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August 21, 2012
AEON CO., LTD.
AEON KIMISAWA CO., LTD.
Maxvalu Tokai Co., Ltd.

Maxvalu Tokai Co., Ltd. and Aeon Kimisawa Co., Ltd. Agree to Merge

Aeon Co., Ltd. hereby announces that its consolidated subsidiaries, Maxvalu Tokai Co., Ltd. and Aeon Kimisawa Co., Ltd., made a decision to merge at their respective board meetings held today and concluded a merger agreement on equal terms, with Maxvalu Tokai Co., Ltd. to be the surviving company.

1. Outline of the merger

Our supermarket (SM) business in Japan faces not only a saturated market but also intensifying competition from other business categories such as drugstores and convenience stores. In order to win support from customers and achieve further growth, we need to constantly take innovative actions.

Against this backdrop, Maxvalu Tokai and Aeon Kimisawa made a decision to merge, with the aim of rebuilding themselves into a truly community-based corporation by organically combining business expertise obtained over the years through operations in a common area.

Maxvalu Tokai has a total of 97 supermarkets, with Maxvalu stores being the major players, in Shizuoka prefecture and surrounding areas in Kanagawa, Yamanashi and Aichi prefectures, while Aeon Kimisawa has a total of 23 supermarkets, including the main Kimisawa stores, in Shizuoka and Kanagawa prefectures. Sharing the Aeon Group's "Customer-First" philosophy, the two companies have grown through friendly competition borne out of operating in a common area.

The newly merged company will combine the management resources of both companies and use them in an integrated, efficient manner to increase profitability, thereby establishing a strong business base. Moreover, the company will launch a new business in Guangzhou city, China, within this year, for the purpose of securing a new business opportunity under the Aeon Group's "Shift to Asian markets" strategy.

New Maxvalu Tokai will continue to reform itself in order to win the support and trust of customers in the area in which it will operate.

2. Number of stores (as of August 21, 2012)

	Maxvalu Tokai				Aeon Kimisawa				Total
	MV*	MV Express	The Big	Total	Kimisawa	Gratte	The Combo	Total	
Shizuoka	49	20	6	75	13	3	3	19	94
Kanagawa	10	-	-	10	3	-	1	4	14
Yamanashi	5	-	3	8	-	-	-	0	8
Aichi	4	-	-	4	-	-	-	0	4
Total	68	20	9	97	16	3	4	23	120

*MV: Maxvalu

For further details, please refer to Maxvalu Tokai's disclosure document "Notice Concerning Merger between Maxvalu Tokai Co., Ltd. and Aeon Kimisawa Co., Ltd.," dated August 21, 2012.