

Inspiring Enthusiasm



AEON Fantasy Co., LTD.
Integrated Report 2025



Inspiring Enthusiasm

AEON

 Planting Seeds of Growth
We are AEON



Learning Begins with Play

Through play, children connect with others and develop empathy. They run and jump, building strong, healthy bodies. They think, explore, and expand their imagination and creativity. The very first “learning” children encounter is play.



Creating the Future Beyond “Immersion”

We want children to have more time to become deeply immersed in what they love. That immersion fuels growth and becomes the strength that carries them forward.



Vision

Become a family-support company that continues to develop children's emotions, mind, and body through the creation of enjoyment



Emotions

Enriching the child's human nature through interaction with society and other people

Follow the rules, lifestyle customs, independence, autonomy, cooperativeness, motivation, ambition, emotions, morals



Mind

Enabling the child to tackle various challenges and find solutions

Knowledge, skills, ability to think, judgement, expression



Body

Developing the health and physical strength required to live

Power, agility, dexterity, endurance, muscular strength, balance, flexibility, resilience

Purpose

Inspiring enthusiasm in every child so that there is a smile on every face

What does it mean to take our children seriously? It means recognizing that they are tomorrow's adults and that whatever impact we have on them today will determine the shape of our future.

Companies like to talk about efficiency and optimization. But it takes so much more to bring a smile to a child's face. That's why we at AEON Fantasy have made it our mission to do more than anyone to deliver joy to children.

We want our passion to inspire enthusiasm in our children so that there is a smile on every face around the world.

This is, and will continue to be, our purpose at AEON Fantasy.

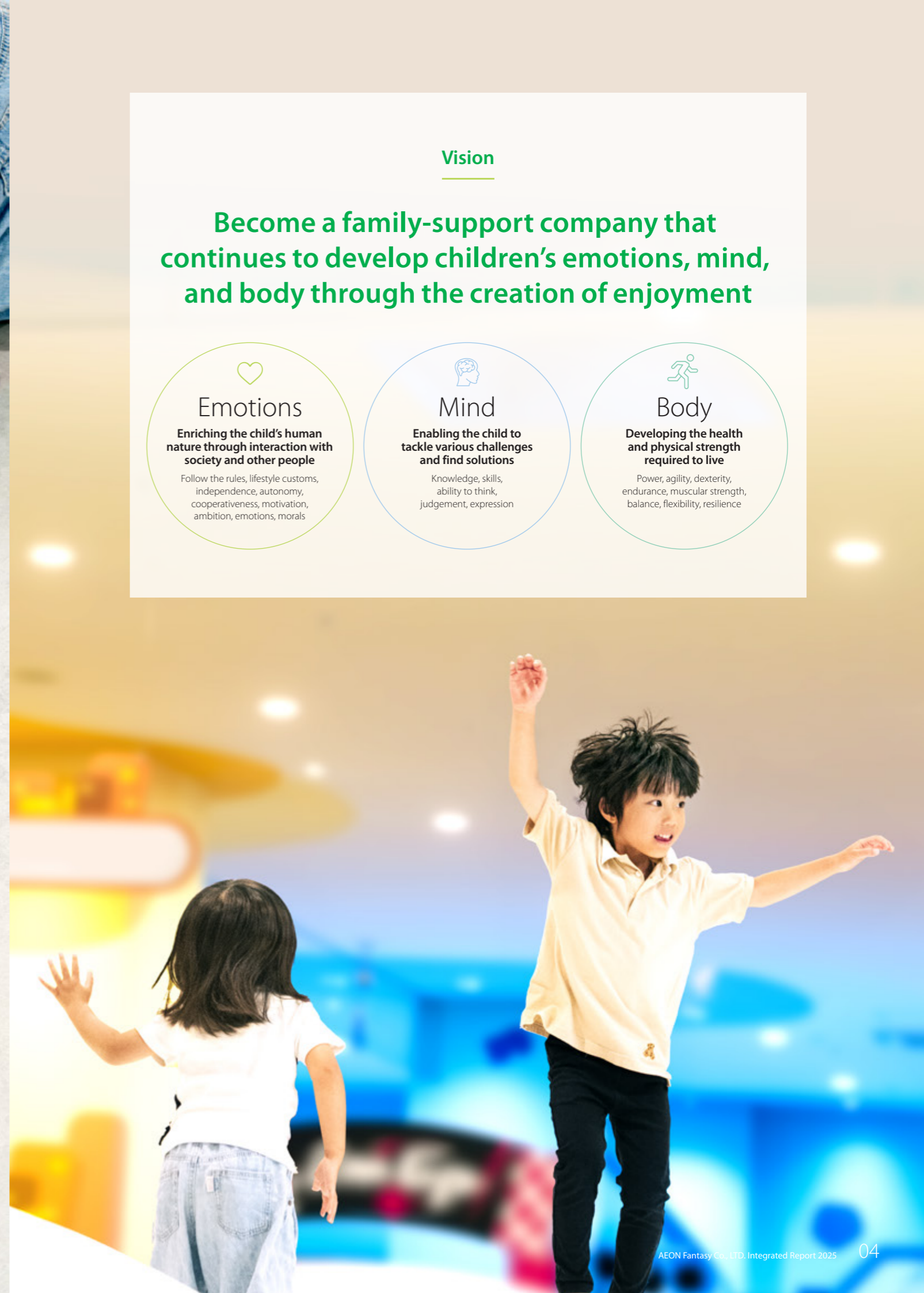


Table of Contents

Chapter 1

AEON Fantasy Today

- 07 Value Creation History
- 09 Value Creation Model
- 11 Business Development
- 13 Core Competencies
- 15 Value Proposition

Chapter 2

AEON Fantasy in the Future

- 17 Message from the President
- 23 Medium- to Long-term Strategies

Chapter 3

Business and Functional Strategies

- 26 Business Overview
- 27 Business Strategies: Domestic Business
- 31 Overseas Business
- 35 Focus: The Role of Service Businesses from AEON's Perspective
- 37 Functional Strategies: HR Strategy/DX Strategy
- 39 Message from the Officer in Charge of Financial Affairs

Chapter 4

Sustainability

- 43 Sustainability Management
 - 45 Society
 - 50 Environment
 - 53 Governance
 - 59 List of Officers
 - 61 Outside Directors' Roundtable Discussion
-
- 65 Performance Highlights
 - 67 10-year Summary of Consolidated Management Indicators
 - 69 Company Overview, Share Information

Editorial Policy

At AEON Fantasy, based on the Purpose we formulated in FY2022, our aim is to inspire enthusiasm in every child and bring smiles to their faces by providing a variety of play experiences through our businesses.

In the Integrated Report 2025, in addition to explaining where we are today in terms of value creation, we report on our newly formulated Vision and medium-term management plan, which will guide us toward further growth, and our ESG activities.

The Integrated Report will function as a tool for communication with shareholders, investors, and other stakeholders, and we will strive to enhance disclosure and improve corporate value.

Period covered

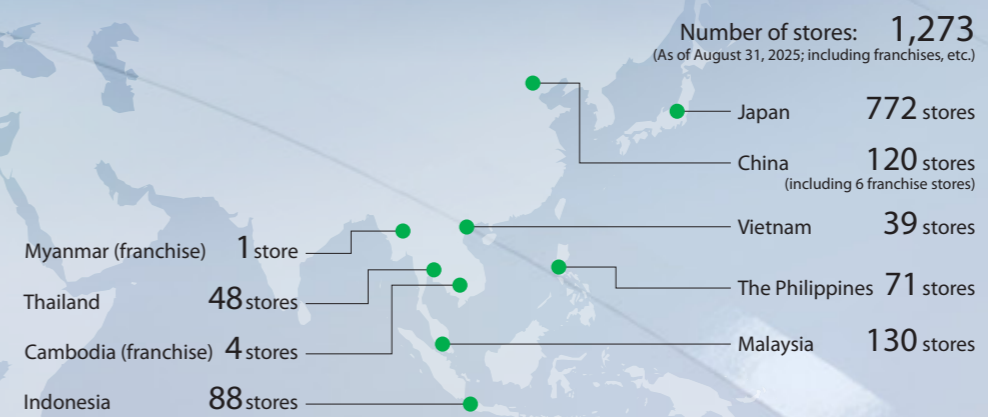
FY2024 (March 1, 2024, to February 28, 2025)
Some reported information includes that on activities before or after this period.

Scope covered

AEON Fantasy Co., LTD. and its Group companies

Guidelines referenced

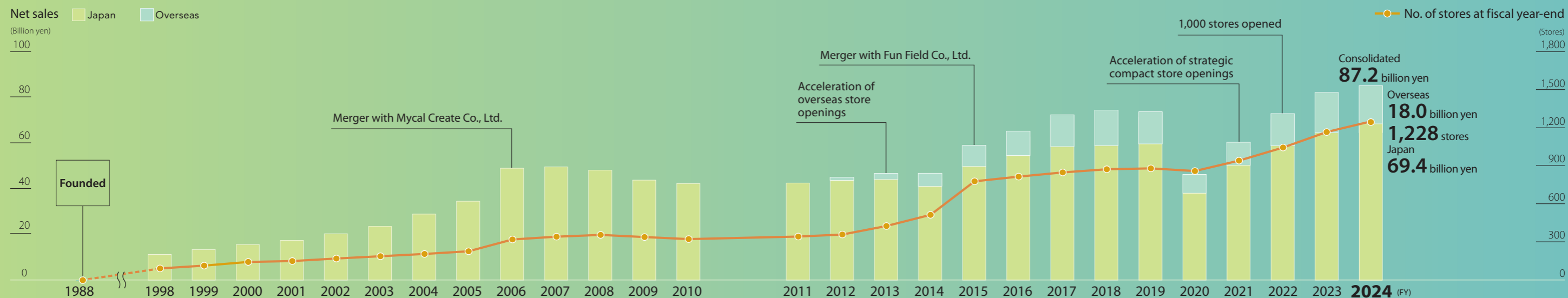
- IFRS Foundation: International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry: Guidance for Collaborative Value Creation



Chapter 1 AEON Fantasy Today

Value Creation History

Since its founding in 1988, AEON Fantasy has focused on children and their families and developed various businesses in countries across the world. One thing that remains unchanged since then is our emphasis on children's smiles. Moving forward, we will continue to support children's growth through play and provide new value.



Year	Key Events
1988	Company history: JUSCO Co., Ltd. Established Amusement Business Section within the Shopping Center Division. Opening of first store, Fantasy Park Odate.
1997	Company history: Established AEON Fantasy Co., LTD.
1998	Company history: Established corporate motto and philosophy.
2002	Company history: Listed on JASDAQ.
2003	Company history: Listed on the Second Section of the Tokyo Stock Exchange.
2005	Company history: Listed on the First Section of the Tokyo Stock Exchange.
2006	Company history: Merged with Mycal Create Co. Ltd.
2007	Company history: Established AEON Fantasy Beijing (now AEON Fantasy China).
2011	Company history: Established AEON Fantasy Malaysia.
2012	Company history: Established AEON Fantasy Thailand.
2014	Company history: Established AEON Fantasy Indonesia and AEON Fantasy Philippines.
2015	Company history: Merged with Fun Field Co., Ltd.
2017	Company history: Established AEON Fantasy Vietnam.
2022	Company history: Established our Purpose. Selected for the TSE Prime Market. Reached 1,000 stores worldwide.



Creation of New Value Through Indoor Amusement Parks

In 1988, we opened an amusement facility for families based on the "cheerful and safe indoor amusement park" concept. Transforming the conventional image of amusement facilities as recreational facilities for young people, we provided a new concept based on fun and interaction for families. In 2001, we opened our first Mollyfantasy store, which is today one of our mainstay businesses, and in 2005 we opened our 200th store in Japan.

Merry-go-round at the first store | Mollyfantasy store in 2007

Two Mergers and Expansion Overseas. Becoming an Amusement Industry Leader

In 2006 and 2015, we conducted two mergers to expand the scale of our business. In terms of both sales and number of stores, we took the top spot in the Japanese amusement industry. Moreover, kickstarted by our expansion into China in 2007, we proceeded with the opening of new stores overseas, mainly in our playground business, entering six new countries in 10 years. Our facilities are highly regarded in ASEAN countries in particular, where there is high demand for safe and hygienic indoor play areas.

First store in China | FANPEKKA

Providing New Value Centered on Children's Growth

Creating Spaces for Learning Through Play

We develop original equipment and machines not only in the playground business, which fosters children's creativity and social skills, but also in the amusement business. Through these developments, we have expanded our businesses with a focus on the edutainment concept of "learning while playing." Moreover, we also entered the hot-bath business and the outdoor recreation business, diversifying our businesses with play and family interaction at their core.

First kidzooona store | Capsule YOKOCHO, capsule toy specialty store

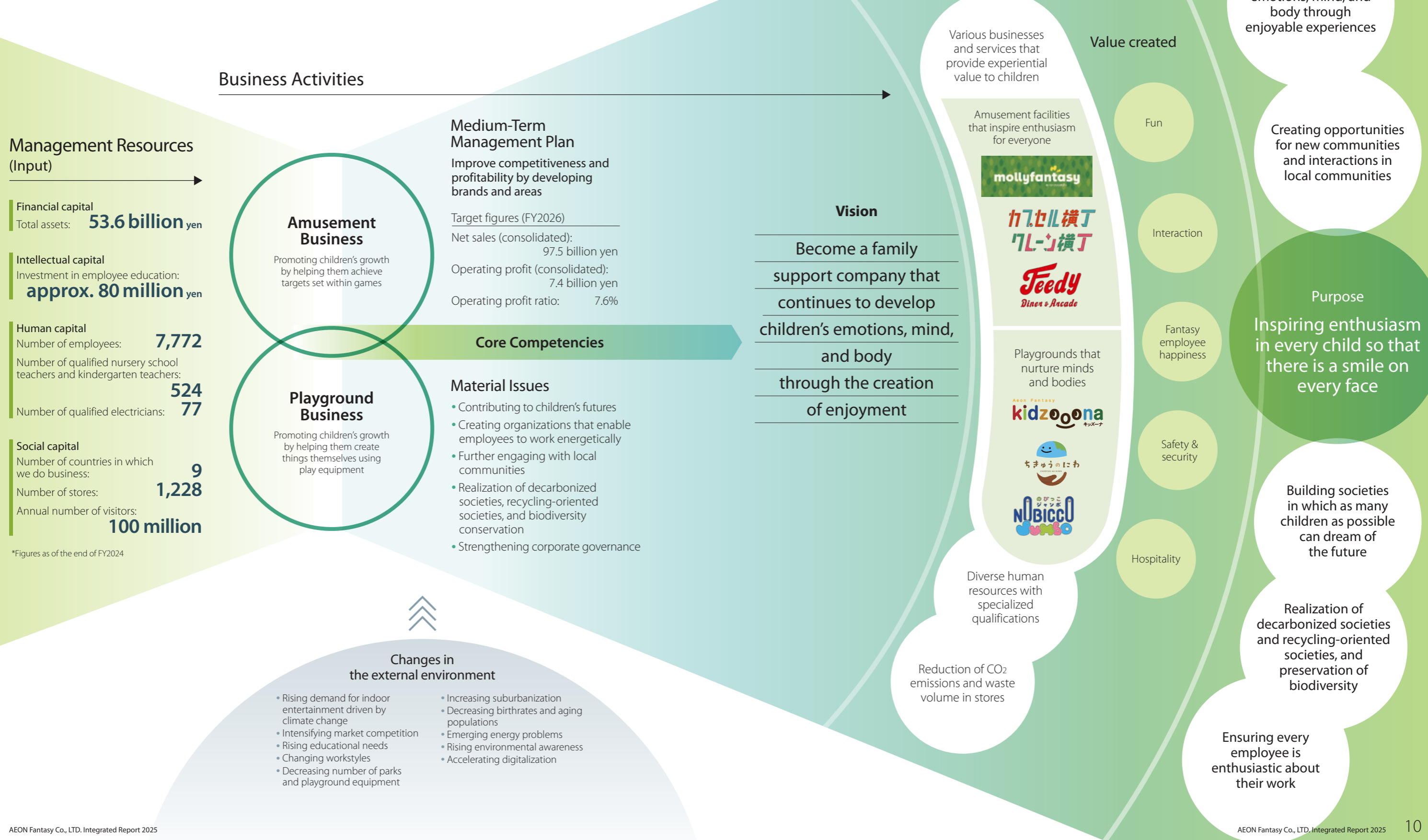
Creating New Value Through the Promotion of Children's Growth

Although the entire industry was hit significantly by the pandemic, our prize and capsule toy businesses in Japan remained strong. Sales have also grown in ASEAN countries post-pandemic, clearly indicating that demand for play opportunities remains robust. We are reaffirming the value of "play" for children and families, elevating it as our purpose, aiming to deliver new value centered on the "growth of emotions, mind, and body."

CHIKYUU NO NIWA | Overseas playground

Value Creation Model

AEON Fantasy contributes to children's smiles through our two mainstay businesses by leveraging our four core competencies. Aiming for further growth, we are focusing on the creation of play experiences, while also tackling our material issues, to provide society with diverse value and create a world with a smile on every face.



*Figures as of the end of FY2024

Business Development

AEON Fantasy operates a variety of facilities and services throughout Japan and Asia, with a focus on amusement facilities and playgrounds. By optimizing these businesses in line with the region, commercial facility, or target they are developed for, we are contributing to the creation of smiles among as many children as possible.

Business Models

Playgrounds Spaces That Inspire Free Play and Interaction

We operate indoor playground facilities equipped with large playground equipment that children can enjoy to the fullest, as well as educational toys to develop their creativity. We support children's growth by enabling them to interact with their families, friends, and store staff. We are also developing large stores with specific themes, such as cultural and social issues.

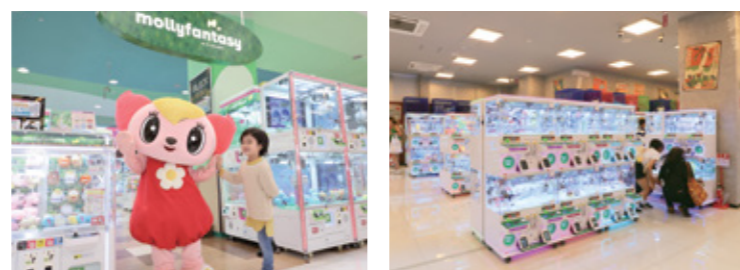


Large-scale business model, CHIKYUU NO NIWA	Kidzooona Safari	Number of stores	180 stores	
Indoor park playground				
Childcare support through play Stores where mothers and children can spend time separately		54 locations + 2 stores		
Large themed stores to enhance brand value		12 stores		
Large SDG-themed stores to develop environmental awareness through play		8 stores		

*Figures as of the end of FY2024

Amusement Spaces That Inspire Enthusiasm and Make People Smile

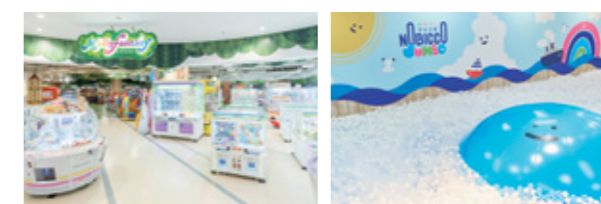
We operate amusement facilities featuring the latest game machines and popular products. In addition to providing a variety of intuitive activities for everyone to enjoy, we are developing specialty store models that meet specific needs and original content that contributes to children's growth.



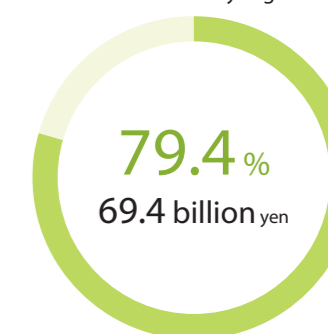
Standard business category, Mollyfantasy	capsule toy store	Number of stores	496 stores	
Amusement for families				
Amusement for all ages		42 stores		
Compact stores		318 stores		

Domestic businesses

Predominantly targeting families, we operate stores mainly in shopping centers nationwide. In recent years, we have accelerated our opening of strategic compact stores, which continue to perform well, and we have started to expand into new areas, such as the downtown areas near train stations. We are developing new businesses based on the themes such as children's growth and the SDGs, and we have embarked on the development of businesses targeting a new demographic, Generation Z.



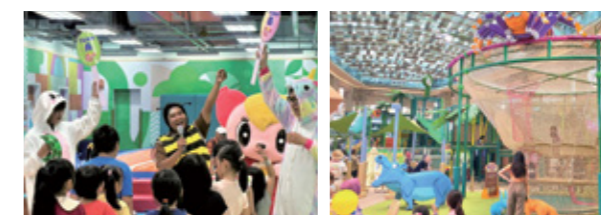
Net sales ratio by segment



Number of stores
753 stores

Overseas Business ASEAN

We are expanding into regional cities as well as major urban areas, in line with the economic growth of each country. We are developing a variety of businesses, with the premise of opening multiple stores in a single commercial facility. Furthermore, in addition to working with the AEON Group, we are partnering with local influential developers to expand our store openings. Our Japanese safety standards and level of customer service, which our competitors cannot imitate, are highly regarded.



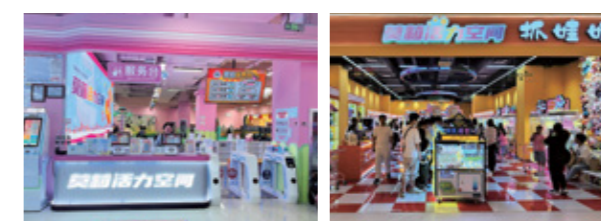
Net sales ratio by segment



Number of stores
327 stores

Overseas Business China

In response to evolving market needs, we are shifting from an amusement-centered model toward playground formats that better leverage our strengths. We are also driving structural reforms to improve profitability through revitalization initiatives and cost optimization.



Net sales ratio by segment



Number of stores
137 stores

Core Competencies

We will promote the development of market-competitive businesses and services by leveraging our four “unique strengths” in management, centered on the AEON Living Area.

Strong corporate base —AEON Living Area

The AEON Group is creating living areas rooted in the lives of people not only in Japan but also overseas. The AEON Group’s formidable scale has a strong influence not only in economic aspects such as operating revenue, number of stores, and number of store visitors, but also through invisible assets such as ties with local communities, corporate alliances, and product development capabilities.

AEON Group consolidated operating revenue:
10,134.8 billion yen

Number of stores:
18,086 stores in **14** countries

Total number of shoppers (2022):
Approx. **4** billion

Number of members:
Approx. **55.72** million



Connect directly with families Number of real-world touch points

Children’s play knows no borders. The games we offer are widely accepted both in Japan and overseas, and have a distinctive presence as entertainment that can be enjoyed worldwide. This direct connection with our customers helps us come up with new play ideas and generate stable business growth.

Number of stores:
1,228 stores in **9** countries

Annual number of visitors
(including overseas):
100 million

Number of digital members in Japan:
Approx. **2,526,000**

Store recognition:
73 %



Specialists who can make people smile

Our personnel, who make children smile, are another strength that no other company can match. In addition to hiring qualified staff such as nursery school teachers, we have enhanced the quality of our staff by establishing several in-house certifications to support play. Our maintenance staff, who are qualified electricians, are contracted to perform inspections and maintenance not only in-house but also outside the company to ensure the safety of playgrounds.

Number of qualified nursery school teachers
and kindergarten teachers:
524

Number of qualified electricians:
77

Number of entertainment leaders:
319

Number of CS instructors:
1,223



Development capabilities for play creating and offering a unique sense of fun

Over the years, we have studied children’s preferences and emotional responses to color, movement, characters, and communication, and other elements, accumulating know-how about what makes them happy. This is why we are able to develop and provide unique businesses and original amusement machines, playground equipment, and events that are widely supported.

Number of businesses developed:
29

Ratio of original amusement machines
(Japan):
43.9 %

Ratio of original playground equipment:
Approx. **70** %

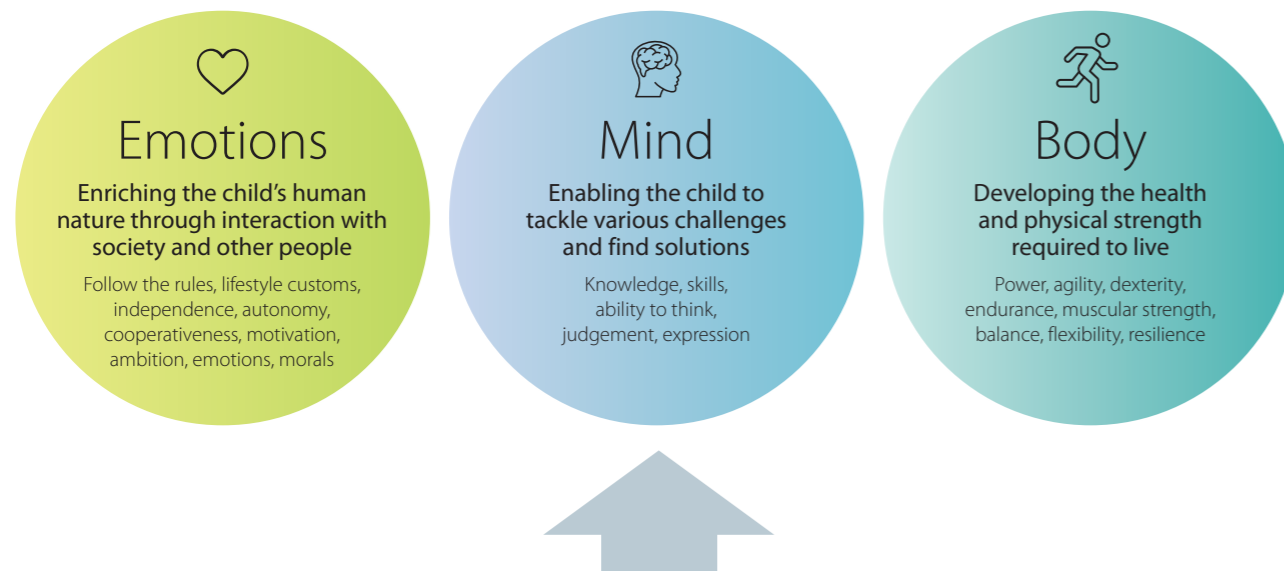
Ratio of original locally procured
playground equipment in overseas:
Approx. **90** %



Value Proposition

AEON Fantasy has been developing its corporate philosophy framework, and in 2024 we established a vision that sets out the direction we will take to achieve our Purpose. At the same time, we redefined the value of the services we provide to children and their families. Going forward, we will promote new businesses based on this vision and the value we provide.

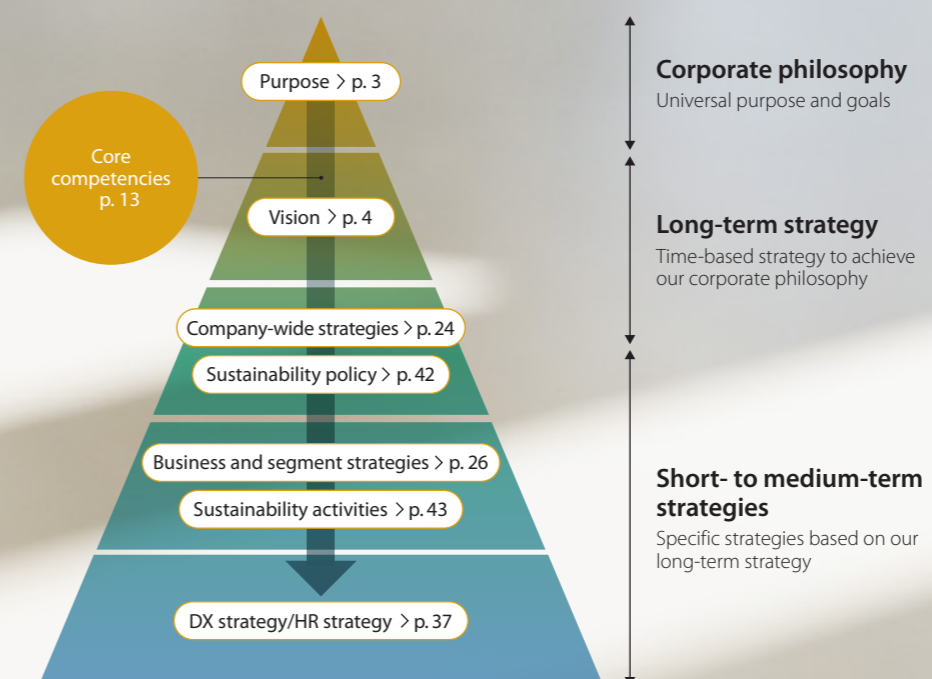
The value AEON Fantasy provide



Characteristics of Value-Generating Services



Chapter 2 AEON Fantasy in the Future



Message from the President



Tokuya Fujiwara

AEON Fantasy Co., LTD.
President and
Representative Director

All our activities lead to the creation of a new type of value: Heartfelt value

Maximizing value through the provision of time-based value in line with a changing market environment

The market environment surrounding our business is undergoing major structural change. In Japan, abnormal weather patterns stemming from global warming are causing extreme heat at unprecedented levels, with records for high temperatures and the number of extremely hot days constantly being broken. In this environment, it is becoming unrealistic for children to spend their days playing outside all year. Moreover, workstyle reforms and changing family dynamics mean that local communities, which previously played an important role in watching over children, are becoming a thing of the past. In turn, we are seeing fewer places where parents can let their children play with peace of mind. This is an issue that cannot be ignored if we are to ensure the healthy development of children. At AEON Fantasy, we propose ways to enjoy indoor facilities. Since the pandemic, the focus of enjoyment has switched away from games that children can complete in a short space of time to activities that children can spend time on. Amid this shift, there is growing social demand for safe and secure indoor facilities where children can spend extended periods of time, and as a result the potential value that we can provide continues to grow.

AEON Fantasy's facilities provide two types of value: product-based value and time-based value. Product-based value refers to our provision of prizes, goods, and other tangible items, while time-based value is the value in the time customers spend at our facilities. As our market environment undergoes significant change, we believe that it is time-based value where we can demonstrate our uniqueness and competitive advantages. We will therefore strengthen the relevant departments to expand customers' range of choices and in turn achieve further growth. Our main focus is currently on the development of our timed playground business.

Two playground businesses to increase options for time-based value

To cater to customers' diverse needs, in Japan we are engaged in two main playground businesses, providing optimal facilities in line with the characteristics of their trade areas.

Our CHIKYUU NO NIWA playground business, which began in 2023, revolves around large-scale playgrounds in

which children can have fun with staff, learning about the earth through play. CHIKYUU NO NIWA playgrounds can be found in commercial facilities with broad trade areas such as AEON Mall. The facilities were created with significant investment and feature theme park-like concepts and interior design. In addition, the facilities host regular events throughout the day and successfully attract customers from a wide area. The number of new stores has gradually increased since we opened the first CHIKYUU NO NIWA facility at Tokyo Solamachi. We have opened a total of 13 stores as of August 31, 2025, with a further six stores scheduled to open during FY2025. Customers tend to visit CHIKYUU NO NIWA stores once every three months. As such, one feature of the business is that staff can actively engage with children with a focus on play and enjoyable events, and continue to provide new experiences for them. The equipment and content at these facilities are also evolving, and one of the new stores that opened in FY2025 features a new Space Area. Moving forward, we will aim to accelerate store openings while continuing to improve the facilities and events on offer.



Message from the President

Our second main playground business is the NOBICCO brands (NOBICCO JUMBO and NOBICCO PICNIC), the first store of which opened in June 2025. Compared to CHIKYUU NO NIWA, NOBICCO stores were created with relatively low investment, and can be enjoyed for extended periods of time at low cost for customers.

We have positioned the business as the perfect alternative to parks that customers can use regularly. The decision to develop the NOBICCO brands was sparked by a rival's successful low-cost store development and operation. After detailed analyses of the market, we realized that in addition to equipment quality, parents and carers also wanted a communal space for relaxed and casual chit-chat. In line with this concept, we worked from the ground up, discarding previous approaches to develop a facility that could be opened with minimal cost. By controlling both development and personnel expenses, we have achieved a profit margin that significantly exceeds that of our CHIKYUU NO NIWA facilities. Moreover, by allowing customers to bring in food and drink and come and go as they please, as well as by enabling parents and guardians to rotate freely, we have extended customers' average length of stay to five hours. NOBICCO brands facilities are suited to small- to medium-scale zones and do not require a large space like CHIKYUU NO NIWA facilities, and can therefore be opened anywhere in Japan with a focus on general merchandise stores. In the stores we have opened to date, we are seeing benefits throughout the commercial facilities in which they



are located, with an increase in sales in neighboring kids and baby sections, restaurants, and even our own Mollyfantasy facilities. In this sense, NOBICCO brands facilities provide mutual benefits for customers, developers, tenants, and AEON Fantasy. We will begin by establishing a model while opening NOBICCO facilities mainly in AEON Group facilities, and ultimately increase the pace of our store openings to around 20 to 30 per year.

An entry point to support the future of the AEON Group

It is not only playgrounds where we are focusing on time-based value business development. In the amusement business, we are developing and rolling out Feedy Diner & Arcade facilities. These large-scale facilities combine dining with amusement and are geared mainly toward Gen Z customers. While the entirely unique pop interior helped to attract many customers to our first store, use of the dining section was limited as the volume and price points of items on the menu exceeded customers' needs. This was due in part to our own limited expertise in the development process. Taking these shortcomings on board, at the second store we completely transformed the menu, switching our offering predominantly to easy-to-eat hot dogs at the affordable price point of 500 yen. As a result, we attracted three times more customers than planned, and the facility garnered significant praise from Gen Z and a wide range of other demographics.

We are also focusing on the hot-bath business. We currently operate two OYUGIWA hot-bath facilities, and while families are our main customers, they are also used by everyone from seniors to Gen Z customers. We have positioned these OYUGIWA facilities as places where we can offer time-based value—that is, rather than simply providing hot baths, we want customers to be able to spend extended periods of time with us. Based on this approach, we will work to expand our OYUGIWA facilities moving forward.

At AEON Fantasy, through the provision of diverse facilities suited to everyone from age 0 upward, we are developing time and spaces that families can enjoy with peace of mind. It is important that we build lifelong relationships with our customers by continuing to provide value in line with their stage of growth. Positioning this as lifetime value, we will provide places for customers to enjoy at every stage of life, be it children, juniors, families, or seniors, and in turn develop long-term relationships of trust. Whether our customers attend kindergarten, nursery school, elementary school, junior high school, high school, or university, or whether they are working adults, we want them to come to AEON Fantasy facilities. We want them to visit us when they have their own families and children, and

when they are seniors, with their grandchildren. In this way, our vision is to have customers live their lives alongside AEON Fantasy.

We also have an incredibly important role in acting as an entry point to the wider AEON Group. By opening our stores in AEON Group commercial facilities, we can create an environment for extended periods of stay—that is, families can enjoy shopping or dining after letting their children play. Moving forward, we will work more closely with AEON Group companies to generate new businesses using this approach, and in turn create greater potential for growth.

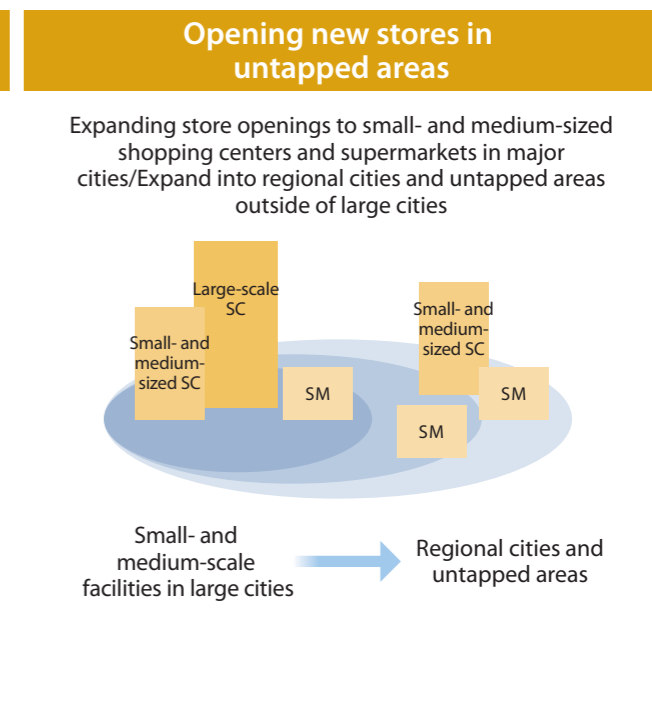
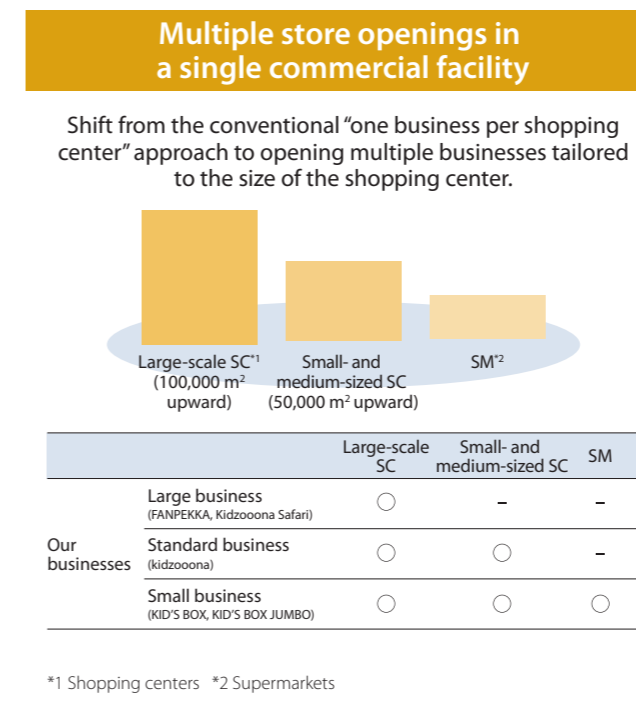
Accelerating growth in ASEAN and aiming for early recovery in China to further increase revenue

As in Japan, we are also working to strengthen our playground businesses overseas. We are making steady progress in our ASEAN business thanks to ongoing business development and our expansion into new areas. As previously we exclusively rolled out our large-scale FANPEKKA facilities and standard kidzooona facilities, there were limitations regarding our target income demographics and store opening conditions. By adding the conceptual large-scale Kidzooona Safari business and the low-investment and low-cost Kid's Box and Kid's Box Jumbo business to our lineup of offerings, we are now able to strategically roll out stores that cater to a wide range of income levels and commercial

facilities in each country and area. For example, we are now putting together long-term strategies that involve first opening low-cost facilities in trade areas that previously were not suited, before then switching to our standard and large-scale facilities several years down the line when the area's economic conditions have improved. We are also now able to open several facilities in a single shopping center to effectively capitalize on customer demand.

By country, we are focusing on opening new stores in Indonesia, Vietnam, and other countries where we are focusing on growth. Meanwhile, in the Philippines, Malaysia, and other countries where we are working to expand our market share, as the markets are growing, we are maintaining and improving our existing stores while opening new stores. Using this flexible business- and area-based strategy, we will continue to boost our presence in the ASEAN market and achieve sustainable growth.

In the China business, we are currently in the midst of structural reform. In FY2024, our performance in China fell significantly below target, partly due to our accelerated liquidation of unprofitable stores. Moving forward, however, by transitioning away from the fiercely competitive amusement business to the playground business where we can demonstrate our unique strengths, as well as by promoting head office structural reform, we will aim for rapid profitability improvements.



Message from the President

Net Sales by Segment

(Unit: billion yen)

Performance	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Japan	38.2	50.4	58.8	64.4	69.4
China	6.8	7.7	4.8	6.5	4.8
ASEAN	1.1	2.1	9.0	11.0	13.1
Overseas total	8.0	9.8	13.8	17.5	18.0
Consolidated total	46.1	60.1	72.6	81.7	87.2

DX, human capital, and sustainability activities to support our business strategies

We are currently focusing on DX to ensure the steady implementation of our business strategies. Specifically, using a digital membership system, we are creating mechanisms that allow us to approach individual customers with tailored promotions and activities. In terms of members of the official AEON Fantasy LINE account, our target for FY2025 was to hit 1.6 million members, which we achieved ahead of schedule in September. As such, we revised our annual target upward to 2 million members and are engaging in the appropriate promotional activities to hit this new target. With our original TOTTOTO app, where members can enroll from age 0 upward, we already have more than 900,000 members.

To ensure that customers can live their lives alongside AEON Fantasy, and to continue providing enjoyment value at every stage of their lives, we will continue working to enhance our membership systems. Specifically, we will implement mechanisms that make more customers want to use our membership services, such as by collaborating with AEON's membership systems, which is something we are looking at doing in the future.

Meanwhile, we believe that employee motivation is the most important foundation for supporting the Group's sustainable growth. As such, while actively continuing with our recruitment activities, it is my mission to create comfortable working environments and develop a company that employees love working for and want to work with for a long time. We are therefore enhancing our working environments, including employee welfare programs, and promoting motivated and ambitious human resources.

Operating Profit by Segment

(Unit: billion yen)

Performance	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Japan	-6.0	-1.6	2.4	4.5	6.2
China	0	-1.2	-2.7	-2.3	-3.0
ASEAN	-1.3	-0.5	1.2	1.3	1.1
Overseas total	-1.3	-1.8	-1.5	-0.9	1.8
Consolidated total	-7.4	-3.4	0.8	3.5	4.3

For example, using our permanent employment system, we promote outstanding part-timers into full-time employees, while we also set up internal systems based on employee feedback. These initiatives help to create an environment in which each employee feels as though they can grow, and this increase in motivation also helps to ensure we retain our outstanding human resources.

To boost employees' motivation, my main focus has been on the formulation and promotion of our Purpose and Vision. Our Purpose was formulated in 2022, and our Vision in 2024. As we have worked to improve in-house understanding of our Purpose and Vision, the challenges we face have become clearer than before. On my visits to stores in each area both in Japan and overseas, the staff have been forthright in communicating to me their problems and aspirations. Through this communication, on occasion we discover challenges that are directly linked to management. This open culture suggests that employees are beginning to think independently about what they need to do to achieve our Purpose and fulfill our Vision. One of the biggest strengths of our organizational culture is how frontline feedback is relayed to management and then linked to specific action.

Elsewhere, one of our major sustainability initiatives this fiscal year has been the conclusion of a collaborative partnership agreement with Namie Town in Fukushima Prefecture to bring smiles to children's faces. Since the Great East Japan earthquake, the number of residents in Namie Town has fallen to just one-tenth of the previous population. With the challenges in securing places for children to play, through this project we are working with Namie Town to

bring smiles to the faces of local children. Specifically, children are gathering at local facilities in the town to enjoy the AEON Fantasy Game College Lv. 99, an online program that uses games for learning. In addition, we are providing advice to local staff on how to interact with children and host enjoyable events.

Further, in collaboration with AEON Entertainment, an AEON Group company operating nationwide AEON Cinemas, we hosted a movie viewing event titled "Attaka Time at AEON Cinema" for children and people with developmental and intellectual disabilities and their families. At the event, lighting and noise levels were adjusted and viewers could fully enjoy the film, moving around and speaking out without having to worry about their surroundings. We have also held similar Attaka Time events at our playgrounds, setting aside time for children with disabilities to enjoy our facilities. Realizing the potential for similar demand at cinemas, we approached AEON Entertainment with the idea to make it a reality. On the day of the event, we welcomed around 70 people in 26 groups. Through the event we played our part in creating an inclusive society that can be enjoyed by all, regardless of ability or disability.

Moving forward, we will continue to actively roll out initiatives unique to AEON Fantasy in the areas of DX, human resources, and sustainability.



Increasing the total number of smiles

At AEON Fantasy, our starting point is the smiles on children's faces. It is also our aim to extend this joy to fathers, mothers, grandfathers, grandmothers, and members of the local community.

The product-based value and time-based value that form the core of our businesses are nothing more than a means to deliver this value to our customers. Our ultimate aim is to increase the total number of smiles. Making customers smile through product-based and time-based value can in turn bring us joy. We have termed this value "heartfelt value." All our activities, be it in business, DX, human resources, or sustainability, are linked to our single goal of creating heartfelt value. My goal is to create a flexible company in which, even amid a rapidly changing market environment, all employees work together toward this goal and continue to provide services that meet the needs of society.

To our valued shareholders and investors, we ask for your understanding and ongoing support.

Medium- to Long-term Strategies

Analysis of business environment

In the external environment, diversifying values and social transformations are driving major changes in customers' needs. In particular, the impacts of global warming are increasing in severity every year, and indoor playground facilities where children can play safely are becoming an essential part of local communities.

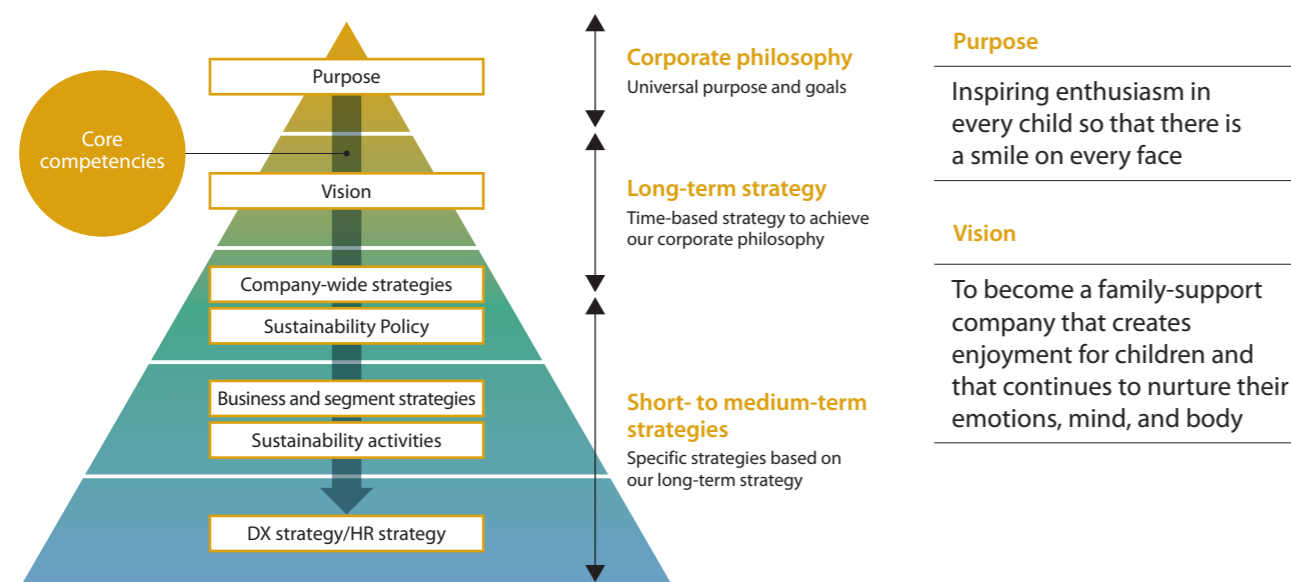
In our internal environment, it is essential that we evolve our value proposition to address these social changes. In terms of store openings, conducting flexible business development in line with customers' and developers' needs is paramount, and we will aim to transition away from previous expansion strategies centered on single business models.

Analysis of external environment	Analysis of internal environment
Increasingly diverse consumption trends and expected value among customers	New value proposition based on philosophy
Acceleration of climate change and rising environmental awareness	Expansion of store opening areas through business development
Increasing demand for indoor play areas	Countermeasures for rising costs
Increasing expectations for service businesses from the Group	Acquisition of competitive advantages using internal strengths

Philosophy structure (medium- to long-term vision)

We have updated our corporate philosophy in line with social changes. In 2022, we upgraded the corporate motto that had been in place since our founding and formulated our Purpose in its place. Moreover, in 2024 we established a new Vision in line with the implementation of our

medium-term management plan. We have organized a new management structure accordingly, while we have also created a link between our philosophy and our business and sustainability activities with a focus on the timeline. We have also strengthened the connection between all these elements and our core competencies.



Company-wide strategies

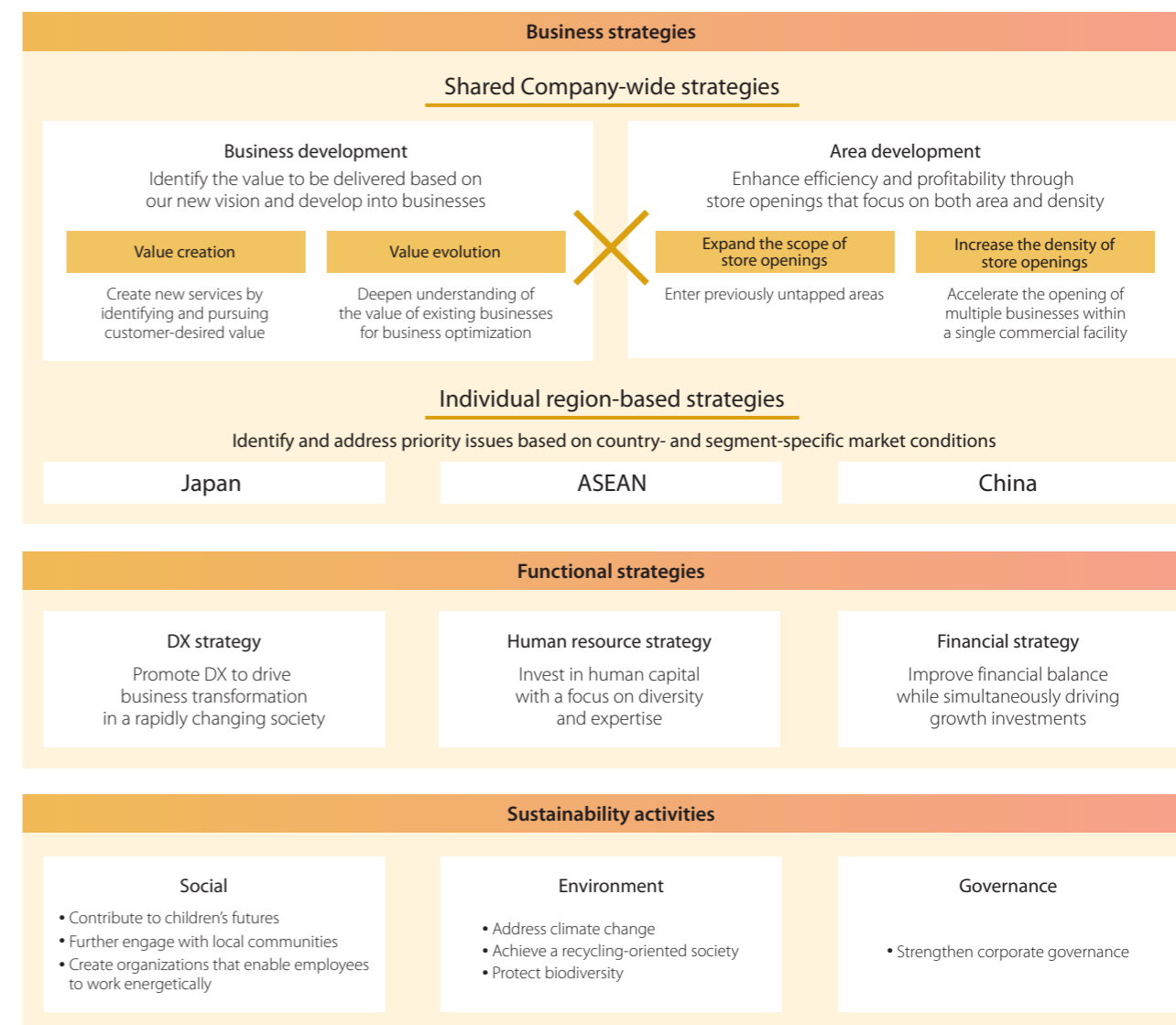
Store openings are the focus of our company-wide strategies, and we will execute these strategies through business development and area development.

In business development, we will seek the value customers require and provide this value through our businesses and services, and aim to both open new businesses and enhance our existing businesses.

In area development, in addition to opening stores in new regions and zones, we will aim to improve profitability

and efficiency by opening multiple businesses in a single commercial facility.

Moreover, in addition to shared Company-wide strategies, we also believe it is important to put together strategies for each country and segment. As such, we will work to identify and address the important individual issues in each segment. We will also set up functional strategies to underpin the above activities, and conduct DX, human resources, and financial growth investments.



Numerical targets	(Million yen)				
	FY2022	FY2023	FY2024	FY2025 (target)	FY2026 (target)
Net sales	72,690	81,758	87,240	92,200	97,500
Operating profit	849	3,585	4,344	7,300	7,400

Chapter 3 Business and Functional Strategies

Businesses in development

Rebuild growth scenarios through management rationalization and business structure transformation



Business Overview

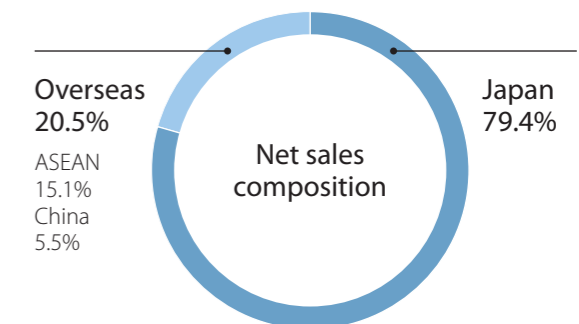
Overview of consolidated financial results for FY2024

In the domestic business, existing stores performed strongly thanks to continued growth in the prize and capsule toy businesses, as well as steady growth in the time-based medal business, while new stores, including new businesses and strategic compact stores, also exhibited strong results. As a result, both net sales and operating profit reached record-high figures. Elsewhere, while the steady expansion of new stores continued in the ASEAN business, the delay in sales recovery in

the China business continued due to a stagnant economic environment and intensifying competition. As such, we are continuing to switch to our highly competitive playground facilities while liquidating our unprofitable amusement facilities. While on the one hand we opened 195 new stores, primarily new businesses, we also closed down 134 unprofitable stores (of which 82 were in China). As such, as of the end of February 2025, we have 753 stores in Japan and 475 overseas for a total of 1,228 stores (1,217 directly managed stores and 11 franchises).

Net sales: **87.2 billion yen**
(up 6.7% year on year)

Operating profit: **4.3 billion yen**
(up 21.2% year on year)



Segment overview

Domestic business

Net sales
69.4 billion yen
(up 7.7% year on year)

Operating profit
6.2 billion yen
(up 35.9% year on year)

Net sales from existing stores increased by 6.0% year on year and significantly exceeded our target, with the 10.4% year-on-year increase in the prize business driving overall performance. In the medal business, net sales increased 3.4% year on year and member numbers also increased thanks to ongoing investments and sales promotion activities, contributing to an overall improvement in gross profit margin.

In the amusement business, we opened new businesses in new areas (in busy downtown areas, etc.) and also opened Feedy Diner & Arcade, our new large-scale amusement and dining facility. In the playground business, we opened six new CHIKYUU NO NIWA stores, surpassing our initial plan. All areas continue to perform strongly with achievements significantly above target.

Overseas business: ASEAN

Net sales
13.1 billion yen
(up 19.8% year on year)

Operating profit
1.1 billion yen
(down 12.4% year on year)

Although we posted record-high net sales, operating profit fell below the previous year due to the increase in head office personnel in anticipation of further growth in scale and rebound effects from online lessons in the Philippines in the previous year (face-to-face classes resumed in FY2024).

In our main playground business, in addition to our mainstay kidzooona business, we developed new businesses such as Kidzooona Safari and KID'SBOXJUMBO to cater to various trade areas, and continued to expand into new regions in each country.

Overseas business: China

Net sales
4.8 billion yen
(down 26.0% year on year)

Operating profit
-3.0 billion yen
(operating loss in the previous year: 2.343 billion yen)

Alongside stagnant economic activity, competition increased due to the rapid increase in new players from other industries in the amusement business in commercial facilities, and as a result sales were slow to recover. In turn, we liquidated a total of 82 unprofitable stores which far exceeded our initial plan.

While continuing to strengthen our efforts to reduce expenses at existing stores and head office SG&A expenses, we revitalized a total of 20 stores by reducing the size of amusement zones and increasing the size of playground zones.

Business Strategies

Domestic Business

Aiming to maximize resource generation, which is the key to company-wide growth, we will promote business and area development rooted in the AEON living area



Message from the Officer in Charge of Business

Steadily nurturing seeds of growth through business development that meets customer needs

Yoshihiro Tamura
Director and Executive Officer for Domestic Business

In the fiscal year ended February 2025, we achieved record highs in net sales and operating profit, and achieved our operating profit target for 2026 in the medium-term management plan ahead of schedule. In addition to successful measures at existing stores for key categories, such as medal games and kids' prizes, the start of new services for our more than 2.6 million digital members also contributed to our improved performance. We also worked on new business and area development for new customer segments, including our launch of Feedy Diner & Arcade, a new business for Gen Z customers, and our opening of strategic compact stores in Shibuya, Dotonbori, and other downtown areas in front of stations.

In our medium-term management plan moving forward, we have positioned the playground business as a central growth pillar. Alongside its growth potential in the domestic market, it is also a business in which we can maximize our strengths, namely our development capabilities and operational knowhow. Moreover, with a higher gross profit margin than the amusement business and little need for additional investments, it has the potential to make significant contributions to improving profit margin across the domestic business. As such, we have increased our net sales composition

target for the playground business from the current approximately 4% to 15%. Specifically, we will increase the pace of our store openings to around 30 per year, with a focus on our CHIKYUU NO NIWA and NOBICCO facilities. At our CHIKYUU NO NIWA facilities, we will strengthen our development of new content that enhances the value we provide through play and learning. As part of these efforts, at the Makuhari New City store that was opened in August 2025, we also set up a play lab where children could try out playground equipment under development. By developing playground equipment in line with customer feedback in this way, we will work to bring customers' expected value to life. Elsewhere, with growing demand for indoor play opportunities, in FY2025 we opened our NOBICCO JUMBO facility, the concept for which is to be the most affordable playground facility in the region. With low admission fees, it is paramount that we increase the frequency of customer visits, and so we will work quickly to establish an appropriate business model.

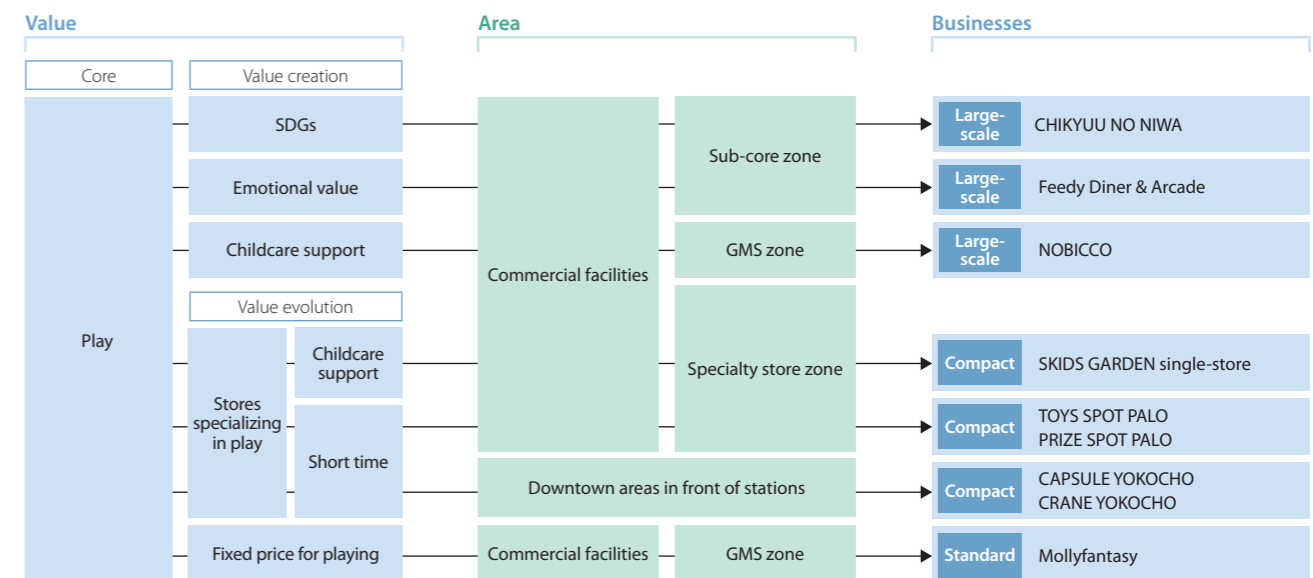
Looking ahead, we will continue to nurture the new growth opportunities from this term, and aim to achieve sustainable growth through unique value creation.

Market environment and challenges

Market environment	<ul style="list-style-type: none"> • Price hikes due to yen depreciation • Population decline and concentration in Tokyo metropolitan area • Increase in parenting stress and worries 	Challenges	<ul style="list-style-type: none"> • Evolution of business in response to changing customer needs • Profit structure reforms to absorb cost increases
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Key strategies

Key strategies	Key measures	Core competencies
Business development	Value creation and evolution <ul style="list-style-type: none"> • Development of (large-scale) businesses based on social and environmental challenges that are attracting increasing interest • Development of (large-scale) businesses focused on emotional value by creating immersive worldviews and utilizing social media • Provision of childcare support functions necessary for families raising children in each region (standard) • Development of specialist and specialty play areas (compact) 	<ul style="list-style-type: none"> • AEON Living Area • Development capabilities for play
Area development	Expansion into untapped areas <ul style="list-style-type: none"> • Expansion into untapped areas within AEON's commercial facilities • Expansion into downtown areas in front of train stations 	<ul style="list-style-type: none"> • AEON Living Area • Development capabilities for play
Individual strategies	Profitability improvements at existing stores <ul style="list-style-type: none"> • Expansion of sales by entering new markets targeting demographics that prioritize emotional value • Improvements in productivity through DX • Strengthening of CRM by overhauling the membership system, integrating with group IDs, implementing omni-channels • Introduction and enhancement of timed services in existing businesses 	<ul style="list-style-type: none"> • AEON Living Area • Touch points



In Japan, we will work to increase our share of existing markets while also entering new markets. In commercial facilities, we will roll out improved Mollyfantasy facilities in the GMS zone, our primary focus for store openings, and open new businesses with new value in specialty and other key zones to attract families to the entire facility. We will also aim to open stores

Initiatives in FY2024

In FY2024, we increased our playground store openings, primarily our CHIKYUU NO NIWA facilities. We also engaged in new endeavors, opening compact amusement stores in urban areas in front of train stations.

outside of shopping centers. Specifically, we will apply the expertise we have accumulated in family amusement to compact businesses for urban areas, and open new stores in downtown areas in front of stations. Through this area development, we will create greater growth foundations for our domestic business.

Policy for FY2025

In FY2025, we will continue with the expansion of our playgrounds. We also plan to proactively open new affordable NOBICCO JUMBO stores, which will play an essential role in our store opening strategy.

Business Strategies

Domestic Business

Playground Business

Expansion of CHIKYUU NO NIWA

Our large-scale CHIKYUU NO NIWA playground facilities comprise multiple areas that are based on different global environment themes such as forests, mountains, and other nature-related subjects. The facilities feature various mechanisms that enable children to learn about the environment through play, and the aim is to develop children's intellectual curiosity through our equipment and events. With increasingly severe impacts from global warming, we are seeing growing interest in environmental issues and rising demand for indoor facilities. Against this backdrop, our CHIKYUU NO NIWA facilities have huge social significance. We will continue opening new CHIKYUU NO NIWA facilities knowing that they play an important role in developing children's emotions, mind, and body.



First store	March 2023
Main locations	Large-scale commercial facilities
Cumulative total no. of stores in FY2024	8
No. of new stores planned for FY2025	11



Spatial design to enhance immersive experience



Daily events



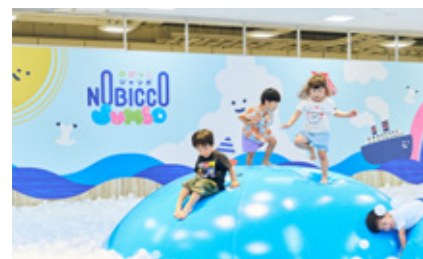
Diverse playground equipment to spark curiosity

Development and expansion of the NOBICCO brand

NOBICCO JUMBO and NOBICCO PICNIC are stand-alone versions of the NOBICCO brands facilities we previously set up next to our amusement stores. They are distinctive for their spacious floor areas, bring-your-own food and drink spaces, and affordable admission fees. Through the NOBICCO brands, our aim is to create an indoor park-like space that customers can use casually and for extended periods of time. In developing the brand, we focused on the recent needs of households with children, working to both ensure enjoyment for children and reduce any burden or stress for parents. Our plan is to increase store openings in all trade areas and create relaxing spaces for the parents and guardians who dedicate themselves to childcare every day.



First store	June 2025
Main locations	Small- to medium-scale commercial facilities
No. of stores in the first half of FY2025	4
No. of new stores planned for FY2025	8



Open and spacious spatial design



Space to move around freely



Food and drink space for families to relax

Amusement Business

First Feedy Diner & Arcade store

Feedy Diner & Arcade is a large-scale amusement facility with a dining section that focuses on the emotional value prioritized by Gen Z customers. Through interior design inspired by American diners and photo-worthy dishes, we aim to use different means to provide an experience that customers will want to share with others and in turn create new reasons for customers to visit our stores. In addition to families, who are the main targets of our regular amusement facilities, we are also targeting younger generations so that we can approach a wider demographic. We will gradually increase the number of Feedy Diner & Arcade stores as one way to reach new customer segments.



First store	November 2024
Main locations	Large-scale commercial facilities
Cumulative total no. of stores in FY2024	1
No. of new stores planned for FY2025	1

Opening of standalone Capsule YOKOCHO and Crane YOKOCHO stores in new areas

CAPSULE YOKOCHO and CRANE YOKOCHO are specialty prize and capsule toy stores inspired by retro Japanese side streets. Despite their compact size, the stores boast extensive product lineups and attentive staff to provide both a relaxed environment and enjoyment.

We have opened stores in shopping centers and as standalone stores in urban downtown areas in front of stations, where they are playing an important role in reaching different customer segments to our regular stores, as well as inbound customers.



First store	April 2024
Main locations	Shopping mall and urban areas
Cumulative total no. of stores in FY2024	5
No. of new stores planned for FY2025	1

Hot-bath Business

Focus on the OYUGIWA hot-bath business

Our multifunctional OYUGIWA hot-bath facilities are geared toward a wide range of customer segments with a particular focus on families. We incorporate the latest trends in hot baths and saunas to address the needs of our main customers, both seniors and younger generations, while we also work to create facilities that can be enjoyed by parents and children through extensive food and drink menus and seasonal events. We have positioned the healing and relaxation value provided by hot baths as a new approach to the support for families we aim to offer through our philosophy, and we are looking at the further development and expansion of these hot-bath facilities moving forward.



First store	April 2018
Main locations	Suburbs of regional cities
Cumulative total no. of stores in FY2024	2

Business Strategies

Overseas Business

Positioning ASEAN as our second growth driver, we are rolling out strategies in line with the markets in each country. In China, we will transition to a playground-focused business model.



Message from the Officer in Charge of Business

Establishing a robust market position through the intangible strengths we have built to date.

Wataru Koiwa
Director and Executive Officer for Overseas Business

In the year ended February 2025, net sales in the ASEAN business increased 19.8% year on year to 13.1 billion yen, which marked a record high. Gross profit margin also remained at a high 22.9%. On the other hand, the China business was impacted by fierce market competition, and to improve profitability we liquidated a total 67 stores, which was more than the 40 we initially had planned. Due in part to the extraordinary losses from this liquidation, net sales in the China business fell 26% year on year to 4.8 billion yen and we recorded an operating loss of 3.0 billion yen.

In the medium-term management plan, we have positioned the ASEAN business as a growth driver. With the rise in number of large-scale rival stores in the ASEAN playground market, it is essential that we provide customers with the opportunity to again recognize the added value of our facilities. We believe we can differentiate ourselves from the competition with our unique intangible strengths, namely our capabilities in store revitalization and event planning. In addition to the proactive opening of theme park-like playgrounds, we are also developing store models with low initial investment to expand into small-scale trade areas and lower-tier regional commercial facilities, aiming to build a foundation for future growth.

By country, in Indonesia, Vietnam, and other countries where we are focusing on growth, we will make use of our diverse business portfolio to expand into regional cities and other untapped areas. In Malaysia, the Philippines, and other countries where we are aiming to increase our market share, we will accelerate the revitalization of existing stores to improve levels of customer satisfaction.

In China, we will accelerate our transition away from the overly competitive amusement business to the playground business. We are already making progress beyond our initial plan by making use of the development and operational knowhow developed through the ASEAN business. We will continue with efforts to expand, revitalize, and quickly rebuild the playground business.

We believe that our businesses have universal value—that is, they can bring smiles to the faces and children and families across the world. Moving forward, in addition to ASEAN and the Global South, we will also look at expanding into countries with high levels of disposable income, and ensure sustainable corporate value improvements through the development of local management personnel who can support our global-scale growth.

Market environment and challenges

ASEAN

Market environment	<ul style="list-style-type: none"> • Overall GDP growth • Population growth • Acceleration of tropical climate, increase in abnormal weather • Recovery of consumption after the pandemic • Regulations for amusement facilities 	Challenges	<ul style="list-style-type: none"> • Flexible store opening strategy that responds to the environment • Optimization of roles of each business and distribution of resources
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China

Market environment	<ul style="list-style-type: none"> • Economic instability due to changes in government policy • Increasingly low birthrates • Worsening environmental pollution • Intensification of competition in the amusement market 	Challenges	<ul style="list-style-type: none"> • Streamlining of management structure • Development of services that drive the next stage of growth
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Key strategies

ASEAN

Key strategies	Key measures	Core competencies	
Business development	<ul style="list-style-type: none"> • Development of businesses for flexible store openings 	<ul style="list-style-type: none"> • Development of large-scale businesses suitable for large trade areas, leading commercial facilities, and favorable locations • Development of compact businesses for small trade areas and small commercial facilities 	<ul style="list-style-type: none"> • Development capabilities for play
Area development	<ul style="list-style-type: none"> • Rapid area and density growth 	<ul style="list-style-type: none"> • Expansion of store openings not only in major cities but also in regional cities and untapped areas • Store openings by facility size, assuming multiple store openings in a single commercial facility • Vietnam and Indonesia ⇒ Emphasis on growth rate • Malaysia and the Philippines ⇒ Emphasis on increasing market share • Thailand ⇒ Productivity improvements 	<ul style="list-style-type: none"> • Development capabilities for play • AEON Living Area
Individual strategies	<ul style="list-style-type: none"> • Second growth driver after Japan 	<ul style="list-style-type: none"> • Reorganization to support rapid expansion • Strengthening of ties with leading developers • Maintenance and evolution of service quality at a competitive Japanese standard 	<ul style="list-style-type: none"> • Smiling human capital

China

Key strategies	Key measures	Core competencies	
Business development	<ul style="list-style-type: none"> • Transition of core businesses in response to customer support and market needs 	<ul style="list-style-type: none"> • Transition from existing amusement businesses to playground businesses with strong competitive advantages • Enhancement of playground businesses that are highly regarded for their Japanese quality • Development of businesses focused on health and exercise, areas of growing societal interest • Expansion of highly efficient compact stores 	<ul style="list-style-type: none"> • Development capabilities for play • Smiling human capital
Area development	<ul style="list-style-type: none"> • Selective concentration strategy with a focus on efficiency 	<ul style="list-style-type: none"> • Concentration of store openings in trade areas with growth potential, taking demographic trends into account • Highly efficient store openings, especially compact stores 	<ul style="list-style-type: none"> • Development capabilities for play
Individual strategies	<ul style="list-style-type: none"> • Structural reforms for renewed growth 	<ul style="list-style-type: none"> • Liquidation of unprofitable stores • Reduction of head office SG&A expenses 	<ul style="list-style-type: none"> • Development capabilities for play

Initiatives in FY2024

In FY2024, we increased the number of our compact KID'S BOX stores in ASEAN, increased store density in existing regions, and expanded into untapped areas.

In China, we actively closed down our unprofitable stores.

Policy for FY2025

In FY2025, we will continue to expand store openings. In Indonesia, we will also expand the amusement business and aim to increase revenue.

In China, we will continue with our transition to the playground business and our efforts to streamline the management structure.

Business Strategies

Overseas Business

ASEAN business

New business development

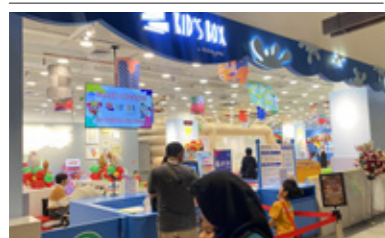
In each ASEAN country, we are promoting business development in line with the scale of different trade areas and commercial facilities. We are promoting particularly aggressive expansion of our new KID'S BOX facilities. Compared to our mainstay kidzooona facilities, our compact KID'S BOX facilities cover a smaller area and require less initial investment. As such, they are suited to areas that we have neglected in the past such as medium-sized commercial facilities and smaller zones. As a result, we have made significant progress in expanding into regional areas and increasing store density in cities.

We are also focusing on store openings in large-scale zones. For example, our new jungle-inspired Kidzooona Safari business features large playground equipment and vibrant interior design, and is suited to open spaces with high ceilings. This ensures that Kidzooona Safari facilities stand out in shopping malls. Moreover, despite requiring low investment, our KID'S BOX JUMBO facilities are known for their colorful interiors and well-equipped spaces. They are suited to rapid store openings in larger zones and we are expanding their rollout in each country.



First store **September 2022**

Cumulative total no. of stores in FY2024 **28**



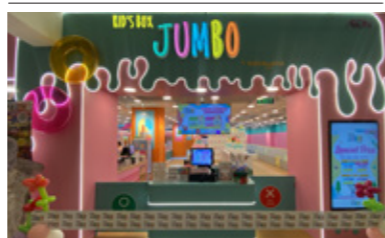

First store **April 2024**

Cumulative total no. of stores in FY2024 **2**




First store **October 2024**

Cumulative total no. of stores in FY2024 **5**

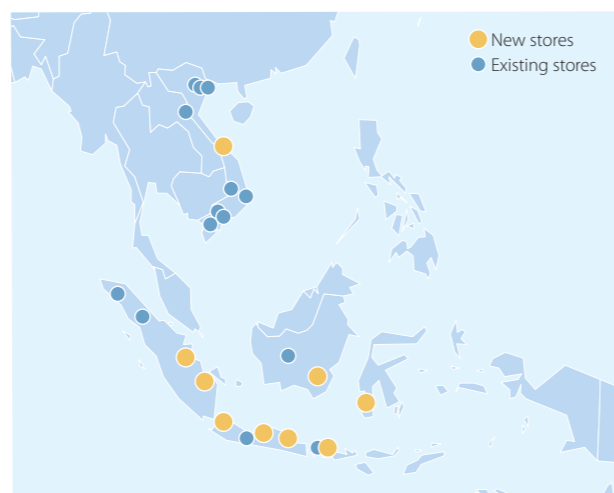


Opening new stores in untapped areas

In the ASEAN business, until now we have primarily opened stores in the major cities of countries with comparatively high levels of income. Moving forward, however, we will expand into regional cities and untapped areas in line with economic growth.

In Indonesia, for example, prior to the relocation of its capital, we opened a large-scale store in the suburbs of the new capital on the island of Borneo. Moreover, we entered the amusement business in areas where we have already opened stores, and are aiming for further store expansion making use of unique content developed in collaboration with our offices in Japan.

In Vietnam, we have expanded the scope of our store openings which were previously limited to Ho Chi Minh and Hanoi to newly include Hue. Vietnam is also an area of priority for the AEON Group, and we will therefore expand into regional areas in line with the Group's own store opening strategy.



Evolution of existing businesses

Alongside our development of new businesses and expansion into new areas, we are also working to update and improve the value of our existing businesses. At our mainstay kidzooona facilities, we are regularly reviewing our playground equipment and services, while we are also panning the revitalization of existing stores in each country. In the amusement business, primarily at our Mollyfantasy stores

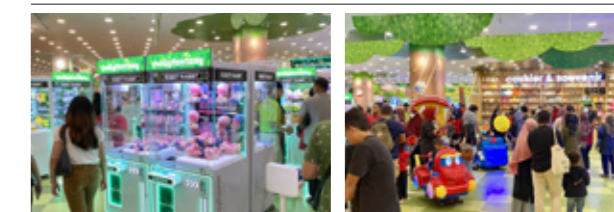
we are introducing new machines, enhancing our prizes, and setting up new areas in collaboration with other companies, updating our offerings in line with the characteristics of each store. Moreover, we are also improving value by increasing the floor space of playground facilities that previously adjoined our amusement stores and establishing them as independent KID'S BOX facilities.



Cumulative total no. of stores in FY2024	173
No. of new and revitalized stores in FY2024	64



Cumulative total no. of stores in FY2024	108
No. of new and revitalized stores in FY2024	22



China business

Transition to the playground business

In the China business, our facilities are being significantly impacted by increasingly fierce competition in the amusement market. On the other hand, our playground business is garnering high praise from customers due to our outstanding customer service quality and equipment safety.

We have already either closed down our unprofitable stores or changed them into playground facilities, and we are also implementing other profit improvement measures such as the reduction of head office expenses. In addition, we are revitalizing our well-performing playground facilities and working to optimize resource distribution through selective concentration strategies.



Cumulative total no. of stores in FY2024	137
No. of new and revitalized stores in FY2024/FY2025	39

Focus

The Role of Service Businesses from AEON's Perspective

Nobuyuki Fujiwara

Chief Officer, Service Business, AEON Co., Ltd.
President and Representative Director,
AEON ENTERTAINMENT CO., LTD.
Chairman of the Board, AEON Fantasy Co., Ltd.
Director, Orange Food Court, Inc.



Anticipating Change, Enriching Everyday Life—Strengthening Local Service Infrastructure.

The AEON Group operates a diverse portfolio of businesses, spanning retail, finance, and property development. Within this portfolio, service businesses, such as amusement, cinema, and food services, provide enjoyment and enrich people's daily lives.

Nobuyuki Fujiwara, who oversees these businesses, shares his perspective on recent changes in the business environment and the AEON Group's strategies.

Responding to the Community's Emotional Well-Being

Guided by its future vision of "create a future lifestyle that leads to a smile for each and every person," the AEON Group is advancing five transformation initiatives to strengthen its role as a locally rooted infrastructure. Among these initiatives, I believe the service businesses under my oversight have a key role to play in the "advancement of health and wellness" and the "creation of the AEON living zone."

Within health and wellness, AEON's drugstore business supports physical health, while its service businesses contribute by providing emotional well-being through play, learning, and entertainment experiences. Our mission going forward is to create safe places where children can play, and environments where families and community members can connect. For example, AEON Fantasy has to date focused on "play-based education" and temporary childcare, and we are now aiming to incorporate broader elements—intellectual, physical, moral, and dietary education—to better support the increasingly diverse needs of families. We are also continuing to evolve as a provider of spaces that address social needs, including

opportunities for mothers to connect with one another.

AEON ENTERTAINMENT operates AEON CINEMA at 98 locations nationwide (as of October 2025), supporting local culture as one of Japan's largest chain of cinema complexes. However, many communities remain without access to a cinema complex. In response, we have introduced "compact cinemas" for smaller commercial areas, including the development of small theaters in former tenant spaces. Although modest in scale, these venues have been well received by local communities and municipalities, attracting high expectations and positive feedback as cultural and entertainment hubs.

In this way, we are developing businesses centered on "experience-based consumption." Through experiential value, such as play, cinema, and dining, we aim to create living zones where people can gather and enjoy richer everyday lives. The AEON Group is likewise shifting from broad prefectural units toward closer engagement with municipalities and local communities. The service businesses will lead this shift, further strengthening their role as essential social infrastructure that supports both physical and emotional well-being in everyday life.

Overcoming Challenges and Maximizing the Value of Group Assets

Within our service businesses, entertainment is the core driver of growth. Japan's content industry is highly regarded worldwide, and AEON ENTERTAINMENT and AEON Fantasy generate strong earnings in this area. The segment also represents a significant share of service-business revenue and is indispensable to the Group's growth strategy.

At the same time, there remain challenges that must be addressed. One key challenge is the lack of proprietary intellectual property (IP). To date, growth has been driven largely through the use of external content, including screenings and merchandising. However, achieving sustainable growth requires cultivating proprietary characters and brands unique to the Group. Developing original IP is essential to securing future competitiveness, and AEON Fantasy has already initiated new projects in this area.

Another challenge lies in insufficient information sharing across the Group. Under the Group's traditional federated management structure, individual companies operated independently, which tended to limit cross-functional collaboration. As a result, opportunities to generate synergy were sometimes missed. For example, by failing to sufficiently link movie release information with product development at amusement facilities. To address this, regular cross-company marketing meetings are now held, enabling the early sharing of content and event plans. This is beginning to enable more integrated business development across the Group.

Even more important is strengthening our ability to communicate information. While we have traditionally relied on AEON Mall for customer traffic, we will increasingly engage directly with communities—expanding customer touchpoints through locally tailored promotions, the use of local media and multiple channels, and stronger collaboration with neighborhood communities. These initiatives are essential to strengthening recognition of our role as a locally rooted service infrastructure.

From a management perspective, new ways of thinking are also required. Traditionally, our business model assumed profitability would be achieved over several years. However, as the pace of change accelerates, delivering results more quickly has become increasingly important. Therefore, business structures and investment approaches must be redesigned with profitability from the first year as an objective. Achieving early profitability enables faster capital recovery and allows resources to be redeployed swiftly into further growth investments and new initiatives. This approach not only enhances financial efficiency, but also strengthens the Group's ability to adapt to change and reinforces overall competitiveness.

By addressing these challenges, the service businesses are positioned to function as a strategic foundation for maximizing the Group's long-term corporate value.

Taking a One-of-a-Kind Service Infrastructure from ASEAN to the World

The AEON Group has spent many years expanding its presence across Asia, and progress in the service businesses has been particularly swift. Beginning with AEON Fantasy's entry into Malaysia approximately 20 years ago, we have established a solid position across ASEAN markets. Today, with more than 300 locations, these businesses are deeply embedded in local life—not merely as places for play, but as community hubs where children and families can spend time with peace of mind. The experience accumulated through close engagement with local communities has become a key pillar supporting the AEON Group's "Asia Shift" growth strategy.

AEON ENTERTAINMENT has also launched a content distribution business in Vietnam. In ASEAN countries, there are few distribution companies, and systems for the stable delivery of high-quality video content are still underdeveloped. Against this backdrop, delivering high-quality IP, such as Japanese animation and movies, to local audiences represents a significant opportunity. In FY2025, we plan to distribute 17 titles. By expanding beyond cinema operations into distribution, we can contribute to strengthening local cultural foundations while also creating synergies with AEON Fantasy locations.

In the food and beverage segment, crepes have gained strong popularity across Asia. Their familiarity as an everyday treat allows them to transcend cultural and lifestyle differences, appealing to a broad range of generations and offering strong growth potential overseas. In Japan, Orange Food Court, a Group company, operates the Dipper Dan brand. Expanding such familiar, everyday brands overseas, by leveraging synergies with AEON Fantasy, will further diversify the value the AEON Group offers and can be seen as an effort to share lifestyles originating in Japan with global markets.

Our service businesses are not merely entertainment or food and beverage offerings; they function as essential service infrastructure within local communities. By further strengthening and expanding the capabilities we have built both in Japan and overseas, we will continue to provide communities with safety, reassurance, and enjoyment. Supporting people's emotional and mental well-being through services lies at the heart of the AEON Group's "experience-based/time-based" consumption model and is directly linked to sustainable group-wide growth. Within this context, AEON Fantasy plays an indispensable role in maximizing corporate value by leveraging its unique strengths, with children and families as its starting point. Going forward, we will continue to anticipate change while remaining closely engaged with local communities, contributing to value creation across the Group as a one-of-a-kind service infrastructure.

Functional Strategies

HR Strategy

We recognize that human capital is the driving force behind sustainable growth and that advancing human capital management in alignment with business strategies is essential to achieving the goals of our medium-term management plan. We aim to build an organization that accelerates business evolution and productivity improvements and to promote initiatives to enhance “expertise” and “diversity.”

Key strategies

Item	Key measures
Recruitment	<ul style="list-style-type: none"> Strengthen mid-career hiring to secure professional talent Bolster part-time hiring to improve the fill rate and labor-hour efficiency
Organization	<ul style="list-style-type: none"> Improve productivity at the departmental level Increase the percentage of women in executive and management positions Increase the percentage of professional talent
Training	<ul style="list-style-type: none"> Foster career development for professional talent Transition from uniform position-based training to personalized, optimized training
Systems	<ul style="list-style-type: none"> Promote Diversity, Equity and Inclusion Expand employee benefits

1. Promoting Diversity, Equity and Inclusion

As a global company, we view the promotion of Diversity, Equity and Inclusion that leverages diverse values as an important management strategy for achieving sustainable growth, and we are actively advancing related initiatives.

We actively promote the recruitment and advancement of talented individuals, regardless of their gender, nationality, age, or career background.

As part of our efforts to leverage diversity, we have been steadily expanding initiatives and employee benefits that support balancing work with childcare and caregiving. These include dispatching employees to training programs aimed at developing female management candidates, as well as introducing childcare leave support systems. As a result, these initiatives have received public recognition. In 2023, we obtained the Platinum Kurumin Mark, and in 2024, we received the Platinum Eruboshi certification from the Minister of Health, Labour and Welfare under the Act on the Promotion of Female Participation and Career Advancement in the Workplace. This certification makes us the fourth company in Chiba Prefecture and the second company within the AEON Group to receive Platinum Eruboshi status. Our double certification as both Platinum Kurumin and Platinum Eruboshi in FY2023 was a first within the AEON Group.

2. Improving Productivity

We have fully transitioned our internal promotion examinations to an online (web-based) format. This new initiative has generated a wide range of benefits beyond simply reducing paper usage. By eliminating the need for candidates to travel to examination venues, time and physical constraints have been significantly reduced, helping to ease operational burdens at stores and operating sites. As a result, we are able to provide employees with learning opportunities while simultaneously improving store operation productivity.



DX Strategy

We will promote digital transformation (DX) to drive business transformation in response to rapidly changing societies. By leveraging IT to fundamentally reassess our operations, we will develop services that align with customer needs, enhance productivity, and enable the swift decision-making required to achieve these.

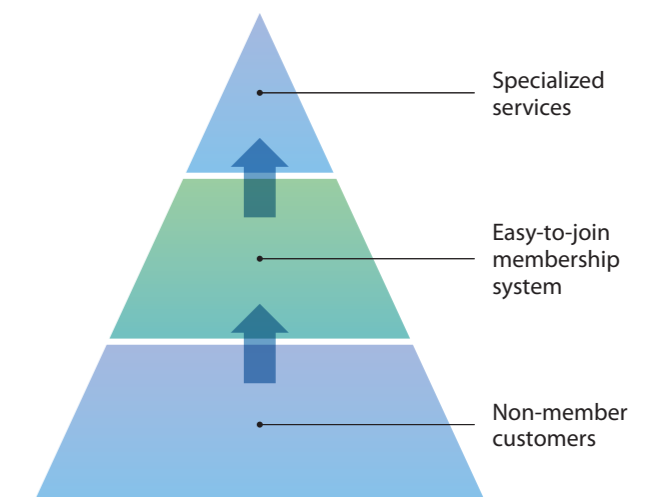
Key strategies

Key Strategies		Key measures
Offensive	Customers	Expand customer engagement and enhance satisfaction <ul style="list-style-type: none"> Provide services tailored to customer needs based on analysis Enhance service levels by strengthening omnichannel strategies Launch a new membership program and enhance CRM
		Create new value-added experiences <ul style="list-style-type: none"> Offer services integrating physical and digital experiences Provide digital play equipment and educational content Offer interactive content such as videos and webinars
		Build an ecosystem platform <ul style="list-style-type: none"> Aggregate internal data for each business and design a circulation structure Leverage the resulting value for new business opportunities Boost productivity by simplifying and enhancing internal systems
Defensive	Company	ESG management <ul style="list-style-type: none"> Cloud-based management of environmental data, including decarbonization and waste reduction Enhance the transparency and disclosure of financial information Increase transparency and multifaceted use of personnel information
		Enhance security <ul style="list-style-type: none"> Implement predictive defense systems to address evolving threats Strengthen security and governance at overseas subsidiaries Improve employees' security literacy
	Work styles	Improve productivity <ul style="list-style-type: none"> Reduce routine tasks by introducing systems and devices Improve IT and security literacy with a focus on AI

Digitalization of Member Services

Beginning in 2024, we overhauled our existing membership system, shifting from paper-based stamp cards to a new system centered on digital tools.

As a result, we have made the system easier and more convenient for customers to use, while also lowering the barriers to membership, enabling us to reach a wider audience. Building on this foundation, we aim to roll out a variety of specialized services related to play and childcare support, promoting a smooth transition to attract loyal customers.



Message from the Officer in Charge of Financial Affairs



We aim to achieve sustainable growth in corporate value by continuously expanding cash flow while improving financial soundness.

Yoshinori Iseki

Director and Senior Managing Executive Officer,
Officer for Administration,
Risk Management Supervisor

Review of FY2024

In FY2024, consolidated net sales reached a record high of 87.2 billion yen, an increase of 6.7% year-on-year. Operating profit increased by 750 million yen year-on-year to 4.34 billion yen. Strong performance in the domestic business drove a 6% year-on-year increase in same-store sales, with successful openings of new stores, including new-format playground locations and strategically positioned compact stores in busy urban areas, making a significant contribution. However, as exchange rates shifted toward a stronger yen compared with the beginning of the fiscal year, we recorded a foreign exchange loss of 450 million yen. In addition, the implementation of structural reforms in the China business, including the closure of unprofitable stores and the recognition of impairment losses, led to the recording of extraordinary losses totaling approximately 3.19 billion yen on a consolidated basis. As a result, ordinary profit totaled 3.44 billion yen, while net income attributable to owners of the parent was a loss of 1.81 billion yen.

The domestic business delivered strong results, with net sales increasing 7.7% year-on-year and operating profit rising to 6.21 billion yen, up 1.6 billion yen from the previous year. By business segment, the prize and medal departments performed well, driving growth in same-store sales and improvements in gross profit margins. These gains absorbed increases in personnel expenses associated with wage increases, as well as higher depreciation costs. Additionally, contributions from new store openings supported performance, resulting in record-high net sales and operating profit for the domestic business.

In the ASEAN business, net sales reached a record high. However, operating profit declined from the previous year. This was mainly due to the expansion of head office personnel in anticipation of future growth, higher initial costs associated with the opening of 72 new stores, compared with 52 stores in the previous year, and a reactionary decrease in store traffic in the Philippines following the resumption of face-to-face classes, which offset the increase in customer visits seen during the period of online schooling. In Malaysia and the Philippines, where we maintain the largest market share in the industry, both net sales and operating profit remained stable, and the operating profit ratio was maintained at a high level of over 10% in both countries.

In the China business, net sales continue to decline amid sluggish economic activity and intensifying competition, driven by a sharp increase in new entrants from other industries into the amusement sector within commercial facilities. As a result, we accelerated the closure of unprofitable stores to 82 locations annually, including 67 large-format and standard stores. At the same time, we reduced SG&A expenses at both existing stores and head office, and worked to expand total floor space by downsizing amusement areas and revitalizing competitive playground formats.

In FY2025, we plan to continue expanding net sales and operating profit in the domestic business. In the China business, we aim to significantly reduce operating losses through the continued execution of structural reforms. In the ASEAN business, we will focus on building a foundation for future growth while aiming to achieve record-high consolidated net sales and operating profit.

Consolidated Results

	Consolidated Results		Compared to Previous Year	
	FY2023	FY2024	Change	Percentage change
Net sales	81,758	87,240	+5,481	6.7
Gross profit	10,254	11,668	+1,413	13.8
Operating profit	3,585	4,344	+759	21.2
Foreign exchange gains (losses)	1,173	-457	-1,630	-
Ordinary profit	4,488	3,440	-1,048	-23.4
Extraordinary losses	1,397	3,190	+1,793	228.3
Profit attributable to owners of parent	1,314	-1,816	-3,131	-
Basic earnings per share	+66.50 yen	-91.87 yen	-158.38 yen	-

Segment Results

	Net sales		Operating profit		
	FY2024	Percentage change compared to previous year	FY2024	Change compared to previous year	Operating profit ratio
Japan	69,468	+7.7	6,210	+1,639	8.9
ASEAN	13,181	+19.8	1,190	-168	9.0
China	4,829	-26.0	-3,052	-709	-
Overseas total	18,010	+2.7	-1,862	-877	-
Consolidated total	87,240	+6.7	4,344	+759	5.0

Management Conscious of Cost of Capital and Stock Price

We estimate our weighted average cost of capital (WACC) to be between 8.0% and 8.9%, based on calculations using the capital asset pricing model (CAPM). We recognize the cost of capital as the minimum level of return expected by shareholders and we will continue to strive to achieve an ROE that exceeds this level.

At the same time, we recognize that financial soundness remains an ongoing challenge, due to the impact of COVID-19, declining earnings caused by economic stagnation and intensifying competition in the China business, as well as the continued execution of structural reforms. Looking at key financial indicators for the fiscal year ended February 2025, the equity ratio stands at 12.3%, interest-bearing debt has increased compared with pre-COVID levels, and the debt-to-equity ratio (excluding lease liabilities) is over 4x.

Meanwhile, the domestic business set record highs in both net sales and operating profit in the fiscal year ended February 2025. In addition, the ASEAN business recorded net sales more than double pre-COVID levels, marking a record high for the third consecutive year. As a result, consolidated net sales and operating profit improved significantly. EBITDA reached 15.1 billion yen in FY2024, recovering to approximately the same level as before

COVID-19, and the EBITDA multiple stands at around 2 times. Going forward, by improving the debt-to-equity ratio and equity ratio, we will continue to enhance financial soundness while accurately identifying growth opportunities and actively executing growth investments. Net profit attributable to owners of the parent company is planned at 2.5 billion yen for FY2025, and we aim to expand this figure further in subsequent fiscal years. As an initial step, we will steadily build momentum in improving the equity ratio, with the longer-term goal of exceeding 40%.

In light of the Tokyo Stock Exchange's second review aimed at enhancing TOPIX's functionality as an investment benchmark, we will also focus on improving our operating profit ratio, examining dividend policy for FY2026 and beyond, and engaging in appropriate and constructive dialogue to attract long-term, stable shareholders.

	End of FY2024	Target for end of FY2026	Long-term target
Shareholders' equity ratio	12.3%	26.8%	More than 40%
Debt-to-equity ratio	4.1x	1.6x	Within 1.0x

* Debt-to-equity ratio excludes lease obligations

Message from the Officer in Charge of Financial Affairs

Growth investments to enhance corporate value

In FY2025, in line with our medium-term management plan, we will position our domestic amusement market as a core source of earnings driving company-wide growth, while securing cash flow and advancing format development and area expansion in Japan and the ASEAN region. In the domestic amusement market, we will implement a range of initiatives to achieve same-store sales growth of 104% year on year. In our domestic playground business, we plan to open a total of 27 new stores, including CHIKYUU NO NIWA and the low-cost NOBICCO Jumbo format. In addition, we plan to open 57 high-ROI strategic compact stores, which will underpin profitability. In the ASEAN business, we will leverage a diverse portfolio of business models to open more than 80 new stores annually. Our consolidated investment plan for FY2025 is expected to exceed approximately 16 billion yen, the highest level to date, supporting future growth. Furthermore, by formulating a capital allocation framework, we will clearly articulate how expanding cash flows are allocated between growth investments and shareholder returns, thereby indicating a clear path toward enhanced corporate value. Through such enhanced information disclosure we will continue to deepen dialogue with our shareholders.

Achieving stable financing through risk diversification

In FY2024, both net sales and operating profit increased, and EBITDA recovered to a high level comparable to that prior to COVID-19. As a result, our financial condition has been positively received by our lending institutions, enabling stable access to financing. Our external credit rating has been maintained at "A-".

In FY2025, we are focusing on long-term funding, including the introduction of positive impact finance, to improve financial soundness. We are also strengthening our ability to secure funds as needed by expanding domestic overdraft facilities and borrowing from multiple financial institutions, thereby diversifying funding risk and enhancing financing stability and risk tolerance. At our overseas subsidiaries, funding from local financial institutions is also progressing, supporting growth investments.

From FY2025 onward, we will maintain financial discipline by keeping the EBITDA multiple within 2x, thereby preserving sufficient financing capacity. Going forward, we will continue to pursue optimal financing solutions aligned with our financial challenges and further diversify risk through the use of multiple funding methods.

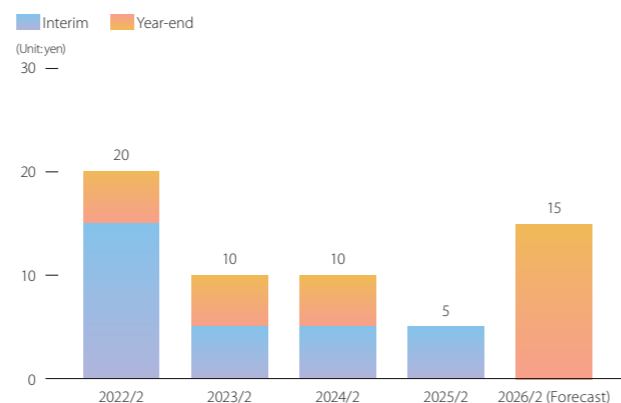
Shareholder returns

For the fiscal year ended February 2025, net income attributable to owners of the parent company was negative due to the impact of structural reforms in our China business. As a result, dividends were 5 yen per share, consisting of an interim dividend of 5 yen and no year-end dividend.

As of February 28, 2025, the Company recorded a deficit in retained earnings on a non-consolidated basis. To eliminate this deficit, strengthen the soundness of our financial position, and secure flexibility and agility in our capital policy, including potential future returns to shareholders, we obtained shareholder approval at the General Meeting held in May 2025 to reduce capital reserves and retained earnings reserves and to appropriate surplus. As a result, we have established a framework aimed at restoring non-consolidated net income in the current fiscal year and achieving stable dividends.

Our dividend policy emphasizes providing stable profit returns to shareholders and is based on a long-term commitment to consistent profit distribution. For the fiscal year ending February 2026, no interim dividend is planned. However, we forecast a year-end dividend of 15 yen per share, aiming for an increase from the previous year's annual dividend of 5 yen per share.

Dividends per Share



Since the COVID-19 pandemic, we have steadily expanded both net sales and operating profit. Going forward, our employees will continue to work together with dedication to realize our Purpose and further enhance corporate value in line with the expectations of all stakeholders. We will also continue to engage proactively with investors, providing clear and careful explanations of our growth strategy and initiatives to improve financial performance.

Chapter 4 Sustainability

Sustainability Policy

We, at AEON Fantasy, will aim to nurture children's enthusiasm and create a world overflowing with smiles based on the belief that interacting with children means interacting with the adults of the future.

In other words, it means creating the next society.

Through our business, we see ourselves as creating five forms of value: "fun," "connection," "safety and security," and "hospitality," all made possible by the happiness of our people —what we call "Fantasy people's happiness."

To ensure the continued creation of these five values, we will work together with our partners to protect the global environment, address social issues, and further strengthen corporate governance.

Sustainability Management

Sustainability Promotion System

At AEON Fantasy, we formulated the Sustainability Policy in 2022 and are promoting sustainability management as the core of our corporate activities.

We have also set up the Sustainability Committee as an advisory body to the Board of Directors to manage numerical targets and the progress of our sustainability initiatives. The Committee is chaired by the President and one third or more of its members are external experts. It discusses and reports on matters specified by the Board of Directors.

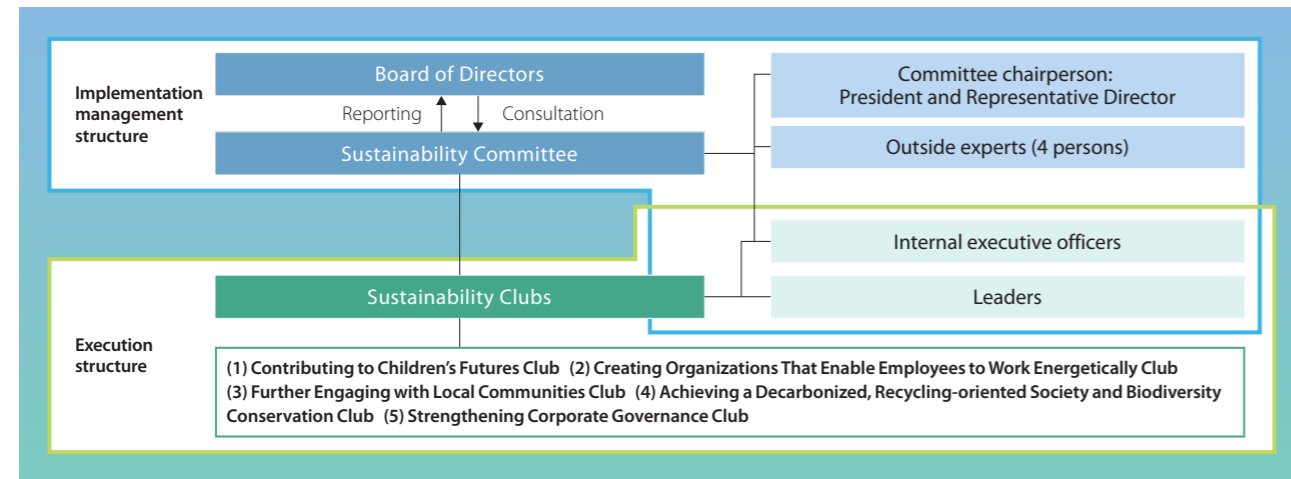
We have set up sustainability clubs as subordinate organizations of the Sustainability Committee. They are cross-departmental teams to handle each material issue, and

have begun examining and implementing specific initiatives. Each club's activities are led by human resources who will lead the next generation of company management, and initiatives are underway to achieve specific indicators and targets.

Going forward, we will enhance the effectiveness of our sustainability management as we aim to become a company that contributes to a sustainable society while raising its corporate value.

▼ Sustainability Policy
<https://www.fantasy.co.jp/company/sustainability/sustainabilitypolicy/>

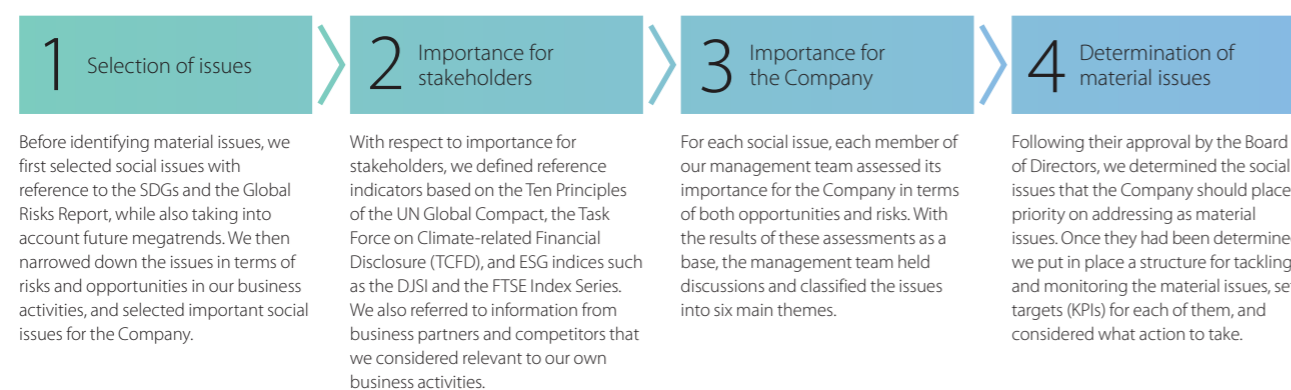
Sustainability Promotion System



Main Topics of Discussion for the Sustainability Committee (FY2024)

Date	Main topics of discussion
June 6, 2024	Targets and Initiatives for FY2024
August 29, 2024	Progress reports, overseas initiatives
November 13, 2024	Progress reports, results of external evaluation
February 20, 2025	Review of FY2024 and issues for FY2025

Material Issue Identification Process



Material Issues

Material issues	Vision (2050)	Medium-term targets (2030)	Action		
S	Contributing to children's futures	Creation of a society that protects the rights of children who will build the society of the future, and that allows people to dream of the future with smiles on their faces	Creation of new opportunities to spread children's smiles Level of satisfaction with inclusive playgrounds: 75% Social impact of play opportunities for everyone*: 75% <small>*Ratio of understanding of the importance of achieving an inclusive society</small>	Expansion of amusement machines and equipment suitable for children with disabilities Promotion of projects in which children with disabilities can participate Support for activities that protect children's rights alongside customers	
			A company that ensures that all Fantasy employees feel enthused about both work and play	Percentage of section managers and above who are female in Japan and overseas: 50% Percentage of employees who have disabilities: 5% Percentage of eligible males who take childcare leave: 100% <i>Iki-iki</i> level of Fantasy employees: 75% <small>*Iki-iki level = Average percentage of positive responses to survey items related to job satisfaction and ease of working</small>	Promotion of Diversity Workstyle Reform Implementation of surveys and action for improvement
				Creation of communities full of smiles by providing opportunities for fun and connection	Number of people we have made smile through local and social contribution activities: 5 million <small>*Total number of people in Japan and abroad from FY2022 to FY2030</small>
E	Achieving a decarbonized, recycling-oriented society and biodiversity conservation	Creating businesses and opportunities that encourage caring for the planet through play, and nurturing the Earth's richness with future generations Quantitative target Aim to achieve net zero total CO ₂ emissions from our stores by 2040	Energy-derived CO ₂ emissions from business operations: 64% reduction (compared to 2018) <small>*Unit per sales</small> Energy-saving ratio: 10% Renewable energy ratio: 60%	Reduction of Scope 1 and 2 emissions (1) Implementation of energy-saving measures (2) Introduction of renewable energy	
			Total plastic used in stores: 30% reduction <small>*Six main types of plastic (including capsules) compared to FY2019</small>	Reduction of Scope 3 emissions (1) Reduction of plastic usage (2) Reduction of disposal of amusement machines and prizes	
			Disposal of amusement machines and prizes from stores: Less than 10% Number of children learning about environmental protection and biodiversity conservation: 5 million <small>*Total number of people in Japan and abroad from FY2024 to FY2030</small>	Provision of opportunities to learn about the importance of the environment and biodiversity	
G	Strengthening corporate governance	A company that builds trust with stakeholders, protects Fantasy employees, and grows sustainably	Creation of places and opportunities for humans and nature to coexist and for biodiversity conservation	Promotion of initiatives to revive places no longer used for human activity	
				Strengthening of the structure for implementing the Corporate Governance Code Provision of compliance training (Japan and overseas) Strengthening of governance at overseas subsidiaries Implementation of human rights due diligence	

*Unless otherwise stated, targets and action are for domestic business operations only
 *Some of the information disclosed has been revised

Society

Contributing to Children's Futures

Medium-term Targets (2030)	Action	FY2024 Targets	FY2024 Assessment/Achievements
Creation of new opportunities to spread children's smiles Level of satisfaction with inclusive playgrounds: 75% Social impact of play opportunities for everyone*: 75% *Ratio of understanding of the importance of achieving an inclusive society	Expansion of amusement machines and equipment suitable for children with disabilities	Introduction of inclusive playground equipment at CHIKYUU NO NIWA	○ • We decided to install playground equipment and facilities incorporating an inclusive perspective at the CHIKYUU NO NIWA Makuhari Shintoshin store, scheduled to open in August 2025
	Promotion of projects in which children with disabilities can participate	Plan priority usage hours for children with disabilities	△ • A pilot program, Attaka Time, a dedicated time period designed to make play easier, was conducted at one store
	Support for activities that protect children's rights alongside customers	Implementation of the "Play and Donate," an initiative to protect children's rights	○ • We donated a total of 10 million yen to NPOs and foundations engaged in child support activities in seven countries worldwide

Creating a Dedicated Time Slot for Children with Disabilities and Their Families Attaka Time

Children with disabilities and their families often hesitate to play outside, concerned about how others may react to characteristics associated with a child's disability, such as speaking loudly or hyperactivity. In particular, many families express anxiety about interactions with other children or feel self-conscious about the attention of those around them. To address these concerns, we introduced *Attaka Time*, a dedicated time slot designed to provide a welcoming space where all children and their families can relax and enjoy themselves, while fostering mutual understanding and consideration among visitors. This initiative aims to contribute to a society that respects diversity and enables everyone to spend time safely and with peace of mind.

Attaka Time was implemented as a pilot program at NOBICCO, a time-based playground facility (Sakudaira store). On the day of the pilot program, two families with children with disabilities visited the facility. We subsequently received inquiries from customers in other regions who learned about the initiative online and expressed interest in having it introduced in their area, reaffirming both the strong demand for the program and its broader social significance. Based on this outcome, we intend to continue providing opportunities for all children and their families to enjoy time together with smiles, regardless of any disabilities. As a member of the local community, we will actively work toward expanding this initiative nationwide and developing new programs that respond to diverse needs, thereby contributing to a more inclusive society.



Poster announcing Attaka Time



NOBICCO (Sakudaira store), host of the pilot program

Supporting activities to protect children's rights together with our customers Play & Donate

As part of our Play & Donate fundraising activities, every year we donate approximately 1% of sales from all our stores both in Japan and overseas on the Sunday nearest to World Children's Day (November 20), and approximately 1% of annual sales from all our Sukuttecho prize game machines, to a charity of our choice. In FY2024, we raised a total of 10 million yen (4 million yen in Japan and 1 million yen from each country overseas) from 1,230 stores across Japan, China, and five ASEAN nations. The funds raised were donated to CliniClowns Japan and other NPOs and foundations that support children's activities in the seven countries we conduct business.



Presentation ceremony in Vietnam

Free Invitational Events

With the desire to support children's healthy growth through play, we open selected playgrounds in Japan free of charge each year in conjunction with Children's Day (May 5) and World Children's Day (November 20). This initiative helps bring smiles to children in local communities and contributes to the creation of irreplaceable memories for them and their families.

In FY2024, approximately 200 playgrounds were opened to the public free of charge (on Sunday May 5, 2024 [a national holiday] and Sunday November 24, 2024), welcoming approximately 106,000 families. Many customers arrived at the playgrounds in the morning and spent time enjoying a full day of play.



Poster announcing free admission on World Children's Day

Feature LalaYume Activities to Make Children's Dreams Come True

LalaYume activities began in 2003 to teach children the importance of having a dream and the joy of making this dream come true. The aim is to create a society in which as many children as possible maintain their dreams for the future. In FY2024, eligibility was expanded to include not only children, but adults as well. With support from AEON Group companies, we helped 10 children achieve their dreams.



"I want my mum who is confined to a wheelchair and our whole family to be able to go to the pool together" (Okayama prefecture / Age 5)

Mana-chan submitted a heartfelt wish: to enjoy swimming with her mother, who became a wheelchair user due to illness following childbirth and could no longer visit the pool she once loved. She asked for help so that her mother could enter the pool in a wheelchair and enjoy spending time as a family.

For her mother, who had once been highly athletic and had run in many full marathons, entering a pool after becoming a wheelchair user had felt out of reach. Through this opportunity, however, she was able to swim for the first time since using a wheelchair.

After the experience, her mother commented: "It was an unforgettable day. Thanks to the support of the pool volunteers, we were able to enjoy the pool safely. Realizing how much my body can still move has given me the confidence to visit again."

Following this experience, and feeling that she did not want it to remain something only her family could enjoy, Mana's mother went on to launch the "Manatee no Wa: Okayama Barrier-Free Pool Project," expanding the initiative into support activities that help people with disabilities enjoy swimming pools. A single dream we helped realize has since continued to grow, spreading smiles and hope to many others.

Society

Creating Organizations That Enable Employees to Work Energetically

Medium-term Targets (2030)	Action	FY2024 Targets	FY2024 Assessment/Achievements
<p>Percentage of section managers and above who are female in Japan and overseas: 50%</p> <p>Percentage of employees who have disabilities: 5%</p> <p>Percentage of eligible males who take childcare leave: 100%</p> <p>Iki-iki level of Fantasy employees: 75%</p> <p><small>*Iki-iki level = Average percentage of positive responses to survey items related to job satisfaction and ease of working</small></p>	Promotion of diversity	<ul style="list-style-type: none"> Percentage of section managers and above who are female in Japan: 50% Percentage of hires who have disabilities: 4% Percentage of eligible males who take childcare leave: 100% 	<ul style="list-style-type: none"> Percentage of section managers and above who are female in Japan: 51.3% Percentage of hires who have disabilities: 4.2% Percentage of eligible males who take childcare leave: 100%
	Workstyle reform	<ul style="list-style-type: none"> Acquired Platinum Eruboshi certification 	<ul style="list-style-type: none"> Fourth company in Chiba Prefecture to receive Platinum Eruboshi Certification
	Implementation of surveys and action for improvement	<ul style="list-style-type: none"> Established survey items for the Well-Being Survey Achieved 50% of Iki-iki level 	<ul style="list-style-type: none"> Iki-iki level: 48.9%

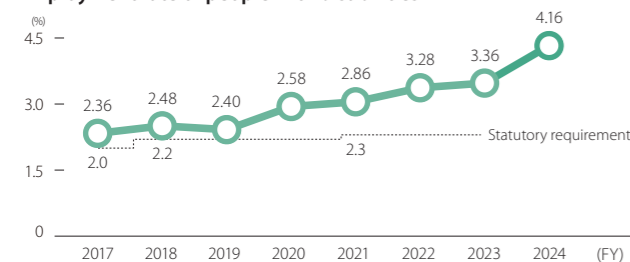
Promotion of Diversity

Promoting Employment of People with Disabilities

We have been working to promote the employment of people with disabilities since FY2008, aiming to create a society in which diverse talent can thrive. In March 2017, we established Job Support, a department dedicated to providing comprehensive assistance, including support for recruitment, efforts to deepen understanding within assigned departments, and ongoing support after assignment to help employees settle in and fully demonstrate their capabilities.

In FY2024, as a result of placing particular emphasis on recruitment at our stores, our employment rate of people with disabilities reached 4.2%, exceeding the legally mandated rate. We will continue to advance initiatives toward achieving our 2030 target of an employment rate of 5% for people with disabilities. Specifically, we will further expand in-store recruitment and conduct hiring activities at more than 100 stores across Japan. In addition, to help prevent early turnover, we have introduced a system of regular interviews during the first six months of employment, conducted in cooperation with licensed mental health social workers. We also plan to continue holding internal seminars on a regular basis to deepen understanding of disabilities among all employees.

Employment rate of people with disabilities



Workstyle Reform

Japan's Most Valuable Company Award Recipient of the Minister of Economy, Trade and Industry Award

In March 2024, we received the Minister of Economy, Trade and Industry Award at the 14th Most Valuable Company in Japan Award ceremony. Established in FY2010, the Most Valuable Company in Japan Award recognizes companies that consistently value people and continue to put into practice actions that contribute to people's happiness. Companies are evaluated based on how they treat five key stakeholder groups that they should truly value: (1) employees and their families, (2) subcontractors and suppliers, (3) customers, (4) local communities, and (5) shareholders. The award aims to recognize particularly outstanding initiatives and to serve as a model for other companies. In selecting AEON Fantasy for the award, the judging panel highly evaluated the wide range of tangible outcomes resulting from our long-standing commitment to people-centered management. This included indicators reflecting employee engagement and work-life balance, such as our low voluntary turnover rate (1.5%) and short average monthly overtime hours (6.5 hours), as well as our contributions to promoting diversity, including a high employment rate of people with disabilities. In addition, our continuous efforts to strengthen internal engagement with our Purpose, ensuring that all employees share a common understanding of our reason for being, were also highly regarded as contributing to the development of a strong corporate culture and a sense of unity across the organization.

We view the receipt of the Minister of Economy, Trade and Industry Award as an important step toward achieving sustainable growth in corporate value and earning the continued trust of society. Going forward, we will continue to pursue the well-being

of all stakeholders surrounding our company and further deepen our commitment to people-centered management.



Photo from the award ceremony

Certified Outstanding Organization of KENKO Investment for Health and Platinum Eruboshi Certification

In 2024, for the third consecutive year we were designated as an Outstanding Organization of KENKO Investment for Health (large enterprise category) under a recognition program designed by the Ministry of Economy, Trade and Industry and administered by the Nippon Kenko Kaigi. In FY2024, in addition to announcing our health declaration—We will promote the health and joy of our employees and their families—we set specific targets to address our health-related challenges. By promoting health and wellness, we proceeded to raise awareness among employees of the importance of managing their own health.

We also received Platinum Eruboshi certification from the Minister of Health, Labour and Welfare in recognition of our efforts to promote the active participation of women. This certification made us the fourth company in Chiba Prefecture and the second company within the AEON Group to receive Platinum Eruboshi status. Furthermore, our double certification as both Platinum Kurumin and Platinum Eruboshi in FY2023 was a first within the AEON Group. Through initiatives such as holding management seminars to raise awareness among managers, supporting women's career development, fostering female leaders, and promoting women from part-time staff positions to regular employee status, we are working to create an environment in which women can thrive.

In the future, we will continue working to improve our personnel systems and employee benefit programs to create an



organization where the human resources who support the company's growth can continue to work over the long term.

Implementation of Employee Surveys and Initiatives for Improvement

Survey and results for FY2024

We focus on creating an environment where all employees (including part-time staff), whom we call "Fantasy People," can work with vitality and enjoy fulfilling lives both at work and in their personal lives. As part of this effort, we conduct regular employee surveys to accurately understand the issues and needs of our employees and to use those insights to address organizational challenges.

In FY2024, we carried out a Well-Being Survey with updated survey items. This survey measures the state of well-being of each employee from multiple angles, including physical and mental health, job satisfaction, sense of growth, and interpersonal relationships.

The results showed many positive responses for items related to ease of working, such as "there is good cooperation in the workplace" and "paid leave is easy to take." We regard this as evidence that our efforts to emphasize teamwork and promote flexible work styles have taken root among employees.

On the other hand, the results also made it clear that there is room for improvement in areas related to individual growth, such as the "sense of skill development." In today's society, where diverse values are respected, we recognize that it is essential for employees to feel growth and fulfillment through their work in order to enhance engagement.

We have set a FY2030 target of achieving an "iki-iki Level of 75%." By conducting in-depth analysis of the survey results and designing and implementing specific measures focused on supporting individual growth, we aim to enable each and every Fantasy Person to shine even more brightly and to link these efforts to the sustainable growth of the company as a whole.



Society

Further Engaging with Local Communities

Medium-term Targets (2030)	Action	FY2024 Targets	FY2024 Assessment/Achievements
Number of people we have made smile through local and social contribution activities: 5 million <small>*Total number of people in Japan and abroad from FY2022 to FY2030</small>	Visits to social welfare facilities	Number of social contribution activities in Japan and overseas: 6,000	○ Number of social contribution activities in Japan and overseas: 7,618
	Parties at stores for children from social welfare facilities		

Social Contribution Activities in Japan

Activities in Japan Lala-chan's Heartfelt Tour

Lala-chan, a popular character from our Mollyfantasy amusement facilities, visits children's homes and children's hospitals across Japan to support children's healthy growth. In FY2024, Lala-chan visited 16 facilities nationwide, delivering gifts to 333 children and sharing moments of joy through dance and games, bringing many smiles to their faces.

Invitation Events

Each store independently hosts invitation events, welcoming children from nearby social welfare facilities and kindergartens to visit the store. In FY2024, these events provided enjoyable experiences for children from 80 facilities.

Social Contribution Activities Overseas

Invitational Events in ASEAN and China

Through our overseas operating companies, we regularly hold invitation events in the ASEAN and China regions, where we operate a large number of playground facilities. These events welcome children living near our stores, as well as children from social welfare facilities. Such initiatives are intended to contribute to local communities while supporting the healthy growth of children.

Although the scale of these activities had been temporarily reduced due to the impact of COVID-19, in FY2024 we were able to significantly expand their scope as store networks grew in each country and economic activity recovered. As a result, we welcomed many children from schools and social welfare facilities in new regions that had previously been difficult to reach out to, offering them opportunities to enjoy time at our facilities.

Going forward, our overseas operations will continue to expand opportunities for children to play safely and grow with confidence, contributing to the development of communities filled with smiles.



Visiting children's homes



Nationwide staff collaboration



Working with local governments to bring mobile playgrounds to communities

Environment

Achieving a Decarbonized, Recycling-oriented Society and Biodiversity Conservation

Medium-term Targets (2030)	Action	FY2024 Targets	FY2024 Assessment/Achievements
Energy-derived CO₂ emissions from business operations: 64% reduction <small>(compared to 2018) *Unit per sales</small> Energy-saving ratio: 10% Renewable energy ratio: 60%	Reduction of Scope 1 and 2 emissions (1) Implementation of energy-saving measures (2) Introduction of renewable energy	Compared to 2018: 50% reduction	○ Energy-derived CO ₂ emissions Compared to 2018: 54.2% reduction
Total plastic used in stores: 30% reduction <small>*Six main types of plastic (including capsules) compared to FY2019</small>	Reduction of Scope 3 emissions (1) Reduction of plastic usage (2) Reduction of disposal of amusement machines and prizes	Reduction of plastic usage	○ Plastic usage: 15.6 tons (77.5% reduction compared to FY2019)
Disposal of amusement machines and prizes from stores: Less than 10%		Disposal rate of amusement machines: 10% or less	○ Disposal rate of amusement machines: 7.3%
Number of children learning about environmental protection and biodiversity conservation: 5 million <small>*Total number of people in Japan and abroad from FY2024 to FY2030</small>	Provision of opportunities to learn about the importance of the environment and biodiversity	Number of children learning about the environment: 700,000	○ Provision of learning opportunities to 3,587,000 children
Creation of places and opportunities for humans and nature to coexist and for biodiversity conservation	Promotion of initiatives to revive places no longer used for human activity	Events to learn about biodiversity	○ Organized biodiversity-themed events, "Where is it? Searching for Living Creatures," at playgrounds throughout Japan, attracting 2,000 participants

Realizing Biodiversity Conservation

First Event: "Where Is It? Searching for Living Creatures"

In line with our commitment to Realizing Biodiversity Conservation, one of our material issues in sustainability management, we are actively promoting related initiatives. In November 2024, as part of these efforts, we held our first biodiversity-themed event, "Where Is It? Searching for Living Creatures," at playgrounds in 60 locations nationwide, welcoming approximately 2,000 children.

The event was designed to help children understand that the Earth is made up of diverse environments, each forming its own ecosystem. Through a quiz-style program, participants explored which living creatures inhabit different places, including deserts, forests, Antarctica, and urban areas.

Among the participants were younger children who were still developing an understanding of habitats, such as a two-year-old who placed a penguin sticker in the "forest," and many heartwarming moments were seen as older children gently guided and supported them. At the conclusion of the

event, staff introduced topics such as each creature's preferred foods, creating opportunities for children to further deepen their interest in and understanding of living creatures.

Looking ahead, by making use of our playgrounds as spaces where children can learn while having fun, and by continuing to offer environment-related events, we will work to foster environmental awareness among children who will shape the future.



Held at CHIKYUU NO NIWA and SKIDS GARDEN

Environment

Reduction of Scope 3 Emissions

Reducing environmental impact through charging for prize bags and changing plastic supplies

We are actively working to reduce plastic usage as part of our efforts to realize a sustainable society and reduce our environmental impact.

Charging a fee for prize bags

Following the introduction of mandatory charges for plastic shopping bags, which came into effect on July 1, 2020, we completed the transition at all stores by January 2021 to environmentally friendly prize bags for prize games containing more than 25% bioplastic. Because these bags contribute to measures against global warming, they were excluded from charging requirements and provided to customers free of charge.

However, a survey of plastic usage conducted as part of our efforts toward a circular society revealed that we use approximately 68 tons* of plastic annually, with about 75% attributable to prize bags. In light of this finding, we discontinued the free distribution of prize bags and, beginning in April 2024, started offering them for sale at a uniform price of ¥10 per bag (including tax). Through this initiative, we are working to reduce the overall use of prize bags.

Changes to plastic supplies

At the same time as introducing charges for prize bags, we also replaced individually packaged wet hand towels with refillable wet wipes, further reducing plastic consumption.

Reduction effects

As a result of these initiatives, we achieved an approximate 50-ton reduction in plastic usage. This represents a reduction of more than 70% compared with FY2019.

We will continue to promote initiatives aimed at reducing environmental impact on an ongoing basis.

*Total from five main items: (1) Fixtures; (2) Prize bags; (3) Wet towels; (4) Balls of material; (5) Medal cups



Poster showing fee required for prize bags

Focus: Initiatives Based on TCFD Recommendations

Disclosure Based on TCFD Recommendations

An increase in natural disasters and extreme weather events due to climate change may cause physical damage to our stores, and this may affect our business operations.

In September 2022, we expressed our support for the recommendations of the TCFD, with the aim of achieving both a sustainable society and corporate growth.

In the future, we will move forward with analyses of the relevant risks and opportunities, such as the impact climate change issues could have on our business activities, and while reflecting our findings into our management strategies and initiatives, we will aim for further enhancement of our information disclosure.



Governance

At AEON Fantasy, we have set up the Sustainability Committee (chaired by the president and representative director) as an advisory body to the Board of Directors to ensure continuous and specialized discussions relating to sustainability management. We have also established a club whose main priority is to address climate change as one of the subordinate organizations of the Sustainability Committee. The club is responsible for implementing and managing the progress of climate change initiatives and numerical targets and reporting to the Committee and Board of Directors.

Main Risks and Opportunities

Risks

- Cost increases due to rising procurement costs, materials prices, etc., as a result of carbon taxes and other greenhouse gas (GHG) emission control policies
- Revenue decreases due to restrictions on store operations (e.g., hours of operation) as a result of restrictions on energy use etc.
- Cost increases for stores, employees, etc., for repairs due to increased frequency and magnitude of extreme weather events
- Revenue decreases due to store closures and shorter hours as result of increased frequency and magnitude of extreme weather events

Opportunities

- Expansion of profit-earning opportunities through the development and expansion of our lineup of environmentally-conscious amusement machines and equipment
- Increased earnings by strengthening operational competitiveness, including customer service, in the Playground Business

Response

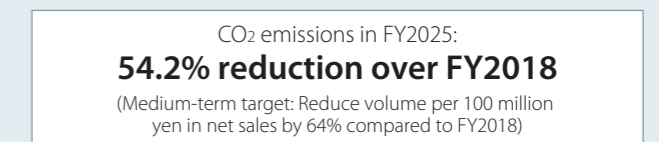
- (1) Promotion of energy-saving measures
- (2) Expansion of renewable energy procurement
- (3) Promotion of the 3Rs
- (4) Development of new business models

Risk Management

Following discussions and examinations by the Addressing Climate Change Club on the risks and opportunities identified in FY2022, the Sustainability Committee and Risk Management Subcommittee are managing progress. In terms of our medium-term target to reduce energy-derived CO₂ emissions from our business operations by 64% compared to 2018 (per 100 million yen of net sales), we have formulated and are moving forward with our countermeasure implementation plan and reduction plan, reporting progress to the Sustainability Committee and the Board of Directors.

Indicators and Targets

We have set GHG emissions in Scope 1 and 2 (Japan) as a medium-term metric for managing climate-related risks and opportunities. Using FY2018 as the base year, we manage GHG emissions per 100 million yen in net sales. Our GHG emissions (Scope 1, 2, and 3) in FY2024 are shown in the table below. We will continue with the relevant initiatives as we aim to achieve our medium-term targets for 2030.



Trends in CO₂ emissions

(Unit: t-CO₂)

Classification		FY2022	FY2023	FY2024
Total volume	Scope 1	532	771	857
	Scope 2	25,577	17,026	19,204
	Scope 1 and 2 subtotal	26,109	17,797	20,061
	Reduction rate compared to 2018	29.8%	52.3%	46.2%
Per 100 million yen of sales	Domestic sales (100 million yen)	588	644	694
	Emissions per 100 million yen	44	28	29
	Reduction rate compared to 2018	29.3%	56.2%	54.2%
Scope 3	37,669	42,772	42,535	
Scope 1, 2, and 3 total	63,777	60,569	62,596	

* FY2018 emissions have been partially amended due to changes in calculation methods

Feature Launch of the “Discover Together! Mollyfantasy SDGs Exploration” Website

In February 2025, we launched an SDGs learning website for children titled “Discover Together! Mollyfantasy SDGs Exploration,” set in the world of our amusement facility, Mollyfantasy.

Grounded in our Purpose, “Inspiring enthusiasm in every child so that there is a smile on every face,” the website is designed to help children become familiar with the SDGs and learn about them in a fun and engaging way through play at amusement facilities. Through activities such as exploring the Mollyfantasy Map, taking on SDGs quizzes, and learning about our specific SDGs initiatives, the website encourages children to deepen their understanding of the SDGs.

We hope that, through the website, children who will shape the future will raise their awareness of a sustainable society and develop a sense of care for both the Earth and for people, as reflected in areas of our Playground business, including customer service.



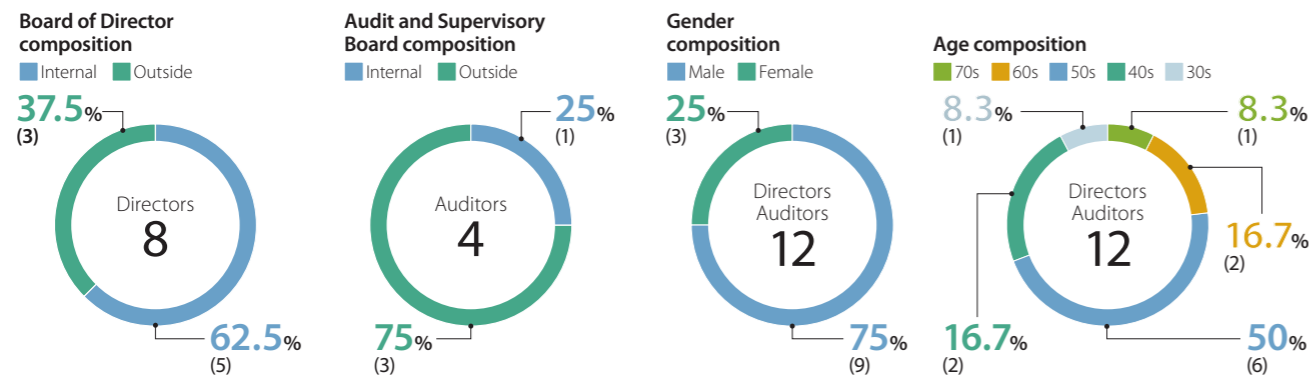

Governance

Strengthening Corporate Governance

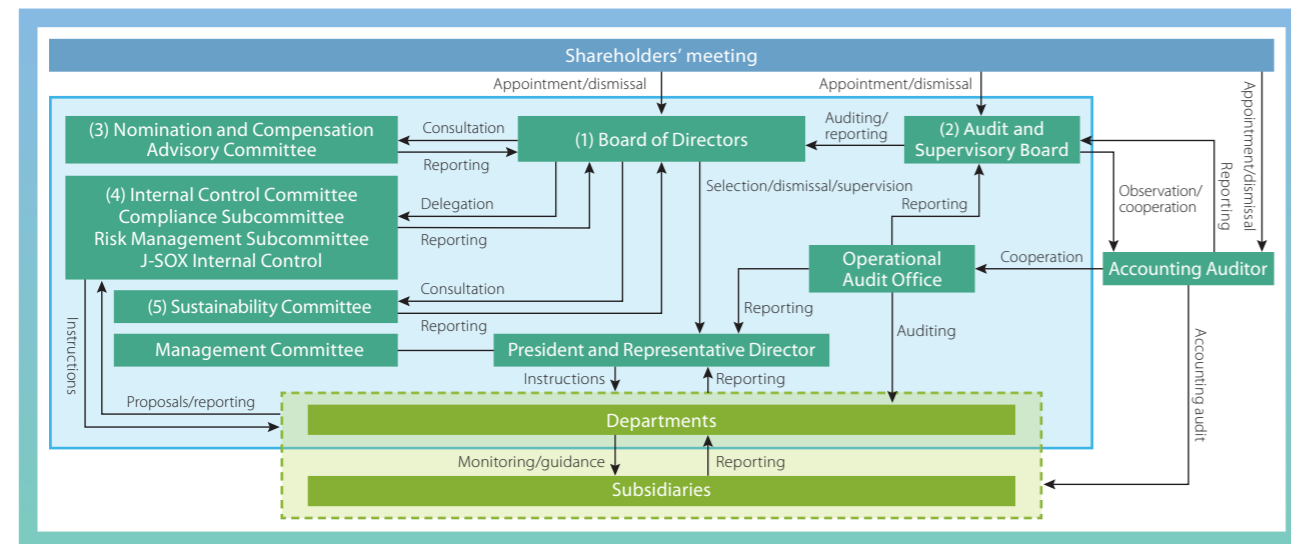
Basic Approach to Corporate Governance

Aeon's basic principles are "pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core." These principles, along with our own Purpose, shall inform all our corporate activities. We will strive to actively engage in dialogue with customers and other stakeholders, and proactively disseminate information to ensure appropriate collaboration. Furthermore, we will disclose information that is appropriate and easy to understand, and ensure transparency and fairness in decision-making. And to ensure the Company's sustainable growth and enhance its enterprise value, the Board of Directors will present growth strategies and management

plans based on our corporate philosophy, support prompt and bold decision-making, and provide effective supervision. Moreover, we have declared that we will pursue sustainability management as the core of our corporate activities. We will enhance the effectiveness of our sustainability management, as we aim to become a company that contributes to a sustainable society while raising its value as an enterprise. To that end, we have formulated a Sustainability Policy, defined specific initiatives, and set numerical targets. At the same time, we will reflect the opinions and assessments obtained through constructive dialogue with shareholders in the management of the Company, utilizing them to deliver sustainable growth and enhance enterprise value.



Governance Structure (as of May 29, 2025)



(1) Board of Directors

The Board of Directors comprises eight directors, of which three are outside directors. The Board meets once a month to make decisions on management policies, matters stipulated by law, and important management-related matters, as well as to observe the execution of duties by directors. In addition to these regular monthly meetings, the Board of Directors also meets at other times as necessary.

(2) Audit and Supervisory Board

The Audit and Supervisory Board comprises four Audit and Supervisory Board members, of which three are outside Audit and Supervisory Board members. Auditors attend meetings of the Board of Directors to fully observe the Board of Directors and directors' decision-making. The Audit and Supervisory Board also meets regularly to discuss the status of business execution by the Board of Directors and each director. Furthermore, it receives reports from all the directors on the operations they are in charge of, and states its opinions.

(3) Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee comprises three independent outside directors and the President and Representative Director, and we established it with the aim of enhancing our corporate governance structure by ensuring the objectivity of assessments and decisions related to the nomination and compensation of directors and by clarifying the decision-making process. It deliberates on decisions concerning the nomination and compensation of directors at the request of the Board of Directors, to which it reports.

(4) Internal Control Committee

In accordance with our Basic Policy on the Establishment of Internal Control Systems, we have set up the Internal Control Committee as an organ to assist the Board of Directors for the

purpose of establishing a structure for strengthening corporate governance. The Committee comprises internal directors, full-time auditors, and the head of the Operational Audit Office.

(5) Sustainability Committee

The Sustainability Committee comprises outside experts on material issues for the Company, who have been approved by the Board of Directors, as well as internal directors and other members appointed by the Committee chairperson. We established it with the aim of both addressing environmental and social issues through our business wherever possible and growing our business, so as to achieve our Purpose of "Inspiring enthusiasm in every child so that there is a smile on every face." It deliberates on matters concerning the Company's sustainability management at the request of the Board of Directors, to which it reports.

Directors and Auditors Skill Matrix

	Name	Outside	Independent	Experience/knowledge							
				Corporate management	Legal affairs/risk management	Human resources/labor affairs	Finance	IT/digital	Sales/marketing	Global experience	New businesses
Directors	Nobuyuki Fujiwara			●					●	●	●
	Tokuya Fujiwara			●					●	●	●
	Yoshinori Iseki				●	●	●	●			
	Yoshihiro Tamura								●	●	●
	Wataru Koiwa			●					●	●	●
	Mami Yamashita	●	●	●	●				●		●
Auditors	Chisaki Kusajima	●	●	●				●			
	Masahiko Saito	●	●	●	●				●	●	●
	Masanori Kawaguchi	●		●				●	●		●
	Shigeji Sugimoto	●	●					●			
	Shion Okamoto	●	●					●		●	
	Katsuyoshi Noguchi							●			

*The table above does not show all of the experience and knowledge possessed by the officers, but the main ones are marked.

Assumed skills and requirements

Skills	Requirements
Corporate management	Experience in corporate management (as president): Executive officer or above at a different listed company; President at a non-listed company
Legal affairs/risk management	Individuals with experience as officer in charge, headquarters manager, or manager of finance/compliance related departments. Individuals with practical experience in legal affairs
Human resources/labor affairs	Individuals with experience as officer in charge, headquarters manager, or manager of personnel related departments. Members of nomination and compensation committees at other companies
Finance	Individuals with experience as CFO, or officer in charge, headquarters manager, or manager of finance/accounting. Individuals with practical experience in financial institutions
IT/digital	Individuals with experience as headquarters manager or manager of CIO/system related departments
Sales/marketing	Experience and expertise in sales and marketing
Global experience	Individuals with experience in overseas business
New businesses	Individuals with experience in setting up new businesses. Individuals with practical experience at organizations dedicated to new businesses

*In principle, duration of experience should be more than one year *In principle, global experience should be individuals with experience working overseas. When basing experience on overseas business trips, the cumulative total duration of the overseas business trips should be more than one year *Our experience and expertise related to ESG and sustainability matters is low and judged to be premature.

Governance

Criteria for Determining Independence of Outside Officers

We have specified independence criteria for independent outside directors (including candidates for director), and their appointment is conditional on these criteria being met. Note

that independent outside directors continue to meet the independence criteria after assuming office, and if appointed to a key position, their independence is verified by the Board of Directors based on the independence criteria.

Reasons for Appointment of Independent Officers and Their Attendance at Meetings

Independent Directors	Reasons for Appointment	Attendance (FY2024)
Mami Yamashita	She was appointed as an outside director because we believe that her experience studying abroad and working at a U.S. investment bank gives her a high level of competence in terms of understanding of international business and analyzing domestic and international information, and that she can provide high-level guidance and advice on overseas expansion and new businesses, which will be essential for the future growth of the Company.	Board of Directors: 19/19 meetings
Chisaki Kusajima	She was appointed as an outside director due to her extensive experience in corporate IT-related operations, and later her establishment of an independent IT consulting firm. We believe she can provide high-level guidance and advice on DX promotion and the expansion of our online businesses, which will be essential for the future growth of the Company.	Board of Directors: 18/19 meetings
Masahiko Saito	He was appointed as an outside director due to his rich experience in marketing and overseas businesses, and his experience in improving corporate management and governance at domestic and overseas subsidiaries. We believe he can provide high-level guidance and advice on our overseas expansion and corporate governance.	Board of Directors: 16/16 meetings *Assumed role of director in May 2024
Shigeji Sugimoto	He was appointed as an outside auditor because he has been involved in accounting audit operations for many years as a certified public accountant at an audit firm, and we believe that he can supervise overall management and provide effective advice based on his extensive experience and wide-ranging insight in accounting auditing.	Board of Directors: 15/19 meetings Audit and Supervisory Board: 11/14 meetings
Shion Okamoto	She was appointed as an outside auditor because she is a licensed attorney in Japan and the U.S. and performs domestic and international legal work focusing on M&A, corporate reorganization, and corporate law, and we believe that she can supervise overall management and provide effective advice based on her extensive experience and wide-ranging insight.	Board of Directors: 19/19 meetings Audit and Supervisory Board: 14/14 meetings

Assessing the Effectiveness of the Board of Directors

At AEON Fantasy, every year we analyze and assess the effectiveness of the Board of Directors.

Overview of the Assessment Process

- The Board of Directors first identified assessment categories required for assessing its effectiveness, before conducting a survey with directors and Audit and Supervisory Board members. (Survey assessment categories)
 - Composition of the Board of Directors
 - Operation of the Board of Directors
 - Provision of information to independent outside directors
 - Overall assessment of effectiveness
- The Board of Directors Secretariat then summarized the results of the survey based on the assessment of each director and Audit and Supervisory Board member.
- Based on this summary, the Board of Directors held discussions on each issue.

Assessment Results

- Summary of scoring
(Average score in each assessment category) *Scores are on a five-point scale
 - Composition of the Board of Directors (Score average: 4.1; Last year: 3.9)
 - Operation of the Board of Directors (Score average: 4.0; Last year: 3.7)
 - Provision of information to independent outside directors (Score average: 3.7; Last year: 3.7)
 - Overall assessment of effectiveness (Score average: 4.1; Last year: 4.0)
- Overview of assessment results
In each category, results were above the mid-level. Improvements from the previous questionnaire were seen in each category, with "operation of the Board of Directors" showing the greatest improvement. In terms of future issues, we recognize the need to enhance discussions on strategic agenda items and to further enhance the diversity of the Board of Directors.

Initiatives to address issues in FY2023

The main initiatives taken in response to the issues identified in the FY2023 are as follows.

- Full year: Strategic issues were incorporated into the annual agenda of the Board of Directors and discussed at board meetings
- June: We arranged store visits and provided briefings on Company issues to newly appointed outside officers
- December: Outside Directors and Outside Audit and Supervisory Board Members visited a new-format store and exchanged views on future developments. Exchanged views on future developments
- January: We held an off-site meeting regarding issues concerning our Chinese subsidiary

In addition, we were able to shorten and streamline the time required for deliberation by improving agenda explanations and scheduling, and holding off-site meetings.

Future Initiatives for the Board of Directors

To further enhance its effectiveness based on the issues uncovered in the effectiveness assessment, the Board of Directors will engage in the following initiatives moving forward:

- Examinations on the enhancement of Board of Director diversity
Consider the composition of Independent Outside Directors
- Enhancement of discussions regarding a strategic agenda for growth
- Enhancement of discussions regarding issues involving overseas subsidiaries
- Enhancement of information provision to outside directors and auditors

Officers' Compensation

The compensation of the Company's directors is discussed by the Nomination and Compensation Advisory Committee, which is chaired by an outside director and of which the majority of members are outside directors, and the results of these discussions are reported to the Board of Directors. The process is therefore highly objective and transparent.

The Board of Directors decides on the Company's policy regarding the determination of the amount of compensation for directors and the method of calculation thereof. The Nomination and Compensation Advisory Committee discusses policies for evaluating the performance of directors as well as the appropriateness of performance evaluations and levels of base and performance-linked compensation, and then reports its conclusions to the Board of Directors. Based on these conclusions, the Board of Directors discusses the payment of base and performance-linked compensation, and then delegates the final decision on the amount of compensation for each director to the President and Representative Director. The authority delegated covers the amounts of each director's base compensation and performance-linked compensation, the latter of which is based on the performance of the operations for which they are responsible.

Director Training

The Company continuously provides opportunities for the necessary training and learning relating to compliance and governance, for example, to ensure that directors and Audit and Supervisory Board members can fulfil their roles and responsibilities effectively. In FY2024, directors and auditors underwent officer compliance training. Moreover, for outside directors and outside Audit and Supervisory Board members, we provide opportunities for them to inspect our stores upon their appointment to ensure a thorough understanding of our businesses. After their appointment, we continue to provide them with the necessary expertise and information related to our businesses.

Dialogue with Shareholders and Investors

We have formulated the Basic Policy for Constructive Shareholder Dialogue and created a system to promote constructive dialogue with our shareholders, with the department in charge of investor relations serving as the point of contact.

IR meetings in FY2024:
192 (181 in the previous year)

Basic Policy for Constructive Shareholder Dialogue

- We will proactively engage in constructive dialogue through our IR activities to build good relationships with our shareholders and investors.
- The department in charge of investor relations will take the lead in shareholder dialogue activities, aiming for organic collaboration with the Finance and Accounting Department and the General Affairs Department to ensure constructive dialogue.
- When a shareholder requests an individual meeting, we will agree to the meeting if it is deemed that doing so will contribute to the sustainable growth of the Company and the medium- to long-term enhancement of our corporate value.
- In addition to hosting twice yearly regular financial results briefings for our shareholders and investors, we will also provide opportunities for briefings through small meetings as necessary.
- Presentation materials from our financial results briefings will be available on our website.
- The opinions we obtain through dialogue with our shareholders and investors will be reported to and discussed by the Board of Directors and Management Committee, and the results of these discussions will be reflected back into future dialogue with shareholders and investors.
- When engaging in dialogue with our shareholders, to ensure equality between shareholders when handling undisclosed material information, in compliance with the Financial Instruments and Exchange Act and any related acts, and to ensure the control of insider information, we will manage the undisclosed information based on the Regulations on Internal Information Management and Insider Trading.

Governance

Compliance and Risk Management

Compliance

The Compliance Subcommittee, chaired by the director and full-time executive officer for administration and risk management, met four times during FY2024 to review the details and results of measures and activities for compliance with the Labor Standards Act, laws and regulations related to fair trading, and the Act on Control and Improvement of Amusement Business, and to consider activities for future improvement. In addition, we conduct annual seminars which emphasize compliance management, i.e., compliance in all business operations, and provide ongoing education on various laws and regulations to make sure that all employees are fully aware of our compliance-related activities.

Risk Management

Risk Management

At AEON Fantasy, we prioritize the prevention of risks that are likely to emerge. By predicting and analyzing the potential impact that these risks could have on the company as a whole, we implement measures to tackle particularly important risks as a priority. We have also created a risk management process, and based on the results of the regular monitoring of our risk countermeasures by the Risk Management Subcommittee, we issue reports to management and conduct reviews as necessary.

Risk Management Process

In terms of risk management, we use a PDCA cycle to gain a comprehensive understanding of companywide risks and identify important risks. In addition to allocating management resources to important risk countermeasures as a matter of priority, the Risk Management Subcommittee regularly monitors the progress of the countermeasures. When risks emerge, information on the risks are shared before implementing and reconfirming countermeasures.

Risk Management Process



Risk Management Subcommittee Activities

The Risk Management Subcommittee, chaired by the director and full-time executive officer for administration and risk management, met six times during FY2024. After evaluating risks in Japan, China, and ASEAN countries, the Subcommittee established a total of 46 priority items to be addressed, including 33 in Japan, 2 in China, and 11 in ASEAN countries. The progress of these measures was monitored by the Risk Management Subcommittee, and new measures were considered as necessary to mitigate risk. KPIs are established for priority risks, and each risk is evaluated and awarded an evaluation score. Comparisons between evaluation scores at the beginning and end of the fiscal year are used to confirm risk reductions and to compare results against target end-of-year evaluation scores.

Reinforcement of Information Security

We regard ensuring information security as one of the most important management issues. We adhere to the information security standards of the AEON Group as our basic principle, and we continuously work on enhancing and improving our security levels by providing information security education and training to all employees, strengthening the security of endpoints and systems, conducting vulnerability assessments, and performing security risk assessments. Additionally, through the Information Security Committee and the Compliance Subcommittee, we have established a framework that allows management to continuously monitor information security initiatives and risks, ensuring timely and appropriate responses as management issues.

Human Rights

Human Rights Initiatives

Our Purpose is “Inspiring enthusiasm in every child so that there is a smile on every face,” and we conduct our business activities to fulfil this Purpose.

We identify human rights risks in both our domestic and overseas businesses and implement initiatives to reduce those risks.

Domestic human rights risks and initiatives in FY2024

In FY2024, initiatives were implemented largely as planned. We do not consider that human rights risks can be reduced in the short term, and we will therefore continue to identify similar risks and implement initiatives in FY2025.

Main Initiatives to Reduce Human Rights Risks in FY2025 (Japan)

Country	Risks	Main initiatives
Japan	Consumer safety	Plan initiatives to strengthen checks on product expiration dates
	Human rights issues in supply chains	Plan to conduct training on the AEON Supplier Code of Conduct
	Children's rights (excluding child labor)	Plan to develop guidelines on expressions that take children's rights into consideration and to open stores equipped with inclusive playground equipment
	Child labor	Plan to strengthen efforts to prevent employment of children under the age of 15 and to prevent violations of labor standards laws relating to workers under the age of 18
	Harassment	Plan to implement the Company's initiatives addressing customer harassment
	Excessive and unreasonable working hours	Plan to strengthen the management framework by monitoring employee working hours and identifying cases of unpaid overtime

Main Initiatives to Reduce Human Rights Risks in FY2025 (Overseas)

Country	Risks	Main initiatives
China	Consumer safety	Plan to implement initiatives to enhance safety at playgrounds
	Intellectual property rights	Plan to confirm that suppliers hold appropriate intellectual property licenses
Malaysia	Occupational health and safety	Plan to strengthen attendance management to ensure compliance with laws and regulations
	Harassment	Plan to provide ongoing harassment training to store staff
Thailand	Children's rights (excluding child labor)	Plan to create a customer service guide that takes children's human rights into consideration and to provide related training
	Occupational health and safety	Plan to implement initiatives to prevent injuries and accidents involving employees
Philippines	Insufficient or unpaid wages, living wages	Plan to introduce a new attendance management system and implement initiatives to prevent unpaid wages and unpaid overtime
	Human rights issues related to gender (including sexual minorities)	Plan to enhance systems that support work-life balance
Indonesia	Working hours (excessive and unreasonable working hours)	Plan to strengthen operational management with the goal of reducing overtime hours by 20% compared with the previous year
	Bribery and corruption	Plan to develop procurement-related guidelines and educational materials, including training videos
Vietnam	Insufficient or unpaid wages	Plan to conduct a review of the personnel evaluation system and design improvements aimed at increasing employee motivation
	Occupational health and safety	Plan to implement initiatives to prevent accidents involving maintenance staff who handle electrical work

Grievance Mechanism (Complaints Handling Mechanism)

At AEON Fantasy, we have set up and operate a reporting desk. We have formulated a set of in-house operational rules to ensure the protection of users' privacy and to ensure that they are not treated unfairly. When a report is received, we carefully examine the details and implement the necessary response against violations in accordance with our rules.

Education and Training

At AEON Fantasy, every year we host human rights training programs based on different themes. In FY2024, we conducted training for management personnel to promote understanding of reasonable accommodation, with a particular focus on accommodating customers with disabilities who visit our stores. In FY2025, we will conduct training on the AEON Supplier Code of Conduct, which defines our dealings with suppliers, to deepen understanding of human rights issues that arise in the supply chain.

List of Officers (as of May 22, 2025)

Director



Nobuyuki Fujiwara
Chairman of the Board of Directors

May 2004 Joined AEON Fantasy
Jan. 2012 Managing Director, AEON Fantasy (Beijing) Co., Ltd. (now AEON Fantasy [China] Co., Ltd.)
Jan. 2013 Chairman and Managing Director, AEON Fantasy (China) Co., Ltd.
Jan. 2014 Chairman, AEON Fantasy (China) Co., Ltd.
Sep. 2015 Head of China Business, AEON Fantasy
May 2017 Director, AEON Fantasy
May 2018 President and Representative Director, AEON Fantasy
Mar. 2021 Head of Services and Specialty Stores, AEON CO., LTD.
May 2021 Chairman and Representative Director, AEON Fantasy
May 2021 Director, Mega sports Co., Ltd.
May 2021 Director, G-Foot Co., Ltd.
May 2021 Director, Cox Co., Ltd.
May 2022 Director, AEON Fantasy
May 2022 Chairman and Director, AEON ENTERTAINMENT CO., LTD.
Mar. 2023 Chief Officer, Service Business, AEON Co., Ltd. (to present)
Mar. 2023 President and Representative Director, AEON ENTERTAINMENT CO., LTD. (to present)
May 2023 Chairman and Director, AEON Fantasy (to present)
May 2023 Director, AEON Eheart Co., Ltd. (to present)

Significant concurrent positions
Head of Services, AEON CO., LTD.
President and Representative Director, AEON ENTERTAINMENT CO., LTD.
Director, AEON Eheart Co., Ltd.

Number of company shares held: 5,900



Yoshinori Iseki
Director and Senior Managing Executive Officer
Officer for Administration
Risk Management Supervisor

Apr. 1990 Joined The Daiiei, Inc.
Apr. 1995 Joined Daiiei Leisure Land, Inc. (now AEON Fantasy)
Sep. 2006 Corporate Administration Department Manager, Fun Field Co., Ltd. (now AEON Fantasy)
Sep. 2014 Corporate Planning Department Manager, Fun Field Co., Ltd.
Jun. 2015 President's Office Deputy Manager, AEON Fantasy
Mar. 2016 PR/IR Office Manager, AEON Fantasy
Mar. 2017 Finance, Accounting and Administration Headquarters Deputy Manager, AEON Fantasy
Sep. 2017 Finance, Accounting and Administration Headquarters Manager, AEON Fantasy
Mar. 2018 Finance and Accounting Headquarters Manager, AEON Fantasy
May 2019 Director, AEON Fantasy
May 2021 Full-time Director and Officer for Administration, Finance and Accounting Headquarters Manager, Risk Management Supervisor, AEON Fantasy
Mar. 2022 Full-time Director and Officer for Administration, Risk Management Supervisor, AEON Fantasy
May 2022 Director and Full-time Executive Officer for Administration, Risk Management Supervisor, AEON Fantasy
May 2025 Director and Senior Managing Executive Officer for Administration, Risk Management Supervisor, AEON Fantasy (to present)

Significant concurrent positions: None
Number of company shares held: 1,200



Wataru Koiki
Director and Executive Officer
Head of Overseas Business

Mar. 2003 Joined AEON Fantasy
Feb. 2012 General Manager, Business Model Development Group, AEON Fantasy
May 2013 Global Business Promotion Headquarters Deputy Manager, AEON Fantasy
Aug. 2014 New Business Development Headquarters Deputy Manager, AEON Fantasy
Mar. 2016 Head of ASEAN Business, Indoor Playground Division Manager, AEON Fantasy
Apr. 2016 Director, AEON Fantasy (Thailand) Co., Ltd. (to present)
Apr. 2016 Director, PT. AEON FANTASY INDONESIA (to present)
Apr. 2016 President, AEON FANTASY GROUP PHILIPPINES, INC. (to present)
Jun. 2016 Director and Chairman, AEON FANTASY (MALAYSIA) SDN. BHD. (to present)
May 2017 Director, AEON Fantasy (to present)
Mar. 2019 Overseas Business Headquarters Manager, Indoor Playground Division Manager, AEON Fantasy
Mar. 2020 Head of ASEAN Business, AEON Fantasy
Mar. 2022 Officer for ASEAN Business, Edutainment Business Development Headquarters Manager, AEON Fantasy
May 2022 Director and Executive Officer, Officer for Overseas Business, Edutainment Business Development Headquarters Manager, AEON Fantasy
Mar. 2024 Executive Officer, Head of Overseas Business, Playground Development Headquarters Manager, AEON Fantasy
Mar. 2025 Executive Officer, Head of Overseas Business, AEON Fantasy (to present)

Significant concurrent positions
Director and Chairman, AEON FANTASY (MALAYSIA) SDN. BHD.
Director, AEON Fantasy (Thailand) Co., Ltd.
Director, PT. AEON FANTASY INDONESIA
Director, AEON FANTASY GROUP PHILIPPINES, INC.

Number of company shares held: 1,900



Tokuya Fujiwara
President and Representative Director

Mar. 2000 Joined AEON Fantasy
Mar. 2008 Chief Manager, Machine Group, Product Headquarters, AEON Fantasy
Mar. 2009 Chief Manager, Medal Group, Product Headquarters, AEON Fantasy
Dec. 2010 Product Headquarters Deputy Manager, AEON Fantasy
Sep. 2011 Product Headquarters Manager, AEON Fantasy
Mar. 2013 Product Development Headquarters Manager, AEON Fantasy
May 2013 Director, AEON Fantasy
Mar. 2017 Officer for Global Products and New Businesses, AEON Fantasy
May 2017 Full-time Director, AEON Fantasy
Mar. 2020 Head of Domestic Business, Amusement Business Headquarters Manager, AEON Fantasy
Mar. 2021 Head of Domestic Business, AEON Fantasy
May 2021: President and Representative Director, AEON Fantasy (to present)
May 2023 Director, AEON ENTERTAINMENT CO., LTD.

Significant concurrent positions: None
Number of company shares held: 9,700



Yoshihiro Tamura
Director and Executive Officer
Head of Domestic Business

Dec. 1993 Joined Jusco Co., Ltd. (now AEON Co., Ltd.)
Mar. 2008 Chief Manager, Gift Group, Product Headquarters, AEON Fantasy
Mar. 2009 Chief Manager, Prize Group, Product Headquarters, AEON Fantasy
Feb. 2011 West Japan Business Headquarters Manager, AEON Fantasy
Apr. 2012 West Japan Sales Headquarters Manager, AEON Fantasy
May 2012 Director, AEON Fantasy (to present)
Dec. 2013 West Japan Sales Headquarters Manager, New Business Development Headquarters Manager, AEON Fantasy
May 2014 Officer for Sales, West Japan Sales Headquarters Manager, New Business Development Headquarters Manager, AEON Fantasy
Sep. 2014 Officer for Sales, AEON Fantasy
May 2015 West Japan Sales Headquarters Manager, AEON Fantasy
Sep. 2015 Sales Planning Headquarters Manager, AEON Fantasy
May 2016 Officer for Sales, AEON Fantasy
May 2017 Development Headquarters Manager, AEON Fantasy
Mar. 2020 Global Development Headquarters Manager, AEON Fantasy
Mar. 2021 Development Headquarters Manager, AEON Fantasy
Mar. 2022 Officer for Products and Development, Development Headquarters Manager, AEON Fantasy
May 2022 Director and Executive Officer, Officer for Products and Development, Development Headquarters Manager, AEON Fantasy
Mar. 2024 Directors and Executive Officer, Head of Domestic Business, AEON Fantasy (to present)

Significant concurrent positions: None
Number of company shares held: 8,000



Mami Yamashita
Director (Outside)
(Independent Officer)

Apr. 2001 Joined NEC Corporation
Aug. 2006 Credit Sales Supervisor, Credit Sales Department, J.P. Morgan Japan
Nov. 2007 Group manager, Business Promotion Department, The Risk Data Bank of Japan, Ltd.
Dec. 2013 President and Representative Director, Kokoroku Co., Ltd. (to present)
Feb. 2017 Director, Learning Journey
Jun. 2018 Outside Director, Honda Tsushin Kogyo Co., Ltd.
May 2022 Outside Director, AEON Fantasy (to present)
Jun. 2024 Outside Director, Sumitomo Mitsui Construction Co., Ltd. (to present)
Jun. 2024 Outside Director, NAC CO., LTD. (to present)

Significant concurrent positions
President and Representative Director, Kokoroku Co., Ltd.
Outside Director, Sumitomo Mitsui Construction Co., Ltd.
Outside Director, NAC CO., LTD.

Number of company shares held: 0



Chisaki Kusajima
Director (Outside)
(Independent Officer)

Apr. 1988 Joined SEGA Enterprises Ltd. (now SEGA Corporation)
Jan. 2011 Information Systems Department Manager, Corporate Headquarters, SEGA Corporation
Sep. 2018 Representative Director, With Sophia Co., Ltd. (to present)
Jun. 2019 Outside Director, Syuppin Co., Ltd. (to present)
May 2023 Outside Director, AEON Fantasy (to present)

Significant concurrent positions
Representative Director, With Sophia Co., Ltd.
Outside Director, Syuppin Co., Ltd.

Number of company shares held: 0



Masahiko Saito
Director (Outside)
(Independent Officer)

Apr. 1984 Joined Fuji Xerox Co., Ltd. (now FUJIFILM Business Innovation Corp.)
Apr. 2004 General Manager, Marketing Department, Overseas Sales Division, Fuji Xerox Co., Ltd.
Apr. 2008 President, Fuji Xerox Asia Pacific Pte. Ltd. (Malaysia Operations)
Apr. 2008 President, Fuji Xerox Malaysia Sdn. Bhd.
Oct. 2012 General Manager, Sales Promotion Department, Global Service Business Division, Fuji Xerox Co., Ltd.
Apr. 2017 General Manager, Group Company Management Promotion Department, Fuji Xerox Co., Ltd.
July 2019 General Manager, New Growth Business Development Department, Fuji Xerox Co., Ltd.
May 2022 Senior Advisor, Office of the Audit and Supervisory Board, FUJIFILM Holdings Corporation
May 2024 Outside Director, AEON Fantasy (to present)

Significant concurrent positions: None
Number of company shares held: 0

Auditor



Masanori Kawaguchi
Full-time Auditor
(Outside)

Sep. 2002 Joined AEON Forest Co., Ltd.
Sep. 2002 General Planning Office Manager, AEON Forest Co., Ltd.
Dec. 2007 President and Representative Director, AEONBODY Co., Ltd.
Mar. 2009 General Planning Office and CRM Manager, AEON Forest Co., Ltd.
Apr. 2009 Management Headquarters Deputy Manager, AEON Forest Co., Ltd.
Apr. 2011 Director, Management Headquarters Manager, AEON Forest Co., Ltd.
May 2013 Director, Management Headquarters Manager, Overseas Business Supervisor, Laura Ashley Japan Co., Ltd.
Sep. 2018 Strategy Department, AEON CO., LTD.
May 2021 Director, Management Supervisor, Reform Studio Co., Ltd.
May 2023 Full-time Outside Auditor, AEON Fantasy (to present)
May 2023 Outside Auditor, AEON ENTERTAINMENT CO., LTD. (to present)
May 2023 Auditor, AEON Fantasy (China) Co., Ltd.

Significant concurrent positions
Outside Auditor, AEON ENTERTAINMENT CO., LTD.
Auditor, AEON Fantasy (China) Co., Ltd.

Number of company shares held: 0



Shigeji Sugimoto
Auditor (Outside)
(Independent Officer)

Apr. 1974 Joined Tohmatsu, Awoki & Co. (now Deloitte Touche Tohmatsu LLC)
Apr. 1978 Registered as a Certified Public Accountant
Jul. 1989 Partner, Tohmatsu, Awoki & Co.
Dec. 2015 Left Tohmatsu, Awoki & Co.
Jan. 2016 Established Sugimoto Shigeji Certified Public Accountant Office
May 2016 Outside Auditor, AEON Fantasy (to present)
May 2016 Outside Auditor, Nippon Steel & Sumitomo Metal Corporation (now Nippon Steel Corporation) (to present)
Jun. 2016 Outside Auditor, AEON Bank Co., Ltd. (to present)
Jun. 2020 Outside Auditor, Osaka Steel Co., Ltd. (to present)

Significant concurrent positions
Outside Auditor, Nippon Steel Corporation
Outside Auditor, AEON Bank Co., Ltd.
Outside auditor, Osaka Steel Co., Ltd.

Number of company shares held: 0



Shion Okamoto
Auditor (Outside)
(Independent Officer)

Sep. 2008 Joined Mori Hamada & Matsumoto (law firm)
Sep. 2013 Worked at both London and Tokyo offices of Herbert Smith Freehills
Apr. 2015 Seconded to Legal Affairs Department, Mitsubishi Corporation
Aug. 2016 Joined Yahoo Japan Corporation (now LY Corporation)
Aug. 2016 Seconded to YJ Capital Inc. (now Z Venture Capital Inc.)
Aug. 2021 CFO and General Counsel, YJ Capital Inc.
Apr. 2022 Seconded to Z Holdings Co., Ltd. (now LY Corporation)
May 2022 Outside Auditor, AEON Fantasy (to present)
Sep. 2022 Outside Auditor, WAKUWAKU Inc.
Jan. 2023 Outside Director, Otsumo Co., Ltd. (now HUMAN MADE Inc.) (to present)
Jan. 2024 Representative Director, neo Shukatsu Co., Ltd. (to present)
Mar. 2025 Outside Director, OKAN Inc. (to present)

Significant concurrent positions
Outside Director, HUMAN MADE Inc.)
Representative Director, neo Shukatsu Co., Ltd.
Outside Director, OKAN Inc.

Number of company shares held: 0



Katsuyoshi Noguchi
Auditor

Apr. 1991 Joined JUSCO Co., Ltd. (now AEON CO., LTD.)
May 2010 Account Group Manager, Accounting Department, AEON CO., LTD.
Aug. 2013 Consolidated Accounting Department Manager, AEON CO., LTD.
Apr. 2018 Accounting Department Manager, AEON CO., LTD.
Mar. 2022 Accounting Department General Manager, AEON CO., LTD. (to present)
May 2023 Auditor, AEON Fantasy (to present)

Significant concurrent positions: None
Number of company shares held: 0

Executive Officer

Kojiro Ikeda
Head of China Business, Chairman and Managing Director, AEON Fantasy China

Tatsuya Kato
Finance and Accounting Headquarters Manager

Yuya Shiozawa
Product Headquarters Manager

Kazuma Ohkura
Grand Design Headquarters Manager,
Design Planning Group General Manager

Sou Li
Personnel and General Affairs Headquarters Manager

Outside Directors' Roundtable Discussion

Unlocking AEON Fantasy's "growth spiral" by combining external perspectives with on-the-ground insight

How do AEON Fantasy's governance and growth strategies look from the outside? Three Outside Directors with expertise in finance, IT, and global business exchanged views on how AEON Fantasy should approach governance enhancement, domestic and overseas business strategies, human resource strategies, and digital transformation.

— How do you see the role of Outside Directors?

Yamashita: The role of Outside Directors is broad. What I value most is contributing to the maximization of corporate value over the medium to long term. Because management naturally spends much of its time on daily figures and short-term issues, we as Outside Directors need to maintain a medium- to long-term perspective and clarify which initiatives deserve support and which risks should be restrained, thereby supporting sound decision-making. In short, our role is to provide a steady point of reference—both offensive and defensive—that keeps management decisions on course.

Saito: I completely agree. What I focus on is bringing perspectives that do not exist within the organization. Drawing on my experience in overseas marketing and sales operations, I have seen firsthand how external factors, such as geopolitics, regulation, and foreign exchange, can affect

business. At Board meetings, I intentionally ask questions from a different angle, such as what happens if an investment faces unexpected delays, or whether exit conditions are clearly defined, to broaden the scope of the discussion.

Kusajima: I participate as an IT specialist. Digital is an area where competitiveness can change significantly within just a few years, depending on the decisions made. At the same time, IT discussions can easily stall due to complex terminology and technical assumptions. My role therefore is to break down the core of the technology and translate it into clear "yes/no" decision points, helping to speed up management decisions.

Saito: Discussions at our Board meetings are very open, and President Fujiwara and the management team show a genuine commitment to putting the Company's Purpose into practice. As a result, candid outside opinions are welcomed, allowing discussions to move forward constructively. Having served on the Board for one year now, I see this openness as a significant strength.

Yamashita: The fact that discussions are not merely formalistic is extremely important. We should serve not only as a brake, but also as navigators who help accelerate challenges safely. We jointly define risk boundaries and offer course corrections where needed. This allows AEON Fantasy to stay focused on long-term value creation, without being overly driven by short-term figures.

Kusajima: To make that "navigator" role truly effective, the key is how quickly we can capture input from operating sites. Digital tools allow frontline insights and improvement ideas to be visualized and shared with management in a timely way. When external perspectives align with on-the-ground realities, decision-making accuracy improves significantly.

Saito: Both of your points are important. When external perspectives meet voices from the field, the level of engagement in the discussion naturally rises. That said, it is essential that this energy remains focused on the issues and does not become emotional. Tough questions should be welcomed as a way to deepen the discussion. Maintaining this kind of healthy tension is what ultimately raises the quality of our conclusions.

Kusajima: That is precisely why we need to keep refining how we frame our questions. That means checking assumptions, validating them from both data and operational perspectives, and being willing to pause when necessary. To support this, we should continue to strengthen our "dialogue skills" that connect external perspectives with internal execution.

— How do you assess the current state of governance at AEON Fantasy, and what direction should be taken going forward to strengthen it further?

Yamashita: Over the past four years, the Board has clearly evolved. Agendas have been adjusted, allowing us to focus on what truly matters within limited meeting time. In particular, discussions around which risks to accept and which to avoid have become more exhaustive, leading to better-quality judgments. When this foundation is in place, the executive team can move forward with greater confidence. I feel we are approaching a state where strong governance supports proactive execution.

Saito: I share that feeling too. Executives often bring proposals that focus on how they can be executed. At that point, we challenge the process by asking: "Are the assumptions sound?" "Have alternative options been fully considered?" and "What criteria will be used to review or exit the investment if necessary?" Recently, this back-and-forth has become much smoother, and questions from Outside Directors are increasingly seen not as "brakes," but as "reinforcement." The level of constructive tension in discussions feels well balanced.

Kusajima: On that basis, I would like to take our digital discussions to the next level. While the Group as a whole promotes a "digital shift," I believe we can define AEON Fantasy's own winning model more clearly.

For example, by analyzing membership app usage history together with customers' movements within stores, we can gain a concrete understanding of which times of day become congested and which play equipment is most frequently used. With this kind of data in hand, Board discussions can move beyond simply deciding whether or not to invest in new equipment, and instead develop into more practical discussions about how to operate it after introduction in order to maximize results.

Yamashita: Digital capabilities are not just tools for improving efficiency; they are also directly tied to AEON Fantasy's ability to operate autonomously. That we can leverage shared assets and systems is a strength of being part of the AEON Group. However, as a listed company there are also areas where we must make decisions independently, without undue deference to the parent company. I believe that one of the key roles of Outside Directors is to clearly distinguish which areas should leverage the Group's shared foundations, and which areas require independent ingenuity to further develop the Company's strengths, and to provide objective advice on that basis.

Saito: Balancing strengths as a member of a group with independent steering is never easy. The same applies to overseas operations, where it is most effective to first establish guiding principles for balancing the scale benefits



Mami Yamashita
(Outside) Director
(Independent Director)



Masahiko Saito
(Outside) Director
(Independent Director)



Chisaki Kusajima
(Outside) Director
(Independent Director)

Outside Directors' Roundtable Discussion

of standardization with the flexibility of local optimization, and then refine them through ongoing course correction.

Kusajima: I'd also like to take up, as a governance topic, how we build pathways that connect small on-site initiatives with management. When store-level ideas are backed by data and linked to head office decision-making, bottom-up initiatives and top-down direction engage with each other in a constructive way. I'd like the Board to continue checking and reviewing this kind of "governance as a mechanism."

Yamashita: Yes. Ensuring a sound management base, and continuing discussions so it keeps functioning over time, is essential. To do that, we need to update decision assumptions and risk scenarios through discussion, and build them up in a way that can be traced.

Saito: When you have that kind of accumulation, it can be shared quickly with new members and overseas sites as well. Governance is a mechanism, but at the same time it's also a habit. To keep it from becoming a mere formality, I believe continuing to ask pertinent questions is the minimum professional standard.

Kusajima: I'd also like to propose raising the level of digital literacy across the entire Board. By making study sessions and visits to advanced stores a regular fixture throughout the year, we can build a shared vocabulary. That would speed up discussions and improve the quality of feedback to the execution side.

— FY2024 marked the first year of the medium-term management plan. How do you assess that first year?

Saito: The biggest issue is the China business. It's true that



recovery is taking longer than expected. Changes in consumer sentiment and aggressive price competition, among other external factors, converged. At the same time, it's become difficult to mechanically apply the "success formula" that worked in the past. In Southeast Asia and China, lifestyles and values differ by region, as do competitive conditions and infrastructure levels. I think we need to roll out a core model across locations, and then optimize it by taking regional patterns into account.

Kusajima: When you go to operating sites, hypotheses emerge that you can't see from numbers alone. By observing which play equipment children gather around, the store flow that affects parents' sense of security, and how smooth payments are, and then checking this against available data, we can sometimes find clues for improvement. The lessons we've learned from playground business operations in Japan and overseas, such as safety, cleanliness, and visualizing wait times, should also be applicable in China.

Saito: Progress in the domestic business is certainly encouraging. For playgrounds, success really comes down to whether they can become a place families actively choose as a destination. I've visited several stores, and where staff creativity clearly enhances the customer experience, word-of-mouth and repeat visits spread quickly. There are many universally applicable insights to be found at operating sites.

Yamashita: It would be good to have a mechanism that brings the stories behind the numbers into the Board room.

Especially in ASEAN countries, where we're increasing the pace of store openings because this is a segment we want to grow over the medium to long term. That means we need more strategic and precise investment decisions for new stores and formats, and accurate information coming up from operating sites is essential.

Kusajima: Digital can be used almost like a "translator" that supports what people on the ground are sensing. For example, we can compare app data, such as visit frequency, length of stay, and congestion, with store managers' and staff members' real impressions, like "this piece of equipment is used a lot."

By going back and forth between the two, we can more objectively compare differences between overseas stores. As a result, even the complexity of the China market can be broken down into specific problem areas.

Saito: The first step is how we set up our hypotheses. I'd like us to be clearer about where we intend to win. Rather than trying to maximize everything at once, we should concentrate investment on clear winning areas first, and then expand outward. Making our intentions around resource allocation clear helps us balance speed and learning.

Yamashita: To make that focused strategy work, we also need to build the courage to stop into the organization's mindset.

If targets aren't met during the validation stage, we should pause and rethink our hypotheses. Withdrawing isn't a failure—it's a positive process of redirecting resources to



more effective challenges. If we can share that way of thinking internally and externally, investors will understand, and the quality of our challenges will improve.

— What do you expect from AEON Fantasy going forward?

Kusajima: First, I have strong expectations for digital. Refining the membership app, using in-store traffic data, sharing staff knowledge—each may seem insignificant, but together they build competitiveness. I'd like the whole company to share a mindset around data use that follows a cycle of on-the-ground hypotheses, data verification, and operational execution.

Saito: From a people perspective, I'd like to see more leaders who stay closely connected to operations. As we expand overseas, differences in culture and values can become barriers to communication. What really helps are people who can speak from both an understanding of on-site realities and from the numbers. I believe increasing cross-border opportunities for younger and female employees—through short-term assignments and job rotations—creates an environment where challenges and setbacks can be handled positively.

Yamashita: We also can't lose sight of the long-term perspective. What kind of company do we want to become in five or ten years' time? It's important to give meaning to each year's actions in light of that long-term view and our purpose. Annual targets matter, but without a long-term story, short-term logic alone doesn't accumulate. That's why I'd like to propose deliberately allocating Board discussion time to areas like people, brand, safety, and data—topics that will drive future value.

Saito: In overseas business, the key question is how to strengthen the autonomy of local teams. I think it works well to delegate authority to local leaders, while also setting up quarterly forums to align on hypotheses and how we test them. When we share a common language, distance stops being a barrier.

Yamashita: Dialogue with investors is also important. By clearly sharing the rationale for taking risks, the criteria for stopping, and our learning process, we build long-term credibility with stakeholders. It's important to share not only good news, but also why things didn't go as planned and what comes next. Accountability isn't only defensive. It also strengthens the quality of taking on challenges.

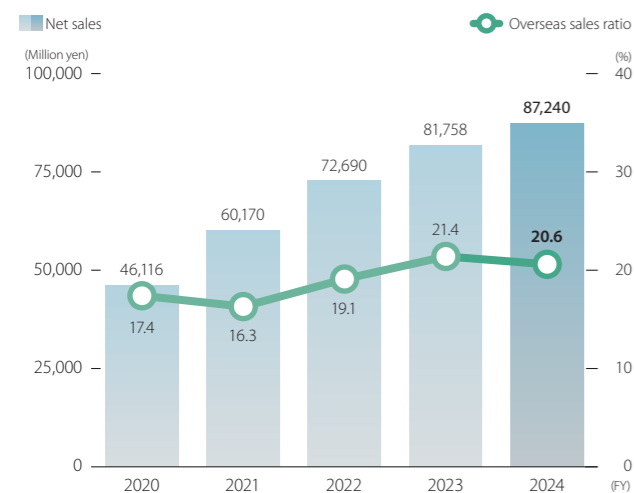
Kusajima: In that sense, our role as Outside Directors also continues to grow. Taking questions from an external perspective and translating them into internal language. When that back-and-forth works well, the organization becomes stronger. I hope today's discussion helps make Board deliberations even more open.

Saito: Indeed. People, digital, and overseas business. By reconnecting these through the framework of governance and leveraging the strength of our operations, we can move to the next stage. I'm confident we can move forward steadily while continuing to refine what makes us unique.

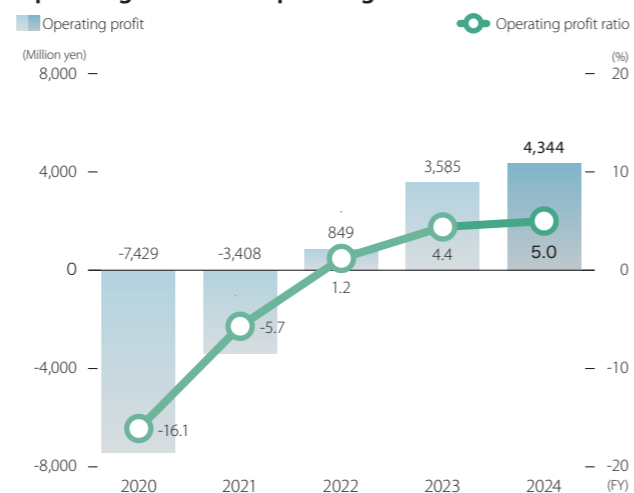


Performance Highlights

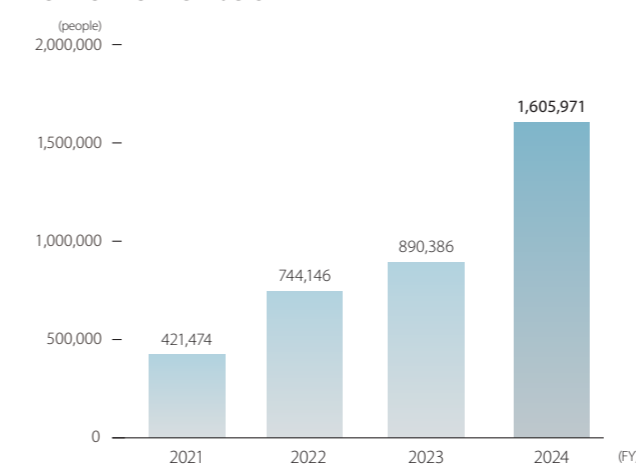
Net Sales and Overseas Sales Ratio



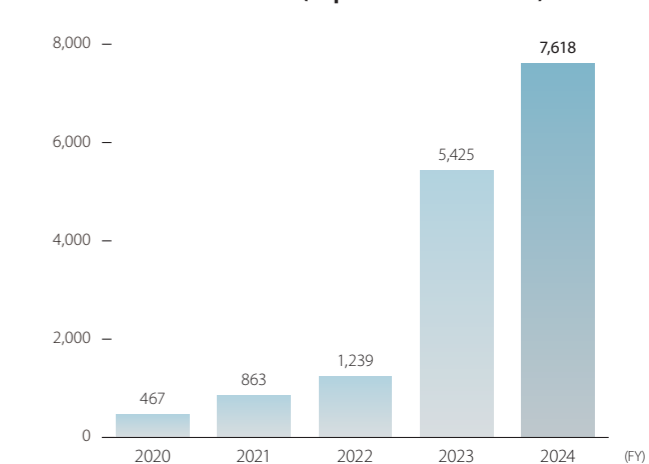
Operating Profit and Operating Profit Ratio



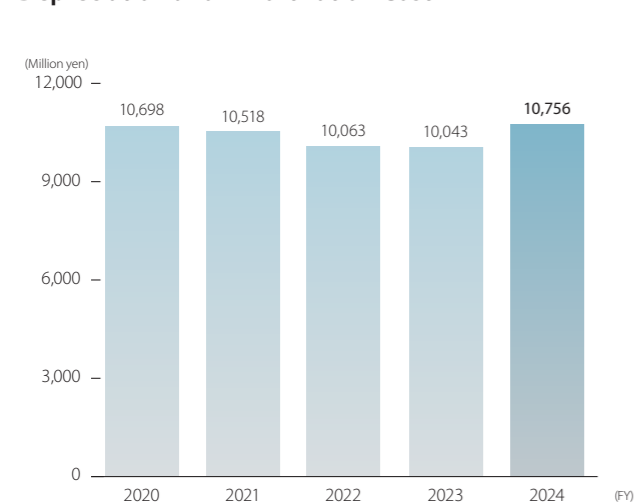
Number of LINE Friends and cumulative total of TOTTOTTO members*



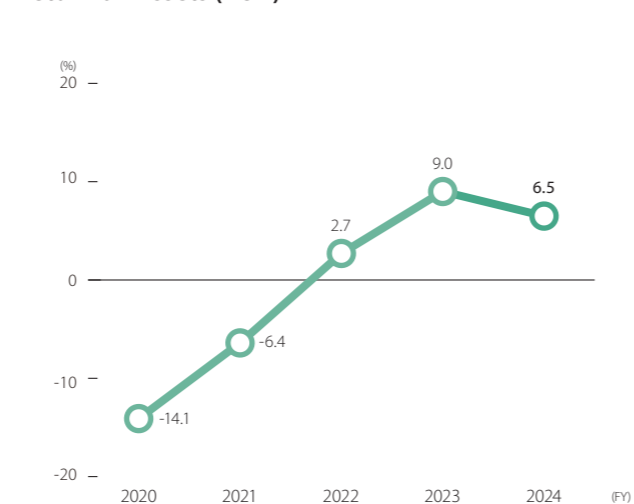
Number of Visits and Parties for Children from Social Welfare Facilities (Japan and Overseas)



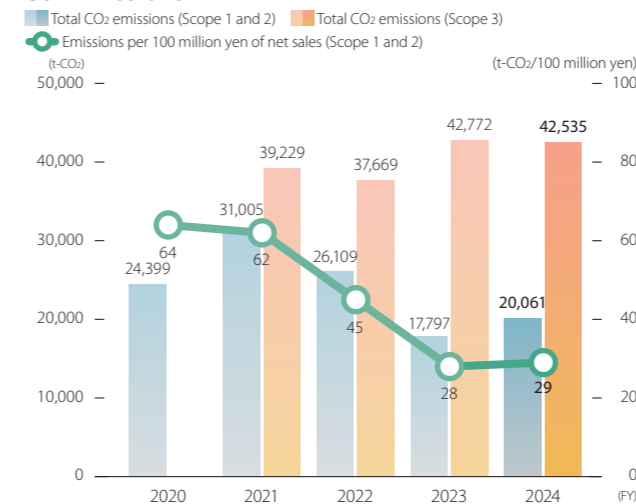
Depreciation and Amortization Cost



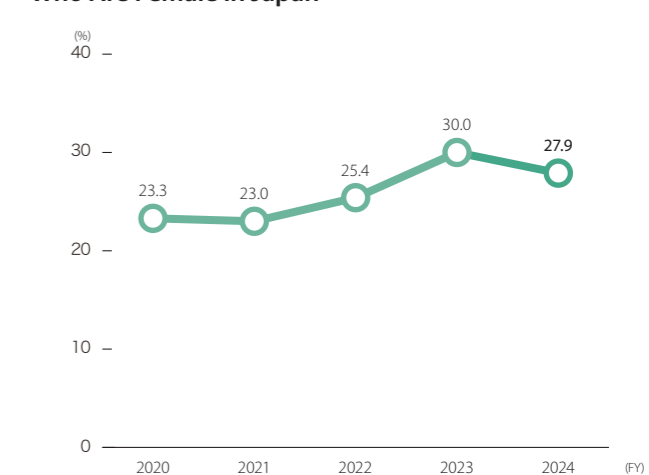
Return on Assets (ROA)



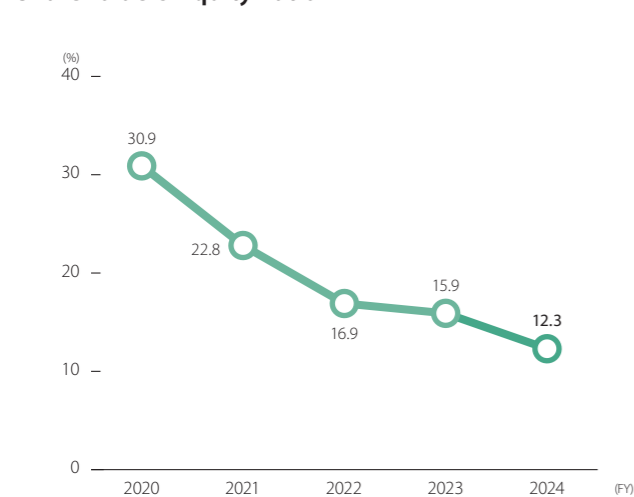
CO₂ Emissions



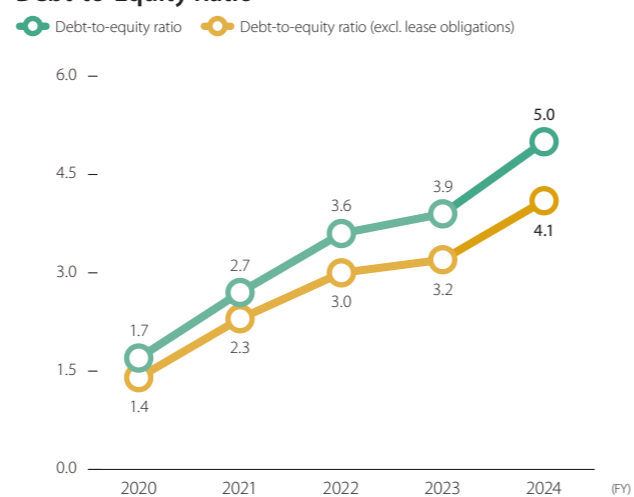
Percentage of Section Managers and Above Who Are Female in Japan



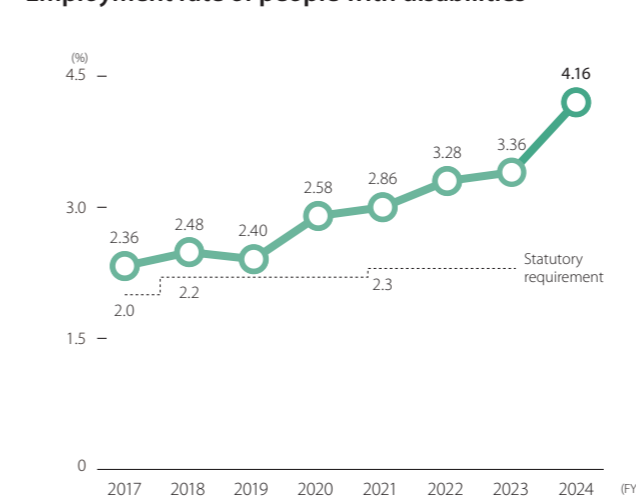
Shareholders' Equity Ratio



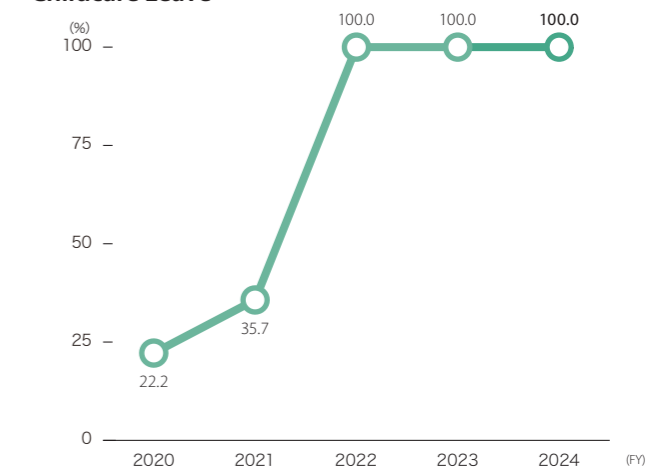
Debt-to-Equity Ratio



Employment rate of people with disabilities



Percentage of Eligible Males Who Take Childcare Leave



* Analog stamp card membership was discontinued in 2021 and replaced by a digital membership system (Mollyfantasy DX). In March 2024, we switched from Mollyfantasy DX to an AEON Fantasy Official LINE Account and TOTTOTTO app.

10-year Summary of Consolidated Management Indicators

Financial information	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year (Unit: million yen)										
Net sales	58,831	65,058	72,174	74,243	73,492	46,116	60,170	72,690	81,758	87,240
Net sales by segment (Domestic businesses)	49,777	54,557	58,446	58,861	59,637	38,092	50,339	58,797	64,475	69,468
(Overseas Business ASEAN)	2,630	3,325	4,687	5,734	6,212	1,128	2,109	9,034	11,006	13,181
(Overseas Business China)	6,423	7,175	9,040	9,647	7,642	6,895	7,721	4,858	6,527	4,829
Operating profit (loss)	2,748	3,769	5,970	4,651	3,211	-7,429	-3,408	849	3,585	4,344
Ordinary profit (loss)	2,630	3,498	5,598	4,299	2,387	-7,719	-3,385	1,318	4,488	3,440
Net income (loss) before taxes	2,453	3,160	5,080	3,441	652	-11,808	-4,783	-2,049	3,289	334
Net income (loss) attributable to owners of the parent	1,480	1,697	2,986	1,865	-325	-9,277	-4,507	-3,376	1,314	-1,816
Depreciation and amortization cost	6,202	6,593	7,206	8,356	10,815	10,698	10,518	10,063	10,043	10,756
End of fiscal year (Unit: million yen)										
Net assets	24,744	25,619	28,369	29,220	27,128	16,922	11,841	8,138	8,541	6,842
Total assets	41,040	43,328	46,928	48,891	55,739	53,961	51,235	46,917	52,303	53,673
Cash flows (Unit: million yen)										
Cash flows from operating activities	8,156	10,349	10,672	9,588	10,271	183	6,176	9,057	12,056	12,353
Cash flows from investing activities	-12,571	-7,660	-11,416	-12,069	-10,849	-6,964	-7,091	-4,845	-10,725	-10,858
Cash flows from financing activities	4,285	112	-506	1,862	96	8,445	1,395	-4,379	-97	-2,841
Cash and cash equivalents at end of term	3,724	6,442	5,132	4,533	4,132	5,718	5,986	6,058	7,491	6,141
Per share information (Unit: yen)										
Net income (loss) per share	76.70	86.18	151.53	94.58	-16.47	-469.51	-228.07	-170.82	66.50	-91.87
Dividend per share	30	31	41	50	50	30	20	10	10	5
Net assets per share	1,239.44	1,283.33	1,409.05	1,449.36	1,348.77	844.86	591.51	401.98	419.70	332.51
Financial indicators										
Operating profit ratio	4.7%	5.8%	8.3%	6.3%	4.4%	-16.1%	-5.7%	1.2%	4.4%	5.0%
Return on equity (ROE)	6.5%	6.8%	11.3%	6.6%	-1.2%	-42.8%	-31.8%	-34.4%	16.2%	-24.4%
Return on assets (ROA)	7.4%	8.3%	12.4%	9.0%	4.6%	-14.1%	-6.4%	2.7%	9.0%	6.5%
Shareholders' equity ratio	59.5%	58.4%	59.2%	58.4%	47.8%	30.9%	22.8%	16.9%	15.9%	12.3%
Debt-to-equity ratio (incl. lease obligations)	0.3	0.3	0.3	0.4	0.7	1.7	2.7	3.6	3.9	5.0
Debt-to-equity ratio (excl. lease obligations)	0.3	0.3	0.3	0.3	0.5	1.4	2.3	3.0	3.2	4.1
Non-financial information										
Number of stores at fiscal year-end (stores)	764	799	840	864	870	849	931	1,035	1,167	1,228
Number of LINE Friends and cumulative total of TOTTOTTO members ^{*1}	-	993,589	1,515,534	1,505,639	1,527,830	1,366,500	421,474	744,146	890,386	1,605,971
Number of employees ^{*2}	6,430	7,184	7,767	8,926	7,645	7,518	7,180	7,432	7,641	7,772
Percentage of employees who have disabilities ^{*3}	1.51	1.78	2.36	2.48	2.40	2.58	2.86	3.28	3.36	4.16
Number of visits and parties for children from social welfare facilities (Japan and overseas) ^{*4}	156	136	470	1,231	1,037	467	863	1,239	5,425	7,618
Amount raised by Fantasy Smile Day Asonde Fundraiser, etc. (thousand yen)	3,781	1,520	2,051	3,222	3,208	1,041	1,622	3,088	10,000	10,000
CO ₂ Emissions (Scope 1 and 2) (t-CO ₂)	-	-	-	37,267	26,331	24,399	31,005	26,109	17,797	20,061

*1 Analog stamp card membership was discontinued in 2021 and replaced by a digital membership system (Mollyfantasy DX). In March 2024, we switched from Mollyfantasy DX to an AEON Fantasy Official LINE Account and TOTTOTTO app.

*2 Number of employees includes temporary employees (8-hour equivalent). *3 Calculated as of the end of June each year. *4 Calculations only covered Japan up to FY2016. Overseas events counted from FY2017 onwards.

Company Overview (as of August 31, 2025)

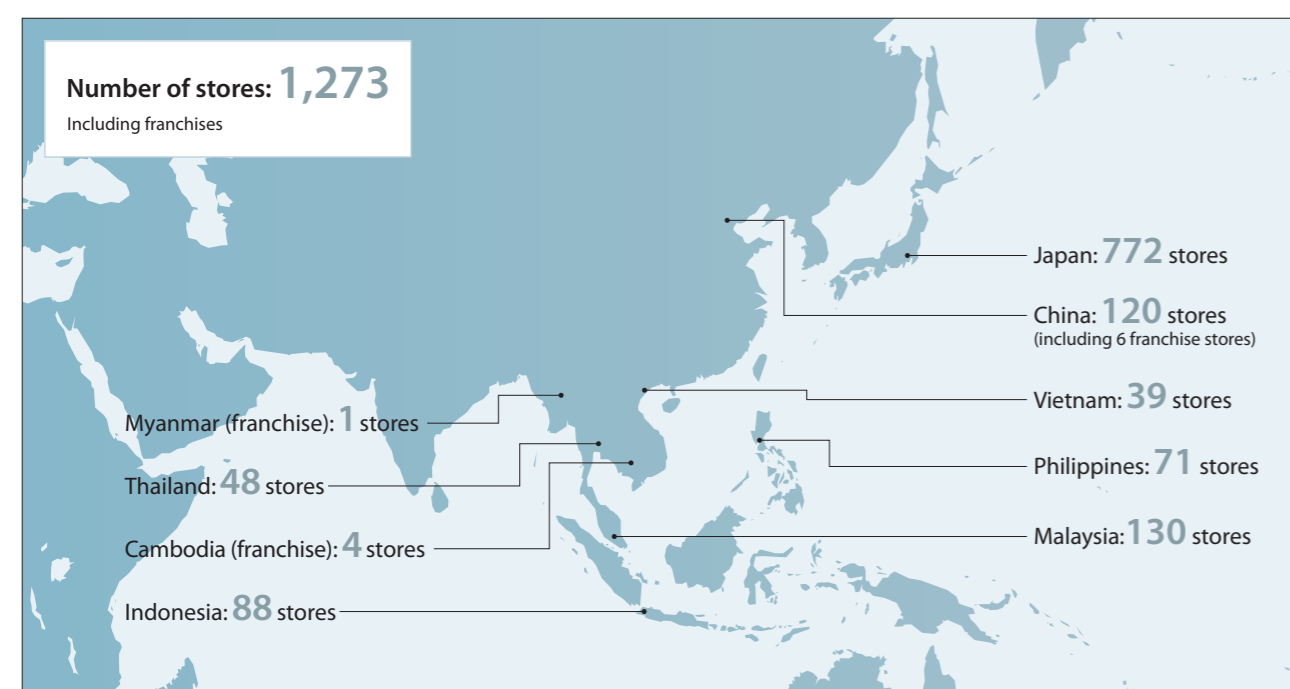
Company Overview

Trade name	AEON Fantasy Co., LTD.
Headquarters office	m BAY POINT Makuhari 8F, 1-6, Nakase, Mihama-ku, Chiba-shi, Chiba, Japan
Website	https://www.fantasy.co.jp/company/en/
Founded	February 1997
Capital stock	1,825 million yen
Business	Operation of amusement facilities and playgrounds in shopping centers

Consolidated subsidiaries

AEON Fantasy (China) Co., Ltd.	Beijing, China
AEON FANTASY (MALAYSIA) SDN. BHD.	Kuala Lumpur, Malaysia
AEON Fantasy (Thailand) Co., Ltd.	Bangkok, Thailand
AEON Fantasy Holdings (Thailand) Co., Ltd.	Bangkok, Thailand
AEON FANTASY GROUP PHILIPPINES, INC.	Manila, Philippines
PT. AEON FANTASY INDONESIA	Jakarta, Indonesia
AEON FANTASY VIETNAM CO., LTD.	Ho Chi Minh City, Vietnam

Network



Share Information (as of August 31, 2025)

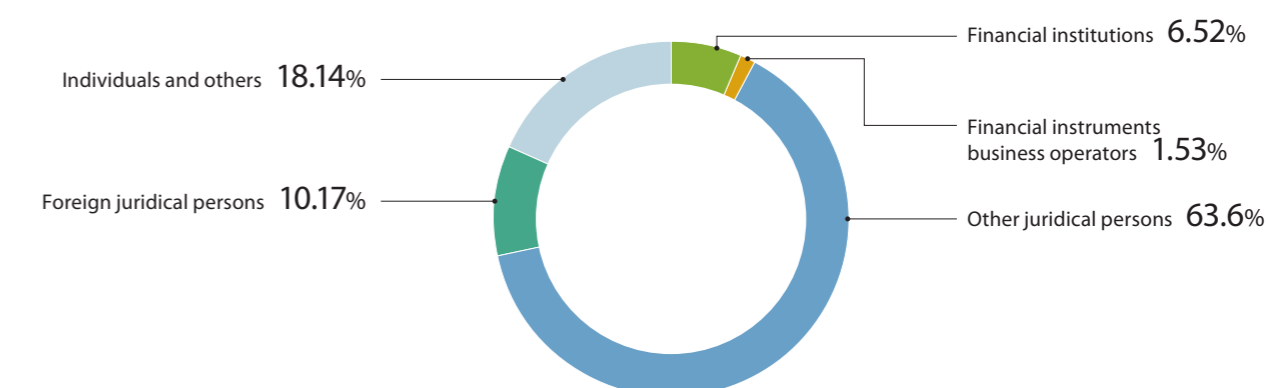
Status of shares

Total no. of authorized shares	50,000,000
Total no. of shares outstanding	19,782,025
No. of shareholders	21,884

Major shareholders (top 10)

Name of shareholder	No. of shares held (Unit: 1,000 shares)	Shareholding ratio
AEON CO., LTD.	11,963	60.48
The Master Trust Bank of Japan, Ltd. (trust account)	788	3.98
GOVERNMENT OF NORWAY	373	1.88
Custody Bank of Japan, Ltd. (trust account)	318	1.61
BNY GCM CLIENT ACCOUNT JPRD AX ISG (FE-AC)	271	1.37
Morgan Stanley MUFG Securities Co. Ltd.	259	1.30
J.P.MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT	174	0.88
CACEIS BANK, LUXEM BOURG BRANCH/UCITS - FULL TAX	173	0.87
BNYM SA/NV FOR BNY M FOR BNYM GCM CLIENT ACCTS MILM FE	116	0.58
FUJI CO., LTD.	114	0.58
AEON Financial Service Co., Ltd.	114	0.58
AEON MALL Co., Ltd.	114	0.58

Percentage of shares held by each type of shareholder



AEON Fantasy Co., LTD.

m BAY POINT Makuhari 8F, 1-6, Nakase, Mihama-ku, Chiba-shi, Chiba 261-0023, Japan
<https://www.fantasy.co.jp/company/en/>