



March 1, 2013
AEON LIQUOR CO., LTD.
AEON CO., LTD.

**“AEON LIQUOR”, Launching on Friday, March 1, as Aeon’s Liquor Company
Second “Spin-off” as a Fruit of Enhancement of Specialization in the Course of GMS Business
Reforms**

Aeon Retail Co., Ltd., a GMS operator, has spun off part of its liquor business into a separate company, effective on March 1, 2013. The new company will be known as Aeon Liquor Co., Ltd.



The new subsidiary has been established to take over operation of the “Aeon Liquor” specialty store chain that currently consists of 21 independent outlets nationwide. The company also intends to support a total of 85 specialty store-style liquor sections introduced to Aeon GMS floors to enhance specialist service, mainly by assigning to these sections the company’s specialist staff, including the Japan Sommelier Association certified experts and those with internal qualification.

Aeon Liquor aims to deliver greater value than achieved by simply selling products, through offering products and services strategically selected or developed to meet needs and ideas related to diversifying lifestyles. For example, Aeon has launched a tie-up project with more than 220 restaurants, which allow customers to bring in wine they have purchased at a nearby Aeon Liquor shop. This BYO system has been favorably received both by restaurant operators and diners. The company will expand collaborative activities with local shops and restaurants as part of efforts stepped up to promote new store development oriented to local communities.

With the launch of Aeon Liquor, which has the license of liquor wholesale, Aeon will develop a structure that allows the new liquor company to centrally control procurement and supply for the entire Group to make package deals with an intention to offer attractive products at lowered prices.

Aeon will gear up to promote its initiative for specialization in other categories, including craft and hobby, gardening and greenery, among others, as part of efforts to fulfill its commitment to building a new concept GMS model that features professionally selected broad lineups and quality service offered by specialist staff.

Outline of the new company

1. Establishment: December 10, 2012
2. Start of operation: March 1, 2013
3. Company name: AEON LIQUOR CO., LTD.
4. Representative: Kunihiko Hisaki
5. Head office: 1-4, Nakase, Mihama-ku, Chiba-shi, Chiba
6. Business line: Operation of liquor specialty store chain, supply of liquor products
7. Closing date: End of February
8. Paid-in capital: 94 million yen
9. Shareholder: AEON CO., LTD.
10. Number of stores: 21
11. License: Liquor retail, liquor wholesale, liquor sales agency (under application for approval)

Supplementary

Aeon's initiative for specialization

Aeon is endeavoring to reform its GMS business, aiming to effectively meet changing needs related to diversifying lifestyles of customers. One pillar of the reform initiative is introducing and expanding the specialty store-style model to GMS operation to offer professionally selected product lineups and quality service offered by specialist staff on spacious floors. Aeon Liquor is the second spin-off subsidiary set up under this initiative, following Aeon Bike Co., Ltd. established in September 2012.

Background of strengthening the liquor business

Liquor business is a focus of Aeon's GMS reform initiative. In 2010, Aeon started to implement a series of major steps to rebuild this area, from launching liquor specialty stores in and around Tokyo, revamping liquor sections in GMS floors, planning and developing Topvalu label products, to expanding wine market share. These efforts have produced considerable results, including a tremendous sales volume recorded for the Topvalu Barreal beer series, exceeding 500 million cans in total since its launch. Additionally, Cordon Vert Co., Ltd., a wine import subsidiary within the Group became Japan's top importer of the 2012

Beaujolais Nouveau wine. These achievements represent success of the initiative in responding to customer needs.

Under the reorganized structure, Aeon will build a new structure that the management of liquor specialty store chain operation as well as the Group's procurement and supply of liquor products will be centrally managed by the new company.

