

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 30, 2020  
**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 109th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 109th Ordinary General Meeting of Shareholders of **AEON MALL Co., Ltd.** (the “Company”), to be held as described below:

Those who are unable to attend may vote in writing or on the Internet. Please cast your vote by 6:00 p.m. on Monday, May 18, 2020 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

1. **Date and Time:** Tuesday, May 19, 2020; 10:00 a.m.

2. **Place:** 2-120-3 Hibino, Mihama-ku, Chiba-shi, Chiba  
Tsuru banquet room, 2nd floor, Hotel New Otani Makuhari

3. **Objectives of Meeting**

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the 109th fiscal year (from March 1, 2019 to February 29, 2020) and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and Audit & Supervisory Board
  2. Nonconsolidated Financial Statements for the 109th fiscal year (from March 1, 2019 to February 29, 2020)

**Matters to be resolved:**

- Agenda Item 1: Election of fourteen (14) Directors  
Agenda Item 2: Election of one (1) Audit & Supervisory Board Member

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 109th Ordinary General Meeting of Shareholders, notes to Consolidated Financial Statements and Nonconsolidated Financial Statements are provided to shareholders on the Company's website, pursuant to laws and regulations and provisions of Article 15 of the Articles of Incorporation of the Company. 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. 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 ([http://www.aeonmall.com/en/ir/s\\_meeting.html](http://www.aeonmall.com/en/ir/s_meeting.html)).

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

**[For those attending the meeting]**

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

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

**[For those voting in writing]**

Those voting in writing should indicate “for” or “against” for each agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Monday, May 18, 2020.

**[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 Monday, May 18, 2020.

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: Election of fourteen (14) Directors**

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

Accordingly, the Company hereby asks you to elect fourteen (14) Directors including three (3) new candidates for Director to enhance the management structure and promote the business strategy.

The candidates for Directors are as follows.

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

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

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

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

The Company, when electing independent Outside Directors, in addition to following independence standards designated by the Tokyo Stock Exchange, selects candidates from people with experience in various industries or in management who possess diverse perspectives, abundant experience, in-depth understanding, and specialized expertise as well as elects candidates who can contribute to candid, active and constructive discussions at Board of Directors' meetings.

## 1. Yasutsugu Iwamura

Reelection

<b>Date of birth</b>	March 7, 1966	<b>Number of the Company's shares owned:</b> 1,012 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Aug. 2005    Joined the Company</p> <p>Aug. 2007    General Manager of Planning Development First Group, Planning Development Department, the Company</p> <p>May 2009    General Manager of Kanto and Tohoku Development Department, Development Division, the Company</p> <p>Apr. 2013    General Manager of Development Management Department, Development Division, the Company</p> <p>May 2016    General Director of AEON MALL VIETNAM CO., LTD</p> <p>May 2019    Director in charge of Vietnam, ASEAN Division, the Company, and General Director of AEON MALL VIETNAM CO., LTD.</p> <p>Mar. 2020    President and CEO, the Company (to present)</p> <p>(Significant concurrent position)</p> <p>Chairman, AEON MALL (CHINA) CO., LTD.</p>	
<b>Reasons for selection as a candidate for Director</b>	Yasutsugu Iwamura served as President and CEO since 2020, and 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 the overseas business. In addition, he has fulfilled roles that contribute to boosting the Company's corporate value such as decision-making concerning serious management issues and overseeing business execution. Accordingly, the Company nominated him for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Yasutsugu Iwamura.	

## 2. Seiichi Chiba

Reelection

<b>Date of birth</b>	July 28, 1955	<b>Number of the Company's shares owned:</b> 16,900 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 1978    Joined The Dai-Ichi Kangyo Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>Sep. 1993    Assistant Manager of New York Branch, The Dai-Ichi Kangyo Bank, Ltd.</p> <p>Apr. 2002    Deputy Manager of Credit Department No. 3, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>Oct. 2002    General Manager of Corporate Department No. 4, Mizuho Corporate Bank, Ltd.</p> <p>May 2003    General Manager of Global Corporate Department No. 2, Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2005    Executive Officer, General Manager of Corporate Restructuring Division No. 1, Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2007    Managing Executive Officer, Mizuho Corporate Bank, Ltd.</p> <p>May 2010    Vice President, AEON CO., LTD.</p> <p>May 2010    Vice President Chief Financial Officer and Manager in charge of Finance, AEON Group</p> <p>May 2010    Audit &amp; Supervisory Board Member, the Company</p> <p>Mar. 2011    Vice President CFO, AEON Group</p> <p>May 2013    Senior Managing Director, General Manager of Finance &amp; Accounting Division/Chief Financial Officer, the Company</p> <p>Apr. 2015    Senior Managing Director, General Manager of Finance &amp; Accounting Division/Chief Financial Officer, and Chief ASEAN Business Officer, the Company</p> <p>Apr. 2019    Director, Vice President, Finance &amp; Accounting Officer and Overseas Business Officer, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	Seiichi Chiba has extensive expertise related to finance and accounting operations and experience as an executive officer at financial institutions and at AEON CO., LTD., and after serving as Senior Managing Director, he has served as Director, Vice President of the Company since 2019. He is in charge of finance and accounting, as well as the overseas business, and is responsible for the Company's overall management and the administration and supervision functions for overseas business. Accordingly, the Company nominated him for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Seiichi Chiba.	

### 3. Akio Mishima

Reelection

<b>Date of birth</b>	November 8, 1958	<b>Number of the Company's shares owned:</b> 11,138 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 2000    Joined the Company</p> <p>Jul. 2006    General Manager of Existing Store Management Department, Leasing Division, the Company</p> <p>Jul. 2007    General Manager, AEON MALL Kisogawa, the Company</p> <p>May 2009    General Manager of Kanto &amp; Tohoku Leasing Department, Leasing Management Department, Sales Division, the Company</p> <p>Apr. 2011    General Manager of Leasing Management Department, Sales Division, the Company</p> <p>May 2012    Director, General Manager of Leasing Division, the Company</p> <p>Apr. 2013    Director, General Manager of Leasing Management Department, Sales Division, the Company</p> <p>Apr. 2015    Director, General Manager of Leasing Division, the Company</p> <p>May 2016    Managing Director, General Manager of Leasing Division, the Company</p> <p>Apr. 2017    Managing Director, General Manager of Sales Division, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	<p>Since joining the Company, Akio Mishima has engaged in the administration and operation of shopping malls, and in leasing operations, after which he supervised the entire leasing division. After serving as Director, he has served as Managing Director since 2016. Currently, he is leading the entire Sales Division as the General Manager of the Sales Division and is playing a central role in business expansion utilizing his expertise, extensive experience and achievements. Accordingly, the Company nominated him for another term as a candidate for Director.</p>	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Akio Mishima.	

### 4. Mitsuhiro Fujiki

Reelection

<b>Date of birth</b>	November 21, 1960	<b>Number of the Company's shares owned:</b> 7,064 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 1985    Joined the Company</p> <p>Apr. 2011    General Manager of AEON MALL Niihama, the Company</p> <p>Nov. 2012    General Manager of AEON MALL Miyazaki, the Company</p> <p>Apr. 2013    General Manager of West Japan Business Department, Sales Division, the Company</p> <p>Sep. 2014    General Manager of Chushikoku Business Department, Sales Division, the Company</p> <p>Apr. 2015    General Manager of Sales Division, the Company</p> <p>May 2015    Director, General Manager of Sales Division, the Company</p> <p>Apr. 2017    Director, General Manager of Leasing Division, the Company</p> <p>May 2018    Managing Director, General Manager of Leasing Division, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	<p>Since joining the Company, Mitsuhiro Fujiki has engaged primarily in the administration and operation of shopping malls, and in leasing operations, and has served as Managing Director since 2018. He has expertise, extensive experience and achievements and is currently leading the entire Leasing Division as the General Manager of the Leasing Division. He is also playing a central role in creating new mall spaces. Accordingly, the Company nominated him for another term as a candidate for Director.</p>	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Mitsuhiro Fujiki.	

## 5. Mitsugu Tamai

Reelection

<b>Date of birth</b>	July 5, 1962	<b>Number of the Company's shares owned:</b> 7,300 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Jul. 1999      Joined AEON Credit Service Co., Ltd.</p> <p>May 2006      Director, General Manager of Finance &amp; Accounting Management Department, AEON Credit Service Co., Ltd.</p> <p>Apr. 2007      Director, General Manager of Finance &amp; Accounting Division, AEON Credit Service Co., Ltd.</p> <p>Mar. 2010      Director, General Manager of Affiliate Management Division, AEON Credit Service Co., Ltd.</p> <p>May 2011      Executive Officer, General Manager of Administration Department, Affiliate Management Division, AEON Credit Service Co., Ltd.</p> <p>Mar. 2012      Aide to the Group Control and Accounting Officer, AEON CO., LTD.</p> <p>May 2012      Audit &amp; Supervisory Board Member, AEON Kyushu Co., Ltd.</p> <p>May 2012      Audit &amp; Supervisory Board Member, AEON Delight Co., Ltd.</p> <p>Aug. 2012      General Manager of Administration Division, the Company</p> <p>Apr. 2013      General Manager of ASEAN Division, the Company</p> <p>May 2013      Director and General Manager of ASEAN Division, the Company</p> <p>Apr. 2019      Managing Director, General Manager of ASEAN Division, and General Manager of Digital Promotion Department, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	Mitsugu Tamai has extensive knowledge and work experience related to finance and accounting operations and the administration of overseas corporations. He also has experience as a Director and Audit & Supervisory Board Member of AEON Group companies, and has served as Managing Director of the Company since 2019. Furthermore, he has knowledge and achievements related to business management overseas. Accordingly, the Company nominated him for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Mitsugu Tamai.	

## 6. Hisayuki Sato

Reelection

<b>Date of birth</b>	December 8, 1957	<b>Number of the Company's shares owned:</b> 1,100 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Mar. 1981      Joined JUSCO Co., Ltd. (now AEON CO., LTD.)</p> <p>Mar. 1990      General Manager of Tohoku Development Department, JUSCO Co., Ltd.</p> <p>Oct. 2008      General Manager of Development Department, Beijing AEON Co., Ltd.</p> <p>Mar. 2011      General Manager of AEON MALL Beijing and Tianjin Development Department, China Division, the Company</p> <p>Sep. 2012      General Manager of China Development Management Department, China Division, the Company</p> <p>Apr. 2014      Chief Executive Officer, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.</p> <p>Mar. 2016      General Manager of Development Management Department, AEON MALL (CHINA) CO., LTD.</p> <p>Apr. 2016      General Manager of China Division, the Company</p> <p>Apr. 2016      Chief Executive Officer, AEON MALL (CHINA) CO., LTD. (to present)</p> <p>May 2016      Director, General Manager of China Division, the Company</p> <p>Apr. 2019      Managing Director, General Manager of China Division, the Company (to present)</p> <p>(Significant concurrent positions)</p> <p>Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD.</p> <p>Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.</p>	
<b>Reasons for selection as a candidate for Director</b>	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. In light of his actual results in and contributions to business management overseas, the Company nominated him for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Hisayuki Sato.	

## 7. Motoya Okada

Reelection

<b>Date of birth</b>	June 17, 1951	<b>Number of the Company's shares owned:</b> 5,280 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Mar. 1979 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)</p> <p>May 1990 Director, JUSCO Co., Ltd.</p> <p>Feb. 1992 Managing Director, JUSCO Co., Ltd.</p> <p>May 1995 Senior Managing Director, JUSCO Co., Ltd.</p> <p>Jun. 1997 President, JUSCO Co., Ltd.</p> <p>May 1998 Director, the Company</p> <p>May 2002 Director and Advisor, the Company (to present)</p> <p>May 2003 Director, President and Representative Executive Officer, AEON CO., LTD.</p> <p>Mar. 2012 Director, President and Representative Executive Officer, and Group CEO, AEON CO., LTD.</p> <p>Feb. 2015 Director and Advisor, AEON Retail Co., Ltd. (to present)</p> <p>Mar. 2020 Director, Chairman and Representative Executive Officer, AEON CO., LTD.</p>	
<b>Reasons for selection as a candidate for Director</b>	<p>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.</p>	
<b>Conflicts of interest</b>	<p>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.</p>	

## 8. Masahiko Okamoto

Reelection

<b>Date of birth</b>	April 8, 1958	<b>Number of the Company's shares owned:</b> 1,400 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Mar. 1981 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)</p> <p>Mar. 1997 General Manager of Personnel &amp; General Affairs Department, Megamart Division, JUSCO Co., Ltd.</p> <p>Mar. 2000 General Manager of Personnel &amp; Education Department, Kinki Business Division, JUSCO Co., Ltd.</p> <p>Mar. 2001 General Manager of Administration Center, Headquarters, JUSCO Co., Ltd.</p> <p>Sep. 2008 General Manager of Personnel Training Department, Kanto Company Division, AEON CO., LTD.</p> <p>Feb. 2015 General Manager of General Affairs Department, Administration Division, the Company</p> <p>Apr. 2018 General Manager of Administration Division, the Company</p> <p>May 2018 Director, General Manager of Administration Division, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	<p>Masahiko Okamoto has engaged in personnel and general affairs. Based on the expertise and experience that he gained, he has been serving as Director, General Manager of Administration Division since 2018. He promotes personnel training and compliance with the Corporate Governance Code, and is in charge of further promoting and strengthening the governance system and personnel system. Accordingly, the Company nominated him for another term as a candidate for Director.</p>	
<b>Conflicts of interest</b>	<p>No conflict of interest exists between the Company and Masahiko Okamoto.</p>	

## 9. Hiroshi Yokoyama

Reelection

<b>Date of birth</b>	May 29, 1964	<b>Number of the Company's shares owned:</b> 3,010 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 1987    Joined The Chuo Trust &amp; Banking Co., Ltd. (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>Oct. 2000    Section Manager of Real Estate Investment Development Department, The Chuo Mitsui Trust and Banking Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>Apr. 2004    Joined the Company</p> <p>Apr. 2004    Manager of Finance Group, Finance &amp; Accounting Group, Administration Division, the Company</p> <p>Aug. 2007    General Manager of Finance &amp; Accounting Department, Administration Division, the Company</p> <p>May 2013    General Manager of Finance &amp; Accounting Management Department, Finance &amp; Accounting Division, the Company</p> <p>Apr. 2017    General Manager of Development Planning Management Department, Development Division, the Company</p> <p>May 2017    Director, General Manager of Development Planning Management Department, Development Division, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	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 has been serving as Director, General Manager of the Development Planning Management Department, Development Division since 2017. He has extensive achievements and experience related to real estate development and finance. Accordingly, the Company nominated him for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Hiroshi Yokoyama.	

## 10. Akiko Nakarai

Reelection

<b>Date of birth</b>	August 7, 1971	<b>Number of the Company's shares owned:</b> 3,100 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Dec. 2003    Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)</p> <p>Apr. 2011    General Manager of AEON MALL Miyakonojo Ekimae, the Company</p> <p>Apr. 2013    General Manager of AEON MALL Fukutsu, the Company</p> <p>Jul. 2016    Representative Duties Enforcer, AEONMALL KIDS DREAM, LLC (to present)</p> <p>Mar. 2018    General Manager of Digital Promotion Management Department, Sales Division, the Company</p> <p>May 2018    Director, General Manager of Digital Promotion Management Department, Sales Division, the Company (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	Since joining the Company, Akiko Nakarai has been engaged mainly in the administration and operation of shopping malls, and since 2018, she has been Director, General Manager of Digital Promotion Management Department, Sales Division. She also has expertise related to general sales and management experience at a subsidiary. Accordingly, the Company nominated her for another term as a candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Akiko Nakarai.	

## 11. Tatsuya Hashimoto

New election
--------------

<b>Date of birth</b>	February 14, 1974	<b>Number of the Company's shares owned:</b> 1,308 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 2004    Joined Diamond City Co., Ltd. (now AEON MALL Co., Ltd.)</p> <p>Nov. 2011    General Manager of AEON MALL Sanko, the Company</p> <p>Nov. 2012    General Manager of AEON MALL Kochi, the Company</p> <p>Apr. 2015    General Manager of AEON MALL Kurashiki, the Company</p> <p>Mar. 2017    General Manager of SC Operations Department, AEON Mall (China) Investment Co., Ltd.</p> <p>Mar. 2018    President of AEON Mall (Jiangsu) Business Management Co., Ltd. (to present)</p>	
<b>Reasons for selection as a candidate for Director</b>	<p>Since joining the Company, Tatsuya Hashimoto has engaged primarily in the administration and operation of shopping malls, and in leasing operations, and has served as President of AEON Mall (Jiangsu) Business Management Co., Ltd. since 2018. Based on his business experience such as expertise related to general sales cultivated in Japan and overseas, and experience with initiatives to improve convenience and productivity through promotion of the shift to digital markets at Chinese subsidiaries. Accordingly, the Company nominated him as a new candidate for Director.</p>	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Tatsuya Hashimoto.	

## 12. Masao Kawabata

Reelection
------------

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

<b>Date of birth</b>	August 10, 1948	<b>Number of the Company's shares owned:</b> 0 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	<p>Apr. 1971    Joined Pioneer Corporation</p> <p>Nov. 1996    President, Pioneer GB Ltd.</p> <p>Jun. 2004    Senior Executive Officer in charge of PR/IR and risk management, Pioneer Corporation</p> <p>Apr. 2008    Chairman and CEO, Pioneer North America, Inc.</p> <p>Jun. 2009    Advisor, Pioneer Corporation</p> <p>Jul. 2010    Secretary-General, Foundation for the Advancement of Music Appreciation</p> <p>Jul. 2012    Advisor, Eiken Foundation of Japan</p> <p>Sep. 2014    Advisor, Brainwoods Corporation, Ltd. (to present)</p> <p>May 2015    Outside Director, the Company (to present)</p> <p>Jun. 2015    Director, English-Speaking Union of Japan</p> <p>Jun. 2018    Auditor, ICU International Christian University (to present)</p>	
<b>Reasons for selection as a candidate for Outside Director</b>	<p>Masao Kawabata provides appropriate advice and supervision related to the Company's management from a broad perspective using his international mindset, extensive experience, and more that he gained while engaging in PR/IR and risk management operations at another company and as a business manager of subsidiaries in various overseas countries. Accordingly, the Company nominated him for another term as a candidate for Outside Director.</p>	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Masao Kawabata.	

### 13. Kunihiro Koshizuka

New election

Candidate for  
Outside Director

Candidate for  
Independent Officer

<b>Date of birth</b>	September 30, 1955	<b>Number of the Company's shares owned:</b> 0 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	April 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. (to present)	
<b>Reasons for selection as a candidate for Outside Director</b>	Kunihiro Koshizuka is engaged in technological strategies, creation of new businesses, large acquisition projects and other important operations at another company. The Company judges that he will be able to provide appropriate advice and supervision related to the Company's management using his knowledge, expertise and experience in digital and scientific technologies gained as an engineer. Accordingly, the Company nominated him as a new candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Kunihiro Koshizuka.	

### 14. Yasuko Yamashita

New election

Candidate for  
Outside Director

Candidate for  
Independent Officer

<b>Date of birth</b>	November 5, 1963	<b>Number of the Company's shares owned:</b> 0 shares
<b>Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company</b>	Oct. 1987    Joined Tohmatsu Awoki & Sanwa (now Deloitte Touche Tohmatsu LLC) Jan. 1997    Joined Important Properties Bank Japan Co., Ltd. Sep. 2010    Joined Saish Sogo jimusho Dec. 2013    Representative, Yasuko Yamashita Judicial Scrivener Office (to present) May 2016    Outside Audit & Supervisory Board Member, POCKET CARD CO., LTD. June. 2017    Director, R.C. CORE (audit and supervisory committee member) (to present)	
<b>Reasons for selection as a candidate for Outside Director</b>	Although Yasuko Yamashita does not have past experience of involvement in the direct management of a company, the Company believes that she will be able to provide advice and supervision for the management of the Company by utilizing her good judgment as an accounting expert that she developed as a certified public accountant and judicial scrivener, work experience as an auditor, as well as her experience as a director and an auditor for other companies. Accordingly, the Company nominated her as a new candidate for Director.	
<b>Conflicts of interest</b>	No conflict of interest exists between the Company and Yasuko Yamashita.	

(Note 1) Masao Kawabata is currently Outside Director of the Company. At the conclusion of this meeting, the number of years he has served as Outside Director since assuming office will be five (5) years.

(Note 2) The Company has entered into limited liability agreement with Masao Kawabata, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. If his reelection is approved, the Company intends to continue this agreement. In addition, the Company plans to enter into the same limited liability agreements with Kunihiro Koshizuka and Yasuko Yamashita if their election is approved. The summary of details of the agreement is as follows:

- (i) The maximum amount of liability for damages incurred due to negligence of duties by the Outside Director shall be up to the minimum amount as provided for by Article 425, paragraph 1 of the Companies Act.
- (ii) The limitation of liability shall be accepted only if the Outside Director has acted in good faith and without gross negligence in performing his or her duties.

(Note 3) The Company notified the Tokyo Stock Exchange of the election of Masao Kawabata, as an Independent Officer pursuant to Regulations of the Tokyo Stock Exchange. If his reelection is approved, the Company intends to continue to notify the said Exchange of his election as an Independent Officer. In addition, if the election of Kunihiro Koshizuka and Yasuko Yamashita is approved, the Company intends to notify the said Exchange of their election as Independent Officers.

## Agenda Item 2: Election of one (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Hideki Hayami will resign at the conclusion of this annual general meeting of shareholders. Accordingly, the Company asks you to elect one (1) Audit & Supervisory Board Member as his substitute.

The term of office of the Audit & Supervisory Board Member elected shall be effective until the expiration of the predecessor's term of office pursuant to the provisions of the Company's Articles of Incorporation.

This agenda item has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

### Policies and procedures in the appointment of candidate for Audit & Supervisory Board Member:

In regard to the appointment of candidate for Audit & Supervisory Board Member, first the President and CEO proposes the appointment in accordance with the following standards, second, after consulting with the Audit & Supervisory Board and receiving approval, 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.

- A candidate must be able to recognize management issues from the point of view of overall management.
- A candidate must have no interest or trade relationship that could affect their execution of duties as an Audit & Supervisory Board Member.
- A candidate must possess considerable expertise in finance and accounting, or ability, knowledge, and experience in their specialist field.

### Masato Nishimatsu

New election

Candidate for Audit & Supervisory Board Member

Date of birth	January 19, 1955	Number of the Company's shares owned: 0 shares
Career summary, position, and significant concurrent positions outside the Company	Mar. 1978	Joined JUSCO Co., Ltd. (now AEON CO., LTD.)
	May 2000	Director, JUSCO Co., Ltd.
	Dec. 2001	Acting Trustee for Business, MYCAL Corp. (now AEON Retail Co., Ltd.)
	Mar. 2007	Finance & Accounting Officer, AEON Group
	May 2007	Vice President, AEON Group
	May 2007	Audit & Supervisory Board Member, the Company
	Aug. 2008	Vice President, Responsible for Group Accounting and Affiliated Companies, AEON CO., LTD.
	Mar. 2013	Director, Senior Managing Director and in charge of Business Management, AEON Retail Co., Ltd.
	Feb. 2015	Director, Senior Managing Director and in charge of the Financial Units and the Corporate Planning, The Daiei, Inc.
	Mar. 2016	Executive Officer, Senior Chief Officer of Business Management, AEON CO., LTD.
	Mar. 2017	Executive Vice President and Representative Director, and in charge of Administration, AEON Retail Co., Ltd.
	May 2018	Audit & Supervisory Board Member, AEON Hokkaido Corporation (to present)
	Mar. 2020	Counselor, AEON CO., LTD.

<b>Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b>	The Company judges that Masato Nishimatsu's broad understanding and specialist knowledge gained in the AEON Group companies would help him provide supervision and effective advice related to the Company's overall management. Accordingly, the Company nominated him as a candidate for Audit & Supervisory Board Member.
<b>Conflicts of interest</b>	Masato Nishimatsu is Counselor of AEON CO., LTD. and AEON CO., LTD. is a major shareholder (parent company) of the Company.

(Note) Masato Nishimatsu receives salary as an employee working in the above-stated position as a counselor at the Company's parent company AEON CO., LTD.

(ATTACHED DOCUMENTS)

## Business Report for Fiscal 2019

(March 1, 2019 – February 29, 2020)

### 1. Status of the corporate group

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

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

The Company formulated a medium-term management plan covering fiscal 2017 (FYE February 28, 2018) through fiscal 2019, based on which, we have been working to innovate existing business models while aiming at securing new growth models, and also have been striving to achieve sustainable growth, as well as profit improvements through five strategies: (1) Capture growth opportunities in Asia; (2) Develop latent sources of domestic demand; (3) Become the overwhelmingly dominant mall in each region; (4) Capture urban growth opportunities; and (5) Implement an optimal financing mix and build organizational structures that support growth.

The Company recorded historical highs in both operating revenue and each profit category for the fiscal year under review.

Operating revenue amounted to ¥324,138 million (+3.6% year on year), while operating costs was ¥234,813 million (+0.9% year on year). Operating income came to ¥60,794 million (+14.7% year on year) with gross profit of ¥89,324 million (+11.5% year on year) and selling, general and administrative expenses of ¥28,530 million (+5.1% year on year).

Ordinary income was ¥56,117 million (+7.5% year on year), while net income attributable to owners of parent amounted to ¥34,239 million (+2.1% year on year).

The following information shows consolidated operating results and operating results by segment for the fiscal year under review:

The Company has applied International Financial Reporting Standard (IFRS) 16 Leases at the overseas consolidated subsidiaries from the fiscal year under review. Please see Notes to “Consolidated Financial Statements” (Changes in accounting policies), an Internet disclosure item associated with the Notice of the 109th Ordinary General Meeting of Shareholders, for the details of the effects of the application of International Financial Reporting Standard (IFRS) 16.

#### ◆Consolidated Operating Results

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	(Million yen) Change [Year on year]
Operating revenue	312,976	324,138	+11,161 (3.6%)
Operating income	52,987	60,794	+7,807 (14.7%)
Ordinary income	52,206	56,117	+3,910 (7.5%)
Net income attributable to owners of parent	33,538	34,239	+700 (2.1%)

## ◆ Operating Results by Segment

(Million yen)

	Operating Revenue			Segment Income (Loss)		
	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Change [Year on year]	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020	Change [Year on year]
Japan	268,358	274,999	+6,640 (2.5%)	52,415	52,460	+45 (0.1%)
China	33,369	35,850	+2,481 (7.4%)	(453)	5,622	+6,075 [-]
ASEAN	11,248	13,288	+2,039 (18.1%)	999	2,686	+1,686 (168.7%)
Overseas	44,617	49,138	+4,521 (10.1%)	546	8,308	+7,762 (1,419.9%)
Reconciliations	-	-	- [-]	25	25	- (0%)
Total	312,976	324,138	+11,161 (3.6%)	52,987	60,794	+7,807 (14.7%)

The overseas consolidated subsidiaries of the Company started applying IFRS 16 from the consolidated fiscal year under review. As a result, segment income for China and the ASEAN increased by ¥4,859 million and ¥480 million, respectively, during the fiscal year under review.

### a. Overseas (China, ASEAN)

Operating revenue was ¥49,138 million, an increase of 10.1% year on year, while operating income amounted to ¥8,308 million, up 1,419.9%. The overseas business holds 30-mall structure as of the end of the fiscal year under review, reaping the branding advantages leveraged by area-dominant store openings. Operating revenue and operating income grew proportionate to higher sales growth

## ◆ Capture Growth Opportunities in Asia

### (China)

Operating revenue amounted to ¥35,850 million, up 7.4% year on year, while operating income improved by ¥6,075 million compared to the previous fiscal year to ¥5,622 million (operating loss of ¥453 million in the previous fiscal year.)

In China, the Company continues area-dominant store openings, mainly in the four areas of Beijing/Tianjin/Shandong, Jiangsu/Zhejiang, Hubei, and Guangdong. The impact of these store openings has increased the Company's brand power to attract more customers. This type of brand advantage attracts quality specialty stores and leads to lease contracts under more favorable terms.

As for new malls, in June, we opened our first mall in Changshu City, AEON MALL Changshu Xinqu (in Changshu City, Jiangsu Province), which is the fifth mall in Jiangsu Province, and also opened our first mall in Qingdao City and second in Shandong Province, AEON MALL Qingdao Xihai Xinqu (in Qingdao City, Shandong Province) in November. AEON MALL Changshu Xinqu offers a brand-new shopping experience for customers, with the utilization of a smartphone app providing highly convenient services and functions such as digital floor guides, virtual fitting rooms, and parking space search, all of which are introduced by the latest digital technologies.

AEON MALL Qingdao Xihai Xinqu, being located in Xihai Xinqu, an area established as the ninth Chinese new national district in the international resort city of Qingdao City, offers leading-edge electronic-based services such as face-recognition cash registers at

specialty stores.

On December 6, we signed a memorandum for strategic alliance with the Qingdao City Municipal Government. Under this memorandum, the city will cooperate in the opening of major shopping centers, while AEON MALL will contribute actively to the prosperity and revitalization of the Qingdao City consumer market.

Despite somewhat slowing growth in the country, AEON MALL leverages operational expertise developed in Japan to drive consumer demand 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 tenants, to generate customer traffic.

The number of malls are increasing that have passed the three- to four-year mark after opening, reaching the point of lease renewals, lease renegotiations, and renovations timed to the entry of new, more popular specialty stores, and we renovated five malls.

As part of initiatives for generating new demands, the we aimed at boosting sales through promotional sales, which were timed to coincide with social events, such as International Women's Day in March, and Singles' Day (November 11), a day for the most prominent Chinese online shopping spree.

In August, AEON MALL Guanzhou Panyu Square (Guangzhou City, Guangdong Province) hosted the Fourth Annual AEON MALL National Customer Service Role-Play Contest. The contest is growing every year. This year, nearly 50,000 employees participated, representing 3,700 stores and 19 malls across China. This contest not only improves individual customer service levels, but also leads to improved skills of mall employees as a whole.

These and other measures drove double-digit growth in specialty store sales at the 17 existing malls. The Company plans to further evolve our malls in China, generating greater customer traffic and growing profits by leveraging the expertise learned in Japan and Japanese-quality mall operations to keep AEON MALL shopping centers feeling fresh and exciting.

(ASEAN)

The Company recorded operating revenue in ASEAN in the amount of ¥13,288 million, an increase of 18.1% year on year. Operating income amounted to ¥2,686 million (+168.7%), an increase of ¥1,686 million compared to the year-ago period.

In Vietnam, the Company advanced initiatives for addressing changes in market needs accompanying the country's rapid economic development. Among existing malls, the Company expanded and reopened AEON MALL Tan Phu Celadon (Ho Chi Minh City) its first mall in Vietnam, in June, and renovated and reopened AEON MALL Binh Tan (Ho Chi Minh City), its fourth mall in the country, in November. We opened a new mall, AEON MALL Ha Dong (Hanoi City), the Company's second mall in the Hanoi area and the fifth in Vietnam, in December.

The Company expanded a food court at AEON MALL Tan Phu Celadon to seat 1,000 customers and set up eating and drinking zones (food markets) on its respective floors. In addition, the Company introduced to the mall a wide range of specialty stores which cover fields, including fashion, sports, cosmetics, pets and entertainment.

Large-scale renovation the Company performed on AEON MALL Binh Tan was the first such change since the mall's opening in July 2016. Seventy-one tenant spaces accounting for about half of total mall tenants were renovated through this remodeling. They included specialty retailers dealing in food and other daily necessities and lifestyle-proposing stores specializing

in accessories, cosmetics, sundries and other products which the Company introduced to the mall on the occasion.

About 40% of all 220 tenants the Company introduced to AEON MALL Ha Dong are brands that had never existed in Vietnam, Hanoi or at a shopping mall. The Company gathered about 80 restaurants at the mall, including 21 comprising a food court that offers cuisines from countries around the world. They account for more than 30% of all mall tenants. The mall includes global fashion brands and fashion brands popular locally, as well as a zone featuring the latest experimental brands produced by young fashion designers, helping foster domestic brands in Vietnam.

Furthermore, we prepared for a fiscal 2020 grand opening of a sixth mall in Vietnam, AEON MALL Hai Phong Le Chan (Hai Phong City).

In July, AEON MALL, Vietnam Posts and Telecommunications Group, and Nissho Electronics VIETNAM Company Limited signed a joint memorandum at a Vietnam investment conference in Tokyo hosted by JETRO (Japan External Trade Organization) and the Vietnam Ministry of Planning and Investment. The purpose of the memorandum is to contribute to providing the citizens of Vietnam with greater convenience and comfort. Bringing the resources of these three companies to bear, we will engage in further digitalization and ICT usage for the benefit of Vietnamese society.

In Indonesia, we prepared for fiscal 2020 grand openings of our third and fourth malls, AEON MALL Sentul City (West Java) and AEON MALL Tanjung Barat (South Jakarta).

In Cambodia, we held the Fourth Annual AEON MALL Cambodia Customer Service Role-Play Contest in November. Similar contests were held in Vietnam in October, as well as in Indonesia in November, not only to lever up customer service levels but also to promote sharpening the skills of mall employees as a whole.

#### Malls Renovated Overseas During the Fiscal 2019

	Name	Location	Date Reopened	Number of Specialty Stores	Number of New Specialty Stores (A)	Relocated/Renovated Specialty Stores (B)	Number of Renewal Specialty Stores (A)+(B)
China	AEON MALL Suzhou Xinqu	Suzhou City, Jiangsu	April 30	280	35	77	112
	AEON MALL Wuhan Jingkai	Wuhan City, Hubei	May 1	300	78	23	101
	AEON MALL Guangzhou Panyu Square	Guangzhou City, Guangdong	May 1	170	33	14	47
	AEON MALL Hangzhou Liangzhu Xingcheng	Hangzhou City, Zhejiang	May 24	180	23	23	46
	AEON MALL Suzhou Wuzhong	Suzhou City, Jiangsu	September 28	200	26	21	47
Vietnam	AEON MALL Tan Phu Celadon (Note)	Ho Chi Minh City	April 25	200	77	46	123
			June 28		45	16	61
	AEON MALL Binh Tan	Ho Chi Minh City	November 22	150	38	33	71

(Note) AEON MALL Tan Phu Celadon was a floor space expansion and renovation. The number of tenants, the lease area, the parking capacity for cars and the parking capacity for motorcycles increased to 200 (up 80), 84,000 m<sup>2</sup> (up 37,000 m<sup>2</sup>), 2,000 cars (up 1,500 cars) and 10,000 motorcycles (up 6,000 motorcycles), respectively.

## New Business Locations (Malls) Opened Overseas During the Fiscal 2019

	Name	Location	Opening Date (Note)	Number of Specialty Stores	Total Lease Area (m <sup>2</sup> )
China	AEON MALL Changshu Xinqu	Changshu City, Jiangsu	June 2019	180	63,000
	AEON MALL Qingdao Xihaiian Xinqu	Qingdao City, Shandong	November 2019	240	70,000
Vietnam	AEON MALL Ha dong	Hanoi City	December 2019	220	74,000

(Note) The scheduled opening for AEON MALL Sentul City has been shifted to FY2020 due to changes in construction schedule.

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.

### b. Japan

The Company recorded operating revenue in Japan in the amount of ¥274,999 million, an increase of 2.5% year on year. Operating income amounted to ¥52,460 million, up 0.1%.

Our Mall Business expanded sales floor space in four malls and renovated eleven existing malls during the period. Along with aggressive expansions and mall renovations at the existing malls, the Company advanced measures to improve customer drawing power through efforts targeting new customer segments centered on the Happiness Mall initiatives and the implementation of sales policies to promote localization.

#### ◆Develop Latent Sources of Domestic Demand

To encourage consumer demand in Japan post-consumption tax increase, we launched a “WAON POINT x5 Campaign at Restaurant/Food Court/Cafe” between October 1 and October 31. This campaign was designed to attract more families and customers of all ages. Over the five-day period between November 22 and November 26 (Note), we held a nationwide AEON MALL Black Friday campaign. As our fourth consecutive Black Friday campaign to attract more customers, we offered limited availability pricing for popular fashion and food items, as well as original novelty items and a five-times point reward when using the AEON Card for payments. Results were favorable, as customer traffic was up 8.5% year on year during the promotional period, while specialty store sales were up 6.9% (both figures adjusted for equivalent days).

In response to changes in the consumer environment and the transition toward digitalization, we have started initiatives toward creating Smart Malls to create traffic among a wide range of customer segments and improve the shopping environment.

We are developing and testing the digital equipment based on the assessment on the efficacy of digital technologies that are rolled out first in China and ASEAN, as well as feedback gathered from customers in collaboration with domestic and international partners that have novel technologies. Assigning AEON MALL Makuhari Shintoshin (Chiba Pref.) as a pilot store, AEON MALL has conducted efficacy testings in light of five perspectives: (1) stress-free, (2) convenience, (3) information and communications, (4) inbound tourism, and (5) labor and energy savings. We will conduct a horizontal rollout of these initiatives across other malls throughout Japan while verifying the testing results.

The AEON Group has been strengthening Health and Wellness initiatives that contribute to rich and varied lifestyles for customers through physical and mental health. The Company

aspires to be a space for customers to find happiness. We are rolling out Happiness Mall initiatives built on four pillars: Health, Wellness, Community, and Opportunity.

Under the banner of Health, AEON Mall Walking carried out at malls across Japan has been appreciated as a close-at-hand comfortable indoor walking exercise doable in any weather conditions, for building more robust health and preventing heatstroke. Such initiatives are solidly grounding in each area, as evidenced by developments such as the collaborations with medical institutions and local government, in addition to articles published in free newspapers targeting senior citizens. Moreover, the Company supports the Sport in Life project, a new project initiated by the Japan Sports Agency to aim at the realization of a society in which as many people as possible will enjoy sports, and held *Mall de Sports*, a sports experience event taking advantage of our comfortable mall spaces nationwide.

One example of the Wellness programs is our Opera de AEON MALL, operas held at various malls in cooperation with the Japan Opera Foundation. The Opera de AEON MALL was performed at 28 venues nationwide at the expanded scale during the consolidated fiscal year under review. As of the end of February 2020, nearly 20,000 people of our customers attended the 63 different venues since the first performance in 2017, and we intend to present many more customers with the authentic opera experience continuously. In February, the Kabuki de AEON MALL was held at AEON MALL Shinkomatsu (Ishikawa Pref.) and AEON MALL Narita (Chiba Pref.) for the customer to experience traditional Japanese performing arts.

In terms of Community, we worked to create local communities at various malls through providing a variety of projects, including ultimate localization activities in collaboration with six domains: industry, academia, government, private groups, cultural organizations, and merchants.

AEON MALL encourages Opportunity by offering new experiences and discoveries with customers, where we actively enticed overseas specialty stores to Japan. Among the overseas specialty stores are Hotel Chocolat, a famous British chocolatier based in London, as well as KOI Thé, the overseas brand of 50 Lan, a well-renowned popular tapioca beverage café chain with more than 500 locations in Taiwan. AEON MALL will continue to leverage its network of overseas retailers that we have cultivated through overseas business advancement, to lure leading companies as tenants into Japan.

(Note) Three-day period from November 23 to November 25 in the previous year. Figures compared to a five-day period from November 22 through November 26.

#### ◆ Become the Overwhelmingly Dominant Mall in Each Region

As more retail facilities become victims of natural selection, we are increasing our share of dominant regional malls that enjoy the highest rates of customer support. Becoming the dominant No.1 mall in one region raises our competitive advantage throughout the Japanese shopping mall market.

The Company expanded floor spaces at four different malls, AEON MALL Higashiura (Aichi Pref.), AEON MALL Natori (Miyagi Pref.), AEON MALL Okinawa Rycom (Okinawa Pref.), and AEON MALL Takaoka (Toyama Pref.), and renovated 11 malls.

AEON MALL Higashiura underwent a large-scale renovation for the first time since its opening in 2001 to newly construct a wing providing additional floor spaces. The Company gathered tenants that specialize in baby and kid products at the new wing and set up there a food court of the latest type whose capacity was expanded to seat 1,000 diners. The baby and kid space at the mall, including such space in the old wing, became the largest in the

area. The eating and drinking space at the mall expanded 1.8 times in size. In July, the existing wing was redesigned to introduce a food sales zone, which consists of 12 new tenants, and a new lifestyle zone featuring an integrated bookstore and café.

The Company transformed AEON MALL Natori into one of the largest shopping malls in the Tohoku region by expanding its floor space. The second floor of the newly constructed wing features a covered deck that connects directly to a train station, offering greater convenience to customers.

AEON MALL Okinawa Rycom converted a portion of its existing pilotis-structure parking area to create new retail space. In addition to recruiting eight new tenants, the mall replaced ten others at the existing wing, becoming one of the largest malls in Okinawa Prefecture.

The Company changed AEON MALL Takaoka into one of the largest shopping malls in the Hokuriku region by expanding its floor space. The expanded space hosts a collection of major fashion retailers, the latest experiential amusement facilities, and newly established food court with nearly 900-seat, resulting in a total of almost 1,400 seats between the new and existing food courts. The mall is truly in a unique class among shopping centers in the Hokuriku region.

Our specialty stores enjoyed solid sales performance in the 22 existing malls where we expanded floor space or conducted renovations in the previous and current fiscal year. Sales grew 5.0% compared to the prior fiscal year.

New mall openings included the September grand opening of AEON Fujiidera Shopping Center (Osaka Pref.). This mall was opened originally in 1973 and closed temporarily in 2014 for the rebuild and rebrand into AEON Fujiidera. In addition, a gourmet food zone with a food court and stores selling the three major fresh foods, confections, and side dishes, the shopping center also hosts 65 retailers specializing in daily-use goods. The facility also offers a book-return box for the library, a city information desk, and other initiatives in corporation with the local government.

We have also started construction on AEON MALL Ageo (Saitama Pref.) and the AEON MALL Rifu new wing (Miyagi Pref., tentative name) looking ahead to the fiscal 2020 grand openings, as well as Noritake Forest Project (Aichi Pref., tentative name) and AEON MALL Kawaguchi (Saitama Pref.) for the fiscal 2021 grand openings.

#### Malls Renovated During Fiscal 2019

Name	Location	Date Reopened	Number of Specialty Stores	Number of New Specialty Stores (A) (Note 1)	Relocated/Renovated Specialty Stores ②	Number of Renewal Specialty Stores (A)+(B)
AEON MALL Musashi Murayama	Tokyo	March 20	180	27 (4)	56	83
		July 12		16 (3)	5	21
AEON MALL Mito Uchihara	Ibaraki	March 21	200	18 (5)	11	29
AEON MALL Higashiura (Note 2)	Aichi	April 19	170	69 (11)	53	122
		July 30		14 (-)	-	14
AEON MALL Natori (Note 3)	Miyagi	April 19	240	67 (29)	54	121
AEON MALL Hiroshima Fuchu	Hiroshima	April 19	280	10 (1)	2	12
AEON MALL Narita	Chiba	April 20	170	30 (9)	58	88

		July 12		7 (1)	6	13
AEON MALL Kasukabe	Saitama	April 20	160	19 (-)	7	26
AEON MALL Okinawa Rycom (Note 4)	Okinawa	April 26	240	14 (8)	4	18
AEON MALL Kobe Kita	Hyogo	April 26	160	12 (1)	11	23
AEON MALL Tsukuba	Ibaraki	April 26	200	21 (7)	11	32
AEON MALL Sakai Teppocho	Osaka	April 27	160	18 (-)	3	21
Kobe Harborland umie	Hyogo	July 12	230	12 (-)	14	26
		September 12		13 (-)	3	16
AEON MALL Takaoka (Note 5)	Toyama	September 14	200	77 (32)	27	104
AEON MALL Fukuoka	Fukuoka	October 25	220	20 (3)	80	100
AEON MALL Hanyu	Saitama	November 1	210	18 (1)	2	20

- (Notes)
1. Numbers in parentheses indicate the number of new specialty stores opening their first shop in that prefecture.
  2. AEON MALL Higashiura underwent a floor space expansion and renovation. The number of tenants and the lease area increased to 170 (up 50) and 75,000 m<sup>2</sup> (up 12,000 m<sup>2</sup>), respectively.
  3. AEON MALL Natori underwent a floor space expansion and renovation. The number of tenants and the lease area grew to 240 (up 50) and 80,000 m<sup>2</sup> (up 13,000 m<sup>2</sup>), respectively.
  4. AEON MALL Okinawa Rycom underwent a floor space expansion and renovation. The number of tenants and the lease area rose to 240 (up 10) and 86,000 m<sup>2</sup> (up 8,000 m<sup>2</sup>), respectively.
  5. AEON MALL Takaoka underwent a floor space expansion and renovation. The number of tenants and the lease area increased to 200 (up 70) and 82,000 m<sup>2</sup> (up 19,000 m<sup>2</sup>), respectively.

### New Business Locations (Malls) Opened in Japan During Fiscal 2019

Name	Location	Date Opened	Number of Specialty Stores	Total Lease Area (m <sup>2</sup> )
AEON Fujiidera Shopping Center	Osaka	September 2019	65	15,000

#### ◆ Capture Urban Growth Opportunities

Urban shopping center operations have propelled renovations looking ahead to break away from apparel-centered sales floor structures by enticing topical specialty stores that will generate more customer traffic at existing facilities.

Nagoya Wonder City VIVRE was relocated and reopened in October as Nagoya mozo OPA (Aichi Pref.). Including a fully stocked bookstore, café, interior accessories, and child education, Nagoya mozo OPA offers a wide diversity of retailers in a convenient culture zone.

In November, Canal City OPA (Fukuoka Pref.) converted its second-floor ladies' floor to unisex floor that includes the latest men's fashion trends. The location also offers an increased ratio of cosmetics and daily-use goods for inbound tourists.

Also, Yokohama VIVRE (Kanagawa Pref.) and Shinyurigaoka OPA (Kanagawa Pref.) underwent its renovations, introducing additional dining, drugstore, daily goods, and other specialty retail shops.

As a result of these activities and reactivations of existing tenants, like-for-like sales rose 2.3%.

We opened Oita OPA (Oita Pref.) as part of our new store locations in June under a scrap-

and-build approach, after its temporal closure in June 2017. The Oita OPA integrating mostly food spaces, as well as other goods and services, after stores previously being built with a focus on apparel, offers new lifestyle options for urban living.

The Company acquired shares of Yokohama Importmart Inc., operator of Yokohama World Porters, from Yokohama City, etc. OPA Co., Ltd. had operated certain sections of World Porters Vivre (Kanagawa Pref.) in Yokohama World Porters. Moving forward, AEON MALL Group will centrally manage and operate the entire facility, conducting renovations to attract traffic more effectively, to operate more efficiently, and to grow profits.

We closed Tenjin Vivre (Fukuoka Pref.) temporarily on February 11, 2020 in conjunction with the Tenjin Big Bang Project, redevelopment of the Tenjin/Hakata district by Fukuoka City. Store closing sales was held in conjunction with the final days of this location, operated for 44 years since starting in 1976 as Nichii Tenjin. The redevelopment project includes a plan to develop a large-scale multi-use building in which we plan to relaunch our location on the underground floor.

#### New Business Locations (Urban Shopping Centers) Opened in Japan During Fiscal 2019

Name	Location	Date Opened	Number of Specialty Stores	Total Lease Area (m <sup>2</sup> )
Oita OPA	Oita	June 2019	47	3,800

#### (ii) Capital investment

The total amount of capital investment for the fiscal year under review was ¥99,633 million (including long-term prepaid expenses).

It consisted of ¥82,728 million (Japan), ¥6,654 million (China) and ¥10,250 million (ASEAN) in the Mall Business. In Japan, the Company mainly invested in the opening of AEON Fujiidera Shopping Center, a new mall owned by the Company, and the floor space expansion for and the renovation of AEON MALL Higashiura, AEON MALL Natori and AEON MALL Takaoka, all of which are existing malls. In China and ASEAN, the Company mainly invested in the opening of new malls, and opened AEON MALL Changshu Xinqu and AEON MALL Qingdao Xihaian Xinqu in China, and AEON MALL Ha Dong in ASEAN.

#### (iii) Financing

In the fiscal year under review, the Company raised ¥8,500 million from current partner banks, etc. as long-term debts, and ¥80,000 million through issuance of bonds.

## (2) Changes in assets and profit and loss

### (i) Consolidated business results and assets

Classification	2016 (Fiscal year ended February 28, 2017)	2017 (Fiscal year ended February 28, 2018)	2018 (Fiscal year ended February 28, 2019)	2019 (Current fiscal year) (Fiscal year ended February 29, 2020)
Operating revenue (million yen)	269,793	288,111	312,976	324,138
Ordinary income (million yen)	46,420	49,022	52,206	56,117
Net income attributable to owners of parent (million yen)	28,527	30,542	33,538	34,239
Net income per share (yen)	125.45	134.29	147.45	150.50
Total assets (million yen)	1,012,758	1,123,781	1,203,211	1,381,217
Net assets (million yen)	356,203	385,561	394,059	404,522
Net assets per share (yen)	1,539.36	1,642.59	1,685.46	1,731.11
Cash flows from operating activities (million yen)	73,646	80,616	90,600	133,645
Cash flows from investing activities (million yen)	(63,574)	(142,009)	(176,189)	(95,783)
Cash flows from financing activities (million yen)	8,312	44,841	91,199	22,808
Cash and cash equivalents at end of the period (million yen)	69,593	54,223	55,414	114,368

- (Notes) 1. Net income per share is calculated based on the average total number of shares issued and outstanding during the period.  
2. The status for fiscal 2019 (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	2016 (Fiscal year ended February 28, 2017)	2017 (Fiscal year ended February 28, 2018)	2018 (Fiscal year ended February 28, 2019)	2019 (Current fiscal year) (Fiscal year ended February 29, 2020)
Operating revenue (million yen)	218,901	231,440	244,272	249,469
Ordinary income (million yen)	48,300	49,851	52,422	51,901
Net income (million yen)	33,273	34,077	34,612	33,766
Net income per share (yen)	146.32	149.84	152.17	148.42
Total assets (million yen)	973,120	1,060,415	1,167,443	1,259,519
Net assets (million yen)	360,373	388,061	413,922	438,449
Net assets per share (yen)	1,584.05	1,705.67	1,819.27	1,926.93

- (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 2016, the following AEON malls were newly opened on the date shown: AEON MALL Sakai Teppochō on March 19, 2016; AEON MALL Imabari New City on April 23, 2016; AEON MALL Izumo on May 2, 2016; AEON MALL Nagakute on December 9, 2016; QUALITE PRIX on December 16, 2016; and Sannomiya OPA2 on February 24, 2017.  
3. During fiscal 2017, the following AEON malls were newly opened on the date shown: AEON MALL Shinkomatsu on March 24, 2017; AEON SENRITO Senmonkanon April 21, 2017; AEON MALL Tokushima on April 27, 2017; AEON MALL Kobe Minami on September 20, 2017 and AEON MALL Matsumoto on September 21, 2017.  
4. 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.  
5. During fiscal 2019, AEON Fujiidera Shopping Center was newly opened on September 14, 2019.

### (3) Parent company and major subsidiaries

#### (i) Relationship with parent company

The Company's parent company is AEON CO., LTD. 56.61% of the Company's voting rights is held by AEON CO., LTD. and its subsidiaries, including 55.98% under its direct ownership.

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

#### (ii) Major subsidiaries

Name	Common Stock	Voting Rights	Main Businesses
AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD.	US\$ 62,700 thousand	100%	Mall Business
AEON MALL (CAMBODIA) CO., LTD.	US\$ 292,960 thousand	100%	
SUZHOU MALL REAL ESTATE DEVELOPMENT CO., LTD.	US\$ 212,000 thousand	100%	
PT. AEON MALL INDONESIA	IDR 5,611,745 million	89.3%	
AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.	RMB 390,000 thousand	100%	
PT. AMSL INDONESIA	US\$ 60,000 thousand	66.9%	
WUHAN MALL REAL ESTATE DEVELOPMENT CO., LTD.	US\$ 257,000 thousand	100%	
AEON MALL HIMLAM CO., LTD.	US\$ 200,000 thousand	90.0%	
AEON MALL VIETNAM CO., LTD.	US\$ 455,761 thousand	100%	
HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD.	US\$ 169,000 thousand	100%	
PT. AMSL DELTA MAS	US\$ 64,730 thousand	66.9%	
AEON MALL (CHINA) CO., LTD.	US\$ 488,888 thousand	100%	
YANTAI MALL REAL ESTATE DEVELOPMENT CO., LTD.	US\$ 160,000 thousand	100%	
OPA Co., Ltd.	¥3,499 million	100%	Urban Shopping Center Business

### (4) Main businesses (as of February 29, 2020)

The Group consists of the Company, whose parent company is AEON CO., LTD., and 43 consolidated subsidiaries, including OPA Co., Ltd., five other subsidiaries in Japan, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD., 29 other subsidiaries in China, two subsidiaries in Cambodia, two subsidiaries in Vietnam, and three subsidiaries in Indonesia. 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 40 subsidiaries are engaged in Mall Business, etc.

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

AEON Group.

(5) Priorities

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

Vision for 2025

- 1) (1) Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation.
- 2) (2) Make AEON MALL a leading global commercial developer with consolidated operating income of ¥100 billion.
- 3) (3) Conduct floor space expansions and renovations in Japan to become the dominant mall in each area.
- 4) In overseas businesses, seek to achieve operating income of ¥35 billion (operating profit margin of 20%), a 70-mall organization and efficiency and scale equivalent to those for domestic businesses (as of the end of fiscal 2016).

Under our long-term vision, we have newly formulated a medium-term management plan covering fiscal 2020 (FYE February 28, 2021) through fiscal 2022. The Company pursues sustainable growth together with local communities through the creation of social and economic value and the execution of management in light of the ESG perspective, while upholding following measures for further growth: “Realize overseas high profitability growth,” “Actualize stable growth in Japan,” “Implement optimal financing mix and build governance system that support growth,” and “Promote ESG management.”

(i) Realize overseas high profitability growth

We open stores in areas where high growth potential is expected based on our precise market analysis, with expectation for China and ASEAN achieving further economic growth and market expansion over the mid to long term. We will advance our mall development in anticipating future market needs in areas where population growth in the proximity of the business area is projected, and income and consumption levels are expected to improve.

Along with stepping up our effort to open new stores, we will promote real estate property search for accelerating store openings in the time ahead, and will add more floor spaces and renovate existing malls (30 malls as of the end of fiscal 2019) in response to changes in market needs accompanied by economic development.

We will expand our profitability through our endeavors, such as the replacement and lease renegotiations of specialty stores by utilizing area branding, initiatives for enhancing the capability to attract customers by drawing on the mall management and operation expertise cultivated in Japan, and improvement in the operation efficiency.

Through these initiatives, we will achieve sustainable, yet higher profit growth.

(ii) Actualize stable growth in Japan

In Mall Business, measures including the addition of floor spaces and renovation of stores to meet the regional needs, initiatives for Health and Wellness, and the Company’s more extensive functional roles in the local communities, will solidify the standing position of the Company with dominant mall existence in the region by

catering for the various local needs, and will further contribute to higher market shares in the region. We will actively expand the business area by opening new stores in new formats, including commercial complex facilities and commercial facilities under the regional revitalization scheme. Moreover, we will work on initiatives, such as in providing new services to customers by promoting Smart Malls utilized with the latest digital technologies, and responding to markets for seniors by stepping up our efforts to carry out Health and Wellness projects, and strengthening our supports extended to specialty stores with the utilization of IT, as well as executing the low-cost operation, to maximize our profitability.

In Urban Shopping Center Business, revitalization effects have kicked in to improve the profitability of existing stores, and we will promote the store renovations incorporating regional natures that each store carries. Also, we will push forward the profitability to higher territory by means of changing the schemes of the ownership, administration, and management of the stores (changes in ownership and strategic scrap and building approach), as well as making use of assets with their proximity to the station.

These initiatives will help actualize the stable profitability growth in the diminishing domestic market.

- (iii) Implement optimal financing mix and build governance system that support growth  
AEON MALL is building a sound and solid financial base to support our medium- to long-term growth strategy. We are doing this through better asset and investment efficiencies, as well as maximized cash flows. We promote diversity in management to cultivate an inclusive diverse human resources approach that drives corporate growth. At the same time, we are strengthening management systems in the ways of sharing our business expertise developed in Japan and overseas and fostering faster decision-making. In addition to that, we are structuring financing mix and governance system, which measures facilitate a lever-up of the Company's further growth, through the agency of extensive risk management structure to respond to development in the wave of globalization.
- (iv) Promote ESG management
  - a. Materiality (priority issues) regarding ESG  
AEON MALL uses materiality analysis to identify factors that have a significant influence on value creation over the medium and long term. We intend to design strategies and policies to address these factors and consider setting key performance indicators to measure execution in the future.

## b. Measures Addressing Materiality

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

Please see pages 29, 30 and 61 to 66 of the Integrated Report published at AEON MALL Co., Ltd.'s website stated below for the Company's materiality. Integrated Report 2019 of AEON MALL Co., Ltd. ([https://www.aeonmall.com/en/ir/pdf/ir2019e\\_all.pdf](https://www.aeonmall.com/en/ir/pdf/ir2019e_all.pdf))

(6) Major offices of the AEON Group (as of February 29, 2020)

(i) Major business locations

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

	Name of Business Department and Company	Number of Malls and Stores	Number of Commercial Facilities Under Management and Operation Contract
Mall Business	Tohoku & Hokkaido Business Department	10	7
	Kanto & Nigata Business Department	7	6
	Shutoken Business Department	8	5
	Chiba Business Department	5	5
	Tokai & Nagano Business Department	5	7
	Aichi Business Department	7	6
	Keiji & Hokuriku Business Department	6	4
	Higashikinki Business Department	10	5
	Nishikinki Business Department	3	7
	Chushikoku Business Department	9	7
	Kyusyu & Okinawa Business Department	11	1
	Outlet Business Department	1	0
	China Division	21	0
	ASEAN Division	8	1
	Subtotal	111	61
Urban Shopping Center Business	OPA Co., Ltd.	23	0
	Total	134	61

(Notes)1. The number of malls and stores in the Tohoku & Hokkaido Business Department includes Hiwada Shopping Mall Co., Ltd. (Shopping Mall FESTA).

2. The management and operation of 12 SC entrusted by AEON Retail Co., Ltd. was terminated on August 31, 2019.

(ii) Business locations of major subsidiaries

Name	Location
OPA Co., Ltd.	Chiba-shi, Chiba
AEON MALL (CHINA) CO., LTD.	Tianjin City, China
AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD.	Beijing City, China
SUZHOU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Jiangsu Province, China
WUHAN MALL REAL ESTATE DEVELOPMENT CO., LTD.	Hubei Province, China
HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD.	Zhejiang Province, China
AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.	Guangdong Province, China
YANTAI MALL REAL ESTATE DEVELOPMENT CO., LTD.	Shandong Province, China
PT. AEON MALL INDONESIA	Jakarta City, Indonesia
PT. AMSL INDONESIA	Banten Province, Indonesia
PT. AMSL DELTA MAS	West Java Province, Indonesia
AEON MALL VIETNAM CO., LTD.	Hanoi City, Vietnam
AEON MALL HIMLAM CO., LTD.	Hanoi City, Vietnam
AEON MALL (CAMBODIA) CO., LTD.	Phnom Penh City, Cambodia

## (7) Employees (as of February 29, 2020)

### (i) The AEON Group

Business segment 【太字】	Number of Employees	As of the end of the previous fiscal year
Japan	2,129 (1,480)	2,097 (1,554)
China	766 (-)	714 (-)
ASEAN	552 (-)	492 (-)
Total	3,447 (1,480)	3,303 (1,554)

- (Notes) 1. The number of employees is the number of persons at work (which excludes those who are seconded from the Group to the outside, and includes those who are seconded from the outside to the Group). The figure shown in parentheses is the number of temporary employees [the number of contract employees and community employees is based on the year-end number and the number for part-time workers is the calculated average number for the year (calculated based on an eight-hour working day)].
2. The number of employees increased by 144 from the end of the previous fiscal year, mainly as a result of the employment of local staff attributable to overseas business expansion.

### (ii) The Company (non-consolidated)

Number of Employees	Comparison to End of Previous Fiscal Year	Average Age	Average Service Years
Male 1,168 (157)	Decrease of 23 (Decrease of 16)	43 years and 4 months	6 years and 11 months
Female 620 (1,158)	Increase of 19 (Decrease of 11)	35 years and 11 months	6 years and 8 months
Total 1,788 (1,315)	Decrease of 4 (Decrease of 27)	40 years and 11 months	6 years and 10 months

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

(8) Major lenders (as of February 29, 2020)

Creditors	Amount
The Okinawa Development Finance Corporation	(Million yen) 21,000
Mizuho Bank, Ltd.	15,303
Development Bank of Japan Inc.	14,786
MUFG Bank, Ltd.	11,223
The Norinchukin Bank	8,000
Sumitomo Mitsui Banking Corporation	7,330
Shinkin Central Bank	7,000
The Hiroshima Bank, Ltd.	7,000
Resona Bank, Limited	6,689
Sumitomo Mitsui Trust Bank, Limited	6,000
Mie Prefectural Credit Federation of Agricultural Co-operatives	5,500
Organization for Promoting Urban Development	5,478
Osaka Prefectural Credit Federation of Agricultural Co-operatives	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 29, 2020)

- (1) Number of shares authorized: 320,000,000 shares  
 (2) Number of shares issued: 227,515,009 shares  
 (3) Number of shareholders: 98,866  
 (4) Ten largest shareholders:

Name	Number of Shares Held	Ratio of Shares Held
AEON CO., LTD.	(thousands of shares) 127,249	55.93 %
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,966	2.62
Japan Trustee Services Bank, Ltd. (Trust Account No. 9)	4,724	2.07
Japan Trustee Services Bank, Ltd. (Trust Account)	4,281	1.88
BNYMSANV As Agent/Clients Lux Ucits Non Treaty Account	2,108	0.92
Japan Trustee Services Bank, Ltd. (Trust Account No. 5)	2,005	0.88
JPMorgan Chase Bank 385151	1,993	0.87
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,914	0.84
Japan Trustee Services Bank, Ltd. (Trust Account No. 7)	1,906	0.83
State Street Bank and Trust Company 510312	1,902	0.83

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

2. Calculations of ratio of shares held exclude treasury shares (2,697 shares) and have been rounded down to two decimals.

### 3. Stock acquisition rights

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

(As of February 29, 2020)

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	49	4,900 shares	3	¥1,912 per share	¥1 per share
No. 12 stock acquisition rights (May 10, 2019)	June 10, 2019 to June 9, 2034	Director	60	6,000 shares	4	¥1,408 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 29, 2020)

Position and Responsibility	Name	Significant Concurrent Position
President and CEO	Akio Yoshida	Representative Executive Officer, Vice President and Senior Chief Officer of Shopping Center Development Business and Digital Business, AEON CO., LTD. Chairman, AEON MALL (CHINA) CO., LTD.
Director, Vice President (Development Officer)	Kaoru Iwamoto	
Director, Vice President (Finance & Accounting Officer and Overseas Business Officer)	Seiichi Chiba	
Managing Director (General Manager of Sales Division)	Akio Mishima	
Managing Director (General Manager of Leasing Division)	Mitsuhiro Fujiki	
Director and Advisor	Motoya Okada	Director, President and Representative Executive Officer, and Group CEO, AEON CO., LTD. Director and Advisor, Aeon Retail Co., Ltd.
Director (General Manager of ASEAN Division)	Mitsugu Tamai	
Director (General Manager of China Division)	Hisayuki Sato	Chairman, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. Chairman, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD.
Director (General Manager of Administration Division)	Masahiko Okamoto	
Director (General Manager of Development Planning Management Department)	Hiroshi Yokoyama	
Director (General Manager of Digital Promotion Management Department)	Akiko Nakarai	
Director, Vietnam	Yasutsugu Iwamura	
Director	Mami Taira	Partner, Taira Tax & Accounting Consulting Group (certified public accountant and tax accountant) Outside Director, Suzuden Corporation Outside Corporate Auditor, ISEKI & CO., LTD.
Director	Masao Kawabata	Advisor, Brainwoods Corporation, Ltd. Auditor, International Christian University
Full-time Audit & Supervisory Board Member	Maki Watanabe	
Audit & Supervisory Board Member	Takao Muramatsu	Director, MURAMATSU TAX ACCOUNTANT OFFICE (tax accountant) Outside Audit & Supervisory Board Member, BESTERRA CO., LTD Outside Audit & Supervisory Board Member, Serendip Consulting Co., Ltd. Outside Director, GLOBERIDE, Inc.
Audit & Supervisory Board Members	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 Members	Hideki Hayami	General Manager, Business Management Department, AEON CO., LTD.

- (Notes)
- As of March 1, 2020, President and CEO Akio Yoshida assumed office as President and Representative Executive Officer, AEON CO., LTD.
  - As of March 1, 2020, Director Yasutsugu Iwamura assumed office as President and CEO, the Company
  - As of March 1, 2020, Director and Advisor Motoya Okada assumed office as Director, Chairman and Representative Executive Officer, AEON CO., LTD.
  - As of March 1, 2020, Audit & Supervisory Board Member Hideki Hayami assumed office as Director and Managing Executive Officer in charge of Business Management, Aeon Retail Co., Ltd.
  - Directors Mami Taira and Masao Kawabata are Outside Directors.
  - Audit & Supervisory Board Members Maki Watanabe, Takao Muramatsu and Emi Torii are Outside Audit & Supervisory Board Members.
  - Director Mami Taira is qualified as a certified public accountant and tax accountant, and possesses extensive financial and accounting knowledge.
  - Audit & Supervisory Board Member Takao Muramatsu is a certified tax accountant, and possesses extensive financial and accounting knowledge.
  - Audit & Supervisory Board Member Emi Torii has been engaged in corporate legal affairs as an attorney, and has abundant expertise and experience.
  - In accordance with the rules of the Tokyo Stock Exchange, the Company has submitted notification that Directors Mami Taira and

Masao Kawabata, and Audit & Supervisory Board Members Takao Muramatsu and Emi Torii have been designated as Independent Officers as provided for by the aforementioned exchange.

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

Name	Retirement Date	Reason for Retirement	Position and Areas of Responsibility in the Company, and Significant Concurrent Positions Outside the Company at Time of Retirement
Yumiko Ichige	May 23, 2019	Expiration of the Term of Office	Outside Audit & Supervisory Board Member

(3) Summary of limited liability agreements

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

(4) Amount of remuneration for Directors and Audit & Supervisory Board Members

Classification	Number of Persons Paid	Amount of Remuneration
Directors (Of which, Outside Directors)	13 (2)	308,002 (14,100)
Audit & Supervisory Board Members (Of which, Outside Audit & Supervisory Board Members)	4 (4)	23,900 (23,900)
Total (Of which, outside officers)	17 (6)	331,902 (38,000)

Thousand yen

- (Notes) 1. The above data does not include one Director and one Audit and Supervisory Board Member to whom remuneration is not applicable.
2. Resolutions of the General Meeting of Shareholders
- |  |                       |
|--|-----------------------|
| Directors Maximum monetary remuneration                                  | ¥600 million per year |
| Maximum remuneration through stock options                               | ¥100 million per year |
| (Resolution of the General Meeting of Shareholders held on May 17, 2007) |                       |
| Audit & Supervisory Board Members Maximum remuneration                   | ¥50 million per year  |
| (Resolution of the General Meeting of Shareholders held on May 8, 2002)  |                       |
3. The above total amounts of remuneration, etc. include the following items:
- The projected amount for bonuses for officers: ¥75,400,000 (for eleven Directors who were current as of February 29, 2020; one Director and two Outside Directors without pay are not included)
  - Remuneration through stock option: ¥25,062,000 (for ten Directors who were current as of May 10, 2019; one Director and two Outside Directors without pay are not included)

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

Remuneration for Directors is comprised of a basic component and a performance-linked component. Upper limits are presented to and resolved at the General Meeting of Shareholders. Remuneration is determined within the resolved upper limits based on such factors as position/title and business performance.

Remuneration for Audit & Supervisory Board Members is decided within the limits resolved at the General Meeting of Shareholders through deliberation of the Audit &

## Supervisory Board Members.

### (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	Mami Taira	Taira Tax & Accounting Consulting Group	Partner	No business relationship
		Suzuden Corporation	Outside Director	
		ISEKI & CO., LTD.	Outside Corporate Auditor	
	Masao Kawabata	Brainwoods Corporation, Ltd.	Advisor	No business relationship
International Christian University		Auditor		
Outside Audit & Supervisory Board Members	Takao Muramatsu	MURAMATSU TAX ACCOUNTANT OFFICE	Director	No business relationship
		BESTERRA CO., LTD	Outside Audit & Supervisory Board Member	
		Serendip Consulting Co., Ltd.		
		GLOBERIDE, Inc.	Outside Director	
	Emi Torii	Nozomi Sogo Attorneys at Law Kanto-Shinetsu Regional Pension Records Correction Council, Ministry of Health, Labour and Welfare	Partner Committee Member	No business relationship

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

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

Not applicable.

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

Classification	Name	Board of Directors		Audit & Supervisory Board	
		Attendances/ Meetings (Times)	Attendance Rate (%)	Attendances/ Meetings (Times)	Attendance Rate (%)
Outside Directors	Mami Taira	14/15	93.3	–	–
	Masao Kawabata	15/15	100.0	–	–
Outside Audit & Supervisory Board Member	Maki Watanabe	15/15	100.0	13/13	100.0
	Takao Muramatsu	15/15	100.0	13/13	100.0
	Emi Torii	12/12 (Notes)	100.0	10/10 (Notes)	100.0

(Note) A total of 12 Board of Directors' meetings and a total of 10 Audit & Supervisory Board meetings have been held since May 23, 2019 when outside Audit & Supervisory Board Member Emi Torii took office upon her appointment at the 108th Ordinary General Meeting of Shareholders.

(iv) Statement of opinions of outside officers

Classification	Name	Activities
Outside Directors	Mami Taira	Applying her good judgment as an accounting specialist and experience as director and Audit & Supervisory Board member at other companies, Mami Taira has been stating her opinions properly from fair and transparent perspective as needed on matters not limited to individual projects, such as growth strategies and management issues in Japan and overseas, fixing her eyes on the entire Group and adopting fairness and transparency as her perspectives.
	Masao Kawabata	Applying his wealth of experience as a business manager in Japan and overseas, Masao Kawabata has been stating his opinions properly as needed on matters, such as corporate growth confirmation and personnel training proposals from mid- and long-term perspectives, environmental conservation, branding strategies and corporate value enhancement, in order to make the Board of Directors more effective.
Outside Audit & Supervisory Board Member	Maki Watanabe	Applying her wealth of knowledge related to accounting, particularly the perspectives of corporate soundness and appropriateness in fields centered on financial affairs and accounting and her experience as audit & supervisory board member at other companies, Maki Watanabe has been stating her opinions properly as needed on matters, such as the 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 director and audit & supervisory board member at other companies, Takao Muramatsu has been stating his opinions properly as needed on matters, such as capital costs, appropriateness of investment profitability plans and improving soundness of governance in Japan and overseas from the perspective of corporate value enhancement, in addition to offering his advice on tax affairs.
	Emi Torii	Applying her expertise and experience as a lawyer, Emi Torii has been stating her opinions properly as needed on matters, such as the enhancement of the effectiveness of the Board of Directors, from the perspectives of the Companies Act and the protection of the interests of minority shareholders.

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

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

## 5. Accounting auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

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

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

¥100 million

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

¥131 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 1).

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

(3) Description of non-auditing services

Consulting services for Integrated Report and the extraction of ESG issues, etc.

(4) Policy regarding decisions to dismiss or not to reappoint independent auditors

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

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

## Reference

### Initiatives for ESG

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

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

##### Measures to Address Environmental Issues

- Initiatives for realization of a decarbonized society

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

AEON Fujiidera Shopping Center (Osaka Pref.), which opened in September, installed 100kW of solar power generation facilities using the Company’s first PPA model (Note 1). Also, it introduced an open network system provided by Aeon Delight Co., Ltd. The integrated management of equipment necessary for facility operation allows remote monitoring of various equipment, leading to promoting energy conservation. Based on these initiatives, the AEON Fujiidera Shopping Center operates with the consumption of its total electricity that is entirely generated by renewable energy.

AEON MALL Nagoya Chaya (Aichi Pref.), AEON Mall Nagakute (Aichi Pref.) and AEON Mall Okazaki (Aichi Pref.) began receiving electricity generated at renewable energy power plants from April 2019. As a result, the three malls reduced CO<sub>2</sub> by approximately 6,700 tons in total during the nine months spanning from April to December, compared to conventional electricity generation.

In 2017, the Company participated in the EV100 (Note 2) as a first Japanese company, and has been working to create an environment that enables customers to visit the store with peace of mind by driving EV (electric vehicles) and PHV (plug-in hybrid vehicles). As of the end of the current consolidated fiscal year, we have installed 2,404 EV charging stations across 154 malls (Note 3) in Japan and overseas. In fiscal 2019, AEON MALL Sakai Teppochō (Osaka Pref.) has begun to plan new initiatives, among of which is to provide charging services to customers, in addition to conducting demonstration experiments on charging and discharging electricity using electric vehicles.

- Plastic Elimination Initiatives

In October 2019, AEON mall Makuhari Shintoshin (Chiba Pref.) and AEON Lake Town Kaze (Saitama Pref.) began a demonstration experiment to cease the provision of plastic straws, and from March 2020, the experiment has been demonstrated extensively at malls nationwide. More than 80% of the specialty stores, including restaurants and food stores, underwent experiments such as to discontinue the provision of straws or the replacement of the plastic with paper straws.

- Tree planting activities

The AEON Group has conducted tree planting activities consistently since 1991 as one specific example of the AEON basic principle. In this project, we work together with customers to plant trees that are most compatible with the local environment. As of the end of the current consolidated fiscal year, the AEON Group has planted nearly 1,212 million trees on cumulative basis. The Company planted a combined total of about 28,700 trees at four malls it opened anew in Japan and overseas in fiscal 2019.

- Employees' certification of Eco Test (Certificate test for environmental specialist)

With an eye to raise awareness of environmental conservation and to promote such initiatives, the Company is encouraging domestic employees to acquire the certifications of the Eco Test, and 1,327 employees that account for 82% of the 1,619 eligible employees have been certified as the environmental specialists.

- (Notes)
1. PPA stands for "Power Purchase Agreement Model," a business model in which PPA operators lease out the site and roof of a power consumer to install a solar power generation system and sell the electricity generated by the system to the other consumers.
  2. An initiative to promote electric vehicles. The program launch was announced by The Climate Group, an international environmental non-governmental organization working to reduce greenhouse gas emissions, during Climate Week NYC, held from September 18-24, 2017 in New York City. EV100 is an international business initiative for corporate promotion of the use of electric vehicles and environmental improvement. The Company has been an official member since November 10, 2017.
  3. The number of Japanese malls includes 58 malls managed and operated under contract with AEON Retail Co., Ltd. As for the number of overseas malls, the accounting period for companies outside Japan ends December 31; however, figures used are as of the end of the Japanese fiscal year.

## Measures to Address Social Issues

- Cooperation for disaster preventative measures

Most of our malls in Japan have signed agreements with local governments to participate in disaster prevention activities, offering another layer of protection for local citizens. In the face of Typhoon No. 15, which landed in the Kanto region from September 9 to 10, 2019, AEON MALL Kisarazu (Chiba Pref.) functioned as a base to restore the area in supporting life infrastructures such as electricity, water, and gasoline, in addition to procurement of foods and supplies. Every AEON MALL location conducts regular practical disaster training, which includes the participation of specialty store employees. In these and other ways, we strengthen the community's ability to prevent and respond to emergencies.

- AEON Yume-Mirai Nursery School

As of the end of the current consolidated fiscal year, we have opened 30 AEON Yume-Mirai Nursery Schools, on-site childcare facilities, (Note 4) to support our employees who work and raise children. We will continue to take measures to help more people, including employees at mall specialty stores and group company employees and others, offering them support to balance work and childcare and reducing wait time for childcare center openings.

- Strengthening Community Functions

With a focus on localization, AEON MALL strives to create malls that can work as local community centers. Two examples are polling stations offered for early voting and our work with the Scout Association of Japan to offer disaster-prevention programs throughout Japan. From the perspective of greater convenience for our customers, we are expanding regional in-mall infrastructure functions such as post offices, city offices, libraries, clinic malls, and financial malls.

- Blood Donation Activities

In December, as part of the blood donation activities promoted in collaboration with the Japanese Red Cross Society, the Nationwide Christmas Blood Donation Campaign by Students was held at 35 malls nationwide, in which volunteers from the Japanese Red Cross Society primarily called for blood donations.

- AEON Joining Hands Project

The AEON Joining Hands Project supports recovery activities in the areas affected by the Great East Japan Earthquake. Here, we will continue to carry out support activities by having employees participate in tree planting and volunteering activities, etc.

- AEON 1% Club

The AEON 1% Club is an entity through which AEON MALL and major AEON Group companies donate one percent of pre-tax income for social contribution activities. Additionally, we continue to engage in social contribution activities as a business partner in business spreading traditional culture, crafts, and skills, and as a nationwide fundraising business partner.

(Note) 4. This figure includes ten AEON Yume-Mirai Nursery Schools located on AEON Group company facilities.

### Third-Party Evaluations

- DBJ Green Building Certification

AEON Lake Town Kaze (Saitama Pref.) and AEON Lake Town Mori (Saitama Pref.) have been recognized for their efforts to reduce environmental impact and enhance convenience and comfort in local communities, and have obtained “DBJ Green Building Certification” (Note 5). So far, fifteen malls under the management and operation of the Company acquired the certification.

- GRESB real-estate assessment system

In fiscal 2019, AEON MALL was recognized as a Green Star company for management policy and execution and measurement, recognized as outstanding for our approach to the environment and sustainability. This marks the fifth consecutive year we have received this award, which is the highest under the GRESB (Note 6) real-estate assessment system. Further, AEON MALL received an A rating, the highest under the GRESB Public Disclosure Assessment, an assessment based solely on corporate ESG disclosures first introduced in 2017.

- Carbon Disclosure Project

In receiving the assessment of our efforts on and disclosure of climate change from the Carbon Disclosure Project (CDP) (Note 7), the Company was given score B, which is the third of the eight levels.

- Nadeshiko Brand

The Company is working to increase the ratio of women in management, creating a workplace environment that enables women to be more active and continuing long-term careers. Our efforts include systems for work-nursing care-childcare balance, tracking work hours to reduce overtime, and assessing performance based on efficiency. For the fourth consecutive year, AEON MALL has been selected as a *Nadeshiko Brand* (Note 8), an honor which recognizes publicly traded companies that encourage the participation of women in the workplace.

- 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large enterprise category)

The Company won 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large enterprise category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program sponsored by the Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi, which recognized that the Company defines health and welfare as an integral part of materiality, and has been taking concrete measures to improve mental and physical health, such as offering employee education, setting forth appropriate working hours, and creating exercise opportunities.

- Corporation providing barrier-free mental support (Tokyo)

In March 2020, Tokyo recognized the Company as a paradigm of what a corporation should be in providing “barrier-free” mental support. Tokyo assessed our efforts to continue to take the necessary actions to reach out to every individual. Such measures include introducing the universal design in the process of our mall development and providing training to employees, including tenants.

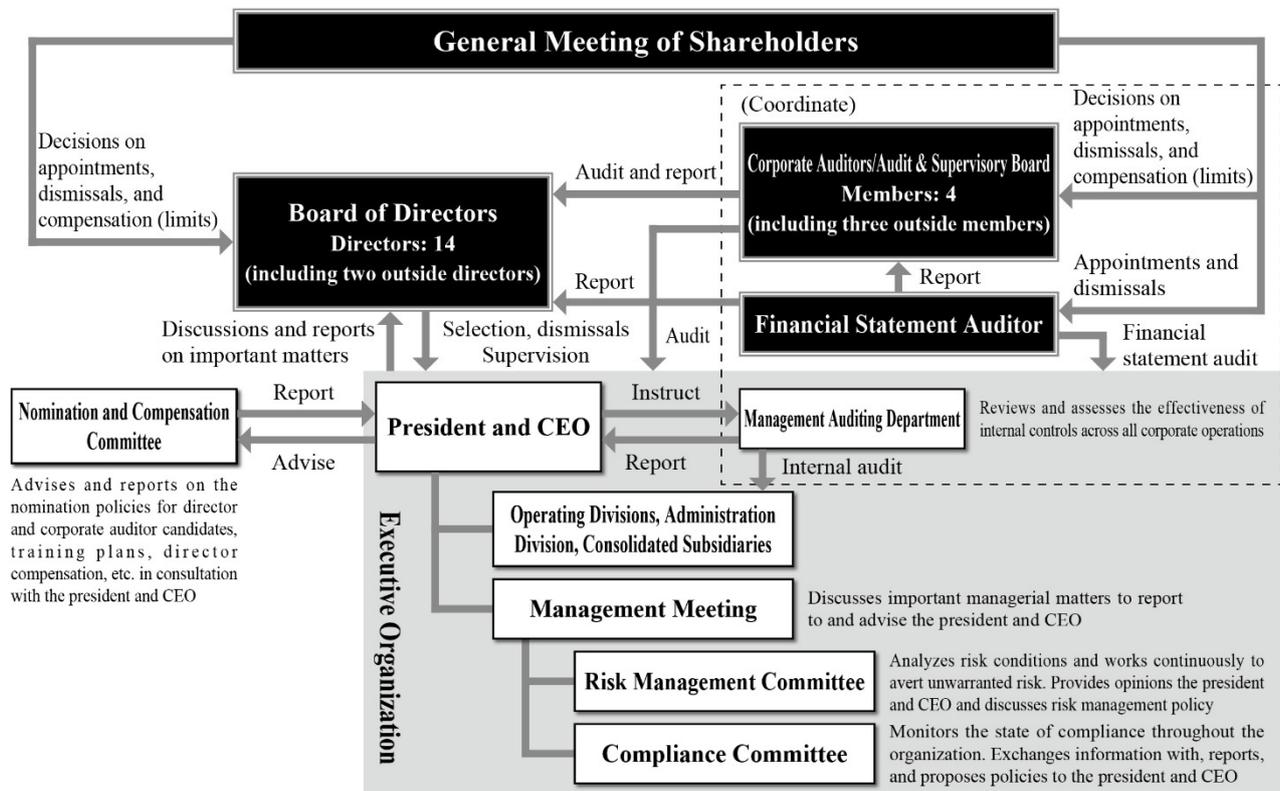
- The 6th Local Community Contribution SC Awards (Japan Council of Shopping Centers) AEON MALL Tendo (Yamagata Pref.) and AEON Mall Kurashiki (Okayama Pref.) were presented with the 6th Local Community Contribution SC Awards granted by the Japan Council of Shopping Centers. It is an award given to a shopping mall that is essential to the lives of the local community and makes contributions to revitalize the local community.

- (Notes)
5. DBJ Green Building Certification is a certification system provided by Development Bank of Japan Inc. (DBJ), which evaluates real estate property from five perspectives: building's environmental performance, comfort, risk management, consideration for the surrounding environment and community, and cooperation with stakeholders.
  6. The Global Real Estate Sustainability Benchmark (GRESB) is a benchmark measuring the sustainability performance of real estate companies and real estate managers based on surveys conducted by GRESB B.V., which has been founded primarily by pension funds in Europe.
  7. CDP is an international NGO promoting climate change information disclosure. The entity represents more than 525 institutional investors accounting for US\$96 trillion. CDP conducts annual survey of the world's largest corporations, more than 8,400 of which answered the fiscal 2019 CDP survey.
  8. The Nadeshiko Brand is a joint program between the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The aim of the Nadeshiko Brand is to select and announce certain listed companies that are outstanding in terms of encouraging the empowerment of women in the workplace as attractive securities investment opportunities to investors who put emphasis on improving corporate value over the medium and long term, in an aim to promote investment in such enterprises and accelerate efforts encouraging women's success in the workplace.

## 2. Corporate Governance

As of February 29, 2020

### (1) Corporate Governance Organization Chart



#### Board of Directors:

Chaired by the President and CEO, meetings are held once a month or more in order to strengthen the function of management supervision. Audit & Supervisory Board Members also attend the meetings. (Of fourteen (14) Directors, two (2) individuals are Independent Officers)

#### Audit & Supervisory Board:

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

#### Management Meeting:

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

#### Management Auditing Department:

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

## (2) Basic Stance for Corporate Governance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition to holding regular Board of Directors meetings once a month, AEON MALL convenes extraordinary meetings of the Board of Directors as deemed necessary.

Decisions encompassing substantial risk threatening far-reaching impact on the Group are brought to the Management Meeting for discussion. These decisions are then approved by the President and/or by resolution of the Board of Directors.

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

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

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

We emphasize compliance management and complies with AEON Code of Conduct, the code of conduct of the AEON Group, fostering improving relations with local communities and meeting our social responsibilities.

AEON MALL has established a Compliance Committee, which is chaired by the general manager of Administration Division. The role of this committee is to ensures the Group compliance with laws, regulations, the Articles of Incorporation, and internal rules. The committee is also responsible for identifying problems and advancing discussions to resolve said problems. Committee proceedings are reported to the Management Meeting, and matters of note are elevated to the Board of Directors.

As a contact point for reporting internal problems, the Company has established the Helpline AEON MALL HR 110 Hotline (our labor union has launched a separate Union 110 Hotline). We ensure that users of this helpline are not subject to reprisal. We will also install similar helpline system at our subsidiaries in the future. In the event a report is filed via this hotline, the department responsible will carefully investigate the details reported. Where unacceptable behavior is proven, we take disciplinary action according to internal rules. We (or the relevant department) draft measures to prevent recurrence, shared for company-wide implementation, and report on the progress to the Compliance Committee.

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

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

For transactions with Group companies including subsidiaries, the department carrying out such transactions performs its duties under the appropriate conditions based on market prices, which does not reduce the profits of the Company. In terms of pricing, the Company obtains written third-party assessments or other information if an objective

evaluation is available and submits the information required for assessment to the Board of Directors and the Management Meeting.

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

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

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

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

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

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

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

If Directors or employees of the Company, or directors, etc. or employees of its subsidiaries discover matters that affect the operations or business performance of the Company or its subsidiaries, violations of laws and regulations, or other issues concerning legal compliance, which may cause serious damage to the Company or its subsidiaries, or these have been reported by any of such persons, they shall immediately report to Audit & Supervisory Board of the Company.

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

- (viii) Matters concerning policies for the advance payment of expenses required for the performance of duties by Audit & Supervisory Board Members of the Company and

reimbursement and other procedures for the treatment of expenses or obligations associated with the performance of such duties

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

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

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

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

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

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

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

In the fiscal year under review, the Company advanced initiatives for preventing serious damages by focusing on measures for addressing safety-related matters, such as fires and natural disasters. Furthermore, the Company newly established the Information Security Meeting and began holding its meetings together with the meetings of the Risk Management Committee, taking into consideration the need to advance measures for promoting digitization and address the issue of information security.

The Company is seeking to raise awareness and strengthen risk management at respective divisions by offering group training to employees involved in risk management operations. In addition, the Company is advancing initiatives for reviewing on demand risk management systems and improving their effectiveness Group-wide through audits conducted by the internal audit department and reports submitted to the Management Meeting and the Board of Directors.

The Company’s subsidiaries in China and ASEAN conducted a risk survey in fiscal 2017. Based in its results, they adopted systems for autonomously promoting risk management systems, following such practice at the head office in Japan. OPA Co., Ltd. also built systems similar to those at the Company. The Company is monitoring the progress of risk management systems at its subsidiaries and providing advice and instructions to them whenever necessary.

Furthermore, the Company’s Compliance Committee is discussing matters for the sake of preventing recurrence, treating violations that have occurred in the past within the Company

as case studies, in order to prevent the violations of laws and regulations, internal rules and the like which amount to compliance risks. In the fiscal year under review, discussions by the Compliance Committee focused on measures for preventing harassment based on a hard look at the revision of laws and the improvement of working conditions at the time of facility renovation. The Company is advancing initiatives for raising effectiveness by discussing harassment prevention in particular in view of the whistle-blowing status, morale survey findings and the compliance education execution status and reporting discussion results to the Management Meeting and the Board of Directors.

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 send reports to the Management Meeting once every semi-annual period.

At the Board of Directors meeting held on March 20, 2019, we partially revised the basic policies for establishing the system to ensure the appropriate operations with the aim of further strengthening the governance system.

#### ～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 will 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 will 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 dividend payments to shareholders, while using internal reserves to invest in structural business improvements, including investments in growth businesses, new businesses, and other areas that strengthen our operating foundation.

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

[Dividends of surplus for the year under review]

Pursuant to a resolution by the Board of Directors at its meeting on April 9, 2020, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of ¥20 per share. The total annual dividend for the fiscal year is 40 yen per share including the interim dividend of 20 yen per share.

The starting date for dividend payments (effective date) is Friday, May 1, 2020.

## Consolidated Financial Statements

### Consolidated Balance Sheet

(As of February 29, 2020)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	169,354	<b>Current liabilities</b>	211,916
Cash and deposits	58,283	Notes and accounts payable—trade	8,530
Notes and accounts receivable—trade	7,755	Bonds due within one year	15,000
Prepaid expenses	3,628	Current portion of long-term debt	35,774
Deposits to associated companies	63,400	Lease obligations	12,107
Other current assets	36,354	Income taxes payable	11,388
Allowance for doubtful receivables	(66)	Deposits received from specialty stores	65,426
<b>Fixed assets</b>	1,211,863	Deposits received	4,884
<b>Property, plant and equipment</b>	(1,091,455)	Allowance for employee bonus	1,661
Buildings and structures, net	630,602	Allowance for director and corporate auditor performance-based remuneration	114
Machinery and transportation equipment, net	3,628	Provision for loss on store closing	572
Furniture and fixtures, net	11,326	Notes payable—construction	10,699
Land	305,383	Electronically recorded obligations—construction	12,466
Right-of-use assets	123,798	Accounts payable—construction	9,693
Construction in progress	16,670	Other current liabilities	23,597
Other, net	45	<b>Long-term liabilities</b>	764,779
<b>Intangible assets</b>	(3,807)	Straight bonds	300,000
<b>Investments and other assets</b>	(116,600)	Long-term debt	199,322
Investment securities	1,793	Lease obligations	103,872
Long-term loans	31	Deferred tax liabilities	344
Long-term prepaid expenses	50,428	Accrued retirement benefits to employees	1,278
Deferred tax assets	13,902	Asset retirement obligations	16,575
Lease deposits paid	49,919	Lease deposits from lessees	140,375
Other investments and other assets	538	Other long-term liabilities	3,011
Allowance for doubtful receivables	(13)	<b>Total liabilities</b>	976,695
		<b>Net assets</b>	
		<b>Shareholders' equity</b>	401,765
		Common stock	42,347
		Capital surplus	40,666
		Retained earnings	318,755
		Treasury stock, at cost	(5)
		<b>Accumulated other comprehensive income</b>	(7,916)
		Net unrealized gain on available-for-sale securities	920
		Foreign currency translation adjustment	(7,832)
		Remeasurements of defined benefit plans	(1,003)
		<b>Stock acquisition rights</b>	47
		<b>Non-controlling interests</b>	10,625
		<b>Total net assets</b>	404,522
<b>Total assets</b>	1,381,217	<b>Total liabilities and net assets</b>	1,381,217

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

## Consolidated Statement of Income

(March 1, 2019 – February 29, 2020)

(Million yen)

Item	Amount	
<b>Operating revenue</b>		
Rental income		324,138
<b>Operating costs</b>		
Cost of rental income		234,813
<b>Gross profit</b>		89,324
Selling, general and administrative expenses		28,530
<b>Operating income</b>		60,794
<b>Non-operating profits</b>		
Interest income	1,127	
Dividend income	44	
Compensation paid by departing tenants	2,616	
Foreign exchange gains	332	
Compensation income	771	
Insurance income	243	
Lease deposit collection income	1,340	
Other non-operating profits	299	6,777
<b>Non-operating expenses</b>		
Interest expenses	9,795	
Loss on valuation of derivatives	46	
Other non-operating expenses	1,612	11,454
<b>Ordinary income</b>		56,117
<b>Extraordinary gains</b>		
Gain on sale of fixed assets	2,508	4,608
Subsidy income	688	
Gain on negative goodwill	1,239	
Gain on step acquisitions	706	
Other extraordinary gains	13	5,156
<b>Extraordinary losses</b>		
Loss on sale of fixed assets	1	
Loss on retirement of fixed assets	2,095	
Impairment loss	5,034	
Other extraordinary losses	122	7,254
<b>Income before income taxes</b>		54,019
Income tax – current	19,060	
Income tax – deferred	436	19,496
Net income		34,522
Net income attributable to non-controlling interests		282
<b>Net income attributable to owners of parent</b>		34,239

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

## Consolidated Statement of Changes in Shareholders' Equity

(March 1, 2019 – February 29, 2020)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance as of March 1, 2019</b>	42,313	40,597	306,373	(4)	389,280
<b>Cumulative effect of changes in accounting policies</b>			(12,985)		(12,985)
<b>Balance at beginning of fiscal year, after including changes in accounting policies</b>	42,313	40,597	293,388	(4)	376,295
<b>Changes during period</b>					
Issue of new shares	34	34			84
Cash dividends			(8,872)		(8,872)
Net income attributable to owners of parent			34,239		34,239
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		34			34
Net change in items other than shareholders' equity					
<b>Total of changes</b>	34	69	25,367	(0)	25,470
<b>Balance as of February 29, 2020</b>	42,347	40,666	318,755	(5)	401,765

	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			
<b>Balance as of March 1, 2019</b>	1,312	(6,247)	(951)	(5,887)	91	10,574	394,059
<b>Cumulative effect of changes in accounting policies</b>							(12,985)
<b>Balance at beginning of fiscal year, after including changes in accounting policies</b>	1,312	(6,247)	(951)	(5,887)	91	10,574	381,074
<b>Changes during period</b>							
Issue of new shares							68
Cash dividends							(8,872)
Net income attributable to owners of parent							34,239
Purchase of treasury stock							(0)
Net change in items other than shareholders' equity	(391)	(1,585)	(51)	(2,029)	(43)	50	(2,022)

<b>Total of changes</b>	(391)	(1,585)	(51)	(2,029)	(43)	(50)	23,447
<b>Balance as of February 29, 2020</b>	920	(7,832)	(1,003)	(7,916)	47	10,625	404,522

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

## Nonconsolidated Financial Statements

### Nonconsolidated Balance Sheet

(As of February 29, 2020)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	100,334	<b>Current liabilities</b>	175,789
Cash and deposits	4,142	Notes and accounts payable—trade	6,629
Notes and accounts receivable—trade	3,111	Bonds due within one year	15,000
Prepaid expenses	2,061	Current portion of long-term debt	37,854
Short-term loans receivable from associated companies	6,223	Accounts payable – other	3,750
Deposits to associated companies	63,400	Accrued expenses	2,028
Accounts receivable – other	20,688	Income taxes payable	10,340
Current portion of lease deposits	99	Advances received	4,522
Other current assets	642	Deposits received from specialty stores	53,346
Allowance for doubtful receivables	(33)	Deposits received	8,976
<b>Fixed assets</b>	1,159,185	Allowance for employee bonus	1,574
<b>Property, plant and equipment</b>	(776,354)	Allowance for director and corporate auditor performance-based remuneration	100
Buildings	468,892	Provision for loss on store closing	572
Structures	29,618	Notes payable—construction	10,113
Machinery and equipment	3,575	Electronically recorded obligations—construction	12,466
Vehicles and transportation equipment	24	Accounts payable—construction	2,055
Furniture and fixtures	8,582	Current portion of lease deposits received	105
Land	256,488	Other current liabilities	6,353
Construction in progress	9,165	<b>Long-term liabilities</b>	645,280
Other, net	5	Straight bonds	300,000
<b>Intangible assets</b>	(3,031)	Long-term debt	208,388
Software	2,111	Asset retirement obligations	14,882
Right of using facilities	906	Lease deposits from lessees	121,991
Other	13	Other long-term liabilities	18
<b>Investments and other assets</b>	(379,800)	<b>Total liabilities</b>	821,070
Investment securities	1,793	<b>Net assets</b>	
Stock of associated companies	187,012	<b>Shareholders' equity</b>	437,481
Investments in capital of associated companies	102,942	<b>Common stock</b>	42,347
Long-term loans	31	<b>Capital surplus</b>	42,656
Long-term loans receivable from associated companies	25,238	Legal capital surplus	42,656
Long-term prepaid expenses	13,499	<b>Retained earnings</b>	352,482
Deferred tax assets	10,476	Legal retained earnings	1,371
Lease deposits paid	38,284	Other retained earnings	351,111
Prepaid pension cost	34	Reserve for advanced depreciation of fixed assets	443
Other investments and other assets	497	Reserve for special depreciation	22
Allowance for doubtful receivables	(12)	General reserve	28,770
		Retained earnings brought forward	321,874
		<b>Treasury stock, at cost</b>	(5)
		<b>Valuation and translation adjustments</b>	920
		Net unrealized gain on available-for-sale securities	920
		<b>Stock acquisition rights</b>	47

		<b>Total net assets</b>	438,449
<b>Total assets</b>	1,259,519	<b>Total liabilities and net assets</b>	1,259,519

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

## Nonconsolidated Statement of Income

(March 1, 2019 – February 29, 2020)

(Million yen)

Item	Amount	
<b>Operating revenue</b>		
Rental income		249,469
<b>Operating costs</b>		
Cost of rental income		175,664
<b>Gross profit</b>		73,805
Selling, general and administrative expenses		21,583
<b>Operating income</b>		52,221
<b>Non-operating profits</b>		
Interest income	932	
Dividend income	458	
Compensation paid by departing tenants	1,293	
Gain on valuation of derivatives	10	
Foreign exchange gains	37	
Compensation income	723	
Insurance income	218	
Other non-operating profits	161	3,835
<b>Non-operating expenses</b>		
Interest expenses	3,308	
Other non-operating expenses	847	4,155
<b>Ordinary income</b>		51,901
<b>Extraordinary gains</b>		
Gain on sale of fixed assets	2,505	2,505
<b>Extraordinary losses</b>		
Loss on sale of fixed assets	1	
Loss on retirement of fixed assets	1,872	
Impairment loss	918	
Other extraordinary losses	107	2,899
<b>Income before income taxes</b>		51,507
Income tax – current	16,752	
Income tax – deferred	988	17,740
<b>Net income</b>		33,766

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

## Nonconsolidated Statement of Changes in Shareholders' Equity

(March 1, 2019 – February 29, 2020)

(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
<b>Balance as of March 1, 2019</b>	42,313	42,622	42,622	1,371	326,216	327,587
<b>Changes during period</b>						
Issue of new shares	34	34	34			
Cash dividends					(8,872)	(8,872)
Net income					33,766	33,766
Purchase of treasury stock						
Net change in items other than shareholders' equity						
<b>Total of changes</b>	34	34	34	–	24,894	24,894
<b>Balance as of February 29,</b>	42,347	42,656	42,656	1,371	351,111	352,482

			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		
<b>Balance as of March 1, 2019</b>	(4)	412,519	1,312	1,312	91	413,922
<b>Changes during period</b>						
Issue of new shares		84				68
Cash dividends		(8,872)				(8,872)
Net income		33,766				33,766
Purchase of treasury stock	(0)	(0)				(0)
Net change in items other than shareholders' equity			(391)	(391)	(43)	(435)
<b>Total of changes</b>	(0)	24,962	(391)	(391)	(43)	24,526
<b>Balance as of February 29,</b>	(5)	437,481	920	920	47	438,449

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

Independent Auditor's Report

April 6, 2020

The Board of Directors  
AEON MALL Co., Ltd.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant Tomoyasu Maruyama (Seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant Shinji Hatano (Seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant Atsushi Miyashita (Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise 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 of AEON MALL Co., Ltd. (the "Company") applicable to the fiscal year from March 1, 2019 through February 29, 2020.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended February 28, 2019 in conformity with accounting principles generally accepted in Japan.

#### Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Independent Auditor's Report

April 6, 2020

The Board of Directors  
AEON MALL Co., Ltd.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant Tomoyasu Maruyama (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant Shinji Hatano (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant Atsushi Miyashita (Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in shareholders' equity, significant accounting policies, other notes, and the related supplementary schedules of AEON MALL Co., Ltd. (the "Company") applicable to the 109th fiscal year from March 1, 2019 through February 29, 2020.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the company applicable to the 108th fiscal year ended February 28, 2019 in conformity with accounting principles generally accepted in Japan.

#### Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## 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 109th fiscal year (from March 1, 2019 to February 29, 2020), 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 auditors 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. 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 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) Each Audit & Supervisory Board Member verified the 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 of 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 set forth of Article 100 in paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act. It also received reports from Directors and employees, etc. on the status of the establishment and operation of the system (internal control system) established in accordance with such resolutions adopted by the Board of Directors, and requested explanations as necessary and expressed his/her opinions.
    - (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 Auditors maintained their independence and implemented appropriate audits, and we received reports from Accounting Auditors regarding the state of performance of their duties and sought explanations whenever necessity arose. In addition, we received notice from the Accounting Auditors 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 Independent Auditors, 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 Independent Auditors, Deloitte Touche Tohmatsu LLC, are proper.

April 6, 2020

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 Hideki Hayami (Seal)