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## **Aeon Makes Loc Development Co., Ltd. a Subsidiary**

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**August 31 2011** – Aeon Co., Ltd. (“Aeon”) has acquired shares in equity-method affiliate Loc Development Co., Ltd. (“Loc Development”) from Daiwa House Industry Co., Ltd. (“Daiwa House Industry”), its 50-50 joint venture partner, to make Loc Development a 100% wholly owned subsidiary. Aeon also changed the name of the company to AEON TOWN Co., Ltd.

Since its establishment in 1992 as a 50-50 joint venture with Daiwa House Industry, Loc Development has assumed a leading role in the Aeon Group’s Neighborhood Shopping Center (NSC) format. Loc Development has developed 45 locally rooted shopping centers throughout Japan, featuring MaxValu supermarkets as anchor tenants and a variety of specialty retailers.

In its Medium-term Management Plan, Aeon has identified three megatrends in the operating environment: the economic shift to Asian markets, the population shift to urban markets, and the population shift to senior generation. As a key part of efforts to secure future growth in this environment, Aeon is bolstering the Group through reforms of the organizational and business structures. The conversion of Loc Development into a consolidated subsidiary will focus accumulated NSC know-how into one company and support the further development of the format.

AEON TOWN will become the Group’s core company for the NSC format, striving to accelerate decision-making and enhance management efficiency, while also clarifying the responsibilities for the promotion of the growth strategy for the Group’s Supermarket and Specialty Store businesses. AEON TOWN will aim to establish a new NSC format model by bolstering the business development structure and combining and further advancing NSC know-how in the Japanese market. These reforms will provide a platform for Group companies in the Supermarket and Specialty Store businesses to expand from Japan into China and ASEAN as part of the Medium-term Management Plan’s shift to Asian markets.

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| 1. Overview of acquisition:        | Aeon Co., Ltd. acquires all 1,000 shares in Loc Development Co., Ltd. owned by Daiwa House Industry Co., Ltd. |
| 2. Acquisition date:               | August 31, 2011 (Wednesday)   |
| 3. Company name change:            |   |
| New company name                   | AEON TOWN Co., Ltd.   |
| Date of change                     | September 1, 2011   |
| Representative                     | Atsushi Daimon, Representative Director and President   |
| Head office                        | 1-5-1 Nakase, Mihama Ward, Chiba City, Japan  |
| Paid-in capital                    | ¥100 million  |
| (Reference)                        |   |
| (1) Daiwa House Industry Co., Ltd. |   |
| Head office                        | 3-3-5 Umeda, Kita Ward, Osaka City, Japan   |
| Date of establishment              | March 1947  |
| Representative                     | Naotake Ohno, Representative Director and President   |
| Business description               | Construction and urban development  |
| Net sales                          | ¥1,690,151 million (consolidated results for year ended March 31, 2011)                                       |

(2) AEON CO., LTD.

Head office	1-5-1 Nakase, Mihama Ward, Chiba City, Japan
Date of establishment	September 1926
Representative	Motoya Okada, President
Business description	General merchandise retailing
Net sales	¥5,096,569 million (consolidated results for year ended February 28, 2011)

(3) LOC DEVELOPMENT CO., LTD

Head office	67 Kanda Sakumagashi, Chiyoda Ward, Tokyo, Japan
Date of establishment	June 1, 1992
Representative	Shigekazu Matsuo, Representative Director and Chairman Atsushi Daimon, Representative Director and President
Business description	Planning, development, construction, and operation of shopping centers, supermarkets, and restaurants
Net sales	¥17,261 million (consolidated results for year ended February 28, 2011)
No. of shopping centers	45