(Translation for reference purposes only)

Stock code: 8267

April 28, 2017

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 92nd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 92nd 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 by mail or on the Internet. Please cast your vote by 6:00 p.m. on Tuesday, May 23, 2017 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 by mail]

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 23, 2017.

[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 23, 2017.

In the event of duplicate votes, one cast on the Internet and the other cast by mail, 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)

92nd Ordinary General Meeting of Shareholders

1. Date and Time: 10:00 a.m., Wednesday, May 24, 2017

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 92nd business year (from March 1, 2016 to February 28, 2017)

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) Attorney at Law, 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	Positions and areas of responsibility in the Company (*1)		Attendance at Board of Directors meeting during 92nd 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; Executive Vice President and Representative Executive Officer, and Group COO	Reelection	100% (7/7)
4	Akinori Yamashita	Director; Executive Vice President and Executive Officer, CFO, Business Management	Reelection	100% (6/6) (*2)
5	Ken Sato	Director; Chairman of the Compensation Committee; Audit Committee member	Reelection Outside Independent	100% (7/7)
6	Yukako Uchinaga	Director; Audit Committee member; Nomination Committee member	Reelection Outside Independent	100% (7/7)
7	Toru Nagashima	Director; Audit Committee member; Nomination Committee member	Reelection Outside Independent	100% (6/6) (*2)
8	Takashi Tsukamoto		New election Outside Independent	-
9	Kotaro Ohno		New election Outside Independent	-

*1 Positions and areas of responsibilities of candidates for director are at the time of the sending of this notice.

*2 The attendances shown for Akinori Yamashita and Toru Nagashima are their attendances after they assumed office as directors on May 25, 2016.

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:** 13,700 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 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 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:** 2,477,296 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 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 HOLDINGS 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:** 28,900 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 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, Executive Vice President and Representative Executive Officer, and Co-CEO of Financial Services Business of the Company Mar. 2012 Appointed Director, Executive Vice President and Representative Executive Officer, Group COO, and Co-CEO of Financial Services Business of the Company Mar. 2013 Appointed Director, Executive Vice President and Representative Executive Officer, Group COO, and Group CFO of the Company Mar. 2017 Appointed Director, Executive Vice President and Representative Executive Officer, and Group COO of the Company (current position) (Significant concurrent positions outside the Company) Chairman and Representative Director of Daiei, Inc. Chairman and Representative Director of AEON KYUSHU CO., LTD.
Conflicts of interest	No conflict of interest exists between the Company and Yoshiki Mori.

4. Akinori Yamashita

Reelection

Date of birth	Jan. 1, 1954 **Number of the Company's shares owned:** 10,430 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 2007 Appointed Managing Director 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. Jun. 2014 Appointed Director of Aeon Bank Ltd. Mar. 2016 Appointed Executive Vice President and Executive Officer, CFO of the Company Mar. 2016 Appointed Chairman and Representative Director of Aeon Retail Co., Ltd. May 2016 Appointed Director, Executive Vice President and Executive Officer, CFO of the Company Mar. 2017 Appointed Director, Executive Vice President and Executive Officer, CFO, Business Management of the Company (current position)
	(Significant concurrent positions outside the Company) Director of Aeon Retail Co., Ltd.
Conflicts of interest	No conflict of interest exists between the Company and Akinori Yamashita.

5. Ken Sato

Reelection	Number of years served as outside director: **6 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 (now Urban Renaissance Agency) 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 nomination 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.

6. Yukako Uchinaga

Reelection	Number of years served as outside director: **4 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 Apr. 2008 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 nomination 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	No conflict of interest exists between the Company and Yukako Uchinaga.

7. Toru Nagashima

Reelection	Number of years served as outside director: **1 year**	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 Mar. 2013 Appointed Outside Director of Kao Corporation Jun. 2013 Appointed Senior Advisor of Teijin Limited (current position) Aug. 2015 Appointed Director of Japan Corporate Governance Network (current position) May 2016 Appointed Outside Director of the Company (current position) Jun. 2016 Appointed Audit & Supervisory Board Member (external) of Daikin Industries, Ltd. (current position) (Significant concurrent positions outside the Company) Senior Advisor of Teijin Limited Audit & Supervisory Board Member (external) of Daikin Industries, Ltd. Director of Japan Corporate Governance Network
Reason for nomination 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.

8. Takashi Tsukamoto

New election | Candidate for outside director | Candidate for independent director

Date of birth	Aug. 2, 1950 **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. 1974 Joined The Dai-Ichi Kangyo Bank, Ltd. (now Mizuho Bank, Ltd.) Apr. 2002 Appointed Executive Officer of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.) Mar. 2003 Appointed Managing Executive Officer of Mizuho Financial Group, Inc. Apr. 2004 Appointed Managing Executive Officer of Mizuho Corporate Bank, Ltd. Mar. 2006 Appointed Executive Managing Director of Mizuho Corporate Bank, Ltd. Apr. 2007 Appointed Deputy President of Mizuho Corporate Bank, Ltd. Apr. 2008 Appointed Deputy President & Executive Officer of Mizuho Financial Group, Inc. Jun. 2008 Appointed Deputy President of Mizuho Financial Group, Inc. Apr. 2009 Appointed President of Mizuho Financial Group, Inc. Jun. 2011 Appointed Chairman of Mizuho Financial Group, Inc.; President & CEO of Mizuho Bank, Ltd. Jul. 2013 Appointed Chairman of Mizuho Bank, Ltd. Apr. 2014 Appointed Senior Advisor of Mizuho Financial Group Jun. 2016 Appointed Chairman of The Japan-British Society (current position) Jul. 2016 Appointed Outside Director of Asahi Mutual Life Insurance Company (current position) Apr. 2017 Appointed Honorary Advisor of Mizuho Financial Group (current position) (Significant concurrent positions outside the Company) Honorary Advisor of Mizuho Financial Group Outside Director of Asahi Mutual Life Insurance Company Chairman of The Japan-British Society
Reason for nomination as a candidate for outside director	Takashi Tsukamoto has served as a corporate manager at a major financial institution, has been internationally active in the financial field, and has rich insights and extensive experience related to overall management. We are recommending his election as outside director to maintain and enhance the transparency and soundness of overall management, and to enhance corporate governance.
Conflicts of interest	No conflict of interest exists between the Company and Takashi Tsukamoto.

9. Kotaro Ohno

New election | Candidate for outside director | Candidate for independent director

Date of birth	Apr. 1, 1952 **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. 1976 Appointed Public Prosecutor of Tokyo District Public Prosecutors Office Dec. 2001 Appointed Deputy Secretary-General of Cabinet's Task Force on Judicial Reform Aug. 2005 Appointed Director-General of the General Affairs Department of Supreme Public Prosecutors Office Jul. 2007 Appointed Director-General of the Criminal Affairs Bureau of Ministry of Justice Jul. 2009 Appointed Vice-Minister of Justice Aug. 2011 Appointed Superintending Prosecutor of Sendai High Public Prosecutors Office Jul. 2012 Appointed Superintending Prosecutor of Tokyo High Public Prosecutors Office Jul. 2014 Appointed Prosecutor-General Sep. 2016 Retired as Prosecutor-General Nov. 2016 Registered as Attorney at Law
Reason for nomination as a candidate for outside director	Kotaro Ohno is an attorney at law who has successively filled posts of Vice-Minister of Justice, Superintending 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	No conflict of interest exists between the Company and Kotaro Ohno.

(Note 1) Number of years served as outside director is the number of years as of the end of this Ordinary General Meeting of Shareholders.

(Note 2) 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 has nominated them as candidates.

(Note 3) 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 4) The Company is registered as a member of Japan Women's Innovative Network, an NPO of which Yukako Uchinaga is President. The annual corporate membership fees plus any other monies paid to Japan Women's Innovative Network represent less than 0.1% of the Company's total SG&A expenses, and amount to less than 10 million yen.

(Note 5) Although Takashi Tsukamoto successively held the posts of Executive Officer, Executive Managing Director, and President & CEO at Mizuho Bank, Ltd. from 2002 to 2013, more than three years have passed since he retired from said bank in 2013, and currently he is not involved in the business execution of Mizuho Bank, Ltd. Also, Mizuho Bank, Ltd. is one of the primary lenders to the Company, but it is not a business connection that has a significant effect on the Company's decision making. The balance of borrowings of the Company from Mizuho Bank, Ltd. as of the end of the most recent business year is less than 2% of the Consolidated Total Assets. Finally, Takashi Tsukamoto is expected to assume office as outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. on June 22, 2017.

(Note 6) Kotaro Ohno is expected to assume offices as outside Audit & Supervisory Board Member of ITOCHU Corporation and as outside Audit & Supervisory Board Member of Komatsu Ltd. at those companies' Ordinary General Meeting of Shareholders to be held in June 2017, respectively.

(Note 7) 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, Ken Sato, Yukako Uchinaga, and Toru Nagashima, 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 the elected outside directors upon the approval of this proposal.

(Translation for reference purposes only)

ATTACHED DOCUMENTS

Business Report for Fiscal 2016

(March 1, 2016 – February 28, 2017)

1. Consolidated Business Review

For the year under review, the Aeon Group, comprising parent company AEON CO., LTD. ("AEON" or the "Company") and 296 consolidated subsidiaries, reported increases in revenue and profit. Consolidated operating revenue amounted to 8,210.1 billion yen (up 0.4% year on year), reaching a historic high. Also rising substantially, consolidated operating income was 184.7 billion yen (up 4.4% year on year), consolidated ordinary income was 187.3 billion yen (up 4.3% year on year), and profit attributable to owners of the parent was 11.2 billion yen, up 5.2 billion yen from the preceding fiscal year (up 87.3% year on year).
As for the operating environment surrounding the Company, against the backdrop of a gentle recovery in the Japanese economy, improvement in consumer confidence in household spending was limited while real consumption expenditure stalled due to the effect of unseasonal weather and inbound tourist demand hitting a ceiling. In addition, growth rates in the global economy are showing a declining trend, particularly among the developed countries, making the future outlook unclear.

In this environment, as a corporate group with its ever-lasting innovative spirit, AEON promoted 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 corporate group that creates advanced synergies by organically integrating competitive businesses and companies. As a result of such efforts, consolidated operating revenue increased 28.4% compared with FY2013, while six of the eight business segments (Supermarket and Discount Store Business, Financial Services Business, Drugstore & Pharmacy Business, Services & Specialty Store Business, Small-sized Store Business, and Shopping Center Development Business) posted year-on-year increases in operating income during the year under review, which is the final year of the Medium-term Management Plan, contributing to the consolidated performance.

Promotion of the common Group strategy

- In June 2016, AEON began WAON POINT, a new Group-wide point service designed to support customers' healthy lifestyles and become a foundation for local communities.

- With the aim of exploiting new growing markets, AEON established Aeon Saveur Co., Ltd., and debuted “Picard,” France’s leading frozen-foods specialty store, for the first time in Japan, opening three stores in the inner-Tokyo area. In addition, AEON established Bio c’Bon Japon Co., Ltd. as a joint venture with Marne & Finance Europe, which operates small-scale organic supermarkets, Bio c’Bon, in Europe, primarily in France, with the aim of developing the organic market in response to a growing health consciousness among customers. The venture opened the first store of small-scale organic supermarket in December 2016.

- With the aim of further developing the ASEAN market, in August 2016, AEON established Aeon Orange Co., Ltd. (hereinafter “Aeon Orange”) in the growing market of Myanmar as a joint venture with a Myanmar company, Creation Myanmar Group of Companies Limited (hereinafter “CMGC”), which manages supermarkets, specialty stores, real estate and other businesses. Supermarket operations were launched after Aeon Orange acquired 14 supermarket stores from a CMGC affiliate. In September 2016 the joint venture opened its first store in Yangon City, the country’s largest city.

- As part of product-oriented reforms, AEON promoted the realization of health and wellness of customers by catering for their increasing health consciousness such as by launching TOPVALU Gurinai Free From products, for which care has been taken not to use specific additives and ingredients, and TOPVALU “Yasashi Gohan,” an allergy-friendly cuisine range that doesn’t contain seven officially designated ingredients.

(Translation for reference purposes only)

Financial highlights

Years ended February 28 (2014, 2015 and 2017) and February 29 (2016)	2014	2015	2016	2017
Operating revenue (Millions of yen)	6,395,142	7,078,577	8,176,732	8,210,145
Ordinary income (Millions of yen)	176,854	152,509	179,674	187,351
Profit attributable to owners of the parent (Millions of yen)	45,600	42,069	6,008	11,255
Net income per share (Yen)	55.92	50.22	7.19	13.44
Total assets (Millions of yen)	6,815,241	7,859,803	8,225,874	8,750,856
Net assets (Millions of yen)	1,684,569	1,829,980	1,819,474	1,862,410
Net assets per share (Yen)	1,336.83	1,443.97	1,364.57	1,349.79

Business segment information

Business segment	Operating revenue (Millions of yen)	YOY (%)	Operating income (Millions of yen)	YOY (%)
GMS Business	3,012,263	106.1	2,481	26.4
SM & DS Business	2,890,232	94.7	31,288	147.9
Small-sized Store Business	378,703	100.5	2,776	219.4
Drugstore & Pharmacy Business	623,631	105.3	22,053	118.6
Financial Services Business	372,046	104.1	61,904	112.5
Shopping Center Development Business	315,940	116.1	46,851	104.0
Services & Specialty Store Business	765,669	103.3	26,393	100.3
International Business	398,395	93.4	(5,401)	–
Reportable Segments Total	8,756,883	101.1	188,347	108.0
Other Operations	18,125	137.4	(4,036)	–
Total	8,775,009	101.2	184,311	107.9
Adjustment	(564,863)	–	428	7.0
Consolidated	8,210,145	100.4	184,739	104.4

(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 & 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 & 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. continued to develop sales floors meeting customers' changing lifestyles and needs, while also actively making new proposals to customers. In addition to expanding the number of stores of the lifestyle proposal based store format called "Aeon Style," these measures included implementing "Mainichi Yoruichi" nightly sales to support working women and double-income households, and a large-scale "Aeon Black Friday" sales event, the first of its kind among Japan's major general retailers.

In the Supermarket and Discount Store Business, Daiei, Inc. transferred its GMS stores to the Group companies to concentrate its resources on the Tokyo metropolitan area and Keihanshin area (the Kyoto-Osaka-Kobe metropolitan area), as well as promoted its store revitalization, and significantly improved operating profitability. Meanwhile, United Super Markets Holdings Inc. (U.S.M.H) pursued initiatives among its three consolidated subsidiaries based on creating new value through Group synergy not only to enhance joint marketing and expand sales of jointly procured products, aiming to increase customer numbers, but also to promote joint procurement among its three consolidated subsidiaries, aiming to lower cost of sales of products and reduce costs of store materials and fixtures expenses. At each Maxvalu company, the Group engaged in initiatives to promote the revitalization of stores and to construct sales floors designed to propose potential purchases to customers such as by enhancing the lineup of locally produced products and products catering to health consciousness.

In the Small-sized Store Business, Ministop Co., Ltd., revenues increased due to an increase in the number of stores and to efforts to reinforce daily foods lineups, including chilled lunches and stuffed breads. Meanwhile, My Basket Co., Ltd., which operates 637 stores mainly in Tokyo and Kanagawa Prefecture, posted higher operating revenue and operating income through efforts to enhance its fresh foods and delicatessen products, improvement of sales floor layouts, strengthening of training for services and customer engagement techniques, utilization of the Group's logistics networks and so forth.

In the Drugstore & Pharmacy Business, Welcia Holdings Co., Ltd. achieved strong sales from existing stores through such initiatives as renovating existing stores and expanding drugstores offering prescription drugs and 24-hour stores. In addition, B.B.ON Co., Ltd., a subsidiary of Welcia Holdings opened drugstores in Tokyo and Kyoto Prefectures in a new-style, urban store format that offers products for both inside and outside the body to support the healthy beauty of working customers. Furthermore, Welcia Yakkyoku Co., Ltd. carried out a merger with CFS Corporation in September 2016 to promote streamlining of business operations.

In the Specialty Store Business, G Foot Co., Ltd. developed products “worth their price” with high functional value, and promoted the development of products to be co-promoted with national brands and products to be marketed exclusively in response to heightened thriftiness.

Financial Services

In the Financial Services Business, the Group continued to take initiatives to improve work efficiency through digitalization of operations on a global scale, enhance product and service convenience, and optimize the balance sheet to improve profitability. In the credit card business, the Group strengthened promotion of the “Aeon Wallet” smartphone application, allowing customers to check their credit card usage information and Aeon Bank account information using an integrated application. In the banking business, the Group made efforts to increase the housing loan transaction volume as well as expanded the total number of branches to 134 and worked to enhance sales promotions at Aeon Group stores and online stores. In the overseas business, the Group strengthened its recruitment of card members and promoted measures to reduce bad debt expenses by strengthening screening processes so that they better suit the attributes of the credit product. In the e-money business, the cumulative issuance of the WAON e-money cards grew to about 64 million and the WAON e-money transaction volume amounted to 2,082.4 billion yen as a result of the company’s stepped-up efforts to develop the network of participating stores, focusing on those companies that provide products and services that are intricately tied with consumers’ daily life.

Shopping Center Development

In the Shopping Center Development Business, Aeon Mall Co., Ltd. (hereinafter “Aeon Mall”) opened 6 SCs (shopping centers) and refurbished 20 existing SCs, including the expansion of two SCs, in Japan to strengthen its business competitiveness. In addition, Aeon Mall featured Aeon credit cards and WAON e-money cards in sales promotions, held large sales-promotion events involving participation by the entire Group, and customer participation-style events, maintaining strong tenant sales. OPA Co., Ltd., which became a subsidiary of Aeon Mall in March 2016, refocused its theme from fashion to lifestyle proposals. Overseas, Aeon Mall opened SCs in Vietnam and Heibei Province, China, and the profitability of the overseas business improved, with ten of 17 existing SCs turning profitable.

Services

In the Services Business, Aeon Delight Co., Ltd. (hereinafter “Aeon Delight”) earned new orders for maintenance and inspection work in the facilities management business, while also working to increase quality levels of fluorocarbon management outsourcing to help customers reduce their environmental burden. The company also systematized its security business services and conducted proactive marketing efforts in the cleaning business. In the facility construction business, the company worked to create a one-stop commissioned construction system spanning planning through construction during tenant replacement. These initiatives prompted a steady increase in sales.

Regarding Aeon Fantasy Co., Ltd. in Japan, the company concentrated its efforts on improving profits by shifting to Internet based promotion and promoting revitalization of the former Fun Field outlets, which were acquired through a merger in June 2015. In addition, overseas, the company expanded its number of overseas outlets to 334 outlets through aggressive store openings.

International

In the International Business, to strengthen the business foundation in the ASEAN region, Aeon Co. (M) Bhd. in Malaysia strengthened its business base by opening one of the largest shopping centers in the country as a flagship shopping center and also its first shopping center on the eastern coast of the Malay Peninsula. Furthermore, AEON VIETNAM CO., LTD., and AEON CAMBODIA CO., LTD. turned profitable, posting operating income. In China, Aeon Stores (Hong Kong) Co., Limited pursued initiatives to improve revenues of its existing stores such as by making its flagship store the first overseas store to completely refurbish into the Aeon Style, and the company worked to strengthen the business foundation in China.

(2) Environmental and Social Initiatives

The Company has been pursuing sustainable management that aims for both the growth of the Group and the development of society. The Group is working on "Big Challenge 2020," which outlines the goals for 2020, made up of the four key issues of realization of a low carbon society, conservation of biodiversity, better use of resources, and dealing with social matters.

Toward the realization of a sustainable society

- As initiatives for the "realization of a low-carbon society," the Group has carried out 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 the year under review, among these initiatives, the "Trailer Relay Transportation" initiative aimed at creation of sustainable logistics systems received the "METI Minister's Award" in the "Excellent Green Logistics Commendation Program" established by the Ministry of Economy, Trade and Industry (METI). This is the second year in a row AEON has won the award, following last year's modal shift.

- As initiatives for the "conservation of biodiversity," under the "Aeon Sustainable Procurement Principle," the Group has established the "Aeon Sustainable Seafood Procurement Policy" and the "Aeon Forest Resources Procurement Principle." In marine resources, we are promoting efforts to develop ASC certified products produced through responsible aquaculture and MSC certified products from natural marine produce caught through sustainable fishing practices, and we have established a sales floor space "FishBaton" comprised of certified products at the 51 GMS stores.

- In our tree planting activities that we have carried out together with customers from local communities and AEON Environment Foundation, we have planted a cumulative total of more than about 11.4 million trees. Having celebrated 2016 as the 25th year of AEON tree planting, the Group further promoted the "Aeon Forest Circulation Program" with the theme of "Plant," "Nurture," and "Thrive." We have aimed to expand the number of stores that sell FSC® certified products produced from forests that have been properly managed and use these products as building materials.

- AEON Environment Foundation is proactively undertaking environmental conservation activities aimed at conserving our beautiful planet for future generations based on the Aeon Basic Principles. The Foundation supports groups carrying out environmental activities across the world and carries out tree planting in Japan and overseas. In addition, it collaborates with governments and research organizations around the world, such as the United Nations

Environment Programme's Secretariat for the Convention on Biological Diversity based in Canada, to promote environmental activities. Furthermore, as part of collaborative efforts between the Foundation and major universities in Asian countries, the Foundation has been engaged in environmental activities such as conducting environmental education for vocational training in the field of the environment in Japan and overseas, aiming to build a "society coexisting with nature" that is able to realize enriched lifestyles.

- Aiming for "better use of resources," the Group established the "Aeon 'Waste Zero' Effort Concept," and contributed to the construction of a recycling-oriented society by working with stores, customers and local communities in initiatives such as completing the AEON self-contained food recycling loop.

- As for dealing with social matters, the Group has been working to conclude comprehensive agreements to promote activities through cooperation to effectively utilize the joint resources of the local authorities in regions throughout Japan, further revitalize local regions, and contribute to the improvement of services for local citizens. As of the end of February 2017, the Group had agreements in place with Hokkaido, Osaka, Kyoto, 41 prefectures, 16 government ordinance cities, and 40 municipalities.

- AEON is striving to build local ecosystems based on a new framework for regional development that unites a wide range of community members, including residents, governments and corporations. With the program, AEON launched a mobile sales van in November 2016 in a part of Chiba City while signing an agreement related to preserving safety in the local community with a police station of that area, aiming to realize a safe and secure environment for the community in addition to providing shopping support.

- 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 330 million yen to approximately 25,000 groups. Additionally, with regard to WAON e-money cards, we are issuing "Gotochi WAON" that have distinctive regional designs. Part of the money used by these cards goes toward the development of local communities. As of the end of February 2017, a total of 126 types of Gotochi WAON have been issued, with cumulative total contributions since 2009 reaching 980 million yen.

- With such activity pillars as "Sound Development of the Next Generation," "Promotion of Friendship with Foreign Countries," and "Sustainable Development of Regional Communities," the Aeon 1% Club, which is involved in social contribution activities, commenced as new activities the "Fukushima Kids Morimori Project" and the "Support Fund for Asian People with Disabilities. The club also implemented various activities including

"School Construction Support." Major Group companies support the club's activities by donating 1% of their pretax profits, and cumulative donations to the foundation since 1989 totaled 23 billion yen.

- In recognition of its unique environmental and social initiatives such as those described above, AEON was granted the highest rating as a company with excellent advanced environmental initiatives in the Development Bank of Japan Inc.'s Environmentally Rated Loan Program in March 2017. AEON was the first retail business to win the special award given only to model companies with extremely high ratings.

Activities to support disaster affected regions

- In March 2016, AEON renewed its determination to "Nigiwai Tohoku — Join Hands and Foster the Power of Hometown," beginning its initiative for "local (hometown) revitalization." The Group is enhancing 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." In the "Aeon Join Hearts Project," which is jointly promoted by employees from managerial and other levels, activities of recovery support have been carried out for ten years. These Group-wide activities not only include the planting of around 202,000 trees, and participation in local volunteering activities by around 237,000 employees, but also since 2016, the "Aeon Future Co-creation Program" was started to contribute to solving local issues through interaction.

- To support the restoration and recovery of the disaster affected regions of the 2016 Kumamoto Earthquake, which struck in April 2016, based on comprehensive agreements with the local authorities, we speedily delivered 5.3 million pieces of emergency relief supplies. In addition, we donated a total of 609 million yen, collected from WAON point contributions, a donation through the "Yellow Receipt Campaign for the Support of Kumamoto and Oita," a donation from the Group, etc., and promoted other support activities such as the development of a mobile sales car that traveled to regions where shopping had become difficult.

- In initiatives to build a new business continuity system as a contingency for times of disaster, the Group formulated the "Aeon Group BCM (business continuity management) Five Year Plan," and started the "Aeon BCM Project" in March 2016 aimed at the early establishment of a PDCA cycle to accelerate the effective functioning of the BCM plan in five areas: "Information System," "Facilities," "Products and Logistics," "Training and Drills," and "Cooperation with External Organizations."

Encouraging human resources to play active roles and promoting diversity

AEON's Basic Policy on Corporate Governance positions the Group's employees, who create value for customers, as its most important management resource. We promote diversity management throughout the Group in order to maximize the capabilities of each individual employee and implement innovative management that leverages diverse values. We share best practices through our Group-wide "Daimanzoku" system of diversity awards, promote reform in the sense of awareness among management, and have expanded AEON Yumemirai Nurseries — childcare facilities at Group business establishments. As evaluations of such initiatives, we have received the highest Eruboshi certification, of all three ranks. This certification from the Minister of Health identifies us as a superior company in initiatives related to the promotion of women in the workplace. We have also received the Platinum Kurumin certification, which is given to companies providing superior support for both the work and lives of employees.

We received a "silver" designation of PRIDE INDEX as an evaluation of LGBT initiatives formulated by work with Pride, a voluntary organization to support the promotion and entrenchment of diversity management related to LGBT people (sexual minorities).

In addition, in an evaluation of our health management efforts based on the believe that corporate activities need to promote employee health, during the fiscal year under review we received certification in the first fiscal year of the "Health and Productivity Management Organization (White 500)" program, a joint effort by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi to recognize companies that achieve superior health management.

2. Prospective Challenges for the Aeon Group

Customer lifestyles and values are currently undergoing significant change and growing more diverse at an accelerated pace in recent years due to the comfort and convenience engendered by information, technology, and technological innovation. The companies achieving high levels of growth are those able to utilize technological innovation or digitalization to more quickly respond to this greatly changed social trend.

In this environment, as a "corporate group with an ever-lasting innovative spirit," the Aeon Group is working to realize sustainable growth and increase of profitability by growing each Group company into the number-one company in its respective category and region, through reforming existing business models and establishing new growth models.

(1) Reforms of Group Operation Structure

Throughout the diverse portfolio of businesses the Company has nurtured, to achieve high levels of profitability we strive to renovate our structures to meet changes in the operating environment and work to expand business in new growth fields.

In our retail store operations, the core of which are the GMS Business and the Supermarket Business, we will promote the reform of cost structures in the aim of bolstering productivity and growth. In the food products field, we will promote enhancement of regionally based structures. In the product areas of apparel, housing and recreational products, and health and beauty care, we will promote reforms aimed at further enhancing our levels of specialization.

AEON has set out a shift to four key markets—Asian markets, urban markets, senior markets, and digital markets—as a common Group initiative. We have developed the G.G. Store format for senior markets. We are also developing small-scale stores to enhance convenience for customers who live in urban areas. In these ways, we are promoting innovation in business categories and striving to achieve earnings growth. We will also seek to capture a larger portion of the category of household spending on services and expand earnings in the field by undertaking initiatives in the service category and markets or combining services and goods in that category. Furthermore, we will augment Group productivity and efficiency by eliminating and streamlining business domains and functions that overlap or are dispersed among Group companies. At the same time, we will augment Group productivity and efficiency by eliminating redundancies and streamlining fragmentation of business domains and functions among Group companies.

(2) Renewal of Business Foundation

Currently, private brands and business foundations, such as distribution and IT, are the source of our ability to differentiate ourselves from competitors and achieve cost competitiveness. We are working to achieve innovation in these business foundations, which will be at the root of our future business competitiveness. In private brands, we are working to further enhance Group sales strength and cost competitiveness by predicting customer needs, developing products with new value, and creating demand. Furthermore, we are renewing our IT platform to boost profitability and improve operational efficiency in our management and business activities including logistics, product planning and development, and sales activities.

(3) Reforms of Organizational Structure

We are conducting reforms of our organizational structure to become a truly “number one” Group that is composed of “number one” companies in their respective categories and regions. To reinforce our business and on-site capabilities, we will reallocate management resources by business and region and specialize our management functions across the Group as a pure holding company. In addition, we are assigning executive officers as the people in charge of businesses promoting reform, and will accelerate our reform and growth strategies based on clear system of responsibilities.

3. Overview of AEON and the Aeon Group (as of February 28, 2017)

(1) Main Business of the Aeon Group

The Aeon Group comprises the Company (a pure holding company), 296 consolidated subsidiaries and 32 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	626	Home centers	119	Drugstores	1,888
Supermarkets	2,129	Department stores	1	Other retail	854
Supercenters	28	Convenience stores	5,261	Financial services	705
Discount stores	566	Specialty stores	4,352	Other services	2,005
				Total	18,534

(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 551.5 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: 709,325

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
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,317	3.60
Japan Trustee Services Bank, Ltd. (Trust Account)	25,664	3.05
AEON Environmental Foundation	21,482	2.55
The Cultural Foundation of Okada	21,040	2.50
The Norinchukin Bank	18,133	2.15
Employees' stockholding association	13,630	1.62
Aeon Mutual Benefit Society (Nomura Securities account)	12,073	1.43
Japan Trustee Services Bank, Ltd. (Trust Account #7)	10,135	1.20

(Note 1) Calculations of ratio of shares held exclude treasury stock (30,272,244 shares).

(Note 2) Shareholdings listed for The Master Trust Bank of Japan, Ltd. (Trust Account) and for the Japan Trustee Services Bank, Ltd. (Trust Account and Trust Account #7) 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	137	13,700 shares	4	1,162 yen per share	1 yen per share
No. 4 stock acquisition rights (November 20, 2008)	November 21, 2008 to November 20, 2023	54	5,400 shares	6	710 yen per share	1 yen per share
No. 5 stock acquisition rights (May 20, 2009)	May 21, 2009 to May 20, 2024	6	600 shares	1	764 yen per share	1 yen per share
No. 8 stock acquisition rights (June 21, 2010)	July 21, 2010 to July 20, 2025	229	22,900 shares	7	885 yen per share	1 yen per share
No. 9 stock acquisition rights (June 21, 2011)	July 21, 2011 to July 20, 2026	253	25,300 shares	7	805 yen per share	1 yen per share
No. 10 stock acquisition rights (June 21, 2012)	July 21, 2012 to July 20, 2027	283	28,300 shares	7	817 yen per share	1 yen per share
No. 11 stock acquisition rights (June 21, 2013)	July 21, 2013 to July 20, 2028	320	32,000 shares	8	1,097 yen per share	1 yen per share
No. 12 stock acquisition rights (June 21, 2014)	July 21, 2014 to July 20, 2029	147	14,700 shares	7	1,064 yen per share	1 yen per share
No. 13 stock acquisition rights (June 21, 2015)	July 21, 2015 to July 20, 2030	125	12,500 shares	6	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 consideration for execution of duties to employees of the Company and officers of Group subsidiaries and affiliates

No stock acquisition rights were issued in the fiscal year under review.

(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		
Akinori Yamashita		
Takejiro Sueyoshi	Chairman of the Nomination Committee; Compensation Committee member	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	Chairman of Audit Committee; Compensation Committee member	Attorney at Law Outside Director, Daiwa Securities Group Inc. Outside Audit and Supervisory Board Members, Nippon Life Insurance Company Outside Corporate Auditor, Fujita Corporation Outside Auditor, MIROKU JYOHO SERVICE CO., LTD.
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
Toru Nagashima	Audit Committee member; Nomination Committee member	Senior Advisor, Teijin Limited Outside Director, Kao Corporation External Corporate Auditor, Daikin Industries, Ltd. Director, Japan Corporate Governance Network

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 HOLDINGS CO., LTD.
Executive Vice President and Representative Executive Officer	Yoshiki Mori	Group COO and Chief Officer of Four Strategic Shifts
		Chairman and Representative Director, Daiei, Inc.
		Chairman and Representative Director, AEON KYUSHU CO., LTD.
Executive Vice President	Akinori Yamashita	CFO
		Chairman and Representative Director, Aeon Retail Co., Ltd.
Executive Vice President	Shinya Wako	Management Strategy, International Business and Chief Officer of E-Money Business
		Director, Aeon Retail Co., Ltd.
		Director, Daiei, Inc.
		Director, AEON STORES (HONG KONG) CO., LTD.
Executive Officer	Soichi Okazaki	Chief Officer of GMS Business, President and Representative Director, Aeon Retail Co., Ltd.
Executive Officer	Eiji Shibata	Chief Officer of Merchandising
Executive Officer	Akio Yoshida	Chief Officer of Shopping Center Development Business
		President and Representative Director, Aeon Mall Co., Ltd.
Executive Officer	Masaaki Toyoshima	Chief Officer of Business Development
Executive Officer	Shohei Murai	Chief Officer of Supermarket and Discount Store Business
		Director, Maxvalu Nishinihon Co., Ltd.
Executive Officer	Masato Nishimatsu	Chief Officer of Business Management
		Auditor, AEON Financial Service Co., Ltd.
Executive Officer	Hidenori Osano	Chief Officer of IT Innovation

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

(Note 2) Takejiro Sueyoshi, Keiichi Tadaki, Ken Sato, Yukako Uchinaga and Toru Nagashima 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 28, 2017:

- *March 1 2016: Akinori Yamashita, Akio Yoshida, and Masato Nishimatsu were newly elected as Executive Officers, and each assumed their positions.*
- *April 21, 2016: Hidenori Osano was newly elected as Executive Officer, and assumed his position.*
- *May 25, 2016: The following officers retired from their positions upon the completion of their terms: Masaharu Ikuta as Outside Director; Masaaki Toyoshima as Director; and Jerry Black, Yuiken Tsutsumi, and Hirokazu Yamanashi as Executive Officers.*

(Note 5) As a result of a restructuring effective March 1, 2017, the organizational responsibilities for executive officers are now as follows.

Position	Name	Area of responsibility
President and Representative Executive Officer	Motoya Okada	Group CEO
Executive Vice President and Representative Executive Officer	Yoshiki Mori	Group COO
Executive Vice President and Executive Officer	Akinori Yamashita	CFO, Business Management
Executive Vice President and Executive Officer	Shinya Wako	CSO
Executive Officer	Soichi Okazaki	GMS Business
Executive Officer	Eiji Shibata	Merchandising
Executive Officer	Akio Yoshida	Shopping Center Development Business
Executive Officer	Hidenori Osano	IT
*Executive Officer	Motohiro Fujita	Supermarket Business
*Executive Officer	Hideharu Mizuno	Drugstore & Pharmacy Business
*Executive Officer	Ippei Nakayama	Services & Specialty Store Business
*Executive Officer	Masaki Suzuki	Financial Services Business
*Executive Officer	Yuki Habu	China Business
*Executive Officer	Kaori Miyake	CSR & Communication
*Executive Officer	Takeharu Takahashi	Human Resources and Administration

An asterisk indicates a first-time 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 29.
- 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 Yukako 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
Takejiro Sueyoshi	7/7	−	3/3	3/3
Keiichi Tadaki	7/7	9/9	−	3/3
Ken Sato	7/7	9/9	−	3/3
Yukako Uchinaga	7/7	8/9	3/3	−
Toru Nagashima	6/6	6/6	2/2	−

(Note) The attendance shown for Toru Nagashima is his attendance after he assumed office as director on May 25, 2016.

c. Major activities during the year under review

- 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, Chairman of the Audit Committee 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.
- Based on his broad extensive and wide-ranging insight in global corporate management, Toru Nagashima proactively makes statements on matters such as the promotion of global management and enhanced corporate governance.

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 million 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	7	6
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 were decided to pay amounts equivalent to 60% of the prescribed amount in accordance with c (ii)

of the policies on personal remuneration for directors and executive officers, considering the consolidated performance. It was also decided to pay 56% of the prescribed number of 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	26 million yen	6 million yen	68 million yen
Other Executive Officers	9	223 million yen	92 million yen	34 million yen	350 million yen
Total	10	259 million yen	118 million yen	40 million yen	418 million yen

(Note 1) Performance-based remuneration for executive officers was determined at a Compensation Committee meeting held on April 12, 2017, and is based on performance during the 92nd fiscal period. This compensation will be paid in May 2017.

(Note 2) Remuneration paid in the form of stock compensation-type stock options will be determined at the Compensation Committee meeting and the Board of Directors meeting to be held on May 24, 2017, based on performance during the 92nd fiscal period. The Company will allot the stock options to the respective individuals on June 21, 2017. The total number of stock acquisition rights is 241 and the number of shares subject to the rights is 24,100 shares. The amounts to be allocated are calculated based on the closing price of the Company's stock on the Tokyo Stock Exchange on or around the last day of February 2017.

(Note 3) In addition to the amounts detailed above, a total of 45 million yen was paid in remuneration to three executive officers who resigned during the year under review.

(Note 4) Directors who concurrently perform executive duties 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	114 million yen
ii. Total cash and other compensation paid by AEON and its subsidiaries to their independent auditors	2,087 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 International Financial Reporting Standards (IFRS),

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	30,770	97,597
SM & DS Business	25,589	94,152
Small-sized Store Business	3,675	11,748
Drugstore & Pharmacy Business	6,776	14,187
Financial Services Business	17,223	7,487
Shopping Center Development Business	3,189	1,800
Services & Specialty Store Business	20,682	30,304
International Business	32,370	3,709
Other Business	350	70
Pure Holding Company, etc.	2,750	1,718
Total	143,374	262,772

(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.	52,771
The Norinchukin Bank	34,900
Sumitomo Mitsui Banking Corporation	34,400
Sumitomo Mitsui Trust Bank, Limited	26,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	22,900
Resona Bank, Limited	22,800
Mizuho Trust & Banking Co., Ltd.	16,000

(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	81.42	General merchandise store
AEON KYUSHU CO., LTD.	¥3,155 million	73.88	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.03	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	66.91	Supermarket
Maxvalu Tohoku Co., Ltd.	¥3,686 million	71.60	Supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	69.89	Supermarket
Maxvalu Nishinihon Co., Ltd.	¥1,690 million	63.70	Supermarket
Maxvalu Kyushu Co., Ltd.	¥1,590 million	78.73	Supermarket
Maxvalu Hokkaido Co., Ltd.	¥1,176 million	64.93	Supermarket
Small-sized Store Business			
Ministop Co., Ltd.	¥7,491 million	53.90	Convenience store
Drugstore & *Pharmacy Business*			
Welcia Holdings Co., Ltd.	¥7,736 million	50.68	Management in drug store
Financial Services Business			
Aeon Financial Service Co., Ltd.	¥45,698 million	47.07	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.	¥42,256 million	51.47	SC development
Services & 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	57.77	Facilities management services
Aeon Fantasy Co., Ltd.	¥1,747 million	68.73	Amusement services
ZWEI CO., LTD.	¥455 million	68.89	Bridal information services
International Business			
AEON CO. (M) BHD.	M$702 million	51.68	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 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 3 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]

With the goal of fulfilling our responsibilities to all stakeholders, the Company ensures the transparency and fairness of management while working to practice management that is sustainable and stable. As a structure to support the above, the Company is constantly putting effort into the creation of an internal control system and into enhancing compliance and risk management.

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. At the same time, they are reported to the Audit Committee on a regular basis. Also, in the fiscal year under review, guidelines that determine the basic policies regarding the execution of compliance training were established and disseminated among all Group companies.

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 meetings of the Risk Management Committee will be held with the Supervisor of Risk Management as the committee chair. The Risk Management Committee will identify high-priority risks through risk assessment, implementing both responses and progress management based on results. Furthermore, risk management status and measures are reported and proposed to the Aeon Management Committee. Also, in the fiscal year under review, having received recognition for various efforts to reduce risk and ensure business continuity, AEON received first "certification of organizations contributing to national resilience (resilience certification)" in July 2016, and also received certification under the ISO 22301 international standard for business continuity management systems in February 2017 as the first domestic general retailer with the headquarters together with shopping centers. In regard to the construction and development of internal controls related to financial reporting, the Company and all its Group member companies are committed to efforts including clearly describing policies related to the management's preparation of reliable financial reports, and developing a system for transmitting policies and instructions to consolidated subsidiaries involved in preparing financial reports. As for the progress status, it is reviewed by the Internal Audit Office.

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, etc. 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 12, 2017, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of 15 yen per share. The total annual dividend for the fiscal year is 30 yen per share including the interim dividend of 15 yen per share. The starting date for dividend payments (effective date) is Monday, May 1, 2017.

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

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

(Translation for reference purposes only)

Consolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2017

Assets		Liabilities	
Current assets	**4,919,774**	**Current liabilities**	**4,918,460**
Cash and time deposits	842,714	Notes and accounts payable – trade	888,422
Call loans	25,000	Deposits for banking business	2,498,725
Notes and accounts receivable – trade	1,187,488	Short-term borrowings	354,475
Marketable securities	185,098	Current portion of long-term debt	301,860
Merchandise inventories	586,202	Bonds due within one year	27,655
Deferred tax assets	53,257	Commercial paper	43,498
Financial loan	299,271	Lease obligations	13,039
Loans and bills discounted for banking business	1,470,142	Income taxes payable	49,277
		Provision for bonuses	26,196
Other	323,662	Provision for store closing expenses	5,505
Allowance for doubtful accounts	(53,061)	Allowance for point program	21,358
		Notes payable, construction	86,453
Fixed assets	**3,831,081**	Other	601,991
Property, buildings and equipment	**2,659,779**	**Long-term liabilities**	**1,969,985**
Buildings and structures, net	1,487,044	Bonds	435,885
Tools, furniture and fixtures, net	224,190	Convertible bonds with stock acquisition rights	30,000
Land	804,884		
Lease assets, net	68,483	Long-term debt	972,900
Construction in progress	70,584	Lease obligations	60,137
Other, net	4,592	Deferred tax liabilities	48,350
		Liability for directors' retirement benefits	1,345
Intangible fixed assets	**294,837**	Provision for store closing expenses	4,237
Goodwill	161,694	Provision for contingent liabilities	92
Software	73,839	Allowance for loss on refund of interest received	3,808
Lease assets, net	22,890		
Other	36,411	Allowance for loss on redemption of gift coupons	4,904
Investments and other assets	**876,465**	Net defined benefit liability	25,735
Investment securities	205,069	Asset retirement obligations	80,734
Net defined benefit asset	10,693	Lease deposits from lessees	262,850
Deferred tax assets	87,341	Other	39,001
Fixed leasehold deposits to lessors	404,867	**Total liabilities**	**6,888,445**
Deposits for stores in progress	4,415	**Net assets**	
Other	183,031	**Shareholders' equity**	**1,070,259**
Allowance for doubtful accounts	(18,953)	Common stock	220,007
		Capital surplus	315,813
		Retained earnings	575,147
		Treasury stock	(40,709)
		Accumulated other comprehensive income	**61,121**
		Unrealized gain on available-for-sale securities	52,440
		Deferred gain (loss) on derivatives under hedge accounting	(2,588)
		Foreign currency translation adjustments	10,178
		Remeasurements of defined benefit plans	1,091
		Stock acquisition rights	**1,820**
		Non-controlling interest	**729,209**
		Total net assets	**1,862,410**
Total assets	**8,750,856**	**Total net assets and liabilities**	**8,750,856**

(Translation for reference purposes only)

Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2017	
Net sales	**7,253,529**
Operating revenue in the financial services business	**329,923**
Other operating revenue	**626,691**
Total operating revenue	**8,210,145**
Cost of sales	**5,245,626**
Operating costs in the financial services business	**28,842**
Total operating costs	**5,274,469**
Gross profit on sales	**2,007,903**
Gross profit from operations	**2,935,675**
Selling, general and administrative expenses	2,750,935
Operating income	**184,739**
Other income	
Interest income	3,008
Dividend income	2,232
Income from unredeemed gift coupons	3,082
Penalty income from leaving tenants	3,153
Reversal of allowance for doubtful accounts	1,867
Gain on collection of fixed leasehold deposits	2,946
Other	9,962
	26,254
Other expenses	
Interest expense	14,945
Equity in losses of equity-method affiliates	40
Other	8,656
	23,642
Ordinary income	**187,351**
Extraordinary gains	
Gain on sale of fixed assets	26,342
Gain on sale of investment securities	3,673
Other	4,294
	34,310
Extraordinary losses	
Loss on sale of fixed assets	7,432
Impairment loss	45,253
Amortization of goodwill	3,443
Provision for store closing expenses	3,955
Loss on disposal of property, buildings and equipment	4,086
Loss related to store closing	1,695
Other	6,456
	72,322
Income (loss) before income taxes	**149,339**
Income taxes	
Current	75,475
Deferred	(1,857)
	73,617
Profit (loss)	**75,721**
Profit attributable to non-controlling interest	64,466
Profit (loss) attributable to owners of the parent	**11,255**

(Translation for reference purposes only)

Consolidated statement of changes in net assets

(Unit: Millions of yen, rounded down)

	Shareholders' equity				
Year ended February 28, 2017	**Common stock**	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Balance as of March 1, 2016	220,007	316,894	588,306	(42,538)	1,082,670
Changes during period					
Cash dividends			(24,407)		(24,407)
Profit attributable to owners of the parent			11,255		11,255
Purchase of treasury stock				(19)	(19)
Disposal of treasury stock			(6)	1,848	1,842
Change in ownership interest of parent due to transactions with non-controlling interests		(1,081)			(1,081)
Net change in items other than shareholders' equity during period					
Total changes during period	–	(1,081)	(13,158)	1,828	(12,411)
Balance as of February 28, 2017	220,007	315,813	575,147	(40,709)	1,070,259

	Accumulated other comprehensive income							
Year ended February 28, 2017	**Unrealized gain on available-for-sale securities**	**Deferred gain (loss) on derivatives under hedge accounting**	**Foreign currency translation adjustments**	**Remeasurements of defined benefit plans**	**Total accumulated other comprehensive income**	**Stock acquisition rights**	**Non-controlling interest**	**Total net assets**
Balance as of March 1, 2016	42,815	(5,237)	21,651	(104)	59,123	1,979	675,700	1,819,474
Changes during period								
Cash dividends								(24,407)
Profit attributable to owners of the parent								11,255
Purchase of treasury stock								(19)
Disposal of treasury stock								1,842
Change in ownership interest of parent due to transactions with non-controlling interests								(1,081)
Net change in items other than shareholders' equity during period	9,624	2,649	(11,472)	1,196	1,998	(159)	53,508	55,347
Total changes during period	9,624	2,649	(11,472)	1,196	1,998	(159)	53,508	42,935
Balance as of February 28, 2017	52,440	(2,588)	10,178	1,091	61,121	1,820	729,209	1,862,410

(Translation for reference purposes only)

Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2017

Assets		Liabilities	
Current assets	**482,917**	**Current liabilities**	**203,382**
Cash and time deposits	865	Short-term borrowings	24,071
Prepaid expenses	128	Current portion of long-term debt	77,200
Deferred tax assets	155	Accounts payable – other	11,126
Short-term loans receivable to subsidiaries	448,039	Accrued expenses	2,464
Accrued income	12,074	Income taxes payable	218
Accounts receivable – other	21,578	Accrued consumption taxes	181
Other	75	Deposits received	87,662
		Provision for bonuses	164
Fixed assets	**963,808**	Other	292
Property, buildings and equipment	**15,276**	**Long-term liabilities**	555,125
Buildings, net	10,918	Bonds	**191,500**
Structures, net	83	Long-term debt	292,100
Tools, furniture and fixtures, net	290	Allowance for investment loss, etc.	65,671
Land	3,984	Deferred tax liabilities	3,475
		Other	2,378
Intangible fixed assets	**1,010**	**Total liabilities**	**758,508**
Rights of trademark	517	**Net assets**	
Other	493	**Shareholders' equity**	**641,553**
		Common stock	220,007
Investments and other assets	**947,521**	Capital surplus	316,894
Investment securities	107,538	Legal capital surplus	316,894
Stock of subsidiaries and affiliates	775,006	**Retained earnings**	**145,296**
Investments in capital of subsidiaries and affiliates	89,624	Legal retained earnings	11,770
		Other retained earnings	133,526
Long-term prepaid expenses	127	Reserve for advanced depreciation of fixed assets	4,596
Other	1,385		
Allowance for doubtful accounts	(166)	General reserve	95,500
Allowance for investment loss, etc.	(25,995)	Retained earnings brought forward	33,429
		Treasury stock	**(40,645)**
		Valuation and translation adjustments	**46,301**
		Unrealized gain on available-for-sale securities	47,769
		Deferred gain (loss) on derivatives under hedge accounting	(1,467)
		Stock acquisition rights	**361**
		Total net assets	**688,217**
Total assets	**1,446,725**	**Total net assets and liabilities**	**1,446,725**

(Translation for reference purposes only)

Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2017	
Operating revenue	
Dividends from subsidiaries and affiliates	40,505
Commissions from subsidiaries and affiliates	20,811
Other	1,319
	62,636
Gross profit from operations	**62,636**
Selling, general and administrative expenses	**18,249**
Operating income	**44,386**
Other income	
Interest and dividend income	7,294
Other	378
	7,672
Other expenses	
Interest expense	6,077
Provision of allowance for investment loss, etc.	18,112
Other	2,467
	26,657
Ordinary income	**25,402**
Extraordinary gains	
Gain on sales of investment securities	2,342
	2,342
Extraordinary losses	
Loss on valuation of stock of subsidiaries and affiliates	12,621
Provision of allowance for investment loss, etc.	5,903
Other	203
	18,727
Income before income taxes	**9,017**
Income taxes	291
Current	(5,092)
Deferred	1,803
	(2,997)
Profit (loss)	**12,014**

(Translation for reference purposes only)

Nonconsolidated statement of changes in net assets

(Unit: Millions of yen, rounded down)

	Shareholders' equity					
		Capital surplus		Retained earnings		
Year ended February 28, 2017	Common stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings (Note)	Total retained earnings
Balance as of March 1, 2016	220,007	316,894	316,894	11,770	145,924	157,694
Changes during period						
Cash dividends					(24,407)	(24,407)
Provision of reserve for advanced depreciation of fixed assets					–	–
Reversal of reserve for advanced depreciation of fixed assets					–	–
Profit					12,014	12,014
Purchase of treasury stock						
Disposal of treasury stock					(6)	(6)
Net change in items other than shareholders' equity during period						
Total changes during period	–	–	–	–	(12,398)	(12,398)
Balance as of February 28, 2017	220,007	316,894	316,894	11,770	133,526	145,296

	Shareholders' equity		Valuation and translation adjustments				
Year ended February 28, 2017	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, 2016	(42,473)	652,123	37,751	(2,429)	35,321	693	688,139
Changes during period							
Cash dividends		(24,407)					(24,407)
Provision of reserve for advanced depreciation of fixed assets		–					–
Reversal of reserve for advanced depreciation of fixed assets		–					–
Profit		12,014					12,014
Purchase of treasury stock	(19)	(19)					(19)
Disposal of treasury stock	1,848	1,842					1,842
Net change in items other than shareholders' equity during period			10,017	962	10,980	(332)	10,648
Total changes during period	1,828	(10,569)	10,017	962	10,980	(332)	78
Balance as of February 28, 2017	(40,645)	641,553	47,769	(1,467)	46,301	361	688,217

(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, 2016	4,614	95,500	45,810	145,924
Changes during period				
Cash dividends			(24,407)	(24,407)
Provision of reserve for advanced depreciation of fixed assets	91		(91)	–
Reversal of reserve for advanced depreciation of fixed assets	(109)		109	–
Profit			12,014	12,014
Purchase of treasury stock				
Disposal of treasury stock			(6)	(6)
Net change in items other than shareholders' equity during period				
Total changes during period	(17)	–	(12,381)	(12,398)
Balance as of February 28, 2017	4,596	95,500	33,429	133,526

(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 24, 2017)

Committee	Name	*Members with * mark are the chairman of the Committee.*
Audit Committee	* Ken Sato, Yukako Uchinaga, Toru Nagashima, Kotaro Ohno	
Nomination Committee	* Yukako Uchinaga, Kotaro Ohno, Takashi Tsukamoto, Motoya Okada	
Compensation Committee	* Toru Nagashima, Ken Sato, Takashi Tsukamoto, Motoya Okada	

Executive Officers (planned effective date May 24, 2017)

Position	Name	Area of responsibility
President and Representative Executive Officer	Motoya Okada	Group CEO
Executive Vice President and Representative Executive Officer	Yoshiki Mori	Group COO
Executive Vice President and Executive Officer	Akinori Yamashita	CFO, Business Management
Executive Vice President and Executive Officer	Shinya Wako	CSO
Executive Officer	Soichi Okazaki	GMS Business
Executive Officer	Eiji Shibata	Merchandising
Executive Officer	Akio Yoshida	Shopping Center Development Business
Executive Officer	Hidenori Osano	IT
Executive Officer	Motohiro Fujita	Supermarket Business
Executive Officer	Hideharu Mizuno	Drugstore & Pharmacy Business
Executive Officer	Ippei Nakayama	Services & Specialty Store Business
Executive Officer	Masaki Suzuki	Financial Services Business
Executive Officer	Yuki Habu	China Business
Executive Officer	Kaori Miyake	CSR & Communication
Executive Officer	Takeharu Takahashi	Human Resources and Administration