

Everyday Eco. Now in Progress.

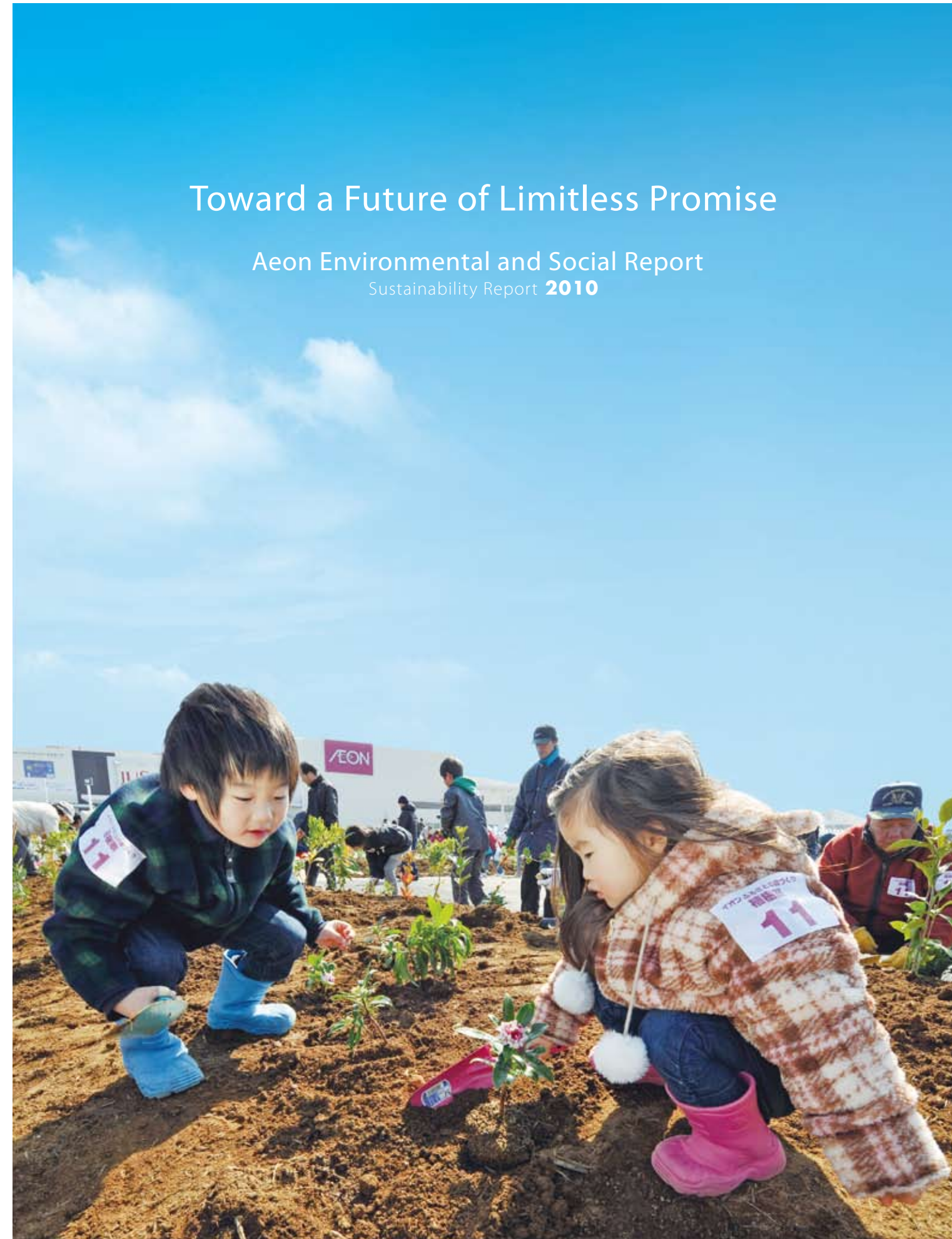


Aeon is wholly committed to protecting the environment—  
from encouraging use of  
My Bag and My Basket, to selling fresh fish unpackaged,  
recycling and tree planting.  
Together with our customers we want to create a pleasant,  
promising day, every day.  
The momentum of Everyday Eco continues to build.

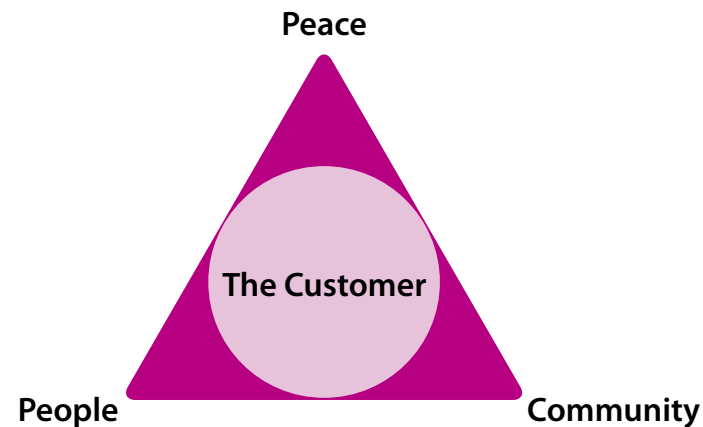


# Toward a Future of Limitless Promise

Aeon Environmental and Social Report  
Sustainability Report **2010**



## Aeon Basic Principles



The word aeon (Aeon) has its origins in a Latin root meaning "eternity."

**Aeon abides by the unchanging principles of "pursuit of peace, respect for humanity and contribution to local communities," always with the customer's point of view as its core.**  
**The "Aeon Commitment" was established to help us implement these principles and to guide us in our practice of the Customer-First philosophy.**

「**Peace**」: Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

「**People**」: Aeon is a corporate group that respects human dignity and values personal relationships.

「**Community**」: Aeon is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

### Aeon Commitment

We hope to create a future of limitless promise by transforming daily life through our open, dynamic approach.

## Aeon Group Profile

# We are Aeon.

Aeon develops community-oriented shopping centers anchored by flagship general merchandising stores. Our shopping centers include mall-type facilities made up of a variety of specialty stores covering a broad market range and smaller, more focused facilities with specialty stores and services needed for everyday living. We operate a wide variety of businesses to help our custom-

ers lead healthy, vibrant lives, including small supermarkets, convenience stores, drugstores, and general financial services. We aim to create a future of limitless promise, while we remain, as a global "customer satisfaction" business, firmly committed to putting the customer first, not only in Japan but in China, Thailand, Malaysia and around the world.

 Group Companies  
<http://www.aeon.info/en/aboutaeon/group.html>



## CONTENTS

Aeon Basic Principles .....	1	2009 Highlights .....	11
Aeon Group Profile / Editorial Policy .....	2	<b>Aeon's Environmental Conservation Activities</b>	
President's Commitment .....	3	Together with Customers .....	13
		Through Products .....	15
		At Stores .....	17
<b>Special Issue</b>		<b>Aeon's Social Contribution Activities</b>	
<b>Creating a Future of Limitless Promise Starts Now</b>		In the Community .....	19
<b>Perspective ① Preventing Global Warming</b>		Around the World .....	21
State of Global Warming Prevention Manifesto .....	5	<b>Responsibilities to Stakeholders</b>	
<b>Perspective ② Preserving Biodiversity</b>		Customers and Aeon .....	23
Preserving Biodiversity for a Sustainable Society .....	7	Business Partners and Aeon .....	25
<b>Perspective ③ Activities in China</b>		Employees and Aeon .....	27
Becoming Trusted and Beloved by Customers in China .....	9	Website Guide .....	28
		Group Chief Environmental Officer's Commitment .....	28
		Aeon Group's Businesses .....	29

## Editorial Policy


**This report reports on characteristic initiatives of Aeon Group companies, primarily for the General Merchandising Store Business and Supermarket Business.**

The fiscal 2010 report presents both environmental and social initiatives of Aeon Group companies, focusing on pure holding company Aeon Co.,Ltd. and the General Merchandising Store and Supermarket Businesses. Initiatives included in the report have been selected based on the level of public interest, the level of emphasis by Aeon and other factors. They include environmental conservation activities and social contribution activities conducted together with customers as well as initiatives conducted through products and at stores. Issues garnering substantial attention of late, namely global warming and biodiversity, and our expanding China Business have been highlighted in a featured section.

● **Scope of Report:** This report covers the 196 companies (as of February 28, 2010) that share the Aeon philosophy, centering on pure holding company Aeon Co.,Ltd., and the General Merchandising Store and Supermarket Businesses. "Aeon" in this report refers to overall scope. When a section applies to only certain operating companies, it is indicated as such.

**More detailed information is reported on our website.**

The website presents more detailed information in a systematic, comprehensive manner, including the thinking and frameworks behind initiatives and specific performance data.

 Aeon Environmental and Social Report (Full Edition)  
<http://www.aeon.info/en/environment/report/>

● **Target Audience:** Our customers, shareholders, students, local residents who live in the neighborhood of the stores of the group, business partners, NPOs, NGOs, government, investors and Aeon people (Aeon employees)

● **Report Period:** FY2009 (March 1, 2009 – February 28, 2010)\*

\*For operating companies with different fiscal years, the relevant time periods are indicated on each report section.



## Helping build a sustainable society and create a future of limitless promise together with our stakeholders

**Motoya Okada**  
President  
Aeon Co., Ltd.



Consumer spending in Japan continues to stagnate in the aftermath of the global recession that began in the fall of 2008. For Aeon to continue to grow going forward, we will have to fundamentally reform our business. We recognize that fundamental reform means more than carrying out economy-oriented policies alone; it means promoting a balanced form of management that takes the environment and society into account over the medium and long term and growing in step with our stakeholders.

Contemporary society demands that companies make progress toward the realization of a low-carbon society, protection of the ecosystem and contribution to the community. A sustainable society is not possible without fulfilling these responsibilities. We firmly believe that the times call for the practice of sustainable management and that sustainable management will provide a solid platform for future growth.

The foundation for sustainable management at Aeon is the Aeon Basic Principles and the Aeon Code of Conduct. Aeon has long been involved in activities to protect the environment and contribute to society. In fiscal 2009, we conducted store- and product-related initiatives and partnered with customers based on our Manifesto on the Prevention of Global Warming, announced in March 2008, which targets reductions to total carbon dioxide emissions. We also documented our philosophy on protecting biodiversity in the form of the Aeon Biodiversity Principle.

Through its business operations, Aeon comes into direct contact with the community and the lives of its members. We therefore place a high priority on always working with customers. This approach goes beyond just providing products and services. We believe that as a member of the community, we have an important role to

play in providing opportunities for customers to actively participate in local environmental conservation programs and activities that contribute to the public good.

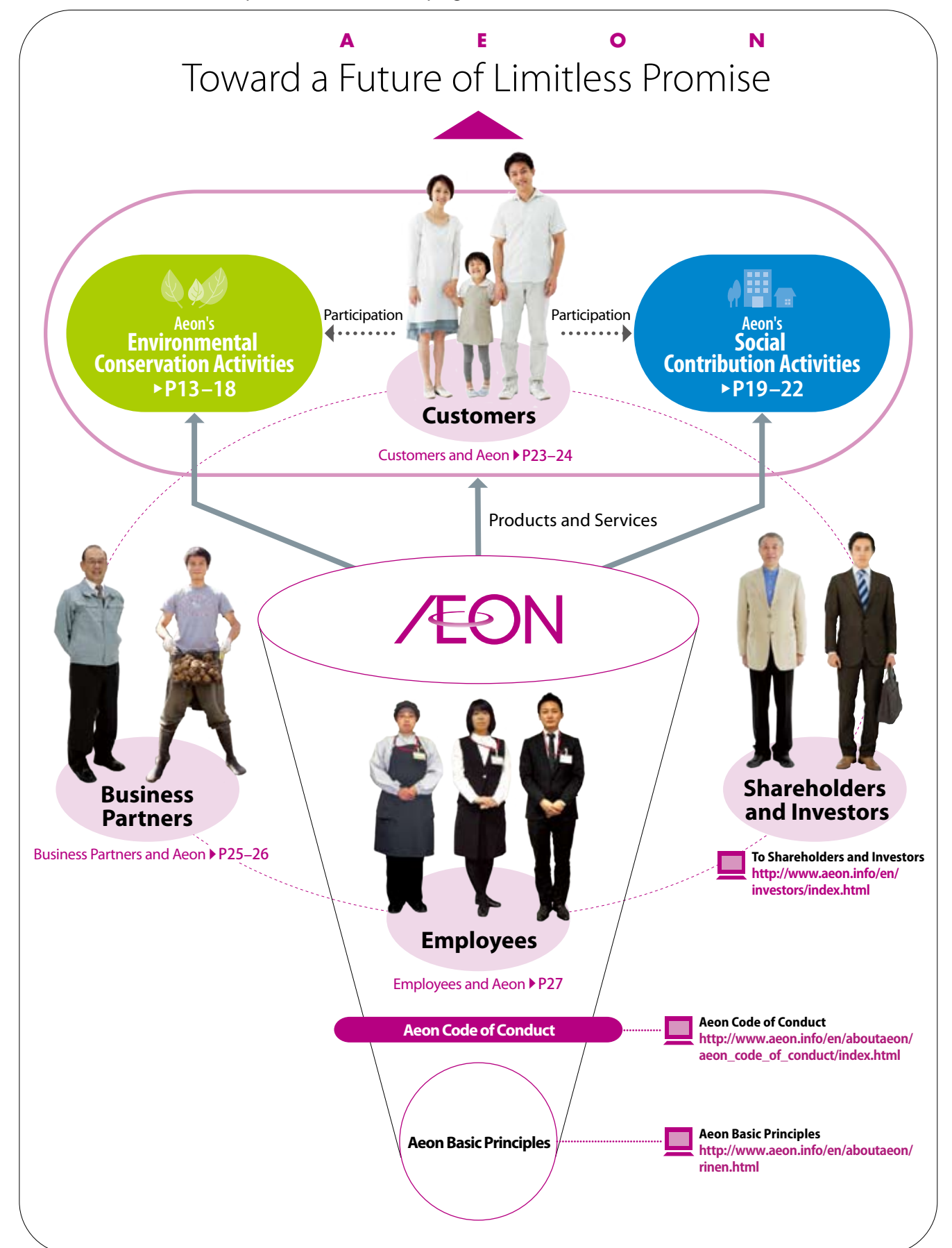
Based on this thinking, we have encouraged many customers to participate in tree-planting programs as well as the Happy Yellow Receipt Campaign, an initiative that provides support for community organizations. We intend to continue our active participation in the community and further deepen our dialogue with local residents.

We have drawn up the Aeon Supplier Code of Conduct in an effort to facilitate environmental activities down the entire supply chain, including at manufacturing partners, and to ensure working conditions are appropriate. Moreover, international frameworks are at the heart of our management. In 2004, we became Japan's first retailer to sign on to the United Nations Global Compact, a set of ten principles laid out by the UN on human rights, labor, the environment and anti-corruption. We were also out in front of the industry in acquiring SA 8000 certification, an international standard on protecting human rights in the labor market.

All reform is the result of ingenuity and actions by individual members of the Aeon Group. Aeon has proactively instituted programs that support skill acquisition and career development so that all employees are able to demonstrate their abilities to the full. We intend to continue fostering personnel brimming with the spirit of innovation.

Through dialogue with our diverse stakeholders, who include customers in Japan and overseas, business partners, the government, non-profit organizations and others, we will continue to help build a sustainable society and achieve Aeon's mission of creating a future of limitless promise.

### Aeon's Social Responsibilities Participation in Aeon and Helping Create a Future of Limitless Promise





Aeon is committed to the twin goals of environmental conservation and corporate growth. In March 2008, we announced a target for fiscal 2012 of reducing total carbon dioxide emissions by 1.85 million tons-CO<sub>2</sub> compared to fiscal 2006 levels and a specific plan to achieve our target, the Manifesto on the Prevention of Global Warming. We also declared our intention, within the Group and publicly, to further accelerate initiatives that are already underway. We have three main initiatives. The first is to reduce emissions through store facilities and systems, with development of Eco Stores as the key component. We are targeting reduction of 500,000 tons-CO<sub>2</sub> through these efforts. The second is to reduce emissions through products and logistics (target of 570,000 tons-CO<sub>2</sub>). This initiative involves switching to alternative packaging materials, changing transportation methods, and selling products with carbon offsets. The third is partnering with our customers to cut emissions (target of 310,000 tons-CO<sub>2</sub>) by reducing use of plastic bags. In addition, we have also set our sights on utilizing Kyoto Mechanisms.\*

\*The Kyoto Mechanisms are social systems recognized under the Kyoto Protocol that allow an organization to make environmental investment overseas and count the resulting reductions in CO<sub>2</sub> emissions as a part of the organization's total emissions reductions.

**Special Issue** Creating a Future of Limitless Promise Starts Now

**Perspective 1 Preventing Global Warming**

# State of Global Warming Prevention Manifesto

	FY2012 Reduction Targets (Vs. FY2006)	FY2008 Reductions	FY2009 Reductions
<b>At Stores</b> <ul style="list-style-type: none"> <li>• Promotion of Eco Stores</li> <li>• Installation of photovoltaic power generators</li> <li>• Energy savings by employees</li> </ul>	<b>500</b> kilotons-CO <sub>2</sub>	<b>240</b> kilotons-CO <sub>2</sub>	<b>580</b> kilotons-CO <sub>2</sub>
<b>Through Products and Logistics</b> <ul style="list-style-type: none"> <li>• Sale of environmentally conscious products</li> <li>• Alternative product packaging</li> <li>• Different transport methods for products</li> </ul>	<b>570</b> kilotons-CO <sub>2</sub>	<b>100</b> kilotons-CO <sub>2</sub>	<b>240</b> kilotons-CO <sub>2</sub>
<b>With Customers</b> <ul style="list-style-type: none"> <li>• Discontinue free plastic bags</li> <li>• Tree-planting activities</li> </ul>	<b>310</b> kilotons-CO <sub>2</sub>	<b>150</b> kilotons-CO <sub>2</sub>	<b>200</b> kilotons-CO <sub>2</sub>
<b>Kyoto Mechanisms</b> <ul style="list-style-type: none"> <li>• Utilization of Kyoto Mechanisms</li> </ul>	<b>470</b> kilotons-CO <sub>2</sub>	<b>—</b>	<b>10</b> kilotons-CO <sub>2</sub>
<b>Total</b>	<b>1,850</b> kilotons-CO <sub>2</sub>	<b>490</b> kilotons-CO <sub>2</sub>	<b>1,030</b> kilotons-CO <sub>2</sub>



**Increase Number of Eco Stores**  
**Installing Cutting-Edge Solar Panels and Other Advanced Energy Saving Technologies**

Aeon's Eco Stores target 20% lower CO<sub>2</sub> emissions than conventional stores. Aeon Lake Town, which recently celebrated its first anniversary, is Aeon's flagship Eco Store. Progressive initiatives at Lake Town have resulted in reducing CO<sub>2</sub> emissions by approximately 24% (11,000 tons-CO<sub>2</sub>) compared to an equivalent facility without energy saving technologies. In fiscal 2009, we opened our tenth Eco Store, the Aeon Tsuchiura Shopping Center. Various efforts have been made to reduce CO<sub>2</sub> emissions by incorporating environmentally conscious advanced technologies and systems, including state-of-the-art solar panels.



State-of-the-art solar panels at the Aeon Tsuchiura Shopping Center



Aeon Lake Town



**Expanding the Scope of Carbon Footprint Labeling**  
**First Store Sale of Government-Verified CFP Labeled Product**

Carbon footprint (CFP) labeling refers to labeling a product to show the CO<sub>2</sub> emissions it generates through its lifecycle, from raw materials to processing, distribution, consumption, disposal and recycling. Aeon began selling a product with CFP labeling, "TOPVALU Gurinai Specially Cultivated Koshihikari Rice 4kg," at Aeon Mall Kusatsu in January 2010. The product has garnered attention as Japan's first CFP-labeled product sold at a retail store verified by the government under its Carbon Footprint Pilot Program.



Specially Cultivated Koshihikari Rice 4kg (TOPVALU Gurinai)



**Reducing CO<sub>2</sub> Emissions**  
**Reducing Plastic Bag Use to Cut CO<sub>2</sub> Emissions**

Aeon has run the My Basket & My Bag campaigns since 1991. The campaign works to reduce CO<sub>2</sub> emissions by having customers bring their own shopping baskets and bags in order to reduce use of plastic bags. In fiscal 2009 the campaign reduced approximately 139,220,000 plastic bags (aggregate total of 20 consolidated companies). Moreover, the number of stores that have discontinued giving out free plastic bags increased to 704 (combined total of 19 of consolidated companies as of February 28, 2010).



Distribution of free plastic bags has been discontinued in Fukushima Prefecture

**Column**

**Participating in Japan Climate Leaders' Partnership**

In July 2009, Aeon began participating in the Japan Climate Leaders' Partnership (Japan-CLP) as a founding member. Japan-CLP is the country's first business coalition created with the aim of spearheading the transition to a sustainable, low-carbon society. Japan-CLP held a symposium in December 2009 to broadly communicate information to policymakers, industry and the general public. Also, in April 2010, the organization announced its official recommendations for achieving a sustainable low-carbon society.



Food, clothing and shelter—our way of living is supported by the many blessings of nature. However, we are losing biodiversity, the source of these blessings, all over the world. Lack of food and water and other problems threaten to have a major impact on our way of living. Aeon is involved in a range of programs that address these problems. We have promoted tree-planting campaigns since 1991 to foster a sensitivity to nature and plants in everyone involved in Aeon stores, we run outdoor classes and other hands-on programs for children, and we provide products that make appropriate use of natural resources. Moreover, in March 2010 we formulated the Aeon Biodiversity Principle to further focus our efforts to preserve biodiversity.



#### Aeon Hometown Forests Program Tree-Planting Campaigns Run by Aeon Environmental Foundation Cumulative Total of 9,229,303 Trees Planted

Aeon has run the Aeon Hometown Forests Program since 1991. Whenever a new store is opened, we join together with our customers to plant trees on the site, with leadership provided by Professor Emeritus Akira Miyawaki of Yokohama National University. In addition, the Aeon Environmental Foundation organizes tree-planting campaigns to reestablish forests devastated by natural disasters. Altogether we have planted 9,229,303\* trees as of February 28, 2010.



Planting trees on Miyake Island

\*Combined total of Aeon Hometown Forests Program and Aeon Environmental Foundation



#### Utilizing Sustainable Resources Selling MSC and FSC Certified Products

Marine resources are on the decline around the world. Marine Stewardship Council (MSC) certification, also known the marine eco-label, was established to certify appropriately managed, sustainable seafood products in order to ensure we all are able to continue enjoying the ocean's blessings. Aeon sells red salmon, salmon roe and other certified seafood from Alaska. Another certification program, run by the Forest Stewardship Council (FSC), was established to certify appropriately managed, sustainable forests. Aeon sells notebooks and other products made from certified forest products. Aeon intends to continue actively sourcing products that give due consideration to the sustainability of biological resources.



Naturally salted salmon  
(TOPVALU Gurinai)



MSC label



A4-size notebook  
(TOPVALU KYOKAN SENGEN)

FSC label



#### Initiatives at Eco Stores Developing Eco Stores to Reduce Environmental Impact

Aeon promotes green purchasing for construction materials and considers biodiversity in the development of its Eco Stores. Guided by the Aeon Biodiversity Principle, we intend to further develop stores while conserving and creating ecosystems, through such initiatives as devising and implementing biodiversity assessments for new stores and measures to reduce store impact.

### Column

#### Japan Awards for Biodiversity Established

Aeon Environmental Foundation and Ministry of the Environment have established the Japan Awards for Biodiversity to promote biodiversity conservation and sustainable use ahead of the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) to be held in Nagoya, Aichi Prefecture in October 2010. The first awards ceremony was held in October 2009. The activities of eight organizations were recognized for their outstanding contributions.



Awards ceremony

**Special Issue** Creating a Future of Limitless Promise Starts Now

### Perspective 2 Preserving Biodiversity

# Preserving Biodiversity for a Sustainable Society

## Aeon Biodiversity Principle

### Basic Principle

Grasping the impact our overall corporate activities have on the ecosystem, we actively focus on reducing the impact on the ecosystem and conservation activities, working in collaboration with our stakeholders, including our customers, local authorities and non-profit organizations. We focus on the following points related to the ecosystem in our corporate activities:

Through our corporate activities, we

1. Remain conscious of blessings and burdens.
2. Engage in initiatives that protect and nurture.
3. Disclose information on our activities.

### Action Guidelines (Excerpt)

1. **Products:** We will set sustainability targets for resource-managed fresh seafood and processed by products, engage in their purchase and sale while sharing those targets with our business partners, and communicate related information to customers.
2. **Stores:** We will continue to promote tree-planting campaigns with customers at new store sites and continue to develop Eco Stores with less environmental impact than conventional facilities.
3. **With Customers:** Through tree-planting campaigns and other programs, we will share environmental awareness and learn together with everyone.



Aeon Hometown Forests Program  
(Aeon Tsuchiura Shopping Center)



#### JUSCO stores opened in China in fiscal 2009



**1 Jia Yu Suncity Plaza Store**  
Opened January 29, 2010



**2 Supermarket Tseung Kwan O Store**  
Opened January 23, 2010



**3 Yanjilu Store**  
Opened December 18, 2009



**4 Popark Plaza Store**  
Opened October 1, 2009



**5 Supermarket Wo Che**  
Opened June 28, 2009



**6 Shinshu Store**  
Opened June 26, 2009



**7 Poly Canal Plaza Store**  
Opened May 2, 2009

**Special Issue** Creating a Future of Limitless Promise Starts Now

#### Perspective 3 Activities in China

# Becoming Trusted and Beloved by Customers in China

Aeon's activities in China began in 1987, when we opened our first store in Hong Kong. Our first store in mainland China was established in 1996 in Guangzhou. In 2008, we pooled the collective strength of the Aeon Group to establish the Aeon Beijing International Mall Shopping Center in Beijing, our first store in the city and the city's first large-scale, mall-type shopping center. As of March 2010, Aeon has developed 25 general merchandising stores and six supermarkets in China. Store development in China draws on shopping center and management expertise cultivated in Japan. We also carry out a variety of initiatives based on a mission in China of providing safe and secure products and promoting environmental and social contribution activities.

#### Environmental Conservation Promoting Tree-Planting in China

We conduct the Aeon Hometown Forests Program when a store opens in the China just as in Japan. The Aeon Environmental Foundation also conducts tree-planting initiatives in China. Started in 1998, our Great Wall Forest Rejuvenation Project has attracted the participation of 12,900 volunteers from Japan and China, who have planted 980,000 trees, as of 2009. And, in April 2010, the cumulative number of trees planted reached one million.

For more information:  
<http://www.aeon.info/ef/en>



Planting trees near the Great Wall

#### Food Safety

#### Enabling Customers to Shop with Complete Peace of Mind

Product safety is a prominent issue in China as well. Aeon stores in the country work to acquire the Chinese government's Green Market certification, which has been established to improve sanitation management technologies and facilities at sites that process and sell food. We work to provide safe products not only by meeting Green Market standards but also by implementing sanitation management methods developed by our stores in Japan.



Many products on display in the produce department

#### Social Contributions

#### Aeon Scholarship Program

The Aeon Scholarship program for human resources development is also conducted in China. In 2009, scholarships were awarded to a total of 240 students at four universities in China. Aeon stores in China also donate books to local elementary and middle schools facing shortages, donate items to schools for children with disabilities, hold first-aid classes and blood drives together with local chapters of the Red Cross, and conduct a variety of other social contribution activities in line with local needs.



Aeon Scholarship awards ceremony

#### Aeon Honorary Chairman and Advisor Takuya Okada Named Honorary Citizen of Beijing

Honorary Chairman and Advisor Takuya Okada was officially named an Honorary Citizen of Beijing in May 2005 for environmental and social contributions over many years, including tree-planting along the Great Wall conducted since 1998, disaster relief for people affected by the Sichuan earthquake, and the opening of a shopping center in the city, and for contributing to the development of Japan-China relations at the private-sector level. Honorary citizenship is the highest honor given by Beijing to foreigners who have made significant contributions to the city. Mr. Okada is the third Japanese to receive the honor.



Guo Jinlong (right), Mayor, People's Government of Beijing Takuya Okada, Aeon Honorary Chairman and Advisor



Aeon Beijing International Mall Shopping Center





# 2009 Highlights

## Highlights of Aeon's Environmental Conservation and Social Contribution Activities

### Environmental Conservation Highlights from 2009

Activity Type	2009 Activity Highlights
Environmental Conservation Activities Conducted with Customers	<p><b>Tree-Planting Activities</b></p> <ul style="list-style-type: none"> <li>Cumulative total of 7,656,492 trees planted by Aeon Hometown Forests Program ▶P 7</li> <li>Cumulative total of 1,572,811 trees planted by Aeon Environmental Foundation ▶P 7</li> <li>Conducted tree-planting campaign near the Great Wall of China ▶P 9</li> </ul>  <p><b>My Basket &amp; My Bag Campaigns</b></p>  <ul style="list-style-type: none"> <li>Number of stores no longer providing free plastic bags increased to 704 (Total of 19 consolidated companies as of February 28, 2010) ▶P 13</li> <li>Plastic bags reduced by approximately 1,392,200,000 (total of 20 consolidated subsidiaries) ▶P 14</li> <li>Approximately ¥125.2 million in income from pay plastic bags donated to community and environmental causes ▶P 14</li> <li>Sold approximately 380,000 "My Baskets with Carbon Offsets" ▶P 14</li> </ul>
Strengthened Environmentally Conscious Products	<p><b>TOPVALU</b></p> <ul style="list-style-type: none"> <li>Sold "TOPVALU Gurinai Specially Cultivated Koshihikari Rice 4kg," Japan's first carbon footprint labeled product, at stores ▶P 6</li> <li>Sold carbon footprint-labeled product as a winter gift selection</li> </ul>  <p><b>Carbon Offsets</b></p> <ul style="list-style-type: none"> <li>Conducted the Carbon Offset Campaign ▶P 16</li> <li>Implemented offsets for CO2 emitted in connection with gift product delivery ▶P 16</li> </ul>  <p><b>SELF + SERVICE</b></p>  <ul style="list-style-type: none"> <li>Participated in FUKU-FUKU Project, which recycles clothing into bioethanol ▶P 16</li> </ul>
Stores with Low Environmental Impact	<p><b>Promoting Eco Stores</b></p> <ul style="list-style-type: none"> <li>Opened tenth Eco Store, Aeon Tsuchiura Shopping Center ▶P 6</li> <li>Reduced CO2 by 11 kilotons-CO2 at Aeon Lake Town, more than the initial target ▶P 17</li> <li>Ministop opened Japan's first FSC-certified convenience store ▶P 18</li> </ul> 

### Social Contribution Highlights from 2009

Activity Type	2009 Activity Highlights
Enhancements to Social Contribution Activities with Customer Participation	<p><b>Aeon Day (11th of every month)</b></p> <ul style="list-style-type: none"> <li>Donated items worth approx. ¥267,870,000 through the Happy Yellow Receipt Campaign ▶P 19</li> <li>Continued to conduct Clean &amp; Green Activities at stores and business offices ▶P 20</li> </ul>  <p><b>Aeon 1% Club</b></p> <ul style="list-style-type: none"> <li>Conducted the following activities to commemorate 20th anniversary of Aeon 1% Club</li> <li>Aeon Cheers Club Nationwide Meet at Mt. Fuji ▶P 14</li> <li>Aeon Environment School ▶P 14</li> <li>The Teenage Ambassadors program reunion ▶P 22</li> <li>Total of 326 schools built in Southeast Asia by School Construction Support Project ▶P 21</li> <li>Provided ¥166.5 million in disaster relief aid ▶P 22</li> </ul> <p><b>PET Bottle Cap Campaign</b></p> <ul style="list-style-type: none"> <li>Supported 153,122 children in developing countries ▶P 22</li> </ul> 
Local Crime Prevention and Disaster Preparedness	<ul style="list-style-type: none"> <li>Concluded disaster preparedness agreements with 608 local municipalities ▶P 20</li> <li>Equipped 28 sites nationwide with "balloon shelter" tents for use as emergency evacuation facilities ▶P 20</li> </ul>
Promotion of Dietary Education	<ul style="list-style-type: none"> <li>Promoted Elementary Student Rice Paddy Project ▶P 15</li> <li>Group companies conducted dietary education initiatives, including hands-on classes and farm tours</li> </ul> 
Support for Seniors and People with Disabilities	<ul style="list-style-type: none"> <li>17,637 supporters for people with dementia; 279 "Caravan Mate" course instructors ▶P 24</li> <li>Donated four vehicles for use in social welfare activities through the Aeon Welfare Fund; volunteers visited 702 facilities nationwide ▶P 20</li> </ul>

### Highlights of Fulfilling Responsibilities to Stakeholders in 2009

Activity Type	2009 Activity Highlights
Responsibilities to Customers	<ul style="list-style-type: none"> <li>9,275 employees now qualified as service care workers ▶P 24</li> <li>23 additional facilities certified under new barrier-free law ▶P 24</li> </ul> 
Responsibilities to Business Partners	<ul style="list-style-type: none"> <li>Direct transactions with fishery cooperatives conducted at five locations nationwide ▶P 26</li> <li>Developed Food Artisan Project with regional producers dedicated to maintaining local culinary traditions ▶P 26</li> </ul> 
Responsibilities to Employees	<ul style="list-style-type: none"> <li>Established Positive Action Declaration ▶P 27</li> <li>Aeon Retail Co., Ltd., acquires "Kurumin Mark," a next-generation certification program ▶P 27</li> </ul> 

# Together with Customers

For the Future of the Environment

Doing What We Can, One Step at a Time, Together with our Customers

Activities such as reducing the number of plastic bags customers receive at the register can help protect the environment.

Up Close

Working with Customers, Community Organizations and Local Governments  
Plastic Bag Reduction Project

## More and More Stores Discontinuing Free Plastic Bags

A large number of plastic bags is used each day. Each individual bag is made of only a small amount of material, but since the bags are used 365 days a year all throughout the country, an enormous amount of resources ends up being consumed. Aeon is therefore working to reduce use of plastic bags to help cut CO<sub>2</sub> emissions, a cause of global warming, conserve oil, which is what the bags are made of, and cut back on waste volume. The initiative began in 1991 with the start of the My Basket & My Bag campaigns, which encouraged customers to bring their own baskets and bags to shop with. In January 2007, in response to increased environmental awareness among customers, we became the first national retail chain to stop providing free plastic bags (at the JUSCO Higashiyama Nijo Store). Our current goal is for at least 1,000 stores to discontinue free plastic bags by 2012, and we are continuing our efforts together with local residents by crafting agreements with community organizations and local governments.

Total Number of Stores (As of February 2010)

704

(Total of 19 consolidated companies)

Chugoku

70

Kyushu/  
Okinawa

61

Shikoku

2

Kinki

122

Chubu

167

Kanto

35

Hokkaido/Tohoku

247

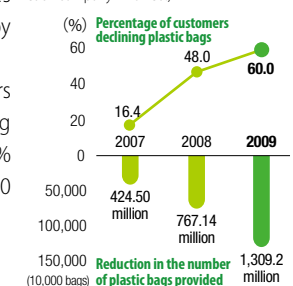
## Customers Bringing Own Shopping Bags Produces Real Results

Aeon has carried out the My Basket & My Bag campaigns since 1991. Customers are encouraged to bring their own shopping baskets and bags to the store, which conserves resources and cuts down on waste by reducing use of plastic bags.

In fiscal 2009, 60.0% of customers declined plastic bags, meaning we achieved our target of 50% participation at all stores by fiscal 2010 one year ahead of time.

### Percentage of Customers Declining Plastic Bags and Total Plastic Bag Reduction

Total of 20 consolidated companies  
(Percentage is calculated by averaging figures for the final month of the fiscal year from each company involved.)



## Income From Pay Plastic Bags Donated for Local Communities and the Environment

Aeon gives back the money it collects from the sale of plastic bags to society. Half of the income from the bags goes to local governments and community organizations to help in environmental conservation and social contribution activities. The other half is transferred to the government for use in purchasing CO<sub>2</sub> emissions credits to help Japan reach its goals under the Kyoto Protocol. Plastic bag income in fiscal 2009 totaled approximately ¥125.20 million.

\*Plastic bag income = Sales price – (consumption taxes + purchase cost)

## Reducing CO<sub>2</sub> Emissions through "My Basket with Carbon Offset" Campaign

Aeon began selling the "My Basket with Carbon Offset" \* in April 2009. This campaign seeks to offset CO<sub>2</sub> emissions given off in the process of manufacturing and shipping, "My Basket" sold by Aeon (approx. 1.76 kg per basket) through the purchase of CO<sub>2</sub> emissions credits.

In fiscal 2009, we sold roughly 380,000 "My Basket with Carbon Offset" products..



A personal shopping basket

\*The cost of CO<sub>2</sub> emissions credits is not added to the price, so it is the same as always.

## Aeon Cheers Club Strives for the Sound Upbringing of Children for Society's Future

The Aeon Cheers Club provides environmental classes and hands-on educational experiences to get children interested in environmental issues and help develop their thinking skills.

In 2009, 180 club chapters across the country held activities for a total of 3,348 children. Programs on plant life were held at Aeon stores, and the club also conducted the Eco-Life Tour in Germany, Aeon Furano Nature School and Nationwide Meet at Mt. Fuji.



Nationwide Meet at Mt. Fuji

## Aeon Environment School Started to Raise Environmental Awareness

The Aeon 1% Club started the Aeon Environment School to help commemorate the 20th anniversary. This educational program, which seeks to raise customer awareness of environmental issues, holds seminars and environmental events in major cities around the country, inviting prominent scholars and activists to serve as instructors. It was held in nine cities in fiscal 2009.



Lecture by Mr. C.W. Nicole

## Aeon 1% Club Celebrates 20th Anniversary

The Aeon 1% Club was established in 1989 to promote activities for local communities as a good corporate citizen based on the pillars of environmental conservation, international culture, personnel exchange, personal development and training and revitalization of local culture and communities. Exceptional Aeon Group companies contribute 1% of pretax profit for use in a variety of programs and activities. In 2009, Aeon Environment School was started to help commemorate the program's 20th anniversary. The Aeon Cheers Club Nationwide Meet at Mt. Fuji was also held, along with a reunion for past Teenage Ambassadors (see pg. 22).

For more information:  
<http://www.aeon.info/1p/en/>

## Aeon Group's Environmental Conservation Activities—Sports Authority

### Aeon Specialty Stores Also Start to Discontinue Free Plastic Bags

Mega Sports Co., Ltd. which is responsible for the Sports Authority chain of sporting good stores, became the first company in Aeon's Specialty Stores Business to discontinue free plastic bags. The initiative was launched at Sports Authority locations in Sendai nakayama store and Rifu store in March 2009. Currently, six stores nationwide no longer provide free plastic bags (as of February 28, 2010). Customers are encouraged to bring their own bags when coming to shop at Sports Authority in an effort to reduce use of plastic bags.



Announcement sign



# Through Products

Carefully Creating and Delivering People- and Environment-Friendly Products

People today choose products that are safe and environmentally friendly. Aeon is committed to designing and providing the products people want while taking into account the future of the human race and the planet.

Up Close

Take for example thinking about the connections between food, life and the environment by joining together with children to grow people- and environment-friendly TOPVALU Gurinai rice  
**Potential of Student Rice Paddy Project**

Do you know the precise meaning of the word *itadakimasu*? It literally means "to receive life." Of course, what one receives is not limited to meat and fish. Rice, which springs from the ground, is also an important form of life. Aeon started the Student Rice Paddy Project in 2008 with local agricultural cooperatives and NPOs. It is a dietary education program that uses rice to teach children respect for life and the importance of the environments that support life. Children learn about the connections between food, life and the environment by planting, growing and harvesting rice in rice paddies. The project includes classes on making rice balls, opportunities to experience sales at Aeon stores and raising carp fry in the paddies\*. Over the past two years, that project has drawn the participation of 150 students from three schools in three prefectures. It is also scheduled to be held in 2010 for three schools in three prefectures. In fact, the rice the children grow is none other than TOPVALU Gurinai Specially Cultivated Rice\*\*. The children devote much effort and painstaking care to the process, all the way through to the harvest.



TOPVALU  
グリーンアイ  
Gurinai

\* Shiga Prefecture conducts the Fish Cradle Paddy Project, which involves releasing parent carp into rice paddies, spawning and hatching eggs, and releasing the carp fry raised in the paddy into drainage canals once they reach around two centimeters in order to return them to Lake Biwa.

\*\*This rice is grown with less than 50% of the synthetic agrochemicals and chemical fertilizers normally used to produce rice in this region.



## TOPVALU KYOKAN SENGEN— Aeon's Eco Products Brand

Out of our commitment to helping conserve the environment together with our customers, in 2000 Aeon developed and announced the eco-products brand TOPVALU KYOKAN SENGEN based on a recycling, green and natural approach. We strive to present customers with products that are truly attractive in terms of both quality and price, rejecting the idea that environmentally friendly products are always expensive.



TOPVALU  
共環宣言  
KYOKAN SENGEN

Toilet paper (TOPVALU KYOKAN SENGEN)

## Using Various Devices to Reduce CO2 Emissions in Logistics

In order to reduce CO2 emissions for logistics, Aeon is promoting a modal shift, which involves switching from shipping by truck to shipping by rail. When we do ship by truck, we boost transportation efficiency by utilizing large trucks that can carry larger loads and picking up shipments with store delivery vehicles on their return trips. We are also adding vehicles with higher fuel economy to our fleet to lower the environmental impact. Moreover, since 2008 we have focused on making distribution centers more eco-friendly by installing solar panels and other equipment.

In 2009, we promoted the Eco Drive\* initiative. Classes on more environmentally friendly driving techniques were held twice during the year at 23 nationwide locations in collaboration with our logistics vendors. We plan to hold classes around the country in 2010.



Eco Drive class

\*Eco Drive refers to a set of driving techniques to conserve fuel and reduce CO2 emissions. The techniques include accelerating moderately and eliminating unnecessary idling.

## Carbon Offset Products Help Reduce Japan's CO2 Emissions

Together with its business partners, Aeon sells products with carbon offsets\*\* in which a portion of sales proceeds are used to purchase CO2 emissions credits, which are transferred free of charge to the Japanese government.

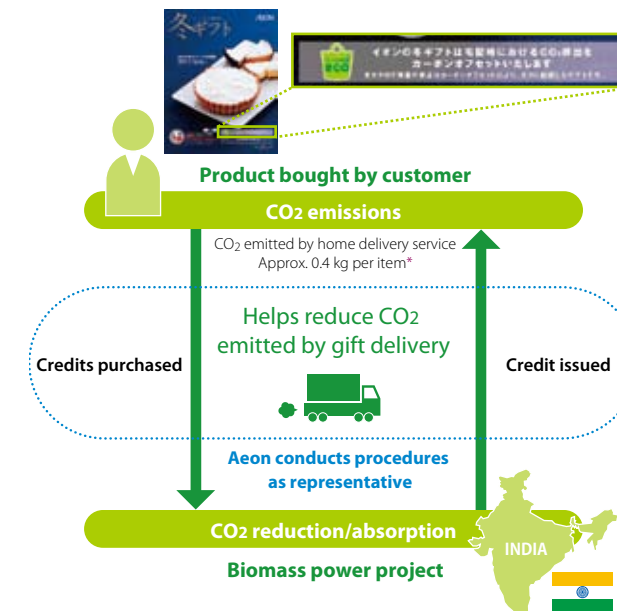
In 2009, the Carbon Offset Campaign, covering certain food and household products, was conducted by 14 Group companies and at approximately 1,100 stores. Together with our business partners, we purchased emissions credits worth an annual 3,893 tons-CO2 and transferred them free of charge to the government.

We also offset CO2 emissions associated with product deliveries for all gift products, including gifts for Mother's Day and Father's Day, and traditional midsummer and end-of-the-year gifts. Emissions credits worth an annual 3,893 tons-CO2 were purchased with the help of our business partners and transferred to the government at no charge.

\* The cost of CO2 emissions credits is not added on, so the product's price and delivery charges are the same as always.

\*\* Carbon offsets are a mechanism for offsetting the amount of greenhouse gas emissions that a company, etc. was unable to reduce through its own efforts with emissions credits obtained by purchasing greenhouse gas reductions or absorptions achieved at other locations or conducting projects or activities that produce reductions or absorptions. Excerpted from Guidelines for Information Provision of Carbon Offsetting Activities for Establishing Credibility issued by the Ministry of the Environment See the Japan Carbon Offset Forum's website (<http://www.j-cof.org/e/index.html>) for more information.

### Carbon Offset Mechanism



\*CO2 emissions per item references websites of major parcel delivery companies.

### Aeon Group's Environmental Conservation Activities—SELF+SERVICE

#### Participating in Project to Recycle Clothing into Bioethanol

SELF+SERVICE, a specialty shop for clothing and accessories managed by Aeon Retail Co.,Ltd. began collecting used clothing in 2003 and has gradually expanded recycling applications. In 2009, the company collected some 17,000 articles of clothing. In January 2010, it began participating in the FUKU-FUKU Project administered by JEPLAN Co.,Ltd. which recycles clothing into bioethanol. Through this initiative, which is supported by the Japanese government, 4,000 articles of clothing were collected at 18 SELF+SERVICE stores.



FUKU-FUKU Project poster



Clothing collection bin



# At Stores

Eco Stores—Managing Stores for Harmony with the Environment

**Major shopping centers have been built in many neighborhoods in recent years. They teem with shoppers on weekends and holidays. But, what is being done for the environment?**



**Lake Town Celebrates 1st Anniversary  
Present and Future of Large Retail Facilities Developed on a "Pleasant"  
Relationship Between People and Nature**

**Initiatives at Aeon Lake Town—  
One of the Nation's Largest Eco Shopping Centers**

Lake Town, which opened in Koshigaya, Saitama Prefecture, in the fall of 2008, is Japan's largest eco-shopping center and was developed based on the concept, "Kind to nature and pleasant for all." It is situated next to a lake on a 224,000 m<sup>2</sup> site with lush greenery and is separated into two zones, *Kaze* (Wind) and *Mori* (Forest). The shopping center incorporates cutting-edge technologies and systems, including solar panels and green walls, and promotes environmental conservation initiatives. In 2009, which marked Lake Town's first anniversary, CO<sub>2</sub> emissions were reduced by 11,000 tons-CO<sub>2</sub>, exceeding the initial target of 9,000 tons-CO<sub>2</sub>. In addition to such technological achievements, the shopping center also plays a cultural role as a place to enjoy, learn and act "eco," exhibiting ecological themed artwork by domestic and foreign artists and disseminating a variety of information on environmental topics.



## Solar Panels

Lake Town's solar panels total 4,000 m<sup>2</sup> in area, the largest of any retail facility in Japan. They are equivalent in size to four 50 x 25 meter swimming pools, producing roughly 410,000 kWh of power every year. This reduces CO<sub>2</sub> emissions by approximately 175 tons.



## The Vertical Garden

A portion of the building's exterior consists of highly insulating green wall panels (moss-covered tiles). They help keep the inside of the building a comfortable temperature.



## Hybrid Gas Ecosystem

The heat source system is a highly efficient hybrid gas ecosystem that helps reduce CO<sub>2</sub> emissions.



## Act Green

Act Green is an eco-town development program featuring the participation of Aeon Lake Town, local residents, the government and private companies. The program conducts a variety of ecology-related activities, which include disseminating information and holding events.



## Eco Expeditions

Eco Expeditions are held every Saturday to expose people to Lake Town's environmental initiatives. They attracted the participation of 1,148 people in 2009.



## Energy Saving Activities by Employees

Employees are actively involved in energy saving initiatives at stores and offices. Electricity usage is made transparent in graphs as a part of efforts to raise awareness.



## Drink Cartons and Food Trays Collected to Recycle Resources

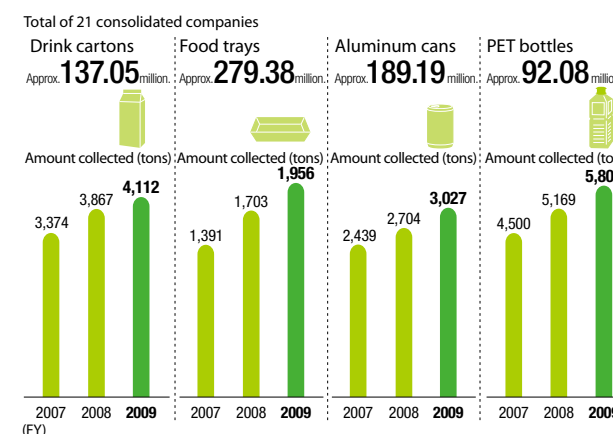
Drink cartons, food trays, aluminum cans and PET bottles are valuable recyclable resources. Aeon stores have resource collection bins and encourage customers to recycle.

Drink cartons and aluminum cans that are collected are recycled and some are used as raw materials for TOPVALU KYOKAN SENGEN brand products (see pg. 16). Food trays and PET bottles are also appropriately recycled. Aeon intends to continue our active involvement in the creation of a recycling-based society.



Collection bins

## Amounts Collected by Store Bins



## Building a Recycling Loop for Food Products and Effectively Reusing Food Waste

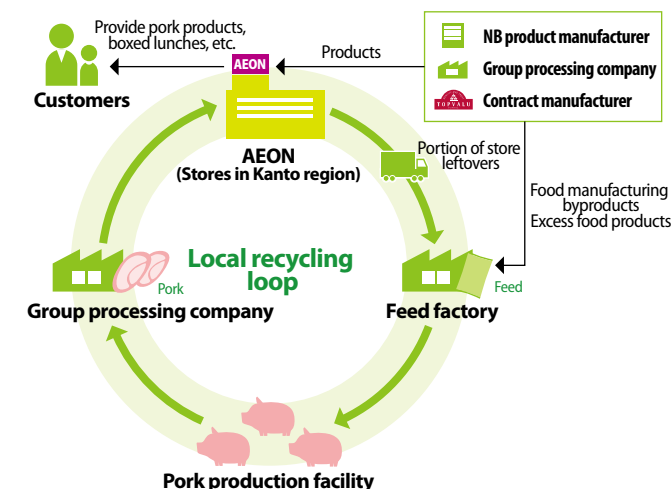
Aeon works to reduce food product waste generated by our stores and promotes effective use of waste as a resource.

In May 2008 present day Aeon Retail Co.,Ltd., became the first company in Japan's retail industry to acquire recycling business plan certification\* under Japan's food recycling law, which was revised in December 2007. The company built a recycling loop that involves collecting food waste generated at stores, turning the waste into feed, and then selling pork from pigs raised on the feed at Aeon stores.

Pork from pigs raised on recycled feed has been sold at select stores in the Kanto region since June 2008. Aeon Retail's food recycling ratio in fiscal 2008 was 36.2%. The food retail industry must achieve a recycling ratio of 45% by fiscal 2012. Aeon will continue to promote food recycling initiatives to achieve this target.

\*Collection and shipping of recycled food resources in accordance with a certified recycling business plan does not require regular waste collection and transport licensing, which has made it possible to efficiently collect waste over a wide region transcending municipal boundaries.

## Building A Local Recycling Loop



## Aeon Group's Environmental Conservation Activities—Ministop Co.,Ltd.

### Japan's First FSC-certified Convenience Store

Ministop Co.,Ltd., is committed to building stores that take the environment into account. In December 2009, Ministop opened the nation's first FSC-certified convenience store, Ministop Koshigaya Lake Town East. Wood used in the store is 100% domestic FSC-certified lumber, and the entire building, including the construction process, received FSC certification. Ministop is also working to increase the energy efficiency of store facilities. Initiatives include changing sign lighting from conventional fluorescent to LED lights. The company intends to continue reducing CO<sub>2</sub> through forests, as pledged by Japan under the Kyoto Protocol, by opening stores that use 100% domestic FSC-certified wood products.



Store under construction



MINISTOP store (rendering)



# In the Community

Working with Local Community Members for a More Prosperous Society



There are people in our communities who need our support.  
We believe people want to support and help others.  
This is a feeling we value.

Up Close

For example, we are working to bring together customers who want to help and local volunteer organizations that need help  
**Aeon Happy Yellow Receipt Campaign**

There are many volunteer organizations out in the community that could use some help. There are also many Aeon customers who want to help and encourage the activities of these organizations. However, there are actually only limited ways of making support and encouragement a reality for both sides. Realizing that we could play a major role as a member of the community, Aeon started the Aeon Happy Yellow Receipt Campaign in 2001 to support volunteer organizations together with our customers. The campaign involves customers depositing yellow receipts received on Aeon Day—every month on the 11th—into a box labeled with the activities of local volunteer organizations, and Aeon donating items worth 1% of total receipts received to the organizations. Volunteer organizations have their activities publicized to large numbers of people and customers get the opportunity to help out local organizations involved in their communities. In fiscal 2009 the campaign was conducted by 21 companies and 1,344 stores. Items worth a total of ¥267.87 million were donated to 28,926 organizations.



## Cleanup and Landscaping Around Stores

Aeon is actively involved in community landscaping projects around its stores. Clean & Green Activities, conducted since 1991, consist of employees volunteering to clean up parks and rivers around stores and areas surrounding public facilities. These activities have been conducted every month on the 11th, Aeon Day, since 2001.



Cleaning up around a store

## Readying Large Tents for Use in Evacuations

Aeon has promoted installation of "balloon shelters"—large tents for use in emergency evacuations—since 2004 to be ready in the event of an earthquake or other major natural disaster. The tents have been placed at a total of 28 locations, primarily shopping centers around the country (as of February 28, 2010). The tents are lightweight and easy to carry, so those stored close by can be brought to locations affected by disasters.



A balloon shelter

## Concluding Disaster Prevention Agreements

Aeon strives to ensure that employees working at our stores constantly act as members of the community. The same applies during natural disasters. We continue to sign disaster prevention agreements with local authorities throughout Japan, pledging cooperation and support in the event of an emergency in an effort to be of use to people in the local community.

We have signed 1,099 disaster prevention agreements with 608 local government bodies (as of February 28, 2010) and assist with local disaster prevention activities, including providing emergency suppliers in the event of a disaster, providing car parks for use as evacuation points and organizing joint emergency drills.

## Supporting Local Cultural Life

As a member of the local community, Aeon respects regional cultures and traditions and is involved in promoting local cultural life. We actively participate in local and traditional events, support the transmission of that local culture and history to the next generation and actively help in event management. In fiscal 2009, we supported a large number of local traditional events, including the Morioka Sansa Odori Festival, Yosakoi Festival in Kochi and the Yokkaichi Festival. We also support local cultural events and sports festivals.



Yosakoi Festival in Kochi



Morioka Sansa Odori festival

For more information:  
<http://www.aeon.info/1p/en/>

## Fund Helps People with Disabilities Attain Greater Autonomy

Aeon established the Aeon Welfare Fund in 1977. The fund conducts a variety of support activities to help people with disabilities attain greater autonomy, more fully participate in society and improve their overall welfare. Employees contribute ¥50 to the fund every month and management matches this donation for a total contribution of ¥100. This money is used to fund donations of welfare-use vehicles and volunteer activities.

In fiscal 2009, we donated a total of four vehicles to four welfare facilities located around the country. Volunteer activities consisted of visits to 702 facilities nationwide. Employees visit the facilities in person and help out at Christmas parties or with major cleaning projects. Aeon employees visited a total of 6,100 facilities during the period from fiscal 1991 to fiscal 2009.



Donating a welfare-use vehicle

## Aeon Group's Social Contribution Activities—Maxvalu Nishinohon Co.,Ltd. Maxvalu Chubu Co.,Ltd. Working With the Police and Local Bodies to Prevent Crime for a Safer Community

Maxvalu Nishinohon Co.,Ltd., collaborates with prefectural police departments where its stores are located to help prevent crime as a "110-Ban Store." 110-Ban Stores are places that crime victims can go for temporary protection, to call an ambulance or contact the police. There is an official sticker at store entrances and crime prevention drills are conducted on a regular basis. Maxvalu Chubu Co.,Ltd., also conducts 110-Ban Store initiatives in collaboration with police departments in Mie and Aichi Prefectures.



Maxvalu Nishinohon, a 110-Ban Store



# Around the World

Recognizing and Valuing the Bonds Shared by People around the World

**There is someone out there in the world who needs help.  
Use your imagination to expand your horizons.**

**Up Close**

## We are "Bringing the joy of attending schools to children" School Construction Support Project Funded by Customers

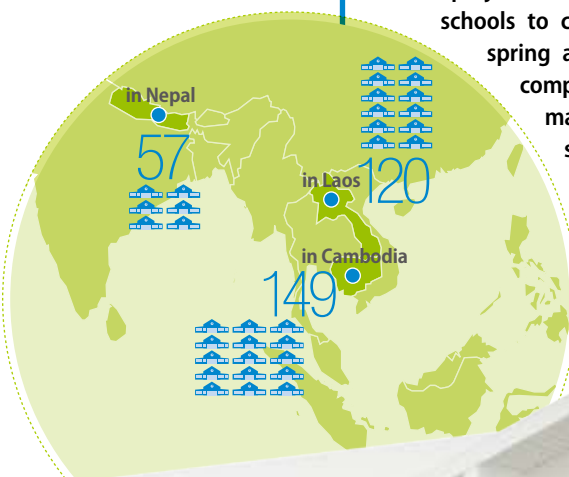
All over the world there are schools with no blackboards, no water and no toilets. There are schools without the most basic facilities like desks and chairs and even schools without any form of schoolhouse. But, in every school there are many, many children with big dreams. We want to help these children study hard and fulfill their dreams, so we partnered with the Japan Committee for Unicef to start the School Construction Support Project. The project provides support for school construction in Southeast Asia. The project's slogan is "Bringing the Joy of attending schools to children." We conduct fundraising every spring at the stores and offices of Aeon Group companies around the country. Many customers make donations. To date, we have provided support for the construction of 149 schools in Cambodia, 57 schools in Nepal and 120 schools in Laos. The new schools are currently attended by over 100,000 students. Aeon intends to continue the School Construction Support Project in the years to come.



A former classroom



Current classroom



For more information:  
<http://www.aeon.info/1p/en/>

## Collecting Bottle Caps to Help Children in Developing Countries

In June 2008, Aeon launched a campaign to "put a smile on the faces of children the world over" using PET bottle caps. The initiative involves collecting PET bottle caps at stores, selling them to recyclers and donating the proceeds to three organizations\* that provide aid to impoverished children. In fiscal 2009, at 706 stores nationwide, we collected a total of 288 million bottle caps, as a result of which polio vaccines and items such as nutritional meals and stationery were sent to 153,122 children the world over. Fashion Service NANIWA also provides valuable support for bottle cap collection.



Collection box



Presentation ceremony

\*Japan Committee Vaccines for the World's Children (JCVC)  
Save the Children Japan  
Plan Japan

## Supporting Disaster Recovery Efforts Around the World

When a disaster occurs, Aeon conducts fundraising for disaster recovery to help people in the area return to their normal lives as quickly as possible. We ask customers at our stores to donate and also call on our own employees to make contributions. Money raised from customers is matched by Aeon. The total is then donated to the country's embassy in Japan or other recovery organization.

In fiscal 2009, our efforts included providing emergency relief for the Sumatra Earthquake and Haiti Earthquake. Including emergency relief for disasters occurring in Japan, we donated a total of ¥16,650 million to prefectural governments, embassies, NGOs and other organizations.



Making a donation for people affected by the Sumatra Earthquake

For more information:  
<http://www.aeon.info/1p/en/>

## Promoting International Youth Exchange

Aeon has run the Teenage Ambassadors program since 1990 to further understanding and fraternity among the world's young people, the bearers of the future.

The program invites high school students from around the world to Japan every year. The students study a variety of environmental topics, pay goodwill visits to ministers and ambassadors, participate in home-stays with Japanese families, and experience Japanese high schools. Through interacting with people in Japan the students learn about the culture and customs of their host country and develop a greater understanding of one another.

A reunion was held in 2009 to help commemorate the 20th anniversary of the Aeon 1% Club. A total of 183 former Teenage Ambassadors representing 11 countries, including Malaysia, the United Kingdom, Thailand and Bulgaria, visited Japan. They fraternized across national and generational divides and deepened their shared bond as former Teenage Ambassadors.

As of 2010, the program has brought 488 high school students to Japan from 13 countries: Malaysia, the United Kingdom, Thailand, Bulgaria, Brazil, Australia, Peru, China (Hong Kong), Korea, Cambodia, Indonesia, Vietnam and Germany. We have also run a program since 2006 that sends Japanese high school students to these countries. Eighty students have participated to date. Aeon intends to continue to conduct a variety of activities to promote international youth exchange.



Singing "We are the World"



Chinese high school students on an eco-tour of Mt. Fuji



Goodwill visit to Deputy Chief Cabinet Secretary at the office of the Prime Minister

For more information:  
<http://www.aeon.info/1p/en/>

## Aeon Group's Social Contribution Activities—Aeon Co. (M) Bhd. (Aeon Malaysia) Administering a Children's Welfare Foundation

Aeon Co. (M) Bhd. (Aeon Malaysia) established the "With All Our Hearts" (WAOH) Malaysian JUSCO Foundation\* in 2004 to help improve living, education and medical conditions for Malaysian children. The foundation is funded with a portion of sales proceeds and through charity activities. In fiscal 2009, approximately 660,000 ringgit\*\* was donated to care facilities, children's cancer centers, schools and other worthy organizations.

\* The foundation changed its name to "With All Our Hearts" (WAOH) Malaysian Aeon Foundation in January 2010.  
\*\* Currency of Malaysia. 660,000 ringgit is equivalent to around ¥19 million.



Charity carwash



## Providing safe and secure products and services is the basis of customer trust.

Aeon acts from the perspective of "Everything we do, we do for our customers" to ensure trust and provide peace of mind in our customers' day to day lives. It is our ongoing mission to benefit our customers.



### Q What is being done to ensure the safety of products?

**A** We have stringent quality control systems in place for every process involved in making something a product.

TOPVALU products, Aeon's private brand, are all produced under a stringent quality control system that covers every stage, from planning and design to selection of manufacturers, decisions on product specifications, manufacturing management, and sales. Potential manufacturers are subject to product quality checks and factory sanitation surveys and are closely investigated to ensure manufacturing processes are managed appropriately. Product quality labels include information on allergens, genetically modified ingredients and nutrients to enable customers to make product decisions with complete confidence. Recipe ideas, production history and other information is provided on our website and will appear on the customer's cell phone when the product's barcode is scanned.

#### Informative TOPVALU Labeling



Ingredients that contain allergens are indicated using parentheses.

Information on sodium content, which has been requested by many customers, is provided below the nutritional data.

Labeling is provided for all 25 food allergens\* if included in an ingredient or handled as a part of the manufacturing process. Information on genetically modified ingredients is also indicated.

\*25 Food Allergens  
Labeling is mandatory for wheat, milk, eggs, peanuts, buckwheat, prawns and crab (7 items), and recommended for abalone, squid, roe, oranges, kiwi fruit, beef, walnuts, salmon, mackerel, soy beans, chicken, bananas, pork, matsutake mushrooms, peaches, yams, apples and gelatin (18 items).

### Q There is something I want improved. What should I do?

**A** Submit your comments to one of our Suggestion Boxes and an Aeon representative will respond.

Aeon puts the customer's perspective at the heart of management. We strive to create conditions in which customers feel free to provide suggestions and to promptly incorporate customer comments into product lineup and service improvements, environmental conservation activities and other areas. The Suggestion Boxes and Communication Boards (bulletin boards for comments and suggestions) at our stores represent one such initiative. Comments and suggestions provided by customers are replied to directly by a store representative and posted for others to see. In addition, for TOPVALU products, we have set up a call center and work to use customer suggestions in product development and improvements.



Suggestion Box and Communication Board

## Perspective

### Suggestions from Customers in Fiscal 2009

Aeon headquarters received 59,649 comments and inquiries from customers in fiscal 2009, an increase of 4.7% (2,694) over fiscal 2008. Approximately 30% of these were suggestions or comments regarding products and services, 55% were questions about products and 15% were questions about services.

There were still many customers concerned about food safety given recent scandals involving mislabeling food products and other factors, so there was an increase in customers contacting us directly by phone instead of email or traditional mail. Aeon is committed to listening to the comments of each individual customer and using this information to improve products and services.

### Q I enjoy going shopping with my family. What are you doing to make it easier for children and seniors?

**A** We develop stores based on the concept of "ensuring convenience and accessibility for all."

Aeon developed the Aeon Heart Building Design Standards based on the Heartful Building Law enacted in 1994 (revised in December 2006 and renamed the new Barrier Free Law\*). We use the standards when building new stores and remodeling existing locations. We are also actively committed to incorporating universal design principles into store development processes to strengthen store function and design and ensure convenience and accessibility for all. In fiscal 2009, 23 of our facilities were certified under the new Barrier-Free Law, bringing the total number of facilities that have been certified to 595 (as of February 28, 2010).

\*The Act for Buildings Accessible to and Usable by the Elderly and Physically Disabled Persons, or Heartful Building Law, was revised to become the new Barrier Free Law in December 2006.



Step-free entrance



Remote controlled car parking for physically disabled customers



Priority benches



Large direction signs in multi-story car parks (All photos are from Aeon LakeTown)

### Q It would be great if you could help make shopping in a wheelchair a fun, pleasant experience.

**A** We continue to train service care workers\*.

We encourage Aeon employees to acquire service care worker\* certification to help ensure that seniors and people in need of assistance can shop at our stores with total peace of mind. Certification training includes simulating the experience of being elderly and practicing providing assistance to people with disabilities. Certified service care workers numbered 9,275 as of February 28, 2010.

\*Service care worker certification is administered by the non-profit Nippon Care-Fit Service Association.



Qualification certificate for service care workers

### Q What are you doing to address the aging population?

**A** We continue to train supporters for people with dementia.

Aeon became the first member of the retail industry to begin company-wide participation in the Million Supporters strategy for people who suffer from dementia, organized by the Ministry of Health, Labor and Welfare and the NPO Community-Care Policy Network. We also run seminars to train our employees to act as supporters so that they can have understanding and provide appropriate support. The number of trained supporters for those with dementia had reached 12,637, with 279 staff members qualified as "Caravan Mate" training course instructors. (As of February 28, 2010)



The badge and orange band worn by dementia supporters

### Regarding Violation of Fresh Fish Date Management Rules at Maxvalu Tokai Co.,Ltd.

It was discovered that some stores of Maxvalu Tokai Co.,Ltd. an Aeon Group company, sold certain fresh fish products that violated internal voluntary standards. We take this incident very seriously, and everyone at Maxvalu Tokai is working to prevent recurrence. As preventive measures, we have established the following systems and programs.

#### 1. Public recruitment of community assistant store managers

All stores have appointed a local customer to serve as assistant store manager and monitor sanitation and quality control.

#### 2. Public tours of employee-only areas of stores

We show customers work areas, product storage facilities and other employee-only areas and ask for their comments and suggestions on quality control.

#### 3. Stronger onsite inspections by independent agencies

In addition to our existing inspection body, we will now have an independent inspection agency conduct onsite inspections four times a year.

#### 4. Creation of quality control textbook and rigorous retraining on sanitation

A 40-page booklet on quality compliance and quality control has been created and distributed to all employees. Employees are being rigorously retrained on sanitation using the booklet as a textbook.



## Business Partners and Aeon

### Striving For Ongoing Mutual Growth Based on Fair Dealings and Strong Partnerships.

Aeon creates high-quality products and services and generates customer satisfaction together with business partners that take on challenges with us while sharing our principles and approaches.



#### Q How are contract manufacturers for TOPVALU products managed?

**A** We demand compliance with the Business Code of Conduct.

Aeon created the Aeon Supplier Code of Conduct (Business Code of Conduct) for contract manufacturers in 2003 in order to further improve quality control for TOPVALU products, maintain proper commercial transactions with manufacturers, and ensure appropriate workplace conditions at manufacturing sites—all of which represent responsibilities to the public. We require that our manufacturing partners comply with the code, which covers compliance with national and local laws, respect for human rights, and safe, healthy working conditions, among other topics. Compliance pledges have been received from approximately 500 manufacturing partners. There is also a system in place whereby Aeon certified auditors and outside agencies conduct audits of partner production sites to check compliance with these requirements and promote improvements.

#### Aeon Supplier Code of Conduct (Business Code of Conduct) Requirements

Conform with legally stipulated social responsibility standards in countries where manufacturing and procurement takes place

Conform with national laws and regulations

- 1. Child labor:** Illegal child labor is prohibited
- 2. Forced labor:** Forced, prison and bonded labor are prohibited
- 3. Safety, hygiene and health:** Provide safe, healthy workplaces
- 4. Freedom of association and right to group negotiations:** Respect employee rights
- 5. Discrimination:** Discrimination on the basis of place of origin or creed is prohibited
- 6. Disciplinary action:** Cruel punishment of employees is prohibited
- 7. Working hours:** Comply with laws related to working hours
- 8. Wages and benefits:** Comply with laws related to wages and benefits
- 9. Management responsibility:** Pledge compliance with the Aeon Supplier Code of Conduct
- 10. Environment:** Work to prevent environmental pollution and damage
- 11. Business dealings:** Comply with local laws on commercial transactions
- 12. Certification, auditing and monitoring:** Accept certification, auditing and monitoring under the Aeon Supplier Code of Conduct
- 13. Ban on gift-giving:** Gift-giving between Aeon and suppliers is prohibited

#### Q What steps are you taking to prevent human rights issues at manufacturing partners?

**A** We have acquired international certification on human rights and employment.

After establishing the Aeon Supplier Code of Conduct, in 2004 we acquired SA8000 certification, an international standard, becoming the first Japanese retailer to do so. The standard establishes normative guidelines for protecting the human rights of workers on international labor markets. It requires compliance in eight areas that include protecting human rights and non-discriminatory employment practices as well as development of a related management system and ongoing improvement to it. Certification applies to head office processes and TOPVALU supplier management by Aeon Co.,Ltd. and Aeon Retail Co.,Ltd. Aeon will continue to pursue appropriate business processes together with suppliers on the twin basis of the Aeon Supplier Code of Conduct and SA8000.

#### Objectives of Aeon SA8000

1. We will respect the basic human rights of employees at the workplace and establish comfortable working conditions by ensuring safety, security and health.
2. Along with our suppliers, who are equal business partners, we will respect laws related to human rights and labor standards and will continue to make improvements to help build a society where universal human rights are protected and efforts are constantly made to improve working conditions.

#### Policies for Promoting Aeon SA8000

1. We will respect international norms and laws related to human rights and labor standards and will make improvements on an ongoing basis.
2. We will conduct training programs to fully educate all employees in order to make this policy a reality, conduct regular reviews of this initiative and work to make improvements on an ongoing basis.
3. We will encourage business partners (suppliers) to create and observe a code of conduct related to human rights and labor standards and to work together with Aeon to make improvements on an ongoing basis.
4. We will work to broadly disclose this policy and provide appropriate information and we will practice corporate social accountability.

#### Q Why did you begin doing business directly with local fishery cooperatives?

**A** Our goal is to help maintain cultural practices associated with consuming fish through a sustainable fishing industry.

Aeon does business directly with fishery cooperatives in an effort to raise customer satisfaction by providing even fresher fish while at the same time helping maintain cultural practices associated with consuming fish through a sustainable fishing industry. We began direct transactions with JF Yamagata (Yamagata Prefecture) in November 2009. We already deal directly with JF Shimane (Shimane Prefecture), JF Amaha (Chiba Prefecture), and JF Enoshima Katase (Kanagawa Prefecture). Through dialogue with the National Federation of Fisheries Co-operatives Associations Aeon intends to continue conducting initiatives that benefit our customers and help resolve issues related to marine product distribution.



All fish caught by this fishing vessel is purchased by Aeon.

#### Q What are you doing to help counter the disappearance of local flavors and traditional culinary cultures?

**A** We conduct activities to keep alive the ingredients and traditional techniques that support Japan's exceptional culinary cultures.

Aeon conducts the Food Artisan Project with many producers across the country dedicated to preserving local flavors. The project's goal is to protect, retain and pass on the ingredients and traditional techniques that support Japan's exceptional culinary cultures in partnership with local residents.



Harvesting Sakurajima daikon

#### Q I have heard that it is possible to make an international contribution through everyday shopping. What is this initiative?

**A** Our Fair Trade program supports developing countries through the purchase of their materials and products.

Aeon started selling Fair Trade products in 2004 as a way for customers to participate in international contribution through everyday shopping. Fair Trade means doing business with producers that need support in developing countries and setting product prices at appropriate levels given the labor involved. The initiative helps producers attain economic and social autonomy while also supporting environmental conservation.

Aeon sells coffee certified by the Fairtrade Labeling Organization (FLO) as a TOPVALU branded product and strives to support the movement in a sustained manner by promoting understanding of the goals of Fair Trade by as many customers as possible.

In addition, The Body Shop (managed in Japan by Aeon Forest Co.,Ltd.) conducts its own fair trade program called Community Trade, which is based on the concept of "Trade not Aid." In fiscal 2009, Community Trade for coconuts was started with the Samoan non-profit Women in Business Development. At present, high quality ingredients and products are purchased from some 25,000 people through trade with almost 30 partners in over 20 countries. Approximately one-tenth of total ingredients are procured through Community Trade and nearly 70% of products found at The Body Shop have Community Trade ingredients.



Samoan producer (The Body Shop)



Fair Trade coffee (TOPVALU)



FLO certification market

## Perspective Fish Producer and Direct Aeon Supplier

Fish catches directly contracted with Aeon are sold directly in Aeon stores. This means I am able to see customers buying the fish we've caught, which makes me very happy. All fish caught by our fishing boat is purchased and sold by Aeon. We provide information on how to prepare and eat fish people aren't very familiar with, and knowing that people are enjoying delicious fish gives us added incentive as fish producers.

I have heard that customers ask when the next catch from Shimane will be sold, which feels great to hear. We want to continue working with Aeon to deliver fresh fish to customers and help stimulate demand for fish cuisine.



Yukio Nakao  
JF Shimane



## Aeon strives to maintain workplaces that are pleasant and rewarding for all employees working there.

Aeon's basic human resources philosophy is to utilize employees while listening to their ambitions and understanding their feelings. We strive to make company, family and community life as fulfilling as possible for every member of the Aeon Group.



### Q What are you doing in the area of work-life balance?

**A** We have established programs that help employees balance work with child and nursing care responsibilities.

To take one example, Aeon Retail Co.,Ltd., is enhancing support programs by making more childcare leave available than required by law and is working to promote its programs among employees in line with an action plan created based on the Act for Measures to Support the Development of the Next Generation. As a result of these efforts, the company acquired the Kurumin next-generation certification\* in January 2010.

\*Aeon Group companies certified as of June 2009: MYCAL CORPORATION, RYUKYU JUSCO CO.,LTD., Maxvalu Chubu Co.,Ltd., Maxvalu Nishinohon Co.,Ltd., KASUMI CO.,LTD., AEON Mall Co.,Ltd. and AEON CREDIT SERVICE CO.,LTD.

### Q What are you doing to help employees develop their careers?

**A** All employees are provided the opportunity to acquire new knowledge and qualifications.

To help individual employees fulfill their career plans, we run the Aeon Business School that allows employees to learn about the jobs they aspire to, and we offer internal certifications for specific jobs. There is also an internal job posting system that invites employees to participate in new business ventures, which gives them the opportunity to develop their own careers.

### Q How are part-time employees treated?

**A** Employees are given opportunities to learn and be promoted regardless of their employment format.

For example, Aeon Retail has instituted the Community Employee\* Program to eliminate differences in roles, expectations and treatment depending on employee classifications and to enable continued growth depending on ability, performance and motivation. The program eliminates differences in educational and hiring opportunities and makes it possible for anyone to take on the challenge of a higher position.

\*Community Employee is a collective designation for Aeon Retail employees working in a specific location and not subject to geographic transfer. There are both hourly wage positions and monthly salaried positions.

### Q Are you doing anything to provide opportunities for female employees working at Aeon so that they can fully demonstrate their abilities?

**A** We are promoting the Positive Action program in an effort to be a company where both men and women can flourish.

Aeon is working to promote Positive Action through participation in a council to promote women's workplace performance sponsored by the Ministry of Health, Labour and Welfare. We drew up the Positive Action Declaration in April 2010 and committed to providing all employees with an equal opportunity to perform at the workplace.

## Perspective Employee Perspective

Human resources at Aeon is based on the idea of providing opportunity to everyone who works hard. The internal job posting system that recruits employees for new business ventures is a good example of this. If you apply for an opening you have the opportunity to do the job you want regardless of what your current position is.

In my case, I started at Aeon in 2002 as a community employee working part-time. I changed to full-time in 2006 and raised my skill level with internal certifications. I learned about Aeon's internal job posting system and waited for my chance

to apply. And, in 2009, I applied for a position on the pet products team and got it. I was able to get a job related to pets, which is the job I had wanted since childhood.

When there is equal opportunity the individual has greater responsibility, but it really is worth it. I'm totally dedicated to my job in my new department.



**Shinobu Yoneyama**  
Living and Leisure / H&BC  
Products Department  
Kanto Regional Company  
Aeon Retail Co., Ltd.

## Website Guide

## Aeon's various environmental conservation activities and social contribution activities are introduced in the Environmental Activities and Social Contributions section of the Aeon website.

### ●Top Page



<http://www.aeon.info/en/>

### ●Environmental Activities and Social Contributions



<http://www.aeon.info/environment/>

### ●Environmental and Social Report

You can download the report in PDF format.

The full edition of the report will also be made available on the site as of July 2010 (tentative). It includes additional information on management systems and performance data. We encourage you to read through it.

#### ●Aeon Environmental and Social Report (Full Edition) Main Sections

##### Management Systems

Corporate Governance  
Compliance  
Risk Management

##### Environmental Conservation Activities

Environmental Management  
●Aeon Environmental Principles  
●Environmental Policy  
●Environmental Management System  
●Environmental Accounting (etc.)  
Environmental Performance

##### Social Contribution Activities

Local Communities and Aeon  
Responsibilities to Stakeholders  
Customers and Aeon  
Business Partners and Aeon  
Employees and Aeon

## Group Chief Environmental Officer's Commitment

The government in recent years has been tightening environmental regulations, drafting a law on global warming countermeasures and revising laws on energy saving and waste disposal. At the local level as well, many municipalities, including the Tokyo Metropolitan Government, have been strengthening regulations on the environment. We recognize that accommodating these regulations is something that should be done proactively and as quickly as possible, not just when it becomes necessary. Aeon has for some time operated an environmental management system, which has included acquiring ISO 14001 certification. With environmental regulations continuing to tighten, we intend to further reinforce the management capabilities of the entire Aeon Group. This will be one of our top priorities.

Under our Manifesto on the Prevention of Global Warming, announced in March 2008, Aeon has set a fiscal 2012 target of reducing total CO<sub>2</sub> emissions by 1.85 million tons-CO<sub>2</sub> compared to fiscal 2006. In order to achieve this target, Aeon Group companies are launching a variety of cross-organizational projects that include activities conducted at stores and through products as well as initiatives carried out together with customers.

In fiscal 2009, through measures related to our stores and facilities, we reduced CO<sub>2</sub> emissions by 580,000 tons-CO<sub>2</sub> compared to fiscal 2006 by developing Eco Stores and installing energy efficient facilities. Through products and logistics measures, we cut emissions by 240,000 tons-CO<sub>2</sub> by increasing sales of environmentally conscious products and

simplifying packaging. In terms of initiatives with customers, we reduced emissions by 200,000 tons-CO<sub>2</sub> by limiting use of plastic bags and conducting recycling at stores. In total, we reduced CO<sub>2</sub> emissions by 1.03 million tons-CO<sub>2</sub>.

As we have conducted these activities I have gained a strong sense that our employees have become even more aware of the issues of energy efficiency and resource conservation, and we intend to further strengthen these initiatives going forward.

The international business community is currently engaged in discussions ahead of the establishment of a social responsibility standard (ISO 26000). The new standard will stress the importance of strengthening compliance and corporate governance and respecting all human rights.

It goes without saying that human rights are basic rights possessed by all people. The Aeon Basic Principles cite respect for human rights, and we have worked to foster greater awareness and change behaviors. These efforts do not stop with employees of the Aeon Group; they are being extended to our business partners in Japan and countries overseas, who are being required to fulfill their social responsibilities and accept assessments by independent third parties.



**Naoki Hayashi**  
Group Chief Environmental Officer  
Director and Executive Officer  
Aeon Co.,Ltd.





# Creating a Future of Limitless Promise with the Help of Everyone

## Aeon Group Provides Services that Support Living

Aeon's over 190 companies in Japan and overseas act in concert to provide pleasant shopping experiences and convenient services in line with local characteristics. With a whole host of functions that support living, we help customers live pleasant, convenient lives.

### ■ Pure Holding Company

\* AEON CO., LTD.

### ■ GMS (General Merchandising Store) Business



AEON Retail Co., Ltd.  
\* AEON Hokkaido Corporation  
\* SUNDAY CO., LTD.  
\* AEON KYUSHU CO., LTD.  
AEON SUPERCENTER Co., Ltd.  
AEON Marché Co., Ltd.  
Bon Belta Co., Ltd.  
MYCAL CORPORATION  
RYUKYU JUSCO CO., LTD.

### ■ SM (Supermarket Business)



\* Maxvalu Chubu Co., Ltd.  
\* Maxvalu Nishinohon Co., Ltd.  
\* Maxvalu Tohoku Co., Ltd.  
\* Maxvalu Tokai Co., Ltd.  
\* Maxvalu Hokkaido Co., Ltd.  
\* The Maruetsu, Inc.  
\* Inageya Co., Ltd.  
\* KASUMI CO., LTD.  
\* Belc Co., LTD.  
\* KOHYO CO., LTD.  
MAXVALU KANTO CO., LTD.  
MAXVALU KITA TOHOKU CO., LTD.  
Maxvalu Kyushu Co., Ltd.  
MAXVALU CHUKYO CO., LTD.  
MAXVALU NAGANO CO., LTD.  
MAXVALU HOKURIKU CO., LTD.  
MAXVALU MINAMI TOHOKU CO., LTD.

### ■ DS (Discount Store) Business

### ■ Strategic Small Size Store Business



\* MINISTOP CO., LTD.  
ORIGIN TOSHU CO., LTD.

### ■ Drugstore and Pharmacy Business



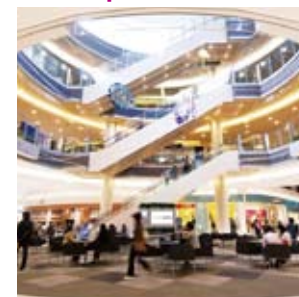
\* CFS Corporation  
\* TSURUHA HOLDINGS Inc.  
\* KUSURI NO AOKI CO., LTD.  
\* GROWELL HOLDINGS CO., LTD.  
\* Medical Ikkou Co., Ltd.  
TAKIYA Co., Ltd.  
Welpark Co., Ltd.  
Shimizu Drug Co., Ltd.

### ■ Financial Service Business



\* AEON CREDIT SERVICE CO., LTD.  
\* AEON CREDIT SERVICE (ASIA) CO., LTD.  
\* AEON THANA SINSAP (THAILAND) PLC.  
\* AEON CREDIT SERVICE (M) BERHAD  
AEON BANK, LTD.

### ■ Shopping Center Development Business



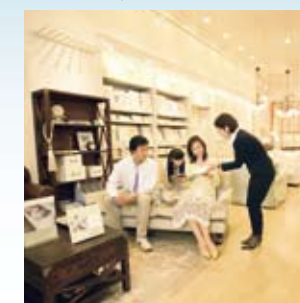
\* AEON Mall Co., Ltd.  
LOC DEVELOPMENT CO., LTD.

### ■ Service Business



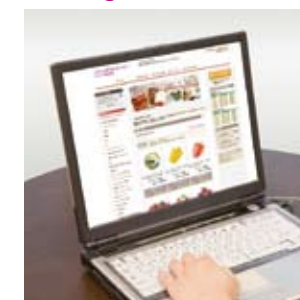
\* AEON DELIGHT CO., LTD.  
\* AEON Fantasy Co., Ltd.  
\* ZWEI CO., LTD.  
\* CERTO Corporation  
AEON Eaheart Co., LTD.  
AEON CINEMAS CO., LTD.  
JUSVEL CO., LTD.  
Reform Studio Co., Ltd.  
Warner Mycal Corporation

### ■ Specialty Stores Business



\* GFOOT CO., LTD.  
\* COX CO., LTD.  
\* BLUE GRASS Co., Ltd.  
\* Taka:Q Co., Ltd.  
Abilities JUSCO Co., Ltd.  
AEON FOREST CO., LTD.  
AEON BODY Co., Ltd.  
Talbots Japan Co., Ltd.  
Branshes Co. Ltd  
PETCITY CO., LTD.  
MIRAIYA SHOTEN CO., LTD.  
Mega Sports Co., Ltd.  
MEGA PETRO Co., Ltd.  
LAURA ASHLEY JAPAN CO., LTD.  
AT Japan Co., Ltd.  
Claire's Nippon Co., Ltd.

### ■ IT & Digital Business



AEON Integrated Business Service Co., Ltd.  
AEON VISTY CO., LTD.  
Digital Direct Corporation

### ■ ASEAN Business



\* AEON Co. (M) Bhd.  
AEON (Thailand) CO., LTD.

### ■ China Business



\* AEON Stores (Hong Kong) Co., Ltd.  
Beijing AEON Co., Ltd.  
Qingdao AEON Dongtai Co., Ltd.

### ■ Merchandising and others

\* YAMAYA CORPORATION  
AIC Inc.  
AEON AGRI CREATE Co., Ltd.  
AEON GLOBAL SCM CO., LTD.  
AEON GLOBAL MERCHANDISING CO., Ltd.  
AEON TOPVALU CO., LTD.  
AEON Bakery Systems Co., Ltd.  
AEON MARKETING CO., LTD  
Cordon Vert CO., LTD.  
Research Institute For Quality Living Co., LTD.  
Food Supply JUSCO Co., Ltd.  
MYCAL CANTEVOLE Co., Ltd.  
Tasmania Feedlot Pty. Ltd.  
AEON Demonstration Service Inc.

\* Indicates publicly held company.

■ AEON 1% Club  
■ AEON Environmental Foundation  
■ The Cultural Foundation of Okada

As of March 2010