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March 28, 2012
AEON CO., LTD.

On Aeon's Initiatives in the "Senior Shift"

Aeon will hold the GRAND GENERATION'S* COLLECTION in TOKYO, at which the company will introduce initiatives by the Aeon Group

- In terms of products, we have been developing products that cater to single portions and the rise in health consciousness for Topvalu, Aeon's private brand, as well as products in single-use sizes.
- In terms of sales floors, we are transforming our promotional goods that describe products and internal displays into a universal design that is easy for customers of all generations to see.
- In shopping centers (SCs), we offer services such as general clinics where patients can visit multiple medical departments, the "Kurashi no Money Plaza," where customers can receive consultation on daily money matters, and cultural schools that offer various curriculums for hobbies.
- In terms of services, we provide a unique service through Aeon's e-money, "Yu Yu WAON" cards customers aged 65 or over, and the "Todokundesu" service, which allows customers to place orders in products by phone or fax.

Aeon has set the "shift to senior-oriented markets" as one of the Group's key strategies in the Aeon Group's three-year Medium-term Management Plan that initiated in 2011 (from FY2011 to FY2013). Through this shift, the Group aims to achieve significant growth by enhancing products and services for senior customers, which is expected to be the key driver of personal consumption in Japan.

People aged 65 or over in Japan currently count up to more than 23% of the total population, which means Japan has become a super-aging society under the definition of the United Nations. As an aging society arrives at Asian countries and other nations in the world, Japan's response to this population aging trend has been gaining attention. Our current senior customers are active and actively take part in hobbies and consumption activities. The market size for people aged 60 or over is expanding year after year, and is said to count up to more than 40% of the total personal consumption. In addition to the family class, which used to be our main target customers, Aeon is launching full-scale efforts to gain large reliance from customers in the senior-oriented markets as well by taking advantage of the Group's resources from the four perspectives of product, sales floor, SC, and service, with an aim to secure growth opportunities by meeting the needs of senior customers..

In products, we have developed TOPVALU Ready Meal for Aeon's private brand TOPVALU, utilizing the know-how of Origin Bento, the Group's bento and delicatessen chain, as a response to the requests for single portions and the rise in health consciousness following the increase in single-person households due mainly to the population aging. With the cooperation of Professor Otsuka of Japan Women's University, we also launch a new line of women's underwear offering unique comfort based on the body shapes of women in their 60s, of which design and function also meet the needs of the active senior class.

Furthermore, in cooperation with LG Household & Health Care Ltd., a major Korean company, we will commence the sales of products of "THE GOLDENSHOP," a new cosmetic brand of LG for women aged around 40s or over, starting off with AEON Mall Funabashi, which is the first outlet for the company to sell the product line. In addition, we will launch "Opt Valu," an eyewear store directly managed by Aeon, which realizes same-day delivery of bifocals at reasonable prices.

In the sales floors, we have been experimenting in some stores with the enlargement of the font size of product POPs and in-store signage as well as reviewing product displays so that customers of all age groups can shop more conveniently. We are planning to share these initiatives with other stores and keep responding to the needs of our senior customers.

In regard to tenants and specialty stores in SCs, we will introduce a general clinic that holds multiple medical departments, Aeon Credit Service Co., Ltd., Aeon Bank, Ltd., and Aeon Insurance Service Co., Ltd. in AEON Mall Funabashi which is due to open on April 25. Some specialty stores that meet the needs of senior customers will be also introduced, such as “Kurashi no Money Plaza,” which offers comprehensive support including insurance, investment, and loans according to customers’ stages of life and culture schools.

With regard to services, we plan to utilize Aeon’s online supermarket infrastructure to introduce the “Todokundesu” service, which enables customers to place orders by phone and fax, and issue the “Yu Yu WAON” e-money, which offers exclusive service for customers aged 65 or over, as well as adopt a monitor system mainly for holders of our credit card in order to reflect the opinions of the senior customers to Aeon’s products, sales floors, SCs, and services.

From April 13 (Fri.) to April 15 (Sun.), we will hold the “GRAND GENERATION’S COLLECTION in TOKYO” at the Tokyo International Forum to introduce the Aeon Group’s initiatives in the “shift to senior-oriented markets”. At this exhibition, we will introduce Aeon’s unique and wide-ranging products and services of the 26 companies of the Group and we will incorporate the ideas and requests from the visitors for future steps.

Aeon will continue to make innovations in products, sales floors, SCs, and services to gain support not only from senior customers but customers of all generations.

*The “GRAND GENERATION” is a concept that replaces “seniors” and is advocated by Mr. Kundo Koyama, who is active in a wide range of areas as scriptwriter and university professor, etc. “Grand” means “top class.” Aeon agrees with the idea of considering the senior generation as the top class generation in life, and aims to familiarize the concept of the “GRAND GENERATION” to our customers.