



February 18, 2011
For immediate release

Registered Company Name: AEON Credit Service Co., Ltd.
President and CEO: Kazuhide Kamitani
Stock Listing: Tokyo Stock Exchange, First Section (Code No.: 8570)
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Notification of Change in Subsidiary (Transfer of Shares) and Recording of Extraordinary Income

AEON Credit Service Co., Ltd. (the Company) has resolved at a Board of Directors meeting held on February 18, 2011, to transfer all of its shareholdings in its consolidated subsidiary AEON Insurance Service Co., Ltd. (AIS) to AEON BANK, Ltd. (ABK). Details are as follows.

1. Reasons for the Change

AIS has been working to expand its business operations as a subsidiary through means such as bolstering insurance sales via retail insurance outlets in AEON shopping centers, direct mail and the Internet.

On the other hand, in the non-bank sector, where the operating environment has continued to intensify in recent years, the Company has been steadily working to change its business structure by establishing new earnings sources including the e-money business, bank agency business and credit guarantee business, in addition to strengthening the competitiveness of its credit card business.

Under these circumstances, the Company has examined various possibilities for the positioning of AIS in order to expand its bank agency and credit guarantee businesses, which are the new earnings sources it will be emphasizing, from a perspective of creating a structure for the comprehensive financial business of the AEON Group that most efficiently utilizes the Company's management resources.

Consequently, it was determined that the transfer of all AIS shares to ABK will contribute to changing the Company's business structure by creating comprehensive financial outlets that provide one-stop credit, banking and insurance product services, and by expanding the Company's guarantee business through an increase in the amount of ABK's unsecured loan products from AIS. Based on this determination, the Board of Directors passed the resolution to conduct the share transfer at a meeting held today.

2. Method of Change

A share transfer agreement for cash consideration

3. Overview of Changing Subsidiary

(1) Company name	AEON Insurance Service Co., Ltd.		
(2) Location of head office	Nakase 1-3, Mihama-ku, Chiba-shi, Chiba		
(3) Name and title of representative	Yoshinobu Yunoki, Representative Director and President		
(4) Line of business	Insurance agency		
(5) Capital	¥250 million		
(6) Date of establishment	January 16, 1990		
(7) Principal shareholders and percentage of total shares held	AEON Credit Service Co., Ltd. 50.33% AEON MALL Co., Ltd. 48.69% AEON Co., Ltd. 0.98%		

(8) Relationships with AEON Credit Service Co., Ltd.	Equity relationship	The Company holds 50.33% of the issued and outstanding shares of AIS, and AIS is a consolidated subsidiary of the Company.
	Personnel relationship	Two of the Company's directors and/or auditors are concurrently directors and/or auditors of AIS.
	Business relationship	The Company guides the management of AIS. In addition, AIS acts as a sales agent for insurance for Company cardholders.
(9) Operating results and financial status of the changing subsidiary for the two most recent years		
	Year ended February 2009	Year ended February 2010
Operating revenues	¥3,826 million	¥3,951 million
Operating income	¥1,141 million	¥1,419 million
Ordinary income	¥1,149 million	¥1,433 million
Net income	¥652 million	¥843 million
Net income per share	¥1,641.50	¥2,121.51
Total assets	¥3,621 million	¥3,972 million
Net assets	¥1,779 million	¥2,246 million
Net assets per share	¥4,476.72	¥5,653.22

4. Schedule of Change

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| (1) Resolution of Board of Directors | February 18, 2011 |
| (2) Share transfer agreement concluded | February 18, 2011 |
| (3) Share transfer date | February 18, 2011 |

5. Overview of Share Transferee

(1) Company name	AEON BANK, Ltd.	
(2) Location of head office	Edagawa 1-9-6, Koto-ku, Tokyo	
(3) Name and title of representative	Shoji Kataoka, Representative Director and President	
(4) Line of business	Banking	
(5) Capital	¥51,250 million	
(6) Date of establishment	May 15, 2006	
(7) Net assets	¥52,731 million	
(8) Total assets	¥706,724 million	
(9) Principal shareholders and percentage of total shares held	AEON Co., Ltd.	38.75%
	Mizuho Corporate Bank, Ltd.	5.00%
	Sumitomo Mitsui Banking Corporation	5.00%
	Mitsubishi Corporation	5.00%
(10) Relationships with AEON Credit Service Co., Ltd.	Equity relationship	The Company holds non-voting common shares of ABK.
	Personnel relationship (as of February 18, 2011)	The Company has transferred one director to ABK. In addition, the Company has transferred eight employees to ABK, and ABK has transferred 123 employees to the Company.

	Business relationship	The Company is the bank agency for ABK.
	Applicability to related parties	The companies involved have no applicable relationships with related parties of the Company.

6. Number of Shares Transferred, Transfer Price and Number of Shares Held after Transfer

Number of shares held before transfer	200,000 (percentage of total shares: 50.33%)
Number of shares transferred	200,000 (percentage of total shares: 50.33%)
Transfer price	¥5,270 million
Number of shares held after transfer	0 (percentage of total shares: 0.00%)

7. Recording of Extraordinary Income

As a result of the share transfer, for the fiscal year ending February 2011, extraordinary income from gain on sale of securities is expected to be ¥5,260 million on a non-consolidated basis, and ¥4,500 million on a consolidated basis.

8. Forecast

The Company plans to record the extraordinary income expected as described above in its financial results (consolidated and non-consolidated) for the fiscal year ending February 2011.

Please note that the Company is considering recording extraordinary losses from the effect of a change in its system of “Provision for Point Certificates,” as well as extraordinary depreciation and loss on disposal of fixed assets, primarily software.

The forecast for the fiscal year ending February 2011 is currently being prepared based on the above factors, and revisions will be promptly announced if necessary.

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