



# Give Everybody a Smile and Cheering up Japan



# **Gambaro (Go) Japan!**

We would like to express our deepest sympathies for those who have suffered from the Great East Japan Earthquake.

Aeon people are thinking about what each one of us can do to help everyone affected by the recent earthquake and tsunami rebuild their lives as quickly as possible, and will do whatever we can for as long as necessary toward that end.

The phrases "Gambaro (Go) Japan!," "give everybody a smile," and "cheering up Japan" express the spirit behind our efforts to help the victims of these recent disasters. Aeon people will be a force that restores vigor and returns smiles to the faces of disaster victims, our customers and suppliers, all of our other stakeholders, and ourselves.



# Aeon's Environmental and Social Initiatives



# People Community

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

Aeon abides by the unchanging principles of "pursuing peace, respecting humanity and contributing to local communities, centered on customers."

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.

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# Now is a time for each and every person at the Aeon Group to remember our core commitments to peace, people, and community, and live up to our social responsibilities.

We would like to express our deepest sympathies for all those who have suffered from the Great East Japan Earthquake. To do our part in overcoming this national tragedy, we at the Aeon Group will muster all of the resources at our disposal to steadfastly support efforts to rebuild and restore communities and livelihoods in the stricken areas.

As we undertake relief efforts, we believe it is essential to practice our basic principles. That means pursuing peace through prosperity for our customers, contributing to the development of the communities in which our customers live, and, as people, taking actions that are good for our customers.

When we started operating in front of stores and through emergency shops on rooftop parking lots in the aftermath of the disaster, when our stores in disaster-stricken areas served as emergency shelters for neighboring residents, and when we delivered emergency supplies from throughout the country to local governments, I noticed that people were smiling and those smiles reminded me of our basic role as a retailer in promoting peace through prosperity and contributing to the development of communities. Furthermore, the initiative taken by Aeon people (Aeon employees) to organize immediate responses to the disaster and help the communities they serve—for example, by guiding people to shelter and reopening stores as quickly as possible—reaffirmed my belief in the potential of retailing as a business made possible by the cooperative efforts of individuals.

I believe that realizing these possibilities and fulfilling our responsibilities as members of society require that we always listen to our customers and other stakeholders and play a leading role in solving the problems confronting society.

That idea serves as the basis for the Aeon Sustainability Principle (see right), which Aeon just announced in March. The positions embodied therein are an expression of the actions the Aeon Group should pursue with regard to the global environment and the sustainable development of communities.

In 2010, Aeon, formerly known as Jusco Co., Ltd., celebrated the 40th anniversary of its founding. Steadfast cognizance of the debt of gratitude we owe to all those who have supported us in the past and mindfulness of the responsibility we have to support those who have suffered from the recent disaster will inspire future efforts to manage the Aeon Group as a retailer that pursues peace through prosperity for our customers, contributes to the development of the communities in which our customers live, and, as people, takes actions that are good for our customers.



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

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# **Aeon Sustainability Principle**

Aeon aims to realize a sustainable society with stakeholders based on our basic principle of "pursuing peace, respecting humanity and contributing to local communities, centered on customers."

With "realization of a low-carbon society," "conservation of biodiversity," "better use of resources" and "dealing with social matters" as pillars, we will think globally and advance activities locally and actively.

AEON Sustainability Magazine 2011

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# In fulfillment of our social responsibilities

# Responding to the Great East Japan Earthquake

The Great East Japan Earthquake, which struck on March 11, 2011, wrought enormous damage over a wide area.

When the disaster struck, Aeon followed its earthquake and disaster preparedness rules, which lay out steps for preventing further threats to human life and promoting rapid recoveries affected areas, established its Headquarters Response Team at our Makuhari headquarters by 3 p.m. of the same afternoon, and proceeded to check on the safety of employees and determine the extent damage to stores.

By 5 p.m., less than three hours after the disaster, the On-the-spot Headquarters Response Team was established in our Sendai office and was working with our headquarters to dispatch employees to assist with relief efforts in affected areas surrounding our stores.

This page provides information on Aeon's relief efforts during the first month or so following the earthquake and tsunami.\*1

\*1 For the most-to-date information, please refer to our website at: http://www.aeon.info/en/information



# 5% MATERIAL STATES OF THE PARTY OF THE PARTY

# Aeon pharmacists used store inventories to fill prescriptions for disaster victims

# Response Type

# As a member of local communities...

# **Provision of Stores for Use as Shelters**

Our Aeon Ishinomaki Shopping Center is a designated wide-area emergency shelter and we opened floors of the shopping center for use in sheltering disaster victims. At its peak, the shopping center housed around 2,500 disaster victims. A portion of the shopping center was used to provide living space for disaster victims for about two weeks following the disaster.



Floors of a shopping center were open to disaster victims



Messages from disaster victims

# Provision of Relief Supplies in Accordance with Disaster Response Agreements

As a member of local communities, Aeon has entered into disaster response agreements through which it has committed to cooperating with local governments to address needs in the wake of major disasters. In accordance with these agreements, we

provided food and beverages, clothing, medicines, and other relief supplies to 6 prefectural offices and 14 municipal offices following the earthquake and tsunami.





Truck filled with relief supplies and heading to a disaster stricken area

# Response Type

# As infrastructure for local communities...



Operations were restarted on the first floor of Aeon Ishinomaki store on March 31

# **Employing Our Domestic and International Supply Chains**

Aeon made the most of its domestic and international supply chains, and enlisted the cooperation of business alliance partners JAL and the JR Group, to secure supplies of daily life essentials and other goods, and restart operations as quickly as possible.

# Restarting Operations as Quickly as Possible

To help people living in disaster-stricken areas return to more normal living conditions as quickly as possible, all parts of the Aeon Group pulled together to swiftly get affected stores up and running. We restarted operations using only parts of our stores, spaces in front of stores, and rooftop parking lots and found significant numbers of customers lined up well before opening times.



Operations were restarted on the rooftop parking lot of the Aeon Kesennuma store on April 1



Employees overcome with tears of emotion at a morning briefing prior to reopening

Response Type 3

# As a company with stores throughout the nation...

"Gambaro (Go) Japan! Yellow Receipt Campaign' disaster-relief campaign



# Supporting Relief Efforts together with Customers throughout the Nation

Leveraging Aeon's scale as a nationwide developer of shopping centers and general merchandise stores, we were able to enlist the support of customers throughout the country in gathering cash donations to help disaster victims.\*2 Through the Gambaro (Go) Japan! Yellow Receipt Campaign implemented together with recovery-themed sales, we also contributed funds equal to 1%\*2 of the value of special receipts customers presented to us

\*2 For more details on funds gathered through cash donations and relief-support campaigns, please refer to our website at: http://www.aeon.info/en/information/

Collecting cash donations in front of a store

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# 40 Years of Initiatives

Aeon celebrated the 40<sup>th</sup> anniversary of the establishment of Jusco, its predecessor, in 2010.



#### 1977 Establishment of the JUSCO Company **Welfare Fund**

Established to help improve the lives of people with handicaps, this fund served as a means for contributing financial and human resources (through employee volunteer activities) to social welfare facilities throughout Japan.



# 1985 Opening of the first overseas store, the Dayabumi store, in Malaysia

Overseas business development was initiated in Asia with hopes of contributing to the modernization of retailing, improving daily life, and helping to build peaceful prosperous

▶ P15 Highlight 4



As a good corporate citizen, the Aeon

froup established the "1% Club" as a way to

ocial contribution activities. Funding is

ovided through contributions equal to

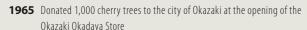
omote environmental conservation and

1974 Introduction of "J-Cup" instant noodles tant ramen in a cup. eveloped amid inflation from he oil-shock. Excluding the sual fork and selling for only 85 en, "J-Cup" noodles were an conomical, resource-efficient. nd revolutionary product.

# **Transforming Retailing in Japan**

The oil-shocked tumultuous 70s and prosperity-fueled decade of internationalization - the 80s.

Amid constantly changing times, Aeon has steadfastly undertaken pioneering initiatives from the customer's perspective.



**1974** Introduced environmentally friendly "J-Cup" instant noodles in a cup

**1977** Established the JUSCO Company Welfare Fund (now known as the Aeon Welfare Fund)



6 of the pretax profits of the Aeon Group's

1989 Launch of the

"Aeon Group 1% Club"

1979 Established the Cultural Foundation of Okada **1989** Launched the Aeon Group 1% Club (now known as the Aeon 1% Club)

**1970** The first merger: Okadaya merges with Futagi and other companies and

**1972** Nara Family Shopping Center, Japan's first shopping center with two anchor stores, opened

1980 The first Ministop store opened

changes name to Jusco

**1985** Jaya Jusco Stores opens Dayabumi store in Malaysia, the first overseas store for Jusco

**1987** Jusco Stores (Hong Kong) opens its first store in Kornhill Plaza

**1989** Customer Appreciation Day inaugurated



# 1991 Initiated the "Aeon Hometown Forests Program"

The Jaya Jusco Stores (now known as AEON Malaysia) Malacca store was the first location to undertake this tree-planting project.

▶ P9 Highlight 1



# 1998 Initiated the "Great Wall Forest Rejuvenation Project"

To help rejuvenate the forests adjacent to China's Great Wall, seedlings are being planted on an ongoing basis. As of April 2010, the number of seedlings planted had reached one million.

1990 Launched the JUSCO Earth-Friendly Committee

1990 The Aeon 1% Club started the "Small Ambassadors" (now known as "Teenage Ambassadors") Program

**1990** Established the Aeon Group Environmental Foundation (now known as the Aeon Environmental Foundation)

**1991** Started Clean & Green activities

**1993** Started development and sales of organic and other agricultural produce as the Gurinai private label

**1994** Completed construction of Aeon Tower, the new Makuhari headquarters



# 1991 Started resource-collection at stores

Began collecting aluminum cans and other resources at stores as a step toward building a recycling-oriented



# Passing a healthy global environment to the next generation

Interest in the global environment took off in the 1990s. For its part, Aeon launched a variety of environmental and social contribution activities aimed at protecting the natural environment and helping to promote peace. Those activities grew and evolved as described below.

**1991** Launched the Aeon Hometown Forests Program

**1991** Commenced the "Bring Your Own Shopping Bag" campaign on a trial basis

**1991** Initiated the experimental "Collecting Recyclable Resources at Stores" Movement

1998 Carried out the inaugural tree planting for the Aeon Group Environment Foundation's Great Wall Forest Rejuvenation Project

**1994** Introduced the "TOPVALU" brand of value-priced products

**1996** Opened the Guangdong Jusco Teem Plaza, the first store in mainland China

1970 1970 World Exposition in Osaka held 1972 Winter Olympic Games held in Sapporo

1972 Diplomatic relations between Japan and China restored

1973 First oil shock

1982 Tohoku Shinkansen line (linking Omiya and Morioka) and Joetsu Shinkansen line (linking Omiya and Niigata) open for service

1983 Tokyo Disneyland opens

1985 The International Exposition, Tsukuba, Japan, 1985 held

1989 Showa Emperor dies, Heisei era begins

1992 United Nations Conference on Environment and Development (the Earth Summit) held in Rio de Janeiro, Brazil

1993 Japan's Crown Prince and Princess Masako are wed

1994 Kansai International Airport opens for service

1998 Winter Olympic Games held in Nagano

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# 40 Years of Initiatives



# 2000 Started the "My Basket" Campaign

Started the "My Basket" campaign as a follow to the "Bring Your Own Shopping Bag" campaign begun in 1991. The purpose of this initiative is to reduce plastic bag usage by having customers use their own shopping baskets to purchase goods and carry them home.

▶ P11 Highlight 2



# Getting off to a new start as "Aeon"

With Japan facing a period of transition characterized by developments like globalization and the IT revolution, Aeon got off to a new start under a new group organization aimed at coping with the rapidly changing times and ensuring that Aeon remains a sustainable enterprise with ongoing customer support.

**2000** Launched the My Basket campaign

**2000** Started sales of TOPVALU KYOKAN SENGEN products

**2001** Started the Aeon Happy Yellow Receipt Campaign

**2001** Started the School Construction Support Project in Asia

Group to AEON. Established the Aeon Commitment

**2002** Started sales under the Food Artisan Project

2000 Announced the new "TOPVALU" brand

**2004** Commenced sales of TOPVALU Fair Trade Coffee under the TOPVALU label

2001 Changed company name to AEON Co., Ltd. and group name from AEON



# 2001 Started the "Aeon Happy Yellow Receipt Campaign"

/hen the company changed its ame, the 11th day of every month was signated Aeon Day, where we ntribute to the local community by vorking with customers to support a ocal NPO. The Happy Yellow Receipt ampaign is an example of this.

▶ P13 Highlight 3



#### 2001 Started the School Construction Support Project in Asia

Started a project for supporting school construction in parts of Asia requiring better school facilities.

**2004** Aeon announced its participation in the United Nations Global Compact

2005 Opened first Eco Store, Aeon Chikusa SC

2003 Established the Aeon Code of Conduct

2007 Launched Aeon's "WAON" e-money services

**2008** Aeon adopted a pure holding company structure

**2006** Became the first retailer in Japan to sell marine products certified as sustainable by the Marine Stewardship Council

**2007** Began the "Stop Free Plastic Shopping Bags" program at the Jusco Higashiyamanijou store



# 2005 Opened the Aeon Chikusa Shopping Center, the first Aeon Eco Store

Aiming to cut CO<sub>2</sub> emissions by at least 20% compared to traditional stores, Aeon began developing a new type of store employing solar panels, vertical gardens, and other energy-efficiency measures.



#### 2007 Began the "Stop Free Plastic Shopping Bags" program

As a step to help prevent global warming, Aeon became the first national retailer to initiate a reduction of plastic bag usage by the "Stop Free Plastic Shopping Bags" program at the Jusco Higashiyamanijou store.

**2008** Formulated the Aeon Manifesto on the Prevention of Global Warming, becoming the first retailer in Japan to name a specific goal for reducing output of CO<sub>2</sub>

**2008** Opened Aeon Lake Town, one of Japan's largest environmentally friendly shopping centers

**2010** Aeon Environmental Foundation planted its one millionth seedling in its Great Wall Forest Rejuvenation Project

**2010** Established Aeon Biodiversity Principle

**2008** Opened the Aeon Beijing International Mall Shopping Center



**2010** Announced the Aeon Group medium-term business plan

2000 G8 Kyushu-Okinawa Summit held

2002 FIFA World Cup Korea/Japan held 2005 Expo 2005 Aichi held

2008 G8 Hokkaido Toyako Summit held 2008 Summer Olympic Games held in Beijing 2008 Lehman shock and beginning of global recession 2009 Barack Obama elected US President

2010 Tenth meeting of the Conference of the Parties (COP 10) held in Nagoya

# Aeon's 40<sup>th</sup> **Anniversary Project**

Forty years ago, Aeon got its start as a company called Jusco Co., Ltd.

Aeon has initiated a variety of anniversary projects to express its appreciation to the countless people who have supported it along the way, and to renew the commitment of its employees to unite behind a true customer-first approach.



# Expressing appreciation to local communities Cleaning of ecosystems throughout Japan

The Aeon Happy Clean Campaign took place between May and October 2010. During this period, approximately 10,300 customers, local government employees, NPO personnel, employees,



and others worked together to clean seashore, riverside, wetland,

2 Expressing appreciation to customers Contribution of funds to reduce

woodland, and other ecosystems in 28 locations across Japan.



child poverty in Japan

Aeon supports Save the Children Japan's child poverty reduction activities in Japan by contributing funds of 0.1% of the receipts turned in by customers for purchases made at Aeon 40th Presentation ceremony anniversary sale events. These events were held four times during the year over 20 days and contributed around ¥3,110,000 in total.

3 Expressing appreciation to employees Distribution of a booklet of customer thank you notes

Striving to be a company where the happiness of employees engenders feelings of appreciation toward customers and society, we put together the Happy Letter Book of thank you notes and words of encouragement from customers and distributed it to Aeon Group employees.

Happy Letter Book

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# Making stores into lush, verdant spaces **Rejuvenating ravaged forests**

To firmly integrate new stores into their communities and encourage local residents to take an interest in greening their community, Aeon launched the Hometown Forests Program 1991. Under this program, we join together with our customers to plant trees on the site of every new store.

We also work with the national and local governments to plant trees for the purpose of rejuvenating forests ravaged by natural disasters. We do this through the Aeon Group Environmental Foundation (now known as the Aeon Environmental Foundation), which we established in 1990.

China 1,133,117 Japan 7,756,797 Laos 96,500 **Vietnam** Thailand 225,500 25,000 Malaysia 224,184 10,744 Total 9,475,492 trees Australia 200

Tree-planting in Malaysia

Now and in the future



Planting trees near the Great Wall

# Taking a long-term view together with local customers

Through the two activities mentioned above, 9,475,492 trees had been planted as of February 28, 2011. Going forward, we will continue to plant trees at the sites of new stores through the Aeon Hometown Forests Program and will maintain these Aeon Hometown Forests, as they grow and develop.

As for the Aeon Environmental Foundation, its activities also include numerous other tree-planting activities that take a long-term perspective. One example is the "Great Wall Forest Rejuvenation Project," which, since its beginning in 1998, had planted over one million trees in areas adjacent to China's Great Wall as of April 2010.

Looking to the future, we will go on planting trees in an effort to pass on to future children the gift

# **Passing thriving forests on** to future children **Aeon Tree-Planting Activities**

Healthy forests provide habitats for plants and animals and benefit people in various ways. It is estimated, however, that 14 hectares of forest are disappearing from the face of the earth every minute. At that rate, we are at risk of losing biodiversity and seeing negative impacts on daily life. To fight that possibility, Aeon is working, mainly through tree-planting activities, to help restore healthy forests in locations throughout the world.



Aeon Urawa Misono Shopping Center (Saitama Prefecture) in 2009, three years after planting trees

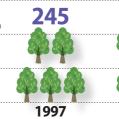
923 792 2005 2007 2009

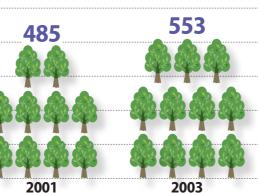
Aim of the Aeon Hometown Forests Program When we began the Aeon Hometown Forests Program, we asked Professor Emeritus Akira Miyawaki of Yokohama National University, a global authority on plant ecology, to act as an advisor. Professor Miyawaki helped us create shopping center environments enveloped in greenery and filled with the songs of birds and fragrance of trees. We plant native trees - those that are best suited for the local natural environment. By planting a mixture of 10-20 species of native trees, we force the planted trees to compete for survival. Our focus

At each location, local customers take the lead in planting trees one by one.

**Numbers of Trees Planted (10,000s)** Combined total for the Aeon Hometown Forests Program









"Bring Your Own Shopping Bag" campaign Progress

"Bring Your Own Shopping Bag" Step1 campaign

"My Basket" campaign

Step 2 Began the "Stop Free Plastic Shopping Bags" program

Began using profits from plastic bag sales to reduce CO<sub>2</sub> emissions n the beginning.

# **Embarking on efforts to conserve petroleum** and cut CO<sub>2</sub> emissions

In 1991, Aeon embarked on efforts to conserve petroleum, the raw material for plastic bags, and cut CO2 emissions from the production of plastic bags by calling on customers to use their own shopping bags. This was the beginning of the "Bring Your Own Shopping Bag" campaign, which we supplemented with the "My Basket" campaign in 2000.

In 2007, we became the first national retail chain to begin the "Stop Free Plastic Shopping Bags" program (at some stores). Following up on that effort in 2009, we began donating half of our profits from sales of plastic bags (We sell bags to customers who want them.) to local governments and community organizations for use in environmental conservation activities, and using the other half to purchase CO<sub>2</sub> emissions credits, which we transfer free of charge to governmental organizations.

# Now and in the future

# Working with customers, community organizations, and local governments to further reduce the usage of plastic bags

Aeon is actively working to the "Stop Free Plastic Shopping Bags" program by entering into agreements with local governments and community organizations to significantly reduce the usage of plastic bags. By the end of February 2011, we had expanded our efforts to cover 756 stores throughout Japan, greatly increasing the number of people who decline plastic bags and

significantly cutting the number of plastic bags distributed. (Refer to the diagram below.)

Working with countless supporters, Aeon plans to continue expanding the "Bring Your Own Shopping Bag" campaign

# Fiscal 2010 profits from sales of plastic bags will be used as described below.

# Profits from plastic bag sales\* (Companywide

Companywide: About ¥200 mi



#### **Purchase and donation** of emissions credits

Helping to achieve reduction targe

Approx. ¥100

# **Contributions to** local communities

Contributing to environmental conservation for Approx. ¥100 m

\*Buvable plastic bag income (consumption taxes + purchase cost)

Tohoku

#### Stores stopping free plastic shopping bags

Total stores (2007 to 2011.02)

Hokuriku/Shin'etsu

Hokkaido

Okinawa

152,000 oil barrels (200 l)

\*1 Conversion: 0.093 kg of CO<sub>2</sub> (CO<sub>2</sub> associated with 1 plastic bag ) × Reduction in number of plastic bags
\*2 Formula (courtesy of the Japan Polyolefin Film Industry Association): The total energy

used to manufacture a plastic bag (raw materials, resin, manufacturing, shape forming) is 17,124 kcal/kg. The energy used to manufacture a 9.9 g plastic bag divided by the calorific value of the raw materials comes to 18.3 ml (11.5ml crude oil solidified Reduction in the number of plastic bags  $\times$  18.3 m $\ell$  ÷ 1,000 = 30,406,365  $\ell$ , 30,406,365  $\ell$  ÷ 200  $\ell$  = 152,032 barrels

# Small steps adding up to big impacts **Helping the environment** through reusable shopping bags

Every day, large numbers of plastic bags are used. The amount of material used to make a single bag is negligible, but if we take a moment to consider that an enormous number of bags is used every day of the year all across the world, it is easy to see that making these bags consumes vast amounts of resources. Aeon, therefore, is working with customers to advance a campaign aimed at reducing the volume of plastic bags used.

Percentage of customers 61.5% 60.0% declining plastic bags 48.0% **16.4**% 2010 2007 2008 2009 Kyushu 424.50 million reduction CO<sub>2</sub> reduction related to decreased plastic bag usage\*1 155,000 treduction **767.14** million Reduction in the number Conservation of Resources\*2 of plastic bags provided 1,661.55 million 1,309.22 million reduction reduction

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# **Supporting local** communities through customers' purchases **Aeon Happy Yellow Receipt Campaign**

As a member of local communities, Aeon came up with a way to link local volunteer organizations with those who would like to support them. Through the Aeon Happy Yellow Receipt Campaign, we donate goods worth 1% of the total receipts customers give us to more than 20,000 organizations annually.







In the beginning...

# **Linking local volunteer organizations with** customers who would like to support them

In communities throughout Japan, there are countless volunteer organizations needing support. On the other hand, there are also countless Aeon customers who would like to support organizations helping to invigorate their local

As a member of local communities, itself, Aeon wanted to help the two sides link up. In 2001, we acted on that desire by launching the Aeon Happy Yellow Receipt Campaign. To participate in the campaign, which takes place on "Aeon Day," the 11th of every month, customers simply take the yellow receipts they receive for their purchases and place them in a box labeled with the name of an organization or an activity description. We then contribute to each organization activity goods worth 1% of the total receipts placed in the associated box.



Now and in the future

# **Expanding the campaign to allow more customers** to participate

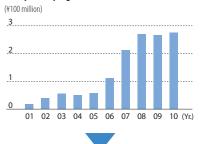
Over the 11 years since its launch, the Aeon Happy Yellow Receipt Campaign has grown. As of February 28, 2011, it had expanded to include 21 companies and 1,156 stores, and over its lifetime we have contributed goods worth approximately ¥1,364,330,000 to a total of around 129,000 organizations.

To help maximize the role each Aeon store can play as a community member, we have cashiers wear yellow banners and verbally encourage customers to participate in the Aeon Happy Yellow Receipt Campaign, bring volunteer organizations into stores to explain their activities, and go to other lengths as well. Moving ahead, we will continue to actively pursue new initiatives to allow participation by as many customers as possible.



customers of the campaign

# Contributions made under the Aeon Happy Yellow **Receipt Campaign**



¥1,364.33 million



In the beginning...

# 1984 – Began developing stores in the growing Asian market

Aeon, which was among the first to take note of Asia's rapid economic growth, established Jaya Jusco Stores (now known as AEON Malaysia) in Malaysia and Siam Jusco (now known as AEON (Thailand)) in Thailand, and began developing stores in both countries, in 1984. We then opened our first Chinese stores – the first Hong Kong store in 1987 and the first mainland store (Guangzhou) in 1996.

Since then, Aeon has continued to leverage the store development and management expertise it has accumulated in Japan to accurately respond to customer needs by creating stores that are tailored to the special characteristics of each location.



# Now and in the future

# Aiming to become a super-regional retailer tying together Asia's vast expanses

Asia is projected to become the world's number one market by 2020, and Aeon aims to become a super-regional retailer tying together its vast expanses. We see our mission as helping to bring prosperity to Asian customers through Aeon's business activities.

Our hope is to develop our business and promote greater peace and prosperity throughout Asia by having each one of our stores firmly root itself into the local community and become an integral part of the daily lives of customers.



Jusco Teem Plaza (Guangdong Jusco)

In rapidly rising Asia, Creating stores that customers love

The combined GDPs of Asian countries are projected to surpass ¥3,000 trillion by 2020. Long aware of the region's potential, Aeon has been actively developing stores in parts of Asia outside Japan. For each new location we develop, our aim is to create a store that upholds Aeon's customer-first tradition and is appreciated for its consideration of the unique characteristics, culture, and customs of the local area.

Aeon Mall Tianjin TEDA (China)



#### **Environmental Conservation**

#### Developing environmentally friendly shopping centers

Aeon Mall Tianjin TEDA, opened in October 2010, is advancing the cause of reducing CO<sub>2</sub> emissions through its use of solar panels, a green roof, and LED lighting. It is also using recycled components for some facilities to help conserve resources.



Solar panels installed at Ae

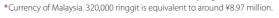
# ISO 14001 certification

Guangdong Jusco acquired ISO 14001 (international standard for environmental management systems) certification in October 2010.

#### **Social Contribution Activities**

# 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 2010 approximately 320,000 ringgit\* was donated to care facilities, children's cancer centers, schools and other worthy organizations.





Visiting hospitalized childrei (AEON Malaysia)

# Safety and Security

# Establishment of internal qualification and training systems

To help ensure safety and security, we have adopted in our Asian stores internal qualification and training systems that are equivalent to those used in Japan to develop the skills and capabilities of individual Aeon employees. Training efforts include internal competitions to test acquired skills.



Sushi Master training (AEON South China)

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# **Environmental Conservation**

# Global warming prevention and resource conservation

Guided by the Aeon Manifesto on the Prevention of Global Warming, we are creating stores with low environmental burdens and developing environmentally friendly products, both in an effort to reduce CO<sub>2</sub> emissions.

# Setting forth CO2 reduction targets to help bring about a sustainable society: The Aeon Manifesto on the Prevention of Global Warming

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 have three main initiatives. The first is to reduce emissions through store facilities and systems, with development of Eco Stores as the key component. The second is to reduce emissions through products and logistics. This initiative involves switching to alternative packaging materials, changing transportation methods, and selling environmentally friendly products. The third is partnering with our customers to cut emissions by reducing use of plastic bags. In addition, we have also set our sights on purchasing CO<sub>2</sub> emissions credits.

	FY2012 Reduction Targets (Vs. FY2006)	FY2010 Reductions
At Stores *Energy source	500 kilotons-CO2	730 kilotons-CO2
Through Product and Logistics	5 570 kilotons-CO2	390 kilotons-CO2
With Customers	310 kilotons-CO2	230 kilotons-CO2
Purchases of CO <sub>2</sub> Emissions Credits	470 kilotons-CO2	40 kilotons-CO2
Total	1,850 kilotons-CO2	1,390 kilotons-CO <sub>2</sub>

# **At Stores**

# An Eco Store that incorporates the power of nature and aims to cut CO<sub>2</sub> emissions by 30% **The Aeon Itamikoya Shopping Center opens**

Aeon's Eco Stores target 20% lower CO2 emissions than conventional stores. Our 11th Eco Store, the Aeon Itamikoya Shopping Center (Itami City, Hyogo Prefecture) opened in March

This shopping center actively incorporates natural power. This "solar and green" shopping center has more than 1,000kW-worth of solar panels – one of the largest applications of solar energy by a commercial facility in Japan – and 10,000m<sup>2</sup>-plus of green

space on walls, on roofs, and in parking lots. It also employs high-efficiency air-conditioning and lighting and, for construction materials, uses wood from forest thinnings and recycled materials to save energy and resources.

Through various technologies and innovative approaches, the Aeon Itamikoya Shopping Center aims to achieve CO<sub>2</sub> emissions 30% lower than those of stores we developed in the past.





TOPVALU KYOKAN SENGEN herbal fragrance concentrat



TOPVALU KYOKAN SENGEN LED light bulbs



# **Through Products**

# **TOPVALU KYOKAN SENGEN-Aeon's Eco Products Brand to Help CO<sub>2</sub> Emission Reduction and Save Resources**

The TOPVALU KYOKAN SENGEN brand Aeon began developing and marketing in 2000 is a line of eco-products emphasizing the "4Rs" – reduce, reuse, recycle, and returnable. Through this brand, we aim to bring customers products that are truly attractive combinations of high quality and reasonable prices, and show that environmentally friendly products do not have to cost more.

In fiscal 2010, we introduced TOPVALU KYOKAN SENGEN brand products including LED light bulbs that last 40 times longer and use 90% less electricity than conventional bulbs and laundry detergent that is twice as effective as conventional detergent.

# **Through Distribution**

# **Reduction in CO<sub>2</sub> Shipping Emissions**

Aeon is employing various shipping innovations to reduce CO<sub>2</sub> emissions related to distribution. As an example, for TOPVALU Barreal, the new genre of beer we introduced in June 2010, we have cargo ships bring stocks from the foreign brewery directly to nine different Japanese ports located near Aeon distribution centers. That reduces CO<sub>2</sub> emissions by cutting the distance that must be traveled by trucks within Japan.

Regarding to truck transportation generally, we have increased our distribution efficiency by, for instance, using large trucks that can carry bigger loads and using return trips, as well, to move goods. Furthermore, we are converting our fleet of trucks to ever-more fuel-efficient models that place lower burdens on the environment. We are also teaching our drivers environmentally friendly driving skills to reduce fuel consumption. In fiscal 2010, we conducted this training at 27 locations throughout Japan for a total of 575 drivers.

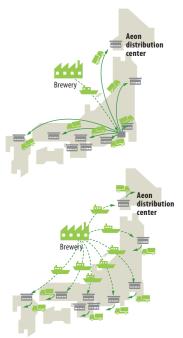


Ships bring products directly from the foreign factory to a single Japanese port From there, products are then moved by truck throughout Japar The distance traveled by trucks is long.

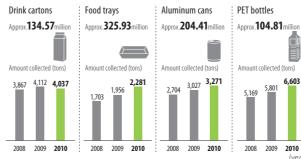


from the foreign brewery to nine different ports close to Aeon distribution centers

This reduces the distance traveled by trucks within Japan



#### Totals for 21 Aeon Group Companies



Based on the following weight estimates: Drink carton (100m0) = 30 g, Food tray = 7 g, Aluminum can (350m0) = 16 g,



Collection bins at a store

SELF+SERVICE clothing collection box

# **With Customers**

# Drink cartons, food trays, and used clothing are collected and recycled into raw materials to be made into new products or biofuel

Aeon stores have resource collection bins for items like drink cartons, food trays, aluminum cans, and PET bottles, and encourage customers to recycle. Collected drink cartons and aluminum cans are recycled and some are used as raw materials for TOPVALU KYOKAN SENGEN brand products. Food trays and PET bottles are also appropriately recycled.

SELF+SERVICE, a specialty shop for clothing and accessories began collecting used clothing in 2003 and has gradually expanded recycling applications. In 2010, the company collected some 41,000 articles of clothing. We are also participating in the FUKU-FUKU Project administered by JEPLAN Co., Ltd. which recycles clothing into bioethanol. Through this initiative, 28,000 articles of clothing were collected at 49 SELF+SERVICE

# **Environmental Conservation**

# **Conservation of Biodiversity**

plants and harvests of sea life.

# With Customers

# **Learning about Our Connections to Other Living Organisms** and the Importance of Eating through Rice Cultivation **The Elementary Student Rice Paddy Project in Shiga Prefecture**

Wanting children to understand something of the gifts of nature and the importance of eating, Aeon began the Elementary Student Rice Paddy Project in 2008. This project is a cooperative effort undertaken with local agricultural cooperatives and NPOs to teach children about food by having them experience everything from the planting through the harvest, and, ultimately, the sale of rice at a retail store. In fiscal 2010, we expanded this project to include Akita, Iwate, Shiga, and Saga prefectures.

The students help to grow our TOPVALU

Gurinai Specially Cultivated Rice, using less than half the chemicals and synthetic fertilizer normally used by commercial growers.

This project also teaches children about biodiversity. In Shiga Prefecture, for example, students participate



in the Fish Cradle Paddy Project the prefectural government is advancing. The aim of this project is to protect a species of carp unique to Lake Biwa.

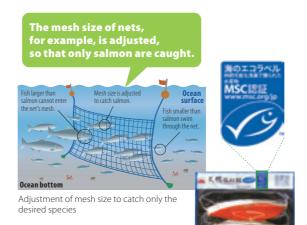
In the past, canals connected Lake Biwa Paddy Project with adjacent rice paddies. In spring of each

year, carp would travel up these streams to rice paddies to spawn. After hatching, the fry would then spend time developing in the paddies before making their way to the lake. In recent years, however, canal modifications have made it impossible for fish to travel between the lake and rice paddies and invasive species have greatly reduced Lake Biwa's carp habitat. The Fish Cradle Paddy Project aims to help the carp overcome these challenges by releasing adults into rice paddies to spawn, allowing the eggs to hatch, and then releasing the fry when they are about 2cm long into canals. The project has sparked interest in protecting Lake Biwa's native species and engendered greater "hometown" appreciation among children who have participated in it.

TOPVALU Gurinai Specially

Cultivated Rice grown in the Elementary Student Rice





salted wild salmon

# Through Products

# **Expanding the Number of MSC-Certified Products to Ensure** that Wild Fish will Continue to Reach **Dinner Tables**

The Marine Stewardship Council (MSC) certification, also known as the marine eco-label, assures consumers that marine products were harvested through properly managed fishing practices. The aim of the MSC certification is to help protect limited marine resources.

Aeon has been selling Alascan red salmon, salmon roe and other MSC-certified seafood since 2006 and added salted mackerel and seasoned cod roe to the list in fiscal 2010. In total, we now offer customers 11 MSC-certified products across 22 species—more than any other retailer in Japan. Since October 2010, we have been selling these products in approximately 1,200 stores and are gradually increasing that number.

# Through Products

# **Using FSC-Certified Price Tags and Labels to Help Ensure the Continued Use** of Forest Resources

The Forest Stewardship Council has a system for certifying that wood products and paper were manufactured using timber from properly managed sustainable forests. Aeon has been selling notebooks and other products using FSC-certified paper since 2008.

In December 2010, we announced that we would become the first Japanese retailer to use clothing price tags and labels made of FSC-certified paper. Use of these tags and labels is slated to begin on products sold beginning in 2011 and will gradually expand from there.





# At Stores

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# **Development of Environmentally Conscious Convenience Stores Using Domestic FSC-Certified Wood Products**

In December 2009, Ministop opened the nation's first FSC-certified convenience store, Ministop Koshigaya Lake Town East.

Ministop followed this up, in February 2011, with the opening of the Ministop Hamamatsu Toyoyasu store in the Shizuoka Prefecture city of Hamamatsu. This store uses not only wood products that are 100% FSC-certified but also a solar power system and LED lighting. Ministop is planning to actively develop more environmentally conscious stores using domestic FSC-certified wood products in the future.

# **MIDORI Prize for Biodiversity Established by the Aeon Environmental Foundation**

2010 was not only the International Year of Biodiversity (declared by the UN) but also the 20th anniversary of the establishment of the Aeon Environmental Foundation. In celebration of both, the Aeon Environmental Foundation established the MIDORI Prize for Biodiversity to promote the conservation of biodiversity and the sustainable use of natural resources by recognizing and supporting individuals who have helped to promote biodiversity. The prize winners for 2010 include Jean Lemire of Canada, a biologist, adventurer, and filmmaker; Gretchen C. Daily of the U.S., a professor at Stanford University; and Emil Salim of Indonesia, a Member of the Advisory Council to President Yudhoyono and former Minister of State for Population and the Environment. German Chancellor Angela Merkel was presented with the Special MIDORI Prize for Biodiversity.



# **Emphasis on Safety and Security**

We are advancing various initiatives aimed at ensuring customers can enjoy shopping in our stores because they feel secure, and ensuring Aeon locations offer everyone, including children, the elderly, and people with handicaps, comfort and convenience.

**Through Products** 

7 TOPVALU brands

**READY MeaL** 

# **TOPVALU's Focus on Safety and Security from the Customer's Perspective**

Aeon developed its own TOPVALU brand of products to make daily life better for customers. From product planning and design, to selection of manufacturers, finalization of product specifications, manufacturing management, and sales, we strive to create products from the customer's perspective.

During product planning and design, our development, quality assurance, and customer service people scrutinize potential raw material suppliers, investigate possible safety concerns, examine the use of additives, research manufacturing processes and consider other key issues to ensure that the final product is safe and poses no health risks.

We select manufacturers by first performing Aeon Supplier Code of Conduct \*audits, product safety examinations, and plant hygiene inspections, examining the results and then entering into agreements

with those companies we think can provide the products we expect. To ensure that is the case, manufacturers make prototypes, customer monitors and employees evaluate these prototypes, we reconsider matters like raw materials, additives, and manufacturing processes; and we finalize product specifications. Supplied products are inspected and the ones that pass are sent to stores.

Even after a product is introduced, we perform regular product quality evaluations, and conduct plant hygiene inspections and other types of manufacturer audits to ensure our products pose no safety or security issues.

\*Aeon Supplier Code of Conduct: Aeon has developed a code of conduct that manufacturers must abide by. The use of this code of conduct is our attempt to ensure that suppliers comply with national and local laws, operate safe, healthy work environments, respect human rights, and guarantee their workers appropriate working conditions and wages.

Aeon product planning and design

**TOPVALU** 

quality

assurance

**Distribution by Aeon** 

Sales through

.....



-free entrance



Remote controlled car parking for physically disabled customers

Large direction signs in multi-story car parks

(All photos are from Aeon LakeTown

At Stores

# Striving to make stores convenient and comfortable for everyone

Aeon developed its own building 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 committed to incorporating universal design principles into store development processes to strengthen store function and design.

As of February 28, 2011, 657 of our facilities had been certified as compliant with the new Barrier Free Law.

\*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.

At Stores

# **Developing Care-Fitters to Assist Customers**

We encourage Aeon employees to acquire Care-fitter\* 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 Care-fitters numbered 8,750 as of February 28, 2011.

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



The badge and orange band worn by staff specially trained to assist customers with dementia.



Role-playing in Caravan Mate training

At Stores

# Meeting the Needs of an Aging Society: Training Staff to Help Those with Dementia

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In 2007 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 21,757, with 484 staff members qualified as "Caravan Mate" training course instructors as of February 28, 2011.

# Behind-the-Scenes Store Tours by Maxvalu Tokai Co., Ltd.

In January 2010, Maxvalu Tokai Co., Ltd. began conducting behind-the-scenes store tours for customers. Except for newly opened stores, all Maxvalu stores conduct two tours every Saturday. Tours are led by employees and assistant customer store managers entrusted with managing product quality and improving customer service and who also answer questions about food safety and security, and gather input and requests concerning quality assurance, while leading customers through the back sections of stores. In fiscal 2010, 495 tours were conducted for 1,505 participants.



Selection of

manufacturers that

meet Aeon's standards

Sehind-the-scenes store tour

# Crime Prevention Training at Maxvalu Nishinihon Co., Ltd.

All Maxvalu Nishinihon Co., Ltd. stores have been designated 110-Ban Stores, which are stores that offer emergency, evacuation, and first-aid services to crime and accident victims. These stores also promote safe communities. As part of these efforts, stores also hold annual crime prevention training with the assistance of local police. In fiscal 2010, 20 stores conducted this training. Through training to deal with matters like muggings at ATMs and bank transfer fraud by offering sanctuary to victims and contacting police, these stores are raising crime awareness among both local customers and employees.



Crime prevention training

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# **Contributions to Society**

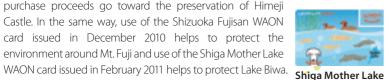
Together with customers and local citizens, we proactively undertake initiatives that help to energize communities and support people across the globe to make life better at the local and international levels.

# In the Community

# **Expanding Gotochi (Local) WAON to Promote the Development of Local Communities through Commerce**

WAON is e-money that can be used not only at Aeon stores but also at merchants that join the system. Working with communities throughout Japan, Aeon had issued 25 different Gotochi (Local) WAON cards as of the end of February 2011. When customers use their Gotochi (Local) WAON cards (with some exceptions), they not only help to invigorate the local economy but also promote local tourism, contribute to the preservation of cultural assets, and conserve the environment.

To illustrate, every time a customer uses the Himeji-jo WAON card issued in August 2010, part of the purchase proceeds go toward the preservation of Himeji Castle. In the same way, use of the Shizuoka Fujisan WAON card issued in December 2010 helps to protect the environment around Mt. Fuji and use of the Shiga Mother Lake



WAON



Shizuoka Fujisan

Gotochi (Local)

WAON Cards

Hida Shirakawago WAON

Himeji-jo WAON

Izumo Enmusubi WAON (Matsue)



Shuri-jo WAON

Hiroshima Heiwa Kinen WAON



In the Community

# **Comprehensive Cooperation Agreement** with Local Governments to Promote Safe, **Secure Communities and Economic** Development

Kumano Kodo Iseji

Aeon has entered into cooperation agreements with local governments to effectively apply our respective resources in a variety of ways, such as by promoting disaster preparedness, social welfare, and environmental conservation, and to use Gotochi (Local) WAON cards to invigorate commerce and tourism. This began with a June 2010 agreement with the government of Osaka Prefecture, and we have since entered into agreements with 11 prefectural governments as of the end of

Based on these agreements, we have, for example, agreed to provide emergency supplies and space for emergency shelters in times of disaster, hold local product fairs and promote local tourism through our stores, and work with local governments to plan and market boxed lunches made with local agricultural products. Through activities like these, we help to invigorate local economies and improve services for daily life.



# Morioka Sansa Dance Performance

ored by AEON Malaysia

#### Fiscal 2010 Agreements with Local Governments

- June 2010 Osaka Prefecture
- October 2010 Yamagata and Mie prefectures November 2010 Miyagi and Gifu prefectures
- December 2010 Shimane and Shizuoka prefectures January 2011 Tottori Prefecture
  - - February 2011 Shiga, Yamanashi, and Iwate prefectures

# **Around the World**

# **Production of Fairtrade Goods to Help** the Self-reliance of Producers in **Developing Countries**

Responding to customers' requests to help the world's underprivileged through their daily shopping, Aeon began developing and marketing Fairtrade\* coffee and other products in 2004. In November 2010, we produced TOPVALU Fairtrade Chocolate to incorporate a suggestion from Chuo University students and requests from our customers for goods that are easy to buy. This chocolate is now being sold at approximately 3,500 of our stores across Japan.

TOPVALU Fairtrade Chocolate is made with Fairtrade-certified cacao beans imported from the Dominican Republic. Processing these beans in Japan lowers the cost of the finished product and results in the flavor Japanese customers prefer. TOPVALU Fairtrade Chocolate is the first Fairtrade-certified chocolate to be manufactured in Japan.



TOPVALU Fairtrade Chocolate

(Fairtrade Labelling Organizations International) certification mark

Shocola

Production of cacao beans in the Dominican Republic



University students to the Dominican Amhassador to Japan



# **Around the World**

# **Supporting Disaster Recovery throughout the World**

When a serious disaster strikes, Aeon responds immediately to help victims get back on their feet as quickly as possible. We provide emergency financial assistance, give our customers an opportunity to help through a Reconstruction Support Donation Campaign at our stores, and match employee and customer contributions, basically one-for-one. All of the funds are then presented to the embassy of the affected nation or to aid organizations.

In fiscal 2010, we provided emergency funds to assist victims of natural disasters in countries like Australia and Brazil, and provided both emergency assistance and funds from storefront collections to help those stricken by earthquakes in Chili, China, and New Zealand. Together with emergency relief for disasters occurring in Japan, we donated a total of ¥144 million (including ¥39,620,000 contributed by customers) to embassies and other organizations.



Presenting relief funds to the Chilean Embassy to help Chilean earthquake victims

# Aeon Ryukyu Co., Ltd. Supporting Rescue Helicopter Operations

In the northern part of Okinawa Prefecture, the population is declining and aging, and there is a shortage of hospitals, which creates various emergency medical care problems like the inability of ambulances to transport people to hospitals in time. In response to this, MESH Support, an NPO, operates an air ambulance to transport those in need by helicopter, an effort which has been supported by Aeon Ryukyu Co., Ltd. since 2008. Part of our assistance is provided through the sale of special goods, with a portion of the proceeds donated to MESH Support. These goods, which we began to sell in September 2009, were developed in cooperation with suppliers. In fiscal 2010, funds related to the sale of these goods, storefront collections, and other funds came to around ¥12,840,000. As of the end of fiscal 2010, we have provided MESH Support with The MESH Support Rescue Helicopter financial assistance totaling ¥28,170,000.



# **For Next Generation Development**

Aeon supports education, international exchange, and other youth programs both inside and outside Japan. This is to make the future better by promoting the healthy development of the children who are tomorrow's leaders.

# In the Community

# **Promoting the Sound Development of Children** through Hands-on Environmental Education **Aeon Cheers Club**

The Aeon Cheers Club provides hands-on opportunities for children first- to ninth-year students to learn about the environment. Through the Aeon Cheers Club, children living near Aeon stores come together once a month to participate in various environmental activities with the support of store

Activities follow a six-year cycle of annual themes. The themes are "garbage", "recycling", "resources (energy)", "the sun and nature", "plants", and "animals".

The theme for fiscal 2010 was "animals." Over the year, approximately 3,600 children participated in nature observations,

animal studies, and other store-based activities through 190 clubs all over Japan.



**Examples of Aeon Cheers Club Activities** 

Apr.	Fiscal 2010 Kick-off Event	Explanations of activity themes and the schedule for the year. Self-introductions by members.

Enjoying the Satoyama (woodland) in life in the woods

Members were escorted to a satoyama, where they studied the interaction of people and other living nings by observing birds, insects, and other forms of

Study of River Life

Study of River Life Members, with nets in hand, were taken to a local river. There, they learned about the preciousness of nature by observing life in a river environment. On this excursion, members were taken upriver to

arn about how life there differs from that downriver, and what is required for life in these environments to thrive.

Beach Cleanup

Members were reminded that people pollute oceans and studied sea life through picking up garbage on a

Let's go the zoo!

Members learned about ecosystems, while observing animals from all over the world.

Forest Wildlife in Winter

Members observed birds and small animals that inhabit a nearby forest in winter and thought about

Review of the year's activities and creation of posters

Members discussed their activities over the year and

Presentation Practice

Members practiced using the posters they had created to give ten-minute reports on their activities

Participation in the Aeon Cheers **Club Summit** 

Members gave the presentations they practiced in February. Members of a Cheers Club from a different



from Naples, Italy visiting a high school in



recipients an Aeon store

Aeon Scholarship narticinating in a tree-planting event at

# **Around the World**

# **International Youth Exchange Opportunities**

Through domestic and international activities, Aeon provides learning and international exchange opportunities for teens.

For example, every year since 1990 we have invited Teenage Ambassadors from countries around the world to come to study the environment and experience high-school life in Japan. Through fiscal 2010, we had brought 508 high school students from 14 countries to Japan as Teenage Ambassadors. And since 2006, we have been sending Japanese high school students abroad to spend time in the countries of their visiting peers.

2006 was also the year in which we created the Aeon Scholarship program. Through the end of fiscal 2010, we had provided scholarships to a total of 1,237 foreign students attending 11 universities in Japan, 6 universities in China, and 2 universities in Thailand.

In fiscal 2010, we inaugurated the Asian University Student Exchange Forum. In the initial edition of the forum, Japanese university students were sent to Vietnam to discuss biodiversity with their local counterparts. In the future, discussion topics will be widened to include themes like "the environment and economics" and participating countries will be expanded to include Thailand, Malaysia, Indonesia, and China. A key purpose of the forum is to provide a place where young adults who are tomorrow's leaders can develop understanding of values different from their own.

# **Around the World**

Discussion at the Asian University Student

Exchange Forum

# **PET Bottle Cap Collection Campaign to Provide Vaccines,** Food, and School Supplies to Children in Asia

Since 2008, Aeon has been collecting PET bottle caps from customers at our stores with Fashion Service NANIWA, a business partner. As recyclable resources, collected caps are sold for cash, which is then contributed to three different international organizations\*1 supporting children in Asia's developing countries.

In fiscal 2010, cash from 316,240,000\*2 bottle caps was donated to these organizations, which used these funds to provide vaccines, nutritious food, and school supplies to children in Myanmar, Vietnam, and Thailand.

- \*1 The three international organizations are Japan Committee Vaccines for the World's Children (JCV) Save the Children Japan
- \*2 Caps collected from August 21, 2009 through August 20, 2010.





Vaccination of children in Myanmar





小さなちからを未来につなぐ 🕢 プラン・ジャパン

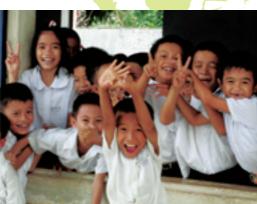






# For the Growth of the Next Generation





Vietnamese school children

**Around the World** 

# Spreading the Joy of Going to School **Support for the Construction** of 30 Schools in Vietnam

In partnership with the Japan Committee for UNICEF. Aeon is helping to build schools in parts of Asia where they are sorely needed. In stores and other facilities operated by Aeon Group companies across Japan, we collect donations from customers for the School Construction Support Project. To date, we have helped to construct a total of 326 schools in Cambodia, Nepal, and Laos, giving around 110,000 children a chance to go to school.

For the three-year period beginning in 2010 and extending through 2012, our plans call for supporting the construction of 30 schools in Vietnam's Hue Province.



Former school



New school

**Around the World** 

# **The Safe Water Campaign Bringing Clean Water to Children in Cambodia and Laos**

In Cambodia and Laos, untold numbers of children must perform domestic labor in the form of gathering and carrying water. Unable to attend school, these children are losing their chance at an education.

Aeon wanted to provide safe drinking water that would allow these children to devote time to studying rather than retrieving water. We, therefore, launched the Aeon UNICEF Safe Water campaign in October 2010. Through this campaign, we not only collect donations from customers in our stores but also contribute ¥5 from the sale of every bottle of TOPVALU Mineral Water to make it possible for even greater numbers of our customers to help children in Asia

With customer donations, funds from mineral water sales, and a contribution from the Aeon 1% Club, we were able to send ¥40 million to the Japan Committee for UNICEF in December 2010. As a result, the Safe Water Campaign is giving 32,000 children a year access to safe drinking water.



Gravity-driven water pump



Presentation of donation to Japan Committee for UNICER

# **To Our Readers**

I would like to express my deepest sympathies to all of those who have suffered from the Great East Japan Earthquake. I also pray for the good health and rapid return to more normal living conditions for all

As the Group Chief Environmental Officer, I would like to take this opportunity to report on Aeon's environmental and social intiatives for fiscal 2010 and directions for the future.

#### The Great East Japan Earthquake and Aeon's Social Responsibilities

Aeon established a Headquarters Response Team in the immediate aftermath of the earthquake, and distributed emergency supplies as a member of local communities. Also we got stores back up and running as quickly as possible as a part of the infrastructure of daily life. Finally, we gave customers all over Japan a chance to help financially and assist those in need in other concrete ways as a national retail chain

Each and every employee renewed their sense of social responsibility though disaster support activities. Moving forward, Aeon will continue its efforts to help disaster victims by identifying ways we can contribute and acting on them.

#### Focus on Environmental and Social Contribution Activities

Aeon conducted the Aeon Happy Clean Campaign in celebration of the 40th anniversary of the establishment of Jusco Co., Ltd. and in support of the objectives established in the tenth meeting of the Conference of the Parties to the Convention on Biodiversity (COP 10). In this project, we joined with customers to clean beaches and woodlands in 28 locations across Japan, and we believe everyone who participated came away with a better understanding of the importance of protecting biodiversity.

Aeon has established a firm base from which to pursue environmental and social contribution activities. Key elements

include the JUSCO Earth-Friendly Committee, established in 1990; the Aeon Hometown Forests Program (P9), the "Bring Your Own Shopping Bag" campaign (P11), the Aeon 1% Club (P5), and the Aeon Environmental Foundation (P9). Across the various activities, we have been consistent in our commitment to being among the first to act, continuing the activities we initiate, and working together



Yukivo Komatsu Group Chief Environmental Officer Aeon Co., Ltd.

with customers. These qualities will continue to underpin Aeon's environmental and social contribution activities as we expand the scope of our endeavors.

# The Medium-Term Management Plan and Sustainable

In October 2010, Aeon announced that its medium-term management plan would consist of pursuing growth in Asian, senior, and major urban markets. Aeon's growth must go hand-in-hand with conservation of the environment and be socially sustainable. The way we manage our business, in other words, must be sustainable.

We have laid out four key objectives for pursuing sustainable management. These are: 1) realization of a low-carbon society; 2) conservation of biodiversity: 3) better use of resources: and 4) dealing with social matters. In working toward a sustainable international society, all of these objectives must be achieved, and Aeon, which is globalizing its operations, bears an even greater responsibility for achieving these objectives.

Moving forward, we will consider, commit to and advance concrete policies for achieving the four objectives, monitor our progress, and issue annual reports to readers.

#### **Editorial Notes**

To fulfill our responsibility to explain our actions to customers, suppliers, and other stakeholders, and engage in interactive communication that promotes the pursuit of our efforts to achieve a sustainable society, we began, in fiscal 1996, to issue the Aeon Environmental Report, which became the Aeon Environmental and Social Report in fiscal 2003.

Along the way, as we moved forward with various initiatives, report content expanded, the volume of detailed discussions requiring some level of expert understanding grew, and we began to receive more and more customer requests that content be expressed in more easily understood terms

For 2011, therefore, we have decided to present content at different levels of detail (as described below) depending on the type of media used to convey it.

# Aeon Environmental and Social Initiatives 2011 (this

This publication focuses on key topics and uses visual means to introduce in simple terms our initiatives for the most recent fiscal year

#### Aeon Environmental and Social Report 2011

This report provides more detailed explanations and performance data on our activities in a PDF file that can be accessed from our website.

#### Aeon Environmental and Social Initiatives 2011 Digest

This pamphlet provides children with explanations of mainly store based initiatives

# **Website: Aeon Environmental and Social Report**

Here, we provide information on Aeon's environmental and social contribution activities, and other recent initiatives



 Aeon Environmental and Social Report 2011 Detailed coverage of fiscal 2010 enviro social contribution activities. (PDF file scheduled for posting in July 2011)

Aeon Environmental and Social Initiatives 2011
Aeon Environmental and Social Initiatives 2011

nloadable PDF file will be posted.

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# **Aeon's Businesses**

Aeon has 180 subsidiaries and 32,000 employees. It provides comfortable and convenient shopping to customers.

We support the needs of daily life with a broad array of functions aimed at making life more comfortable and convenient for customers.





#### **Drugstore & Pharmacy Business**

Promotes better health through expert knowledge and caring service.



Stores that provide plentiful selections of daily life necessities at reasonable prices.



**Specialty Store Business** 

A wide array of stores specializing in fashion, sporting and other goods.



# **Service Business**

Services that facilitate safe, comfortable experiences in our shopping centers.



#### **GMS (General Merchandise** Store) Business

Stores that respond to customer needs for clothing, food, and living space and do so in retail settings that suggest new lifestyle perspectives.



# **Strategic Small Size Store Business**

Provides daily life necessities in neighborhood locations.



#### **Shopping Center** Development Business

Creates shopping centers that coexist with local communities.

#### **SM (Supermarket) Business**

Supports daily shopping activities by developing stores tailored to local needs.





# China Business

\_everages expertise developed in Japan to create shopping centers in



# **Digital Business**

Employs the Internet to offer a new way to shop.



# **ASEAN Business**

Delivers the enjoyment that can be experienced through shopping to countries in Southeast Asia.



