

Translation of report filed with the Tokyo Stock Exchange on December 16, 2008

**New Cooperation for Prevailing Against Global Competition
AEON Co., Ltd. and Mitsubishi Corporation Conclude Comprehensive Business
Alliance Agreement**

AEON Co., Ltd. (AEON) and Mitsubishi Corporation (MC) recently concluded a comprehensive business alliance agreement, as outlined below. The two companies enjoy a friendly business relationship, having cooperated in various fields, such as shopping center development and product procurement, from the founding days of JUSCO Co., Ltd., the forerunner to AEON.

AEON's fundamental business principles are the pursuit of peace, respect for human dignity and contribution to the community, always with the customer as the starting point. Under these principles, AEON operates a chain of 11,000 stores in Japan and overseas, including China and Southeast Asia. It has also made efforts to reform distribution in various ways with the aim of maximizing customer satisfaction.

MC, for its part, has aimed to contribute to the enrichment of society through business activities with customers around the world in all kind of industries over many years, with its activities always rooted in the principles of fairness and integrity.

Today, many societies are facing unprecedented and dramatic change. In Japan, against a backdrop of a falling birthrate, an ageing society and an increasingly advanced networked society, among other dynamics, people's values are evolving dramatically. Amid this evolution, the retailing, intermediary distribution, manufacturing and other industry sectors are continuing to experience fierce competition prompted by the need to respond to these changing conditions. In addition, the financial crisis that originated in the United States is having a serious impact on the real economies of countries worldwide.

To overcome these economic conditions and achieve stable economic growth over the long term, Japan must shift the fulcrum of their economic growth models from export dependency to growing internal demand. Looking ahead, as the Asian region grows into a world-leading, gigantic consumer market, these changes to the very structures of industries spell enormous business opportunities for AEON and MC.

The comprehensive business alliance between the two companies is based on recognition of the current business environment as well as a relationship of trust cultivated over many years. AEON and MC will take advantage of each other's networks—AEON's store and customer network and MC's global procurement and information network—with the aim of achieving long-term prosperity and continuous growth at both companies. Looking ahead, the two companies will work together to establish consumer-oriented society in Japan, Asia and the world.

AEON and MC plan to immediately establish an alliance committee, which will formulate concrete plans for mutual cooperation.

MC had purchased 36,748 thousand AEON shares, or 4.59% of AEON's issued shares, as of November 12, 2008. As a result of subsequent discussions, MC and AEON agreed to conclude this comprehensive business alliance agreement today. MC now plans to increase its shareholding in AEON to 40,422 thousand shares, or 5.05% of AEON's issued shares.

1. Details of the Comprehensive Business Alliance Agreement

(1) Initiatives to modernize and streamline distribution mechanisms

Establish an efficient and streamlined global supply chain in pursuit of cost reductions, etc.

(2) Creation of a system for procuring products offering quality and prices that satisfy consumers

Leverage global networks to develop and procure raw materials, products, and materials and equipment.

(3) Initiatives in finance, IT and marketing designed to maximize consumer convenience

Finance, IT and media consumer businesses

(4) Other businesses agreed to by both companies

2. MC's Shareholding in AEON

Shares held: 36,748 thousand shares

Purchase method: Open market purchase

Purchase cost: 36.8 billion yen

<Company Overview>

[AEON Co., Ltd.]

Head Office: 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

Established: September 1926

Capital: 199.0 billion yen

Businesses: Pure holding company, chain store and shopping center operations

No. of Employees: 70,341 (As of February 20, 2008, consolidated)

Representative: Motoya Okada, President



3-1, MARUNOUCHI 2-CHOME, CHIYODA-KU, TOKYO 100-8086, JAPAN
Investor Relations Office

[Mitsubishi Corporation]

Head Office: 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Established: April 1950

Capital: 202.6 billion yen

Businesses: Diverse businesses in a broad range of fields, including domestic trading, import, export and foreign trading of energies, metals, machinery, chemicals and living essentials, provision of information, finance, logistics and other services, and domestic and international business investment.

No. of Employees: 60,664 (As of March 31, 2008, consolidated)

Representative: Yorihiro Kojima, Representative Director, President & CEO

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