

Groundbreaking for AEON's first CFC in Honda, Chiba

~Aeon Ocado partnership moves ahead with the start of the large scale
next generation online grocery customer fulfillment center ~

AEON NEXT Preparation Co., Ltd. (Chiba City, Chiba Prefecture; President Bharat Rupani) is pleased to announce that the groundbreaking ceremony for its first Customer Fulfillment Center (CFC – automated warehouse operating with Ocado technology), the core part of the Company's next-generation online grocery operation, was conducted successfully to mark the start of its construction.

1. Overview of the Groundbreaking ceremony

- (1) Date/time: Wednesday, April 14, 2021 from 10:00~10:30am
- (2) Venue: Next Core Chiba Honda plot, Honda-cho, Midori-ku, Chiba City, Chiba Prefecture
- (3) Major attendees:

Mr. Masayuki Yamaura, Executive Officer and Chiba Branch Manager, Taisei Corporation

Mr. Tetsuya Fukuda, President and CEO, Fukuda & Partners Co., Ltd.

Mr. Clifford Bailey, Head of Asia Pacific Partnerships, Ocado Group plc

Mr. Bharat Rupani, Representative Director, AEON NEXT Preparation Co., Ltd.

Images from the ceremony



You can watch the video of the groundbreaking ceremony and messages from the following people by the QR code.

-Mr. Luke Jensen, CEO, Ocado Solutions

-Akio Yoshida, Director, Representative Executive Officer and President, Aeon Co., Ltd.

-Yuki Habu, Executive Vice President and Executive Officer, Aeon Co., Ltd.

-Bharat Rupani, President AEON NEXT Preparation Co., Ltd.



<https://youtu.be/3rZ2JQs6U5Q>

In addition, we have received messages from the following people.

-Mr. Toshihito Kumagai, Governor of Chiba Prefecture

-Mr. Shunichi Kamiya, Mayor of Chiba City



<https://youtu.be/UnGf8BWSy88>

2. Honda CFC Overview

- (1) Site area: 72,634.04 m²
- (2) Building area: 33,612.71 m²
- (3) Total floor: 51,584.20 m²
- (4) Structure: 3 storeys above ground
- (5) Employees: Approx.700



3. Honda CFC capabilities

AEON NEXT has partnered with Ocado Solutions (London, UK; CEO Luke Jensen) to develop the next-generation online grocery service, to go-live in 2023. The CFC is a state-of-the-art large-scale automated warehouse that utilizes the latest AI and robotics technologies. Together with a sophisticated web-shop and home delivery system, it enables delivery of a wide selection of fresh foods and daily necessities to customers in a timely manner. It operates a sophisticated, temperature-controlled cold chain. Inside the CFC, robots work around the clock, with the ability to pick 50 products in six minutes from a range of up to 50,000 items.

Taking advantage of the location of Chiba Prefecture, one of Japan's leading agricultural, seafood and meat producing prefectures, AEON NEXT sources its local products based on its own fresh standards including fresh fruits and vegetables.

- (1) Assortment: Approx. 50,000SKUs (go-live with about 30,000 SKUs to be gradually scaled up)
- (2) Range: Processed food, daily products (milk, tofu etc), frozen food, vegetables, fruits, fish, meat, OTC pharmaceuticals, cosmetics, daily necessities, home fashion goods, baby/kids items, stationery, hobby and other basic everyday items.
- (3) Picking robots #: Over 1,000 bots
- (4) Delivery area: Chiba Prefecture, Tokyo (selected areas)

4. Renewable energy usage

As part of its efforts to realize its CO2 emission elimination Vision 2050, Aeon has been expanding the use of solar-powered electricity through the introduction of the PPA model (*1). Honda CFC also implements the PPA model to maximize the use of on-site renewable energy stored in large batteries. In order to develop technology for general-purpose storage batteries, a proof-of-concept experiment using an AI-based energy support service (*2) will be conducted by Aeon and other stakeholders, which marks the first trial in Japan for next-generation online grocery.

The maximum installed capacity of the solar power generation system is 3,360 kW with storage batteries of 300 kWh, as a large-scale on-site power generation system, which is equivalent to the power generation capacity for approximately 1,200 ordinary household homes.

*1 PPA (Power Purchase Agreement) model: A PPA operator rents a space from a customer (its premise or rooftop), installs solar power systems, and sells the electricity generated to electricity consumers.

*2 Energy support service: A service to enable visualization of energy operation status of a building and to analyze and evaluate energy conservation.

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