

Sustainability Report 2024

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Investing in community infrastructure assets

Facilities vital to local citizens that serve as a hub for community building

Aeon as a disaster relief hub: "Balloon shelters" are used as evacuation locations during disasters



Various events are held that encourage community participation



Solar panels installed on the rooftops and walls help reduce the environmental burden



EV charging stations



A drive-through service allows shoppers to pick up supermarket items they ordered online



Supporting everyday living with a wide range of tenants

Food courts, cinemas and other specialty stores cater to diverse needs



Public services on offer include a post office and nursery



Facilities that respond effectively to changing lifestyle needs and the environment will win out over the long term

AEON REIT Investment Corporation (AEON REIT or the Investment Corporation) primarily invests in community infrastructure assets that form the backbone of local communities, namely retail and logistics facilities operated by the Aeon Group, thereby supporting people's everyday lives. Aeon Co., Ltd., one of Japan's leading retailers, serves as our sponsor company. Based on this mission, we will enter into master lease agreements that leverage the Aeon Group's network and aim to ensure stable operations and profitability through a fixed rent system and long-term lease agreements.

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Disclaimer

This Report contains forward-looking statements regarding the plans, forecasts and strategies of the Investment Corporation and the Asset Management Company. These forward-looking statements are based on certain assumptions, premises, and judgments made by the Investment Corporation and the Asset Management Company at the time of preparing this report, in light of the information currently available to them. They are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from such statements. The Investment Corporation and the Asset Management Company make no guarantees or promises that these forecasts and outlooks will be achieved. The Investment Corporation and the Asset Management Company assume no responsibility for the accuracy, completeness, adequacy or fairness of the information in this Report. Note that the information contained herein may be revised or retracted without prior notice. The Investment Corporation and the Asset Management Company undertake no obligation to publicly update the content of this Report (including forward-looking statements).



Editorial policy

This Report aims to increase understanding of the initiatives being undertaken to realize a sustainable society by AEON REIT and AEON Reit Management Co., Ltd. (the Asset Management Company). It has been positioned as an important tool for facilitating constructive dialogue with our stakeholders and has been edited to ensure ease of understanding.

It is composed of fundamental information about the Investment Corporation and the Asset Management Company, along with the medium- to long-term growth strategy, a featured article for the reporting period, and data collection. **For details on our initiatives related to the environment, society, and governance, please refer to the Sustainability page on the Investment Corporation's website.**

Framework for information disclosure media

Financial information		Non-financial information	
	Website (IR information and financial information) https://www.aeon-jreit.co.jp/en/index.html	Sustainability Report	Website (ESG and sustainability information)  https://www.aeon-jreit.co.jp/en/sustainability/

Scope of reporting

AEON REIT Investment Corporation and AEON Reit Management Co., Ltd.
(Includes certain information regarding Aeon Co., Ltd., sponsor of the Asset Management Company, and Aeon Group companies (may be referred to as the Aeon Group) such as AEON MALL Co., Ltd.)

Reporting period

Fiscal 2023 (March 1, 2023 to February 29, 2024)

Notes:

1. The report includes some information from before and after this period.
2. The report covers the fiscal period of the Asset Management Company, but also includes some information pertaining to the fiscal periods of the Investment Corporation (ending January 31 and July 31).

Issued

January 2025 (Japanese version: November 2024)

Inquiries

Investor Relation and Planning Group, Finance and Planning Department, AEON Reit Management Co., Ltd.
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Introduction to AEON REIT

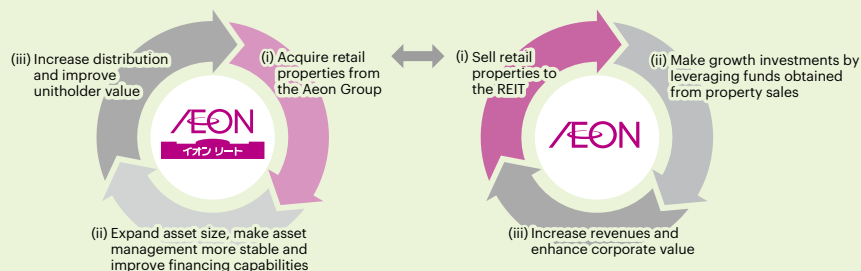
Corporate philosophy

AEON REIT positions retail properties and other real estate as community infrastructure assets and invests in those properties to enrich the lives of people living there.

AEON REIT implements stable asset management from a medium- to long-term perspective with the aim of creating environments that ensure comfortable and fulfilling lifestyles and enhance the local community through our investment activities.

Corporate policy

AEON REIT carries out a growth strategy based on the policy of maintaining a mutually beneficial relationship with the Aeon Group, thereby aiming to maximize value for unitholders.



Corporate overview

Name	AEON REIT Investment Corporation
Representative	Nobuaki Seki, Executive Director
Address	1-14-10 Uchikanda, Chiyoda-ku, Tokyo
Established	November 30, 2012
Listed	November 22, 2013
Listing market	Real Estate Investment Trust Securities Market of Tokyo Stock Exchange

Securities codes	Securities identification code: 3292 International Securities Identification Number (ISIN): JP3047650001
Fiscal period	January and July
Contact	AEON Reit Management Co., Ltd. TEL: +81-3-5283-6360

Corporate history

Since its listing in 2013, the Investment Corporation has acquired mainly large-scale shopping malls and logistics facilities operated by the Aeon Group and, as of the publication date of this report, possesses a portfolio of 49 properties in Japan and overseas with total assets now amounting to ¥473.8 billion.

In addition, we have acquired environment-focused third-party certification for over 80% of our owned assets (based on leasable floor area) in line with our objective of managing properties that contribute to the realization of a sustainable society.

November 27, 2012	Notification concerning the establishment of the Investment Corporation based on Article 69 of the Act on Investment Trusts and Investment Corporations of Japan (the Investment Trusts Act) by the organizer (AEON Reit Management Co., Ltd.)
November 30, 2012	Registration of the establishment of the Investment Corporation based on Article 166 of the Investment Trusts Act, and the establishment of the Investment Corporation
December 4, 2012	Application for registration of the Investment Corporation based on Article 188 of the Investment Trusts Act
December 20, 2012	Implementation of the registration of the Investment Corporation by the Prime Minister based on Article 189 of the Investment Trusts Act (Kanto Local Finance Bureau Director-General Registration No. 80)
November 22, 2013	Listed on the Tokyo Stock Exchange
November 22, 2013	Commencement of asset management

Initiatives endorsed and key third-party certification

Note: Includes Group activities



Medium- to long-term growth strategy Materiality and KPIs

AEON REIT identified material issues (materiality) in 2021 based on its corporate philosophy and the Sustainability Policy it formulated. In September 2023, we set new key performance indicators (KPIs) to enable more effective efforts toward resolving these material issues. We will implement a plan-do-check-act (PDCA) cycle focused on efforts to achieve these KPIs in order to resolve environmental and social challenges and realize medium- to long-term corporate growth.



Materiality		KPI		Fiscal 2023 results (excerpt)	
Environment	Opportunities in green buildings	   	•GRESB Real Estate Assessment (Achieve 5 Stars each year) •Ratio of owned properties with third-party certification (3 stars or higher: 85% or more, 4 stars or higher: 80% or more, with a medium-term target of 90% or more) •Installation of equipment with enhanced energy efficiency (Introduction of energy-saving equipment such as inverter boards in 50% or more of the store portfolio, with a medium-term target of 80% or more) •Introduction of renewable energy and energy-creating equipment in stores within our owned properties (Three stores per year, with a medium-term target of 50% or more of the portfolio)	Ratio of owned properties with certification ★3 or higher: 86.8% ★4 or higher: 83.7% (Note 1)	
	Climate change		•Reduction of total GHG emissions (Average of 1% per year in terms of consumption intensity, with medium-term targets of 50% of electricity/energy consumption to be renewable, and 50% reduction of CO₂ emissions (Scope 3); Long-term target: Net zero) •Water consumption (Medium-term target: Do not increase consumption intensity) •Waste (Medium-term target: Store recycling rate of 80%) •Promotion of green finance (Medium-term target: 50% or more of interest-bearing debt) •MSCI ESG rating (Medium-term target: “A” or above)	CO ₂ intensity compared to base year (FY2019): 8.8% reduction	
	Biodiversity and land use	 	•Acquisition of ABINC certification (for biodiversity friendly facilities) (At least one property per year, with a medium-term target of 20% or more of the portfolio and a long-term target of 30% or more of the portfolio)	ABINC certification: 2 properties by FY2023 (Note 2)	
Social	Local community engagement and sustainable development	  	•Number of customers visiting owned properties (Medium- and long-term targets: Maintain or increase year on year on average across the portfolio) •Number of stores serving as disaster relief centers (Medium-term target: 50% or more of the portfolio, Long-term target: 100%)	•Donations to public interest foundations engaged in social contribution activities (Implement annually) •Implementation of tree-planting and other volunteer activities (40 or more participants per year) •Activities promoting J-REITs and increasing awareness of AEON REIT (Two or more per year)	AEON 1% Club Foundation donation amount: ¥13.5 million
	Safety and security of owned properties	  	•Acquisition/status assessment of engineering reports (ERs) for owned properties (Aim for reacquisition within 5 years) (Medium-term target: 80% or more of the portfolio, Long-term target: 100%)	•Implementation of planned repairs (At a rate of 80% or more per year) •Earthquake insurance coverage (Implement annually)	Earthquake insurance coverage: 100%
	Human capital development	 	•Average length of service (5 years or more) •Training hours per employee (20 or more per year) •Ratio of female officers (50% or more, with a medium-term target of 30% or more in the ratio of female managers)	•Ratio of career development interviews conducted (100% per year) •Utilization rate of skills and career development programs (50% per year, with medium-term and long-term targets of 100% per year)	Ratio of career development interviews conducted: 100%
Governance	Corporate governance		•Meeting attendance (90% or more per year) •Effective evaluation of committees (Annual)	Evaluations of the effectiveness of meeting bodies: Once	
	Compliance and risk management		•Risk Management Committee meetings (Biannual) •Compliance and information security training (Monthly, with a participation rate of 100%)	•BCP training and committee meetings (Biannual) •Cybersecurity training (Annual) Training implementation and participation rate: 100%	

Notes: 1. As of July 31, 2024 2. Certification obtained by AEON MALL Co., Ltd.

Medium- to long-term growth strategy Medium-term targets and growth strategy

AEON REIT announced its medium-term targets, which included non-financial targets for the first time, when it released its financial results for the 19th period ended July 31, 2022.

We will continue to invest in community infrastructure assets with the aim of achieving sustainable corporate growth.

We also seek to enhance the asset value of our owned properties and contribute to the sustainable development of the community by promoting sustainability initiatives.

	Medium-term targets (as of July 31, 2022)	As of the end of the 23rd period (July 31, 2024)	Medium-term targets	Growth strategies
Stabilized DPU	¥3,270	¥3,350	¥3,600	Growth strategy 1 Selectively acquire properties contributing to growth of stabilized DPU and asset size > For details, see page 9
Asset size	¥447.0 billion	¥473.8 billion	¥600.0 billion	
GRESB Real Estate Assessment	5 Stars	Achieved 5 Stars	5 Stars	Growth strategy 2 Enhance asset value and contribute to the sustainable development of the community by promoting sustainability initiatives > For details, see page 11
MSCI ESG Rating	BB	A	A	
Ratio of properties with third-party certification (★4 or higher)	80.4%	83.7%	80.0% or more	
Ratio of properties with third-party certification (★3 or higher)	84.9%	86.8%	85.0% or more	
CO ₂ emissions reduction	—	(Initiatives in progress)	Promote CO ₂ emissions reduction through collaboration with the Aeon Group	
Long-term Issuer Rating (JCR)	AA- Positive	AA Stable	AA	Growth strategy 3 Build a strong financial base by improving credit ratings > For details, see page 11

Medium- to long-term growth strategy Message from the management

Through investment in community infrastructure assets, we aim to maximize value for unitholders and contribute to the development of local communities

Review of fiscal 2023

In May 2023, the reclassification of COVID-19 to a Class 5 infectious disease under the Infectious Diseases Control Law profoundly affected people's lives. There has been an increase in face-to-face services and events that attract crowds, boosting the operation of retail facilities. However, the impact of rising prices has also led to changes in consumer purchasing behavior. Additionally, fluctuations in the real estate investment market and the occurrence of major natural disasters, such as the 2024 Noto Peninsula Earthquake, have led to constant changes in the external environment surrounding asset management. Given these conditions, it is increasingly important to manage retail facilities with a medium- to long-term perspective and to strengthen their competitiveness.

In light of the external environment in fiscal 2023, AEON REIT has pursued investments to ensure the continued stable operation of its owned properties over the medium to long term, while also actively promoting initiatives that contribute to resolving environmental, social, and economic challenges.

The Aeon Group announced the AEON Group Future Vision outlining its aspirations for what lies ahead. Under the statement "Create a future lifestyle that leads to a smile for each and every person," the Group has established "The Future that the AEON Group Wishes to Realize," "How the AEON Group Wishes to Be," and "The Attitudes and Vow that We Cherish." This vision will be pursued in alignment with the policies of Aeon Group companies.

Both the Investment Corporation and the Asset Management Company are currently exploring specific methods to realize the vision, while our fundamental stance as a REIT that invests in community infrastructure assets remains unchanged. To contribute to local communities and maximize unitholder value, AEON REIT seeks to determine what actions it should take from a medium- to long-term perspective, with the goal of achieving sustainable management.



Nobuaki Seki

Executive Director,
AEON REIT Investment Corporation
Representative Director and President,
AEON Reit Management Co., Ltd.

Medium- to long-term growth strategy Message from the management

Through the acquisition of the expansion building of AEON MALL Ota

As one of its recent initiatives, AEON REIT acquired the expansion building of AEON MALL Ota in April 2024, following the succession of status as orderer in the construction agreement. AEON MALL Ota is a retail facility located in a population-dense area of Gunma Prefecture, which the Investment Corporation acquired in 2013. The recently acquired expansion building is adjacent to the existing structure. With the construction of the expansion building, the total floor area of the mall has increased by approximately 1.2 times, reaching a total of 185 specialty stores. As a result, AEON MALL Ota has evolved into one of the largest retail facilities in Gunma Prefecture.

This expansion project has been jointly pursued with the master lessee for approximately three years, and alongside the construction of the expansion building, a large-scale renovation of the existing building was also carried out. In addition to the expansion, the renewal has been implemented to better align with customers' daily lives, further enhancing the property's competitiveness and fostering connections among local residents, thereby transforming the mall into a key part of their lifestyles. Specifically, the expansion building features one of the largest food courts in Gunma Prefecture and brings together specialty stores that emphasize lifestyle and learning experiences. On the other hand, the existing building houses numerous specialty stores that fulfill the wants of the local community. We plan to continue making investments in collaboration with the master lessee to support the lives of local residents.

The acquisition of this expansion building marks another step forward on the road to achieving our medium-term targets. While aiming to maximize unitholder value, we believe that collaboration with the Aeon Group and initiatives that consider the external environment are essential for promoting the sustainable operation of community infrastructure assets. We will continue to communicate with our stakeholders and respond flexibly to achieve our medium-term targets.

Promote sustainable management through investment in community infrastructure assets

Looking back on fiscal 2023, we faced several impactful events, notably the occurrence of natural disasters. I would like to take this opportunity to express my heartfelt condolences to those who lost their lives and their families due to the disasters that occurred in various regions. I would also like to extend my heartfelt sympathies to the residents of the affected areas.

The Aeon Group is actively advancing disaster response efforts, including signing disaster prevention agreements with municipalities nationwide and registering stores as disaster relief centers. During disasters, these centers are utilized in various regions for providing relief supplies and offering evacuation locations.

Due to the difficulty in accurately predicting natural disasters, it is essential for the Investment Corporation to consider how it can respond as a REIT to promote sustainable management. To ensure that we continue to be an infrastructure for people's lives, we aim to strengthen our collaboration with the Aeon Group and enhance our response on both financial and non-financial fronts.

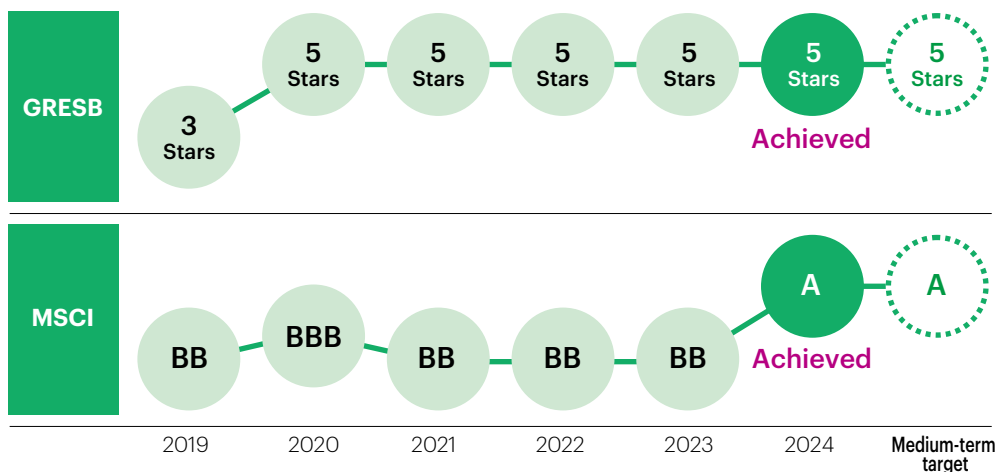
In terms of other sustainability initiatives, we have focused on improving the transparency and clarity of information disclosure to our investors. This includes enhancing our Sustainability Report and expanding the information available on our website. As a result, we achieved an A rating for the first time in the MSCI ESG Rating published in May 2024 and maintained a 5-star rating in the GRESB Real Estate Assessment published in October 2024, meeting our medium-term targets.

As I have mentioned before, these external evaluations serve as benchmarks, and improving the ratings themselves is not our top priority. AEON REIT aims to consistently advance essential initiatives to achieve the recognition we deserve through our efforts.

We aim to create environments that ensure comfortable and fulfilling lifestyles while enhancing the local community through investment in community infrastructure assets, all aimed at maximizing unitholder value. By operating based on this philosophy, we believe that the growth of the Investment Corporation will contribute to enriching the lives of the community and its residents, creating a sustainable positive cycle. We will continue to promote sustainability initiatives based on the basic philosophy of AEON and the Investment Corporation.

We kindly ask for your continued support and guidance as we move forward.

External evaluations (GRESB Real Estate Assessment, MSCI ESG Rating)



Medium- to long-term growth strategy

Growth strategy

1

Selectively acquire properties contributing to growth of stabilized DPU and asset size

In order to achieve steady growth in stabilized DPU and asset size, AEON REIT has adopted an investment policy that focuses on selectively acquiring community infrastructure assets.

What are community infrastructure assets?

- Facilities supporting everyday living with a wide range of tenants
- Facilities that respond effectively to changing lifestyle needs and the environment will win out over the long term
- Facilities vital to local citizens that serve as a hub for community building

(1) The source of community infrastructure assets

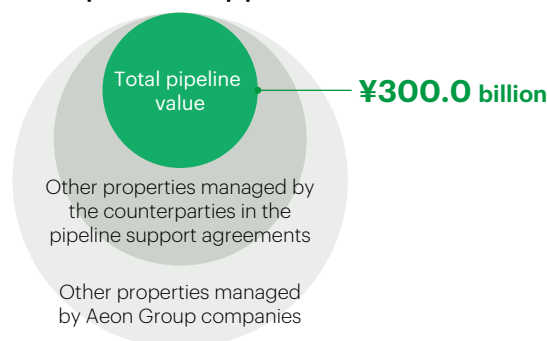
• Robust pipeline leveraging the comprehensive capabilities of the Aeon Group

AEON REIT makes maximum use of the Aeon Group's network and has entered into pipeline support agreements with various Group companies. Benefits provided through these agreements include the provision of information on properties and the granting of preferential negotiation rights by the Aeon Group, as well as the ability to utilize warehousing functions. As of July 31, 2024 (close of 23rd period), our pipeline still stands at a robust ¥300.0 billion. At this point, we are actively exploring further acquisitions, even beyond the properties currently in the pipeline.

Advantages of pipeline support

- Provision of information from the Aeon Group
- The granting of preferential negotiation rights
- Utilization of warehousing functions

Properties in the pipeline



(2) Discerning eye for community infrastructure assets

• Selective acquisition based on three criteria

AEON REIT evaluates property acquisitions from three perspectives: location, building facilities, and operational advantages. This helps us select properties that are highly competitive and possess features appropriate for community infrastructure assets that support everyday life. Also, to ensure acquisitions under favorable conditions, all property purchases are conducted through negotiated transactions. As of July 31, 2024, approximately 30% of the properties in the pipeline being considered for acquisition were successfully acquired, demonstrating the careful selection of properties that are suitable for the portfolio.

Location

Demographic change, trade area, traffic access, competitive environment, and development plan



Strengths of trade area

Building facilities

Parking lots, circulation pathways, disaster relief hubs, and people- and environment-friendly amenities



Robustness, convenience

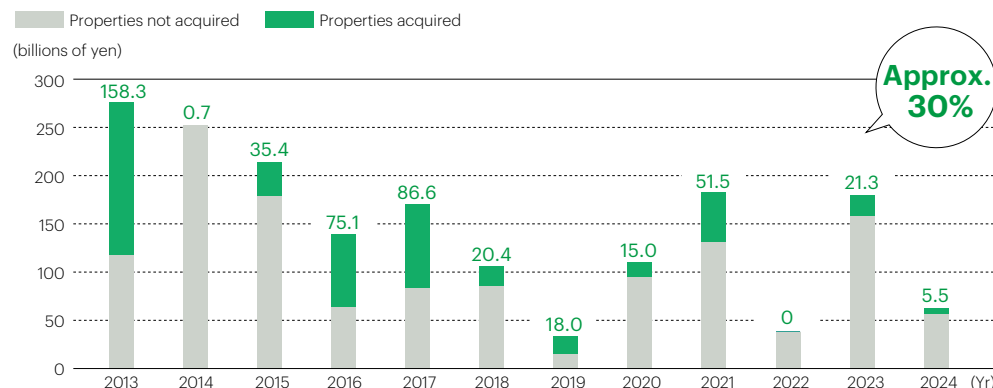
Operational advantages

Ability to attract customers, performance, leasing, tenant mix, and public functions



Diverse incentives for visiting

Outcome of property acquisition evaluations



Note: "Properties not acquired" refers to a group of properties that were evaluated during a particular year, but following discussions with the seller, were not acquired due to various factors such as price levels, economic conditions, and timing of finance.

Medium- to long-term growth strategy

Growth strategy

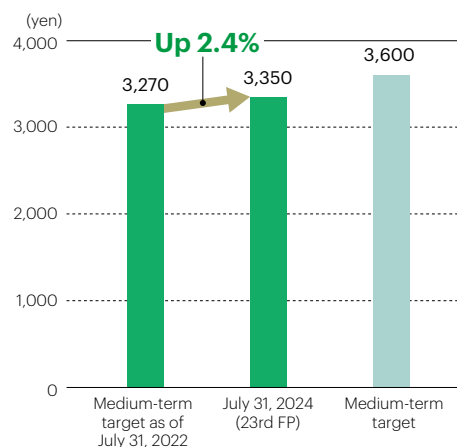
1

Selectively acquire properties contributing to growth of stabilized DPU and asset size

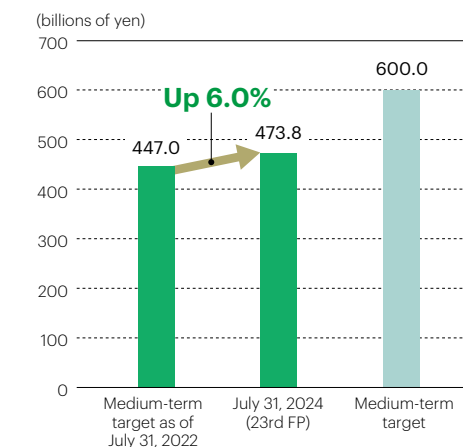
AEON REIT acquired the expansion building of AEON MALL Ota in April 2024 by assuming the status of orderer in the construction agreement. The expansion building of AEON MALL Ota was constructed adjacent to the existing AEON MALL Ota owned by the Investment Corporation and opened for business in the same month of acquisition.

With the construction of the expansion building, a large-scale renovation of the existing facility was also carried out, transforming it into a highly competitive property. As a result, the stabilized distribution per unit (DPU) as of July 31, 2024 (close of 23rd period) was ¥3,350, with asset size amounting to ¥473.8 billion.

Growth in stabilized DPU



Growth in asset size



Newly acquired properties

Total acquisition price ¥5,564 mm



AEON MALL Ota (existing building)



AEON MALL Ota (existing building and expansion building)

AEON MALL Ota: Acquisition of expansion building

A major renovation of the existing building was also carried out in preparation for the opening in April 2024.

1. Community infrastructure asset that will be supported over the long term

- Promoted the utilization of unused space within the premises through the Group's development capabilities
- Implemented large-scale refurbishment including in the existing building
- Expanded share of owned properties in densely populated areas of Gunma Prefecture

2. Securing stable income that contributes to improving unitholder value

- Increased rent for the entire property by creating investment opportunities including existing buildings
- Secured stable income for the medium to long term by extending contract periods
- Generated abundant cash-on-hand from depreciation expenses as the acquisition will be conducted at the same time as construction

Medium- to long-term growth strategy

Growth strategy 2

Enhance asset value and contribute to the sustainable development of the community by promoting sustainability initiatives

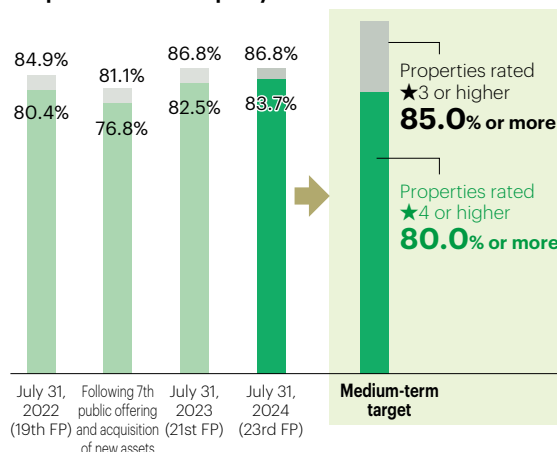
AEON REIT aims to enhance the asset value of its owned properties by promoting sustainability initiatives, thereby contributing to the sustainable development of the local area.

(1) Acquisition and operation of sustainability-conscious properties

AEON REIT acquires and manages properties with an emphasis on sustainability, with tenant compositions and facility features aimed at reducing environmental impact and addressing societal issues.

The Investment Corporation is advancing the reacquisition of certifications for each property. In June 2024, AEON MALL Kushiro Showa renewed its DBJ Green Building Certification, achieving a four-star rating, an improvement of one level from the previous evaluation. The ratio of properties with third-party certification among all owned properties has reached 86.8% in the three-star category or higher and 83.7% in the four-star category or higher. These results meet our medium-term targets without any decrease in ratings. We will continue to drive efforts to analyze and address each property to obtain and sustain certifications.

Acquisition of third-party certification



Ratio of owned properties with:

Solar panels	50%
EV charging infrastructure	86%
LED lighting	100%
Universal restroom	100%
Disaster prevention agreements	100%

Note: Data as of September 2024 for 44 of the owned properties in Japan, excluding logistics facilities

(2) Sustainability initiatives and enhancement of information disclosure based on KPIs

Both AEON REIT and AEON REIT Management are promoting sustainability initiatives and enhancing the disclosure of information related to the progress of these efforts in line with our corporate philosophy and sustainability policy.

Our sustainability initiatives are shaped by feedback from stakeholders, including unitholders, and requests from external organizations. This input guides us in implementing the measures that AEON REIT should pursue. We provide timely updates on our progress through channels such as our website and Sustainability Report. Through these ongoing efforts, we aim to maintain and improve external evaluations such as GRESB and MSCI.



Sustainability Report



The Sustainability Initiatives section on our website

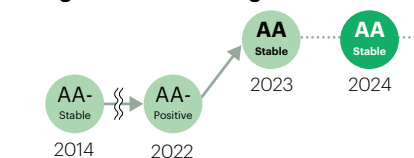
Growth strategy 3

Build a strong financial base by improving credit ratings

In July 2024, AEON REIT received a long-term issuer rating of AA (stable) from the Japan Credit Rating Agency (JCR). In June 2023, the rating was upgraded by one notch from AA- (positive), achieving the medium-term target, and this rating has been maintained for fiscal 2024. After nearly a decade since going public, AEON REIT has earned recognition for its steady growth in asset size and distributions, as well as diversification in terms of geographic areas and types of owned properties. We

will continue to strive to maintain and improve our evaluations, make effective use of funds, and work towards maximizing unitholder value going forward.

Long-term issuer ratings from JCR



Special feature Response to natural disasters

Approach and initiatives

Aeon Group's fundamental disaster preparedness

Since the Great East Japan Earthquake in 2011, the Aeon Group has implemented disaster preparedness measures across the country, including in disaster-stricken areas, based on its business continuity plan (BCP). In addition to the increase in natural disasters in recent times, such as earthquakes and torrential rains caused by abnormal weather, the diversity of potential risks—including terrorism and explosion incidents—has become a significant challenge in ensuring the effectiveness of the BCP. To address this challenge, the business continuity management (BCM) process was devised to comprehensively manage the implementation of the BCP.

The Aeon Group promotes BCM in five areas: Maintenance of information infrastructure, reinforcement in safety and security measures at facilities, supply chain reinforcement in products and logistics, training plan formulation and implementation toward enhancement of BCP capabilities, and enhancing and systemizing external collaborations. The Group intends to promptly establish a plan-do-check-act (PDCA) cycle with the BCP as a starting point.

Aeon Group business continuity management (BCM)



Key disaster preparedness initiatives at AEON REIT

Facilities

Since 2012, the Aeon Group has been systematically advancing the development of disaster relief centers to strengthen safety and security measures at its facilities. Following the Great East Japan Earthquake, the Group has focused on earthquake safety measures for stores and the establishment of disaster relief centers. At the disaster relief centers, provisions are made for temporary evacuation sites and rescue and medical assistance areas during disasters, as well as for food sales areas. Additionally, to facilitate the prompt reopening of stores and facilities shortly after a disaster, energy supply systems, including self-power generation facilities, are in place. This initiative began in 2012, and as of February 2024, 67 centers have been completed. At facilities designated as emergency command centers or alternative command centers during disasters, manuals have been developed to ensure that generators can supply power to the building during outages. Disaster preparedness training is also conducted, and these facilities operate as local disaster relief centers.

AEON REIT is actively making capital investments to enhance the safety and security of our owned properties. For example, efforts are being made to create more disaster-resistant facilities by renewing disaster-proof shutters, installing emergency power generators, introducing dual power lines, and changing materials in smoke-proof hanging walls to prevent the dissemination of smoke in a fire, such as shifting from glass to incombustible film.



Smoke-proof hanging walls

Information system

The Aeon Group has established an information infrastructure across the entire Group for disaster situations and operates Aeon's Total BCM Aggregation System, which centrally manages disaster information, safety confirmations, and the damage status of stores. This system further strengthens coordination among Group companies.

In the event of a disaster, AEON REIT also collaborates with relevant parties to quickly assess the situation and promptly disclose information appropriately, based on the extent of damage to affected properties.

Special feature Response to natural disasters

Risk management in response to the 2024 Noto Peninsula Earthquake

On-site response

Response as the Investment Corporation

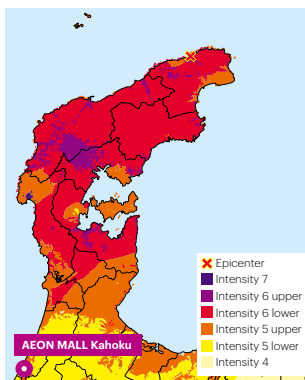
Status of AEON MALL Kahoku following the earthquake

Conditions in the facility during the New Year's Day earthquake

On January 1, 2024, AEON MALL Kahoku was experiencing one of its busiest times of the year due to the New Year operations. More customers than a regular weekend were visiting, and the mall was filled with many people, including employees.

Shortly after 4 p.m., while a comedy event was taking place inside the mall, an intensity 7 earthquake struck the Noto region of Ishikawa Prefecture. In Kahoku City, a strong seismic intensity of 5 upper was recorded. After strong tremors shook the entire building, a power outage occurred within the mall. The sprinklers activated due to broken pipes, causing water to leak like a waterfall, and further damage included scattered products and broken glass.

Due to communication disruptions, mobile phones were unable to connect, and with limited access to information from television, employees swiftly directed evacuations. The disaster preparedness center took measures to prevent secondary damage, such as fires, while ensuring customer safety. After confirming that no one remained inside the building, the entire mall was closed by around 6:15 p.m., approximately two hours after the earthquake struck.



(Estimated intensity distribution map at the time of the 2024 Noto Peninsula Earthquake. Created by the Asset Management Company based on Japan Meteorological Agency data.)

Tsunami warnings during evacuation and refuge on the mall roof

As evacuations to the outside progressed, a tsunami warning was issued. While some customers were leaving by car, the decision to open the roof of the mall as a temporary evacuation area resulted in an increasing number of people seeking shelter there. Ultimately, about 1,000 individuals took refuge on the roof, where they monitored the situation in the chilly weather.

Around 7 p.m., power was partially restored, allowing for limited access to indoor restrooms for evacuees. As more people began to return home, it was confirmed that there were no injuries within AEON MALL Kahoku or its surrounding area, and the lengthy day following the earthquake finally came to a close.

Store operations in the days after the earthquake

On January 2 and 3, the days after the earthquake, only the directly operated supermarket AEON STYLE Kahoku was open, selling essential goods.

To prepare for the reopening of the specialty stores, inspections were conducted on escalators and some elevators. In addition, repairs and safety checks were carried out on specialty stores where damage was found, such as peeled ceiling materials, lights, and smoke vents. As a result, approximately 80% of the stores resumed operations on January 4, and by January 13, nearly all stores returned to normal operations.



Damage to the store interior caused by broken sprinklers



Inside a store after the earthquake



Safety net in case of ceiling collapse

Special feature Response to natural disasters

Risk management in response to the 2024 Noto Peninsula Earthquake

On-site response

Response as the Investment Corporation

The significance of AEON's logistics network during disasters and its role in affected areas

AEON has established a system to prioritize the transportation of goods to disaster-affected areas by leveraging its extensive logistics network and unique product procurement routes across the country. After the 2024 Noto Peninsula Earthquake, products were transported to AEON MALL Kahoku without significant delays.

However, in the areas north of Kahoku City in Ishikawa Prefecture, the damage from the earthquake was more severe, resulting in disruptions to logistics. In this context, AEON MALL Kahoku, being one of the largest retail facilities closest to the epicenter, supported the local community's needs for some time after the earthquake.

The day after the disaster, customers lined up in long queues at the mall seeking drinking water and gasoline. For some time after the resumption of operations, many customers visited the mall primarily to purchase essential goods. From around the end of January, there was a gradual increase in customers buying everyday items such as winter clothing and paper cups from specialty stores, including many who were affected by the earthquake near the epicenter.

By swiftly resuming operations, AEON MALL Kahoku became a reliable place for not only residents of Kahoku City but also those from outside the city to safely purchase goods, continuing to function as a vital support for the local community's foundation.

Future as a community infrastructure asset

In the Aeon Group, based on our basic philosophy, each employee is empowered to make decisions and take action to protect customers and the community, even in emergency situations such as disasters.



Store interior the day after the earthquake



A line of cars waiting to refuel with gasoline

At AEON MALL Kahoku, efforts were made to ensure the safety of the local community and to sustain its role as a vital part of the community infrastructure immediately after the 2024 Noto Peninsula Earthquake. Moreover, the mall has been involved in regional revitalization efforts through events such as the lottery that couldn't be held at the beginning of the year, the Wajima Morning Market, and job matching events for disaster victims. To contribute to regional revitalization by evolving into a more attractive mall, it is planning a renovation by the end of 2024, which will include upgrading the food court and attracting tenants that sell locally sourced products from Ishikawa Prefecture.

When unexpected events occur, there is not always a clear correct response, and challenges may arise. However, we believe it is essential to leverage past experiences to consider and take the best possible actions in each situation, with the basic philosophy of the Aeon Group guiding our response. We will continue to be a community infrastructure asset that supports local residents, walking alongside our customers as we move forward.

Customers' voices

At AEON MALL Kahoku, we have received numerous expressions of gratitude and feedback from customers following the earthquake. Here are some excerpts from those messages.

I was very grateful for the consideration shown during the stay in my car on the rooftop after the earthquake on January 1. It warmed my heart. I am filled with gratitude and will continue to make use of the mall for my shopping and other needs. Thank you very much.

Receipt of letter of gratitude
We received a letter of gratitude from a victim of the Noto Peninsula earthquake who is currently in a secondary evacuation site in Kanazawa City. The letter expressed appreciation for the store manager at AEON STYLE Kahoku, who noticed that the customer had some difficulty walking during their shopping. The manager accompanied them, helped carry their bags, and listened attentively to their experiences regarding the disaster.

Special feature Response to natural disasters

Risk management in response to the 2024 Noto Peninsula Earthquake

On-site response

Response as the Investment Corporation

Quick action based on the BCP manual

In the event of a natural disaster, the Investment Corporation and the Asset Management Company will promptly assess the situation based on the BCP manual, led by the Asset Management Department of the Asset Management Company. After the 2024 Noto Peninsula Earthquake, personnel from the department collaborated with the property management company to gather information regarding human casualties and building damage at each property. At AEON MALL Kahoku, after confirming there were no casualties, information was collected on the sprinkler damage and the evacuation to the rooftop due to the tsunami warning on the same day, January 1.

On the day of the earthquake, an emergency response meeting was held by the Aeon Group, during which the status of stores was shared with Group companies from the field. On January 2, in addition to the Aeon Group's emergency response meeting, the Asset Management Company held an internal meeting to establish a response policy. Based on this, two representatives from the aforementioned department visited the sites on January 3, followed by President Seki of the Asset Management Company, who arrived on January 5. During their visit, they conducted inspections and held discussions with the site manager and construction manager to coordinate procedures for the upcoming restoration work. The information gathered was shared promptly across the Asset Management Company, and on January 4, when a forecast for business operations was established, a press release was issued to swiftly communicate the situation to stakeholders regarding AEON MALL Kahoku and AEON MALL Shinkomatsu, both of which had recorded an earthquake intensity of 5 upper or higher.

Information gathering continued, and on January 11, under the supervision of the department personnel, an inspection was conducted by the damage insurance company.

In all of these efforts, collaboration within the Company and among Group members was crucial, effectively utilizing Aeon Group's extensive network to ensure accurate coordination with the necessary departments.

Not only in response to this earthquake but also during other natural disasters, AEON REIT has a responsibility to assess the situation, facilitate the resumption of operations, and provide updates to

Actions following the earthquake

January 1, 2024, 4 p.m.	Noto Peninsula Earthquake strikes Information gathering begins AEON Group emergency response meeting #1
January 2, 2024	AEON Group emergency response meeting #2 Internal meeting at the Asset Management Company
January 3, 2024 (until January 5)	AEON REIT personnel arrive on-site
January 4, 2024	Full reopening of AEON MALL Kahoku (some specialty stores remain closed) AEON REIT issues a press release regarding the earthquake
January 11, 2024	On-site visit for damage insurance assessment

stakeholders as the property owner. Natural disasters can occur in unpredictable ways, and we aim to respond swiftly and appropriately in collaboration with our internal teams, Group companies, and affiliated companies in the future.

Significance of AEON REIT properties in a natural disaster

Nobuaki Seki

Executive Director, AEON REIT Investment Corporation

Representative Director and President, AEON Reit Management Co., Ltd.



AEON REIT invests in community infrastructure assets. The community infrastructure assets defined by AEON REIT encompass various aspects, one of which is that they serve as vital facilities for local residents.

In recent years, Japan has experienced frequent natural disasters, including earthquakes, torrential rains, and typhoons. In light of these circumstances, it is crucial to carefully consider what actions can be taken to continue serving as vital facilities for the community and how best to implement them.

I believe that there are two main responsibilities that AEON REIT, as the property owner, must fulfill in the event of a natural disaster. The first is to support the continued operation of facilities and business. To achieve this, it is essential to promptly assess the situation, communicate information effectively, and provide support to resume operations as quickly as possible within our capacity. The second is to ensure thorough risk management to protect the distribution. In addition to securing earthquake insurance, AEON REIT has been advancing regional diversification investments that leverage the characteristics of Aeon Group operations throughout Japan. We will continue to strive for the operation of facilities that serve the diverse needs of customers using the facilities, employees at each location, and investors in AEON REIT.

In the recent 2024 Noto Peninsula Earthquake, AEON MALL Kahoku and AEON MALL Shinkomatsu, our owned properties, dedicated themselves to supporting the livelihood of local residents as essential community infrastructure assets right after the earthquake occurred.

To ensure that AEON REIT's properties continue to serve as essential community infrastructure assets, we are committed to thinking independently, taking action, and contributing as a member of the local community, in alignment with the basic philosophy of the Aeon Group and AEON REIT.



AEON MALL Kahoku as of August 2024

ESG data

Environment

Theme	Activity	Unit	FY2021	FY2022	FY2023
Greenhouse gas	CO ₂ emissions	t-CO ₂	261,229	258,568	275,439
	Scope 1	t-CO ₂	0	0	0
	Scope 2	t-CO ₂	23	17	0
	Scope 3	t-CO ₂	261,206	258,551	275,439
	CO ₂ intensity	t-CO ₂ /m ²	0.0661	0.0625	0.0666
	Annual reduction rate on average compared to the base year (FY2019)	%	90.5	85.6	91.2
Energy	Energy consumption	ML	6,060,710,745	6,087,500,131	6,266,575,648
	Energy intensity	ML/m ²	1,534	1,471	1,514
	Annual reduction rate on average compared to the base year (FY2019)	%	92.9	89.2	91.8
Water	Water use	m ³	3,893,485	4,156,838	4,385,308
	Water use intensity	m ³ /m ²	0.985	1.005	1.060
Waste	Amount of waste generated	t	34,049	35,340	36,274
	Waste disposal intensity	t/m ²	0.010	0.010	0.010
	Amount recycled	t	19,734	20,597	21,427
Third-party certification	Ratio of properties with third-party certification	%	81.6	86.8	86.8

Notes:

1. A definition of each scope follows.

Scope 1: Direct greenhouse gas emissions from office operations of the Investment Corporation and the Asset Management Company

Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by other companies for office operations of the Investment Corporation and the Asset Management Company

Scope 3: Indirect emissions associated with activities at owned properties and other parties related to the Investment Corporation and the Asset Management Company

2. "CO₂ intensity," "Energy intensity," and "Annual reduction rate on average compared to the base year (FY2019)" are calculated based on the CO₂ emissions and energy consumed from operations at properties owned by AEON REIT that are included in Scope 3.

3. Data prior to FY2020 can be found on our website.

4. The ratio of properties with third-party certification is based on results as of January 31 each fiscal year.

5. Due to third-party verification, some data prior to FY2022 may have been revised.

Governance

Theme	Activity	FY2021	FY2022	FY2023
Compliance	Number of regular internal audits conducted	9	10	10
	Number of times whistleblowing system used	0	0	2
	Number of compliance training sessions	11	12	12
	Amount of political contributions (yen)	0	0	0

Social

Theme	Activity	FY2021	FY2022	FY2023
Employees	Number of employees (including officers)	40	40	44
	Male (ratio)	31 (78%)	29 (73%)	31 (70%)
	Female (ratio)	9 (22%)	11 (28%)	13 (30%)
	Of which, number of officers	4	4	4
	Male (ratio)	4 (100%)	4 (100%)	4 (100%)
	Female (ratio)	0 (0%)	0 (0%)	0 (0%)
	Number of seconded employees accepted	2	0	0
	Male (ratio)	1 (50%)	0 (0%)	0 (0%)
	Female (ratio)	1 (50%)	0 (0%)	0 (0%)
	Management ^(Note 1)	19	17	17
	Male (ratio)	18 (95%)	15 (88%)	15 (88%)
	Female (ratio)	1 (5%)	2 (12%)	2 (12%)
	New hires	9	4	6
	Male (ratio)	5 (56%)	2 (50%)	4 (67%)
	Female (ratio)	4 (44%)	2 (50%)	2 (33%)
Work-life balance	Employees aged 60 and over	1	0	0
	Turnover rate (%)	8	8	8
	Average length of service	4 yrs, 2 mos	4 yrs, 5 mos	4 yrs, 8 mos
	Male	4 yrs, 7 mos	4 yrs, 11 mos	5 yrs, 2 mos
	Female	2 yrs, 11 mos	3 yrs, 4 mos	3 yrs, 9 mos
	Employees taking childcare leave	1	0	0
	Male	0	0	0
	Female	1	0	0
	Employees taking nursing care leave	0	0	0
	Male	0	0	0
	Female	0	0	0
	Average overtime hours (hours/month)	14.3	15.6	14.8
	Average number of paid holidays taken	10.4	11.1	10.9
	Occupational fatal accidents	0	0	0
	Gender wage gap (%) ^(Note 2)	71	71	79
Human resources development	Absence rate (%)	2.5	1.68	1.37
	Training hours per employee	29	23	34
	Training costs per employee (Yen)	90,500	146,000	249,000
	Number of employees with real estate qualifications			
	Real estate notary	18	15	16
Social contributions	ARES Certified Master	11	11	11
	Certified real estate consulting master	3	3	3
	Number of community cleanup programs implemented	—	9	8
	Support to AEON 1% Club Foundation (Yen)	10,600,000	12,800,000	13,500,000
	Donations (Yen)	15,917	49,175	23,460

Notes:

1. "Management" refers to positions of manager level or higher, including officers.

2. Gender wage gap = Annual average salary of female employees, excluding officers / Annual average salary of male employees × 100

Data on sustainability finance

Status of fund procurement

Amount of procured funds and allocation

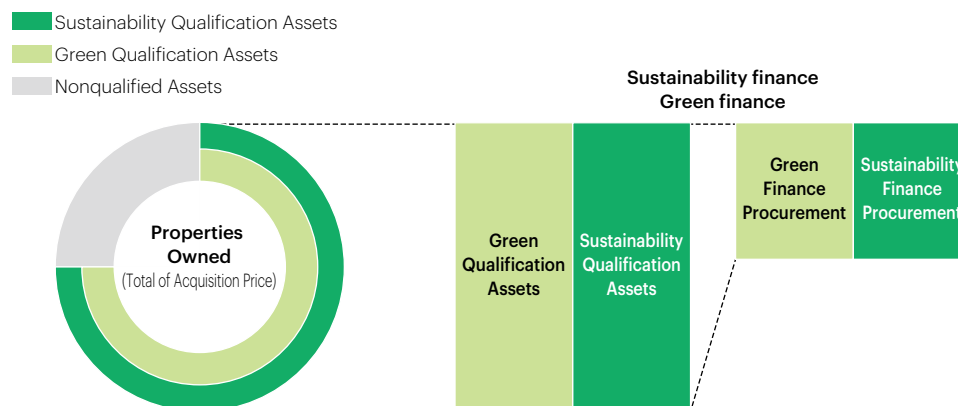
		Funds	Date of procurement	Date of repayment/redemption	Allocation	Use of initial funds
Green loan	(1)	¥3.3bn	Oct. 21, 2019	Oct. 20, 2022	Allocated	Acquisition of AEON MALL Kofu Showa (existing building) Acquisition of AEON MALL Kagoshima
	(2)	¥3.3bn	Oct. 20, 2022	Oct. 20, 2025	Allocated	Acquisition of AEON MALL Kofu Showa (existing building) Acquisition of AEON MALL Kagoshima
	(3)	¥5.3bn	Oct. 20, 2023	Oct. 21, 2030	Allocated	Acquisition of AEON MALL Wakayama
	(4)	¥4.0bn	Oct. 20, 2023	Oct. 20, 2031	Allocated	Acquisition of AEON MALL Wakayama
	Total	¥15.9bn	—	—	—	—
Green bond	(1)	¥12.0bn	Dec. 6, 2019	Dec. 6, 2029	Allocated	Acquisition of AEON MALL Kofu Showa (existing building) Acquisition of AEON MALL Kagoshima
	Total	¥12.0bn	—	—	—	—
Green finance	Total	¥27.9bn	—	—	—	—
Sustainability loan (including sustainability derivatives)	(1)	¥5.1bn	Mar. 22, 2022	Oct. 22, 2029	Allocated	Acquisition of AEON MALL Shinkomatsu
	Total	¥5.1bn	—	—	—	—
Sustainability bond	(1)	¥18.0bn	Dec. 4, 2020	Dec. 4, 2030	Allocated	Acquisition of AEON MALL Mitouchihara Acquisition of AEON MALL Ishinomaki
	Total	¥18.0bn	—	—	—	—
Sustainability finance	Total	¥23.1bn	—	—	—	—
—	Grand total	¥51.0bn	—	—	—	—

Upper limit of procurement

	Number of properties	Amount
Properties Owned	49	¥468.3bn
Sustainability Qualification Assets	36	¥404.5bn
Green Qualification Assets	36	¥404.5bn
DBJ Green Building	31	¥341.6bn
CASBEE	4	¥53.0bn
Building-Housing Energy-efficiency Labelling System (BELS)	1	¥9.8bn
Sustainability Finance Procurement	—	¥180.4bn
Green Finance Procurement	—	¥180.4bn

Notes:

1. The Upper limit of the Sustainability Finance Procurement = Total Acquisition Value of Sustainability Qualified Assets × the total asset LTV
2. The Upper limit of the Green Finance Procurement = Total Acquisition Value of Green Qualified Assets × the total asset LTV
3. Total asset LTV is calculated based on figures as of January 31, 2024, with the number of properties and amounts stated as of February 29, 2024.



Data on sustainability finance

Impact reporting

1. List of properties certified by a third-party certification organization

For details, please see the [Third-party certification](#) page on our website.

2. Consumption, etc. of the items below

-Energy consumption (electricity, gas) -Greenhouse gas emissions

Qualified assets

				Electricity (kWh and kWh/m ²)	Gas (m ³ and m ³ /m ²)	Greenhouse gas (t-CO ₂ and t-CO ₂ /m ²)
FY2021	Number of properties	33	Total amount	487,399,867	1,830,265	211,882
	Percentage	73.33%	Intensity	145	0.5	0.0631
FY2022	Number of properties	33	Total amount	492,820,783	1,821,364	210,864
	Percentage	70.21%	Intensity	147	0.5	0.0628
FY2023	Number of properties	36	Total amount	524,539,526	1,518,152	229,715
	Percentage	76.60%	Intensity	146	0.4	0.0640

Nonqualified assets

				Electricity (kWh and kWh/m ²)	Gas (m ³ and m ³ /m ²)	Greenhouse gas (t-CO ₂ and t-CO ₂ /m ²)
FY2021	Number of properties	12	Total amount	106,296,637	2,774,993	49,324
	Percentage	26.67%	Intensity	178	4.7	0.0827
FY2022	Number of properties	14	Total amount	106,186,104	2,388,251	47,687
	Percentage	29.79%	Intensity	136	3.1	0.0610
FY2023	Number of properties	11	Total amount	93,775,360	2,537,570	45,723
	Percentage	23.40%	Intensity	171	4.6	0.0834

3. Contents of construction work of projects selected based on the Green Qualification criteria 2 (green projects) and their assumed reduction rate

Not applicable

4. Social projects which properties for the initial use of funds fall into based on the Sustainability Qualification criteria 2

Properties subject for the finance	Social project applicable for the finance
AEON MALL Ishinomaki	(1) (a) Facilities that are sufficiently creating local employment (2) (b) Facilities that are able to supply necessary resources and evacuation space at the time of disaster by concluding a disaster prevention agreement with a local government
AEON MALL Mitouchihara	
AEON MALL Shinkomatsu	

5. Total number of employees in properties subject to finance (in case of (1)(a) of Sustainability Qualification criteria 2)

Applicable properties	Total number of employees
AEON MALL Ishinomaki	Approx. 1,600
AEON MALL Mitouchihara	Approx. 3,500
AEON MALL Shinkomatsu	Approx. 2,300

6. Of properties subject to finance, the percentage of facilities that conclude a disaster prevention agreement with a local government (in case of (2)(b) of Sustainability Qualification criteria 2)

The point in time	Percentage
As of February 29, 2024	100%

7. Of properties subject to finance, the total number of tenants with a childcare facility or medical or public function (in case of (2)(c),(d) of Sustainability Qualification criteria 2)

Not applicable

8. Of properties subject to finance, the percentage of facilities that support barrier-free and gender-free (in case of (2)(e) of Sustainability Qualification criteria 2)

Not applicable