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July 13, 2012
AEON CO., LTD.
Mitsubishi Shokuhin Co., Ltd.
Mitsubishi Corporation

Mitsubishi Shokuhin Co., Ltd. and Mitsubishi Corporation to Participate in the Supermarket Business Developed by Three Maxvalu Supermarket Operators in China

Aeon Co., Ltd. (“Aeon”), Mitsubishi Shokuhin Co., Ltd. (“MSC”), and Mitsubishi Corporation (“MC”) reached a basic agreement today for MSC and MC to participate in new companies in China established by Aeon’s three subsidiaries (Maxvalu Tokai Co., Ltd., Maxvalu Nishinohon Co., Ltd., and Maxvalu Chubu Co., Ltd.).

In a rapidly growing economy, consumer lifestyles in China are changing greatly, particularly in urban areas. Year by year, growing needs for convenient supermarkets as one-stop shops where consumers can purchase “safe and secure” products are emerging. Viewing such change in the business environment as the driving force behind the group’s growth, Aeon has been preparing for full-scale development of its Supermarket (“SM”) Business in China.

Going forward, we plan to discuss MSC and MC’s participation in the project via a form of capital investment in the new companies^(*) established in different regions of China by the three Maxvalu companies leading Aeon Group’s SM Business, after obtaining the necessary approvals in China. The Aeon Group, MSC, and MC will work together closely, jointly establishing a system to roll out the SM business in China.

^(*) Maxvalu Tokai Co., Ltd. - Guangzhou city, Maxvalu Nishinohon Co., Ltd. - Qingdao city, Maxvalu Chubu Co., Ltd. - Suzhou city

Under the comprehensive business alliance agreement executed in December 2008, Aeon and MC have been cooperating in various business domains. The basic agreement reached today is the first attempt from the two companies to start a joint venture in China under the shared goal of succeeding in the Supermarket Business in the country by combining Aeon Group’s expertise in the retail business and MSC’s strong capability to develop a supply chain management system as well as its procurement/logistics function.

Under this solid partnership, the Aeon Group and the MC Group are committed to accelerating SM Business development in the growing food market in China.

1. China business strategies of each company

(1) Aeon

Aeon has set a “Shift to Asian markets” as one of the group-wide strategies of the Aeon Group Midium-term Management Plan (FY2011-FY2013) launched in 2011. In addition to rolling out shopping centers with general merchandise stores as its core stores, Aeon, in a group-wide effort, is promoting development of a diversified range of businesses including supermarkets, financial services, and specialty stores in China.

(2) MSC

In the Mid-term Management Plan 2015 (FY2012-FY2015) launched in May 2012, MSC is committed to expanding into new business domains. Included in such domains are overseas markets such as China and the ASEAN region, which the company is aiming to achieve through tie-ups with MSC’s client companies. MSC, together with clients, aims to successfully develop overseas businesses by acting as a value chain coordinator at every stage of distribution, from raw material procurement to end-users.

(3) MC

In the company’s three-year management plan “Mid-term Corporate Strategy 2012 (FY2010-FY2012),” MC designated China, India, and Brazil as strategic regions to capture domestic demand in these rapidly growing emerging countries, thereby strengthening its existing revenue base and developing future earning drivers. Utilizing the prospect of strong long-term growth of China’s domestic demand in particular, MC plans to intensively deploy management resources and develop large-scale businesses in China.

2. Overview of new companies to be established in China (tentative names)

(1) Aeon Maxvalu (Guangzhou) Co., Ltd.

- a. Location: Guangzhou, Guangdong, China
- b. Representative: Satoru Abe, Director/General Manager
- c. Company establishment: during 2012 (planned)
- d. Capital: RMB 80 million (c. JPY1 billion)

(2) Aeon Maxvalu (Qingdao) Co., Ltd.

- a. Location: Qingdao, Shandong, China
- b. Representative: Shigeki Shimozawa, Chairman & CEO/General Manager
- c. Company establishment: during 2012 (planned)
- d. Capital: RMB 80 million (c. JPY1 billion)

(3) Aeon Maxvalu (Suzhou) Co., Ltd.

- a. Location: Suzhou, Jiangsu, China
- b. Representative: Satoshi Umezawa, Chairman & CEO
- c. Company establishment: spring 2013 (planned)
- d. Capital: RMB 80 million (c. JPY1 billion)