



AEON STORES (HONG KONG) CO., LIMITED

永旺(香港)百貨有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 984)

CHANGE AND REDESIGNATION OF DIRECTORS

The Board of the Company announces the following:

1. Mr. Naoyuki Miyashita will be appointed as a director and the Managing Director of the Company with effect from 21 June 2005;
2. Mr. Kazumasa Ishii will resign as the Managing Director of the Company with effect from 21 June 2005 and his directorship in the Company will be redesignated from executive director to non-executive director; and
3. Mr. Kozo Murata will resign as a director and the Deputy Managing Director of the Company with effect from 21 June 2005.

The Board of Directors (the “Board”) of AEON Stores (Hong Kong) Co., Limited (the “Company”) announces the following:

1. Mr. Naoyuki Miyashita (“Mr. Miyashita”) will be appointed as a director and the Managing Director of the Company with effect from 21 June 2005;

2. Mr. Kazumasa Ishii (“Mr. Ishii”) will resign as the Managing Director of the Company with effect from 21 June 2005 and his directorship in the Company will be redesignated from executive director to non-executive director as from that date; and
3. Mr. Kozo Murata (“Mr. Murata”) will resign as a director and the Deputy Managing Director of the Company with effect from 21 June 2005.

Mr. Naoyuki Miyashita

Mr. Miyashita, aged 54, is presently the Managing Director of Guangdong Jusco Teem Stores Co. Ltd. (“GD Jusco”), a subsidiary of the Company. He graduated from Kyoto Sangyo University with a bachelor degree in Business Administration. He joined AEON Co., Ltd. in 1975.

There will be a service contract entered into between the Company and Mr. Miyashita. The service contract, when concluded, will be for a period of one year and renewable automatically for consecutive periods of one year subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with its articles of association. Subject to the service contract, Mr. Miyashita’s annual remuneration including fringe benefits and housing allowance (which will be pro-rata to the period of services in the year of his appointment and of his resignation) will be HK\$1,636,000 plus a year end bonus at the discretion of the Board with reference to the review of the Remuneration Committee of the Company. The remuneration of directors of the Company is

determined by the Board with reference to the Company's performance and profitability, as well as the remuneration benchmark in the industry and the prevailing market conditions.

As at the date of this announcement, Mr. Miyashita does not have any interest or short position in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Miyashita does not hold any directorship in other listed public companies in the past three years or any position in the Group, nor he has any relationship with any directors, senior management or substantial or controlling shareholders of the Company, and he has also confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with his appointment.

Mr. Kazumasa Ishii

Mr. Ishii will take up the post of Managing Director of AEON (China) Co., Limited, a wholly owned subsidiary of the Company, following his resignation as the Managing Director of the Company on 21 June 2005. His directorship in the Company will also be redesignated from executive director to non-executive director as from that date.

Mr. Kozo Murata

Mr. Murata will take up the post of Managing Director of GD Jusco following his resignation as a director and the Deputy Managing Director of the Company on 21 June 2005. Mr. Murata has confirmed that there is no disagreement with the Board and there is no matter relating to his resignation that

needs to be brought to the attention of the shareholders of the Company.

The Board would like to welcome Mr. Miyashita on his appointment. The Board also wishes to take this opportunity to express its sincere thankfulness to Mr. Ishii and Mr. Murata for their valuable contributions to the Company over the years.

By Order of the Board
Kazumasa Ishii
Managing Director

Hong Kong, 17 June 2005

As at the date of this announcement, the Board of the Company comprises Mr. Kazumasa Ishii, Mr. Kozo Murata, Mr. Wong Mun Yu and Mr. Lam Man Tin as executive directors; Mr. Toshiji Tokiwa, Mr. Motoya Okada and Mr. Tatsuichi Yamaguchi as non-executive directors; and Dr. Shao You Bao, Mdm. Lam Pei Peggy, and Mr. Sham Sui Leung, Daniel as independent non-executive directors.

Please also refer to the published version of this announcement in The Standard.