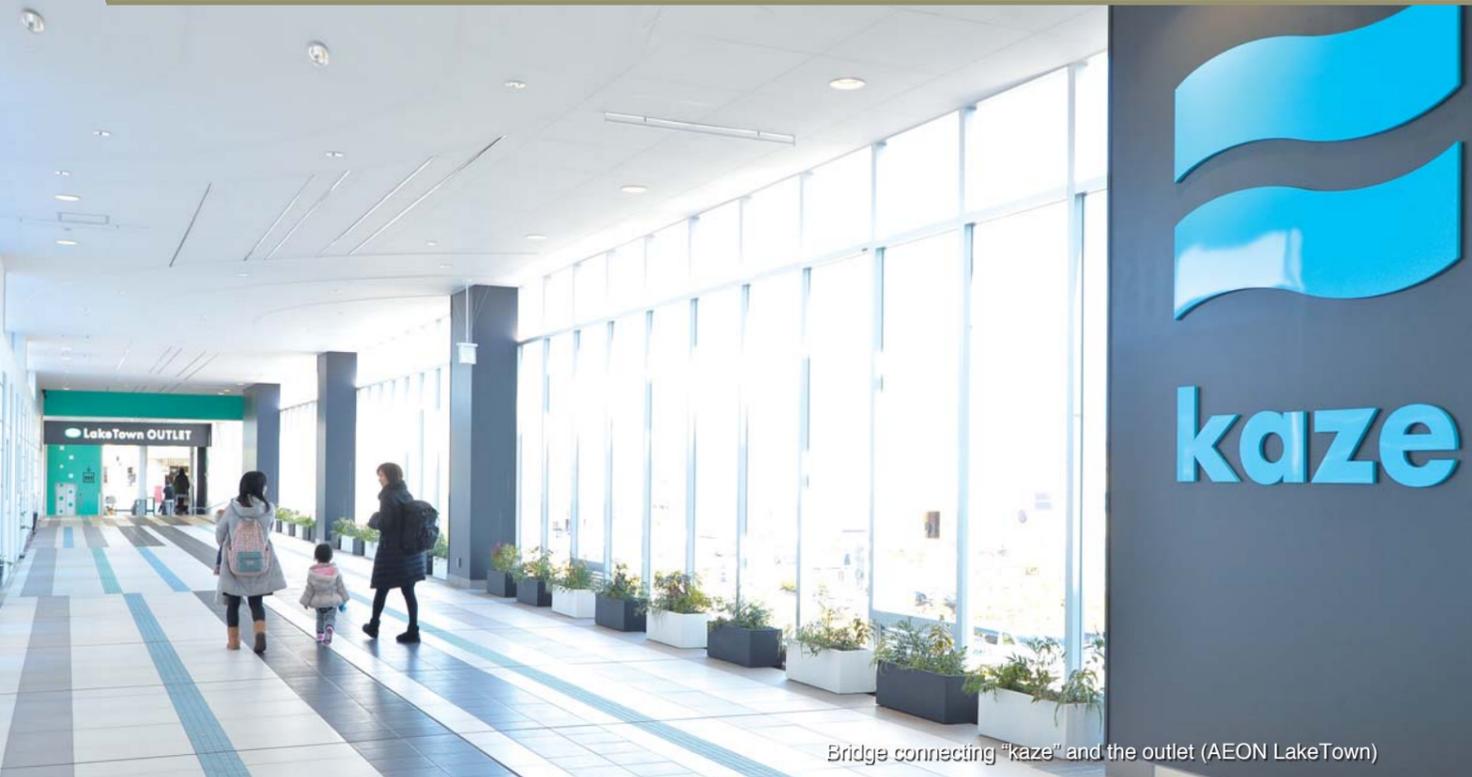


# Diversity-based Mall Business

Responses to a new era and the environment

All AEON MALLs are revitalized (renovated) every couple of years on a regular basis. We are seeking the evolution as a mall friendly to both people and the environment, such as by replacing specialty stores to respond to changing times and new regional needs, coming up with ingenious ideas to enhance customer safety and convenience, and installing advanced environmental facilities.



Bridge connecting "kaze" and the outlet (AEON LakeTown)

## AEON LakeTown (Saitama Prefecture)

◆ Wholly renovated Japan's largest-scale shopping facility with more than 50 million visitors a year

AEON LakeTown that opened in October 2008 is Japan's largest-scale shopping facility, composed of three malls, "kaze", "mori" and the outlet mall, with a total leasable area of 183,000 m<sup>2</sup>. In this revitalization conducted over 2 stages, we clearly characterized the three malls and renovated 509 stores accounting for more than 70 percent of specialty stores. Building a bridge that connects "kaze" and the outlet mall has also dramatically improved customer convenience and migration activities.



Areas around "LakeTown Gate" which is the entrance from Koshigaya LakeTown station, were renovated. By installing a roof, customers can visit the mall without getting wet from the rain. This eliminates the need for umbrella bags, thereby contributing to resource conservation.



Migration activities have been dramatically improved by building "Lakeside Bridge" that connects "kaze" and the outlet. This has eliminated the need for customers to cross the road, and led to the improvement in safety and the resolution of traffic jams.



"VIVREGENE" with the concept of "women's beauty and health" and "lifestyle proposals" has been developed in 20 malls. (kaze)

## AEON MALL Tonami (Toyama Prefecture)

◆ A new mall opened through "scrap and build" on the former "AEON Tonami" site



The mall provides a new community space for the local residents who had patronized "AEON Tonami" (general merchandise store) that was closed in 2013. It introduces "Koto (events)" and "Mono

(goods)" that meet a great variety of needs in response to "three generations under one roof" Tonami City is promoting, while aiming to become a new exchange base in the Gosei Area, Toyama Prefecture. This mall is owned by AEON Retail Co., Ltd., and our company is entrusted with management and operation of the mall.

The mall has an appropriate space for many three-generation customers in the region although the mall scale is not too large. Therefore, we want to form a family-like community together with our employees. We have reduced the environmental impact by enhancing safety including aseismic performance, adopting LED lighting, and introducing well water utilizing snow melting facilities.

**Yusaku Fujita**  
General Manager



## AEON MALL Morioka (Iwate Prefecture)

◆ Large-scale renovation performed after 12 years since its opening



The mall opened in 2003. We renovated 102 tenants over 2 stages to provide local customers with a fresh mall environment at all times. "Galaxy Mall" was newly established in the floor expansion zone

on the second floor. In terms of facilities, with the concept of "MORIOKA Trad", we refreshed the exterior design using motifs of traditions of Morioka such as Nambu ironware and Nambu purple, and improved the environment inside the buildings.

"MORIOKAN" where only products made in Iwate Prefecture are assembled by concluding contracts with more than 100 producers, and the food court with increased seats have an excellent reputation. The environment has greatly evolved by introducing the latest air conditioning facilities, LED lighting, and wastewater pretreatment facility. As a mall loved also by seniors, we will deepen relationships with the local community.

**Masanobu Ishitobi**  
General Manager



● Realized the largest-scale renovation through close coordination between the three malls

In 7 years since its grand opening, AEON LakeTown has been patronized by many customers. On the other hand, we had problems such as an insufficient number of restaurants and biased migration activities. We renovated whole malls on a large scale to further enhance customer convenience and reconstruct the zone concept that had been vague due to the replacement of specialty stores.

In this revitalization, we carefully managed the process so as not to cause inconvenience to customers, for example, by strengthening coordination between the three malls to prevent specialty stores of the same business type from closing at the same time. As a result, we were able to maintain approximately 85% of the conventional number of customers in "kaze" even during the period when 60 percent of stores were closed. We boosted expectations regarding the renovation by effectively using temporary enclosures at construction sites while minimizing the number of defecting customers.

We conducted a comprehensive review of the zoning in each mall and made the positioning of each mall clearer. "kaze" is an ultramodern urban mall which connects directly to the station targeting young people and women, "mori" is a life creation type

mall where three generations or married couples in their 30s and 40s can enjoy with their children, and the outlet mall is an easily accessible hybrid type where customers can be attracted from a wide area.

In addition, we continuously implemented the "Eco-exploring tour" for children and the regional eco-event "Act Green ECO WEEK" by government, corporations, and citizens in AEON LakeTown that had been introduced as progressive initiatives of an eco-mall since its opening. We held a tree-planting ceremony in line with the renovation this time, and nearly 400 customers planted about 2,000 trees anew.

As a result of such efforts, we were able to get off to a good restart in 2016, receiving about 250,000 visitors on New Year's Day, which is about 50,000 or more visitors than the previous year. Staff members who experienced the renovation process have improved their ability to view a market, and the collaboration with various departments and specialty stores in pursuit of the same goal has exerted a positive influence on their daily business. We wish to accumulate the know-how including reflection points, and make use of it for new opportunities.

AEON LakeTown

[Left] **Hieromichi Kiyota**, General Manager of "kaze"

[Center] **Jun Hidekata**, General Manager of "mori"

[Right] **Yasutomo Sasaki**, General Manager of the outlet



# Diversity-based Mall Business

Challenges to ultimate localization



Ultimate localization project (AEON MALL Sakudaira)

## Ultimate localization project (AEON MALL Sakudaira)

In order to realize our renewed management vision, we planned and implemented the “Ultimate localization project” in autumn 2015. We selected 23 projects out of 195 projects proposed mainly by young employees working in 143 malls that our company manages and operates in Japan. The characteristics and charm of the area where our mall is located are promoted by collaborating with various fields such as “local industry” (companies), “academic” (educational organizations), “public services” (local governments), “people” (private organizations) and “culture” (cultural organizations) of the area.

### ◆ Providing every mall with opportunities to work on “our jobs”

The main objective to perform the “Ultimate localization project” is for every mall to create a suitable project for the area and promote the project as “our jobs”. We determined the budget for each project at 1.5 million yen regardless of the mall size.

In my early years with the company, I myself experienced creating a new project as my senior ordered me to “do something new with hundred thousand yen as the budget for the project”. I hoped flex-time workers and young workers intimate with the local culture would have an opportunity to take on the challenge of working for “our jobs” making maximum use of their abilities, as we are often too busy completing our routine tasks given to us in our daily lives. In order for the projects to be “outside the box”, we intentionally instructed the manager of each mall not to be involved in the projects, at the time of

proposal.

At first we had expected about 70 applications, but to our pleasant surprise, we received as many as 195 projects and it was difficult for us to narrow the number down to 23 projects. The projects introduced on the right are examples of especially excellent ones. We think this project was worth performing regardless of the results if the employees of each mall can feel the privilege of working together as a team, beyond what they are usually responsible for in their daily business roles. The ideas proposed from each mall can be read freely internally. Please make productive use of them for your reference.

**Mitsuhiro Fujiki**  
Director and General Manager  
of Sales Division



We wholly renewed our management vision in 2015. (Refer to page 5.) At the very beginning of the renewed management vision, we stated that our challenge is to be consistent in ultimate localization to enhance the attractive aspects of various regions by working in tandem with partners. We have started new approaches with the support of the local residents while respecting the autonomy of each mall.

In the “Ultimate localization project” held in 2015, 23 selected malls performed various unique projects with the support of the respective local residents. Out of the 23, we presented the Excellence Award to the following two projects.

Excellence Award

### “Town of cakes - Saku”

AEON MALL Sakudaira (Nagano Prefecture)



Saku City is one of Japan’s “three major cake towns” due to its density of confectioneries and easy access to fresh and high-quality fruits, eggs, and milk. We opened a very special one-day “Café de MALL” at the central court of our mall to introduce delicious cakes to more local residents. We invited six local cake confectioneries to demonstrate their cakes featuring “apple”, Saku’s specialty, for tasting.

When we received the notice that we were selected for the Excellence Award, we did not have any special feelings at first, but later, we gradually realized the meaning of receiving the award and renewed our pleasure every time when we met team mates and we shouted “We made it!” in our minds. We had faced many challenges until we finally materialized the project, but we are pleased we completed the project as a team of flex-time workers.

[Persons in charge of planning]  
**Miyako Kiyono, Monami Sato, Toshihiko Yoshizawa, Rieko Kuramochi, Mariko Shinohara**



Excellence Award

### “Yes! We have AEON MALL! - Disaster prevention experience at AEON MALL Niihama -”

AEON MALL Niihama (Ehime Prefecture)



We planned an event as one of disaster prevention activities in order for this AEON MALL to be a shelter to offer safety and security for the local residents in case of an emergency. In our proposal to “stay overnight in AEON MALL”, we offered an experience to stay in the building simulating a disaster. One hundred parents and children stayed overnight in our mall and experienced eating emergency foods and making beds using cardboard boxes.

Planning from zero, overcoming various obstacles, and fighting against our anxiety and time limit, we were able to perform this project satisfactorily as a result of our determined intention to “achieve this project successfully by all means”. We are very happy to finish this project satisfactorily. We are also happy that the participants were happy and that the company appreciated our efforts. It was also a good experience for me personally.

[Person in charge of planning]  
**Shigeo Asai**



### ◆ “Traditional Crafts Month National Conferences in Toyama”

AEON MALL Takaoka (Toyama Prefecture)



“Traditional Crafts Month National Conferences in Toyama” (sponsored by the Ministry of Economy, Trade and Industry, etc.) was held in November 2015. Responding to a request by the sponsors to introduce

the charm and attractiveness of “Made in Japan” crafts to a wide range of generations, we offered our mall as a subsite for the conference and exhibited various products and held talk shows here. We think our mall was selected as a subsite because traditional crafts are still vividly utilized in daily life in Takaoka City, and we have held exhibitions and special sales of such traditional crafts in

our malls for a long time. In addition, we supported the operation of a free shuttle bus service that goes around the conference sites. We welcomed a total of 36,592 guests during the three conference days and received very good reactions from them. We were able to play an important role in this event integrating many people in the area and further deepen our relationship with the local residents. I hope our mall will become a place to promote various cultures like this in the future, and we would like to introduce actual production scenes of “monozukuri” (craftsmanship) regularly in our mall in the future.

**Masato Shigematsu**  
General Manager



# Diversity-based Mall Business

Promoting management diversity

Our company is organized as a gathering of employees with different nationalities, genders and employment statuses. In order for every employee to make the best of their abilities, what kind of company should we become? Here, we introduce the voices of employees in different positions.



## Achieving work-life balance

### Noticed the growth of the team, after returning from childcare leave. Encouraging the merits in the active use of the childcare leave system by male employees.

While I was transferred to AEON MALL Kawaguchi Maekawa (Saitama Prefecture), I had my second daughter on December 30, 2014, and I took a childcare leave for 43 days after the busiest period of the new-year season ended.

Because my wife was going to have the baby at a place far away from my wife's and my parent's homes, and we had to also take care of our first daughter who is two years old, I consulted with my boss about childcare leave. Personally I had a feeling that it might be equivalent to the non-performance of my responsibility as a manager, but my boss willingly accepted my application and my subordinates who would have to take on additional responsibilities encouraged me saying, "Go ahead and take a childcare leave. Now is the time". Appreciating the warm reactions of the people around me, I meticulously transferred my tasks to my subordinates from about two months before the expected time of delivery.

During the childcare leave, I felt that I was not merely helping my wife, but that as a family member it was natural to do the housework and take care of the baby. Naturally, I felt that living with all four family members fostered a sense of security and

strengthened the family tie as expected.

During the leave, I sometimes wondered if it was okay for me to stay home like this. But when I returned to the office I was pleasantly surprised that my subordinates achieved a tremendous growth and processed their tasks using their own judgment. I think it is important to respect diverse workstyles, and cover each other's work when something happens, regardless of whether you have children or not.

How to balance work and family life including childbirth and caring for children / the aged is an issue for many companies and the society as well as for each individual. Using this case as one model, I hope that we can establish a corporate culture where many male employees can routinely make use of the childcare leave system.

**Muneyoshi Kawaguchi**  
CSR Promotion Group Manager  
Management Planning Department  
Administration Division



### Management Planning Department, Administration Division

My office consists of mainly male employees, but as we have a common understanding to "to place importance on both business and private life", I did not hesitate to apply for maternity leave. I returned to work after eight months of maternity and childcare leave. Now I spend busy but fulfilled days balancing work and childcare, with the cooperation of my husband.

I have not felt childbirth and childcare to be obstacles to my work. I thank the company for transferring me to a position in charge of the Kanto area where business trips are less required compared to other areas when I returned from the leave, and I am grateful that I am helped by people around me when my child fell ill, for example. In addition, my experience as a mother helps me to see things closer to the customers' viewpoints, which helps me much when I do the planning work. I would like to challenge myself to expand my career, with the hope of planning a shopping mall in ASEAN countries someday.

**Sagako Kon**  
Planning Development Department  
Construction Planning Management  
Department, Development Division



### Support specialty stores from the standpoint and viewpoint of a local staff

I have been working at the office of AEON MALL Takao-ka since 2009, as a flex-time worker (a part-time worker). I found it very attractive that there was a childcare leave and a social insurance system for part-time workers. Actually I resumed my career after taking one year and two months off of childcare leave.

My current main business is to support the management of restaurants in the mall. I hope I can help the people of specialty stores using my strong points such as my knowledge and experience as a local resident of my favorite mall that I have been using since I was a student, and intimacy as a local staff. Sometime I feel some pressure but I think I am happy as I work in a challenging environment. I am informed that flex-time employees have a chance to become a community employee (employees working with restrictions on working place). I will work hard every day to develop myself in order to challenge myself to become a community employee in the future.

**Keiko Shimada**  
Sales representative  
AEON MALL Takaoka



### Creating an organization where every employee can exhibit his/her ability under the principle of equality of opportunity

When talking about the diversity of a company, people tend to focus on the female manager ratio, etc. but I think the true nature of diversity rests in the fact that employees can work regardless of gender, nationality or age at a position suitable for each employee, under the principle of equality of opportunity. During the past three years the number of new female employees has exceeded the number of male employees. It is a result of the selection made under the principle of equality of opportunity, and after joining the company there is no difference in the evaluation standards based on gender.

Under the above principle, we have facilitated the improvement of the working environment so that female employees can continue working after marriage and childbirth. At the moment, kindergartens, which employees of the mall can use, are being operated in more than 60 malls; some are directly managed and some are managed by specialty stores. In March 2016, we newly established a "Management diversity promotion group" and started to design new systems where female employees can continue their ca-

reers smoothly. We will do our best so that employees can work for a long time regardless of gender.

As for the malls outside Japan, it is our principle that every mall should be managed by local staff. Actually in China, there are three Chinese General Managers and one Chinese manager of Development Department, already. As for the employment of foreigners in Japan, our policy is to first let them gain experience by working at the mall, nurture them to the management level, and eventually have them play an active role using their abilities overseas.

In addition to the above, we are actively recruiting employees through transfers from other companies in the group, or occasional recruitment of people with experience, to meet our needs due to the rapid increase of our business sites.

**Yoshiharu Umeda**  
Managing Director  
Administration Division  
General Manager  
and China Operation Officer

