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RELEASE

To all persons concerned

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Notice regarding Commencement of Tender Offer for stock of Daiei, Inc.

Aeon Co., Ltd. (hereinafter referred to as "Aeon" or the "Tender Offeror") hereby announces that Aeon determined on March 27, 2013 to acquire the Common Stock and the Class A Stock of the Daiei, Inc. (Securities Code: 8263, Tokyo Stock Exchange 1st Section; hereinafter referred to as the "Target Company") through tender offer (hereinafter referred to as the "Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the "Act").

Note that the execution of the Tender Offer is subject to the condition that, as a result of the review of business combination between Aeon and the Target Company (hereinafter referred to as the "Review of Business Combination") currently being performed by the Fair Trade Commission pursuant to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; hereinafter referred to as the "Anti-Monopoly Act"), Aeon shall receive a notification to the effect that a Cease and Desist Order (as defined in Article 17-2, paragraph (1) of the Anti-Monopoly Act) will not be issued against Aeon from the Fair Trade Commission. While Aeon intends to execute the Tender Offer immediately upon completion of the Review of Business Combination by the Fair Trade Commission, it is difficult to estimate how many days it will take for the Fair Trade Commission to complete the Review of Business Combination as of March 27, 2013. Therefore, Aeon will inform the schedule of the Tender Offer immediately upon completion of the Review of Business Combination by the Fair Trade Commission.

Remarks

1. Objective and other Matters With Respect to the Tender Offer

(1) Overview of the Tender Offer

As of March 27, 2013, Aeon is the largest shareholder of the Target Company with 39,504,000 shares of the stock thereof (consisting of 9,644,000 shares in Common Stock and 29,860,000 shares in Class A Stock (Note 1)); The number of each unit stock in Common Stock of the Target Company is 50 shares and the same number applies to each unit stock in Class A Stock thereof. The ratio of the number of the voting rights held by Aeon to the total number of the voting rights held by all shareholders of the Target Company as of August 31, 2012 (3,973,080 voting rights) as indicated in the Target Company's 3rd quarterly securities report for the 62nd fiscal year filed by the Target Company on January 10, 2013 (hereinafter referred to as the "Shareholding Ratio," and fractions rounded off to the second decimal place) is 19.89%). While Aeon's Shareholding Ratio is less than 20%, Aeon treats the Target Company as an affiliate accounted for under the equity method in view of its substantial influence on the Target Company.

Now, Aeon determined to acquire 36,650,470 shares of the Target Company (21,170 shares in Common Stock and 36,629,300 shares in Class A Stock; the Shareholding Ratio: 18.45%) which are the whole shares held by Marubeni Corporation (hereinafter referred to as "Marubeni"), the second largest shareholder of the Target Company as of March 27, 2013, and also to acquire 11,710,350 shares of the Target Company (1,758,400 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 5.89%) which are computed as 21,643,050 shares (11,691,100 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 10.89%) held by Marubeni Retail

Investment Corporation (a fully-owned subsidiary of Marubeni, hereinafter referred to as “Marubeni RI”) as of March 27, 2013, minus 9,932,700 shares in Common Stock (the Shareholding Ratio: 5.00%), a portion not subject to the Tender Offer already agreed between Aeon and Marubeni. In other words, for the purpose of having the Target Company a consolidated subsidiary of Aeon by acquiring 48,360,820 shares of the stock thereof (1,779,570 shares in Common Stock and 46,581,250 shares in Class A Stock; the Shareholding Ratio: 24.34%), Aeon will execute the Tender Offer to target all the issued shares of the Target Company (however, excluding 9,932,700 shares in Common Stock (the Shareholding Ratio: 5.00%) and the treasury shares held by the Target Company).

Note that the execution of the Tender Offer is subject to the condition that, as a result of the Review of Business Combination currently being performed by the Fair Trade Commission, Aeon shall receive a notification to the effect that a Cease and Desist Order will not be issued against Aeon from the Fair Trade Commission. While Aeon intends to execute the Tender Offer immediately upon completion of the Review of Business Combination by the Fair Trade Commission, it is difficult to estimate how many days it will take for the Fair Trade Commission to complete the Review of Business Combination as of March 27, 2013.

Aeon made a prior notification to the Fair Trade Commission with regard to the acquisition of stock through the Tender Offer on March 1, 2013, which was accepted by the Fair Trade Commission on the same date. If the Review of Business Combination completes in the first review (an examination to be performed for 30 days, in principle, from the date when the prior notification is accepted by the Fair Trade Commission), Aeon plans to commence the Tender Offer at the beginning of April 2013. However, when Aeon is requested to provide additional information to the Fair Trade Commission at the completion of the first review, Aeon will plan to commence the Tender Offer in the middle of July 2013, given that Aeon will have to commence the Tender Offer upon receipt of notification from the Fair Trade Commission to the effect that a Cease and Desist Order will not be issued against Aeon from the Fair Trade Commission as a result of the second review, which will be performed until the date after 120 days from the acceptance of the prior notification by the Fair Trade Commission or the date after 90 days from the acceptance of all the reports by the Fair Trade Commission, whichever is the latest. Aeon plans to inform the progress at the beginning of April 2013 when the first review is completed. In addition, Aeon will inform the schedule of the Tender Offer immediately upon completion of the Review of Business Combination by the Fair Trade Commission.

Before the execution of the Tender Offer, Aeon signed a strategic partnership agreement (hereinafter referred to as “the Partnership Agreement”) effective March 27, 2013 and a tender offer subscription agreement (hereinafter referred to as “the Subscription Agreement”) with Marubeni, the second largest shareholder of the Target Company. In particular, the Partnership Agreement was made and entered into by and between the parties with the aim of providing quality merchandise and services at lower cost for the benefit of consumers on the basis of the trustful relationship between the two parties through collaboration and sharing of Marubeni’s global procurement network and Aeon’s retail network. While Aeon concluded a shareholders agreement and its accompanying memorandum (hereinafter referred to as the “Shareholders Agreement”) with Marubeni and Marubeni RI effective March 9, 2007, the parties plan to terminate the Shareholders Agreement upon conclusion of the Partnership Agreement, subject to the completion of the Tender Offer. In addition, while Marubeni and the Target Company entered into a business alliance agreement (hereinafter referred to as “the Business Alliance Agreement”), effective March 9, 2007, the parties plan to terminate the Business Alliance Agreement upon termination of the Shareholders Agreement, subject to the completion of the Tender Offer. Note that the execution of the Tender Offer is subject to the condition that Aeon shall receive a notification to the effect that a Cease and Desist Order will not be issued against Aeon from the Fair Trade Commission.

In concluding the Subscription Agreement with Marubeni, with regard to the Class A Stock of the Target Company with a put option in consideration of the Common Stock of the Target Company, Marubeni agrees that Marubeni will not exercise and cause Marubeni RI not to exercise the put option attached to the Class A Stock of the Target Company held by Marubeni and Marubeni RI as of March 27, 2013 (46,581,250 shares in total) before the completion of the Tender Offer, and that Marubeni will subscribe the Tender Offer with the total shares of 48,360,820 shares of the stock thereof (1,779,570 shares in Common Stock and 46,581,250 shares in Class A Stock; the Shareholding Ratio: 24.34%), computed as

the number of shares held by Marubeni as stated above, plus 21,643,050 shares (11,691,100 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 10.89%) held by Marubeni RI as of March 27, 2013 that will be transferred from Marubeni RI to Marubeni by the commencement of the Tender Offer, and then deducted by 9,932,700 shares in Common Stock (the Shareholding Ratio: 5.00%), a portion not subject to the Tender Offering already agreed between Aeon and Marubeni. For details of the Partnership Agreement and the Subscription Agreement, see “(3) Important Agreements Relating to Tender Offer” as stated later.

Aeon intends to acquire 36,650,470 shares of the Target Company (21,170 shares in Common Stock and 36,629,300 shares in Class A Stock; the Shareholding Ratio: 18.45%) which are the whole shares held by Marubeni as of March 27, 2013, and also to acquire 11,710,350 shares of the Target Company (1,758,400 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 5.89%) which are computed as 21,643,050 shares (11,691,100 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 10.89%) held by Marubeni RI as of March 27, 2013, minus 9,932,700 shares in Common Stock (the Shareholding Ratio: 5.00%), a portion not subject to the Tender Offering already agreed between Aeon and Marubeni. As a result of the Tender Offer, Aeon will hold 44.23% of the total number of voting rights of the Target Company.

Thus, as Aeon intends to execute the Tender Offer with the aim of making the Target Company a consolidated subsidiary under the Substantial Control Criteria by holding more than 40% of the voting rights of the Target Company and having a majority of Aeon’s directors and employees in the number of board members of thereof, Aeon sets the minimum planned purchasing number of shares of the stock thereof as the same number of shares of the stock already agreed by Marubeni to subscribe the Tender Offer (48,360,820 shares; the Shareholding Ratio: 24.34%). Therefore, if the total of the number of shares of the stock tendered falls short of the minimum of the number of shares to be purchased (48,360,820 shares), the purchase of all of the shares tendered shall not be conducted. On the other hand, Aeon does not set the maximum number of shares planned to be purchased because Aeon intends to provide opportunities to sell for the shareholders thereof who want to sell the shares through the Tender Offer. Therefore, Aeon will purchase all of the tendered shares of the stock if the total number of tendered shares of the stock "is equal to or exceeds the minimum planned purchasing number (48,360,820 shares); however, the Tender Offer is not intended to delist the stock of the Target Company (For the likelihood of delisting of the stock of the Target Company due to the Tender Offer, see “(6) Likelihood of Delisting and Reasons for Delisting”).

In case the Tender Offer is successful, Aeon plans to convert all the shares of Class A Stock of the Target Company (76,441,250 shares) which will be held by Aeon after the Tender Offer into Common Stock of the Target Company after the expiration of the period eligible for the Tender Offer (hereinafter referred to as the “Tender Offer Period”). However, as the Class A Stock has voting rights and the number of each unit stock in Class A is 50 shares as the same number of unit stock in Common Stock thereof, each share of Class A Stock will be converted into 1.0 share of new Common Stock. Therefore, the number of voting rights of the total shareholders of the Target Company will not change due to the conversion.

The “Notice of Daiei’s Opinion regarding Tender Offer of Daiei’s Stock by Aeon Co., Ltd.” announced on March 27, 2013 (hereinafter referred to as the “Target Company’s Press Release”) indicates that the Target Company resolved at its Board of the Directors’ meeting held on March 27, 2013 to agree with the Tender Offer judging that the Tender Offer for the purpose of making the Target Company a consolidated subsidiary of Aeon will improve the profitability at an early date, accelerate the business development in future and improve earnings, eventually boosting the shareholder value for the benefit of the Target Company’s shareholders, under the recognition that a creation of stronger capital and business alliance with Aeon is essentially necessary to improve with a focus on boosting the enterprise value and maximizing return to the shareholders after considerable discussions of the conditions of the Tender Offer including the legal advices obtained from TMI Associates, a legal office. On the other hand, the Target Company intends to disclose its opinion regarding the subscription of the Tender Offer together with the brief announcement of the most recent financial statement of the Target Company for the fiscal year ended February 28, 2013 that will be announced on April 12, 2013, based on the consideration to the discussions of both consolidated and non-consolidated results now being prepared

for the fiscal year ended February 28, 2013 and the analysis of the details of the results including earnings forecast for the fiscal year ending February 28, 2014.

(Note 1) As a put option is attached to Class A Stock in consideration of the Common Stock of the Target Company and each share of Class A Stock is to be converted into 1.0 share of new Common Stock, if exercised as of e.g. March 27, 2013, each share of Class A Stock of the Target Company is deemed as 1.0 share of Common Stock thereof, for the purpose of computing the number of shares of stock thereof in the Tender Offer. In addition, note that each unit stock in Class A Stock of the Target Company (50 shares) has one (1) voting right.

(2) Background, Objective and Process of Decision Making on Determining Execution of the Tender Offer, and Management Policy after the Tender Offer

Aeon Group consists of more than 200 companies with a core of AEON Co., Ltd., a pure holding company, with a variety of businesses with a core of retail businesses including GMS Business as a chain with outlets nationwide ranging from Hokkaido through Okinawa, together with diversified related businesses including Finance, SC (Shopping Center) Development and Services Businesses. On the other hand, the Target Company is also mainly engaged in retail businesses including Supermarket (SM) format, Super Supermarket (SSM) format and Discount Store (DS) format businesses throughout the nation.

Aeon, the Target Company and Marubeni set up a Business Collaboration Study Committee and conducted a comprehensive deliberation based on the Memorandum of Understanding on Exclusive Negotiation regarding Capital and Business Alliance for the Target Company that was concluded in October 2006 for the purpose of early revitalization of the Target Company. After considerable discussion, the parties judged that both Aeon and the Target Company could realize an early revival of the Target Company and boost the enterprise value by respecting the other party's goodwill and ensuring mutual collaboration and coordination through the management principle of "Customer Creed" common to both Aeon and the Target Company. The parties agreed to the Business Alliance Agreement on March 9, 2007, and concluded the Business Alliance Agreement on the same date. In addition, the parties judged it necessary that Marubeni should transfer a part of shares of the stock of the Target Company (29,860,000 shares in Class A Stock of the Target Company; the Shareholding Ratio: 15.31%) to Aeon, and that both Aeon and Marubeni should dispatch personnel to the board members of the Target Company for the purpose of building reliable and cooperative relationship among the three companies. On that basis, the three parties collaborated one another in harmony aiming at early revival of the Target Company, in particular, through sharing of managerial resources and know-how between Aeon and the Target Company in areas of cooperative purchasing, joint development, joint marketing, collaborative logistics, reduction in materials and costs and personnel exchanges leveraging the advantage of scale of allied giant retailers with over operating revenue of more than ¥6 trillion (as of March 9, 2007) and through assistance by Marubeni as a major general trading company providing merchandise to both Aeon and the Target Company.

However, while Aeon is nominally the largest shareholder of the Target Company as of March 27, 2007 with 39,504,000 shares (9,644,000 shares in Common Stock and 29,860,000 shares in Class A Stock; the Shareholding Ratio: 19.89%) and treats the Target Company as an affiliate accounted for under the equity method, Marubeni is effectively the largest shareholder of the Target Company with 58,293,520 shares (11,712,270 shares in Common Stock and 46,581,250 shares in Class A Stock ; the Shareholding Ratio: 29.34%), consisting of its directly-owned shares and the indirectly-owned shares through Marubeni RI, a wholly-owned subsidiary of Marubeni. Under the current capital and voting conditions between Aeon and the Target Company, Aeon, serving as the same GMS business as the Target Company, has difficulty in actively promoting the managerial reform of the Target Company. As a result, the current status between Aeon and the Target Company is far from producing synergistic effects with the use of scale of economies, as the Target Company has been suffering from operating loss for five consecutive fiscal years from fiscal year ended February 28, 2009 to fiscal year ending February 28, 2013. In addition, the environment surrounding retail business has become tougher and tougher year by year due to ongoing deflationary trend, rise in electricity and gas prices, worsening employment situation and a fear of declining disposable income in light of coming consumption tax hike.

In the retail industry, price competition beyond industrial sectors, business formats and sales channels have been intensified, and the market participants in retail industry, including Aeon and the Target Company, have increasingly been required to make more managerial efforts to address these tough conditions. For the purpose of exploring synergistic effects between Aeon and the Target Company and boosting enterprise values of the two parties, Aeon finally determined to review the current capital and voting conditions among the three parties.

At present, Aeon addresses a group-wide structural reform for a new growth stage as a part of three year Medium-term Management Plan ending February 2014, with the aim of improving brand recognition and deepening community-based operations. In addition, as stated in the press release for the organizational reform titled as "Organization Reform and Personnel Changes" announced on March 1, 2013, for the purpose of attaining further growth in Aeon Group after the current management plan, Aeon is working on improving business organization with the aim of accelerating the second phase of GMS Business Structural Reform and creating a solid management base.

Aeon sets a group-wide strategy as "Metropolitan-Focus" in the three-year management plan for the achievement of new growth opportunities, and promotes various retail formats in Aeon Group to develop businesses to improve the market share in the Tokyo metropolitan district and other big cities. Under this strategic approach, Aeon judged around June 2012 it the best to make the Target Company a consolidated subsidiary of Aeon in order to improve the enterprise values of the two companies due to the following reasons: (i) Making the Target Company a consolidated subsidiary of Aeon is likely to help Aeon promote Metropolitan-Focus strategy and improve its market share in the urban areas; (ii) A close capital tie-up is likely to enable both Aeon and the Target Company to procure merchandise more effectively and efficiently leveraging the scale of economy as well ; (iii) The both companies will be able to make physical distribution and operational systems more efficient; (iv) The Target Company will be able to facilitate the recruitment or retention of human resources and also address measures to improve profitability at early date; (v) the Target Company will be able to improve the attractiveness of retail outlets through sharing of Aeon's business bases and management know-how (development of property for retail facilities, tenant leasing, and merchandising in non-food items (Note 2)); and (v) Aeon's financial assistance will enable The Target Company to implement growth strategy and activate store properties. On the other hand, in consideration of the relationship between Marubeni and the Target Company for the purpose of achieving early revival of the Target Company under the collaboration of the three parties, Aeon and Marubeni held initial talks around December 2012. As a result, Marubeni agreed to continue the alliance among the three parties including Marubeni's continuous shareholding of five (5) percent of the stock of the Target Company after the completion of the Tender Offer. In response to this, Aeon proposed the Tender Offer to the Target Company at the beginning of March 2013, and after several discussions, Aeon determined to execute the Tender Offer on March 27, 2013.

As explained earlier, while the Business Alliance Agreement among Aeon, the Target Company and Marubeni shall be terminated upon completion of the Tender Offer, Aeon would like to enhance collaboration with the Target Company after Aeon made the Target Company a consolidated subsidiary of Aeon following the completion of the Tender Offer, in manners that: (i) Aeon will respect individual initiatives and independency of the Target Company based on the purposes of the Business Alliance Agreement; (ii) Aeon and the Target Company will respect the other party's goodwill through the management principle of "Customer Creed" common to both Aeon and the Target Company; (iii) Aeon and the Target Company will achieve good merchandise and services supported by consumers not to mention of developing the both companies further through mutual collaboration and coordination surpassing the challenges; and (iv) Aeon will take into consideration the strengths of the Target Company. The both companies will hold consultations in order to produce synergistic effects through consolidation of the Target Company to the maximum extent possible.

As of March 27, 2013, Aeon nominated three (3) director candidates and one (1) standing auditor candidate (who are or were directors or employees of Aeon) for the Target Company. Aeon plans to advise the Target Company to submit a proposal of election of these candidates nominated by Aeon for the ordinary general meeting of shareholders of the Target Company. In addition, Marubeni has a right to appoint one (1) director of the Target Company. Furthermore, Aeon have no idea of change at the Target Company, including its trade name, store names, businesses, employment, personnel system and remuneration structure. Therefore, Aeon considers the continuation of the present business

operations and management organization.

(Note 2) The word “merchandising in non-food items” represents general operations in connection with sales and marketing of merchandise and services for clothing, households or other non-food items. In particular, they indicate a development of products and services, assortment of merchandise, arrangement of sales floor space or production, other operations related to a series of sales promotions.

(3) Important Agreements Relating to Tender Offer

(i) The Partnership Agreement

Aeon, Marubeni, Marubeni RI, and Marubeni Foods Investment Co., Ltd. (merged into Marubeni RI, a surviving company on July 5, 2011 and the equity interest was transferred to Marubeni RI) entered into the Shareholders Agreement on March 9, 2007 and agree that the shareholders shall exercise the voting rights of the Target Company in a specific manner in cases where the conditions do not meet a certain requirement; and that the shareholders shall be prohibited from transferring or assigning the stock of Target Company in cases where the conditions do not meet a certain requirement. However, before the execution of the Tender Offer Aeon entered into the Partnership Agreement with Marubeni effective March 27, 2013 and Aeon intends to terminate the Shareholders Agreement pursuant to the Partnership Agreement, subject to the completion of the Tender Offer. Note that, under the Partnership Agreement, the parties agree to the matters set forth below, subject to the completion of the Tender Offer, in addition to the matters concerning the execution of the Tender Offer: (a) Aeon and Marubeni shall build an efficient supply chain management in the food field both in Japan and abroad based on the strategic partnership between Aeon and Marubeni; (b) Marubeni shall ensure that Marubeni Group will continue to make a stable supply of merchandise to the Target Company so as to improve the business performance of the Target Company; (c) Aeon shall provide financial supports to the Target Company as to the repayment of borrowings from financial institutions and other required working capital (d) With regard to 9,932,700 shares in Common Stock, a portion that will be continuously held by Marubeni after the completion of the Tender Offer (the Shareholding Ratio: 5.00%; hereinafter referred to as the “Continuously Held Sock” in this (i)), out of 21,643,050 shares (11,691,100 shares in Common Stock and 9,951,950 shares in Class A Stock; the Shareholding Ratio: 10.89%) that are held by Marubeni RI as of March 27, 2013 and will be transferred from Marubeni RI to Marubeni by the commencement of the Tender Offer, the parties agree to set the exercise price of put option (to be exercised by Marubeni against Aeon) attached to the Continuously Held Sock as the same price as the Tender Offer Price; (e) While Marubeni holds the Continuously Held Sock, Marubeni has a right to appoint one (1) director of the Target Company; (f) While Marubeni holds the Continuously Held Sock, Aeon shall obtain prior permission from Marubeni in cases where Aeon changes the conditions of the Continuously Held Sock or where Aeon receives the Continuously Held Sock in exchange for cash or other assets, and Aeon shall make a prior notification to Marubeni as to important events, such as an organizational restructuring of the Target Company; and (g) the parties agree to terminate the Shareholders Agreement.

(ii) Tender Offer Subscription Agreement

In executing the Tender Offer Aeon has entered into this Tender Offer Subscription Agreement with Marubeni as of March 27, 2013. Under the Tender Offer Subscription Agreement Marubeni has a right vested with its Class A stock to acquire the common stock in the Target Company but it has agreed that it will not exercise the said right by itself nor allow Marubeni RI to exercise it on their Class A stock (their stakes totaling 46,581,250 shares) until the Tender Offer is closed and has agreed with Aeon that it sells 48,360,820 shares in the Target Company (1,779,570 shares of common stock and 46,581,250 shares of Class A stock representing 24.34% in equity stake ratio), excluding 9,932,700 shares of common stock in the Target Company (equity stake ratio; 5.00%) on which Marubeni and Aeon have agreed that they are not offered in the Tender offer, after Marubeni has acquired 21,643,050 shares in the Target Company (totaling 11,691,100 shares of common stock and 9,951,950 shares of Class A stock or 10.89 % in equity stake ratio) held by Marubeni RI as of this date.

Additionally, Marubeni may opt not to offer to sell the shares under or cancel the Tender Offer Subscription Agreement, when (a) the representations and warranties (Note 1) under the Tender Offer Subscription Agreement are not true and accurate in a material respect, (b) Aeon breaches any obligation under the Tender Offer Subscription Agreement (Note 2), (c) the Target Company fails to adopt a resolution to approve the Tender Offer by unanimous consent of all attending directors or announce the content of the said resolution, or retracts it or adopts a resolution that is inconsistent with it, (d) there is newly found an impact that makes it impossible to accept the Tender Offer under normal

social conventions due to a natural disaster or other reason not attributable to Marubeni and Marubeni RI, (e) Aeon does not receive the notice to the effect that a cease and desist order is not issued under the Anti-Monopoly Act, (f) bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, special liquidation and other applicable legal proceedings of the same type (including those under the foreign laws) are commenced against Aeon or (g) Marubeni makes a rational decision that the application in the Tender Offer will breach the director's duty of due care as a prudent manager or duty of loyalty. Even in such cases, however, Marubeni is not prohibited or restricted from making an application in the Tender offer at its discretion.

(Note 1) Under the Tender Offer Subscription Agreement (i) the conclusion, implementation and enforceability of the Tender Offer Subscription Agreement, (ii) acquisition of necessary permits and approvals, (iii) absence of infringement of laws and regulations, company rules, other agreements, etc. contracts and (iv) matters relating to financing are made the matters of representations and warranties.

(Note 2) Under the Tender Offer Subscription Agreement Aeon have duties of (i) executing the Tender Offer in accordance with the Tender Offer Subscription Agreement, (ii) confidentiality and (iii) non-assignment of its contractual status and rights and obligations.

(4) Measures to ensure the fairness of the Tender offer including those for ensuring the fairness of the price of the Tender Offer and avoiding the conflict of interests

As of this date the Target Company is not the subsidiary of Aeon but Aeon, Marubeni and Marubeni RI have the stocks in the Target Company totaling 97,797,520 shares (21,356,270 shares of common stock and 76,441,250 shares of Class A stock with equity stake of 49.23%) and out of the eight directors of the Target Company two are dispatched from Aeon and Marubeni, one from Aeon and one from Marubeni. And out of five auditors of the Target Company, two are the persons dispatched from Aeon and Marubeni, one each from them doubling as director, and another is from Marubeni. Therefore, Aeon and the Target Company take the following measures in order to secure the fairness of the tender offer price and eliminate arbitrariness and avoid the conflict of interests in the process of decision making on the implementation of the Tender Offer. In addition, the measures taken by the Target Company in the following descriptions are based on the explanations given by the Target Company.

(i) Acquisition by Aeon of the Stock Value Calculation Document from the independent third party calculation institution

In deciding the Tender Offer price Aeon asked SMBC Nikko Securities Inc. (hereinafter referred to as "SMBC Nikko Securities"), an financial advisor independent from Aeon, Marubeni, Marubeni RI and the Target Company, to calculate the value of the share of common stock in the Target Company. SMBC Nikko Securities does not fall into the category of related parties of Aeon, Marubeni, Marubeni RI and the Target Company and has no significant interest in any of them with respect to the Tender Offer.

SMBC Nikko Securities has calculated the stock value of the common stock in the Target Company, using the market price method, comparable multiple valuation and a discounted cash flow method (hereinafter called as "DCF Method") after having deliberated the calculation methods to be adopted from among various stock value calculation methods in calculating the stock value of the common stock in the Target Company, and Aeon has obtained the Stock Value Calculation Document concerning the calculation results of the value of the stock in the Target Company from SMBC Nikko Securities as of march 26, 2013.

Additionally, Aeon has not obtained the fairness opinion concerning the fairness of the Tender Offer price from SMBC Nikko Securities. The stock values calculated by SMBC Nikko Securities using the said methods are shown below;

Market Price Method	208 yen to 221 yen
Comparable multiple valuation	144 yen to 205 yen
DCF Method	222 yen to 366 yen

On March 17, 2013 some media reported speculations on this matter. In applying the market price method, March 15, 2013, the business day immediately preceding the day affected by the said speculation report, has been adopted as the reference date and, based on the simple average of the closing stock prices at the First Section of Tokyo Stock Exchange, Inc. (hereinafter called as "Tokyo

Stock Exchange ") for the latest one month and three months (221 yen and 208 yen respectively with the numbers of decimal places rounded off, which is applied to the calculation of the simple stock price average), it has been analyzed that the stock value per share price ranges from 208 yen to 221 yen. According to SMBC Nikko Securities the common stock of the Target Company is deemed to keep adequate liquidity, so that the simple average for the latest 6 months is not considered.

In the comparable multiple valuation the listed companies comparable with the Target Company in business operations are selected and the multiples of the certain financial figures of the said companies are applied to the financial figures of the Target Company to value the stock price and it has been analyzed that the stock value per share ranges from 144 yen to 205 yen.

According to the DCF method, the free cash flows expected to be generated by the Target Company in the future years are discounted to the present value at a certain discount rate, based on the earnings forecast for the financial year ending February, 2014 and the following financial years taking into consideration the business plan for the Target Company submitted to SMBC Nikko Securities by Aeon , latest trend of operation results, publicly disclosed information and other factors, and the corporate value and stock value have been analyzed to range from 222 yen to 366 yen.

Additionally, the business plan concerning the Target Company deliberated in the calculation by SMBC Nikko Securities using the DCF method has been prepared based on Aeon's interview with the Target Company at the time when it received the data and materials relating to the future outlook and measures of the Target Company. And this business plan concerning the Target Company included the financial year when a large increase in earnings is expected thanks to the effect of profit increase mainly from the expansion of private brand products and joint merchandise procurement. In calculating the stock value of the common stock in the Target Company SMBC Nikko Securities said that it had prospectively considered the forecast of operation results for the full financial year ending February 2014 stated in the "Notice concerning the entry of extraordinary loss (impairment loss on the fixed assets) and the amendment of the forecast of the full year consolidated results" the Target Company announced on March 27, 2013.

Consulting the results of the calculation of the stock value of the common stock in the Target Company by SMBC Nikko Securities, Aeon has decided to set the Tender Offer price at 270 yen finally after negotiations with Marubeni, taking into account the trend of the market price of the common stock in the Target Company in the past three months and other factors comprehensively.

In addition, this Tender Offer price is discount of 14.83% compared with the closing price of 317 yen at the First Section of Tokyo Stock Exchange on March 26, 2013, the business day immediately preceding the date of announcement of the Tender Offer (with the third decimal place rounded off , which applies to the calculation of discount and premium in the following part) and 21.62% premium over the simple average of the closing prices in the latest month at 222 yen, and 42.86% premium against the simple average of 189 yen for the latest 6 months.

The price for the purchase of the shares of Class A stock in the Target Company has been set at 270 yen per share of Class A stock, essentially equal to the Tender Offer price of the share of common stock. Specifically, the said share of Class A stock carries the right to acquire the common stock in the Target Company. Therefore, if the said right is exercised on March 27, 2013 when the Tender Offer price is set at 270 yen, the stock price of the share of Class A stock has been set at 270 yen, the same price as the Tender Offer price, because one share of common stock is issued to one share of Class A stock. And Aeon has not obtained any written calculation from a third party calculation institution in deciding the price of the share of Class A stock in the Target Company in the Tender Offer.

(ii) Advice from an independent law office at the Target Company

According to a press release of the Target Company, its board of directors has received the legal advices on the process and method of decision making by the board of directors on the Tender Offer from TMI Associates, legal advisor independent from the Target Company, Marubeni, Marubeni RI and Aeon as the measures to ensure the fairness in the process of decision making by the board of directors of the Target Company.

(iii) Approval of the directors at the Target Company

According to a press release of the Target Company, it carefully conferred about and discussed the terms and conditions of the Tender Offer, based on the legal advice of TMI Associates. As a result, it has arrived at a conclusion that it needs to structure a further strengthened capital relation and business

tie-up with Aeon, aiming to further improve the corporate value and maximize the shareholder value, and resolved to express its consent to the Tender Offer, judging that becoming one of the consolidated subsidiaries of Aeon can accelerate the future business deployment and improve earnings at the same time and lead to a rise in its stockholders value.

It is said that at the meeting of the board of directors that resolved the opinion about the Tender Offer the discussions were conducted and the resolution was adopted by the board of directors excluding those who had been previously serving at or were dispatched from Aeon and Marubeni at first in order to be more careful from the viewpoint of the avoidance of any doubt of conflict of interests (with such discussions and resolution called as "the First Resolution" hereinafter) . After that, considering that the First Resolution might become a resolution adopted at the board of directors meeting without a quorum, if the director who is the former employee of or dispatched by Aeon or Marubeni is not interpreted as a director with special interest provided under Article 369 of the Companies Act (Law No. 86 of 2005 and including the subsequent amendments), the discussions were made and the resolution was adopted again at the board of the directors meeting participated by those directors who had not participated in the adoption of the First Resolution (hereinafter called as the "Second Resolution") . Therefore, Yoshiharu Kawato, chairman & Representative Director, Akinori Yamashita, Director, and Toshio Kawamoto, Director of the Target Company coming from or dispatched by Aeon and Michio Kuwahara, president & Representative Director, Koji Yamamoto, Director, and Yasuhiko Ogura, director of the Target Company coming from or dispatched by Marubeni did not participate in the discussion and adoption of the First Resolution but participated only in the discussion and adoption of the Second Resolution.

And it is also said that the abovementioned six directors did not participated in the conferences and negotiations with Aeon in a position representing the Target Company.

Furthermore, it is said that Masaaki Toyoshima, Director of Aeon, who doubles as auditor of the Target Company, Shin Tajima, Auditor of the said company who serves as executive officer of Marubeni and Kazuhide Uyama, Auditor of the said Company, who has come from Marubeni, did not participated in the discussions of the board of directors concerning the First Resolution but only participated in the discussions of the board of directors concerning the Second Resolution.

It is also said that all of the directors and auditors attended at the board of the meeting concerning the First and Second Resolutions excluding those who did not participated in the discussion from the abovementioned viewpoint and the resolutions were unanimously adopted without any particular objection by any of the auditors present at the meeting.

In addition, it is said that the opinion on the application for sale in the Tender Offer will be discussed, based on the consolidated and non-consolidated financial statements of the Target Company for the financial year ended February 2013 under compilation and the forecast of operating results for the financial year ending February 2014 planned after the analysis of the latest results, and is announced together with the earnings summary on April 12, 2013 and the Target Company is planning to have advices from Nomura Securities Co., Ltd. and TMI Associates selected as the adviser independent from the Target Company, Aeon, Marubeni and Marubeni RI in discussing the said opinion.

(5) Plan of additional acquisition of share after the Tender Offer

Aeon will carry out the Tender Offer without setting the upper limit of the number of shares to be purchased in order to give the chance of sale to the shareholders of the Target Company who desire to sell their shares in the Tender Offer for the purpose of making the Target Company one of its consolidated subsidiaries. And Aeon does not intend to delist the common stock in the Target Company. Therefore, Aeon does not plan to acquire the shares of common stock in the Target Company additionally, when the Tender Offer is realized. And Aeon has established a scheme of put option exercisable by Marubeni at the exercise price equal to the purchase price of the Tender Offer on 9,932,700 shares of common stock in the Target Company (equity stake ratio :5.00%) Marubeni continues to hold after the realization of the Tender Offer out of 21,643,050 shares (consisting of 11,691,100 shares of common stock and 9,951,950 shares of Class A stock or 10.89% in equity stake ratio) held by Marubeni RI as of this date that are assigned to Marubeni. However, the exercise period is not determined on the put option vested to Marubeni and Aeon has no specific plan of additional purchase at present.

(6) Expectation and reason of delisting

As of this date, the common stock in the Target Company is listed on the First Section of Tokyo Stock Exchange and Aeon does not intend to delist the common stock in the Target Company, as mentioned

above. The Target Company also intends to continue the listing of its stock on the First Section of Tokyo Stock Exchange as its policy. However, as Aeon has not set the upper limit of the number of the shares planned to purchase in order to provide a chance of sale to the shareholders of the Target Company who desire to sell their shares in the tender Offer, the common stock in the Target Company may fall into the cases where ①the number of shareholders is smaller than 400 at the end of the financial year and does not increase within a year or ②the market capitalization (amount obtained by multiplying the final price on the last day of a financial year and the number of shares issued and outstanding) drops below 500 million yen and does not reach that amount within a year, out of the delisting standards set by Tokyo Stock Exchange, depending upon the outcome of the Tender Offer.

In such a case, the stock might be delisted. After the Tender Offer, however, there will remain 9,932,700 shares (equity stake ratio: 5.0%) held by Marubeni that are not sold in the Tender Offer under the agreement between Marubeni and Aeon and Aeon believes an infringement of Standard ② is unlikely. Additionally, if the common stock in the Target Company

Additionally, if the common stock in the Target Company might likely infringe on any of the abovementioned delisting standards as a result of the Tender Offer, Aeon will discuss the specific measures to avoid the delisting of the common stock in the Target Company with it and will carry out the measures agreed upon by and between the Target Company and Aeon.

2. Outline of the Tender Offer

(1) Outline of the Target Company:

(i)	Name:	The Daiei, Inc.	
(ii)	Address:	4-1-1, Minatojima-nakamachi, Chuo-ku, Kobe-shi, Hyogo-Prefecture, Japan	
(iii)	The title and name of the representative person:	President and Representative Director, Michio Kuwahara	
(iv)	Line of business:	Retail business	
(v)	Capital:	56,517 million yen (as of November 30, 2012)	
(vi)	Date of foundation:	April 10, 1957	
(vii)	Major stockholders and ratio of shareholding – as of August 31, 2012 (Note–)	AEON Company, Limited Marubeni Corporation (“Marubeni”) Marubeni Retail Investment Corporation (“Marubeni RI”) RBC DEXIA IST LONDON-CLIENTSACCOUNT(Standing proxy: Citibank, N.A.) THE BANK OF NEW YORK and TREATY JASDEC ACCOUNT (Standing proxy: Bank of Tokyo-Mitsubishi UFJ, Inc.) Japan Trustee Services Bank (Trust account) CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW (Standing proxy: Mizuho Corporate Bank, Settlement and Clearing Services Division) STATE STREET BANK AND TRUST COMPANY	19.85% 18.41% 10.87% 3.29% 2.93% 2.11% 1.32% 1.24%

	505041 (Standing proxy: Hong Kong and Shanghai Banking Corp., Tokyo Branch) Master Trust Bank of Japan, Ltd. (Trust account) HSBC BANK PLC-MARATHON VERTEX JAPAN FUND LIMITED (Standing proxy: Hong Kong and Shanghai Banking Corp., Tokyo Branch)	0.88% 0.84%
iii) Relation between the Tender Offeror and the Target Company		
Capital relations:	Aeon holds 39,504,000 shares (9,644,000 shares of Common stocks, 29,860,000 shares of Class A Stocks; Holding rate: 19.85% in total) of the Target Company.	
Human relations:	Yoshiharu Kawato, director of the Target Company, is a transferee from Aeon; Akinori Yamashita and Toshio Kawamoto, both directors of the Target Company are transferees of Aeon similarly; and Masaaki Toyoshima, auditor of the Target Company, doubles as a Director and Executive Operating Officer of Aeon. In addition, five persons have been dispatched from subsidiaries of the Aeon group as workers of the Target Company.	
Business relations:	There are business relations between Aeon and the Target Company, including product purchase by the Target Company from Aeon.	
Applicable situation to the related parties:	The Target Company is an affiliated company of Aeon and corresponds to the related parties.	

(Note-) Item (vii) in the above list indicates ten largest shareholders of Common stocks and Class A Stocks in the order of decreasing, that were enrolled in the "Situation of the Major Shareholders" of the second quarterly report of the 62nd term which was submitted by the Target Company on October 24, 2012.

(2) Schedules, etc:

With regard to the launch of the Tender Offer, it is subject to a condition that a notice of not performing a Cease and Desist Order based on the Anti-Monopoly Act has not been received as a result of the Review of Business Combination, which is currently carried-out by the Fair Trade Commission based on the Anti-Monopoly Act. Aeon is going to implement this Tender Offer promptly, as soon as the said Review of Business Combination of the Fair Trade Commission is completed, however, it is difficult to predict the number of days required for the Review at present. On March 1st, 2013 Aeon submitted a premerger notification to the Fair Trade Commission, based on the Article 10, Paragraph 2 of the Anti-Monopoly Act regarding the stock acquisition by a Tender Offer, which was accepted on the same day. Aeon is scheduled to start this Tender Offer in early April, 2013, if such Review is completed by the First Review (Review performed in 30 days in principle from the day when the premerger notification was received); to the contrary, however, that Aeon might have to aim to execute this Tender Offer in middle of July, 2013, if Aeon should have received a request for submission of a report/reports based on the Article 10, Paragraph 9 of the above-mentioned Act upon termination of the First Review, and Aeon is successful in receiving a notice of not performing a Cease and Desist Order based on the Anti-Monopoly Act as a result of the Second Review (Review starting due to the request for submission of a report/reports and ending by any of the following dates whichever is the latest; either 120 days after the acceptance of the premerger notification or 90 days after submission of all the reports requested) before Aeon promptly start execution of the Tender Offer. Aeon would release about the progress in early April when the First Review is scheduled to be finished. Aeon would also announce the schedule of this

Tender Offer, promptly after completion of the Review of Business Combination of the Fair Trade Commission.

- (3) The price for the Tender Offer:
 - 270 yen per share of common stocks
 - 270 yen per share of Class A Stocks
- (4) The calculation basis for the Tender Offer price:
 - (a) Basis for the calculation
 - (i) Common stocks

Aeon has, upon determining the price of this Tender Offer, requested the SMBC Nikko Securities Inc., a financial adviser independent of Aeon, Marubeni, Marubeni RI, and the Target Company for calculation of the stock value of the common stocks of the Target Company.

SMBC Nikko Securities Inc. has selected the market stock prices method, the similar listed company comparison method, and the DCF method (discounted cash flow method) to be adopted in the calculation of the stock value of the common stocks of the Target Company, after reviewing plural calculation methods, and has calculated the stock value of the common stocks of the Target Company using these methods, and Aeon has acquired the Stock Value Calculation Document about the calculation results of the stock value of the common stocks of the Target Company from the SMBC Nikko Securities Inc. on March 26, 2013.

In addition, Aeon has not acquired a written opinion (Fairness Opinion) about the fairness of this Tender Offer price from SMBC Nikko Securities Inc. The stock value per share of the common stocks of the Target Company by each above-mentioned method calculated by SMBC Nikko Securities Inc. is as follows, respectively:

By the market stock prices method: between 208 yen and 221 yen;

By the similar listed company comparison method; between 144 yen and 205 yen; and

By the DCF method: between 222 yen and 366 yen.

The stock value per share in the market stock prices method is analyzed to be in the range between 208 yen and 221 yen, based on the simple mean of the closing prices of the common stocks of the Target Company in the First Section of the Tokyo Stock Exchange for the most recent one month and the most recent three months (221 yen and 208 yen respectively), placing March 15, 2013 as the base date, in order to remove the influence on stock prices that might have been given by a speculative news of March 17, 2013 concerning the Tender Offer. Additionally, SMBC Nikko Securities Inc. says that the simple means of the closing prices for the most recent six months has not been taken into consideration, as adequate liquidity can be considered to be secured in the common stocks of the Target Company.

The stock value per share in the similar listed company comparison method is analyzed to be in the range between 144 yen and 205 yen, by selecting the listed companies whose business lines are similar to the Target Company and calculating those companies' stock price multiples over their financial metrics and then applying those multiples on the Target Company's financial metrics in the evaluation of the stock value.

The stock value per share in the DCF method is analyzed to be in the range between 222 yen and 366 yen, as a result of corporate value and stock value analysis by discounting free cash flow that the Target Company is anticipated to generate in the future at a specified rate to the present worth, based on the future revenue forecast beyond February 2014 term, considering several elements including the business plan of the Target Company that has been provided by Aeon to the SMBC Nikko Securities Inc., updated recent achievement and the information already made public.

For the reference, the business plan of the Target Company reviewed by the SMBC Nikko Securities Inc. when calculating the stock values by the DCF method is based on an interview Aeon conducted at the time when Aeon received documents from the Target Company about their future prospect and planned measures. Moreover, the reason for some fiscal years to see large increase in profit in the business plan is that they expect profit increase, mainly by the expansion of private-brand products and by the joint procurement of the merchandise. SMBC Nikko Securities Inc. has already considered beforehand of the contents of the full-year earnings forecast for the term February 2014 as described in the "Notification on the indication of the extraordinary loss incurred (impairment loss for fixed assets) and downward revision of the full-year earnings forecast" for the February 2013 term which was released by the Target Company on March 27, 2013.

Aeon finally determined the Tender Offer price per share of the common stocks of the Target Company as 270 yen on March 27, 2013, referring to the results of the stock value calculation of the

common stocks of the Target Company by the SMBC Nikko Securities Inc. into consideration, by taking the trends of the market price of the common stocks of the Target Company into consideration in a comprehensive manner, and after negotiations with the Marubeni.

In addition, this Tender Offer price per share equals to 14.83% discount to the closing price of 317 yen of the common stock of the Target Company in the First Section of the Tokyo Stock Exchange as of March 26, 2013, the previous business day of the day when the implementation of the Tender Offer was announced; 5.47 % premium to the simple mean value of 256 yen of the closing prices of the most recent one month; 21.62 % premium to the simple mean value of 222 yen of the closing prices of the most recent three months; and 42.86 % premium to the simple mean value of 189 yen of the closing prices of the most recent six months.

(ii) Class A Stocks

Aeon has determined the Tender Offer price per share of the Class A Stocks of the Target Company as 270 yen to be equal to those of the common stocks actually. Specifically, as the relevant Class A Stocks is attached with put option subject to call at the amount of the value received in exchange for the common stock, if such acquisition right is claimed by the holder of the Class A Stocks on March 27, 2013, for example, the day when the Tender Offer price per share of the common stock was determined as 270 yen, one share of the common stock should have been given in exchange for one share of the Class A Stocks, therefore, the Tender Offer price per share of the Class A Stocks was determined as 270 yen, same as in the case of common stock. For the reference, Aeon has not obtained a Calculation Document from any third party calculation organization, upon determination of the Tender Offer price of the Class A Stocks of the Target Company.

(b) Background of the price calculation

In the relevant three-year Medium-term Management Plan, Aeon has announced a policy of "Shift to Urban markets" as one of the group-wide strategies of the group, with which the group has been accelerating the evolution of diversified store format, aiming to expand our group's share in big cities, centering in the greater metropolitan areas. In the meanwhile, around June 2012 and thereafter, Aeon has reached a conclusion that it was the best solution to merge the Target Company as a consolidated subsidiary to improve the corporate values of the both companies, because it will contribute to the promotion of our "Shift to Urban markets" policy with expansion of the market shares on one hand. Moreover, it will be better for the Target Company, especially for early improvement of profitability, through better procurement of merchandise with scale merit backed-up by construction of close capital ties, streamlining of infrastructure such as logistics and IT systems, diversification of duties of personnel to engage in, and securing of staff resources, as well as improvement of customer appeal by sharing of the group's management foundation and expertise (such as store development, tenants leasing, and merchandising of non-food products) and by the enforced financial support the Target Company could implement the growth strategies and store assets utilization plans. Simultaneously, the relationship between Marubeni and the Target Company need to be considered, because Marubeni had made great effort for early rehabilitation of the Target Company accompanied with Aeon. Therefore, consultations between Marubeni and Aeon have been underway, first of all, since around December 2012, and an agreement has been reached to maintain the co-operative relations of the three companies after completion of the Tender Offer, including Marubeni continues holding of 5% share of the stocks of the Target Company. Then, Aeon made proposal of the Tender Offer to the Target Company in early March, 2013, and after repeated deliberations it was decided to implement the Tender Offer and the purchase prices on March 27, 2013 according to the following circumstances.

(i) Name of the third party where outside opinion has been obtained:

Aeon has, upon determining the price of this Tender Offer, requested the SMBC Nikko Securities Inc. a financial adviser independent of Aeon, Marubeni, Marubeni Retail Investment Corporation, and the Target Company for calculation of the stock value of the common stocks of the Target Company.

SMBC Nikko Securities Inc. has selected the market stock prices method, the similar listed company comparison method, and the DCF method (discounted cash flow method) to be adopted in the calculation of the stock value of the common stocks of the Target Company, after reviewing plural calculation methods, and has calculated the stock value of the common stocks of the Target Company using these methods, and Aeon has acquired the Stock Value Calculation Document about the calculation results of the stock value of the common stocks of the Target Company from the SMBC Nikko Securities Inc. on March 26, 2013.

Aeon has not acquired a written opinion (Fairness Opinion) about the fairness of this Tender Offer price from SMBC Nikko Securities Inc.

(ii) Outline of the opinion:

The stock value per share of the common stocks of the Target Company by each above-mentioned method is as follows, respectively:

By the market stock prices method: between 208 yen and 221 yen;

By the similar listed company comparison method; between 144 yen and 205 yen; and

By the DCF method: between 222 yen and 366 yen.

The stock value per share in the market stock prices method is analyzed to be in the range between 208 yen and 221 yen, based on the simple mean of the closing prices of the common stocks of the Target Company in the First Section of the Tokyo Stock Exchange for the most recent one month and the most recent three months (221 yen and 208 yen respectively), placing March 15, 2013 as the base date, in order to remove the influence on stock prices that might have been given by a speculative news of March 17, 2013 concerning the matter. Additionally, SMBC Nikko Securities Inc. didn't consider the simple means of the closing prices for the most recent six months, as adequate liquidity can be considered to be secured in the common stocks of the Target Company.

The stock value per share in the similar listed company comparison method is analyzed to be in the range between 144 yen and 205 yen, by selecting the listed companies whose business lines are similar with the Target Company and calculating those companies' stock price multiples over their financial metrics and then applying those multiples on the Target Company's financial metrics in the evaluation of the stock value.

The stock value per share in the DCF method is analyzed to be in the range between 222 yen and 366 yen, as a result of corporate value and stocks value analysis by discounting free cash flow that the Target Company is anticipated to generate in the future at a specified rate to the present worth, based on the future revenue forecast beyond February 2014 term, considering several elements including the business plan of the Target Company that has been provided by Aeon to the SMBC Nikko Securities Inc., updated recent achievement and the information already made public.

For the reference, the business plan of the Target Company reviewed by the SMBC Nikko Securities Inc. when calculating the stock values by the DCF method is based on an interview Aeon conducted at the time when Aeon received documents from the Target Company about their future prospect and planned measures. Moreover, the reason for some fiscal years to see large increase in profit in the business plan is that they expect profit increase, mainly by the expansion of private-brand products and by the joint procurement of the merchandise. It is told by the SMBC Nikko Securities Inc. that they have already considered beforehand of the contents of the full-year earnings forecast for the term February 2014 as described in the "Notice of indication of the extraordinary loss incurred (impairment loss for fixed assets) and downward revision of the full-year earnings forecast" for the February 2013 term which was released by the Target Company on March 27, 2013.

(iii) Particulars about our determination of the Tender Offer price based on the opinion:

Aeon finally determined the Tender Offer price per share of the common stocks of the Target Company as 270 yen on March 27, 2013, referring to the results of the stock value calculation of the common stocks of the Target Company by the SMBC Nikko Securities Inc. into consideration, by taking the trends of the market price of the common stocks of the Target Company into consideration in a comprehensive manner, and after negotiations with Marubeni.

On the other hand, Aeon has determined the Tender Offer price per share of the Class A Stocks of the Target Company as 270 yen to be equal to those of the common stocks actually. Specifically, as the relevant Class A Stocks is attached with put option subject to call at the amount of the value received in exchange for the common stock, if such acquisition right is claimed by the holder of the Class A Stocks on March 27, 2013, for example, the day when the Tender Offer price per share of the common stock was determined as 270 yen, one share of the common stock should have been given in exchange for one share of the Class A Stocks, therefore, the Tender Offer price per share of the Class A Stocks was determined as 270 yen, same as in the case of common stock. For your reference, Aeon has not obtained a Calculation Document from any third party calculation organization, upon determination of the Tender Offer price of the Class A Stocks of the Target Company.

(c) Relationship with the calculation organization

The SMBC Nikko Securities Inc, a financial adviser of Aeon, does not correspond to any related parties with Aeon, Marubeni, Marubeni RI and the Target Company and does not have any important interest in this Tender Offer.

(5) Number of Stock Scheduled to be Purchased

Number Scheduled to be Purchased	Minimum Number Scheduled to be Purchased	Maximum Number Scheduled to be Purchased
149,437,742 shares	48,360,820 shares	-

[Note 1] If the total number of stock tendered does not exceed the minimum number of stock scheduled to be purchased, Aeon will purchase none of the tendered stock. If the total number of stock tendered exceeds the minimum number of stock scheduled to be purchased, Aeon will purchase all of the stock scheduled to be purchased. Shares of the Target Company's Class A Stock carry subscription rights for the holders to convert them into shares of the Target Company's Common Stock. If the subscription right were exercised as of this date of this Notice, shares of the Target Company's Class A Stock would be converted into shares of the Target Company's Common Stock at a rate of one for one. Herein, based on this rate, a share of the Target Company's Class A Stock is regarded as equivalent to one of the Target Company's Common Stock and this should apply to the calculations of number of shares in the Tender Offer. (The same shall also apply in Note 2.)

[Note 2] There is no maximum number scheduled to be purchased provided in the Tender Offer, the "Number Scheduled to be Purchased" represents the maximum possible number of shares to be purchased by Aeon (149,437,742 shares). The maximum possible number of 149,437,742 shares is calculated based on 199,038,787 issued shares in total (122,597,537 shares of Common Stock and 76,441,250 shares of Class A Stock) as of November 30, 2012 as stated in the 62nd term third quarter report filed by the Target Company on January 10th, 2013 and after deducting therefrom (1) 39,504,000 shares (9,644,000 shares of Common Stock and 29,860,000 shares of Class A Stock) of the Target Company's stock held by Aeon as of this date of this Notice, (2) shares of the Target Company's stock that Marubeni has agreed that it will not tender (9,932,700 shares) out of 21,643,050 shares of the Target Company's stock held by Marubeni RI as of the date of this Notice (11,691,100 shares of Common Stock and 9,951,950 shares of Class A Stock; a 10.89% stake) that will be transferred to Marubeni by the commencement date of the Tender Offer, and (3) shares of the Target Company's stock in treasury stock (164,345 shares) as of November 30, 2012, as stated in the Financial Results (Japanese GAAP) for the third quarter of the year ended February 2013 published by the Target Company on January 9th, which are not to be purchased in the Tender Offer, resulting number of shares 149,437,742 shares (102,856,492 shares of Common Stock and 46,581,250 shares of Class A Stock). Moreover, in respect of subscription rights for the holders to convert them into shares of the Target Company's Common Stock that the shares of the Target Company's Class A Stock carry, Marubeni agrees in the Subscription Agreement that Marubeni will not on its account and will not allow Marubeni RI to exercise those attached to the shares of the Target Company's Class A Stock held by both (46,581,250 shares in total) until the completion of the Tender Offer.

[Note 3] The "Number Scheduled to be Purchased" above is a preliminary figure based on the information available as of this date of this Notice. The actual "Number Scheduled to be Purchased" may differ from the one used in the aforementioned [Note 3] due to subsequent changes in the number of shares.

[Note 4] Shares less than one unit stock of the Target Company (in both types) are also subject to the Tender Offer.

[Note 5] The Target Company has no plan to acquire any of its shares in treasury stock via the Tender Offer.

(6) Changes in Holding Rate of Stock due to Purchase, etc.

Number of voting rights relating to Stock held by the Tender Offeror before purchase.	790,080 rights	(Holding Rate of Stock before purchase. 19.86%)
Number of voting rights relating to Stock held by special related parties before purchase.	unfixed	(Holding Rate of Stock before purchase. unfixed)
Number of voting rights relating to Stock scheduled to be purchased	2,988,754 rights	(Holding Rate of Stock after purchase. 100.00%)

Number of voting rights of all shareholders, etc. of the Target Company	3,973,080 rights	
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[Note 1] The “number of voting rights relating to stock scheduled to be purchased” represents the number of voting rights relating to the stock scheduled to be purchased in the Tender Offer (149,437,742 shares) which is referred to in (5) Number of Stock Scheduled to be Purchased.

[Note 2] The “number of voting rights relating to stock held by special related parties before purchase, etc.” has not been fixed as of this date of this Notice, and will be disclosed after examination by the commencement date of the Tender Offer. Moreover, in the Tender Offer, shares of the Target Company’s stock that Marubeni has agreed that it will not tender (9,932,700 shares) out of 21,643,050 shares of the Target Company’s stock held by Marubeni RI as of the date of this Notice (11,691,100 shares of Common Stock and 9,951,950 shares of Class A Stock; a 10.89% stake) that will be transferred to Marubeni by the commencement date of the Tender Offer shall be precluded from purchase of stock from special related parties. Therefore, the number of voting rights (198,654 rights) relating to these shares of the Target Company’s stock (9,932,700 shares) is alone used as the “number of voting rights relating to stock held by special related parties before purchase, etc.” for a numerator in the calculations in the “Holding Rate of Stock after purchase, etc.”

[Note 3] The “number of voting rights of all shareholders, etc., of the Target Company” represents the number of voting rights of all shareholders, etc. as of August 31st, 2012 as stated in the 62nd term third quarter report filed by the Target Company on January 10th, 2013. (The shareholders of the Target Company’s Common Stock or Class A Stock are entitled to voting rights at a rate of one right per unit stock (50 shares for both types of stock).) However, shares less than one unit stock are also subject to the Tender Offer. For this reason, the “share of the number of voting rights relating to Stock scheduled to be purchased in the number of voting rights of all shareholders, etc. of the Target Company” and of the “Holding Rate of Stock after purchase, etc.” are calculated as follows: Shares of the Target Company’s Class A Stock carry subscription rights for the holders to convert them into shares of the Target Company’s Common Stock. On the total number of the issued shares of the Target Company’s Common Stock as of November 30, 2012 (122,597,537 shares) as stated in the aforementioned report, is added the number of shares of the Target Company’s Common Stock (76,441,250 shares) that would be converted from all the issued shares of the Target Company’s Class A Stock as of November 30, 2012 (76,441,250 shares) as stated in the aforementioned report at a rate of one per share of the Target Company’s Class A Stock if the subscription rights attached to shares of the Target Company’s Class A Stock were exercised on this date of this Notice. From the sum thus obtained (199,038,787 shares), is deducted the number of treasury stock (164,345 shares) of the Target Company as of November 30, 2012, which are not to be purchased in the Tender Offer, as stated in the Financial Results (Japanese GAAP) for the third quarter of the year ended February 2013 published on January 9th, 2013 by the Target Company. Based on the resulting number of shares (198,874,442 shares), 3,977,488 voting rights relating thereto are reported as the “number of voting rights of all shareholders, etc. of the Target Company. In addition, as already referred to in [Note 3] to “(5) Number of Stock Scheduled to be Purchased,” the figures stated in the preceding proviso are preliminary based on the information available as of this day of this Notice. For this reason, the “number of voting rights of all shareholders, etc. of the Target Company” may differ from the one used in the calculations above due to subsequent changes in the number of shares.

[Note 4] Figures are rounded to the nearest third decimal place for the “Holding Rate of Stock before purchase, etc.” and the “Holding Rate of Stock after purchase, etc.”

(7) Consideration of Purchase (estimated)

40,348,190,340 Japanese yen

[Note] This amount is calculated multiplying the number of stock scheduled to be purchased in the Tender Offer (149,437,742 shares) with the Tender Offer Price (270 yen) per share of the Target Company’s Common Stock.

(8) Other conditions and methods for buying Daiei shares

“Other conditions and methods for buying Daiei shares” other than those mentioned in ① and ② below, and “settlement methods” will be notified along with a time schedule for the planned tender offer as soon as they are decided.

- ① Whether or not conditions stipulated under Paragraph 4, Article 27-13 of the Financial Instruments and Exchange Act are applied, and their content

If the total number of shares offered for selling falls short of the minimum number of shares the tender offeror plans to acquire, the tender offeror will not buy all of the shares offered for selling. If the total number of shares offered for selling exceeds the minimum number of shares the tender offeror plans to acquire, the tender offeror will buy all of the shares offered for selling.

- ② Others

The planned tender offer will not take place, either directly or indirectly, in the United States or for parties in the United States. The planned tender offer will not be conducted via postal mail operated by the United States, other inter-state trade methods and means in the United States, or international trade methods and means in the United States. (Inter-state trade methods and means, and international trade methods and means include telephone, telex, facsimile, e-mail and Internet communication but are not limited to those means.) Also, the planned tender offer will not be conducted through facilities operated by U.S. securities exchanges. No parties can offer to sell their stockholdings in the Target Company using the methods and means mentioned above, via the facilities mentioned above or from the United States.

This document and related documents for the planned tender offer are not to be sent or distributed either in the United States, to the United States or from the United States, using postal mail and other methods. Therefore, sending and distribution of these documents under the manner as mentioned above are not allowed. Applications for the planned tender offer in violation of the rules mentioned above cannot be accepted.

Parties planning to apply for the planned tender offer (permanent agents in the case of foreign shareholders) are required to make following statements and pledges.

The applicants are required to ensure that they are not in the United States either at a time when they apply for the planned tender offer or at a time when they send documents for the tender offer to the tender offeror. The applicants are required to ensure that they will not receive any information and documents for the tender offer either in the United States or from the United States, and that they will send any information and documents for the tender offer either in the United States, to the United States or from the United States. The applicants are required to ensure that regarding their signature of application documents and of documents for the tender offer, and issuance and delivery of these documents, they will, directly or indirectly, not use postal mail operated by the United States, other inter-state trade methods and means in the United States, or international trade methods and means in the United States, (Inter-state trade methods and means, and international trade methods and means include telephone, telex, facsimile, e-mail and Internet communication but are not limited to those means.) or they will not use facilities operated by U.S. securities exchanges. The applicants are required to ensure that they are not acting as agents with no discretion for other parties or trustees for transactions made for other parties. (excluding a case in which the other parties mentioned above issue all instructions regarding the tender offer from countries other than the United States.)

- (9) Party acting as agent for planned tender offer (planned)

SMBC Nikko Securities Inc. : Marunouchi 3-3-1, Chiyoda Ward, Tokyo

3. Policy and outlook after planned tender offer

The tender offeror's policy on possible additional acquisitions of the Target Company's stock or equivalent and the stock's possible delisting after the planned tender offer, and the outlook on these matters are already mentioned in (5) possibility of additional buying of the Target Company's stock or equivalent after the planned tender offer and (6) possibility of delisting of the Target Company's stock and its reason, both listed under 1. - purpose of making tender offer.

4. Others

- (1) Whether or not there were agreement between the tender offeror and the Target Company or between the tender offeror and the Target Company's board directors, and agreement's content.

According to a press release issued by the Target Company, the company carefully discussed and analyzed a set of conditions proposed for the planned tender offer at a meeting of its board directors convened on March 27, 2013 while taking into account legal advice that had been offered by law firm

TMI Associates. At the board meeting, according to the press release, the Target Company came to a conclusion that it is necessary for the company to further strengthen its capital and business alliances with Aeon with a view to further enhancing its corporate value and maximizing the interest of shareholders of the Target Company. Under this recognition, the Target Company's board agreed that the company's becoming a subsidiary of Aeon subject to its consolidated accounting through the planned tender offer is expected to improve its earnings at an early time, accelerate its future business operations, expand profits and enhance interests of shareholders of the Target Company through an expected rise in shareholdings value, according to the press release. Based on the judgment, the board of the Target Company, at the March 27 meeting, adopted a resolution in support of the planned tender offer. According to the press release, views and opinions on applications for the planned tender offer will be discussed and analyzed by taking into account results of the Target Company's consolidated and unconsolidated earnings for the year ended in February 2013, currently under compilation, and the Target Company's earnings projections for the year ending in February 2014, to be calculated based on the analysis of the earnings results for the year ended in February 2013. The Target Company plans to release these views and opinions when releasing the fiscal 2012 earnings results on April 12, 2013.

(2) Other information deemed necessary in judgment by prospective applicants over their possible participation in the planned tender offer

The Target Company released a notice on March 27, 2013 concerning incurring of extraordinary losses (impairment accounting in connection with valuation losses of fixed assets) for the year ended in February 2013 and revisions to projected consolidated earnings for the year. The revised consolidated earnings projections for the year ended in February 2013 are outlined below. These figures are an excerpt taken from the projections released by the Target Company. Therefore, Aeon is not in a position to independently examine the projected figures' accuracy and authenticity, and Aeon has not actually examined the figures. For details on the projections, please refer to the original data released by the Target Company.

i. Incurring of extraordinary losses (impairment accounting in connection with valuation losses of fixed assets)

According to the notice, the Target Company incurred ¥2,511 million in consolidated extraordinary losses in the fourth quarter (December-February) of the year ended in February 2013 after implementing impairment accounting in connection with valuation losses regarding its holdings of fixed assets in line with accounting standards on losses of fixed assets.

ii. Revisions to projected earnings on consolidated basis for year ended in February 2013
(March 1, 2012 ~ February 28, 2013)

	Operating revenue	Operating income	Pretax income	Net income	Net income per share
Previous projections(A)	million yen 843,000	million yen 1,500	million yen -1,000	million yen -5,000	yen -25.14
Latest projections(B)	831,000	-2,700	-3,700	-3,700	-18.60
Changes (B-A)	-12,000	-4,200	-2,700	1,300	
Percentage changes (%)	-1.4	-	-	-	
(Reference) Results for previous year (year ended in February 2012)	869,494	3,729	403	-11,379	-57.22