

November 29, 2019

**Notice of Company Split of Consolidated Subsidiary  
(Incorporation-type Company Split)**

At the meeting of the Board of Directors held today, we resolved to spin off the housework support business of our consolidated subsidiary KAJITAKU CO., Ltd. (hereinafter, "KAJITAKU") into a company split (incorporation-type company split) and succeed to a new company (hereinafter, "the Company Split"), and to make the new company a wholly owned subsidiary of us.

Disclosure items and contents are partially omitted because this company split is an independent incorporation-type split of our subsidiary.

**1. Purpose of the Company Split**

Since its establishment in 2008, KAJITAKU has been engaged in the housework support business which offers housework services and the store support services which offers multi-copiers and photo machines. In 2011, we made KAJITAKU a consolidated subsidiary with the aim of creating synergies with the Group's small-scale store business and condominium management business.

Subsequently, as described in "Measures to Prevent Recurrence of Inappropriate Accounting at Our Consolidated Subsidiary KAJITAKU CO., Ltd.," on July 22, 2019, we formulated measures to prevent a recurrence of the inappropriate accounting at KAJITAKU over the past several years. Based on the recommendations of the Special Investigation Committee, which is composed of outside experts who have no interest in KAJITAKU, we have formulated measures to prevent a recurrence, and are currently promoting measures to rebuild the Company.

Against this backdrop, we discussed the future direction of KAJITAKU from the perspective of group management. As a result, we decided to continue our housework support business, which is expected to continue expanding in the future, and in the store support business, we will suspend sales and installation of new equipment and will focus on fulfilling existing contracts. In order to grow the housework support business and smoothly reorganize the store support business, we decided to transfer the housework support business to the new company and to continue the store support business with the current company, and decided to adopt the Company Split.

We will concentrate management resources to a newly established company to establish core competencies and aim to move to the next stage of growth as a housework support company.

November 29, 2019

2. Outline of the Company Split

(1) Schedule of the split

Board of Directors approving incorporation-type company split	November 29, 2019
Resolution date of the general meeting of shareholders of KAJITAKU	December 25, 2019 (planned)
Effective date of the company split (the date of establishment of the new company)	February 4, 2020 (planned)

(2) Method of the Company Split

This is an incorporation-type company split in which KAJITAKU will be a split company, and the housework support business will be succeeded to a new company.

(3) Details of allotment related to the Company Split

The new company will issue 2,000 shares of common stock at the time of the Company Split and allot all of the shares to KAJITAKU, the Spin-off Company. At the same time, KAJITAKU will distribute all shares allotted to KAJITAKU as dividends from surplus to us, which is the 100% parent company of KAJITAKU.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights related to the Company Split

Not applicable.

(5) Change in capital due to the Company Split

There is no decrease in the capital stock of KAJITAKU due to the Company Split.

(6) Rights and obligations to be succeeded by the new company

On the effective date, the new company will inherit the assets, liabilities, labor contracts, contractual status, and other rights and obligations of KAJITAKU, the split company, which belong to the business subject to this company split, within the extent stipulated in the Company Split Plan.

(7) Prospects of paying debt obligations

We believe that the new company will fulfill its obligations to be incurred in the Company Split.

November 29, 2019

**3. Outline of the company involved in the Company Split**

	Spin-off company (As of November 29, 2019)	Newly established company (As of November 29, 2019)
(1) Company name	KAJITAKU CO., Ltd.	TBD*
(2) Location	4-3-3, Hatchobori, Chuo-ku, Tokyo	4-3-3, Hatchobori, Chuo-ku, Tokyo
(3) Representative	Kenji Soranaka	Kenji Soranaka
(4) Date of establishment	August 22, 2008	February 4, 2020 (planned)
(5) Business description	Store support business	Housework support business
(6) Capital stock	155 million yen	100 million yen
(7) Number of shares issued	270 shares	2,000 shares
(8) Fiscal year end	End of Feb.	End of Feb.
(9) Shareholder Composition	AEON DELIGHT CO., LTD. 100%	AEON DELIGHT CO., LTD. 100%

\* The trading name of the new company will be determined from in-house ideas.

**4. Financial position and operating results of the split company for the most recent fiscal year**

Item	FY2/19 (Millions of yen)
Net sales	5,443
Operating income	-4,042
Ordinary income	-4,050
Net income	-4,238
Total assets	1,353
Net assets	-13,203

**5. Status of the company after the split**

For the trade names, locations, representatives, business activities, capital stock and fiscal year-end of the company and the new company after the split, please refer to the "3. Outline of the company involved in the Company Split."

**6. Future outlook**

Companies involved in the Company Split is a wholly-owned subsidiary of us, and the effect of the Split on our consolidated financial results will be minor.