



Second Opinion

AEON MALL Co., Ltd.

Sustainability Bond Framework

August 28, 2020

Credit Rating Planning and Research

Office, ESG Dept.

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Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Sustainability Bond Framework of AEON MALL dated August 26, 2020 with ICMA's "Social Bond Principles 2020" (hereinafter "SBP2020"), the "Sustainability Bond Guidelines 2018", the "Green Bond Principles 2018" and the Ministry of the Environment's "Green Bond Guidelines, 2020 Edition." This opinion is based on the following views:

■Outline of the Opinion

(1)Use of Proceeds

Shopping centers in and outside Japan are taking measures in the consideration of negative impacts on the surrounding environment outside the premises, in addition to the energy-saving design, and as such are expected to bring clear environmental benefits as green buildings. It is considered that rent reductions associated with the closure of the buildings, which was implemented as a countermeasure against the novel coronavirus, played an important role in providing prompt humanitarian aid under the state of emergency. They are expected to contribute to the recovery and sustainability of the local economy through the ripple effect after the business resumption, too, and as such positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance,' targeting the general public in the region. AEON MALL Iwakionahama is a significant initiative that makes use of the development and management know-how as a developer in the reconstruction of areas affected by the Great East Japan Earthquake, and ripple effect from the creation of bustle and employment for the community can be expected. It also contributes to building a safe and secure town as a disaster prevention mall and, as such, positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Access to essential services.' Benefits are expected for those most vulnerable to the natural disasters and the general public in the region.

(2)Process for Project Evaluation and Selection

The use of the funds is considered to be in the context of the Sustainability Principle of the AEON Group. Overseas green buildings are provided by benchmarks that are widely recognized in each country or in the ASEAN region and have appropriate certification levels. It takes into account the extent of benefits and the magnitude of impacts for social projects. Finance Department will evaluate and make selection of projects after discussing with Management Planning, Construction Planning and other departments which have expertise, and a decision will be made after the deliberations by the Management Meeting and Board of Directors. It goes through a clear internal process with checks and balances from the environmental and social perspectives.

(3)Management of Proceeds

The management of the proceeds will be taken care of by Finance Department. Finance Department will manage the expenditures of each project and track allocated and unallocated amounts. Unallocated funds will be managed in cash or its equivalent. We have confirmed that an amount planned to be allocated to each target project does not exceed its respective total project cost. The management of proceeds is reasonable.

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(4)Reporting

The breakdown of financing/refinancing will be disclosed for each project. Impact reporting for green buildings will disclose reasonable indicators such as primary energy consumption and the rate of CO2 reductions (including the certification status for overseas). The impact reporting of social projects will disclose indicators based on the nature of a target project for the outputs, outcomes, and impacts. Outputs and outcomes include quantitative results such as total amount of rent reductions and the ratio of reopened stores. Reporting is appropriate in terms of its contents and frequency.

Outline of the Issuer

- It is a consolidated subsidiary of AEON (holding more than 55% of the voting rights) and a core enterprise responsible for the real estate development business of the AEON Group. It has excellent operation and development know-how of shopping centers (SCs).
- It operates 165 SCs in Japan and 30 SCs overseas (as of August 2020), with most SCs in Japan operating in rural and suburban areas. In recent years, it has been focusing on store opening in China and ASEAN where consumer demand is expected to increase and plays an important role in the AEON Group's strategies, such as increasing awareness of the AEON brand, through dominant roll-out of large-scale SCs in overseas markets.

1. Use of Proceeds

(1) Eligible projects

- Green bond proceeds will be used for new investment or refinancing of projects that meet the following eligibility criteria

Eligible projects <New/Refinance>		Project categories	
		Green	Social
Domestic SCs	1 Construction funds for AEON MALL Ageo <New>	Green buildings/Energy efficiency	
	2 Construction funds for AEON Fujiidera SC <Refinance>	Green buildings/Renewable energy/Energy efficiency	
Overseas SCs	3 Construction funds for AEON MALL Hoang Mai(Vietnam) <New>	Green buildings/Renewable energy/Energy efficiency	
	4 Construction funds for AEON MALL Cambodia No. 3 (Cambodia) <New>	Green buildings/Renewable energy/Energy efficiency	
Measures against the Infection Spread of the Novel Coronavirus	5 Cost of installing temperature measuring equipment at SCs <New/Refinance>		Socioeconomic advancement and empowerment
	6 Business continuity support for tenants <Refinance>		Socioeconomic advancement and empowerment/Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance
	7 Cost of purchasing supplies to prevent infections such as masks, disinfectants and partitions <Refinance>		Socioeconomic advancement and empowerment
Reconstruction of areas affected by the Great East Japan Earthquake	8 Construction funds for AEON MALL Iwakionahama <Refinance>		Socioeconomic advancement and empowerment/Access to essential services

(2) Project Categories, Environmental/Social Benefits and Consideration for Negative Impacts of the Eligible Projects

Green Project categories : Green buildings/Energy efficiency

Eligible projects : 1. Construction funds for AEON MALL Ageo

- Project overview: Ageo City is located in the southeastern part of Saitama Prefecture, about 35 km from Tokyo, and its urban area extends around the JR Takasaki Line and National Route 17 that run north to south of the city. It used to be an industrial area, but now it is a satellite city with a population of about 220,000. The project site is the former site of a factory which is located 20-minute walk from Ageo Station (very close to a bus stop) and is surrounded by rich natural environment such as the Ageo Sports Park and Saitama Water Park. AEON MALL Ageo, which is scheduled to open in the autumn of 2020, is expected to house about 130 stores.
- Environmental benefits: Consideration is paid to the environment through the introduction of water-saving equipment, adoption of reusable unit materials, and greening of the surrounding areas, in addition to the energy-saving design such as exterior heat insulation, solar radiation shielding, and a natural lighting system (adopting high side lighting).
- Consideration given to negative impacts: It is easily accessible by bus and will also ensure an alternative transportation medium to vehicles to be available by providing sufficient parking space for bicycles. EV chargers will be installed to reduce CO2 emissions associated with the use of vehicles. The noise level is controlled to below the regulatory standards as stipulated by the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment to pay consideration for the surrounding environment. Trees of native species are actively used for the greening of the site to give consideration to the ecosystem of the surrounding areas. Waste from the SC will be sorted into 18 categories, with a collection point by category to be set up for disposal. It will measure the volume of waste by category to work continuously to reduce it and increase the recycling ratio.
- The rate of reduction in primary energy consumption is 21%, which is above the incentive standard, and it is rated B+ in the comprehensive assessment of CASBEE for Buildings (New Construction) by the Comprehensive Assessment System for Built Environment Efficiency of Saitama Prefecture.

<Outline of the property>

Name of the building	AEON MALL Ageo
Project site	8-1, Atago 3-chome, Ageo City, Saitama
District	Quasi-industrial district/industrial district
Total floor area	Approx. 50,000 m ²
Start of construction	July 2019
Completion of construction	Scheduled for the autumn of 2020
Major considerations paid to the environment	High side lighting/LED lighting throughout the building/water-saving apparatus/greening of the surrounding areas/installation of EV chargers, and so on
Major environmental	Comprehensive Assessment System for Built Environment Efficiency

certifications, etc.	(Saitama Prefecture): B+ in CASBEE for Buildings (New Construction)
Energy-saving performance	Rate of reduction in primary energy consumption: 21% (BEIm: 0.79)

* The above is as per the plan at the moment and, accordingly, subject to change.



An image of AEON MALL Ageo : Details including design are subject to change due to future reviews

AEON MALL Ageo is taking measures in the consideration of negative impacts on the surrounding environment outside the premises, in addition to its energy-saving design, and as such is expected to bring clear environmental benefits as a green building.

Green Project categories : Green buildings/Renewable energy/Energy efficiency

Eligible projects : 2. Construction funds for AEON Fujiidera SC

- Project overview: Fujiidera City is located in the suburbs about 15 km from the center of Osaka. It is a tourist spot with many cultural properties remaining, however given a small city with a population of about 64,000 together with the challenges of aging population and a declining birth rate, it plans to build a highly convenient compact city. AEON Fujiidera SC is located on the roadside of a prefectural road (Sakai-Yamatotakada Line of Osaka Prefectural Route/Nara Prefectural Route 12), 3 minutes' walk from Fujiidera Station (Kintetsu Minami-Osaka Line), and opened on the site of the former AEON MALL Fujiidera (until February 2014). It plays a central role in providing interactions and bustle in the central urban area around the station. It opened in September 2019 and houses key tenants such as GMS and mass merchandisers and 65 specialty stores. Its base trade area has about 190,000 people within a radius of about 3 km.
- Environmental benefits : In addition to reducing primary energy consumption by 28% through the energy conservation effect of adopting highly efficient equipment, consideration is given to the environment through the introduction of water-saving apparatus, adoption of reusable unit materials, and rooftop greening. It adopts an open network system that enables efficient facility operation and remote operation through cloud operations by connecting the equipment to the network.

The rooftop solar power generation covers part of the electricity used, and the shortage is covered by non-fossil certificates derived from renewable energy, resulting in the facility to be effectively operated 100% with CO2 free electricity.

It has an enhanced disaster prevention function by securing power sources for disaster prevention and water supply, installing emergency power generators, adopting gas heat pump type air conditioners with autonomous power supply, and strengthening the seismic resistance of water supply tanks, to function as a base for reconstruction in the event of a disaster. It seeks to achieve harmony with the community by offering a part of facilities for the purposes of disaster prevention, welfare, tourism, etc. to contribute to the community.

- Consideration given to negative impacts : The site has excellent railway access, and sufficient bicycle parking space is provided to secure an alternative mean of transportation to vehicles. EV chargers have been installed to reduce environmental burdens. The noise level is controlled to below the regulatory standards as stipulated by the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment to pay consideration for the surrounding environment. Waste from the SC will be sorted into 18 categories, with a collection point by category to be set up for disposal. It will measure the volume of waste by category to work continuously to reduce it and increase the recycling ratio.
- When the effect of energy generation by photovoltaic power generation and energy saving operation through the open network system are taken into account, the ultimate rate of reduction in primary energy consumption is expected to be 30% or greater. As a property aiming at decarbonization through energy conservation of the building and utilization of renewable energy, it is considered as the best practice among similar buildings. While it is rated B- in the comprehensive assessment of CASBEE for Buildings (New Construction) under the Comprehensive Assessment System for Built Environment Efficiency of Osaka Prefecture, it can be said that there are clear environmental benefits in terms of its actual conditions when factors that are not fully taken into account in the assessment of CASBEE are considered.

<Outline of the property>

Name of the building	AEON Fujiidera SC
Project site	10-11, Oka 2-chome, Fujiidera City, Osaka Prefecture (Within the site of the land readjustment project for the district north of Fujiidera Station, Fujiidera City, Osaka Prefecture)
District	Neighboring commercial district/semi-fire zone
Total floor area	Approx. 21,700 m ²
Start of construction	June 2018
Completion of construction	September 2019
Major considerations paid to the environment	Highly efficient equipment/LED lighting throughout the building/solar power generation/purchase of renewable energy-derived non-fossil certificates/water-saving apparatus/rooftop greening/EV chargers/smoking areas, and so on
Major environmental certifications, etc.	Comprehensive Assessment System for Built Environment Efficiency (Osaka Prefecture): B- in CASBEE for Buildings (New Construction)
Energy-saving performance	Rate of reduction in primary energy consumption: 28% (BEIm: 0.72)



An image of AEON Fujiidera SC : Details including design are subject to change due to future reviews

AEON Fujiidera SC is taking measures in the consideration of negative impacts on the surrounding environment outside the premises, in addition to its energy-saving design, and as such is expected to bring clear environmental benefits as a green building.

Green Project categories : Green buildings/Renewable energy/Energy efficiency

Eligible projects : 3. Construction funds for AEON MALL Hoang Mai(Vietnam)

- **Project overview** : Hanoi, the capital of Vietnam, is a political and cultural center with a population of about 3.32 million and the second largest city in Vietnam after Ho Chi Minh City. In recent years, the population has been rapidly increasing due to economic growth and urbanization. Located about 6 km from the center of Hanoi City, Hoang Mai District has National Route 1 crossing, together with excellent access to railways, long distance buses, and taxis, and a new station of Hanoi Metro is also planned. AEON MALL Hoang Mai, the 7th store in Vietnam, is scheduled to open in the second half of 2022, and will be a commercial complex that uses upper floors for tenant offices in addition to having about 200 specialty stores as tenants with AEON as a key tenant.
- **Environmental benefits** : It will introduce environmentally conscious design, such as the adoption of highly efficient air conditioning systems, distributed placement of air conditioning equipment, automatic lighting control using motion sensors, automated escalator operation, and solar power generation. Water-saving apparatus and wastewater treatment equipment will be introduced to pay consideration to conserve water resources.
- **Consideration given to negative impacts** : It has good access to public transportation, and alternative means of transportation to vehicles are secured. An appropriate amount of parking space is secured to reduce traffic congestion in the surrounding areas. As a criterion for selecting general contractors, it attaches importance to the degree of contribution to community development such as aggressive use of local hires and environmental conservation measures. In addition to preventing child labor and illegal working by controlling the access of people to and from work sites through IDs, it is also paying consideration to the protection of workers' human rights by conducting health checkups for the staff and through other measures.
- It plans to obtain a third party certification for green buildings, "LOTUS" GOLD. LOTUS refers to LEED to

align its baselines for energy-saving and water conservation performance with international certification standards. As environmental performance equivalent to GOLD, a level that is sufficiently above the required level for each category including energy is assumed.

About LOTUS

Outline: LOTUS is a green building certification program tailored to local regulatory standards, climate and architectural practices in Vietnam while it uses LEED as a basis. The program started in 2010 after an approval by WorldGBC*. Vietnam's Ministry of Construction announced to use LOTUS actively for public buildings in August 2020, and it is expected to be more widespread in the future. The Vietnam Green Building Council (VGBC) which is the developer and operator of LOTUS is an agency for green building certification in Vietnam. It is an NPO which received an approval for the development of LOTUS by Vietnam's Ministry of Construction in 2009.

Features: It is a comprehensive assessment comprising 6 categories: energy (32 points at the highest), water (13 on the same basis), materials/resources (12), health/comfort (14), location/environment (21), and management (8). Points are added when the requirements for respective categories are met, with cumulative points' determining which of Uncertified (cumulative points of 39 or less), Certified (40 to 54 points), Silver (55 to 64), Gold (65 to 74), or Platinum (75 or more) a building falls into. In broad terms it has a similar structure to LEED, however it reduces process and cost burdens by incorporating Vietnamese building standards and others in the requirements. With respect to the energy category which has the largest weighting, it requires 10% or more reduction in energy consumption to comply with the Law on Economical and Efficient Use of Energy in Vietnam (QCVN 09: 2017) and use ASHRAE 90.1 of the United States as a baseline. As for the water category, as in the case of LEED, it requires 20% or more reduction in water consumption. Others are primarily based on building and regulatory standards in Vietnam.

* An abbreviation of the World Green Building Council. Its mission is to transform the building/construction sector in 3 strategic areas (response to climate change, health/comfort, and resource recycling). It is a global network of 70 Green Building Councils worldwide

<Outline of the property>

Name of the building	AEON MALL Hoang Mai
Project site	Dai Kim, Hoang Mai District, Hanoi, Socialist Republic of Viet Nam* * Population in 2019: approx. 96.48 million, per capita nominal GDP: USD 2,715, real GDP growth rate: 7.0% (Source: Japan External Trade Organization)
Total floor area	Approx. 234,000 m ²
Start of construction	January 2020
Completion of construction	Scheduled for the second half of 2022
Major considerations paid to the environment	Highly efficient air conditioning systems/automatic lighting control using motion sensors/automated operation control of escalators/LED lighting throughout the building/photovoltaic power generation, and so on
Major environmental certifications, etc.	Plans to obtain a third party certification for green buildings, "LOTUS" GOLD
Energy-saving performance	10% reduction in energy consumption (the minimum requirement in "LOTUS") or more

* The above is as per the plan at the moment and, accordingly, subject to change.



An image of AEON MALL Hoang Mai : Details including design are subject to change due to future reviews

AEON MALL Hoang Mai plans to achieve decarbonization through on-site solar power generation, in addition to its highly energy-efficient facility design. It is taking measures in the consideration of negative impacts on the surrounding environment outside the premises and expected to bring clear environmental benefits as a green building.

Green Project categories : Green buildings/Renewable energy/Energy efficiency

Eligible projects : 4. Construction funds for AEON MALL Cambodia No. 3 (Cambodia)

- **Project overview** : Phnom Penh, the capital of Cambodia, is an administrative, cultural and economic center and the largest city with a population of 2.13 million. AEON MALL Cambodia No. 3 is located in the suburb about 8 km south of the center of Phnom Penh. It is scheduled to open in 2023 as one of the largest commercial facilities in Southeast Asia. The project site is located in “ING CITY,” a large-scale development project which spans 2,572 hectares, and connected with the urban areas of Phnom Penh with the newly opened Hun Sen Boulevard. In the surrounding areas, housing development such as residences, apartments, and villas as well as infrastructure development including administrative institutions are in progress. A new international airport is also scheduled to open in the neighborhood, and the area is expected to grow largely as a satellite city.
- **Environmental benefits** : It will introduce environmentally conscious design, such as the adoption of highly efficient air conditioning systems, distributed placement of air conditioning equipment, automatic lighting control using motion sensors, automated escalator operation, and solar power generation. Water-saving apparatus and wastewater treatment equipment will be introduced to pay consideration to conserve water resources.
- **Consideration given to negative impacts** : It has good access to public transportation, and alternative means of transportation to vehicles are secured. An appropriate amount of parking space is secured to reduce traffic congestion in the surrounding areas. As a criterion for selecting general contractors, it attaches importance to the degree of contribution to community development such as aggressive use of local hires and environmental conservation measures. In addition to preventing child labor and illegal

working by controlling the access of people to and from work sites through IDs, it is also paying consideration to the protection of workers' human rights by conducting health checkups for the staff and through other measures.

- It plans to obtain a third party certification for green buildings, "Green Mark" GOLD+. The criteria of Green Mark are based on LEED's and consistent with international certification standards. As environmental performance equivalent to Gold+, levels that are sufficiently above the requirements for respective categories can be expected, in addition to reduction in energy consumption by 25% or more.

About Green Mark

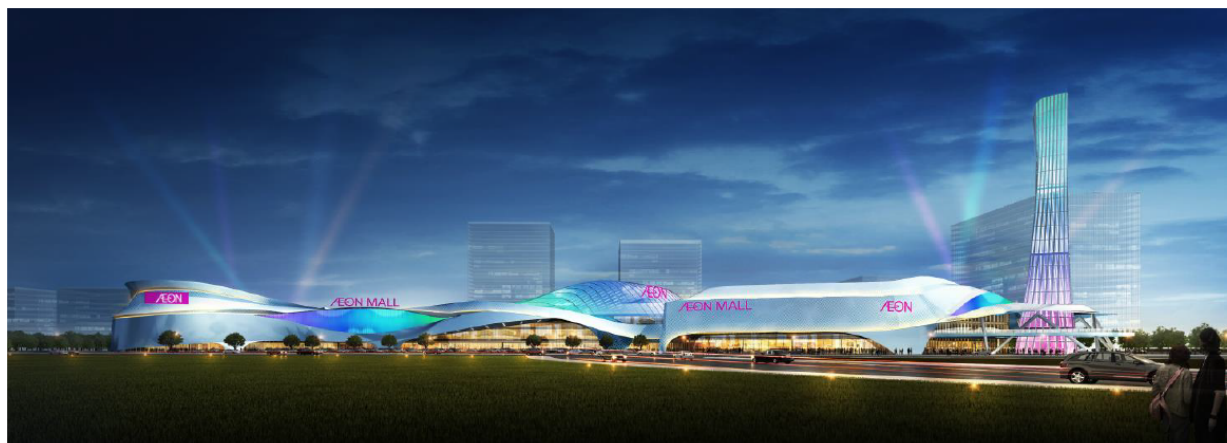
Outline: Green Mark is a green building certification program developed by the BCA (Building and Construction Authority) in Singapore in 2005. It is based on LEED with its criteria customized for tropical climate, and increasingly used in the building administration in Singapore, such as requiring buildings with a total floor area of 2,000 m² or more to meet certain standards for environmental performance. The BCA requires environmental performance evaluations prepared by qualified persons including architects as part of building plans and other evidence to be submitted in providing certifications. It is beginning to be recognized as a reliable environmental certification in the ASEAN region, too, and the number of cases of obtaining certifications outside the home country is also on the increase.

Features: It is a comprehensive assessment comprising 5 categories: climate-appropriate design (30 points at the highest), energy efficiency (30 on the same basis), resource conservation (30), indoor environmental comfort/health (30), and advanced initiatives (up to 20 as bonus points). Points are added when the requirements for respective categories are met, with cumulative points' determining which of Gold (50 to 59 points), Gold+ (60 to 69), or Platinum (70 or more) a building can fall into. It is Green Mark's characteristic that it assigns equal weightings to all categories, while LEED assigns higher weightings to energy and the atmosphere. However, if you seek to obtain Gold+ or Platinum, you'll need to reduce energy consumption by 25% or more, or 30% or more, respectively.

<Outline of the property>

Name of the building	AEON MALL Cambodia No. 3
Project site	In ING CITY, Phnom Penh Capital City, Kingdom of Cambodia* * Population in 2019: approx. 15.3 million, per capita nominal GDP in 2018: USD 1,509, real GDP growth rate: 7.25% (Source: Japan External Trade Organization)
Total floor area	Being planned
Start of construction	April 2020
Completion of construction	Scheduled for 2023
Major considerations paid to the environment	Highly efficient air conditioning systems/automatic lighting control using motion sensors/automated operation control of escalators/LED lighting throughout the building/photovoltaic power generation, and so on
Major environmental certifications, etc.	Plans to obtain a third party certification for green buildings, “Green Mark” GOLD+
Energy-saving performance	25% reduction in energy consumption (the minimum requirement in “Green Mark” GOLD+) or more

* The above is as per the plan at the moment and, accordingly, subject to change.



An image of AEON MALL Cambodia No. 3 : Details including design are subject to change due to future reviews

AEON MALL Cambodia No. 3 plans to achieve decarbonization through on-site solar power generation, in addition to its highly energy-efficient facility design. It is taking measures in the consideration of negative impacts on the surrounding environment outside the premises and expected to bring clear environmental benefits as a green building.

Social project categories : Socioeconomic advancement and empowerment/Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance

Target populations : general public

Target projects: 5. Cost of installing temperature measuring equipment at SCs/6. Business continuity support for tenants/7. Cost of purchasing supplies to prevent infections such as masks, disinfectants and partitions

- Project overview : The target projects are intended to finance the costs of installing temperature measuring equipment, sanitary supplies and facilities, which was carried out as a countermeasure against the novel coronavirus, and rent reductions for tenants of SCs which were closed in response to the state of emergency.

The target projects seek to prevent the spreading of the novel coronavirus infections, provide economic support to tenants who are temporarily closed and, as their social result, maintain employment as well as stabilize and recover the local economy.

- Social issues and results: On April 7, 2020, the government declared a state of emergency in 7 prefectures to prevent the spreading of the novel coronavirus infections, which was expanded to cover the entire country on April 16. With local governments' requesting the general public to stay at home and stores to close or shorten operating hours, most of economic activities were suspended, which lasted for about two months in Hokkaido, Tokyo, Saitama, Chiba and Kanagawa prefectures.
- Retailers, restaurants and service companies, whose sales plummeted due to the contraction and suspension of their business activities, felt increasingly burdened with fixed costs, such as rent, which led to a flurry of serious rent negotiations initiated primarily by sole proprietors and small and medium-sized businesses which have limited management resources with their landlords. The second supplementary budget included rent support benefits of up to 6 million yen to help tenants continue their businesses.
- Many commercial facilities were also closed across the country in response to the state of emergency. Sales at shopping centers nationwide in April were down 68.8% from the same month of the last year, a sharp drop from the previous year, showing considerable impact of store closures particularly in the central urban areas of major cities. The following month of May also posted a sharp decline of 61.4% on the same basis, with many commercial facilities continuing to be closed. Under these circumstances, there were reports of developers' agreeing to reduce or waive rents for tenants at some commercial facilities that had been closed.
- As the pandemic was evolving into an economic crisis, international organizations such as the United Nations, ILO (International Labor Organization), OECD (Organization for Economic Co-operation and Development) and the World Economic Forum warned governments and private companies that the employment and human rights of workers in vulnerable positions were at risk. It called for companies and employers to provide humanitarian assistance to mitigate these negative impacts under their social responsibility and demonstrate leadership.
- Rent reductions associated with the closure of AEON MALL are meant to prepare for smooth business resumption on both sides following the economic resumption, based on a trusted relationship with tenants. The step is considered to have played an important role in providing prompt humanitarian assistance under the state of emergency, as all preemptive measures to prevent loss of employment were desired from responsible enterprises and employers.

Supplies and consumables installed at SCs throughout the country as measures to prevent the spreading of the novel coronavirus infections are indispensable for business continuity from the viewpoint of ensuring the health and safety of visitors and employees.

An SC alone, as a commercial concentration, attracts a large number of customers and drives consumption. In addition to creating large employment, the broad base of its economic activities provides employment opportunities in various areas ranging from retail, food and drink, and services, to cleaning, facilities, security, and logistics. It contributes to a sustainable society by creating diverse employment opportunities, including employment in the community and of women and the senior. Given it brings many ripple effects on its own, it is expected to contribute to the recovery and sustainability of the local economy after the business resumption, too.

- Consideration given to negative impacts : A crisis management system has been in place based on the basic policy of the BCP (Business Continuity Plan) that was formulated in advance. In operating an SC, measures to prevent the spreading of the novel coronavirus infections (or measures to continue important business operations as needed) are taken.

The SC business takes into account negative impacts on the surrounding environment. There are many suburban type SCs, however access to public transportation is considered as well. Waste discharged by SCs is sorted into 18 categories for continuous reduction and improvement of the recycling ratio. They meet the regulatory standards as stipulated by the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment. They are rooted in local communities while providing functions such as disaster prevention and disaster response bases, community spaces, and in-house nursery schools. Although they are private facilities, they are also social infrastructure in nature and aim for harmony with local communities.

It is considered that rent reductions associated with the closure of the buildings, which was implemented as a countermeasure against the novel coronavirus, played an important role in providing prompt humanitarian aid under the state of emergency. They are expected to contribute to the recovery and sustainability of the local economy through the ripple effect after the business resumption, too, and as such positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance,' targeting the general public in the region.

Social project categories : Socioeconomic advancement and empowerment/Access to essential services

Target populations : Other vulnerable groups, including as a result of natural disasters/general public

Target projects: 5. Construction funds for AEON MALL Iwakionahama

- Project overview : The target project is the construction of AEON MALL Iwakionahama, a disaster reconstruction project in Iwaki City, Fukushima Prefecture. It opened in June 2018 in the hinterland of Onahama Port in Iwaki City, Fukushima Prefecture, which was severely damaged by the tsunami caused by the Great East Japan Earthquake. AEON MALL financed the construction of the facility through a loan during fiscal year 2018 (eligible for the provision of Compensation for Interest Rates on Special Zones for Reconstruction). The proceeds from the bond will be used to refinance the said loan.

The target project aims at "building a vibrant urban base that serves as a symbol of the reconstruction of not only Iwaki City but also eastern Japan," a goal envisioned by AEON MALL together with Iwaki City.

- Social issues and results: Iwaki City is a core city with a population of about 340,000, the largest in Fukushima Prefecture. It is bordered on the south by Ibaraki Prefecture and faces the Pacific Ocean on the east. The area surrounding Onahama Port, designated as a major port, is being redeveloped as a water park/interactive space, making it one of the prefecture's most popular tourist spots.

The target project is located at a point connecting the tourist spot in Onahama Port with the existing urban areas. It is situated in a development area that has both daily and extraordinary functions and is expected to bring out new attractions and vitality of the community and create ripple effects by inducing interactions between tourists and citizens. The development project plan formulated by Iwaki City and AEON MALL aims to build a new Onahama gateway, create a commercial service base that takes advantage of the characteristics of the port's hinterland, create an integrated interaction base with diverse functions, develop a safe and secure town, and strengthen cooperation with the existing urban areas based on its location characteristics. AEON MALL Iwakionahama plays an important role as a multi-entertainment mall to embody these concepts.

On the soft aspect, it contributes to creating bustle and employment for the community by utilizing the developer's extensive network with tenants as well as SC development and management know-how, which are the strengths of the developer. With about 130 stores, including 14 stores opened for the first time in the Tohoku region and 44 stores opened for the first time in Fukushima Prefecture, it attracted about 750,000 visitors during the first month of operation. It currently employs about 1,600 people and provides employment opportunities equivalent to about 4.2% of the wholesale and retail workers in Iwaki City.

On the hard aspect, it is equipped with a disaster prevention function based on the experience of the Great East Japan Earthquake, and contributes to building a safe and secure town as a disaster prevention mall. In order to prepare for flooding due to tsunamis, important facilities, such as special high-voltage substations and water supply tanks, are installed on the upper floors above the maximum expected tsunami height with the Pilotis structure adopted for the first floor. In the event of a large-scale disaster, evacuation spaces, portable toilets for use during disasters, emergency water taps, emergency power sources, etc. will be provided to evacuees.

- Consideration given to negative impacts : Consideration is also given to negative impacts that may affect the surrounding natural environment. It is not only within a very short distance from a bus stop which route busses and free shuttle busses that connect from/to JR Joban Line's Izumi Station arrive at/depart from, but also close to a highway bus terminal. An appropriate amount of parking space is secured to reduce burdens on the traffic (road congestion, etc.) in the surrounding areas. The noise level is controlled to below the regulatory standards as stipulated by the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment to pay consideration for the surrounding environment.

<Outline of the property>

Name of the building	AEON MALL Iwakionahama
Project site	38, Onahama Tatsumi-cho, Iwaki City, Fukushima Prefecture (Within the site of the Iwaki City Planning Project/Onahama Port Hinterland Earthquake Disaster Restoration Land Readjustment Project Area)
Total floor area	Approx. 93,000 m ² (including multi-story parking lots)
Start of construction	June 2018
Completion of construction	GMS, large mass merchandisers, amusement facilities, baby and kids specialty stores, about 130 specialty stores, restaurants, food courts, and so on
Major considerations paid to the environment	Disaster evacuation spaces (halls, in-store aisles, rooftops, etc.)/installation of special high-voltage substations and water supply tanks on upper floors/portable toilets for use during disasters/disaster prevention power sources/emergency power sources for water supply/provision of emergency outlets/provision of emergency water taps/rest areas for

	evacuees, and so on
Major environmental certifications, etc.	Comprehensive Partnership Agreement for Community Revitalization (Iwaki City), Disaster Prevention Agreement (Iwaki City), etc.
Energy-saving performance	Highly efficient air conditioning systems/water-saving type sanitary apparatus/greening of surrounding areas/installation of EV chargers, and so on



An exterior of AEON MALL Iwakionahama

AEON MALL Iwakionahama represents a significant initiative that makes use of the development and management know-how as a developer in the reconstruction of disaster-hit areas. Ripple effect from the creation of bustle and employment for the community can be expected. In addition to contributing to building a safe and secure town as a disaster prevention mall, it works to reduce environmental burdens and curb burdens on the traffic and, overall, positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Access to essential services.' Benefits are expected for those most vulnerable to the natural disasters and the general public in the region.

Shopping centers in and outside Japan are taking measures in the consideration of negative impacts on the surrounding environment outside the premises, in addition to the energy-saving design, and as such are expected to bring clear environmental benefits as green buildings. It is considered that rent reductions associated with the closure of the buildings, which was implemented as a countermeasure against the novel coronavirus, played an important role in providing prompt humanitarian aid under the state of emergency. They are expected to contribute to the recovery and sustainability of the local economy through the ripple effect after the business resumption, too, and as such positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance,' targeting the general public in the region. AEON MALL Iwakionahama is a significant initiative that makes use of the development and management know-how as a developer in the reconstruction of areas affected by the Great East Japan Earthquake, and ripple effect from the creation of bustle and employment for the community can be expected. It also contributes to building a safe and secure town as a disaster prevention mall and, as such, positive social results can be expected. Among the project categories illustrated in the SBP2020, it corresponds to 'Socioeconomic advancement and empowerment' and 'Access to essential services.' Benefits are expected for those most vulnerable to the natural disasters and the general public in the region.

2. Process for Project Evaluation and Selection

(1) Incorporation into Comprehensive Objectives, Strategies and so on

- As a member of the AEON Group, AEON MALL engages in corporate activities based on the “AEON Sustainability Principle.”

Aeon Sustainability Principle

We at Aeon operate on the basic principles of pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core. Based on these, it is our goal to achieve a sustainable society and grow as a group.

In our endeavors we think globally both on the environment and society. Our actions are rooted in each community and we move forward together with our many stakeholders.

Vital environmental challenges

Achieving a decarbonized society

Preservation of biodiversity

Promotion of resource recycling

Vital social challenges

Creating products and stores that meet social expectations

Engaging in fair business practices that respect human rights

Collaborating with the community

[Source: Excerpt from the website of AEON Co., Ltd.]

- AEON established the “AEON Decarbonization Vision 2050” and its interim target for greenhouse gas emissions reduction by 2030, with the aim of achieving a “decarbonized society.” To achieve the interim target, it is promoting decarbonization by switching to renewable energy, in addition to further promoting energy conservation regarding the use of electricity, which accounts for about 90% of CO₂ emissions generated by its store and office operations.

Aeon Decarbonization Vision 2050

Aeon will work to reduce CO₂ and other greenhouse gas (hereinafter “GHG”) emissions by taking the following three-pronged approach, thereby contributing to the realization of a decarbonized society.

[Stores]

We will reduce the total GHG emissions from our stores to zero by 2050.

[Products and logistics]

We will continue our efforts to achieve zero GHG emissions from our business operations.

[Hand in hand with customers]

We will cooperate with our customers for the realization of a decarbonized society.

[Interim target]

We will reduce the total GHG emissions from our stores by 35% by 2030 (relative to the 2010 level).

[Source: Excerpt from “AEON Sets Decarbonization Vision for 2050,” a news release by AEON Co., Ltd. (of March 28, 2018)]

- As for energy conservation, it aims to introduce energy-saving equipment at stores and achieve the efficient use of energy by utilizing IoT. Shift to renewable energy revolves around the use of renewable energy power contracts and certificates, in addition to gradual introduction of solar power generation facilities.
- The use of the funds in each case is considered to be in the context of the Sustainability Principle. All green projects included as the use of the funds are consistent with the decarbonization plan to be implemented by AEON in accordance with the “AEON Decarbonization Vision 2050.”
- Environmental and social benefits expected by the projects are described in the framework for the purpose of disclosure to investors.

(2) Criteria for Project Evaluation and Selection

- Projects are evaluated and selected in light of the Sustainability Principle.
- In evaluating and selecting green buildings, it refers to third party certifications for green buildings to ensure objectivity. In addition to energy conservation performance and CO2 reduction effect of buildings, it refers to “CASBEE” as an environmental performance evaluation method that is most widely recognized in Japan. Outside Japan it plans to obtain third party certifications from “Green Mark,” a green building certification program widely used in the ASEAN region, and “LOTUS,” one that is increasingly being used in Vietnam, and both of them have appropriate certification levels.
- It takes into account the extent of benefits and the magnitude of impacts in the evaluation and selection of social projects. With regards to the business continuity support to tenant companies, it announced the abolition of the minimum guaranteed monthly sales in determining rents (for 2 months) for all AEON MALL shopping centers across the country.

(3) Process for Project Evaluation and Selection

- Finance Department will evaluate and make selection of projects after discussing with Management Planning, Construction Planning and other departments which have expertise. The result of project selection will be deliberated by the Management Meeting and Board of Directors for final decision.

The use of the funds is considered to be in the context of the Sustainability Principle of the AEON Group. Overseas green buildings are provided by benchmarks that are widely recognized in each country or in the ASEAN region and have appropriate certification levels. It takes into account the extent of benefits and the magnitude of impacts for social projects. Finance Department will evaluate and make selection of projects after discussing with Management Planning, Construction Planning and other departments which have expertise, and a decision will be made after the deliberations by the Management Meeting and Board of Directors. It goes through a clear internal process with checks and balances from the environmental and social perspectives.

3. Management of Proceeds

- The method of management of the proceeds is described in the sustainability bond framework for the purpose of disclosure to investors.
- The proceeds obtained will be managed separately for each project by Finance Department through an internal management system. Finance Department will manage the expenditures of each project and track allocated and unallocated amounts. The fund allocation status will be confirmed annually by an officer in charge of Finance, the result of which will be published on the website.
- Unallocated funds will be managed in cash or its equivalent.
- R&I has confirmed through interviews that the amount planned to be allocated to each target project does not exceed its total project cost.

The management of the proceeds will be taken care of by Finance Department. Finance Department will manage the expenditures of each project and track allocated and unallocated amounts. Unallocated funds will be managed in cash or its equivalent. We have confirmed that an amount planned to be allocated to each target project does not exceed its respective total project cost. The management of proceeds is reasonable.

4. Reporting

(1) Overview of Disclosure

- Reporting will be made as follows:

	Disclosure items	Disclosure timing	Disclosure method
Fund allocation status	The following will be disclosed for each of 8 target projects: <ul style="list-style-type: none"> • Allocation status (amount/percentage of funds allocated) • Overview of eligible projects • Amount of funds unallocated and planned timing of allocation 	Once a year until the proceeds are fully allocated	To be disclosed on AEON MALL's website
Social results	[Construction of AEON MALL Ageo] <ul style="list-style-type: none"> • Primary energy consumption • Rate of CO2 reductions 	Once a year until the proceeds are fully allocated	To be disclosed on AEON MALL's website
	[Construction of AEON Fujiidera SC] <ul style="list-style-type: none"> • Primary energy consumption • Rate of CO2 reductions 		
	[Construction of AEON MALL Hoang Mai] <ul style="list-style-type: none"> • Acquisition/announcement of "LOTUS" GOLD • Primary energy consumption • Rate of CO2 reductions 		
	[Construction of AEON MALL Cambodia No. 3] <ul style="list-style-type: none"> • Acquisition/announcement of "Green Mark" GOLD+ • Primary energy consumption • Rate of CO2 reductions 		
	[Cost of installing temperature measuring equipment at SC sites] <p>Outputs: Cost of installing temperature measuring equipment (the number of stores installed and total amount of the installation)</p> <p>Outcomes: Prevention of the spreading of the novel coronavirus infections</p> <p>Impacts: Continuation of business and maintenance of employment at tenant companies</p>		
	[Business continuity support for tenant companies] <p>Outputs: Total amount of rent reductions for tenants</p> <p>Outcomes: Ratio of reopened stores and total number of SC employees</p> <p>Impacts: Continuation of business and maintenance of employment at tenant companies</p>		
	[Cost of purchasing supplies to prevent infections such as masks, disinfectants and partitions] <p>Outputs: Cost of installing supplies to prevent the spreading of coronavirus infection (the number of stores installed and total amount of the installation)</p> <p>Outcomes: Prevention of the spreading of the novel coronavirus infections</p> <p>Impacts: Continuation of business and maintenance of employment at tenant companies</p>		

	[Construction of AEON MALL Iwakionahama] Outputs: Completion of construction of AEON MALL Iwakionahama Outcomes: Contributions to the community by revitalizing the community, creating jobs, and functioning as a disaster prevention mall Impacts: Formation of a vibrant urban base that serves as a symbol of the reconstruction of not only Iwaki City but also eastern Japan		
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- Any significant change made to the allocation plan of the proceeds or in the allocation status post the allocation will be disclosed promptly.

(2) Indicators to Show Environmental Benefits and Calculation Method, etc.

- The breakdown of financing/refinancing will be disclosed for each project.
- Impact reporting for green buildings will disclose reasonable indicators such as primary energy consumption and the rate of CO2 reductions (including the certification status for overseas).
- Impact reporting of social projects will disclose indicators based on the nature of a target project for the outputs, outcomes, and impacts required by ICMA. Outcome indicators include quantitative results such as total amount of rent reductions and the ratio of reopened stores.

The breakdown of financing/refinancing will be disclosed for each project. Impact reporting for green buildings will disclose reasonable indicators such as primary energy consumption and the rate of CO2 reductions (including the certification status for overseas). The impact reporting of social projects will disclose indicators based on the nature of a target project for the outputs, outcomes, and impacts. Outputs and outcomes include quantitative results such as total amount of rent reductions and the ratio of reopened stores. Reporting is appropriate in terms of its contents and frequency.

End of the document

[Disclaimer]

Second Opinion is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

Second Opinions are R&I's opinions on the alignment of a framework, formulated by companies etc. to raise funds for the purpose of environmental conservation and social contribution, with the principles etc. compiled by public organizations or private organizations related to the relevant financing as of the date of assessment. Second Opinions do not address any matters other than the alignment (including but not limited to the alignment of a bond issue with the framework and the implementation status of the project subject to financing). Second Opinions do not certify the outcomes and other qualities of the projects subject to the financing. Hence, R&I will not be held responsible for the effectiveness of the projects, including their outcomes. Second Opinions are not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and Second Opinions are not a recommendation to purchase, sell, or hold any particular securities and do not constitute any form of advice regarding investment decisions or financial matters. Second Opinions do not address the suitability of an investment for any particular investor. R&I issues Second Opinions based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

The information used when R&I issues Second Opinions is information that R&I has determined, at its own discretion, to be reliable. However, R&I does not undertake any independent verification of the accuracy or other aspects of that information. R&I makes no representation or warranty, express or implied, as to the accuracy, timeliness, adequacy, completeness, merchantability, fitness for any particular purpose, or any other matter with respect to any such information.

R&I is not responsible or liable in any way to any party, for all or any damage, loss, or expenses arising out of or in relation to errors, omissions, inappropriateness of, or insufficiencies in the information used when issuing Second Opinions, or opinions in Second Opinions, or arising out of or in relation to the use of such information or Second Opinions (regardless of the nature of the damage, including direct, indirect, ordinary, special, consequential, compensatory, or incidental damage, lost profits, non-monetary damage, and any other damage, and including expenses for attorneys and other specialists), whether in contract, tort, for unreasonable profit or otherwise, irrespective of negligence or fault of R&I.

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As a general rule, R&I issues a Second Opinion for a fee paid by the issuer.

Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

[Expertise and Third-Party Characteristics]

R&I has launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment.

The R&I assessment method and results can be found on the R&I website (<https://www.r-i.co.jp/en/rating/esg/index.html>).

There is no capital or personal relationship between R&I and the fundraiser that could create a conflict of interest.

Sustainability Bond / Sustainability Bond Programme

External Review Form

Section 1. Basic Information

Issuer name: AEON MALL Co., Ltd.

Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: Sustainability Bond Framework

Independent External Review provider's name: Rating and Investment Information, Inc. (R&I)

Completion date of this form: August 28, 2020

Publication date of review publication: August 28, 2020

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs and the SBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Sustainability Bond Framework of AEON MALL dated August 26, 2020 with ICMA's "Social Bond Principles 2020" (hereinafter "SBP2020"), the "Sustainability Bond Guidelines 2018", the "Green Bond Principles 2018" and the Ministry of the Environment's "Green Bond Guidelines, 2020 Edition."

For details, please refer to our Second Opinion attached.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

For details, please refer to “1. Use of Proceeds” of our Second Opinion.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input type="checkbox"/> Food security and sustainable food systems | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBPs:

Target populations:

- | | |
|---|---|
| <input type="checkbox"/> Living below the poverty line | <input type="checkbox"/> Excluded and/or marginalised populations and /or communities |
| <input type="checkbox"/> People with disabilities | <input type="checkbox"/> Migrants and /or displaced persons |
| <input type="checkbox"/> Undereducated | <input type="checkbox"/> Underserved, owing to a lack of quality access to essential goods and services |
| <input type="checkbox"/> Unemployed | <input type="checkbox"/> Women and/or sexual and gender minorities |
| <input type="checkbox"/> Aging populations and vulnerable youth | <input checked="" type="checkbox"/> Other vulnerable groups, including as a result of natural disasters |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): General public in the region | |

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

For details, please refer to “2. Process for Project Evaluation and Selection” of our Second Opinion.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

For details, please refer to “3. Management of Proceeds” of our Second Opinion.

Tracking of proceeds:

- ☒ Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

For details, please refer to “4. Reporting” of our Second Opinion.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): Percentage of funds allocated/ Overview of eligible projects/ Amount of funds unallocated and planned timing of allocation | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|--|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators <i>(please specify)</i> : |
| | [Construction of AEON MALL Ageo]
• Primary energy consumption
• Rate of CO2 reductions |
| | [Construction of AEON Fujiidera SC]
• Primary energy consumption
• Rate of CO2 reductions |
| | [Construction of AEON MALL Hoang Mai]
• Acquisition/announcement of "LOTUS" GOLD
• Primary energy consumption
• Rate of CO2 reductions |
| | [Construction of AEON MALL Cambodia No. 3]
• Acquisition/announcement of "Green Mark" GOLD+
• Primary energy consumption
• Rate of CO2 reductions |
| | [Cost of installing temperature measuring equipment at SC sites]
Outputs: Cost of installing temperature measuring equipment (the number of stores installed and total amount of the installation)
Outcomes: Prevention of the spreading of the novel coronavirus infections
Impacts: Continuation of business and maintenance of employment at tenant companies |
| | [Business continuity support for tenant companies]
Outputs: Total amount of rent reductions for tenants
Outcomes: Ratio of reopened stores and total number of SC employees
Impacts: Continuation of business and maintenance of employment at tenant companies |
| | [Cost of purchasing supplies to prevent infections such as masks, disinfectants and partitions]
Outputs: Cost of installing supplies to prevent the spreading of coronavirus infection (the number of stores installed and total amount of the installation)
Outcomes: Prevention of the spreading of the novel coronavirus infections
Impacts: Continuation of business and maintenance of employment at tenant companies |
| | [Construction of AEON MALL Iwakionahama]
Outputs: Completion of construction of AEON MALL Iwakionahama |

Outcomes: Contributions to the community by revitalizing the community, creating jobs, and functioning as a disaster prevention mall

Impacts: Formation of a vibrant urban base that serves as a symbol of the reconstruction of not only Iwaki City but also eastern Japan

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>):
AEON MALL's website |
| <input type="checkbox"/> Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

The methodology for our Second Opinion

<https://www.r-i.co.jp/en/rating/products/esg/index.html>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|---|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

1. Second Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion.

It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.

2. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

3. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

4. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.