

# Corporate Governance

We present our basic approach to corporate governance, which supports the sound and transparent management of AEON MALL, along with our development process and background up to now.

We share a message from the outside director who chairs the Governance Committee, providing an update on discussions held during our Board of Directors meetings and outlining our future initiatives.

By upholding consistent compliance and risk management, we build trust with our stakeholders and achieve sustainable value creation as a co-founder within the community.



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# Directors and Audit & Supervisory Board Members

(as of May 23, 2024)



Please refer to our website for reasons for director and Audit & Supervisory Board member selection.

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

## Directors



**Keiji Ohno**

President and CEO

**Tenure** New Election  
**Number of the Company's shares owned** 0

Apr 1995: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)  
Sep 2009: Store Manager of JUSCO Musashimurayama Store, AEON Retail Co., Ltd.  
Feb 2011: General Manager of Management Planning Department, South Kanto Company Division, AEON Co., Ltd.  
Mar 2012: Supervisor of Group Customer Service, AEON Co., Ltd., and General Manager, Customer Service Department, AEON Retail Co., Ltd.  
Mar 2013: General Manager of Sales Division, AEON Thailand Co., Ltd.  
May 2015: President and Director, AEON CAMBODIA Co., Ltd.  
Mar 2021: President and CEO, AEON Ryukyu Co., Ltd.  
Jul 2022: President and Director, AEON CO. (M) BHD.  
Mar 2023: Executive Officer, in charge of Malaysia Division, AEON Co., Ltd.  
Mar 2024: Consultant, the Company  
May 2024: President and CEO, the Company (to present)



**Mitsuhiro Fujiki**

Senior Managing Director  
In Charge of Administration

**Tenure** 9 Years  
**Number of the Company's shares owned** 12,064

Apr 1985: Joined AEON MALL Co., Ltd.  
Apr 2011: General Manager of AEON MALL Niihama, the Company  
Nov 2012: General Manager of AEON MALL Miyazaki, the Company  
Apr 2013: General Manager of West Japan Business Department, Sales Division, the Company  
Sep 2014: General Manager of Chushikoku Business Department, Sales Division, the Company  
Apr 2015: General Manager of Sales Division, the Company  
May 2015: Director, General Manager of Sales Division, the Company  
Apr 2017: Director, General Manager of Leasing Division, the Company  
May 2018: Managing Director, General Manager of Leasing Division, the Company  
Apr 2021: Managing Director, Executive General Manager of CX Creation Division, the Company  
May 2021: Senior Managing Director, Executive General Manager of CX Creation Division, the Company  
May 2023: Senior Managing Director, in charge of CX Creation Division, the Company  
Apr 2024: Senior Managing Director, in charge of Administration Division, the Company (to present)



**Hideki Hayami**

Managing Director  
In Charge of Finance & Accounting

**Tenure** New Election  
**Number of the Company's shares owned** 0

Apr 1995: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)  
May 2012: Director, Business Management Division, COX Co., Ltd.  
Mar 2016: Director, in charge of Administration, COX Co., Ltd.  
Mar 2017: General Manager of Business Management, AEON CO., LTD.  
May 2018: Audit & Supervisory Board Member, the Company  
Mar 2020: Director, Managing Executive Officer in charge of Business Management, AEON Retail Co., Ltd.  
Apr 2024: Director, AEON Retail Co., Ltd. (part-time)  
Apr 2024: Finance & Accounting Officer, the Company  
May 2024: Managing Director, in charge of Finance & Accounting, the Company (to present)



**Motoya Okada**

Director and Advisor

**Tenure** 26 Years  
**Number of the Company's shares owned** 5,280

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



**Shinichiro Minami**

Director  
In Charge of Development

**Tenure** 1 Year  
**Number of the Company's shares owned** 4,376

Apr 2000: Joined AEON MALL Co., Ltd.  
Feb 2012: General Manager, AEON MALL Hubei Province Development Department, China Division, the Company  
Jun 2013: General Manager, AEON MALL Hubei Province Department, China Division, the Company  
Jun 2015: General Manager of Wuhan Jinyintan, AEON MALL (Hubei) Business Management Co., Ltd., the Company  
Oct 2016: General Manager of Wuhan Jinqiao, AEON MALL (Wuhan) Business Management Co., Ltd., the Company  
May 2018: President of AEON MALL (Hubei) Business Management Co., Ltd., the Company  
Oct 2020: General Manager, Chushikoku Business Department, Sales Division, the Company  
Apr 2023: Supervisor of Development Division, the Company  
May 2023: Director, in charge of Development, the Company (to present)



**Daisuke Isobe**

Director  
In Charge of Overseas Business Division

**Tenure** New Election  
**Number of the Company's shares owned** 1,800

Aug 2003: Joined the Company  
Apr 2012: General Manager, AEON MALL Sakai Kita-hanada, the Company  
May 2015: General Manager, AEON MALL BSD CITY, PTAEON MALL INDONESIA  
Jan 2018: President Director, PTAEON MALL INDONESIA  
Mar 2022: General Manager of West Kinki Business Department, Sales Division, the Company  
Apr 2023: Branch Manager of West Japan Division, the Company  
Apr 2024: Supervisor of Overseas Business Division, the Company  
May 2024: Director, the Company, and in charge of Overseas Business Division (to present)



**Masayuki Tsuboya**

Director  
In Charge of Customer Experience (CX) Creation

**Tenure** New Election  
**Number of the Company's shares owned** 0

Sep 2003: Joined AEON MALL Co., Ltd.  
May 2005: General Manager of Diamond City Itami Terrace, the Company  
Apr 2011: General Manager of Personnel Management Department, the Company  
May 2013: General Manager of West Japan Leasing Department, Leasing Management Division, the Company  
Nov 2017: General Manager of Kyushu and Okinawa Business Department, Business Division, the Company  
Mar 2020: Managing Director, AEON MALL CAMBODIA Co., Ltd.  
Feb 2022: Managing Director, AEON MALL CAMBODIA LOGI PLUS Co., Ltd.  
Apr 2024: In charge of CX Creation Division, the Company  
May 2024: Director and Advisor, in charge of CX Creation Division, the Company (to present)



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## Directors and Audit & Supervisory Board Members (as of May 23, 2024)







Please refer to our website for reasons for director and Audit & Supervisory Board member selection.  
<https://www.aeonmall.com/en/ir/executives.html>

### Outside Directors

 <b>Kunihiro Koshizuka</b> Director		 <b>Chisa Enomoto</b> Director		 <b>Hironobu Kurosaki</b> Director		 <b>Junko Owada</b> Director		 <b>Junko Taki</b> Director	
Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned	
4 Years 0		3 Years 0		3 Years 0		3 Years 0		2 Years 0	
Apr 1981: Joined Konishiroku Photo Industry Co., Ltd. (now KONICA MINOLTA, INC.) Apr 2013: Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC. Jun 2014: Senior Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC. Jun 2015: Director and Senior Executive Officer (CTO), KONICA MINOLTA, INC. Jun 2019: Senior Technical Advisor, KONICA MINOLTA, INC. May 2020: Outside Director, AEON MALL Co., Ltd. (to present) Jun 2021: External Director, Tokyu Construction Co., Ltd. (to present) Jun 2022: Outside Director, Will Group, Inc. (to present) Jun 2022: Outside Director, F.C.C. Corporation (to present)		Apr 1984: Joined Recruit Co., Ltd. Nov 2005: General Manager, Public Relations, Philips Electronics Japan, Ltd. Jul 2012: Division Manager, Communications and Public Relations, Janssen Pharmaceutical K.K. Jan 2014: Section Chief, Social Communications, Tokyo Electric Power Company Apr 2018: Executive Communications Strategist, Hitachi, Ltd. Jun 2018: Outside Director (Audit & Supervisory Committee member), Persol Holdings Co., Ltd. (to present) Sep 2018: Outside Director, Joyful Honda Co., Ltd. Apr 2019: Member, Public Relations Strategy Office, Meiji University (to present) May 2021: Outside Director, AEON MALL Co., Ltd. (to present) Jun 2022: Outside Director, Japan Post Holdings Company, Ltd. (to present) Apr 2024: Director, Meiji University (to present)		Apr 1983: Joined NEC Corporation Jul 1993: Chief Resident Officer, Cairo Resident Office, NEC Corporation Oct 1994: Chief Resident Officer, Bahrain Resident Office, NEC Corporation Apr 2002: General Manager of China Business Department, Sales Division, NEC Corporation Jun 2010: President, NEC Turkey (Istanbul) Jun 2014: General Manager, Americas and EMEA (NEC) Oct 2017: Representative NEC EMEA Region President, NEC Europe (London) Apr 2020: Senior Global Business Officer, Global Business Unit (NEC) May 2021: Outside Director, AEON MALL Co., Ltd. (to present)		Apr 1989: Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (now NTT Communications Corporation) Aug 2001: People Analytics Research Laboratory, Recruit Group Co., Ltd. Apr 2009: Executive Director, Recruit Management Solutions Co., Ltd. Apr 2013: Executive Director, Recruit Career Co., Ltd. Jul 2016: Fellow, Recruit Career Co., Ltd. Jul 2016: Advisor, Tokyo Ichiban Foods Co., Ltd. (to present) Apr 2017: Human Resources Professional Contractor, Hitachi, Ltd. (to present) Jun 2020: Outside Director, Arbeit-Times Co., Ltd. (to present) May 2021: Outside Director, AEON MALL Co., Ltd. (to present) Jan 2023: Outside Director, H.I.S. Co., Ltd. (to present)		Apr 1990: Joined ORIX Corporation Oct 1997: Joined Asahi & Co. (now KPMG AZSA LLC) Jun 2018: General Manager of Global strategies Department, Suminoe Textile Co., Ltd. Aug 2019: General Manager of Global strategies Department and General Manager of Management Planning Department, Suminoe Textile Co., Ltd. Feb 2021: Representative, Taki CPA Office (to present) May 2022: Outside Director, the Company (to present) Jun 2022: Outside Audit & Supervisory Board Member, Nitta Gelatin Inc. (to present) Jun 2022: Outside Director, NIHON KAGAKU SANGYO CO., LTD. (to present)	

### Audit & Supervisory Board Member

 <b>Kazuhiro Aoyama</b> Full-time Audit & Supervisory Board Member		 <b>Emi Torii</b> Member of the Audit & Supervisory Board		 <b>Rumiko Tanabe</b> Member of the Audit & Supervisory Board		 <b>Masato Nishimatsu</b> Member of the Audit & Supervisory Board	
Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned		Tenure Number of the Company's shares owned	
1 Year 0		5 Years 0		1 Year 0		4 Years 0	
Apr 1991: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) May 2007: General Manager, Product Department, Mega Sports Co., Ltd. Apr 2010: General Manager, Sales Strategy Department, Mega Sports Co., Ltd. Apr 2014: Management Auditing Office, AEON Group Nov 2017: General Manager, Corporate Planning Office, Mega Sports Co., Ltd. May 2020: Director, General Manager, Business Promotion Division and General Manager, Project Promotion Office, Mega Sports Co., Ltd. Mar 2021: Director, General Manager, Business Promotion Division, Mega Sports Co., Ltd. May 2021: Director in charge of Products and Digitalization, G-FOOT Co., Ltd. Apr 2022: Director, Managing Executive Officer in charge of Sales and Products, G-FOOT Co., Ltd. Oct 2022: Director, Managing Executive Officer in charge of Sales and EC, G-FOOT Co., Ltd. Apr 2023: Director, Managing Executive Officer, Assistant to President, G-FOOT Co., Ltd. May 2023: Full-Time Audit & Supervisory Board Member, the Company (to present)		Nov 2005: Passed the National Bar Examination Apr 2006: Legal apprentice Sep 2007: Joined Nozomi Sogo Attorneys at Law Apr 2015: Kanto-Shinetsu Regional Pension Records Correction Council Committee Member, Ministry of Health, Labour and Welfare Apr 2019: Partner, Nozomi Sogo Attorneys at Law (to present) May 2019: Outside Audit & Supervisory Board Member, AEON MALL Co., Ltd. (to present)		Apr 1992: Joined Asahi Shinwa & Co. Accounting Firm (current KPMG AZSA LLC) Dec 2004: General Manager and Controller of Finance & Accounting Department, American Home Assurance Company (current American Home Assurance Co., Ltd.) Mar 2006: Consolidated Accounting Team Leader, Fast Retailing Co., Ltd. Oct 2014: General Manager, Finance Department, HOYA Corporation Jun 2020: Outside Director (Audit & Supervisory Committee Member), Fast Fitness Japan, Inc. Jul 2020: Head of TANABE ACCOUNTING (to present) Sep 2020: Outside Audit & Supervisory Board Member, TechnoPro Holdings, Inc. Oct 2020: Outside Audit & Supervisory Board Member, Credit Engine Group, Inc. Sep 2022: Outside Director (Audit & Supervisory Committee Member), TechnoPro Holdings, Inc. (to present) May 2023: Outside Audit & Supervisory Board Member, the Company (to present) Dec 2023: Outside Audit & Supervisory Board Member, TSI Holdings Co., Ltd. (to present)		Mar 1978: Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) May 2000: Director, JUSCO Co., Ltd. Dec 2001: Acting Trustee for Business, MYCAL Corp. (now AEON Retail Co., Ltd.) Mar 2007: Finance & Accounting Officer, AEON Group May 2007: Executive Officer, AEON Group May 2007: Audit & Supervisory Board Member, AEON MALL Co., Ltd. Aug 2008: Vice President, Responsible for Group Accounting and Affiliated Companies, AEON Co., Ltd. Mar 2013: Director, Senior Managing Director and in charge of Business Management, AEON Retail Co., Ltd. Feb 2015: Director, Senior Managing Director and in charge of the Financial Units and the Corporate Planning, The Dai-ichi, Inc. Mar 2016: Executive Officer, Senior Chief Officer of Business Management, AEON Co., Ltd. Mar 2017: Executive Vice President and Representative Director, and in charge of Administration, AEON Retail Co., Ltd. May 2018: Audit & Supervisory Board Member, AEON HOKKAIDO Corp. (to present) Mar 2020: Advisor, AEON Co., Ltd. (to present) May 2020: Audit & Supervisory Board Member, AEON Delight Co., Ltd. (to present) May 2020: Audit & Supervisory Board Member, AEON MALL Co., Ltd. (to present) Mar 2022: Corporate Auditor at Fuji Co., Ltd. (to present)	

# Director Expertise and Experience Skills Matrix

The board of directors is composed of directors with diverse expertise and knowledge that will not only strengthen the management supervisory functions, but also promote key strategies and growth measures by leveraging our business characteristics. The skills expected from each director are disclosed in the following skills matrix.

Internal directors have an understanding of our overall business operations, a sense of balance, a history of achievements, and decision-making skills. They also have expertise in shopping mall operations and management, overseas business expansion, improved governance, sound finances, and so on. Outside directors consist of independent and expert individuals with management experience, expertise in a variety of industries. In addition to possessing a wealth of experience and a depth of knowledge, they offer various viewpoints and expertise on items such as international business strategy, enhancing governance, improving corporate branding, diversity management, and finance.

Name		Current Position and Responsibilities in the Company	Board of Directors Attendance	Tenure	Corporate Management	Internal Control	Finance & Accounting	Real Estate		Diversity and Work-Style Reform	Digital Transformation (DX)	Sustainability	Global	Marketing and Branding	Experience Occupation and Industry
Keiji Ohno		President and CEO	—	—	○				○			○	○		
Mitsuhiro Fujiki		Senior Managing Director In Charge of Administration	15/15 meetings	9 years		○				○		○			
Hideki Hayami		Managing Director In Charge of Finance & Accounting	—	—	○		○							○	
Motoya Okada		Director and Advisor	14/15 meetings	26 years	○							○	○		
Shinichiro Minami		Director In Charge of Development	12/12 meetings*	1 year				○				○	○		
Daisuke Isobe		Director In Charge of Overseas Business Division	—	—				○	○				○		
Masayuki Tsuboya		Director In Charge of Customer Experience (CX) Creation	—	—				○	○				○		
Kunihiro Koshizuka	Outside Independent	Director	5/5 meetings	4 years	○	○					○				Precision Equipment
Chisa Enomoto	Outside Independent	Director	5/5 meetings	3 years		○						○		○	Advertising and Public Relations
Hironobu Kurosaki	Outside Independent	Director	5/5 meetings	3 years	○								○		Electronic Devices
Junko Owada	Outside Independent	Director	5/5 meetings	3 years		○				○					Communications and Human Resources
Junko Taki	Outside Independent	Director	5/5 meetings	2 years		○	○								Finance and CPA

\* The above table indicates Director Minami's attendance at board meetings held after his appointment to director at the 112th annual general meeting of shareholders held on May 17, 2023.

## Our Approach to Skills

Areas of Experience and Specialties (Skills)	Definition of Skills
Corporate Management	Skills in strategic planning, resource allocation, and risk management for achieving corporate goals
Internal Control	Skills in managing systems and processes to ensure organizational performance and achieving goals
Finance & Accounting	Skills in analyzing and managing financial situations and carrying out appropriate economic activities
Real Estate	Skills in managing real estate transactions, investments, development projects, and operations
Diversity and Work-Style Reform	Skills in leading a diverse team and encouraging flexible work arrangements to improve how the organization functions and adapts

Areas of Experience and Specialties (Skills)	Definition of Skills
Digital Transformation (DX)	Skills in managing processes to leverage digital technologies for organizational and operational innovation
Sustainability	Skills in planning and managing the sustainability of corporate activities
Global	Ability and experience in conducting business in multinational and cross-cultural environments
Marketing and Branding	Skills in communicating the value of products and services to customers and managing activities that enhance corporate value



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# Basic Approach and History of Corporate Governance Reform

We work to strengthen our corporate governance functions and create a system that enables prompt decision-making. In doing so, we aim to enhance long-term stable corporate value and achieve sustainable growth.

## Basic Approach to Corporate Governance

1. We provide a consistent and fair environment to support shareholder rights and the execution of said rights. We work in cooperation with shareholders toward the goal of sustainable growth.

2. Our board of directors and senior management exercise proper leadership in fostering a corporate culture that respects the rights and perspectives of customers, communities, partner corporations, employees, shareholders, investors, and other stakeholders, conducts business activities ethically, and engages in a positive approach to sustainability.

3. We have created a Disclosure Policy and Rules for Managing Information Disclosure to address disclosure of financial and nonfinancial information. Guided by these policies, we ensure transparency and fairness through appropriate and clear information disclosure.
4. Our board of directors consists of individuals with diverse experience and expertise, helping AEON MALL capitalize on our background as a retail developer. The board strengthens its supervisory function through the appointment of independent outside directors, the Governance Committee, and the Nomination and Compensation Committee. Through the executive officer system, the board will accelerate management decision-making and separate the supervisory and business execution functions. In this way, the board will conduct highly transparent business and determine important strategies and measures to achieve our long term vision and medium- and long-term plans.

5. We incorporate feedback and input received through constructive dialogue with shareholders to improve our corporate value.

## Our History of Corporate Governance Reforms (as of February 29, 2024)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Corporate Governance Structure	Company With Board of Directors, Company With Audit & Supervisory Board																
Committees	Chairperson: Outside Director (members include a majority of independent outside directors)										Nomination and Compensation Committee						
	Chairperson: President and CEO (members include directors *excluding advisors)													Management Strategy Advisory Committee			
	Chairperson: Outside director (members include only independent outside directors)													Governance Committee			
Directors	20	17	13	14	11	12	11	12	13	14	13	11					
Independent Outside Directors						1	2				3	5					
Female Directors						1				2			4			3	
Audit & Supervisory Board Members	4																
Outside Members	4	3				4				3							
Independent Outside Members					2			1	2								
Female Directors					1						2						
Board of Directors Operation										Effectiveness evaluation of the board of directors							
									Meetings between the president and CEO and outside directors (2–3 times a year)								



# Message From Outside Director



## Board of Directors Sustainable Growth Functions

### Chisa Enomoto

Outside Director  
Governance  
Committee Chair

Our internal directors play a crucial role in key businesses of the AEON Group, a major corporate group in Japanese retail. We strive to leverage the scale of our business to meet the expectations of our more than one billion annual customers, contribute to the environment and society, and create sustainable corporate value. We believe the key to these initiatives lies in balancing execution and supervision to enhance the effectiveness of the board of directors.

The board of directors holds active discussions on the future direction of the company from multilateral perspectives, taking into account the shifts in value that customers seek from malls.

I believe the Governance Committee, consisting solely of independent outside directors, successfully balances execution and supervision while enhancing board management supervisory functions.

The Corporate Strategy Advisory Committee, chaired by the president, facilitates in-depth discussions on our medium-term management plan. The committee establishes performance indicators for medium- to long-term growth toward 2030 and

implements sustainability measures. I feel that all outside directors participate actively in such discussions with the executive side, exchanging opinions and providing advice and recommendations.

The Company supports outside directors by organizing visits to malls both in Japan and abroad. These visits allow outside directors to engage more with employees, providing firsthand insights into frontline issues and circumstances.

## Governance Committee Oversight

I chair the Governance Committee, which assesses the fairness and rationality of transactions involving conflicts of interest, especially among group companies. We also discuss such conflicts from an objective perspective, unrestrained by past inter-company relationships. Each committee member raises topics and questions from the minority shareholder perspective to encourage deeper discussions. The committee then confirms the rationality and legitimacy of such matters. I believe this process will lead to further advancements in governance if executed carefully.

## Significance of Being a Publicly Traded Subsidiary

We often focus on the disadvantages of growing market interest in parent-subsidiary listings, but I believe we must also focus on the advantages.

As a publicly traded company, AEON MALL has the advantage of raising their own funds and improving employee engagement. The Company also benefits from more disclosure opportunities, through which its fanbase grows, and accelerated decision-making processes from an independent standpoint. Such advantages lead to enhanced corporate value, which in turn increases the overall value of the group.

While many customers visit AEON MALL to shop at

AEON, they also have access to merchandise, food and beverage, and entertainment specialty stores. Such access enables AEON MALL to more than double the enjoyment and value that customers gain through mall operations. Furthermore, the Group also possesses the ability to conduct joint PR by utilizing group points and other methods.

We must clearly communicate the benefits of joint PR in terms of group synergies to enhance market understanding.

## Disclosures to Enhance Corporate Value

The active involvement of directors in investor relations, particularly through direct dialogue with investors as key informants, is crucial for enhancing corporate value.

We must clarify not only our growth story, but also our attitude toward meeting community expectations and our co-creation initiatives with the community through more straightforward information and messages.

I have high expectations for the president and other internal directors to harness the unique value and potential of AEON MALL, communicating effectively with customers and shareholders to make them feel excited to work with the company.

## Status of Governance Committee Activities (As of February 29, 2024)

Meetings	Major Discussion Items
FY2023: 8	<p>Matters to Be Resolved by the Board of Directors</p> <ul style="list-style-type: none"> <li>• Verification of the reasonableness of transaction conditions with the AEON Group (joint group sales promotion expenses, brand royalty agreements)</li> </ul> <p>Reported Matters</p> <ul style="list-style-type: none"> <li>• 2023 evaluation of board effectiveness</li> <li>• Annual report on related-party transactions</li> <li>• Company response and procedures for related-party transactions</li> <li>• Status of general merchandiser contracts in Japan and overseas</li> </ul>

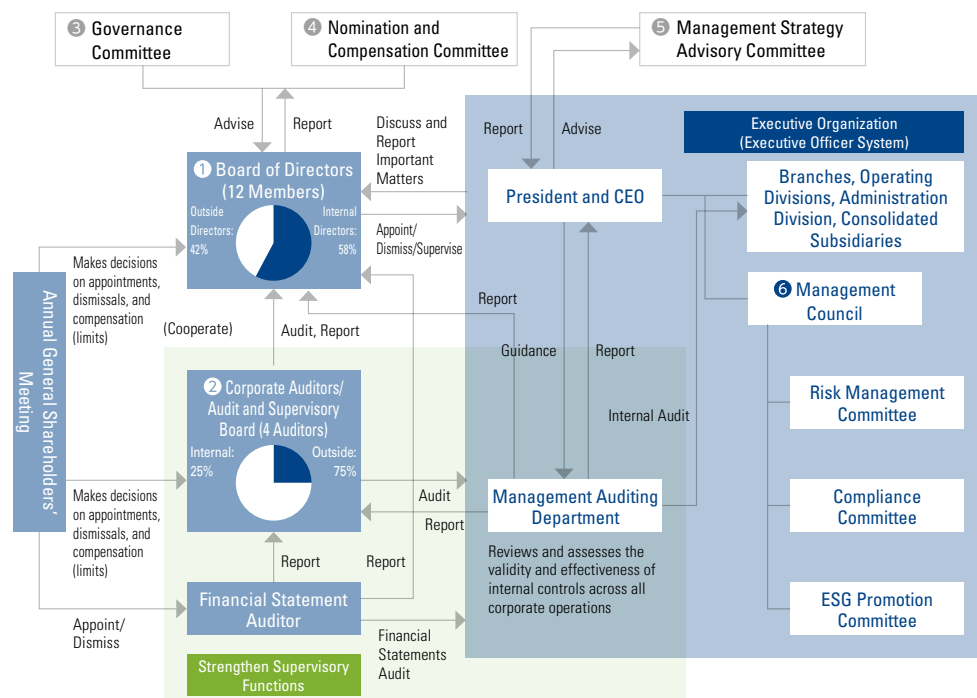


## Corporate Governance Structure

## Corporate Governance Structure

The Company has adopted an Audit & Supervisory Board system comprised of 12 directors (5 of whom are outside directors) and 4 members of the Audit & Supervisory Board (3 of whom are outside members). By inviting outside directors with expertise in various fields to the board of directors, we aim to strengthen the management system with highly effective supervision. We also maintain and strengthen sound management by enhancing the function of corporate auditors. Meetings of the board of directors and the Audit & Supervisory Board are generally held once a month. In addition, we strive to disseminate information through committees led by general managers or senior managers below the rank of representative director. The purpose of these committees is to ensure efficient business activities.

Our Audit & Supervisory Board works to improve the effectiveness and efficiency of audits. They do so by cooperating in the mutual exchange of information and opinions with Financial Statement Auditors and the Management Auditing Department, which is our internal audit department, on a case-by-case basis. All Audit & Supervisory Board Members regularly attend board of directors meetings, while full-time members also attend management meetings and other important meetings.



Committees	Purpose and Overview	Secretariat and Related Departments	Number of Meetings
① <b>Board of Directors</b>	The board of directors is chaired by the president. As a management decision-making body, the board supervises general management by voting matters such as legal matters and important business execution decisions. Members of the Audit & Supervisory Board also attend meetings of the board of directors, offering opinions as necessary.	General Affairs Department	15
② <b>Audit &amp; Supervisory Board</b>	The Audit & Supervisory Board is chaired by a full-time member (outside member). Members of the Audit & Supervisory Board work with the board of directors in supervising the company and conduct audits regarding legality and adequacy. In doing so, they aim to achieve sound and sustainable company growth, as well as create medium- to long-term corporate value.	General Affairs Department	15
③ <b>Governance Committee</b>	The Governance Committee is chaired by an independent outside director. This committee serves as an advisory body to the board of directors and aims to contribute to their legal and efficient operation, as well as to the sustainable growth of the company. The committee advises and reports to the chair of the board of directors on matters related to organizational restructuring, such as mergers and corporate divestitures, as well as on transactions with the parent company and group companies. In doing so, they ensure the fairness and rationality of such transactions.	General Affairs Department	8
④ <b>Nomination and Compensation Committee</b>	The Nomination and Compensation Committee is chaired by the lead independent outside director. The committee advises and reports the board of directors on matters regarding the nomination and appointment of candidates for directors, as well as their compensation, therefore ensuring transparency and objectivity.	Personnel Management Department	5
⑤ <b>Management Strategy Advisory Committee</b>	The Management Strategy Advisory Committee is chaired by the president and CEO. In consultation with the president, the committee discusses and exchanges opinions on important policies and management issues, such as the concept and direction of initiatives, specific plans, and progress reports. In this way, the committee advises and reports to the president.	Strategy Department	12
⑥ <b>Management Council</b>	As an advisory body for the president, we established the Management Council consisting mainly of directors, full-time auditors, and individuals nominated by the president. This committee serves to strengthen management strategy functions and improve the efficiency of the decision-making process.	Strategy Department	24

- Risk Management Committee: Analyzes risk conditions and works continuously to avert unwarranted risk, as well as provides opinions the president and CEO and discusses risk management policy.
- Compliance Committee: Monitors the state of compliance throughout the organization. Exchanges information with, reports, and proposes policies to the president and CEO.
- ESG Promotion Committee: Formulates strategies and policies regarding ESG management, determines progress, exchanges information and offers advice and reports to the president and CEO.

# Board of Directors

## Board of Director Composition

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

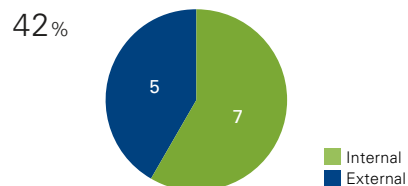
The board of directors is composed of directors with diverse expertise and knowledge that will not only strengthen the management supervisory functions, but also promote key strategies and growth measures by leveraging our business characteristics. The skills expected from each director are disclosed in the skills matrix on [P.79](#)

Internal directors have an understanding of our overall business operations, a sense of balance, a history of achievements, and decision-making skills. They also have various expertise in shopping mall development, operations, and management, overseas business expansion, improved governance, sound finances, and so on.

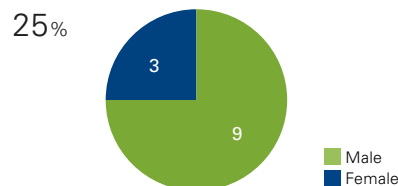
Outside directors consist of independent individuals with management experience and expertise in a variety of industries, contributing a diversity of viewpoints, a wealth of experience, a depth of knowledge, and expert opinions in the areas of international business strategy, governance, corporate branding, diversity management, and finance. As a developer, manager, and operator of shopping malls, AEON Mall seeks the values and conceptual ideas of women.

Accordingly, we pursue diversity in management, including appointing women as constituent members of our board of directors. Currently, five of the 16 board members are women. The Company employs a diverse workforce without regard to nationality, race, gender, age, educational background, religion, etc.

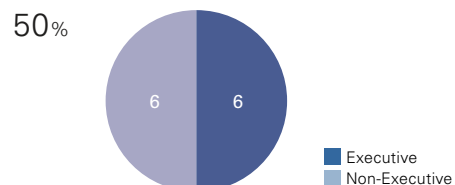
Ratio of Outside Directors



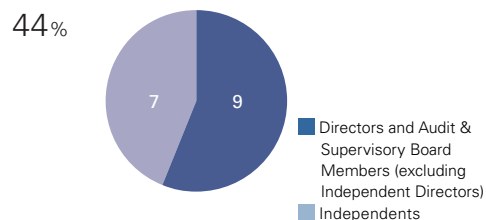
Ratio of Female Directors



Ratio of Non-Executive Directors



Ratio of Independent Directors



## Directors and Audit & Supervisory Board Members Election Criteria

The president and CEO suggests director candidates for nomination according to the criteria below. After consulting with the Nomination and Compensation Committee, the board of directors resolves to submit said candidate for approval by the annual general shareholders' meeting.

### Policy for Nominating Director Candidates

- Internal directors should have the ability, knowledge, experience, and track record in their specialized fields of expertise, as well as a sense of balance and decisiveness to understand and act on all aspects of the business.
- Outside directors must have abundant experience and a high level of insight in their respective fields of background. They must also have sufficient time to perform their duties as directors of the Company, and have the qualifications to supervise and make proposals from an independent standpoint to ensure the adequacy and appropriateness of decision-making by the board of directors.

The president and CEO suggests Audit & Supervisory Board member candidates for nomination according to the criteria below. After discussing candidates and receiving consent at the Audit & Supervisory Board, the board of directors resolves to submit said candidate for approval by the annual general shareholders' meeting.

### Policy for Nominating Audit & Supervisory Board Member Candidates

- Individual is aware of business issues from experience in general business management.
- Individual has no interests or business relationships that may affect their execution of duties as a member of the Audit & Supervisory Board.
- Individual has considerable knowledge in finance and accounting, or has skills, expertise, and experience in a specialized field.

The appointment and dismissal of the Company president and CEO shall be decided by resolution of the board of directors. The Company follows a highly transparent and fair procedure to determine whether the candidate appointed has the necessary qualifications, reputation, and experience to serve as president and CEO. Discussions are then held by the Nomination and Compensation Committee, which consists mainly of independent outside directors. This committee reports to the board of directors, and, after deliberations by the board of directors on the matter, the nomination is submitted for approval at the annual general shareholders' meeting.

The appointed president and CEO must have a wealth of experience, a high degree of insight, a high level of expertise, and a clear vision of driving transformation, as well as the managerial ability and leadership skills necessary to achieve the continued growth of our business.



# Board of Directors Operation and Evaluation of Effectiveness

## Board of Directors Operation

In addition to holding regular board of directors meetings at least once a month, decisions encompassing substantial risk threatening far-reaching impact on the Group are brought to the Management Council for discussion with approval from the President and CEO. These decisions are then approved by the President and CEO and/or by resolution of the board of directors.

In addition, we have established a Management Strategy Advisory Committee as an advisory body for the President and CEO. This committee identifies key policy and management issues and generally meets once a month to discuss and share views on strategies, initiative directions, specific plans, and progress. The committee also implements policies and addresses management challenges based on the input and advice of independent outside directors.

To strengthen our corporate governance, we have introduced an executive officer system that separates the supervisory function from management responsibilities. This allows for faster decision-making and greater efficiency in executing duties. We clarify management responsibilities by granting the necessary authority according to the predetermined Rules for Organization Management, Rules for Segregation of Duties, and Rules of Jurisdiction.

To ensure the efficient performance of duties by the subsidiaries' directors, the Company's board of directors approves a Group Medium-Term Management Plan that includes subsidiaries. This plan sets annual financial targets, budget allocations, and is reviewed quarterly to monitor the progress of business strategies and various measures. The board also receives reports on other important matters.

Major resolutions and reports of the board of directors in fiscal 2023 are as follows.

### FY2023 Board of Directors Major Resolutions and Reports

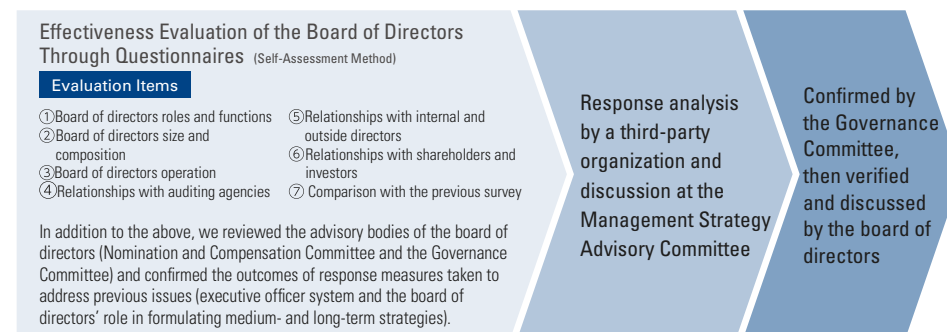
Type	Main Resolutions and Reports
<b>Nomination and Compensation</b>	<ul style="list-style-type: none"> <li>• Appointment of the president and CEO</li> <li>• Appointment of directors to execute business</li> <li>• Director compensation</li> <li>• Executive officer personnel changes</li> <li>• Reports on business execution of directors and executive officers</li> </ul>
<b>Strategy, Budget and Accounts</b>	<ul style="list-style-type: none"> <li>• Medium-term management plan</li> <li>• Company-wide policy position</li> <li>• Budget decision for the fiscal year</li> <li>• Approval of annual and quarterly financial statements</li> <li>• Dividends from surplus</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Yearly reports on related-party transactions</li> <li>• Reports on Governance Committee deliberations</li> <li>• Inspection of policy on cross-shareholdings</li> <li>• Revision of basic policies on organization for internal control systems</li> </ul>
<b>Finance, Personnel, and Organization</b>	<ul style="list-style-type: none"> <li>• Amendment to the Articles of Incorporation</li> <li>• Bonds issued</li> <li>• Revision of rules for directors, establishment of rules for executive officers</li> </ul>
<b>Risk Management and Auditing</b>	<ul style="list-style-type: none"> <li>• Risk Management Committee annual report</li> <li>• Compliance Committee annual report</li> <li>• Internal audit policies and plans</li> </ul>
<b>Business Promotion</b>	<ul style="list-style-type: none"> <li>• Proposals for business promotion of future development properties</li> <li>• Investment profitability plan for new properties and property with revitalization</li> <li>• Measures for unprofitable malls</li> <li>• Domestic mall opening plan, revitalization investment plans</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Report on ESG activities</li> </ul>

## Board of Directors Effectiveness Evaluation

The Company ensures that corporate governance functions effectively and is strengthened by examining the contribution of the board of directors, identifying issues, and making improvements. In doing so, the board of directors self-analyzes and evaluates board effectiveness.

The following is a summary of fiscal 2023 implementations.

### Analysis and Evaluation Process



Our board of directors was evaluated to function appropriately with active discussions by directors and Members of the Audit & Supervisory Board that possess diverse insights and experience. As a whole, the board was also evaluated as generally effective.

<b>Our Strengths</b>	The evaluation confirmed that our company tends to agree on many items and indicated that we are steadily resolving issues. In particular, the check-and-balance function of the Governance Committee, cooperation with auditing agencies, and enhanced cooperation and information sharing between internal directors and outside directors were rated as highly effective.
<b>Our Challenges</b>	<p>The following are considered issues that require continued improvement and enhancement.</p> <ul style="list-style-type: none"> <li>• Enhanced discussion of medium- and long-term strategies</li> <li>• Strengthen monitoring functions to achieve the medium-term management plan and company-wide policies</li> </ul>
<b>Response to Issues</b>	We will increase opportunities to discuss medium- and long-term management strategies, which has been an ongoing issue. To achieve the management plan and policies referenced, we will review the operation of monthly finances and quarterly business reports and strengthen monitoring from a management oversight perspective. The Company will consider measures at the board of directors and each committee to address other issues and further enhance the effectiveness of the board.



# Officer Compensation

## Director Remuneration Structure

Compensation for directors consists of base compensation, performance-based compensation, and stock options. The maximum compensation amount is submitted to the annual general shareholders' meeting and compensation is paid within the scope determined by their resolution. The Nomination and Compensation Committee (consisting mainly of independent directors) considers job responsibilities, company performance, and other factors, and deliberates the appropriateness of each director's performance and payments levels. The board of directors then determines the amount to be paid. Compensation for members of the Audit & Supervisory Board is determined according to negotiation with said members, subject to the scope determined by resolution at the annual general shareholders' meeting.

Director compensation is determined according to fair performance standards. Compensation reflects the expected roles of directors, achievement of management objectives, and efforts to increase corporate value over the medium term.

### i Basic Compensation

Base compensation is paid monthly and determined based on individual evaluations within the standard amount set for each position.

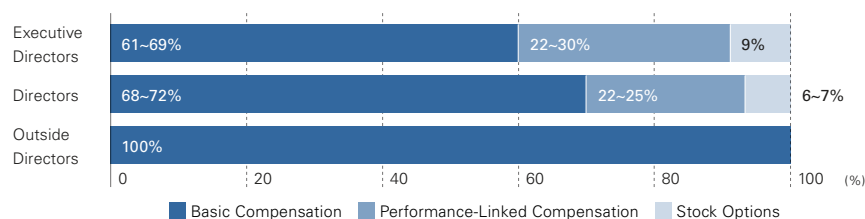
### ii Performance-Linked Compensation

Performance-linked compensation is based on company earnings and an individual performance evaluation. Company earnings-based compensation is determined using a coefficient tied to the percentage of achievement of the company's performance budget. Individual performance evaluations are based on how well each meets the goals outlined in the medium-term management plan. The weight of performance-linked compensation in total cash compensation (base compensation + performance-linked compensation) is set at around 30%, and the weight is increased in proportion to director responsibility. Individual performance evaluations are conducted by the president based on each director's business report. Following deliberations by the Nomination and Compensation Committee, the board of directors makes the final decision based on the committee's report. Each director's final evaluation report and performance-linked compensation payout percentage are determined through feedback provided by the president to independent directors.

### iii Stock Options

By allocating stock acquisition rights as performance-reflected stock option compensation, we aim to motivate and raise morale for continued performance improvement and increased corporate value. To do so, we link compensation to share price and business performance, and share the benefits and risks of share price fluctuations with shareholders. The percentage of stock options in total compensation is set at around 10%, with a higher weighting in proportion to director responsibility. Allocation amounts are determined based on the standard amount for each position, taking into account the company's performance budget achievement rate and the individual achievement level of goals set in the medium-term management plan.

## Director Compensation Composition



## Authority to Determine Individual Remuneration Amount

The board of directors determines the amount of compensation for each individual director. The particulars of this authority and scope of discretion relate to individual compensation amounts (basic compensation and performance-linked compensation) for each director.

At a meeting held in November 2018, the board of directors resolved to establish the Nomination and Compensation Committee, which began operating in January 2019. The committee aims to discuss and report to the board of directors with its five independent outside directors.

The board of directors decides performance-linked compensation based on a proposal from the president and CEO within a set range. This compensation is also based on company performance and the evaluation of each director's achievement of individual goals, following a recommendation from the committee.

## Audit & Supervisory Committee Member Remuneration Structure

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

### i Basic Compensation

Base compensation is paid monthly and determined based on individual evaluations within the standard amount set for each position.

### ii Performance-Linked Compensation

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

### iii Stock Options

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

## Total Amount of Officer Compensation for Fiscal 2023

Classification	Total Compensation (Thousands of Yen)	Total Compensation by Type			No. of Target Directors (Persons)
		Basic Compensation (Thousands of Yen)	Performance-Linked Compensation (Thousands of Yen)	Stock Options (Thousands of Yen)	
<b>Directors (Including Outside Directors)</b>	176,426 (36,000)	130,170 (36,000)	35,500 [—]	10,756 [—]	13 (5)
<b>Audit &amp; Supervisory Board Members (Including Outside Members)</b>	24,000 (24,000)	24,000 (24,000)	— [—]	— [—]	5 (5)
<b>Total (Outside Directors)</b>	200,426 (60,000)	154,170 (60,000)	35,500 [—]	10,756 [—]	18 (10)



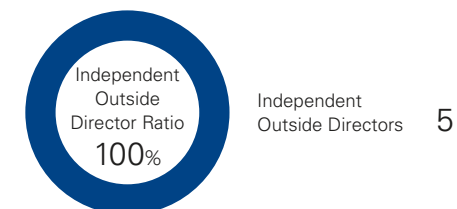
# Operational Status of Each Committee

## Board of Directors, Audit & Supervisory Board, Governance Committee, Nomination and Compensation Advisory Committee, and Management Strategy Advisory Committee

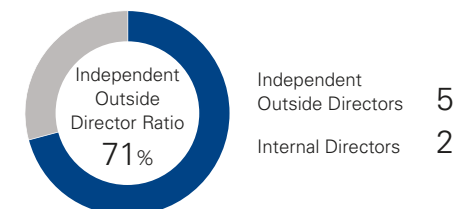
	Board of Directors	Audit & Supervisory Board	Nomination and Compensation Advisory Committee	Management Strategy Advisory Committee	Governance Committee
<b>Duties</b>			Advises and reports on the nomination policies for director and Audit & Supervisory Board member candidates, training plans, director compensation, etc., in response to advisory comments from the board of directors	Promotes initiatives and solutions for important policies and management strategy issues based on the opinions and advice of independent outside directors; offers advice and reports in response to advisory comments from the President and CEO	Aims to contribute to the lawful and efficient operation of the board of directors and the sustainable growth of the Company; independent outside directors providing advice and reports upon request by the board of directors regarding the rationality of transactions and reasonableness of transaction terms with respect to conflicts of interest, etc., to ensure the perspectives of minority shareholders are considered appropriately
<b>Meetings (FY2023)</b>			5	12	8
<b>Member Composition (as of May 23, 2024)</b>			Directors: 7 (5 independent outside directors, 2 internal directors)	Directors: 11 (5 independent outside directors, 6 internal directors) Audit & Supervisory Board Members: 4	Directors: 5 (all independent outside directors)
Keiji Ohno	◎ (Chairperson)		●	◎ (Committee Chair)	
Mitsuhiro Fujiki	●		●	●	
Hideki Hayami	●			●	
Shinichiro Minami	●			●	
Daisuke Isobe	●			●	
Masayuki Tsuboya	●			●	
Motoya Okada	●				
Kunihiro Koshizuka Outside Independent	●		◎ (Committee Chair)	●	●
Chisa Enomoto Outside Independent	●		●	●	◎ (Committee Chair)
Hironobu Kurosaki Outside Independent	●		●	●	●
Junko Owada Outside Independent	●		●	●	●
Junko Taki Outside Independent	●		●	●	●
Kazuhiro Aoyama Audit & Supervisory Board Member	■	◎ (Chairperson)	—	●	—
Emi Torii Audit & Supervisory Board Member Independent	■	●	—	●	—
Rumiko Tanabe Audit & Supervisory Board Member Independent	■	●	—	●	—
Masato Nishimatsu Audit & Supervisory Board Member	■	●	—	●	—

◎ = chairperson or committee chair, ● = committee members, and ■ = attendees

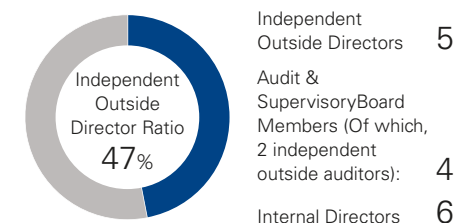
### Governance Committee Composition



### Nomination and Compensation Advisory Committee Composition



### Management Strategy Advisory Committee Composition



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

# Protection of Minority Shareholders

## Parent Company Involvement in Decision Making

AEON MALL makes independent management decisions related to daily business operations. We confer with or report to AEON Co., Ltd. concerning key management issues. AEON MALL maintains a close and cooperative relationship with AEON Co. and other group companies, embracing a mutual respect for self-reliance and independence as we collectively strive for sustainable growth, development, and improved earnings.

When conducting transactions with AEON Co., Ltd. and the AEON Group, such transactions comply with the provisions of our Rules for Managing Related-Party Transactions and are conducted under reasonable terms and conditions based on market prices. Once a year, we report the rate of increase/decrease in annual transaction amounts with each affiliated business partner to the board of directors, and scrutinize the rationality and appropriateness of transactions. The Governance Committee, which is an advisory body to the board of directors and is composed solely of independent outside directors, examines the fairness and reasonableness of such transactions deemed important. This examination reflects the perspective of improving the corporate value of the Company. Once the examination is completed, the matter is submitted to the board of directors for approval. Individuals with special interests in the transaction are excluded from the discussions to ensure the fairness of the procedures.

AEON MALL manages and operates shopping malls in various regions with AEON Co., Ltd., AEON Retail Co., Ltd. (general merchandiser and subsidiary of AEON Co., Ltd.), and other group companies. While AEON MALL signs building lease agreements with AEON Retail Co., Ltd. and other Group companies, we enter into agreements with transaction terms similar to general agreements of the type in question. Therefore, we recognize that we have secured a certain degree of independence from AEON Co., Ltd. and group companies.

## Overview of the Special Committee to Ensure Independence From the Parent Company

We established a Governance Committee consisting solely of independent outside directors to serve as an advisory body to the board of directors to ensure minority shareholders' opinions are reflected in the board.

The Governance Committee aims to contribute to the legal and efficient operation of the board of directors, as well as to the sustainable growth of the company. The committee advises and reports to the chair of the board of directors on matters related to organizational restructuring, such as mergers and corporate divestitures, as well as on transactions with the parent company and group companies. In doing so, they ensure the fairness and rationality of such transactions.

The Governance Committee met a total of eight times in fiscal 2023 to confirm the rationality and reasonableness of transaction conditions with the parent and group companies. The committee reported discussion results back to the board of directors.

## Utilization and Role of the Nominating Committee in Ensuring the Independence of Independent Directors From the Parent Company

The Nomination and Compensation Advisory Committee serves as an advisory body to the board of directors. The committee advises and reports the board of directors on matters

regarding the nomination and appointment of candidates for directors, as well as their compensation. The committee also discusses development policies and plans regarding candidates for the next board of directors, ensuring transparency and objectivity.

The committee is chaired by an independent outside director and consists of seven members, including the president and CEO, the director in charge of the Administration Division, and five independent outside directors. The committee appoints outside directors according to independence from the parent company and the criteria for determining independence as set forth by the Company.

## Approach and Policies on Parent Company Voting Rights in the Appointment and Dismissal of Independent Directors

Each listed subsidiary takes a practice approach in exercising voting rights in the appointment and dismissal of independent directors, as well as in nominating independent directors. The parent company respects this independence.

## AEON MALL in the Parent Company Business Portfolio Strategy; Current Differentiation of Business Areas Within the Parent Company Group and Future Outlook

Since establishment, the AEON Group has acted under the belief that emphasizing the autonomy and originality of the management of group companies and practicing group management under a decentralized system will enhance corporate value of the entire group. Our policy is to list group companies that demonstrate potential for sustainable growth through autonomous management, tailored to their business and regional characteristics, as well as those that improve management quality through discipline from the capital market.

AEON Co., Ltd. is the parent company of AEON MALL holding 58.23% of the voting rights (as of February 29, 2024) and is expected to maintain its majority stake in direct and indirect holdings for the time being. AEON MALL belongs to a corporate group consisting of AEON Co., Ltd. (pure holding company) and AEON Co., Ltd. consolidated subsidiaries and equity-method affiliates. AEON Co., Ltd. is responsible for planning group strategies, allocating group management resources in an optimal manner, instilling and controlling management philosophies and basic principles, and providing common services to maximize group synergies. Group companies, including AEON MALL, strive to raise their respective levels of expertise and engage in community-based business to improve customer satisfaction further.

AEON MALL develops and operates shopping malls that coexist with local communities in Japan, China, and ASEAN as the central entity in the AEON Group responsible for development operations. In this way, the Company cooperates with each group business to provide services and enhance facilities. The Company also functions as a platform for Group services and specialty retail companies, in addition to managing the commercial real estate business.

We have fully integrated marketing, development, leasing, and other developer functions of the AEON Group development operations, managing the development, management, and operation of large-scale shopping malls within the Group in a unified manner. As a result, there is no current or anticipated competition between the group companies and the Company.



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data



# Cross-Shareholdings

## Policy on Cross-Shareholdings

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

## Verification of Reasonableness by the Board of Directors

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

## Standards for Exercising Voting Rights

When exercising voting rights of cross-held shares, we verify whether each proposal contributes to the medium- and long-term improvement in AEON MALL corporate value and whether said proposal holds the potential to damage our corporate value. As necessary, we hold discussions with the issuing company as part of our overall decision-making process.

## Cross-Shareholdings Status (As of February 29, 2024)

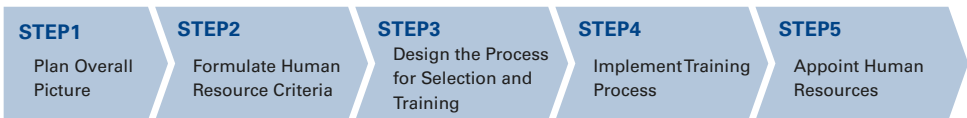
Number of issuing companies	13 (including shareholdings in 10 publicly listed companies)
Total amount recorded on balance sheet	1,421 million yen

# Succession Planning

## Overall Succession Plan Process

Independent outside directors lead deliberations of the Nomination and Compensation Advisory Committee regarding the nominations for the next representative director and new directors. The committee reports deliberations to the board of directors, which then passes a resolution at the General Meeting of Shareholders.

The Nomination and Compensation Advisory Committee also explores training plans to provide management (including manager candidates) with the necessary standards, career development, and training content, ensuring transparent and fair planning. (For more information, see our Human Resources Strategy on [P.54](#))



## Policies Regarding Training for Director and the Support System for Outside Directors

We provide senior manager training and other opportunities for directors and members of the Audit & Supervisory Board to cultivate stronger leadership skills and strategic business thinking, as well as to gain a stronger understanding of compliance and governance. These trainings include seminars for newly appointed officers and top Company management.

The Company also provides tours of domestic facilities, as well as overseas tours of business operations and online opportunities for information exchange to outside directors and outside members of the Audit & Supervisory Board. The purpose of these overseas tours in particular is to deepen an understanding of our overseas strategy, which is a foundational part of our corporate policy.

The support system for outside directors and outside members of the Audit and Supervisory Board is assisted by the General Affairs Department. We also assign one full-time member to assist the Audit & Supervisory Board members, including outside members. To ensure effective discussions within the limited time of board of director meetings, directors are provided agenda materials and explanations prior to meetings, as well as other appropriate information when deemed necessary.



Mall visits

# Risk Management

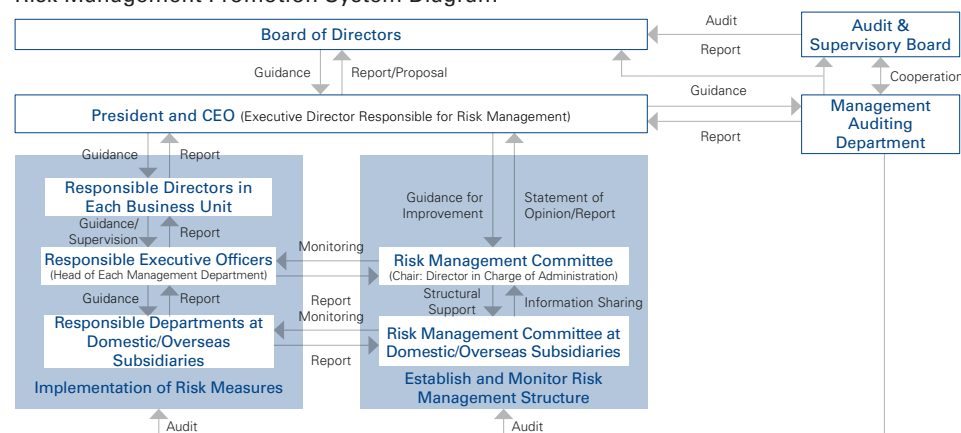
## Risk Management Promotion System

As a structure to manage the risk of loss, the Company designates the president and CEO as the executive director of risk management and business division heads as directors in charge of risk management. Heads of supervisory departments under each business division are designated as the executive officers in charge of risk management. By separating risk management execution and supervision, we strengthen the system and environment to ensure business continuity and the safety of human lives. The Group established Risk Management Rules to prevent crises or minimize damages in the event of a crisis, striving to reduce risk and mitigate any damages.

Specifically, we selected risk categories that have a high impact on the Group and established departmental teams to address risk management by category. While these teams perform the PDCA cycle of risk countermeasures, executive officers in charge of risk management are responsible for cycle implementation. Directors in charge then monitor the status and effects of the cycle. Through this structure, we strive to prevent damage to our brand value and improve overall corporate value by managing the risk of loss for the Group as a whole.

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

### Risk Management Promotion System Diagram



### Members of the Risk Management Committee

- Chair: Director in Charge of Administration
- Members
  - A) Heads of responsible departments for risk response as defined in the Risk Management Rules
  - B) Heads of the Risk Management Secretariat of subsidiary companies with a Risk Management Committee
  - C) Persons nominated by the chair
- Secretariat: Legal Department

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

## Establishment of the Risk Management Committee and Overview of Activities

The Company has established the Risk Management Committee, chaired by the director in charge of administration. The purpose of this committee is to maintain and improve risk management systems, including determining the status of risk management operations across the Group and reviewing risk management systems on a continual basis. The Risk Management Committee analyzes risk status, conducts ongoing activities to avoid risks, provides opinions to the president and CEO, and deliberates issues related to risk management promotion systems and measures. The Risk Management Committee discusses risk measures to address major incidents, etc., leading to highly effective risk measures.

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

The Risk Management Committee meets approximately five times each year, with the committee reporting to the board of directors at the beginning of each fiscal year (March) regarding details of initiatives in the previous fiscal year and policy regarding initiatives in the current fiscal year. Of our domestic and overseas subsidiaries, OPA Co., Ltd. has and local entities outside Japan, have established Risk Management Committees by country. The details of committee deliberations are shared with the Company's Risk Management Committee.

## Risk Management Process

To carry out efficient and effective management of various risks, the Risk Management Committee identifies risk items that affect the Group in particular. The committee then makes recommendations to the president and CEO regarding systems for managing said risks. Subsequently, we select departments to be in charge of handling each risk item. These departments are responsible for working with responsible executive officers to plan, execute, and review risk measures. The Risk Management Committee, responsible directors, and the Management Auditing Department monitor the implementation status of the executive body and assess risk measure effectiveness.

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

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

Compliance risks are reported at the Compliance Committee, and other risks are reported at the Risk Management Committee, with details and progress of risk measures discussed as necessary. All risk measures for each risk item are eventually aggregated and managed by the Risk Management Committee. The implementation of risk measures is decided and carried out after internal approval by the respective supervising department for risk response.

## Risk Management

### Identifying Risks

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

- **Uncover risks**

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

- **Use a risk map to assess and identify risks**

Based on the results of risk surveys, we create a risk map based on the frequency and magnitude of damage or impact of each risk.

We evaluate risks and identify those risks that require countermeasures.

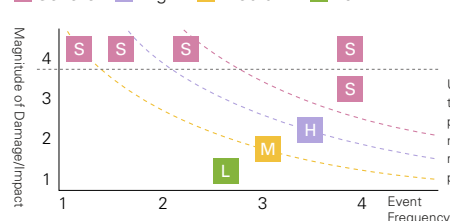
- **Establish priorities and use a priority risk measure matrix**

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

We conventionally identify specific risks mentioned above through risk surveys and implement countermeasures against such risks. We conducted another risk survey in fiscal 2021, identifying and revising 91 risk items, and are currently implementing countermeasures.

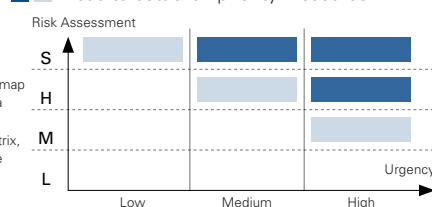
#### Using a Risk Map to Assess Risks

S Severe H High M Medium L Low



#### Priority Risk Measure Matrix

■ Areas to establish priority measures



#### Risk Assessment

**Assess risks** and categorize across **four levels (Severe, High, Medium, Low)** based on risk map location  
Risks categorized at higher levels that have greater frequency and magnitude of damage/impact

#### Other

Other matters identified in interviews

#### Measure Urgency

(Assessed by the Company based on interviews and other methods)

- Risks for which suggestions to revise assessment upward have been indicated in interviews
- Risks for which measures may have room for improvement

**Low:** Requires verification of measure effectiveness

**Medium:** Requires steady measure implementation and verification of effectiveness

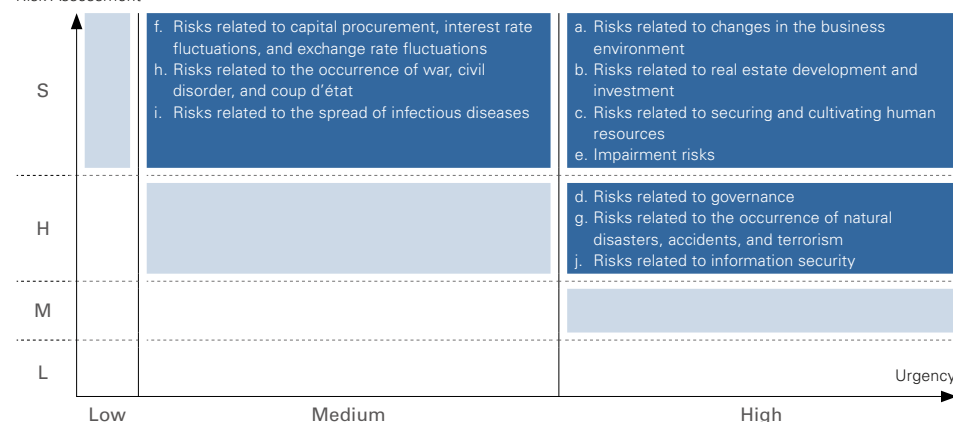
**High:** Requires rapid response

We plan to periodically conduct risk surveys based on business changes that occur every few years, with the aim of reflecting the results in our medium- to long-term management plans. We annually review risk items and assessments, even in fiscal years when risk surveys are not conducted, to respond to the ever-changing business environment. In addition, we update the risks that need to be prioritized according to changes in this environment, such as certain incidents, as needed.

### Business and Other Risks

Based on the latest business environment in Japan and overseas, we have examined risks that may impact the Group's business activities and that require company-wide management. Of the risk items identified through risk map assessments and priority risk measure matrix, certain risk items require risk assessment and measures in particular. We categorize those risks as follows after review by the Risk Management Committee.

#### Risk Assessment



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



# Compliance

## Compliance Promotion System

We emphasize compliance management to contribute to the sustainable development of local communities and fulfill our social responsibility as a corporation. To prevent harassment, we will establish Anti-Harassment Regulations, providing education and awareness building for employees. To prevent bribery, we are improving our internal structures within the Group and conducting education based on the Basic Rules for the Prevention of Bribery.

AEON MALL established the Compliance Committee, which is chaired by the Director in charge of administration. The role of this committee is to raise individual awareness and establish an education system to ensure compliance with laws, regulations, and internal rules. The committee is responsible for identifying compliance-related problems and advancing discussions to resolve said problems, reporting the outcomes to the Management Council. Compliance matters deemed highly important by the Compliance Committee are escalated to the board of directors and included in annual reporting.

## Internal Reporting Desk

The Company has established a helpline (AEON MALL Hotline) for internal reporting. The Company's labor union has likewise established its own Kumiai 110 helpline. Subsidiaries have also established helplines that mirror the AEON MALL system. The Group's shared AEON Compliance Hotline is also available for use. We ensure privacy protection for users of this help line and ensure that users are not penalized, as provided in the Company's internal rules and regulations. Additionally, we investigate any problems reported through this helpline. If wrongdoing is confirmed, we take necessary actions in line with our internal rules. The issue in question is reported to the Compliance Committee, and the Company implements Group-wide measures to prevent recurrence in the future.

## Initiatives to Prevent Corruption

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

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

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

Group executives and employees affirm their strong commitment and dedication to high ideals, approaching anticorruption in a serious and sincere manner. Toward the accomplishment of these principles, executives and employees of the Group comply with and follow the Basic Rules for the Prevention of Bribery.

## Compliance Training

The Company provides online and e-learning training to the heads of each department and all employees.

In fiscal 2023, the Company provided training from the perspectives of human rights, harassment prevention, and legal compliance, in addition to content designed to instill compliance with corporate ethics.

Period	Training Content	Eligible Trainees
First Half 2023	Training on the internal reporting system	Department heads (244)
Second Half 2023	Workplace psychological safety training	All employees
Second Half 2023	Anti-bribery training	Department heads (244)



Refer to the AEON MALL Co., Ltd. Basic Anti-Bribery Policy for more information.  
<https://www.aeonmall.com/en/ir/anti-bribery.html>





# Internal Control System



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

[https://www.aeonmall.com/en/ir/pdf/c\\_governance\\_report.pdf](https://www.aeonmall.com/en/ir/pdf/c_governance_report.pdf)

AEON MALL determines whether our internal control systems function based on a checklist to ensure appropriate operations. The following is a summary of the principal operational status for the period under review.

- The Company adopted an executive officer system in May 2023 to separate the supervisory function from the business execution function, strengthening the supervisory and monitoring function of the Board of Directors with respect to business execution. For responses to transactions that may cause a conflict of interest between the Company and its parent or group companies, we deliberate on the rationality of transactions and the appropriateness of the terms and conditions of the transactions in accordance with Rules for Managing Related-Party Transactions. In particular, the Governance Committee, consisting solely of independent outside directors, deliberates on the fairness and reasonableness of relevant transactions and reports to the Board of Directors for important proposals to be submitted to the board. In addition, we submit an annual report on the rate of increase or decrease in annual transaction amounts with each affiliated business partner, and scrutinize the rationality and appropriateness of said transactions.
- We establish regulations and strengthen the audit system in overseas subsidiaries in China and the ASEAN region to strengthen internal controls. At the same time, we control and manage information through appropriate measures, such as obtaining approval from the Management Council for important decisions. We established the Basic Rules for Prevention of Bribery to prevent bribery in Japan and overseas countries, and we continue to improve internal systems and provide education based on these rules.
- Drawing on the results of the risk survey we conducted in fiscal 2021 and our responses to major incidents, new business domains, and environments, we are building a more effective risk management system by classifying risks according to impact. We also hold intensive discussions in our Risk Management Committee regarding initiatives implemented by the departments responsible. The Company reviews the division of risk levels on a regular basis and, as necessary, each fiscal year to respond quickly to changes in the business environment. In addition to conducting risk surveys, we review the system that explores management strategy risks, examine and address new risks associated with the launch of new businesses, and provide education to improve risk management capabilities and risk sensitivity in each department and for employees. In doing so, we will further enhance the effectiveness of our risk management system. AEON MALL subsidiary OPA Co., Ltd. and subsidiaries in China, Vietnam, Cambodia, and Indonesia implement independent risk management systems in line with that of AEON MALL and establish their own Risk Management Committees to discuss risk response measures. We strive to improve the effectiveness of group-wide risk management systems by conducting updates in response to the latest risks based on the most recent risk surveys conducted by each company. Domestic subsidiaries and overseas corporations also participate in the Compliance Committee to establish a system to promote compliance globally. At the same time, they conduct employee, executive, and general training programs, respectively, to ensure that all employees are aware of compliance.

## Basic Policy on Information Security

In accordance with the AEON Group Basic Policy on Information Security, we formulated the Information Security Management Rules. These rules establish and operate a system and framework to maintain and improve the security level of information and information systems handled by the Group. The Information Security Committee, chaired by the director in charge of the Administration Division, formulates, monitors, and reviews annual information security plans. The committee also conducts risk management related to information security through discussions and information sharing on information security within the Group. The Company conducts an annual internal audit on information security through the Management Auditing Department, which is objectively evaluated and linked to the improvement cycle, in addition to itself-inspection within the Information Security Management Department.

## Policy for Protection of Personal Information

At AEON MALL, our basic philosophy is the customer comes first. As such, we are fully aware of our social mission regarding the protection of all personal information handled by the Company. We comply with laws and regulations regarding the protection of individual rights and personal information. We hereby declare that we will establish a system to manage the protection of personal information and enact the policies located on our website below. We will take Company-wide measures to continuously improve this system as we monitor changes in social demands and in the business environment.



Policy for Protection of Personal Information

[https://www.aeonmall.com/en/personal\\_info.html](https://www.aeonmall.com/en/personal_info.html)

## Information Security and Protection of Personal Information

Information security and the protection of personal information are closely related. As such, we regularly educate our directors, employees, contractors assigned to information desks, equipment, and security on matters to be observed when entrusting information, points to keep in mind when sending important information or when taking Company PCs out of the office, as well as on the communication flow during emergencies.

