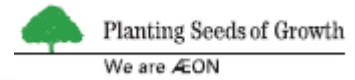




NEWS RELEASE



March 23, 2015
AEON CO., LTD.

Joint initiative by Aeon and Daiei for structural reforms and growth strategies

Merger Agreement Concluded between AEON Fantasy and Fun Field

Becoming Japan's biggest amusement-operating company in Japan with over 600 branches

Aeon Fantasy Co., Ltd. (hereinafter, "Aeon Fantasy"), a consolidated subsidiary of Aeon Co., Ltd. that operates kids amusement business, and Fun Field Co., Ltd. (hereinafter, "Fun Field"), a family amusement business operator wholly owned by the Daiei, Inc. (hereinafter, "Daiei") resolved on merger agreement at the respective boards of directors meetings held on March 23, 2015. Aeon Fantasy will be the surviving company. With this merger, the largest operator of indoor theme parks in Japan will be established with 58.6 billion yen and over 600 branches (for the fiscal year ended February 2014).

Under the Aeon Group Medium-term Management Plan (FY 2014 –FY 2016), Aeon has executed Group-wide structural reforms aiming to elevate each business segment and each Group company to No.1 in respective industry and integrate them organically to develop into a Group with comprehensive strength and growth potential.

Since the entry of Daiei into the Group as a consolidated subsidiary in August 2013, the company and Aeon have discussed initiatives in accordance with the Group-wide structural reforms; optimization of overlapping businesses and stores by the respective subsidiaries, establishment of cooperative system and personnel exchange, and business restructuring that transcends companies, industry sectors and business categories,

Regarding the amusement business, Fun Field has already established a partnership with Aeon Fantasy as an affiliated company where they exchange information in various fields, and implement joint purchase of products. Under these circumstances, the two companies have reached this merger agreement.

The newly established Aeon Fantasy will work on such initiatives as streamlining its business through consolidation, innovating business model, enhancing scale merit, and ensuring quality human resources, in order to achieve strong business competitiveness and accelerate growth in Japan and abroad.