



September 12, 2012

Registered Company Name: AEON Credit Service Co., Ltd.

President and CEO: Kazuhide Kamitani

Stock Listing: Tokyo Stock Exchange, First Section

(Code No.: 8570)

Contact: Hideki Wakabayashi,

Director, Senior Managing Executive Officer

Registered Company Name: AEON Bank, Ltd.

Representative Director and President: Takamitsu Moriyama

Contact: Hiroyuki Watanabe,

Director, Senior Managing Executive Officer

**AEON Credit Service and AEON Bank Conclude  
Share Exchange Agreement and Management Integration Agreement  
for Transition to a Holding Company System**

AEON Credit Service Co., Ltd. (head office: Chiyoda Ward, Tokyo; President and CEO Kazuhide Kamitani; hereafter “AEON Credit Service”) and AEON Bank, Ltd. (head office: Koto Ward, Tokyo; Representative Director and President Takamitsu Moriyama; hereafter “AEON Bank”) resolved at meetings of their respective Board of Directors held today to conclude a management integration agreement (hereafter, “Management Integration Agreement”) on integrating the management of both companies (hereafter, “Management Integration”), and as part of the Management Integration to conclude a share exchange agreement (hereafter “Share Exchange Agreement”) with January 1, 2013 as the effective date (scheduled) for the share exchange (hereafter, “Share Exchange”) with AEON Credit Service as the wholly owning parent company in the share exchange and AEON Bank as the wholly owned subsidiary company in the share exchange.

Under the Management Integration Agreement, AEON Credit Service and AEON Bank also agreed to conduct a company split with April 1, 2013 as the effective date (scheduled) whereby, in summary, AEON Credit Service will give that company’s rights and obligations related to the credit card business to AEON Bank (excluding any rights and obligations under separate agreement between the parties) (hereafter, “Absorption-type Split 1”), and to conduct another company split under which a new wholly owned subsidiary (hereafter, “New AEON Credit Service”) to be established by AEON Bank will take over all of AEON Credit Service’s other rights and obligations (hereafter, “Absorption-type Split 2”) (hereafter Absorption-type Split 1 and Absorption-type Split 2 are collectively referred to as “Absorption-type Split”). Through the Share Exchange and the Absorption-type

Split, AEON Credit Service will change into a holding company (a bank holding company) which will own subsidiaries which conduct the banking business, credit card business, and other businesses, and change its name to AEON Financial Service Co., Ltd. (hereafter, “AEON Financial Service”).

The Management Integration requires approval from the general shareholders meetings of AEON Credit Service and AEON Bank, respectively, and the necessary legal approvals from the concerned authorities.

## I. Regarding the Management Integration

### 1. Background and Purposes of the Management Integration

AEON Credit Service has achieved a performance recovery by expanding its electronic money, bank agency business, and other fee businesses, strengthening business development in 11 foreign countries and regions, and advancing the transformation of its business structure. However, the competition is becoming even more intense with the entry of IT companies, cell phone companies, and other new market entrants, making it necessary to draw a new growth strategy.

AEON Bank has secured deposit accounts, strengthened housing loans, and expanded its branch and ATM network since it was founded in 2007, making use of its ties with AEON Credit Service and other AEON Group companies and of AEON Card Select, and realized a profit on a single fiscal year basis in the fiscal year ended March 2012. Regardless, we believe AEON Bank must work to further solidify its revenue base and boost its enterprise value toward continuous and stable growth.

To provide more convenient financial services from the customer’s perspective, AEON Credit Service and AEON Bank see it has now become essential to build a comprehensive financial group that does not exist at other financial institutions through structural reform fusing the retail and financial industries, with the credit, banking, insurance, and electronic money businesses at its core.

Based on this background, as members of a financial Group that began from the retail industry, both companies are working to maximize customer satisfaction by providing safe, secure, economical, and convenient financial products and services through the Management Integration by fusing purchasing information and financial asset information.

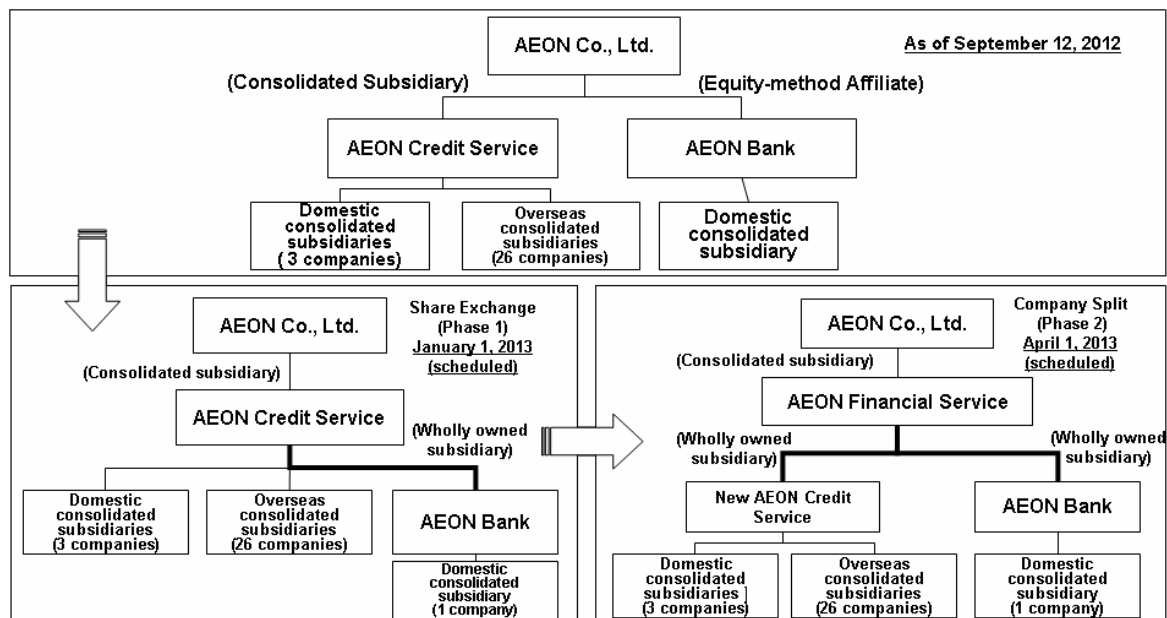
Additionally, through further human resources development, the companies aim at an organizational structure that can be more active globally.

### 2. Structure Following the Management Integration

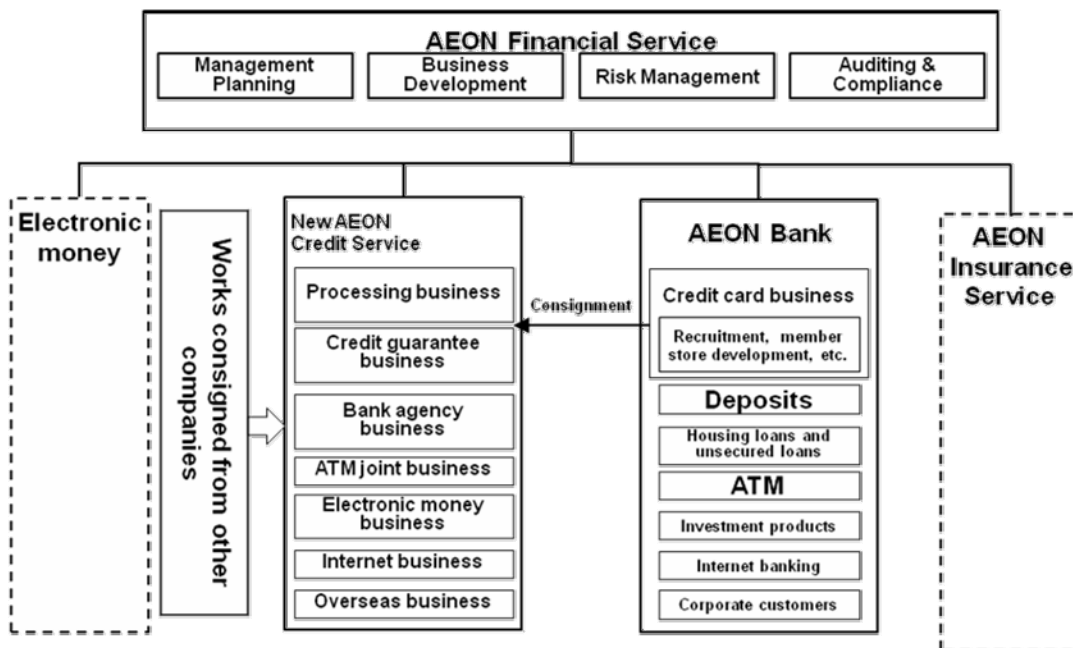
The structure leading to the Management Integration is as shown below in (1) Capital Relations through the Management Integration and (2) Business Schematic Diagram of the Three Companies after the Management Integration. The equity method affiliates of AEON Credit Service and AEON Bank are omitted.

## (1) Capital Relations Leading to the Management Integration

Note: Because of the regulations, and the determinations, orders, judgments and demands of the regulators in each country, AEON Financial Service may take over ownership of the shares of the overseas consolidated subsidiaries of the present AEON Credit Service.



## (2) Business Schematic Diagram of the Three Companies after the Management Integration



Note: Items inside dotted lines in the above figure show a middle-term to long-term schematic image.

### 3. Basic Strategy through the Management Integration

Through the Management Integration, AEON Credit Service and AEON Bank aim at increasing enterprise value by creating synergies utilizing the strengths of both companies and accelerating the growth strategies of both companies centered on the holding company (bank holding company).

(Policies for the Creation of Synergies)

- 1) The two companies will make use of the fundraising function of AEON Bank, consolidate the financing business at AEON Bank, and introduce credit standards based on household income and financial asset information to realize stable, lower-interest financing.
- 2) The two companies will realize more precise database marketing, facilitating sales proposals in line with customer life events, by combining information from AEON Bank with analyses of AEON Card customer application information and store purchasing data.
- 3) The establishment of the bank holding company AEON Financial Service will further strengthen the business development of AEON Credit Service in emerging economies in Asia.
- 4) Under the holding company structure, while working to boost productivity by consolidating overlapping departments and shifting personnel to sales departments, the companies will work to perfect the customer service abilities, efficient operations, and compliance and governance structures developed to date.

### 4. Outline of the Management Integration

#### (1) Method of the Management Integration

The Management Integration will be implemented through the following share exchange and absorption-type split method.

#### Phase 1: The Share Exchange

The share exchange will be conducted with AEON Credit Service as the wholly owning parent company in the share exchange and AEON Bank as the wholly owned subsidiary company in the share exchange.

#### Phase 2: The Absorption-type Split

The switch to a holding company will be achieved through a company split of AEON Credit Service. Specifically with the split of AEON Credit Service, that company's rights and obligations related to the credit card business will be taken over by AEON Bank, and all of its other rights and obligations will be taken over by New AEON Credit Service (excluding any rights and obligations under separate agreement between the parties). On the condition that the Absorption-type Split comes into effect, the existing AEON Credit Service will change its corporate name to AEON Financial Service. The specific contents of the Absorption-type Split will be promptly announced once the details are confirmed. AEON Bank will consign the execution of its processing, bank agency and other works to New AEON Credit Service.

(2) Schedule for the Management Integration

Date of resolution to conclude the Share Exchange and the Management Integration Agreement (both companies)	September 12, 2012
Date of concluding the Share Exchange Agreement and the Management Integration Agreement	September 12, 2012
Date of announcement of the base date for the general shareholders meetings to approve the Share Exchange (AEON Credit Service)	September 12, 2012 (scheduled)
Base date for the general shareholders meetings to approve the Share Exchange (AEON Credit Service)	September 30, 2012 (scheduled)
Date of the general shareholders meetings to approve the Share Exchange (both companies)	November 21, 2012 (scheduled)
Date the Share Exchange comes into effect	January 1, 2013 (scheduled)
Date of Board of Directors vote approving the Absorption-type Split (the three companies)	Within January 2013 (scheduled)
Date of conclusion of agreement on the Absorption-type Split	Within January 2013 (scheduled)
Date of announcement of the base date for the general shareholders meeting to approve the Absorption-type Split (AEON Credit Service)	Within January 2013 (scheduled)
Base date for the general shareholders meeting to approve the Absorption-type Split (AEON Credit Service)	Within January 2013 (scheduled)
Date of the general shareholders meeting to approve the Absorption-type Split (AEON Credit Service)	Within February 2013 (scheduled)
Date the Absorption-type Split comes into effect	April 1, 2013 (scheduled)

Notes:

1. The schedule for the Management Integration may be changed based on consultations among the parties as the future procedures move forward.
2. Because the Absorption-type Split is a case where approval is not required as stipulated by Article 796 Paragraph 1 of the Companies Act, there are no plans for AEON Bank and New AEON Credit Service to hold general shareholders meetings to approve the absorption-type split.
3. The three companies refers to AEON Credit Service, AEON Bank, and New AEON Credit Service

II. Regarding the Share Exchange

1. Outline of the Share Exchange

(1) Schedule for the Share Exchange

Please refer to I. Regarding the Management Integration, 4. Outline of the Management Integration, (2) Schedule for the Management Integration, above.

(2) Method of the Share Exchange

The Share Exchange will be conducted with AEON Credit Service as the wholly owning parent company in the share exchange and AEON Bank as the wholly owned subsidiary company in the share exchange.

(3) Allocation Contents for the Share Exchange

	AEON Credit Service (Wholly owning parent company in the share exchange)	AEON Bank (Wholly owned subsidiary company in the share exchange)
Allocation contents for the Share Exchange	1 share	23.7 shares

Notes:

1. Allocation Ratio for the Share Exchange

For each share of AEON Bank (common stock, Class A common stock and Class B common stock) 23.7 shares of AEON Credit Service common stock will be allocated and granted. However, the 200,000 shares of AEON Bank's Class B common stock owned by AEON Credit Service will not receive any share allocation under the Share Exchange.

2. Number of New Shares of AEON Credit Service to Be Issued under the Share Exchange

42,660,000 shares of common stock (scheduled)

(4) Handling of New Share Subscription Rights and Warrant Bonds Accompanying the Concerned Organizational Restructuring

AEON Bank has not issued any new share subscription rights or warrant bonds.

2. Basis for Calculation of the Allocation Contents Under the Share Exchange

(1) Calculation Basis and Circumstances

1) Common Stock

To ensure the fairness of the share exchange ratio of common stock (hereafter, the "Common Stock Exchange Ratio"), AEON Credit Service and AEON Bank each individually asked an independent third-party appraisal organ to calculate the Common Stock Exchange Ratio, with AEON Credit Service selecting Nomura Securities Co., Ltd. (hereafter, "Nomura Securities") and AEON Bank selecting L.A. Consulting Co. (hereafter, "L.A. Consulting") as their respective third-party appraisal organs for the calculation of the Common Stock Exchange Ratio under the Share Exchange.

AEON Credit Service and AEON Bank referred to the following calculation results, comprehensively considered their respective financial conditions, asset conditions, future outlooks and other factors, and held repeated careful negotiations and consultations regarding the Common Stock Exchange Ratio. In that process, they held multiple diverse discussions regarding approaches to the similar company comparison method since there are differences between the AEON Bank business model with the business concepts of "fusion of the retail and financial industries" and "provision of retail banking services 365 days per year inside shopping centers" and the existing bank business model. As a result, today the two companies ultimately agreed on the judgment that the stock exchange ratio presented in 1. (3) above is appropriate.

To calculate the value of AEON Credit Service shares, Nomura Securities used market share price analysis, since AEON Credit Service is listed on financial instruments markets and market prices exist (adopting September 11, 2012 as the calculation base date and using the closing price of AEON Credit Service shares

on the 1st Section of the Tokyo Stock Exchange on the calculation base date, their average closing price for the prior week, their average closing price for the prior month, their average closing price for the prior three months, and their average closing price for the prior six months), as well as the similar company comparison method, because there are listed companies that are comparable to AEON Credit Service and it is possible to infer its share value using the similar company comparison method, together with the dividend discount model analysis method (hereafter, the “DDM Method”) to reflect evaluations of future business activities conditions. For AEON Bank, although it is unlisted, the similar company comparison method and DDM methods were also used for the assessment, just as for AEON Credit Service.

As a result, Nomura Securities estimated the valuation range when the value of one share of AEON Credit Service stock is set as 1 as follows.

Method Used		Share Exchange Ratio Calculated Range
AEON Credit Service	AEON Bank	
Average market share price method	Similar company comparison method	7.4–22.5
Similar company comparison method	Similar company comparison method	11.0–24.5
DDM Method	DDM Method	22.3–36.0

In the other estimate, to calculate the value of AEON Credit Service shares, L.A. Consulting used market share price analysis since AEON Credit Service is listed on financial instruments markets and market prices exist (adopting September 10, 2012 as the calculation base date, and using the average closing price of AEON Credit Service shares on the 1st Section of the Tokyo Stock Exchange for the prior month, the prior three months, and the prior six months), together with the discounted cash flow method (hereafter, “DCF method”) to reflect assessment of future business activities conditions. To calculate the value of AEON Bank shares, L.A. Consulting used the DDM (dividend discount model) Method to reflect assessment of future business activities conditions. Regarding the similar company comparison method and other market approaches, these were not adopted since selecting companies similar to AEON Bank would be difficult. As a result, L.A. Consulting estimated the valuation range when the value of one share of AEON Credit Service stock is set as 1 as follows.

Method Used		Share Exchange Ratio Calculated Range
AEON Credit Service	AEON Bank	
Average market share price method	DDM Method	22.1–28.8
DCF method	DDM Method	20.8–30.1

In calculating the Common Stock Share Exchange Ratio, Nomura Securities used information provided by AEON Credit Service and AEON Bank and publicly available information as given, assuming that those materials and information are all accurate and complete, without independently verifying their accuracy or completeness. Additionally, Nomura Securities did not conduct independent evaluations, appraisals or assessments of the assets and liabilities (including contingent liabilities) of AEON Credit Service, AEON

Bank or their affiliated companies, including analyses and valuations of individual assets and liabilities, and did not request appraisals or assessments by any third-party organs.

Nomura Securities' share exchange ratio calculation reflects information and economic conditions through September 11, 2012, and assumes that the financial projections of AEON Credit Service and AEON Bank (including profit projections and other information) are rationally prepared based on the best possible projections and judgment that can be made by the management of each company at the present time.

In calculating the share exchange ratio, L.A. Consulting used information provided by AEON Credit Service and AEON Bank and publicly available information as given, in principle, assuming that those materials and information are all accurate and complete, without independently verifying their accuracy or completeness. Additionally, L.A. Consulting did not conduct independent evaluations, appraisals or assessments of the assets and liabilities (including contingent liabilities) of AEON Credit Service, AEON Bank or their affiliated companies, including analyses and valuations of individual assets and liabilities, and did not request appraisals or assessments by any third-party organs. Additionally, L.A. Consulting assumes that the financial projections of AEON Credit Service and AEON Bank (including profit plans and other information) are rationally prepared based on the best possible projections and judgment that can be made by the management of each company at the present time. L.A. Consulting's share exchange ratio calculation reflects the above information and other factors through September 10, 2012, and the calculation results may be affected if there are any changes in the assumptions used as the basis for the calculation of the share exchange ratio.

The AEON Bank profit projections which were assumptions for the use of the DDM method by Nomura Securities and L.A. Consulting include fiscal years projecting large revenue increases from strengthening the housing loan, unsecured loan, and electronic money businesses and from the full-scale development of corporate customer services.

## 2) Class Shares

Considering that the dividend rights and equity claims of the Class A common stock and Class B common stock issued by AEON Bank are identical to those of its ordinary common stock, and that the exercise period to acquire one share of Class A common stock or Class B common stock in exchange for one share of ordinary common stock is presently underway, AEON Credit Service and AEON Bank have agreed and decided that the share exchange ratio for one share of Class A common stock or Class B common stock of AEON Bank will be 23.7 shares of AEON Credit Service common stock, the same as for one share of AEON Bank ordinary common stock.

## (2) Relationship with Appraisal Organs

AEON Credit Services' appraisal organ Nomura Securities is not a related party to AEON Credit Service or AEON Bank, and does not have any material interest concerning the Management Integration that should be reported.

Moreover, AEON Bank's appraisal organ L.A. Consulting is not a related party to AEON Credit Service or AEON Bank, and does not have any material interest concerning the Management Integration that should be reported.



### (3) Measures to Guarantee Fairness

While the two companies did not receive opinions regarding the fairness of the share exchange ratio (so-called “fairness opinions”) from any third-party appraisal organs, to guarantee the fairness of the Share Exchange, AEON Credit Service and AEON Bank each consigned the calculation of the Common Stock Exchange Ratio to a third-party appraisal organ as stated in 2. (1) above, conducted careful negotiations and consultations, agreed to a share exchange ratio referring to those calculation results, and decided to conduct the Share Exchange at that share exchange ratio. The companies also both chose legal advisors with AEON Credit Service selecting Mori Hamada & Matsumoto and AEON Bank selecting Uryu & Itoga, received advice on the procedures of the Management Integration and the methods and process of decision making from a legal perspective, and resolved to conclude the Share Exchange Agreement and the Management Integration Agreement based on said advice.

### (4) Measures to Prevent Conflict of Interest

AEON Co., Ltd. (hereafter, “AEON”) owns 50.32% of the total voting rights (45.60% of all shares outstanding) of AEON Credit Service as of February 20, 2012, and AEON Credit Service is a consolidated AEON subsidiary. AEON also owns 38.75% of the total voting rights (53.25% of all shares outstanding) of AEON Bank as of March 31, 2012, and AEON Bank is an equity method affiliate of AEON Co., Ltd.

Because of these capital relations, to secure the fairness of decision making at the companies participating in the share exchange and prevent concerns regarding conflicts of interest between AEON Co., Ltd. and minority shareholders of the companies participating in the share exchange, Yoshiki Mori who is a Director, Representative Executive Officer and Vice President of AEON and a Director of AEON Credit Service, Naoki Hayashi and Masaaki Toyoshima who are Directors of AEON and Directors of AEON Bank, and Tsunekazu Haraguchi who is the Co-CEO of AEON’s Financial Service Business and Director of AEON Bank did not participate in deliberations and resolutions at respective Board of Directors meetings concerning the determination of the share exchange ratio, the conclusion of the Share Exchange Agreement and the conclusion of the Management Integration Agreement. They also did not participate in consultations and negotiations concerning the Management Integration.

Also from the perspective of preventing concerns regarding conflicts of interest between AEON and the minority shareholders of the companies participating in the share exchange, Seiichi Chiba and Hidehiro Hirabayashi who are Executive Officers of AEON Co., Ltd. and Auditors of AEON Bank, Masato Nishimatsu who is an Executive Officer at AEON Co., Ltd. and an Auditor of AEON Credit Service, and Hisateru Taniuchi who is a Corporate Advisor of AEON Co., Ltd. and an Auditor of AEON Credit Service, and Koshi Yamaura who is a Special Corporate Advisor of AEON Co., Ltd. and Auditor of AEON Credit Service similarly did not participate in deliberations at respective Board of Directors meetings concerning determination of the share exchange ratio and the conclusion of the Share Exchange Agreement and the Management Integration Agreement. Aside from those parties listed above, the Auditors of the respective companies participating in the share exchange did participate in the deliberations at the Board of Directors meetings held today concerning the Share Exchange Ratio, the conclusion of the Share Exchange Agreement, and the conclusion of the Management Integration Agreement, and voiced no objections to the conclusion of the Share Exchange Agreement and the Management Integration Agreement.

As also noted in its corporate governance report, AEON Credit Service belongs to a corporate group comprising AEON and its consolidated subsidiaries and equity method affiliates, makes use in its business of the Group companies' total sales exceeding ¥5 trillion, works to maximize synergy with Group companies, and conducts day to day operations based on its own independent management judgment while consulting with or reporting to AEON Co., Ltd. regarding important issues in its business management.

In concluding the Share Exchange Agreement and the Management Integration Agreement, while AEON Credit Service and AEON maintained close coordination and fully respected their mutual autonomy and independence, to ensure no disadvantages to minority shareholders, AEON Credit Service had parties in positions that might involve conflicts of interest refrain from participation in deliberations and decisions, and made resolutions based on its own management judgment. AEON Bank similarly had parties in positions that might involve conflicts of interest refrain from participation in deliberations and decisions. AEON Credit Service recognizes that by concluding the the Share Exchange Agreement and the Management Integration Agreement, AEON Credit Service will strengthen ties and maximize synergy with AEON and its Group companies, and this will be in the interest of minority shareholders.

### 3. Outline of the Parties to the Share Exchange

(1)	Name	AEON Credit Service Co., Ltd.	AEON Bank
(2)	Head office address	1-1 Kanda Nishiki-cho, Chiyoda Ward, Tokyo	1-9-6 Edagawa, Koto Ward, Tokyo
(3)	Representative's title and name	President and CEO Kazuhide Kamitani	President Takamitsu Moriyama
(4)	Business contents	Credit card business, credit peripheral businesses, bank agency business	Banking business, insurance agency business
(5)	Capital	¥15,466,500,000	¥51,250,000,000
(6)	Date established	June 20, 1981	May 15, 2006
(7)	No. of shares outstanding	144,697,208 shares (as of May 20, 2012)	2,000,000 shares
(8)	Settlement date	End of February	End of March
(9)	No. of employees	6,208 (consolidated) (as of May 20, 2012)	847 (nonconsolidated) (as of May 20, 2012)
(10)	Main trading partners	Member stores, individuals	Individuals, corporations
(11)	Main banks	Mizuho Corporate Bank Bank of Tokyo-Mitsubishi UFJ Sumitomo Mitsui Banking Corp.	
(12)	Main shareholders and equity ratios (%) (as of Feb. 20, 2012)	AEON Co., Ltd. 45.60	AEON Co., Ltd. 53.25
		Japan Trustee Services Bank, Ltd. (trust account) 4.80	Mizuho Corporate Bank 3.00
		The Master Trust Bank of Japan, Ltd. (trust account) 4.59	Sumitomo Mitsui Banking Corp. 3.00
		Maxvalu Nishinihon Co., Ltd. 1.69	Mitsubishi Corporation 3.00
		Ministop Co., Ltd. 1.46	The Bank of Yokohama, Ltd. 2.00
(13)	Relations among the parties involved		
	Capital relations	AEON Credit Service owns class B (nonvoting) common stock shares (equivalent to 10% of all the shares outstanding) of AEON Bank. Moreover, AEON Credit Service parent company AEON owns 53.25% of the outstanding common stock of AEON Bank (with 38.75% of the voting rights).	
	Personnel relations (as of Feb. 20, 2012)	AEON Credit Service has seconded three employees to AEON Bank, and AEON Bank has seconded 104 employees to AEON Credit Service.	
	Trading relations	AEON Credit Service has concluded a bank agency works contract and an indemnity agreement with AEON Bank, and the two companies are also engaged in an ATM joint business.	
	Related parties status	AEON Bank is not a related party to AEON Credit Service. Moreover, parties and companies affiliated with AEON Bank are not related parties to AEON Credit Service. However, AEON Credit Service is a related party to AEON Bank as a subsidiary of	

		another affiliated company of AEON Bank.				
(14) Operating results and financial conditions over the past three years						
Fiscal Year (ended)	AEON Credit Service			AEON Bank		
	Feb. 2010 (consolidated)	Feb. 2011 (consolidated)	Feb. 2012 (consolidated)	March 2010 (non-consolidated)	March 2011 (consolidated)	March 2012 (consolidated)
Net assets	176,717	180,199	181,852	52,731	52,786	56,955
Total assets	866,364	901,578	907,658	706,724	997,535	1,217,407
Net assets per share (¥)	994.42	1,015.17	1,012.52	26,365.67	26,393.12	28,471.63
Operating revenues (current income)	172,430	169,191	169,853	12,651	19,652	34,457
Ordinary income or loss (-)	20,424	20,823	24,268	-12,898	-2,723	4,411
Net income	197	9,540	8,988	-13,103	-1,978	4,273
Net income or loss (-) per share	1.26	60.83	57.30	-7,703	-989.28	2,136.90
Dividend per share (¥)	40.00	40.00	45.00	-	-	-

(Unit: million yen except when otherwise stipulated)

Note: Equity ratios denote percentage ownership of total shares outstanding.

### III. Conditions after the Share Exchange

#### 1. Conditions of the Share Exchange Wholly Owning Parent Company (Consolidated) after the Share Exchange

(1)	Name	AEON Credit Service Co., Ltd.
(2)	Head office address	1-1 Kanda Nishiki-cho, Chiyoda Ward, Tokyo
(3)	Representative's title and name	President and CEO Kazuhide Kamitani
(4)	Business contents	Credit card business, credit peripheral businesses, bank agency business
(5)	Settlement date	End of March

Notes:

1. AEON Credit Service will change its settlement date to the end of March once the Share Exchange comes into effect. For details, please refer to "Notice of Holding an Extraordinary General Shareholders Meeting, Setting the Base Date for Convening an Extraordinary General Shareholders Meeting, Changing the Settlement Date and Amending the Articles of Incorporation" released today.
2. The figures for capital, net assets and total assets will be announced when they are confirmed.

#### 2. Composition of Directors of AEON Credit Service

There are no plans at the present time to make any changes to the composition of directors of AEON Credit Service after the Share Exchange. If there are any additions or changes as a result of future examinations,

they will be discussed and voted on at the Extraordinary General Shareholders Meeting scheduled for November 2012.

### 3. Outline of Accounting Method

The accounting method of the Share Exchange will use the purchase method, since it corresponds to a purchase under the Business Combination Accounting Standards. The Share Exchange is expected to generate goodwill (or negative goodwill), but the amount thereof cannot be confirmed at the present time.

### 4. Future Outlook

The effect of the Share Exchange on the consolidated performance forecast of AEON Credit Service remains uncertain at the present time. The details will be announced when they become clear.

## IV. Regarding the Absorption-type Split

A company split agreement regarding the Absorption-type Split is scheduled to be concluded within January 2013. While the specific contents have not been determined at the present time, AEON Credit Service and AEON Bank intended to conduct the Absorption-type Split with the contents outlined below.

### 1. Outline of the Absorption-type Split

#### (1) Schedule of the Absorption-type Split

Please refer to I. Regarding the Management Integration, 4. Outline of the Management Integration, (2) Schedule for the Management Integration, above.

#### (2) Method of the Absorption-type Split

The Absorption-type Split 1 will be an absorption-type split with AEON Credit Service as the absorbed company and AEON Bank as the successor company, and the Absorption-type Split 2 will be an absorption-type split with AEON Credit Service as the absorbed company and New AEON Credit Service as the successor company.

#### (3) Allocation under the Absorption-type Split

Allocation under the Absorption-type Split is to be determined, through separate agreement in each case, by AEON Credit Service and AEON Bank, in the case of the Absorption-type Split 1, and by AEON Credit Service and New AEON Credit Service, in the case of the Absorption-type Split 2.

#### (4) Amount of Capital to be Reduced by the Absorption-type Split

The reduction of capital from Absorption-type Split 1 and from the Absorption-type Split 2 has not yet been determined.

#### (5) Handling of New Share Subscription Rights and Warrant Bonds under the Absorption-type split

AEON Credit Service has issued new share subscription rights and warrant bonds, but the obligations based on the concerned new share subscription rights and warrant bonds are not to be transferred or taken over by AEON Bank and New AEON Credit Service.

#### (6) Rights and obligations taken over by the successor company

Upon the Absorption-type Split 1, AEON Bank will take over AEON Credit Service's rights and obligations related to the credit card business within the range specified by the Absorption-type Split Agreement (excluding any rights and obligations under separate agreement between the parties).

Also, upon the Absorption-type Split 2, New AEON Credit Service will take over AEON Credit Service's rights and obligations related to businesses other than that to be taken over by AEON Bank within the range specified by the Absorption-type Split Agreement (excluding any rights and obligations under separate agreement between the parties).

(7) Outlook for performance of obligations

While the outlook for the performance of obligations is unclear at the present time since the details of the rights and obligations to be taken over by AEON Bank and New AEON Credit Service respectively are uncertain, the Absorption-type Split will specify the transfer of rights and obligations so there will be no problem with the outlook for AEON Bank and New AEON Credit Service to perform the obligations they should bear.

2. Outline of the Companies Involved in the Absorption-type Split

For AEON Credit Service and AEON Bank, please refer to II. Regarding the Share Exchange 3. Outline of the Parties to the Share Exchange.

New Credit AEON Service has not yet been established, so its outline is not yet determined.

3. Outline of the Operating Divisions being Split

Please refer to 1. Outline of the Absorption-type Split (6), above. The other details are not yet determined.

V. Conditions after the Management Integration (the Company Split)

1. Conditions of the Listed Company (Holding Company) after the Management Integration (this Company Split)

(1)	Name	AEON Financial Service Co., Ltd.
(2)	Head office address	1-5-1 Nakase, Mihama Ward, Chiba City, Chiba Prefecture
(3)	Business contents	Bank holding company
(4)	Settlement date	End of March

Notes:

1. AEON Credit Service will change its name to AEON Financial Service on April 1, 2013 (scheduled) once the Management Integration (this company split) comes into effect.
2. The representative director's title and name, and the figures for capital, net assets and total assets will be announced when they are confirmed.

2. Composition of Directors of AEON Financial Service

AEON Credit Service and AEON Bank have agreed that when the Share Exchange comes into effect, the majority of the directors of AEON Financial Service will be from AEON Credit Service, but the specific directors have not been selected as of the present time.

### 3. Outline of Accounting Method

Because Absorption-type Split 1 and Absorption-type Split 2 are transactions between a wholly owning parent company and its wholly owned subsidiary company, and correspond to “transactions under common control” under the Business Combination Accounting Standards, no goodwill (or negative goodwill) will be generated.

### 4. Future Outlook

The projected business performance as AEON Financial Service is presently being prepared, and will be promptly announced once they are determined.

Note: This announcement is intended as publication of general information regarding the execution of the share exchange agreement and the integration agreement by and between AEON CREDIT SERVICE CO., LTD. and AEON BANK, LTD., and has not been prepared for the purpose of offering or soliciting the shares or other securities issued by AEON CREDIT SERVICE CO., LTD. or AEON BANK, LTD. Forward looking statements contained in this announcement such as estimates, expectations, and forecasts are prepared based on the information available to AEON CREDIT SERVICE CO., LTD. or AEON BANK, LTD. as of the date of this announcement and on certain assumptions and qualifications, and the actual results of operations may be substantially different from such forward looking statements contained in this announcement due to the risks factors such as the domestic and global economic situations, the legal regulations, the competitive environment in the industry, the fluctuation of interest rates and investment returns, and the exchange rate of foreign currency.