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Transition to a Pure Holding Company

August 19, 2008 — In accordance with a resolution passed at the annual shareholders' meeting held in May of this year, Aeon Co., Ltd. will divest its retail and other operating divisions as of August 21, transferring these divisions to wholly owned subsidiary Aeon Retail Co., Ltd., and restructure Aeon Co., Ltd. as a pure holding company.

As the social environment surrounding our customers undergoes a major transformation, our firm is also evolving in terms of the expansion of group scale and the diversification of our business lines. Recognizing that changing our group management structure is a pressing issue, we have been making preparations toward transition to a pure holding company. The objective of this structural change is to maintain the customer-focused management concept inherited from our former incarnation as Jusco Co., Ltd., while at the same time responding to major changes in the business/social environment and implementing a management restructuring that realizes improved corporate value by focusing both on a smooth transition to a new stage of growth leading into the next generation and enhanced earnings capability.

As a pure holding company, Aeon Co., Ltd. will become an organization dedicated to maximizing group synergies by, for example, setting group strategy, optimally allocating group management resources, ensuring the spread of and control over Aeon's management concept and fundamental principles, and providing shared services.

At the same time, Aeon Retail Co., Ltd. and our other operating companies will build new levels of expertise, strengthen management interaction with local communities, and strive for increased customer satisfaction.

Under this new structure, Aeon will (1) build a new group growth model that offers appropriate management balance, without allowing future growth strategies to overly focus on domestic retailing or our other current major businesses; (2) restructure our GMS (General Merchandise Stores) and other businesses, which is the main concern of the group at present; (3) create group synergies on an even higher level, taking advantage of the benefits of scale and standardization regardless of product or business line. At the same time, we will promote "even greater focus and decentralization of authority," leading to self-directed management of business divisions within the group that operate under clear roles with respect to authority and responsibility. Through these changes, we will lead the market in responding to the increasingly diversified needs of our customers and to changes in the business environment, and thereby become a corporation trusted and favored by our customers.

Details

Pure Holding Company Transition Date **August 21, 2008 (Thursday)**

Pure Holding Company

Company Name	AEON Co., Ltd.
Business Line(s)	Pure Holding Company
Location	1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

Representative Motoya Okada, president
Capital ¥199,054 million

Operating Company

Company Name AEON Retail Co., Ltd.
Business Line(s) General Merchandise Stores
Location 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba
Representative Shohei Murai, president
Capital ¥50 billion

End