

# Asia's Pre-Eminent Retailer

— Major initiatives 2013-2014

## CSR (environmental and social) initiatives

April 2013

### Disaster Resistant 'Smart Aeon'

Aeon Mall Osaka Dome City was opened

▶ See page 30



July 2013

A First for the Retailing Industry in Japan!

Aeon Obtains

### ISO 50001 Certification

▶ See page 28



November 2013

The number of **trees planted reached 10 million** on the occasion of a tree-planting event at Aeon Mall Makuhari New City

▶ See page 11



February 2014

The Aeon

### Sustainable Procurement

Principle / Aeon Sustainable Seafood Procurement Policy was formulated, in addition, Aeon initiated sale of ASC certified products

▶ See page 36



April 2014

Aiming to **promote diversity,**

formulated the medium and long-term action plans

▶ See page 67



## Growth strategies based on Aeon Group Medium-term Management Plan

December 2013

Urban small size stores

### 'My Basket'

arrives at 424 stores (Promotion of Urban Shift)

▶ See page 19



February 2014

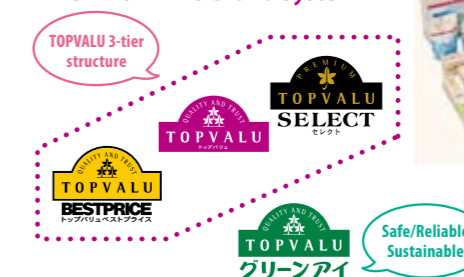
**TOPVALU**, which celebrated its **40th anniversary,**

has brand renewal

▶ See page 60



A New TOPVALU Brand System



March 2014

### Announces the new Medium-term Management Plan of the Aeon group

▶ See page 19



June 2014

### First store in Cambodia

"Aeon Mall Phnom Penh" was opened

▶ See page 19



## Tohoku Reconstruction Initiatives

March 2013

Opened in Sendai, Miyagi Prefecture,

### first urban stores in Tohoku

The Big Express Shogen store

▶ See page 72



Aeon strives through various initiatives to pursue sustainable management and shares results with our stakeholders while making efforts to resolve problems inhibiting the development of a sustainable society.

In response to the rapid ageing of Japanese society, the deterioration of urban shopping environments, and changes in consumer marketing, Aeon is developing e-commerce, along with new stores, products and services to realize a Senior Shift

that allows people to shop with convenience and confidence. Aeon is also coordinating with stores to promote omni-channel capability Digital Shift activities, and responding to Urban Shift with new stores that reflect the lifestyles of urbanites.

Aeon is also responding to Asian market changes related to the lifestyle needs of a rapidly growing middle-income class in China and ASEAN, and developing retail, investment, financial, and service industries as part of Aeon's Asia Shift. Our

TOPVALUE private brand, is strengthening its management foundation, concentrating on products that reflect legal, environmental, and work safety consciousness and are connected to 'sustainable supply chain creation.' In terms of human resources development, Aeon Japan is working with Aeon China Headquarters and Aeon ASEAN Headquarters to advance management and measures to improve educational opportunities and promotion of diversity.

Aeon has been contributing to environmental protection while building trust with community people through engagement in tree planting activities begun in 1991 and achieving a result of more than 10 million trees planted in 2013. Aeon intends to become Asia's pre-eminent retailer, responding to the expectations of our stakeholders and to the needs of society through strengthening our foundation and practicing sustainable management

Highlight  
**1**

# Towards the Next 10 Million Trees

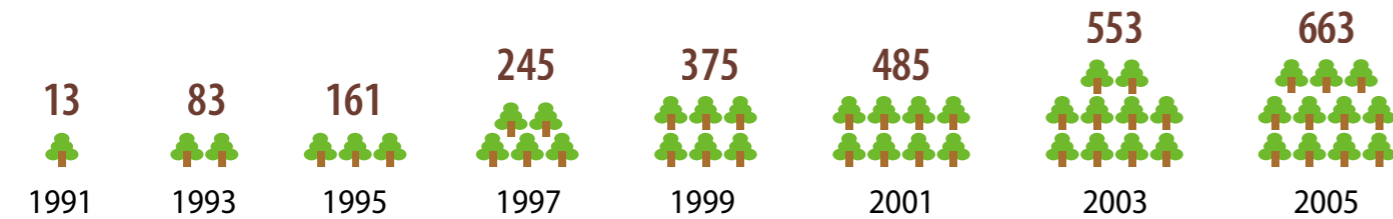
In 2013, the number of trees planted through The Aeon Hometown Forests Program, a project to plant trees with our customers at new store sites, and the Aeon Environmental Foundation, a non-profit organization dedicated to regeneration of forests worldwide, exceeded 10 million.

Faithful to the original intention of our tree planting activities, to bequeath irreplaceable earth beautifully to the next generation, we will continue to plant and nurture trees together with our customers and stakeholders throughout the world.



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

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



### The Origin of Tree Planting Activities

Around 50 years ago, in the 1960s, Takuya Okada, then president of JUSCO (present day Aeon) and currently Aeon Honorary Chairman and Advisor, noticed that the Nandina Heavenly Bamboo flowers in the garden of his home in Yokkaichi city, Mie prefecture had stopped blooming. He assumed that was a result of the earth's changing environment. He also felt a sense of crisis, realizing that the pollution accompanying economic growth would create social problems and that the loss of nature's richness would be connected with a loss of sources of wealth. The result was contemplation on how a retailer could improve the situation, and establishment in 1991 of The Aeon Hometown Forests Program. Since that time, Aeon has been planting trees with our customers at new store sites, taking advantage of our special close relation to the community as a retailer.

**Creating a Space for Lively Communication**  
People of all ages, from children to senior citizens, enjoy getting together to plant trees and exchange conversation. It is Aeon's desire to expand opportunities for such occasions of exchange through tree planting.

**Laying a Foundation for Peace**  
Environmental problems threaten to destroy the health and well-being of everyone on Earth...Aeon's business is conducted in close contact with the lives of people and Aeon's tree planting activities aim to create a peaceful society by solving issues of the environment.

**Growing Together with Communities**  
Aeon is building forests vital to regions by planting native trees. Further, learning and sharing that occurs through the process of planting trees is also something Aeon wishes to continue to foster.

A booklet was distributed to Aeon people to highlight the significance of Aeon's tree planting activities as an expression of Aeon's Basic Principles.

### 10 Million Trees Planted: Commemoration and Campaigns

Aeon conducted various commemorative events and campaigns with our customers in Japan, China, and ASEAN in 2013 to mark the achievement of more than 10 million trees planted, keeping in mind the original objectives and our commitment to go on planting trees.

#### "Customer Wish Messages" Project

Aeon carried out a campaign at stores in Japan, China, and Malaysia, where customers wrote 'thinking of the future' on strips of paper that were then pasted on boards. In Japan, starting in 2014, one tree for each panel will be planted in areas affected by the Great East Japan Earthquake.



Tree Planting Activities in Malaysia

### The "My favorite tree" Project

Members of the Aeon Cheers Clubs in Japan, China, and Malaysia made wooden plaques with the phrase "Thinking of Trees and Forests." They attached these to their favorite trees.



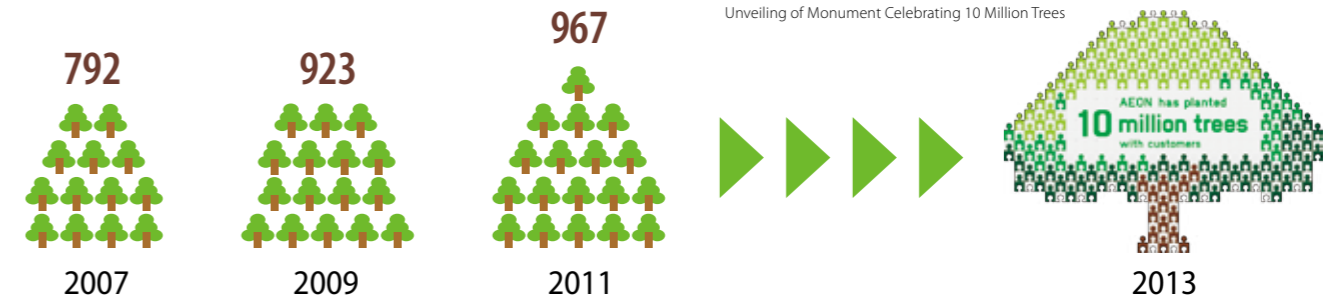
The wooden plaques were made from Rikuzentakata Iwate Prefecture cedar trees destroyed by the tsunami following the Great East Japan Earthquake. Aeon people helped as volunteers in gathering the wood. Photo: Aeon Cheers Club members writing the phrase "thinking of the trees and forests"

### Around 3,500 Participate to Celebrate More Than 10 million Trees Planted

The number of trees planted reached 10 million on November 17, 2013 on the occasion of a tree-planting event at Aeon Mall Makuhari New City as part of the Aeon Hometown Forests Program. Around 3,500 people participated on that day, and around 30,000 saplings were planted.



Unveiling of Monument Celebrating 10 Million Trees



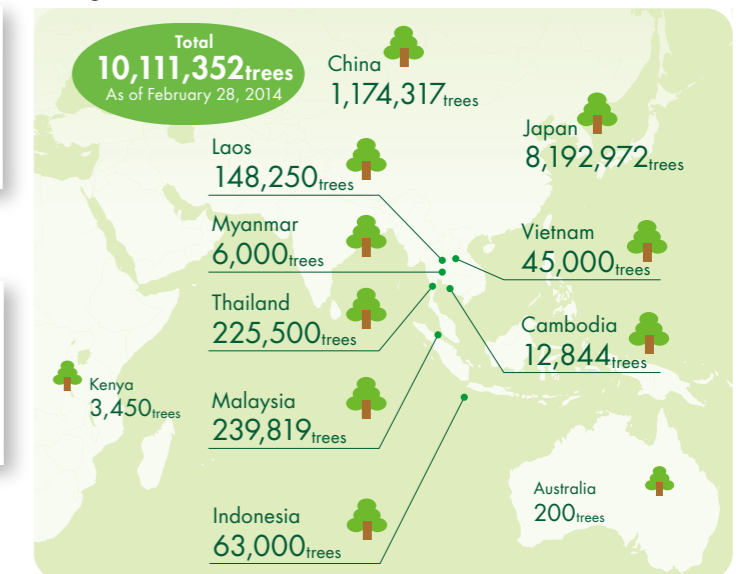
### Letting Forests Grow

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

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

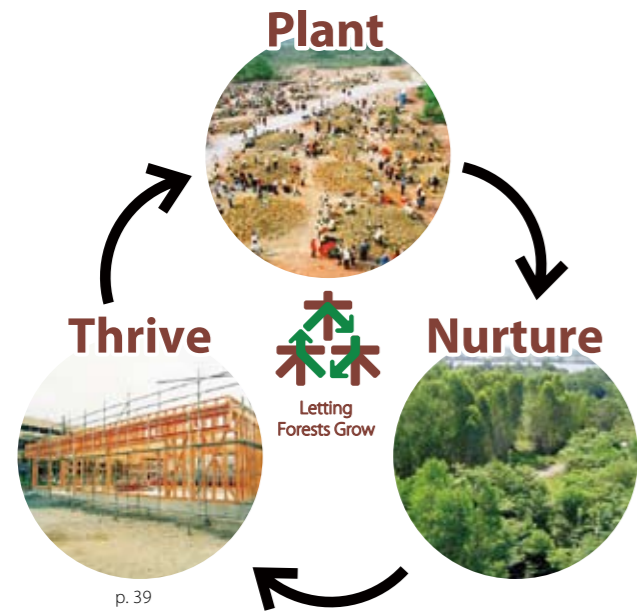
1998: Initiated Tree planting project to revitalize the forests at the Great Wall of China Aeon Environmental Foundation (former, Aeon Group Environmental Foundation)

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



**Towards the Next 10 Million Trees:  
Plant, Nurture, Thrive**

Looking to the next 10 million trees, Aeon will continue to plant trees – to enrich people's lives around the world, and for protection from the devastation of tsunami and natural disasters. We plan to strengthen our activities to develop forests and to actively promote initiatives related to construction materials and store merchandise produced from forest materials. We would like to enrich people's lives with the bounty of nature brought about by forestation, and take a long-term perspective in cooperation with those involved in agriculture, forestry, and fisheries.



**Plant** 

**Planting the Next 10 Million Trees – for the regions and for the future**

Through the 'Aeon Hometown Forests Program' we plant trees with customers on the grounds of Aeon stores, and in 2012 initiated our 'Tohoku Reconstruction Hometown Forests Program' to plant 300,000 trees within 10 years. We continue these activities as well as carrying out activities on the theme of biological diversity conservation through tree planting in Japan and overseas under the Aeon Environmental Foundation.

**VOICE**

I am an advisor on tree planting activities in Malaysia and I belong to an agency that carries out tree planting for the benefit of the environment and living in harmony with nature. The resulting trees and forests play an important role for wildlife habitats and also for our education. I will continue to work with Aeon in their efforts to bequeath a green earth to the future.



Tree Planting Activities in Malaysia



Dr. Ang Lai Hoe  
Forest Research  
Institute Malaysia (FRIM)

**Nurture** 

**Growth of Forests Enriches Lives**

Aside from tree planting events on our store grounds, we are also promoting systematic maintenance for planted areas and formulating projects to train biodiversity conservation specialists and forestry industry professionals, from a long-term perspective.

**VOICE**

Thanks to the activities of the Aeon Environmental Foundation over 12 years beginning in 1998, the forests around the Great Wall of China were gradually revitalized and the area of the Great Wall is now covered with green again. Around 600 people joined in on "The Great Wall Tree Cultivation Project" maintenance activities conducted in September 2013. This kind of international environmental protection activity plays an important role in rehabilitating the eco-system around Beijing, and in building ties of friendship between Japan and China.



The Great Wall Tree Cultivation Project (2013)



Genwu Zhao  
Deputy Secretary General  
of People's Government of  
Beijing Municipality

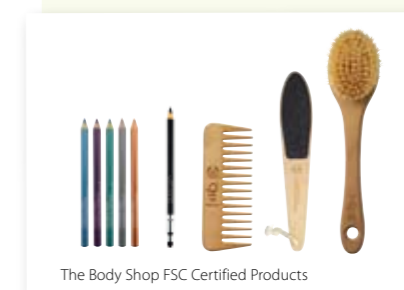
**Thrive** 

**Construction Materials and Products from Forest Thinning and Planted Forests**

In cooperation with our business partners, we are actively making use of timber thinned from forests or wood from planted forests as building materials for our stores. We are also looking at use of certified sustainable wood and pulp as material for product development.

**VOICE**

Aeon Forest Co., Ltd. is promoting the franchise in Japan of British cosmetics maker The Body Shop. The Body Shop's combs and foot files made of FSC\* certified wood. We are engaged with Eco-Friendly products.  
\*FSC (Forest Stewardship Council system authenticating products made from properly managed sustainable forests.)



The Body Shop FSC Certified Products



Mika Hashimotoe  
AEON FOREST CO., LTD.  
(The Body Shop)

**Close UP! Increasing Tree Care After 10 Million Mark**

Our aim for the 'Aeon Hometown Forests Program' is to have the planted trees grow as much as possible like natural forests. For that reason, our ideal is to entrust growth to natural forces and to allow shrubs and tall trees to grow naturally side by side without human interference. However, since the shape and area of the planted areas are limited, weeding is necessary in the first five years after planting. Newly established stores carry out annual tree maintenance events in connection with the 'Aeon Hometown Forests Program' during their first three years, weeding and cleaning the planted areas with customers. From fiscal 2014, weeds and refuse in the planted areas are being removed as part of the 'Clean and Green activities' (p. 47) conducted on the 11th day of every month. This practice was instituted on June 11, 2014 at Aeon stores across Japan, with Aeon people, neighborhood customers, Aeon Cheers Club children, local volunteer organizations and, depending on the store, student interns, participating. Aeon is committed to continuing to promote compassion through the tree maintenance initiatives.



**VOICE**

**Our desire is that the trees grow, and that we grow, too**

In March 2012, 1000 people attended an 'Aeon Hometown Forests Program' tree planting event prior to our store opening. From the following year, the people who planted trees and members of Aeon Cheers Club, around 200 people, continue to participate in the annual tree maintenance event held in every April. Further, neighborhood customers who participated in the 'Sapling Foster Parents Campaign of the Tohoku Reconstruction Hometown Forests Program' to grow trees in the earthquake and tsunami affected areas, brought back to the affected areas many seedlings they had nurtured. Along with the growth of the trees planted through the cooperation of customers and community, Aeon Mall Funabashi also achieved great growth this working to become an oasis of recreation and relaxation.



Masataka Koizumi  
Mall Manager  
Aeon Mall Funabashi

# Highlight 2 Realizing a "Sustainable Supply Chain" with our Partners Worldwide

TOPVALU, Aeon's private brand launched in 1974 as a reflection of our 'customer first' corporate philosophy, is celebrating its 40th anniversary in 2014. TOPVALU has grown to become Japan's largest private brand, representing around 6000 daily necessities and annual sales of 7.4 trillion yen. During this 40 year period, Aeon has kept to the 'Five TOPVALU Commitments' (p. 59), working together with our domestic and international suppliers to address management system issues related to improved factory working conditions, product quality and safety, and environment protection, and also has been focused on creating a 'sustainable supply chain' based on a procurement policies respecting biodiversity conservation.



## "Aeon Supplier CoC" - Supporting a Sustainable Supply Chain

In recent years, awareness of human rights, compliance, and the environment has risen worldwide. Against this background, corporations, including Aeon, have to make efforts to implement corrective measures by properly understanding conditions at the source related to the environment, legal compliance, production site and workplace. At the same time, our customers are becoming more conscious of supply chain acceptability in their purchasing habits and selection of products.

Aeon formulated the Aeon Supplier CoC (Code of Conduct) in 2003 in order to insure appropriate business practice, working conditions, and fulfillment of social responsibilities among TOPVALU supply chain partners. Suppliers are asked to comply with 13 requirements, including conforming with national and regional laws and regulations, respecting human rights, providing proper working and wage conditions, safety, hygiene and health conditions in the workplace, etc., and based on these we audit and work together with suppliers to improve conditions and build a "sustainable supply chain."

As of February 2014, around 900 targeted suppliers have submitted declarations of CoC compliance.

### Aeon Supplier Code of Conduct

1. **Child labor:** Illegal child labor is prohibited
2. **Forced labor:** Forced, prison and bonded labor are prohibited
3. **Health and Safety:** Provide safe, healthy workplaces
4. **Freedom of Association and Collective Bargaining:** Respect employee rights
5. **Discrimination:** Discrimination on the basis of place of origin or creed is prohibited
6. **Disciplinary Practices:** 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. **Trade:** Comply with local laws on commercial transactions
12. **Certification, Audit, and Monitoring and Renewal:** Accept certification, auditing and monitoring under the Aeon Supplier Code of Conduct
13. **Ban on Gifts:** Gift-giving between Aeon and suppliers is prohibited

## Audits of Contracted Manufacturers

In order to maintain compliance criteria, Aeon carries out audits on all domestic and international TOPVALU suppliers at the point of final processing, confirming the status of requirements and drawing plans for improvement.

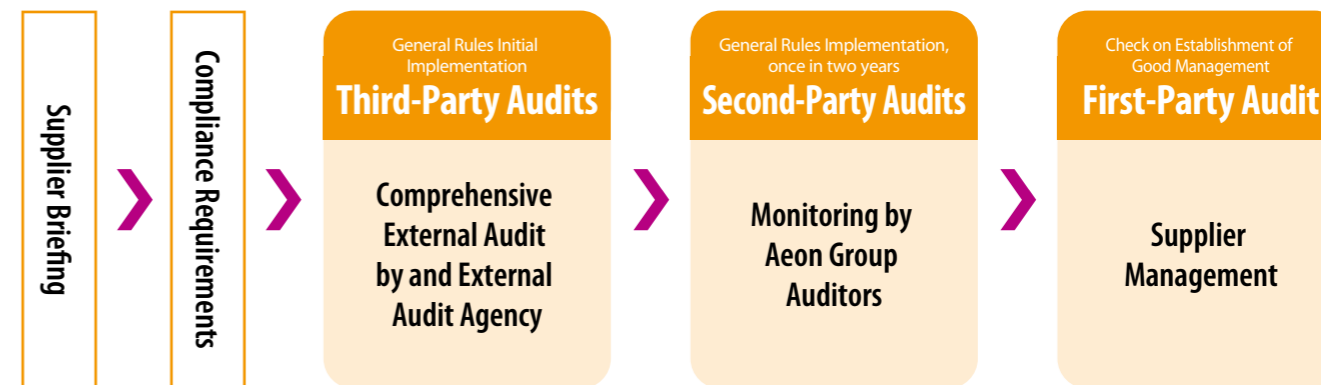
The audits are 'third party audits,' carried out by external audit and evaluation' agencies along with Aeon certified 'second party audits' and 'one party audits' carried out by the suppliers themselves.

## Certification of International Standard on Human Rights and Labor

In addition to requiring suppliers to comply with Aeon's CoC, Aeon in 2004 became the first Japanese retailer to acquire SA8000 certification, an international standard on protecting human rights in the labor market. (p. 58)

The certification applies to Aeon headquarter operations and TOPVALU supplier management performed by Aeon Co. Ltd., Aeon Retail Co., Ltd., and Aeon Topvalu Co., Ltd. An external auditor manages the status of 'Aeon Supplier CoC' on the occasion of maintenance audits every six months and renewal audits once in three years.

### Procedure of 'Aeon CoC' Certification and Audit



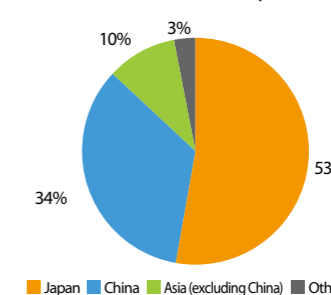
## Third-Party Audits

For the first 'third-party audit,' an external audit agency checks over 350 universally recognized items and assesses anything differing from the standards. The evaluating agency points out items in need of correction and confirms improvements. In the process, there may be dozens of interactions to not only check results, but also to assure that proper management mechanisms are in place. When corrections are finalized, a certificate of CoC compliance is issued. Around 2,183 production plants have been certified to date.

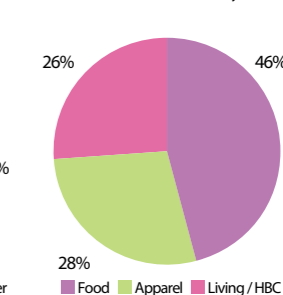
## Second-Party Audits

Following authentication of CoC compliance, a certified Aeon auditor will do checks through factory visits once in two years or, in the case it is deemed necessary, once in six months, as a 'second party audit.' Around 2,700 domestic second-party audits were conducted between FY 2004 - FY 2013.

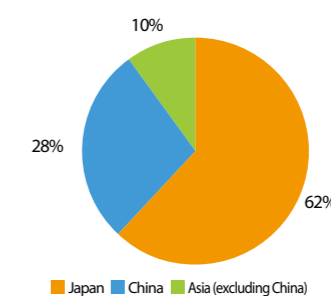
Factories which carried out Third Party Audits <by region> (Cumulative total of FY 2013 year-end)



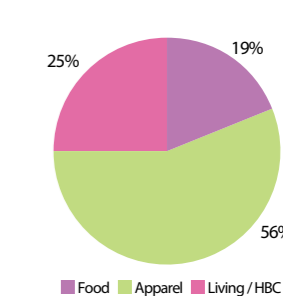
Factories which carried out Third Party Audits <by category> (Cumulative total of FY 2013 year-end)



Factories which carried out Second-Party Audit <by region> (FY 2013)



Factories which carried out Second-Party Audit <by category> (FY 2013)



### First-Party Audits

Factories that have established good management through third and second-party audits are given a check-list to carry out 'first-party audit' themselves. Between FY 2009, when the system was instituted, and FY 2013, there have been 68 factories doing 'first-party audits' and the level of supply chain management overall has been steadily improving. At the same time, second and third tier suppliers who have heard about the system are requesting inclusion. The ultimate goal of CoC is thus the ever-spiraling expansion and improvement of the overall value chain.

### Towards Development of Overseas Auditors and Positive Evaluation Systems

Supplier management levels have been improving since the institution of the auditing system more than 10 years ago. In order to give support to the CoC taking firmer hold in the manufacturing processes of evaluated suppliers, we plan in 2014 to promote a system whereby suppliers can achieve positive evaluations. We will also continue to focus on

development of overseas auditors in order to further accelerate and respond to globalization.

There are, however, many categories of a societal nature that are difficult to judge through quantitative means such as the CoC. Because complex factors related to world political and economic conditions as well as national and regional cultural environments cannot be measured with a checklist, we have put considerable effort into our own educational programs and into attendance for the SA8000 auditor and other training programs. Against such a background, many companies are recruiting people with auditing experience. Aeon, however, is training in-group auditors and emphasizing 'communicating our corporate message to our suppliers.' In the past, it has been common practice for our Japan headquarters staff to train auditors abroad. However, we now have a system of excellent local auditors who take leadership roles in training others in different districts. Training time can be reduced in this way. In FY 2010, there were 10 trained overseas local auditors, and in FY 2013 that number increased to 18. In addition, it is possible to have day-to-day feedback centering around the training leader, increasing the level of CoC compliance as a team.

### Example of Second-Party Audit in China (Manufacturing plant for residential and leisure products)

#### Opening Meeting

As checking the items of the 'Aeon Supplier CoC' is closely related to factory operations management, we ask management members to attend meetings, along with staff with direct responsibility, and to understand the aims of the CoC.



#### Work Environment Inspection

The management of hazardous materials and sewage, as well as the availability of secure evacuation routes, placement of fire extinguishers and equipment, and conditions such as light and noise are checked in the factory and environs. The objective is to make sure that all is in order and, moreover, operational. For example, fire extinguishers are meaningless if employees do not know how to use them. Equipment is useful and effective only when people are trained in all aspects of using the equipment. The goal of CoC is for everyone, from employees to management, to be able to understand and manage risks.



#### Inspecting Additional Facilities

Aside from the manufacturing building sites, dormitories and cafeterias must also be inspected to make sure that these facilities can be responsive to emergencies and that there are no health, safety, or privacy concerns.



## Close UP! FY 2013 Accomplishments

Good management was established and factories doing first-party audits increased. However, some inappropriate conditions were detected in factories doing new business.

### Stringent Firefighting Equipment Inspections

We strengthened our checks on firefighting equipment in FY 2013, in the wake of the garment factory fire and building collapse accidents in Bangladesh in 2012 and 2013, and severely checked for deficiencies in the condition of fire extinguishers and fire hydrants, emergency lights and equipment. In overseas two-party audits, 91 deficiencies related to fire and disaster prevention were pointed out, and we worked on immediate improvement, regardless of the size of potential risk. In addition, we received reports that measures to continue and maintain improvements were in place. In factories where progress is slow, the person in charge of overseas sites makes site visits to promote improvement.



Pointing out the need for a fire extinguisher during a manufacturing plant work environment check.

### Measures to Prevent Child Labor Abuses

In a third-party audit at a factory in China, an employee's identity card showed 16 years of age at the time of hiring, in accordance with the Chinese labor law. The date of birth on the identity card, however, was not correct. It was concluded that it was not a violation since the household registration data showed the employee had reached 16 years of age. With confirmation at time of employment being insufficient, there is a risk of child labor policy infraction, so it is necessary to scrutinize and assure that the ID cards are correct.

### Response to Child Labor Violations

Dismissal alone is not a solution to child labor violations. Considering the background of child labor, dismissal would cause families to risk losing their livelihood. Aeon is organizing a program along with suppliers to help support children and their families in the case that an underage child is found working. The system will provide for the child to go to school, using funds earned to support the child and family, and a promise to re-hire the child when legal age is reached. Through implementation of such a plan, we hope also to raise awareness and prevent recurrence of child labor violations.

## VOICE

### VOICE The objective of the CoC audit is to 'create mechanisms for continued growth,' not to 'produce documentation.'

A feature of the Aeon Supplier CoC is that instead of making immediate compliance a condition, the system works to solve problems together with suppliers and to lead to supplier 'capacity building.' For example, the audit does require written organization charts, management statements, statements of policies and regulations, but more important than these is the initiative to devise mechanisms on site to implement management. Further, great importance is placed on conferring with the factory manager or person responsible in instances of non-compliance found during a two-party audit. On the spot discussion about what is deficient and how it can be improved allows for value sharing and voluntary activities for improvement.

Aeon supports the independent management of our suppliers in Supplier CoC compliance and also aims to broaden our overall scope by drawing secondary and tertiary suppliers into the CoC compliance system. We will continue to work for more effective auditing in order that our suppliers can aim for future sustainable growth and as TOPVALU develops increased production of original products overseas.



Noriko Kimura  
Aeon Supplier CoC Secretariat  
Group Corporate Citizenship  
Dept.  
AEON CO., LTD.

# Highlight 3 '4 Shifts' Increasing Customer Satisfaction

A number of people among Japan's rapidly ageing population have difficulty shopping for daily necessities. Stores selling such necessities in urban areas are steadily decreasing, and the problem of access to everyday items in urban areas has yet to be resolved. At the same time, while markets in China and ASEAN are booming as a result of a rapidly growing middle class, there are environmental issues and problems related to loss of community cohesion. In light of these tendencies, Aeon is promoting a '4 shifts' Medium-term Management Plan to provide continuous sustainable, convenient, and pleasant shopping experiences for all of our customers.



## FY 2013 Initiatives of Medium-term Management Plan

### Digital Shift

Expanding internet shopping products and services to provide more convenient shopping

#### Major Initiatives of FY 2013

- \*Promotion of 'omni-channel' strategy in linking E-commerce with physical stores

### Senior Shift

Addressing the needs of the senior market through the 4 points of products, the sales floor, commercial tenant selection, and service.

#### Major Initiatives of FY 2013

- \*Development of stores geared to active seniors
- \*Expanded services and products to meet senior health and medical needs

### Urban Shift

Focus on development of various new stores and businesses to meet the needs of urban dwellers.

#### Major Initiatives of FY 2013

- \*Increased urban style small stores and supermarkets

### Asia shift

Group unity through activities rooted in rapidly growing China and ASEAN markets

#### Major Initiatives of FY 2013

- \*Opening of the first Aeon Mall in Cambodia
- \*Opening the first Eco-Mall in China

## Enhancing the Shopping Experience

### Promoting Omni-channel Strategy

The popularity of net-shopping is increasing with the rapid spread of smart phones and tablets. In response to needs related to this, the Aeon group is strengthening its omni-channel strategy by developing Aeon store e-commerce platforms through the "Aeon Square" website portal, taking advantage of the network of stores nationwide and allowing link of store and internet services, and increasing home delivery service of goods bought in stores or pick up at stores of goods ordered by internet.



Aeon Square

## 4 Points Responding to Shopping Needs of Seniors

Aeon's is responding to the shopping needs of seniors with a focus on the four points of products, floor space, tenant selection, and service. We are using the name Grand Generation (G.G.) for seniors who are active and aggressive consumers – and instituting new business model programs such as 'G.G. Mall' and 'G.G. Cards' targeted to seniors.



The Grand Generation's Collection in Tokyo – exhibition for seniors products and services



## Developing Small Size Stores and Supermarkets in Urban areas

As of December 2013, Aeon had opened 424 "My Basket" small size stores, mainly in the Tokyo and Kanagawa urban areas where there are few grocery stores, offering over 2000 items of fresh, prepared, and processed foods.

Moreover, openings are accelerating on "RECODS" stores that combine a drugstore specialization with convenience, as well as "Acolle" discount stores. We continue to consider the

further future development of specialized merchandise for such small size stores.

Number of stores in the Tokyo region has been increased by The Daiei, Inc. and Aeon Market Co., Ltd. into the Aeon group. And announce the policy to create a "Tokyo region supermarket union" to constitute in The Maruetsu, Inc, Kasumi Co., Ltd and Maxvalu Kanto Co., Ltd.\*, Aeon group is making strides to strengthen supermarket business.

\*Consolidated subsidiary of Aeon Co., Ltd.



Urban small size stores, 'My Basket'

## Meeting Growing Health and Medical Needs

The healthcare market is booming along with increased awareness and growth of an ageing population. In response to this, Aeon is developing Aeon Pharmacy sections within "AEON" general supermarkets, attracting general clinics with medical facilities as tenants, and seeking joint ventures with expanding drugstore chain businesses.

We are also focusing on cooperation with manufacturers to develop Food for Specified Health Uses (FOSHU) to meet the health needs of our customers.



Aeon TOPVALU's 'Oolong Tea with Dietary Fiber', tea blended with non-soluble dextrin dietary fiber to help moderate absorption of sugar

## VOICE

### Promoting a Lifestyle that Combines 'Products' and 'Experience'

It is estimated that currently seniors account for half of consumer spending. We are committed to providing our customers with more than 'products.' We would like our customers to enjoy and value the 'experience' of products, making their daily life vibrant. In order to be able to meet the needs of the GG generation in products related to food, clothing and shelter, we are increasing the assortment of items such as reading glasses, bedding that supports comfortable sleep, food in appropriate serving sizes, and clothing suited to body types. We also would like large numbers of people to be able to spend fulfilling time pursuing their hobbies or relaxing in places such as culture schools or cafes. We are putting emphasis on enabling people to combine products and experience in a lifestyle where they might purchase a musical instrument and then attend a music class, or perform theater on a stage built in our store.



Eiji Shibata  
Vice President  
Chief Merchandising Officer  
Chief, Senior Shift  
AEON CO., LTD.

### Contributing to Improved Lifestyle in Asia

The current rapid growth in Asia is expected to bring one billion people into the middle class in the near future. This expansion of the consumer market represents a great business opportunity for Aeon. However, the associated negative aspects of economic growth such as increased waste and CO<sub>2</sub> emissions, the breakdown of local community cohesion and widening income gaps are of concern.

Considering such circumstances, Aeon in 2012 established Aeon China Headquarters and Aeon ASEAN Headquarters. We are accelerating our business development and promoting our 'Asia Shift' through employing and training local human resources and actively recruiting local executives.

We are engaging in social contribution activities such as tree planting in order to build relationships of trust in communities where our stores are located. Through dialogue with local people and local governments, we are working to build business activities rooted in communities. Strong ties of cooperation with Aeon Japan headquarters allow for transfer of know how from Japan, as well as development of local services and TOPVALU products, and initiatives on issues related to quality, food safety, environment protection, urbanization and the ageing society.

#### Aeon Group's Shared Social and Environmental Initiatives

**Tree Planting**  
Aeon Hometown Forest Program (AEON VIETNAM Co., LTD)

**Community Contribution**  
Aeon Happy Yellow Receipt Campaign (AEON (CHINA) CO., LTD)

**Next Generation Development**  
Aeon Cheers Club (AEON Co. (M) Bhd)

**Energy Management**  
Conference on energy management (AEON (Thailand) CO., LTD)

#### Aeon Group Environmental and Social Activities

New Year's Visit to Welfare Facility (AEON Stores (Hong Kong) Co., Limited)

Activity Supporting Education (BEIJING AEON CO., LTD.)

Event to Promote Recycling (AEON Co. (M) Bhd.)

### Aeon Group Spanning 14 Countries

Consolidated operating revenue  
**¥ 6,395 billion**

Number of Group employee  
**420,000 people**



#### The number of stores and offices, including consolidated subsidiaries and equity-method affiliates (End of FY2013)

General Merchandise Store	611
Supermarket	1,977
Discount Store	353
Home Center	122
Convenience Store	4,581
Specialty Store	3,853
Drugstore	3,559*
Other Retail Store	783
Financial Service	641
Service Business	1,519
Other Business	9
<b>Total</b>	<b>18,008 stores/locations</b>

\* Including affiliated companies

## Close UP!

### Contributing to Education, Jobs Creation, and Modernization of Distribution Systems in Cambodia

In June 2014, Aeon opened Aeon Mall Phnom Penh, the first shopping mall in the Kingdom of Cambodia. The store is surrounded by hotels and exclusive residences with the majority of residents being middle and high income earners. This area is expected to experience future expansion. Through activities in Cambodia, Aeon plans to contribute to the modernization of the distribution system and the development of human resources and employment opportunities, and to provide a variety of products and services to support a rich lifestyle in the region.



#### VOICE Happy Children and Satisfied Customers

Cambodia has also been enjoying rapid economic growth and in June 2014 an Aeon Shopping Center was opened. The joy and bright expectations of the children and customers at a tree planting activity in advance of the opening was apparent. We are confident that the lives of these people will be made better by the shopping center.



Te Chantra  
Education senior officer  
AEON (CAMBODIA)  
Co., Ltd.

#### History of Interaction Between Aeon and Cambodia



### The first 'eco mall' in China

In April 2014, Aeon opened Aeon Mall Suzhou Wuzhong, the first 'eco mall' in China, located in Suzhou city in the Wuzhong economic development area. Based on knowledge gained in Eco-stores in Japan, we have used eco-concrete bricks and LED lighting, and installed 'green walls', and 'green roofs', solar powered electrical equipment, and solar powered hot water heating systems. As a result, Aeon China Headquarters group has received commendation for environmental standards criteria evaluation, and will for the first time be awarded the Two Green Stars\* certificate from Ministry of Housing and Urban Development of the People's Republic of China (MOHURD).

\* An index corresponding to Japan's Comprehensive Assessment System for Built Environment Efficiency (CASBEE); enforced from 2006 for the purpose of preventing environmental pollution, protecting natural resources and the global environment.

#### VOICE Contributing to "Improved Quality of Life"

Many of the customers who come to Aeon Mall Suzhou Wuzhong are searching for goods and services that will enhance their life quality. For such customers, our mission is to provide a larger selection of higher quality and more reliable merchandise, along with good service. We would like as well to promote Aeon Cheers Club and Aeon Happy Yellow Receipt Campaign activities.



Yang Zhen  
Store Manager  
Aeon Mall Suzhou  
Wuzhong