



The First Domestic Retailer to Announce a Comprehensive CO₂ (Carbon Dioxide) Reduction Goal

AEON Manifesto on the Prevention of Global Warming

A 30% Reduction in CO₂ Production by 2012

AEON to Terminate Free Shopping Bag Distribution in About 1,000 Locations throughout Japan

March 14, 2008 — In a significant contribution to the creation of a sustainable society, AEON Co., Ltd. has publicly announced the “AEON Manifesto on the Prevention of Global Warming” becoming the first retailer in Japan to name a specific goal for reducing output of CO₂ (carbon dioxide), the leading cause of global warming.

The prevention of global warming has become a public concern as citizens ask themselves whether they will be able to leave a clean, livable environment to future generations. This is an urgent concern, forcing the private sector, the public sector, and everyday citizens to consider specific ways to reduce the production of CO₂.

AEON has a continuing tradition of finding ways to create a better global environment to pass on to our children, enacting specific measures to reduce the levels of CO₂ resulting from our core business activities. AEON has worked in partnership with our customers in several ways, including the “my bag” program to reduce the usage of plastic shopping bags, in-store recycling bins, and a major environmental preservation program in which AEON employees and customers have planted approximately 8 million trees in both Japan and overseas countries since 1991. AEON has also developed “Eco Stores” that systematically incorporate conservation technologies and mechanism, has introduced the use of biomass plastic packaging materials for products, and has engaged in other business process improvements in terms of both retail facilities and product development.

The newly published “AEON Manifesto on the Prevention of Global Warming” specifically states that AEON will reduce CO₂ production to 30% below fiscal 2006 levels by fiscal year 2012, while still achieving corporate growth and environmental preservation.

To reach this goal, the Company will introduce more initiatives through its core business activities, approaching ways to reduce CO₂ from the perspectives of retail store facilities, products and customers.

Details

“AEON Manifesto on the Prevention of Global Warming”

1. Target for CO2 Reduction

- AEON will reduce CO2 output by 30% of 2006 levels (an approximate 1.85 million ton CO2 output reduction) by 2012

2. Main CO2 Reduction Initiatives

(1) Store Facility Initiatives (approximate 500,000 ton CO2 output reduction)

- ① Develop an “Eco Store” during 2008 capable of reducing CO2 production by 30%. This model will be a further step in the evolution of our current “Eco Store” concept.
- ② Ensure that all shopping centers (SC) introduced after fiscal 2009 will follow the “Eco Store” model.
- ③ Introduce new equipment and expertise developed through the “Eco Stores” model into existing stores.
- ④ Install solar energy generation equipment into 200 new and existing stores by 2012.
- ⑤ Offer environmentally friendly technologies to SC tenants, helping tenants reduce their carbon footprint.

(2) Product-Focused Initiatives (approximate 570,000 ton CO2 output reduction)

- ① Promote the further transition away from packaging derived from fossil-fuels toward biomass plastic packaging.
- ② Lighten the weight of product packaging by reducing the thickness of the materials used.
- ③ Reduce CO2 output from AEON logistics operations, including the shift off product distribution method.
- ④ Provide environmentally friendly technologies to AEON suppliers, helping them reduce their output of CO2.

(3) “Together with Customers” Initiatives (approximate 310,000 ton CO2 output reduction)

- ① Reach a cumulative total of 11 million trees planted by the end of 2012 through the combined activities of “AEON Hometown Forest” program and “AEON Environmental Foundation” which have been conducted in Japan and overseas since 1991. (A cumulative total of approximately 8 million trees have been planted as of March 10, 2008)
- ② Reduce CO2 output attributed to plastic shopping bags to zero by 2012.
 - a) As one means to reach an average reduction of 80% in plastic bag use in Japan, we will eliminate the free distribution bags at nearly 1,000 retail locations in

Japan (*1).

b) Transition shopping bags away from petroleum-based materials to biomass plastic.

(4) Implementation of Kyoto Mechanism (*2) (approximate 470,000 ton CO2 output reduction)

During 2003, AEON participated in a joint investment to establish Adelaide Blue Gum Pty. Ltd. (ABL), a company engaged in the forestation business in Adelaide, Australia. Plans are in place for the company to participate in the systematic circulating program of planting, nurturing, and clearing trees, securing carbon credits.

(*1) 50% of the shopping bag sales proceeds (subsequent to eliminating free bag distribution) will be donated to local communities for environmental preservation activities, with the remaining 50% to be paid toward the purchase of carbon credits, which will then be donated to the government (Ministry of the Environment)

(*2) Engage in environmental investment activities overseas. The CO2 output reduction from such investments will be in the form of social systems recognized by “Kyoto Protocol” as eligible for inclusion in actual reductions.

End

Reference

Examples of Past AEON Environmental Load Reduction Activities

[Initiatives at Retail Locations]

- AEON is actively developing “Eco Stores” that structurally incorporate technologies and mechanisms that are environmentally conscious. Currently, AEON operates four “Eco Stores” (AEON Chikusa Shopping Center (Nagoya City, Aichi Prefecture), AEON Kashiwa SC (Kashiwa City, Chiba Prefecture), AEON Dainichi SC (Moriguchi City, Osaka), AEON Kagoshima SC (Kagoshima City, Kagoshima Prefecture)).
- AEON has adopted the use of “Returnable Containers” as a means to reduce product packaging, reducing the amount of cardboard used. Over the past five years, a cumulative 68.79 million cases have been used, representing a total of 88,058 tons of cardboard. The use of hanger trucks over the past five years has reduced cardboard by 5,611 tons.
- Since 2006, AEON has experimented with using rail transportation rather than trucks for logistics between Kanto and Hokkaido, starting a “modal shift” that will reduce the amount of CO₂ produced.

[Product-Related Initiatives]

- AEON has proactively developed private label “TOPVALU Environmental Declaration” and other environmentally friendly products.
- AEON is making strides in transitioning away from petroleum-based product packaging materials to packaging materials derived from biomass plastics.
- AEON “SELF + SERVICE” ecology shops combine environmental consciousness and fashion, selling recycled clothing and recycling unneeded clothes.

[Activities in Cooperation with Customers]

- In 1991, AEON began a program encouraging customers to bring their own shopping bags. As of fiscal 2006, the program has been responsible for reducing 175 million shopping bags. The “My Basket” program, selling customers shopping baskets they can use to take their purchases home since 2000, has reached a total of 1 million baskets sold.
- In January 2007, the JUSCO Higashiyama Nijo Store in Kyoto re-evaluated their practice of giving away shopping bags (eliminated free distribution of plastic shopping bags). As of February 20, 2008, a total of 42 AEON Group stores have adopted this new program.
- Since its start in 1989, the in-store recycling program of PET bottles has collected a cumulative total of 47,300 tons.
- AEON’s tree planting activities both in Japan and overseas has been responsible for planting a cumulative total of approximately 8 million trees between the combined efforts of “AEON Hometown Forest Program” and AEON Environmental Foundation, since beginning in 1991 at a shopping center in Malaysia.

- “AEON Day” is observed on the 11th of every month. AEON acts as a member of local society, working together with local customers to promote activities that contribute to society. One example of such activities is a cleaning activity cleaning the roads, parks, etc. near AEON retail locations and business offices.



Example of an AEON “Eco Store”
AEON Kagoshima Shopping Center
(Opened October 2007)