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August 4, 2025  
AEON CO., LTD.

**Notice Regarding Execution of Basic Agreement Among Daiei Inc., KOHYO Co., Ltd., Maxvalu Kanto Co., Ltd., and AEON MARKET CO., LTD. to Commence Discussions on a Business Integration Aimed at "Achieving the Top Market Share in the Tokyo Metropolitan Area and the Kinki Region Through the Promotion of Area Strategies"**

AEON CO., LTD. (Head office: Chiba-shi, Chiba; President and Representative Executive Officer: Akio Yoshida; hereinafter "AEON"), United Supermarkets Holdings, Inc. (Head office: Chiyoda-ku, Tokyo; President and Representative Director: Takemi Ide; hereinafter "U.S.M.H"), The Daiei Inc. (Head office: Kobe-shi, Hyogo; President and Representative Director: Yasuo Nishitoge; hereinafter 'Daiei'), KOHYO Co., Ltd. (Head office: Osaka-shi, Osaka; President and Representative Director: Yasuo Nishitoge; hereinafter "KOHYO"), Maxvalu Kanto Co., Ltd. (Head office: Koto-ku, Tokyo; President and Representative Director: Atsushi Hirata, hereinafter "MV Kanto"), and AEON MARKET CO., LTD. (Head office: Suginami-ku, Tokyo; President and Representative Director: Tetsuya Inui, hereinafter "AEON MARKET") will work together to swiftly and continuously meet customer needs and build a sustainable future together with local communities in the Tokyo metropolitan area and Kinki region, where competition is expected to intensify further. To this end, in the Tokyo metropolitan area, U.S.M.H will pursue a business integration of its subsidiary MV Kanto; the Kanto operations of Daiei, a wholly owned subsidiary of AEON that operates supermarkets in the area; and AEON MARKET, also a wholly owned subsidiary of AEON. Through this integration, U.S.M.H will accelerate its growth as a supermarket operator group with total net sales exceeding one trillion yen. Next, in the Kinki region, Daiei will position itself as a core company in the AEON group's regional strategy by concentrating its management resources in the area. Through a business integration with KOHYO, its wholly owned subsidiary, Daiei will aim to drive new growth as a supermarket operator with net sales of 300 billion yen.

With regard to the above, we hereby announce that the six companies have agreed to commence discussions toward the business integration and have executed this Basic Agreement (hereinafter the "Agreement").

## 1. Purpose of the Agreement

AEON promotes management based on its foundational ideals of "Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point." Competition across business categories is expected to intensify against the backdrop of changes in customer lifestyles and purchasing behavior. In response to this increasingly diverse environment, AEON aims to continue providing customers with richer lifestyles and greater convenience, and to become "the company that contributes most to the local community."

In the food supermarket industry, competition is intensifying due to the increasing number of companies from other industries, such as e-commerce businesses, discount stores, and drug stores, entering the food retail market, resulting in a borderless competitive environment. Customer preferences are becoming increasingly complex, driven by growing health consciousness, a stronger preference for low prices associated with rising Engel coefficients, and greater demand for ready-to-eat and time-saving options due to diversified lifestyles.

AEON has been promoting the Shift to Regional Markets since its medium-term management plan (2018-2020) to respond quickly to these changes by becoming a regionally integrated company with a certain scale in each region and strengthening investments in the procurement and development of local food ingredients, logistics, DX, and store automation to meet customer and societal needs and address challenges.

To date, AEON has established core companies to promote area strategies in Hokkaido (AEON Hokkaido Corporation), Tohoku (AEON Tohoku Co., Ltd.), Tokai (Maxvalu Tokai Co., Ltd.), and Kyushu (AEON KYUSHU CO., LTD.).

During the current medium-term management plan period (2021-2025), FUJI CO., LTD. based in the Chugoku and Shikoku region joined the AEON group as a core company in the area in 2022. Furthermore, Inageya in the Tokyo metropolitan area joined the group in 2024, significantly increasing U.S.M.H's market share in the Tokyo metropolitan area.

AEON has determined that, as core companies in each region transition into a growth phase, further restructuring of the Group's supermarket businesses in the Tokyo metropolitan area and Kinki region—the two largest markets in Japan, where competition is expected to intensify further—is necessary to continue addressing customer needs with a sense of urgency and build a sustainable future together with local communities. After completing the Shift to Regional Market in the Tokyo metropolitan area and the Kinki region, AEON will aim to secure the top market share across all regions of Japan by leveraging economies of scale.

U.S.M.H is promoting management reforms by fully leveraging the AEON group's network and assets, with all group companies and stores sharing a common goal: "to become No.1 in customer and employee satisfaction in each market area and to continue contributing to local communities." Under its Fourth Medium-Term Management Plan, which began in the fiscal year ending February 2026, U.S.M.H is working to achieve greater efficiency and productivity by pursuing scale advantages centered on merchandise, integrating logistics and back-office functions across group companies, and standardizing systems. To achieve these reforms as early as possible, U.S.M.H has determined that a business scale exceeding one trillion yen and

an extensive store network are essential. Based on this view, it has concluded that it is necessary to consolidate the existing business platforms, human resources, and management assets of Daiei's Kanto operations and AEON MARKET, both of which operate supermarkets in the Tokyo metropolitan area. As such, U.S.M.H decided to explore a business integration involving its subsidiary MV Kanto, Daiei's Kanto operations, and AEON MARKET.

Daiei has determined that it is essential to concentrate its management resources in the Kinki region and integrate its management with KOHYO to serve as a core company in the AEON group's Kinki region strategy. Daiei believes that the combination of KOHYO's brand power in the Kinki region, its expertise in providing value-added products centered on fresh foods and prepared dishes, and Daiei's long-established supply chain management and network of over 180 stores will enable it to leverage synergies and strengthen its dominance in the Kyoto-Osaka-Kobe area. With the completion of this business integration, Daiei will be reborn as a supermarket company with net sales of 300 billion yen in the Kinki region and strive for further growth.

Based on this recognition, AEON, U.S.M.H, Daiei, KOHYO, MV Kanto, and AEON MARKET have executed the Agreement today to commence discussions toward the business integration among the six companies.

## **2. Method of Business Integration**

For the Tokyo metropolitan area, discussions will proceed at U.S.M.H, Daiei, MV Kanto, AEON MARKET, and AEON. For the Kinki region, discussions will proceed at Daiei, KOHYO, and AEON.

## **3. Schedule**

Execution date of the Basic Agreement	August 4, 2025
Execution date of the definitive agreement of the business integration	December 2025 (scheduled)
Effective date of the business integration	March 1, 2026 (scheduled)

## **4. Future Outlook**

The impact on AEON and U.S.M.H for the fiscal year ending February 2026 will be minimal, but we believe that it will contribute to the improvement of each company's earnings in the medium to long term. If it becomes clear that there will be a material impact on its business performance, we will promptly disclose it.

※For details, please refer to “Timely Disclosure” at the following URL.

<https://www.aeon.info/ir/>

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