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Financial Results for the Nine Months ended November 30, 2024

January 10, 2025

Company name	AEON CO., LTD.
Listings	Tokyo Stock Exchange (Prime Market)
Security code	8267
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Commencement of dividend payments	-
Supplementary materials to the quarterly results	Available
Quarterly earnings results briefing	Yes (For institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Nine Months ended November 30, 2024

(March 1, 2024, to November 30, 2024)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended November 30, 2024	7,470,575	6.3	117,569	(17.7)	102,063	(23.3)	(15,667)	-
Nine months ended November 30, 2023	7,025,855	4.5	142,823	26.8	133,115	23.8	18,359	-

Note: Comprehensive income: Nine months ended November 30, 2024: (8,407) million yen (- %)
Nine months ended November 30, 2023: 152,272 million yen (16.3%)

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Nine months ended November 30, 2024	(18.30)	-
Nine months ended November 30, 2023	21.47	21.44

Note: Even though the Company has dilutive shares, Earnings per share - fully diluted for the nine months ended November 30, 2024 is not stated because a net loss per share was recorded for the period.

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
November 30, 2024	13,782,154	2,017,560	7.0	1,128.36
[excl. Financial Services]	[6,906,455]	[1,545,088]	[12.0]	-
February 28, 2024	12,940,869	2,087,201	8.1	1,231.59
[excl. Financial Services]	[6,400,626]	[1,621,547]	[14.4]	-

Reference: 1. Total equity: November 30, 2024: 966,721 million yen February 29, 2024: 1,054,120 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.

2. The figures in square brackets represent the consolidated financial position excluding the Financial Services Business.

2. Dividends

Record date or period	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
Year ended February 29, 2024	yen -	yen 18.00	yen -	yen 18.00	yen 36.00
Year ending February 28, 2025	-	20.00	-		
Year ending February 28, 2025 (forecast)				20.00	40.00

Note: No changes were made to the latest release of dividend forecasts.

The dividend for the fiscal year ending February 2025 is 18 yen for the interim dividend and 2 yen for the commemorative dividend, and 18 yen for the year-end dividend and 2 yen for the commemorative dividend.

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2025

(March 1, 2024, to February 28, 2025)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	10,000,000	4.7	270,000	7.6	260,000	9.5	46,000	2.9	53.74

Notes: Changes were made to the release of earnings forecasts on April 10, 2024.

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: Yes

Excluded: 1 entity, AEON Product Finance Co., Ltd.

For further details, please refer to “2. Consolidated Financial Statements and Main Notes (3) Notes on the Consolidated Financial Statements (Changes in the Scope of Consolidation or Application of the Equity Method)” on page 15 of the attached document.

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:

1) Changes in accordance with amendments to accounting standards: None

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (treasury stock included):

November 30, 2024: 871,924,572 shares

February 29, 2024: 871,924,572 shares

2) Number of shares held in treasury at the end of the period:

November 30, 2024: 15,178,859 shares

February 29, 2024: 16,023,950 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2024: 856,316,543 shares

Nine months ended November 30, 2023: 855,226,539 shares

The Company's stock held by the Employee Stock Ownership Plan Trust (November 30, 2024: 374,800 shares, February 29, 2024: 1,115,400 shares) is included in the number of shares held in treasury.

***Quarterly review status**

Review by a certified public accountant or audit firm: Yes (voluntary)

***Appropriate Use of Earnings Forecasts and Other Important Information**

(Note on the forward-looking statements)

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

For the forecasts herein, please refer to "(3) Consolidated Earnings Forecast" on page 9.

Accompanying Materials

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1. Review of Operating Results and Financial Statements

(1) Analysis of Operating Results

Summary of Operating Results

For the first nine months of the fiscal year ending February 28, 2025 (March 1, 2024 - November 30, 2024), AEON CO., LTD. (hereinafter “AEON”) posted consolidated operating revenue of 74,70,575 million yen (up 6.3%) marking record high in the same period of the fiscal years. Operating profit was 117,659 million yen (down 25,253 million yen), ordinary profit was 102,063 million yen (down 31,052 million yen) and loss attributable to owners of the parent was 15,667 million yen (down 34,026 million yen).

During the first nine months of fiscal 2024, uncertainty about the future persisted due to factors such as global political instability, disturbances, and slowing economic growth in China.

Real wages in Japan, which turned positive in June for the first time in two years and three months due to the impact of summer bonuses, have since fluctuated. They remained flat before turning negative again in August and September but returned to positive in October. The government's emergency support measures for utility bills will resume from January to March 2025. However, the polarized trend in consumer spending persists, marked by a focus on saving in daily life and increased spending on high-value-added goods and services.

Under the circumstances, operating revenue increased across all the segments. Operating profits increased across the Financial Services Business, where capital efficiency improved due to the growth in high-yielding operating receivables; the Shopping Center Development Business, which saw a rise in rent income from expanded floor space and renovations; and the Services and Specialty Store Business, where profits improved for all listed subsidiaries. However, operating profit decreased in the GMS (General Merchandise Store), Supermarket, Discount Store, Health and Wellness, and International Businesses, which are key components of AEON's core Retail Business.

1) Common Group Strategy

· AEON has been diligently implementing the Five Reforms outlined in the AEON Group Medium-Term Management Plan (fiscal 2021 – 2025, hereinafter referred to as “MTMP”), which include accelerating and evolving the digital shift, establishing unique value through supply chain enhancements, advancing Health & Wellness initiatives for a new era, creating the “AEON Living Zone,” and further accelerating the Asian shift. Additionally, the company has been actively pursuing environmental and green initiatives as part of its strategic goals.

· **Acceleration and evolution of the digital shift:**

At AEON Retail Co., Ltd. (hereinafter “AEON Retail”) which operates the GMS business, the rollout of self-checkout registers on food floors is nearly complete. By June 2024, over 300 stores had implemented the “Regi Go” system, allowing customers to scan items as they shop, with payment processed at unmanned machines. In September, we integrated Regi Go into the comprehensive app, iAEON. This enhancement allows customers to apply various coupons as well as exclusive benefits for shareholders, resulting in a more streamlined and enjoyable shopping experience. During the current MTMP, we are working on standardizing customer IDs recognized by each company. By leveraging sales data and purchase history accumulated through AEON Card, iAEON, WAON POINT, and AEON Pay, we are shifting from traditional mass marketing to a One-to-One marketing approach aimed at maximizing customer experience value. In physical stores, AI help minimize food waste by applying optimal discount rates (“AI Kakaku” (Price)) and optimize order accuracy based on demand forecasting (“AI Order”). The time saved through AI is used to improve customer satisfaction by focusing more on customer service, enhancing sales floor creativity, and delivering higher-quality services. In the online channel, we are enhancing our services to better accommodate customers looking to reduce shopping time, as well as those with limited access to physical stores. “Green Beans,” which is AEON’s online-only supermarket that ships from our Customer Fulfillment Center (CFC), offers a wide range of products, guarantees the freshness of leafy greens and the perfect ripeness of fruits like avocados and melons, and allows customers to select delivery times in one-hour slots between 7:00 am and 11:00 pm. This service is making steady progress in strengthening its business platform in the Tokyo metropolitan area, where the number of stores is limited. By the end of December, the number of members grew to approximately 420,000, coinciding with the expansion of the service area to all 23 wards of Tokyo. The addition of six spokes (relay points) to the CFC enabled deliveries to over 7.3 million households within the service area. Furthermore, with the second Hachioji CFC (Hachioji City, Tokyo) now operational and the third Kuki Miyashiro CFC (Miyashiro Town, Minamisaitama- District, Saitama Prefecture) under construction, a system is expected to be established by fiscal 2027 that will cover up to approximately 15 million households across key areas in Tokyo and three surrounding prefectures.

· **Establishment of unique value by supply chain:**

Our private brand (hereinafter “PB”), TOPVALU, celebrates 50th anniversary since the launch of its original product, “J-Cup.” TOPVALU leverages the scale of its group to build a comprehensive supply chain encompassing everything from strategy and planning to store operations. This approach ensures the continuous provision of quality products at consistently affordable prices while striving to improve the gross profit margin. As price increases continue on products, through price cuts and increased quantities on TOPVALU carefully selected items, we are addressing the needs of price-conscious customers, with ongoing efforts under the theme of “Thoughtful Savings Every Day.” In addition to expanding the three PB lines—TOPVALU (value-added), TOPVALU BESTPRICE (price-appealing), and TOPVALU Gurinai (organic and environmentally friendly)—and increasing their sales composition ratio, the group companies are also

launching local PB products developed with regional producers, along with specialized PB products in categories such as pharmaceuticals, pet care, and sports. Through these initiatives, 2 trillion yen in total PB sales is targeted by fiscal 2025. Additionally, organic foods are emphasized as part of a commitment to building a sustainable society. TOPVALU Gurinai Natural Tasmania Beef, raised in Australia without growth hormones, antibiotics, genetically modified feed, or meat and bone meal, has marked its 50th anniversary. By 2025, all products in TOPVALU will be developed in line with the 3Rs (Reduce, Reuse, Recycle) and designed to contribute to reducing environmental impact through customers' everyday consumption activities.

We are also advancing profitability by in-house production of product planning, manufacturing, and sales, alongside leveraging functional companies. In Food, a next-generation deli processing center “Craft Delica Funabashi” (Funabashi City, Chiba Prefecture) began operations in June, offering the quality of full-fledged restaurants while enabling efficient manufacturing and sales. Furthermore, in July, the new distribution center “AEON Fukuoka XD” (Higashi-ku, Fukuoka City) commenced full-scale operations. At this facility, we are focused on optimizing delivery routes to reduce vehicle mileage and improve distribution efficiency. This has led to a reduction in workload and an improvement in productivity, while also addressing CO2 emission reductions through the introduction of fuel cell-powered small trucks.

• **Advancement of Health & Wellness for a new era:**

Amidst pressing concerns over medical disparities, health inequalities, and widening regional gaps, the Company, TSURUHA Holdings, Inc., and WELCIA HOLDINGS CO., LTD. (hereinafter “Welcia Holdings”) have agreed to begin discussions on a management integration and have signed a capital and business alliance agreement in February 2024. Our goal is to establish the largest drugstore chain in Japan, expanding nationwide to enhance shopping convenience for food and household goods. This initiative aims to address the urban bias in the distribution of health services and propel us toward becoming a leading global health and wellness company. Additionally, AEON Retail has opened a permanent city-center store for “MySCUE,” a platform focused on providing information for senior and nursing care. Our goal is to create an environment where people can approach senior care with greater peace of mind and promote a better, more fulfilling life (wellness life) for everyone, amid the challenges of a declining birthrate and aging population.

• **Creation of the “AEON Living Zone:**

Our company aims to create enriched living environments tailored to the needs of each region through the Five Reforms outlined in the current MTMP. In Japan, we are enhancing customer touchpoints in the Tokyo metropolitan area through both EC and physical stores, including Green Beans and My Basket. In areas where shopping convenience is limited, we focus on launching initiatives such as mobile supermarkets. Additionally, at AEON Malls, which serve as community hubs, we collaborate with local public organizations to foster community engagement and promote environmental conservation activities.

In October, we reached an agreement with Keisei Electric Railway Co., Ltd. (hereinafter “Keisei Electric Railway”) to foster a higher quality of life for local communities. Both headquartered in Chiba Prefecture, our company and Keisei Electric Railway aim to contribute to regional revitalization by combining our assets and expertise to develop initiatives tailored to the local community. Through collaboration between companies that provide different social infrastructures to the same local community, new value will be created. Furthermore, United Super Markets Holdings Inc. (hereinafter “U.S.M.H”) started a new management structure in November, incorporating Maruetsu, Inc., KASUMI CO., LTD. (hereinafter “KASUMI”) and Maxvalu Kanto Co., Ltd. (hereinafter “Maxvalu Kanto”), with the newly consolidated Inageya Co., Ltd. (hereinafter “Inageya”). Under the “1 Trillion Yen Supermarket Vision for Kanto Area,” we aim to swiftly meet customer needs in the highly competitive Tokyo metropolitan area, while working with local communities to build a sustainable future. In the ASEAN region, financial inclusion is becoming increasingly important due to differences in income and creditworthiness. In response, we are offering next-generation, lifestyle-oriented services through digital channels. In May 2024, AEON BANK (M) BERHAD (hereinafter “AEON BANK (M)”) launched its operations in Malaysia, offering Islamic finance-based products and services through a digital bank. AEON BANK (M) offers savings accounts, debit cards, and QR code payments through its mobile app. In Vietnam, AEON Financial Services Co., Ltd. (hereinafter “AFS”) plans to fully acquire Post and Telecommunication Finance Company Limited (hereinafter “PTF”) by the end of this fiscal year. This acquisition will leverage over 30 years of non-bank expertise in Asia to contribute to financial inclusion.

• **Further acceleration of the Asian shift:**

In the ASEAN region, we have established a solid business presence spanning over 40 years, dating back to the opening of our first store in Malaysia in 1984, following a request from then-Prime Minister Mahathir. Under the MTMP, we are ramping up new store openings in Vietnam, capitalizing on its demographic dividend and strong consumer demand. In September, the first large-scale mall in the central region opened in Hue (Thua Thien Hue Province), and AEON Ta Quang Buu (District 8, Ho Chi Minh City), our eighth GMS in Vietnam and the first store outside AEON Mall. Additionally, plans are underway to open AEON MALL Thanh Hoa (Thanh Hoa City) and AEON MALL Ha Long (Ha Long City) near the UNESCO World Heritage site of Ha Long Bay. These efforts are driving our dominant store-opening strategy in the southern region (key cities: Ho Chi Minh, Binh Duong), the northern region (key cities: Hanoi, Hai Phong), and the central region, Vietnam's third economic hub, including cities such as Hue, Da Nang, and their surrounding areas. Expanding into

markets outside Vietnam, new store openings are being targeted in areas projected to experience market growth, considering demographic trends and infrastructure development. We opened new stores in Delta Mas, Indonesia, in March, Hangzhou, Zhejiang Province, China, in June, and Changsha, Hunan Province, China, in September.

As part of the third pillar of the MTMP, the Advancement of Health and Wellness, growth is anticipated in Asian regions with underdeveloped public insurance systems. Against this backdrop, we will actively expand our business to achieve a higher level of health and wellness for residents in Asia, while also leveraging the existing infrastructure of the group.

Environment and Green:

Our company secured the top spot in Nikkei BP's 5th ESG Brand Survey, which assesses corporate brand image in four key areas: Environment, Society, Governance, and Integrity. Green Beans leverages cutting-edge AI technology to calculate the optimal delivery routes for delivering products. The company has introduced "ECO Delivery," which allows customers to choose efficient routes that combine their delivery with nearby ones, along with selecting their preferred delivery time. This initiative is expected to improve delivery efficiency by approximately 10% compared to conventional methods. At the time of July 2024 Sustainability-Linked Bond issuance, a new KPI/SPT (Sustainability Performance Target) was set for maintaining a final CDP climate change score of A as of the assessment date, in addition to the targets for reducing single-use plastics and food waste established during the August 2023 bond issuance. Looking at our group companies, AEON Mall Toyokawa (Toyokawa City, Aichi Prefecture) received the Minister of the Environment Award, the top prize in the "Decarbonization City Creation Grand Prize." Additionally, AEON Bank has commenced J-Credit management operations. The entire group, as indicated in these examples, is united in driving efforts toward sustainable growth, with the goal of achieving the Group's total CO2 emissions to zero by 2040.

2) Results by Business Segment

Results by segment are as follows.

Effective from the first quarter of the current fiscal year, the Company has changed the classification of its reportable segments. For details, please refer to "2. Change of reportable segment" under "Segment Information" on page 20.

Unless otherwise specified, the changes in figures compare the first nine months of fiscal 2023 and 2024.

GMS Business

The GMS Business posted an operating loss of 19,225 million yen (down 17,738 million yen) on operating revenue of 2,616,102 million yen (up 2.6%).

AEON Retail is intensifying its efforts to reform its revenue structure, aiming to establish a resilient management foundation capable of coping with various cost escalations while striving to maximize gross profit, enhance shopping center revenue, and expand online sales. Regarding maximizing gross profit, while the gross profit margin declined year-on-year during the first nine months of fiscal 2024, it improved significantly in November, driven by product and operational reforms. To support customers' daily lives, AEON Retail focused on increasing market share and customer numbers, particularly for its food PB products, by regularly reducing the prices of carefully selected high-frequency purchase items. As a result, customer support steadily increased. During the AEON Black Friday initiatives, the company effectively addressed customers' frugal mindset through strategic product planning and enhanced media strategies. All product lines—Food, Apparel, Home Furnishing, and Health & Beauty Care—performed strongly. Notably, on November 30, which coincided with Customer Gratitude Day, AEON achieved its highest sales of the year, significantly contributing to increased sales and profits for the month of November. In Apparel, which is advancing reforms aimed at achieving the gross profit margin of SPA (manufacturing and retailing) companies, the introduction of a "specialty store operation model" was accelerated across six areas: daily casual, next age (younger customers), sports life, second life (senior customers), occasion, and sundries. This initiative seeks to transform various aspects of operations, including the sales floor environment, product lineup, and customer service, and has expanded to a total of 14 stores during the first nine months of fiscal 2024. The model stores have achieved remarkable improvements in both sales and gross profit, AEON Retail keeps accelerating their introduction. In Home Furnishing, the company plans to continue expanding its "leisure-focused model," emphasizing "enjoyment" and "excitement," following its proven effectiveness. To enhance shopping center revenues, the company is focusing on increasing digital sales by strengthening product lineups and reservation programs at online supermarkets, improving store pickup ratios, and upgrading and expanding its operational bases. These initiatives aim to enhance customer convenience while reducing transportation costs. In terms of profit structure reform, the company is driving productivity improvements through digital technology and cost reductions at both stores and headquarters. Notably, in the third quarter, significant progress was made in hourly productivity by cutting back-office costs and optimizing personnel expenses.

AEON Hokkaido Corporation (hereinafter "AEON Hokkaido") has executed two priority measures—strengthening exclusive products and transitioning to and establishing new operations to accelerate the growth to achieve its management vision of becoming a company that supports health and wellness in Hokkaido. On October 1, the company assumed control of the GMSs operated by Seiyu Co., Ltd. in Hokkaido, integrating them under three brands: AEON, Maxvalu, and The Big. This contributed to achieving record-high sales in the third quarter. TOPVALU achieved an increase to 105.9%, driven by proactive sales efforts. In the Apparel and Home Furnishing categories, the company introduced unique products such as the "Perfect Hoody + eco" outerwear and non-slip shoes designed for snowy roads in Hokkaido, developed in collaboration with suppliers. Both products have been performing well. In store operations, a "Mobile Assistant System" was introduced, enabling quick and easy access to real-time sales and individual item performance through company-issued smartphones and ordering terminals. Additionally, the implementation of "i-Regi," which allows customers to scan products themselves and

reduces checkout wait times, contributed to a decrease in total working hours per store to 99.1%. To revitalize stores, the company is focusing on addressing “experience consumption” by opening new facilities such as “Little Planet,” an all-weather theme park designed for enjoyment across three generations, and “*Mokuiku Hiroba*,” a safe play area for children with wooden playground equipment. Additionally, iAEON, regarded by AEON Hokkaido as the most crucial point of customer interaction, now supports payments from a major regional bank. Improvements have also been made to enhance convenience by simplifying the use of AEON Pay.

AEON KYUSHU CO., LTD. is responding to changes in the business environment and striving to improve corporate value through key initiatives set out in its newly formulated medium-term management plan (fiscal 2024-2026): “Shifting to Growth Areas,” “Product Reform,” “Improving the Appeal of Existing Assets,” “Improving Productivity and Management Efficiency,” and “Promoting Sustainable Management.” During the first nine months of the fiscal 2024, the enhancement of initiatives such as “Happiness Plus (Supportive Pricing)” and other measures to support everyday living, along with a focus on value-driven promotions and strengthened sales promotions on iAEON, resulted in same-store sales increase to 103.2% and achieved a record-high revenue. In terms of profitability, productivity improvements were driven by initiatives such as the introduction of self-checkout registers and electronic shelf tags, as well as AI-driven solutions like “AI *Nebiki* (AI-based discount adjustments),” which optimizes discount rates to reduce food waste, and “AI Shift,” which streamlines scheduling for food checkout staff. These efforts contributed to an improvement of 8.0% in labor productivity for November, which saw a boost in consumer spending during the Black Friday sales. The “Maxvalu Express” store brand, aimed at expanding market share in urban areas, has seen strong performance at existing stores, with an increase of 4.5%. This success is driven not only by new store openings but also by an enhanced product lineup, including instant and convenient items, smaller-sized products, and exclusive offerings developed specifically for compact store formats. The “Welcia Plus,” a hybrid model combining a drugstore with a dispensing function and a supermarket offering fresh produce, had expanded to 7 stores in 3 prefectures by the end of November. Through the establishment of efficient store operations and strengthened efforts in talent acquisition and development for accelerated store openings, the sales proportion of non-food items has increased, resulting in improved store profitability. Additionally, as part of creating new customer touchpoints, the expansion of cashless, unmanned stores for offices, “Smart NICO,” has progressed, with the number of locations increasing to 33 as of the end of November. Moreover, the number of stores offering delivery services through platforms such as Uber Eats and Wolt has grown to 121 locations, while the introduction of AEON’s truck-type mobile supermarkets has expanded to 4 operational base stores, further improving customer convenience.

Supermarket Business / Discount Store Business

The Supermarket Business posted an operating profit of 11,858 million yen (down 10,012 million yen) on operating revenue of 2,244,308 million yen (up 10.8%).

U.S.M.H integrated Inageya at the end of November 2024. Taking this opportunity, it will fundamentally review its relationships with each of the operating companies, strengthen overall collaboration based on shared values and ideas, and move towards a system that will build a strong management platform as the largest supermarket in the Tokyo metropolitan area. Specifically, the company will “establish a bulk procurement system for processed and daily foods,” “consolidate back-office departments such as human resources, general affairs and IT,” and “speed up information sharing and enhance marketing functions by integrating operations such as IT, logistics and store development.” Maruetsu, a consolidated subsidiary of the company, recorded an increase in both the number of customers and sales per customer compared to the same period last year, resulting in higher revenue and profits. To meet the growing demand for prepared foods and reduce the workload at its stores, Maruetsu has commenced full-scale operations at the Maruetsu Soka Delicatessen Center (Soka City, Saitama Prefecture) thereby enabling the supply of products to approximately 500 stores within the group. At KASUMI, the number of customers has been recovering due to price reductions on frequently purchased items and the distribution of discount coupons for weekend shopping. As a result, sales per customer have also increased compared to the same period last year. Meanwhile, Maxvalu Kanto experienced a decline in both revenue and profit due to store closures. However, the company is focusing on handling products directly shipped from production areas as part of its efforts to realize its vision of “creating a shopping experience full of deliciousness and gratitude” through initiatives in product innovation, digital innovation, and store innovation. Inageya has been focusing on enhancing its fresh produce, prepared foods, and in-store bakery sections to increase customer visit frequency. This is being achieved by developing high-value-added products, offering competitive prices, and creating a customer-centric shopping environment. In addition, Inageya is advancing digital transformation (DX) by implementing systems such as electronic shelf tags to monitor the best-before dates of dry products. These efforts aim to ensure safety and security for customers while improving operational productivity.

On March 1, the former FUJI CO., LTD. (hereinafter “FUJI”) implemented an absorption-type merger, with itself as the surviving company and Fuji Retailing Co., Ltd. and Maxvalu Nishinihon Co., Ltd. as the absorbed companies. The new FUJI sets a target of one trillion yen in operating revenue for fiscal 2030 under the fiscal 2024-2026 Medium-Term Management Plan focusing on the Chugoku and Shikoku Region, and Hyogo Prefecture as the base for its operations. FUJI is committed to implementing three fundamental strategies: “Establishing a Corporate Culture,” “Transforming Existing Businesses,” “Integrating Business Infrastructure and Creating Synergies,” and “Promoting ESG Management” across the company. In establishing a corporate culture, FUJI is working to create a climate and organization in which each and every employee acts more autonomously, while also conducting various training and education programs to ensure that its management philosophy and vision are fully embraced. In terms of transforming existing businesses, FUJI revitalized 26 stores and conducted scrap-and-build projects at two stores during the first nine months of fiscal 2024. It also introduced electronic shelf tags in 56 stores and self-checkout registers in 29 stores, enhancing customer convenience and streamlining operations. For integrating business infrastructure and creating synergies, FUJI is reorganizing logistics to integrate and optimize the supply chain. It is also working to standardize product specifications at its in-house process centers and rebuild the product

supply system on a regional basis. Additionally, it is expanding the range of TOPVALU products and developing original products that reflect local food culture. In the non-store business, FUJI is broadening sales channels for its mobile supermarkets. As of the end of November 2024, these services operate from 86 stores using 136 vehicles across 729 routes, improving customer convenience and offering services closely aligned with local lifestyles.

Maxvalu Tokai Co., Ltd. (hereinafter “Maxvalu Tokai”) has worked on the three fundamental strategies set out in its medium-term management plan (fiscal 2024-2026): “Business Structure Transformation,” “Creating Added Value Through Technology Integration,” and “Promoting Sustainability Management Practices” to embody its brand message of “Making dreams a reality and bringing people together through delicious foods.” It has focused on boosting sales in growth categories by expanding its range of delicatessen products and replacing refrigerated cases in 41 stores to enhance its frozen food offerings. At the same time, it prioritized the fundamentals of its business, such as tailoring product line-ups to different times of the day and promoting the freshness and quality of its freshly made products. To address the increasing focus on frugality, it strengthened sales promotions, including the Tuesday and Wednesday Discount and Customer Gratitude Day. Additionally, it distributed coupons through iAEON and held special sales and campaigns to commemorate the 20th anniversary of its stock listing. Maxvalu Tokai has introduced electronic shelf tags in 183 stores and continues to focus on improving service levels, including cashier settlements, as well as enhancing productivity. Additionally, it is expanding shopping opportunities by increasing the number of mobile supermarket vehicles to 30, the number of unmanned “Max Mart” stores to 89, and the number of product delivery service bases using Uber Eats to 82, in response to local demand. In terms of products, it continued to hold the “*Jimono* (Local Specialty Products) Selection Fair” online, as it did last year, to expand product selection opportunities at each store and further enhance its product lineup. Through the “Your Pick, Our Star! *Jimono* Ready for the Spotlight” project, it showcased the appeal of local products to many customers. As part of its “*Chanto Gohan* (Square Meals)” initiative promoting a healthy diet, it supported the health of local customers through measures such as health checks and guidance on effective nutrient intake. To secure and develop human resources, Maxvalu Tokai implemented significant pay increases for two consecutive terms and introduced a new personnel system that allows employees to choose their career direction and working style, empowering them to take on challenges proactively. The company is also working to improve employee satisfaction by respecting individuality and creating a comfortable working environment.

The Discount Store Business posted operating profit of 4,733 million yen (down 1,364 million yen) on operating revenue of 305,052 million yen (up 1.8%). We are focusing on meeting the needs of customers looking to save money by strengthening our price competitiveness, particularly for fresh food, and promoting case sales and large-volume products that offer great price per unit. We are also enhancing customer convenience by utilizing iAEON and AEON Pay.

Health and Wellness Business

The Health and Wellness Business posted an operating profit of 22,660 million yen (down 7,804 million yen) on operating revenue of 988,213 million yen (up 8.0%).

Welcia Holdings and its consolidated subsidiaries aim to achieve their 2030 vision of becoming the “No. 1 Health Station in Each Local Community.” In June, WELCIA YAKKYOKU CO., LTD. acquired shares in Towoshiya Pharmacy Co., Ltd., which had 21 stores in Nagano Prefecture, and in September, Welcia Holdings acquired shares in Welpark Co., Ltd. from Inageya and AEON. Furthermore, WELCIA PARTNERS Co., Inc. (former Tepco Partners Co., Ltd.), which provides nursing care services in the Tokyo metropolitan area, was fully subsidized in October. By consolidating with leading regional companies, we aim to enhance both quality and scale, advancing initiatives centered around the Welcia model, which incorporates four strengths: “Drug Store with Dispensing Pharmacy,” “Counseling,” “Long-term Care,” and “Late-night Hours.” Through initiatives such as the privately operated community hub “Welcafe” and the mobile sales vehicle “*Uetan-go*,” both of which received the 2024 GOOD DESIGN AWARD, the Welcia Group continues to play a crucial role in providing infrastructure that ensures local safety and security. In the merchandising division, the discontinuation of tobacco sales, which aimed at promoting the health of the local community, became a factor in the decline in revenue. Under these conditions, the company has advanced the development and promotion of its original private brands, “*Karada* (Body) Welcia” and “*Kurashi* (Living) Welcia,” which enhance functionality, quality, and eco-performance. Additionally, owing to collaboration with the WAON POINT service, the number of members of Welcia’s loyalty program has increased to 13.3 million. In the dispensing division, the increase in the number of stores with integrated dispensing services (2,267 stores at the end of November 2024) has led to a rise in prescription receipts. As a result, total sales of merchandising and dispensing for existing stores have remained robust.

Financial Services Business

The Financial Services Business posted an operating profit of 38,373 million yen (up 11,123 million yen) on operating revenue of 386,841 million yen (up 8.9%).

AFS, under the purpose of “Bringing finance closer. Engaging with each individual and enriching daily life with safety and joy,” the company aims to provide financial services that respond to the changes in all customers’ life stages and living environments across various Asian countries, leveraging the “customer-centric perspective” that is a strength of our retail-originated financial group.

In Japan, operating receivables increased, and steady income from securities management contributed to higher revenue and profit for the first nine months of fiscal 2024. The growth in shopping revolving payment receivables and cash advance receivables was driven by initiatives to enhance the UI/UX of website and smartphone AEON Wallet app strengthen personalized approaches through AI, and improve the convenience of revolving payments. In response to the Bank of Japan's revision of its monetary policy and changes in interest rate conditions, AEON BANK, LTD. (hereinafter the “BANK”) revised yen deposit and loan interest rates and introduced preferential yen deposit interest rates for customers in higher tiers of its transaction volume-based system. The BANK also enhanced benefits for home loan customers, implemented special

interest rate measures for time deposits, expanded investment trust and insurance consultation services, and improved customer acquisition efficiency to grow the credit card and AEON Pay membership base. As a result of these efforts, the number of valid card members increased through the promotion of affiliated cards and discount measures, while credit card shopping transaction volume remained steady. For AEON Pay, payment scenes were diversified, and a cash recharge function at ATMs was introduced. As a result, the balance of deposits at the BANK was 4,892,256 million yen (an increase of 352,884 million yen from the beginning of fiscal 2024), the balance of housing loans was 445,378 million yen (an increase of 6.7%), the number of domestic credit card holders was 32.23 million (an increase of 740,000), and credit card shopping transaction volume was 5,561,139 million yen (105.8% compared to the same period last year), and the company's performance was strong.

Overseas, credit card shopping transaction volume reached a record high despite ongoing economic stagnation and increased consumer burdens in Hong Kong. This was driven by the promotion of mobile payments and the introduction of new services, which enhanced payment convenience. In the areas of cash advances and personal loans, individualized approaches based on data analysis were strengthened through SMS and telemarketing. In the Mekong region, particularly in Thailand, rising demand for short-term funds supported favorable growth in cash advance and small loan transaction volumes. Efforts to enhance credit accuracy and expand the customer base via social media contributed to year-on-year increases in credit card shopping and personal loan transaction volumes. In Vietnam, the rollout of WAON POINT began, leveraging data to drive customer traffic. In Malaysia, economic growth progressed with higher real income and increased personal consumption driven by improvements in the employment environment. This led to growth in motorcycle loan and personal loan transaction volumes. Digital banking adoption advanced steadily, particularly among younger customers, supported by efforts to enhance smartphone app convenience and promote cross-selling through online channels. However, operating profit declined due to increased expenses related to bad debts and the launch of AEON BANK (M), a digital bank established in May 2024, including costs for strengthening its notification efforts.

Shopping Center Development Business

The Shopping Center Development Business posted an operating profit of 38,657 million yen (up 4,067 million yen) on operating revenue of 367,650 million yen (up 5.9%).

In AEON Mall Co., Ltd. (hereinafter "AEON Mall"), operating revenue, operating profit, and ordinary profit all increased. The company aims to be a company that creates, expands, and deepens "connections" and co-creates activities that lead to a sustainable regional future, based on the 2030 vision "AEON Mall is a Regional Co-Founder," formulated in May 2023. In a society where issues faced by each country and region are becoming more diverse and complex due to demographic changes and other factors, AEON Mall will develop businesses that address the issues and needs of each region by conducting thorough market analysis and surveys, focusing not on a one-size-fits-all approach, but rather on the living areas of each region.

In Japan, during the first nine months of fiscal 2024, the company completed the renovation of 11 malls, which contributed to a strong increase in the number of customers. As a result, sales at existing specialty stores rose to 106.0%, driving a significant increase in sales-based rent and achieving two-digit profit growth. During the summer, numerous events were held as part of the "Cool Share Spot" initiative, resulting in a significant increase to 111.8% in August. Moreover, sales at existing mall specialty stores during the Black Friday period (November 22 to December 1) rose by 20.1%, with the number of customers also seeing a strong growth of 13.2%. Furthermore, efforts to capture demand at malls near tourist destinations and airports led to a significant increase in inbound duty-free sales, which grew twofold. Moving forward, the company aims to strengthen its domestic business foundation through renovations and facility improvements, striving for sustainable growth.

Regarding overseas business, in China, revenue grew, driven by new mall openings and the success of promotional campaigns such as the "AEON Mall Super Lucky Day," held across all locations. However, profit declined due to slower growth at existing malls, influenced by a preference for lower-priced options, and reduced earnings from mall closures in the previous fiscal year. In Vietnam, while subdued consumer activity following the passing of the national leader and the impact of a typhoon affected some sales, overall consumption remained resilient, resulting in a year-on-year increase in sales at existing malls by 7.5%. Additionally, the company has opened the first AEON Mall in the central region, located in Hue Province, further advancing efforts to expand into new markets. In Cambodia, the number of customers is showing a recovery trend, driven by renovations and customer engagement initiatives. However, due to the sluggish foreign consumer spending, a full recovery of sales remains a work in progress. Therefore, the company focuses on strengthening customer attraction efforts and addressing vacant space to improve profitability. In Indonesia, promotional campaigns aligned with Independence Day and initiatives to improve vacancy rates at existing malls led to a substantial increase in the number of customers, rising by 8.7%, and a successful rebound in profitability. Moving ahead, the company will further refine efforts to draw in customers and optimize space utilization to drive enhanced profitability.

Services and Specialty Store Business

The Services and Specialty Store Business posted an operating profit of 16,406 million yen (up 4,137 million yen) on operating revenue of 543,414 million yen (up 1.7%).

AEON DELIGHT Co., Ltd. saw an increase in revenue and profit due to factors such as gaining a larger share within its customer base, an increase in new properties under contract, and the success of efforts to negotiate unit price revisions based on cost increase. In the Facilities Management Business and Cleaning Services Businesses, despite challenges such as rising labor and outsourcing costs, profits increased as higher sales driven by new contracts and the expansion of existing ones—offset the cost pressures. In the construction business, revenue and profits grew due to an increase in renovation contracts and improved profitability through the optimization of project specifications and processes. In the Materials/Supplies Sourcing Servicing Business, it increased order intake for various materials, and worked to reflect the rise in costs in

appropriate sales prices and to reduce distribution costs by improving delivery efficiency, resulting in increased sales and profits.

AEON Fantasy Co., Ltd. is promoting the new Mid-term Management Plan (fiscal 2024-2026) under the vision of “Becoming a company that nurtures children’s emotions, mind, and body through the creation of enjoyable experiences” toward the realization of the purpose of “Inspiring enthusiasm in every child so that there is a smile on every face.” In the first nine months of fiscal 2024, the domestic business performed strongly driven by the opening of new large-scale and strategic small-scale outlets. Moreover, ASEAN has progressed as expected in line with the growth-oriented plan, and both sales and operating profit for the first nine months of fiscal 2024 have reached record highs. In Japan, the company made its first entry into the large-scale new amusement business model “Feedy Diner&Arcade”(Ibaraki City, Osaka), which combines dining and entertainment, as well as three new locations of the playground business “*CHIKYUU-NO-NIWA* (Garden on Earth)-‘POP’,” a compact version of the *CHIKYUU-NO-NIWA* playground where visitors learn about the fun and importance of the Earth through play, were launched. Sales at both ventures have far exceeded our initial projections. In the China business, prolonged economic stagnation has delayed sales recovery, while in the ASEAN business, accelerated store openings have sustained expansion. In its core playground business, the company maintains competitiveness through unique interior designs and playground equipment, high safety standards, and exceptional customer service provided by staff. We are advancing store development tailored to the characteristics of each region, focusing on growth rates in Indonesia and Vietnam, market share expansion in Malaysia and the Philippines, and productivity enhancement in Thailand. As a result of opening 156 new stores, mainly in new business formats, and closing 93 unprofitable stores, etc., during the first nine months of fiscal 2024, there were 754 stores in Japan and 476 overseas, for a total of 1,230 stores as of the end of November 2024.

COX CO., LTD. (hereinafter “COX”) focuses on the priority strategies of improvement in gross profit margin through strengthening brand power and merchandising reforms, increasing EC sales by improving EC operations and bolstering the Direct to Consumer (D-to-C) business, and bringing about a recovery in-store sales through reforms to sales methods and sales floors. During the first nine months of the fiscal 2024, COX expanded the magazine tie-up project with Japanese TV Personalities to men’s products as well, in both spring and autumn to bolster brand communication and sales growth. While it reduced in-store discounts and implemented more strategic pricing through promotional events and EC as part of the merchandise reforms, sales of autumn and winter products were slow to pick up due to lingering heat, resulting in a slight decline in same-store sales. Furthermore, in terms of D-to-C business, the collaborative products with influencers launched to attract new customers through social media have successfully expanded brand recognition and increased sales. As a result, the net sales of the EC-only brand “notch.,” “NO NEED” and “VENCE share style” increased to 116.9%. In a challenging environment with rising labor and recruitment costs, COX focused on improving sales efficiency by expanding repeat visit coupons, reviewing store layouts to increase display space and inventory, and strengthening customer service.

International Business

(AEON’s consolidated financial statements for the International Business reflect results mainly for January through September).

The International Business posted an operating profit of 5,801 million yen (down 1,237 million) on operating revenue of 409,381 million yen (up 7.6%).

During the third quarter (July to September), Malaysia’s economy achieved year-on-year growth of 5.3%, underpinned by robust domestic demand driven by both public and private spending. In the retail environment, however, consumer spending remained focused on essential goods. To address this, AEON CO. (M) BHD. leveraged its 40th-anniversary campaign to attract customers by offering low-cost essentials. In collaboration with mall tenants, the company executed promotional campaigns, which resulted in increased revenue. In the online business, the successful implementation of delivery time selection services and improvements in delivery percentage for the online supermarket “myAEON2go” have contributed to steady revenue growth. Furthermore, nationwide delivery services were launched in May, establishing a system to deliver a comprehensive array of products across Malaysia, with the goal of further expanding its customer base.

In Vietnam, the market size expanded by 7.4% during the third quarter. AEON VIETNAM CO., LTD. achieved a 21.4% increase in sales for the same period, and a 16.9% rise for the cumulative period from January to September. This growth was driven by the strong performance of both new and existing stores, which continued to show steady improvement. In Ho Chi Minh City, Vietnam’s largest city, the strategic apparel private brand “MY CLOSET” experienced accelerated growth in September, with sales reaching 110% year-on-year. Online sales also performed strongly during the first nine months of fiscal 2024, achieving 196.0% year-on-year growth and raising the ratio of online sales to net sales to 4.9%. Notably, the success of our digital strategy is becoming evident, with sales from the live commerce event “Happy Wednesday” increasing to 225% compared to the previous quarter (April to June).

In China, the confluence of a real estate recession and the challenging employment conditions resulted a year-on-year GDP growth of 4.8% in the first nine months of fiscal 2024 (January - September), falling short of the government’s approximately +5.0% target. Consumer confidence remained low at 85.7 in September during the Mid-Autumn Festival, driven by a growing frugal mindset, which brought a decline in sales per customer. In Hong Kong, where northbound consumption and outbound consumption have been expanding, the contraction of the retail market is particularly pronounced, leading to an even more challenging environment than in mainland China. Despite this, AEON MALL CHANGSHA XINGSHA in Changsha City, Hunan Province, which opened in September with enhanced entertainment offerings, has been performing well. Additionally, the South China region, including Shenzhen, has exceeded expectations in terms of profitability.

(2) Consolidated Financial Condition

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of November 30, 2024, were 13,782,154 million yen, an increase of 841,285 million yen, or 6.5%, from the end of the previous fiscal year (February 29, 2024). The increase is mainly attributable to increases of 404,085 million yen in loans and bills discounted for banking business, 151,405 million yen in property, plant, and equipment, 82,510 million yen in securities, 39,061 million yen in investment securities.

Consolidated liabilities as of November 30, 2024, were 11,764,593 million yen, an increase of 910,926 million yen, or 8.4%, from February 29, 2024. The increase is mainly attributable to increases of 359,123 million yen in deposits for banking business, 289,153 million yen in notes and accounts payable-trade, 260,622 million yen in long-term loans payable (including the current portion of long-term loans payable), and other factors.

Consolidated net assets as of November 30, 2024, were 2,017,560 million yen, a decrease of 69,640 million yen, or 3.3%, from February 29, 2024.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the year ending February 28, 2025 is unchanged from the forecast announced on April 10, 2024.

*Since AEON CO., LTD. is a pure holding company, non-consolidated forecasts are not disclosed.

2. Consolidated Financial Statements and Main Notes
(1) Consolidated Balance Sheet

	As of February 29, 2024 Amount	(Millions of yen) As of November 30, 2024 Amount
Assets		
Current assets		
Cash and deposits	1,165,536	1,179,828
Call loans	1,192	1,599
Notes and accounts receivable - trade	1,957,426	1,977,185
Securities	* ¹ 668,271	* ¹ 750,782
Inventories	625,291	679,224
Operating loan	559,747	595,112
Loans and bills discounted for banking business	2,663,103	3,067,188
Other	527,098	572,376
Allowance for doubtful accounts	(122,751)	(126,766)
Current assets	8,044,917	8,696,532
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	1,645,556	1,761,684
Tools, furniture and fixtures, net	234,059	278,649
Land	1,071,310	1,089,493
Construction in progress	102,332	57,690
Other, net	361,729	378,875
Property, plant, and equipment	3,414,988	3,566,393
Intangible assets		
Goodwill	139,788	137,089
Software	167,986	190,001
Other	67,476	67,546
Intangible assets	375,251	394,637
Investments and other assets		
Investment securities	302,904	341,965
Net defined benefit asset	44,216	51,209
Deferred tax assets	157,799	161,044
Guarantee deposits	416,991	385,092
Other	189,937	190,354
Allowance for doubtful accounts	(6,136)	(5,075)
Investments and other assets	1,105,712	1,124,590
Non-current assets	4,895,951	5,085,622
Assets	12,940,869	13,782,154

	As of February 29, 2024 Amount	(Millions of yen) As of November 30, 2024 Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,073,189	1,362,343
Deposits for banking business	4,533,233	4,892,356
Short-term loans payable	480,274	456,396
Current portion of long-term loans payable	333,475	380,404
Current portion of bonds	160,429	171,392
Commercial papers	125,000	12,943
Income taxes payable	52,027	29,540
Provision for bonuses	47,932	62,708
Provision for loss on store closing	11,982	11,961
Provision for point card certificates	6,730	7,475
Other provision	1,536	1,024
Notes payable - facilities	55,969	61,697
Other	891,131	1,040,041
Current liabilities	7,772,914	8,490,287
Non-current liabilities		
Bonds payable	958,138	960,791
Long-term loans payable	1,259,019	1,472,712
Deferred tax liabilities	47,900	27,457
Provision for loss on store closing	6,731	9,814
Provision for loss on interest repayment	2,802	1,437
Other provision	360	293
Net defined benefit liability	15,535	18,327
Asset retirement obligations	122,093	124,152
Long-term guarantee deposited	268,256	270,946
Reserve for insurance policy liabilities	48,358	43,550
Other	351,556	344,821
Non-current liabilities	3,080,753	3,274,306
Liabilities	10,853,667	11,764,593

	As of February 29, 2024 Amount	(Millions of yen) As of November 30, 2024 Amount
Net assets		
Shareholders' equity		
Capital stock	220,007	220,007
Capital surplus	288,337	282,701
Retained earnings	425,596	378,213
Treasury shares	(20,543)	(18,738)
Shareholders' equity	913,399	862,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,233	20,734
Deferred gains or losses on hedges	417	532
Foreign currency translation adjustment	67,154	77,687
Remeasurements of defined benefit plans	4,916	5,582
Total accumulated other comprehensive income	140,720	104,536
Subscription rights to shares	1,155	1,391
Non-controlling interests	1,031,925	1,049,448
Net assets	2,087,201	2,017,560
Liabilities and net assets	12,940,869	13,782,154

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
	Amount	Amount
Operating revenue		
Net sales	6,129,270	6,508,934
Operating revenue from financial services business	312,277	340,347
Other operating revenue	584,307	621,293
Operating revenue	<u>7,025,855</u>	<u>7,470,575</u>
Operating costs		
Cost of sales	4,387,204	4,671,491
Operating cost from financial services business	40,129	47,069
Operating cost	<u>4,427,333</u>	<u>4,718,561</u>
Gross profit	<u>1,742,065</u>	<u>1,837,442</u>
Operating gross profit	<u>2,598,521</u>	<u>2,752,014</u>
Selling, general and administrative expenses	<u>2,455,698</u>	<u>2,634,444</u>
Operating profit	<u>142,823</u>	<u>117,569</u>
Non-operating income		
Interest income	3,943	3,969
Dividend income	2,504	3,228
Share of profit of entities accounted for using equity method	4,544	5,316
Other	14,531	12,715
Non-operating income	<u>25,523</u>	<u>25,229</u>
Non-operating expenses		
Interest expenses	29,070	32,103
Other	6,160	8,632
Non-operating expenses	<u>35,231</u>	<u>40,735</u>
Ordinary profit	<u>133,115</u>	<u>102,063</u>
Extraordinary income		
Gain on sales of non-current assets	123	1,615
Gain on sales of investment securities	2,977	1,094
Gain on step acquisition	5,102	—
Insurance income	339	1,765
Other	1,397	1,367
Extraordinary income	<u>9,940</u>	<u>5,843</u>
Extraordinary losses		
Impairment loss	6,683	9,214
Loss on retirement of non-current assets	2,091	1,960
Loss on valuation of investment securities	6,324	—
Loss on sales of shares of associates	—	* 2,091
Provision for loss on store closing	6,096	8,474
Other	4,505	6,383
Extraordinary losses	<u>25,702</u>	<u>28,124</u>
Profit before income taxes	<u>117,354</u>	<u>79,783</u>
Income taxes		
Current	61,435	65,097
Deferred	(2,267)	(2,097)
Income taxes	<u>59,168</u>	<u>63,000</u>
Profit	<u>58,185</u>	<u>16,782</u>
Profit attributable to non-controlling interests	<u>39,826</u>	<u>32,450</u>
Loss attributable to owners of the parent company	<u>18,359</u>	<u>(15,667)</u>

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
	Amount	Amount
Profit	58,185	16,782
Other comprehensive income		
· Valuation difference on available-for-sale securities	29,500	(49,796)
· Deferred gains or losses on hedges	517	(531)
· Foreign currency translation adjustment	63,828	24,620
· Remeasurements of defined benefit plans, net of tax	776	645
· Share of other comprehensive income of entities accounted for using equity method	(536)	(128)
Other comprehensive income	94,087	(25,190)
Comprehensive income	152,272	(8,407)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	80,250	(51,852)
Comprehensive income attributable to non- controlling interests	72,022	43,444

(3) Notes on the Consolidated Financial Statements

(Key Principles Underlying the Preparation of Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements have been prepared in compliance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's "Rules for the Preparation of Quarterly Financial Statements" and Japanese Generally Accepted Accounting Principles (J-GAAP) for quarterly financial reporting.

(Notes on the Going-concern Assumption)

Not applicable

(Changes in the Scope of Consolidation or Application of the Equity Method)

1. Significant changes in the scope of consolidation

The main companies excluded from the scope of consolidation during the first nine months of fiscal 24 is as follows.

Transfer of shares : AEON Product Finance Co., Ltd.

2. Significant changes in the scope of application of the equity method

The main companies excluded from the scope of application of the equity method during the first nine months of fiscal 2024 is as follows.

Decrease in ownership ratio : TAKA-Q CO.,LTD.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Additional Information)

1. Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts

The Company has introduced the Employee Stock Ownership Plan Trust ("ESOP Trust") incentive scheme that provides the Company's work force with ownership interest in the Company with the aim of further enhancing corporate value over the mid to long term.

The Company's stock held by the ESOP Trust was included in treasury shares under net assets with a book value of 865 million yen for 374,800 shares as of November 30, 2024 and 2,577 million yen for 1,115,400 shares as of November 30, 2023. The book value of long-term loans payable (including the current portion) recorded in accordance with the adoption of the gross accounting method was 1,300 million yen and 3,250 million yen in FY2024.

2. Agreement on Acquisition of Equity by Consolidated Subsidiary

AFS, the Company's subsidiary, resolved at a meeting of its Board of Directors held on October 20, 2023 to acquire an equity interest in PTF, a finance company in Vietnam, and to make PTF a wholly owned subsidiary of AFS by entering into an equity transfer agreement (hereinafter "the Agreement"). The outline of the Agreement is as follows.

This matter is planned to proceed upon the completion of the necessary legal procedures in Vietnam.

2.1. Background and Purpose

AFS commenced operations in Hong Kong in 1987 and has since expanded its business across 10 Asian countries, promoting financial inclusion in each market. Within the AEON Group's overseas strategy, Vietnam is identified as a key market due to its youthful population and strong economic growth prospects. AEON is actively expanding its Retail Business network in the country. AFS entered the Vietnamese market in 2008, focusing on services that closely align with customers' lives, particularly through installment sales of home appliances, motorcycles, and other products.

To further accelerate the development of the AEON Living Zone in Vietnam, AFS has decided to acquire an equity stake in PTF, a company engaged in the personal loan business. This strategic initiative aims to enhance Vietnamese customers' quality of life by advancing AFS's growth strategy and broadening its product and service offerings. The goal is to establish Vietnam as the fourth pillar of AFS's overseas operations

2.2. Overview of the Subsidiary to be Transferred

(Japanese yen: 1 Vietnamese dong = 0.0061 yen)

(1)	Name	Post and Telecommunication Finance Company Limited		
(2)	Location	No. 3, Dang Thai Than, Hoan Kiem, Hanoi		
(3)	Job title and name of representative	Nguyen Minh Thang, Chairman of the Members' Council		
(4)	Description of business	Financial Services		
(5)	Capital stock*	1,550,000 million Vietnamese don (Approx. 9.4 billion yen)		
(6)	Date of establishment	October 10, 1998		
(7)	Major shareholders and ownership ratios	Southeast Asia Commercial Joint Stock Bank 100%		
(8)	Relationship with AFS	Capital relationship	None	
		Personnel relationship	None	
		Business relationship	None	
(9)	Financial positions and consolidated operating results for the last three years* ² (Millions of Vietnamese don)			
		Fiscal year ended December 2021	Fiscal year ended December 2022	Fiscal year ended December 2023
	Net assets	540,836	749,476	1,298,135
	Total assets	3,083,932	6,341,679	5,638,239
	Net operating revenue	146,488	677,348	351,567
	Net profit	28,206	208,640	48,659

*As of December 31, 2023

Please note that the above figures have not been audited.

2.3. Summary of the counterparty

(Japanese yen: 1 Vietnamese dong = 0.0061 yen)

(1)	Name	Southeast Asia Commercial Joint Stock Bank		
(2)	Location	198 Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Hanoi		
(3)	Job title and name of representative	Le Van Tan, Chairman of the Board of Directors		
(4)	Description of business	Banking		
(5)	Share capital	24,957,000 million Vietnamese don (Approx. 152.2 billion yen)*		
(6)	Date of establishment	March 25, 1994		
(7)	Net assets	30,296,839 million Vietnamese don (Approx. 184.8 billion yen)*		
(8)	Total assets	266,121,915 million Vietnamese don (Approx. 1,623.3 billion yen)*		
(9)	Relationship between AFS and the mentioned company	Capital relationship	No items to report	
		Personnel relationship	No items to report	
		Business relationship	No items to report	
		Status as a related party	No items to report	

*As of December 2023

2.4. Acquisition cost

(1)	Percentage of voting rights held before the transfer	0%
(2)	Acquisition cost	4,300,000 million Vietnamese dong (Approx. 26.2 billion yen) (Japanese yen: 1 Vietnamese dong = 0.0061 yen)
(3)	Percentage of voting rights held after the transfer	100%

2.5. Schedule of transfer

(1)	Board of directors' resolution date	October 20, 2023
(2)	The date of the Agreement	October 20, 2023
(3)	The date of transfer of shares	Fiscal 2024 (planned)

Please note that the date of transfer of the shares may change depending on the fulfillment of the preconditions of this Agreement.

2.6. Future Prospects

The amount of impact of this matter on the consolidated financial statements for the fiscal 2024 is currently being calculated.

(Notes on Quarterly Consolidated Balance Sheet)

1. Breakdown of Securities

	(Millions of yen)	
	As of February 29, 2024	As of November 30, 2024
Securities in Banking Operations	572,248	661,171
Purchased Monetary Claims in Banking Operations	58,546	64,369
Securities in Insurance Operations	15,873	14,036
Others	21,604	11,205
Total	668,271	750,782

2. Contingent Liabilities

(1) Debt Guarantees

	(Millions of yen)	
	As of February 29, 2024	As of November 30, 2024
Credit guarantee services for general customers operated by consolidated subsidiaries	34,024	9,756
Others	79	67
Total	34,103	9,824

(2) Management Guidance Letters, etc.

The submitting company has provided management guidance letters, etc., to financial institutions, in which it has committed to ensuring the sound financial position of certain affiliates in connection with their financing. None of these management guidance letters, etc., constitute guarantee-like acts as defined under the "Treatment of Accounting and Disclosure of Debt Guarantees and Guarantee-like Acts in Auditing" (JICPA Audit and Assurance Practice Committee Practice Guidelines No. 61).

(Notes on Quarterly Consolidated Statement of Income)

Losses on sales of shares of subsidiaries were mainly due to the transfer of shares of AEON Product Finance Co., Ltd. which was a consolidated subsidiary.

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the nine months ended November 30, 2024. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months are as follows

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Depreciation	245,631	256,812
Amortization of Goodwill	12,309	12,459

(Notes on Shareholders' Equity)

1. Nine Months ended November 30, 2023 (March 1, 2023 - November 30, 2023)

(1) Dividend Payment

Resolution	Type of Shares	Total Dividend Amount (Million Yen)	Dividend per Share (Yen)	Record Date	Effective Date	Source of Dividend
Board of Directors' Meeting on April 12, 2023	Ordinary Shares	15,427	18	February 28, 2023	May 2, 2023	Retained Earnings
Board of Directors' Meeting on October 11, 2023	Ordinary Shares	15,427	18	August 31, 2023	October 30, 2023	Retained Earnings

Note: The total dividend amount includes dividends for the Company's shares held by the Employee Stock Ownership Plan (ESOP) Trust (2,136,600 shares as of the record date on February 28, 2023, and 1,590,400 shares as of the record date on August 31, 2023).

(2) Dividends with a record date within the third quarter of the current consolidated fiscal year but an effective date after the end of the third quarter of the current consolidated fiscal year

Not applicable

2. Nine Months ended November 30, 2024 (March 1 – November 30, 2024)

(1) Dividend Payment

Resolution	Type of Shares	Total Dividend Amount (Million Yen)	Dividend per Share (Yen)	Record Date	Effective Date	Source of Dividend
Board of Directors' Meeting on April 10, 2024	Ordinary Shares	15,427	18	February 29, 2024	May 1, 2024	Retained Earnings
Board of Directors' Meeting on October 9, 2024	Ordinary Shares	17,142	20	August 31, 2024	October 28, 2024	Retained Earnings

Notes 1. The total dividend amount includes dividends for the Company's shares held by the Employee Stock Ownership Plan (ESOP) Trust (1,115,400 shares as of the record date on February 29, 2024, and 613,200 shares as of the record date on August 31, 2024).

2. The dividend per share includes a commemorative dividend of 2 yen.

(2) Dividends with a record date within the third quarter of the current consolidated fiscal year but an effective date after the end of the third quarter of the current consolidated fiscal year

Not applicable

(Notes on Segment Information)

[Segment Information]

I Nine Months ended November 30, 2023 (March 1 – November 30, 2023)

1. Information on Revenue and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	2,472,776	2,015,865	298,825	914,006	312,277	284,303	382,483
(2) Intersegment revenue or transfers	76,114	10,292	936	586	42,881	62,965	151,938
Total	2,548,891	2,026,157	299,761	914,593	355,158	347,268	534,422
Segment income (loss)	(1,486)	21,870	6,098	30,464	27,249	34,590	12,269

	Reportable segment		Other*1	Total	Adjustments*2,3	Reported in the quarterly consolidated statement of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	377,208	7,057,747	7,154	7,064,901	(39,046)	7,025,855
(2) Intersegment revenue or transfers	3,108	348,824	35,584	384,409	(384,409)	—
Total	380,317	7,406,571	42,738	7,449,310	(423,455)	7,025,855
Segment income (loss)	7,038	138,095	(6,858)	131,236	11,586	142,823

Notes 1. "Other" segment includes business segments not categorized as reportable segments such as digital business.

2. Main components of the minus 39,046 million yen in adjustments for revenue attributable to customers are as follows:

- (a) minus 84,513 million yen in adjustments to reconcile certain service transactions that are presented gross in reportable segments to net amounts in the quarterly consolidated statements of income because they are incidental revenues, and
- (b) 45,826 million yen in "operating revenues from equity-method affiliates" of Group companies attributable to AEON Group merchandise supply that is part of head office functions and does not fall into any of the business segments.

3. Main components of the 11,586 million yen in adjustments for segment income (loss) are as follows:

- (a) 2,226 million yen in income of the pure holding company (AEON CO., LTD..) not attributable to any of the business segments,
- (b) 9,853 million yen in profit of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
- (c) minus 509 million yen in intersegment transaction eliminations.

4. Segment income (loss) adjustments are based on operating profit reported in the quarterly Consolidated Statement of Income for the corresponding period.

2. Information on impairment loss of fixed assets or goodwill by reportable segment

(Significant Impairment Losses on Fixed Assets)

No significant impairment losses were recognized.

(Significant Changes in the Amount of Goodwill)

In the Supermarket Business, Inageya Co., Ltd. was newly consolidated as a subsidiary. As a result, goodwill increased by 11,413 million yen during the first nine months of fiscal 2024.

(Significant Gains from Negative Goodwill)

No relevant items to report.

II Nine Months ended November 30, 2024 (March 1 – November 30, 2024)

1. Information on Revenue and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	2,542,174	2,233,788	304,145	987,526	340,347	303,683	382,847
(2) Intersegment revenue or transfers	73,928	10,519	907	687	46,494	63,966	160,566
Total	2,616,102	2,244,308	305,052	988,213	386,841	367,650	543,414
Segment income (loss)	(19,225)	11,858	4,733	22,660	38,373	38,657	16,406

	Reportable segment		Other*1	Total	Adjustments*2,3	Reported in the quarterly consolidated statement of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	405,846	7,500,358	10,356	7,510,714	(40,139)	7,470,575
(2) Intersegment revenue or transfers	3,535	360,607	39,060	399,667	(399,667)	—
Total	409,381	7,860,965	49,417	7,910,382	(439,807)	7,470,575
Segment income (loss)	5,801	119,267	(7,300)	111,967	5,602	117,569

- Notes
1. “Other” segment includes business segments not categorized as reportable segments such as digital business.
 2. Main components of the minus 40,139 million yen in adjustments for revenue attributable to customers are as follows:
 - (a) minus 84,989 million yen in adjustments to reconcile certain service transactions that are presented gross in reportable segments to net amounts in the quarterly consolidated statements of income because they are incidental revenues, and
 - (b) 44,753 million yen in “operating revenues from equity-method affiliates” of Group companies attributable to AEON Group merchandise supply that is part of head office functions and does not fall into any of the business segments.
 3. Main components of the 5,602 million yen in adjustments for segment income (loss) are as follows:
 - (a) 5,028 million yen in income of the pure holding company (AEON CO., LTD..) not attributable to any of the business segments,
 - (b) 2,824 million yen in profit of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
 - (c) minus 2,276 million yen in intersegment transaction eliminations.
 4. Segment income (loss) adjustments are based on operating profit reported in the quarterly Consolidated Statement of Income for the corresponding period.

2. Matters Related to Changes in Reportable Segments

Due to organizational changes, from the first quarter of fiscal 2024, some subsidiaries that were included in the Services and Specialty Store Business have been reclassified to the GMS Business. In addition, some subsidiaries that were included in the Other Business have been reclassified to the Services and Specialty Store Business. Segment information for the third quarter of the previous consolidated cumulative period has been prepared using the new classification method

3. Information on Impairment Losses on Fixed Assets or Goodwill by Reportable Segment

(Significant Impairment Losses on Fixed Assets)

No significant impairment losses were recognized.

(Significant changes in the amount of goodwill)
No significant changes were recognized.

(Significant Gains from Negative Goodwill)
No relevant items to report.

(Revenue Recognition)

1. Information on the breakdown of revenue arising from contracts with customers
Nine Months ended November 30, 2023 (March 1 – November 30, 2023)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Merchandise Sales Revenue	2,351,211	1,944,668	292,371	912,719	—	1	269,420
Service Income, etc.	29,559	39,652	5,796	362	277	99,488	111,774
Revenue from Contracts with Customers	2,380,770	1,984,321	298,167	913,081	277	99,490	381,195
Other Revenue*3	92,005	31,544	657	925	312,000	184,813	1,287
Operating Revenue from External Customers	2,472,776	2,015,865	298,825	914,006	312,277	284,303	382,483

	Reportable segment		Other*1	Total	Adjustments*2	Reported in the quarterly consolidated statement of income
	International	Total				
Merchandise Sales Revenue	324,162	6,094,555	3,157	6,097,712	31,557	6,129,270
Service Income, etc.	26,659	313,570	3,996	317,567	(70,833)	246,733
Revenue from Contracts with Customers	350,822	6,408,126	7,153	6,415,280	(39,276)	6,376,003
Other Revenue*3	26,386	649,621	0	649,621	230	649,851
Operating Revenue from External Customers	377,208	7,057,747	7,154	7,064,901	(39,046)	7,025,855

- Notes
1. The "Other" category represents business segments not included in the reportable segments, such as the digital business.
 2. The "Adjustments" category includes adjustments for certain service transactions that are presented as gross revenue in the business segment results but are reclassified to net revenue in the quarterly consolidated statement of income, as they are incidental revenue. It also includes revenue from headquarters and companies engaged in product supply, which are not attributable to any business segment.
 3. "Other Revenue" mainly consists of periodic lease tenant rents based on the "Accounting Standard for Lease Transactions" (Accounting Standard No. 13, March 30, 2007) and credit card cashing interest based on the "Accounting Standard for Financial Instruments" (Accounting Standard No. 10, July 4, 2019).

Nine Months ended November 30, 2024 (March 1 – November 30, 2024)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Merchandise Sales Revenue	2,417,942	2,156,833	297,589	986,227	—	56	267,518
Service Income, etc	29,986	44,787	5,897	364	2,965	105,629	114,057
Revenue from Contracts with Customers	2,447,928	2,201,621	303,486	986,591	2,965	105,685	381,575
Other Revenue*3	94,245	32,167	658	934	337,381	197,997	1,271
Operating Revenue from External Customers	2,542,174	2,233,788	304,145	987,526	340,347	303,683	382,847

	Reportable segment		Other*1	Total	Adjustments*2	Reported in the quarterly consolidated statement of income
	International	Total				
Merchandise Sales Revenue	348,301	6,474,467	7,557	6,482,024	26,909	6,508,934
Service Income, etc.	27,989	331,677	2,798	334,476	(67,282)	267,193
Revenue from Contracts with Customers	376,290	6,806,145	10,356	6,816,501	(40,372)	6,776,128
Other Revenue*3	29,555	694,213	0	694,213	233	694,447
Operating Revenue from External Customers	405,846	7,500,358	10,356	7,510,714	(40,139)	7,470,575

- Notes
1. The "Other" category represents business segments not included in the reportable segments, such as the digital business.
 2. The "Adjustments" category includes adjustments for certain service transactions that are presented as gross revenue in the business segment results but are reclassified to net revenue in the quarterly consolidated statement of income, as they are incidental revenue. It also includes revenue from headquarters and companies engaged in product supply, which are not attributable to any business segment.
 3. "Other Revenue" mainly consists of periodic lease tenant rents based on the "Accounting Standard for Lease Transactions" (Accounting Standard No. 13, March 30, 2007) and credit card cashing interest based on the "Accounting Standard for Financial Instruments" (Accounting Standard No. 10, July 4, 2019).

2. Matters related to changes in reportable segments, etc.

Due to organizational changes, from the first quarter of the consolidated accounting period, some subsidiaries that were included in the Services and Specialty Store Business have been reclassified to the GMS Business. In addition, some subsidiaries that were included in the Other Business have been reclassified to the Services and Specialty Store Business. Information on revenue from contracts with customers for the third quarter of the previous consolidated cumulative period has been prepared using the new classification method.

(Information Per Share)

The quarterly net income or net loss per share, the basis for its calculation, and the diluted quarterly net income per share and its calculation basis are as follows:

Items	Nine Months ended November 30, 2023	Nine Months ended November 30, 2024
(1) Quarterly Net Income or Loss per Share	21.47 yen	(18.30) yen
(Basis for Calculation)		
Quarterly Net Income or Loss Attributable to Owners of Parent (Millions of Yen)	18,359	(15,667)
Amount Not Attributable to Common Shareholders (Millions of Yen)	—	—
Quarterly Net Income or Loss Attributable to Common Shareholders (Millions of Yen)	18,359	(15,667)
Average Number of Common Shares Outstanding During the Period (Thousands)	855,226	856,316
(2) Diluted Quarterly Net Income per Share	21.44 yen	—
(Basis for Calculation)		
Adjustments to Quarterly Net Income Attributable to Owners of Parent (Millions of Yen)	(19)	—
[Including Equity Fluctuation Difference Related to Stock Acquisition Rights Issued by Consolidated Subsidiaries] (Millions of Yen)	[(19)]	[—]
Increase in Common Shares (Thousands)	180	—
[Including Stock Acquisition Rights (Thousands)]	[180]	[—]
Summary of significant changes in non-dilutive stock excluded from the calculation of diluted net income per share since the end of the previous fiscal year	—	—

- Notes 1. The average number of common shares during the period includes treasury shares held by the Employee Stock Ownership Plan (ESOP) Trust (1,364 thousand shares as of the end of the third quarter of fiscal 2023 and 374 thousand shares as of the end of the third quarter of fiscal 2024). The average number of shares held by the ESOP Trust during the period was 1,761 thousand shares for the first three quarters of fiscal 2023 and 780 thousand shares for the first three quarters of fiscal 2024.
2. Although residual shares exist, the net income per share after adjustment for residual shares is not disclosed for the third quarter of the current consolidated cumulative period due to a negative net income per share.

Independent Auditor's Report on the Quarterly Consolidated Financial Statements

January 9, 2025

To the Board of Directors, AEON CO., LTD.

Deloitte Touche Tohmatsu LLC
Tokyo Office

Designated and Engagement Partner	Certified Public Accountant	M a s a y u k i Y a m a d a
Designated and Engagement Partner	Certified Public Accountant	K u n i k a z u A w a s h i m a
Designated and Engagement Partner	Certified Public Accountant	S h i n s u k e T s u j i

Auditor's Conclusion:

We have reviewed the accompanying quarterly consolidated financial statements for the three-month period ended November 30, 2024 (September 1, 2024 to November 30, 2024) and the nine-month period ended November 30, 2024. We have reviewed the quarterly consolidated financial statements, that is, the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and notes thereto for the period from September 1, 2024 to November 30, 2024.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of AEON CO., LTD. (hereinafter the "Company") and its consolidated subsidiaries as of November 30, 2024, and the results of their operations for the nine-month period then ended in conformity with accounting principles generally accepted in Japan, which are described in Article 4, Section 1 of the Standards for Preparation of Quarterly Financial Statements, issued by Tokyo Stock Exchange, Inc. In our opinion, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the consolidated financial position of the Company.

Basis for Auditor's Conclusion:

We conducted our review in accordance with the standards for an interim review generally accepted in Japan. Our responsibility is to express an opinion on the consolidated financial statements based on our review. We are independent of the Company and its consolidated subsidiaries and have fulfilled our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that the evidence we have obtained provides a basis for our conclusion.

Management and Audit Committee Responsibility for Quarterly Consolidated Financial Statements:

The responsibility of management is to prepare and fairly present the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements of the Tokyo Stock Exchange and the accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan. This includes the establishment and operation of internal controls deemed necessary by management for the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly consolidated financial statements on a going concern basis, and for disclosing matters related to a going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting principles generally accepted in Japan for quarterly financial statements. The Company is responsible for disclosing matters related to going concern when such matters are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for monitoring the performance of the Executive Officers and Directors in the development and operation of the financial reporting process.

Auditor's Responsibility for Interim Review of Quarterly Consolidated Financial Statements:

The auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the periodic review report based on the periodic review performed by the auditor.

Throughout the course of the periodic review, the auditor shall exercise professional judgment and maintain professional skepticism in accordance with the standards for periodic reviews generally accepted in Japan.

- We perform analytical procedures and other periodic review procedures, consisting principally of inquiries of management and other persons responsible for financial and accounting matters. Periodic review procedures are more limited in scope than an audit of annual financial statements performed in accordance with auditing standards generally accepted in Japan.
- If we determine that there is significant uncertainty regarding events or conditions that may cast substantial doubt on the entity's ability to continue as a going concern, we must conclude, based on the evidence obtained, whether there are matters that lead us to believe that the quarterly consolidated financial statements are not fairly presented in accordance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements of the Tokyo Stock Exchange and the accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan. Additionally, if significant uncertainty regarding the going concern assumption exists, we are required to either draw attention to the related notes in the quarterly consolidated financial statements in our review report or, if the disclosure of such notes is inadequate, express a qualified conclusion or an adverse conclusion on the quarterly consolidated financial statements. Our conclusion is based on the evidence obtained up to the date of our review report; however, future events or conditions may cause the entity to cease to continue as a going concern.
- We evaluate whether there are any matters that lead us to believe that the presentation and disclosures in the quarterly consolidated financial statements are not in compliance with Article 4, Paragraph 1 of the Rules for Preparing Quarterly Financial Statements of the Tokyo Stock Exchange and the accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan. Additionally, we assess whether there are any matters that lead us to believe that the presentation, structure, and content of the quarterly consolidated financial statements, including the related notes, or the depiction of the underlying transactions and accounting events in the quarterly consolidated financial statements, are not fairly presented.
- We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and performing the interim review of the quarterly consolidated financial statements. The auditor alone is responsible for the conclusion expressed.

The auditor shall report to the Audit Committee on the scope and timing of the planned periodic review and significant findings on the periodic review.

The auditor shall report to the audit committee that the auditor has complied with Japanese professional ethics rules regarding independence and matters that could reasonably be considered to affect the auditor's independence, as well as any measures taken to remove impediments or safeguards applied to reduce impediments to an acceptable level, if any. If the auditor has applied safeguards to remove the disincentive or reduce the disincentive to an acceptable level, the auditor shall report on the nature of those safeguards.

Interest or Relationship:

We have no interest or relationship with the Company or its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

END

Notes: 1. The original of the above review report for the period is kept separately by the Company (the company disclosing the quarterly financial statements).

2. XBRL data and HTML data are not included in the scope of the periodic review.