

Human Resources Strategy: Message From the Director in Charge of Business Administration



To achieve truly integrated ESG management, we will implement measures that reflect the importance of human capital management.

Managing Director in Charge of Business Administration

Masahiko Okamoto

AEON MALL formulated a new 2030 Vision, *AEON MALL, Co-Creating With Our Communities*, aiming to contribute to sustainable societies. Further, our medium-term management plan, under which we began operating in fiscal 2023, describes how we will leverage human capital, our most important management resource, to build a foundation for growth.

We require employees who co-create with stakeholders and revitalize our communities if we are to remain rooted in those communities as co-creators, earn the trust of our customers, and continue to grow together. Human resources are our greatest management resource. Therefore, investments in human capital are one of our most important issues, and we intend to enhance the value of our human capital through initiatives that include diversity management, education and development, and health management.

The Relationship Between Management Strategy and Human Resources Strategy

Last year, we created the Human Resources and Organizational Vision. This vision incorporates the idea of our employees as Life Design Producers and our vision as a group of professionals who continue to innovate. AEON MALL believes that it will be through the growth of human resources possessing diversity, creativity, and the ability to change that we achieve our 2025 Vision and 2030 Vision.

Two points were key in establishing our vision for human resources and our organization. The first is empathy and co-creation with stakeholders. The word *relationship* expresses what we search for in our human

resources and organization. The other point is making the most of the individual. We maximize the potential of each employee through a combination of individuals and job matching that allows people to pursue their desires and take on challenges in their own way, assigning people to the work for which they are most suited.

Diversity Management

In this era of opaqueness and uncertainty, the values of society and customers, lifestyles, and consumer behavior continue to change at an accelerating pace. To provide value to our customers and other stakeholders in these times, we must approach matters through multiple perspectives, always maintaining an awareness of the importance of diversity.

By attracting diverse human resources and creating opportunities to play active roles, we create opportunities for individuals to make the most of their individuality and achieve well-being.

Human Resources Education and Development

The idea that education is the highest form of welfare is deeply rooted in the corporate culture of the AEON Group. We believe we must shift from an attitude of passive training to one of active, self-directed learning. For this reason, we significantly increased the number of training sessions and opportunities for self-learning available to employees voluntarily.

The ideal situation is one in which people are suited to their work, work in positions they desire, and work in styles of their own choosing. We support the career development of our employees through opportunities for them to express their own wishes and raise their hands through self-assessment systems, transfers under an open recruitment system, and personnel exchanges with other outside corporations and entities.

Health Management

Our medium-term management plan includes the creation of a health and wellness platform to support lifestyles of well-being in our communities. To this end, we must allow our employees to pursue better ways of working and living, achieving self-actualization in their own way. Therefore, we have committed to health management through initiatives focusing on physical and mental health, including work-style reforms.

Last, allow me to say that my utmost aspiration—what I feel I must accomplish—is to hand the reins of AEON MALL to the next generation, which will only be possible if we develop our people. The young employees of today are the future leaders of our Company, communities, and society. Our greatest desire is to support their growth and success.



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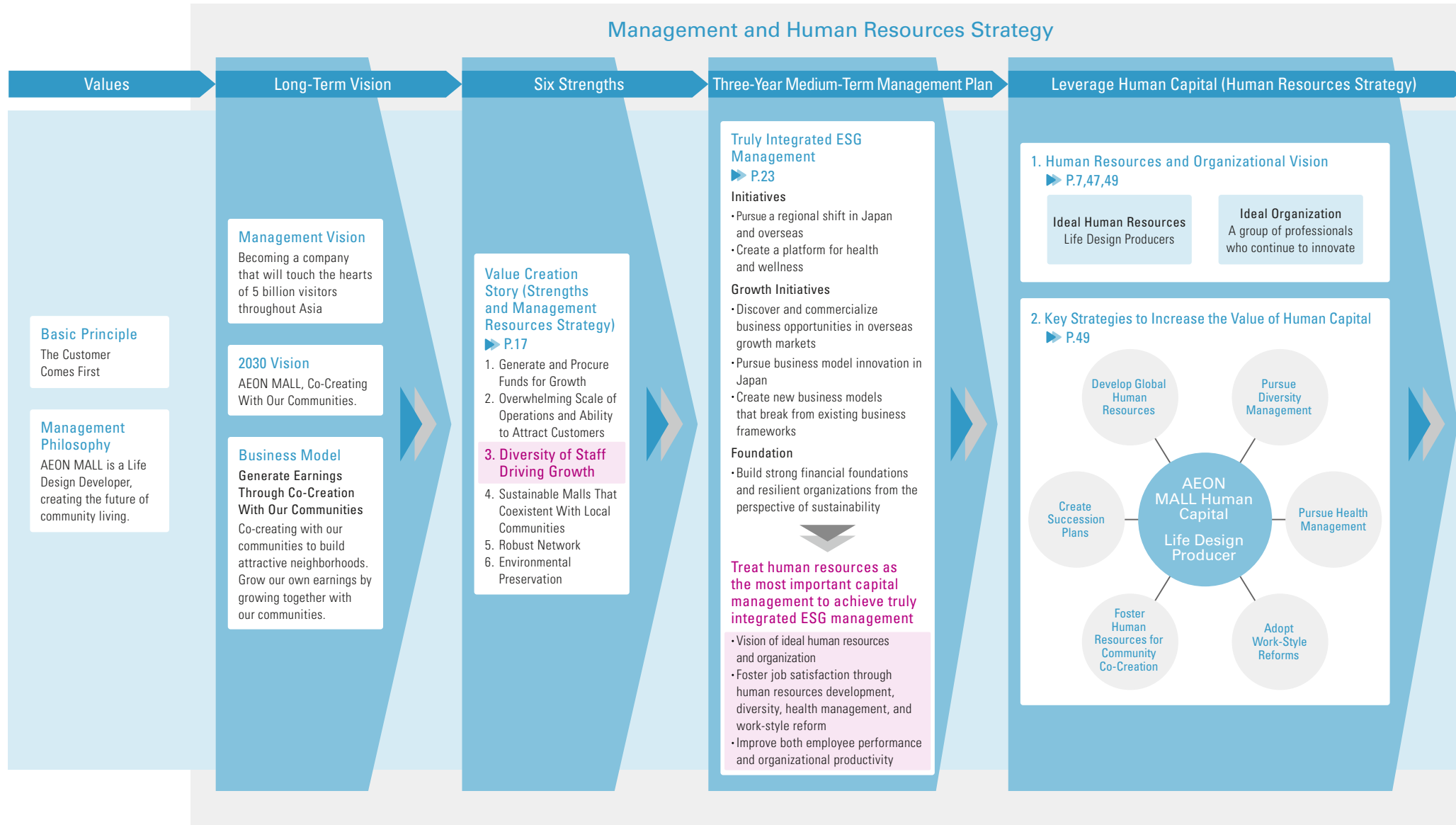
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Human Resources Strategy

Investing in Human Capital: Human Resource Strategies to Achieve Management Strategies

Human capital is the most important resource for growth toward truly integrated ESG management.

We understand that the growth and development of our human resources will lead to sustainable enhancement of AEON MALL corporate value. Our approach is to engage in human resources strategy through human capital management as a part of our business strategy.



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Creating a Human Resources and Organizational Vision

Last year, we developed a new vision for human resources and our organization. This vision is based on our management philosophy, which describes the types of people and organization that will serve as a foundation for initiatives to achieve truly integrated ESG management.

Employees of the AEON MALL Group reaffirm their roles as Life Design Producers. As our employees make the most of their individuality, they solve problems through empathy and co-creation with stakeholders.

As a group of professionals who continue to innovate, we are committed to pioneering sustainable futures for our communities.

Human Resources and Organizational Vision

Ideal Human Resources Life Design Producers

- ① Human resources who achieve self-fulfillment through positive outcomes for co-workers, for local communities, and for the future
- ② Human resources capable of creating and nurturing relationships
- ③ Human resources who envision a personal ideal future, making the most of their individuality

Ideal Organization A Group of Professionals who Continue to Innovate

- ① An organization that creates customers constantly and pioneers new areas of business
- ② An organization that expands and deepens relationships
- ③ An organization with a culture that respects each employee, allowing them to maximize their talents

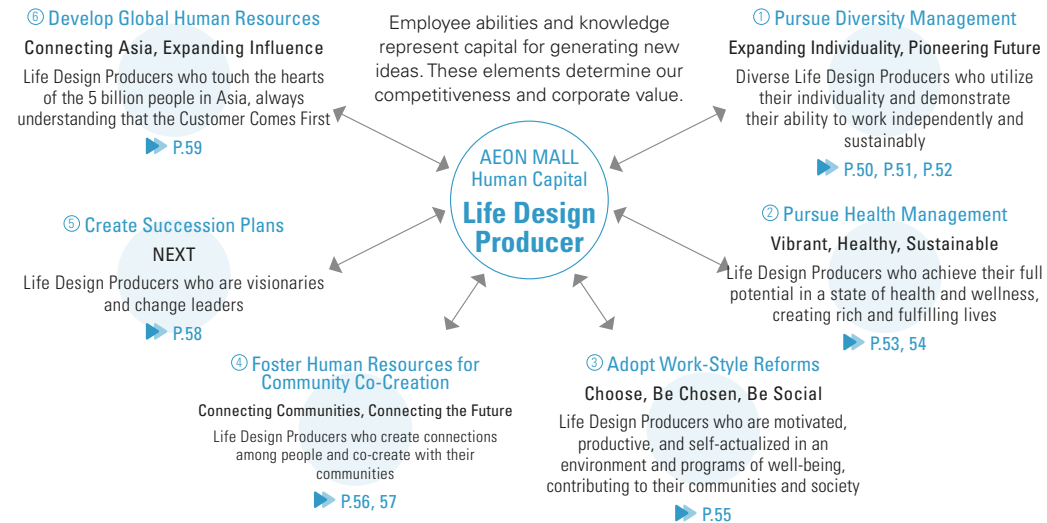
Basic Policy on Human Resources

- Create an environment that encourages employees to take on challenges to contribute to customers, contribute to their communities, and contribute to society
- Believe in and expand the potential of each individual to achieve both organizational and personal growth
- Create an environment where employees can work with peace of mind over an extended career by providing options that respect employee diversity and life plans

Increasing the Value of Human Capital

We believe that it is the growth of diverse, creative human resources possessing the ability to change that will lead our way to our vision of an ideal AEON MALL. To this end, we provide education and training, pursue diversity, and conduct health management to encourage employees to take on new challenges.

Policies Supporting Our Life Design Producers (Linked to Management Strategy)



KGIs and KPIs for Developing Life Design Producers

2025 KGIs

We create opportunities for diverse human resources to learn and challenge themselves to motivate and maximize their abilities. As Life Design Producers, we contribute to our communities through personal growth and company development.

		Develop Life Design Producers			
KG1	Targets for priority items *Specific details to determine whether achievement is possible	Each individual is highly motivated and maximizes their abilities			
KPI	Process KPI effectiveness indicators *Indicators to monitor progress on a regular basis	Pursue Diversity	Foster Human Resources for Community Co-Creation	Develop Global Human Resources	Pursue Health Management
Process KPI	Indicators to measure progress	Ratio of women in management positions Increase career hires and hires of persons with disabilities	Increase the number of employees working with initiative Encourage career self-development Cultivate the next generation of managers	Increase the population of candidates Implement systematic job rotations	Become a White 500 Health & Productivity Management Outstanding Organization by 2025



Pursuing Diversity

With a variety of customers coming to our malls, diverse human resources generate creative ideas by actively exchanging opinions from different perspectives to embody our basic philosophy: The Customer Comes First. An increasing number of female employees are highly motivated to take on the challenges of upper-level positions. We strive to build a foundation for career development through flexible options and comfortable work environments for employees to work without stress when changing life stages, including raising children or caring for family members. These options are available to all employees, regardless of gender, age, nationality, physical or mental disabilities, sexual orientation, or gender identity.

Diversity Policy

Aeon Co., Ltd. respects the diverse values, individuality, and privacy of individuals and has established the Aeon Human Rights Basic Policy. This policy states that the Company will never discriminate on the basis of race, nationality, ethnicity, gender, age, place of birth, religion, education, physical or mental disability, sexual orientation, gender identity, or any other reason.

Diversity Promotion System

Following Aeon's basic philosophy of respecting people and contributing to the community, our Diversity Promotion Group takes the lead in driving initiatives for diversity. This group operates under the Personnel Management Department and Human Resources Department, led by the director in charge of administration. We formulate and implement measures based on changes in the social environment surrounding work styles, as well as surveys and employee feedback. The Management Council and other meeting bodies regularly discuss the progress of diversity-related initiatives with directors.

Aeon Diversity Declaration: Dai Manzoku

Aeon views the promotion of diversity and inclusion (D&I) not only as a way of responding to social issues, but also as a management strategy. We aim to be an organization that continues to innovate and flexibly respond to customer needs by leveraging the capabilities of our diverse human resources. We use the term Dai Manzoku ("diversity satisfaction") to describe the satisfaction that the pursuit of diversity brings to employees and their families, customers, and the Company. We share this idea of Dai Manzoku as a common vision for the Group.

Each fiscal year, we hold the Dai Manzoku Awards to share and recognize good examples of D&I promotion by group companies that are rooted in the community and take advantage of business characteristics. We also hold Dai Manzoku College to empower diverse human resources, including training for female employees at different levels and training for people with disabilities. Participants gather from locations across the country, and through cross-group connections, the event provides an opportunity to interact with diverse opinions and role models.



Diversity-Related KPIs

Item	KPI	FY2018	FY2019	FY2020	FY2021	FY2022
Ratio of women in management positions	30.0%	15.1%	17.4%	18.1%	19.4%	20.4%
Male employees' parental leave acquisition rate*2	100%	5.2%	30.6%	53.5%	100%	100%
Paid leave acquisition rate	60%	39%	59%	55%	60%	55%
Paid leave acquisition days	-	8	9	10	11	11
Ratio of employees with disabilities	2.50%	1.90%	1.86%	2.32%	2.14%	2.20%
No. of new employees (new graduates) (male / female)	-	100 (57/43)	87 (46/41)	53 (25/28)	65 (30/35)	74 (37/37)
Turnover (personal reasons)	-	2.4%	3.7%	3.1%	3.9%	4.1%

<Reference> No. of Employees Data

Item	KPI	FY2018	FY2019	FY2020	FY2021	FY2022
Number of regular employees (male / female)	-	1,792 (1,191/601)	1,788 (1,168/620)	1,842 (1,196/646)	1,939 (1,239/700)	1,888 (1,188/700)
No. of local staff at companies outside Japan	-	1,125	1,288	1,429	1,465	1,563

Obtained Platinum Eruboshi Certification

Obtained Platinum Eruboshi certification*1 in March 2023, recognized as an excellent company under the Act on the Promotion of Women's Active Engagement in Professional Life.



Reasons for Certification Award

- Implemented training to develop female management candidates
- Established 22 AEON Yume-Mirai Nursery Schools (on-site childcare facilities supporting employees who are raising children)
- A unique childcare leave subsidy system to encourage male employees to take childcare leave

FY2021, FY2022
Eligible Male Employees Taking Childcare: 100%*2



Platinum Eruboshi Certification Ceremony (at Chiba Labor Bureau)

*1. <What is the Platinum Eruboshi Certification?>

The Minister of Health, Labour and Welfare certifies particularly excellent companies among Eruboshi entities that have implemented measures to promote the advancement of women; Eruboshi is a system that certifies companies that are working actively to promote the advancement of women.

*2. Including the number of employees who used the Company's leave system for the purpose of childcare.

Special Feature



Creation of Opportunities for Diverse Human Resources

We create rewarding work environments by clarifying career paths through timely career plan interviews (▶ P. 20) and other means. In addition, we will continue to reform our human resources information system to create and utilize a database of information related to individual careers. We also plan to establish a system for career planning with a greater focus on the individual.

Conducting career plan interviews

- At age 28, 35, and 42

Support for self-fulfillment

- Self-selection of assigned books for various examinations and training sessions
- Self-study guidebook and financial assistance for professional certifications
- Personnel transfers through open recruitment or secondment to other companies and organizations
- Correction of the age pyramid (28-35 years old)

Ratio of Women in Management Positions

AEON MALL believes that each employee can continue to work as a Life Design Producer regardless of his or her life stage while playing an active role in management. This is our goal for women's active engagement. We set a goal to increase the ratio of women in management positions to 30% by fiscal 2025. Various initiatives are in the planning and implementation stages to foster a desire to take on challenges and strengthen support systems from the Company and superiors.

Motivating employees to take the first steps toward management

- Conduct training to change mindsets regarding higher-level 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 interviews, etc.
- Promote male employees to take maternity leave.

Improving manager skills in developing subordinates

- Conducting subordinate development training for middle management

Childcare Support Initiatives

■ AEON Yume-Mirai Nursery School

We opened nursery schools in AEON MALL facilities to provide childcare services encouraging children to keep their dreams alive, to help working people balance work and life, and to help families be happy and healthy. The nursery school is also used by specialty store employees working at our malls and by the local community.



■ Ikuboss Financial Support System

At AEON MALL, we have a unique system in place to provide financial assistance to employees on childcare leave. To support employees in balancing their work and family life and to encourage Ikuboss (childcare bosses) who are the primary breadwinners of their families, this program compensates 80% of the monthly wage of employees who take childcare leave for the first three months of childcare leave for their dependents covered by their child's health insurance. The difference from the childcare leave benefit (equivalent to 67% of the monthly wage) provided by employment insurance is provided as the childcare leave assistance payment (Ikuboss support money).

■ Holding roundtable discussions on balancing work and childcare

AEON MALL regularly holds training and roundtable discussions on the topic of balancing work and childcare. In fiscal 2022, we held roundtable discussions on the topic of balancing work and childcare with employees who are active at work while raising children as a couple.

Balancing Work and Childcare - Comments from Osamu Kanemori and Ayami Kanemori

I am the general manager (head) of a mall, and my wife is the operations manager at another mall. I have informed the members of my workplace of my family situation, and they have been very understanding and helpful in adjusting my work shifts. AEON MALL has an established culture in which 100% of eligible male employees take childcare leave, and the childcare work system is also well-developed, including shortened working hours and a career employee system that does not require relocation. Rather than making employees give up a career to raise children, we want to offer flexible work styles that reduce the burden of housework, childcare, and nursing care. In this way, we hope to create balanced work-family environments allowing careers to be developed together.



General Manager
Osamu Kanemori

I believe it is important to aim for an environment where employees can continue to work, rather than giving up on their career. AEON MALL offers a system for community employees who do not relocate to become general managers or advance to other executive positions. I believe that we must promote awareness among men of the need to share housework and childcare responsibilities. We must reform work styles to close the gender gap with married women in Japan who leave the workforce due to childbirth and childcare, and who re-enter the workforce through non-regular employment.



Operations Manager
Ayami Kanemori

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LGBTQ+ and Gender-Free Initiatives

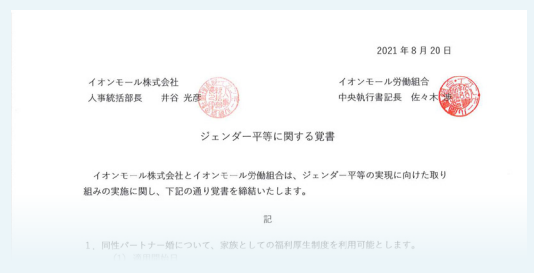
AEON MALL creates workplaces where everyone can work comfortably, respecting human rights and individual differences. In this way and others, we strive to become a gender-equal and LGBTQ+ -friendly company.

Gender Equality Agreements With Labor Unions

AEON MALL and the labor union signed an agreement (memorandum of understanding) in August 2021 toward achieving gender equality. Under this agreement, employees may use leave-of-absence and other benefit programs upon submitting a notification of same-sex marriage. Notifications can be submitted directly to the Human Resources Department without going through a supervisor at the workplace. We also affirmed our common goal of eliminating discrimination or harassment against employees for gender, LGBTQ+ and other gender identities, sexual orientation, and pregnancy and childbirth. We strive to deepen our understanding of gender and diversity through training and other opportunities.

Benefit plans available for same-sex partners

- Special leave for weddings and funerals
- Kirakira leave (Unique paid benefit for family events, etc.)
- Company housing/housing subsidies and travel expenses for relocation
- Re-entry system
- Childcare/nursing care leave (* leave benefits are not covered)
- Childcare/nursing care work



Securing Diverse Human Resources

AEON MALL aims to create a group of professionals who continue to innovate by attracting diverse human resources and creating opportunities for them to play active roles, thereby making the most of their individuality.

<Hiring Policy>

New graduate recruitment

We hire diverse human resources with a focus on those who embody the AEON MALL character and who will lead the next generation.

- Expertise (architecture, urban development, IT skills, SDGs)
- Language skills, study abroad experience

Etc.

Mid-career recruitment

We are expanding mid-career recruitment to strengthen sales capabilities in mall operations, including sales promotions and specialty store support. We also seek employees capable of driving new businesses.

- People with B-to-C experience, such as in the commercial or service industries.
- Specialized human resources to achieve business goals in finance and accounting, leasing, IT, new business, etc.

Recruiting Approach and Progress

Mid-Career Employee Interviews

We offer environments where employees can expand their careers and take on new challenges.

I chose AEON MALL to utilize my experience in customer service sales and take on challenges in a new world as a commercial developer. I participated in a major project in my first year with AEON MALL. As a result of my proactive sales activities, I received a company-wide award for increasing the number of customers, opening a new specialty store, and revitalizing the entire community. AEON MALL is a workplace full of opportunities and possibilities, even for someone with no experience other than sales.

(Joined the Company in 2016, W.S.)

Clarification in Internal Rules and Regulations, Internal Awareness-Raising Activities

- We prohibit verbal or physical harassment related to sexual orientation or gender identity.
- We make family welfare benefits available for same-sex marriages.
- We conduct training for all employees (understanding of sexual minorities, consideration in the workplace, etc.) and engage in awareness-raising activities to deepen an understanding of gender equality and eliminate unconscious bias.



Promoting Health Management

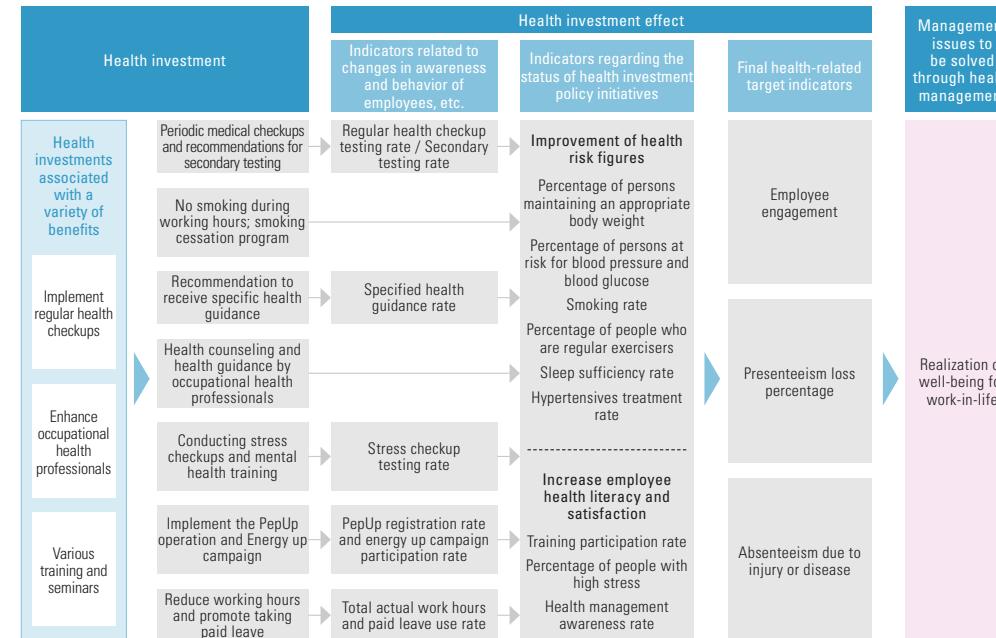
AEON MALL engages in health management based on the belief that the well-being of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities. In March 2023, we were recognized as the 2023 Health and Productivity Management Outstanding Organization (Large Enterprise Category) under the Health and Productivity Management Outstanding Organization System. This is the fourth consecutive year since 2020 that the Company has received this certification.

Our president and CEO has issued the following Health Management Declaration and Action Guidelines to promote health management throughout the Company.



Health Management Objectives and Expected Benefits

AEON MALL has defined the management issues to solve through health management (i.e., the state of management we want to achieve) as the embodiment of well-being for work-in-life, defining final target indicators to measure progress. We have organized the relationships between these investment effects into our health management strategy map, as shown in the diagram below.



<Measurement of Final Target Indicators and Actual Values>

Final target indicators	Measurement method	Number of people measured and response rate (FY2022)	FY2021 Actual	FY2022 Actual
Employee engagement	Average scores of responses to employee values (motivation and sense of belonging) in the morale survey *5 points out of 5	2,380 (70.1% response rate to the target population)	3.84	3.72
Presenteeism loss percentage	We measured absolute presenteeism using the WHO-HPQ index, calculating the percentage of loss as 100- (average response score x 10)	3,482 (98.5% response rate to the target population)	-	37.6%
Absenteeism due to injury or disease	Percentage of enrolled employees at the end of the fiscal year who were absent from work for 30 or more consecutive days due to personal illness or injury (including paid leave)	2,126 (all daily/monthly paid employees)	2.8%	2.8%

Aeon Health Management Declaration

Aeon supports the health of its employees and their families. And together with our employees, we realize the health and happiness of the community.

<AEON MALL Health Management Action Guidelines>

We believe that the health of our employees is the driving force behind the challenge to create new value, and we are committed to the following action guidelines.

- ① We strive to prevent illness through the implementation of health checkups and follow-up based on the results of these checkups.
- ② We strive toward mental health through ongoing stress checkups and mental health care initiatives.
- ③ We 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 improve the health literacy of each employee and, as a Life Design Developer, provide the community with prosperous lifestyles to enjoy good mental and physical health.

Yasutsugu Iwamura, President

Special Feature



Value Creation Strategy

Organizational Structure for Health Management Promotion

AEON MALL pursues health management with the administration director as the chief health officer. We formed a health promotion team within the Personnel Department, assigning four part-time industrial physicians and two public health nurses as specialists. The Management Council, which includes senior management, formulates company-wide policies such as action guidelines and strategic maps, and regularly reports on the progress of initiatives. In addition to monthly health committee meetings with labor unions, we have individual opportunities to share information and discuss issues as needed. The following table shows the organizational structure of the Company as a whole, including each office.

<Health Management Promotion System>

Position	Staff	Role
Chief Health Officer	Administration Director	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 a health management structure
Health Promotion Officer	General Manager, Personnel Department Personnel Department managers Personnel Department staff	Planning and implementation of facilities in collaboration with various related institutions Supporting each business location
Health Promotion Leader	General Manager of each location	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

Internal Awareness and Education

- Create posters describing the Health Management Declaration, action guidelines, organizational structure, etc. (once a year; recognition rate of 22.2% in FY2022)
- Public health nurses introduce seasonal health topics in the Public Health Nurse Newsletter (once a month)
- Hold discussions on the subject of the newsletter at workplace environment improvement meetings at each workplace (once a month)

Supporting Mental Health Issues

- Implement stress checks and provide self-care content based on the results of stress checks (once a year)
- Conduct training for all employees, focusing on self-care (to be implemented in August 2023)
- Conduct training for managers, focusing on line care (once a year, 99% participation rate in FY2022)
- Establishment of AEON MALL Health Center, where any employee can feel free to consult with a public health nurse (permanent)

Addressing Women's Health Issues

- Conduct seminars for all employees to promote understanding of women's health (once a year, 2.6% participation rate in FY2022 * Management participation rate: 10.3%)
- Write a column on PepUp, a health portal site covering not only women's menopause, but also men's menopause
- Assist with the cost of cancer screenings, including breast and uterine cancer screenings

<Data on Health Management>

Item	KPI	FY2018	FY2019	FY2020	FY2021	FY2022
Periodic health testing rate	100%	100%	99.9%	99.5%	99.8%	99.9%
Secondary testing rate*1	100%	—	—	34.6%	44.6%	71.8%
Specified health guidance rate	100%	4.8%	9.8%	7.9%	21.7%	42.5%
Energy up campaign participation rate*2	100%	20.7%	16.4%	17.2%	17.4%	16.7%
Smoking rate*3	Less than 15%	22.0%	21.1%	19.6%	17.2%	17.6%
Percentage of people who are regular exercisers*3	30% or higher	19.0%	16.5%	19.1%	18.9%	22.4%
Stress checkup testing rate	100%	96.6%	95.9%	98.5%	96.2%	98.5%
Percentage of people with high stress	10% or less	12.0%	12.8%	11.7%	13.7%	15.5%
Total annual work hours	1,975 hours or less	2,044 hours	2,025 hours	2,018 hours	1,998 hours	1,989 hours
Number of work-related accidents	15 or less	21	19	19	17	23
Health Management Survey	Obtained White 500	Submission of survey form	Certified as an Excellent Corporation	Certified as an Excellent Corporation	Certified as an Excellent Corporation	Certified as an Excellent Corporation

*1 Secondary testing rate: The participation rate among those with symptoms who are judged by industrial physicians to require medical examination (those requiring reexamination, close examination, or treatment).

*2 Campaign by the Aeon Health Insurance Association to work towards the improvement of lifestyle for two months.

*3 Totaled for subjects 40 years old and over.

Health care for employees posted overseas

In China and ASEAN countries where we have a presence, we offer vaccinations recommended by the Ministry of Health, Labour and Welfare to employees posted overseas and their accompanying family members prior to their travel. The program also includes providing medical support at the new location, ongoing regular health checkups, and medical consultation services. We also ensure that expatriate staff housing, including serviced apartments, and the surrounding environment are safe and well-maintained company housing.

Conducting Morale Surveys

The purpose of the program is to achieve customer satisfaction and improve business performance by enhancing employee satisfaction by monitoring Aeon Basic Principles, compliance awareness, and the workplace environment. In fiscal 2022, for the first time, we conducted a unified survey including local employees overseas.

The survey asks questions from the perspectives of degree of penetration of philosophy and policies, satisfaction with the Company, treatment, job, and workplace, communication and human relations, employee values, and diversity to develop and implement measures to improve employee satisfaction.

The results of the survey are also reported to the Management Council. As an improvement measure, we plan to conduct psychological safety improvement training for all employees in the second half of 2023.

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Adopt Work-Style Reforms

As part of our work-style reform initiative, we launched the Mall Operations Kaizen Project to improve the efficiency and productivity of employee operations at shopping malls, pursuing a cross-department initiative throughout fiscal 2022.

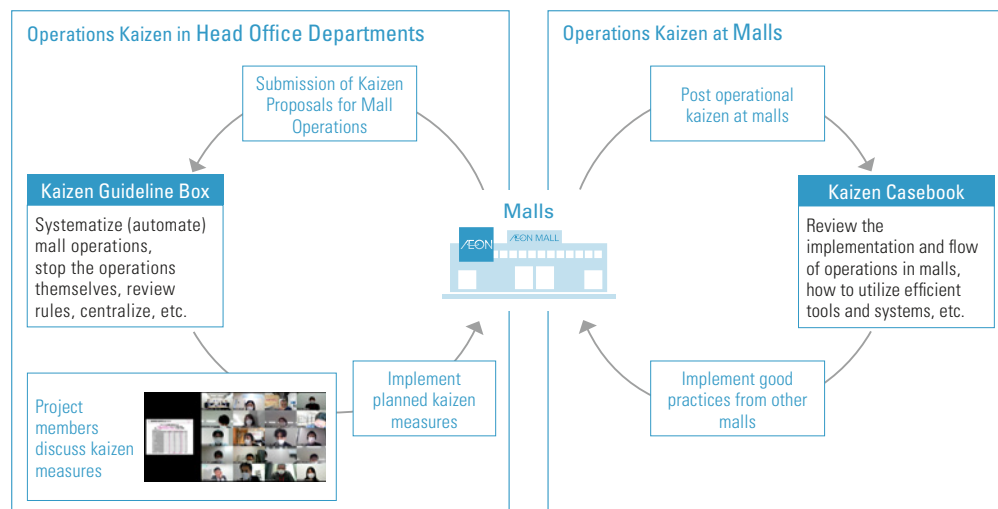
With this project, we have developed a plan to improve the efficiency of back-office operations equivalent to about 15% of working hours at malls, where about half of our employees work, by eliminating inefficient procedures and implementing systemization.

Some of the measures in the plan had not been fully implemented by the end of the fiscal year and are still underway in fiscal 2023.

Mall Operations Kaizen Project Promotion Structure

Twenty representatives from head office departments and malls were designated as project members, and review meetings were held on a regular basis. An internal bulletin board, Kaizen Guide Box, has been set up to solicit a wide range of improvement suggestions from all our employees working in the malls. Based on the suggestions from mall employees, the head office department in charge of each operation examined ways to improve the efficiency of the relevant operations.

The Kaizen Casebook is a bulletin board for posting examples of operational efficiency improvements at each mall to promote horizontal roll-out of good practices.



Kaizen Initiatives and Results at Head Office Departments

A total of 106 measures were developed as a result of the project. Measures that have not yet been implemented will continue to be promoted in fiscal 2023.

[FY2022] Estimated time reductions by operation

Mall Operations		Time reduction
Operation Category	Time required per mall (hours/month)	
Specialty store management	257.6	15.5
Other	61.4	13.8
Sales management	90.4	13.8

[FY2023 and beyond] Estimated time reductions by operation

Mall Operations		Time reduction
Operation Category	Time required per mall (hours/month)	
Specialty store management	257.6	35.8
Sales management	90.4	35.5
Event management	147.7	31.7
Store opening contract management	31.6	23.5

In fiscal 2022, we reduced operating hours for specialty store management and sales management tasks. In fiscal 2023 and beyond, we expect to reduce operating hours for event management and store opening contract management as well.

Promoting Kaizen at Mall Sites

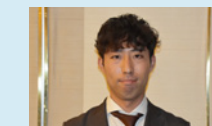
We communicate Kaizen Cases (best practices) of initiatives at each mall through a horizontal roll-out across our organization. An employee award called the Kaizen Promotion Award was established for the initiators of good practices to encourage efforts to improve operational efficiency at malls. In fiscal 2022, there were 41 entries and 32 individuals awarded.

Effectiveness of the Kaizen Project

Over the course of the year, efficiency improvements in various operations have been promoted, and in addition to project activities, individual malls are increasingly engaging in independent initiatives.

Feedback from Employees at Internal Roundtable Discussions

We improved operating efficiency for accounting, general affairs, and other work-intensive tasks by referring to the Kaizen Casebook on the in-house bulletin board. We were also happy to receive inquiries from other malls in response to improvement cases posted from our mall. It seems that more employees are interested in discussing with each other ways to improve their work.



AEON MALL Kyoto
Katsuragawa
Aoi Hasebe



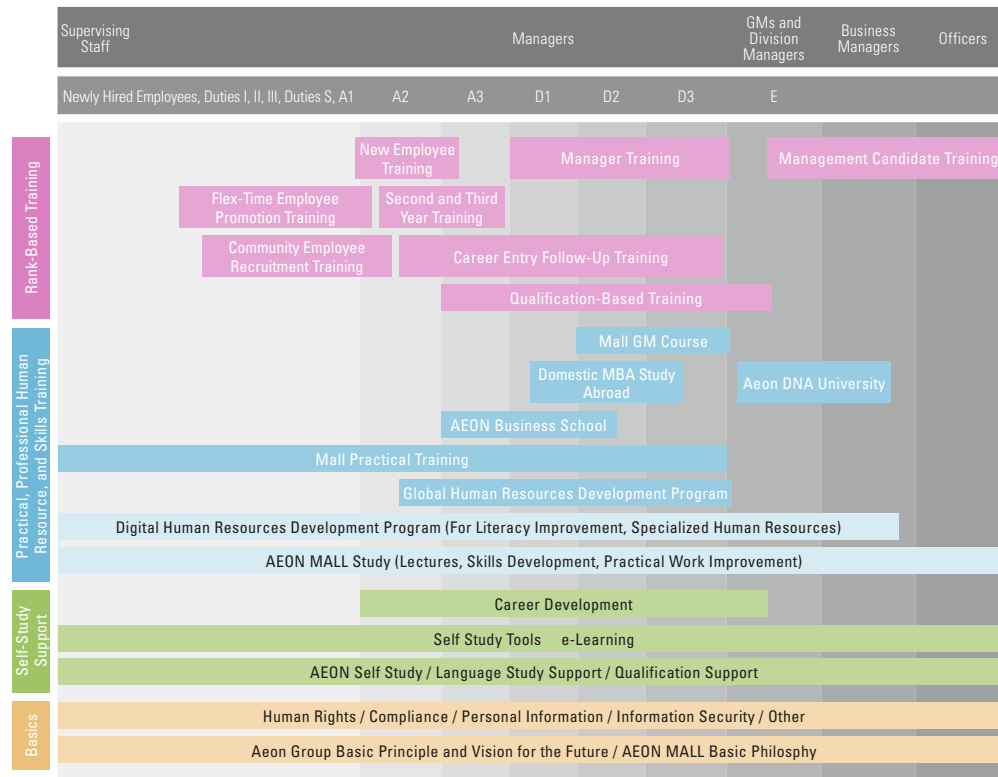
Cultivating Human Resources for Community Co-Creation

We aim to develop human resources based on our human resources and organization vision formulated in 2022. These human resources should empathize with various partners and engage in local co-creation to connect their ideas from the perspective of positive outcomes for co-workers, for local communities, and for the future.

Our idea that education is the greatest welfare drives us to provide opportunities to develop each the abilities of each individual, enabling them to maximize their potential.

For example, we emphasize new employee training and other year-specific and rank-based training as well as open training programs where employees study to be assigned to a position of their choice. We are committed to fostering a culture that encourages people to take on challenges toward growth to take control of their own career and achieve their own aspirations.

AEON MALL Human Resources Development Structure



A GM More Rooted in the Community Than Anyone Else

I became a community employee in 2010, and although there were times when I worried about working in a limited geographic area, I have continued to think about how our mall can contribute to the community by knowing the area better than anyone else and making it my choice to not move. I felt uneasy in my work due to my lack of mall experience, but I took the Mall GM Course in 2021 to grow my skills. This opportunity enabled me to greatly enhance my outlook, vision, and perspective. The strategic thinking that goes into backcasting the community vision has been very helpful in formulating the ongoing plan to revitalize the AEON MALL Ota floor space expansion. Every day is a learning experience, and I am truly grateful to be standing here with the support of those around me. I will continue to devote myself to being the best marketer in the region.



AEON MALL Ota General Manager Tomo Yoshida

Expanding Opportunities to Learn

We shifted from a passive learning attitude, regardless of position or employee classification, to one of self-directed learning. To expand learning opportunities for numerous employees, we hold regular seminars and introduce e-learning.

AEON MALL Study - Seminar Edition is a seminar that provides participants a place to learn the skills and thoughts required of businesspeople by inviting prominent figures who have garnered attention in their respective fields to give lectures. In fiscal 2023, more than 1,000 participants attended lectures on presentations and writings focused on the power of communication. We also introduced a subscription-based e-learning program to update users business skills. In an environment where anyone can learn anywhere at any time online, we increase opportunities for employees to continue learning digital and other business skills needed for work at their own initiative.

AEON MALL Labor Union Training for Local Co-Creation - Visit to Kamikatsu-cho, Tokushima Prefecture

The AEON MALL Labor Union participates in activities to pursue solutions for local issues for co-creating with our communities. We visited Kamikatsu-cho in Tokushima Prefecture as a union activity in hopes to learn more about the public and private sectors working together to achieve a circular economy.



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The Public Recruitment System and Expanding Human Resource Exchange With External Parties

We offer internal job openings that challenge employees to demonstrate their abilities in new fields, aiming to cultivate human resources who leverage their individuality and envision their own aspirations. Not only did we open recruitment to newly established departments, but in fiscal 2023, we focused on openly recruiting employees for secondment outside the Company (to government agencies, universities, etc.). Rather than providing One Culture through exchanges with government agencies and other companies, we will provide opportunities to demonstrate the knowledge gained in both organizations at the respective organization. In doing so, we expect the employees to bring back their knowledge and experience gained at the other organization to their originating organization after returning from secondment.

Interview With a Participant of the MBA Dispatch Program in Japan

Graduate school forces us to apply theory to reality and think about how to leverage theory in practice, so it feels like we are practicing connecting theory to reality. I also feel that I now have an aerial view of the business I have been involved, as the program provided me with a comprehensive knowledge of management. After graduation, I would like to establish a corporate culture of entrepreneurship within the

Company and create a system that enables start-ups to emerge from within the Company.



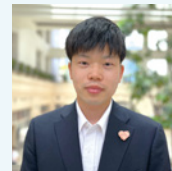
Makoto Kano
(Dispatched by the Company to Tokyo University of Science)

Human Resource Exchange (Chiba Prefectural Government ↔ AEON MALL)

Two employees from each side are seconded to each other's workplaces to experience new perspectives in different environments.

Human Resource Exchange Interviews

Chiba Prefectural Government → AEON MALL



Fumiaki Kusukami
(Seconded from Chiba Prefectural Government to the Company ESG Promotion Group)

I was transferred from the prefectural government to the AEON MALL ESG Promotion Group and work on resource recycling at the mall. AEON MALL has a global perspective and is engaged in active daily discussions to solve local issues to achieve local co-creation, the 2030 Vision. I personally am motivated by those around me and can work with high aspirations. When I return to the prefectural government, I want to see what kind of problems local businesses and residents are facing and how we as a government can support them. To do so, I will leverage the local perspective I developed working at the

AEON MALL and make Chiba Prefecture a place that more people would choose and want to live in.



Shiori Kasai
(Seconded from Chiba Prefectural Government to the AEON MALL Human Resources Development Group)

I felt like I was back in my first year as a member of society when I was exposed to the working environment at AEON MALL, their vision of co-creating with local communities, their global perspective, and their work procedures such as their decision-making processes and speed. Every day is interesting working in a different organization and interacting with employees. It allows me to learn what people think of the Chiba Prefectural Government and objectively see the environment I have spent my life working in. At AEON MALL, I work on human resource cultivation for employees, especially on their re-skilling. I want

to contribute to Chiba Prefecture by understanding changes in our surrounding environment and proactively continuing to learn, never forgetting that we cannot survive in the future by being who we have always been.

Human Resource Exchange Interviews

AEON MALL → Chiba Prefectural Government



Takahiro Koshiyama
(Seconded from the Company to the Crisis Management Policy Division of the Chiba Prefectural Government)

I belong to the Crisis Management Policy Division of the prefectural government, where I am engaged in activities to improve the disaster preparedness of Chiba Prefecture and enhance their self-help and mutual aid capabilities. It was extremely valuable to have a connection with the government, not just the disaster management department. Secondment enabled me to experience the knowledge and passion of those who work in disaster management, such as working as part of a disaster response team during a large-scale disaster. In addition, I actively participated in opportunities to exchange opinions with municipal officials. I believe that this is an experience that only a secondment can provide, as administrative officials involved are located in various parts of Chiba Prefecture. I am aware that the Aeon Group is expected to serve as a disaster relief facility. As such, I want to leverage this experience after I return to the Company to improve our disaster relief capabilities by conducting disaster drills at the mall in light of our Disaster-Response Agreement signed with the prefecture.



Fumiya Chihara
(Seconded from the Company to the Cultural Promotion Division of the Chiba Prefectural Government)

This year marks the 150th anniversary of the birth of Chiba Prefecture, and commemorative events are being held throughout the prefecture. I belong to the Cultural Promotion Division of the prefectural government and am primarily responsible for cooperating with the private sector to plan and coordinate these commemorative projects. Secondment enabled me to experience working with companies for the same commemorative projects. AEON MALL would normally have few opportunities to collaborate with these companies, and I was able to formulate my own ideas about what the government is looking for from a private company (our Company). I am glad I was seconded to the prefectural government for this rare opportunity, available only once every 50 years. After returning to AEON MALL, I want to leverage my experience gained through this human resource exchange and work together with the government and local organizations to achieve the community vision.

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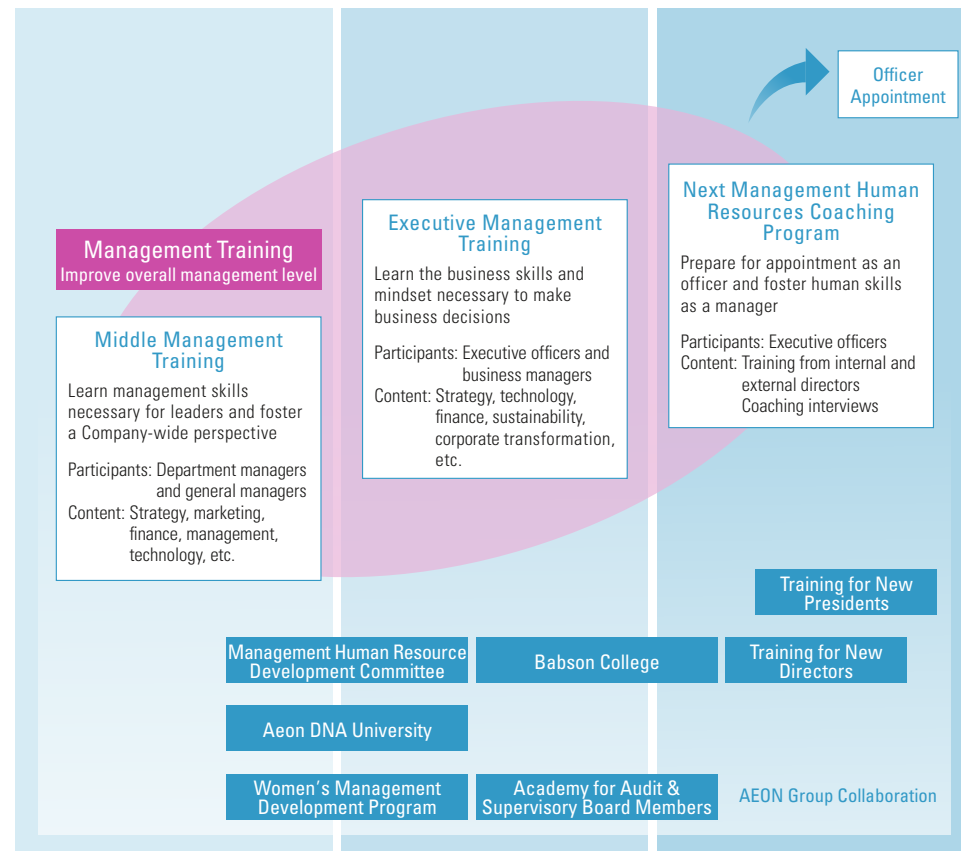


Succession Plan Policy

In achieving our Vision, we systematically identify and train the next generation of management human resources to enhance our corporate value and lead Company transformation toward medium- and long-term growth.

The Nomination and Compensation Committee plays a central role in clarifying human resource requirements for management candidates, discussing the direction of their development, and fostering candidates.

Training is provided through strategic placement, training from management, and other education and training.



Developing Management Human Resources and Drafting Succession Plans

Review from the Management Human Resources Development Council and the Nomination and Compensation Committee plays an important role in the development of management human resources at AEON MALL.

<Management Human Resources Development Council>

Establishes the ideal management human resources and drafts training policies and systems

<Nomination and Compensation Committee>

Monitors the screening process for fairness and transparency regarding certain processes from candidate selection to screening

Management Human Resources Development Council

1. Clarify human resource requirements for management candidates
2. Discuss candidates (directors and executive officers)
3. Discuss the direction of training

Composition

- Committee members: President and representative director, internal directors
- Secretariat: Personnel Management Department

Session Frequency

Once every six months

Nomination and Compensation Committee

1. Nomination policies and criteria for director candidates
2. Selection policy criteria for executive directors
3. Training policies and plans for the development of successors and other director candidates

Member Composition

- Committee chair: (Head) Outside independent director
- Committee members: President and representative director, officers in charge of administration, outside independent directors
- Secretariat: Personnel Management Personnel Department

Session Frequency

Once every six months

Formulating Major Human Resources Requirements for Next Management (Director) Candidates

We base the development and selection of director candidates on the following six perspectives.

1. Activity Overview

- Improve the excellent foresight and corporate value of the Company
- Lead change

3. Expertise and Functional Competency as Management Human Resources

- New business development
- Knowledge of areas in marketing and finance involving investment decisions
- Ability to solve social issues and pursue sustainability strategies

5. Preferred Work Experience

- Experience in positions with organizational responsibility both domestically and internationally
- Experience in managing a business enterprise and accomplishing new projects

2. Executive Responsibilities

- Propose and execute unique and attractive business concepts

4. Behavioral Characteristics (Competency)

- Insight into change, foresight, responsiveness, feasibility
- Global adaptability
- Mission, enthusiasm, capacity, integrity
- Implementation of succession planning

6. Embodying Our Unique Character Rooted in Our Philosophy and Values

- Take actions that embody an understanding of the AEON philosophy.
- Have the ability to transform organizational culture through actions rooted in the AEON MALL management philosophy, visions, and sense of values

Refer to ▶ P.79 for information on succession planning in corporate governance and comments from the Nominating and Compensation Committee and Chairman.

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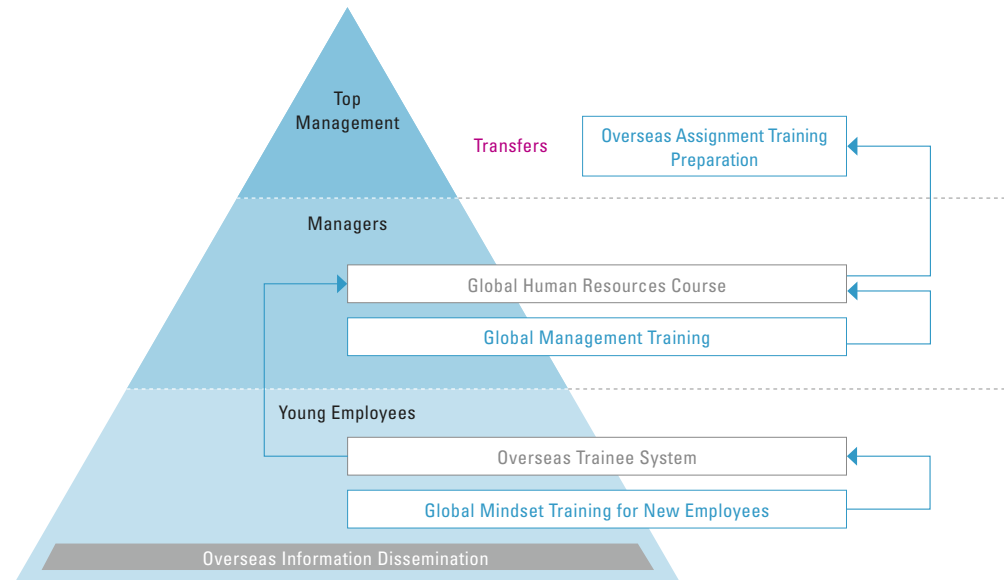
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Global Human Resources Development

AEON MALL believes that by 2025 we will need numerous newly transferred employees, especially new mall general managers, in our overseas business that drive our growth strategy. We systematically train employees, including transfers from each unit to overseas locations, in our Global Human Resources Course, Overseas Trainee System, and other training programs. We develop and appropriately allocate global human resources through establishing a consistent overseas human resource training course that includes raising awareness of global perspectives, acquiring skills, and learning languages.

Overseas Human Resources Development Program and Structure



Interviews with Overseas Trainee System and Global Human Resources Course Participants

The Overseas Trainee System enabled me to work closely with managers who decide what is best from the perspective of Company management. This was a stimulating experience for me as someone in charge. I became more aware of what was best for the Company after returning to Japan, and I transferred to Vietnam after taking the Global Human Resources Course. Now, it is my mission to contribute to the development of Vietnamese corporations.



AEON MALL Vietnam
General Affairs Department
Senior Manager
Akira Higashi

Global Human Resources Initiatives in Overseas Malls

It is our basic policy to operate overseas malls with local staff who understand our philosophy. As such, we focus on human resources development in each country and actively promote employees to executive positions. Currently, local staff in 14 malls work as general managers responsible for the malls.

Instilling the Customer Comes First philosophy in our employees enables them to understand various principles and tendencies that keep customers coming back, such as mall cleanliness and safety. We work to create malls that will be supported by the local community. To do so, we offer various training programs that teach employees to sense their own personal growth and leverage their knowledge and experience to create these malls.

In China, we hold regular training programs to help local staff advance their careers. Not only do we implement common training programs throughout China, but we also conduct training programs in each area, horizontally rolling out any superior content. Furthermore, we work to motivate employees to take on executive positions by focusing on human resources development through joint training with Japanese employees and the introduction of a personnel evaluation system.

Employees assigned from Japan gain business experience from a management perspective overseas. At the same time, their interactions with local staff and training provide them with first-hand experience with diversity and lead to their own personal growth.

Ratio of Management Localization (General Managers and Above)

We are advancing the promotion of local staff to management positions. The current ratio of management localization (general managers and above) is at 29% in 2022 (previously 26% in 2021). We aim for a ratio of 40% in 2025 and 50% in 2030.

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