

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
---

Stock code: 8905

April 28, 2021

**AEON MALL Co., Ltd.**

1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

President: Yasutsugu Iwamura

To the Shareholders of AEON MALL Co., Ltd.:

## **Notice of the 110th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 110th Ordinary General Meeting of Shareholders of **AEON MALL Co., Ltd.** (the “Company”), to be held as described below:

Those who are unable to attend may vote in writing or on the Internet. Please cast your vote by 6:00 p.m. on Wednesday, May 19, 2021 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

**1. Date and Time:** Thursday, May 20, 2021; 10:00 a.m.

**2. Place:** 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba  
Multi-purpose hall, 3rd floor, AEON TOWER

### **3. Objectives of Meeting**

**Matters to be reported:** 1. Business Report and Consolidated Financial Statements for the 110th fiscal year (from March 1, 2020 to February 28, 2021) and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and Audit & Supervisory Board

2. Nonconsolidated Financial Statements for the 110th fiscal year (from March 1, 2020 to February 28, 2021)

**Matters to be resolved:**

Agenda Item: Election of thirteen (13) Directors

### **4. Matters prescribed for convocation**

- a. If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights of the Company to attend the meeting. Please note, however, that it is necessary to submit a document proving the authority of proxy.
- b. If you make a diverse exercise of voting rights, please notify the Company in writing of your intention to do so and state your reason for this no later than three (3) days before the meeting.

1. Attendees are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist on the day of the meeting.
2. Of the documents provided in the Notice of the 110th Ordinary General Meeting of Shareholders, notes to Consolidated Financial Statements and Nonconsolidated Financial Statements are provided to shareholders on the Company's website, pursuant to laws and regulations and provisions of Article 15 of the Articles of Incorporation of the Company, and are therefore not included in the attached documents to this convocation notice. Accordingly, the documents attached to this convocation notice consist of part of the Consolidated Financial Statements and Nonconsolidated Financial Statements that were audited by the Audit & Supervisory Board Members, in preparing their audit reports and the Accounting Auditors in preparing their audit reports.
3. If there are any amendments to Business Report, Consolidated Financial Statements, Nonconsolidated Financial Statements and/or Reference Documents for the General Meeting of Shareholders, such amendments will be announced on the Company's website (<https://www.aeonmall.com/en/ir/index.html>).

A Notice of Resolutions will not be sent. After the Ordinary General Meeting of Shareholders has ended, the results of exercise of voting rights will be published on the Company's website ([https://www.aeonmall.com/en/ir/s\\_meeting.html](https://www.aeonmall.com/en/ir/s_meeting.html)).

**[For those attending the meeting]**

Please bring the completed Form for Exercising Voting Rights to the meeting (no signature or affixing of seal necessary).

Please bring this document as well, as it contains the agenda for the meeting.

**[For those voting in writing]**

Those voting in writing should indicate “for” or “against” for the agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Wednesday, May 19, 2021.

**[For those voting on the Internet]**

Please access the online voting site through a computer or smartphone and follow the on-screen instructions. The deadline for online voting is 6:00 p.m. on Wednesday, May 19, 2021.

If you exercise your voting rights twice, once by mail and once via the Internet, etc., the Company will treat your Internet vote as the valid exercise of your voting rights. If you exercise your voting rights several times via the Internet, the Company will treat the most recent vote as the valid exercise of your voting rights.

\*Please note that no gift will be provided for attendees at the General Meeting of Shareholders. Your understanding would be appreciated in this regard.

*Notes:*

- 1. This English version is a translation of points summarized from an original notice written in Japanese. When discrepancies in interpretation arise, the content of the Japanese notice shall take precedence.*
- 2. Please note that Internet voting is not available to such persons as those who are not residents of Japan and who have appointed a custodian in Japan for handling of their shares according to the Rules for the Handling of Shares of the Company.*
- 3. AEON MALL Co., Ltd.'s ordinary share issue*

*Local code: 8905  
SEDOL# 6534202 JP  
ISIN# JP 3131430005*

**[Electronic Voting Platform for Institutional Investors]**

Institutional shareholders, including standing proxies such as master trust banks, who have applied in advance to the ICJ Proxy e-Voting Platform Service (the Platform Service) offered by ICJ Inc., a joint venture established by Tokyo Stock Exchange, Inc., Japan Securities Dealers Association and Broadridge Financial Solutions, Inc., are entitled to use the Platform Service to exercise their votes.

## **Reference Documents for the General Meeting of Shareholders**

### **Agenda Item: Election of thirteen (13) Directors**

The terms of office of all fourteen (14) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, we request the election of thirteen (13) Directors, including three (3) new candidates for Director, for the purpose of conducting even more effective supervision and strengthening the structure toward achieving management priorities and realizing our vision for the Company, as well as accelerating the execution of growth strategies and expediting decision making.

Moreover, in light of the Company's business development and management priorities, the new candidates for Director are expected to provide proposals and guidance based on their diverse knowledge, experience, and skills, with respect to realizing overseas business development and high profit growth, promoting diversity and workstyle reform, and promotion of disclosure to stakeholders and brand strategies.

The candidates for Directors are as follows.

### **Policies and procedures in the appointment of candidates for Directors:**

In regard to the appointment of candidates for Directors, first the President and CEO proposes the appointment in accordance with the following standards, second, after passing through deliberation at a meeting of the Nomination and Compensation Committee, the appointment is resolved at a Board of Directors' meeting to be an agenda item for the General Meeting of Shareholders, and finally the appointment is submitted at this meeting.

- For Inside Directors, a candidate must possess ability, knowledge, experience, and actual results in the specialty field where they have strength, in addition to possessing a sense of balance and decisiveness that will allow them to carry out director activities while grasping overall business operations.
- For Outside Directors, a candidate must possess abundant experience and in-depth understanding in their field, be able to ensure an adequate amount of time to execute their duties as a director of the Company, and possess the qualities that would allow them to provide advice and proposals from an independent standpoint that ensure the appropriateness and validity of decisions of the Board of Directors.

### **(Reference) Independence Standards and Qualification for Independent Outside Directors**

The Company, when electing independent Outside Directors, in addition to following independence standards designated by the Tokyo Stock Exchange, selects candidates from people with experience in various industries or in management who possess diverse perspectives, abundant experience, in-depth understanding, and specialized expertise as well as elects

candidates who can contribute to candid, active and constructive discussions at Board of Directors' meetings.



**Number of the Company's shares owned**  
2,612 shares

**Tenure**  
2 years

**Attendance at Board of Directors meetings**  
16/16

**Candidate no. 1**

**Yasutsugu Iwamura  
(March 7, 1966)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Aug. 2005 Joined the Company

Aug. 2007 General Manager of Planning Development First Group, Planning Development Department, the Company

May 2009 General Manager of Kanto and Tohoku Development Department, Development Division, the Company

Apr. 2013 General Manager of Development Management Department, Development Division, the Company

May 2016 General Director of AEON MALL VIETNAM CO., LTD.

May 2019 Director in charge of Vietnam, ASEAN Division, the Company, and General Director of AEON MALL VIETNAM CO., LTD.

Mar. 2020 President and CEO, the Company

Apr. 2021 President and CEO and General Manager of Overseas Business Division, the Company (to present)

**[Significant concurrent positions]**

Chairman, AEON MALL (CHINA) CO., LTD.

**Reasons for selection as a candidate for Director**

Yasutsugu Iwamura has knowledge related to global business management and administration that include management experience at AEON MALL VIETNAM, which is one of the Company's important operating bases in development and the overseas business. In addition, since assuming the position of President and CEO in 2020, he has fulfilled roles that contribute to boosting the Company's corporate value such as decision-making concerning important management issues and overseeing business execution. In addition, in fiscal 2020, he demonstrated leadership in responding to changes in the business environment caused by COVID-19 and led the entire business to continuously increase the corporate value. Accordingly, in order to realize the Company's Vision for 2025 and accomplish the medium-term management plan, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Yasutsugu Iwamura.



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

**Tenure**  
6 years

**Attendance at Board of Directors meetings**  
16/16

**Candidate no. 2**

**Mitsuhiro Fujiki  
(November 21, 1960)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 1985 Joined the Company

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, General Manager of Customer Experience Creative Division, the Company (to present)

**Reasons for selection as a candidate for Director**

Since joining the Company, Mitsuhiro Fujiki has engaged primarily in the administration and operation of shopping malls, and in leasing operations, and has served as Managing Director since 2018. Currently, as the General Manager of Customer Experience Creative Division, he is playing a central role in maximizing the value of real space and creating new value by providing solutions to local areas and new initiatives through collaborative work with DOYOU partner store companies. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Mitsuhiro Fujiki.



**Number of the Company's shares owned**

1,500 shares

**Tenure**

5 years

**Attendance at Board of Directors meetings**

16/16

**Candidate no. 3**

**Hisayuki Sato  
(December 8, 1957)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Mar. 1981	Joined JUSCO Co., Ltd. (now AEON CO., LTD.)
Mar. 1990	General Manager of Tohoku Development Department, JUSCO Co., Ltd.
Oct. 2008	General Manager of Development Department, Beijing AEON Co., Ltd.
Mar. 2011	General Manager of AEON MALL Beijing and Tianjin Development Department, China Division, the Company
Sep. 2012	General Manager of China Development Management Department, China Division, the Company
Apr. 2014	Chief Executive Officer, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.
Mar. 2016	General Manager of Development Management Department, AEON MALL (CHINA) CO., LTD.
Apr. 2016	General Manager of China Division, the Company
Apr. 2016	Chief Executive Officer, AEON MALL (CHINA) CO., LTD.
May 2016	Director, General Manager of China Division, the Company
Apr. 2019	Managing Director, General Manager of China Division, the Company
May 2020	Managing Director, General Manager of Development Division, the Company (to present)

**Reasons for selection as a candidate for Director**

Hisayuki Sato has engaged in development operations both in Japan and in China and has experience in managing Chinese subsidiaries. He also has served as Managing Director of the Company since 2019. Currently, as the General Manager of Development Division, he has strived to increase the corporate value through the promotion of new business formats such as complex development by making use of his extensive expertise in development-related fields, as well as his achievements and contributions to business management overseas. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Hisayuki Sato.



**Number of the Company's shares owned**

5,280 shares

**Tenure**

23 years

**Attendance at Board of Directors meetings**

16/16

**Candidate no. 4**

**Motoya Okada  
(June 17, 1951)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

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, the Company (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, Chairman and Representative Executive Officer, AEON CO., LTD. (to present)

**Reasons for selection as a candidate for Director**

AEON CO., LTD. and each company in the AEON Group recognize that working to maximize synergy effects while striving for closely knit cooperation and emphasizing their mutual independence and autonomy, leads to shareholder interest. With the goal of increasing the effectiveness of the Group strategy and the administration of sound business management for the Company, it nominated Motoya Okada for another term as a candidate for Director as he has extensive experience and ability as a business manager.

**Conflicts of interest**

Motoya Okada is Director, Chairman and Representative Executive Officer of AEON CO., LTD. and AEON CO., LTD. is a major shareholder (parent company) of the Company. Also, he is Director and Advisor of AEON Retail Co., Ltd. which is a sister company of the Company and located as a tenant of the Company.





**Number of the Company's shares owned**  
2,700 shares

**Tenure**  
3 years

**Attendance at Board of Directors meetings**  
16/16

**Candidate no. 5**

**Masahiko Okamoto  
(April 8, 1958)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Mar. 1981 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)

Mar. 1997 General Manager of Personnel & General Affairs Department, Megamart Division, JUSCO Co., Ltd.

Mar. 2000 General Manager of Personnel & Education Department, Kinki Business Division, JUSCO Co., Ltd.

Mar. 2001 General Manager of Administration Center, Headquarters, JUSCO Co., Ltd.

Sep. 2008 General Manager of Personnel Training Department, Kanto Company Division, AEON CO., LTD.

Feb. 2015 General Manager of General Affairs Department, Administration Division, the Company

Apr. 2018 General Manager of Administration Division, the Company

May 2018 Director, General Manager of Administration Division, the Company (to present)

**Reasons for selection as a candidate for Director**

Masahiko Okamoto has engaged in personnel and general affairs. Based on the expertise and experience that he gained, he has been serving as Director, General Manager of Administration Division since 2018. He promotes personnel training and compliance with the Corporate Governance Code, and is in charge of further promoting and strengthening internal control and risk management in Japan and overseas. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Masahiko Okamoto.



**Number of the Company's shares owned**  
3,110 shares

**Tenure**  
4 years

**Attendance at Board of Directors meetings**  
16/16

**Candidate no. 6**

**Hiroshi Yokoyama  
(May 29, 1964)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 1987 Joined The Chuo Trust & Banking Co., Ltd. (now Sumitomo Mitsui Trust Bank, Limited)

Oct. 2000 Section Manager of Real Estate Investment Development Department, The Chuo Mitsui Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)

Apr. 2004 Joined the Company

Apr. 2004 Manager of Finance Group, Finance & Accounting Group, Administration Division, the Company

Aug. 2007 General Manager of Finance & Accounting Department, Administration Division, the Company

May 2013 General Manager of Finance & Accounting Management Department, Finance & Accounting Division, the Company

Apr. 2017 General Manager of Development Planning Management Department, Development Division, the Company

May 2017 Director, General Manager of Development Planning Management Department, the Company

Apr. 2021 Director, General Manager of Finance & Accounting Division, the Company (to present)

**Reasons for selection as a candidate for Director**

Hiroshi Yokoyama has experience with real estate operations at a financial institution and, since joining the Company, has engaged in finance and accounting operations. He currently serves as Director, General Manager of Finance & Accounting Division. He has extensive achievements and experience related to real estate development and finance, and has been steadily promoting initiatives such as acceleration of global expansion and strengthening of capabilities to generate cash. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Hiroshi Yokoyama.



**Number of the Company's shares owned**  
3,900 shares

**Tenure**  
3 years

**Attendance at Board of Directors meetings**  
16/16

**Candidate no.**  
**7**

**Akiko Nakarai**  
**(August 7, 1971)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Dec. 2003 Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)

Apr. 2011 General Manager of AEON MALL Miyakonojo Ekimae, the Company

Apr. 2013 General Manager of AEON MALL Fukutsu, the Company

Jul. 2016 Representative Duties Enforcer, AEONMALL KIDS DREAM, LLC (to present)

Mar. 2018 General Manager of Digital Promotion Management Department, Sales Division, the Company

May 2018 Director, General Manager of Digital Promotion Management Department, the Company

Apr. 2021 Director, General Manager of Marketing Management Department, the Company (to present)

**Reasons for selection as a candidate for Director**

Since joining the Company, Akiko Nakarai has been engaged mainly in the administration and operation of shopping malls, and in the digital business, and she currently serves as Director, General Manager of Marketing Management Department. She has strived to improve customer convenience and client experience value such as app development by utilizing her expertise related to general sales, knowledge on digital technology, and management experience at a subsidiary. Accordingly, the Company nominated her for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Akiko Nakarai.



**Number of the Company's shares owned**  
1,308 shares

**Tenure**  
1 year

**Attendance at Board of Directors meetings**  
12/12

**Candidate no.**  
**8**

**Tatsuya Hashimoto**  
**(February 14, 1974)**

Reelection

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 2004 Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)

Nov. 2011 General Manager of AEON MALL Sanko, the Company

Nov. 2012 General Manager of AEON MALL Kochi, the Company

Apr. 2015 General Manager of AEON MALL Kurashiki, the Company

Mar. 2017 General Manager of SC Operations Department, AEON MALL (CHINA) CO., LTD.

Mar. 2018 President, AEON MALL (JIANGSU) BUSINESS MANAGEMENT CO., LTD.

May 2020 Director, General Manager of China Division, the Company

May 2020 Chief Executive Officer, AEON MALL (CHINA) CO., LTD. (to present)

Apr. 2021 Director, China Business Officer, the Company (to present)

**[Significant concurrent positions]**

Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD.

Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.

**Reasons for selection as a candidate for Director**

Since joining the Company, Tatsuya Hashimoto has engaged primarily in the administration and operation of shopping malls, and he currently serves as Director, China Business Officer. He has cultivated expertise related to general sales in Japan and overseas, exercised leadership as China Business Officer, and made diverse efforts, such as the provision of new value through the promotion of digitalization. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Tatsuya Hashimoto.

(Note) Tatsuya Hashimoto was appointed as Director at the 109th Ordinary General Meeting of Shareholders held on May 19, 2020, and the status shown is his attendance after the said date.



**Number of the Company's shares owned**  
0 shares

**Tenure**  
1 year

**Attendance at Board of Directors meetings**  
12/12

**Candidate no. 9**

**Kunihiro Koshizuka  
(September 30, 1955)**

Candidate for Independent Officer	Candidate for Outside Director	Reelection
-----------------------------------	--------------------------------	------------

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

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.
Nov. 2019	Outside Director, Founder International Inc. (to present)
May 2020	Outside Director, the Company (to present)

**Reasons for selection as a candidate for Outside Director and expected role**

Kunihiro Koshizuka is engaged in technological strategies, creation of new businesses, large acquisition projects and other important operations at another company. The Company expects that he will be able to provide appropriate advice and supervision related to the promotion of digital transformation, businesses to create new lifestyle that responds to new era and management issues by applying his knowledge, expertise and experience in digital and scientific technologies gained as an engineer. Accordingly, the Company nominated him for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Kunihiro Koshizuka.

(Note) Kunihiro Koshizuka was appointed as Outside Director at the 109th Ordinary General Meeting of Shareholders held on May 19, 2020, and the status shown is his attendance after the said date.



**Number of the Company's shares owned**  
0 shares

**Tenure**  
1 year

**Attendance at Board of Directors meetings**  
12/12

**Candidate no. 10**

**Yasuko Yamashita  
(November 5, 1963)**

Candidate for Independent Officer	Candidate for Outside Director	Reelection
-----------------------------------	--------------------------------	------------

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Oct. 1987	Joined Tohmatsu Awoki & Sanwa (now Deloitte Touche Tohmatsu LLC)
Jan. 1997	Joined Important Properties Bank Japan Co., Ltd.
Sep. 2010	Joined Saish Sogo jimusho
Sep. 2012	Inspector, Japan Legal Support Center (to present)
Dec. 2013	Representative, Yasuko Yamashita Judicial Scrivener Office (to present)
May 2016	Outside Audit & Supervisory Board Member, POCKET CARD CO., LTD.
Jun. 2017	Outside Director (audit and supervisory committee member), R. C. CORE CO., LTD. (to present)
May 2020	Outside Director, the Company (to present)

**Reasons for selection as a candidate for Outside Director and expected role**

The Company expects that Yasuko Yamashita will be able to provide advice and supervision for the management of the Company by utilizing her good judgment as an accounting expert that she developed as a certified public accountant, work experience as an auditor at an audit corporation, as well as her experience as a director and an auditor for other companies. Accordingly, the Company nominated her for another term as a candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Yasuko Yamashita.

(Note) Yasuko Yamashita was appointed as Outside Director at the 109th Ordinary General Meeting of Shareholders held on May 19, 2020, and the status shown is her attendance after the said date.



**Number of the Company's shares owned**  
0 shares

**Tenure**  
– years

**Attendance at Board of Directors meetings**  
– / –

**Candidate no.**  
**11**

**Hironobu Kurosaki**  
**(September 7, 1960)**

Candidate for Independent Officer	Candidate for Outside Director	New election
-----------------------------------	--------------------------------	--------------

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 1983 Joined NEC Corporation

Jul. 1993 Representative, Cairo Representative Office, NEC Corporation

Oct. 1994 Representative, Bahrain Representative Office, NEC Corporation

Apr. 2002 General Manager of Sales Department, China Business Promotion Division, NEC Corporation

Jun. 2010 President, NEC Telecommunication and Information Technology Ltd. (Istanbul), NEC Corporation

Jun. 2014 General Manager of Americas and EMEA Division, NEC Corporation

Oct. 2017 Representative of NEC EMEA Region, President and CEO of NEC Europe Ltd. (London), NEC Corporation

Apr. 2020 Senior Chief of Global Business Unit, NEC Corporation

**Reasons for selection as a candidate for Outside Director and expected role**

Hironobu Kurosaki has experience and know-how acquired through his involvement in overseas business activities and management such as system construction and business expansion as a manager of a local subsidiary (president), as well as knowledge on overseas risk management gained through his experience of being stationed in emerging countries. Through the said experience, know-how and knowledge, the Company expects that he will be able to provide appropriate advice and supervision to realize high profit growth in the overseas business, which is the Company's management issue. Accordingly, the Company nominated him as a new candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Hironobu Kurosaki.



**Number of the Company's shares owned**  
0 shares

**Tenure**  
– years

**Attendance at Board of Directors meetings**  
– / –

**Candidate no.**  
**12**

**Junko Owada**  
**(August 31, 1965)**

Candidate for Independent Officer	Candidate for Outside Director	New election
-----------------------------------	--------------------------------	--------------

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 1989 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (now NTT Communications Corporation)

Aug. 2001 Joined Human Resources Research Institute Co., Ltd. of Recruit Group

Apr. 2009 Executive Officer, Recruit Management Solutions Co., Ltd.

Apr. 2013 Executive Officer, Recruit Career Co., Ltd.

Jul. 2016 Fellow Researcher, Recruit Career Co., Ltd.

Jul. 2016 Advisor, TOKYO ICHIBAN FOODS CO., LTD. (to present)

Apr. 2017 Assigned under Professional Contract of Human Resources Area, Hitachi, Ltd. (to present)

Jun. 2020 Outside Director, Arbeit Times Co., Ltd. (to present)

**Reasons for selection as a candidate for Outside Director and expected role**

Junko Owada has in-depth knowledge of human resources recruitment and training including personnel development, human resources solutions, diversity and workstyle reform, and possesses a career as an advisor related to solving issues in IT and human resources, and experience and achievements in offering consultations. The Company expects her to sufficiently make proposals on the promotion of diversity and work-style reform, which are the Company's important issues, by utilizing the said experience or achievements. Accordingly, the Company nominated her as a new candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Junko Owada.



**Number of the Company's shares owned**

0 shares

**Tenure**

– years

**Attendance at Board of Directors meetings**

– / –

**Candidate  
no.  
13**

**Chisa Enomoto  
(August 12, 1961)**

Candidate for Independent Officer	Candidate for Outside Director	New election
--	---	-----------------

**[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]**

Apr. 1984	Joined Recruit Co., Ltd.
Nov. 2005	General Manager of Public Relations Department, Philips Electronics Japan, Ltd.
Jul. 2012	General Manager of Communication & Public Affairs Division, Janssen Pharmaceutical K.K.
Jan. 2014	Executive Officer, General Manager of Social Communication Office, Tokyo Electric Power Company, Inc.
Apr. 2018	Executive Communication Strategist, Hitachi, Ltd.
Jun. 2018	Independent Director, Member of Supervisory Committee, PERSOL HOLDINGS CO., LTD. (to present)
Sep. 2018	External Director, JOYFUL HONDA CO., LTD.
Apr. 2019	A member of Communication Strategy Committee, Meiji University (to present)

**Reasons for selection as a candidate for Outside Director and expected role**

Chisa Enomoto has extensive experience and achievements as a leader at several companies, including foreign-affiliated companies. She is engaged in a wide range of activities and networks, including her positions as External Director at other companies and initiatives at a university. The Company expects her to sufficiently make proposals on the information disclosure and promotion of brand strategy, which are the Company's important issues, based on her deep insight and multifaceted point of view. Accordingly, the Company nominated her as a new candidate for Director.

**Conflicts of interest**

No conflict of interest exists between the Company and Chisa Enomoto.

(Notes)

- The Company has entered into limited liability agreements with Kunihiro Koshizuka and Yasuko Yamashita, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. If their reelection is approved, the Company intends to continue these agreements. In addition, the Company plans to enter into the same limited liability agreements with Hironobu Kurosaki, Junko Owada and Chisa Enomoto if their election is approved. The summary of details of the agreement is as follows:
  - The maximum amount of liability for damages incurred due to negligence of duties by the Outside Director shall be up to the minimum amount as provided for by Article 425, Paragraph 1 of the Companies Act.
  - The limitation of liability shall be accepted only if the Outside Director has acted in good faith and without gross negligence in performing his or her duties.
- The Company notified the Tokyo Stock Exchange of the election of Kunihiro Koshizuka and Yasuko Yamashita, as Independent Officers pursuant to Regulations of the Tokyo Stock Exchange. If their reelection is approved, the Company intends to continue to notify the said Exchange of their election as Independent Officers. In addition, if the election of Hironobu Kurosaki, Junko Owada and Chisa Enomoto is approved, the Company intends to notify the said Exchange of their election as Independent Officers.
- In order to support an aggressive management group to secure excellent human resources and growth, the Company has concluded a directors and officers liability insurance ("D&O insurance") agreement with the following outline. Each candidate for Director to be reelected is already an insured person of the insurance agreement, and will continue to be insured after their reelection. In addition, new candidates will be insured after their election.

**Outline of Directors and Officers Liability Insurance ("D&O Insurance") Agreement**

**(1) Scope of insureds**

Directors and Audit & Supervisory Board Members of the Company

**(2) Share of actual insurance premiums by insured persons**

Insurance premiums for special clauses are borne by insured persons.

**(3) Outline of insured events covered**

The insurance agreement and its special clauses cover any damages, legal costs, and other related expenses that may be incurred when insured Directors and officers become liable with regard to the execution of their duties or

be claimed for damages with regard to the pursuit of such liability. However, there are some exemptions, such as the case where the insured person committed an act even though he/she had been aware that the act falls under the violation of laws and regulations.

- (4) Measures to ensure that the appropriateness of duties of Directors and officers is not impaired

The insurance has a provision specifying the amount of exemption. Therefore, damages below the amount are not covered by the agreement.

(ATTACHED DOCUMENTS)

## **Business Report for Fiscal 2020**

(March 1, 2020 – February 28, 2021)

### **1. Status of the corporate group**

#### **(1) Business operations during the fiscal year under review**

##### **(i) Progress and results of operations**

The Company has defined a long-term vision through the fiscal 2025 (FYE February 28, 2026) by which we will pursue our management philosophy and achieve further business growth. We are working together with local communities to achieve sustainable growth by creating social, environmental, and economic value through the execution of management in light of the ESG perspective.

Our current medium-term management plan covering fiscal 2020 (FYE February 28, 2021) through fiscal 2022 outlines four growth policies: (1) Achieve high profit growth overseas; (2) Achieve stable growth in Japan; (3) Build a financing mix and governance structures supporting growth; and (4) Pursue ESG-based management.

For the fiscal year under review, the spread of COVID-19 on a global scale during the first quarter of the fiscal year, and in China, ASEAN and Japan where we are operating stores, we shortened operating hours of the malls or closed the malls temporarily, due to government requests or in consideration of preventing the spread of the infection. For specialty store companies, which are important business partners, we provided support such as rent reduction and exemption, etc., in light of the restrictions on mall operations, while at the same time, we worked to reduce costs by reviewing costs for mall management and operation during the closure period.

Operating revenue for the fiscal year under review amounted to ¥280,688 million (-13.4% year on year). Operating income came to ¥34,394 million (-43.4% year on year), ordinary income was ¥28,437 million (-49.3% year on year), and net loss attributable to owners of parent amounted to ¥1,864 million (net income attributable to owners of parent of ¥34,239 million in the previous fiscal year).

Fixed costs, etc. during the temporary closure period for the fiscal year under review amounted to ¥16,572 million as loss due to COVID-19 under extraordinary losses.

## Consolidated Operating Results

(Million yen)			
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	Change [Year on year]
Operating revenue	324,138	280,688	(43,450) [-13.4%]
Operating income	60,794	34,394	(26,400) [-43.4%]
Ordinary income	56,117	28,437	(27,679) [-49.3%]
Net income (loss) attributable to owners of parent	34,239	(1,864)	(36,103) [-]

## Operating Results by Segment

(Million yen)						
	Operating revenue			Segment Income		
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	Change [Year on year]	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021	Change [Year on year]
Japan	274,999	237,093	(37,906) [-13.8%]	52,460	30,597	(21,862) [-41.7%]
China	35,850	31,353	(4,496) [-12.5%]	5,622	2,296	(3,325) [-59.1%]
ASEAN	13,288	12,241	(1,047) [-7.9%]	2,686	1,474	(1,211) [-45.1%]
Overseas	49,138	43,594	(5,543) [-11.3%]	8,308	3,771	(4,537) [-54.6%]
Reconciliations	—	—	— [-]	25	25	— [100.0%]
Total	324,138	280,688	(43,450) [-13.4%]	60,794	34,394	(26,400) [-43.4%]

### < Overseas >

Operating revenue was ¥43,594 million, a decrease of 11.3% year on year, while operating income amounted to ¥3,771 million, down 54.6%.

Consumption in China and ASEAN has declined temporarily due to the spread of COVID-19. Although there were degrees of difference among countries and areas in which we operate malls, activity has been improving overseas since we resumed operations, and we aim to continue delivering high growth in these regions.

We had planned to operate a network of 70 malls overseas by 2025. However, due to the impact of COVID-19, delays occurred in negotiations for new property sites and city planning. As a result, we have changed our store opening plan and are now preparing to have 50 malls in operation overseas by 2025. We will continue to search for and secure new properties in high-growth areas of China and ASEAN toward building a pipeline by the end of 2025 that will support a network of 70 malls.

Business results for the fiscal year under review covers a period from January to December



as the fiscal year-end for overseas companies is the end of December.

(China)

Operating revenue was ¥31,353 million, a decrease of 12.5% year on year, and operating income amounted to ¥2,296 million, down 59.1%.

Due to the blockade of Wuhan City by the spread of COVID-19, we closed specialty store operations temporarily in the three malls in the city beginning January 24, 2020, and from then until mid-February 2020, we closed up to 11 of the 21 malls operating in China temporarily following the spread of the infection throughout China. As business resumed gradually between February 22 and March 2020, specialty retail tenants opened for business at all 21 malls by April 1, 2020. From July 20, we began reopening movie theaters one after the other, which had been closed due to government orders. By early August, theaters were once again open at all malls.

Prioritizing safety and security above all else, we took the lead in launching a live e-commerce platform at AEON MALL properties, allowing our tenants to conduct live e-commerce. We also sponsored delivery promotions for restaurant tenants and held night markets using our large mall parking areas. In this way and more, we responded to changes in consumer behavior and government economic stimulus programs.

In November, we leveraged *Double 11* (China's largest e-commerce event, held every November 11) to launch a special ALIVE WINTER PLAN campaign through the year end and New Year holidays. In addition to various events and sales discounts, we also rolled out the latest in digital promotions through our e-commerce site, including a Double 11 sale, digital coupons, and live commerce hosted by approximately 30 of China's most popular retailers.

Regarding existing malls, we renovated the food zone in AEON MALL Wuhan Jinqiao (Wuhan City, Hubei Province) in June and underwent a floor space expansion and renovation in AEON MALL Wuhan Jinyintan (Wuhan City, Hubei Province) in July. At AEON MALL Wuhan Jinyintan, we converted the parking lot on the fourth floor of the main building into stores, and introduced 48 stores, including a new food court and amusement facilities, in addition to a restaurant district with a collection of food and beverage specialty stores from around the world.

Sales at specialty stores in the existing 19 malls in China for the fiscal year under review amounted to 79.8% of the previous fiscal year, partly due to the impact of the closure in the first quarter of the fiscal year. Since the resumption of operations, partly due to the effects of the above-mentioned initiatives, sales in the fourth quarter of the fiscal year under review (three months) recovered to 102.9% year on year, showing a trend exceeding the previous fiscal year.

(ASEAN)

The Company recorded operating revenue in ASEAN in the amount of ¥12,241 million, a

decrease of 7.9% year on year. Operating income amounted to ¥1,474 million, down 45.1%.

We closed specialty store operations at four malls temporarily in Vietnam beginning March 28, 2020, due to government regulations associated with COVID-19. On April 24, 2020, we resumed operations, with all five malls in Vietnam opened. Although customer traffic and sales of each mall temporarily dropped due to the spread of COVID-19 in late July, customer traffic returned quickly due to strict virus containment measures in the country, and specialty store sales at four existing malls in Vietnam in the fourth quarter of the fiscal year under review (three months) recovered to 101.4% year on year, showing a trend exceeding the previous fiscal year.

In Cambodia, due to the spread of COVID-19, we shorted mall operating hours at our two existing malls for a time until returning to normal in June. In August, we reopened mall movie theaters. Although COVID-19 had a minimal impact on operations, many foreign nationals living in Cambodia returned to their home countries, which limited specialty store sales performance for the fiscal year under review to 75.1% of the previous fiscal year at our existing two malls.

In Indonesia, we closed specialty store operations temporarily at two existing malls beginning March 31, 2020, due to large-scale government social restrictions following the spread of COVID-19, but resumed operations on June 15. However, with the continuous increase of COVID-19 patients in Indonesia, conditions have been challenging and customer traffic declined 50% year on year at our two existing malls. We introduced food delivery discount promotions in collaboration with local companies and engaged in other measures to secure sales at our malls.

During the fiscal year under review, we opened two new malls: AEON MALL Sentul City (West Java), our third mall in Indonesia, in October, and AEON MALL Hai Phong Le Chan (Hai Phong City), our sixth mall in Vietnam, in December.

AEON MALL Sentul City is located within a development area in Bogor Province, West Java, about an hour's drive from the center of Jakarta. The area has already been developed for housing, offices, hotels, schools, etc., and is expected to see high growth in the future. In addition, a next-generation transportation system connecting central Jakarta and Bogor is planned for the future, and the area is expected to attract visitors from wide areas. The opening in October is a partial opening, and the grand opening for the mall is scheduled for 2021.

AEON MALL Hai Phong Le Chan is located in Hai Phong City, the third largest city directly under the control of central government in Vietnam, and as the largest port city in the north of the country, it is an area where large-scale infrastructure development is underway and economic growth and commercial development are expected. In this mall, we worked on MD that meets the needs of the local community, including shopping, dining, and entertainment. In addition, we installed more than 100 digital signage units, including a large digital screen on the exterior wall of the mall and touch-panel information search signage inside the building, to provide the latest digital experience, such as map search inside the building and the display of anti-COVID-19 signs.

In Vietnam, we signed a comprehensive memorandum of understanding (MOU) with the Ho Chi Minh City government regarding investment and business promotion in the development of shopping malls in Ho Chi Minh City, in October. Based on this memorandum, we plan to

strengthen the structure for cooperation toward further developments of our large-scale shopping mall business in Ho Chi Minh City, striving to revitalize the region and create new services for customers.

In Cambodia, AEON MALL Phnom Penh (Phnom Penh City) welcomed a COACH store in October. This marked the first luxury brand retail store in the country. The mall is planning a major renovation to transform it into a luxury mall in 2021.

In Indonesia, AEON MALL Jakarta Garden City (Jakarta) introduced SAMSAT facilities in November. SAMSAT is a onestop, integrated administrative system offering government administrative functions for the Special Capital Region of Jakarta. We enhanced convenience by providing an environment where customers can complete administrative procedures, including registering their cars and motorcycles, and paying automobile taxes, etc., while visiting the stores. The facility is also planning to open a driver's license renewal center in the future to attract more customers.

We signed an agreement for cooperation on regional revitalization between AEON MALL Sentul City and Bogor Province, where the mall is located. This agreement aims to improve convenience for local residents in Bogor Province, disseminate local information, and serve as a base for the community, and will promote the revitalization of the region through the effective use and cooperation of the resources of both parties.

We plan to open our first-ever mall in the suburbs of Yangon, Myanmar (Dagon Seikan Township, Yangon District) in 2023. The Company has established a joint venture with SHWETAUNG REAL ESTATE Co., Ltd., the largest real estate developer in Myanmar. In the future, this joint venture will pursue multi-store property development in Myanmar. To date, the AEON Group has implemented school construction support, tree-planting activities, and other social contribution activities in Myanmar, creating deeper interchange with the people the country. We welcome the opportunity to contribute to new lifestyles and economic revitalization through our mall businesses in Myanmar.

A coup d'état led by the Myanmar military occurred in February 2021, and the country is under a declared state of emergency. We intend to take action based on the local situation, while placing the highest priority on the safety of our employees.

#### New Malls Opened Overseas During the Fiscal 2020

	Name	Location	Opening Date (Note)	Number of Specialty Stores	Total Lease Area (m <sup>2</sup> )
Indonesia	AEON MALL Sentul City	West Java	October 28, 2020	270	70,000
Vietnam	AEON MALL Hai Phong Le Chan	Hai Phong City	December 14, 2020	190	70,000

(Notes)

1. We conducted a partial opening of AEON MALL Sentul City. The grand opening for the mall is scheduled for 2021.
2. The scheduled opening for AEON MALL Tanjung Barat (South Jakarta, Indonesia) has been shifted to FY2021 due to changes in construction schedule.

### < Japan >

The Company recorded operating revenue in Japan in the amount of ¥237,093 million, a decrease of 13.8% year on year. Operating income amounted to ¥30,597 million, down 41.7%.

In Japan, following the declaration of a state of emergency on April 7, 2020, we closed specialty stores and urban shopping centers in malls managed and operated by the Group temporarily in stages from April 8, 2020, and from April 18, 2020, we temporarily closed all 164 facilities nationwide. Subsequently, Japan phased out its declaration of a state of emergency and we began reopening our businesses on May 13. By May 28, all of our facilities were open for business.

Upon reopening, we installed AI-based thermometers at building entrances and acrylic panels to prevent droplet infections in our sales areas and back rooms. Also, in addition to adopting entry restriction standards based on in-store customer management system data, we implemented other measures to prevent infection and offer safety and security to our customers, such as increasing the internal air circulation in malls by increasing the intake of outside fresh air.

We held drive-in theaters and drive-in public viewings, etc. in outdoor parking lots of AEON malls across the country as entertainment that corresponds with new lifestyles.

We renewed the AEON MALL app completely in June with the aim of improving usability and providing a more stress-free shopping environment. Using this app, we supported specialty store business by providing services including issuing coupons and rewarding points in line with changes in customer behavior, such as dispersing peak visiting hours and using restaurants during slower times. The AEON MALL app won the App of the Year Award for Excellence, recognized as an app that achieved essential growth in 2020, in the App Ape Award 2020. The App Ape Award, organized by app analysis platform company Fuller, Inc., is one of Japan's largest app awards. In the future, we will promote the sophistication of the customer's purchasing experience in digitization through enhancement of convenience by further expanding functions.

We expanded the duration of our AEON MALL Black Friday November campaign to ten days from five in the previous year to disperse customer visits. In addition to the usual sale plans, we implemented new plans utilizing both real and online channels, such as live commerce and a lottery in which customers can participate via the AEON MALL app, so that customers can enjoy shopping even during COVID-19 pandemic.

As part of our efforts to strengthen mall functions to provide one-stop solutions in the region, the new Uki City Ogawa Branch Office opened in the external building at AEON MALL Uki (Kumamoto Pref.) in December. This is the first time in Japan that a branch office of a city office has been relocated to a mall, and we attempted to improve convenience for users by setting up a café operated by a facility for the handicapped to support their employment, and a large space for relaxation for people of child-rearing age.

In collaboration with Mizuno Corporation, we have been sponsoring projects using real and digital means as part of our Health and Wellness initiatives to provide sports experiences that encourage more people to participate in sports. This project has been responsible for sports experience events at six malls across Japan between November and December. In our mutual

aim to increase desire to participate in sports, increase the number of sports activities, and support health through sports, we also offered sports-related digital content via websites, apps, and other channels. This project was selected as a *2020 Sport in Life Project* by the Japan Sports Agency.

As a new mall in the fiscal year under review, we opened AEON MALL Ageo (Saitama Pref.) in December. As the first new store to open during COVID-19 pandemic, this mall enhanced ventilation by installing circulators in all the atrium areas and opening the high sidelight windows above the atrium, etc. Due to the mall's infection prevention measures, it was evaluated as a facility that takes into consideration the health and safety of visitors and employees, and was the first commercial facility in Japan to receive "WELL Health - Safety Rating." In addition, as part of our efforts to create a new normal mall, we focused on community-based initiatives through the conclusion of Regional Partnership Agreement with Ageo City, and promoted initiatives utilizing digitals such as the introduction of guidance robots, the digitization of "Customer Voices," and the dissemination of information through 320-inch large signage on the exterior walls.

Regarding existing malls, we renovated eight malls, and underwent floor space expansions and renovations at AEON MALL Takasaki (Gunma Pref.) and AEON MALL Kochi (Kochi Pref.).

In June, we renovated 106 specialty stores at AEON MALL Takasaki. The renovations represented approximately half of all mall tenants in combination with our existing wing. The newly expanded wing hosts a number of lifestyle specialty stores, including a large-scale fast fashion retailer, a bookstore, a home appliance retailer, a pet supply shop, and more. We expanded the third-floor food court from 12 restaurants and 700 seats to 16 restaurants and 1,000 seats.

In September, we renovated 92 specialty stores at AEON MALL Kochi. The renovations represented 58% of all mall tenants in combination with our existing wing. The newly expanded wing hosts large-scale fast fashion retailers from Japan and abroad on the second floor, and on the third floor is the food court, which was relocated from the existing wing and upscaled from 10 restaurants and 650 seats to 14 restaurants and 1,000 seats. In addition, to further promote ventilation function in the building, we strengthened our efforts to prevent epidemics by installing more ventilation fans and new air purifiers with high-performance filters in the food court.

For the fiscal year under review, specialty store sales at our existing 83 malls in Japan amounted to 76.0% of the previous fiscal year. In the third quarter of the fiscal year under review (three months), sales recovered to 91.8% year on year, partly due to the effect of the mega-hit of *Demon Slayer: Kimetsu no Yaiba the Movie: Mugen Train*, in attracting customers to cinemas. However, partly due to the state of emergency declared in 11 prefectures following the number of patients infected with COVID-19 increasing again from late November, sales in the fourth quarter of the fiscal year under review (three months) amounted to 85.9% year on year.

OPA Co., Ltd. ("Former OPA"), which is engaged in the urban shopping center business, conducted a company split (incorporation-type company split) on March 1, 2021, with a newly established wholly owned subsidiary ("New OPA") as the successor company, and the Company acquired the split company (Former OPA).

New OPA will specialize in the management and operations of urban facilities, mainly located in transportation terminals, creating new value through a concentration of management resources. The Company will absorb certain community-based facilities and urban facilities owned by Former OPA to transform these assets into facilities that meet daily needs and engage in the redevelopment of certain properties to increase property values.

#### Malls Renovated During Fiscal 2020

Name	Location	Date Reopened	Number of Specialty Stores	Number of Renewal Specialty Stores
AEON MALL Zama (Note 1)	Kanagawa	March 6	160	1
AEON MALL Sanko (Note 1)	Oita	March 7	70	1
AEON MALL Shijonawate	Osaka	March 13	200	6
AEON MALL Kawaguchi Maekawa	Saitama	March 19	170	14
AEON MALL Hinode	Tokyo	March 20	160	21
		September 18		5
AEON MALL Toin	Mie	March 20	155	21
AEON MALL Makuhari Shintoshin	Chiba	April 24	360	33
AEON MALL Takasaki (Note 2)	Gunma	June 26	210	106
AEON MALL Kochi (Note 3)	Kochi	September 17	160	92
AEON MALL Okazaki	Aichi	October 16	170	60

- (Notes) 1. AEON MALL Zama and AEON MALL Sanko underwent floor space expansions for their respective cinema buildings.  
2. AEON MALL Takasaki underwent a floor space expansion and renovation. The number of tenants and the lease area increased to 210 (up 40) and 76,000 m<sup>2</sup> (up 17,000 m<sup>2</sup>), respectively.  
3. AEON MALL Kochi underwent a floor space expansion and renovation. The number of tenants and the lease area grew to 160 (up 20) and 69,000 m<sup>2</sup> (up 12,000 m<sup>2</sup>), respectively.

#### New Malls Opened in Japan During Fiscal 2020

Name	Location	Date Opened	Number of Specialty Stores	Total Lease Area (m <sup>2</sup> )
AEON MALL Ageo	Saitama	December 4, 2020	120	34,000

(Notes) The opening for AEON MALL Shinrifu South Wing (Miyagi Pref.) has been shifted to March 5, 2021 due to changes in construction schedule.

#### (ii) Capital investment

The total amount of capital investment for the fiscal year under review was ¥59,738 million (including long-term prepaid expenses).

It consisted of ¥42,342 million (Japan), ¥2,819 million (China) and ¥14,576 million (ASEAN) in the Mall Business. In Japan, the Company mainly invested in the opening of

AEON MALL Ageo, a new mall owned by the Company, and in the floor space expansion and renovation of AEON MALL Zama and AEON MALL Kochi, both of which are existing malls. In China and ASEAN, the Company mainly invested in the floor space expansion and renovation of AEON MALL Wuhan Jingyintan in China, and in the opening of a new mall, AEON MALL Hai Phong Le Chan in ASEAN.

(iii) Financing

In the fiscal year under review, the Company raised ¥23.7 billion from current partner banks, etc. as long-term debts, and ¥60.0 billion through issuance of bonds.

(2) Changes in assets and profit and loss

(i) Consolidated business results and assets

Classification	2017 (Fiscal year ended February 28, 2018)	2018 (Fiscal year ended February 28, 2019)	2019 (Fiscal year ended February 29, 2020)	2020 (Current fiscal year) (Fiscal year ended February 28, 2021)
Operating revenue (million yen)	288,111	312,976	324,138	280,688
Ordinary income (million yen)	49,022	52,206	56,117	28,437
Net income (loss) attributable to owners of parent (million yen)	30,542	33,538	34,239	(1,864)
Net income (loss) per share (yen)	134.29	147.45	150.50	(8.19)
Total assets (million yen)	1,123,781	1,203,211	1,381,217	1,394,199
Net assets (million yen)	385,561	394,059	404,522	387,486
Net assets per share (yen)	1,642.59	1,685.46	1,731.11	1,658.23
Cash flows from operating activities (million yen)	80,616	90,600	133,645	61,621
Cash flows from investing activities (million yen)	(142,009)	(176,189)	(95,783)	(64,444)
Cash flows from financing activities (million yen)	44,841	91,199	22,808	12,244
Cash and cash equivalents at end of the period (million yen)	54,223	55,414	114,368	124,080

- (Notes) 1. Net income (loss) per share is calculated based on the average total number of shares issued and outstanding during the period.  
2. The status for fiscal 2020 (current fiscal year) is as described in (1) Business operations during the fiscal year under review, (i) Progress and results of operations.



(ii) Non-consolidated business results and assets

Classification	2017 (Fiscal year ended February 28, 2018)	2018 (Fiscal year ended February 28, 2019)	2019 (Fiscal year ended February 29, 2020)	2020 (Current fiscal year) (Fiscal year ended February 28, 2021)
Operating revenue (million yen)	231,440	244,272	249,469	216,397
Ordinary income (million yen)	49,851	52,422	51,901	30,514
Net income (million yen)	34,077	34,612	33,766	2,027
Net income per share (yen)	149.84	152.17	148.42	8.90
Total assets (million yen)	1,060,415	1,167,443	1,259,519	1,272,173
Net assets (million yen)	388,061	413,922	438,449	431,509
Net assets per share (yen)	1,705.67	1,819.27	1,926.93	1,896.28

- (Notes) 1. Net income per share is calculated based on the average total number of shares issued and outstanding during the period.
2. During fiscal 2017, the following AEON malls were newly opened on the date shown: AEON MALL Shinkomatsu on March 24, 2017; AEON SENRITO Senmonkan on April 21, 2017; AEON MALL Tokushima on April 27, 2017; AEON MALL Kobe Minami on September 20, 2017; and AEON MALL Matsumoto on September 21, 2017.
3. During fiscal 2018, the following AEON malls were newly opened on the date shown: AEON MALL Zama on March 16, 2018; THE OUTLETS HIROSHIMA on April 27, 2018; AEON MALL Iwaki Onahama on June 15, 2018; and AEON MALL Tsu-Minami on November 9, 2018.
4. During fiscal 2019, AEON Fujiidera Shopping Center was newly opened on September 14, 2019.
5. During fiscal 2020, AEON MALL Ageo was newly opened on December 4, 2020.

(3) Parent company and major subsidiaries

(i) Relationship with parent company

The Company's parent company is AEON CO., LTD., and 58.81% of the Company's voting rights are held by AEON CO., LTD. and its subsidiaries, including 58.21% under its direct ownership.

The Company entrusts AEON CO., LTD to manage funds. With regard to the business conditions, the Company determines whether or not the business can be performed independently from the parent company in accordance with the internal regulations established by the Board of Directors, based on the business conditions with financial institutions in general. Therefore, it is judged that the business does not harm the Company's interests.

(ii) Major subsidiaries

Name	Location	Common Stock	Voting Rights	Main Businesses
AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD.	Beijing City, China	US\$ 62,700 thousand	100%	Mall Business
AEON MALL (CAMBODIA) CO., LTD.	Phnom Penh City, Cambodia	US\$ 323,007 thousand	100%	
SUZHOU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Jiangsu Province, China	US\$ 212,000 thousand	100%	
PT. AEON MALL INDONESIA	Jakarta City, Indonesia	IDR 5,831,234 million	89.7%	
AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.	Guangdong Province, China	RMB 390,000 thousand	100%	
PT. AMSL INDONESIA	Banten Province, Indonesia	US\$ 60,000 thousand	66.9%	
WUHAN MALL REAL ESTATE DEVELOPMENT CO., LTD.	Hubei Province, China	US\$ 257,000 thousand	100%	
AEON MALL HIMLAM CO., LTD.	Hanoi City, Vietnam	US\$ 200,000 thousand	90.0%	
AEON MALL VIETNAM CO., LTD.	Hanoi City, Vietnam	US\$ 515,749 thousand	100%	
HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Zhejiang Province, China	US\$ 169,000 thousand	100%	
PT. AMSL DELTA MAS	West Java Province, Indonesia	US\$ 64,730 thousand	66.9%	
AEON MALL (CHINA) CO., LTD.	Tianjin City, China	US\$ 506,243 thousand	100%	
YANTAI MALL REAL ESTATE DEVELOPMENT CO., LTD.	Shandong Province, China	US\$ 160,000 thousand	100%	
OPA Co., Ltd.	Chiba-shi, Chiba	¥3,499 million	100%	Urban Shopping Center Business

(Note) OPA Co., Ltd. was reorganized through a company split and absorption-type merger on March 1, 2021.

For details, please refer to the Notes to Significant subsequent events (transactions under common control, etc.) in the Consolidated Financial Statements.

(4) Main businesses (as of February 28, 2021)

The Group consists of the Company, whose parent company is AEON CO., LTD., and 47 consolidated subsidiaries, including OPA Co., Ltd., five other subsidiaries in Japan, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD., 30 other subsidiaries in China, two subsidiaries in Cambodia, two subsidiaries in Vietnam, three subsidiaries in Indonesia, one subsidiary in Singapore, and two subsidiaries in Myanmar. The Company operates Mall Business. Among consolidated subsidiaries, OPA Co., Ltd. and two other subsidiaries are engaged in Urban Shopping Center Business, while the remaining 44 subsidiaries are engaged in Mall Business, etc.

The Company is the central entity in the AEON Group responsible for Shopping Center Development Business. The Company leases mall shop space to general tenants, as well as AEON Retail Co., Ltd. (general merchandise store operator) and other companies within the AEON Group.

## (5) Priorities

AEON MALL Co., Ltd. has defined a long-term vision for fiscal 2025 through which the Company will pursue its management philosophy and achieve further business growth. In light of the loss of one year of profit growth due to the impact of the spread of COVID-19 throughout fiscal 2020, as well as delays in negotiations for new property sites and town planning, especially overseas, we have revised our consolidated operating income target, overseas business mall opening plan, and operating income target as follows.

### Vision for 2025

- 1) Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation.
- 2) Make AEON MALL a leading global commercial developer with consolidated operating income of ¥90 billion.
- 3) Conduct floor space expansions and renovations in Japan to become the overwhelmingly dominant mall in each region.
- 4) Secure growth markets overseas, expand overseas business to 50 malls, and record operating income of ¥27 billion (25% profit margin).

Under this long-term vision, our medium-term management plan covering fiscal 2020 (FYE February 28, 2021) through fiscal 2022, consists of four growth policies: (1) Achieve high profit growth overseas; (2) Achieve stable growth in Japan; (3) Build a finance mix and governance structures supporting growth; and (4) Pursue ESG-based management. By engaging in management from an ESG perspective, we will create both social value and economic value through which we will produce sustainable growth in partnership with our communities.

We have defined the following management issues and future vision with respect to the growth policies. Through these efforts, we will continue to provide solutions to regional and social issues, establishing our position through social infrastructure functions to be a central facility for the local community.

### Management Issues and Future Vision

- 1) Aim for high profit growth in our overseas business, accelerating the opening of new malls in the growing markets of China and ASEAN, and expanding floor space at existing malls.
- 2) Maximize the attraction of brick-and-mortar malls in our business in Japan by offering community solutions, creating new initiatives in collaboration with tenant companies, striving for the rapid resolution of vacant floor space and other priority issues, and creating a customer experience (CX).
- 3) Pursue an urban shopping center business (urban development), including the creation of environments responding to the era of the new normal, construction of next-generation malls, office complexes, and the revitalization of the OPA business.
- 4) Leverage digital and data technologies to pursue digital transformation (DX), including the creation of new business models, business development that creates new customer lifestyles, operating systems for a new era, and improved employee satisfaction.

- 5) Create economic, social, and environmental value for stakeholders by accelerating reforms based on ESG perspectives, with a focus on addressing materialities (key issues) using clearly defined performance indicators.

(6) Major offices of the AEON Group (as of February 28, 2021)

(i) Major business locations

Headquarters of the Company: 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

	Name of Business Department and Company	Number of Malls and Stores	Number of Commercial Facilities Under Management and Operation Contract
Mall Business	Tohoku & Hokkaido Business Department	10	7
	Kanto & Niigata Business Department	7	6
	Shutoken Business Department	9	5
	Chiba Business Department	5	5
	Tokai & Nagano Business Department	5	8
	Aichi Business Department	7	5
	Keiji & Hokuriku Business Department	6	4
	Higashikinki Business Department	10	5
	Nishikinki Business Department	3	7
	Chushikoku Business Department	9	6
	Kyusyu & Okinawa Business Department	11	1
	Outlet Business Department	1	0
	China Division	21	0
	ASEAN Division	10	1
	Subtotal	114	60
Urban Shopping Center Business	OPA Co., Ltd.	21	1
	Total	135	61

(Notes)1. As of March 1, 2021, wholly owned subsidiary OPA Co., Ltd. ("Former OPA") conducted a company split (incorporation-type company split) with the wholly owned subsidiary newly established by Former OPA ("New OPA") as a successor company.

2. The Company merged with the split company, Former OPA and succeeded to 14 shopping centers, subject to the condition precedent that said incorporation-type company split described in (Note 1) takes effect. (The number of stores shown above are the number of stores before the succession.)

3. The number of malls and stores in the Tohoku & Hokkaido Business Department includes Hiwada Shopping Mall Co., Ltd. (Shopping Mall FESTA).

4. AEON MALL Sentul City was partially opened in Indonesia on October 28, 2020. The grand opening for the mall is scheduled for 2021.

5. AEON MALL Ageo was newly opened on December 4, 2020.

6. AEON MALL Hai Phong Le Chan was newly opened in Vietnam on December 14, 2020.

7. AEON MALL Nagoya Minato was closed on February 28, 2021. It is excluded from the above table.

(ii) Business locations of major subsidiaries

Business locations of major subsidiaries are as listed in "(ii) Major subsidiaries" of "(3) Parent company and major subsidiaries."

(7) Employees (as of February 28, 2021)

(i) The AEON Group

Business Segment	Number of Employees	As of the end of the previous fiscal year
Japan	2,142 (1,552)	2,129 (1,480)
China	837 (-)	766 (-)
ASEAN	677 (-)	552 (-)
Total	3,656 (1,552)	3,447 (1,480)

(Notes) 1. The number of employees is the number of persons at work (which excludes those who are seconded from the Group to the outside, and includes those who are seconded from the outside to the Group). The figure shown in parentheses is the number of temporary employees [the number of contract employees and community employees is based on the year-end number and the number for part-time workers is the calculated average number for the year (calculated based on an eight-hour working day)].

2. The number of employees increased by 209 from the end of the previous fiscal year, mainly as a result of the employment of local staff attributable to overseas business expansion.

(ii) The Company (non-consolidated)

Number of Employees	Comparison to End of Previous Fiscal Year	Average Age	Average Service Years
Male 1,196 (150)	Increase of 28 (Decrease of 7)	43 years and 6 months	7 years and 8 months
Female 646 (1,199)	Increase of 26 (Increase of 41)	36 years and 4 months	7 years and 2 months
Total 1,842 (1,349)	Increase of 54 (Increase of 34)	41 years and 1 month	7 years and 6 months

(Notes) 1. The number of employees is the number of persons at work (which excludes those who are seconded from the Company to the outside, and includes those who are seconded from the outside to the Company). The figure shown in parentheses is the number of temporary employees [the number of contract employees and community employees is based on the year-end number and the number for part-time workers is the calculated average number for the year (calculated based on an eight-hour working day)].

2. The average service years for seconded employees is calculated from the first date of secondment.

(8) Major lenders (as of February 28, 2021)

Creditors	Amount
The Okinawa Development Finance Corporation	(Million yen) 21,000
Mizuho Bank, Ltd.	15,030
Development Bank of Japan Inc.	14,008
Shinkin Central Bank	8,000
Resona Bank, Limited	7,749
Sumitomo Mitsui Banking Corporation	7,218
The Norinchukin Bank	7,000
The Hiroshima Bank, Ltd.	7,000
Sumitomo Mitsui Trust Bank, Limited	6,000
Mie Prefectural Credit Federation of Agricultural Co-operatives	5,500
Mizuho Trust & Banking Co., Ltd.	5,000
Osaka Prefectural Credit Federation of Agricultural Co-operatives	5,000
Syndicated loan	5,000

(Notes) Syndicated loan is co-financing of ¥5,000 million from 10 financial institutions, arranged by The Norinchukin Bank.

## 2. Shares (as of February 28, 2021)

- (1) Number of shares authorized: 320,000,000 shares  
 (2) Number of shares issued: 227,545,839 shares  
 (3) Number of shareholders: 123,756  
 (4) Ten largest shareholders:

Name	Number of Shares Held	Ratio of Shares Held
AEON CO., LTD.	(thousands of shares) 132,351	% 58.16
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,031	2.65
Custody Bank of Japan, Ltd. (Trust Account)	4,720	2.07
SMBC Nikko Securities Inc.	2,953	1.29
SSBTC CLIENT OMNIBUS ACCOUNT	2,350	1.03
State Street Bank West Client - Treaty 505234	1,830	0.80
JP Morgan Chase Bank 385781	1,599	0.70
Custody Bank of Japan, Ltd. (Trust Account No. 5)	1,569	0.68
Custody Bank of Japan, Ltd. (Trust Account No. 6)	1,382	0.60
AEON MALL Trading-Partner Shareholding Association	1,334	0.58

- (Notes) 1. Number of shares held less than one thousand has been omitted.  
 2. Calculations of ratio of shares held exclude treasury shares (3,265 shares) and have been rounded down to two decimals.



### 3. Stock acquisition rights

Stock acquisition rights delivered as consideration for execution of duties, and held by the Company's officers (excluding outside officers) as of the final day of the business year under review

(As of February 28, 2021)

Name (Issuance Resolution Date)	Exercise Period	Persons Holding the Rights	Number of Stock Acquisition Rights	Number of Shares Subject to the Rights	Number of Persons Holding the Rights	Issuing Price	Amount of Capital Contributed Upon Exercise
No. 10 stock acquisition rights (May 10, 2017)	June 10, 2017 to June 9, 2032	Director	11	1,100 shares	1	¥1,848 per share	¥1 per share
No. 11 stock acquisition rights (May 10, 2018)	June 10, 2018 to June 9, 2033	Director	11	1,100 shares	1	¥1,912 per share	¥1 per share
No. 12 stock acquisition rights (May 10, 2019)	June 10, 2019 to June 9, 2034	Director	38	3,800 shares	3	¥1,408 per share	¥1 per share
No. 13 stock acquisition rights (May 10, 2020)	June 10, 2020 to June 9, 2035	Director	95	9,500 shares	6	¥1,154 per share	¥1 per share

- (Notes)
1. Persons who are allocated stock acquisition rights must be in the position of Director or Audit & Supervisory Board Member of the Company when exercising their rights. However, even if a person retires from his/her position as Director or Audit & Supervisory Board Member of the Company, he or she may exercise those rights within a period of five years from the date of his/her retirement.
  2. When exercising stock acquisition rights, the officer must exercise the entire number of the rights in his/her possession and may not exercise them in installments.
  3. Other conditions are determined pursuant to the provisions of the share compensation-type stock option rules, agreements on allocation of stock acquisition rights and detailed rules on stock acquisition rights, in accordance with the resolutions passed at the 96th Ordinary General Meeting of Shareholders held on May 17, 2007 and the resolution by the Board of Directors.

#### **4. Officers**

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2021)

Position and Responsibility	Name	Significant Concurrent Position
President and CEO	Yasutsugu Iwamura	Chairman, AEON MALL (CHINA) CO., LTD.
Director, Vice President (Finance & Accounting Officer and Overseas Business Officer)	Seiichi Chiba	
Managing Director (General Manager of Sales Division)	Akio Mishima	
Managing Director (General Manager of Leasing Division)	Mitsuhiro Fujiki	
Managing Director (General Manager of ASEAN Division)	Mitsugu Tamai	
Managing Director (General Manager of Development Division)	Hisayuki Sato	
Director and Advisor	Motoya Okada	Director, Chairman and Representative Executive Officer, AEON CO., LTD. Director and Advisor, Aeon Retail Co., Ltd.
Director (General Manager of Administration Division)	Masahiko Okamoto	
Director (General Manager of Development Planning Management Department)	Hiroshi Yokoyama	
Director (General Manager of Digital Promotion Management Department)	Akiko Nakarai	
Director (General Manager of China Division)	Tatsuya Hashimoto	Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.
Director	Masao Kawabata	Advisor, Brainwoods Corporation, Ltd. Auditor, International Christian University
Director	Kunihiro Koshizuka	Senior Technical Advisor, KONICA MINOLTA, INC. Outside Director, Founder International Inc.
Director	Yasuko Yamashita	Representative, Yasuko Yamashita Judicial Scrivener Office Inspector, Japan Legal Support Center Outside Director (audit and supervisory committee member), R. C. CORE CO., LTD.
Full-time Audit & Supervisory Board Member	Maki Watanabe	
Audit & Supervisory Board Member	Takao Muramatsu	Director, MURAMATSU TAX ACCOUNTANT OFFICE (tax accountant) Outside Audit & Supervisory Board Member, BESTERRA CO., LTD Outside Audit & Supervisory Board Member, Serendip Holdings Co., Ltd. Outside Director (Audit & Supervisory Committee Member), GLOBERIDE, Inc.
Audit & Supervisory Board Member	Emi Torii	Partner, Nozomi Sogo Attorneys at Law (attorney) Kanto-Shinetsu Regional Pension Records Correction Council Committee Member, Ministry of Health, Labour and Welfare

Audit & Supervisory Board Member	Masato Nishimatsu	Counselor, AEON CO., LTD. Audit & Supervisory Board Member, AEON Hokkaido Corporation Audit & Supervisory Board Member, AEON Delight Co., Ltd.
----------------------------------	-------------------	--

- (Notes)
1. Directors Masao Kawabata, Kunihiro Koshizuka and Yasuko Yamashita are Outside Directors.
  2. Audit & Supervisory Board Members Maki Watanabe, Takao Muramatsu and Emi Torii are Outside Audit & Supervisory Board Members.
  3. Director Yasuko Yamashita is qualified as a certified public accountant, and possesses extensive financial and accounting knowledge.
  4. Audit & Supervisory Board Member Takao Muramatsu is a certified tax accountant, and possesses extensive financial and accounting knowledge.
  5. Audit & Supervisory Board Member Emi Torii has been engaged in corporate legal affairs as an attorney, and has abundant expertise and experience.
  6. In accordance with the rules of the Tokyo Stock Exchange, the Company has submitted notification that Directors Masao Kawabata, Kunihiro Koshizuka and Yasuko Yamashita, and Audit & Supervisory Board Members Takao Muramatsu and Emi Torii have been designated as Independent Officers as provided for by the aforementioned exchange.

## (2) Directors and Audit & Supervisory Board Members who retired during the fiscal year under review

Name	Retirement Date	Reason for Retirement	Position in the Company at Time of Retirement	Areas of Responsibility in the Company, and Significant Concurrent Positions Outside the Company at Time of Retirement
Kaoru Iwamoto	May 19, 2020	Expiration of the term of office	Director, Vice President (Development Officer)	
Akio Yoshida	May 19, 2020	Expiration of the term of office	Director	President and Representative Executive Officer, AEON CO., LTD.
Mami Taira	May 19, 2020	Expiration of the term of office	Outside Director	Partner, Taira Tax & Accounting Consulting Group Outside Director, Suzuden Corporation Outside Corporate Auditor, ISEKI & CO., LTD.
Hideki Hayami	May 19, 2020	Resignation	Audit & Supervisory Board Member	Director and Managing Executive Officer in charge of Business Management, Aeon Retail Co., Ltd.

## (3) Summary of limited liability agreements

With regard to Masao Kawabata, Kunihiro Koshizuka, Yasuko Yamashita, Takao Muramatsu and Emi Torii, who have been notified as Independent Officers, the Company has entered into limited liability agreements which limit their liability pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, on the condition that they carry out their duties in good faith and without gross negligence. The agreements are to limit their liabilities for damages as set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations.

## (4) Policy concerning decisions on the amounts of remuneration for officers and total amount of remuneration for Directors and Audit & Supervisory Board Members for the fiscal year under

review

(i) Policy concerning decisions on the amounts of remuneration for officers

The Company has established a policy concerning decisions on the amounts of remuneration for officers or the method of calculation thereof, the content of which is as follows.

- a Remuneration for Directors is designed to strongly motivate the execution of management policies and linked to business performance, and is designed to be objective and transparent.
- b Remuneration for Directors consists of “basic remuneration,” “performance-based remuneration” and “share compensation-type stock options.”

i Basic remuneration

The amount is determined based on individual evaluation within the standard amount set for each position, and is paid on a monthly basis.

ii Performance-based remuneration

The weight of performance-based remuneration in total cash remuneration (basic remuneration + performance-based remuneration) is set at around 30%, with the weight increasing in accordance with responsibility.

The amount of performance-based remuneration paid to each Director (by individual) is calculated as “stipulated amount of the performance-based remuneration x the performance-based remuneration payment rate” and is determined by reflecting the payment rate (0%-170%) based on the Company’s performance and the evaluation of individual performance. The Company has selected the ordinary income budget achievement ratio as the indicator that can most appropriately represent ordinary business performance.

In addition, each independent outside officer who is a member of the Nomination and Compensation Committee evaluates the individual performance of each Director based on the annual business report from each Director, and the evaluation is determined after adding the evaluation by the President. At the same time, the President provides feedback to independent outside officers regarding the final evaluation results of each Director and the performance-based compensation payment ratio.

iii Share compensation-type stock options

Stock acquisition rights shall be allocated as share compensation-type stock options that reflect performance for the purpose of enhancing the morale and motivation to continuously improve performance and increase corporate value by strengthening the linkage between the stock price and performance with the remuneration, and by sharing with shareholders not only the benefits received when the stock price rises but also the risks when the stock price falls. The number of stock acquisition rights allocated shall be determined based on the performance of the year in question according to the standard number for each position. If the ordinary income for the year of grant is less than 80% of the budgeted amount, half of the planned amount will be granted, and if there is an ordinary loss, no amount will be granted.

- c Outside Directors are paid only fixed remuneration and are not subject to either company-wide or individual performance evaluations.
- d The maximum amount of remuneration for Directors was resolved at the 96th Ordinary General Meeting of Shareholders held on May 17, 2007 to be no more than ¥600 million per year. The number of Directors at the time of the said resolution was 20.
- e The person who has the authority to make decisions on the policy concerning decisions on the amounts of remuneration for the Company’s officers or the method of calculation thereof, is the President and CEO, and the content of that authority and the scope of

discretion is for the portion relating to the amount of individual remuneration (monetary portion) for each Director. The Board of Directors resolved to establish “Nomination and Remuneration Committee” at its meeting held in November 2018, and the Committee has been in operation since January 2019. The purpose of “Nomination and Compensation Committee” is to advise or report to the President and CEO, through discussions mainly among five independent outside officers (as of February 28, 2021) in response to the request for advice from the President and CEO. After discussion and report by the Committee, performance-based compensation is determined by the President and CEO within a set range based on the Company’s performance and the individual performance of each Director.

- f As Audit & Supervisory Board Members are in a position to supervise the execution of duties by Directors from an independent standpoint, only fixed remuneration is paid to them. The level of remuneration is set at the level necessary to secure personnel who are suitable to play an important role in the establishment and operation of good corporate governance. The amount of remunerations for Audit & Supervisory Board Members was resolved, at the 91st Ordinary General Meeting of Shareholders held on May 8, 2002, to be no more than ¥50 million per year and is determined through consultation among Audit & Supervisory Board Members within the said extent. The number of Audit & Supervisory Board Members at the time of the said resolution was four.

The policy concerning each remuneration of Audit & Supervisory Board Member is as follows.

i Basic remuneration

A fixed amount is paid to each Audit & Supervisory Board Member based on his or her experience, insight, and position, etc.

ii Performance-based remuneration

No performance-based compensation is paid to Audit & Supervisory Board Members.

iii Share compensation-type stock options

No stock-related compensation is paid to Audit & Supervisory Board Members.

(ii) Total amount of remuneration for Directors and Audit & Supervisory Board Members

Classification	Total Amount of Remuneration	Total Amount of Remuneration by Type			Number of Eligible Officers
		Basic Remuneration	Performance-Based Remuneration	Stock Options	
	Thousand yen	Thousand yen	Thousand yen	Thousand yen	
Director (Of which, Outside Directors)	235,835 (19,800)	188,224 (19,800)	22,800 (-)	24,811 (-)	16 (4)
Audit & Supervisory Board Member (Of which, Outside Audit & Supervisory Board Members)	23,880 (23,880)	23,880 (23,880)	- (-)	- (-)	3 (3)
Total (Of which, outside officers)	259,715 (43,680)	212,104 (43,680)	22,800 (-)	24,811 (-)	19 (7)

(Notes) 1. The above data does not include one Director and two Audit & Supervisory Board Members to whom remuneration is not applicable.

2. Number of eligible persons for basic remuneration for Directors, is 16, including Directors who were in office as of February 28, 2021 and retired at the 109th Ordinary General Meeting of Shareholders held on May 19, 2020.
3. The amount of performance-based remuneration is the amount planned to be paid to ten Directors in office as of February 28, 2021.
4. The amount of stock options is the amount granted to 11 Directors during the fiscal year under review, including those who retired at the 109th Ordinary General Meeting of Shareholders held on May 19, 2020.

(iii) Matters concerning resolutions of the General Meeting of Shareholders concerning remuneration of Directors and Audit & Supervisory Board Members

Matters for resolutions at the General Meeting of Shareholders

Directors:	¥600 million per year
Maximum monetary remuneration	
Maximum remuneration through stock options	¥100 million per year (Resolution of the General Meeting of Shareholders held on May 17, 2007)
Audit & Supervisory Board Members:	¥50 million per year
Maximum remuneration	(Resolution of the General Meeting of Shareholders held on May 8, 2002)

(6) Matters concerning outside officers

- (i) Significant concurrent positions at other organizations and relationships between the

Company and such other organizations

Classification	Name	Organization	Concurrent Position	Relationship with the Company
Outside Director	Masao Kawabata	Brainwoods Corporation, Ltd.	Advisor	No business relationship
		International Christian University	Auditor	
	Kunihiro Koshizuka	KONICA MINOLTA, INC.	Senior Technical Advisor	No business relationship
		Founder International Inc.	Outside Director	
	Yasuko Yamashita	Japan Legal Support Center	Auditor	No business relationship
		Yasuko Yamashita Judicial Scrivener Office	Representative	
		R. C. CORE CO., LTD.	Outside Director (audit and supervisory committee member)	
Outside Audit & Supervisory Board Members	Takao Muramatsu	MURAMATSU TAX ACCOUNTANT OFFICE	Director	No business relationship
		BESTERRA CO., LTD	Outside Audit & Supervisory Board Members	
		Serendip Holdings Co., Ltd.		
		GLOBERIDE, Inc.	Outside Director (Audit & Supervisory Committee Member)	
	Emi Torii	Nozomi Sogo Attorneys at Law	Partner	No business relationship
		Kanto-Shinetsu Regional Pension Records Correction Council, Ministry of Health, Labour and Welfare	Committee Member	

(Note) Audit & Supervisory Board Member Maki Watanabe holds no significant concurrent position.

- (ii) Family relationship with a business operator of the Company or a specified related business operator of the Company, or an officer who is not a business operator  
Not applicable.



(iii) Attendance at Board of Directors meeting and Audit & Supervisory Board meeting

Classification	Name	Board of Directors		Audit & Supervisory Board	
		Attendances/Meetings (Times)	Attendance Rate (%)	Attendances/Meetings (Times)	Attendance Rate (%)
Outside Director	Masao Kawabata	16/16	100	—	—
	Kunihiro Koshizuka	12/12 (Notes)	100	—	—
	Yasuko Yamashita	12/12 (Notes)	100	—	—
Outside Audit & Supervisory Board Members	Maki Watanabe	16/16	100	14/14	100
	Takao Muramatsu	15/16	94	13/14	93
	Emi Torii	16/16	100	14/14	100

(Notes) The Board of Directors' meetings were held 12 times since May 19, 2020 when Outside Directors Kunihiro Koshizuka and Yasuko Yamashita took office upon their appointment at the 109th Ordinary General Meeting of Shareholders.

(iv) Statement of opinions of outside officers

Classification	Name	Activities
Outside Director	Masao Kawabata	Applying his wealth of experience as a business manager in Japan and overseas, Masao Kawabata has been stating his opinions properly, such as the proposals on personnel training from the medium-and long-term perspective of corporate value enhancement and the insights for the pursuit of ESG-based management, in order to make the Board of Directors more effective.
	Kunihiro Koshizuka	Applying his knowledge, expertise and experience in digital and scientific technologies gained as an engineer, Kunihiro Koshizuka has been stating his opinions properly, such as the proposals related to digital transformation for the enhancement of the Company's corporate value over the medium and long term.
	Yasuko Yamashita	Applying her good judgment as an accounting expert, Yasuko Yamashita has been stating her opinions properly, such as the insights on growth strategies and management issues in Japan and overseas, fixing her eyes on the entire Group and adopting fairness and transparency as her perspectives.
Outside Audit & Supervisory Board Members	Maki Watanabe	Applying her wealth of knowledge related to accounting and her experience as audit & supervisory board member at other companies, Maki Watanabe has been stating her opinions properly, such as the insights on corporate soundness and appropriateness from the perspectives in fields centered on financial affairs and accounting, and the insights on appropriateness of investment profitability plans in accordance with the Company's business strategies and the way internal control should be.
	Takao Muramatsu	Applying his wealth of expertise related to tax affairs and experience as a member of the board of directors and audit & supervisory board member at other companies, Takao Muramatsu has been stating his opinions properly, such as the insights on capital costs, appropriateness of investment profitability and strengthening governance in Japan and overseas from the medium-and long-term perspective of corporate value enhancement, in addition to offering his proposals on tax affairs.
	Emi Torii	Applying her expertise and experience as a lawyer, Emi Torii has been stating her opinions properly, such as the insights on the enhancement of the effectiveness of the Board of Directors, from the perspectives of the Companies Act and the protection of the interests of minority shareholders.

(v) Total amount of remuneration paid to officers from a parent company, etc. or its subsidiaries, etc. (except the Company) if they concurrently assume office as an officer thereof

	Number of Persons Paid	Total Amount of Remuneration Paid to Officers from a Parent Company, etc. or Its Subsidiaries, etc.
Total amount of remuneration paid to outside officers	1	¥2,400 thousand

## 5. Accounting auditor

### (1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

### (2) Amount of remunerations for accounting auditor for the fiscal year under review

#### (i) Amount of remunerations for services provided under Article 2, Paragraph 1 (audit and attestation services) of the Certified Public Accountants Act (Act No. 103 of 1948)

¥110 million

#### (ii) Total cash and other remunerations paid by the Company and its subsidiaries

¥152 million

(Note 1) Since the auditing services contract between the Company and the accounting auditor does not make a clear distinction between the amounts of remuneration payable to the accounting auditor with respect to auditing services rendered under the Companies Act and those amounts payable for auditing services rendered under the Financial Instruments and Exchange Act and those amounts cannot be practically classified. Therefore, the amount of remuneration paid for audits under the Financial Instruments and Exchange Act is included in amount (i).

(Note 2) The Audit & Supervisory Board reviewed the audit hours, basis and details for the calculation of the estimated amount of remuneration, such as its unit price, based on reports and materials obtained from the Finance & Accounting Division and other internal relevant departments, the contents of audit plan explained by the accounting auditor, as well as the status of performance of duties in the previous fiscal year. As a result, we expressed agreement on the remuneration for the accounting auditor in accordance with Article 399, Paragraph 1 of the Companies Act.

### (3) Description of non-auditing services

Consulting services, etc. related to ESG information disclosure.

### (4) Policy regarding decisions to dismiss or not to reappoint the accounting auditor

If the accounting auditor is deemed to fall under any of the provisions of the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the accounting auditor with the consent of all the Audit & Supervisory Board Members.




























In addition, if the accounting auditor is deemed to have an issue regarding the quality of audit services, quality management, independence, and other related factors on the accounting auditor, leading to a substantial detriment to the performance of the audit, the Audit & Supervisory Board will determine the contents of proposal on the dismissal or reappointment of the accounting auditor, which are to be submitted to a General Meeting of Shareholders.

## Reference

### Promote ESG management

#### 1. Environmental Conservation and Social Contribution Activities

The Company has established policies for corporate activities related to society, the environment, and ethics. The AEON MALL Corporate Social Responsibility Council meets on a monthly basis to manage the implementation of these policies. The Council is responsible for timely decisions in managing the progress of and solving issues related to ESG activities.

Building Bridges to Local Communities	<b>SUSTAINABLE DEVELOPMENT GOALS</b>	    
	Our desire	We respect local cultures and contribute to their development and succession. In addition, we aim to solve social issues that will arise as we face the problem of a declining birthrate and an aging population.
	Ten material issues we address	Cultural preservation and inheritance Low birth rates, aging society
Developing Community and Social Infrastructure	<b>SUSTAINABLE DEVELOPMENT GOALS</b>	     
	Our desire	We make local residents' lives convenient as an infrastructure base and provide safety and security by creating disaster-resistant facilities.
	Ten material issues we address	Developing sustainable and resilient infrastructure Production and consumption formats
Environment	<b>SUSTAINABLE DEVELOPMENT GOALS</b>	     
	Our desire	We solve global environmental problems such as climate change and promote town development that is rooted in the community and in harmony with nature.
	Ten material issues we address	Climate change, global warming Protecting biodiversity, resources
Diversity and Work-Style Reform	<b>SUSTAINABLE DEVELOPMENT GOALS</b>	     
	Our desire	We are committed to creating a comfortable work environment for a diverse workforce, including staff of specialty stores and our employees, regardless of nationality or gender.
	Ten material issues we address	Health and welfare Diversity, work-style
Accountability in Business	<b>SUSTAINABLE DEVELOPMENT GOALS</b>	   
	Our desire	We endorse the realization of a society in various countries and regions where human rights are respected In addition, we have an audit system in place to strictly handle internal fraudulent acts such as bribery.
	Ten material issues we address	Human rights Bribery

## Measures to Address Environmental Issues

- Initiatives for realization of a decarbonized society

Aiming to realize a decarbonized society, the AEON Group has formulated the “AEON Decarbonization Vision 2050,” along with three initiatives: to reduce the total GHG emissions from our stores to zero by 2050, to continue our efforts to achieve zero GHG emissions from our business operations, and to cooperate with our customers for the creation of a decarbonized society. To achieve this goal, we are promoting energy-saving activities such as the installation of solar power generation equipment and EV chargers.

In addition to the AEON Fujiidera Shopping Center (Osaka Pref.), AEON MALL Nagoya Chaya (Nagoya), AEON MALL Nagakute (Aichi Pref.), and AEON MALL Okazaki (Aichi Pref.), where we utilized CO<sub>2</sub>-free electricity to date, in fiscal 2020 we newly started utilizing CO<sub>2</sub>-free electricity at AEON MALL Ageo (Saitama Pref.), AEON MALL Matsumoto (Nagano Pref.), and AEON MALL Tsu-Minami (Mie Pref.). AEON MALL Ageo operates the entire mall including tenants, on completely CO<sub>2</sub>-free electricity, and reduced CO<sub>2</sub> emissions by a total of approximately 268 tons over the seven-month period from June to December as the total of the three malls introduced in the fiscal year under review.

In 2017, the Company participated in the EV100 (Note 1) as a first Japanese company, and has been working to create an environment that enables customers to visit the store with peace of mind by driving EV (electric vehicles) and PHV (plug-in hybrid vehicles). As of the end of the current fiscal year, we have installed 2,422 EV charging stations across 156 malls (Note 2) in Japan and overseas. The Japanese government announced that it will eliminate sales of gasoline vehicles in Japan by mid-2030s, and EVs and PHVs are expected to become even more popular. In response to this, the Company is planning to further expand the number of quick chargers that allow for charging in a short time. At the same time, we aim to increase the usage rate of existing chargers by strengthening customer notification, etc.

- Tree planting activities

The AEON Group has conducted tree planting activities consistently since 1991 as one specific example of the AEON basic principle. In this project, we work together with customers to plant trees that are most compatible with the local environment. As of the end of the fiscal 2019, the AEON Group has planted nearly 1,212 million trees on cumulative basis. The Company planted a combined total of about 54,000 trees at the newly opened four malls in Japan and overseas in fiscal 2020.

## Measures to Address Social Issues

- Attending dementia supporter training courses

In fiscal 2020, we launched a company-wide initiative to learn how to deal with people with dementia, which is expected to increase in the future, with the goal of building a system to support people with dementia in cooperation with various stakeholders in the community. In the second half of fiscal 2020, we conducted web-based courses, and a total of 407 people took the courses, including those held independently at each mall.

- AEON Yume-Mirai Nursery School

As of the end of the current fiscal year, we have opened 31 AEON Yume-Mirai Nursery Schools, on-site childcare facilities (Note 3), to support our employees who work and raise

children. We will continue to take measures to help more people, including employees at mall specialty stores, group company employees and others, offering them support to balance work and childcare and mitigate waiting lists for childcare.

- Blood donation activities

With regard to blood donation activities promoted together with Japanese Red Cross Society, in fiscal 2020, due to the declaration of a state of emergency issued on April 16, we stepped up our blood donation activities by accepting blood donation activities at malls that reopened for business in May, in consideration for concerns about a decrease in the amount of blood donated due to a decrease in blood donation opportunities at companies, schools, and commercial facilities. In May and June, we conducted 832 blood drives in total at 122 malls, and 45,123 people (39,224 of whom donated blood) cooperated, representing more participants than the previous year, and resulting in the collection of 14,905 liters of blood.

### Third-Party Evaluations

- WELL Health-Safety Rating

AEON MALL Ageo (Saitama Pref.) became the first commercial facility in Japan to receive the “WELL Health-Safety Rating,” a global evaluation of measures against COVID-19. Aiming to be a facility for the safe and secure use of customers and employees and based on the AEON COVID-19 Prevention Protocol, established in June 2020, the mall has implemented conscientious management and operations, including measures to prevent droplet and contact infections inside the facility, anti-virus measures at each entrance and exit, and facility cleaning management. AEON MALL Shinrifu South Wing (Miyagi Pref.), which celebrated its grand opening on March 5, 2021, also received this rating under the same program.

- GRESB real-estate assessment system

In the 2020 GRESB (Note 4) real-estate assessment, the Company received the highest GRESB rating of “5 Star,” which is a five-level rating based on the global ranking of the overall score. In addition, for the sixth year in a row, we received “the Green Star” rating, which indicates that we are an excellent participant in both the “Management Component,” which evaluates our policies and organizational structure for ESG promotion, and the “Performance Component,” which evaluates the environmental performance of our properties and our efforts with tenants.

- Carbon Disclosure Project

In receiving the assessment of our efforts on and disclosure of climate change from the Carbon Disclosure Project (CDP) (Note 5), the Company was given score A-, which is the second of the eight levels. The Company was recognized for the first time as the “Supplier Engagement Leader Board,” the highest level of recognition, for its efforts to address climate change through its supply chain and its implementation of activities to reduce greenhouse gas emissions.

- Nadeshiko Brand

The Company is working to create a workplace environment that enables women to be more active and continuing long-term careers. For the fifth consecutive year, AEON MALL has been selected as a Nadeshiko Brand (Note 6), an honor which recognizes publicly traded

companies that encourage the participation of women in the workplace. In fiscal 2020, we continued our efforts from the previous year to encourage male employees to take childcare leave, and in addition to informing employees about our unique monetary allowance system for childcare leave, we introduced the childcare leave acquisition plan sheet. We created an environment where it would be easier to take leave, by setting up a childcare leave plan with his or her family, department, and human resources department as soon the due date of the baby is known.

- 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large enterprise category)

The Company was recognized, for the second year in a row, as 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large enterprise category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program sponsored by the Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi, which recognized that the Company defines health and welfare as an integral part of materiality, and has been taking concrete measures to improve mental and physical health, such as offering employee education, setting forth appropriate working hours, and creating exercise opportunities.

- (Notes)
1. An initiative to promote electric vehicles. The program launch was announced by The Climate Group, an international environmental non-governmental organization working to reduce greenhouse gas emissions, during Climate Week NYC, held from September 18-24, 2017 in New York City. EV100 is an international business initiative for corporate promotion of the use of electric vehicles and environmental improvement. The Company has been an official member since November 10, 2017.
  2. The number of Japanese malls includes 57 malls managed and operated under contract with AEON Retail Co., Ltd. As for the number of overseas malls, the accounting period for companies outside Japan ends December 31; however, figures used are as of the end of the Japanese fiscal year.
  3. This figure includes ten nursery schools not managed and operated by the Company that are located on AEON Group company facilities.
  4. The Global Real Estate Sustainability Benchmark (GRESB) is a benchmark measuring the sustainability performance of real estate companies and real estate managers based on surveys conducted by GRESB B.V., which has been founded primarily by pension funds in Europe.
  5. CDP is a non-profit organization that conducts research on corporate strategies and responses to environmental issues, such as greenhouse gas emission reduction activities and climate change mitigation, and reports those results at the request of more than 515 institutional investors with total assets under management of more than US\$106 trillion. In this survey, more than approximately 9,600 companies disclosed information on their strategies and responses to environmental issues through CDP.
  6. The Nadeshiko Brand is a joint program between the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The aim of the Nadeshiko Brand is to select and announce certain listed companies that are outstanding in terms of encouraging the empowerment of women in the workplace as attractive securities investment opportunities to investors who put emphasis on improving corporate value over the medium and long term, in an aim to promote investment in such enterprises and accelerate efforts encouraging women's success in the workplace.

## ESG Finance Initiatives

To further expand our ESG initiatives and contribute to the creation of a sustainable society, the Company established the Sustainability Bond Framework based on the guidelines of the International Capital Market Association (ICMA) to raise funds for measures against COVID-19, for reconstruction assistance for the Great East Japan Earthquake, and to pursue green buildings at malls in Japan and overseas. We received an external evaluation (second opinion) from Rating and Investment Information, Inc. (R&I) on the conformity of our framework with Social Bond Principles and Green Bond Principles, etc. of the ICMA guidelines. On September 24, 2020, we issued ¥30.0 billion in sustainability bonds, ¥13.0 billion of which was allocated to the target projects in the fiscal year under review.

### Allocation of Funds During the Fiscal Year Under Review

(Million yen)

Target (New, Refinance)		Category		Scheduled Allocation	Allocation
		Green	Social		
Measures against COVID-19	Installation of temperature measurement equipment in malls (new, refinance)	-	Socioeconomic improvement and empowerment	100	77
	Business continuity support for tenant companies (refinance)	-	Socioeconomic improvement and empowerment/provide capital and/or microfinancing to SMEs to create employment and generate other potential benefits	3,000	3,000
	Masks, disinfectants, partitions, other disease-prevention measures, other equipment (refinance)	-	Socioeconomic improvement and empowerment	400	400
Great East Japan Earthquake reconstruction support	AEON MALL Iwaki Onahama (refinance)	-	Socioeconomic improvement and empowerment/access to critical services	6,500	0
Overseas malls	AEON MALL Hoang Mai (Vietnam) construction (new; tentative name)	Green building/renewable energy/energy efficiency	-	5,000	980

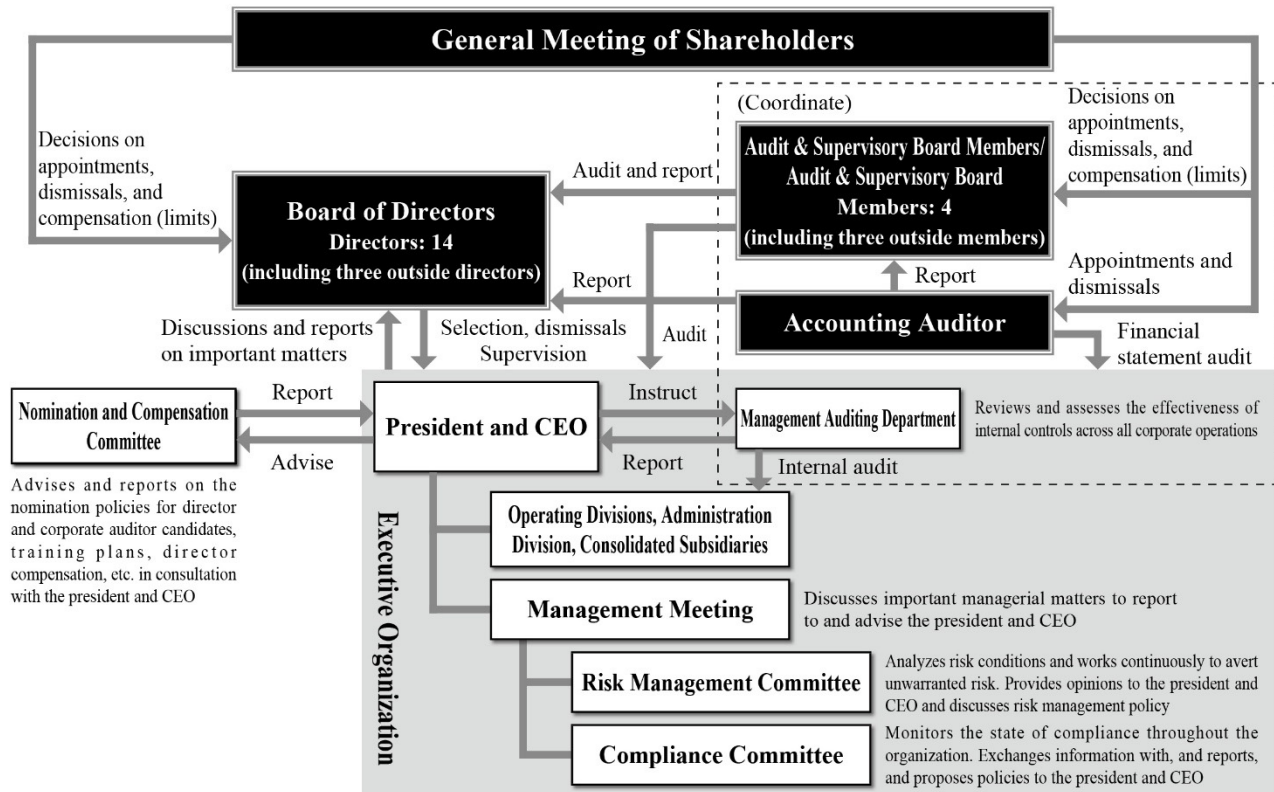


	AEON MALL Meanchey (Cambodia) construction (new)	Green building/renewable energy/energy efficiency	-	5,000	2,380
Domestic malls	AEON MALL Ageo construction (new)	Green building/energy efficiency	-	5,000	1,166
	AEON Fujiidera SC construction (refinance)	Green building/renewable energy/energy efficiency	-	5,000	5,000
Total				30,000	13,003

## 2. Corporate Governance

As of February 28, 2021

### (1) Corporate Governance Organization Chart



#### Board of Directors:

Chaired by the President and CEO, meetings are held once a month or more in order to strengthen the function of management supervision. Audit & Supervisory Board Members also attend the meetings. (Of fourteen (14) Directors, three (3) individuals are Independent Officers)

#### Audit & Supervisory Board:

This organization mutually exchanges information and opinions as necessary with the accounting auditor and the Management Auditing Department, which is an internal audit department, in order to improve the practicability and efficiency of the audits. (Of four (4) Audit & Supervisory Board Members, two (2) individuals are Independent Officers)

#### Management Meeting:

It serves as an advisory body for the President, mainly consists of Directors at the level of Managing Director and above, full-time Audit & Supervisory Board Members, and persons appointed by the President, in order to strengthen the function of management strategy and enhance the efficiency of decision-making process. As a basic rule, meetings are held once a week.

#### Management Auditing Department:

In order to ensure the smooth operation and controls of the business, each of fifteen (15) members works closely with the division manager to conduct studies and assessment on the effectiveness and practicability of internal controls in the overall business. The Department is independent from the on-site business execution department.

### (2) Basic Stance for Corporate Governance

- (i) We provide a consistent and fair environment to support shareholder rights and the execution of said rights. We work in appropriate cooperation with shareholders toward the goal of sustainable growth.
- (ii) Our Board of Directors and senior management exercise proper leadership in fostering a corporate culture and climate that respects the rights and perspectives of customers and stakeholders and conducts business activities ethically, and engagement in a positive approach to ESG and CSR activities.
- (iii) We have created a Disclosure Policy and Rules for Managing Information Disclosure to address disclosure of financial and nonfinancial information. Guided by the policy and rules, we ensure transparency and fairness through appropriate and clear information disclosure.
- (iv) Our Board of Directors consists mainly of individuals well-versed in the retail business, enhancing AEON MALL's strength as a developer with background in retail business. The Board of Directors appoints independent Outside Directors to strengthen our supervisory function and conduct highly transparent business and determines important strategies and promotes measures to achieve our long-term vision and medium-and long-term plans.
- (v) We reflect feedback and input received through constructive dialogue with shareholders in management to improve our corporate value.

### (3) Reasons for the Adoption of the Current Corporate Governance System

The company believes that a strong corporate governance function and improved competitiveness through expeditious decision-making are indispensable for achieving sustainable growth.

We operate an audit system under which the Audit & Supervisory Board, accounting auditor, and the Management Auditing Department, which is an internal audit department, maintain a close working relationship by mutually exchanging information and opinions as necessary. This system is designed to ensure improvements in the practicability and efficiency of our audits.

In fiscal 2018, AEON MALL established the Nomination and Compensation Committee, consisting mainly of independent outside officers, to provide advice and report to the President and CEO on details related to nomination and selection of Directors and Audit & Supervisory Board Members, as well as details related to Director remuneration, for the purpose of ensuring transparency and objectivity.

#### (4) Roles and Responsibilities of the Board of Directors

The Company clearly defines matters to be discussed at meetings of the Board of Directors based on Rules of the Board of Directors and in accordance with relevant laws and regulations, and the Company is working to make further improvements through initiatives such as performing governance checks from a legal perspective, and revising Rules of the Board of Directors and clarifying matters for discussion as part of its efforts to improve the effectiveness of the Board of Directors. Regarding the business execution of Directors, AEON MALL defines detailed responsibilities and procedures for directors, clearly assigning management responsibilities and granting the necessary authority for directors to execute their respective duties, according to the Rules for Organization Management, Rules for Segregation of Duties, Rules of Jurisdiction, and Rules for Approval Requests.

## **6. System to ensure the appropriate operations and overview of its implementation**

### **(1) Decisions regarding system to ensure the appropriate operations**

- (i) System for retention and management of information on the execution of duties by Directors of the Company**

The Company prepares approval documents, meeting minutes, and other documents necessary for the execution of the duties by the executive director or employee, in accordance with the internal rules of the Company.

Documents that have been prepared are stored and managed in a secure, fully searchable format appropriate for each storage medium, and are maintained in a viewable form as necessary.

The management division specified in the Document Management Rules takes charge of the management of such records and prevents leakage to external parties.

- (ii) Rules for controlling the risk of operating loss incurred by the Company and its subsidiaries (“the Group”) and other systems**

The Company designates its President and CEO as the executive director of risk management and business division heads as directors in charge of risk management. These individuals are tasked with developing a system and environment to ensure business continuity and the safety of human lives.

The Group has established Risk Management Rules to prevent crises or minimize damages in the event of a crisis, striving to reduce risk and mitigate any damages. We have designated management divisions to address risk management by category, and we strive to prevent damage to our brand value and improve overall corporate value by managing risks of loss for the group as a whole.

In addition, for the Company to be able to protect and manage information assets from organizational, human, physical, and technical perspectives, the Company has established the Information Security Management Rules to clarify the responsibility hierarchies structures for information security, and strive to maintain and improve the information security level, as well as information systems of the Company.

The Company shall establish the Risk Management Committee chaired by the General Manager of the Administration Division to discuss issues and countermeasures related to the promotion of risk management for the entire Group, and report the proceedings to the Management Meeting. Also, we will report significant matters to the Board of Directors and notify them annually.

In order to enhance the effectiveness of risk management, the Department in charge of internal audits formulates an annual audit plan and conducts internal audits in accordance with the Internal Auditing Rules. The annual audit plan will be reported to the Board of Directors.

- (iii) System to ensure the efficiency of duties executed by Directors of the Company, and directors, executive officers, employees who execute business operations, personnel who execute duties as specified in Article 598, Paragraph 1 of the Companies Act, and other**

persons equivalent to such personnel of the Company's subsidiaries ("subsidiaries' directors, etc.")

In addition to holding regular Board of Directors meetings once a month, AEON MALL convenes extraordinary meetings of the Board of Directors as deemed necessary. Decisions encompassing substantial risk threatening far-reaching impact on the Group are brought to the Management Meeting for discussion. These decisions are then approved by the President and/or by resolution of the Board of Directors.

In the execution of duties, management responsibilities are clarified by granting the authority required for the performance of duties according to the predetermined Rules for Organization Management, Rules for Segregation of Duties, Rules of Jurisdiction, Rules for Approval Requests, and Rules for Management of Affiliates.

As a system to ensure the efficiency of the performance of duties of the subsidiaries' directors, etc., the Company approves a Group Medium-term Management Plan, annual management goals, budget distribution, etc. that include subsidiaries at the meetings of the Board of Directors, inspects the progress of business strategies and measures in line with such plan and goals on a quarterly basis, and receives reports on other important information.

- (iv) System to ensure compliance in the performance of duties by Directors and employees of the Company, and directors, etc. and employees of its subsidiaries with laws and regulations and the Articles of Incorporation

We emphasize compliance management and comply with AEON Code of Conduct, the code of conduct of the AEON Group, to foster better relations with local communities and meet our social responsibilities. To prevent harassment, we have formulated the "Rules for the Prevention of Harassment," and we implement education and awareness raising. Furthermore, to prevent bribery, we have set up internal systems in the Group and implement education based on the "Basic Rules for the Prevention of Bribery."

AEON MALL has established Compliance Committee, which is chaired by the General Manager of Administration Division. The role of this committee is to ensure the Group compliance with laws, regulations, the Articles of Incorporation, and internal rules. The committee is also responsible for identifying problems and advancing discussions to resolve said problems. Committee proceedings are reported to the Management Meeting. Also, we will report significant matters to the Board of Directors and notify them annually.

As a contact point for reporting internal problems, the Company has established the helpline, AEON MALL Hotline (our labor union has launched a separate Union 110 Hotline). We will also install similar helpline system at our subsidiaries. In addition to ensuring that the privacy of users of this helpline is protected and that they are not subjected to any disadvantageous treatment, the department in charge, in case any report or whistle-blowing is made, shall examine its content, and if there is a violation, shall take necessary measures in accordance with the internal rules, and then formulate measures to prevent recurrence by itself or have the relevant department formulate and implement such measures, and report to Compliance Committee.

- (v) System to ensure the appropriate operations of the corporate group, comprising the Company, its parent, and subsidiaries

Transactions that may cause a conflict of interest in essence between the Company and its parent or transactions in a competitive relationship with the parent are examined in detail by the Management Meeting and carried out after being approved by the Board of Directors.

For transactions with Group companies including subsidiaries, the department carrying out such transactions performs its duties under the appropriate conditions based on market prices, which does not reduce the profits of the Company. In terms of pricing, the Company obtains written third-party assessments or other information if an objective evaluation is available and submits the information required for assessment to the Board of Directors and the Management Meeting.

As a system of reporting matters concerning the performance of duties by the subsidiaries' directors, etc. to the Company, the Company requires the subsidiaries to report their monthly business performance, financial results, and other details required by the Company to the Management Meeting based on Rules for Management of Affiliates established by the Company.

The department in charge of internal auditing performs audits of the Company and its subsidiaries according to the Internal Auditing Rules to ensure the appropriate operations of the Company and its subsidiaries and reports to the President and the full-time Audit & Supervisory Board Members by means of a written internal audit report.

- (vi) Matters concerning employees who provide assistance with the duties of Audit & Supervisory Board Members of the Company ("Assistants") when the Audit & Supervisory Board Members decide to hire such Assistants, matters concerning the independence of the Assistants from Directors of the Company, and matters related to ensuring the effectiveness of the instructions provided to the Assistants

The Company selects and appoints Assistants for the Audit & Supervisory Board Members upon consultation with the Audit & Supervisory Board.

The Assistants will not receive orders or instructions from the Directors or any other employees. The personnel appraisal of Assistants is performed through consultation with the Audit & Supervisory Board Members, and personnel changes and reprimanding of Assistants require the advance agreement of the Audit and Supervisory Board.

- (vii) System of reporting to Audit & Supervisory Board Members of the Company

As a system for Directors and employees of the Company, and directors, etc. and employees of its subsidiaries to make reports to Audit & Supervisory Board Members of the Company, they shall report on the management situation, business operation, financial position, progress of internal audits, status of risk management and compliance, and other matters at a meeting of the Board of Directors or the Management Meeting attended by the Audit & Supervisory Board Members.

If Directors or employees of the Company, or directors, etc. or employees of its subsidiaries discover matters that affect the operations or business performance of the Company or its subsidiaries, violations of laws and regulations, or other issues concerning legal compliance, which may cause serious damage to the Company or its subsidiaries, or

these have been reported by any of such persons, they shall immediately report to Audit & Supervisory Board of the Company.

The Company and its subsidiaries prohibit treating the persons who have made such a report in an unfair manner because they have made the report, and will ensure that this rule is clearly communicated to Directors and employees of the Company, and directors, etc., Audit & Supervisory Board Members, and employees of its subsidiaries.

- (viii) Matters concerning policies for the advance payment of expenses required for the performance of duties by Audit & Supervisory Board Members of the Company and reimbursement and other procedures for the treatment of expenses or obligations associated with the performance of such duties

When the Company receives a request for the advance payment, etc. of expenses from Audit & Supervisory Board Members based on Article 388 of the Companies Act, the Company shall pay such expenses without delay based on the internal rules. The responsible department takes measures regarding the budget required for such payment in every fiscal period.

- (ix) Other systems to ensure the effective auditing by Audit & Supervisory Board Members of the Company

The department in charge of internal auditing works closely with the Audit & Supervisory Board by, for instance, discussing the details of internal audits with the Audit & Supervisory Board Members as appropriate, and performs audit operations in cooperation to contribute to efficient auditing by the Audit & Supervisory Board Members.

## (2) Overview of its implementation of system to ensure the appropriate operations

The Company acknowledges that the internal control system is appropriately operated in accordance with “Decisions regarding system to ensure the appropriate operations,” which is described in the preceding paragraph.

The major operational status for the current fiscal year is as follows.

Based on findings through a risk survey conducted in fiscal 2016 and its responses to serious incidents occurred and new business fields and environments, the Company divided risks according to their importance and need for countermeasures. The Company is building a more effective management system by assigning the intensive discussion of the details of initiatives taken by management divisions to the Risk Management Committee.

In the fiscal year under review, based on our response to incidents such as COVID-19, we reviewed our emergency response measures, such as redeveloping the communication system and decision-making channels throughout the Group. In terms of other risks, we are working also from a risk management perspective to minimize delays in taking countermeasures due to the effects of COVID-19, by switching from group training to remote training, etc., to improve the resilience of our business.

The Company’s subsidiaries in China and ASEAN conducted a risk survey in fiscal 2017. Based on its results, they adopted systems for autonomously promoting risk management systems in each country in line with the practice at the head office in Japan. Furthermore, given the growing importance of subsidiary management in line with business expansion, we are promoting the development of standards for risk management systems tailored to the size



and operations of subsidiaries, and are working to improve the Group's risk management system as well.

Furthermore, the Company's Compliance Committee is discussing matters for the sake of preventing recurrence, treating violations that have occurred in the past within the Company as case studies, in order to prevent the violations of laws and regulations, internal rules and the like which amount to compliance risks. In the fiscal year under review, discussions by the Compliance Committee focused on measures for preventing harassment and enhancement of working hours management. The Company discussed next harassment prevention measures in particular in view of the whistle-blowing status, morale survey findings and the results of compliance education execution, and reported the discussion results to the Management Meeting and the Board of Directors. Through such procedure, the Company is advancing initiatives for raising effectiveness while verifying whether the measures have been implemented appropriately. 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. We also provide explanations in advance to outside officers on the proposals submitted to the Board of Directors to help them make necessary judgments. In addition, in order to strengthen internal controls, we establish regulations and strengthen the audit system in overseas subsidiaries in China and the ASEAN region. We also control and manage information through appropriate measures, such as obtaining approval from the Management Meeting for important decisions. In September 2018, we established the Basic Rules for Prevention of Bribery in order to prevent bribery in Japan and overseas countries. Based on the rules, we improve the internal system and provide education.

The internal audit department holds meetings with full-time Audit & Supervisory Board Members once a month to manage the progress of the improvement status and sends reports to the Management Meeting once every semi-annual period.

□Initiatives for eliminating antisocial forces□

1. Basic Stance

From the perspectives of the strict implementation of compliance management and the protection of the Company, we are aware that it is our corporate social responsibility to have no relations with antisocial forces, to take a firm attitude towards their unreasonable demands and to reject such demands.

2. Readiness to Eliminate Antisocial Forces

- (i) In the event of any unreasonable demand from any antisocial force, no individual staff members should deal with it on their own. We will give an organizational response, including the possibility of civil or penal legal action, after building close collaboration with outside experts and investigative authorities.
- (ii) We are a member of the Bouryokudan Tsuiho Chiba Kenmin Kaigi (Chiba Prefectural Citizen Committee Against Organized Crime Groups). In close collaboration with the police, crime prevention associations and other organizations on a normal basis, we strive to gather information about antisocial forces and compile information from across the Company at the department in charge, including information collected from our individual business offices. We also undertake in-house activities to build awareness.

- (iii) The Company investigates any involvement of its business partners with antisocial forces and ensures elimination of such forces based on the Transaction Management Rules.

### 3. Policy regarding decisions on dividends of surplus

The Company recognizes that returning profits to shareholders through improving earnings power is a key management priority. Our basic policy on income distribution emphasizes steady and continual dividend payments to shareholders, while using internal reserves to invest in structural business improvements, including investments in growth businesses, new businesses, and other areas that strengthen our operating foundation.

We issue dividends twice annually, in the interim and at the end of the fiscal year. In accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, we have stipulated in the Articles of Incorporation that dividends paid from surplus are to be determined by resolution of the Board of Directors. Our policy is to maintain a consolidated payout ratio of at least 25 percent by considering that the overseas business has reached the stage for being able to generate cash flows.

#### [Dividends of surplus for the year under review]

Pursuant to a resolution by the Board of Directors at its meeting on April 8, 2021, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of ¥20 per share. The total annual dividend for the fiscal year is ¥40 per share including the interim dividend of ¥20 per share.

The starting date for the year-end dividend payments (effective date) is Friday, April 30, 2021.

## Consolidated Financial Statements

### Consolidated Balance Sheet

(As of February 28, 2021)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	179,427	<b>Current liabilities</b>	213,938
Cash and deposits	131,442	Notes and accounts payable – trade	8,606
Notes and accounts receivable – trade	7,661	Bonds due within one year	30,000
Prepaid expenses	3,663	Current portion of long-term debt	33,629
Other current assets	36,792	Lease obligations	14,955
Allowance for doubtful receivables	(133)	Income taxes payable	7,024
<b>Fixed assets</b>	1,214,771	Deposits received from specialty stores	60,223
<b>Property, plant and equipment</b>	1,100,085	Deposits received	8,295
Buildings and structures, net	624,036	Allowance for employee bonus	1,703
Machinery and transportation equipment, net	3,476	Allowance for director and corporate auditor performance-based remuneration	85
Furniture and fixtures, net	10,777	Provision for loss on store closing	733
Land	310,198	Notes payable – construction	778
Right-of-use assets	134,872	Electronically recorded obligations – construction	20,876
Construction in progress	16,685	Accounts payable – construction	7,713
Other, net	37	Other current liabilities	19,313
<b>Intangible assets</b>	3,350	<b>Long-term liabilities</b>	792,774
<b>Investments and other assets</b>	111,336	Straight bonds	330,000
Investment securities	1,948	Long-term debt	188,794
Long-term loans	24	Lease obligations	112,279
Long-term prepaid expenses	42,533	Deferred tax liabilities	594
Deferred tax assets	14,940	Accrued retirement benefits to employees	837
Lease deposits paid	50,926	Asset retirement obligations	18,679
Other investments and other assets	992	Lease deposits from lessees	137,778
Allowance for doubtful receivables	(29)	Other long-term liabilities	3,809
		<b>Total liabilities</b>	1,006,712
		<b>Net assets</b>	
		<b>Shareholders' equity</b>	390,848
		Common stock	42,372
		Capital surplus	40,691
		Retained earnings	307,790
		Treasury stock, at cost	(6)
		<b>Accumulated other comprehensive income</b>	(13,529)
		Net unrealized gain on available-for-sale securities	1,029
		Foreign currency translation adjustment	(13,868)
		Remeasurements of defined benefit plans	(690)
		<b>Stock acquisition rights</b>	23
		<b>Non-controlling interests</b>	10,143
		<b>Total net assets</b>	387,486
<b>Total assets</b>	1,394,199	<b>Total liabilities and net assets</b>	1,394,199

(Note) The amounts have been rounded down to the nearest unit.

# Consolidated Statement of Income

(March 1, 2020 – February 28, 2021)

(Million yen)

Item	Amount	
<b>Operating revenue</b>		
Rental income		280,688
<b>Operating costs</b>		
Cost of rental income		218,926
<b>Gross profit</b>		61,761
Selling, general and administrative expenses		27,367
<b>Operating income</b>		34,394
<b>Non-operating profits</b>		
Interest income	1,274	
Dividend income	26	
Compensation paid by departing tenants	2,204	
Gain on valuation of derivatives	323	
Foreign exchange gains	66	
Compensation income	391	
Insurance income	95	
Other non-operating profits	659	5,042
<b>Non-operating expenses</b>		
Interest expenses	9,762	
Other non-operating expenses	1,236	10,998
<b>Ordinary income</b>		28,437
<b>Extraordinary gains</b>		
Gain on sale of fixed assets	749	
Gain on sales of investment securities	5	
Compensation income	318	1,073
<b>Extraordinary losses</b>		
Loss on sale of fixed assets	1	
Loss on retirement of fixed assets	867	
Impairment loss	7,288	
Loss due to COVID-19	16,572	
Other extraordinary losses	512	25,242
<b>Income before income taxes</b>		4,268
Income tax – current	7,223	
Income tax – deferred	(922)	6,301
Net loss		(2,032)
Net loss attributable to non-controlling interests		(168)
<b>Net loss attributable to owners of parent</b>		<b>(1,864)</b>

(Note) The amounts have been rounded down to the nearest unit.

## Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2020 – February 28, 2021)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 1, 2020	42,347	40,666	318,755	(5)	401,765
<b>Changes during period</b>					
Issue of new shares	24	24			48
Cash dividends			(9,100)		(9,100)
Net loss attributable to owners of parent			(1,864)		(1,864)
Purchase of treasury stock				(0)	(0)
Net change in items other than shareholders' equity					
<b>Total of changes</b>	24	24	(10,965)	(0)	(10,917)
Balance as of February 28, 2021	42,372	40,691	307,790	(6)	390,848

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 1, 2020	920	(7,832)	(1,003)	(7,916)	47	10,625	404,522
<b>Changes during period</b>							
Issue of new shares							48
Cash dividends							(9,100)
Net loss attributable to owners of parent							(1,864)
Purchase of treasury stock							(0)
Net change in items other than shareholders' equity	109	(6,036)	313	(5,612)	(23)	(481)	(6,118)
<b>Total of changes</b>	109	(6,036)	313	(5,612)	(23)	(481)	(17,035)
Balance as of February 28, 2021	1,029	(13,868)	(690)	(13,529)	23	10,143	387,486

(Note) The amounts have been rounded down to the nearest unit.

## Nonconsolidated Financial Statements

### Nonconsolidated Balance Sheet

(As of February 28, 2021)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	104,099	<b>Current liabilities</b>	177,841
Cash and deposits	67,059	Notes and accounts payable – trade	6,807
Notes and accounts receivable – trade	2,652	Bonds due within one year	30,000
Prepaid expenses	2,103	Current portion of long-term debt	34,428
Short-term loans receivable from associated companies	10,023	Accounts payable – other	3,758
Accounts receivable – other	20,876	Accrued expenses	2,313
Current portion of lease deposits	88	Income taxes payable	6,218
Other current assets	1,674	Advances received	4,320
Allowance for doubtful receivables	(378)	Deposits received from specialty stores	50,238
<b>Fixed assets</b>	1,168,073	Deposits received	11,717
<b>Property, plant and equipment</b>	775,998	Allowance for employee bonus	1,610
Buildings	462,848	Allowance for director and corporate auditor performance-based remuneration	85
Structures	29,178	Provision for loss on store closing	733
Machinery and equipment	3,443	Notes payable – construction	367
Vehicles and transportation equipment	8	Electronically recorded obligations – construction	20,876
Furniture and fixtures	8,092	Accounts payable – construction	1,852
Land	263,785	Other current liabilities	2,513
Construction in progress	8,636	<b>Long-term liabilities</b>	662,822
Other, net	5	Straight bonds	330,000
<b>Intangible assets</b>	3,009	Long-term debt	197,061
Software	2,215	Asset retirement obligations	16,393
Right of using facilities	781	Lease deposits from lessees	118,804
Other	11	Other long-term liabilities	562
<b>Investments and other assets</b>	389,065	<b>Total liabilities</b>	840,664
Investment securities	1,948	<b>Net assets</b>	
Stock of associated companies	187,036	<b>Shareholders' equity</b>	430,455
Investments in capital of associated companies	111,102	<b>Common stock</b>	42,372
Long-term loans	24	<b>Capital surplus</b>	42,680
Long-term loans receivable from associated companies	24,498	Legal capital surplus	42,680
Long-term prepaid expenses	12,492	<b>Retained earnings</b>	345,408
Deferred tax assets	11,567	Legal retained earnings	1,371
Lease deposits paid	39,409	Other retained earnings	344,037
Prepaid pension cost	51	Reserve for advanced depreciation of fixed assets	412
Other investments and other assets	946	General reserve	28,770
Allowance for doubtful receivables	(12)	Retained earnings brought forward	314,854
		<b>Treasury stock, at cost</b>	(6)
		<b>Valuation and translation adjustments</b>	1,029
		Net unrealized gain on available-for-sale securities	1,029
		<b>Stock acquisition rights</b>	23
		<b>Total net assets</b>	431,509
<b>Total assets</b>	1,272,173	<b>Total liabilities and net assets</b>	1,272,173

(Note) The amounts have been rounded down to the nearest unit.

## Nonconsolidated Statement of Income

(March 1, 2020 – February 28, 2021)

(Million yen)

Item	Amount	
<b>Operating revenue</b>		
Rental income		216,397
<b>Operating costs</b>		
Cost of rental income		163,832
<b>Gross profit</b>		52,565
Selling, general and administrative expenses		21,005
<b>Operating income</b>		31,559
<b>Non-operating profits</b>		
Interest income	902	
Dividend income	126	
Compensation paid by departing tenants	1,413	
Foreign exchange gains	88	
Compensation income	334	
Insurance income	66	
Other non-operating profits	515	3,446
<b>Non-operating expenses</b>		
Interest expenses	3,380	
Other non-operating expenses	1,111	4,492
<b>Ordinary income</b>		30,514
<b>Extraordinary gains</b>		
Gain on sale of fixed assets	2	
Gain on sale of investment securities	5	
Compensation income	215	224
<b>Extraordinary losses</b>		
Loss on sale of fixed assets	1	
Loss on retirement of fixed assets	510	
Impairment loss	2,644	
Loss on valuation of stock of subsidiaries and affiliates	7,547	
Loss on valuation of investments in capital of subsidiaries and affiliates	79	
Provision of allowance for doubtful accounts	368	
Loss due to COVID-19	12,357	
Other extraordinary losses	470	23,980
Income before income taxes		6,758
Income tax – current	5,870	
Income tax – deferred	(1,139)	4,731
<b>Net income</b>		2,027

(Note) The amounts have been rounded down to the nearest unit.

## Nonconsolidated Statement of Changes in Shareholders' Equity

(March 1, 2020 – February 28, 2021)

(Million yen)

	Shareholders' equity					
	Common stock	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance as of March 1, 2020	42,347	42,656	42,656	1,371	351,111	352,482
<b>Changes during period</b>						
Issue of new shares	24	24	24			
Cash dividends					(9,100)	(9,100)
Net income					2,027	2,027
Purchase of treasury stock						
Net change in items other than shareholders' equity						
<b>Total of changes</b>	24	24	24	—	(7,073)	(7,073)
Balance as of February 28, 2021	42,372	42,680	42,680	1,371	344,037	345,408

			Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Total valuation and translation adjustments		
Balance as of March 1, 2020	(5)	437,481	920	920	47	438,449
<b>Changes during period</b>						
Issue of new shares		48				48
Cash dividends		(9,100)				(9,100)
Net income		2,027				2,027
Purchase of treasury stock	(0)	(0)				(0)
Net change in items other than shareholders' equity			109	109	(23)	85
<b>Total of changes</b>	(0)	(7,025)	109	109	(23)	(6,940)
Balance as of February 28, 2021	(6)	430,455	1,029	1,029	23	431,509

(Note) The amounts have been rounded down to the nearest unit.



## Audit Report

Based on the audit report prepared by each Audit & Supervisory Board Member with regard to the performance of duties by the Directors of AEON MALL Co., Ltd. (the “Company”) for the 110th fiscal year (from March 1, 2020 to February 28, 2021), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and hereby report, by a unanimous show of hands, as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit
  - (1) The Audit & Supervisory Board specified audit policies, auditing plan and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audit, and received reports from Directors, etc. and accounting auditor on the status of the performance of their duties and asked them for explanations as necessary.
  - (2) Based on the standards for audit & supervisory board members’ audit stipulated by the Audit & Supervisory Board and according to the auditing policy and auditing plan decided by the Audit & Supervisory Board, individual Audit & Supervisory Board Members communicated with Directors, Management Auditing Department, other employees, etc. by utilizing the Internet and other useful means to make efforts to collect information and improve audit environment, and perform the audit in accordance with the following procedures.
    - (i) The Audit & Supervisory Board Members attended Board of Directors meetings and other notable meetings, received reports from Directors and employees, etc. on execution of their duties, sought requested explanations as necessary from Directors and employees, etc., reviewed important documents regarding significant decisions, and researched the status of business and finance at the head office and other significant offices. With respect to the subsidiaries of the Company, we have maintained good communications and exchanged information with Directors, etc. who are in charge of subsidiaries as well as directors, audit & supervisory board members and others of the subsidiaries and received reports on business conditions from the subsidiaries as needed.
    - (ii) The Audit & Supervisory Board Members received reports from Directors and employees, etc., requested explanations as necessary and expressed their opinions on the status of the establishment and operation regarding the contents of resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that the Directors’ duties, as stated in the business report, are executed in conformity with laws and regulations, and the Articles of Incorporation of the Company, and the establishment of a system necessary to ensure proper business operations of the corporate group consisting of a stock company and its subsidiaries as set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and regarding the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors.

- (iii) With respect to the points to remember stated in Article 118, Item 5(a) of the Ordinance for Enforcement of the Companies Act, and the judgment and reason stated in Item 5(b) of the said Item, which are described in the business report, we examined the contents thereof by taking into account the state of deliberation by the Board of Directors and other bodies.
- (iv) Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, and we received reports from the Accounting Auditor regarding the state of performance of their duties and sought explanations whenever necessity arose. In addition, we received notice from the Accounting Auditor the “system for ensuring the proper performance of duties” (matters set forth in each Item of Article 131 of the Ordinance on Accounting of Companies) is organized in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the aforementioned methods, the Audit & Supervisory Board examined the business report, supporting schedules, and financial statements (the balance sheet, the statement of income, the statement of changes in shareholders’ equity, significant accounting policies and other notes) and other related supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders’ equity, the significant matters forming the basis for preparing consolidated financial statements and other notes).

## 2. Results of audit

### (1) Results of audit of business report and other relevant documents

- (i) In our opinion, the business report and supporting schedules fairly presents the state of the Company in accordance with the laws, regulations and Articles of Incorporation.
- (ii) In connection with the performance of duties by the Directors, no dishonest act or material fact of violation of laws, regulations, or the Articles of Incorporation exists.
- (iii) In our opinion, the contents of the resolution of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found nothing to be pointed out in relation to the details described in the business report and the performance of duties by the Directors regarding the internal control system.
- (iv) With regard to the business with the parent company, etc. described in the business report, we have found nothing to be pointed out in relation to the consideration made for such business so as not to harm the Company’s interests, as well as the judgment of the Board of Directors on whether or not the business harms the Company’s interests and reasons thereof.

### (2) Results of audit of financial statements and related supplementary schedule

In our opinion, the methods and results of audit conducted by the Accounting Auditor, Deloitte

Touche Tohmatsu LLC, are proper.

(3) Results of audit of consolidated financial statements

In our opinion, the methods and results of audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are proper.

April 7, 2021

The Audit & Supervisory Board, AEON MALL Co., Ltd.

Full-time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Maki Watanabe (Seal)

Outside Audit & Supervisory Board Member Takao Muramatsu (Seal)

Outside Audit & Supervisory Board Member Emi Abe (Torii) (Seal)

Audit & Supervisory Board Member Masato Nishimatsu (Seal)