

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

Stock code: 8905
April 28, 2022
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 111th Ordinary General Meeting of Shareholders

You are cordially informed of the 111th Ordinary General Meeting of Shareholders of **AEON MALL Co., Ltd.** (the “Company”), to be held as described below:

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 18, 2022 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

1. Date and Time: Thursday, May 19, 2022; 10:00 a.m.

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

3. Objectives of Meeting

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the 111th fiscal year (from March 1, 2021 to February 28, 2022) and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and Audit & Supervisory Board
 2. Nonconsolidated Financial Statements for the 111th fiscal year (from March 1, 2021 to February 28, 2022)

Matters to be resolved:

- Agenda Item 1: Partial amendment to the Articles of Association
Agenda Item 2: Election of thirteen (13) Directors

4. Matters prescribed for convocation

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

1. Attendees are kindly requested to present the enclosed Form for Exercising Voting Rights to the receptionist on the day of the meeting.
2. Of the documents provided in the Notice of the 111th Ordinary General Meeting of Shareholders, notes to Consolidated Financial Statements and Nonconsolidated Financial Statements are provided to shareholders on the Company's website, pursuant to laws and regulations and provisions of Article 15 of the Articles of Association of the Company, and are therefore not included in the attached documents to this convocation notice. Accordingly, the documents attached to this convocation notice consist of part of the Consolidated Financial Statements and Nonconsolidated Financial Statements that were audited by the Audit & Supervisory Board Members, in preparing their audit reports and the Accounting Auditors in preparing their audit reports.
3. If there are any amendments to Business Report, Consolidated Financial Statements, Nonconsolidated Financial Statements and/or Reference Documents for the General Meeting of Shareholders, such amendments will be announced on the Company's website (<https://www.aeonmall.com/en/ir/index.html>).

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

[For those attending the meeting]

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

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

[For those voting in writing]

Those voting in writing should indicate “for” or “against” for the agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Wednesday, May 18, 2022.

[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 18, 2022.

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

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

Notes:

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

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

[Electronic Voting Platform for Institutional Investors]

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

Reference Documents for the General Meeting of Shareholders

Agenda Item 1: Partial amendment to the Articles of Association

1. Reasons for the amendment
 - (1) The Company proposes to partially amend its Articles of Association, envisioning new business expansions, including the development of complex facilities and the creation of new business models driven by digital technologies, as future growth strategies in addition to its existing mall business.
 - (i) Article 2, paragraph 1 and 15 in “Proposed amendments” will be added to promote the business for development of complex facilities and revitalization of real estate, going beyond the development of shopping malls.
 - (ii) Article 2, paragraph 7 in “Proposed amendments” will be added to promote the expansion of EC business including sale of goods.
 - (iii) Article 2, paragraph 8 in “Proposed amendments” will change the business in association with advertisement and publicity from an online-only model to a model including and beyond the Internet.
 - (iv) Article 2, paragraph 18 in “Proposed amendments” will specify the implementation and operation of sales promotion activities and various events for the Company and its subsidiaries’ businesses.
 - (v) Article 2, paragraph 19 in “Proposed amendments” is added to start new information business such as utilizing customer information for mall operations.
 - (vi) Article 2, paragraph 20 in “Proposed amendments” is added to start logistics and warehouse businesses for the Company and its subsidiaries.
 - (2) A shareholders meeting without a designated location (the so-called virtual-only shareholders meeting) is newly allowed to convene following the enforcement of the Act of Partial Revision of the Industrial Competitiveness Enhancement Act, etc. on June 16, 2021. Therefore, the Company proposes to partially amend its Articles of Association.
 - (i) Article 12 (Convening of the General Meeting of Shareholders), paragraph (2) in “Proposed amendments” will be newly established to allow a virtual-only shareholder meeting. The Company believes that making the meeting easy to attend among many shareholders, including those in remote areas, leads to a more revitalized, efficient, and smooth shareholder meeting while contributing to preventing the spread of infectious disease such as COVID-19.

The Company intends to convene a virtual-only shareholders meeting only when it judges that the convention of a shareholders meeting with a designated location is not appropriate

in light of the interests of shareholders due to large-scale disasters and other events including the spread of infectious disease and natural disasters.

- (3) The Company proposes to partially amend its Articles of Association, taking into account the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, in line with the enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on September 1, 2022.
 - (i) Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph (1) in “Proposed amendments” will be newly established as it will be required to stipulate in the Articles of Association that the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
 - (ii) Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph (2) in “Proposed amendments” will be newly established to allow for limiting the scope of matters for which measures are taken for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. Specifically, the matters stated in the documents to be delivered to shareholders who requested the delivery of paper-based documents will be limited to the scope designated by the Ministry of Justice Order.
 - (iii) Since the provisions for Article 15 (Disclosure of Reference Documents of the General Meeting of Shareholders on Internet and Circumstances When They Are Deemed to Have Been Provided) in the current Articles of Association will no longer be required, they will be deleted.
 - (iv) The Company will establish supplementary provisions regarding the effect of the above provisions newly established or deleted. These supplementary provisions shall be deleted after the due date elapses.

2. Details of the amendment

The details of the amendment are as follows.

(Underlined parts are to be amended.)

Current Articles of Association	Proposed amendments
Chapter 1 General Provisions	(Unchanged)
<p>(Purposes)</p> <p>Article 2 The purpose of the Company are to engage in the following businesses in Japan and abroad:</p> <p>1. Business of development, construction, operation and management in connection with real estate, mainly shopping <u>centers</u>;</p> <p>Paragraphs 2 – 6 (Omitted)</p> <p>7. Planning, creation and operation of online stores;</p> <p>8. <u>Internet advertisement business</u>;</p> <p>Paragraphs 9 – 14 (Omitted)</p> <p>15. Outsourced operation of parks, tourist facilities, sports facilities, cultural facilities, roads, vehicle parking areas, bicycle parking areas, etc.;</p> <p>Paragraphs 16 – 17 (Omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>18.</u> Consulting business attached to or in connection with all the above mentioned businesses; and</p>	<p>(Purposes)</p> <p>Article 2 (Unchanged)</p> <p>1. Business of development, construction, operation, <u>revitalization</u> and management in connection with real estate, mainly shopping <u>malls</u>;</p> <p>Paragraphs 2 – 6 (Unchanged)</p> <p>7. Planning, creation and operation of online stores <u>and online sale of various goods</u>;</p> <p>8. <u>Business in connection with advertisement and publicity</u>;</p> <p>Paragraphs 9 – 14 (Unchanged)</p> <p>15. Outsourced operation, <u>lease and management</u> of parks, <u>offices, hotels</u>, tourist facilities, <u>leisure facilities</u>, sports facilities, cultural facilities, <u>educational facilities</u>, <u>aquariums, houses</u>, roads, vehicle parking areas, bicycle parking areas, etc.;</p> <p>Paragraphs 16 – 17 (Unchanged)</p> <p><u>18. Planning, hosting and operational management of sales promotion activities, various events, lectures and seminars</u>;</p> <p><u>19. Information processing and information provision business and marketing business</u>;</p> <p><u>20. Consigned freight forwarding business, warehouse business, distribution processing business, port and harbor transportation business, logistics center operation business, customs brokerage business and import/export agency business</u>;</p> <p><u>21.</u> Consulting business attached to or in connection with all the above mentioned businesses; and</p>

Current Articles of Association	Proposed amendments
<p><u>19.</u> All businesses attached to or in connection with all the above mentioned businesses.</p>	<p><u>22.</u> All businesses attached to or in connection with all the above mentioned businesses.</p>
<p>Chapter 3 General Meeting of Shareholders</p>	<p>(Unchanged)</p>
<p>(Convening of the General Meeting of Shareholders)</p> <p>Article 12 The Company's ordinary general meeting of shareholders shall be convened within 3 months after the end of each business year, and an extraordinary general meeting of shareholders may be convened at any time when necessary.</p> <p>(Newly established)</p>	<p>(Convening of the General Meeting of Shareholders)</p> <p><u>Article 12 (1)</u>(Unchanged)</p> <p><u>(2) The Company may convene a shareholders meeting without a designated location if its Board of Directors determines that the convening of a shareholders meeting with a designated location is not appropriate in light of the interests of shareholders due to the spread of infectious disease, a large-scale disaster or other events.</u></p>
<p><u>(Disclosure of Reference Documents of the General Meeting of Shareholders on Internet and Circumstances When They Are Deemed to Have Been Provided)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, disclose via the Internet the information relevant to the matters stated or marked in the reference documents for general meeting of shareholders, business report, nonconsolidated financial statements and consolidated financial statements pursuant to the provisions of ministerial ordinances of the Ministry of Justice, and by doing so, the Company may be deemed as having provided such documents to its shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p>

Current Articles of Association	Proposed amendments
(Newly established)	<p><u>Article 15</u></p> <p>(1) <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p>(2) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
Chapter 6 Accounting	(Unchanged)
<p>Articles 40 – 43 (Omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Articles 40 – 43 (Unchanged)</p> <p><u>(Supplementary Provisions)</u></p> <p><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 1</u></p> <p>(1) <u>The deletion of Article 15 (Disclosure of Reference Documents of the General Meeting of Shareholders on Internet and Circumstances When They Are Deemed to Have Been Provided) of the current Articles of Association and the new establishment of Article 15 (Measures, etc. for Providing Information in Electronic Format) shall be effective from September 1, 2022.</u></p> <p>(2) <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Association (Disclosure of Reference Documents of the General Meeting of Shareholders on Internet and Circumstances When They Are Deemed to Have Been Provided) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p>

Current Articles of Association	Proposed amendments
	<p>(3) <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Agenda Item 2: Election of thirteen (13) Directors

The terms of office of all thirteen (13) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, we request the election of thirteen (13) Directors, including one (1) new candidate for Director, for the purpose of conducting even more effective supervision and strengthening the structure toward achieving management priorities and realizing our vision for the Company, as well as accelerating the execution of growth strategies and expediting decision making.

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	Yasutsugu Iwamura	Reelection	President and CEO and General Manager of Overseas Business Division	15/15 (100%)	3 years	○	◎	
2	Mitsuhiro Fujiki	Reelection	Senior Managing Director, General Manager of Customer Experience Creative Division	15/15 (100%)	7 years		○	
3	Hisayuki Sato	Reelection	Managing Director, General Manager of Development Division	15/15 (100%)	6 years		○	
4	Masahiko Okamoto	Reelection	Managing Director, General Manager of Administration Division	14/15 (93%)	4 years	○	○	
5	Hiroshi Yokoyama	Reelection	Managing Director, General Manager of Finance & Accounting Division	15/15 (100%)	5 years		○	
6	Motoya Okada	Reelection	Director and Advisor	15/15 (100%)	24 years			
7	Akiko Nakarai	Reelection	Director, General Manager of Marketing Management Department	15/15 (100%)	4 years		○	
8	Tatsuya Hashimoto	Reelection	Director, China Business Officer	15/15 (100%)	2 years		○	
9	Kunihiro Koshizuka	Reelection	Outside Independent Director	15/15 (100%)	2 years	◎	○	○
10	Hironobu Kurosaki	Reelection	Outside Independent Director	11/11 (100%)	1 year	○	○	○
11	Junko Owada	Reelection	Outside Independent Director	11/11 (100%)	1 year	○	○	○
12	Chisa Enomoto	Reelection	Outside Independent Director	11/11 (100%)	1 year	○	○	◎
13	Junko Taki	New election	Outside Independent	-	-			

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

◎: Chair

(Note 2) Hironobu Kurosaki, Junko Owada and Chisa Enomoto were appointed as Outside Directors at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021, and the status shown is their attendances at Board of Directors meetings after the said date.

○: Committee Member

(Note 3) The Outside Directors are listed in order of their appointment as Director of the Company.

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 key strategies and growth policies.

* The below skill matrix shows the skills that are particularly desired from the candidates 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					
Yasutsugu Iwamura	●			●			●	●	●	
Mitsuhiro Fujiki					●			●		●
Hisayuki Sato				●				●	●	
Masahiko Okamoto		●				●		●		
Hiroshi Yokoyama		●	●	●						
Motoya Okada	●							●	●	
Akiko Nakarai					●		●			●
Tatsuya Hashimoto					●				●	●
Kunihiro Koshizuka (Outside)	●	●					●			
Hironobu Kurosaki (Outside)	●								●	
Junko Owada (Outside)		●				●				
Chisa Enomoto (Outside)		●						●		●
Junko Taki (Outside)			●							



**Candidate
no.
1**

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

Reelection

**Number of the
Company's shares
owned:** 3,012 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]

- Aug. 2005 Joined the Company
- Aug. 2007 General Manager of Planning Development First Group, Planning Development Department, the Company
- May 2009 General Manager of Kanto and Tohoku Development Department, Development Division, the Company
- Apr. 2013 General Manager of Development Management Department, Development Division, the Company
- May 2016 General Director of AEON MALL VIETNAM CO., LTD.
- May 2019 Director in charge of Vietnam, ASEAN Division, the Company, and General Director of AEON MALL VIETNAM CO., LTD.
- Mar. 2020 President and CEO, the Company
- Jul. 2020 Chairman, AEON MALL (CHINA) CO., LTD. (to present)
- Apr. 2021 President and CEO and General Manager of Overseas Business Division, the Company (to present)

Reasons for selection as a candidate for Director

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

Conflicts of interest

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



**Candidate
no.
2**

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

Reelection

**Number of the
Company's shares
owned:** 9,464 shares
Tenure 7 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. 1985 Joined the Company
- Apr. 2011 General Manager of AEON MALL Niihama, the Company
- Nov. 2012 General Manager of AEON MALL Miyazaki, the Company
- Apr. 2013 General Manager of West Japan Business Department, Sales Division, the Company
- Sep. 2014 General Manager of Chushikoku Business Department, Sales Division, the Company
- Apr. 2015 General Manager of Sales Division, the Company
- May 2015 Director, General Manager of Sales Division, the Company
- Apr. 2017 Director, General Manager of Leasing Division, the Company
- May 2018 Managing Director, General Manager of Leasing Division, the Company
- Apr. 2021 Managing Director, General Manager of Customer Experience Creative Division, the Company
- May 2021 Senior Managing Director, General Manager of Customer Experience Creative Division, the Company (to present)

Reasons for selection as a candidate for Director

Since joining the Company, Mitsuhiro Fujiki has engaged primarily in the operation of shopping malls, and in leasing operations, and has served as Senior Managing Director since 2021. Currently, as the General Manager of Customer Experience Creative Division, he is playing a central role in maximizing the attractiveness of brick-and-mortar malls and creating new value by providing solutions to local areas and new initiatives through co-creation with DOYOU partner store companies. Accordingly, the Company nominated him for another term as a candidate for Director.

Conflicts of interest

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



**Candidate
no.
3**

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

Reelection

**Number of the
Company's shares
owned:** 1,900 shares
Tenure 6 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]

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

Reasons for selection as a candidate for Director

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

Conflicts of interest

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



**Candidate
no.
4**

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

Reelection

**Number of the
Company's shares
owned:** 3,500 shares
Tenure 4 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. 1981 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)
- Mar. 1997 General Manager of Personnel & General Affairs Department, Megamart Division, JUSCO Co., Ltd.
- Mar. 2000 General Manager of Personnel & Education Department, Kinki Business Division, JUSCO Co., Ltd.
- Mar. 2001 General Manager of Administration Center, Headquarters, JUSCO Co., Ltd.
- Sep. 2008 General Manager of Personnel Training Department, Kanto Company Division, AEON CO., LTD.
- Feb. 2015 General Manager of General Affairs Department, Administration Division, the Company
- Apr. 2018 General Manager of Administration Division, the Company
- May 2018 Director, General Manager of Administration Division, the Company
- May 2021 Managing Director, General Manager of Administration Division, the Company (to present)

Reasons for selection as a candidate for Director

Masahiko Okamoto has engaged in personnel and general affairs. Based on the expertise and experience that he gained, he has been serving as Managing Director, General Manager of Administration Division since 2021. To maximize corporate value, he has driven our response to internal control, corporate governance, and diversity, while further enhancing internal control and risk management both in Japan and overseas. He plays a central role in reforms based on ESG perspectives. Accordingly, the Company nominated him for another term as a candidate for Director.

Conflicts of interest

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



**Candidate
no.
5**

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

Reelection

**Number of the
Company's shares
owned:** 4,910 shares
Tenure 5 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. 1987 Joined The Chuo Trust & Banking Co., Ltd. (now Sumitomo Mitsui Trust Bank, Limited)
- Oct. 2000 Section Manager of Real Estate Investment Development Department, The Chuo Mitsui Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)
- Apr. 2004 Joined the Company
- Apr. 2004 Manager of Finance Group, Finance & Accounting Group, Administration Division, the Company
- Aug. 2007 General Manager of Finance & Accounting Department, Administration Division, the Company
- May 2013 General Manager of Finance & Accounting Management Department, Finance & Accounting Division, the Company
- Apr. 2017 General Manager of Development Planning Management Department, Development Division, the Company
- May 2017 Director, General Manager of Development Planning Management Department, the Company
- Apr. 2021 Director, General Manager of Finance & Accounting Division, the Company
- May 2021 Managing Director, General Manager of Finance & Accounting Division, the Company (to present)

Reasons for selection as a candidate for Director

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

Conflicts of interest

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



**Candidate
no.
6**

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

Reelection

**Number of the
Company's shares
owned:** 5,280 shares
Tenure 24 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]

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

Reasons for selection as a candidate for Director

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

Conflicts of interest

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



Candidate
no.
7

Akiko Nakarai
(August 7, 1971)

Reelection

Number of the Company's shares owned:
4,500 shares
Tenure
4 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]

- Dec. 2003 Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)
- Apr. 2011 General Manager of AEON MALL Miyakonojo Ekimae, the Company
- Apr. 2013 General Manager of AEON MALL Fukutsu, the Company
- Jul. 2016 Representative Duties Enforcer, AEONMALL KIDS DREAM, LLC
- Mar. 2018 General Manager of Digital Promotion Management Department, Sales Division, the Company
- May 2018 Director, General Manager of Digital Promotion Management Department, the Company
- Apr. 2021 Director, General Manager of Marketing Management Department, the Company (to present)

Reasons for selection as a candidate for Director

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

Conflicts of interest

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



Candidate
no.
8

Tatsuya Hashimoto
(February 14, 1974)

Reelection

Number of the Company's shares owned:
1,500 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. 2004 Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)
- Nov. 2011 General Manager of AEON MALL Sanko, the Company
- Nov. 2012 General Manager of AEON MALL Kochi, the Company
- Apr. 2015 General Manager of AEON MALL Kurashiki, the Company
- Mar. 2017 General Manager of SC Operations Department, AEON MALL (CHINA) CO., LTD.
- Mar. 2018 President, AEON MALL (JIANGSU) BUSINESS MANAGEMENT CO., LTD.
- May 2020 Director, General Manager of China Division, the Company
- May 2020 Chief Executive Officer, AEON MALL (CHINA) CO., LTD. (to present)
- Jul. 2020 Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. (to present)
- Jul. 2020 Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD. (to present)
- Apr. 2021 Director, China Business Officer, the Company (to present)

Reasons for selection as a candidate for Director

Since joining the Company, Tatsuya Hashimoto has engaged primarily in the operation of shopping malls, and he currently serves as Director, China Business Officer. Using his expertise in overall sales developed in Japan and overseas, as the China Business Officer, he has pursued realization of profit growth and acceleration of new store openings, and has advanced initiatives aimed at providing new added value. Accordingly, the Company nominated him for another term as a candidate for Director.

Conflicts of interest

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



Candidate no. 9
Kunihiro Koshizuka
(September 30, 1955)

Candidate for Independent Officer	Candidate for Outside Director	Reelection
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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. 1981 Joined Konishiroku Photo Industry Co., Ltd. (now KONICA MINOLTA, INC.)
Apr. 2013 Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC.
Jun. 2014 Senior Executive Officer, General Manager of Technology Strategy Department and R&D Headquarters, KONICA MINOLTA, INC.
Jun. 2015 Director and Senior Executive Officer (CTO), KONICA MINOLTA, INC.
Jun. 2019 Senior Technical Advisor, KONICA MINOLTA, INC.
Nov. 2019 Outside Director, HOUSEI Inc. (to present)
May 2020 Outside Director, the Company (to present)
Jun. 2021 External Director, Tokyu Construction Co., Ltd. (to present)

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

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

Conflicts of interest

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



Candidate no. 10
Hironobu Kurosaki
(September 7, 1960)

Candidate for Independent Officer	Candidate for Outside Director	Reelection
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Number of the Company's shares owned:
0 shares
Tenure
1 year
Attendance at Board of Directors meetings
11/11

[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

Hironobu Kurosaki has experience and know-how acquired through his involvement in overseas business activities and management such as system construction and business expansion as a manager of a local subsidiary (president), as well as knowledge on overseas risk management gained through his experience of being stationed in emerging countries. Through the said experience, know-how and knowledge, the Company expects that he will be able to provide appropriate supervision and advice to realize high profit growth in the overseas business, which is the Company's management issue. 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 Hironobu Kurosaki.
(Note) Hironobu Kurosaki was appointed as Outside Director at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021, and the status shown is his attendance after the said date.



Candidate no. 11
Junko Owada
(August 31, 1965)

Candidate for Independent Officer	Candidate for Outside Director	Reelection
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Number of the Company's shares owned:
 0 shares
Tenure
 1 year
Attendance at Board of Directors meetings
 11/11

[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)

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 diversity and workstyle 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.
 (Note) Junko Owada was appointed as Outside Director at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021, and the status shown is her attendance after the said date.



Candidate no. 12
Chisa Enomoto
(August 12, 1961)

Candidate for Independent Officer	Candidate for Outside Director	Reelection
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Number of the Company's shares owned:
 0 shares
Tenure
 1 year
Attendance at Board of Directors meetings
 11/11

[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)

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 expects her to sufficiently make supervision and proposals on the information disclosure and promotion of brand strategy, which are the Company's important issues, based on her deep insight and multifaceted point of view. Accordingly, the Company nominated her for another term as a candidate for Director.

Conflicts of interest

No conflict of interest exists between the Company and Chisa Enomoto.
 (Note) Chisa Enomoto was appointed as Outside Director at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021, and the status shown is her attendance after the said date.



**Candidate
no.
13** | **Junko Taki
(July 17, 1967)**

Candidate for Independent Officer	Candidate for Outside Director	New election
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**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. 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)

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

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 at a major auditing firm. Using this experience and knowledge, the Company expects her to provide appropriate supervision and advice from multiple perspectives (corporate experience, financial sector) on investment decisions, business strategy, and internal control auditing of the Company's financial sector. Accordingly, the Company newly nominated her as a candidate for Director.

Conflicts of interest

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

(Notes)

- The Company has entered into limited liability agreements with Kunihiro Koshizuka, Hironobu Kurosaki, Junko Owada and Chisa Enomoto, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. If their reelection is approved, the Company intends to continue these agreements. In addition, the Company plans to enter into the same limited liability agreement with Junko Taki if her election is approved. The summary of details of the agreement is as follows:
 - The maximum amount of liability for damages incurred due to negligence of duties by the Outside Director shall be up to the minimum amount as provided for by Article 425, Paragraph 1 of the Companies Act.
 - The limitation of liability shall be accepted only if the Outside Director has acted in good faith and without gross negligence in performing his or her duties.
- The Company notified the Tokyo Stock Exchange of the election of Kunihiro Koshizuka, Hironobu Kurosaki, Junko Owada and Chisa Enomoto, as Independent Officers pursuant to Regulations of the Tokyo Stock Exchange. If their reelection is approved, the Company intends to continue to notify the said Exchange of their election as Independent Officers. In addition, if the election of Junko Taki is approved, the Company intends to notify the said Exchange of her election as an Independent Officer.
- 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 and Audit & Supervisory Board Members of the Company

(2) Share of actual insurance premiums by insured persons

The Company will bear all insurance premiums with no premiums 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.

(ATTACHED DOCUMENTS)

Business Report for Fiscal 2021

(March 1, 2021 – February 28, 2022)

1. Status of the corporate group

(1) Business operations during the fiscal year under review

(i) Progress and results of operations

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

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

In pursuit of our growth initiatives, we defined the following management issues and future vision: (1) Achieve profit growth in overseas businesses and accelerate new mall openings; (2) Maximize the attractiveness of brick-and-mortar malls through customer experience (CX); (3) Build next-generation malls and pursue the urban shopping center business; (4) Pursue digital transformation (DX); and (5) Pursue medium-term strategies, while accelerating reform based on ESG perspectives. Through these efforts, we will continue to provide solutions to regional and social issues, establishing our position through social infrastructure functions to be a central facility for the local community.

During the fiscal year under review, COVID-19 infections remained uncontained, although differences were evident among various countries and regions. Certain of our malls in Japan and overseas were forced to shorten operating hours or close temporarily.

The Company recorded higher revenue and profits for the fiscal year under review compared to the previous fiscal year. Operating revenue for the fiscal year under review amounted to ¥316,813 million (+12.9% year on year). Operating income came to ¥38,228 million (+11.1% year on year), ordinary income was ¥32,540 million (+14.4% year on year), and net income attributable to owners of parent amounted to ¥19,278 million (net loss attributable to owners of parent of ¥1,864 million in the previous fiscal year). Fixed costs, etc. during the temporary closure period for the fiscal year under review amounted to ¥4,075 million as loss due to COVID-19 under extraordinary losses (¥16,572 million in the previous fiscal year).

Operating revenue, operating income, ordinary income, and net income attributable to owners of parent were -2.3%, -37.1%, -42.0%, and -43.7% compared to the results recorded in fiscal 2019 (FYE February 29, 2020), which was not impacted by COVID-19.

Consolidated Operating Results

(Million yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Change [Year on year]
Operating revenue	280,688	316,813	+36,125 [+12.9%]
Operating income	34,394	38,228	+3,834 [+11.1%]
Ordinary income	28,437	32,540	+4,103 [+14.4%]
Net income (loss) attributable to owners of parent	(1,864)	19,278	+21,142 [-]

(Reference) Versus fiscal 2019

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2022	Change [Compared to FY2019]
Operating revenue	324,138	316,813	(7,325) [-2.3%]
Operating income	60,794	38,228	(22,566) [-37.1%]
Ordinary income	56,117	32,540	(23,576) [-42.0%]
Net income attributable to owners of parent	34,239	19,278	(14,960) [-43.7%]

Operating Results by Segment

(Million yen)

	Operating Revenue			Segment Income (Loss)		
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Change [Year on year]	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Change [Year on year]
Japan	237,093	261,214	+24,121 [+10.2%]	30,597	31,945	+1,347 [+4.4%]
China	31,353	43,139	+11,785 [+37.6%]	2,296	6,958	+4,662 [+203.0%]
ASEAN	12,241	12,459	+217 [+1.8%]	1,474	(701)	(2,175) [-]
Overseas	43,594	55,598	+12,003 [+27.5%]	3,771	6,257	+2,486 [+65.9%]
Reconciliations	–	–	– [-]	25	25	– [+0.0%]
Total	280,688	316,813	+36,125 [+12.9%]	34,394	38,228	+3,834 [+11.1%]

(Reference) Versus fiscal 2019

	Operating Revenue			Segment Income (Loss)		
	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2022	Change [Year on year]	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2022	Change [Compared to FY2019]
Japan	274,999	261,214	(13,784) [-5.0%]	52,460	31,945	(20,515) [-39.1%]
China	35,850	43,139	+7,288 [+20.3%]	5,622	6,958	+1,336 [+23.8%]
ASEAN	13,288	12,459	(829) [-6.2%]	2,686	(701)	(3,387) [-]
Overseas	49,138	55,598	+6,459 [+13.1%]	8,308	6,257	(2,050) [-24.7%]
Reconciliations	–	–	– [-]	25	25	– [+0.0%]
Total	324,138	316,813	(7,325) [-2.3%]	60,794	38,228	(22,566) [-37.1%]

< Overseas >

The Company recorded higher revenue and profits overseas. Operating revenue was ¥55,598 million, an increase of 27.5% year on year, and operating income amounted to ¥6,257 million, up 65.9%. During the fiscal year under review, specialty store sales in China grew, and the Chinese business earned higher revenue and profits. However, ASEAN recorded higher revenue and lower profits as the business in Vietnam was forced to close temporarily resulting from the spread of COVID-19 during the third quarter of the fiscal year under review (July to September).

Our overseas business recorded operating revenue growth of 13.1% and operating income decline of 24.7%, compared to fiscal 2019, which was not impacted by COVID-19.

In China, the Company continues area-dominant mall openings, mainly in the four areas of Beijing/Tianjin/Shandong, Jiangsu/Zhejiang, Hubei, and Guangdong. In ASEAN, we also continue opening malls mainly in Vietnam, Cambodia, and Indonesia with the same strategy. Strengthening the AEON MALL brand power attracts more customers, which provides the type of brand advantage that lets us attract quality tenants and enter into lease contracts under favorable terms. In addition, AEON MALL leverages operational expertise developed in Japan to drive consumer demand and generate customer traffic through promotional sales and events. The Company also offers the same type of cleanliness found in Japanese malls (clean, safe, comfortable environments) and conducts renovations regularly, timed to the changeover of specialty stores.

As part of our future growth strategy, we will accelerate the opening of new malls, aiming to create a 50-mall overseas network by 2025. We will continue to search for and secure new properties in high-growth areas of China and ASEAN toward building a pipeline by the end of 2025 that will support a network of 70 malls.

Business results for the fiscal year under review covers a period from January to December as the fiscal year-end for overseas companies is the end of December.

(China)

(Fiscal year ended December 31, 2021)

The Company recorded higher revenue and profits in China. Operating revenue was ¥43,139 million, an increase of 37.6% year on year, and operating income amounted to ¥6,958 million, up 203.0%. We earned operating revenue and operating income growth of 20.3% and 23.8%, respectively, recording higher revenue and profits, even compared to fiscal 2019, which was not impacted by COVID-19.

In late July, new cases of COVID-19 broke out across China, and in August, we closed some malls in Hubei Province temporarily. In November and December, the outbreak of COVID-19 in the inland areas spread across various areas, and activities were restricted and measures to restrict entry to some industries such as cinemas were taken due to strict containment efforts of each local government.

Although there have been cases of localized COVID-19 outbreaks in China, infections tend to be contained within a short period of time due to strict government-led containment measures. The impact on sales at our mall specialty store retailers was limited. For the fiscal year under review, specialty store sales at existing malls rose 32.0% (21 malls) year on year and 5.3% (19 malls) compared to fiscal 2019. We will continue to monitor the infection situation in China and push forward aggressive sales measures.

We opened a new mall, AEON MALL Guangzhou Xintang (Guangzhou City, Guangdong Province), the Company's fourth mall in the Guangdong Province in May. In terms of existing malls, we renovated three malls in Hubei Province (AEON MALL Wuhan Jingkai (Wuhan City), AEON MALL Wuhan Jinqiao (Wuhan City), and AEON MALL Wuhan Jingyintan (Wuhan City)), three malls in Guangdong Province (AEON MALL Guangzhou Panyu Square (Guangzhou City), AEON MALL Foshan Dali (Foshan City), and AEON MALL Guangzhou Jinsha (Guangzhou City)), and AEON MALL Suzhou Yuanqu Hudong (Suzhou City) in Jiangsu Province.

New Malls Opened in China During Fiscal 2021

Name	Location	Opening Date	Number of Specialty Stores	Total Lease Area
Features				
AEON MALL Guangzhou Xintang	Guangzhou City, Guangdong Province	May 29, 2021	220	76,000 m ²

The mall introduced an AEON MALL membership system using WeChat, an app widely used in China. The mall also offers many services using digital technology to improve customer convenience, including an AI information system, face recognition lockers, large LED screen and digital signage.

(ASEAN)

(Fiscal year ended December 31, 2021)

The Company recorded operating revenue in ASEAN in the amount of ¥12,459 million, an increase of 1.8% year on year. Operating loss amounted to ¥701 million (operating income of ¥1,474 million in the previous fiscal year). Although sales increased compared with the previous fiscal year owing to the impact of new mall openings, operating income decreased due to the significant impact of the spread of COVID-19 in Vietnam, Cambodia, and Indonesia. Operating revenue declined 6.2% and operating income decreased by ¥3,387 million, compared to fiscal 2019, which was not impacted by COVID-19.

COVID-19, which spread in southern Vietnam in May, spread throughout the rest of Vietnam in July. The country instituted strict urban blockades in the areas where our malls are located, but these government-ordered social quarantine measures were lifted in October, and our mall specialty stores resumed business operations. For the fiscal year under review, however, specialty store sales at existing malls decreased 26.8% (five malls) year on year and 34.8% (four malls) compared to fiscal 2019, partly due to sales restrictions on which unvaccinated specialty store employees could not attend to customers over the counter.

In Cambodia, following the spread of COVID-19, a city lockdown was implemented in Phnom Penh City in March, and specialty stores closed temporarily in April. While the number of new COVID-19 cases was on a downward trend after peaking in July due to improved vaccination rates, COVID-19 impacted the ability to attract customers throughout the year as some industries such as cinemas and amusement facilities remained closed. For the fiscal year under review, as a result, specialty store sales at existing malls were down 24.1% year on year (two malls) and down 43.0% compared to fiscal 2019 (two malls).

In Indonesia, the number of people infected with new COVID-19 cases decreased, and May specialty store sales at existing malls recovered to approximately 80% of fiscal 2019 (two

malls). However, infections began to spread again in June, with shorter business hours, forced closures of amusement industry facilities, restrictions on the attendance on malls, and other measures. Customer traffic of existing malls for the fiscal year under review remained subject to severe trends at around 60% of the fiscal 2019 level.

In terms of new malls, we conducted a partial opening of our fourth mall in Indonesia, AEON MALL Tanjung Barat (South Jakarta District), in November. In addition, we held a grand opening for AEON MALL Sentul City (West Java District) in October 2021, partially pre-opened in October 2020. With respect to existing malls, in April, we conducted a large-scale renovation of our first mall in Indonesia, AEON MALL BSD CITY (Tangerang Province). This is the first renovation since we opened the mall in 2015.

New Malls Opened in ASEAN During Fiscal 2021

Country	Name	Location	Opening Date	Number of Specialty Stores	Total Lease Area
Features					
Indonesia	AEON MALL Tanjung Barat	South Jakarta District	November 18, 2021	180 (Note)	40,000 m ²

As part of our digitalization efforts, we collaborated with JD.ID, an e-commerce platform company based in China, offering a virtual AEON MALL on JD.ID's website, sharing a platform for live video streaming, and thus providing new convenience to customers through the fusion of the internet and the real world.

(Note) Certain zones have been opened already ahead of the grand opening scheduled for 2022.

< Japan >

The Company recorded higher revenue and profits in Japan. Operating revenue was ¥261,214 million, an increase of 10.2% year on year, and operating income amounted to ¥31,945 million, up 4.4%. Operating revenue and operating income were -5.0% and -39.1%, respectively, compared to fiscal 2019, which was not impacted by COVID-19.

Japan declared a state of emergency on April 25. In response, we temporarily closed 30 of the Group's malls and urban shopping centers until May 11. Subsequently, as COVID-19 infections continued to spread, declarations of emergencies were implemented intermittently until September 30 for expanding target areas, although business restrictions were eased. In October, the declaration of emergency was lifted and customer spending behavior improved in reaction to continued self-restraints in non-essential travel outside the home. After January, however, consumption behaviors showed a self-restraint trend again due to the spread of the highly infectious Omicron variant, semi-emergency coronavirus measures, and others. For the fiscal year under review, as a result, specialty store sales at existing malls rose 8.5% (84 malls) year on year and decreased 17.7% (83 malls) compared to fiscal 2019.

During the fiscal year under review, in terms of new malls, we opened AEON MALL Shinrifu South Wing (Miyagi Pref.) in March, AEON MALL Kawaguchi (Saitama Pref.) in June, AEON MALL Hakusan (Ishikawa Pref.) in July, and AEON MALL Nagoya Noritake Garden (Aichi Pref.) in October. Among existing malls, we reopened THE OUTLETS HIROSHIMA (Hiroshima Pref.) in November after conducting a floor space expansion.

New Malls Opened in Japan During Fiscal 2021

Name	Location	Opening Date	Number of Specialty Stores	Total Lease Area
Features				
AEON MALL Shinrifu South Wing	Miyagi	March 5, 2021	170	69,000 m ²
As one of the largest entertainment malls in the Tohoku region, the mall offers the first state-of-the-art interactive amusement facility in Tohoku and one of the largest cinemas in the Tohoku region. The mall also provides a digital technology-based shopping experience that includes communications via the latest 350-inch LED screen, offering new levels of convenience to our customers.				
AEON MALL Kawaguchi	Saitama	June 8, 2021	150	59,000 m ²
The mall, which opened in 1984 and closed for business in August 2018, was reopened with a larger facility site under our scrap-and-build policy. The mall was renovated into a state-of-the-art mall that combines both real-world and digital elements to meet the needs of the new normal social environment. In addition to a gourmet zone consisting of 39 stores, one of the largest in the area, we have also introduced a mobile ordering service and food delivery service, available via the AEON MALL app.				
AEON MALL Hakusan	Ishikawa	July 19, 2021	200	74,000 m ²
The mall has created a tree-lined path in the center of the main mall, providing an indoor space in which customers can relax in a lush green environment. The mall offers a wide variety of stores, including entertainment, service, and retail stores, centered on the restaurant zone, one of the largest in the Hokuriku area. The zone includes a new Grand Chef's Kitchen, where visitors can enjoy dishes produced by Japan's leading chefs from various specialties.				
AEON MALL Nagoya Noritake Garden	Aichi	October 27, 2021	150	(Commercial) 37,000 m ² (Office) 22,000 m ²
The mall includes the BIZrium office brand as an office/retail commercial facility. Based on the concept of a blended work-life office, BIZrium is a lifestyle office in which individuals have the flexibility to choose how they wish to work and live, making full use of physical space and time. BIZrium provides new added value for office workers.				

Malls Renovated During Fiscal 2021

Name	Location	Date Reopened	Number of Specialty Stores	Number of Renewal Specialty Stores
AEON MALL Okayama	Okayama	March 12, 2021	350	36
		October 8, 2021		11
AEON MALL Kusatsu	Shiga	March 19, 2021	200	13
AEON MALL Okazaki	Aichi	April 16, 2021	180	30
		September 17, 2021		24
AEON MALL Kyoto Katsuragawa	Kyoto	April 23, 2021	220	29
AEON Lake Town kaze (Note 1)	Saitama	April 29, 2021	230	13
		July 15, 2021		3
AEON Lake Town Outlet (Note 1)	Saitama	April 29, 2021	120	9
		July 15, 2021		2
AEON MALL Shinrifu North Wing (Note 2)	Miyagi	July 2, 2021	80	80
AEON MALL Kawaguchi Maekawa	Saitama	October 8, 2021	170	29
AEON MALL Suzuka	Mie	November 5, 2021	180	22
THE OUTLETS HIROSHIMA (Note 3)	Hiroshima	November 26, 2021	230	33

(Notes) 1. Renovations for all three properties, including AEON Lake Town Mori, which AEON MALL manages and operates on consignment for AEON Retail Co., Ltd.

2. This property had been managed and operated on consignment for AEON Retail Co., Ltd.; however, AEON MALL acquired the property on February 28, 2021. At the end of January 2021, we closed the mall temporarily to conduct major renovations in terms of physical assets and services, after which we reopened the mall.

3. The mall was expanded to 230 specialty stores (up 30 stores) and a total lease area of 59,000 m² (up 6,000 m²).

In our urban shopping center business, we conducted a company split (incorporation-type company split) for OPA (“Former OPA”) effective March 1, 2021, with a wholly owned subsidiary newly established by Former OPA (“New OPA”) acting as the successor company. The split company (Former OPA) was merged with AEON MALL Co., Ltd. in an absorption-type merger.

New OPA specializes in the management and operations of eight urban facilities, mainly located in transportation terminals, creating new value through a concentration of management resources. We established a new department responsible for the development of new businesses and business expansion. In this way, we are striving to create new business models through digital transformation, achieve operational efficiencies, and engage in other measures. In addition, we have improved our important issue of vacant floor space ratios by attracting larger stores with the ability to attract customers. In October, Kanazawa FORUS (Ishikawa Pref.) welcomed a new large-scale general merchandise store to better meet lifestyle needs and attract more customers to the facility.

With respect to the 14 stores consisting of community-based facilities and certain urban facilities, which were merged into the Company, we leverage our leasing capabilities to

transform these locations into facilities that meet the daily needs of their local communities. At the same time, we intend to improve profitability and strengthen facilities management functions based on our operational expertise, following up with area business divisions through a sales support system. We continue to make changes by introducing specialty stores that meet the needs of the local community in each location.

< Growth measures and new initiatives >

■ Achieve profit growth in overseas businesses and accelerate new mall openings

(New mall openings and revitalization strategy in China)

As of the end of the fiscal year under review, we expanded our mall network in China to 22 malls. We aim to have 29 malls in operation as of the end of fiscal 2025. We plan to open new malls (tentative names provided): AEON MALL Wuhan Jiangxia (Wuhan City, Hubei Province) in 2023; AEON MALL Hangzhou Qiantang New Area (Hangzhou City, Zhejiang Province) and AEON MALL Changsha Chatang (Changsha City, Hunan Province) in 2024; and four malls in 2025 whose names are not yet released.

In China, we have identified high-growth inland areas as key areas for opening new malls. In addition to Hubei Province, we are looking to Hunan Province. We will work to grow the number of malls in both provinces, working from these areas as the core of our businesses inland. We signed an agreement on cooperation and collaboration with the Changsha People's Government, Hunan Province. Based on this agreement, we will establish a full cooperative partnership in the development of a large-scale shopping mall in Changsha City. We will work together with the government to make the consumer market prosper in the city and promote local economic development.

We will continue to evolve our existing malls in both physical and intangible ways through renovations and localization programs. In this way, we will develop specialty stores and facilities that meet the rapidly changing lifestyles of our customers, while at the same time engaging in initiatives that highlight the attractiveness of our local communities. We have decided to renovate the third floor of AEON MALL Tianjin Zhongbei (Tianjin City), which had been used as a parking lot, to increase floor space for specialty retailers. We are working toward a fall 2022 opening for the space.

(New mall openings and revitalization strategy in ASEAN)

As of the end of the fiscal year under review, we expanded our mall network in ASEAN to 11 malls. We aim to have 23 malls in operation as of the end of fiscal 2025.

In Vietnam, our most important country in the region, we intend to accelerate the opening of area-dominant malls in the surrounding cities in the central area of the country, in addition to the south and north, where we already have malls. In February, we signed the Thua Thien Hue Province Comprehensive Memorandum of Understanding for Investment and Business Promotion Related to Shopping Mall Development with the government of Thua Thien Hue Province, located in the central area. Likewise, we signed MOUs with Bac Ninh Province in March, with Dong Nai Province in May and with Thanh Hoa Province in November. In this way, we are building a cooperative framework for mutual mall development by strengthening cooperation with local governments to secure sites for new mall openings. 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 the rapidly growing Vietnamese economy, while expanding our businesses at the same time.

In Cambodia, we plan to open our third mall, AEON MALL Meanchey (Phnom Penh City) in fiscal 2022. We have also decided to conduct a floor space expansion and renovate the first AEON Mall Phnom Penh (Phnom Penh City) for the first time since opening in 2014. Our aim is to evolve this mall into an urban luxury mall, and we are working toward a reopening in fiscal 2023. In addition to the second mall, AEON MALL Sen Sok City (Phnom Penh City), which features expanded entertainment functions, we intend to strengthen our area dominance in Phnom Penh by developing MD that takes advantage of the characteristics of each location.

In Indonesia, we started the construction of our fifth mall AEON MALL Delta Mas (tentative name; Bekasi Province) toward an opening in fiscal 2024. Delta Mas City, the planned location, aims to become a smart city representing Asia as one of the world's largest urban development businesses operated by Sinar Mas Land, the largest real estate company in Indonesia, and Sojitz Corporation of Japan. We will also engage in this project proactively and contribute to its development as a core regional facility.

We planned to open our first mall in Myanmar, AEON MALL Dagon Seikkan (tentative name; Yangong Province) in 2023. However, a coup d'état led by the Myanmar military occurred in February 2021, and a declared state of emergency was extended in the country. We monitor the local situation on an ongoing basis and review the timing for starting the construction. As we continue to work with our local partner company, SHWE TAUNG REAL ESTATE CO., LTD., we will issue an announcement as soon as the decision is final.

(New business expansion toward solving regional issues)

As a future growth strategy next to our mall business in Cambodia, we decided to develop the country's first multi-function logistics center business, thereby having established AEON MALL (CAMBODIA) LOGI PLUS CO., LTD. This business will serve as a platform for overseas logistics. As a measure for sustainable economic growth, the government of Cambodia is considering integrating the Sihanoukville Port, which handles the largest cargo volume in the country and is still under development, with a portion of the special economic zone located in the outlying area, and creating a free trade port (freeport). This concept is headed by the Sihanoukville Autonomous Port with the technical support of the Japanese government and Japan International Cooperation Agency (JICA). As the first pilot company involved in this concept, we will establish and operate a multi-function logistics center in the special economic zone neighboring the Sihanoukville Port. The center will be equipped with the necessary licenses for cross-border e-commerce businesses, including bonded functions, as well as customs clearance and fulfillment center functions. Through these efforts, we will contribute to the further development of the country by solving logistics issues, improving customer convenience, and providing business opportunities and services to a wide variety of business operators, including our own.

- Maximize the attractiveness of brick-and-mortar malls through customer experience (CX) (Enhance value proposition that can be experienced and sensed only in real spaces)

As consumer behavior and purchasing habits change at an accelerating pace, AEON MALL, which is in the business of operating brick-and-mortar malls, strives to keep improving our

ability to attract customers by creating new customer experiences (customer experiential value) and maximizing the appeal of brick-and-mortar malls.

At AEON MALL Hakusan, we have introduced two concepts in food and beverage zones: a food zone in which customers can enjoy popular local Kanazawa cuisine in a large, open space; and a restaurant zone produced by a leading Japanese chef, providing a high-quality dining experience. We introduced a next-generation entertainment facility in the AEON MALL Shinrifu South Wing that offers exciting activity experiences.

AEON MALL Nagoya Noritake Garden boasts a large-scale medical clinic outfitted with the latest medical equipment. The mall has a Health and Wellness zone with a concentration of stores with various functions based on health. In this way, the mall proposes healthy lifestyles to create incentives for office workers as well as mall customers to visit the mall. AEON MALL Kawaguchi strives to increase the frequency of visits to the mall by enhancing the food and beverage sales zone with a wide range of products, including three major fresh foods, confections, and groceries.

(Pursue a better facility environment as a place of relaxation)

As customer needs for open and comfortable outside zones increase, we strive to create facility environments that will become a place of relaxation for our customers. These initiatives include incorporating arrangements to appeal to the five senses by offering peace of mind and comfort.

AEON MALL Hakusan has created a tree-lined path in the center of the main mall, providing an indoor space in which customers can relax in a lush green environment. The entire food zone from the first to third floor in AEON MALL Nagoya Noritake Garden faces the lush outdoor landscape. Outdoor and terrace seating offer relaxing spaces in which customers enjoy the natural environment and the four seasons.

(Develop new business models through co-creation with partner companies)

In response to the type of new value sought by customers, we intend to develop new business models via co-creation with partner companies and local residents, endeavoring to enhance the attractiveness of our facilities by creating new customer experiences.

In collaboration with Sojitz Infinity Inc., we opened a femtech specialty pop-up store at AEON Lake Town Kaze (Saitama Pref.). The store engages in solving female health issues. This store provides products, services, and information that address women's mental and physical concerns, offering solutions to these issues and encouraging women to be more active in society. It also contributes to improving the literacy of society as a whole with regard to women's health issues.

(Effective use of mall sites)

As a new way of utilizing the sites around existing malls, we will collaborate with local governments, partner companies, and others to create an environment associated with new life styles, thereby generating a good turnout and encouraging human interactions. In doing so, we will create new value for customers that traditional malls have failed to offer, while increasing rental income and ancillary income.

AEON MALL Kyoto Katsuragawa (Kyoto Pref.) installed hands-on showrooms of a home builder in an idle outdoor space, proposing added value of previewing real model houses while having a business talk in the mall shop.

AEON MALL Hanyu (Saitama Pref.) newly installed three parks indoors and outdoors after undergoing a renovation in March. The renovated mall allows for enjoying various dishes outdoors through offering a space for food trucks and other stores at the outer terrace section.

■ Build next-generation malls and pursue the urban shopping center business
(Design various development patterns)

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

AEON MALL Nagoya Noritake Garden includes the BIZrium office brand as an office/retail commercial facility. Based on the concept of a blended work-life office, BIZrium is a lifestyle office in which individuals have the flexibility to choose how they wish to work and live, making full use of physical space and time. BIZrium provides new added value for office workers. The Company plans to develop BIZrium overseas as an office/retail commercial facility at AEON MALL Hoang Mai (tentative name; Hanoi City), which is scheduled to open as the Company's seventh mall in Vietnam.

THE OUTLETS KITAKYUSHU (Fukuoka Pref.) opened as the second regional innovative commercial facility in April 2022. In addition to offering an outlet-style shopping experience, the mall engages in co-creation with local organizations concerned and companies, thereby taking initiatives to serve as an educational tourism base that encourages learning.

We will open Hachioji Interchange North (tentative name; Tokyo) as a next-generation commercial complex with a Customer Fulfillment Center (CFC) developed by AEON NEXT Preparation Co., Ltd. to solve structural issues in Japanese society such as aging population, worker shortage, "shopping refugees," childcare support, and disaster-response measures. As a new lifestyle facility that fuses online and offline channels, we plan to develop not only a home delivery function, but also a next-generation supermarket with a physical store attached to the CFC, a cinema complex, sports facilities for the physically challenged, and a dining facility connected to a roadside station.

At a vacant lot where Daiei Yokohama Nishiguchi closed down business in February 2019, AEON MALL Yokohama Nishiguchi (tentative name; Kanagawa Pref.) will be built through scrap and build and contribute to a good turnout of the commercial section at Yokohama Station's Nishiguchi area, together with the adjacent Yokohama VIVRE, which is operated by our subsidiary OPA Co., Ltd.

The Jiyugaoka 2-chome Plan (tentative name; Tokyo) plans to open at a vacant lot where Jiyugaoka Peacock Store closed down business in May 2021 through scrap and build. According to our construction plan, visitors can walk through Jiyugaoka's iconic street that runs into the facility and enjoy an encounter and discovery. We also plan to construct a supermarket to enhance the daily convenience of local community members.

■ Pursue digital transformation (DX)
(Obtain DX certification)

The Company was recognized as a DX-certified operator in January 2022 based on the DX certification program prescribed by the Ministry of Economy, Trade and Industry. In this program, the Japanese government certifies excellent companies in terms of management

and governance based on the Act on Facilitation of Information Processing. This program aims to promote DX across Japan. We believe human perception and the personalities of each individual are essential. With setting the achievement of DX focused on human perception as our DX vision, we are pursuing initiatives to develop businesses that create new value catering to the life stages of our customers, create new business models via co-creation with local communities and partners using digital technology and data, and establish operating systems for the next generation.

(AEON MALL Co-Creation Program)

As an initiative based on co-creation with external partners, we implemented the AEON MALL Co-Creation Program aiming to create innovative businesses and services in collaboration with a variety of companies. With a view to the challenges of local communities and major changes in the consumption environment, this program invites start-up companies to join us in creating businesses together for new future of living through the combination of our management resources with external technologies and networks. From among 123 applicants, we selected three companies with whom to work. Moving forward, we will work with these companies to prepare for proof-of-concept tests and examine the impact of these new businesses.

(Demonstration experiment on utilizing marketing data)




























The Company started a demonstration experiment on marketing data to create more attractive floors and enhance customer services by utilizing digital technology and data. In our view, we can leverage the solution of acquiring customer behaviors and attribute data without identifying individuals to create better floors at a femtech specialty pop-up store in AEON Lake Town Kaze. Specifically, this solution accomplishes enhanced floor operations associated with the characteristics of the store format and diversifying consumption channels. Based on this judgement, we will implement this solution at the pop-up store. Through this demonstration experiment, we will integrate customer behaviors and market data and other various data owned by the Company to create effective marketing data. In doing so, we will utilize the integrated data for providing solutions that envision the life stages of each customer.

■ Pursue medium-term strategies, accelerate reforms based on ESG perspectives

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. We are engaged in measures toward ESG-based management, working to raise employee awareness. Such measures include incorporating matters related to materialities in the personal goals of our employees.

The AEON Group pursues sustainable management under the AEON Basic Policy on Sustainability, which is a group-wide policy for the development of a sustainable society. This policy identifies priority issues related to the environment (achieve a decarbonized society, preserve biodiversity, promote resource recycling) and society (create products and stores meeting the expectations of society, engage in fair business practices that respect

human rights, collaborate with communities). The AEON Group is working to accomplish sustainable management by engaging with each of these issues. AEON MALL is also committed to exercising ESG-based management, growing revenues and corporate value for a stronger management foundation and higher levels of development.

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

(Measures to address environmental issues)

- Operate effectively zero CO2 emission malls in terms of electricity and gas

AEON MALL Kawaguchi is the first large-scale commercial facility in Japan to operate using electricity and gas with zero CO2 emissions. In addition to energy conservation efforts, the mall procures electricity offering effectively zero CO2 emissions through the Non-FIT Non-Fossil Certificate Electricity Menu (Note 1) offered by TEPCO Energy Partner, Inc. For city gas, the mall uses Carbon Neutral City Gas (Note 2) supplied by Tokyo Gas Co., Ltd.

Similarly, AEON MALL Nagoya Noritake Garden uses electricity procured from Chubu Electric Power Miraiz Co., Inc. under the Non-FIT Non-Fossil Certificate Electricity Menu (Note 3) and city gas supplied by TOHO GAS Co., Ltd. under the Carbon Neutral City Gas plan for electricity and gas.

- Working with local communities to create renewable energy locally for local consumption

The Company aims to generate locally produced and renewable energy locally for local consumption (“Renewable Energy”) together with customers in local communities. We intend to use CO2 emission-free electricity (“CO2-Free Electricity”) for all electricity used in our facilities, including our specialty store tenants.

Our goal is to convert the electricity used in approximately 160 malls managed and operated by the Company to Renewable Energy by 2025. We will switch gradually from the procurement of effectively CO2-Free Electricity through direct renewable energy contracts in each region to Renewable Energy (including PPA (Note 4)). By fiscal 2040, 100% of our directly managed malls will be operated under Renewable Energy (approximately 2 billion kWh/year). We will begin with solar power generation in fiscal 2022, and gradually utilize other power generation methods such as wind power, hydrogen energy, and storage batteries.

We will also pursue V2 AEON MALL (from vehicle to AEON MALL), which is an evolution of the conventional V2H (vehicle to home) approach. We will establish a customer-participatory renewable energy recycling platform by which electricity generated in the home (surplus electricity) is discharged to the mall by via electric vehicles (EV). We will provide visibility in an environmental contribution index and award points according to the amount of discharge. An app will manage action records and quantify environmental contribution activities such as tree planting, collection of waste plastic, cooperation in food loss prevention, etc., in addition to the discharge of renewable energy by EVs. In this way, we will provide visibility to the meaning of the activities and pursue initiatives together with customers.

By supporting our customers in turning their own environmental awareness into action, we will work with them to build decarbonized societies in Japan and overseas.

- Happy Clothes Relay clothing collection

To create a recycling-oriented society, the Company pursues the 6Rs, which consist of the 3Rs (Reduce, Reuse, and Recycle) plus Rethink, Repair, and Returnable. We are moving forward in efforts to create circular malls.

As part of these efforts, we held a Happy Clothes Relay event at malls across Japan to collect clothing that customers no longer use. The four-day event collected approximately 103 tons of clothes. The clothes collected will be recycled and reborn as new clothes, contributing to the reduction of clothing loss and CO2 emissions. Also, as part of the Happy Clothes Relay! World, we donated a portion of the clothing received from customers at seven malls in Japan to local children through our malls in Cambodia.

(Notes) 1. A service option in which the environmental value procured by TEPCO is sent to the location of customer demand, together with grid electricity, resulting in effectively CO2-free electricity for the user.

2. Greenhouse gases generated in the process from mining to the combustion of natural gas are offset with CO2 credits (carbon offsets). In this way, no CO2 is considered to have been generated on a global scale. Eligible CO2 credits are those that have been certified by highly reliable verification organizations for the CO2 reduction effects of environmental conservation projects around the world.

3. CO₂-free electricity resulting by procuring electricity and non-fossil certificates from non-FIT hydroelectric power sources owned by a group company of Chubu Electric Power Miraiz Co., Inc.
4. A contract with an electricity retailer providing a means of receiving power supplied from a dedicated power plant of the Company without owning any assets directly.

(Measures to address social issues)

- Anti-infection initiatives

AEON MALL Ageo (Saitama Pref.), AEON MALL Shinrifu South Wing, AEON MALL Kawaguchi, AEON MALL Hakusan, and AEON MALL Nagoya Noritake Garden received the WELL Health-Safety Rating (Note), a global evaluation of measures against COVID-19 infection. In addition to measures to prevent droplet and contact infections within the facility, we established comprehensive safety measures at each entrance and a cleaning management system within the facility for the safety and security of customers and employees at specialty stores.

- Support for COVID-19 vaccinations in Japan and overseas

The Company works with local governments to encourage the use of halls, parking lots, and other facilities in malls as COVID-19 vaccination sites. AEON MALL Hiroshima Fuchu (Hiroshima Pref.), AEON MALL Kasukabe (Saitama Pref.), AEON MALL Asahikawa (Hokkaido), and nearly 30 other malls nationwide are being used as sites for COVID-19 vaccinations, helping roughly 490,000 individuals receive vaccinations. By maximizing the use of our malls, we strive to create a safe, secure, and comfortable lifestyle for all community members. Overseas, as well, AEON MALL Binh Duong Canary (Binh Duong Province) in Vietnam is providing a large-scale vaccination site inside the mall. Through its efforts, the mall is facilitating approximately 650 vaccinations per day for the approximately 3,300 people working at factories and commercial facilities in the city. In Indonesia, we established a vaccination center at AEON MALL Jakarta Garden City (East Jakarta City) in collaboration with the Indonesian government, vaccinating approximately 1,400 people. To prevent the spread of infection in local communities, we continue to cooperate in ensuring the safety and security of local residents.

In addition, The AEON Group is supporting workplace COVID-19 vaccinations for group employees throughout Japan to increase vaccination rates in every region. Several malls, including AEON MALL Makuhari Shintoshin (Chiba Pref.) and AEON MALL Lake Town (Saitama Pref.) are being used as vaccination centers. We are striving to create a workplace environment where employees can work with peace of mind by expanding the scope of vaccinations not only among our own employees, but also among employees of specialty store tenants.

- Initiatives for industry-academia collaboration

As the impact of COVID-19 has limited the opportunities and locations for students to conduct academic and cultural activities, we have been providing our malls as spaces for these activities.

In April, we signed the Memorandum of Understanding on Industry-Academia Collaboration between Sanko Gakuen and AEON MALL Nagoya Noritake Garden. Based on this memorandum of understanding, we held an event called “Find Your Own Christmas” between November 27 and December 25. Students from Nagoya Children’s

Education College, Nagoya Beauty Art College, and other institutions attended activities that included workshops for making Christmas tree decorations, makeup application experiences, exercise experiences, and other activities.

We concluded an agreement in June on industry-academia collaboration between AEON MALL, the International Research Institute of Disaster Science at Tohoku University, and the AEON Environmental Foundation. Aiming to create safe, secure, and resilient communities, the three parties established the AEON Research Division for the Promotion of Disaster-Resistant Environmental Cities within the Tohoku University International Research Institute of Disaster Science. We plan to hold workshops and other events with the participation of local residents, focusing three main topics: disaster prevention and mitigation, forest design, and measures against infectious diseases. In particular, we are developing a disaster relief facility on the former site of the Tohoku University Amamiya Campus, which we plan to test and implement from expert perspectives for the confident use by community members.

We signed a memorandum of understanding for industry-academia collaboration between AEON MALL Hakusan and Kokusai Business Gakuin, Kinjo University/College, and the Ishikawa Prefecture Suisei High School to promote initiatives with area schools as part of the Kagayaki Atsumaru Project. The mall will provide the schools with a place to present their research, and the schools will use the space for research presentations and events, deepening cooperation with each school and contributing to the revitalization and development of the local community.

(Note) The WELL Health-Safety Rating is a global standard conducted by a third-party verification organization to ensure facilities in the with-COVID-19 era are managed and operated in consideration of health and safety for visitors, employees, and others.

(Strengthen corporate governance)

- Basic stance for corporate governance
 - a We provide a consistent and fair environment to support shareholder rights and the execution of said rights. We work in appropriate cooperation with shareholders toward the goal of sustainable growth.
 - 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 appoints independent Outside Directors to strengthen our supervisory function and conduct highly transparent business and determines important strategies and promotes measures to achieve our long-term vision and medium-and long-term plans.
 - e We reflect feedback and input received through constructive dialogue with shareholders in management to improve our corporate value.

- Reasons for the Adoption of the Current Corporate Governance System

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

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

- Roles and responsibilities of the Board of Directors

The Company clearly defines matters to be discussed at meetings of the Board of Directors based on Rules of the Board of Directors and in accordance with relevant laws and regulations, and the Company is working to make further improvements through initiatives such as performing governance checks from a legal perspective, and revising Rules of the Board of Directors and clarifying matters for discussion as part of its efforts to improve the effectiveness of the Board of Directors.

Regarding the business execution of Directors, AEON MALL defines detailed responsibilities and procedures for Directors, clearly assigning management responsibilities and granting the necessary authority for Directors to execute their respective duties, according to the Rules for Organization Management, Rules for Segregation of Duties, Rules of Jurisdiction, and Rules for Approval Requests.

- Establish the Management Strategy Advisory Committee

The Company offers an occasion for the Management Meeting, or an advisory committee for President and CEO, to deliberate important matters with a voluntary participation of Outside Directors, regarding management strategy, management plan, and business promotion. We also encourage a constructive discussion at the Board of Directors through a dialogue in the prior explanation of its agenda items to all the Outside Directors and Audit & Supervisory Board Members.

In May 2021, AEON MALL established the Management Strategy Advisory Committee. This committee intends to set themes out of important policies and management issues in advance; discuss and exchange opinions about the direction of its stance and initiatives, concrete plans, and progress; and give advice to or report to the President and CEO. While leveraging the knowledge of independent outside officers to achieve policies and solve management issues, we operate systems that focus on discussions regarding the direction of strategies and initiatives as well as the appropriateness and rationality of standards and rules.

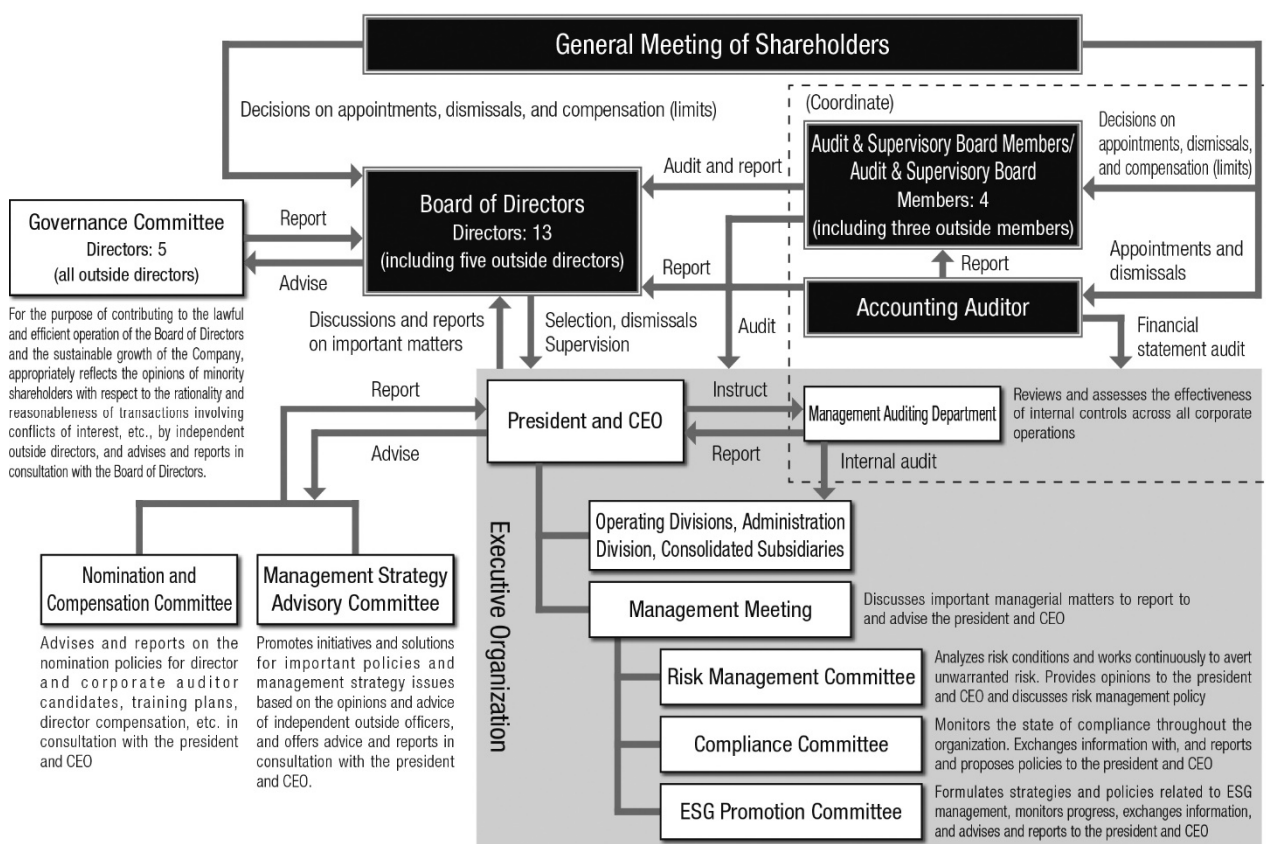
- Establish the Governance Committee

In October 2021, the Company established the Governance Committee consisting of five independent Outside Directors to supervise transactions involving conflicts of interest. The Governance Committee deliberates and discusses important transactions and acts entailing conflict of interests between controlling and minority shareholders. We require an approval by the Board of Directors after testing whether the fairness and rationality of

such transactions are ensured from the perspective of enhancing our corporate value, thereby appropriately supervising those transactions in accordance with the importance of each transaction. To strengthen our governance functions, we will consider discussion for enhancing the evaluation of the effectiveness of the Board of Directors, review of standards in presenting agenda items to the Board of Directors, and other matters.

Corporate Governance Organization Chart

As of February 28, 2022



Board of Directors:

Chaired by the President and CEO, meetings are held once a month or more in order to strengthen the function of management supervision. Audit & Supervisory Board Members also attend the meetings. (Of thirteen (13) Directors, five (5) individuals are Independent Officers)

Audit & Supervisory Board:

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

Management Meeting:

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

Management Auditing Department:

In order to ensure the smooth operation and controls of the business, each of twelve (12) members works closely with the division manager to conduct studies and assessment on the effectiveness and practicability of internal controls in the overall business. The Department is independent from the on-site business execution department.

(Sustainability finance initiatives)

In November, we issued ¥20.0 billion of our first-ever Sustainability-Linked Bonds (“Bonds,” see Note 1) for the purpose of solving social issues and for environmental considerations. In September 2020, we raised ¥30.0 billion through the issuance of Sustainability Bonds. We used the proceeds for measures against COVID-19 and for reconstruction assistance related to the Great East Japan Earthquake. We issue these Bonds as a sustainability finance initiative toward the creation of decarbonized societies. These Bonds are issued on terms that vary according to the whether we achieve predetermined sustainability targets, and we will continue to contribute sustainable societies by expanding our ESG initiatives further.

Name	AEON MALL Co., Ltd. Unsecured Bond Series 28 (with inter-bond pari passu clause) (Sustainability-Linked Bonds)
Term	5 years
Amount	¥20.0 billion
Coupon Rate	0.160%
Condition Determination Date	Friday, November 19, 2021
Date of Issuance	Friday, November 26, 2021
Redemption Date	Thursday, November 26, 2026
Rating	A- (Rating and Investment Information, Inc.)
SPT (Note 2)	CO2-free electricity used at all AEON MALL locations in Japan by the end of fiscal 2025
Bond Attributes After Determination	If the SPT is confirmed to be unachievable at the time of judgment at the end of fiscal 2025, an amount equivalent to 0.2% of the bond issue amount will be donated to a public interest incorporated foundation (AEON Environmental Foundation, etc. (Note 3)) by the end of October 2026.
Lead Underwriter	Mizuho Securities Co., Ltd. (Administration), Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd.
Sustainability-Linked Bond Structuring Agent (Note 4)	Mizuho Securities Co., Ltd.
Third-Party Evaluation	We received a second opinion about the Bonds from Rating and Investment Information, Inc. about the conformity of these bonds with the Sustainability-Linked Bond Principles of the International Capital Market Association.

(Notes) 1. Refers to bonds whose terms and conditions vary depending on whether the issuer achieve predetermined sustainability goals. The bond proceeds do not have to be used for specific purposes necessarily, but the bonds are evaluated based on key performance indicators (KPIs) and SPTs determined beforehand by the issuer. SPTs are target values to be achieved with respect to the KPI. The terms of the bond change depending on whether the KPI has achieved the SPT, thereby motivating the issuer to achieve the SPT.

2. Sustainability performance target. A goal based on the issuer’s business strategy that determines the terms and conditions of the sustainability-linked bond issue.

3. The AEON Environmental Foundation (<https://www.aeon.info/ef/en/>) is engaged in public service activities focusing on grants, support, tree planting, awards, and environmental education. Established in December 1990 with donations from Mr. Takuya Okada (honorary chairman and advisor of AEON CO., LTD. and chairman of AEON Environmental Foundation) and two others, based on the AEON basic principle of pursuing peace, respecting humanity, and contributing to local communities. After receiving approval as a designated public interest corporation in 1991, the foundation became a public interest incorporated foundation in 2009.

4. Entities that provide support for the implementation of sustainability finance through advice on the design of sustainability-linked bond products and on obtaining external third-party evaluations such as second opinions.

(ii) Capital investment

The total amount of capital investment for the fiscal year under review was ¥122,243 million (including long-term prepaid expenses).

It consisted of ¥74,827 million (Japan), ¥22,674 million (China) and ¥24,741 million (ASEAN) in the Mall Business. In Japan, the Company mainly invested in the opening of its new malls, AEON MALL Shinrifu South Wing, AEON MALL Kawaguchi, AEON MALL Hakusan, AEON MALL Nagoya Noritake Garden, and in the floor space expansion and renovation of its existing mall, THE OUTLETS HIROSHIMA. The Company invested in the opening of the new mall AEON MALL Guangzhou Xintang in China, and acquired the assets for AEON MALL Sentul City in ASEAN. In addition, the Company made investments including the advance acquisition of land for development.

(iii) Financing

In the fiscal year under review, the Company raised ¥34,026 million from current partner banks, etc. as long-term debt, and ¥65,000 million through issuance of bonds.

(2) Changes in assets and profit and loss

(i) Consolidated business results and assets

Classification	2018 (Fiscal year ended February 28, 2019)	2019 (Fiscal year ended February 29, 2020)	2020 (Fiscal year ended February 28, 2021)	2021 (Current fiscal year) (Fiscal year ended February 28, 2022)
Operating revenue (million yen)	312,976	324,138	280,688	316,813
Ordinary income (million yen)	52,206	56,117	28,437	32,540
Net income (loss) attributable to owners of parent (million yen)	33,538	34,239	(1,864)	19,278
Net income (loss) per share (yen)	147.45	150.50	(8.19)	84.72
Total assets (million yen)	1,203,211	1,381,217	1,394,199	1,463,256
Net assets (million yen)	394,059	404,522	387,486	426,931
Net assets per share (yen)	1,685.46	1,731.11	1,658.23	1,830.21
Cash flows from operating activities (million yen)	90,600	133,645	61,621	61,492
Cash flows from investing activities (million yen)	(176,189)	(95,783)	(64,444)	(122,382)
Cash flows from financing activities (million yen)	91,199	22,808	12,244	8,225
Cash and cash equivalents at end of the period (million yen)	55,414	114,368	124,080	82,973

(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 2021 (current fiscal year) is as described in (1) Business operations during the fiscal year under review, (i) Progress and results of operations.

(ii) Non-consolidated business results and assets

Classification	2018 (Fiscal year ended February 28, 2019)	2019 (Fiscal year ended February 29, 2020)	2020 (Fiscal year ended February 28, 2021)	2021 (Current fiscal year) (Fiscal year ended February 28, 2022)
Operating revenue (million yen)	244,272	249,469	216,397	247,951
Ordinary income (million yen)	52,422	51,901	30,514	32,059
Net income (million yen)	34,612	33,766	2,027	25,337
Net income per share (yen)	152.17	148.42	8.90	111.35
Total assets (million yen)	1,167,443	1,259,519	1,272,173	1,315,583
Net assets (million yen)	413,922	438,449	431,509	446,649
Net assets per share (yen)	1,819.27	1,926.93	1,896.28	1,962.75

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

2. During fiscal 2018, the following AEON malls were newly opened on the date shown: AEON MALL Zama on March 16, 2018, THE OUTLETS HIROSHIMA on April 27, 2018; AEON MALL Iwaki Onahama on June 15, 2018; and AEON MALL Tsu-Minami on November 9, 2018.

3. During fiscal 2019, AEON Fujiidera Shopping Center was newly opened on September 14, 2019.

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

5. During fiscal 2021, the following AEON malls were newly opened on the date 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.

(3) Parent company and major subsidiaries

(i) Relationship with parent company

The Company's parent company is AEON CO., LTD., and 58.80% of the Company's voting rights are held by AEON CO., LTD. and its subsidiaries, including 58.22% 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 City, Cambodia	US\$ 432,908 thousand	100%	
SUZHOU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Jiangsu Province, China	US\$ 212,000 thousand	100%	
PT. AEON MALL INDONESIA	Jakarta City, Indonesia	IDR 8,099,406 million	92.6%	
AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.	Guangdong Province, China	RMB 390,000 thousand	100%	
PT. AMSL INDONESIA	Banten Province, Indonesia	US\$ 60,000 thousand	66.9%	
WUHAN MALL REAL ESTATE DEVELOPMENT CO., LTD.	Hubei Province, China	US\$ 257,000 thousand	100%	
AEON MALL HIMLAM CO., LTD.	Hanoi City, Vietnam	US\$ 200,000 thousand	90.0%	
AEON MALL VIETNAM CO., LTD.	Hanoi City, Vietnam	US\$ 530,449 thousand	100%	
HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Zhejiang Province, China	US\$ 169,000 thousand	100%	
PT. AMSL DELTA MAS	West Java Province, Indonesia	US\$ 64,730 thousand	66.9%	
AEON MALL (CHINA) CO., LTD.	Tianjin City, China	US\$ 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\$ 162,000 thousand	100%	
CHANGSHA MALL COMMERCIAL DEVELOPMENT CO., LTD.	Hunan Province, China	US\$ 62,488 thousand	100%	
HANGZHOU HANGDONG MALL REAL ESTATE DEVELOPMENT CO., LTD.	Zhejiang Province, China	US\$ 105,670 thousand	100%	
OPA Co., Ltd.	Chiba-shi, Chiba	¥10 million	100%	Urban Shopping Center Business

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

For details, please refer to the Notes to business combinations (Business combinations involving entities under common control) in the Consolidated Financial Statements.

(4) Main businesses (as of February 28, 2022)

The Group consists of the Company, whose parent company is AEON CO., LTD., and 51 consolidated subsidiaries, including OPA Co., Ltd., five other subsidiaries in Japan, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD., 33 other subsidiaries in China, three subsidiaries in Cambodia, two subsidiaries in Vietnam, three subsidiaries in Indonesia, one subsidiary in Singapore, and two subsidiaries in Myanmar. The Company operates Mall Business. Among consolidated subsidiaries, OPA Co., Ltd. and two other subsidiaries are engaged in Urban Shopping Center Business, while the remaining 48 subsidiaries are engaged in Mall Business, etc.

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

(5) Priorities

AEON MALL Co., Ltd. is a Life Design Developer (Note), creating the future of community living as we pursue our basic principle that the customer comes first. Under this management philosophy, we have coined the phrase “Heartful and Sustainable” for our activities as a corporate citizen that contribute to the development and revitalization of communities and society, and we are striving to achieve sustainable societies through various initiatives.

We will develop malls localized to the characteristics of each community we serve in Japan and around the world. In this way, we will contribute to better individual lifestyles and community growth. We will continue to provide solutions to regional and social issues through co-creation initiatives with customers, communities, partners, shareholders, investors, and other stakeholders. In doing so, we will establish our position through social infrastructure functions to be a central facility for the local community.

(Note) Life Design extends beyond the framework of the shopping mall. Life Design addresses functions associated with different life stages of our local customers, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles.

AEON MALL Co., Ltd. has defined a long-term vision for fiscal 2025 through which the Company will pursue its management philosophy and achieve further business growth.

Vision for 2025
1) Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation.
2) Make AEON MALL a leading global commercial developer with consolidated operating income of ¥90.0 billion.
3) Conduct floor space expansions and renovations in Japan to become the overwhelmingly dominant mall in each region.
4) Secure growth markets overseas, expand overseas business to 50 malls, and record operating income of ¥27.0 billion (25% profit margin).

Under this long-term vision, our current medium-term management plan covering fiscal 2020 (FYE February 28, 2021) through fiscal 2022 outlines four growth policies: (1) Achieve high profit growth overseas; (2) Achieve stable growth in Japan; (3) Pursue a finance mix and strengthen governance structures supporting growth; and (4) Pursue ESG-based management. We have defined the following management issues and future vision with respect to the growth policies. Through ESG-based management, we will pursue a sustainable growth in line with local communities by creating social and economic value.

Management issues and future vision
<p>1) Achieve profit growth in overseas businesses and accelerate new mall openings Aim for high profit growth in our overseas business, accelerating the opening of new malls in the growing markets of China and ASEAN, and expanding floor space at existing malls.</p>
<p>2) Maximize the attractiveness of brick-and-mortar malls through customer experience (CX) Maximize the attraction of brick-and-mortar malls in our business in Japan by offering community solutions, creating new initiatives in collaboration with tenant companies, striving for the rapid resolution of vacant floor space and other priority issues, and creating CX.</p>
<p>3) Build next-generation malls and pursue the urban shopping center business Pursue an urban shopping center business (urban development), including the creation of environments responding to the era of the new normal, construction of next-generation malls, office complexes, and the revitalization of the OPA business.</p>
<p>4) Pursue digital transformation (DX) Leverage digital and data technologies to pursue DX, including the creation of new business models, business development that creates new customer lifestyles, operating systems for a new era, and improved employee satisfaction.</p>
<p>5) Pursue medium-term strategies, accelerate reforms based on ESG perspectives Create economic, social, and environmental value for stakeholders by accelerating reforms based on ESG perspectives, with a focus on addressing materialities (key issues) using clearly defined performance indicators.</p>

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. We are engaged in measures toward ESG-based management, working to raise employee awareness. Such measures include incorporating matters related to materialities in the personal goals of our employees.

Materialities	Measures
Developing Community and Social Infrastructure <ul style="list-style-type: none"> • Developing sustainable and resilient infrastructure • Production and consumption formats 	<ul style="list-style-type: none"> • Development of safe, secure, and pleasant facilities • Development of malls that unearth the attractive local features • Town planning for disaster prevention • Expansion of public functions • Encouraging the spread and use of electric vehicles (EV) • Encouraging the use of public transportation
Building Bridges to Local Communities <ul style="list-style-type: none"> • Cultural preservation and inheritance • Low birth rates, aging society 	<ul style="list-style-type: none"> • Happiness Mall initiatives • Ultimate localization to boost local appeal
Environment <ul style="list-style-type: none"> • Climate change, global warming • Protecting biodiversity, resources 	<ul style="list-style-type: none"> • Responding to climate change and global warming • AEON Hometown Forest Project (biodiversity) • Recycling waste products
Diversity and Work-Style Reform <ul style="list-style-type: none"> • Health and welfare • Diversity, work-style 	<ul style="list-style-type: none"> • AEON Yume-Mirai Nursery Schools • Globalization of human resources • Nadeshiko Brand • Improvement in employee satisfaction (ES), including tenant employee satisfaction
Accountability in Business <ul style="list-style-type: none"> • Human rights • Bribery 	<ul style="list-style-type: none"> • Human rights policies, systems, and training • Initiatives to prevent corruption

(6) Major offices of the AEON Group (as of February 28, 2022)

(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		
Tohoku & Hokkaido Business Department	12	6
Kanto & Niigata Business Department	7	4
Shutoken Business Department	10	5
Chiba Business Department	5	4
Tokai & Nagano Business Department	5	8
Aichi Business Department	8	5
Keiji & Hokuriku Business Department	7	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	1	0
China Business	22	0
ASEAN Business	11	1
Subtotal	122	52
Urban Shopping Center Business	21	1
Total	143	53

- (Notes) 1. As of March 1, 2021, wholly owned subsidiary OPA Co., Ltd. ("Former OPA") conducted a company split (incorporation-type company split) with the wholly owned subsidiary newly established by Former OPA ("New OPA") as a successor company.
2. The Company merged with the split company, Former OPA and succeeded to 14 shopping centers.
3. The number of malls and stores in the Tohoku & Hokkaido Business Department includes Hiwada Shopping Mall Co., Ltd. (Shopping Mall FESTA).
4. AEON MALL Guangzhou Xintang was newly opened in China on May 29, 2021.
5. AEON MALL Tanjung Barat was partially opened in Indonesia on November 18, 2021. The grand opening for the mall is scheduled for 2022.
6. AEON MALL Shinrifu South Wing was newly opened in the Tohoku & Hokkaido Business Department on March 5, 2021.
7. AEON MALL Kawaguchi was newly opened in the Shutoken Business Department on June 8, 2021.
8. AEON MALL Hakusan was newly opened in the Keiji & Hokuriku Business Department on July 19, 2021.
9. AEON MALL Nagoya Noritake Garden was newly opened in the Aichi Business Department on October 27, 2021.
10. The management and operation of six malls owned by AEON Retail Co., Ltd. was terminated on February 28, 2022.
11. The Company acquired the following two malls managed and operated under contract with AEON Retail Co., Ltd.
The Company acquired AEON MALL Shinrifu North Wing in the Tohoku & Hokkaido Business Department on February 28, 2021.
The Company acquired AEON MALL Yahatahigashi in the Kyusyu & Okinawa Business Department on February 28, 2022.

(ii) Business locations of major subsidiaries

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

(7) Employees (as of February 28, 2022)

(i) The AEON Group

Business Segment	Number of Employees	As of the End of the Previous Fiscal Year
Japan	2,207 (1,582)	2,142 (1,552)
China	851 (-)	837 (-)
ASEAN	698 (-)	677 (-)
Total	3,756 (1,582)	3,656 (1,552)

(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 1,239 (159)	Increase of 43 (Increase of 9)	44 years and 4 months	8 years and 6 months
Female 700 (1,350)	Increase of 54 (Increase of 151)	37 years and 3 months	7 years and 8 months
Total 1,939 (1,509)	Increase of 97 (Increase of 160)	41 years and 10 months	8 years and 3 months

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

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

(8) Major lenders (as of February 28, 2022)

Creditors	Amount
The Okinawa Development Finance Corporation	(Million yen) 19,500
Mizuho Bank, Ltd.	12,513
Development Bank of Japan Inc.	10,180
Resona Bank, Limited	8,279
Shinkin Central Bank	8,000
Sumitomo Mitsui Banking Corporation	7,545
MUFG Bank, Ltd.	7,000
The Norinchukin Bank	7,000
The Hiroshima Bank, Ltd.	7,000
Mizuho Trust & Banking Co., Ltd.	6,000
Mie Prefectural Credit Federation of Agricultural Co-operatives	5,500
Osaka Prefectural Credit Federation of Agricultural Co-operatives	5,000
Sumitomo Mitsui Trust Bank, Limited	5,000
Syndicated loan	5,000

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

2. Shares (as of February 28, 2022)

- (1) Number of shares authorized: 320,000,000 shares
 (2) Number of shares issued: 227,548,939 shares
 (3) Number of shareholders: 187,011
 (4) Twelve largest shareholders:

Name	Number of Shares Held	Ratio of Shares Held
AEON CO., LTD.	(thousands of shares) 132,351	% 58.16
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,389	5.00
Custody Bank of Japan, Ltd. (Trust Account)	5,965	2.62
SMBC Nikko Securities Inc.	1,991	0.87
BNYMSANV As Agent/Clients Lux Ucits Non Treaty Account	1,975	0.86
AEON MALL Trading-Partner Shareholding Association	1,423	0.62
State Street Bank West Client - Treaty 505234	1,390	0.61
SSBTC CLIENT OMNIBUS ACCOUNT	1,302	0.57
JPMorgan Securities Japan Co., Ltd.	1,125	0.49
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 (3,997 shares) and have been rounded down to two decimals.

3. Stock acquisition rights

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

(As of February 28, 2022)

Name (Issuance Resolution Date)	Exercise Period	Persons Holding the Rights	Number of Stock Acquisition Rights	Number of Shares Subject to the Rights	Number of Persons Holding the Rights	Issuing Price	Amount of Capital Contributed Upon Exercise
No. 10 stock acquisition rights (May 10, 2017)	June 10, 2017 to June 9, 2032	Director	11	1,100 shares	1	¥1,848 per share	¥1 per share
No. 11 stock acquisition rights (May 10, 2018)	June 10, 2018 to June 9, 2033	Director	11	1,100 shares	1	¥1,912 per share	¥1 per share
No. 12 stock acquisition rights (May 10, 2019)	June 10, 2019 to June 9, 2034	Director	22	2,200 shares	2	¥1,408 per share	¥1 per share
No. 13 stock acquisition rights (May 10, 2020)	June 10, 2020 to June 9, 2035	Director	38	3,800 shares	3	¥1,154 per share	¥1 per share
No. 14 stock acquisition rights (May 10, 2021)	June 10, 2021 to June 9, 2036	Director	52	5,200 shares	5	¥1,476 per share	¥1 per share

- (Notes)
- Persons who are allocated stock acquisition rights must be in the position of Director or Audit & Supervisory Board Member of the Company when exercising their rights. However, even if a person retires from his/her position as Director or Audit & Supervisory Board Member of the Company, he or she may exercise those rights within a period of five years from the date of his/her retirement.
 - 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.
 - Other conditions are determined pursuant to the provisions of the share compensation-type stock option rules, agreements on allocation of stock acquisition rights and detailed rules on stock acquisition rights, in accordance with the resolutions passed at the 96th Ordinary General Meeting of Shareholders held on May 17, 2007 and the resolution by the Board of Directors.

4. Officers

(1) Directors and Audit & Supervisory Board Members (as of February 28, 2022)

Position and Responsibility	Name	Significant Concurrent Position
President and CEO and General Manager of Overseas Business Division	Yasutsugu Iwamura	Chairman, AEON MALL (CHINA) CO., LTD.
Senior Managing Director (General Manager of Customer Experience Creative Division)	Mitsuhiro Fujiki	
Managing Director (General Manager of Development Division)	Hisayuki Sato	
Managing Director (General Manager of Administration Division)	Masahiko Okamoto	
Managing Director (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 (General Manager of Marketing Management Department)	Akiko Nakarai	
Director (China Business Officer)	Tatsuya Hashimoto	Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.
Director	Kunihiro Koshizuka	External Director, TOKYU CONSTRUCTION CO., LTD. Outside Director, HOUSEI Inc.
Director	Yasuko Yamashita	Representative, Yasuko Yamashita Judicial Scrivener Office Inspector, Japan Legal Support Center Outside Director (audit and supervisory committee member), R. C. CORE CO., LTD.
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.
Director	Chisa Enomoto	Independent Director, Member of Supervisory Committee, PERSOL HOLDINGS CO., LTD. A member of Communication Strategy Committee, Meiji University
Full-time Audit & Supervisory Board Member	Maki Watanabe	

Position and Responsibility	Name	Significant Concurrent Position
Audit & Supervisory Board Member	Takao Muramatsu	Director, MURAMATSU TAX ACCOUNTANT OFFICE (tax accountant) Outside Audit & Supervisory Board Member, BESTERRA CO., LTD Outside Audit & Supervisory Board Member, Serendip Holdings Co., Ltd. Outside Director (Audit & Supervisory Committee Member), GLOBERIDE, Inc.
Audit & Supervisory Board Member	Emi Torii	Partner, Nozomi Sogo Attorneys at Law (attorney) Kanto-Shinetsu Regional Pension Records Correction Council Committee Member, Ministry of Health, Labour and Welfare
Audit & Supervisory Board Member	Masato Nishimatsu	Audit & Supervisory Board Member, AEON Hokkaido Corporation Counselor, AEON CO., LTD. Audit & Supervisory Board Member, AEON Delight Co., Ltd.

- (Notes)
1. Directors Kunihiro Koshizuka, Yasuko Yamashita, Hironobu Kurosaki, Junko Owada and Chisa Enomoto are Outside Directors.
 2. Audit & Supervisory Board Members Maki Watanabe, Takao Muramatsu and Emi Torii are Outside Audit & Supervisory Board Members.
 3. Director Yasuko Yamashita is qualified as a certified public accountant, and possesses extensive financial and accounting knowledge.
 4. Audit & Supervisory Board Member Takao Muramatsu is a certified tax accountant, and possesses extensive financial and accounting knowledge.
 5. Audit & Supervisory Board Member Emi Torii has been engaged in corporate legal affairs as an attorney, and has abundant expertise and experience.
 6. In accordance with the rules of the Tokyo Stock Exchange, the Company has submitted notification that Directors Kunihiro Koshizuka, Yasuko Yamashita, Hironobu Kurosaki, Junko Owada and Chisa Enomoto, and Audit & Supervisory Board Members Takao Muramatsu and Emi Torii 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 and Audit & Supervisory Board Members 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 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
Seiichi Chiba	May 20, 2021	Expiration of the term of office	Director, Vice President in charge of special missions	
Akio Mishima	May 20, 2021	Expiration of the term of office	Director	
Mitsugu Tamai	May 20, 2021	Expiration of the term of office	Director	
Masao Kawabata	May 20, 2021	Expiration of the term of office	Director	Advisor, Brainwoods Corporation, Ltd. Auditor, International Christian University

(4) Summary of limited liability agreements

With regard to Kunihiro Koshizuka, Yasuko Yamashita, Hironobu Kurosaki, Junko Owada, Chisa Enomoto, Takao Muramatsu and Emi Torii, who have been notified as Independent Officers, the Company has entered into limited liability agreements which limit their liability pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, on the condition that they carry out their duties in good faith and without gross negligence. The agreements are

to limit their liabilities for damages as set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations.

(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 person who has the authority to make decisions on the amounts of individual remuneration for each Director is the President and CEO, who is best suited to evaluate the performance of each Director while retaining an overarching view of the Company's overall business performance. The content of that authority and the scope of discretion is for the portion relating to the amount of individual remuneration (basic remuneration + performance-based remuneration) for each Director. 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 advise or report to the President and CEO, through discussions mainly among seven independent outside officers (as of February 28, 2022) in response to the request for advice from the President and CEO. Performance-based compensation is determined by the President and CEO within a set range in accordance with the Company's performance and report by the Committee and based on the evaluation of individual performance of each Director.
- 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 compensation is paid to Audit & Supervisory Board Members.

- iii Share compensation-type stock options

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

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

Classification	Total Amount of Remuneration	Total Amount of Remuneration by Type			Number of Eligible Officers
		Basic Remuneration	Performance-Based Remuneration	Stock Options	
	Thousand yen	Thousand yen	Thousand yen	Thousand yen	
Director (Of which, Outside Directors)	190,222 (32,400)	162,960 (32,400)	13,240 (-)	14,022 (-)	16 (6)
Audit & Supervisory Board Member (Of which, Outside Audit & Supervisory Board Members)	24,000 (24,000)	24,000 (24,000)	- (-)	- (-)	3 (3)
Total (Of which, outside officers)	214,222 (56,400)	186,960 (56,400)	13,240 (-)	14,022 (-)	19 (9)

- (Notes)
1. The above data does not include one Director and one Audit & Supervisory Board Member to whom remuneration is not applicable.
 2. Number of eligible persons for basic remuneration for Directors, is 16, including Directors who were in office as of February 28, 2022 and retired at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021.
 3. The amount of performance-based remuneration is the amount planned to be paid to seven Directors in office as of February 28, 2022.
 4. The performance indicator for the performance-based remuneration for each Director (by individual) is the ordinary income budget achievement ratio, which was 61.8% for fiscal 2021.
 5. The amount of stock options is the amount granted to 10 Directors during the fiscal year under review, including those who retired at the 110th Ordinary General Meeting of Shareholders held on May 20, 2021.
 6. 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 20.
 7. 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
		HOUSEI Inc.	Outside Director	
	Yasuko Yamashita	Yasuko Yamashita Judicial Scrivener Office	Representative	No business relationship
		Japan Legal Support Center	Inspector	
		R. C. CORE CO., LTD.	Outside Director (audit and supervisory committee member)	
	Junko Owada	Tokyo Ichiban Foods Co., Ltd.	Advisor	No business relationship
		Hitachi, Ltd.	Assigned under Professional Contract of Human Resources Area	
		Arbeit Times Co., Ltd.	Outside Director	
	Chisa Enomoto	PERSOL HOLDINGS CO., LTD.	Independent Director (Member of Supervisory Committee)	No business relationship
		Meiji University	Member of Communication Strategy Committee	
Outside Audit & Supervisory Board Members	Takao Muramatsu	MURAMATSU TAX ACCOUNTANT OFFICE	Director	No business relationship
		BESTERRA CO., LTD	Outside Audit & Supervisory Board Member	
		Serendip Holdings Co., Ltd.		
		GLOBERIDE, Inc.	Outside Director (Audit & Supervisory Committee Member)	
	Emi Torii	Nozomi Sogo Attorneys at Law	Partner	No business relationship
		Kanto-Shinetsu Regional Pension Records Correction Council, Ministry of Health, Labour and Welfare	Committee Member	

(Note) Director Hironobu Kurosaki holds no significant concurrent position.

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

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

Not applicable.

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

Classification	Name	Board of Directors		Audit & Supervisory Board	
		Attendances/Meetings (Times)	Attendance Rate (%)	Attendances/Meetings (Times)	Attendance Rate (%)
Outside Directors	Kunihiro Koshizuka	15/15	100	–	–
	Yasuko Yamashita	15/15	100	–	–
	Hironobu Kurosaki	11/11 (Note)	100	–	–
	Junko Owada	11/11 (Note)	100	–	–
	Chisa Enomoto	11/11 (Note)	100	–	–
Outside Audit & Supervisory Board Members	Maki Watanabe	15/15	100	14/14	100
	Takao Muramatsu	13/15	87	12/14	86
	Emi Torii	15/15	100	14/14	100

(Note) The Board of Directors' meetings were held 11 times since May 20, 2021 when Outside Directors Hironobu Kurosaki, Junko Owada and Chisa Enomoto took office upon their appointment at the 110th 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 provides supervision through deliberation on personnel affairs and remuneration of Directors, etc. as Chair of the Nomination and Compensation Committee.
	Yasuko Yamashita	Applying her good judgment as an accounting expert, Yasuko Yamashita has been providing appropriate supervision and advice, such as on growth strategies and management issues in Japan and overseas, fixing her eyes on the entire Group and adopting fairness and transparency as her perspectives.
	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 regarding the realization of 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 promoting diversity and empowerment of women in the workplace.
	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, she has been providing supervision on the effectiveness of the Board of Directors as Chair of the Governance Committee.
Outside Audit & Supervisory Board Members	Maki Watanabe	Applying her wealth of knowledge related to accounting and her experience as audit & supervisory board member at other companies, Maki Watanabe has been providing supervision of management, such as stating her opinions on corporate soundness and appropriateness from the perspectives in fields centered on financial affairs and accounting, and on appropriateness of investment profitability plans in accordance with the Company's business strategies and the way internal control should be.
	Takao Muramatsu	Applying his wealth of expertise related to tax affairs and experience as a director and audit & supervisory board member at other companies, Takao Muramatsu has been providing supervision of management, such as stating his opinions on capital costs, appropriateness of investment profitability standards and strengthening governance in Japan and overseas from the medium-and long-term perspective of corporate value enhancement, in addition to offering his proposals on tax affairs.
	Emi Torii	Applying her expertise and experience as a lawyer, Emi Torii has been providing supervision of management, such as providing insights on appropriateness of transactions, and the enhancement of the effectiveness of the Board of Directors, from the perspectives of the Companies Act and of the protection of the interests of minority shareholders.

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

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

5. Accounting auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

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

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

¥110 million

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

¥141 million

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

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

(3) Description of non-auditing services

Providing advice, etc. on human rights due diligence.

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

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

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

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

(1) Decisions regarding system to ensure the appropriate operations

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

The Company prepares approval documents, meeting minutes, and other documents necessary for the execution of the duties by the executive director or employee, in accordance with the internal 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 as the executive director of risk management and business division heads as directors in charge of risk management. These individuals are tasked with developing a system and environment to ensure business continuity and the safety of human lives.

The Group has established Risk Management Regulations to prevent crises or minimize damages in the event of a crisis, striving to reduce risk and mitigate any damages. We have designated management divisions to address risk management by category, and we strive to 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 shall establish the Risk Management Committee chaired by the General Manager of the Administration Division to discuss issues and countermeasures related to the promotion of risk management for the entire Group, and report the proceedings to the Management Meeting. Also, we will report significant matters to the Board of Directors and notify them annually.

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

- (iii) System to ensure the efficiency of duties executed by Directors of the Company, and directors, executive officers, employees who execute business operations, personnel who execute duties as specified in Article 598, Paragraph 1 of the Companies Act, and other persons equivalent to such personnel of the Company’s subsidiaries (“subsidiaries’ directors, etc.”)**

In addition to holding regular Board of Directors meetings at least once a month, AEON MALL 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.

In addition, AEON MALL holds a Management Strategy Advisory Committee meeting once a month, which 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; and gives advice to or report to the President and CEO, to promote policy realization and management issue resolution based on opinions and advice from independent outside officers.

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

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

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

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

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

As a contact point for reporting internal problems, the Company has established the helpline, AEON MALL Hotline (our labor union has launched a separate Union 110 Hotline). We will also install similar helpline system at our subsidiaries. In addition to ensuring that the privacy of users of this helpline is protected and that they are not subjected to any disadvantageous treatment, 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.

Of these, for important transactions, the Governance Committee, which is an advisory body to the Board of Directors consisting solely of independent Outside Directors, verifies whether the transaction is fair and reasonable from the viewpoint of enhancing the Company's corporate value, and then submits it to the Board of Directors for approval, excluding any special interested parties, to ensure the fairness of procedures. 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 management situation, business operation, financial position, progress of internal audits, status of risk management and compliance, and other

matters at a meeting of the Board of Directors or the Management Meeting attended by the Audit & Supervisory Board Members.

If Directors or employees of the Company, or directors, etc. or employees of its subsidiaries discover matters that affect the operations or business performance of the Company or its subsidiaries, violations of laws and regulations, or other issues concerning legal compliance, which may cause serious damage to the Company or its subsidiaries, or these have been reported by any of such persons, they shall immediately report to Audit & Supervisory Board of the Company. The Company and its subsidiaries prohibit treating the persons who have made such a report in an unfair manner because they have made the report, and will ensure that this rule is clearly communicated to Directors and employees of the Company, and directors, etc., Audit & Supervisory Board Members, and employees of its subsidiaries.

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

When the Company receives a request for the advance payment, etc. of expenses from Audit & Supervisory Board Members based on Article 388 of the Companies Act, the Company shall pay such expenses without delay based on the internal 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.

Based on findings through a risk survey conducted in fiscal 2016 and its responses to serious incidents occurred and new business fields and environments, the Company divided risks according to their importance and need for countermeasures. The Company is building a more effective management system by assigning the intensive discussion of the details of initiatives taken by management divisions to the Risk Management Committee. Furthermore, in light of the expansion of the Company’s business scale and changes in social conditions, a risk survey was conducted in fiscal 2021, based on which we revised the risks to be managed.

In addition to the implementation of the risk survey, we are also reviewing the system for reviewing management strategy risks and conducting risk management training to further improve the effectiveness of our risk management system.

Other specific initiatives are: a survey of risks related to property development in light of the expansion through new store openings and diversification of incidents in the Company's overseas business; a review of the Company's emergency response manual in light of the coup in Myanmar; and a review of the BCP in light of the expansion and diversification of business in the Company's business in Japan.

Based on the results of a risk survey conducted for the Company's subsidiaries in fiscal 2017, they adopted systems for autonomously promoting risk management systems in each country in line with the practice at the head office in Japan. Furthermore, given the growing importance of subsidiary management in line with business expansion, we are developing standards for risk management systems tailored to the size and operations of subsidiaries, and are working to improve the Group's risk management system as well.

Furthermore, the Company's Compliance Committee is discussing matters for the sake of preventing recurrence, treating violations that have occurred in Japan and overseas as case studies, in order to prevent the violations of laws and regulations, internal rules and the like which amount to compliance risks. In order to improve effectiveness, the results of discussions are reported to the Management Meeting and the Board of Directors. In the fiscal year under review, discussions by the Compliance Committee focused on measures for preventing harassment, abuse of superior bargaining positions, and reduction of working hours.

Particularly with regard to overseas compliance violations, the Company has established a reporting flow leading to the head office, while working for early recognition of such violations, and is taking measures to resolve these violations as soon as possible and prevent recurrence thereof.

For responses to transactions that may cause a conflict of interest between the Company and its parent or Group companies, we deliberate on the rationality of transactions and the appropriateness of the terms and conditions of the transactions in accordance with Rules for Managing Related-Party Transactions. We also provide explanations in advance to outside officers on the proposals submitted to the Board of Directors to help them make necessary judgments. In addition, in order to strengthen internal controls, we establish regulations and strengthen the audit system in overseas subsidiaries in China and the ASEAN region. We also control and manage information through appropriate measures, such as obtaining approval from the Management Meeting for important decisions. In September 2018, we established the Basic Rules for Prevention of Bribery in order to prevent bribery in Japan and overseas countries. Based on the rules, we improve the internal system and provide education.

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

-Initiatives for eliminating antisocial forces-

1. Basic Stance

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

2. Readiness to Eliminate Antisocial Forces

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

(3) Policy regarding decisions on dividends of surplus

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

We issue dividends twice annually, in the interim and at the end of the fiscal year. In accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, we have stipulated in the Articles of Incorporation that dividends paid from surplus are to be determined by resolution of the Board of Directors. Our policy is to maintain a consolidated payout ratio of at least 30 percent by considering that the overseas business has reached the stage for being able to generate cash flows.

[Dividends of surplus for the year under review]

Pursuant to a resolution by the Board of Directors at its meeting on April 7, 2022, 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 Monday, May 2, 2022.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of February 28, 2022)

(Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	150,711	Current liabilities	212,734
Cash and deposits	87,148	Notes and accounts payable – trade	9,919
Notes and accounts receivable – trade	8,308	Bonds due within one year	40,000
Prepaid expenses	3,965	Current portion of long-term debt	46,093
Deposits paid to affiliates	9,000	Lease obligations	19,555
Other	42,661	Income taxes payable	6,830
Allowance for doubtful receivables	(373)	Deposits received from specialty stores	38,732
Fixed assets	1,312,544	Deposits received	6,528
Property, plant and equipment	1,191,229	Allowance for employee bonus	1,714
Buildings and structures, net	647,844	Allowance for director and corporate auditor performance-based remuneration	78
Machinery and transportation equipment, net	3,189	Provision for loss on store closing	733
Furniture and fixtures, net	10,651	Notes payable – construction	6,081
Land	341,296	Electronically recorded obligations – construction	9,344
Right-of-use assets	159,276	Accounts payable – construction	8,628
Construction in progress	28,940	Other	18,492
Other, net	29	Long-term liabilities	823,590
Intangible assets	3,456	Straight bonds	355,000
Investments and other assets	117,859	Long-term debt	178,704
Investment securities	1,991	Lease obligations	118,239
Long-term loans	18	Deferred tax liabilities	628
Long-term prepaid expenses	43,956	Accrued retirement benefits to employees	647
Deferred tax assets	19,496	Asset retirement obligations	19,843
Lease deposits paid	51,922	Lease deposits from lessees	146,198
Other	491	Other	4,329
Allowance for doubtful receivables	(18)	Total liabilities	1,036,325
		Net assets	
		Shareholders' equity	399,890
		Common stock	42,374
		Capital surplus	40,693
		Retained earnings	316,829
		Treasury stock, at cost	(7)
		Accumulated other comprehensive income	16,565
		Net unrealized gain on available-for-sale securities	1,059
		Foreign currency translation adjustment	16,158
		Remeasurements of defined benefit plans	(652)
		Stock acquisition rights	33
		Non-controlling interests	10,441
		Total net assets	426,931
Total assets	1,463,256	Total liabilities and net assets	1,463,256

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

Consolidated Statement of Income

(March 1, 2021 – February 28, 2022)

(Million yen)

Item	Amount	
Operating revenue		
Rental income		316,813
Operating costs		
Cost of rental income		248,884
Gross profit		67,928
Selling, general and administrative expenses		29,700
Operating income		38,228
Non-operating profits		
Interest income	1,564	
Dividend income	20	
Compensation paid by departing tenants	1,571	
Gain on valuation of derivatives	1,325	
Compensation income	2,416	
Insurance income	155	
Other	406	7,459
Non-operating expenses		
Interest expenses	10,871	
Foreign exchange losses	1,319	
Other	956	13,147
Ordinary income		32,540
Extraordinary gains		
Gain on sale of fixed assets	4	
Compensation income	1,748	
Insurance income	218	1,970
Extraordinary losses		
Loss on sale of fixed assets	1	
Loss on retirement of fixed assets	759	
Impairment loss	3,302	
Loss due to COVID-19	4,075	
Other	223	8,362
Income before income taxes		26,149
Income tax – current	11,218	
Income tax – deferred	(4,280)	6,937
Net income		19,211
Net loss attributable to non-controlling interests		(66)
Net income attributable to owners of parent		19,278

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

Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2021 – February 28, 2022)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 1, 2021	42,372	40,691	307,790	(6)	390,848
Changes during period					
Issue of new shares	2	2			4
Cash dividends			(10,239)		(10,239)
Net income attributable to owners of parent			19,278		19,278
Purchase of treasury stock				(1)	(1)
Net change in items other than shareholders' equity					
Total of changes	2	2	9,039	(1)	9,042
Balance as of February 28, 2022	42,374	40,693	316,829	(7)	399,890

	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, 2021	1,029	(13,868)	(690)	(13,529)	23	10,143	387,486
Changes during period							
Issue of new shares							4
Cash dividends							(10,239)
Net income attributable to owners of parent							19,278
Purchase of treasury stock							(1)
Net change in items other than shareholders' equity	29	30,027	37	30,094	9	298	30,402
Total of changes	29	30,027	37	30,094	9	298	39,444
Balance as of February 28, 2022	1,059	16,158	(652)	16,565	33	10,441	426,931

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

Nonconsolidated Financial Statements

Nonconsolidated Balance Sheet

(As of February 28, 2022)

(Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	56,936	Current liabilities	180,100
Cash and deposits	8,537	Notes and accounts payable – trade	8,085
Notes and accounts receivable – trade	3,143	Short-term debt	6,586
Prepaid expenses	2,922	Bonds due within one year	40,000
Short-term loans receivable from subsidiaries and associates	11,100	Current portion of long-term debt	46,093
Deposits paid to affiliates	9,000	Accounts payable – other	3,102
Accounts receivable – other	21,724	Accrued expenses	2,402
Current portion of lease deposits	69	Income taxes payable	5,843
Other	477	Advances received	4,902
Allowance for doubtful receivables	(37)	Deposits received from specialty stores	31,088
Fixed assets	1,258,647	Deposits received	11,091
Property, plant and equipment	801,841	Allowance for employee bonus	1,636
Buildings	466,284	Allowance for director and corporate auditor performance-based remuneration	60
Structures	28,024	Provision for loss on store closing	733
Machinery and equipment	3,161	Notes payable – construction	5,775
Vehicles and transportation equipment	5	Electronically recorded obligations – construction	9,344
Furniture and fixtures	7,895	Accounts payable – construction	2,031
Land	286,754	Other	1,321
Construction in progress	9,687	Long-term liabilities	688,833
Other, net	29	Straight bonds	355,000
Intangible assets	3,060	Long-term debt	186,971
Software	2,400	Asset retirement obligations	18,492
Right to use facilities	649	Lease deposits from lessees	127,938
Other	11	Other	431
Investments and other assets	453,744	Total liabilities	868,934
Investment securities	1,991	Net assets	
Shares of subsidiaries and associates	235,337	Shareholders' equity	445,556
Investments in capital of subsidiaries and associates	113,985	Common stock	42,374
Long-term loans	18	Capital surplus	42,682
Long-term loans receivable from subsidiaries and associates	26,654	Legal capital surplus	42,682
Long-term prepaid expenses	15,278	Retained earnings	360,506
Deferred tax assets	15,143	Legal retained earnings	1,371
Lease deposits paid	44,774	Other retained earnings	359,135
Prepaid pension costs	110	Reserve for tax purpose reduction entry of fixed assets	405
Other	468	General reserve	28,770
Allowance for doubtful receivables	(18)	Retained earnings brought forward	329,959
		Treasury stock, at cost	(7)
		Valuation and translation adjustments	1,059
		Net unrealized gain on available-for-sale securities	1,059
		Stock acquisition rights	33
Total assets	1,315,583	Total net assets	446,649
		Total liabilities and net assets	1,315,583

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

Nonconsolidated Statement of Income(March
1, 2021 – February 28, 2022)

(Million yen)

Item	Amount	
Operating revenue		
Rental income		247,951
Operating costs		
Cost of rental income		192,896
Gross profit		55,055
Selling, general and administrative expenses		23,573
Operating income		31,481
Non-operating profits		
Interest income	969	
Dividend income	62	
Compensation paid by departing tenants	1,199	
Foreign exchange gains	173	
Compensation income	2,338	
Insurance income	118	
Other	152	5,015
Non-operating expenses		
Interest expenses	3,616	
Other	822	4,438
Ordinary income		32,059
Extraordinary gains		
Gain on sale of fixed assets	4	
Compensation income	1,748	1,752
Extraordinary losses		
Loss on retirement of fixed assets	696	
Impairment loss	803	
Provision of allowance for doubtful accounts	55	
Loss due to COVID-19	1,824	
Other	62	3,441
Income before income taxes		30,370
Income tax – current	8,657	
Income tax – deferred	(3,624)	5,033
Net income		25,337

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

Nonconsolidated Statement of Changes in Shareholders' Equity

(March 1, 2021 – February 28, 2022)

(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, 2021	42,372	42,680	42,680	1,371	344,037	345,408
Changes during period						
Issue of new shares	2	2	2			
Cash dividends					(10,239)	(10,239)
Net income					25,337	25,337
Purchase of treasury stock						
Net change in items other than shareholders' equity						
Total of changes	2	2	2	–	15,097	15,097
Balance as of February 28, 2022	42,374	42,682	42,682	1,371	359,135	360,506

			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, 2021	(6)	430,455	1,029	1,029	23	431,509
Changes during period						
Issue of new shares		4				4
Cash dividends		(10,239)				(10,239)
Net income		25,337				25,337
Purchase of treasury stock	(1)	(1)				(1)
Net change in items other than shareholders' equity			29	29	9	39
Total of changes	(1)	15,100	29	29	9	15,140
Balance as of February 28, 2022	(7)	445,556	1,059	1,059	33	446,649

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

Audit Report

Based on the audit report prepared by each Audit & Supervisory Board Member with regard to the performance of duties by the Directors of AEON MALL Co., Ltd. (the “Company”) for the 111th fiscal year (from March 1, 2021 to February 28, 2022), the Audit & Supervisory Board of the Company prepares this audit report after deliberation and hereby report, by a unanimous show of hands, as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit

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

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

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

2. Results of audit

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

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

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

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

Touche Tohmatsu LLC, are proper.

(3) Results of audit of consolidated financial statements

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

April 6, 2022

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

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

Maki Watanabe (Seal)

Outside Audit & Supervisory Board Member Takao Muramatsu (Seal)

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

Audit & Supervisory Board Member Masato Nishimatsu (Seal)