

AEON

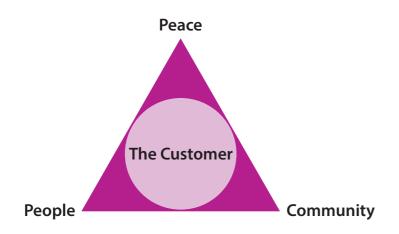
2022-2023

COMPANY PROFILE



AEON Basic Principles Message from the President

Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point view as its core



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

The customers' beliefs and desires comprise the central core of our philosophy.

At Aeon, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.

Aeon Basic Principles are the following:

"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.

On the basis of the Aeon Basic Principles, Aeon practices its "Customer-First" philosophy with its ever-lasting innovative spirit.

Since its foundation, Aeon has adhered to the "Customer-First" philosophy with an aim to achieve customer satisfaction and continuously enhance its corporate value.

In order to continue to be trusted by our customers, who are the origin of our business, and live up to their expectations, Aeon will strive to build a corporate culture that anticipates changes and ensures timely responses as a corporate group with an ever-lasting innovative spirit.

Recognizing the changes in the social environment occurring at an unprecedented scale as opportunities to drive exponential growth



I would first of all like to express my sincere appreciation to all of our stakeholders for your continued patronage.

As a "corporate group with an ever-lasting innovative spirit," Aeon has viewed changes in the world as an opportunity for growth throughout the years and has always adhered to the "Customer-First" philosophy by responding to changing customer needs and creating new markets. Meanwhile, there are many changes taking place that have a very serious impact on society as a whole, starting with the prolonged effects of the COVID-19 pandemic, as well as climate change, unstable international affairs, and increasing upward pressure on various prices.

It is precisely in these times when more people are feeling insecure about their daily lives that we believe our important mission is to contribute to solving the social issues we face.

In 2021, Aeon formulated the Medium-term Management Plan with a focus on the five major pillars of digital, products, health, community, and Asia, and various initiatives were launched by our Group companies.

These initiatives include expanding the online supermarket business that captured the momentum of the e-commerce market, offering a

checkout-free shopping experience, business process innovation through Al and other DX initiatives, as well as strengthening development of private brand products that offer values unique to Aeon, promoting the health and wellness business including development of new business formats, business (corporate) restructuring with a view toward creating Aeon Living Zones, and accelerating business development in Asian countries where significant economic growth is expected to continue going forward. Through these reforms that are in line with the five pillars, Aeon is moving forward to establish a foundation for growth.

In addition to these business reforms, in the area of tree planting that Aeon has been involved in for over 30 years and other environmental and social activities, our initiatives will include converting electricity used at our commercial facilities to renewable energy and using environmentally friendly materials in our private brand products. Aeon will further strengthen these measures toward realizing a decarbonized, circular society and contribute to achieving prosperous and sustainable local communities.

Akio Yoshida

Director, President and Representative Executive Officer Aeon Co., Ltd.



Aeon's Five Reforms

Toward a corporate group that continues to contribute to enriching local communities

The spread of the COVID-19 pandemic has brought about many major changes, including in the lifestyles of our customers and the way communities exist.

Recognizing these changes in the business environment as opportunities,

Aeon has formulated the Medium-term Management Plan to achieve our ideal state for 2030.

The five reforms and environmental activities are centered at the core of our growth strategies.

By promoting these initiatives, Aeon aspires to establish a corporate foundation that supports sustainable growth and continue contributing to enriching local communities.

Ideal State for 2030

Circular and sustainable management in which "Aeon's growth in communities" leads to "enrichment of communities"

Contributing to enhance the value of local communities







Expectations and support for Aeon's growth

The "Five Reforms" to realize the ideal state for 2030

The Five Reforms

- (1) Acceleration and evolution of the Shift to Digital Markets
- 2 Establishment of unique values through ideas of the supply chain
- 3 Advancement of Health & Wellness for a new era
- 4 Creation of an Aeon Living Zone
- **5** Further acceleration of the Shift to Asia

Aeon's sustainable management



Acceleration and evolution of the Shift to Digital Markets

Offering customer-centric shopping experiences through the fusion of digital and real stores





eon Next Co., Ltd. plans to open a CFC (Customer Fulfilment Centre) in Honda, Chiba in FY2023

Aeon's online supermarket is improving ordering methods to meet customer needs and developing new services, such as "Drive Pick Up" and the installation of lockers for pickup in addition to the conventional delivery methods so that customers can save time and trouble regarding shopping. These services have been very well received especially by customers with children, and the number of users is expanding. Furthermore, Aeon Next Co., Ltd. began construction of a large-scale, state-of-the-art automated warehouse using cutting-edge Al and robotics in Honda, Chiba, for the next-generation online supermarket to be developed through a partnership with UK-based Okado. The operation launch is scheduled for FY2023. In addition, plans for another next-generation supermarket annexed to a mall in Hachioji, Tokyo, are underway with Aeon Mall Co., Ltd. as we continue meeting the growing needs of our customers.

Taking the initiative to address challenges in the industry as a tech company from the retail industry



United Super Markets Holdings Inc. began marketing its in-house developed digital service for store management called "ignica." The company had been procuring digital technology from tech companies up until now, but it is venturing beyond the retail industry into a business field of providing services as a tech company that is well versed in the retail field.



Exhibit at Retailtech Japan 2022. The exhibit was well received and welcomed many visitors, including retailers and POS vendors.





In order to make our customers' shopping experience more convenient, Aeon is offering contactless payment services to meet cashless payment needs. Aeon's integrated app "iAEON" allows users to accumulate points and make payments with smartphones, including payments with AEON Pay. In addition, "Regi-Go" that reduces the customer's check-out time can be used on dedicated smartphones or the customer's smartphone installed with the app. The scanned products and total amount are always displayed on the screen, making it easy to see the total amount and shopping cart contents at a glance and enabling a smooth checkout at the register. The service is being rolled out at more and more stores in Japan.

Developing a common digital infrastructure with an aim to improve management efficiency and services

Aeon aims to further improve the productivity of existing operations in order to take customer satisfaction to a higher level by increasing opportunities to interact with customers and creating attractive sales floors. The Aeon Digital Management Center which incorporates cutting-edge technology was established, and initiatives are being taken to develop dedicated apps and digital platforms inhouse, as well as promote reforms in the way employees work.



Application development is already underway in China to mprove services.

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Establishment of unique values through ideas of the supply chain

Topvalu, evolving through product development based on the Customer-First approach



A brand creating new values that continues to provide solutions in customers' daily lives

> Topvalu **Premium Draft Beer**

As Aeon's first premium beer using rare German

hops as an ingredient, this is produced by a

brewing process requiring time and effort to

achieve a brilliant aroma and pleasant aftertaste.



An organic and natural brand that pursues sustainability of the natural environment



A brand offering satisfying quality at the best price in the region with quality that exceeds that of the products of well-known manufacturers



Topvalu Gurinai Organic Oatmeal

Made from ingredients that do not rely on synthetic pesticides or chemical fertilizers, this is an easy-to-eat, mild-flavored oatmeal that uses organic



Topvalu Best Price Label-free Natural Water

This product reduces environmental impact by removing the label to cut plastic waste besides achieving cost reduction.

Aeon plans and develops its private brand "Topvalu" with the wish to improve customers' daily lives. From the product planning and design phase to the selection of subcontractors, decisions on product specification, production management, and marketing, we are working to develop products based on the customer's perspective. It is precisely because of this that Aeon is keeping the prices of food and daily necessities unchanged amid the soaring raw material and crude oil prices around the world. This is because, based on our "Customer-First" philosophy, we believe it is most important to give consideration to our customers. Aeon is committed to continuing to support the daily lives of our customers.



Topvalu is expanding its lineup of alternative food products that propose "a new form of diet that is both healthy and delicious." In response to the customer's growing health consciousness and awareness of environmental issues, the soybean-based products pursue delicious taste like that of real meat.



Creation of an Aeon Living Zone

Deepening interactions with customers, creating Aeon Living Zones together



Aeon Town Asahi that opened in April 2022 serves as a local community base, giving shape to the public-private partnership



BLANDE Tsukuba Namiki Store is the first store for the new initiative taken by Kasumi Co., Ltd. with Welcia Holdings Co., Ltd.



Aeon Town Kawanoe has Fuji Shikoku Chuo Store as the anchor

In order to promote community-based management in each area that creates new value, Aeon is reorganizing and integrating management of Group companies. To meet the needs of customers who wish to enrich their community and hometown, Aeon will serve as a base for the local community that is not only for shopping. By combining our various businesses and store networks with digital, and through partnerships with businesses and local administrations, we will create Aeon Living Zones rooted in each community.

Advancement of Health & Wellness for a new era

Becoming a leading company that supports customers' daily lives and health







Customers' awareness of health is expanding beyond disease treatment and prevention and now looks toward health maintenance in the area of pre-symptomatic treatment and well-being that includes mental health. In order to meet these diverse needs, Aeon has enhanced its expertise and uniqueness to propose stores, products, and services that transcend the boundaries of businesses. Welcia Holdings Co., Ltd. became the first company in the drugstore industry to achieve one trillion yen in sales, owing to its successful growth strategy that aimed to increase the number of stores integrated with dispensing pharmacies, actively open new stores, streamline store operations by promoting digitalization, and appropriately allocate pharmacists and other specialized personnel. We will accelerate further growth in this field with an aim to become a base to promote health in the community.



Automated dispensing is being introduced so that pharmacists can focus more on health

Further acceleration of the Shift to Asia

Aeon's shift to Asian markets realized through true localization



Aeon Mall Sentul City in Indonesia



Maxvalu Express Ocean Park Store in Vietnam



Aeon Financial Service Co., Ltd. and Aeon Credit Service (Malaysia) obtained the first "digital bank license" in Malaysia.

In China and ASEAN countries, Aeon is accelerating the speed of growth with business models tailored to each region by combining both real and digital approaches. In particular, the fast-growing country of Vietnam is positioned as a top priority country, and we are accelerating the opening of multi-format stores and the development of original products to become a company that is firmly rooted in the region. We will continue to focus our efforts on stores, products and digitalization and aim to become a true local company that responds to local needs.

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Aeon's Sustainable Management

Toward a prosperous future together with the community

Aeon believes that its mission as a company is to promote sustainable management that aims for both the realization of a sustainable society and the growth of the Group. With medium- to long-term targets aligned to global standards, we are taking initiatives to address environmental and social issues throughout the entire supply chain, including our stores, product development as well as our business partners.



Stores with solar panel installation: Cumulative total of 1,048 stores, power generation capacity of 71,000 kW

Resource Recycling and Food Waste

Decarbonization and Climate Change

Aeon is working to conserve and generate energy through a three-pronged approach that covers "Stores," "Products and Logistics," and "Hand in Hand with Customers." This is a Group-wide effort as we aim to realize a decarbonized society by reducing greenhouse gas emissions from our stores to net zero through such measures as solar power generation and the installation of EV stations.

Aeon Decarbonization Vision (Revised July 2021)

stores to 50% renewable energ 2030	y by

Final Target

Convert the electricity used in our

Interim Target

Reduce the total emissions of CO2 and other GHGs in our stores to net zero by 2040



Installation of EV charging stations 1/08 stations

in Japan and abroad 2.140 stations in Japan. 568 stations abroad

Sustainable Procurement

Aeon aims to establish a circular lifestyle together with our customers Aeon is promoting sustainable procurement with an aim to balance the through our stores, products, and services in order to make effective use of sustainability of natural resources and continuous development of our our limited resources. Our efforts include reviewing the use of single-use business activities. In addition to formulating a procurement principle and items, working to reduce waste, switching to environmentally friendly policy, we are actively marketing products that are produced in materials, and building a resource recycling model centered around our accordance with global standards such as MSC, ASC, organic, and fairtrade



Marketing of beverages that use PET bottles collected at Aeon stores



MSC certification: 29 fish species, ASC certification: 12 fish species (As of Feb. 2022)



Tree planting activities that embody the Aeon Basic Principles

Since 1991, Aeon has been conducting the Aeon Hometown Forests Program to plant trees suitable for the local environment together with our customers within store premises when new stores are opened. The trees that were planted with our customers have grown over the past 30 years into forests that nurture a rich ecosystem, and these locations are enjoyed by the people in the community.



Heartful Community Regions

Aeon, as a corporate citizen, recognizes local communities as partners and is working together with the local people and administrations to build communities and bonds to contribute to community development and enhancing the quality of life and culture.



Gotouchi (Regional) WAON

Aeon donates 0.1% of the proceeds from sales using WAON e-money to help revitalize local communities. Donations from the pictured "Shuri Castle WAON" have been used to reconstruct Shuri Castle, etc



Aeon Ukrainian Children Relief Fundraising

Aeon has clarified its stance to oppose all wars and raised funds starting in March 2022 to provide support to the children of Ukraine



Aeon Happy Yellow Receipt Campaign

By placing the yellow receipts issued on the 11th of every month in the box of an organization that customers wish to support, the volunteer organization receives goods worth 1% of the total value of the receipts.

Healthy Empowered **Health and** People

Aeon is committed to supporting people's lives in which everyone can stay true to themselves. We are creating an environment where motivated people have equal opportunities to take on challenges, regardless of nationality, age, or gender. Health management is also being promoted based on the belief that we can provide services that bring happiness to customers only when our employees are happy.



Aeon's Health Management

We believe that healthy employees, both in mind and body, will promote health and wellness and improve employee satisfaction, and that at the same time employee health is important from the perspective of medical costs and risk management.



Dementia Supporter mark

Training of Dementia Supporters

As the number of elderly customers is expected to increase, Aeon is training Dementia Supporters so that employees can provide proper support to customers with dementia. Cumulative supporters numbered 81,468 (as of end of Feb. 2022), which is the largest



Aeon Fantasy Co., Ltd. receiving the 8th Daimanzoku Award (FY2021)

Promotion of diversity

Aeon views promotion of diversity as a part of its management strategy. Since 2014, the Daimanzoku Award has been held as an opportunity to share best practices within the company, with the aim of raising standards throughout the Group.

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Aeon's Expansion in Asia



Countries in which Aeon operates

Total number of shopping customers annually

Number of stores

GMS (General Merchandise Store)	618 stores
SM (Supermarket)	2,285 stores
DS (Discount Store)	605 stores
HC (Home Center)	117 stores
CVS (Convenience Store)	4,661 stores*

Services Business Specialty Store Drugstore 2.868 stores Financial Services 592 locations Mall-type SC (Shopping Center) 262 locations *2

1,978 locations NSC (Neighborhood-type Shopping Center) 150 locations¹³ 4503 stores Other Retail Store 1.368 stores Tasmania operated farm 1 location

Number of stores/locations operated by consolidated subsidiaries and equity-method affiliates

*1 All shares of Ministop Korea were transferred on March 29, 2022. *2 Including SCs operated under the name of Aeon Mall as well as those with total leased area of over 20,000 m²

*3 NSCs operated under the name of Aeon Town

(As of end of Feb. 2022)

Aeon in Figures

Operating revenue Group employees



8.7 trillion yen

Number of

trees planted

Approx.

560,000 people

Aeon Happy Yellow Receipt Campaign total amount donated



Approx. 12.41 million trees

Number of plastic shopping bags reduced

Number of stores

20,008 stores

(FY2021)

Approx.

3.2 billion bags 4.62 billion yen In the 20 years since its launch in eon has promoted the Bring Your Aeon has promoted the Bring Your Own Shopping Bag Campaign for roughly 30 years. This initiative that began in 2007 to stop the provisior of free plastic shopping bags has received the support of many 2001, the campaign has supported a total of 398,000 organizations

Approx.

Aeon card, etc. credit

Cumulative donations

for Gotouchi (Regional)

WAON

2.32 billion yen

card holders e-money cards issued (As of end of March 2022)

Approx. 47.32 million members

Total WAON

91.13 million cards Total number of volunteer

employees participating in Tohoku reconstruction support

410,000 people

rom using the card range from environmental conservation in the community, to promotion of tourisr and sports, and animal welfare. urrent activities focus on the ne 62 types of cards have been issued

Approx 8.3 trillion yen

Comprehensive

Aeon Financial Services

settlement volume

Partnership Agreements



130 local municipalities

eon consults with local municipalitie ignated cities, 64 cities/towns,

As of end of Feb. 2022

Major Group Companies

Pure holding company AEON CO., LTD.

General Merchandise Store Business

This segment operates general merchandise stores to support food, clothing, and housing needs of customers with specialized product lineups and services.

AEON KYUSHU CO., LTD. Aeon Hokkaido Corporation SUNDAY CO., LTD. AEON SUPERCENTER Co., Ltd. Aeon Tohoku Co., Ltd. AFONRIKE CO LTD

AFON LIQUOR CO., ITD. AEON Retail Co., Ltd. AFON RYUKYU CO.JTD ORIGIN TOSHU CO., ITD. Shimizu Shoji Co., Ltd. TOPVALU COLLECTION CO., LTD. Bon Belta Co., Ltd.

Supermarket Business

AEON Bakery Co., Ltd

This segment operates community-rooted supermarkets, small-sized stores, and convenience stores while enhancing its lineups of everyday necessities focused on foodstuffs and services.

FUJI CO.,LTD. Maxvalu Tokai Co., I td. MINISTOP CO., LTD. United Super Markets Holdings Inc.

AEON MARKET CO., LTD. KASUMI CO., LTD. KOHYO CO ITD

Bio C' Bon Japon CO., LTD. Fuji Retailing Co.,Ltd. My Basket CO.,LTD MAXVALU KANTO CO LTD Maxvalu Nishinihon Co., Ltd. MAXVALU HOKURIKU CO., LTD. The Maruetsu Inc.

Discount Store Business

In order to continue supporting household finances, this segment implements low-cost measures such as consolidating product purchasing and integrating logistics and is working to realize management that thoroughly pursues lower prices. MAXVALU MINAMI TOHOKU CO., ITD.

AEON BIG CO., LTD. BIG-A CO., ITD.

Health & Wellness Business

This segment operates drugstores and dispensing pharmacies to help support the health of local residents. In addition to broadening the product lineups from medical products and daily necessities to health food products, it is expanding its services to include dispensing for home care patients.

WELCIA HOLDINGS CO., LTD. AEON BODY Co., Ltd. ÆON Rēvecosme Co.,Ltd. WELCIA YAKKYOKU CO., LTD. Kanamitsuvakuhin Co. Ltd. Marue Wellness stores Inc.

Cosmeme CO., LTD. SHIMIZU YAKUHIN CO ITD Marudai Sakurai Pharmacy Co., Ltd. YODOYA CO., LTD. MASAYA Co., Ltd.

Financial Services Business

This segment offers integrated financial services that combine credit, banking, insurance services, and e-money WAON cards. Operations extend to Asian

AEON Financial Service Co., Ltd. AEON CREDIT SERVICE (ASIA) CO., LTD. AFON CREDIT SERVICE (M) BERHAD AEON THANA SINSAP (THAILAND) PCL.

AEON Allianz Life Insurance Co., Ltd. AFON BANK ITD AEON CREDIT SERVICE CO., LTD.

AEON HOUSING LOAN SERVICE CO.,LTD. AEON Product Finance Co.,Ltd. AFON INSURANCE SERVICE CO. ITD. AEON Reit Management Co.,Ltd. FeliCa Pocket Marketing Inc. AEON Financial Service (Hong Kong) Co., Ltd. AFS Corporation Co., Ltd.

Shopping Mall Development Business

This segment develops and operates community-friendly shopping malls in Japan, China, and ASEAN countries. In cooperation with other segments, it is working to enhance its services and facilities.

AEON Mall Co., Ltd. AFON TOWN Co. Ltd. OPA CO., LTD.

Services & Specialty Store Business

This segment provides services that make everyday life more convenient and comfortable, and also operates an array of specialty stores tailored to diversifying

AEON DELIGHT CO., LTD. AEON Fantasy Co., Ltd. CAN DO CO., LTD. COX CO., LTD. GFOOT CO., LTD. Agutia Co., Ltd

AEON Eaheart Co., LTD. AEON ENTERTAINMENT CO., LTD AEON CULTURE CO., LTD. AEON COMPASS CO., LTD

AEON LIFE CO., LTD. Branshes Co., Ltd PRESTIGE SHOES CO., LTD. MIRAIYA SHOTEN CO., LTD. Mega Sports Co., Ltd. MEGA PETRO Co., Ltd. Reform Studio Co., Ltd. R.O.U CO., LTD.

International Business

This segment operates in China and ASEAN countries, offering products and services tailored to the needs and lifestyles of the respective countries and regions

AEON EAST CHINA (SUZHOU) CO., LTD. AEON (HUBEI) CO., LTD. AEON South China Co., Limited BELLING AFON CO. LTD. GUANGDONG AEON TEEM CO., LTD. QINGDAO AEON DONGTAI CO., LTD.

AEON Stores (Hong Kong) Co., Limited AEON CO. (M) BHD. AFON (CAMBODIA) Co. Ltd. AEON ORANGE COMPANY LIMITED AEON VIETNAM Co., LTD DONG HUNG INVESTMENT DEVELOPMENT CONSULTANCY JOINT STOCK COMPANY LIMITED PT AFON INDONESIA

Functional Company and Other

This segment is in charge of product development and quality control for Aeon's Topyalu brand, as well as establishing infrastructure such as logistics, computer systems, and IT.

Abilities JUSCO Co., Ltd. AEON Integrated Business Service Co., Ltd. Research Institute For Quality Living Co., Ltd. AEON AGRI CREATE Co., Ltd. Aeon Digital Management Center AEON GLOBAL SCM CO., LTD. AEON SIGNA Sports United Co., Ltd. AEON Smart Technology Co., Ltd. AEON TOPVALU CO., LTD. Aeon Next Co., Ltd. AEON FOOD SUPPLY Co., Ltd. AEON MARKETING CO., LTD.

AEON TOPVALU (CHINA) CO., LTD. AEON TOPVALU (HONG KONG) CO., LIMITED AFON TOPVALU MALAYSIA SDN. BHD. AEON TOPVALU (THAILAND) CO., LTD. AFON TOPVALU VIETNAM COMPANY I IMITED Tasmania Feedlot Pty. Ltd.

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

Listed companies are shown in bold print. (As of end of March 2022

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AEON 1% Club Foundation





Nurturing the future of children by fostering their ability to think, broad perspective, and compassion

The foundation was established in 1990 after its founding was declared in 1989. Based on the philosophy to use the profits received from our customers for the benefit of society, major Aeon Group companies donate 1% of their pre-tax profits, which are used to fund projects under the themes of "Sound development of the next generation,""Promotion of friendship with foreign countries," and "Sustainable development of regional communities."

In Aeon Cheers Club, a representative project, children from the 1st grade of elementary school up through the 3rd grade of junior high school learn about social rules and manners through group activities, while engaging in various activities related to the environment and society. Aeon stores around the country serve as the base for the activities.







Development of the Friendship with **Next Generation Foreign Countries**



AEON Environmental Foundation

Addressing global environmental issues together with our stakeholders

The foundation was established in 1990 by Takuya Okada (founder of Aeon, present Honorary Chairman and Advisor) as Japan's first foundation focusing on the theme of the global environment established by a single corporation. Since then, the foundation has continued tree planting, subsidized projects, environmental education, and other activities in cooperation with various stakeholders in Japan and abroad to pass on the one and only earth to future generations.

In the tree planting activities, a representative project, we have worked with local volunteers in many countries around the world to restore the greenery by planting trees in forests destroyed by logging and natural disasters. In recent years, we are engaged in developing communities and people in addition to reforestation, aiming to realize sustainable communities through the creation of AEON Satoyama.







AEON Forest Programs



Environmental **Grant Program**



Environmental education



Environmental Partnership

https://www.aeon.info/ef/





