



June 27, 2017
AEON CO., LTD.

Aeon Appointed a Designated Public Institution Based on the Basic Act on Disaster Control Measures

On July 1, 2017, Aeon Co., Ltd. was appointed a designated public institution by the prime minister of Japan, pursuant to Article 2, item 5 of the Basic Act on Disaster Control Measures. Aeon is the first retailer group to be appointed to the role.

Aeon has long been active in its efforts to ensure business continuity, regularly conducting large-scale disaster drills on the assumption that major earthquake or tsunami would break out. Based on its disaster management initiatives undertaken after the Great East Japan Earthquake, the Company formulated the Aeon Group BCM (Business Continuity Management) Five-Year Plan in March 2016, under which efforts are being made to build a new BCM system to be enforced in the event of a disaster. This time, Aeon was appointed a designated public institution because it has many opportunities to directly interact with customers through its wide-ranging businesses including retail, finance and services and others, which enables the Company to serve as a lifeline provider in the event of a disaster by capitalizing on its merchandise procurement and logistics functions and making its facilities available for use as temporary evacuation centers. The Company is also expected to contribute to raising public awareness of disaster preparedness.

As a designated public institution, Aeon is eligible to register its trucks and other vehicles for transporting emergency relief supplies as Emergency Vehicles^{*1}, which will allow swift delivery of relief supplies to disaster-stricken areas. The Company will also be able to gain access to the Disaster Prevention Radio Communication System^{*2}, which enables it to promptly obtain information on damage and response activities, and provide disaster relief support accordingly. Furthermore, being exempt from obligations imposed by the Environmental Impact Assessment Act when undertaking disaster restoration activities, Aeon will be able to freely engage in relief activities aimed at swiftly restoring normal life for disaster-affected people.

Aeon will be committed to fostering BCM measures and strengthening its disaster preparedness with the aim of building safe and secure local communities.

^{*1} Vehicles permitted to utilize restricted emergency roads when a disaster occurs.

^{*2} A communication line that links the prime minister's office, central government ministries, designated public institutions, prefectural governments, and five government-designated municipalities in the metropolitan Tokyo area to share information on damage and response activities.

Reference

Progress made under the Aeon Group BCM Five-Year Plan (as of the end of June 2017)

1. Maintenance of information infrastructure

The following three new initiatives are undertaken to establish Aeon's Total BCM Aggregation System and support collaboration among the Group companies. In addition, Group-wide Disaster Prevention and Safety Drills involving 470,000 Group employees and area-specific drills in eight areas nationwide are held twice a year to practice implementing the system.

- (1) Addition of natural disaster information (e.g., typhoons) to earthquake information
- (2) Improvement of system functions (e.g., store search, map printing)
- (3) Improvement of map correlation function pertaining to disaster reports (e.g., information on infrastructure damage)

2. Reinforcement of safety and security measures at facilities

The following three initiatives are undertaken to reinforce safety and security at facilities.

- (1) Establishment of stores as disaster preparedness base
 - Disaster management stores established: 37 stores
 - Creation of revised version of classification table for stores as disaster preparedness base
 - Creation of revised version of candidate list for stores as disaster preparedness base
- (2) Implementation of earthquake safety measures at existing stores
 - Creation of a guideline for earthquake safety measures at existing stores in line with the execution plan based on the latest disaster presumption
- (3) Measures against risks at overseas stores
 - Compilation of a list of disaster risks in China and the ASEAN region and gathering of information on the local situation
 - Revision of measures against disaster risks (natural disasters, disasters related to infrastructure and facilities) based on Japanese regulations to suit each locality

3. Reinforcement of product/logistics supply chain

Ever since the Great East Japan Earthquake, Aeon has been taking earthquake safety measures at stores and establishing stores as disaster preparedness base. The following two initiatives are undertaken with the aim of building a system that enables effective initial actions to be taken in the event of a disaster ahead of any other retailer in Japan. Specifically, Aeon aims to visualize requests for relief supplies received by the Group Disaster countermeasure Office (temporary structure in case of emergency) and local disaster countermeasure office, which will be launched in the event of an emergency, as well as information on transactions between the Group companies including shared function companies and their business partners, in order to optimize merchandise procurement and logistics when a disaster occurs.

- (1) Reinforcement of the Aeon BCP Portal
 - Expanding the number of companies registered with the portal site (system) (Approximately 60 companies are registered as of the end of June 2017)
 - Standardizing operation procedure of the portal site (system)
 - As part of Group-wide drills, implementing registration drills for business partners and disaster information dissemination drills for Aeon employees
- (2) Establishment of an emergency merchandise logistics organization involving working-level staff members, and formulation of action plans in written form

4. Formulation and execution of training/drills plan to ensure business continuity capabilities

The following three initiatives are undertaken as part of the Aeon Group's business continuity training/drills aimed at minimizing the damage caused by a large-scale earthquake (earthquake directly beneath the Tokyo Metropolitan Area, Nankai Trough earthquake) expected to have immense impact on Aeon's business continuity and earthquakes that significantly affect regional areas, and enabling Aeon to swiftly restore its business operations as a component of regional infrastructure.

- (1) Implementation of drills in conjunction with Aeon's Total BCM Aggregation System
- (2) Creation of training opportunities to foster personnel capable of making judgments and decisions in the event of an emergency (Acting leader training)
- (3) Development of employees' awareness of disaster preparedness

5. Reinforcement and systematization of cooperation with external organizations

The following three initiatives are undertaken with the aim of creating a new framework for disaster management and BCM and enhancing corporate value in collaboration with external partners by way of performing training on cooperating with external organizations by leveraging the Aeon Group's assets including its stores, E-money, products and services, and brands.

- (1) Reinforcement of collaboration with external partners
- (2) Preparation to make Aeon's shopping centers available for use as temporary evacuation centers by collaborating with government organizations and infrastructure companies, and verification of feasibility through drills/training (Six training/drills have been implemented.)
- (3) Collaboration with municipal governments