(Translation for reference purposes only)

Stock code: 8267

April 28, 2015

Aeon Co., Ltd.
1-5-1 Nakase, Mihama-ku
Chiba-shi, Chiba
Director, President and Representative Executive Officer: Motoya Okada

To the Shareholders of Aeon Co., Ltd.:

Notice of the 90th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 90th Ordinary General Meeting of Shareholders of Aeon Co., Ltd., which will be held as described below.

For those who will be attending the meeting in person, we request that you submit the enclosed Form for Exercising Voting Rights to a receptionist at the meeting venue. Those who are unable to attend may vote in writing or on the Internet. Please cast your vote by 6:00 p.m. on Tuesday, May 26, 2015 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

[For those attending the meeting]

Please bring the completed Form for Exercising Voting Rights to the meeting (no signature or affixing of seal necessary).
Please bring this document as well, as it contains the agenda for the meeting.

[For those voting in writing]

Those voting in writing should indicate “for” or “against” for each agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Tuesday, May 26, 2015.

[For those voting on the Internet]

Please access the online voting site (http://www.web54.net) and follow the on-screen instructions. An online voting code and password are printed on the enclosed Form for Exercising Voting Rights. The deadline for online voting is 6:00 p.m. on Tuesday, May 26, 2015.

In the event of duplicate votes, one cast on the Internet and the other cast in writing, the Company shall consider the vote arriving on the later day to be valid. However, if such duplicate votes arrive on the same day, the Company shall consider the vote cast on the Internet to be valid.

(Translation for reference purposes only)

90th Ordinary General Meeting of Shareholders

1. Date and Time: 10:00 a.m., Wednesday, May 27, 2015

2. Place: Makuhari Messe International Exhibition Halls, Hall No. 5
2-1 Nakase, Mihama-ku, Chiba-shi, Chiba

3. Objectives of Meeting

Matters to be reported: 1. Business Report, Consolidated Financial Statements and Nonconsolidated Financial Statements for the 90th business year (from March 1, 2014 to February 28, 2015)

2. Reports of the Independent Auditors and Audit Committee on audit results for the Consolidated Financial Statements

Matters to be resolved:

Agenda Item 1: Election of nine (9) members of the Board of Directors

Agenda Item 2: Continuance of policy concerning large-scale acquisitions of the Company's shares (takeover defense measures)

Notes:

1. *This English version is a translation of points summarized from an original notice written in Japanese. When discrepancies in interpretation arise, the content of the Japanese notice shall take precedence.*
2. *The financial statements shown in this English-language notice are summaries of financial statements that are prepared in Japanese.*
3. *The Company's financial statements are prepared on the basis of generally accepted accounting principles in Japan.*
4. *Please note that Internet voting is not available to such persons as those who are not residents of Japan and who have appointed a custodian in Japan for handling of their shares according to the Rules for the Handling of Shares of the Company.*
5. *Aeon Co., Ltd.'s ordinary share issue* — *Local code: 8267*
SEDOL# 6480048 JP
ISIN# JP 3388200002

(Translation for reference purposes only)

[Electronic Voting Platform for Institutional Investors]

Institutional shareholders, including standing proxies such as master trust banks, who have applied in advance to the ICJ Proxy e-Voting Platform Service (the Platform Service) offered by ICJ Inc., a joint venture established by Tokyo Stock Exchange, Inc., Japan Securities Dealers Association and Broadridge Financial Solutions, Inc., are entitled to use the Platform Service to exercise their votes, in addition to the above-described means of voting on the Internet.

(Translation for reference purposes only)

Reference Documents for the General Meeting of Shareholders

Agenda and Reference Items

Agenda Item 1: Election of nine (9) members of the Board of Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, management submits the following nominees for the election of nine (9) Directors based on a resolution of the Nomination Committee.

Of the nine (9) nominees, five (5) of them, constituting a majority, are candidates for the post of outside director. All candidates for outside director satisfy the conditions for independent director as stipulated by the Tokyo Stock Exchange.

1. Hiroshi Yokoo

Reelection

Date of birth	Dec. 27, 1950 **Number of the Company's shares owned:** 9,800 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1974 Joined the Company Apr. 1989 Appointed Director of Ministop Co., Ltd. May 1993 Appointed Managing Director of Ministop Co., Ltd. May 1999 Appointed Senior Managing Director of Ministop Co., Ltd. May 2000 Appointed Representative Director and President of Ministop Co., Ltd. May 2008 Appointed Chairman of Ministop Co., Ltd. Aug. 2008 Appointed Vice President and CEO of Strategic Small-sized Store Business of the Company Mar. 2010 Appointed Vice President, CEO of Strategic Small-sized Store Business, and Group Chief Merchandise and Merchandise Reform Officer of the Company Mar. 2011 Appointed Senior Executive Vice President of the Company Mar. 2012 Appointed Senior Executive Vice President, Advisor to Group CEO, CEO of Strategic Small-sized Store Business, and Group Chief Merchandise Officer of the Company Mar. 2013 Appointed Senior Executive Vice President, Advisor to Group CEO, and Group Chief Merchandise Officer of the Company May 2014 Appointed Director and Chairman of the Board of Directors of the Company (current position)
Conflicts of interest	No conflict of interest exists between the Company and Hiroshi Yokoo.

2. Motoya Okada

Reelection

Date of birth	Jun. 17, 1951 **Number of the Company's shares owned:** 2,469,796 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Mar. 1979 Joined the Company May 1990 Appointed Director of the Company Feb. 1992 Appointed Managing Director of the Company May 1995 Appointed Senior Managing Director of the Company Jun. 1997 Appointed President and Representative Director of the Company May 2003 Appointed Director, President and Representative Executive Officer of the Company Mar. 2012 Appointed Director, President and Representative Executive Officer, and Group CEO of the Company (current position)
Conflicts of interest	No conflict of interest exists between the Company and Motoya Okada.

(Translation for reference purposes only)

3. Yoshiki Mori

Reelection

Date of birth	Sep. 16, 1950 **Number of the Company's shares owned:** 24,300 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Mar. 1973 Joined the Company May 1984 Appointed Director of Japan Credit Service Co., Ltd. (now Aeon Financial Service Co., Ltd.) May 1992 Appointed Managing Director of Aeon Financial Service Co., Ltd. May 1994 Appointed Senior Managing Director of Aeon Financial Service Co., Ltd. May 1995 Appointed President and Representative Director of Aeon Financial Service Co., Ltd. May 2003 Appointed Director of the Company Apr. 2007 Appointed Director and Chairman of Executive Committee for Financial Services Business of the Company Aug. 2008 Appointed Director, Vice President and CEO of Financial Services Business of the Company Mar. 2010 Appointed Director, Deputy President and Representative Executive Officer, and Co-CEO of Financial Services Business of the Company Mar. 2012 Appointed Director, Deputy President and Representative Executive Officer, Group COO, and Co-CEO of Financial Services Business of the Company Mar. 2013 Appointed Director, Deputy President and Representative Executive Officer, Group COO, and Group CFO of the Company May 2014 Appointed Director, Deputy President and Representative Executive Officer, and Group COO of the Company (current position)
Conflicts of interest	No conflict of interest exists between the Company and Yoshiki Mori.

4. Masaaki Toyoshima

Reelection

Date of birth	Jan. 1, 1952 **Number of the Company's shares owned:** 38,500 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Mar. 1974 Joined the Company May 2002 Appointed Director of the Company May 2003 Appointed Vice President of the Company May 2005 Appointed Executive Vice President of the Company May 2006 Appointed Senior Executive Vice President of the Company Aug. 2008 Appointed Vice President, CEO of GMS Business, and Group CFO of the Company May 2010 Appointed Vice President and CEO of Shopping Center Development Business of the Company Mar. 2011 Appointed Senior Executive Vice President and CEO of Shopping Center Development Business of the Company May 2011 Appointed Director, Senior Executive Vice President and CEO of Shopping Center Development Business of the Company Mar. 2012 Appointed Director, Senior Executive Vice President, Advisor to Group CEO, and CEO of Business Development of the Company Mar. 2014 Appointed Director, Senior Executive Vice President, CEO of Business Development, and Urban Markets Shift Promotion Officer of the Company Feb. 2015 Appointed Director, Vice President, and in charge of Business Development of the Company (current position)
Conflicts of interest	No conflict of interest exists between the Company and Masaaki Toyoshima.

(Translation for reference purposes only)

[Candidates for outside director]

To ensure management transparency and objectivity, the Company has adopted a committee-based system of corporate governance ("Company with Committees") (Note 1), comprising the Audit Committee, Nomination Committee and Compensation Committee. All of the candidates for outside director satisfy the relevant criteria stipulated by the Nomination Committee in regard to their degree of independence from the Company. In accordance with Tokyo Stock Exchange regulations, the Company has also registered the names of all its outside directors as independent directors.

<Outside director selection criteria>

1) The candidate has not served, either in the past or in the present, as director, executive officer, manager or employee involved in executive duties at the Company or any of its subsidiaries.

2) The candidate subscribes to the Company's basic principles, code of conduct, etc.

3) The candidate has extensive experience as a chief executive officer or other corporate executive, or has comparable experience, knowledge and insight.

4) The candidate is able to make judgments independently of the Company's management.

5) The candidate is able to participate in most of the Company's Board of Directors' meetings and in the committees to which he or she is assigned.

5. Masaharu Ikuta

Reelection	Number of years served as outside director: **6 years**	Candidate for outside director	Candidate for independent director

Date of birth	Jan. 19, 1935 **Number of the Company's shares owned:** 0 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1957 Joined Mitsui Steamship Co., Ltd. (now Mitsui O.S.K. Lines, Ltd.) Jun. 1987 Appointed Director of Mitsui O.S.K. Lines, Ltd. Jun. 1994 Appointed Representative Director and President of Mitsui O.S.K. Lines, Ltd. Jun. 2000 Appointed Representative Director and Chairman of Mitsui O.S.K. Lines, Ltd. Apr. 2003 Appointed President of Japan Post Apr. 2007 Appointed Corporate Advisor of Mitsui O.S.K. Lines, Ltd. Jun. 2008 Appointed Outside Director of TERUMO CORPORATION Jun. 2008 Appointed Outside Director of SOURCENEXT CORPORATION (current position) May 2009 Appointed Outside Director of the Company (current position) Feb. 2010 Appointed Senior Counselor of Mitsui O.S.K. Lines, Ltd. Jun. 2014 Appointed President of Nagoya Port Terminal Corporation (current position)
Reason for selection as a candidate for outside director	Masaharu Ikuta has rich experience as a corporate executive, extensive insights, etc. We are recommending his election as outside director to benefit from the guidance that he would be able to provide in the area of improving corporate governance and other matters based on his excellent sense of balance as a corporate executive.
Conflicts of interest	No conflict of interest exists between the Company and Masaharu Ikuta.

6. Takejiro Sueyoshi

Reelection	Number of years served as outside director: **6 years**	Candidate for outside director	Candidate for independent director

Date of birth	Jan. 3, 1945 **Number of the Company's shares owned:** 0 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1967 Joined The Mitsubishi Bank, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jun. 1994 Appointed Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Apr. 1996 Appointed President of Bank of Tokyo-Mitsubishi Trust Company (New York) Jun. 1998 Appointed Vice President of Nikko Asset Management Co., Ltd. Jul. 2003 Appointed Special Advisor of UNEP Finance Initiative (current position) Jun. 2007 Appointed Outside Corporate Auditor of The Kagoshima Bank, Ltd. (current position) Jul. 2007 Appointed Representative of Carbon Offset Japan, Intermediate Ltd. May 2009 Appointed Outside Director of the Company (current position) Jun. 2010 Appointed Outside Director of FP Corporation (current position) Aug. 2011 Appointed Executive Board Vice-Chair of Japan Renewable Energy Foundation (current position) May 2013 Appointed Executive Chairman of Green Finance Organization (current position)
Reason for selection as a candidate for outside director	Takejiro Sueyoshi has in-depth insights, rich experience, etc. in global environmental issues and corporate social responsibility. We are recommending his election as outside director to benefit from the guidance that he would be able to provide in the area of roles the Company must accomplish to preserve the environment and contribute to society.
Conflicts of interest (Note 2)	No conflict of interest exists between the Company and Takejiro Sueyoshi.

7. Keiichi Tadaki

Reelection	Number of years served as outside director: **6 years**	Candidate for outside director	Candidate for independent director

Date of birth	Jul. 1, 1943 **Number of the Company's shares owned:** 0 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1969 Appointed Public Prosecutor of Tokyo District Public Prosecutors Office Mar. 1984 Appointed Counselor of Judicial System and Research Department, Minister's Secretariat, Ministry of Justice Dec. 1997 Appointed Deputy Vice-Minister of Justice Jan. 2002 Appointed Vice-Minister of Justice Jun. 2004 Appointed Superintending Prosecutor of Tokyo High Public Prosecutors Office Jun. 2006 Appointed Prosecutor-General Jun. 2008 Registered as Attorney at Law May 2009 Appointed Outside Director of the Company (current position) Jun. 2009 Appointed Outside Director of Daiwa Securities Group Inc. (current position) Jul. 2009 Appointed Outside Corporate Auditor of Nippon Life Insurance Company (current position) Jun. 2012 Appointed Outside Corporate Auditor of Fujita Corporation (current position)
Reason for selection as a candidate for outside director	Keiichi Tadaki is an attorney at law who has successively filled various posts such as Prosecutor and Prosecutor General. Therefore, he has rich experience and insights in legislation and legal compliance. We are recommending his election as outside director to benefit from the guidance that he would be able to provide in the area of promoting legal compliance management.
Conflicts of interest (Note 3)	No conflict of interest exists between the Company and Keiichi Tadaki.

8. Ken Sato

Reelection	Number of years served as outside director: **4 years**	Candidate for outside director	Candidate for independent director

Date of birth	Nov. 17, 1943 **Number of the Company's shares owned:** 0 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1966 Joined Ministry of Finance Jun. 1985 Appointed Budget Examiner in Budget Bureau of Ministry of Finance Jun. 1992 Appointed Deputy Director in Local Finance Bureau of Ministry of Finance Jul. 1997 Appointed Director-General in the Bureau of Defense of Japan Defense Agency Jan. 2000 Appointed Administrative Vice Minister of Japan Defense Agency Jul. 2002 Appointed Vice President of Urban Development Corporation Jul. 2004 Appointed Vice Chairman of Institute for International Policy Studies Dec. 2009 Appointed President of Institute for International Policy Studies (current position) May 2011 Appointed Outside Director of the Company (current position) Jun. 2011 Appointed Board Director of Nippon Television Network Corporation (now Nippon Television Holdings Inc.) (current position) Oct. 2012 Appointed Board Director of Nippon Television Network Corporation (current position)
Reason for selection as a candidate for outside director	Ken Sato has an extensive career and expert knowledge. We are recommending his election as outside director to benefit from the guidance that he would be able to provide in the area of risk management as well as enhancing the transparency and objectivity of management.
Conflicts of interest	No conflict of interest exists between the Company and Ken Sato.

9. Yukako Uchinaga

Reelection	Number of years served as outside director: **2 years**	Candidate for outside director	Candidate for independent director

Date of birth	Jul. 5, 1946 **Number of the Company's shares owned:** 0 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Jul. 1971 Joined IBM Japan Apr. 1995 Appointed Director of IBM Japan Apr. 2000 Appointed Managing Director of IBM Japan Apr. 2004 Appointed Senior Managing Director of IBM Japan Apr. 2007 Appointed Technical Advisor of IBM Japan Apr. 2007 Appointed President of Japan Women's Innovative Network (current position) Jun. 2007 Appointed Director of Benesse Corporation Apr. 2008 Appointed Director and Executive Vice Chairman of Benesse Corporation Appointed Chairman of the Board, CEO & President of Berlitz Corporation Jun. 2008 Appointed Outside Director of Sony Corporation Oct. 2009 Appointed Director and Executive Vice President of Benesse Holdings, Inc. Apr. 2013 Appointed Honorary President of Berlitz Corporation May 2013 Appointed Outside Director of the Company (current position) Jun. 2013 Appointed Outside Director of HOYA CORPORATION (current position) Mar. 2014 Appointed Outside Director of DIC Corporation (current position) Apr. 2014 Appointed Board Chair of Japan Diversity Network Association (current position)
Reason for selection as a candidate for outside director	Yukako Uchinaga has extensive experience with IT business and expert knowledge thereof, as well as profound knowledge in the area of diversity. We are recommending her election as outside director to benefit from the guidance that she would be able to provide in promoting the soundness and efficiency of management.
Conflicts of interest (Note 4)	No conflict of interest exists between the Company and Yukako Uchinaga.

(Note 1) After the enforcement of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014), came into effect on May 1, 2015, companies classed as "Companies with Committees" prior to the revision will be called "companies with nomination committees and other committees."

(Note 2) Takejiro Sueyoshi served from 1994 to 1996 as a director of The Mitsubishi Bank, Ltd., which is a predecessor of The Bank of Tokyo-Mitsubishi UFJ, Ltd., one of the Company's major lenders. During that time, The Mitsubishi Bank, Ltd. was not one of the Company's major lenders; the bank became a major lender in 2001. Furthermore, Takejiro Sueyoshi was not involved in any transactions with the Company.

(Note 3) Daiwa Securities Co., Ltd., which is a subsidiary of Daiwa Securities Group Inc. for which Keiichi Tadaki concurrently serves as outside director, is a managing underwriter of the Company. There is no other special relationship between the Company and Mr. Tadaki.

(Note 4) The Company is registered as a member of Japan Women's Innovative Network, an NPO of which Yukako Uchinaga is President. The annual corporate membership fees plus any other monies paid to Japan Women's Innovative Network represent less than 0.1% of the Company's total SG&A expenses, and amount to less than 10 million yen.

(Note 5) Number of years served as outside director is the number of years as of the end of this Ordinary General Meeting of Shareholders.

(Note 6) With respect to the responsibilities stipulated under Article 423, paragraph 1 of the Companies Act, the Company plans to enter into agreements with each of its outside directors which limit the liability of these directors for damage to the Company. These agreements will state that, when outside directors carry out their duties in good faith and with no serious negligence, their liability to compensate the Company is limited to 15,000,000 yen or to an amount stipulated by applicable laws and regulations, whichever is higher, and that they are exempt from an outside director's obligation to compensate the Company for any amounts that exceed these limits.

Agenda Item 2: Continuance of policy concerning large-scale acquisitions of the Company's shares (takeover defense measures)

At the 84th Ordinary General Meeting of Shareholders held on May 14, 2009, the Company received shareholder approval for and adopted a "Policy Concerning Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)" (the "former takeover defense measures").

With the former takeover defense measures having remained in effect up until the conclusion of the 87th Ordinary General Meeting of Shareholders held on May 17, 2012, the Company received approval from shareholders at that general meeting of shareholders for the "Policy Concerning Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)" (the "existing takeover defense measures") upon partial revision to the policy whereby consideration was given to the various circumstances prevailing subsequent to the approval of the former takeover defense measures.

The specified effective period of the existing takeover defense measures shall end upon the conclusion of this Ordinary General Meeting of Shareholders. While giving consideration to the various circumstances subsequent to the approval of the existing takeover defense measures, the Company has continued to examine the plan. As a result, at a meeting of the Company's board of directors (the "Board of Directors") held on April 9, 2015, the Company resolved to continue the policy concerning large-scale acquisitions of the Company's shares (the policy as it would exist after continuance is henceforth referred to as "this Policy") subject to shareholder approval at this Ordinary General Meeting of Shareholders.

All nine Directors, including the five outside directors, attended the aforesaid meeting of the Board of Directors and unanimously determined the contents of this Policy and its proposal at this Ordinary General Meeting of Shareholders. At the present time, there are no large-scale share acquirers (defined below) for the Company.

This Policy is a policy for responding to purchases of the Company's shares and other securities[3] aiming at 20% or more of the Company's voting rights[2] by a group of shareholders (*tokutei-kabunushi group*)[1], or purchases of the Company's shares and other securities that would result in a group of shareholders (*tokutei-kabunushi group*) holding 20% or more of the Company's voting rights (in both cases, with the exception of purchases agreed to in advance by the Board of Directors, and regardless of the specific purchasing method, whether on the open market, public offering or other means. Such purchases are referred to hereinafter as "Large-Scale Share Acquisitions" and a party carrying out or attempting a Large-Scale Share Acquisition is referred to as a "Large-Scale Share Acquirer"). This Policy is detailed below.

1. Basic policy regarding control of the Company

(1) Basic policy and actions for its realization

Aeon Co., Ltd., and its Group companies (hereinafter in this section 1(1), "Aeon") have carried out their businesses with the aim of enriching the lives of customers through the retail and related industries.

Aeon adheres to the constant principles of pursuing peace, respecting humanity and contributing to the local community, with the customer's point of view as the core. These principles are the basis for Aeon's corporate value, as we endeavor to satisfy customers and continuously increase corporate value.

These principles start with our customers:

At Aeon, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.

Aeon's basic principles are as follows:

"Peace": Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.

"Humanity": Aeon is a corporate group that respects human dignity and values personal relationships.

"Community": Aeon is a corporate group rooted in community life and dedicated to making a continuing contribution to the local community.

Operating according to these principles, the Company not only operates stores based on "safety and security" but also pursues further growth. By expanding its store network, and by forming capital and business tie-ups with quality domestic and overseas companies that share Aeon's principles, Aeon has grown into a retailing group comprising 284 consolidated subsidiaries and 31 affiliates around the world with consolidated operating revenue of 7,078.5 billion yen (as of the end of February, 2015). Moreover, in order for Aeon to fulfill its social responsibilities as a corporate citizen and sustain an increase in corporate value, it promotes a diverse range of environmental and social contribution activities through its business activities based on the "Aeon Sustainability Principle," such as conservation and creation of energy and elimination of waste substances at stores, Tree Planting and Bring Your Own Shopping Bag Campaign undertaken together with customers, sustainable procurement in the supply chain, and Tohoku Restoration. In tandem with these, Aeon also undertakes environmental and social contribution activities in various fields including education of the next generation and friendship and goodwill projects with a number of countries through the Aeon 1% Club, and Tree Planting and environmental activity

assistance programs through the Aeon Environment Foundation.

With respect to the Company management structure, the Company became a pure holding company in August 2008, upon obtaining shareholder approval. This was done with the aims of enhancing corporate value and achieving steady progress in 1) building a new growth model for the Group, 2) rebuilding the business structure, and 3) further strengthening "Centralization and Decentralization" in order to respond to circumstances facing the Company as part of the Group management reforms.

A revision of the Commercial Code introduced a "Company with Committees, etc." system. In order to enhance management transparency and flexibility, the Company promptly adopted this governance structure with the approval at the General Meeting of Shareholders held on May 15, 2003, and also invited a number of outside directors from a range of fields to join the Board of Directors. After the enforcement of the Companies Act, the Company has continued the "Company with Committees (Company with a Nomination Committee and Other Committees from May 1, 2015; the same shall apply hereinafter)" governance structure. These outside directors constitute majorities of the Nomination Committee, the Audit Committee and the Compensation Committee, and each of them has provided multifaceted and diverse guidance from respective various independent perspectives at meetings of these committees and the Board of Directors.

Furthermore, since May 14, 2009 on which an Ordinary General Meeting of Shareholders was held and the former takeover defense measures were approved, the Company has worked to maintain and improve the transparency and fairness of governance by having a majority of five of the nine members of the Board of Directors that are outside directors.

Under this governance system, the Board of Directors considered it is its duty to endeavor continuously to protect the common interests of shareholders by preventing harmful takeovers, and accordingly, decided to present the proposal for this Policy to this Ordinary General Meeting of Shareholders for approval of the shareholders.

(2) Policy for responding to Large-Scale Share Acquisitions and rules to be observed with respect to Large-Scale Share Acquisitions

We believe that when proposals are made to purchase the Company's shares, the final decision as to whether or not to accept the proposals rests with the shareholders of the Company. There may be also cases, however, where the conditions attached to a purchase proposal, various circumstances, or the size, diversity and speed of change within the Aeon Group, make it difficult for the shareholders to make a proper decision about the impact on the shareholder value of the purchase within the given time.

The Board of Directors will therefore compose the following rules (the "Rules") regarding

the provision of information by a Large-Scale Share Acquirer and the triggering of countermeasures, in order to secure sufficient information and time necessary for the shareholders of the Company to make a decision about the purchase proposal.

2. Details of the Rules

The Rules established by the Board of Directors 1) require a Large-Scale Share Acquirer to provide the Board of Directors with necessary and sufficient information prior to a Large-Scale Share Acquisition and 2) allow a Large-Scale Share Acquirer to commence a Large-Scale Share Acquisition only after the passage of a designated evaluation period required for the Board of Directors to examine said information.

(1) Submission of a declaration of intent

When a Large-Scale Share Acquirer intends to make a Large-Scale Share Acquisition, it shall submit to the Company beforehand a declaration of intent, written in Japanese and indicating that the Acquisition will be in accordance with the Rules[4]. This declaration of intent shall include the name, address, laws with which the incorporation is in compliance, representatives' names, and Japanese contact address[5] of the Large-Scale Share Acquirer, and an overview of the Large-Scale Share Acquisition to be proposed (including the number of shares currently held and the number of shares targeted for acquisition by the Large-Scale Share Acquirer).

(2) Request to provide information

In order to receive necessary and sufficient information for the shareholders to make their decision and the Board of Directors to form an opinion (the "Required Information") from the Large-Scale Share Acquirer, the Board of Directors shall, within five business days following the date of receipt of the declaration of intent stipulated in (1) above, deliver to the Large-Scale Share Acquirer an initial list of information to be provided, with a deadline stipulated. The specific content of this Required Information will vary depending on the attribute of the Large-Scale Share Acquirer or the details of the Large-Scale Share Acquisition, but the following items shall be included, in principle:

1) Detailed information about the Large-Scale Share Acquirer (including capital makeup constituted by all the members; financial status; businesses; directors and other officers' names, summaries of personal histories and other concurrent directorships at other companies; experience in the Company's and similar business fields; and marketing, management and labor policies implemented when management rights or businesses in other companies were acquired)

2) Background to decide the Large-Scale Share Acquisition

3) Purpose and details of the Large-Scale Share Acquisition (including the amount and type of consideration for acquisition, structure of related transactions and legality of the acquisition method)

4) Basis for calculation of the amount of consideration for acquisition of the Company's shares (including facts and hypotheses underlying the calculation, the amount of anticipated synergies and basis for that calculation thereof)

5) Detailed explanation of funds to acquire the Company's shares (including fund procurement method, structure of related transactions, and names of parties directly or indirectly providing funds or expected to do so)

6) Policies or plans that the Large-Scale Share Acquirer expects the Company and Group companies or plans by themselves after the Large-Scale Share Acquisition, such as management policy (including its position with respect to Aeon's principles), corporate governance, management strategies, business plans, financial plans, capital policies, dividend policy, measures to use assets, and policies on CSR activities ("Post-Acquisition Management Policies, etc.")

7) Policy toward the Company's and Group companies' customers, vendors, employees, local communities and other stakeholders

8) Other information deemed rationally necessary for the Board of Directors and the Independent Committee to examine and evaluate the appropriateness, legality and the like of the Large-Scale Share Acquisition

The Board of Directors shall closely examine the information initially provided, and if it is found insufficient, shall request additional information to be submitted by a specified time limit within the extent reasonable. (However, even when necessary and sufficient information has not been submitted, the time limit for the final reply shall be a maximum of 60 days beginning from the date the declaration of intent is received.) The Board of Directors shall promptly disclose the fact that a Large-Scale Share Acquisition has been proposed. In addition, in cases where the Board of Directors finds necessary for the decision-making of shareholders of the Company, it shall disclose all or part of the submitted Required Information when it is considered appropriate.

In order for the Rules to be carried out transparently and fairly, the Board of Directors shall establish the Independent Committee immediately upon receipt of the declaration of intent stipulated in (1) above.

The Independent Committee shall comprise 1) all of the Company's outside directors (who

shall elect a chairperson of the committee from among their members), and 2) at least one specialist committee member (in principle, one attorney at law and one university professor or other outside person with academic experience) recommended by the outside directors, in principle within ten business days following the day the declaration of intent is received, and appointed by the Board of Directors. The Independent Committee shall, however, commence its activities even prior to the appointment of the specialist committee members.

The primary mission of the Independent Committee prior to the commencement of the Board of Directors' Evaluation Period stipulated in the following section (3), is to present to the Board of Directors their opinions and reasoning for 1) whether the materials received from the Large-Scale Share Acquirer is sufficient to serve as Required Information, 2) whether there is any additional material to be requested from the Large-Scale Share Acquirer, and if so, items to be requested and a time limit for submission, 3) whether the "Large-Scale Share Acquirer has failed to comply with the Rules" for reasons including the submission of insufficient materials, the contents of countermeasures to be implemented, including the allotment of stock acquisition rights without contribution, and whether the countermeasures are necessary or should be suspended, and 4) other items for which the Board of Directors requested their opinion.

The Board of Directors shall fully evaluate and examine the status of the submission of these materials and other matters on its own as well, while also carefully formulating an opinion of the Board of Directors giving maximum consideration to the opinion of the Independent Committee, and make a decision. In formulating this opinion, the Board of Directors may also seek advice from outside specialists including attorneys at law and certified public accountants. If it is found necessary for the shareholders of the Company to make their decision, moreover, the Board of Directors shall disclose all or part of the interim developments and the details of and reasons for the decisions when it is considered appropriate.

(3) Period of examination by the Board of Directors

After a Large-Scale Share Acquirer has completed the submission of the Required Information to the Board of Directors as per the preceding section (2), the Large-Scale Share Acquisition may not commence for 90 days following the submission, if any of the following apply to the proposed acquisition, and for 60 days in other cases (the "Board Evaluation Period").

1) The consideration for the Large-Scale Share Acquisition includes stock or other non-monetary items.

2) The consideration for the Large-Scale Share Acquisition is to be paid in money other than in Japanese yen.

3) The Large-Scale Share Acquirer's planned management policy for after the acquisition includes major changes in the constitution of Group companies or businesses.

During the Board Evaluation Period, the Board of Directors shall first seek an evaluation of the Large-Scale Share Acquisition from the Independent Committee. Upon receiving the Required Information, the Independent Committee shall present to the Board of Directors their comprehensive evaluation and decision, with opinions and reasoning based on the Required Information and other materials, for 1) whether the Large-Scale Share Acquisition would damage the interests of all shareholders of the Company, 2) whether there is any additional information to be submitted from the Large-Scale Share Acquirer, and if so, items to be requested and a time limit for submission, 3) the contents of countermeasures to be implemented, including the allotment of stock acquisition rights without contribution, and whether the countermeasures are necessary or should be suspended, and 4) other items for which the Board of Directors requested their opinion.

The Board of Directors shall fully evaluate and examine the submitted Required Information on its own as well, while also carefully formulating an opinion of the Board of Directors giving maximum consideration to the opinion of the Independent Committee, and announce its opinion. In formulating this opinion, the Board of Directors shall also seek advice from outside specialists, including attorneys at law and certified public accountants. As necessary, the Board of Directors shall also negotiate with the Large-Scale Share Acquirer to improve the conditions of the Large-Scale Share Acquisition, and present alternative proposals to the shareholders of the Company. While the Board of Directors shall promptly disclose the commencement of the Board Evaluation Period, in cases where it finds necessary for the decision-making of shareholders of the Company, the Board of Directors shall disclose all or part of the interim developments and the details of and reasons for the decisions when it is considered appropriate.

3. Policy for responding to a Large-Scale Share Acquisition

(1) If the Large-Scale Share Acquirer complies with the Rules

If the Large-Scale Share Acquirer is in compliance with the Rules, there shall, in principle, be no countermeasures implemented with respect to the Large-Scale Share Acquisition. As noted in 2 (3) above, the Board of Directors shall fully evaluate and examine the submitted Required Information, carefully formulate an opinion of the Board of Directors giving maximum consideration to the opinion of the Independent Committee with regard to the evaluation of the purchase proposal and existence or nonexistence, contents, etc. of

alternative proposals, and announce its opinion. In such cases, the shareholders of the Company shall consider the purchase proposal as well as the opinion and alternative proposals presented by the Company, and decide whether to accept the Large-Scale Share Acquirer's purchase proposal.

If the Board of Directors' opinion is that the Large-Scale Share Acquisition would cause significant damage to the interests of all shareholders of the Company [6], however, or if the Independent Committee's opinion is that the Large-Scale Share Acquisition would cause substantial damage to the interests of all shareholders of the Company, the Board of Directors, giving maximum consideration to that opinion and as per its members' due care and diligence as directors, may adopt measures deemed appropriate to protect the interests of the shareholders of the Company[7].

In this case, the contents and procedures of the countermeasures shall conform to those prescribed in (2) below.

(2) If the Large-Scale Share Acquirer does not comply with the Rules

If the Large-Scale Share Acquirer is not in compliance with the Rules, regardless of the specific purchase method, the Board of Directors may oppose the Large-Scale Share Acquisition by issuing stock acquisition rights or taking other countermeasures permitted under the Companies Act and other laws, as well as the Company's Articles of Incorporation, for the purpose of protecting the interests of the Company and its all shareholders. The specific steps taken shall be those deemed most appropriate by the Board of Directors at the time. The specific countermeasure expected at the moment would, in principle, be an issue of stock acquisition rights without contribution allotted to shareholders as per Attachment 4 only if it is deemed appropriate, but possible countermeasures are not limited to this. If such stock acquisition rights were actually to be issued, exercise conditions, including making exercise conditional on not being a party belonging to a group of shareholders (*tokutei-kabunushi group*) with more than a designated percentage of voting rights, and an exercise period may be set to make the issue an effective countermeasure. Furthermore, in order to make flexible issuance of stock acquisition rights possible, the Company shall continue shelf registration of stock acquisition rights.

Next, if there is deemed to be significant concern of possible harm to the common interests of shareholders, and stock acquisition rights with differentiated exercise conditions that restrict the Large-Scale Share Acquirer's exercising of rights are issued, the stock acquisition rights shall have clauses allowing for their acquisition by the Company. When stock acquisition rights that do not have clauses allowing for their acquisition by the Company attached are exercised, the shareholders of those stock acquisition rights shall follow procedures including the payment of the exercise amount, and this would be a great

inconvenience for the more than 630,000 shareholders as of February 28, 2015. In order to avoid this inconvenient procedure, therefore, the Company shall have, by the resolution at a meeting of the Board of Directors, the right to acquire the stock acquisition rights of shareholders except the Large-Scale Share Acquirer, and deliver new shares to those shareholders in exchange therefor.

Because the details and adoption or rejection of such measures are considered an item to be determined by the Board of Directors in accordance with its members' due care and diligence as directors, this decision shall, in principle, be made and implemented by the Board of Directors. If the Board of Directors determines that a decision by the shareholders should be made in view of the content, effect, etc. of the measure, however, the Board of Directors may exceptionally bring up the adoption of such measures as an agenda item for approval at a General Meeting of Shareholders of the Company. This would still be considered an item that is fundamentally a responsibility of the Board of Directors, so the Board of Directors would provide a full explanation at the General Meeting of Shareholders.

(3) Cancellation or the like after resolution of allocation of stock acquisition rights without contribution

If the Board of Directors subsequently determines that the triggering of the countermeasure would not be appropriate in the event that the Large-Scale Share Acquirer withdraws or changes the Large-Scale Share Acquisition after the Board of Directors has passed a resolution for the allotment of stock acquisition rights without contribution, or in the similar event, the Board of Directors may cancel the allotment of stock acquisition rights without contribution. In principle, however, the allotment without contribution of these stock acquisition rights shall not be cancelled on or after the fourth business day (assuming the current fourth day settlement of the exchange, should this be changed, the date will change accordingly; the same shall apply hereinafter) prior to the "Record Date" (see definition in section 5 (2) below) for the allotment without contribution. If the Board of Directors determines that events requiring the cancellation of the countermeasure have emerged on or after the fourth business day prior to the "Record Date," the Company shall, in principle, have the right to acquire the stock acquisition rights held by all shareholders, including the Large-Scale Share Acquirer, in exchange for shares of the Company, which would effectively have the same effect as a cancellation[8]. The Board of Directors may also cancel or review other countermeasures in a similar manner as appropriate.

4. Measures to secure transparency and fairness

The following measures are being taken to secure transparency and fairness in the Rules.

(1) Satisfying the requirements of guidelines released by the Corporate Value Study Group,

etc. in relation to takeover defense measures

This Policy satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests jointly released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. (The three principles, as set out in the Guidelines, are 1) the principle of protecting and enhancing corporate value and shareholders' common interests, 2) the principle of prior disclosure and shareholders' will, and 3) the principle of ensuring the necessity and reasonableness.)

This Policy also takes into consideration the report "Takeover Defense Measures in Light of Recent Environmental Changes" released by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry on June 30, 2008 and other discussions and the like concerning takeover defense measures.

Furthermore, this Policy is in accordance with the purposes of principles, etc. concerning takeover defense measures established by the Tokyo Stock Exchange.

(2) Respect for shareholders' will

Approval by the shareholders at this Ordinary General Meeting of Shareholders shall be required for the revised Rules to become effective. After this approval, moreover, subsequent changes that would have a substantive impact on the shareholders of the Company, not including pro-forma changes necessitated by revisions of laws and regulations, etc., shall also be proposed as an agenda item for approval of the shareholders at a General Meeting of Shareholders. Even in the event that no changes are made, the period for which the Rules will remain in effect shall be restricted to three years. In other words, the Rules are structured so that their revision or abolition as well as continuation will fully reflect the intent of shareholders.

(3) Introduction to secure and enhance the Company's corporate value and the common interests of shareholders

As noted in the preceding sections 1 and 2 (3), the purpose of the introduction of the Rules is to secure and enhance the Company's corporate value and the common interests of shareholders in the event of a purchase proposal for the Company's shares, by securing sufficient information and time required for the shareholders to make a decision on whether to accept the proposal and by securing conditions, including information and a period of time sufficient for the Board of Directors to present alternative proposals. The Rules shall not be used for the self-protection of management or any other purpose.

(4) Emphasis on the judgment of highly independent outside persons and information disclosure

The Company has introduced a "Company with Committees" governance system, and it strives constantly to secure management transparency and fairness. In addition, the Company shall establish an Independent Committee to avoid arbitrary decisions by the Board of Directors as to whether the materials submitted by a Large-Scale Share Acquirer is sufficient, and whether to trigger countermeasures against a Large-Scale Share Acquisition, etc., and to secure objectivity and rationality in the Board of Directors' decision-making and responses. The Independent Committee shall be independent of the management that executes the Company's operations, and shall comprise all the Company's outside directors and at least one specialist committee member (in principle, one attorney at law and one university professor or other outside person with academic experience) appointed each time by the Board of Directors based on recommendations from the outside directors. When formulating its opinion, the Independent Committee may also seek the opinions of other suitable outside specialists at the Company's expense.

The Board of Directors shall also seek the advice of additional outside specialists, including attorneys at law and certified public accountants, when formulating its opinion.

The Company shall strive to disclose information quickly, except for information that would be misleading for the shareholders in their efforts to reach a decision. In addition, when the opinion of the Board of Directors is announced, the Board of Directors shall endeavor to provide as specific an explanation as possible, including the reasoning behind its decision.

These measures are designed to ensure that the Rules are carried out transparently, so that decisions by the Board of Directors will contribute to corporate value of the Company and the common interests of the shareholders thereof.

(5) Not causing unforeseen harm to shareholders and investors other than the Large-Scale Share Acquirer

The stock acquisition rights to be issued as a countermeasure when the Rules have not been followed are, in principle, seen as having differentiated exercise conditions so as to restrict only the Large-Scale Share Acquirer's ability to exercise rights. Even in the event that any other countermeasure is adopted, a countermeasure that will not cause unforeseen harm to shareholders and investors other than the Large-Scale Share Acquirer shall be selected.

These stock acquisition rights shall also contain clauses allowing for their acquisition by the Company, so as to cause as little inconvenience as possible to shareholders other than the Large-Scale Share Acquirer.

(6) Not a “dead-hand” or “slow-hand” takeover defense measure

No special restrictions have been established regarding the cancellation of this Policy, and this Policy does not, therefore, constitute a “dead-hand” takeover defense measure (a defense measure that does not allow the triggering from being halted, even if a majority of the members of the Board of Directors have been replaced). Since the term of office of all the directors is one year, moreover, this Policy also does not constitute a “slow-hand” measure (a takeover defense measure that requires time for the triggering to be halted because the members of the Board of Directors cannot be replaced at the same time).

5. Impact etc. on shareholders and investors

(1) Impact etc. of the Rules on shareholders and investors

The Rules are intended to disclose the information required for the shareholders of the Company to decide whether to accept a Large-Scale Share Acquisition, and the opinions of the Board of Directors currently responsible for managing the Company, to the shareholders of the Company, as well as to secure opportunities for the shareholders of the Company to receive presentation of alternative proposals. We believe this will make it possible for the shareholders of the Company to make an appropriate decision as to whether or not to accept a Large-Scale Share Acquisition, based on appropriate information, thereby preserving the interests of all shareholders of the Company.

As noted in section 3 above, the Company’s policy for responding to a Large-Scale Share Acquisition will differ depending on whether the Large-Scale Share Acquirer complies with the Rules. We therefore ask that the shareholders of the Company and investors pay careful attention to the actions and positions taken by the Large-Scale Share Acquirer.

(2) Impact etc. on shareholders and investors when countermeasures are triggered

The Board of Directors may implement countermeasures permitted under the Companies Act and other laws, as well as the Company’s Articles of Incorporation, for the purpose of protecting the Company and the interests of all shareholders of the Company, in the event that a Large-Scale Share Acquirer fails to comply with the Rules. The structure of such countermeasures is not expected to cause any particular harm to the shareholders of the Company (with the exception of the Large-Scale Share Acquirer that failed to comply with the Rules) economically or in terms of legal rights. In the event that the Board of Directors decides to implement a specific countermeasure, it will disclose that fact in a timely and appropriate manner according to applicable laws and regulations and securities exchange regulations.

With regard to the issuing of stock acquisition rights, one of the countermeasures envisioned,

stock acquisition rights would, in principle, contain a clause attached to the stock acquisition rights that allow for their acquisition by the Company. In order to be able to proceed without the inconvenient procedure of paying the exercise amount necessary for exercising stock acquisition rights that do not contain clauses allowing for their acquisition by the Company, this clause shall make it possible for the Board of Directors, by its resolution, to acquire the stock acquisition rights of the shareholders, and to deliver new shares to the shareholders as consideration. The details of this procedure shall be announced separately, based on the relevant laws and regulations, when stock acquisition rights are actually issued. In such cases, in order to acquire the stock acquisition rights, it will be necessary for holders of book-entry stocks to have their common shares recorded in an account with a securities company, etc. on the date separately determined and announced by the Board of Directors on which the shareholders eligible to receive stock acquisition rights are to be fixed (the "Record Date"). This action will be taken to ensure that the holders of book-entry stocks will be included as the shareholders of record in the Company's final shareholder registry. It will also be necessary to complete emergency measures for unregistered shares in special accounts.

6. Commencement of application of the Rules and the effective period thereof

In order to review the response policy regularly, this Policy shall be effective for a period of three years (until the conclusion of the Ordinary General Meeting of Shareholders for the final business year ending within three years of March 1, 2015).

Going forward, based on trends in relevant laws and regulations, including the Companies Act, and judicial rulings in the years ahead, the development of listing regulations stipulated by the Tokyo Stock Exchange and other developments, if any pro forma change to this response policy above is necessitated following revisions of laws and regulations or the like, this Policy shall be reviewed by the Board of Directors as necessary, with a prompt announcement of the details thereof. In the event the Board of Directors deems abolishing this Policy reasonable, the Company shall abolish this Policy by resolution of the Board of Directors, and the abolishing of this Policy and the reasons for doing so shall be disclosed. Changes in this Policy that have a substantive effect on the shareholders of the Company shall, however, be proposed as an agenda item for approval of the shareholders at a General Meeting of Shareholders. The Company's directors serve terms of one year and are elected or reelected each year at the Ordinary General Meeting of Shareholders.

The existing takeover defense measures shall be abolished as of an affirmative vote on this proposal to approve this Policy at this Ordinary General Meeting of Shareholders. However, if a Large-Scale Share Acquirer has appeared and procedures including the submission of a declaration of intent or the provision of information under the existing takeover defense

measures have begun as of that time, then following the approval of this Policy, the procedures shall be continued as per this Policy.

(Note 1) A group of shareholders (tokutei-kabunushi group) is:

(i) A holder, including a holder deemed as a holder pursuant to Article 27-23(3) of the Financial Instruments and Exchange Act (the same shall apply hereinafter), and a joint holder (a joint holder prescribed in Article 27-23(5) of the same Act, including a party deemed as a joint holder pursuant to paragraph 6 of the same Article; the same shall apply hereinafter) of the Company's shares, etc. (share certificates, etc. prescribed in Article 27-23(1) of the same Act), or

(ii) A party that performs purchase, etc. (as prescribed in Article 27-2(1) of the same Act, including those made on a financial instruments exchange market) of the Company's shares, etc. (share certificates, etc. as prescribed in Article 27-2(1) of the same Act), and a party in special relationship with the party conducting such purchase, etc. (a party in special relationship as prescribed in Article 27-2(7) of the same Act.)

(Note 2) The percentage of voting rights is:

(i) In cases where the group of shareholders (tokutei-kabunushi group) is as described in Note 1(i), the holding ratio of shares, etc. (holding ratio of share certificates, etc. prescribed in Article 27-23(4) of the Financial Instruments and Exchange Act; in this case the number of shares, etc. held by the joint shareholder (number of share certificates, etc. prescribed in the same paragraph), shall be added) of the shareholder, or

(ii) In cases where the group of shareholders (tokutei-kabunushi group) is as described in Note 1(ii), the total of holding ratio of shares, etc. (holding ratio of share certificates, etc. prescribed in Article 27-2(8) of the same Act) of the Large-Scale Share Acquirer and the party in special relationship.

In calculating each holding ratio of shares, etc., the total number of voting rights (as prescribed in Article 27-2(8) of the same Act) and the total number of shares issued (as prescribed in Article 27-23(4) of the same Act) may be found in the most recent issue of the Annual Securities Report, Semiannual Securities Report, Quarterly Securities Report, or the Share Buyback Report.

(Note 3) Share certificates, etc., prescribed in Article 27-23(1) of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

(Note 4) The Company lists its shares on financial instruments exchange markets in Japan and, therefore, has an obligation for timely disclosure to Japanese shareholders and investors. The official versions of lists delivered by the Company, documents containing the Required Information prepared by the Large-Scale Share Acquirer, and the Company's opinions regarding that information and requests for submitting additional materials should consequently be the written Japanese versions. Written documents include documents transmitted by e-mail or facsimile as well as those printed on paper. The written documents must use A4 or A3 size paper and be printed in characters of at least 10 points (as per JIS Z 8305) in size. The written documents must be prepared in Japanese by the party preparing them in its name, and the Company shall bear no responsibility for translating any written documents into any foreign language. Any characters and symbols not printed on paper for logical reasons, including being cut off on the facsimile paper or failing to appear due to the use of characters or symbols not registered in our system when received by the Company shall be deemed not to have been written. The same shall apply hereinafter.

(Note 5) The contact address in Japan shown on this document shall be that of the sender of written documents that are sent pursuant to the relevant Rules of the Company.

(Note 6) Such determination is expected to be made if there is an objective and rational basis for determining that the Large-Scale Share Acquirer would be inappropriate as the Company's controlling shareholder from the standpoint of public order and morals, specifically in cases where 1) a Large-Scale Share Acquirer purchases the Company's shares simply to force parties affiliated with the Company to buy them back at a higher price, for example, although those concerned do not intend to actually participate in the Company's management, 2) the Large-Scale Share Acquirer purchases the Company's shares for purposes of so-called "scorched-earth" management, by temporarily taking control of the Company in order to gain intellectual assets essential to the Company's management, experience, confidential corporate information, vendors, or customers, 3) the Large-Scale Share Acquirer purchases the Company's shares with the intention of using the Company's assets as collateral for or source of repayment of its own liabilities after taking control of management, 4) the Large-Scale Share Acquirer purchases the Company's shares to gain temporary control

of management and sell high-value assets or the like such as real estate and securities not immediately related to the Company's business, in order to use the profit from the sale to pay a high dividend temporarily, or to use a temporary high dividend as a device to sharply raise the share price and sell its shares at a profit, 5) the purchase method proposed by the Large-Scale Share Acquirer is a two-tiered structure with second-tier purchase conditions that are less favorable than the first-tier conditions, or it is determined that there is a concern that the opportunity and freedom of shareholders to make decisions is restricted, or that they may virtually be forced to sell the Company's shares to their disadvantage, 6) the handling scheme and stock acquisition methods regarding the purchase of the Company's shares proposed by the Large-Scale Share Acquirer are extremely unreasonable from the standpoint of the common interests of shareholders, such as the price being very disadvantageous to shareholders or option rights carrying high risk, or 7) it is determined that any person of the management or major shareholders of the Large-Scale Share Acquirer has a relationship with antisocial elements, including organized crime groups or their members, as defined in Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members.

(Note 7) Regardless of whether this Policy is adopted, in cases where a Large-Scale Share Acquisition as described in the preceding Note 6 would cause significant damage to the interests of all shareholders, the Board of Directors, in accordance with its members' due care and diligence as directors, may implement emergency measures similar to measures taken to avoid clear and present danger to protect the interests of all shareholders of the Company. In order to guarantee objectivity and rationality in such a decision, the Large-Scale Share Acquirer and the specific details of the Large-Scale Share Acquisition (purpose, method, scope, type and amount of consideration for acquisition, etc.), and impact of the Large-Scale Share Acquisition on the interests of all shareholders of the Company shall be examined based on the Required Information, including the Post-Acquisition Management Policies, etc., submitted by the Large-Scale Share Acquirer. This shall be done with the advice of outside specialists or the like, including attorneys at law and certified public accountants, and with consideration given to the opinion of the Independent Committee.

(Note 8) On the fourth business day prior to the Record Date for allotment of stock acquisition rights, financial instruments markets assume that the rights will be removed (shares subsequently traded will not have stock acquisition rights attached), and the theoretical share price in anticipation of the conversion of stock acquisition rights to shares is therefore expected to fall to, for example, approximately 50%-60% of the immediately preceding price. Nevertheless, if the Company subsequently cancels the triggering of the takeover defense measures in its entirety by acquiring the stock acquisition rights without contribution, the number of shares will return to that of the ex-rights date, and the temporarily depressed stock price will theoretically return to the immediately preceding price. Since this could possibly disrupt the market, the shares shall, in principle, be allotted for the stock acquisition rights after the ex-rights date.

(Translation for reference purposes only)

Attachment 1

Share and Major Shareholder Information (as of February 28, 2015)

1) Number of shares authorized: 2,400,000,000 shares
2) Number of shares issued: (including treasury stock) 871,924,572 shares
3) Minimum share-trading unit: 100 shares
4) Number of shareholders at year-end: 636,569
5) Ten largest shareholders:

Name	Number of shares held (Thousands of shares)	Ratio of shares held (%)
Mitsubishi Corporation	40,422	4.80
Mizuho Bank, Ltd.	33,292	3.96
Japan Trustee Services Bank, Ltd. (Trust Account)	31,049	3.69
Aeon Environmental Foundation	21,482	2.55
The Cultural Foundation of Okada	20,520	2.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,908	2.25
The Norinchukin Bank	18,133	2.16
Employees' stockholding association	14,987	1.78
Aeon Mutual Benefit Society (Nomura Securities account)	11,908	1.42
THE BANK OF NEW YORK MELLON SA/NV 10	9,777	1.16

(Note 1) Calculations of ratio of shares held exclude treasury stock (30,314,053 shares).

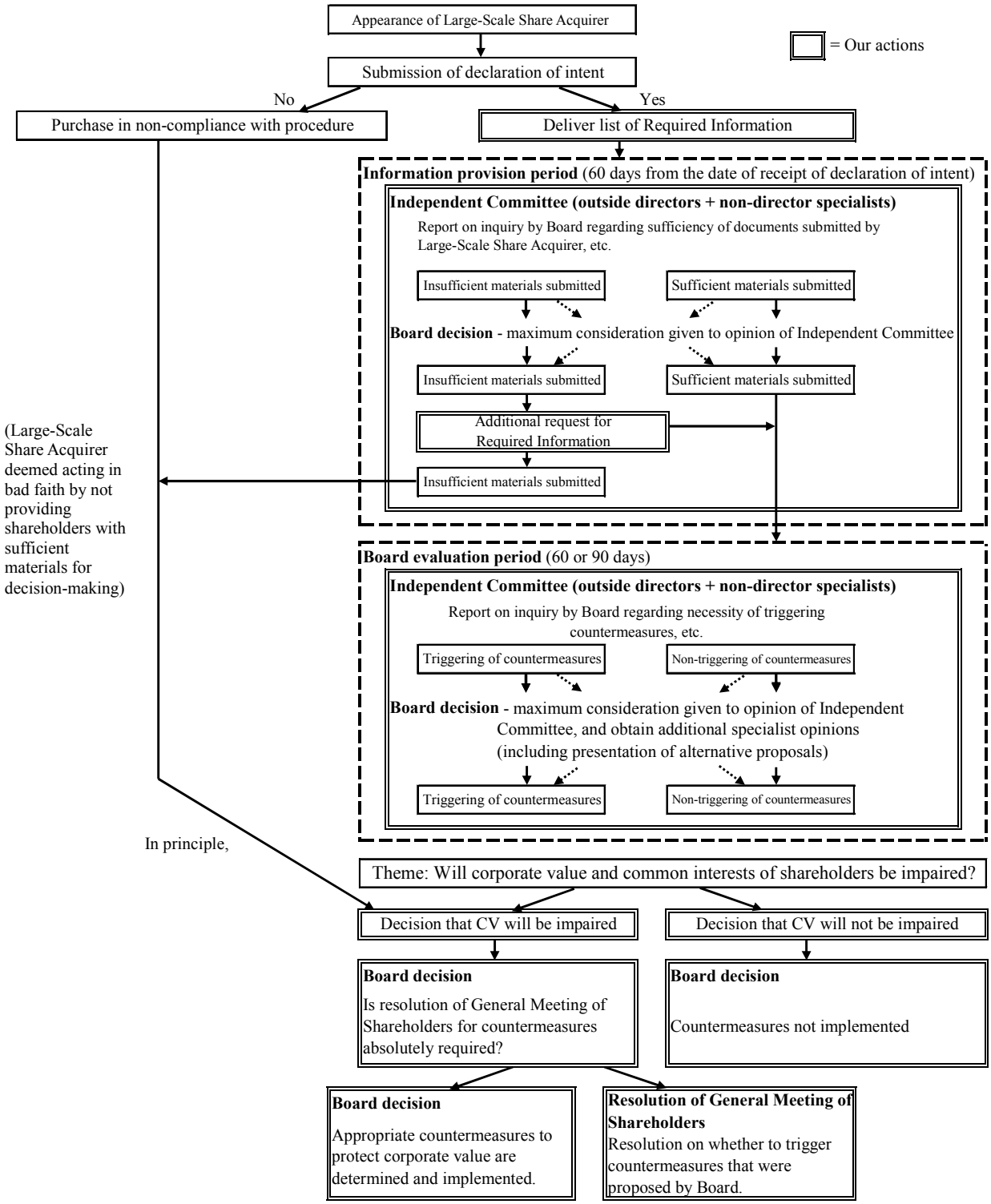
(Note 2) Shareholdings listed for the Japan Trustee Services Bank, Ltd. (Trust Account) and for The Master Trust Bank of Japan, Ltd. (Trust Account) represent pooled shares held in the form of securities investment trusts and other trusts.

(Translation for reference purposes only)

Attachment 2

(Reference)

Procedures and Decision-Making Flow of This Policy



(Note 1) In principle, both parties' materials and opinions will be disclosed as soon as possible.

(Note 2) If countermeasures are triggered, in principle, stock acquisition rights with differentiated exercise conditions will be issued only if the execution is deemed appropriate.

(Translation for reference purposes only)

Attachment 3

Overview of the Independent Committee and Committee Candidates

1. Overview of the Independent Committee

(1) Establishment

The Independent Committee shall be established and disbanded by the Board of Directors.

(2) Composition

1) The Independent Committee shall have at least three members.

2) The Independent Committee members shall comprise all the Company's outside directors and at least one specialist committee member (in principle, one attorney at law and one university professor or other outside person with academic experience) recommended by the outside directors, in principle within ten business days following the day the declaration of intent is received, and appointed by the Board of Directors. The Independent Committee shall, however, commence its activities even prior to the appointment of the specialist committee members, and the number and composition of committee members who are not outside directors may be changed by resolution of the Board of Directors based on a unanimous opinion of the outside directors.

3) The appointment of the committee members who are not outside directors of the Company shall be made with their expertise in corporate management, the Companies Act, and financial instruments exchange markets of exchanges, their opinions with regard to the Company's principles, and their business experience, among others, taken comprehensively into consideration, in light of the role of the Independent Committee.

4) The committee members who are not outside directors of the Company shall conclude a contract of mandate with the Company that designates their duties, including due care and diligence with respect to the Company.

(3) Chairperson

The chairperson of the Independent Committee shall be elected from among outside directors of the Company.

(4) Term of office

1) The term of office of Independent Committee members shall be from the time the Board of Directors establishes the Committee until the Committee is disbanded by the Board of Directors.

2) Notwithstanding the provision of the preceding paragraph, if all or any number of the outside directors of the Company should retire because of the expiration of their term of office during the aforementioned period, the terms of office of the members who are not outside directors of the Company shall expire at the same time. In such cases, the newly (re)elected outside directors of the Company shall recommend committee members who are not outside directors without delay and seek their appointment by the Board of Directors. This shall not preclude reappointment.

(5) Mission

The Independent Committee shall receive the Required Information submitted to the Board of Directors by a Large-Scale Share Acquirer, evaluate, examine and deliberate, in principle with regard to the following items, and based on the questions of the Board of Directors, and present the details and results of those activities to the Board of Directors:

(a) Opinion as to whether the materials received from the Large-Scale Share Acquirer are sufficient as Required Information

(b) Whether or not the Large-Scale Share Acquirer must provide additional information and, if so, the items to be requested and the time limit for submission

(c) Opinion as to whether or not the case falls under the category of "The Large-Scale Share Acquirer does not comply with the Rules" due to the reasons such as the insufficiency of the materials provided by the Large-Scale Share Acquirer, and on the necessity and contents of countermeasures, including an allotment of stock acquisition rights without contribution, or on the necessity of canceling countermeasures already implemented

(d) Evaluation and examination of whether the Large-Scale Share Acquisition will damage the interests of all shareholders of the Company and whether or not to request additional information from the Large-Scale Share Acquirer and, if so, the items to be requested and the time limit for submission

(e) Pros and cons of gratis allotment of stock acquisition rights with differentiated exercise conditions, of cancellation thereof, and of their acquisition for elimination thereof, and other items related to stock acquisition rights and other countermeasures

(f) Other items of inquiries from the Board of Directors concerning this Policy, or stock acquisition rights and other countermeasures

(6) Determining the contents of the evaluation, etc.

1) The contents of the evaluation and the like submitted to the Board of Directors by the Independent Committee shall, in principle, be approved by a majority vote of the

Independent Committee at a meeting at which all the committee members are in attendance. If all the members agree by written or electromagnetic means as particular urgency is required, however, the quorum may be reduced to attendance by a majority of committee members.

2) When submitting the evaluation and the like pursuant to the preceding paragraph, the Independent Committee shall also present its reasons for arriving at that evaluation and the like.

(7) Administrative office, etc.

1) An administrative office shall be established within the Company for activities including the submission of materials that the Independent Committee must examine.

2) The Independent Committee may seek advice from outside specialists and the like, including attorneys at law and certified public accountants, at the Company's expense.

2. Candidates for Independent Committee members

The Independent Committee shall be established on a temporary basis, and some members shall be appointed when the Committee is established. The candidates for outside directors who would become Independent Committee members subject to the approval of Agenda Item 1 are listed on pages 6 to 9 of the Reference Documents for General Meeting of Shareholders.

(Translation for reference purposes only)

Attachment 4

Overview of Stock Acquisition Rights

1. Eligible shareholders to receive stock acquisition rights and issuing conditions therefor

One stock acquisition right shall be allocated per share of common stock of the Company (excluding common stock of the Company held by the Company) held by shareholders recorded in the final shareholder registry as of the record date determined by the Board of Directors.

2. Class and number of shares underlying the stock acquisition rights

A maximum total of no more than 1,200 million shares of common stock of the Company shall be delivered upon exercise of stock acquisition rights. The Board of Directors shall separately determine the number of shares that shall be delivered upon exercise of one stock acquisition right ("number of target shares"). If the Company carries out a stock split, a consolidation of shares or the like, however, this number shall be adjusted as necessary.

3. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be allocated shall be determined separately by the Board of Directors.

4. Issuing price of stock acquisition rights

Without contribution

5. Type and amount of properties to be contributed upon exercise of each stock acquisition right

The type and amount of properties to be contributed upon exercise of each stock acquisition right shall be a monetary amount of at least one yen to be determined by the Board of Directors.

6. Restrictions on assignment of stock acquisition rights

Any assignment of stock acquisition rights shall be subject to the approval of the Board of Directors.

7. Conditions for exercising stock acquisition rights

Conditions such as a provision barring any party belonging to a group of shareholders (*tokutei-kabunushi group*) that would hold at least 20% of the voting rights ("Large-Scale Share Acquirer") from exercising the stock acquisition rights may be established. Details shall be determined separately by the Board of Directors.

8. Acquisition of stock acquisition rights by the Company

(1) On an acquisition date to be determined separately by the Board of Directors, the Company may acquire all the stock acquisition rights, except those of the Large-Scale Share Acquirer, that have not been exercised as of the business day prior to said acquisition date, and deliver the number of target shares of the Company for each stock acquisition right in exchange.

(2) In the event that the Company deems it appropriate to cancel a countermeasure based on this Policy, the Company may cancel the allotment of stock acquisition rights for that purpose by resolution at a meeting of the Board of Directors up to five business days prior to the Record Date (assuming the current fourth day settlement of the exchange, should this be changed, the date will change accordingly; the same shall apply hereinafter).

(3) In the event that the Board of Directors determines that events necessitate a cancellation of a countermeasure on or after the fourth business day prior to the Record Date for the allotment of these stock acquisition rights, in order to substantively have the same effect as a cancellation, the Company may, on an acquisition date determined separately by the Board of Directors, acquire all stock acquisition rights, including those of the Large-Scale Share Acquirer, that have not been exercised as of the business day prior to said acquisition date, and deliver the number of target shares of the Company for each stock acquisition right in exchange.

(4) Further details regarding cases in which the Company may acquire stock acquisition rights, and the conditions thereof, shall be determined separately by the Board of Directors.

9. Non-issuance of stock acquisition right certificates

No certificates of stock acquisition rights shall be issued.

10. Exercise period for stock acquisition rights

The period for exercising stock acquisition rights shall be determined separately by the Board of Directors.

11. Reasons for extinguishment of stock acquisition rights, etc.

Reasons for the extinguishment of stock acquisition rights and other necessary items shall be determined separately by the Board of Directors.

(Translation for reference purposes only)

ATTACHED DOCUMENTS

Business Report for Fiscal 2014

(March 1, 2014 – February 28, 2015)

1. Consolidated Business Review

For the year under review, the Aeon Group comprising the parent company Aeon Co., Ltd. ("Aeon" or the "Company") and 284 consolidated subsidiaries reported consolidated operating revenue of 7,078.5 billion yen (up 10.7% year on year), representing the highest annual operating revenue in Aeon's history. It also reported consolidated operating income of 141.3 billion yen (down 17.5% year on year), consolidated ordinary income of 152.5 billion yen (down 13.8% year on year) which includes the results of 31 equity-method affiliates, and consolidated net income of 42.0 billion yen (down 7.7% year on year).

The Japanese economy continued on a path of moderate recovery in the fiscal year under review, with the profits of large manufacturers improving in an environment of the Japanese government's economic measures and further currency depreciation. Consumers continued to economize on daily necessities, however, in response to a hike in the consumption tax and rising goods' prices. The recovery in domestic consumption was weak, and the operating environment for Aeon, which is engaged in business centered on the retail sector, was extremely challenging.

Promotion of Aeon Group Medium-term Management Plan

In the first year of the Aeon Group Medium-term Management Plan (FY2014–2016), the Aeon Group focused on executing its common Group strategy promoting acceleration in its shift to four growth markets; Asian markets, urban markets, senior markets, and digital markets. The Group also continued to promote product-oriented reforms, while seeking to build a new platform to support these growth strategies based on domestic and overseas reorganization efforts.

<Acceleration in shift to four growth markets>

- In a move aimed at enabling a deeper shift into urban markets while establishing a dominant position in the growing Tokyo metropolitan regional market, Aeon concluded an agreement in October 2014 with Marubeni Corporation and three supermarket (SM) operators Maruetsu, Inc., Kasumi Co., Ltd., and Maxvalu Kanto Co., Ltd. to merge them into a joint stockholding company, United Super Markets Holdings Inc. (U.S.M.H), and Aeon made U.S.M.H a consolidated subsidiary in March 2015.

- In November 2014, aiming to build Japan's No. 1 drugstore chain to drive its shift towards urban and senior markets, and to further develop its business model, Aeon made Welcia Holdings Co., Ltd. ("Welcia Holdings") a consolidated subsidiary in order to generate strong synergy.

- In January 2015, Daiei, Inc. was made a wholly owned Group subsidiary through a share exchange with the aim of concentration and optimization of management resources while ensuring the Group's ability to target market leadership across all business areas.

- To facilitate rapid expansion in the ASEAN region, Aeon agreed on a capital and business alliance with FIVIMART, the largest SM operator in Hanoi, the capital of Vietnam, in November 2014, following on from one with CITIMART, an SM operator located in Ho Chi Minh City, the largest city in southern Vietnam.

<Product-oriented reforms>

- To develop and offer new products meeting consumers' current needs, in the Aeon's private brand Topvalu, Aeon created an organic product line, Topvalu Gurinai, in response to consumers' heightened health-consciousness. With the aim of acquiring further share in the organic market, Aeon expanded the product line to 120 items, making it the largest private brand product lines among major retailers in Japan.

- As part of offering customers the high-value-added products only expected of Aeon, Aeon debuted a corner offering products from Picard, France's leading frozen foods supermarket for the first time in Japan. In addition, Aeon led the industry in introducing a low-priced smartphone, Aeon Smartphone, and it has achieved hit product status among customers.

(Translation for reference purposes only)

Financial highlights

Years ended February 28 (2013 to 2015) and February 29 (2012)	2012	2013	2014	2015
Operating revenue (Millions of yen)	5,223,344	5,685,303	6,395,142	7,078,577
Ordinary income (Millions of yen)	212,260	212,535	176,854	152,509
Net income (Millions of yen)	66,750	74,511	45,600	42,069
Net income per share (Yen)	87.23	95.49	55.92	50.22
Total assets (Millions of yen)	4,048,937	5,724,835	6,815,241	7,859,803
Net assets (Millions of yen)	1,282,066	1,446,676	1,684,569	1,829,980
Net assets per share (Yen)	1,216.22	1,305.14	1,336.83	1,443.97

(Note) Figures for the year ended February 28, 2013 are restated based on the retroactive application of revised accounting policies reflecting a change in valuation of merchandise inventories at certain consolidated subsidiaries effective from the year ended February 28, 2014. Cumulative effects of changes in accounting policies for the years ended February 29, 2012 and earlier are reflected in the beginning balance of net assets for the year ended February 28, 2013.

(1) Review of Operations

Retailing

In the GMS business, aiming for a shift to a high-earnings structure, the Group pushed ahead with GMS reforms such as expanding its line of Topvalu brand products, promoting sales floor specialization to provide highly specialized products and services, and refurbishing existing stores to enhance store competitiveness. In addition, the Group strengthened its response to markets in line with changes in society and economic situations and worked to expand net sales. Initiatives to this end included implementing nationwide sales promotions among Group stores for Aeon cardholders and users of Aeon's WAON e-money, expanding various types of services for visitors to Japan and foreign residents of Japan in line with a revision to the duty-free system, and implementing tariff reduction sales in view of the enforcement of the Japan-Australia Economic Partnership Agreement.
In the supermarket (SM), discount store (DS) and small-sized store business, the Group worked for various initiatives, including promoting recommended products on a day of week basis; campaigns aimed at expanding the WAON cardholder base; enhancing sales promotion such as holding "Jimono-no-hi" (Local Products Day) fairs to better promote local products through local production for local or regional consumption; tailoring product ranges to local consumer tastes as well as refurbishing existing stores to boost their appeal; improving and expanding the lineups of small-portion items, ready-to-eat dishes and other convenience foods. Furthermore, in DS formats, the Group pushed ahead with initiatives encompassing business and sales, such as accelerating shop openings, promoting joint procurement, and starting product supply through operation of a seafood processing center.

In the specialty store business, concentrating on the core brand ikka, Cox Co., Ltd. improved profitability by expanding and upgrading its range of casual business fashion items, such as tailored jackets, and its range of sundries, such as high-quality bags and small leather goods, and by carrying out timely introductions of new products and seasonal items. Meanwhile, G Foot Co., Ltd. conducted mass-media sales promotion campaigns, actively opened stores inside Aeon Group-operated shopping centers (SCs) and worked to enhance customer contact services that cater to the needs of a broad range of customers. As a result, G Foot Co., Ltd. posted record sales.

Financial Services

In the financial services business, the number of Aeon cardholder in credit card business was increased, particularly among the younger demographic, by introducing new card designs with images of popular animated characters.

In the banking business, the Group expanded its sales network of “Kurashi no Money Plaza” financial plazas, ATM installations and others. In addition, as new initiatives to improve convenience for customers who are visiting Japan or foreign residents in Japan, the Group obtained Japan’s first international standard for IC card transactions and started yen withdrawals in Japan using overseas-issued credit cards and cash cards. These were some of the initiatives the Group introduced to develop new business.

In the e-money business, the Group focused on expanding its participating retailer network of WAON cards, and began offering WAON settlement services in taxis as well as drugstores owned by Welcia Holdings. As a result of these initiatives, cumulative issuance of WAON cards grew to approximately 48.15 million cards as of February 28, 2015, while the WAON e-money transaction volume in the year under review totaled approximately 1,926.1 billion yen (up 22.1% year on year).

Overseas, the Group worked steadily to expand its business lines in the ASEAN region. As part of these efforts, the Group launched e-money services in Thailand based on an alliance with BTS Group Holdings, which operates an e-money business. Furthermore, in Indonesia, the Group worked to expand its cardholder base and develop its participating retailer network.

Shopping Center Development

In the shopping center development business, Aeon Mall Co., Ltd. opened seven SCs in Japan, including the largest flagship-type SC in the western Japan, Aeon Mall Okayama located in front of JR Okayama Station. In addition, a total of eight existing SCs were also refurbished.

In China, the Group opened Aeon Mall Suzhou Wuzhong in April 2014, its first SC in the city of Suzhou, Jiangsu Province and the region’s largest commercial facility. In December 2014, moreover, based on a cooperative agreement with the Wuhan municipal government, the Group opened Aeon Mall Wuhan Jinyintan in Hubei Province as its first SC in the province.

In the ASEAN region, the Group opened Aeon Mall Phnom Penh in June 2014 in Phnom Penh, the capital of Cambodia, as its first SC in the country. Furthermore, in November 2014, the Group opened Aeon Mall Binh Duong Canary in Vietnam, its second SC in the country. The Vietnamese local subsidiary of Aeon Mall Co., Ltd. became the first Japanese company to acquire a master lease license in Vietnam, and started management operations at the said SC.

Services

In the services business, Aeon Delight Co., Ltd. aimed to expand its comprehensive facilities management service (FMS) business by providing services to the Group's commercial facilities and proactively securing facility management work orders for facilities outside the Group, including city center multi-functional buildings and hotels and medical facilities.

Aeon Fantasy Co., Ltd. opened stores in China, Malaysia, Thailand and the Philippines, thus expanding its revenue base and worked to reduce costs by expanding overseas procurement of arcade machines and optimizing prize costs.

ASEAN and China

In the ASEAN business, in Malaysia, the Group enhanced cash-back campaigns and double shopping points for Aeon cardholders as well as sales promotions utilizing Group infrastructure. The Group also worked to grow sales of locally planned and developed Topvalu brand products, especially apparel. Moreover, the Group promoted management efficiency and improved profits through efforts including joint procurement and the shared operation of distribution facilities. In Cambodia, the Group opened Aeon Phnom Penh in June 2014 as its first store in the country. In Vietnam, the Group continued to promote the development of business into new regions, with the opening of Aeon Tan Phu Celadon in January 2014, as its first store in the country, and Aeon Binh Duong Canary in November 2014, as its second store in the country.

In China business, the Group started opening its stores in new regions including Jiangsu and Hubei provinces. The Group achieved steady growth in sales in Hong Kong by opening new stores, while also working to expand its range of Topvalu brand products to appeal to consumers seeking "safety and security." The promotion of these initiatives and low-cost operations helped Group stores in the country to achieve a steady recovery in revenues.

(Translation for reference purposes only)

Business segment information

Business segment	Operating revenue (Millions of yen)	YOY (%)	Operating income (Millions of yen)	YOY (%)
GMS Business	3,355,584	109.9	(1,646)	−
SM, DS and Small-sized Store Business	2,161,266	109.8	8,495	47.7
Financial Services Business	329,776	115.4	53,058	129.8
Shopping Center Development Business	249,654	113.6	43,247	99.7
Services and Specialty Store Business	704,921	102.0	24,597	105.3
ASEAN Business	209,217	115.2	6,173	93.5
China Business	168,495	115.8	(818)	−
Other Operations	270,170	160.9	4,570	214.5
Total	7,449,086	110.9	137,678	82.2
Adjustment	(370,509)	−	3,689	92.6
Consolidated	7,078,577	110.7	141,368	82.5

(Note) The main activities in each business segment are as follows:

GMS Business

General merchandise stores (GMS)

SM, DS and Small-sized Store Business

Supermarkets, discount stores, convenience stores, small-scale supermarkets, specialty stores selling packaged lunches and household dishes

Financial Services Business

Credit card business, fee business, banking business

Shopping Center Development Business

Development and leasing of shopping centers

Services and Specialty Store Business

Comprehensive facility management services, amusement services, food services, specialty stores selling family casual apparel, women's apparel, footwear, etc.

ASEAN Business

Retail stores in the ASEAN region

China Business

Retail stores in China

Other Operations

Drugstores, e-commerce, etc.

(2) Environmental Conservation and Social Contribution Activities

Aeon promotes sustainable management aimed at ensuring that the growth of the Group is compatible with the development of society. Aeon has formulated its "Aeon Sustainability Principle" to tackle environmental and social issues in a sincere manner within the context of its business activities and to respond to future needs. To support proactive environmental protection and social contribution activities by the Group, Aeon has highlighted the four key issues of 1) realization of a low carbon society, 2) conservation of biodiversity, 3) better use of resources, and 4) dealing with social matters.

[Environmental conservation activities]

- Aeon is undertaking a variety of energy initiatives under the "Aeon Eco Project," the environmental target formulated by the Group in 2012. Among such initiatives, the Group received an award from the Director of Japan's Agency for Natural Resources and Energy in fiscal 2014 for its promotion of energy-saving measures based on its internal Energy Advisor Program.

- The Group formulated the Aeon Sustainable Procurement Principle and the Aeon Sustainable Seafood Procurement Policy in February 2014, which incorporate the objectives of contributing to the prevention of natural resource depletion and conservation of biodiversity. Following on from the certification of the product "Topvalu Raw Atlantic Salmon" by the Aquaculture Stewardship Council (ASC) for responsible aquaculture, which was the first such certification in Japan, the same certification was obtained for the boneless white fish fillet, "Topvalu Pangasius," in June 2014.

- In the Group's tree planting, in which it has been engaged since 1991, the cumulative number of trees planted surpassed 10 million *(*1)*. With the aim of planting another 10 million trees, the Group not only continued its planting activities but also worked, from a long-term perspective, on a training project for the next generation of forestry workers in cooperation with local authorities and NPOs. At the same time, the Group actively promoted the use of forestry products including timber as materials for products and for use in construction of Group stores and facilities.

[Social contribution activities]

The Group organizes the annual "Aeon Happy Yellow Receipt" campaign to support local volunteer groups together with customers by funding product donations. In the year under review, a total of 1,572 stores operated by 23 Group companies participated in this initiative, resulting in the donation of products with an equivalent monetary value of 277.90 million yen to

approximately 23,600 groups. As of the fiscal year-end, the cumulative donations to community organizations since 2001 were equivalent to 2,494.35 million yen. Since 1989 the Group has made financial donations to the Aeon 1% Club (*2), based on the concept of using profits received from customers to benefit society. Aeon donates about 1% of the pretax profits of major Group companies, and cumulative donations have now reached approximately 19.3 billion yen. Aeon supported social contribution activities of the Aeon 1% Club through the following three pillar business activities: (1) fostering the healthy education of the next generation, (2) promoting international exchange, and (3) promoting the sustainable development of regional communities.

[Support for recovery efforts in response to the Great East Japan Earthquake]

Under the slogan "Making our wishes for recovery from the 3.11 disaster come true," in March 2012 the Group launched the Aeon Join Hearts Project, and Group employees from managerial and other levels worked to plant trees in the affected areas and carried out other volunteer-based initiatives. In these three years, these programs have resulted in the planting of approximately 107 thousand trees, and a total of 138 thousand Aeon Group employees have participated in the activities. The Group has also actively provided educational and other assistance for children living in the three prefectures most affected by the disaster. Total donations to charitable funds for the education of these children (*3) by Aeon through the "Aeon Happy Yellow Receipt" campaigns in March 2014, together with donations received from shoppers using "WAON for Tohoku Restoration(*4)" cards, have now reached approximately 111 million yen.

*1. *This represents the total of trees planted in conjunction with local communities on Group store sites as part of the Hometown Forests program and as a result of tree planting organized by the Aeon Environment Foundation.*

*2. *In April 2015, following the receipt of approval from the Prime Minister, the club changed from a general incorporated foundation into a public interest incorporated foundation.*

*3. *Donations to the Iwate Learning Aspirations Fund, Great East Japan Earthquake Miyagi Children's Educational Support Fund and Great East Japan Earthquake Fukushima Children's Fund.*

*4. *Cardholders can use this WAON e-money card to participate in Tohoku reconstruction support, since Aeon donates funds equivalent to 0.1% of payments by shoppers using the card.*

2. Prospective Challenges for the Aeon Group

Aeon is preferentially channeling management resources into four growth areas – Asian markets, urban markets, senior markets, and digital markets – in order to deliver sustained growth. In addition, the Group is stepping up efforts to improve earnings in the GMS business, SM business and other core businesses by promoting structural reform of existing domestic operations.

(1) Initiatives in growth markets

1) Shift to Asian markets

In Asian markets, which are expected to see population growth and rapid economic expansion, the Group will move into Vietnam, Indonesia and other new areas, as well as step up store openings in existing markets such as Malaysia and China.

In fiscal 2015, the Group will reinforce its efforts in new areas, focusing mainly on opening new SCs. This will include opening the Group's first SC in Indonesia and China's Zhejiang province.

In Vietnam, where the Group opened two SCs in 2014, the third SC will be opened. Also in Vietnam, a representative will be established to lead the Group's joint efforts, SC openings will be stepped up, and the area strategy will be reinforced with FIVIMART and CITIMART, which newly became part of the Aeon Group.

2) Shift to urban markets

The Group plans to address the shift in population to urban markets such as the Tokyo and Kyoto-Osaka-Kobe metropolitan areas by strengthening its store network using a multiple format strategy. In fiscal 2015, the Group will accelerate openings of My Basket small-scale supermarkets and Acolle small-scale discount stores, mainly in the Tokyo metropolitan area. The aim is to have 1,000 My Basket stores and 400 Acolle stores within three years.

In addition to opening small-scale stores, the Group plans to establish a multi-format retailing approach in urban markets by using United Super Markets Holdings Inc. and Welcia Holdings Co., Ltd., which both recently became part of the Aeon Group, and Daiei, Inc., which became a wholly owned subsidiary in January 2015, to reinforce its area strategy in the Tokyo and Kyoto-Osaka-Kobe metropolitan areas.

3) Shift to senior markets

To address needs arising from growth in the elderly population and changing lifestyles, the Group will establish a store format targeting seniors and step up efforts in the field of health & wellness that responds to the trend toward consciousness of health maintenance and enhancement. G. G. Store, the store format aimed at seniors, has three stores offering a range of products and services specifically tailored to the needs of elderly shoppers. The Group aims to make G. G. Store a core format in the GMS business.

In addition, Welcia Holdings Co., Ltd., which recently became part of the Group, will be positioned as the core company in Aeon's health & wellness strategy, which will be implemented across the Group.

4) Shift to digital markets

In response to the rapidly growing e-commerce market, the Group will focus on building "Net Super" online services and its omni-channel strategy by leveraging two of Aeon's strengths – its store network and its ability to attract shoppers.

To push ahead with these measures, positions with responsibility for "Net Super" online services, which support the advancement of the online business, and positions with responsibility for infrastructure, which support the creation of infrastructure, have been established at each Group company under the leadership of the executive officer responsible for the Group's digital business. Under this new framework, the Group will accelerate its shift to digital markets across all its operations, centered on its "Net Super" and "omni-channel strategy."

(2) Structural reforms of existing businesses

1) Product-oriented reforms

Aeon is leveraging its unique strengths to develop distinctive new products and improve its merchandise lines to address diversifying and rapidly changing consumer needs.

In the Aeon's private brand Topvalu, Aeon will reinforce product development to create products that generate new customer needs. Aeon will also strengthen its proposals for distinctive product lineups and high value-added products by such means as offering high-value added frozen foods through an alliance with French company Picard, which started in November 2014.

2) Organizational reforms

The Group will fundamentally reform its organization to help it address growth markets

and respond to diversifying and rapidly changing consumer needs, as well as tackle management issues such as competition from other sectors. The Group will accelerate its growth strategy under this new organization.

Head office organizations at the Company and operating companies will be streamlined and frontline personnel and authority will be enhanced, primarily in the store network. Aeon Retail Co., Ltd. will reinforce its local products and marketing functionalities as well as establish a new system to enable business management on an area-by-area basis.

The Company has earmarked five priority issues to be tackled by the whole Group – GMS reforms, SM reforms, shift to Asian markets, shift to digital markets, and product reforms. An executive officer has also been assigned to lead efforts to tackle these issues. This will ensure the Group works together to implement the reforms, under a clear framework of responsibility.

3) Strengthened diversity

In July 2013, Aeon established the Diversity Promotion Office. Reporting directly to the Group CEO, this department aims to tap the abilities of the Group's diverse human resources to drive company prosperity. In fiscal 2015, the office will increase the number of onsite childcare centers and offer enhanced employee training programs. Aiming to make the Aeon Group the place where women want to work the most in Japan, the Company will promote diversity management to achieve an equal gender balance at the managerial level by 2020.

3. Overview of Aeon and the Aeon Group (as of February 28, 2015)

(1) Main Business of the Aeon Group

The Aeon Group comprises the Company (a pure holding company), 284 consolidated subsidiaries and 31 equity-method affiliates. The Group is engaged in various business operations, including the Group's core retail store operations, which primarily revolve around the GMS business, together with businesses such as Financial Services, Shopping Center Development and Services.

(2) Number of Stores of Aeon Group Businesses

1) Head Office
   1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba

2) Number of stores by format

Format	Number of stores	Format	Number of stores	Format	Number of stores
General merchandise stores	618	Home centers	121	Other retail	889
Supermarkets	2,030	Department stores	1	Financial services	698
Supercenters	29	Convenience stores	4,683	Other services	1,640
Discount stores	381	Specialty stores	3,932	**Total**	15,022

(3) Financing and Investment by the Aeon Group

In addition to the Shopping Center Development Business, which continues to demonstrate strong growth, the Aeon Group focused capital spending on growth markets in Asia and on the refurbishment of existing domestic retail stores offering a high return on capital. Total capital spending on such projects as new store construction and store renovation amounted to 451.0 billion yen, which was financed by internal cash flows and new borrowings.

(4) Share-related Information

1) Number of shares authorized: 2,400,000,000 shares
2) Number of shares issued: (including treasury stock) 871,924,572 shares
3) Minimum share-trading unit: 100 shares
4) Number of shareholders at year-end: 636,569

5) Ten largest shareholders:

Name	Number of shares held (Thousands of shares)	Ratio of shares held (%)
Mitsubishi Corporation	40,422	4.80
Mizuho Bank, Ltd.	33,292	3.96
Japan Trustee Services Bank, Ltd. (Trust Account)	31,049	3.69
Aeon Environmental Foundation	21,482	2.55
The Cultural Foundation of Okada	20,520	2.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,908	2.25
The Norinchukin Bank	18,133	2.16
Employees' stockholding association	14,987	1.78
Aeon Mutual Benefit Society (Nomura Securities account)	11,908	1.42
THE BANK OF NEW YORK MELLON SA/NV 10	9,777	1.16

(Note 1) Calculations of ratio of shares held exclude treasury stock (30,314,053 shares).

(Note 2) Shareholdings listed for the Japan Trustee Services Bank, Ltd. (Trust Account) and for The Master Trust Bank of Japan, Ltd. (Trust Account) represent pooled shares held in the form of securities investment trusts and other trusts.

(5) Items Related to the Company's Stock Acquisition Rights

1) Stock acquisition rights delivered as consideration for execution of duties, and held by the Company's directors and executive officers as of the final day of the business year under review

Issues of stock options (Issuance resolution date)	Exercise period	Number of stock acquisition rights	Number of shares subject to the rights	Number of persons holding the rights	Issuing price	Amount of capital contributed upon exercise
No. 1 stock acquisition rights (April 21, 2007)	May 21, 2007 to May 20, 2022	137	13,700 shares	4	Without contribution	1 yen per share
No. 3 stock acquisition rights (April 22, 2008)	May 21, 2008 to May 20, 2023	137	13,700 shares	4	1,162 yen per share	1 yen per share
No. 4 stock acquisition rights (November 20, 2008)	November 21, 2008 to November 20, 2023	48	4,800 shares	5	710 yen per share	1 yen per share
No. 5 stock acquisition rights (May 20, 2009)	May 21, 2009 to May 20, 2024	6	600 shares	1	764 yen per share	1 yen per share
No. 8 stock acquisition rights (June 21, 2010)	July 21, 2010 to July 20, 2025	260	26,000 shares	7	885 yen per share	1 yen per share
No. 9 stock acquisition rights (June 21, 2011)	July 21, 2011 to July 20, 2026	284	28,400 shares	7	805 yen per share	1 yen per share
No. 10 stock acquisition rights (June 21, 2012)	July 21, 2012 to July 20, 2027	374	37,400 shares	9	817 yen per share	1 yen per share
No. 11 stock acquisition rights (June 21, 2013)	July 21, 2013 to July 20, 2028	380	38,000 shares	10	1,097 yen per share	1 yen per share
No. 12 stock acquisition rights (June 21, 2014)	July 21, 2014 to July 20, 2029	178	17,800 shares	9	1,064 yen per share	1 yen per share

Conditions for exercising stock acquisition rights (same for all issues)

- The person receiving stock acquisition rights must be an executive officer of the Company (or an executive officer of a Group company whose position is deemed the equivalent of such by the Compensation Committee of Aeon) at the time that the rights are exercised. However, even if a person retires from his/her position as executive officer of the Company, he or she may exercise those rights within a period of five years from the date of his/her retirement.
- When exercising stock acquisition rights, the executive officer must exercise the entire number of the rights in his/her possession and may not exercise them in installments.

2) New deliveries of stock acquisition rights in the fiscal year under review as executive remuneration to Company employees and officers of Group subsidiaries and affiliates

a. Company employees (delivered as consideration for execution of duties during the terms of office as Company officers)

Issues of stock options (Issuance resolution date)	Exercise period	Number of stock acquisition rights	Number of shares subject to the rights	Number of persons holding the rights	Issuing price	Amount of capital contributed upon exercise
No. 12 stock acquisition rights (June 21, 2014)	July 21, 2014 to July 20, 2029	38	3,800 shares	2	1,064 yen per share	1 yen per share

Conditions for exercising stock acquisition rights (same as item 1 above)

b. Officers of subsidiaries of the Company

Issues of stock options (Issuance resolution date)	Exercise period	Number of stock acquisition rights	Number of shares subject to the rights	Number of persons holding the rights	Issuing price	Amount of capital contributed upon exercise
No. 12 stock acquisition rights (June 21, 2014)	July 21, 2014 to July 20, 2029	154	15,400 shares	12	1,064 yen per share	1 yen per share

Conditions for exercising stock acquisition rights (same as item 1 above)

3) Other significant items related to stock acquisition rights

Status of stock acquisition rights as of the end of the year under review that were issued based on a decision made on October 4, 2006 by the Company's President and Representative Executive Officer

Issues of stock options (Issuance resolution date)	Exercise period	Number of stock acquisition rights	Number of shares subject to the rights	Party allocated the stock acquisition rights	Issuing price	Amount of capital contributed upon exercise
No. 2 stock acquisition rights (October 20, 2006)	October 23, 2006 to October 22, 2016 (Note 1)	918	(Note 2)	Mizuho Securities Co., Ltd.	315,000 yen	3,196 yen per share (Note 3)

(Note 1) Ten years, beginning on October 23, 2006. This is provided, however, that rights shall be exercised only during two specially stipulated exercise periods each year (periods of 10 trading days, beginning on the second Monday of each June and on the second Monday of each December).

(Note 2) The number of shares that are distributed through the exercise of each stock acquisition right shall be the number that results when 10,000,000 yen is divided by the amount of capital contributed upon exercise, with any fraction of one share dropped.

(Note 3) The initial amount of capital contributed upon exercise shall be 3,196 yen per share. However, this price shall be adjusted by multiplying by 97.5% the average share price, weighted for trading volume, over three consecutive business days prior to the day on which the respective exercise of rights takes effect.

(Translation for reference purposes only)

(6) Directors of the Company

1) Board of Directors

Name	Area of responsibility	Significant concurrent positions outside the Company
Hiroshi Yokoo	Chairman of the Board	
Motoya Okada	Nomination Committee member; Compensation Committee member	
Yoshiki Mori		
Masaaki Toyoshima		
Masaharu Ikuta	Chairman, Audit Committee; Nomination Committee member	Outside Director, SOURCENEXT CORPORATION President and Representative Director, Nagoya Port Terminal Corporation
Takejiro Sueyoshi	Chairman, Nomination Committee; Compensation Committee member	Executive Board Vice-Chair, Japan Renewable Energy Foundation Executive Chairman, Green Finance Organization Outside Corporate Auditor, The Kagoshima Bank, Ltd. Outside Director, FP Corporation
Keiichi Tadaki	Audit Committee member; Compensation Committee member	Attorney at Law Outside Director, Daiwa Securities Group Inc. Outside Corporate Auditor, Nippon Life Insurance Company Outside Corporate Auditor, Fujita Corporation
Ken Sato	Chairman, Compensation Committee; Audit Committee member	President, Institute for International Policy Studies Board Director, Nippon Television Holdings Inc. Board Director, Nippon Television Network Corporation
Yukako Uchinaga	Audit Committee member; Nomination Committee member	Executive Director, Japan Women's Innovative Network (NPO) Outside Director, HOYA CORPORATION Outside Director, DIC Corporation Board Chair, Japan Diversity Network Association

2) Executive officers

Position	Name	Area of responsibility and significant concurrent positions outside the Company
President and Representative Executive Officer	Motoya Okada	Group CEO
Deputy President and Representative Executive Officer	Yoshiki Mori	Group COO
Vice President	Soichi Okazaki	GMS Reform; President and Representative Director, Aeon Retail Co., Ltd.
Vice President	Shinya Wakou	Finance and International Business
Vice President	Masaaki Toyoshima	Business Development
Vice President	Shouhei Murai	SM Reform; Chairman, Daiei, Inc.
Vice President	Jerry Black	Digital Business
Vice President	Hirokazu Yamanashi	Corporate Planning and E-Money Business Officer
Vice President	Eiji Shibata	Products
Vice President	Yuiken Tsutsumi	Administration
Vice President	Akinori Yamashita	President and Representative Director, Aeon Financial Service Co., Ltd.
Vice President	Manabu Oike	President and Representative Director, My Basket CO., LTD.
Vice President	Nagahisa Oyama	Representative, Vietnam operations
Vice President	Haruyoshi Tsuji	Director and Senior Executive Vice President, Aeon Retail Co., Ltd.
Vice President	Kazuhide Kamitani	President and Representative Director, G Foot Co., Ltd.
Vice President	Cenk Gurol	Digital Business Promotion Leader
Vice President	Yukio Ishizuka	Director and Senior Executive Vice President, Aeon Retail Co., Ltd.
Vice President	Kazumasa Hamada	Director and Senior Executive Vice President, Aeon Retail Co., Ltd.
Vice President	Takeshi Kodama	Counselor, AEON PET CO., LTD. *(Note 3)*
Vice President	Yuji Miyashita	President and Representative Director, CFS Corporation
Vice President	Yuki Habu	Chairman and Governor, Aeon (China) Investment Co., Ltd. (Aeon Group's China Headquarters)

(Note 1) In addition to their positions as directors, Motoya Okada, Yoshiki Mori and Masaaki Toyoshima concurrently hold positions as executive officers.

(Note 2) Masaharu Ikuta, Takejiro Sueyoshi, Keiichi Tadaki, Ken Sato and Yukako Uchinaga are all outside directors as stipulated under the Companies Act. In accordance with the rules of the Tokyo Stock Exchange, the Company has registered the names of all its outside directors as independent directors.

(Note 3) Takeshi Kodama was appointed President and Representative Director of AEON PET CO., LTD. on March 1, 2015.

(Note 4) The following personnel changes occurred during the year ended February 28, 2015:

- *March 1, 2014: Senior Executive Vice President Shouhei Murai and Vice Presidents Atsunobu Agata, and Manabu Oshima resigned from their positions.*
- *March 1, 2014: Manabu Oike, Eiji Shibata, Cenk Gurol, Yukio Ishizuka, Kazumasa Hamada, Yuiken Tsutsumi, Takeshi Kodama, Yuji Miyashita, and Yuki Habu were newly elected, and each assumed the position of Vice President.*
- *April 10, 2014: Hirokazu Yamanashi was newly elected, and assumed the position of Vice President.*
- *April 10, 2014: Vice President Hidehiro Hirabayashi was dismissed.*
- *May 1, 2014: Shinya Wakou was newly elected, and assumed the position of Vice President.*

- *May 28, 2014:* *Director Naoki Hayashi retired from his position upon the completion of his term.*
  Senior Executive Vice Presidents Hiroshi Yokoo, Noriyuki Murakami, and Kazumi Uchiyama and Vice President Tsunekazu Haraguchi retired from their positions upon the completion of their terms.
  Hiroshi Yokoo was newly elected, and assumed the position of Director.
- *February 1, 2015:* *Shouhei Murai was newly elected, and assumed the position of Vice President.*

3) Items related to outside directors

a. Significant concurrent positions held at other organizations and the relationships between these organizations and the Company

- The organizations in which outside directors hold significant concurrent positions are as shown on page 48.
- Keiichi Tadaki holds a concurrent position as outside director at Daiwa Securities Group Inc. Daiwa Securities Co., Ltd., a subsidiary of the Daiwa Securities Group, Inc., which is a lead underwriting broker for the Company. No other special relationship exists between Daiwa Securities Co., Ltd. and the Company.
- The Company is registered as a member of Japan Women's Innovative Network, an NPO of which Ms. Uchinaga is Executive Director. The annual corporate membership fees plus any other monies paid to Japan Women's Innovative Network amount to less than 10 million yen, and represent less than 0.1% of the Company's total SG&A expenses.
- The Company has no special relationship with other organizations in which its outside directors hold concurrent positions.

b. Attendance at Board/committee meetings (attendances/meetings)

	Board of Directors	Audit Committee	Nomination Committee	Compensation Committee
Masaharu Ikuta	7/7	8/8	2/2	−
Takejiro Sueyoshi	7/7	−	2/2	3/3
Keiichi Tadaki	7/7	8/8	1/1	2/2
Ken Sato	7/7	8/8	−	3/3
Yukako Uchinaga	7/7	8/8	1/1	1/1

(Note 1) Keiichi Tadaki's attendance at meetings of the Nomination Committee prior to May 28, 2014, is shown, and his attendance at meetings of the Compensation Committee from May 28, 2014, on which date he was appointed to that committee, is shown.

(Note 2) Yukako Uchinaga's attendance at meetings of the Compensation Committee prior to May 28, 2014, is shown, and her attendance at meetings of the Nomination Committee from May 28, 2014, on which date she was appointed to that committee, is shown.

c. Major activities during the year under review

- Based on an extensive career and expert knowledge, Ken Sato, Chairman of the Compensation Committee, provided guidance in risk management as well as enhancing the transparency and objectivity of management.
- Based on his extensive experience in management and his wide-ranging knowledge, Masaharu Ikuta, Chairman of the Audit Committee, provided leadership in discussions on ways to enhance corporate governance.
- Based on his knowledge and extensive experience in matters concerning global environmental issues and corporate social responsibility, Takejiro Sueyoshi, Chairman of the Nomination Committee provided leadership in discussions on a corporation's role in conserving the environment and contributing to society.
- Based on his extensive experience in and knowledge of legal and compliance-related matters, Keiichi Tadaki provided leadership in discussions aimed at promoting legal compliance management.
- In addition to her broad experience and expertise in the IT sector, Yukako Uchinaga is well versed in diversity-related issues and proactively makes statements on matters such as promotion of healthy and efficient business management.

d. Summary of agreements limiting liability

- To ensure an ability to attract persons capable of contributing as outside directors, the Company has entered into agreements which limit the liability of each outside director. For damages as set forth in Article 423, paragraph 1 of the Companies Act, these agreements state that, when outside directors carry out their duties in good faith and with no serious negligence, their liability to compensate the Company is limited to 15,000,000 yen or to an amount stipulated by laws and regulations, whichever is higher; and that they are exempt from an outside director's obligation to compensate the Company for any amounts that exceed these limits.

4) Policies on personal remuneration for directors and executive officers

a. Remuneration for individual directors and executive officers shall be determined in a fair and highly transparent manner to create strong, performance-based incentives for senior managers to execute management strategy.

b. Individual remuneration shall comprise basic remuneration, performance-based remuneration for executive officers, and stock compensation-type stock options.

i. Basic remuneration refers to compensation that is paid monthly to directors and executive officers. For the latter, basic remuneration is determined individually and is limited to standard amounts set for each position.

ii. Performance-based remuneration for executive officers shall be a sum paid to executive officers after the end of each business year based on the annual results achieved for the year in question. It shall consist of the total of two remuneration components based on the financial results of Aeon and the results achieved by individual officers. However, the Representative Executive Officer shall be paid only the remuneration based on the financial results of Aeon.

- The corporate performance-based remuneration payable to executive officers shall be a multiple of the standardized remuneration based on the degree to which Aeon has achieved its designated financial targets.
- The personal performance-based remuneration payable to executive officers shall be a multiple of the standardized remuneration based on the results of an evaluation of individual performances.

iii. Stock compensation-type stock options shall be granted to executive officers in the form of stock acquisition rights following the end of each business year, based on their performance during the year.

c. The Company shall not pay directors' compensation to directors who also perform executive duties.

5) Total remunerations paid to the Company's directors and executive officers

Directors

	Basic remuneration based on Compensation Committee resolutions	Of which, outside directors
Number paid	7	5
Amount paid	121 million yen	75 million yen

Executive officers (incumbent as of the fiscal year-end)

Performance-based remuneration for executive officers for the fiscal year under review was decided in accordance with b (ii) of the policies on personal remuneration for directors and executive officers, considering the consolidated performance. Accordingly, the corporate performance-based remuneration payable to executive officers was decided not to be paid. The personal performance-based remuneration payable to executive officers was decided to be paid in accordance with an evaluation of individual performances. It was also decided to pay 50%

of the prescribed number of stock acquisition rights as remuneration in the form of stock compensation-type stock options in accordance with b (iii) of the said policies.

Position	Number of persons	Basic remuneration based on Compensation Committee resolutions	Performance-based remuneration based on Compensation Committee resolutions	Remuneration through stock compensation-type stock options	Total
President and Representative Executive Officer	1	36 million yen	- million yen	4 million yen	40 million yen
Other Executive Officers	16	433 million yen	13 million yen	32 million yen	479 million yen
Total	17	469 million yen	13 million yen	36 million yen	519 million yen

(Note 1) Performance-based remuneration for executive officers was determined at a Compensation Committee meeting held on April 9, 2015, and is based on performance during the 90th fiscal period. This compensation will be paid in May 2015.

(Note 2) Remuneration paid in the form of stock compensation-type stock options will be determined at both a Compensation Committee meeting and a Board of Directors meeting to be held on May 27, 2015, and will be based on performance during the 90th fiscal period. The Company will allot the stock options to the respective individuals on June 21, 2015. The total number of stock acquisition rights is 288 and the number of shares subject to the rights is 28,800 shares. The amounts to be allocated are calculated based on the closing price of the Company's stock on the Tokyo Stock Exchange on or around the last day of February 2015.

(Note 3) In addition to the amounts detailed above, a total of 26 million yen was paid in remuneration to seven executive officers who resigned during the year under review.

(Note 4) Directors who hold concurrent positions as executive officers with responsibilities for operations receive no remuneration as directors.

(7) Independent Auditors

1) Name: Deloitte Touche Tohmatsu LLC

The financial statements of the Company's overseas consolidated subsidiaries are audited by other auditing firms.

2) Amount of compensation

i. Amount of compensation paid for services rendered as independent auditors during the fiscal year under review	113 million yen
ii. Total cash and other compensation paid by Aeon and its subsidiaries to their independent auditors	2,036 million yen

(Note 1) Since the auditing services contract between the Company and the independent auditors does not make a clear distinction between the amounts of remuneration payable to the independent auditors with respect to auditing services rendered under the Companies Act and those amounts payable for auditing services rendered under the Financial Instruments and Exchange Act, the "Amount of compensation paid for services rendered as independent auditors during the fiscal year under review" equals the sum of the amounts for these two categories.

(Note 2) Payments by the Company and its subsidiaries to the independent auditors are for counsel, guidance and other relevant services provided in relation to internal financial and accounting controls, which are defined as services other than those provided under Article 2, paragraph 1 of the Certified Public Accountants Act.

(Note 3) Auditing firms other than the Independent Auditors of Aeon provide auditing services to Aeon Credit Service (Asia) Co., Ltd. and six other major subsidiaries of the Company.

3) Policy regarding decisions to dismiss or not to reappoint independent auditors

The Company will make such decisions if it is deemed that actions by independent auditors violate or conflict with provisions of the Companies Act or other laws and regulations, or that a significant event has occurred resulting in a loss of trust in independent auditors.

(8) Aeon Group Employees

Business segment	Number of employees (Note 1)	Number of other employees (Note 2)
GMS Business	29,141	112,001
SM, DS and Small-sized Store Businesses	21,770	81,735
Financial Services Business	15,170	7,713
Shopping Center Development Business	2,337	1,544
Service and Specialty Store Businesses	18,848	26,255
ASEAN Business	17,599	984
China Business	12,972	2,262
Other Business	6,207	12,737
Pure Holding Company, etc.	2,396	1,821
Total	126,440	247,052

(Note 1) Figures refer to employees on the full-time payroll of Aeon Group companies (excluding any employees seconded to companies outside the Aeon Group, but including any external workers on temporary loan to Aeon Group companies).

(Note 2) Numbers of other employees represent the average number during the term (calculated on the basis of eight working hours/day).

(9) Principal Creditors

Creditors	Amount (Millions of yen)
Mizuho Bank, Ltd.	37,458
The Norinchukin Bank	23,900
Sumitomo Mitsui Banking Corporation	23,400
Sumitomo Mitsui Trust Bank, Limited	18,500
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,000
Mizuho Trust & Banking Co., Ltd.	9,000
The Chiba Bank, Ltd.	9,000

(10) Group Status

Major subsidiaries

Name	Capital	Voting rights (%)	Main businesses
GMS Business			
Daiei, Inc.	¥56,517 million	100.00	General merchandise store
Aeon Retail, Co., Ltd.	¥48,970 million	100.00	General merchandise store
AEON Hokkaido Corporation	¥6,100 million	85.57	General merchandise store
AEON KYUSHU CO., LTD.	¥3,144 million	74.02	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.02	Home center
SM, DS and Small-sized Store Businesses			
Maruetsu, Inc.	¥37,549 million	70.31	Supermarket
Maxvalu Chubu Co., Ltd.	¥3,950 million	66.77	Supermarket
Maxvalu Tohoku Co., Ltd.	¥3,685 million	71.70	Supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	70.08	Supermarket
Maxvalu Nishinihon Co., Ltd.	¥1,673 million	63.72	Supermarket
Maxvalu Kyushu Co., Ltd.	¥1,589 million	78.81	Supermarket
Maxvalu Hokkaido Co., Ltd.	¥1,176 million	64.71	Supermarket
Ministop Co., Ltd.	¥7,491 million	53.96	Convenience store
Financial Services Business			
Aeon Financial Service Co., Ltd.	¥30,421 million	46.92	Bank holding company
AEON CREDIT SERVICE (ASIA) CO., LTD.	HK$269 million	67.00	Financial services
AEON CREDIT SERVICE (M) BERHAD	M$109 million	61.85	Financial services
AEON THANA SINSAP (THAILAND) PLC.	THB250 million	63.12	Financial services
Aeon Bank Ltd.	¥51,250 million	100.00	Banking services
Shopping Center Development Business			
Aeon Mall Co., Ltd.	¥42,207 million	50.18	SC development
Service and Specialty Store Businesses			
Cox Co., Ltd.	¥4,503 million	71.69	Casual apparel specialty store
G Foot Co., Ltd.	¥3,326 million	74.86	Specialty shoe store
Aeon Delight Co., Ltd.	¥3,238 million	63.54	Facilities management services
Aeon Fantasy Co., Ltd.	¥1,747 million	66.75	Amusement services
ZWEI CO., LTD.	¥451 million	69.16	Bridal information services
ASEAN Business			
AEON CO. (M) BHD.	M$702 million	51.00	General merchandise store
China Business			
AEON STORES (HONG KONG) CO., LTD.	HK$115 million	71.64	General merchandise store
Drug Pharmacy Business			
Welcia Holdings Co., Ltd.	¥7,736 million	50.31	Drug store
CFS Corporation	¥7,094 million	50.07	Drug store

(Note) Voting rights percentages include indirect ownership.

4. Company Structure and Policies

(1) Measures to Improve Corporate Governance and Implementation Status

Aeon has adopted the "Company with Committees" system as its governance model. Under the system, operational supervision and operational execution functions are explicitly divided and allocated to individual directors and executive officers. The system enables swift management decision-making by delegating significant authority to executive officers to enable them to achieve medium- and long-term targets. At the same time, the supervisory powers of the directors have been strengthened to ensure transparency and objectivity in management decision-making, thereby realizing increased transparency and supporting higher returns to shareholders.

The change to a pure holding company structure is aimed at raising the corporate value of the entire Group by 1) building a new growth model for the Group, 2) rebuilding the business structure, and 3) further strengthening "Centralization and Decentralization."

1) Group management approach

   i. Predicated on putting into practice the Company's unchanging "customer-first" business philosophy, the Aeon Group's management approach emphasizes the development of strong operating companies that try to keep as close to customers as possible in order to maximize the value provided to customers. Maintenance of harmonious relations between the pure holding company and the operating companies to ensure flexibility in response to change is another fundamental element in promoting the development of the Aeon Group over the long term.

   ii. Under a pure holding company structure, the holding company's role is to establish the governance of the Group and to focus on managing the Group in an integrated way. To create a strong retail presence, the holding company also formulates Group business strategies aimed at increasing corporate value, ensures optimal allocation of management resources across the Group, works to promote and ingrain the Group's basic business philosophy, and pursues intra-Group synergies.

   iii. To ensure their ability to implement the fundamental business policies of putting the "customer-first," "catering to local tastes," and "focusing on sales floor activities," the operating companies are empowered to execute business with autonomy and alacrity.

2) Status of the Board of Directors and committees

	Meeting status	Principal roles
Board of Directors	Met 7 times	- Supervision of the performance of duties by directors and executive officers - Decisions on matters that require resolution by the Board of Directors under the provisions of Article 416 of the Companies Act and that cannot be delegated to executive officers
Audit Committee	Met 8 times	- Auditing of the performance of duties by directors and executive officers - Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment, dismissal or non-reappointment of independent auditors
Nomination Committee	Met 2 times	- Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment or dismissal of directors
Compensation Committee	Met 3 times	- Decisions concerning the content of financial remuneration received by directors and executive officers

(2) Summary of Resolutions by the Board of Directors Regarding Matters Necessary for the Performance of Duties by the Audit Committee, Systems Necessary to Ensure That the Execution of Duties by Executive Officers Complies With Laws and Regulations and the Articles of Incorporation, and Other Systems Necessary to Ensure Proper Conduct of the Company's Operations

1) Matters related to auditing

The approval of the Audit Committee is required for any personnel changes within the Internal Audit Division, which assists the Audit Committee in its work.

Regular reports are provided to the Audit Committee on the status of internal auditing/control activities covering the Group as a whole and on messages that have been received through the Company's internal notification system, which is accessible by all the Group's employees.

In addition to participating in important meetings, the members of the Internal Audit Division receive reports from executive officers and others on their execution of duties, and pass this information on to the Audit Committee.

2) Preservation and management of information

The minutes of all meetings are prepared by the Secretariat Division, which also stores the minutes; documentation of the decisions reached at the meetings is also stored and managed by the individuals drafting the resolutions.

3) Risk management

Aeon has established an internal system governing risk management, which includes the convening of the Risk Management Committee. Aeon's risk management system is designed to report to the Aeon Management Committee (the Group's top-level management body), while the Internal Audit Division monitors its operating status.

Aeon is committed to opposing antisocial forces in every aspect of its business. Any related matters are handled at the organizational level, and the Group's readiness in this area is maintained by providing internal regulations and by keeping close relations with investigative and other institutions.

The Company and all its Group member companies are committed to the ongoing construction and development of internal controls related to financial reporting (as required by Japan's Financial Instruments and Exchange Act).

4) System for efficient execution of duties

Job descriptions and the authority allotted to each position within the Company are determined by regulations which spell out responsibilities and authority. In addition to promoting the organized and efficient operation of the Company's business, this structure also functions as a checking mechanism by stipulating which departments may be consulted.

5) Compliance system

The Company has formulated a compliance system in accordance with the latest revisions of laws and regulations that entails the adoption and strict enforcement of the Aeon Code of Conduct, which all of the Group's employees are expected to follow, and periodic training sessions for employees.

6) Management of Group companies

At the holding company level, executive committees that are organized according to both business and function deliberate and formulate management plans for Aeon Group companies. Acting as a Group headquarters, holding company divisions oversee the management of the Group's businesses in an integrated management approach that also preserves the operational independence and autonomy of the individual Group member companies.

(3) Basic Policy Regarding Control of Company

1) Outline of contents of basic policy and actions for its realization

Aeon is an organization that aims always to put the customer first and to develop retail and other businesses in a way that contributes to more affluent customer lifestyles. Aeon adheres to the unchanging ideals of pursuing peace, respecting humanity, and contributing to the local community with the customer's point of view as the core. Within this framework, Aeon endeavors to effect measures which lead to customer satisfaction and to a continual enhancement of corporate value. These ideals form the essential core of the corporate value. There are other elements contributing to the formation of Aeon's corporate value, beyond continual and long-term growth and cooperating and collaborating with partners and allies. These include various other values, such as ensuring employment, enhancing lifestyles, and conserving the environment and contributing to society.

To execute good business practices and meet the Company's social responsibilities requires that these ideals be realized over the long-term. We believe that those who control decisions on the Company's financial and operating policies must be persons capable of sustaining and developing the corporate value as described above.

2) Measures to prevent control detrimental to shareholders' interests

Whilst the Company's shares are listed on financial instrument exchanges (stock exchanges) and can be freely bought and sold, groups intent on pursuing short-term profits may sometimes propose an acquisition that ultimately endangers the interests of shareholders. The Company believes the right to make decisions on whether to accept or reject proposals to acquire the Company rests with its shareholders. Accordingly, when such proposals arise, it believes that the shareholders must be given adequate and accurate information, as well as sufficient time, to make their decisions. Toward this end—and as a means of demanding that prescribed procedures are taken for the provision of sufficient documents and countering proposed acquisitions that it believes would clearly harm the interests of shareholders in general—the Company included a proposal for the "Renewal of policy concerning large-scale acquisitions of the Company's shares (takeover defense measures)" among the matters to be resolved at its 87th Ordinary General Meeting of Shareholders held on May 17, 2012. Shareholder approval for this proposal was received.

This is an "advance notice-type" takeover protection policy, under which the Company requires that any person(s) seeking to purchase 20% or more of the voting rights in the Company respect certain rules of acquisition, including the need to provide the Company with adequate information. Under these rules, prospective purchasers are required to

provide the following, among other information: a general description of the person(s) making the acquisition; the basis for their calculations of the purchase price; the methods of acquisition; the source of funds for the acquisition; and the management policy to be adopted following the acquisition.

When such a prospective purchaser appears on the scene, the Company's Board of Directors shall, in addition to disclosing this fact, immediately establish an independent committee composed of one or more outside experts and its outside directors. Based on the information it has received (when additional information is requested, the deadline for the final reply shall be sixty days from the date on which the declaration of intent is received), the Company shall seek the opinions of said committee and, while giving the utmost weight to its opinions, shall announce the results of its evaluation of the proposed purchase within a prescribed evaluation period (within sixty or ninety days). To further enhance the objectivity of their judgments, the Board of Directors and the independent committee may seek the opinions of other experts on a timely basis. On the other hand, if the purchaser fails to abide by the above-mentioned rules, or if it becomes evident that the shareholders' interests will be harmed because reasons exist to suspect that the purchaser's aim is to demand that the Company buy back the shares at an inflated price, or that its aim is to sell the shares at a profit, the Company's Board of Directors may, without waiting for the passage of the prescribed evaluation period, adopt countermeasures which include the issuance of new stock, the issuance of stock acquisition rights, etc. In addition, when it issues stock acquisition rights with differentiated exercise conditions that restrict the exercise of rights by the prospective purchaser, the Company shall issue such rights with a call option feature to avoid burdening shareholders with onerous procedures. Moreover, as a general rule, decisions on the content and the adoption of countermeasures shall be made by the Board of Directors which, in making such decisions and implementing such measures, shall abide by its duty to employ due care. In exceptional instances, however, the Board of Directors may determine that, in light of the content and effect of such measures, it is necessary to submit the matter to shareholders for their approval, in which case it will seek the approval of shareholders at the Company's General Meeting of Shareholders.

At each stage in this process, the Company shall provide shareholders with sufficient information in a timely manner to enable them to make their decisions.

These takeover defense measures are valid only until the conclusion of the 90th Ordinary General Meeting of Shareholders scheduled to be held on May 27, 2015.

3) Determinations by the Board of Directors regarding the consistency of actions noted in item 2 above with the Company's basic policies, etc.

The materials that the Company requires a potential purchaser to provide consist not only of basic information about the purchaser but also information on parties behind the financing, on financing schemes, on items related to the legality of the stock acquisition methods, and on management plans following completion of the acquisition. Disclosing this information will not only concretely demonstrate the attitudes of the purchaser toward Aeon's management ideals (the above-mentioned "basic policy") but also, and most importantly, add to the information available to the shareholders in making their decisions.

The Board of Directors therefore believes that the aforementioned policy vis-à-vis prospective large-scale acquisitions is aligned with the Company's basic policy and with the interests of shareholders, and believes that this policy has not been adopted to maintain the status of the Company's directors.

(4) Policy Regarding Decisions on Dividends of Surplus

The policy on returns to shareholders strives to maintain an optimal balance between paying dividends and improving corporate value through medium- to long-term growth as a key management priority. The Company sets dividends in consideration of its consolidated earnings results and strives to reward shareholders appropriately for capital invested.

Specifically, the Company has set a target of maintaining its annual dividend payment at or above the previous year's payment and implementing a dividend payout ratio of 30% as the Group endeavors to increase earnings and return even more to shareholders in coming years.

The Company pays dividends twice a year for the purpose of enhancing the opportunities for profit distribution to shareholders. In accordance with the provisions of Article 459 of the Companies Act, the Board of Directors can resolve the year-end dividend payment from surplus to shareholders.

[Dividends of surplus for the year under review]

Pursuant to a resolution by the Board of Directors at its meeting on April 9, 2015, the year-end dividend payment from surplus for the fiscal year under review is 14 yen per share, consisting of an ordinary dividend of 13 yen per share for the fiscal year under review and a commemorative dividend of 1 yen per share to commemorate the 40th anniversary of Aeon's stock exchange listing. The total annual dividend for the fiscal year is 28 yen per share, an increase of 2 yen compared with the previous fiscal year, including the interim dividend of 14 yen per share (consisting of an ordinary dividend of 13 yen per share and a commemorative dividend of 1 yen per share). The starting date for dividend payments (effective date) is Thursday, April 30, 2015.

(Note 1) The amounts and numbers of shares shown in this Business Report have been rounded down to the appropriate units used in the document.

(Note 2) Figures shown for sales, etc. do not include consumption taxes.

(Translation for reference purposes only)

Consolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2015

Assets		Liabilities	
Current assets	**4,217,621**	**Current liabilities**	**4,288,130**
Cash and time deposits	811,176	Notes and accounts payable – trade	946,674
Notes and accounts receivable – trade	1,054,676	Deposits for banking business	1,936,605
Marketable securities	194,220	Short-term borrowings	232,167
Merchandise inventories	557,331	Current portion of long-term debt	225,367
Deferred tax assets	45,070	Bonds due within one year	42,448
Financial loan	319,995	Commercial paper	63,000
Loans and bills discounted for banking business	1,027,659	Lease obligations	10,420
		Income taxes payable	42,809
Other	256,430	Provision for bonuses	18,525
Allowance for doubtful accounts	(48,938)	Provision for store closing expenses	4,267
		Allowance for point program	24,278
Fixed assets	**3,642,181**	Notes payable, construction	102,273
Property, buildings and equipment	**2,467,229**	Other	639,293
Buildings and structures, net	1,371,993	**Long-term liabilities**	**1,741,691**
Tools, furniture and fixtures, net	192,256	Bonds	294,978
Land	763,257	Convertible bonds with stock acquisition rights	90
Lease assets, net	43,335		
Construction in progress	88,896	Long-term debt	917,819
Other, net	7,489	Lease obligations	43,785
		Deferred tax liabilities	39,452
Intangible fixed assets	**301,979**	Liability for directors' retirement benefits	1,320
Goodwill	191,035	Provision for store closing expenses	6,891
Software	61,752	Provision for contingent liabilities	452
Lease assets, net	9,258	Allowance for loss on refund of interest received	4,844
Other	39,933		
		Allowance for loss on redemption of gift coupons	4,763
Investments and other assets	**872,972**		
Investment securities	211,579	Liability for employee's retirement benefit	51,081
Asset for employee's retirement benefit	43,183	Asset retirement obligations	70,510
Deferred tax assets	77,933	Lease deposits from lessees	261,080
Fixed leasehold deposits to lessors	418,090	Other	44,620
Deposits for stores in progress	6,198	**Total liabilities**	**6,029,822**
Other	143,051	**Net assets**	
Allowance for doubtful accounts	(27,064)	**Shareholders' equity**	**1,101,792**
		Common stock	220,007
		Capital surplus	316,894
		Retained earnings	609,125
		Treasury stock	(44,235)
		Accumulated other comprehensive income	**104,513**
		Unrealized gain on available-for-sale securities	49,573
		Deferred gain (loss) on derivatives under hedge accounting	(3,144)
		Foreign currency translation adjustments	37,587
		Remeasurements of employee's retirement benefit	20,497
		Stock acquisition rights	**1,910**
		Minority interests	**621,763**
		Total net assets	**1,829,980**
Total assets	**7,859,803**	**Total net assets and liabilities**	**7,859,803**

(Translation for reference purposes only)

Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2015	
Net sales	**6,202,210**
Operating revenue in the financial services business	**294,387**
Other operating revenue	**581,978**
Total operating revenue	**7,078,577**
Cost of sales	**4,525,231**
Operating costs in the financial services business	**27,198**
Total operating costs	**4,552,430**
Gross profit on sales	**1,676,978**
Gross profit from operations	**2,526,146**
Selling, general and administrative expenses	2,384,778
Operating income	**141,368**
Other income	
Interest income	3,577
Dividend income	2,193
Equity in gains of equity-method affiliates	6,689
Amortization of negative goodwill	32
Penalty income from leaving tenants	2,328
Reversal of allowance for doubtful accounts	2,200
Gain on collection of fixed leasehold deposits	1,126
Other	13,584
	31,733
Other expenses	
Interest expense	13,156
Other	7,435
	20,592
Ordinary income	**152,509**
Extraordinary gains	
Gain on sales of fixed assets	4,341
Gain on negative goodwill	10,593
Gain on sale of subsidiaries' stock	172
Gain on change in equity	3,787
Gain on step acquisition	33,686
Other	3,679
	56,261
Extraordinary losses	
Loss on disposal of fixed assets	1,989
Impairment loss	46,163
Loss related to store closing	1,213
Provision for store closing expenses	2,105
Loss on sale of fixed assets	645
Amortization of goodwill	9,780
Other	2,012
	63,910
Income before income taxes and minority interests	**144,860**
Income taxes – current	73,069
Income taxes – deferred	(7,612)
	65,457
Income before minority interests	**79,403**
Minority interests	37,333
Net income	**42,069**

(Translation for reference purposes only)

Consolidated statement of changes in net assets

(Unit: Millions of yen, rounded down)

	Shareholders' equity				
Year ended February 28, 2015	**Common stock**	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Balance as of March 1, 2014	220,007	285,917	589,943	(10,933)	1,084,935
Changes during period					
Issuance of new shares		30,977			30,977
Cash dividends			(22,843)		(22,843)
Net income			42,069		42,069
Purchase of treasury stock				(35,948)	(35,948)
Disposal of treasury stock			(44)	2,646	2,602
Net change in items other than shareholders' equity during period					
Total changes during period	–	30,977	19,181	(33,302)	16,857
Balance as of February 28, 2015	220,007	316,894	609,125	(44,235)	1,101,792

	Accumulated other comprehensive income							
Year ended February 28, 2015	**Unrealized gain on available-for-sale securities**	**Deferred gain (loss) on derivatives under hedge accounting**	**Foreign currency translation adjustments**	**Remeasurements of employee's retirement benefit plans**	**Total accumulated other comprehensive income**	**Stock acquisition rights**	**Minority interests**	**Total net assets**
Balance as of March 1, 2014	23,318	(2,122)	13,964	–	35,160	1,670	562,802	1,684,569
Changes during period								
Issuance of new shares								30,977
Cash dividends								(22,843)
Net income								42,069
Purchase of treasury stock								(35,948)
Disposal of treasury stock								2,602
Net change in items other than shareholders' equity during period	26,254	(1,021)	23,622	20,497	69,353	240	58,960	128,553
Total changes during period	26,254	(1,021)	23,622	20,497	69,353	240	58,960	145,411
Balance as of February 28, 2015	49,573	(3,144)	37,587	20,497	104,513	1,910	621,763	1,829,980

(Translation for reference purposes only)

Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2015

Assets		Liabilities	
Current assets	**375,517**	**Current liabilities**	**222,120**
Cash and time deposits	1,034	Short-term borrowings	6,458
Prepaid expenses	113	Current portion of long-term debt	32,700
Deferred tax assets	436	Bonds due within one year	20,000
Short-term loans receivable to subsidiaries	343,110	Commercial paper	43,000
Accrued income	14,202	Accounts payable – other	7,006
Accounts receivable – other	16,200	Accrued expenses	2,479
Other	418	Income taxes payable	1,387
		Accrued consumption taxes	954
Fixed assets	**921,486**	Deposits received	107,621
Property, buildings and equipment	**16,149**	Provision for bonuses	109
Buildings, net	11,668	Other	403
Structures, net	92	**Long-term liabilities**	410,590
Tools, furniture and fixtures, net	403	Bonds	136,500
Land	3,984	Long-term debt	232,600
		Allowance for investment loss, etc.	39,009
Intangible fixed assets	**824**	Other	2,480
Rights of trademark	299		
Other	525	**Total liabilities**	**632,711**
		Net assets	
Investments and other assets	**904,512**	**Shareholders' equity**	**619,446**
Investment securities	118,753	**Common stock**	**220,007**
Stock of subsidiaries and affiliates	709,522	**Capital surplus**	**316,894**
Investments in capital of subsidiaries and affiliates	68,078	Legal capital surplus	316,894
		Retained earnings	**126,714**
Long-term prepaid expenses	177	Legal retained earnings	11,770
Deferred tax assets	12,635	Other retained earnings	114,944
Other	284	Reserve for advanced depreciation of fixed assets	4,491
Allowance for doubtful accounts	(167)		
Allowance for investment loss, etc.	(4,770)	General reserve	95,500
		Retained earnings brought forward	14,953
		Treasury stock	**(44,171)**
		Valuation and translation adjustments	**44,156**
		Unrealized gain on available-for-sale securities	45,633
		Deferred gain (loss) on derivatives under hedge accounting	(1,476)
		Stock acquisition rights	**689**
		Total net assets	**664,292**
Total assets	**1,297,004**	**Total net assets and liabilities**	**1,297,004**

(Translation for reference purposes only)

Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2015	
Operating revenue	
Dividends from subsidiaries and affiliates	56,010
Commissions from subsidiaries and affiliates	23,883
Other	1,316
	81,209
Gross profit from operations	**81,209**
Selling, general and administrative expenses	**17,407**
Operating income	**63,802**
Other income	
Interest and dividend income	8,006
Other	1,187
	9,193
Other expenses	
Interest expense	5,856
Provision of allowance for investment loss, etc.	8,292
Other	1,033
	15,183
Ordinary income	**57,812**
Extraordinary gains	
Gain on repayments from capital reduction in subsidiaries and affiliates	7,076
Gain on sales of stock of subsidiaries and affiliates	281
Other	5
	7,363
Extraordinary losses	
Provision of allowance for investment loss, etc.	16,119
Loss on valuation of stock of subsidiaries and affiliates	10,210
Other	1,722
	28,052
Income before income taxes	**37,122**
Income taxes – current	6,264
Income taxes – deferred	4,391
	10,656
Net income	**26,466**

(Translation for reference purposes only)

Nonconsolidated statement of changes in net assets

(Unit: Millions of yen, rounded down)

	Shareholders' equity					
		Capital surplus		Retained earnings		
Year ended February 28, 2015	Common stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings (Note)	Total retained earnings
Balance as of March 1, 2014	220,007	285,917	285,917	11,770	111,366	123,136
Changes during period						
Issuance of new shares		30,977	30,977			
Cash dividends					(22,843)	(22,843)
Purchase of treasury stock						
Disposal of treasury stock					(44)	(44)
Net income					26,466	26,466
Reversal of reserve for advanced depreciation of fixed assets					–	–
Net change in items other than shareholders' equity during period						
Total changes during period	–	30,977	30,977	–	3,578	3,578
Balance as of February 28, 2015	220,007	316,894	316,894	11,770	114,944	126,714

	Shareholders' equity		Valuation and translation adjustments				
Year ended February 28, 2015	Treasury stock	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Total Valuation and translation adjustments	Stock acquisition rights	Total net assets
Balance as of March 1, 2014	(10,868)	618,192	21,228	(816)	20,412	724	639,329
Changes during period							
Issuance of new shares		30,977					30,977
Cash dividends		(22,843)					(22,843)
Purchase of treasury stock	(35,948)	(35,948)					(35,948)
Disposal of treasury stock	2,646	2,602					2,602
Net income		26,466					26,466
Reversal of reserve for advanced depreciation of fixed assets		–					–
Net change in items other than shareholders' equity during period			24,405	(660)	23,744	(34)	23,709
Total changes during period	(33,302)	1,253	24,405	(660)	23,744	(34)	24,963
Balance as of February 28, 2015	(44,171)	619,446	45,633	(1,476)	44,156	689	664,292

(Translation for reference purposes only)

(Note) Breakdown of "Other retained earnings"

(Unit: Millions of yen, rounded down)

	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	Total
Balance as of March 1, 2014	4,587	95,500	11,278	111,366
Changes during period				
Issuance of new shares				
Cash dividends			(22,843)	(22,843)
Purchase of treasury stock				
Disposal of treasury stock			(44)	(44)
Net income			26,466	26,466
Reversal of reserve for advanced depreciation of fixed assets	(96)		96	–
Net change in items other than shareholders' equity during period				
Total changes during period	(96)	–	3,674	3,578
Balance as of February 28, 2015	4,491	95,500	14,953	114,944

(Translation for reference purposes only)

Reference

Nominated Committee Members (to be assumed on May 27, 2015)

Committee	Name	*Members with * mark are the chairman of the Committee.*
Audit Committee	* Masaharu Ikuta, Keiichi Tadaki, Ken Sato, Yukako Uchinaga	
Nomination Committee	* Takejiro Sueyoshi, Masaharu Ikuta, Yukako Uchinaga, Motoya Okada	
Compensation Committee	* Ken Sato, Takejiro Sueyoshi, Keiichi Tadaki, Motoya Okada	

Candidates for Executive Officer Positions (to be assumed on May 27, 2015)

Position	Name	Area of responsibility
President and Representative Executive Officer	Motoya Okada	Group CEO
Deputy President and Representative Executive Officer	Yoshiki Mori	Group COO
Vice President	Soichi Okazaki	GMS Reform
Vice President	Shinya Wakou	Finance and International Business
Vice President	Masaaki Toyoshima	Business Development
Vice President	Shouhei Murai	SM Reform
Vice President	Jerry Black	Digital Business
Vice President	Hirokazu Yamanashi	Corporate Planning and E-Money Business Officer
Vice President	Eiji Shibata	Products
Vice President	Yuiken Tsutsumi	Administration