

# CSR Approaches Overseas

## Report from the flagship mall in China

Almost 7 years have passed since we opened our first mall in Beijing, China, and we opened new malls successively in Jiangsu Province, Zhejiang Province and Guangdong Province in this fiscal year. In Hubei Province, we opened the largest AEON MALL in China, AEON MALL Wuhan Jingkai as our flagship mall in China, in December 2015.



AEON MALL Wuhan Jingkai

### AEON MALL Wuhan Jingkai (Opened on December 10, 2015)

#### ◆ The flagship mall in China concentrated with our know-how

The largest AEON MALL in China, with 105 thousand square meters of gross leasable area, a large car park for 4,000 cars and 300 specialty stores, was born in the Wuhan Economic & Technological Development Zone in Wuhan City, Hubei Province which is rapidly developing as a sub center of the City. Under the concept of "Enjoyment by your five senses and heart", this is a "Lifestyle Mall" featuring "collection zones" on each floor.



At night, the entire mall is beautifully colored by ever-changing illuminations to create a fantastic atmosphere, welcoming our customers with brilliance.



The Security Station of Wuhan City Public Security Bureau is located in the building, and we implement crime prevention and firefighting training with the relevant offices.

#### ◆ To be the flagship mall that realizes "What is AEON MALL?"

Wuhan City, the capital of Hubei Province is a rapidly developing industrial city with a population of 12 million. According to the cooperation agreement signed between our company and the People's Government of Wuhan in 2011, we plan to develop a total of five malls in Wuhan in five years. AEON MALL Wuhan Jingkai is the second mall following AEON MALL Wuhan Jinyintan that opened in December 2014, and both malls have been very successful because they have large car parks. Customers are interested in Japanese companies and Japanese products which, we consider, is a point that differentiates us from other companies. Until the actual opening, we faced various difficult issues, but through the cooperation of the government and our experience when we

opened the first mall, we were able to open this AEON MALL Wuhan Jingkai, successfully. As this mall became a focus of attention of the people in other provinces as well as in other areas of Hubei Province, we receive many observers every day. We would like to make this AEON MALL Wuhan Jingkai a model of our mall development in China, a flagship mall where you can experience "What is AEON MALL?" not only by its scale but also through the assortment and management of participating stores.

**Kiyonari Isogawa**  
President  
AEON MALL (Hubei) Business  
Management Co., Ltd.



#### ◆ We focus our efforts on "Omotenashi" (offering hospitality with a smile) as a shopping mall rooted in Japan

Although we were involved in promotional activities to a wide range of people and PR activities to Japanese companies before the opening, receiving more than one million guests in the period from the grand opening on December 10, 2015 to the year end was beyond our expectations. Many customers already knew that our mall is a Japan-rooted shopping mall, and we received feedback from our customers that the quality of facilities built by a Japanese company was excellent as expected. We concentrated our efforts on welcoming customers by offering hospitality with a smile here like we did in the first mall. In order to acquire motivated employees, we held two recruitment briefings and appealed to the applicants that we would prepare free com-

muter bus services, catering facilities for employees and employee education systems. We hired nearly 80% of the total 3,000 employees at this time. Before the opening, we trained employees to serve customers in a hospitable, smiling manner by holding eight-day manager training sessions and 14-day employee training sessions. We are planning to organize a role playing contest in order to enhance the level of customer service and we aim to become a mall where customers can enjoy themselves and want to revisit many times.

**Kiyohiro Sasaki**  
General Manager



#### ◆ Acquired the environmental evaluation criteria system of "Two Green Stars (Designing)"



The green environment evaluation is a system similar to Japanese CASBEE, which covers the total surrounding environment including those of the site of the mall, not only limited to the buildings. The acquisition of two stars is considered to be very difficult for commercial facilities. For this mall, we introduced solar power systems, cogeneration systems, and reclaimed-water recycling systems to completely reduce the environmental burden similar to malls in Japan. This was possible because this shopping mall is a company-owned property. We received the approval of green environment evaluation at the designing stage because of such facilities. However, such modern technologies would not have been operable without close cooperation with the local power company and partner companies. We need to continue tirelessly negotiating with them, and at the same time work towards our goal which is to achieve visible results and gain appreciation in our mall management.

**Hitoshi Tamura**  
President, Construction Department  
AEON MALL Wuhan Jingkai Business Management Co., Ltd.



#### ◆ A pleasant working environment is prepared

The AEON MALL is a pleasant place to work. Before the opening of the mall, we received lectures about customer service and our appearance, and we can relax in a big lounge. As a non-smoker, I am pleased that there is a complete separation of smokers' and non-smokers' areas which is very rare in China. The only problem I have is that the restrooms for employees are located far away from the working place, which could be inconvenient during busy hours. My relatives and friends were surprised about the wide-open and beautiful place.

**Chen Man**  
"NITORI"



#### ◆ The value of AEON MALL is prevailing and the business of existing malls is also doing well

In the Beijing and Tianjin areas where we developed malls at an early period, we have been especially gaining great support from three-generation families whose population shifted to the suburbs. These customers are attracted to our malls because features such as large car parks, easiness of shopping with children, and a large variety of restaurants cannot be found in other shopping facilities. After the large-scale renovation and remodeling of the restrooms, AEON Beijing International Mall, the first mall in China which opened in 2008, has been welcoming three times more customers than when it first opened. Four Chinese nationals have already assumed the position of General

Manager, and the motivations of the local staff are increasing through the experience of customer service role playing contests, etc. People's environmental awareness has been rapidly growing because of news reports about PM2.5, and our efforts as an eco-mall are attracting people's attention.

**Takeshi Nakane**  
President  
AEON MALL (China) Business  
Management Co., Ltd.



# CSR Approaches Overseas

## Expansion in ASEAN Countries

Following Vietnam and Cambodia, we opened one of the area's largest shopping malls "AEON MALL BSD CITY" in the outskirts of the capital Jakarta as our first mall in Indonesia. Moreover, we also opened our third AEON MALL in Vietnam in the capital Hanoi.



AEON MALL Long Bien

### AEON MALL BSD CITY (Opened on May 30, 2015)

#### Our first AEON MALL in Indonesia has made its long-awaited opening



AEON MALL BSD CITY opened in the developing BSD District in Banten Province in the southwest of Jakarta in May 2015. This mall brings together about 280 stores, including 47 stores originating from Japan, with the concept of "FOR YOUR SMART LIVING" to propose new lifestyles to everyone in Indonesia.



"Ramen Village" brings together seven restaurants to have people enjoy ramen with various flavors



We carry out security checks on vehicles when they enter the parking lot



We have set up crystalline solar cell modules at the top of the eaves in Café Street



We have arranged lush green plants and trees in locations throughout the premises of the mall to create an environment that is in harmony with nature

We have been visited by approximately 10 million customers in the 10 months since our opening. We are making steady progress toward achieving our target of an annual 12 million visitors. The greatest motive for customers in Indonesia to visit shopping malls is "food and drinks". The ratio of food and drink stores in this mall accounts for approximately 40% of our total. We have achieved a store lineup satisfying in both quality and quantity. Our customers are also delighted by Japanese food and ramen.

We consider the safety of our customers to be the top priority in our operation and management. We carry out inspections on all vehicles to check that they do not have suspicious objects at the gate to our parking lot. We also carry out hand baggage checks at the mall entrances. Most commercial developers employ a fixed rent system with the specialty stores and generally

do not cooperate or get involved with them. Specialty stores also consider this to be the norm. Against this background, there remains a question as to what extent our style of enlivening our entire mall through consistent cooperation between specialty stores and the mall will be accepted by everyone. This is the challenge that we are now facing.

In order to make our first mall a success and put our Indonesian expansion plans on track, we will strive to build a mall that is always refreshing in a safe and comfortable environment by enhancing the brand strength and value of AEON MALL.

Daisuke Isobe  
General Manager



### AEON MALL Long Bien (Opened on October 28, 2015)

#### The first AEON MALL in the capital of Vietnam opened

We opened AEON MALL Long Bien – our third mall in Vietnam and our first in the capital of Hanoi – in October 2015. This mall brings together about 180 specialty stores in a new residential area where progress is being made on road maintenance and housing development approximately 5km to the east of Hoan Kiem Lake in the heart of Hanoi. AEON MALL Long Bien offers plenty of entertainment options that can be enjoyed by all generations. For example, the mall houses one of Vietnam's largest cinema complexes, one of Hanoi's largest indoor children's amusement parks and a bowling alley.

In addition to this, the mall also provides places for dining in various settings. We welcome customers here with the highest level of warm hospitality with the concept of "Japanese Heart, Vietnamese Smile."



#### Introducing the attractiveness of Miyagi Prefecture to everyone in Vietnam; "Miyagi Shop" opens



We opened a shop to showcase the attractiveness of Miyagi Prefecture for a limited time in "AEON MALL Long Bien" in order to expand the sales channels for products from Miyagi Prefecture. This shop sells processed marine products, rice, confectionary and more. There have been a number of challenges involved in this project, such as import restrictions on food products. However, we will continue to proactively hold various regional product exhibitions in the future to increase awareness of the attractiveness of Japan in Vietnam.

#### Overview of Leasing In ASEAN Countries

We are proceeding with the leasing of specialty stores in malls in ASEAN countries under the leadership of locally-formed leasing teams. It is necessary to combine the knowledge and experience of staff members who understand the local conditions rather than just mindlessly bringing in the know-how we have accumulated in our malls in Japan. Through collaboration with them, we play a role in introducing specialty stores that have not entered this area yet and specialty stores in Japan to ASEAN countries.

There are many companies with an interest in opening stores in our malls, but it is difficult to proceed with talks

based on past performance and data in the case of our first mall in each country. In particular, Indonesia is highly regulated and there are many hurdles to opening a store from Japan. However, there is also a movement toward liberalization underway through changes to the law.

We are providing help as a Japanese developer to successfully open specialty stores in ASEAN countries that introduce Japanese products or culture.

Megumi Yawata  
ASEAN Leasing Department Manager  
ASEAN Division

