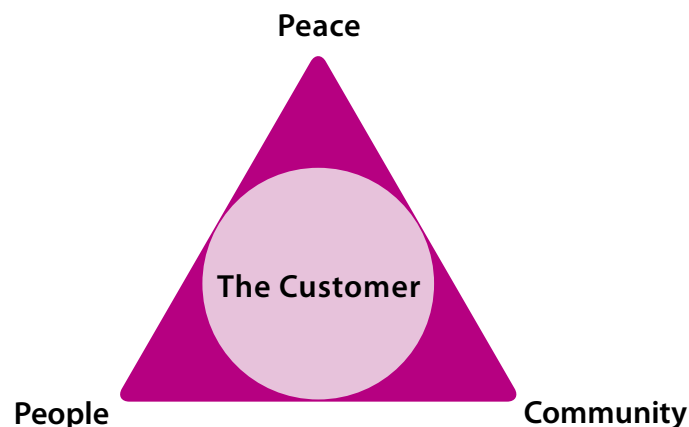


Aeon Environmental and Social Report 2013



Aeon Basic Principles



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

Aeon abides by the unchanging principles of "pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view 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.

Editorial Policy

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

This 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.

The 2013 edition provides a Special Issue section that offers a close up on how Aeon is slated to reach its 10 millionth tree planted in 2013 and on Aeon's store development initiatives, which are evolving from 'Eco Store' to 'Smart Aeon.' In addition, the Highlights 2013 section introduces three themes about the Aeon Group's CSR activities and growth strategy, which are "accelerate store openings in China and ASEAN," "cope with the sharp increase in aging and urban populations," and "expand the TOPVALU brand globally. As for initiatives undertaken during fiscal 2012, particular attention is given to key issues one through four established as key performance indicators. Information is also provided on our ongoing support to those in need following the Great East Japan Earthquake.

•Report Period

FY2012 (March 1, 2012 – February 28, 2013)*

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

•Scope of Report

This report covers the pure holding company AEON CO., LTD. and its consolidated subsidiaries 227 companies, 24 companies equity-method affiliates (as of February 28, 2013).

When a section applies to only certain operating companies, it is indicated as such.

The Aeon 1% Club, whose activities are funded by donations made by major Aeon Group companies totaling 1% of their pre-tax profits, and the Aeon Environmental Foundation, which takes part in activities to protect the Earth's environment, also appear in this report.

•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)

•Reference Guidelines

Global Reporting Initiative (GRI)

Sustainability Reporting Guidelines (G3)

Environmental Reporting Guidelines (FY2007 Version), Ministry of the Environment of Japan

Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan

ISO 26000: Guidance on social responsibility

Disclaimer

This report contains plans and strategies for the future of Aeon Group, as well as predictions and prospects regarding our performance. Such information is based on our determinations and convictions made based in accordance with the facts and information currently available to us.

AEON 1% Club

What is a company's role in society? What do customers expect from Aeon? What should Aeon's aims be as a company? The AEON Group 1% Club (now, the AEON 1% Club) was inaugurated in 1989 in response to such questions, and with the philosophy that Aeon should be a company that, for the future and for the community, makes proper use of the benefits we receive from our customers.

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

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AEON Environmental Foundation

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

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

Aeon is promoting the dual objectives of 'Aeon Group growth' and 'Societal development.'



**Group CEO,
President of AEON CO., LTD.**

岡田 元也

Motoya Okada

Finding Business Opportunities in Social Challenges, Sharing in the Growth

Aeon's 'Customer First' commitment has been passed down through over 250 years of history since the company's inception. Aeon has continually grown by joining forces with like-minded companies aiming for transformation from retailers to corporations, modernizing and industrializing. The Aeon Group currently has 350,000 employees and sales of over 5 trillion yen. It has become the largest retail distribution group of companies in Japan and in Asia.

Although our scale of business is expanding, and along with this our position of influence on people's lives, on society, and on the environment, Aeon will continue to honor our basic principle of 'pursuing peace, respecting humanity and contributing to local communities, centered on our customers.' In order to practice the dual objectives of 'Aeon Group growth' and 'Societal development' we need to give attention to a variety of challenges endangering a healthy and sustainable society. In solving the individual problems, we can also discover business opportunities. Together with our stakeholders, we must promote the growth of 'sustainable management.'

Becoming a Supra-Regional Retailer connecting with Asia through Four Shifts

Four programs in a three year 'Aeon Group Mid-term Management Plan,' starting from fiscal 2011 through fiscal 2013, support the achievement of sustainable business management.

As Asian consumer markets expand, creating a billion new members of the middle class, Aeon is propelling an Asia shift that is accelerating business expansion in the region with a unified coalition of partners in retail, developing, finance, services, and other businesses in order to achieve further growth as a distribution and retail sales group rooted in Asia.

At the same time, the population continues to age rapidly in Japan. To address these growing needs, we are implementing a "senior shift," revamping our stores, products, and services to ensure a stress-free and enjoyable shopping experience for everyone. We are also advancing a "digital shift" that is taking advantage of the growing adoption of the Internet and creating environments where everyone can use their PCs or mobile devices to conveniently and safely engage in e-commerce. In addition, we are responding to the changing lifestyles and shopping demands of urban consumers and pushing forward with an "urban shift" in establishing a high concentration of small stores in urban areas. Through these initiatives we plan on further refining the expertise we have accumulated in Japan for our expansion into the Asia region.

Seeing trends and social needs in the Asian market as both a 'growth opportunity' and as a need for 'problem solving' allows Aeon to develop as a sustainable corporate group together with its stakeholders in Asia. This is what Aeon seeks as a 'supra-regional retailer connecting with Asia.'

Establishing a Global Base for CSR to Support Sustainable Business Management

To become a supra-regional retailer connecting with Asia, focusing on the four shifts while establishing a global base for CSR will be critical.

Aeon drew up the Aeon Supplier Code of Conduct, that is enabling us to work together with the supply chain, including our manufacturing partners, both domestically and internationally, to pursue environmental conservation activities and establish appropriate working conditions. In 2004, Aeon became Japan's first retailer to sign on to the United Nations Global Compact, a set of 10 principles laid out by the UN on human rights, labor, the environment and anti-corruption. We were also the first in the industry to acquire SA8000 certification, an international standard on protecting

human rights in the labor market.

Moreover, we formulated the Aeon Sustainability Principle in March 2011 that defines CSR activities for the entire Group. In this, we have laid out four key issues for achieving sustainable management that balances Group growth with the development of society. These are: 1) realization of a low-carbon society; 2) conservation of biodiversity; 3) better use of resources; and 4) addressing social issues. We have also established key performance indicators (KPI) for individual activities.

We established the first concrete targets in Japan's retail industry to reduce overall CO₂ emissions. In connection with this, we started the Aeon ECO Project in September 2012. Based on our success with the Aeon Manifesto on the Prevention of Global Warming, which was achieved one year ahead of schedule in 2011, this new policy establishes specific, quantitative targets to achieve by 2020. We have also adopted the Smart Aeon policy in response to a growing focus placed on energy problems and on retail stores as key social infrastructure in communities since the Great East Japan Earthquake. As part of the ECO Project, this policy centers on building towns and communities with regard for the environment.

Answering the Needs of Society and Markets with a "Glocal" Perspective that Respects Unity and Diversity

While remaining unified as a group, we approach projects independently. This includes establishing group strategies, building new stores, developing products, recruiting and training human resources, preserving the environment, and contributing to society. We draw upon the diversity of our Aeon people to respond flexibly to local demands and to changes in the market. 'Unity' and 'diversity' go along with 'global' and 'local' management.

With our sights set on further advancing glocal business management, in March 2012 we began operations at Aeon Group's China Headquarters to enhance our group's business foundations in China. We also established the Aeon ASEAN Headquarters in November. The two companies are currently engaged in coordinated efforts working closely with Aeon in Japan while at the same time focusing on activities particular to their individual regions.

One of these efforts is the TOPVALU First initiative, which is part of a strategy for growth that is parallel to the four shifts. This initiative brings the universal value of TOPVALU, which are safe, eco-friendly, with high cost performance products, to a range of product sectors and communities. In Fiscal 2013,

we established saw the establishment of a special product development system for Malaysia on the heels of similar efforts in China.

In collaboration with Aeon in Japan, efforts are also underway to follow on from the new headquarters in China in building a system for CSR at the ASEAN Headquarters in order to strengthen the group's base for CSR. Further efforts in China and the ASEAN region are involving local customers while utilizing retail industry advantages, while others are focused on conducting diverse environmental and social contribution activities through the Aeon 1% Club and the Aeon Environment Foundation with special considerations made for each region.

Instilling Aeon DNA in the Group While Utilizing a Diversity of Human Resources to Achieve Innovation

With the aim of further accelerating "glocal" business growth, Aeon recruits human resources with diverse character, capabilities, and values through such efforts as conducting recruiting orientation sessions in countries around the world, particularly in China and ASEAN. My mission among all this is to instill Aeon DNA and its customer-first orientation in the group while establishing policies and strategies for producing new innovation from human resource diversity, the achievement of which will revitalize the Japanese economy, help those in areas devastated by the Great East Japan Earthquake recover, and contribute to sustainable development in Asia.

Through dialogue and cooperation with our stakeholders, we as Aeon people will continue to strive to be a corporate group that garners the understanding and pride from of the community.

Aeon Group Overview

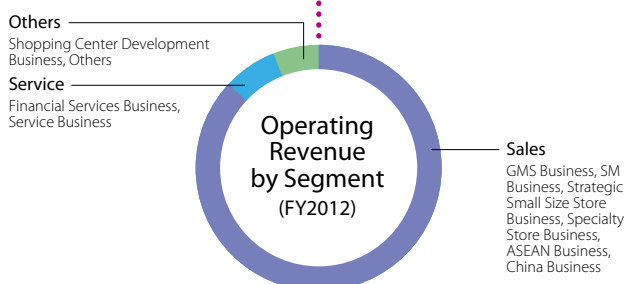
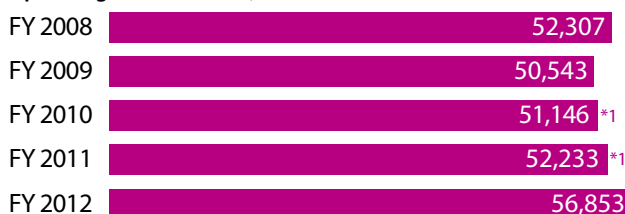
The Aeon Group consists of around 250 companies in Japan and abroad, employing over 360,000 people unified in the aim of contributing to a comfortable and convenient lifestyle for our customers.

Aeon is mainly a GMS (General Merchandise Store) enterprise, but is expanding to large mall-type regional commercial area shopping centers (SC) as well as a variety of local commercial area specialty shops that supply life's daily necessities and offer specialized services to the local community. In addition, in support of our customers' healthy and comfortable life, we are developing a variety of businesses such as small supermarkets, convenience stores, drug stores, and general financial services.

More than 360,000 Aeon employees, in around 250 Aeon Group companies in Japan and abroad, are striving to contribute to the convenient and comfortable living of our customers and to achieve global 'customer satisfaction.'



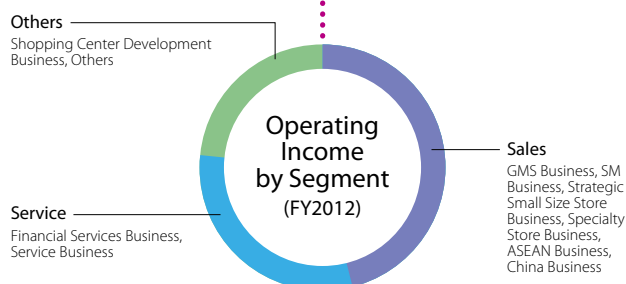
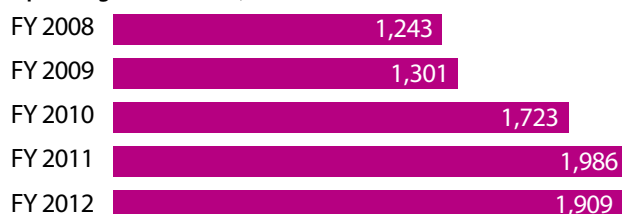
Operating Revenue (billion yen)



^{*1} In addition to revisions to fiscal year 2012, operating revenue for fiscal years 2010 and 2011 has been revised due to changes in accounting policy.

^{*2} The graph was created based on values simply totaled without consolidated adjustments.

Operating Income (billion yen)



^{*} The graph was created based on values simply totaled without consolidated adjustments.

Major Group Companies by Business Segment

Sales

GMS Business: AEON Retail Co, Ltd., AEON Hokkaido Corporation, SUNDAY CO., LTD., AEON KYUSHU CO., LTD., ©The Daiei, Inc., AEONBIKE CO., LTD., AEON Bakery Co., Ltd., AEON LOQUOR CO., LTD., AEON RYUKYU CO., LTD., JOY Co., Ltd., TOPVALU COLLECTION CO., LTD., Bon Belta Co., Ltd.

SM Business: Maxvalu Chubu Co., Ltd., Maxvalu Nishinohon Co., Ltd., Maxvalu Tohoku Co., Ltd., Maxvalu Tokai Co., Ltd., Maxvalu Hokkaido Co., Ltd., Maxvalu Kyushu Co., Ltd., ©The Maruetsu, Inc., ©KASUMI CO., LTD., ©Belc CO., LTD., ©Inageya Co., Ltd., AEON MARKET CO., LTD. ^{*1} KOHYO CO., LTD., SANYO MARUNAKA CO., LTD., MAXVALU KANTO CO., LTD., MAXVALU KITA TOHOKU CO., LTD., MAXVALU NAGANO CO., LTD., MAXVALU HOKURIKU CO., LTD., MAXVALU MINAMI TOHOKU CO., LTD., marunaka CO., LTD., ©Aeon Every Co., Ltd.

Discount Store Business: AEON SUPERCENTER CO., Ltd., AEON BIG CO., LTD.

Strategic Small Size Store Business: MINISTOP CO., LTD., ORIGIN TOSHU CO., LTD., My Basket CO., LTD., RECODS. Co., Ltd.

Drugstore & Pharmacy Business^{*2}: CFS Corporation, ©WELCIA HOLDINGS CO., LTD., ©Medical Ikkou Co., Ltd., ©TSURUHA HOLDINGS Inc., ©KUSURI NO AOKI CO., LTD., Shimizu Drug Co., Ltd., TAKIYA Co., Ltd., ©Welpark Co., Ltd., ©ZAG ZAG Co., Ltd.

Specialty Store Business: GFOOT CO., LTD., COX CO., LTD., ©Taka: Q Co., Ltd., Abilities JUSCO CO., Ltd., AEON FOREST CO., LTD., AEON PET CO., LTD., AEON BODY Co., Ltd., Claire's Nippon Co., Ltd., Cosmeme Co., LTD., Talbots Japan Co., Ltd., Branshes Co., Ltd., MIRAIYA SHOTEN CO., LTD., Mega Sports Co., Ltd., MEGA PETRO Co., Ltd., LAURA ASHLEY JAPAN CO., LTD., AT Japan Co., Ltd.

Service

Financial Services Business: AEON Financial Service Co., Ltd., AEON CREDIT SERVICE (ASIA) CO., LTD., AEON THANA SINSAP (THAILAND) PLC., AEON CREDIT SERVICE (M) BERHAD, AEON BANK, LTD., AEON CREDIT SERVICE CO., LTD., AEON HOUSING LOAN SERVICE CO., LTD., AEON INSURANCE SERVICE CO., LTD., AEON Reit Management Co., Ltd.

Service Business: AEON DELIGHT CO., LTD., AEON Fantasy Co., Ltd., ZWEI CO., LTD., AEON Eaheart Co., LTD., AEON COMPASS CO., LTD., AEON CINEMAS CO., LTD., KAJITAKU Co., Ltd., Reform Studio Co., Ltd., Warner Mycal Corporation

Others

E-commerce Business: AEON Direct Co., Ltd., AEON Link Co., Ltd.

Shopping Center Development Business: AEON Mall Co., Ltd., AEON TOWN Co., Ltd.

Overseas

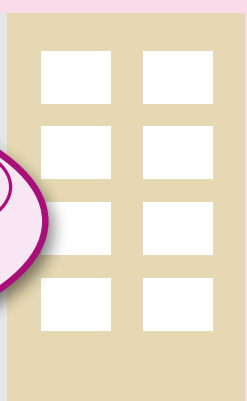
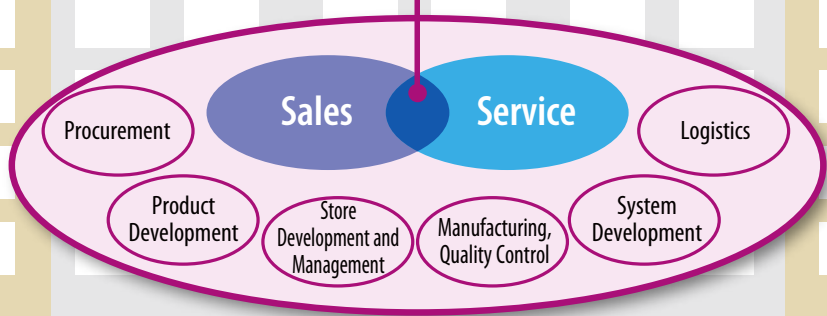
ASEAN Business: AEON ASIA SDN. BHD., AEON Co., (M) Bhd., AEON BIG (M) SDN. BHD., AEON (CAMBODIA) Co., Ltd., AEON (Thailand) CO., LTD., AEON VIETNAM CO., LTD., PT. AEON INDONESIA

China Business: AEON (CHINA) CO., LTD., AEON Stores (Hong Kong) Co., Ltd., AEON South China Co., Ltd., Beijing AEON Co., Ltd., Guangdong AEON Teem Co., Ltd., Qingdao AEON Dongtai Co., Ltd.

^{*1} Company name changed from Peacock Store Ltd. as of May 9, 2013.

^{*2} Those are Hapcom member companies which operate drugstore and pharmacies.

^{*3} © Equity-method affiliates ○ Affiliated companies (As of April 1, 2013)



KPI (key performance indicator) based on the Aeon Sustainability Principle

History of Aeon's CSR Activities

Serving the Local Community through Commerce

Aeon's predecessor company, JUSCO, Inc., came into being in 1970, as the result of a merger between three companies – Okadaya, Inc., Futagi, Inc., and Shiro, Inc. JUSCO expanded business with the mission statement at the time of 'support the community through commerce.' In the 40 years since then, sales have increased from 500 million yen to 5 trillion yen. The number of stores has expanded from 70 to 16,375 and the number of employees has increased from 4000 to 360,000. In view of such continued growth, the JUSCO Company Welfare Fund (the present Aeon Welfare Fund) was established in 1977, demonstrating the company's contribution to society as a corporate citizen.

Against this background, in the second half of the 1980s Aeon built a system to promote CSR activities in earnest. In 1989 the AEON Group 1% Club (the present Aeon 1% Club) was established and in 1990 the JUSCO Earth-Friendly Committee was formed, along with the Aeon Group Environment Foundation (the present AEON Environment Foundation). In 1991, a variety of activities were begun that are linked to present day CSR activities - the 'Aeon Hometown Forests Program,' the experimental 'Bring Your Own Shopping Bag' and the 'Collecting Recyclable Resources at Stores' campaigns.

CSR Activity Principles

Based on the United Nations Global Compact

With a view to reinforcing its global perspective on CSR, Aeon in 2004 became Japan's first retailer to sign the United Nations Global Compact. Based on the 10 principles outlined in the United Nations Global Compact, Aeon formulated its "Aeon Supplier Code of Conduct"(CoC)(p. 48), and acquired SA8000 certification (p. 49), an international standard related to human rights and labor conditions.

Since 2008, Aeon has participated in the Supply Chain Sub-committee of the Global Compact Japan Network in order to promote CSR together with our supply chain partners. Dialog with member companies is ongoing.

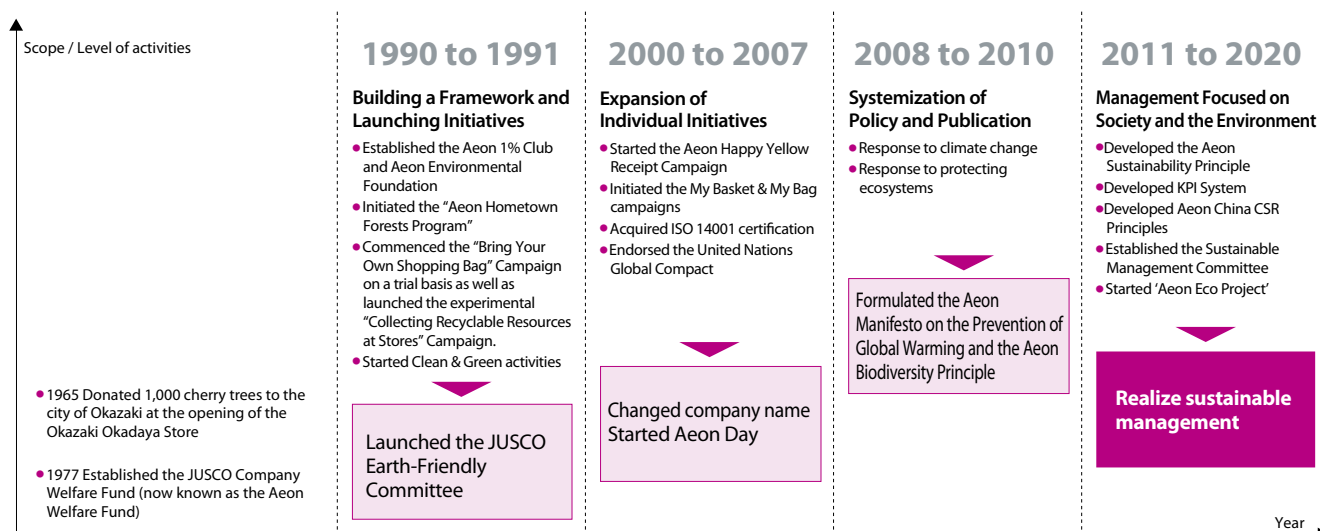


Basic CSR Activity Principles and Key Issues

'4 Key Issues' for Sustainable Management

With the launch in November 2010 of the ISO26000, an international CSR guideline, the idea spread that 'all kinds of organizations must promote measures in support of a sustainable society.' In the past few years, Aeon's business activities have

History of Environmental and Social Activities as well as Future Aspirations



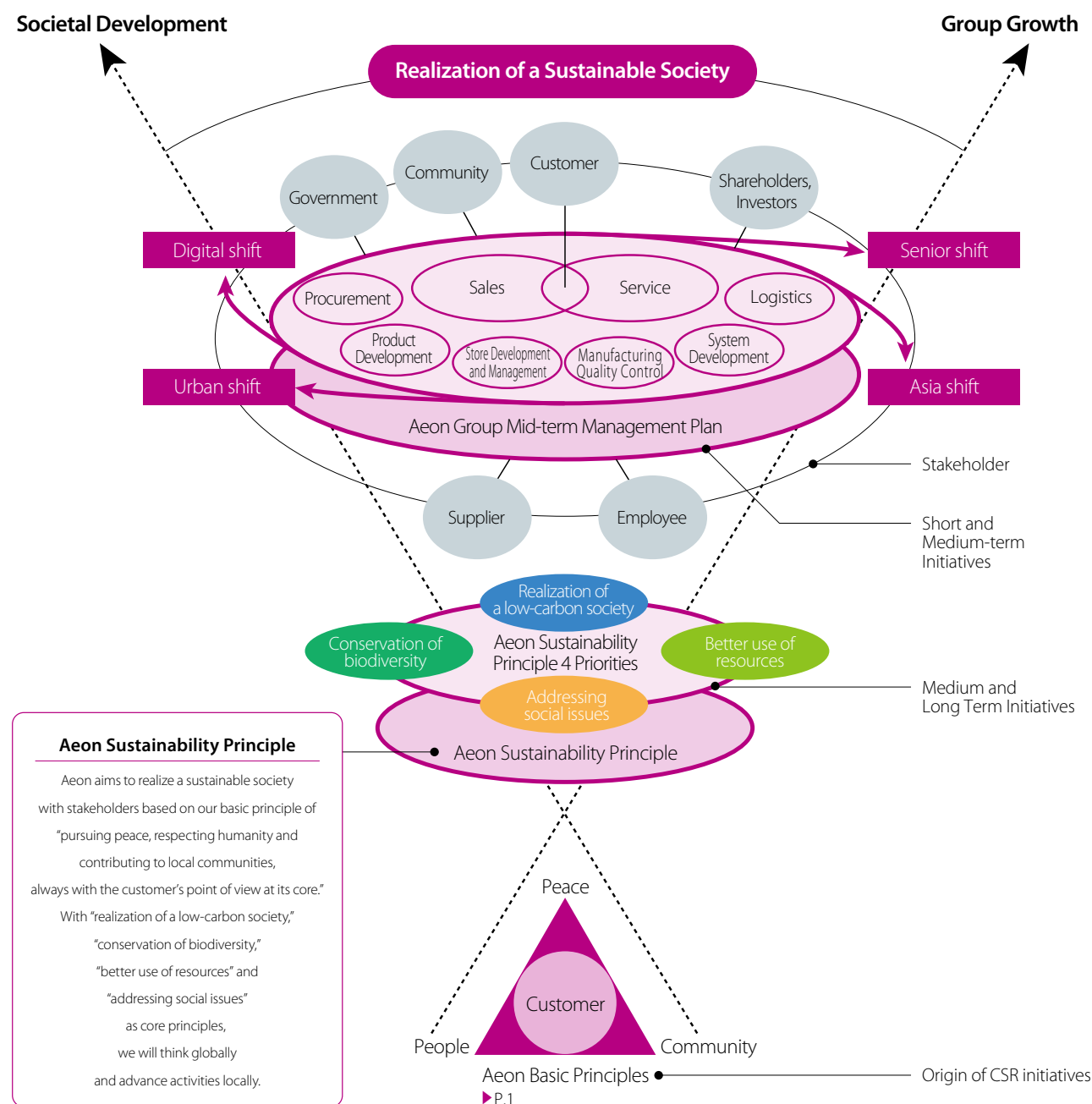
become substantially more globalized and as the number of stakeholders has increased, Aeon's influence on society and impact on the environment has also increased dramatically.

In March of 2011, Aeon formulated its 'Aeon Sustainability Principle' to promote CSR activities throughout the Aeon Group of companies, and publicly announced its intention to achieve sustainable management through balancing 'Aeon Group growth' and 'societal development.' In order to make steady progress in achieving sustainable management, Aeon decided

to address 4 key issues, each having its KPI (Key Performance Indicator) quantitative indicators to assess achievement. The 4 issues are: 1) realization of a low-carbon society; 2) conservation of biodiversity; 3) better use of resources; and 4) dealing with social matters. Aeon will be verifying objectives based on social tendencies and on stakeholder feedback, and will annually report on the KPI of the objectives through publications such as the 'Social and Environment Report.'

For fiscal year 2012 targets and results, please see page 23-26.

Aeon's Sustainable Management



Close
Up

① Aeon's Tree Planting 10 million trees

Aeon launched tree planting activities in 1991.

An introduction reviewing the evolution leading to 10 million trees being planted in 2013, and looking to the present and future of Aeon's tree planting activities.



Total 9,900,178 trees

As of February 28, 2013



Hometown
Forests Program –
the first store



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

Hometown
Forests Program
in Japan –
the first store



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

The start
of Planting Trees
at the Great Wall
of China



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

The start of
tree planting
in Malaysia



2004: Malaysia 'Borneo tree planting'
AEON Environmental Foundation

Correction to the figure for number of trees planted (unit: 10,000)

* Combined total for the Aeon Hometown Forests Program and AEON Environmental Foundation

13



1991

83



1993

161



1995

245



1997

375



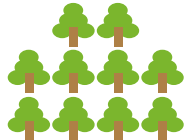
1999

485



2001

553



2003

Initiation of Tree Planting Activity

Human relations as the foundation of abundance

Fifty years ago, in the 1960s, president of Jusco (present day Aeon) Takuya Okada (currently, Honorary Chairman and Advisor) noticed that the Nandina Heavenly Bamboo flowers in the garden of his house in Yokkaichi city stopped blooming. This alerted him to changes in the earth's environment. He felt that pollution accompanying economic growth was creating social problems and an emergency situation connected with the loss of nature's gifts and concomitantly, the loss of the source of richness. Thinking of what he could do as a retailer to improve things, he came up with the Aeon Hometown Forests Program that has been going on since 1991. Since this time, Aeon, with its close community relations through retail business, has been planting trees with the local customers at new store sites.

Significance of Tree Planting Activity

Aeon's tree planting activities as a means to crystallizing the Aeon Basic Principle

Aeon believes that its tree planting activities are an important means to following through with the Aeon Sustainability Principle of "pursuing peace, respecting humanity and contributing to local communities, always with the customer's point of view at its core." To protect the Earth's environment, people of all types from around the world must share the spirit of nurturing greenery and genuinely caring for forests and nature. Aeon is helping to foster this spirit through its tree planting events that involve people of all ages, from children to senior citizens. We are also committed to fostering interaction and communication between these people as well. Moreover, the tree species that we plant are mainly native to each locale, which helps to preserve the character and appearance of local forests for future generations.

From Stakeholder

From a family that participated in the first Aeon Hometown Forests Program at the Jusco Shin Hisai (currently, AEON Hisai) store in 1992

Three members of our family took part. At the time, my son was two years old, but I decided to participate because I thought it would be a good memory for him. He now says he has no memory of it, but he feels an affinity for the trees we planted that have grown through the years as he has.

I think it is significant that these trees that were planted around 20 years ago have grown so well and provide natural richness to the environment. This experience gave us the opportunity to deepen our appreciation of the environment, and to give something to future generations. I hope Aeon will continue tree planting activities.



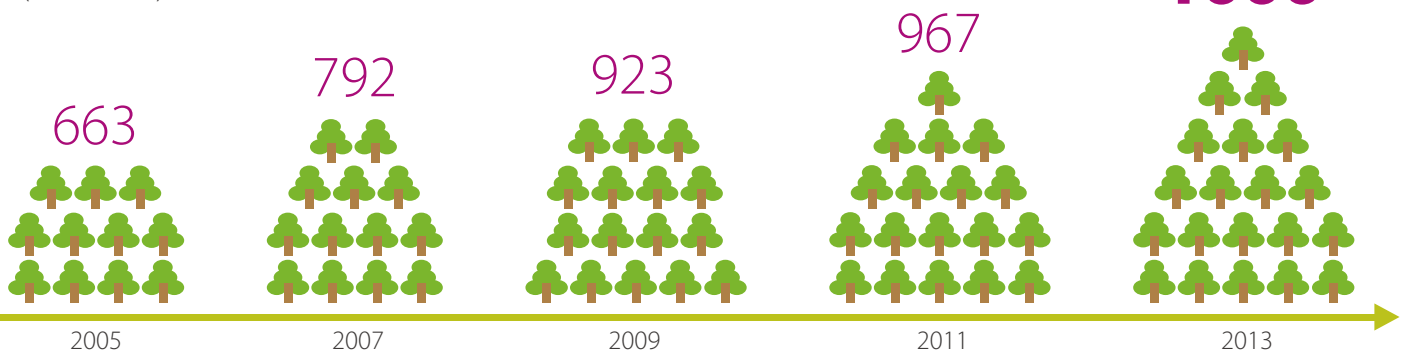
2008: Aeon Hometown Forests Program (AEON LakeTown)



2011: Indonesia 'Jakarta tree planting' AEON Environmental Foundation



2012: Aeon Joing Hands Reforestation Program (AEON Shiogama) Carrying out tree planting in the Great East Japan Earthquake area



Points of the Aeon Hometown Forests Program

- 1 Native trees are best suited to local natural environments.
- 2 A mixture of 10-20 species of native trees, allows the planted trees to compete and grow naturally.
- 3 At each location, local customers plant trees one by one.

Present and Future Tree Planting Activities

For the next generation – caring for nature and forests, nurturing greenery

Professor Emeritus of Yokohama National University and authority on ecology Akira Miyawaki is advising us on the selection of a mix of trees that can maintain the original natural growth competition and diversity of the locale, both in Japan and overseas. Along with tree planting, we invite the local people and people connected with the local government to take part whenever we hold a tree planting event and ask these same people to come back after some time has passed to help take care of the trees that were planted, giving everybody a chance to get together again. In 2013, the Aeon Hometown Forests Program and the AEON Environmental Foundation dedicated to the regeneration of forests in Japan and abroad, will plant a total of 10 million trees. Aeon is committed to planting and taking care of trees, caring for forests and nature, in order to nurture greenery for future generations.

For details on the AEON Environmental Foundation ► page 2.

Close
Up

② Launch of Smart Aeon

Developing next generation energy efficient 'Eco Stores' able to use energy efficiently and respond to disasters with local communities.

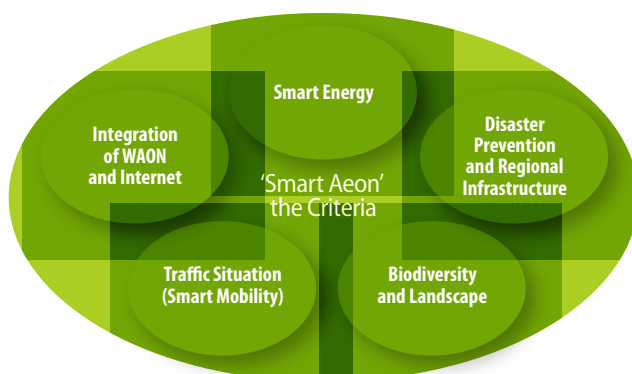
 Building for Tomorrow Together



Following the Great East Japan Earthquake, Aeon stores in the affected areas became temporary shelters, and centers for supplying food and life necessities. Aeon worked in full force for early resumption and continuation of store operations. However, since this was a disaster of unprecedented proportion and complexity, many points remain to be studied concerning whether or not customers were fully served immediately following the occurrence of the disaster.

Aeon launched the 'Smart Aeon' concept to realize the goals of the 'Aeon ECO Project' (p.27) started in September 2012. In addition to the building environmentally friendly stores, 'Smart Aeon' has a focus on 'towns' and 'communities,' working with local communities for energy efficiency and provision of safe and reliable support in face of emergencies, such as large-scale natural disasters.

Following the opening of the first Smart Aeon store at Aeon Mall Yahata Higashi in March 2013, Aeon will open additional Smart Aeon stores at Aeon Town Shin-Funabashi, Aeon Mall Osaka Dome City and Aeon Mall Makuhari-Shintoshin before the end of fiscal 2013. Going forward, Aeon plans on developing a variety of Smart Aeon stores that will make unique contributions to town and community building initiatives based on the needs and characteristics of each local community.



March 2013

Smart Aeon store part of the community energy management system

—Aeon Mall Yahata Higashi

Aeon Mall Yahata Higashi in Kitakyushu City is involved in the Ministry of Economy, Trade and Industry's Next-Generation Energy and Social Systems Demonstration Project. As part of its role, the store is helping to reduce town-wide energy usage by linking with other community energy management systems (CEMS) to visualize the consumption of energy.



April 2013

Smart Aeon store involved in community building

—Aeon Town Shin-Funabashi

Identifying with the Smart & Share Town Concept that connects people and utilizes the latest, most cutting edge technologies and information, Aeon Town Shin-Funabashi is partnering in this project to help develop a town that continuously generates environmental value, in collaboration with the neighbouring SC Aeon Mall Funabashi.



Winter 2013

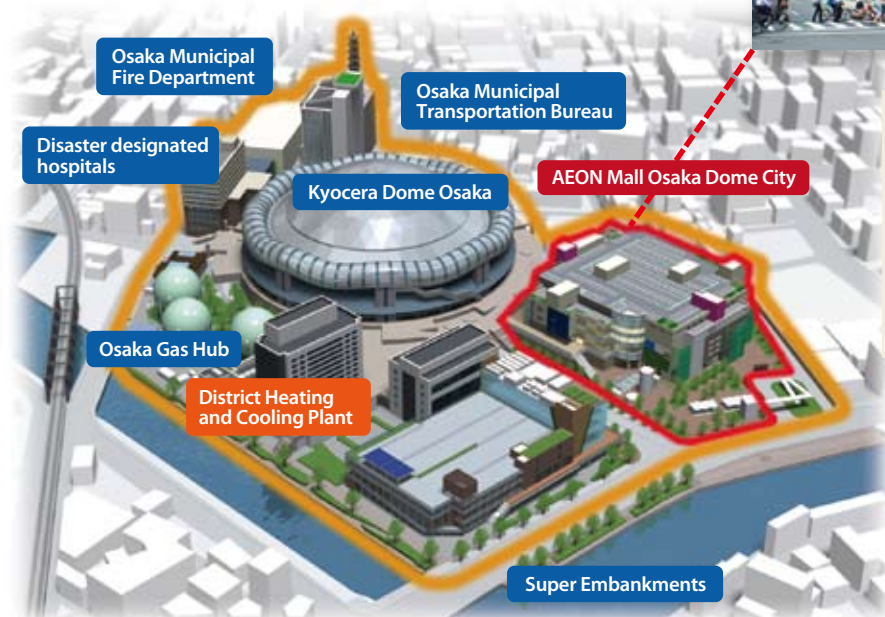
Smart Aeon store slated to open at Aeon Mall

—Makuhari-Shintoshin

May 2013

Disaster Resistant 'Smart Aeon' —AEON Mall Osaka Dome City

With AEON Mall Osaka Dome City, opened in early summer 2013, positioned as a Disaster Resistant Smart Aeon store, Aeon has begun a new joint effort with Osaka Gas Co., Ltd. based on 4 principles developed based on the lessons learned from the Great East Japan Earthquake.



concept 1 Protecting communities

Aiming to be a disaster-resistant shopping centers

- boosting earthquake resistant buildings and facilities
- establishing local temporary shelters

concept 2 Conserving Energy

Aiming for energy security in the event of a disaster

- Introduction of a high efficiency gas co-generation system
- Adoption of a high quality quake resistant medium pressure gas conduit

concept 3 Conserving the Global Environment

Aiming to reduce CO₂ emissions by 40% through a wide range of energy-saving measures

- Nearly 100% use of gas co-generation system exhaust for air control, heating and air conditioning
- Gas and solar 'double power generation' (Solar Link Excel) system to cut power peaks

concept 4 Communication

Conveying Eco and Disaster Information

- Providing information desks for eco and disaster information

From Stakeholder

We are deepening collaboration with communities to become a model for post-earthquake town renewal.

The core 'Disaster Resistant Smart Aeon' next generation store being at that location holds special significance for us because Iwasakibashi, Nishiku, Osaka is where the company was first established. Aside from our Osaka base, Kyocera Dome Osaka, designated disaster hospitals, government agencies, as well as designated tsunami evacuation sites, such as the deck around the Dome, are located here as well. It is an important urban disaster resistance area. With the opening of 'disaster resistant Smart Aeon,' we can look forward to the growth of the region's disaster resistance capabilities. We will continue to work with the local community on this project to build a model energy system, having learned from the example of the Great East Japan Earthquake, and being based on taking advantage of the gas system and the twin elements of 'Eco' and 'disaster resistance.'



Hiroki Yamashita,
Chief, Corporate Energy Sales Department
Commercial & Industrial Energy Business unit
Osaka Gas Co., Ltd.

From Aeon

We will continue to contribute to the community through Smart Aeon development nationwide.

Aeon Mall Osaka Dome City is introducing a variety of technologies to contribute to the community. Aside from improving the earthquake-resistance of construction and facility systems and assuring that store operations continue during emergencies, power outages, and tsunamis, it is meeting top Group specifications for energy efficiency. The most distinctive among these is the gas co-generation system making use of surplus exhaust heat to contribute to the energy efficiency of the entire region and achieving the first smart energy network in the industry. We will continue to use thermal and electric power sources in the future and to develop Smart Aeon stores nationwide, making contributions to communities.




Koichi Takahashi, Manager
Construction Dept.
Shopping Center Development Division
AEON Mall Co., Ltd.

Responsibilities and Activities as a Supra-regional Retailer

Connecting Asia

Over the next several years the rapidly growing Asia region will see its middle class population swell to one billion. The region's growing consumer markets represent an amazing business opportunity for the Aeon Group, but there are also concerns about what this rapid economic growth is bringing with it, including serious environmental problems like global warming and widening income gaps. Given this background, Aeon, which is focused on sustainable management that balances Group growth with the development of society, has defined four paradigm shifts that correspond to changes in its global operating environment and is promoting a strategy to expand sales of safe and reliable TopValue brand products, under its Medium-term Management Plan launched in fiscal 2011. Through these measures, Aeon will achieve growth while satisfying the needs of its customers in Asia and will leverage its expertise accumulated in Japan, which has already experienced many of the same challenges, to offer solutions to aging societies, urbanization, environmental issues and food safety. In this manner, Aeon will aim to become a Supra Regional Retailer that connects Japan and the countries of Asia in peace and prosperity.

Main Initiatives for FY2012 based on Aeon Group Mid-term Management Plan

Group-wide strategy	Growth Strategies	CSR / Risk Management
Highlight I China and ASEAN as new store openings accelerate in the region ▶ p. 14		
Asia Shift Collectively Promoting Various Locally Rooted Businesses in the High Growth Markets of China and ASEAN.	<ul style="list-style-type: none"> Establish 3 headquarters structure (March 2012: China headquarters, November 2012: ASEAN headquarters) Acquisition of Carrefour Malaysia (October 2012) New stores (GMS 9, SM 4, Small Stores 29) 	<ul style="list-style-type: none"> AEON (China) CSR policy development (December 2011) Environmental Risk Management Committee installation in China headquarters (January 2012) Four sub-committees formed on CSR in ASEAN headquarters (May 2012)
Highlight II Aging and Urban Populations ▶ p. 17		
Urban Shift Focus on the needs of people who live in big cities, and expand the multi-store and development of the new type suitable for urban areas.	<ul style="list-style-type: none"> Accelerate the opening urban stores business category Aeon Every Co., Ltd. started operations (March 2013) Peacock Store Ltd. subsidiary (March 2013) 	<ul style="list-style-type: none"> To develop a shopping environment for urban shopping weak
Senior Shift To correspond to the needs of the senior market from the point of view of products, the sales floor, tenant organization and services.	<ul style="list-style-type: none"> Promoting the development and provision of stores, products and services to meet the needs of the 'Grand Generation' generation 	<ul style="list-style-type: none"> Promotion of universal design of the store Hold the exhibition to introduce senior citizens products and services, and dialogue with customers 
Digital Shift Expand a wide range of products and services to enjoy easily more convenient, the Internet shopping.	<ul style="list-style-type: none"> 'Aeon Square' – Aeon's shopping portal open (August 2012) 	<ul style="list-style-type: none"> AEON Direct, AEON Link. is acquired Privacy Mark (August 2012) 
Highlight III TOPVALU brand expanding globally ▶ p. 20		
TOPVALU First Expanding the Lineup and Enhancing the Quality of Aeon's Own TOPVALU Brand.	<ul style="list-style-type: none"> Items increase the number of TOPVALU Developing TOPVALU products for each region 	<ul style="list-style-type: none"> Launched the CSR Procurement Guidelines Study Group (October 2012) Established development company specializing in TOPVALU in Malaysia. The implementing measures for the safety and improve the quality of products (January 2013)

China and ASEAN as new store openings accelerate in the region

Strengthening CSR implementation systems and getting more actively involved in China and ASEAN.

Business expansion in China and ASEAN

—Establishment of ASEAN headquarters

The Asian region is projected to become the world's No.1 market by the year 2020. In expectation of the Asian region being increasingly peaceful and prosperous, Aeon is accelerating store openings in China and ASEAN and building strong links with local customers and communities.

In March 2012, Aeon established Aeon China Co., Ltd. as the headquarters for the Aeon Group in China. This company ensures that Aeon businesses can quickly prepare and implement growth strategies in the country. It formulates Group strategy, engages in new store development and product development, hires and trains employees and is involved in CSR activities in China where Aeon employs a workforce of more than 12,000 people. In this regard, we are promoting a multi-format strategy to our expansion where we combine our capabilities not only in GMS*, but also supermarkets, developing, financial services, customer service and specialty shops to deliver customized solutions ideal for each individual community.

In November 2012, we established AEON ASIA SDN. BHD. in Malaysia as our ASEAN headquarters. Around this same time, we acquired Carrefour Malaysia, the country's fourth largest retailer in terms of sales. Our goal going forward is to have a 100-store network under Aeon Big Malaysia by the year 2020. In addition to Malaysia, we also have operations in five other ASEAN member countries, including Thailand, Philippines, Indonesia, Vietnam and Cambodia.

* General Merchandise Store



Action ① In China

Continuing activities under the 4 priority themes

Formulated Aeon China CSR Policy

As our presence in China grows, we will need to strengthen our CSR foundation that includes compliance and risk management. The assistance of our subsidiaries in China is essential to rolling out unique initiatives at other group companies. Furthermore, these companies will need to collaborate with one another and with the Aeon Group in Japan, which has taken the lead in pursuing various activities, to work as 'All Aeon'. As a result, our headquarters in China formulated the Aeon China CSR Policy in 2012 and established a joint Japan-China team for managing the progress of these activities called the Environment Risk Management Committee. The Committee has identified four priority themes: 'energy conservation,' 'risk management,' 'compliance,' and 'community contribution and communication,'

with key performance indicators set for each. Sub-committees for each priority meet regularly to check results and progress as part of our broader effort to become the number one corporate CSR brand in China.

Aeon (China) CSR Policy

1. We will put energy and resource conservation into effect in order to halt global warming
2. We will provide our customers with safety and security
3. We will create a work environment of mutual respect and recognition
4. We will do business in a just and transparent manner
5. We will support community activities as a corporate citizen.

Environment Risk Management Committee Organization Chart/Main Agenda of Fiscal 2012



The Committee is headed by the Aeon (China) Chief of Staff and the general managers of the various companies promoting GMS in China. Sub-committees are headed by managers of Aeon Japan's departments of General Affairs, Environment and Community Contributions, Legal Affairs, and Aeon Delight's Environment Affairs manager. The persons responsible for environmental affairs from each of the Aeon Group companies in China attend the meetings as members of the Committee.

Action 2 In ASEAN

Implementing a project to build a sustainable business model

Four sub-committees formed on CSR

Since May 2012 Aeon has partnered with its ASEAN headquarters and operating companies in the ASEAN region on a project to establish the ASEAN model for sustainable business management through sub-committees set up to cover the four themes of compliance, hygiene control/quality management, CSR and disaster preparedness. In March 2013, senior executives from Aeon Group companies in the ASEAN region attended a meeting that reported on the implementation of the ASEAN model at Aeon Malaysia.

Activities launched in Vietnam, Cambodia and Indonesia

Based on initiatives taking place at Aeon Malaysia in setting key performance indicators and managing CSR activities, Aeon's ASEAN headquarters will host regular reporting sessions so that Group companies in the ASEAN region can promote specific activities based on the unique characteristics and social issues of each locale. The headquarters will also launch projects in each ASEAN member country in conjunction with future store opening plans.

In March 2013, a project was newly established in Vietnam. Moving forward, Aeon plans on setting up new projects in Cambodia, Indonesia, Thailand and Myanmar.

Purpose and implementation framework of projects for establishing the ASEAN model

- Provide peace of mind to customers through products as well as improved private brand product quality and in-store cleanliness management.
- Prevent in-store accidents, thefts and fires as well as mitigate damages from natural disasters to provide added peace of mind to customers.
- Raise employee morals and awareness toward compliance, foster a culture where employees feel a sense of worth and belonging, and become a company trusted by customers.
- Make contributions to the local community as a good corporate citizen through consideration for the environment and energy conservation.

ASEAN model Promotion System



The sub-committee, the person in charge of ASEAN companies and legal representatives of Japan headquarters, quality control, administration, environmental and social contribution, customer service, construction have participated as a member.

Action 3 In China and ASEAN

Proactively promoting activities that contribute to the environment and local communities

Activities launched in advance of new store openings

All of Aeon's stores in China and the ASEAN region always practice a 'customer first' philosophy. The knowledge and expertise gained from store development and operations in the Japanese market has helped Aeon to expand aggressively in the region and remain closely in tune with the needs of local customers and markets.

Along with contributing to local communities through our businesses and by instituting, in advance of store openings, tree planting and educational programs to train the next generation, Aeon's expansion internationally focuses more on

CSR activities that are carried out in each country and the number of stores



growing as a corporate group with stakeholders in the region and through business activities that fit the local community.

In 2012, we established headquarters for our operations in China and the ASEAN region and established a framework for implementing the Aeon Happy Yellow Receipt Campaign in China and the Aeon Cheers Club in the ASEAN region. Going forward, Aeon will continue to promote group-wide activities both in Japan and overseas as well as pursue activities that contribute to the environment and community from a global perspective where local needs are addressed together with larger underlying social issues.

Store openings around the world



* Opening number of countries is the number obtained by summing all of the seed store

VOICE

The Aeon Happy Yellow Receipt Campaign conducted in all Aeon stores in China was a great success.



Li Kang (Coco)
 PR Manager
 Group Administration Dept.
 AEON (CHINA) CO., LTD
 (Aeon Group China Headquarters)

The Aeon Happy Yellow Receipt Campaign was initiated across all Aeon stores in China on August 11, 2012. Prior to that, when each store had its own campaign, we recognized that our Chinese customers have a high consciousness for social contributions. This time, however, the coordinated campaign had added significance because each store redoubled its efforts and the designated receipt collection boxes filled to overflow with the yellow receipts. Customers were really pleased, saying it was the first time they could contribute like that to support the organizations of their choice.

Submissions: August 2012 – February 2013

- Number of Groups: 144
- Receipts posted: Posted 783,535
- Total value: 89,743,152 yuan
- Amount of Donation: Goods worth 897,431 yuan (1% of total)

Aeon Malaysia Cheers Club was established with 1672 participating children learning about the environment and teamwork.



Fansuri Bin Alias
 Manager CSR
 Corporate Communication & Branding
 AEON CO. (M) BHD. (AEON Malaysia)

AEON Malaysia has the same Sustainability Principle as AEON Japan. In fiscal 2012, AEON Malaysia established the Aeon Malaysia Cheers Club as a priority issue of the Sustainability Principle of 'awareness and education.' With the support of our customers, 1672 children participated in the program. AEON Malaysia works on the four activity levels of 'store,' 'state,' 'nation,' and 'overseas.' In 2012, the following were carried out: Biodiversity Training Tour in Tasmania, an overseas program; the three-day overnight camp, a national program, and the Eco Day Tour, a state program. (page 47) In addition, training programs were carried out to improve the abilities of coordinators responsible for management of store activities. We are aiming for better communication with members in the future through the SNS (social network service), newsletters, and websites.

AEON Malaysia Sustainability Principle

1. Conservation of biodiversity
2. Better use of resources
3. Realization of a low-carbon society
4. Stakeholder engagement
5. Awareness and education

Aging and Urban Populations

Providing a comfortable and convenient shopping environment for all consumers amidst sharp increases.

Helping solve the social issues associated with aging and urbanization

Today, Japan's population has reached the status of 'super aged society' because more than 23% of its population is now over the age of 65. By the year 2020, this percentage is expected to climb as high as 29%. More and more elderly have seen their range of daily activities diminish gradually and are finding it difficult to go shopping for their day to day needs. At the same time, although the number of commercial facilities has increased in urban areas, there are actually fewer retail stores selling daily essentials, which is led to a new population of people that are unable to go shopping, which includes the elderly.

Given this, Aeon is more committed than ever to providing all of its customers with an enjoyable, convenient and pleasant shopping experience. We will accomplish this through a 'Senior Shift' to meet the needs of senior citizens from the four perspectives of products, sales floor, retail tenant development and services, a 'Digital Shift' to ensure consumers are able to shop easily and conveniently on our e-commerce site, and an 'Urban Shift' to bolster new store openings of more compact supermarkets for urban areas.

The graying of society is also progressing rapidly in China and the ASEAN region. As a result, Aeon will push forward with an 'Asia Shift' that builds upon its experience in the Japan market. This will enable it to provide a convenient and pleasant shopping environment for all of its customers in China and ASEAN, which face similar issues. Our ultimate goal is to fulfill our mission as a retailer to provide a lifeline for people's lives around the world.



Action 1 In stores

Aspiring to offer stores that are senior-friendly

Developing stores with universal design elements

To make the shopping experience safer and more pleasant for not only elderly customers but also those with a disability, expectant mothers and mothers with small children, Aeon is rolling out a variety of universal design elements at its stores, including making signage and POP displays larger, installing universally accessible restrooms and lounges, and eliminating steps at store entrances. In addition, we have assigned certified "Care-Fitters" (see page 59) to support the customer shopping experience and we are also encouraging more of our employees to become "Supporters for People with Dementia" (see page 59).

Developing stores for the 'Grand Generation'

Aeon proactively renovates its stores based on customer feedback and demographic surveys on the surrounding communities. We consider active seniors over the age of 55 as the Grand Generation and are working to ensure that our stores are fully senior-friendly, since this demographic accounts for 40% of Japan's consumer market.

The Grand Generation is a phrase advocated by screenwriter Kundo Koyama to describe active senior citizens that are healthy, positive and enjoy their retired life, which is supposed to be the grandest time in a person's life.

Initiatives at the Aeon Kasai Store

The Aeon Kasai Store was recently remodeled in May 2013 as the first 'Grand Generation's Mall'. The entire fourth floor of this revamped floor has been dedicated as a sales floor for products and services targeting the Grand Generation, offering an extensive selection of senior-friendly products and a concierge service, a first for Aeon, with a staff of eight to assist seniors with their shopping needs.

To provide added support to seniors in their daily lives, we also set up a Kurashi-no Support Counter to complement our conventional same day delivery service (where we deliver products bought in stores to the customer's home on the same day they were purchased). Through this counter, we now offer house cleaning and home remodeling services, in addition to delivery, assembly and installation services for home appliances, furniture and storage solutions purchased from our catalogue.



Focusing new store openings on more compact urban designs

As part of our 'Urban Shift', we are focusing new store openings on those urban parts of Tokyo and Kanagawa prefectures with little retail coverage. Our format for these openings is 'My Basket' brand, which is a small supermarket featuring a more compact design ideal for urban spaces. These stores carry on average



about 2,000 items, including fresh foods, prepared foods, processed foods and daily essentials. As of November 2012 we had 300 'My Basket' store locations.

In addition, we are accelerating new store openings of RECODS stores, which combine the advantages of a convenience store with the specialized services of a drugstore, to position these outlets as community health care stations.

Changes in the number of store openings



Action ② Through our products and services

Expanding products and services for the Grand Generation

Responding to the needs of health conscious consumers and people eating alone

Aeon is responding to the needs of an increasing number of single-person households, mainly senior, with products geared to health consciousness consumers and people eating alone. For example, under our TOPVALU brand, we are expanding our lineup of smaller package sizes and leveraging our expertise in prepared foods from Origin Bento to develop ready-made meals. Aeon is also targeting active seniors with an assortment of increased clothing choices that combine functionality with attractive designs.



Providing services that support the day-to-day comfort of consumers

In September 2012, Aeon began offering G.G. WAON e-money prepaid cards and G.G. Aeon credit cards as an exclusive service for customers over the age of 55.

At some 100 Aeon stores across Japan we either operate chartered buses or encourage local bus companies to stop near our stores, in order to ensure that our customers have easy and convenient access.



Launched services for Body Memory, a health management support system

Aeon Pharmacies, which are located inside Aeon general merchandise stores, launched services for Body Memory, a health management support system, in November 2012. This system serves as an electronic health handbooks that can record data on blood and weight, allow users to view their prescription history and manage current prescriptions simply by entering their WAON card number and password on their smartphone or computer. Users can show these health information directly to the onsite pharmacist to receive better information on their prescriptions and health guidance.



Hosted the Grand Generation's Collection event in Tokyo

The Aeon Group and 46 sponsor companies took part in the Grand Generation's Collection in Tokyo event held in May 2013 at the Tokyo International Forum. The event showcased a wide range of unique Aeon products and services geared toward seniors, such as apparel, cosmetics and health foods. Some 56,000 customers visited the event and their valuable feedback will be used to make improvements to future products and services.



Comments from a participant

It was a fun-filled day of fitness sessions and tasting new food products. We learned a lot about how to live a fun and enjoyable retired life now that our children have grown up (couple in their 60s).

Action③ Utilizing the Internet

Pursuing synergies with our brick-and-mortar stores

Established internet portal 'Aeon Square'

With the rapid spread of smart phones and tablets, and the advent of internet TV, many people can now easily enjoy net-shopping. Japan is confronting an ageing society at an unprecedented pace. At the same time, the reduction of stores is proceeding in rural areas because of depopulation. The number of seniors and people raising children for whom shopping is inconvenient is increasing.

In this situation, Aeon group companies established internet portal 'Aeon Square' in August, 2012. At the same time we standardized and coordinated customer IDs and WAON points for all systems.

VOICE

I am working full time, and have to pick my daughter up from nursery school, so it is difficult for me to do shopping on weekdays. With Aeon Net Super, I can shop on line in the evening, or during my lunch break to have my order delivered the same day. This is really convenient and I use the service often. What's more, I am really happy to be able to choose 'eco-packaging.'



Akiko and Marisa Hotogi

Internet supermarket where it feels like shopping in store

Aeon operates an Internet supermarket that involves seven Aeon Group companies and some 220 stores. This particular Internet supermarket has become quite popular because it provides consumers with the feeling of shopping in store. For this reason, it represents a unique "click and mortal" service (combining the Internet with actual stores and distribution network) offered only by Aeon. The service coverage of our Internet supermarket will reach 43 prefectures across Japan by February 2013.

Aeon Link obtains right to use Japan's privacy mark

Aeon Link Co., Ltd. obtained the right to use Japan's privacy mark at the same time as Aeon Square opened in August 2012. With the further expansion of e-commerce, the company is working hard to reinforce its protection of personal information because of the growing amount it handles from customers.



Gift Site
to say 'Thank you'

オヤコム
OYA.COM



This is a shopping site on the theme of supporting communication between children and their parents.

Delivering a
Wide Range of
Products
Across Japan

Food, clothing, daily life products, shopping is up to, such as electronic appliances and furniture.

イオンモールの通販サイト
AEON MALL
ONLINE



Choose from
more than 120
specialty shops

Enjoy 24 hour shopping
for at popular shops for
brand items and
categories from over 120
specialty shops.

Delivery from
stores near you

おうちでイオン
イオンネットスーパー



You can buy your favorite products
from a large assortment of items, and
choose a time for delivery.

おうちでイオン
イオンショップ



イオンフィナンシャルサービス
暮らしのマネーサイト



Aeon Financial
Services – one stop
service for insurance,
credit, and banking

A portal site operated by three Aeon
Group finance companies.

A AEON
SQUARE

TOPVALU brand expanding globally

Promoting locally produced food products and local food culture through focus on the TOPVALU brand.

TOPVALU First

—Expanding into new fields and developing new products while enhancing safety and reducing environmental impacts

Consumers are more aware of product safety than ever before, owing to the spate of product quality incidents that have occurred in various sectors. Food safety is perhaps one of the most important issues consumers are aware of because such incidents can directly impact one's life. This is why many consumers consider safety to be one of the most important reasons to purchase a product.

Given this, Aeon is focused on further enhancing the quality and reducing the environmental impacts of products from its TOPVALU private brand. First developed in 1974 to embody Aeon's 'customer first' commitment, today TOPVALU has grown to become Japan's largest private brands with some 6,000 products covering mainly daily essentials and annual sales of 680 billion yen. Our lineup of eco-conscious brands also includes the TOPVALUE KYOKAN SENGEN brand as well as Marine Stewardship Council (MSC) (see page 33) and Forest Stewardship Council (see page 33) certified products. In addition, we continue to provide new value to consumers' lifestyles through our 'TOPVALU First' strategy. Through this, we are expanding our lineup of products in in-demand consumer segments, such as home appliances, and which utilize agricultural, fisheries and livestock products that help to revitalize local economies.

We are also strengthening our TOPVALU product lineup for China and ASEAN market, which have a rising middle class and demand for higher quality products. In 2013, we established a dedicated company for developing and manufacturing TOPVALU Products locally in Malaysia and Thailand, following a similar one already set up in China.



Action ① Product expansion

Product development that supports local sustainability

Developing TOPVALU products for each region

Aeon provides fresh produce and delicatessen products as part of its TOPVALU lineup in order to satisfy consumer demands for safe foods. We are also committed to developing TOPVALU products unique to each region that help revitalize local economies by using locally grown produce.

Examples of TOPVALU products developed for individual regions

TOPVALU Hokkaido Eggs

Carefully combined feed containing 10% Hokkaido produced rice, 5% wheat, and 5% food by-products. Sales from Chitose farms are limited to Hokkaido.



TOPVALU Mt. Aso Dairy Milk

Plentiful spring water, rich nature and green pastures throughout the year at the piedmont of Mt. Aso. Raw milk from the healthy dairy cows raised here is sterilized and packaged at a nearby factory.



TOPVALU Gurinai Lettuce

'TOPVALU Gurinai' lettuce is grown with minimal chemical fertilizers and pesticides, making the most of the power of nature.



VOICE ——— Producer's Message

Our production center is located in the western part of Ibaraki Prefecture, a thriving area where vegetables can be grown year round. In order to maintain the taste, texture and freshness of our lettuce that we take pride in, we use partially organic fertilizer and also as much as possible cut down on time from harvest to shipment. In addition, to meet TOPVALU Gurinai brand criteria, we are implementing decrease in pesticides that is 50% lower than local standards, and decrease of chemical fertilizers 30% lower than local standards. We intend to use different varieties of pesticides and fertilizer, and to study different methods of cultivation, in order to continue to bring delicious, safe and reliable lettuce to your table.



Kazunori Tochigi
President
TOCHIGISHOKUSAIICHI
CO., LTD

Full-scale development and launch of TOPVALU products in China and ASEAN

The value of TOPVALU products can be found in the fact they are safe, eco-friendly and offer great cost performance. For this reason, these products are well received by consumers in China and the ASEAN region.

In China, we began selling TOPVALU products locally in 2012 and we plan on expanding our lineup to around 1,000 items before the end of fiscal 2013. In Malaysia, we offer some 120 TOPVALU products that were developed by Aeon in Japan, such as foods, apparel and daily essentials. Going forward, we will develop more products locally, with plans calling for the lineup to reach 1,300 items in fiscal 2014 and 4,000 items by fiscal 2016.

VOICE — Product Developer Message

Our aim is to develop products for our customers in China, to allow them to easily buy high quality TOPVALU brand products. The process of development involves understanding customer expectations, selecting suppliers that meet strict TOPVALU brand standards, and then having quality control inspections by outside parties. I believe this experience definitely leads to the Chinese customers being pleased. It also is a learning experience for me. We will continue with confidence and pride to develop Chinese TOPVALU products for our customers.

Xiaotao Zhang (Alan)
Manager of Food Buying Department
Merchandise & Buying Division
AEON (CHINA) CO., LTD
(Aeon Group China Headquarters)



Example of TOPVALU products being developed in China

TOPVALU Mini Custard Bun

Chinese 'baozu' buns are very popular for snacks and also as a staple food. TOPVALU in China responds to the customer tastes and is making and selling mini custard buns. Of course we are very particular about the taste, but in consideration of growing needs for convenience as well, we have made the buns possible to prepare in a microwave oven.



Example of TOPVALU products being developed in the ASEAN region

TOPVALU Rice Ketupat

Ketupat is a glutinous rice dumpling wrapped in a palm leaf and steamed. It is served with satay and curry dishes. The TOPVALU rice ketupat uses an edible pouch instead of a palm leaf for ease of cooking. As a result, the taste of a traditional food can be easily enjoyed with quality and hygiene assured. TOPVALU Rice Ketupat also has Halal certification and can be eaten by people who follow the Islamic religion.



TOPVALU Product Development and Distribution

1 Planning and Designing Products

Along with listening to the expectations of our customers, Aeon fully takes into account the issue of product safety, including inspections of materials and the manufacturing process, in order to eliminate any safety or health hazards.

POINT! Producing Products that Reflect Customer Opinion

The starting point of TOPVALU product development is customer feedback. For example, hearing that customers wanted one-person portions, we started packaging spaghetti in 100g units, or hearing that customers wanted to know the expiration date for individual units of fermented beans packaged together but with the expiration date only on the outer packaging that would be discarded, we put the expiration information on each unit.

2 Selecting Manufacturing Partners

Aeon selects manufacturers after conducting inspections to confirm appropriate product safety and hygienic factory conditions, and compliance with Aeon's Supplier CoC.

POINT! Aeon Supplier Code of Conduct

Aeon established the Aeon Supplier Code of Conduct in 2003 in order to carry out its social responsibility to ensure the quality of TOPVALU products. The Code also guarantees that business transactions with both Japanese and overseas suppliers of TOPVALU brand products are appropriate and that manufacturers are providing a proper workplace environment. Aeon requires suppliers to comply with laws, respect for the human rights.

3 Determining Product Specifications

Customer monitors and Aeon employees evaluate product prototypes. Following strict standards, products that fail to garner a total of 70 percent of highest and 2nd highest ratings in a 5 step evaluation are rejected. In these cases, specifications would be reviewed, re-checking raw material ingredients, additives, and conditions of the manufacturing process.

More than
70%
of the
evaluators rated



<5-point scale>

Action 2 Pursuing safety

Managing products with rigorous standards from planning phase to final sale

Ensuring quality across the entire value chain

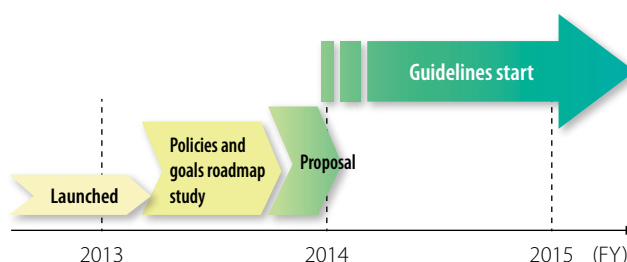
Aeon focuses on customer-centric product development that reflects customer feedback. As part of this process, we carefully select our manufacturing partners from the planning and design stages, carefully finalize product designs, as well as closely manage production and sales, in order to ensure only the safest quality TOPVALU products are delivered to customers.

Established dedicated development company in Malaysia for TOPVALU products

The rapid expansion of product lines and production volume must never result in negative consequences in terms of product safety or quality. With this in mind in January 2013, we established Aeon TOPVALU Malaysia SDN. BHD., following a similar company in China, to be responsible for TOPVALU product planning, development and manufacturing in Malaysia. The company assesses the production safety and site cleanliness of its 100 manufacturing partners in accordance with the Aeon Supplier Code of Conduct, and it also holds training sessions on improving quality and safety. Going forward, the company plans on expanding its lineup of local TOPVALU products, including Halal compliant foods, daily essentials and apparel suited to the local climate.

Strengthening CSR procurement

Aeon sources products from locations and producers in every corner of the globe. As a result, we have compiled a set of CSR procurement guidelines that incorporate the perspectives of human rights, labor, and corporate ethics in order to ensure our suppliers are mindful of safety, quality, the environment, human rights, and working environment during their production. In fiscal 2011, we gathered information on the CSR procurement activities of companies participating in the Supply Chain Subcommittee of the Global Compact Japan Network, which Aeon is a member of. In fiscal 2012, we started a research group focused on CSR procurement guidelines that consists of managers from related departments, such as the Procurement Division, and examined challenges in CSR procurement.



4 Inspecting Products

Products produced following product specifications are checked for whether or not they meet expected quality levels and safety standards. The Research Institute for Quality Living, Co., Ltd. conducts around 7,300 specialized quality check inspections a year.

POINT! In order to allow customers to choose TOPVALU products with confidence

Aeon product labels display 18 items related to product safety, such as possible allergen ingredients, in addition to the 7 indications required by law. Moreover, as much as possible, we list information important to our customers on nutritional values, genetic engineering, salt content, etc. In addition, for Aeon's TOPVALU Gurinai agricultural products, Aeon has introduced a traceability system whereby customers can easily access product history by computer or mobile phone.



5 Product Distribution

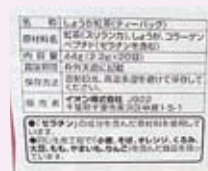
Aeon is eliminating extra costs through taking full advantage of our own distribution network.

6 Product Management After Product Introduction

Contracts with manufacturing partners allow Aeon to conduct and record inspections for every product manufacture lot. We also conduct periodic spot checks of items on sale at Aeon stores. We have also set up a Call Center and are listening to our customers' opinions and suggestions about products.

POINT! Aeon Co. Ltd., as 'Seller' on Product Packaging

TOPVALU packaging displays Aeon as the 'seller' rather than naming the manufacturer. In the case of PB (private brand) goods jointly developed by a retailer and a manufacturer, and produced according to the specifications of a manufacturer, the names of the two companies will both usually be on the label. However, Aeon takes the position of bearing full responsibility for product quality and will manage the entire manufacturing process from material procurement through to distribution. Aeon has also instituted a toll free telephone line for customers to be able to get product information, and this is at the same time contributing to our ability to speedily develop new products and make improvements to existing products based on our customer's feedback and comments.



Fiscal 2012 Activities –Management Approach–

Aeon devised Key Performance Indicators (KPI) as part of its commitment to achieving sustainable management. In conjunction with this, we have assigned divisions and person in charge for each KPI field and established a system for taking stock of and managing the results of activities on a regular basis. Since fiscal 2012, we have been reporting on the state of KPI implementation and sharing that information with all stakeholders.

In fiscal 2012, we established a new environmental target called the Aeon Eco Project (see page 27) because the CO₂ reduction level target set in the Aeon Manifesto on the Prevention of Global Warming was achieved one year in advance of projections in fiscal 2011. As a result, we devised new KPI and began managing our progress toward achieving the targets set out for fiscal 2020.

Also, given that circumstances related to KPI, both within Aeon and externally, are subject to change, we will be reviewing and reconsidering guidelines on a regular basis.

Realizing a Low-Carbon Society

As part of the Aeon Eco Project Reduction Strategy, Aeon has established the target of reducing energy usage 50% compared to fiscal 2010 by fiscal 2020 and are taking various CO₂ reduction initiatives toward this end, with priority given to stores and to products and distribution. In fiscal 2012, we advanced the development of conventional Eco Stores and launched a new initiative called Smart Aeon, or the next generation of Eco Stores, that help to build sustainable towns and communities. In addition, we also continued to improve our energy management practices as well as install equipment that is energy efficient and that uses natural refrigerants.

Under the Aeon Eco Project Generation Strategy, we are installing photovoltaic systems and other renewable energy generating equipment onsite at our stores with the goal of reaching 200,000kW of output by fiscal 2020.

Going forward, we will strive to make further improvements to our energy management domestically as well as encourage a transfer of know-how to Aeon subsidiaries in China and the ASEAN region.

See p. 27 for details.

Biodiversity Conservation Initiatives

Aeon is promoting tree planting together with its customers at new stores through the 'Aeon Hometown Forests Program.' In fiscal 2012, we continued to hold forest management workshops as well as built a systematic management framework for enhancing the value of forests, while also adding forest management items to the annual facility management plans of stores.

We worked to provide biodiversity-conscious products and develop stores that help conserve and create ecosystems. In fiscal 2012, we began devising a set of CSR procurement guidelines with the goal of purchasing more sustainable ingredients and raw materials going forward.

We will work to increase communication with our customers about such activities in the interest of letting them understand the significance and importance of biodiversity. See p. 33 for details.

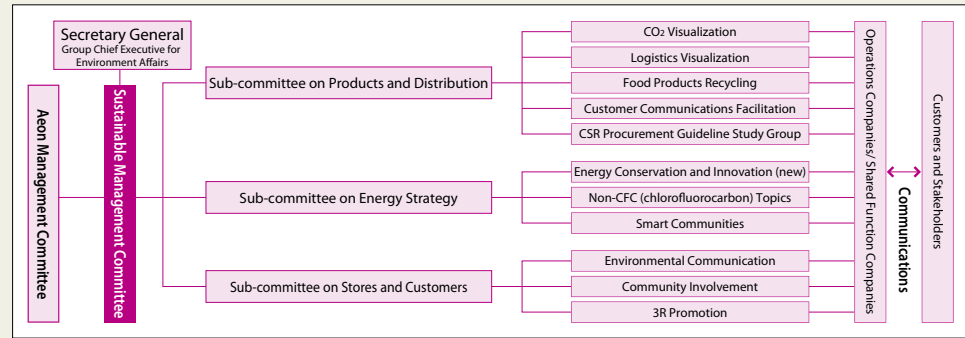
Key Issue	Main Category	Subcategory	KPI
Key Issue 1 Realization of a Low-carbon Society 	Reduce CO ₂ Emissions in Stores	Reduce Total CO ₂ Emission	Total Annual CO₂ Emissions Factor (CO ₂ Emissions / Total Floor Area) * ¹
		Improve Energy Efficiency [Reduction Strategy]	Total Energy Use Factor (Amount of Heat / Total Floor Area) * ¹
		Prevent Leakage of Fluorocarbons and Promote Use of Natural Refrigerants	Measures for Ascertaining Replacement Amount and Preventing Leakage of Fluorocarbons used in Refrigerated Display Cases
			Number of Stores Installing Refrigerated Display Cases that use Natural Refrigerants on a Trial Basis
	Reduce CO ₂ Emissions in Products and Logistics	Develop Eco Stores	Develop Eco Stores
		Communicate CO ₂ Reductions to Customers	Number of Products with CO₂ Visualization (number of product SKUs for which CO₂ emissions are calculated)
		Promote Visualization in Logistics	CO₂ Emissions per Case during Shipment from Distribution Center to Store
Key Issue 2 Conservation of Biodiversity 	Generating Electricity at Stores *New for FY2012	Generating renewable energy [Generation Strategy]	Power generation capacity of renewable energy
	Biodiversity Conservation in Products and Logistics	Communicate Biodiversity-friendly Products to Customers	Visibility of Biodiversity-friendly Products
		Guidelines* ²	Compilation of CSR Procurement Guidelines (sustainable procurement and purchasing guidelines)
	Biodiversity Conservation at the Store Level	Develop and Evaluate Indicators	Formulation and Evaluation Indicators for Impacts on Ecosystems
	Actions Taken with Customers	Aeon Hometown Forests Program	Maintenance and Management Situation of Forests

*¹ Quantitative figure indicating CO₂ emissions per 1m² of floor space at stores and energy use.

It shows the efficiency of CO₂ emissions and energy use. KPI targets indicate that despite large changes in the number of future stores, CO₂ emissions and energy use efficiency will improve (emissions and use cut in half by 2020).

CSR Promotion Structure

Aeon launched the Sustainable Management Committee in June 2012. In addition to promote the 4 Key Issues and other CSR activities, this committee is managing the progress of activities.



Scope Covered	Target	FY2012 Results	Summary of Actions/Initiatives
Consolidated Group companies in Japan	FY2010: 0.10 t/m ² ▼ •FY2013: 0.08 t/m ² •FY2020: 0.05 t/m ² * The emissions amount uses the post-adjusted figure from the Act on Promotion of Global Warming Countermeasures.	0.11t/m ²	(1) Make investments in energy conservation centered on LED (2) Step up measures to operate stores with reduced amounts of energy (3) Conduct energy management training courses
Consolidated Group companies in Japan and overseas (Japan, China and ASEAN)	FY2010: 2.53 GJ/m ² ▼ •FY2013: 1.86 GJ/m ² •FY2020: 1.27 GJ/m ²	2.07 GJ/m ²	(1) Make investments in energy conservation centered on LED (2) Step up measures to operate stores with reduced amounts of energy (3) Conduct energy management training courses
Consolidated companies in Japan for General Merchandising Store and Supermarket businesses	•During FY2012: Complete consolidation of CFCs replenishment amount •Reflect actual conditions of retail sector in government regulations on leak management	•Equipment ledger created and preparation leakage management record group unified start •Leakage grasp of fiscal 2011 capture 60 percent of the level •Conducted opinion as a reflection of Japan Chain Stores Association	(1) Formulate rules for ascertaining replacement amounts (2) Examine and execute leakage prevention measures
Consolidated companies in Japan for General Merchandising Store and Supermarket businesses	Plan for installation at new stores •FY2012: 10% •FY2013: 15% •FY2014: 25% •FY2015: 100%	•The introduction to 7 stores in FY2012 •Promotion of good relations with the government making solution deployment costs, technical challenges delay •To promote the sharing of knowledge through the Japan Chain Stores Association	Start to resolve challenges relating to regulations, safety and costs through partnerships with external stakeholders
Consolidated Group companies in Japan	•FY2013: Formulate concept for next-generation Eco Stores and begin store development with aim of reducing CO ₂ emissions by 50%	Determined the evaluation criteria and the Next Generation Eco-store 'Smart Aeon' •Developed as a Smart Aeon FY2013 opening four stores	Set up a Smart Aeon Working Group, Build collaboration of relevant departments
Consolidated Group companies in Japan	•FY2013: Review standard Eco Store concept and apply revised standards to all new stores	Summarized the concept of discrimination Next Generation Eco-store 'Smart Aeon' of the standard Eco-store	Study to fit in the above-mentioned working group
Private Brand (PB) products	FY2010: 21 SKUs ▼ •Calculate for 100 SKUs every year •Every year communicate products that help reduce CO ₂ emissions externally	•1SKU calculation (TOPVALU Gurinai Miyazaki pepper) •LCA calculation guideline development already •Education and training is not conducted	(1) Ensure transparency and fairness using self-calculation guidelines •Streamline through system accreditation (2) Step up communication to customers •Appeal benefits to customers •Market contributions to a more affordable lifestyle and a low-carbon society (3) Eliminate waste through CO ₂ emission analysis and cost analysis (4) Expand the number of products in the initiative (in particular, TOPVALU KYOKAN SENGEN products)
Aeon Global SCM Co., Ltd.	Compared to FY2010 ▼ •FY2013: 5% reduction •FY2020: 15% reduction	•Reduction of 2.5% compared to fiscal 2012 (estimated), the CO ₂ emissions that occur in the store delivery of one case per •Established in collaboration with outsourcing partners, the vehicle environment Study Group. Introduction beginning of the experiment of large natural gas vehicles •Domestic rail transport handling scale retail industry No.1	(1) Improve fuel efficiency by introducing energy-friendly vehicles •Trial use of large, natural gas-powered vehicles •Promote greater use of eco-friendly vehicles (2) Continue to hold the eco-driving accreditation course (3) Expand the system for recognizing good, eco-friendly drivers (4) Visualization of emissions occurring during shipment of PB products from the factory to the store
Consolidated companies in Japan for General Merchandising Store and Supermarket businesses	FY2020: Generate 200,000kW of electricity	40 stores, 2,135 kW installed solar power generation (Total: 201 stores, 15,251 kW)	Organized a renewable energy task, local survey and establishment of the scheme in order to plan a full-scale introduction to the existing store from 2013
Private Brand (PB) products	•FY2012: Conduct consumer research •FY2013: 40% visibility in consumer research (PB products) * Sales of MSC certified products: 7,120 million yen in 2012 * Sales of FSC products: 2,568 million yen in 2012 Expand initiatives at regional Topvalu	•Consumer research non-implementation •Sales of biodiversity-friendly products developed MSC: 1,724,113,984 yen (first half) FSC: 354,313,237 yen (first half) •Create a skeleton Agricultural Eco-experience project	(1) Step up communication of biodiversity initiatives •Develop core PB products and market accordingly •Market regionally developed products (regional TOPVALU) in each region (2) Expand the number of biodiversity-friendly products developed •Provision of TOPVALU Marine Stewardship Council (MSC) certified products: ¥11,000 million (7.3% share of total TOPVALU marine produce category sales) (3) Verify visibility and criterion and analyze the results
Consolidated Group companies in Japan	FY2013: Guidelines Ready (Publication of the goal)	Started the procurement guidelines Study Group conducted awareness together	(1) Establish working group internally •Evaluate impact on business activities Ex. Social responsibility in terms of biodiversity and other areas (2) Link with the Supplier Code of Conduct
Consolidated Group companies in Japan	Formulate indicator measuring the impact commercial facilities have on the surrounding ecosystem and evaluate stores based on relevant standards	Adopted Smart Aeon criteria some of the ideas •Creating a draft proposal of commercial premises version	Continue to developing division, the research and development of commercial premises version of biodiversity metrics
Consolidated Group companies in Japan	•2012: Phased implementation •2013: 100% implementation	•Deployment of progress management model store setting Manual Workshops & budget planning	Progress management store and headquarters in cooperation, conduct management workshops, in Aeon Retail each company, Aeon Hokkaido, Aeon TOWN, Aeon Mall, Maxvalu Nishinoh

*2 Guidelines was reported in "Fair Business Practices" is fiscal 2012, is not only the point of view of supplier procurement, because the weight of high biodiversity, from fiscal 2013, we reported in the field of "Biodiversity Conservation in Products and Logistics" in "Conservation of Biodiversity".

Refer to the next page for focused target areas (3) and (4).

Fiscal 2012 Activities –Management Approach–

Better Use of Resources

Aeon is working together with customers to reduce the use of plastic bags and is making changes to packaging specifications and the way products are delivered. We are also working proactively to develop refillable products and change packaging materials during the development of TOPVALU products.

We are also conducting waste management training sessions designed based on a program created together with a professional waste management organization in order to better manage waste.

We are identifying issues related to waste management and recycling at stores and are giving focused support to concerned stores and businesses. See p. 39 for details.

Contributions to the Community

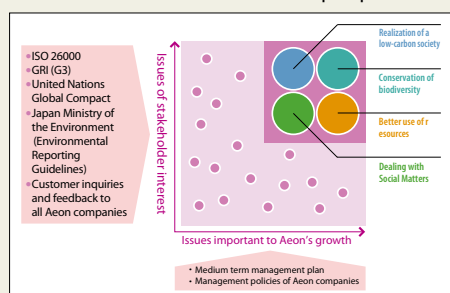
Aeon is participating in communities with activities centered on the 'Aeon Happy Yellow Receipt Campaign' and the 'Aeon Cheers Club,' and is also promoting themes such as "fair operating practices" through the 'Aeon Supplier Code of Conduct,' "resolving consumer issues" by making products and stores safer, and "human rights and labor practices" for its employees.

In fiscal 2012, we added the target of setting up 100 disaster-prevention facilities in our stores nationwide by 2020 under the Aeon Eco Project Protection Strategy to our KPI. We also established district alternative disaster response headquarters that will coordinate with disaster-prevention facilities at stores and determined which stores will be designated disaster-prevention facilities in fiscal 2013.

Going forward, we will expand our scope of activities further and roll out various initiatives at our companies in China and the ASEAN region. See p. 43 for details.

KPI Formulation Concept

Towards the coexistence of 'community development' and 'growth of the Aeon Group', Aeon is determined on a KPI from the twin perspectives.



Key Issue	Main Category	Subcategory	KPI
Key Issue 3 Better Use of Resources 	Effective Utilization in Stores	Reduce Amount of Materials Used in Packaging and Containers	Amount for Third-Party Processing Required under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging (basic unit per ¥100 million in net sales)
		Management System for Waste Emissions	Number of Employees Completing Internal Training Course to Improve Management of Waste Emissions
		Reduce Waste	Food Waste Emissions (amount per ¥100 million in net sales)
	Together with Customers	Reduce Number of Plastic Shopping Bags	Percentage of Customers Declining Plastic Shopping Bags (nationwide store average)
Key Issue 4 Dealing with Social Matters 	Community Involvement	Make Contributions to Local Communities	Yellow Receipt Campaign Submission Rate
		Develop the Human Resources of the Future*3	Number of Aeon Cheers Clubs
	Fair Business Practices	Promote the Aeon Supplier Code of Conduct	Establishment of Audit System Linked to TOPVALU First
			Confirmation status of Fair Trade Manufacturers for the TOPVALU Brand
	Consumer Issues	Safe Food and Reliable Products	Number of TOPVALU Products Removed due to Serious Incident
		Store Safety and Security	Safety and Security Infrastructure Development
		Serving as a form of life style infrastructure that protects the local community [Protection Strategy]	The number of local temporary shelters
		System of Dialog with Customers	Number of Complaints and Compliments Received
			Number of Products Developed / Improved based on Customer Feedback
	Human Rights/ Labor Practices	Promote Diversity	Ratio of Female Executive Officers*4 Ratio of Employees of Foreign Nationality
		Labor Practices	Creating Pleasant, Comfortable Workplaces

*3 We will from 2013, changed to "the number of ion activity Cheers Club" rather than "club number of ions Cheers Club" the KPI. Currently, we have formed a "ion Cheers Club" in all stores almost domestic GMS, reason for this is expected in future fiscal 2020, the number of stores increases significantly less.

Scope Covered	Target	FY2012 Results	Summary of Actions/Initiatives
Consolidated companies subject to third-party processing requirements (38 companies as of 2011)	FY2010: 55 tons ▼ •FY2013: 47 tons (*15% reduction compared to FY2010)	41 tons *25.4% reduction (compared to FY2010)	(1) Reduce materials used in stores, such as plastic shopping bags •Change packaging material specifications •Re-examine provision methods (2) Properly follow legal requirements for calculating usage amounts
Consolidated Group companies in Japan	•FY2012: 100 employees •FY2013: 100 employees Cumulative total: More than 250 employees	Seminar participants: 128 Examinees: 74 Successful candidates: 63	(1) Partner with external specialist organizations to compile training curriculum (2) Continue to conduct rank-based waste management training
Consolidated companies in Japan for General Merchandising Store and Supermarket businesses	•FY2012: Perform trials and take measurements at model stores •FY2013: Ascertain volume and set reduction targets	• Measurement system is not progress • Emissions of Food Recycling Law is made aware of their respective owners	(1) Establish a system to measure actual emissions and accurately grasp the amount of emissions (2) Set reduction target factor and implement / manage
Consolidated Group companies in Japan for General Merchandising Store and Supermarket businesses	2010: 61.5% ▼ •2013: 70.0% •2020: 80.0%	Percentage of customers declining plastic bags: 63.4% • Free plastic shopping bags shop is not expanded Number 55 stores in FY2012 increased stores (773 stores → 828 stores)	(1) Based on agreements with local governments, increase the number of stores no longer offering free plastic shopping bags (2) Approach local governments in areas that still offers free plastic shopping bags
Consolidated Group companies in Japan and overseas for General Merchandising Store, Supermarket, and Discount Store businesses	FY2010: 45% of GMS stores had submission rate of greater than 20% ▼ •FY2013: Submission rate of greater than 20% at all stores taking part in the campaign. •FY2020: Greater than 30% submission rate at all stores	37.4% of stores had submission rate of greater than 20% (GMS: 66.9% / SM: 16.6% / DS: 8.3%)	(1) Enhance communication in the shop (2) Enhance communication in the media (3) Proper management
Consolidated Group companies in Japan and overseas for the General Merchandising Store business	FY2010: 191 clubs ▼ •FY2020: 600 clubs Implement activities undertaken by 60,000 persons annually	398 clubs, 6,500 persons *Japan only	(1) Holding training coordinator (2) The reform clearly more operational manual
Aeon Second-party Audit Certified Auditors	Development of Aeon second-party audit certified auditors ▼ •FY2013: 8 in Japan, 20 overseas	7 in Japan, 19 overseas *Including 6 local auditors	(1) Building management system of local-driven in ASEAN and China (2) Completion of the audit tool manuals and auditor training materials for overseas newly
TOPVALU Manufacturing Partners	•Confirm manufacturers at least once in 3 years	1) Clarification of support when problems occur 2) Coffee bean production visitors (3 countries). Check based on the guideline	(1) Conjunction with external organizations (2) Visited Tanzania, Guatemala, and Colombia. Check the good operation
Consolidated Group companies in Japan and overseas	•FY2013: 55 (apparel: 22; food: 14; living / HBC: 19) •FY2020: 30 (apparel: 12; food: 8; living / HSC: 10) * Need to compare with a new indicator due to the increase in the number of TOPVALU products Example) Impact on sales from removal of TOPVALU products ÷ TOPVALU sales	92 • Apparel: 32 TOPVALU products (Up 114.3%) • Food: 37 TOPVALU products (Up 231.3%) • Living / HBC: 23 TOPVALU products (Up 100.0%)	(1) Identify problems from customer suggestions (2) Step up collaboration with the Products Department and Quality Control Department of AEON TOPVALU Co., Ltd. aimed at finding the cause and implementing preventative measures (3) Review product specification sheet content (4) Tighten pre-shipment product inspections and provide instructions to manufacturing partners
Consolidated Group companies in Japan for General Merchandising Store, Supermarket, and Discount Store businesses	Number of stores reinforced against earthquakes •FY2012: Complete improvement work at 45 stores in the Tohoku, North Kanto, South Kanto and Tokai areas •After FY2013: Steadily complete work at 270 applicable stores	45 stores in Tohoku, North Kanto, South Kanto and Tokai area • Smoke vertical non-flammable wall sheet of 25 • Cinema ceiling fall measures 10 Other Areas • Cinema ceiling falling measures 8	(1) Non-combustible sheet of the implementation of the smoke vertical wall of the store of their expected seismic intensity 6 lower than the Tohoku, Northern Kanto, South Kanto and Tokai area (2) Fall countermeasure work of cinema ceiling of 300 seats, 330m2
Consolidated Group companies in Japan and overseas for the General Merchandising Store business	2020: Local temporary shelters at 100 of its stores across Japan	Set of alternative district headquarters as a pillar of disaster prevention bases, and implementation of disaster prevention base support of the decision, new stores of disaster prevention establishing stores in 2013	(1) Work in the private power generation and power deployment task BCP task (2) Implementation on the category you have (level) divided about the role and function of the disaster prevention center
Consolidated Group companies in Japan and overseas	Number of service complaints •FY2013: 3,900 •FY2020: 2,420 Number of compliments •FY2013: 1,900 •FY2020: 2,900	Service complaints 4,807 Compliments 1,919	(1) Enhance initiatives aimed at the 7 challenges (2) Inspect and improve basic customer service items using mystery shoppers (3) Establish education system led by each company (4) Continue to implement the HAPPY Letter Campaign and share cases across the entire organization (5) Introduce more examples of when compliments were received
Consolidated Group companies in Japan and overseas	•FY2013: 120 •FY2020: 180	107	(1) Quality for each line, MT product design and MT continuation and improvement recommendations based on customer suggestions (2) Step up collection of customer suggestions
Consolidated Group companies in Japan and overseas	•2020: 30% *Ratio of Female Executive Officers = Female Executive Officers ÷ Total Executive Officers	4.2%(33 persons) * Number of female executive officers out of 789 total executive officers including consolidated Group companies.	Actively develop female managers under the management training program
AEON CO., LTD.	•In 2020: Make ratio of non-Japanese employees to Japanese employees 1:1	2.4%(9 persons) * Number of non-Japanese employees out of 372 employees that employed by AEON CO., LTD.	(1) Actively hire human resources around the world (2) Centrally manage human resource information
Consolidated Group companies in Japan	Promote initiatives under the "General Business Action Plan" for Japan's Act for Measures to Support the Development of the Next Generation (expand number of companies certified to use the Kurumin logo)	9 companies certified to use the Kurumin logo	(1) Confirm importance of initiative at Group companies (2) Formulate guidelines for certification to use the Kurumin logo (3) Manage initiative progress

*4 We will from 2013, changed to "female managers ratio" instead of "woman officer ratio" the KPI. For managers as well as executives also play an important role in management decisions, reason, has expanded its target.



Reducing CO₂ in Stores

Decreasing CO₂ emissions / Enhancing Energy Efficiency [Aeon ECO Project: Reduction Strategy]

For Aeon, which has a store network spanning Japan as well as other countries in Asia, reducing CO₂ emissions from stores* plays a key role in reducing emissions for the entire company. That makes it all the more important for us to focus on reducing CO₂ in our stores.

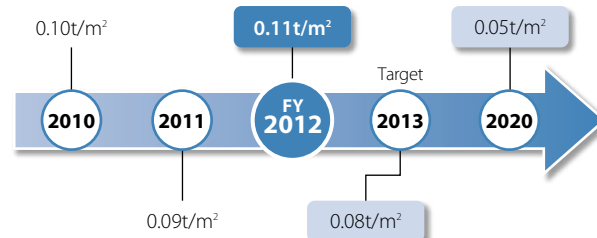
In fiscal 2012, we continued to actively replace conventional store lighting with LED fixtures as in fiscal 2011 under the Aeon ECO Project Reduction Strategy initiated in September 2012. We also implemented other energy reduction measures, including the use of energy conservation check lists and a summer electricity reduction campaign. As a result, our electricity usage for fiscal 2012 was 15% lower than in fiscal 2010.

For fiscal 2013, we have set a target to reduce electricity usage by between 5 and 10% compared to fiscal 2012 and by 20% compared to fiscal 2010. To that end, we will continue to implement energy conservation measures across the company.

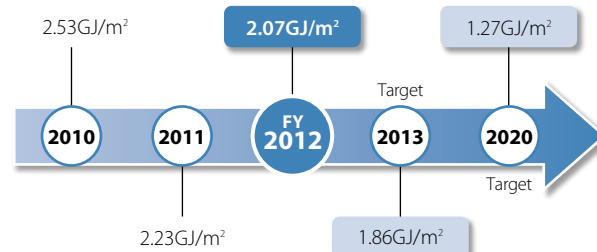
* All CO₂ emitted from stores can be attributed to energy consumption. Specifically, around 10% comes from direct emissions through city gas, LP gas and combustion of heavy oil (Scope 1) and around 90% comes from indirect emissions through power consumption (Scope 2). The calculation of CO₂ emissions from power consumption uses calculation standards and an emissions factor pursuant to the Act on Promotion of Global Warming Countermeasures.

FY2012 Results and Target of KPI

Total Annual CO₂ Emissions Factor (CO₂ Emissions / Total Floor Area)



Total Energy Use Factor (Amount of Heat / Total Floor Area)



TOPICS

New Environmental Targets for fiscal 2020 Aeon ECO Project

Aeon's Manifesto on the Prevention of Global Warming declared a CO₂ emission reduction target for 2012 as 1.85 million tons less in comparison with fiscal year 2006 levels. That goal was met in 2011, one year in advance. With that, Aeon set new targets in the Aeon ECO Project plan that started in September 2012.

With current increasing needs for energy use efficiency and power conservation, and with the experience of the Great East Japan Earthquake, Aeon has added perspectives of reducing energy use and developing renewable energy to environmental protection and has additionally taken on a clear role as a lifeline center protecting the community in disasters and emergencies.

Newly established targets have been set in KPI and we are currently moving forward with initiatives aimed at achieving the targets for fiscal 2020.

A progress report for each of these targets during fiscal 2012 can be found in the following items.

- Reduction Strategy: Decreasing CO₂ emissions / Enhancing Energy Efficiency (page 27)
- Generation Strategy: Generating renewable energy (page 32)
- Protection Strategy: Functioning effectively as a lifeline protecting the local community (page 59)



50% reduction in energy consumption



200,000 kW from renewable energy sources



100 disaster-prevention facilities across Japan

Examples of Initiatives:



Transition to LED lighting



Solar panel installation



Private power generation equipment installation

Improving Energy Management Practices

In February 2012, Aeon established a new Energy Advisor Program to train and certify Energy Advisors that will promote energy conservation at our stores.

An Energy Advisor closely monitors how much energy a store is using and plans how to use this energy more efficiently. As of the end of July 2013, a total of 237 employees had been certified as an Energy Advisor. Going forward, we plan on developing more Energy Advisors with the hope of having at least two at each of our stores.

We have also compiled the Energy Conservation Manual, which summarizes our energy conservation efforts that were created based on the individual needs of each Aeon store. This manual has been given out to our GMS stores to be used to check the current situation and promote efforts to make improvements where needed.



The Energy Advisor Training Course

Preventing Leakage of Fluorocarbons and Promoting Use of Natural Refrigerants

More and more freezing and refrigeration units started using non-ozone depleting alternatives to chlorofluorocarbons (CFCs) as refrigerant following the abolition of the production and use of ozone-depleting CFCs under the Montreal Protocol adopted in 1987. However, these alternatives have extremely high global warming potential (GWP)*1 and the problem of leaking into the atmosphere, which prompted calls to switch to natural refrigerants with low GWP.

Against this backdrop, Aeon announced the Aeon Natural Refrigerants Declaration in November 2011. The declaration states that Aeon will progressively switch to natural refrigerants (CO₂)*2 for freezing and refrigeration cases throughout our Group stores, and that from 2015 on, all new stores will have natural refrigerant systems. This is a first for the Japanese retail industry.

In fiscal 2012, a total of seven stores, including five MaxValu, one Ministop and one Acolle, began using natural refrigerant. The use of natural refrigerant is confirmed to be safer, more energy efficient and effective toward reducing CO₂ emissions.

Aeon faces certain issues ahead of the introduction of natural refrigerants, including the lack of manufacturers and high intallation costs. We will do our utmost to overcome these issues and promote the industry-wide use of natural refrigerant by leveraging performance data since the start of use in fiscal 2012 to raise awareness and build ties with companies within the same industry and other industries.

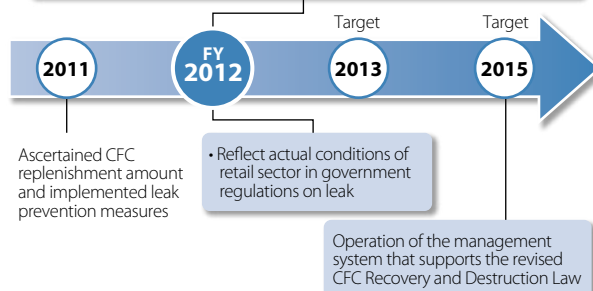
*1 Global warming potential (GWP): Value expressing the amount of greenhouse gas contained in a substance as a factor of carbon dioxide.

*2 Natural refrigerants: Naturally occurring refrigerants such as ammonia, hydrocarbon and CO₂.

FY2012 Results and Target of KPI

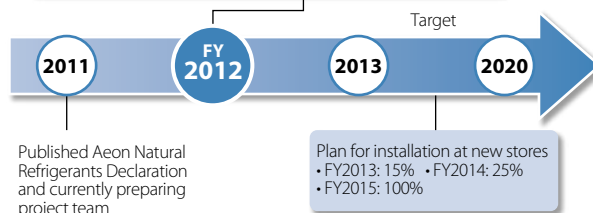
Measures for Ascertaining Replacement Amount and Preventing Leakage of Fluorocarbons used in Refrigerated Display Cases

- Equipment ledger created and preparation leakage management record group unified start
- Leakage grasp of fiscal 2011 capture 60 percent of the level
- Conducted opinion as a reflection of Japan Chain Stores Association



Number of Stores Installing Refrigerated Display Cases that use Natural Refrigerants on a Trial Basis

- The introduction to 7 stores in FY2012
- Promotion of good relations with the government making
- Solution deployment costs, technical challenges delay
- To promote the sharing of knowledge through the Japan Chain Stores Association



TOPICS

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

Aeon was named in the NPO Carbon Disclosure Project (CDP*) study for excellence in the Carbon Disclosure Leadership Index (CDL I). In the 2012 study, 22 out of 500 Japanese companies were named for CDL I, but Aeon was the only company from the retail industry. Aeon released CO₂ emissions data for Malaysia and China as well as for Japan, and was commended for the detailed analysis of risk and opportunity related to CO₂ management.

* CDP: the single global system measuring, managing, disclosing and sharing important urban and industrial environment related information. CDP's worldwide survey covers around 5000 companies, including Japan's 500 largest companies.

Development of Eco Stores –Next Generation Eco-store Smart Aeon development

Aeon's Eco Stores generally aim to acquire greater than a CASBEE* A assessment in which they achieve 20% lower CO₂ emissions in comparison with conventional stores. Since the opening of our first Eco Store Aeon Town Chikusa in May 2005, 12 such stores had been opened by February 2013.

In fiscal 2012, Aeon sees a need to progress further in our efforts in "Eco stores development" with improved low environment impact, and have formulated five criteria incorporating the ideas of "community development" through collaboration with communities in regional disaster prevention and efficient energy use. To put the Aeon ECO Project into practice, Smart Aeon, the next generation of eco stores, has begun.

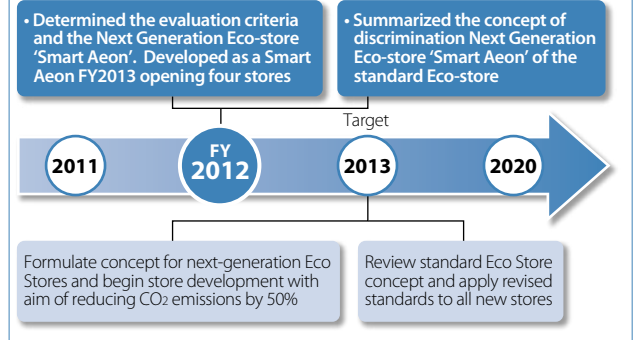
In March 2013, we opened our very first Smart Aeon store at the Aeon Mall Yahatahigashi. Since then, we have opened new Smart Aeon stores at Aeon Town Shin-Funabashi, Aeon Mall Osaka Dome City, and Aeon Mall Makuhari Shintoshin thus far in fiscal 2013.

*1 CASBEE: Environmental performance evaluation system architecture that was developed in 2001. It is used as an index to evaluate and display objectively the performance whether you are conscious how the global environment and surrounding environment, that there is no waste in running costs, such as, or comfortable for the user.



FY2012 Results and Target of KPI

CO₂ Emissions per Case during Shipment from Distribution Center to Store



Evolving from Eco Stores to Smart Aeon

Eco Stores

《The Concepts》

•Change and technical innovation, Learning and collaboration, Disseminated information

《Tangible Aspects》

•Energy saving/generation, Environmental e-ciency, Natural environment, Landscape and biodiversity

《Intangible Aspects》

•Safety, security and environmental consideration, Recycling within the region, Disclosure, 21st century community



Smart Aeon

Further evolution of the conventional Eco Store format.

•Provides storefront, products and services that is considerate of the environment.
•Takes part in environmental activities together with customers.



Contributes to the sustainable development of towns and communities.

'Smart Aeon' has been added to the criteria



The Progress of Eco Stores and Smart Aeon

2005



Aeon Town Chikusa
Introducing a solar power and wind power

First Eco Store

2008



Aeon Laketown
Our 8th Eco Store, installed solar panels to be domestic commercial facility's largest.

2012



Aeon Mall Funabashi
Our 12th Eco Store, turned into an LED 97.6% of the lighting of the entire facility.

2013



Aeon Mall Yahata Higashi
Of energy by "visualization", thereby contributing to energy reduction.

First Smart Aeon store

* For details on Smart AEON page 11-12.

Recharging Stations for Electric Vehicles

Aeon first set up a high-speed recharging station for electric vehicles at the Aeon Lake Town store located in Koshigaya City, Saitama Prefecture in 2008 in order to respond to the increasing use of electric vehicles and plug-in hybrid vehicles. Since then, we have set up recharging stations at most of our new shopping centers as well as certain existing stores based on demand.

In fiscal 2012, we aggressively moved forward with the installation of recharging stations at existing stores, with the grand total now standing at 95 stations at 43 locations as of July 2013. Going forward, we will continue our proactive approach to installation and plan to build up an EV recharging station network of 1,150 stations at 490 locations around the country before the end of fiscal 2014, which would make it the largest such network in Japan.

Currently, many of the recharging stations have been made available to the general public free of charge in order to raise awareness and popularize the idea. In the next phase of expansion, however, we will need to start charging usage fees because of the costs required to provide stable and ongoing services as part of Japan's broader social infrastructure. Going forward, Aeon will develop a payment system using its WAON electric money that it plans to launch around fiscal 2014 with the start of fee-based services at recharging stations in a format that will ensure maximum customer convenience.

Stores installing recharging stations for electric vehicles

Total number of stores
(As of July, 2013)

95 stations covering
43 stores



Reducing CO₂ in Products and Logistics

Informing Customers of CO₂ Emission Reductions

Aeon is committed to showing the carbon footprint (CFP) of a product in order to make it easier to visualize the CO₂ emissions it generates through its lifecycle, from raw materials to processing, distribution, consumption, disposal and recycling. This helps to increase customers' interest in the environment and spur further corporate initiatives to reduce CO₂ emissions and perform cost analyses.

Aeon has participated in the CFP seminar hosted by the Ministry of Economy, Trade and Industry (METI) since 2008 and has been implementing related initiatives in collaboration with METI. In 2009, we launched an internal project and so far have calculated product CO₂ emissions for a cumulative total of over 100 SKUs.

In fiscal 2012, we calculated the total CO₂ emissions throughout the entire lifecycle of TopValu Grurinai green peppers grown in Miyazaki Prefecture.

In fiscal 2013, we plan on calculating same data for TopValu Gurinai cucumbers also grown in Miyazaki Prefecture.

* Stock Keeping Unit (SKU): Smallest unit to identify products used when managing actual sales volume or inventory of a product at final retail points in distribution operations.

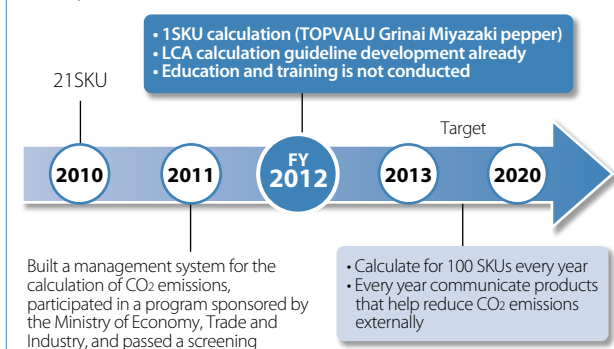


TOPVALU Gurinai Miyazaki pepper

FY2012 Results and Target of KPI

Number of Products with CO₂ Visualization

(number of product SKUs * for which CO₂ emissions are calculated)



Developing and Selling Products that Help Reduce CO₂ Emissions

Aeon is proactively developing and selling products that help reduce CO₂ emissions, such as LED bulbs.

We are also working to develop and sell products that indirectly reduce CO₂ emissions when they are used by our customers. For example, we are marketing Heatfact high performance thermal under garments and wearable blankets, which reduce the need for heating use and curb CO₂ emissions in the process.



Heatfact

Increasing Visibility of Distribution Operations

One of Aeon's KPI is "CO₂ Emissions per Case during Shipment from Distribution Center to Store". We are striving to reduce emissions by better grasping the amount of CO₂ used during distribution through visualization.

In fiscal 2012, we reduced the number of shipments by promoting a modal shift and improved loading ratio. As a result, we were also able to reduce our CO₂ per case generated during transport from distribution center to store by 2.5% compared to fiscal 2010.

Furthermore, we are undertaking research into the expansion of our modal shift as well as testing the use of large natural gas powered vehicles that have yet to spread in Japan by participating in various research groups launched by distribution providers, gas suppliers, automakers and universities.

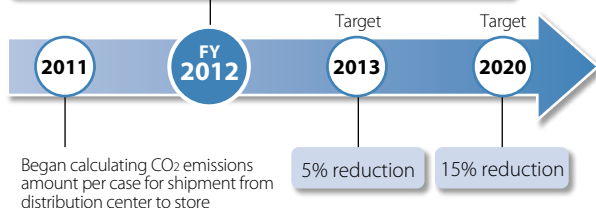
In addition to continuing these initiatives, going forward we will implement initiatives from both physical and operational perspectives such as converting our fleet of trucks to ever-more fuel-efficient models that place lower burdens on the environment as well as conducting an eco-driving accreditation course* and enhancing the system for recognizing good, ecofriendly drivers.

* Eco Drive: Driving technique that enables drivers to reduce fuel consumption by starting the vehicle and moving forward gently and eliminating wasteful idling to ultimately reduce CO₂ emissions.

FY2012 Results and Target of KPI

CO₂ Emissions per Case during Shipment from Distribution Center to Store

- Reduction of 2.5% compared to fiscal 2012 (estimated), the CO₂ emissions that occur in the store delivery of one case per
- Established in collaboration with outsourcing partners, the vehicle environment Study Group. Introduction beginning of the experiment of large natural gas vehicles
- Domestic rail transport handling scale retail industry No.1



Carbon Offset Initiatives

Carbon offsetting refers to the process of purchasing credits generated by CO₂ reduction activities at a separate location to offset part or the entire amount of greenhouse gas emissions that for some reason cannot be completely reduced to zero.

In fiscal 2012, Aeon Group companies implemented the following carbon offsetting programs.

In fiscal 2013, these companies plan on continuing their carbon offsetting programs.

• AEON Retail Co., Ltd.

- Target products and services: All products sold in SELF+SERVICE stores across Japan
- Period: From May 21, 2012 through February 20, 2013
- Quantity of emissions credits purchased: 57 tons-CO₂

• AEON Mall Co., Ltd.

- Target products and services: Products from shareholder benefits program
- Period: From April 1, 2012 through July 20, 2012
- Quantity of emissions credits purchased: 30 tons-CO₂

• AEON CREDIT SERVICE CO., LTD.

- Target products and services: CSR report production
- Period: May, 2012
- Quantity of emissions credits purchased: Less than 1 ton-CO₂

Generating Electricity at Stores

Generating renewable energy

[Aeon ECO Project: Generation Strategy]

Aeon has established a target to generate 200,000kW of electricity by fiscal 2020 as part of the Aeon Eco Project initiated in September 2012.

As of March 2013, 201 stores across the Aeon Group had equipment installed and were producing a total of 15,251kW of electricity.

In fiscal 2013, we plan on installing equipment to raise this total to 850 stores, including Ministop, and 41,478kW of electricity.

* 200 000 kW is equivalent to the ability to cover the annual power of approximately 45,000 households in the common household.



Solar panel installation

FY2012 Results and Target of KPI

Power generation capacity of renewable energy

40 stores, 2,135 kW installed solar power generation (Total: 201 stores, 15,251 kW)



TOPICS

Launched tabulation of CO₂ emissions across the entire supply chain

In addition to managing greenhouse gas emissions they generate directly (Scope 1) and indirect emissions from the use of electricity (Scope 2), companies must now manage emissions across their entire supply chain (Scope 3).

To accommodate this trend, Aeon began measuring Scope 3 emissions in fiscal 2012. These measurements reference the Emissions Unit Database for Calculating an Organization's GHG Emissions Throughout the Supply Chain (Ver. 2.0) and were made for 10 of the 15 categories from Scope 3 that are directly related to Aeon.

Going forward, we will strive to ensure the accuracy of data collection efforts and expand the scope of our calculations.

Scope 3 Emissions

Category	Scope 3 Emissions Categories	Emissions (t-CO ₂ e)
1	Purchased products and services	53,583
2	Capital goods	1,036,588
3	Fuel and energy related activities not included in Scope 1 and Scope 2	255,212
4	Transport and shipments (upstream)	210,000
5	Waste from businesses	25,842
6	Business travel	112,127
7	Employee commutes	64,514
8	Leased assets (upstream)	—
9	Investments	—
10	Transport and shipments (downstream)	—
11	Processing of products sold	—
12	Use of products sold	3,078
13	Disposal of products sold	3112
14	Leased assets (downstream)	807,556
15	Franchise	—

Initiatives Undertaken by Group Companies

MaxValu Tohoku Co., Ltd.

"Planting Green Curtains" honored at the Environmental Awards in Akita Prefecture

Since fiscal 2011, MaxValu Tohoku Co., Ltd. has planted approximately 360 plants by the south- and west-facing glass windows at 20 of its stores, including bitter melon, sponge cucumber, and Japanese morning glory, as part of an initiative to create green curtains for store windows. Green curtains can lower the surrounding temperature by as much as nine degrees Celsius, effectively contributing to greening, energy conservation, as well as the prevention of global warming. Seedlings were planted by members of the neighborhood association, children of nearby daycare and cheerleading clubs, which made the occasion an educational opportunity for the children. Moreover, some of the stores also share their diary, which records the growth of the bitter melon, to facilitate interaction with customers.

In fiscal 2012, this initiative was further expanded to include 39 stores and the company headquarters, and received an award in the Global Warming Prevention Category at Akita's

Environmental Awards in September 2012. The green curtain planting initiative will continue to be implemented in fiscal 2013.



Green curtain of bitter melon

MINISTOP Co., Ltd.

Plans to install photovoltaic systems at 900 stores by fiscal 2014

Since the end of fiscal 2012, MINISTOP has been gradually installing photovoltaic systems at each of its stores. By introducing these systems at 900 compatible stores by the end of fiscal 2014, MINISTOP hopes to generate approximately 10,000 kw of renewable energy.

Each store currently equipped with a photovoltaic system is expected to use about 1,900 kwh of the energy generated per year, and the installation of solar panels is expected to improve air conditioner efficiency (thermal barrier effect), thereby reducing an additional 1,000 kwh in energy usage, bringing the total reduction to 2,900 kwh per store per year.



Solar panels

Conservation of Biodiversity



Conservation through Products and Distribution

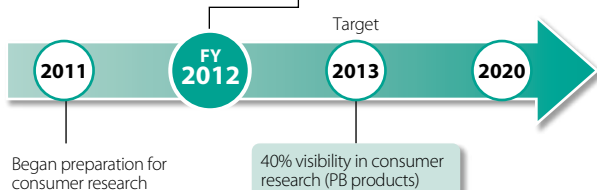
Communicate Biodiversity-friendly Products to Customers

Aeon aims to gain the understanding and support of customers regarding the significance and importance of protecting biodiversity. Based on this philosophy, we implement a variety of activities such as providing products that help preserve biodiversity.

FY2012 Results and Target of KPI

Visibility of Biodiversity-friendly Products

- Consumer research non-implementation
- Sales of biodiversity-friendly products developed
MSC: 1,724,113,984 yen (first half)
FSC: 354,313,237 yen (first half)
- Create a skeleton Agricultural Eco-experience project



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 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 treeplanting campaigns with local 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 all of our customers.

• Selling MSC-Certified Products

The Marine Stewardship Council (MSC) certification assures consumers marine products harvested through properly managed fishing practices. The MSC certification aims to help protect limited marine resources. The Marine Eco-Label seal of approval is placed on marine products caught by certified fisheries.

Aeon has been selling Alaskan red salmon, salmon roe and other MSC-certified seafood 2006, a first for the Japanese retail industry, and recently added salted mackerel and seasoned cod roe to the list of products available. In total, as of the end of February 2013, we offer customers 21 MSC-certified products across 13 species—more than any other retailer in Japan.

In March 2012, we ran a marketing campaign aimed at informing as many customers as possible of marine products certified as sustainable by MSC. As part of the campaign, which was conducted in collaboration with graphic design students of Kyoritsu Women's University's Hayashida Seminar and MSC, posters of MSC designed by the students were put up and lectures were held by members of the fisheries industry that practice MSC-certified fishing. MSC-certified seafood was also made available to sample.



MSC marketing posters designed by students



MSC-certified TOPVALU salted wild salmon



• Selling FSC® certified products

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

Aeon has been selling notebooks and other FSC-certified paper products since 2008.

From fiscal 2011, we have been using FSC certified materials for frequently used price tags and other widely used labels.



FSC certification on a TOPVALU KYOKAN SENGEN notebooks



● Rice Paddy Activities for Elementary School Students

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

In fiscal 2012, the 5th year of the project, Aeon expanded to include Akita, Iwate, Shiga, and Saga prefectures.

The activity will be continued in fiscal 2013.



Nagahama City Hayami Elementary School, Shiga Prefecture



Daisen City Kyowa Elementary School, Akita Prefecture



Morioka City Shibutami Elementary School, Iwate Prefecture



Saga City Akamatsu Elementary School, Saga Prefecture



The rice that is being cultivated by children in Shiga, Iwate and Akita is labeled 'TOPVALU Gurinai Specially Cultivated Rice' and the children of Saga prefecture produce 'TOPVALU Kyushu Hinohikari' rice.

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 agricultural produce.
5. Gurinai products are controlled from production to sale in accordance with our own self-imposed strict standards.

TOPICS

KIZUNA MESSAGE for Biodiversity at Rio +20

Aeon presented its 'KUZUNA MESSAGE for Biodiversity'* at the Japan Pavilion of the United Nations Conference on Sustainable Development in Rio de Janeiro under the theme of biodiversity and recovery from the Great East Japan Earthquake.

In May 2012, the Aeon Cheers Club (p. 25) along with children from five Asia-Pacific countries (India, Thailand, Fiji, Philippines, and Indonesia), participated in a pre-program at Natori, Miyagi Prefecture). In all, 30 children inspected the disaster areas in Tohoku. They planted trees, and exchanged views on natural environments differences among their countries. The children made a joint 'Promise of the Future' declaration, transcending borders to build a sustainable society, and two of the children acted as representatives to deliver the message at the Rio conference.

* Co-sponsored with The Japan Committee for the United Nations Decade on Biodiversity, the Committee on Nature Conservation, and OISCA.



Yukari Ikeda (Aeon Cheers Club, Natori Store) and Agrawal Rajat (OISCA Children's Forest Program) announce the KIZUNA Message as the two representatives of 30 participating children

CSR Procurement Guidelines

Our natural resources face many threats today, from ecosystem destruction from overexploitation to poor agricultural harvests from abnormal weather caused by climate change. Whereas, with the supply chain now stretched across the entire world, Aeon must be conscious of human rights and working environments at suppliers as well as work to prevent corruption, including bribery and extortion.

The products manufactured and sold by Aeon are made possible by the bounty of nature and contain raw materials procured from producers and locations around the globe. We have been following a green procurement strategy for some time now where we prioritize the procurement of products that are environmentally friendly, but to achieve even more sustainable procurement, we have created CSR Procurement Guidelines that incorporate the perspectives of human rights, labor practices and corporate ethics.

In fiscal 2012, we launched a research group focused on sustainable CSR procurement guidelines that consists of managers from related departments, such as the Procurement Division. This research group helped to broaden understanding and provide a platform for discussions mainly on the relationship between biodiversity conservation and our business activities.

In fiscal 2013, we plan on finalizing the policy, goals, target items and schedule for enacting these CSR Procurement Guidelines based on a risk assessment of our primary raw materials.

FY2012 Results and Target of KPI

Compilation of CSR Procurement Guidelines

(sustainable procurement and purchasing guidelines)

Started the procurement guidelines Study Group conducted awareness together



Biodiversity Conservation at the Store Level

Developing and Evaluating Indicators

Aeon pays great attention to conservation and creation of ecosystems in developing its stores through initiatives such as planning and implementing biodiversity evaluation and environmental burden reduction measures when opening stores. The aim is to minimize the impact of our stores on the surrounding environment and ecosystem. Examples of these initiatives include the Aeon Hometown Forests Program and installing biotopes at some of our shopping centers.

Although we have taken part in a wide range of initiatives to date, we did not quantify or evaluate the specific effects. Accordingly, we set a target of formulating indicators to measure the impact our commercial facilities have on the ecosystem by fiscal 2013 under our list of KPI devised in 2011.

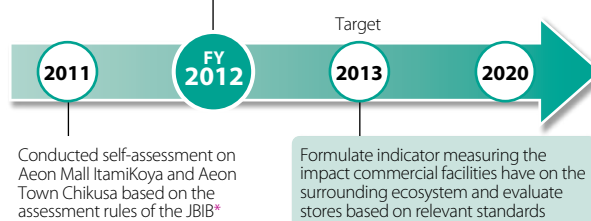
In fiscal 2012, we added biodiversity and scenery as new standards during our planning for the launch of Smart Aeon, or the next generation of Eco Stores (see page 29). Based on this, we decided to pursue a store development strategy where land use is considerate of ecosystem protection and one where biological resources are used more effectively.

In fiscal 2013, we will establish specific initiatives for considering biodiversity in terms of both the site environment and the store building and plan on completing work on an indicator for measuring the impact store facilities have on an ecosystem that we started in 2011.

FY2012 Results and Target of KPI

Formulation and Evaluation Indicators for Impacts on Ecosystems

• Adopted Smart Aeon criteria some of the ideas
• Creating a draft proposal of commercial premises version



* Japan Business Initiative for Biodiversity (JBIB): General incorporated association established on April 1, 2008 that conducts joint research related to preservation of biodiversity from an international perspective as well as activities to preserve biodiversity together with various companies.

Actions Taken with Customers

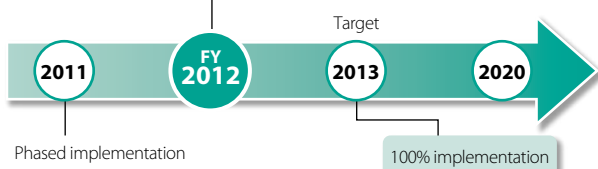
Aeon Hometown Forests Program

Aeon, since the launch of our Hometown Forests Program in 1991, has been integrating new stores and encouraging local residents in the greening of their communities. Under this program, we join with our customers to plant trees on new store sites. In fiscal 2012 we planted a total of 129,977 young trees in 36 locations.

FY2012 Results and Target of KPI

Maintenance and Management Situation of Forests

Deployment of progress management model store setting Manual Workshops & budget planning



It has been 20 years since the start of this initiative. Accordingly, nurturing the trees has become increasingly important, particularly managing their condition following planting and maintaining the forest where these trees grow. In fiscal 2012, we expanded the target audience for seminars on the planted zone management manual first started in fiscal 2011 to include store managers and facility management companies. We also added upkeep work to annual store and facility management plans to ensure that all of our stores are systematically managing the trees we have planted.

In fiscal 2013, under this new management system, we will continue to maintain and administer the Aeon Hometown Forests Program at all of our stores. Additionally, we will reach our 10 millionth tree planted in fiscal 2013. Aeon stands committed to continuing its tree planting and management activities.



AEON Mall Tsukuba



AEON Mall Kasukabe

AEON Environmental Foundation Initiatives

* See page 2 for Details the AEON Environmental Foundation

Aeon Tree-Planting Activities

The AEON Environmental Foundation, with the cooperation at the national and local government level, conducts tree-planting activities that aim to regenerate forests devastated by natural disasters. These activities are also part of Aeon's tree-planting initiatives.

Tree-planting activities being undertaken by the AEON Environmental Foundation have their origins in a similar forest development project implemented in Thailand by Japan International Volunteer Center in 1991. The Foundation's current tree-planting initiatives are being carried out in different parts of the world, particularly in Asia, in addition to Japan.

In fiscal 2012, in Japan we completed tree planting in Mukawacho, Hokkaido and Kihokucho, Mie Prefecture, during the first year of our three-year plan and tree planting in Nanyo City, Yamagata Prefecture and Minamishimabara City, Nagasaki Prefecture as part of the final year. In addition, we also organized tree planting events in Ishinomaki City, Miyagi Prefecture, and Urayasu City, Chiba Prefecture, which were damaged extensively in the Great East Japan Earthquake, as well as in Chita City, Aichi Prefecture.

Outside of Japan, we organized a tree planting event in Jakarta, Indonesia and one in Hue, Vietnam as the final year of a three-year plan.

In fiscal 2013, we will begin new tree planting activities in Ayacho, Miyazaki Prefecture, Yangon, Myanmar and Hanoi, Vietnam.



Planting trees in Mukawacho, Hokkaido



Tree planting events in Ishinomaki City, Miyagi Prefecture

Initiatives Undertaken by Group Companies

MINISTOP Co. Ltd.

Building Biodiversity Responsive Stores Expanding Use of Eco-friendly.

FSC® Japan Certified Wood Materials

Aeon has been developing stores with attention to eco-system conservation. MINISTOP Co. Ltd., for example, uses 100% FSC Japan certified materials. The Koshigaya Lake Town East store was the first convenience store in Japan to acquire FSC certification.

As of the end of February 2013, 58 MINISTOP stores are FSC certified, and we are aiming to increase this number.



Store under construction



MINISTOP store

(FSC-JPN-0036 *FSC, A.C. All rights reserved.)

AEON Co. (M) Bhd.

Firefly Breeding Project

On 29 April 2011, AEON signed a memorandum with the Selangor State Government to participate in a 3 years tree planting programme for Firefly Breeding.

The memorandum outlines AEON's plan in conserving and enhancing the environment to ensure the habitat of fireflies will be growing time to time. The programme will take place in few phases, and this event on 11th February 2012 marks the 1st phase in which 600 saplings were planted. The actual tree planting was conducted by 400 volunteers comprising of members from AEON staff, business partners, staff of Majlis Perbandaran Kuala Selangor, OISCA Members, and School Students and local residents.

"The firefly site in Kampung Kuantan is one of the largest firefly colonies in the world and it is also one of Malaysia's natural treasures, and this should be shared with our future generations," commented Ms. Nur Qamarina Chew, Managing Direction of AEON CO. (M) Bhd. "This is one of the steps being taken to help multiply the numbers of the fireflies."

AEON Co. (M) Bhd hopes to spread the significance and value of helping the firefly population to breed and looks forward to sustaining this project for a long time.



AEON Environmental Foundation Initiatives

* See page 2 for Details the AEON Environmental Foundation

Excellence in Biodiversity Maintenance Biodiversity Award

The AEON Environmental Foundation inaugurated the 'Japan Awards for Biodiversity' to promote biodiversity conservation and sustainable use of biodiversity, as well as the MIDORI Prize for Biodiversity, two awards honoring recipients in alternate years.

The 2012 MIDORI Prize for Biodiversity was awarded to 3 individuals who contributed to the Aichi Target established in 2010 on the occasion of the 10th meeting of the Conference of Parties to the Convention on Biodiversity (COP 10) and the United Nations Decade of Biodiversity from 2011. A Forum for recipients was held in Japan after the awards ceremony in Hyderabad, India, and the COP 11 meeting in October of 2012.

The third Japan Awards for Biodiversity will be conducted in fiscal 2013.



From left:

Dr. Juan Carlos Castilla (Chile)
Professor, Department of Ecology, Pontificia Universidad Catolica de Chile
Dr. Vo Quy (Vietnam)
Honorary President, Center for Natural Resources Management and Environmental Studies (CRES), Vietnam National University, Hanoi
Dr. Rodrigo Gámez-Lobo (Costa Rica)
President, Instituto Nacional de Biodiversidad (INBio)

Giving Grants for Environmental Activities

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

In fiscal 2012, 86.11 million yen was awarded to 73 organizations.

We will continue in 2013 to call for grant applications.



Friends of the Kawato Biotope
(Shimane Prefecture)
Observes and learns about nature
through a biotope



Fukuoka Green Helper Association
(Fukuoka Prefecture)
Organizes spring tree planting event for
creating a acorn forest



Izunuma/ Uchinuma Dojo-Namazu
Study Group
(Miyagi Prefecture/ Aomori Prefecture)
Exhibiting small-scale fish ways



Environmental Education Network for
Learning from Agriculture
(Kanagawa Prefecture)
Invites specialists to perform biological
studies at farms



Peat-Greening Association
(China)
Takes part in activities to counteract
desertification using peat



PARCIC
(Malaysia)
Mangrove reforestation workshop for
neighboring fishermen

Donating Solar Power Systems

As part of its 20th anniversary commemorative projects, the AEON Environmental Foundation has donated solar power systems to junior high schools throughout Japan since fiscal 2009. The donations aim to increase awareness of solar power systems among local residents by installing them at junior high schools at the heart of the community and to be used as educational material to learn about the environment by junior high school students, the leaders of tomorrow.

Donations have been made to a total of 15 schools as of the end of fiscal 2012.

Beginning in fiscal 2013, the Foundation plans to donate systems to other Asian countries. In the first year it will provide these donations to 10 junior high schools in Malaysia.



A junior high school in Malaysia receiving a
donation of solar panels



Effective Utilization in Stores

Reducing Amount of Materials Used in Packaging and Containers

Most of the rubbish discharged from the home is made up of packaging and containers. It is therefore an important responsibility of the retail industry to sell products used in everyday life that contribute to less rubbish by minimizing them. With this in mind, Aeon is working actively to reduce the amount of packaging and containers we use.

In addition to focusing on reducing plastic shopping bags, we are also promoting the use of thinner as well as more eco-friendly trays.

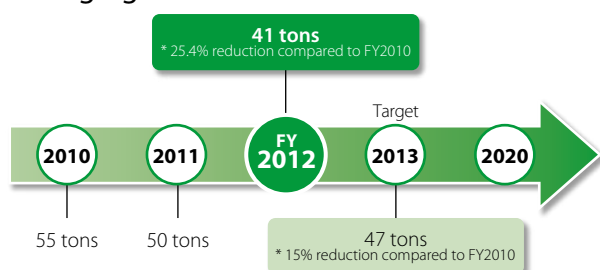
When developing TOPVALU products, we closely examine packaging and containers and after careful consideration of the impact on the quality of product contents and safety during shipment, we work to make product containers lighter and more thin-walled and switch to recyclable material. Additionally, we are striving to develop refillable products and change packaging material based on customer feedback.

As a result of these efforts, we reduced the required amount of packaging and containers for recycling by a third party (per ¥100 million in net sales) under the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging by 25.4% in fiscal 2012 compared with fiscal 2010, with a total of 41 tons.

Moving forward, we plan to take further actions in order to achieve our fiscal 2013 target.

FY2012 Results and Target of KPI

Amount for Third-Party Processing Required under the Law for the Promotion of Sorted Collection and Recycling of Containers and Packaging (basic unit per ¥100 million in net sales)



Management System for Waste Emissions

Aeon holds internal training courses on a regular basis aimed at improving its management of waste disposal. Each year the Waste Management Training Course, which was developed together with an external specialist organization, is held for environmental managers and waste management leaders of

Group companies.

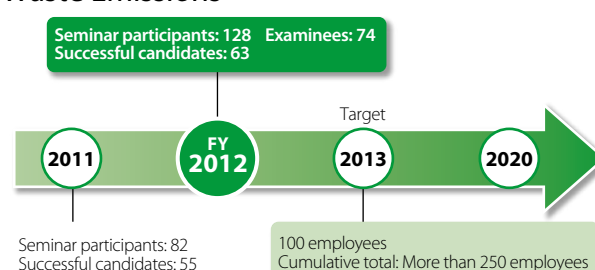
In fiscal 2012, a certification test for waste managers was given to 128 employees that took part in the Waste Management Training Course, with 63 passing.

We plan to have a cumulative total of 250 people pass this test by fiscal 2013 and with this in mind will continue with efforts to educate employees on waste management.

Each Group company also provides training to relevant persons in charge in order for them to acquire the necessary skills and knowledge for managing the waste manifest.

FY2012 Results and Target of KPI

Number of Employees Completing Internal Training Course to Improve Management of Waste Emissions



Reducing Waste

Aeon has established a key performance indicator for food waste as part of its commitment to reducing this type of waste.

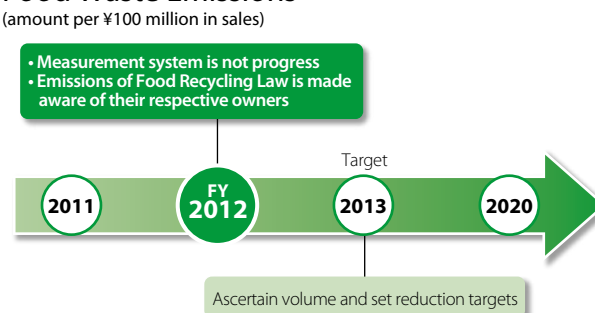
For example, Aeon Retail Co., Ltd. established a target to keep the food waste-to-sales ratio* at 0.55%. Unfortunately, this target was not achieved in fiscal 2012, but the company has stepped up its measures to ensure it will meet this target in fiscal 2013, which includes holding meetings to discuss how to reduce food waste.

Going forward, we will look to ascertain food waste emissions by measuring actual amounts during trials conducted at model stores, and based on this, we plan to establish a reduction target in fiscal 2013.

* Food waste-to-sales ratio: Food waste x Retail price / Sales

FY2012 Results and Target of KPI

Food Waste Emissions (amount per ¥100 million in sales)

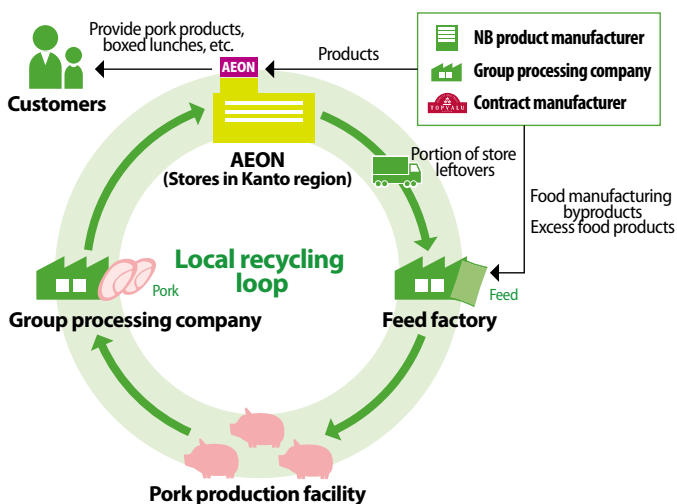


Recycling Food Product Wastes

In May 2008, Aeon Co., Ltd. (present day Aeon Retail Co., Ltd.), became the first company in Japan's retail industry to acquire recycling business plan certification* under the Food Waste 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 and agricultural produce grown with recycled fertilizer have been sold at select stores in the Kanto and Chubu regions since June 2008.

* 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



Promoting Green Purchasing

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 impacts. 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.

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.

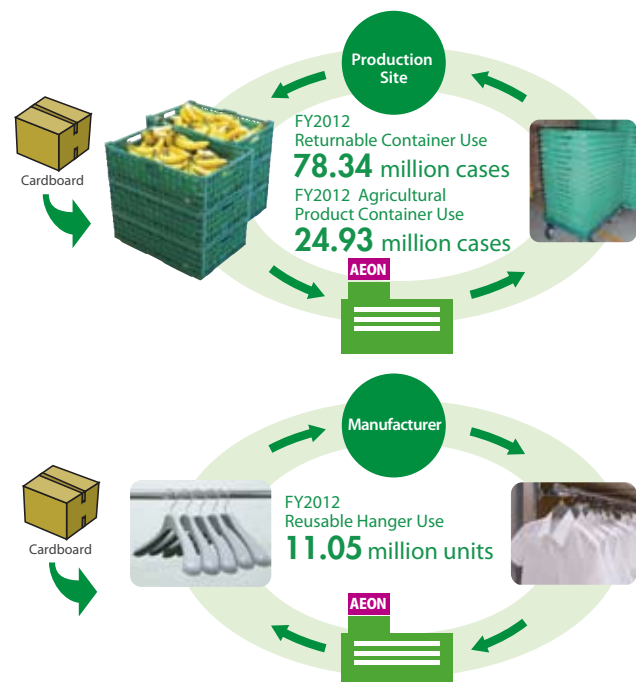
Use of Returnable Containers and Reusable Hangers

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 2012 we used 78.34 million cases of returnable containers, 24.93 million cases of agricultural product containers, and 11.05 million reusable hangers, which helped us substantially reduce cardboard waste.

Returnable Container, Agricultural Product Container Reusable Hanger



Effectively utilizing store fixtures and equipment

Aeon collects unwanted fixtures and equipment for recycling. The focal points of this initiative are our five management centers located across Japan. Each of these centers collects fixtures and equipment from our stores that are no longer needed, and then inspects, repairs, sorts and stores them. The revamped fixtures and equipment are then loaned out to stores that require them. This initiative is helping us to utilize our fixtures and equipment more effectively as well as to make our stores greener.

Together with Customers

Reducing Plastic Bag Use

In 1991, Aeon embarked on efforts to conserve petroleum, the raw material of plastic bags, and at the same time cut CO₂ emissions from the production of plastic bags by calling on customers to use their own shopping bags. This was the beginning of the "Bring Your Own Shopping Bag" campaign that was expanded to the "My Basket" campaign in 2000. In 2007, Aeon became the first national retail chain to begin the "Stop Free Plastic Shopping Bags" program. By the end of February 2013, our efforts covered 828 stores throughout Japan, marking a 63.4% rate of customers declining plastic bags.

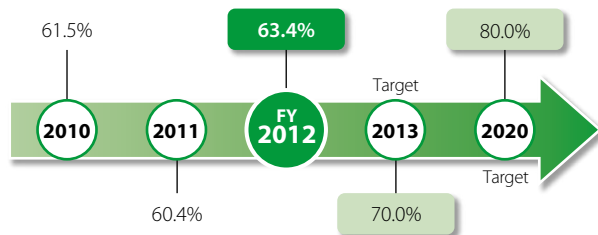
In addition, we began selling 'Bio My Baskets' in June 2012 that are partially made from plant derived materials.

Aeon will conclude agreements with local government and citizen groups aimed at reducing plastic bags and expand the number of stores implementing the "Stop Free Plastic Shopping Bags" program as a means to increase the rate of customers declining plastic bags.

* Proceeds from pay plastic bags = Value of sales – (consumption taxes + material cost)

FY2012 Results and Target of KPI

Percentage of Customers Declining Plastic Shopping Bags (nationwide store average)



Stores Stopping Free Plastic Shopping Bags

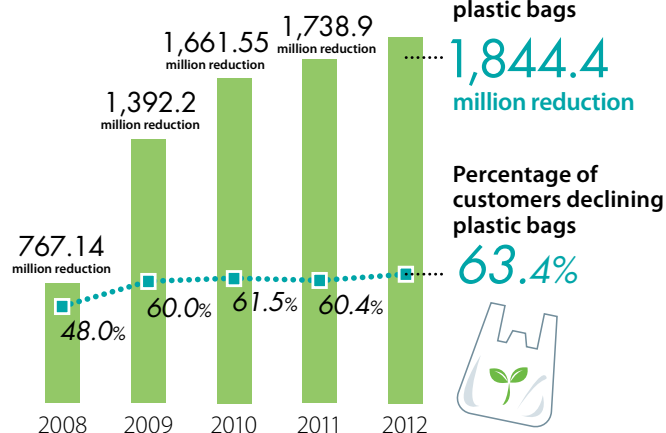
Total number of stores
(2007 to 2013.02)

828 stations

(Total for 22 Aeon Group companies)



Percentage of Customers Declining Plastic Shopping Bags



Developing and Selling Products that Contribute to Better Use of Resources

The TOPVALU KYOKAN SENGEN brand Aeon began developing and marketing in 2000 is a line of ecoproducts emphasizing the "4Rs" –reduce, reuse, recycle, and returnable.

Under this brand, we are developing and selling products that use resources more effectively compared to conventional products. This includes products with refillable containers and liquid clothing detergents that require half the normal amount yet provide the same results.



TOPVALU KYOKAN
SENGEN herbal
fragrance concentrated
laundry detergent



TOPICS

Biomass Certification for Fee-based Plastic Shopping Bags and My Baskets

Aeon obtained the biomass certification mark for its plastic shopping bags and dedicated take-home My Basket for customers from international accreditation organizations SGS SA and UL Inc. This represents the first time ever that a company has received the biomass certification mark from both institutions.

Starting in April 2013, plastic shopping bags with the biomass certification mark were gradually rolled out at some 850 Aeon and Maxvalu stores nationwide that had stopped giving out plastic shopping bags for free. At the same time, My Baskets with the biomass certification mark are also now being offered at some 1,400 stores.

The amount of biomass-derived materials used per plastic shopping bag based on the certification process is 70% and for the My Basket this figure is 55%. Going forward, we will promote the greater use of these bags and baskets to help raise awareness among more customers about biomass-derived materials.

* Plastic bag income = Sales price – (consumption taxes + material cost)



Bio My Basket



Plastic bags made mainly from plant-derived material

Reducing Waste by Collecting Resources in Stores

Aeon stores encourage customers to recycle by having collection bins for items such as paper packaging, food trays, aluminum cans, and PET bottles. Collected paper packaging and aluminum cans are recycled and some are broken down and used as raw materials for TOPVALU KYOKAN SENGEN brand products. Food trays and PET bottles are also effectively recycled.

SELF+SERVICE, a specialty shop for clothing and accessories has been working to expand used clothes collection and recycling applications since 2003. In fiscal 2012, the company collected around 26,100 articles of clothing, with some of it being recycled as bio-ethanol.



SELF+SERVICE clothing collection Poster



Collection bins

Amount Collected in Stores by Container Type (FY 2012)

Paper packaging

approx. **117.73** million
2012 (tons) **3,532**t



Food trays

approx. **337.59** million
2012 (tons) **2,363**t



Aluminum cans

approx. **239.04** million
2012 (tons) **3,825**t



PET bottles

approx. **116.95** million
2012 (tons) **7,368**t



Totals for 22 Aeon Group Companies

Based on the following weight estimates:

Paper packaging (1,000 ml) = 30 g, Food tray = 7 g, Aluminum can (350 ml) = 16 g, PET bottle = 63 g

Initiatives Undertaken by Group Companies

Aeon Retail Co., Ltd.

Participation in the PLA-PLUS Project

PLA-PLUS Project is a project that aims to develop an environment for recycling plastic products no longer used by consumers as reusable resources instead of simply burning them. Aeon Retail agrees with this cause and has become part of the project. Currently, we are building a network beyond the scope of the industry in deliberating future issues and concerns regarding waste collection and recycling.



Collection box installed in recycling corner



Poster

Maxvalu Chubu Co., Ltd.

Commenced Used Cooking Oil Collection Program at Maxvalu Stores in Nagoya

Aeon is participating in a model project for changing used household cooking oil into biodiesel fuel being implemented by the City of Nagoya. As part of these efforts, in October 2012 we began collecting used household cooking oil at 16 Maxvalu stores in Nagoya.

The model project involves collecting used household cooking oil and then refining it into biodiesel fuel, which is being used to power the city's municipal buses and garbage trucks, with the ultimate goal of achieving a recycling-oriented society and curtailing CO₂ emissions.



Officials from Nagoya City Government's Environmental Affairs Bureau asking customers for their cooperation on October 13, 2012 when the in-store collection services were launched.



Community Involvement

Making Contributions to Local Communities

Aeon Happy Yellow Receipt Campaign

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

In Fiscal 2012, the Campaign had expanded to include 22 companies and 1,263 stores, and we contributed goods worth approximately 275 million yen to a total of around 21,800 organizations. Of participating stores, 37.4% had a submission rate of at least 20%.

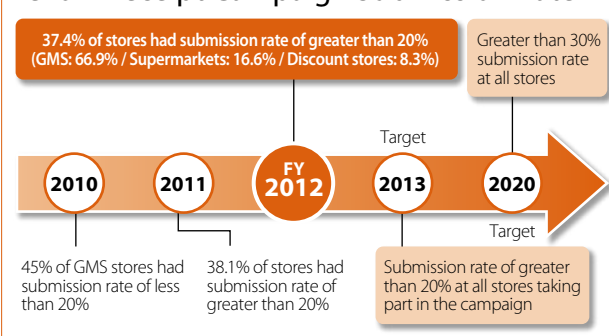
Since the Campaign's inception in 2001, 172,400 organizations have received support totaling around 1.94 billion yen. We encourage our customers to participate in the Aeon Happy Yellow Receipt Campaign.

Among other efforts, we offer volunteer organizations a chance to come into stores to talk about their activities. We plan to actively encourage as many of our customers as possible to submit their receipts.

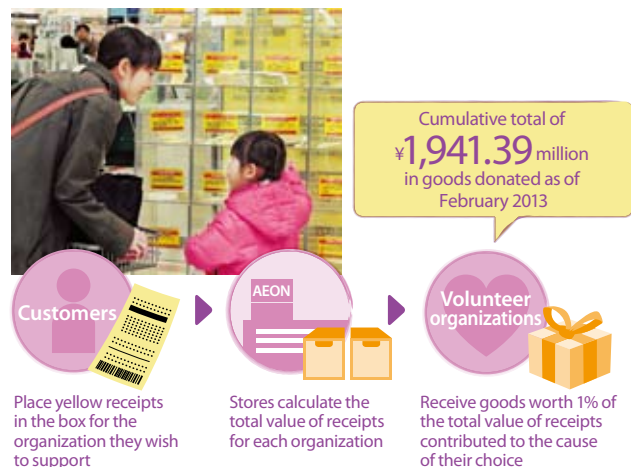
- * Volunteer organizations' activities should fall under one of the following five categories.
1. Activities to promote welfare
 2. Activities to promote environmental preservation and environmental education
 3. Activities to promote urban development
 4. Activities to advance arts and culture
 5. Activities to enhance the health and safety of children

FY2012 Results and Target of KPI

Yellow Receipt Campaign Submission Rate



How Aeon Happy Yellow Receipt Campaign works



Clean & Green Activities

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 at all General Merchandise Stores and supermarkets as well as head office and other business offices.



Cleaning up around a store

Supporting Local Traditional Events

AEON 1% Club

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 addition to supporting local cultural events and sports festivals, we are implementing the Hometown Discovery Program for Supporting Local Traditional Performing Arts, in which local people can see traditional arts and performing skills passed down from long ago in different regions, at Aeon stores.

In fiscal 2012, Aeon employees took part in the Aomori Nebuta Festival and the Yamagata Hanagasa Festival. We also provided the parking lot from one of our stores to be used as the main event venue for the Kochi Yosakoi Festival.



AEON team receiving the Nebuta Grand Prize

Issuing Local WAON Cards

WAON is a system of e-money pre-paid cards used at 150,000 participating stores throughout Japan. Through its partnerships with local governments across Japan, Aeon also issues local WAON cards, for which a part of the proceeds from sales goes to local social contributions.*

The social contributions that result from local WAON cards use are wide-ranging, and include community environment conservation efforts, promotion of tourism and sports, preservation of cultural assets, and animal welfare. As of February 2013 there were 82 different local WAON cards, and the contributions for fiscal 2012 topped 120 million yen.

As of February 2013, a total of over 31 million cards had been issued since the start of the WAON system in April 2007, and the use of WAON cards continues to spread. Aeon can offer customers the convenience of an e-money pre-paid card while at the same time actively contributing to the support of local communities.

* with some exceptions

Types of Local WAON Cards As of February 2013



Concluding Comprehensive Cooperation Agreements

Aeon has entered cooperation agreements with local governments to effectively combine respective resources for disaster preparedness, social welfare, and environmental conservation, and, through Local WAON cards, to stimulate commerce and tourism. The first Agreement was concluded in June 2010 with the Osaka Prefectural government. At the end of February 2013, we had agreements with 41 prefectural governments and 8 government ordinance cities.

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

Agreements with Prefectural Governments, as of the end of February 2013

(Administrative divisions: 41 prefectural governments and 8 government ordinance cities)

Prefectural Governments

● Hokkaido	● Ibaraki	● Toyama	● Mie	● Shimane	● Kochi
● Aomori	● Tochigi	● Ishikawa	● Shiga	● Okayama	● Fukuoka
● Iwate	● Gunma	● Yamanashi	● Kyoto	● Hiroshima	● Saga
● Miyagi	● Saitama	● Nagano	● Osaka	● Yamaguchi	● Oita
● Akita	● Chiba	● Gifu	● Nara	● Tokushima	● Kagoshima
● Yamagata	● Kanagawa	● Shizuoka	● Hyogo	● Kagawa	● Okinawa
● Fukushima	● Niigata	● Aichi	● Tottori	● Ehime	

Government Ordinance Cities

● Yokohama	● Hamamatsu	● Chiba	● Sendai
● Kyoto	● Fukuoka	● Hiroshima	● Sagami

Case of Kyoto Prefecture



Comprehensive Agreements with Kyoto Prefecture



'Kyoto Nijo Castle WAON'
A portion of proceeds are used to support repairs for World Heritage site Nijo Castle in Kyoto

Supporting the revitalization of local industries and preservation of traditional food culture

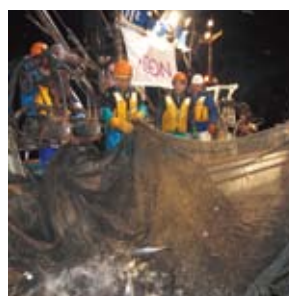
Aeon actively contributes to local economies and the preservation of local traditions.

● Direct Business Dealings with Fishery Cooperatives

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. As of February 2013, we directly deal with five fishery cooperatives.

Through dialogue with the National Federation of Fisheries Cooperatives Associations Aeon intends to continue conducting initiatives that benefit our customers, and to help to solve problems in marine products.

* JF Shimane, JF Yamagata, JF Hiroshima, JF Ishikawa, JF katase-enoshima



All fish caught by this fishing vessel is purchased by Aeon



Sales floor fresh fish lined

●Promoting Food Artisan Project

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. Everyone involved pools their wisdom and works to publicize the ingredients and traditional techniques that support exceptional local culinary cultures.

As of August 2013, food artisan activities have covered 16 prefectures and 24 dishes, whose unique local flavors are being delivered to the dinner tables of people across Japan.



Sukuna pumpkin (Gifu Prefecture)



Acerola (Okinawa Prefecture)

Aeon Welfare Fund Supporting Disabled Persons

The Aeon Welfare Fund was established in 1977 to promote the welfare of persons with disabilities and to support their independent participation in society. Aeon has carried out various projects, focusing on donating special vehicles and contributing to volunteer activities, through matching of employee 50 yen monthly contributions. As of the end of February 2013, 53,000 Aeon employees are participating in this program.

In Fiscal 2012, as in fiscal 2011, a total of 6 vehicles was donated - one vehicle each to the welfare facilities of persons with disabilities in Aomori and Miyagi prefectures, and two vehicles to the facilities in Iwate and Fukushima prefectures, all areas severely damaged by the Great East Japan Earthquake. A total of 38 vehicles have been presented so far from the Aeon Welfare Fund. Volunteer activities included roughly 920 visits to welfare facilities, with events such as Christmas parties or 'setsubun' (bean-throwing festival). A total of around 8,700 facilities have been visited so far.



Donation of a welfare vehicle



Christmas party at a welfare facility

Signing 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.

As of February 28, 2013, 1,232 Aeon Group stores and business offices have signed disaster prevention agreements with a total of 697 local government bodies 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.

Introducing Balloon Shelters

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, 2013). 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

Supporting Disaster Recovery

AEON 1% Club

Aeon stores are contributing to allowing people who have experienced extensive damage from natural disasters to return to normal life as quickly as possible. In addition, Aeon is matching funds donated by our customers and employees.

In fiscal 2012, Aeon donated three million yen in emergency relief assistance to those in need in the Philippines after the country was struck by Typhoon Bopha.



Donations being presented at the Philippine Embassy in Tokyo

Initiatives Undertaken by Group Companies

AEON RYUKYU CO., LTD.

Promoting the Food Artisan activity in passing down local food culture through joint efforts of the agriculture and business sectors

AEON RYUKYU has been selling "Frozen Acerola Fruit" grown in Motobu Town, Japan's top acerola production region, at some of its stores since December 2012. This is part of the Food Artisan campaign to support farmers who preserve and pass down local food culture. Together with farmers, local residents of Motobu Town, AEON RETAIL, and AEON RYUKYU have established the "Motobu Acerola Fruit Sales Association" and are working through joint efforts involving the agriculture and business sectors to expand production and consumption of acerola.

Going forward, AEON RYUKYU will continue its efforts in promoting the food culture of Okinawa to future generations.

MAXVALU CHUBU CO., LTD.

Awareness campaign held in Mie Prefecture to prevent incidents of lifestyle diseases

In March 2012, MAXVALU CHUBU conducted the Diabetes and Other Life Style Diseases Prevention through Eat Habit Awareness Campaign at three of its stores within Mie Prefecture in collaboration with the Mie Prefectural Government's Department of Health and Welfare.

The campaign promoted food ingredients and eating habits that may address issues such as lack of vegetable intake or over consumption of calories. In addition, it provided a place for free dietary consultation with nationally registered dietitians and general dietitians. As lifestyle diseases such as diabetes are considered to be deeply rooted in one's dietary habits, the campaign provided information regarding eating habits as well as promoted products and menus for disease prevention.

Maxvalu Tokai Co., Ltd.

Supporting the social independence of people with disabilities through sales of locally grown vegetables

Starting in June 2012, Maxvalu Tokai began selling Gotenba leaf lettuce at 11 MaxValu and MaxValu Express stores located in Gotenba City, Susono City, Mishima City, and Nagaizumi Town. Gotenba leaf lettuce is locally grown at Yumeno, a hydroponic farming facility operated by social welfare society Step-one in Gotenba City, Shizuoka Prefecture.

Step-one is an organization that supports continuous employment of people with physical or mental disabilities. It established the farming facility, Yumeno, in April 2012,

to promote social independence and self-fulfillment by providing agricultural training to each individual based on their ability, from raising produce to distribution.

Until now, leaf lettuce grown at Yumeno has been sold at local agriculture cooperative stores and produce stands. In addition to supporting the efforts to enable people with physical or mental disabilities to gain social independence through agricultural training and securing stable income with produce sales, Maxvalu Tokai has joined forces with Step-one in their shared vision to promote a new local specialty for Gotenba City and become a partner in expanding business opportunities in leaf lettuce.

CFS Corporation

Conducting health walk involving visits to scenic spots and places of historical interest with customers

CFS Corporation hosts a variety of events to contribute to customers' continued health for a healthier and more comfortable life.

Health Walk is one of such event that is held in the prefectures of Kanagawa and Shizuoka. The event involves customers going on a fun-filled guided walking tour of scenic spots and places of historical interest in the local area, with tour guides from local guide associations.

Health Walk has been held a total of 21 times since its inception in April 2004 and as of June 2013 it had welcomed a total of 16,000 participants.

AEON (CHINA) CO., LTD.

Japan-China Goodwill Summer Festival in commemoration of the 40th anniversary of normalization of Japan-China diplomatic relations

AEON (CHINA) hosted a Japan-China Goodwill Summer Festival at AEON Beijing International Mall on June 9, 2012 in commemoration of the 40th anniversary of Japan-China diplomatic relations normalization. The event was planned and executed by Japanese study-abroad students living in Beijing and jointly hosted with Wakyokai Beijing. On the day of the event, traditional Japanese cultural activities such as flower arrangement and Taiko drum performances were featured. Customers who attended the event shared a few remarks, including "It was very interesting as it was my first time to experience Japanese culture up close."

Going forward, AEON (CHINA) will launch a number of different events in promoting cultural exchange between Japan and China.

Community Involvement

Develop the Human Resources of the Future

Aeon Cheers Club

AEON 1% Club

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

Each year one of six themes in 6 year cycle of annually rotating themes is taken up. The theme for 2012 was 'Recycling'. Around 400 clubs and around 6500 students from all over Japan participated, learning about recycling by visiting recycling plants and viewing material recovery and recycling operations at stores, such as drink cartons and food trays, to understand recycling. In July 2012 the Aeon Cheers Club National Meetings were held in Okinawa and Hokkaido. A total of 50 clubs and around 250 awardees gathered, with each club reporting on learning outcomes for the year and participating in nature experience programs.

For fiscal 2013, activities will center around the theme of 'Resources' (energy). Going forward, we will improve the available information on our activities and work to increase the number of participating clubs, so that more children can get involved in environmental activities.



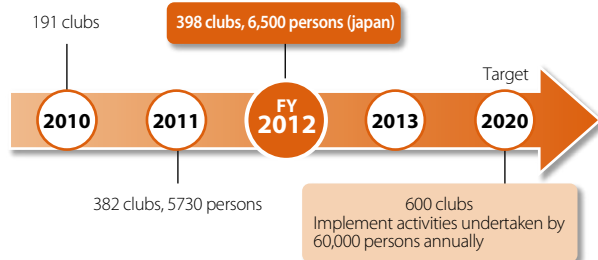
Visiting a recycling plant



Aeon Cheers Club National Meetings in Hokkaido

FY2012 Results and Target of KPI

Number of Aeon Cheers Clubs



Conducted the Junior High-school Students Environmental Essay Contest

Aeon conducted the Junior High-school Students Environmental Essay Contest.

In fiscal 2012 the winners participated in 'Biodiversity Training Tasmania Tour' held at the Australian island.

Such activities are to be continued in fiscal 2013.



'Biodiversity Training Tasmania Tour'

Agricultural Eco-experience Project for elementary and junior high school students

Since October 2012, the Aeon Cheers Club has been offering children a chance to visit 'TOPVALU Gurinai' production sites throughout Japan under the Agricultural Eco-experience Project. Children learn about environmentally friendly ways to grow delicious, safe and reliable vegetables. Additionally, through learning about harvesting, packaging and tasting they can have an enjoyable experience, and deepen their understanding about local agricultural business and environmental product considerations. This project will be continued in fiscal 2013, with an enlarged number of production visit sites and participants.

TOPVALU Gurinai Production Sites for Student Visits:

Hokkaido, Aomori Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Chiba Prefecture, Niigata Prefecture, Gifu Prefecture, Aichi Prefecture, Hyogo Prefecture, Tottori Prefecture, Hiroshima Prefecture, Kochi Prefecture, Kumamoto Prefecture

Main Products:

potatoes, onions, carrots, tomatoes, lettuce, etc.

Participants:

approximately 500 children from 33 Aeon Cheers Clubs throughout Japan



Children examining the harvested vegetables

AEON Sukusuku Laboratory

AEON 1% Club

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

In fiscal 2012, AEON Sukusuku Laboratory was held in four cities across Japan. A total of 831 attended the four sessions, including 508 adults and 323 children.



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



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

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

AEON Environmental Foundation

The AEON Environmental Foundation, desiring to give children a chance to learn about the future of the global environment, implements the 'Gentle to the Earth Essay and Activity Report Contest.' In fiscal 2012, we solicited essays on the theme of 'What each individual can do for the environment.' Entries came to a total of 16,032. Among schools that submitted over 10 entries, 5 outstanding schools were awarded the AEON Environmental Foundation Prize (school division).

Such activities are to be continued in fiscal 2013.



Awards Ceremony

Aeon's educational initiatives for the next generation

We provide a host of programs to support the learning development of youth in various life stages, from infants to university students.

Aeon Sukusuku Laboratory
▶ page 48



Aeon Cheers Club
▶ page 47



Teenage Ambassadors Program
▶ page 48



Aeon Scholarship Program
▶ page 49



Asian Students Environment Platform
▶ page 49



Babies

Primary school students

Junior high school students

High School Students

University Students

Rice Paddy Activities for Elementary School Students
▶ page 34



Contest for Report and Essay on Earth-friendly Activities
▶ page 48



Aeon eco-1 Grand Prix
▶ page 48



Aeon Asia Eco-leaders
▶ page 49



Teenage Ambassadors Program

AEON 1% Club

The Teenage Ambassadors program brings overseas students to Japan for high school classes and workshops on the environment. By the end of 2012, 1,064 high school students from 16 countries had participated.

In fiscal 2012, high school students invited to Japan from Cambodia and Laos enjoyed cultural experiences such as visiting temples and wearing kimonos. They visited eco-stores in Hokkaido and participated in nature experience programs. Similarly, Japanese high school students visited Cambodia and Laos and observed high school classes at local schools and visited primary schools built as part of the Aeon's school construction support project.

Exchanges between high school students from Vietnam and Myanmar are planned for fiscal 2013.

For the Japan-China High-school Student Exchange Program, launched in fiscal 2009, 285 high school students from Japan and China have so far experienced each other's countries. As fiscal 2012 marked the 40th anniversary of normalization of diplomatic relations between Japan and China, our program sought to foster friendship and trust through increasing the program to include 100 participants from each country, and to include home stays and mutual school visits and participation in classes.



High-school students from Laos and Cambodia trying their first yukata and Japanese fans at a traditional Japanese dance class



Japan-China High-school Student Exchange Program farewell party

Aeon eco-1 Grand Prix

AEON 1% Club

With the goal of raising environmental consciousness through providing high school students who have engaged in daily environmental activities a forum to report their achievements, and an opportunity to connect with other schools, Aeon instituted the AEON eco-1 Grand Prix in fiscal 2012. 216 entries were received from 193 schools throughout Japan. Enthusiastic presentations were made on themes such as prevention of global warming, biodiversity preservation, energy conservation.

In fiscal 2013, the Aeon eco-1 Grand Prix will be held with the new education category to emphasize mutual awareness and target eco



Poster

activities that any high school in Japan can get involved in. This new category will complement the existing research category, which focuses on community-based or specialty activities.



Prime Minister's Award
—Biodiversity conservation through duck farming—
by Aichi Prefectural Saya High School



Education, Culture, Sports, Science and Technology Minister's Award
—Environmental conservation activity that takes advantage of our abundant reeds—
by Tochigi Prefectural Agricultural High School



Environment Minister's Award
—Exchange / local revitalization enhanced by bees—
by Hiroshima Prefectural Yuki High School



Image character
'Eco-one kun'

Aeon Scholarship Program

AEON 1% Club

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

In fiscal 2012, Indonesia became a recipient for the first time and two Indonesian schools were awarded grants, in addition to schools each in Japan, China, Thailand, Vietnam. For Vietnam, added in 2011, two additional schools were added, for a total of 4 schools. From fiscal 2013, Aeon plans to add universities in Cambodia and Myanmar.



Scholarship students from Vietnam

Grants 2006-2012

Japan	14	239*
China	8	1,989
Thailand	2	24
Vietnam	4	90
Indonesia	2	6
Total:		2,348

* Privately funded exchange students from Asian countries

Aeon Asia Eco-leaders

AEON 1% Club

Aeon Asia Eco-Leaders (formerly ASEAN University Students Environmental Forum) was initiated in fiscal 2010 to provide an opportunity for university students in the Asia region to gather and cultivate mutual understanding through discussion and observation of conditions outside their countries.

In fiscal 2012, for the 3rd year of the program, students from Japan, Thailand, Vietnam, and for the first time – Indonesia, met at Kasumigaura, at Lake Biwa, to discuss 'water and the economy.' They also had the chance to visit the traditional culture of Japan in Kyoto, and to deepen their understanding of the diversity of value.

In fiscal 2013, the event will be held in Jakarta, and Malaysia will be added as a 5th participating country.



Students from four countries passionately discuss the Environmental Future Initiative Declaration in English



Tree planting plaque

The Asian Students Environment Platform

AEON Environmental Foundation

The Asian Students Environment Platform was inaugurated in 2012, following the 2011 United Nations Decade on Biodiversity. The purpose is to develop human resources in the environmental field.

For the 1st Platform, students from Waseda University in Japan, Tsinghua University in China, and Korea University in South Korea, 60 students in all, participated under the theme of 'Thinking About Culture and the Environment.' Through various fieldwork programs, such as viewing electric car battery recharging stations, or memorial tree planting, they increased their understanding of biodiversity and environment conservation.

The Platform will be held in Korea in 2013, adding Vietnam Hanoi University to the three universities that participated in 2012.



Viewing the electric car battery recharging station at AEON LakeTown



Memorial tree planting at Tanohata Village, Iwate Prefecture

The plan is to increase the number of participants each year, and in 10 years time to have the forum include participants from all of the ASEAN and East Asian countries.

School Construction Support Project

AEON 1% Club

In partnership with the Japan Committee for UNICEF, Aeon is supporting construction of schools in depressed parts of Asia. We collect donations for the School Construction Support Project from customers in stores and other facilities operated by Aeon Group companies across Japan. Through 2009, we helped construction of a total of 326 schools in Cambodia, Nepal, and Laos, giving around 230,000 children a chance to go to school.

With a three-year plan, commenced in 2010, in place, support of school construction in Hue Province, Vietnam resulted in the building of 21 schools, allowing 6300 children to attend classes.

In 2012 a new program to support school construction in Myanmar began. 30 schools are scheduled to be built in three years time, and in March 2013, the first school of this support project, the Aeon Gangaw School was completed and the school opened.

Every year in the spring time, local children and customers participating from Japan deepen their friendship by sharing the joy of the first day of school at the school's opening ceremony.



Old school building in Myanmar with no walls



Children at the newly opened school at Gangaw

The Aeon and UNICEF Safe Water Campaign

AEON 1% Club

In 2010, Aeon started the Aeon and UNICEF Safe Water Campaign, for setting up facilities in Laos and Cambodia to provide safe water and free the children from walking long distances to fetch water.

In fiscal 2012, around 28 million yen were raised from customer donations and the same amount, around 28 million yen, from AEON 1% Club contributions. During the campaign period, one 500 ml bottle of TOPVALU natural mineral water garnered 5 yen for donation, amounting to 1.5 million yen – for a total of 57.5 million yen to be donated to the Japan Committee for UNICEF. Forty thousand people a year have access to safe water as a result of the campaign.

Fund-raising activities will be held in front of all AEON stores and offices throughout Japan in 2013 from April to June.



Event at an Aeon Shopping Center



Water supply facilities in Laos



Aeon TOPVALU mineral water

PET Bottle Cap Collection Campaign

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

In fiscal 2012, cash from 341,160,000*2 bottle caps was donated to these organizations. The funds will provide vaccines, nutritious food, and books to children in Asia.

*1 The three international organizations are:
Japan Committee Vaccines for the World's Children (JCV)
Save the Children Japan
Plan Japan

*2 Caps collected from August 21, 2011 through August 20, 2012.



Nutritious food for children in Vietnam
© Save the Children Japan



A grant for library books and library furnishings was made for children of Vietnam



Vaccination of children in Myanmar



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Fundraising Activities (FY 2012)

Main fundraising activities (Japan)

Activity	Activity period	Participating Companies	Funds raised from customers and employees	Aeon 1% Club Contributions	Total Amount	Donees
Donation to the school establishment support in Vietnam	April 1, 2012 – June 26, 2012	79 Aeon Group companies	¥55,738,842	¥6,318,486	¥118,919,328	The People's Committee of Vietnam's Hue Province
The AEON and UNICEF Safe Water Campaign	September 1, 2012 – October 21, 2012	80 Aeon Group companies	¥27,994,011	¥27,994,011	¥57,483,987*1	The Japan Committee for UNICEF
Donation to the school establishment support in Myanmar	October 27, 2012 – December 9, 2012	80 Aeon Group companies	¥2,189,260	¥41,991,010	¥6,388,4270	The Japan Committee for UNICEF
Philippine Typhoon Emergency Relief Aid	December 14, 2012	—	—	¥3,000,000	¥3,000,000	Philippine Embassy in Tokyo
24-hour television	June 28, 2012 – September 8, 2012	94 Aeon Group companies	¥335,229,142	—	¥335,229,142*2	Nippon Television Network Corporation "24-Hour Television Charity Committee"
Total Amount			¥440,855,255	¥136,165,867	¥578,516,727	

*1 Amount plus 1,495,965 yen sales of pet bottle

*2 Fundraising through WAON point and Aeon card, accepted by ion bank ATM also performed further, fund-raising total was combined with the proceeds of such charity T-shirt

Continuous Fundraising Activities

Activity	Activity period	Funds raised from customers and employees	Accumulated funds	Donees
Red Feather Community Chest	October 1, 2012 - October 31, 2012	¥15,469,165	¥222,514,452 (1983-2012)	The Central Community Chest of Japan

Fair Business Practices

Promoting the Aeon Supplier Code of Conduct(CoC)

●Aeon Supplier Code of Conduct*

We formulated the Aeon Supplier Code of Conduct for contract manufacturers in 2003 to fulfill our responsibilities to society such as maintaining proper commercial transactions with manufacturers and ensuring appropriate workplace conditions at manufacturing sites.

The code covers compliance with national and local laws, respect for human rights, and safe, healthy working conditions, among other topics. We require compliance with this code for every transaction and ask that our contract manufacturers gain the understanding and cooperation of their suppliers with regards to the code's provisions.

Currently, we require all manufacturers of TOPVALU and TOPVALU Collection brand products, both in Japan and overseas, to comply with the code and audits are conducted on the production floor to monitor compliance. As of June 30, 2013, compliance pledges have been received from approximately 850 manufacturing partners.

* CoC:Code of Conduct

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

●Auditing Our Manufacturing Partner

Aeon Supplier Code of Conduct (CoC) audits consist of third-party audits performed by professional auditing firms and second-party audits by Aeon auditors.

As a general rule, third-party audits are conducted by an outside auditing firm based on internationally accepted practices. We ensure these audits are performed fairly and in full compliance with international standards by having an evaluation organization different from the auditing firm evaluate the results of the audit report.

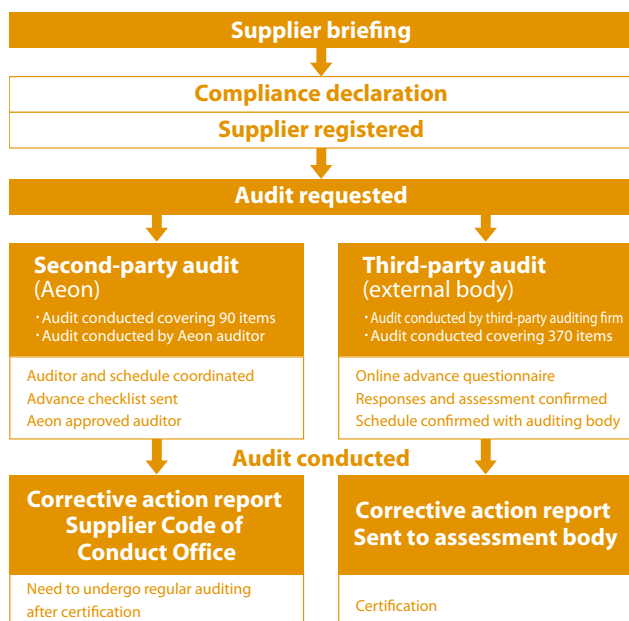
If a third-party audit finds improvements must be made, we require the manufacturing partner to report on the improvements made and have the evaluation organization repeatedly verify the contents of this report. CoC Individual Support Sessions are held on an ongoing basis to rectify areas in need of improvement. Once the third-party audit has been completed and the CoC certification criteria have been met, Aeon auditors make regular visits to factories and conduct second-party audits to check the status of compliance. During second-party audits, compliance with local and national laws as well as risk management practices is checked face to face. If a problem is found, Aeon works closely with its manufacturing partner's factory to find a solution.

Manufacturing partners that have received sound evaluations during the third-party and second-party audits, these manufacturing partners are asked to perform checks and make improvements under their own initiative using first-party audits. This is because the purpose of the CoC is to improve not only Aeon's risk management, but also the risk management practices of its manufacturing partners, with the ultimate goal of having them implement their own compliance monitoring measures. It is our hope that improvements will be passed down the supply chain from our manufacturing partner to their suppliers, who will then in turn pass it down to their suppliers, effectively creating a positive chain of success.

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

FY 2008	732 factories
FY 2009	931 factories
FY 2010	1,172 factories
FY 2011	1,526 factories
FY 2012	1,870 factories

Aeon Supplier Code of Conduct-certification procedure



TOPICS

Aeon respects and honors the human rights of people in China and ASEAN countries working on site to produce TOPVALU products, and we maintain an appropriate working environment

Until 2011, we have been mainly applying the Aeon Supplier COC to TOPVALU products produced in Japan and overseas for domestic consumption. From 2012, having set up a structure of three headquarter locations - in Japan, China, and ASEAN (Malaysia), management of policies and compliance for contracted producers of TOPVALU products are supervised directly in each area.

Aeon is committed to operating with social responsibility, along with our TOPVALU contracted supplier partners in Japan, China, and ASEAN countries.



Aeon Certified Auditor Training (overseas)

Aeon SA8000

After establishing the Aeon Supplier Code of Conduct (2003), 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. SA8000 certification applies to head office processes and Aeon brand TOPVALU supplier management performed by AEON CO., LTD., Aeon Retail Co., Ltd. and AEON TOPVALU CO., LTD. SA8000 certification is renewed after receiving a renewal audit every three years and a maintenance audit every six months.

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

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.

Practicing Fair Trade

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

In fiscal 2012, we visited three coffee bean producers for our TOPVALU brand in Guatemala, Colombia and Tanzania to test to see if they were complying with fair trade practices.

In fiscal 2013, we will continue deliberations on the creation of a framework for confirming whether our suppliers represent an acceptable choice for procuring fair trade raw materials from.

* Fair trade means doing business with producers in need of support in developing countries, etc. and setting product prices at levels appropriate to the labor involved. The initiative helps producers attain economic and social autonomy and also supports environmental conservation.



TOPVALU Fairtrade Coffee



FLO (Fairtrade Labeling Organizations International) certification logo

TOPICS

Held fair trade event with students

In fiscal year 2012, to promote awareness of Fairtrade, Aeon worked with high school and university students on redesigning the packaging of Fairtrade chocolate. 'TOPVALU Fairtrade Chocolate' originated in a proposal from students at Chuo University. A Fairtrade public relations event to solicit packaging ideas, held at AEON LakeTown, was organized together with high school and university students.



Event organized with students



TOPVALU Fairtrade Chocolate (new package)
Awarded the first 'Social Products Award' and the 'Monde Selection' Silver Prize

Initiatives Undertaken by Group Companies

AEON Global SCM Co., Ltd.

AEON suppliers' CoC management at distribution center

AEON Global SCM has been implementing second-party and first-party audits on distribution centers since fiscal 2008 in managing the distribution process of TOPVALU. Moreover, second-party audits have also been started in China and the ASEAN region since fiscal 2012.



Product sorting / stock yard

AEON FOREST CO., LTD.

First in the World to Launch Community Fair Trade Program

Community Fair Trade represents the world's first fair trade program started by The Body Shop, a cosmetics specialty chain from the U.K., which is managed in Japan by Aeon Forest Co., Ltd. The Body Shop founder Anita Roddick began this program more than 25 years ago based on her belief that an effective means to solving global poverty could be found in trade and not aid-based assistance. The first supplier enrolled in this program was Teddy Exports of India, which had a staff of five at the time in 1987. Today, however, this company has grown to more than 400 employees and is providing employment opportunities for the local community.

Today, The Body Shop has 25 suppliers in 21 countries that are part of the Community Fair Trade Program. These companies employ more than 25,000 people and supply good quality raw materials and sundries. More than 90% of the products on The Body Shop store shelves include raw materials sourced from this program.

Consumer Issues

Safe Food and Reliable Products

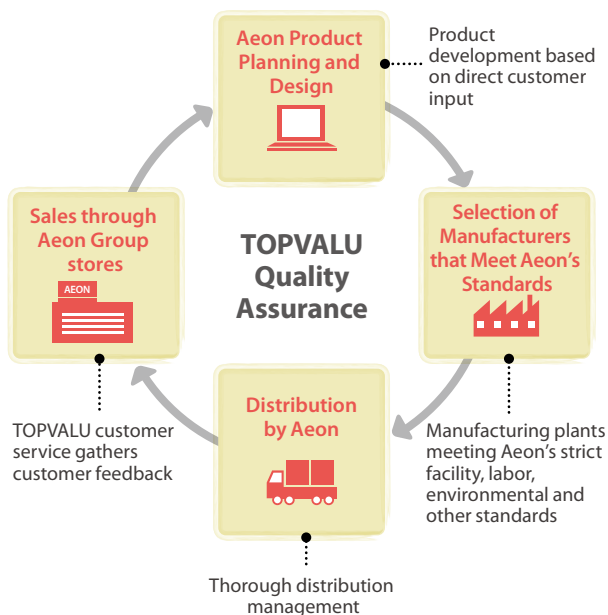
Quality Management of TOPVALU Brand Products

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

The Five TOPVALU Commitments

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

TOPVALU Quality Assurance



Product planning and design

During product planning and design, our development, quality control, and customer service people scrutinize potential raw material suppliers, investigate possible safety concerns, examine the use of additives, research manufacturing processes, and consider other key issues to ensure that the final product is safe and without any health or safety risks.

Selection of manufacturers

We select manufacturers by first performing Aeon Supplier Code of Conduct (CoC) audits, product safety examinations, and plant hygiene inspections.

Determination of the product specifications

Customer monitors and Aeon employees evaluate the

prototypes, considering matters such as raw materials, additives, and manufacturing processes.

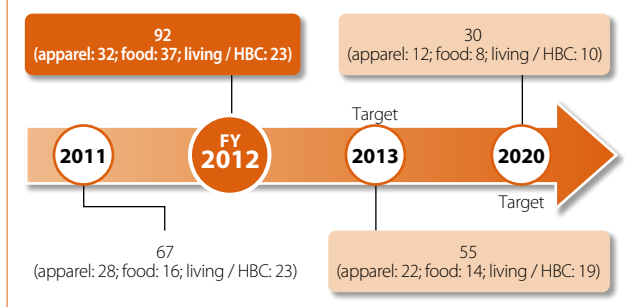
Distribution and sales

Following that, Aeon finalizes product specifications and then inspects production and sends only products that meet the criteria to stores. Thereafter, regular product quality evaluations, plant hygiene inspections and other types of audits are conducted to make sure that the products we offer are both safe and reliable.

In this way, we are implementing initiatives aimed at ensuring product safety and security from various perspectives. In case a defect or flaw is discovered in a product despite these initiatives, Aeon informs the public of the fact as quickly as possible and calls back and withdraws the product in question. In fiscal 2011, Aeon reported 92 serious product accidents.

FY2012 Results and Target of KPI

Number of TOPVALU Products Removed due to Serious Incident



Fiscal 2012 TOPVALU Product Accidents

TOPVALU Chocolate Pretzels / Mislabelled for allergies

(Occurred March 31, 2012)

Milk ingredients from another product produced at our manufacturing partner's factory was mixed in with about 130 units

▶ Recall announced on the Aeon website

TOPVALU Chocolate Cake / Mislabelled for allergies

(Occurred April 27, 2012)

Peanut ingredients from another product produced at our manufacturing partner's factory was mixed in with possibly 550,000 units

▶ Recall announced at a press conference and in a newspaper ad

TOPVALU Noodles / Container failure

(Occurred November 2, 2012)

It was discovered that soup was able to leak from the bottom of TOPVALU cup noodle containers, involving 6 SKU* numbers and some 620,000 units

▶ Recall announced on the Aeon website

* Stock Keeping Unit (SKU): Smallest unit to identify products used when managing actual sales volume or inventory of a product at final retail points in distribution operations.

TOPVALU Oolong Tea Bags / Detection of residual pesticide

(Occurred December 17, 2012)

Residual pesticides exceeding the acceptable standard were detected in certain units.

▶ Recall announced in a newspaper ad

Aeon will strive to prevent product accidents through efforts that include identifying problem areas based on customer feedback to avoid reoccurrence of an issue, strengthening relationships between related departments and reviewing problem areas at the production and shipment phases of a product.

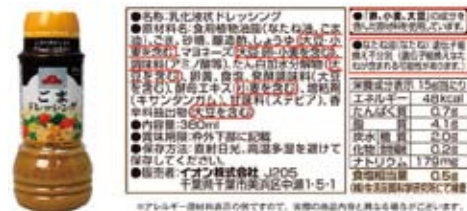
Labelling and Disclosing Product Information

Aeon labels and discloses information related to each TOPVALU brand product to make sure they can be used and consumed by customers with peace of mind.

●Labeling of Food Allergens

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, salmon roe, squid, mackerel, salmon, abalone, chicken, pork, beef, kiwi fruit, bananas, peaches, apples, oranges, gelatin, yams, walnuts, and matsutake mushrooms).



Labeling of Food Allergens

●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.

●Labeling of Place of Origin of Ingredients for Processed Foods

We carry out labeling of the place of origin of ingredients as much as possible, not just limiting it to the food groups for which such labeling is mandated by Japanese Agricultural Standards (JAS) law*. In addition, we have established clear quality standards for ingredients irrespective of their place of origin and sign agreements with manufacturers, and carry out testing for food allergens and DNA not to mention investigations related to ingredient standards and residual pesticides.

* Act for Standardization and Proper Labeling of Agricultural and Forestry Products



Labeling of Place of Origin of Ingredients

●Disclosing Information on Agricultural Product Producers

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 2012 a cumulative total of approximately 74 agricultural products were labeled with QR codes.

* Products that differ by prefecture and that have more than one type are counted as a single product.



Products labeled with QR codes

●Disclosing Information on Domestic Beef

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.

●Disclosing Information Related to Radioactivity and Radioactive Material

Following the Great East Japan Earthquake, there were increasing questions from customers about product place of origin. In response, Aeon has been publishing place of origin information online for the most asked about products since April 2011.

TOPICS

Launched informative website on fresh produce

Aeon launched a website called Fresh for You TOPVALU in July 2012 that showcases the cultivation and harvest processes of fresh produce that interest our customers and receive the most enquiries. This forms part of our commitment to provide fresh produce using a rigorous management system for taste, freshness, convenience, and safety.



Informative website on fresh produce
Fresh for You TOPVALU

Food Sanitation Control

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.

At the end of February 2013, 27 companies and 1,274 stores from our GMS Business and SM business have implemented the Aeon Food Sanitation Certification System, while a total of 7,789 workplaces had obtained certification.

●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, sell by dates that are set for each product, and to check the freshness of fresh produce.

●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.

●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.

Consumer Issues

Store Safety and Security

Improving the Earthquake-resistance of Stores

With customer safety our number one priority, we recognize that in order to provide peace of mind we need to formulate a response in terms of not only our products and services, but our store facilities as well. To that end, Aeon is moving forward with improving the earthquake resistance of its stores in accordance with its own set of standards in order to minimize damages and loss of life should a major earthquake strike.

In fiscal 2012, we changed hanging smoke barriers to fireproof sheets in 25 projects and reinforced large ceiling spaces in movie theaters to prevent falling parts in 18 projects covering 45 stores

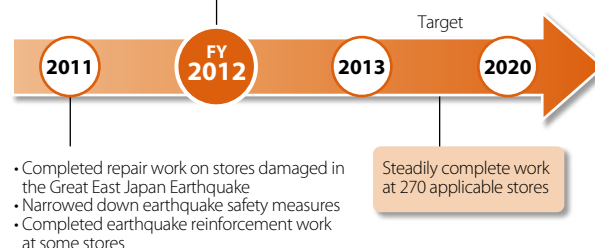
in the Tohoku, North Kanto, South Kanto and Tokai areas that are likely to incur damages in an earthquake with a seismic intensity of more than 6 weak.

In fiscal 2013, we plan on completing construction work projects at a total of 109 stores, including those completed in fiscal 2012. We also plan on implementing measures to guard against falling ceilings and escalators, which occurred during the Great East Japan Earthquake, in advance of safety standards that will be legislated soon.

FY2012 Results and Target of KPI

Safety and Security Infrastructure Development

45 stores in Tohoku, North Kanto, South Kanto and Tokai area
 • Smoke vertical non-flammable wall sheet of 25
 • Cinema ceiling fall measures 10
 Other Areas
 • Cinema ceiling falling measures 8



Fire Prevention and Disaster Preparedness

Aeon, as a commercial enterprise with large numbers of customers, is implementing disaster prevention measures and drills to ensure quick action and the safety of our customers and employees in disaster.

●Group-wide disaster prevention and safety drills

Since 2011, taking lessons from the experience of the Great East Japan Earthquake, Aeon has been twice yearly conducting Group earthquake disaster drills to ensure quick action for the safety of employees and customers in the event of a disaster.

In 2012, the drills were conducted in March and October. The training in October assumed a major magnitude 7 earthquake with epicenter off the Tokyo Bay Urayasu coast, affecting Aeon headquarters at Makuhari, Chiba. Based on our BCP (Business Continuity Plan), we instituted an Aeon Group Earthquake Task Force at AEON Inage Store. We made the assumption further that the headquarters of each of the group companies in the Tokyo metropolitan area was damaged, and that a Task Force had to be set up in each company to take control.

Between November 2012 and February 2013, we inaugurated Group Local Emergency Response offices in 8 areas across the nation, from Hokkaido to Okinawa, each one responsible for working together with Aeon Group companies in their area.



Disaster drill (AEON Inage Store, Chiba Prefecture)

●Fire Prevention Drills at Stores

Aeon stores check safety and disaster preparedness measures on a daily basis, while security staff and store managers also conduct a final inspection after stores are closed.

Fire prevention drills have been conducted twice a year and earthquake response drills run once a year. Following the Great East Japan Earthquake that struck in March 2011, however, we have decided to increase the number of earthquake response drills to two per year. We strive to make these drills as realistic as possible by changing the scenario for each based on a variety of possible disasters. 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.

●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 installed security cameras in food departments and begun using needle detectors at its stores. If a needle were to be discovered, it would be promptly delivered to the police or healthcare center and customers as well as local Group company stores would be informed through an in-store display or announcement in order to prevent additional injury or damage.

We are also conducting 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

Aeon formed a project team in 2006 as a measure to address risks from the outbreak of infectious diseases such as the global spread of highly pathogenic H5N1 avian influenza in humans. We established Rules for New Flu Viruses in September 2006 and have since been readying infection prevention measures in order to ensure the safety of customers and employees.

In fiscal 2012, we utilized our Influenza Infection Reporting System* to monitor for outbreaks of the new influenza virus and to enhance reporting accuracy.

In fiscal 2013, we plan on revising our Rules for New Flu Viruses in accordance with the enactment of Japan's Act on Special Measures for New Influenza Virus Control and establishing protocol for providing access to the vaccinations.

* Influenza Infection Reporting System: An in-house system established in 2010 to identify the status of flu infections at Aeon Group stores and business locations nationwide.

Raising Safety Levels of Store Facilities and Fixtures

Aeon works to enhance safety for facilities and fixtures used in its stores to prevent accidents involving customers.

●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.

In addition, at our new stores we have reduced the speed of down escalators from 30 meters per minute to 20 meters per minute as a means to preventing falls by senior citizens.

●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.



Safety Measures for Escalators

●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 2012, Aeon has installed a total of 1,350 AED units at 858 stores and shopping centers. In addition, store management, security guards and other staff members are trained in emergency lifesaving techniques.

In fiscal 2013, we plan on expanding this coverage to include small supermarkets.



Parking Lot Guardrails

Creating a Convenient and Comfortable Store Environment for Everyone

Aeon developed its own building standards based on the Heartful Building Law of 1994 (revised December 2006 as the Barrier Free Law^{*}). We use these standards when building new stores or remodeling existing locations. As of the end of February 2013, over 680 of our facilities had been certified as compliant with the Barrier Free Law.

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

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



Step-free entrance
(AEON LakeTown)

"Care Fitters" and "Supporters for People with Dementia"

We encourage Aeon employees to acquire Care-fitter^{*1} certification to help ensure that seniors and people in need of assistance can shop at our stores with total confidence. Certified Care-fitters numbered 9,587 as of February 28, 2013.

To allow a proper understanding of dementia, a training course is being offered to employees for the Supporters training. As of February 2013, there are 35,783 Supporters and 740 'Caravan Mate' trainers.

^{*1} Care-fitter certification is administered by the non-profit Nippon Care-Fit Service Association

^{*2} Supporters for people with dementia are certified through a prescribed curriculum course to give care to people with dementia and support to their families.



Care-fitter Training Session



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



Role-playing in Caravan Mate training

Consumer Issues

Serving as a form of life style infrastructure that protects the local community

Establishing local temporary shelters [Aeon ECO Project: Protection Strategy]

Aeon has established a goal to set up local temporary shelters at 100 of its stores across Japan by fiscal 2020 as part of the Aeon ECO Project (see page 27) started in September 2012.

In fiscal 2013, we will make modifications to equipment more disaster resilient in stores where a cogeneration back-up power system has already been installed. In addition, we plan on establishing local temporary shelters in 20 stores, including in new stores and buildings designated as tsunami evacuation sites.



Private power generation equipment installation

FY2012 Results and Target of KPI

The number of local temporary shelters

Set of alternative district headquarters as a pillar of disaster prevention bases, and implementation of disaster prevention base support of the decision, new stores of disaster prevention establishing stores in 2013



Consumer Issues

System of Dialog with Customers

System for Listening to the Opinions of Customers

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 Boxes and Communication Boards

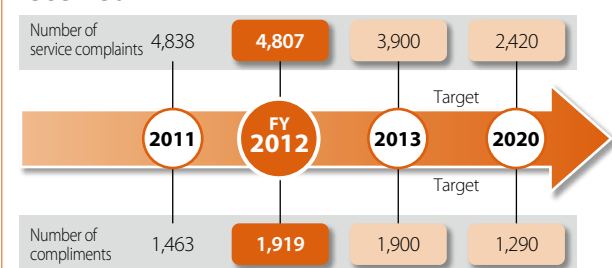
Each Aeon store has set up a box for customers to put their opinions in and a board disclosing the opinions and Aeon's response. Comments and suggestions provided by customers are replied to directly by a store representative and posted for others to see. We receive many suggestions from customers about 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.



Suggestion Box and Communication Board

FY2012 Results and Target of KPI

Number of Complaints and Compliments Received



●Customer Service Department

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 collect customer suggestions. This information is reported to directors and executive officers, as well as shared with employees of relevant departments through systems that manage customer feedback.

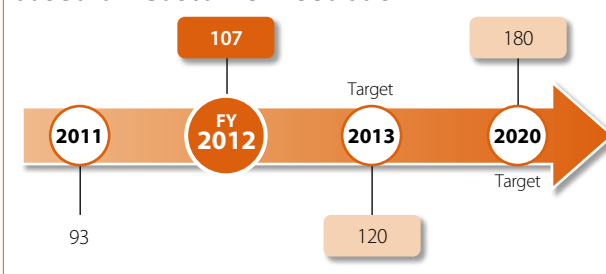
A total of 78,151 opinions (service complaints) were received in fiscal 2012 from our customers, marking a 10.1% increase

compared to fiscal 2011 (7,174 opinions). This is because the number of product inquiries increased in proportion to the expansion in TOPVALU product lineup and sales. The number of service complaints stood at 4,807, which was 97.4% of fiscal 2011, marking a slight improvement. The number of compliments received was 1,919, which was 131.2% of fiscal 2011, for an increase of 456,

Going forward, we intend to listen carefully to the opinions of each and every customer to provide them with better services and products and to help us attain our targets for the year 2020.

FY2012 Results and Target of KPI

Number of Products Developed / Improved based on Customer Feedback



TOPICS

Examples of Product Development and Improvements Made Based on Customer Feedback

●TOPVALU Wine'

Signage offering directions on how to open a screw cap
We created point of purchase signage to help customers learn how to open a long screw cap more easily after we received complaints that the screw cap on the bottle was too tight and impossible to open.

Initiatives Undertaken by Group Companies

MAXVALU NISHINIHON CO., LTD

Crime prevention drill at safe harbor stores

Many of AEON's stores serve as "safe harbor stores" and strive to ensure local safety. This is accomplished by providing first aid or shelter, or assistance to call an ambulance or the police, for those injured by criminals and seeking refuge in a store. In order to enhance its crime prevention capabilities, MAXVALU NISHINIHON has been conducting crime prevention drills on an ongoing basis. In fiscal 2012, the drill was held at 70 stores.

The drill is conducted in collaboration with the local police station, based on several scenarios, such as purse-snatch theft, to train participants on how to protect and rescue a customer in need and report the crime to the police. The initiative aimed to enhance and promote crime prevention awareness among local customers and staff.

AEON Kyushu Co., Ltd.

Kamimine Stay Well Shopping Delivery Service Launched

Aeon's Kamimine Store, which is operated by Aeon Kyushu Co., Ltd., introduced the "Kamimine Stay Well Shopping Delivery Service" jointly with Kamimine City, Saga Prefecture in April 2012.

Kamimine City, which is faced with an aging population, is home to a large number of elderly people that find it difficult to do everyday shopping.

While helping with the shopping of elderly customers, the company also aims to keep an eye on the health condition of these customers through the delivery of goods.

Efforts will continue to be made to contribute to the local community through initiatives that unite the company with the region.

The Daiei, Inc.

"Get Friendly with Assistance Dogs" class still going strong after 20 years

Since 1993, ten years before the Law Concerning Assistance Dogs for the Disabled came into effect which required establishments to accept disabled persons with assistance dogs (seeing eye dogs, hearing assistance dogs, and service dogs), The Daiei, Inc. has been welcoming assistance dogs (at first only seeing eye dogs) into its stores in enabling all customers to enjoy their shopping experience.

At the same time, the company launched the "Get Friendly with Assistance (Seeing Eye) Dogs" program to provide an opportunity for all to learn more about assistance dogs. By May 2013, a total of over 900 sessions have been held. The class provides basic knowledge on assistance dogs, demonstrates the type of work and training these dogs are involved in, as well as sells goods for charities, allowing customers who otherwise have little chance to interact with assistance dogs a firsthand opportunity to learn more about them.

The Daiei, Inc. has been conducting charity events for over 22 years since March 1991 in helping to foster and promote awareness of assistance dogs. In May 2013, the total amount of donations received reached 300 million yen for the first time in the grocery industry.



Human Rights / Labor Practices

Promoting Diversity

Since its founding, Aeon has recruited and hired human resources under the basic policy of treating all with fairness based solely on their skills and performance and not on nationality, gender, age, or other personal attributes.

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.



In July 2013, we established the Diversity Promotion Office and assigned a manager in charge in order to ensure that moving forward we respect the individuality of all Aeon Group employees and encourage ways to get the most out of our diverse workforce. The Diversity Promotion Office will begin by focusing on gender diversity in the workplace. Our goal is to become recognized as the best employer for females in Japan and the company where female workers most want to work.

As Aeon will further expand business in the Asia region going forward, the role of foreign staff will become increasingly more important, and with this in mind, Aeon is working hard to recruit employees of foreign nationality.

●Promoting Positive Action

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.

As of February 28, 2013, Aeon now has 33 female executive officers out of a total of 789 executive officers, including consolidated companies. The ratio of female executive officers, listed under Aeon's KPIs, currently sits at 4.2%, including two female corporate auditors.

By fiscal 2012, we had established the ratio of female executive officers as a key performance indicator, but since managers also play an important role in business decisions within the company, we have decided to create a key performance indicator for the

ratio of female managers starting with fiscal 2013. Going forward, we will implement measures aimed at achieving our targets of a 30% ratio of female managers by fiscal 2016 and a 50% ratio by fiscal 2020.

FY2012 Results and Target of KPI

Ratio of Female Executive Officers

Ratio of Female Executive Officers
= Female Executive Officers / Total Executive Officers



●Hiring Employees of Foreign Nationality

To meet the goal to expand our presence in Asian countries outlined in our three-year medium-term management plan, which started in fiscal 2011, Aeon plans actively hiring young human resources, who will form the cornerstone of future management not only in Japan, but also in China (including Hong Kong), Malaysia, Thailand, Indonesia and Vietnam.

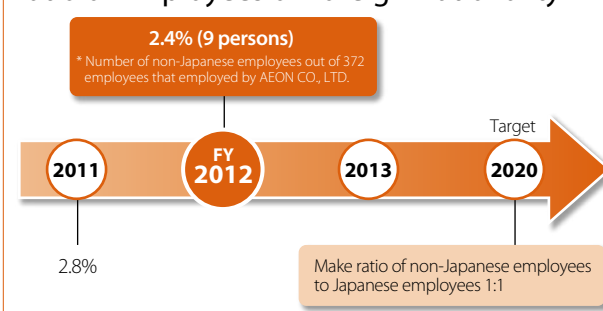
In fiscal 2012, our head office in China took the lead and began hiring employees locally in earnest. In July 2013 alone, the company hired around 700 employees. In addition, our ASEAN head office established in November 2012 is examining the hiring of around 900 employees in Malaysia and Thailand during fiscal 2013.

As of February 28, 2013, 9 out of 372 employees (2.4%) at Aeon Co., Ltd. are of foreign nationality. This measure is one of the objectives listed under Aeon's KPIs.

Going forward, Aeon will do its utmost to hire human resources in Japan, China and the ASEAN region that can take active roles on the global stage, beyond borders.

FY2012 Results and Target of KPI

Ratio of Employees of Foreign Nationality



●Employment for People with Disabilities

Aeon is working to establish conditions that allow people with disabilities to work with a sense of purpose.

In April 2013, Japan's Act on Employment Promotion etc. of Persons with Disabilities was amended and the statutory employment requirement for people with disabilities was increased from 1.8% to 2%. As of June 2013, Aeon had an employment rate of 2.05% of people with disabilities, which exceeds the revised statutory requirements. In addition, the total employment rate of people with disabilities at all Aeon Group subsidiaries also exceeded 2.0%.

At Abilities JUSCO Co., Ltd., a special subsidiary established in 1980, people with disabilities take on the challenge of realizing their own potential, working at 10 Scrum CD stores in the Tohoku region alongside able-bodied staff (as of February 28, 2013).

* Aeon Co., Ltd. has received accreditation for applying the Special Subsidiary Company System to applicable Group companies. Therefore, the ratio is reported based on the total for Aeon Co., Ltd. (parent company), Abilities JUSCO Co., Ltd. (special subsidiary company) and Aeon Retail Co., Ltd. (affiliated company).

●Promoting Equal Opportunities for Part-time Employees

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

For example, Aeon Retail Co., Ltd. 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. It also makes it possible for anyone to take on the challenge of a higher position, including willing Community Employees if they fulfill certain conditions set by the company.

* 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.

●Improving System for Employing the Elderly

Aeon Retail instituted a mandatory retirement age of 65 starting in 2007 in order to meet the needs of the company, which wants to continue employing people over the age of 60 that are highly motivated and hard working, and the needs of the worker, who want to continue working in a stable environment. In addition, today the number of consolidated subsidiaries that have instituted a mandatory retirement age of 65 has now reached 41.

As of April 2013, more than 1,500 employees (full-time) across the Aeon Group were over the age of 60. Their broad range of experience, skills and knowledge are being fully utilized in our businesses.

Human Rights-related Training

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 meetings held for human resource managers across the Aeon Group. 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.

Establishing an Education System that Supports Employee Development and Provides Equal Opportunity for Growth

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.

●Aeon Fundamental Education

This is provided for the first three years following employment with the same content Group-wide. Besides sharing Aeon's basic philosophy and set of values, the education aims to get employees to completely master the corporate culture and basic skills as Aeon people.

●Aeon Group Self Declaration Form System

This system encourages transfer within the Aeon Group beyond the framework of the company amid the many different business domains covered by the Aeon Group. In fiscal 2012, a total of 1,233 forms were submitted from employees of 54 different companies.

●Sending Personnel to Graduate Schools in Japan

Under this system, Aeon selects employees from Group companies to enter graduate school in Japan (MBA course) as a means to develop human resources that will take charge of managing the Aeon Group in the future. The aims are for them to learn specialized knowledge related to management and build networks outside of the company.

●Management Trainee System

Under this system, exceptional personnel are dispatched to Group companies across borders in Japan, China and the ASEAN region. The aims are to get the employees to learn new knowledge and skills through business experience and training overseas and to develop candidates for management at each company through employee exchange.

●Aeon Business School

The Aeon Business School provides courses for personnel to learn the knowledge necessary for the jobs they aspire to. The system supports self-actualization of motivated personnel. 10 courses were held in fiscal 2012 and up to 293 people attended.

●Overseas Training

Personnel are sent to other countries to observe the latest business conditions and store setting of local chain stores in order to understand up-to-the-minute circumstances in the retail industry overseas.

●Group Recruitment System

This system enables personnel to challenge the business and job position they aspire to without being restricted by the domain or company they belong to. In fiscal 2012, recruitment was conducted for various new businesses within AEON Retail Co., Ltd., as well as TOPVALU Collection Co., Ltd., AEON INSURANCE SERVICE CO., LTD., AEON BIG CO., LTD., and My Basket CO., LTD.

●Internal Certification Systems

Aeon has established a wide array of internal certification systems for specific jobs. Eight of these certifications have been accredited by the Ministry of Health, Labour and Welfare and recognized for their high quality.

Aeon's in-house qualifications Number of qualifications holders* (As of February 2013)

◎Fresh fish master (grade 1)	11	- Senior cycle advisor	204
◎Fresh fish master (grade 2)	1,899	- Beauty advisor	577
◎Fresh fish master (grade 3)	3,757	- Handcraft advisor	362
- Baby advisor	694	- Senior care advisor	83
- Fashion advisor	731	◎Hot deli master	2,692
- Liquor advisor	429	◎Sushi master	2,635
- Fish advisor	343	◎Farm product master	1,388
- Digital advisor	320	◎Greenery master	499
- Home appliance advisor	83	◎Gardening master	246
- General appliance advisor	52	- Checkout certification (grade 2)	2,042
◎Cycle advisor	1,325		

◎ 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 RYUKYU CO., LTD., Maxvalu Hokkaido Co., Ltd., Maxvalu Tohoku Co., Ltd., Maxvalu Tokai Co., Ltd., Maxvalu Chubu Co., Ltd., KOHYO CO., LTD., Maxvalu Nishinippon Co., Ltd., Maxvalu Kyushu Co., Ltd., MAXVALU KITA TOHOKU CO., LTD., MAXVALU MINAMI TOHOKU CO., LTD., MAXVALU KANTO CO., LTD., MAXVALU CHUKYO CO., LTD., MAXVALU NAGANO CO., LTD., MAXVALU HOKURIKU CO., LTD.

TOPICS

Aeon DNA University – training Aeon people

Aeon is a retail business group of companies that has grown to staff of over 350,000 employees in around 250 companies in Japan, China, and ASEAN. In order to stay in close contact with communities and continue providing new value through our unchanging founding principles and values handed down since Aeon's establishment, Aeon felt a need to instill the corporate DNA to new generations of employees.

In September 2012, Aeon instituted the Aeon DNA University to train the next generation of Aeon management. The seasoned executives who have experienced a variety of changes and transitions since Aeon's establishment, and who are able to lead discussions based on actual case studies, serve as the instructor. Inheritors of Aeon DNA will play a key role, as managers of the next generation, in Aeon's continuing development of new values and growth.



DNA University Class

Creating Pleasant, Comfortable Workplaces

Aeon has been a strong advocate of helping employees balance their work life with their child raising needs and has made various improvements in its policies over the years. Specifically, we strive to encourage employees raising children to take childcare leave, including fathers, to reduce their overtime work, to take annual paid leave, and to take time off to participate in parents' days at their child's school. In order to promote these initiatives further, in fiscal 2011 we established a KPI for promoting efforts for general business owner action plans (expand the number of companies certified to display the Kurumin logo) under Japan's Act for Measures to Support the Development of the Next Generation. As of fiscal 2012, the following nine companies have been certified to display the Kurumin logo.

Going forward, we will continue to implement measures aimed at this KPI.

* Aeon Group companies certified as of February 2013: AEON CREDIT SERVICE CO., LTD. and AEON Mall Co., Ltd., AEON RYUKYU CO., LTD., AEON Retail Co., Ltd., KASUMI CO., LTD., SUNDAY CO., LTD., The Daiei, Inc., Maxvalu Chubu Co., Ltd., Maxvalu Nishinoh Co., Ltd.

FY2012 Results and Target of KPI

Creating Pleasant, Comfortable Workplaces

9 companies certified to use the Kurumin logo



Employee awareness survey

From June to October 2012 an employee awareness survey on morale was conducted targeting Aeon Group employees.

The results of this survey and employee feedback will be utilized to develop our organization and systems to improve motivation and make our workplaces more employee-friendly. The results will also enable us to improve business performance by identifying the strengths and weaknesses of each company.

In fiscal 2013, we will continue to conduct this survey and compare the results with the one held in fiscal 2012. In turn, the combined results will be used to propose new measures for fiscal 2014 and beyond.

Securing Work-Life Balance

Four Career Paths for Employees [AEON Retail Co., Ltd]

AEON Retail Co., Ltd 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 differences 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.

Going forward, we will further develop our programs and systems so that female employees in particular have a workplace environment where they can thrive professionally, while achieving a work-life balance between their job and marriage or childcare.

The four career paths available to AEON Retail Co., Ltd. employees (As of February 28, 2013)

- 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

Childcare and Nursing Care Support Programs [AEON Retail Co., Ltd]

Aeon Retail Co., Ltd. makes childcare leave available for up to April 20 of the year the child enters middle school. While the legal requirement under Japan's Child Care and Family Care Leave Act is to attempt to make this available until the child enters elementary school, we have provided extra time because workers often want to take time off after that for other events in their child's life.

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.

The following chart contains data on the number of employees taking childcare or nursing care leave in fiscal 2012.

(Unit: person)

	Childcare leave	Nursing care leave
AEON Retail Co., Ltd.	980 (9)	30 (5)
Aeon Group	2,144 (16)	135 (11)

* Numbers in parentheses indicate the number of male employees taking childcare/nursing care leave

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.

Health and Safety Committees

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.

Labor Union Status

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.

The labor union has encouraged part-time employees to become members, and as of the end of February 2012, the labor union had 193,000 members, including 140,000 part-time employees. We actively work to incorporate employee feedback through workplace meetings participated in by union members.

Helping Employees Maintain or Improve Their Health

Aeon is working to ensure that all of its employees receive regular health exams and that it thoroughly conducts follow-up, which includes recommendations for additional medical screenings and work schedule adjustments based on the results of the exams, in order to properly manage employees' health in compliance with the provisions of Japan's Industrial Safety and Health Act. To help employees maintain or improve their health, we also have developed an insurance program to provide more comprehensive health exams to employees over the age of 40 that are enrolled in Aeon's corporate health insurance society. 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.

Setting Up Hotline for Employees

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.

Ongoing assistance under the theme: 'Taking Action for Great East Japan Earthquake Reconstruction - Putting Ideas into Practice'

Aeon leveraged its collective strengths following the Great East Japan Earthquake to provide assistance to those in need affected by this disaster and to offer support to the reconstruction of important social infrastructure in the region.

Under its unchanging principles of "pursuing peace, respecting humanity and contributing to local communities, centered on customers," Aeon stands committed to continuing to assist the reconstruction effort together with its customers across Japan and the people of the Tohoku region.

Together with the people of Tohoku



Hearing that people in temporary shelters were inconvenienced by stores being far away, Aeon dispatches trucks carrying goods.

March 11, 2011 – The Great East Japan Earthquake strikes We exerted our best efforts and did everything possible as a member of the local community and as a provider of life style infrastructure in local areas.

At 3:00pm, immediately after the Great East Japan Earthquake struck, Aeon set up a headquarters response team at the Makuhari head office, based on earthquake and disaster preparedness rules that lay out response protocol. Later in the day, an on-the-spot headquarters response team was established at the Tohoku Company (Sendai Office). Both of these teams took charge of efforts to help customers evacuate stores, confirm the safety of employees, and check damages to stores.

Information collected by these teams was in turn utilized to dispatch support teams and establish a system for delivering relief supplies based on disaster prevention agreements with local governments. We also took steps to ensure the safety of survivors by opening up the sales floor at certain stores as an evacuation site for the surrounding communities. To fulfill our role as an integral life style infrastructure for the local community, we reopened stores as quickly as possible, called on our customers across Japan to help the relief effort with donations, and conducted the Yellow Receipt Campaign. We also began mobile sales services to ensure access was available to our products and services.

March 2012 We launched a variety of initiatives under the theme 'Taking Action for Great East Japan Earthquake Reconstruction - Putting Ideas into Practice'

In March 2012, one year since the earthquake and tsunami struck, Aeon confirmed the resolve of Aeon people to provide ongoing assistance to the reconstruction effort with the announcement of the 'Taking Action for Great East Japan Earthquake Reconstruction - Putting Ideas into Practice' initiative. Under this, Aeon people from across Japan have taken the lead in independently promoting activities nationwide, including the 'Joining Hands Reforestation Program,' in order to replenish the trees in the disaster-affected area, and doing volunteer work together with local governments and NPOs. This 'Project Aeon Joining Hands' is slated to continue with its activities for the foreseeable future. In addition, we created the 'From Tohoku' initiative to deliver products from the Tohoku region to people across Japan via our stores and catalogues in order to help revitalize disaster-hit local economies.



Floors of a shopping center were open to disaster victims. Aeon pharmacists used store inventories to fill prescriptions for disaster victims



Truck filled with relief supplies and heading to a disaster-stricken area



Operations were restarted on the first floor of Aeon Ishinomaki store on March 31, 2011



Collecting cash donations in front of a store in Japan (March 12, 2011 – May 8, 2011)



"Gambaro (Go) Japan! Yellow Receipt Campaign" disaster-relief campaign (April 8-12, 2011)

Together with our customers



Aeon Happy Yellow Receipt Campaign for Disaster Relief continues. The campaign was expanded to three days in March 2012-2013.

Integrated Aeon Group



In order to replenish the trees lost to the tsunami in the earthquake devastated areas, Aeon started 'Joining Hands Reforestation Program' to plant 300,000 trees in a 10 year.



Aeon is working with Tohoku producers for product development. The 'Fast Fish' seasoned boneless Mackerel ('Honotori Sanma') from the Sanriku region in Tohoku

* Fast Fish: easy to cook and delicious marine products proposed and selected by the Fisheries Agency.



Catalogue sales of Tohoku Seasonal Foods Helping Tohoku reconstruction through shopping

March 2013

Expanding our support for disaster-affected areas and creating a new store development initiative that capitalizes on the lessons of the earthquake and tsunami disaster

Starting in 2013, we launched the 'Children's Dream Program' organized by the Aeon 1% Club. This program was set up to teach children in the Tohoku region that it is important to have a dream for the future and features school visits, concerts, and speeches by famous athletes, writers and musicians. At the same time, Aeon, too, has begun a new store development initiative called 'Smart Aeon', utilizing the lessons it learned from the Great East Japan Earthquake. 'Smart Aeon' has a focus on 'towns' and 'communities,' working with local communities for energy efficiency and provision of safe and reliable support in face of emergencies, such as large-scale natural disasters. We plan on enabling 100 Aeon stores across Japan to serve as local temporary shelters in the event of an emergency by the year 2020 as part of 'Protection Strategy' (see page 59).

Support performance of 2013 of February

Amounts of Contributions and Donations in Kind

Approximately 5.4 billion yen

Donation amount inside, had you approach from customers 1.45 billion yen (As of May 2013)

Employees who participated in the disaster area volunteer

Total 990 persons

Employees who participated in volunteer activities in the company and around

Total 5,334 persons

Total contributions of Aeon Happy Yellow Receipt Campaign for Disaster Relief

443 million yen (As of May 2013)

The number of tree planted in the affected area

19,200 trees

"Tohoku Reconstruction WAON" issue number

33,000 cards

'Fast Fish' sales in Tohoku produced raw materials use

Pack more than one million



The WAON for Tohoku Restoration card was issued in May 2012. 0.1% of the sales amount is donated to children in these disaster affected regions.



Aeon started 'Aeon Hometown Foster Parents' for Reforestation, allowing customers to take home seedlings of trees.



Aeon employees have continued volunteer efforts to work along with local governments and NPOs. In fiscal 2012, around 600 Aeon people took part in volunteer activities, in fiscal 2013, 700 people are planning to take part in volunteer activities.



Helping children who were affected by the Great East Japan Earthquake to hold on to their dream, in the field of sport, literature, and music.



We are implementing efforts to convey the importance of forest and green.

Aeon has been engaged in a charity project to screen the documentary film Utagokoro in theaters in 16 locations throughout Japan.



Corporate Governance

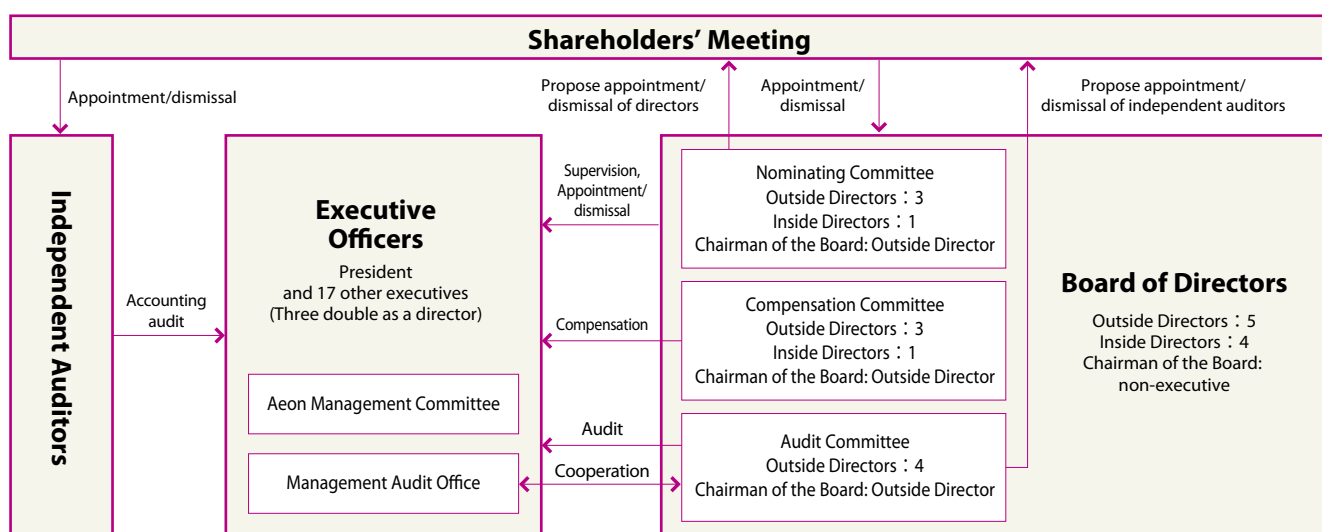
Basic Approach

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

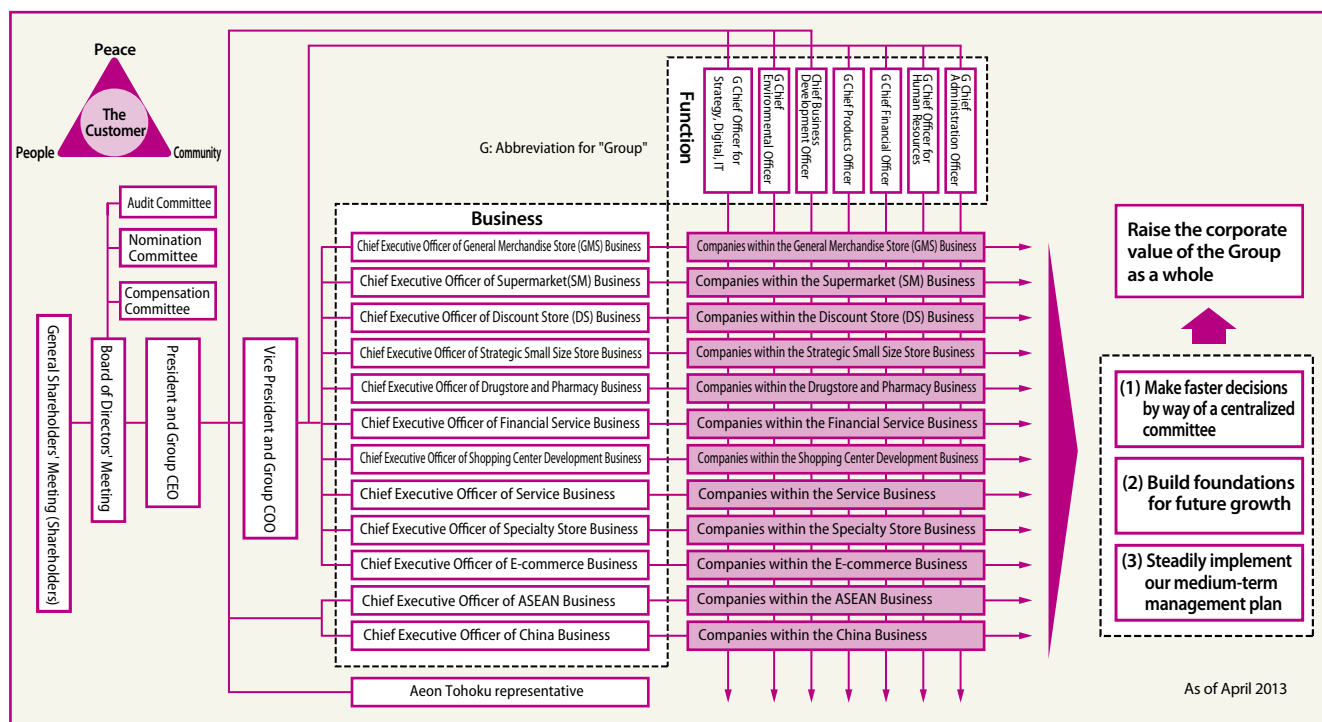
Corporate Governance Framework

Aeon operates under the 'Company with Committees' system of corporate governance. Supervisory and executive functions of management have been clearly divided, with supervisory functions assigned to directors and executive functions fulfilled by executive officers. Executive officers have been given wide-ranging authority to work toward the realization of our medium-term and long-term goals, which serves to facilitate timely managerial decisionmaking. We have also established the Audit Committee, Nomination Committee and Compensation

Corporate Governance Framework (As of May 30, 2013)



Group Management Structure



Committee, each comprised of a majority of outside directors, in order to strengthen management oversight, ensure transparency and objectivity, and enhance shareholder returns.

Board of Directors' Meeting and Corporate Committees

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

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.

Group Management

Under the unchanging premise of its Customer-First philosophy, Aeon's Group management seeks to harmonize its strong operating companies, which are located closest to its customers, with its pure holding company, which can respond agilely to a myriad of changes in operating environment, in order to maximize the value it provides to its customers. This also represents the key to unlocking the Group's continuous development.

By transitioning to a pure holding company structure as part of our group management reform, we will be able to (1) make faster decisions by way of a centralized committee, (2) build foundations for future growth, and (3) steadily implement our medium-term management plan. This structure will also enable us to seek even greater corporate value for the entire Aeon Group through Groupwide strategic planning, optimum allocation of management resources, generation of Group-wide synergies and adherence to basic principles.

Basic Approach

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

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

Response to Incidents, Accidents and Natural Disasters

Aeon's Risk Management Rules has been established to set out the reporting route and response procedures in the case of an incident, accident or natural disaster, so that the Group General Affairs Department can immediately set up a response headquarters, and the subsequent impact can be minimized.

A natural disaster response system has been established in which the situation of each Group company and store is reported over the Company's intranet or the Internet, and information is promptly shared with each Group company and the response headquarters. In addition, certain Group companies, including Aeon Co., Ltd. and Aeon Retail Co., Ltd., have implemented an emergency call system in which information is immediately reported to the Company's management team and the safety of employees is confirmed whenever an earthquake measuring greater than 6 on Japan's seismic intensity scale occurs.

Compliance and Corporate Ethics

Basic Rules

—Aeon Code of Conduct

Aeon established the Aeon Code of Conduct in 2003 in order to express the Aeon Basic Principles in terms of a specific set of guidelines. Education and training on the code, establishment of a 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.

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

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

Promotion Framework

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

Companies in the Aeon Group have appointed managers in charge of promoting the code of conduct and have established administrative offices for the same purpose. These managers conduct training at their respective companies, conduct fact-finding investigations for 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.

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

Implementing the Aeon Code of Conduct Survey

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

In fiscal 2012, we added questions within the morale survey in Japan and received 81,776 responses from 65 Group companies in Japan, representing an increase of 411.2% in response rate compared with the previous year. In China and the ASEAN region, we instituted a web-based format and received 25,673 responses from 26 Group companies, representing an increase of 120.3% in response rate in year-on-year terms. This significant increase in responses from both Japan and overseas helped us to better ascertain employee attitudes and inclinations.

Promoting Corporate Ethics at Group Companies Overseas

Aeon has been conducting compliance training, establishing hotlines and instituting monitoring systems at Aeon Group companies overseas since 2006.

In fiscal 2012, 36 Group companies from China and ASEAN nations participated in executive management training in order to further share and boost mutual understanding of Aeon's strategies and policies. An orientation on the Aeon Code of Conduct was also given to employees of 8 new companies that joined the Aeon Group in order to educate them about Aeon's history and values.

We have strengthened our compliance promotion structure at our head office in China, which has been growing exponentially, and began fully implementing this structure in fiscal 2013.

TOPICS

Utilizing a Picture Book to Share the Aeon Basic Principles

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

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

Education and Training

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

● Training for Executive Management (since 2003)

Executive management from Group companies learns about and shares the situation surrounding corporate ethics and risk management both within and outside their own respective companies. The curriculum aims to empower participants with the ability to make their own decisions based on the Aeon Code of Conduct and to lead as well as set a precedent for general employees.

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

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

● General Training (since 2006)

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

● Training for New Employees (since 2004)

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

Creating Support and Awareness-Raising Tools

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

For example, the monthly Aeon Code of Conduct Newsletter presents issues reported or consulted on via the Aeon Code of Conduct hotline, reports on the results of training programs, and conveys Aeon's values through excerpts from the writings of our founder. Every month 270,000 copies are printed and distributed to employees of Aeon Group companies.

The newsletter has been very well received by employees, promoting some to revisit to code of conduct and take advantage of the hotline.

Environmental Management

Environmental Policy System

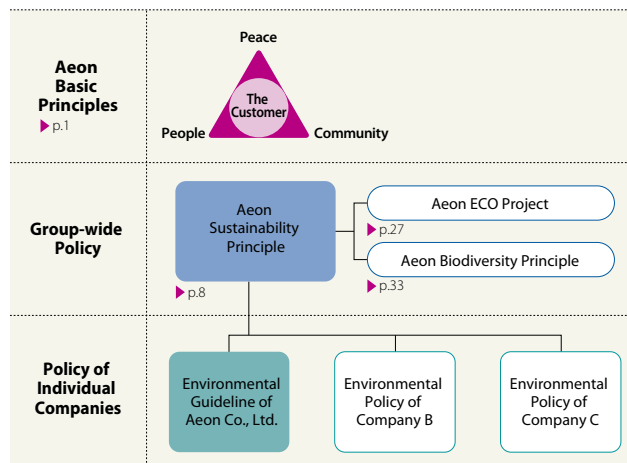
Aeon established the Aeon Sustainability Principle in line with the Aeon Basic Principles as the fundamental policy that governs the environmental and social contribution activities that all Aeon Group companies should take part in. In addition, the Aeon ECO Project and the Aeon Biodiversity Principle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

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

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

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

Environmental Policy System



Environmental Guideline*

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

We also operate an environmental management system to execute measures, perform regular reviews, and promote continual improvements.

- We will strive to reduce the emission of greenhouse gases in all of our business activities in order to realize a low-carbon society.
 - We will continually improve the energy efficiency of our stores.
 - We will strive to reduce the emission of greenhouse gases in all phase of our products' supply chain.
- We will promote conservation activities and ascertain the benefits and impact of our business activities on natural ecosystems.
 - We will strive to develop and procure products that use properly managed resources in consideration of sustainability.
 - We will promote tree planting and raising activities as well as undertake activities that safeguard the ecosystems of local communities.
- We will strive to implement resource conservation and resource recycling initiatives in order to use resources in a sustainable manner.
 - We will promote "reduce, reuse and recycle" for all the resources we use.
 - We will strive to select raw and general materials that have less of an impact on the environment.
- We will comply with environmental related laws, ordinances and regulations, and strive to prevent pollution. In addition, we will widely make public and spread awareness of this policy to our employees and all stakeholders who support our business activities.
- We will develop partnerships with many stakeholders, including our customers, and widen the reach of our initiatives.

Enacted March 1, 2011
Motoya Okada
President
Aeon Co., Ltd.

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

ISO Certification

As of February 28, 2013, 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, 2013)

		● ISO9001 ● ISO14001	
AEON CO., LTD.	●	AEON Mall Co., Ltd.	●
AEON Retail Co., Ltd.	●	AEON KYUSHU CO., LTD.	●
AEON SUPERCENTER Co., Ltd.	●	AEON CREDIT SERVICE CO., LTD.	● ●
MAXVALU MINAMI TOHOKU CO., LTD.	●	AEON RYUKYU CO., LTD.	●
MAXVALU KITA TOHOKU CO., LTD.	●	Maxvalu Kyushu Co., Ltd.	●
MAXVALU KANTO CO., LTD.	●	Maxvalu Hokkaido Co., Ltd.	●
MAXVALU CHUKYO CO., LTD.*	●	AEON DELIGHT CO., LTD.	● ●
MAXVALU NAGANO CO., LTD.	●	LAURA ASHLEY JAPAN CO., LTD.	●
MAXVALU HOKURIKU CO., LTD.	●	Mega Sports Co., Ltd.	●
Aeon Integrated Business Service Co., Ltd.	●	COX CO., LTD.	●
AEON BIG CO., LTD.	●	Maxvalu Tokai Co., Ltd.	●
My Basket CO., LTD.	●	Research Institute For Quality Living Co., Ltd.	● ●
Maxvalu Tohoku Co., Ltd.	●	AEON Hokkaido Corporation	●
AEON FOOD SUPPLY Co., Ltd.	●	AEON GLOBAL SCM CO., LTD.	●
Maxvalu Nishinihon Co., Ltd.	●	Guangdong JUSCO Teem Stores Co., Ltd.	● ●
Maxvalu Chubu Co., Ltd.*	● ●	Qingdao AEON Dongtai Co., Ltd.	● ●

* In March 2013, Maxvalu Chubu Co., Ltd. was merged MAXVALU CHUKYO CO., LTD.

Wastewater Management

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

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

Environmental Education

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

Since fiscal 2008 we have encouraged employees to take the Certification Test for Environmental Specialists® (Eco Test)*. Department managers at the head office and higher ranked personnel as well as store managers and others take the test. To date, a total of 6,388 (591, fiscal 2012) out of 10,184 (1,589, fiscal 2012) Aeon personnel who took the test 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 the environmental management system. As of February 2013, a total of 1,718 employees (78, fiscal 2012) 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 Specialist Certification

Environmental Management

Environmental Accounting

Category	Accounting items	Aeon Group		
		Environmental conservation costs (Yen)	Economic benefits of environmental conservation (Yen)	Environmental conservation benefits (t-CO ₂)
Realization of a Low-carbon Society	Installation cost for photovoltaic power systems	51,789,000	5,072,108	94,525.9
	Investments in energy efficient equipment for Smart Aeon stores*	0	0	0.0
	Investments in energy efficient equipment for new stores other than Smart Aeon stores*	560,545,614	211,412,097	6,333.1
	Adoption cost of CO ₂ refrigerant at new stores	216,234,033	20,259,254	83.3
	Investments in energy efficient equipment at existing stores*	1,393,259,659	411,102,790	1,396,263.5
	Installation of LED lighting at existing stores	21,768,870,524	3,373,521,050	1,092,460.3
	Visualization of energy usage at existing stores	73,590,390	54,516,028	1,039.1
	Costs associated with energy management seminars (participation)	9,437,840	0	0.0
	CFC filling costs	135,668,555	0	0.0
Total		24,209,395,615	4,075,883,327	2,590,705.2
Conservation of Biodiversity	Aeon Hometown Forest program implementation costs	61,041,330	0	0.0
	Aeon Hometown Forest program tree planting festival	20,248,578	0	1,193
	Cost of regular maintenance for planted zones	63,556,627	0	0.0
Total		144,846,535	0	1,193
Better Use of Resources	Payment of third-party processing required under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	632,813,680	0	0.0
	Operating costs for home appliance recycling program	89,053,514	0	0.0
	Payment of 2 yen to customers who declined plastic bags	537,144,999	518,169,594	0.0
	Processing cost of recyclables collected in-store	377,188,471	195,833,129	0.0
	Processing cost of recycling of food residue	335,736,957	0	0.0
Total		1,971,937,621	714,002,723	0.0
Addressing Social Issues	Contributions to the Aeon Happy Yellow Receipt Campaign	265,948,547	0	0.0
	Activity costs of the Aeon Cheers Club	3,569,328	0	0.0
Total		269,517,875	0	0.0
Environmental Communication	Cost of preparing the Aeon Environmental and Social Report	4,512,480	0	0.0
	Operating costs of environmental website	1,760,000	0	0.0
	Cost of operating or exhibiting at environmental events	9,221,250	0	0.0
	Environmental advertising (external)	192,352,797	0	0.0
	Cost of Eco Test	6,928,476	0	0.0
	Membership dues in and donations for environmental organizations	84,665,388	0	0.0
Total		299,440,391	0	0.0
Environmental Management	Processing cost of waste generated by stores and offices	4,784,600,679	0	0.0
	Maintenance of pollution prevention equipment and devices (including inspections and testing)	815,893,508	0	0.0
	Personnel costs	216,422,980	0	0.0
	Operating cost of environmental management system	29,774,173	0	0.0
	Costs for preventing environmental accidents and for restoring in case of accident	10,545,110	0	0.0
	Cost of organizing waste management seminars	122,460	0	0.0
Total		5,857,358,910	0	0.0

* Standard equipment included in the energy efficiency implementation plan established by the General Affairs Division

See the table below for the companies covered in each segment.

	GMS (includes some SM and SuC)			Supermarkets			Discount stores		
	Subtotal			Subtotal			Subtotal		
	Environmental conservation costs (Yen)	Economic benefits of environmental conservation (Yen)	Environmental conservation benefits (t-CO ₂)	Environmental conservation costs (Yen)	Economic benefits of environmental conservation (Yen)	Environmental conservation benefits (t-CO ₂)	Environmental conservation costs (Yen)	Economic benefits of environmental conservation (Yen)	Environmental conservation benefits (t-CO ₂)
	47,989,000	822,108	25.9	3,800,000	4,250,000	94,500.0	0	0	0.0
	0	0	0.0	0	0	0.0	0	0	0.0
	81,000,000	6,102,945	213.6	479,545,614	205,309,152	6,119.5	0	0	0.0
	0	0	0.0	216,234,033	20,259,254	83.3	0	0	0.0
	1,084,043,600	131,853,687	2,873.9	306,466,059	279,249,103	1,393,389.6	2,750,000	0	0.0
	20,140,947,426	3,166,245,535	88,517.0	1,627,923,098	207,275,515	1,003,943.3	0	0	0.0
	40,047,000	37,772,000	1,038.6	33,543,390	16,744,028	0.5	0	0	0.0
	9,288,000	0	0.0	121,980	0	0.0	27,860	0	0.0
	86,389,450	0	0.0	36,554,945	0	0.0	12,724,160	0	0.0
	21,489,704,476	3,342,796,275	92,669.0	2,704,189,119	733,087,052	2,498,036.2	15,502,020	0	0.0
	8,624,140	0	0.0	52,417,190	0	0.0	0	0	0.0
	9,256,383	0	1193	10,992,195	0	0.0	0	0	0.0
	28,772,552	0	0.0	32,822,121	0	0.0	1,961,954	0	0.0
	46,653,075	0	1193	96,231,506	0	0.0	1,961,954	0	0.0
	367,125,588	0	0.0	248,615,685	0	0.0	17,072,407	0	0.0
	81,948,893	0	0.0	135,000	0	0.0	6,969,621	0	0.0
	343,286,210	383,231,583	0.0	173,980,885	134,938,011	0.0	19,877,904	0	0.0
	152,474,051	61,543,444	0.0	216,752,004	134,289,685	0.0	7,962,416	0	0.0
	44,662,189	0	0.0	192,711,768	0	0.0	98,363,000	0	0.0
	989,496,931	444,775,027	0.0	832,195,342	269,227,696	0.0	150,245,348	0	0.0
	217,668,817	0	0.0	43,492,130	0	0.0	4,787,600	0	0.0
	3,410,923	0	0.0	158,405	0	0.0	0	0	0.0
	221,079,740	0	0.0	43,650,535	0	0.0	4,787,600	0	0.0
	463,900	0	0.0	4,048,580	0	0.0	0	0	0.0
	0	0	0.0	1,760,000	0	0.0	0	0	0.0
	8,263,755	0	0.0	957,495	0	0.0	0	0	0.0
	7,116,082	0	0.0	185,236,715	0	0.0	0	0	0.0
	4,349,620	0	0.0	2,488,230	0	0.0	90,626	0	0.0
	26,500,710	0	0.0	55,817,641	0	0.0	2,347,037	0	0.0
	46,694,067	0	0.0	250,308,661	0	0.0	2,437,663	0	0.0
	3,615,662,866	0	0.0	1,076,790,698	0	0.0	92,147,115	0	0.0
	416,193,126	0	0.0	344,148,434	0	0.0	55,551,948	0	0.0
	116,885,227	0	0.0	95,533,675	0	0.0	4,004,078	0	0.0
	14,060,628	0	0.0	15,581,485	0	0.0	132,060	0	0.0
	4,888,000	0	0.0	5,570,306	0	0.0	86,804	0	0.0
	48,000	0	0.0	53,900	0	0.0	20,560	0	0.0
	4,167,737,847	0	0.0	1,537,678,498	0	0.0	151,942,565	0	0.0

Companies covered: Aeon Retail, AEON RYUKYU, Aeon Hokkaido, Aeon Kyushu, Aeon Supercenter

Companies covered: MV Hokkaido, MV Tohoku, MV Tokai, MV Chubu, MV Nishinoh, MV Kyushu, MV KITA TOHOKU, MV HOKURIKU, MV MINAMI TOHOKU, MV KANTO, MV NAGANO, MV CHUJIKYO, KOHYO, SANYO MARUNAKA (MV: MAXVAL U)

| Companies covered: AFON BIG

Strengthening Our CSR Platform

Environmental Management

FY2012 ISO 14001 Targets and Performance

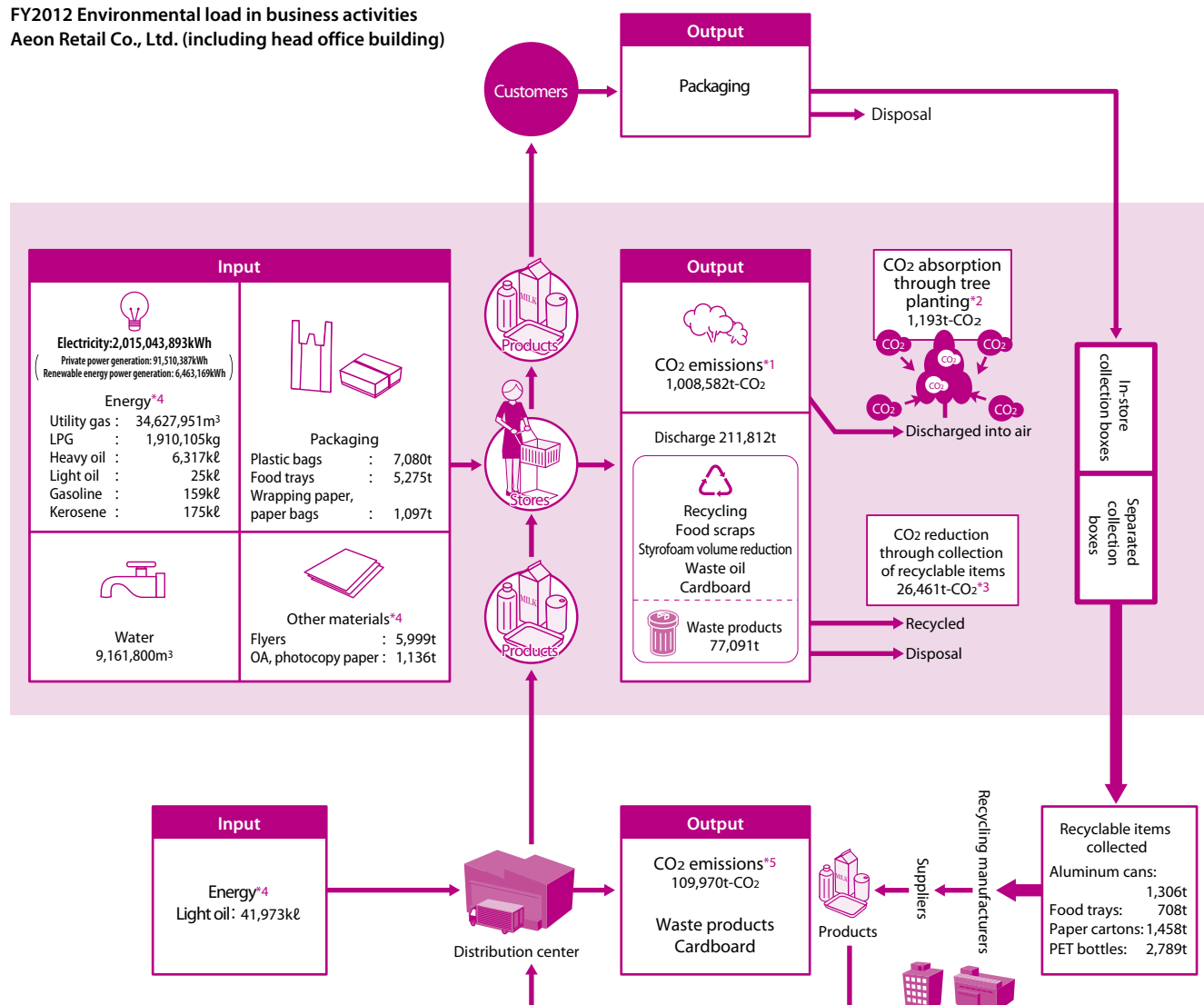
AEON Retail Co., Ltd., Maxvalu six companies*, AEON SUPERCENTER Co., Ltd., AEON BIG CO., LTD.

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

Environmental Policies	Category	Targets	Performance	Percentage over target	Evaluation	Department responsible
Realization of a Low-carbon Society	Stores	Reduction of electricity consumption	FY2011 Results: 2,228,278 thousand kWh FY2012 Target: 2,086,655 thousand kWh FY2012 Results: 2,113,695 thousand kWh * Total for AEON Retail Co., Ltd., MaxValu Co., Ltd., 6companies, AEON SUPERCENTER Co., Ltd., and AEON BIG CO., LTD.	Stated target: 101.3% Comparison last year: 94.9%	△	• General Affairs Division (Facility Management Group)
		To promote Eco Store of new stores and existing stores	Smart Aeon concept developed Concept embodied AEON Mall Yahatahigashi, AEON Mall Osaka Dome City, Maxvalu shinhfunabashi	–	◎	• Construction Department • General Affairs Division (Facility Management Group)
	Products	Sales of environment-friendly products	MSC: Domestic most 13 fish species, 21 kinds sale (February 28, 2013)	–	Evaluation for each department	• Each product division
			SELF + SERVICE, expand the PB products carbon offset Conducted collection of clothing	110.9% of previous year	Evaluation for each department	• SELF+SERVICE Department
Better Use of Resources	Stores	Reduction of the amount of material	FY2011 Results: 9,234,431kg FY2012 Target: 8,222,858kg FY2012 Results: 9,046,334kg * Total for AEON Retail Co., Ltd., MaxValu Co., Ltd., 6companies, AEON SUPERCENTER Co., Ltd., and AEON BIG CO., LTD.	Stated target: 110.0% Comparison last year: 98.0%	△	• General Affairs Division • Department of Environment and Social Contribution
		Maintain food waste-to-sales ratio at below 0.5%	FY2011 Results: 0.61% FY2012 Target: 0.48% FY2012 Results: 0.55% * Average Value of AEON Retail Co., Ltd., MaxValu Co., Ltd., 6companies, AEON SUPERCENTER Co., Ltd., and AEON BIG CO., LTD. (AEON SUPERCENTER Co., Ltd. achieved)	Stated target: 109.6% Comparison last year: 89.4%	△	• Store Operations Department • Food Products Division
Conservation of Biodiversity	With Customers	Continuation of tree planting activities and education activities tree "Aeon Hometown Forests Program"	• Management skill improvement at the local training and management development manual • Creating a separate store management book • Planned implementation of the budget and maintain simple settings by store	–	◎	• Construction Department • Department of Environment and Social Contribution
Pollution Prevention	Stores	Thorough cleaning grease traps, to comply with effluent water quality standards	• First voluntary standards violation stores: 11 stores down. • Concrete measures against violation stores advance	Violation rate: 4.4 % decrease	△	• General Affairs Division (Facility Management Group) • Department of Environment and Social Contribution
In general	Management	Establishing an environmental management system for small stores.	• Creating a procedure manual for stores, headquarters for. And, began the operation of the store. • To the development of management system has not been.	–	△	• General Affairs Division (Facility Management Group) • Department of Environment and Social Contribution

* MAXVALU KITA TOHOKU CO., LTD., MAXVALU MINAMI TOHOKU CO., LTD., MAXVALU KANTO CO., LTD., MAXVALU CHUKYO CO., LTD., MAXVALU NAGANO CO., LTD., MAXVALU HOKURIKU CO., LTD.

FY2012 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. Calculated using the CO₂ emission coefficient (2.62t-CO₂/kl) for light oil.

^{*2} Calculated based on the group-wide total number of trees planted under the "Aeon Hometown Forest" program.

^{*3} Calculated based on the 3R basic unit method (Waste Management and Recycling Department, Ministry of the Environment; March 2013).

^{*4} Calculated by multiplying the ratio of Aeon Retail by the total energy used by Aeon Global SCM.

^{*5} Calculated using the CO₂ emission coefficient (2.62t-CO₂/kl) for light oil.



Dr. Naoki Adachi, CEO

Response Ability, Inc.

After reading the Aeon Environmental and Social Report, I discovered once again that the Aeon Group, which stands as the largest retail group in Japan and Asia, has responded to the many expectations that society places in companies in a very wide-reaching, yet in a meticulous manner. In the Top Message section, President Okada speaks of the “need to give attention to a variety of issues endangering a healthy and sustainable society” in order to achieve the dual objectives of ‘Aeon Group growth’ and ‘Societal development,’ and I feel that these words have permeated the company’s daily business activities. Of course, Aeon is still unable to fully and completely cover and address all of the issues it faces, but when you consider the size of the Aeon Group and the sheer volume of products it carries on a daily basis, it is quite extraordinary that the company is attempting to address such a wide range of issues. In this regard, I highly commend the Aeon Group’s level of commitment.

Achieving true sustainability requires that the company’s initiatives be broadened in scope and number. Specifically, Aeon is in the process of shifting its business focus to Asia where the entire market is seeing robust growth, and so it will have to answer the question of how to secure the products, and the raw materials and the ingredients needed for those products. As demonstrated by the recent stories of the river eel (unagi), fishery resources are fast approaching their quantitative limitations. Many of Aeon’s products are made possible by nature’s bounty, and this is why it will be critical for Aeon and the sustainability of its business to find ways to conserve and enhance the natural resources that it depends on.

Given these themes, the retail industry may feel that these goals are too distant for them to work on themselves, but there are plenty of opportunities for Aeon to do this. For example, Aeon’s tree planting activities, which began back in 1991, will reach a major milestone this year as the ten millionth tree will be planted. I recognize that Aeon’s emphasis has been to restore trees in local communities, but going forward I recommend that this be expanded to include restoring local ecosystems and their functions. Such activities will also be beneficial to promoting the understanding of local residents toward the importance of ecosystems playing as “natural capital” that produces natural bounties.

At the same time, Aeon can encourage a shift to more sustainable raw materials and ingredients by developing its procurement policy. Aeon already has carried products that use raw materials or ingredients certified by internationally recognized organizations such as FSC and MSC. I would like Aeon to increase the number of TOPVALU products made from such sustainable materials. The ultimate goal should be for all of its raw materials and ingredients to be sustainably produced. This is because making all raw materials and ingredients sustainable will be required for truly sustainable products and consumption.

Of course, such an undertaking cannot be done by Aeon alone. Aeon must exhibit leadership over product manufacturers and producers both in Japan and abroad, and lead the market. This will be no easy task, but not impossible for Aeon who has already shown its strong sense of responsibility for its lineup of private brand products.

I would also like Aeon to focus on educating customers as well, to ensure that they understand and support the value of products that use sustainable ingredients and raw materials. If Aeon can increase the number of customers in Japan and Asia that select products for peace of mind and not simply price alone, then I believe we will be able to take another step toward achieving a truly sustainable society.

Profile

Dr. Naoki Adachi, CEO of Response Ability, Inc., studied in the Faculty of Science of the University of Tokyo and received a doctor’s degree in Ecology from the University of Tokyo’s Graduate School. After researching tropical forests at the National Institute for Environmental Studies (NIES) and the Forest Research Institute Malaysia (FRIM), he became a consultant. His areas of specialty are “business and biodiversity” and “responsible procurement (supply chain management).” He holds several additional positions, including serving as a standing committee member of the Ecological Society of Japan, advisor to the Sustainable Management Forum of Japan, executive director of the Japan Business Initiative for Biodiversity (JBIB), and member of the Ministry of the Environment’s Committee on Biodiversity Private Sector Activities Guidelines.

Group Chief Environmental Officer's Commitment



Yukio Ishizuka

Group Chief Environmental
Officer
AEON CO., LTD.

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

The basic principle representing the shared philosophy and action of all the people of the Aeon Group the world over is 'pursuing peace, respecting humanity and contributing to local communities, centered on customers.' In 2012, Aeon expanded the 'Aeon Happy Yellow Receipt Campaign' to China, and the 'Aeon Cheers Club' to Malaysia, both of which activities started in Japan. As part of our recognition of our social responsibility in Japan, our support for reconstruction following the Great East Japan Earthquake is ongoing. In 2013, the number of trees planted in Aeon's Tree planting Activities in Japan and overseas since 1991 will exceed 10 million. These activities and efforts embody the fundamental Aeon principles.

In March 2011 Aeon instituted the "Aeon Sustainability Principle."

With four priorities: 1) realization of a low-carbon society, 2) conservation of biodiversity, 3) better use of resources, 4) addressing social issues. A system of Key Performance Indicators (KPI) was devised to quantitatively apprehend achievement in each priority area, and we instituted practices to determine performance of medium-term goals set for fiscal 2013 and long-term goals for up to fiscal 2020. The KPI progress is reported annually on the website in the report to stakeholders. (the 2013 report will be available in September, 2013).

Through dialogue with our diverse stakeholders, Aeon will continue to seriously confront environmental and societal issues associated with our business activities, to strengthen our capabilities in sustainable management and to achieve a sustainable society.

Primary environmental conservation and social contribution activities

- 1965** Donation of 1,000 cherry trees to the city of Okazaki at the opening of the Okazaki Okada 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, at Jaya JUSCO 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 Aeon Hisai) – the first store in Japan under the Aeon Hometown Forests Program
- 1993** Started development of organic and other agricultural produce as the Gurinai (now known as TOPVALU Gurinai) 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
- 1997** Founded the JUSCO Children's Eco Club (now known as the Aeon Cheers Club)
- 1998** The Aeon Group Environment Foundation conducted the 1st tree planting project to revitalize the forests at the Great Wall of China
- 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 TOPVALU supplier management and Aeon headquarters 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, 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** Stop Free Plastic Shopping Bag Program 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 CO₂
"Aeon Clean Japan" campaign started as an initiative to mark Aeon's 250th anniversary
Ran a carbon offsetting campaign for the CO₂ produced when delivering year-end gifts
Fifth Eco Store, Taki Crystal Town CS, Sixth Eco Store, Aeon Tomakomai SC, Seventh Eco Store, Aeon Laketown, Eighth Eco Store, Aeon Hiezu, 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
- 2010** Established Aeon Biodiversity Policy
The "Tree planting project to revitalize the forests at the Great Wall of China" by the Aeon Environmental Foundation, the number of seedlings planted had reached one million
MIDORI Prize for Biodiversity Established by the Aeon Environmental Foundation
- 2011** Established the Aeon Sustainability Principle
Eleventh Eco Store, The Aeon Itamikoya Shopping Center, opens
- 2012** Twelfth Eco Store, Aeon Mall Funabashi, opens
Developed KPI System
Developed Aeon China CSR Principles
Established the Sustainable Management Committee
Started Aeon ECO project

GRI Guidelines Indicators

Section	Index	Aeon Environmental and Social Report (2013)
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 Top Message
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.20-22, 55-56 TOPVALU
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	p.5-6 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.5-6 Aeon Group's Business p.15-16 CSR activities that are carried out in each country and the number of store openings around the world
2.6	Nature of ownership and legal form	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	p.15-16 CSR activities that are carried out in each country and the number of store openings around the world
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.5 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)	September 18, 2012
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:	
	• Determining materiality	p.2 Editorial Policy
	• Prioritizing topics within the report	p.2 Scope of report
	• Identifying stakeholders the organization expects to use the 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.75-76 Environmental Accounting p.77 ISO14001 Targets and Performance p.78 Flow of Environmental Impact in Business Activities
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)	
3.11	Significant changes from previous reporting periods in the scope, parameters, or measurement methods applied in the report	p.23-26 Reports on the status of implementation of the KPI
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report	p.81-86 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.79 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.69-70 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 Top Message
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.69-70 Corporate Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governing body.	p.60 Part-time employees also join the labor union p.69-70 Corporate Governance p.71 Code of Conduct Hotline
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.69-70 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.	p.69-70 Corporate Governance
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.1 Aeon Basic Principles p.8 Aeon Sustainability Principle p.71 Aeon Code of Conduct p.73 Aeon Environmental Guideline
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.7 Joining the Global Compact p.53 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.70 Risk Management p.71-72 Compliance
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	p.7 Joining the Global Compact p.53 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.8 Aeon's Sustainable Management
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	p.21 TOPVALU Product Development and Distribution p.60 System of Dialog with Customers

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	

GRI Guidelines Indicators

Aspect: Market Presence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	p. 52 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.2, 36, 38 Aeon Environmental Foundation p.2 Aeon 1% Club p.43-51 Community Involvement p.54 Fair Trade p.57-59 Consumer Issues (Store Safety and Security) p.67-68 Aeon's Response to the Great East Japan Earthquake
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	
Environmental		
	Disclosure(s) on Management Approach	p.8 Aeon Sustainability Principle p.23-24 Reports on the status of implementation of the KPI p.73 Aeon Environmental Guideline
	Goals and Performance	p.23-26 Reports on the status of implementation of the KPI p.27 Aeon ECO Project p.77 ISO14001 Targets and Results
	Policy	p.8 Aeon Sustainability Principle p.27 Aeon ECO Project p.33 Aeon Biodiversity Principle p.73 Aeon Environmental Guideline p.77 ISO14001 Targets and Performance
	Organizational Responsibility	p.73-78 Environmental Management p.80 Group Chief Environmental Officer's Commitment
	Training and Awareness	p.74 Environmental Education
	Monitoring and Follow-up	
	Additional Contextual Information	p.75-76 Environmental Accounting p.78 Flow of Environmental Impact in Business Activities
Environmental Performance Indicators		
Aspect: Materials		
EN1	Materials used by weight or volume	p.78 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.23-24 Reports on the status of implementation of the KPI p.78 Flow of Environmental Impact in Business Activities
EN4	Indirect energy consumption by primary source	p.23-24 Reports on the status of implementation of the KPI p.78 Flow of Environmental Impact in Business Activities
EN5	Energy saved due to conservation and efficiency improvements	p.23-24 Reports on the status of implementation of the KPI p.77 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.27-30 Reduce CO ₂ Emissions in Stores
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	p.27-30 Reduce CO ₂ Emissions in Stores
Aspect: Water		
EN8	Total water withdrawal by source	p.78 Flow of Environmental Impact in Business Activities
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	p.33-37 Conservation of Biodiversity
EN13	Habitats protected or restored	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	p.33 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.78 Flow of Environmental Impact in Business Activities
EN17	Other relevant indirect greenhouse gas emissions by weight	p.32 Scope3 Emissions p.78 Flow of Environmental Impact in Business Activities
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	p.27-30 Reduce CO ₂ Emissions in Stores p.78 Flow of Environmental Impact in Business Activities

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	p.74 Wastewater Management
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.29 Eco Stores p.31 Carbon footprint initiatives p.31 Carbon offsets p.33 MSC certification (marine eco-label)/FSC certification p.34 TOPVALU Gurinai p.41 Plastic bag Reduction p.41 TOPVALU KYOKAN SENGEN
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	p.40 Recycling Food Product Waste p.41 TOPVALU KYOKAN SENGEN
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.30-31 Logistics Initiatives
Aspect: Overall		
EN30	Total environmental protection expenditures and investments by type	p.75-76 Environmental Accounting
Social Performance Index		
Labor Practices and Decent Work (Fair Employment Conditions)		
	Disclosure(s) on Management Approach	p.25 Reports on the status of implementation of the KPI
	Goals and Performance	p.25-26 Reports on the status of implementation of the KPI
	Policy	p.8 Aeon Sustainability Principle p.62 Basic Principales on Personnel p.71 Aeon Code of Conduct
	Organizational Responsibility	p.62-64 Human Rights p.65-66 Labor Practices p.71-72 Compliance
	Training and Awareness	p.63 Human Rights-related Training p.64 Education System p.71-72 Compliance
	Monitoring and Follow-up	p.71-72 Compliance
	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	

GRI Guidelines Indicators

Aspect: Training and Education		
LA10	Average hours of training per year per employee by employee category	
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.64 Education System
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	
LA14	Ratio of basic salary of men to women by employee category	
Human Rights		
	Disclosure(s) on Management Approach	p.25 Reports on the status of implementation of the KPI
	Goals and Performance	p.7 Joining the Global Compact p.25-26 Reports on the status of implementation of the KPI p.52 Aeon Supplier Code of Conduct p.53 SA8000
	Policy	p.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 SA8000 p.62 Basic principles on personnel
	Organizational Responsibility	p.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 SA8000 p.62-63 Human Rights
	Training and Awareness	p.52 Aeon Supplier Code of Conduct p.53 SA8000 p.62-63 Human Rights
	Monitoring and Follow-up	p.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 SA8000
	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.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 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.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 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.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 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.7 Joining the Global Compact p.52 Aeon Supplier Code of Conduct p.53 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	p.25 Reports on the status of implementation of the KPI
	Goals and Performance	p.25-26 Reports on the status of implementation of the KPI
	Policy	p.8 Aeon Sustainability Principle p.71-72 Compliance

	Organizational Responsibility	p.71-72 Compliance
	Training and Awareness	p.71-72 Compliance
	Monitoring and Follow-up	p.71-72 Compliance
	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.71-72 Compliance
SO4	Actions taken in response to incidents of corruption	
Aspect: Public Policy		
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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	p.25 Reports on the status of implementation of the KPI
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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.55 TOPVALU Quality Assurance
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	p.55 TOPVALU Quality Assurance
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.60 System of Dialog with Customers
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		
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Please contact us concerning any inquiries or comments you may have on this report or on our environmental and social activities.

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