(Translation for reference purposes only)

Stock code: 8267

April 28, 2016

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 91st Ordinary General Meeting of Shareholders

We at Aeon Co., Ltd. would like to express our sincerest sympathies for everyone affected by the 2016 Kumamoto Earthquake and to pray for a swift recovery.

You are cordially invited to attend the 91st 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 24, 2016 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 24, 2016.

[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 24, 2016.

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)

91st Ordinary General Meeting of Shareholders

1. Date and Time: 10:00 a.m., Wednesday, May 25, 2016

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 91st business year (from March 1, 2015 to February 29, 2016)

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

Matters to be resolved:

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

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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: 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. Furthermore, the Company stipulates the following items as conditions of eligibility for director. All candidates for director fulfill these conditions.

[Election criteria for inside director candidates]

1. The candidate shall have the personality and insight appropriate for being a director.
2. The candidate shall have sufficient experience and knowledge in the Company's business as well as in the Group's business and outstanding ability for business judgment and execution.
3. The candidate shall be an executive officer of the Company, or chairman or president of one or more subsidiaries, who is able to take responsibility for the basic policy, strategic planning, and business execution of the Company and Group, and fulfill accountability for the Board of Directors; provided however, that this shall not be applied when electing inside directors who do not concurrently serve as an executive officer.

[Election criteria for outside director candidates]

1. The candidate shall subscribe to the Company's basic principles, code of conduct, etc.
2. The candidate shall have extensive experience as a chief executive officer or other corporate executive, or shall have comparable experience, knowledge and insight.
3. The candidate shall be able to make judgments independently of the Company's management.
4. The candidate shall be able to participate in most of the Company's Board of Directors' meetings and in the committees to which he or she is assigned.

* In relation to candidates for outside director, in addition to the above items, they must fulfill the independence criteria mentioned below.

[Independence criteria for outside director candidates]

The Company's outside director shall satisfy the conditions stated below to maintain his or her independence.

1. The candidate does not presently serve, or has not served for the past ten (10) years as executive director, executive officer, manager, employee (hereafter referred to as "Executing Person") of the Company or its subsidiaries.
2. The subject person is someone to which the conditions stated below are not presently applicable, or have not been applicable for the past three (3) years:

(1) Major shareholder of the Company (those who directly or indirectly hold 10% or more of voting rights), or its Executing Person

(2) Partner of the independent auditors of the Company or employee who conduct the Company's audit

(3) Executing Person of the Company's principal creditors (creditors who have lent to the Aeon Group an amount that exceeds 2% of the Aeon Group's Consolidated Total Assets)

(4) Executing Person of the Company's major vendors (vendors where the amount of Aeon Group transaction exceeds 2% of their annual consolidated sales in the most recent business year of the said vendors)

(5) Lawyer, certified public accountant, certified public tax accountant or other consultant who receives remuneration in the amount exceeding 10 million yen annually from the Aeon Group other than the Director's remuneration

(6) Executing Person of a nonprofit organization where donation from the Aeon Group exceeds 10 million yen and where the amount of such donation exceeds 2% of the organization's total revenue or ordinary income

(7) Spouse or a relative within the second degree of kinship of 1. and (1) through (6) above

* Provided, however, if any of the items (1) through (7) above is applicable, and if it is judged that the said person is substantially independent in view of personality, insight etc., then the Company may propose him or her as a candidate for outside director on the condition that explanation is publicly made.

(Translation for reference purposes only)

■ Candidates for Director

Candidate no.	Name	Current position and areas of responsibility in the Company (*)		Attendance at Board of Directors meeting during 91st business year
1	Hiroshi Yokoo	Director; Chairman of the Board	Reelection Non-executive	**100%** **(7/7)**
2	Motoya Okada	Director; Nomination Committee member; Compensation Committee member; President and Representative Executive Officer, and Group CEO	Reelection	**100%** **(7/7)**
3	Yoshiki Mori	Director; Deputy President and Representative Executive Officer, and Group COO	Reelection	**100%** **(7/7)**
4	Akinori Yamashita	Deputy President and Executive Officer, and CFO	New election	-
5	Takejiro Sueyoshi	Director; Chairman of the Nomination Committee; Compensation Committee member	Reelection Outside Independent	**100%** **(7/7)**
6	Keiichi Tadaki	Director; Audit Committee member; Compensation Committee member	Reelection Outside Independent	**100%** **(7/7)**
7	Ken Sato	Director; Chairman of the Compensation Committee; Audit Committee member	Reelection Outside Independent	**100%** **(7/7)**
8	Yukako Uchinaga	Director; Audit Committee member; Nomination Committee member	Reelection Outside Independent	**100%** **(7/7)**
9	Toru Nagashima		New election Outside Independent	-

* Positions and areas of responsibilities of the above candidates for director are as of this General Meeting of Shareholders.

Outside Candidates for outside director

Independent Independent director to be notified to the Tokyo Stock Exchange

Non-executive Among inside directors (directors other than outside directors), candidates for non-executive directors who do not have a concurrent position as executive officer, manager, employee, or executive director of the Company or its subsidiaries

(Translation for reference purposes only)

1. Hiroshi Yokoo

Reelection | Candidate for Non-executive director

Date of birth	Dec. 27, 1950 **Number of the Company's shares owned:** 11,400 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 Executive Officer and CEO of Strategic Small-sized Store Business of the Company Mar. 2010 Appointed Executive Officer, CEO of Strategic Small-sized Store Business, and CEO of Merchandising and Merchandising Reform of the Company Mar. 2011 Appointed Senior Managing Executive Officer of the Company Mar. 2012 Appointed Senior Managing Executive Officer, Advisor to Group CEO, CEO of Strategic Small-sized Store Business, and CEO of Merchandising of the Company Mar. 2013 Appointed Senior Managing Executive Officer, Advisor to Group CEO, and CEO of Merchandising of the Company May 2014 Appointed Director and Chairman of the Board of the Company (current position) (Significant concurrent positions outside the Company) Outside Director of YAMAYA CORPORATION
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:** 2,473,496 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) (Significant concurrent positions outside the Company) Director and Advisor of Aeon Mall Co., Ltd. Director and Advisor of Aeon Retail Co., Ltd. Director and Advisor of Daiei, Inc. Director and Advisor of United Super Markets Holdings Inc. Director of Welcia Holdings Co., Ltd. Outside Director and Advisor of TSURUHA HOLDINGS INC. Outside Director of KUSURI NO AOKI CO., LTD.
Conflicts of interest	No conflict of interest exists between the Company and Motoya Okada.

3. Yoshiki Mori

Reelection

Date of birth	Sep. 16, 1950 **Number of the Company's shares owned:** 26,600 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, Executive Officer 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 Mar. 2016 Appointed Director, Deputy President and Representative Executive Officer, and Group COO, and Senior Chief Officer of Four Strategic Shifts of the Company (current position) (Significant concurrent positions outside the Company) Chairman and Representative Director of Daiei, Inc. Counselor of AEON KYUSHU CO., LTD.
Conflicts of interest	No conflict of interest exists between the Company and Yoshiki Mori.

4. Akinori Yamashita

New election

Date of birth	Jan. 1, 1954 **Number of the Company's shares owned:** 5,830 shares
Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company	Apr. 1977 Joined the Company May 2004 Appointed Executive Officer of the Company May 2005 Appointed Managing Executive Officer of the Company May 2007 Appointed Managing Director of Daiei, Inc. May 2010 Appointed Director and Senior Executive Vice President of Daiei, Inc. Sep. 2013 Appointed Executive Officer, Chief Officer of Finance of the Company Mar. 2014 Appointed Senior Managing Executive Officer, CEO of Financial Services Business and Chief Officer of E-money Business of the Company Jun. 2014 Appointed President and Representative Director of Aeon Financial Service Co., Ltd. (current position) Jun. 2014 Appointed Director of Aeon Bank Ltd. (current position) Mar. 2016 Appointed Deputy President and Executive Officer, CFO of the Company (current position) Mar. 2016 Appointed Chairman and Representative Director of Aeon Retail Co., Ltd. (current position) (Significant concurrent positions outside the Company) President and Representative Director of Aeon Financial Service Co., Ltd. Director of Aeon Bank Ltd. Chairman and Representative Director of Aeon Retail Co., Ltd.
Conflicts of interest	No conflict of interest exists between the Company and Akinori Yamashita.

5. Takejiro Sueyoshi

Reelection	Number of years served as outside director: **7 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. 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) Oct. 2015 Appointed Outside Director of Kyushu Financial Group, Inc. (current position) (Significant concurrent positions outside the Company) Special Advisor of UNEP Finance Initiative Executive Board Vice-Chair of Japan Renewable Energy Foundation Executive Chairman of Green Finance Organization Outside Director of FP Corporation Outside Director of Kyushu Financial Group, Inc.
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 1)	No conflict of interest exists between the Company and Takejiro Sueyoshi.

6. Keiichi Tadaki

Reelection	Number of years served as outside director: **7 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 Jul. 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) (Significant concurrent positions outside the Company) Outside Director of Daiwa Securities Group Inc. Outside Corporate Auditor of Nippon Life Insurance Company Outside Corporate Auditor of Fujita Corporation
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 2)	No conflict of interest exists between the Company and Keiichi Tadaki.

7. Ken Sato

Reelection	Number of years served as outside director: **5 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) (Significant concurrent positions outside the Company) President of Institute for International Policy Studies Board Director of Nippon Television Holdings Inc. Board Director of Nippon Television Network Corporation
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.

8. Yukako Uchinaga

Reelection	Number of years served as outside director: **3 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) Sep. 2013 Appointed President and Representative Director of Globalization Research Institute (current position) Mar. 2014 Appointed Outside Director of DIC Corporation (current position) Apr. 2014 Appointed Board Chair of Japan Diversity Network Association (current position) (Significant concurrent positions outside the Company) President of Japan Women's Innovative Network Board Chair of Japan Diversity Network Association President and Representative Director of Globalization Research Institute Outside Director of HOYA CORPORATION Outside Director of DIC Corporation
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 3)	No conflict of interest exists between the Company and Yukako Uchinaga.

(Translation for reference purposes only)

9. Toru Nagashima

New election

Candidate for outside director | Candidate for independent director

Date of birth	Jan. 2, 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. 1965 Joined Teijin Limited Jun. 2000 Appointed Director of Teijin Limited Jun. 2001 Appointed Managing Director of Teijin Limited Nov. 2001 Appointed President & Representative Director COO of Teijin Limited Jun. 2002 Appointed President & Representative Director CEO of Teijin Limited Jun. 2008 Appointed Chairman of the Board of Teijin Limited Jun. 2011 Appointed Outside Director of SEKISUI CHEMICAL CO., LTD.(current position) Mar. 2013 Appointed Outside Director of Kao Corporation (current position) Jun. 2013 Appointed Senior Advisor of Teijin Limited (current position) Apr. 2014 Appointed President of Things and Systems Consortium (current position) Aug. 2015 Appointed Director of Japan Corporate Governance Network (current position) (Significant concurrent positions outside the Company) Senior Advisor of Teijin Limited Outside Director of SEKISUI CHEMICAL CO., LTD. Outside Director of Kao Corporation President of Things and Systems Consortium Director of Japan Corporate Governance Network
Reason for selection as a candidate for outside director	Toru Nagashima has extensive experience and wide-ranging insight in global corporate management. We are recommending his election as outside director to benefit from the guidance that he would be able to provide in promoting the Company's global management and in enhancing corporate governance.
Conflicts of interest	No conflict of interest exists between the Company and Toru Nagashima.

(Note 1) 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 2) 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 3) 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 4) Yoshiki Mori is expected to assume office as Chairman and Representative Director of AEON KYUSHU CO., LTD. by resolutions at that company's Ordinary General Meeting of Shareholders and Board of Directors Meeting scheduled to be held on May 24, 2016.

(Note 5) Ken Sato has concurrent positions as Board Director of Nippon Television Holdings Inc. and Nippon Television Network Corporation, all of which are as part-time.

(Note 6) As stated in page 4, the Company sets forth election criteria for inside director candidates. As shown by the details listed in the career summaries, etc., Hiroshi Yokoo, Motoya Okada, Yoshiki Mori, and Akinori Yamashita each possess suitable experience and knowledge of the Group's business operations and fulfill all the requirements of the said criteria, and accordingly, the Company selects them as candidates.

(Note 7) Number of years served as outside director is the number of years as of the end of this Ordinary General Meeting of Shareholders.

(Note 8) With respect to the responsibilities stipulated under Article 423, paragraph 1 of the Companies Act, the Company has entered into agreements with each of its outside directors, Takejiro Sueyoshi, Keiichi Tadaki, Ken Sato, and Yukako Uchinaga, which limit the liability of these directors for damage to the Company. 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 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. The Company also plans to enter into the agreements with each of outside directors upon the approval of this proposal.

(Translation for reference purposes only)

ATTACHED DOCUMENTS

Business Report for Fiscal 2015

(March 1, 2015 – February 29, 2016)

1. Consolidated Business Review

For the year under review, the Aeon Group comprising the parent company Aeon Co., Ltd. ("Aeon" or the "Company") and 295 consolidated subsidiaries reported consolidated operating revenue of 8,176.7 billion yen (up 15.5% year on year), representing the highest annual operating revenue in Aeon's history. It also reported consolidated operating income of 176.9 billion yen (up 25.2% year on year) and consolidated ordinary income of 179.6 billion yen (up 17.8% year on year), both results exceeding that of the previous year. Consolidated net income was 6.0 billion yen (down 85.7% year on year), mainly due to increase in income taxes and minority interests.

As for the operating environment surrounding the Company, the Japanese economy generally demonstrated a moderate recovery trend due to the positive corporate earnings and the improvement of the employment environment for the fiscal year under review. In personal consumption, consumption expenditure and consumer sentiment stalled due to price increases for some products following soaring material cost etc., and concerns over future prospects caused mainly by slow growth in income levels.

In this environment, as a corporate group with its ever-lasting innovative spirit, Aeon promoted Group-wide structural reforms and the Aeon Group Medium-term Management Plan (FY2014 – 2016) aimed at growing each of the Group's businesses and companies into the No. 1 in its respective industry and region, and evolving into a comprehensive group that creates advanced synergies by organically integrating competitive businesses and companies.

Promotion of Group-wide structural reforms

For the year under review, the Group implemented large-scale organizational reforms centered on "autonomous management by operating companies," "deeper community-rooted management," and "promotion of priority Group challenges" in order to establish the new Group management structure focused on the operating companies. While significantly streamlining the organizations and human resources of the holding company to focus on the Group management function, the Group allocated ample functions and human resources to the operating companies to establish a structure to execute operations swiftly and autonomously.

Promotion of Aeon Group Medium-term Management Plan (FY2014 – 2016)

During the year under review, which is the second year of the Aeon Group Medium-term Management Plan (FY2014 – 2016), the Group promoted the common Group strategy of "accelerating the shift to the four key markets" of Asian markets, urban markets, senior markets, and digital markets, while promoting "product-oriented reforms" in order to propel the Group's future growth.

- In the shift to Asian markets, the Group opened 9 new SCs (Shopping Center) in Asia, further accelerating the Asian business development. The new SC openings included the Group's first store in Indonesia Aeon Mall BSD CITY in May 2015 in the BSD district located in the south west of the capital Jakarta, Aeon Mall Long Bien in October 2015, the third store in Vietnam, in the capital Hanoi, and Aeon Sriracha SC, the first community mall developed in Thailand's Chonburi Province by AEON Thailand Co., Ltd.

- In the shift to urban markets, United Super Markets Holdings Inc. was launched in March 2015 out of the integration of The Maruetsu, Inc., Kasumi Co., Ltd., and Maxvalu Kanto Co., Ltd., and the Company made it a consolidated subsidiary of Aeon with the aim of establishing the Tokyo metropolitan area's No. 1 SM (supermarket) operator. In addition, Daiei, Inc. further concentrated business resources by narrowing down the operational area to "Tokyo and Kyoto-Osaka-Kobe metropolitan areas" and the core competency to "food" business when Aeon Group companies that operate GMS (General Merchandise Stores) and SM succeeded 59 stores in Hokkaido, Tokai, and Kyushu in September 2015 and 29 stores in Kanto, Kinki, and Tohoku in March 2016, thereby establishing a structure in each region around Japan that promotes the "best local" slogan. Aeon positions Daiei, Inc. and United Super Markets Holdings Inc. as the core companies responsible for the shift to urban markets, and promotes the establishment of dominance in the supermarket business in the Tokyo and Kyoto-Osaka-Kobe metropolitan areas.

- In the shift to senior markets, Welcia Holdings Co., Ltd. made TAKIYA Co., Ltd. and SHIMIZU YAKUHIN Co., Ltd. into wholly owned subsidiaries in March 2015 followed by CFS Corporation in September 2015 with the aim of "building Japan's leading drugstore chain." As a result, Aeon created a business foundation to capture market share in the health and wellness business where market expansion is expected accompanying further aging of the population.

- In the shift to digital markets, in December 2015, AEON Direct Co., Ltd., which operates a mail order business, merged into AEON Link Co., Ltd. to establish the AEON.com e-commerce portal site that summarizes the Group's products, stores, and sale promotion

information. Consolidating the Group's management resources for the digital business will maximize intra-business synergies and help strive for further business growth.

- In product-oriented reforms, the Company strengthened its customer-focused development system for Aeon's private brand Topvalu and renewed and developed new products for over 2,000 items. By strengthening the product development for TOPVALU Select, which is focused on high quality, and meeting the changes in needs of our customers who are concerned with quality and flavor, hit products such as Greek yogurt and roast beef came to exist.

Encouraging human resources to play active roles and promoting diversity

In diversity promotion, a number of initiatives pushed by the Group as a whole have been rated highly, and in March 2015, Aeon was selected in the FY2014 Diversity Management Selection 100 hosted by the Ministry of Economy, Trade and Industry (METI) as well as being chosen for the Grand Prize for the Basic Achievements Award in the 2015 J-Win Diversity Award hosted by NPO Japan Women's Innovative Network (J-Win). Also, the Group put effort into awareness activities within the Group Companies, such as adding the item "Absolutely no discrimination based on sexual orientation, gender identity etc." to the Group's basic policy for human rights, and implementing training for more than 1,000 senior management staff and managers of the Group companies to promote further understanding of LGBT people (Gender and sexual minorities). Furthermore, by expanding the total number of the Group's onsite childcare centers to three (these childcare centers are known as Aeon Yume Mirai (Dreams for the future) Nursery Schools and support employees being able to raise children while working), the Group progressed with the creation of an environment that enables diverse personnel to play an active role and accelerated efforts toward realizing "diversity management."

Financial highlights

Years ended February 28 (2013 to 2015) and February 29 (2016)	2013	2014	2015	2016
Operating revenue (Millions of yen)	5,685,303	6,395,142	7,078,577	8,176,732
Ordinary income (Millions of yen)	212,535	176,854	152,509	179,674
Net income (Millions of yen)	74,511	45,600	42,069	6,008
Net income per share (Yen)	95.49	55.92	50.22	7.19
Total assets (Millions of yen)	5,724,835	6,815,241	7,859,803	8,225,874
Net assets (Millions of yen)	1,446,676	1,684,569	1,829,980	1,819,474
Net assets per share (Yen)	1,305.14	1,336.83	1,443.97	1,364.57

(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.

(Translation for reference purposes only)

Business segment information

Business segment	Operating revenue (Millions of yen)	YOY (%)	Operating income (Millions of yen)	YOY (%)
GMS Business	2,838,239	105.9	9,390	80.9
SM & DS Business	3,053,298	120.9	21,157	—
Small-sized Store Business	376,913	121.5	1,265	70.6
Drugstore and Pharmacy Business	592,364	231.7	18,589	264.7
Financial Services Business	357,252	108.3	55,027	103.7
Shopping Center Development Business	272,124	111.2	45,068	106.5
Services and Specialty Store Business	741,265	105.2	26,320	107.0
International Business	426,482	112.9	(2,449)	—
Other Operations	13,192	91.0	(3,518)	—
Total	8,671,132	116.5	170,852	124.1
Adjustment	(494,399)	—	6,125	167.6
Consolidated	8,176,732	115.5	176,977	125.2

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

GMS Business
General merchandise stores (GMS)

SM & DS Business
Supermarkets and discount stores

Small-sized Store Business
Convenience stores, small-scale supermarkets, specialty stores selling packaged lunches and household dishes

Drugstore and Pharmacy Business
Drugstores, pharmacies

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.

International Business
Retail stores in the ASEAN region and China

Other Operations
Digital, etc.

(1) Review of Operations

Retailing

- In the GMS Business, Aeon Retail Co., Ltd. realized improvements in gross profit margin, etc. by not only enhancing local company functions and human resources aiming for development of community-rooted management, developing innovative products, and implementing sales promotions stressing product value, but also by executing various reforms to invigorate existing stores primarily around Aeon Style, a new lifestyle proposal based format comprising specialty units to provide customers an extensive range of products and services.

- In the Supermarket and Discount Store Business, Daiei, Inc. proceeded with creating and growing "urban-style SM," a food SM format targeting urban residents, and "Food Style Stores" an urban-style strategic format. United Super Markets Holdings Inc. demonstrated integrative synergies by promoting tri-company joint procurement to reduce costs and joint sales promotions, thereby enhancing its competitive edge. The Maxvalu companies continued efforts to expand lineup centered on delicatessen and other products, step up promotion on a day of week basis, and hold campaigns to increase WAON membership, thereby improving customer numbers and per-customer value. In October 2015, Maxvalu Hokkaido Co., Ltd. succeeded the SM business of ichimaru CO., LTD. based in the Tokachi area to expand its operating area. In March 2015, A· Colle Co., LTD., which operates small size DS in Tokyo, Saitama, and Chiba, was established to create a system for accelerating its positioning for dominance in the Tokyo area.

- In the Small-sized Store Business, Ministop Co., Ltd. grew its sales numbers of cold sweets and renewed lineup of chilled lunches, etc. and expand its sales. Overseas, the number of overseas stores increased to 2,840 stores with promotion of a store-opening based market-dominance strategy in existing overseas markets, including Korea. My Basket CO., LTD., which operates urban-style small-sized food SM, aggressively promoted store openings to build a network of 607 stores in Tokyo and Kanagawa, strengthening its management foundations.

- In the Drugstore and Pharmacy Business, performance showed favorable growth in Welcia Holdings Co, Ltd. Robust trend of sales in the existing stores was seen due to the active renovation in existing stores, increase in complex stores with pharmacies, and strengthening of counseling sales of cosmetics.

- In the Specialty Store Business, G Foot Co., Ltd., a company listed on the First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange, promoted the establishment and renovation of sales floor according to gender and functions for the purpose of establishing a

new format. Along with the in-house products with various manufacturers, private brand products were also developed. With these initiatives, the company significantly expanded its business lines. AEON PET CO., LTD., expanded member organizations from 570,000 people to 750,000 people while also implementing one-to-one marketing, strengthened services and products focused on aging pets and health, and increased the amount of money customers spend at stores as well as profitability through promoting revitalization of existing stores.

Financial Services

In the Credit Card Business of the Financial Services Business, while simplifying the application procedure by using tablet devices at its outlets and revamping the screening process to shorten the card issuance period, the Group made effort to promote the use of credit card transactions for paying the bills of basic living expenses such as utilities, insurance and mobile phone. In addition, the Group worked to make outlets convenient and easy to use through such initiatives as promoting paperless processes by using tablet devices and digital signage.

In the E-money Business, the cumulative issuance of WAON cards grew to 56.08 million, with WAON e-money transaction volume exceeding 2 trillion yen. This growth can be attributed to the promotion of local community-rooted initiatives through such measures as expanding WAON member businesses and launching a “Soccer Daisuki WAON” card to promote local communities through soccer. Overseas, primarily at the three major subsidiaries in Hong Kong, Thailand, and Malaysia, the Group promoted joint marketing with affiliated companies with the aim of expanding the number of cardholders and promoting card use, while in receivables management, the Group integrated overlapping departments, improved operational efficiency and strengthened the system.

Shopping Center Development

In the Shopping Center Development Business, Aeon Mall Co., Ltd. opened 5 SCs and refurbished 12 existing SCs in Japan to strengthen its business competitiveness. It also worked on improving its ability to draw in customers by implementing sales promotions in response to social events, holding local community-rooted events, and strengthening tenant line-up to match changing trade-area demographics. Overseas, the Group opened 2 SCs in the ASEAN region and 6 SCs in China. The Group improved its dominant strategic positions, particularly in China through business development in areas where economic growth and Mall-business market expansion are expected.

Services

In the Services Business, aiming to expand its comprehensive facilities management service (FMS), Aeon Delight Co., Ltd. significantly increased the number of its facility management work orders, particularly for hospital and nursing-home facilities, and seeking to further improve its competitiveness, it enhanced its facility management services. Overseas, while the core subsidiaries in China led the implementation of organizational reforms, in Malaysia, the Group entered into a business alliance with a major local company to strengthen its cleaning business. Aeon Fantasy Co., Ltd. opened 124 stores mainly overseas, which was the highest number ever achieved. In June 2015, it merged with Fun Field Co., Ltd., an operator of amusement facilities, to strengthen its competitiveness.

International

In the International Business, the Group opened 3 stores in ASEAN, including its first GMS store in Indonesia. In Vietnam, the Group accelerated business expansion through capital and operational alliances with SM companies FIVIMART Co. and CITIMART Co.

In China, the Group strengthened its business foundation, by opening 5 stores there including the first GMS store in Hangzhou as a new business area. In addition, to improve profitability, the Group promoted the sale of products developed in Japan and the efficiency of operations.

(2) Environmental Conservation and Social Contribution Activities

The Company has promoted initiatives around realization of a low carbon society, conservation of biodiversity, better use of resources, and dealing with social matters, which are the four key issues to further promote the sustainable management that makes the growth of the Group compatible with the development of society. In addition, the Group's efforts are focused around its target for 2020: "Big Challenge 2020."

- As initiatives for the "realization of a low-carbon society," the Group has promoted various initiatives raised in the "Aeon Eco Project," including "reduction" with cuts and greater efficiency in energy consumption, "creation" with generation of renewable energy, and "protection" of communities as disaster prevention centers for emergencies. In December 2015, a modal-shift project that involved the transportation of products being transferred from trucks to rail and went beyond various forms of business, received "the METI Minister's Award in the Excellent Green Logistics Commendation Program" established by the Ministry of Economy, Trade and Industry (METI).

- As initiatives for the "conservation of biodiversity," under "Aeon Sustainable Procurement Principle" and the "Aeon Sustainable Seafood Procurement Policy," the Group has actively taken initiatives in the sales of products certified by the Aquaculture Stewardship Council (ASC) for responsible aquaculture, which was first to be certified in Japan. Initiatives in sales of products certified by the Marine Stewardship Council (MSC) for sustainable fisheries, the most to be certified in the retail industry in Japan, have also been taken.

- In "better use of resources," Aeon Retail Co., Ltd. launched collection and reuse of clothing in addition to the Group's activities for promoting reductions in bags at cash registers and reduction and recovery of containers and packaging materials with the aim of producing zero waste.

- In "dealing with social matters," major Group companies have donated 1% of pretax profits to the Aeon 1% Club which is involved in social contribution activities such as fostering the healthy education of the next generation, promoting international exchange, and promoting the sustainable development of regional communities, to support these activities. Since the foundation was established in 1989, cumulative donations have reached approximately 21.0 billion yen. Moreover, to support the victims of the massive earthquake that occurred in Nepal in April 2015, the Group donated a total of 118 million yen to the Embassy of Nepal in Japan. This amount was from fundraising activities at the approximately 9,600 Group stores and offices around Japan and from a donation from Aeon 1% Club.

- The Group has also been undertaking “Aeon Happy Yellow Receipt” campaign to support local volunteer groups together with customers, resulting in the donation of products with an equivalent monetary value of 280 million yen to approximately 24,000 groups.

- In the area of “plant, nurture, thrive” initiatives for a forest cycle aimed at preserving sustainable forests, the Group’s tree planting activities carried out in partnership with the Aeon Environment Foundation since 1991, with approximately 310 thousand trees planted during the fiscal year under review, exceeded a cumulative total of 11 million trees (*). Also, the Group promoted the “Forest Transcend Project” that trains the next generation of forestry workers in cooperation with local authorities and NPOs, and openings of environmentally-friendly stores that use timber materials produced in sustainable forests.

- The Aeon Environment Foundation, which celebrated its 25th anniversary, cooperated with Beijing Municipal Bureau of Environmental Protection to jointly hold the Fourth Japan-China International Symposium on Environmental Issues in September 2015. At this symposium, Aeon announced to the world the “AEON Beijing Environment Proposal,” which contains a pledge to continue mutual cooperation in promoting activities by Japanese and Chinese volunteers such as new tree planting and environmental education programs for the younger generation, and promoted international cooperation.

- In February 2016, Aeon received the Environmental Reporting Grand Prize (the Environment Minister Award), the highest award in the Environmental Reporting Category at the 19th Environmental Communication Awards sponsored by the Ministry of the Environment and others in recognition of the promotion of environmental management and environmental communication and its full disclosure of information. Going forward, the Group will enhance disclosure of information in addition to striving for dialogue with all stakeholders to further promote sustainable management.

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

[Initiatives for development towards Tohoku revitalization]

The Group, under the slogan “Making our wishes for recovery from 3.11 disaster come true,” has continued to provide various assistances to the reconstruction since 2012. New stores were opened for the revitalization of the local economy, which was severely hit by the Great East Japan Earthquake, products with Tohoku produced materials were developed, events relating to Tohoku area were held, and cooperation agreement on disaster prevention was entered between the local authorities, etc. Furthermore, employees from managerial and other levels jointly enhanced the “Aeon Join Hearts Project” in which tree planting activities in the Tohoku coastal areas and independent assistance activities by the Group companies were promoted. As a result, approximately 146,000 trees were planted and over 196,000 employees participated in volunteer activities. In March 2016, Japan marked its fifth year since the occurrence of the Great East Japan Earthquake, and Aeon has renewed its determination to “Nigiwai Tohoku - Join Hands and Foster the Power of Hometown,” stepping forward to the next stage – from the “reconstruction assistance” stage to the initiative for “local (hometown) revitalization.” By working hand in hand with people across Japan, the Group will change the energy of the local community into a surge of significant growth. Under the theme of creating a future for Tohoku that is full of “energy,” the Group will enhance Tohoku revitalization based on its four policies; “revitalization of local industry through business,” “job creation and creation of a comfortable working environment,” “environmental and social contribution activities which together form the local future,” and “creation of a safe and secure community.”

2. Prospective Challenges for the Aeon Group

(1) Acceleration in shift to four growth markets

From fiscal 2011, Aeon has set out a shift to the four key markets – Asian markets, urban markets, senior markets, and digital markets – as the Group's common strategy and prioritized channeling management resources. In fiscal 2016, Aeon will further accelerate these four shifts through the new establishment of respective promotion team for the Asia Shift, Urban Shift, Senior Shift and Digital Shift under a system in which the Group COO takes charge of the Four Strategic Shifts.

1) Shift to Asian markets

Looking to seize opportunities for growth in the Chinese and ASEAN markets, which are experiencing rapid economic growth in recent years, the Group has set up a China headquarters and ASEAN headquarters to carry out operations, and is promoting multi-format business development with SC as a platform in which the Group works as a united group. The Group had steady business growth in established areas, expanded the development in new countries and areas, and newly included AEON BIG (M) SDN. BHD., FIVIMART Co. and CITIMART Co. in Vietnam to the Group. Over the four years since 2011 when the Group began the shift to Asian markets, operating revenue in China and ASEAN countries increased about 2.5 fold. In fiscal 2016, the Group will open SC in Vietnam and three areas in China (Hebei, Hubei, and Guangdong) and continue to strengthen its business foundation.

2) Shift to urban markets

The Group is rolling ahead with opening stores and developing business based on a multi-format strategy to meet the needs of the urban consumers and take full advantage of growth opportunities in the urban regions where population growth is expected. In the Tokyo metropolitan area, over the four years since 2011 when the Group began the shift to urban markets, operating revenue has increased about two fold, owing to the business performance of companies such as Aeon Market Co., Ltd., Daiei, Inc., United Super Markets Holdings, Inc. and Welcia Holdings, Co., Ltd., which have newly joined the Group, in addition to the concentrated store openings of small stores. In fiscal 2016, the Group will continue to establish new format strategy such as the urban-style SC and GMS, in addition to the accelerated store openings of supermarket and discount stores in small market areas including My Basket, A· Colle and others, and will enhance the development of business foundation in the Tokyo and Kyoto-Osaka-Kobe metropolitan areas and other urban areas.

3) Shift to senior markets

The Group is promoting new business development to meet the needs of the senior generation in all business of the Aeon Group and take advantage of the growth opportunities in the seniors market, which is expanding along with the aging of Japan's population. In addition to pushing forward with the new G.G Store, a totally remodeled store format aimed at providing selling spaces, products, services, etc. to meet the needs of society's most senior generation who we call the "Grand Generation," the Group is also involved in other new fields such as culture classes and daycare services. In terms of financial service, the Group is proceeding with the issuance of Aeon card and WAON card with benefits for senior-generation customers, and more than 10 million customers from the senior generation have become members.

In fiscal 2016, the Group will continue to strive steadily for these initiatives, segmenting according to age, health condition and life style of customers, and strengthening development of products and services precisely accommodating the needs of each segment.

4) Shift to digital markets

The Group is working to improve customer convenience through promoting the digital shift to take advantage of growth opportunities in the e-commerce market, which is rapidly growing in tandem with the advancement of IT technology and the popularization of information devices such as smartphones. The Group is pursuing various initiatives such as constructing a comprehensive portal website that establishes one entry point for all the Group's e-commerce websites, integrating customer IDs within the aforementioned sites, and developing the internet supermarket business, which already offers full prefectural delivery coverage in 45 prefectures.

In fiscal 2016, a new position was established in Aeon Retail Co., Ltd. to take charge of promoting the omni-channel business. While utilizing the business infrastructure that has been constructed up until now, the Group will further accelerate omni-channel initiatives in stores and on the internet.

(2) Product-oriented reforms

To establish a product focused management, with the goal of product-oriented reforms, the Company is proceeding with the product renewal of Aeon's private brand, Topvalu, at the core of this reform. To address increasing health awareness among customers, the Group launched the largest product lineup in Japan of organic foods as private brand products. Also, the Group is striving for innovative product development that stays ahead of other companies, such as

realizing the first commercialization of Greek yogurt as a private brand product in Japan. In the future, the Group will address further product innovation by developing region-based products which respond to customers' attachment and sentiment in the local (hometown) community and in the health and wellness area supporting maintenance of both physical and mental health of customers.

(3) Encouraging human resources to play active roles and promoting diversity

The Group believes one of its important pillars of management is diversity management which aims to achieve sustainable growth by constantly innovating, and to create new value by utilizing the diverse range of skills, talents and values possessed by the employees. In terms of encouraging active roles for women, the Group has declared its aim to be "No. 1 company in Japan where women can work comfortably and play an active role" and to "achieve an equal gender balance at the managerial level by fiscal 2020." The Group will press forward with opening preschool and after-school childcare centers located onsite at Group business premises and enhance education programs that heighten awareness of diversity among managers.

3. Overview of Aeon and the Aeon Group (as of February 29, 2016)

(1) Main Business of the Aeon Group

The Aeon Group comprises the Company (a pure holding company), 295 consolidated subsidiaries and 33 equity-method affiliates. The Group is engaged in various business operations, including the Group's core retail store operations 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	625	Home centers	120	Drugstores	1,819
Supermarkets	2,121	Department stores	1	Other retail	803
Supercenters	28	Convenience stores	5,061	Financial services	701
Discount stores	530	Specialty stores	4,331	Other services	1,934
				Total	18,074

(3) Financing and Investment by the Aeon Group

In addition to the Shopping Center Development Business, which continues to demonstrate growth, the Aeon Group focused capital spending on growth markets in Asia and on the refurbishment of existing domestic retail stores. Total capital spending on such projects as store renovation and new store construction amounted to 506.8 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: 666,579

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)	25,231	3.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,756	2.94
Aeon Environmental Foundation	21,482	2.55
The Cultural Foundation of Okada	20,920	2.49
The Norinchukin Bank	18,133	2.15
Employees' stockholding association	13,682	1.63
Aeon Mutual Benefit Society (Nomura Securities account)	11,681	1.39
Tokio Marine & Nichido Fire Insurance Co., Ltd.	9,598	1.14

(Note 1) Calculations of ratio of shares held exclude treasury stock (30,304,897 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	114	11,400 shares	3	Without contribution	1 yen per share
No. 3 stock acquisition rights (April 22, 2008)	May 21, 2008 to May 20, 2023	114	11,400 shares	3	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. 8 stock acquisition rights (June 21, 2010)	July 21, 2010 to July 20, 2025	237	23,700 shares	6	885 yen per share	1 yen per share
No. 9 stock acquisition rights (June 21, 2011)	July 21, 2011 to July 20, 2026	261	26,100 shares	6	805 yen per share	1 yen per share
No. 10 stock acquisition rights (June 21, 2012)	July 21, 2012 to July 20, 2027	291	29,100 shares	6	817 yen per share	1 yen per share
No. 11 stock acquisition rights (June 21, 2013)	July 21, 2013 to July 20, 2028	304	30,400 shares	7	1,097 yen per share	1 yen per share
No. 12 stock acquisition rights (June 21, 2014)	July 21, 2014 to July 20, 2029	139	13,900 shares	6	1,064 yen per share	1 yen per share
No. 13 stock acquisition rights (June 21, 2015)	July 21, 2015 to July 20, 2030	163	16,300 shares	8	1,423 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 officers of Group subsidiaries and affiliates

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. 13 stock acquisition rights (June 21, 2015)	July 21, 2015 to July 20, 2030	216	21,600 shares	16	1,423 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) Directors

Board of Directors

Name	Area of responsibility	Significant concurrent positions outside the Company
Hiroshi Yokoo	Chairman of the Board	Outside Director, YAMAYA CORPORATION
Motoya Okada	Nomination Committee member; Compensation Committee member	
Yoshiki Mori		
Masaaki Toyoshima		
Masaharu Ikuta	Chairman of the Audit Committee; Nomination Committee member	Outside Director, SOURCENEXT CORPORATION President and Representative Director, Nagoya Port Terminal Corporation
Takejiro Sueyoshi	Chairman of the Nomination Committee; Compensation Committee member	Special Advisor of UNEP Finance Initiative Executive Board Vice-Chair, Japan Renewable Energy Foundation Executive Chairman, Green Finance Organization Outside Director, FP Corporation Outside Director, Kyushu Financial Group, Inc.
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 of the 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	President, Japan Women's Innovative Network (NPO) Board Chair, Japan Diversity Network Association President and Representative Director, Globalization Research Institute Outside Director, HOYA CORPORATION Outside Director, DIC Corporation

Executive officers

Position	Name	Area of responsibility and significant concurrent positions outside the Company
President and Representative Executive Officer	Motoya Okada	Group CEO Director and Advisor, Aeon Mall Co., Ltd. Director and Advisor, Aeon Retail Co., Ltd. Director and Advisor, Daiei, Inc. Director and Advisor, United Super Markets Holdings Inc. Director, Welcia Holdings Co., Ltd. Outside Director and Advisor, TSURUHA HOLDINGS INC. Outside Director, KUSURI NO AOKI CO., LTD.
Deputy President and Representative Executive Officer	Yoshiki Mori	Group COO Director and Advisor, Daiei, Inc.
Executive Officer	Soichi Okazaki	GMS Reform; President and Representative Director, Aeon Retail Co., Ltd.
Executive Officer	Shinya Wakou	Finance and International Business Director, Aeon Retail Co., Ltd. Director, Daiei, Inc. Outside Auditor, United Super Markets Holdings Inc. Director, AEON STORES (HONG KONG) CO., LTD.
Executive Officer	Masaaki Toyoshima	Business Development
Executive Officer	Shouhei Murai	SM Reform Director, Maxvalu Nishinihon Co., Ltd.
Executive Officer	Jerry Black	Digital Business
Executive Officer	Hirokazu Yamanashi	Management Strategy and Chief Officer of E-Money Business
Executive Officer	Eiji Shibata	Merchandising
Executive Officer	Yuiken Tsutsumi	Administration

(Note 1) In addition to their positions as directors, Motoya Okada, Yoshiki Mori and Masaaki Toyoshima concurrently hold positions as executive officers. Area of responsibility and significant concurrent positions are stated under the Executive Officer summary.

(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) All Audit Committee members are to be independent outside directors (part-time) in the Company in order to maintain full independence of the Audit Committee and conduct highly transparent audit. Furthermore, Internal Audit Office has been set up independent from the business execution department. The Office ensures the effectiveness of the audit by gathering information through attendance of important meetings or interviews with executive officers while also assisting the duties of the Audit Committee by cooperating with the internal audit of the Group management and independent auditors.

(Note 4) The following personnel changes occurred during the year ended February 29, 2016:

- *May 27, 2015: Executive Officers Akinori Yamashita, Manabu Oike, Nagahisa Oyama, Haruyoshi Tsuji, Kazuhide Kamitani, Cenk Gurol, Yukio Ishizuka, Kazumasa Hamada, Takeshi Kodama, Yuji Miyashita, and Yuki Habu retired from their positions upon the completion of their terms.*

(Note 5) As a result of a restructuring effective March 1, 2016, the organizational responsibilities for executive officers are now as follows.

Position	Name	Area of responsibility
President and Representative Executive Officer	Motoya Okada	Group CEO
Deputy President and Representative Executive Officer	Yoshiki Mori	Group COO and Four Strategic Shifts
*Deputy President and Executive Officer	Akinori Yamashita	CFO
Deputy President and Executive Officer	Shinya Wakou	Management Strategy, International Business, IT Innovation, and E-Money Business
Executive Officer	Soichi Okazaki	GMS Business
Executive Officer	Eiji Shibata	Merchandising
*Executive Officer	Akio Yoshida	Shopping Center Development Business
Executive Officer	Masaaki Toyoshima	Business Development
Executive Officer	Shouhei Murai	SM & DS Business
*Executive Officer	Masato Nishimatsu	Business Management

An asterisk indicates a first-time executive officer.

(Note 6) On April 21, 2016, Hidenori Osano assumed the position of Executive Officer.

2) 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 30.
- 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) during the year under review

	Board of Directors	Audit Committee	Nomination Committee	Compensation Committee
Masaharu Ikuta	5/7	8/9	2/3	−
Takejiro Sueyoshi	7/7	−	3/3	4/4
Keiichi Tadaki	7/7	9/9	−	4/4
Ken Sato	7/7	8/9	−	4/4
Yukako Uchinaga	7/7	9/9	3/3	−

c. Major activities during the year under review

- 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.
- 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.
- 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.

3) 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

Remuneration for directors and executive officers of the Company shall be determined by the Compensation Committee where outside directors hold the majority and one serves as chairman for the purpose of high transparency with objectivity.

a. Remuneration basic policy

i. The remuneration structure shall link remuneration with the management strategy and performance of the Company which will create strong incentives toward the execution of the management strategy.

ii. The remuneration structure shall be highly transparent, fair, and easy to understand so that it will be accepted and endorsed by partners (customers, shareholders, employees etc.).

b. Remuneration to directors

i. Basic remuneration shall be paid to directors.

ii. Remuneration to directors shall not be paid for directors who concurrently perform executive duties.

c. Remuneration to executive officers

i. Basic remuneration

It shall be determined in accordance with their individual evaluation within the standard amounts set for each position.

ii. Performance-based remuneration

The percentage weight of the performance-based remuneration of executive officers to the total monetary remuneration (basic remuneration + performance-based remuneration) shall be to the extent from 30% to 50% and the weight shall be higher for ones serving higher positions.

Payment rate for the performance-based remuneration shall be payable at the rate of 100% of the standard amounts when the designated target set at the beginning of the business year has been achieved. The rate shall vary within the range of 0% to 200% based on the financial results of Aeon and the evaluation of individual performances for the year in question.

Performance-based remuneration for executive officers shall be composed of corporate performance-based remuneration and personal performance-based remuneration. For Representative Executive Officers, however, such remuneration will be corporate performance-based remuneration only.

a. Corporate performance-based remuneration

It shall be determined by calculating from the multiple based on the degree of achievement in Aeon's consolidated performance to the standard amounts set for each position in consideration of the overall performance.

b. Personal performance-based remuneration

It shall be determined by calculating from the multiple based on the performance of each department and the evaluation of the individual performance based on the degree of achievement of the management target to the standard amounts set for each position.

iii. Stock compensation-type stock options

Stock compensation-type stock options shall be granted in the form of stock acquisition rights for the purpose of enhancing the moral and motivation to continuously improve performance and increase corporate value. Such shall be done by strengthening the linkage between the stock price and performance with the remuneration and sharing with shareholders not only the benefits received when the stock price rises but also the risks when the stock price falls.

The number of stock acquisition rights granted shall be determined based on the performance of the year in question according to the standard number for each position.

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	6	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 will be paid in accordance with c (ii) of the policies on personal remuneration for directors and

executive officers. It was decided to not pay stock acquisition rights as remuneration in the form of stock compensation-type stock options in accordance with c (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	8 million yen	0 yen	44 million yen
Other Executive Officers	9	345 million yen	41 million yen	0 yen	386 million yen
Total	10	381 million yen	49 million yen	0 yen	430 million yen

(Note 1) Performance-based remuneration for executive officers was determined at a Compensation Committee meeting held on April 13, 2016, and is based on performance during the 91st fiscal period. This compensation will be paid in May 2016.

(Note 2) Remuneration paid in the form of stock compensation-type stock options is projected not to be issued, which will be resolved at the Compensation Committee meeting and the Board of Directors meeting to be held on May 25, 2016, based on performance during the 91st fiscal period.

(Note 3) In addition to the amounts detailed above, a total of 22 million yen was paid in remuneration to five 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	2,131 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 five other major subsidiaries of the Company.

(Note 4) The Company's Audit Committee has confirmed the validity of the audit hours and the estimated amount of remuneration payable to the independent auditors through interviews conducted to independent auditors on the personnel structure, audit plans, audit situation, quality management of audit etc., and opinions received from related divisions on the independence and expertise of the auditing team as well as its work performance. After reviewing, the Audit Committee has agreed with the matters relating to the remuneration of independent auditors.

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	24,969	92,642
SM & DS Business	26,330	99,731
Small-sized Store Business	3,169	12,569
Drugstore and Pharmacy Business	6,219	13,048
Financial Services Business	17,493	6,545
Shopping Center Development Business	2,621	1,589
Service and Specialty Store Business	19,743	29,940
International Business	31,548	3,558
Other Business	280	38
Pure Holding Company, etc.	2,686	1,696
Total	135,058	261,356

(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).

(Translation for reference purposes only)

(9) Principal Creditors

Creditors	Amount (Millions of yen)
Mizuho Bank, Ltd.	46,519
The Norinchukin Bank	30,900
Sumitomo Mitsui Banking Corporation	30,400
Sumitomo Mitsui Trust Bank, Limited	21,500
Resona Bank, Limited	20,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19,900
Mizuho Trust & Banking Co., Ltd.	12,000

(10) Group Status

Major subsidiaries

Name	Capital	Voting rights (%)	Main businesses
GMS Business			
Aeon Retail, Co., Ltd.	¥48,970 million	100.00	General merchandise store
AEON Hokkaido Corporation	¥6,100 million	81.44	General merchandise store
AEON KYUSHU CO., LTD.	¥3,148 million	73.94	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.02	Home center
SM & DS Business			
Daiei, Inc.	¥68,568 million	100.00	Supermarket
United Super Markets Holdings Inc.	¥10,000 million	52.32	Management in supermarket
Maxvalu Chubu Co., Ltd.	¥3,950 million	66.95	Supermarket
Maxvalu Tohoku Co., Ltd.	¥3,686 million	71.60	Supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	69.98	Supermarket
Maxvalu Nishinihon Co., Ltd.	¥1,683 million	63.75	Supermarket
Maxvalu Kyushu Co., Ltd.	¥1,589 million	78.75	Supermarket
Maxvalu Hokkaido Co., Ltd.	¥1,176 million	64.94	Supermarket
Small-sized Store Business			
Ministop Co., Ltd.	¥7,491 million	53.92	Convenience store
Drugstore and *Pharmacy Business*			
Welcia Holdings Co., Ltd.	¥7,736 million	50.70	Management in drug store
Financial Services Business			
Aeon Financial Service Co., Ltd.	¥30,441 million	46.88	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.	¥42,217 million	50.79	SC development
Service and Specialty Store Businesses			
Cox Co., Ltd.	¥4,503 million	71.65	Casual apparel specialty store
G Foot Co., Ltd.	¥3,749 million	66.94	Specialty shoe store
Aeon Delight Co., Ltd.	¥3,238 million	57.81	Facilities management services
Aeon Fantasy Co., Ltd.	¥1,747 million	68.79	Amusement services
ZWEI CO., LTD.	¥454 million	68.94	Bridal information services
International Business			
AEON CO. (M) BHD.	M$702 million	51.00	General merchandise store
AEON STORES (HONG KONG) CO., LTD.	HK$115 million	71.64	General merchandise store

(Note 1) Voting rights percentages include indirect ownership.
(Note 2) No specified wholly owned subsidiary is present as of the fiscal year-end.

4. Company Structure and Policies

(1) Basic Concept and Structure of Aeon's Corporate Governance and its Implementation Status

1) Basic Concept of Corporate Governance

Aeon places its Basic Principles of "pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core" to all of its policies in corporate activities, and have pursued its business based on such policies.

Our ideal corporate governance based in these values is set forth this year under the Basic Policy on Corporate Governance with the following five basic stances as its core.

i. Value Creation through Customer Orientation and Frontline Focus

At Aeon, we consider realization of a sense of well-being for customers our most important mission. We pursue optimal value creation adapted to changing customer needs by focusing tightly on the frontline of the business, our point of contact with customers, and by always thinking with customers as the starting point.

ii. Respect for People, Our Most Important Management Resource

By respecting employees, placing importance on diversity, and actively providing education opportunities in keeping with the conviction that people are the most important management resource, Aeon aspires to be a company made up of employees who strive for self-growth, are linked by strong bonds, and find their greatest pleasure in contributing to customers.

iii. A Posture of Developing Together with Local Communities

As a member of local communities and a caring corporate citizen, Aeon seeks to develop together with our fellow community members, namely our customers, employees, shareholders, and business partners, and to contribute to the prosperity of local communities, sustainability of the natural environment, and peace.

iv. Sustained Growth Based on a Long-Term Perspective and Ceaseless Innovation

To continue to meet the expectations of customers and local communities, Aeon strives for sustained growth accompanied by value creation from a long-term perspective and management focused on sustained value enhancement for the entire group by undertaking ceaseless innovation to cope with a changing business environment.

v. Pursuit of Transparent, Disciplined Management

Aeon strives for transparent and disciplined management by seeking proactive dialogue with customers and other stakeholders, taking their evaluation seriously, and being self-disciplined at all times.

2) Corporate Governance System

Aeon pursues “management based on a Basic Principle that incorporates a group-wide perspective”, “management that is transparent, sustainable, and stable” and “ceaseless innovation with customers as the core”. To put these into practice, Aeon has adopted a “company with a nomination committee and other committees system” as the optimal corporate governance system.

Under such system, the Company segregates management oversight and business execution and has instituted a governance system that realizes expeditious management decision-making through delegation of significant authority to executive officers. We have established the Nomination Committee, Audit Committee, and Compensation Committee, each consisting of a majority of outside directors, to ensure management transparency and objectivity.

Furthermore, as a pure holding company, Aeon is taking initiatives which go beyond the framework of the Group business and of each company and formulating a management policy which the Group is to pursue, optimizing the allocation of management resources and creating synergy across business.

3) 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 9 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 3 times	- Decisions pertaining to the content of motions to be introduced at shareholders’ meetings concerning the appointment or dismissal of directors
Compensation Committee	Met 4 times	- Decisions concerning the content of financial remuneration received by directors and executive officers

(2) 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

[Summary of Resolutions by the Board of Directors]

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.

[Management Status]

In the audit structure, all Audit Committee members are independent outside directors in order to maintain full independence of the Audit Committee and conduct highly transparent audit. Furthermore, Internal Audit Office has been set up independent from the business execution department. The Office ensures the effectiveness of the audit by gathering information through attendance of important meetings or interviews with executive officers, etc. while also assisting the duties of the Audit Committee by cooperating with the internal audit of the Group management and independent auditors.

In the compliance structure, Aeon has established the Aeon Code of Conduct which summarizes the basic concept and decision-making standards of every day behavior to be shared by the AEON people. The Code is disseminated among all Group employees. Furthermore, training for the purpose of enhancing awareness toward compliance and sharing the Aeon's Basic Principles are held on a continuous basis. Aeon Code of Conduct Hotline which serves as the liaison of the Company and external contacts also has been set up for the prevention and early discovery of violations against laws and regulations and code of ethics.

Reports and consultation matters are examined and confirmed by the relevant department and corrective action and preventive measures are taken.

In the information storage management structure, Aeon makes effort in information management and the prevention of leakage of confidential information by establishing various in-house regulations such as “Regulation on internal information management and insider trading control” for the purpose of appropriate storage and management of information along with the prevention of leakage of the aforesaid.

In the risk management structure, a post of Supervisor of Risk Management has been created, and risk management status and measures are reported and proposed to the Aeon Management Committee. As for the progress status, it is reviewed by the Internal Audit Office through the Company-level control checklist.

In the exclusion of antisocial forces, Aeon has established crime prevention rules, etc. which provide specific measures, educating ones responsible through various trainings. Furthermore, for the purpose of acquiring information relating to unreasonable claims from antisocial forces, Aeon is a member of the Special Anti-Violence Countermeasures Federation of the Metropolitan Police Department which is an “Institution for Information Management of Unreasonable Claims”.

In the management of the Group member companies, policies and budgets for each business are discussed by each of the executive committees and the direction of management is set forth. In Group management meetings, management of policies and numerical progress is conducted. In particular, important deals are discussed by the Aeon Management Committee where decisions as the holding company are made. Furthermore, meetings relating to business practice and exchange of information are held by the auditors of major Group member companies in Japan on a regular basis. Group-wide meetings including meetings of General Managers of Internal Audits and meetings of General Managers of General Affairs are held to enhance the promotion of policies and sharing of information to realize the management based on the Basic Principles.

(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 "Continuance of policy concerning large-scale acquisitions of the Company's shares (takeover defense measures)" among the matters to be resolved at its 90th Ordinary General Meeting of Shareholders held on May 27, 2015. 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 Ordinary General Meeting of Shareholders scheduled to be held on May 2018.

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 13, 2016, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of 14 yen per share. The total annual dividend for the fiscal year is 28 yen per share including the interim dividend of 14 yen per share. The starting date for dividend payments (effective date) is Monday, May 2, 2016.

(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 29, 2016

Assets		Liabilities	
Current assets	**4,435,940**	**Current liabilities**	**4,531,966**
Cash and time deposits	736,056	Notes and accounts payable – trade	892,629
Notes and accounts receivable – trade	1,094,906	Deposits for banking business	2,116,171
Marketable securities	237,767	Short-term borrowings	328,570
Merchandise inventories	575,620	Current portion of long-term debt	280,662
Deferred tax assets	43,249	Bonds due within one year	4,197
Financial loan	300,854	Commercial paper	115,500
Loans and bills discounted for banking business	1,217,376	Lease obligations	11,055
		Income taxes payable	58,715
Other	281,518	Provision for bonuses	24,496
Allowance for doubtful accounts	(51,409)	Provision for store closing expenses	7,468
		Allowance for point program	24,649
Fixed assets	**3,789,934**	Notes payable, construction	93,632
Property, buildings and equipment	**2,615,442**	Other	574,218
Buildings and structures, net	1,472,547	**Long-term liabilities**	**1,874,432**
Tools, furniture and fixtures, net	209,414	Bonds	385,381
Land	811,128	Convertible bonds with stock acquisition rights	50
Lease assets, net	49,612		
Construction in progress	67,142	Long-term debt	975,055
Other, net	5,596	Lease obligations	55,377
		Deferred tax liabilities	36,410
Intangible fixed assets	**301,830**	Liability for directors' retirement benefits	1,428
Goodwill	181,806	Provision for store closing expenses	4,317
Software	64,550	Provision for contingent liabilities	159
Lease assets, net	16,320	Allowance for loss on refund of interest received	4,474
Other	39,152		
		Allowance for loss on redemption of gift coupons	4,717
Investments and other assets	**872,661**		
Investment securities	195,658	Net defined benefit liability	27,432
Net defined benefit asset	7,976	Asset retirement obligations	75,119
Deferred tax assets	87,687	Lease deposits from lessees	264,976
Fixed leasehold deposits to lessors	413,599	Other	39,532
Deposits for stores in progress	4,960	**Total liabilities**	**6,406,399**
Other	187,084	**Net assets**	
Allowance for doubtful accounts	(24,304)	**Shareholders' equity**	**1,082,670**
		Common stock	220,007
		Capital surplus	316,894
		Retained earnings	588,306
		Treasury stock	(42,538)
		Accumulated other comprehensive income	**59,123**
		Unrealized gain on available-for-sale securities	42,815
		Deferred gain (loss) on derivatives under hedge accounting	(5,237)
		Foreign currency translation adjustments	21,651
		Remeasurements of employee's retirement benefit	(104)
		Stock acquisition rights	**1,979**
		Minority interests	**675,700**
		Total net assets	**1,819,474**
Total assets	**8,225,874**	**Total net assets and liabilities**	**8,225,874**

(Translation for reference purposes only)

Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 29, 2016	
Net sales	**7,235,084**
Operating revenue in the financial services business	**319,174**
Other operating revenue	**622,473**
Total operating revenue	**8,176,732**
Cost of sales	**5,268,101**
Operating costs in the financial services business	**30,233**
Total operating costs	**5,298,334**
Gross profit on sales	**1,966,983**
Gross profit from operations	**2,878,398**
Selling, general and administrative expenses	2,701,420
Operating income	**176,977**
Other income	
Interest income	3,063
Dividend income	2,475
Equity in gains of equity-method affiliates	2,012
Penalty income from leaving tenants	2,477
Reversal of allowance for doubtful accounts	1,904
Gain on collection of fixed leasehold deposits	1,433
Income from uncollected gift coupons	2,934
Other	9,391
	25,693
Other expenses	
Interest expense	13,760
Other	9,235
	22,996
Ordinary income	**179,674**
Extraordinary gains	
Gain on sales of fixed assets	9,207
Gain on sales of investment securities	19,398
Gain on return of assets from retirement benefits	13,603
Gain on sale of subsidiaries' stock	7,570
Gain on step acquisition	7,698
Other	6,556
	64,035
Extraordinary losses	
Loss on disposal of fixed assets	3,748
Impairment loss	46,518
Loss related to store closing	1,199
Provision for store closing expenses	5,380
Loss on sale of fixed assets	1,037
Amortization of goodwill	6,181
Business restructuring expenses	3,494
Other	6,923
	74,484
Income before income taxes and minority interests	**169,225**
Income taxes – current	98,621
Income taxes – deferred	9,778
	108,399
Income before minority interests	**60,825**
Minority interests	54,816
Net income	**6,008**

(Translation for reference purposes only)

Consolidated statement of changes in net assets

(Unit: Millions of yen, rounded down)

	Shareholders' equity				
Year ended February 29, 2016	**Common stock**	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Balance as of March 1, 2015	220,007	316,894	609,125	(44,235)	1,101,792
Cumulative effect of changes in accounting policies			(3,244)		(3,244)
Restated balance	220,007	316,894	605,881	(44,235)	1,098,548
Changes during period					
Cash dividends			(23,564)		(23,564)
Net income			6,008		6,008
Purchase of treasury stock				(86)	(86)
Disposal of treasury stock			(18)	1,783	1,765
Net change in items other than shareholders' equity during period					
Total changes during period	-	-	(17,575)	1,697	(15,878)
Balance as of February 29, 2016	220,007	316,894	588,306	(42,538)	1,082,670

	Accumulated other comprehensive income							
Year ended February 29, 2016	**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, 2015	49,573	(3,144)	37,587	20,497	104,513	1,910	621,763	1,829,980
Cumulative effect of changes in accounting policies								(3,244)
Restated balance	49,573	(3,144)	37,587	20,497	104,513	1,910	621,763	1,826,736
Changes during period								
Cash dividends								(23,564)
Net income								6,008
Purchase of treasury stock								(86)
Disposal of treasury stock								1,765
Net change in items other than shareholders' equity during period	(6,758)	(2,093)	(15,936)	(20,601)	(45,389)	68	53,937	8,616
Total changes during period	(6,758)	(2,093)	(15,936)	(20,601)	(45,389)	68	53,937	(7,261)
Balance as of February 29, 2016	42,815	(5,237)	21,651	(104)	59,123	1,979	675,700	1,819,474

(Translation for reference purposes only)

Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 29, 2016

Assets		Liabilities	
Current assets	**498,142**	**Current liabilities**	**211,937**
Cash and time deposits	924	Short-term borrowings	21,019
Prepaid expenses	169	Current portion of long-term debt	50,100
Deferred tax assets	724	Commercial paper	57,000
Short-term loans receivable to subsidiaries	465,556	Accounts payable – other	6,726
Accrued income	13,165	Accrued expenses	2,402
Accounts receivable – other	17,470	Income taxes payable	5,026
Other	130	Accrued consumption taxes	235
		Deposits received	68,784
Fixed assets	**919,016**	Provision for bonuses	132
Property, buildings and equipment	**15,706**	Other	510
Buildings, net	11,282	**Long-term liabilities**	**517,081**
Structures, net	88	Bonds	171,500
Tools, furniture and fixtures, net	351	Long-term debt	290,000
Land	3,984	Allowance for investment loss, etc.	51,811
		Other	3,769
Intangible fixed assets	**902**	**Total liabilities**	**729,018**
Rights of trademark	443	**Net assets**	
Other	459	**Shareholders' equity**	**652,123**
		Common stock	**220,007**
Investments and other assets	**902,406**	**Capital surplus**	**316,894**
Investment securities	99,235	Legal capital surplus	316,894
Stock of subsidiaries and affiliates	737,729	**Retained earnings**	**157,694**
Investments in capital of subsidiaries and affiliates	82,115	Legal retained earnings	11,770
		Other retained earnings	145,924
Long-term prepaid expenses	170	Reserve for advanced depreciation of fixed assets	4,614
Deferred tax assets	1,138	General reserve	95,500
Other	980	Retained earnings brought forward	45,810
Allowance for doubtful accounts	(168)	**Treasury stock**	**(42,473)**
Allowance for investment loss, etc.	(18,795)	**Valuation and translation adjustments**	**35,321**
		Unrealized gain on available-for-sale securities	37,751
		Deferred gain (loss) on derivatives under hedge accounting	(2,429)
		Stock acquisition rights	**693**
		Total net assets	**688,139**
Total assets	**1,417,158**	**Total net assets and liabilities**	**1,417,158**

(Translation for reference purposes only)

Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 29, 2016	
Operating revenue	
Dividends from subsidiaries and affiliates	78,637
Commissions from subsidiaries and affiliates	22,352
Other	1,382
	102,372
Gross profit from operations	**102,372**
Selling, general and administrative expenses	**16,917**
Operating income	**85,455**
Other income	
Interest and dividend income	9,127
Other	650
	9,778
Other expenses	
Interest expense	6,055
Provision of allowance for investment loss, etc.	14,256
Other	1,390
	21,702
Ordinary income	**73,531**
Extraordinary gains	
Gain on sales of investment securities	18,806
Gain on sales of stock of subsidiaries and affiliates	12,016
Other	1
	30,825
Extraordinary losses	
Provision of allowance for investment loss, etc.	16,399
Loss on valuation of stock of subsidiaries and affiliates	4,100
Other	20
	20,520
Income before income taxes	**83,835**
Income taxes – current	11,236
Income taxes – deferred	18,020
	29,256
Net income	**54,579**

(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 29, 2016	Common stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings (Note)	Total retained earnings
Balance as of March 1, 2015	220,007	316,894	316,894	11,770	114,944	126,714
Cumulative effect of changes in accounting policies					(3)	(3)
Restated balance	220,007	316,894	316,894	11,770	114,941	126,711
Changes during period						
Cash dividends					(23,564)	(23,564)
Provision of reserve for advanced depreciation of fixed assets					-	-
Reversal of reserve for advanced depreciation of fixed assets					-	-
Net income					54,579	54,579
Purchase of treasury stock						
Disposal of treasury stock					(31)	(31)
Net change in items other than shareholders' equity during period						
Total changes during period	-	-	-	-	30,983	30,983
Balance as of February 29, 2016	220,007	316,894	316,894	11,770	145,924	157,694

	Shareholders' equity		Valuation and translation adjustments				
Year ended February 29, 2016	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, 2015	(44,171)	619,446	45,633	(1,476)	44,156	689	664,292
Cumulative effect of changes in accounting policies		(3)					(3)
Restated balance	(44,171)	619,442	45,633	(1,476)	44,156	689	664,289
Changes during period							
Cash dividends		(23,564)					(23,564)
Provision of reserve for advanced depreciation of fixed assets		-					-
Reversal of reserve for advanced depreciation of fixed assets		-					-
Net income		54,579					54,579
Purchase of treasury stock	(86)	(86)					(86)
Disposal of treasury stock	1,784	1,752					1,752
Net change in items other than shareholders' equity during period			(7,882)	(952)	(8,835)	4	(8,830)
Total changes during period	1,697	32,680	(7,882)	(952)	(8,835)	4	23,850
Balance as of February 29, 2016	(42,473)	652,123	37,751	(2,429)	35,321	693	688,139

(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, 2015	4,491	95,500	14,953	114,944
Cumulative effects of changes in accounting policies			(3)	(3)
Restated balance	4,491	95,500	14,950	114,941
Changes during period				
Cash dividends			(23,564)	(23,564)
Provision of reserve for advanced depreciation of fixed assets	227		(227)	-
Reversal of reserve for advanced depreciation of fixed assets	(104)		104	-
Net income			54,579	54,579
Purchase of treasury stock				
Disposal of treasury stock			(31)	(31)
Net change in items other than shareholders' equity during period				
Total changes during period	123	-	30,860	30,983
Balance as of February 29, 2016	4,614	95,500	45,810	145,924

(Translation for reference purposes only)

Reference

Composition of Committee Members and Executive Officers Following Conclusion of General Meeting of Shareholders (Planned)

Committee Members (planned effective date May 25, 2016)

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

Executive Officers (planned effective date May 25, 2016)

Position	Name	Area of responsibility
President and Representative Executive Officer	Motoya Okada	Group CEO
Deputy President and Representative Executive Officer	Yoshiki Mori	Group COO and Four Strategic Shifts
Deputy President and Executive Officer	Akinori Yamashita	CFO
Deputy President and Executive Officer	Shinya Wakou	Management Strategy, International Business, and E-Money Business
Executive Officer	Soichi Okazaki	GMS Business
Executive Officer	Eiji Shibata	Merchandising
Executive Officer	Akio Yoshida	Shopping Center Development Business
Executive Officer	Masaaki Toyoshima	Business Development
Executive Officer	Shouhei Murai	SM & DS Business
Executive Officer	Masato Nishimatsu	Business Management
Executive Officer	Hidenori Osano	IT Innovation