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For immediate release

Registered Company Name: AEON Financial 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

### Notice Regarding Receipt of an Investigative Report from the Third Party Committee

As announced in the news release from AEON Financial Service Co., Ltd. dated September 17, 2013 titled “Notice Regarding Establishment of Third Party Committee,” due to the fraudulent activities of inappropriate accounting treatment and embezzlement of money in the consolidated subsidiaries of AEON Credit Service (Taiwan) Co., Ltd. and AEON Credit Card (Taiwan) Co., Ltd. (hereinafter, the latter will be called “Taiwan Credit Card Company,” and both companies will be collectively referred to as the “Taiwan Service Companies”), the Company established a Third Party Committee (Chair: Hiroshi Murayama, Attorney-at-Law) comprised of outside experts with no interests in the Company to work in earnest to fully discover the details of the incidents and examine recurrence prevention measures. Today, the Company received the “Report on Misconduct at Taiwan Subsidiaries” (hereinafter, Investigative Report) from the Third Party Committee.

The following is a summary of the investigation outcomes from the Third Party Committee, the degree of the financial impact these incidents will have on the Company’s consolidated performance, and the Company’s future course of action.

#### 1. Summary of investigation outcomes from the Third Party Committee

The Investigative Report is as stated in the attached document. Below is a summary.

##### (1) Inappropriate accounting treatment, etc. at the Taiwan Service Companies

###### ① Inappropriate accounting treatment

From the quarter ending in December 2007 until the 2<sup>nd</sup> quarter ending in December 2013, inappropriate accounting treatment took place at the Taiwan Service Companies under successive CEOs that included overstatement of installment receivables (fictitious revenues for interest income, etc. and understatement of operating expenses). When overstatement of accounts receivable, etc., understatement of allowance for bad debts, and overstatement of deferred tax assets are included, the amount totals approximately 845 million Taiwanese dollars for both companies combined.

No other inappropriate accounting treatment was discovered in the Taiwan Service Companies after FY2009 for matters subject to the investigation other than the above.

###### ② Misappropriation by a former director

From August 2002 until June 2009, the former director of the Taiwan Service Companies (Director of the Business Management Head Office, Taiwan Credit Card Company) was found to have committed misappropriation through methods such as the embezzlement of petty cash, improper transfer of company funds into a personal account, improper transfer of company funds into a trader account, improper receipt and processing of credit card balances, improper receipt and processing of compensation from clients, and improper

utilization of corporate credit cards. The amount totals approximately 221 million Taiwanese dollars (including approximately 74 million Taiwanese dollars of incomplete repayment).

(2) Existence of similar events at other overseas Company subsidiaries

An investigation conducted on other overseas Company subsidiaries did not discover inappropriate accounting treatment in recent reporting of accounts of the kind carried out at the Taiwan Service Companies.

(3) Placement of responsibility for these incidents

In addition to the 3 successive CEOs and former director of the Taiwan Service Companies who perpetrated the inappropriate accounting treatment and misappropriation, it was noted that it cannot be said that President and CEO Kazuhide Kamitani and the former president and CEO, Yoshiki Mori do not bear any responsibility from a managerial perspective.

(4) Suggestions for measures to prevent recurrence

The Third Party Committee suggested the following measures to prevent recurrence, summarized below.

- ① Strengthening of corporate governance, compliance, and internal controls, and improving of systems at the Taiwan Service Companies
- ② Strengthening of the Company's legal compliance and subsidiary management systems, improving of systems, and reforming the corporate culture

2. Financial impact on the Company's consolidated performance

The financial impact on the Company's consolidated profits due to the inappropriate accounting treatment and other incidents that occurred at the Taiwan Service Companies totals 914 million Taiwanese dollars (approximately 3 billion yen at today's exchange rate (1 Taiwanese dollar = 3.3 yen) (approximately 880 million Taiwanese dollars at the time of announcement on September 13, 2013, or approximately 2.9 billion yen)). Of that, the impact due to misappropriation is 71 million Taiwanese dollars (or 230 million yen at the same exchange rate (approximately 83 million Taiwanese dollars at the time of announcement on September 13, 2013, or approximately 270 million yen)). The impact on performance in the 2<sup>nd</sup> quarter of the current business year will be reported when it is ascertained, but at this time there is no revision of the consolidated performance forecast for this Company's full business year.

3. The Company's future course of action

(1) Formulating recurrence prevention measures

The Company has taken the suggestions from the Third Party Committee seriously, and effective today, has established a Recurrence Prevention Committee (Chair: President and CEO Kazuhide Kamitani) to ensure this type of incident will not happen again. The Recurrence Prevention Committee will manage and supervise the formulation of sweeping measures to prevent recurrence and their implementation. The recurrence prevention measures will be established and their content announced by October 15, 2013.

(2) Dismissal of persons involved

As announced in the news release dated September 25, 2013, the 3 previous CEOs and former director were all disciplinarily dismissed from this subsidiary and the Taiwan Credit Card Company has filed criminal complaints at the Taiwan Ministry of Justice, Investigation Bureau. With the receipt of this Investigative Report from the Third Party Committee, the Company is currently considering the dismissal of other persons involved, and will determine and make notification of disciplinary action by October 15, 2013.

We sincerely apologize for causing significant trouble and concern to all of our customers, shareholders, and other interested parties.

All executives and employees of the Company Group will work together to strive to restore confidence. We ask for your continued understanding and support.

End.