



“Everything we do, we do for our customers.”

Environmental and Social Initiatives

2014 AEON Sustainability Magazine

Top Message



We aim to respond to the expectations of our diverse stakeholders, and to share our success as Asia's pre-eminent retailer.

Group CEO,
President of AEON CO., LTD.

岡田 元也

Motoya Okada

Since its establishment over 250 years ago, we at Aeon have continuously acted to fulfill our mission as a retailer. That mission starts with our 'customer first' philosophy and commitment to offering our customers safe and convenient high value products and services. We are also dedicated to strengthening relations with the people of local communities through our activities and contributions to community development.

We have maintained our philosophy while responding to changing times in collaboration with like-minded companies aiming to keep up to date with the times technically and socially. The Aeon Group has today become the largest retailer in Japan and in Asia, with 420,000 employees and over 6 trillion yen in sales. Our Medium-term Management Plan (FY2014-2016), positions the Aeon Group to address various social issues and to experience growth opportunities in the substantially changing market climates of Japan and Asia. In response to the advancement of a digital and ageing society, Aeon is offering services, products, and stores that allow everyone to shop in comfort with Aeon's 'senior shift' and 'digital shift' programs. Additionally, Aeon's 'urban shift' program is developing stores and businesses geared to

the lifestyle of people in cities, and 'Asia shift' is prepared to provide safe and reliable products and services to the people of the rapidly expanding markets of China and ASEAN countries. The new Medium-term Management Plan, built on the previous Medium-term Management Plan, is intended to accelerate and strengthen these '4 shifts' in order to respond to the diversification of customer needs. Aeon is also reinforcing its TOPVALU brand as it celebrates its 40th anniversary, and implementing product-oriented reforms.

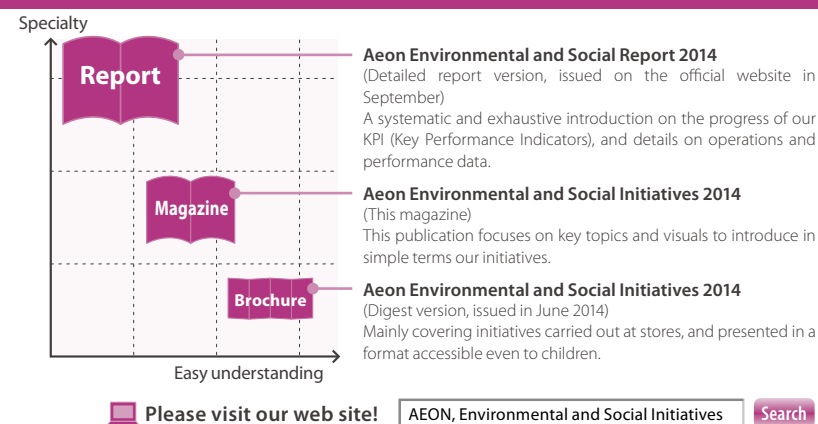
A necessary element for promoting such plans is the promotion of our 'diverse human resources,' the Aeon Group's most valuable management asset. Aeon's growth is supported by its global management strategy and by the diversity of the Aeon people who are able to flexibly respond to community needs and to rapidly changing markets. Through the strength of our three coordinated headquarter offices in Japan, China, and ASEAN, we strive to achieve both sustained Aeon Group growth and social development. Responding to the expectations of our diverse stakeholders, we aim to share our success, gained through 'sustainable management,' as Asia's pre-eminent retailer.

Editorial Notes

To responsibly explain our actions to our customers, suppliers, and other stakeholders, and to engage in interactive communication to promote our efforts to achieve a sustainable society, we began, in fiscal 1996, to issue the Aeon Environmental Report. It became the Aeon Environmental and Social Report in fiscal 2003.

As we moved forward with various initiatives, report content expanded and discussions became more detailed and specialized. We began to receive more and more customer requests for content to be expressed in easily understandable terms.

Therefore, we are presenting content according to different media since 2011, as follows.



With our Customers Towards the Next 10 Million Trees

We will continue in our mission to work together with people the world over to deliver a future rich with thriving forests.

In 2013, the number of trees planted through The Aeon Hometown Forests Program, a project to plant trees with our customers at new store sites, and the Aeon Environmental Foundation, a non-profit organization dedicated to regeneration of forests worldwide, exceeded 10 million.

Faithful to the original intention of our tree planting activities, to bequeath irreplaceable earth beautifully to the next generation, we will continue to plant and nurture trees together with our customers and stakeholders throughout the world.

Correction to the figure for number of trees planted (unit: 10,000)
*Combined total for the Aeon Hometown Forests Program and Aeon Environmental Foundation

Year	Number of trees planted (unit: 10,000)
1991	13
1993	83
1995	161
1997	245
1999	375
2001	485
2003	553
2005	663
2007	792
2009	923
2011	967

1991: The first Aeon Hometown Forests Program store Aeon Malacca SC (former, Malaysia Jusco Malacca)

1992: The first Aeon Hometown Forests Program Japan store Aeon Hisai (former, Jusco Shin Hisai)

1998: Initiated Tree planting project to revitalize the forests at the Great Wall of China Aeon Environmental Foundation (former, Aeon Group Environmental Foundation)

2012: Aeon Joining Hands Reforestation Program (Aeon Town Shioyama) Carrying out tree planting in the Great East Japan Earthquake area

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10 Million Trees Planted with Our Customers

The "My favorite tree" Project

Members of the Aeon Cheers Clubs in Japan, China, and Malaysia made wooden plaques with the phrase "Thinking of Trees and Forests." They attached these to their favorite trees.



The wooden plaques were made from Rikuzentakata Iwate Prefecture cedar trees destroyed by the tsunami following the Great East Japan Earthquake. Aeon people helped as volunteers in gathering the wood.



"Customer Wish Messages" Project



Aeon carried out a campaign at stores in Japan, China, and Malaysia, where customers wrote 'thinking of the future' on strips of paper that were then pasted on boards. In Japan, starting in 2014, one tree for each panel will be planted in areas affected by the Great East Japan Earthquake.



Unveiling of Monument Celebrating 10 Million Trees

Over 10 Million Trees Planted

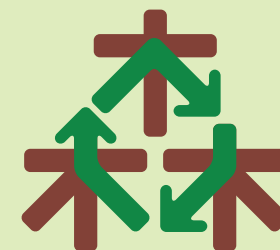
The number of trees planted reached 10 million on November 17, 2013 on the occasion of a tree-planting event at Aeon Mall Makuari New City as part of the Aeon Hometown Forests Program. Around 3,500 people participated on that day, and around 30,000 saplings were planted.



Total number of trees planted in 2013 reaches 10 million

Towards the Next 10 Million Trees

Looking to the next 10 million trees, Aeon will continue to plant trees – to enrich people's lives around the world, and for protection from the devastation of tsunami and natural disasters. We plan to strengthen our activities to develop forests and to actively promote initiatives related to construction materials and store merchandise produced from forest materials. We would like to enrich people's lives with the bounty of nature brought about by forestation, and take a long-term perspective in cooperation with those involved in agriculture, forestry, and fisheries.



Letting Forests Grow
"Plant, Nurture, Thrive"



Plant

Planting the Next 10 Million Trees – for the regions and for the future

VOICE

I am an advisor on tree planting activities in Malaysia and I belong to an agency that carries out tree planting for the benefit of the environment and living in harmony with nature. The resulting trees and forests play an important role for wildlife habitats and also for our education. I will continue to work with Aeon in their efforts to bequeath a green earth to the future.



Tree Planting Activities in Malaysia



Dr. Ang Lai Hoe
Forest Research
Institute Malaysia (FRIM)

The Origin of Tree Planting Activities

Around 50 years ago, in the 1960s, Takuya Okada, then president of JUSCO (present day Aeon) and currently Aeon Honorary Chairman and Advisor, noticed that the Nandina Heavenly Bamboo flowers in the garden of his home in Yokkaichi city, Mie prefecture had stopped blooming. He assumed that was a result of the earth's changing environment. He also felt a sense of crisis, realizing that the pollution accompanying economic growth would create social problems and that the loss of nature's richness would be connected with a loss of sources of wealth. The result was contemplation on how a retailer could improve the situation, and establishment in 1991 of The Aeon Hometown Forests Program. Since that time, Aeon has been planting trees with our customers at new store sites, taking advantage of our special close relation to the community as a retailer.

Laying a Foundation for Peace

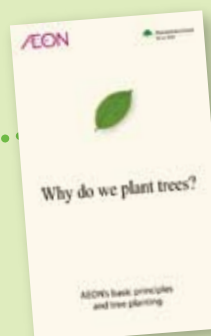
Environmental problems threaten to destroy the health and well-being of everyone on Earth...Aeon's business is conducted in close contact with the lives of people and Aeon's tree planting activities aim to create a peaceful society by solving issues of the environment.

Growing Together with Communities

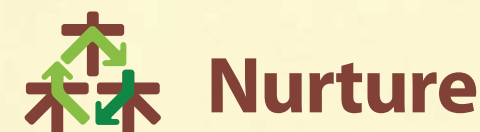
Aeon is building forests vital to regions by planting native trees. Further, learning and sharing that occurs through the process of planting trees is also something Aeon wishes to continue to foster.

Creating a Space for Lively Communication

People of all ages, from children to senior citizens, enjoy getting together to plant trees and exchange conversation. It is Aeon's desire to expand opportunities for such occasions of exchange through tree planting.



A booklet was distributed to Aeon people to highlight the significance of Aeon's tree planting activities as an expression of Aeon's Basic Principles.



Nurture

Growth of Forests Enriches Lives

VOICE

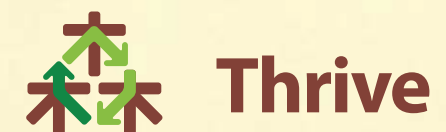
Thanks to the activities of the Aeon Environmental Foundation over 12 years beginning in 1998, the forests around the Great Wall of China were gradually revitalized and the area of the Great Wall is now covered with green again. Around 600 people joined in on "The Great Wall Tree Cultivation Project" maintenance activities conducted in September 2013. This kind of international environmental protection activity plays an important role in rehabilitating the eco-system around Beijing, and in building ties of friendship between Japan and China.



Genwu Zhao
Deputy Secretary General
of People's Government
of Beijing Municipality



The Great Wall Tree Cultivation Project (2013)



Thrive

Construction Materials and Products from Forest Thinning and Planted Forests

VOICE

AEON FOREST CO., LTD. is promoting the franchise in Japan of British cosmetics maker The Body Shop. The Body Shop's combs and foot files made of FSC* certified wood. We are engaged with Eco-Friendly products.

*FSC (Forest Stewardship Council system authenticating products made from properly managed sustainable forests.)



Mika Hashimoto
AEON FOREST CO., LTD.
(The Body Shop)

THE BODY SHOP.



The Body Shop FSC Certified Products

Store initiatives



Issue Awareness

Stores meeting the needs of customers, communities, and the environment

In the unprecedented confusion immediately following the Great East Japan Earthquake, the retail and supply delivery industries played a major role as bases for daily necessities and as temporary evacuation shelters. In addition to the traditional role of supplying daily necessities, retailers became a lifeline. Aeon, reassessing its position, looked to develop its already existing Eco-store activities through a variety of measures to assure people's safety and security.

Aeon's Approach

In addition to environmentally friendly initiatives, Aeon is planning a new generation of stores of more convenient, safe and secure stores that use energy more efficiently and take measures to more easily respond to disasters.

The Next Generation Store 'Smart Aeon'

The Aeon ECO Project has set environmental targets for fiscal year 2020. In addition to environmental considerations, Aeon will also be developing next generation energy efficient 'Smart Aeon' stores prepared for disaster response and community development in collaboration with community people.



50% reduction in energy consumption



200,000 kW from renewable energy sources



100 disaster-prevention facilities across Japan

Aeon Mall Osaka Dome City



Along with providing a disaster response base for communities, Aeon is contributing to overall community thermal flexibility and energy use reduction through a gas co-generation system that re-directs excess heat from waste incineration.

Aeon Town Shin-Funabashi



Taking advantage of cutting-edge knowledge and technology, and connecting people through Aeon's "Smart Share Town Initiative," with the cooperation of Aeon Mall Funabashi, Aeon is creating environmental value on an ongoing basis.

Aeon Mall Yahata Higashi



Aeon is promoting energy 'visualization' in conjunction with community energy management systems and is participating in the Ministry of Economy, Trade and Industry's "Next Generation Energy and Social Systems Demonstration Project."



Close UP! Opening of Aeon Mall Makuhari New City

Aeon's Flagship Mall – bringing together the collective power of the Aeon Group

Enhancing Earthquake Response and Reconstruction

Aeon Mall Makuhara New City, opened in December 2013 in Mihama, Chiba city, is a consolidation of the collective strength of the Aeon Group. It is built on the concept of 'a place where "excitement" is created.' Along with various new types of stores and businesses never before seen in Japan, theaters, theme parks, and museums provide a place to enjoy new experiences. With its 'Smart Aeon' facilities, it is also fully equipped with the latest devices to be a disaster recovery base with reinforced anti-seismic function buildings and facilities.

Environmental and Energy Conversation Initiatives



Solar power generation maximum capacity (1,750 kW) equipment available for commercial use.



14 electric charger vehicle (EV) station units



Equipped to be authorized disaster recovery base



A special construction method with enhanced anti-seismic capability, using an open ceiling design for main walkways to prevent falling objects.



Co-generation systems and long-life emergency generators.



Installation of water tanks (with 380 ton effective capacity) to ensure emergency drinking water supply.

VOICE

Customer and Community Safety is Our First Priority

Aeon Mall Makuhari New City has adopted various measures following the 5 Smart Aeon criteria. Buildings and facilities have been built with emphasis particularly on disaster prevention and community infrastructure. Valuable lessons learned from the Great Japan East Earthquake on how a retailer can play a vital role in community infrastructure provide a base for Aeon's promotion of store operations that make safety a priority.



Masato Murai
Director
AEON Mall Co., Ltd.

Highlight 2 TOPVALU Initiatives



Issue Awareness

Public expectations on safety, reliability, the environment and social issues

Consumers seek product safety, quality, and reliability in addition to attractive price and good taste. Public concern is growing also in the areas of international legal and regulatory product manufacture standards compliance, human rights and labor conditions of workers, and the issue of product procurement natural resource depletion. Aeon's TOPVALU brand is addressing such public concerns and responding to expectations with a variety of measures prior to offering products for sale.

Aeon's Approach

**As the TOPVALU brand celebrates its 40th anniversary,
Aeon is committed to responding to customer expectations
and determined to continue socially responsible activities.**

Taste, Price, Food Safety and Reliability, Quality, Sustainable Procurement... Responding to changing trends in public expectations

In 1974, when manufacturers raised product prices in response to rising raw material costs in Japan, Aeon instituted its corporate 'customer first' policy and developed J-Cup, its own brand of cup noodles. Customers enthusiastically welcomed this product with its exceptionally low price and high quality. That marked the start of the TOPVALU brand that has since greatly developed, expanding product choices in response to customer expectations for reasonably priced safe and reliable everyday products.

Aeon is complying with international standards, laws, and regulations and making efforts to promote desirable working environments. The Aeon Supplier Code of Conduct* initiated in 2003, is a unique contract with manufacturers that assures that Aeon's TOPVALU brand manufacturing partners honor and protect workers' human rights and work conditions.

In 2014 on the occasion of TOPVALU's 40th anniversary, Aeon extended the socially responsible activities in sustainable product procurement related to this highly familiar consumer brand.

* **Aeon Supplier Code of Conduct:** Aeon has developed a manufacturers code of conduct to ensure that suppliers comply with national and local laws, operate safe and hygienic work environments, respect human rights and guarantee appropriate working conditions and wages.



Aeon's first private brand product, J-Cup, radically influenced retail business, causing other companies to rush to develop their own private brands.

An Aeon Supplier Code of Conduct inspection calling attention to a fire extinguisher display problem at a manufacturing plant.



A New TOPVALU Brand System



LOSE UP! Responsible fish farming

Handing Down Natural Resources to the Next Generation

Aeon Sustainable Procurement Principle/Aeon Sustainable Seafood Procurement Policy

The "Aeon Sustainable Procurement Principle, formulated in February 2014, incorporates elements of biodiversity conservation and resource depletion prevention. The "Aeon Sustainable Seafood Procurement Policy" was established for the purpose of more actively providing ASC (Agriculture Stewardship Council) certified products and other sustainable seafood.

Worldwide Consumers Demand for Sustainable and Socially Responsible Farmed Fish

Although the volume of farmed fish has doubled in the past 11 years, overfishing of small fish in the wild, both for consumption and for feed in fish harvesting, and marine pollution remain causes for concern. In March 2014, Aeon initiated sale of Aquaculture Stewardship Council (ASC) certified TOPVALU Raw Atlantic salmon. Aeon plans to expand the ASC certified product line to 6 types of fish by 2016.



TOPVALU Raw Atlantic salmon

Aeon Sustainable Procurement Principle

- 1 Elimination of illegal trading, harvesting and fishing of natural resources
- 2 Setting and following Aeon's standard for conservation of biodiversity and prevention of natural resource depletion
- 3 Minimizing use of non renewable resources
- 4 Establishing agricultural and fishery production location and fishing method traceability
- 5 Conservation and prevention of destruction of high-protective value forests

Specific Measure of "Aeon Sustainable Seafood Procurement Policy"



VOICE Delivering Freshness, Quality, Sustainability

We are convinced of the tremendous importance of offering ASC certified salmon for sale. The bounties of nature sustain our lives. Building a sustainable society and respecting natural resources is essential in order to assure that the resources remain in the future. Aeon's mission is to transmit the value of sustainability to our customers and to the world at large.



Kinzo Matsumoto
General Manager of
Minami-kanto
Food Department
AEON Retail Co., Ltd.

Highlight

3

Activities in China and ASEAN



Issue Awareness

Contributing to sustainable growth and affluent lifestyles in Asia

The rapid growth of Asian economies in recent years has resulted in increased numbers of people belonging to the class of "middle income earners,"* and robust growth in consumer demand. While this phenomenon may contribute to sustainable economic development, the expansion of the middle class also brings with it problems of widening income gaps and environmental problems related to increased waste. Along with making contributions to more prosperous lifestyles among our customers in the Asian region through our business activities, Aeon's development of relations of trust with community retailers also allows Aeon to contribute to social and environmental initiatives.

Aeon's Approach

Building on experience and expertise gained in Japan, Aeon promotes various environmentally and socially conscious activities when opening stores in Asia and, moreover, Aeon is building stores that promote meaningful community relations.

Expanding in China and ASEAN

Aeon has established headquarter offices in Malaysia and China and is creating deep links with local customers and communities in ASEAN and China in a desire to contribute to the creation of affluent and peaceful societies throughout Asia. Aeon can promote activities through communication with local people based on the knowledge and experience of environmental and social programs developed in Japan throughout the Aeon Group. In this way, Aeon continues to contribute to the sustainable development of local communities and to focus on activities that correspond to the unique needs and social issues of the local communities.

Aeon Group Spanning 14 Countries

Consolidated operating revenue
¥ 6,395 billion

Number of Group employee
420,000 people



Aeon Group's Shared Social and Environmental Initiatives



Aeon Hometown Forest Program (AEON VIETNAM CO., LTD.)



Aeon Happy Yellow Receipt Campaign (AEON (CHINA) CO., LTD.)



Aeon Cheers Club (AEON Co. (M) Bhd.)



Conference on energy management (AEON (Thailand) CO., LTD.)

Aeon Group Environmental and Social Activities



New Year's Visit to Welfare Facility (AEON Stores (Hong Kong) Co., Limited)



Activity Supporting Education (BEIJING AEON CO., LTD.)



Event to Promote Recycling (AEON Co. (M) Bhd.)



Close UP! Store Opening in Cambodia

Contributing to the Lifestyle of Cambodians

Providing Products for a Comfortable Lifestyle

Updating Employment, Education, and Distribution Systems

Aeon opened its first store in Cambodia, Aeon Mall Phnom Penh, in June 2014. It is the largest and first mall-type shopping center in Cambodia. Aeon is providing a variety of products and services to the Cambodian people in support of their rapidly growing per capita GDP. Aeon is at the same time supporting employment, human resource development, and modernization of distribution in Cambodia.



Aeon Mall Phnom Penh (image)

History of Interaction Between Aeon and Cambodia



Exchange Activities

Continuing Since 1998

In 1988, Aeon began support for Cambodia through fundraising for prosthetic limbs for landmine victims at the Regional Physical Rehabilitation Center in Battambang. Following that, Aeon engaged in a variety of support activities, including donations through the Aeon Environmental Foundation and the Aeon 1% Club Foundation, construction support for 149 schools in Cambodia, donations to the Preah Norodom Sihanouk-Angkor Museum, provision of safe water through the Aeon and UNICEF Safe Water Campaign, and tree planting in the vicinity of Angkor Wat.

VOICE Happy Children and Satisfied Customers

Cambodia has also been enjoying rapid economic growth and in June 2014 an Aeon Shopping Center was opened. The joy and bright expectations of the children and customers at a tree planting activity in advance of the opening was apparent. We are confident that the lives of these people will be made better by the shopping center.



Te Chantra
Education senior officer
AEON (CAMBODIA) Co., Ltd.

*OECD defines 'middle class' as households having average PPP (purchasing power parity) of \$10 - \$100 per capita per day.

Highlight 4

Diversity Initiatives in Human Resources



Issue Awareness

Fostering the Diverse Abilities of Aeon People

Diversity management is the most pressing requirement for corporations confronting transformations related to business globalization, and the ability to respond to differences in gender, age, and nationality, as further to have an orientation that actively encourages each individual's unique talents is vital. Human resource diversity has been a key factor in the growth of the Aeon Group through several mergers in Aeon's history. Aeon is now reinforcing initiatives to cultivate the individual abilities of Aeon people.

Aeon's Approach

Aeon seeks to be an organization that creates value for our customers by encouraging the different opinions and values of Aeon people. We are actively promoting measures to advance women employees and people with disabilities, and are also putting emphasis on 'people to people' international exchanges.

Aeon's Diversity Declaration

Aeon launched its Office of Diversity in 2013, convinced of the importance of innovation derived from the interaction of the diverse people (employees) of the Aeon group, and of the value passed on to customers the world over through respecting the individuality of Aeon people. In 2014, Aeon formulates its "Aeon Diversity Declaration" as a blueprint for achieving target diversity figures set for the year 2020.

Aeon Human Resources Management



Five Human Resources Principles

- 1 Fairness
- 2 Respect
- 3 Openness to change
- 4 Rationality
- 5 Ability Development

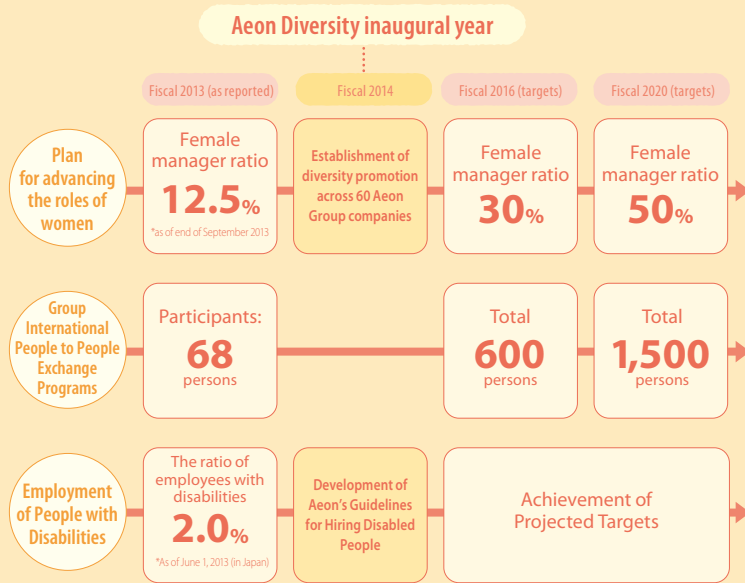
Basic principles on personnel

With the primary objective of management based on respect for human rights, the Aeon Group's basic principles on personnel revolve around listening to employees' aspirations, understanding employees' feelings and making the most of what employees have to offer, based on the guiding philosophy of ensuring that all Aeon people lead a full life at work, at home and in the community.

Basic approach to personnel

- Creating a corporate environment in which human resources can continue to grow as they work over the long term.
- Dealing with personnel based on ability and achievement, not nationality, age, gender or category.

Roadmap to Fiscal 2020



lose UP! Measures to Advance Women Employees

Aiming to be an excellent place for women to work, and a corporation that gives women exceptional opportunity

Medium and Long-Term Action Plans

As a first step in achieving our goals as an excellent place for women to work and an organization that gives women exceptional opportunity, the 60 Aeon Group companies in April 2014 joined in setting up a structure to promote diversity management. The Aeon Group companies share 4 priority themes: "work-life management," "advancement of women," "corporate culture reform," "management consciousness reform," and a 6 point plan to achieve results in these areas. Each Aeon company will continue to formulate measures while conducting analysis to assess initiatives.



Kick-Off Meeting with Planning Leaders from 60 Aeon Companies

A kick-off meeting was held in April 2014, with corporate leaders and diversity managers, with representatives from Aeon Group's 60 companies, attending. There was a keynote presentation and exchange of ideas on the way forward.

Establishment of Nurseries at Shopping Centers

Aeon is promoting the establishment of nursery facilities at shopping centers as a way to help women balance work and childcare and to smoothly re-enter the work force. The nurseries support Aeon people working at the shopping center, as well as shop employees and shoppers, and are open from early morning to nighttime 365 days a year. The system was instituted at Aeon Mall Makuhari New City with a view to opening similar facilities nationwide.



Nursery facilities (image)

Four priority themes/ Six Initiatives

Four priority themes

- 1 Work-life management
- 2 Advancement of women
- 3 Corporate culture reform
- 4 Management consciousness reform

Six Initiatives

1. Effecting ongoing management priorities
2. Establishing a group-wide planning and promotion structure
3. Reforming mid-management consciousness
4. Evaluating and revising current operation criteria and processes
5. Expanding women's self-awareness and change based on experience and education
6. Creating systems to balance work and life events

In advance of instituting the four priority themes and six initiatives throughout the Group, the projects were initiated in 10 business sections and 14 companies. The program was implemented group-wide following narrative and numerical analysis of the results of the advance projects.

VOICE

Diversity benefits customers, employees, and companies

From the time of the establishment of JUSCO, Aeon's predecessor, the organization was committed to an equal opportunity employment policy of non-discrimination on the basis of gender, nationality, education, previous employment, age, etc. Aeon's Diversity Office is currently carrying out initiatives to assure that an environment to maintain these concepts continues. Our aim is to link customer, employee, and company satisfaction with a diverse climate in the business organization.



Emi Tanaka
Office of Diversity
Manager
AEON CO.,LTD.

Tohoku Reconstruction Initiatives



Aeon's Approach

We continue to work on urban development together with our customers, local governments, and business sectors, and to re-open stores and create new stores.

The 'Taking Action for Great East Japan Earthquake Reconstruction' program

In March 2012, one year after the Great East Japan Earthquake, we announced our 'Taking Action for Great East Japan Earthquake Reconstruction' program and began a number of initiatives to work with the community over the long term for reconstruction of the disaster affected areas. Our customers throughout Japan could contribute to Tohoku economic stimulus by buying Tohoku products at Aeon stores. Aeon people could also continue their support through tree planting and volunteer activities such as the "Project Aeon Joining Hands." As a business in the community, Aeon is working hand in hand with people in the affected areas.

Together with our customers -----

Supporting the Children of Tohoku

The Aeon "Happy Yellow Receipt Campaign" is carried out on the 11th day of every month. Starting in 2012, the campaign has been extended every March to three days, during which period 1% of the value of receipts in a specially designated box is earmarked to benefit the children of Tohoku. In fiscal 2014, along with donations from other companies, 111 million yen was donated to foundations that support the 'life' and 'education' for children in Iwate, Miyagi, and Fukushima.



Together with the people of Tohoku ---

300,000 Trees Planted in 10 Years

There is a plan for the planting of 300,000 trees in the Tohoku coastal area over a 10-year period, starting from 2012. In fiscal 2013, 17,870 trees were planted. In 2013, as part of this effort, Aeon started the 'Sapling Foster Parents Campaign of the Tohoku Reconstruction Hometown Forest Program,' inviting customers to take seedlings home to nurture and then return a year later for planting in the disaster affected areas of Tohoku. The seedlings that have been cared for by 'foster parents' are to be collected from all over Japan and planted with local volunteers in Tohoku.



Integrated Aeon Group -----

Aiming for Participation of 300,000 Aeon People

Since 2012, Aeon management and employees have been engaged together in a number of volunteer initiatives throughout Japan to support the disaster affected areas. In fiscal 2013, 63,274 people participated. In fiscal 2014 as well, we are planning 20 dispatches of volunteers to Rikuzentakata city Iwate prefecture, to help in the fields and villages, and to Minami Soma Fukushima prefecture, to mow grass and tidy up houses.



lose UP! Promoting New Town Planning and New Product Development in Tohoku

Creating Safe and Prosperous Living

Contributing to Communities with Stores

Aeon has been supporting people's everyday living, including by serving as an economic base in employing local people, and has been committed to resumption of store operations in the affected areas ever since the occurrence of the Great East Japan Earthquake.

In cities, towns, and villages that suffered extensive damage, much more than simply reconstructing stores is necessary. Large-scale reconstruction, including surrounding infrastructure redevelopment is required. Aeon is creating jobs in stores opened in the Tohoku region, and offering products and services to support daily life. In addition, through the variety of Aeon stores, ranging from super markets to discount stores, convenience stores, etc., Aeon's is creating stores that are responsive to the needs of the community. In fiscal 2013, Aeon opened 33 stores in the six prefectures of Tohoku. In fiscal 2014, Aeon will go on opening stores and working together with local governments and local residents to build prosperous communities.

Sendai, Miyagi Prefecture



The Big Express Shogen Store was opened in March 2013. It is the Aeon Group's first urban commercial park store in Tohoku and it will play a key role in neighborhood infrastructure.

Sukagawa City, Fukushima Prefecture



Sunday Sukagawa Store, a home improvement shop, opened in October 2013. It offers home delivery and rental tools geared to local needs.

Kamaishi City, Iwate Prefecture



Aeon Town Kamaishi opened in March 2014. The buildings and facilities are reinforced against disaster. The new jobs it will create will contribute to the revitalization and development of Kamaishi City.

Support Through Products

Aeon is supporting reconstruction and revitalization of Tohoku agriculture and livestock industries mainly through TOPVALU product lines and other products containing Tohoku ingredients with a "From Tohoku" logo sticker and selling these items throughout Japan. The number of "From Tohoku" products increased five-fold in 2013 in comparison with 2012, to over 200 items. Aeon continues to work with Tohoku producers for product development in 2014.



Catalogue Sales of Tohoku Seasonal Foods



Joint Development with Sanriku Railways and Kuji City Fishing Cooperative

VOICE

Encouraging Aeon Employee Support

It has already been three years since the Great East Japan Earthquake. Since 2013, we have received much encouragement and support from Aeon in the form of letters and volunteers who help with work in our fields. Strengthened by this, we sold eggs, vegetables, and flowers from our farm and felt energized and hopeful.



Hiroshi Kawamura
Chief of Salad-noen
President of NPO Jin
Minami Soma, Fukushima Prefecture

Environmental Conservation

Global Warming Prevention and Resource Conservation

Building stores with a low environmental burden, and building communities.

Aeon is involved in resource conservation and global warming prevention activities, with our customers and with local communities.



Strategies for Reduction, Generation, and Protection by the Year 2020

Aeon ECO Project

In the form of our Aeon ECO Project, Aeon has set environmental targets for fiscal 2020 and is carrying out various initiatives to achieve those targets. With current increasing needs for energy use efficiency and power conservation, and with the experience of the Great East Japan Earthquake, Aeon has added the perspective of "protection" to the environmental conservation perspectives of "reducing" energy use and "generating" renewable energy, as we take on a clear role as a lifeline center protecting the community in disasters and emergencies.

Furthermore, our Smart Aeon initiative is one concrete aspect of the Aeon ECO Project. As of the end of fiscal 2013, we have opened four new Smart Aeon stores.



	FY 2013 Results	Targets for FY 2020
Reduction Strategy	Expected reductions of 20%	50% reduction of energy use in stores compared to FY 2010 levels
Generation Strategy	Electricity generation capacity: 33,247 kW Stores installed with solar panels: 997	Generation of 200,000 kW of renewable energy
Protection Strategy	5 locations across Japan	Make 100 Aeon stores across Japan disaster-prevention facilities

Topics!

Strengthening Business Continuity and Energy Management in Chinese and ASEAN Group Companies

Aeon is participating in the Ministry of Economy, Trade and Industry program for model initiatives for working to strengthen group competitiveness through the utilization of management system standards for business continuity and energy. Along with our Group companies, Aeon is working to bolster our Business Continuity Management Systems (BCMS) and our Energy Management Systems (EnMS).

We are proceeding to make our stores in Japan emergency lifeline centers to strengthen our BCMS, in line with Aeon ECO Project's "Protection Strategy." We are promoting energy conservation at our stores in China and ASEAN countries to strengthen our EnMS, as we work toward our goal of achieving our Aeon ECO Project's "Reduction Strategy" targets. We have held 4 meetings regarding this at our Chinese and ASEAN Group Companies. The meetings included sharing and discussing successful case studies in Japan, as well as setting the direction for measures going forward.

* The purpose of this government program is to strengthen competitiveness, organization, and brand power collectively, as a group formed within a region, within an industry, or within a supply chain, by adopting international standards for BCMS (ISO 22301) and EnMS (ISO 50001). 28 Groups were chosen for this program.



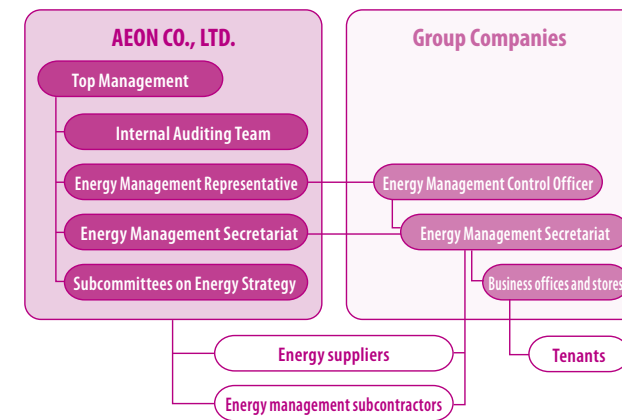
A meeting at Aeon Malaysia

A First for the Retailing Industry in Japan!

Aeon Obtains ISO 50001 Energy Management Certification

At Stores

Framework for Promoting our Energy Management System (EnMS)



In July 2013, AEON CO., LTD. became the first retailer in Japan to acquire the ISO 50001 certification, an energy management certification defined by the International Organization for Standardization (ISO). ISO 50001 is an international standard specification that defines the requirements to be met by business operators when they establish an energy management system. It is being adopted around the world, including in the U.S. and China.

We established an energy management system that covers Aeon Group companies in a Group-wide effort to improve energy efficiency and to work toward achieving the environmental targets of the Aeon ECO Project. We obtained the ISO 50001 certification after receiving a third-party audit by the Japan Audit and Certification Organization for Environment and Quality (JACO). The certification we acquired covers AEON CO., LTD.'s comprehensive energy management efforts of the entire Aeon Group.*

* A total of 48 consolidated subsidiaries in Japan and abroad that are designated as specified business operators under the Energy Saving Act.

Promoting the Adoption of Environmentally-Friendly Refrigerators and Freezers under the

"Aeon Natural Refrigerants Declaration"

In 2009, Aeon became Japan's first retailer to start introducing refrigerators and freezers that use a low-GWP*1 natural refrigerant*2 (CO₂). Following this, we announced the Aeon Natural Refrigerants Declaration in 2011 and are planning to install natural refrigerant-based refrigerators and freezers in every new store to open from fiscal 2015 onward.

As of February 2014, we have installed natural refrigerant-based refrigerators and freezers at 11 stores, including our Aeon Mall Makuu New City store, MaxValu supermarkets, and MINIS-TOP convenience stores. These efforts were recognized in September 2013 when we received the Minister's Prize from the Ministry of Economy, Trade and Industry's 16th Japan Ozone Layer Protection and Global Warming Prevention Award.*3

Aeon will continue to work for increased use of natural refrigerants in cooperation with the government, manufacturers and other retailers, thereby contributing to preservation of the ozone layer and mitigation of global warming.

*1 **Global warming potential (GWP)**: a factor expressing a substance's relative impact on global warming. If CO₂'s value is standardized to 1, GWP values for alternative CFCs used in refrigerators and freezers may reach several thousands.

*2 **Natural refrigerants**: substances known as natural refrigerants include ammonia and carbon hydride as well as CO₂.

*3 **Japan Ozone Layer Protection and Global Warming Prevention Award**: a program sponsored by the Nikkan Kogyo Shimbun, Ltd. (Business & Technology Daily News) and supported by the Ministry of Economy, Trade and Industry, and the Ministry of the Environment, to recognize efforts, effective technology, etc. for preserving the ozone layer and mitigating global warming.

At Stores



Freezers using natural refrigerants

Topics!

Aeon is the only company in the Japanese retail business sector to be awarded for excellence in climate change information disclosure two years running

For two years running, starting in 2012, Aeon has been named in the global NPO Carbon Disclosure Project (CDP*1) inquiry for excellence in the Climate Disclosure Leadership Index (CDLI).

In the 2013 inquiry, 24 out of 500 Japanese companies were named for the CDLI, but Aeon, chosen 4th out of the 24, was the only company from the retail industry. We were recognized for our global, long-term initiatives and proactive stance toward information disclosure, such as our calculation of scope 3*2 emissions and our disclosure of CO₂ emissions that included Group companies.

*1 **CDP**: the single global system measuring, managing, disclosing and sharing important urban and industrial environment related information. CDP's worldwide survey covers around 5,000 companies, including Japan's 500 largest companies.

*2 **Scope 3**: A group, of categories for calculation of GHG emissions. Relating to the scope 1 and 2 categories that refer to emissions from the operations of stores and facilities, scope 3 refers to emissions from production and transport, employee commuting, disposal of products sold, and other upstream and downstream (value chain) emissions. In recent years, global society is demanding scope 3 disclosure as part of calls for increased consistency and transparency of environmental risk and opportunity management.

Donating Solar Systems

to Junior High Schools



The Aeon Environmental Foundation is donating solar power systems to junior high schools with the aim of promoting and spreading environmentally friendly renewable energy, and providing students with the opportunity to utilize the systems for environmental studies. Since 2009, the program has targeted junior high schools in Japan, with a total of 15 recipients as of the end of fiscal 2012.

With awareness in Japan of renewable energy having improved in recent years, the Foundation has decided to donate to ASEAN junior high schools from fiscal 2013. In the first year of expansion, fiscal 2013, we donated solar systems to 10 junior high schools in the city of Kuala Lumpur, Malaysia, which has ample sunshine and is promoting the spread of renewable energy centering on solar power.

In fiscal 2014, we will donate systems to 10 junior high schools in Ho Chi Minh City, Vietnam, where power shortages have become a social concern amidst rapid economic development.



Damansara Jaya Junior High School
(Selangor State, Malaysia)

Collecting Drink Cartons, Food Trays, and Clothing to be

Recycled as Product Raw Materials and Biofuel

with Customers



Collection boxes placed in one of our stores

Collection bins for items such as drink cartons, food trays, aluminum cans, and PET bottles at Aeon stores encourage customers to recycle. Drink cartons and aluminum cans are recycled and some are broken down and used as raw materials for TOPVALU brand products. Food trays and PET bottles are also effectively recycled.

Additionally, since 2003, we have been collecting clothing and promoting recycling at our clothing and variety shop SELF+SERVICE. In fiscal 2013, we collected approximately 18,000 pieces of clothing, a portion of which was recycled as bioethanol. From fiscal 2014, we plan to collect items for recycling at all of our SELF+SERVICE stores.



SELF+SERVICE clothing collection poster

Results for 2013 (Total for 24 consolidated subsidiaries)

Drink cartons

approx. 142.46 million
2013 (tons) 4,273t
CO₂ reduced: 2,137t-CO₂



Food trays

approx. 361.67 million
2013 (tons) 2,531t
CO₂ reduced: 15,950t-CO₂



Aluminum cans

approx. 260.82 million
2013 (tons) 4,173t
CO₂ reduced: 35,889t-CO₂



PET bottles

approx. 132.41 million
2013 (tons) 8,342t
CO₂ reduced: 30,032t-CO₂



Based on the following weight estimates: Drink cartons (1000 ml) = 30 g, Food tray = 7 g, Aluminum can (350 ml) = 16 g, PET bottle = 63 g

* CO₂ reduction rate index (per 1 kg of collected material) : Drink cartons : 0.50 kg-CO₂, food trays: 6.3 kg-CO₂, aluminum cans: 8.6 kg-CO₂, PET bottles (material recycling): 3.6 kg-CO₂

Source: Ministry of the Environment's "Tools for Visualizing 3R Activities"

Reducing Plastic Bag Use

"Bring Your Own Shopping Bag" Campaign

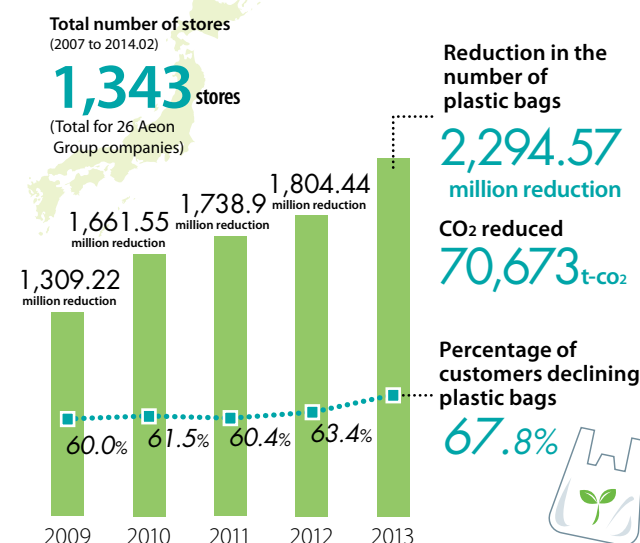
with Customers

For more than twenty years since 1991, Aeon has engaged in efforts to conserve petroleum, the raw material of plastic bags, and cut CO₂ emissions from the production of plastic bags.

In fiscal 2013, Aeon attained the biomass certification mark^{*1} for plastic bags and "My Baskets."^{*2} Moreover, from November of the same year, the "Stop Free Plastic Shopping Bags" program was expanded to grocery item floors at all "AEON" general supermarkets nationwide.

As of the end of February 2014, the reduction of plastic bags at our 26 Group companies has totaled 2,294.57 million bags, with 67.8% of customers declining plastic bags. This result broadly outpaces the 47.9%^{*3} average for retailing businesses and has led to 70,673 tons^{*4} of CO₂ reductions.

For customers that desire them, we offer plastic bags for a fee. We donate the profit^{*5} toward local environmental conservation through local governments, etc., The profit in fiscal 2013 was approximately 38.25 million yen.



^{*1} Biomass certification mark : certification obtained as part of the "plant-derived content certification program" carried out by the two international certification agencies SGS SA and UL Inc. Aeon has had the plant-derived content of its plastic bags and "My Baskets" checked and certified.

^{*2} "My Basket" : dedicated take-home baskets that aim for reducing plastic bags while increasing convenience for customers. Shoppers can carry items straight home without transferring them from their basket into separate bags.

^{*3} As of June 2013. Study by the Japan Chain Stores Association.

^{*4} CO₂ reduction rate index : 30.8 g-CO₂ per plastic bag declined by customers (treated as 6.8 g of unused HDPE plastic bags).

^{*5} Plastic bag profit = Sales price - (consumption taxes + material cost)

Progress of plastic bag reductions



Participating in the Donguri (Acorn) Campaign with our

"Bio My Baskets"

with Customers

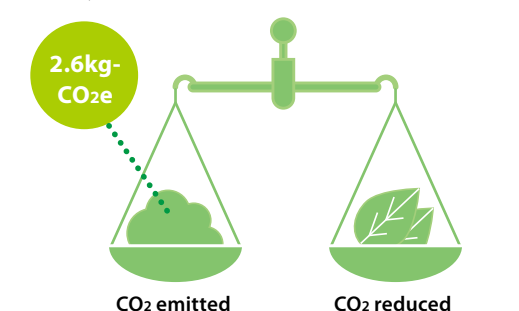
Making, using, and disposing of products emits CO₂. At the same time, efforts toward energy efficiency and reduction can reduce CO₂ emissions. Using the amount of reduced CO₂ to make up for emitted CO₂ is a system called "carbon offsetting." The Ministry of Economy, Trade and Industry is conducting the Donguri Campaign for products and services that effectively eliminate their CO₂ emissions through this system. In this campaign, those zero-emission products and services can display the acorn mark.

Aeon is participating in this campaign and since March 2014 has been selling "Bio My Baskets" (specific baskets for carrying groceries home), which display the acorn mark. Choosing items with the acorn mark when purchasing goods or services can contribute to mitigating global warming.



Bio My Basket

"Bio My Basket" carbon footprint calculations



CFP offsetting Search

Environmental Conservation

Conservation of Biodiversity

Aeon's business depends on living products, such as agricultural and marine products. Recognizing this, Aeon is conscious of and actively promoting biodiversity through development and sales of products, as well as tree planting activities.



Passing Thriving Forests on to Future Generations

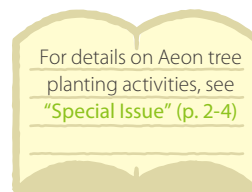
Aeon Tree Planting Activities

with Customers

The Aeon Hometown Forests Program has continued since 1991. Under this program, we join with our customers to plant trees on new store sites. The Aeon Environmental Foundation works with national and local governments as well, planting trees to rejuvenate forests ravaged by natural disasters.

Aeon has continued its tree planting activities for over 20 years. In November 2013, we planted our 10 millionth tree in a commemorative celebration at the Aeon Mall Makuhari New City. Approximately 3,500 customers and employees attended the event where close to 30,000 seedlings were planted and a memorial plaque was unveiled to celebrate the 10 million milestone.

As of the end of February 2014, 10,111,352 trees had been planted through these activities. Aeon is deeply grateful to the customers who have participated in our tree planting efforts and we look forward to the next 10 million trees, which we will plant and nurture alongside our customers and local communities.



Recipients (in Japanese alphabetical order) of the third Japan Awards for Biodiversity

- Ajinomoto Co., Inc. "Joint Tagging Survey of Skipjack off the Pacific Coast of Japan and a Series of Cooperative Projects and Enlightenment Activities"
- NPO Tambo "Restoration of Rice Paddies Devastated by the Tsunami of the Great East Japan Earthquake Using Resilience of the Ecosystem"
- Chuetsu Pulp & Paper Co., Ltd "Bamboo Paper Project"
- TERUHA Forest Association "Aya Lucidophyllous Forest Project"
- Society for Nature Technology, Graduate School of Environmental Studies, Tohoku University "System Construction for the Creation of Nature Technology"



Awards Ceremony

Rice paddy restoration work being done by NPO Tambo, recipient of the Grand Prix

Excellence in Biodiversity Maintenance

Biodiversity Award



The Aeon Environmental Foundation inaugurated the Japan Awards for Biodiversity to promote biodiversity conservation and sustainable use of biodiversity in Japan, as well as the MIDORI Prize for Biodiversity, which is an international prize. The two awards honor recipients in alternate years.

In fiscal 2013, we held the third awards ceremony for the Japan Awards for Biodiversity. With 104 entries from groups and individuals in Japan, a selection committee chose five projects that deserved particular recognition.

In fiscal 2014, we will hold the third awards ceremony for The MIDORI Prize for Biodiversity.

Addressing Issues of Biodiversity Conservation and

Assisting Environmental Activities



Since its establishment, the Aeon Environmental Foundation has been awarding grants for activities related to the preservation and sustainable use of biodiversity in Japan and in developing countries.

In fiscal 2013, 99.16 million yen was awarded to 108 organizations. We will continue in 2014 to call for grant applications.



NPO Eco-Alliance 21 (Mongolia) Locals try their hands at tree planting for the first time

Amami Marine Life Research Association (Amami Oshima) Local residents attending a sea turtle survey course

Promoting the Procurement of

Sustainable Seafood

Products to Ensure that Seafood Continues to Forever Reach Dinner Tables

on Products

Aeon actively works to procure sustainable seafood products in order to help protect limited marine resources and to hand down to future generations our traditional culture surrounding food sources from the water and sea.

Selling MSC-certified products is part of this effort. The Marine Stewardship Council (MSC) is an international body overseeing a program that certifies the fishing industry's commitment to the environment and sustainable resources. The Marine Eco-Label seal of approval is placed on marine products caught by certified fisheries. After beginning to sell MSC-certified products in 2006, Aeon has gradually expanded the number of available items. As of the end of February 2014, we offer customers 15 MSC-certified products across 13 species—more than any other retailer in Japan.

Additionally, we started selling three products certified by ASC (the Aquaculture Stewardship Council) in March 2014. This has enabled us to provide customers with both certified wild fish and certified farm-raised fish. We are striving to increase the number of ASC-certified products available in our stores to six species by fiscal 2016.



MSC-certified Scallop



Selling

FSC® certified products

Protecting the Forests and Nurturing Living Organisms

on Products

The Forest Stewardship Council certifies wood products and paper manufactured with timber from properly managed sustainable forests.

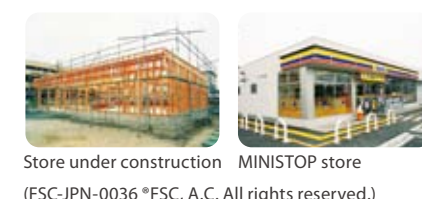
Aeon has been selling notebooks and other FSC-certified paper products since 2008. From fiscal 2011, we have been using FSC-certified materials for price tags and other widely used markers.

Building Biodiversity Responsive Stores

Expanding Use of Eco-friendly

FSC® Japan Certified Wood Materials

At Stores



Store under construction MINISTOP store (FSC-JPN-0036 *FSC, A.C. All rights reserved.)

Aeon has been developing stores with attention to eco-system conservation. MINISTOP CO., LTD., for example, opened a MINISTOP store that used 100% FSC Japan certified materials in 2009, as the first FSC-certified convenience store in Japan. As of the end of February 2014, 89 MINISTOP stores are FSC certified. Going forward, we plan to actively increase the number of environmentally-friendly stores using FSC Japan certified materials.

Topics!

A First for Shopping Malls! Aeon Mall Toin acquires the Sustainable Business Sites® Certificate (for urban areas and shopping centers)

Opened in Mie Prefecture in November 2013, Aeon Mall Toin acquired the Association for Business Innovation in Harmony with Nature and Community (ABINC) certificate for facilities in urban areas and shopping centers supporting biodiversity conservation.

ABINC evaluates and certifies office buildings and commercial facilities for their biodiversity conservation activities, such as landscape designing with greeneries, based on the JBIB Guidelines for Sustainable Business Sites® specified by the Japan Business Initiative for Biodiversity (JBIB). Aeon Mall Toin is one of the first awardees.

Acquisition of the certification recognizes Aeon's efforts, which include tree planting activities carried out with customers when a new store is opened, the Rain Garden™ project to recycle rain water, and the Fureai Park project to save spaces for local fauna and flora.



The Rain Garden™ project to filter rain water through top soil instead of transmitting it directly to sewage pipes

Commitment to Safety and Confidence

Aeon is taking initiatives to ensure that customers enjoy shopping in our stores with confidence, and that Aeon locations offer comfort and convenience to people of all ages and people with handicaps.



Customers' Voices Have Played an Essential Role in Developing the TOPVALU Brand

Aeon developed its own TOPVALU brand of products to improve our customers' daily life. In product planning and design, selection of manufacturers, finalization of product specifications, manufacturing management, and sales, Aeon is creating products with our customer's needs in mind.

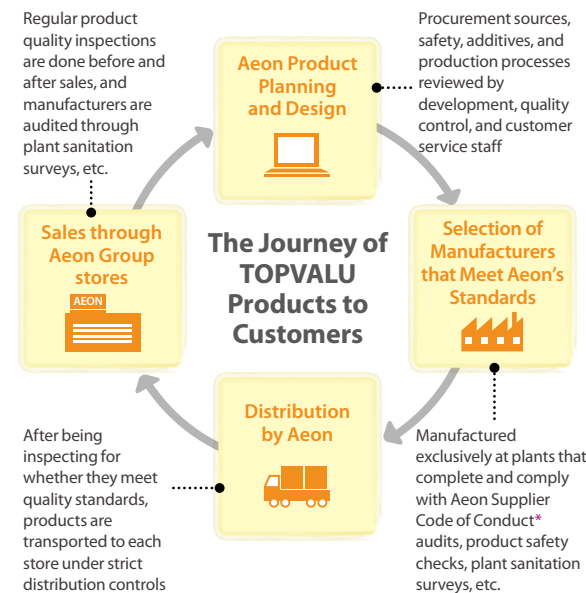
In fiscal 2013, we started using at-home product monitors, in addition to in-store monitors, as a new measure to more accurately grasp customers' needs. The product monitor program has customers trial existing products at home and evaluate features such as flavor, portion, price, and usability. In fiscal 2013, nearly 100,000 customers participated in either of our monitor programs, evaluating over 2,000 products.

In a "product database," we are digitizing and compiling the evaluations from monitors, including categories such as quality, packaging, and inclination to purchase. Going forward, we aim to fully employ the product database to continue refining the appeal of the TOPVALU brand and to further satisfy customers.



At-home product monitors

on Products



* Aeon Supplier Code of Conduct: See the note on page 4

5 TOPVALU Commitments

- 1 We shall reflect the voices of customers in our products.
- 2 We shall offer safe, reliable and environmentally friendly products.
- 3 We shall present product information in an easily understandable way.
- 4 We shall offer products at affordable prices.
- 5 We shall guarantee our customers' satisfaction.

Topics!

TOPVALU renews package design to make it more intuitive for customers

Aeon's TOPVALU brand is now celebrating its 40th anniversary. In February 2014, we restructured and renewed the package design this private brand, as part of efforts for meeting customer needs that are constantly changing along with the times. In renewing the labeling and packaging, we strove for more enhanced communication of product information and simpler, more intuitive design.

"AEON" Logo and "TOPVALU Ribbon"

As a way to more expressly convey that the TOPVALU brand represents the values promoted by Aeon, the "AEON" logo was added to the packaging, while the TOPVALU logo color was changed from its previous red to magenta, the color used for the "AEON" logo. Also, the "TOPVALU Ribbon" was incorporated in the logo design. The ribbon is intended to convey our commitment to customer service, which is symbolized by the image of a gift wrapped in ribbon.



Product Stories

With the intention of effectively communicating the value and merit of each product to customers, Aeon is summarizing background information in the form of a "product story" printed on the package.

Indication of Allergens and Nutritional Components

As a measure that helps customers more easily understand the information of allergens and nutritional components contained in each product, relevant icons will be unified across the entire food product range to be indicated on the package.

Making Stores Convenient and Comfortable for Everyone

At Stores



Step-free entrance



Remote controlled car parking for the physically disabled (Aeon LakeTown)

Aeon developed its own building standards based on the Heartful Building Law of 1994 (revised December 2006 as the Barrier Free Law*). We use these standards when building new stores or remodeling existing locations. As of the end of February 2014, over 720 of our facilities had been certified as compliant with the Barrier Free Law.

We are also committed to incorporating universal design elements, to strengthen store function and design. Recognizing that the number of seniors among our customers is increasing, we aim to incorporate universal design concepts in all of our stores.

* The Act for Buildings Accessible to and Usable by the Elderly and Physically Disabled, also known as the Heartful Building Law, was revised and renamed the Barrier Free Law in December 2006.

Promoting Training of "Care-Fitters" and "Supporters for People with Dementia," in Response to People with Disabilities and an Ageing Society

At Stores

We encourage Aeon employees to acquire Care-fitter*1 certification to help ensure that seniors and people in need of assistance can shop at our stores with total confidence. Certified Care-fitters numbered 10,407 as of the end of February 2014.

Also, to allow a proper understanding of dementia and to enable employees to provide proper assistance, a training course is being offered to employees so they can earn approval as "Supporters for People with Dementia"*2. In November 2013, approximately 800 of the employees of the Aeon Makuhari New City store attended the training in preparation for their store's opening. As of the end of February 2014, there are 43,662 Dementia Supporters, the largest number among companies in Japan, and 832 "Caravan Mate" instructors for the training course.

*1 Care-fitter : a certification administered by the non-profit Nippon Care-Fit Service Association (which changed its name to the Nippon Care-Fit Education Institute (a public interest incorporated foundation) in April 2014).

*2 Supporters for People with Dementia : people certified through a prescribed curriculum course implemented by municipalities and other groups. Supporters have an understanding of dementia and are able, within their abilities, to give care to, watch over, and give support to people with dementia and their families.



Care-fitter Training Session



Supporters for People with Dementia of Aeon Makuhari New City



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

Spreading Group-wide Disaster Prevention and Safety Drills, and Earthquake Disaster Training, to Ensure Safety and Damage Prevention

At Stores



Disaster drill (Disaster Prevention Room inside the Makuhari Headquarters in Chiba Prefecture)

Taking lessons from the experience of the Great East Japan Earthquake, Aeon has been conducting Group earthquake disaster drills twice a year to ensure quick action for the safety of employees and customers in the event of a disaster.

In fiscal 2013, the drills were conducted in July and November. In the drills held in November, Group-wide training was carried out based on our Business Continuity Plan (BCP) assuming an earthquake in the Nankai Trough. These drills were the first opportunity for us to use the Headquarters Disaster Prevention Room, established at the end of 2012. Going forward, we will hold recurring drills while adjusting our predictions in order to swiftly respond during disasters and emergencies.

Contributions to Society

To create a richer society, we are promoting initiatives with our customers and with local communities, to stimulate regions and support people locally and internationally for a better life.



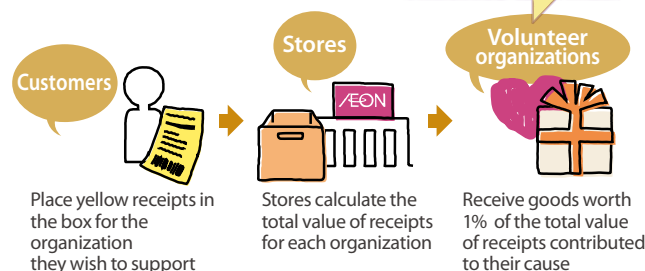
Supporting Local Communities through Customers' Purchases

Aeon Happy Yellow Receipt Campaign

In the Community



Cumulative total of
¥2,216.44 million
in goods donated as of
February 2014



The Aeon Welfare Fund was established in 1977 to promote the welfare of persons with disabilities and to support their independent participation in society. Aeon has carried out various projects, focusing on donating special vehicles and contributing to volunteer activities, through 50-yen monthly employee contributions matched by the employer. As of the end of February 2014, 58,000 Aeon employees are participating in this program.

In fiscal 2013, a total of four of these special vehicles were donated to nearby regional welfare facilities for those with disabilities as we launched new stores in Niigata city, Fukuoka city, Chiba city, and Inabe-gun (Mie Prefecture). This brings the total number of donated special vehicles to 42 since the inception of the Welfare Fund.

In addition, our volunteer activities included roughly 1,000 visits to welfare facilities, with events such as Christmas parties, in fiscal 2013. A total of around 9,800 facilities have been visited so far.

Countless volunteer organizations throughout local communities in Japan are in need of support. At the same time, countless Aeon customers would like to support organizations devoted to their local communities. Aeon, as a local community member, launched the Aeon Happy Yellow Receipt Campaign to link customers and volunteer organizations. Customers participate in the Campaign simply by taking the yellow receipts they receive when making purchases on "Aeon Day," the 11th of every month, and placing them in a box labeled with the name of an organization or a particular activity. Aeon then contributes goods accordingly at a value of 1% of the total amount of the receipts.

In fiscal 2013, the Campaign had expanded to include 22 companies and 1,368 stores, and we contributed goods worth approximately 275.05 million yen to a total of around 22,500 organizations. Since the Campaign's inception in 2001, 195,000 organizations have received support totaling around 2,216.44 million yen.

We encourage our customers to participate in the Aeon Happy Yellow Receipt Campaign. Among other efforts, we offer volunteer organizations a chance to come into stores to talk about their activities. We plan to actively pursue new initiatives that will allow participation by as many of our customers as possible.

Aeon Welfare Fund

Supporting Disabled Persons

In the Community



Donation of a welfare vehicle (Aeon Mall Makuhari New City)



Visiting children at a care center (Hanamaki city, Iwate prefecture)

Contributing to Environment Conservation and Tourism

Expanding Local WAON

In the Community

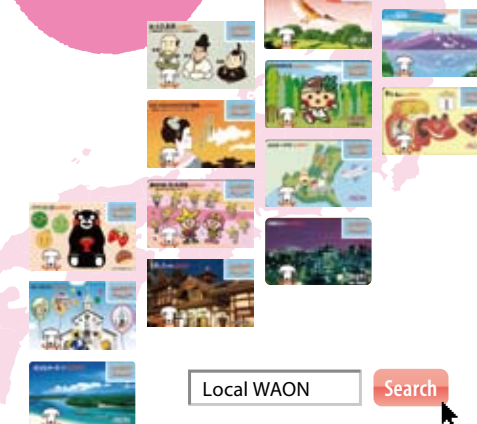
WAON is a system of e-money pre-paid cards available at over 176,000 participating stores throughout Japan. In the case of Aeon's Local WAON cards, a part of the proceeds from sales goes to social contributions for communities.*

The social contributions that result from Local WAON card use are wide-ranging, and include community environment conservation efforts, promotion of tourism and sports, preservation of cultural assets, and animal welfare. As of the end of February 2014, there are 86 different Local WAON card programs featuring wonderful local color, and the contributions to local communities for fiscal 2013 topped 174 million yen.

A total of over 39 million cards had been issued since the start of the WAON system in April 2007, and the use of WAON cards continues to spread. Aeon can offer customers the convenience of an e-money pre-paid card while at the same time actively contributing to the support of local communities.

* with some exceptions

86
different types
of cards issued



Local WAON

Search

Comprehensive Cooperation Agreements

with Local Governments to Promote Economic Development and Safe Communities

In the Community

Aeon has entered cooperation agreements with local governments to effectively combine respective resources for disaster preparedness, social welfare, and environmental conservation, and, through Local WAON cards, to stimulate commerce and tourism. The first Agreement was concluded in June 2010 with the Osaka Prefectural government. At the end of February 2014, we had agreements with 44 prefectural governments and 10 government-ordinance-designated cities.

Through these agreements, we are, providing emergency supplies and emergency shelters for times of disaster, holding local product fairs and promoting local tourism through our stores, and working with local governments to plan and market boxed lunches made with local products. In this way, we are also helping to stimulate local economies and improve daily life services.

Supporting the Autonomy of Product Producers through Everyday Shopping

Promotion of Fairtrade-certified Goods

Around the World



FLO (Fairtrade International) certification mark



Setting the product packages for the two flavors side by side links Japan with the Dominican Republic, the source country for the cocoa

Responding to customers' desire to do something through their purchases for the world's underprivileged, Aeon began developing and marketing Fairtrade*-certified coffee, chocolate and other products in 2004.

Furthermore, as we continue to advance our product development, Aeon announced in January 2014 its plans to participate as the first and only Asian company in the Fairtrade Sourcing Programs, which will be launched by Fairtrade International. These programs aim to increase procurement volumes over the medium and long-term to allow increased trade to contribute to improving the livelihoods of product producers. Aeon plans to increase the purchase of Fairtrade-certified cocoa up to ten times more than the current trade volume (equivalent to 50 tons of cocoa beans) by 2020. We will use the cocoa thus purchased as a raw material to increase the number of products we sell.

Aeon's efforts to promote Fairtrade mark their tenth anniversary this year. Aeon is committed to continuing its efforts to support developing countries through the development and sale of Fairtrade products.

* Fairtrade : an initiative for doing business with producers in need of support in developing countries and setting product prices at levels appropriate to the labor involved. The initiative helps producers attain economic and social autonomy and also supports environmental conservation.

Initiatives for Next Generation Development

Aeon supports education, international exchange, and other youth programs, domestically and internationally, to make a better future based on the healthy development of young people who are the leaders of tomorrow.



Parent-child interaction through nursery rhymes and songs!

Aeon Sukusuku Laboratory

Aeon has been organizing the Aeon Sukusuku Laboratory yearly at Aeon shopping centers since 2007. This is directed to families raising children and includes seminars on childcare led by experts in the field, as well as singing of Japanese nursery rhymes and songs, with children and parents enjoying a meaningful chance to sing together.



Child-raising Seminar by Prof. Katsumi Tokuda, professor of the University of Tsukuba, Graduate School



Ms. Saori Yuki and Ms. Sachiko Yasuda singing a nursery rhyme

Promoting Sound Development of Youth through Hands-on Environmental Education

Aeon Cheers Club

The Aeon Cheers Club provides hands-on opportunities for first through ninth-grade students to learn about the environment. Young people living near Aeon stores can come together once a month or once in two months to participate in Aeon Cheers Club environmental activities with the support of store employees.

The theme for fiscal 2013 was "Resources (Energy)." Around 430 clubs and around 7,500 students from all over Japan participated in the activities. In July 2013, the Aeon Cheers Club National Meetings were held in Okinawa and Hokkaido. A total of 50 clubs, representing the top clubs selected at regional meetings, and 233 awardees gathered, with each club reporting on learning outcomes for the year and participating in nature experience programs. For fiscal 2014, activities will center around the theme of "The Sun and Nature."

In addition, Aeon conducted the Junior High-School Students Environmental Essay Contest for junior high school students in the Aeon Cheers Club. 24 of the contest's winners participated in our "Biodiversity Training Tasmania Tour."



Field trip to study wind power



Presentation of learning outcomes at the National Meeting



'Biodiversity Training Tasmania Tour'

Aiming to raise the environmental awareness of the generation of youth that will inherit our world

Aeon co-hosted the "Gentle to the Earth Essay and Activity Report Contest."



The Aeon Environmental Foundation, desiring to give children a chance to learn about the future of the global environment, implements the "Gentle to the Earth Essay and Activity Report Contest."

In fiscal 2013, we solicited essays and other works on the theme of "What each individual can do for the environment." We received 14,598 entries, including essays, activity reports, and posters on environmental protection. After stringent review, a total of 139 entrants were awarded. Additionally, from the schools that submitted large numbers of entries, five especially deserving elementary, junior, and senior high schools were recognized with the Aeon Environmental Foundation Prize (schools division).



Awards Ceremony

Rice Paddy Activities for Elementary School Students

In the Community

Learning through Rice Cultivation about Sustenance and Our Place in the Natural World

Aeon began the Rice Paddy Activities for Elementary School Students project in 2008. This is an effort undertaken with local agricultural cooperatives and NPOs to teach children about food and sustenance by letting them experience the production process from planting through harvest, and, ultimately, the sale of rice at a retail store.



Rice planting experience (Akamatsu Elementary School, Saga Prefecture)



Raising juvenile nigoro-buna fish (Lake Biwa's endemic crucian carp) in rice paddies (Hayami Elementary School, Shiga Prefecture)



Rice harvesting experience (Kyowa Elementary School, Akita Prefecture)



Rice retail marketing experience (Shibutani Elementary School, Iwate Prefecture)

Promoting high-school students' eco-activities

Aeon eco-1 Grand Prix



With the goal of raising environmental consciousness through providing high school students who have engaged in daily environmental activities with a forum to report their achievements, and an opportunity to connect with other schools, Aeon instituted the Aeon eco-1 Grand Prix. In fiscal 2013, the second year of the Grand Prix, we continued the Research and Special Topics Category, which targets eco-activities that focus on regional characteristics or on a school's special area of expertise, and we newly added the Education and Awareness Category, which targets eco-activities that can be implemented at a large number of schools. In the two divisions, 154 entries were received from 141 schools throughout Japan.

In fiscal 2014, we anticipate that the eco-activities will spread further and we plan to award high schools that attempt new projects while referencing the previous projects undertaken at other schools.



Promotional poster



Prime Minister's Award, Education and Awareness Category, Gifu Prefectural Kamo Agriculture and Forestry High School, "Satoyama Revitalization"



Prime Minister's Award, Research and Special Topics Category, Akita Prefectural Omagari Agricultural High School, "Utilizing Mushrooms"

Teenage Ambassadors

Building Friendship through International High School Student Exchanges



A Japanese high school student trying on lungi (the Burmese native costume) and learning traditional dances during her home stay



Welcome party at the Chinese Embassy in Japan. Students from both countries sing "The Sea is My Home" in Chinese

The Teenage Ambassadors program offers a chance for both overseas students to come to Japan and Japanese students to go abroad to experience mutual exchange, cultural ambassadorship, high school classes, home stays, and more. By the end of fiscal 2013, 1,296 high school students from 16 countries had participated. In fiscal 2013, Myanmar was newly included in the program, and in August 2013, 20 Japanese high school students visited Myanmar. With their local Myanmar counterparts, these 20 students attended high school classes, participated in home stays, and visited the Aeon Gangaw School, an elementary school that was constructed through our School Construction Support Project. In October of the same year, Myanmar high school students were invited to Japan to experience the nature and culture of Okinawa, in addition to high school classes and home stays.

Plans for fiscal 2014 include conducting mutual exchange programs with high school students from the Philippines and Indonesia.

For the Japan-China High-School Student Exchange Program, held every year since its launch in fiscal 2009, 476 high school students from Japan and China have so far experienced each other's countries. In fiscal 2013, our program sought to foster friendship and trust to include 60 participants from each country, and to include home stays and mutual school visits, as well as participation in classes.

High school and university students in Asia study regional issues and make proposals to their governments

Asia Youth Leaders

Aeon is carrying out the Asia Youth Leaders program where high school and university students in countries across Asia discuss regional issues from a local perspective and make proposals to their governments for solving the issues.

In fiscal 2013, courses were held in Indonesia in August (for high school students) and in November (for university students). Students participated from six countries: China, Indonesia, Japan, Malaysia, Thailand, and Vietnam. The theme of the courses was "waste management problems" in the host country of Indonesia. Summaries of the ideas discussed at each course were presented to the government of the Special Capital City District of Jakarta.

Through the Asia Youth Leaders program, it is hoped that the participants will independently act to solve the real issues studied and discussed, and that the interaction will lead young people in countries facing a host of challenges accompanying economic development to cooperate to build fruitful relationships. For fiscal 2014, the program will be held in Vietnam with the theme of "Air Pollution."

* This program was initiated in fiscal 2010 under the name "ASEAN University Students Environmental Forum." The High School Students Division was added in 2013.



Proposing solutions to Jakarta's government (University students)



Discussing Jakarta's waste management problems (High school students)



To deepen understanding of biodiversity and environmental conservation

The Asian Students Environment Platform



The Asian Students Environment Platform was inaugurated in fiscal 2012, following the 2011 United Nations Decade on Biodiversity. The purpose is to develop human resources with a global perspective in the environmental field. University students gather from various Asian countries and exchange opinions about biodiversity while studying the natural environments, histories, cultures, and differences in sensibilities in each other's countries.

The 2nd Platform was held in South Korea in fiscal 2013. 20 new students from Vietnam joined 60 university students from China, Japan, and South Korea who participated in the Platform in fiscal 2012. Following the theme of "The Environment and Humans," participants took part in fieldwork in South Korea and listened to lectures by experts in order to discuss the coexistence of people and the environment, and the conservation of and use of biodiversity.

In fiscal 2014, the Platform is scheduled to be held in China, with participation by students from Malaysia as well as the four other countries, under the theme of "Water and Humans." We plan on increasing the number of participating countries each year, so that in 10 years the Platform will be hosting attendees from throughout East Asia and the ASEAN region.



The event being held in South Korea

To Support Exchange Students from Asian countries and Students in Asian countries

Aeon Scholarship Program



The Aeon Scholarship program was established in 2006 to provide financial support to university students, leaders of the next generation, in Asian countries.

In fiscal 2013, we continued offering the Scholarship Program in Japan, China, Thailand, Vietnam, and Indonesia, while newly adding two universities in Cambodia.

From fiscal 2014, Aeon plans to add universities in Myanmar as well.



Ceremony for presenting scholarship certificates at the National University of Management (Cambodia)

Grants 2006-2013

country	universities	grantees
Japan	14	453 *
China	8	2,470
Thailand	2	80
Vietnam	4	270
Indonesia	2	17
Cambodia	2	6
Total:		3,296

* Privately funded exchange students from Asian countries

Spreading the joy of going to school!

School Construction Support Project

In partnership with the Japan Committee for UNICEF, Aeon has been supporting, construction of schools in depressed parts of Asia since the year 2000. The aim of the project is to instill the joy of going to school in students who do not have access to sufficiently developed educational infrastructure. Through School Construction Support Project donations from customers in stores and other facilities operated by Aeon Group companies across Japan, and with funds added by the Japan Committee for UNICEF and the Aeon 1% Club Foundation, we have helped construct a total of 366 schools in Cambodia, Nepal, Laos, Vietnam, and Myanmar as of the end of February 2014.

In fiscal 2014, we aim to open 11 schools in Myanmar and plan to continue the project's support efforts.



Nepal 57

Myanmar 10

Laos 120

Vietnam 30

Cambodia 149



Old school building in Myanmar with no walls



Children at the newly opened school at Gangaw

The Safe Water Campaign

Bringing Safe Water to Children in Cambodia and Laos



Children enjoying the availability of safe water



Aeon TOPVALU mineral water

In some areas of Cambodia and Laos, an insufficient number of wells and poor water infrastructure means that children have to spend valuable time collecting water, and their attendance at school suffers. From 2010, we have been carrying out the Aeon and UNICEF Safe Water Campaign in order to support the health and education of children by building water supply infrastructure. In fiscal 2013, customer donations were added to contributions from the Aeon 1% Club Foundation, plus 5-yen donations per 500 ml bottle of TOPVALU natural mineral water purchased throughout the duration of the campaign. Total efforts garnered approximately 55.74 million yen, to which the Japan Committee for UNICEF also added funds. Approximately 35,000 people a year have access to safe drinking water as a result of the campaign, while children are able to spend less time on tasks like fetching water and more time at schools.

In addition to Cambodia and Laos, we plan to add Myanmar to the campaign from fiscal 2014.

PET Bottle Cap Collection Campaign

Around the World

Providing Vaccines, Food, and Books to Children in Asia

Since 2008, Aeon has been collecting PET bottle caps from our customers. The caps, as recyclable resources, are sold for cash that is in turn contributed to three international organizations*1 that support children in Asia's developing countries.

In fiscal 2013, 3,465,558 yen from 346.35 million*2 bottle caps was donated to these organizations. The funds will provide vaccines, nutritious food, and books to children in Asia.

*1 The three international organizations are :

- Plan Japan
- Save the Children Japan
- Japan Committee Vaccines for the World's Children

*2 Caps collected from August 21, 2012 through August 20, 2013.



Nutritious food for children in Vietnam

© Save the Children Japan



A grant for library books and library furnishings was made for children in minority ethnic groups in Vietnam

© Plan Japan



Vaccination of children in Madagascar



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Aeon has nearly 300 subsidiaries and over 420,000 employees in Japan, China and ASEAN countries. It provides pleasant and convenient shopping to customers that fits to local conditions. We support daily life needs with a broad array of functions to make life more comfortable for customers.

Aeon Basic Principles

Peace

The Customer

People **Community**

The word ÆON (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, always with the customer's point of view at its core".

The "Aeon Commitment" was established to help us implement these principles and to guide us in our practice of our 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 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, always with the customer's point of view at its core." With "realization of a low-carbon society," "conservation of biodiversity," "better use of resources" and "addressing social issues" as core principles, we will think globally and advance activities locally.

Aeon's Businesses

GMS (General Merchandise Store) Business

SM (Supermarket) Business

DS (Discount Store) Business

Small Size Store Business

Drugstore & Pharmacy Business

Financial Services Business

Shopping Center Development Business

Service Business

Specialty Store Business

E-commerce Business

ASEAN Business

China Business

Aeon is contributing environmentally and socially through business operations, and also through promoting initiatives of the AEON 1% Club Foundation and the AEON Environmental Foundation.

AEON 1% Club Foundation

What is a company's role in society? What do customers expect from Aeon? What should Aeon's aims be as a company?

The AEON Group 1% Club (now, the AEON 1% Club Foundation) was inaugurated in 1989 in response to such questions, and with the philosophy that Aeon should be a company that, for the future and for the community, makes proper use of the benefits we receive from our customers.

Our major group companies contribute 1% of pre-tax profits for a variety of activities centered around environmental conservation, international cultural and 'people to people' exchanges and human resources development, and revitalization of local culture and communities. As a retailer, we are positioned to carry out programs with our customers and we intend to continue to value joining hands with our customers.

AEON Environmental Foundation

We aim to foster plentiful life and an earth that has a variety of riches. Without the earth's riches, all living things, including humans, could not survive. To protect the earth's environment, it is essential that private enterprises and citizen groups work together with local and national government agencies. The AEON Environmental Foundation (formerly AEON Group Environmental Foundation) was founded in 1990 with the intention of supporting and giving assistance to like-minded groups actively developing activities to protect the global environment.

Since the start, AEON Environmental Foundation has been implementing tree-planting activities around the world, as well as a variety of joint environmental protection initiatives, such as development of human resources in the fields of the environment and biodiversity.



About Aeon's Sustainable Management

Yukio Ishizuka
Group Chief Environmental Officer
AEON CO., LTD.

Aeon is promoting 'sustainable management' that contributes both to the development of a sustainable society and to the growth of the Aeon Group.

Aeon's sustainable management is built on the foundation of Aeon's basic principle, "pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view at its core." Aeon people around the world share the Aeon philosophy and are able to respond to global social issues as well as to the demands of each particular community.

Considering the four key issues of the Aeon Sustainability Principle (formulated March 2011): 1) realization of a low-carbon society, 2) conservation of biodiversity, 3) better use of resources, 4) addressing social issues, we have set medium-term (through 2016) and long-term (through 2020) goals for each key issue and instituted a system of Key Performance Indicators (KPI) to quantitatively measure levels of achievement. KPI performance is reported to all stakeholders annually in the "Aeon Environment and

Social Report" on our website (the 2014 edition is scheduled to be available in September)

In fiscal 2013, along with checking the progress of KPI, and strengthening links between our CSR activities and our operations strategy, we organized new goals, such as "working towards zero waste in stores," "providing products to support our customers' healthy life," and "providing more fair trade products," in a "Big Challenge 2020" campaign.

In 2013 we celebrated over 10 million trees planted since 1991. Commemorative celebrations in several countries, and publication of a booklet outlining the significance of our tree planting activities and our Basic Principles, have given us new resolve in our initiatives and for the next 10 million trees.

Aeon plans to continue active dialogue with our stakeholders to intensify sustainable management and realize a sustainable society.

