

Message from the President and CEO



Seizing on social change as opportunity, we will shift paradigms through co-creation with local communities, reassessing current business models and creating new value.

President and CEO
Yasutsugu Iwamura

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

First, we would like to express our deepest sympathies to all those who have been affected by the 2024 Noto Peninsula Earthquake. We sincerely hope for a quick recovery.

Many countries experienced the advancing transition to a post-COVID era, and new challenges are emerging that specific to each country and area due to changes in the economic situations and social environments, not to mention evolving customer values and needs.

Operating in such a business environment, AEON MALL Co., Ltd. (the “Company”) last year formulated a 2030 Vision “AEON MALL, Co-Creating With Our Communities.” Together with defining what kind of future we should aim for in our developer business, we have defined how we want to be in the year 2030 through describing a process for realizing our management vision of “becoming a company that will touch the hearts of five billion visitors throughout Asia.”

Working to achieve our 2030 Vision, in our FY2023-FY2025 Medium-Term Management Plan, we are pursuing continuous growth through establishing a fully integrated ESG-based management to create economic, social, and environmental value for stakeholders in order to seize the changes to the business environment as an opportunity to grow together with local communities as a sustainable company.

In fiscal 2023, the initial year of the medium-term management plan, we undertook initiatives to provide an experiential value different from ever before by considering the locational characteristics at the five newly opened facilities. Moreover, in Cambodia, looking to advance business operations that provide solutions to social problems, we took measures to expand beyond the framework of our conventional business activities, such as by opening a logistics center as a base for our new logistics business.

In the area of sustainability, which has attracted much attention in recent years, rather than simply conducting activities that contribute to society, we are looking to guarantee our future survival by promoting initiatives with the aim of showing our future promise to all stakeholders and being the Company of choice. In terms of solving environmental problems, we are pursuing three approaches: (1) realization of a decarbonized society, (2) establishment of circular malls, and (3) conservation of biodiversity. We pursue these initiatives under the title of “Machi no ACTION.”

We are also practicing human capital management to build a foundation for growth, as we believe it is our human resources that are our most crucial management resource in these endeavors.

In these times of increasingly complex social environments and volatility, uncertainty, complexity and ambiguity (VUCA), we must always meet the expectations of our customers and transform ourselves into a company that is supported by our communities more than ever.

We are looking beyond the framework of commercial facilities with the intention of taking on the challenge of business model transformation, involving a deepening ties with communities and business partners by fostering a sense of solidarity with a B to C business model, together with the challenge of new value creation.

We would like to ask our shareholders for their continued understanding and support of the Company's business.

Management philosophy and vision for 2025



Basic Philosophy

Customer First.

Management Philosophy

AEON MALL is a Life Design Developer that works with communities and produces ways of living for the future.

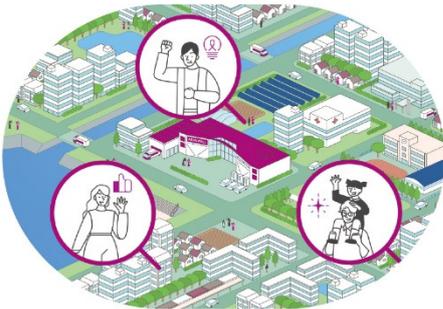
Life Design involves producing ways for people to live in the future — work that drives AEON MALL to create and nurture opportunities for people to meet and engage in cultural activities. Beyond the development of commercial facilities, this work requires our company to expand ways for us to serve people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

Management Vision

Becoming a company that will touch the hearts of

5 billion visitors throughout Asia

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



2030 Vision:
**AEON MALL, Co-Creating With
Our Communities**

2023-2025
Three-Year Business Plan Growth Policy

- Pursue a Regional Shift in Japan and Overseas
- Create a Platform for Health and Wellness



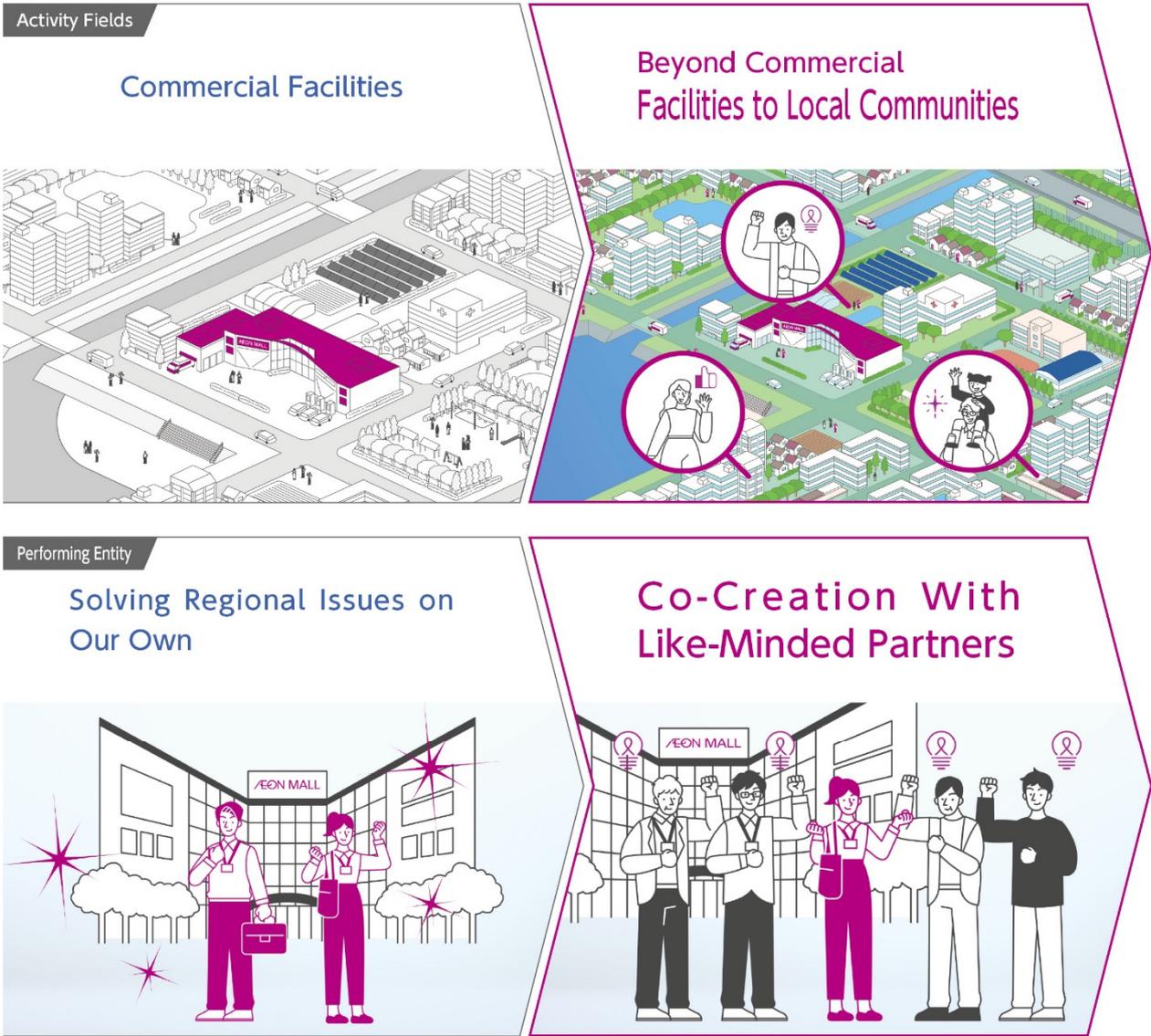
2030 Vision: AEON MALL, Co-Creating With Our Communities

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

We believe that by sharing our philosophy with our customers, partners, local communities, shareholders and investors, we can create a chain of empathy, connecting all like-minded stakeholders and co-creating activities that lead to sustainable futures for our communities.

Continuing to work together with all like-minded stakeholders

————— Past ————— Future —————>



Vision Video

<https://www.aeonmall.com/ir/vision2030/> (in Japanese)



Local Co-Creation Initiatives

<https://www.aeonmall.com/sustainability/articles/> (in Japanese)



Review of FY2023-FY2025 Medium-Term Management Plan

FY2023-FY2025 Medium-Term Management Plan: Policies and Strategies

To advance ESG-based management we have pursued as a growth policy, we have set out two policies to pursue a shift to regional markets in Japan and overseas and to create health and wellness platforms. We are committed to establishing fully integrated ESG-based management to create economic, social, and environmental value for stakeholders, thereby achieving sustainable growth.

Truly Integrated ESG Management

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

Pursue a Regional Shift in Japan and Overseas



Initiatives

Supporting Individual Lifestyles Design Beyond Physical Health

Create a Platform for Health and Wellness



Accelerate the opening of new malls in high-growth areas, and search for and explore new business opportunities that respond to the issues facing each country and region

Discover and Commercialize Business Opportunities in Overseas Growth Markets



Growth Initiatives (Priority Measures)

Use rapid changes in the business environment as an opportunity to promote reform of existing business models to strengthen our ability to attract customers and improve profitability

Pursue Business Model Innovation in Japan



In an era of rapid and uncertain change, expand our business domains by creating new businesses for new value

Create New Business Models that Break From Existing Business Frameworks





Founda-
tion

Strengthen our management foundation that will allow us to achieve sustainable growth toward truly integrated ESG management

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



In order to establish a fully integrated ESG-based management, as our growth initiatives, we plan to discover and commercialize business opportunities in overseas growth markets, pursue business model innovation in Japan, and create new business models that break from existing business frameworks. As the foundation of our growth, we will pursue building strong financial foundations and resilient organizations from the perspective of sustainability.

イオン「も」ールは、
大切なこと、
あれ「も」これ「も」

まちのACTION! 動画公開中



https://www.youtube.com/watch?v=-UL_un6UszA

まちの ACTION!
お客さまとつくる、サステナブルストーリーを。

AEON MALL is working with local communities towards a sustainable society. This is Machi no ACTION! We do what we can, one action at a time, because AEON MALL is close to local life. That's the idea behind this project.

Creating sustainable stories together with our customers

AEON MALL pursues the following three environmental initiatives

<https://www.aeonmall.com/heartful-sustainable/> (in Japanese)



まちの発電所も

AEON MALL is actively promoting the use of renewable energy towards the realization of a decarbonized society. From 2022, we began operations of low-voltage, distributed solar power generation systems via self-directed transmission. We will use low-environmental impact renewable energy generated at approximately 1,390 low-voltage solar power plants in each region at 50 AEON MALL facilities nationwide.



まちの資源循環も

Starting with AEON malls, we aim to create a society that recycles waste as a resource to reduce waste while we work to build a system for reuse. In order to achieve a “circular mall” that recycles resources according to the circular economy concept, we are promoting the 6Rs and working toward the establishment of a recycling-oriented society through co-creation with our customers, partners, and the local communities.



まちのいきもの+も

Since 1991, when a new store opens, AEON has held tree-planting activities together with customers, planting native trees that are most suited to the local natural environment. In addition to ongoing tree-planting activities, AEON MALL is also promoting actions to conserve local creatures, with the aim of creating ecologically and environmentally friendly facilities.

Key outcomes of activities in FY2023

April

AEON MALL Toyokawa (Aichi Prefecture)



In addition to providing open, relaxing spaces to spend time, such as outdoor terraces in lush garden spaces where local residents can gather and mingle, the mall is also working to solve environmental issues through initiatives such as solar power generation using a solar carport and biogas power generation using food waste.

THE OUTLETS SHONAN HIRATSUKA (Kanagawa Prefecture)



Opened as the third store in the THE OUTLETS category. In addition to providing an enriching shopping experience in a lush green environment, the outlets are partnering with Hiratsuka city, Shonan Bellmare, and other entities to foster harmony with the local community.

November

AEON MALL Wuhan Jiangxia (China)



The mall features entertainment facilities for adults and children alike, as well as a zone for experiencing a wide variety of foods. The mall has atrium spaces for each of the five themes within the mall, and a park on the rooftop that can be used for various purposes, such as a basketball court, an event plaza, and a grassy multipurpose plaza, providing spaces for customers of all ages to interact.

July

Sihanoukville FTZ Logistics Center (Cambodia)



Established as a base for new logistics business in Cambodia. Located in a special economic zone adjacent to the Port of Sihanoukville, which processes the largest cargo volume in the country, the center is expected to grow into a new hub in the Southeast Asia area as cargo volume increases in tandem with Cambodia's economic development.

October

JYUGAOKA de aone (Tokyo)



In addition to lush green terraces where local people can relax and gather, unique specialist shops have been introduced to add to the quality of daily life. The adoption of an urban, green, walkable environment design will further enhance the Jiyugaoka brand, which has grown and gained popularity with local residents, and is creating a lively atmosphere.

December

CeeU Yokohama (Kanagawa Prefecture)



Together with the adjacent Yokohama VIVRE, the mall aims to create a facility that contributes to the creation of a lively atmosphere at the Yokohama Station West Exit area. Local production for local consumption of materials is addressed by using lumber from Kanagawa Prefecture for the walls of the elevator lobbies.

Building Governance Structures for Supporting Growth

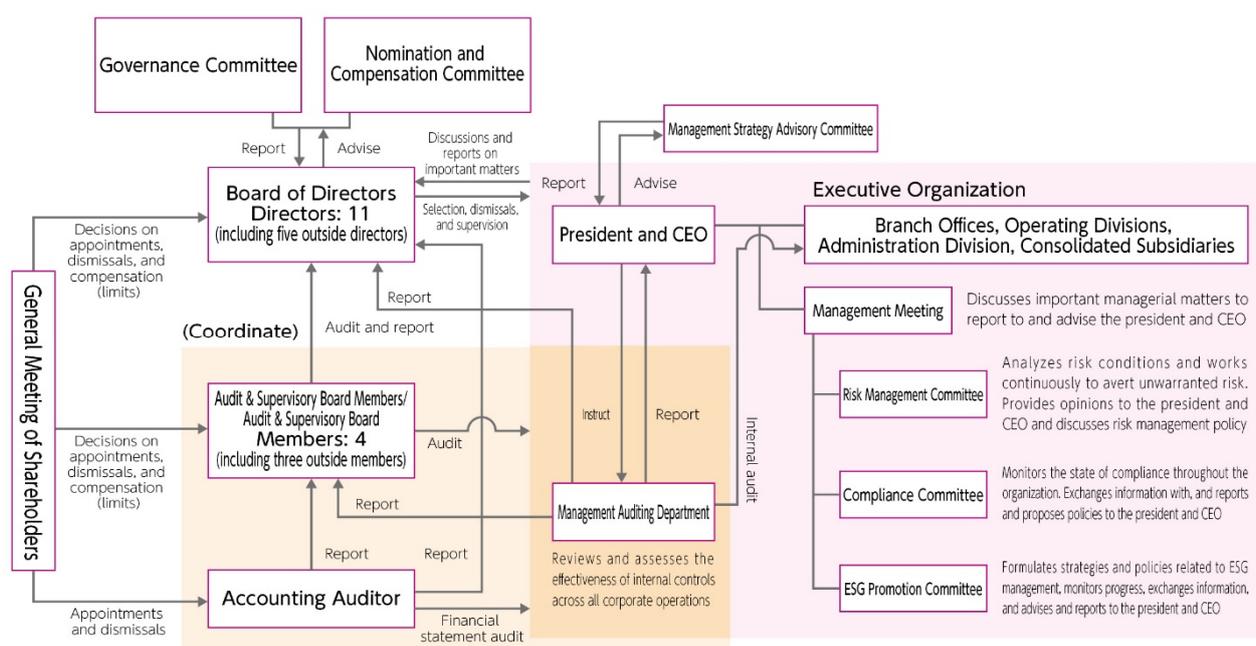
Basic stance for corporate governance

- a We provide an environment to support shareholder rights and the execution of said rights to ensure consistency and fairness. We work in appropriate cooperation with shareholders toward the goal of sustainable growth.
- b Our Board of Directors and senior management respect the rights and perspectives of customers, local communities, partners, employees, shareholders, investors, and other stakeholders, as well as ethics in our business activities, and exercise proper leadership in fostering a corporate culture and climate and in positively engaging in sustainability initiatives.
- c 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.
- d Our Board of Directors consists of members with diverse experience and expertise, leveraging AEON MALL's strength as a developer with background in retail business. The Board of Directors works to strengthen our supervisory function by appointing Independent Outside Directors and establishing the Governance Committee and the Nomination and Compensation Committee. Moreover, an executive officer system has been established to speed up management decision-making, separate the supervisory and business execution functions and realize highly transparent management. The executive officers also establish the important corporate strategies of the long-term visions and medium- to long-term management plans and promotes measures to achieve them.
- e We reflect feedback and input received through constructive dialogue with shareholders in management to improve our corporate value.

The Company's Corporate Governance Reform History (as of February 29, 2024)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|---|--|------|------|------|------|------|------|------|------|--|---------------------------------------|------|------|--|------|------|------|--|
| Corporate governance system | Company with Board of Directors, company with Audit & Supervisory Board | | | | | | | | | | | | | | | | | |
| Committees | Chair: Outside Director (comprised of a majority of Independent Outside Directors) | | | | | | | | | | Nomination and Compensation Committee | | | | | | | |
| | Chair: President and CEO (comprised of Officers *excluding Advisors) | | | | | | | | | | | | | Management Strategy Advisory Committee | | | | |
| | Chair: Outside Director (comprised only of Independent Outside Directors) | | | | | | | | | | | | | Governance Committee | | | | |
| Number of Directors | 20 | 17 | 13 | 14 | 11 | 12 | 11 | 12 | 13 | 14 | 13 | 11 | | | | | | |
| Of which, Independent Outside Directors | | | | | | | 1 | 2 | | | | 3 | 5 | | | | | |
| Of which, female Directors | | | | | | | 1 | | | 2 | | | | 4 | 3 | | | |
| Number of Audit & Supervisory Board Members | 4 | | | | | | | | | | | | | | | | | |
| Of which, Outside Audit & Supervisory Board Members | 4 | 3 | | | | 4 | | | 3 | | | | | | | | | |
| Of which, Independent Outside Audit & Supervisory Board Members | | | | | 2 | | | 1 | 2 | | | | | | | | | |
| Of which, female Audit & Supervisory Board Members | | | | | 1 | | | | | 2 | | | | | | | | |
| Operations of the Board of Directors, etc. | | | | | | | | | | Assessment of the effectiveness of the Board of Directors | | | | | | | | |
| | | | | | | | | | | Meetings between the President and CEO and Outside Officers (2~3 times a year) | | | | | | | | |

Corporate Governance Organization Chart (as of February 29, 2024)



In addition to the Board of Directors and the Audit & Supervisory Board, which are supervisory bodies stipulated by laws and regulations, the Company has established a total of six advisory bodies (Nomination and Compensation Committee, Governance Committee, Management Strategy Advisory Committee, and Management Meeting (Risk Management Committee, Compliance Committee, and ESG Promotion Committee)) to strengthen corporate governance functions. Within each advisory body, specific matters to be deliberated, mainly by Outside Directors, are as follows, and the Company is working to improve competitiveness through prompt decision-making. The Management Strategy Advisory Committee is chaired by the President and CEO, since he takes the lead in advancing management policy and management strategy issues. Like other advisory committees, this Committee actively discusses, deliberates and works to resolve the issues under the reporting and advice of Outside Directors and Outside Audit & Supervisory Board Members.

Governance Committee FY2023 Number of times held: 8 times (established in October 2021)



Chair:
Chisa Enomoto

Main roles

In order to appropriately reflect the opinions of minority shareholders in the Board of Directors, the Committee, consisting solely of Independent Outside Directors, discusses the rationality and appropriateness of transactions with the parent company, group companies, etc., on agenda items for the Board of Directors from a standpoint independent of management and controlling shareholders, and reports to the Board of Directors on the Committee's approval or disapproval and a summary of reasons for its decision.

Chair's comment

We look at the proposals examined by the Board of Directors to confirm appropriateness of management judgments, offering suggestions as to the making any revisions that may be required to standards based on the actual circumstances, while taking into account changes in the external environment and country risks. The Committee also strengthens its involvement by allowing its members to set themes that contribute to the improvement of the Company's governance functions and by promoting discussions on such topics. We will continue to strive to meet the expectations of all stakeholders by maximizing the value of our brand while strictly supervising management from the perspective of minority shareholders.

Composition of the Committee



Five Independent Outside Directors

Nomination and Compensation Committee

FY2023 Number of times held: 5 times (established in December 2018)



Chair:
Kunihiro Koshizuka

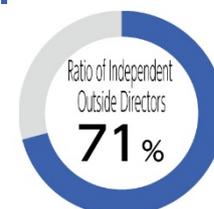
Main roles

In accordance with the rules of the Nomination and Compensation Committee, the Committee discusses mainly "nomination of Director candidates and policies" and "appropriateness of performance evaluations of each Director in determining basic and performance-based compensation for Directors" and reports to the Board of Directors as appropriate.

Chair's comment

In addition to playing an important role in governance by selecting and evaluating Directors, the Committee discusses "policies and plans for the development of successors, etc. for Director candidates" in relation to human resources who are likely to be Director candidates in the next fiscal year, and it provides advice to help candidates enhance their management perspectives and advance as future managers. With regard to the nominations for officer changes and matters concerning remuneration relevant to this meeting, all the members that are Outside Directors were interviewed individually and sincere discussions were held before submitting the consensus of the committee to the Board of Directors. Through discussions at Committee meetings, we will continue to strive to achieve sustainable growth, enhance corporate value, and improve the corporate governance structure of the Company.

Composition of the Committee



Five Independent Outside Directors
Two Inside Directors

Management Strategy Advisory Committee

FY2023 Number of times held: 12 times (established in May 2021)



Chair:
Yasutsugu Iwamura

Main roles

With respect to initiatives and solutions for important policy and management strategy issues, the Committee promotes them based on the opinions and advice from Independent Outside Officers, and it provides advice and reports in consultation with the President and CEO.

Chair's comment

Toward the realization of the Company's long-term vision, the Committee held discussions from various perspectives on the creation of new value beyond existing businesses, the formulation of medium- to long-term management strategies and specific measures to resolve issues.

While taking advantage of the diverse knowledge of the Independent Outside Officers, the Committee will continue to hold discussions not for the purpose of making resolutions, but as an opportunity for free discussion without being bound by formality and a place for new ideas to emerge. In order to further evolve ESG management, which we have been promoting as a growth measure, we will aim for sustainable growth by realizing "truly integrated ESG management" that creates economic, social, and environmental value for our stakeholders under the policies of "pursuing a regional shift in Japan and overseas" and "creating a platform for health and wellness."

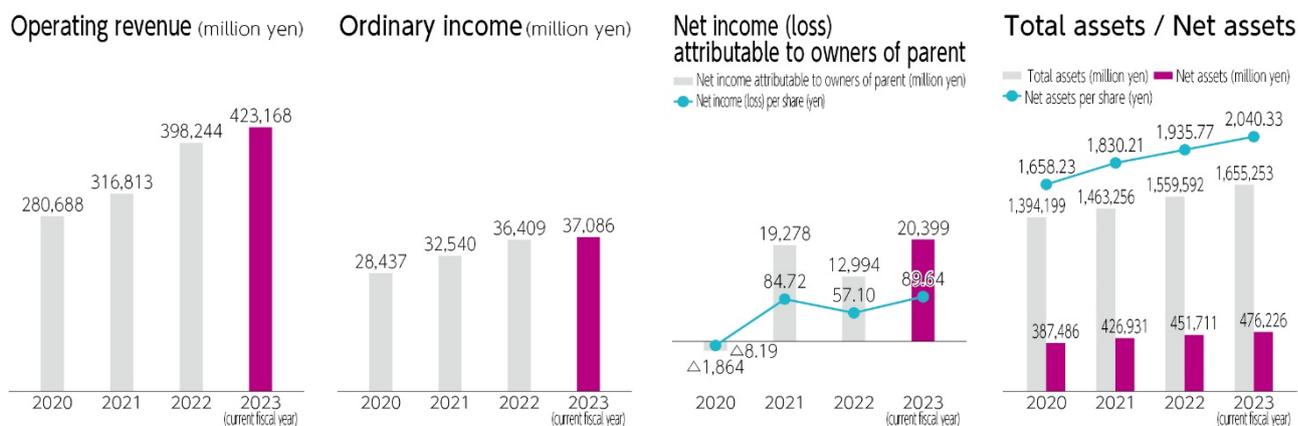
Composition of the Committee



Five Independent Outside
Directors
Four Audit & Supervisory
Board Members
Five Inside Directors

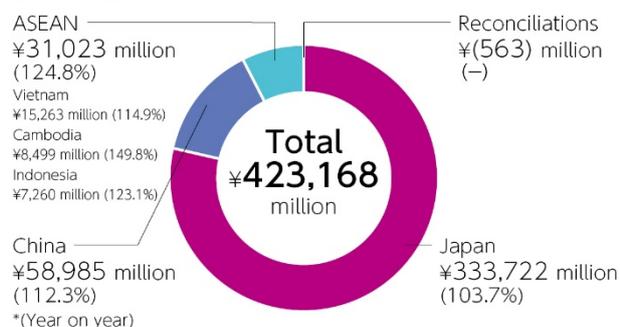
(Reference)

Business Report Summary

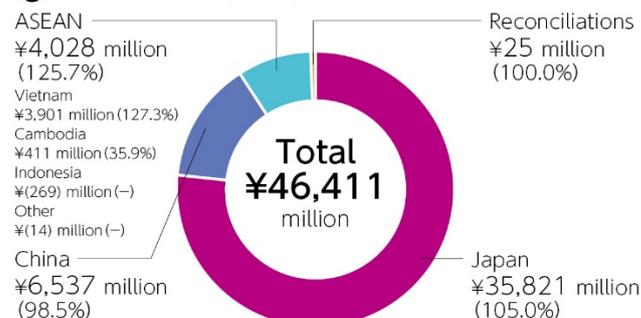


Operating Results by Segment

Operating Revenue



Segment Income (Loss)



Financial highlights

| | |
|--|---|
| <p>Operating revenue</p> <hr/> <p>¥423,168 million</p> <p>Year on year 106.3%</p> | <p>Operating income</p> <hr/> <p>¥46,411 million</p> <p>Year on year 105.5%</p> |
| <p>Ordinary income</p> <hr/> <p>¥37,086 million</p> <p>Year on year 101.9%</p> | <p>Net income attributable to owners of parent</p> <hr/> <p>¥20,399 million</p> <p>Year on year 157.0%</p> |

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

May 2, 2024

Start date of measures for electronic provision: April 30, 2024

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 113th Ordinary General Meeting of Shareholders

You are cordially informed of the 113th Ordinary General Meeting of Shareholders of **AEON MALL Co., Ltd.** (the “Company”), to be held as described below:

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures to provide the contents of the Reference Documents for the General Meeting of Shareholders (matters to be provided electronically) electronically, and has made these available on each of the following websites. Please access any of these websites to review the documents.

[The Company Website]

<https://www.aeonmall.com/ir/event/meeting/> (in Japanese)

[General Meeting of Shareholders Materials Website]

<https://d.sokai.jp/8905/teiji/> (in Japanese)

[TSE Website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(When accessing the TSE Website above, please enter or search for “Aeon Mall” under “Stock Name (Company Name),” or use the Company’s stock code, “8905,” under “Code.” Select “Basic Information” then “Documents for Public Inspection/PR Information,” and review the “Notice of General Meeting of Shareholders/Reference Documents for General Meeting of Shareholders” listed under “Documents for Public Inspection”).

In lieu of attending the meeting in person, you may vote in writing or on the Internet. Please cast your vote by 6:00 p.m. on Wednesday, May 22, 2024 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

[For those voting on the Internet]

To vote online, please visit the website designated by the Company (<https://soukai.mizuho-tb.co.jp/>), enter the “Voter Code” and password displayed on the enclosed Form for Exercising Voting Rights, and follow the instructions displayed onscreen to record your votes either for or against the agenda items before the deadline indicated above.

When voting on the Internet, please refer to the “Guide to Exercising Voting Rights on the Internet” below.

[For those voting in writing (by postal mail)]

Please indicate your vote either for or against the agenda items on the Form for Exercising Voting Rights and return it to us by postal mail to reach us by the deadline indicated above.

1. Date and Time: Thursday, May 23, 2024; 10:00 a.m.

2. Location 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 113th fiscal year (from March 1, 2023 to February 29, 2024) and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and Audit & Supervisory Board
2. Nonconsolidated Financial Statements for the 113th fiscal year (from March 1, 2023 to February 29, 2024)

Matters to be resolved:

Agenda Item: Election of twelve (12) Directors

4. Matters prescribed for convocation

- a. When voting in writing (by postal mail), in the event a vote either for or against is not indicated for any of the agenda items on the Form for Exercising Voting Rights, this will be treated as a vote in favor of the agenda item in question.
- b. 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.
- c. If you make a diverse exercise of voting rights, please notify the Company of your intention to do so and state your reason for this no later than three (3) days before the meeting.

[For those attending the meeting]

Attendees are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist on the day of 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 items and return the completed enclosed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Wednesday, May 22, 2024.

[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 22, 2024.

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.

1. Attendees are kindly requested to present the Form for Exercising Voting Rights sent together with this Notice to the receptionist on the day of the meeting.
2. Among the matters to be provided electronically, pursuant to laws and regulations and Article 15 of the Company’s Articles of Association, notes to Consolidated Financial Statements and Nonconsolidated Financial Statements are not included in the documents delivered to shareholders who have requested physical copies of the documents, but are available on each of the websites as “Matters Not Included in Paper-Based Documents Delivered to Shareholders Who Have Made a Request for Delivery of Such Documents Based on Laws and Regulations and the Articles of Association for Notice of the 113th Ordinary General Meeting of Shareholders.”
3. The Consolidated Financial Statements and Nonconsolidated Financial Statements audited by the accounting auditor and Audit & Supervisory Board Members consist of “Notice of the 113th Ordinary General Meeting of Shareholders,” and the notes to the Consolidated Financial Statements and Nonconsolidated Financial Statements available on each of the websites.
4. If circumstances arise that necessitate revisions to the matters provided electronically, a statement to that effect and the matters before and after revision shall be posted on each of the websites.

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).

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 twelve (12) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, we request the election of twelve (12) Directors, including four (4) new candidates for Director, for the purpose of steadily promoting the growth initiatives set forth in the medium-term management plan, such as further strengthening the profitability of our overseas operations, as well as strengthening the management foundation to enable sustainable growth toward achieving fully integrated ESG-based management.

The candidates for Directors are as follows.

| No. | Name | | | | Current position and responsibility in the Company | Attendance at Board of Directors meetings | Tenure | Nomination and Compensation Committee | Management Strategy Advisory Committee | Governance Committee |
|-----|--------------------|--------------|---------|-------------|--|---|----------|---------------------------------------|--|----------------------|
| 1 | Keiji Ono | New election | | | Counselor | – | – | ○ | ◎ | |
| 2 | Mitsuhiro Fujiki | Reelection | | | Senior Managing Director, Executive General Manager, Administration Division | 15/15 (100%) | 9 years | ○ | ○ | |
| 3 | Hideki Hayami | New election | | | Executive General Manager, Finance & Accounting Division | – | – | | ○ | |
| 4 | Motoya Okada | Reelection | | | Director and Advisor | 14/15 (93%) | 26 years | | | |
| 5 | Shinichiro Minami | Reelection | | | Director, Executive General Manager, Development Division | 12/12 (100%) | 1 year | | ○ | |
| 6 | Daisuke Isobe | New election | | | Executive General Manager, Overseas Business Division | – | – | | ○ | |
| 7 | Masayuki Tsuboya | New election | | | Executive General Manager, Customer Experience Creation Division | – | – | | ○ | |
| 8 | Kunihiro Koshizuka | Reelection | Outside | Independent | Director | 15/15 (100%) | 4 years | ◎ | ○ | ○ |
| 9 | Chisa Enomoto | Reelection | Outside | Independent | Director | 15/15 (100%) | 3 years | ○ | ○ | ◎ |
| 10 | Hironobu Kurosaki | Reelection | Outside | Independent | Director | 15/15 (100%) | 3 years | ○ | ○ | ○ |
| 11 | Junko Owada | Reelection | Outside | Independent | Director | 15/15 (100%) | 3 years | ○ | ○ | ○ |
| 12 | Junko Taki | Reelection | Outside | Independent | Director | 15/15 (100%) | 2 years | ○ | ○ | ○ |

(Note 1) Tenures and the composition of each committee are current as of the end of this General Meeting of Shareholders.

◎: Chair

○: Committee Member

(Note 2) Shinichiro Minami was appointed as Director at the 112th Ordinary General Meeting of Shareholders held on May 17, 2023, and the status shown is his attendance at Board of Directors meetings after the said date.

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 supervision and proposals from an independent standpoint that ensure the appropriateness and validity of decisions of the Board of Directors.

Expertise and experience of candidates for Director <skill matrix>

In selecting candidates for Director that will make up the Board of Directors, the goal is for the Board of Directors to be composed of personnel with the expertise and knowledge to be able to strengthen its management oversight function and to utilize the unique qualities of the Company's business to advance growth policies.

- * The below skill matrix is intended to clarify the balance of skills of the Board of Directors and does not represent all of the expertise and experience possessed by each candidate.

| Candidate for Director | Corporate management | Internal control | Treasury, accounting and finance | Real estate | | Diversity and work-style reform | Digital transformation | Sustainability | Global experience | Marketing branding |
|------------------------------|----------------------|------------------|----------------------------------|--------------------------|-----------|---------------------------------|------------------------|----------------|-------------------|--------------------|
| | | | | Planning and development | Operation | | | | | |
| Keiji Ono | • | | | | • | | | • | • | |
| Mitsuhiro Fujiki | | • | | | | • | | • | | |
| Hideki Hayami | • | | • | | | | | | | • |
| Motoya Okada | • | | | | | | | • | • | |
| Shinichiro Minami | | | | • | | | | • | • | |
| Daisuke Isobe | | | | • | • | | | | • | |
| Masayuki Tsuboya | | | | • | • | | | | • | |
| Kunihiro Koshizuka (Outside) | • | • | | | | | • | | | |
| Chisa Enomoto (Outside) | | • | | | | | | • | | • |
| Hironobu Kurosaki (Outside) | • | | | | | | | | • | |
| Junko Owada (Outside) | | • | | | | • | | | | |
| Junko Taki (Outside) | | • | • | | | | | | | |

| | | | |
|---|-----------------------------------|-----------------|---|
| Candidate no. 1 | Keiji Ono (March 13, 1973) | New election |  |
| <p>[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]</p> <p>Apr. 1995 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)</p> <p>Sep. 2009 Manager, JUSCO Musashi Murayama Mall, AEON Retail Co., Ltd.</p> <p>Feb. 2011 General Manager of Corporate Planning Division, Minami Kanto Company, AEON Retail Co., Ltd.</p> <p>Mar. 2012 Group Customer Service Officer, AEON CO., LTD. and General Manager of Customer Service Division, AEON Retail Co., Ltd.</p> <p>Mar. 2013 General Manager of Sales Division, AEON (Thailand) Co., Ltd.</p> <p>May 2015 Director and President, AEON (CAMBODIA) Co., Ltd.</p> <p>Mar. 2021 President and CEO, AEON RYUKYU Co., Ltd.</p> <p>Jul. 2022 Director and President, AEON CO. (M) BHD.</p> <p>Mar. 2023 Executive Officer in Charge of Malaysia, AEON CO., LTD.</p> <p>Mar. 2024 Counselor, the Company (to present)</p> | | | |

Reasons for selection as a candidate for Director

After working as a store manager and in the Corporate Planning Department in the AEON Group's general merchandise store (GMS) business, Keiji Ono has abundant management experience and a track record of business promotion in Japan and overseas, including Malaysia, the core of the Group's overseas operations, Cambodia, and AEON RYUKYU Co., Ltd. The Company has nominated him as a new candidate for Director because it has determined that his experience and knowledge are appropriate for promoting medium- to long-term management issues and achieving profitable growth, such as capturing business opportunities in overseas growth markets and enhancing the value of malls through co-creation with our communities.

Conflicts of interest

No conflict of interest exists between the Company and Keiji Ono.

| | | | |
|---|---|------------|---|
| Candidate no. 2 | Mitsuhiro Fujiki (November 21, 1960) | Reelection |  |
| <p>[Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company]</p> <p>Apr. 1985 Joined the Company</p> <p>Apr. 2011 General Manager of AEON MALL Niihama, the Company</p> <p>Nov. 2012 General Manager of AEON MALL Miyazaki, the Company</p> <p>Apr. 2013 General Manager of West Japan Business Department, Sales Division, the Company</p> <p>Sep. 2014 General Manager of Chushikoku Business Department, Sales Division, the Company</p> <p>Apr. 2015 General Manager of Sales Division, the Company</p> <p>May 2015 Director, General Manager of Sales Division, the Company</p> <p>Apr. 2017 Director, General Manager of Leasing Division, the Company</p> <p>May 2018 Managing Director, General Manager of Leasing Division, the Company</p> <p>Apr. 2021 Managing Director, General Manager of Customer Experience Creation Division, the Company</p> <p>May 2021 Senior Managing Director, General Manager of Customer Experience Creation Division, the Company</p> <p>Apr. 2023 Senior Managing Director, Executive General Manager, Customer Experience Creation Division, the Company</p> <p>Apr. 2024 Senior Managing Director, Executive General Manager, Administration Division, the Company (to present)</p> | | | |

Reasons for selection as a candidate for Director

Since joining the Company, Mitsuhiro Fujiki has engaged primarily in the operation of shopping malls and in leasing operations and led the Customer Experience Creation Division, and since April 2024, he has served as Executive General Manager of Administration Division. He has served as Director since 2015. The Company has nominated him for another term as a candidate for Director because he has extensive knowledge and experience related to internal business, and can play a role in promoting business strategies from a management perspective.

Conflicts of interest

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

| | | | |
|--|---------------------------------------|-----------------|--|
| Candidate no. 3 | Hideki Hayami (March 15, 1973) | New election |  Number of the Company's shares owned: 0 shares Tenure – years Attendance at Board of Directors meetings –/– |
| [Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company] Apr. 1996 Joined JUSCO Co., Ltd. (now AEON CO., LTD.) May 2012 Director, General Manager of Corporate Management Department, COX CO., LTD. Feb. 2016 Director, in charge of Administration, COX CO., LTD Mar. 2017 General Manager of Business Management Department, AEON CO., LTD. May 2018 Audit & Supervisory Board Member, the Company Mar. 2020 Director and Managing Executive Officer in charge of Business Management, AEON Retail Co., Ltd. Apr. 2024 Director, AEON Retail Co., Ltd. (part-time) (to present) Apr. 2024 Executive General Manager of Finance & Accounting Division, the Company (to present) | | | |

Reasons for selection as a candidate for Director

Hideki Hayami has experience as a Director of AEON Group companies and as an Audit & Supervisory Board Member of the Company. In particular, as Director in charge of Business Management, at AEON Retail Co., Ltd., the largest retailer in the AEON Group, he supported the turnaround of the underperforming general merchandise store (GMS) business from an administrative perspective and contributed to the improvement of profitability. The Company has nominated him as a new candidate for Director because he is a candidate who can contribute to the expansion of our profits by utilizing his abundant experience and knowledge in business management.

Conflicts of interest

No conflict of interest exists between the Company and Hideki Hayami.

| | | | |
|---|-------------------------------------|------------|---|
| Candidate no. 4 | Motoya Okada (June 17, 1951) | Reelection |  Number of the Company's shares owned: 5,280 shares Tenure 26 years Attendance at Board of Directors meetings 14/15 |
| [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 his extensive experience and ability as a business manager, and with the goal of increasing the effectiveness of the administration of sound business management for the Company and the Group strategy, the Company has nominated Motoya Okada for another term as a candidate for Director.

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.

| | | | |
|--|--|------------|---|
| Candidate no. 5 | Shinichiro Minami (August 21, 1974) | Reelection |  Number of the Company's shares owned: 4,376 shares Tenure 1 year Attendance at Board of Directors meetings 12/12 |
| [Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company] Apr. 2000 Joined the Company Feb. 2012 General Manager of AEON MALL Hubei Development Department, China Division, the Company Apr. 2013 General Manager of AEON MALL Hubei Administration Department, China Division, the Company Jun. 2015 General Manager of Wuhan Jinyintan, AEON MALL (Hubei) Business Management Co., Ltd. Oct. 2016 General Manager of Wuhan Jinqiao, AEON MALL (Wuhan) Business Management Co., Ltd. May 2018 President of AEON MALL (Hubei) Business Management Co., Ltd. Oct. 2020 General Manager of Chushikoku Business Department, Sales Division, the Company May 2023 Director, Executive General Manager, Development Division, the Company (to present) | | | |

Reasons for selection as a candidate for Director

Since joining the Company, Shinichiro Minami has been engaged in the planning and development business, and has driven the development of new malls in the Wuhan area as the General Manager in charge of development in Hubei Province, China, as well as mall operations in the area as General Manager and President. In Japan, he has promoted area strategies for the Chugoku and Shikoku area as General Manager of Chushikoku Business Department, and has been Executive General Manager of Development Division since April 2023. The Company has nominated him for another term as a candidate for Director because he possesses the business promotion, leadership, and risk response skills acquired through his experience in development and operation of malls in Japan and overseas, and is capable of leading future development operations, including strategic planning for the construction of next-generation malls and the development of diverse value offerings.

Conflicts of interest

No conflict of interest exists between the Company and Shinichiro Minami.

(Note) Shinichiro Minami was appointed as Director at the 112th Ordinary General Meeting of Shareholders held on May 17, 2023, and the status shown is his attendance at Board of Directors meetings after the said date.

| | | | |
|--|------------------------------------|--------------|--|
| Candidate no. 6 | Daisuke Isobe (May 7, 1969) | New election |  Number of the Company's shares owned: 1,800 shares Tenure – years Attendance at Board of Directors meetings –/– |
| [Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company] Aug. 2003 Joined the Company Apr. 2012 General Manager of AEON MALL Sakai Kitahanada, the Company May 2015 General Manager, AEON MALL BSD CITY, PT. AEON MALL INDONESIA Jan. 2018 President Director, PT. AEON MALL INDONESIA Mar. 2022 General Manager of Nishikinki Business Department, Sales Division, the Company Apr. 2023 Branch Manager of West Japan Branch, the Company Apr. 2024 Executive General Manager of Overseas Business Division, the Company (to present) | | | |

Reasons for selection as a candidate for Director

Since joining the Company, Daisuke Isobe has served as General Manager of a domestic mall, General Manager of the opening of new malls in Indonesia, and President Director of a local subsidiary.

He then returned to Japan and served as General Manager of department and Branch Manager. The Company has nominated him as a new candidate for Director because he has practical experience as a manager and knowledge of management decision-making, and he is a candidate who can contribute to strengthening the profitability of our overseas operations and creating new sources of revenue through new businesses.

Conflicts of interest

No conflict of interest exists between the Company and Daisuke Isobe.

| | | | |
|---|--|-----------------|---|
| Candidate no. 7 | Masayuki Tsuboya (April 25, 1969) | New election |  |
| [Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company] Sep. 2003 Joined the Company May 2005 General Manager of Diamond City Itami Terrace, the Company Apr. 2011 General Manager of Human Resource Management Department, the Company May 2013 General Manager of West Japan Leasing Department, Leasing Management Department, the Company Nov. 2017 General Manager of Kyusyu & Okinawa Business Department, Sales Management Department, the Company Mar. 2020 Managing Director, AEON MALL (CAMBODIA) Co., Ltd. Feb. 2022 Managing Director, AEON MALL (CAMBODIA) LOGI PLUS Co., Ltd. Apr. 2024 Executive General Manager of Customer Experience Creation Division, the Company (to present) | | | Number of the Company's shares owned: 0 shares Tenure – years Attendance at Board of Directors meetings –/– |

Reasons for selection as a candidate for Director

Since joining the Company, Masayuki Tsuboya has experienced a wide range of business areas both domestically and internationally. After working as an organizational manager in Japan, with roles including mall management, human resources, training, area leasing, and business manager, he also has served as Managing Director of local subsidiaries in Cambodia. The Company has nominated him as a new candidate for Director because he is a candidate who can promote and reform our business and can strengthen our domestic sales capabilities and drive revenue expansion.

Conflicts of interest

No conflict of interest exists between the Company and Masayuki Tsuboya.

| | | | | | |
|--|--|------------|---------|-------------|---|
| Candidate no. 8 | Kunihiro Koshizuka (September 30, 1955) | Reelection | Outside | Independent |  |
| [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. May 2020 Outside Director, the Company (to present) Jun. 2021 External Director, Tokyu Construction Co., Ltd. (to present) Jun. 2022 Outside Director, WILL GROUP, INC. (to present) Jun. 2022 Outside Director, F.C.C. Co., Ltd. (to present) | | | | | Number of the Company's shares owned: 0 shares Tenure 4 years Attendance at Board of Directors meetings 15/15 |

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 as a director. The Company is confident that he will be able to provide appropriate supervision and advice related to the promotion of digital transformation, businesses creating future lifestyles that respond to the new era and management issues by applying his knowledge and experience in digital and scientific technologies gained as an engineer. He also serves as Chair of the Nomination and Compensation Committee. 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.

| | | | | | |
|--|--|------------|---------|-------------|--|
| Candidate no. 9 | Chisa Enomoto (August 12, 1961) | Reelection | Outside | Independent |  Number of the Company's shares owned: 0 shares Tenure 3 years Attendance at Board of Directors meetings 15/15 |
| [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) May 2021 Outside Director, the Company (to present) Jun. 2022 Outside Director, Japan Post Co., Ltd. (to present) Apr. 2024 Trustee, 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 position as an outside director at other companies and initiatives at a university. The Company is confident that she will provide supervision and advice on the sustainability information disclosure and promotion of brand strategy, which are the Company's important issues, based on her deep insight and multifaceted point of view. She also serves as Chair of the Governance Committee. 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 Chisa Enomoto.

| | | | | | |
|---|--|------------|---------|-------------|--|
| Candidate no. 10 | Hironobu Kurosaki (September 7, 1960) | Reelection | Outside | Independent |  Number of the Company's shares owned: 0 shares Tenure 3 years Attendance at Board of Directors meetings 15/15 |
| [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 May 2021 Outside Director, the Company (to present) | | | | | |

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

The Company has nominated Hironobu Kurosaki for another term as a candidate for Director because it is confident he is able to provide appropriate supervision and advice on the Company's growth policy of discovering and commercializing business opportunities in overseas growth markets, based on his management experience in overseas business activities and business expansion and knowledge in risk management gained as the head (President) of a local subsidiary.

Conflicts of interest

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

| | | | | | |
|---|--|------------|---------|-------------|--|
| Candidate no. 11 | Junko Owada (August 31, 1965) | Reelection | Outside | Independent |  Number of the Company's shares owned: 0 shares Tenure 3 years Attendance at Board of Directors meetings 15/15 |
| [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) May 2021 Outside Director, the Company (to present) Jan. 2023 Outside Director, H.I.S. 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 provide supervision and advice on the promotion of human capital, diversity and work-style reform, which are the Company's important issues, by utilizing the said experience or achievements. 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 Junko Owada.

| | | | | | |
|---|---|------------|---------|-------------|--|
| Candidate no. 12 | Junko Taki (July 17, 1967) | Reelection | Outside | Independent |  Number of the Company's shares owned: 0 shares Tenure 2 years Attendance at Board of Directors meetings 15/15 |
| [Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company] Apr. 1990 Joined ORIX Corporation Oct. 1997 Joined Asahi & Co. (now KPMG AZSA LLC) Jun. 2018 General Manager of Global strategies Department, Suminoe Textile Co., Ltd. Aug. 2019 General Manager of Global strategies Department and General Manager of Management Planning Department, Suminoe Textile Co., Ltd. Feb. 2021 Representative, Taki CPA Office (to present) May 2022 Outside Director, the Company (to present) Jun. 2022 Outside Audit & Supervisory Board Member, Nitta Gelatin Inc. (to present) Jun. 2022 Outside Director, NIHON KAGAKU SANGYO CO., LTD. (to present) | | | | | |

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

Although she has never been involved directly in the management of a company in any way other as an outside officer, Junko Taki has operational experience mainly in business plan formulation, rebuilding business management platforms, and creating internal control systems for accounting in executive positions close to management at other companies. She also has a high level of knowledge as an expert mainly in accounting auditing, accounting consulting, and corporate governance as a certified public accountant. Using this experience and knowledge, the Company expects her to provide appropriate supervision and advice on investment decisions, business strategy, and internal control auditing of the Company's financial sector. 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 Junko Taki.

(Notes)

1. The Company has entered into limited liability agreements with Kunihiro Koshizuka, Chisa Enomoto, Hironobu Kurosaki, Junko Owada, and Junko Taki 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. The summary of details of the agreement is as follows:
 - (i) 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.
 - (ii) 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.
2. The Company notified the Tokyo Stock Exchange of the election of Kunihiro Koshizuka, Chisa Enomoto, Hironobu Kurosaki, Junko Owada, and Junko Taki, 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.
3. 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. When the agreement is renewed, the Company plans to renew the insurance agreement with said details.

Outline of Directors and Officers Liability Insurance (“D&O Insurance”) Agreement

(1) Scope of insureds

Directors, Audit & Supervisory Board Members and other officers of the Company

(2) Share of actual insurance premiums by insured persons

The Company will bear all insurance expenses with no expenses borne by the insured persons.

(3) Outline of insured events covered

The insurance agreement covers 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.

(Reference) Independence Standards and Qualification for Independent Outside Directors

When electing independent Outside Directors, in addition to following independence standards designated by the Tokyo Stock Exchange, candidates are selected from people with experience in various industries or in management who possess diverse perspectives, abundant experience, in-depth understanding, and specialized expertise, and candidates who can contribute to candid, active and constructive discussions at Board of Directors’ meetings are elected.

Business Report for Fiscal 2023

(March 1, 2023– February 29, 2024)

1. Status of the corporate group

(1) Business operations during the fiscal year under review

(i) Progress and results of operations

a. Explanation of consolidated results of operations

We recorded the highest revenue on record and higher profit for the consolidated fiscal year ended February 29, 2024. Operating revenue amounted to ¥423,168 million (+6.3% year on year), while operating income amounted to ¥46,411 million (+5.5%) and ordinary income amounted to ¥37,086 million (+1.9%). Although ¥3,660 million in extraordinary losses were recorded, including ¥650 million in provision for loss on store closings and ¥1,960 million in impairment loss due to the decision to terminate management and operation of QUALITE PRIX (Hokkaido), in the previous consolidated fiscal year, we recorded ¥13,229 million in extraordinary losses, including ¥3,037 million in loss due to COVID-19, ¥2,499 million in loss on retirement of fixed assets, ¥4,461 million in impairment loss, and ¥2,017 million in provision for loss on store closings, and extraordinary income improved by ¥11,104 million from the previous fiscal year, resulting in income before income taxes and other adjustments of ¥36,374 million (+47.9% year on year). As a result, net income attributable to owners of parent amounted to ¥20,399 million (+57.0% year on year).

Operating Results by Segment

(Million yen)

| | Operating Revenue | | | Segment Income (Loss) | | |
|-----------------|---|---|--------------------------|---|---|--------------------------|
| | Fiscal year ended February 28, 2023 | Fiscal year ended February 29, 2024 | Change [Year on year] | Fiscal year ended February 28, 2023 | Fiscal year ended February 29, 2024 | Change [Year on year] |
| China | 52,538 | 58,985 | +6,447 [112.3%] | 6,634 | 6,537 | (96) [98.5%] |
| Vietnam | 13,283 | 15,263 | +1,979 [114.9%] | 3,063 | 3,901 | +837 [127.3%] |
| Cambodia | 5,672 | 8,499 | +2,827 [149.8%] | 1,145 | 411 | (734) [35.9%] |
| Indonesia | 5,897 | 7,260 | +1,363 [123.1%] | (987) | (269) | +717 [-%] |
| Other | – | – | – | (15) | (14) | +1 [-%] |
| Overseas | 77,392 | 90,009 | +12,617 [116.3%] | 9,839 | 10,565 | +725 [107.4%] |
| Japan | 321,700 | 333,722 | +12,022 [103.7%] | 34,114 | 35,821 | +1,706 [105.0%] |
| Reconciliations | (848) | (563) | +284 [-] | 25 | 25 | – [100.0%] |
| Total | 398,244 | 423,168 | 24,924 [106.3%] | 43,979 | 46,411 | 2,432 [105.5%] |

The status of sales in each country is as described below. Business results for the fiscal year under review covers a cumulative period from January to December 2023 as the fiscal year-end for overseas companies is the end of December.

Overseas (China)

| Operating revenue

¥58.9 billion

| Operating income

¥6.5 billion

In December 2022, the Zero-COVID policy was relaxed, and customer traffic recovered, especially in malls in Jiangsu and Hubei Provinces. In China, there are concerns about a slowdown in economic growth due to factors such as the sluggish real estate market, but our malls performed well, especially in the food & beverage and amusement industries. On July 28, we reopened our flagship store in China, AEON MALL Wuhan Jingkai (Wuhan City, Hubei Province), with expanded floor space. As a result, specialty store sales at existing malls for the fiscal year under review increased 30.3% year on year (21 malls).

Overseas (Vietnam)

| Operating revenue

¥15.2 billion

| Operating income

¥3.9 billion

Since April, existing mall specialty store sales in the second quarter (April to June) and third quarter (July to September) have trended lower than the previous year due to the impact of sluggish external demand, such as an increase in unemployment among young people due to bankruptcies of exported finished goods factories, and slowing economic growth due to electricity shortages, as well as a reaction to the strong performance of the previous year, when pent-up demand (demand that had been suppressed) became apparent due to the government's shift to a with-COVID policy. In the fourth quarter (October to December), the trend improved to the same level as the previous year, partly due to the effect of measures to attract more customers, such as the Black Friday project implemented in November. As a result, specialty store sales at existing malls for the fiscal year under review increased 4.4% year on year (six malls).

Overseas (Cambodia)

| Operating revenue

¥8.4 billion

| Operating income

¥0.4 billion

Restrictions on activities associated with COVID-19 were eased significantly and our malls were open for normal operations. Meanwhile, traffic congestion due to the construction of the Hun Sen Boulevard flyover, which serves as the front road of AEON MALL Meanchey, had a significant effect on attracting customers, although traffic congestion countermeasures are underway, including detour routes and the opening of surrounding roads. In existing malls, the first AEON MALL Phnom Penh (Phnom Penh City) underwent a renewal on November 4 with expanded floor space, but was affected by construction delays in some areas of the expanded floor space, difficulties in negotiations with large specialty stores, and a decline in inbound demand, particularly from Chinese tourists. As a result, specialty store sales at existing malls for the fiscal year under review decreased 9.1% year on year (two malls).

Overseas (Indonesia)

| Operating revenue

¥7.2 billion

| Operating income

-¥0.2 billion

The transition to with-COVID led to an easing of behavioral restrictions, normalization of the flow of people, and stimulation of economic activity, resulting in robust domestic demand, which led to an improvement in the number of customers attracted to our malls. In existing malls, the first store, AEON MALL BSD CITY (Banten Province), underwent a second phase of renovation to renew 44 stores, following the first phase of renovation carried out in 2021. As a result, the number of visitors to existing malls for the fiscal year under review increased 19.7% year on year (four malls).

Japan

| Operating revenue

¥333.7 billion

| Operating income

¥35.8 billion

The wearing of masks as a measure against COVID-19 infection became an individual decision on March 13, and the status of COVID-19 under the Infectious Disease Act was lowered to Category 5 on May 8, which improved customers' willingness to go out, and each mall continued to hold events to attract customers. In addition, we implemented various measures to attract more customers, such as initiatives to stimulate customers' purchasing motivation based on marketing data, including linkage with the AEON MALL app and the WAON POINT program, and large-scale promotions during the Halloween, Black Friday, and New Year holiday sales seasons. Sales at our malls continued to improve as higher prices due to inflation led to an increase in average customer spend. As a result, specialty store sales at existing malls for the fiscal year under review increased 5.6% year on year (91 malls).

Growth measures and new initiatives

We have formulated the Medium-term Management Plan (FY2023-2025) starting in the fiscal year ended February 29, 2024 (FY2023), and to advance ESG-based management we have pursued as a growth policy, we have set out policies to pursue a shift to regional markets in Japan and overseas and to create health and wellness platforms. We are committed to establishing fully integrated ESG-based management to create economic, social, and environmental value for stakeholders, thereby achieving sustainable growth. More specifically, as our growth policies, we plan to find business opportunities in growing overseas markets to launch new businesses, pursue business model reform in Japan, and create a new business model that advances beyond the existing business framework. As the foundation of our growth, we will pursue a stronger financial foundation and organizational structure for sustainability.

Finding Business Opportunities in Growing Overseas Markets to Launch New Businesses

We plan to find and secure property in areas with considerable growth potential and accelerate new mall openings. In Vietnam, our most important area for new mall openings, we intend to promote the opening of area-dominant malls in the surrounding cities in the central area of the country, in addition to the south centered on Ho Chi Minh City and north centered on Hanoi. In China, we have positioned the high-growth inland provinces of Hubei and Hunan as priority areas for opening new stores and will accelerate the opening of new stores. We will also delve into issues facing each country and region through the business we operate solely in the form of malls and find new business opportunities that go beyond the framework of commercial facilities. In doing so, we will create and use a new model of value creation suitable for regional characteristics as we operate our business.

Promotion of securing new properties in Vietnam

We have added the central area (Da Nang City and Hue Province), Vietnam's third largest economic zone, to the southern area (Ho Chi Minh City and Binh Duong Province) and the northern area (Hanoi and Hai Phong City) where we currently operate, and are accelerating the opening of area-dominant stores in the surrounding cities. Moving forward, we aim to secure an even deeper foundation for business in Vietnam, extending into regional cities. In so doing, we intend to contribute to the sustainable development and urban planning of Vietnam as it undergoes significant economic growth.

We signed new comprehensive memoranda of understanding on investment and business promotion for shopping mall development with Can Tho City in the south and Bac Giang Province in the north, respectively, in December. In January 2024, we signed a basic agreement with Viet Phat Group, a development company, for cooperation in a shopping mall development project in Quang Ninh Province in the north.

- December 2023
Signed mutual cooperation agreements with Can Tho City in the south and Bac Giang Province in the north
 - Bac Giang Province
A city located in the north, about an hour's drive from the capital city of Hanoi, with a population of approximately 1.9 million
 - Can Tho City
A city under the direct control of the central government located approximately 160 kilometers southwest of Ho Chi Minh City, with a population of approximately 1.25 million
- January 2024
Signed a cooperation agreement with Viet Phat Group, a development company in Quang Ninh Province
 - Quang Ninh Province
A city located in the northeast with a population of approximately 1.35 million

Expanding store openings in high-growth inland China

AEON MALL Wuhan Jiangxia, our fourth store in Hubei Province, opened in November 2023. The mall features entertainment facilities for adults and children alike, as well as a zone for experiencing a wide variety of foods. In addition, the mall has atrium spaces for each of the five themes within the mall, and a park on the rooftop that can be used for various purposes, such as a basketball court, an event plaza, and a grassy multipurpose plaza, providing spaces for customers of all ages to interact.

We plan to open our first mall in Hunan Province, AEON MALL Changsha Xingsha (Changsha, Hunan Province), in 2024 and the second mall, AEON MALL Changsha Xiangjiangxinqu (Changsha, Hunan Province) in 2025. Hunan Province is located in central China, and its capital, Changsha City, has been experiencing high economic growth in recent years, with the population increasing by over 3 million in the last ten years. The Company signed a comprehensive cooperation agreement with the Changsha City Government in May 2021 (to open five malls in five years), and will continue to provide new value to the community and aim for sustainable growth.

November 2023

Opened AEON MALL Wuhan Jiangxia

- Pursuing the value of real experiences
- Located in China's inland Hubei Province
 - Basic market area: Within 20 minutes by car
 - Approx. 390,000 households, approx. 1.43 million people
 - * Number of residents and workers combined
- Increased the ratio of amusement and strengthened ties with food and beverage
 - Amusement and cinema
 - Area composition ratio: 22.8%
 - Food and beverage
 - Area composition ratio: 16.0%

2024 and 2025

Decided to open two new stores in Changsha City, Hunan Province

Changsha City, Hunan Province, continues to experience high economic growth, with the population increasing by over 3 million in the last ten years.

Pursuing Business Model Reform in Japan

In Japan, our external environment sees the population declining and a labor shortage due to the low birth rate and aging population, and our internal environment faces major issues of slow sales at specialty stores, especially those in the apparel business, and of lower investment efficiency due to rising construction cost. We see opportunities in this business environment that dramatically changes from day to day. We intend to pursue the reform of the existing business model in order to address ever-changing local issues, adapt to customers' values, and meet potential needs, thereby strengthening the ability to attract customers and improve the profitability of our business in Japan.

Providing comfortable spaces that satisfy customers' five senses

As consumer behavior and purchasing habits change at an accelerating pace, AEON MALL strives to keep improving our ability to attract customers by creating customer experiences (customer experiential value) and maximizing the appeal of brick-and-mortar malls. As customer needs for open and comfortable outside zones increase, we are striving to create facility environments that will become a place of relaxation for our customers. These initiatives include incorporating arrangements that appeal to the five senses by offering peace of mind and comfort.

THE OUTLETS SHONAN HIRATSUKA makes the most of an open-air environment to create an open space with terrace seating overflowing with greenery in the center of the facility, and a planted landscape throughout the building to provide a comfortable environment in which visitors can enjoy shopping while walking through a park. The event court is also equipped with a large 300-inch LED screen, and artificial turf has been laid all over the court, creating a space where people can relax, watch sports and entertainment events, and enjoy eating and drinking while watching events.

April 2023

Opened THE OUTLETS SHONAN HIRATSUKA

Providing a place of relaxation for our customers by incorporating mechanisms to appeal to the five senses for comfort and ease

Implementation of drastic changes in our business structure

We have been working to add depth to our existing businesses while our external environment and customers' value are rapidly changing. Despite the effort, some of our facilities have been unable to fully keep up with these changes and, consequently, their ability to attract customers and profitability have decreased, reducing their capacity to create cash flows. We plan to boost our competitiveness in our market areas through investments for rejuvenation and other means, and to improve our operational efficiency. We are also launching initiatives with a view to making drastic structural changes by taking a real estate- and finance-oriented approach. In June 2023, we decided to terminate the management and operation of QUALITE PRIX at the end of June 2024. We will continue to ensure the implementation of drastic changes in our business structure to maximize future operating income.

Development of a mall opening model tailored to the market

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

JIYUGAOKA de aone, which opened in October 2023, aims for an environmental design that will fit in with the Jiyugaoka area over time, and its environmental design concept is an urban, green, and walkable street space. A verdant terrace of approximately 1,000 square meters is located on the third floor as an outdoor space with a sense of openness, providing a space where locals and visitors can relax and gather together. In addition, Japanese cypress produced in Tama is used for wooden decking in corridors and stairways to promote local production for local consumption of materials, and the facility is operated using effectively

100% CO2-free electricity to prevent global warming and promote the realization of a decarbonized society.

October 2023

Opened JIYUGAOKA de aone

Creating a walkable green space in the city near Jiyugaoka Station in Meguro Ward, Tokyo

In December 2023, CeeU Yokohama opened on the site of the Daiei Yokohama Nishiguchi store, which closed in February 2019. In addition to establishing an open space within the site as a community-building space, the project will participate in the Yokohama Nishiguchi Area Management Association to hold events and workshops, in order to revitalize the surrounding area and create a lively atmosphere. In addition, timber produced in Kanagawa Prefecture is used on the walls of the elevator halls to promote local production for local consumption of materials, and the facility is operated using effectively 100% CO2-free electricity to prevent global warming and promote the realization of a decarbonized society.

December 2023

Opened CeeU Yokohama

Together with the adjacent Yokohama VIVRE, we aim to create a facility that contributes to the creation of a vibrant area at the west exit of Yokohama

Creating a New Business Model That Advances beyond the Existing Business Framework

In this age of uncertainty when changes rapidly occur, we focus on not only the development of our existing businesses but also the generation of businesses to create new value as we work on the expansion of our business areas.

Enhancement of the function for office complex development

To enhance the function for office complex development, we will co-create the future of local lifestyles by strengthening collaboration with our partners through capital and business alliances, etc. to realize vibrant regions and networks of compact cities. For regional co-creation, we are considering breaking down global issues into regional ones, so that we will create new value with people we have a rapport with in order to solve these problems one by one. In March 2023, we entered into a capital and business alliance with Marimo Co., Ltd., a company that runs condominium and income property businesses and shares the same stance with us. We believe that we are capable of contributing to the “rebuilding for sustainable urban structures” and “development of networks of compact cities with various urban functions, including those for residence in urban locations, for healthcare, welfare, and business, and for public transportation” that the Location Normalization Plan promoted by the government aims to achieve. With this belief in mind, we plan to pursue our redevelopment and office complex development businesses in urban areas, while also creating the future of living in the region.

March 2023

Capital and business alliance with Marimo Co., Ltd.

· Purpose of alliance

Co-creating the future of living in the region

Realization of vibrant regions and networks of compact cities

- Main initiatives
 - 1) Promotion of development of large-scale multifunctional complexes
 - 2) Promotion of urban redevelopment projects
 - 3) Promote office complex development in urban areas
 - 4) Enhancing the use of AEON MALL Assets
 - 5) Promoting investment in regional areas through marimo Regional Revitalization REIT

Call for co-creation partners

The AEON MALL OPEN INNOVATION PROGRAM was held from October to November, inviting partners based on three themes. In an era of rapid and uncertain change, we will work together with start-up companies, universities, and government agencies that share our commitment to value creation to create business synergies and new services in order to meet the expectations of our customers and gain the support of the community more than ever before.

- Themes
 - (i) Creating health and wellness platforms
 - (ii) Maximizing the appeal of shopping in person
 - (iii) Formation of regional infrastructure that coexists with the global environment

Number of proposals: 185 proposals from 168 organizations

Creation of new businesses through investment in start-up companies

We have established the corporate venture capital (CVC) Life Design Fund to invest in start-up companies that have cutting-edge technologies and expertise to offer to deliver new value, thereby taking up the challenge of creating business value through the solution of local issues and advanced store management. We invested in COUNTERWORKS Inc., which supports DX in retail and commercial facilities, as the first project, invested in orosy Inc., which operates a wholesaling and stocking marketplace for business operators, as the second project, and invested in ATOMica Inc. as the third project in March 2024.

April 2023

Established the corporate venture capital Life Design Fund

Developing joint delivery services to solve logistics issues

In response to the growing seriousness of logistics issues, including driver shortages, increasing small-lot shipments, soaring fuel prices, and the new overtime caps for drivers beginning in 2024, we launched a joint delivery service as a value proposition to our partner tenant companies.

The joint delivery service takes deliveries from the logistics facilities of tenant companies to AEON MALL locations, other commercial facilities, street-facing stores, etc. The service will also handle inter-store deliveries and returns, helping tenant companies reduce costs and maintain quality in logistics services. We started providing services to the Kinki and Tokai areas in February, and in response to requests from many companies, we expanded the service area to 24 prefectures in seven areas in December. We look to play our part in building a sustainable logistics network in the future, achieving both economic and environmental value through the common use of packing materials and hangers.

December 2023

Expansion of areas served by joint delivery service

We are building a sustainable logistics network while realizing cost reductions and maintaining logistics quality for our partner tenant companies. Supporting tenant companies from the infrastructure side will lead to further business opportunities.

Stronger Financial Foundation and Organizational Structure for Sustainability

While we are in a rapidly and dramatically changing business environment, we are committed to pursuing a shift to regional markets in Japan and overseas and creating health and wellness platforms as our policies to achieve the goal of establishing fully integrated ESG-based management. Through advancement of financing mix and optimization of our asset portfolio, establishing a stronger management supervisory function and a system for prompt execution of business, and utilization of human capital as the most important management resource, we intend to build a stronger financial foundation and organizational structure for sustainability in order to reinforce our management foundation that will allow us to achieve sustainable growth.

AEON MALL Machi no Hatsudensho

As part of our decarbonization efforts, we are transitioning gradually to locally produced and locally consumed renewable energy (including PPA (Note 1) methods), shifting away from procuring effectively CO₂-free electricity through direct contracts. By 2040, we plan to operate all directly managed malls using 100% locally produced, locally consumed renewable energy.

In September 2022, we began operation of the AEON MALL Machi no Hatsudensho (community power plant) based on low-voltage, distributed solar power generation systems via self-directed transmission (Note 2). In combination with the first stage of the project, we began a second stage in fall 2023 to supply approximately 120 MW of energy (equivalent to the electricity consumption of seven or eight AEON Mall facilities) generated at approximately 1,390 low-voltage solar power plants across Japan to approximately 50 AEON Mall facilities nationwide on a self-directed basis. We will also launch a new initiative this year. This initiative involves farm-based solar power generation (solar sharing; Note 3) systems for the advancement of agriculture through systematic and efficient use of abandoned farmland. In this way, we will contribute to the revitalization of local economies as well as the spread of renewable energy.

In January 2024, we also signed an on-site solar PPA agreement to install the largest comprehensive solar carport facility in Japan. Solar carports are attracting much attention as an initiative that not only improves convenience for parking lot users but also generates new renewable energy-based electricity by making effective use of parking lot space to install roofs and solar power generation equipment. We will expand the implementation of the system, aiming to commence operation at a total of more than 50 malls by fiscal 2025.

(Note 1) PPA stands for “Power Purchase Agreement Model,” a business model in which a PPA operator uses the premises or roof of a power consumer to install a solar power generation system and sells the electricity generated by the system to the consumer.

(Note 2) Transmission of electricity generated by solar power generation facilities in remote areas to the Company’s own facilities or those of its group companies, using the transmission and distribution facilities of power transmission and distribution companies.

(Note 3) An initiative to utilize sunlight in both agricultural production and power generation by installing solar power generation systems suspended in the space over farmland.

Machi no Hatsudensho No. 2

Key points

- Low-voltage solar power plants
Approx. 1,390 locations
Power generation capacity
Approx. 120 MW
- Supplies power to approximately 50 facilities nationwide
- Electricity generated by solar power generation is equivalent to the power consumption of seven to eight malls

Solar carports

The design has no pillars in front of the car, providing sun protection in sunny weather and rain protection in rainy weather.

Introduction of biogas power generation that contributes to circular economies

As part of our efforts to create malls that incorporate the concept of circular economies (Note), we are promoting initiatives to recycle resources generated in malls, such as de-plasticization, food recycling, and clothing collection.

AEON MALL Toyokawa, which opened in April, uses food waste generated in the facility as biogas energy. All electricity generated via biogas is consumed in the mall. The mall will be a model of waste disposal reduction, mitigating impacts on the local community environment by limiting untreated food waste.

(Note) A circular economy refers to economic activities, in addition to the conventional “3Rs” (reduce, reuse, and recycle), to generate added value by creating services through the effective use of stock while curbing the use of resources and consumption. It aims to maximize the value of resources and products, minimize resource consumption, and reduce waste.

Minister of the Environment Award, 1st Decarbonized Urban Design and Development Awards

The Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of the Environment are aiming to achieve Net Zero by FY2030, and present awards for outstanding decarbonized urban development projects that promote urban development GX, resource recycling, and nature positivity. AEON MALL Toyokawa is the first facility with a total floor area of 100,000 square meters or more to receive ZEB Ready certification, and received the Minister of the Environment Award for its high energy-saving performance.

Promotion of diversity management: Platinum Eruboshi certification

In March 2023, we received the Platinum Eruboshi certification recognizing outstanding companies under the Act on the Promotion of Women’s Active Engagement in Professional Life. The certification is granted by the Minister of Health, Labour and Welfare to particularly outstanding companies for achieving action plan goals and initiatives for the empowerment of women. The certification recognized AEON MALL for our wide-ranging choices in work styles and other initiatives, including training for female management candidates and the evaluation of employees for promotion and advancement regardless of restrictions due to

current life stages, creating an environment in which everyone is given a fair chance to take on challenges. We also set up 22 AEON Yume-Mirai Nursery Schools, which are on-site childcare facilities designed to support the activities of employees who work while raising children. In 2019, we introduced our own monetary allowance system for childcare leave (Ikuboss Financial Support System) to encourage men to take childcare leave.

Evaluation points

- Implementation of training for female management candidates
- Setting up 22 AEON Yume-Mirai Nursery Schools, which are on-site childcare facilities designed to support the activities of employees who work while raising children
- Introducing a unique monetary allowance system for childcare leave to encourage men to take childcare leave

Paternity leave rate in FY2021 and FY2022: 100%

Health management: Recognition as 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program

We engage in health management based on the belief that the well-being of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities.

In March 2024, for the fifth consecutive year, we were recognized as a 2024 Certified Health & Productivity Management Outstanding Organization (Large Enterprise) under the Certified Health and Productivity Management Outstanding Organization program operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), which recognizes corporations that practice particularly excellent health management.

Aeon Health Management Declaration

Aeon supports the health of its employees and their families.

And together with our employees, we realize the health and happiness of the community.

<AEON MALL Health Management Action Guidelines>

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

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

(ii) Capital investment

The total amount of capital investment for the fiscal year under review was ¥106,684 million (including long-term prepaid expenses).

It consisted of ¥49,911 million (Japan), ¥31,462 million (China), ¥8,625 million (Vietnam), ¥8,189 million (Cambodia), ¥8,496 million (Indonesia), etc., in the Mall Business. In Japan, the Company mainly invested in the opening of its new malls, AEON MALL Toyokawa and THE OUTLETS SHONAN HIRATSUKA, the revitalization of its existing mall, AEON MALL Makuhari Shintoshin, and the acquisition of land in Date, Fukushima Prefecture and Suzaka, Nagano Prefecture.

In China, the Company mainly invested in the opening of its new mall, AEON MALL Wuhan Jiangxia, and the floor space expansion of its existing mall, AEON MALL Wuhan Jingkai. In Vietnam, the Company mainly invested in payment of facility costs for AEON MALL Hue, which will open in 2024. In Cambodia, the Company mainly invested in the floor space expansion of its existing mall, AEON MALL Phnom Penh. In Indonesia, the Company mainly invested in payment for facility costs in AEON MALL DELTAMAS, which opened in March 2024.

(iii) Financing

In the fiscal year under review, the Company raised ¥45,882 million from current partner banks, etc. as long-term debt, and ¥90,000 million through issuance of bonds.

(2) Changes in assets and profit and loss

(i) Consolidated business results and assets

| Classification | 2020 (Fiscal year ended February 28, 2021) | 2021 (Fiscal year ended February 28, 2022) | 2022 (Fiscal year ended February 28, 2023) | 2023 (Current fiscal year) (Fiscal year ended February 29, 2024) |
|--|---|---|---|---|
| Operating revenue (million yen) | 280,688 | 316,813 | 398,244 | 423,168 |
| Ordinary income (million yen) | 28,437 | 32,540 | 36,409 | 37,086 |
| Net income (loss) attributable to owners of parent (million yen) | (1,864) | 19,278 | 12,994 | 20,399 |
| Net income (loss) per share (yen) | (8.19) | 84.72 | 57.10 | 89.64 |
| Total assets (million yen) | 1,394,199 | 1,463,256 | 1,559,592 | 1,655,253 |
| Net assets (million yen) | 387,486 | 426,931 | 451,711 | 476,226 |
| Net assets per share (yen) | 1,658.23 | 1,830.21 | 1,935.77 | 2,040.33 |
| Cash flows from operating activities (million yen) | 61,621 | 61,492 | 101,490 | 126,305 |
| Cash flows from investing activities (million yen) | (64,444) | (122,382) | (103,276) | (101,743) |
| Cash flows from financing activities (million yen) | 12,244 | 8,225 | 13,515 | (12,848) |
| Cash and cash equivalents at end of the period (million yen) | 124,080 | 82,973 | 101,101 | 112,354 |

(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 2023 (current fiscal year) is as described in (1) Business operations during the fiscal year under review, (i) Progress and results of operations.

3. The Company adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) as of the beginning of fiscal 2022. Figures for fiscal 2022 onward reflect the application of this accounting standard.

(ii) Non-consolidated business results and assets

| Classification | 2020 (Fiscal year ended February 28, 2021) | 2021 (Fiscal year ended February 28, 2022) | 2022 (Fiscal year ended February 28, 2023) | 2023 (Current fiscal year) (Fiscal year ended February 29, 2024) |
|---------------------------------|---|---|---|---|
| Operating revenue (million yen) | 216,397 | 247,951 | 306,540 | 318,287 |
| Ordinary income (million yen) | 30,514 | 32,059 | 32,036 | 32,370 |
| Net income (million yen) | 2,027 | 25,337 | 19,804 | 23,339 |
| Net income per share (yen) | 8.90 | 111.35 | 87.03 | 102.56 |
| Total assets (million yen) | 1,272,173 | 1,315,583 | 1,412,367 | 1,436,527 |
| Net assets (million yen) | 431,509 | 446,649 | 453,991 | 465,606 |
| Net assets per share (yen) | 1,896.28 | 1,962.75 | 1,994.96 | 2,045.95 |

(Notes) 1. Net income per share is calculated based on the average total number of shares issued and outstanding during the period.

2. The Company adopted Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) as of the beginning of fiscal 2022. Figures for fiscal 2022 onward reflect the application of this accounting standard.

3. During fiscal 2020, AEON MALL Ageo was newly opened on December 4, 2020.

4. During fiscal 2021, the following AEON malls were newly opened on the dates shown: AEON MALL Shinrifu South Wing on March 5, 2021; AEON MALL Kawaguchi on June 8, 2021; AEON MALL Hakusan on July 19, 2021; and AEON MALL Nagoya Noritake Garden on October 27, 2021.

5. During fiscal 2022, THE OUTLETS KITAKYUSHU was newly opened on April 28, 2022, and AEON MALL Toki was newly opened on October 7, 2022.

6. During fiscal 2023, AEON MALL Toyokawa opened on April 4, 2023; THE OUTLETS SHONAN HIRATSUKA on April 28, 2023; JIYUGAOKA de aone on October 20, 2023; and CeeU Yokohama on December 15, 2023.

(3) Parent company and major subsidiaries

(i) Relationship with parent company

The Company's parent company is AEON CO., LTD., and 58.82% of the Company's voting rights are held by AEON CO., LTD. and its subsidiaries, including 58.23% 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 rules 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, Cambodia | US\$ 512,925 thousand | 100% | |
| SUZHOU MALL REAL ESTATE DEVELOPMENT CO., LTD. | Jiangsu Province, China | US\$ 162,000 thousand | 100% | |
| PT. AEON MALL INDONESIA | Jakarta City, Indonesia | IDR 9,649,428 million | 93.8% | |
| 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\$ 203,000 thousand | 100% | |
| AEON MALL HIMLAM COMPANY LIMITED | Hanoi City, Vietnam | US\$ 200,000 thousand | 90.0% | |
| AEON MALL VIETNAM CO., LTD. | Hanoi City, Vietnam | US\$ 609,302 thousand | 100% | |
| HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD. | Zhejiang Province, China | US\$ 133,000 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\$ 515,421 thousand | 100% | |
| AEON MALL DIANYA (TIANJIN) BUSINESS MANAGEMENT CO., LTD. | Tianjin City, China | RMB 312,000 thousand | 100% | |
| YANTAI MALL REAL ESTATE DEVELOPMENT CO., LTD. | Shandong Province, China | US\$ 164,000 thousand | 100% | |
| CHANGSHA MALL COMMERCIAL DEVELOPMENT CO., LTD. | Hunan Province, China | US\$ 137,000 thousand | 100% | |
| HANGZHOU HANGDONG MALL REAL ESTATE DEVELOPMENT CO., LTD. | Zhejiang Province, China | US\$ 152,000 thousand | 100% | |
| CHANGSHA MALL XIANGJIANG NEW AREA COMMERCIAL DEVELOPMENT CO., LTD. | Hunan Province, China | US\$ 70,802 thousand | 100% | |
| OPA Co., Ltd. | Chiba-shi, Chiba | ¥10 million | 100% | Urban Shopping Center Business |

(4) Main businesses (as of February 29, 2024)

The Group consists of the Company, whose parent company is AEON CO., LTD., and 57 consolidated subsidiaries, including OPA Co., Ltd., six other subsidiaries in Japan, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD., 38 other subsidiaries in China, three subsidiaries in Cambodia, two subsidiaries in Vietnam, three subsidiaries in Indonesia, one subsidiary in Singapore, two subsidiaries in Myanmar, and one equity-method company. The Company operates the Mall Business. Among the consolidated subsidiaries, OPA Co.,

Ltd. and two other subsidiaries are engaged in the Urban Shopping Center Business, while the remaining 54 subsidiaries are engaged in the Mall Business, etc.

The Company is the central entity in the AEON Group responsible for the 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

We believe that not all the effects of social change present risks for our business, but we believe that we can also uncover many opportunities if we focus on each region. Rather than perceiving business in a uniform manner nationwide, we will anticipate the apparent issues that each region faces and the potential issues that will arise in the future, and work to transform responses to these issues into business.

(i) 2030 Vision

The 2030 Vision: “Be a Co-Creator of a Sustainable Region as a Life” has been newly formulated with the aim of creating a sustainable society and a resilient organization in an era of increasing uncertainty. Together with customers, local communities, partners, shareholders, investors, and other like-minded stakeholders, we aim to be a company that creates, expands, and deepens connections and co-creates activities that lead to a sustainable regional future.

(ii) Medium-term Management Plan (FY2023-2025)

In order to realize the 2030 Vision, in the Medium-term Management Plan (FY2023-2025) starting in the fiscal year ended February 29, 2024 (FY2023), to advance ESG-based management we have pursued as a growth policy, we have set out policies to pursue a shift to regional markets in Japan and overseas and to create health and wellness platforms. We are committed to implementing fully integrated ESG-based management to create economic, social, and environmental value for stakeholders, thereby achieving sustainable growth. More specifically, as our growth policies, we plan to find business opportunities in growing overseas markets to launch new businesses, pursue business model reform in Japan, and create a new business model that advances beyond the existing business framework. As the foundation of our growth, we will pursue a stronger financial foundation and organizational structure for sustainability.

See pages 35 to 43 for details of the initiatives based on the medium-term management plan.

(iii) Material issues facing AEON MALL (Materiality)

The Company analyzes materialities taking into account SDGs and social issues in Japan and overseas, and evaluates their importance for stakeholders and the Company. As material issues from ESG perspectives, the Company has defined ten items consisting of five areas: developing community and social infrastructure; building bridges to local communities; environment; diversity and work-style reform; and accountability in business.

The Company set specific KPIs (interim targets) for the ten issues set out in the materiality to be achieved by 2030 in line with the KGIs (final targets) set as the aspirations for the

Company in 2050. By sharing issues company-wide and working together to resolve them, we will create social and economic value and contribute toward realizing a sustainable society.

AEON MALL's primary course of action, goals, and what we do based on our materiality are as stated below.

| Materiality | | KGI (How we want to be in 2050) | KPI (Performance indicators until fiscal 2030) |
|--|---|---|---|
| Developing community and social infrastructure   | Developing sustainable and resilient infrastructure | A society in which everyone can feel safe and secure | <ul style="list-style-type: none"> • Make all malls in Japan disaster relief facilities as a measure to strengthen our BCP • Percentage of disaster response agreements signed with local governments |
| | Production and consumption formats | A society with near-zero impact on the global environment through appropriate production and consumption | <ul style="list-style-type: none"> • Promotion of ethical consumption. Rate of buying green • Promotion of plastic elimination initiatives |
| Building bridges to local communities   | Cultural preservation and inheritance | A society with an established platform for cultural inheritance | <ul style="list-style-type: none"> • Actively holding traditional and cultural events and expand them to other regions, including overseas |
| | Low birth rates, aging society | A society in which everyone, including children and the elderly, can live comfortably | <ul style="list-style-type: none"> • Improved services for children • Number of people supporting dementia patients |
| Environment      | Climate change, global warming | 1. A society that has achieved decarbonization 2. A society in which all regions are environmentally conscious | <ul style="list-style-type: none"> • Expand installation of EV chargers. Number of EV chargers installed • 35% reduction in total annual CO2 emissions through the creation of renewable energy • Strengthen environmental awareness initiatives for local residents and tenants • Eco certification award rate of 100% |
| | Protecting biodiversity, resources | A society that is environmentally friendly and in harmony with nature | <ul style="list-style-type: none"> • Number of malls awarded ABINC (Association for Business Innovation in harmony with Nature and Community) accreditation • Achieve a 70% recycling rate (excluding thermal recycling) |
| Diversity and work-style reform    | Health and welfare | A society in which everyone can be both physically and mentally healthy | <ul style="list-style-type: none"> • Promote a healthy lifestyle |
| | Diversity, work-style | A society in which everyone has equal opportunities regardless of race, nationality, age, gender, or location | <ul style="list-style-type: none"> • Ratio of women in management roles of 30% by the end of fiscal 2023 • Paternity leave rate of 100% • Promotion of human resource development for global activities |

| | | | |
|---|--------------|--|--|
| Accountability in business  | Human rights | A society in which everyone's human rights are respected | <ul style="list-style-type: none"> • Establish and implement a human rights due diligence process • Human rights training attendance rate of 100% |
| | Bribery | Zero number of incidents | <ul style="list-style-type: none"> • Conduct anti-bribery training to ensure compliance with the Basic Rules for the Prevention of Bribery • Ongoing compliance with anti-bribery clauses in AEON MALL employment rules • Continuous review of the compliance system of the Basic Rules for the Prevention of Bribery. Report compliance status to the president at least once a year. Thoroughly implement any corrective measures |

For more details, please see “AEON MALL Materiality” on the Company’s website:
<https://www.aeonmall.com/sustainability/materiality/>

(Realization of a decarbonized society)

As part of our efforts toward decarbonization based on the AEON Decarbonization Vision, we aim to reduce CO₂ emissions from our businesses in Japan to zero by 2040.

We have continuously promoted energy-saving activities, which include the installation of solar power generation facilities and EV chargers. In addition to these measures to reduce CO₂ emissions, we will be promoting direct renewable energy contracts in each region. Our goal is to convert the electricity used in approximately 160 malls in Japan to renewable energy by the end of fiscal 2025. Then we are switching gradually from the procurement of effectively CO₂ emission-free electricity through direct renewable energy contracts in each region to locally produced and renewable energy locally for local consumption (including PPA (Note)). By fiscal 2040, 100% of our directly managed malls will be operated under locally produced and renewable energy locally for local consumption.

We will include our overseas businesses to work toward the realization of a decarbonized society at a faster pace, with the aim of reducing total CO₂ emissions from all our business activities to zero.

(Note) PPA stands for “Power Purchase Agreement Model,” a business model in which a PPA operator uses the premises or roof of a power consumer to install a solar power generation system and sells the power generated by the system to the consumer.

For more details, please see “AEON MALL Sustainability” on the Company’s website:
<https://www.aeonmall.com/sustainability/>

(Establishment of circular malls)

We will incorporate the idea of a circular economy (Note) into our mall management to address the issues of waste disposal and resources. We plan to create a system for resource recycling to develop regional circular economy zones, aiming for “zero” waste, rather than “less.” To create a recycling-oriented society, we work with customers, local communities, our partner companies, and other stakeholders on plastic elimination, food recycling, and collection of used clothes, among others, as our efforts to establish “circular malls.”

(Note) A circular economy refers to economic activities, in addition to the conventional “3Rs” (reduce, reuse, and recycle), to generate added value by creating services through the effective use of stock while curbing the use of resources and consumption. It aims to maximize the value of resources and products, minimize resource consumption, and reduce waste.

(Conservation of biodiversity)

We assess the impact of our overall business activities on ecosystems and work with stakeholders, including customers, government, and NGOs, to actively reduce the impact and engage in activities to preserve the ecosystems. In addition to the Aeon Hometown Forest Project, we also aim to conserve biodiversity through resource recycling initiatives and the promotion of green purchasing, thereby balancing the sustainability of natural resources and business growth.

In order to analyze the impact of its operations on nature and to address nature-related risks and opportunities, the Company participated in the Taskforce on Nature-Related Financial Disclosures (TNFD) (Note 1) Forum and conducted an analysis using the LEAP approach (Note 2) recommended by the TNFD. To disclose information in line with the TNFD, we also organize the results of the analysis and the Company’s initiatives in accordance with the final recommendations of the TNFD published in September 2023.

- (Notes)
1. A framework for companies to visualize their impact on nature, risks, opportunities, and biodiversity considerations through their operations and disclose this in their reports and on their websites.
 2. An integrated approach developed by the TNFD for the assessment of nature-related issues, including contact with nature, dependencies on nature, impacts, risks, and opportunities.

(Human capital management)

The most important resource that enables sustainable growth towards the realization of our aim of fully integrated ESG-based management is human capital. Recognizing that the growth of our human resources will lead to a sustainable increase in our corporate value, we will promote our human resources strategy through human capital management linked to our management strategy.

(Development of vision for human resources and organization)

The Company has the vision for human resources and organization, based on its management philosophy, on how its people and organization should be, which is the foundation for implementing initiatives to realize fully integrated ESG-based management.

All employees working in the Group are reminded that they are Life Design Producers, and they are committed to solving issues through empathy and co-creation with stakeholders while utilizing their own individuality. On this basis, as a company of professionals that continue to innovate, we will pioneer a sustainable regional future with conviction.

(Promotion of diversity management)

The Company respects human rights and works to promote diversity management that enables each individual, regardless of gender or nationality, to achieve their full potential, with the aim of ensuring further diversity.

We make efforts to support the advancement of women, including the development of an on-site nursery, the AEON Yume-Mirai Nursery Schools, achieving a 100% paternity leave take-

up rate for male employees for three consecutive years, and increasing training and other educational opportunities to foster the desire of women to take on the challenges of higher-level positions. As a result of these efforts, the Company received the Platinum Eruboshi certification as a company that actively promotes the advancement of women. Furthermore, with the goal of becoming a gender-equal and LGBTQ+-friendly company, we respect human rights and individuality and create a workplace where everyone can work comfortably, for example by applying a family benefits system for same-sex partner marriages and providing training to promote understanding of gender equality.

◆ Diversity KPI (non-consolidated)

| Category | KPI | FY2021 | FY2022 | FY2023 |
|--|-------|------------|------------|------------|
| Ratio of female managers to total managers | 30.0% | 19.4% | 20.4% | 22.6% |
| Paternity leave rate | 100% | 100% | 100% | 100% |
| Paid leave usage rate | 60% | 55% | 60% | 55% |
| Days of paid leave taken | – | 11 | 11 | 10 |
| Percentage of employees with disabilities | 2.50% | 2.17% | 2.20% | 2.31% |
| New employees (male/female) | – | 65 (30/35) | 74 (37/37) | 84 (39/45) |
| Voluntary separation rate | – | 3.9% | 4.1% | 4.2% |

(Pursuit of health management)

We promote health management based on the belief that the well-being of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities. In March 2024, for the fifth consecutive year, the Company was recognized as a 2024 Certified Health & Productivity Management Outstanding Organization (Large Enterprise).

(Human resource development)

Based on the Vision for Human Resources and Organization, we aim to develop human resources who can empathize with various partners and engage in regional co-creation to connect their ideas from the viewpoint of *good for the customer, good for the community, and good for the future*.

Based on the idea that education is the greatest welfare, we provide opportunities for skill development so that each individual can maximize his or her potential. For example, in education and training, besides new employee training and other year-specific and hierarchical training, emphasis is also placed on open-type training, where employees learn with the aim of being assigned to a desired position. We are working toward fostering a culture that allows us to take up challenges to grow in order to take an autonomous view of our careers and realize personal aspirations.

In our overseas operations, which drive our growth strategy, we believe that by 2025 we will need a number of new assignments, mainly new mall general managers. We have a systematic approach to the training of personnel for assignment, including training programs such as the

Global Human Resources Course and the Overseas Trainee System, as well as transfers from individual units to overseas locations. We have set up a consistent course for the development of overseas personnel, including the awareness of global perspectives and the acquisition of skills and languages, in order to develop and appropriately deploy globally minded human resources.

(Accountability in business)

The Company respects human rights by following the AEON Basic Principles and AEON Human Rights Policy. We aim to establish ourselves as an organization that allows its employees to be involved in the development of the company regardless of gender and nationality, among others, and that provides the workplace in which all employees achieve their full potential. The Company regards addressing human rights risks as an important foundation for human resource development and the fulfilment of employees' potential, promoting initiatives to address this issue.

Through its commitment to respect for human rights, the Company has set accountability in business as its materiality, aiming for a society where human rights are respected by all people. As for the promotion system for human rights initiatives, the ESG Promotion Subcommittee, which comprises the heads of departments that proactively respond to the issue, examines and discusses the issue so that they can fulfil their responsibility to respect human rights to prevent, mitigate, and remedy the negative impact of corporate activities on human rights, and the ESG Promotion Committee, chaired by the President and CEO, makes decisions on the issue.

The AEON Human Rights Policy specifies the implementation of human rights due diligence, and in accordance with AEON guidelines, the Company started working on this in 2020. Human rights due diligence is conducted mainly for the upstream in the value chain, and in the future the scope of implementation will be expanded to contractors and specialty stores to check compliance with the Guidelines for Sustainable Transactions (Note) in the entire value chain and to consider initiatives to address and mitigate negative impacts. As indicated in the UN Guiding Principles on Business and Human Rights, we will continue our efforts to build a sustainable value chain to ensure that we play a vital role to guarantee human rights.

(Note) The Company developed its own policy with reference to the AEON Human Rights Policy and AEON Supplier Code of Conduct in order to prevent incidents of human rights violations from occurring and to build a sustainable value chain.

(6) Major offices of the AEON MALL Group (as of February 29, 2024)

(i) Major business locations

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

| Business and Name of Business Department | Number of Malls and Stores | Number of Commercial Facilities Under Management and Operation Contract |
|--|----------------------------|---|
| Mall Business | | |
| Business in Japan | | |
| Tohoku & Hokkaido Business Department | 11 | 6 |
| Kitakanto & Koshinetsu Business Department | 7 | 3 |
| Shutoken Business Department | 11 | 5 |
| Higashikanto Business Department | 7 | 6 |
| Tokai Business Department | 5 | 7 |
| Aichi Business Department | 9 | 5 |
| Keiji & Hokuriku Business Department | 8 | 4 |
| Higashikinki Business Department | 10 | 4 |
| Nishikinki Business Department | 3 | 6 |
| Chushikoku Business Department | 9 | 5 |
| Kyusyu & Okinawa Business Department | 12 | 0 |
| Outlet Business Department | 3 | 0 |
| Overseas Business | | |
| China | 22 | 0 |
| ASEAN | 13 | 1 |
| Subtotal | 130 | 52 |
| Urban Shopping Center Business | 21 | 0 |
| Total | 151 | 52 |

- (Notes)
1. Hiwada Shopping Mall Co., Ltd. (Shopping Mall FESTA) in the Tohoku & Hokkaido Business Department ceased operations as of August 31, 2023, due to reconstruction work.
 2. AEON MALL Toyokawa (Aichi Business Department) opened on April 4, 2023.
 3. THE OUTLETS SHONAN HIRATSUKA (Outlet Business Department) opened on April 28, 2023.
 4. AEON Mall Beijing International Mall (China) ceased operations as of June 24, 2023 when the lease agreement with the owner expired.
 5. The Sihanoukville FTZ Logistics Center (Cambodia) opened on July 15, 2023.
 6. JIYUGAOKA de aone (Shutoken Business Department) opened on October 20, 2023.
 7. AEON MALL Wuhan Jiangxia (China) opened on November 1, 2023.
 8. CeeU Yokohama (Kitakanto & Koshinetsu Business Department) opened on December 15, 2023.
 9. SENDAI FORUS (Urban Shopping Center Business) has been temporarily closed since March 1, 2024 to conduct a deterioration survey of the building and facilities. This is included in the above list.
 10. AEON MALL DELTAMAS (Indonesia) opened on March 22, 2024. This is not included in the above list.

(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 29, 2024)

(i) The AEON MALL Group

| Business Segment | Number of Employees | As of the End of the Previous Fiscal Year |
|------------------|---------------------|---|
| Japan | 2,111 (1,653) | 2,143 (1,600) |
| China | 909 (-) | 895 (-) |
| Vietnam | 431 (-) | 402 (-) |
| Cambodia | 192 (-) | 168 (-) |
| Indonesia | 208 (-) | 190 (-) |
| Other (overseas) | 3 (-) | 3 (-) |
| Total | 3,854 (1,653) | 3,801 (1,600) |

(Note) 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)].

(ii) The Company (non-consolidated)

| Number of Employees | Comparison to End of Previous Fiscal Year | Average Age | Average Service Years |
|---------------------|---|-----------------------|-----------------------|
| Male 1,178 (172) | Decrease of 10 (Increase of 13) | 44 years and 5 months | 9 years and 3 months |
| Female 691 (1,355) | Decrease of 9 (Increase of 6) | 38 years and 1 month | 8 years and 4 months |
| Total 1,869 (1,527) | Decrease of 19 (Increase of 19) | 42 years and 2 months | 9 years and 0 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 29, 2024)

| Creditors | Amount (Million Yen) |
|---|----------------------|
| The Okinawa Development Finance Corporation | 16,500 |
| Mizuho Bank, Ltd. | 14,797 |
| Resona Bank, Limited | 11,043 |
| Sumitomo Mitsui Banking Corporation | 8,775 |
| Shinkin Central Bank | 8,000 |
| Development Bank of Japan Inc. | 7,624 |
| MUFG Bank, Ltd. | 7,000 |
| The Norinchukin Bank | 7,000 |
| The Hiroshima Bank, Ltd. | 7,000 |
| Mie Prefectural Credit Federation of Agricultural Co-operatives | 6,500 |
| The Senshu Ikeda Bank, Ltd. | 6,021 |
| Mizuho Trust & Banking Co., Ltd. | 6,000 |
| Osaka Prefectural Credit Federation of Agricultural Co-operatives | 6,000 |
| The Bank of Yokohama, Ltd. | 5,007 |

2. Shares (as of February 29, 2024)

- (1) Number of shares authorized: 320,000,000 shares
(2) Number of shares issued: 227,560,939 shares
(3) Number of shareholders: 292,314
(4) Ten largest shareholders:

| Name | Number of Shares Held (Thousands of Shares) | Ratio of Shares Held (%) |
|--|---|--------------------------|
| AEON CO., LTD. | 132,351 | 58.16 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 10,380 | 4.56 |
| Custody Bank of Japan, Ltd. (Trust Account) | 5,670 | 2.49 |
| BNYMSANV As Agent/Clients Lux Ucits Non Treaty Account | 3,472 | 1.52 |
| AEON MALL Trading-Partner Shareholding Association | 1,425 | 0.62 |
| State Street Bank West Client - Treaty 505234 | 1,276 | 0.56 |
| Japan Securities Finance Co., Ltd. | 1,265 | 0.55 |
| Mizuho Bank, Ltd. | 1,100 | 0.48 |
| The Norinchukin Bank | 1,100 | 0.48 |
| Sumitomo Mitsui Trust Bank, Limited | 1,100 | 0.48 |

(Notes) 1. Number of shares held less than one thousand has been omitted.

2. Calculations of ratio of shares held exclude treasury shares (4,796 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 29, 2024)

| 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. 13 stock acquisition rights (May 10, 2020) | June 10, 2020 to June 9, 2035 | Director | 11 | 1,100 shares | 1 | ¥1,154 per share | ¥1 per share |
| No. 14 stock acquisition rights (May 10, 2021) | June 10, 2021 to June 9, 2036 | Director | 24 | 2,400 shares | 1 | ¥1,476 per share | ¥1 per share |
| No. 15 stock acquisition rights (May 10, 2022) | June 10, 2022 to June 9, 2037 | Director | 24 | 2,400 shares | 1 | ¥1,227 per share | ¥1 per share |
| No. 16 stock acquisition rights (May 10, 2023) | June 10, 2023 to June 9, 2038 | Director | 35 | 3,500 shares | 2 | ¥1,515 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/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 29, 2024)

| Position and Responsibility | Name | Significant Concurrent Position |
|---|--------------------|---|
| President and CEO and Executive General Manager of Overseas Business Division | Yasutsugu Iwamura | Chairman, AEON MALL (CHINA) CO., LTD. |
| Senior Managing Director (Executive General Manager of Customer Experience Creation Division) | Mitsuhiro Fujiki | |
| Managing Director (Executive General Manager of Administration Division) | Masahiko Okamoto | |
| Managing Director (Executive General Manager of Finance & Accounting Division) | Hiroshi Yokoyama | |
| Director and Advisor | Motoya Okada | Director, Chairman and Representative Executive Officer, AEON CO., LTD. Director and Advisor, AEON Retail Co., Ltd. |
| Director (Executive General Manager of Development Division) | Shinichiro Minami | |
| Director | Kunihiro Koshizuka | External Director, TOKYU CONSTRUCTION CO., LTD. Outside Director, WILL GROUP, INC. Outside Director, F.C.C. Co., Ltd. |
| Director | Chisa Enomoto | Independent Director, Member of Supervisory Committee, PERSOL HOLDINGS CO., LTD. A member of Communication Strategy Committee, Meiji University Outside Director, JAPAN POST Co., Ltd. |
| Director | Hironobu Kurosaki | |
| Director | Junko Owada | Advisor, Tokyo Ichiban Foods Co., Ltd. Assigned under Professional Contract of Human Resources Area, Hitachi, Ltd. Outside Director, Arbeit Times Co., Ltd. Outside Director, H.I.S. Co., Ltd. |
| Director | Junko Taki | Representative, Taki CPA Office Outside Director, Nihon Kagaku Sangyo Co., Ltd. Outside Audit & Supervisory Board Member, Nitta Gelatin Inc. |
| Full-time Audit & Supervisory Board Member | Kazuhiro Aoyama | |
| 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 | Rumiko Tanabe | Director, Tanabe Certified Public Accountant Office Outside Director (Audit & Supervisory Committee Member), TechnoPro Holdings, Inc. Outside Auditor, TSI HOLDINGS CO., LTD. |

| Position and Responsibility | Name | Significant Concurrent Position |
|----------------------------------|-------------------|--|
| Audit & Supervisory Board Member | Masato Nishimatsu | Audit & Supervisory Board Member, AEON Hokkaido Corporation Counselor, AEON CO., LTD. Audit & Supervisory Board Member, FUJI CO., LTD. |

- (Notes) 1. Yasutsugu Iwamura, President and CEO and Executive General Manager, Overseas Business Division will retire from the Board of Directors at the conclusion of this Ordinary General Meeting of Shareholders on May 23, 2024 and will be appointed Chief ASEAN Business Officer at AEON CO., LTD.
2. Directors Kunihiro Koshizuka, Chisa Enomoto, Hironobu Kurosaki, Junko Owada and Junko Taki are Outside Directors.
3. Audit & Supervisory Board Members Kazuhiro Aoyama, Emi Torii, and Rumiko Tanabe are Outside Audit & Supervisory Board Members.
4. Director Junko Taki is qualified as a certified public 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. Audit & Supervisory Board Member Rumiko Tanabe is qualified as a certified public accountant, and possesses extensive financial and accounting knowledge.
7. In accordance with the rules of the Tokyo Stock Exchange, the Company has submitted notification that Directors Kunihiro Koshizuka, Chisa Enomoto, Hironobu Kurosaki, Junko Owada and Junko Taki, and Audit & Supervisory Board Members Emi Torii and Rumiko Tanabe have been designated as Independent Officers as provided for by the aforementioned exchange.

(2) Outline of Contents of Directors and Officers Liability Insurance Agreement, etc.

The Company has entered into a directors and officers liability insurance (“D&O insurance”) policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company.

Outline of D&O Insurance Agreement

(i) Scope of insureds

Directors, Audit & Supervisory Board Members and other officers of the Company

(ii) Share of actual insurance premiums by insured persons

The Company will bear all insurance expenses with no expenses borne by the insured persons.

(iii) Outline of insured events covered

The insurance agreement covers 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.

(iv) 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.

(3) 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 |
|-------------------|-----------------|----------------------------------|---|--|
| Hisayuki Sato | May 17, 2023 | Expiration of the term of office | Managing Director (in charge of special missions) | |
| Akiko Nakarai | May 17, 2023 | Expiration of the term of office | Director (part-time) | |
| Tatsuya Hashimoto | May 17, 2023 | Expiration of the term of office | Director (China Business Officer) | Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD. |
| Maki Watanabe | May 17, 2023 | Expiration of the term of office | Full-time Audit & Supervisory Board Member | |
| Takao Muramatsu | May 17, 2023 | Expiration of the term of office | Audit & Supervisory Board Member | 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 Board Member), GLOBERIDE, Inc. |

(4) Summary of limited liability agreements

With regard to Kunihiro Koshizuka, Chisa Enomoto, Hironobu Kurosaki, Junko Owada, Junko Taki, Emi Torii, and Rumiko Tanabe, 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.

(5) Policy concerning decisions on the amounts of remuneration for officers and method of calculation thereof, 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 and method of calculation thereof

The Company has resolved its policy concerning decisions on the amounts of remuneration for officers at the Board of Directors meeting held on May 20, 2021. Prior to the resolution at the Board of Directors meeting, the matters to be resolved were consulted with the Nomination and Compensation Committee.

In addition, the Board of Directors has confirmed that the method of determining the remuneration for individual officers for the fiscal year under review and the content of the determined remuneration are consistent with the policy resolved by the Board of Directors and that the content of deliberation of the Nomination and Compensation Committee is respected, and has also judged that they are in accordance with the policy.

The outline of contents of policy concerning decisions on the amounts of remuneration for officers or the method of calculation thereof 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.

- 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 The amount of individual remuneration for each Director is determined by resolution of the Board of Directors. The Board of Directors resolved to establish “Nomination and Compensation Committee” at its meeting held in November 2018, and the Committee has been in operation since January 2019. The purpose of the Committee is to report to the Board of Directors, through discussions mainly among five Independent Outside Directors (as of February 28, 2023) in response to the request for advice from the Board of Directors.

- Performance-based remuneration as part of remuneration for each Director is determined according to the Company’s performance and the evaluation of the Director’s

performance. Independent Outside Directors in the Committee evaluate each Director, and President and CEO suggests an amount of performance-based remuneration for each Director based on the evaluation. Then the Committee deliberates on the amounts before the final decisions are made by the resolution of the Board of Directors.

- d Outside Directors are paid only fixed remuneration and are not subject to either company-wide or individual performance evaluations.
- e 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 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 remuneration 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 (Thousand Yen) | Total Amount of Remuneration by Type | | | Number of Eligible Officers |
|---|---|--------------------------------------|---|------------------------------|-----------------------------|
| | | Basic Remuneration (Thousand Yen) | Performance-Based Remuneration (Thousand Yen) | Stock Options (Thousand Yen) | |
| Director (Of which, Outside Directors) | 176,426 (36,000) | 130,170 (36,000) | 35,500 (-) | 10,756 (-) | 13 (5) |
| Audit & Supervisory Board Member (Of which, Outside Audit & Supervisory Board Members) | 24,000 (24,000) | 24,000 (24,000) | - (-) | - (-) | 5 (5) |
| Total (Of which, outside officers) | 200,426 (60,000) | 154,170 (60,000) | 35,500 (-) | 10,756 (-) | 18 (10) |

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

2. The number of eligible persons for basic remuneration for Directors is 13, including Directors who were in office as of February 29, 2024, and retired at the 112th Ordinary General Meeting of Shareholders held on May 17, 2023.

3. The number of eligible persons for basic remuneration for Audit & Supervisory Board Members is five, including Audit & Supervisory Board Members who were in office as of February 29, 2024, and retired at the 112th Ordinary General Meeting of Shareholders held on May 17, 2023.

4. The amount of performance-based remuneration is the amount planned to be paid to five Directors in office as of February 29, 2024.

5. The performance indicator for the performance-based remuneration for each Director (by individual) is the ordinary income budget achievement ratio, which was 70.7% for fiscal 2023.

6. The amount of stock options is the amount granted to seven Directors in office as of February 28, 2023 during the fiscal year under review.
7. The amount of remuneration, etc. for Directors was resolved at the 96th Ordinary General Meeting of Shareholders held on May 17, 2007 to be ¥600,000 thousand or less per year.

In addition, separate from such monetary remuneration, the maximum remuneration through stock options was resolved at said General Meeting of Shareholders to be ¥100,000 thousand or less per year.

The number of Directors at the conclusion of the said Ordinary General Meeting of Shareholders was 12.

8. 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 ¥50,000 thousand or less 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 conclusion of the said Ordinary General Meeting of Shareholders was four.

(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 Directors | Kunihiro Koshizuka | TOKYU CONSTRUCTION CO., LTD. | External Director | No business relationship |
| | | WILL GROUP, INC. | Outside Director | |
| | | F.C.C. Co., Ltd. | Outside Director | |
| | Chisa Enomoto | PERSOL HOLDINGS CO., LTD. | Independent Director (Member of Supervisory Committee) | No business relationship |
| | | Meiji University | A member of Communication Strategy Committee | No business relationship |
| | | JAPAN POST Co., Ltd. | Outside Director | Business trading relationship |
| | Junko Owada | Tokyo Ichiban Foods Co., Ltd. | Advisor | No business relationship |
| | | Hitachi, Ltd. | Assigned under Professional Contract of Human Resources Area | No business relationship |
| | | Arbeit Times Co., Ltd. | Outside Director | No business relationship |
| | | H.I.S. Co., Ltd. | Outside Director | Business trading relationship |
| | Junko Taki | Taki CPA Office | Representative | No business relationship |
| | | Nihon Kagaku Sangyo Co., Ltd. | Outside Director | |
| Nitta Gelatin Inc. | | Outside Audit & Supervisory Board Member | | |

| Classification | Name | Organization | Concurrent Position | Relationship with the Company |
|---|---------------|--|---|-------------------------------|
| Outside Audit & Supervisory Board Members | 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 | |
| | Rumiko Tanabe | Tanabe Certified Public Accountant Office | Director | No business relationship |
| | | TechnoPro Holdings, Inc. | Outside Director (Audit & Supervisory Committee Member) | |
| | | TSI HOLDINGS CO., LTD. | Outside Auditor | |

- (Notes) 1. Director Hironobu Kurosaki and Audit & Supervisory Board Member Kazuhiro Aoyama hold no significant concurrent position.
2. The amount of the Company's revenue from transactions with JAPAN POST Co., Ltd., at which Ms. Chisa Enomoto holds a concurrent position, is equivalent to 0.071% of the Company's consolidated operating revenue.
3. The amount of the Company's revenue from transactions with H.I.S. Co., Ltd., at which Ms. Junko Owada holds a concurrent position, is equivalent to 0.017% of the Company's consolidated operating revenue.

(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 Directors | Kunihiro Koshizuka | 15/15 | 100 | – | – |
| | Chisa Enomoto | 15/15 | 100 | – | – |
| | Hironobu Kurosaki | 15/15 | 100 | – | – |
| | Junko Owada | 15/15 | 100 | – | – |
| | Junko Taki | 15/15 | 100 | – | – |
| Outside Audit & Supervisory Board Members | Kazuhiro Aoyama | 12/12 ^(Note) | 100 | 11/11 ^(Note) | 100 |
| | Emi Torii | 15/15 | 100 | 14/15 | 93 |
| | Rumiko Tanabe | 12/12 ^(Note) | 100 | 11/11 ^(Note) | 100 |

(Note) The Board of Directors' meetings were held 12 times and the Audit & Supervisory Board meetings were held 11 times since May 17, 2023 when Outside Audit & Supervisory Board Members Kazuhiro Aoyama and Rumiko Tanabe took office upon their appointment at the 112th Ordinary General Meeting of Shareholders.

(iv) Major activities of each outside officer for the fiscal year under review

| Classification | Name | Overview of statements made and duties performed in relation to expected role |
|---|--------------------|---|
| Outside Directors | 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. Moreover, undertaking the role of a consensus builder for the Outside Directors as the leading independent Outside Director, he appoints and evaluates Directors as Chair of the Nomination and Compensation Committee. He also discusses the policies and plans for developing successors and other Director candidates in relation to human resources who are likely to be Director candidates in the next fiscal year, providing supervision and advice so that these candidates will achieve success as members of the management team. |
| | Chisa Enomoto | Chisa Enomoto has been stating her opinions properly, particularly with respect to enhancing the Company's brand value and reputation, from a general perspective grounded upon her extensive knowledge and experience in public relations strategies that she gained as a public relations officer at multiple companies. Moreover, as Chair of the Governance Committee, she discusses the rationality and appropriateness of transactions with a parent company or group companies on a board meeting agenda as part of her effort to supervise management from the viewpoint of minority shareholders. She also offers advice intended to help the Company make the maximum use of the brand value. |
| | Hironobu Kurosaki | Applying his management experience gained as an executive officer in charge of an overseas affiliated company, Hironobu Kurosaki has been providing appropriate supervision and advice needed to capture growing markets and realize highly profitable growth for such subjects as the promotion of plans for opening new stores overseas, risk management at times of expanding stores, and the suitability of investment and profitability plans. |
| | Junko Owada | Applying her experience from the human resources field and IT problem solving, Junko Owada has been providing appropriate supervision and advice to realize sustainable growth for the Company and for the enhancement of medium- to long-term corporate value, such as identifying points in the content of deliberation that requires further examination and making proposals relating to critical issues including human capital strategies, the promotion of diversity and empowerment of women in the workplace. |
| | Junko Taki | Applying her experience as an executive close to management in multiple companies as well as considerable knowledge she has developed as an accounting and corporate governance expert, Junko Taki has been stating her opinions on our medium- to long-term growth strategies and management issues in Japan and overseas, adopting fairness and transparency as her perspectives. She also provides appropriate supervision and advice to improve the effectiveness of the Board of Directors. |
| Outside Audit & Supervisory Board Members | Kazuhiro Aoyama | Kazuhiro Aoyama leverages his extensive knowledge of management and sales strategies he fostered in the AEON Group and his experience as a director to conduct highly effective audits and supervise management, including pointing out the appropriateness of plans in line with business strategies and the state of internal controls. |
| | Emi Torii | Applying her expertise and experience as a lawyer, Emi Torii has been providing supervision of management, such as offering necessary insights on appropriateness of transactions and improvements to the internal control system as needed, from the perspectives of the Companies Act and of the protection of the interests of minority shareholders. |

| Classification | Name | Overview of statements made and duties performed in relation to expected role |
|----------------|---------------|--|
| | Rumiko Tanabe | With her expertise as a certified public accountant, Rumiko Tanabe leverages her professional knowledge and extensive experience as a specialist in finance and accounting, including audit work at an auditing firm, and she provides highly effective audits and supervises management, including making finance-related recommendations as well as confirming the formulation of strategies for medium-term management plans. |

(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 | ¥1,600 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)

¥136 million

- (ii) Total cash and other remuneration paid by the Company and its subsidiaries

¥207 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 Unit 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

Providing advice, etc. on ESG management systems.

(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 non-reappointment of the accounting auditor, which are to be submitted to a General Meeting of Shareholders.

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 director or employee, in accordance with the internal regulations of the Company.

Documents (including electronic media) 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) Regulations 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 (the “President”) as the executive director of risk management and business unit heads as officers 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 Regulations to prevent crises, respond promptly, and 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 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 strives to maintain and improve the information security level, as well as information systems of the Company and of the Group.

The Company has established the Risk Management Committee chaired by the Executive General Manager of 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 its subsidiaries, 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 (“subsidiaries’ directors, etc.”)

In addition to holding regular Board of Directors meetings at least once a month, the Company convenes extraordinary meetings of the Board of Directors. 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.

Moreover, AEON MALL established a Management Strategy Advisory Committee as an advisory body to the President, which holds a meeting once a month in principle, sets themes out of important policies and management issues; discusses and exchanges opinions about the direction of its stance and initiatives, concrete plans, and progress to promote policy realization and management issue resolution based on opinions and advice from independent outside officers.

Regarding business execution, in order to strengthen the corporate governance system, an executive officer system has been established to separate the supervisory and business execution functions, speed up management decision-making, and ensure efficiency in the execution of duties. Further, 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, and Rules of Jurisdiction, etc.

As a system to ensure the efficiency of the performance of duties of the subsidiaries' directors, etc., the Board of Directors of the Company approves a Group Medium-term Management Plan, annual management goals, budget distribution, etc. that include subsidiaries, 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 Association

We emphasize compliance management to contribute toward the sustainable development of 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.

The Company has established a Compliance Committee, chaired by the Executive General Manager of Administration Division, for the purpose of raising individual awareness and establishing an education system to ensure compliance with laws, regulations, and internal rules, and to identify compliance-related problems and discuss remedial measures, with its proceedings 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 a 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, in case any report or whistle-blowing is made, its content shall be examined, and if there is a violation, necessary measures shall be taken in accordance with the internal regulations, and then measures to prevent recurrence are formulated and implemented across the Company, and reported to the Compliance Committee.

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

In the event that a Director conducts a transaction that may cause a substantial conflict of interest or a competitive relationship with the Company for themselves or for a third party such as the parent company, a subsidiary, or other company of the AEON Group, the Director shall discuss the matter at the Management Meeting and obtain the approval of the Board of Directors before conducting such transaction.

In the event of transactions with companies of the AEON Group, these shall be conducted under appropriate conditions based on market prices in accordance with Rules for Managing Related-Party Transactions. The rationality and appropriateness of the transactions shall be carefully examined by reporting to the Board of Directors once a year on the percentage change in annual transaction results with each trading partner involved. In addition, the Governance Committee, consisting solely of Independent Outside Directors, has been established as an advisory body to the Board of Directors to deliberate on matters relating to organizational restructuring and important transactions with the parent company and AEON Group companies from the perspective of improving the Company's corporate value, as well as the fairness and rationality of such transactions, and reports on its proceedings to the Board of Directors. When the Board of Directors deliberates, special interested parties are excluded from the resolution to ensure the fairness of the procedure.

Furthermore, the Group makes its decisions after confirming the fairness and reasonableness of the transaction.

As a system of reporting matters concerning the performance of duties by the subsidiaries' directors, etc., the Company requires the subsidiaries to report 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. In addition, it regularly reports on the results of audit to the Board of Directors.

- (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 Members.

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

Directors and employees of the Company, and directors, etc. and employees of its subsidiaries shall report on the situation of management, business operation, finances, progress of internal audits, risk management, and compliance 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 a disadvantageous 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 regulations. 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.

Regarding business execution, the executive officer system was introduced in May 2023 to separate the supervisory and business execution functions and strengthen the supervisory and monitoring functions of the Board of Directors. Further, 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. For important proposals to be brought before the Board of Directors in particular, the Governance Committee, which consists solely of Independent Outside Directors, deliberates on the fairness and rationality of the relevant transactions and reports the findings to the Board of Directors. In addition, once a year, a report is submitted on the percentage increase or decrease in annual transactions with each of the related-party counterparties, and the rationality and reasonableness of the transactions are scrutinized.

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. An internal system is in place and education is provided to prevent domestic and foreign bribery through the Basic Rules for the Prevention of Bribery.

Based on findings through a risk survey conducted in fiscal 2021 and its responses to serious incidents occurred and new business fields and environments, the Company divided risks according to their impact. 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. The system is designed to quickly respond to changes in the business environment by reviewing risk level classifications on a regular basis each financial year and as necessary.

In addition to conducting risk surveys, the system for reviewing strategic management risks is reviewed, new risks associated with the launch of new businesses are examined and countermeasures taken, and training is provided to improve risk management skills and risk sensitivity in each department and employee, thereby further increasing the effectiveness of the risk management system.

The risk management systems of the Company's subsidiaries OPA Co., Ltd., China, Vietnam, Cambodia, and Indonesia are autonomously promoted in accordance with the Company, and each has its own risk management committee to discuss risk responses in the same way as the Company. We are also working to improve the effectiveness of the Group-wide risk management system by updating it to the latest risks based on the most recent risk surveys conducted by each company. In addition, domestic subsidiaries and overseas corporations also participate in the Compliance Committee to develop systems to promote compliance globally. Also, training for directors and officers, executive training, and general training are conducted respectively to ensure that all employees are aware of compliance promotion.

The internal audit department meets with full-time Audit & Supervisory Board Members once a month to manage the progress of improvements, and semi-annually reports on the audit to the Management Meeting and the Board of Directors.

-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 Association that dividends paid from surplus are to be determined by resolution of the Board of Directors. Our policy is that, having entered a stage where our overseas business has reached the cash flow-generating stage, we will maintain a consolidated dividend payout ratio of at least 30%, with long-term and continuous dividend increases commensurate with the stage of growth.

[Dividends of surplus for the year under review]

Pursuant to a resolution by the Board of Directors held on April 9, 2024, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of ¥25 per share. The total annual dividend for the fiscal year is ¥50 per share including the interim dividend of ¥25 per share.

The starting date for the year-end dividend payments (effective date) is Tuesday, May 7, 2024.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of February 29, 2024)

(Million yen)

| Item | Amount | Item | Amount |
|--|-----------|---|-----------|
| Assets | | Liabilities | |
| Current assets | 200,778 | Current liabilities | 276,904 |
| Cash and deposits | 89,915 | Notes and accounts payable-trade | 11,771 |
| Notes and accounts receivable-trade | 12,766 | Bonds due within one year | 50,000 |
| Prepaid expenses | 4,247 | Current portion of long-term debt | 59,069 |
| Deposits paid to affiliates | 40,000 | Lease obligations | 25,327 |
| Other | 54,534 | Income taxes payable | 10,315 |
| Allowance for doubtful receivables | (685) | Deposits received from specialty stores | 54,810 |
| Fixed assets | 1,454,475 | Deposits received | 7,469 |
| Property, plant and equipment | 1,323,673 | Allowance for employee bonus | 1,774 |
| Buildings and structures | 663,998 | Allowance for director and corporate auditor performance-based remuneration | 48 |
| Machinery and transportation equipment | 2,687 | Provision for loss on store closing | 1,572 |
| Furniture and fixtures | 11,900 | Notes payable-construction | 3,093 |
| Land | 376,823 | Electronically recorded obligations-construction | 7,281 |
| Right-of-use assets | 196,649 | Accounts payable-construction | 16,750 |
| Construction in progress | 71,599 | Other | 27,619 |
| Other | 13 | Long-term liabilities | 902,123 |
| Intangible assets | 3,559 | Straight bonds | 405,000 |
| Investments and other assets | 127,243 | Long-term debt | 181,129 |
| Investment securities | 8,685 | Lease obligations | 136,691 |
| Long-term loans | 6 | Deferred tax liabilities | 790 |
| Long-term prepaid expenses | 47,979 | Accrued retirement benefits to employees | 118 |
| Deferred tax assets | 16,661 | Asset retirement obligations | 18,910 |
| Lease deposits paid | 53,310 | Lease deposits from lessees | 152,827 |
| Retirement benefit asset | 444 | Provision for loss on store closing | 1,095 |
| Other | 209 | Other | 5,560 |
| Allowance for doubtful receivables | (55) | Total liabilities | 1,179,027 |
| | | Net assets | |
| | | Shareholders' equity | 409,377 |
| | | Common stock | 42,383 |
| | | Capital surplus | 40,701 |
| | | Retained earnings | 326,301 |
| | | Treasury stock, at cost | (8) |
| | | Accumulated other comprehensive income | 54,914 |
| | | Net unrealized gain on available-for-sale securities | 763 |
| | | Foreign currency translation adjustment | 54,193 |
| | | Remeasurements of defined benefit plans | (42) |
| | | Stock acquisition rights | 35 |
| | | Non-controlling interests | 11,898 |
| | | Total net assets | 476,226 |
| Total assets | 1,655,253 | Total liabilities and net assets | 1,655,253 |

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

Consolidated Statement of Income

(March 1, 2023 – February 29, 2024)

(Million yen)

| Item | Amount | |
|---|---------|---------|
| Operating revenue | | 423,168 |
| Operating costs | | 341,992 |
| Gross profit | | 81,175 |
| Selling, general and administrative expenses | | 34,763 |
| Operating income | | 46,411 |
| Non-operating profits | | |
| Interest income | 2,188 | |
| Dividend income | 25 | |
| Share of profit of entities accounted for using equity method | 242 | |
| Compensation paid by departing tenants | 1,172 | |
| Foreign exchange gains | 90 | |
| Gain on valuation of derivatives | 530 | |
| Compensation income | 164 | |
| Insurance income | 305 | |
| Other | 416 | 5,136 |
| Non-operating expenses | | |
| Interest expenses | 13,331 | |
| Other | 1,129 | 14,461 |
| Ordinary income | | 37,086 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 2,009 | |
| Gain on sale of investment securities | 938 | 2,948 |
| Extraordinary losses | | |
| Loss on sale of fixed assets | 4 | |
| Loss on retirement of fixed assets | 951 | |
| Impairment loss | 1,960 | |
| Provision for loss on store closings | 650 | |
| Other | 94 | 3,660 |
| Income before income taxes | | 36,374 |
| Income tax – current | 17,054 | |
| Income tax – deferred | (1,220) | 15,834 |
| Net income | | 20,540 |
| Net income attributable to non-controlling interests | | 140 |
| Net income attributable to owners of parent | | 20,399 |

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

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2023 – February 29, 2024)

(Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 1, 2023 | 42,381 | 40,700 | 317,279 | (7) | 400,353 |
| Changes during period | | | | | |
| Issue of new shares | 1 | 1 | | | 2 |
| Cash dividends | | | (11,377) | | (11,377) |
| Net income attributable to owners of parent | | | 20,399 | | 20,399 |
| Purchase of treasury stock | | | | (0) | (0) |
| Net change in items other than shareholders' equity | | | | | |
| Total of changes | 1 | 1 | 9,022 | (0) | 9,023 |
| Balance as of February 29, 2024 | 42,383 | 40,701 | 326,301 | (8) | 409,377 |

| | 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, 2023 | 1,120 | 39,474 | (453) | 40,141 | 27 | 11,187 | 451,711 |
| Changes during period | | | | | | | |
| Issue of new shares | | | | | | | 2 |
| Cash dividends | | | | | | | (11,377) |
| Net income attributable to owners of parent | | | | | | | 20,399 |
| Purchase of treasury stock | | | | | | | (0) |
| Net change in items other than shareholders' equity | (356) | 14,718 | 410 | 14,772 | 8 | 710 | 15,491 |
| Total of changes | (356) | 14,718 | 410 | 14,772 | 8 | 710 | 24,515 |
| Balance as of February 29, 2024 | 763 | 54,193 | (42) | 54,914 | 35 | 11,898 | 476,226 |

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

Nonconsolidated Financial Statements

Nonconsolidated Balance Sheet

(As of February 29, 2024)

(Million yen)

| Item | Amount | Item | Amount |
|--|-----------|---|-----------|
| Assets | | Liabilities | |
| Current assets | 105,914 | Current liabilities | 236,157 |
| Cash and deposits | 20,818 | Notes and accounts payable-trade | 9,069 |
| Notes and accounts receivable-trade | 7,249 | Short-term debt from subsidiaries and associates | 11,769 |
| Prepaid expenses | 3,117 | Bonds due within one year | 50,000 |
| Short-term loans receivable from subsidiaries and associates | 10,300 | Current portion of long-term debt | 63,069 |
| Deposits paid to affiliates | 40,000 | Accounts payable – other | 4,434 |
| Accounts receivable-other | 23,541 | Accrued expenses | 2,834 |
| Current portion of lease deposits | 26 | Income taxes payable | 8,859 |
| Other | 915 | Advances received | 6,820 |
| Allowance for doubtful receivables | (55) | Deposits received from specialty stores | 45,475 |
| Fixed assets | 1,330,613 | Deposits received | 10,237 |
| Property, plant and equipment | 805,114 | Allowance for employee bonus | 1,696 |
| Buildings | 442,269 | Allowance for director and corporate auditor performance-based remuneration | 36 |
| Structures | 28,428 | Provision for loss on store closing | 650 |
| Machinery and equipment | 2,545 | Notes payable-construction | 2,772 |
| Vehicles and transportation equipment | 1 | Electronically recorded obligations-construction | 7,281 |
| Furniture and fixtures | 8,583 | Accounts payable-construction | 5,757 |
| Land | 314,217 | Other | 5,391 |
| Construction in progress | 9,055 | Long-term liabilities | 734,764 |
| Other | 13 | Straight bonds | 405,000 |
| Intangible assets | 2,975 | Long-term debt | 181,129 |
| Software | 2,420 | Provision for loss on store closing | 1,095 |
| Right to use facilities | 538 | Asset retirement obligations | 17,549 |
| Other | 17 | Lease deposits from lessees | 129,960 |
| Investments and other assets | 522,523 | Other | 29 |
| Investment securities | 1,425 | Total liabilities | 970,921 |
| Stock of affiliates | 274,776 | Net assets | |
| Investment in capital of affiliates | 125,299 | Shareholders' equity | 464,806 |
| Long-term loans | 6 | Common stock | 42,383 |
| Long-term loans receivable from subsidiaries and associates | 39,279 | Capital surplus | 42,691 |
| Long-term prepaid expenses | 17,978 | Legal capital surplus | 42,691 |
| Deferred tax assets | 18,056 | Retained earnings | 379,740 |
| Lease deposits paid | 45,171 | Legal retained earnings | 1,371 |
| Prepaid pension costs | 377 | Other retained earnings | 378,369 |
| Other | 169 | Reserve for advanced depreciation of fixed assets | 390 |
| Allowance for doubtful receivables | (18) | Reserve for tax system to promote open innovation | 37 |
| | | General reserve | 28,770 |
| | | Retained earnings brought forward | 349,171 |
| | | Treasury stock, at cost | (8) |
| | | Valuation and translation adjustments | 763 |
| | | Net unrealized gain on available-for-sale securities | 763 |
| | | Stock acquisition rights | 35 |
| Total assets | 1,436,527 | Total net assets | 465,606 |
| | | Total liabilities and net assets | 1,436,527 |

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

Nonconsolidated Statement of Income

(March 1, 2023 – February 29, 2024)

(Million yen)

| Item | Amount | |
|--|---------|---------|
| Operating revenue | | 318,287 |
| Operating costs | | 255,644 |
| Gross profit | | 62,643 |
| Selling, general and administrative expenses | | 27,315 |
| Operating income | | 35,328 |
| Non-operating profits | | |
| Interest income | 1,562 | |
| Dividend income | 361 | |
| Compensation paid by departing tenants | 812 | |
| Foreign exchange gains | 508 | |
| Compensation income | 87 | |
| Insurance income | 99 | |
| Other | 135 | 3,568 |
| Non-operating expenses | | |
| Interest expenses | 5,462 | |
| Other | 1,063 | 6,526 |
| Ordinary income | | 32,370 |
| Extraordinary gains | | |
| Gain on sale of fixed assets | 2,009 | |
| Gain on sale of investment securities | 938 | 2,948 |
| Extraordinary losses | | |
| Loss on sale of fixed assets | 3 | |
| Loss on retirement of fixed assets | 904 | |
| Provision for loss on store closings | 650 | |
| Other | 49 | 1,608 |
| Income before income taxes | | 33,710 |
| Income tax – current | 12,698 | |
| Income tax – deferred | (2,327) | 10,371 |
| Net income | | 23,339 |

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

Nonconsolidated Statement of Changes in Shareholders' Equity

(March 1, 2023 – February 29, 2024)

(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, 2023 | 42,381 | 42,690 | 42,690 | 1,371 | 366,407 | 367,778 |
| Changes during period | | | | | | |
| Issue of new shares | 1 | 1 | 1 | | | |
| Cash dividends | | | | | (11,377) | (11,377) |
| Net income | | | | | 23,339 | 23,339 |
| Purchase of treasury stock | | | | | | |
| Net change in items other than shareholders' equity | | | | | | |
| Total of changes | 1 | 1 | 1 | – | 11,962 | 11,962 |
| Balance as of February 29, 2024 | 42,383 | 42,691 | 42,691 | 1,371 | 378,369 | 379,740 |

| | Shareholders' equity | | 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, 2023 | (7) | 452,842 | 1,120 | 1,120 | 27 | 453,991 |
| Changes during period | | | | | | |
| Issue of new shares | | 2 | | | | 2 |
| Cash dividends | | (11,377) | | | | (11,377) |
| Net income | | 23,339 | | | | 23,339 |
| Purchase of treasury stock | (0) | (0) | | | | (0) |
| Net change in items other than shareholders' equity | | | (356) | (356) | 8 | (348) |
| Total of changes | (0) | 11,963 | (356) | (356) | 8 | 11,614 |
| Balance as of February 29, 2024 | (8) | 464,806 | 763 | 763 | 35 | 465,606 |

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

Audit Report of the Audit & Supervisory Board

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 113th fiscal year (from March 1, 2023 to February 29, 2024), 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, division of duties, etc. 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 audit policies, division of duties, etc. 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, 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 Association 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 Regulations 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 Regulations for Enforcement of the Companies Act, and the judgment and reason stated in (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 Regulations on Corporate Accounting) is organized in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, November 16, 2021) 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 Association.
- (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 Association 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 8, 2024

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

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

Kazuhiro Aoyama (Seal)

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

Outside Audit & Supervisory Board Member Rumiko Tanabe (Seal)

Audit & Supervisory Board Member Masato Nishimatsu (Seal)