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Financial Results for the Fiscal Year ended February 28, 2025

April 11, 2025

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Listings Tokyo Stock Exchange (Prime Market)
Security code 8267
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Scheduled dates:

Ordinary general meeting of shareholders May 28, 2025
Commencement of dividend payments May 1, 2025
Submission of statutory financial report May 29, 2025

Supplementary materials to the financial results Available
Fiscal year-end earnings results briefing Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Fiscal Year ended February 28, 2025 (March 1, 2024, to February 28, 2025)

(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	%
Year ended February 28, 2025	10,134,877	6.1	237,747	-5.2	224,223	-5.6	28,783	-35.6
Year ended February 28, 2024	9,553,557	4.8	250,822	19.6	237,479	16.6	44,692	109.0

Note: Comprehensive income: Year ended February 28, 2025: 77,348 million yen (-58.9%)
Year ended February 29, 2024: 188,291 million yen (48.9%)

	Earnings per share	Earnings per share – fully diluted	Return on equity	Ordinary profit to total assets
	yen	yen	%	%
Year ended February 28, 2025	33.58	33.55	2.7	1.7
Year ended February 29, 2024	52.25	52.21	4.4	1.9

Reference: Equity in gains (losses) of equity-method affiliates:

Year ended February 28, 2025: 6,338 million yen
Year ended February 29, 2024: 5,350 million yen

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2025	13,833,319	2,121,226	7.6	1,218.63
[excl. Financial Services]	[6,570,212]	[1,649,961]	[14.0]	—
February 29, 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: February 28, 2025: 1,049,230 million yen February 28, 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.

(3) Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Year ended February 28, 2025	566,218	(478,810)	881	1,172,102
Year ended February 29, 2024	368,487	(508,876)	(15,867)	1,064,093

2. Dividends

Record date or period	Dividend per share					Total dividends paid (full year)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended Feb. 29, 2024	—	18.00	—	18.00	36.00	30,855	68.9	3.0
Year ended Feb. 28, 2025	—	20.00	—	20.00	40.00	34,364	119.1	3.3
Year ending Feb. 28, 2026 (forecast)	—	20.00	—	20.00	40.00		86.1	

Note: For the fiscal year ending February 28, 2025, the Company distributed an interim ordinary dividend of 18 yen per share along with a commemorative dividend of 2 yen per share. Additionally, a year-end ordinary dividend of 18 yen per share and a commemorative dividend of 2 yen per share are also planned to be distributed.

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

(March 1, 2025, to February 28, 2026)

(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
Six months ending Aug. 31, 2024	—	—	—	—	—	—	—	—	—
Full year	10,500,000	3.6	270,000	13.6	250,000	11.5	40,000	39.0	46.46

Note: AEON has not disclosed earnings forecasts for the first six months.

*Notes

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

New : 1 Company name: Post and Telecommunication Finance Company Limited

Exclusion : 1 Company name: AEON PRODUCT FINANCE CO., LTD.

(2) 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

(3) Number of shares issued (common stock)

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

February 28, 2025: 871,924,572 shares

February 29, 2024: 871,924,572 shares

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

February 28, 2025: 10,929,896 shares

February 29, 2024: 16,023,950 shares

3) Average number of shares outstanding during the period:

Year ended February 28, 2025: 857,140,910 shares

Year ended February 29, 2024: 855,365,291 shares

* For the number of shares serving as basis for the calculation of earnings per share (consolidated), see

“Per Share Information” on page 30.

For Reference**1. Non-consolidated Financial Results for the Fiscal Year ended February 29, 2025****(March 1, 2024, to February 28, 2025)****(1) Operating Results****(Percentage figures represent year-on-year changes)**

	Operating revenue		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended February 28, 2025	73,150	7.6	47,040	2.6	31,733	21.3	40,221	81.9
Year ended February 29, 2024	67,983	22.6	45,846	27.3	26,171	90.6	22,115	24.7

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Year ended February 28, 2025	46.92	46.91
Year ended February 29, 2024	25.85	25.85

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2025	1,880,497	635,876	33.8	737.83
February 29, 2024	1,709,893	666,637	39.0	778.37

Reference: Total equity: February 28, 2025: 635,288million yen February 29, 2024: 666,274 million yen

Total equity = Shareholders' equity plus total accumulated other comprehensive income.

***Audit Status**

This report is not subject to audit by certified public accountant and audit firm.

***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) Outlook for the Fiscal Year Ending February 28, 2026” on page 13.

Accompanying Materials

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1. Review of Operating Results and Financial Statements

(1) Analysis of Operating Results

1) Summary of Operating Results

For the fiscal year ended February 28, 2025, AEON CO., LTD. (hereinafter “AEON”) posted consolidated operating revenue of 10,134,877 million yen, up 6.1% year on year and marking a new record high. Operating profit totaled 237,747 million yen, down 13,075 million yen, and ordinary profit was 224,223 million yen, down 13,256 million yen. Net income attributable to owners of the parent was 28,783 million yen, a decrease of 15,908 million yen from the previous year.

During the period under review, uncertainty about the future persisted amid global political instability, armed conflicts, and a slowdown in the Chinese economy. In Japan, real wages turned positive in June for the first time in two years and three months, driven by summer bonuses, but remained stagnant thereafter—falling back into negative territory in August and September before rebounding in October. Toward the end of the year, personal consumption saw a temporary uptick due to seasonal demand and winter bonuses. However, rising prices weighed on real purchasing power, and consumer sentiment remained cautious in December and January. Although the Japanese government introduced electricity and gas subsidies from January to March 2025 to counter soaring energy prices, the impact on easing household burdens was limited. Under these conditions, the polarization in consumer behavior—marked by frugality in daily spending and a willingness to pay for high value-added products and services—is expected to persist going forward.

In such an environment all reporting segments recorded higher operating revenue. Operating profit increased in the Financial Services Business, where return on capital improved due to growth in high-yielding operating receivables; in the Shopping Center Development Business, driven by higher rental income from floor space expansions and renovations; and in the Services and Specialty Store Business, where all listed subsidiaries saw improved earnings. However, operating profit declined in the GMS (General Merchandise Store) Business, SM (Supermarket) Business, DS (Discount Store) Business, Health & Wellness Business, and International Business, which together comprise the Retailing segment.

Common Group Strategy

AEON has been diligently implementing the five key reforms outlined in the AEON Group Medium-term Management Plan (FY2021 – FY2025), 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. On February 28, we announced the decision to make AEON Mall Co., Ltd. (hereinafter “AEON Mall”) and AEON DELIGHT CO., LTD. (herein after “AEON DELIGHT”) wholly owned subsidiaries. By fully integrating AEON Mall, which serves as a platform, and AEON DELIGHT, which provides essential infrastructure, we aim to harness the scale of the AEON Group to expand and accelerate the growth of both businesses, driving further growth for the Group as a whole.

Acceleration and evolution of the digital shift:

AEON Retail Co., Ltd. (hereinafter “AEON Retail”), which operates the GMS business, has completed the rollout of self-checkout registers in food sections at nearly all of its stores. The number of stores equipped with “RegiGo”—a system that allows customers to scan products themselves while shopping, check the running total, and complete payment at a self-checkout register—exceeded 300 stores in June, reaching 337 stores by the end of the fiscal year. In September, the RegiGo was integrated into AEON’s all-in-one app, “iAEON,” allowing users to apply various coupons and enjoy exclusive benefits for shareholders, thereby enhancing the shopping experience. Since its launch just over three years ago, iAEON has been downloaded more than 14 million times. In response to strong customer demand, the app is also considering the addition of a household budgeting feature using digital receipts (without receipt functionality). The shift from traditional mass marketing to personalized 1-to-1 marketing aimed at maximizing customer experience value is steadily progressing. This is supported by efforts to standardize customer IDs across group companies and to utilize sales and purchase history data accumulated through AEON Card, iAEON, WAON POINT, AEON Pay, and other services.

In addition to unmanned checkout registers, AEON Retail has introduced “AI *Kakaku* (Price),” which helps reduce food waste by applying optimal discount rates each day, and “AI Order,” which improves order accuracy based on demand forecasts. The time saved through these AI tools is being redirected to tasks that directly enhance customer satisfaction, such as customer service and creative sales floor initiatives, thereby improving the overall quality of service.

In the online channel, we are enhancing our services for customers who prefer shorter shopping times or have limited access to physical stores. “Green Beans,” AEON’s online-only supermarket that ships from Customer Fulfillment Centers (CFCs), has been highly rated for its wide product selection, guaranteed freshness and optimal ripeness of fresh foods, and the convenience of selecting one-hour delivery slots from 7:00 a.m. to 11:00 p.m. As of the end of February, membership had grown to approximately 500,000. The addition of six spokes (relay points) connected to the main CFC hub has enabled deliveries to over 7.3 million households across the service area, including all 23 wards of Tokyo. With the second Hachioji CFC (Hachioji City, Tokyo) and the third Kuki Miyashiro CFC (Miyashiro Town, Minamisaitama

District, Saitama Prefecture) currently under construction, the system is expected to expand its coverage to approximately 15 million households across key areas in Tokyo and three neighboring prefectures by fiscal 2027 and beyond.

Establishment of unique value by supply chain:

TOPVALU, our private brand (PB), leverages the full scale of the AEON Group to build an integrated supply chain—from strategy and planning to store operations—ensuring the consistent delivery of high-quality products at competitive prices, while also working to improve gross profit margins. Amid ongoing price increases across many products, TOPVALU is addressing the needs of price-conscious consumers by reducing prices or increasing the volume of selected items within the “TOPVALU BESTPRICE” lineup, under the theme of “Step-by-Step Savings.” In addition, we are expanding local PB offerings developed by Group companies in collaboration with regional producers, along with specialized PB products in categories such as pharmaceuticals, pet care, and sports. Through these initiatives, we aim to achieve total PB net sales of 2 trillion yen by fiscal 2025. Furthermore, by 2025, we plan to ensure that all TOPVALU products are developed in line with the 3Rs—Reduce, Reuse, and Recycle—establishing a framework that helps customers reduce the environmental impact of their everyday purchases.

We are also working to improve profitability by internalizing product planning, manufacturing, and sales, and by utilizing functional companies. For national brand products, we will consolidate demand within the group to AEON Commodity Procurement Co., Ltd. and reflect the cost savings from large volume purchases in product prices. In the food products area, Craft Delica Funabashi (Funabashi City, Chiba Prefecture), a next-generation side dish process center (PC) that provides restaurant-quality products while realizing efficient production and sales, began operations in June. In addition to improving product quality, the PCs are deployed in each region to reduce person-hours for processing and cooking at the stores. Furthermore, AEON Fukuoka XD (Higashi Ward, Fukuoka City), a distribution center that began full-scale operations in July, aims to reduce workload and improve productivity by improving operations on the premises and promoting automation of distribution tasks. We are also working to reduce CO2 emissions through mobility, data, and energy solutions in partnership with Commercial Japan Partnership Technologies (CJPT), a commercial vehicle alliance led by Toyota Motor Corporation.

Advancement of Health & Wellness for a new era:

In February 2024, the Company, TSURUHA Holdings, Inc. (“Tsuruha”), and WELCIA HOLDINGS CO., LTD. (“WELCIA”) entered into a capital and business alliance agreement. Built on a strong partnership founded on mutual respect and trust, the three companies aim to deliver better products and services to all members of the community—regardless of where they live or their generation—and to continue supporting healthy, secure lifestyles. To address key social challenges such as the declining birthrate, aging population, the rise in lifestyle-related diseases, and regional disparities in access to medical and welfare services, the companies will combine their respective strengths: Tsuruha and WELCIA in healthcare, and AEON in wellness. By leveraging their drugstore networks, the three companies will work as one to serve as a daily lifeline supporting the health of local communities. They will also collaborate in the development and sales of products and services, while promoting productivity improvements, greater efficiency, and enhanced service convenience. Through these efforts, they aim to help build communities where people can live with peace of mind. By drawing on Tsuruha’s and WELCIA’s experience in the ASEAN region and AEON’s business foundation, the alliance is working toward becoming a trusted drugstore chain across Asia and growing into Asia’s leading health and wellness company.

AEON Retail is also working to create an environment where people can approach senior and nursing care with greater peace of mind, aiming to help everyone lead a better, more fulfilling life (a wellness life) amid the challenges of a declining birthrate and aging population. These efforts are centered around “MySCUE,” a platform designed to provide essential information and support related to senior and nursing care.

Creation of the “AEON Living Zone”:

Through the “Five Reforms” outlined in our current medium-term management plan, we aim to create vibrant living areas tailored to the unique needs of each region. In the Tokyo metropolitan area, United Super Markets Holdings Inc. (hereinafter “U.S.M.H”), which is pursuing a “1 trillion yen SM vision for the Kanto region,” has been strengthened with the addition of Inageya Co., Ltd. (hereinafter “Inageya”) We are enhancing customer touchpoints through both our physical store network and e-commerce channels. AEON Mall, which has long operated as a core presence in local communities, is expanding beyond its traditional large-scale stores to focus on small-scale neighborhood shopping centers (NSCs). These efforts are being carried out in collaboration with local governments to help address regional challenges such as population decline and the rise in single-person households. By leveraging existing Group assets and transforming them into shopping centers tailored to the characteristics of each community, we aim to attract more visitors through a lineup of products and services suited to local needs. This, in turn, will create a virtuous cycle that drives increased store traffic and strengthens our earnings base.

Meanwhile, in the ASEAN region, where the need for financial inclusion is growing due to disparities in access to financial services based on income and creditworthiness, we are expanding next-generation services that are closely integrated into daily life through digital channels. In May, AEON BANK (M) BERHAD (hereinafter “AEON BANK (M)”), a digital bank that adopts the Islamic financial system, started operations in Malaysia. In February, Post and

Telecommunication Finance Company Limited, which mainly rolls out personal loan business in Vietnam, became a wholly owned subsidiary of AEON Financial Service Co, (hereinafter “AEON Financial Service”). We will contribute to the realization of financial inclusion by leveraging our non-bank know-how cultivated in Asia for more than 30 years.

Further acceleration of the Asian shift:

Since opening our first store in Malaysia in 1984, we have steadily built a business foundation across Asia. Under our current medium-term management plan, we have identified Vietnam—now in its demographic bonus period and showing strong consumption growth—as our most important market and are accelerating store openings there.

During the current consolidated fiscal year, we opened “AEON Ta Quang Buu” (District 8, Ho Chi Minh City), our first GMS located outside an AEON Mall facility. In September, we also held the grand opening of “AEON MALL Hue” in Hue City. Construction is now underway for AEON MALL Thanh Hoa (Thanh Hoa City) in the north central region and AEON MALL Ha Long (Ha Long City), near the World Heritage site of Ha Long Bay. Both malls are scheduled to open in the second half of 2026. In Dong Nai Province, located near Ho Chi Minh City in southern Vietnam, we signed a basic agreement with local developer Viet Phat Group to jointly develop a shopping mall. Through these initiatives, we are accelerating the opening of dominant stores in southern Vietnam (major cities: Ho Chi Minh City and Binh Duong), northern Vietnam (Hanoi and Hai Phong), and neighboring cities, with a particular focus on the central region (Hue and Da Nang), Vietnam’s third-largest economic zone. Outside of Vietnam, we also opened new stores in Deltamas, Indonesia in March; Hangzhou, Zhejiang Province, China in June; and Changsha, Hunan Province, China in September—targeting regions with strong growth potential based on demographics and transportation infrastructure development.

Environment and Green:

For the sixth year in a row, AEON has been awarded the A-list, the highest rating for climate change action, by CDP, a non-profit organization that conducts international environmental research and information disclosure, in recognition of its efforts to reduce emissions, mitigate climate change risks, and build a low-carbon economy. AEON MALL Toyokawa (Toyokawa City, Aichi Prefecture) was awarded the "Minister of the Environment's Prize," the highest award in the "Decarbonized City Creation Awards," and the entire AEON Group is working together to achieve zero CO2 emissions by 2040 and achieve sustainable growth.

Regarding S (Social) category among ESG, under our basic philosophy "Pursuing peace, respecting humans, and contributing to local communities," we have decided to increase hourly wages for hourly employees, who are local residents before they are employees, by 7% on average in FY2025, amid continuing price hikes. We have expanded the survey items in our annual engagement survey and established a system to track changes over time in order to visualize the degree of empathy with our philosophy and vision. As a company that employs approximately 600,000 people, the largest group in Japan, we believe that it is very meaningful for us to work on improving engagement.

2) Results by Business Segment

Results by segment are as follows.

Effective from the first quarter of the reporting fiscal year, the Company has changed the classification of its reportable segments. For details, please refer to “Changes in Reportable Segments” on page 28.

GMS Business

The GMS Business posted an operating profit of 16,360 million yen (a decrease of 11,565 million yen year-on-year) on operating revenue of 3,559,481 million yen (up 2.6% year-on-year).

AEON Retail intensified its efforts to reform its revenue structure, aiming to establish a resilient management foundation capable of withstanding rising costs, while striving to maximize gross profit, enhance shopping center revenue, and expand digital sales. Although operating profit declined slightly from the previous year due to various cost increases driven by inflation, the initiatives implemented during the current consolidated fiscal year to enhance store value, including the revitalization of existing stores, have steadily produced positive outcomes. Regarding gross profit maximization, the company focused on increasing market share and customer numbers, particularly for its private-brand food products, by regularly reducing the prices of carefully selected high-frequency purchase items. As a result, customer support steadily increased. In addition to rising raw material costs, the introduction of new weight-based pricing options to accommodate customer demand for smaller quantities also contributed to sales growth. In Apparel, which is advancing reforms aimed at achieving the gross profit margin of SPA (manufacturing and retailing) companies, AEON Retail accelerated the rollout of its “specialty store operation model” across six areas: daily casual, next age (younger customers), sports life, second life (senior customers), occasion, and sundries. This initiative involves a comprehensive transformation of operations, including the sales floor environment, product lineup, and customer service, and had been implemented in a total of 14 stores by the end of the fiscal year. In Home Furnishing, the

company plans to continue expanding its “leisure-focused model,” which emphasizes “enjoyment” and “excitement,” following the successful outcome of a demonstration initiative. To enhance shopping center revenues, AEON Retail is investing in revitalization and environmental upgrades to maximize the overall appeal of shopping centers, with customer traffic as the most important KPI. The rollout of “Soyora,” a new urban-style shopping center for young families and younger customers, is being accelerated. In particular, stores with a high ratio of external tenants have shown notable improvements in earnings. Regarding digital sales, the company is strengthening product lineups and reservation programs at online supermarkets. At the same time, it is enhancing customer convenience and reducing distribution costs by improving store pickup ratios and upgrading its network of logistics bases in response to the increasingly competitive market environment. In terms of profit structure reform, AEON Retail is promoting productivity improvements through digital technology and pursuing cost reductions at both stores and headquarters. Notably, in the current fiscal year, significant gains were made in hourly productivity by reducing back-office costs and optimizing personnel expenses.

AEON Hokkaido Corporation (hereinafter “AEON Hokkaido”) is accelerating growth toward its management vision of becoming a company that supports health and wellness in Hokkaido through two key measures: strengthening exclusive products and transitioning to and establishing new operations. On October 1, AEON Hokkaido took over nine GMS in Hokkaido from Seiyu Co., Ltd., prioritizing the swift resumption of operations while efficiently upgrading equipment and revising product lineups within a limited timeframe. To address changes in local consumption behavior caused by the decline in commercial facilities across the region, AEON Hokkaido reinforced its event and seasonal product lineup and enhanced outreach through active media communication. The three stores converted to the DS format recorded strong results, with net sales exceeding 150% year-on-year against the backdrop of a frugal mindset. In terms of exclusive product development, the company actively promoted TOPVALU items, along with private-brand products developed in collaboration with local specialty shops and well-known local businesses. The BESTPRICE series in particular performed well, achieving a 12.8% year-on-year increase in sales. To enhance operational efficiency, AEON Hokkaido implemented self-checkout registers, electronic shelf labels, and the “Mobile Assistant System,” which enables real-time access to sales data and individual product performance through company-issued smartphones and ordering terminals. These efforts contributed to a reduction in total working hours per store to 98.8% compared to the previous year. As part of its commitment to sustainable management and deeper community engagement, AEON Hokkaido launched a circular initiative by selling pork produced from feed made using food waste collected at stores—an effort to create towns where people feel proud to live with AEON.

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.” In the current fiscal year, while addressing rising prices—particularly for food products—and a sharp increase in labor and electricity costs, the company has worked to improve productivity through active investment in store-based digital transformation (DX). Initiatives included the introduction of self-checkout registers, electronic shelf tags, and AI-based tools such as “AI *Nebiki*” for discount optimization and “AI Shift” for staff scheduling. As part of its store rollout strategy, the company opened 16 new stores, including four “Maxvalu Express” locations aimed at expanding market share in urban areas, and six “Welcia Plus” stores operated by AEON Welcia Kyushu Co., Ltd. These stores combine a drugstore with a dispensing function and a supermarket offering fresh food. In sales, alongside the solid performance of food products, contributions from new store openings and enhanced promotions led to a 4.3% year-on-year increase in net sales. Same-store sales continued to improve each quarter, reaching 104.6% in the fourth quarter. At “Maxvalu Express,” same-store sales rose by 5.2%, supported by an expanded lineup of ready-to-eat meals, convenience items, and exclusive offerings developed specifically for compact formats. At “Welcia Plus,” the integration of prescription and food offerings was accompanied by a focus on training specialized staff, resulting in improved store profitability. In the EC business, limited-time campaigns and enhancements to the online supermarket delivery infrastructure drove significant sales growth. Additionally, the company continued expanding customer touchpoints through various convenience-focused initiatives, including the rollout of “Smart NICO” unmanned stores for offices, same-day delivery services, and mobile supermarkets. Marketing efforts via iAEON were also strengthened. As part of its sustainable management efforts, the company continued its “Food Drive” food donation program at 279 stores, with cumulative donations exceeding 155 tons since the program’s launch in 2019. Efforts to reduce paper usage included the introduction of electronic receipts and the installation of permanent collection points for clothing and miscellaneous goods at 42 general merchandise stores. Other community-oriented initiatives included donations linked to sales of environmentally friendly products and support for the installation of cooling shelters to prevent heatstroke. Through these multifaceted efforts, the company not only achieved growth in both sales and profits, but also contributed to the realization of a sustainable society and deeper community engagement.

Supermarket Business/Discount Store Business

The Supermarket Business posted operating profit of 32,959 million yen (a decrease of 8,952 million year-on-year) on operating revenue of 3,060,065 million yen (up 10.0% year-on-year).

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 aims to “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, has commenced full-scale operations at the Maruetsu Soka Delicatessen Center (Soka City, Saitama Prefecture) to respond to the growing demand for prepared foods and reduce store workload. Products are now supplied to approximately 500 out of the group’s 660 stores. The company has also focused on strengthening its delicatessen offerings, promoting the rollout of original brands such as “*Maigokoro*” (rice products) and “*Umagokoro*” (side dishes) developed at the Soka Delicatessen Center. In addition, Maruetsu worked to improve convenience by opening new stores, revitalizing existing locations, introducing labor-saving equipment, and expanding home delivery and mobile supermarket services. At KASUMI, the number of customer visits has been supported by price reductions on frequently purchased products and special fruit and vegetable promotions. In addition to increased sales per customer, the company promoted productivity improvements by optimizing sales floor layouts and labor management, and also expanded in-house bakery operations. The number of mobile supermarket and unmanned store locations was also increased.

Maxvalu Kanto is promoting reforms under the pillars of “product innovation,” “digital innovation,” and “store innovation.” In addition to strengthening its community-based product development and reinforcing its “MeetsValu” and fresh prepared food sections, the company launched a new mobile supermarket service in collaboration with Chiba city. These initiatives are part of its efforts to realize the company’s vision of “creating a shopping experience full of deliciousness and gratitude.” Inageya, operating under the slogan “Freshness at low prices with all our heart,” has been renovating stores to encourage more frequent customer visits and enhance differentiation in its prepared foods and fresh fish departments. The company is also focused on product development, including the expansion of fresh fish sushi offerings, and is working to create attractive in-store experiences.

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 Nishinohon Co., Ltd. as the absorbed companies at the beginning of the fiscal year. Based on this, 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 well understood. In terms of transforming existing businesses, FUJI revitalized 37 stores and conducted scrap-and-build projects at four stores during the fiscal year under review. It also introduced electronic shelf labels in 69 stores (total of 90 stores) and self-checkout registers in 40 stores (total of 377 stores), enhancing customer convenience and streamlining operations. For integrating business infrastructure and creating synergies, following the initiatives in East Shikoku in the first half of the fiscal year, FUJI reorganized cold-chain logistics in October and room-temperature logistics in November in West Shikoku during the second half. At its Process Centers, FUJI is working on streamlining product specifications for manufacturing and processing while restructuring the supply system by region. In procurement and product development, efforts are being made to optimize the supplier network, standardize assortments, and expand the private brand, “TOPVALU.” To enhance customer convenience and offer services closely aligned with local lifestyles, the non-store business has been leveraged, expanding the mobile supermarket distribution network from 87 stores as a base to 137 vehicles across 752 routes (as of the end of fiscal 2024). As a result, sales increased by 14.8 % compared to the previous fiscal period. In promoting ESG management, FUJI has strengthened its collaboration with local communities through social initiatives such as donations to local organizations, food education activities, food drives, and food banks. On the environmental front, efforts have been made to transition to energy-efficient refrigeration units and LED lighting, as well as to implement self-consumption solar power systems, with new installations completed at 18 stores (bringing the total to 81 stores) by the end of fiscal 2024.

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.” In terms of sales, to strengthen the sales of growth categories such as delicatessen and frozen foods, efforts were made to enhance the product lineup by upgrading the frozen display cases. Regarding products, Maxvalu Tokai held the “Local Products Trade Fair” online, aiming to expand e-commerce sales and promote the appeal of regional products. Additionally, through the “Chanto Gohan” (Square Meals) initiative, which promotes healthy eating habits, strengthened community ties by sharing health and nutrition information, hosting cooking classes to provide hands-on experiences, and offering co-developed products in collaboration with local governments and universities. In store operations, 16 stores were renovated to enhance the competitiveness of same-store, in addition to opening 5 new stores. As a result, the total number of stores reached 244 at the end of fiscal 2024. Additionally, efforts to diversify shopping opportunities included expanding the fleet of mobile supermarkets vehicle, increasing online supermarket hubs, enhancing e-commerce offerings, promoting the opening of “Max Mart” stores, and utilizing “Uber Eats.” Furthermore, Maxvalu Tokai initiatives such as distributing coupons via the iAEON app and holding sales and promotions to celebrate the 20th anniversary of its stock listing. On the systems front, the introduction of electronic shelf label, cashless self-checkout registers, and automatic ordering

support for agricultural products using weather data contributed to improving operational efficiency and inventory accuracy. Through these efforts, “Business Structure Transformation” and “Creating Added Value Through Technology Integration” are being advanced. In terms of securing and developing talent, substantial wage increases were implemented for two consecutive years, and a new HR system was introduced, allowing individuals to choose their career direction and work style. Actions have also been taken to enhance the training system, promote DX education, foster a workplace environment that respects diversity, and advance health management. Through these initiatives, Maxvalu Tokai is working to create an environment where employees can grow proactively and feel a sense of fulfillment in their work.

The Discount Store Business posted operating profit of 7,991 million yen (a decrease of 497 million yen year-on-year) on operating revenue of 411,447 million yen (up 2.8% year-on-year). As the price of many daily necessities continues to rise, putting pressure on household budgets, for standard products and discount store-specific PB following the EDLP (Everyday Low Price) strategy, sales per customer are on the rise, driven by case sales that prioritize low prices per unit and emphasize bulk purchases. In addition to prioritizing the development of a discount store format with established low-cost operations, which includes initiatives to streamline store operations and reduce labor-intensive tasks, we also concentrated on enhancing customer convenience through the utilization of iAEON and AEON Pay.

Health & Wellness Business

The Health & Wellness Business posted an operating profit of 36,700 million yen (down 6,592 million yen year-on-year) on operating revenue of 1,322,876 million yen (up 7.1% year-on-year).

Welcia Holdings and its consolidated subsidiaries aim to achieve their 2030 vision of becoming the “No. 1 Health Station in Each Local Community.” In March 2024, EXCHANGE Co., Ltd., an information systems company, became a wholly owned subsidiary. In June, WELCIA YAKKYOKU CO., LTD. made Toshisha Pharmacy Co., Ltd., which operates 21 stores in Nagano Prefecture, a wholly owned subsidiary, and the two companies merged in September. That same month, Welcia Holdings and Inageya jointly acquired all shares of Welpark Co., Ltd. In October, Welcia Partners Co., Ltd. (formerly Toden Partners Co., Ltd.), which operates a nursing care business in the Tokyo metropolitan area, also became a wholly owned subsidiary. Through initiatives such as the privately operated community hub “Welcafe,” which received the 2024 Good Design Award, and the mobile sales vehicle “Uetan-go,” the Welcia Group continues to fulfill its role as local infrastructure supporting safe and secure communities. In the merchandising division, despite a decline in revenue due to the discontinuation of tobacco sales—an initiative aimed at promoting public health—the company continued to develop and promote its original PB, “*Karada* (Body) Welcia” and “*Kurashi* (Living) Welcia,” which emphasize enhanced functionality, quality, and environmental performance. As a result of these efforts and the integration with the WAON POINT service, the number of loyalty program members increased to 13.8 million. In the dispensing division, the number of prescriptions received rose in line with an increase in the number of stores with dispensing services, which reached 2,282 by the end of the fiscal year. Consequently, combined same-store sales of merchandise and prescriptions continued to show steady growth year on year. During the fiscal year, 78 new stores were opened and 55 stores were closed, bringing the total number of stores in the Group to 3,013.

Financial Services Business

The Financial Services Business posted an operating profit of 61,165 million yen (an increase of 9,934 million yen year-on-year) on operating revenue of 530,452 million yen (up 9.7% year-on-year).

Under the purpose of “Bringing finance closer. Engaging with each individual and enriching daily life with safety and joy,” AEON Financial Service 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, we are consolidating our payment-related businesses with the aim of maximizing customer value in the AEON Living Zone and optimizing the overall Group structure. In February, we completed the transfer of the WAON value issuance business, previously operated by AEON Retail and AEON BANK, LTD. (hereinafter “AEON Bank”). To concentrate management resources on core and growth areas, a resolution was passed to transfer 85.1% of the issued shares of AEON–Allianz Life Insurance Co., Ltd. to Meiji Yasuda Life Insurance Company, and a share transfer agreement was signed. In response to the Bank of Japan’s monetary policy and changes in the interest rate environment, AEON BANK revised its yen deposit and loan interest rates in May and October 2024, and again in March 2025. Under the “AEON Bank My Stage” program, which offers preferential rates based on customer stage, the bank implemented products such as retirement savings time deposits and special interest rate campaigns. As a result, deposit balances reached 5,201,633 million yen, an increase of 662,260 million yen from the beginning of the period. In the housing loan business, transaction volume was 557,913 million yen, or 99.9% of the previous year’s level, reflecting both interest rate revisions and enhanced promotional efforts through AEON Select Club benefits. To strengthen the anti-money laundering and counter-terrorist financing framework, AEON Bank submitted a business improvement plan to Financial Services Agency in January and is working across the organization to reinforce its systems and restore trust. In the retail business, improvements to the UI and UX of the AEON Wallet website and app, along with the enhancement of personalized communication using AI, have contributed to the steady growth of operating receivables. Shopping revolving and installment receivables reached 361,566 million yen (up 50,796 million yen from the beginning of

the period), and cash advance receivables totaled 427,903 million yen (up 15,581 million yen). In the solutions business, the number of valid domestic cardholders increased to 26.16 million (up 320 thousand), and valid domestic IDs rose to 36.15 million (up 2.09 million), supported by expansion in AEON Pay membership and merchant network growth. Credit card shopping transaction volume grew to 7,492,511 million yen, or 105.8% year on year, driven by initiatives such as special Gold member benefits on Customer Appreciation Days at AEON Mall specialty stores and increased AEON Pay usage. The number of AEON Pay member stores expanded significantly, particularly in everyday-use categories such as cafes, drugstores, and *karaoke* parlors, reaching 3.03 million locations—an increase of 1.08 million from the beginning of the period.

Overseas, in Hong Kong, where economic recovery remains sluggish and high prices persist, AEON CREDIT SERVICE (ASIA) CO., LTD. steadily increased credit card shopping transaction volume through initiatives such as collaboration with AEON Group stores in mainland China, expansion of mobile payments, and services for tourists visiting Japan. Credit card cashing and loan transactions also grew, supported by data-driven sales strategies and the launch of instant loan products. In Thailand, our major business area in the Mekong region, despite ongoing economic challenges, AEON THANA SINSAP (THAILAND) PCL. has steadily increased card and loan transaction volume by enhancing digital credit offerings and promotional activities, making steady progress in growth initiatives. In Malaysia, AEON BANK (M) BERHAD, a digital bank launched in May, is working to expand its services, including the launch of “Personal Financing-i,” a personal loan product, in March 2025. In Vietnam, which AEON Group has positioned as the most important market in its overseas strategy, the WAON POINT loyalty program was launched in October to support expansion of the AEON Living Zone.

Shopping Center Development Business

The Shopping Center Development Business earned operating profit of 53,035 million yen (an increase of 5,686 million yen year-on-year) on operating revenue of 496,170 million yen (up 5.9% year-on-year).

In 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, AEON Mall continued its renovation initiatives to strengthen the competitiveness of existing malls, including the expansion of floor space at Lake Town OUTLET (Koshigaya City, Saitama Prefecture) and AEON Mall Ota (Ota City, Gunma Prefecture). During the Golden Week holiday period, over 1,500 events were held across malls nationwide, and in summer, the company implemented the “Cool Share Spot” initiative through indoor summer festivals and mini fireworks displays, contributing to customer attraction efforts. In the second half of the fiscal year, the company responded to rising prices and a growing frugal mindset by implementing campaigns such as AEON Black Friday and AEON Super First Sale. As a result, the number of customers at existing malls (92 locations) exceeded the previous year’s level. Inbound demand also rose significantly due to the weaker yen, and duty-free sales approximately doubled year on year, driven by strong performance at malls located near tourist destinations and airports. Moving forward, the company aims to further expand inbound consumption by leveraging its overseas bases, including by enhancing communication about AEON Malls in Japan and surrounding tourist information through its international locations.

Regarding overseas business, in China, revenue increased due to higher percentage rent income from existing malls and the opening of new malls. However, profit declined as a result of lower earnings from malls closed in the previous fiscal year and the cost burden of new store openings. Time-consuming businesses such as food and entertainment performed well, and the “AEON Mall Super Lucky Day” campaign, held at all locations, contributed to growth in both sales and customer traffic. The company will continue strengthening sales initiatives and event-based marketing to stimulate consumer demand. In Vietnam, revenue and profit increased, supported by initiatives such as collaboration with local governments and organizations, the issuance of coupons usable at specialty stores, and sales promotions aligned with anniversaries and seasonal events. The company is also advancing its market development strategy by opening its first mall in the central region—AEON Mall Hue (Hue Province). In Cambodia, renovations at AEON Mall Mean Chey (Phnom Penh), improvements to mall facilities, and advertising through social media helped drive a recovery in customer numbers. Additionally, expansion and renewal at AEON Mall Phnom Penh contributed to revenue growth. However, due to continued weakness in foreign consumer spending, a full recovery in sales remains in progress. The company is focusing on strengthening customer attraction measures and addressing vacant space to improve profitability. In Indonesia, the number of customers increased due to promotions timed with Independence Day and improvements to underutilized areas in existing malls. As a result, the business returned to profitability.

Services and Specialty Store Business

The Services and Specialty Store Business posted operating profit of 23,104 million yen (a decrease of 5,396 million yen year-on-year) on operating revenue of 729,152 million yen (up 1.6% year-on-year).

AEON DELIGHT saw an increase in revenue and profit due to factors such as gaining a larger share within its customer base both inside and outside the AEON Group, an increase in new properties under contract, and the success

of efforts to negotiate unit price revisions based on rising personnel, outsourcing, and raw material costs. In the Facilities Management Business, Security Services Business, and Cleaning Services Business, 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 orders for energy-saving projects in response to rising energy costs, as well as multiple large-scale contracts secured through the strengthening of the construction system. In the Materials/Supplies Sourcing Servicing Business, it increased order intake for various materials, worked to reflect the rise in costs in appropriate sales prices, and reduced 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 current consolidated fiscal year, the domestic business performed strongly, driven by the opening of new large-scale formats and strategic small-scale outlets. In particular, the prize category achieved same-store sales growth of 10.4% year on year, while the medal category also performed steadily, with same-store sales up 3.4%.

In Japan, the company launched large-scale facilities such as “Feedy Diner & Arcade” (combining dining and entertainment) and new locations of the playground business “*CHIKYUU-NO-NIWA* (‘Garden on Earth’),” where visitors learn about the Earth through play. Sales at both business formats significantly exceeded initial plans. The company also expanded its network of compact, strategic stores by opening 19 prize specialty stores and 54 capsule toy specialty stores.

In the ASEAN business, although operating profit declined due to higher costs related to store openings and enhanced head office functions, net sales reached a record high. In addition to the company’s core “kidzooona” brand, new business formats such as “Kidzooona Safari” and “KID’S BOX JUMBO” were introduced, and development expanded into areas not previously served, including small- and medium-sized commercial facilities. Store openings progressed according to strategic priorities: in Indonesia, with a focus on growth, 16 new stores were opened; in Vietnam, focused on market share expansion, 10 new stores were added. In Malaysia, 24 stores were opened, and in the Philippines and Thailand, where the focus was on market share and productivity respectively, 11 stores were opened in each country. In China, prolonged economic uncertainty and intensifying competition led to a decline in sales and widened operating losses. In response, the company closed 82 unprofitable stores—exceeding its original plan—while simultaneously revitalizing 20 stores by resizing amusement zones and expanding playground areas. It also opened 34 “Molly Vital Space” compact-format stores, a low-cost model capable of generating profit from the first month, as part of its efforts to streamline the store portfolio. As a result of opening 195 new stores—mainly in new business formats—and closing 134 unprofitable stores (including 82 in China), the total number of stores as of the end of the current consolidated fiscal year was 1,228, comprising 753 in Japan and 475 overseas.

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 fiscal year, COX worked to strengthen brand communication and drive sales growth by expanding magazine tie-up projects featuring Japanese TV personalities to men’s products in both spring and autumn. The LBC and D-to-C brands also collaborated with web media, and the ikka brand completed store renewals at 87 locations. As part of its merchandise reforms, the company curbed in-store discounts and made effective use of carry-over stock. The buildup of summer inventory contributed to strong sales in August. Although sales of autumn and winter products were slow to pick up due to lingering heat, sales exceeded the previous year’s levels from November onward as temperatures dropped. In terms of purchasing, the gross profit margin declined only slightly—by 0.2 percentage points—thanks to enhanced procurement from China and ASEAN countries, as well as the use of forward exchange contracts. In the EC business, the renewal of the official app in April and stronger member-focused marketing contributed to a 14.9% year-on-year increase in sales on the company’s own EC site. In the D-to-C business, collaborations with influencers and tie-ins with web magazines succeeded in expanding brand recognition and boosting sales. As a result, total EC sales rose 9.0% year on year. Amid rising labor and recruitment costs, COX focused on improving sales efficiency by promoting regular-price sales, expanding the use of repeat visit coupons, revising store layouts to optimize display space and inventory, and enhancing customer service. Since the establishment of the SDGs Committee in October 2018, the company has continued to pursue solutions to social issues through initiatives centered on three pillars: community building, manufacturing, and human resource development. These efforts include community contribution, development of environmentally friendly products, and the promotion of diversity and inclusion. For example, the ratio of recycled materials used in total apparel product purchases increased to 10.5%, up 2.7 percentage points from the previous year.

International Business

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

The International Business posted operating profit of 9,493 million yen (a decrease of 878 million yen year-on-year) on operating revenue of 548,875 million yen (up 7.9% year-on-year).

In Malaysia, while inflation led to rising living costs, consumer spending remained focused on essential goods. AEON CO. (M) BHD. worked to capture demand by expanding private-brand sales and strengthening sales promotions

for daily necessities. In collaboration with mall tenants, these efforts contributed to a 4% year-on-year increase in revenue, supported further by an improved tenant occupancy rate resulting from increased customer traffic to malls. In the online business, the successful implementation of delivery time selection services and improvements in product offerings for the online supermarket “myAEON2go” contributed to a 111% year-on-year increase in net sales. Furthermore, nationwide delivery services began in May 2024, establishing a system to deliver a comprehensive array of products—including gifts, large home appliances, and furniture—across Malaysia, with the goal of further expanding the customer base.

In Vietnam, backed by accelerating economic growth, AEON VIETNAM CO., LTD. recorded a 30.1% year-on-year increase in net sales in the fourth quarter, and a 20.1% rise for the full fiscal year. Growth was driven by strong performance from both new and existing stores. Same-store sales recorded 12.9% increase year on year, with notable contributions from apparel, including a 26.9% increase in clothing sales. Online sales in Vietnam also grew significantly, achieving year-on-year growth by 92% in the fourth quarter, and raising the online sales ratio to 5.1%. In November, the company launched a nationwide delivery service named “Nationwide Delivery,” expanding its reach to regions without existing store operations and receiving orders from 58 of Vietnam’s 63 provinces.

In China, real GDP for the full year (January to December) rose 5.0%, meeting the government’s target of approximately +5.0%. However, total retail sales of consumer goods increased by only 3.5%, and the consumer confidence index remained low at 86.4, reflecting continued uncertainty in the employment environment—particularly among younger generations—and a slow recovery in income levels. While sales of automobiles, home appliances, and mobile phones, which are eligible for government consumption support, are expected to increase, overall personal consumption is projected to remain sluggish. In Hong Kong, where northbound consumption continues to grow due to improved accessibility in the Greater Bay Area—such as through the opening of new bridges—the number of land-based crossings to mainland China rose 51% year on year. This trend is expected to continue in the next fiscal year. Despite these circumstances, AEON MALL CHANGSHA XINGSHA in Changsha City, Hunan Province, which opened in September with enhanced entertainment offerings, has been performing well. AEON (HUBEI) CO., LTD. returned to profitability for the full year in terms of both ordinary profit and net profit. Looking ahead, the company will focus on achieving year-on-year growth of TOPVALU sales through the development of mass-market products, the introduction of items tailored to Southeast Asia, renewal of existing offerings, and the strengthening of health-related products.

3) Implementation of Corporate Governance During the Period

The Company continually works to reform its corporate governance in an effort to create a foundation for continuous enhancement of corporate value. In 2003, the Company transitioned to a company with committees (currently, a company with a nomination committee and other committees) in order to separate the management supervision function and business execution function of the Board of Directors. In addition, by having outside directors form a majority of directors and making outside directors the chairpersons of the Nomination, Compensation, and Audit Committees, the transparency and fairness of management are further enhanced. In 2016, the Group formulated its Basic Policy on Corporate Governance and AEON Group Future Vision in 2023, which presents the Group’s basic stance on corporate management and corporate governance and serves as its policy in corporate activities. Looking ahead, we will continue to undertake reforms for optimizing the corporate governance system.

In addition to voting on resolutions and reporting on matters as required by the Companies Act and other laws, the Board of Directors held vigorous discussions from a long-term perspective on important matters concerning the management, with the aim of achieving sustainable growth for the Company and increasing its corporate value. In fiscal 2024, we held in-depth discussion about specific countermeasures for innovation in the Group’s business portfolio and about risk and compliance issues.

In addition, through related committees that support the Board of Directors, we had important discussion on key policies in the Medium-term Management Plan. Wide-ranging information was shared through preliminary briefings and monthly reports, and following up the status of progress worked effectively, leading to enhanced discussion at meetings of the Board of Directors.

Furthermore, opportunities for outside directors to visit the Group’s business in Japan and overseas were enhanced, and we incorporated diverse perspectives not bound by preconceived notions, which is reflected in the discussion at the Board of Directors from a medium- to long-term perspective.

Status of Implementation of the Board of Directors Meetings and Each Committee

(* Denotes outside director)

	Meetings Held	Members	Main Functions
Board of Directors	7	Chairperson: Motoya Okada Akio Yoshida, Yuki Habu, Mitsuko Tsuchiya, *Takashi Tsukamoto, *Peter Child, *Carrie Yu, *Makoto Hayashi, *Richard Collasse	- Oversee the work performance of the directors and executive officers. - Make decisions on matters stipulated under Article 416 of the Companies Act as well as matters that cannot be entrusted to the executive officers.
Audit Committee	8	Chairperson: *Makoto Hayashi *Takashi Tsukamoto, *Carrie Yu, *Richard Collasse	- Audit the work performance of the directors and executive officers. - Decide the content of proposals to nominate, dismiss, or forgo the reappointment of the accounting auditor, which are submitted to the General Meeting of Shareholders.
Nomination Committee	3	Chairperson: *Takashi Tsukamoto *Peter Child, Motoya Okada	- Decide the content of proposals for the nomination or dismissal of directors, which are submitted to the General Meeting of Shareholders.
Compensation Committee	3	Chairperson: *Takashi Tsukamoto *Peter Child, Motoya Okada	- Decide individual compensation, etc. received by directors and executive officers.

4) Fulfillment of Corporate Social Responsibility During the Fiscal Year

In order to fulfill its social responsibility as a corporate citizen and continuously increase its corporate value, AEON promotes sustainable management that balances the realization of a sustainable society and the Group's growth. Based on the AEON Sustainability Principle, AEON is advancing a variety of initiatives centered on the three themes of the environment, health and people, and communities, and has also positioned sustainability as a central issue for business in its medium-term management plan, and as a core part of the growth strategy. Also, the AEON 1% Club Foundation works to nurture the next generation and promote friendship and goodwill programs with other countries, while the AEON Environmental Foundation engages in tree-planting activities and supports environmental conservation activities. All of the above initiatives are part of AEON's wide-ranging environmental and social contribution activities.

AEON Sustainability Principle

AEON aims to realize a sustainable society and ensure Group growth based on our basic principle of "pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core". In conducting activities, we will think globally and advance activities locally from both environmental and social viewpoints in actively pursuing sustainability with many different stakeholders.

Toward Realization of a Sustainable Society

- Decarbonization of society
Based on its belief that reducing energy use in business activities contributes to the mitigation of global warming, since 2008 AEON has established detailed numerical targets, and is working to reduce CO2 emissions. Under the AEON Decarbonization Vision established in 2018, AEON aims to reduce the net amount of CO2 emitted by stores to zero, with focus on the three perspectives of "stores," "products and logistics," and "working together with customers." In December 2023, AEON's domestic business sites procured 3,706 million kWh of renewable energy, equivalent to about 55% of the electricity used in AEON's domestic stores, seven years ahead of schedule. AEON also aims to switch to 100% renewable energy at all AEON Malls in Japan by fiscal year 2025.
- Reducing the use of disposable plastics
Based on the AEON Plastic Usage Policy, AEON is aiming to facilitate a new lifestyle that is carbon-free and recycling resources. AEON is working on the sustainable use of plastics based on the three main pillars of reducing the use of disposable plastics, switching from fossil fuel-derived plastics to eco-friendly materials, and building a store-based resource-recycling model.
Based on the recognition that it is important to reduce the use of disposable plastics, which are designed for single use, we have set the following priorities for our initiatives: (1) reduce, (2) replace necessary items with those that have a lower environmental impact, such as bio-based materials and paper, and (3) the effective use of recycled materials and resources, and we are promoting these initiatives at each of our group companies. Specifically, we are promoting initiatives such as the "bottle-to-bottle" initiative, which covers everything from the collection and

transportation of PET bottles brought in by customers to the commercialization of the bottles, and the collection of resources from stores.

- Reducing Food Waste

Under the “AEON Food Waste Reduction Targets” established in 2017, the Company aims to reduce food waste by 50% by fiscal 2025. To this end, initiatives are being strengthened from three key perspectives: “in stores and products,” “through communication with customers,” and “in collaboration with the local community.” Specific measures include shortening the time from shipment at packing facilities near production sites to store delivery to extend shelf life, extending best-before dates through the use of vacuum skin packaging, promoting food drive and food bank activities at stores, and establishing a closed-loop food recycling system involving AEON stores, recycling partners, and AEON farms.

- Nurturing and supporting children who will be tomorrow’s leaders

- a. AEON Children’s Cafeteria Support Group

Ensuring children’s food security is a major and constant issue, particularly for child-rearing households facing economic difficulties. In response to this, in December 2020 AEON launched the AEON Children’s Cafeteria Support Group and commenced support activities. As part of these activities, in December 2024, AEON held its seventh donation drive, raising approximately 33.42 million yen to donate to the NPO, National Children’s Cafeteria Support Center “*Musubie*.” The NPO is allocating the donated funds from AEON, totaling 220.26 million yen collected since spring 2020, to support the reopening of Children’s Cafeterias, procurement of food for the Cafeterias, and organizing seasonal events. AEON will also continue to help build local communities in which people support one another and are connected by the bonds of mutual assistance. Related activities include coordinating with companies, schools, local governments, and organizations that provide aid to local children, and providing spaces at our store locations to give customers opportunities to get directly involved in Children’s Cafeteria support activities.

- b. AEON CHEERS CLUB

The AEON 1% Club operates experiential learning clubs, known as “AEON CHEERS CLUB,” primarily catering to elementary and junior high school students, at neighboring areas of AEON stores located throughout Japan. The clubs are designed to nurture children’s thinking skills and foster in them an interest in areas like nature and the environment. As of the end of January 2025, there were 450 clubs nationwide with 6,061 members, and the cumulative number of members reached 112,340. AEON will continue to create a wide range of opportunities for children to learn about the environment and society.

(2) Analysis of Financial Condition

Consolidated Assets, Liabilities, Net Assets, and Cash Flows (millions of yen)

	Fiscal year to end-February,			
	2025	2024	2023	2022
Total assets	13,833,319	12,940,869	12,341,523	11,633,083
Interest-bearing debt	3,844,428	3,715,695	3,483,126	3,290,957
Breakdown:				
Interest-bearing debt of financial subsidiaries	1,308,896	1,312,938	1,210,924	1,087,852
Interest-bearing debt excluding that of financial subsidiaries	2,535,532	2,402,756	2,272,202	2,203,105
Net assets	2,121,226	2,087,201	1,970,232	1,812,423
Cash and cash equivalents, end of period	1,172,102	1,064,093	1,214,462	1,090,923
Cash flows from operating activities	566,218	368,487	433,710	204,452
Cash flows from investing activities	(478,810)	(508,876)	(335,123)	(343,854)
Cash flows from financing activities	881	(15,867)	1,853	(2,207)

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of February 28, 2025, were 13,833,319 million yen, an increase of 892,449 million yen, or 6.9%, from the end of the previous fiscal year (February 29, 2024). The increase is mainly attributable to increases of 359,373 million yen in loans in the banking business, 206,126 million yen in securities, 184,616 million yen in property, plant and equipment, 92,846 million yen in cash and deposits, 36,148 million yen in operating loans receivable, and 23,305 million yen in investment securities, which offset decreases of 101,042 million yen in notes and accounts receivable-trade and 48,668 million yen in guarantee deposits.

Consolidated liabilities as of February 28, 2025, were 11,712,092 million yen, an increase of 858,425 million yen, or 7.9%, from the end of the previous fiscal year. The increase is mainly attributable to increases of 663,716 million yen in deposits in the banking business and 282,430 million yen in long-term loans payable (including the current portion), which offset decreases of 115,655 million yen in commercial papers and 52,444 million yen in short-term loans payable.

Consolidated net assets as of February 28, 2025, were 2,121,226 million yen, an increase of 34,024 million yen, or 1.6%, from the end of the previous fiscal year.

Consolidated Cash Flows

Cash and cash equivalents

The balance of cash and cash equivalents as of February 28, 2025, was 1,172,102 million yen, an increase of 108,008 million yen, or 10.2%, from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was 566,218 million yen, an increase of 197,731 million yen, or 53.7% year-on-year. The increase in cash provided is mainly attributable to a 522,688 million yen increase in deposits in the banking business, a 166,357 million yen decrease in other assets and liabilities, and a 158,597 million yen increase in loans in the banking business.

Cash flows from investing activities

Net cash used in investing activities was 478,810 million yen, a decrease of 30,066 million yen, or 5.9%, year-on-year. The decrease in cash used is mainly attributable to a 219,100 million yen increase in proceeds from the collection of loans from companies that had lost control, which did not occur in the previous fiscal year, and a 107,858 million yen decrease in the acquisition of securities in the banking business, which offset a 218,735 million yen decrease in proceeds from the sale and redemption of securities in the banking business and a 101,576 million yen increase in the acquisition of investment securities.

Cash flows from financing activities

Net cash provided by financing activities was 881 million yen, an increase of 16,748 million yen year-on-year. The increase is mainly attributable to a 208,102 million yen increase in proceeds from long-term loans and a 24,513 million yen decrease in the purchase of investments in subsidiaries not involving a change in the scope of consolidation, which offset a 222,238 million yen decrease in short-term loans and commercial papers.

(3) Outlook for the Fiscal Year Ending February 28, 2026

Consolidated Operating Results Forecast	(Millions of yen)	
	Fiscal year ending February 28, 2026	Fiscal year ended February 28, 2025 (actual results)
Operating revenue	10,500,000	10,134,877
Operating profit	270,000	237,747
Ordinary profit	250,000	224,223
Profit attributable to owners of the parent	40,000	28,783

The fiscal year ending February 28, 2026 is the last year of the AEON Group Medium-term Management Plan (FY2021 – FY2025) AEON will work to improve profitability by soundly executing the five growth which is to accelerate and evolve the shift to digital, create unique value with a supply chain-focused outlook, evolve health and wellness in response to the new era, create the “AEON Living Zone”, and further accelerate the shift to Asian markets, and is aiming to achieve record-high operating revenue, operating profit, and ordinary profit. The earnings forecast reflects the anticipated changes in the operating environment and the effects of related countermeasures. However, it does not include the impact on earnings for the fiscal year from the planned conversion of AEON Mall and AEON DELIGHT into wholly owned subsidiaries.

The Company plans to issue an annual dividend of 40 yen per share, fully comprising a regular dividend of 40 yen per share.

Please refer to AEON’s website for an overview of AEON’s Medium-term Management Plan:

<https://www.aeon.info/en/ir/policy/strategy/> (Medium-term Management Plan, sustainable management initiatives)

(4) Dividend Policy and Dividends for the Fiscal Year Ended February 28, 2025, and the Fiscal Year Ending February 28, 2026

1) Basic Medium- to Long-Term Policy

AEON considers maintaining an optimal balance between providing shareholder returns and improving corporate value through medium- to long-term growth a key management priority, and will continue to set a dividend policy that takes consolidated operating results into consideration.

(Dividends)

AEON has set a target of a consolidated dividend payout ratio of 30% while maintaining its annual dividend payment at or above the prior-year level and will strive for further earnings growth and shareholder returns.

(Primary uses of internal reserves)

AEON will utilize internal reserves as funds for growth investments essential for future business development and meet shareholder expectations through corporate value enhancement achieved from medium- to long-term growth.

2) Dividends for the Fiscal Year Ended February 28, 2025, and Starting Date for Dividend Payments

By resolution of the Board of Directors at a meeting held on April 11, 2025, the year-end dividend payment from retained earnings for the fiscal year ended February 28, 2025, will be 20 yen per share with ordinary dividend of 18 yen and commemorative dividend of 2 yen. The total annual dividend for the fiscal year will therefore be 40 yen per share, including the interim payment of 20 yen, ordinary dividend of 18 yen and commemorative dividend of 2 yen per share. The starting date for dividend payments (effective date) is Thursday, May 1, 2025.

3) Dividend Forecast for the Fiscal Year Ending February 28, 2026

Based on the above basic policy, the forecast for the distribution of surplus for the fiscal year ending February 2026 is 40 yen per share, comprising an interim ordinary dividend of 20 yen and a year-end ordinary dividend of 20 yen.

2. Management Strategies and Policies

(1) Basic Policy on Management

Since 2006, the Articles of Incorporation have embraced the fundamental philosophy of “Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.” This guiding principle underscores our commitment to ensuring that all of our approximately 600,000 employees worldwide understand the Group's ethos and pass it on to future generations. To effectively communicate this stance to our stakeholders and foster deeper understanding, we have revised our basic philosophy, providing context and implications, and integrated it into our Articles of Incorporation following the General Shareholders' Meeting in May 2023. Anchored in the ethos of “Everything we do, we do for our customers,” we continually monitor market dynamics and customer needs to enhance corporate value. Our goal is to evolve into a group that fosters sustainable growth and contributes to local communities over the long term.

In 2001, the Company underwent a significant transformation and rebranded as AEON, signaling its aspiration to evolve into a forward-looking enterprise for the 21st century, envisioning a future filled with dreams. In April 2023, AEON reevaluated its vision for the future and articulated the “AEON Group Future Vision” with the guiding principle of “Create a future lifestyle that leads to a smile for each and every person.” For further insights into AEON's vision statement, please visit the following webpage:

https://www.aeon.info/en/company/code_of_conduct/ (AEON Group Future Vision)

(2) Medium-term Management Strategy

AEON Group's Sustainable Growth

AEON anticipates significant and rapid changes in its ongoing business environment, necessitating a corporate group that can adapt and evolve accordingly. Embracing these unprecedented changes as opportunities for substantial growth, AEON launched its Medium-term Management Plan (FY2021-FY2025) in April 2021. This plan outlines AEON's vision for 2030, aspiring towards circular and sustainable management practices that enhance community life across Japan, China, and the ASEAN countries where the Group operates. In addition to further accelerating the “shift to regional markets,” “shift to digital markets,” “shift to Asian markets” and the “shift in investments” that support these shifts, which the AEON Group has been working on up until this point, the AEON Group will aim to build a business foundation that enables sustainable growth by working on “Five Reforms” (accelerate and evolve the shift to digital, create unique value with a supply chain-focused outlook, evolve health and wellness in response to the new era, create the “AEON Living Zone,” and further accelerate the shift to Asian markets) as strategies shared across the entire Group, as well as accelerate environmental initiatives which are rapidly increasing in importance. By doing so, AEON will significantly reform the Group's business structure and transform itself into a highly profitable corporate group.

Promotion of Diversity

To support further growth and expansion of the Group, we reorganized our structure in March 2024 by establishing the

Diversity, Equity & Inclusion (DE&I) Promotion Department. We position DE&I not only as a response to social issues but also as a core management strategy, aiming to enable the active participation of a more diverse workforce. We call our Group-wide initiatives to create satisfaction among three key stakeholders—employees and their families, customers, and the company—“*Daimanzoku* (Big Satisfaction).” As part of promoting DE&I as a management strategy, training was provided at three employee levels—executives, managers, and general staff—with a total of 5,257 participants. To strengthen the promotion of women’s participation, we launched a new career program aimed at expanding the pipeline of female candidates for managerial and department head positions. A total of 198 employees joined the program, which has helped broaden their perspectives, shift mindsets, and encourage behavioral change. In terms of LGBTQ+ initiatives, the Group participated in Tokyo Rainbow Pride for the first time and introduced measures such as creating LGBTQ+ friendly shopping environments. The annual *Daimanzoku* Award, which recognizes best practices across the Group, included overseas Group companies in the judging process for the first time. A total of 33 initiatives were submitted by 29 companies. Each Group company is implementing initiatives suited to its operations—such as team-based training programs for young employees, promoting hourly staff to store managers, and advancing women into managerial roles—to contribute to value creation through diversity. Notably, efforts to promote the employment and advancement of people with disabilities have made significant progress, with the Group’s employment rate for people with disabilities reaching 3.05%.

Investment in human capital

By believing in and respecting each individual, we encourage them to develop their abilities, pursue their ambitions, grow through work and learning, and become better individuals. To support our growth strategy, we are strengthening efforts in talent development, promotion, and recruitment. As digital transformation (DX) advances, we have set a goal to train 2,000 digital specialists by 2025 and are working to secure this talent through both internal training and external hiring. In the retail industry, many employees work limited hours. To support their participation, we are focused on creating a flexible work environment. As part of this effort, we announced a policy to raise wages for approximately 400,000 part-time employees—who make up 80% of our workforce—by 7% for two consecutive years.

As a corporate group committed to innovation, we aim to achieve sustainable growth through continued investment in human capital and productivity-enhancing initiatives.

3. Basic Policy Regarding Selection of Accounting Standards

The AEON Group uses Japanese accounting standards for its financial reporting. Regarding the adoption of International Financial Reporting Standards (IFRS), AEON will take appropriate measures in consideration of various developments in and outside Japan.

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

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
	Amount	Amount
Assets		
Current assets		
Cash and deposits	1,165,536	1,258,383
Call loans	1,192	1,514
Notes and accounts receivable - trade	1,957,426	1,856,384
Securities	668,271	874,398
Inventories	625,291	649,955
Operating loan	559,747	595,895
Loans and bills discounted for banking business	2,663,103	3,022,476
Other	527,098	569,237
Allowance for doubtful accounts	(122,751)	(134,719)
Current assets	8,044,917	8,693,526
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,645,556	1,760,663
Tools, furniture and fixtures, net	234,059	278,436
Land	1,071,310	1,090,370
Leased assets, net	93,920	99,698
Construction in progress	102,332	72,807
Other, net	267,808	297,628
Property, plant and equipment	3,414,988	3,599,604
Intangible assets		
Goodwill	139,788	154,413
Software	167,986	193,303
Leased assets	26,191	26,021
Other	41,284	42,410
Intangible assets	375,251	416,147
Investments and other assets		
Investment securities	302,904	326,209
Net defined benefit asset	44,216	70,242
Deferred tax assets	157,799	164,381
Guarantee deposits	416,991	368,322
Deposits for stores in progress	2,439	4,609
Other	187,497	195,097
Allowance for doubtful accounts	(6,136)	(4,822)
Investments and other assets	1,105,712	1,124,039
Non-current assets	4,895,951	5,139,792
Assets	12,940,869	13,833,319

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,073,189	1,082,565
Deposits for banking business	4,533,233	5,196,949
Short-term loans payable	480,274	427,829
Current portion of long-term loans payable	333,475	395,332
Current portion of bonds	160,429	189,310
Commercial papers	125,000	9,344
Lease obligations	69,563	75,635
Income taxes payable	52,027	62,790
Contract liabilities	227,520	217,954
Provision for bonuses	47,932	41,941
Provision for loss on store closing	11,982	12,432
Provision for point card certificates	6,730	8,362
Notes payable - facilities	55,969	57,227
Other	595,585	665,986
Current liabilities	7,772,914	8,443,663
Non-current liabilities		
Bonds payable	958,138	937,626
Long-term loans payable	1,259,019	1,479,593
Lease obligations	314,115	317,999
Deferred tax liabilities	47,900	23,586
Provision for directors' retirement benefits	316	266
Provision for loss on store closing	6,731	10,918
Provision for contingent loss	44	152
Provision for loss on interest repayment	2,802	1,172
Net defined benefit liability	15,535	17,279
Asset retirement obligations	122,093	130,080
Long-term guarantee deposited	268,256	269,985
Reserve for insurance policy liabilities	48,358	42,753
Other	37,441	37,015
Non-current liabilities	3,080,753	3,268,429
Liabilities	10,853,667	11,712,092

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
	Amount	Amount
Net assets		
Shareholders' equity		
Capital stock	220,007	220,007
Capital surplus	288,337	298,350
Retained earnings	425,596	422,664
Treasury shares	(20,543)	(13,288)
Shareholders' equity	913,399	927,734
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,233	7,199
Deferred gains or losses on hedges	417	788
Foreign currency translation adjustment	67,154	98,415
Remeasurements of defined benefit plans	4,916	15,091
Total accumulated other comprehensive income	140,720	121,495
Subscription rights to shares	1,155	1,321
Non-controlling interests	1,031,925	1,070,674
Net assets	2,087,201	2,121,226
Liabilities and net assets	12,940,869	13,833,319

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

	(Millions of yen)	
	Year ended February 29, 2024	Year ended February 28, 2025
	Amount	Amount
Operating revenue		
Net sales	8,337,277	8,829,564
Operating revenue from financial services business	424,722	467,023
Other operating revenue	791,557	838,289
Operating revenue	9,553,557	10,134,877
Operating costs		
Cost of sales	5,953,919	6,313,968
Operating cost from financial services business	53,826	66,173
Operating cost	6,007,745	6,380,141
Gross profit	2,383,358	2,515,596
Operating gross profit	3,545,811	3,754,736
Selling, general and administrative expenses		
Advertising expense	131,860	137,815
Provision of allowance for doubtful accounts	70,951	87,788
Employees' salaries and bonuses	1,145,730	1,232,480
Provision for bonuses	47,932	41,941
Legal and employee benefits expenses	202,598	214,514
Utilities expenses	216,235	233,051
Depreciation	310,693	326,007
Repair and maintenance	204,800	219,879
Rents	436,161	451,159
Amortization of goodwill	16,498	16,768
Other	511,526	555,581
Selling, general and administrative expenses	3,294,989	3,516,989
Operating profit	250,822	237,747
Non-operating income		
Interest income	5,570	5,759
Dividend income	4,460	5,936
Share of profit of entities accounted for using equity method	5,350	6,338
Penalty income from leaving tenants	2,139	2,128
Reversal of allowance for doubtful accounts	512	300
Other	16,392	19,169
Non-operating income	34,427	39,634
Non-operating expenses		
Interest expenses	39,066	43,122
Other	8,703	10,035
Non-operating expenses	47,769	53,158
Ordinary profit	237,479	224,223
Extraordinary income		
Gain on sales of non-current assets	7,645	6,334
Gain on sales of investment securities	4,186	24,480
Gain on step acquisition	5,102	—
Other	3,782	4,984
Extraordinary income	20,717	35,798

Extraordinary losses		
Impairment loss	45,848	61,244
Provision for loss on store closing	11,150	13,069
Loss on retirement of non-current assets	3,716	3,261
Loss on closing of stores	3,795	2,012
Loss on sales of shares of subsidiaries and associates	—	2,091
Bad debts related cost	—	9,945
Other	12,215	4,703
Extraordinary losses	76,726	96,328
Profit before income taxes	181,470	163,693
Income taxes		
Income taxes-current	87,175	102,159
Income tax adjustments	(10,568)	(9,803)
Income taxes	76,607	92,356
Profit	104,863	71,337
Profit attributable to non-controlling interests	60,171	42,553
Profit attributable to owners of parent	44,692	28,783

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Year ended February 29, 2024	Year ended February 28, 2025
	Amount	Amount
Profit	104,863	71,337
Other comprehensive income		
Valuation difference on available-for-sale securities	30,485	(65,115)
Deferred gains or losses on hedges	327	(5)
Foreign currency translation adjustment	42,534	58,672
Remeasurements of defined benefit plans, net of tax	10,608	12,585
Share of other comprehensive income of entities accounted for using equity method	(528)	(95)
Other comprehensive income	83,427	6,041
Comprehensive income	188,291	77,378
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	101,335	9,558
Comprehensive income attributable to non- controlling interests	86,956	67,820

(3) Consolidated Statement of Changes in Equity

Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at the beginning of the period	220,007	299,667	411,758	(22,936)	908,498
Changes of items during the period					
Dividends of surplus			(30,854)		(30,854)
Profit attributable to owners of the parent			44,692		44,692
Purchase of treasury shares				(14)	(14)
Disposal of treasury shares		40		2,407	2,448
Change in the ownership interest of parent due to transactions with non-controlling interests		(11,370)			(11,370)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(11,329)	13,837	2,393	4,901
Balance at the end of the period	220,007	288,337	425,596	(20,543)	913,399

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	41,711	257	45,825	(3,716)	84,077	1,173	976,482	1,970,232
Changes of items during the period								
Dividends of surplus								(30,854)
Profit (loss) attributable to owners of the parent								44,692
Purchase of treasury shares								(14)
Disposal of treasury shares								2,448
Change in the ownership interest of parent due to transactions with non-controlling interests								(11,370)
Net changes of items other than shareholders' equity	26,521	160	21,328	8,633	56,643	(18)	55,442	112,067
Total changes of items during the period	26,521	160	21,328	8,633	56,643	(18)	55,442	116,968
Balance at the end of the period	68,233	417	67,154	4,916	140,720	1,155	1,031,925	2,087,201

Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at the beginning of the period	220,007	288,337	425,596	(20,543)	913,399
Changes of items during the period					
Dividends of surplus			(32,570)		(32,570)
Profit attributable to owners of the parent			28,783		28,783
Purchase of treasury shares				(13)	(13)
Disposal of treasury shares		10,305		7,268	17,574
Change in the ownership interest of parent due to transactions with non-controlling interests		(293)			(293)
Net changes of items other than shareholders' equity			854		854
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	10,012	(2,932)	7,254	14,334
Balance at the end of the period	220,007	298,350	422,664	(13,288)	927,734

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	68,233	417	67,154	4,916	140,720	1,155	1,031,925	2,087,201
Changes of items during the period								
Dividends of surplus								(32,570)
Profit (loss) attributable to owners of the parent								28,783
Purchase of treasury shares								(13)
Disposal of treasury shares								17,574
Change in the ownership interest of parent due to transactions with non-controlling interests								(293)
Change in retained earnings due to a decrease in the number of equity method affiliates								854
Net changes of items other than shareholders' equity	(61,033)	371	31,261	10,175	(19,224)	166	38,748	19,689
Total changes of items during the period	(61,033)	371	31,261	10,175	(19,224)	166	38,748	34,024
Balance at the end of the period	7,199	788	98,415	15,091	121,495	1,321	1,070,674	2,121,226

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Year ended February 29, 2024	Year ended February 28, 2025
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	181,470	163,693
Depreciation	328,435	345,291
Amortization of goodwill	16,498	16,768
Increase (decrease) in allowance for doubtful accounts	(11,296)	8,582
Increase (decrease) in provision for loss on interest repayment	(2,377)	(1,629)
Increase (decrease) in provision for bonuses	8,446	(5,809)
Increase (decrease) in net defined benefit liability	897	800
Decrease (increase) in net defined benefit asset	(7,127)	(8,503)
Interest and dividend income	(10,031)	(11,696)
Interest expenses	39,066	43,122
Foreign exchange losses (gains)	3,277	527
Share of (profit) loss of entities accounted for using equity method	(5,350)	(6,338)
Gain on sales of non-current assets	(7,645)	(6,334)
Loss on sales and retirement of non-current assets	6,780	4,778
Impairment loss	45,848	61,244
Loss (gain) on sales of short-term and long-term investment securities	(4,264)	(23,665)
Loss (gain) on sale of shares of subsidiaries and associates	—	2,075
Loss (gain) on step acquisitions	(5,102)	—
Decrease (increase) in notes and accounts receivable - trade	(58,146)	(72,587)
Decrease (increase) in inventories	(15,221)	(17,234)
Decrease (increase) in operating loans receivable	(26,917)	1,508
Decrease (increase) in cash loans and bills discounted for banking business	(200,776)	(359,373)
Increase (decrease) in notes and accounts payable - trade	14,943	392
Increase (decrease) in deposits for banking business	141,028	663,716
Increase/decrease in other assets/liabilities	20,577	(145,780)
Other, net	25,862	31,826
Subtotal	478,875	685,374
Interest and dividend income received	13,137	15,312
Interest expenses paid	(38,770)	(42,497)
Income taxes paid	(84,754)	(91,971)
Net cash provided by (used in) operating activities	368,487	566,218

	(Millions of yen)	
	Year ended February 29, 2024	Year ended February 28, 2025
	Amount	Amount
Cash flows from investing activities		
Purchase of securities	(22,579)	(25,762)
Proceeds from sales and redemption of securities	23,480	27,385
Acquisition of securities for banking business	(590,409)	(482,550)
Proceeds from sales and redemption of securities in banking business	461,157	242,422
Purchase of non-current assets	(396,236)	(465,958)
Proceeds from sales of non-current assets	28,735	11,978
Purchase of investment securities	(18,180)	(119,757)
Proceeds from sales of investment securities	11,915	42,209
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,531)	(23,253)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	23,301
Payments for guarantee deposits	(12,605)	(38,428)
Proceeds from collection of guarantee deposits	15,526	64,863
Proceeds from guarantee deposits received	23,481	23,894
Repayments of guarantee deposits received	(21,355)	(23,936)
Income from the collection of loans from deconsolidated subsidiaries	—	219,100
Other, net	(7,275)	45,682
Net cash provided by (used in) investing activities	(508,876)	(478,810)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	71,283	(150,954)
Proceeds from long-term loans payable	415,046	623,148
Repayments of long-term loans payable	(365,778)	(356,434)
Proceeds from issuance of bonds	196,087	163,694
Redemption of bonds	(156,802)	(160,893)
Purchase of treasury shares	(14)	(13)
Proceeds from share issuance to non-controlling shareholders	1,986	3,274
Repayments to non-controlling shareholders	(18,841)	(3,185)
Repayments of lease obligations	(72,965)	(72,689)
Cash dividends paid	(30,854)	(32,570)
Dividends paid to non-controlling interests	(26,532)	(27,468)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	2,745	3,213
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(26,564)	(2,051)
Other, net	(4,661)	13,811
Net cash provided by (used in) financing activities	(15,867)	881
Effect of exchange rate change on cash and cash equivalents	5,888	19,718
Net increase (decrease) in cash and cash equivalents	(150,368)	108,008
Cash and cash equivalents, beginning of the period	1,214,462	1,064,093
Cash and cash equivalents, end of the period	1,064,093	1,172,102

(5) Notes on the Consolidated Financial Statements

Notes and other supplementary information for the consolidated balance sheet, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows are omitted from this report.

(Notes on the Going-concern Assumption)

Not applicable

(Changes in Presentation)

(Consolidated Statement of Income and Related Statements)

The “Loss on valuation of investment securities,” which had been presented separately under “Extraordinary losses” in the previous consolidated fiscal year, is now included in “Other” under “Extraordinary losses,” due to its decreased materiality. Accordingly, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, the previously separately presented amount of 6,428 million yen under “Loss on valuation of investment securities” and 5,787 million yen under “Other” have been reclassified and presented as 12,215 million yen under “Other.”

(Additional Information)

(Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts)

The Company has introduced an Employee Stock Ownership Plan (ESOP) Trust as a trust-type employee incentive plan with the aim of enhancing corporate value over the medium to long term. The ESOP Trust is accounted for using the gross method, under which shares of the Company held by the trust are recorded as treasury stock in the net assets section. As of the end of the current consolidated fiscal year, the book value of treasury stock recorded under the gross method is 198 million yen (85,700 shares), and the book value of long-term loans payable, including the current portion, is 650 million yen.

(Segment and Other Information)

[Segment Information]

1. Overview of Reportable Segments

AEON has adopted the “nomination committee and other committees system” as its governance model. Under the system, operational supervision and operational execution functions are explicitly divided and allocated to individual directors and executive officers. The system enables swift management decision-making by delegating significant authority to executive officers to enable them to achieve medium- and long-term targets.

AEON’s reportable segments are components of its operations about which segment-specific financial statements are available. These segments are subject to periodic examinations to enable AEON’s management to decide how to allocate resources and assess performance.

Led by AEON CO., LTD, a pure holding company, the Group companies conduct various business operations centering on retail store operations, including financial services operations, shopping center development operations, and services and specialty store operations.

The main operations in each reportable segment and other businesses are thus as follows.

The GMS Business includes general merchandise stores (GMS), flat-rate discount store business, and other related businesses.

The Supermarket Business includes supermarkets, convenience stores, and small-scale supermarkets.

The Discount Store Business includes discount stores.

The Health & Wellness Business includes drugstores, pharmacies, and other related businesses.

The Financial Services Business includes credit card, fee-based services, banking, and insurance businesses.

The Shopping Center Development Business includes the development and leasing of shopping centers and malls.

The Services and Specialty Store Business includes facilities management services, amusement services, food services, specialty stores that sell family casual apparel and footwear, and other related businesses.

International Business includes retail stores in the ASEAN region and China.

Other Businesses include mobile marketing business, digital, and other related businesses.

2. Changes in Reportable Segments

Due to organizational changes, certain subsidiaries previously included in the Services and Specialty Store Business have been reclassified to the GMS Business from the current consolidated fiscal year. In addition, certain subsidiaries previously included in the Other Business have been reclassified to the Services and Specialty Store Business. Segment information for the previous consolidated fiscal year has been restated based on the revised classification.

3. Operating revenue, income/loss, assets, liabilities, and other items by reportable segment
Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

(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	3,367,290	2,768,291	399,207	1,234,329	424,722	383,652	512,506
(2) Intersegment revenue or transfers	101,252	13,880	1,220	786	58,779	84,690	205,321
Total	3,468,543	2,782,171	400,428	1,235,115	483,502	468,342	717,827
Segment income (loss)	27,926	41,911	8,489	42,600	51,231	47,348	17,707
Segment assets	1,481,211	1,248,871	72,042	604,177	6,942,325	1,862,403	413,632
Segment interest-bearing debt	333,526	247,329	5,044	90,101	1,313,365	971,229	129,383
Other items:							
Depreciation	49,236	48,448	3,328	21,205	41,637	90,264	19,616
Share of profit (loss) of entities accounted for using the equity method	155	1,714	—	728	(35)	(7)	87
Impairment loss	17,237	12,272	1,409	7,001	1,297	2,079	3,403
Investment in entities accounted for using the equity method	2,072	16,778	—	5,821	—	6,865	323
Increase in property, plant and equipment, and intangible assets	91,832	66,471	5,416	28,374	45,407	157,668	27,390

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	504,469	9,594,469	10,481	9,604,951	(51,394)	9,553,557
(2) Intersegment revenue or transfers	4,272	470,203	48,151	518,354	(518,354)	—
Total	508,741	10,064,673	58,633	10,123,306	(569,749)	9,553,557
Segment income (loss)	10,372	247,587	(11,474)	236,112	14,709	250,822
Segment assets	462,689	13,087,353	161,353	13,248,707	(307,838)	12,940,869
Segment interest-bearing debt	222,484	3,312,464	6,662	3,319,126	396,568	3,715,695
Other items:						
Depreciation	39,691	313,429	10,099	323,529	4,906	328,435
Share of profit (loss) of entities accounted for using the equity method	1	2,645	2,412	5,057	293	5,350
Impairment loss	1,110	45,813	—	45,813	35	45,848
Investment in entities accounted for using the equity method	0	31,861	39,841	71,703	6,241	77,944
Increase in property, plant and equipment, and intangible assets	35,046	457,608	13,196	470,805	5,312	476,117

Notes: 1. Main components of the minus 51,394 million yen in adjustments for operating revenue attributable to customers are as follows:

- (a) Minus 111,565million yen in adjustments to service transactions reported in the reportable segment information, and
- (b) 60,606 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.

2. Main components of 14,709 million yen in adjustments for segment loss are as follows:

- (a) 2,305 million yen in income of the pure holding company (AEON CO., LTD.) not attributable to any of the business segments,
- (b) 13,208 million yen in income of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
- (c) Minus 825 million yen in intersegment transaction eliminations.
3. Adjustments for segment income (loss) are based on operating profit reported in the Consolidated Statement of Income for the corresponding period.

Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount store	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	3,460,668	3,045,757	410,235	1,321,997	467,023	409,338	515,096
(2) Intersegment revenue or transfers	98,812	14,307	1,211	879	63,429	86,831	214,055
Total	3,559,481	3,060,065	411,447	1,322,876	530,452	496,170	729,152
Segment income (loss)	16,360	32,959	7,991	36,007	61,165	53,035	23,104
Segment assets	1,494,776	1,244,965	79,171	609,201	7,753,855	1,871,672	400,215
Segment interest-bearing debt	400,256	238,495	7,315	89,153	1,309,432	932,306	125,499
Other items:							
Depreciation	53,113	52,110	3,930	23,155	41,533	94,281	20,049
Share of profit (loss) of entities accounted for using the equity method	151	2,205	—	687	72	308	168
Impairment loss	16,696	16,425	1,008	12,853	48	8,232	5,304
Investment in entities accounted for using the equity method	2,133	18,126	—	6,461	92	6,864	843
Increase in property, plant and equipment, and intangible assets	123,135	78,634	10,863	28,899	55,143	85,588	27,349

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	544,261	10,174,380	15,421	10,189,801	(54,924)	10,134,877
(2) Intersegment revenue or transfers	4,613	484,141	52,771	536,913	(536,913)	—
Total	548,875	10,658,522	68,193	10,726,715	(591,838)	10,134,877
Segment income (loss)	9,493	240,119	(10,072)	230,046	7,700	237,747
Segment assets	527,030	13,980,889	177,292	14,158,182	(324,863)	13,833,319
Segment interest-bearing debt	267,817	3,370,276	14,061	3,384,337	460,091	3,844,428

Other items:						
Depreciation	41,199	329,372	9,616	338,988	6,302	345,291
Share of profit (loss) of entities accounted for using the equity method	(16)	3,577	2,278	5,856	482	6,338
Impairment loss	658	61,228	—	61,228	15	61,244
Investment in entities accounted for using the equity method	0	34,522	39,151	73,674	6,362	80,036
Increase in property, plant and equipment, and intangible assets	58,062	467,677	20,465	488,142	25,312	513,455

Notes: 1. Main components of the minus 54,924 million yen in adjustments for operating revenue attributable to customers are as follows:

- (a) Minus 115,158 million yen in adjustments to service transactions reported in the reportable segment information, and
- (b) 60,044 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.

2. Main components of the 7,700 million yen in adjustments for segment income are as follows:

- (a) 6,098 million yen in income of the pure holding company (AEON CO., LTD.) not attributable to any of the business segments,
- (b) 4,932 million yen in income of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
- (c) Minus 3,363 million yen in intersegment transaction eliminations.

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

[Related Information]

Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

1. Information by merchandise and service

The information is omitted here because the same information is presented in the “Segment Information” above.

2. Information by geographic area

(1) Operating revenue

(Millions of yen)

Japan	ASEAN	China	Other	Total
8,739,316	487,202	326,282	756	9,553,557

Note: Operating revenues are based on the location of customers and classified into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
2,684,483	446,480	281,853	2,170	3,414,988

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the operating revenue on the Consolidated Statement of Income.

Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

1. Information by merchandise and service

The information is omitted here because the same information is presented in the “Segment Information” above.

2. Information by geographic area

(1) Operating revenue

(Millions of yen)

Japan	ASEAN	China	Other	Total
9,237,135	554,847	342,294	601	10,134,877

Note: Operating revenues are based on the location of customers and classified into countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
2,780,707	521,168	295,198	2,530	3,599,604

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the operating revenue on the Consolidated Statement of Income.

[Impairment loss on non-current assets by reportable segment]

Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

The information is omitted here because the same information is presented in the “Segment Information” above.

Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

The information is omitted here because the same information is presented in the “Segment Information” above.

[Amortization for and unamortized balance of goodwill by reportable segment]

Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Discount store	Health & Wellness	Financial Services	Shopping Center Development
Amortization for the fiscal year ended Feb. 29, 2024	2,940	3,107	—	6,091	1,391	2,371
Balance at Feb. 29, 2024	17,327	41,197	—	59,273	9,528	8,252

	Reportable segment			Other	Adjustments	Total
	Services and Specialty Store	International	Total			
Amortization for the fiscal year ended Feb. 29, 2024	595	—	16,498	—	—	16,498
Balance at Feb. 29, 2024	4,208	—	139,788	—	—	139,788

Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Discount store	Health & Wellness	Financial Services	Shopping Center Development
Amortization for the fiscal year ended Feb. 28, 2025	3,028	3,480	—	6,012	1,349	2,371
Balance at Feb. 28, 2025	18,109	37,740	—	58,671	30,418	5,881

	Reportable segment			Other	Adjustments	Total
	Services and Specialty Store	International	Total			
Amortization for the fiscal year ended Feb. 28, 2025	517	—	16,760	—	8	16,768
Balance at Feb. 28, 2025	3,511	—	154,332	—	80	154,413

[Gain on negative goodwill by reportable segment]

Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)

Not applicable

Year ended February 28, 2025 (March 1, 2024 – February 25, 2025)

Not applicable

(Per Share Information)

	Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)	Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)
Net assets per share (yen)	1,231.59	1,218.63
Earnings (loss) per share (yen)	52.25	33.58
Earnings per share - fully diluted (yen)	52.21	33.55

(Note) Data for calculation

1. Net assets per share

	February 29, 2024	February 28, 2025
Total net assets on the consolidated balance sheets (millions of yen)	2,087,201	2,121,226
Net assets attributable to common shares (millions of yen)	1,054,120	1,049,230
Main component of difference: Non-controlling interests (millions of yen)	1,031,925	1,070,674
Number of common shares issued (thousands of shares)	871,924	871,924
Number of common shares in treasury (thousands of shares)	16,023	10,929
Number of common shares used for calculation of net assets per share (thousands of shares)	855,900	860,994

2. Earnings per share and earnings per share - fully diluted

	Year ended February 29, 2024 (March 1, 2023 – February 29, 2024)	Year ended February 28, 2025 (March 1, 2024 – February 28, 2025)
Profit attributable to owners of the parent (millions of yen)	44,692	28,783
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to common shares of parent (millions of yen)	44,692	28,783
Average number of common shares outstanding (thousands of shares)	855,365	857,140
Net income per share after adjustment for latent shares		
Adjustment to net income attributable to parent company shareholders (millions of yen)	(26)	(20)
Difference in equity change related to equity change difference related to new share subscription rights issued by consolidated subsidiaries	(26)	(20)
Increase in common stock (thousands of shares) [of which, new share subscription rights (thousands of shares)]	176 [176]	222 [222]
Overview of potential shares not included in the calculation of net income per share after adjustment for residual income due to the absence of a dilutive effect	—	—

Note: The company's own shares held in trust and recorded as treasury stock under shareholders' equity are included in the treasury stock deducted when calculating the average number of shares during the period for net income per share. They are also included in the treasury stock deducted from the total number of shares issued at the end of the period for calculating net assets per share.

The average number of treasury shares deducted for net income per share was 1,629,000 in the previous fiscal year and 644,000 in the current fiscal year. The number of treasury shares deducted for net assets per share was 1,115,000 in the previous fiscal year and 85,000 in the current fiscal year.

(Material Subsequent Events)

Not applicable