Notice Concerning Transfer of Assets, Lease of Fixed Assets, and Occurrence of Extraordinary Profit and Loss

October 2, 2013

Company name	Aeon Co., Ltd.
Listings	The First Section of the Tokyo Stock Exchange
Securities Code	8267
Representative	Motoya Okada, President
Contact	Yuiken Tsutsumi, Head of Secretary Office
Telephone	+81-43-212-6042

Aeon Co., Ltd. (the "Company") hereby announces that, as set forth below, its consolidated subsidiaries have decided to transfer their assets to Aeon REIT Investment Corporation, which outsources asset management to Aeon Reit Management Co. Ltd., a wholly-owned subsidiary of the Company, and to lease those assets from Aeon REIT Investment Corporation (the "Transactions"), and that, in conjunction with the Transactions, the Company expects that extraordinary profits and extraordinary losses will arise.

1. Reason for and Particulars of the Transactions

The Aeon Group is currently operating under the Aeon Group Medium-Term Managerial Plan (for the fiscal years ending February 28, 2011 through 2013), which is the first step in a transition to a new growth stage looking forward through 2020. Under this plan, the Company sees the large environmental changes (macro-economic trends) that it faces as growth opportunities, and, as a common group strategy, will allocate managerial resources strategically to four growth areas: Asia, large cities, seniors, and digital.

In particular, it is expected that with the rapid growth of consumer markets in China, ASEAN and other developing Asian economies, as well as the expansion of consumer demand domestically due in part to an increase in the senior population, there will be expanded demand going forward, both domestically and abroad, for large shopping centers with general merchandise stores as a core tenant, the development of which is a primary business of the Aeon Group. The Company believes that this will lead to significant growth opportunities for the Aeon Group. In order to take advantage of these growth opportunities, the Company is aware that it is important to diversify its means for raising capital to ensure a sound financial foundation for stable and continuous investment in growth markets.

In attaining this diversification of financing means, the Group is moving forward with a review of its

Note: This press release is intended to provide general information regarding the transfer of assets of Aeon Co., Ltd. and is not an offer to sell or a solicitation of any offer to buy securities in Japan, the United States or elsewhere.

strategies for holding real property such as large shopping centers, and as part of that process, is moving ahead with preparations for the full-time operations of the already established Aeon REIT Investment Corporation.

The Company recently decided to transfer certain retail facilities owned by Aeon Retail Co., Ltd., Aeon Mall Co., Ltd., and Aeon Co. (M) BHD ("Aeon Malaysia"), which are consolidated subsidiaries of the Company, to Aeon REIT Investment Corporation, subject to satisfaction of the conditions precedent specified in the relevant purchase agreements. Aeon REIT Investment Corporation outsources asset management to Aeon Reit Management Co. Ltd. Even after the transfers, the Group companies will continue to manage and operate those assets through lease agreements. In conjunction with such transfers and leases, extraordinary profits and extraordinary losses are expected to arise.

2. Particulars of the Assets to be Transferred

Owner	Retail Facility Name	Location	Aggregate Book Value (consolidated)[1]	Aggregate Sale Price
Aeon Retail Co., Ltd. (9 properties)	Lake Town Mori[2]	Koshigaya City, Saitama Prefecture	76.3 billion yen	76.8 billion yen
	Lake Town Kaze[2]	Koshigaya City, Saitama Prefecture		
	Aeon Mall Ishinomaki	Ishinomaki City, Miyagi Prefecture		
	Aeon Sagamihara Shopping Center	Sagamihara City, Kanagawa Prefecture		
	Aeon Mall Ogaki	Ogaki City, Gifu Prefecture		
	Aeon Mall Meiwa	Taki-gun, Mie Prefecture		
	Aeon Mall Kasaihojyo	Kasai City, Hyogo Prefecture		
	Aeon Mall Hiezu	Saihaku-gun, Tottori Prefecture		
	Aeon Mall Ayagawa	Ayauta-gun, Kagawa Prefecture		
Aeon Mall Co., Ltd. (6 properties)	Aeon Mall Morioka	Morioka City, Iwate Prefecture	63.3 billion yen	64.6 billion yen
	Aeon Mall Mitouchihara	Mito City, Ibaraki Prefecture		
	Aeon Mall Suzuka	Suzuka City, Mie Prefecture		
	Aeon Mall Kurashiki	Kurashiki City, Okayama Prefecture		
	Aeon Mall Nogata[3]	Nogata City, Fukuoka Prefecture		
	Aeon Mall Kumamoto	Kamimashiki-gun, Kumamoto Prefecture		

Note: This press release is intended to provide general information regarding the transfer of assets of Aeon Co., Ltd. and is not an offer to sell or a solicitation of any offer to buy securities in Japan, the United States or elsewhere.

Aeon Malaysia (1 property	Aeon Taman Universiti Shopping Centre[4]	Johor Bahru, Johor, Malaysia	0.1 billion yen[5]	0.5 billion yen[5]
Total (16 properties)			139.9 billion yen	142.0billion yen

[1] Current estimate of book value as of the planned time of transfer.
[2] A 40% stake in the land and buildings will be transferred.
[3] Only land owned will be transferred; the buildings, which are leased from a third party, will not be transferred.
[4] The transfer is scheduled to take place during the fiscal year ending February 28, 2015. A stake equivalent to 20 million Malaysian ringgit will be transferred.
[5] Calculated at a conversion rate of 1 ringgit/29.83 yen.

3. Overview of the Transferee

(1) Name:	Aeon REIT Investment Corporation
(2) Location:	Chiyoda-ku, Tokyo
(3) Name and title of Representative:	Kenji Kawahara, executive officer
(4) Date of establishment:	November 30, 2012
(5) Relationship with the Company:	Consolidated subsidiary (wholly-owned by the Company) Executed an asset management agreement with Aeon Reit Management Co., Ltd.

4. Transaction Schedule

The Company will announce the scheduled transfer and lease commencement dates as soon as they are determined. The asset transfers are subject, however, to satisfaction of certain conditions precedent, such as the timely completion of financing arrangements by the transferee.

5. Extraordinary Profits and Losses

With the decision to transfer the fixed assets specified above, the Company expects to recognize extraordinary income of 69 billion yen (consolidated) and extraordinary losses of 69 billion yen (consolidated) in the fiscal year ending February 28, 2014.

* The transfer schedule will be announced as soon as a decision is made.

The transfer of fixed assets held by Aeon Malaysia is scheduled to take place during the fiscal year ending February 2015 and will have no impact on financial results for the fiscal year ending February 28, 2014.

6. Impact on Projections of Financial Results

As stated in Paragraph 5 above, the Company expects to recognize extraordinary income of 69 billion yen (consolidated) and extraordinary losses of 69 billion yen (consolidated) in the fiscal year ending February 28, 2014. The impact on consolidated financial results for the fiscal year ending February 28, 2014 will be minimal, and the Company is not revising the projections of financial

Note: This press release is intended to provide general information regarding the transfer of assets of Aeon Co., Ltd. and is not an offer to sell or a solicitation of any offer to buy securities in Japan, the United States or elsewhere.

results in the announcement of financial results for the fiscal year ending February 28, 2014, which was released on April 11, 2013.

The transfer of fixed assets held by Aeon Malaysia is scheduled to take place during the fiscal year ending February 2015 and will have no impact on financial results for the fiscal year ending February 28, 2014.

End

Note: This press release is intended to provide general information regarding the transfer of assets of Aeon Co., Ltd. and is not an offer to sell or a solicitation of any offer to buy securities in Japan, the United States or elsewhere.