Corporate Governance Report

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Aeon Mall Co., Ltd.
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Securities Code: 8905
http://www.aeonmall.com/en/ir/index.html

This document describes corporate governance at Aeon Mall Co., Ltd ("Aeon Mall" or "the Company").

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile and Other Basic Corporate Information

1. Basic Approach

Aeon Mall is a *Life Design Developer*, creating the future of community living as we pursue our basic principle that *the customer comes first.*
Life Design extends beyond the framework of the shopping mall. *Life Design* addresses functions associated with different life stages of our local customers, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles. Aeon Mall builds upon our strengths as a retail business developer, at the same time striving to localize our malls to the characteristics of each community we serve. In this way, we contribute to better lifestyles and community growth in terms of economy and culture. We recognize the importance of corporate governance in accomplishing this vision and we work continually improve our corporate governance structure.

Basic Stance for Corporate Governance
(1) We provide a consistent and fair environment to support shareholder rights and the execution of said rights. We work in cooperation with shareholders toward the goal of sustainable growth.
(2) Our board of directors and senior management exercise proper leadership in fostering a corporate culture 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.
(3) We have created a Disclosure Policy and Rules for Managing Information Disclosure to address disclosure of financial and nonfinancial information. Guided by these policies, we ensure transparency and fairness through appropriate and clear information disclosure.
(4) Our board of directors consists of individuals well-versed in the retail business, helping Aeon Mall capitalize on our background as a retail developer. We appoint independent outside directors to strengthen our supervisory function and conduct highly transparent business. Our board of directors determines important strategies and measures to achieve our long-term vision and medium-and long-term plans.
(5) We incorporate feedback and input received through constructive dialogue with shareholders to improve our corporate value.

The Aeon Mall corporate website provides more information related to our basic stance for corporate governance. http://www.aeonmall.com/en/ir/index.html

Reasons for Non-Compliance With the Principles of the Corporate Governance Code

Aeon Mall adopts and implements every principle defined under the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4. Cross-Shareholdings]
The Aeon Mall policy on cross-shareholding is to hold shares for the purpose of contributing to improved Aeon Mall Group corporate value over the medium and long term. This policy considers a number of factors including business strategy and business relationships.
We review individual cross shareholdings on an annual basis, considering the purpose for holding shares, whether share dividend income exceeds the cost of capital, risks involved in holding shares, and transactions with the issuing party. These factors are part of determining the overall benefits of holding shares for the long-term. This annual review is conducted by the board of directors, the final determination of which we disclose publicly.
When exercising voting rights of cross-held shares, we verify whether each proposal contributes to the medium- and long-term improvement in Aeon Mall corporate value and whether said proposal holds the potential to damage our corporate value. As necessary, we hold discussions with the issuing company as part of our overall decision-making process.

[Principle 1-7. Related-Party Transactions]
Aeon Mall has established a system to ensure transactions with officers or major shareholders (related-party transactions) do not infringe on the interests of the Company or our shareholders.
1. We carefully investigate in board of director deliberations whether competitive transactions by directors and transactions involving conflicts of interest with directors and Aeon Mall infringe on the interests of the Company and our shareholders. Our investigations include consulting with experts regarding the reasonable nature of the transactions in question. The Company ensures fairness in this process through a number of means, including recusing directors having special interests in transactions with the Company from voting in the resolution.
2. When the company enters into transactions with related parties, we clarify the identity of such parties in our Related Party List according to the provisions of our Rules for Managing Related-Party Transactions. We ensure objectivity in transaction terms through rules that include providing comparison tables in period-end financial reports that show examples of transactions with non-related parties. According to the importance and nature of the transaction in question, we comply with our Authority Rules in soliciting opinions from outside directors and members of the Audit & Supervisory Board during board of director meetings regarding the rationality (business purpose) and reasonable nature of the transaction terms. On an annual basis, we investigate the rationality and reasonableness of transactions, issuing a report on the annual increase or decrease in transactions with related-party companies.

[Principle 2-6. Functions as a Corporate Pension Asset Owner]
Aeon Mall is a member of the Aeon Corporate Pension Plan. This fund is managed to ensure the total income required over the long-term, within the scope of acceptable risks, to provide pension benefits and lump-sum payments to beneficiaries over the future. Policy asset allocation structures are created in regulator reviewed in consideration of the financial status of the plan and opinions of outside experts. An Asset Management Committee has been established for this fund, which selects investment products and provides quarterly monitoring of performance. Decisions are made by a committee of delegates to maximize beneficiary returns and manage conflicts of interests in an appropriate manner. This committee of delegates includes one delegate from Aeon Mall. This Asset Management Committee includes individuals responsible for corporate finance and outside experts knowledgeable in related matters.

[Principle 3-1. Full Disclosure]
(i) The Company has formulated a medium-term management plan (FY2017 to FY2019). Guided by this plan, we are building a strong corporate infrastructure combining sustainable growth and high profits, aiming to be the No.1 developer in Asia. More specifically, this plan includes five components to reinvent our business model: 1) Capture Asian Growth Opportunities 2) Develop Latent Sources of Domestic Demand 3) Become the Overwhelmingly Dominant Mall in Each Region 4) Capture Urban Growth Opportunities 5) Develop an Optimal Financing Mix and Organizational Structures to Support Growth
See our corporate website for more about our management philosophy, management vision, and medium-term management plan:
http://www.aeonmall.com/en/ir/index.html
(ii) For our basic views on corporate governance, see *1. Basic Approach* in this report.
The Aeon Co., Ltd. Corporate Governance Basic Policy defines the basic stance of Aeon Mall and the rest of

the Aeon Group related to corporate management and control.
(iii) Aeon Mall director compensation is determined by resolution of the Board of Directors in consideration of job responsibilities, company performance, and other factors. Compensation is paid within the scope determined by resolution at the annual general shareholders' meeting. Compensation for members of the Audit & Supervisory Board is determined according to negotiation with said members, subject to the scope determined by resolution at the annual general shareholders' meeting.
We have established a Nomination and Compensation Committee consisting mainly of outside directors. This committee evaluates director performance and discusses the propriety of payment levels with respect to compensation decisions. The committee will continue to consider whether our system of compensation functions consistently as a healthy incentive.
(iv) The representative director and president suggest director candidates for nomination. The Nomination and Compensation Committee then discusses the candidates, subsequent to which our board of directors resolves to submit said candidate for approval by the annual general shareholders' meeting.
- Individual possesses a character and sense of ethics appropriate for a director
- Individual possesses a deep knowledge of business management and ability to make objective judgments, as well as superior foresight and insight
- Individual has no interests or business relationships that may affect their execution of duties as a director
- Individual possesses a global perspective and philosophy necessary for international business expansion
- In addition, individual must possess those qualities demanded of a director from an aspect of corporate governance designed to ensure sound management and improved transparency for a publicly traded company
Nominations of candidates for member of the Audit & Supervisory Board are proposed by the president and chief executive officer according to the standards as provided below. Nominations are determined by Board resolution after discussion with the Audit & Supervisory Board, and are presented to the annual general shareholders' meeting for approval.
Audit & Supervisory Board Member Candidate Nomination Standards
- Individual possesses an unbiased and fair attitude, conducting themselves according to their own beliefs
- Individual possesses a knowledge of business management and ability to make objective judgments
- Individual is aware of business issues from experience in general business management
- Individual has no interests or business relationships that may affect their execution of duties as a member of the Audit & Supervisory Board
- Individual has considerable knowledge of finance and accounting, or has skills, expertise, and experience in a specialized field
Individuals judged objectively and rationally as not meeting the nomination standards above, and for whom executing duties as a candidate for director is deemed to be difficult, shall be dismissed.
In addition, we have established the Nomination and Compensation Committee, consisting mainly of outside directors, which studies training plans, etc. to provide managers (including manager candidates) with the necessary standards, career development, and training content, which are then submitted for deliberation to the board of directors to ensure highly transparent and fair procedures.
(V) Aeon Mall provides the reasoning behind appointment of each candidate for outside director and outside member of the Audit & Supervisory Board in *Directors, Outside Director Relationship with the Company (2) and Audit & Supervisory Board Members, Outside Director Relationship with the Company (2).* We provide the reasoning behind the appointment of each internal candidate for director and member of the Audit & Supervisory Board in reference materials provided to the annual general shareholders' meeting.

[Supplementary Principal 4-1-1. Board Member Roles and Responsibilities]
The Company clearly defines matters to be discussed at meetings of the Board of Directors based on Board of Director Rules and in accordance with relevant laws and regulations. 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 *Rules for Organization Management, Rules for Segregation of Duties, Rules of Jurisdiction,* and *Rules for Approval Requests*.

[Principle 4-9. Independence Standards and Qualification for Independent Outside Directors]
The Company complies with the independence standards set by the Tokyo Stock Exchange for the election of independent outside directors. We have designated four independent directors from outside directors who qualify as independent directors, providing notification to the Tokyo Stock Exchange.
[Independence Standards for Outside Directors]
1) Individuals who are not executive directors, executive officers, managers, or other employees of the

Company or Company subsidiaries (Aeon Mall Group Executives) and we have not served as Aeon Mall Group Executives within 10 years prior to his or her appointment.
2) Individuals who, at any time within 10 years prior to his or her appointment, have served as a Company or Company subsidiary director, accounting advisor, or member of the Audit & Supervisory Board (excluding individuals having served as an Aeon Mall Group Executive), but have not served as an Aeon Mall Group Executive within 10 years prior to his or her appointment as director, accounting advisor, or member of the Audit & Supervisor Board.
3) Individuals not subject to any of the following conditions:
(1) Individuals who serve as directors, executive officers, managers, or other employee of the Aeon Mall parent company or subsidiary of the Aeon Mall parent company (excluding Aeon Mall or Aeon Mall subsidiaries)
(2) Individuals who are spouses or relatives within the second degree of kinship of an Aeon Mall Group Executive
4. Individuals not subject to any of the following conditions:
(1) An entity regarded as a major customer or executive officer of a major customer of the Company or Company subsidiaries (a customer representing one percent or more of the Companies consolidated sales for the most recent fiscal year)
(2) A major customer or executive officer of a major customer of the Company or Company subsidiaries
(3) A consultant, accounting expert, or legal expert receiving from the Company or Company subsidiaries a sum, other than corporate officer remuneration, of ¥10 million or more in monetary or other property
5. Individuals not subject to any of the following conditions within three years prior to his or her appointment:
(1) Any conditions provided under 4.(1) to (3)
(2) Executives or non-executive directors of the Aeon Mall parent company
(3) Executives of a subsidiary of the Aeon Mall parent company (excluding Aeon Mall or Aeon Mall subsidiaries)
6. Spouses or relatives within the second degree of kinship of individuals not subject to any of the following conditions:
(1) Any conditions provided under 5.(1) to (3)
(2) Aeon Mall Group Executives
(3) Executives or non-executive directors of the Aeon Mall parent company
(4) Executives of a subsidiary of the Aeon Mall parent company (excluding Aeon Mall or Aeon Mall subsidiaries)
(5) Individual who has served as an Aeon Mall Group Executive with in three years prior to his or her appointment

[Supplementary Principal 4-11-1. Approach to Overall Balance, Diversity, and Scale of the Board of Directors]
To ensure active deliberations and rapid decision-making, the Aeon Mall board of directors consists of not more than 20 members according to the Company's corporate charter. At present, two board members are highly independent outside directors. Internal directors have an understanding of our overall business operations, a sense of balance, a history of achievements, and decision-making skills, contributing to the diversity of expertise among board members. Outside directors consist of independent individuals with management experience and expertise in a variety of industries, contributing a diversity of viewpoints, a wealth of experience, a depth of knowledge, and expert opinions. As a developer, manager, and operator of shopping malls, Aeon Mall seeks the values and conceptual ideas of women. Accordingly, we pursue diversity in management, including appointing women as constituent members of our board of directors. The Company employs a diverse workforce without regard to nationality, race, gender, age, educational background, religion, etc.
Nominations of director candidates are proposed by the president and chief executive officer. Nominations are determined by board resolution, having considered the opinions of outside directors, and are presented to the annual general shareholders' meeting for approval.

[Supplementary Principal 4-11-2. Concurrent Service by Board Directors]
Under the provisions of our corporate charter, the Company determines the necessary number of directors and members of the Audit & Supervisory Board, including outside directors and outside members, to ensure sufficient time and effort required for accomplishing assigned roles and responsibilities in an appropriate manner.

When appointing directors and members of the Audit & Supervisory Board, we determine whether the individual serves concurrently as an officer at another publicly traded company or equivalent company/organization. Individuals are discussed in board of director meetings and nominated as candidates for director or member of the Audit & Supervisory Board after verifying that the individual(s) in question is reasonably capable of attending meetings of the board of directors or meetings of the Audit & Supervisory Board. The Company subsequently verifies that the officer in question contributes actively to board deliberations and facilitates rapid decision-making. Positions concurrently held by directors and members of the Audit & Supervisory Board are disclosed in our annual convocation notice of general shareholders' meeting and our annual securities report.

[Supplementary Principal 4-11-3. Analysis and Evaluations of the Effectiveness of the Board of Directors]
The Company evaluates the effectiveness of the board of directors through self-assessments based on questionnaires. A third-party organization conducts analysis of questionnaire answers, while outside directors and others provide further opinions and feedback. The results of this investigation and analysis are examined and discussed at a meeting of the Company's board of directors.
At the board of director meeting in question, sufficient time was set aside for discussing board effectiveness. After a lively exchange of varied opinions and experiences from directors and members of the Audit & Supervisory Board, the board of directors determined that the board functioned appropriately during fiscal 2017 and had improved in general compared to the prior fiscal year.
In particular, the board recognized improvements in monitoring the Company's medium- and long-term vision and in providing regular opportunities for outside directors and managers to exchange opinions.
On the other hand, the board identified matters for future investigation. These matters included ensuring greater objectivity and transparency in processes related to nominating director candidates and director remuneration, as well as the need to improve risk management in support of taking appropriate risks associated with global expansion.
The Company will continue to implement policies to improve board of director functions, striving for more robust board meeting deliberations and greater board effectiveness.

[Supplementary Principal 4-14-2. Policies Regarding Director Training]
- The Company provides senior manager training and other opportunities for directors and members of the Audit & Supervisory Board to cultivate stronger leadership skills and strategic business thinking, as well as to gain a stronger understanding of compliance and governance. These trainings include seminars for newly appointed officers and top Company management.
- Newly appointed outside directors and outside members of the Audit & Supervisory Board are provided with store tours and training to develop an understanding of the industry, history, businesses, financial situation, strategies, and organization of the Aeon Mall Group and the Aeon Group. The Company provides overseas tours of business operations at least once per year to outside directors and outside members of the Audit & Supervisory Board. The purpose of these tours is to deepen an understanding of our overseas strategy, which is a foundational part of our corporate policy.

[Principle 5-1. Policy for Constructive Dialogue With Shareholders]
- Aeon Mall assigns the director in charge of administration to be in charge of investor relations activities. Our Management Planning Department serves as a contact point for dialogue with shareholders. These entities work together closely to conduct investor relations activities for the Company.
- The Company values constructive dialogue with our shareholders and investors, using these opportunities to provide a greater understanding of our business strategy. At the same time, these opportunities help us engage with shareholders and investors with a better understanding of their viewpoints.
- We hold quarterly financial results briefings for institutional investors, as well as individual interviews and conference calls with institutional investors in Japan and overseas. We also participate actively in investor conferences and sponsor regular tours of our malls located in Japan and around the world. In addition, we conduct visits to institutional investors located in the United States, Europe, and Asia.
- For individual investors, we publish relevant information on our corporate IR website and conduct individual investor briefings through securities companies. We strive to respond to feedback and questions received online and over the telephone as quickly as possible.

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
AEON Co., Ltd.	125,885,205	55.34%
Japan Trustee Services Bank, Ltd. (Trust Account)	7,504,700	3.29%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,373,100	2.36%
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,768,100	2.09%
BNYMSANV As Agent / Clients Lux Ucits Non Treaty Account	2,935,700	1.29%
JP Morgan Chase Bank 385174	2,476,700	1.08%
State Street Bank West Client - Treaty 505234	2,300,925	1.01%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,950,900	0.85%
JP Morgan Chase Bank 385151	1,827,556	0.80%
JP Morgan Securities Japan Co., Ltd.	1,780,912	0.78%

Controlling Shareholder (Except for Parent Company)	-
Parent Company	Aeon Co., Ltd. (Listing: TSE, Code: 8267)

Supplementary Explanation

1. The major shareholder data above is current as of February 28, 2019. AEON Co., Ltd. is the parent company of Aeon Mall, owning 55.34 percent of Aeon Mall shares.
2. Share ownership ratios are truncated to the nearest hundredth.

3. Corporate Overview

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year End	February
Type of Business	Real Estate
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (Consolidated) as of the End of the Previous Fiscal Year	Between ¥100 billion and ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Between 10 and 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions With a Controlling Shareholder

Aeon Mall belongs to corporate group consisting of AEON Co., Ltd. (pure holding company; “AEON Co.”) and AEON Co., Ltd. consolidated subsidiaries and equity-method affiliates. AEON Co. is responsible for developing group strategy, allocating group management resources optimally, overseeing and instilling group

management philosophies and basic principles, and providing shared group services to maximize group synergies. At the same time, Aeon Mall and other group companies strive to become more skilled in our respective specialties and engage community-focused business to reach new levels of customer satisfaction.

Aeon Mall leverages the more than ¥8 trillion in group revenues to increase customer drawing power, using the Aeon Group infrastructure, including the Aeon Card and the *WAON* electronic money service, to execute marketing promotions.

The Company makes our own independent management decisions related to daily business operations. We confer with or report to AEON Co. concerning key management issues. Aeon Mall maintains a close and cooperative relationship with AEON Co. and other group companies, embracing a mutual respect for self-reliance and independence as we collectively strive for sustainable growth, development, and improved earnings.

We believe that cooperating with group companies and maximizing synergies in this way will yield benefits to minority shareholder interests.

5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Related to Decision-Making, Business Execution, and Management Oversight

1. Organizational Structure and Operation

Organization Form	Company with Audit & Supervisory Board Members

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 Year
Chairperson of the Board	President & CEO
Number of Directors	14
Number of Outside Directors	Appointed
Number of Independent Directors	2
Number of Outside Directors Designated as Independent Officers	2

Outside Director Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Mami Taira	CPA											
Masao Kawabata	From another company											

* Categories for Relationship with the Company

* "○" when applicable currently or in the past
"△" when applicable in the past

* "●" when applicable to a close relative of the director currently or in the recent past
"▲"when applicable to a close relative of the director in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of the parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/ Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives donations from the Company (the director himself/herself only)
k. Others

Outside Director Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Mami Taira	○	Ms. Taira is a partner at Certified Tax Accountants Hayakawa-Taira. She also serves as an outside director at Suzuden Corporation and as an outside Audit & Supervisory Board Member of Iseki & Co., Ltd.	Ms. Taira contributes advice and oversight based on her expert opinion as a certified public accountant and tax accountant, as well as her experience as a director and member of the Audit & Supervisory Board at other companies. She continues to be involved in Aeon Mall management, offering practical advice on a variety of issues, including company diversity. We believe Ms. Taira qualifies as an independent officer having no relationships that may result in a conflict of interest. She is not a shareholder of Aeon Mall, nor does she have any personal relationships with major Aeon Mall transaction partners.
Masao Kawabata	○	Mr. Kawabata is an advisor to Brainwoods Corporation, Ltd. He also serves as a trustee of the Institute of English Speaking Union of Japan and auditor at International Christian University.	Mr. Kawabata contribute advice and oversight stemming from his background in public relations, investor relations, and risk management capacities, as well as his international perspective and wealth of experience through management positions across several countries. He continues to be involved in Aeon Mall management, offering appropriate advice on a variety of issues. We believe Mr. Kawabata qualifies as an independent officer having no relationships that may result in a conflict of interest. He is not a shareholder of Aeon Mall, nor does he have any personal relationships with major Aeon Mall transaction partners.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Establishment of an optional committee, members of the committee, and attributes of the chairperson of the committee

	Committee Name	Total Number of Members	Number of Full-time Members	Number of Inside Members of the Board of Directors	Number of Outside Members of the Board of Directors	Number of Outside Experts	Other	Committee Chairperson
Optional Committee Corresponding to the Nominating Committee	Nomination and Compensation Committee	6	0	2	2	0	2	Outside Director
Optional Committee Corresponding to the Compensation Committee	Nomination and Compensation Committee	6	0	2	2	0	2	Outside Director

Supplementary Explanation

The Nomination and Compensation Committee provides advice and reports to the president/CEO on matters related to nominations for board of director and Audit & Supervisory Board candidates to ensure transparency and objectivity in these processes. The two individuals under *Other* are outside members of the Audit & Supervisory board.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Member, Accounting Auditors and Internal Audit Departments

The members of the Audit & Supervisory Board work closely with are outside financial accounting firm as necessary, sharing information and opinions to ensure practicable and efficient audits.
The Management Auditing Department conducts internal audits as an entity independent from other executive departments. The department consists of 15 members who coordinate with other business department heads, investigating and assessing the effectiveness and practicability of internal controls across general business operations. This department strives to ensure streamlined management and controls. Members of the Audit & Supervisory Board share information and opinions with the Management Auditing Department as necessary.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members Designated Independent Officers	2

Outside Audit & Supervisory Board Member Relationships with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Maki Watanabe	From another company			△										
Takao Muramatsu	Tax accountant													
Emi Torii	Lawyer													

* Categories for "Relationship with the Company"
* "○" when applicable currently or in the recent past
"△" when applicable in the past
* "●" when applicable to a close relative of the director currently or in the recent past
"▲"when applicable to a close relative of the director in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of the parent company of the Company
d. Audit & Supervisory Board Member of the parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant, or legal professional who receives a large sum of monetary consideration or other assets from the Company in addition to compensation as an Audit & Supervisory Board member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (not corresponding to any of f, g, or h; applies only to the Audit & Supervisory Board member himself/herself)
k. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board Members are mutually appointed (applies only to the Audit & Supervisory Board member himself/herself)
l. Executive of a company or organization that receives a donation from the Company (applies only to the Audit & Supervisory Board member himself/herself)
m. Other

Outside Audit & Supervisory Board Member Relationships with the Company (2)

Name	Designation as Independent Officers	Supplementary Explanation of the Relationship	Reasons for Appointment
Maki Watanabe			Ms. Watanabe has extensive expertise and experience in accounting at AEON Co. and has served as an Audit & Supervisory Board member at various Aeon Group companies. We believe she will continue to contribute her expertise and experience to Aeon Mall management.
Yumiko Ichige	○	Ms. Ichige is a partner Nozomi Sogo Attorneys at Law. She also serves as an outside director at Sushiro Global Holdings Ltd and ITOHAM YONEKYU	Ms. Ichige contributes advice and oversight with respect to legal issues and corporate governance based on her expert opinion as an attorney well-versed in corporate law, as well as her experience as a director and member of the Audit & Supervisory Board at

		HOLDINGS INC.	other companies. She will continue to contribute her expertise and experience to Aeon Mall management. We believe Ms. Ichige qualifies as an independent officer having no relationships that may result in a conflict of interest. She is not a shareholder of Aeon Mall, nor does she have any personal relationships with major Aeon Mall transaction partners.
Takao Muramatsu	○	Mr. Muramatsu is president of Muramatsu Tax Accountants. He also serves as an outside director (member of the Audit & Supervisory Board, etc.) at Globeride, Inc. as well as an outside Audit & Supervisory Board member at Besterra Co., Ltd. and Serendip Consulting Co., Ltd.	Mr. Muramatsu contribute advice and oversight based on his extensive knowledge in tax matters stemming from his experience at the Regional Taxation Bureau, as well as his experience as a director and member of the Audit & Supervisory Board at other companies. He will continue to contribute his expertise and experience to Aeon Mall management. We believe Mr. Muramatsu qualifies as an independent officer having no relationships that may result in a conflict of interest. He is not a shareholder of Aeon Mall, nor does he have any personal relationships with major Aeon Mall transaction partners.
Emi Torii	○	Ms. Torii is a partner Nozomi Sogo Attorneys at Law.	Ms. Torii possesses experience and expertise as an attorney related to corporate law. We have selected her to contribute opinions and viewpoints to Aeon Mall management from the standpoint of legal matters. We believe Ms. Torii qualifies as an independent officer having no relationships that may result in a conflict of interest. He is not a shareholder of Aeon Mall, nor does he have any personal relationships with major Aeon Mall transaction partners.

[Independent Officers]

Number of Independent Officers	4

Matters Relating to Independent Officers

The Company complies with standards of independence as provided by the Tokyo Stock Exchange when appointing independent officers. We have designated four independent officers who have met said standards of independence, filing this information with the Tokyo Stock Exchange.

We presume that our outside directors maintain their independence by meeting certain conditions as follows:
1. These individuals are not executive directors, executive officers, managers, or otherwise employees of the Company and/or subsidiaries (“Aeon Mall Group Executives”). Further, these individuals have not served as an executive officer of any of the Company’s group companies in the 10 years prior to appointment as an outside director.
2. Any individuals who have served as a director, accounting specialist, or as an Audit & Supervisory Board member of the Company and/or its subsidiaries at any time in the 10 years prior to appointment (excluding

those who have served as Aeon Mall Group Executives) have not served as an executive officer of the Company and/or its subsidiaries for a period of 10 years prior to appointment as director, accounting specialist, and/or Audit & Supervisory Board member. 3. Individuals not falling under either of the following conditions: (1) Directors, executive officers, managers, or other employee (“Executive”) of the parent company of Aeon Mall or any subsidiary of the parent company of Aeon Mall (2) Spouse or relative within the second degree of kinship of an Aeon Mall Group Executive 4. Individuals not falling under any of the following conditions: (1) Individual who considers Aeon Mall or an Aeon Mall subsidiary to be a major customer (representing one percent or more of revenues in the most-recent fiscal year); individual serving as an executive officer of said entity (2) Individual is a major vendor of Aeon Mall or an Aeon Mall subsidiary; individual serving as an executive officer of said entity (3) Individual who serves as a consultant or specialist related to accounting or law and receives monetary compensation or other assets in excess of ¥10 million annually separate and distinct from director compensation paid by Aeon Mall or an Aeon Mall subsidiary 5. Individuals not falling under any of the following conditions for three years prior to appointment: (1) Individual falling under 4.(1)-(3) above (2) Individual is an executive or non-executive director serving at the parent company of Aeon Mall (3) Individual is an executive serving at the Aeon Mall parent company or parent company subsidiary (excluding Aeon Mall and Aeon Mall subsidiaries) 6. Spouse or relative within the second degree of kinship of an individual falling under any of the following conditions: (1) Individual falling under 5.(1)-(3) above (2) Individual is an executive serving in the Aeon Mall Group (3) Individual is an executive or non-executive director serving at the parent company of Aeon Mall (4) Individual is an executive serving at the Aeon Mall parent company or parent company subsidiary (excluding Aeon Mall and Aeon Mall subsidiaries) (5) An individual having served as an executive of the Aeon Mall Group within three years prior to appointment

[Incentives]

Incentive Policies for Directors	Performance-Linked Remuneration / Stock Options

Supplementary Explanation

Aeon Mall has expanded the weight of the monetary component of performance-linked compensation (including traditional director bonuses) for directors. We eliminated our director retirement benefit program and adopted a remuneration-type stock option plan as approved at the 96th regular meeting of general shareholders, held May 17. Director compensation is limited to a maximum of ¥700 million per fiscal year. The monetary component of this amount is limited to a maximum ¥600 million per year, including traditional director bonuses. Remuneration-type stock options are limited to a maximum ¥100 million based on the fair value of the stock options in question.

Recipients of Stock Options	Inside Directors

Supplementary Explanation

Our aim is to increase the motivation and morale toward medium- and long-term sustained earnings and corporate value improvement. We accomplish this by strengthening the relationship between earnings performance and share prices, ensuring directors share the same benefits of share price increases and risk of share price decreases with shareholders. Stock acquisition rights are awarded after the end of the fiscal year, according to earnings performance.

[Director Remuneration]

Disclosure of Individual Director Remuneration	No Individual Disclosure

Supplementary Explanation

The Company discloses total director compensation and the number of directors and members of the Audit & Supervisory Board to whom payments were made in our annual securities report and business reports.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The following provides the disclosure status of director compensation for the fiscal year ended February 2019.

Compensation paid to directors	¥286 million
Concession paid to Audit & Supervisory Board members	¥23 million
Total	¥309 million

Note:
1. Figures above do not include one non-compensated director and one non-compensated Audit & Supervisory Board member.
2. Resolved at the general meeting of shareholders:
Directors:

Monetary compensation ceiling	¥600 million annually (resolved May 17, 2007)
Stock option compensation ceiling	¥100 million annually (resolved May 17, 2007)

Audit & Supervisory Board members:

Compensation ceiling	¥50 million annually (resolved May 8, 2002)

3. Total compensation above includes the following compensation elements:
- Director bonuses of ¥67 million (for 10 directors serving as of February 28, 2019; does not include one non-compensated director and two non-compensated outside directors).
- Stock option compensation of ¥33 million (for nine directors serving as of May 10, 2018; does not include one non-compensated director and two non-compensated outside directors).

Director compensation consists of a base component and performance-linked component, the maximum amounts of which are determined via resolution at the general meeting of shareholders. Payments are made within the scope approved and in consideration of job responsibilities, earnings performance, and other factors. Compensation for members of the Audit & Supervisory Board are made within the scope approved at the general meeting of shareholders, subsequent to negotiations with said members.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

The General Affairs department provides support to outside directors and outside members of the Audit & Supervisory Board. In addition, the department assigns one staff member responsible for assisting members of the Audit & Supervisory Board (including outside members). To ensure effective discussions within the limited time of board of director meetings, directors are provided agenda materials and explanations prior to meetings, as well as other appropriate information when deemed necessary.

[Retired presidents/CEOs holding advisory positions (*sodanyaku*, *komon*, etc.)]

Information on retired presidents/CEOs holding advisory positions (*sodanyaku*, *komon*, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Noriyuki Murakami	Advisor	Mr. Murakami provides advice based on his experience and knowledge upon request.	Non-permanent with remuneration	11 May 2011	20 March 2020

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	1

Other

The Company may appoint advisors experienced in business management for the purpose of soliciting advice related to management issues or participating in public activities as a Company representative.

2.Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has established a Management Council to serve as an advisory body for the CEO and president. This Council consists mainly of managing directors and higher, full-time members of the Audit & Supervisory Board, and individuals appointed by the CEO and president. The purpose of this counsel is to strengthen business strategy functions and ensure a more efficient decision-making process. The Company bolsters management and supervisory functions by holding at least one meeting of the Board of Directors per month, chaired by the CEO and president. In addition to these mechanisms, the Company strives to disseminate information through committees led by general managers or other managers below the rank of a representative director. The purpose of these committees is to ensure efficient business activities.
Aeon Mall has adopted a corporate auditor system led by outside members of the Audit & Supervisory Board. The board works in coordination with outside financial statement auditors and the Management Auditing Department as part of a structure ensuring a sufficient audit function. Each member of the Audit & Supervisory Board attend board of director meetings, while full-time members of the Audit & Supervisory Board is always present at meetings of the Management Council.
The Company employs the services of Deloitte Touch Tohmatsu LLC as our financial statement auditor. The certified public accountants and individuals assisting the financial statement audits are as provided below:

- Certified public accountants conducting audits:
Designated limited liability partners, executive partners:
Masahiko Tezuka, Shinji Hatano, Atsushi Miyashita

- Individuals assisting in the performance of financial statement audits:
Seven certified public accountants and 12 staff members

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, our outside financial statement auditors, and the Management Auditing Department maintain a close working relationship, exchanging information and opinions as necessary. This system is designed to ensure improvements in the practicability and efficiency of our audits.
Each member of the Audit & Supervisory Board attend board of director meetings, while full-time members of the Audit & Supervisory Board are always present at meetings of the Management Council and other important meetings.

In fiscal 2018, Aeon Mall established the Nomination and Compensation Committee, consisting mainly of outside directors, to provide advice and report to the representative director and president on details related to board of director and Audit & Supervisory Board nominations and selections, as well as details related to director compensation, for the purpose of ensuring transparency and objectivity.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Ensure Active General Shareholder Meetings and the Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meetings	As a result of our efforts to send convocation notices as early as feasible, we now have a system in place to send notices three weeks in advance. During 2019, we sent convocation notices on April 25, 28 days prior to our general meeting of shareholders. In addition, we published the convocation notice on our corporate website on April 23, 30 days prior to the meeting.
Scheduling Meetings to Avoid Peak Meeting Day	We held our 108th annual general meeting of shareholders on May 23, 2019.
Allowing Electronic Exercise of Voting Rights	The Company allows the exercise of voting rights via the internet.
Participation in Electronic Voting Platform	Since the May 2016 regular general meeting of shareholders, we have participated in the ICJ, Inc. electronic voting platform for institutional investors.
Providing Convocation Notice in English	The Company prepares an English version (summarized) of our convocation notice.
Other	The Company utilizes visual media to ensure clearer communication of business results during general meetings of shareholders. After the conclusion of each general meeting of shareholders, we conduct an internal briefing session of management policies from the perspective of investor relations.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	Aeon Mall has created a disclosure policy and publicly announces information related to our basic policies, information disclosure standards, disclosure methods, and investor relations quiet periods.	
Regular Investor Briefings for Individual Investors	The Company conducts information meetings for individual investors.	None
Regular Investor Briefings for Analysts and Institutional Investors	The Company conducts information meetings, presided over by the CEO and IR directors, on a quarterly basis.	Provided
Regular Investor Briefings for Overseas Investors	Besides an English version annual report, the Company has an English website where we publish translations of original Japanese documents concurrently. We conduct quarterly conference calls for overseas investors and participate in investor conferences held in Japan for investors from overseas.	Provided
Posting of IR Materials on Website	Aeon Mall publishes financial data, timely disclosure documents, securities reports, quarterly financial results, communications to shareholders, and audio broadcasts of financial results briefings via our corporate website.	
Establishment of Department and/or Manager in Charge of IR	The Aeon Mall IR Group is positioned under the Management Planning Department, responsible for company disclosures. Tel. +81-43-212-6733	
Other	The Company conducts individual meetings with domestic and overseas investors and securities analysts. We also offer mall tours in Japan and overseas on a regular basis.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Aeon Code of Conduct serves as a guide to ensure good relations with customers and other stakeholders. The code of conduct includes basic approaches to daily conduct by group companies and employees, as well as decision-making standards.
Implementation of Environmental Activities, CSR Activities etc.	Every year, Aeon Mall publishes a sustainability report (***Report on the Future***). This report can be found on our corporate website, along with other information on environmental performance and CSR activities at our malls.
Development of Policies on Information Provision to Stakeholders	Our code of conduct, environmental policies, disclosure rules, and rules for internal controls provide the Aeon Mall policies related to sharing information with stakeholders.
Other	[Policies and Initiatives on Women in the Workforce] Aeon Mall provides career paths and a workplace environment supporting the dual challenges of work and child-rearing as measures to champion women in our workforce. Given our business model in particular, we believe women provide valuable opinions and insight. Accordingly, we seek to promote women to serve as directors within our organization. As of fiscal 2019, we appointed two women as directors (one internal director, one outside director) and two women as outside members of the Audit & Supervisory Board. Of our 601 employees serving in management roles, 146 are women (24.3 percent). Our aim is to create a positive workplace for women, exceeding legally mandated requirements related to child-rearing leave, maternity leave, etc. In 2017, we were awarded the ***Kurumin*** award by the Ministry of Health, Labour and Welfare for a second time, our first such award being in 2007. We strive to remove work restrictions affected by day care operating hours that prevent ongoing service by employees raising children. One such measure is the ***Aeon Yume-Mirai Nurseries***, which aim to help employees select their own work styles. As of February 2019, the Company has 25 such nurseries in operation, including seven Yume-Mirai facilities at other Aeon group companies. We will continue to support our employees as they balance work and child-rearing duties, helping them return to work quickly after maternity/child-care leave and take an active role in their jobs as they raise their children. Aeon Mall promotes diversity management, fostering an environment in which employees may exercise work styles matched to their various life stages. As one case in point, we established the Diversity Promotion Group as an internal steering committee responsible for advancing women in our organization. Aeon Mall was awarded the ***Eruboshi*** mark, certifying the company under the Act on Promotion of Women's Participation and Advancement in the Workplace, promulgated on April 1, 2016. We met the standards in all five categories under this program, including hiring, continuity, employment, work hours and other work styles, ratio of female managers, and career path diversity. As a result, we earned the highest of the three ranks awarded under the Eruboshi program. For the third consecutive year, Aeon Mall was selected as a Nadeshiko Brand, a recognition jointly sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This program highlights companies listed in the First Section of the Tokyo Stock Exchange from each industry that promotes the participation of female employees and creates a supportive working environment. We will continue to promote women in the workplace, aiming to become the No. 1 company in Japan supporting women in the workplace and to become the No.1 company in Japan where women want to work.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

1. Information Storage and Management Essential for the Performance of Duties by Company Directors
Resolutions, board of directors meeting minutes, and other documents required by executive directors or other employees to perform their duties are prepared in accordance with internal company rules. These documents are stored in a proper and secure manner according to the type of storage media, facilitating search, retrieval, and review when necessary. Document management is performed by the organization assigned under the Rules on Administering Documents, which is also signed to prevent information leakage.

2. Rules and Structure for Managing Risk of Loss at the Company and Subsidiaries ("the Group")
The representative director and president are the executive officer responsible for overall risk management. In addition, the director in charge of each business unit is responsible for risk management at the business unit level. This structure provides a system and environment ensuring business continuity and the safety of human life.
The Group has created Rules to Manage Business Risk Management (Risk Management Rules) to prevent crises or minimize damages in the event of a crisis. We have established departments to oversee risk by category, striving to improve corporate value by managing the risk of overall Group losses.
Aeon Mall has established the Risk Management Committee, chaired by the HQ general manager of administration, as an organization to deliberate overall Group risk management issues and responses. This committee reports its proceedings to the Management Council. Risks deemed important are escalated to the board of directors and included in annual reports.
To improve the effectiveness of risk management, the department in charge of internal audits prepares fiscal year audit plans and conducts internal audits based on Internal Audit Rules. Further, annual audit plans are reported to the board of directors.

3. Organizational Structures to Secure Efficient Performance of Duties by Directors of the Company and its Subsidiaries, Executive Officers, Employees with Executory Responsibilities, Individuals Performing Duties under Article 598, Section 1 of the Company Act, and Others of Equivalent Standing ("Subsidiary Directors")
In addition to holding regular board of director meetings monthly, the Company 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 Council for discussion. These decisions are then approved by the CEO and/or by resolution of the board of directors. Executive authority is delegated along with clear management accountability according to *Rules for Organization Management*, *Rules for Segregation of Duties*, *Rules of Jurisdiction*, *Rules for Approval Requests*, and *Rules for Management of Affiliates*.
The Company's board of directors approves medium-term plans, Driscoll-your performance goals, and allocations of funds for the Company and subsidiaries. This structure provides for the efficient execution of duties by Subsidiary Directors. Each quarter, subsidiaries verify their performance relative to corporate plans, reporting results and other important matters to the Company.

4. Structures Enabling Assurance that Performance of Duties by Company Directors, Employees, Subsidiary Directors and/or Subsidiary Employees are Compatible with Laws, Regulations, and Corporate Charter
The Company emphasizes compliance and respect for the AEON Code of Conduct, fostering improving relations with local communities and meeting the Company's social responsibilities. Further, the Aeon Mall Group has prepared an internal system for training to prevent bribery, based on the Basic Rules for the Prevention of Bribery.
Aeon Mall has established the Compliance Committee, which is chaired by the HQ general manager of administration. The role of this committee is to confirm Group compliance with laws, regulations, corporate charter, and internal rules, identifying issues and deliberating measures for improvement. Reports of the proceedings of this committee are presented to the Management Council and matters of note are elevated to the board of directors and disclosed in annual reports.
The Company established a help line (*Aeon Mall HR 110*) to serve as an internal reporting tool. The Company's labor union has likewise established its own *Kumiai 110* help line. Company subsidiaries will establish their own help lines in conformance to Aeon Mall systems. We communicate thoroughly throughout our organization that we protect the privacy of individuals using this help line and that no such individuals shall be subjected to disadvantageous treatment. At the same time, we investigate any issues reported or

notices received, taking actions necessitated based on internal rules for any confirmed wrongdoing. Measures to prevent recurrence in the future are instituted and adopted group-wide in addition to reports submitted to the Compliance Committee.

5. Structures to Assure Appropriate Business Management for the Corporate Group Consisting of the Company, its Parent, and Subsidiaries

The Management Council initiates discussions for any business transactions entered into by a director for a third party where conflicts of interest may occur between the parent and the Company, subsidiaries, or other Aeon Group companies or in those instances where the Company is essentially competing with the parent. Such transactions are only allowed to proceed upon approval by the board of directors.

Any transactions between the parent company, subsidiaries, or other Aeon Group companies shall be conducted under appropriate terms based on market prices to prevent harming the interest of the Company. Such transactions shall further be conducted by the department involved in accordance with the provisions of our Rules for Managing Related-Party Transactions. Transactions shall be approved following Authority Rules determined by the Company, and an annual report of increase or decrease percentages, etc. in yearly transactions between transacting companies shall be prepared to investigate the rationality and relevance of such transactions.

Any board of director resolutions related to transactions shall be conducted to ensure fair procedures. This includes the recusal of directors having special interests in the transaction in question.

The Company requires subsidiaries to report to the Management Council based the Rules on Management of Affiliates to ensure proper execution of duties by Subsidiary Directors.

The internal audit division determines whether the company and subsidiaries are managed appropriately. The division conducts audits of the Company and Company subsidiaries based on Rules for Internal Auditing, presenting the results in the format of an Internal Audit Report to the president and full-time members of the Audit & Supervisory Board. Audit results are also reported regularly to the board of directors.

6. Matters Related to Employees Requested to Assist Audit & Supervisory Board Members in the Execution of their Duties ("Assistants"); Matters Related to Assistant Independence From the Board of Directors; Matters Related to Ensuring Practicability of Instructions to Assistants

The Company selects and appoints assistants to the Audit & Supervisory Board, subject to negotiation with board members.

Assistants shall not receive orders or instructions from directors or other employees.

The performance of Assistants shall be evaluated through negotiations with the Audit & Supervisory Board.

Any transfers or reprimands of Assistants are subject to prior approval of the Audit & Supervisory Board.

7. Structure for Reporting to the Audit & Supervisory Board Members

Company directors, employees, subsidiary directors, etc., and subsidiary employees report management performance, business status, financial status, internal audits, risk management, and compliance to board of director meetings attended by members of the Audit & Supervisory Board or to the Management Council.

Further, company directors, employees, subsidiary directors, and subsidiary employees, upon the discovery of facts of matters, illegal acts, or noncompliance representing potential material harm to the business results of the Company or Company subsidiaries, or individuals receiving a report from such an individual noted above, shall promptly report said matters to the Company's Audit & Supervisory Board.

The Company and Company subsidiaries prohibit any punitive treatment of an individual making such reports. This policy is communicated clearly to members of the Audit & Supervisory Committee and employees, including Company directors, employees, and subsidiary directors, etc.

8. Policy on Matters Regarding Expense Prepayments, Redemptions, Other Expenses, or Disposition of Debt Resulting from the Execution of Duties by Members of the Company's Audit & Supervisory Board

When a member of the Audit & Supervisory Board request that the Company prepays expenses per the provisions of Article 388 of the Companies Act, the Company shall promptly pay such expenses according to internal rules. The business unit in question shall provide for a budget necessary to pay such expenses every accounting period.

9. Other Structures to Ensure that Internal Audits by Members of the Audit & Supervisory Board are Performed Effectively

The internal audit division shall coordinate internal audit details with the Audit & Supervisory Board on a

timely basis, working closely with members to ensure efficient audits conducted by the members of the Audit & Supervisory Board.

2. Basic Approach to Eliminating Anti-Social Forces

1. Basic Approach

The Company does not engage in relationships with anti-social forces, reflecting our total commitment to compliance and defense of our corporate entity. We respond resolutely in the face of unreasonable demands and recognize our social responsibility as a company to reject anti-social forces in any form.

2. Status of Efforts to Reject Anti-Social Forces

1) Unreasonable demands by anti-social forces are not dealt with as an individual, but rather as an organization working in close coordination with third-party specialists and investigative organizations, including civil and criminal proceedings.

2) The Company is a member of the Foundation for Chiba Prefecture's Assembly for Expulsion of Anti-social Forces. We maintain close coordination with the police and anti-crime associations, participating in efforts to collect information on anti-social forces through the reach of our various business units. We use information gathered for educational purposes internally.

3) In accordance with the Rules on Managing Transactions, the Company conducts background checks to ensure business partners are not involved with anti-social forces. This is one more way in which we work toward the rejection of anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
-

2. Other Matters Concerning to Corporate Governance System

The following describes the Company's internal structure related to timely disclosure of information.

1. Basic Policy on Disclosure

The Company has established the Aeon Mall CSR Committee, which is chaired by the CEO and whose members consists primarily of directors and heads of business divisions. Through this committee, the Company decides codes of conduct and standards of regulatory compliance. Other decisions include matters related to corporate principles, environmental preservation, and social contribution. We strive to create and operate systems for compliance and disclosure. As a company that issues equity, we understand that responsible disclosure represents an important means for securing the trust of equity markets. Accordingly, we endeavor to provide disclosures that are appropriate, fair, and timely.

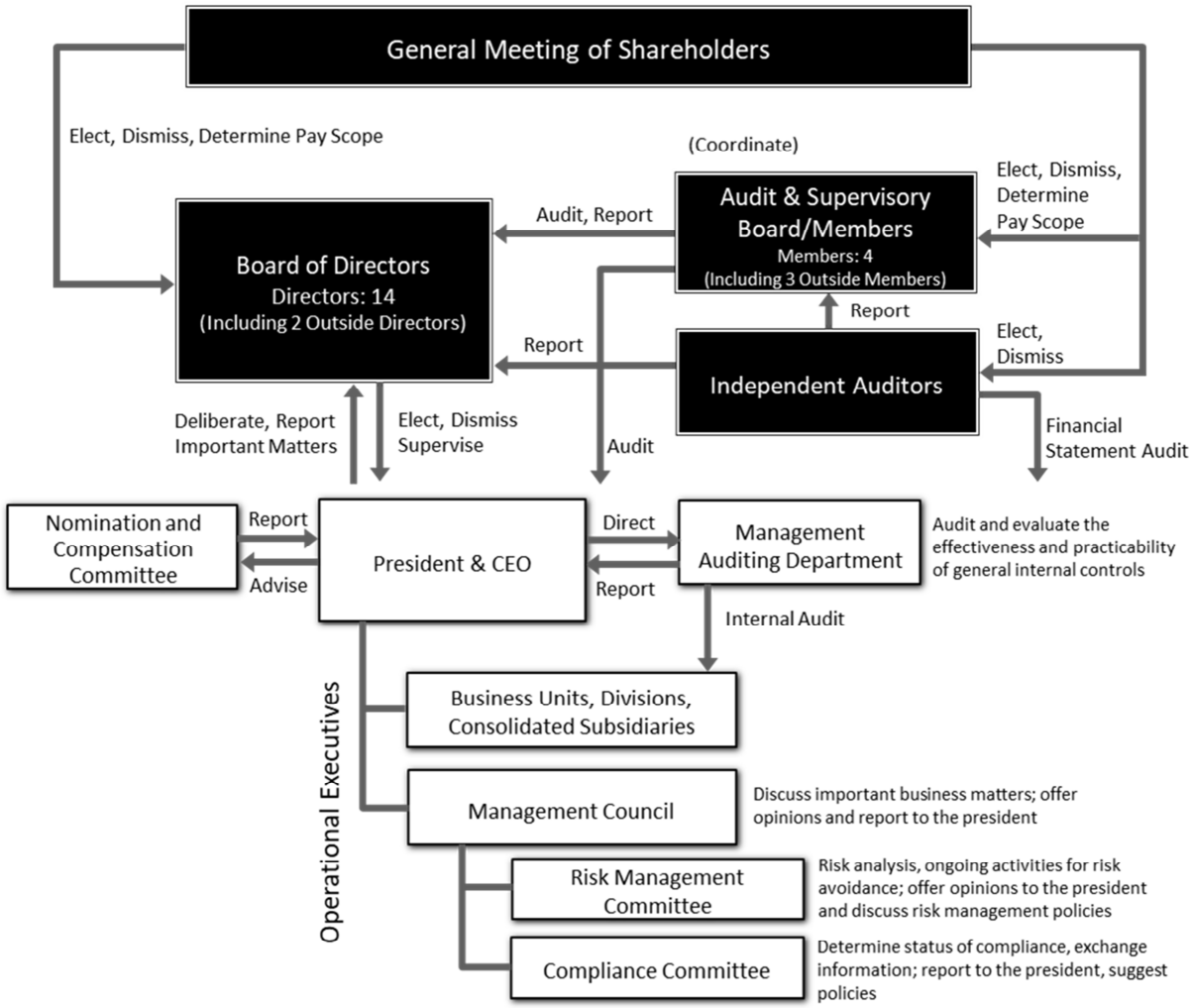
2. Overview of Timely Disclosure Structure

Aeon Mall has created the Rules on Managing Internal Information and Internal Transactions. These rules provide standards for managing inside information and related disclosures. The Management Council discusses important matters related to the timing of information disclosure, presenting these matters formally to the board of directors. The chief executive officer makes final decisions in cases of emergency.

The Company has also established the Rules for Managing Information, under which information and other important matters are presented formally to the board of directors. Only after presentation to the board are disclosures made, under the guidance of a director charged with responsibility for information management. To ensure accuracy in information related to financial results, the Company has established the Information Disclosure Committee, which reviews materials prior to disclosure. Once reviewed, this information is presented formally to the board of directors before being released to the public. These and other measures ensure the Company follows a robust process for disclosure. Aeon Mall has also established Rules for Managing Crises, which provide for disclosures related to significant natural disasters, criminal activity, or accidents to be made under the direction of an emergency response office.

The Company uses the internal disclosure structure described above to provide timely disclosure of Company information to relevant stock exchanges through our Public Relations Department or through our investor relations organization within the Corporate Planning Department. We also follow disclosure procedures as dictated by other regulatory bodies. Aeon Mall ensures that information submitted to the stock exchanges are also provided to the mass media and published on our corporate website concurrently. The Company strives to be as fair as possible within the spirit of timely disclosure when dealing with information not subject to timely disclosure rules, providing such information to the mass media and publishing information on our corporate website.

Corporate Governance Organization Chart



[Timely Disclosure System Diagram]

