

Toward a Future of Limitless Promise

Aeon Environmental and Social Report
Sustainability Report **2010**
Full Edition

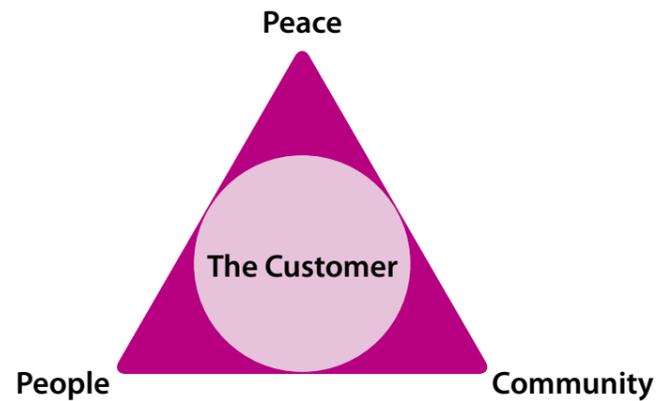
Everyday Eco. Now in Progress.



Aeon is wholly committed to protecting the environment—
from encouraging use of
My Bag and My Basket, to selling fresh fish unpackaged,
recycling and tree planting.
Together with our customers we want to create a pleasant,
promising day, every day.
The momentum of Everyday Eco continues to build.



Aeon Basic Principles



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

Aeon abides by the unchanging principles of "pursuit of peace, respect for humanity and contribution to local communities," always with the customer's point of view as its core. The "Aeon Commitment" was established to help us implement these principles and to guide us in our practice of the Customer-First philosophy.

「Peace」: Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

「People」: Aeon is a corporate group that respects human dignity and values personal relationships.

「Community」: Aeon is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

Aeon Commitment

We hope to create a future of limitless promise by transforming daily life through our open, dynamic approach.

Aeon Group Profile

We are Aeon.

Aeon develops community-oriented shopping centers anchored by flagship general merchandising stores. Our shopping centers include mall-type facilities made up of a variety of specialty stores covering a broad market range and smaller, more focused facilities with specialty stores and services needed for everyday living. We operate a wide variety of businesses to help our custom-

ers lead healthy, vibrant lives, including small supermarkets, convenience stores, drugstores, and general financial services. We aim to create a future of limitless promise, while we remain, as a global "customer satisfaction" business, firmly committed to putting the customer first, not only in Japan but in China, Thailand, Malaysia and around the world.

 Group Companies
<http://www.aeon.info/en/aboutaeon/group.html>

Number of stores and Settlement Report*

Number of stores	FY2009	FY2008	Settlement term (year and month)		(millions of yen)
			Operating revenue (consolidated)	Operating profit (consolidated)	
General Merchandise Stores	601	966	February 2006	4,430,285	
Supermarkets	1,267	1,059	February 2007	4,824,775	
Discount Store	53	41	February 2008	5,167,366	
Home Centers	125	80	February 2009	5,230,786	
Super Centers	33	16	February 2010	5,054,394	
Department Stores	1	1	February 2006	166,105	
Convenience Stores	3,514	3,270	February 2007	189,728	
Specialty Stores	4,475	4,746	February 2008	156,040	
Others	179	87	February 2009	124,373	
Financial Services	386	395	February 2010	130,193	
Food Services	441	505	February 2006	175,989	
Other Services	1,108	1,116	February 2007	188,303	
			February 2008	166,326	
			February 2009	126,030	
			February 2010	130,198	

*The number of stores operated by each Group company will indicate the number as of the end of the fiscal year. Including overseas stores.

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Editorial Policy

This report reports on characteristic initiatives of Aeon Group companies, primarily for the General Merchandising Store Business and Supermarket Business.

The fiscal 2010 report presents both environmental and social initiatives of Aeon Group companies, focusing on pure holding company Aeon Co.,Ltd. and the General Merchandising Store and Supermarket Businesses. Initiatives included in the report have been selected based on the level of public interest, the level of emphasis by Aeon and other factors. They include environmental conservation activities and social contribution activities conducted together with customers as well as initiatives conducted through products and at stores. Issues garnering substantial attention of late, namely global warming and biodiversity, and our expanding China Business have been highlighted in a featured section.

●Scope of Report: This report covers the 196 companies (as of February 28, 2010) that share the Aeon philosophy, centering on pure holding company Aeon Co.,Ltd., and the General Merchandising Store and Supermarket Businesses. "Aeon" in this report refers to overall scope. When a section applies to only certain operating companies, it is indicated as such.

More detailed information is reported on Full Edition.

The Full Edition presents more detailed information in a systematic, comprehensive manner, including the thinking and frameworks behind initiatives and specific performance data.

●Target Audience: Our customers, shareholders, students, local residents who live in the neighborhood of the stores of the group, business partners, NPOs, NGOs, government, investors and Aeon people (Aeon employees)
●Report Period: FY2009 (March 1, 2009 – February 28, 2010)*

*For operating companies with different fiscal years, the relevant time periods are indicated on each report section.

Helping build a sustainable society and create a future of limitless promise together with our stakeholders



Motoya Okada
President
Aeon Co.,Ltd.

Consumer spending in Japan continues to stagnate in the aftermath of the global recession that began in the fall of 2008. For Aeon to continue to grow going forward, we will have to fundamentally reform our business. We recognize that fundamental reform means more than carrying out economy-oriented policies alone; it means promoting a balanced form of management that takes the environment and society into account over the medium and long term and growing in step with our stakeholders.

Contemporary society demands that companies make progress toward the realization of a low-carbon society, protection of the ecosystem and contribution to the community. A sustainable society is not possible without fulfilling these responsibilities. We firmly believe that the times call for the practice of sustainable management and that sustainable management will provide a solid platform for future growth.

The foundation for sustainable management at Aeon is the Aeon Basic Principles and the Aeon Code of Conduct. Aeon has long been involved in activities to protect the environment and contribute to society. In fiscal 2009, we conducted store- and product-related initiatives and partnered with customers based on our Manifesto on the Prevention of Global Warming, announced in March 2008, which targets reductions to total carbon dioxide emissions. We also documented our philosophy on protecting biodiversity in the form of the Aeon Biodiversity Principle.

Through its business operations, Aeon comes into direct contact with the community and the lives of its members. We therefore place a high priority on always working with customers. This approach goes beyond just providing products and services. We believe that as a member of the community, we have an important role to

play in providing opportunities for customers to actively participate in local environmental conservation programs and activities that contribute to the public good.

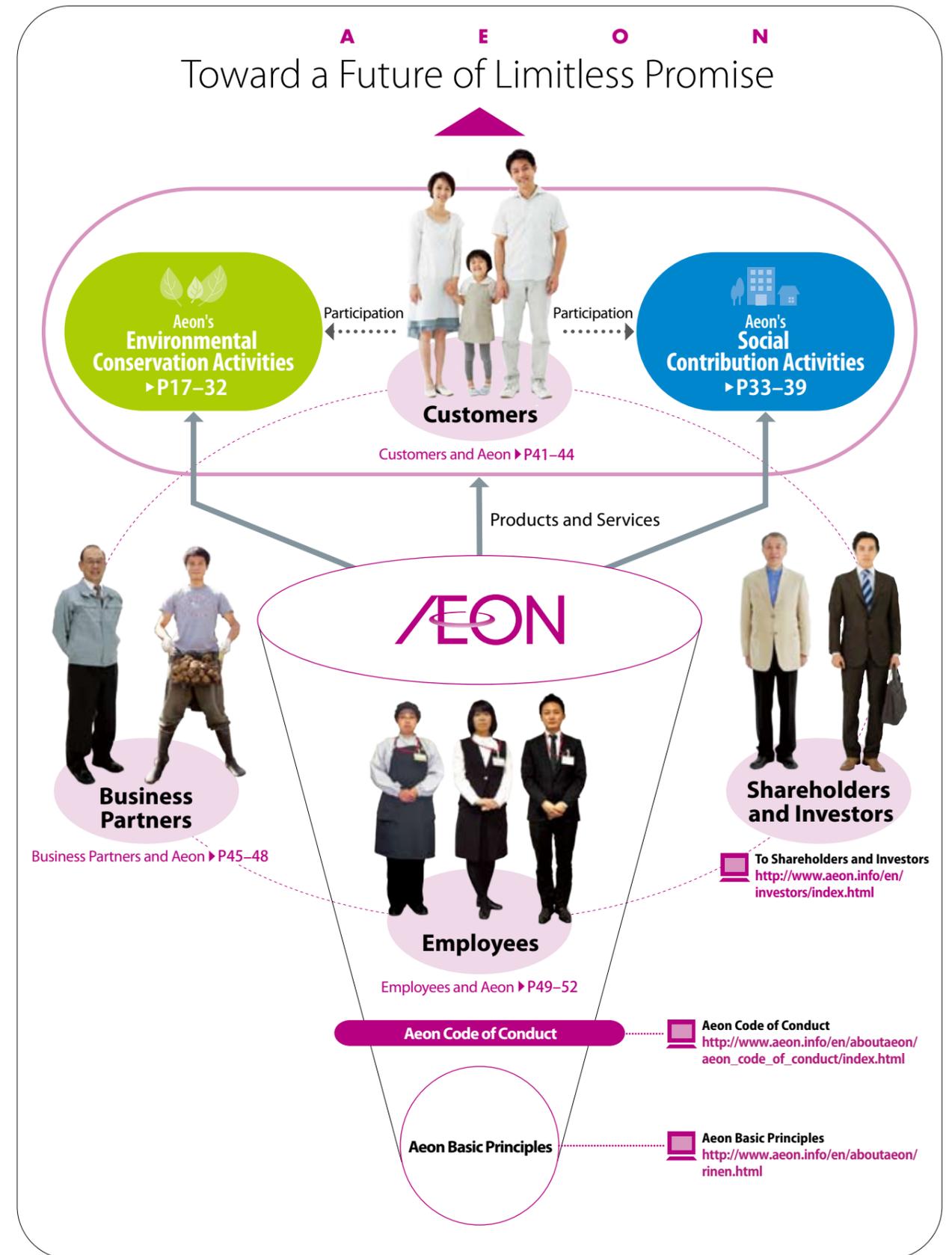
Based on this thinking, we have encouraged many customers to participate in tree-planting programs as well as the Happy Yellow Receipt Campaign, an initiative that provides support for community organizations. We intend to continue our active participation in the community and further deepen our dialogue with local residents.

We have drawn up the Aeon Supplier Code of Conduct in an effort to facilitate environmental activities down the entire supply chain, including at manufacturing partners, and to ensure working conditions are appropriate. Moreover, international frameworks are at the heart of our management. In 2004, we became Japan's first retailer to sign on to the United Nations Global Compact, a set of ten principles laid out by the UN on human rights, labor, the environment and anti-corruption. We were also out in front of the industry in acquiring SA 8000 certification, an international standard on protecting human rights in the labor market.

All reform is the result of ingenuity and actions by individual members of the Aeon Group. Aeon has proactively instituted programs that support skill acquisition and career development so that all employees are able to demonstrate their abilities to the full. We intend to continue fostering personnel brimming with the spirit of innovation.

Through dialogue with our diverse stakeholders, who include customers in Japan and overseas, business partners, the government, non-profit organizations and others, we will continue to help build a sustainable society and achieve Aeon's mission of creating a future of limitless promise.

Aeon's Social Responsibilities Participation in Aeon and Helping Create a Future of Limitless Promise



Management Structure

Corporate Governance

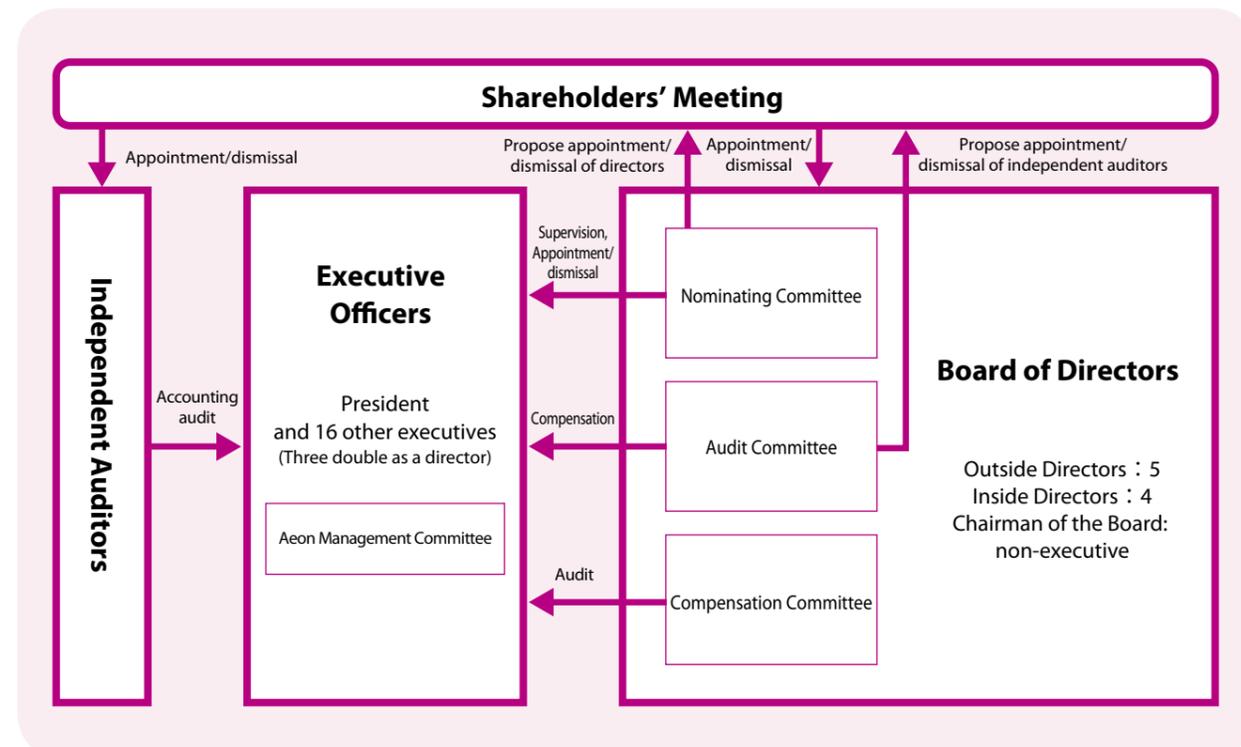
Basic Approach

In August 2008 Aeon divested its retail and other operating divisions, transferring them to wholly owned subsidiary Aeon Retail Co., Ltd., and became a pure holding company. Aeon Co., Ltd.'s role is to establish trajectories for companies in the Aeon Group. The role encompasses developing strategies for the Group, optimally allocating the Group's management resources, and disseminating and overseeing management policies and basic principles. We will strive to further promote corporate governance on this basis.

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-term and long-term goals, which serves to facilitate timely managerial decision-making. At the same time, we have strengthened the supervisory role of directors to ensure the transparency and objectiveness of managerial decisions and thereby increase returns to shareholders.

Corporate Governance Framework



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

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 hotline, and monitoring activities 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 in order to serve customers. It is intended as a shared set of values for the Aeon Group.

Training on the Aeon Code of Conduct 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. We are currently working to promote and instill the code in employees at 11 Aeon Group companies in China and other parts of Asia.

 **Aeon Code of Conduct**
http://www.aeon.info/en/aboutaeon/aeon_code_of_conduct/

Promotion Framework

The Corporate Ethics Team was established to promote compliance throughout the Aeon Group. It is under the direct control of the chief officer for Group management 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 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 matters 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 instructors to disseminate and instill corporate ethics at the workplace level.

Our Commitment

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 ideas.**
5. **Aeon people support local community growth, acting as good corporate citizens in serving society.**

Education and Training

Aeon conducts training to disseminate and instill compliance, primarily through three programs: 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 Code of Conduct Promotion Leaders (since 2003)

Participants learn about corporate ethics and case method 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 compliance.

For example, the monthly Aeon Code of Conduct Newsletter presents issues reported or consulted on via the Aeon Code of Conduct hotline. Every month 200,000 copies are created and distributed to employees of Aeon Group companies. The newsletter has been very well received by employees, promoting some to revisit to code of conduct and raising awareness of the hotline.

Code of Conduct Hotline

Aeon set up the Aeon Code of Conduct Hotline 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 made through the hotline are communicated back to Group companies through managers in charge of promoting the code of conduct. A fact-finding investigation is conducted, generally within two weeks, and findings are reported to Aeon Co., Ltd. These rules regarding the hotline are strictly enforced. All consultations are reported on a weekly or monthly basis to Aeon Co., Ltd.'s management and Group company presidents.

Monitoring

Every year in October we conduct an anonymous survey of employee awareness in order 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. The survey has been conducted since 2003 and its findings are compiled, analyzed and shared with Aeon Group companies.

Promoting the Code at Group Companies Overseas

Aeon has been conducting compliance training, establishing hotlines and instituting monitoring systems at Aeon Group companies overseas since 2006. These activities to disseminate and instill compliance are currently being conducted at 11 Group companies in China and other parts of Asia.

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 like the Group General Affairs Department and Quality Management Department monitor the status of risk management at each department.

In addition, when an incident or accident occurs, the Group General Affairs Department immediately sets up a response headquarters and other response procedures have been stipulated to minimize subsequent impact.

At the same time, we work to foresee, predict and prevent risks with particularly high impact potential by assembling interdivisional task forces.

Joining the Global Compact

Basic Approach

In September 2004 Aeon Co., Ltd. announced its participation in the United Nation's Global Compact, becoming the first retailer in Japan to do so. Aeon promotes the Aeon Supplier Code of Conduct and SA8000 certification based on the ten principles trumpeted by the Global Compact.

Since fiscal 2008 we have participated in the Global Compact Japan Network's Supply Chain Subcommittee and engaged in ongoing discussions on supply chain management initiatives with other member companies. In fiscal 2009 new member companies were added and activities were conducted with 15 companies. At the general assembly of the Global Compact Japan Network held in April 2010, we reported on fiscal 2009 activities of the Supply Chain Subcommittee.

The Ten Principles of the Global compact

Human Rights

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 : Ensure that they are not complicit in human rights abuses.

Labor Standards

Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 : Eliminate all forms of forced and compulsory labor.

Principle 5 : Effectively abolish child labor.

Principle 6 : Eliminate discrimination in respect of employment and occupation.

Environment

Principle 7 : Businesses should support a precautionary approach to environmental challenges.

Principle 8 : Undertake initiatives to promote greater environmental responsibility.

Principle 9 : Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

(Japanese translation revised July 2008)



Aeon is committed to the twin goals of environmental conservation and corporate growth. In March 2008, we announced a target for fiscal 2012 of reducing total carbon dioxide emissions by 1.85 million tons-CO₂ compared to fiscal 2006 levels and a specific plan to achieve our target, the Manifesto on the Prevention of Global Warming. We also declared our intention, within the Group and publicly, to further accelerate initiatives that are already underway. We have three main initiatives. The first is to reduce emissions through store facilities and systems, with development of Eco Stores as the key component. We are targeting reduction of 500,000 tons-CO₂ through these efforts. The second is to reduce emissions through products and logistics (target of 570,000 tons-CO₂). This initiative involves switching to alternative packaging materials, changing transportation methods, and selling products with carbon offsets. The third is partnering with our customers to cut emissions (target of 310,000 tons-CO₂) by reducing use of plastic bags. In addition, we have also set our sights on utilizing Kyoto Mechanisms.*

*The Kyoto Mechanisms are social systems recognized under the Kyoto Protocol that allow an organization to make environmental investment overseas and count the resulting reductions in CO₂ emissions as a part of the organization's total emissions reductions.

Special Issue Creating a Future of Limitless Promise Starts Now

Perspective 1 Preventing Global Warming

State of Global Warming Prevention Manifesto

	FY2012 Reduction Targets (Vs. FY2006)	FY2008 Reductions	FY2009 Reductions
At Stores *Energy source	500 kilotons-CO ₂ • Promotion of Eco Stores • Installation of photovoltaic power generators • Energy savings by employees	240 kilotons-CO ₂	580 kilotons-CO ₂
Through Products and Logistics	570 kilotons-CO ₂ • Sale of environmentally conscious products • Alternative product packaging • Different transport methods for products	100 kilotons-CO ₂	240 kilotons-CO ₂
With Customers	310 kilotons-CO ₂ • Discontinue free plastic bags • Tree-planting activities	150 kilotons-CO ₂	200 kilotons-CO ₂
Kyoto Mechanisms	470 kilotons-CO ₂ • Utilization of Kyoto Mechanisms	—	10 kilotons-CO ₂
Total	1,850 kilotons-CO ₂	490 kilotons-CO ₂	1,030 kilotons-CO ₂

At Stores Increase Number of Eco Stores
Installing Cutting-Edge Solar Panels and Other Advanced Energy Saving Technologies

Aeon's Eco Stores target 20% lower CO₂ emissions than conventional stores. Aeon Lake Town, which recently celebrated its first anniversary, is Aeon's flagship Eco Store. Progressive initiatives at Lake Town have resulted in reducing CO₂ emissions by approximately 24% (11,000 tons-CO₂) compared to an equivalent facility without energy saving technologies. In fiscal 2009, we opened our tenth Eco Store, the Aeon Tsuchiura Shopping Center. Various efforts have been made to reduce CO₂ emissions by incorporating environmentally conscious advanced technologies and systems, including state-of-the-art solar panels.



State-of-the-art solar panels at the Aeon Tsuchiura Shopping Center



Aeon Lake Town

Through Products and Logistics Expanding the Scope of Carbon Footprint Labeling
First Store Sale of Government-Verified CFP Labeled Product

Carbon footprint (CFP) labeling refers to labeling a product to show the CO₂ emissions it generates through its lifecycle, from raw materials to processing, distribution, consumption, disposal and recycling. Aeon began selling a product with CFP labeling, "TOPVALU Gurinai Specially Cultivated Koshihikari Rice 4kg," at Aeon Mall Kusatsu in January 2010. The product has garnered attention as Japan's first CFP-labeled product sold at a retail store verified by the government under its Carbon Footprint Pilot Program.



Specially Cultivated Koshihikari Rice 4kg (TOPVALU Gurinai)

With Customers Reducing CO₂ Emissions
Reducing Plastic Bag Use to Cut CO₂ Emissions

Aeon has run the My Basket & My Bag campaigns since 1991. The campaign works to reduce CO₂ emissions by having customers bring their own shopping baskets and bags in order to reduce use of plastic bags. In fiscal 2009 the campaign reduced approximately 139,220,000 plastic bags (aggregate total of 20 consolidated companies). Moreover, the number of stores that have discontinued giving out free plastic bags increased to 704 (combined total of 19 of consolidated companies as of February 28, 2010).



Distribution of free plastic bags has been discontinued in Fukushima Prefecture

Column Participating in Japan Climate Leaders' Partnership

In July 2009, Aeon began participating in the Japan Climate Leaders' Partnership (Japan-CLP) as a founding member. Japan-CLP is the country's first business coalition created with the aim of spearheading the transition to a sustainable, low-carbon society. Japan-CLP held a symposium in December 2009 to broadly communicate information to policymakers, industry and the general public. Also, in April 2010, the organization announced its official recommendations for achieving a sustainable low-carbon society.

Food, clothing and shelter—our way of living is supported by the many blessings of nature. However, we are losing biodiversity, the source of these blessings, all over the world. Lack of food and water and other problems threaten to have a major impact on our way of living. Aeon is involved in a range of programs that address these problems. We have promoted tree-planting campaigns since 1991 to foster a sensitivity to nature and plants in everyone involved in Aeon stores, we run outdoor classes and other hands-on programs for children, and we provide products that make appropriate use of natural resources. Moreover, in March 2010 we formulated the Aeon Biodiversity Principle to further focus our efforts to preserve biodiversity.

With Customers Aeon Hometown Forests Program
Tree-Planting Campaigns Run by Aeon Environmental Foundation
Cumulative Total of 9,229,303 Trees Planted

Aeon has run the Aeon Hometown Forests Program since 1991. Whenever a new store is opened, we join together with our customers to plant trees on the site, with leadership provided by Professor Emeritus Akira Miyawaki of Yokohama National University. In addition, the Aeon Environmental Foundation organizes tree-planting campaigns to reestablish forests devastated by natural disasters. Altogether we have planted 9,229,303* trees as of February 28, 2010.



Planting trees on Miyake Island

*Combined total of Aeon Hometown Forests Program and Aeon Environmental Foundation

Through Products Utilizing Sustainable Resources
Selling MSC and FSC Certified Products

Marine resources are on the decline around the world. Marine Stewardship Council (MSC) certification, also known as the marine eco-label, was established to certify appropriately managed, sustainable seafood products in order to ensure we all are able to continue enjoying the ocean's blessings. Aeon sells red salmon, salmon roe and other certified seafood products from Alaska. Another certification program, run by the Forest Stewardship Council (FSC), was established to certify appropriately managed, sustainable forests. Aeon sells notebooks and other products made from certified forest products. Aeon intends to continue actively sourcing products that give due consideration to the sustainability of biological resources.



Naturally salted salmon (TOPVALU Gurinai)



MSC label



A4-size notebook (TOPVALU KYOKAN SENGEN)

FSC label

At Stores Initiatives at Eco Stores
Developing Eco Stores to Reduce Environmental Impact

Aeon promotes green purchasing for construction materials and considers biodiversity in the development of its Eco Stores. Guided by the Aeon Biodiversity Principle, we intend to further develop stores while conserving and creating ecosystems, through such initiatives as devising and implementing biodiversity assessments for new stores and measures to reduce store impact.

Column

Japan Awards for Biodiversity Established

Aeon Environmental Foundation and Ministry of the Environment have established the Japan Awards for Biodiversity to promote biodiversity conservation and sustainable use ahead of the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) to be held in Nagoya, Aichi Prefecture in October 2010. The first awards ceremony was held in October 2009. The activities of eight organizations were recognized for their outstanding contributions.



Awards ceremony

Special Issue Creating a Future of Limitless Promise Starts Now

Perspective 2 Preserving Biodiversity

Preserving Biodiversity for a Sustainable Society

Aeon Biodiversity Principle

Basic Principle

Grasping the impact our overall corporate activities have on the ecosystem, we actively focus on reducing the impact on the ecosystem and conservation activities, working in collaboration with our stakeholders, including our customers, local authorities and non-profit organizations. We focus on the following points related to the ecosystem in our corporate activities:

Through our corporate activities, we

1. Remain conscious of blessings and burdens.
2. Engage in initiatives that protect and nurture.
3. Disclose information on our activities.

Action Guidelines (Excerpt)

1. **Products:** We will set sustainability targets for resource-managed fresh seafood and processed by products, engage in their purchase and sale while sharing those targets with our business partners, and communicate related information to customers.
2. **Stores:** We will continue to promote tree-planting campaigns with customers at new store sites and continue to develop Eco Stores with less environmental impact than conventional facilities.
3. **With Customers:** Through tree-planting campaigns and other programs, we will share environmental awareness and learn together with everyone.



Aeon Hometown Forests Program (Aeon Tsuchiura Shopping Center)

JUSCO stores opened in China in fiscal 2009



 1 Jia Yu Suncity Plaza Store Opened January 29, 2010	 2 Supermarket Tseung Kwan O Store Opened January 23, 2010	 3 Yanjilu Store Opened December 18, 2009	 4 Popark Plaza Store Opened October 1, 2009
 5 Supermarket Wo Che Opened June 28, 2009	 6 Shinshu Store Opened June 26, 2009	 7 Poly Canal Plaza Store Opened May 2, 2009	

Column

Aeon Honorary Chairman and Advisor Takuya Okada Named Honorary Citizen of Beijing

Honorary Chairman and Advisor Takuya Okada was officially named an Honorary Citizen of Beijing in May 2005 for environmental and social contributions over many years, including tree-planting along the Great Wall conducted since 1998, disaster relief for people affected by the Sichuan earthquake, and the opening of a shopping center in the city, and for contributing to the development of Japan-China relations at the private-sector level. Honorary citizenship is the highest honor given by Beijing to foreigners who have made significant contributions to the city. Mr. Okada is the third Japanese to receive the honor.



Guo Jinlong (right), Mayor, People's Government of Beijing Takuya Okada, Aeon Honorary Chairman and Advisor



Special Issue Creating a Future of Limitless Promise Starts Now

Perspective 3 Activities in China

Becoming Trusted and Beloved by Customers in China



Aeon Beijing International Mall Shopping Center

Aeon's activities in China began in 1987, when we opened our first store in Hong Kong. Our first store in mainland China was established in 1996 in Guangzhou. In 2008, we pooled the collective strength of the Aeon Group to establish the Aeon Beijing International Mall Shopping Center in Beijing, our first store in the city and the city's first large-scale, mall-type shopping center. As of March 2010, Aeon has developed 25 general merchandising stores and six supermarkets in China. Store development in China draws on shopping center and management expertise cultivated in Japan. We also carry out a variety of initiatives based on a mission in China of providing safe and secure products and promoting environmental and social contribution activities.

Environmental Conservation Promoting Tree-Planting in China

We conduct the Aeon Hometown Forests Program when a store opens in the China just as in Japan. The Aeon Environmental Foundation also conducts tree-planting initiatives in China. Started in 1998, our Great Wall Forest Rejuvenation Project has attracted the participation of 12,900 volunteers from Japan and China, who have planted 980,000 trees, as of 2009. And, in April 2010, the cumulative number of trees planted reached one million.



Planting trees near the Great Wall

For more information: <http://www.aeon.info/ef/en>

Food Safety Enabling Customers to Shop with Complete Peace of Mind

Product safety is a prominent issue in China as well. Aeon stores in the country work to acquire the Chinese government's Green Market certification, which has been established to improve sanitation management technologies and facilities at sites that process and sell food. We work to provide safe products not only by meeting Green Market standards but also by implementing sanitation management methods developed by our stores in Japan.



Many products on display in the produce department

Social Contributions Aeon Scholarship Program

The Aeon Scholarship program for human resources development is also conducted in China. In 2009, scholarships were awarded to a total of 240 students at four universities in China. Aeon stores in China also donate books to local elementary and middle schools facing shortages, donate items to schools for children with disabilities, hold first-aid classes and blood drives together with local chapters of the Red Cross, and conduct a variety of other social contribution activities in line with local needs.



Aeon Scholarship awards ceremony

2009 Highlights

Highlights of Aeon's Environmental Conservation and Social Contribution Activities

Environmental Conservation Highlights from 2009

Activity Type	2009 Activity Highlights
Environmental Conservation Activities Conducted with Customers	<ul style="list-style-type: none"> Tree-Planting Activities <ul style="list-style-type: none"> Cumulative total of 7,656,492 trees planted by Aeon Hometown Forests Program P 21 Cumulative total of 1,572,811 trees planted by Aeon Environmental Foundation P 21 Conducted tree-planting campaign near the Great Wall of China P 13 My Basket & My Bag Campaigns <ul style="list-style-type: none"> Number of stores no longer providing free plastic bags increased to 704 (Total of 19 consolidated companies as of February 28, 2010) P 22 Plastic bags reduced by approximately 1,392,200,000 (total of 20 consolidated subsidiaries) P 23 Approximately ¥125.2 million in income from pay plastic bags donated to community and environmental causes P 23 Sold approximately 380,000 "My Baskets with Carbon Offsets" P 23
Strengthened Environmentally Conscious Products	<ul style="list-style-type: none"> TOPVALU <ul style="list-style-type: none"> Sold "TOPVALU Gurinai Specially Cultivated Koshihikari Rice 4kg," Japan's first carbon footprint labeled product, at stores P 10 Sold carbon footprint-labeled product as a winter gift selection Carbon Offsets <ul style="list-style-type: none"> Conducted the Carbon Offset Campaign P 27 Implemented offsets for CO₂ emitted in connection with gift product delivery P 27
	<ul style="list-style-type: none"> SELF + SERVICE <ul style="list-style-type: none"> Participated in FUKU-FUKU Project, which recycles clothing into bioethanol P 28
	<ul style="list-style-type: none"> Stores with Low Environmental Impact <ul style="list-style-type: none"> Opened tenth Eco Store, Aeon Tsuchiura Shopping Center P 10 Reduced CO₂ by 11 kilotons-CO₂ at Aeon Lake Town, more than the initial target P 30 Ministop opened Japan's first FSC-certified convenience store P 32

Social Contribution Highlights from 2009

Activity Type	2009 Activity Highlights
Enhancements to Social Contribution Activities with Customer Participation	<ul style="list-style-type: none"> Aeon Day (11th of every month) <ul style="list-style-type: none"> Donated items worth approx. ¥267,870,000 through the Happy Yellow Receipt Campaign P 33 Continued to conduct Clean & Green Activities at stores and business offices P 34 Aeon 1% Club <ul style="list-style-type: none"> Conducted the following activities to commemorate 20th anniversary of Aeon 1% Club <ul style="list-style-type: none"> Aeon Cheers Club Nationwide Meet at Mt. Fuji P 24 Aeon Environment School P 24 The Teenage Ambassadors program reunion P 38 Total of 326 schools built in Southeast Asia by School Construction Support Project P 37 Provided ¥166.5 million in disaster relief aid P 38 PET Bottle Cap Campaign <ul style="list-style-type: none"> Supported 153,122 children in developing countries P 38
	<ul style="list-style-type: none"> Local Crime Prevention and Disaster Preparedness <ul style="list-style-type: none"> Concluded disaster preparedness agreements with 608 local municipalities P 34 Equipped 28 sites nationwide with "balloon shelter" tents for use as emergency evacuation facilities P 34 Promotion of Dietary Education <ul style="list-style-type: none"> Promoted Elementary Student Rice Paddy Project P 35 Group companies conducted dietary education initiatives, including hands-on classes and farm tours
	<ul style="list-style-type: none"> Support for Seniors and People with Disabilities <ul style="list-style-type: none"> 17,637 supporters for people with dementia; 279 "Caravan Mate" course instructors P 43 Donated four vehicles for use in social welfare activities through the Aeon Welfare Fund; volunteers visited 702 facilities nationwide P 36

Highlights of Fulfilling Responsibilities to Stakeholders in 2009

Activity Type	2009 Activity Highlights
Responsibilities to Customers	<ul style="list-style-type: none"> 9,275 employees now qualified as service care workers P 43 23 additional facilities certified under new barrier-free law P 43
Responsibilities to Business Partners	<ul style="list-style-type: none"> Direct transactions with fishery cooperatives conducted at five locations nationwide P 47 Developed Food Artisan Project with regional producers dedicated to maintaining local culinary traditions P 47
Responsibilities to Employees	<ul style="list-style-type: none"> Established Positive Action Declaration P 50 Aeon Retail Co., Ltd., acquires "Kurumin Mark," a next-generation certification program P 50

Environmental Management

Balancing Environmental Protection and Affluent Living

Aeon Environmental Principles

Based on our Principles of "pursuing peace with our customers as the starting point, respecting human life and contributing to the communities," we will vigorously promote activities for social contribution and environmental conservation, in order to fulfill our social responsibilities as a corporate citizen.

Realizing that these activities have their roots in local communities, we will seek a partnership with local residents and work together with them to create a sustainable society.

Aeon Co., Ltd. Environmental Policy

As an all-round customer-satisfaction company, we are dedicated to ensuring that a comfortable lifestyle and environmental conservation are mutually achievable. We do this by offering our customers safe and secure stores, products and services.

We also contribute to efforts towards the realization of sustainable communities that are full of promise, and work to support the development of healthy children who will guide our future.

We have a unique environmental management system in place to carry out these activities.

We periodically review and continuously improve this system.

1. We aim to improve the environmental efficiency and reduce the environmental impact of our business activities. In particular, we will exert effort to help contribute to the prevention of global warming.

1) We act together with our customers.

(1) We promote resource conservation policies in the spirit of three Rs - reduce, reuse and recycle.

(2) We participate actively in tree planting and development.

2) We offer environmentally friendly products.

(1) We offer and actively recommend environmentally friendly products to customers, and actively develop our own products that have minimal environmental impact.

(2) We continually revise and adjust the life cycle (manufacture, transport, sale, use and disposal) of products sold in our stores.

3) We operate stores with the goal of making minimal environment impacts.

(1) We continually endeavor to conserve energy and resources and aim to open more Eco Stores.

(2) We strive to reduce waste and dispose of it properly.

(3) We endeavor to choose materials and other items with the least environment impacts.

2. We strictly administer substances with high environment impact, work to prevent pollution and protect biodiversity.

3. We comply with all environmental laws and regulations as well as our own self-imposed standards.

4. We work hard to ensure that all employees and other people involved in our business activities are thoroughly aware of these guidelines and that each person knows his or her role and can act independently to fulfill that role.

5. We announce and publicize these guidelines widely and work hard to expand the influence of our environmental activities, building partnerships with as many people as possible.

Adopted February 21, 2008
Aeon Co., Ltd.
President

Motoya Okada

Environmental Management System

Promoting Environmental Management Activities Throughout the Aeon Group

Promotion Framework

Aeon regards day-to-day environmental conservation activities as an important priority of management and carries out environmental management activities that integrate business activities with environmental conservation. The entire Aeon Group shares Aeon's policies, and we also promote environmental conservation activities that respect the uniqueness of each company in the group, given that issues differ depending on industry sector and business format.

ISO Certification

As of February 28, 2010, 32 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, 2010)

		● 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 Chukyo Co., Ltd.	●		
Maxvalu Nagano Co., Ltd.	●		
Maxvalu Hokuriku Co., Ltd.	●		
Aeon Integrated Business Service Co., Ltd.	●		
Maxvalu Tohoku Co., Ltd.	●		
Certo Corporation	●		
Food Supply JUSCO Co., Ltd.	●		
Maxvalu Nishinohon Co., Ltd.	●		
Maxvalu Chubu Co., Ltd.	●		
AIC Inc.	●		
Aeon Mall Co., Ltd.	●		
Aeon Kyushu Co., Ltd.	●		
Aeon Credit Service Co., Ltd.	●	●	
Ryukyu JUSCO Co., Ltd.	●	●	
Maxvalu Kyushu Co., Ltd.	●	●	
Maxvalu Hokkaido Co., Ltd.	●	●	
Aeon Delight Co., Ltd.	●	●	
LAURA ASHLEY Japan Co., Ltd.	●	●	
Mega Sports Co., Ltd.	●	●	
BLUE GRASS Co., Ltd.	●	●	
Maxvalu Tokai Co., Ltd.	●	●	
Research Institute For Quality Living Co., Ltd.	●	●	
Qingdao Aeon Dongtai Co., Ltd.	●	●	
Guangdong JUSCO Teem Stores Co., Ltd.	●	●	
Shenzhen Aeon Co., Ltd.	●	●	
MYCAL Corporation	●	●	
The Maruetsu, Inc.	●	●	
Aeon Hokkaido Corporation	●	●	
Aeon Global SCM Co., Ltd.	●	●	

FY2009 ISO 14001 Targets and Performance Aeon Retail Co., Ltd.

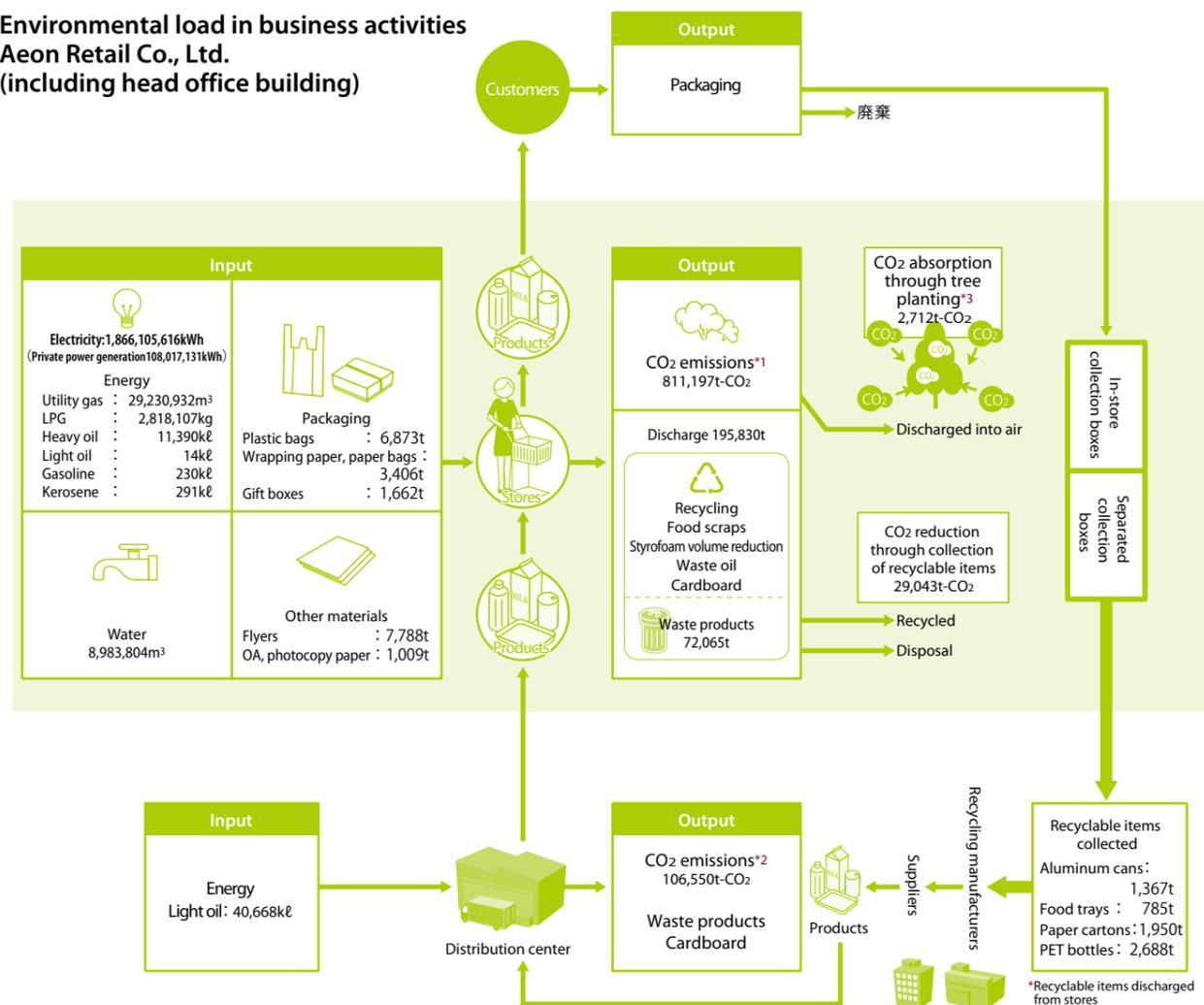
◎=Achieved △=Did not achieve, but will continue to make efforts

Environmental Policies	Targets	Performance (2009.3)	Percentage over target	Evaluation	Department responsible	
Work together with customers.	Increase stores discontinuing plastic bags and increase plastic bag refusal rate FY09: Achieve plastic bag refusal rate of 45%	Refusal rate of 60.0%, versus a target of 45% *Total for 20 of our consolidated subsidiaries (Aeon Retail 58.9%, Aeon SUC 87.5%)	132.4%	◎	Department of Environment and Social Contribution	
	Increase the amount of recyclable items collected at stores FY09: Increase recyclable items collected at stores	Collection of a new item, transparent containers, was targeted, but not achieved in fiscal 2009. Three stores (Yamagata-kita, Yamagata-minami and Tsuchiura) are now collecting the item as of April 2010. Other stores plan to conduct trials based on area characteristics and implement as necessary.	—	△	Department of Environment and Social Contribution General Affairs Division	
	Continue tree-planting and tree-growing activities (Aeon Hometown Forest program) FY09: Plant trees at new stores and promote tree-growing activities at existing stores	Total number of trees planted through FY2009: 7,656,492 at 711 locations	—	◎	Department of Environment and Social Contribution	
Provide environmentally conscious products	Increase sales of environmentally friendly products and "Cool Biz" / "Warm Biz" products FY09: Achieve sales target (exceed the previous year) for environmentally friendly products and "Cool Biz" / "Warm Biz" products	TOPVALLU Gurinai: Sales of ¥24,998 million, 95.8% of previous year	95.8%	△	Corresponding product divisions SELF+SERVICE Department	
		TOPVALLU KYOKAN SENGEN: Sales of ¥2,911 million, 114.2% of previous year	114.2%	◎		
		SELF+SERVICE: Achieved sales of ¥3,367.6 million, versus target of ¥3,764 million	89.5%	△		
		CoolishFact: Sold 1.67 million units, versus target of 1.84 million units	90.8%	△		
Further develop carbon footprint labeling and actively expand sales to customers FY09: Start sales of carbon footprint-labeled products	Make rate of hanger truck deliveries 20% by 2011 FY09: Achieve hanger truck delivery rate of 17%	Fleece (men's): Sold 850,000 units, 185% of previous year	185%	◎	Product Strategy Department	
		Fleece (women's): Sold 760,000 units, 198% of previous year	198%	◎		
		Fleece (children's): Sold 630,000 units, 221% of previous year	221%	◎		
Implement store management that minimizes environmental impact.	Reduce electricity use: 5% reduction compared to previous year *Establish CO ₂ emission measurement rules at stores during fiscal 2009 FY09: Reduce electricity use by 5% compared to fiscal 2008	Store electricity use: Achieved 1,780.4 million kWh, versus target of 1,848.8 million kWh	105.3%	◎	General Affairs Division	
		Promote the Eco Store concept for new and existing stores and increase installation of energy efficiency devices FY09: Make every new mall-type shopping center an Eco Store	Opened new mall-type shopping center, Aeon Tsuchiura Shopping Center, as Eco Store in fiscal 2009	—	◎	Construction Department General Affairs Division (Facility Management Group)
		Keep sales losses from discarding food products at 0.9% or less (FY09 target)	Achieved rate of 0.73%, versus target of 0.9%	81.1%	◎	Store Operations Department Food Products Division
		Thoroughly clean grease traps and comply with water quality standards for wastewater FY09: Require concessions/restaurant partners to comply with wastewater standards and ensure thorough cleaning	319 stores subject to inspection and 319 stores inspected Number of stores with outstanding issues: 2 stores with violations of voluntary standards 7 stores with legal violations *Restaurant partners are provided video training, food sanitation training, grease trap cleanup training and other training to ensure they comply with wastewater standards.	—	△	General Affairs Division (Facility Management Group)

*Plastic bag refusal rate uses the total of 20 consolidated subsidiaries. Number of trees planted as part of the Aeon Hometown Forest program uses the total for the Aeon Group.

Flow of Environmental Impact in Business Activities (for AEON Retail Co., Ltd.)

Environmental load in business activities Aeon Retail Co., Ltd. (including head office building)



*1 Calculations based on energy consumption of equipment at stores and business places.

*2 Aeon Retail Co., Ltd. CO₂ emissions are calculated from the transit and delivery of CO₂ emissions managed by Aeon Global SCM Co., Ltd.

*3 Calculated based on the group-wide total number of trees planted under the "Aeon Hometown Forest" program.

Environmental Accounting

- The environmental accounting report for fiscal 2009 covers 12 companies: Aeon Retail Co., Ltd., Aeon Hokkaido Co., Ltd., Aeon Kyushu Co., Ltd., Ryukyu Jusco Co., Ltd., Mycal Corporation, Aeon Supercenter Co., Ltd., Maxvalu Hokkaido Co., Ltd., Maxvalu Tohoku Co., Ltd., Maxvalu Tokai Co., Ltd., Maxvalu Chubu Co., Ltd., Maxvalu Nishinohon Co., Ltd., and Maxvalu Kyushu Co., Ltd.
- The report compiles the costs (monetary) and benefits (monetary and CO₂ reduction) of environmental measures and energy conservation measures conducted by the companies at their stores. Costs associated with new and upgraded facilities are tabulated based on annual depreciation expense, not total investment. The report covers facilities that were built or upgraded in fiscal 2009. Facilities built or upgraded prior to fiscal 2009 are not included in the figures.
- Item Explanations**
 - Eco Store: Costs associated with environment-related technologies installed at Aeon Tsuchiura Shopping Center, which opened in fiscal 2009 as our tenth Eco Store, and photovoltaic power systems (at both new and existing stores)
 - SM: Costs are compiled for installation of various facilities and equipment in a standard format with ecological specifications.
 - GMS: Costs are compiled for installation of various facilities and equipment associated with energy efficiency repairs at existing stores.
 - Operations: Costs are compiled for operational improvements, including installation of system and programs for energy use transparency.
- Units**
 - Environmental conservation costs and economic benefits of environmental conservation: Thousands of yen
 - Environmental conservation benefits: Tons-CO₂

	Aeon Group Total			GMS (includes some SM and SuC)			SM		
	Environmental conservation costs	Economic benefits of environmental conservation	Environmental conservation benefits	Environmental conservation costs	Economic benefits of environmental conservation	Environmental conservation benefits	Environmental conservation costs	Economic benefits of environmental conservation	Environmental conservation benefits
Eco Store	82,187	147,195	4,072	65,756	138,127	3,762	16,431	9,068	310
SM	58,264	129,956	4,704	17,459	29,164	1,435	40,806	100,792	3,270
GMS	131,112	668,600	30,254	131,112	668,600	30,254	0	0	0
Operations	11,569	41,785	1,977	1,852	18,658	1,079	9,718	23,127	898
	283,133	987,536	41,007	216,179	854,549	36,530	66,955	132,988	4,477

Environmental Education

Training Personnel to Proactively Address Environmental Problems

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. Since 2008 a total of 3,073 Aeon personnel have passed.

Companies that have acquired ISO 14001 certification provide training for their employees. For example, Aeon Retail 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 outside instructors are also held every year to facilitate smooth operation of



Environmental Specialist Certification

the environmental management system. As of February 2010, a total of approximately 1,400 employees 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 healthy balance between the environment and the economy.

Environmental Communication

Incorporating Outside Opinions to Continually Improve Environmental Conservation Activities

The Environmental Advisory Board met two times in fiscal 2009 to receive recommendations on environmental conservation activities from outside experts. Opinions were provided at the meetings on the important role retailers have in proposing low-carbon lifestyles to customers, further promoting environmental impact reductions when managing stores, and how to respond to environmental risks in overseas operations.

Together with Customers

For the Future of the Environment
Doing What We Can, One Step at a Time, Together with our Customers

Aeon Tree-Planting Activities

Continuing Tree-Planting Activities with Customers, in Japan and Around the World

Aeon has run the Aeon Hometown Forests Program since 1991. Whenever a new store is opened, we join together with our customers to plant trees on the site, with leadership provided by Professor Emeritus Akira Miyawaki of Yokohama National University. In 2009 we planted a total of 209,370 seedlings at 29 locations.

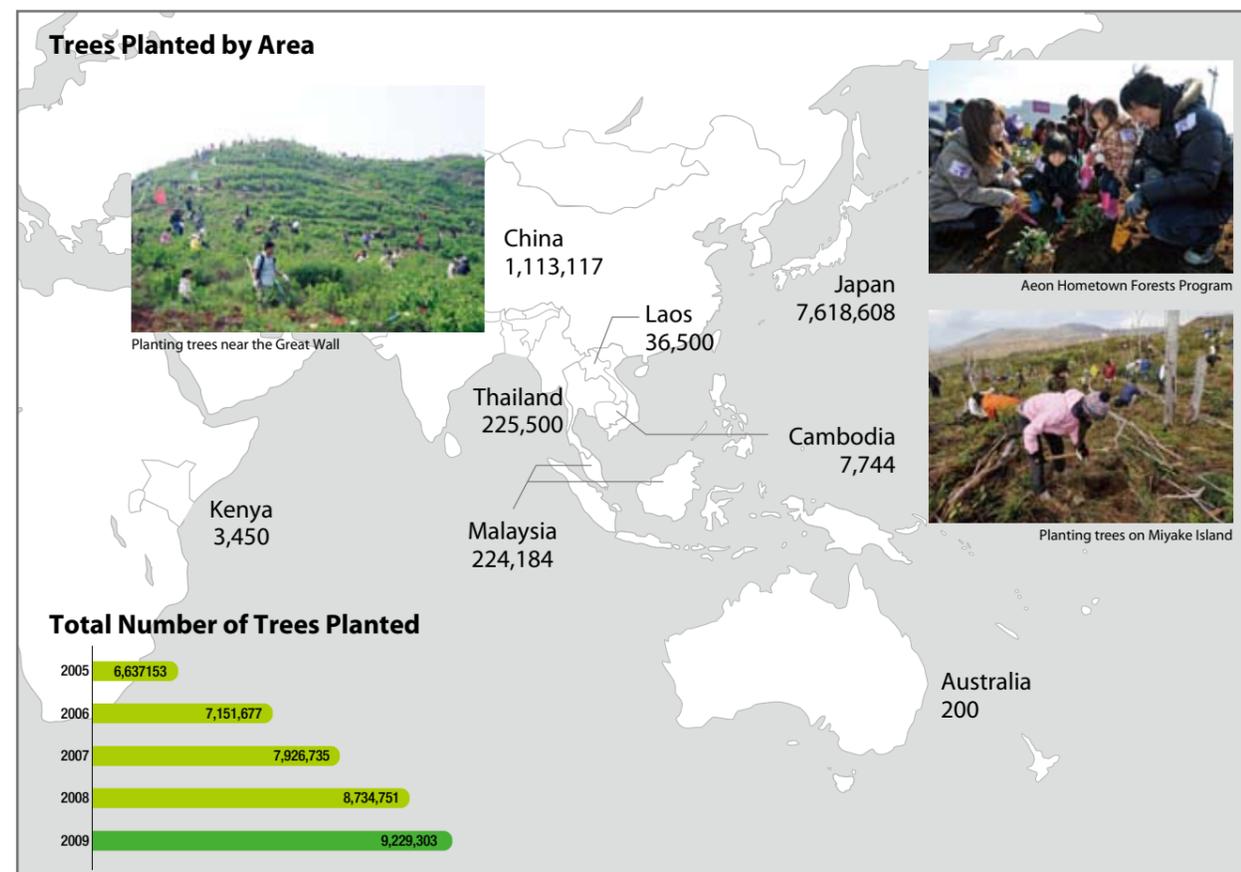
In addition, the Aeon Environmental Foundation organizes tree-planting campaigns to reestablish forests devastated by natural disasters. In 2009 we conducted tree-planting in Japan at Lake Shikotsu in Hokkaido, Miyake Island in Tokyo, and other locations, and overseas in Malaysia, Laos and other countries.

Altogether we have planted 9,229,303* trees as of February 28, 2010. We will continue conducting tree-planting activities with a view to achieving our 2012 goal of planting 11 million trees.

●Promoting Tree-Planting in China

We conduct the Aeon Hometown Forests Program when a store opens in the China just as in Japan. The Aeon Environmental Foundation also conducts tree-planting initiatives in China. Started in 1998, our Great Wall Forest Rejuvenation Project has attracted the participation of 12,900 volunteers from Japan and China, who have planted 980,000 trees, as of 2009. And, in April 2010, the cumulative number of trees planted reached one million.

*Combined total of Aeon Hometown Forests Program and Aeon Environmental Foundation



Plastic bag Reduction

Reducing Plastic Bags, Cutting CO₂ Emissions, Conserving Resources and Reducing Waste

A large number of plastic bags is used each day. Each individual bag is made of only a small amount of material, but since the bags are used 365 days a year all throughout the country, an enormous amount of resources ends up being consumed. Aeon is therefore working to reduce use of plastic bags to help cut CO₂ emissions, a cause of global

warming, conserve oil, which is what the bags are made of, and cut back on waste volume.

Our current goal is for at least 1,000 stores to discontinue free plastic bags by 2012, and we are continuing our efforts together with local residents by crafting agreements with community organizations and local governments. As of February 28, 2010, 704 stores* nationwide have discontinued free plastic bags.

*Total of 19 consolidated companies

Stores Discontinuing Free Plastic Bags

Total Number of Stores (As of February 2010)

704

(Total of 19 consolidated companies)



Results of Fiscal 2009 Activities

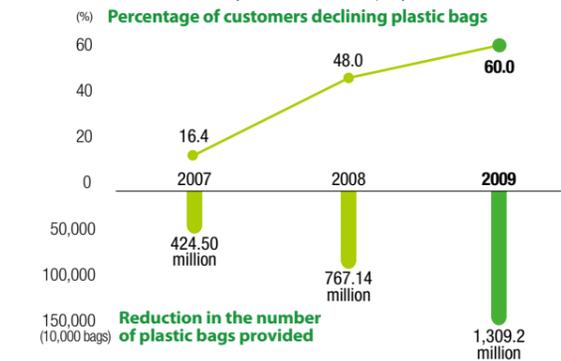
● My Basket & My Bag Campaigns

Aeon has carried out the My Basket & My Bag campaigns since 1991. Customers are encouraged to bring their own shopping baskets and bags to the store, which conserves resources and cuts down on waste by reducing use of plastic bags.

In 2009, 60.0% of customers declined plastic bags, meaning we achieved our target of 50% participation at all stores by fiscal 2010 one year ahead of time.

Percentage of Customers Declining Plastic Bags and Total Plastic Bag Reduction

Total of 20 consolidated companies (Percentage is calculated by averaging figures for the final month of the fiscal year from each company involved.)



Conservation of Resources (total for Aeon)
Oil barrels (200 ℓ)

Saving of approx.

119,793 barrels



Formula (courtesy of the Japan Polyolefin Film Industry Association)

The total energy used to manufacture a plastic bag (raw materials, resin, manufacturing, shape forming) is 17,124kcal/kg. The energy used to manufacture a 9.9g plastic bag divided by the calorific value of the raw materials comes to 18.3mℓ (11.5mℓ crude oil solidified in the bag and 6.8mℓ crude oil emitted as CO₂ during the manufacturing process).

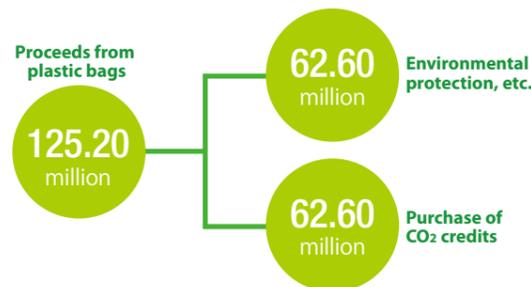
Reduction in the number of plastic bags provided during fiscal 2009
To calculate total in liters
1,309,216,060 bags × 18.3mℓ ÷ 1,000 = **23,958,654ℓ**
23,958,654ℓ ÷ 200 ℓ = **119,793 barrels**

● Donation of Plastic Bag Income

Aeon gives back the money it collects from the sale of plastic bags to society. Half of the income from the bags goes to local governments and community organizations to help in environmental conservation and social contribution activities. The other half is transferred to the government for use in purchasing CO₂ emissions credits to help Japan reach its goals under the Kyoto Protocol.

Plastic bag income in fiscal 2009 totaled approximately ¥125.20 million.

*Plastic bag income = Sales price - (consumption taxes + purchase cost)



● Sale of "My Basket with Carbon Offset"

Aeon began selling the "My Basket with Carbon Offset" * in April 2009. This campaign seeks to offset CO₂ emissions given off in the process of manufacturing and shipping, "My Basket" sold by Aeon (approx. 1.76 kg per basket) through the purchase of CO₂ emissions credits.



A personal shopping basket

In fiscal 2009, we sold roughly 380,000 "My Basket with Carbon Offset" products.

*The cost of CO₂ emissions credits is not added to the price, so it is the same as always

Initiatives to Reduce Environment Impact of Plastic Bags

1991

Started My Basket & My Bag campaigns, which encourage customers to bring their own baskets and bags for shopping.



My basket

My bag

2007

Started discontinuing free plastic bags, the first nationwide chain to do so, in step with the increasing environmental awareness of customers (Jusco Higashiyama Niijo Store).



Announcement sign

2009

Launched sales of "My Basket with Carbon Offset" to reduce CO₂ emissions.

Initiatives to Raise Environmental Awareness

Aeon Cheers Club Strives for the Sound Upbringing of Children for Society's Future

The Aeon Cheers Club provides environmental classes and hands-on educational experiences to get children interested in environmental issues and help develop their thinking skills.

In 2009, 180 club chapters across the country held activities for a total of 3,348 children. Programs on plant life were held at Aeon stores, and the club also conducted the Eco-Life Tour in Germany, Aeon Furano Nature School and Nationwide Meet at Mt. Fuji.



Eco-Life Tour in Germany



Nationwide Meet at Mt. Fuji

Aeon Environment School Started

The Aeon 1% Club started the Aeon Environment School to help commemorate the 20th anniversary. This educational program, which seeks to raise customer awareness of environmental issues, holds seminars and environmental events in major cities around the country, inviting prominent scholars and activists to serve as instructors.



Lecture by Mr. C.W. Nicole

It was held in nine cities in fiscal 2009.

Aeon 1% Club Celebrates 20th Anniversary

The Aeon 1% Club was established in 1989 to promote activities for local communities as a good corporate citizen based on the pillars of environmental conservation, international culture, personnel exchange, personal development and training and revitalization of local culture and communities. Exceptional Aeon Group companies contribute 1% of pretax profit for use in a variety of programs and activities. In 2009, Aeon Environment School was started to help commemorate the program's 20th anniversary. The Aeon Cheers Club Nationwide Meet at Mt. Fuji was also held, along with a reunion for past Teenage Ambassadors (see pg. 38).

For more information:
<http://www.aeon.info/1p/en/>

Aeon Group's Environmental Conservation Activities — Sports Authority

Aeon Specialty Stores Also Start to Discontinue Free Plastic Bags

Mega Sports Co., Ltd. which is responsible for the Sports Authority chain of sporting goods stores, became the first company in Aeon's Specialty Stores Business to discontinue free plastic bags. The initiative was launched at Sports Authority locations in Sendai nakayama store and Rifu store in March 2009. Currently, six stores nationwide no longer provide free plastic bags (as of February 28, 2010). Customers are encouraged to bring their own bags when coming to shop at Sports Authority in an effort to reduce use of plastic bags.



Announcement sign

Through Products

Carefully Creating and Delivering People- and Environment-Friendly Products

Expanding Carbon Footprint Labeling for Products

Go forward a product to show the CO₂ emissions

Carbon footprint (CFP) labeling refers to labeling a product to show the CO₂ emissions it generates through its lifecycle, from raw materials to processing, distribution, consumption, disposal and recycling.

Aeon participates in the Carbon Footprint Pilot Program started by the Ministry of Economy, Trade and Industry in June 2009. Our participation involves trial product sales, creation of product category rules (PCR) and other initiatives.

2009 Winter gift products with carbon footprint labeling

Laundry detergent (TOPVALU)

Edible oils (TOPVALU)

Specially Cultivated Akitakomachi Rice 4kg (TOPVALU Gurinai)

In fiscal 2009 we sold three TOPVALU winter gift products with carbon footprint labeling. We also began selling a product with CFP labeling, "TOPVALU Gurinai Specially Cultivated Koshihikari Rice 4kg," at Aeon Mall Kusatsu in January 2010. The product has garnered attention as Japan's first CFP-labeled product sold at a retail store verified by the government under its Carbon Footprint Pilot Program.

Informing customers regarding the CO₂ emissions of everyday products further increases their interest in the environment, and ascertaining CO₂ emissions given off in the various processes that make up a product's lifecycle helps spur initiatives for reducing CO₂ emissions.

Aeon will continue actively working toward the viability and popularization of the carbon footprint program from the standpoint of a retailer in direct contact with customers on a daily basis, by increasing sales of CFP-labeled products and other such efforts.



Sales Floor (Kusatsu SATY)

Specially Cultivated Koshihikari Rice 4kg (TOPVALU Gurinai)

Developing and Selling Environmentally Conscious Products

Providing TOPVALU Gurinai—Environmentally Conscious Agricultural, Livestock and Marine Products

TOPVALU Gurinai is a line of environmentally friendly agricultural, livestock and marine products that are produced taking full advantage of the powers of nature. Stringent voluntary standards have been set to ensure food safety.

The TOPVALU Gurinai Five Criteria

- 1 No artificial coloring, preservatives or sweeteners are used in Gurinai products.
- 2 Use of chemical fertilizers, agrichemicals, antibiotics and other chemical items is minimized in the production process.
- 3 Gurinai products are made using the power of nature in the location, timing, crop varieties and feeding in order to make foods as delicious as possible.
- 4 Gurinai products support environmentally- friendly farming practices.
- 5 Gurinai products are controlled from production to sale in accordance with our own strict self-imposed strict standards.



Grilled eel (TOPVALU Gurinai)



Gurinai

TOPVALU KYOKAN SENGEN—Aeon's Eco Products Brand

Out of our commitment to helping conserve the environment together with our customers, in 2000 Aeon developed and announced the eco-products brand TOPVALU KYOKAN SENGEN based on a recycling, green and natural approach. We strive to present customers with products that are truly attractive in terms of both quality and price, rejecting the idea that environmentally friendly products are always expensive.

TOPVALU KYOKAN SENGEN's Three Perspectives

- 1 **Recycling—Effective utilization of recycled resources**
Products effectively use recycled resources, centering on materials collected at stores (aluminum cans, milk cartons, food trays and plastic bottles).
- 2 **Clean—No environmental pollution**
Products give consideration to maintaining air and water quality and do not pollute the natural environment.
- 3 **Effective use of natural materials**
Products effectively use natural materials instead of materials with high environmental impact.



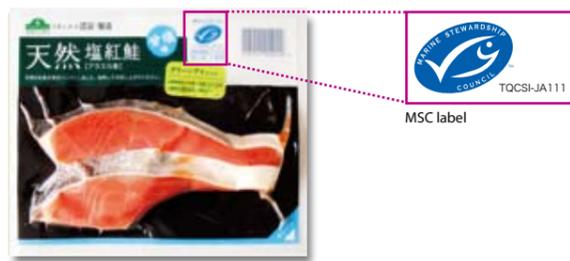
Toilet paper (TOPVALU KYOKAN SENGEN)

Selling MSC and FSC Certified Products

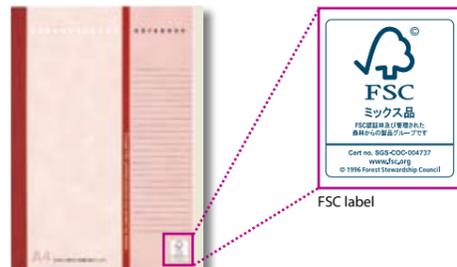
Marine resources are on the decline around the world. Marine Stewardship Council (MSC) certification, also known as the marine ecolabel, was established to certify appropriately managed, sustainable seafood products in order to ensure we all are able to continue enjoying the ocean's blessings. Aeon sells red salmon, salmon roe and other certified seafood from Alaska.

Another certification program, run by the Forest Stewardship Council (FSC), was established to certify appropriately managed, sustainable forests. Aeon sells notebooks and other products made from certified forest products.

Aeon intends to continue actively sourcing products that give due consideration to the sustainability of biological resources.



Naturally salted salmon (TOPVALU Gurinai)



A4-size notebook (TOPVALU KYOKAN SENGEN)



Copy Paper (TOPVALU KYOKAN SENGEN)

Carbon Offset Products Help Reduce Japan's CO₂ Emissions

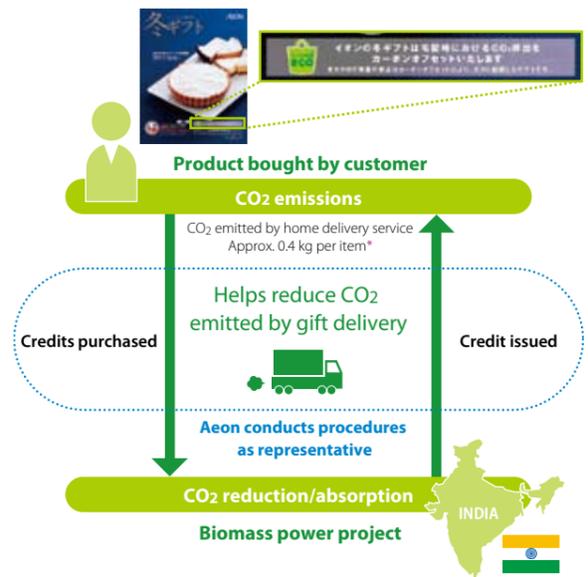
Together with its business partners, Aeon sells products with carbon offsets** in which a portion of sales proceeds are used to purchase CO₂ emissions credits, which are transferred free of charge to the Japanese government.

In 2009, the Carbon Offset Campaign, covering certain food and household products, was conducted by 14 Group companies and at approximately 1,100 stores. Together with our business partners, we purchased emissions credits worth an annual 3,893 tons-CO₂ and transferred them free of charge to the government.

We also offset CO₂ emissions associated with product deliveries for all gift products, including gifts for Mother's Day and Father's Day, and traditional midsummer and end-of-the-year gifts. Emissions credits worth an annual 3,893 tons-CO₂ were purchased with the help of our business partners and transferred to the government at no charge.

* The cost of CO₂ emissions credits is not added on, so the product's price and delivery charges are the same as always.
 ** Carbon offsets are a mechanism for offsetting the amount of greenhouse gas emissions that a company, etc. was unable to reduce through its own efforts with emissions credits obtained by purchasing greenhouse gas reductions or absorptions achieved at other locations or conducting projects or activities that produce reductions or absorptions.
 Excerpted from Guidelines for Information Provision of Carbon Offsetting Activities for Establishing Credibility issued by the Ministry of the Environment
 See the Japan Carbon Offset Forum's website (<http://www.j-cof.org/e/index.html>) for more information.

Carbon Offset Mechanism



* CO₂ emissions per item references websites of major parcel delivery companies.

Logistics Initiatives

Using Various Devices to Reduce CO₂ Emissions in Logistics

In order to reduce CO₂ emissions for logistics, Aeon is promoting a modal shift, which involves switching from shipping by truck to shipping by rail. When we do ship by truck, we boost transportation efficiency by utilizing large trucks that can carry larger loads and picking up shipments with store delivery vehicles on their return trips. We are also adding vehicles with higher fuel economy to our fleet to lower the environmental impact. Moreover, since 2008 we have focused on making distribution centers more eco-friendly by installing solar panels and other equipment.

In 2009, we promoted the Eco Drive* initiative. Classes on more environmentally friendly driving techniques were held twice during the year at 23 nationwide locations in collaboration with our logistics vendors.

We plan to hold classes around the country in 2010.



Eco Drive class



Awards ceremony

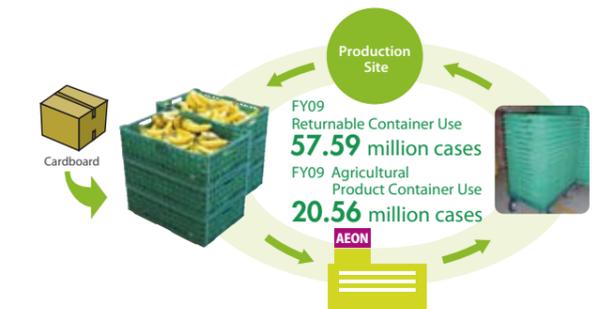
Expanded Use of Returnable Containers and Reused Hangers

Aeon is reducing the amount of cardboard thrown away at stores by using returnable containers and agricultural product containers that can be used repeatedly when shipping products.

In addition, our apparel departments conduct reused hanger delivery in which clothing is brought to the store on hangers and then displayed on the sales floor using the same hangers. This reduces the amount of cardboard boxes used when transporting the clothing and the amount of hangers used only for transport.

In fiscal 2009 we used 57,590,000 cases of returnable containers, 20,560,000 cases of agricultural product containers, and 13,210,000 reusable hangers, which helped us substantially reduce cardboard waste.

Returnable Container, Agricultural Product Container



Reusable Hanger



Aeon Group's Environmental Conservation Activities — SELF + SERVICE

Participating in Project to Recycle Clothing into Bioethanol

SELF+SERVICE, a specialty shop for clothing and accessories managed by Aeon Retail Co.,Ltd. began collecting used clothing in 2003 and has gradually expanded recycling applications.

In 2009, the company collected some 17,000 articles of clothing. In January 2010, it began participating in the FUKU-FUKU Project administered by JEPLAN Co.,Ltd. which recycles clothing into bioethanol. Through this initiative, which is supported by the Japanese government, 4,000 articles of clothing were collected at 18 SELF+SERVICE stores.



FUKU-FUKU Project poster Clothing collection bin

At Stores

Eco Stores—Managing Stores for Harmony with the Environment

Further Developing Eco Stores

We are working to design stores that are environmentally friendly

Aeon's Eco Stores target 20% lower CO₂ emissions than conventional stores. Ever since our first Eco Store, the Aeon Chikusa Shopping Center, was opened in May 2005, we have continued to develop Eco Stores.

In fiscal 2009, we opened our tenth Eco Store, the Aeon Tsuchiura Shopping Center. Various efforts have been made to reduce CO₂ emissions by incorporating environmentally conscious advanced technologies and systems, including state-of-the-art solar panels.

We plan to further develop Eco Stores, which are environmentally friendly in terms of both tangible infrastructure and intangible systems and programs.



Aeon Chikusa SC
First Eco Store



Aeon Tsuchiura SC
Tenth Eco Store

The Progress of Eco Stores and Eco Shopping Centers

	Shopping Center (SC) Name		Amount of CO ₂ Reductions (Annual)
2005	Aeon Chikusa SC	1st Store Aichi Prefecture	729t-CO ₂ (Actual value)
	Aeon Co., Ltd. (now Aeon Retail Co., Ltd) Aeon's first eco store		
2006	Aeon Kashima SC	2nd Store Chiba Prefecture	1,656t-CO ₂ (Actual value)
	Aeon Co., Ltd. (now Aeon Retail Co., Ltd) First eco store in the Kanto region		
2007	Aeon Dainichi SC	3rd Store Osaka	4,769t-CO ₂ (Actual value)
	Aeon Co., Ltd. (now Aeon Retail Co., Ltd) First eco store in the Kansai region		
2008	Aeon Kagoshima SC	4th Store Kagoshima Prefecture	1,507t-CO ₂ (Actual value)
	Aeon Kyushu Co., Ltd First eco store in Kyushu		
2009	Taki Crystal Town SC	5th Store Mie Prefecture	438t-CO ₂ (Target value)
	Maxvalu Chubu Co., Ltd First Maxvalu eco store		
	Aeon Tomakomai SC	6th Store Hokkaido	3,300t-CO ₂ (Actual value)
	Aeon Hokkaido Corporation First conversion of an existing store		
	Aeon Laketown	7th Store Saitama Prefecture	11,062t-CO ₂ (Actual value)
MORI zone certified for "S" ranking under the CASBEE system.			
2009	Aeon Hiezu SC	8th Store Tottori Prefecture	2,247t-CO ₂ (Actual value)
	Aeon Retail Co., Ltd Additional floor space added to an existing store		
	Aeon Mall Kusatsu	9th Store Shiga Prefecture	3,027t-CO ₂ (Target value)
Aeon Mall Co., Ltd. First eco store in Kyushu			
2009	Aeon Tsuchiura SC	10th Store Ibaraki Prefecture	2,500t-CO ₂ (Target value)
Aeon Retail Co., Ltd			

The concepts and eight approaches of Eco Stores Concepts



We achieved a level beyond our initial CO₂ reduction target. (Aeon Lake Town)

Aeon Lake Town, which recently celebrated its first anniversary, is Aeon's flagship Eco Store. Progressive initiatives at Lake Town have resulted in reducing CO₂ emissions by approximately 24% (11,062 tons-CO₂) compared to an equivalent facility without energy saving technologies. We were able to reduce CO₂ emissions beyond our initial reduction target of 9,000 tons-CO₂.

In addition to such technological achievements, the shopping center also plays a cultural role as a place to enjoy, learn and act "eco," exhibiting ecological themed artwork by domestic and foreign artists and disseminating a variety of information on environmental topics.

Aeon Lake Town Initiatives

●Solar Panels

Lake Town's solar panels total 4,000 m² in area, the largest of any retail facility in Japan. They are equivalent in size to four 50 x 25 meter swimming pools, producing roughly 410,000 kWh of power every year. This reduces CO₂ emissions by approximately 175 tons.



●The Vertical Garden

A portion of the building's exterior consists of highly insulating green wall panels (moss-covered tiles). They help keep the inside of the building a comfortable temperature.



●Hybrid Gas Ecosystem

The heat source system is a highly efficient hybrid gas ecosystem that helps reduce CO₂ emissions.



●Act Green

Act Green is an eco-town development program featuring the participation of Aeon Lake Town, local residents, the government and private companies. The program conducts a variety of ecology-related activities, which include disseminating information and holding events.



●Eco Expeditions

Eco Expeditions are held every Saturday to expose people to Lake Town's environmental initiatives. They attracted the participation of 1,148 people in 2009.



●Energy Saving Activities by Employees

Employees are actively involved in energy saving initiatives at stores and offices. Electricity usage is made transparent in graphs as a part of efforts to raise awareness.



Lake Town is Japan's largest eco-shopping center and was developed based on the concept, "Kind to nature and pleasant for all." It is situated next to a lake on a 224,000 m² site with lush greenery and is separated into two zones, Kaze (Wind) and Mori (Forest). The shopping center incorporates cutting-edge technologies and systems, including solar panels and green walls, and promotes environmental conservation initiatives.



Resource and Energy Conservation at Stores

Drink Cartons and Food Trays Collected to Recycle Resources

Drink cartons, food trays, aluminum cans and PET bottles are valuable recyclable resources. Aeon stores have resource collection bins and encourage customers to recycle.

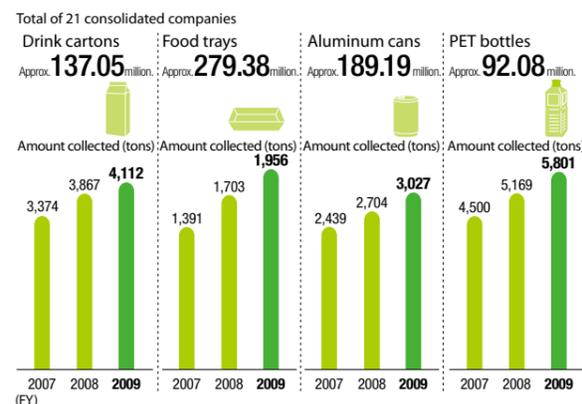
Drink cartons and aluminum cans that are collected are recycled and some are used as raw materials for TOPVALU KYOKAN SENGEN brand products (see pg. 26). Food trays and PET bottles are also appropriately recycled. Aeon intends to continue our active involvement in the creation of a recycling-based society.



Collection bins

For more information: <http://www.aeon.info/environment/store/reuse.html>

Amounts Collected by Store Bins



The Aluminum can recycling process



Building a Recycling Loop for Food Products and Effectively Reusing Food Waste

Aeon works to reduce food product waste generated by our stores and promotes effective use of waste as a resource.

In May 2008 present day Aeon Retail Co.,Ltd., became the first company in Japan's retail industry to acquire recycling business plan certification* under Japan's food recycling law, which was revised in December 2007. The company built a recycling loop that involves collecting food waste generated at stores, turning the waste into feed, and then selling pork from pigs raised on the feed at Aeon stores. Pork from pigs raised on recycled feed has been sold at select stores in the Kanto region since June 2008.

Aeon Retail's food recycling ratio in fiscal 2008 was 36.2%. The food retail industry must achieve a recycling ratio of 45% by fiscal 2012. Aeon will continue to promote food recycling initiatives to achieve this target.

*Collection and shipping of recycled food resources in accordance with a certified recycling business plan does not require regular waste collection and transport licensing, which has made it possible to efficiently collect waste over a wide region transcending municipal boundaries.

Building A Local Recycling Loop



We are promoting energy conservation at stores

Aeon continues to install energy efficient facilities like canopy lighting in food display cases and works to thoroughly reduce unnecessary lighting, by turning off every other row of lights, for example. In addition to installing energy efficient facilities, our employees are involved in actively conserving energy at stores and business offices. They have been steadily generating results through persistent daily efforts, turning off unnecessary lights and turning off the power on devices not in use.



Canopy lighting

Every other light turned off

We use low environmental impact products on a priority basis

We began "green purchasing" efforts in 1996. When purchasing stationery and other office supplies, we adequately consider their necessity and make purchasing decisions while prioritizing products with low environmental impact. This is done as a matter of course for office supplies, but we are also expanding the scope of green purchasing to include display cases, shelving and other fixtures used on sales floors as well as construction materials and the like.

Construction materials

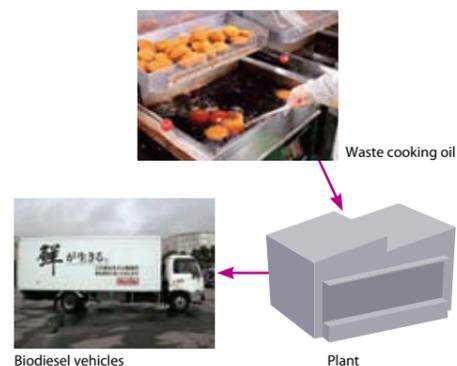
We commenced green purchasing for construction materials in fiscal 2001. When developing new general merchandise stores, we strive to use products procured through green purchasing for construction materials and increase the range of items subject to green purchasing. In fiscal 2009 we conducted green purchasing for 12 types of construction materials.

Aeon Group's Environmental Conservation Activities — Maxvalu Chubu Co., Ltd. Maxvalu Tokai Co., Ltd.

Waste cooking oil is recycled as biodiesel fuel

Maxvalu Chubu and Maxvalu Tokai recycle waste cooking oil used by their stores' prepared foods departments for deep frying and turn it into biodiesel fuel that is used to power the companies' vehicle fleet. A closed recycling loop has been created whereby a waste product produced by the company is then recycled by the same company.

Maxvalu Chubu uses the fuel in three company vans that run on biodiesel while Maxvalu Tokai uses the fuel in one delivery truck and three company vans.



Aeon Group's Environmental Conservation Activities — Ministop Co.,Ltd.

Japan's First FSC-certified Convenience Store

Ministop Co.,Ltd., is committed to building stores that take the environment into account. In December 2009, Ministop opened the nation's first FSC-certified convenience store, Ministop Koshigaya Lake Town East. Wood used in the store is 100% domestic FSC-certified lumber, and the entire building, including the construction process, received FSC certification. Ministop is also working to increase the energy efficiency of store facilities. Initiatives include changing sign lighting from conventional fluorescent to LED lights. The company intends to continue reducing CO₂ through forests, as pledged by Japan under the Kyoto Protocol, by opening stores that use 100% domestic FSC-certified wood products.



Store under construction

MINISTOP store (rendering)

In the Community

Working with Local Community Members for a More Prosperous Society

Aeon Day: Social Contribution Activities Conducted Every Month on the 11th

We conduct the Aeon Happy Yellow Receipt Campaign to support volunteer organizations together with our customers

There are many volunteer organizations out in the community that could use some help. There are also many Aeon customers who want to help and encourage the activities of these organizations. However, there are actually only limited ways of making support and encouragement a reality for both sides. Realizing that we could play a major role as a member of the community, Aeon started the Aeon Happy Yellow Receipt Campaign in 2001 to support volunteer organizations together with our customers.

The campaign involves customers depositing yellow receipts received on Aeon Day—every month on the 11th—into a box labeled with the activities of local volunteer organizations, and Aeon donating items worth 1% of total receipts received to the organizations.

Volunteer organizations have their activities publicized to large numbers of people and customers get the opportunity to help out local organizations involved in their communities.

In fiscal 2009 the campaign was conducted by 21 companies and 1,344 stores. Items worth a total of ¥267.87 million were donated to 28,926 organizations.



Presentation ceremony



Cleanup and Landscaping Around Stores

Aeon is actively involved in community landscaping projects around its stores. Clean & Green Activities, conducted since 1991, consist of employees volunteering to clean up parks and rivers around stores and areas surrounding public facilities. These activities have been conducted every month on the 11th, Aeon Day, since 2001.



Cleaning up around a store



Contributing to Local Disaster Preparedness

Concluding Disaster Prevention Agreements

Aeon strives to ensure that employees working at our stores constantly act as members of the community. The same applies during natural disasters. We continue to sign disaster prevention agreements with local authorities throughout Japan, pledging cooperation and support in the event of an emergency in an effort to be of use to people in the local community.

We have signed 1,099 disaster prevention agreements with 608 local government bodies (as of February 28, 2010) and assist with local disaster prevention activities, including providing emergency supplies in the event of a disaster, providing car parks for use as evacuation points and organizing joint emergency drills.

Readying Large Tents for Use in Evacuations

Aeon has promoted installation of "balloon shelters"—large tents for use in emergency evacuations—since 2004 to be ready in the event of an earthquake or other major natural disaster. The tents have been placed at a total of 28 locations, primarily shopping centers around the country (as of February 28, 2010). The tents are lightweight and easy to carry, so those stored close by can be brought to locations affected by disasters.



A balloon shelter. Balloon shelters can be easily inflated with a special blower and be ready for use in around 40 minutes. They come two to a set and one set has room for around 100 people to lay down.

Response Procedures for Major Disasters and Everyday Disaster Preparedness

Aeon created earthquake and disaster preparedness rules in 2005 in order to establish practical response procedures for stores and the head office. The rules enable us to fulfill our responsibilities to society as a retailer in the event of a major disaster in an area where our stores are located. They stipulate procedures for preventing greater loss of human life, expediting store recovery and other matters. We also run an annual disaster preparedness drill for the Aeon Group every year. It simulates a major earthquake occurring in Tokai, Kanto and other regions. In addition, the 15th of every month has been designated Aeon Disaster Preparedness Day, and reporting drills are conducted with stores on an ongoing basis.

The Home Earthquake Measures Handbook, which contains useful information in the event of an earthquake, is distributed to employees, and employees are encouraged to fill out the emergency contact information in the handbook. Employees are also instructed to conduct disaster preparedness measures at home in normal times to the extent possible.

Aeon Group's Social Contribution Activities — Maxvalu Nishinoh Co.,Ltd. Maxvalu Chubu Co.,Ltd.

Working With the Police and Local Bodies to Prevent Crime for a Safer Community

Maxvalu Nishinoh Co.,Ltd., collaborates with prefectural police departments where its stores are located to help prevent crime as a "110-Ban Store." 110-Ban Stores are places that crime victims can go for temporary protection, to call an ambulance or contact the police. There is an official sticker at store entrances and crime prevention drills are conducted on a regular basis. Maxvalu Chubu Co.,Ltd., also conducts 110-Ban Store initiatives in collaboration with police departments in Mie and Aichi Prefectures.



Maxvalu Nishinoh, a 110-Ban Store

Promoting Dietary Education

We conduct dietary education through a rice-growing project

Agricultural products in the TOPVALU Gurinai brand, planned and developed by Aeon, are produced by maximizing the powers of nature. They are delicious, nutritious and friendly to the environment. Leveraging these product characteristics, we have held the Elementary Student Rice Paddy Project since 2008, a dietary education program involving direct experience of rice cultivation.

In fiscal 2009, this hands-on dietary education program was held over the course of several months at three locations, Akita Prefecture,

Iwate Prefecture and Shiga Prefecture. Sixty-four fifth grade students from Kyowa Elementary School in Sendai, 50 fifth grade students from Shibutami Elementary School in Morioka, and 50 fifth grade students from Sawayama Elementary School in Hikone participated.

In fiscal 2010, in addition to the three schools participating in fiscal 2009, a rice-paddy project will also be held at Akamatsu Elementary School in the city of Saga in Saga Prefecture.



Gurinai



Specially Cultivated Akitakomachi Rice 4kg (TOPVALU Gurinai)

We provide opportunities to learn about the importance of food and the blessings of nature through direct experience of raising crops

Aeon has conducted hands-on tours of local farms since 2004 to teach participants the importance of eating fruits and vegetables, through direct contact with nature and direct experience of delicious flavors.

Aeon Retail's Kanto Regional Company promoted the Aeon Fureai Farm in 2008 and 2009 and as educational farm, which is part of the dietary education program promoted by the Ministry of Agriculture, Forestry and Fisheries. Held in three locations around the country (the cities of Yoshikawa in Saitama Prefecture, Sammu in Chiba Prefecture, and Furukawa in Ibaraki Prefecture), the initiative gives participants the experience of growing rice, corn and Chinese cabbage, from sowing to harvesting, while receiving instruction from actual agricultural professionals.



Growing rice



Corn



Chinese cabbage

We conduct dietary education classes at stores and dietary outreach programs at schools

We engage in a variety of dietary education activities at stores and schools. Dietary education classes are conducted at stores and include such activities as shopping games, vegetable quizzes and salad-making exercises. Participants learn the importance of food through seeing, hearing, touching, making and eating. In fiscal 2009 the classes were held five times by Aeon Retail for 209 elementary school students and seven times by Maxvalu Nishinohon for 541 students.

Aeon Retail also conducts a dietary education outreach program. Employees visit elementary schools as company instructors and hold classes related to food. Ten classes were held in fiscal 2009 and they were attended by 281 elementary school students.



Dietary education classes



Dietary education outreach program

Promoting Local Cultures

Supporting Local Cultural Life

As a member of the local community, We respect regional cultures and traditions and are involved in promoting local cultural life. We actively participate in local and traditional events, support the transmission of that local culture and history to the next generation and actively help in event management.

In fiscal 2009, we supported a large number of local traditional events, including the Morioka Sansa Odori Festival, Yosakoi Festival in Kochi and the Yokkaichi Festival. We also support local cultural events and sports festivals.



Yosakoi Festival in Kochi



Morioka Sansa Odori festival

For more information: <http://www.aeon.info/1p/en/>

Elementary Student Rice Paddy Project

May → June → July → Aug → Sep → Oct → Nov → Selling

Planting Weeding Water management Pest control Fertilizer application Harvesting Drying adjustments Processing Shipping



The paddies are first planted in May. In Shiga Prefecture, carp fry are raised in the paddies* as a part of the Fish Cradle Paddy Project, which presents the students with a unique rice-growing challenge. Students also learn important lessons about changing ecosystems and efforts to repair them.



Students observe the rice growing bigger and bigger in June and July and then finally the time comes for it to be harvested.



The children hold a sickle for the first time and work as hard as they can to harvest the rice.



After the rice is harvested the children go back to the classroom to make and then eat rice-ball snacks.



*Shiga Prefecture conducts the Fish Cradle Paddy Project, which involves releasing parent carp into rice paddies, spawning and hatching eggs, and releasing the carp fry raised in the paddy into drainage canals once they reach around two centimeters in order to return them to Lake Biwa.

Social Contribution Activities

Fund Helps People with Disabilities Attain Greater Autonomy

Aeon established the Aeon Welfare Fund in 1977. The fund conducts a variety of support activities to help people with disabilities attain greater autonomy, more fully participate in society and improve their overall welfare. Employees contribute ¥50 to the fund every month and management matches this donation for a total contribution of ¥100. This money is used to fund donations of welfare-use vehicles and volunteer activities.

In fiscal 2009, we donated a total of four vehicles to four welfare facilities located around the country. Volunteer activities consisted of visits to 702 facilities nationwide. Employees visit the facilities in person and help out at Christmas parties or with major cleaning projects. Aeon employees visited a total of 6,100 facilities during the period from fiscal 1991 to fiscal 2009.



Donating a welfare-use vehicle

Around the World

Recognizing and Valuing the Bonds Shared by People around the World

Helping Children in Developing Countries

Providing Support for School Construction in Asian Countries Where Upgrades to Educational Facilities are Needed

All over the world there are schools with no blackboards, no water and no toilets. There are schools without the most basic facilities like desks and chairs and even schools without any form of schoolhouse. But, in every school there are many, many children with big dreams.

We want to help these children study hard and fulfill their dreams, so we partnered with the Japan Committee for Unicef to start the School Construction Support Project. The project provides support for school construction in Southeast Asia.

The project's slogan is "Bringing the Joy of attending schools to children." We conduct fundraising every spring at the stores and offices of Aeon Group companies around the country. Many customers make donations. To date, we have provided support for the construction of 149 schools in Cambodia, 57 schools in Nepal and 120 schools in Laos. The new schools are currently attended by over 100,000 students.

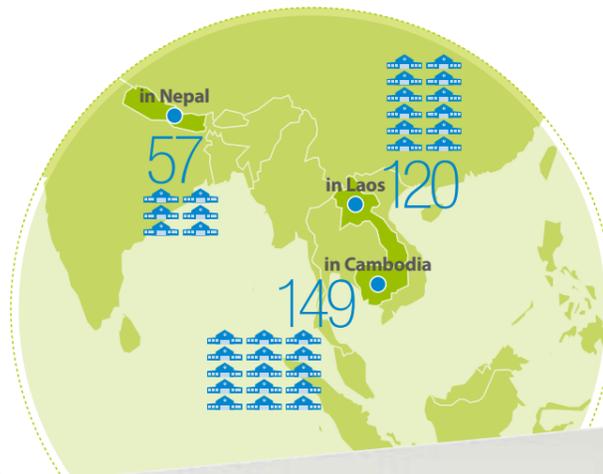
We will continue to help not only by building schools and improving infrastructure but also by enhancing related programs like continuing education for teachers and scholarship programs so that as many children as possible can experience the joy of going to school.



A former classroom



Current classroom



For more information: <http://www.aeon.info/1p/en/>



Collecting Bottle Caps to Help Children in Developing Countries

In June 2008, Aeon launched a campaign to "put a smile on the faces of children the world over" using PET bottle caps. The initiative involves collecting PET bottle caps at stores, selling them to recyclers and donating the proceeds to three organizations* that provide aid to impoverished children.

In fiscal 2009, at 706 stores nationwide, we collected a total of 288 million bottle caps, as a result of which polio vaccines and items such as nutritional meals and stationery were sent to 153,122 children the world over.

Fashion Service NANIWA also provides valuable support for bottle cap collection.



Collection box



Presentation ceremony

*Japan Committee Vaccines for the World's Children (JCV)
Save the Children Japan
Plan Japan

Disaster revival support

Supporting Disaster Recovery Efforts Around the World

When a disaster occurs, Aeon conducts fundraising for disaster recovery to help people in the area return to their normal lives as quickly as possible. We ask customers at our stores to donate and also call on our own employees to make contributions. Money raised from customers is matched by Aeon. The total is then donated to the country's embassy in Japan or other recovery organization.

In fiscal 2009, our efforts included providing emergency relief for the Sumatra Earthquake and Haiti Earthquake. Including emergency relief for disasters occurring in Japan, we donated a total of ¥16,650 million to prefectural governments, embassies, NGOs and other organizations.



Making a donation for people affected by the Sumatra Earthquake

For more information: <http://www.aeon.info/1p/en/>

International Exchange Programs

Promoting International Youth Exchange

Aeon has run the Teenage Ambassadors program since 1990 to further understanding and fraternity among the world's young people, the bearers of the future. The program invites high school students from around the world to Japan every year. The students study a variety of environmental topics, pay goodwill visits to ministers and ambassadors, participate in home-stays with Japanese families, and experience Japanese high schools. Through interacting with people in Japan the students learn about the culture and customs of their host country and develop a greater understanding of one another.

A reunion was held in 2009 to help commemorate the 20th anniversary of the Aeon 1% Club. A total of 183 former Teenage Ambassadors representing 11 countries, including Malaysia, the United Kingdom, Thailand and Bulgaria, visited Japan. They fraternized across national and generational divides and deepened their shared bond as former Teenage Ambassadors.

As of 2010, the program has brought 488 high school students to Japan from 13 countries: Malaysia, the United Kingdom, Thailand, Bulgaria, Brazil, Australia, Peru, China (Hong Kong), Korea, Cambodia, Indonesia, Vietnam and Germany. We have also run a program since 2006 that sends Japanese high school students to these countries. Eighty students have participated to date.

Aeon intends to continue to conduct a variety of activities to promote international youth exchange.



Singing "We are the World"

For more information: <http://www.aeon.info/1p/en/>

Aeon Group's Social Contribution Activities — Aeon Co. (M) Bhd. (Aeon Malaysia)

Administering a Children's Welfare Foundation

Aeon Co. (M) Bhd. (Aeon Malaysia) established the "With All Our Hearts" (WAOH) Malaysian JUSCO Foundation* in 2004 to help improve living, education and medical conditions for Malaysian children. The foundation is funded with a portion of sales proceeds and through charity activities. In fiscal 2009, approximately 660,000 ringgit** was donated to care facilities, children's cancer centers, schools and other worthy organizations.

* The foundation changed its name to "With All Our Hearts" (WAOH) Malaysian Aeon Foundation in January 2010.
**Currency of Malaysia. 660,000 ringgit is equivalent to around ¥19 million.



Charity carwash

Fundraising Activities (FY 2009)

Main fundraising activities (Japan)

Activity	Activity period	Participating Companies	Funds raised from customers and employees	Aeon 1% Club Contributions	Total Amount	Donees
Funds to support construction of schools in Laos	April 21, 2009 – June 21, 2009	65 Aeon Group companies	¥38,242,627	¥38,257,373	¥76,500,000	The Japan Committee for UNICEF
24-hour television	July 3, 2009 – September 6, 2009	77 Aeon Group companies	¥328,011,074	—	¥320,011,074	Nippon Television Network Corporation "24-Hour Television Charity Committee"
Sumatra Earthquake Relief Efforts	October 6, 2009 – October 20, 2009	59 Aeon Group companies	¥12,753,736	¥12,746,264	¥25,500,000	Embassy of the Republic of Indonesia in Japan
Haiti Earthquake Relief Efforts	January 16, 2010 – January 31, 2010	78 Aeon Group companies	¥48,609,734	¥51,390,266	¥100,000,000	Japan Platform
Total Amount			¥427,617,171	¥102,393,903	¥530,011,074	

Continuous Fundraising Activities

Activity	Activity period	Funds raised from customers and employees	Accumulated funds	Donee
Red Feather Community Chest	October 1, 2009 – October 31, 2009	¥12,647,632	¥178,510,976 (1983-2009)	The Central Community Chest of Japan

Emergency Disaster Relief (FY 2009)

Relief recipients	Donation date	Aeon 1% Club contribution
Disaster relief donation for earthquake victims in Italy	April 7, 2009	¥5,000,000
Disaster relief donation for torrential rain victims in Yamaguchi Prefecture	July 24, 2009	¥5,000,000
Disaster relief donation for torrential rain victims in northern Kyushu	July 31, 2009	¥3,000,000
Disaster relief donation for torrential rain victims in Hyogo Prefecture	August 17, 2009	¥5,000,000
Disaster relief donation for typhoon victims in Taiwan	August 18, 2009	¥5,000,000
Disaster relief donation for typhoon victims in the Philippines	October 2, 2009	¥5,000,000
Disaster relief donation for earthquake victims in Sumatra	October 5, 2009	¥5,000,000
Disaster relief donation for typhoon victims in Vietnam	October 7, 2009	¥5,000,000
Disaster relief donation for earthquake victims in Haiti	January 18, 2010	¥3,000,000

Chronology of Aeon's Environmental Conservation and Social Contribution Activities

Primary environmental conservation and social contribution activities

Year	Activity
1965	Donation of 1,000 cherry trees to the city of Okazaki at the opening of the Okazaki Okadayama Store
1977	Established the JUSCO Company Welfare Fund (now known as the Aeon Welfare Fund)
1979	Established Cultural Foundation of Okada
1989	JUSCO Group is renamed Aeon Group, and the Aeon Group 1% Club (now known as the Aeon 1% Club) is established
1990	Launched the JUSCO Earth-Friendly Committee The Aeon 1% Club started the "Small Ambassadors" (now known as "Teenage Ambassadors") Program as a part of its international cultural and personnel exchange activities
1991	Launched the Aeon Hometown Forests Program, with Jaya JUSCO Stores Malacca Store (Malaysia) as its first store Established the Aeon Group Environment Foundation (now known as the Aeon Environment Foundation) Started Clean & Green activities Commenced the Bring Your Own Shopping Bag campaign on a trial basis Began trial operation of the food tray collection and recycling campaign
1992	Planted trees at JUSCO Shin Hisai Store (now known as Hisai store) – the first store in Japan under the Aeon Hometown Forests Program
1993	Started development of organic and other agricultural produce as the Green Eye (now known as TOPVALU Green Eye) private label
1994	Formulated the independent Aeon Heart Building Design Standards based on the Heart Building Law (the Barrier Free New Law from December 2006). Opened JUSCO Minamikata Store as the first building in Japan certified under the Heart Building Law
1995	Introduced returnable food container and reusable hanger systems
1996	Launched the Environment Committee Founded the JUSCO Children's Eco Club (now known as the Aeon Cheers Club)
1998	Established the Aeon Group Environment Foundation and conducted the 1st tree planting in the Great Wall Forest Rejuvenation Project
2000	Launched the My Basket and My Bag campaigns Started sales of TOPVALU Kyokan Sengen products Commenced development of SELF + SERVICE ecology shops Acquired ISO 14001 certification across the entire company
2001	Changed company name to Aeon Co., Ltd. and started the Aeon Day Started the Aeon Happy Yellow Receipt Campaign Aeon 1% Club starts support for the construction of schools in Cambodia (total of 149 schools from 2001 to 2003)
2002	Started Aeon Clean Road Activities in partnership with the Volunteer Support Program of the Ministry of Land, Infrastructure, Transport and Tourism
2003	Began use of biomass packaging materials Formulated the Aeon Supplier Code of Conduct
2004	Formulated the Basic Policy for the Prevention of Global Warming Announced participation in the Global Compact advocated by the United Nations Achieved SA8000 certification for Aeon Co., Ltd. TOPVALU supplier management systems and Aeon corporate operations Commenced sales of TOPVALU Fair Trade Coffee under the TOPVALU label Aeon 1% Club starts support for the construction of schools in Nepal (total of 57 schools from 2004 to 2005)
2005	First eco store, Aeon Chikusa SC, opens
2006	Second eco store, Aeon Kashiwa SC, opens Third eco store, Aeon Dainichi SC, opens Stores and shopping centers acquire chain of custody certification for processing and distribution of MSC certified products (MSC-CoC), the first such certification by a general merchandiser in Japan Aeon 1% Club starts support for the construction of schools in Laos (Total of 120 schools from 2006 to 2009)
2007	Review of the process of issuing plastic shopping bags (discontinuing the free provision of plastic shopping bags in food departments) begins with the JUSCO Higashiyamanijou Store Aeon Co., Ltd. becomes the first company in the general retailing industry to sign an agreement on initiatives towards the establishment of a recycling-oriented society with the Japanese Ministry of the Environment Forth eco store, Aeon Kagoshima SC, opens
2008	Aeon formulates the Aeon Manifesto on the Prevention of Global Warming, becoming the first retailer in Japan to name a specific goal for reducing output of CO ₂ "Aeon Clean Japan" campaign started as an initiative to mark Aeon's 250th anniversary Ran a carbon offsetting campaign for the CO ₂ produced when delivering year-end gifts Fifth eco store, Taki Crystal Town CS, opens Sixth eco store, Aeon Tomakomai SC, opens Seventh eco store, Aeon Laketown, opens Eighth eco store, Aeon Hiezu, opens Eco shopping mall (ninth eco store), Aeon Mall Kusatsu, opens
2009	Trial sales of "Carbon Footprint" product labeling for nine varieties across seven TOPVALU products Tenth eco store, Aeon Tsuchiura SC, opens Aeon Environmental Foundation establishes Japan Awards for Biodiversity Participated in Japan Climate Leaders' Partnership as a founding member Started Aeon Environment School to commemorate 20th anniversary of Aeon 1% Club
2010	Established Aeon Biodiversity Policy Commenced store sales of Japan's first carbon footprint-labeled product at Kusatsu Saty

Providing safe and secure products and services is the basis of customer trust.

Aeon acts from the perspective of "Everything we do, we do for our customers" to ensure trust and provide peace of mind in our customers' day to day lives. It is our ongoing mission to benefit our customers.



Product Safety and Security

Various Systems Developed to Ensure the Safety of TOPVALU Products

For Aeon's private brand TOPVALU, we conduct product development on the basis of the Five TOPVALU Commitments. TOPVALU is a food, clothing and housewares brand that delivers basic, good-quality items for living at reasonable prices. We have also developed six sub-brands. As of February 2010, the brand has grown to include some 5,000 items.

TOPVALU products are all produced under a stringent quality control system that covers every stage, from product planning to selection of manufacturers, manufacturing management, and sales. Manufacturers up for selection are subject to product safety tests and factory sanitation surveys and are closely investigated to ensure manufacturing processes are managed appropriately.



The Five TOPVALU Commitments

- Reflecting the opinions of customers in products**
We invite customers to test products and give their opinions about quality and function.
- Offering reassuring products with consideration for safety and the environment**
We reduce the use of food additives and use raw materials and packaging with less environmental impacts.
- Presenting necessary information in an easy-to-understand format**
We clearly indicate information on nutrition and genetically modified ingredients.
- Providing products at affordable prices**
We offer product prices that are more affordable than those of national brands.
- Guaranteeing customer satisfaction**
We give a refund or exchange a product if the customer is not satisfied.

Contracted manufacturers are required to comply with the Aeon Supplier Code of Conduct (Business Code of Conduct) (see pg. XX). To confirm that the code is being upheld (human rights, labor conditions, environmental requirements, etc.), we administer second-party audits, which are conducted by Aeon auditors, and third-party audits, which are handled by a professional outside auditing firm. Moreover, the Research Institute For Quality Living Co., Ltd., an Aeon Group company, inspects and analyzes the safety and functionality of TOPVALU products to confirm their quality.

Traceability Provides Information on Production History and Distribution Routes

Aeon promotes traceability, which enables product production locations, production methods and distribution routes to be recorded and retained. The TOPVALU Gurinai Producer Data Search System and Domestic Beef Safety Confirmation System are two of the tools used to disclose information to customers.

● Producer Data Search System Provides Searchable Information on Fruit and Vegetable Products

In 2003 we established the Producers Data Search System for Aeon's TOPVALU Gurinai products to give customers online access to information on producers. We also added a barcode function that allows customers to access producer data by reading the QR code. In addition to traceability information, customers are also presented with tasty recipes using the scanned ingredient.

In fiscal 2009 a cumulative total of approximately 350 agricultural products were labeled with QR codes.

● Domestic Beef Safety Confirmation System Provides Production History and Distribution Routes for Each and Every Cow

Aeon established the Domestic Beef Safety Confirmation System in 2002, prior to enforcement of the Beef Traceability Act*, in order to provide peace of mind to customers buying beef. The system allows customers to find out information about beef products from cattle raised in Japan, including where the cow was raised, who raised it and what feed it was raised on. The system is available via a website, or, at some stores, information terminals with touch panels have been set up.

*Enforced in December 2004, the law's formal name is the Act on Special Measures concerning the Management and Relay of Information for Individual Identification of Cattle.



Committed to Accurate, Straightforward Product Labeling

TOPVALU products are labeled with accurate, straightforward information that customers need, including information on food allergens, use of genetically modified ingredients, nutrients and sodium content. We intend to provide even more detailed information in the future to accommodate increasing customer concern over food product labeling.

● Food Allergen Labeling

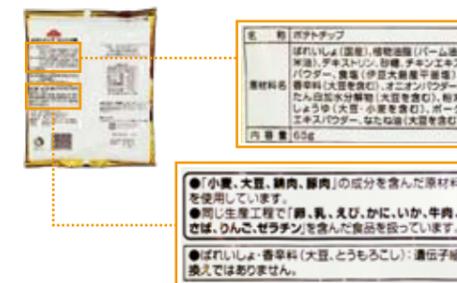
Information on food allergens is provided on product labels. The information covers use of seven officially designated ingredients* and 18 other secondary items as well as whether any allergens are handled in the manufacturing process. Inspections are also conducted every year to confirm labeling accuracy.

*The seven ingredients, which are the most common allergens, are wheat, milk, eggs, buckwheat, peanuts, prawns and crab. The Ministry of Health, Labour and Welfare also recommends labeling 18 secondary items (soy beans, roe, squid, mackerel, salmon, abalone, chicken, pork, beef, kiwi fruit, bananas, peaches, apples, oranges, gelatin, yams, walnuts, and matsutake mushrooms).

● Labeling of Genetically Modified Ingredients

In April 2001 the Ministry of Health, Labour and Welfare began giving approval to genetically modified foods only if their safety could be confirmed and made it mandatory to label their use. But even before this, in September 2000, Aeon began labeling TOPVALU products in response to urging from our customers. Labeling is provided even for items not mandated by law. In order to confirm label accuracy, products subject to labeling (separate items) undergo testing for genetically modified DNA every year.

Food Allergen/Genetically Modified Ingredients Labeling



Regarding Violation of Fresh Fish Date Management Rules at Maxvalu Tokai Co., Ltd.

It came to light that some stores of Maxvalu Tokai Co., Ltd., an Aeon Group company, sold certain fresh fish products that violated internal voluntary standards. We take this incident very seriously, and everyone at Maxvalu Tokai is working to prevent recurrence. As preventive measures, we have established the following systems and programs.

1. Public recruitment of community assistant store managers

All stores have appointed a local customer to serve as assistant store manager and monitor sanitation and quality control.

2. Public tours of employee-only areas of stores

We show customers work areas, product storage facilities and other employee-only areas and ask for their comments and suggestions on quality control.

Rigorous Sanitation Management Under the Aeon Food Sanitation Certification System

Under the Aeon Food Sanitation Certification System established in 1995, Aeon engages in a variety of activities to prevent the occurrence of food-related incidents such as food poisoning and contamination. [implementing 20 companies related with GMS Business and SM Business]

● Quality Keepers

Aeon has assigned "Quality Keepers" at stores to verify store sanitation levels and product quality. Quality Keepers check store products and food preparation areas at stores, and if a problem is found, they order improvements.

In addition, sales staff inspect a list of items related to sanitation and quality management, including a temperature management chart that is used to record temperature management for display cases, refrigerators and freezers, and sell-by dates that are set for each product.

● Sanitation Training for Employees

Employees in the food departments of Aeon stores must undergo sanitation training at least once a year. Employees review basic sanitation knowledge and rules for food preparation areas. Practical skills tests are also conducted for each person based on a test booklet.

In fiscal 2009, training put special emphasis on rules related to date management at Aeon.

● Audits of Food Preparation Areas

Food preparation areas are audited at least twice a year. Audits are continued until certain established standards are met.

● Sanitation Contests

We hold a sanitation contest once a year and honor stores recognized as excellent in audits of food preparation areas.

Store Safety and Security

We develop stores based on the concept of "ensuring convenience and accessibility for all."

Aeon works to design stores that comply with the Heartful Building Law (revised and renamed "New Barrier Free Law" in 2006)* out of a commitment to creating more comfortable public spaces. Our activities extend beyond store facilities and physical infrastructure; we also try to provide pleasant, barrier-free shopping experiences for all customers. For example, employees acquire service care worker certification to provide shopping assistance for senior citizens and people in need of special care, and training is provided for supporters of people with dementia.

●Designing Stores Based on Universal Design Concepts

Aeon developed the Aeon Heart Building Design Standards based on the Heartful Building Law enacted in 1994 (revised in December 2006 and renamed the new Barrier Free Law*). We use the standards when building new stores and remodeling existing locations. We are also actively committed to incorporating universal design principles into store development processes to strengthen store function and design and ensure convenience and accessibility for all.

In fiscal 2009, 23 of our facilities were certified under the new Barrier-Free Law, bringing the total number of facilities that have been certified to 595 (as of February 28, 2010).

*The Act for Buildings Accessible to and Usable by the Elderly and Physically Disabled Persons, or Heartful Building Law, was revised to become the new Barrier Free Law in December 2006.



Step-free entrance



Remote controlled car parking for physically disabled customers



Priority benches



Large direction signs in multi-story car parks (All photos are from Aeon LakeTown)

●Training Service Care Workers to Assist Seniors and People with Disabilities

We encourage Aeon employees to acquire service care worker* certification to help ensure that seniors and people in need of assistance can shop at our stores with total peace of mind. Certification training includes simulating the experience of being elderly and practicing providing assistance to people with disabilities. Certified service care workers numbered 9,275 as of February 28, 2010.



Qualification certificate for service care workers

*Service care worker certification is administered by the non-profit Nippon Care-Fit Service Association.

●Participating in the Million Supporters Strategy for People with Dementia

In 2007 Aeon became the first member of the retail industry to begin company-wide participation in the Million Supporters strategy for people who suffer from dementia, organized by the Ministry of Health, Labor and Welfare and the NPO Community-Care Policy Network. We also run seminars to train our employees to act as supporters so that they can have understanding and provide appropriate support. Through this initiative Aeon is working to support people with dementia and their families in partnership with local community members.

The number of trained supporters for those with dementia had reached 12,637, with 279 staff members qualified as "Caravan Mate" training course instructors. (As of February 28, 2010)



The badge and orange band worn by dementia supporters

Raising Safety Levels of Store Facilities and Fixtures

Aeon pursues safety for facilities and fixtures used in its stores to prevent accidents involving customers. In addition, automated external defibrillators (AED) have been set up at stores in the event a customer or employee goes into cardiac arrest or a related medical emergency occurs, and store management and other staff members are trained in emergency lifesaving techniques.

●Safety Measures for Escalators

There has been an increase in recent years in accidents involving children getting caught in the gap between an escalator and the wall at shopping malls and department stores. Aeon stores work to prevent escalator-related incidents by setting up barriers or dividers to prevent exposure to such gaps.



Safety Measures for Escalators

●Establishing Parking Lot Guardrails

Accidents often occur in the parking lots of retail complexes caused by drivers mixing up the gas and brake pedals. We have therefore established parking lot guardrails in order to prevent cars from crashing into stores and ensure the safety of customers.



Parking Lot Guardrails

●Installing Automated External Defibrillators (AED)

Automated external defibrillators, or AED, administer an electric shock to people experiencing sudden cardiac arrest as a way to resuscitate them. As of the end of February 2010, Aeon has installed AED at over 800 stores and shopping centers. In addition, store management, security guards and other staff members are trained in emergency lifesaving techniques.



AED

Fire Prevention, Disaster Preparedness and Crime Prevention at Stores

Aeon has established fire prevention, disaster preparedness and crime prevention measures at its retail facilities, which are visited by large numbers of customers, in order to respond quickly and appropriately and ensure the safety of customers if an incident occurs.

●Fire Prevention and Disaster Preparedness at Stores

Aeon stores check safety and disaster preparedness measures, and security staff also conduct a final inspection after stores are closed.

Fire prevention drills are conducted twice a year and earthquake response



An emergency drill in Sennan (Osaka prefecture)

drills are run once a year. Full store employees as well as temporary, part-time and tenant employees participate in the drills. They are conducted to help us respond quickly and ensure the safety of customers in the event of a fire or earthquake.

●Increasing Security Cameras to Strengthen Crime Prevention Measures

There have been a number of incidents at supermarkets over the past several years involving food products with needles or other dangerous objects. Aeon has therefore increased the number of security cameras in food departments and installed needle detectors at stores. If a needle were to be discovered, it would be promptly delivered to the police or healthcare center and customers would be informed through an in-store display or announcement in order to prevent additional injury or damage.

We have also started crime prevention drills to ensure the safety of customers in the event an incident or accident occurs in a store.

Measures to Combat New Flu Viruses for the Safety of Customers and Employees

Aeon formed a project team in 2006 as a measure to address the avian flu outbreak. We established Rules for New Flu Viruses in September 2009 and have since been readying infection prevention measures in order to ensure the safety of customers and employees.

In conjunction with the global spread of the new flu virus H1N1 starting in the spring of 2009, we revised the rules based on the latest information and re-distributed them to Aeon Group companies. We also distributed the New Flu Virus Handbook to store employees in order to raise awareness of new flu viruses. Moreover, a list of new flu supplies was provided at stores for customers in the form of a pamphlet and awareness-raising poster. We also gave out information on helpful measures at home and placed an alcohol-based disinfectant spray at store entrances for customers to use on their hands.

System for Addressing Customer Feedback

Submit your comments to one of our Suggestion Boxes and an Aeon representative will respond

Aeon puts the customer's perspective at the heart of management. We strive to create conditions in which customers feel free to provide suggestions and to promptly incorporate customer comments into product lineup and service improvements, environmental conservation activities and other areas.



Suggestion Box and Communication Board

The Suggestion Boxes and Communication Boards (bulletin boards for comments and suggestions) at our stores represent one such initiative. Comments and suggestions provided by customers are replied to directly by a store representative and posted for others to see. We receive many suggestions from customers about things that are difficult for stores and employees to notice. The suggestions are utilized to improve product lineups and services and in environmental conservation activities and other initiatives.

Customer Service Department Broadly Collects Comments and Requests

The Customer Service Department at Aeon headquarters receives product and service related comments and requests from customers that visit our stores. Comments and requests, which come in via the phone, Internet, letters and other channels, are responded to after checking with the relevant departments. In addition, for TOPVALU products, we have set up a call center and work to use customer suggestions in product development and improvements.

This feedback is also reported to directors and executive officers and used to improve product development, product lines and services.

Aeon headquarters received 59,649 comments and inquiries from customers in fiscal 2009, an increase of 4.7% (2,694) over fiscal 2008. Approximately 30% of these were suggestions or comments regarding products and services, 55% were questions about products and 15% were questions about services. There were still many customers concerned about food safety given recent scandals involving mislabeling food products and other factors, so there was an increase in customers contacting us directly by phone instead of email or traditional mail. Aeon is committed to listening to the comments of each individual customer and using this information to improve products and services.

Business Partners and Aeon

Striving For Ongoing Mutual Growth Based on Fair Dealings and Strong Partnerships.

Aeon creates high-quality products and services and generates customer satisfaction together with business partners that take on challenges with us while sharing our principles and approaches.



Supply Chain CSR

We demand compliance with the Business Code of Conduct

TOPVALU, Aeon's private brand, makes a promise to customers regarding the safety of its products. Aeon therefore created the Aeon Supplier Code of Conduct (Business Code of Conduct) for contract manufacturers in 2003 and begun requiring compliance in order to further improve quality control for TOPVALU products, maintain proper commercial transactions with manufacturers, and ensure appropriate workplace conditions at manufacturing sites—all of which represent responsibilities to the public.

The code covers compliance with national and local laws, respect for human rights, and safe, healthy working conditions, among other topics. Compliance pledges have been received from approximately 500 manufacturing partners. There is also a system in place whereby Aeon certified auditors and outside agencies conduct audits of partner production sites to check compliance with these requirements and promote improvements.

●Second-Party Audits by Aeon and Third-Party Audits by Outside Firms

The Aeon Supplier Code of Conduct (CoC) stipulates that suppliers must continually undergo second-party audits by Aeon auditors and third-party audits by professional outside auditing firms. As of February 28, 2010, third-party audits have been conducted for 1,118 factories. CoC Individual Support Sessions are held on an ongoing basis to rectify areas in need of improvement. A formal certification ceremony is also held every year for companies passing CoC audits.

Aeon Supplier Code of Conduct

(Business Code of Conduct) Requirements Conform with legally stipulated social responsibility standards in countries where manufacturing and procurement takes place

Conform with national laws and regulations

- 1. Child labor:** Illegal child labor is prohibited
- 2. Forced labor:** Forced, prison and bonded labor are prohibited
- 3. Safety, hygiene and health:** Provide safe, healthy workplaces
- 4. Freedom of association and right to group negotiations:** Respect employee rights
- 5. Discrimination:** Discrimination on the basis of place of origin or creed is prohibited
- 6. Disciplinary action:** Cruel punishment of employees is prohibited
- 7. Working hours:** Comply with laws related to working hours
- 8. Wages and benefits:** Comply with laws related to wages and benefits
- 9. Management responsibility:** Pledge compliance with the Aeon Supplier Code of Conduct
- 10. Environment:** Work to prevent environmental pollution and damage
- 11. Business dealings:** Comply with local laws on commercial transactions
- 12. Certification, auditing and monitoring:** Accept certification, auditing and monitoring under the Aeon Supplier Code of Conduct
- 13. Ban on gift-giving:** Gift-giving between Aeon and suppliers is prohibited



Scene of an audit

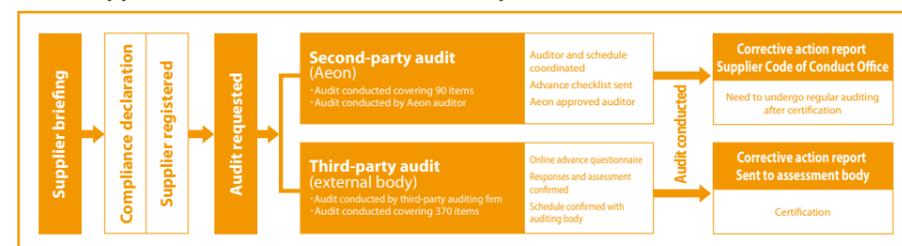


Aeon Supplier CoC certification ceremony

Cumulative Total Number of Code of Conduct-Certified Factories
(the cumulative total of factories obtaining certification as a result of third-party audits)

FY 2005	72 factories
FY 2006	211 factories
FY 2007	471 factories
FY 2008	732 factories
FY 2009	931 factories

Aeon Supplier Code of Conduct-certification procedure



We have acquired SA8000 international certification on human rights and employment

After establishing the Aeon Supplier Code of Conduct, in 2004 we acquired SA8000 certification, an international standard, becoming the first Japanese retailer to do so.

The standard establishes normative guidelines for protecting the human rights of workers on international labor markets. It requires compliance in eight areas that include protecting human rights and nondiscriminatory employment practices as well as development of a related management system and ongoing improvement to it. Certification applies to head office processes and TOPVALU supplier management by Aeon Co.,Ltd. and Aeon Retail Co.,Ltd. SA8000 certification was renewed in January 2008 after passing a renewal audit that is administered every three years.

Aeon will continue to pursue appropriate business processes together with suppliers on the twin basis of the Aeon Supplier Code of Conduct and SA8000.



SA8000 audit in progress

Objectives of Aeon SA8000

1. We will respect the basic human rights of employees at the workplace and establish comfortable working conditions by ensuring safety, security and health.
2. Along with our suppliers, who are equal business partners, we will respect laws related to human rights and labor standards and will continue to make improvements to help build a society where universal human rights are protected and efforts are constantly made to improve working conditions.

Policies for Promoting Aeon SA8000

1. We will respect international norms and laws related to human rights and labor standards and will make improvements on an ongoing basis.
 - a. Child labor: We will prohibit child labor and take remedial measures.
 - b. Forced labor: We will reject forced labor in all its forms.
 - c. Health and safety: We will ensure the health and safety of employees and provide healthy work environments.
 - d. Freedom of assembly and collective bargaining rights: We will ensure freedom of assembly and the right to collective bargaining.
 - e. Discrimination: We will not discriminate on the basis of nationality, race, sex, academic background, religion, physical disability or age.
 - f. Disciplinary action: We will not engage in corporate punishment, psychological or physical force, or verbal abuse.
 - g. Working hours: We will observe laws and labor agreements related to working hours, breaks and days off.
 - h. Compensation: We will observe laws related to payment of fair wages.
2. We will conduct training programs to fully educate all employees in order to make this policy a reality, conduct regular reviews of this initiative and work to make improvements on an ongoing basis.
3. We will encourage business partners (suppliers) to create and observe a code of conduct related to human rights and labor standards and to work together with Aeon to make improvements on an ongoing basis.
4. We will work to broadly disclose this policy and provide appropriate information and we will practice corporate social accountability.

We conduct training and monitoring for suppliers and product development staff

Aeon conducts regular training for suppliers and product development staff. In fiscal 2009, we held twelve Aeon Supplier Code of Conduct Individual Support Sessions in all and a total of 139 companies participated. For Aeon's product development staff, we held five Aeon Supplier Code of Conduct SA8000 Training sessions, which were participated in by 192 employees.

Additionally, if non-conformance with requirements in the Aeon Supplier Code of Conduct is discovered at a factory, there is a system in place that allows the factory's employees to directly contact the outside assessment organization. The outside assessment organization protects employees who blow the whistle, and after investigating directs the company to rectify the reported problem.

The Aeon Supplier Code of Conduct has earned positive recognition for helping improve conditions at suppliers.



Individual Support Briefing Sessions



Product Department Staff Training

Individual Support Briefing Sessions

	Dates Held	Number of Attendees
Code of Conduct Individual Support Briefing Session (Japan)	March 2009 – February 2010 Held 12 times	Total of 39 companies

Product Department Staff Training

	Staff Targeted	Dates Held	Number of Attendees
Code of Conduct, SA8000 Training	Product Department Staff	March 2009 – February 2010 Held 5 times	Total of 192 people

Business Partners and Aeon

Collaboration with the Business Partners

Our goal is to help maintain cultural practices associated with consuming fish through a sustainable fishing industry

Aeon has done business directly with fishery cooperatives since 2008 in an effort to raise customer satisfaction by providing even fresher fish while at the same time helping maintain cultural practices associated with consuming fish through a sustainable fishing industry.

We began direct dealings with JF Shimane (Shimane Prefecture), JF Ishikawa (Ishikawa Prefecture), JF Amaha (Chiba Prefecture) in 2008 and with JF Enoshima Katase (Kanagawa Prefecture) and JF Yamagata (Yamagata Prefecture) in 2009.

Through dialogue with the National Federation of Fisheries Cooperatives Associations Aeon intends to continue conducting initiatives that benefit our customers and help resolve issues related to marine product distribution.



Sales floor



All fish caught by this fishing vessel is purchased by Aeon

Perspective Fish Producer and Direct Aeon Supplier

Fish catches directly contracted with Aeon are sold directly in Aeon stores. This means I am able to see customers buying the fish we've caught, which makes me very happy. All fish caught by our fishing boat is purchased and sold by Aeon. We provide information on how to prepare and eat fish people aren't very familiar with, and knowing that people are enjoying delicious fish gives us added incentive as fish producers.

I have heard that customers ask when the next catch from Shimane will be sold, which feels great to hear. We want to continue working with Aeon to deliver fresh fish to customers and help stimulate demand for fish cuisine.



Yukio Nakao
JF Shimane

We conduct activities to keep alive the ingredients and traditional techniques that support Japan's exceptional culinary cultures

Aeon has conducted the Food Artisan Project since 2001 with many producers across the country dedicated to preserving local flavors.

The project seeks to preserve local culinary cultures. Local producer organizations, government agencies, universities and other research institutions, and retailer Aeon work to develop mechanisms to support local regions. Everyone involved pools their wisdom and works to publicize the ingredients and traditional techniques that support exceptional local culinary cultures.

For example, Sakurajima daikon radish, which is famous throughout Japan, is a traditional vegetable of Kagoshima Prefecture with exceptional characteristics--it is sweet, readily absorbs flavor, and does not easily break down when boiled. Unfortunately though it is hardly sold as a fresh vegetable, even locally, and there are fears it will go into decline. Cooperating with local residents we are working to pass on the cultivation and culinary culture of the Sakurajima daikon.



Harvesting Sakurajima daikon

As another example, Iwate Prefecture has a rich food culture centering on cereal grains, but it is faced with the task of increasing recognition of Iwate Prefecture grains and expanding the scale of production. Aeon proposed creating a website called Zakkoku Club. Net for the prefecture's two major grain producing regions. Both sides invested in the project and worked together to create the website. The distinctive cereal grain culture of the region is conveyed to a nationwide audience and new products that are created locally are advertised as Zakkoku Club.Net recommend products. The new products are sold both at Aeon stores and on Aeon's online shopping site.



(Top page)

Zakkoku Club.Net

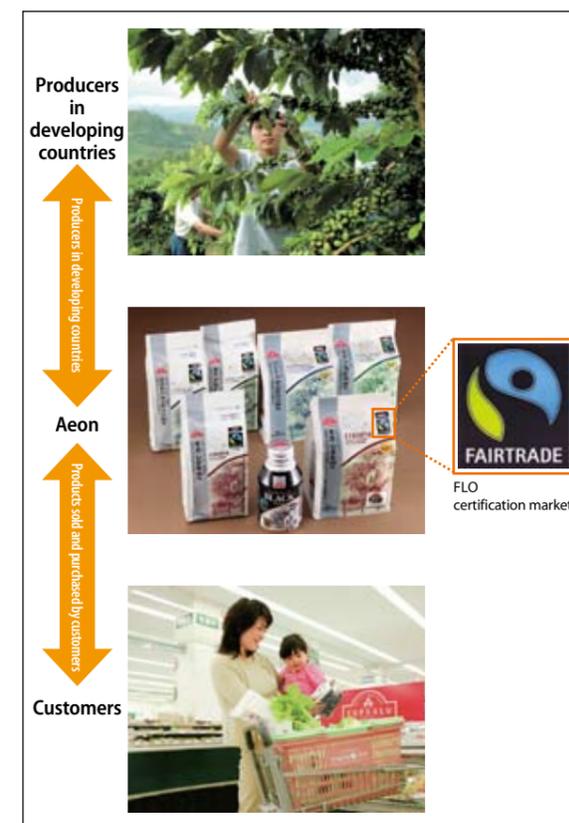
Practicing Fair Trade

We sell products that support the autonomy of developing countries

Aeon started selling Fair Trade products in 2004 as a way for customers to participate in international contribution through everyday shopping. Fair Trade means doing business with producers that need support in developing countries and setting product prices at appropriate levels given the labor involved. The initiative helps producers attain economic and social autonomy while also supporting environmental conservation.

Aeon sells coffee certified by the Fairtrade Labeling Organization (FLO) as a TOPVALU branded product and strives to support the movement in a sustained manner by promoting understanding of the goals of Fair Trade by as many customers as possible.

Making an international contribution through the Fair Trade scheme



Practicing Community Trade Based on the "Trade not Aid" Concept

The Body Shop, a beauty products chain based in the U.K. (managed in Japan by Aeon Forest Co., Ltd.), conducts its own fair trade program called Community Trade, which is based on the concept of "Trade not Aid." The program was started by the late Anita Roddick, founder of The Body Shop, and is involved in a variety of initiatives, including establishing fair wages and labor conditions and raising awareness of AIDS.

In fiscal 2009, Community Trade for coconuts was started with the Samoan non-profit Women in Business Development. At present, high quality ingredients and products are purchased from some 25,000 people through trade with almost 30 partners in over 20 countries. Approximately one-tenth of total ingredients are procured through Community Trade and nearly 70% of products found at The Body Shop have Community Trade ingredients.



Samoan producer (The Body Shop)

Dialogue with Business Partners

Conducting Environmental Conservation Activities with Our Valuable Partners

Aeon conducts a variety of environmental conservation activities together with its valuable business partners. For example, we conduct cleanup campaigns together with local suppliers in Hokkaido, Tohoku, Kanto/Tokai, Chubu, Kinki, Chugoku/Shikoku, and Kyushu/Okinawa. Business partners also participate in Aeon's tree-planting efforts. In addition, we work with manufacturers to improve containers and packaging, for example by using shared containers to raise loading efficiency. Joint efforts are also made to reduce CO2 emissions to help prevent global warming.

Aeon strives to maintain workplaces that are pleasant and rewarding for all employees working there.

Aeon's basic human resources philosophy is to utilize employees while listening to their ambitions and understanding their feelings. We strive to make company, family and community life as fulfilling as possible for every member of the Aeon Group.



Accommodating Diversity

Basic Principles on Personnel and Basic Approach to Personnel

On August 21, 2008 we reconfirmed our Basic Principles on Personnel and Basic Approach to Personnel in order to further raise the motivation of each and every employee in conjunction with switching to a pure holding company. We develop personnel-related systems and programs on the basis of these basic principles and approach.

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



We provide training and promotion opportunities to all personnel, including part-time employees

We have developed various programs that allow part-time employees to thrive at the workplace.

For example, Aeon Retail Co has a system that makes it possible for all employees to utilize the same training and hiring programs. It instituted the Community Employee* Program in 2004 to eliminate differences in roles, expectations and treatment depending on employee classifications (full employee or part-time employee) and to enable the continued growth of all employees depending on ability, performance and motivation. The program eliminates differences in educational and hiring opportunities and makes it possible for anyone to take on the challenge of a higher position.

*Community Employee is a collective designation for Aeon Retail employees working in a specific location and not subject to geographic transfer. There are both hourly wage positions and monthly salaried positions.

Community Employee Career Advancement

People who enter the company as Community Employees have the option of switching to managerial work after learning Aeon's Basic Principles and etiquette, mastering coursework for specified programs and attaining a certain level of achievement. They also have the opportunity to switch to the main career track, which carries with it the possibility of job transfer and relocation.

We are promoting the Positive Action program in an effort to be a company where both men and women can flourish

We are working to promote Positive Action, which seeks to make us a company where both men and women can flourish, through participation in a council to promote women's workplace performance sponsored by the Ministry of Health, Labour and Welfare.

We drew up the Positive Action Declaration in April 2010. It states our commitment to providing all employees with an equal opportunity to perform at the workplace and to creating workplaces that are pleasant places to work for both men and women and where women in particular feel their work is valuable at every stage of life.

We are working to increase employment for people with disabilities to help create a society in which everyone can participate

Led by Aeon Retail, Aeon is working to establish conditions that allow people with disabilities to work with a sense of purpose. As of June 2010, Aeon consolidated subsidiaries have an employment ratio for people with disabilities of 1.88%.

Aeon also established Abilities JUSCO Co., Ltd. in an effort to increase employment of people with disabilities. People with disabilities take on the challenge of realizing their own potential, working at seven Scrum CD stores in the Tohoku region alongside able-bodied staff (as of February 28, 2010).

We have raised the mandatory retirement age to 65 in response to Japan's aging society

Aeon Retail raised its mandatory retirement age to 65 in 2007 in order to address Japan's aging population.

Employees are allowed to choose to continue working in their current format or switch to a format that lets them work where they want without the possibility of relocation.

The four career paths available to AEON Retail Co., Ltd. employees

- National (N) staff: Can essentially be transferred anywhere in Japan or overseas
- Regional (R) staff: Can be transferred anywhere within a specific regional block
- Community-based staff: No transfer requiring relocation. Option of daily/monthly salary or hourly wage.
- Contract workers: No transfer requiring relocation. Part-time only

We have established programs that help employees balance work with child and nursing care responsibilities

We believe that for each person to achieve work-life balance conditions must be in place that allow employees to work with peace of mind. The Aeon Group has therefore established various childcare and nursing care support programs.

To take one example, Aeon Retail Co., Ltd. makes childcare leave available for up to April 20 of the year the child enters middle school. The legal requirement is until the child enters elementary school, but workers often want to take time off after that in order to attend parents' days at school and the like. In addition to enhancing such support programs, Aeon Retail is working to promote programs among employees in line with an action plan created based on the Act for Measures to Support the Development of the Next Generation. As a result of these efforts, the company acquired the Kurumin next-generation certification* in January 2010.

For employees with families for which nursing care is deemed necessary, we have established a nursing care leave program and a nursing care work program that provide time off or shortened working hours so the employee can provide the required nursing care.

*Aeon Group companies certified as of June 2009: MYCAL CORPORATION, RYUKYU JUSCO CO.,LTD., Maxvalu Chubu Co.,Ltd., Maxvalu Nishinohon Co.,Ltd., KASUMI CO.,LTD., AEON Mall Co.,Ltd. and AEON CREDIT SERVICE CO.,LTD.

Aeon Good Life Club, a Friendly Society, provides various welfare programs

A general Aeon Group friendly society foundation, the Aeon Good Life Club administers support programs to help members and their families live life to the fullest.

Main Welfare Programs

Support for living with peace of mind	Assistance for childcare costs and aid for nursing care leave
Support for medium/long-term provisions	Group life insurance and consultation desk for savings/insurance/medical, etc.
Support for joyful living	Discounts on lodging, theme parks, etc.

Securing Work-Life Balance

Preparing the four career paths that allow employees to choose a way of working that matches their own life

We have a variety of programs that allow employees to choose a way of working that matches their own values. For example, we established four career paths in 2004. Under this system employees may choose to take on the challenge of a different career path. Also, there are no difference in opportunities for acquiring qualifications or applying for new positions depending on the path, and employees are able to participate in various training programs regardless of the path.

Perspective Employee Perspective

Human resources at Aeon is based on the idea of providing opportunity to everyone who works hard. The internal job posting system that recruits employees for new business ventures is a good example of this. If you apply for an opening you have the opportunity to do the job you want regardless of what your current position is.

In my case, I started at Aeon in 2002 as a community employee working part-time. I changed to full-time in

2006 and raised my skill level with internal certifications. I learned about Aeon's internal job posting system and waited for my chance to apply. And, in 2009, I applied for a position on the pet products team and got it. I was able to get a job related to pets, which is the job I had wanted since childhood. When there is equal opportunity the individual has greater responsibility, but it really is worth it. I'm totally dedicated to my job in my new department.



Shinobu Yoneyama
Living and Leisure / H&BC
Products Department
Kanto Regional Company
Aeon Retail Co., Ltd.

Support for Human Resources Growth

We have personnel and training systems that provide motivation for every employee

Employees are one of Aeon's most important management resources. This is because each employee is a unique presence that concretely expresses Aeon's principles to customers through products, services and customer interactions. Aeon has established personnel systems based on abilities and performance and training systems to support ongoing growth so that employees engage in their work with a sense of its value.

For example, Aeon Retail has established three different job areas, that correspond to the skills and working formats of working people. Training is conducted to provide employees, in a regular, ongoing manner, with the knowledge and skills that are needed depending on their job area.

We have established various programs that support employee career development

We administer open educational and personnel systems to support autonomous career development by employees. For example, in order to train core personnel, Aeon Business School teaches the knowledge and skills required for positions aspired to by individual employees. In addition, the internal job posting system actively assigns motivated employees to new business ventures. Employees are free to make use of the system regardless of their employment format or career path.

In addition we have various internal certification systems for specific jobs, eight of which have been accredited by the Ministry of Health, Labour and Welfare.

●Aeon Business School Trains Core Personnel

The Aeon Business School is a backbone education system for training core personnel, who will be the driving force for our future business development. Employees with a willingness to take on challenges systematically learn the knowledge and skills necessary for the jobs they aspire to. In fiscal 2009, seven courses were held and a total of 206 people participated.

●Internal Job Posting System Encourages Participation in New Ventures

Aeon has instituted an internal job posting system that broadly calls on employees to participate in new business ventures and other projects. With the corporate environment changing at a dizzying pace, workers can no longer just leave their careers up to their companies. This system makes it possible for employees to take charge of their own jobs and positions.

In fiscal 2009, Aeon Group employees were recruited for jobs with Aeon Retail Sundries PT, Aeon Retail Compact DS Business PT and AEON AGRI CREATE Co., Ltd. Aeon Retail also recruited internally for positions in its cycle shop and pet products department. We intend to continue actively placing motivated personnel in new positions.

●Wide Array of Internal Certification Systems for Specific Jobs

Aeon has established a wide array of internal certification systems for specific jobs in order to deliver safer and more secure products and services. Eight of these certifications have been accredited by the Ministry of Health, Labour and Welfare and recognized for their high quality. The knowledge and skills of certified personnel are also utilized to raise customer satisfaction.

Aeon's in-house qualifications

In- house qualifications	Number of qualifications holders
◎Fresh fish master (grade 1)	12
◎Fresh fish master (grade 2)	1,335
◎Fresh fish master (grade 3)	2,835
Baby advisor	545
Fashion advisor	53
Liquor advisor	140
Fish advisor	175
Digital advisor	242
Home appliance advisor	58
General appliance advisor	45
◎Cycle advisor	753
Senior cycle advisor	56
Beauty advisor	313
Handcraft advisor	109
◎Hot deli master	2,195
◎Sushi master	2,173
◎Farm product master	959
◎Greenery master	356
◎Gardening master	172
Checkout certification (grade 2)	531

◎denotes qualifications accredited by the Ministry of Health, Labor and Welfare.

*Total for Aeon Retail Co., Ltd., Aeon Hokkaido Corporation, SUNDAY Co., Ltd., Aeon Kyushu Co., Ltd., Aeon Supercenter Co., Ltd., Aeon Marche Co., Ltd., MYCAL Corporation, Ryukyu JUSCO Co., Ltd., Maxvalu Hokkaido Co., Ltd., Maxvalu Chubu Co., Ltd., Maxvalu Kyushu Co., Ltd.

We help employees stay healthy physically and mentally

Aeon is working to raise the percentage of employees receiving regular health exams in order to help employees maintain or improve their health. Based on the results of the exams, follow-up is provided depending on the urgency of the problem, and if re-evaluation is necessary, employees are encouraged to get checked out at a hospital and report the results to the company.

A counseling office is provided to support good mental health. It is one of the member services of the Aeon Good Life Club, a general foundation run by the Aeon Group.

A consultation desk has been established for a range of workplace issues

Aeon set up the Aeon Code of Conduct Hotline 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.

Creating Pleasant, Comfortable Workplaces

Health and Safety Committees meet monthly to improve workplace conditions

Health and Safety Committees are organized at the store and business office level in order to ensure the safety and health of employees and promote the creation of pleasant, comfortable working conditions. For example, at Aeon Retail, store managers, managers of personnel and general affairs departments, employee representatives and labor union representatives attend the committee meetings, which are held once a month.

Safety and Sanitation Committees discuss employee working conditions and points of improvement for workplace environments, with the involvement of both labor and management.

Part-time employees also join the labor union

Aeon emphasizes dialogue between labor and management, and discussions are held with the labor union through Safety and Sanitation Committees and the labor-management council.

Additionally, Aeon Retail's labor union began allowing part-time employees to become members in conjunction with establishment of the Community Employee Program in 2004. As a result, as of the end of February 2010, the labor union had around 84,000 members, including approximately 71,000 part-time employees. We actively work to incorporate employee feedback through workplace meetings participated in by union members.

Respecting Human Rights

We have a corporate culture that does not discriminate and values all human rights

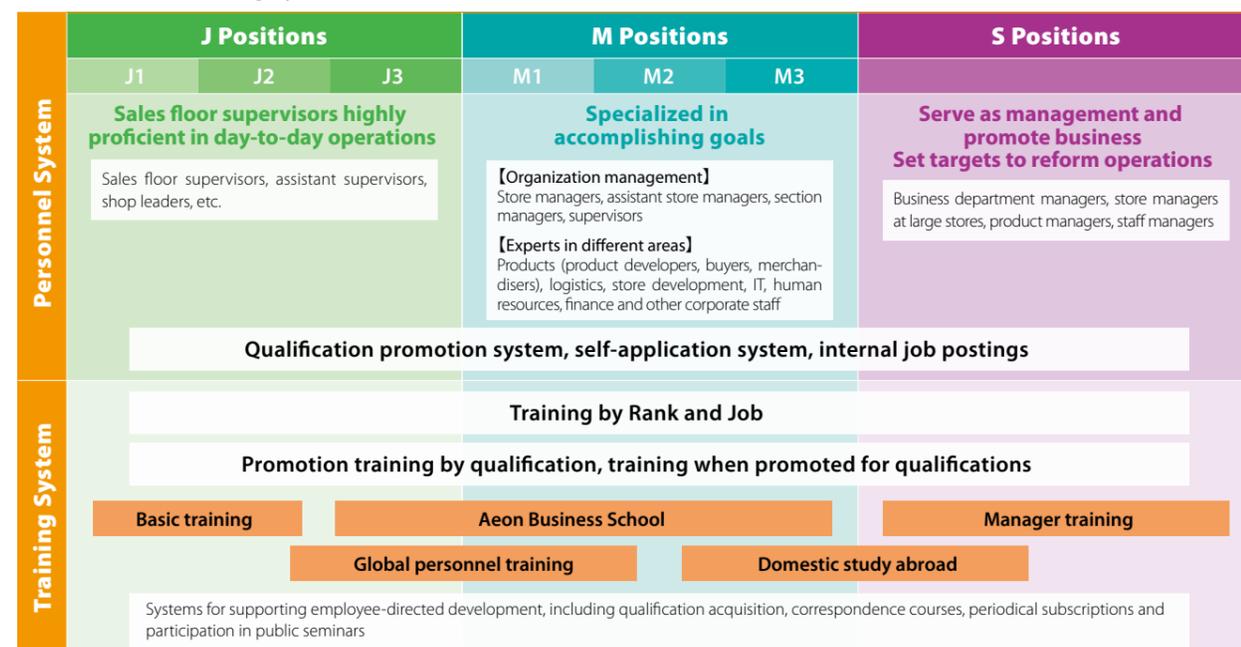
Aeon respects the human rights of all people and does not discriminate on the basis of nationality, race, sex, academic background, religion, mental or physical disability, or any other attribute. Each and every Aeon employee strives to listen closely to co-workers and make the company a place where people respect one another as equals.

To accomplish this Aeon holds training programs to facilitate correct understanding and deepen awareness of a variety of issues, among all employees including issues pertaining to social discrimination, people with disabilities, foreign residents, abuse of power, diversity, and work-life balance.

The Aeon Group as a whole trains employees on human rights issues at training for new executive officers, training for new employees of the Aeon Group, Aeon Business School (personnel training course), and the like. At training for new employees of the Aeon Group, participants acquire basic knowledge related to human rights that is required of employees.

At the individual company level as well, efforts are made to raise human rights awareness through a variety of in-house training programs.

Personnel and Training Systems (AEON Retail Co., Ltd.)





Peter D. Pedersen
E-Square, Inc.

Evaluation of Report Contents

The Aeon Environmental and Social Report 2010 discusses the responsibilities Aeon is trying to fulfill with regard to society and the natural environment in a way that is specific and straightforward. I believe the report is readily accessible to a broad range of stakeholders.

•Particular Strengths

The amount of information contained in the report is appropriate (neither too little nor too much), photos are used effectively, and page layouts are varied. I felt that it was easy to read through.

I also think it is appropriate that the report focuses on initiatives related to China, a growth market, in addition to how climate change is being addressed, and how biodiversity is being emphasized.

In the 2009 highlights section and the following sections introducing various aspects of the company's initiatives, Aeon comes across as sincerely engaged in these activities and as working to move them forward while constantly looking one step ahead.

•Further Improvement Possible

Aeon is presented as a company that upholds the spirit of its founder and continues to thrive today. However, I think that the report's President's Commitment would have been more persuasive had it conveyed the story Aeon is trying to tell, the values it views as most important, and further, what Aeon's commitments will be for the future.

I think it is fine to present performance data in another publication or on a website, but I would like to see this report, as a paper publication, include basic data that shows business scale, like sales, profits, number of employees, etc. Such data is

the point of departure for understanding the extent of Aeon's impact on the world.

While it is possible to get a fairly complete picture of the company's various initiatives on the highlights page, given that initiatives are diversifying, and the scope of business is expanding globally, as a reader I felt like I wanted to know something about the overall framework, future targets and plans to put them into practice.

Expectations for Future Initiatives

How companies fulfill their social responsibilities is not limited to compliance and accountability. Recently, active engagement in the solution of environmental and social issues is expected by the public and stakeholders. From this perspective, Aeon has established its standing as a leading presence in Japan's retail industry.

It is precisely because of this standing, and because active business development is in the works not only in Japan but also in China and other countries, that what will be required going forward, I think, is clarification of the overall picture, framework, targets and commitments for Aeon's environmental and social activities, and a roadmap to make them a reality.

Systematically presenting an overall picture while utilizing the excellent initiatives to date could help further raise company morale and promote initiatives (it would also be an important means of creating solidarity in a global company) while at the same time providing the opportunity to more effectively convey Aeon's corporate stance and its determination to create a bright future.



Naoki Hayashi
Group Chief Environmental Officer
Director and Executive Officer
Aeon Co.,Ltd.

The government in recent years has been tightening environmental regulations, drafting a law on global warming countermeasures and revising laws on energy saving and waste disposal. At the local level as well, many municipalities, including the Tokyo Metropolitan Government, have been strengthening regulations on the environment. We recognize that accommodating these regulations is something that should be done proactively and as quickly as possible, not just when it becomes necessary. Aeon has for some time operated an environmental management system, which has included acquiring ISO 14001 certification. With environmental regulations continuing to tighten, we intend to further reinforce the management capabilities of the entire Aeon Group. This will be one of our top priorities.

Under our Manifesto on the Prevention of Global Warming, announced in March 2008, Aeon has set a fiscal 2012 target of reducing total CO₂ emissions by 1.85 million tons-CO₂ compared to fiscal 2006. In order to achieve this target, Aeon Group companies are launching a variety of cross-organizational projects that include activities conducted at stores and through products as well as initiatives carried out together with customers.

In fiscal 2009, through measures related to our stores and facilities, we reduced CO₂ emissions by 580,000 tons-CO₂ compared to fiscal 2006 by developing Eco Stores and

installing energy efficient facilities. Through products and logistics measures, we cut emissions by 240,000 tons-CO₂ by increasing sales of environmentally conscious products and simplifying packaging. In terms of initiatives with customers, we reduced emissions by 200,000 tons-CO₂ by limiting use of plastic bags and conducting recycling at stores. In total, we reduced CO₂ emissions by 1.03 million tons-CO₂.

As we have conducted these activities I have gained a strong sense that our employees have become even more aware of the issues of energy efficiency and resource conservation, and we intend to further strengthen these initiatives going forward.

The international business community is currently engaged in discussions ahead of the establishment of a social responsibility standard (ISO 26000). The new standard will stress the importance of strengthening compliance and corporate governance and respecting all human rights.

It goes without saying that human rights are basic rights possessed by all people. The Aeon Basic Principles cite respect for human rights, and we have worked to foster greater awareness and change behaviors. These efforts do not stop with employees of the Aeon Group; they are being extended to our business partners in Japan and countries overseas, who are being required to fulfill their social responsibilities and accept assessments by independent third parties.

GRI Guidelines Indicators

Section	Index	Aeon Environmental and Social Report (Full Edition)
1 Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	p.3 President's Commitment
1.2	Description of key impacts, risks, and opportunities	
2 Organization Profile		
2.1	Name of the organization	Front cover
2.2	Primary brands, products, and/or services	p.25-27 TOPVALU
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	p.61-62 Aeon Group's Business
2.4	Location of the organization's headquarters	Back cover
2.5	Number of countries where the organization operates, and names of countries that either have major operations or are specifically relevant to the sustainability issues covered in the report	p.61-62 Aeon Group's Business
2.6	Nature of ownership and legal form	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided 	p.2 Number of stores p.2 Settlement Report
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> • The location of, or changes in operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) 	
2.10	Awards received in the reporting period	
3 Report Parameters		
Report Profile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	p.2 Report period
3.2	Date of most recent previous report (if any)	May 7, 2009
3.3	Reporting cycle (annual, biannual, etc.)	p.2 Report period
3.4	Contact point for questions regarding the report or its contents	Back cover
Report scope and parameters		
3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality • Prioritizing topics within the report • Identifying stakeholders the organization expects to use the report 	p.2 Editorial Policy p.2 Scope of report p.2 Target audience
3.6	Parameters of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	p.2 Editorial Policy p.2 Scope of report
3.7	State any specific limitations on the scope or parameters of the report	p.2 Editorial Policy p.2 Scope of report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	p.18 ISO14001 Targets and Performance p.19 Flow of Environmental Impact in Business Activities p.20 Environmental Accounting
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	p.9 Aeon Manifesto on the Prevention of Global Warming
3.11	Significant changes from previous reporting periods in the scope, parameters, or measurement methods applied in the report	p.20 Environmental Accounting
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report	p.55-60 GRI Guidelines Indicators
Assurance		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	p.53 Independent Review

4 Governance, Commitments and Engagement

Governance		
4.1	Governance structure of the organization, including committees under the highest governing body responsible for specific tasks, such as setting strategy or organizational oversight.	p.5 Corporate Governance
4.2	Indicate whether the Chair of the highest governing body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	p. 3 President's Commitment
4.3	For organizations that have a unitary board structure, state the number of members of the highest governing body that are independent and/or non-executive members.	p.5 Corporate Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governing body.	p.5 Corporate Governance p.52 Part-time employees also join the labor union
4.5	Linkage between compensation for members of the highest governing body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	
4.6	Processes in place for the highest governing body to ensure conflicts of interest are avoided.	p.5 Corporate Governance
4.7	Process for determining the qualifications and expertise of the members of the highest governing body for guiding the organization's strategy on economic, environmental, and social topics.	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	p.6 Aeon Code of Conduct p.17 Aeon Environmental Principles, Aeon Co., Ltd. Environmental Policy
4.9	Procedures of the highest governing body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	p.8 Joining the Global Compact p.46 SA8000
4.10	Processes for evaluating the highest governing body's own performance, particularly with respect to economic, environmental, and social performance.	
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	p.6-7 Compliance p.8 Risk Management
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	p.8 Joining the Global Compact p.46 SA8000
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governing bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization	p.43-52 Responsibilities to Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	
5 Management Approach and Performance Index		
Economic		
	Disclosure(s) on Management Approach	
	Goals and Performance	
	Policy	
	Additional Contextual Information	
Economic Performance Index		
Aspect: Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	
EC3	Coverage of the organization's defined benefit plan obligations	
EC4	Significant financial assistance received from government	
Aspect: Market Presence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	

GRI Guidelines Indicators

EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	p. 45 Aeon Supplier Code of Conduct
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	
Aspect: Indirect Economic Impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	p.21 Aeon Environmental Foundation p.24 Aeon 1% Club p.33 Aeon Happy Yellow Receipt Campaign p.34 Clean & Green Activities p.34 Emergency measures p.34 Balloon shelters p.35-36 Promoting Dietary Education p.36 Aeon Welfare Fund p.38 PET bottle cap collection campaign p.39 Fundraising Activities p.43 Universal Design p.43 Service Care Workers p.43 Supporters Strategy for people with dementia p.48 Fair Trade
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	
Environmental		
	Disclosure(s) on Management Approach	p.17 Aeon Environment Principles
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	Policy	p.9 Aeon Manifesto on the Prevention of Global Warming p.18 ISO14001 Targets and Performance
	Organizational Responsibility	p.54 Group Chief Environmental Officer's Commitment
	Training and Awareness	p.20 Environmental Education
	Monitoring and Follow-up	p.20 Environmental Communication
	Additional Contextual Information	p.19 Flow of Environmental Impact in Business Activities p.20 Environmental Accounting
Environmental Performance Indicators		
Aspect: Materials		
EN1	Materials used by weight or volume	p.19 Flow of Environmental Impact in Business Activities
EN2	Percentage of recycled input materials used	
Aspect: Energy		
EN3	Direct energy consumption by primary energy source	p.19 Flow of Environmental Impact in Business Activities
EN4	Indirect energy consumption by primary source	p.19 Flow of Environmental Impact in Business Activities
EN5	Energy saved due to conservation and efficiency improvements	p.18 ISO14001 Targets and Performance
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	p.22 Plastic bag Reduction p.29-32 Eco Stores
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	p.10, 29-32 Eco Stores
Aspect: Water		
EN8	Total water withdrawal by source	
EN9	Water sources significantly affected by withdrawal of water	
EN10	Percentage and total volume of water recycled and reused	
Aspect: Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	p11-12 Preserving Biodiversity
EN13	Habitats protected or restored	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	p11 Aeon Biodiversity Principle
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	
Aspect: Emissions, Effluents, and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight	p.19 Flow of Environmental Impact in Business Activities
EN17	Other relevant indirect greenhouse gas emissions by weight	p.19 Flow of Environmental Impact in Business Activities
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p.9 Aeon Manifesto on the Prevention of Global Warming p.10 Increase Number of Eco Stores p.19 Flow of Environmental Impact in Business Activities p.29-32 Eco Stores
EN19	Emissions of ozone-depleting substances by weight	
EN20	NOx, SOx, and other significant air emissions by type and weight	

EN21	Total water discharge by quality and destination	
EN22	Total weight of waste by type and disposal method	
EN23	Total number and volume of significant spills	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	
Aspect: Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	p.22 Plastic bag Reduction p.25 Carbon footprint initiatives p.26 TOPVALU Gurinai p.26 TOPVALU KYOKAN SENGEN p.27 Carbon offsets p.27 MSC certification (marine eco-label)/FSC certification p.29-32 Eco Stores
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	
Aspect: Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	
Aspect: Transport		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	p.28 Logistics Initiatives
Aspect: Overall		
EN30	Total environmental protection expenditures and investments by type	p.20 Environmental Accounting
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Labor Practices and Decent Work (Fair Employment Conditions)		
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	Organizational Responsibility	p.6 Aeon Code of Conduct p.49 Accommodating Diversity p.51 Support for Human Resources Growth p.52 Creating Pleasant, Comfortable Workplaces
	Training and Awareness	p.6 Aeon Code of Conduct p.51 Support for Human Resources Growth
	Monitoring and Follow-up	p.6 Aeon Code of Conduct
	Additional Contextual Information	
Labor Practices and Decent Work (Fair Employment Conditions) Performance Index		
Aspect: Employment		
LA1	Total workforce by employment type, employment contract, and region	
LA2	Total number and rate of employee turnover by age group, gender, and region	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	
Aspect: Labor/Management Relations		
LA4	Percentage of employees covered by collective bargaining agreements	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	
Aspect: Occupational Health and Safety		
LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	
LA8	Education, training, counseling, prevention, and riskcontrol programs in place to assist workforce members, their families, or community members regarding serious diseases	
LA9	Health and safety topics covered in formal agreements with trade unions	
Aspect: Training and Education		
LA10	Average hours of training per year per employee by employee category	

GRI Guidelines Indicators

LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in planning the end of their careers	p.51 Support for Human Resources Growth
LA12	Percentage of employees receiving regular performance and career development reviews	
Aspect: Diversity and Equal Opportunity		
LA13	Composition of governing bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	p.51 Personnel system
LA14	Ratio of basic salary of men to women by employee category	
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	Disclosure(s) on Management Approach	
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	Additional Contextual Information	
Human Rights Index		
Aspect: Investment and Procurement Practices		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	
Aspect: Non-Discrimination		
HR4	Total number of incidents of discrimination and actions taken	
Aspect: Freedom of Association		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	p.8 Joining the Global Compact p.45 Aeon Supplier Code of Conduct p.46 SA8000
Aspect: Child Labor		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	p.8 Joining the Global Compact p.45 Aeon Supplier Code of Conduct p.46 SA8000
Aspect: Forced and Compulsory Labor		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	p.8 Joining the Global Compact p.45 Aeon Supplier Code of Conduct p.46 SA8000
Aspect: Security Practices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	p.8 Joining the Global Compact p.45 Aeon Supplier Code of Conduct p.46 SA8000
Aspect: Indigenous Rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	
Society		
	Disclosure(s) on Management Approach	
	Goals and Performance	p.6 Aeon Code of Conduct
	Policy	p.6 Aeon Code of Conduct
	Organizational Responsibility	p.6 Aeon Code of Conduct
	Training and Awareness	p.6 Aeon Code of Conduct

	Monitoring and Follow-up	p.6 Aeon Code of Conduct
	Additional Contextual Information	
Social Performance Index		
Aspect: Community		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	
Aspect: Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	p.5-6 Compliance
SO4	Actions taken in response to incidents of corruption	
Aspect: Public Policy		
SO5	Public policy positions and participation in public policy development and lobbying	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	
Aspect: Anti-Competitive Behavior		
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	
Aspect: Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	
Product Responsibility		
	Disclosure(s) on Management Approach	
	Goals and Performance	p.41 Product Safety and Security
	Policy	
	Organizational Responsibility	
	Training and Awareness	
	Monitoring and Follow-up	
	Additional Contextual Information	
Product Responsibility Performance Index		
Aspect: Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	p.44 System for Addressing Customer Feedback
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	
Aspect: Product and Service Labeling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	p.44 System for Addressing Customer Feedback
Aspect: Marketing Communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	
Aspect: Customer Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	
Aspect: Compliance		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	



Creating a Future of Limitless Promise with the Help of Everyone

Aeon Group Provides Services that Support Living

Aeon's over 190 companies in Japan and overseas act in concert to provide pleasant shopping experiences and convenient services in line with local characteristics. With a whole host of functions that support living, we help customers live pleasant, convenient lives.

Pure Holding Company

- * AEON CO., LTD.

GMS (General Merchandising Store) Business



- AEON Retail Co., Ltd.
- * AEON Hokkaido Corporation
- * SUNDAY CO., LTD.
- * AEON KYUSHU CO., LTD.
- AEON SUPERCENTER Co., Ltd.
- AEON Marché Co., Ltd.
- Bon Belta Co., Ltd.
- MYCAL CORPORATION
- RYUKYU JUSCO CO., LTD.

SM (Supermarket Business)



- * Maxvalu Chubu Co., Ltd.
- * Maxvalu Nishinohon Co., Ltd.
- * Maxvalu Tohoku Co., Ltd.
- * Maxvalu Tokai Co., Ltd.
- * Maxvalu Hokkaido Co., Ltd.
- * The Maruetsu, Inc.
- * Inageya Co., Ltd.
- * KASUMI CO., LTD.
- * Belc Co., LTD.
- KOHYO CO., LTD.
- MAXVALU KANTO CO., LTD.
- MAXVALU KITA TOHOKU CO., LTD.
- Maxvalu Kyushu Co., Ltd.
- MAXVALU CHUKYO CO., LTD.
- MAXVALU NAGANO CO., LTD.
- MAXVALU HOKURIKU CO., LTD.
- MAXVALU MINAMI TOHOKU CO., LTD.

DS (Discount Store) Business

Strategic Small Size Store Business



- * MINISTOP CO., LTD.
- ORIGIN TOSHU CO., LTD.

Drugstore and Pharmacy Business



- * CFS Corporation
- * TSURUHA HOLDINGS Inc.
- * KUSURI NO AOKI CO., LTD.
- * GROWELL HOLDINGS CO., LTD.
- * Medical Ikkou Co., Ltd.
- TAKIYA Co., Ltd.
- Welpark Co., Ltd.
- Shimizu Drug Co., Ltd.

Financial Service Business



- * AEON CREDIT SERVICE CO., LTD.
- * AEON CREDIT SERVICE (ASIA) CO., LTD.
- * AEON THANA SINSAP (THAILAND) PLC.
- * AEON CREDIT SERVICE (M) BERHAD
- AEON BANK, LTD.

Shopping Center Development Business



- * AEON Mall Co., Ltd.
- LOC DEVELOPMENT CO., LTD.

Service Business



- * AEON DELIGHT CO., LTD.
- * AEON Fantasy Co., Ltd.
- * ZWEI CO., LTD.
- * CERTO Corporation
- AEON Eaheart Co., LTD.
- AEON CINEMAS CO., LTD.
- JUSVEL CO., LTD.
- Reform Studio Co., Ltd.
- Warner Mycal Corporation

Specialty Stores Business



- * GFOOT CO., LTD.
- * COX CO., LTD.
- * BLUE GRASS Co., Ltd.
- * Taka:Q Co., Ltd.
- Abilities JUSCO Co., Ltd.
- AEON FOREST CO., LTD.
- AEON BODY Co., Ltd.
- Talbots Japan Co., Ltd.
- Branshes Co. Ltd
- PETCITY CO., LTD.
- MIRAIYA SHOTEN CO., LTD.
- Mega Sports Co., Ltd.
- MEGA PETRO Co., Ltd.
- LAURA ASHLEY JAPAN CO., LTD.
- AT Japan Co., Ltd.
- Claire's Nippon Co., Ltd.

IT & Digital Business



- AEON Integrated Business Service Co., Ltd.
- AEON VISTY CO., LTD.
- Digital Direct Corporation

ASEAN Business



- * AEON Co. (M) Bhd.
- AEON (Thailand) CO., LTD.

China Business



- * AEON Stores (Hong Kong) Co., Ltd.
- Beijing AEON Co., Ltd.
- Qingdao AEON Dongtai Co., Ltd.

Merchandising and others

- * YAMAYA CORPORATION
- AIC Inc.
- AEON AGRI CREATE Co., Ltd.
- AEON GLOBAL SCM CO., LTD.
- AEON GLOBAL MERCHANDISING CO., Ltd.
- AEON TOPVALU CO., LTD.
- AEON Bakery Systems Co., Ltd.
- AEON MARKETING CO., LTD
- Cordon Vert CO., LTD.
- Research Institute For Quality Living Co., LTD.
- Food Supply JUSCO Co., Ltd.
- MYCAL CANTEVOLE Co., Ltd.
- Tasmania Feedlot Pty. Ltd.
- AEON Demonstration Service Inc.

* Indicates publicly held company.

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

As of March 2010