

## **AEON Begins Discussions to Make AEON Mall a Wholly owned Subsidiary—Impact on Ratings of Both Companies is Limited**

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on AEON CO., LTD. (security code: 8267, "AEON")'s conclusion of a basic agreement to begin discussions with AEON Mall Co., Ltd. (security code: 8905, "AEON Mall") on making AEON Mall a wholly owned subsidiary through a share exchange and its commencement of a tender offer for shares, etc. of AEON DELIGHT CO., LTD. (security code: 9787, "AEON DELIGHT").

- (1) On February 28, 2025, AEON concluded a basic agreement to begin discussions on making AEON Mall a wholly owned subsidiary through a share exchange. The share exchange is scheduled to take effect in July 2025. By making AEON Mall a wholly owned subsidiary, it aims to maximize scalability of the AEON Group, while also enhancing the corporate value of AEON Mall and the AEON Group by leveraging human resources and expertise of AEON Mall. More specifically, it cites development of shopping centers that respond to area characteristics by sharing information on local real estate and market, consideration of transferring the AEON Group's real estate for which AEON Mall is responsible for facility operation and management to AEON Mall, and vertical integration of real estate value chain with AEON Mall at its core through in-house sales promotion, event planning, and advertising businesses, as well as revitalization and repair work. On the same day, AEON also decided to acquire AEON DELIGHT's common stock and stock acquisition rights through a tender offer. By making it a wholly owned subsidiary, AEON says that it can expect consolidation of demand for interior work, etc. related to the AEON Group's repair, maintenance and building maintenance, expansion of business areas by incorporating the needs of the AEON Group, as well as synergies.
- (2) It is expected that AEON will incur a certain amount of financial burden, such as that for procurement of funds to purchase common stock, etc. of AEON DELIGHT. However, JCR believes that the making AEON Mall and AEON DELIGHT wholly owned subsidiaries will contribute to the recording of net income and the accumulation of equity capital. It will further strengthen collaboration within the AEON Group, and the efforts to maximize synergy effects will be accelerated. Taking these factors into account, JCR believes that the impact of the making both companies wholly-owned subsidiaries on the evaluation of the AEON Group's creditworthiness will be limited.
- (3) AEON Mall's rating is equivalent to creditworthiness of the AEON Group. AEON Mall's relationships with the AEON Group are expected to be further strengthened by becoming a wholly-owned subsidiary, but AEON Mall's high strategic and functional importance in the AEON Group is already reflected in the rating.

Akio Kamimura, Hiroyoshi Otsuka

<Reference>

Issuer: AEON CO., LTD.

Long-term Issuer Rating: A      Outlook: Stable

Issuer: AEON Mall Co., Ltd.

Long-term Issuer Rating: A      Outlook: Stable



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