

Value Creation

As a *Life Design Developer*, AEON MALL fulfills our responsibility to the future as a company that achieves community co-creation with our stakeholders by creating social, environmental, and economic value.

In this section, we discuss the AEON MALL business model, our advantages, and the value we create.



Our History in Value Creation.....	11	AEON MALL Materialities	16
Value Creation Process	12	AEON MALL Materialities Selection and Policies	17
AEON MALL Business Model.....	13	How Social and Environmental Value Relates to Economic Value	19
AEON MALL Business (Japan and Overseas)	14	Stakeholder Engagement	20
Value Creation Story	15		

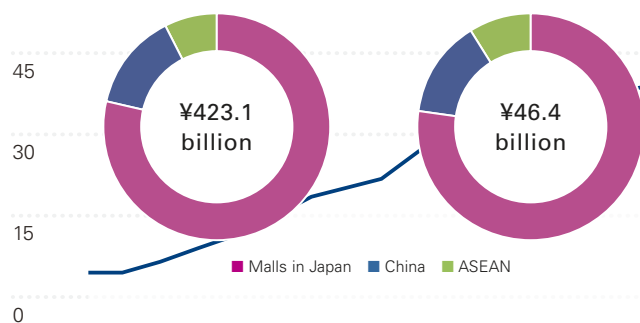
Our History in Value Creation

Our history of creating value by being attentive to community lifestyles and addressing social issues.

Operating Income

(¥ billion)

FY2023 Operating Revenue FY2023 Operating Income



Social Background

Transformed the shopping scene for customers by establishing suburban locations across Japan, driven by the rise of motorization

Created community-based spaces offering a wide range of lifestyle services in response to the need for community revitalization

Developed malls localized to the characteristics of each community and country, amid our growing regional presence in Japan and overseas

Became the dominant commercial developer in Asia against the backdrop of the expanding regional middle class, striving to resolve local issues in Japan and overseas

Becoming a Life Design Developer that provides solutions for local lifestyles to achieve a sustainable society

• Large-Scale Retail Stores Law

• Revised City Planning Act

Medium-Term Management Plan 2011–2013

Medium-Term Management Plan 2014–2016

Medium-Term Management Plan 2017–2019

Medium-Term Management Plan 2020–2022

Medium-Term Management Plan 2023–2025
▶ P.23

2030 Vision

AEON MALL, Co-Creating With Our Communities.
▶ P.04

1989 to 2000 2001 to 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 ... 2030

Economic Value

- 1989**
 - Started large-scale mall development and operations development business
- 2002**
 - Listed on the First Section of the Tokyo Stock Exchange
- 2007**
 - Merged with Diamond City Co., Ltd.
- 2008**
 - Opened AEON Lake Town, one of the largest malls in Japan
 - Opened the first overseas mall in China
- 2011**
 - Names of the AEON Group mall facilities standardized as AEON MALL
- 2014**
 - Opened the first mall in Vietnam
 - Opened the first mall in Cambodia
- 2015**
 - Opened the first mall in Indonesia
- 2016**
 - Converted OPA Co., Ltd. (urban shopping centers) to subsidiary
- 2021**
 - Opened AEON MALL Nagoya Noritake Garden and BIZrium Nagoya
- 2022**
 - Moved to the Prime Market due to TSE market reclassification
 - Obtained DX certification
- 2023**
 - Began capital and business alliance with Marimo Co., Ltd.
 - Opened JIYUGAOKA de aone

Environmental and Social Value

- 1989**
 - Tree planting initiative at the first AEON MALL location in Japan
- 2001**
 - Acquired environmental management system ISO 14004 certification
- 2012**
 - Consolidated the development functions of the AEON Group development business under AEON MALL
 - Launched the AEON Store Association
 - * Managed organization for tenants opening stores in AEON Group commercial facilities
- 2017**
 - Participated in EV100
- 2018**
 - Included in the MSCI Japan Empowering Women Index
 - Selected as Nadeshiko Brand
- 2020**
 - Certified as a Health & Productivity Management Outstanding Organization for the first time
 - Selected for the Somo Sustainability Index
 - Endorsed the TCFD
- 2021**
 - Formulated the AEON MALL Decarbonization Vision
- 2022**
 - Selected for the FTSE Blossom Japan Sector Relative Index
- 2023**
 - Acquired Platinum Eruboshi Certification
 - Participated in the 30 by 30 Alliance for Biodiversity
 - Obtained SBT certification
- 2024**
 - Selected for the FTSE Blossom Japan Index and the FTSE4Good Index Series



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

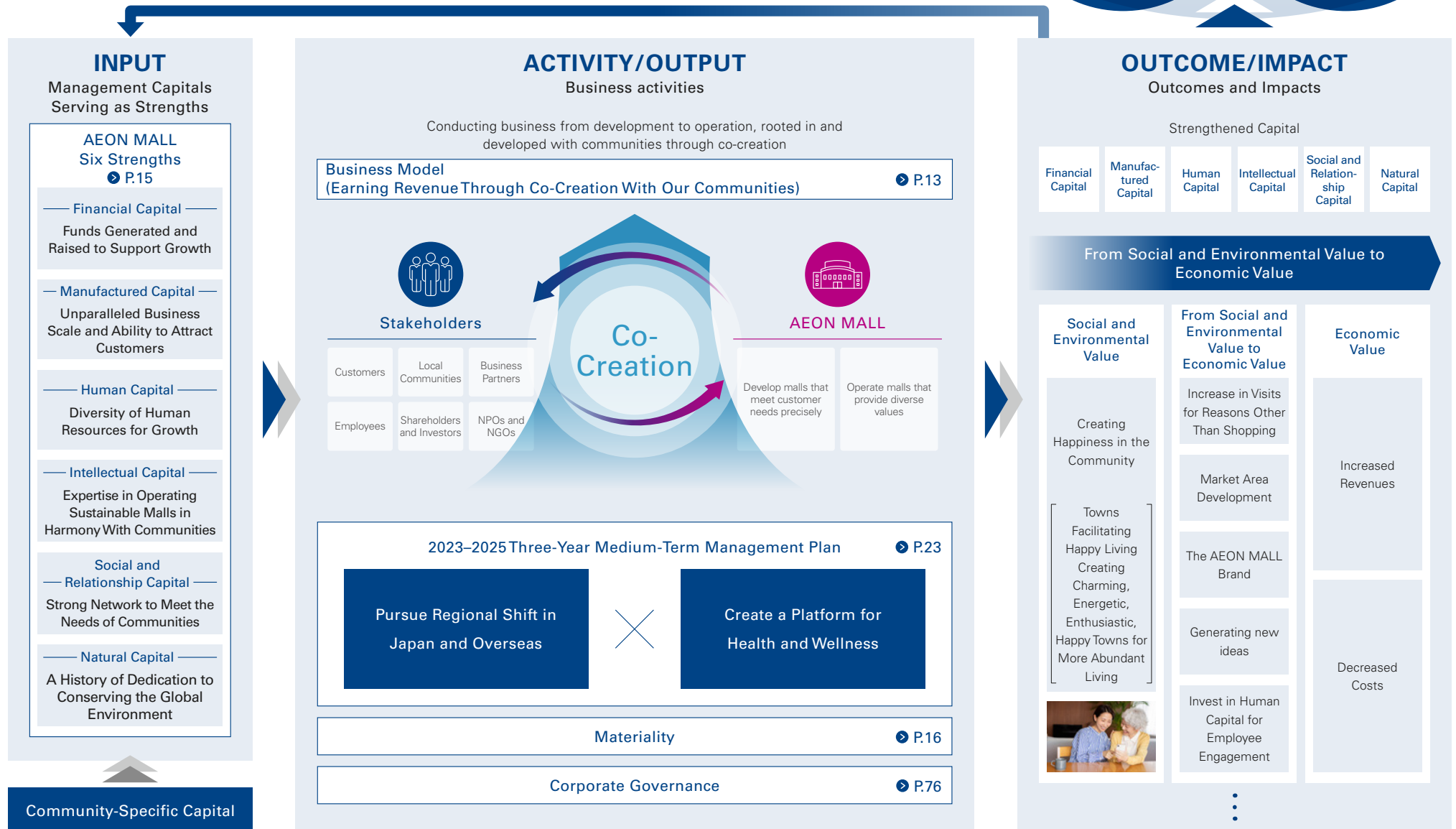
Value Creation Process

Management Vision

Becoming a company that will touch the hearts of 5 billion visitors throughout Asia
▶ P.03

2030 Vision

AEON MALL, Co-Creating With Our Communities.
▶ P.04



Management Philosophy: AEON MALL is a Life Design Developer, creating the future of community living. ▶ P.03

Basic Philosophy: Customer First ▶ P.03

AEON MALL Business Model (Earning Revenue Through Co-Creation With Our Communities)

Focused on our six strengths (▶ P.15), we will co-create value with partner companies and other stakeholders to create attractive communities.

We will expand our earnings by growing together with these communities.

Co-Creating with our communities
to build attractive neighborhoods.
Expanding earnings by growing
with our communities.

The AEON MALL Profit Model

Shopping mall development and operations are the mainstay of our business. Our profit structure goes beyond attracting popular specialty stores to earn rental income (fixed revenue) from store tenants. We also plan and conduct events and other activities that contribute to higher specialty store earnings, earning fees (percentage revenue) based on their sales growth.

Revenues	① Rent collected from specialty stores (fixed revenue)	① Fees based on specialty store sales (percentage revenue)
Costs	① Operating costs	② Selling, general, and administrative expenses
	Profit (operating income)	



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

AEON MALL Business (Japan and Overseas)

AEON MALL is a developer that contributes to community development and is involved in the life design of local residents.

In this role, we work to develop a comprehensive mall business from development to day-to-day management and operations in Japan, China, and ASEAN.

Japan

AEON MALL operates more than 160 malls and urban shopping centers in various regions nationwide.

We expand floor space and renovate existing malls to make them more attractive. Recently, we have been focusing on localizing operations to meet regional needs, developing new business categories such as office complexes, and providing value-added facilities that can also be used as community spaces and health centers.



AEON MALL Toyokawa (Aichi Prefecture)

China

AEON MALL began our expansion into China in the 2000s, and we have more than 20 malls in operation at present. In recent years, we have continued to improve the attractiveness and vitality of existing malls by regularly reviewing market areas with periodic renewals that leverage the expertise we cultivated in Japan.

We also continue to open new malls, focusing mainly on inland areas (Hubei and Hunan Province) with considerable market growth.



AEON MALL Hangzhou Qiantang (Zhejiang Province)

ASEAN

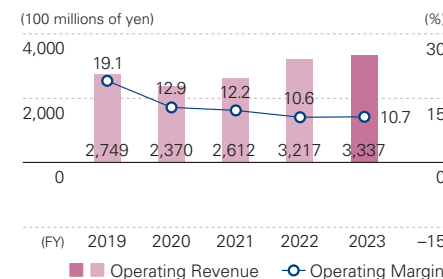
Beginning with the opening of our first mall in Vietnam in 2014, we have focused on opening new locations in ASEAN. In addition to Vietnam, where population and economic growth is expected to continue, we are expanding in Indonesia and Cambodia.

We consult with local and regional governments in each region when opening new malls to determine locations and design stores that contribute to local economic growth.

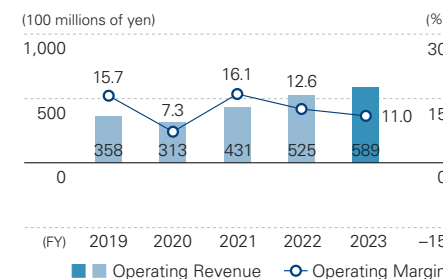


AEON MALL Delta Mas (Indonesia)

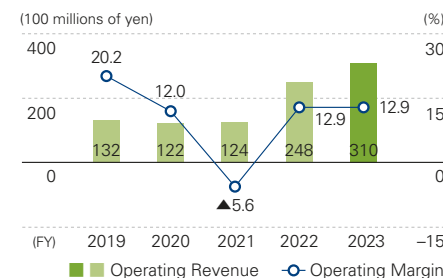
Business Performance



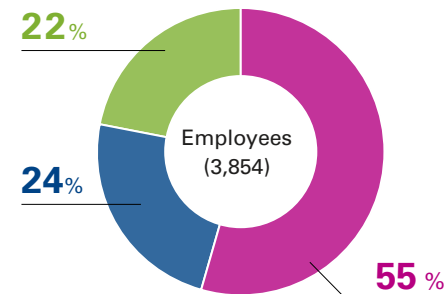
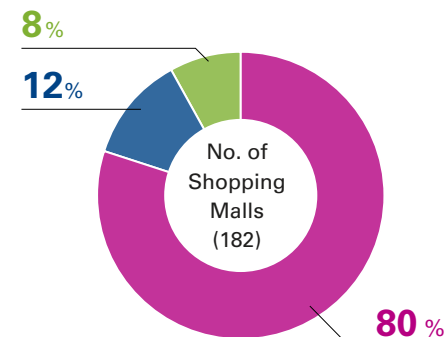
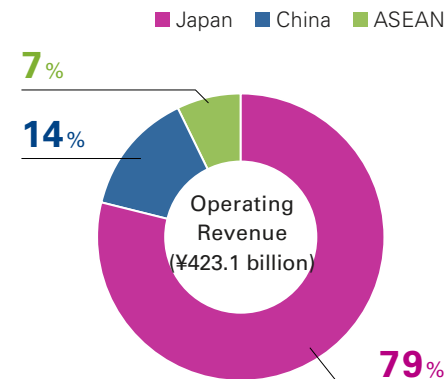
Business Performance



Business Performance



Data by Segment



* Rounded to the first decimal place

* As of February 29, 2024



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

Value Creation Story (Our Strengths and Management Resource Strategy)

	AEON MALL Strengths	FY2023 Actual	Related Materiality Items	Related Medium-Term Management Plan Strategies	Relevant Management Capital
Funds Generated and Raised to Support Growth	<ul style="list-style-type: none"> Using the cash flow obtained from managing and operating our malls, we 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: ¥119.6 billion (¥47.6 billion yen in overseas business* Simplified operating cash flow) Equity ratio: 28.0% Net D/E ratio: 1.6 times ESG bond issuance amount: ¥25 billion 	<ul style="list-style-type: none"> Build a management infrastructure that supports community co-creation 	<ul style="list-style-type: none"> Improve profitability through the effective use of existing assets Implement fundamental business structure reforms 	Financial Capital
Unparalleled Business Scale and Ability to Attract Customers	<ul style="list-style-type: none"> We manage and operate more than 160 malls in Japan, serving approximately 1 billion customers annually. We also work to open new malls overseas, mainly in China and ASEAN countries, utilizing our expertise in retail-oriented development and localized operations cultivated in Japan. We developed overseas properties with future increases in car ownership in mind, thereby giving us an advantage over the competition. 	<ul style="list-style-type: none"> No. of malls: 146 Domestic, 36 Overseas (and 20 Urban Shopping Centers) Domestic annual customer traffic: approx. 1 billion Gross Lease Area (GLA): 10,723 thousand m² Japan: 8,168 thousand m²/Overseas: 2,554 thousand m² No. of downloads of AEON MALL app: 18 million 	<ul style="list-style-type: none"> Build a resilient regional infrastructure Deepen regional partnerships 	<ul style="list-style-type: none"> Discover and commercialize business opportunities in overseas growth markets 	Manufactured Capital
Diversity of Human Resources for Growth	<ul style="list-style-type: none"> We pursue the creation of a workplace environment in which diverse human resources can maximize their abilities under a common set of values, regardless of gender, age, or nationality. The growth of diverse and creative human resources with the ability to make changes are the most important capital of our Company. Therefore, we work on various growth measures for human resources. We actively promote local staff at overseas locations to executive positions and provide Japanese employees with overseas business experience. 	<ul style="list-style-type: none"> Ratio of women in management positions: 22.6% Ratio of local personnel in management positions: 36.5% (GM*¹ positions or higher) No. of local staff members overseas: 1,640 Male employee childcare leave acquisition rate: 100% 	<ul style="list-style-type: none"> Respect for human rights Promote diversity, equity and inclusion Pursue health management Develop human resources 	<ul style="list-style-type: none"> Promote diversity management 	Human Capital
Expertise in Operating Sustainable Malls in Harmony With Communities	<ul style="list-style-type: none"> 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 prevention center, we provide temporary shelter, rescue and relief space 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 immediately after a disaster strikes. 	<ul style="list-style-type: none"> No. of malls that have signed disaster prevention agreements with local governing bodies: 139 No. of disaster-prevention malls: 43 	<ul style="list-style-type: none"> Build a resilient regional infrastructure Deepen regional partnerships 	<ul style="list-style-type: none"> Pursue a regional shift in Japan and overseas 	Manufactured Capital
Strong Network to Meet the Needs of Communities	<ul style="list-style-type: none"> We established a nationwide network of specialty retailers and demonstrate a close and equal partnership with those stores Our efforts include creating local community hubs and strengthening cooperation with government agencies to expand public functions, based on the characteristics and needs of each region We also raise awareness of customer service through customer service role-playing competitions*² in Japan and overseas. By sharing our excellent examples and experience across industries, we improve AEON MALL as a whole. 	<ul style="list-style-type: none"> No. of specialty store operators: Approx. 8,000 companies No. of participants in the AEON MALL Store Association*³ Customer Service Role-Playing Competition: Approx. 8,000 companies and 30,000 specialty store employees Heartfelt Sustainable Projects: 453 	<ul style="list-style-type: none"> Deepen regional partnerships Promote diversity, equity and inclusion 	<ul style="list-style-type: none"> Diversify value offerings tailored to the market 	Intellectual Capital
A History of Dedication to Conservation of the Global Environment	<ul style="list-style-type: none"> We work to save energy, reduce CO₂ 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, the Company conducts environmental communication activities for customers and social studies tours for elementary school students. We are also working to strengthen our environmental management by acquiring ISO14001 certification. 	<ul style="list-style-type: none"> No. of CO₂-free locations using renewable energy (including non-fossil certificates): 51 No. of ABINC[®] (Association for Business Innovation in Harmony with Nature and Community) certified malls: 22 No. of installed EV charger stations: 2,771 (domestics and overseas) 	<ul style="list-style-type: none"> Achieve decarbonized societies Achieving Circular Malls Preserving Biodiversity 	<ul style="list-style-type: none"> Achieve decarbonized societies 	Natural Capital

*1 Abbreviation for General Manager, the position of the person responsible for each mall.

*2 A competition in which specialty store employees compete using the customer service skills cultivate on a daily basis. We hold the competition in Japan, China, Vietnam, and Cambodia.

*3 An organization consisting of members representing tenant companies in domestic commercial facilities operated by AEON Group companies



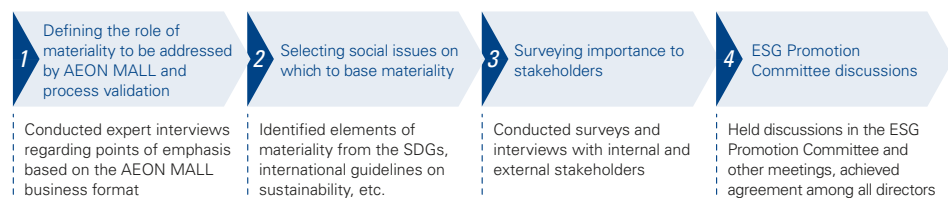
AEON MALL Materialities

Revisiting Materiality

AEON MALL identified materialities in 2019 as priority issues to solve through our business activities.

In light of subsequent changes in the social context, we have been forced to revisit the details of these materialities. Changes have included the outbreak of COVID-19, new work styles, the spread of diverse lifestyles, and the growing importance of technology and digital transformation (DX).

Specific Process



Resources Used to Identify Materiality

- Indicators and management philosophy from the SDGs, SASB, and ESG evaluation entities
- Brand statement, management vision, long-term vision, medium-term management plan

External Stakeholders Cooperating With Interviews and Questionnaires

- Institutional investors, nonprofit corporations, local governments, researchers, partner companies
- National consumer surveys

Identifying Issues From Overseas Perspectives

- We conducted interviews and questionnaires with local managers and staff in China, Cambodia, Vietnam, Indonesia, and the overseas business promotion departments.

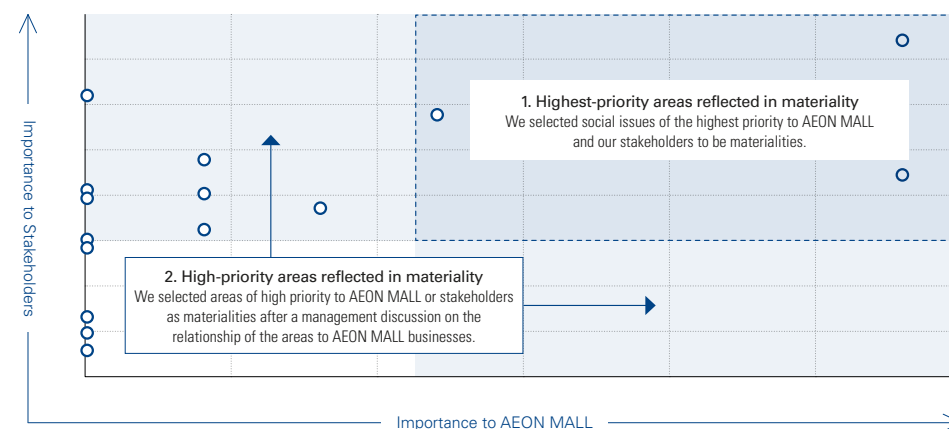
Main Internal Discussion Forums and Frequency

- We held a total of six discussion meetings attended by directors, including the ESG Promotion Committee and the Management Strategy Advisory Committee.

Materiality Map

When identifying potential materialities, we considered the importance of the materiality to stakeholders and to AEON MALL on two axes. Then, we identified the matters having the greatest impact on each.

Materiality Map



Future Development

As we pursue truly integrated ESG management, we will endeavor to create social, environmental, and economic value through the PDCA cycle for the items and targets we identified as materialities.

Action KPIs and Goals:

For the materialities identified most recently, we established more specific KPIs considering their impact (P.18). When setting action KPIs, we focused on initiatives and indicators indispensable for sustainable growth. At the same time, we held internal discussions to ensure that every employee at every mall can identify personally with the work of community co-creation.

Promotion Structure:

To achieve action KPIs, targets, etc., we understand that we must clarify the roles of the departments in charge, respective malls, etc. We plan to develop the necessary cooperative framework for cross-organizational initiatives.

Regular Monitoring and Assessment:

We monitor and assess progress against established action KPIs and targets on a regular basis. This cycle allows us to review and improve strategies and action plans as needed.

Communication With Stakeholders:

We report our efforts and progress to stakeholders, and obtain feedback to identify new challenges or opportunities.



Philosophy and Vision

Value Creation

Value Creation Strategy










Corporate Governance

Corporate Data

AEON MALL Materialities Selection and Policies

AEON MALL analyzed materialities from the perspective of SDGs and other global social issues, categorizing these matters into five areas and 10 items. We determined our direction and action KPIs based on this analysis and categorization.

We will share issues throughout the Company and work together to solve them. In doing so, we will contribute to local customers and a sustainable society.

Broad	Sub	Materialities	Related SDGs	1 Why is it Important?	2 Perceived Risks and Opportunities	3 Vision for 2050
E	Environment	Solve Environmental Issues Through Our Businesses	 	Environmental problems, such as intensified natural disasters resulting from global warming, are impacting sustainability more than ever. The entire world must work together to address environmental measures, including businesses. To this end, we are committed to reducing the environmental impact of our business operations and taking environmental measures to achieve a sustainable society.	Risks <ul style="list-style-type: none"> Increased electricity procurement costs resulting from rising energy costs Increased cost of procuring certified wood to preserve ecosystems Opportunities <ul style="list-style-type: none"> Lower carbon tax payments and reduced investment in energy-saving equipment through reduced carbon emissions Development of malls that coexist with nature and contribute to nature positive 	<ul style="list-style-type: none"> Decarbonized societies AEON MALL as the starting point for creating societies that recycle waste as a resource A society that attaches importance to environmental protection and coexists in harmony with nature
		Achieve Decarbonized Societies Achieve Circular Malls Preserve Biodiversity	   			
S	Lifestyles	Create a Platform for Health and Wellness		AEON MALL facilities create spaces offering abundant lifestyles leading to self-actualization based on physical health, mental health, environmental health, and social health. As a Life Design Producer, we create platforms through our businesses to support Well-Being Life Design. As a company that provides real estate services for distribution groups, important pillars of value creation include the development of sustainable and resilient infrastructure for our communities.	Risks <ul style="list-style-type: none"> Deteriorated trust due to inadequate social infrastructure services, etc. Opportunities <ul style="list-style-type: none"> Serve as a center for disaster recovery and public functions, becoming a core global and local presence in the community Increased rental income, etc., through the enhancement of hardware and software in operating facilities, etc. 	<ul style="list-style-type: none"> A society in which all live healthy and active lives, both physically and mentally A society in which community residents feel safe, secure, and comfortable
		Build Resilient Community Infrastructures	 			
	Communities	Deepen Community Partnerships		We recognize that the core to our value creation are activities that enrich the lives of people living in our communities, as we leverage and strengthen AEON MALL relationships with community partners.	Risks <ul style="list-style-type: none"> Depopulation and the disappearance of local culture in the regions where we operate Opportunities <ul style="list-style-type: none"> Increased population through regional revitalization 	<ul style="list-style-type: none"> Strong relationships with our communities and solutions to community concerns and worries
		Develop Regional Cultures and Communities	 			
	People	Respect Human Rights	 	Human resources are the greatest management resource for sustainable growth. Diversity is our strength, and we focus on organizational and human resources development that leverage diversity and enables employees to be healthy, fulfill their potential, and continue to grow.	Risks <ul style="list-style-type: none"> Decreased labor productivity, loss of talented human resources, loss of business opportunities, increased health-related costs, and other risks if appropriate measures are not taken Opportunities <ul style="list-style-type: none"> Opportunities to take on challenges in new fields through improved labor productivity, health, and motivation, recruitment of specialized and talented human resources, enhanced responsiveness to changes and business opportunities through the creation of rewarding work environments 	<ul style="list-style-type: none"> Human rights of all people involved in AEON MALL are respected Equal opportunities for all people working at AEON MALL, regardless of personal attributes All people working at AEON MALL are healthy, both physically and mentally All people working at AEON Mall have opportunities for education and self-fulfillment
		Promote Diversity, Equity and Inclusion	 			
		Pursue Health Management				
G	Management Infrastructure	Develop Human Resources				
		Establish a Management Infrastructure to Support Community Co-Creation	 	We continue to improve AEON MALL management efficiency and transparency. We ensure we engage in risk management and compliance necessary for sustainable growth and community co-creation. By doing so, we earn the trust of our stakeholders.	Risks <ul style="list-style-type: none"> Potential loss of opportunities to collaborate with stakeholders due to lack of proper business operations Failure to verify investment efficiency due to inadequate governance and missed growth opportunities Opportunities <ul style="list-style-type: none"> Improved sustainable growth potential through aggressive investment and the use of new technologies 	<ul style="list-style-type: none"> Sustainable growth of AEON MALL

AEON MALL Materialities Selection and Policies

The Aims of AEON MALL Materiality and Action KPIs

Broad	Sub	Materialities	4 Aim (Outcomes Achieved Through Actions)	5 Action KPIs (2030)	6 Action KPIs (2030) Targets and Results				
					Targets (by FY2030)	Results (as of FY2023)			
E	Environment	Solve Environmental Issues Through Our Businesses	<div>✔ Achieve Decarbonized Societies</div>	<div>● Reduction of GHG emissions (reduction of Scope 1, 2, and 3 emissions)</div>	<div>● Number of CO₂-free malls using renewable energy*¹</div>	All applicable malls	51 malls (of 146 malls in Japan)		
			<div>✔ Achieve Circular Malls</div>	<div>● Increase in the number of local governments and community residents who feel AEON MALL activities contribute solutions to environmental issues</div>	<div>● Contribution to resource recycling at malls and for stakeholders (6Rs)</div>	<div>● Ratio of renewable energy self-sufficiency</div>	45.0%	10.5%	
						<div>✔ Preserving Biodiversity</div>	<div>● Plastic and food waste recycling rate*²</div>	Plastic Waste: 50.0% Food Waste: 70.0%	Plastic Waste: 37.2% Food Waste: 60.9%
								<div>● Amount of clothing collected from customers</div>	2,000 tons per year
			<div>● Reduced ecological impact during construction and operation</div>	<div>● Number of malls with environment-related certifications*³</div>	Scheduled for FY2025	22 malls (number of ABINC certified)* ³ (of 146 malls in Japan)			
S	Lifestyles	Create a Platform for Health and Wellness	<div>● Increase in the number of people who feel that AEON MALL activities improve well-being and help them lead healthy lives</div>	<div>● Number of initiatives to improve the well-being of customers and community residents</div>	Scheduled for FY2025	Collecting information			
		Build Resilient Community Infrastructures	<div>● Collaborate with local governments to increase in the number of community stakeholders who recognize AEON MALL as disaster-response infrastructure</div> <div>● Increase in the number of people who feel that the presence of an AEON MALL facility in the community improves quality of life</div>	<div>● Customer comfort in malls *⁴</div>	Annual disclosure of quantitative evaluation results	Collecting information			
				<div>● Disaster prevention agreements with local governments and similar</div>	100% (all malls)	93.8% (137 of 146 malls in Japan)			
	Communities	Deepen Community Partnerships	(No indicators for this item, since it serves as means to address other materialities)	<div>● (1) Number of administrative services*⁵ available at each mall*⁶; (2) Number of locations offering administrative services</div> <div>● Number of agreements*⁷ concluded with local governments</div> <div>● Creation/increase of interaction opportunities with community organizations: (1) Number of collaboration agreements; (2) Number of collaborative initiatives</div> <div>● Creation/increase of interaction opportunities with educational institutions: (1) Number of collaboration agreements; (2) Number of collaborative initiatives</div>	<div>(1) Increase year on year / (2) All malls</div> <div>Increase year on year</div> <div>(1) Increase year on year / (2) 1,000</div> <div>(1) Increase year on year / (2) 1,000</div>	<div>(1) 152 (2) 73 locations (of 166 in Japan)</div> <div>Approximately 280</div> <div>(1) 32 organizations; (2) Collecting information</div> <div>(1) 28 institutions; (2) Approximately 360</div>			
		Develop Regional Cultures and Communities	<div>● Increase in the number of people who feel that AEON MALL activities have increased the attractiveness of the region (local economy, cultural development, etc.)</div> <div>● Increase in the number of people who feel that AEON MALL activities have deepened their attachment to their communities</div>	<div>● Number of initiatives to create, preserve, and pass on local culture</div>	Approximately 300	160			
		People	Respect Human Rights	<div>● Reduction of human rights issues/risks among all stakeholders involved in AEON MALL</div>	<div>● Number of initiatives that contribute to a safety net for daily anxieties and loneliness*⁸</div>	1,000	Approximately 540		
			Promote Diversity, Equity and Inclusion	<div>● Increase in the number of employees who feel that their personality and individuality are respected and that they are able to work with energy and enthusiasm</div>	<div>● Establish and conduct human rights due diligence</div>	Ongoing implementation	In progress		
					<div>● Spread awareness of and familiarize suppliers with the Guidelines for Sustainable Trade</div>	Ongoing implementation	In progress		
	<div>● Percentage of employees receiving in-house training on human rights</div>				100%	88%			
	Pursue Health Management	<div>● Improvement of employee engagement</div>	<div>● Ratio of women in management positions</div> <div>● Percentage of employees with disabilities</div> <div>● Ratio of mid-career hires to permanent workers</div> <div>● Percentage of people with high stress</div> <div>● Paid leave acquisition rate</div>	30.0% 2.70% 50% 15.0% 70%	22.6% 2.31% 40% 16.6% 55%				
Develop Human Resources	<div>● Increase in the number of employees who experience personal growth through their work</div>	<div>● Training hours per employee</div>	16.0 hours	6.6 hours					
G	Management Infrastructure	Establish a Management Infrastructure to Support Community Co-Creation	<div>● Build a strong governance structure</div>	<div>● Effectiveness evaluation of the board of directors</div>	Improve	Improve			
			<div>● Ensure compliance</div>	<div>● Provide anti-bribery education and raise awareness to ensure compliance with Basic Rules for the Prevention of Bribery and anti-corruption clauses* (*Included in employment regulations)</div>	Ongoing implementation	In progress			
			<div>● Strengthen risk management</div>	<div>● Identify and assess risks to treat as priorities</div>	Once a year	Once a year			
			<div>● Develop discussions on growth strategies</div>	<div>● Discussions on growth strategies (including portfolio transformation) at various meetings related to management policy</div>	At least once a month	At least once a month			

*1 Including the use of non-fossil certificates, etc.

*2 Excluding thermal recycling

*3 ABINC certification, etc.

*4 Quantitative evaluation of customer comfort will begin in FY2024

*5 Public facilities (city hall, post office, etc.), various administrative consultation offices, election polling stations, etc., located in tenant spaces

*6 Locations including affiliated companies (OPA Co., Ltd., etc.)

*7 Examples: Comprehensive cooperation agreements, Cool Shelter agreements, etc.

*8 Support for multicultural acceptance, child-rearing support, support for the elderly, support for the poor, support for people with disabilities, education and awareness, events related to other regional issues, etc.

*9 Other certifications disclosed on our website

Monitoring Indicators Related to Materiality

We continue to follow up on the items listed on the right as monitoring indicators, which we used as materiality KPIs before fiscal 2024.

	FY2020	FY2021	FY2022	FY2023
No. of EV charging stations	2,418	2,424	2,584	2,771
eco Kentei certification acquisition rate	85.2%	85.0%	82.2%	80.0%
Green purchasing rate	—	40.0%	42.0%	45.2%
Number of nursing staff for people with dementia	416	860	838	825
Ratio of male employees taking childcare leave	53.5%	100%	100%	100%

How Social and Environmental Value Relates to Economic Value

AEON MALL strives to visualize not only sales, revenues, and other short-term values but also medium- to long-term values.

To this end, we explored how social and environmental value relates to economic values, organizing our findings in the following flow chart.

Began Formulating Unique Non-Financial Indicators Leveraging the Regional Characteristics and Features of Our Shopping Malls

We establish non-financial indicators to clarify our medium- to long-term multifaceted values, in addition to sales, revenues, and other indicators easily identifiable in the short term. In this way, we strive to establish multifaceted indicators as a truly sustainable company. We also aim to reflect this approach in the efforts of each employee, aiming to implement more substantive ESG management.

AEON Mall has engaged in various initiatives throughout our history to achieve a sustainable society. We established our materiality in 2019, working to solve various social issues through our corporate activities. However, one difficulty we face is stipulating clear criteria for evaluating, prioritizing, and deciding whether or not to continue each initiative in the midst of taking on a wide variety of regional issues. To this end, we have begun to examine how the creation of social and environmental value through community co-creation initiatives also leads to economic value.

Hypothesis Formulation and Verification Methods

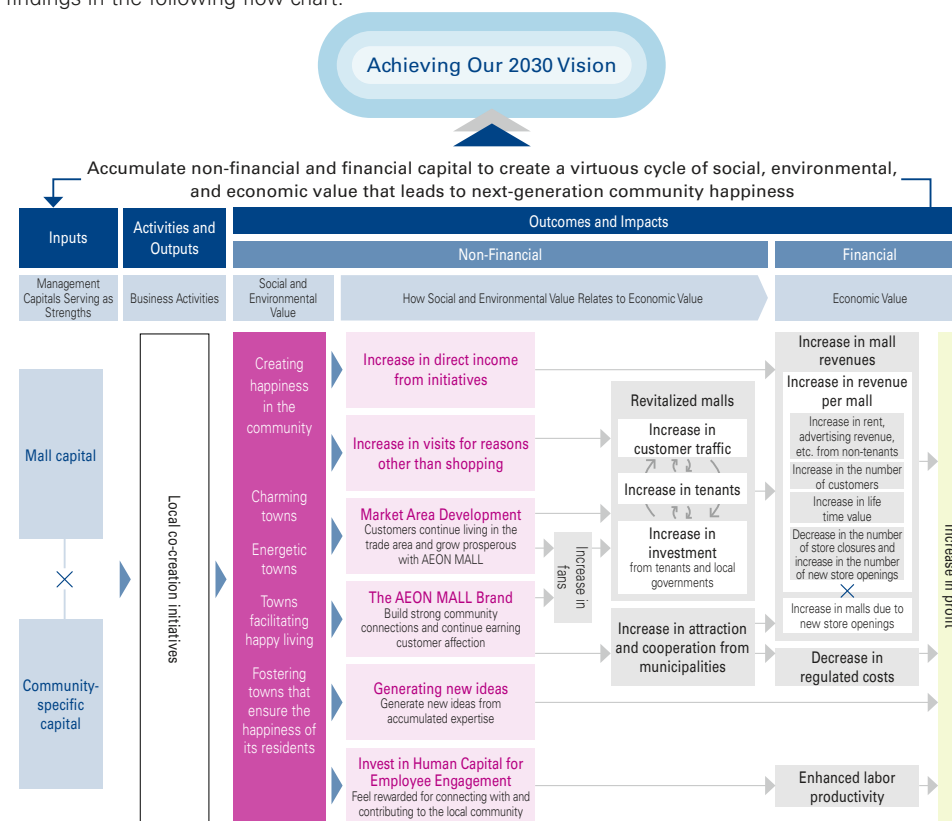
AEON MALL referred to the Sustainability Value Visualizer, a future-oriented method to visualize how social and environmental value relates to economic value (profit). We visualize the value that our 2030 Vision community co-creation initiatives bring over the medium to long term.

We organized how our community co-creation initiatives create a value chain and lead to economic value by verifying the initiatives implemented at each mall and interviewing directors, executive officers, and other employees.

We do not intend to use the Sustainability Value Visualizer to verify a strict quantitative correlation at this time. Rather, we intend to organize value connections based on a definition of the ideal vision for AEON MALL going forward.

Relationship With the Value Creation Process Diagram

The following diagram visualizes the flow from social and environmental value to economic value under the value creation process Outcomes and Impacts (column on the right), depicting a cycle through which accumulated non-financial and financial capital are reused as inputs to generate further capital (➡ P.12).



Going Forward

- We organized elements that lead to the financial value of community co-creation, identifying the non-financial capital in particular that AEON MALL must accumulate.
- Understanding the amount of non-financial capital accumulated through community co-creation efforts is crucial.
- However, this organized content includes items for which data was unobtainable. We will strive to improve content accuracy by setting indicators for each item and obtaining and verifying future data.
- AEON MALL will continue to examine methods to better understand medium- to long-term value creation and reflect such creation in our evaluations and decisions, striving to establish a better structure.



Stakeholder Engagement

AEON MALL is thoroughly committed to management based on the ESG perspective of creating economic, social, and environmental value for all stakeholders.

Stakeholders	Relationship with Stakeholder	Dialogue Frequency	Method of Dialogue	Shared Values
Customers	Pursue the basic philosophy of customer first, working with customers every step of the way to share the best experiences that become unforgettable memories. Build long-term relationships of trust.	Regularly	<ul style="list-style-type: none"> Customer feedback Communication through events 	<ul style="list-style-type: none"> Providing day-to-day abundance and enjoyment A safe and secure community hub
Local Communities	AEON MALL is a member of the local community, aiming to coexist and prosper together by contributing to active and vibrant communities.	As necessary	<ul style="list-style-type: none"> Heartfelt Sustainable Projects in cooperation with local communities 	<ul style="list-style-type: none"> Revitalizing the local economies and providing employment Contributing to local communities by expanding public functions
Business Partners	We engage in effective communications, aiming to create long-term cooperative relationships and grow together as partners.	Regularly	<ul style="list-style-type: none"> Communication in daily sales activities Exchange through AEON MALL Store Association* activities 	<ul style="list-style-type: none"> Sharing economic value by solving social issues Creating new ideas and business opportunities through co-creation
Employees	Understanding that human resources are the greatest source of business capital, we focus on developing employee skills and improving work environments to provide spaces where employees grow and achieve self-actualization.	Twice a year	<ul style="list-style-type: none"> Self-assessment of career and understanding aspirations 	<ul style="list-style-type: none"> Providing spaces for self-actualization and comfortable work environments Supporting the success of diverse human resources through educational opportunities
Shareholders and Investors	We endeavor to provide appropriate shareholder returns through active information disclosure and dialogue.	As necessary	<ul style="list-style-type: none"> IR meetings Stronger information disclosure 	<ul style="list-style-type: none"> Economic value through dividends and increased corporate value
NPOs and NGOs	We fulfill our social responsibility by working with NPOs and NGOs aligned with AEON MALL ESG management in activities that contribute to sustainable societies.	As necessary	<ul style="list-style-type: none"> Support for fundraising, blood drives, and other initiatives 	<ul style="list-style-type: none"> Solving social issues through AEON MALL infrastructure functions and opportunities for co-creation with diverse stakeholders

* An organization consisting of members representing tenant companies in domestic commercial facilities operated by AEON Group companies

Examples of Co-Creation With Stakeholders



Heartful Sustainable Projects

AEON MALL is engaged in Heartful Sustainable Projects in which each mall plans and implements initiatives to solve issues facing local communities and societies. The goal of these projects is to revitalize local communities.

Number of projects submitted in FY2023: **453**

See [P.04](#) regarding the Heartful Sustainable brand statement.

AEON MALL is a Life Design Developer, creating the future of community living. As stated in our management vision, we work together with our partners to take on the challenge of hyper-localization in continuing to refine the appeal of local communities.

In 2015, we launched the Hyper-Localization Project to encourage employees working at malls across Japan to rediscover the charms of their regions. Under this project, we plan, draft, and publicize a variety of initiatives in collaboration with industry, government, and academia to highlight these regional characteristics. In 2022, we launched the Heartful Sustainable Project, which extended our efforts to solve problems and issues in each community toward creating sustainable societies. We work in cooperation with governments, municipalities, and private organizations on the most important topics to each community. Examples of these topics include promoting local economies, reducing the environmental burden, childcare support, disaster and crime prevention, and improving the health of local residents.

Examples of Initiatives

AEON MALL Tsukuba Learning About Tsukuba Agriculture: Sweet Potato Digging Experience and Irregular Potato Harvest



We held a sweet potato harvesting event for elementary school students to raise awareness about local farms. Farmers traditionally discard irregularly shaped sweet potatoes that do not meet standards of sale. We help reduce food loss by collecting these sweet potatoes for use in limited availability menu options in restaurants located in AEON MALL facilities.

