

Value Creation Story (Our Strengths and Management Resource Strategy)

The AEON MALL strengths are our management resources that we have cultivated to date.

We leverage these strengths to address materialities and the value we provide to our stakeholders.

AEON MALL Strengths		FY2022 Actual	Related Materiality Items	Related 2023 Medium-Term Management Plan Strategies
Funds Generated and Raised to Support Growth	Using the cash flow obtained from managing and operating our malls, we constantly maintain a sound financial position and generate funds by utilizing our borrowing capacity. We push for flexible growth investments by acquiring growth capital through the sale of mall land and building assets to real estate investment trusts (REITs) and the use of development-type leases. At the same time, we accelerate return on investments and improve asset efficiency.	<ul style="list-style-type: none"> ● EBITDA: ¥114.4 billion (¥39.5 billion yen in overseas business * Simplified operating cash flow) ● Equity ratio: 28.2% ● Net D/E ratio: 1.5 ● ESG bond issuance amount: ¥40 billion 	Responsible Business Promotion	<ul style="list-style-type: none"> ● Improve profitability through the effective use of existing assets ● Implement fundamental business structure reforms <p>▶ P.30</p>
Unparalleled Business Scale and Ability to Attract Customers	We manage and operate more than 160 malls in Japan, serving approximately 1 billion customers annually. We also work to open new stores overseas, mainly in China and ASEAN countries, utilizing our expertise in retail-oriented development and localized operations cultivated in Japan. In anticipation of future increased rates of car ownership, we secured an abundance of parking spaces at our overseas properties in the opening stages, thereby giving us an advantage over the competition.	<ul style="list-style-type: none"> ● No. of malls: 143 Domestic, 35 Overseas (and 21 Urban Shopping Centers) ● Domestic annual customer traffic: approx. 1 billion ● Gross Lease Area (GLA): 10,555 thousand m² Japan: 8,075 thousand m² Overseas: 2,480 thousand m² ● No. of downloads of AEON MALL app: 17 million 	Communities and Infrastructure Development Local Community Ties	<ul style="list-style-type: none"> ● Accelerate mall openings in priority areas <p>▶ P.28</p>
Diversity of Human Resources for Growth	We pursue the creation of an environment in which diverse human resources can maximize their abilities under a common set of values, regardless of gender, age, or nationality. We actively promote local staff at overseas locations to executive positions and provide Japanese employees with overseas business experience. The growth of diverse and creative human resources with the ability to make changes are the most important capital of our Company. As such, we work on various growth measures for human resources.	<ul style="list-style-type: none"> ● Ratio of women in management positions: 20.4% ● Ratio of local personnel in management positions: 29.0% (general manager positions or higher) ● No. of local staff members overseas: 1,563 ● Male employees' parental leave acquisition rate: 100% 	Diversity and Work-Style Reform Responsible Business Promotion	<ul style="list-style-type: none"> ● Pursue a regional shift in Japan and overseas <p>▶ P.26</p>
Sustainable Malls in Harmony With Communities	We utilize our expertise in nearly 200 domestic and overseas locations to develop and operate safe, secure, and comfortable malls for use by diverse customers. As a local disaster relief facility, we provide temporary shelter, rescue and relief space, and food sales areas in the event of a disaster. We also work to secure energy supply systems, such as in-house power generation facilities, to enable stores and facilities to resume operations as soon as possible after a disaster strikes. We aim to be the sustainable mall of choice for customers and specialty retailers.	<ul style="list-style-type: none"> ● No. of malls that have signed disaster prevention agreements with local governing bodies: 137 ● No. of disaster-prevention malls: 43 	Communities and Infrastructure Development Local Community Ties	<ul style="list-style-type: none"> ● Create sustainable towns through industry-government-academic collaborations <p>▶ P.32</p>
Strong Network to Meet the Needs of Communities	We established a nationwide network of specialty retailers and work in close and equal partnership to expand public functions. Our efforts include creating local community hubs and strengthening cooperation with government agencies based on the characteristics and needs of each region. We also aim to raise awareness of customer service through customer service role-playing competitions* in Japan and overseas. By sharing our excellent examples and experience across industries, we strive to improve AEON MALL as a whole.	<ul style="list-style-type: none"> ● No. of tenant companies: approx. 8,000 ● AEON MALL Store Association Customer Service Role-Playing Contest ● Regional localization projects: 1,714 (cumulative total since 2015) 	Communities and Infrastructure Development Local Community Ties	<ul style="list-style-type: none"> ● Diversify value offerings tailored to the market <p>▶ P.29</p>
Conservation of the Global Environment	We work to save energy, reduce CO ₂ emissions, and reduce waste emissions by introducing technologies that reduce environmental impact. These technologies include LEDs, solar power generation (including low-voltage and distributed solar power generation through self-dispatch), EV chargers, and food waste recycling systems. As a local community hub, we also conduct environmental communication activities for customers and social studies field trips for elementary school students. At the same time, we are also working to strengthen our environmental management by acquiring ISO14001 certification.	<ul style="list-style-type: none"> ● No. of malls with 100% renewable energy: 11 ● No. of ABINC® (Association for Business Innovation in Harmony with Nature and Community) certified malls: 15 ● No. of installed EV charger stations: 2,663 (domestics and overseas) 	Environment	<ul style="list-style-type: none"> ● Achieve decarbonized societies <p>▶ P.32</p>

* A competition in which specialty store employees compete using the customer service skills cultivate on a daily basis. Approximately 8,000 companies and 30,000 specialty stores are eligible to complete in the national competition. The program is held in Japan, China, Cambodia, Vietnam, and Indonesia (FY 2019 results).



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