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September 12, 2012
AEON CO., LTD.

Notice Concerning Organizational Restructuring Through Share Exchange Between Consolidated Subsidiary Company and Affiliated Company of Aeon Co., Ltd.

Aeon Credit Service Co., Ltd. (head office: Chiyoda Ward, Tokyo; President and CEO Kazuhide Kamitani; hereafter, "Aeon Credit Service"), a consolidated subsidiary of Aeon Co., Ltd. and Aeon Bank, Ltd. (head office: Koto Ward, Tokyo; Representative Director and President Takamitsu Moriyama; hereafter, "Aeon Bank"), an affiliated of Aeon Co., Ltd. resolved at meetings of their respective Board of Directors held today to conclude a management integration agreement (hereafter, "Management Integration"), and as part of the Management Integration to conclude a share exchange agreement (hereafter, "Share Exchange Agreement") with January 1, 2013 as the effective date (scheduled) for the share exchange (hereafter, "Share Exchange") with Aeon Credit Service as the wholly owning parent company in the share exchange and Aeon Bank as the wholly owned subsidiary company in the share exchange.

Under the Management Integration Agreement, Aeon Credit Service and Aeon Bank also agreed to conduct a company split with April 1, 2013 as the effective date (scheduled) whereby, in summary, Aeon Credit Service will give that company's rights and obligations related to the credit card business to Aeon Bank (excluding any rights and obligations under separate agreement between the parties) (hereafter, "Absorption-type Split 1"), and to conduct another company split under which a new wholly owned subsidiary (hereafter, "New Aeon Credit Service") to be established by Aeon Bank will take over all of Aeon Credit Service's other rights and obligations (hereafter, "Absorption-type Split 2") (hereafter Absorption-type 1 and Absorption-type Split 2 are collectively referred to as "Absorption-type Split"). Through the Share Exchange and the Absorption-type Split, Aeon Credit Service will change into a holding company (a bank holding company) which will own subsidiaries which conduct the banking business, credit card business, and other businesses, and change its name to Aeon Financial Service Co., Ltd. (hereafter, "Aeon Financial Service").

The Management Integration requires approval from the general shareholders meetings of Aeon Credit Service and Aeon Bank, respectively, and the necessary legal approvals from the concerned authorities.

For details of the Share Exchange and the Absorption-type Split, please refer to "Aeon Credit Service and Aeon Bank Conclude Share Exchange Agreement and Management Integration Agreement for Transition to a Holding Company System" announced by Aeon Credit Service and Aeon Bank as of today.

I. Regarding the Management Integration

1. Background and Purposes of the Management Integration

Aeon Credit Service has achieved a performance recovery by expanding fee businesses such as the electric money and bank agency services, strengthening business development in 11 foreign countries and regions, and advancing the transformation of its business structure. However, the competition is becoming even more intense with the entry of IT companies, cell phone companies, and other new market entrants, making it necessary to draw a new growth strategy.

Aeon Bank has secured deposit accounts, strengthened housing loans, and expanded its branch and ATM network since it was founded in 2007, making use of its ties with Aeon Credit Service and other Aeon Group companies and of "Aeon Card Select", a card combining bank card, credit card and electric money, and realized a profit on a single fiscal year basis in the fiscal year ended March 2012. Regardless, we believe Aeon Bank must work to further solidify its revenue base and boost its corporate value toward continuous and stable growth.

To provide more convenient financial services from the customer's perspective, Aeon Credit Service and Aeon Bank see it has now become essential to build a comprehensive financial group that does not exist at other financial institutions through structural reform combining the retail and financial industries, with the credit, banking, insurance, and electric money businesses at its core.

Based on this background, as members of a financial Group that began from the retail industry, both companies are working to maximize customer satisfaction by providing safe, secure, economical, and convenient financial

products and services through the Management Integration by fusing information on customer transaction and financial asset.

Additionally, through further human resources development, the companies aim at an organizational structure that can be more active globally.

2. Outline of the Management Integration

(1) Method of the Management Integration

The Management Integration will be implemented through the following share exchange and absorption-type split method.

Phase 1: The Share Exchange

The share exchange will be conducted with Aeon Credit Service as the wholly owning parent company in the share exchange and Aeon Bank as the wholly owned subsidiary company in the share exchange.

Phase 2: The Absorption-type Split

The switch to a holding company will be achieved through a company split of Aeon Credit Service. Specifically with the split of Aeon Credit Service, that company's rights and obligations related to the credit card business will be taken over by Aeon Bank, and all of its other rights and obligations will be taken over by New Aeon Credit Service (excluding any rights and obligations under separate agreement between the parties). On the condition that the Absorption-type Split comes into effect, the existing Aeon Credit Service will change its corporate name to Aeon Financial Service. The specific contents of the Absorption-type Split will be promptly announced once the details are confirmed. Aeon Bank will consign the execution of its processing, bank agency and other works to New Aeon Credit Service.

(2) Schedule for the Management Integration

Date of resolution to conclude the Share Exchange and the Management Integration Agreement (both companies)	September 12, 2012
Date of concluding the Share Exchange Agreement and the Management Integration Agreement	September 12, 2012
Date of announcement of the base date for the general shareholders meetings to approve the Share Exchange (Aeon Credit Service)	September 12, 2012 (scheduled)
Base date for the general shareholders meetings to approve the Share Exchange (Aeon Credit Service)	September 12, 2012 (scheduled)
Date of the general shareholders meetings to approve the Share Exchange (both companies)	November 21, 2012 (scheduled)
Date the Share Exchange comes into effect	January 1, 2013 (scheduled)
Date of Board of Directors vote approving the Absorption-type Split (the three companies)	Within January 2013 (scheduled)
Date of conclusion of agreement on the Absorption-type Split	Within January 2013 (scheduled)
Date of announcement of the base date for the general shareholders meeting to approve the Absorption-type Split	Within January 2013 (scheduled)
Base date for the general shareholders meeting to approve the Absorption-type Split	Within January 2013 (scheduled)
Date of the general shareholders meeting to approve the Absorption-type Split	Within January 2013 (scheduled)
Date the Absorption-type Split comes into effect	April 1, 2013 (scheduled)

Notes:

1. The schedule for the Management Integration may be changed based on consultations among the parties as the future procedures move forward.
2. The three companies refer to Aeon Credit Service, Aeon Bank, and New Aeon Credit Service.

II. Regarding the Share Exchange

1. Outline of the Share Exchange

(1) Schedule for the Share Exchange

Please refer to "I. Regarding the Management Integration, 2. Outline of the Management Integration, (2) Schedule for the Management Integration" above.

(2) Method of the Share Exchange

The Share Exchange will be conducted with Aeon Credit Service as the wholly owning parent company in the share exchange and Aeon Bank as the wholly owned subsidiary company in the share exchange.

(3) Allocation Contents for the Share Exchange

	Aeon Credit Service (Wholly owning parent company in the share exchange)	Aeon Bank (Wholly owned subsidiary company in the share exchange)
Allocation contents for the Share Exchange	1 share	23.7 shares

Notes:

1. Allocation ratio for the Share Exchange

For each share of Aeon Bank (common stock, Class 'A' common stock and Class 'B' common stock), 23.7 shares of Aeon Credit Service common stock will be allocated and granted. However, the 200,000 shares of Aeon Bank's Class 'B' common stock owned by Aeon Credit Service will not receive any share allocation under the Share Exchange.

2. Number of new shares of Aeon Credit Service to be issued under the Share Exchange
42,660,000 shares of common stock (scheduled)

(4) Handling of New Share Subscription Rights and Warrant Bonds Accompanying the Concerned Organizational Restructuring

Aeon Bank has not issued any new shares subscription rights or warrant bonds.

2. Outline of the Parties to the Share Exchange

(1) Name	Aeon Credit Service Co., Ltd.	Aeon Bank, Ltd.		
(2) Head office address	1-1 Kanda, Nishiki-cho, Chiyoda Ward, Tokyo	1-9-6 Edagawa, Koto Ward, Tokyo		
(3) Representative's title and name	President and CEO Kazuhide Kamitani	President Takamitsu Moriyama		
(4) Business contents	Credit card business, credit peripheral businesses, bank agency business	Banking business, insurance agency business		
(5) Capital	¥15,466,500,000	¥51,250,000,000		
(6) Date established	June 20, 1981	May 15, 2006		
(7) No. of shares outstanding	144,697,208 shares (as of May 20, 2012)	2,000,000 shares		
(8) Settlement date	End of February	End of March		
(9) No. of employees	6,208 (consolidated) (as of May 20, 2012)	847 (nonconsolidated) (as of May 20, 2012)		
(10) Main trading partners	Member stores, individuals	Individuals, corporations		
(11) Main banks	Mizuho Corporate Bank Bank of Tokyo-Mitsubishi UFJ Sumitomo Mitsui Banking Corp.			
(12) Main shareholders and equity ratios (%) (as of Feb. 20, 2012)	Aeon Co., Ltd.	45.60	Aeon Co., Ltd.	53.25
	Japan Trustee Services Bank, Ltd. (trust account)	4.80	Mizuho Corporate Bank	3.00
	The Master Trust Bank of Japan, Ltd. (trust account)	4.59	Sumitomo Mitsui Banking Corp.	3.00
	Maxvalu Nishinihon Co., Ltd.	1.69	Mitsubishi Corporation	3.00
	Ministop Co., Ltd.	1.46	The Bank of Yokohama, Ltd.	2.00

(13) Relations among the parties involved

Capital relations	Aeon Credit Service owns Class 'B' (nonvoting) common stock shares (equivalent to 10% of all the shares outstanding) of Aeon Bank. Moreover, Aeon Credit Service parent company Aeon Co., Ltd. owns 53.25% of the outstanding common stock of Aeon Bank (with 38.75% of the voting rights)
Personnel relations (as of Feb. 20, 2012)	Aeon Credit Service has seconded three employees to Aeon Bank, and Aeon Bank has seconded 104 employees to Aeon Credit Service.
Trading relations	Aeon Credit Service has concluded a bank agency works contract and an indemnity agreement with Aeon Bank, and the two companies are also engaged in an ATM joint business.
Related parties status	Aeon Bank is not a related party to Aeon Credit Service. Moreover, parties and companies affiliated with Aeon Bank are not related parties to Aeon Credit Service. However, Aeon

	Credit Service is a related party to Aeon Bank as a subsidiary of another affiliated company of Aeon Bank.					
(14) Operating results and financial conditions over the past three years						
Fiscal Year (ended)	Aeon Credit Service			Aeon Bank		
	Feb. 2010 (consolidated)	Feb. 2011 (consolidated)	Feb. 2012 (consolidated)	Mar. 2010 (consolidated)	Mar. 2011 (consolidated)	Mar. 2012 (consolidated)
Net assets	176,717	180,199	181,852	52,731	52,786	56,955
Total assets	866,364	901,578	907,658	706,724	997,535	1,217,407
Net assets per share (¥)	994.42	1,015.17	1,012.52	26,365.67	26,393.12	28,471.63
Operating revenues (current income)	172,430	169,191	169,853	12,651	19,652	34,457
Ordinary income or loss (-)	20,424	20,823	24,268	-12,898	-2,723	4,411
Net income	197	9,540	8,988	-13,103	-1,978	4,273
Net income or loss (-) per share	1.26	60.83	57.30	-7,703	-989.28	2,136.90
Dividend per share (¥)	40.00	40.00	45.00	—	—	—

(Unit: million yen except when otherwise stipulated)

Note: Equity ratios denote percentage ownership of total shares outstanding.

III. Conditions after the Share Exchange

I. Conditions of the Share Exchange Wholly Owning Parent Company (Consolidated) after the Share Exchange

(1) Name	Aeon Credit Service Co., Ltd.
(2) Head office address	1-1 Kanda, Nishiki-cho, Chiyoda Ward, Tokyo
(3) Representative's title and name	President and CEO Kazuhide Kamitani
(4) Business contents	Credit card business, credit peripheral businesses, bank agency business
(5) Settlement date	End of March

Notes:

1. Aeon Credit Service will change its settlement date to the end of March once the Share Exchange comes into effect. For details, please refer to "Notice of Holding an Extraordinary General Shareholders Meeting, Setting the Base Date for Convening an Extraordinary General Shareholders Meeting, Changing the Settlement Date and Amending the Articles of Incorporation" released by Aeon Credit Service as of today.
2. The figures for capital, net assets and total assets will be announced when they are confirmed.

2. Composition of Directors of Aeon Credit Service

There are no plans at the present time to make any changes to the composition of directors of Aeon Credit Service after the Share Exchange. If there are any additions or changes as a result of future examinations, they will be discussed and voted on at the Extraordinary General Shareholders meeting scheduled for November 2012.

3. Outline of Accounting Method

The accounting method of the Share Exchange will use the purchase method, since it corresponds to a purchase under the Business Combination Accounting Standards. The Share Exchange is expected to generate goodwill (or negative goodwill), but the amount thereof cannot be confirmed at the present time.

4. Future Outlook

The effect of the Share Exchange on the consolidated performance forecast of Aeon Credit Service hasn't been determined at the present time. The details will be announced when they become clear.