

# Chairman's Statement

## 21st Century: Starting Point to Leap Further Forward

The operating environment and financial market sentiments in the Asian region are gradually recovering after undergoing a period of adjustment since the Asian financial turmoil of 1997. The financial year 2000 has shown considerable momentum for JUSCO Stores (Hong Kong) Co., Limited. Both the Hong Kong and the PRC operations recorded satisfactory performances during the year under review. We are glad to report an increase in turnover to HK\$3,394 million while the profit attributable to shareholders set a new record at HK\$92 million representing a surge of 1.8 times against the previous year.

As a member of AEON Group, whose core company is JUSCO Co., Ltd., in Japan, JUSCO Stores (Hong Kong) will continue to make a stable growth in 2001 and beyond, aiming to become the number one retailer in Hong Kong and the South China region.

We believe this will be achieved by maintaining AEON Group's fundamental philosophy, "To serve the customer first", as our prime objective in the years to come.

The AEON Group has achieved steady growth in the past decade. Operating revenue has almost doubled from 1.24 trillion yen to 2.37 trillion yen. The number of listed companies has increased from 4 to 17. The AEON Group has successfully emerged on the global stage representing Japan as an international retail business group.

With its 30th anniversary as a turning point, JUSCO Co., Ltd. will change its name to AEON Co., Ltd in August 2001 toward the renovation of itself. The change in the corporate name and the transformation into a holding company mark the start of the new group structure which is establishing a corporate function to manage




the Group's companies and to introduce a coherent management system throughout the Group. In addition, we intend to develop an operational edge in the highly competitive global market, by reinforcing the Group management system which enables each company to maintain its independence and autonomy while optimising the capabilities of the entire Group. In line with the "Vision of the 2010s", we intend to promote the concepts of "IT Driven", "Centralisation of Resources" and "Establishment of the Group Headquarters Function".

Through the establishment of the new AEON corporate brand, a behaviour model is being shaped and we are able to gain strong confidence from our valued customers. We are moving forward to build brand superiority and to generate the perception that "Retailing means the AEON Group" among our valued customers.

Being a major Japanese retail enterprise in Asia, we strongly believe in the importance of balancing local and global viewpoints which is vital for our continuous expansion in the 21st century. "Glocalisation" enables us to satisfy the local needs of each country while sharpening our competitive edge and moving towards the global standards of other international retailers.

At the same time, the AEON Group has been actively participating in environmental protection activities and proactively contributing to the community. For instance, we have planted over 4 million trees in our "AEON Hometown Forests Programme" supported by shopping centers in both Japan and overseas since 1991. Moreover, JUSCO Co., Ltd. in Japan has received "ISO14001" certification and other Group companies are applying for "ISO14001" which is in line with our business philosophy to increase environmental protection awareness. We aim to gain continuous support from our valued customers with the taking on our role as a responsible corporate citizen.

In conclusion, the AEON Group is committed to enhancing its management competence and aims to be among the top ten global retail corporations in the first decade of the 21st century. I sincerely look forward to the support and participation from all shareholders, business partners and staff of the Group in helping us to exercise our duty as a good corporate citizen.



**Toshiji TOKIWA**, Chairman  
Hong Kong, 18 May 2001