

# Strengths of AEON MALL

AEON MALL has fostered six strengths throughout its history of continuous growth with regional development. We will work on further strengthening our management base by improving these strengths.

## ■ Strength 1 Fund creation and procurement



AEON MALL Yantai Jinshatan [Shandong Province, China]

## ■ Strength 2 Scale dominance and ability to attract customers



AEON MALL Jakarta Garden City [Indonesia]

## ■ Strength 3 Human resource diversity



AEON MALL BSD CITY [Indonesia] Office

## ■ Strength 4 Sustainable shopping malls with local community



AEON MALL Walking

## ■ Strength 5 Community network



AEON Association Shops Role-Playing Contest

## ■ Strength 6 Environmental conservation



EV Charging Station

AEON MALL maintains a sound financial status with cash flow obtained by managing and operating shopping malls and creates funds by debt funding capacity (Net D/E ratio is about one time). We are accelerating investment recovery speed and enhancing asset efficiency from sales of assets such as land and buildings of shopping malls to REIT and by using development-type tenant leasing.

- EBITDA: 101.7 billion yen (Overseas business: 14.7 billion yen)
- Capital adequacy ratio: 31.9%
- Net D/E ratio: 1.1 times

We manage more than 150 shopping malls in Japan and attract approximately 1.2 billion customers a year. We have cultivated retail-orientated, localized expertise that also accelerates our expansion in foreign countries particularly in China and ASEAN countries.

- Number of malls: 153 in Japan, 27 in overseas countries
- Number of urban shopping centers: 23 in Japan
- Gross leasable area: Approx. 9,982,000 m<sup>2</sup> in Japan, 1,828,000 m<sup>2</sup> in overseas countries

AEON MALL has work environment where employees, regardless of gender, age, or nationality, can maximize their potentials. We are actively promoting the appointment of local staff to high managerial positions as well as giving Japanese employees experience with business overseas. Interactions between these personnel will lead to our growth.

- Female manager ratio: 15.1%
- Number of local staff members in overseas subsidiaries: 1,227

By using know-how from more than 200 bases, AEON MALL develops and manages comfortable, safe and secure shopping malls for various customers. We are aiming to become sustainable malls chosen by customers and specialty store companies by promoting community efforts for Happiness Mall and by expanding public services.

- Happiness Mall events: Held in all malls
- Number of malls that have concluded disaster prevention agreements with local governments: 150
- Number of malls that are designated as a disaster prevention base: 37

AEON MALL keeps close relationship in the community through our tight partnerships with specialty store companies nationwide. Also, we are striving to raise the overall level of AEON MALL customer services through the "Customer service role-playing contest" and sharing excellent case examples and skills which work across industries.

- Number of specialty store companies: About 8,000
- Nationwide contest\* participants: Employees of about 30,000 stores from about 8,000 companies

\* Employees of specialty stores compete in customer service skills they have been using in their jobs at this contest, which is held not only in Japan but also in China, Cambodia, Vietnam, and Indonesia.

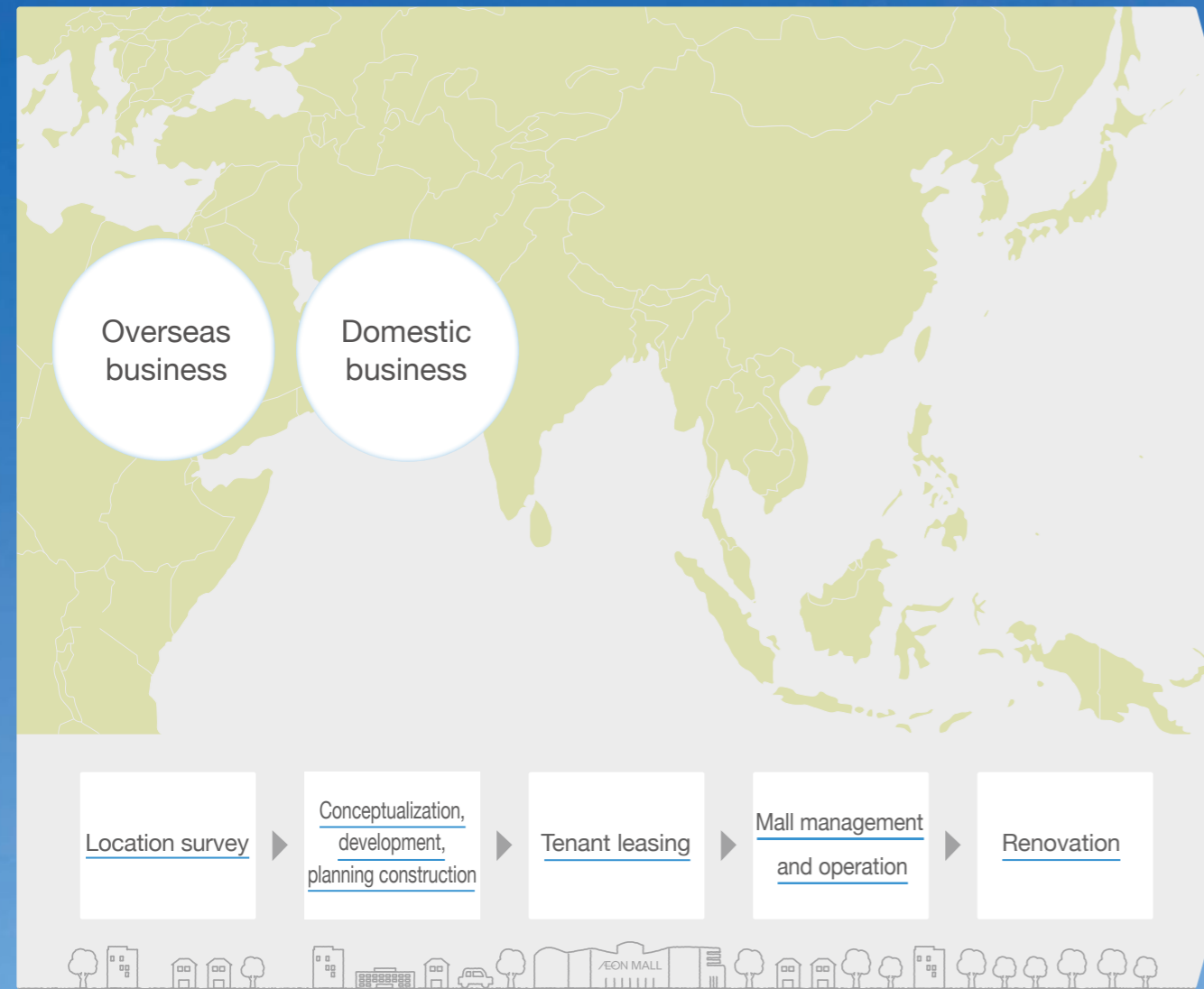
With installations such as LED illumination devices, solar power generation systems, EV (electric vehicle) chargers, and garbage recycling systems, AEON MALL is working on saving energy, reducing CO<sub>2</sub> emissions, and reducing the amount of waste. AEON MALL is also promoting environmental management as a local community center, for example, by acquiring ISO14001 certification as well as holding activities for customers and conducting social studies field trips for elementary schools.

- LED adoption rate: 100% (public spaces in shopping malls)
- Number of installed EV chargers: Japan: 1,829 (146 malls), China: 503 (12 malls)

# Value Creation Model

With all-around capabilities we have accumulated as a commercial developer, AEON MALL will present new values through our domestic and overseas business developments.

Business activities (Businesses and services contributing to local customers' lives)



Outcome (Value provided to enterprises and stakeholders)

<u>Customers</u>	<p><b>Providing daily fulfillment, fun, safety, and security</b></p> <ul style="list-style-type: none"> <li>Year-to-year comparison of the number of purchasing customers: 101.6%</li> <li>Number of Happiness Mall activity participants: About 4 million people</li> </ul>
<u>Local Communities</u>	<p><b>Contribution to local communities by expanding regional revitalization and public services</b></p> <ul style="list-style-type: none"> <li>Number of malls that have taken up the challenge of ultimate localization: All shopping malls</li> <li>Expansion of public services: Administrative service office, polling station, post office, coming-of-age ceremony venue, library</li> </ul>
<u>Partner Companies</u>	<p><b>Provision of growth opportunities based on partnership</b></p> <ul style="list-style-type: none"> <li>Number of AEON association shops role-playing contest participants: [Japan] About 10,000 people / [Overseas] 4,000 people from China, 800 people from ASEAN countries</li> </ul>
<u>Employees</u>	<p><b>Realization of work environment with high vitality</b></p> <ul style="list-style-type: none"> <li>Number of employer-provided childcare facilities: 18 (Fixed total number of school children: 535) Note: Out of 25 commercial facilities of the AEON group</li> </ul>
<u>Shareholders / Investors</u>	<p><b>Stable profit return</b></p> <ul style="list-style-type: none"> <li>Profit growth rate: 11.3% (FY2017 - FY2019 average annual growth rate)</li> <li>Payout ratio: 25.8%</li> </ul>



AEON MALL Kofu Showa [Yamanashi Prefecture]