

INTEGRATED REPORT 2024

Be Co-Creator for Sustainable Region as Life Design Producer.



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IR Communication Overview and Editorial Policy



AEON MALL Integrated Report 2024 Editorial Policy

The AEON MALL Group began integrating the financial and non-financial aspects of operations with the publication of our Integrated Report fiscal 2018, striving to communicate to our stakeholders a picture of our commitment to value creation.

The main focus of the AEON MALL Integrated Report 2024 consists of the following.

- Progress of the current medium-term management plan and the shape it will take in the future (▶ P.22)
- Materiality and Action KPIs revised in fiscal 2024, and the link to economic value (▶ P.18)
- Path to improving profitability and strengthening our financial base for sustainable growth (▶ P.36)
- Analyze and disclose the medium- and long-term impacts of biodiversity on our financials based on the TNFD framework (▶ P.70)
- Disclosures based on the Sustainability Disclosure Standards established by the ISSB, which will be applied domestically and internationally (▶ P.40–75)

Through these disclosures and practices, the AEON MALL Group aims to achieve sustainable growth and maximize corporate value by integrating value creation in economic, social, and environmental aspects.

Keiji Ohno
President and CEO

Reference Guidelines

International Integrated Reporting Framework,
IFRS Foundation
Value Creation Guidance 2.0, Ministry of Economy,
Trade and Industry
TCFD Framework
TNFD Framework
ISSB Sustainability Disclosure Standards

Reporting Period: March 1, 2023 to February 29, 2024

Information outside the reporting period will be noted separately.

Organizations:

The report principally focuses on AEON MALL Co., Ltd. and our Group companies and their managed facilities.

Environmental indicators exclude 49 malls under contract management from AEON Retail Co., Ltd., mozo wondercity, Kobe Harborland umie, AEON SENRITO Senmonkan, and the commercial facilities of OPA Co., Ltd.

The statements in this report are based on the Company's current views and forecasts. Actual results may differ from forecasts.

Changes in economic conditions, market environment changes, exchange rate fluctuations, and other risk factors, etc., are other elements that may cause uncertainties in projecting future outcomes.

Any statements regarding earnings projections are intended only to help investors make investment decisions; AEON MALL does not assume any responsibility for the results of investments.



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Corporate Philosophy and Vision

Basic Philosophy

Customer First

Management Philosophy

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

Life Design involves producing ways for people to live in the future — work that drives AEON MALL to create and nurture opportunities for people to meet and engage in cultural activities. Beyond the development of commercial facilities, this work requires our company to expand ways for us to serve people throughout various stages of their lives.

Management Vision

Becoming a company that will touch the hearts of 5 billion visitors throughout Asia

- Ultimately, our challenge is to be consistent in localization to enhance the attractive aspects of various regions by working in tandem with partners.
- As Life Design Producers, we will go beyond working in a conventional commercial context and keep our company growing by opening up business opportunities to produce future ways of living.
- We will solidify and strengthen our financial and business foundations by taking full advantage of our company's assets, including our worldwide malls and capabilities to continue our growth.
- We are a company of professionals that continue to innovate.
- We see and consider life from customers' perspectives so that we can share the best, most memorable moments of life with those customers.



2030 Vision

Be Co-Creator for Sustainable Region as
Life Design Producer.

AEON MALL, Co-Creating With Our Communities.

Brand Statement



We call our initiatives to contribute to and revitalize communities and society Heartful Sustainable. We pursue these initiatives to offer sustainable societal development as a good corporate citizen under our management philosophy as a Life Design Developer.

We strive to create a better society, not only on our own, but also in partnership with our customers, communities, companies, shareholders, and investors.



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2030 Vision | AEON MALL, Co-Creating With Our Communities.

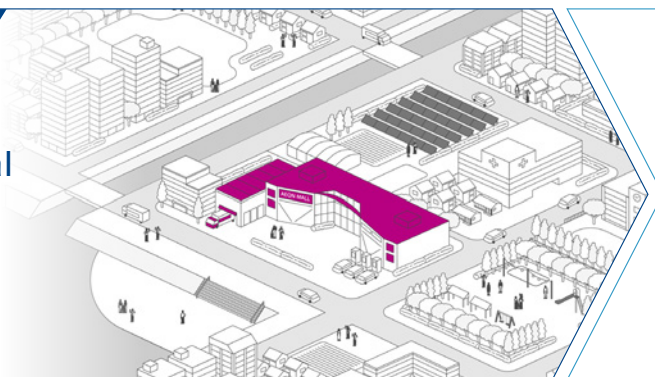
Connecting all like-minded stakeholders and co-creating activities that lead to the future of sustainable communities

Previously

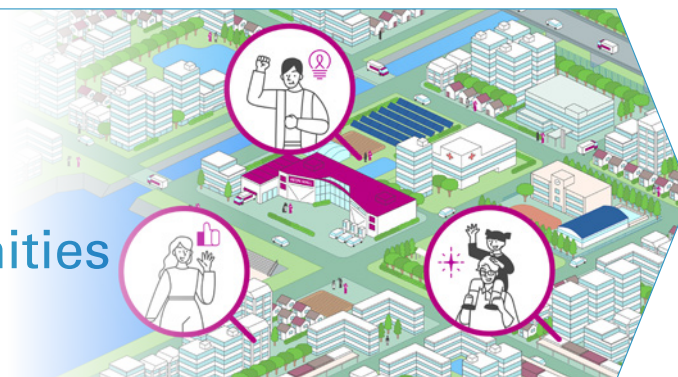
Going Forward

Field of Activity

Commercial
Facilities



Beyond Commercial
Facilities to
Local Communities



Performing Entity

Take the Lead in
Solving
Community Issues



Co-Create With
Like-Minded
Partners



Vision Video
https://www.aeonmall.com/en/ir/movie_01.html



Local Co-Creation Initiatives (Japanese Only)
<https://www.aeonmall.com/sustainability/articles/>



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Top Message



Keiji Ohno
President and CEO

We are maximizing the advantages of our locations in Japan and overseas to enhance corporate value and achieve community co-creation.

Introduction

My name is Keiji Ohno, AEON MALL president and CEO as of May 23, 2024. My strongest desire is to leverage my many years of experience in the AEON Group retail business to work with like-minded stakeholders and build the future of community living.

As the social environment changes, the role of shopping malls is changing dramatically. I recognize that my role as president is to redefine the value that shopping malls offer as a gathering place, creating facilities that are a loved and needed part of the local community. We will endeavor to achieve the AEON MALL corporate value from the customer-first perspective, seeking to community co-creation.

My Values as a Business Leader

First, allow me to explain the values I consider very important personally.

The first is to be *front-lines oriented*. Our employees are the ones who have the most contact with customers and business partners (specialty stores), and our employees are in the best position to understand the needs of our customers. One of the main tenets of our business is that we, as the management team, must go to the malls and talk directly with our employees, working together to improve issues at each mall. My goal is to visit every mall in Japan and overseas as soon as possible.

The second value is to be *retail-oriented*. From the perspective of selling goods, the developer of the shopping facility and the retailer in the shopping facility, where I have experience, are the same at the core. The mission of the specialty store is to increase sales and customer traffic day-to-day. Similarly, our important mission as a developer is to attract as many customers as possible to our facilities. We can say the same for the safety and security that represent the foundation of our respective businesses.

The third value is *embracing diversity*. As a shopping mall operator with a diverse customer base, we must establish a corporate culture that embraces diversity. My previous assignment in Malaysia was a mix of languages, religions, and ethnicities. I experienced the need to empathize with others, respect their culture and customs, and create something new through a combination of diverse ideas and perspectives. Even in Japan, values are diversifying in many aspects, including lifestyles, habits, hobbies, and tastes. I want to communicate and instill the importance of embracing diversity.



Top Message

The Issues We Face

Since becoming president, I have been traveling to malls in Japan and overseas, speaking with employees on the ground. Here, I will explain some of my findings and our current issues.

Our business model of developing and operating shopping malls has been growing for a long time. But as we have operated more malls over the past 10 to 20 years, we started to see a gap between what local customers expect today and the value we provide. We felt that we were not meeting the needs of our customers. In this sense, we recognize that our business model itself is approaching a crossroads.

In the past, our visitors consisted mainly of families—typically a couple in their thirties with two children. Increasingly, we are seeing a wider range of age groups and diverse values, including Gen Z and younger customers, as well as seniors. To offer spaces where people from various backgrounds gather and spend time conveniently, we must evolve our facilities to provide services that suit diverse needs. As we see it, the most important issue is to analyze our trade areas and make changes in light of local customer attributes.

The market for shopping malls in Japan is approaching saturation. Securing sites in areas that have no malls is becoming increasingly difficult. Another challenge is the increasing difficulty of securing a return on investment amid soaring construction costs. As I travel to our facilities overseas, the most eye-opening experience has been the speed of change. In China, for example, the consumption environment is changing drastically, with cashless and online purchases expanding even more since the COVID-19 pandemic. I felt strongly that needs are changing from malls as a place to shop to malls as a place to spend quality time enjoying varied experiences.

Above all, we intend to strengthen our efforts from the perspective of how to increase the value of real-life experiences. We will be more aware of and respond to the online market as a competitor, in addition to moving quickly to integrate malls and online platforms.

In this era and environment of great change, we must rethink our business from a completely new perspective, deciding what form new malls will take and how we will recreate our existing malls.

AEON MALL Strengths

The Advantage of Having a Facility in the Community

We operate roughly 160 shopping malls in Japan (including OPA), and more than 200 malls when including China and ASEAN. We believe that our greatest strength is having tangible and intangible assets, meaning that we have extensive connections not only with our customers, but also with the employees and specialty retailers who work in our malls. How we utilize and refine these assets is critical and will serve as a starting point for new value creation in the future.

For example, we, along with other Japanese specialty retailers, are expanding overseas. However, the AEON MALL network is not limited to the domestic market. Our facilities in various countries serve as hubs to strengthen our Japan and international networks, as Chinese specialty stores open stores in Japan and ASEAN specialty stores open stores in China, for example.

The same is true for human resources. By increasing information flow between our facilities in Japan, China, and ASEAN, and by encourage personnel exchanges, we can create new businesses from diverse perspectives while strengthening our organizational structure. These efforts will only be possible through the leverage of our enormous network of malls.

In recent years, consumption by tourists visiting from abroad has become a major business opportunity in Japan. Many Chinese and ASEAN tourists are familiar with AEON MALL. Rather than creating mechanisms to encourage visitors to come to our malls in Japan to purchase necessities and gifts, we believe it will be much more effective to offer those experiences through AEON MALL facilities in their home countries before they travel to Japan. By cooperating at a deeper level with our overseas malls, we will ensure that we capture this inbound demand. We think the inbound market still offers great potential for growth as Japan's outlying regions—where we have numerous malls—become a tourist destination for inbound travelers. This demand is an area where we can demonstrate our advantage, leveraging locations in Japan and overseas.



Mall network



Top Message

AEON MALL Strengths

Strengths at the Center of Group Synergies

We play a role within the AEON Group, which is primarily a retailer, to provide business opportunities through the development of commercial facilities. We represent the core of the AEON Group, so to speak. In this context, maximizing group synergy is a major advantage. The GMS* business stands on top of the mall platform, while AEON Group companies provide various functions such as finance, credit, and facility maintenance. Significant potential opportunities exist to leverage the AEON Group resources for further profitable growth.

At the same time, we have yet to truly maximize group synergies. For example, we have seen cases in which the GMS and specialty stores have been revitalized at different times. I think we will maximize synergies if we approach revitalization at one time as a single facility. Further collaboration with the financial sector would allow us to go cashless and progress faster toward a group lifestyle zone. There is still much that can be done.

*Abbreviation for general merchandise store.

Mission

Having announced our vision for 2030, we set interim targets and are operating under a medium-term management plan that ends in fiscal 2025. Our organizational principles call for us to pursue a regional shift in Japan and overseas and create a platform for health and wellness. My mission as president is to identify our issues and strengths, forming specific measures for medium- to long-term strategy and growth, while achieving the numerical targets of the medium-term management plan through steady efforts.

*See FY2023-FY2025 Three-Year Medium-Term Management Plan (P23) for specific measures.

We are in the facilities industry, where business takes place over a long span of time. We must think in the long term and from a concrete, future-oriented perspective about the kind of value we intend to create. For AEON MALL to continue in the far future as a place supported by customers who gather together, we must take time now to think about and prepare what we will leave for the future of our communities. When renovating a mall that has already been in operation for several years, we must incorporate the changes in the environment and the needs of the community. Of course, taking into account the changing lifestyles of customers is essential when opening new malls, and we must look ahead 10

to 20 years into the future from the perspective of creating malls that will be supported by local communities for many years to come.

As a Life Design Developer, we take pride in the fact that we are part of the lives of customers in the community and that we continue to help solve local issues. Today, we operate numerous locations in Japan and overseas. Every customer and region has its own unique challenges. Led by our employees who know our customers and local communities best, we will not only generate profits for ourselves, but also work to solve social issues in the communities where our customers live.

As an example, more and more rural areas are experiencing population decline. Together with this decline, there is an increasing demand for compact and convenient town development. AEON MALL faces the need to offer something beyond commercial functions. We must consider other functions and mixed-use facilities, including housing, hospitals, and government administrative functions. For AEON MALL to contribute to the development of our communities, we will cooperate with partners to move our business forward, taking into account the characteristics of each locale.

Overseas, we intend to focus on developing new properties in line with the speed of economic development in ASEAN, particularly in Vietnam. To this end, we will seek cooperation agreements with local governments, speeding up the opening of new malls and renovating existing malls to achieve profit growth.

In Japan, we will focus on investment efficiency from a medium- to long-term perspective, maximizing profits by renovating existing malls and using assets effectively. We aim to diversify the value we provide by improving facility environments and offering comfortable space. In this way, we will create new incentives for customers to visit our mall and increase the frequency of mall visits. Through these efforts, we will return to the roots of commerce, which is to bring joy to customers by welcoming them to our shopping malls and making them happy throughout the time they spend there. This happiness will, in turn, lead to the sustainable growth of our business in Japan.



Top Message

The Focus of AEON MALL Management

At this point, I want to talk about our focus as a new management team going forward.

The first is to redesign the country-specific business model from a business perspective. We want to divide our approach into short-term and long-term perspectives.

From a short-term perspective, the immediate issue is the recovery of our business in Japan, in particular. However, after touring our malls, I believe there is still room for growth. At a later date, we intend to offer more specifics of our plan. Meanwhile, in some cases, malls fail to generate ongoing cash flow. When we do not expect profits to improve, even after taking corrective action, the head office will take the initiative to implement comprehensive structural reforms. We are fully aware that progress is behind our initial expectations at present. However, we are taking a stand this year, working with a sense of urgency to improve profits. We also sense that head office functions have become bloated, costing more every year. This is true for operations both in Japan and overseas. We intend to start streamlining head office functions and taking other cost-cutting measures.

From a long-term perspective, we continue to move forward with the current medium-term management plan. How to define the direction and strategies even beyond that point is very important for our company, which is in a transitional stage of business. I began discussing medium- to long-term strategies with management immediately after being named president. Our major direction is to improve investment efficiency, which is a challenge. We will accomplish this task by reviewing strategies and investment

allocations in each country, investing more in revitalizing existing malls in Japan, which are the main earnings drivers. We will hold discussions over the course of this fiscal year, and once we finalize a direction, I hope to have another opportunity to explain our plans to you.

The second point is the pursuit of investment efficiency from a financial perspective. As you are aware, soaring construction costs and other changes in social conditions have contributed to a significant and rising investment required to open a new mall. While we are using real estate ownership mechanisms to reduce investment, we focus on carefully selecting investments in properties that can generate profits.

Another issue is to improve shareholder returns. To this end, we must achieve positive free cash flow. Along with selecting investments, we will be discussing the optimal allocation of cash within the company, which we will publish at a future date.

The third point is dialogue with the market. Our stock performance over the last year has been low compared to the Prime Market real estate companies. Improving our corporate value is a major mission for which I take responsibility. Although we have fallen short of our announced plan for the past several years, we will work to restore confidence in our company by hitting our performance plan targets every year.

I and the rest of the management team look forward to more opportunities for dialogue with stakeholders to share our strategies and challenges. We will listen to the opinions offered and respond sincerely to the demands of the market. I plan to lead AEON MALL forward based on these three perspectives.

Last

In particular, I consider it a serious issue that we have failed to achieve performance plans for several years. This has been a major management challenge, and we will focus closely on achieving targets. In addition, we will increase opportunities for our management team to directly communicate with investors, including the overseas roadshows that were temporarily interrupted by the COVID-19 pandemic.

With a new management structure in place this year, we are once again discussing medium- and long-term strategies within the company. We hope to quickly show investors the path forward under a medium- to long-term strategy as a company that can continue to grow sustainably into the future.

The beginning of any management decision is our Basic Philosophy, *Customer First*, from which we consider the needs of the customers in our communities. We will strive to enhance corporate value by leveraging our advantages in locations across Japan and overseas, working toward growth with our communities.

Business	Short-Term <ul style="list-style-type: none"> ● Recover businesses in Japan (value creation, inbound, customer attraction) ● Progress in fundamental business structure reforms 	<ul style="list-style-type: none"> ● Pursue cost reduction measures ● Redesign overseas strategies
	Medium- to Long-Term <ul style="list-style-type: none"> ● Revitalize, rehabilitate existing assets in Japan ● Grow overseas business further 	<ul style="list-style-type: none"> ● Develop an urban strategy in Japan ● Create group synergies
Finances	<ul style="list-style-type: none"> ● Pursue investment efficiency ● Select investments 	<ul style="list-style-type: none"> ● Improve free cash flow ● Expand shareholder returns
Dialogue With the Market	<ul style="list-style-type: none"> ● Achieve performance plans 	<ul style="list-style-type: none"> ● Engage in active dialogue with management



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.



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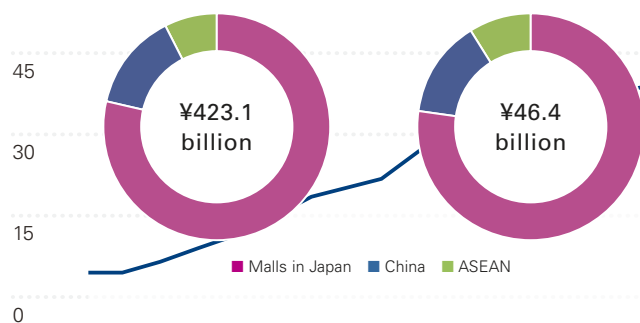
Our History in Value Creation

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

- Large-Scale Retail Stores Law

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

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

- Revised City Planning Act

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

2018

- Included in the MSCI Japan Empowering Women Index
- Selected as Nadeshiko Brand

2017

- Participated in EV100

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

2021

- Formulated the AEON MALL Decarbonization Vision



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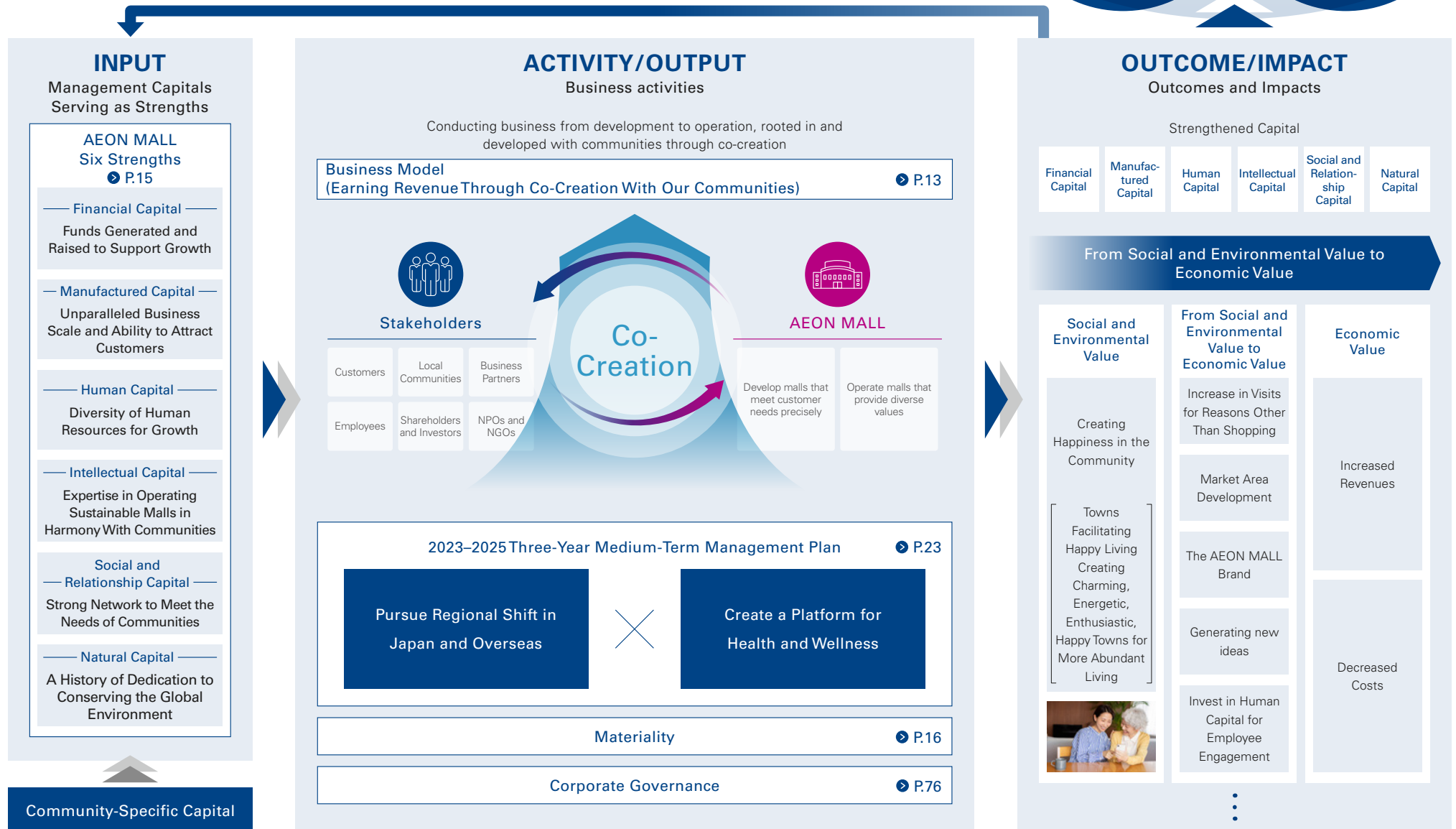
Value Creation Process

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)	



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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

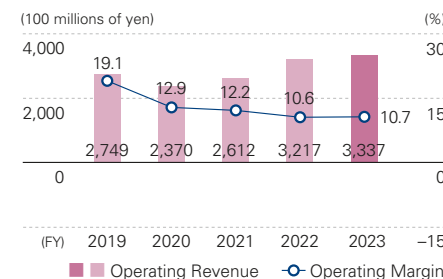
Beginning with the opening of our first mall in Vietnam in 2014, we have focused on opening new locations in ASEAN. In addition to Vietnam, where population and economic growth is expected to continue, we are expanding in Indonesia and Cambodia.

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.

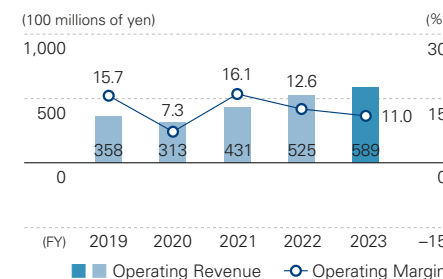


AEON MALL Delta Mas (Indonesia)

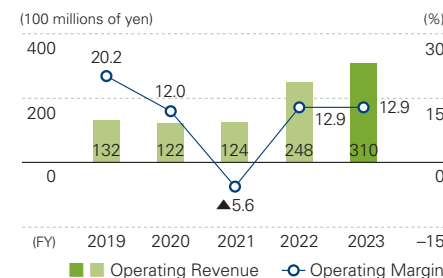
Business Performance



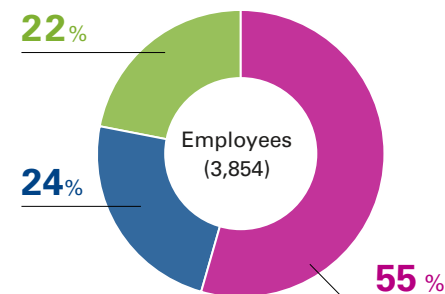
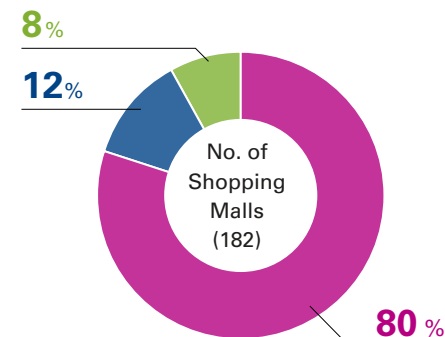
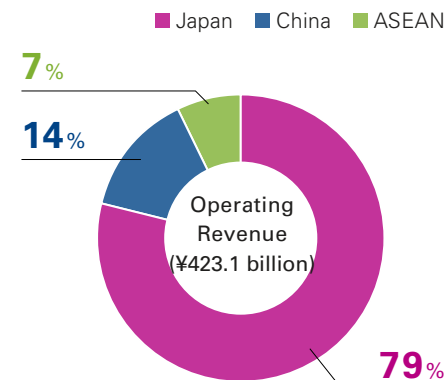
Business Performance



Business Performance



Data by Segment



* Rounded to the first decimal place

* As of February 29, 2024



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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



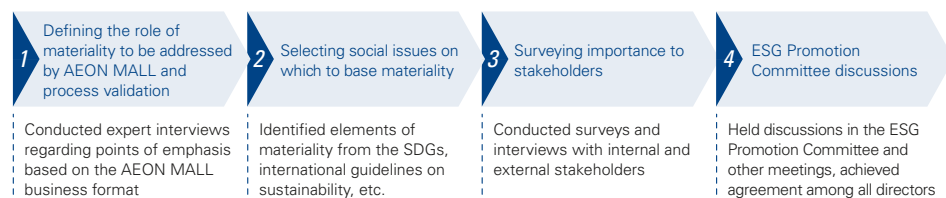
AEON MALL Materialities

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.

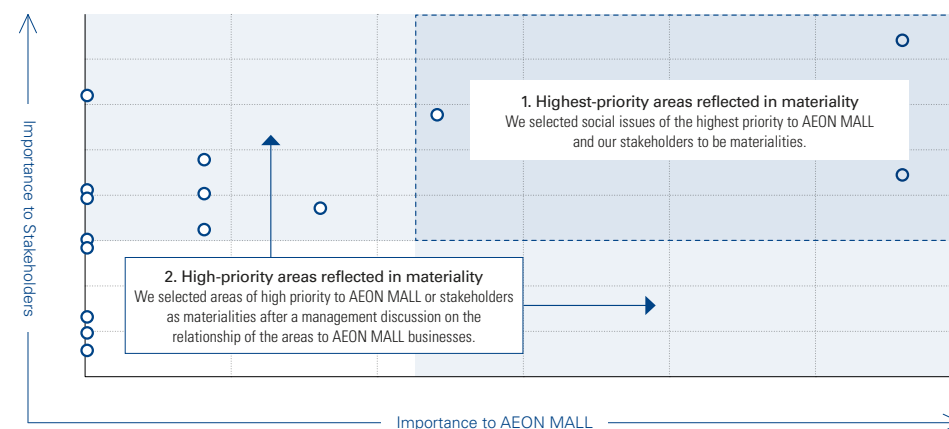
Main Internal Discussion Forums and Frequency

- 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.



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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>● Reduced ecological impact during construction and operation</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	200 tons per year (projected by the end of FY2024)
				<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> <div>● Spread awareness of and familiarize suppliers with the Guidelines for Sustainable Trade</div> <div>● Percentage of employees receiving in-house training on human rights</div>	Ongoing implementation	In progress			
					<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>	Ongoing implementation	In progress			
	<div>● Ratio of people with high stress</div> <div>● Paid leave acquisition rate</div>				100%	88%				
	Pursue Health Management	<div>● Improvement of employee engagement</div>	<div>● Percentage of people with high stress</div> <div>● Training hours per employee</div>	30.0% 2.70% 50%	22.6% 2.31% 40%					
Develop Human Resources	<div>● Improvement of employee mental stress, physical stress, and health condition</div> <div>● Increase in the number of employees who experience personal growth through their work</div>	<div>● Percentage of people with high stress</div> <div>● Training hours per employee</div>	15.0% 70%	16.6% 55%						
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.



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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.



Value Creation Strategy

AEON MALL pursues strategies to maximize value from the work of community co-creation, striving to achieve our 2030 Vision. In light of the business environment and social changes in which we find ourselves, we selected two measures for growth under our FY2023-FY2025 Three-Year Medium-Term Management Plan: (1) Pursue a Regional Shift in Japan and Overseas; and (2) Create a Platform for Health and Wellness. In this section we discuss our measures for growth, as well as the direction and role of our financial strategy, sustainability strategy, human resources strategy, respect for human rights, and environmental strategy, all of which are indispensable to these efforts.



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Three-Year Medium-Term Management Plan Overview and Progress

AEON MALL continues to execute business strategy toward our Vision for 2025, pursuing business model reform in Japan and overseas and engaging in ESG management.

2017 Medium-Term Management Plan (FY2017 to FY2019)

2020 Medium-Term Management Plan (FY2020 to FY2022)

FY2023–FY2025 Three-Year Medium-Term Management Plan

Growth Initiatives		Conduct a turnaround in overseas business and achieve a stable growth trajectory <ol style="list-style-type: none"> 1 Capture growth opportunities in Asia 2 Develop latent sources of domestic demand 3 Become the overwhelmingly dominant mall in each region 4 Capturing urban growth opportunities 5 Secure an optimal financing mix and form organizational structures to support growth 			Strengthen our business portfolio based on overseas profit growth <ol style="list-style-type: none"> 1 Achieve high profit growth overseas 2 Achieve stable growth in Japan 3 Build a financing mix and governance structures supporting growth 4 Pursue ESG-based management Identified five management issues and implemented solutions <ol style="list-style-type: none"> 1. Achieve profit Growth in overseas businesses and accelerate new mall openings 2. Maximize the appeal of brick-and-mortar malls through customer experience (CX) 3. Build next-generation malls and pursue the urban shopping center business 4. Pursue digital transformation (DX) 5. Pursue medium- and long-term strategies, accelerate reforms based on ESG perspectives 		
Quantitative Goals		2017–2019 Three-Year Medium-Term Plan Results			2020–2022 Three-Year Medium-Term Plan Results		
		2017	2018	2019	2020	2021	2022
Consolidated Results	Operating revenue (100 millions of yen)	2,881	3,129	3,241	2,806	3,168	3,982*4
	Operating income (100 millions of yen)	492	529	607	343	382	439
Operating income by segment	Malls in Japan (100 millions of yen)	497	527	526	318	334	363
	Urban Shopping Center Business (100 millions of yen)	3	-3	-2	-12	-15	-22
	Overseas Business (100 millions of yen)	-8	5	83	37	62	98
Target Performance Indicators	EPS Growth Rate (%) *1*2	—	—	—	—*3	-25.0	-27.6
	Net interest-bearing debt EBITDA (times)*1	—	—	—	6.2	6.6	6.0
	ROIC (%)	4.6	4.4	4.3	2.2	2.4	2.5
Results	No. of Malls	•We opened 21 new malls (10 in Japan, 11 overseas).			•We opened 12 new malls (seven in Japan, five overseas).		
	Japan	•In Japan, the company pursued renovations and expansions for existing malls to enhance profitability (eight malls). We put ourselves back on track for growth, with consolidated profit growth averaging 10.6% per year over the three-year period.			•In Japan, AEON MALL developed new mall formats that transcended the framework of traditional retail facilities, including the development of combined office/retail facilities.		
	Overseas	•The number of overseas mall openings exceeded the number of Japan mall openings; the shift to overseas is in full swing. The Company swung to a net profit in fiscal 2018.			•In Vietnam, a country experiencing remarkable economic growth, we secured a pipeline of mall openings by concluding mutual cooperation agreements with local governments.		
Issues		•The Urban Business (OPA) was sluggish due to a lack of progress in business model reforms. •The efficiency of overseas operations declined due to expansion.			•After the Tokyo Olympics, construction unit prices in Japan continued to soar, and investment efficiency for new malls declined. •The spread of COVID-19 slowed reform of the OPA (urban) business model. Cash flow generation capacity declined in some malls.		

Pursue business model reform in Japan and overseas and engage in ESG management

We engage in ESG management as a measure of growth. To evolve ESG management further, we (1) pursue a regional shift in Japan and overseas and (2) create a Health and Wellness platform, aiming for sustainable growth through truly integrated ESG management that creates economic, social, and environmental value for our stakeholders.

Initiatives

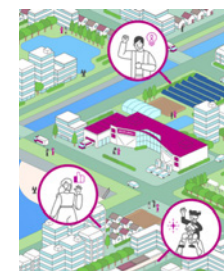
- Pursue a regional shift in Japan and overseas
- Create a Platform for Health and Wellness

Growth Initiatives

- Discover and commercialize business opportunities in overseas growth markets
- Pursue business model innovation in Japan
- Create new business models that break from existing business frameworks

Foundation

- Build strong financial foundations and resilient organizations from the perspective of sustainability



Quantitative Goals		FY2023 (Actual)	FY2024 (Plan)	FY2025 Quantitative Targets	
Consolidated results	Operating revenue (100 millions of yen)	4,231	4,535	4,800	(100 millions of yen)
	Operating income (100 millions of yen)	464	550	690	800
Operating income by segment	Malls in Japan (100 millions of yen)	376	430	490	
	Urban Shopping Center Business (100 millions of yen)	-17	-15	-10	
	Overseas Business (100 millions of yen)	105	135	210	
Target performance indicators	EPS growth rate (%) *1*2	-12.1	-13.6	0.1	
	Net interest-bearing debt EBITDA (times)*1	6.2	5.8	5.9	
	ROIC (%)	2.5	2.8	3.3	

Background Behind Changes in Medium-Term Quantitative Targets

- In the first year of the three-year medium-term plan (FY2023), each country made full-scale transitions to With-COVID-19 lifestyles. Based on these transitions, our initial forecast assumed domestic sales would return to pre-COVID-19 levels and overseas business would return to pre-COVID-19 growth. However, we did not meet our goal by 12.1 billion yen in operating income due to delays in these transitions.
- Recent results have deviated from plans. In response, we revised FY2024 and FY2025 plans in consideration of current trends and risk scenarios. (We changed our FY2025 operating income target from 85 billion yen to 69 billion yen)

*1 Adopted as a target performance indicator in fiscal 2020.

*2 Annualized growth rate beginning in fiscal 2019.

*3 We did not calculate net income per share as we recorded net losses.

*4 We adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., in fiscal 2022.



2023–2025 Three-Year Medium-Term Management Plan Policies and Strategies

We engage in ESG management as a measure of growth. To evolve ESG management further, we (1) pursue regional shift in Japan and overseas and (2) create a Health and Wellness platform, aiming for sustainable growth through truly integrated ESG management that creates economic, social, and environmental value for our stakeholders.



Truly Integrated ESG Management



Initiatives

Focus on local issues and take action to create new value together with stakeholders who support our efforts

Pursue a regional shift in Japan and overseas



Support individual lifestyle design beyond physical health

Create a Platform for Health and Wellness



Growth Initiatives (Priority Measures)

Accelerate the opening of new malls in areas with high growth potential, and search for and develop new business opportunities that respond to the challenges of each country and region

Discover and Commercialize Business Opportunities in Overseas Growth Markets



Leverage rapid change in the business environment as opportunities to reform existing business models to increase our capacity to attract customers and improve profitability

Pursue Business Model Innovation in Japan



Expand into new business domains by creating businesses that offer new value in an era of rapid and uncertain change

Create New Business Models That Break From Existing Business Frameworks



Foundation

Strengthen our management foundation for sustainable growth toward truly integrated ESG management

Build Strong Financial Foundations and Resilient Organizations From the Perspective of Sustainability



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

2023–2025 Three-Year Medium-Term Management Plan Targets and KPIs

Quantitative Medium- and Long-Term Targets

Overseas, we aim to increase the number of new malls by capturing growth markets in ASEAN and other regions. In Japan, we aim to become the dominant mall in each region through aggressive expansion and renovation, achieving operating revenue and operating income levels on par with the top global commercial developers.

As of April 9, 2024

		FY2023 Actual	FY2024 Plan	FY2025 Plan
Earnings	Operating revenue	¥423,100 million	¥453,500 million	¥480,000 million
	Operating income	¥46,400 million (11.0% margin)	¥55,000 million (12.1% margin)	¥69,000 million (14.4% margin)

Financial Indicators

EPS Growth Rate

Based on the final year of the previous medium-term management plan (FY2022), we expect a high annual growth rate of +38.8% in FY2025.

Net Interest-Bearing Debt EBITDA Ratio

We experienced a decline in cash flow generation capacity resulting from COVID-19 and an increase in fundraising to secure new properties overseas in the future. We expect to close in on the target by FY2030, mainly by improving our ability to generate cash flows in our overseas properties.

ROIC

ROIC fell short due to the increase of upfront investments to secure new overseas properties for future growth. We aim to achieve this target through improved cash flow in line with future profit growth.

Item	Type	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Plan)	FY2025 (Projection)
EPS Growth Rate	Growth	7% average annual growth (indexed from 2019)	2.1% (YoY)	—*	–25.0%	–27.6%	–12.1%	–13.6%	0.1%
Net Interest-Bearing Debt EBITDA Ratio	Safety	4.5 times or lower	4.7 times	6.2 times	6.6 times	6.0 times	6.2 times	5.8 times	5.9 times
ROIC	Efficiency	At least 5%	4.3%	2.2%	2.4%	2.5%	2.5%	2.8%	3.3%

EPS: Net income attributable to owners of parent/average outstanding shares during the year

Net interest-bearing debt/EBITDA ratio: (interest-bearing debt – cash and cash equivalents) / (operating income + depreciation and amortization on the statement of cash flows)

ROIC: Operating income x (1-effective tax rate) / average equity for the fiscal year + average interest-bearing debt for the fiscal year

* We did not calculate EPS growth rate for FY2020 as we recorded a net loss per share in FY2020.



Philosophy and Vision

Value Creation

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2023–2025 Three-Year Medium-Term Management Plan Targets and KPIs

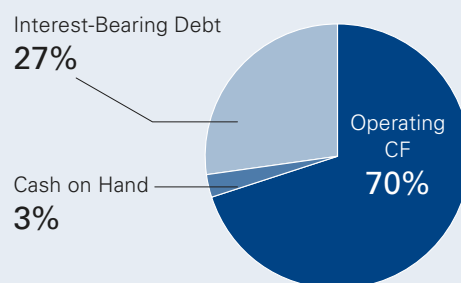
Funds Acquisition Plan

In addition to maximizing operating cash flow, we intend to secure the necessary funds for growth investments by diversifying funding sources through a global financing mix.

(100 millions of yen)

	FY2023 Actual	FY2024 Plan	FY2025 Plan	Three-Year Total
Capital investment	900	1,600	2,400	4,900
Other	650	550	300	1,500
Total expenditures	1,550	2,150	2,700	6,400
Operating CF	1,270	1,500	1,700	4,470
Cash on hand	30	150	0	180
Interest-Bearing Debt	250	500	1,000	1,750
Procurement Total	1,550	2,150	2,700	6,400

Fund Sources Three-Year Breakdown

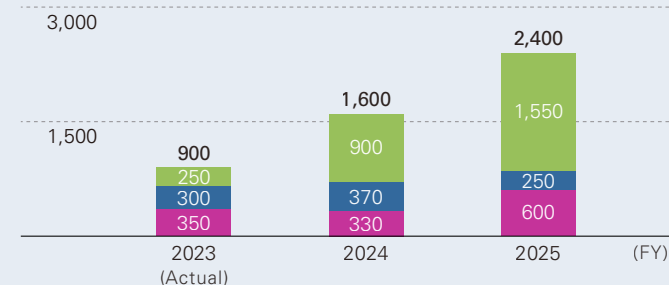


Capital Investment Plan

We plan to achieve further growth by shifting our investment focus to ASEAN, an area of expected high growth.

■ ASEAN ■ China ■ Japan

(100 millions of yen)



New Mall Opening Plan

We aim to increase malls through aggressive investments in growth, mainly in the growth-driving ASEAN region, as well as regions of China where we have yet to enter the market.

Japan Mall Opening Plan

Total No. of Malls in FY2022 (Cumulative)	FY2023	FY2024	FY2025	FY2023 to FY2025	Total No. of Malls by FY2025 (Cumulative)
94	4	0	3	7	99

* In addition to the above, we contract the management and operations of 49 commercial facilities of AEON Retail and AEON Tohoku.

* Shopping Mall Festa ceased operations temporarily on August 31, 2023, for renovation into a new commercial facility.

* QUALITE PRIX is no longer under AEON MALL management and operation as of June 30, 2024.

China Mall Opening Plan

Total No. of Malls in FY2022 (Cumulative)	FY2023	FY2024	FY2025	FY2023 to FY2025	Total No. of Malls by FY2025 (Cumulative)
22	1	2	2	5	26

* AEON MALL Beijing International Mall (China) ceased operations on June 24, 2023, when the lease agreement with the building owner expired.

ASEAN Mall Opening Plan

Total No. of Malls in FY2022 (Cumulative)	FY2023	FY2024	FY2025	FY2023 to FY2025	Total No. of Malls by FY2025 (Cumulative)
13	1	2	2	5	18

* AEON MALL Beijing International Mall (China) ceased operations on June 24, 2023, when the lease agreement with the building owner expired.

New Malls Under the 2023–2025 Three-Year Medium-Term Management Plan

* Mall names are tentative

	2023	2024	2025
Japan	•Toyokawa •THE OUTLETS SHONAN HIRATSUKA •CeeU Yokohama •JIYUGAOKA de aone	—	•Suzaka •Sendai Amamiya* 1 other
China	•Wuhan Jiangxia	•Hangzhou Qiantang •Changsha Xingsha	•Changsha Xiang Jiang Xinqu 1 other
ASEAN	•Sihanoukville FTZ Logistics Center (Cambodia)	•Delta Mas (Indonesia) •Hue (Vietnam)	•2 others (to be announced)



Initiatives

Pursue a Regional Shift in Japan and Overseas

Create a Platform for Health and Wellness

Business Environment

Issues (As Is)

Policies (To Be)

Population Decline

Depopulation of Rural Areas

Soaring Construction Costs

Acceleration of E-Commerce

In a society where regional issues are becoming more diverse and complex, we cannot exceed the expectations of the communities we serve by doing business as usual. We must analyze the characteristics that make each community special, engage in businesses beyond the framework of commercial shopping facilities, and enhance our corporate value in each region.

Changing mindsets and developments in science and technology throughout a 100-year life expectancy have given many people the opportunity to rethink their own health, happiness, and values.

As people grow more conscious of self-actualization and well-being, they tend to focus more on both physical and mental health.



Pursue a Regional Shift in Japan and Overseas

Focusing on local issues and taking action to create new value together with stakeholders who support our efforts

Co-Creation for Sustainable Region Translating Global Goals to Local Contexts

~ Co-Creating for Sustainable Communities ~

We create new value through dialogue with people and stakeholders from diverse backgrounds. To this end, we translate global goals to implement in local contexts.

Co-creating sustainable communities is the act of translating global goals into the local contexts for each country and region, creating new value through dialogue with people and stakeholders from diverse backgrounds. We focus on local issues and take action to create new value together with people who support our efforts. In this way, we aspire to be a company that fosters empathy for the community while deepening and expanding human interconnections.



Create a Platform for Health and Wellness

Supporting Individual Life Design to Achieve Well-Being

Serving as a Life Design Producer, supporting the creation of well-being

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.



Gain Point Value Proposal

Maximize customer satisfaction through comprehensive marketing activities and by understanding the latent needs of the community

Goals

Design abundant lifestyles leading to self-actualization based on physical health, mental health, environmental health, and social health

Remove Pain Points

Approaches to resolve customer concerns and dissatisfactions, creating a clean slate
Approaches must consider not only people, but also local communities and the environment



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data



Initiatives



Pick Up

Health Initiatives The AEON MALL Approach to Health and Wellness

AEON MALL strives to extend healthy life expectancy as a community health center, aiming to foster well-being for our customers.

Health is the sum total of our daily lives. As AEON MALL is rooted in our local communities and attracts a wide variety of customers, we aspire to create spaces where even people who are not interested in health can enjoy themselves and become healthier in natural and fun ways.

Going forward, we will strive for customer well-being from a long-term perspective based on the 10 policies shown in the matrix that follows.

Our Vision

AEON MALL towns encourage all to live healthy lifestyles in their own way.

01

Accessible to all, even the sick or disabled



02

Connections with the mall for naturally better health



03

Energized communities



Selection Method

Based on the guidelines for improving social environments and creating environments fostering health naturally, etc., in Health Japan 21 (Third Term), AEON MALL created a summary under the three points listed above. We referenced our 2030 Vision and the nature of our malls as commercial facilities where even customers not interested in health can enjoy daily living.

Initiatives to Strengthen

We aim to take advantage of AEON MALL venues to strengthen our efforts related to exercise, food, and social interaction.

We will also develop a data infrastructure to analyze the effectiveness of our efforts and accumulate information.



Exercise



Food



Social Interaction

Selection Method

Based on the policy, we mapped the intersection of health issues in Japan with our social responsibility and capabilities. We summarized these intersections into the three effective approaches listed above, which are highly significant for us to address and encompass many health issues that we can impact positively.

	01	02	03
	Accessible to all, even the sick or disabled	Connecting with the mall for naturally better health	Energized communities
Exercise	1. A variety of means for anyone to visit our malls	2. Unconscious exercise, forming exercise habits	3. Expand exercise and walking habits throughout the community
Food	4. Offer food and dining everyone can enjoy	5. Unconscious eating of a healthy diet	6. Expand access to nutrition education and healthy eating in the community
Social Interaction	7. Offer shopping everyone can enjoy	8. Connect people and society through our malls	9. Protect and expand connections throughout the community

10. Establish a system to accumulate evidence and data

Examples of Past Exercise Initiatives

01

Accessible to all, even the sick or disabled

AEON MALL walking courses are available in every mall to provide a safe and secure space in all weather conditions.

02

Connecting with the mall for naturally better health

The AEON MALL app incorporates a walking function, and we sponsor a lottery to award points based on the number of steps taken.



03

Energized communities

AEON MALL Miyazaki was commissioned by Miyazaki Prefecture to conduct a project to promote the habit of sports participation. The mall held regular walking events in cooperation with the local government.

Growth Initiatives (Priority Measures)



Discover and Commercialize Business Opportunities in Overseas Growth Markets

Accelerate the opening of new malls in areas with high growth potential, and search for and develop new business opportunities that respond to the challenges of each country and region



To Further Our Presence in Asia

Daisuke Isobe

Director
In Charge of Overseas
Business Division

China

Redesigning Area Strategies to Respond to Changes in the Business Environment

Since opening our first mall in Beijing in 2008, AEON MALL has grown to 23 malls in China (as of August 2024) by focusing on four regions: Beijing and Tianjin, Hubei Province, Jiangsu Province, and Guangdong Province. In Wuhan City (Hubei Province) and Suzhou City in (Jiangsu Province), we established area branding by opening malls ahead of the competition, gaining tremendous support from our customers. In 2024, we plan to open our first mall in Changsha City, Hunan Province, and we will continue to open malls with a focus on inland regions offering high growth potential.

Our strength in China lies in the services and customer consideration. In particular, the convenience provided by our vast flat parking lots has become a major differentiating factor not found at other facilities. Another competitive advantage is the strengths we cultivated in mall operations in Japan. These strengths include comfort and cleanliness, customer service, relationships with specialty retailer companies, and maintaining a freshness to our malls through systematic tenant replacements and other means.

With the changes in business environment and the experience of the COVID-19 pandemic, we have sensed a

shift in needs in the Chinese market from the consumption of *goods* to the consumption of *moments in time*. China features a high demand for nighttime dining, and we plan to respond to this demand by developing hybrid mall properties that blend interior and exterior, creating zones that are not restricted by business hours.

With the recent slowdown of the Chinese economy due to the sluggish real estate market and other factors, our malls are experiencing differences in growth potential among regions. The competitive environment is intensifying, and the shakeout of commercial facilities is becoming more apparent. We recognize that we are in a phase in this business environment where we must assess trends carefully in each region and redesign our overall strategy for our businesses in China. We will reexamine our allocation of management resources, reflecting a keen awareness of investment efficiency. These investments will include measures to help malls that generate money make even more money and put malls with issues firmly back on a growth trajectory.

ASEAN

Building a solid foundation for growth in Vietnam by expanding the areas selected for new malls

In ASEAN, we opened our first mall in Ho Chi Minh City, Vietnam, in 2014. Since then, we opened malls in Cambodia and Indonesia, expanding our business to a total of 14 malls in three countries (as of August 2024). In 2019, we designated Vietnam as our most important area for opening new malls, acknowledging the high growth potential of that market. We have opened malls mainly in the Ho Chi Minh City area in the south and the Hanoi area in the north. We have few competitors developing large-scale commercial facilities in the suburbs of Vietnamese cities. For this reason, AEON MALL facilities enjoy high awareness, and we create a competitive advantage through area dominance. In fiscal 2024, we plan to open our first mall in Hue City in central Vietnam. Success in outlying cities is a key point of our mall opening strategy in Vietnam, and this approach will lay the

foundation for further growth.

Indonesia has suffered the impact of the COVID-19 pandemic over the past several years. However, consumption trends began to recover this fiscal year, and we intend to step up efforts to improve profitability at existing malls. Considering the population and market size, Indonesia represents a promising market. We will continue to open new malls, mainly in the suburbs of Jakarta.

In Cambodia, we plan to solidify area dominance further through a three-mall configuration in Phnom Penh. We will also take on the challenge of creating new businesses, including a logistics business at the logistics center we opened last year in Sihanoukville.

More than 10 years have passed since our foray into the Vietnamese market and ASEAN. The economic and social situation has changed dramatically in that time. We are approaching a new stage of growth, which necessitates reassessing our area strategy to determine where to concentrate management resources. We will continue to expand our focus to the next likely growth regions, conducting market research in countries and regions we have yet to enter—countries and regions of potentially high population and GDP growth in the future.

Emphasizing Human Capital Investments as a Basis for Growth

Our growth strategy for overseas operations still centers on opening more malls in growth areas. To this end, we must allow local employees to play active roles. In addition to stepping up our recruitment and training of local employees, we will seek actively to promote local hires to senior management positions. We also believe that the exchange of diverse values and expertise through personnel exchanges across national boundaries strengthens our organization and serves as a source of further competitiveness. We intend to invest in human capital overseas at a steady pace, ensuring AEON MALL will continue to build a presence in Asia.

► 2023-2025
Three-Year Medium-Term
Management Plan



Growth Initiatives (Priority Measures)



Discover and Commercialize Business Opportunities in Overseas Growth Markets

Accelerate the opening of new malls in areas with high growth potential, and search for and develop new business opportunities that respond to the challenges of each country and region

We continue to search for and secure properties in high-growth areas, accelerating new mall openings. In Vietnam, our most important area for new mall openings, we are pursuing area-dominant mall openings focused on Ho Chi Minh City in the south, Hanoi in the north, and cities in the central area of the country. In China, we plan to accelerate the opening of malls in the high-growth inland regions of Hubei and Hunan Provinces, treating these provinces as priority areas.

We intend to move away from a single mall format to a new value creation model tailored to the characteristics of each region, exploring new business opportunities outside the framework of commercial facilities through deeper research into the issues facing each country and region.

Expanding Mall Openings in the High-Growth Inland Regions of China

We opened AEON MALL Wuhan Jiangxia, our fourth mall in Hubei Province, on November 11, 2023. The mall features entertainment facilities for adults and children alike, as well as a variety of food experience zones. The mall also offers five themed atrium spaces and a rooftop park offering a basketball court, event space, a multi-purpose lawn area, and park space for a variety of other purposes, representing a space where customers of all ages can interact.

We plan to open our first mall in Hunan Province, AEON MALL Changsha Xingsha (Changsha City, Hunan Province), in 2024, and a second mall, AEON MALL Changsha Xiang Jiang Xinqu (Changsha City, Hunan Province), in 2025. Hunan Province is located in central China, and Changsha City, the capital of Hunan Province, is experiencing strong economic growth. The population of the province increased by more than 3 million in the last 10 years. AEON MALL signed a comprehensive cooperation agreement with the Changsha Municipal People's Government in May 2021, and we plan to continue opening new malls.

Hubei Province No. 4 AEON MALL Wuhan Jiangxia



Opened in November 2023

Hunan Province No.1 AEON MALL Changsha Xingsha



Scheduled to open in second half, 2024

Hunan Province No. 2
AEON MALL Changsha Xiang Jiang Xinqu



Scheduled to open in 2025

Securing New Properties in Vietnam

In December 2023, we signed new comprehensive memorandums of understanding on investment and business for shopping mall development in Vietnam with Can Tho City in the south and Bac Giang Province in the north. In January 2024, we signed a memorandum of understanding with Viet Phat Group, a developer of shopping malls in Quang Ninh Province in the northern part of Vietnam. We added the central area (Da Nang City, Hue Province), Vietnam's third largest economic zone, to our current southern area (Ho Chi Minh City, Binh Duong Province) and northern area (Hanoi City and Hai Phong City), accelerating area-dominant mall openings in surrounding cities. In the future, we intend to establish an even stronger foundation for business in Vietnam, expanding our businesses to regional cities to contribute to sustainable development and urban planning, which is experiencing remarkable economic growth.



Mutual cooperation agreements signed with Can Tho City and Bac Giang Province (December 2023)



Signed a cooperation agreement with Viet Phat Group, a development company in Quang Ninh Province (January 2024)

In the second half of 2024, we plan to open AEON MALL Hue, which will be our first mall in the central area of the country. Thua Thien Hue Province, where the mall will be located, has a population of 1.13 million, and Hue City has a population of 650,000, making the area one of promising economic development. The population is expected to continue to grow as the building of administrative facilities and residences are scheduled in the development area in the eastern part of Hue City.



AEON MALL Hue (scheduled to open in the second half of 2024)

Growth Initiatives (Priority Measures)



Pursue Business Model Innovation in Japan (CX)

Leveraging rapid change in the business environment as opportunities to reform existing business models to increase our capacity to attract customers and improve profitability



Responding to
changes in consumer
behavior and
stepping up our
ability to attract
customers

**Masayuki
Tsuboya**

Director
In Charge of Customer
Experience (CX)
Creation

Responding to changes in consumer lifestyles and strengthening our ability to attract customers

Consumer lifestyles in the Japanese market are changing dramatically, including the growing use of e-commerce. We do not view these changes as transient, but as behavior already established and requiring a response.

Our most important KPI in mall operations is the number of visitors. While this number has been recovering steadily since the end of the COVID-19 pandemic, customer traffic has not yet returned to the levels we are looking for. To recover customer numbers, we must offer new incentives to visit malls and create new customers. We must break away from what we have taken for granted and our mindset in fundamental ways, including how we approach events and the day-to-day aspects of mall operations.

Redefining Malls to Best Suit Our Communities

To respond to changing consumer trends and strengthen our ability to attract customers, we must reevaluate and redefine the value of AEON MALL in each community. For example, in revitalizing existing malls from a zero-based perspective, we intend to reconfigure specialty store compositions and functions to best suit the community in question. Depending on the situation, we may have to make a courageous decision not to cling too tightly to the services and functions offered currently, but rather rethink the mall itself.

In this context, the AEON Group advantage of scale, with various operating and functional companies, is a major strength for AEON MALL. If we maximize synergies through collaboration with group companies, rather than going it alone, our options for revitalization will expand significantly, allowing us to continue existing as necessary infrastructure for the community.

Utilizing Data to Create Deep Connections With Customers

To provide new experiences not bound by conventional thinking, we must first gain an accurate understanding of our customers' needs. To this end, we are changing how we collect and use customer data. Currently, we use the AEON MALL app to collect information. By gaining a real-time understanding of the problems and requests of our customers, including customers who do not visit our malls regularly, we can apply the information quickly to our next actions.

Based on customer feedback gathered in this way, we are improving the environment in mall common areas to provide comfortable spaces and improve customer satisfaction. For example, we are beginning to offer *Mokuiku Hiroba* to customers with small children. Mokuiku Hiroba is a playground within the mall where children can play in a safe and secure environment built using local natural wood. These efforts have a psychological and emotional impact on customers who feel more comfortable and stress-free when they come to AEON MALL. These feelings lead to an increase in customer traffic from customers who make visits to the mall a regular habit.

Improving Profitability by Maximizing the Existing Assets

As the number of inbound travelers to Japan continues to increase, our response to inbound demand is a business opportunity to improve profitability. Certain of our malls near airports and tourist attractions have implemented measures in this regard. At the same time, it is quite possible that we will be able to capture further inbound demand by taking advantage of our strengths in the suburbs of outlying regions, preparing for an influx of inbound travelers to these areas.

Our network and the information obtained from opening malls nationwide is a major asset and strength. By maximizing the value of these existing assets and developing businesses rooted in each community, we will improve the profitability of the Domestic Business and achieve our goal of community co-creation.

Growth Initiatives (Priority Measures)



Pursue Business Model Innovation in Japan (Development)

Leverage rapid change in the business environment as opportunities to reform existing business models to increase our capacity to attract customers and improve profitability



Executing Approaches to Maximize Mall Value

**Shinichiro
Minami**

Director
In Charge of
Development

Executing an Approach to Maximize Mall Value

AEON MALL operates approximately 160 locations in Japan highly regarded not only for convenience, but also as indispensable community infrastructure in the form of disaster relief facilities. As the business environment undergoes major changes in the wake of the COVID-19 pandemic, we recognize that our malls are also at a crossroads of necessary change.

In response to the Large-Scale Retail Stores Location Act of 2000, AEON MALL accelerated the development of large-scale shopping malls in Japan, and an increasing number of our malls today have now been in operation for 20 years. We must renovate aging facilities into transformed malls to maintain their necessary functions and continue to exist as part of the community. In response to ever-rising construction costs, we must face the challenge of adopting new development styles in addition to traditional suburban facilities design.

We must invest in existing malls in Japan to foster greater customer support and continue mall operations.

Increasing the Value of Existing Malls From a Long-Term Perspective

From a development perspective, we must rethink those malls that have been in operation for 20 years from a development perspective, proposing a new vision for the next 50 to 60 years.

Given future macro trends in Japan, including the population decline and depopulation, competition to meet declining demand will only accelerate the shakeout of commercial facilities in the future. If we can improve the functionality of our malls further and outlast the competition, we believe we will grow our market share and create a positive effect that outweighs the negative impact of the population decline. At the same time, we may need to make the decision to downsize certain malls, modify functions, or change business format in light of competitiveness and future market changes. By taking the lead in determining policies for each mall, our development department will encourage efficient capital investment.

Aspiring to New Development Patterns Through Co-Creation

In Japan, we continue to open malls that leverage our strengths in suburban locations, developing properties in areas where no malls exist. At the same time, it is true that there are fewer and fewer such facilities in Japan. We believe that there are growth opportunities in

participating in redevelopment projects in urban areas, given the fact that large-scale redevelopment projects will become more apparent in urban areas in the future as development properties that supported Japan's period of rapid growth deteriorate over time.

JIYUGAOKA de aone, which opened in October 2023, is a mall we redeveloped to provide new commercial functions. The new mall sits on a site that we expanded to include adjacent land once used by a store operated by AEON Market. In this way, we believe we can secure growth opportunities in urban areas by reexamining AEON Group assets and introducing new commercial functions. We continue to develop community-based projects in collaboration with various companies inside and outside the AEON Group. These partnerships include a collaboration with Marimo Co., Ltd., with whom we have a capital and business alliance.

The functions required of shopping malls are changing. In the past, malls became popular for the convenience provided by the concentration of goods, services, food and beverage, amusement, etc. These functions alone will not be enough to keep pace with future changes. Our malls will interact with customers, local communities, employees, and other stakeholders at various times and places in their lives. The malls will become an indispensable presence that solves local issues, helping us accomplish our goal of community co-creation.

► 2023–2025
Three-Year Medium-Term
Management Plan



Growth Initiatives (Priority Measures)



Pursue Business Model Innovation in Japan

Leverage rapid change in the business environment as opportunities to reform existing business models to increase our capacity to attract customers and improve profitability

The external environment in Japan can be characterized by a declining population and labor shortages due to falling birthrates and aging demographics. In the internal environment, we see weakness in specialty store sales, particularly in the apparel industry, and high construction costs due to soaring materials prices. These factors represent significant issues that combine to reduce investment efficiencies. Taking advantage of dramatic and seemingly daily changes in the business environment, we strive to strengthen our ability to attract customers and improve profitability in Japan by introducing reforms into existing business models to respond to developing regional issues, customer values, and latent needs.

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

As consumer behavior and purchasing habits change at an accelerating pace, AEON MALL strives to improve our ability to attract customers by creating customer experiences (CX, customer experiential value) and maximizing the appeal of brick-and-mortar malls. As customer needs for open and comfortable outside zones increase, we incorporate mechanisms to appeal to the five senses for comfort and ease, striving to create facility environments that will become a place of relaxation for our customers.

THE OUTLETS SHONAN HIRATSUKA (April 2023)

THE OUTLETS SHONAN HIRATSUKA makes the most of its open-air environment, with planted landscapes throughout and an open space with green terrace seating in the center of the facility, creating a comfortable environment in which visitors enjoy shopping while strolling through the park-like setting. The event court is equipped with a large LED vision system boasting a 300-inch screen. Artificial turf has been laid over the court, creating a space for relaxation, sports viewing, and other entertainment events, not to mention opportunities to eat and drink while watching the events.



Improve Profitability Through the Effective Use of Existing Assets

To use existing assets more effectively, we plan to create new business areas based on the utilization rate of shops and parking lots in our malls, converting underutilized space into new value. We analyze the issues for each region and each property, taking a precise approach once we have clarified the objectives and what value to provide.

Laketown OUTLET Expansion and Renovation (March 2024)

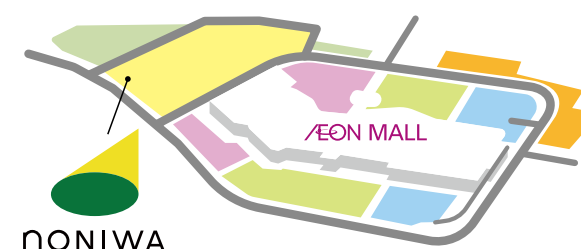
The renovated mall features a new two-story building and 64 international brand and lifestyle brand stores between the new and old buildings, including 34 new stores. A new bridge connects to the Kaze building, improving circulation throughout the facility.



HANYU noNIWA New Concept Facility (October 2023)

AEON MALL Hanyu built a new park in the area to the west the building, which had been used as a flat parking lot. The outside facility features a large outdoor goods specialty store (first entry in the northern Kanto region), as well as a plaza with lawn and fountain.

The mall plans to build an outside sauna, glamping facilities, and velamping facilities to create more private spaces that enhance the functions of the facility.



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Growth Initiatives (Priority Measures)



Pursue Business Model Innovation in Japan

Leverage rapid change in the business environment as opportunities to reform existing business models to increase our capacity to attract customers and improve profitability

Diversify Value Offerings Tailored to the Market

The direction of mall development in the future calls for market analysis from various perspectives, based on which we will build new mall models across a variety of development patterns according to the characteristics of the location in question. In this way, we will develop malls capable of proposing new value.

JIYUGAOKA de aone (October 2023)

Aiming for an environmental design that becomes a familiar part of the town of Jiyugaoka over time, we used an environmental design concept of urban, greenery, and walkable street space. A lush green terrace of 1,000 square meters will be located on the third floor as an outdoor space, offering a sense of openness and an area where local residents and visitors relax and gather.



Renovating Existing Malls to Attract More Customers and Improve Profitability

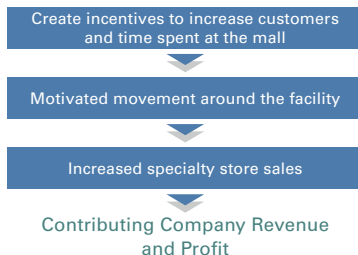
We continue to replace specialty stores and revitalize malls with new comfortable spaces and environments in common areas.



Playground for children using natural wood from the region



Furniture and plantings provide a sense of openness



AEON MALL Ota Expansion and Renovation (April 2024)

The mall features a new two-story building (West Mall). We also renovated the existing building, focusing on lifestyle-type specialty stores that support everyday living. The new Picnic Court is an area within the food court where customers can experience nature through all five senses, and represents just one way the mall has evolved into a community exchange hub, encouraging connections across generations.



Implement Fundamental Business Structure Reforms

While we strive to deepen existing businesses amid accelerating changes in the external environment and in customer values, certain facilities have not responded to these changes sufficiently. The ability of these facilities to attract customers and generate cash flow has been in decline due to sluggish profitability.

We are engaged in increasing competitiveness and improving operational efficiencies within the market area, including investments in revitalization. In addition, we are also moving forward with initiatives aimed at fundamental structural reforms from the aspects of real estate and finances.

By fiscal 2025, we intend to implement fundamental structural reforms at several malls. In fiscal 2024, we will record structural reform losses as an extraordinary loss of approximately ¥6 billion.

Moving forward, we will implement fundamental business reforms designed to maximize future operating income.

Progress in Fundamental Business Structure Reforms

Current Status

Increasing number of malls failing to adapt to changes in the business environment, resulting in a decline in cash flow generation capacity

Measures

Measures ①

Increase competitiveness within a given market area and improve operational efficiencies through mall revitalization

Measures ②

Form a project team. In addition to sales measures, implement reform in real estate and finance.

Measures ③

Fundamental Structural Reforms

- Implement fundamental structural reforms at multiple malls during fiscal 2024.
- We expect to post an extraordinary loss of approximately 6 billion yen in fiscal 2024.

Timeline

FY2023

Negotiate with property owners and specialty retail companies

↳ QUALITE PRIX (ended management on June 30, 2024)

* Management company switched to Sapporo Sub-center Development Public Corporation.

Recorded extraordinary loss of 0.65 billion yen for the fiscal year ended February 29, 2024

FY2024

Held ongoing negotiations on mall closure
Incorporate extraordinary losses into our plan

FY2025 or Later

Improve operating income by increasing management efficiency.

We expect operating income to improve 0.4 billion yen by the end of FY2025 and 3.0 billion yen by the end of FY2030.

► 2023–2025
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Growth Initiatives (Priority Measures)



Create New Business Models That Break From Existing Business Frameworks

Expand into new business domains by creating businesses that offer new value in an era of rapid and uncertain change

In an era of rapid and uncertain change, we not only develop existing businesses, but also focus on creating new businesses for new value and new initiatives, including broader complex development functions, to expand our business domains.

Expanding Complex Development Functions

To expand our office complex development capabilities, we aim to co-create the future of living in communities through stronger collaborations with partner companies via equity investments and business alliances. We believe we can contribute to sustainable urban reconstruction, which is the objective of the Japanese government's Location Optimization Plan. We also believe we can be part of building vibrant and compact, networked cities by guiding urban functions that include residential functions, medical care, welfare, commerce, and public transportation to urban centers. Driven by this belief, we pursue redevelopment and mixed-use office complex development projects in urban areas, creating the future of community living.

Capital and Business Alliance With Marimo Co., Ltd. (March 2023)

This capital and business alliance focuses on multi-functional large-scale development, urban redevelopment projects, mixed-use development in urban areas, upgrading the use of AEON MALL assets, and investments in rural areas through the Marimo Rural Development REIT. Through this partnership, we aim to create vibrant communities and compact, networked cities.



Creating New Businesses Through Investments in Startup Companies

AEON MALL launched a corporate venture capital (CVC) arm through which we will invest in startup companies. The Life Design Fund brings together cutting-edge technology and expertise from startup companies for new value, helping us take on the challenge of creating new business value through solutions for local issues and the advancement of mall operations. We invested in COUNTERWORKS Inc., orosy Co., Ltd. and ATOMica Co., Ltd. through the Life Design Fund (operated in partnership with Ignition Point Venture Partners). We combine the mutual expertise of AEON MALL and investee companies to leverage effective company assets (malls) in providing spaces more integrated with local communities and achieving community co-creation.



Startup
Companies

Life Design Fund
Investment Limited
Partnership

Management Company:
Ignition Point Venture Partners, Inc.
Established: April 2023
Investment period: 10 years
Funds: ¥3.0 billion

Investment Policy



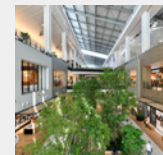
Offer new experiential value through commercial facilities



Develop new business models utilizing AEON MALL assets



Support advancements in specialty store businesses



Offer new experiential value through commercial facilities



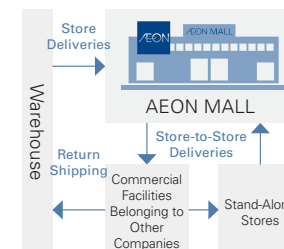
Create next-generation facilities that transcend existing frameworks

Develop Joint Delivery Services to Solve Logistics Issues

The joint delivery service takes deliveries from the logistics facilities of tenant companies to AEON MALL locations, other commercial facilities, street-facing stores, etc. The service will also handle inter-store deliveries and returns, helping tenant companies reduce costs and maintain quality in logistics services. In February 2023, we started providing services to the Kinki and Tokai areas. In response to requests from many companies, we expanded the service area to seven areas and 24 prefectures in December 2023.

We plan to expand the delivery service area to include all of Japan in fiscal 2024.

We look to play our part in building a sustainable logistics network, achieving both economic and environmental value through the common use of packing materials and hangers.





Foundation



Build Strong Financial Foundations and Resilient Organizations From the Perspective of Sustainability

Strengthen our management foundation for sustainable growth toward truly integrated ESG management

Amid a dramatically changing business environment, build strong financial foundations and resilient organizations from the perspective of sustainability, supporting our pursuit of a regional shift in Japan and overseas and the creation of a Health and Wellness platform as we exercise truly integrated ESG management. In this way, we structure a strong management foundation capable of sustainable growth.

Pursue a finance mix and optimize our asset portfolio

Diversify finance sources through a global finance mix
Optimize our asset portfolio through development-type leases and by acquiring existing quality properties

Financial Strategy (▶ P.36)

Strengthen management supervision function and establish a nimble business execution system

Strengthen governance by separating management oversight and execution
Accelerate management speed by adopting an executive officer system
Cultivate the next generation of management personnel

Corporate Governance (▶ P.76)

Leverage human capital, which is the most important management resource

Base approach on a vision of human resources and our organization
Improve job satisfaction through human resources development, diversity, work-style reform, health management, etc.
Improve both employee performance and organizational productivity

Human Resources Strategy (▶ P.40)

Sustainability Finance Initiatives

In November 2023, we formulated the Green Finance Framework to strengthen our efforts to achieve a decarbonized society and to truly integrated ESG management. We will use funds raised under the framework for new investments in qualified projects and the refinancing of existing ones. In addition to projects that focus on green buildings in Japan and overseas, for example, we are involved in creating local renewable energy for local consumption ("renewable energy," below) by installing solar power generation facilities, purchasing CO₂-free power sources derived from renewable energy, adopting EV charging and discharging facilities to build a renewable energy circulation platform with our customers, and the creation of biodiversity-conscious green spaces. We believe these initiatives are in line with the purpose of green finance and will have a positive impact on society.

Financial Strategy (▶ P.36)

Achieving Decarbonized Societies

As a decarbonization initiative, we will shift over time from procuring effectively CO₂-free electricity through direct renewable energy contracts in each region to locally produced and locally consumed renewable energy (including PPA (see note below)). By fiscal 2040, we aim to operate 100% of our directly managed malls using locally produced and locally consumed renewable energy.

In January 2024, we signed an on-site solar PPA contract to install the largest all-inclusive solar carport in Japan. Solar Carports are attracting increasing attention as they provide improved convenience for parking lot users and renewable energy by using parking lot space effectively through carport installations of solar power generation systems. By fiscal 2025, we aim to expand the adoption of this system to more than 50 malls.



Design with no pillars to avoid blocking auto movement.
Both sun and rain protection for customers.

Environmental Strategy (▶ P.63)

*1 PPA: Abbreviation for power purchase agreement (sales contract model). This is a business model in which a PPA operator leases space in a building premises or roof belonging to an electricity customer, installing a solar power generation system and selling the energy generated thereby to the customer.

Diversity Management

AEON MALL respects human rights and is committed to diversity management that allows each individual, regardless of gender or nationality, to express their abilities fully, and we aim to secure higher levels of diversity within our organization. We formulate measures based on social changes surrounding work styles and feedback from surveys and employees. We discuss the progress of diversity-related initiatives with directors on a regular basis in the Management Conference and other meeting bodies.

In addition, we are taking steps to support the advancement of women, including the on-site AEON Yume-Mirai Nursery Schools, achieving 100% for the male employee paternity leave rate for three consecutive years, and increasing educational opportunities to foster motivation and career aspirations for women.

Our efforts have been recognized by third-party organizations. In 2023, AEON MALL was awarded the *Platinum Eruboshi Certification*, and in 2024 we were certified as a Health & Productivity Management Outstanding Organization for a fifth consecutive year.



Human Resources Strategy (▶ P.45)

Financial Strategy

We are expanding investments in existing malls in Japan to improve profitability and strengthen our financial base

Message From the Director in Charge of Finance and Accounting

Hideki Hayami

Managing Director
In Charge of Finance & Accounting

Fiscal 2023 Performance Review

Fiscal 2023 consolidated operating revenue amounted to ¥423.1 billion, a record high and an improvement of ¥24.9 billion year on year. Consolidated operating income amounted to ¥46.4 billion, an improvement of ¥2.4 billion, and we posted higher profits at each stage of measurement. The markets in Japan and overseas entered the post-COVID-19 era, and while there were differences in recovery status across countries, AEON MALL sales and customer traffic overall continued to improve.

In Japan, operating revenue was ¥333.7 billion, up ¥12.0 billion from the previous year. Operating income was ¥35.8 billion, up ¥1.7 billion. The Japanese government reclassified COVID-19 to a Class 5 disease in May 2023. With customers more willing to leave the home, specialty store sales at existing malls were +5.6% year on year, which also resulted in an increase in lease income percentages. On the cost front, factors such as soaring electricity prices and increased labor costs due to higher wages put upward pressure on expenses. However, we endeavored to curb costs by switching to new electric power options and reducing electricity rates through the installation of solar power generation systems, among other measures.

Overseas, operating revenue amounted to ¥90.0 billion, an increase of ¥12.6 billion year on year. Operating income marked a new high at ¥10.5 billion, an improvement of ¥0.7 billion. China saw a profit decrease of ¥0.09 billion year on year, while Vietnam posted an increase of ¥0.8 billion. Existing malls in Vietnam delivered steady profit growth despite the partial impact of sluggish external demand and slowed economic growth due to power shortages.

While these results indicate growth in operating revenue and profit, fiscal 2023 profit results fell short of plan across all stages of measurement. In light of the continued performance gaps compared with published plans over the past several years, we will endeavor to improve the accuracy of plans and ensure steady execution.

Toward Improving Financial Indicators

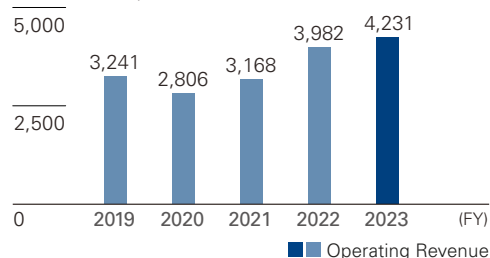
We defined targets for ROIC, EPS growth rate, and net interest-bearing debt/EBITDA ratio as three management indicators. To achieve these targets, we intend to focus on improving profitability in reforming our Domestic Mall Business, which accounts for a particularly large ratio of revenues.

In Japan, we will emphasize investments for renovating existing malls to improve profitability. In particular, we intend to improve facility environments and specialty store mix at malls that have established the No.1 position in their respective areas, aiming to strengthen competitiveness further and generate cash that will serve as a source of growth for the Company as a whole. We anticipate future demographic changes and market contraction to affect certain malls. We are planning efforts to revitalize these malls, perhaps even changing business categories, to meet local community needs.

With a new management structure in place, we are holding deeper discussions within the company to re-formulate our medium- to long-term strategies. Financially, we focused on overseas investments in future growth markets. Going forward, however, we intend to establish a muscular financial base by clarifying the order of priority for domestic and overseas investments and conducting well-balanced management. We will provide disclosures of this new financial strategy to our stakeholders once our stance has been finalized.

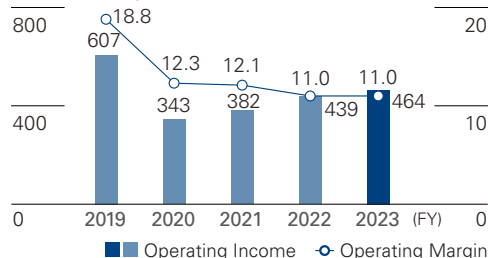
Operating Revenue

(100 millions of yen)



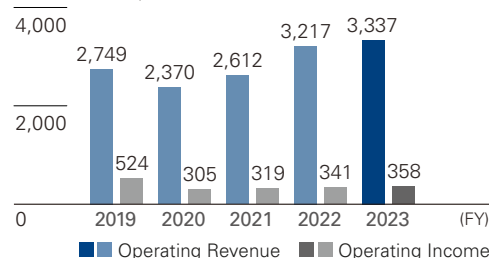
Operating Income/Operating Margin

(100 millions of yen)



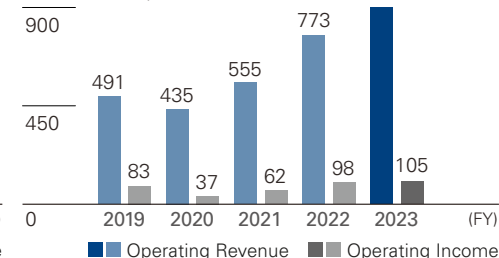
Domestic Business

(%) (100 millions of yen)



Overseas Business

(100 millions of yen)



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Digital Strategy

AEON MALL pursues the creation of value through the use of digital technology under our policy to achieve digital transformation (DX) centered on individual sensibilities. We will create new services, new relationships, and new ways of conducting business by crossing digital with brick-and-mortar malls.

DX Promotion

Direction Toward Achieving Digital Transformation (DX)

The AEON MALL DX Policy is to achieve digital transformation (DX) focused on human perception, pursuing future solutions we hope to bring about through technology. Our DX Vision is to create value for the communities surrounding AEON MALL facilities, for our mall tenant companies, and for their customers.

As the foundation beneath our digital strategies, we continue to review business processes through digitalization and by hiring and training digital human resources. Our end goal here is to achieve operating systems compatible with the next generation. In January 2022, we obtained certification as a DX Certified Business Operator under the DX Certification System established by the Ministry of Economy, Trade and Industry.



* The Ministry of Economy, Trade and Industry (METI) certifies businesses that are ready to implement DX under the basic requirements of the Digital Governance Code, which outlines the actions required of management in light of social transformation brought about by digital technology.

DX Promotion Organizational Structure

Development of a Digital Implementation Framework

We established the DX Promotion Department in April 2021 as an organization under the direct control of the president and CEO and have pursued digital transformation initiatives. In April 2023, the Digital Promotion Department was renamed the Digital Promotion Management Department and placed under the CX Creation Unit to focus on the digitalization of existing businesses.

We also renamed the DX Promotion Department as the Business Innovation Department. This department creates new value-creating business models from an even broader perspective than just the digital field.

Furthermore, we newly established the Life Design Fund as a corporate venture capital (CVC) with Ignition Point Venture Partners, Inc. in April 2023. This fund encourages growth strategy based on alliances with startup companies through shared aspirations and co-creation.

Developing and Securing Digital Human Resources

AEON Business School (ABS), the education system of the AEON Group, introduced a course on digital technologies. This course aims to train personnel to master the basics of IT and digital fields and lead the way in digitalization. Some of our employees who participated in this ABS course are now working in departments related to digital technologies. We will continue to create opportunities and establish an environment to develop digital human resources who will lead our transformation. We will also work to strengthen recruitment to secure digital human resources.

DX Promotion Overview

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

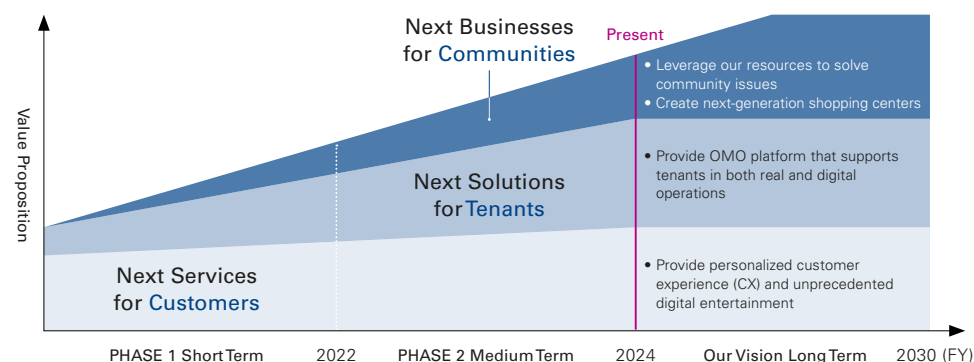
AEON MALL planned steps to promote digital transformation from a medium- to long-term perspective to achieve our vision.

In this plan, we depicted our vision for the Next Services for our customers, the Next Solutions for companies opening stores, and the Next Businesses for the community.

We work to go beyond selling products and services, aiming to provide new value to stakeholders with our co-creation partners by leveraging data and technology.

Develop the “NEXT VALUE”

Three Perspectives and Steps to DX Promotion



PHASE 2 Review

For Customers

- Expanded AEON MALL app functions (Kids Club, Sustainability Action, WAONPOINT linkage, etc.)
- Expanded food delivery companies

For Tenants

- Introduced a new sales reporting system to improve the operational efficiency of tenants
- Conducted demonstration tests of in-facility robot delivery
- Used digital signage to broadcast specialty store product recommendations and highlight fashion coordinates
- Rolled out smartphone app for specialty store employees

Internal Infrastructure

- Internal business infrastructure shifted to the cloud
- Introduced customer relationship management (CRM) tools to provide personalized value to customers
- Launched the Transaction Process Reform Project to streamline administrative procedures (contracts, accounting, etc.).



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Digital Strategy

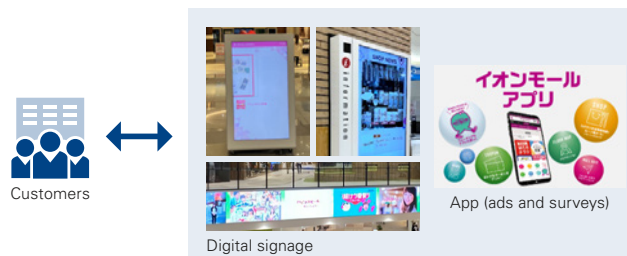
DX Vision Achieve digital transformation (DX) focused on human perception

Goals (KGIs)	Customer Interaction	Improve customer convenience and satisfaction through new personalized value tailored to customer life stages and tastes, combining the insights gained from real assets at approximately 200 facilities in Japan and overseas with digital technologies.
	Cooperation With Local Communities and External Entities	Create new businesses and establish a platform to provide solutions to local issues through data collaboration and co-creation, leveraging digital technology and relationships with local and external partners
	Support for Tenants	Provide management support and new business opportunities that contribute to specialty store company sales. At the same time, reduce the workload (work hours) related to store processes by adopting the latest digital equipment and by using big data.
	Strengthen Our Own Company	Pursue operational efficiencies through digital technologies. Review IT infrastructure and create an environment for focusing on new added value through mindset reform and digital human resources development.
Action Indicators (Main KPIs)	Customer Interaction	<ul style="list-style-type: none"> • AEON MALL app.....Downloads, active users, coupon usage • Live shopping.....Number of malls offering live shopping, live shopping sales • Food delivery.....Number of specialty stores participating in food delivery, food delivery sales
	Support for Tenants	<ul style="list-style-type: none"> • AEON MALL WORKS.....Number of areas adopted, specialty store ES, paper reduction

Mall Media Initiatives

Monetize Mall Customer Attraction

We strive to increase revenues by leveraging the capability of malls to attract customers and leasing facility signage (existing mall asset) as advertising space. In April 2024, we established the Asset Utilization Department within the CX Creation Unit to strengthen the utilization of existing assets.



Provide real and digital value unique to AEON MALL and our mall traffic, tailored to the needs of corporate clients

Use the PDCA cycle to set targets, measure effectiveness, and verify using data owned by AEON MALL

Leverage nearly 1,200 digital signage units and a cumulative total of 18 million AEON MALL app users (as of February 2024)

Improving the Way Shopping Malls Work

Improving Operational Efficiencies Through Digitalization

AEON MALL WORKS

Shopping malls involve numerous administrative procedures, including various applications, etc., for tenants that open specialty stores. In the past, much of this administration involved manual paperwork, but AEON MALL installed tablets in each specialty store loaded with the AEON MALL WORKS app. This app centralizes administrative procedures between AEON MALL and specialty stores, improving operational efficiency and helping specialty store employees concentrate on sales activities.



Smartphone App for Specialty Store Employees

Staff Connect

We introduced the *Staff Connect* smartphone app to improve the work environments at specialty stores in AEON MALL facilities, and we are in the process of expanding the number of malls where the app can be used. In addition to streamlining the building access process, the app provides direct communication to specialty store employees, rather than having information filtered through store managers. Other employee-only special features also contribute to increased employee satisfaction.



Using Generative AI to Improve Operational Efficiency

We are committed to using generative AI to help employees work more efficiently. In fiscal 2024, we developed the AEON MALL ChatBot (AI chatbot) for employees, leveraging internal data for use in certain business cases to answer questions. We hold regular seminars to strengthen the understanding and adaptability of employees to generative AI.



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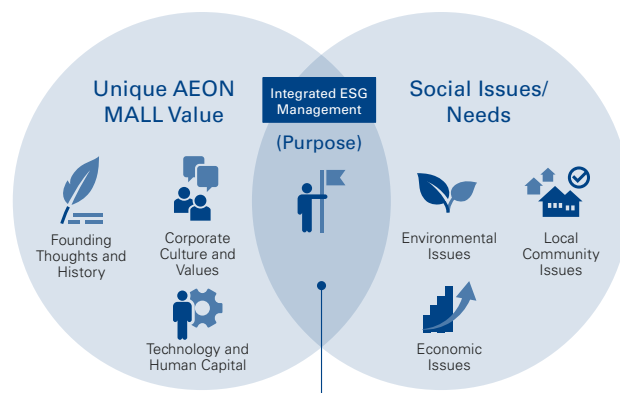
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Sustainability Strategy

Amid growing social demands for sustainability, we clearly position ESG in our growth strategy and engage with identified materialities, aiming to maximize social, environmental, and economic value. We accelerate specific initiatives by raising awareness within the Company through a strengthened promotion system and a new evaluation and commendation system.

Approach to Truly Integrated ESG Management



Balance Between Corporate Value Enhancement and Self-Fulfillment

Value for Society Based on the AEON MALL Unique Strengths

Together with our stakeholders, we aim for truly integrated ESG management that creates social, environmental, and economic value. We accomplish this aim by being sensitive to changes of the times and customer needs, as well as by conducting management that reflects these changes.

The Path Toward Truly Integrated ESG Management

We conducted a series of updates to pursue truly integrated ESG management.

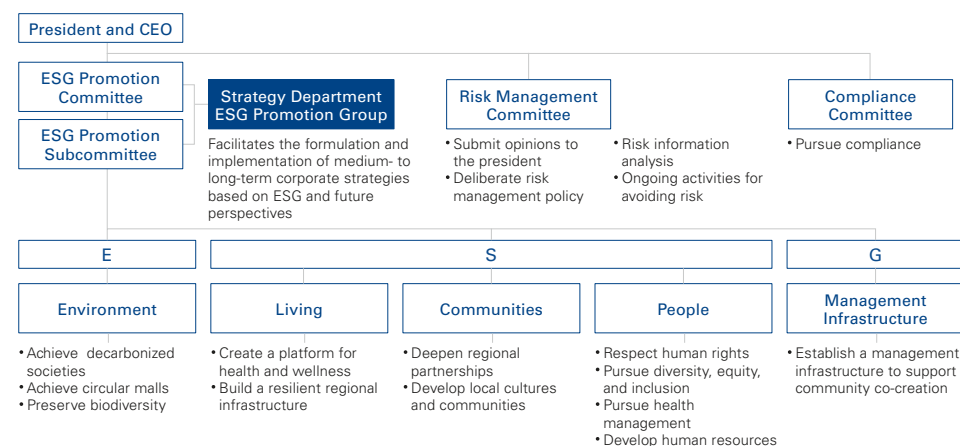
AEON MALL will continue to develop systems necessary to enhance the effectiveness of our sustainability management.



ESG Promotion Structure

Reinforce ESG-Based Management Through Organizational Reform to Accelerate Materiality Initiatives

The ESG Promotion Committee is organized under the Management Council. The committee consults with the president and CEO in response to his or her inquiries, advising or reporting to the president and CEO on related matters. The ESG Promotion Subcommittee has been established for the purpose of reviewing and discussing specific measures for policies or reports made by the ESG Promotion Committee. The committee promptly publicizes important issues and initiatives throughout the Company after conducting deliberations by the committee.



ESG Promotion Committee Meetings

Schedule		Agenda
		* Only representative agenda items are listed
6th Meeting	April 2022	Responsible business
7th Meeting	June 2022	Achieving circular malls
8th Meeting	August 2022	Direction of EV chargers in 2030
9th Meeting	October 2022	Biodiversity
10th Meeting	December 2022	Progress of circular economy measures
11th Meeting	February 2023	Sustainable apps
12th Meeting	April 2023	ESG Award 2022 Initiatives Report, ESG Award 2023
13th Meeting	June 2023	Approach to Biodiversity 2023
14th Meeting	August 2023	Progress of circular economy measures
15th Meeting	October 2023	Materiality revisions
16th Meeting	December 2023	Report on finalization of revised materialities
17th Meeting	February 2024	Progress in responsible business (human rights)



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Human Resources Strategy



The Importance of Cultivating Human Resources to Support Community Co-Creation

Message From the Director in Charge of Administration

Mitsuhiro Fujiki

Senior Managing Director
In Charge of
Administration

Introduction

In May 2024, I was appointed to serve as the director in charge of administration from my former post as director in charge of customer experience (CX) creation for our business in Japan.

AEON MALL needs employees who co-create with stakeholders and revitalize our communities if we are to remain rooted in those communities, earn the trust of our customers, revitalize neighborhoods, and become the dominant mall in each area. Human resources are the greatest resource a business has access to. Therefore, we must develop human resources who think, act, and deliver results independently. We intend to maximize the power of our human resources to create value that is unique to AEON MALL in our local communities.

Our Ideal Vision for AEON MALL Human Resources

AEON MALL created the Human Resources and Organizational Vision, which incorporates the idea of our employees as Life Design Producers and our vision as a group of professionals who continue to innovate. This vision reflects an ever-changing and increasingly uncertain environment in which companies operate.

To respond to change, we must strengthen our ability to identify and solve community issues. We established a clear definition of our philosophy and approach, as well as the relationship between community co-creation as a management issue and our human resources. Our Human Resources and Organizational Vision is of great significance in attracting outstanding human resources.

Human Resources and Organizational Vision (P.42)

Ideal Human Resources	Future Ideal for Our Organization
Life Design Producers	A Group of Professionals Who Continue to Innovate

Human Resource Issues

I feel that the creative thinking needed in our company has stagnated a bit. We must always think about how to find problems and issues in an ever-changing environment. In addition, learning from the experience of acting on one's own, creating one's own community, and giving shape to one's own ideas is also important. We can form virtuous circles by involving the people around to create a successful experience that leads to the next step in the process.

People Are an Important Strength

Diversity Management

AEON MALL is home to a large number of mid-career employees with diverse backgrounds and careers. Our corporate culture is one of our strengths in the context of human resources. Our culture diverse values that include the perspective of the customer and viewpoints from various specialties and experiences, as well as the free exchange of opinions. We put this culture to good use in the balanced and energetic business activities characteristic of AEON MALL. In terms of work styles, the ratio of female managers as of

the end of fiscal 2023 was 22.6% and the percentage of male employees who took childcare leave was 100%. We received high praise from outside third parties, including certification as a *Platinum Eruboshi* company that welcomes women in the workforce. Meanwhile, we believe there is room for improvement in the interaction between locally hired employees at overseas subsidiaries and employees in Japan. We have an overseas trainee program for young Japanese employees to experience working overseas. However, we are rarely able to provide opportunities for locally hired employees overseas to experience work in Japan. To cultivate overseas those will be responsible for management in their home areas, we must establish an education system that provides global-scale experiences.

Fostering Human Resources for Community Co-Creation

The AEON MALL business is built on the vitality of the communities surrounding our shopping malls. Tendo City in Yamagata Prefecture is famous for its *shogi* (Japanese chess) pieces. The town goes all out for the annual National Shogi Tournament for elementary school students and younger, which is held at AEON MALL Tendo. AEON MALL Tendo employees, in cooperation with Tendo City and the Shogi Federation, originally planned this tournament, which has since spread to malls nationwide. Having people in the community willing to think and take action on the ground is very important.

The experiences of thinking, acting, and solving local issues leads to the growth of employees who will be core drivers of community co-creation. Nothing is more rewarding to an employee than receiving a "thank you" from the community and customers. This is the best part of the job at AEON MALL. We develop human resources who are motivated for community co-creation and contribute by ensuring the human resources strategy supports management strategy.



Human Resources Strategy

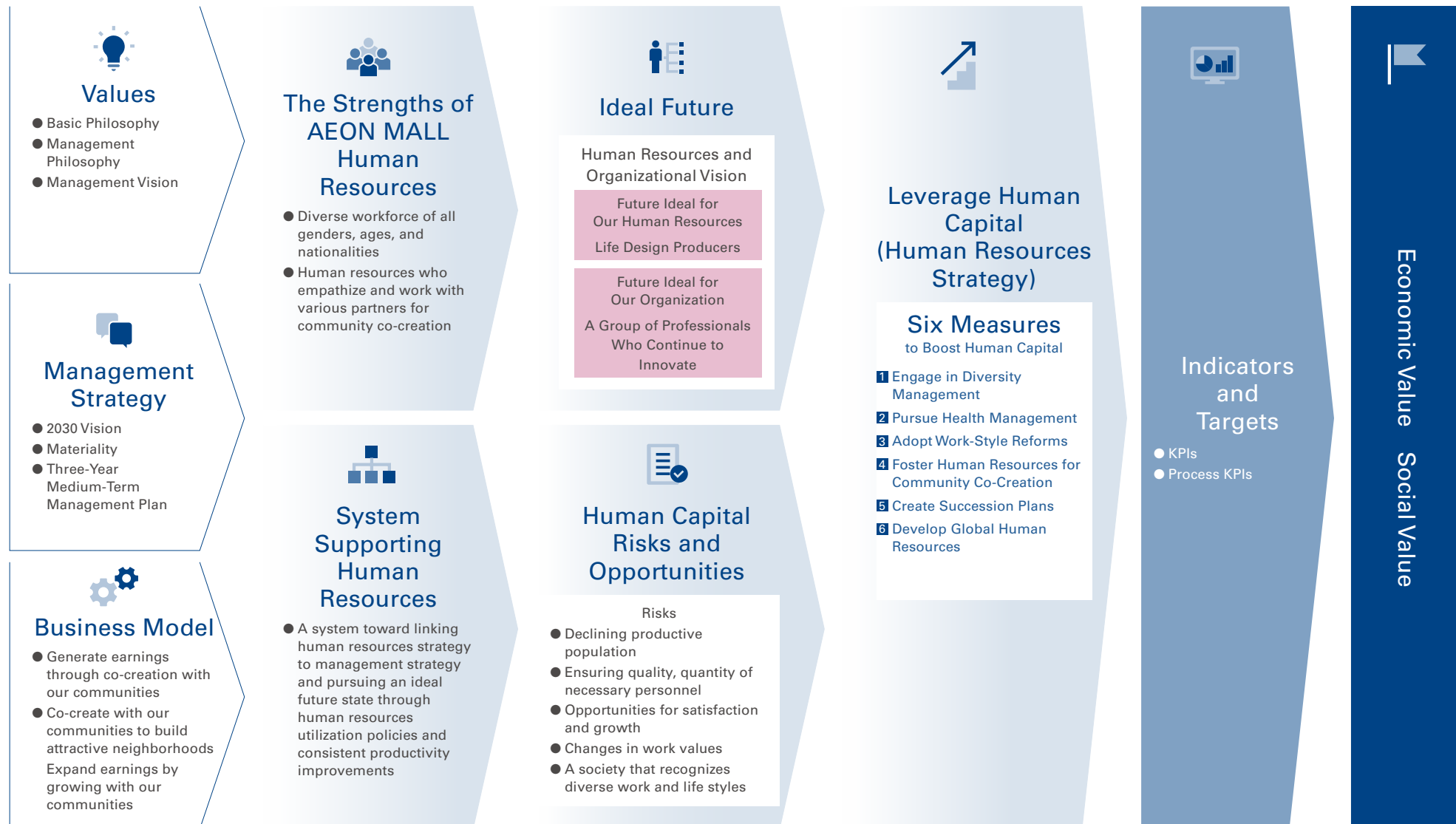
Approach and Policies

Overview of the AEON MALL Human Resources Strategy

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

We understand that the growth and development of our human resources is to lead to the sustainable enhancement of AEON MALL corporate value.

Our approach is to engage in human resources strategy through human capital management as a part of our business strategy.



Human Resources Strategy

Approach and Policies

Human Resources and Organizational Vision

Human Resources and Organizational Vision

Future Ideal for Our Human Resources

Life Design Producers

- (1) Develop human resources capable of achieving self-fulfillment from the perspectives of positive outcomes for co-workers, for local communities, and for the future
- (2) Develop human resources capable of creating and nurturing relationships
- (3) Develop human resources who can envision their own ideal future by making the most of their individuality

Future Ideal for Our Organization

A group of professionals who continue to innovate

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

Basic Policy on Human Resources

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

Strengths of AEON MALL Human Resources and Training System

• Diverse human resources

AEON MALL enjoys a diverse workforce of all genders, ages, and nationalities. We leverage this diversity in our business activities as one of our strengths.

- Ratio of women in management positions: 22.6%
- Locally hired staff overseas: 1,640

* As of fiscal 2023

• Human resources development system

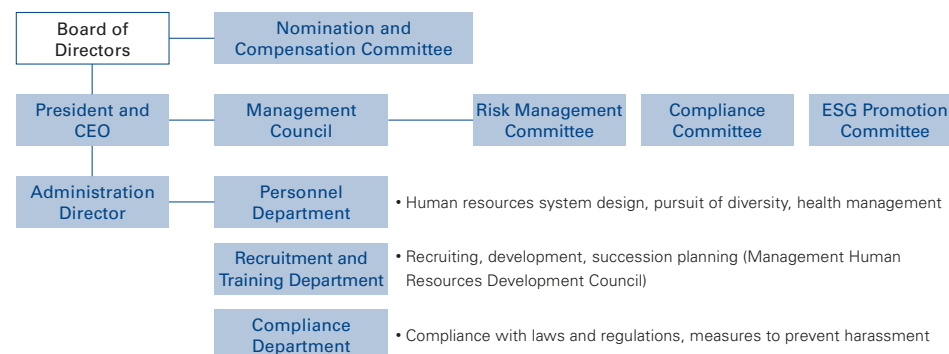
AEON MALL provides career development opportunities for employees to achieve their goals, and we support the efforts of motivated individuals. We emphasize training by year and position as an opportunity for employees to learn independently. Training includes regular seminars to update business skills and open training for employees to be assigned to positions of their choice.

• Extensive network

We have accumulated the expertise to accurately respond to local issues and needs by utilizing our nationwide network of specialty store companies and local governments. We also have systems in place to share this expertise laterally in our organization.

Governance

Governance System to Support Human Resources



• Nomination and Compensation Committee

This committee consists mainly of independent outside directors. The committee reports to the board of directors from the perspective of fairness and transparency regarding the policies and criteria for nominating candidates for directors, policies for developing candidates for future management positions, and the processes involved.

• Compliance Committee

This committee aims to create psychologically safe and comfortable work environments through compliance with laws and regulations. The committee keeps abreast of new information, responds to cases of harassment, and provides training related to harassment.

• ESG Promotion Committee

The ESG Promotion Committee discusses matters at the request of the president and provides advice or reports to the president on said matters. As a subordinate organization of the Management Committee, the ESG Promotion Committee is chaired by the president and CEO and consists mainly of internal directors.

We also established the ESG Promotion Subcommittee to review and discuss specific measures for policies or reports made by the ESG Promotion Committee. The ESG Promotion Committee meets once every two months to discuss important policies, measures, and targets related to sustainability issues, serving to support the prompt response to and resolution of issues.

Human Resources Strategy

Strategy

Six Measures (Approaches) to Elevate Human Capital

	Overview	Desired Effect
1 Pursue Diversity Management	Create comfortable work environments that accommodate diverse personalities, backgrounds, and work styles	<ul style="list-style-type: none"> • New perspectives and ideas; enhanced innovation and competitiveness • Improved employee satisfaction and corporate social reputation, contributing to the recruitment and retention of outstanding human resources
2 Pursue Health Management	Engage in health management to foster employee mental and physical health necessary for providing services that bring health and spiritual enrichment to our customers in local communities	<ul style="list-style-type: none"> • Maximize the full potential of each employee to create new value and improve productivity • Positive impact on hiring outstanding personnel and building good relationships with business partners
3 Adopt Work-Style Reforms	Improve productivity by streamlining employee operations in shopping malls	<ul style="list-style-type: none"> • Improved employee satisfaction and retention rates • Contributions to operational cost reductions by streamlining operations in malls and headquarters and by reducing labor hours
4 Foster Human Resources for Community Co-Creation	Develop human resources who empathize with various partners from the perspectives of positive outcomes for co-workers, for local communities, and for the future, and who engage in community co-creation	<ul style="list-style-type: none"> • Human resources who think and act independently to address issues facing local communities • New business opportunities arising from human resources capable of meeting the unique needs of their communities
5 Create Succession Plans	Systematically identify and train the next generation of management human resources to enhance our corporate value and lead the transformation toward medium- and long-term growth	<ul style="list-style-type: none"> • Personnel who lead growth and contribute to business performance by transforming vision and strategy in response to changing times • Ongoing organizational transformation, enhanced corporate value through the development of the next generation of leaders
6 Global Develop Global Human Resources	Systematically train employees, including transfers from each unit to overseas locations, in our Global Human Resources Course, Overseas Trainee System, and other training programs.	<ul style="list-style-type: none"> • Opportunities to enter overseas markets and develop new businesses due to the development of human resources with a global perspective • Smooth interactions with international customers and partners due to an increasing number of multicultural and multilingual personnel

Risks and Opportunities

Ensuring Quality and Quantity of Needed Employees

The ratio of effective job offers to applicants is rising and competition is becoming tougher in the hiring market. We must answer these developments through various hiring opportunities to acquire and train a diverse workforce necessary for business growth.

Changing Work Values

The attitude of continuing to work at the company from graduation to retirement is becoming much more rare. The mid-career hiring market is more active and employment has become more fluid. In response, we must increase our attractiveness as an employer and be capable of attracting talent.

Opportunities for Growth and Fulfillment

A failure to meet expectations for learning and growth leads to the risk of low employee motivation. We create opportunities for employees to learn and forge their own careers, fostering ambition and job satisfaction.

A Society That Recognizes Diverse Work and Life Styles

With greater emphasis on work styles that balance work with childcare and nursing care, we are making progress in offering flexible work styles not dependent on time and place (work-life balance (WLB)). We also expect the diverse perspectives of personnel from various backgrounds and philosophies to lead to solutions for customer issues.

Future Focus

- Secure diverse human resources
- Develop the next generation of employees
- Foster an organizational culture encouraging creativity and imagination
- Create environments fostering long-term careers



Human Resources Strategy

Risk Management

Risk Management Status of Internal Departments

Department	Matters Monitored
Personnel Department	Effectiveness of HR design, talent management
Diversity Promotion Group	Number of female managers, number of employees taking childcare leave, progress of diversity measures, mental and physical health status of employees
Recruitment and Training Department	Secure and develop human resources necessary for business growth
Compliance Department	Compliance with laws and regulations, other compliance issues; response to matters from the internal reporting desk
Systems Department	IT human resources development

Risk Management Measures

Securing and Cultivating Human Resources

We pursue a human capital strategy, making human capital investments to become a company that maintains a healthy and diverse workforce in which employees can demonstrate their capabilities.

To secure human resources, we are strengthening systems to recruit new graduates, who will become our next generation of leaders, and to hire mid-career professionals, who will be responsible for helping us expand into new business areas.

We develop human resources through training according to position and level of growth and conduct human resources training for persons who will become future leaders in our overseas businesses. We have also created various human resources development and training programs, as well as opportunities for career development, to cultivate candidates for future top managers.

Organizational Survey

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

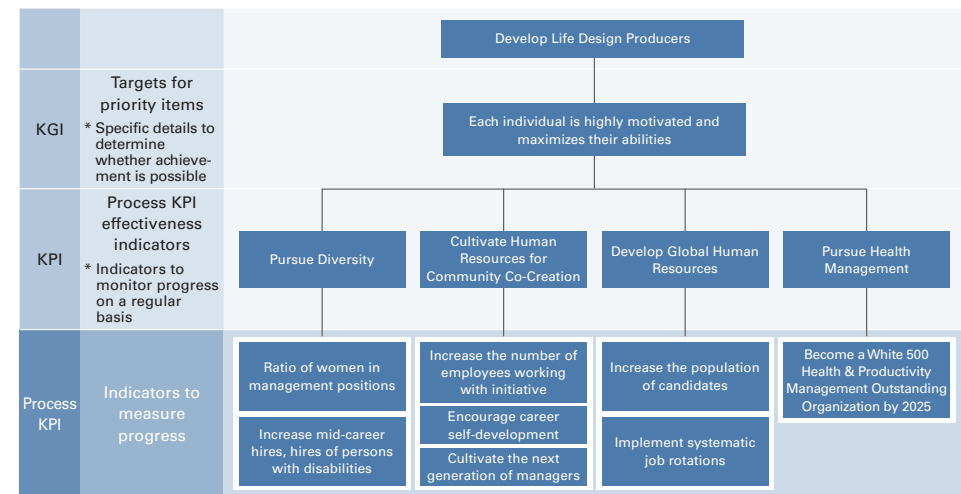
Talent Management

We pursue talent management, believing that maximizing the potential of each individual leads to the growth of the company. We encourage independent career path development through a combination of career development support, a self-assessment system, an in-house open recruitment system, an open training program, and a talent management system.

Metrics and Targets

2025 KGIs and KPIs for Developing Life Design Producers

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



Diversity-Related KPIs

Item	KPI	FY2022	FY2023
Ratio of women in management positions	30.0%	20.4%	22.6%
Male employees' parental leave acquisition rate	100%	100%	100%
Paid leave acquisition rate	60%	60%	55%
Paid leave acquisition days	—	11%	10%
Ratio of employees with disabilities	2.50%	2.20%	2.31%
No. of new employees (new graduates) (male/female)	—	74 people (37/37)	84 people (39/45)
Turnover (personal reasons)	—	4.1%	4.2%
Wage gap between male and female workers ^(Notes)	—	—	42.4%
Permanent	—	—	68.5%
Part-time, fixed-term	—	—	107.9%

Health Management KPIs

Item	KPI	FY2022	FY2023
Periodic health testing rate	100%	99.9%	99.9%
Secondary testing rate ^(Note 1)	100%	71.8%	86.3%
Specified health guidance rate	100%	42.5%	46.6%
Energy up campaign participation rate ^(Note 2)	100%	16.7%	17.8%
Smoking rate ^(Note 3)	Less than 15%	17.6%	16.9%
Percentage of people who are regular exercisers ^(Note 3)	30% or higher	22.4%	—
Stress checkup testing rate	100%	98.5%	98.8%
Percentage of people with high stress	10% or less	15.5%	16.6%
Total annual work hours	1,975 hours or less	1,989 hours	2,007 hours
Number of work-related accidents	15 or less	23	19
Health Management Survey	Obtained White 500	Certified as an Excellent Corporation	Certified as an Excellent Corporation

(Notes) 1. The participation rate among those with symptoms who are judged by industrial physicians to require medical examination (those requiring reexamination, close examination, or treatment).
2. Campaign by the Aeon Health Insurance Association to improve lifestyle habits for two months.
3. Total of subjects 40 years old and over. FY2023 results for the regular exercisers not tabulated as of the date of this report.

Human Resources Strategy

Approach ①

Diversity Management

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

Diversity Policy

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

AEON Diversity Declaration: *Dai Manzoku*

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

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



Obtained Platinum Eruboshi Certification

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



Reasons for Certification Award

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

FY2021, FY2022, FY2023
Three consecutive years
Eligible male employees
taking childcare leave:

100%*²

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

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

Improving the Ratio of Women in Management Positions

We set a goal to increase the ratio of women in management positions to 30% by fiscal 2025. Various initiatives are in the planning and implementation stages to foster a desire to take on challenges and strengthen support systems from the Company and superiors.

Motivating employees to take the first steps toward management

- Conducting training to change mindsets regarding higher-level positions

Producing and publicizing a variety of role models for management positions

- Operating model malls with managers working shorter hours

Follow-up before childbirth and before returning to work

- Motivating female employees through interviews, etc.
- Encouraging male employees to take childcare leave

Improving manager skills in developing subordinates

- Conducting subordinate development training for middle management

Childcare Support Initiatives

AEON Yume-Mirai Nursery Schools

We opened nursery schools in 21 AEON MALL facilities across Japan to provide childcare services, encourage children to keep their dreams alive, help working people balance work and life, and help families be happy and healthy. The nursery school is also used by specialty store employees working at our malls and by the local community.



Ikuboss Financial Support System

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

Infertility Treatment Support

The number of employed people undergoing infertility treatment increases every year. To support the balance between infertility treatments and work, AEON MALL offers an environment that includes leaves of absence, vacation time, etc., to address the concerns of frequent hospital visits.

- Application for leave of absence for infertility treatments
- Half-day and hourly paid leave

- Lost reserve paid leave
- Relocation suspension program
- Training

Human Resources Strategy

Approach ①

Securing Diverse Human Resources

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

Hiring Policy

New graduate recruitment

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

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

Mid-career recruitment

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

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

Creation of Opportunities for Diverse Human Resources

AEON MALL offers career planning interviews and support for self-fulfillment to create opportunities for diverse human resources.

Career Plan Interviews

- At ages 28, 35, and 42

Support for Self-Fulfillment

- Self-selection of assigned books for various examinations and training sessions
- Self-study guidebook and financial assistance for professional certifications
- Fixed-price e-learning tools
- Language learning support
- Transfers through open recruitment or secondment to other companies and organizations

Strengthening Recruitment of Diverse and Versatile Human Resources Through Networking

We established the AEON MALL Alumni Network in June 2024, launching Welcome Back Recruiting and Employee Referral Recruiting programs. We also launched a new social media channel for employees who left the Company for personal reasons, creating an ongoing network and generating ideas and opportunities for new connections and business collaborations. Welcome Back Hiring consists of recruiting former employees who left the Company due to job changes or other reasons. We welcome former employees and their experience and knowledge from various fields back to our company.

We also leverage the personal networks of employees to promote the attractiveness and satisfaction of working at AEON MALL to potential career changers. Employees provide introductions of outstanding talent who share our philosophy.

LGBTQ+ and Gender-Free Initiatives

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

Gender Equality Agreements With Labor Unions

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

Benefit plans available for same-sex partners

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



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

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

PRIDE Index Gold Award

On November 7, 2023, the company received the highest rating of GOLD in the PRIDE Index 2023, which evaluates consideration for LGBTQ+ in the workplace. This index consists of five items, and AEON MALL scored high marks in all five.

- ▶ Policy (Action Declaration)
- ▶ Representation (Support for the LGBTQ+ community)
- ▶ Inspiration (Awareness-raising activities)
- ▶ Development (HR policies and programs)
- ▶ Engagement/Empowerment (Contribution to society and external activities)



Human Resources Strategy

Approach ②

Pursue Health Management

Approach to Health Management

AEON MALL engages in health management based on the belief that the well-being of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities. In March 2024, we were recognized as the 2024 Health and Productivity Management Outstanding Organization (Large Enterprise Category) under the Health and Productivity Management Outstanding Organization System. This is the fifth consecutive year since 2020 that the Company has received this certification.

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



AEON Health Management Declaration

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

AEON MALL Health Management Action Guidelines

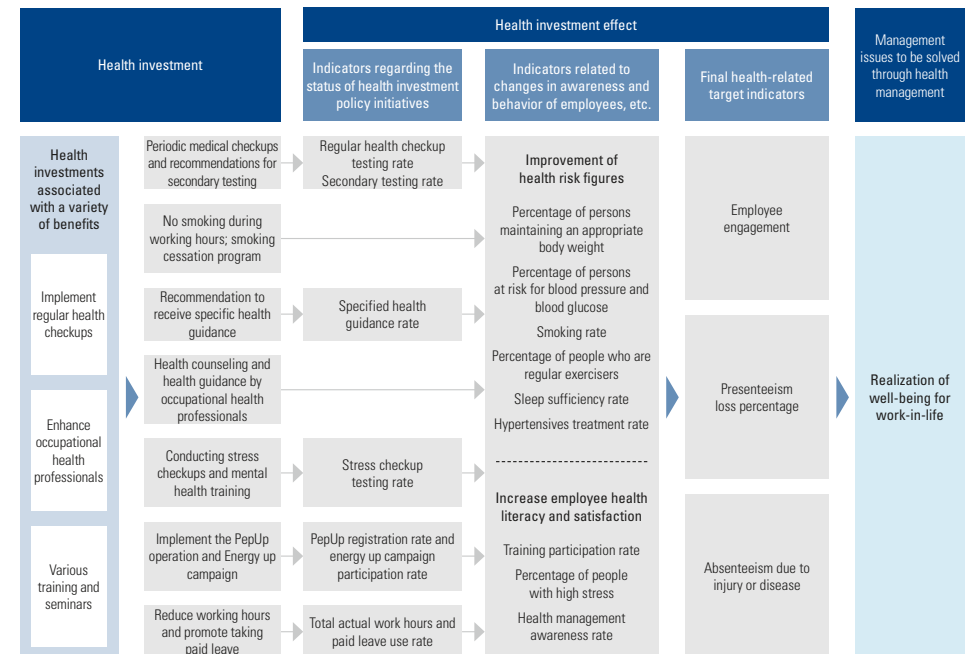
We believe that the health of our employees is the driving force behind the challenge to create new value, and we are committed to the following action guidelines.

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

Keiji Ohno
President and CEO

Health Management Objectives and Expected Benefits

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



Measurement of Final Target Indicators and Actual Values

Final target indicators	Measurement method	Number of people measured and response rate (FY2023)	FY2021	FY2022	FY2023
Employee engagement	Average of 10 specified items in the Organizational Survey related to engagement (5-point scale) ^(Note 1)	1,371 (36.6% response rate of population)	— (3.68)	— (3.63)	3.28
Presenteeism loss percentage ^(Note 2)	Absolute presenteeism measured using the WHO-HPQ index; percentage of loss calculated as 100 – (average response score x 10)	3,537 (98.8% response rate of population)	—	37.6%	37.0%
Absenteeism due to injury or disease ^(Note 3)	Percentage of enrolled employees at the end of the fiscal year who were absent from work for 30 or more consecutive days due to personal illness or injury (including paid leave)	2,103 (all daily/monthly paid employees)	2.8%	2.8%	2.1%

- (Notes)
1. We modified survey content in FY2023; therefore, reference values are shown in parentheses for FY2021 and FY2022.
 2. We define presenteeism as a situation in which an employee is coming to work but demonstrates reduced work efficiency due to some health problem.
 3. We define absenteeism as a condition in which a person is unable to perform the work itself. Examples include employees suffering from physical or mental distress who are late to work or leave early, absent due to difficulties, or who take a leave of absence.

Human Resources Strategy

Approach ③

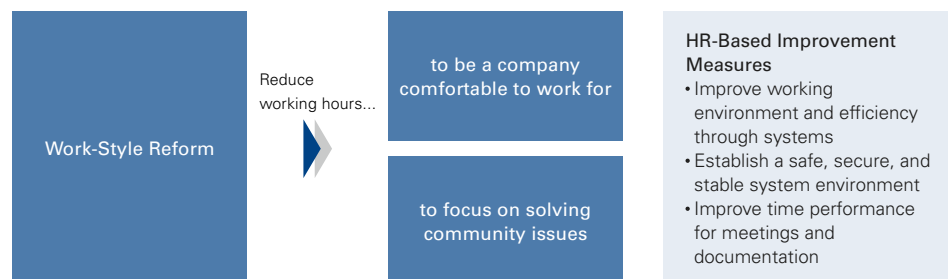
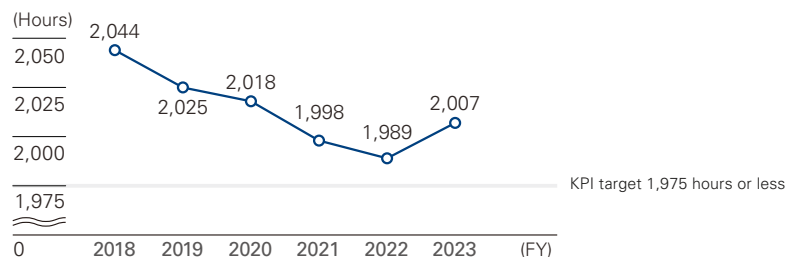
Work-Style Reform

Basic Approach to Reducing Total Actual Work Hours

We aim to create an organizational culture and workplaces where every person can maximize their abilities, becoming a group of professionals who continue to innovate. At the same time, we pursue work-life balance as part of health management, endeavoring to optimize work hours. We also launched a paid leave program called *Kirakira Leave* (unique paid leave program) and encourage male employees to take childcare leave.

We encourage employees to achieve work-life balance within the framework of 1,920 hours of annual scheduled working hours for full-time employees and 125 days of time off per year (including 10 long holidays), and paid vacations. We pursue ways to improve productivity and maintain good mental health among employees, offering work as a source of energy and holidays to refresh and maintain a good balance between work and non-work life.

Total annual work hours



Transaction Process Reform Project

As part of our work-style reform initiative, we launched the Mall Operations Kaizen Project in fiscal 2021 to improve the efficiency of employee operations at shopping malls and increase the time available to engage in solutions for management issues. Through this program, we continue to improve operational efficiencies.

In addition, we launched a new Transaction Process Reform Project in November 2023. Under this project, we pursue measures to streamline internal administrative procedures, including contracts and accounting. Project members, appointed from the divisions in charge of each business operation, help build the next generation of business operations by reviewing operations from perspectives of *processes* and *systems* across divisions.

Transaction Process

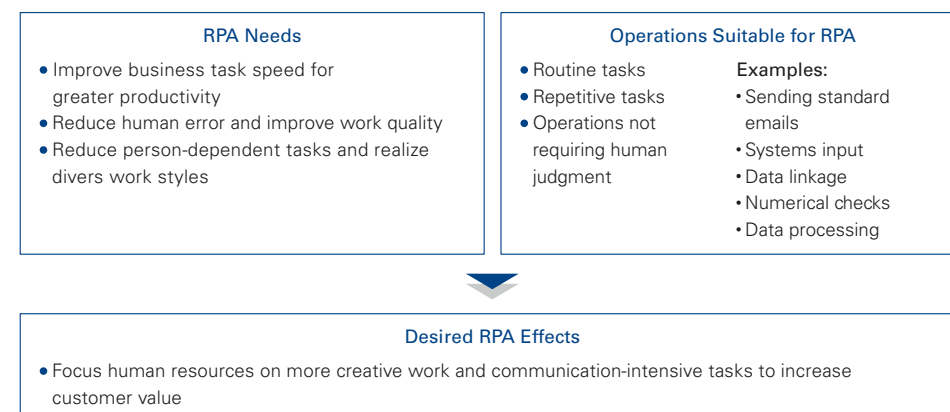


* Exhibition contracts, storefront temporary use contracts, contractor agreements, and other contracts in general

Improving Business Efficiency Using RPA Tools

We automate routine tasks through the use of digital technology.

Robotic process automation tools (RPA tools) help each department achieve its respective missions by automating simple repetitive tasks previously performed manually by each employee.



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

Human Resources Strategy

Approach ④

Fostering Human Resources for Community Co-Creation

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

Our idea that education is the greatest welfare drives us to provide opportunities to develop the abilities of each individual, enabling them to maximize their potential. For example, we emphasize new employee training and other year-specific and rank-based training as well as open training programs where employees study to be assigned to a position of their choice.

We are committed to fostering a culture that encourages people to take on challenges toward growth to take control of their own career and achieve their own aspirations.

AEON MALL Human Resources Development Structure

	Responsible Party	Managers					GMs and Division Managers	Business Managers	Officers
	New hires; Duties I, II, III; Duties S	A2	A3	D1	D2	D3	E		
Rank-Based Training		New Employee Training		Manager Training				Management Candidate Training	
	Duties S Promotion Training	2nd-, 3rd-Year Training							
	Community Employee Recruitment Training		Career Entry Follow-Up Training						
			Qualification-Based Training						
Practical, Professional Human Resources and Skills Training					Mall GM Course				
					Domestic MBA Study Abroad		AEON DNA University		
			AEON Business School						
			Mall Practical Training						
			Global Human Resources Development Program						
			Digital Human Resources Development Program (For Literacy Improvement, Specialized Human Resources)						
			AEON MALL Study (Lectures, Skills Development, Practical Work Improvement)						
Self-Study Support			Career Development						
			Self-Study Tools e-Learning						
			AEON Self Study/Language Study Support/Certification Support						
Basics			Human Rights/Compliance/Personal Information/Information Security/Other						
			AEON Group Basic Principle and Vision for the Future / AEON MALL Basic Philosophy						

Human Resources Development Program for Growth

AEON MALL believes that we will need numerous new employee transfers to our overseas business to drive growth strategy. We train employees systematically, including transfers from each unit to overseas locations, in our Global Human Resources Course, Overseas Trainee System, and other training programs. We also develop and allocate global human resources appropriately through an integrated overseas human resource training course that includes raising awareness of global perspectives, acquiring skills, and learning languages.

In addition to focusing on the development of local staff in each country, we also seek actively to promote local staff to executive positions. As of the date of publication, local staff serve as general managers at 16 of our 25 malls in China, and at 22 of our total 42 malls overseas, including ASEAN.

Expanding Opportunities to Learn

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

AEON MALL Study — Seminar Edition — is a seminar that provides participants a place to learn the skills and thoughts required of businesspeople by inviting prominent figures who have garnered attention in their respective fields to give lectures. In fiscal 2023, more than 1,000 participants attended lectures on presentations and writings focused on the power of communication.

We also introduced a subscription-based e-learning program to update users' business skills. In an environment where anyone can learn anywhere at any time online, we increase opportunities for employees to continue learning digital and other business skills needed for work on their own initiative.

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

We offer internal job openings that challenge employees to demonstrate their abilities in new fields, aiming to cultivate human resources who leverage their individuality and envision their own aspirations. Not only do we have open recruitment for newly established departments, but we also focus on openings for secondments outside the Company (government agencies, universities, etc.). Rather than seeking One Culture through exchanges with government agencies and other companies, we provide opportunities for employees to use the knowledge gained in both organizations. In doing so, we expect employees to bring back their knowledge and experience gained after returning from secondments.

studio LIFE DESIGN —Leading Community Co-Creation—



studio LIFE DESIGN Objectives and Project History

The studio LIFE DESIGN project transforms employees and the company as a whole through the formulation and implementation of our 2030 Vision, aiming to envision the future of society and consumers and indicate our Company vision.

We launched the project in 2021, led by members who will lead our business in the 2030s. What are the future lifestyles indicated in our management philosophy? What will the values and behaviors of society and consumers look like going forward from 2030? Our 2030 Vision verbalizes our vision for the Company through backcasting from the future.

We welcomed new members in 2023 who serve as facilitators in each department to achieve community co-creation. These members work as the driving force between our top-down and bottom-up approaches, stimulating organizational change from both perspectives and embodying our future efforts to encourage transformation. In 2024, members are working to address local issues involving the community and stakeholders in Suzaka, Nagano Prefecture, and surrounding areas, in preparation for the fall 2025 scheduling opening of AEON MALL Suzaka.

— 2021–2022 — 2023 — 2024 — 2025–2029 — 2030

Indicate our vision

Pursue departmental community co-creation initiatives

Achieve community co-creation



FY2023 Activity Results

studio LIFE DESIGN leads our efforts to achieve community co-creation through an organizational and individual approach.

FY2023 Projects

Members participated in year-long discussions in fiscal 2023 on their mission to materialize and implement the 2030 Vision in their affiliated departments. We proposed and began implementing the Plan to be Achieved by 2030 after a series of interim discussions with executive officers.



Briefing on the final results

Panel Discussion on *Connecting Communities, Connecting the Future*

Panel discussions share a common theme of *Community Co-Creation* × ..., aiming to foster deeper understanding and empathy in encouraging actions to achieve community co-creation. Participant surveys indicate an average satisfaction rate of 92.5% thanks to our efforts to invite guest speakers from both within and outside the company and incorporate concrete examples in discussions. We will change discussion content according to company needs and strive to raise awareness and foster a sense of personal involvement at panel discussions to encourage members to take action.

Panel Discussion Topics

- Community co-creation implemented by general managers
- Community co-creation and public administration
- Diversity equity & inclusion



Examples of panel discussions

* Find more details on the #6 Regional Co-Creation x Diversity Equity & Inclusion panel discussion on P.51.

Panel Discussion on Connecting Communities, Connecting the Future

#6 Community Co-Creation x Diversity Equity & Inclusion (DE&I)



(From left)

Yui Sugano

Diversity Promotion Group,
Human Resources Department
Manager
studio LIFE DESIGN Producer

Megumi Sasaki

Construction Planning Group,
Construction Planning Department
Manager

Misako Yamashita

Diversity Promotion Group,
Personnel Department
Supervising Staff

Tomoyuki Matsumoto

General Manager, Digital Promotion
Management Department



Sugano: I would like to discuss AEON MALL'S vision pertaining to our theme today of Community Co-Creation x Diversity Equity & Inclusion (DE&I). Mr. Matsumoto, let me start off by asking how you first became involved in today's theme.

Matsumoto: AEON MALL has long emphasized diversity and inclusion (D&I), recently adding the concept of equity, or fairness, to our focus on diversity equity and inclusion (DE&I). I strongly identified with this equity approach and wanted to take on a leadership role in bringing it to fruition.

AEON MALL has implemented countless initiatives based on DE&I, and is determined to accumulate and utilize these initiatives as assets. I believe DE&I is well-aligned with our goal of community co-creation, and that dialogue and empathy are the keys to success.

Topic 1: AEON MALL DE&I efforts (universal design) to date

Sasaki: The following is an organized list of the language related to inclusive user-friendly designs. The goals of these designs are the same, and we intend to combine these methods as we go forward.

Name	Concept	Examples
Barrier-free design	Design that removes barriers to existing facilities	Restrooms designed for seniors and people with disabilities
Universal design	Design friendly to all individuals	Multifunctional restrooms for the people mentioned above as well as all individuals, including people with small children
Inclusive design	Designs that solve issues faced by specific users	Restrooms for sexual minorities to use comfortably and with peace of mind

Mr. Matsumoto mentioned that our previous Company initiatives are an asset, and I agree that the challenging efforts we've undertaken so far are exactly that. We have been working on universal design for about 20 years. During this time, several local governments awarded us third-party recognition for universal design-related awards for target malls. The Ministry of Land, Infrastructure, Transport and Tourism also honored our company in 2015 for our contributions to barrier-free accessibility. We summarized our approach and initiatives in the AEON MALL Universal Design Guidelines and made them available to internal employees.

We revise this publication as necessary, gradually expanding the target audience according to the times. These guidelines now include designs for people with physical disabilities, senior citizens and children, as well as foreigners, LGBTQ people, people with developmental disabilities, and people with dementia.

Our leading lines are one such design example. Changing the colors of the floor and ceiling helps customers to grasp intuitively entrance and exit locations, as well as the directions of moving escalators.



Leading line example

Panel Discussion on Connecting Communities, Connecting the Future

#6 Community Co-Creation x Diversity Equity & Inclusion (DE&I)



Sugano: Designs that are intuitive and natural are accessible to everyone.

Sasaki: We also implemented a project to introduce gender-neutral restrooms as a way to enhance inclusiveness.

We studied innovative case examples in Japan and overseas for this project, examining various issues and challenges one by one while taking into account the nature of AEON MALL facilities. As a result, we decided to retain men's and women's restrooms while decentralizing their functions by establishing inclusive restrooms (tentative name) and priority restrooms as gender-neutral options. These restrooms are open to transgender individuals and ensure that people with disabilities can use the facilities without waiting. (Introduced at AEON MALL Okinawa Rycom and AEON MALL Tokoname)

Sugano: Inclusive toilets are an excellent idea. This may provide a solution for those individuals who experience anxiety when using restrooms.

Sasaki: We checked in with the malls that have introduced such restrooms and have not received any particular customer feedback at this time. We believe this indicates smooth use of the facilities, or in other words, that these facilities are functioning as intended. We will continue monitoring these malls to ensure the lack of feedback is not due to any sort of barriers preventing users from speaking up.

Topic 2:

How does addressing DE&I change working environments for employees?

Sugano: Next, I would like to ask about why we as a company should engage in DE&I from the perspective of work environments.

Yamashita: Workplace environments that do not recognize individuality and diverse ideas are difficult to work in. Generation Z, in particular, favors companies that are proactive in DE&I, with surveys showing that up to 95% of Gen Z participants prefer to work at such companies. Given that securing human resources becomes a critical issue, I believe that companies that embrace diversity and engage in DE&I will be the only ones to survive.

Sugano: I agree. DE&I is an important factor in choosing a company. Could you discuss the specific systems offered at AEON MALL?

Yamashita: There are several systems I would like to mention, but I want to focus on those related to same-sex partner marriages and childcare.

AEON MALL began offering benefits for same-sex partner marriages in 2021, allowing same-sex partners to apply for employee benefits as a family member. The Company also offers carry-over paid leave for gender reassignment surgery and hormone therapy.

For childcare, we make childcare work arrangements available until the applicable child enters junior high school, offering both reduced working hours and the option to choose the number of working days. We are also proactive in introducing systems to support childcare, including the introduction of AEON Yume-Mirai Nursery Schools and other nursery schools in 21 malls. Employees also have access to discount babysitter coupons from the Children and Families Agency.

AEON MALL designs these systems to meet the diverse needs of each employee. But simply establishing such systems is not enough; it is also important to create environments that encourage the actual use of such systems.

Introducing Inclusive Restrooms (Tentative Name): Approach to Function Decentralization

Current restrooms: Users tend to be restricted to restrooms based on their perceived gender

• Transgender people face difficulties when using either restroom • The Restrooms for Everyone tend to experience chronic overcrowding

Women's Restroom	Restrooms for Everyone (Family Toilets)	Men's Restroom
Cisgender women and L+B women able to use facilities alone Infants	Wheelchair users Ostomy patients Persons in need of assistance and caregivers Infants and guardians	Cisgender males and G+B men able to use facilities alone Infants

L = Lesbian, women attracted to other women
 G = Gay, men attracted to other men
 B = Bisexual, individuals attracted to more than one gender
 T = Transgender, individuals whose gender identity differs from the sex assigned at birth (↔ cisgender, a person whose gender identity matches the sex assigned at birth)
 Q = Questioning or queer, people who do not know their sexuality, have not decided, do not want to decide, or are confused about their sexuality

Going forward: Increase options for transgender persons and establish facilities for people with physical disabilities to use without waiting

Priority restrooms and inclusive restrooms (tentative name) will decentralize functions and reduce congestion

Women's Restroom	Priority restrooms (= exclusive restrooms)	Inclusive Restroom (Tentative Name)	Men's Restroom
Cisgender women and L+B women able to use facilities alone Infants	Wheelchair users Persons in need of assistance and caregivers Ostomy patients	Transgender persons Infants and their guardians Persons in need of assistance and caregivers Wheelchair users and ostomy patients	Cisgender males and G+B men able to use facilities alone Infants
Large booth Diaper changing table	Beds for persons needing caregivers Ostomy patient facilities	Diaper changing table Ostomy patient facilities	Large booth Diaper changing table

Panel Discussion on Connecting Communities, Connecting the Future

#6 Community Co-Creation x Diversity Equity & Inclusion (DE&I)



Sugano: So it is important to ensure the environments enable employees to use such systems easily after establishment. Have you received any feedback regarding the perceived burden on the colleagues of employees who use these systems?

Yamashita: We certainly need to consider the burdens felt not only by those who use such systems, but also by the colleagues of such employees. Even if an employee is not utilizing the childcare work arrangements, they may be in a situation where they go home to a partner burdened by childcare. The key here is to foster comfortable working environments for all employees, not just certain individuals.

When we hear the term diversity, we often think of those easy to categorize, such as foreigners, people with disabilities, and women, (i.e., those with so-called “surface diversity”). In reality, diversity runs deeper to “underlying diversity.” We are each a diverse entity with different individual personalities, characteristics, strengths, and weaknesses. We must be aware that diversity can be invisible to the eye, making it crucial to have discussions on what type of support such individuals need and how we can help.

Sugano: Given this underlying diversity, I feel we cannot reduce diversity to simply those who support others and those who receive support. I think it is important for everyone to have this awareness, or rather, feel that we are all part of a diverse group of people and can only be ourselves thanks to those around us.

Matsumoto: We often focus our attention on those who use these systems, but I think we should also take into account the ideas and feelings of those who support such employees. We should discuss such matters and how to support these individuals with everyone in the workplace and implement measures through dialogue.

I believe each workplace within the Company has various accomplishments beyond these systems, such as the physical infrastructure mentioned earlier. But I feel that such accomplishments are not elevated to our knowledge base. I believe it is critical to share such information while establishing it as explicit knowledge.

Sugano: Sharing case studies and devising our own respective ways to address issues with no clear answers is desirable to create accessible facilities accessible and comfortable work environments for everyone.

Topic 3: What measures will AEON MALL taking going forward?

Sugano: How should AEON MALL view and address DE&I going forward?

Matsumoto: We already implement various initiatives and structures, but some individuals question whether these efforts lead directly to business results.

Data shows that 8.9% of the population in Japan identifies as LGBTQ, and about 6% of the population has some form of disability. In addition, foreign workers living in Japan account for 2.2% of the population, and households with children account for 18% of all households. The target population of our DE&I efforts exceeds 10% of the population, even if we exclude households with children.



If AEON MALL cannot accommodate these individuals, we risk our facilities being inaccessible to approximately 10% of our customers in Japan.

This can also be said for employees, partners, and staff of specialty stores. Understanding DE&I and having deeper dialogues and more empathy are necessary for AEON MALL to attract more employees and customers.

I will strive to do my part to help the Company view the business opportunities of DE&I and take proactive measures. Our presence in Japan is a particularly significant advantage. I hope AEON MALL will serve as a platform that welcomes and supports diverse individuals in both metropolitan and rural areas.

I expect that leveraging our nationwide knowledge base and implementing localized DE&I initiatives will be a great asset and a driving force for the Company to create new value.



Human Resources Strategy

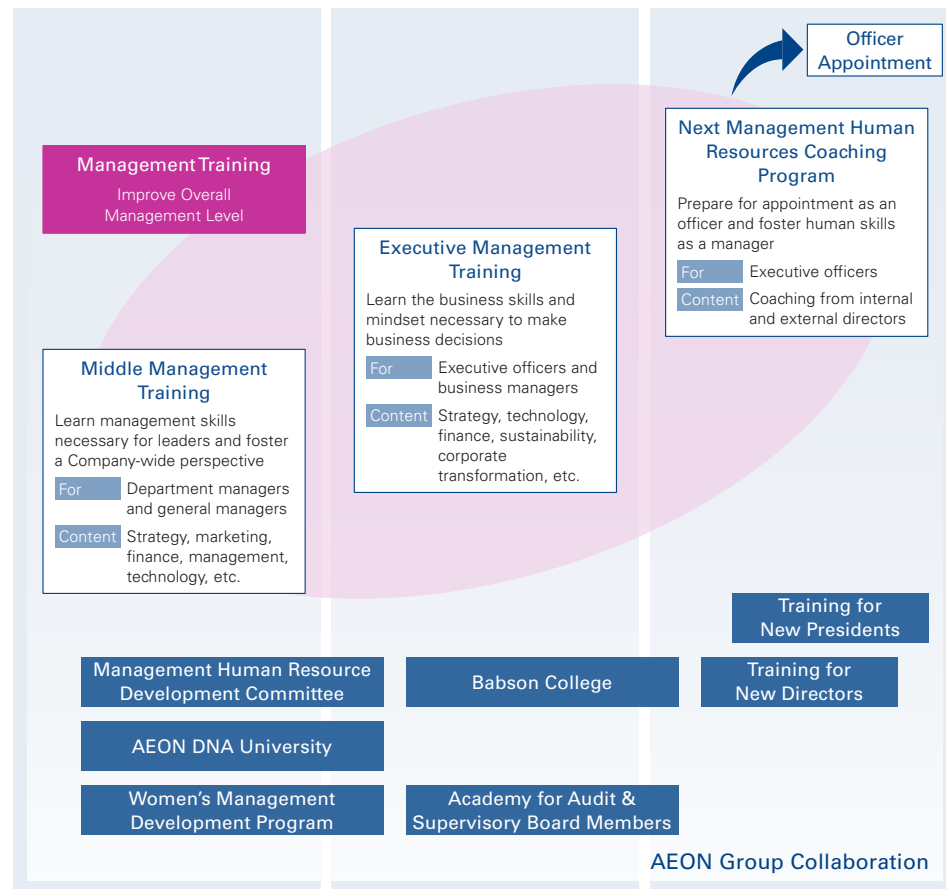
Approach ⑤

Create Succession Plans

Succession Plan Policy

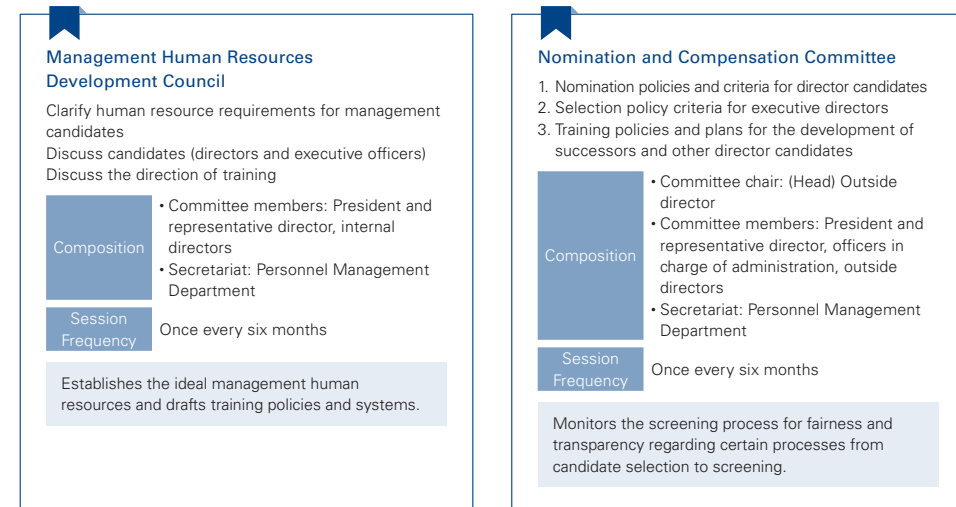
In achieving our Vision, we systematically identify and train the next generation of management human resources to enhance our corporate value and lead Company transformation toward medium- and long-term growth. The Nomination and Compensation Committee plays a central role in clarifying human resource requirements for management candidates, discussing the direction of their development, and fostering candidates.

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



Developing Management Human Resources and Drafting Succession Plans

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



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

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

1. Activity Overview

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

3. Expertise and Functional Competency as Management Human Resources

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

5. Preferred Work Experience

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

2. Executive Responsibilities

- Propose and execute unique and attractive business concepts

4. Behavioral Characteristics (Competency)

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

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

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



Refer to P.88 for information on succession planning in corporate governance.

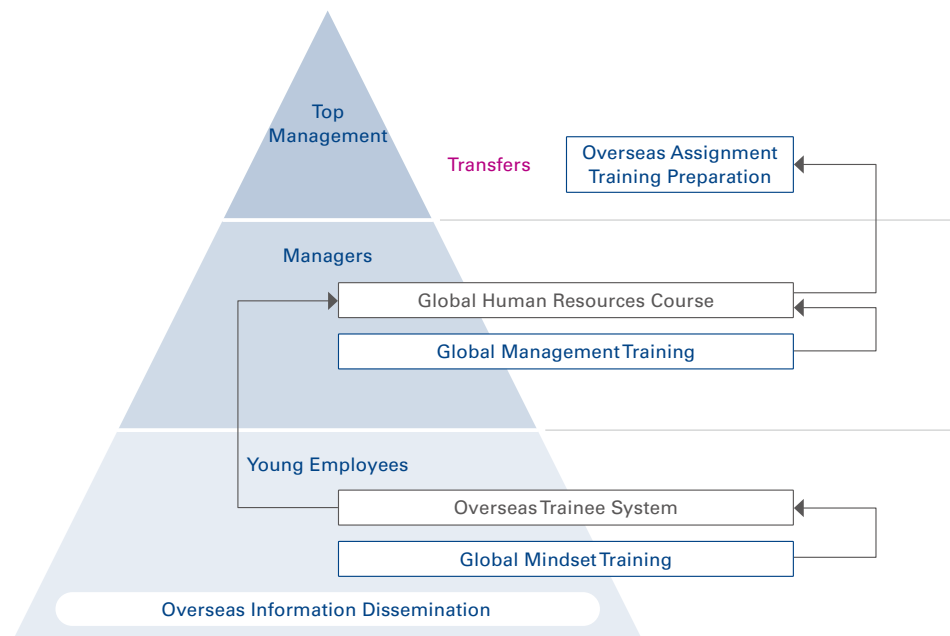
Human Resources Strategy

Approach ⑥

Global Human Resources Development

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

Overseas Human Resources Development Program and Structure



Global Human Resources Initiatives in Overseas Malls

It is our basic policy to operate overseas malls with local staff who understand our philosophy. Accordingly, we focus on human resources development in each country and actively promote employees to executive positions. Currently, local staff in 22 malls work as general managers responsible for the malls.

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

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

Ratio of Management Localization (General Managers and Above)

We are advancing the promotion of local staff to management positions. The current ratio of management localization (general managers and above) is at 35% in 2023 (previously 29% in 2022). We aim for a ratio of 40% in 2025 and 50% in 2030.

Human Resources Education Initiatives in China

We are planning educational programs for each province in China based on the AEON Basic Principles and the AEON MALL Human Resources and Organization Vision. Our education will focus on developing local management candidates and career advancement of employees.

We intend to create clear curriculum descriptions and objectives for each program. Beyond expanding knowledge and imparting information, we will conduct practical skill-building seminars and seminars for employees to share their experiences. In addition, we plan to devise ways to activate existing experience and knowledge and to leverage knowledge and tools, instead of relying on a passive approach. In this way, we will ensure the most effective training. To the greatest extent possible, we encourage employees to think on their own, become more aware, and act independently. We strive to create a learning organization through diverse and meaningful programs. AEON MALL believes that education is the greatest welfare benefit, and we contribute to sustainability management by helping people realize their potential through knowledge.



Respect for Human Rights

Based on the AEON basic philosophy and Human Rights Policy, we respect human rights and aim to be an organization in which all employees can participate in corporate development regardless of gender, nationality, etc. We also strive to create workplaces in which all employees can make the most of their abilities. We believe that responding to human rights risks is the foundation for developing human resources and allowing our employees to demonstrate their capabilities, and we are promoting initiatives accordingly.

Approach and Policies

Our Approach to Human Rights

The AEON Group and AEON MALL regard respect for the human rights of employees and people working in our supply chain as an extremely important social responsibility. We believe the same for the human rights of people and customers in countries and regions affected by our business.

In addition to the AEON Basic Philosophy, and in line with the principles of the United Nations Global Compact, in which we announced our participation in 2004, we are committed to protecting the human and labor rights of everyone affected by our business activities. We comply with national laws concerning human and labor rights and we are in compliance with the human rights norms set out in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, we respect the rights of children and women based on the concepts of the Children's Rights and Business Principles and the Principles on the Elimination of Discrimination against Women, and we fully support and practice the UN Guiding Principles on Business and Human Rights.



AEON's Human Rights Policy

<https://www.aeon.info/en/humanrights/aeonhumanrightspolicy/>

AEON's Human Rights Policy

In 2008, AEON formulated the AEON Human Rights Policy to engage in business based on respect for humanity, a fundamental philosophy of the AEON Group. In 2014, AEON revised this policy to include statements of non-discrimination on the basis of sexual orientation or gender identity. In 2018, AEON revised the AEON Human Rights Policy again to expand the scope to include all stakeholders involved in AEON Group business activities. We continue to comply with this policy today. The revised AEON Human Rights Policy states clearly that the AEON Group respects human rights based on international law and international agreements, in addition to domestic laws and regulations. The policy also states that all stakeholders involved in AEON Group business activities are required to comply with the policy. The AEON Group has established a human rights due diligence process to assess the impact of our business activities on human rights to support our aim to create societies that respect human rights.

Human Rights in Relationships With Business Partners

To prevent human rights violations before they occur and to build a sustainable value chain, AEON MALL established our own Guidelines for Sustainable Transactions ("Guidelines," below). These Guidelines ensure a comprehensive approach in confirming international norms on human rights and labor, as well as human rights matters within the industry. At the same time, we strive to identify matters that should be included as guidelines based on materiality assessments. We contribute to the creation of sustainable societies by sharing our values with our business partners and using these values as a guide to fulfilling our social responsibility together.

Guidelines for Sustainable Transactions

1 Objectives

The insistence that a company, as it engages in its business activities, should not only focus on its profits but should also fulfill its social responsibilities is increasing every year. At the same time, social and environmental issues that arise in the international community are becoming more complex and cross national boundaries, many being issues that cannot be addressed by a single company or organization alone. To address this situation, AEON MALL Co., Ltd. and the organizations involved in AEON MALL businesses ("Business Partners," below) must commit to fulfilling their responsibilities. In addition, AEON MALL and Business Partners must ask their respective suppliers, contractors, and subcontractors to take appropriate action, thereby completing the chain of social responsibility. These Guidelines clarify the issues we wish to tackle together with our Business Partners. As each partner addresses these issues, they will gain the trust and confidence of their stakeholders. Addressing these social issues is fundamental to our business activities and organizational management.

To achieve this objective, AEON MALL Co., Ltd. conducts questionnaires, interviews, etc., with the understanding and cooperation of our Business Partners regarding our efforts in this area. Through these types of activities, we engage in fair trade based on partnerships, striving together for mutual and lasting growth.

2 Scope of Application

These Guidelines are designed to share the values of AEON MALL with our Business Partners. The Guidelines apply all companies and organizations involved in AEON MALL businesses.



Guidelines for Sustainable Transactions

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



Respect for Human Rights

Governance

AEON MALL views respect for human rights as a sustainability-related materiality. The president and CEO is the individual with ultimate responsibility for pursuing activities related to this materiality.

Our ESG Promotion Committee, organized under the Management Council, is chaired by the president and CEO, and includes internal directors and full-time members of the Audit & Supervisory Board. The committee meets once every two months to discuss important policies, measures, and initiatives related to human rights, providing a prompt response and resolution to any issues. Deliberations of the ESG Promotion Committee and subcommittees are reported to the Board of Directors.

The Risk Management Committee reports to the president and CEO on risk management and proposes policies, while each department responsible takes measures to deal with respective risks.

Promotion Structure



ESG Promotion Committee Discussions

The ESG Promotion Committee discusses important policies, measures, and initiatives related to human rights.

Major Discussion Items in Fiscal 2024

Launched in April 2024, the ESG Promotion Committee reviewed structures and clarified the roles of each department. The committee revised the Guidelines for Sustainable Trade, requested compliance from suppliers, and decided to conduct human rights due diligence on Business Partners.

Human Rights Initiatives Roles of Each Department

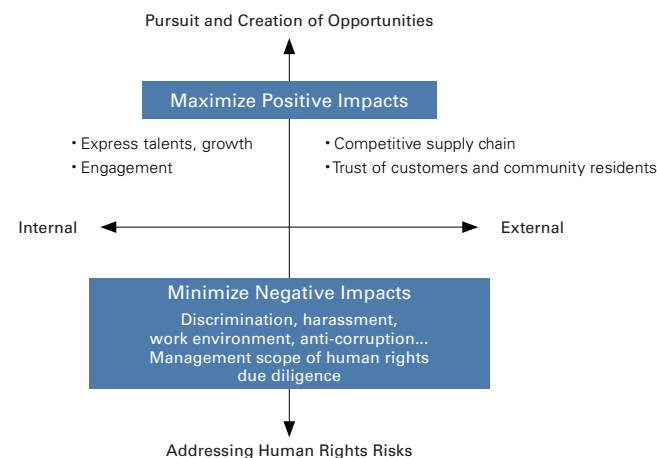
Department	Role
Human Resources Management Department Human Resources Department	Addressing Employee Human Rights
Administration Management Department General Affairs Department	Human rights in relationships with business partners
Administrative Management Division Compliance Department	Prevention of harassment, bribery and corruption, and the abuse of preferential treatment by Business Partners
Strategy Department ESG Promotion Group	Identify trends in international guidelines and overseas conditions; create systems

Strategy

The AEON Human Rights Policy clearly describes the group's human rights due diligence process. In accordance with the AEON guidelines, AEON MALL began implementing this initiative in 2020. As described in the United Nations Guiding Principles on Business and Human Rights, we will continue our efforts to build a sustainable value chain in our role as a leader in ensuring human rights.

Positive and Negative Impacts on Human Rights

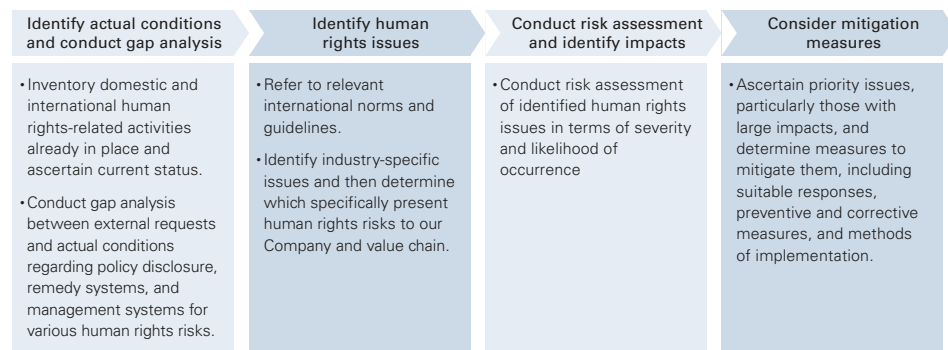
In conducting global business, AEON regards respect for the human rights of group employees, the people working in our supply chain, and the human rights of people and customers in countries and regions affected by group businesses as an extremely important social responsibility. Based on this approach, we pursue business activities in consideration of human rights and in compliance with AEON policies.



Respect for Human Rights

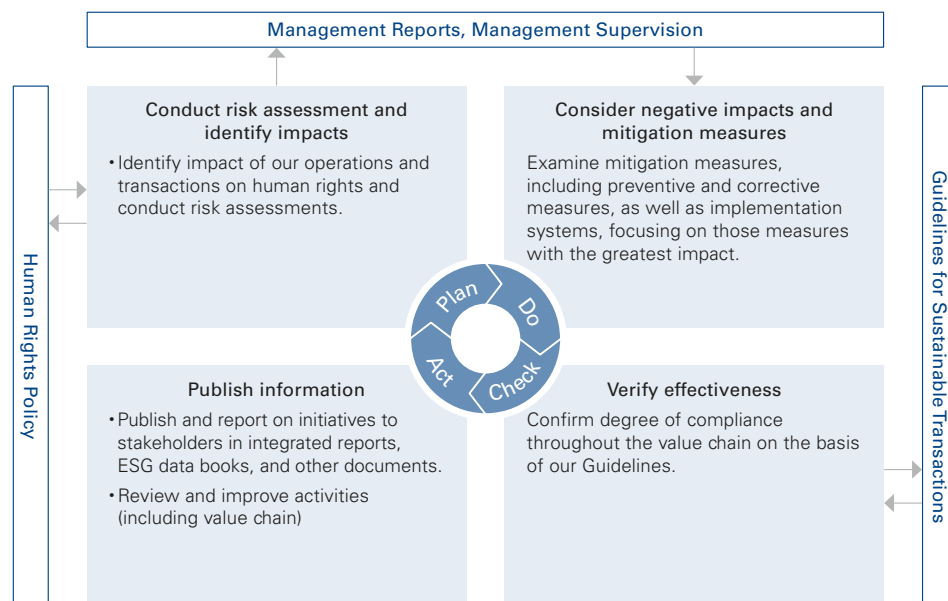
Strategy

Human Rights Due Diligence Implementation Process

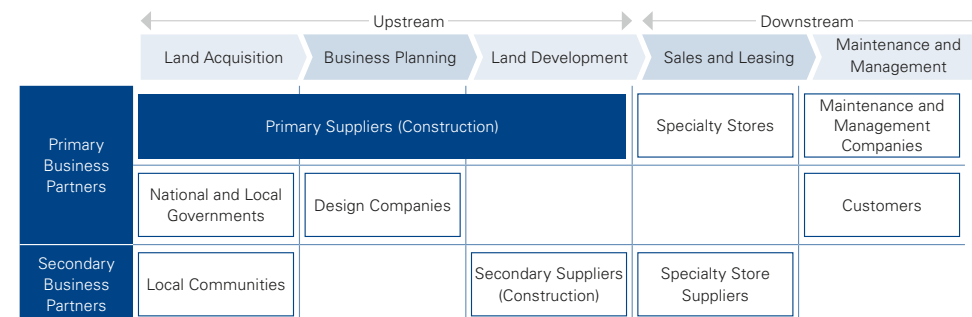


Human Rights Due Diligence Post-Implementation Roadmap

On the basis of the results of our human rights due diligence, corrective plans can be developed and a PDCA cycle established to routinely address human rights risk mitigation. We will continue to disclose our progress in our Integrated Report and other documents.



Implementation Scope Related to Human Rights Due Diligence



Human Rights Initiatives and Planned Initiatives for Fiscal 2024

FY	Guidelines for Sustainable Transactions
2021	<ul style="list-style-type: none"> Draft, publish Guidelines for Sustainable Trade Briefing sessions for Business Partners (general contractors, etc.)
2022	<ul style="list-style-type: none"> e-learning (internal) on business and human rights Briefing sessions for suppliers (tenant companies)
2024	<ul style="list-style-type: none"> Communication Guidelines for Sustainable Trade

FY	Human Rights Due Diligence
2021	<ul style="list-style-type: none"> Conduct human rights due diligence on upstream (internal, internal perspective) through interviews and document verification
2022	<ul style="list-style-type: none"> Investigate human rights issues and scope of human rights due diligence
2023	<ul style="list-style-type: none"> Respond to Social Issues
2024	<ul style="list-style-type: none"> Revise human rights due diligence structure Conduct human rights due diligence survey (planned)



Respect for Human Rights

Risk Management

As a structure to manage the risk of loss, the Company designates the president and CEO as the ultimate person responsible for 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 created a system and environment to ensure business continuity and the safety of human lives. AEON 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.

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. Risk Management Committee discusses risk measures to address major incidents, etc., leading to highly effective risk measures.



See Risk Management (P.89) for more on risk management initiatives.

Human Rights Risks Monitored for Each Department

We conduct human rights due diligence internally and on Business Partners from an internal perspective. Throughout the year, we draft and implement corrective measures on any human rights issues uncovered by monitoring activities. We also report our initiatives to the AEON Group Human Rights Due Diligence Committee quarterly and we work together with the committee.

Risks	Department
Occupational health and safety	Human Resources Management Department Human Resources Department
Harassment	Administrative Management Division Compliance Department
Bribery and corruption	Administrative Management Division Compliance Department
Human rights in relationships with business partners	Administrative Management Division General Affairs Department

Indicators and Targets

Details of the scope of human rights, corrective actions, and future initiatives

We conducted human rights due diligence to evaluate human rights risks internally and in the upstream value chain from an internal perspective, determining the proper scope. We plan to consider future initiatives as corrective measures to address issues and expand the scope of human rights due diligence.

Scope	Details of Scope	Corrective Actions and Future Initiatives
Human rights in the workplace	Our people at AEON are our most important asset. We create safe, secure, and comfortable work environments for our people to maximize their potential. For example, we must understand the actual state of occupational health and safety, harassment, and abuse in the workplace, making improvements immediately when problems are recognized.	<ul style="list-style-type: none"> Educate employees on mental health issues Implement human rights remedial measures in the workplace (harassment prevention, work style reform, addressing mental health issues, etc.) See Human Resources Strategy (P.40) for more information.
Human rights in relationships with business partners	We seek mutual prosperity as equal partners through fair transactions. For example, we must prevent bribery so as not to be complicit in human rights abuses and their associated negative impacts. We must also ensure our supply chains are transparent so as to further reduce the risk of human rights violations.	<ul style="list-style-type: none"> We will conduct surveys of our business partners in order to eliminate unfair business practices, and we will also prevent human rights violations before they occur. Implement education on our basic stance toward our business partners. Disseminate guidelines on sustainable trade. See Compliance (P.91) for more on our anti-bribery and anti-corruption initiatives. Human rights violations can occur in a variety of ways in our business relationships, so each division has established a system to respond to the risks that come under its purview. See Risk Management (P.89) for more on risk management initiatives.
Human rights in relationships with local communities	As a good corporate citizen, we will contribute to the development of local communities and the enhancement of lifestyles and culture. Building healthy relationships with local communities is important, so we must prevent unfair trade practices and not exacerbate human rights issues, as well as take into consideration human rights risks in our procurement practices.	<ul style="list-style-type: none"> See Compliance (P.91) for more on our efforts to confirm our compliance with laws, regulations, our Articles of Incorporation, and internal rules, as well as anti-bribery and anti-corruption initiatives. Instill an awareness of Guidelines for Sustainable Trade Human rights violations can occur in a variety of ways in our relationships with local communities, and so each division has established a system to respond to the risks that come under its purview. See Risk Management (P.89) for more on risk management initiatives.
Human rights in customer relationships	We provide safe and reliable products and services and treat all our customers fairly and equitably.	<ul style="list-style-type: none"> Regular education on human rights Education on the protection of personal information See Internal Control System (P.92) for more on how we protect the personal information of our customers.



Respect for Human Rights

Approach

Internal Reporting System

● 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.

Human rights in the workplace

Since its founding, AEON has respected human rights and has never discriminated on the basis of nationality, human rights, gender, academic background, religion, or physical or mental disability. Our intention has always been to be a company where a diversity of human talent can flourish. We conduct surveys of the morale of all employees, with the findings reported to a management committee. As a corrective action, the Company conducted psychological safety training for all employees in fiscal 2023.

Human Rights Awareness and Education for Employees

All AEON MALL employees participate in human rights education once a year, and we aim for a 100% participation rate. We require all AEON MALL employees to attend the annual human rights education program. We also provide employees with a handbook that lists both internal and external consultation desks. This handbook provides clear information about respect for human rights, prevention of discrimination, and other matters in the context of the AEON MALL employment rules. In fiscal 2023, we conducted human rights training on the topic of the *Revised Act for Eliminating Discrimination against Persons with Disabilities*. All employees, including managers, learned about providing reasonable accommodations for people with disabilities who visit our shopping malls.

Briefing Sessions for Suppliers to Raise Awareness of Human Rights

We held information sessions (December 2021, June 2022) for Business Partners on the formulation of our Human Rights Policy and Guidelines for Sustainable Trade. Going forward, we will demand compliance with our Guidelines for Sustainable Trade so that we can bring about a society where human rights are respected for everyone along our value chain.

Customer Feedback

We provide customer feedback mechanisms in our malls and website to receive feedback and requests from our customers, which we use to improve our services. We regard customer feedback as the starting point of management, and we endeavor to create environments in which customers feel free to provide us with their opinions. We then strive to incorporate these opinions promptly in our product lineup, service improvements, environmental conservation activities, and other activities. We work with the appropriate departments to respond to inquiries (including human rights-related inquiries) from a individuals, communities, and other stakeholders.



Customer Feedback (Japanese Only)

<https://www.aeon-mall.jp/inquiry/>

Main Trainings

- AEON Group Vision training (all employees; once a year)
- Compliance training for officers (officers; once a year)
- Information security education (personal information protection education) (all employees; once a year)



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

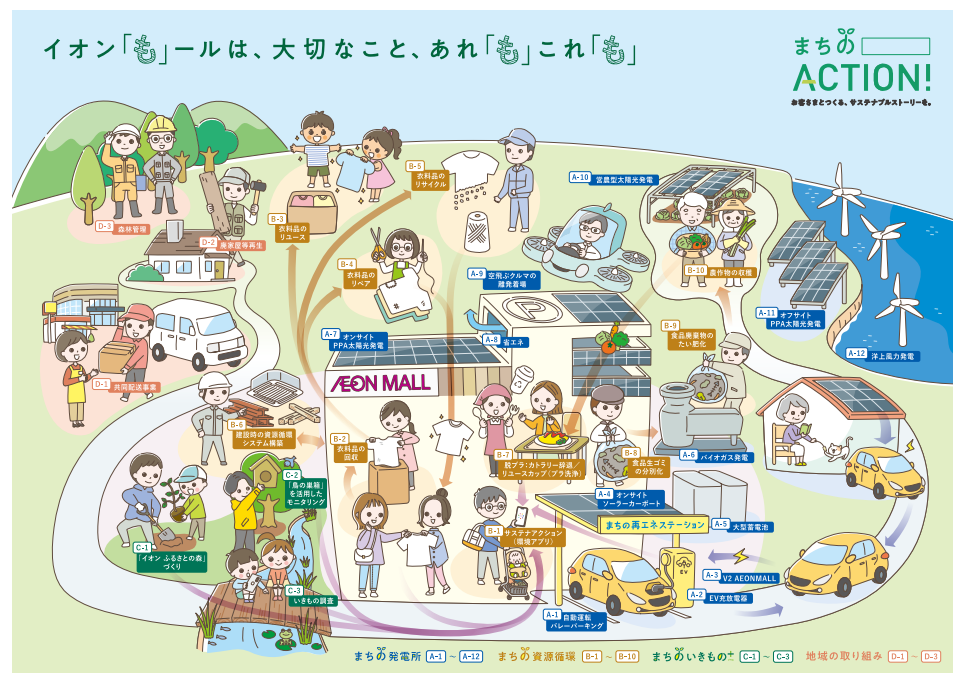
Corporate Data

Environmental Strategy

The Three Initiatives Each AEON MALL Offers for the Environment

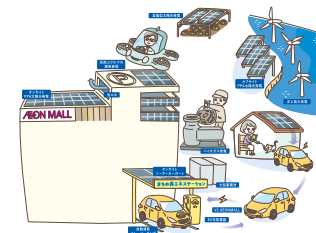
We identified and are working on three items that we will focus on as AEON MALL in accordance with the AEON Basic Policy on Sustainability, revised and enacted in 2018. These initiatives aim to achieve a decarbonized society, achieve circular malls, and preserve biodiversity.

Our special page* *Town ACTION!*, provides further details to raise awareness of each initiative. AEON MALL works together with our communities to create sustainable societies under our 2030 Vision *AEON MALL, Co-Creating With Our Communities*.



1. Achieving Decarbonized Societies

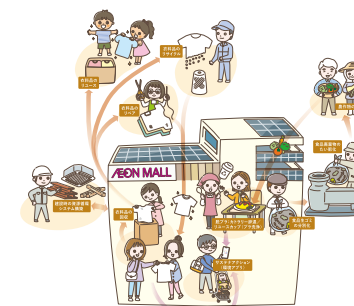
Switching to 100% locally produced, locally consumed renewable energy at directly managed malls in the year 2040



We create locally produced and locally consumed renewable energy both on- and off-site based on our commitment to use our own electricity at malls.

2. Creating Circular Malls

Leveraging the concentration and scale of our malls where various resources are gathered to create recycling-based societies through co-creation



Starting with AEON MALLs, we aim to become a company that recycles waste as a resource to reduce waste while we work to build a system for reuse.

3. Preserving Biodiversity

Assessing the impact of our business activities on ecosystems and actively engaging in activities to reduce impact and conserve ecosystems



We are committed to Preserving biodiversity, aiming for an abundant future in which various living creatures coexist in harmony with each other by creating facilities that are friendly to the green environment.



Visit our special *Town Action!* page for more information.
<https://www.aeonmall.com/heartful-sustainable/>



Environmental Strategy: Governance and Risk Management

Governance

The Company identified achieving a decarbonized society, creating circular malls, and preserving biodiversity as materialities. The president and CEO is the individual with ultimate responsibility for pursuing activities related to these materialities.

Our ESG Promotion Committee, organized under the Management Council, is chaired by the president and CEO and includes internal directors. The committee meets once every two months to discuss important policies, measures, and targets related to the environment, including our response to climate change, ensuring the prompt response and resolution of any issues.

Deliberations of the ESG Promotion Committee and subcommittees are reported to the Board of Directors. In addition, important nature-related issues are discussed under the supervision of the Board of Directors. The Risk Management Committee reports and proposes risk management-related policies to the president and CEO. The divisions in charge of dealing with relevant risks implements measures in response to said risks.

Promotion Structure



Risk Management

AEON M ALL defines all risks, including fluctuations in sales due to competition, fluctuations in exchange rates, reputational damage, earthquakes, and fires. We also define our basic approach to managing these risks in the Corporate Risk Management Rules. Depending on the nature and type of risk, these risks are handled by different groups, such as the Strategy Department, the Compliance Committee, and the Risk Management Committee. The objective of the Risk Management Committee is to stay abreast of risk management operations, to exchange information, and to review the risk management system. The committee also makes reports and proposes policies to the president and CEO with regard to risk management.

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

Risk Management Responses in Each Area

Achieving Decarbonized Societies	Creating Circular Malls	Preserving Biodiversity
The Strategy Department oversees the monitoring of our climate change risks, focusing on the content of periodic reports under the Global Warming Countermeasures Act and the Act on the Rational Use of Energy. The department utilizes collected data for internal risk management and shares this information externally through the ESG Data Book and other disclosures.	We conduct internal audits once a year to determine whether our environmental management systems comply with AEON Group regulations and the ISO 14001 standards. Audits also determine whether such environmental management systems are implemented and maintained effectively. In planning and implementing the audit program, we take into account the environmental significance of the operation, changes affecting the AEON Group, and the results of previous audits.	As a real estate business, we strive to preserve biodiversity under ABINC certification criteria (ABINC® certification) when constructing and operating malls to reduce risks and create opportunities related to biodiversity.

Environmental Strategy: Decarbonization (1)

Approach and Policies

Internal Reporting System

AEON Decarbonization Vision

AEON will work to reduce CO₂ and other greenhouse gas (hereinafter “GHG”) emissions by taking the following three-pronged approach, thereby contributing to the realization of a decarbonized society.

Stores	We will reduce the total GHG emissions from our stores to zero by 2050.
Merchandise and Logistics	We will continue our efforts to achieve zero GHG emissions from our merchandise and logistics operations.
Hand in Hand With Customers	We will cooperate with all of our customers for the realization of a decarbonized society.

	Interim Target	Target to Achieve
As of 2018	Reduce CO ₂ emissions by 35% by 2030 (vs. 2010)	Reduce total GHG emissions from stores to zero by 2050
2021 Revision	Shift 50% of the electricity used in stores to renewable energy by 2030	Reduce total GHG emissions from stores to zero by 2040

AEON MALL Decarbonization Vision

As a decarbonization initiative based on AEON Decarbonization Vision, we intend to reduce total CO₂ and other emissions from our businesses in Japan to zero by fiscal 2040.

We continue to engage in energy conservation activities that include installation of solar power generation systems and EV chargers. In addition to these reduction measures, we aim to convert electricity used at all malls to renewable energy sources by fiscal 2025 through direct renewable energy contracts in each region. We will then shift from procuring effectively CO₂-free electricity through direct renewable energy contracts in each region to locally produced and locally consumed renewable energy (including PPA*¹) generated internally. By fiscal 2040, we aim to operate 100% of our directly managed malls using locally produced and locally consumed renewable energy.

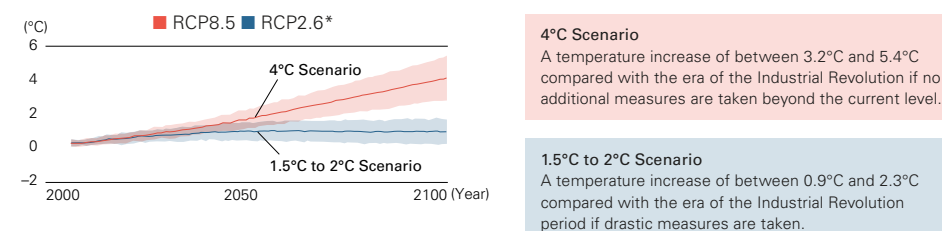
We will accelerate our efforts in Japan and overseas to achieve a decarbonized society, aiming to reduce the total amount of CO₂ and other emissions from all our business activities to zero.

*1 PPA: Abbreviation for power purchase agreement (sales contract model). This is a business model in which a PPA operator leases space in a building premises or roof belonging to an electricity customer, installing a solar power generation system and selling the energy generated thereby to the customer

Strategy

Scenario Analysis

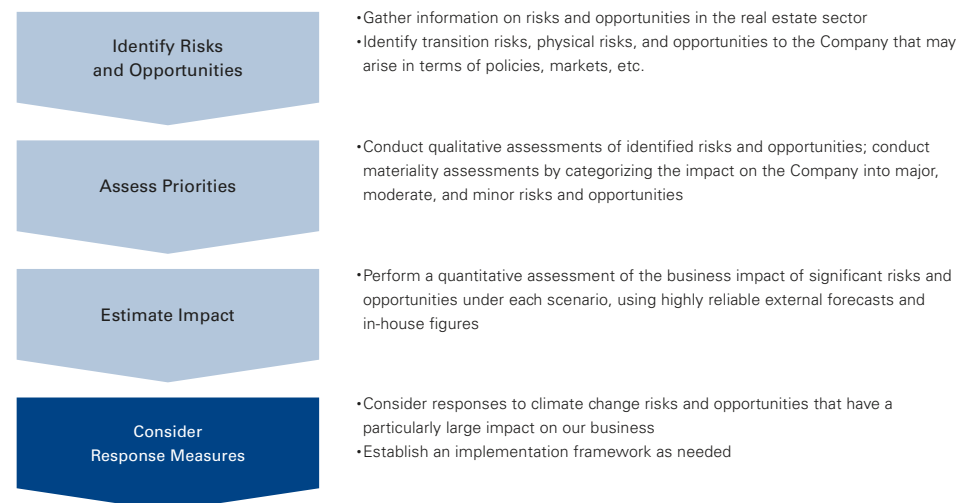
We selected the 1.5°C to 2°C scenario and the 4°C scenario, referencing the climate change scenarios in the United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. We consider the long-term perspective of the AEON Decarbonization Vision and the AEON MALL Decarbonization Vision, projecting the impact of climate change in the year 2050.



* Climate change projection scenarios (JMA website) in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)

<https://www.jma-net.go.jp/sapporo/bosai/publication/kiko/kikohendo2020/scenarios.html>

Analysis Process



Evidence used for scenario analysis:

UN Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report
World Energy Outlook 2020, IEA; World Energy Outlook 2021, IEA



Environmental Strategy: Decarbonization (2)

Strategy

Identifying Subject Risks

Based on external information, AEON MALL has summarized the significant climate change risks and opportunities in Japan, China, and ASEAN countries where we operate our mall business. We also collected forward-looking forecast data on each of these risks and opportunities. Based on this information, we examined the transition risks and opportunities related to decarbonized societies and the physical risks and opportunities arising from climate change, identifying potential risks to our businesses as described in the chart to the right.

Of those risks and opportunities, we evaluated and identified the financial impact and time horizon for each of those that we consider to be of high importance to our mall business. For example, we believe the risk of reduced customer attraction due to delays in investments in electric vehicle charging stations could have a significant negative financial impact on the Company. Similarly, the opportunity to differentiate ourselves from competing facilities through appropriate capital investments will have a significant positive financial impact on the Company. These risks and opportunities will be the topic of discussion among particularly relevant departments, after which we will develop action plans.

List of Risks and Opportunities

Evaluated Item	Business Impact Considerations (Qualitative Information)		Financial Impact (billions of yen)*		Calculation Method	Time Horizon	Response Measures
	Risks	Opportunities	4°C Scenario	1.54°C to 24°C Scenario			
Transition	Carbon tax, GHG emission regulations	<ul style="list-style-type: none"> • Increase in market value due to energy savings, renewable energy shift, and the use of low-carbon building materials • Increase in lease income due to the sale of CO₂-free electricity to companies opening new stores 	Minor (-0.69)	Minor (-0.33)	Incremental carbon tax cost (GHG emissions in 2050 x carbon tax rate)	Medium-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision • Achievement of medium-term environmental plan • Cool Share at malls
	Changes in customer behavior	<ul style="list-style-type: none"> • Increased leases and tenants due to high-efficiency buildings and inexpensive energy 	Outside scope of estimation	Outside scope of estimation	—	Short- to long-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision • Solutions to issues in collaboration with specialty stores and communication of efforts to customers • V2AEON MALL implementation, PR
	Changes in energy mix and demand	<ul style="list-style-type: none"> • Lower capital investment costs related to carbon tax and energy savings due to low-carbon grid electricity • Stabilized energy procurement through in-house power generation and PPA 	Moderate (-2.65)	Moderate (-1.34)	Incremental cost of electricity and HVAC (current electricity and HVAC costs x rate of increase in electricity and HVAC costs x mall growth rate)	Medium-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision • Membership in RE100 • Increase in the number of electricity- and gas-based zero CO₂ malls • Adoption of smart meters
	Popularization of electric vehicles	<ul style="list-style-type: none"> • Improved ability to attract customers through differentiation based on EV recharging facilities 	Moderate (-1.48)	Moderate (-3.48)	Increase in installation and operation cost/year for charging facilities = (Additional units installed/year x installation cost/ unit ÷ service life) + (additional units installed through 2050 x operating cost/unit)	Medium-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision • Development of a roadmap for EV chargers
	Renewable energy and energy-saving technologies	<ul style="list-style-type: none"> • Lower operating costs and increase in property values due to energy-saving and renewable energy technologies 	Outside scope of estimation	Outside scope of estimation	—	Medium-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision • Collaborations with the AEON Group in power generation and providing environmental value • Energy conservation through LEDs, etc. • Creation of non-financial indicators
Physical	Average temperature increase	<ul style="list-style-type: none"> • Reduced HVAC costs, increased user numbers, and improved employee productivity due to high-efficiency HVAC equipment 	Outside scope of estimation	Outside scope of estimation	—	Long-term	<ul style="list-style-type: none"> • Achievement of Decarbonization Vision
	Rise in sea levels	<ul style="list-style-type: none"> • Reduced insurance premiums due to addressing the risk of sea level rise 	Outside scope of estimation	Outside scope of estimation	—	Long-term	<ul style="list-style-type: none"> • Measures to improve safety at each mall • Evacuee hosting manuals • Disaster drills at malls
	Intensification of extreme weather	<ul style="list-style-type: none"> • Increase in lease income and customer numbers due to competitive advantage offered by enhanced disaster response • Lower insurance premiums due to addressing natural disaster risks 	Moderate (-2.32)	Minor (-0.77)	Increased flood/typhoon damage (Historical damage/location x number of locations expected to be flooded x probability of flooding x rate of increase in flood frequency)	Short- to long-term	<ul style="list-style-type: none"> • Evacuee hosting manuals • Measures to improve safety at each mall

Financial impact calculation criteria: Major (¥10 billion or more), moderate (more than ¥1 billion/less than ¥10 billion), minor (less than ¥1 billion), (financial impact not yet calculated)

* Financial impact: We calculated the quantitative financial impact on the Company for matters determined in the TCFD workshop discussions to have a relatively large impact on our business.

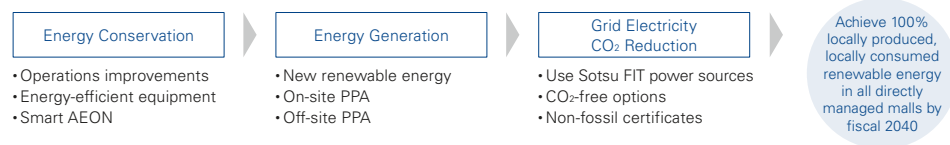


Environmental Strategy: Decarbonization (3)

Approach

The AEON MALL Approach to Decarbonized Societies

We work in a three-pronged approach toward decarbonization by fiscal 2040. We strengthen energy-saving and energy-creating initiatives, aiming to achieve 100% use of locally produced and locally consumed renewable energy in mall operations.



1 Pursue energy conservation

Pursue energy conservation

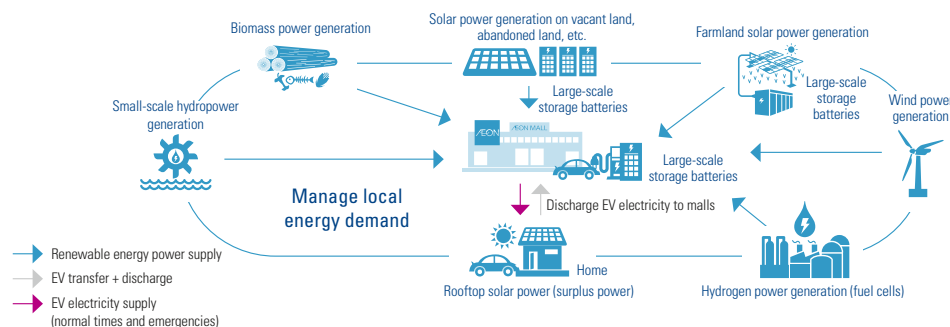
- ① Rationalize HVAC operation
- ② Introduce high-efficiency energy-saving equipment
- ③ Install solar power generation systems on mall roofs
- ④ Install LED lighting

Achieved 55.1% reduction in energy use (per floor area) over the 10-year period between 2010 and 2020.

* The term *energy* refers to electricity, gas, and water.

AEON MALL endeavors to reduce power consumption by installing high-efficiency, energy-saving equipment and AEON MALL Toyokawa acquired ZEB*¹ Ready certification, which certifies that the building reduces primary energy consumption by 50% or more compared with standard primary energy consumption (excluding renewable energy). This mall was the first large-scale commercial facility with a total floor area of 100,000 m² or more to achieve this goal in Japan.

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



Our plan is to procure virtually CO₂-free electricity until fiscal 2025, increasing our self-sufficiency ratio of renewable energy gradually by fiscal 2040. We will leverage wind power, hydrogen energy, and storage batteries, aiming to operate directly managed malls using 100% locally produced and consumed renewable energy (1.4 billion kWh/year) by fiscal 2040.

Expanding Our Renewable Energy Procurement Network With *Machi no Hatsudensho*

AEON MALL redefined off-site and on-site power generation at our malls in 2024 as *Machi no Hatsudensho* (community power plants). We operate approximately 1,390 off-site and on-site power plants nationwide.

1 Off-site power generation

We launched off-site low voltage solar power plants called AEON MALL *Machi no Hatsudensho* in September 2022. These plants have significantly boosted our energy self-sufficiency and use of locally produced and locally consumed energy.

Unlike mega solar power plants, low-voltage solar power plants do not require large-scale development. These renewable energy power plants are environmentally friendly, utilizing abandoned farmlands and other idle land. We expect this project to supply approximately 120 MW of renewable energy*² to 60 AEON MALL facilities*³. As a new initiative launched last year, we intend to begin farmland solar power generation (solar sharing)*⁴. Solar sharing, the installation of solar panels over farmland, allows for power generation and crop growth at the same time. This approach is expected to encourage the development of agriculture through the planned and efficient use of abandoned farmland, and is also attracting attention as a contributor to the spread of renewable energy and means of revitalization for local economies.

2 On-site power generation

We utilize all of the mall assets, including roof tops and walls, to install solar panels and other power generation equipment in Japan and overseas. These installations provide the most efficient way to produce and consume renewable energy locally, with the power used in malls generated directly on mall premises. The solar panels installed on the roof of AEON MALL Meanchey in Cambodia have a capacity of 2,880 kWp (DC), making it the second largest solar panel installation of all AEON MALL facilities. This installation will expand the use of environmentally friendly renewable energy by reducing the burden on Cambodia's electricity supply.

*1 ZEB (Net Zero Energy Building) refers to buildings that aim to achieve a comfortable indoor environment while reducing the net annual primary energy consumed to zero.

(Source: <https://www.env.go.jp/earth/zeb/about/index.html> Ministry of the Environment website (Japanese Only))

*2 Renewable energy power generated by a 120 MW-scale power plant is equivalent to the electricity consumption of approximately 30,000 average households.

*3 60 AEON MALL facilities means that the amount of the electricity transmitted to 60 malls is equivalent to the power consumption of seven or eight actual malls.

*4 Solar sharing (farmland solar power generation) is an initiative to utilize sunlight in both agricultural production and power generation by installing solar power generation systems suspended in the space over farmland.

Environmental Strategy: Decarbonization (4)

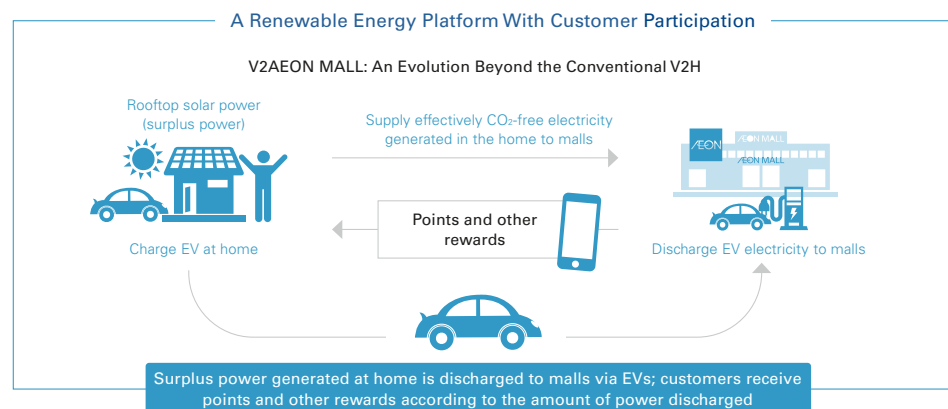
Approach

Accelerating Decarbonization Initiatives With Our Customers

We pursue and implement community-wide efforts to decarbonize through customer-involved renewable energy cycle measures, working with and encouraging customers to modify their behavior through environmental action.

V2AEON MALL: Surplus Energy From Private Homes

In May 2023, AEON MALL launched the V2AEON MALL (vehicle-to-AEON MALL) program at three malls in the Kansai area. This program represents a new evolution in conventional V2H (vehicle-to-home). Participating customers who discharge electricity generated at home (surplus electricity) to our malls via their EVs will earn shopping points representing their cooperation in efforts to create decarbonized societies. Through this customer-participatory renewable energy circulation platform, we will contribute to opportunities for customers to choose renewable energy for use at home.



Addressing Natural Disasters and Other Physical Risks

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

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

Business resilience

Our scenario analysis identified certain risks under each scenario, including the risk of changes in energy mix and demand, the popularization of electric vehicles, and the severity of extreme weather events. At the same time, we consider our businesses to be resilient, as we confirmed that we can mitigate negative impacts through response measures.

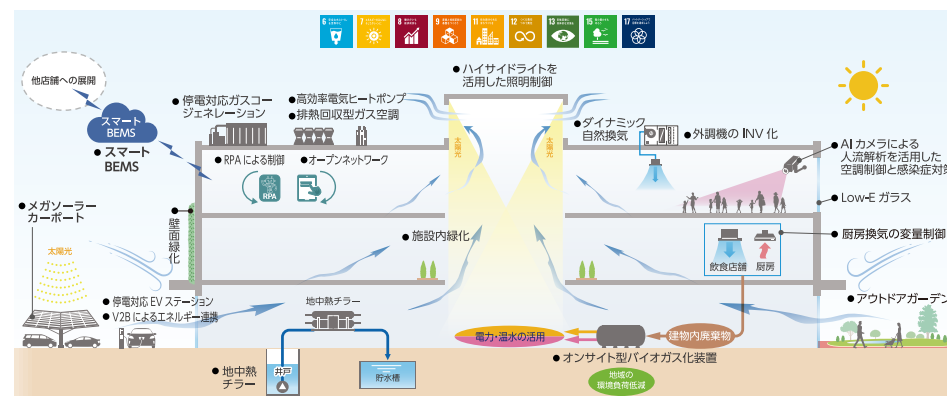
Decarbonization initiatives that take advantage of regional characteristics and location

AEON MALL builds leading regional shopping malls that maximize the use of local nature to achieve decarbonized societies through a balanced combination of state-of-the-art and existing technologies, including renewable energy. Our malls also serve as disaster relief facilities with enhanced local disaster response capabilities.

AEON MALL Toyokawa, launched through such efforts, received the First Decarbonized Urban Development Award (Minister of the Environment Award) from the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment. We will leverage this experience to accelerate our efforts to achieve a decarbonized society.



<Specific Decarbonization Models at AEON MALL Toyokawa>

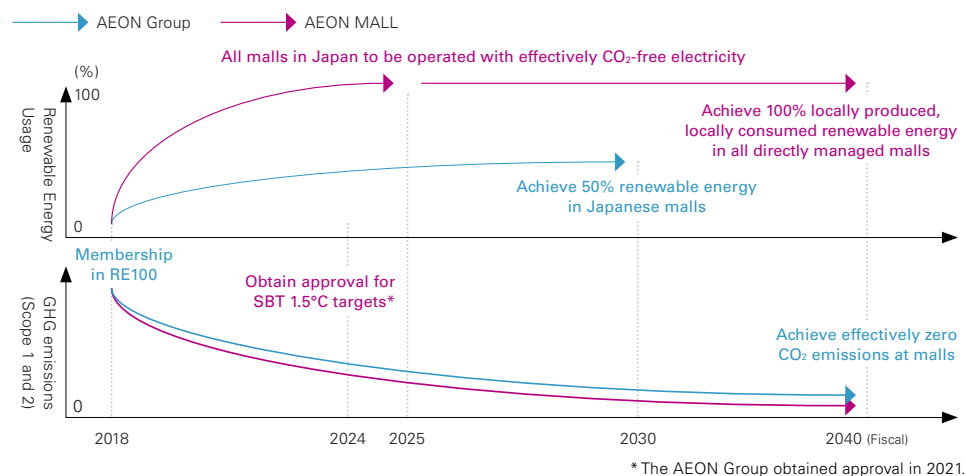


Environmental Strategy: Decarbonization (5)

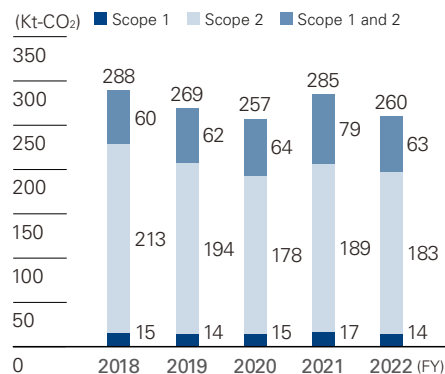
Indicators and Targets

Reduction Targets

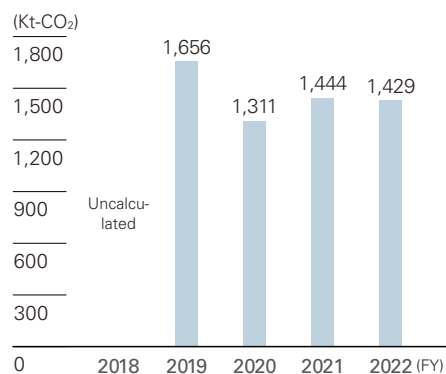
AEON MALL is committed to the achievement of decarbonized societies as part of our AEON MALL Decarbonization Vision, and we seek to reduce CO₂ emissions at directly managed malls in Japan to zero by fiscal 2040 through renewable energy sourced 100% via local production for local consumption. (1.4 billion kWh/year) To achieve our long-term targets, we established milestones that include operating our approximately 160 malls in Japan using effectively CO₂-free electricity by fiscal 2025, steadily taking measures to achieve our vision.



GHG emissions (Scope 1 and 2)



GHG emissions (Scope 3)



Third-Party Verifications

Obtained SBT Certification

We acquired SBT certification on February 26, 2024 from the international SBTi for our GHG reduction targets scientifically consistent with the GHG reduction targets set by the Paris Agreement.



Our SBT-Certified GHG Reduction Targets (2030 Targets)

- Scope 1 + Scope 2: 42% reduction in GHG emissions (vs. FY2020)
 - Scope 3 (Category 13): 25% reduction in GHG emissions (vs. FY2020)
- * Scope 1: Direct emissions from the fuel combustion and industrial processes of the business itself
 Scope 2: Indirect emissions associated with electricity, heat, and steam supplied by other companies
 Scope 3: Indirect emissions other than Scope 1 and 2; Category 13: Downstream leased assets

GHG Emissions

AEON MALL verifies greenhouse gas emissions (Scope 1, 2, and 3) via a third-party organization to ensure transparency and improve reliability. We have undergone third-party verification since 2020, continuously improving internal information based on insights and recommendations from the verification process.

Verification Scope	Greenhouse gas emissions from 100 directly managed AEON MALL locations between April 1, 2021 and March 31, 2022.	Verification Method	We engaged a third-party entity to conduct a verification in accordance with the requirements of ISO14064-3.
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Third-party verification result (Scope 1 and 2)



Third-party verification results (Scope 3)

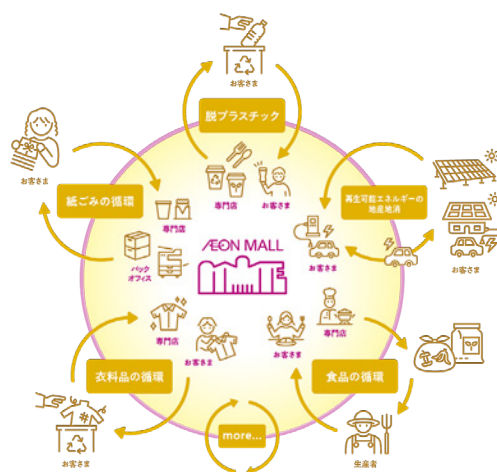
Environmental Strategy - Resource Recycling (1)

Approach and Policies

AEON MALL endeavors to create a recycling-oriented society by practicing the 6Rs for waste generated in the course of business activities: (1) Rethink, (2) Reduce, (3) Reuse, (4) Recycle, (5) Repair, (6) Returnable. For more than 20 years, AEON MALL has engaged in recycling by classifying waste into 17 types (currently 18 types). In fiscal 2023, we achieved a 91.3% recycling rate (including thermal recycling) among our directly managed malls in Japan. Based on the concept of the circular economy and the 6Rs, we aim to operate circular malls by recycling the following as resources: (1) materials that constitute the facilities we operate (construction); (2) all materials generated from our facilities (waste); and (3) materials no longer needed as resources in the community. As a circular mall, our facilities will be a starting point for circular societies in terms of resources and economies.

What are the 6Rs?

- (1) Rethink
- (2) Reduce
- (3) Reuse
- (4) Recycle
- (5) Repair
- (6) Returnable



What is Circular Mall?

Circular malls are an approach to mall management that incorporates the concept of the circular economy, endeavoring to create recycling-oriented societies through co-creation with customers, specialty stores, and the local community, while taking advantage of the mall's centralized functions and scale.

AEON MALL has established an environmental management system to prevent pollution. Each business division established targets and is continues to improve environmental performance.

Circular Mall Concept (E.g., clothing)



Approach

Specific Initiatives Toward Creating Circular Societies: Community Resource Recycling

1 Stepping up clothing recycling programs

Nearly 450,000 tons* of clothing is discarded annually. We support solutions to issues faced by the garment industry, which accounts for the majority of tenants in our malls.

We have been collecting unwanted clothing from homes and other sources in an event we call Happy Clothes Relay. In fiscal 2023 we established permanent collection stations at malls in Chiba Prefecture. In June 2024, we expanded the number of collection sites to all directly managed malls nationwide as part of a system to reuse and recycle clothing for circulation between AEON MALL facilities and our local communities.

* Sustainable Fashion, Ministry of the Environment



2 Eliminating plastic

Certain malls are transitioning to reusable cups to reduce the amount of plastic waste generated. In the future, we plan to expand the number of tenants and regions where the program is in operation, making the program a sustainable initiative.

We also continue to offer incentives to customers who avoid using straws and other plastic cutlery items at our restaurant tenants. We intend to encourage other behavioral changes, including asking customers to bring their own take-home bags and take leftover food home.



3 Reusing existing materials for renovations

In certain malls, we used recycled materials (carpet tiles) as raw components in new flooring materials (PVC tiles) for mall renovations.

We also used existing pavement, crushed and incorporated into new roadbed material (asphalt and cement concrete), when upgrading paved surfaces. This effort at recycling reduced CO₂ emissions and contributed to the prevention of global warming.



AEON MALL Ota

Environmental Strategy - Resource Recycling (2)

Metrics and Targets

To reduce waste generated in the course of mall operations, we engage in the 6Rs together with our business partners and stakeholders by clarifying what, where, and how much waste is being disposed of.

For example, every mall has a system to classify waste into 18 basic categories and measure weight by category. Employees at each tenant measure the weight of waste by category, and then affix a label indicating that the weight has been measured. Tenant employees then place waste in the location designated for each category for disposal. Segregated waste that is recyclable is recycled to the greatest extent possible, and we calculate the recycling rate for each category.

When building or renovating malls, we pursue systems that prevent the waste of resources to the greatest extent possible, aiming to recycle resources across our entire supply chain.

FY2023 recycling rate of directly managed malls in Japan (including thermal recycling)

91.3%

	Waste (kg)	Amount recycled (kg)	Recycling rate
Raw garbage	14,238,397	13,661,130	95.9%
Cardboard	24,485,437	24,485,437	100.0%
Mixed garbage	23,494,730	18,547,440	78.9%
Waste plastics	3,842,353	3,738,764	97.3%
Waste plastic (valuable)	64,744	64,744	100.0%
PET bottles	654,417	654,417	100.0%
Glass bottles	338,206	333,237	98.5%
Cans	548,719	548,719	100.0%
Styrofoam	128,474	128,475	100.0%
Waste oil	1,891,652	1,891,651	100.0%
	Waste (kg)	Amount recycled (kg)	Recycling rate
Paper	1,846,494	1,846,495	100.0%
Large garbage	361,788	324,027	89.6%
Other non-combustible waste	1,048,236	592,706	56.5%
Fluorescent bulbs	10,673	9,613	90.1%
Waste batteries	13,588	11,769	86.6%
Disposable chopsticks	89,395	80,419	90.0%
Waste alkali/paint remover	8,040	1,890	23.5%
Sludge	5,815,138	5,062,931	87.1%
Total	78,880,481	71,983,864	91.3%

* Recycling volumes and rates include thermal recycling

Indicators (Medium- to Long-Term Plan)

We established indicators for the items listed to the right, aiming to create circular malls by 2030 as a medium- to long-term plan.

Creating Circular Malls by 2030

Improve Recycling Rate

- Reduce and recycle plastics, food loss, and other waste
- Establish a platform for collecting and circulating resources no longer needed in the community

Pursue Resource Recycling Initiatives

- Change consumer behavior and visualize contributions by strengthening environmental awareness and initiatives
- Implement plastic-free, food recycling loop, and clothing collection initiatives with local communities, customers, and partners

Acknowledged Risks

As the world's population grows and the demand for resources expands, it is imperative that we use the Earth's limited resources efficiently for sustainable development. Given the large amount of waste generated by our business activities, AEON MALL recognizes the urgent need to create circular economies.

Risks

- Increased operating costs due to higher waste disposal costs
- Increased operating costs due to stricter regulations on waste plastic disposal, mandatory recycling, and regulations on thermal disposal
- Increased demand for resources and price hikes for goods and services due to resource depletion
- Increased human and financial burden required to handle resource recovery
- Decreased demand for products and services due to delay in responding to changes in consumer preferences (needs for recycled material use)
- Weakened brand value due to delay in response

Opportunities

- Decreased disposal costs due to reduced waste emissions
- Increased local employment with systems for resource recycling
- Increase in the number of tenants, increase in the number of customers, and improved reputation due to increased value as a center for resource recycling in the community
- New business created through collaborations with various stakeholders

Third-Party Verifications

Waste Output Volume

We engaged an outside entity to conduct third-party verifications for 104 directly managed AEON MALL locations regarding fiscal 2023 waste emissions. We will continue efforts to improve data reliability and reduce waste emissions.

Scope Waste emissions from 104 directly managed AEON MALL locations between March 1, 2023, and February 29, 2024.

Method We engaged a third-party entity to conduct a verification in accordance with the requirements of ISO14064-3.



Environmental Strategy - Biodiversity (1)

Approach and Policies



AEON MALL assesses the impact of business activities on ecosystems and engages in activities to reduce our impact and preserve nature in cooperation with our customers, government, NGOs, and other stakeholders.

We continue tree-planting activities and add “plus” (+) activities to conserve the living things in the community, working in concert with customers, the government, NGOs, and other stakeholders to create malls that are ecologically and environmentally friendly. In addition to preserving biodiversity, we aim to become nature positive by participating in environmental initiatives, including achieving decarbonized societies and creating circular malls.



AEON Biodiversity

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

Participation in the 30 by 30 Alliance for Biodiversity

In December 2023, we joined the Ministry of the Environment's initiative 30 by 30 Alliance*¹.



*1 30 by 30 Alliance: A voluntary alliance of companies, local governments, and organizations supporting the achievement of the 30 by 30 goals to expand Japan's protected areas (20% of land and 13% of ocean) and to pursue efforts to certify areas that have been conserved by the private sector as OECMs*².

*2 OECM (Other Effective Area-Based Conservation Measures): Land and areas other than protected areas (mountain villages, forests, etc.) and corporate forests where the private sector contributes to biodiversity conservation.

TNFD Compliance

We participated in the Task Force on Nature-related Financial Disclosures (TNFD) Forum to analyze the impacts our operations have on nature, addressing our nature-related risks and opportunities. For analysis, we used the LEAP approach recommended by the TNFD.

In preparing TNFD disclosures, we organized the results of our analysis and company initiatives in accordance with the Final TNFD Recommendations published in September 2023.

* TNFD (Task force on Nature-related Financial Disclosures)

Final TNFD Disclosure Recommendations

Items recommended for disclosure in the Final TNFD Recommendations (governance, strategy, risk and impact management, and metrics and targets) are as described below. We will consider disclosures for items without associated information as we proceed with our analysis based on the LEAP approach.

Governance	Strategy	Risk and Impact Management	Metrics and Targets
A. Board Oversight	A. Identified Risks, Etc.	A. (i) Process for identifying risks in direct operations	A. Metrics Used to Assess Risks and Opportunities
B. Management's Role	B. Impact on Business	A. (ii) Process for identifying risks, etc., in the value chain	B. Metrics Used to Assess Dependencies and Impacts
C. Stakeholder Engagement	C. Scenario Analysis	B. Risk Management Process	C. Targets Used to Manage Risks and Results
—	D. Priority Areas	C. Roles of A and B in Overall Risk Management	—

* Summary of items from TNFD disclosure recommendations

* See P.20 for Governance C. Stakeholder Engagement. See P.56 Human Rights Policy for governance related to stakeholders.

* See P.89 Risk Management for more on the roles of C. A through B. on risk and impact management.

Governance

Governance on Nature-Related Issues (A and B)

* Numbering mirrors the recommended disclosures in the Final TNFD Recommendations

The Company identified preserving biodiversity and protecting natural resources as sustainability materialities. The AEON MALL president and CEO is the individual with ultimate responsibility for pursuing activities related to these materialities. Our ESG Promotion Committee is chaired by the president and CEO and consists of internal directors and full-time members of the Audit & Supervisory Board. This committee meets once every two months to discuss important nature-related policies, measures, and targets, serving to support the prompt response to and resolution of issues. Deliberations of the ESG Promotion Committee and subcommittees are reported to the board of directors. In addition, important nature-related issues are discussed under the supervision of the board of directors. The Risk Management Committee reports and proposes risk management-related policies to the president and CEO. The divisions in charge of dealing with nature-related risks implement measures in response to said risks.

With the support of external experts, the ESG Promotion Committee held a biodiversity briefing in fiscal 2023 focusing on the TNFD to deepen management's understanding and discussions on nature-related issues. We will continue to provide regular opportunities for discussions through this committee.

Promotion Structure



Environmental Strategy - Biodiversity (2)

Strategy

Nature-Related Dependencies and Impacts, Identification and Assessment of Risks and Opportunities (A (i) and (ii))*

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

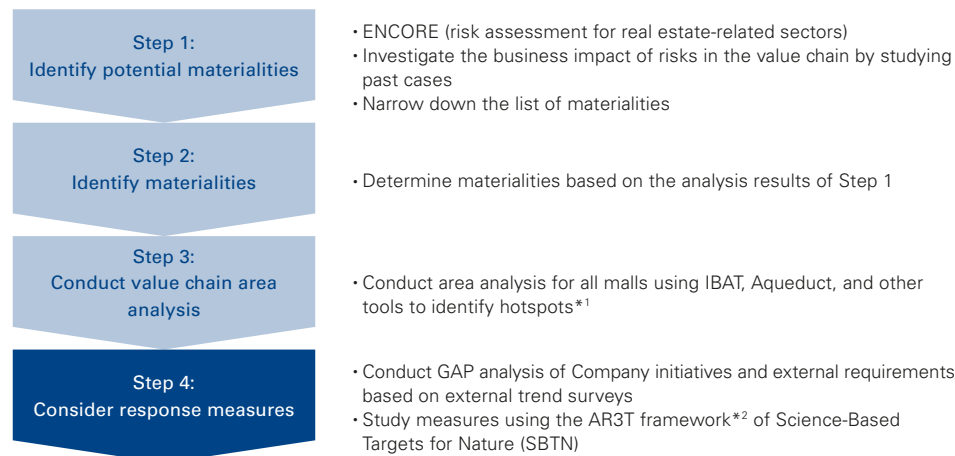
We are in the process of assessing nature-related business risks and opportunities.

In identifying nature-related materialities, we first assessed the risk of nature-related topics closely related to the real estate sector. Here, we use the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool. We then investigated cases in which business risks closely related to our real estate business have materialized, considering and evaluating the magnitude of the potential impact on AEON MALL businesses based on the relationship to the value chain to identify materialities. Tools such as the Integrated Biodiversity Assessment Tool (IBAT) help us identify surrounding ecosystems on a broader scale. Aqueduct is a tool we use to identify water stress. Using these and other tools, we conduct a regional analysis of all malls in Japan and overseas to identify hotspots*¹.

Scope of Value Chain for Assessments of Nature-Related Risks



Risk Identification and Assessment Process



*1 Hotspots: Areas located nearby that are home to ecosystems of importance for preservation and where future efforts should be considered on a priority basis

*2 AR3T framework: Avoid, Reduce, Restore & Regenerate, Transform

Process for Managing Nature-Related Risks and Opportunities (B*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

The AEON MALL Group conducts regular risk surveys using questionnaires and interviews with directors, members of the Audit & Supervisory Board, executive officers, and employees to assess risks affecting the Group quantitatively and qualitatively. Based on the results of the risk survey, we identify risks to prioritize and engage in response measures.

As a real estate business, we strive to preserve biodiversity under ABINC certification criteria (ABINC® certification) when constructing and operating malls to reduce risks and create opportunities related to biodiversity.

Company-Wide Risk Management Process (C*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations



Reference: Risk Management (P.89)

Significant Nature-Related Risks and Opportunities (A*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

We analyzed nature-related risks and opportunities in our business in accordance with the LEAP approach advocated by the TNFD. In identifying risks and opportunities, we considered the materiality of nature-related issues. We evaluated the results of the assessment using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool in accordance with the vertical axis on the materiality map, viewing stakeholder interest in nature-related dependencies and impacts as an important factor in the real estate sector.

Dependencies Heat Map

	ENCORE Industry	Forest Resources	Water Resources	Land Development	Ecosystem Services	Rights of Indigenous Peoples	Effective Species	Chemical Substances	Climate Regulation	Decomposition and Purification	Fertilizer Production	Natural Resources	Resource Mining
Dependencies													
Construction Materials													
Real Estate Development													

Impact Heat Map

	ENCORE Industry	Deforestation	Waste Water	Land Development	Peripheral Ecosystems	Rights of Indigenous Peoples	Spread of Invasive Species	Chemical Substances	GHG Emissions	Waste Output	Fertilizer Use	Natural Resources	Resource Mining
Impacts													
Construction Materials													
Real Estate Development													

Environmental Strategy - Biodiversity (3)

Strategy

Materiality Map of Nature-Related Matters in the AEON MALL Business

The highest risks in the real estate sector were dependencies for water usage and impacts for water depletion and water pollution, development of land with high conservation value, GHG emissions, and depletion of natural resources.

In addition, we surveyed cases of emerging risks that could have a significant impact on our real estate business. We found categories that have particularly close relationships to our business, such as the development of land with high conservation value and impact on surrounding ecosystems. We assessed the importance of these nature-related risks and opportunities in relation to the value chain, as shown on the horizontal axis of the materiality map.

After organizing our analysis and evaluation into a materiality map (see right), we have identified four categories as materiality: Development of land with high conservation value, impact on surrounding ecosystems, water use and drainage, and GHG emissions.

Potential Impact on Business (A*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

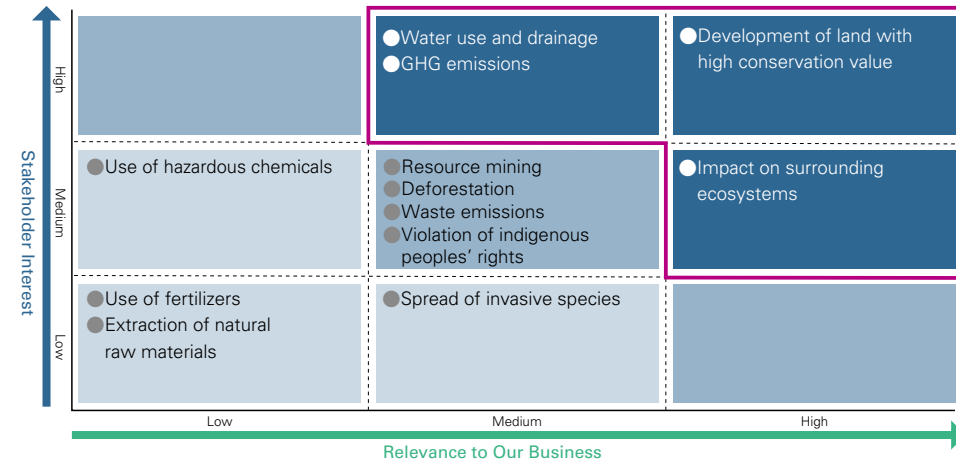
We summarized the potential impact of risks and opportunities on our business, referencing the nature-related risks and opportunities of the TNFD.

Risks That May Affect Our Business

Risk Categorization		Organization Business Risks	Potential Impact on Organization Businesses	Time Horizon
Transition Risk	Policies and Law	Adoption and enforcement of regulations	• Increase in procurement and development costs due to tighter current regulations and new regulations	Medium
	Market	Rising prices of construction materials	• Increase in metal procurement costs due to the ecological costs of metal mining • Increase in the cost of certified wood due to the ecological costs of wood production	Long
		Changes in customer behavior	• Change in plans in response to citizen demands regarding impacts of new malls on surrounding ecosystems when opening a new store	Medium
	Technology	Development and spread of technologies with low environmental impact	• Increase in costs for building materials and equipment with low environmental impact to meet growing demand for environmentally friendly products and services	Medium
	Reputation	Criticism from consumers and society Evaluation by investors	• Damage to corporate image and ESG reputation if initiatives are seen as too passive	Medium
	Lawsuits	Liability arising from regulatory and case law developments	• Liability arising due to stricter current laws and regulations or new laws and regulations	Medium
Physical Risk	Acute	Increased frequency of natural disasters	• Damage to facilities due to natural disasters stemming from nearby ecosystem degradation	Medium

Time Horizon: Short-term (to 2025), medium-term (to 2030), long-term (to 2050)

Materiality Map of Nature-Related Matters in the AEON MALL Business



Opportunities That May Affect Our Business

TNFD Opportunity Categories		Organization Business Opportunities	Potential Impact on Organization Businesses	Time Horizon
Opportunities	Resource Efficiency	Spread of efficiency solutions	• Improved resource efficiency by reducing the amount of virgin materials in construction materials and by recycling materials • Improved resource efficiency and reduced environmental impact through mall life cycle assessment	Medium
	Market	Entry into nature-related businesses	• Development of malls that coexist with nature and contribute to nature positive • Creation of new businesses related to nature	Medium
	Financial	Securing R&D funds	• Seek financing for mall construction that contributes to biodiversity conservation through sustainable finance, etc.	Long
	Products and Services	Differentiate by creating products and services that protect, manage, and restore nature	• Development of malls that coexist with nature and contribute to nature positive • Creation of new businesses related to nature	Medium
	Reputation	Evaluation from consumers and society	• Improved corporate image and ESG evaluation by constructing and operating malls in harmony with nature	Medium
		Evaluation by investors		

Time Horizon: Short-term (to 2025), medium-term (to 2030), long-term (to 2050)



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

Environmental Strategy - Biodiversity (4)

Strategy

Value Chain Area Analysis (B, D*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

We identified materialities by upstream, direct operations, and downstream stages of the value chain. We then identified hotspots by assessing the biodiversity risk of business locations using IBAT*¹, Aqueduct*² and other tools. We will use the results of the analysis in future biodiversity preservation efforts.

*1 IBAT: A tool for understanding the surrounding ecosystem over a wide area

*2 Aqueduct: A tool for understanding water stress

	Upstream (Material Procurement)			Direct Operations (Land Development, Mall Construction)		Downstream (Mall Operations)
Risk Categories	Land Development	Ecosystem	Wastewater Treatment	Land Development	Ecosystem	Wastewater Treatment
Analysis Method	<input checked="" type="checkbox"/> Not included in the area assessment, taking into account the direct relevance to the business <input checked="" type="checkbox"/> Business opportunities to be studied in the response plan			<input checked="" type="checkbox"/> Targets: AEON MALL facilities <input checked="" type="checkbox"/> Analysis Method: Assess biodiversity risk around malls and identify hotspots using IBAT		<input checked="" type="checkbox"/> Targets: AEON MALL facilities <input checked="" type="checkbox"/> Analysis Method: Assess water resource risk in the watershed around malls and identify hotspots using Aqueduct

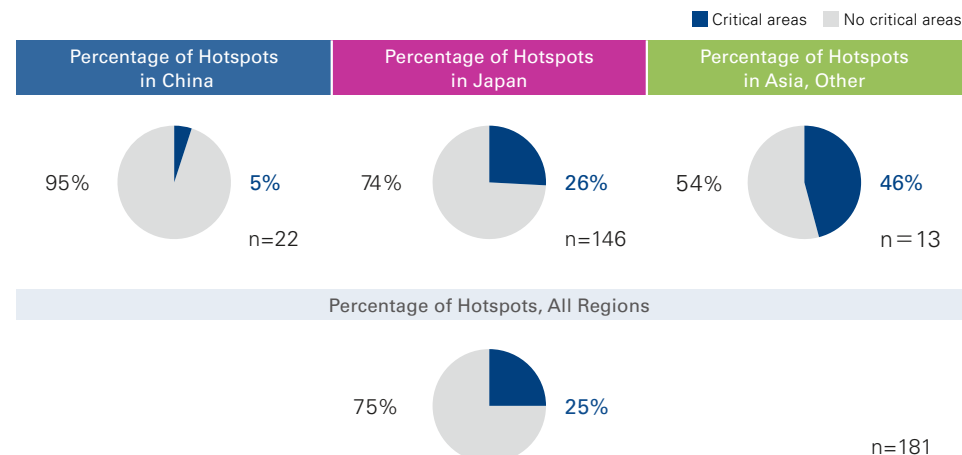
Direct Operations x Land Development and Surrounding Ecosystems

After identifying hotspots, we found that 25% of our malls (domestic and international) are in important biodiversity areas. We believe that hotspots have the potential to attract native species from the surrounding area and are important locations requiring highly significant preservation activities in cooperation with local residents. We will use the results of the analysis to advance our efforts, and we will discuss with each country how to utilize the results of the analysis for malls overseas.

Country	No. of Malls	No. of Malls With Confirmed Hotspots
Japan	146	38 (26%)
China	22	1 (5%)
Asia, Other	13	6 (46%)
Total	181	45 (25%)



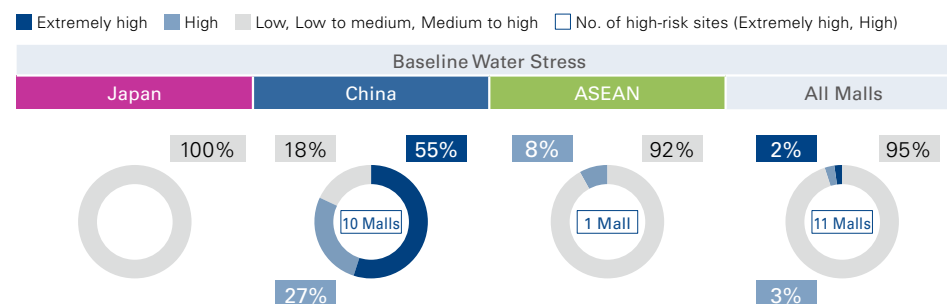
* As of March 2023



Downstream x Water Use

We used Aqueduct, a tool for the general assessment of water risk, to assess each category of water resource risk based on the location of AEON MALL facilities. We then identified hotspots based on this analysis. The results showed that 11 malls in China and ASEAN are located in water-stressed areas.

We manage wastewater discharge appropriately at domestic malls in accordance with ISO 14001.



* As of April 2022

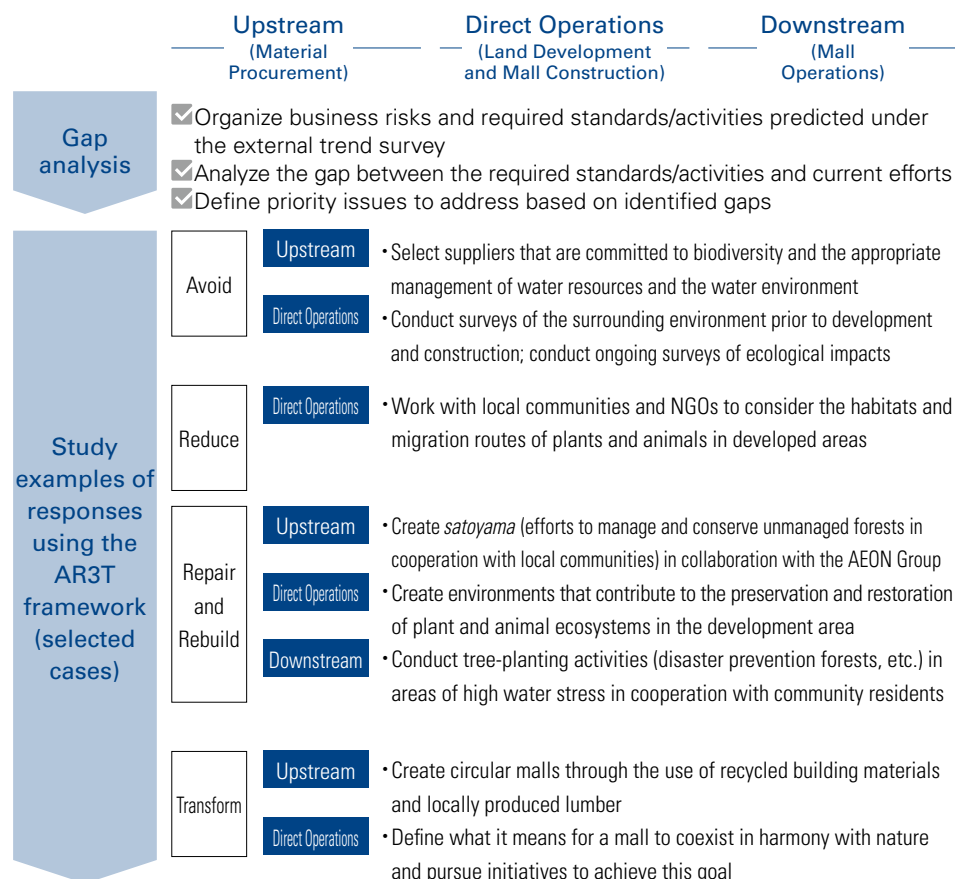
Environmental Strategy - Biodiversity (5)

Strategy

Consider Response Measures

To pursue biodiversity preservation activities and other initiatives in the future, we defined requirement levels for each materiality based on the external trend survey for each value chain. We identified priorities in comparison with current initiatives. Utilizing SBTN's AR3T framework*, we examined response measures for priority items based on advanced case studies.

In the future, we aim to create malls that preserve biodiversity through further studies in cooperation among divisions.



* AR3T framework: Avoid, Reduce, Restore & Regenerate, Transform

Metrics and Targets

Quantitative Indicators (A and B*)

* Numbering mirrors the recommended disclosures in the TNFD Final Recommendations

We consider the preservation of biodiversity and the protection of natural resources as materialities. We use the number of malls with ABINC certification, ISO14001 certification, and waste recycling rates as indicators for managing nature-related risks and opportunities. AEON MALL also tracks the number of EV chargers installed, the percentage of malls that procure CO₂-free electricity, and the acquisition rate of eco certifications related to climate change and global warming, which are materialities related to nature. We also monitor and disclose water consumption and GHG emissions.

We are unable to measure other core global indicators under the TNFD recommendations at this time due to difficulties in collecting data and the lack of established calculation methods. We will study disclosures by developing methodologies and tools for data collection efforts and calculations in the future.

Core Disclosure Indicators for Dependencies and Impact

Number	Indicator	Indicator Value
C 2.2	Total amount of hazardous waste generated	Emissions: 0 t
C 3.0	Water withdrawal from water-stressed areas	Total water withdrawal: 2,116,316 m ³

Core Disclosure Indicators for Risks and Opportunities

We are unable to conduct quantitative analyses of nature-related risks and opportunities at present; therefore, we do not measure such at this time. We will consider conducting a quantitative risk and opportunity assessment in the future.

Core Disclosure Indicators by Sector (Real Estate Sector)

Indicator Category	Indicator Subcategory	Indicator	Description
Impact Driver	Changes in land, freshwater, and ocean use	Change in connectivity	The proposed core disclosure indicators for the real estate sector are linear infrastructure development and residential construction, which are not relevant to the Company, and, therefore, not considered for disclosure.
	Contamination, decontamination	Spillage of pollutants	
	Resource use/replenishment	Volume of high-risk natural commodities sourced from land, sea, and freshwater	

Quantitative Goals

Since 2021, the number of ABINC-certified malls has been a quantitative goal for biodiversity conservation. As of the end of February 2024, a total of 22 malls are ABINC-certified.

Our directly managed malls have been ISO 14001 certified since 2001. Since fiscal 2022, preserving biodiversity has been an organization-wide environmental goal whose progress we continue to manage.



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

Environmental Strategy - Biodiversity (6)

Approach

AEON MALL pursues initiatives to co-create with stakeholders, building malls that coexist in harmony with nature.

AEON Hometown Forest Program

The AEON Hometown Forest Program began in 1991 in Malaysia. The AEON Group embodies its basic philosophy of *pursuing peace, respecting humanity, and contributing to local communities, always from the customer's point of view* through tree-planting activities that contribute to local communities with the help of local customers. Every time we open a new mall in Japan or overseas, AEON MALL hosts a tree planting ceremony, working with customers to plant native trees most appropriate for the local natural environment. As of the end of February 2024, the AEON Group has planted a cumulative total of nearly 12.68 million trees.



Total number of trees planted by the AEON Group: 12,687,919

Total number of trees planted by AEON MALL: 3,647,410

(As of February 2024)

Mall Development in Consideration of Ecosystem Preservation and Green Space Creation

When developing JIYUGAOKA de aone, which opened in October 2023, we conducted a survey to contribute to the surrounding ecosystem network. The survey targeted the remaining green spaces (shrine and temple forests, rivers in the vicinity of the facility), and we interviewed local stakeholders to determine which species to plant.

The terrace spaces on each floor of the mall host birdhouses, while the rooftop features an open field and plantings of native plants seen in the wilds of Musashino. These elements and others combine to create a habitat for a diverse range of wildlife.

When constructing the facility, we incorporated Tama cypress and helped reduce our environmental footprint through local production for local consumption of materials.



* JIYUGAOKA de aone is located in a hotspot as identified by AEON MALL. The location obtained ABINC certification in February 2024.

Urban Redevelopment Project Results and Status

The Tamadaira woods area where AEON MALL Tamadaira woods is located was developed in 1956 by the Urban Renaissance Agency (then Japan Housing Corporation) as the first land readjustment project in Hino City. The Tamadaira Danchi was developed as part of the project in 1958. Our mall was developed as an urban development center in the redevelopment plan for the Tamadaira no Mori complex by Hino City and the Urban Renaissance Agency.

Our desire was to contribute to the creation of compact town development that maintains the charm of the area for future generations, as described in the Tamadaira woods district priority area community development plan, formulated by the city of Hino and local residents. To this end, we aimed to hand down the history of Tamadaira, built hand in hand by humans near the rich forests and water that have long been a symbol of the town, and the townscape that has taken shape as the community has grown. At the same time, we set a goal to create a bustling community by improving the convenience of life for local residents and providing a new community hub.

We preserved existing trees to contribute to biodiversity through our business, and installed a biotope with a water feature on the rooftop field, for which we received ABINC certification in 2015 and an ABINC Special Award in 2016. The biotope is now home to a variety of species, including dragonfly larvae, and is used as a place for local community environmental education by a nearby university and an NGO. A 2023 survey confirmed that sparrowhawks were nesting in existing trees, indicating that a diverse and rich natural landscape is taking shape.

* AEON MALL Tamadairanomori is located in a hotspot, as identified by AEON MALL.

Sustainable Upkeep Leveraging Natural Cycles

The AEON Group regards the AEON Hometown Forests planted by our customers as valuable resources entrusted to us. We manage the program based on a standardized manual used across the AEON Group, and we ensure that all employees are familiar with this manual through ongoing e-learning and on-the-job training.

- **Effective use of rainwater**
We collect rainwater in storage tanks to irrigate plantings at certain malls.
We also installed permeable pavement in some sections to encourage underground infiltration of rainwater.
- **Consideration for resource circulation**
We encourage the use of shredded leaves, weeded grasses, and pruned branches as mulching material across all malls.
- **Measures against invasive species**
Every AEON MALL facility engages in response measures against specific invasive alien species based on the aforementioned manual.



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

 Kunihiro Koshizuka Director		 Chisa Enomoto Director		 Hironobu Kurosaki Director		 Junko Owada Director		 Junko Taki 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

 Kazuhiro Aoyama Full-time Audit & Supervisory Board Member		 Emi Torii Member of the Audit & Supervisory Board		 Rumiko Tanabe Member of the Audit & Supervisory Board		 Masato Nishimatsu 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-subsidary 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"> • Verification of the reasonableness of transaction conditions with the AEON Group (joint group sales promotion expenses, brand royalty agreements) <p>Reported Matters</p> <ul style="list-style-type: none"> • 2023 evaluation of board effectiveness • Annual report on related-party transactions • Company response and procedures for related-party transactions • Status of general merchandiser contracts in Japan and overseas



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- 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.

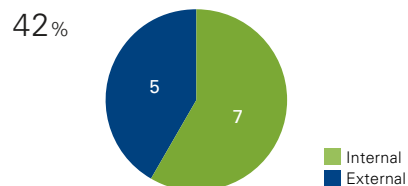
The board of directors is composed of directors with diverse expertise and knowledge that will not only strengthen the management supervisory functions, but also promote key strategies and growth measures by leveraging our business characteristics. The skills expected from each director are disclosed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

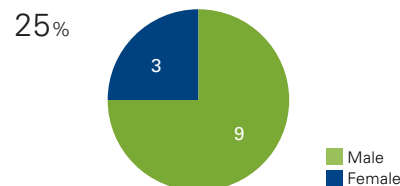
Outside directors consist of independent individuals with management experience and expertise in a variety of industries, contributing a diversity of viewpoints, a wealth of experience, a depth of knowledge, and expert opinions in the areas of international business strategy, governance, corporate branding,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

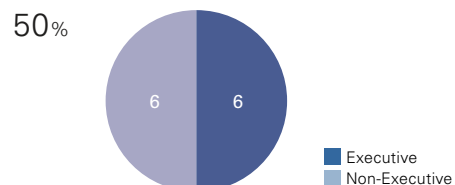
Ratio of Outside Directors



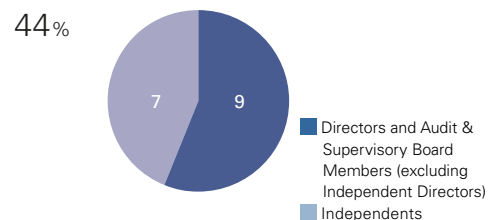
Ratio of Female Directors



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

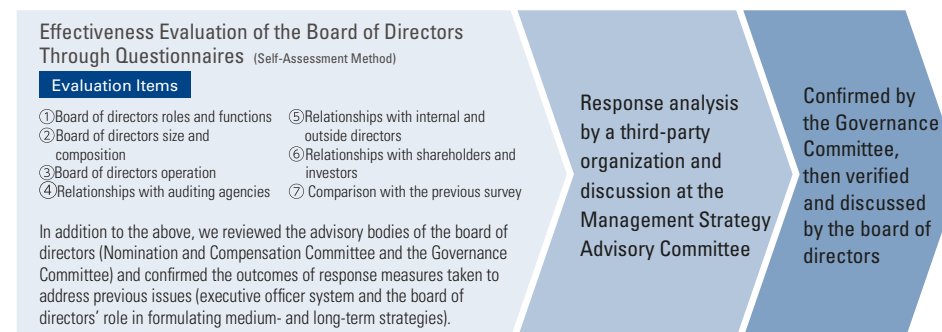
Type	Main Resolutions and Reports
Nomination and Compensation	<ul style="list-style-type: none"> • Appointment of the president and CEO • Appointment of directors to execute business • Director compensation • Executive officer personnel changes • Reports on business execution of directors and executive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

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.

Our Strengths	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.
Our Challenges	<p>The following are considered issues that require continued improvement and enhancement.</p> <ul style="list-style-type: none"> • Enhanced discussion of medium- and long-term strategies • Strengthen monitoring functions to achieve the medium-term management plan and company-wide policies
Response to Issues	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.

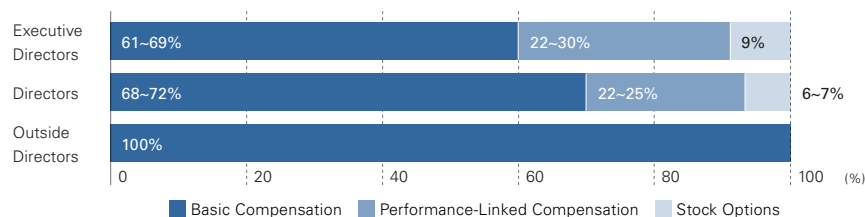
ii Performance-Linked Compensation

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)	
Directors (Including Outside Directors)	176,426 (36,000)	130,170 (36,000)	35,500 [—]	10,756 [—]	13 (5)
Audit & Supervisory Board Members (Including Outside Members)	24,000 (24,000)	24,000 (24,000)	— [—]	— [—]	5 (5)
Total (Outside Directors)	200,426 (60,000)	154,170 (60,000)	35,500 [—]	10,756 [—]	18 (10)



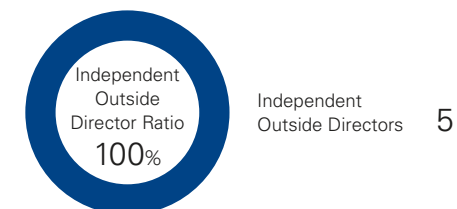
Operational Status of Each Committee

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

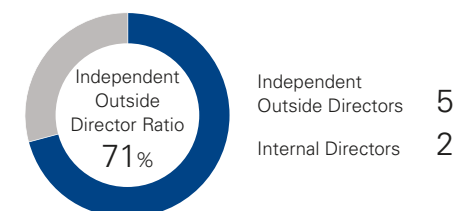
	Board of Directors	Audit & Supervisory Board	Nomination and Compensation Advisory Committee	Management Strategy Advisory Committee	Governance Committee
Duties			Advises and reports on the nomination policies for director and Audit & Supervisory Board member candidates, training plans, director compensation, 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
Meetings (FY2023)			5	12	8
Member Composition (as of May 23, 2024)			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

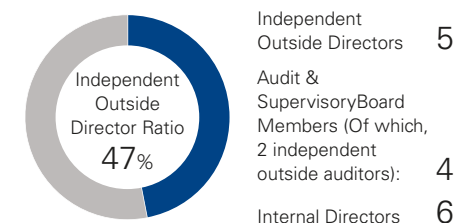
Governance Committee Composition



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.



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)

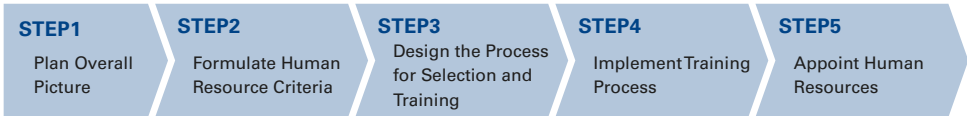
Number of issuing companies	13 (including shareholdings in 10 publicly listed companies)
Total amount recorded on balance sheet	1,421 million yen

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

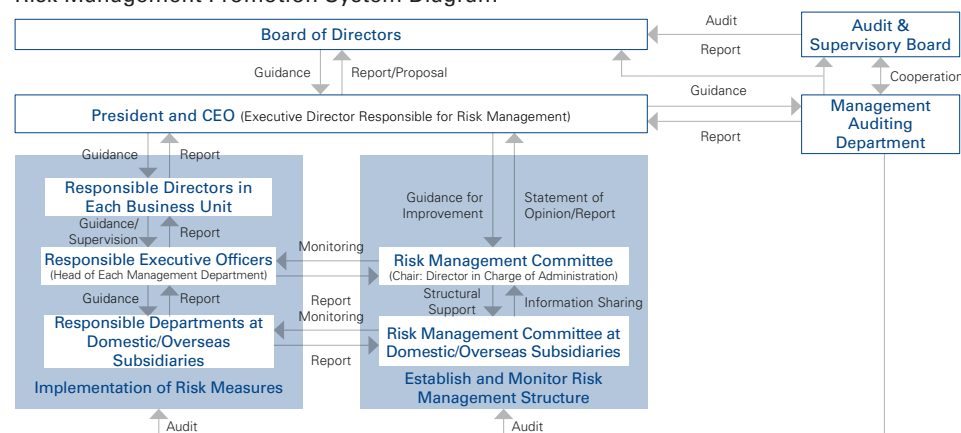
Risk Management Promotion System

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.

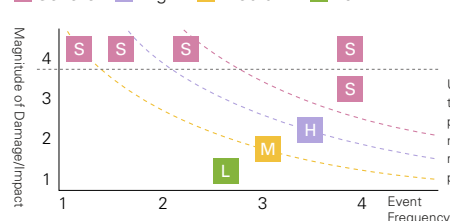
- **Establish priorities and use a priority risk measure matrix**

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.

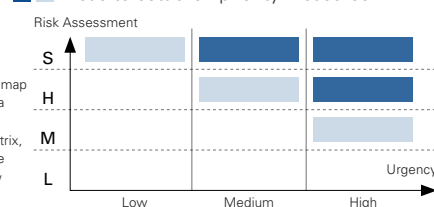
Using a Risk Map to Assess Risks

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

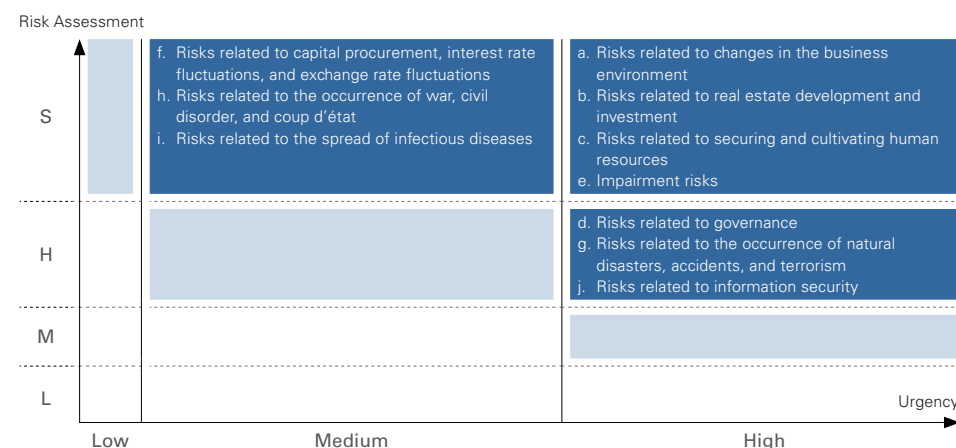
Medium: Requires steady measure implementation and verification of effectiveness

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.



	Risks	Risk Assessment	Urgency
Business Strategy Risks	a. Risks related to changes in the business environment	S	High
	b. Risks related to real estate development and investment	S	High
	c. Risks related to securing and cultivating human resources	S	High
	d. Risks related to governance	H	High
Risks Related to Finances	e. Impairment risks	S	High
	f. Risks related to capital procurement, interest rate fluctuations, and exchange rate fluctuations	S	Medium
	g. Risks related to the occurrence of natural disasters, accidents, and terrorism	H	High
Operational Risks	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



Philosophy and Vision

Value Creation

Value Creation Strategy

Corporate Governance

Corporate Data

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

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

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.



11-Year Financial Highlights

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023
Consolidated Fiscal Year	Millions of Yen											Thousands of U.S. Dollars ^(Note)
Operating revenue	176,931	203,902	229,754	269,793	288,111	312,976	324,138	280,688	316,813	398,244	423,168	2,807,460
Operating income	42,227	41,872	43,870	44,935	49,211	52,987	60,794	34,394	38,228	43,979	46,411	307,913
Operating margin (%)	23.9	20.5	19.1	16.7	17.1	16.9	18.8	12.3	12.1	11.0	11.0	11.0
EBITDA	66,173	71,447	75,959	82,993	87,654	95,627	117,653	92,981	101,964	114,401	119,669	793,930
Segment profit												
China	(2,306)	(3,529)	(4,448)	(3,451)	(1,132)	(453)	5,622	2,296	6,958	6,634	6,537	43,371
ASEAN	(536)	(944)	(1,013)	(348)	248	999	2,686	1,474	(701)	3,205	4,028	26,724
Japan	45,069	46,346	49,322	48,716	50,074	52,415	52,460	30,597	31,945	34,114	35,821	237,650
Net income attributable to owners of parent	23,430	24,513	24,639	28,527	30,542	33,538	34,239	(1,864)	19,278	12,994	20,399	135,341
Capital expenditure	114,859	181,953	207,215	163,407	190,100	217,101	99,633	59,738	122,243	102,297	106,684	707,787
Depreciation and amortization	23,945	29,574	32,088	38,058	38,443	42,640	56,858	58,586	63,735	70,422	73,257	486,017
Cash flows from operating activities	44,382	76,152	61,785	73,646	80,616	90,600	133,645	61,621	61,492	101,490	126,305	837,956
Cash flows from financing activities	17,232	54,994	73,446	8,312	44,841	91,199	22,808	12,244	8,225	13,515	(12,848)	(85,243)
Free cash flow	(2,761)	(51,353)	(84,547)	10,072	(61,393)	(85,589)	37,862	(2,822)	(60,890)	(1,786)	24,562	162,954
Cash and cash equivalents	59,096	67,222	53,652	69,593	54,223	55,414	114,368	124,080	82,973	101,101	112,354	745,399
Per-Share Data												
Net income	106.96	107.58	108.43	125.45	134.29	147.45	150.50	(8.19)	84.72	57.10	89.64	0.59
Net assets	1,295.30	1,438.25	1,481.77	1,539.36	1,642.59	1,685.46	1,731.11	1,658.23	1,830.21	1,935.77	2,040.33	13.54
Dividends	22.00	22.00	22.00	27.00	35.00	38.00	40.00	40.00	50.00	50.00	50.00	0.33
Consolidated Fiscal Year-End												
Total assets	759,245	900,957	974,970	1,012,758	1,123,781	1,203,211	1,381,217	1,394,199	1,463,256	1,559,592	1,655,253	10,981,581
Net assets	298,526	332,536	339,849	356,203	385,561	394,059	404,522	387,486	426,931	451,711	476,226	3,159,466
Equity	295,124	327,708	333,547	350,073	373,572	383,393	393,849	377,318	416,455	440,495	464,291	3,080,288
Interest-bearing debt	190,366	253,798	334,406	360,292	405,749	506,975	666,076	709,659	757,593	794,199	857,218	5,687,110
Financial Indicators												
Equity ratio (%)	38.9	36.4	34.2	34.6	33.2	31.9	28.5	27.1	28.5	28.2	28.0	
ROE (Ratio of net income to equity) (%)	9.2	7.9	7.5	8.3	8.4	8.9	8.8	(0.5)	4.9	3.0	4.5	
ROA (Ratio of net income to total assets) (%)	3.4	3.0	2.6	2.9	2.9	2.9	2.6	(0.1)	1.3	0.9	1.3	
ROIC (Return on invested capital) (%)	—	4.9	4.5	4.4	4.6	4.4	4.3	2.2	2.4	2.5	2.5	
D/E ratio (times)	0.6	0.7	1.0	1.0	1.0	1.3	1.6	1.8	1.8	1.8	1.8	
Net D/E ratio (times)	0.4	0.5	0.8	0.8	0.9	1.1	1.5	1.5	1.6	1.5	1.6	
PER (Price earnings ratio) (times)	26.3	21.4	14.7	13.7	16.6	12.3	10.1	—	19.0	31.1	19.5	
PBR (Price book-value ratio) (times)	2.1	1.6	1.0	1.1	1.3	1.0	0.8	1.0	0.8	0.9	0.8	

Note: Amounts in U.S. dollars are for convenience only, calculated at an exchange rate of ¥150.73 to US\$1, the approximate rate on February 29, 2024.

* AEON MALL issued 23.5 million and 2.5 million new shares on June 19, 2013 and July 12, 2013, respectively.

AEON MALL conducted a 1.1 for 1 split for common shares on August 1, 2013.

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



11-Year Non-Financial Highlights

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non-Financial Indicators											
No. of malls (Japan/Overseas)	138(133/5)	148(139/9)	161(144/17)	166(147/19)	174(150/24)	180(153/27)	172(142/30)	174(142/32)	174(140/34)	178(143/35)	182(146/36)
New malls (Japan/Overseas)	7(5/2)	11(7/4)	13(5/8)	7(5/2)	10(5/5)	7(4/3)	4(1/3)	3(1/2)	6(4/2)	3(2/1)	6(4/2)
No. of reactivated malls (floor space expansion/renovation)	11(0/11)	8(0/8)	12(1/11)	20(2/18)	14(2/12)	8(2/6)	15(4/11)	10(2/8)	10(1/9)	12(0/12)	12(1/12)
No. of urban shopping centers	—	—	—	20	21	23	23	22	22	21	20
Total leasing area (m ²) Japan	6,615,900	6,996,700	7,312,900	7,753,950	7,923,800	8,154,700	7,876,500	7,922,700	7,985,700	8,075,700	8,168,800
Total	283,300	544,300	1,136,000	1,266,000	1,599,700	1,828,000	2,072,000	2,251,000	2,366,000	2,480,000	2,554,400
Energy consumption (crude oil equivalent kl)	6,899,200	7,541,000	8,448,900	9,019,950	9,523,500	9,982,700	9,948,500	10,173,700	10,351,700	10,555,700	10,723,200
Energy consumption intensity (denominator: floor space/mall operating hours) (GJ/1,000 m ² x h)	100,598	106,155	114,856	117,278	118,030	118,723	117,801	112,922	127,251	124,691	113,429
Energy consumption intensity YoY (%)	0.510	0.475	0.453	0.432	0.410	0.401	0.379	0.364	0.384	0.373	0.331
Waste recycling volume (t)	94.62	93.01	95.45	95.33	94.88	97.86	94.43	95.99	105.49	97.13	88.8
Waste recycling rate (%)	48,467	54,348	60,271	62,805	65,748	68,977	71,066	56,032	65,707	69,949	71,983
Water consumption (m ³)	83.2	84.3	86.6	86.8	86.1	86.9	89.4	88.7	92.7	90.6	91.3
Water consumption intensity (denominator: floor space/ mall operating hours) (m ³ /1,000 m ² x h)	3,328,665	3,175,143	3,354,719	3,592,795	3,612,049	3,629,433	3,596,512	3,146,507	3,457,894	3,496,469	3,773,437
Trees planted (Japan, Overseas)	0.44	0.37	0.34	0.34	0.32	0.32	0.30	0.26	0.27	0.27	0.28
No. of malls with EV charging stations	2,788,000	3,046,000	3,190,000	3,275,000	3,344,000	3,467,000	3,496,000	3,550,000	3,578,000	3,617,800	3,647,410
(Japan, China, ASEAN)	35	73	128	136	149	158	154	155	158	160	166
No. of EV chargers (Japan, China)	103	187	516	1,045	1,944	2,332	2,404	2,418	2,424	2,584	2,771
No. of employees (consolidated)	1,689	2,024	2,313	2,871	3,091	3,303	3,447	3,656	3,756	3,801	3,854
No. of female managers	99	112	115	121	136	151	155	165	192	193	212
Ratio of female managers to total managers (%)	12.5	13.1	13.2	13.7	14.2	15.1	17.4	18.0	19.4	20.4	22.6
No. of female officers	—	2	2	2	3	4	4	4	6	5	5
Ratio of female officers to total officers (%)	—	12.5	13.3	13.3	17.6	23.5	23.5	22.2	35.3	33.3	31.3
No. of local staff members overseas	392	580	829	956	1,113	1,125	1,288	1,429	1,465	1,563	1,640

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

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

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

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

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

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

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

* Figures for EV chargers represent totals including PM contracted malls.

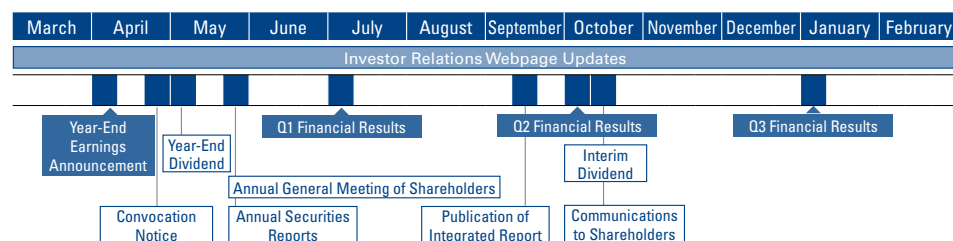


IR Activities

(Dialogue, Communications With Investors and Shareholders)

We strive to build relationships of trust with stakeholders, including shareholders and investors. To this end, we disclose financial information, business performance information, and non-financial information (management strategies, etc.) necessary for investment decisions in a clear, timely, appropriate, and fair manner. We aim to achieve sustainable enhancement of corporate value by communicating to management the opinions and requests received through two-way interactions.

Main Activities in FY2023



Annual General Shareholders' Meeting

	FY2021	FY2022	FY2023
No. of shareholders (end of February)	187,011	200,850	292,314
No. of individual shareholders	185,417	199,179	290,251
Ratio of proposals passed	100%	100%	100%

Dialogue With Shareholders and Investors

Activities	FY2021	FY2022	FY2023
Individual meetings with institutional investors	163	154	158
Financial results briefings for investors and analysts	4	4	4
Small meetings*	12	13	12
SR meetings	4	0	5
Overseas roadshows	0	0	0

* Small meetings consist of 10-20 institutional investors in attendance. In 2022, we held meetings with outside directors as speakers.

Recognition and Certifications From External Organizations

Inclusion in ESG Indexes



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



MSCI Japan Empowering Women Index (WIN)

2024



Sompo Sustainability Index

Selected for inclusion in an industry-specific investment index in the ESG field developed by FTSE Russell

Selected for inclusion in the investment index developed by MSCI for gender-diverse companies

Selected for inclusion in the investment index developed by SOMPO Asset Management for ESG investments



Japan ex-REIT Gender Diversity Tilt Index



Rated at the highest level as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index adopted by the GPIF

Selected for inclusion in the investment index developed by S&P Dow Jones Indices LLC focused on carbon efficiency, etc.

Certifications and Evaluations for ESG-Related



DISCLOSURE INSIGHT ACTION

Assigned A- rating by CDP



***** 2023

Awarded 5 Star Rating (highest rating) in the 2023 GRESB Real Estate Assessment



健康経営優良法人
Health and productivity

2024 Certified Health & Productivity Management Outstanding Organization (Large Enterprise)



Obtained Platinum Eruboshi Certification from the Minister of Health, Labour and Welfare on the basis of the Act on Promotion of Women's Active Engagement in Professional Life



Certified as a Child-rearing Support Company by the Minister of Health, Labour and Welfare



Certified as Gold (highest rating) under the PRIDE Index 2023, an evaluation index for initiatives related to LGBTQ+ and other sexual minorities in the workplace



Please refer to our website for information on certifications and evaluations obtained from external organizations not mentioned above.

<https://www.aeonmall.com/en/sustainability/>

Corporate Profile

Company Name:	AEON MALL Co., Ltd. (Stock Code: 8905)
Date Established:	November 1911
Representative:	President and CEO Keiji Ohno
Common stock:	¥42,383 million (as of February 29, 2024)
Headquarters:	1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba 261-8539, Japan
No. of Shopping Malls:	202 (Domestic 166 / Overseas 36) (as of February 29, 2024) * Includes OPA Co., Ltd. (urban shopping center business converted to subsidiary in March 2016) and other affiliates.
Business Activities:	Development of large-scale shopping malls, tenant leasing, and operations/ management Real estate, leasing, agency services Real estate sales, lease, brokerage [Minister of Land, Infrastructure and Transport (4) No. 7682]
No. of Employees:	3,854

Offices

Makuhari WBG Office	261-7122, Japan WBG Malibu East 22F, 2-6-1 Nakase, Mihama-ku, Chiba-shi, Chiba
Eastern Japan Branch	101-0052, Japan Fuundo Honkan Building 5F, 1-2 Kandaogawamachi, Chiyoda-ku, Tokyo
Sendai Office	980-0021, Japan Sendai Minamimachi-dori Building 7F, 3-6-12 Chuo, Aoba-ku, Sendai-shi, Miyagi
East Kanto Division Office	261-8535, Japan AEON MALL MAKUHARISHINTOSHIN EKIMAE MALL, 1-1 Toyosuna, Mihama-ku, Chiba-shi, Chiba
Central Japan Branch	541-0056, Japan Kurabo Annex Building 12F, 2-4-11 Kyutaromachi, Chuo-ku, Osaka-shi, Osaka
Nagoya Office	450-0002, Japan Aizo building 4F, 5-25-1 Meieki, Nakamura-ku, Nagoya-shi Aichi
Western Japan Branch	812-0016, Japan Sankyo Fukuoka Building 5F, 2-9-11 Hakataekiminami, Hakata-ku, Fukuoka-shi, Fukuoka
Kobe Office	652-0844, Japan 2-1-1 Nakanoshima, Hyogo-ku, Kobe-shi, Hyogo
Hiroshima Office	732-0814, Japan 1-3-52 Danbara-minami, Minami-ku, Hiroshima-shi, Hiroshima
Hiroshima Office	732-0814, Japan 1-3-52 Danbara-minami, Minami-ku, Hiroshima-shi, Hiroshima

Stock Information (as of February 29, 2024)

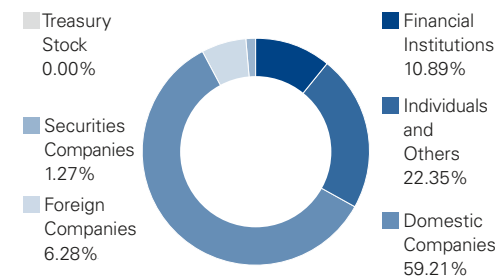
Shareholder Notes

Fiscal Year-End: February 28 (or 29)
 Record date: Record Date for Annual General Meeting of Shareholders
 February 28 (or 29)
 Record Date for Year-End Dividend
 February 28 (or 29)
 Record Date for Interim Dividend
 August 31
 Annual General Shareholders' Meeting:
 Held annually by the end of May
 Minimum Trading Unit:
 100 shares
 Shareholder Register Administrator:
 1-3-3 Marunouchi, Chiyoda-ku,
 Tokyo, Japan
 Mizuho Trust & Banking Co., Ltd.

General Stock Information

Authorized No. of Shares: 320,000,000 shares
 No. of Shares Issued: 227,560,939 shares
 No. of Shareholders: 292,314

Distribution of Shareholders



Major Shareholders (Top 10)

Name/Company Name	Number of Shares Owned (1,000 shares)	Percentage (%)
AEON Co., Ltd.	132,351	58.16
The MasterTrust Bank of Japan, Ltd. (Trust Account)	10,380	4.56
Custody Bank of Japan, Ltd. (Trust Account)	5,670	2.49
Bnymsanv as Agent / Clients Lux Ucits Non Treaty 1	3,472	1.52
AEON MALL Trading-Partner Shareholding Association	1,425	0.62
State Street Bank West Client -Treaty 505234	1,276	0.56
Japan Securities Finance Co., Ltd.	1,265	0.55
Mizuho Bank, Ltd.	1,100	0.48
The Norinchukin Bank	1,100	0.48
Sumitomo Mitsui Trust Bank, Limited	1,100	0.48

(Notes) 1. Shareholdings are rounded down to the nearest 1,000 shares.
 2. Ownership ratios rounded to the nearest hundredth.

Credit Rating (as of February 29, 2024)

Rating Agency	Long-Term Rating	Short-Term Rating
Japan Credit Rating Agency, Ltd. (JCR)	A	—
S&P Global Ratings	BBB	—
Rating and Investment Information, Inc. (R&I)	A-	a-1

