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AEON CO., LTD.

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The Daiei Inc.
Yasuo Nishitoge, President and Representative Director

KOHYO Co., Ltd.
Yasuo Nishitoge, President and Representative Director

Maxvalu Kanto Co., Ltd.
Atsushi Hirata, President and Representative Director

AEON MARKET CO., LTD.
Tetsuya Inui, President and Representative Director

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: Suganami-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."

U.S.M.H was established through a joint stock transfer by Maruetsu, KASUMI, and MV Kanto, based on the core philosophy of "We offer customers healthy and valuable choices in food, cultivate deep relationships to build prosperous local communities, constantly pursue innovation and move with the times." U.S.M.H welcomes the participation of like-minded supermarket operators in the Tokyo metropolitan area and aims to become the No. 1 supermarket operator in the area by establishing a core business in AEON's Kanto supermarket business, with net sales of one trillion yen and 1,000 stores. On November 30, 2024, Inageya Co., Ltd., which operates in Tokyo and three prefectures in the Kanto region, joined the U.S.M.H, and the company now consists of 19 consolidated subsidiaries and two affiliated companies. U.S.M.H currently operates 667 supermarkets in the Tokyo metropolitan area.

Daiei was founded in 1957 as "Daiei Pharmacy, a store for housewives," and has undertaken many challenges to realize a retail revolution based on its fundamental ideal of "providing good products at low prices to create a more prosperous society." In 2015, as a wholly owned subsidiary of the AEON group, Daiei concentrated its business areas on supermarkets, aiming to provide "valuable original products" that add color to daily dining scenes, "sales floors with surprises and discoveries" that make shopping fun, and even more convenient "shopping experiences." Daiei currently operates 194 supermarkets in the Tokyo metropolitan area and Kinki region.

KOHYO was founded in 1968 as a fresh seafood specialty store, incorporated in 1973, and joined the AEON group in 2007. With the corporate concept of "blending into customers' lives and contributing to their well-being," KOHYO aims to enrich lives, preserve food culture, and create colorful lifestyles. It strives to be a company that advances the edge of freshness by constantly innovating and incorporating the latest trends. KOHYO currently operates 75 supermarkets in the Kinki region.

MV Kanto was established in 2009. Under the corporate slogan, "We will continue to support the smiles and vitality of our town, customers, and colleagues." In its medium-term management plan, the company has set the vision of "creating a shopping experience overflowing with deliciousness and gratitude" and is promoting the revitalization of its existing stores. It has revitalized the Oyumino, Higashinarashino, Kisarazu Jozai Stores in Chiba Prefecture, Tsudayama Store in Kanagawa Prefecture, and Warabi Store in Saitama Prefecture. MV Kanto currently operates 30 supermarkets in the Tokyo metropolitan area.

AEON MARKET was established in 1951 as Daimaru Shokuhin Kogyo Co., Ltd., and subsequently became part of the AEON Group in 2013. Guided by the management philosophy of "*Sengi Kori*"—putting justice before profit (by thoroughly committing to putting customers first and earning their trust, profits will follow), AEON MARKET aims to become a trusted presence in the community by continually providing delicious and enjoyable food with a focus on safety, security, and health. AEON MARKET currently operates 35 supermarkets in the Tokyo metropolitan area.

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.

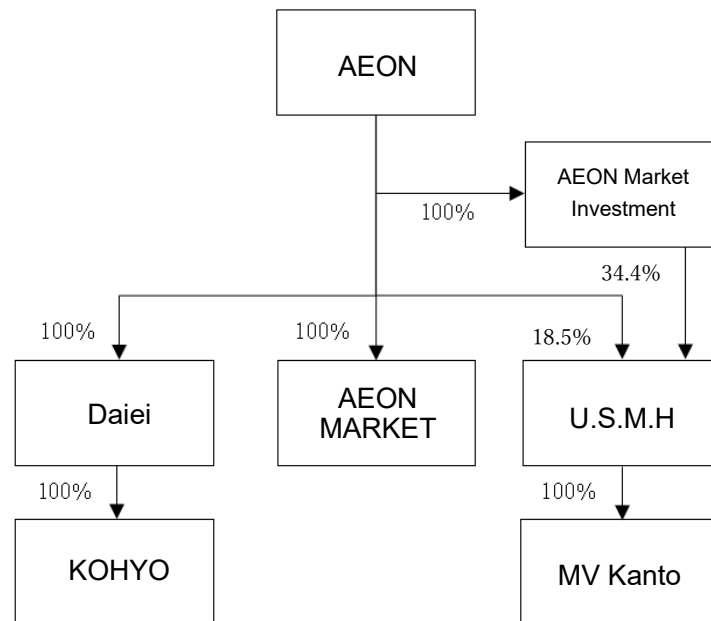
AEON has determined that, as core companies in each region transition into a growth phase, further restructuring of the Group's supermarket businesses in the Tokyo metropolitan area and Kinki region—the two largest markets in Japan, where competition is expected to intensify further—is necessary to continue 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. Capital Relationship Diagram of the Parties to the Agreement



% represents the voting rights ownership ratio.

3. 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.

4. 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)

5. Overview of the Parties Involved in the Execution of the Agreement

(1) AEON

(1) Name	AEON CO., LTD.	
(2) Location	1-5-1 Nakase Mihama-ku, Chiba-shi, Chiba	
(3) Job title and name of representative	Akio Yoshida, President and Representative Executive Officer	
(4) Description of business	Management of business activities of the companies engaged in retail, shopping center development, finance, services, or related businesses by holding their shares or interests	
(5) Share capital	220,007 million yen (as of February 28, 2025)	
(6) Date of establishment	September 21, 1926	
(7) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)	13.82%
	Custody Bank of Japan, Ltd. (Trust Account)	4.44%
	Mizuho Bank, Ltd.	3.87%

(as of February 28, 2025)	The Cultural Foundation of Okada	2.56%	
	AEON Environmental Foundation	2.53%	
	The Norinchukin Bank	2.11%	
	STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	1.58%	
	AEON Employee Stockholding Association	1.40%	
	AEON Mutual Benefit Society (Nomura Securities Account)	1.35%	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.17%	
(8) Relationship between parties			
Capital relationship	AEON owns 18.49% of U.S.M.H, and through AEON Market Investment Inc. (100% owned by AEON), it indirectly owns 34.44% of U.S.M.H, for a total of 52.93% of U.S.M.H's voting rights. AEON owns 100% of Daiei. AEON owns 100% of AEON MARKET. Daiei owns 100% of KOHYO. U.S.M.H owns 100% of MV Kanto.		
Personal relationship	At U.S.M.H, Mr. Takemi Ide, President and Representative Director, concurrently serves as AEON's Executive Officer in charge of Supermarket Businesses, and Mr. Motoya Okada, Director, Chairman and Representative Executive Officer of AEON, serves as Director and Advisor. At Daiei, Mr. Motoya Okada, Director, Chairman and Representative Executive Officer of AEON, has been appointed as Director and Advisor.		
Business relationship	U.S.M.H, Daiei, AEON MARKET, MV Kanto, and KOHYO purchase products from the AEON group.		
Applicability to related parties	AEON is the parent company of U.S.M.H AEON is the parent company of Daiei. AEON is the parent company of AEON MARKET. AEON is the parent company of KOHYO. AEON is the parent company of MV Kanto.		
(9) Consolidated operating results and financial position for the last three years (in yen)			
As of/Fiscal year ended	February 28, 2023	February 29, 2024	February 28, 2025
Net assets	1,970,232 million	2,087,201 million	2,135,271 million
Total assets	12,341,523 million	12,940,869 million	13,833,319 million
Net assets per share	1,161.12	1,231.59	1,234.94
Net sales	7,961,711 million	8,337,277 million	8,829,564 million
Operating profit	209,783 million	250,822 million	237,747 million
Ordinary profit	203,665 million	237,479 million	224,223 million
Profit attributable to owners of parent	21,381 million	44,692 million	28,783 million
Profit per share	25.11	52.25	33.58
Dividend per share	36	36	40

(2) U.S.M.H

(1) Name	United Super Markets Holdings Inc.		
(2) Location	1 Kanda Aioi-cho, Chiyoda-ku, Tokyo		
(3) Job title and name of representative	Takemi Ide, President and Representative Director		
(4) Description of business	Management of supermarket and support businesses		
(5) Share capital	10,000 million yen (as of February 28, 2025)		
(6) Date of establishment	March 2, 2015		
(7) Major shareholders and shareholding ratio (as of February 28, 2025)	Aeon Market Investment Inc.		34.34%
	AEON CO., LTD.		18.44%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		4.74%
	U.S.M.H Group Business Partners Shareholding Association		1.49%
	The Kambayashi Scholarship Foundation		1.17%
	Mitsubishi Shokuhin Co., Ltd.		0.88%
	KOKUBU GROUP CORP.		0.87%
	NIPPON ACCESS, INC.		0.78%
	Custody Bank of Japan, Ltd. (Trust Account)		0.76%
	U.S.M.H Employee Stock Ownership Association		0.65%
(8) Consolidated operating results and financial position for the last three years (in yen)			
As of/Fiscal year ended	February 28, 2023	February 29, 2024	February 28, 2025
Net assets	150,022 million	150,250 million	203,328 million
Total assets	278,729 million	285,505 million	382,604 million
Net assets per share	1,167.15	1,168.73	1,038.62
Net sales	691,981 million	690,498 million	793,986 million
Operating profit	6,384 million	6,907 million	5,978 million
Ordinary profit	6,536 million	6,929 million	6,142 million
Profit attributable to owners of parent	1,336 million	1,008 million	810 million
Profit per share	10.41	7.85	5.44
Dividend per share	18	16	16

(3) Daiei, KOHYO, MV Kanto, AEON MARKET

	Daiei	KOHYO	MV Kanto	AEON MARKET
Name	The Daiei Inc.	KOHYO Co., Ltd.	Maxvalu Kanto Co., Ltd.	AEON MARKET CO., LTD.
Head office	4-1-1 Minatojima Nakamachi, Chuo-ku, Kobe-shi, Hyogo	2-3-16 Tenjimbashi, Kita-ku, Osaka-shi, Osaka	5-30-3 Kameido, Koto-ku, Tokyo	1-32-10 Asagayaminami, Suginami-ku, Tokyo
Representative	Yasuo Nishitoge, President and Representative Director	Yasuo Nishitoge, President and Representative Director	Atsushi Hirata, President and Representative Director	Tetsuya Inui, President and Representative Director
Date of establishment	April 10, 1957	January 18, 1973	December 4, 2009	April 5, 1951
Operating revenue	311.1 billion yen	119.9 billion yen	44.7 billion yen	44.8 billion yen
Number of employees	1,861 (9,114)	1,085 (6,018)	319 (1,385)	364 (1,114)
Number of stores	198	75	30	35

(Note) The number of employees represents the number of personnel currently employed. Figures in parentheses include the average number of temporary staff.

6. Matters Concerning Measures to Ensure Fairness and to Avoid Conflicts of Interest

The methods and conditions of the business integration have not been determined at this time. The six companies plan to take measures to ensure procedural fairness and avoid conflicts of interest until the definitive agreement on the integration is executed.

7. 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.

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