, work-styles |
| Promote responsible business | Human rights |
| | Bribery |

Approach Reflecting ESG-Based Management**Strengthen ESG Promotion Structure****Reinforce ESG-Based Management Through Organizational Reform to Accelerate Materiality Initiatives**

The ESG Promotion Committee is a subordinate body of the Management Council. The committee consults with the president in response to his or her inquiries, advising or reporting to the president on related matters. In addition, the ESG Promotion Subcommittee will be established for the

purpose of reviewing and discussing specific measures for policies or reports made by the ESG Promotion Committee. The ESG Promotion Committee will promptly publicize initiatives on ESG issues throughout the company regarding decisions that have been made by the committee.

**Measures to Communicate ESG to Employees****Incorporate ESG Perspectives into Personnel Evaluations and Establish a New Internal Award System to Promote ESG Throughout the Company****Incorporate ESG Perspectives into Personnel Evaluations**

Every employee must understand their role from an ESG perspective, learning why their role is important, as well as how to think, act, and take responsibility for their part in ESG at AEON MALL. To this end, in fiscal 2021, we began establishing targets based on ESG perspectives as part of our personnel evaluation managed targets (assigning a target weight of 30% or more).

Establish ESG Awards

As we strengthen ESG management, we established materialities and KPIs through 2030, setting action indicators. To achieve these goals through a united, company-wide effort, we established a new internal system in fiscal 2021, the ESG Awards, to recognize employees for outstanding performance. In this way and others, we encourage aspirational ESG activities and accelerate our efforts toward ESG.

Special
Feature

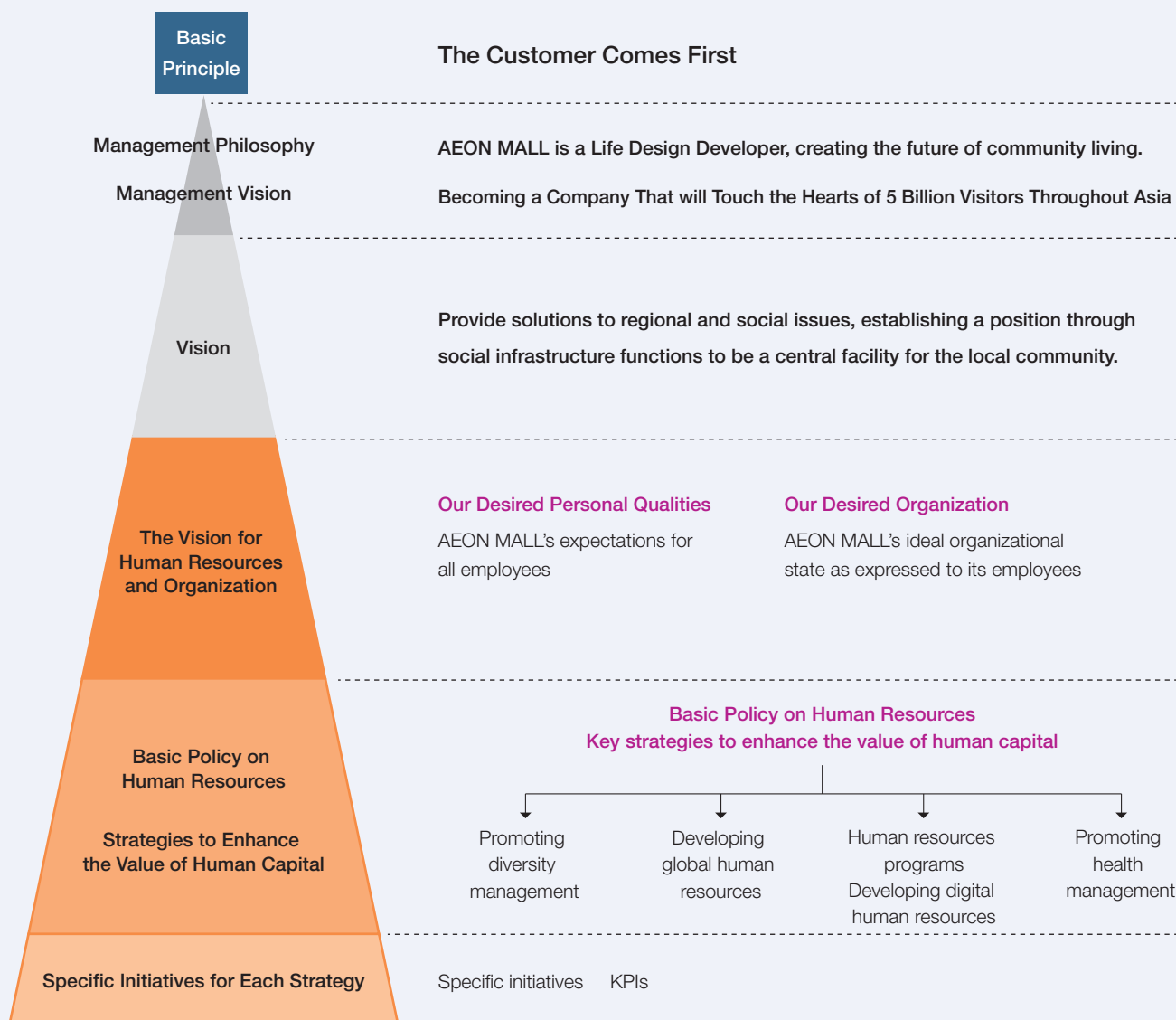
Linking Management and Human Resource Strategies with an Eye to the Future

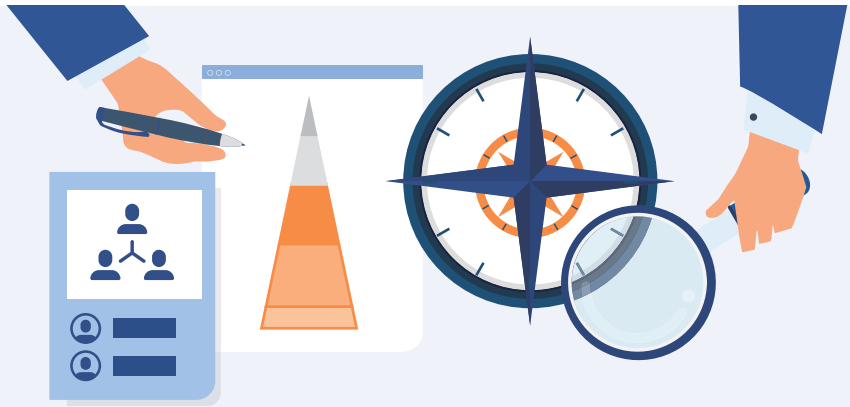
In the interest of realizing our management philosophy and achieving our management strategy, we formulated our Vision for Human Resources and Organization, as well as our Basic Policy on Human Resources, by backcasting from our ideal state. We regard human resources as the most important kind of capital in our management, and implement various measures based on a human resource strategy tied to our management strategy.

Human Resource Development to Create the Future of AEON MALL

As a company that operates from a retail perspective under the basic principle of the customer comes first, we maintain a never-ending commitment to see and consider life from customers' perspectives so that we can share the best, most memorable moments of life with those customers. Furthermore, we are working to achieve sustainable growth and increase our corporate value by adding more functions to our shopping malls and providing greater added value to our customers and the communities in which we operate.

We believe that the most important factor in achieving this goal is the growth of human resources that have diversity, creativity, and the ability to drive transformation. With this, we are working to realize our management philosophy by promoting ESG management through proactive human resources development, strategic recruitment activities, and increased employee engagement.





Enacting the Vision for Human Resources and Organization

In May 2022, we enacted the new Vision for Human Resources and Organization, based on our management philosophy to determine the ideal human resources and organization that will support AEON MALL's sustainable growth into the future.

The kind of human resources we seek are Life Design Producers, challenge-oriented individuals who are capable of empathizing with the needs of the community, society, customers,

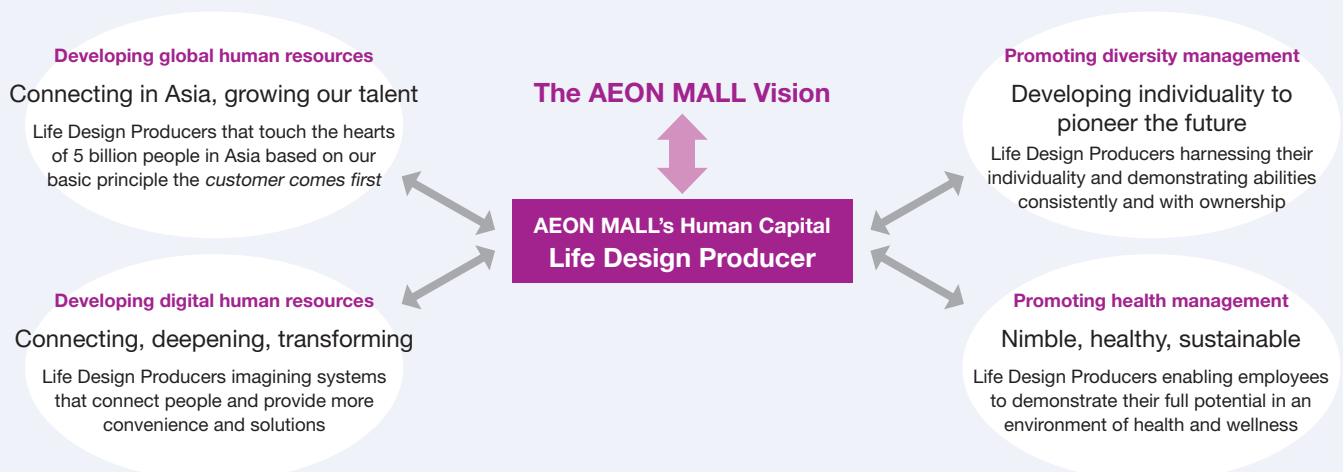
and business partners, and who can link these desires and consider independently what kind of value they can create.

Also, our future ideal for the organization is a company of professionals that continue to innovate, creating and sharing the values we want to provide to society and the society we want to realize.

| | | |
|--|---|--|
| Vision for Human Resources and Organization | Our Desired Human Resources Life Design Producer (1) Human resources who can express themselves from the viewpoint of <i>good for the customer, good for the community, and good for the future</i> (2) Human resources who create and nurture connections (3) Human resources who can harness their own individuality and envision their ideal state | Our Desired Organization A company of professionals that continue to innovate (1) An organization that always generates customers and pioneers new business domains (2) An organization that can expand and deepen connections (3) An organizational culture with respect for each employee and that allows employees to fully demonstrate their abilities |
| Basic Policy on Human Resources | <ul style="list-style-type: none"> • Create an environment that encourages challenge in order to contribute to customers, the community and society • Trust and expand the potential of the individual to achieve both organizational and individual growth • Provide a variety of options respecting diversity and life plans in order to create an environment where employees can enjoy long careers with peace of mind | |

Key Strategies to Enhance the Value of Human Capital → See P.67 - 72

AEON MALL believes that the growth of human resources equipped with diversity, creativity, and the ability to drive transformation will lead to the realization of the AEON MALL Vision. Therefore, we promote education and training programs enabling employees to take on new challenges, as well as diversity management and health management.



Human Resources are the Greatest Management Capital for Sustainable Growth

Dialogue with AEON MALL Outside Director, Headquarters General Manager, and Personnel Department General Manager



Tomoko Nakagaki

General Manager, Personnel Department,
Personnel Management Department

Masahiko Okamoto

Managing Director and General Manager,
Administration Division

Junko Owada

Independent* Outside Director

* Outside directors and outside Audit & Supervisory Board members that pose no risk of a conflict of interest with minority shareholders in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange.

AEON MALL believes that human resources are the greatest management resource for sustainable growth. This year, we established a new Vision for Human Resources and Organization, aiming to become a company in which all employees play an active role. Outside director Junko Owada (a specialist in the field of human resources), Managing Director Masahiko Okamoto, and Personnel General Manager Tomoko Nakagaki shared their views on diversity and human resource development at AEON MALL.

To be the Company of Choice Always: Vision for Human Resources and Organization

Masahiko Okamoto: We believe that human resources are the most important management resource for a company to be rooted in its community, loved by customers, and always growing together with the community. This is why

AEON MALL believes investing in human capital is a top priority. Today, I will be speaking with Director Owada, who has a wealth of knowledge and experience in the area of human resources, and General Manager Nakagaki, who is working on human resources reform. We will be talking about how AEON MALL strengthens human capital, both today and in the future.

Junko Owada: I was appointed as an outside director in May 2021. I have been involved in human resources at a

number of companies, and I am very excited that AEON MALL places so much emphasis on people and that the company is striving to evolve even further.

Tomoko Nakagaki: I became personnel manager in March 2019. At the same time, I was given responsibility for the Diversity Promotion Group. I feel that diversity is another role entrusted to me, and I hope to achieve greater levels of diversity within the company as quickly as possible.

Okamoto: AEON MALL created a new Vision for Human Resources and Organization, under which the company defines the human resources it seeks to hire as Life Design Producers and the organization it seeks to be as a group of professionals who continue to innovate. Behind this vision is a sense of urgency that the company is in a situation demanding change.

The driving force for this change is the power of the organization combined with the energy of the individual. The AEON MALL Basic Philosophy is that The Customer Comes First. The company's Management Philosophy is to be a Life Design Developer, creating the future of community living. Finally, the company's Management Vision is to become a company that will touch the hearts of 5 billion visitors throughout Asia. At the same time, AEON MALL strives to be a solutions company that solves the issues faced by local communities. To achieve these goals, the company must clarify the kind of organization we want to be, what kinds of people we want our employees to be, and how to unite management and employees behind the answers to these questions.

Owada: The investor view of human resources is shifting from a cost to be controlled to an asset to be utilized. Investors are becoming more interested in the human resources that will be creating the future of the company. I believe the new vision was very timely in terms of verbalizing the kind of human resources we seek and our plan for human resources development.

My impression of the human resources and organizational vision is that it is both grounded and forward-looking at the same time. It is important that AEON MALL not simply follow trends, but rather link emerging trends to management policy. And I believe the vision is the product of constantly thinking about what will be necessary in the future. The underlying foundation is a constant focus on interacting with customers and creating malls that

continue to be a loved part of the local community, which is a collective body of customers. I think the historical *sampo yoshi** philosophy of the Omi Merchants (transactions that benefit all parties) took root as a culture in AEON MALL long before anyone heard the term ESG.

Nakagaki: In formulating the vision, we interviewed key individuals repeatedly to define the kind of people we needed and the organization we wanted to create. As a result, we came to the ideas of Life Design Producer and a group of professionals who continue to innovate, which are concepts already defined in the company's Management Philosophy and Management Vision. Basically, we took another, closer look at these philosophies.

Okamoto: The idea that education is the greatest welfare benefit is rooted deeply in the corporate culture of the AEON Group. Of course, welfare benefits are important, but how does a company provide opportunities and support for employee goals? What do employees want to achieve through their work and daily lives within a company? This concept underlies our vision.

Owada: How will things change, now that AEON MALL published its Vision for Human Resources and Organization?

Okamoto: I think there are two key points. One is to empathize and create together with our stakeholders. The keywords are shared aspirations and co-creation, and we use the expression *tsunagu* (relationships or close ties) to describe the type of people and organization we seek.

The second point is to help each person make the most of their individuality. In other words, we want each person to feel free to express his or her individuality, striving for their own pursuits and aspirations. To achieve this, our organization must create environments in which people can maximize their talents.

Nakagaki: From the viewpoint of diversity, we defined making the most of one's individuality as helping people achieve his or her own ideal, actively taking on challenges according to each life stage, regardless of gender, age,



**Sampo yoshi*: A philosophy that emphasizes transactions in which the seller, buyer, and all stakeholders benefit.

nationality, disability, etc. We also defined this concept as an organization that respects each person, keeping mindsets flexible and focused on the “why” and the “for what purpose” as we seek to build a culture that encourages people to maximize their talents.

Diversity and Workplace Reform as a Materiality

Okamoto: I am happy to hear Director Owada say that we are grounded and focused on dealing with customers on a daily basis. We established a new vision, but I feel that the most important factor underlying this vision is that essence was already rooted deeply in our company.

What specific efforts will be necessary for employees to understand and take action toward achieving this vision?

Nakagaki: In a rapidly changing society, it is important to be a diverse group and an organization that makes diversity a strength. I believe diverse values give birth to new ideas, create friction in a positive sense, and facilitate

strength in the organization to deal with change. As we continue to pursue diversity, we remain aware of the challenges in the disparity between men and women.

As of February 2022, the male-to-female ratio of regular employees was approximately 65% male and 35% female. The ratio of male-to-female managers diverges more at approximately 80% male to 20% female. We understand the need to strengthen our efforts to increase the ratio of

female managers.

As one example, in 2018 we removed the role limitations for people who apply for the Community Employee* system. We already made the general manager position available to community employees, aiming to expand career path options.



Changes in life stages, such as marriage, childbirth, and childcare, are major hurdles for women seeking management positions. We believe that the cooperation of spouses during the child-rearing period is essential, and actively encourage male employees to take childcare leave.

In terms of global human resources, we need about 50 employees for new overseas assignments as we open more malls overseas. We understand the need for developing a training system to increase the number of personnel capable of contributing overseas.

Okamoto: I asked General Manager Nakagaki to talk about diversity at AEON MALL. In fact, I consider her to be a role model for diversity in the company. Prior to her assignment to the Personnel Department, she served as general manager involved in the opening of AEON MALL Nagakute (Aichi Prefecture). I found the initiatives there very interesting.

Nakagaki: To date, information counter staff at AEON MALL had been mostly female, but for example, we assigned men to the information counter. We also paid attention to other details, such as using a male voice for automated announcements inside the building. Since the majority of customers are women, we created a more luxurious setting for the station to be more like a hotel counter. We also based the uniforms on the hotel staff uniforms. I was given the freedom to be bold and introduce elements from my own perspective at AEON MALL Nagakute.

Okamoto: So you broke from stereotypes using a woman's point of view. And you made numerous other changes inside the mall that we never realized before, but the changes were outstanding. You are working with the Personnel Department on diversity issues, and I don't think there is anyone better suited for the job than General Manager Nakagaki.

The Vision for Human Resources and Organization is not the end, but rather the beginning of a process. Employees must understand and empathize with the vision. And this vision must be broken down and reflected in personnel policies, recruitment, and training.

One of the 10 materialities across five areas is promoting diversity and work-style reform. We are focusing efforts on this issue, but our internal resources alone are still insufficient. Director Owada has provided us with

*An employee who does not relocate and performs his or her duties within a fixed number of work hours.

advice and frank opinions based on her experience and cases from other companies.

Owada: I'm impressed by the elaborate design of the systems used to promote diversity in AEON MALL. I feel that the philosophy and vision are not seen as mere titles, but rather reflect the realistic viewpoints of those who actually use the systems.

I have enjoyed other pleasant surprises since becoming an outside director of the company. For example, young employees who represent the future of the company volunteer for projects such as the studio LIFE DESIGN project. Many of these young employees come to see me, excited to hear what I have to say. This experience demonstrates the low barriers between employees and a culture of sharing, which I think is something hard to find at other companies.

The Personnel Department is also implementing some interesting ideas, and provides opportunities for dialogue between young employees and outside directors. Even President Iwamura was surprised at the high interest level in participation.

AEON MALL is a Company with the Most Need for Diversity

Okamoto: Diversity can only take shape through the active participation of a wide cross-section of people, not only in terms of gender, but also in terms of age and career experience. Employees exchange opinions from various angles, which are then integrated successfully into the organization. It is important to create as many opportunities for participation as possible. Take personnel transfers, for example. While decisions are made at the head office, individuals are given opportunities to express their own wishes and volunteer through the self-reporting system and the open recruitment system.

I also want to explain a little about why diversity is so important to us. In this time of uncertainty, including the COVID-19 pandemic, the Ukraine invasion, and climate change, customer values, lifestyles, and consumer behavior are changing at an accelerating pace. To provide value to our customers and stakeholders during these times, we must have access to a variety of perspectives and ways of thinking.

Taken to the extreme, the composition of employees working at AEON MALL facilities must mirror our customers in terms of gender, age, and nationality if we are to truly empathize with them. In other words, AEON MALL is a company that must be the most conscious of the importance of diversity.

Owada: I agree entirely. To understand diversity in the world, we have to be diverse ourselves.

There are challenges in everything, but I feel that AEON MALL has stepped up its various systems to overcome these challenges, maintaining these systems at a high level. I hope the employees will make good use of these systems, maximizing their individual talents to shine. Looking at the real world, women tend to struggle with the physical limitations of having and raising children. It is a very difficult task to find ways to encourage them to return to work without damaging motivation. But it is clear to me that AEON MALL faces this challenge with sincerity and honest efforts.

Nakagaki: We are doing everything we can to empower women. But, if you look at the numbers, it's a 50/50 ratio of men to women for new college hires. The percentage of women drops to about 30% at the age of 30. We began career interviews last year to help women reevaluate their life stages as one way to support women who have the desire to work but face various physical or psychological limitations. The age of 28 is considered an age at which life changes most likely occur. In addition, we consider the ages of 35 and 42 as inflection points. We have stepped up interviews for women at the age of 28 in particular. These interviews are an opportunity to consider medium- to long-term career development. We hope that by presenting role models in management positions, we can help our female employees envision their own future.

About 12% of our female employees work shortened hours due to childcare. Last fiscal year, we introduced a means for women to work shortened hours to deal with childcare while remaining active as managers. We strive to be flexible, engaging in trial and error to handle issues of shortened work hours and work times. In some cases, for example, we arrange for two managers to cover needs.

Okamoto: Although numbers are not everything, to reduce resignations, increase promotions, and make other improvements, we must first understand the "why." If

there are concerns or obstacles, we have to find ways to remove them.

Owada: It's also important to talk with people who have lost confidence or become discouraged to lift their spirits. Systems are important, of course, but taking the effort to approach people is what infuses the system with spirit.

Okamoto: I think the value set of today's younger generation regarding careers have changed dramatically. So we need to consider what they want to do from their point of view, and also what they want from us. Then we must create an environment that allows them to take on challenges at an early stage in their careers.

Owada: If we can create opportunities for them to play an active role at an early stage, helping them realize how interesting the work is, I think we can foster a desire to continue their careers.

Nakagaki: It's essential that we reform systems to reflect an awareness of changes in life stages. We encourage male employees to use our childcare leave system, and in fiscal 2021, we achieved 100% participation. It might be that male AEON MALL employees who take childcare leave help the career development of their partners who work at other companies.

Owada: A decade ago, the tacit expectation was that women had to be better than men to advance. Today, long work hours have been corrected, telecommuting is possible, and social conditions are becoming more conducive for both women and men to be active in a natural way. Progress in work-style reform is also encouraging women to play a more active role in the company.

Nakagaki: While the company definitely wants female employees to be active, it is also true that there some do not want to be managers. They're concerned that they won't maintain a good work-life balance if they are promoted to manager.

We have two categories of employees: career-track employees and community employees. Some community employees have even become general managers, and there are a number of role models to look up to. I feel that one of the most important aspects of the career interview is to communicate this information clearly to alleviate concerns.

Okamoto: We can mention work-life balance in a word, but each individual has a different idea about what balance

means. Some people may strive for a 50:50 work-life balance. Others may prefer a 30:70 work-life balance. Still others may like an extreme 90:10 work-life balance. And the preference for balance will change for the same person according to life stage. What is important is to understand the individual to help them prioritize and find the right balance between work and life.

Owada: Of course, systems must be in place to encourage the individual to maximize their ability to shine. The next step is how to communicate, empathize, and utilize the system and the individual. Even high-potential individuals may have some obstacle within themselves, so removing that obstacle will be good for both the individual and the company. It's important to deal with individuals in a consistent and mindful manner.

Nakagaki: Middle management deals most closely with each individual in the workplace. We introduced new topics on work-life management in manager training. In addition, managers have the opportunity twice every year to offer advice on career plans during feedback interviews with subordinates.

Communication is the Key to Global Human Resources

Okamoto: AEON MALL aims to have 50 overseas malls in operation by 2025. We are preparing to open a large number of new malls, more than 15 over the next three years, and securing and training the human resources to support this growth is a major issue.

Another issue is extending the length of overseas assignments. There is a risk in relying too heavily on long-term assignees. We must replace these assignees systematically with people who are willing to take on the challenges of working overseas. In the past, most employees have been posted from Japan, but I feel that a major task for us is to create an environment in which talented people can take on challenges actively, regardless of national boundaries. We can do this by pursuing local talent now, and in the future by expanding channels from overseas countries to Japan.

Nakagaki: I mentioned earlier that we need about 50 new employees for overseas assignments. We expect we will need to train about 90 overseas personnel by fiscal 2025.

To create and nurture this number of people, we adopted an overseas trainee dispatch program in 2018. The program was suspended in fiscal 2020 and fiscal 2021 due to COVID-19, but resumed this year. The Global Human Resources Course training program was also established in 2018. In addition to these two programs, we offer Global Mindset Training and Cross-Cultural Communication Training, newly established in fiscal 2022.

Global Mindset Training provides an opportunity for employees to develop mindsets prior to the Overseas Trainee Dispatch Program. The training targets employees in their third year of employment, up to 32 years of age. Many employees have joined the company with the desire to work overseas. This program is designed to provide these young employees with training opportunities from an early stage to cultivate a global mindset, as well as to support and improve motivation, while heading off discouragement.

After Global Mindset Training and Overseas Trainee Dispatch Training, management-level employees who are candidates for overseas posts are offered cross-cultural communication training. This training is designed to boost motivation to take on the challenge of overseas assignments through exposure to different cultures, preparing these candidates to choose overseas experience as a career option.

We are considering the hiring of local employees as the next step. We plan to use a reverse trainee system, in which local employees from overseas locations work in Japan to gain experience. These employees will then take that experience and new insights back to their home countries, making the most of their new knowledge.

Okamoto: Someday, it will be necessary to eliminate the distinction between employees posted from Japan and local employees. It is important that the Overseas Trainee System, for example, is an opportunity for a few young Japanese, a few from China, and a few young employees from ASEAN to take on similar challenges overseas. We intend to move forward while receiving advice from outside directors who have extensive experience in overseas business.

Owada: When I joined AEON MALL, I was surprised at the global nature of the group. I feel that many people, including prospective and current employees, do not recognize AEON MALL as a global company.

To achieve higher and sustainable growth requires a breaking down of the barriers between Japan and overseas, thinking of the global group as one AEON MALL.

For example, it would be of great significance if we could bring together all employees from around the world to listen to the president and hold discussions in breakout sessions.

Since being named outside director, I have not been able to visit overseas malls due to COVID-19. But I have participated in online meetings with three malls in China and two malls in Indonesia. More opportunities to communicate actively with local people will provide more understanding of the real opinions of those involved in day-to-day operations, leading to the next measures.

Okamoto: In the end, what I want most—what I must do—is to help carry our company into the future. To achieve this, we must nurture our people. In particular, I have a special feeling for new employees within the last three years who have joined the company in a completely different and difficult environment of the COVID-19 pandemic. These young members will be responsible for our company, their communities, and society in the next 10 to 20 years, and my desire is to support their future growth and activities.

Owada: I hope that we can think together with the employees about what we can do to make AEON MALL more loved by local residents, to develop further as a company, and to make every employee happier.

Nakagaki: I believe that promoting diversity is my life's work. At the same time, I believe that every employee plays a key role in promoting diversity. I want to communicate this feeling with as much enthusiasm as I can. To do so, I will have to contribute to the company by first being healthy, both physically and mentally, and then by pursuing diversity and health management for all.



Stakeholder Engagement

AEON MALL will work thoroughly and strategically on management based on the ESG perspective of creating economic value, social value, and environmental value for all stakeholders.

| Stakeholders | Relationship with Stakeholders | Value Provided to Stakeholders | |
|----------------------------|---|---|--|
| Customers | Under the basic principle of the customer comes first, we see and consider life from customers' perspectives so that we can share the best, most memorable moments of life with those customers. | <ul style="list-style-type: none"> • Provide daily wellbeing, enjoyment, safety, and peace of mind | |
| Communities | We aim to operate community-based malls and contribute to the creation of a vibrant society for communities. | <ul style="list-style-type: none"> • Achieve decarbonized societies • Contribute to local communities through local development and expansion of public functions • Support education in collaboration with local educational institutions | |
| Partner Companies | We build partnerships through smooth communications, and pursue compliance, human rights, and environmental initiatives through co-creation. | <ul style="list-style-type: none"> • Strengthen partnerships through fair trade activities • Generate new ideas and business opportunities through co-creation | |
| Employees | For us, human resources are the greatest management capital for sustainable growth. Based on this policy, we are promoting investment in our human capital, aiming to be a company that fosters diverse human resources who are healthy and have the opportunity to exercise their talents. | <ul style="list-style-type: none"> • Engage in appropriate personnel assignments • Pursue diversity and work-style reform • Foster the next generation of employees • Pursuing health management | |
| Shareholders and Investors | Shareholders and investors financially support our sustainable growth. We will strive to disclose information, engage in positive dialogue, and provide appropriate returns to shareholders and investors. | <ul style="list-style-type: none"> • Stable shareholder returns • Ensure a sound financial position • Respect the exercise of voting rights • Provide fair and timely information disclosure | |
| NPO, NGO | Through communication, we are strengthening our support for non-profit organizations that align with the direction of our ESG management and exchanging ideas on how to solve social issues. | <ul style="list-style-type: none"> • Provide a PR environment for non-profit business activities • Cooperate in non-profit business activities | |

| | Stakeholder Concerns | Initiatives |
|--|---|--|
| | <ul style="list-style-type: none"> • Comfortable, safe and secure malls • New experiences and excitement • A community space for people to gather | <ul style="list-style-type: none"> • Consistent and complete systems and ventilation against COVID-19 infections • Utilize digital technology to provide services (Smart Malls, AEON MALL app, Live Shopping) • Strengthen mall initiatives aimed at CX creation (open-space design, localization, new business categories) |
| | <ul style="list-style-type: none"> • Solve issues with local governments • Malls where people can always feel safe and secure • Disaster-response functions in the event of a disaster • Build circular economies for sustainable societies | <ul style="list-style-type: none"> • Pursue decarbonization initiatives (pursue 100% renewable energy in malls, create renewable energy in local production for local consumption, pursue plastic-free initiatives) • Pursuing circular economies • Obtain global rating for WELL Health-Safety Rating • Provide vaccination sites • Sign disaster-prevention agreements • Organize traditional and cultural events • Enter into industry-academia collaboration agreements with local educational institutions |
| | <ul style="list-style-type: none"> • Communication for fair trade • Create synergies through collaboration | <ul style="list-style-type: none"> • Maintain and improve mall operations through collaboration with business partners • Conduct sales support activities through communication with partner companies • Develop guidelines for sustainable business transactions |
| | <ul style="list-style-type: none"> • Life-stage based work styles • Balancing job satisfaction with improved productivity • Impartial performance evaluation • Appropriate remuneration | <ul style="list-style-type: none"> • Recruit diverse human resources to respond to changes in the business environment • Review mall management systems • Change organizational structures to improve operational efficiencies • Support employees in work styles that facilitate growth and lifestyles |
| | <ul style="list-style-type: none"> • Adequate and prompt information disclosure • Appropriate share price and shareholder returns • Medium- and long-term corporate value improvement • Strengthen and enhance corporate governance | <ul style="list-style-type: none"> • Enhance information dissemination capabilities (disclosure of integrated reports, ESG data books) • Conduct dialogue IR Meetings (approx. 250 cases a year, including ESG meeting) SR Meetings (commencing FY2021) • Disclose information in English (financial results, convocation notices, integrated reports) • Publish voting results • Adopt an electronic voting platform (ICJ, etc.) • Raise funds through Sustainable Finance |
| | <ul style="list-style-type: none"> • Solutions for organization issues • Publicize our activities through our malls | <ul style="list-style-type: none"> • Sponsor donation drives at AEON MALL locations for UNICEF • Set up membership recruitment booths for UNICEF, UNHCR • Sponsor blood donation activities for the Japanese Red Cross Society |

Financial Strategy

Promote a finance mix that supports growth strategies and strengthen our governance to maintain financial soundness.

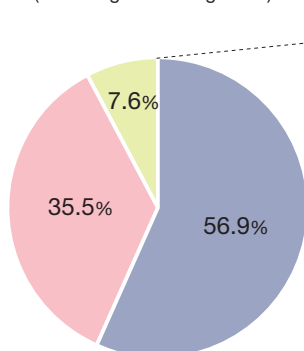
In particular, we are working to diversify and sophisticate our fund procurement and optimize cash management with an awareness of investors growing interest in SDGs and ESG, as well as to strengthen our governance with an emphasis on the cost of capital.

Global Financing Mix

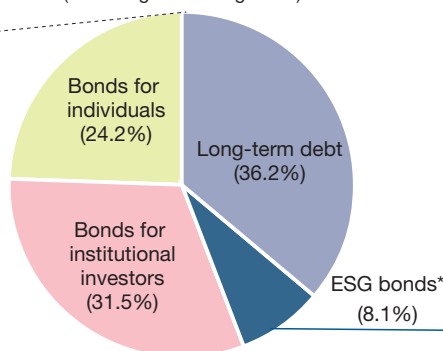
We are promoting a global finance mix by diversifying financing that combines indirect and direct financing and real estate securitization in Japan and overseas. Specifically, we are expanding our base of financial institution borrowing and continuing the regular issuance of domestic retail bonds. In anticipation of the full-scale arrival of the sustainable finance era, we issued a ¥30 billion sustainability bond in September 2020. In November 2021, we issued our first Sustainability

Linked Bonds in the amount of ¥20 billion. In April 2022, we issued our first sustainability linked bonds for individual investors in Japan of ¥40 billion. These issuances are aimed at addressing social issues and environmental considerations. We will continue to use real estate securitization to generate funds for the development of new shopping malls, and we are also considering overseas financing.

FY2017 Interest-bearing debt
¥394.7 billion
(excluding lease obligations)



FY2021 Interest-bearing debt
¥619.7 billion
(excluding lease obligations)



*ESG bonds

(Sustainability-Linked Bond)

The terms and conditions of the bonds vary, depending on whether the issuer achieves certain sustainability targets. We issued the FY2021 bonds for the purpose of converting electricity used at all AEON MALL facilities in Japan to CO₂-free sources by the end of FY2025. We will use the funds raised to contribute to the creation of more sustainable societies.

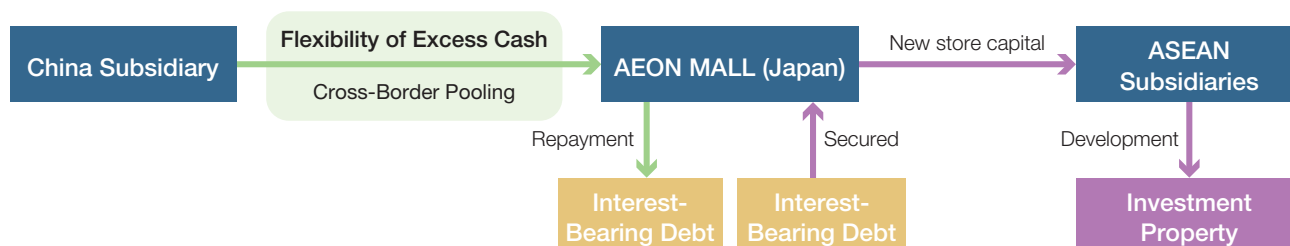
(Sustainability Bonds)

Bonds for which the use of proceeds is limited to green projects related to the global environment and social projects related to the resolution of social issues. The sustainability bonds issued in FY2020 were used for COVID-19 countermeasures and reconstruction assistance for the Great East Japan Earthquake.

Optimizing Cash Management

As our businesses overseas grow and transition to a stage of profit generation, cash balances in certain areas have increased significantly. We will continue to optimize cash management by shifting cash from areas with excess funds to areas with stronger needs for cash. An example of this is the cross-border pooling arrangement established in

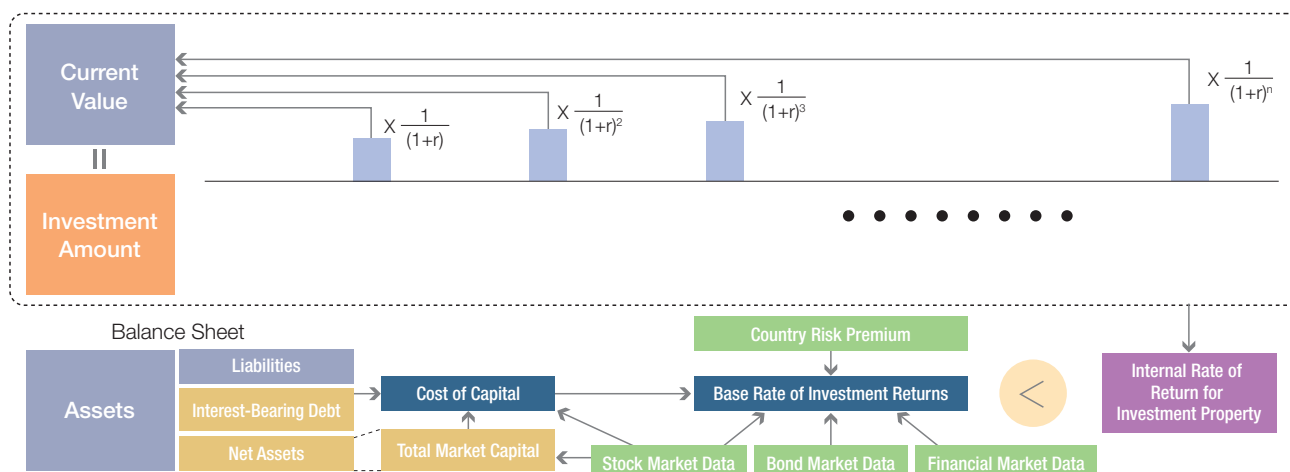
FY2020 between the China Subsidiary and AEON MALL (Japan), whereby excess cash from the China Subsidiary will be transferred to AEON MALL (Japan) from FY2021 and used to repay existing interest-bearing debt. The cash secured in Japan will be used to open new stores at our ASEAN subsidiaries.



Emphasis on the Cost of Capital

When investing in the development of shopping malls in Japan and overseas, we calculate the internal rate of return by discounting the future cash flow to the present value so that the total present value of the future cash flow generated by investment properties each year matches the investment amount. If the internal rate of return exceeds our base rate of investment returns, the investment is considered eligible.

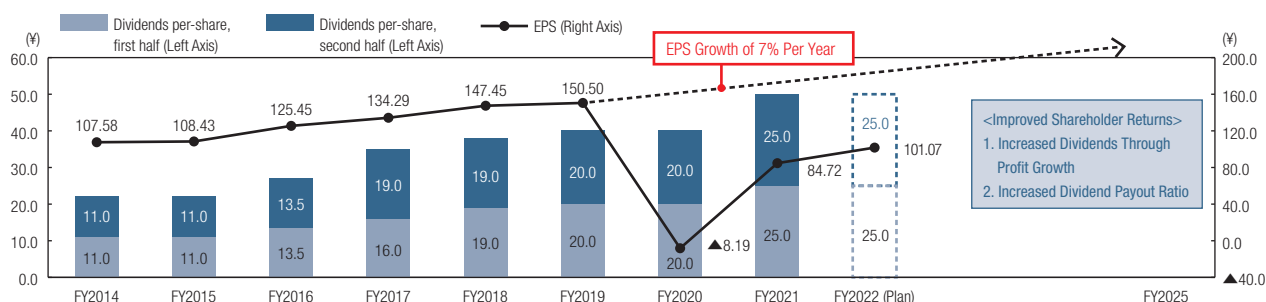
Our base rate for investment returns is determined based on the cost of capital, which is the weighted average of the cost of debt and the cost of shareholders' equity calculated based on the Capital Asset Pricing Model (CAPM), weighted by interest-bearing debt and market capitalization. The cost of capital is determined by taking into account the country risk premium and market data of each country.



Shareholder Return Policy

AEON MALL recognizes that returning profits to shareholders through improving earnings power is a key management priority. Our basic policy on income distribution emphasizes steady dividend payments to shareholders, while using internal reserves to invest in structural business improvements, including investments in growth businesses, new businesses, and other areas that strengthen our operating foundation.

Aiming to achieve our Vision for 2025, we set a target of 7% annual growth for earnings per share. We revised our consolidated payout ratio target from 25% to 30% or more beginning FY2021. This change reflects the fact that our overseas business has entered a profit expansion stage and we expect to achieve our sustainable growth plan in the future. We will continue to aim for long-term and continued dividend increases in line with our stage of growth.

















Increased Dividends Through Profit Growth
We have set annual 7% target for EPS growth toward achieving our Vision for 2025



Increased Dividend Payout Ratio
We raised the consolidated dividend payout ratio to 30% or more beginning FY2021 to reflect the fact that our overseas business has entered the profit expansion stage and we expect to achieve our sustainable growth plan in the future

AEON MALL's Key Initiatives

AEON MALL conducted a materiality analysis that considers the SDGs and social issues unique to Japan. We assessed their importance to stakeholders and AEON MALL, and classified them into 10 categories across five topics. Our employees discussed the 10 key initiatives (materialities) that we need to tackle and determined the KGIs (final goals) and KPIs (intermediate goals). In line with the KGI we have set as our goal for 2050, we will set specific KPIs to be achieved by 2030, share the issues throughout the company, and work together to solve them and contribute to local customers and a sustainable society.

| Materiality | | KGI (How we want to be in 2050) |
|---|---|---|
| Developing community and social infrastructure → P51   | Developing sustainable and resilient infrastructure | A society in which everyone can feel safe and secure |
| | Production and consumption formats | A society with near-zero impact on the global environment through appropriate production and consumption |
| Build community relationships → P53   | Cultural preservation and inheritance | A society with an established platform for cultural inheritance |
| | Low birth rates, aging society | A society in which everyone, including children and the elderly, can live comfortably |
| Environment → P55      | Climate change, global warming | 1. A society that has achieved decarbonization 2. A society in which all regions are environmentally conscious |
| | Protecting biodiversity, resources | A society that is environmentally friendly and in harmony with nature |
| Diversity and work-style reform → P67    | Health and welfare | A society in which everyone can be both physically and mentally healthy |
| | Diversity, work-styles | A society in which everyone has equal opportunities regardless of race, nationality, age, gender, or location |
| Promote responsible business → P73   | Human rights | A society in which everyone's human rights are respected |
| | Bribery | Zero number of incidents |

| | KPI (Performance Indicators until 2030) | Progress as of FY2021 |
|--|--|--|
| | <ul style="list-style-type: none"> Make all malls in Japan disaster relief facilities as a measure to strengthen our BCP Percentage of disaster response agreements signed with local governments | <ul style="list-style-type: none"> Disaster prevention facilities: At 49 of 142 malls (34.5%) *As of the end of July 2022 Disaster-prevention agreements: At 122 of 142 malls (85.9%) *As of the end of July 2022 |
| | <ul style="list-style-type: none"> Promotion of ethical consumption. Rate of buying green Promotion of plastic elimination initiatives | <ul style="list-style-type: none"> Green procurement ratio: 40% *Ratio of green procurement for equipment ordering systems at directly managed malls and offices |
| | <ul style="list-style-type: none"> Actively holding traditional and cultural events and expand them to other regions, including overseas | FY2021: 27 AEON 1% Club support events |
| | <ul style="list-style-type: none"> Improved services for children Number of people supporting dementia patients | <ul style="list-style-type: none"> Number of people supporting dementia patients: Approx. 860 |
| | <ul style="list-style-type: none"> Expand installation of EV chargers. Number of EV chargers installed 35% reduction in total annual CO₂ emissions through the creation of renewable energy Strengthen environmental awareness initiatives for local residents and tenants Eco certification award rate of 100% | <ul style="list-style-type: none"> Number of EV chargers installed: 1,859 (in Japan and overseas) CO₂-free electricity procurement: Approximately 15% (directly managed malls in Japan) *Estimate for December 31, 2022 Eco certification award rate: 85% |
| | <ul style="list-style-type: none"> Number of malls awarded ABINC (Association for Business Innovation in harmony with Nature and Community) accreditation Achieve a 70% recycling rate (excluding thermal recycling) | <ul style="list-style-type: none"> ABINC-certified malls: 15 malls *As of end of July 202 Recycling rate: 62.0% |
| | <ul style="list-style-type: none"> Promote a healthy lifestyle | <ul style="list-style-type: none"> Improvement of the work environment for employees of specialty stores (improvement of employee satisfaction (ES)) through providing break rooms Support for work styles that match the growth and life styles of AEON MALL employees through career plan interviews |
| | <ul style="list-style-type: none"> Ratio of women in management roles of 30% by the end of FY2023 Paternity leave rate of 100% Promotion of human resource development for global activities | <ul style="list-style-type: none"> Ratio of women in management roles: 19.4% Paternity leave rate: 100% |
| | <ul style="list-style-type: none"> Establish and implement a human rights due diligence process Human rights training attendance rate of 100% | <ul style="list-style-type: none"> Human rights training attendance rate: 100% |
| | <ul style="list-style-type: none"> Conduct anti-bribery training to ensure compliance with the Basic Rules for the Prevention of Bribery Ongoing compliance with anti-bribery clauses in AEON MALL employment rules Continuous review of the compliance system of the Basic Rules for the Prevention of Bribery. Report compliance status to the president at least once a year. Thoroughly implement any corrective measures | <ul style="list-style-type: none"> Japan, China: Providing rank-based anti-bribery training Vietnam, Cambodia, Indonesia: Providing anti-bribery training Vietnam: Establishing new anti-bribery rules |

Developing Social Infrastructure



Developing Sustainable and Resilient Infrastructure

Safe, Secure, Comfortable Mall Operation Systems

Based on the AEON COVID-19 Prevention Protocol, a standard for infection control, we will continue consistent and comprehensive measures against infectious diseases, implementing systems throughout the entirety of our entire facilities. These measures will include basic measures, from disinfection, social distance, and visualization to ease

congestion, to other measures in connection with mall events and back office operations. We continue to review operations and evolve infection control measures, approaching these conditions as the “new norm.”

* AEON COVID-19 Prevention Protocol (Japanese only):
https://www.aeon.info/prevention_protocol/



Ventilation systems enhance air circulation



Visitor counting systems help prevent mall overcrowding

■ Certified in Global Standard Evaluations for COVID-19 Countermeasures

AEON MALL Ageo (Saitama Prefecture), AEON MALL Shinrifu (Miyagi Prefecture), AEON MALL Kawaguchi (Saitama Prefecture), AEON MALL Hakusan (Ishikawa Prefecture), and AEON MALL Nagoya Noritake Garden (Aichi Prefecture) received the WELL Health-Safety Rating*, a global evaluation of measures against COVID-19 infection. In addition to measures against droplet and contact infections within our facilities, we established comprehensive safety measures at each entrance and a cleaning management system within facilities for the safety and peace of mind of customers and employees at specialty stores.



* WELL Health-Safety Rating: The WELL Health-Safety Rating is a global standard conducted by a third-party verification organization to ensure facilities in the with-COVID-19 era are managed and operated in consideration of health and safety for visitors, employees, and others.

■ Support for COVID-19 Vaccinations in Japan and Overseas

In cooperation with local governments, we are offering AEON MALL event halls, parking lots, and other facilities as COVID-19 vaccination centers. Approximately 30 of our malls across Japan are being used as sites for COVID-19 vaccinations. Approximately 490,000 individuals have received vaccinations at AEON MALL facilities.

Overseas, as well, AEON MALL Binh Duong Canary (Binh Duong Province) in Vietnam offers a large-scale vaccination site inside the mall. In cooperation with the government of Indonesia, we established a vaccination center at AEON

MALL Jakarta Garden City (East Jakarta City) and provided vaccinations there.



■ Joint Research with the Waseda University Faculty of Science and Engineering

Over a one-year period beginning April 2021, AEON MALL conducted joint research on infectious disease prevention measures in AEON MALL facilities together with the laboratory of Professor Shinichi Tanabe, Ph.D., Professor of Engineering at the School of Science and Engineering at Waseda University (specialist in building environment studies). By acquiring and analyzing data from actual mall operations, we evaluated the potential and effectiveness of the measures we adopted to reduce the risk of infectious diseases. We also introduced other new initiatives, including a new system that monitors CO₂ concentration and ventilation conditions, visualizing the data for customer viewing.



Disaster Prevention

■ Disaster-Response Agreements

We establish strong partnerships with external partners such as governments and private companies to create safe and secure communities. In Japan, nearly all of our malls have concluded agreements with local governments for cooperation in disaster prevention activities.

AEON Co., Ltd. has concluded agreements with the Japan Ground Self-Defense Force, Japan Airlines Co., Ltd., and electric power companies throughout Japan. In the event of an emergency, we will cooperate and provide support, including infrastructure development and supplies, to serve as a base for reconstruction.



■ Holding Disaster Prevention Events at Malls Across Japan

Every year, we hold a number of disaster prevention events at malls across the country to teach, in an entertaining way, knowledge and skills related to disaster prevention that will be useful in the event of an emergency. Each mall offers a variety of activities, including simulated flooding experience using augmented reality (AR) goggles, interaction with rescue dogs, and workshops for making disaster prevention supplies,

with the participation of neighboring companies, police, fire departments, and government agencies. Looking ahead, we hope to communicate the mall's role to the community through ongoing events, establishing AEON MALL as a disaster relief facility.



■ Disaster Prevention Initiatives Outside Japan

In Cambodia, we conduct monthly disaster prevention drills, and, with cooperation from local fire departments, participate in annual large-scale disaster prevention drills in June with the participation of around 500 people. We use social media to share images from these drills, informing those in the community about the safety and peace of mind offered by our malls.

In China, we are working to introduce automatic fire extinguishing equipment to all restaurants, and we have mandated that all new restaurants also introduce these before opening. We work to strengthen awareness toward fire prevention through regular post-introduction inspections by employees, reducing the number of incidents occurring. We will continue to strive toward higher levels of safety in our malls overall by taking action such as installing detection devices for gas leak prevention.

Production and Consumption Formats

Pursue Plastic Elimination Initiatives

■ Compliance with the Plastic Resource Circulation Act

The Plastic Resource Circulation Promotion Act came into effect on April 1, 2022. This law's aim is to aid the transition to a circular economy that minimizes waste generation, to create an environment that allows investment in resource recycling as a growth sector, and to encourage changes in consumer lifestyles. AEON MALL will not only reduce plastic, but also accelerate the shift toward a plastic-free society.

■ Installation of Plastic Container Washing Machines

Until now, used plastic cups and containers could not be recycled when disposed of as-is, creating the problem of CO₂ generated from their incineration.

AEON MALL has developed a plastic washing machine for our customers and the employees of specialty stores, with the aim of utilizing recyclable resources through cooperation in washing these. At AEON MALL KYOTO, we have launched a pilot project with these washing machines for employees of specialty stores as of March 2022, and we are considering introducing these for customers as well.



Waste plastic disposal
by washing

■ Transition to Environmentally Friendly Materials

AEON MALL has proposed that restaurant tenants switch their cutlery materials from plastic to alternative products such as paper, wood, and biomass plastic. We will continue to contribute to the realization of a plastic-free society in cooperation with our customers, store association members, and employees.

■ Green Life Points with the AEON MALL App

AEON MALL has been adopted as a subsidized business for the Green Life Point program promoted by the Ministry of the Environment.

AEON MALL will add an environmental function to the AEON MALL app. For the first phase, we will issue points for eliminating the use of plastic cutlery from take-out. In the second phase, we plan to add a function in 2023 to issue points commensurate with the amount of power discharged to AEON MALLs by EVs charged with excess household electricity from solar power.



Build Community Relationships



Cultural Preservation and Inheritance

Pursue Localization

We endeavor toward deeper localization efforts to maximize the attractiveness of brick-and-mortar malls through customer experience (CX). In Japan, one of our management visions states that “we, together with our partners, will take on the challenge of ultimate localization to continue refining the appeal of local communities.” In 2015, we began plans to this end through malls nationwide collaborations in six

areas: (1) Industry; (2) Education; (3) Government; (4) Private Organizations; (5) Culture & History; and (6) Products. We launched a similar initiative in China beginning in 2021, and we intend to enhance the present value of AEON MALL facilities in the region through initiatives to communicate the attractiveness of local communities in regions overseas.

Localization Initiatives at Each Mall

Our Ultimate Localization 2021 program included 354 projects devised by employees working at malls throughout Japan. Of these, 11 were carried out in FY2021. For the first time

in China, we received submissions for 13 projects from two malls in the Shandong Province area, selecting three projects to implement.

■ Ultimate Localization 2021: Japan's Best Projects AEON MALL Hanyu “Sai x Hoku Nature Project”

Between October and November 2021, Hanyu City, Kazo City, Gyoda City, and Konosu City in northern Saitama Prefecture, together with various organizations active in each city, collaborated to hold an exhibition of plants native to the prefecture. The objective of this event was to introduce visitors to the lush natural attractions of the region. In addition to exhibits of the flowers, the event featured an area for astronomical observations, providing visitors with an opportunity to come into contact with living nature. Many families enjoyed the successful event with their children.



AEON MALL Narita “Hakko Festa in Narita”

This project, focused on the topic of *hakko* (fermentation), held virtual tours of soy sauce factories and sake breweries, as well as nutrition education workshops on homemade rice bran-pickled vegetables (*nukazuke*). Its aim was to bring the delight of Chiba's fermentation culture, which has been long enjoyed in Japan since ancient times, to the rest of Japan and the world, and to create opportunities for people to think about the food they eat every day. It also utilized a live shopping system attracting a number of participants, including many from overseas.



■ Initiatives in China

In Shandong Province's Yantai City, it is said that the elderly comprise nearly one in four persons living in the city. AEON MALL Yantai Jinshatan provides a place for elderly customers to express themselves with vitality. In cooperation with various organizations, including local governments and local communities, we offer free health checkups, anti-fraud lectures, hair-cutting services, and square dance competitions for the elderly.



Low Birth Rates, Aging Society

Initiatives at Each Mall

■ Work Experience Theme Park “Kandu”

AEON MALL Makuhari Shintoshin offers Kandu, a work experience theme park offering fun and education for children. Pilots, police officers, YouTube stars, and models are just a few of the careers that visitors can try for themselves at this theme park, which offers fun for the whole family. New Immersive Firefighter content launched in March 2022 combines the latest digital technologies such as augmented reality (AR) with immersive experiences, creating an exciting work experience for children. Visitors can experience the importance of the work of firefighters through a near-future firefighter experience.



Immersive Firefighter: New content at Kandu

■ A Mall Where Dementia Patients Can Visit with Peace of Mind

AEON MALL has been among the first companies to deal with the issue of dementia. Currently, 860 AEON MALL employees are registered as dementia supporters. Each mall holds regular dementia supporter training seminars for employees of specialty stores, as well as related educational events for customers.



A dementia supporter training seminar

■ Learning Spaces That Leverage Local Community Characteristics

In March 2021, AEON MALL Kobe Minami (Hyogo Prefecture) opened a study space called Minna no Manabiba. This space responds to the requests of local residents for a free place for children to study. With 40 seats for self-study and 18 seats for reading, anyone can come at any time to study or read. The space also hosts events such as multicultural exchange and picture book readings unique to Hyogo Ward. The interior was decorated with illustrations by Hyogo-based The Rocket Gold Star (Hideaki Yamazaki), and the space was created with a detailed focus on the character of the Hyogo Ward section of Kobe.



“Minna no Manabiba”

■ AEON MALL Walking

To support the healthy lifestyles of our customers, we offer AEON MALL Walking at nearly all malls in Japan. These malls feature a walking course in which customers can shop and casually exercise.

From September 2021 to March 2022, we carried out a joint research project on AEON MALL Walking and Health with the Center for Preventive Medical Sciences, Chiba University. Our aim with this project was to determine the impact of mall walking on the health and community of local residents. Analysis of this project revealed that the use of the walking program was associated with an increase in the number of steps taken and a stronger walking habit among users.



Environment



Climate Change, Global Warming

Addressing Climate Change Through Scenario Analysis

AEON MALL is working on a scenario analysis recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) to analyze the impact of climate change on the sustainability of its business and to address the various opportunities and risks associated with climate change.

Based on the AEON MALL Decarbonization Vision, we are taking a variety of actions toward a decarbonized society. For example, we are committed to reducing our CO₂ emissions in Japan to zero by 2040, and as an interim target, to reduce these emissions by 80% by 2025 versus 2013 levels.

In June 2020, we also declared our support for the Task Force on Climate-related Financial Disclosures (TCFD), a task force for information disclosure of business risks and opportunities posed by climate change. This section introduces our efforts to address climate change in line with the information disclosure framework recommended by TCFD.



Governance

Recognizing that the risks and opportunities of climate change have a significant impact on our business strategy, AEON MALL has positioned climate change as a key sustainability issue, and the president has the highest responsibility for promoting activities in this area.

The ESG Promotion Committee is a sub-organization of the Management Council, chaired by the president, and composed of internal directors and full-time Audit & Supervisory Board members. The committee discusses important policies, measures, and targets related to the

environment, including measures to address climate change. In this way, we have established a system that enables prompt response and resolution of issues.

In addition, the deliberations of the ESG Promotion Committee and its subcommittees are reported to the board of directors, and important climate-related issues are otherwise discussed at meetings of the board of directors, maintaining a supervisory function to ensure no misunderstandings of matters that have been decided at various committee and conference meetings.

Climate Change Response Structure



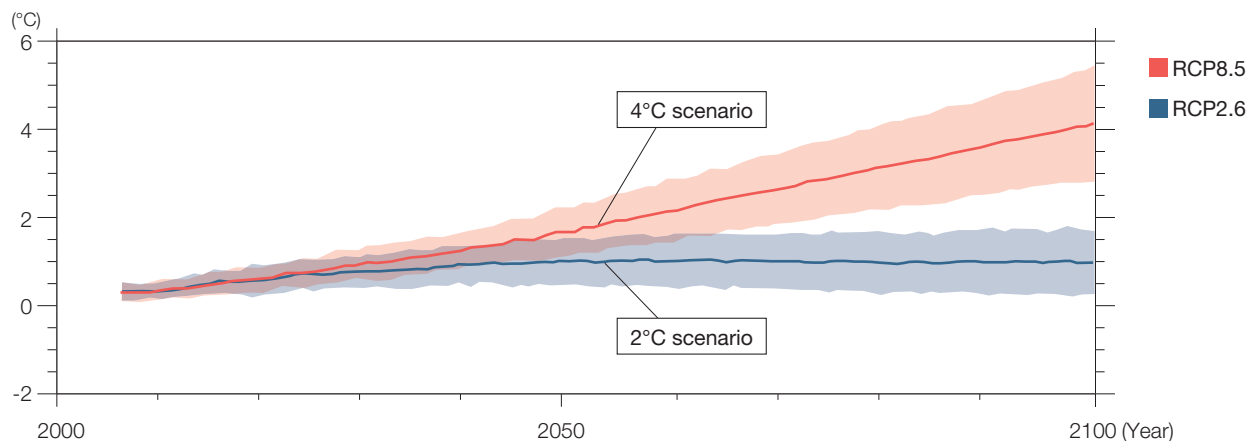
Strategy

■ Selection of Climate Change Scenario

In reference to the climate change scenarios in the United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, we selected the 2°C scenario and the 4°C scenario. Our analysis timeframe was established to

cover climate change impact in 2050, in consideration of long-term perspectives presented in the AEON Decarbonization Vision and AEON MALL Decarbonization Vision.

Forecast for average global temperature change



4°C scenario

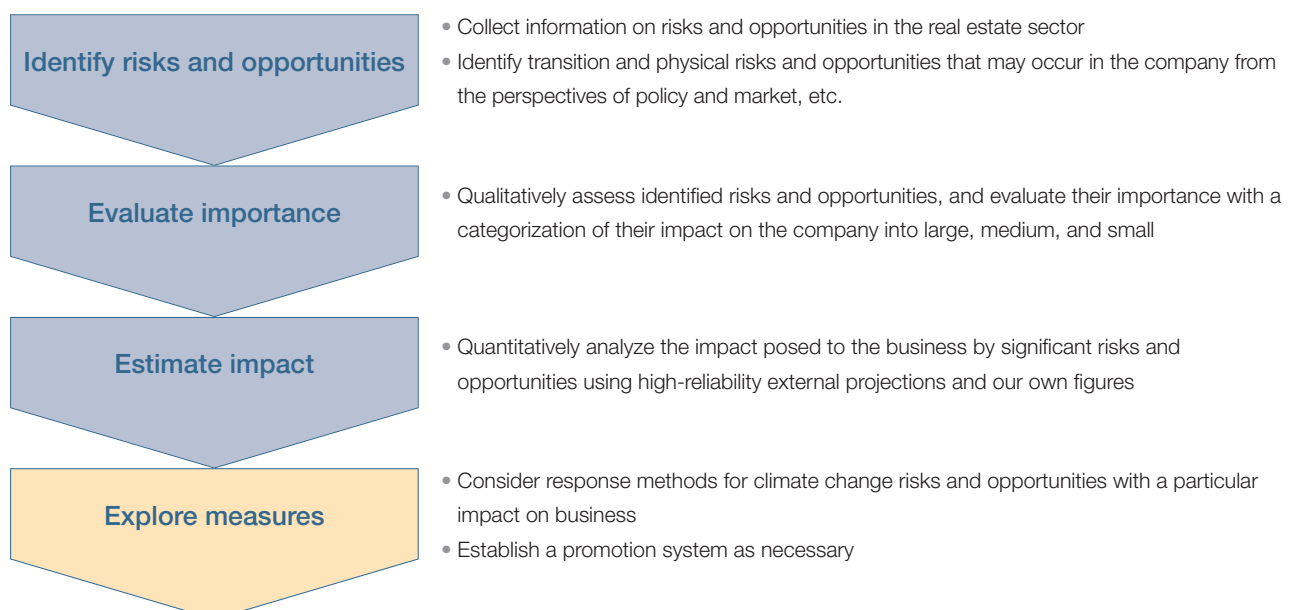
If we do not take measures in addition to those currently taken, an increase in 3.2°C to 5.4°C compared to the industrial revolution

2°C scenario

If we take strict measures, an increase of 0.9°C to 2.3°C compared to the industrial revolution

*Source: The Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC)

■ Analysis Process



Major Risks and Opportunities

Identifying Subject Risks

AEON MALL has summarized the significant climate change risks and opportunities in Japan, China, and ASEAN countries in which we operate our mall business based upon external information, and has collected forward-looking forecast data on each of these risks and opportunities. Based on

this information, we examined the risks and opportunities associated with the transition to a decarbonized society. We also examined the physical risks and opportunities arising from climate change. In this way, we identified risks that could affect our business from now until 2050, presented in the table below.

| | Evaluated item |
|------------|--|
| Transition | <ul style="list-style-type: none"> Carbon tax Changes in electricity prices Change in reputation from customers Subsidy policies for renewable energy Additional costs of EV chargers Change in reputation from investors Changes in customer behavior Spread of renewable energy and energy-saving technologies |
| Physical | <ul style="list-style-type: none"> Rise in average temperatures Change in rainfall and weather patterns Rise in sea levels Increase in flood and typhoon damage |

Within this timeframe, we have evaluated and identified the financial impact and timeframe for the emergence of each risk and opportunities that we consider to be of high importance to our mall business. For example, we believe that investment in the installation of charging stations for electric

vehicles could have a significant financial impact on AEON MALL. It offers risk in that a delay could reduce our ability to attract customers, whereas it also offers the opportunity to differentiate ourselves from competing facilities by making appropriate capital investments.

| | Evaluated item | Consideration of impact on business (Qualitative information) | | Degree of financial impact | | Time |
|------------|--------------------------------------|--|---|----------------------------|--------------|-----------------|
| | | Risk | Opportunity | 4°C scenario | 2°C scenario | |
| Transition | Carbon tax | <ul style="list-style-type: none"> Increases in petroleum and coal taxes are expected to increase procurement costs for construction materials, as well as costs for fuels used in operating facilities. The promotion of policies in line with the Paris Agreement will make thorough energy-saving measures necessary. | <ul style="list-style-type: none"> Upon reaching zero greenhouse gas emissions, the carbon tax will no longer apply. The transition to energy-saving and renewable energy construction together with low-carbon construction materials may increase market value. | Low | Low | Long term |
| | Changes in electricity prices | <ul style="list-style-type: none"> Constrained demand for energy will increase electricity procurement costs, leading to an increase in operating costs from utility bills. Higher demand for the procurement of renewable energy will increase its cost, increasing the financial burden. | <ul style="list-style-type: none"> The move to low-carbon grid electricity will limit the requirement to pay carbon taxes and invest in energy-saving facilities incurred from building construction and operation of facilities. | Medium | Medium | Medium term |
| | Additional costs of EV chargers | <ul style="list-style-type: none"> The spread of EVs will require the installation of charging facilities at our operating facilities, meaning increased capital investment costs. A failure to respond to this will lower our ability to attract customers. | <ul style="list-style-type: none"> Having charging facilities at operating facilities will help with differentiation from competing facilities, and will positively impact the ability to attract customers. | Low | Medium | Medium term |
| Physical | Increase in flood and typhoon damage | <ul style="list-style-type: none"> Torrential rains and typhoons will cause flooding inside and outside facilities as well as power outages requiring remedial measures and costs, which will mean fewer business days and customers. Insurance premiums will also increase to cover storm and flood damage. | <ul style="list-style-type: none"> Gain a competitive advantage by promoting the enhanced tangible and intangible disaster preparedness of our managed facilities, thereby leading to increased rental income along with more customer usage of our facilities and an improved reputation. | Medium | Low | Short-long term |

Degree of financial impact: Low (less than 1 billion yen), Medium (more than 1 billion yen and up to, but not including, 10 billion yen), High (10 billion yen or more)

Addressing Natural Disasters and Other Physical Risks

The results of the assessment revealed that in addition to transition risks, such as the imposition of a carbon tax for decarbonization and the additional cost of EV chargers, physical risks, such as increased flood and typhoon damage, have a significant impact on AEON MALL. In order to construct a resilient infrastructure system, in light of the recent torrential rains in western Japan and Typhoon No. 24, which caused extensive damage from floods and tornadoes

both in Japan and overseas, we have included floods and tornadoes as new risks. Also, based on the responses of individual malls to previous disasters, we have established a range of policies such as our natural disaster response guidelines. Also, based on the responses of individual malls to previous disasters, we have established a range of policies such as our natural disaster response guidelines. We will continue to examine further measures to limit these risks and maximize opportunities.

■ Example of Addressing Transition Risk:

By FY 2025, all AEON MALL in Japan facilities will transition to renewable energy

In order to achieve a decarbonized society, AEON MALL has established the AEON MALL Decarbonization Vision, aiming to operate our directly managed malls with 100% locally produced and consumed renewable energy (approximately 1.4 billion kWh/year) by 2040, thereby reducing the total amount of CO₂ emissions in Japan to zero. To achieve this long-term goal, we have set an interim target of converting the electricity used in all malls in Japan to renewable energy by fiscal 2025. In the fall of 2022, we launched a project to supply electricity generated by approximately 740 low-voltage, distributed solar power generation facilities with a total output of 65 MW across Japan to approximately 30 of our domestic malls. AEON MALL Kawaguchi (Saitama Prefecture) has also begun operating with virtually zero electricity and gas CO₂ emissions. In addition to energy-saving efforts, the mall procures electricity with virtually



AEON MALL Kawaguchi (Saitama Prefecture) has begun operating with virtually zero electricity and gas CO₂ emissions

Malls Operating on 100% CO₂-Free Electricity

*as of the end of February 2022

- AEON MALL Kawaguchi (Saitama Prefecture)
- AEON MALL Ageo (Saitama Prefecture)
- AEON MALL Nagoya Noritake Garden (Aichi Prefecture)
- mozo wondercity (Aichi Prefecture)
- AEON Fujiidera Shopping Center (Osaka Prefecture)
- AEON MALL Fukuoka (Fukuoka Prefecture)

zero CO₂ emissions through the non-FIT non-fossil certificate electric power program*¹ offered by TEPCO Energy Partner, Inc. The mall also sources carbon neutral city gas*² supplied by Tokyo Gas Co., Ltd.

*1 Non-FIT non-fossil certificate electric power program: A product offering the environmental value procured by Tokyo Electric to the point of customer demand in parallel with grid electricity. This source of electricity is regarded as essentially CO₂-free.

*2 Carbon-neutral city gas: Using CO₂ credits to offset greenhouse gases (carbon offsets) during the process of extracting natural gas through the combustion of said gas. This process is viewed as producing zero CO₂ on a global scale, even through the combustion stage. The CO₂ credits are certified by a reliable verification organization assuring the CO₂ reduction impact of environmental protection projects around the world.

■ Risk Management

The AEON MALL defines all risks, including fluctuations in sales due to competition, fluctuations in exchange rate, reputational damage, as well as earthquakes and fires. We have elucidated our basic approach to managing these in the Corporate Risk Management Rules. Depending on the nature and type of risk, these will be handled by different departments, and categorized as the Management Strategy Division, the Compliance Committee, and the Risk Management Committee. This Risk Management Committee's objective is to stay abreast of the status of risk management operations, to exchange information, and to continuously review the risk management system. It also makes reports and proposes policies to the president and CEO with regard to risk management.

In addition, we include climate change risk in our regular risk surveys to identify and manage climate change risks of high importance.

The ESG Promotion Committee brings together internal directors and meets six times a year to discuss climate change risks. Risks of particular importance are managed and evaluated at meetings of the Management Council and the board of directors.

■ Indicators and Targets

Energy Consumption

• Trends in energy consumption

| | Unit | Scope* ¹ | Boundary | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---|-----------------------------|---------------------|--------------|---------|---------|---------|---------|---------|
| Energy consumption (crude oil equivalent) | kl | ① | Common space | 118,030 | 118,723 | 117,801 | 112,922 | 127,251 |
| Energy consumption intensity | GJ/1,000 m ² × h | ① | Common space | 0.410 | 0.401 | 0.379 | 0.364 | 0.384 |
| Energy consumption intensity YoY (%) | % | ① | Common space | 94.88 | 97.80 | 94.43 | 95.99 | 105.49 |

*1 Scope Directly managed malls in Japan: ① Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy.

Greenhouse Gas Emissions

• Trends in greenhouse gas emissions

| | Unit | Scope*1 | Boundary | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|-------------------------------|-------------------|----------|---|---------|---------|-----------|-----------|-----------|
| Scope 1 | t-CO ₂ | ① | Common space | 15,977 | 15,271 | 13,840 | 14,627 | 16,721 |
| Scope 2 | t-CO ₂ | ① | Common space | 225,500 | 213,468 | 193,771 | 178,152 | 189,070 |
| Scope 1, 2 | t-CO ₂ | ① | Common space | 241,477 | 228,739 | 207,611 | 192,779 | 205,791 |
| Scope 1, 2 (overseas) | t-CO ₂ | overseas | Common space | 60,292 | 60,113 | 61,532 | 64,253 | 79,377 |
| Scope 1, 2 (Japan + overseas) | t-CO ₂ | ② | Common space | 301,769 | 288,852 | 269,143 | 257,032 | 285,168 |
| Scope 3 | t-CO ₂ | ② | Entire supply chain for business activities | — | — | 1,655,553 | 1,311,119 | 1,443,565 |

*1 Scope Directly managed malls in Japan: ① Business sites are not included in scope if we are only commissioned to perform management and operations without responsibility to manage energy. ② Consolidated. (Includes overseas and subsidiaries)

Reductions Target

AEON MALL is committed to the achievement of a decarbonized society as part of its AEON MALL Decarbonization Vision, and seeks to reduce CO₂ emissions in Japan to zero by 2040. In order to achieve our long-term targets, we have set milestones such as operating approximately 160 malls in Japan effectively CO₂-free until 2025 and reducing CO₂ emissions in Japan by 80% in 2025 versus 2013 levels, steadily taking measures to achieve our vision.

Targets to Reach for a Decarbonized Society Based on the AEON MALL Decarbonization Vision

FY2025

Use of 100% renewable energy at all our malls in Japan

FY2040

Use of 100% locally produced, locally consumed renewable energy at directly managed malls

Third-Party Verification

In FY2019, in order to ensure transparency and improve reliability, we received third-party verification of greenhouse gas (scope 1, 2, and 3), water, and waste emissions generated by our company. Using forecasts for improvements derived from this verification, we are working to continuously improve internal information.

* We verify Scope 3 in accordance with the AEON MALL Scope 3 Calculation Rules (updated June 14, 2021). (Scope and verification method are the same as for Scope 1 and 2)



Third-party verification results (Scope 1, 2)



Third-party verification results (Scope 3)



Third-party verification results (water, wastes)

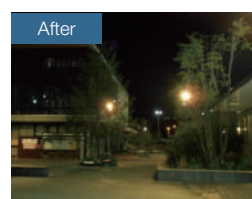
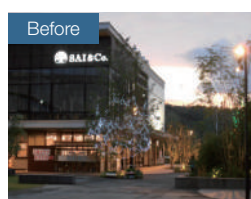
Environmental Education Activities

■ Earth Day Events and AEON MALL Environment Month

During the four days following Earth Day on April 22, a day for everyone to think about the global environment, we held a variety of events at malls across Japan to share important time with customers thinking about the global environment. In the Outdoor Dimming Relay, which reduces CO₂ emissions by reducing power consumption, we partially turned off outdoor lighting at night in 138 malls nationwide.

In addition, the period from World Environment Day on June 5 to Cool Earth Day on July 7 was designated as AEON MALL Environment Month, during which we implemented

initiatives to reduce the burden on the global environment, such as the Happy Clothes Relay, in which customers collect unused clothing, and Spo-GOMI, in which we make garbage collection a fun sporting event.



Turning of parts of outdoor lighting

■ AEON Sustena Campus

We have also sponsored the AEON Sustena Campus at malls nationwide since the June 5, 2021 Environment Day. The event provided an opportunity to think about environmental issues while having a good time. We provided opportunities for people to think about environmental issues in a fun way, including a quiz event to learn about global warming and the impact of marine plastic on animals, and a contest sponsored by the Ministry of the Environment where participants designed their own personal water bottle.



Participation in External Initiatives

■ Establishment of SBTs

AEON MALL submitted a letter of commitment to the SBT initiative (SBTi) defining our science-based targets (SBTs) for the reduction of greenhouse gas emissions consistent with the targets set forth in the Paris Agreement.

Initiatives to Environmental Issues in Overseas

■ China

Since the opening of our first mall in China in 2008, we have emphasized waste management. In response to stricter laws on waste separation in China in 2019, we created an instruction manual to manage waste on an even stricter basis. At AEON MALL Qingdao Xihai Xinqu West Coast New Area, which opened in November of the same year, monthly training sessions have been held for specialty stores to ensure rigorous separation of waste in the waste storage area, which has been highly praised by the Qingdao City government. We are currently rolling this effort out to 22 malls throughout China. In addition, we are making plans to make newly-opened sustainable malls that are environmentally friendly.

■ Vietnam

In cooperation with NGOs engaged in environmental activities, we conduct educational activities to help people understand the importance of recycling. In addition to measures such as showing videos in malls to promote waste separation and offering special benefits to customers who bring their own eco-bags, a training program for specialty stores was implemented and a reward system was introduced to recognize stores that have demonstrated results. We are also working to create a mechanism to ensure that collected waste is recycled.

■ Cambodia

Since 2014, we have worked with NGOs, providing cardboard and plastic waste and using profits from the sale of recycled

■ Eco Unit Division Superior Award (Eco Kentei Award 2021)

At AEON MALL, we encourage our employees to acquire Eco Certification in order to raise awareness of and promote initiatives for environmental protection. Currently, 1,531 employees, or approximately 80% of those eligible, have passed the certification test. The Eco Kentei Award is held by the Tokyo Chamber of Commerce and Industry to recognize companies that are engaged in environmental activities based on the knowledge acquired through the Eco Certification. AEON MALL was awarded the Eco Unit Division Superior Award as part of this in recognition of its efforts in environmental activities in the previous fiscal year.



In response to the Paris Agreement's target of limiting the temperature increase to less than 2°C above pre-industrial levels, we have set our reduction targets at the 1.5°C level for Scope 1 and Scope 2, and at the well below 2°C level for Scope 3, aiming to obtain SBT certification.

products to support the education of Cambodian children. To promote recycling, we educate specialty store and mall employees on environmental conservation and hygiene management, and ensure thorough waste separation.

We showed a video calling for plastic reduction. This video was produced in cooperation with the United Nations Development Programme, the Cambodian Ministry of Environment, the Embassy of Japan, and the Embassy of Sweden. The video attracted the attention of customers, as many social media influencers appeared in the video.

■ Indonesia

In Indonesia, the increase in waste accompanying economic development has become a social issue. In particular, most plastic waste is disposed of by incineration or landfill, and some of it causes problems such as ocean dumping. The recycling rate is also only 7-10% of total recyclable waste. To address these issues faced in this area, AEON MALL Tanjung Barat, the fourth to open in Indonesia, has been working toward 100% recycling of cans, glass bottles, and plastic bottles disposed of at the mall. In fiscal 2022, we have begun efforts to recycle these waste materials into resources and recycle them into eco-bags.



Special
Feature

Achieving Our Decarbonization Vision

From *using* energy to *creating* energy together with local communities and customers

We work together with customers, the main players in their communities, to support community environmental awareness and actions, enriching lives by building decarbonized societies.

Pursuing Efforts to Create Decarbonized Societies Throughout the Region

We work with customers to create locally produced and locally consumed renewable energy in each region. We aim to make the electricity used in our facilities CO₂ emissions-free, including electricity used by specialty store retailers in our malls.

Our goal is to convert electricity used in approximately 160 malls managed and operated by the Company to renewable energy by the year 2025. AEON MALL will gradually transition from procuring effectively CO₂-free electricity through direct renewable energy contracts in each region to locally produced and locally consumed renewable energy by 2040, at which time we intend to operate all directly managed malls under 100% locally produced, locally consumed renewable energy.

To achieve decarbonized societies in partnership with our customers, we pursue V2AEON MALL (Vehicle to AEON MALL), which is an evolution of the V2H (Vehicle to Home) concept. Here, our aim is to build a customer-participatory renewable energy circulation platform. Further, we intend to build decarbonized societies together with our customers by supporting them in tying environmental awareness to action through visualization of their environmental contribution activities. Actions will include tree planting, waste plastic collection, and cooperation in food loss prevention programs.

We will continue to pursue sustainability in all business activities and accelerate efforts to create decarbonized societies throughout every region by leveraging AEON Group resources.

AEON MALL

Targets Toward Decarbonized Societies

2025

**100% Renewable Energy in AEON MALL
Facilities in Japan**

2040

**100% Locally Produced Renewable Energy for
Local Consumption in All Directly Managed Malls**

Initiatives Toward Achievement

Focus 1

Work with local communities
to create renewable energy
locally for local consumption

Focus 2

Pursuing V2AEON MALL,
together with customers



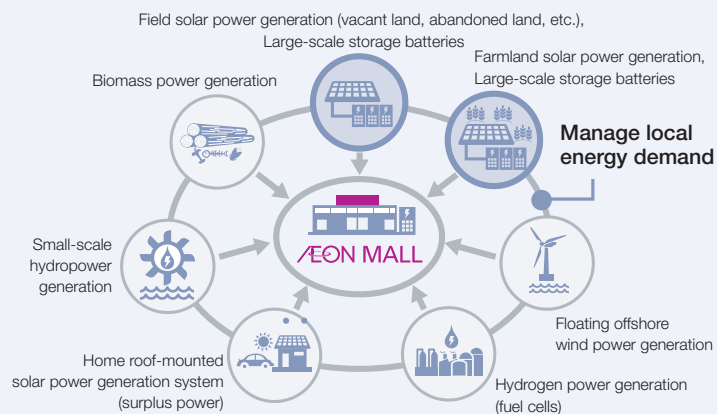
Focus 1

Work with Local Communities to Create Renewable Energy Locally for Local Consumption

Aiming for 100% locally produced, locally consumed renewable energy, the *AEON MALL Machi no Hatsudensho* (community power plant) began operations in September 2022. Approximately 65 MW of electricity generated at approximately 740 low-voltage solar power plants nationwide will be supplied to approximately 30 AEON MALL facilities across Japan through a self-directed transmission system*1.

We expect this initiative to be the largest offsite corporate PPA*2 in Japan, undertaken in collaboration with Mizuho Group companies and others.

AEON MALL will continue to expand a more complex renewable energy procurement network to secure integrated renewable energy for local production and local consumption, contributing to decarbonized societies in every region.



Starting with solar power generation, the *AEON MALL Machi no Hatsudensho* (community power plant), a regional renewable energy hub, will pursue diverse power generation methods over time



AEON MALL Machi no Hatsudensho (community power plant)
(Japanese only)

▶ <https://www.aeonmall.com/heartwarming-sustainable/>



*1 Transmission of electricity generated by solar power generation facilities in remote areas to the Company's own facilities or those of its group companies, using the transmission and distribution facilities of power transmission and distribution companies.

*2 A purchase agreement between a power producer and an electricity customer for the purchase and sale of renewable energy power at a pre-agreed price and for a pre-agreed period, whereby renewable energy power generated offsite is supplied to the electricity customer using the transmission and distribution facilities of a power transmission and distribution company.

Focus 2

Pursuing V2AEON MALL, Together with Customers

V2AEON MALL (Vehicle to AEON MALL) is a system in which electricity generated at home is discharged at discharge locations in AEON MALL parking lots. AEON MALL then grants points and other rewards to the customer from within the AEON MALL application. Accumulated points can be used for shopping and other purposes.

After several years of proof-of-concept tests with the Kansai Electric Power Company, Inc., Enegate Co., Ltd., and Sakai City, we are now developing a system in collaboration with FeliCa Pocket Marketing, Inc. as an additional party. Our aim is to commercialize this system in three locations in the Kansai area (Sakai Teppochō, Sakai Kitahanada, and Kashiwara) by the end of fiscal 2023. We are considering expanding the service in the future within the region in cooperation with local governments.



We are pursuing the V2AEON MALL (Vehicle to AEON MALL) concept. This concept will become a circular customer-participatory renewable energy platform

Progress to Date

2018

AEON MALL conducted desk research for the program at AEON MALL Makuhashi Shintoshin.

* Used a subsidy from the Ministry of Economy, Trade and Industry for costs of ventures related to local production for local consumption of energy utilizing regional characteristics.

2019

AEON MALL conducted a proof-of-concept test using EVs as a means of electric transportation at AEON MALL Sakai Teppochō with the collaboration of volunteers.

* Used a subsidy from the Ministry of Economy, Trade and Industry Subsidies for Projects for Configuring Virtual Power Plants through the Intelligent Use of Demand-side Energy Resources

2020

Conducted a proof-of-concept test for environment value trading utilizing Blockchain technology at AEON MALL Sakai Teppochō. The test involved installing smart meters in the homes of volunteers.

Protect Biodiversity and Resources

Recognition of the Current Situation (sense of danger regarding biodiversity)

Our lifestyles are made possible by the many bounties of nature. Biodiversity is the source of these bounties, and is in decline all around the world. As biodiversity is harmed, so too are our lifestyles greatly affected, as seen in food and water scarcity issues.

Recognizing the importance of biodiversity and aiming toward its preservation for a sustainable society, we will fulfill the Aeon Biodiversity Principle.

Aeon Biodiversity Principle

Basic Policy

We understand the effects of our overall business activities on the ecosystem, and work together with our customers, the government, NGOs, and other stakeholders to remain actively involved in preservation activities and reduce the effects of such a crisis.

Through our business activities, we aim for the following with the ecosystem in mind:

1. To remain aware of blessings and harm
2. Work to protect and nurture
3. To keep others informed of our activities

Course of Action

Products

In the course of purchasing and sales, we remain aware of sustainability, set goals regarding resource-managed perishable and processed products. And then, they are shared with our clients and customers.

Stores

We continue to promote tree planting activities with our customers when opening new locations and to develop ecologically-friendly stores that reduce the impact on the environment.

With Our Customers

We share and learn about environmental awareness with others through our tree planting activities.

Aeon actively promotes the Aeon Hometown Forests Program at stores to communicate the importance of our forests.

We actively participate in forest replanting and tree planting around the world.

We work to raise awareness of biodiversity with all of our employees and help inspire them to voluntarily participate in preservation activities while sharing environmental awareness with customers in the community.

Aeon Biodiversity Principle

► <https://www.aeon.info/en/sustainability/biodiversity/>

Promotion System for Preserving Biodiversity

In promoting the preservation of biodiversity, topics are explored and discussed by the ESG Promotion Subcommittee, consisting of responsible members from departments leading action in this area. The ESG Promotion Committee, chaired by

the president and chief executive officer, makes decisions on these topics, and these processes are matters for discussion and reporting at one meeting of the board of directors a year.

Quantitative Targets and Risk Responses for Preserving Biodiversity

AEON MALL has established biodiversity as a materiality and set as a KPI the number of malls that have acquired Association for Business Innovation in harmony with Nature and Community (ABINC®) certification with the aim of creating an environmentally conscious society that is in harmony with nature.

By 2030, all malls will meet the criteria for certification: create an environment that contributes to biodiversity, engage in biodiversity-friendly maintenance and management,

and communicate with the surrounding community. In this way, malls will help mitigate risks and preserve biodiversity. Furthermore, we will aim to have all malls obtain certification by 2050.

Directly-managed malls have been ISO 14001-certified since 2001, and we have set preserving biodiversity as an environment-related target as of FY2022, managing progress appropriately.

■ ABINC® Certification (Association for Business Innovation in Harmony with Nature and Community)

The ABINC certification is granted by a third party, which independently evaluates and certifies biodiversity-conscious efforts to create green spaces based on the ABINC® Guidelines created and registered by the Japan Business Initiative for Biodiversity (JBIB). In March 2022, six malls acquired certification, bringing the total to 15 as of this document.



* ABINC-Certified Malls

| Mall Name | Certification Date | Updated On | Location |
|-------------------------------|--------------------|---------------|--------------------------------------|
| AEON MALL Toin | February 2014 | February 2020 | Toin City, Mie Prefecture |
| AEON MALL Nagakute | February 2017 | | Nagakute City, Aichi Prefecture |
| AEON MALL Tamadaira Woods | February 2015 | February 2021 | Hino City, Tokyo Prefecture |
| AEON MALL Matsumoto | March 2018 | | Matsumoto City, Nagano Prefecture |
| AEON MALL Tokoname | February 2016 | March 2022 | Tokoname City, Aichi Prefecture |
| AEON MALL Shijonawate | | | Shijonawate City, Osaka Prefecture |
| AEON MALL Sakai Teppochō | | | Sakai City, Osaka Prefecture |
| AEON MALL Zama | March 2019 | | Zama City, Kanagawa Prefecture |
| THE OUTLETS HIROSHIMA | | | Hiroshima City, Hiroshima Prefecture |
| AEON MALL Kawaguchi | March 2022 | | Kawaguchi City, Saitama Prefecture |
| AEON MALL Ageo | | | Ageo City, Saitama Prefecture |
| AEON MALL Hanyu | | | Hanyu City, Saitama Prefecture |
| AEON MALL Shinrifu North Wing | | | Miyagi district, Miyagi Prefecture |
| AEON MALL Shinrifu South Wing | | | Miyagi district, Miyagi Prefecture |
| AEON MALL Hakusan | | | Hakusan City, Ishikawa Prefecture |

Solving Community Issues and Communicating the Charm of Nature

■ Initiatives at AEON MALL Hanyu

The Sai x Hoku Nature Project is an initiative by AEON MALL Hanyu (Saitama Prefecture), which acquired ABINC certification in March 2022. In cooperation with the four cities of Hanyu, Kazo, Gyoda, and Konosu, as well as various organizations active in each city, the project provided an opportunity for participants to experience the natural environment through exhibits of plants that grow in the prefecture. The project also included agricultural experiences and astronomical observations, such as via presentation booths set up at the venue. The aim of the project was to introduce the abundant natural attractions of northern Saitama Prefecture to as many people as possible. AEON MALL will contribute to solving community issues and communicating the charm of nature through preserving biodiversity.



AEON MALL Hanyu (Saitama Prefecture)
Sai x Hoku Nature Project

■ Ecological Surveys in AEON Hometown Forests

We conduct ecological surveys at the AEON Hometown Forests growing around the AEON, AEON STYLE, AEON MALL, AEON TOWN, and other locations across Japan. In these surveys, our customers, specialty store employees, and employees search for various living organisms in each AEON Hometown Forest.

Between August 5, 2022 and October 31, 2022, 22 AEON MALL locations were registered to participate in this project. This survey covers locations with forests planted generally one to 30 years before the survey. Participants take smartphone pictures of birds, insects, plants, and various other creatures they find in the forests. By posting the photos to the Biome^{*1} application and confirming checking what animals were in what forests and when, they learn about the richness of forests, their function as ecosystems, and their biodiversity value.

The survey results collected at each location are to be compiled and used to publish the Hometown Forests Handbook: Living Organism Edition, serving as valuable data for measuring the biodiversity of AEON Hometown Forests.

■ AEON Hometown Forests Program

The AEON Hometown Forest Project began in 1991 in Malaysia. The AEON Group regards the tree planting initiative as an activity to embody a philosophy centered on pursuing peace, respecting humanity, and contributing to local community societies, always from the customer's point of view. Every time a new mall is opened in Japan or overseas, AEON hosts a tree planting ceremony, working with customers to plant native trees most appropriate for the local natural environment. In FY2021, we planted 28,000 trees in Japan and overseas. As of the end of February 2022, the AEON Group has planted a total of approximately 12.42 million trees.



^{*1} A smartphone application using AI to determine the names of animals and plants found by participants. Currently, it is the largest database of living organisms in Japan, with approximately 92,000 searchable domestic species in Japan. The number of animal and plant species and individuals contributed by users to this application is enormous, with approximately 27,000 species and 1.33 million individual organisms. This information is also applied in academia, including to new discoveries of living organisms, changes in distribution due to global warming, and the expansion of invasive alien species.



Creating Environmentally Friendly Facilities at AEON MALL

Preserving Rare Species

We perform scientific studies when developing new malls to identify the potential impact on biodiversity. We take steps to conserve rare species in the event we discover such living on a site slated for development. We also protect existing trees and other vegetation to the maximum degree possible.

Examples of Rare Species We Conserve: AEON MALL Kusatsu Mizutakamoji (Agropyron Humidum)
AEON MALL Omuta 25 rare species



Protect and Restore Habitats

In our AEON Furusato no Mori (Hometown Forest) initiative, we conduct studies of plants growing wild in communities surrounding our businesses and plant trees to establish a natural forest and restore habitat for diverse species.

Resource Protection

■ Creating Circular Economies

AEON MALL is working to reduce waste and build systems for recycling, aiming for a recycling-based society where resources are effectively recirculated. Incorporating the concept of a circular economy, we pursue the 6Rs (Rethink, Reduce, Reuse, Recycle, Repair, and Returnable). For more than 20 years, AEON MALL has engaged in recycling by classifying waste into a number of types (currently 18; initially 17). In fiscal 2021, we achieved a 92.7% recycling rate (including thermal recycling) among our directly managed malls in Japan. We will continue to reduce the amount of resources used in our facilities and collect unneeded resources from customers for reuse, aiming for circular societies and revitalized local economies.

A circular mall is a type of mall that incorporates the concept of a circular economy into its operations, and that can create a recycling-based society through co-creation

with customers, specialty stores, and the local community, leveraging the integrative ability and scale of shopping malls.

■ Circular Mall Concept (E.g., clothing)



Circular Mall

Co-creating with customers, tenants, and local community societies to create circular societies as we leverage the scale of our malls

■ Initiatives to Build a Resource Recycling System in Construction Work

We have begun efforts to build a resource recycling system within construction so as to create a mechanism for recycling and harnessing as resources all components and outputs of our facilities.



Diversity and Work-Style Reform



Diversity, Work-Styles

Diversity Management: Developing Individuality to Pioneer the Future

Diverse human resources are necessary to implement our policy that the customer comes first. This is because a diverse range of customers come to our malls. Creative ideas are born through the active exchange of opinions from diverse points of view. An increasing number of highly motivated female employees are pursuing higher positions within our

organization. We provide flexible options to enable all to work flexibly during life-stage changes, including child rearing or aging parent care, regardless of gender, age, nationality, mental or physical disability. We are building a foundation for comfortable work environments upon which employees can develop their careers.

Data on Diversity Management

* Non-consolidated

| Category | KPI | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|--|-------|----------------|----------------|---------------|---------------|---------------|
| Ratio of female managers to total managers | 30.0% | 14.2% | 15.1% | 17.4% | 18.0% | 19.4% |
| Paternity leave rate | 100% | 0.0% | 5.2% | 30.6% | 53.5% | 100% |
| Paid leave usage rate | 60% | 30% | 39% | 59% | 58% | 62% |
| Days of paid leave taken | — | 6 | 8 | 9 | 10 | 11 |
| Percentage of employees with disabilities | 2.50% | 1.90% | 1.86% | 2.32% | 2.14% | 2.17% |
| New employees (male / female) | — | 110 (49/61) | 100 (57/43) | 87 (46/41) | 53 (25/28) | 65 (30/35) |
| Voluntary separation rate | — | 2.9% | 2.4% | 3.7% | 3.1% | 3.5% |

Reference: Data on Number of Employees

* Non-consolidated

| Category | KPI | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|--|-----|----------------------|----------------------|----------------------|----------------------|----------------------|
| Number of regular employees (male / female) | — | 1,682 (1,131/551) | 1,792 (1,191/601) | 1,788 (1,168/620) | 1,842 (1,196/646) | 1,939 (1,239/700) |
| No. of local staff overseas | — | 1,040 | 1,040 | 1,228 | 1,429 | 1,465 |

Increasing the Ratio of Women in Managerial Positions

At AEON MALL, we believe that we should aim to create “An environment in which every employee continues to work as a Life Design Producer at every stage of life, and an environment in which every person has the opportunity to play an active role in management positions” for the empowerment of women. With the goal of achieving a 30% ratio of women in management positions by fiscal 2025, we are planning and implementing a variety of initiatives to foster motivation to take on new challenges and strengthen the support system provided by Group companies and supervisors.

Initiatives for Fiscal 2025

- **Motivating employees to take the first steps toward management**
 - Providing training to change mindsets about higher positions
- **Producing and publicizing a variety of role models for management positions**
 - Operating “model malls” with managers working shorter hours
- **Follow-up before childbirth and before returning to work**
 - Motivating female employees through consultations, etc.
 - Encouraging male employees to take childcare leave
- **Improving manager skills in developing subordinates**
 - Providing subordinate development training for middle management

Initiatives for Empowering Women

■ Publishing a Guidebook to Teach Employees and Their Partners about Childbirth and Child Rearing

We publish and distribute Ikunabi, an in-house guidebook, to help employees balance work and childcare. This enables them to focus on childbirth and childcare with peace of mind and makes the return to work easier. Written with the topics of raising children and nurturing careers in mind, this guidebook is an easy-to-understand summary of the systems and benefits, as well as the necessary knowledge and procedures applicable at each stage. Each department utilizes this booklet for work-life management.



■ Opening AEON Yume-Mirai (Dreams for the Future) Nursery Schools

As part of our efforts to create an environment in which employees can continue to work with peace of mind, we opened the AEON Yume-Mirai Nursery School, an on-site nursery available to employees of AEON Group companies, specialty store tenants, and local community residents. In principle, these are open all year according to the business hours of each mall, helping each specialty store staff member to balance work and childcare. We create opportunities for children to grow both mentally and physically through events and activities that are not affected by weather and that can be held only at a mall-based daycare center, such as field days held at AEON Halls. A new nursery school was introduced to AEON MALL Shinriku South Wing (Miyagi Prefecture), which opened in December 2021. It became the 32nd of the AEON Group's nursery schools, 22 of which are in our commercial facilities.



■ Childcare and Nursing Care Support System: Achieved 100% of Male Employees Taking Childcare Leave (FY2021)

To support employees in balancing work with childbirth and childcare, we are working to establish various systems and create environments that encourage the use of childcare leave. In fiscal 2021, 63 employees (including 36 male employees)

took childcare leave. We encourage the active participation of men in childcare, and through various support systems, we have achieved a 100% male childcare leave utilization rate in fiscal 2021.

Reducing stress by participating in childcare as a couple

Thanks to encouragement from my supervisor, I took about a month of childcare leave, including some public holidays. Not only are our systems strong, but we have a department we can consult with about leave, and the support I received on all sides put me very much at ease. When I was on leave, I and my partner were able to take the time and learn about how to raise a child, building an environment where we could do that together. After using commercial facilities from the same perspective as our customers with children, I would like to apply my experiences to my future work. I hope

that those who are uncertain about taking childcare leave will rest assured that they can take advantage of this system.



Takamichi Fukura
Management and
Auditing Department

■ External Certifications: Kurumin and Eruboshi (L-Star) Certification

In accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we disclose information on the Ministry of Health, Labour and Welfare's comprehensive website for the promotion of female participation and balancing work and family.

We have also received the following certifications in recognition of our initiatives.



Kurumin award mark as a business supporting childrearing (Act on Advancement of Measures to Support Raising Next-Generation Children)



Eruboshi (L-Star) certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Initiatives for the LGBT Community

■ Clarifying our Diversity Policy

AEON Human Rights Policy

We will respect the privacy of individuals as well as their diverse values and personalities and never discriminate against anyone for any reasons, including discriminatory treatment based on race, nationality, ethnicity, gender, age, place of birth, religion, educational background, physical or mental disability, sexual orientation, or gender identity.

■ Clarifying Internal Rules

Our employee benefit programs for families (leave, company housing, etc.) also apply to married same-sex partners.

■ Internal Awareness-Raising Activities

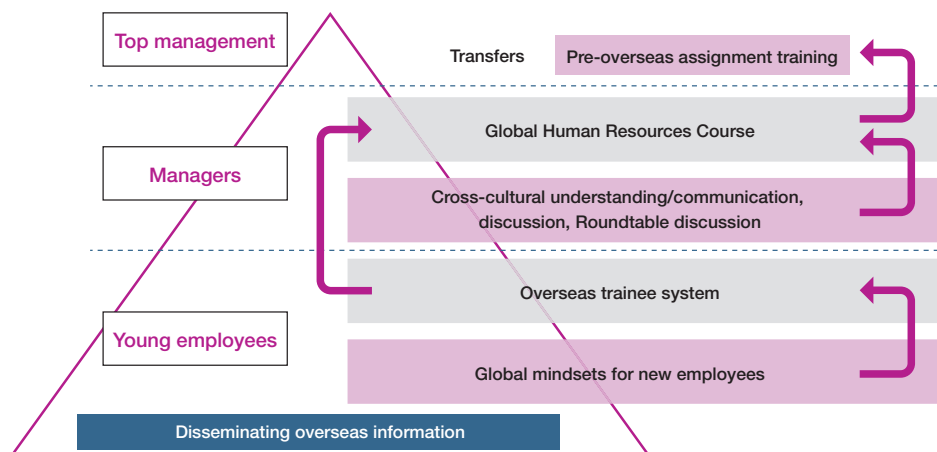
We provide training to all employees on the subjects of understanding sexual minorities and providing consideration to them in the workplace, etc., to encourage understanding and awareness of gender equality.

Global Human Resource Development: Connecting in Asia, Growing Our Talent

In our overseas business, a driver of our growth strategy, we believe that there will need to be approximately 50 new assignments (executive/general manager-class and above), mainly mall general managers, to support new locations and rotate with existing assignees in the four years through 2025. We are systematically training employees for these assignments, including through the Global Human Resources

Course and transfers from the various divisions to overseas locations. We have established an integrated overseas human resource development course that includes maintaining motivation, awareness-raising, and acquisition of skills and knowledge, in order to cultivate and appropriately assign global human resources.

■ Overseas Human Resources Programs and Structure



■ Cultivating Global Human Resources at Overseas Malls

Our basic policy for operating malls overseas is to delegate the operation to local staff members who have a deep understanding of our philosophy. We focus on the education of human resources in each country. We are also active in promoting local staff members to management positions. Currently, 14 malls have local staff members serving as general managers (GM) who are responsible for the malls.

We strive to instill in our employees the philosophy that the customer comes first. We also teach cleanliness, safety, and various other factors that create customer loyalty. Employees grow through various training programs, using the knowledge and experience they have acquired to create malls that are supported by the local community.

In China, training programs are held periodically for local staff to improve their careers. In addition to offering unified programs throughout China, we also provide training in each area, expanding the best practices to other malls. Furthermore, we are striving to increase motivation by focusing on cultivating human resources through joint training with Japanese employees and the introduction of a personnel evaluation system.

Those employees assigned from Japan gain business experience overseas, and the experience of working and developing alongside local staff offers them first-hand experience of diversity and the chance to grow themselves.

A Range of Human Resource Development Programs

Employee Career Support

We provide many opportunities for employees to learn through various training programs based on their qualifications, positions, and other levels of growth. AEON MALL provides education and training programs across a wide range of topics. We design training to share and instill values toward the idea that the Customer Comes First, part of the AEON Basic Principles. We also offer practical training according to years of service and position to improve employee knowledge and skills required of a commercial developer. The AEON Business School is a program for employees desiring other knowledge and skills for their future careers. We also pursue a variety of certification support systems (self-study) to help employees develop personally.

Practical Business Education at Malls

In response to the increase in the number of young employees, we provide practical training with collaboration between the CX Creation Division, business divisions, and the Education

Department. In addition, we utilize a capability acquisition checklist as a support tool to confirm the knowledge and skills employees need to carry out their duties. Furthermore, we have provided a series of accumulated materials on our internal bulletin board for employees to acquire the necessary knowledge, working to create an environment where individual employees can practice self-study.

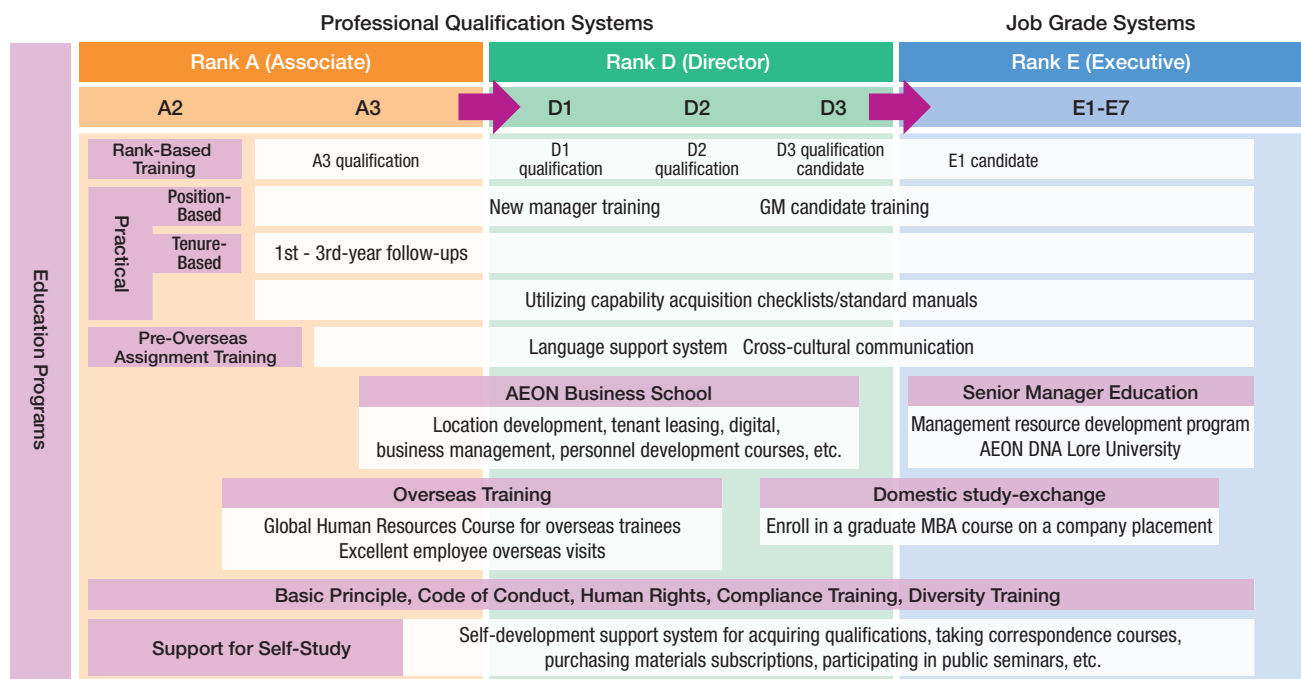
Recommended Certifications

We have a system in place whereby employees are given preferential treatment for promotion based on their possession of official qualifications, which we encourage them to acquire.

Overseas Trainee System

In our pursuit of global business, as well as to quickly foster human resources that will lead our global businesses, we have implemented a short-term system that very nearly replicates the experience of working long-term at an overseas location.

Human Resource Development Structure



Stronger Recruitment and Cultivation of Digital Human Resources: Connecting, Deepening, Transforming

One of our medium- to long-term value creation strategies is promoting digital transformation (DX). Therefore, we will establish steps to promote DX from a medium- to long-term perspective to achieve AEON MALL's desired state. In line

with this, we are developing and studying various measures to implement here, based on our belief that stronger recruitment and cultivation of digital human resources is an important part of our human resources strategy.

Health and welfare

Health Management: Nimble, healthy, sustainable

■ Pursuing Health Management

We engage in health management based on the belief that the health and wellness of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities. In March 2022, we were recognized as a 2022 Certified Health & Productivity Management Outstanding Organization (Large Enterprise) under the Certified Health and Productivity Management Outstanding Organization program operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), which recognizes corporations that practice particularly excellent health management. This is the third consecutive year that we have received this certification.



■ Issuance of the Health Management Declaration and Formulation of Related Policies

The Aeon Health Management Declaration
Aeon will support the health of employees and their families.
Aeon will achieve health and happiness in the local community together with employees.

AEON MALL Guidelines on Health Management

- (1) We will strive to prevent illness through the implementation of health checkups and follow-ups based on the results of these checkups.
- (2) We will strive toward mental health through ongoing stress checks and mental health care initiatives.
- (3) We will comply with the Declaration on Elimination of Service Overtime and Long Working Hours and the Anti-Harassment Regulations to create a psychologically safe organizational climate and a vibrant workplace.
- (4) We will improve the health literacy of each employee and, as a Life Design Developer, provide the local community with prosperous lifestyles where they can enjoy good mental and physical health.

■ Organizational Structure for Health Management Promotion

We promote health management through the following organizational structure.

| Position | Personnel | Role |
|-----------------------------|--|---|
| Chief Health Officer | General manager, Administration Division | Chief responsible party for health management Internal and external dissemination of the Health Management Declaration |
| Health Promotion Manager | General Manager, Personnel Management Department | Responsible party for promotion of health management Building health management structure |
| Health Promotion Officer | General Manager, Personnel Department Personnel Department managers Personnel Department staff | Planning and implementation of measures in cooperation with various stakeholder organizations Supporting each business location |
| Health Promotion Leader | General managers at business bases | Responsible party for health management at business locations/departments Promoting employee health checkups and health initiatives |
| Health Promotion Sub-leader | Operations managers and managers, unit managers at business bases | Responsible party for health administration at business locations/departments Specific engagement, including rigorously ensuring health checkups are taken and making recommendations for measures to be taken after health checkups |

■ Specific Initiatives

Measures After Health Checkups and Disease Prevention

While AEON MALL's employees undergo regular health checkups at a rate of nearly 100%, the rate of secondary testing based on the results of these checkups is less than 50%.

Beginning in fiscal 2022, we are working on initiatives to the right to more accurately identify employees who need follow-up testing and to ensure that they have access to the necessary testing.

- Adjusting checkup results confirmation flow by industrial physicians
(Prioritizing employees whose checkups revealed issues, and providing health guidance in a timely fashion)
- Sharing the list of those who have not undergone follow-up testing with their department heads
- Newsletters written by public health nurses disseminate information and raise awareness on the relationship between health checkup results and illnesses

Supporting Mental Health Issues

Difficulties in mental health are a major social issue. At AEON MALL, we are strengthening our efforts to protect the mental health of our employees.

- Established the AEON MALL Health Center where any employee can feel free to consult with a public health nurse
- Rigorously ensuring employees undergo stress checks and provide content for self-care based on stress check results
- Providing Mental Health and Front Line Training for managers

Reducing Long Working Hours and Streamlining Mall Operations

In promoting work-style reforms, we are also working to eliminate long working hours. In the recognition that time is a resource, we aim to reduce total annual hours worked to 1,990 hours or less by increasing work concentration and providing greater results even in short periods of time through streamlined operations and better intra-departmental communication. We are working to improve work-life balance not only by improving the state of employees who work long hours, but also by implementing various measures such as reducing unplanned working hours for entire departments and encouraging employees to take the leave they are entitled to.

Data on Health Management

| Category | KPI | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|--|---------------------------|------------------------------|------------------------------|--|--|--|
| Rate of regular health checkups | 100% | 99.8% | 100% | 99.9% | 99.5% | 99.8% |
| Rate of secondary testing*1 | 100% | - | - | - | 34.6% | 44.6% |
| Rate of specified health guidance | 100% | 13.1% | 4.8% | 9.8% | 7.9% | 21.7% |
| Percentage of smokers | 16% or less | 23.3% | 22.4% | 21.1% | 19.6% | 15.4% |
| Rate of stress checks | 100% | 96.7% | 96.6% | 95.9% | 98.5% | 96.2% |
| Total annual hours worked | 2,000 hours or less | 2,045 hours | 2,044 hours | 2,025 hours | 2,018 hours | 1,998 hours |
| Survey on Health and Productivity Management | Acquired White 500 status | Submitted questionnaire form | Submitted questionnaire form | Certified as an Outstanding Organization | Certified as an Outstanding Organization | Certified as an Outstanding Organization |

*1 Rate of secondary testing: The rate of undergoing secondary testing by those who were judged by an industrial physician to require examination among those whose initial checkups revealed issues (those requiring secondary testing, detailed testing, or treatment)

Human Capital Compliance

Establishing a Dedicated Compliance Department

In order to empower diverse human resources in a workplace culture where employees can maximize their abilities, we are strengthening our systems and conducting various training programs to deepen accurate knowledge and understanding of human rights.

In April 2022, the Compliance Department was newly established within the Administration Division as a central body for the implementation of compliance measures such as encouraging legal compliance and compliance with our code of conduct, including with regard to harassment. The

Compliance Department promotes compliance education by developing a compliance promotion system, educating employees, and ensuring that all employees are aware of the importance of compliance. The schedule for this year's compliance training is as follows.

Implementing the AEON Code of Conduct Survey

We regularly conduct the AEON Code of Conduct Survey every year to monitor the degree of penetration of the aforementioned code, compliance awareness, and the workplace environment.

Compliance Training

| Period | Eligible Trainees | Training Content |
|-----------------------|----------------------------------|---|
| First half of FY2022 | Department heads (317 employees) | Training case studies are based on AEON MALL's situations, and by the end of the training, all participants submitted action plans for improved compliance |
| Second half of FY2022 | All employees | <ul style="list-style-type: none"> • Compliance training at each sales office and office, led by general managers (including of business departments) and office heads • All employees participate in this training |

Promote Responsible Business



Human Rights, Bribery

Approach to Human Rights Policy and Human Rights Risks

AEON's unwavering basic philosophy is, "pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core." To honor this philosophy we will comply with all relevant laws and regulations, while dealing with all people honestly and sincerely through proper behavior. The AEON Code of Conduct was enacted in April 2003 on the basis of these values. In September 2014, AEON made clear its stance on human rights and the work environment, producing AEON Human Rights Policy in support of the AEON Code of Conduct.

AEON MALL respects human rights by following this philosophy and these policies. The company aspires to create an organization that allows all people, regardless of their gender or nationality, to participate in the development of the company. We strive to create workplaces that enable all employees to perform to the highest level of their abilities. We view our response to human rights risks as an important foundation for human resources development and for maximizing employee capabilities, engaging in related measures.

AEON Code of Conduct

► https://www.aeon.info/en/company/code_of_conduct/



AEON Human Rights Policy

► <https://www.aeon.info/en/humanrights/humanrightspolicy/>



AEON Code of Conduct—Our Commitment

1. AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
2. AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. AEON people actively seek out ways to exceed customer expectations.
4. AEON people continually challenge themselves to find new ways to accomplish the AEON ideals.
5. AEON people support local community growth, acting as good corporate citizens in serving society.

Implementation Framework for Human Rights Initiatives

AEON MALL identifies responsible business as a materiality, aiming to create societies in which human rights are respected by all. To help fulfill our responsibility to respect human rights by preventing, mitigating, and remedying negative impacts on human rights in our corporate activities, the ESG Promotion Subcommittee, which consists of managers of departments that take proactive measures, conducts studies and discussions of issues. The ESG Promotion Committee, chaired by the president & CEO, makes decisions based on information from the subcommittee.

In August 2021, the ESG Promotion Committee formulated *Guidelines for Sustainable Transactions*. We are publicizing this document through external briefings and internal education.

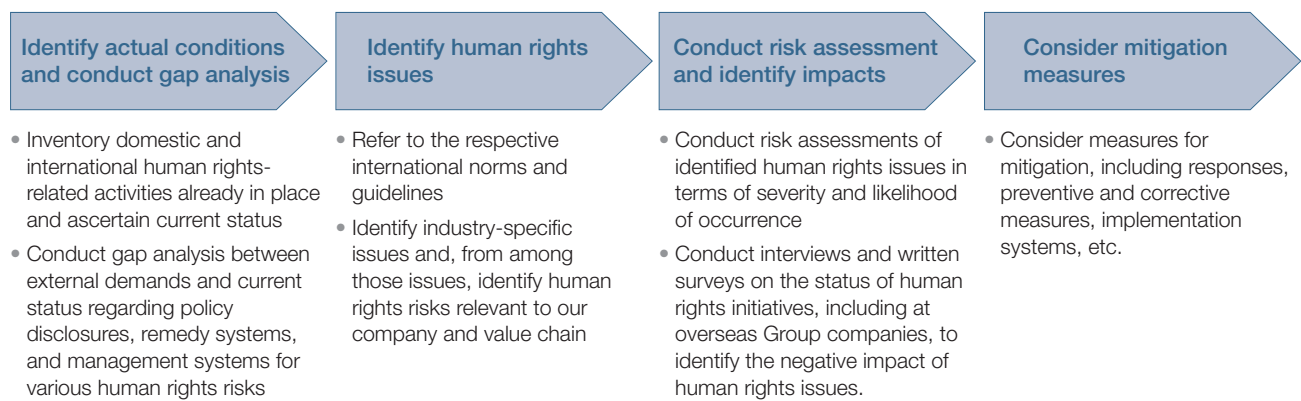
In addition, in October 2021, the president & CEO delivered a message at the Store Association meeting. In his message, the president stated that the purpose of establishing the Guidelines for Sustainable Business Transactions for mutual and sustainable development through fair business dealings.

Human Rights Due Diligence Implementation

At AEON, all AEON People (executives and employees) gain a deeper understanding of human rights, and, based on the AEON Human Rights Policy, strive to create a society that respects human rights. The AEON Human Rights Policy clearly describes a human rights due diligence process. In

accordance with the AEON guidelines, AEON MALL began implementing this initiative in 2020. As described in the United Nations Guiding Principles on Business and Human Rights, we will continue our efforts to build a sustainable value chain in our role as a leader in ensuring human rights.

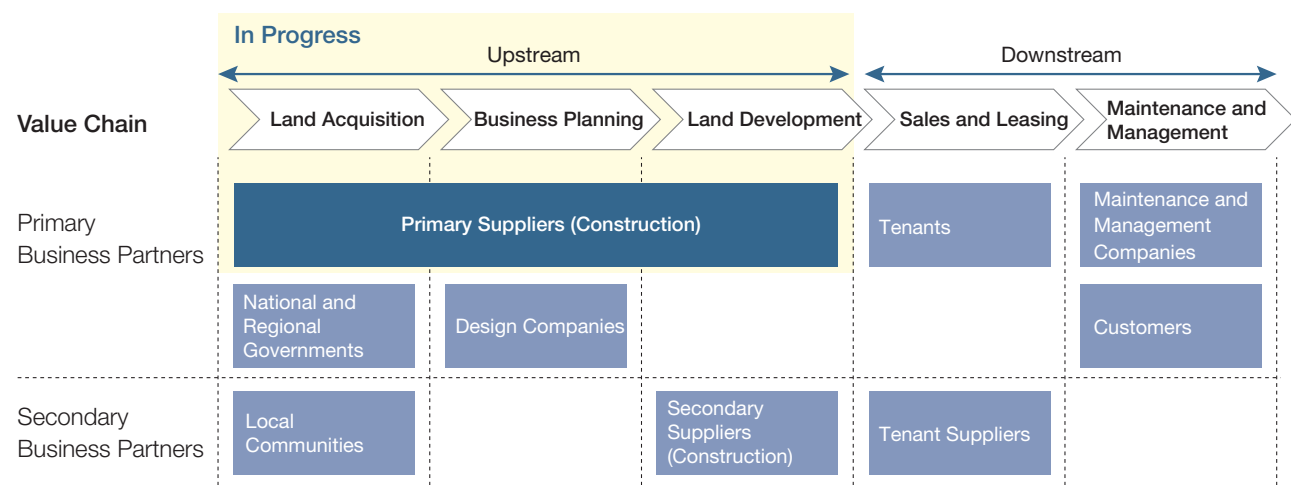
Human Rights Due Diligence Implementation Process



Implementation Scope Related to Human Rights Due Diligence

During fiscal year 2021, we are conducting human rights due diligence, mainly focusing on the upstream portion of our value chain. In the future, we intend to expand the scope of implementation to include downstream contractors and

tenants. Here, we plan to confirm the status of compliance with our Guidelines for Sustainable Transactions throughout the value chain, as well as examine measures to address and mitigate negative impacts.



Issues and Corrective Actions Identified Through Human Rights Due Diligence (Upstream)

As a result of human rights due diligence, we assessed and identified the scope of human rights risks in our company and the upstream supply chain. Based on the risks identified, we plan to consider future initiatives and expand the scope of human rights due diligence.

Based on our philosophy that the Customer Comes First, we recognize the importance of human rights in our

relationships with customers. We plan to continue training all AEON people to share the AEON Code of Conduct which has continued to evolve since 2003. This code of conduct instills in us the value that everything we do is for the benefit of our customers, and we will continue training programs that emphasize this idea.

| Scope | Explanation of Scope | Corrective Actions and Future Initiatives |
|--|---|--|
| Human rights in the workplace | AEON People are our most important asset. We create safe, secure, and comfortable work environments for our employees so they can maximize their potential. For example, we must understand the actual state of occupational health and safety, harassment, and abuse in the workplace, making improvements immediately when problems are recognized. | <ul style="list-style-type: none"> · Implement measures to reduce total working hours · Encourage leave utilization · Establish Compliance Department · Implement periodic education on human rights · Implement training on mental health issues |
| Human rights in relationships with business partners | We seek mutual prosperity as equal partners through fair transactions. For example, we must prevent complicity in human rights abuses and associated negative impacts by preventing bribery. We must also reduce the risk of human rights violations by ensuring transparency in our supply chains. | <ul style="list-style-type: none"> · Conduct periodic internal bribery risk surveys and risk identification · Provide training on basic stance toward suppliers · Establish guidelines for sustainable business practices and publish internally and externally through information briefings, etc. |
| Human rights in relationships with local communities | As a corporate citizen, we contribute to the development of local communities and the enhancement of lifestyles and culture. We must oppose bribery and not aggravate human rights issues. We must also consider human rights risks in our procurement practices, and build healthy relationships with local communities. | <ul style="list-style-type: none"> · Conduct periodic internal bribery risk assessments and risk identification · Establish guidelines for sustainable business practices and publish internally and externally through information briefings, etc. |
| Human rights in relationships with customers | We provide safe and secure products and services, treating all customers fairly and equitably. | <ul style="list-style-type: none"> · Provide regular training on human rights · Provide training on personal information protection |

Corrective Actions (1) Human Rights Training

AEON MALL provides human rights training to all employees every year, aiming for 100% participation. We also provide employees with a handbook that lists both internal and external help desks. This handbook provides clear information about respect for human rights, prevention of discrimination, and other matters in the context of the AEON MALL employment rules.

In December 2021, we held compliance training for executives on the topic of *Business and Human Rights*. The president and representative director delivered a message to the participating executives, reiterating the importance of thinking about potential risks and turning unexpected risks into expected risks.

In addition, we conducted an e-learning course on *Business and Human Rights* for all employees in June 2022.



Major Training

- AEON Code of Conduct training (all employees, annually)
- Executive compliance training (executives; as needed)
- Information security education programs (personal information protection training; all employees, annually)
- AEON disabled individuals training (all employees, as needed)
- Mental health and front line training (department heads, as needed)

Corrective Actions (2) Formulation of Guidelines for Sustainable Transactions, Information Sessions

Guidelines for Sustainable Trade

Review international norms on human rights and labor and human rights issues in the industry, and identify those items that are particularly important for our business. We will share this information with the Aeon Group and our suppliers and ask them to comply with it. We will also strive to manage and reduce human rights risks in the supply chain by monitoring the status of implementation. For more information on the guidelines, please visit our website.

Guidelines for Sustainable Trade

- | | |
|-------------------------|--|
| 1. Laws and regulations | 8. Freedom of association and the right to collective bargaining |
| 2. Child labor | 9. Health and safety |
| 3. Forced labor | 10. The environment |
| 4. Working hours | 11. Commercial transactions |
| 5. Wages and benefits | 12. Local community |
| 6. Abuse and harassment | 13. Integrity and transparency |
| 7. Discrimination | 14. Engagement |

Guideline details

▶ <https://www.aeonmall.com/en/esg/society/02/>



Briefing Sessions for Suppliers to Raise Awareness of Human Rights

We held an online information session for business partners on the formulation of our Human Rights Policy and Guidelines for Sustainable Trade (held for construction-related business partners in December 2021 and for specialty store companies in June 2022). At the beginning of the session, the executive in charge of the project delivered a message stating our desire to work in partnership to achieve mutual and lasting development. A topic expert then provided an explanation of

the current status of Business and Human Rights, followed by an explanation of the formulation of the Guidelines for Sustainable Trade provided by the ESG Promotion Group under our Strategy Department.

We will continue to request compliance with the Guidelines for Sustainable Trade to create societies in which human rights are respected by all throughout the value chain.

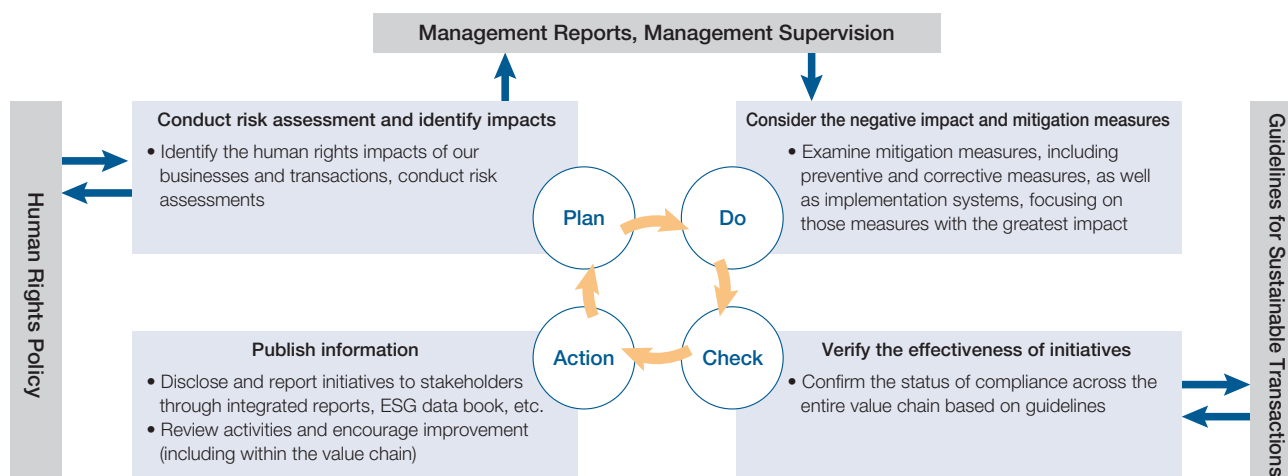


Human Rights Due Diligence Post-Implementation Roadmap

Based on the results of human rights due diligence, we will formulate corrective plans and establish a PDCA cycle to address human rights risk mitigation on a regular basis. We will

continue to disclose our progress in our integrated report and other communications.

Human Rights Due Diligence-Centric PDCA Cycle for Risk Reduction



Initiatives Against Bribery

Please refer to our Compliance on P.88 for more.

Corporate Governance

AEON MALL is building systems to strengthen our corporate governance and speed decision-making to enhance stable, long-term corporate value.

Basic Approach

AEON MALL is a *Life Design Developer*^{*}, creating the future of community living as we pursue our basic principle that *the customer comes first*. Under this management philosophy, we defined our corporate activities as Heartful Sustainable. In this way, we contribute to the development and revitalization of communities and society as a corporate citizen, striving to achieve sustainable societies through various initiatives.

We develop malls localized to the characteristics of each community we serve in Japan and around the world, contributing to better individual lifestyles and community growth. Through efforts in co-creation with customers, communities, partner companies, shareholders, and investors, we will continue to provide solutions to regional and social issues, establishing our position through social infrastructure functions to be central facilities for local communities.

We recognize the importance of corporate governance in accomplishing this vision and we work continually to improve our corporate governance structure.

^{*} Life Design extends beyond the framework of the shopping mall. Life Design addresses functions associated with different customer life stages, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles.

| | |
|---|--|
| 1 | We provide a consistent and fair environment to support shareholder rights and the execution of said rights. We work in cooperation with shareholders toward the goal of sustainable growth. |
| 2 | Our board of directors and senior management exercise proper leadership in fostering a corporate culture that respects the rights and perspectives of customers, communities, employees, partner corporations, and stakeholders, conducts business activities ethically, and engages in a positive approach to sustainability. |
| 3 | We have created a Disclosure Policy and Rules for Managing Information Disclosure to address the disclosure of financial and nonfinancial information. Guided by these policies, we ensure transparency and fairness through appropriate and clear information disclosure. |
| 4 | Our board of directors consists of individuals with diverse experience and expertise, helping AEON MALL capitalize on our background as a retail developer. We appoint independent outside directors to strengthen our supervisory function and conduct highly transparent business. Our board of directors determines important strategies and measures to achieve our long-term vision and medium-and long-term plans. |
| 5 | We incorporate feedback and input received through constructive dialogue with shareholders to improve our corporate value. |

Corporate Governance Structure

The company believes that a strong corporate governance function and improved competitiveness through expeditious decision-making are indispensable to achieving sustainable growth.

The company has adopted an Audit & Supervisory Board system. The company had 13 directors (five of whom are outside directors) and four members of the Audit & Supervisory Board (three of whom are outside members). By including outside directors who are well versed in a variety of areas in the board of directors, we conduct highly effective supervision and strengthen our management structure. We are also working to bolster the functions of the Audit & Supervisory Board, thereby maintaining and strengthening sound management. As a general rule, the board of directors and the Audit & Supervisory Board meet once a month. In addition

to these mechanisms, the Company strives to disseminate information through committees led by general managers or other managers below the rank of a representative director. The purpose of these committees is to ensure efficient business activities.

We operate an audit system under which the Audit & Supervisory Board, our outside financial statement auditors, and the Management Auditing Department maintain a close working relationship, exchanging information and opinions as necessary. This system is designed to ensure improvements in the practicability and efficiency of our audits. Each member of the Audit & Supervisory Board attends board of director meetings, while full-time members of the Audit & Supervisory Board are always present at meetings of the Management Council and other important meetings.

Board of Directors

Composition of the Board of Directors

To ensure active deliberations and rapid decision-making, no more than 20 directors shall be appointed according to the Company's corporate charter. At present, five board members are independent outside directors.

In considering the composition of the board of directors, we seek candidates with diverse expertise and knowledge that will not only strengthen our management supervisory function, but also drive key Company strategies and growth policies. We provide a summary of the skills offered by each director in the skills matrix.

Internal directors have an understanding of our overall business operations, a sense of balance, a history of achievements, and decision-making skills, contributing to the diversity of expertise among board members in shopping mall operations and management, overseas business expansion, improved governance, sound finances, etc.

Outside directors consist of independent individuals with management experience and expertise in a variety of industries, contributing a diversity of viewpoints, a wealth of experience, a depth of knowledge, and expert opinions in the areas of international business strategy, governance, corporate branding, diversity management, and finance.

As a developer, manager, and operator of shopping malls, AEON MALL seeks the values and conceptual ideas of women. Accordingly, we pursue diversity in management, including appointing women as constituent members of our board of directors. Currently, six of the 17 board members are women. The Company employs a diverse workforce without regard to nationality, race, gender, age, educational background, religion, etc.

Please refer to the Independence Standards for Outside Directors in the Company's Corporate Governance Report.

► https://www.aeonmall.com/en/ir/pdf/c_governance_report.pdf



Expertise and Experience of Directors <Skill Matrix>

The list below does not represent all the expertise and experience each person has, but rather lists the skills we would especially like to see in candidates.

| Directors | Corporate Management | Internal Controls | Finance and Accounting | Real Estate | | Diversity and Workstyle Reform | Digital Transformation | Sustainability | Global | Marketing and Branding |
|---------------------------------------|----------------------|-------------------|------------------------|-------------|-----------|--------------------------------|------------------------|----------------|--------|------------------------|
| | | | | Development | Operation | | | | | |
| Yasutsugu Iwamura | ● | | | ● | | | ● | ● | ● | |
| Mitsuhiro Fujiki | | | | | ● | | | ● | | ● |
| Hisayuki Sato | | | | ● | | | | ● | ● | |
| Masahiko Okamoto | | ● | | | | ● | | ● | | |
| Hiroshi Yokoyama | | ● | ● | ● | | | | | | |
| Motoya Okada | ● | | | | | | | ● | ● | |
| Akiko Nakarai | | | | | ● | | ● | | | ● |
| Tatsuya Hashimoto | | | | | ● | | | | ● | ● |
| Kunihiro Koshizuka (Outside Director) | ● | ● | | | | | ● | | | |
| Hironobu Kurosaki (Outside Director) | ● | | | | | | | | ● | |
| Junko Owada (Outside Director) | | ● | | | | ● | | | | |
| Chisa Enomoto (Outside Director) | | ● | | | | | | ● | | ● |
| Yoko Taki (Outside Director) | | | ● | | | | | | | |

Managing Board of Director Meetings

In addition to holding regular board of director meetings monthly, AEON MALL convenes extraordinary meetings of the board of directors as deemed necessary. Decisions encompassing substantial risk threatening far-reaching impact on the group are brought to the Management Council for discussion. These decisions are then approved by the CEO and/or by resolution of the board of directors.

Executive authority is delegated along with clear management accountability according to Rules for Organization Management, Rules for Segregation of Duties, Rules of Jurisdiction, Rules for Approval Requests, and Rules for Management of Affiliates.

The main resolutions and reports of the board of directors in fiscal 2021 are as follows.

| Category | Main contents |
|--|--|
| Matters concerning directors | <ul style="list-style-type: none"> • Selection of representative directors • Business reports from executive directors • Remuneration of directors • Selection of executive directors |
| Matters concerning corporate governance | <ul style="list-style-type: none"> • Revision of the Corporate Governance Code • Establishment of Governance Committee and enactment of rules • Policy on cross-shareholdings • Annual reporting of related party transactions |
| Matters related to budget and settlement | <ul style="list-style-type: none"> • Determination of annual budget • Surplus dividend • Approval of annual and quarterly financial results |
| Matters related to finance and matters related to personnel and the organization | <ul style="list-style-type: none"> • Issuance of corporate bonds (Sustainability Linked Bonds) • Revision of investment profitability standards • Organizational reform |
| Matters concerning risk management, compliance, and audits | <ul style="list-style-type: none"> • Risk Management Committee Annual Report • Report on the evaluation of the effectiveness of the internal controls of annual financial reports • Annual Internal Audit Policy and Plan • Compliance Committee Annual Report |
| Matters related to business promotion | <ul style="list-style-type: none"> • Investment profitability plans for new properties and floor space expansions and revitalization of existing properties • Progress reports on future development properties |
| Matters related to climate change response | <ul style="list-style-type: none"> • Promotion of new business (creation of renewable energy for local production and local consumption) • Issuance of corporate bonds (Sustainability Linked Bonds) |

Appointment Criteria for Directors and Audit & Supervisory Board Members

The president and CEO propose director candidates according to the following criteria. The Nomination and Compensation Committee, after listening to input from independent outside directors, discuss nominations, which are then presented to the board of directors as agenda items for the general meeting of shareholders. The board makes the necessary resolutions which are submitted to the general meeting of shareholders for approval.

(Policies for the nomination of director candidates)

- Internal directors must have the ability, knowledge, experience, and achievements required for their field of specialization. These individuals must also have a sense of balance and judgment that enables them to understand and act across all aspects of business operations.
- Outside directors must have abundant experience and insight into a professional specialization. These individuals must have sufficient time to carry out their duties as company directors and possess qualities to provide independent supervision and recommendations on the appropriateness of decision-making by the board of directors.

Nominations of candidates for Audit & Supervisory Board member positions are proposed by the president and CEO according to the standards provided below. Nominations are determined by board resolution after obtaining the consent of the Audit & Supervisory Board, and are submitted to the general meeting of shareholders for approval.

(Policies for the nomination of Audit and Supervisory Board candidates)

- Candidates must be aware of business issues based on experience in general business management.
- Candidates must have no interests or business relationships that may affect their execution of duties as a member of the Audit and Supervisory Board.
- Candidates must have considerable knowledge of finance and accounting, or skills, expertise, and experience in a specialized field.

The board of directors elects a CEO who will contribute to effective corporate governance and sustainable growth in medium- and long-term corporate value. The appointment and dismissal of the CEO are decided by a resolution of the board of directors.

A candidate for CEO must have an appropriate breadth of experience, insight, and advanced expertise. The CEO must also have managerial ability and leadership skills sufficient to achieve continuous growth in the company's business.

Evaluating Board of Director Effectiveness

To ensure effective and strong corporate governance, the company verifies the degree to which directors contribute to the board of directors. Further, the board of directors itself analyzes and evaluates its own effectiveness by identifying issues and implementing improvements. The following describes initiatives carried out in fiscal 2020.

1. Analysis and Evaluation Process

The company conducts questionnaire-based self-assessments regarding the effectiveness of the board of directors, working with third-party organizations to analyze the responses obtained. Responses are also verified and discussed at meetings of the board of directors through an exchange of opinions and discussions led by outside directors.

2. Overview of Analysis and Evaluation Results

Board of director meetings function appropriately. Board meetings follow proper agendas and allow sufficient time for active discussions among directors and corporate auditors who have a diverse background of opinions and experiences. The establishment of the Nomination and Compensation Committee has improved the evaluation of executive directors. In addition, we concluded that advice and discussions backed by the expertise of outside directors and members of the Audit & Supervisory Board contributed not only to the board of directors, but also served as strengths in establishing a flexible management structure.

3. Responses

It is clear that certain issues are ongoing and must be addressed in the future. These issues include establishing a more transparent management system for board of director meetings and conducting deliberations from the perspective of medium- to long-term management strategies and supervision. Other issues include speeding up decision-making

and clarifying executive responsibilities through a review of business execution authority. As part of our efforts to resolve these issues, we have changed the composition of our board of directors to five independent outside directors (38.5% of board members). We also established a Management Strategy Advisory Committee to provide advice based on committee member expertise. In this way, the Company continues to deliberate and exchange opinions regarding policies and management issues.

Succession Plan

We have established a Nomination and Compensation Committee, consisting mainly of outside directors, to investigate training and other programs addressing standards, career paths, and training necessary for individuals with management responsibility (including candidates). Combined with board of director meeting deliberations, the system is designed to ensure highly transparent and fair procedures.

Board Member Training Policies, Outside Director Support System

AEON MALL provides senior manager training and other opportunities for directors and members of the Audit and Supervisory Board to cultivate stronger leadership skills and strategic business thinking, as well as to gain a stronger understanding of compliance and governance. This training includes seminars for newly appointed directors and top company management.

Newly appointed outside directors and outside members of the Audit and Supervisory Board are provided with mall tours and training to develop an understanding of the industry, history, businesses, financial situation, strategies, and organization of the AEON MALL Group and the AEON Co., Ltd. Group. The company provides overseas tours of business operations at least once per year to outside directors and outside members of the Audit & Supervisory Board. The purpose of these tours

Issues and Improvements Concerning the Evaluation of Board of Director Effectiveness

| Issues | Responses |
|---|--|
| 1) Lack of discussion regarding medium- to long-term management strategies | From fiscal 2021, we will establish a Management Strategy Advisory Committee which will meet once a month and provide an opportunity to discuss important management issues and strategies. |
| 2) Transparency regarding the operation and structure of the board of directors is insufficient | The Nomination and Compensation Committee was established and began activities. Additionally, we established the provisions of our Rules for Managing Related-Party Transactions and began submitting them for board of director deliberations. We also established the Governance Committee, which held as appropriate. |
| 3) Lack of clear supervision and execution by management | From fiscal 2021, we will establish a structure composed of five independent outside directors, strengthen the supervisory function, and improve the feasibility of priority policy through discussions that utilize their expertise. Going forward, we will work to improve the delegation of business execution authority and the content of the matters to be discussed and reported to the board of directors. |

is to deepen the understanding of our overseas strategy, which is a foundational part of our corporate policy.

The General Affairs department provides support to outside directors and outside members of the Audit and Supervisory Board. In addition, the department assigns one staff member responsible for assisting members of the Audit and Supervisory Board (including outside members). To ensure

effective discussions within the limited time of board of director meetings, we provide directors with agenda materials and explanations prior to meetings, as well as other appropriate information when deemed necessary.

* Mall observations and interviews with mall managers conducted twice yearly via online conferencing since the beginning of the COVID-19 pandemic.

Officer Compensation

Director Remuneration Structure

Director remuneration consists of basic compensation, performance-linked compensation, and stock options. The maximum amounts are determined via resolution at the general meeting of shareholders. Payments are made within the scope approved and in consideration of job responsibilities, earnings performance, and other factors. The Nomination and Compensation Committee, which is made up mainly of outside directors, reviews the adequacy of director evaluations, compensation rates and levels, and specific compensation amounts. Compensation for members of the Audit and Supervisory Board is made within the scope approved at the general meeting of shareholders, subsequent to deliberations between said members.

i. Basic Compensation

Basic compensation is paid on a monthly basis, as determined by individual evaluation and within the standard amount established for each title.

ii. Performance-Linked Compensation

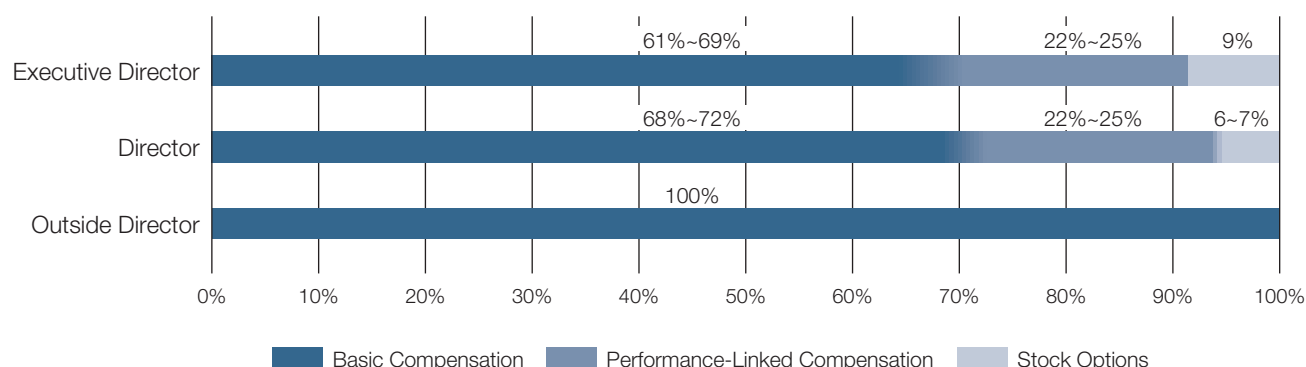
Performance-linked compensation is weighted at approximately 30% of total cash compensation (basic compensation plus performance-linked compensation), weighted according to individual responsibility. Performance-linked compensation paid to each director (individual basis) is calculated according to the performance-linked amount

and performance-linked payout ratio, reflecting a payout ratio based on corporate earnings (0% to 170%) and an evaluation of individual performance. We have selected budget-to-actual for the beginning of ordinary income as the most appropriate indicator of normal business performance for the company. Evaluations of individual director performance are conducted by independent outside directors serving as members of the Nomination and Compensation Committee, based on an annual performance report of the individual director in question. These evaluations were finalized after an additional evaluation by the president of the company.

iii. Stock Options

Our aim is to increase the motivation and morale toward medium- and long-term sustained earnings and corporate value improvement through the allocation of stock acquisition rights as stock options reflecting corporate earnings. We accomplish this by strengthening the relationship between share prices, earnings, and compensation, ensuring directors share the same benefits of share price increases and risk of share price decreases with shareholders. The percentage of total compensation is around 10%, with that percentage increasing in line with job responsibilities. If ordinary income for the grant year is less than 80% of the budget, half of the planned options will be granted.

Composition of Director Remuneration



Authority to Determine Individual Remuneration Amount

The president and CEO is the person with the authority to determine the amount of individual director remuneration, etc., and who is also best suited to evaluate the performance of each director from a high level overlooking the overall performance of the Company. The particulars of this authority and scope of discretion relate to individual remuneration amounts (cash portion) for each director.

At a meeting held in November 2018, the board of directors resolved to establish the Nomination and Compensation Committee, which began operating in January 2019. The Nomination and Compensation Committee consists of seven independent outside directors (as of May 20, 2022) who conduct deliberations, and provide advice and report to the president and CEO of the company.

The president and CEO determine performance-linked compensation within a pre-established range based on Company performance and reports from the committee. Compensation evaluations are based on the performance of each individual director.

Audit & Supervisory Committee Member Remuneration Structure

Given their independent position in supervising the execution of duties by directors, members of the Audit & Supervisory Committee are paid only fixed compensation. This level of remuneration is necessary to ensure the appropriate people play a central role in establishing and operating high-quality corporate governance.

i. Basic Compensation

The company pays a fixed amount according to the experience, insight, and title of each member of the Audit & Supervisory Board.

ii. Performance-Linked Compensation

The company does not offer performance-linked compensation to members of the Audit & Supervisory Board.

iii. Stock Options

The company does not offer stock options to members of the Audit & Supervisory Board.

Total Amount of Officer Compensation for Fiscal 2021

| Classification | No. of Officers | Amount of Compensation (thousands of yen) | Total from all types of compensation | | |
|---|-----------------|--|--|---|---------------|
| | | | Basic Compensation (thousands of yen) | Performance-Linked Compensation (thousands of yen) | Stock Options |
| Directors (No. of outside directors) | 16 (6) | 190,222 (32,400) | 162,960 (32,400) | 13,240 (—) | 14,022 (—) |
| Audit & Supervisory Board Members (No. of outside members) | 3 (3) | 24,000 (24,000) | 24,000 (24,000) | — (—) | — (—) |
| Total (No. of outside directors) | 19 (9) | 214,222 (56,400) | 186,960 (56,400) | 13,240 (—) | 14,022 (—) |

Cross-Shareholdings

Policy on Cross-Shareholdings

The AEON MALL policy on cross-shareholding is to hold shares for the purpose of contributing to improved AEON MALL Group corporate value over the medium and long term. This policy considers a number of factors including business strategy and business relationships.

Verification of Reasonableness by the Board of Directors

Our board of directors meets to review individual cross shareholdings on an annual basis, considering the purpose for holding shares, risks involved in holding shares, the cost of capital, and other economic rationale on a comprehensive basis, determining the reasonableness for cross-shareholdings. We consider selling shareholdings when deemed as having little significance, considering the impact of such sales on the markets. We disclose the results of such sales publicly.

Standards for Exercising Voting Rights

When exercising the voting rights of cross-shareholdings, we verify whether each proposal will contribute to an improvement in the medium- to long-term corporate value of the investee company and whether the proposal may potentially damage our corporate value. As necessary, we hold discussions with the issuing company as part of our overall decision-making process.

Cross-Shareholdings Status (2022)

Number of issuing companies 13
(including 11 exchange-listed stocks)

Total amount recorded on balance sheet 1,991 million yen
(of which exchange-listed shares make up 1,985 million yen)

Protection of Minority Shareholders

Policy on Measures to Protect Minority Shareholders in Conducting Transactions with a Controlling Shareholder

AEON Co., Ltd. is the parent company of the Company, holding 58.22% of the Company's voting rights (as of February 28, 2022).

When the Company conducts transactions with AEON Co., Ltd. or Aeon group companies, we obtain approvals at a meeting of the board of directors attended by independent outside directors to ensure the fairness and rationality of the transaction from the perspective of enhancing Company corporate value. In this way, we ensure appropriate supervision of transactions according to importance.

AEON MALL works with AEON Co., Ltd. and its subsidiary, general retail operator AEON Retail Co., Ltd., as well as other group companies, conducting shopping mall management and operations in various regions. While AEON MALL signs building lease agreements with AEON Retail Co., Ltd., we enter into agreements with transaction terms similar to general agreements of the type in question. Therefore, we recognize that we have secured a certain degree of independence from AEON Co., Ltd. and group companies.

Related-Party Transactions

AEON MALL has established a system to ensure transactions with directors or major shareholders (related-party transactions) do not infringe on the interests of the Company or our shareholders.

1. We engage in prior deliberations via the Governance Committee, consisting of independent outside directors, and carefully consider in board of director deliberations whether competitive transactions by directors and transactions involving conflicts of interest between directors and AEON MALL infringe on the interests of the Company and our shareholders. Our investigations include consulting with experts regarding the reasonable nature of the transactions in question. The Company ensures fairness in this process through a number of means, including recusing directors having special interests in transactions with the Company from voting in the resolution.
2. When the company enters into transactions with related parties, we clarify the identity of such parties in our Related Party List according to the provisions of our Rules for Managing Related-Party Transactions. We ensure objectivity in transaction terms through rules that include providing comparison tables when making decisions that show examples of transactions with non-related parties. According to the importance and nature of the transaction in question, we comply with our Rules of Jurisdiction by soliciting opinions from outside directors and members of the Audit & Supervisory Board regarding the rationality of the transaction (its necessity from a business perspective) and the appropriateness of the transaction terms before submitting it to the board of directors. On an annual basis, we investigate the rationality and reasonableness of transactions, issuing a report on the annual increase or decrease in transactions with related-party companies.

Risk Management

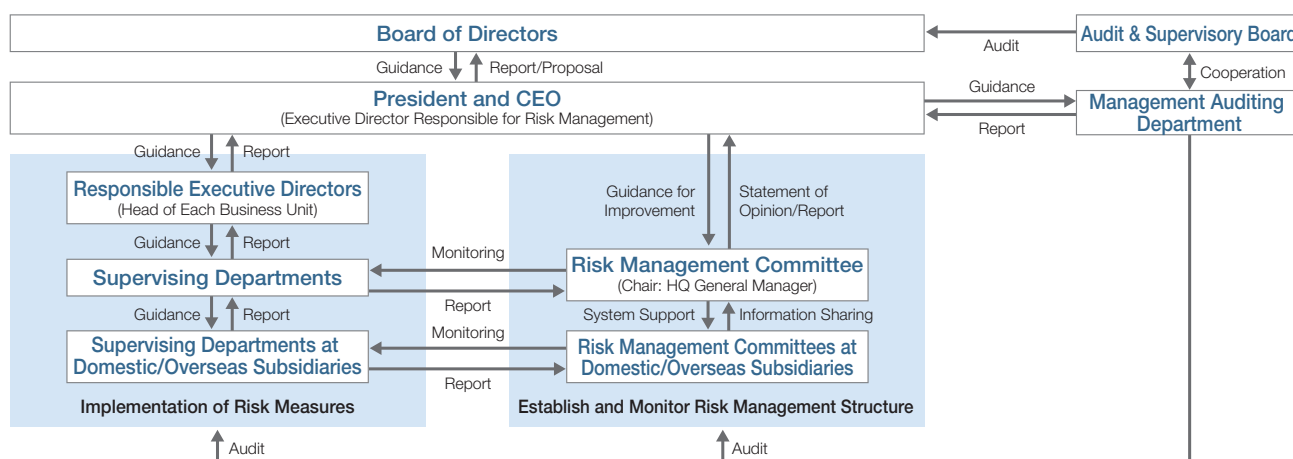
Risk Management Promotion System

The Company designates its President and CEO as the executive director of risk management and business division heads as directors in charge of risk management. These individuals are tasked with developing a system and environment to ensure business continuity and the safety of human lives. The Group has established Risk Management Rules to prevent crises or minimize damages in the event of a crisis, striving to reduce risk and mitigate any damages.

Specifically, we have selected risk categories having a high impact on the Group and have established departmental teams to address risk management by category. As each team executes PDCA cycles for risk measures, we strive to prevent damage to our brand value and improve overall corporate value by managing the risk of loss for the Group as a whole.

Furthermore, in the event of an emergency presenting a risk of significant loss, we engage in appropriate information sharing and decision-making according to our Risk Management Rules, taking proper steps to minimize damages.

Risk Management Promotion System Diagram



[The members of the company's Risk Management Committee]

- Chair: HQ general manager
- Members: A) Heads of supervising departments for risk response as defined in the Risk Management Rules
B) Persons nominated by the chair
- Secretariat: Legal Department

(Note) In order to improve the effectiveness of the risk management system, a responsible member will be selected within the department to lead the prevention of and response to a given high-impact risk for the Group.

Establishment of the Risk Management Committee and Overview of Activities

The company has established the Risk Management Committee, chaired by the HQ general manager. The purpose of this committee is to maintain and improve risk management systems. The Risk Management Committee analyzes risk status, conducts ongoing activities to avoid risks, provides opinions to the president and CEO, and deliberates issues related to risk management promotion systems and measures. The Risk Management Committee discusses risk measures to address major incidents, etc., leading to highly effective risk measures.

Furthermore, for crises that require same-day judgment, e.g., during an earthquake, a separate emergency response office will be established to provide a rapid, appropriate initial response, to prevent escalation, and to aid an early resolution.

The Risk Management Committee held activities approximately five times each year, with the committee reporting to the board of directors at the beginning of each fiscal year (March) regarding details of initiatives in the previous fiscal year and policy regarding initiatives in the current fiscal year. Domestic subsidiary OPA and overseas subsidiaries and companies outside Japan have established Risk Management Committees by country. The details of committee deliberations are shared with the company's Risk Management Committee.

Risk Management Process

To carry out efficient and effective management of various risks, the Risk Management Committee identifies risk items that affect the Group in particular. The committee then makes recommendations to the president and CEO regarding systems for managing said risks. Subsequently, a department to be in charge of handling each risk item is selected.

These departments are responsible for planning, executing, and reviewing risk measures, while the Risk Management Committee and internal audits are conducted to monitor the implementation status of the executive body, assessing risk measure effectiveness.

We categorize risks under one of three categories (management strategy risk, compliance risk, other risk) according to the nature of the risk to consider and monitor the progress of risk measures at each department related

to the risk in question. The Management Strategy Advisory Committee, which deliberates and exchanges opinions regarding important management strategy risk policies, will consider the approach and direction of initiatives for each risk and appoint an executive director in charge according to the category. This individual will report to the board of directors on the progress of the risk countermeasures on a quarterly basis.

Compliance risks are reported at the Compliance Committee, and other risks are reported at the Risk Management Committee, with details and progress of risk measures discussed as necessary. All risk measures for each risk item are eventually aggregated and managed by the Risk Management Committee.

The implementation of risk measures is decided and carried out after internal approval by the respective supervising department for risk response.

Diagram of Risk Management Process



Identifying Risk

We use the following methods to identify risks that affect the Group.

• Examining risks

We conduct risk surveys (questionnaires and interviews) with directors, Audit & Supervisory Board members, and employees, assessing risks quantitatively and qualitatively.

• Using a risk map to assess and identify risks

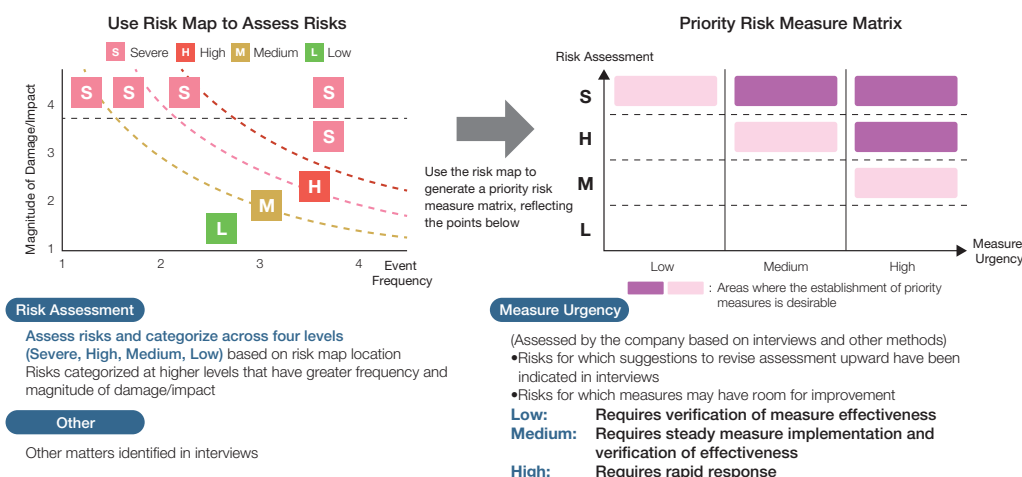
Based on the results of risk surveys, we create a risk map based on the frequency and magnitude of damage or impact of each risk. We evaluate risks and identify those risks that require countermeasures.

• Establishing priorities using a priority risk measure matrix

Based on the status of existing measures for identified risks,

we create a priority risk measure matrix based on the need for measures, identifying the risks that should be prioritized.

Based on the above, we identified 92 risk items and adopted risk control measures based on the degree of relative priority of each measure. As a result of the risk survey we conducted in 2021, however, we revised the number of risk items to 91 and are currently implementing corresponding measures. We plan to periodically conduct risk surveys based on business changes that occur every few years, with the aim of reflecting the results in our medium- to long-term management plans. Additionally, in order to respond to the ever-changing business environment, we review the risk assessments even in fiscal years when risk surveys are not conducted, and update the risks that need to be prioritized.



Business and Other Risks

Based on the latest business environment in Japan and overseas, we have examined risks that may impact the Group's business activities and that require company-wide management. Of the risk items identified according to risk

map assessment and priority risk measure matrix, certain risk items require risk assessment and measures in particular. We categorize those risks as follows.

| Type | Risk Item | Risk Assessment | Measure Urgency |
|---------------------------|---|-----------------|-----------------|
| Business strategy risks | a. Risks related to changes in the business environment | S | High |
| | b. Risks related to real estate development and investment | S | High |
| | c. Risks related to securing and cultivating human resources | S | High |
| | d. Risks related to governance | H | High |
| Risks related to finances | e. Impairment risks | S | High |
| | f. Risks related to capital procurement, interest rate fluctuations, and exchange rate fluctuations | S | Medium |
| Operational risks | g. Risks related to the occurrence of natural disasters, accidents, and terrorism | H | High |
| | h. Risks related to the occurrence of war, civil disorder, and coup d'état | S | Medium |
| | i. Risks related to the spread of infectious diseases | S | Medium |
| | j. Risks related to information security | H | High |

Please refer to our website for details on each risk item.

► <https://www.aeonmall.com/en/ir/risks.html>



Compliance

Compliance Promotion System

We emphasize compliance management and compliance with the AEON Code of Conduct, which is the code of conduct of the AEON Group, fostering improved relations with local communities and meeting our social responsibilities. To prevent harassment, we will establish Anti-Harassment Regulations, providing education and awareness building for employees. To prevent bribery, we are improving our internal structures within the Group and conducting education based on the Basic Rules for the Prevention of Bribery.

AEON MALL has established a Compliance Committee, which is chaired by the general manager of the Administration Division. The role of this committee is to ensure group compliance with laws, regulations, our corporate charter, and internal rules. The committee is also responsible for identifying problems and advancing discussions to resolve said problems. Committee proceedings are reported to the Management Council, and matters of note are elevated to the board of directors and presented in an annual report.

The company has established a helpline (AEON MALL Hotline) for internal reporting. The company's labor union has likewise established its own Kumiai 110 helpline. Subsidiaries have also established helplines that mirror the AEON MALL system. We ensure that the privacy of individuals who use this helpline is protected, and that they do not suffer retaliation. Additionally, we thoroughly investigate any problems reported to the company through this helpline. If unacceptable behavior is discovered, we take disciplinary action in accordance with our internal rules. The issue in question is reported to

the Compliance Committee and the company implements company-wide measures to prevent recurrence in the future.

Initiatives to Prevent Corruption

All executives and employees agree that the company will not pursue profit through bribery or other fraudulent means under any circumstances.

Although executives and employees abide by internal rules and regulations established by AEON MALL, each individual in the company promises to consider, judge, and take action in line with social justice when asked to comply with a demand by public officials or others.

Executives and employees must not damage our corporate culture by furnishing benefits, paying expenses, making donations, or providing aid for improper purposes. Executives and employees must also refrain from improper behavior that could impede the healthy advancement of any particular country or region. Finally, executives and employees recognize that any such behavior will have an adverse effect on the company's approach to compliance.

Executives and employees affirm their strong commitment and dedication to high ideals, approaching anticorruption in a serious and sincere manner.

Toward the implementation of these principles, AEON MALL has established the Basic Rules for the Prevention of Bribery. Executives and employees of the company comply with and follow these rules as a code of conduct.

To instill and enshrine corporate ethics in our company, we provide training to directors and employees at every level of

our organization. We also incorporate corporate ethics into the behavior evaluation sections of our goal management system.

Internal Control System

Please refer to our Corporate Governance Report for more information about the basic concept and development status of the internal control system.

► https://www.aeonmall.com/en/ir/pdf/c_governance_report.pdf



The major operational status for the current fiscal year is as follows.

Based on findings through a risk survey conducted in fiscal 2016 and its responses to serious incidents that occurred and new business fields and environments, the Company divided risks according to their importance and need for countermeasures. The Company is building a more effective management system by assigning the intensive discussion of the details of initiatives taken by management divisions to the Risk Management Committee. Furthermore, in light of the expansion of the Company's business scale and changes in social conditions, a risk survey was conducted in fiscal 2021, based on which we revised the risks to be managed.

In expanding overseas business store openings and diversifying incidents, we conducted a risk survey for property development and reviewed the emergency response manual in light of the coup d'état in Myanmar and other events. In addition, we revised our BCP in light of the expansion and diversification of our domestic business.

Based on the results of a risk survey conducted for the Company's subsidiaries in China and ASEAN in fiscal 2017, they adopted systems for autonomously promoting risk management systems in each country in line with the practice at the head office in Japan. Furthermore, given the growing importance of subsidiary management in line with business expansion, we are developing standards for risk management systems tailored to the size and operations of subsidiaries, and are working to improve the Group's risk management system as well.

The Company's Compliance Committee is discussing matters for the sake of preventing recurrence, treating violations that have occurred in Japan and overseas as case studies, in order to prevent the violations of laws and regulations, and internal rules. In order to improve effectiveness, the results of discussions are reported to the Management Council and the Board of Directors. In the fiscal year under review, discussions by the Compliance Committee focused on measures for preventing harassment, abuse of superior bargaining positions, and reduction of working hours. Particularly with regard to overseas compliance violations, the Company has established a reporting flow leading to the head office, while working for early recognition of such violations, and is taking measures to resolve these violations as soon as possible and prevent recurrence thereof.

For responses to transactions that may cause a conflict of interest between the Company and its parent or Group companies, we deliberate on the rationality of transactions and the appropriateness of the terms and conditions of the transactions in accordance with Rules for Managing Related-Party Transactions. We also provide explanations in advance to outside directors on the proposals submitted to the Board of Directors to help them make necessary judgments. In addition, in order to strengthen internal controls, we establish regulations and strengthen the audit system in overseas subsidiaries in China and the ASEAN region. We also control and manage information through appropriate measures, such as obtaining approval from the Management Council for important decisions. In September 2018, we established the Basic Rules for Prevention of Bribery in order to prevent bribery in Japan and overseas countries. Based on the rules, we improve the internal system and provide education.

The internal audit department holds meetings with full-time Audit & Supervisory Board Members once a month to manage the progress of the improvement status and sends reports to the Management Council once every semi-annual period.

Directors and Audit & Supervisory Board Members

(as of May 20, 2022)

Directors



Yasutsugu Iwamura

President and CEO
General Manager of Overseas Business Division

Aug 2005: Joined the Company
Aug 2007: General Manager of Planning Development First Group, Planning Development Department, the Company
May 2009: General Manager of Kanto and Tohoku Development Department, Development Division, the Company
Apr 2013: General Manager of Development Management Department, Development Division, the Company
May 2016: General Director, AEON MALL VIETNAM CO., LTD.
May 2019: Director, the Company, and General Director, AEON MALL VIETNAM CO., LTD.
Mar 2020: President and CEO, the Company
Apr 2021: President and CEO, the Company, and Executive General Manager, Overseas Business Division (to present)

Tenure

3

Number of the Company's shares owned

3,012

Reasons for selection

Since joining the company, he has developed knowledge related to global business management and administration, including management experience at AEON MALL Vietnam, which is one of the company's important areas of development and business overseas. He has also contributed to improved corporate value at AEON MALL, making decisions on important management matters and overseeing the execution of our businesses. Furthermore, he demonstrates leadership and drives our businesses toward continued corporate value growth in the midst of changes in the business environment brought about by the COVID-19 pandemic.



Mitsuhiro Fujiki

Senior Managing Director
General Manager of Customer Experience Creation Division

Apr 1985: Joined AEON MALL Co., Ltd.
Apr 2011: General Manager of AEON MALL Niihama, the Company
Nov 2012: General Manager of AEON MALL Miyazaki, the Company
Apr 2013: General Manager of West Japan Business Department, Sales Division, the Company
Sep 2014: General Manager of Chushikoku Business Department, Sales Division, the Company
Feb 2015: Deputy General Manager, Sales Division, the Company
Apr 2015: General Manager of Sales Division, the Company
May 2015: Director, General Manager of Sales Division, the Company
Apr 2017: Director, General Manager of Leasing Division, the Company
May 2018: Managing Director, General Manager of Leasing Division, the Company
Apr 2021: Managing Director, Executive General Manager of CX Creation Division, the Company
May 2021: Senior Managing Director, Executive General Manager of CX Creation Division, the Company (to present)

Tenure

7

Number of the Company's shares owned

9,464

Reasons for selection

Since joining the company, he has engaged primarily in the administration, operation, and leasing of shopping malls, and has served as senior managing director since 2021. Currently, as general manager of the Customer Experience (CX) Creation Division, he plays a central role in maximizing the value of brick-and-mortar malls and creating new value offerings through local community solutions and new initiatives in collaboration with store association members.



Hisayuki Sato

Managing Director
General Manager of Development Division

Mar 1981: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)
Mar 1990: General Manager of Tohoku Development Department, JUSCO Co., Ltd.
Oct 2008: General Manager of Development Department, Beijing AEON Co., Ltd.
Mar 2011: General Manager of AEON MALL Beijing and Tianjin Development Department, China Division, the Company
Sep 2012: General Manager of China Development Management Department, China Division, the Company
Apr 2014: Chief Executive Officer, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.
Mar 2016: General Manager of Development Management Department, AEON MALL (CHINA) CO., LTD.
Apr 2016: General Manager of China Division, the Company
Apr 2016: Chief Executive Officer, AEON MALL (CHINA) CO., LTD.
May 2016: Director, General Manager of China Division, the Company
Apr 2019: Managing Director, General Manager of China Division, the Company
May 2020: Managing Director, General Manager of Development Division, the Company (to present)

Tenure

6

Number of the Company's shares owned

1,900

Reasons for selection

He has been engaged in development projects in Japan and China, has experience in managing local entities in China, and has served as a managing director since 2019. Currently, as general manager of the Development Division, he strives to enhance corporate value through the construction of next-generation malls that go beyond the framework of commercial facilities—pursuing new business formats such as mixed-use development, and utilizing his extensive expertise in development as well as his achievements and contributions in overseas business management.



Masahiko Okamoto

Managing Director
General Manager of Administration Division

Mar 1981: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)
Mar 1997: General Manager of Personnel & General Affairs Department, Megamart Division, JUSCO Co., Ltd.
Mar 2000: General Manager of Personnel & Education Department, Kinki Business Division, JUSCO Co., Ltd.
Mar 2001: General Manager of Administration Center, Headquarters, JUSCO Co., Ltd.
Apr 2006: General Manager, Business Support Office, JUSCO Co., Ltd.
Sep 2008: General Manager of Personnel Training Department, Kanto Company Division, AEON Co., Ltd.
Feb 2015: General Manager of General Affairs Department, Administration Division, the Company
Apr 2018: General Manager of Administration Division, the Company
May 2018: Director, General Manager of Administration Division, the Company
May 2021: Director, General Manager, Administration Division, the Company (to present)

Tenure

4

Number of the Company's shares owned

3,500

Reasons for selection

Since 2021, he has served as managing director, general manager of the Administration Division based on his expertise and experience that was cultivated through his work in personnel and general affairs. Striving to maximize corporate value, he plays a central role in reforms based on ESG perspectives, such as promoting internal controls, corporate governance, and diversity, and further strengthening internal control and risk management in Japan and overseas.



Hiroshi Yokoyama

Managing Director
General Manager of Finance & Accounting Division

Apr 1987: Joined The Chuo Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)
Oct 2000: Manager, Real Estate Investment and Development Department, The Chuo Mitsui Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)
Apr 2004: Joined AEON MALL Co., Ltd.
Apr 2004: Manager of Finance Group, Finance & Accounting Group, Administration Division, the Company
Aug 2007: General Manager of Finance & Accounting Department, Administration Division, the Company
May 2013: General Manager of Finance & Accounting Management Department, Finance & Accounting Division, the Company
Apr 2017: General Manager of Development Planning Management Department, Development Division, the Company
May 2017: Director, General Manager of Development Planning Management Department, Development Division, the Company
May 2021: Managing Director, General Manager of Finance & Accounting Division, the Company (to present)

Tenure

5

Number of the Company's shares owned

4,910

Reasons for selection

Currently serving as managing director, general manager of the Finance & Accounting Division, he has experience with real estate operations at a financial institution and, since joining the company, has engaged in finance and accounting operations. He also has extensive achievements and experience related to real estate development and finance, and he has steadily pursued measures to accelerate our global expansion and strengthen our cash generation capabilities.



Motoya Okada

Director and Advisor

Mar 1979: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)
May 1990: Director, JUSCO Co., Ltd.
Feb 1992: Managing Director, JUSCO Co., Ltd.
May 1995: Senior Managing Director, JUSCO Co., Ltd.
Jun 1997: President, JUSCO Co., Ltd.
May 1998: Director, the Company
May 2002: Director and Advisor, AEON MALL Co., Ltd. (to present)
May 2003: Director, President and Representative Executive Officer, AEON Co., Ltd.
Mar 2012: Director, President and Representative Executive Officer, and Group CEO AEON Co., Ltd. (to present)
Feb 2015: Director and Advisor, AEON Retail Co., Ltd. (to present)
Mar 2020: Director and President and Representative Executive Officer, AEON Co., Ltd. (to present)

Tenure

24

Number of the Company's shares owned

5,280

Reasons for selection

AEON Co., Ltd. and AEON Group companies recognize that shareholders benefit when we maximize synergies through close collaboration, while respecting autonomy and originality. He has extensive experience and abilities as a manager in enhancing the effectiveness of group strategies and managing sound company business.



Akiko Nakarai

Director
Executive Manager of Marketing Management Department

Dec 2003: Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)
Apr 2011: General Manager of AEON MALL Miyakonojo Ekimae, the Company
Apr 2013: General Manager of AEON MALL Fukutsu, the Company
Jul 2016: Representative Duties Enforcer, AEON MALL KIDS DREAM, LLC (to present)
Mar 2018: General Manager of Digital Promotion Management Department, Sales Division, the Company
May 2018: Director, General Manager of Digital Promotion Management Department, Sales Division, the Company
May 2021: Director, Executive Manager of Marketing Management Department, the Company (to present)

Tenure

4

Number of the Company's shares owned

4,500

Reasons for selection

Since joining the company, she has engaged primarily in the administration and digital business aspects of shopping malls. Currently, she serves as director, executive manager of the Marketing Management Department. She strives to improve customer convenience and the value of customer experience through app development, etc., using her expertise in all aspects of sales, digital technologies, and management experience at company subsidiaries.



Tatsuya Hashimoto

Director
China Business Manager

Apr 2004: Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)
Nov 2011: General Manager, AEON MALL Sankoh, AEON MALL Co., Ltd.
Nov 2012: General Manager, AEON MALL Kochi, AEON MALL Co., Ltd.
Apr 2015: General Manager, AEON MALL Kurashiki, AEON MALL Co., Ltd.
Mar 2017: AEON MALL (CHINA) CO., LTD. Executive Manager, SC Operations Department
Mar 2018: Chief Executive Officer, AEON MALL (JIANGSU) BUSINESS MANAGEMENT CO., LTD. Chief Executive Officer
May 2020: Director, General Manager, China Division, AEON MALL Co., Ltd.
May 2020: Chief Executive Officer, AEON MALL (CHINA) CO., LTD. (to present)
May 2021: Director, the Company, and China Business Manager (to present)

Tenure

2

Number of the Company's shares owned

1,500

Reasons for selection

Since joining the company, he has engaged primarily in the administration and operations of shopping malls. Currently, he serves as director, China Business Manager. As China Business Manager, he strives to realize profit growth, accelerate the opening of new stores, and work to provide new value by leveraging the expertise he has cultivated both in Japan and overseas in all aspects of sales.



Kunihiro Koshizuka

Outside Director (Independent)

Apr 1981: Joined Konishiroku Photo Industry Co., Ltd. (now KONICA MINOLTA, INC.)
 Apr 2013: Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC.
 Jun 2014: Senior Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC.
 Jun 2015: Director and Senior Executive Officer (CTO), KONICA MINOLTA, INC.
 Jun 2019: Senior Technical Advisor, KONICA MINOLTA, INC.
 Nov 2019: Outside Director, Founder International Inc. (to present)
 May 2020: Outside Director, AEON MALL Co., Ltd. (to present)
 Jun 2021: External Director, Tokyu Construction Co., Ltd. (to present)

Tenure

2

Number of the Company's shares owned

0

Reasons for selection

In addition to serving as a director in other companies, where he was involved with technology strategies, new business creation, and large-scale acquisition projects, he also possesses expertise, knowledge, and experience in digital science and technology cultivated as an engineering professional. He offers appropriate supervision and advice regarding management issues, businesses that produce future ways of living for a new era, and promotion of digital transformation.



Hironobu Kurosaki

Outside Director (Independent)

Apr 1983: Joined NEC Corporation
 Jul 1993: Chief Resident Officer, Cairo Resident Office, the Company
 Oct 1994: Chief Resident Officer, Bahrain Resident Office, the Company
 Apr 2002: General Manager of China Business Department, Sales Division, the Company
 Jun 2010: President, NEC Turkey (Istanbul)
 Jun 2014: General Manager, Americas and EMEA (NEC)
 Oct 2017: Representative NEC EMEA Region President, NEC Europe (London)
 Apr 2020: Senior Global Business Officer, Global Business Unit (NEC)
 May 2021: Outside Director, AEON MALL Co., Ltd. (to present)

Tenure

1

Number of the Company's shares owned

0

Reasons for selection

As the chief responsible party (president) and through activities at overseas local subsidiaries, he has built experience and expertise in management related to building organizations and growing businesses, and developed knowledge of overseas risk management through assignments abroad in developing nations. He leverages his experience and skills to offer appropriate advice and management supervision related to high-profit growth in overseas businesses, which is an important management issue for the company.



Junko Owada

Outside Director (Independent)

Apr 1989: Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (now NTT Communications Corporation)
 Aug 2001: People Analytics Research Laboratory, Recruit Group Co., Ltd.
 Apr 2009: Executive Director, Recruit Management Solutions Co., Ltd.
 Apr 2013: Executive Director, Recruit Career Co., Ltd.
 Jul 2016: Fellow, Recruit Career Co., Ltd.
 Jul 2016: Advisor, Tokyo Ichiban Foods Co., Ltd. (to present)
 Apr 2017: Human Resources Professional Contractor, Hitachi, Ltd. (to present)
 Jun 2020: Outside Director, Arbeit-Times Co., Ltd. (to present)
 May 2021: Outside Director, AEON MALL Co., Ltd. (to present)

Tenure

1

Number of the Company's shares owned

0

Reasons for selection

She has deep knowledge in a number of personnel recruitment education-related areas, including human resources utilization, personnel solutions, diversity, and work-style reform. She leverages her experience and achievements as an advisor and consultant in IT and personnel solutions to offer supervision and advice on diversity and work-style reform, which are important issues for the company.



Chisa Enomoto

Outside Director (Independent)

Apr 1984: Joined Recruit Co., Ltd.
 Nov 2005: General Manager, Public Relations, Philips Electronics Japan, Ltd.
 Jul 2012: Division Manager, Communications and Public Relations, Janssen Pharmaceutical K.K.
 Jan 2014: Executive Director, Tokyo Electric Power Company
 Apr 2018: Executive Communications Strategist, Hitachi, Ltd.
 Jun 2018: Outside Director (Audit & Supervisory Committee member), Persol Holdings Co., Ltd. (to present)
 Sep 2018: Outside Director, Joyful Honda Co., Ltd.
 Apr 2019: Member, Public Relations Strategy Office, Meiji University (to present)
 May 2021: Outside Director, AEON MALL Co., Ltd. (to present)

Tenure

1

Number of the Company's shares owned

0

Reasons for selection

She has abundant experience and achievements as a leader at multiple companies, including foreign firms, and she possesses a broad network and scope of activities, including initiatives at universities and positions as an outside director to other companies. She is able to supervise and offer advice from a multifaceted point of view, based on her broad knowledge regarding information disclosure and brand strategy promotion, which are important issues for the company.



Junko Taki

Outside Director (Independent)

Apr 1990: Joined ORIX Corporation
 Oct 1997: Joined Asahi & Co. (now KPMG AZSA LLC)
 Jun 2018: General Manager of Global strategies Department, Suminoe Textile Co., Ltd.
 Aug 2019: General Manager of Global strategies Department and General Manager of Management Planning Department, Suminoe Textile Co., Ltd.
 Feb 2021: Representative, Taki CPA Office (to present)
 May 2022: Outside Director, AEON MALL Co., Ltd. (to present)

Tenure

New election

Number of the Company's shares owned

0

Reasons for selection

As an executive officer working closely with management at other companies, she developed expertise related to business strategy planning, rebuilding of business management infrastructure, and construction of accounting internal control, etc., and as a certified public accountant at a major audit firm, further gained extensive experience in accounting audits, accounting consulting, and corporate governance. She provides appropriate supervision and advice regarding the company's financial affairs, offering a multifaceted perspective on investment decisions, business strategies, and internal control audits, etc.

Audit & Supervisory Board Members



Maki Watanabe

Full-time Audit & Supervisory Board Member (Outside)

Apr 1988: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)
Jul 1992: Served in Hyogo Accounting Section, JUSCO Co., Ltd.
Nov 1993: Served in Budget Section of Accounting Department, JUSCO Co., Ltd.
Mar 2010: General Manager of Accounting Department, JUSCO Co., Ltd.
Aug 2013: General Manager of Consolidated Accounting Department, AEON Co., Ltd.
May 2017: Part-Time Audit & Supervisory Board Member, the Company
May 2018: Full-Time Audit & Supervisory Board Member, the Company

Tenure

4

Number of the Company's shares owned

0

Reasons for selection

She leverages her extensive experience in accounting at AEON Co., Ltd. as well as her experience serving as an Audit and Supervisory Board member at various AEON Group companies to contribute to AEON MALL management.



Takao Muramatsu

Outside Member of the Audit and Supervisory Board (Independent)

Apr 1979: Joined Tokyo Regional Taxation Bureau
Apr 1988: Chief Investigator of Special Investigation Department, Tokyo District Public Prosecutors Office
Jul 1991: Investigator of Large Enterprise Examination and Criminal Investigation Department, National Tax Agency
Jul 1998: Senior Investigator of Large Enterprise Examination and Criminal Investigation Department, National Tax Agency
Jul 2003: Deputy Director-General, Shibuya Tax Office
Jul 2005: Chief Investigator of Criminal Investigation Department, Tokyo Regional Taxation Bureau
Jul 2009: Chief Internal Inspector, Osaka Regional Taxation Bureau
Jul 2010: Chief Internal Inspector, National Tax Agency
Jul 2012: Assistant Regional Commissioner of Management and Coordination Department, Nagoya Regional Taxation Bureau
Jun 2013: Director-General, Takamatsu Regional Taxation Bureau
Oct 2014: Registered as a certified tax accountant, MURAMATSU TAX ACCOUNTANT OFFICE (to present)
Apr 2015: Outside Audit & Supervisory Board Member, BESTERRA CO., LTD (to present)
Apr 2016: Outside Audit & Supervisory Board Member, Serendip Holdings Co., Ltd. (to present)
May 2016: Outside Audit & Supervisory Board Member, the Company (to present)
Jun 2016: Outside Director, GLOBERIDE, Inc. (audit and supervisory committee member) (to present)

Tenure

6

Number of the Company's shares owned

0

Reasons for selection

He contributes advice and oversight based on his extensive knowledge of tax matters stemming from his many years of experience at the Regional Taxation Bureau, as well as his experience as a director and member of Audit and Supervisory Boards at other companies.



Emi Torii

Outside Member of the Audit and Supervisory Board (Independent)

Nov 2005: Passed the National Bar Examination
Apr 2006: Legal apprentice
Sep 2007: Joined Nozomi Sogo Attorneys at Law
Apr 2015: Kanto-Shinetsu Regional Pension Records Correction Council Committee Member, Ministry of Health, Labour and Welfare (to present)
Apr 2019: Partner, Nozomi Sogo Attorneys at Law (to present)
May 2019: Outside Audit & Supervisory Board Member, AEON MALL Co., Ltd. (to present)

Tenure

3

Number of the Company's shares owned

0

Reasons for selection

As an attorney having experience and specialized knowledge of corporate legal affairs, she contributes opinions from a legal perspective for the benefit of company management.



Masato Nishimatsu

Audit & Supervisory Board Member

Mar 1978: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)
May 2000: Director, JUSCO Co., Ltd.
Dec 2001: Acting Trustee for Business, MYCAL Corp. (now AEON Retail Co., Ltd.)
Mar 2007: Finance & Accounting Officer, AEON Group
May 2007: Vice President, AEON Group
May 2007: Audit & Supervisory Board Member, AEON MALL Co., Ltd.
Aug 2008: Vice President, Responsible for Group Accounting and Affiliated Companies, AEON Co., Ltd.
Mar 2013: Director, Senior Managing Director and in charge of Business Management, AEON Retail Co., Ltd.
Feb 2015: Director, Senior Managing Director and in charge of the Financial Units and the Corporate Planning, The Daiichi, Inc.
Mar 2016: Executive Officer, Senior Chief Officer of Business Management, AEON Co., Ltd.
Mar 2017: Executive Vice President and Representative Director, and in charge of Administration, AEON Retail Co., Ltd.
May 2018: Audit & Supervisory Board Member, AEON HOKKAIDO Corp. (to present)
Mar 2020: Advisor, AEON Co., Ltd. (to present)
May 2020: Audit & Supervisory Board Member, AEON Delight Co., Ltd. (to present)
May 2020: Audit & Supervisory Board Member, AEON MALL Co., Ltd. (to present)
Mar 2022: Corporate Auditor at Fuji Co., Ltd. (to present)

Tenure

2

Number of the Company's shares owned

0

Reasons for selection

He has a broad knowledge and expertise gained at AEON Group companies, based upon which he provides supervision and effective advice regarding overall company management.

Please refer to our website for biographies of directors and Audit and Supervisory Board members. <https://www.aeonmall.com/en/about/governance.html>

11-Year Financial and Non-Financial Highlights

Consolidated fiscal years beginning March 1 and ending the last day of February

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-----------|-----------|-------------|-------------|--------------|
| Consolidated Fiscal Year | | | | | |
| Operating revenue | 150,886 | 161,427 | 176,931 | 203,902 | 229,754 |
| Operating income | 40,656 | 41,743 | 42,227 | 41,872 | 43,870 |
| Operating margin (%) | 26.9 | 25.9 | 23.9 | 20.5 | 19.1 |
| EBITDA | 61,395 | 63,365 | 66,173 | 71,447 | 75,959 |
| Segment profit | | | | | |
| China | (866) | (1,411) | (2,306) | (3,529) | (4,448) |
| ASEAN | (4) | (105) | (536) | (944) | (1,013) |
| Japan | 41,527 | 43,260 | 45,069 | 46,346 | 49,322 |
| Net income attributable to owners of parent | 20,355 | 21,865 | 23,430 | 24,513 | 24,639 |
| Capital expenditure | 73,988 | 67,960 | 114,859 | 181,953 | 207,215 |
| Depreciation and amortization | 20,739 | 21,621 | 23,945 | 29,574 | 32,088 |
| Cash flows from operating activities | 23,248 | 63,226 | 44,382 | 76,152 | 61,785 |
| Cash flows from financing activities | 25,889 | 35,493 | 17,232 | 54,994 | 73,446 |
| Free cash flow | (45,075) | (6,525) | (2,761) | (51,353) | (84,547) |
| Cash and cash equivalents | 8,440 | 39,292 | 59,096 | 67,222 | 53,652 |
| Per-Share Data | | | | | |
| Net income | 112.37 | 109.73 | 106.96 | 107.58 | 108.43 |
| Net assets | 1,069.25 | 1,079.22 | 1,295.30 | 1,438.25 | 1,481.77 |
| Dividends | 21.00 | 22.00 | 22.00 | 22.00 | 22.00 |
| Consolidated Fiscal Year-End | | | | | |
| Total assets | 543,761 | 630,887 | 759,245 | 900,957 | 974,970 |
| Net assets | 194,474 | 217,776 | 298,526 | 332,536 | 339,849 |
| Equity | 193,683 | 215,046 | 295,124 | 327,708 | 333,547 |
| Interest-bearing debt | 179,911 | 220,146 | 190,366 | 253,798 | 334,406 |
| Financial Indicators | | | | | |
| Equity ratio (%) | 35.6 | 34.1 | 38.9 | 36.4 | 34.2 |
| ROE (Ratio of net income to equity) (%) | 11.0 | 10.7 | 9.2 | 7.9 | 7.5 |
| ROA (Ratio of net income to total assets) (%) | 3.8 | 3.7 | 3.4 | 3.0 | 2.6 |
| ROIC (Return on invested capital) (%) | — | — | — | 4.9 | 4.5 |
| D/E ratio (times) | 0.9 | 1.0 | 0.6 | 0.7 | 1.0 |
| Net D/E ratio (times) | 0.8 | 0.8 | 0.4 | 0.5 | 0.8 |
| PER (Price earnings ratio) (times) | 16.4 | 19.0 | 26.3 | 21.4 | 14.7 |
| PBR (Price book-value ratio) (times) | 1.7 | 1.9 | 2.1 | 1.6 | 1.0 |
| Non-Financial Indicators | | | | | |
| No. of malls (Japan/Overseas) | 59 (57/2) | 64 (61/3) | 138 (133/5) | 148 (139/9) | 161 (144/17) |
| New malls (Japan/Overseas) | 3 (3/0) | 3 (2/1) | 7 (5/2) | 11 (7/4) | 13 (5/8) |
| No. of reactivated malls (floor space expansion/renovation) | 9 (1/8) | 5 (1/4) | 11 (0/11) | 8 (0/8) | 12 (1/11) |
| No. of urban SCs | — | — | — | — | — |
| Total leasing area (m ²) | | | | | |
| Japan | 3,434,400 | 3,498,400 | 6,615,900 | 6,996,700 | 7,312,900 |
| Overseas | 108,000 | 170,000 | 283,300 | 544,300 | 1,136,000 |
| Total | 3,542,400 | 3,668,400 | 6,899,200 | 7,541,000 | 8,448,900 |
| Disaster-relief malls owned/operated (malls) | — | — | 4 | 14 | 18 |
| Energy consumption (crude oil equivalent kl) | 100,683 | 96,083 | 100,598 | 106,155 | 114,856 |
| Energy consumption intensity (denominator: floor space/mall operating hours) (GJ/1,000 m ² x h) | 0.585 | 0.539 | 0.510 | 0.475 | 0.453 |
| Energy consumption intensity YoY (%) | 75.14 | 92.21 | 94.62 | 93.01 | 95.45 |
| Waste recycling volume (t) | 44,106 | 46,603 | 48,467 | 54,348 | 60,271 |
| Waste recycling rate (%) | 82.6% | 82.9% | 83.2% | 84.3 | 86.6 |
| Water consumption (m ³) | 3,218,670 | 3,183,332 | 3,328,665 | 3,175,143 | 3,354,719 |
| Water consumption intensity (denominator: floor space/mall operating hours) (m ³ /1,000 m ² x h) | 0.48 | 0.46 | 0.44 | 0.37 | 0.34 |
| Trees planted (Japan, Overseas, ASEAN) | 2,654,000 | 2,695,000 | 2,788,000 | 3,046,000 | 3,190,000 |
| No. of malls with EV charging stations (Japan, China, ASEAN) | 8 | 25 | 35 | 73 | 128 |
| No. of EV chargers (Japan, China) | 13 | 60 | 103 | 187 | 516 |
| No. of employees (consolidated) | 804 | 1,042 | 1,689 | 2,024 | 2,313 |
| No. of female managers | 65 | 79 | 99 | 112 | 115 |
| Ratio of female managers to total managers (%) | — | — | 12.5 | 13.1 | 13.2 |
| No. of female officers | — | — | — | 2 | 2 |
| Ratio of female officers to total officers (%) | — | — | — | 12.5 | 13.3 |
| No. of local staff members overseas | — | — | 392 | 580 | 829 |

Note: Amounts in U.S. dollars are for convenience only, calculated at an exchange rate of ¥115.59 to US\$1 on February 28, 2022.

* AEON MALL issued 23.5 million and 2.5 million new shares on June 19, 2013 and July 12, 2013, respectively. AEON MALL conducted a 1.1 for 1 split for common shares on August 1, 2013.

Accordingly, fiscal 2012 net-income per share has been calculated assuming this stock split occurred as of the first day of fiscal 2012.

* Due to a change in fiscal year, fiscal 2012 consists of the 12-month-eight-day period from February 21, 2012 to February 28, 2013.

* Figures for energy, waste, and water do not include those for PM contracted malls. Rates provided use multipliers including floor space of common areas and back areas.

* Energy consumption, energy consumption intensity, and energy usage reduction figures are fiscal April through fiscal March figures in conformance with the regular reporting requirements of the Act on the Rational Use of Energy.

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
|--|--------------|--------------|--------------|--------------|--------------|-----------------|----------------------------------|
| | | | | | | Millions of Yen | Thousands of U.S. Dollars (Note) |
| | 269,793 | 288,111 | 312,976 | 324,138 | 280,688 | 316,813 | 2,740,836 |
| | 44,935 | 49,211 | 52,987 | 60,794 | 34,394 | 38,228 | 330,725 |
| | 16.7 | 17.1 | 16.9 | 18.8 | 12.3 | 12.1 | 12.1 |
| | 82,993 | 87,654 | 95,627 | 117,653 | 92,981 | 101,964 | 882,121 |
| | (3,451) | (1,132) | (453) | 5,622 | 2,296 | 6,958 | 60,203 |
| | (348) | 248 | 999 | 2,686 | 1,474 | (701) | (6,065) |
| | 48,716 | 50,074 | 52,415 | 52,460 | 30,597 | 31,945 | 276,368 |
| | 28,527 | 30,542 | 33,538 | 34,239 | (1,864) | 19,278 | 166,784 |
| | 163,407 | 190,100 | 217,101 | 99,633 | 59,738 | 122,243 | 1,057,562 |
| | 38,058 | 38,443 | 42,640 | 56,858 | 58,586 | 63,735 | 551,396 |
| | 73,646 | 80,616 | 90,600 | 133,645 | 61,621 | 61,492 | 531,983 |
| | 8,312 | 44,841 | 91,199 | 22,808 | 12,244 | 8,225 | 71,157 |
| | 10,072 | (61,393) | (85,589) | 37,862 | (2,822) | (60,890) | (526,781) |
| | 69,593 | 54,223 | 55,414 | 114,368 | 124,080 | 82,973 | 717,826 |
| | | | | | | Yen | U.S. Dollars (Note) |
| | 125.45 | 134.29 | 147.45 | 150.50 | (8.19) | 84.72 | 0.73 |
| | 1,539.36 | 1,642.59 | 1,685.46 | 1,731.11 | 1,658.23 | 1,830.21 | 15.83 |
| | 27.00 | 35.00 | 38.00 | 40.00 | 40.00 | 50.00 | 0.43 |
| | | | | | | Millions of Yen | Thousands of U.S. Dollars (Note) |
| | 1,012,758 | 1,123,781 | 1,203,211 | 1,381,217 | 1,394,199 | 1,463,256 | 12,659,023 |
| | 356,203 | 385,561 | 394,059 | 404,522 | 387,486 | 426,931 | 3,693,497 |
| | 350,073 | 373,572 | 383,393 | 393,849 | 377,318 | 416,455 | 3,602,869 |
| | 360,292 | 405,749 | 506,975 | 666,076 | 709,659 | 757,593 | 6,554,140 |
| | 34.6 | 33.2 | 31.9 | 28.5 | 27.1 | 28.5 | |
| | 8.3 | 8.4 | 8.9 | 8.8 | (0.5) | 4.9 | |
| | 2.9 | 2.9 | 2.9 | 2.6 | (0.1) | 1.3 | |
| | 4.4 | 4.6 | 4.4 | 4.3 | 2.2 | 2.4 | |
| | 1.0 | 1.0 | 1.3 | 1.6 | 1.8 | 1.8 | |
| | 0.8 | 0.9 | 1.1 | 1.5 | 1.5 | 1.6 | |
| | 13.7 | 16.6 | 12.3 | 10.1 | — | 19.0 | |
| | 1.1 | 1.3 | 1.0 | 0.8 | 1.0 | 0.8 | |
| | 166 (147/19) | 174 (150/24) | 180 (153/27) | 172 (142/30) | 174 (142/32) | 174 (140/34) | |
| | 7 (5/2) | 10 (5/5) | 7 (4/3) | 4 (1/3) | 3 (1/2) | 6 (4/2) | |
| | 20 (2/18) | 14 (2/12) | 8 (2/6) | 15 (4/11) | 10 (2/8) | 10 (9/1) | |
| | 20 | 21 | 23 | 23 | 22 | 22 | |
| | 7,753,950 | 7,923,800 | 8,154,700 | 7,876,500 | 7,922,700 | 7,985,700 | |
| | 1,266,000 | 1,599,700 | 1,828,000 | 2,072,000 | 2,251,000 | 2,366,000 | |
| | 9,019,950 | 9,523,500 | 9,982,700 | 9,948,500 | 10,173,700 | 10,351,700 | |
| | 23 | 28 | 37 | 39 | 42 | 48 | |
| | 117,278 | 118,030 | 118,723 | 117,801 | 112,922 | 127,251 | |
| | 0.432 | 0.410 | 0.401 | 0.379 | 0.364 | 0.384 | |
| | 95.33 | 94.88 | 97.86 | 94.43 | 95.99 | 105.49 | |
| | 62,805 | 65,748 | 68,977 | 71,066 | 56,032 | 65,707 | |
| | 86.8 | 86.1 | 86.9 | 89.4 | 88.7 | 92.7 | |
| | 3,592,795 | 3,612,049 | 3,629,433 | 3,596,512 | 3,146,507 | 3,457,894 | |
| | 0.34 | 0.32 | 0.32 | 0.30 | 0.26 | 0.27 | |
| | 3,275,000 | 3,344,000 | 3,467,000 | 3,496,000 | 3,550,000 | 3,578,000 | |
| | 136 | 149 | 158 | 154 | 155 | 158 | |
| | 1,045 | 1,944 | 2,332 | 2,404 | 2,418 | 2,424 | |
| | 2,871 | 3,091 | 3,303 | 3,447 | 3,656 | 3,756 | |
| | 121 | 136 | 151 | 155 | 165 | 192 | |
| | 13.7 | 14.2 | 15.1 | 17.4 | 18.0 | 19.4 | |
| | 2 | 3 | 4 | 4 | 4 | 6 | |
| | 13.3 | 17.6 | 23.5 | 23.5 | 22.2 | 35.3 | |
| | 956 | 1,113 | 1,227 | 1,288 | 1,429 | 1,465 | |

* Figures for waste output volume, recycling volume, and recycling rate are aggregated figures for specialty stores, common areas, and AEON MALL offices.

* Figures for water consumption and water consumption intensity are aggregated figures for common areas and AEON MALL offices.

* The number of trees planted is an aggregated number of trees in all malls including PM contracted properties.

* Figures for ratio of female managers to total managers before fiscal 2012 are not listed, because the number of employees increased as a result of signing a PM contract for the malls of AEON Retail Co., Ltd. in 2013.

* The number of local staff members overseas is listed in and after fiscal year 2013, since when the opening of malls has accelerated.

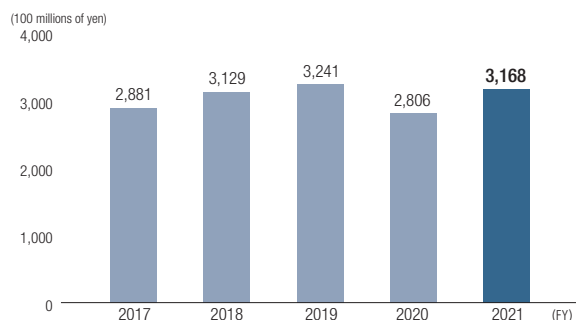
Financial Performance

FY2021 Highlights

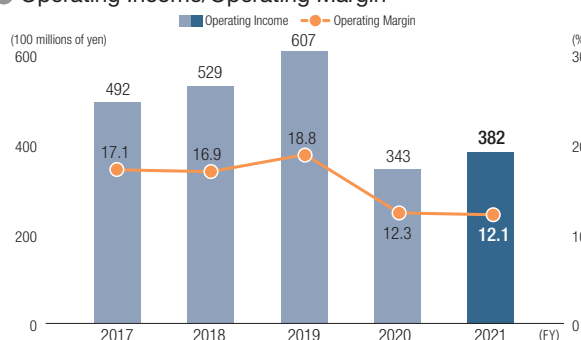
During the consolidated fiscal year under review, COVID-19 infections remained uncontained, although differences were evident among various countries and regions. Certain of our malls in Japan and overseas were forced to shorten operating hours or close temporarily. AEON MALL recorded higher revenue and income for the consolidated fiscal year ended February 28, 2022. Consolidated operating revenue for the fiscal year ended February 28, 2022 amounted to ¥316,813 million, an increase of 12.9% year on year. Operating income amounted to ¥38,228 million (+11.1%), ordinary income amounted to ¥32,540 million (+14.4%), and net income attributable to owners of parent amounted to ¥19,278 million (compared to a net loss of ¥1,864 million in the previous consolidated fiscal year). Fixed costs for the fiscal year amounted to ¥4,075 million stemming from temporary closures and other factors (¥16,572 million in the previous consolidated fiscal year). We posted these costs as extraordinary losses due to COVID-19.

The accounting period for companies outside Japan is the year ending December 31. Accordingly, the figures presented herein reflect results for January through December. The company has applied IFRS 16 beginning in fiscal 2019 for consolidated subsidiaries overseas.

Operating Revenue



Operating Income/Operating Margin

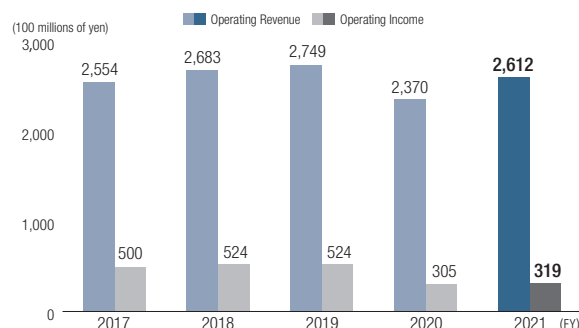


Performance by Segment

Our Domestic Business recorded operating revenue in Japan in the amount of ¥261,214 million (+10.2% year on year) and operating income of ¥31,945 million (+4.4%). Japan declared a state of emergency on April 25. In response, we temporarily closed 30 of the group's malls and urban shopping centers until May 11. Subsequently, as COVID-19 infections continued to spread, declarations of emergency were implemented

intermittently until September 30 for expanding target areas, although business restrictions were eased. However, we have seen improved customer sentiment since the declaration of emergency was lifted in October, reflecting pent-up demand after lengthy self-restraints in non-essential travel outside the home. In January, the highly contagious Omicron variant spread, and priority measures against infection were implemented. This development resulted in a return toward self-restraint in consumer spending. As a result, specialty store sales at existing malls for the consolidated fiscal year under review were +8.5% year on year (84 malls) and -17.6% compared with FY2019 (83 malls).

Domestic Business

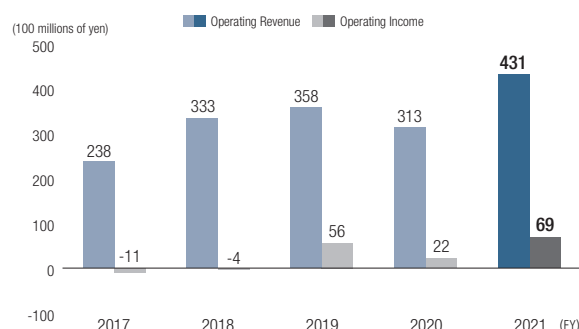


Our Overseas Business recorded operating revenue in the amount of ¥55,598 million (+27.5% year on year) and operating income in the amount of ¥6,257 million (+65.9%). We continue area-dominant mall openings in China, mainly in the four areas of Beijing/Tianjin/Shandong, Jiangsu/Zhejiang,

Hubei and Guangdong. In ASEAN, we continue opening malls in Vietnam, Cambodia, and Indonesia. Strengthening the AEON MALL brand power attracts more customers, which provides the type of brand advantage that lets us attract quality tenants and enter into lease contracts under favorable terms.

Our China Business recorded operating revenue in the amount of ¥43,139 million (+37.6% year on year) and operating income in the amount of ¥6,958 million (+203.0%). Due to the outbreak of new COVID-19 infections throughout China in late July, we closed certain of our malls in Hubei Province in August. In November and December, the outbreak of COVID-19 in the inland areas spread through the rest of the country, and activities were restricted due to the strict containment efforts and measures taken by local

China Business



governments to restrict physical entry into certain industries such as cinemas. Although there have been cases of localized COVID-19 outbreaks in China, infections tend to be contained within a short period of time due to strict government-led containment measures. The impact on specialty store sales at our malls was limited, with specialty store sales at existing malls growing 32.0% year on year (21 malls) and 5.3% compared with FY2019 (19 malls) during the current fiscal year.

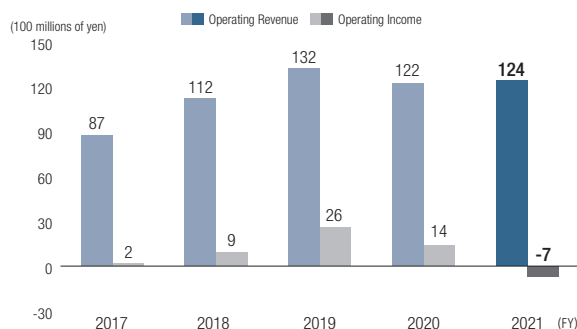
Our ASEAN Business recorded operating revenue of ¥12,459 million, an increase of 1.8% year on year. Operating loss amounted to ¥701 million, compared with an operating income of ¥1,474 million in the previous year.

In May, COVID-19 infections spread in southern Vietnam, and infections began spreading throughout the country in July. Social segregation measures under the government's directions were lifted in October, and specialty stores in our malls resumed operations. However, even though we implemented rules that included preventing unvaccinated employees at specialty stores from serving customers, specialty store sales in existing malls for the consolidated fiscal year were down 26.8% (five malls) year on year and 34.8% compared to FY2019 (four malls).

In Cambodia, we closed specialty stores temporarily in April due to urban blockades implemented in response to COVID-19 infections that spread in Phnom Penh City in March. The number of new cases of COVID-19 infections peaked in July with the improvement of vaccination rates, and the number of new infections have been on a downward trend. However, the continued closures of certain business categories such as cinemas and amusement facilities has had an impact on customer traffic throughout the year. As a result, specialty stores sales in existing malls for the current fiscal year decreased compared with the previous fiscal year down 24.1% (two malls) year on year and 43.0% (two malls) compared with FY2019.

In Indonesia, the number of people infected with new COVID-19 cases decreased, and May specialty store sales at existing malls recovered to approximately 80% of the previous year (two malls). However, infections began to spread again in June, forcing shorter business hours, closure of amusement industry facilities, and limited customer entry. Customer traffic for the consolidated fiscal year under review was challenging, coming in at around 60% compared with FY2019.

● ASEAN Business



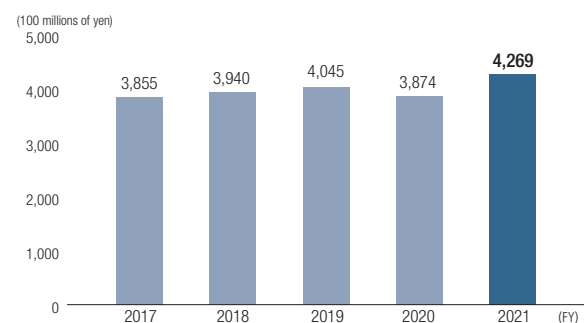
■ Assets, Liabilities, and Net Assets

Total assets amounted to ¥1,463,256 million, up ¥69,057 million compared to the end of the prior consolidated fiscal year. This result was mainly due to an increase in property, plant and equipment of ¥91,144 million stemming from an increase in new mall development, reactivation of existing malls, and investments in the acquisition of property for future development of ¥118,253 million in excess of ¥63,735 million of depreciation and amortization. We also recorded a significant increase in foreign currency translation adjustments. These figures were offset in part by a decrease in cash and deposits of ¥44,293 million.

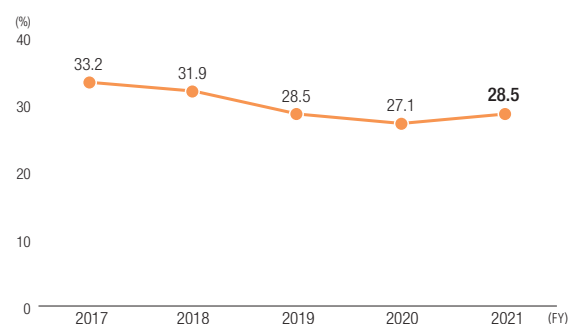
Total liabilities stood at ¥1,036,325 million, up ¥29,612 million from the end of the prior consolidated fiscal year. This result was mainly due to an increase of ¥35,000 million in bonds (including current portion), an increase in lease obligations of ¥10,560 million (including lease obligations under current liabilities), an increase in lease deposits from lessees of ¥8,420 million, and an increase in long-term debt of ¥2,373 million (including current portion). These increases were offset in part by decreases of ¥21,491 million in deposits received from specialty stores and ¥5,313 million in accounts payable-other (related to facilities).

Net assets totaled ¥426,931 million, up ¥39,444 million compared to the end of the prior consolidated fiscal year. This result was mainly due to an increase of ¥9,039 million in retained earnings stemming from the recording of ¥19,278 million in net income attributable to owners of parent and ¥10,239 million in dividend payments, as well as an increase in foreign currency translation adjustment of ¥30,027 million.

● Net Assets



● Equity Ratio



Cash Flows

Cash and cash equivalents ("Cash") as of the current consolidated fiscal year amounted to ¥82,973 million, down ¥41,106 million compared to the end of the prior consolidated fiscal year. The following text describes cash flows for the period under review:

Net cash provided by operating activities amounted to ¥61,492 million, compared to cash flows of ¥61,621 million in the prior consolidated fiscal year. This result was mainly due to income before income taxes and other adjustments of ¥26,149 million (¥4,268 million in the year-ago period) and depreciation and amortization of ¥63,735 million (¥58,586 million in the year-ago period). These amounts were offset in part by a decrease in deposits received from specialty stores of ¥22,122 million (¥5,184 million in the year-ago period) and a decrease in income before income taxes and other adjustments of ¥11,403 million (¥11,528 million in the year-ago period).

Net cash used in investing activities amounted to ¥122,382 million, compared to ¥64,444 million for the same period in the prior fiscal year. This result was mainly due to purchases of property, plant and equipment in the amount of ¥117,864 million (¥57,535 million in the year-ago period) for equipment at malls expanded and revitalized in the prior consolidated fiscal year (AEON MALL Kochi) and malls newly opened in the prior consolidated fiscal year (AEON MALL Ageo), as well as for purchases of assets related to AEON MALL Sentul City during the consolidated fiscal year for land for development.

Net cash provided by financing activities amounted to ¥8,225 million, compared to net cash provided of ¥12,244 million for the same period in the prior fiscal year. This result was mainly due to proceeds from the issuance of bonds in the amount of ¥65,000 million (¥60,000 million in the year-ago period) and proceeds from long-term debt of ¥34,026 million (¥23,734 million in the year-ago period). During the same period, the company made cash outlays for repayment of long-term debt of ¥33,644 million (¥35,774 million in the year-ago period), redemptions of bonds of ¥30,000 million (¥15,000 million in the year-ago period), ¥16,384 million in repayment of lease obligations (¥11,727 million in the year-ago period), and ¥10,239 million in dividend payments (¥9,100 million in the year-ago period).

Outlook for FY2022

AEON MALL plans to open one new mall overseas in Cambodia in FY2022. Among existing malls, we plan to expand the floor space of one mall in China. Our overseas business has entered a stage of expanding profits as a growth driver for the Company, and we will proceed in securing a pipeline to accelerate the opening of new malls in the future. At the same time, we are moving forward with renovations for new tenants, floor space expansions, and initiatives to improve our operations at existing malls.

We plan to open two new malls in Japan in FY2022. We intend to grow earnings by pursuing aggressive floor space expansion and renovation, while opening new malls that take advantage of the characteristics of the locations where they are situated.

Policy on Dividends

AEON MALL recognizes that returning profits to shareholders through improving earnings power is a key management priority. Our basic policy on income distribution emphasizes steady dividend payments to shareholders, while using internal reserves to invest in structural business improvements, including investments in growth businesses, new businesses, and other areas that strengthen our operating foundation. Our policy is to maintain a consolidated payout ratio of at least 30%. We issue dividends twice annually, in the interim and at the end of the fiscal year, according to the provisions of Article 459, Paragraph 1 of the Companies Act. The Company's articles of incorporation state that dividends paid from surplus are to be determined by resolution of the board of directors.

At a meeting held on April 7, 2022, our board of directors resolved to pay year-end dividends of ¥25 per share, in line with our initial plan. In combination with an interim dividend of ¥25 per share, our annual dividend for the fiscal year amounted to ¥50 per share. Consolidated payout ratio was 59.0%. We expect the annual dividend for the next fiscal year to remain unchanged at ¥50 per share.

FY2022 Consolidated Business Targets (March 1, 2022 to February 28, 2023)

| | Operating revenue | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|----------------------------------|-------------------|---------|------------------|---------|-----------------|---------|---|---------|----------------------|
| | Million yen | YoY (%) | Million yen | YoY (%) | Million yen | YoY (%) | Million yen | YoY (%) | Yen |
| 1st Half (2022.3.1-2022.8.31) | 196,500 | — | 24,700 | +25.5 | 20,000 | +23.5 | 8,000 | -37.7 | 35.15 |
| 2nd Half (2022.9.1-2023.2.28) | 207,500 | — | 30,800 | +66.1 | 25,500 | +56.0 | 15,000 | +132.8 | 65.92 |
| Total | 404,000 | — | 55,500 | +45.2 | 45,500 | +39.8 | 23,000 | +19.3 | 101.07 |

(Note) Beginning with the fiscal year ending February 28, 2023, the company will adopt Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. The consolidated earnings forecast above is based on this standard. Since operating revenue has been affected significantly by the adoption of this standard, we have not shown the percentage change compared with the previous period. Operating income, ordinary income, and net income attributable to owners of parent have not been affected by the application of the standard. Estimating results for the fiscal year ending February 28, 2023 before the adoption of this standard, we expect operating revenue to increase 12.8% for the first half and 13.3% for the full year.

Recognition and Certifications from External Organizations

Evaluations From ESG Evaluation Organizations

■ Acquired Score B from CDP

CDP* is a non-profit organization that conducts international environmental research and information disclosure. CDP gave the Company a B rating in recognition of our strategy and response to climate change. Companies are rated on an eight-point scale from A to D-, and the results are used by institutional investors to make investment decisions.

* For more about CDP, organization's Japanese website (<https://japan.cdp.net>).



■ Recognized as a Leaderboard Company; Highest CDP Supplier Engagement Rating

AEON MALL has been recognized as a Supplier Engagement Leader Board company, the highest rating possible, under the CDP Supplier Engagement Rating. CDP is a non-profit organization that conducts international environmental research and disclosure.



■ 5 Star (Highest) Rating in the 2021 GRESB Real Estate Assessment for a Second Consecutive Year

We received a five Star rating (highest rating) in the 2021 GRESB Real Estate Assessment for the second year in a row. The GRESB evaluation is based on a five-step scale. In addition, for the seventh consecutive year, we received the Green Star rating. This rating is an indicator of excellent participation in both the Management Component (policies and organizational structure for ESG promotion) and the Performance Component (environmental performance etc.).



■ Selected as Constituent of ESG Investing Stock Indexes

ESG (environmental, social, and governance) investment is an approach that measures a company's value not only in terms of financial information, but also in terms of ESG initiatives (non-financial information), using this information as a basis for investment decisions. We have been selected as one of three constituents of various indices calculated by selecting companies that excel in ESG evaluation.



Other External Recognitions

■ 2022 Certified Health & Productivity Management Outstanding Organization (Large Enterprise)

In March 2022, the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi certified the Company as a

2022 Certified Health & Productivity Management Outstanding Organization (Large Enterprise), an award that recognizes entities that practice particularly excellent health management.



External Certifications

■ First Japanese Company to Participate in EV100

In 2017, AEON MALL became the first Japanese company to participate in EV100*. We install EV chargers proactively to promote the spread of electric vehicles (EVs) and plug-in hybrid vehicles (PHVs), which emit zero CO₂ during operation.



* EV100: An international business initiative for the corporate promotion of the use of electric vehicles and environmental improvement.

■ New Acquisitions of WELL Health-Safety Rating

AEON MALL Shinjuku (Miyagi Prefecture), AEON MALL Kawaguchi (Saitama Prefecture), and AEON MALL Hakusan (Ishikawa Prefecture), which all opened in FY2021, have acquired the WELL Health-Safety Rating, a global certification that evaluates buildings from a wellness perspective.



■ Seven Malls Received DBJ Green Building Certification

The Development Bank of Japan (DBJ) operates the DBJ Green Building certification program that certifies properties based on a comprehensive evaluation system that includes environmental performance and other factors. In fiscal 2021, six malls received four stars and one mall received the highest rating of five stars under the DBJ Green Building certification.



■ ABINC Certification

ABINC® certification is a third-party assessment and certification protocol for biodiversity and green-space initiatives based on the Association for Business Innovation in Harmony with Nature and Community (ABINC®) Guidelines. As of February 2022, 15 malls have received ABINC® certification.



Corporate Profile (as of February 28, 2022)

| | |
|------------------------|---|
| Company Name: | AEON MALL Co., Ltd. (Stock Code: 8905) |
| Date Established: | November 1911 |
| Representative: | Yasutsugu Iwamura, President |
| Common stock: | ¥42,374 million |
| Headquarters: | 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba 261-8539, Japan |
| No. of Shopping Malls: | 196 (Domestic 162 / Overseas 34) <small>* Includes OPA Co., Ltd. (urban shopping center business converted to subsidiary in March 2016) and other affiliates.</small> |
| Business Activities: | Development of large-scale shopping malls, tenant leasing, and operations/management real estate, leasing, agency services (Lic.No. 7682 issued by the Minister of Land, Infrastructure and Transportation (3)) |
| No. of Employees: | 3,756 |

● Offices

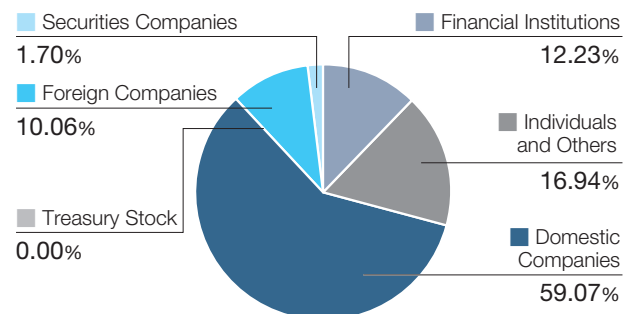
| Office Name | Location |
|---------------------------------------|---|
| Sendai Office | Sendai Minamimachi-dori Building 7F, 3-6-12 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021, Japan |
| Tokyo Office | Fuundo Honkan Building 5F, 1-2 Kandaogawamachi, Chiyoda-ku, Tokyo 101-0052, Japan |
| Makuhari WBG Office | WBG Malibu East 22F, 2-6-1 Nakase, Mihama-ku, Chiba-shi, Chiba 261-7122, Japan |
| Chiba Division business establishment | AEON MALL MAKUHARISHINTOSHIN FAMILY MALL, 1-1 Toyosuna, Mihama-ku, Chiba-shi, Chiba 261-8535, Japan |
| Nagoya Office | Aizo building 4F, 5-25-1 Meieki, Nakamura-ku, Nagoya-shi Aichi 450-0002, Japan |
| Osaka Office | Kurabo Annex Building 12F, 2-4-11 Kyutaromachi, Chuo-ku, Osaka-shi, Osaka 541-0056, Japan |
| Kobe Office | 2-1-1 Nakanoshima, Hyogo-ku, Kobe-shi, Hyogo 652-0844, Japan |
| Hiroshima Office | 1-3-52 Danbara-minami, Minami-ku, Hiroshima-shi, Hiroshima 732-0814, Japan |
| Fukuoka Office | Sankyo Fukuoka Building 5F, 2-9-11 Hakataekiminami, Hakata-ku, Fukuoka-shi, Fukuoka 812-0016, Japan |

Stock Information (as of February 28, 2022)

● General Stock Information

Authorized No. of Shares: 320,000,000 shares
 No. of Shares Issued: 227,548,939 shares
 No. of Shareholders: 187,011

● Distribution of Shareholders



● Major Shareholders (Top 12)

| Name/Company Name | Equity in AEON MALL | |
|--|---------------------------------------|----------------|
| | Number of Shares Owned (1,000 shares) | Percentage (%) |
| AEON Co., Ltd. | 132,351 | 58.16 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 11,389 | 5.00 |
| Custody Bank of Japan, Ltd. (Trust Account) | 5,965 | 2.62 |
| SMBC Nikko Securities Inc. | 1,991 | 0.87 |
| Bnymansv as Agent / Clients Lux Ucits Non Treaty 1 | 1,975 | 0.86 |
| AEON MALL Trading-Partner Shareholding Association | 1,423 | 0.62 |
| State Street Bank West Client -Treaty 505234 | 1,390 | 0.61 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 1,302 | 0.57 |
| JPMorgan Securities Japan Co., Ltd. | 1,125 | 0.49 |
| Mizuho Bank, Ltd. | 1,100 | 0.48 |
| The Norinchukin Bank | 1,100 | 0.48 |
| Sumitomo Mitsui Trust Bank, Limited | 1,100 | 0.48 |

Notes 1) Shareholdings are rounded down to the nearest 1,000 shares.

2) Ownership ratios have been calculated excluding treasury stock (3,997 shares) and rounded to the nearest hundredth.

Fiscal Year End: February 28 (or 29)

Record date:

Record Date for Annual General Meeting of Shareholders
 February 28 (or 29)
 Record Date for Year-End Dividend
 February 28 (or 29)
 Record Date for Interim Dividend
 August 31

Annual General Shareholders' Meeting:
 Held annually by the end of May

Minimum Trading Unit: 100 shares

Stock Listing:

1-3-3 Marunouchi, Chiyoda-ku, Tokyo, Japan
 Mizuho Trust & Banking Co., Ltd.

● Credit Rating (as of February 28, 2022)

| Rating Agency | Long-Term Rating | Short-Term Rating |
|---|------------------|-------------------|
| Japan Credit Rating Agency, Ltd. (JCR) | A | — |
| S&P Global Ratings | BBB | — |
| Rating and Investment Information, Inc. (R&I) | A- | a-1 |



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