

November 7, 2014

AEON CO., LTD.  
AEON AGRI CREATE Co., Ltd.  
AEON Retail Co., Ltd.

Next-generation Greenhouse Horticulture Consortium\* in full operation

## **Aeon's First Plant Factory to Be Established in Spring of 2016**

Aiming for creating highly productive cultivation facilities and branding Saitama tomatoes

Aeon Agri Create Co., Ltd., a consolidated subsidiary of Aeon Co., Ltd. for agricultural production business, will build Aeon's first plant factory in Kuki City, Saitama Prefecture in spring of 2016. In May, 2014 Saitama Prefecture was designated by the government to adopt a Project for accelerating the introduction of next-generation greenhouse horticulture. Under the Project, Saitama prefecture, Aeon Retail Co., Ltd. and Kuki City has established a Consortium to operate production of vegetable along a yearly plan aiming for early establishment of this business model.

This initiative was made possible by the mutual agreement of the two parties; Aeon Agri Create, which aims for productive greenhouse horticulture business through the cultivation of the tomatoes, one of the designated agricultural product by the Project and Saitama Prefecture, which aims to create Saitama-brand tomatoes by growing them in a large quantity.

### **From production to sales—Cooperation within the Aeon Group is further strengthened to produce agricultural products that meet customer needs**

Tomatoes are eaten fresh or used as an ingredients for many dishes. The the demand for tomatos is growing as people's awareness for healthy meals heightens. General Merchandize Store, Aeon, operated by Aeon Retail Co., Ltd. expanded the lineup of tomatoes two years ago, and as a result, the sales of tomatoes has significantly risen. Tomatoes have become the most selling vegetables in the farm produce corners in the stores. Aeon Retail will utilize the consortium, which is in the full-fledged operation now, to pass on collected customers' voices to Aeon Agri Create in order to reflect them in the production of vegetable. Through these efforts, Aeon provides customers with tomatoes that meet their needs.

### **Aeon's first plant factory will be established in Kuki City, Saitama Prefecture**

Aeon Agri Create will use the four-hectare farmland within Saitama Horticulture Research Center as its directly-operated farm. The research center is located in Kuki City, which was designated as a Project site in 2014. Aeon Agri Create plans to build cultivation facilities on one hectare land in the farm by the end of 2015, begin production in April 2016, and enter into full operation by April 2017. Wood pellets made of timbers from regional forest-thinning will be used to warm up the cultivation facilities during winter time, thereby reducing the use of fossil fuel by about one thirds compared with regular heaters.

### **Aeon will adopt a new cultivation technology to achieve stable production and reasonable prices**

Aeon will adopt a method called "low node-order pinching and high density planting," a type of hydroponic culture technique. Tomatoes cultivated by this technique have higher and more homogeneous quality compared with normally cultivated ones. The technique enables growers to harvest three to four times a year as opposed to once or twice with regular method and thus increases the annual yield. Moreover, growers can keep standing instead of bending over when taking care of plants, which lead to improved productivity and will realize reasonable selling price.

Aeon will continue to participate in the Project in collaboration with Saitama Prefecture in order to improve customer satisfaction through production and distribution of agricultural products and to help Saitama Prefecture create Saitama-brand tomatoes.

\*Consortium: a group of companies or organizations that work together for a specific purpose. (From a Japanese dictionary *Kojien*)

This is a translation of the original Japanese document and is provided for informational purposes only. If there are any discrepancies between this and the original, the original Japanese document prevails.

### Outline of AEON AGRI CREATE

- ◇ Company Name: AEON AGRI CREATE Co., Ltd.
- ◇ Representative: Yasuaki Fukunaga President
- ◇ Head office: 1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba Prefecture
- ◇ Date of Establishment: July 10, 2009
- ◇ Main business: Production, processing, wholesale and retail of fruit and vegetables
- ◇ Fiscal period: end of February
- ◇ Capital: 50 million yen
- ◇ Shareholder: AEON CO., LTD. (100%)

### Outline of Saitama Kuki Farm (tentative name) \*Information below is tentative.

Name of the farm: AEON AGRI CREATE Co., Ltd., Saitama Kuki Farm (tentative name)

Location: 91, Rokumanbu, Kuki-shi, Saitama Prefecture

Number of employees: 10 regular employees and 50 part-time employees

Agricultural land: 4 ha

Items: Greenhouse cultivation: Tomatoes

Cultivation plan: April 2016-

Harvest plan: May to June, 2016

Stores as distributors: To be sold at General Merchandizing Stores, "Aeon" and "Daiei" as well as supermarket "Maxvalu" stores in the Kanto area

### Cultivation facility

Start of construction: April 2015-

Completion: December 2016-

Features: Ceiling of the facility is twice as high as that of a regular greenhouse, which helps control temperature, particularly in summer.

