

# Corporate Governance

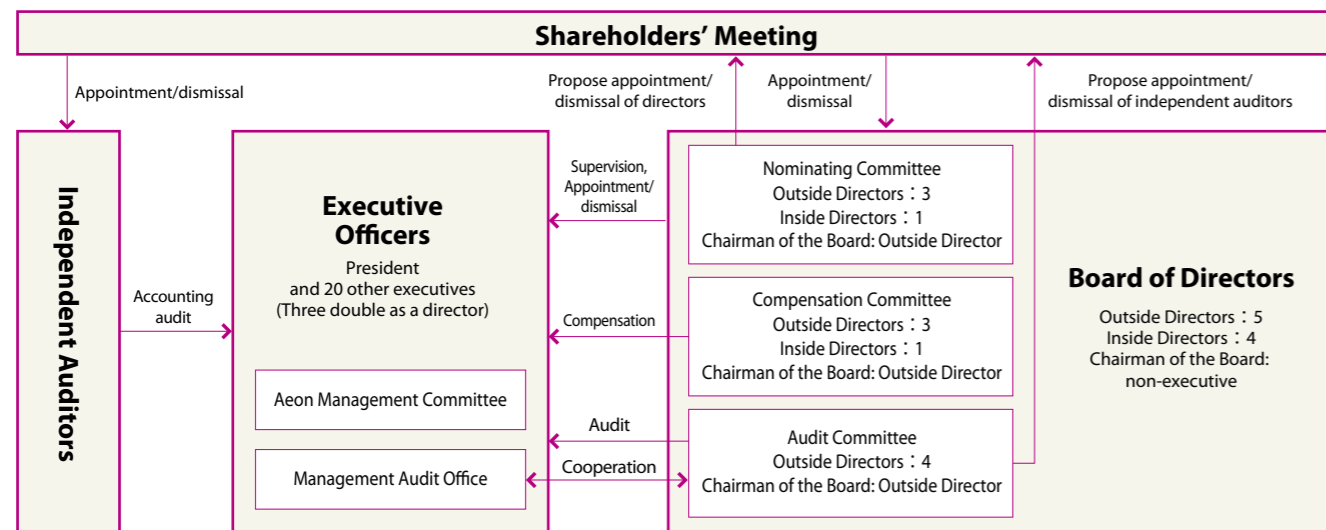
## Basic Approach

Aeon engages in ongoing efforts that address the three core management challenges of corporate governance reform, Group management reform and execution of the Group's corporate social responsibility as a means to building a foundation that will continually enhance the corporate value of the entire Aeon Group.

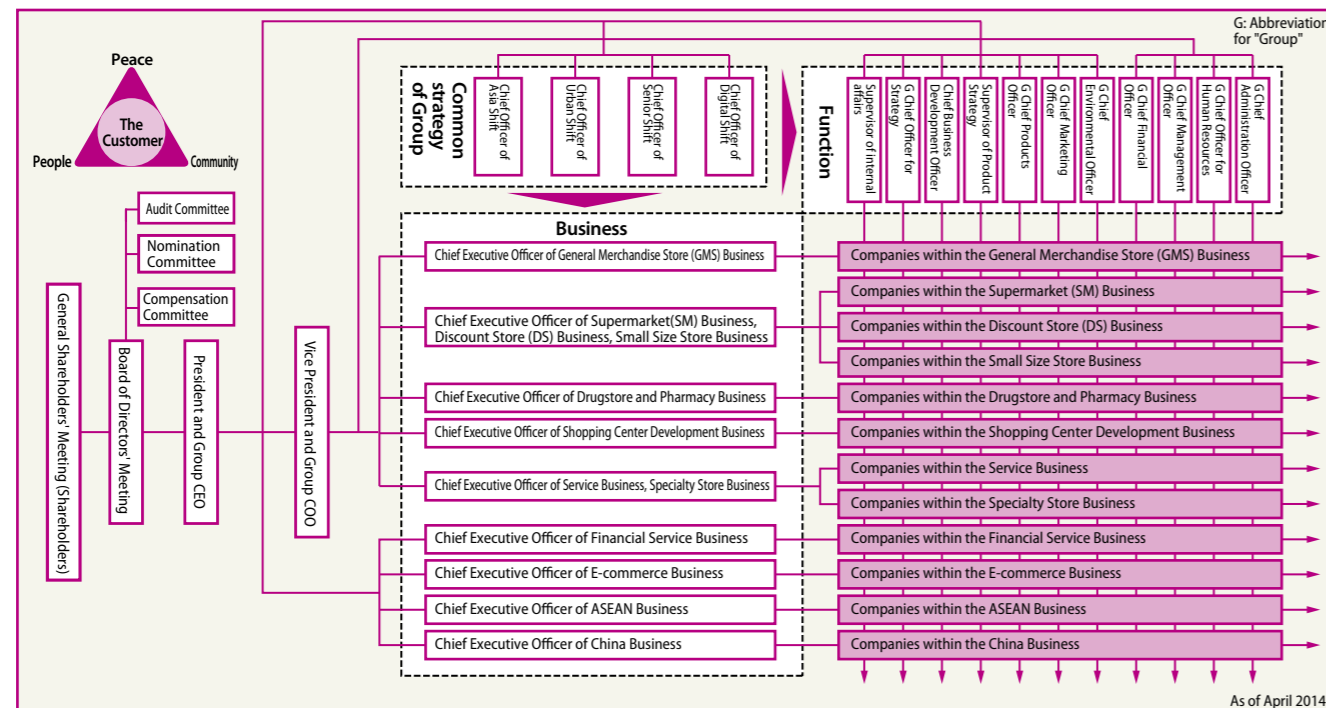
## Corporate Governance Framework

Aeon operates under the 'Company with Committees' system of corporate governance. Supervisory and executive functions of management have been clearly divided, with supervisory functions assigned to directors and executive functions fulfilled by executive officers. Executive officers have been given wide ranging authority to work toward the realization of our medium and long-term goals, which serves to facilitate timely managerial decision making, while the transparency and objectivity of those tasks are ensured by strong supervision from directors, thereby

Corporate Governance Framework (As of June 6, 2014)



Group Management Structure



# Risk Management

## Basic Approach

Aeon regards risk management as an important task of management that is the responsibility of each department. Based on this recognition, daily risk management is handled at the company and department level, while internal control divisions monitor the status of risk management at each department.

The Risk Management Committee performs reviews of and makes decisions regarding external risk factors, such as new infectious diseases and large-scale earthquakes, that cannot be addressed by individual companies, and risks found in products, facilities and services across the entire Aeon Group. We work to foresee, predict and prevent risks with particularly high impact potential by assembling interdivisional task forces.

Aeon has taken an organizational response that includes establishing in-house regulations and forming close ties with investigative agencies with the aim of eliminating aggressive anti-social forces.

## Response to Incidents, Accidents and Natural Disasters

Due to the effect of global warming, there has been an increase in heavy rain in Japan, and a variety of damage has occurred. To respond to such risks, rules and procedural manuals have been devised at Aeon to respond to large-scale natural disasters and major incidents and accidents and we are implementing education and training to ensure swift and precise responses.

In the event that a large-scale earthquake occurs, we will strive to minimize impacts from the event by quickly guiding customers and employees at store sites to evacuation areas, using Disaster Response Divisions at each Group company to confirm the safety of employees, using the Internet and Aeon's intranet to ascertain the status of each Group company and store site, and sharing information between companies to implement organizational countermeasures.

helping increase shareholder value.

Additionally, against the background in recent years of rapid expansion of our business, Aeon recognizes the necessity of an even stronger governance framework. Based on this recognition, we are pursuing reinforcements of compliance training, financial data monitoring, internal auditing, and our risk management framework, in order to bolster our internal control, including thorough compliance and risk management.

Board of Directors' Meeting and Corporate Committees (FY 2013)

	Held	Main Role
Board of Directors' Meeting	7 times per year	<ul style="list-style-type: none"> <li>Oversees the execution of work duties of directors and executive officers.</li> <li>Determines matters that must be decided by the board of directors as stipulated by Article 416 of Japan's Companies Act and matters that cannot be mandated to executive officers.</li> </ul>
Audit Committee	9 times per year	<ul style="list-style-type: none"> <li>Oversees the execution of work duties of directors and executive officers.</li> <li>Determines resolutions concerning whether to appoint, dismiss or reappoint the Company's auditor to be submitted to the general shareholders' meeting.</li> </ul>
Nomination Committee	3 times per year	<ul style="list-style-type: none"> <li>Determines resolutions concerning the appointment and dismissal of directors to be submitted to the general shareholders' meeting.</li> </ul>
Compensation Committee	6 times per year	<ul style="list-style-type: none"> <li>Determines compensation of individual directors and executive officers.</li> </ul>

## Internal Control Systems

Internal control systems are being further developed by reinforcing systems for promoting corporate ethics, the foundation of internal control. We are working to disseminate and instill good corporate ethics in all employees of the Aeon Group in accordance with the Aeon Code of Conduct, which was established in 2003. In addition, an internal reporting channel (hotline) has been set up as a part of our monitoring activities.

Overall internal control design and operation is overseen by the Internal Audit Department, which reports to the Aeon Management Committee (highest level management committee) and Audit Committee.

## Compliance and Corporate Ethics

### Basic Rules —Aeon Code of Conduct

Aeon established the Aeon Code of Conduct in 2003 in order to express the Aeon Basic Principles in terms of a specific set of guidelines. Education and training on the code, establishment of a Code of Conduct Hotline as an internal reporting system, and monitoring activities (the Code of Conduct Survey) were all also started in 2003 in conjunction with establishment of the code.

The Aeon Code of Conduct makes explicit to Group employees criteria for action, consideration and judgment, under the Aeon Basic Principles, in order to serve customers. It is intended as a shared set of values for the Aeon Group.

Aiming to make the Aeon Code of Conduct shared and mutually recognized by all employees, training on the code for Group companies in Japan began on a full-fledged basis in 2004. The same training has been provided by Group companies overseas since 2006.

Since fiscal 2011, we have been working to create a system to disseminate and instill the Aeon Code of Conduct at Group companies in China and ASEAN nations in line with the 'shift to Asian markets,' one of the strategies outlined in our medium term management plan.

#### Aeon Code of Conduct

1. Aeon people are always grateful to the many other individuals who provide support and help, never forgetting to act with humanity.
2. Aeon people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. Aeon people actively seek out ways to exceed customer expectations.
4. Aeon people continually challenge themselves to find new ways to accomplish the Aeon ideals.
5. Aeon people support local community growth, acting as good corporate citizens in serving society.

#### Promotion Framework

The Corporate Ethics Team was established to promote compliance and the code of conduct throughout the Aeon Group, and is under the direct control of the chief officer for Group human resources at Aeon Co., Ltd. The Corporate Ethics Team develops and executes policies for the overall Aeon Group based on an annual plan and proposes and recommends specific measures to address various problems and issues facing the company. The status of compliance issues and initiatives as well as the promotion of the code of conduct pertaining to the overall Group are reported to the Aeon Management Committee, which is Aeon Co., Ltd.'s executive organ, and to the Audit Committee (outside directors).

Companies in the Aeon Group have appointed managers in charge of promoting the code of conduct and have established administrative offices for the same purpose. These managers conduct training at their respective companies, conduct fact finding investigations for consultations reported through the hotline, respond to questions, and report to Aeon Co., Ltd. Additionally, each store and business office selects one to three employees to serve as leaders in charge of promoting the code of conduct. They work as training instructors to disseminate and instill corporate ethics at the workplace level.

#### Code of Conduct Hotline

Aeon set up the Aeon Code of Conduct Hotline as an internal reporting system for employees for employees in 2004. The hotline can be used not only to report non-compliance and improprieties, but also to speak to someone about various workplace issues, such as not being able to speak with a boss or encountering something that is troubling. The hotline handles a wide variety of reports and consultations. It is available to all employees working at the Aeon Group. There are two lines in operation, one for internal consultations and another to connect and consult with an outside party.

Reports and consultations are passed on to Group companies concerned as feedback through managers appointed in charge of promoting the code of conduct. Within two weeks time, an investigation is conducted to ascertain the facts behind each report or consultation, and a response is made, with the results reported directly to Aeon Co., Ltd. In addition, all consultation matters are conveyed to the executive management team of Aeon Co., Ltd. and the presidents of all Group companies in a weekly and monthly report.

#### Implementing the Aeon Code of Conduct Survey

Once a year since 2003 we have conducted an anonymous Aeon Code of Conduct Survey of employee awareness to ascertain the extent to which the Aeon Code of Conduct has penetrated the organization as well as to gather information on workplace issues, employee working formats, motivation levels and the like. This survey is used as a basis for assessing employee awareness and corporate culture across the entire Aeon Group, including its overseas locations, through evaluation of the visibility of promotional activities, the personal commitment of employees and the situation of each workplace. Its findings are also compiled, analyzed as well as shared with Aeon Group companies, and are used to help resolve specific social issues.

In fiscal 2013, we followed on from efforts in fiscal 2012, adding questions related to the Code of Conduct within the morale survey in Japan, and received 96,917 responses from 67 Group companies in Japan, representing an increase of 118.5% in response rate compared with the previous year. Overseas, we instituted a web-based format and received 29,849 responses from 58 Group companies, representing an increase of 116.3% in response rate in year-on-year terms. This significant increase in responses from both Japan and overseas helped us to better ascertain employee attitudes and inclinations.

### Promoting Corporate Ethics at Group Companies Overseas

Since 2006, Aeon has begun introducing Code of Conduct training, establishing hotlines, and instituting monitoring systems (the Code of Conduct Survey) at Group companies overseas.

In fiscal 2013, 48 Group companies overseas participated in executive management training. We are expanding our shared and mutual corporate activities year by year, both inside and outside Japan, including newly operating overseas business sites.

#### TOPICS

#### Utilizing a Picture Book to Share the Aeon Basic Principles

Aeon makes use of the picture book *Arigatou no Yakusoku* ("The Promise of Thank You," Text by Masato Ochi with pictures by Soya Nagashima) as a tool to share and encourage mutual understanding of the Aeon Basic Principles among new employees, employees of new Group companies, and employees overseas whose native language is not Japanese.

By providing the picture book, which introduces the importance of being grateful and saying 'thank you' in any situation, we aim to boost understanding of the essence of our principles in an intuitive manner.

#### Education and Training

Aeon conducts training to disseminate and instill the Aeon Code of Conduct as a buttress for corporate ethics, primarily through four programs: training for executive management, training for code of conduct promotion leaders, general training, and training for new employees. A code of conduct curriculum is also incorporated into problems asked on hiring examinations and in recruitment training.

#### ● Training for Executive Management (since 2003)

Executive management from Group companies learns about and shares the situation surrounding corporate ethics and risk

management both within and outside their own respective companies. The curriculum aims to empower participants with the ability to make their own decisions based on the Aeon Code of Conduct and to lead as well as set a precedent for general employees.

#### ● Training for Code of Conduct Promotion Leaders (since 2003)

Participants learn about corporate ethics and how to proceed with related practices. They also acquire skills for conducting study sessions at their own workplaces on the material covered.

#### ● General Training (since 2006)

All employees of the Aeon Group participate in general training once a year to review the Aeon Code of Conduct. Reconfirming the necessity of corporate ethics helps create a shared set of values among employees.

#### ● Training for New Employees (since 2004)

New employees of Group companies receive training as a part of new employee orientation. Through the Aeon Code of Conduct, employees learn about acting and making decisions while putting customers front and center.

#### Creating Support and Awareness-Raising Tools

In addition to training programs, Aeon also creates a variety of tools to disseminate and instill its Code of Conduct.

For example, the Aeon Code of Conduct Newsletter, published monthly since 2004, presents issues reported or consulted on via the Aeon Code of Conduct hotline, reports on the results of training programs, and conveys Aeon's values through excerpts from the writings of our founder.

Every month 285,000 copies are printed and distributed to employees of Aeon Group companies. The newsletter has been very well received by employees, promoting some to revisit the Code of Conduct and take advantage of the hotline.

#### Regarding the Securities and Exchange Surveillance Commission's Recommendation for an Administrative Monetary Penalty Payment Order to be Issued Against an Aeon Executive Officer.

On May 30, 2014, the Securities and Exchange Surveillance Commission announced that it had sent a recommendation to the Prime Minister and the Minister of the Financial Services Agency for an administrative monetary penalty payment order to be issued against one of Aeon's executive officers for insider trading, an infraction of the Financial Instruments and Exchange Act. We sincerely and deeply apologize for this to all of our shareholders, investors, and other stakeholders.

After being alerted of this case, we immediately organized a recurrence prevention committee and has proceeded to seek out the causes of the insider trading, formulate concrete measures to prevent recurrence, and thoroughly guide the entire Group in the matter. Once the case came to light, we immediately held a briefing for all employees to explain revisions to Aeon's insider trading prevention regulations, including information on the revisions, effective from April 1, 2014, to the Financial Instruments and Exchange Act, etc. In addition, we are working to increase compliance awareness by, for example, requiring pledge forms from newly appointed executives. Going forward, we will strive for the following measures to prevent recurrence.

#### - Primary Recurrence Prevention Measures

1. Hold regular training sessions to raise compliance awareness and prevent insider trading
  - 1) Compliance training for executives (target: 1 session/year)
  - 2) Compliance training for general employees (target: 1 session/year)
2. Revise Aeon regulations on Internal Information Management and Insider Trading Restrictions
  - 1) Thoroughly strengthen a reporting system regarding trading restrictions
3. Submission of executive pledges
  - 1) Require executives to submit pledges once a year
  - 2) Stringently enforce the pledges
4. Bolster our information management framework
  - 1) Increase the stringent handling of confidential information among corporate committees
  - 2) Enhance protection of confidential information at the head office and at business sites

# Environmental Management

## Environmental Policy System

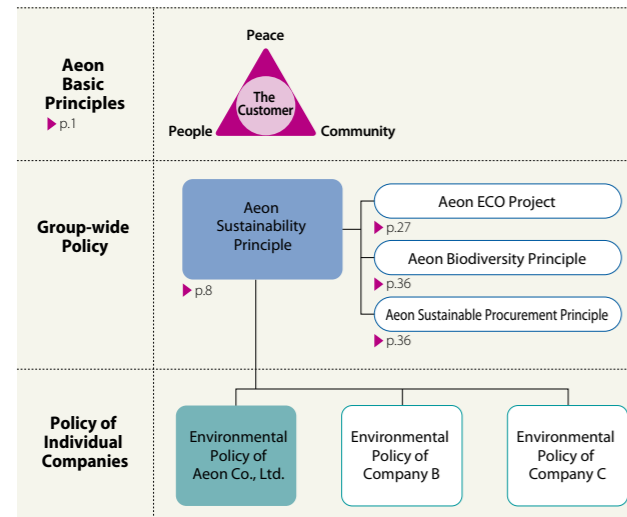
Aeon established the Aeon Sustainability Principle in line with the Aeon Basic Principles as the fundamental policy that governs the environmental and social contribution activities that all Aeon Group companies should take part in. Following these policies, the Aeon ECO Project and the Aeon Biodiversity Principle also represent environmental goals and policies for the entire Group.

Effective measures are conducted following the environmental policies and environmental management systems established by each Group company based on their own unique characteristics. This is because the Aeon Group encompasses a multitude of business areas and the challenges that each Group company faces may differ depending on their operating format and sector.

As an example, Aeon Co., Ltd. undertakes environmental protection activities based on the Aeon Environmental Policy, which sets targets and objectives for such activities pursuant to the key issues defined in the Aeon Sustainability Principle.

Targets for the following fiscal year are determined by sharing environmental activities undertaken across the entire Group under the guidance of the Group Chief Environmental Officer as well as by an evaluation of the progress toward meeting previous targets.

### Environmental Policy System



## Aeon Environmental Policy\*

We strive to balance enriching lifestyles with environmental conservation by providing safe and comfortable stores, products and services to our customers.

We also operate an environmental management system to implement measures, conduct periodical reviews, and promote continual improvements.

- We will strive to reduce the emission of greenhouse gases in all of our business activities in order to realize a low-carbon society.
  - We will continually improve the energy efficiency of our stores.
  - We will strive to reduce the emission of greenhouse gases in all phases of our products' supply chain.
- We will promote conservation activities and ascertain the benefits and impact of our business activities on natural ecosystems.
  - We will strive to develop and procure products that use properly managed resources in consideration of sustainability.
  - We will promote tree planting and raising activities as well as undertake activities that safeguard the ecosystems of local communities.
- We will strive to implement resources conservation and resources recycling initiatives in order to use resources in a sustainable manner.
  - We will promote "reduce, reuse and recycle" for all the resources we use.
  - We will strive to select raw and general materials that have less of an impact on the environment.
- We will comply with legal requirements and with other requirements related to our environmental aspects, and strive to prevent pollution. In addition, we will communicate this policy to all persons working for or on behalf of the organization as well as making it available to the public.
- We will develop partnerships with many stakeholders, including our customers, and widen the reach of our initiatives.

Enacted March 1, 2011  
Motoya Okada  
President  
AEON CO., LTD.

\* The Environmental Guideline of AEON CO., LTD. is applied in the following group companies:  
AEON CO., LTD., AEON Retail Co., Ltd., AEON SUPERCENTER Co., Ltd., MAXVALU MINAMI TOHOKU CO., LTD., MAXVALU KANTO CO., LTD., MAXVALU CHUKYO CO., LTD., MAXVALU NAGANO CO., LTD., MAXVALU HOKURIKU CO., LTD., AEON BIG CO., LTD., Aeon Integrated Business Service Co., Ltd., My Basket CO., LTD., AEONBIKE Co. Ltd., AEONLIQUOR Co., Ltd.

## ISO Certification

As of February 28, 2014, 36 companies in the Aeon Group have acquired ISO 14001 certification, the international standard for environmental management systems.

### List of ISO-Certified Companies (As of February 28, 2014)

	ISO9001	ISO14001
AEON CO., LTD.	●	●
AEON Retail Co., Ltd.	●	●
AEON SUPERCENTER Co., Ltd.	●	●
MAXVALU MINAMI TOHOKU CO., LTD.	●	●
MAXVALU KITA TOHOKU CO., LTD.*	●	●
MAXVALU KANTO CO., LTD.	●	●
MAXVALU NAGANO CO., LTD.	●	●
MAXVALU HOKURIKU CO., LTD.	●	●
Aeon Integrated Business Service Co., Ltd.	●	●
AEON BIG CO., LTD.	●	●
My Basket CO., LTD.	●	●
AEON BIKE Co., Ltd.	●	●
AEONLIQUOR Co., Ltd.	●	●
Maxvalu Tohoku Co., Ltd.	●	●
AEON FOOD SUPPLY Co., Ltd.	●	●
Maxvalu Nishinohon Co., Ltd.	●	●
Maxvalu Chubu Co., Ltd.	●	●
AEON Mall Co., Ltd.	●	●
AEON KYUSHU CO., LTD.	●	●
AEON CREDIT SERVICE CO., LTD.	●	●
AEON RYUKYU CO., LTD.	●	●
Maxvalu Kyushu Co., Ltd.	●	●
Maxvalu Hokkaido Co., Ltd.	●	●
AEON DELIGHT CO., LTD.	●	●
LAURA ASHLEY JAPAN CO., LTD.	●	●
Mega Sports Co., Ltd.	●	●
COX CO., LTD.	●	●
Maxvalu Tokai Co., Ltd.	●	●
Research Institute For Quality Living Co., Ltd.	●	●
AEON Hokkaido Corporation	●	●
AEON GLOBAL SCM CO., LTD.	●	●
GUANGDONG AEON TEEM CO., LTD.	●	●
The Daiei, Inc.	●	●
AEON MARKET CO., LTD.	●	●
Gourmetcity Kanto Co., Ltd.	●	●
Gourmetcity Kinki Co., Ltd.	●	●
AEON CREDIT SERVICE (ASIA) CO., LTD.	●	●
AEON CREDIT SERVICE (M) BERHAD	●	●
AEON THANA SINSAP (THAILAND) PLC.	●	●
QINGDAO AEON DONGTAI CO., LTD.	●	●

\* In March 2014, Maxvalu Kita Tohoku Co., Ltd. merged with Maxvalu Tohoku Co., Ltd.

## Wastewater Management

Wastewater discharged from Aeon stores rarely if ever contains hazardous substances. Sometimes, however, this wastewater may contain large amounts of oils, which can exceed legal limits or clog up wastewater pipes leading to a leakage or other accident. As a result, Aeon conducts training for its employees and the employees of its tenants to ensure day to day maintenance is correctly performed, including compliance with cleaning rules for grease traps. We have also included grease trap monitoring as part of the required hygiene checks for our stores, and adopted a system where third-parties regularly perform these checks.

Furthermore, Aeon Retail Co., Ltd. and several other Aeon Group companies perform water quality testing concurrently that includes sewerage as part of annual voluntary inspections. Stores where problems are identified are required to take corrective actions which helps to improve our overall wastewater management practices. We have set voluntary standards that are set 5% below legal requirements and take immediate action if any values exceed these standards during voluntary inspections.

## Environmental Education

Aeon provides time in its various training sessions for learning about Aeon's environmental principles and policies in order to raise the awareness of employees regarding the environment.

Since fiscal 2008 we have encouraged employees to take the Certification Test for Environmental Specialists\* (Eco Test)\*. Department managers at the head office and higher ranked personnel as well as store managers and others take the test. To date, a total of 7,291 (903, fiscal 2013) out of 12,000 (1,816, fiscal 2013) Aeon personnel who took the test have passed.

Companies that have acquired ISO 14001 certification provide training for their employees. For example, Aeon Retail Co., Ltd. has established a web-based training tool and requires employees to keep an ISO 14001 handbook with them. Training seminars for internal environmental auditors led by qualified instructors are also held every year to facilitate smooth operation of the environmental management system. As of February 2014, a total of 1,799 employees (81, fiscal 2013) have attended the seminars since 2000, when ISO certification was acquired.

\* The Certification Test for Environmental Specialists is a certification program sponsored by the Tokyo Chamber of Commerce and Industry. It was started in 2006 in order to develop human resources who possess broad-reaching basic knowledge of environmental issues and who can utilize their awareness of these issues in everyday activities, and to help build a sustainable society with a balance between the environment and the economy.



Environmental Specialist Certification

# Environmental Management

## FY 2013 Environmental Accounting

Category	Accounting items	Aeon Group			GMS/SUC/DS			SM			Small Size Stores			Developer		
		Environmental conservation costs (thousand Yen)	Economic benefits of environmental conservation (thousand Yen)	Environmental conservation benefits (t-CO <sub>2</sub> )	Subtotal			Subtotal			Subtotal			Subtotal		
					Environmental conservation costs (thousand Yen)	Economic benefits of environmental conservation (thousand Yen)	Environmental conservation benefits (t-CO <sub>2</sub> )	Environmental conservation costs (thousand Yen)	Economic benefits of environmental conservation (thousand Yen)	Environmental conservation benefits (t-CO <sub>2</sub> )	Environmental conservation costs (thousand Yen)	Economic benefits of environmental conservation (thousand Yen)	Environmental conservation benefits (t-CO <sub>2</sub> )	Environmental conservation costs (thousand Yen)	Economic benefits of environmental conservation (thousand Yen)	Environmental conservation benefits (t-CO <sub>2</sub> )
Realization of a Low-carbon Society	Installation cost for photovoltaic power systems	4,291,734	35,131	691,551.7	24,126	933	29.4	4,250	3,107	30.6	2,466	31,090	691,310.0	4,260,891	0	181.7
	Investments in energy efficient equipment for new stores*	4,207,820	603,310	2,750,886.7	1,590,806	354,575	836,121.3	307,622	138,723	1,668,422.3	762,745	110,012	246,343.1	1,546,646	0	0.0
	Adoption cost of CO <sub>2</sub> refrigerant at new stores	209,254	7,636	160.1	188,200	2,719	57.1	21,054	4,917	103.0	0	0	0.0	0	0	0.0
	Investments in energy efficient equipment at existing stores*	1,361,033	337,455	324,076.3	817,096	248,620	5,933.2	169,253	18,555	370.1	274,105	33,000	317,773.0	100,577	37,279	0.0
	Installation of LED lighting at existing stores	10,947,895	1,853,867	967,248.3	10,019,607	1,662,064	42,026.0	384,765	78,007	673,889.5	54,098	27,461	249,701.1	489,423	86,332	1,631.7
	Visualization of energy usage at existing stores	261,971	60,643	1,256.8	7,532	3,833	89.4	230,021	56,809	1,167.4	0	0	0.0	24,418	0	0.0
	Costs associated with energy management seminars (participation)	9,074	0	0.0	9,045	0	0.0	29	0	0.0	0	0	0.0	0	0	0.0
	FC filling costs	169,891	0	0.0	112,371	0	0.0	57,519	0	0.0	0	0	0.0	0	0	0.0
	Cost to train the LCA (life cycle assessment) calculation	1,767	0	0.0	0	0	0.0	1,767	0	0.0	0	0	0.0	0	0	0.0
<b>Total</b>		<b>21,460,441</b>	<b>2,898,045</b>	<b>4,735,179.8</b>	<b>12,768,785</b>	<b>2,272,747</b>	<b>884,256.4</b>	<b>1,176,282</b>	<b>300,120</b>	<b>2,343,982.9</b>	<b>1,093,415</b>	<b>201,564</b>	<b>1,505,127.2</b>	<b>6,421,957</b>	<b>123,612</b>	<b>1,813.3</b>
Conservation of Biodiversity	Aeon Hometown Forest program implementation costs	122,644	0	0.0	37,587	0	0.0	29,205	0	0.0	0.0	0	0.0	55,851	0	0.0
	Aeon Hometown Forest program tree planting festival	105,163	0	0.0	94,119	0	0.0	6,332	0	0.0	0.0	0	0.0	4,711	0	0.0
	Cost of regular maintenance for planted zones	576,623	0	0.0	121,559	0	0.0	32,596	0	0.0	0.0	0	0.0	422,467	0	0.0
	Cost of measuring the impact assessment of the ecosystem	300	0	0.0	0	0	0.0	0	0	0.0	0.0	0	0.0	300	0	0.0
<b>Total</b>		<b>804,730</b>	<b>0</b>	<b>0.0</b>	<b>253,266</b>	<b>0</b>	<b>0.0</b>	<b>68,134</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>483,330</b>	<b>0</b>	<b>0.0</b>
Better Use of Resources	Payment of third-party processing required under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	739,856	0	0.0	406,350	0	0.0	266,345	0	0.0	67,160	0	0.0	0	0	0.0
	Operating costs for home appliance recycling program	113,265	0	0.0	113,241	0	0.0	23	0	0.0	0	0	0.0	0	0	0.0
	Payment of 2 yen to customers who declined plastic bags	747,663	543,257	0.0	366,680	354,050	0.0	380,983	0	0.0	0	0	0.0	0	0	0.0
	Processing cost of recyclables collected in-store	360,080	235,911	0.0	132,158	125,342	0.0	227,921	0	0.0	0	0	0.0	0	0	0.0
	Processing cost of recycling of food residue	270,191	7,772	0.0	49,792	0	0.0	189,784	0	0.0	30,614	7,772	0.0	0	0	0.0
<b>Total</b>		<b>2,231,057</b>	<b>786,941</b>	<b>0.0</b>	<b>1,068,222</b>	<b>479,392</b>	<b>0.0</b>	<b>1,065,058</b>	<b>0</b>	<b>0.0</b>	<b>97,775</b>	<b>7,772</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
Addressing Social Issues	Contributions to the Aeon Happy Yellow Receipt Campaign	275,056	0	0.0	219,974	0	0.0	49,090	0	0.0	0	0	0.0	5,992	0	0.0
	Activity costs of the Aeon Cheers Club	3,485	0	0.0	3,315	0	0.0	170	0	0.0	0	0	0.0	0	0	0.0
<b>Total</b>		<b>278,542</b>	<b>0</b>	<b>0.0</b>	<b>223,289</b>	<b>0</b>	<b>0.0</b>	<b>49,260</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>5,992</b>	<b>0</b>	<b>0.0</b>
Environmental Communication	Cost of preparing the Aeon Environmental and Social Report	9,341	0	0.0	2,069	0	0.0	3,572	0	0.0	3,700	0	0.0	0	0	0.0
	Operating costs of environmental website	1,878	0	0.0	118	0	0.0	1,760	0	0.0	0	0	0.0	0	0	0.0
	Cost of operating or exhibiting at environmental events	1,283	0	0.0	519	0	0.0	764	0	0.0	0	0	0.0	0	0	0.0
	Environmental advertising (external)	11,536	0	0.0	9,255	0	0.0	2,280	0	0.0	0	0	0.0	0	0	0.0
	Cost of Eco Test	15,694	0	0.0	7,656	0	0.0	2,789	0	0.0	337	0	0.0	4,910	0	0.0
Membership dues in and donations for environmental organizations	66,650	0	0.0	24,604	0	0.0	41,935	0	0.0	110	0	0.0	0	0	0.0	
<b>Total</b>		<b>106,385</b>	<b>0</b>	<b>0.0</b>	<b>44,223</b>	<b>0</b>	<b>0.0</b>	<b>53,103</b>	<b>0</b>	<b>0.0</b>	<b>4,147</b>	<b>0</b>	<b>0.0</b>	<b>4,910</b>	<b>0</b>	<b>0.0</b>
Environmental Management	Processing cost of waste generated by stores and offices	9,692,076	0	0.0	6,415,467	0	0.0	1,311,423	0	0.0	476,868	0	0.0	1,488,317	0	0.0
	Maintenance of pollution prevention equipment and devices (including inspections and testing)	2,970,010	0	0.0	677,731	0	0.0	383,230	0	0.0	0	0	0.0	1,909,048	0	0.0
	Personnel costs	236,567	0	0.0	135,517	0	0.0	88,890	0	0.0	12,159	0	0.0	0	0	0.0
	Operating cost of environmental management system	62,796	0	0.0	23,430	0	0.0	15,319	0	0.0	3	0	0.0	24,042	0	0.0
	Costs for preventing environmental accidents and for restoring in case of accident	574,934	0	0.0	1,402	0	0.0	3,828	0	0.0	0	0	0.0	569,703	0	0.0
	Cost of organizing waste management seminars	31	0	0.0	19	0	0.0	12	0	0.0	0	0	0.0	0	0	0.0
<b>Total</b>		<b>13,536,415</b>	<b>0</b>	<b>0.0</b>	<b>7,253,569</b>	<b>0</b>	<b>0.0</b>	<b>1,802,704</b>	<b>0</b>	<b>0.0</b>	<b>489,030</b>	<b>0</b>	<b>0.0</b>	<b>3,991,112</b>	<b>0</b>	<b>0.0</b>

Companies covered: Aeon Retail, The Daiei, Aeon Hokkaido, Aeon KYUSHU, Aeon RYUKYU, SUNDAY, JOY, Bon Belta, Aeon SUPERCENTER, Aeon BIG

Companies covered: MV Hokkaido, MV Tohoku, MV MINAMI TOHOKU, MV KANTO, Aeon MARKET, MV Tokai, MV HOKURIKU, MV NAGANO, MV Chubu, KOHYO, MV Nishinoh, marunaka, SANYO MARUNAKA, MV Kyushu (MV: MAXVALU)

Companies covered: MINISTOP, ORIGIN TOSHU, My Basket

Companies covered: Aeon Mall, Aeon TOWN

Strengthening Our CSR Platform

# Environmental Management

FY2013 ISO 14001 Targets and Performance

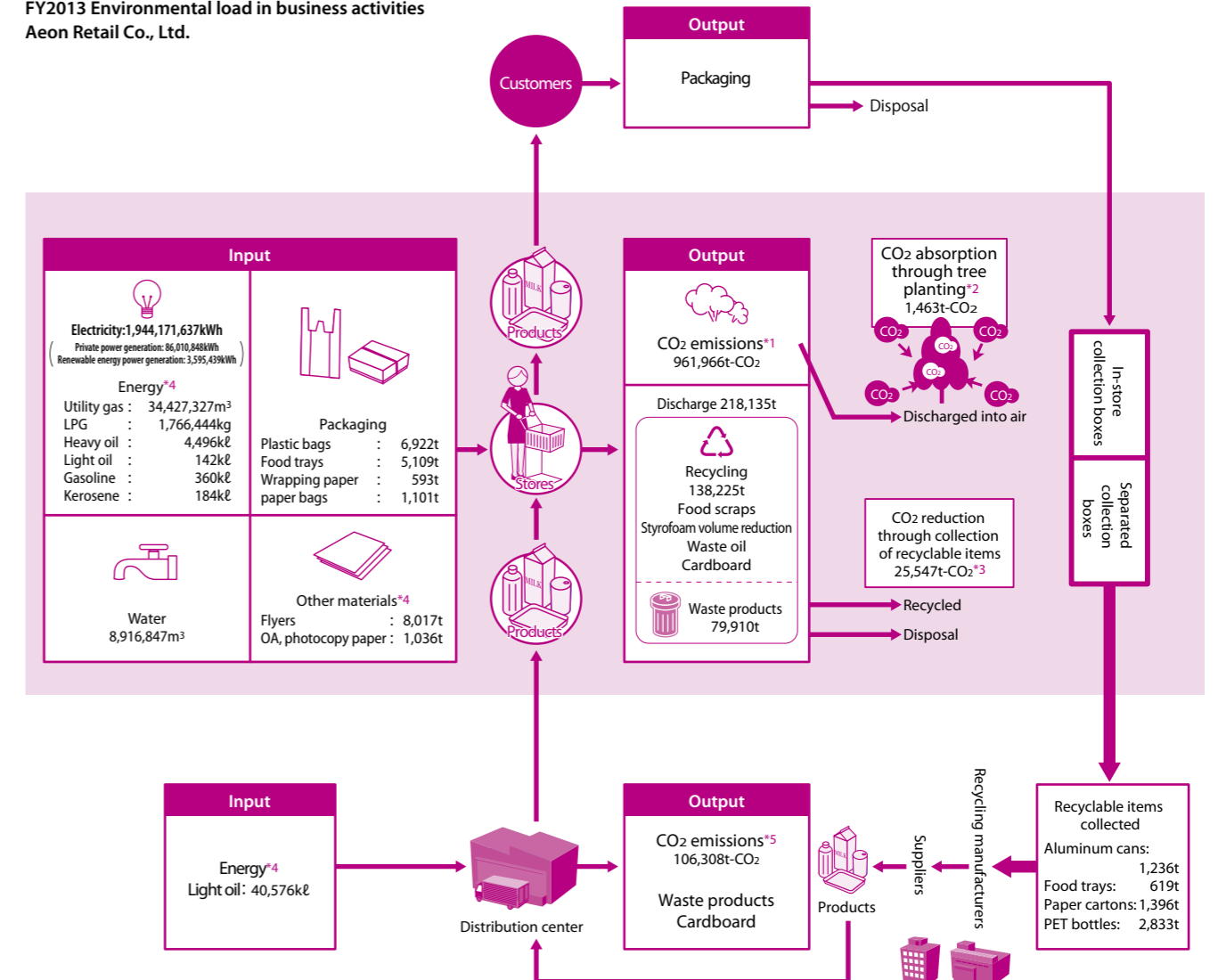
Aeon Retail Co., Ltd., Maxvalu 5 companies\*, Aeon Supercenter Co., Ltd., Aeon Big Co., Ltd.

◎=Achieved △·X=Did not achieve, but will continue to make efforts

Environmental Policies	Category	Company-wide Targets	Targets	Performance	Percentage over target	Evaluation	Department responsible
Realization of a Low-carbon Society	Stores	◎	Reduction of electricity consumption FY2013: Before LED introduction ⇒The previous year the same rate After LED introduction ⇒5% reduction compared to the previous year The previous year the same rate after one year after the introduction	FY2013 Results: 1,992,239 thousand kWh * The total of Aeon Retail Co., Ltd., Aeon Supercenter Co., Ltd., Maxvalu 5 companies and Aeon Big Co., Ltd.	Stated target: 97.3% Comparison last year: 95.7%	◎	• General Affairs Division (Facility Management Group)
		—	Promoting Eco Store of new stores and existing stores FY2013: Opening stores based on the new concept Next-generation eco-store concept, which aims to develop 50% CO <sub>2</sub> emissions, and store development	Opened a new four stores based on the Smart Aeon concept * Aeon Mall Yahata higashi, Aeon Mall shin-funabashi, Aeon Mall Osaka Dome City, Aeon Mall Makuhari New City	—	◎	• Construction Dept. • General Affairs Division (Facility Management Group)
Better Use of Resources	Stores	◎	Reduction of the cost of material FY2013: Reducing of the cost of material, by 10% or more compared to FY 2012	FY2013 Results: 2,006.164 million yen * The total of Aeon Retail Co., Ltd., Aeon Supercenter Co., Ltd., Maxvalu 5 companies and Aeon Big Co., Ltd.	Stated target: 96.4% Comparison last year: 88.1%	◎	• General Affairs Division • Corporate Citizenship Dept.
		◎	Maintain food waste-to-sales ratio at below 0.5% FY2013: Food waste-to-sales ratio at below 0.5%	FY2013 Results: 0.57% * The total of Aeon Retail Co., Ltd., Aeon Supercenter Co., Ltd., Maxvalu 5 companies and Aeon Big Co., Ltd.	Stated target: 113.0% Comparison last year: 96.0%	△	• Store Operations Dept. • Food Products Division
Conservation of Biodiversity	With Customers	—	Continuation of tree planting activities and education activities tree "Aeon Hometown Forests Program" (FY2011: Construction of structure) FY2012: Phased implementation FY2013: 100% implementation	Carried out the premeditated maintenance based on the manual led by Aeon Mall Co., Ltd.	—	△	• Construction Dept. • Corporate Citizenship Dept.
Realization of a Low-carbon Society, Better Use of Resources, Conservation of Biodiversity	Products	—	Sales of environment-friendly products Carrying out in each product division	FY2013 Example Selling Cool Biz Warm Biz-friendly products	Stated target: 75.6% * as of November, 2013	△	• Each product division • SELF+SERVICE Dept.
Partnership	With Customers	—	Promoting the Aeon Cheers Club activity 1. More than 80% at all stores implement more than 4 activities/year 2. More than 80% of the Aeon Cheers Club complete the wall newspaper	FY2013 Results 1. More than 4 activities/year: 77.0% 2. Complete the wall newspaper: 304 stores, 70.0% The number of club: approx. 430, Established in almost GMS stores The number of member: approx. 7,500 people (in Japan)	1. Achievement rate: 96.3% 2. Achievement rate: 87.6%	△	• Corporate Citizenship Dept.
Pollution Prevention	Stores	—	Through cleaning grease traps, to comply with effluent water quality standards 1. Reducing from the previous year the criteria violation stores in simultaneous water quality inspection 2. Violation store to complete the corrective to FY2013	FY2013 Results 1. Ratio of violation stores is 26.9%, slightly improved compared with FY2012 2. Under correspondence continuation in 4 stores	—	△	• General Affairs Division (Facility Management Group) • Corporate Citizenship Dept.
In general	Management	—	Establishing an environmental management system for small stores FY2012: Starting the operation of the environmental management in small roadside stores FY2013: Improving the operation of the environmental management by reviewing	Aeon Bike Co., Ltd. and Aeonliquor Co., Ltd., check out each store for inspection and recording waste contract highest-risk Aeon Bike Co., Ltd., has not been corrected some, and correspond to continue. Aeonliquor Co., Ltd., correction has already been.	—	△	• General Affairs Division (Facility Management Group, ISO Secretariat) • Corporate Citizenship Dept.

\* Maxvalu Kita Tohoku Co., Ltd., Maxvalu Minami Tohoku Co., Ltd., Maxvalu Kanto Co., Ltd., Maxvalu Nagano Co., Ltd., Maxvalu Hokuriku Co., Ltd.

FY2013 Environmental load in business activities  
Aeon Retail Co., Ltd.



\*1 Calculations based on energy consumption of equipment at stores and business places. Calculated using the CO<sub>2</sub> emission coefficient (2.62t-CO<sub>2</sub>/kl) for light oil.  
\*2 Calculated based on the group-wide total number of trees planted under the "Aeon Hometown Forest" program.  
\*3 Calculated based on the 3R basic unit method (Waste Management and Recycling Department, Ministry of the Environment; March 2013).  
\*4 Calculated by multiplying the ratio of Aeon Retail by the total energy used by Aeon Global SCM.  
\*5 Calculated using the CO<sub>2</sub> emission coefficient (2.62t-CO<sub>2</sub>/kl) for light oil.