



Amended Tender Offer Terms for CFS Corporation Stock

May 8, 2008 — AEON Co., Ltd. (“AEON” or “the Company”) has made the following amendments to the purchase terms related to AEON’s tender offer for shares of common stock of CFS Corporation (Code No. 8229, Tokyo Stock Exchange, First Section. “CFS” or “Target Company,” below).

These changes in purchase terms have been made in response to the status of subscriptions, and relate to the number of stock certificates planned for purchase (maximum), as well as other associated changes thus necessitated.

Based on the provisions of Article 27-8 Paragraph 2 of the Financial Instruments and Exchange Law (“the Law,” below), the Company has filed today with the Kanto Local Finance Bureau an amendment to the original Tender Offer Registration Statement filed on April 4, 2008.

Details

1 Overview of Tender Offer

(1) Target Company	CFS Corporation
(2) Type of Shares to be Purchased	Common Stock
(3) Duration of Tender Offer	From April 4, 2008 (Thursday) to May 8, 2008 (Thursday) (22 business days)
(after extension)	to June 3, 2008 (Tuesday) (40 business days)
(4) Purchase Price	¥600 per common share

2 Details Prior to Amendment and Details Subsequent to Amendment

Tender offer amendments have been underlined.

First 【Tender Offer Overview】

3 【Objectives】

(1) Overview

(Before Amendments)

At the extraordinary general shareholders' meeting of Target Company held in January 2008, a motion titled "Matter regarding establishment of 100% parent company via stock transfer" for the management integration ("Management Integration") between Target Company and AIN PHARMACIEZ Inc. ("AIN") was rejected. Subsequently, the Tender Offeror and Target Company ("Companies") re-initiated negotiations for a business and capital alliance, executing a basic agreement on March 17, 2008 to build stronger cooperative ties between the Companies. As a result of these negotiations, the Companies agreed to (1) set the number of directors at the Target Company at eight (8) individuals—two appointed by the Tender Offeror, four appointed by Target Company, and two selected as external directors; (2) set the ratio ("Equity Ratio") of Target Company shares owned by Tender Offeror to 33.3% of the total number of Target Company shares outstanding (excluding Target Company treasury stock) to be accomplished on or about May 23, 2008; (3) establish specific plans for the recovery of operating results and improvement of corporate value for the Target Company through a joint project team to be created by the Companies by or about the last day of April 2008 with the cooperation of the Tender Offeror. Based on the agreement between Tender Offeror and Target Company, Tender Offeror shall make a tender offer for Target Company stock ("Tender Offer"), establishing a limit of 2,800,000 shares of stock (share ownership after Tender Offer to amount to 24.38%) with the objective of forming an equity relationship as a precondition for the implementation of various measures to improve the management transparency and corporate value of Target Company in cooperation with Tender Offeror, while also providing shareholders of Target Company an opportunity to sell their stock.

(After Amendments)

At the extraordinary general shareholders' meeting of Target Company held in January 2008, a motion titled "Matter regarding establishment of 100% parent company via stock transfer" for the management integration ("Management Integration") between Target Company and AIN PHARMACIEZ Inc. ("AIN") was rejected. Subsequently, the Tender Offeror and Target Company ("Companies") re-initiated negotiations for a business and capital alliance, executing a basic agreement on March 17, 2008 to build stronger cooperative ties between the Companies. Subsequently on May 8, 2008, considering the status of subscriptions, Tender Offeror increased the number (maximum) of stock shares subject to purchase, and signed a memorandum of understanding to extend the tender offer duration. As a result of these negotiations, the Companies agreed to (1) set the number of directors at the Target Company at eight (8) individuals—two appointed by the Tender Offeror, four appointed by Target Company, and two selected as external directors; (2) set the ratio ("Equity Ratio") of Target Company shares owned by Tender Offeror to 33.3% of the total number of Target Company shares outstanding (excluding Target Company treasury stock) to be accomplished on or about mid-June, 2008; (3) establish specific plans for the recovery of operating results and improvement of corporate value for the Target Company through a joint project team to be created by the Companies by or about the last day of April 2008 with the cooperation of the Tender Offeror. Based on the agreement between Tender Offeror and Target Company, Tender Offeror shall make a tender offer for Target Company stock ("Tender Offer"), establishing a limit of 3,800,000 shares of stock (share ownership after Tender Offer to amount to 27.73%) with the objective of forming an equity relationship as a precondition for the implementation of various measures to improve the management transparency and corporate value of Target Company in cooperation with Tender Offeror, while also providing shareholders of Target Company an opportunity to sell their stock.

(2) Background and Rationale for Tender Offer
(ii) Circumstances leading to Tender Offer

(Before Amendments)

Subsequently, the Tender Offeror and Target Company re-initiated negotiations related to a business and equity tie-up, executing a basic agreement for building a stronger cooperative relationship between the Companies on March 17, 2008, the major points of which are as outlined below.

(omitted)

(4) ...setting the Equity Ratio to 33.3% according to the methods discussed below. However, subsequent to this increase in investment ratio, the Tender Offeror shall still respect the independence of Target Company management.

The Tender Offeror shall make a tender offer at a price of ¥600 per share, limited to a maximum of 2,800,000 shares.

(After Amendments)

Subsequently, the Tender Offeror and Target Company re-initiated negotiations related to a business and equity tie-up, executing a basic agreement for building a stronger cooperative relationship between the Companies on March 17, 2008, further executing a memorandum of understanding amending the aforementioned agreement on May 8 of the same year, the major points of which are as outlined below.

(Omitted)

(4)...setting the Equity Ratio to 33.3% according to the methods discussed below. However, subsequent to this increase in investment ratio, the Tender Offeror shall still respect the independence of Target Company management.

The Tender Offeror shall make a tender offer at a price of ¥600 per share, limited to a maximum of 3,800,000 shares.

(5) Potential Delisting

(Before Amendments)

The Tender Offeror shall implement Tender Offer limited to a maximum of 2,800,000 shares; accordingly we believe there to be no factual basis for a potential delisting of Target Company shares due to Tender Offer.

(After Amendments)

The Tender Offeror shall implement Tender Offer limited to a maximum of 3,800,000 shares; accordingly we believe there to be no factual basis for a potential delisting of Target Company shares due to Tender Offer.

4 [Duration of Tender Offer, Tender Offer Price, and Number of Stock Certificates subject to Purchase]

(1) 【Duration of Tender Offer】

a. 【Duration as of Initial Filing】

(Before Amendments)

Duration of Tender Offer	From April 4, 2008 (Friday) to <u>May 8, 2008 (Thursday) (22 business days)</u>
Public Notice Date	April 4, 2008
Name of Newspaper used for Public Notice	Public notice was issued electronically; such intent was published via the Nihon Keizai Shimbun. (Electronic Publication URL http://info.edinet-fsa.go.jp/)

(After Amendments)

Duration of Tender Offer	From April 4, 2008 (Friday) to <u>June 3, 2008 (Tuesday) (40 business days)</u>
Public Notice Date	April 4, 2008
Name of Newspaper used for Public Notice	Public notice was issued electronically; such intent was published via the Nihon Keizai Shimbun. (Electronic Publication URL http://info.edinet-fsa.go.jp/)

b. 【Allowance of Extension according to Target Company Request】

(Before Amendments)

According to the provisions of Article 27-10 Paragraph 3 of the Law, Target Company may, upon submitting a Statement of Opinion requesting an extension in the duration of the tender offer (“Tender Offer Duration”), extend said Tender Offer Duration by thirty (30) business days to May 20, 2008.

(After Amendments)

Not applicable.

c. 【Extension Confirmation Contact Information】

(Before Amendments)

Address AEON Co., Ltd.
1-5-1 Nakase, Mihama-ku, Chiba City, Chiba Prefecture
Telephone Number 043-212-6057
Contact Hours Weekdays between 10:00 and 17:00

(After Amendments)

Not applicable.

(3) 【Number of Shares to be Purchased】

(Before Amendments)

Planned Purchase in terms of Stock Shares	Minimum Planned Purchase in terms of Stock Shares	Maximum Planned Purchase in terms of Stock Shares
<u>2,800,000</u> (shares)	- (shares)	<u>2,800,000</u> (shares)

(After Amendments)

Planned Purchase in terms of Stock Shares	Minimum Planned Purchase in terms of Stock Shares	Maximum Planned Purchase in terms of Stock Shares
<u>3,800,000</u> (shares)	- (shares)	<u>3,800,000</u> (shares)

5 【Share Ownership after Tender Offer】

(Before Amendments)

Category	Number of Voting Rights
Number of voting rights represented by share certificates subject to tender offer (units) (a)	<u>5,600</u>
Number of voting rights represented by residual share certificates and other securities from (a) (units) (b)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (b) (units) (c)	-
Number of voting rights represented by share certificates owned by Tender Offeror as of the date of the submission of the Notice (units) (d)	8,980
Number of voting rights represented by residual share certificates and other securities from (d) (units) (e)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (e) (units) (f)	-
Number of voting rights represented by share certificates owned by Special Related Parties as of the date of the submission of the Notice (units) (g)	94
Number of voting rights represented by residual share certificates and other securities from g (units) (h)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (h) (units) (i)	-
Number of voting rights of shareholders of Target Company (as of August 20, 2007) (units) (j)	59,678
Ratio of the number of voting rights represented by share certificates subject to tender offer to the number of voting rights owned by shareholders ((a)/(j)) (%)	<u>9.36</u>
Share Ownership after Tender Offer ((a+d+g) / (j+(b-c) + (e-f) + (h-i))×100) (%)	<u>24.38</u>

(Note1) “Number of voting rights represented by share certificates subject to tender offer (a)” is the number of voting rights represented by the number of shares subject to Tender Offer (2,800,000 shares)

(After Amendments)

Category	Number of Voting Rights
Number of voting rights represented by share certificates subject to tender offer (units) (a)	<u>7,600</u>
Number of voting rights represented by residual share certificates and other securities from (a) (units) (b)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (b) (units) (c)	-
Number of voting rights represented by share certificates owned by Tender Offeror as of the date of the submission of the Notice (units) (d)	8,980
Number of voting rights represented by residual share certificates and other securities from (d) (units) (e)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (e) (units) (f)	-
Number of voting rights represented by share certificates owned by Special Related Parties as of the date of the submission of the Notice (units) (g)	94
Number of voting rights represented by residual share certificates and other securities from (g) (units) (h)	-
Number of voting rights represented by trust beneficiary certificates, depository receipts and other securities displaying share certificate rights from (h) (units) (i)	-
Number of voting rights of shareholders of Target Company (as of August 20, 2007) (units) (j)	59,678
Ratio of the number of voting rights represented by share certificates subject to tender offer to the number of voting rights owned by shareholders ((a)/(j)) (%)	<u>12.71</u>
Share Ownership after Tender Offer $((a+d+g) / (j+(b-c) + (e-f) + (h-i)) \times 100)$ (%)	<u>27.73</u>

(Note1) “Number of voting rights represented by share certificates subject to tender offer (a)” is the number of voting rights represented by the number of shares subject to Tender Offer (3,800,000 shares).

8 【Funds Required for Tender Offer】

(1) 【Funds Required for Tender Offer】

(Before Amendments)

Cash Payments (yen) (a)	<u>1,680,000,000</u>
Non-Cash Payments (Type)	-
Non-Cash Payments (Total Value)	-
Commissions (yen) (b)	<u>40,000,000</u>
Other (yen) (c)	<u>7,000,000</u>
Total (yen) (a) + (b) + (c)	<u>1,727,000,000</u>

(Note 1) The value of cash payments in the “Cash Payments (a)” column represents the number of shares subject to purchase (2,800,000 shares) multiplied by the purchase price per share.

(Note 2) The value of commissions in the “Commissions (b)” column represents the amount expected to be paid to the tender offer agent for the number of shares subject to purchase (2,800,000 shares).

(After Amendments)

Cash Payments (yen) (a)	<u>2,280,000,000</u>
Non-Cash Payments (Type)	-
Non-Cash Payments (Total Value)	-
Commissions (yen)(b)	<u>42,000,000</u>
Other (yen) (c)	<u>10,000,000</u>
Total (yen)(a) + (b) + (c)	<u>2,332,000,000</u>

(Note 1) The value of cash payments in the “Cash Payments (a)” column represents the number of shares subject to purchase (3,800,000 shares) multiplied by the purchase price per share.

(Note 2) The value of commissions in the “Commissions (b)” column represents the amount expected to be paid to the tender offer agent for the number of shares subject to purchase (3,800,000 shares).

10 【Settlement Procedures】

(2) 【Date of Start of Settlement】

(Before Amendments)

May 14, 2008 (May 27, 2008 in the event that the Tender Offer Duration is extended under the provisions of Article 27-10 Paragraph 3 of the Law)

(After Amendments)

June 10, 2008

Fourth 【Transactions between Tender Offeror and Target Company】

2 【Agreements and Agreement Details between Tender Offeror, Target Company and/ or Officers of the Companies】

(Before Amendments)

The Tender Offeror and Target Company executed a basic agreement to build a stronger cooperative relationship between the Companies on March 17, 2008, the major points of which are outlined below.

(Omitted)

(4)...setting the Equity Ratio to 33.3% according to the methods discussed below. However, subsequent to this increase in investment ratio, the Tender Offeror shall still respect the independence of Target Company management.

The Tender Offeror shall make a tender offer at a price of ¥600 per share, limited to a maximum of 2,800,000 shares. Upon the conclusion of the purchase period of Tender Offer, Target Company shall issue shares for subscription by means of a third-party allocation, and the Tender Offeror shall acquire such shares for subscription, limited to a maximum number to represent Equity Ratio of 33.3%. The issuance price of said shares for subscription shall be ¥600.

(After Amendments)

The Tender Offeror and Target Company executed a basic agreement to build a stronger cooperative relationship between the Companies on March 17, 2008, the major points of which are outlined below.

(Omitted)

(4)...setting the Equity Ratio to 33.3% according to the methods discussed below. However, subsequent to this increase in investment ratio, the Tender Offeror shall still respect the independence of Target Company management.

The Tender Offeror shall make a tender offer at a price of ¥600 per share, limited to a maximum of 3,800,000 shares. Upon the conclusion of the purchase period of Tender Offer, Target Company shall issue shares for subscription by means of a third-party allocation, and the Tender Offeror shall acquire such shares for subscription, limited to a maximum number to represent Equity Ratio of 33.3%. The issuance price of said shares for subscription shall be ¥600.

End