Consolidated Financial Results (Japanese Accounting Standards) for the First Three Quarters of the Fiscal Year Ending February 28, 2013

December 25, 2012

Company name	Aeon Mall Co., Ltd.	Listings	The First Section of the Tokyo Stock Exchange
Securities code	8905	URL	http://www.aeonmall.com/
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Scheduled dates:

Submission of statutory quarterly financial report	December 28, 2012
Commencement of dividend payments	−
Supplementary documents for quarterly results	Yes
Quarterly results briefing	Yes (for institutional investors and analysts)

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Three Quarters of the Year Ending February 28, 2013 (February 21, 2012 to November 20, 2012)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
Nine months ended	million yen	%	million yen	%	million yen	%	million yen	%
November 20, 2012	115,432	5.3	27,676	(0.7)	25,989	(2.0)	13,952	(0.7)
November 20, 2011	109,617	2.9	27,865	(0.4)	26,531	(1.6)	14,046	(10.7)

(Note) Comprehensive income Nine months ended November 20, 2012: ¥13,913 million (-1.2%)
Nine months ended November 20, 2011: ¥14,075 million (− %)

	Net income per share	Net income per share (diluted)
Nine months ended	yen	Yen
November 20, 2012	77.02	76.99
November 20, 2011	77.54	77.51

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
November 20, 2012	599,201	204,452	34.0
February 20, 2012	543,761	194,474	35.6

(Note) Equity Nine months ended November 20, 2012: ¥203,565 million
Year ended February 20, 2012: ¥193,683 million

2. Dividends

	Dividend per share				
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Annual
	yen	Yen	yen	yen	yen
Year ended February 20, 2012	−	10.00	−	11.00	21.00
Year ending February 28, 2013	−	11.00	−		
Year ending February 28, 2013 (Projection)				11.00	22.00

(Note) Revisions of dividend projections during the third quarter: None

3. Consolidated Earnings Projections for the Year Ending February 28, 2013 (February 21, 2012 to February 28, 2013)

(Percentage figures represent changes from the corresponding period of the previous fiscal year)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	Million yen	%	million yen	%	yen
Full year	164,000	8.7	43,500	7.0	41,000	5.0	23,000	13.0	126.97

(Notes) 1. Revisions of earning projections during the third quarter: None
2. The Company has changed its fiscal year-end from February 20 to the end of February. Accordingly, the fiscal year ending February 2013 will consist of 12 months, 8 days.

* Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in a change in the scope of consolidation): Not applicable

(2) Accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements

[1] Changes in accounting policies in accordance with changes in accounting principles:	None
[2] Changes in accounting policies other than the above:	None
[3] Changes in accounting estimates:	None
[4] Revisions and restatements:	None

(4) Number of shares issued and outstanding (common stock)

[1] Number of shares issued at period-end (including treasury stock)

November 20, 2012:	181,150,407 shares
February 20, 2012:	181,148,807 shares

[2] Treasury stock at period-end

November 20, 2012:	10,590 shares
February 20, 2012:	10,270 shares

[3] Average number of shares issued (Cumulative)

November 20, 2012:	181,138,774 shares
November 20, 2011:	181,130,713 shares

* Status of a quarterly review

These quarterly consolidated financial statements are not subject to the requirement for a quarterly review under the Financial Instruments and Exchange Act and have not undergone such a review at the time of their announcement.

* Explanations and other special notes concerning the appropriate use of earning projections

The forward-looking statements, including earnings projections, included in this report are based on information presently available to the company and certain assumptions judged as reasonable. Actual results may differ materially from these projections due to a range of factors. For more details about the earnings projections, please refer to "(3) Qualitative information on consolidated earnings forecast" of "1. Qualitative Information on Consolidated Operating Results, etc. for the First Three Quarters," on page 3 of the attachment.

Accompanying Materials — Contents

1. Qualitative Information on Consolidated Operating Results for the First Three Quarters

(1) Qualitative information on consolidated operating results

During the first three quarters under review (from February 21, 2012 to November 20, 2012), the Japanese economy remained mired in uncertainty, with no improvement in domestic employment and incomes given Europe's protracted debt crisis and an economic slowdown in emerging countries. These factors overshadowed signs of a turnaround driven by demand from recovery efforts in the wake of the Great East Japan Earthquake.

In the retail industry, competition for lower prices continued, reflecting bargain hunting among consumers, and competition intensified across business categories. The shopping center industry faced a challenging situation in which disparities in performance between shopping centers continue to grow.

Under these conditions, the ÆON Mall Group is expanding its domestic operating base, increasing the number of new business sites and improving profits from existing shopping malls. It is also laying the foundation for the development of shopping mall operations in China and the ASEAN region.

In Japan, the Company opened ÆON Mall Fukutsu (Fukuoka Prefecture) in April 2012, followed in June by the opening of SHOPPING CENTER SOYOKA FUJIMINO (Saitama Prefecture) under the property management business.

In China, we opened our third facility in the country, "ÆON Mall Tianjin Zhongbei" (Tianjin), in April 2012.

The Company reopened two shopping malls after renovations in the first half, and in the third quarter, revitalized ÆON Mall Morioka (Iwate Prefecture) in September and ÆON Mall Narita (Chiba Prefecture) in November.

The Company took measuressteps to leverage ÆON Mall's brand power to better attract customers, including a unified sales campaign that took place at all of ÆON Mall's approximately 120 shopping malls across Japan (all ÆON Group mall-type shopping centers in Japan unified their names towith "ÆON Mall" in the previous fiscal year). As a result, Tthe Company recorded year-on-year growth in customer footfall and sales at its 54 existing shopping malls in the first three quarters under review. This result was attributable to measures to leverage ÆON Mall's brand power to better attract customers, including a unified sales campaign that took place at all of ÆON Mall's approximately 120 shopping malls across Japan (all ÆON Group mall-type shopping centers in Japan unified their names to "ÆON Mall" in the previous fiscal year).

Progress was also made in securing new development projects inside and outside of Japan, with efforts ongoing to enhance the organizational structure ahead of an accelerated pace of new openings going forward.

As a result of these and other initiatives, consolidated operating revenue for the first nine months was ¥115,432 million, up 5.3% year on year. Operating costs rose 5.5% to ¥77,625 million, with costs associated with growth in business scale partially offset by cost structure reforms. Gross profit was up 5.0% to ¥37,806 million. Selling, general and administrative expenses increased 24.4% year on year, to ¥10,129 million, due to promoting growth measures in Japan and overseas, and operating income declined 0.7% to ¥27,676 million.

Ordinary income was down 2.0% to ¥25,989 million. This slight decrease was the result of non-operating profits of ¥552 million (down 42.0% year on year) and non-operating expenses of ¥2,240 million (down 2.0%).

In extraordinary items, extraordinary gains declined ¥2,164 million from the same period of the previous fiscal year. This outcome reflected the absence of ¥2,164 million in extraordinary gains posted a year earlier, including ¥2,032 million in insurance income from the Great East Japan Earthquake. Extraordinary losses declined ¥3,348 million. This was largely the result of ¥4,784 million in extraordinary losses reported for the same period a year ago, consisting mainly of ¥2,292 million in expenses for the restoration of buildings and structures damaged by the Great East Japan Earthquake, and a ¥1,761 million charge associated with the application of the accounting standard for asset retirement obligations. In contrast, for the period under review, the Company posted extraordinary losses of ¥1,436 million, consisting mainly of an allowance of ¥1,045 million associated with the closure of ÆON Mall Fujiidera as part of scrap and build plans (impairment loss of ¥745 million and provision for store closing expenses of ¥300 million).

As a result of the above, the Company posted net income of ¥13,952 million, down 0.7% year on year.

As of November 20, 2012, the Company was operating 62 shopping malls, of which 59 were in Japan, and 3 in China.

(2) Qualitative information on consolidated financial position

i) Assets, Liabilities and Net Assets

Assets

Total assets as of November 20, 2012, the end of the first three quarters, stood at ¥599,201 million, up ¥55,439 million from February 20, 2012. This reflected the acquisition of property, plant and equipment of ¥37,453 million, mainly for new shopping mall openings and the acquisition of land for future developments. Additionally, cash and cash equivalents increased ¥21,136 million. On the other hand, fixed assets declined by ¥15,770 million due to depreciation.

Liabilities

Total liabilities at November 20, 2012 stood at ¥394,749 million, up ¥45,461 million compared with February 20, 2012. This was mainly because of net increases of ¥8,110 million in long-term borrowings, including the current portion of long-term loans payable, ¥10,500 million in short-term borrowings, and ¥25,000 million in straight bonds, including bonds due within one year.

Net assets

Consolidated net assets on November 20, 2012 stood at ¥204,452 million, up ¥9,978 million from February 20, 2012. This reflected an increase in retained earnings due to the ¥13,952 million in net income.

ii) Consolidated Cash Flows

Cash and cash equivalents at November 20, 2012 were ¥29,647 million, up ¥21,206 million from February 20, 2012.
Cash flows in the first three quarters were as follows:

Cash flows from operating activities

Net cash provided by operating activities during the first three quarters of the fiscal year under review was ¥28,326 million (compared with ¥30,369 million in the first three quarters of the previous fiscal year). The main contributors to this outcome were income before income taxes and minority interests of ¥24,553 million (compared with ¥23,911 million in the first three quarters of the previous fiscal year), and depreciation and amortization of ¥15,770 million (compared with ¥15,617 million in the first three quarters of the previous fiscal year). These items were partially offset by income taxes paid of ¥15,104 million (compared with ¥19,378 million in the first three quarters of the previous fiscal year).

Cash flows from investment activities

Net cash used in investing activities was ¥39,315 million (compared with ¥32,442 million in the first three quarters of the previous fiscal year). This reflected the payment of ¥33,767 million for the purchase of property, plant and equipment (compared with ¥38,949 million in the first three quarters of the previous fiscal year) associated with ÆON Mall Kurashiki (Okayama Prefecture), which reopened in the previous fiscal year, and ÆON Mall Fukutsu, which opened in the first three quarters of the fiscal year under review, and the purchase of land for future development, as well as purchase of deferred charges (included in "Other payments") of ¥5,721 million (compared with ¥326 million in the first three quarters of the previous fiscal year) associated with the purchase of land-use rights in China.

Cash flows from financing activities

Net cash provided by financing activities was ¥32,281 million (compared with ¥8,715 million in the first three quarters of the previous fiscal year). This included proceeds from long-term debt of ¥33,178 million (compared with ¥30,000 million in the first three quarters of the previous fiscal year), ¥25,000 million in proceeds from the issue of bonds (no year-on-year comparison), and a net increase in short-term borrowings and commercial paper of ¥3,500 million (no year-on-year comparison). Outflows included ¥25,429 million for the repayment of long-term debt (compared with ¥17,654 million in the first three quarters of the previous fiscal year) and ¥3,985 million for dividends paid (compared with ¥3,622 million in the first three quarters of the previous fiscal year).

(3) Qualitative information on consolidated earnings forecast

The outlook for personal consumption remains bleak. In the circumstances, the Company expanded and renovated 60% of the specialty stores of ÆON Mall Mito-Uchihara (Ibaraki Prefecture) and reopened the mall on December 6. The mall performed well after the renovation.

The fourth quarter typically sees a heavy weighting of shopping mall sales due to seasonal public events such as Christmas as well as year-end and New Year festivities. By conducting a Group-wide synchronized sales campaign from early December and a number of other initiatives, the Company aims to further increase the number of customers and boost sales at tenants. At the same time, the Company will work to improve efficiency at shopping malls, for instance by changing the cost structure further with streamlined operations and management.

At present, the Company has not revised its business forecasts for the fiscal year ending February 28, 2013, announced together with "Consolidated Financial Results for the Fiscal Year Ended February 20, 2012" on April 5, 2012.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of February 20, 2012	As of November 20, 2012
Assets		
Current assets:		
Cash and deposits	8,600	29,737
Notes and accounts receivable—trade	3,254	2,516
Other current assets	17,114	27,169
Allowance for doubtful receivables	(7)	(9)
Total current assets	28,962	59,414
Fixed assets:		
Property, plant and equipment:		
Building and structures, net	274,173	275,732
Land	144,992	165,224
Others, net	14,411	13,674
Total property, plant and equipment	433,577	454,630
Intangible fixed assets	3,018	3,247
Investments and other assets:		
Lease deposits paid	54,403	53,084
Other	23,917	28,940
Allowance for doubtful receivables	(117)	(116)
Total investments and other assets	78,203	81,908
Total fixed assets	514,799	539,787
Total assets	543,761	599,201

(Million yen)

	As of February 20, 2012	As of November 20, 2012
Liabilities		
Current liabilities:		
Notes and accounts payable—trade	5,112	6,309
Short-term borrowings	5,655	16,155
Commercial paper	7,000	—
Bonds due within one year	—	10,000
Current portion of long-term loans payable	28,364	20,899
Income taxes payable	7,310	3,256
Allowance for employees' bonus	538	650
Allowance for directors' performance-based remuneration	108	39
Other current liabilities	46,882	58,264
Total current liabilities	100,973	115,575
Long-term liabilities:		
Straight bonds	33,000	48,000
Long-term borrowings	105,891	121,467
Accrued retirement benefits to employees	165	199
Provision for store closing expenses	—	300
Asset retirement obligations	6,114	6,205
Lease deposits from lessees	102,877	102,767
Other long-term liabilities	264	233
Total long-term liabilities	248,314	279,173
Total liabilities	349,287	394,749
Net assets		
Shareholders' equity:		
Common stock	16,683	16,685
Capital surplus	16,992	16,993
Retained earnings	159,910	169,878
Treasury stock, at cost	(27)	(27)
Total shareholders' equity	193,559	203,529
Accumulated other comprehensive income:		
Net unrealized gain on available-for-sale securities	264	282
Foreign currency translation adjustment	(140)	(246)
Total accumulated other comprehensive income	124	36
Stock acquisition rights	124	154
Minority interests	665	732
Total net assets	194,474	204,452
Total liabilities and net assets	543,761	599,201

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

(For the nine months ended November 20, 2011 and 2012)

(Million yen)

Nine months ended	November 20, 2011	November 20, 2012
Operating revenue	109,617	115,432
Operating costs	73,611	77,625
Gross profit	36,005	37,806
Selling, general and administrative expenses	8,139	10,129
Operating income	27,865	27,676
Non-operating profits:		
Interest income	366	308
Compensation paid by departing tenants	408	154
Other non-operating profits	176	89
Total non-operating profits	951	552
Non-operating expenses:		
Interest expenses	1,992	1,927
Other non-operating expenses	293	312
Total non-operating expenses	2,286	2,240
Ordinary income	26,531	25,989
Extraordinary gains:		
Insurance income	2,032	—
Other extraordinary gains	132	0
Total extraordinary gains	2,164	0
Extraordinary losses:		
Impairment losses	—	745
Loss on disaster	2,292	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,761	—
Provision for store closing expenses	—	300
Loss on disposal of fixed assets	634	110
Other extraordinary losses	96	280
Total extraordinary losses	4,784	1,436
Income before income taxes and minority interests	23,911	24,553
Income taxes		
– Current	10,077	11,124
– Deferred	(267)	(572)
Total income taxed	9,809	10,552
Income before minority interests	14,101	14,001
Minority interests in net income	55	48
Net income	14,046	13,952

Quarterly consolidated statements of comprehensive income
(For the nine months ended November 20, 2011 and 2012)

(Million yen)

Nine months ended	November 20, 2011	November 20, 2012
Income before minority interests	14,101	14,001
Other comprehensive income:		
Net unrealized gain on available-for-sale securities	14	18
Foreign currency translation adjustment	(41)	(106)
Total other comprehensive income	(26)	(88)
Quarterly comprehensive income	14,075	13,913
(Components)		
Quarterly comprehensive income attributable to owners of the parent	14,020	13,864
Quarterly comprehensive income attributable to minority interests	55	48

(3) Quarterly consolidated statements of cash flows

(Million yen)

Nine months ended	November 20, 2011	November 20, 2012
Cash flows from operating activities:		
Income before income taxes and minority interests	23,911	24,553
Depreciation and amortization	15,617	15,770
Impairment losses	—	745
Loss on disaster	2,292	—
Insurance income	(2,032)	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,761	—
Increase (decrease) in provision for store closing expenses	—	300
Interest and dividend income	(384)	(326)
Interest expenses	1,992	1,927
Decrease (increase) in receivable—trade accounts	304	740
Decrease (increase) in other current assets	(3,923)	(10,040)
Increase (decrease) in payable—trade accounts	557	1,196
Increase (decrease) in other current liabilities	9,145	10,175
Other, net	922	1,894
Subtotal	50,164	46,935
Interest and dividends received	41	55
Interest paid	(2,283)	(2,067)
Payments for loss on disaster	(174)	(1,493)
Proceeds from insurance income	2,000	—
Income taxes paid	(19,378)	(15,104)
Net cash provided by operating activities	30,369	28,324
Cash flows from investing activities:		
Purchase of property, plant and equipment	(38,949)	(33,767)
Proceeds from sales of property, plant and equipment	58	—
Purchase of investment securities	—	(280)
Payment of lease deposits to lessors	(1,037)	(233)
Reimbursement of lease deposits from lessors	2,523	1,876
Repayment of lease deposits to lessees	(4,938)	(4,489)
Proceeds from lease deposits from lessees	5,250	3,904
Other payments	(1,072)	(6,548)
Other proceeds	5,722	222
Net cash used in investing activities	(32,442)	(39,315)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial paper	—	3,500
Proceeds from long-term debt	30,000	33,178
Repayment of long-term debt	(17,654)	(25,429)
Proceeds from issue of bonds	—	25,000
Purchase of treasury stock	(1)	(0)
Dividends paid	(3,622)	(3,985)
Dividends paid to minority shareholders	(6)	(6)
Other, net	0	24
Net cash provided by financing activities	8,715	32,281
Effect of exchange rate changes on cash and cash equivalents	(126)	(84)
Net increase (decrease) in cash and cash equivalents	6,516	21,206
Cash and cash equivalents at beginning of the period	27,631	8,440
Cash and cash equivalents at end of the period	34,147	29,647

(4) Notes on the going concern assumption

Not applicable

(5) Notes on significant change in shareholders' equity, if any

Not applicable

(6) Segment information

Since the Group's sole segment is the shopping mall business, other segment information is omitted.