



## Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended February 28, 2015

April 9, 2015

Company name	Aeon Mall Co., Ltd.	Listings	Tokyo Stock Exchange
Securities code	8905	URL	<a href="http://www.aeonmall.com/en/index.html">http://www.aeonmall.com/en/index.html</a>
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Scheduled dates:

General shareholder's meeting	May 21, 2015
Commencement of dividend payments	May 7, 2015
Submission of statutory financial report	May 22, 2015
Supplementary documents for financial results	Yes
Financial 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 Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Years ended								
February 28, 2015	203,902	15.2	41,872	(0.8)	41,160	0.3	24,513	4.6
February 28, 2014	176,931	9.6	42,227	1.2	41,046	3.2	23,430	7.2

(Note) Comprehensive income  
 Year ended February 2015 37,931 million yen (13.4%)  
 Year ended February 2014 33,462 million yen (31.7%)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income/total assets	Operating income/operating revenue
Years ended	yen	yen	%	%	%
February 28, 2015	107.58	107.53	7.9	5.0	20.5
February 28, 2014	106.96	106.91	9.2	5.9	23.9

(Note) Investment profit on equity method  
 February 28, 2015: (9) million yen  
 February 28, 2014: — million yen

(Note) The Company issued 23,500,000 shares on June 19, 2013 and issued 2,500,000 shares on July 12, 2013. The Company also split one share of common stock into 1.1 shares effective August 1, 2013. As a result, "Net income per share" and "Net income per share (diluted)" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2015	900,957	332,536	36.4	1,438.25
February 28, 2014	759,245	298,526	38.9	1,295.30

(Note) Equity  
 February 28, 2015: 327,708 million yen  
 February 28, 2014: 295,124 million yen

(Note) The Company issued 23,500,000 shares on June 19, 2013 and issued 2,500,000 shares on July 12, 2013. The Company also split one share of common stock into 1.1 shares effective August 1, 2013. As a result, net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
Years ended	million yen	million yen	million yen	million yen
February 28, 2015	76,152	(127,505)	54,994	67,222
February 28, 2014	44,382	(47,143)	17,232	59,096

## 2. Dividends

(Record date)	Dividend per share					Total dividend	Payout ratio (consolidated)	Dividend on equity (consolidated)
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Annual			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
February 28, 2014	–	11.00	–	11.00	22.00	5,012	20.6	1.8
February 28, 2015	–	11.00	–	11.00	22.00	5,012	20.4	1.6
Year ending February 29, 2016 (Projection)	–	11.00	–	11.00	22.00		20.4	

## 3. Consolidated Earnings Projections for the Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(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
First half	114,000	16.7	19,500	5.9	18,500	2.5	9,500	(7.5)	41.69
Full year	238,000	16.7	44,500	6.3	42,000	2.0	24,600	0.4	107.96

### \* Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in a change in the scope of consolidation): None

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

[1] Changes in accounting policies in accordance with changes in accounting principles: Yes

[2] Changes in accounting policies other than the above: None

[3] Changes in accounting estimates: None

[4] Revisions and restatements: None

(Note) For details, refer to 4. Consolidated Financial Statements (5) Notes to the Consolidated Financial Statements (Change to accounting policy) on page 23 of the Accompanying Materials.

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

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

February 28, 2015: 227,890,747 shares February 28, 2014: 227,876,667 shares

[2] Treasury stock at period-end

February 28, 2015: 38,939 shares February 28, 2014: 35,585 shares

[3] Average number of shares issued

February 28, 2015: 227,849,749 shares February 28, 2014: 219,057,659 shares

(Note) The Company issued 23,500,000 shares on June 19, 2013 and issued 2,500,000 shares on July 12, 2013. The Company also split one share of common stock into 1.1 shares effective August 1, 2013. As a result, the number of shares for the fiscal year ended February 28, 2014, is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

### \* Disclosure on implementation of audit procedures

This financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of said Act were not completed at the time this financial summary was disclosed.

### \* Explanations and other special notes concerning the appropriate use of earnings projections

(Notes concerning statements about the future, etc.)

The statements about the future, including earnings projections, included in this report are based on information currently available to the Company and certain assumptions considered reasonable, which do not guarantee the achievement of such projected results. Actual results may vary considerably from these projections due to a range of factors. See “2) Outlook for the Fiscal Year Ending February 29, 2016, (1) Analysis of Operating Results” under “1. Analysis of Operating Results and Financial Position” on page 4 of the Accompanying Materials for the assumptions of the earnings forecasts and points to note in the use of earnings forecasts.

(Procedure for obtaining supplementary information on financial results)

Aeon Mall is scheduled to hold a financial briefing for institutional investors and analysts on April 10, 2015. The materials handed out at this briefing will be posted on the Company’s web page on April 9, 2015, and the audio recording will be made available on the Company’s web page as soon as possible after the briefing.

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## 1. Analysis of Operating Results and Financial Position

### (1) Analysis of Operating Results

#### 1) Overview of the consolidated fiscal year under review

During the fiscal year under review, the Japanese economy saw improvement in corporate earnings as well as the environment surrounding employment and income due in part to the impact of the government's economic policies, but leaving the outlook uncertain as recovery in personal consumption was sluggish following the hike in the consumption tax. Amid a sluggish growth in real wages along with a rise in commodity prices, trends in consumption among customers are increasingly polarized as outlays for value-added products and services are expanding, while a trend toward preferring lower prices is on the increase. Competition across industries intensified in the retail industry, with harsh conditions continuing in the shopping center (SC) industry as well, such as seen in growing disparities among shopping centers.

In this environment, the Company opened seven new malls and renewed eight of its existing malls in Japan as part of its business development aligned with area characteristics and market needs. Regarding its business in China, the Company opened its first mall in Jiangsu and in Hubei, China, respectively, in April and December 2014. As for the ASEAN business, the Company opened the first full-fledged shopping mall in Cambodia in June 2014 and opened the second mall in Vietnam in November 2014.

#### Domestic Businesses

During the fiscal year under review, the Company opened Aeon Mall Wakayama, Aeon Mall Tendo, and Aeon Mall Nagoya Chaya in the first half, Aeon Mall Kyoto Katsuragawa, Aeon Mall Kisarazu, and Aeon Mall Tamadaira Woods in the third quarter, and Aeon Mall Okayama in December 2014 in the fourth quarter.

Aeon Mall Okayama is the Aeon Group's flagship store located in front of Okayama station, which is a strategic point for transportation in the Chugoku/Shikoku area. It aims to become a hub where culture and information originate based on the concept of *haremachi watashi (Okayama) no mirai wo tsukuru machi* (Sunny town, that creates my (Okayama's) future). The number of tenants stands at 356, with 238 stores opening for the first time in Okayama and 65 local stores. The mall has a zone that brings together local tenants that carry fashion, sundry and other similar items that are popular in the area. Also included in the shopping mall are various new functions that have never existed before, such as a full-fledged multipurpose hall with features including a stage and movable seats; an Internet television studio, which is the first of its kind in a domestic commercial facility; and broadcasting of news and information programs from the mall by a terrestrial broadcasting station as a tenant.

#### New Domestic Malls in the Fiscal Year Ended February 28, 2015

Name of Mall	Location	Opening Date
ÆON Mall Wakayama	Wakayama Prefecture	March 2014
ÆON Mall Tendo	Yamagata Prefecture	March 2014
ÆON Mall Nagoya Chaya	Aichi Prefecture	June 2014
ÆON Mall Kyoto Katsuragawa	Kyoto Prefecture	October 2014
ÆON Mall Kisarazu	Chiba Prefecture	October 2014
ÆON Mall Tamadaira Woods	Tokyo Metropolis	November 2014
ÆON Mall Okayama	Okayama Prefecture	December 2014

As for existing malls, in addition to nation-wide sales at Aeon Group malls, sales promotion campaigns were held by utilizing the Aeon card and WAON, and efforts were made to improve the ability to attract more shoppers by holding events involving customer participation. The Group also renewed eight malls such as by enlisting new tenants, changing business formats and relocating existing tenants.

Malls renewed in the Fiscal Year Ended February 28, 2015

Name of Mall	Location	Date reopened	Tenants	New tenants (1) (See Note)	Relocations & refurbishments (2)	No. of tenants on reopening (1) + (2)
ÆON Mall Nogata	Fukuoka Prefecture	March 7	140	6 (3)	10	16
ÆON Mall Kawaguchi Maekawa	Saitama Prefecture	March 14	170	15 (4)	20	35
ÆON Mall Kisogawa	Aichi Prefecture	March 14	160	15 (7)	6	21
ÆON Mall Hinode	Tokyo Metropolis	March 20	160	29 (6)	39	68
ÆON Mall Yamato	Kanagawa Prefecture	March 20	90	5 (0)	20	25
ÆON Mall Fukuoka	Fukuoka Prefecture	October 10	200	43 (21)	56	99
ÆON Mall Suzuka	Mie Prefecture	October 31	180	16 (4)	19	35
ÆON Mall Okazaki	Aichi Prefecture	November 7	170	34 (12)	66	100

(Note) Figures in brackets represent new tenants opening for the first time in the prefecture.

**Overseas Businesses**

In China, Aeon Mall Suzhou Wuzhong (Suzhou), which opened in April 2014 and is the Company's first mall in Jiangsu Province, has been strong in both the number of customers and sales. Preparations are being made toward opening two malls in Suzhou during the fiscal year ending February 29, 2016.

The Company opened Aeon Mall Wuhan Jinyintan (Wuhan) as its first mall in Hubei Province, China in December 2014. This mall is located in the Dongxihu District in the northwestern area of central Wuhan. The eastern side of the district is adjacent to the Wuhan Airport Proximity Economic & Technology Development Zone, which is designated for government-level development and showing remarkable increase in population. Also, the mall is doing well as it is positioned in an area where shoppers are expected to visit from a wide range of areas, given that the location has great access from major roads. The mall consists of 200 stores including the anchor store, Aeon Wuhan Jinyintan Store, and 27 stores that have opened for the first time in Wuhan as well as numerous popular specialized stores from Japan. In addition, a gourmet zone is located on every floor based on a specific theme, encompassing 15,000 m<sup>2</sup>.

In addition to this mall, construction of two more malls is already under way, given that the Company concluded a cooperative agreement with the Wuhan City People's Government in 2011 to open at least five large-scale shopping centers within five years.

The total number of customers and sales at specialty stores at three existing malls, Aeon Mall Beijing International Mall (Beijing), Aeon Mall Tianjin TEDA (Tianjin), and Aeon Mall Tianjin Zhongbei (Tianjin), increased at 121.4% and 117.9%, respectively, both exceeding those from the previous period. Sales at Aeon Mall Tianjin Meijiang (Tianjin), which opened in January 2014, also remained strong.

In the ASEAN region, Aeon Mall Phnom Penh (Phnom Penh), which opened in June 2014 and the first Aeon Mall in Cambodia, as well as Aeon Mall Binh Duong Canary (Binh Duong), the second mall in Vietnam that opened in November 2014, are both recording strong sales.

New Malls Overseas in the Fiscal Year Ended February 28, 2015

	Name of Mall	Location	Opening Date
China	Aeon Mall Suzhou Wuzhong	Suzhou, Jiangsu	April 2014
	Aeon Mall Wuhan Jinyintan	Wuhan, Hubei	December 2014
Cambodia	Aeon Mall Phnom Penh	Phnom Penh	June 2014
Vietnam	Aeon Mall Binh Duong Canary	Tinh Binh Duong	November 2014

## Financial Status

Operating revenue totaled 203,902 million yen (115.2% year on year). Operating costs increased to 141,464 million yen (120.8% year on year) due to business expansion, increased expenses for sales promotion, among other items, resulting in a gross profit rise to 62,437 million yen (104.4% year on year).

Selling, general and administrative expenses increased to 20,565 million yen (116.9% year on year) in order to strengthen the internal system to increase the opening of malls in Japan and covering expenses for expanding and improving overseas business sites to accelerate development in China and the ASEAN region, among other factors. As a consequence, operating income declined to 41,872 million yen (99.2% year on year).

Non-operating income grew to 2,135 million yen (136.0% year on year) and non-operating expenses stood at 2,847 million yen (103.5% year on year). As a result, ordinary income totaled 41,160 million yen (100.3% year on year).

In extraordinary items, 905 million yen in gains on sales of fixed assets through transfer to Aeon REIT Investment Corporation, 707 million yen in gains on sales in investment securities were posted as extraordinary gains, while 159 million yen in loss on retirement of fixed assets and 233 million yen in loss on cancellation of lease contracts were posted as extraordinary losses. This represented an improvement of 1,718 million yen compared with the previous fiscal year. As a result, the Company posted net income of 24,513 million yen (104.6% year on year).

## 2) Outlook for the Fiscal Year Ending February 29, 2016

### Domestic Businesses

The Company plans to open five malls, including Aeon Mall Asahikawa Ekimae, which opened in March 2015.

#### New Domestic Malls in the Fiscal Year Ending February 29, 2016

Name of Mall	Location	Opening Date
ÆON Mall Asahikawa Ekimae	Hokkaido	March 2015
ÆON Mall Okinawa Rycom	Okinawa Prefecture	April 2015
ÆON Mall Tonami	Toyama Prefecture	July 2015
ÆON Mall Shijonawate	Osaka Prefecture	Fall in 2015
ÆON Mall Tokoname	Aichi Prefecture	Fall in 2015

As for existing malls, the Company will continue to work on improving its ability to attract shoppers and expand sales by implementing a large-scale renewal to renovate the entirety of 13 malls, along with holding sales promotion campaigns and events related to cultural events of each region by utilizing the Aeon Group infrastructure.

### Overseas Businesses

In China, a total of six malls will be opened, including the four malls in Beijing, Jiangsu Province and Hubei Province where the Company has already opened malls, in addition to two new malls in Guangdong Province and Zhejiang Province. Work to secure projects thereafter is also advancing, with progress being made in initiatives aimed at openings.

In the ASEAN region, the Company will open Aeon Mall Long Bien (Hanoi) as its first mall in Hanoi, Vietnam, as well as Aeon Mall BSD CITY (Tangerang) in the southwest section of Jakarta as its first Aeon Group mall in Indonesia.

## New Malls Overseas in the Fiscal Year Ending February 29, 2016

	Name of Mall	Location
China	Aeon Mall Suzhou Yuanqu hudong	Suzhou City, Jiangsu Province
	Aeon Mall Beijing Fengtai	Fengtai District, Beijing
	Aeon Mall Guangzhou Panyu Square	Guangzhou City, Guangdong Province
	Aeon Mall Suzhou New District	Suzhou City, Jiangsu Province
	Aeon Mall Hang Zhou Liang Zhu Xin Cheng	Hangzhou City, Zhejiang Province
	Aeon Mall Wuhan WEDZ	Wuhan City, Hubei Province
Vietnam	Aeon Mall Long Bien	Hanoi
Indonesia	Aeon Mall BSD CITY	Tangerang

### Financial Forecast

As our consolidated financial forecast, we are projecting 238 billion yen in operating revenue, 44.5 billion yen in operating income, 42 billion yen in ordinary income, and 24.6 billion yen in net income for the year ending February 29, 2016.

### (2) Environmental Conservation and Social Contribution Activities

The Aeon Mall Group considers harmony with the environment and local communities in its mall development activities to be a social responsibility and a contributing factor to sustainable growth of community shopping malls. Based on this recognition, the Group holds the Aeon Mall CSR (Corporate Social Responsibility) Council, which is chaired by the president, every month to establish social, environmental, and ethical policies for corporate activities, and to make quick decisions for managing the progress of CSR activities and resolving any issues.

As part of its environmental conservation initiatives, the Group has been undertaking energy conservation activities such as photovoltaic power generation (at 64 malls as of February 28, 2015) and LED installation (at 115 malls as of February 28, 2015) to help reduce CO<sub>2</sub> emissions. The Group has also been pushing forward with installing charging stations for electric vehicle in anticipation of the future low-carbon society, with 56 malls with such stations as of the end of the fiscal year ended February 28, 2015, and plans to install charging stations at 48 malls in the fiscal year ending February 29, 2016. The Group intends to install permanent charging stations at new malls in the future and to step up introduction at existing malls.

The Group is also actively pursuing a number of other initiatives including the Aeon Hometown Forests Program, in which the Group plants seedlings suited to the local area on the premises of the mall together with local residents, and efforts to achieve zero emissions by recycling all waste generated by our malls. In recognition of such environmentally friendly initiatives, Aeon Mall Makuhari New City received the LEED certification\*<sup>1</sup>, an international assessment system used to evaluate a building's environmental performance, in March 2015. In addition, the three existing malls, namely Aeon Mall Musashimurayama, Aeon Mall Tsurumi Ryokuchi and Aeon Mall Itami, received the CASBEE Real Estate Certification\*<sup>2</sup>, which is recognized as Japan's top environmental assessment system, along with the respective owners. As for overseas, in China, where environmental awareness is gaining ground, the Aeon Group in China obtained a two-star rating in the Green Building Evaluation Standard\*<sup>3</sup> for the first time for Aeon Mall Suzhou Wuzhong.

Following the footsteps of Aeon Mall Toin last year, Aeon Mall Tamadaira Woods acquired the ABINC Certificate, which is awarded by the Association for Business Initiative in Harmony with Nature and Community. Various initiatives in this mall that contribute to biodiversity were praised, such as transplanting of existing trees; *oka no harappa* (field on a hill), a biotope on the roof on the fourth floor; and *ame no niwa* (rain garden) that can purify and utilize rainwater through osmosis. The Group will continue working to create environmentally friendly malls in the interests of preserving ecodiversity and sustainability in the future.

The Group has been adopting a universal design ahead of other commercial facilities, and was awarded the Eighth Award for Promoting Barrier-Free Design by the Minister of Land, Infrastructure, Transport and Tourism in January 2015 in recognition of continuous initiatives to upgrade universal design by incorporating views from academic experts, organizations for the disabled, among others, from the designing stage.

The Company received an Award for Excellence in recognition of the integrated approach to creating communities and towns centered on Smart AEON, a next generation of stores that are equipped with disaster-response capabilities, at the First Japan Resilience Awards by the Association for Resilience Japan\*<sup>4</sup>.

The Company will continue to hold support activities through the Project Aeon Joining Hands, a project that provides aid toward reconstruction following the Great East Japan Earthquake, such as by having the Company's employees participate in planting trees and other volunteer activities toward restoring disaster-stricken areas.

In addition, Aeon 1% Club, in which leading Aeon Group companies donate 1% of their pre-tax income for various activities in spheres such as the environment, and international and local culture, has been actively supporting the construction of schools and disaster recovery in the Asia region since 2001. As part of these efforts, the Group will continue fund-raising activities involving our customers and employees of our shopping mall tenants.

\* The number of malls stated above includes 69 malls that are commissioned for management and operations from the Aeon Retail Co., Ltd.

\*1. LEED certification

It is a voluntary certification system developed in 1996 operated under the auspices of the U.S. Green Building Council (USGBC) and is the most popular system in the world that evaluates environmental performance in buildings and other areas. The assessment is made based on a total of seven assessment criteria on energy-saving and environmental impact ranging from planning and design of an entire building to building construction, operations and maintenance.

\*2. CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Real Estate Certification System

The system is the most recognized in Japan and assesses as well as rates the environmental performance of buildings. It comprehensively evaluates a building's environmental performance that includes considerations for scenery in addition to aspects aimed at reducing environmental impact, such as saving energy and resources and recycling capabilities.

\*3. Green Building Evaluation Standard

It is a system, instituted in 2006, for assessing environmental standards of buildings that is certified by China's Ministry of Construction with an aim to protect the earth's environment, to maximize the use of the earth's resources and prevent environmental pollution.

\*4. Japan Resilience Awards

It was established in November 2014 as a system to find, assess and award initiatives around Japan aimed at creating resilient land for the next generation.

### **(3) Consolidated Financial Position**

#### **1) Assets, Liabilities and Net Assets**

##### **Assets**

Total assets stood at 900,957 million yen, up 141,712 million yen from February 28, 2014. This was chiefly attributable to the acquisition of property, plant and equipment of 183,416 million yen due to the opening of new malls and the advance acquisition of land for development in the future, which offset a decline primarily due to the depreciation of fixed assets of 29,574 million yen, sale of fixed assets of 20,532 million yen to Aeon REIT Investment Corporation and a decline in lease deposits paid of 10,279 million yen due to the sale, etc. of construction assistance fund receivables through securitization.

##### **Liabilities**

Total liabilities stood at 568,421 million yen, up 107,702 million yen from February 28, 2014. This increase primarily reflected a 17,000 million yen increase in bonds, a 14,981 million yen rise in accounts payable mainly associated with the opening of new shopping malls, a 46,432 million yen increase in long-term debt (including the current portion of long-term debt), and a rise of 22,695 million yen in deposits from tenants.

##### **Net assets**

Net assets totaled 332,536 million yen, up 34,009 million yen from February 28, 2014. This was primarily attributable to an increase in retained earnings due to the recording of net income of 24,513 million yen and a rise of 12,574 million yen in foreign currency translation adjustment.



## 2) Cash Flows

Cash and cash equivalents (“cash”) as of February 28, 2015 amounted to 67,222 million yen, up 8,126 million yen from February 28, 2014.

Cash flows in the fiscal year under review were as follows:

### Cash flows from operating activities

Net cash provided by operating activities was 76,152 million yen (compared with 44,382 million yen in the previous fiscal year). Major contributors to this outcome were due to the income before income taxes and minority interests totaling 42,361 million yen (compared with 40,529 million yen in the previous fiscal year), an increase in deposits from tenants of 22,559 million yen (decrease of 12,305 million yen in the previous fiscal year) associated with the postponement of the reimbursement of deposits from tenants until the next fiscal year due to the end of the current fiscal year falling on a bank holiday, depreciation and amortization of 29,574 million yen (compared with 23,945 million yen in the previous fiscal year), while income taxes paid totaled 25,877 million yen (compared with 10,343 million yen in the previous fiscal year).

### Cash flows from investing activities

Net cash used in investing activities amounted to 127,505 million yen (compared with 47,143 million yen in the previous fiscal year). Major contributors included the payment of 180,863 million yen (compared with 102,821 million yen in the previous fiscal year) for the purchase of property, plant and equipment, including the facilities of Aeon Mall Toin, Aeon Mall Makuhari New City that opened the previous fiscal year and Aeon Mall Tendo, Aeon Mall Wakayama and Aeon Mall Nagoya Chaya that opened during the fiscal year under review; proceeds from sale of lease deposits of 8,077 million yen (compared with 4,593 million yen in the previous fiscal year), reimbursement of lease deposits to lessors of 5,712 million yen (compared with 3,745 million yen in the previous fiscal year), and proceeds from sales of property, plant and equipment of 34,013 million yen (compared with 64,570 million yen in the previous fiscal year) to Aeon REIT Investment Corporation.

### Cash flows from financing activities

Net cash provided by financing activities was 54,994 million yen (compared with 17,232 million yen in the previous fiscal year). This was chiefly attributable to proceeds from long-term debt of 52,707 million yen (15,498 million yen in the previous fiscal year), proceeds from issuance of bonds of 40,000 million yen (no income from issuance in the previous fiscal year), while repayment of long-term debt totaled 10,566 million yen (compared with 35,278 million yen in the previous fiscal year), redemption of bonds of 23,000 million yen (compared with 10,000 million yen in the previous fiscal year), and dividends paid of 5,012 million yen (compared with 4,498 million yen in the previous fiscal year).

### (For reference) Changes in Cash Flow Indicators

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Equity ratio (%)	38.9	36.4
Equity ratio based on market capitalization (%)	84.5	58.5
Ratio of interest-bearing debt to cash flow (annual)	4.3	3.3
Interest coverage ratio (times)	18.2	34.8

(Notes)

Equity ratio: Equity/total assets

Equity ratio based on market capitalization: Market capitalization/total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/cash flow

Interest coverage ratio: Cash flow/interest payments

1. All indicators were calculated using consolidated financial data.
2. Interest-bearing debt consists of short-term debt, current portion of long-term debt, commercial paper, bonds and long-term debt, within liabilities shown on the Consolidated Balance Sheet.
3. Cash flow and interest payments are based on the corresponding items shown in the Consolidated Statements of Cash Flows.

**(4) Basic Policy on Income Distribution, Dividends for Fiscal Years Ended February 28, 2015 and Ending February 29, 2016**

Aeon Mall recognizes that returning profits to shareholders through the expansion of its earnings power is a key management priority. The Company's basic policy on income distribution emphasizes the maintenance of steady dividend payments to shareholders, while using retained earnings to invest in business structure enhancements, including investments in growth businesses, new businesses and other areas to strengthen the operating base, with the Company targeting the annual dividend payout ratio to be at least 20%.

As for the number of dividends paid for every business year, the Company's basic policy is to issue dividends twice a year, in the form of interim and year-end dividends. Under the provisions of Article 459, Paragraph 1 of the Companies Act, the Company has stipulated in its Articles of Incorporation that a dividend may be paid from the surplus subject to resolution of the Board of Directors.

Dividend per share for the fiscal year ended February 28, 2015 is to be 22 yen, as scheduled per the announcement on April 8, 2014, and is 11 yen as of the end of the first half (already implemented) and 11 yen at the end of the fiscal year. The year-end dividend is to be approved by a resolution of the Board of Directors at the meeting on April 15, 2015, with the payment start date on May 7, 2015.

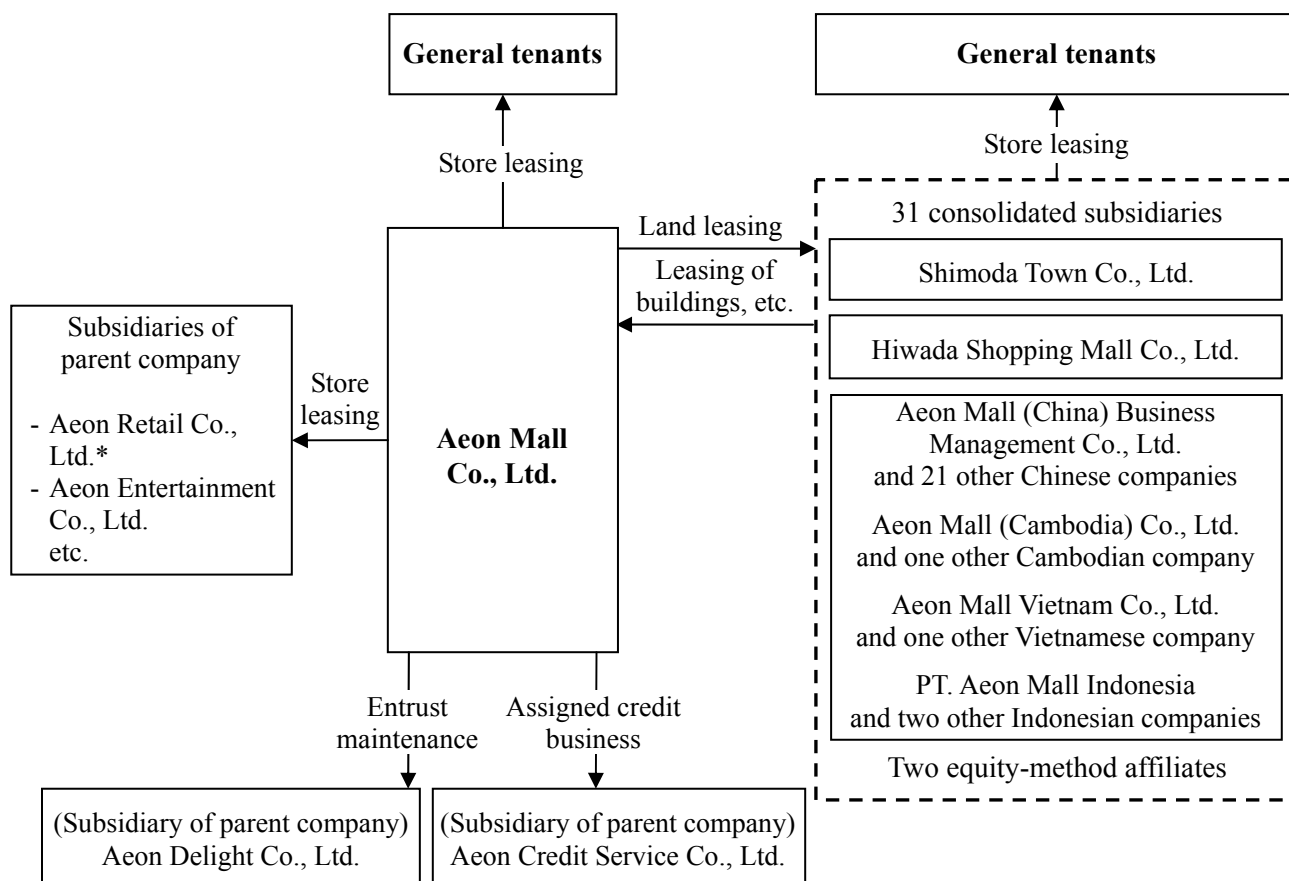
Aeon Mall plans to pay a dividend of 22 yen per share for the fiscal year ending February 29, 2016.

## 2. The State of Corporate Group

The Aeon Mall Group consists of Aeon Mall Co., Ltd., of which Aeon Co., Ltd. is the parent company, with its 31 consolidated subsidiaries, Shimoda Town Co., Ltd., Hiwada Shopping Mall Co., Ltd., Aeon Mall (China) Business Management Co., Ltd. and 21 other China-based companies, two Cambodia-based companies, two Vietnam-based companies, three Indonesia-based companies and two equity-method affiliates. Aeon Mall Co., Ltd. is engaged in the shopping mall business, as are its 31 consolidated subsidiaries.

Aeon Mall Co., Ltd. is in charge of the developer business, a core business of the Aeon Group. It leases stores to general tenants, and also to Aeon Retail Co., Ltd., which is an operator of general merchandising stores, and other Aeon Group companies.

Positioning of business activities of Aeon Mall Co., Ltd. and its group companies as shown below.



\* The Company is commissioned to manage and operate 69 commercial facilities of Aeon Retail Co., Ltd.

### **3. Management Policies**

#### **(1) Basic Corporate Management Policies**

Our management philosophy is to realize the Group's basic principle as expressed in the words "Customers First." We are committed to harmonious coexistence with local communities, and our goal is to contribute to the development of vital communities filled with surprise, excitement, and fun. From the perspective of creating communities, we have been moving forward with our shopping mall development by working as one with regional communities by proposing functions and roles of a mall to those in the region. As of the end of the year under review, the growth we achieved sent us to become the largest commercial developer in Japan that manages and operates 139 malls domestically and nine malls (six in China, one in Cambodia and two in Vietnam) overseas.

We formulated a new business philosophy that designates us as a Life Design Developer that creates the "Future of Living" along with regions. This followed a review of the management policy, which took place with the objective to make even greater strides by incorporating innovative business models while expanding our business at domestic locations and advancing business development overseas in an effort to push forward with initiatives aimed at further growth going forward.

"Life Design" refers to expanding various types of functions that anticipate the life stages of a region's customers by going beyond the framework of a commercial facility and is defined as a way to design the "Future of Living," which is not only about shopping but also includes meeting people and nurturing culture, among other activities. Our guiding principle is to contribute to the improvement of people's life styles and the development of regional communities based on this management philosophy by pushing forward with creating malls at home and abroad that express the characteristics of their respective areas from the standpoint of localization. Through such business development, we will aim for further growth by expanding profitability and corporate value as well as by reinforcing our management base.

#### **(2) Target Financial Indicators**

To enhance profitability and strengthen its financial base, we consider a return on invested capital (ROIC) of 6% or higher, an equity ratio of 30% or higher, and a debt equity ratio of 1.0 or lower to be its priority financial indicators.

Various indicators for the fiscal year ended February 28, 2015, are as follows.

Return on invested capital (ROIC): 4.9%    Equity ratio: 36.4%    Debt equity ratio: 0.8

(Note) Return on invested capital:  $\text{Operating income} \times (1 - \text{effective tax rate}) / (\text{Average equity for the beginning and end of the fiscal year} + \text{Average amount of interest-bearing debt for the beginning and end of the fiscal year})$

Equity ratio:  $\text{Equity} / \text{total assets}$

Debt equity ratio:  $\text{Interest-bearing debt} / \text{equity}$

#### **(3) Medium-Term Corporate Management Strategies and Priorities**

The Group has formulated a three-year, medium-term management plan that positions the fiscal year ended February 28, 2015 (FY2014) as the first year and is working to build a robust corporate structure that achieves both sustainable growth and high profitability.

Regarding new malls in Japan, we will develop malls with new concepts that meet the needs of diverse customer segments, including seniors, and are compatible with local characteristics, and we will further accelerate site development.

As for existing malls, we will strive to increase our competitiveness by proactively implementing renewal measures, such as adding new mall functions at existing malls, adopting zoning that is compatible with local needs and introducing new tenants. Further, we will work on expanding our customer base by promoting sales that closely reflects the needs of each region, and strengthening initiatives aimed at improving tenant support and customer satisfaction, along with measures, such as by building a customer management system.

Further, we are working on building our customer base by sending information via Internet television that has been developed at Aeon Mall Okayama and moving along with online initiatives aimed at attracting customers. In addition, shopping malls that are located near airports and tourist destinations will be equipped with shopping functionality and services catering to foreign travelers, such as expanding duty-free capabilities at specialty stores as well as providing multi-lingual, foreign exchange and Wi-Fi services and a prayer room (room of worship) in

response to inbound consumption by foreign travelers visiting Japan, which posted a record high in 2014 and is expected to increase in the future.

The Company will continue to push forward with improving its capability to attract customers and expand sales through such initiatives. At the same time, by taking advantage of economics of scales generated by 140 shopping malls, the Company will work to improve the profitability of shopping malls, and expand cash flow by working on low-cost operations and reducing expenses for shopping mall development and investments mainly through development of more efficient operation system.

In terms of business in China, the Company will accelerate the opening of new shopping malls in Beijing, Tianjin, Jiangsu and Hubei Provinces where malls already have been opened, and also having made head way in securing development projects in Guangdong Province, Zhejiang Province, Hebei Province and Shandong Province. In the ASEAN region, the first mall in Indonesia is expected to open in May 2015 following openings in Vietnam and Cambodia, with the Company continuing to establish a structure that can secure growth and swift decision-making in each area by building a foundation for a business based on management and operational expertise in developing multiple shopping malls overseas.

In addition, in order to realize such growth initiatives, the Company will use various fundraising methods, along with improving asset efficiency, and work to build a healthy and strong financial base to support medium- and long-term growth strategies.

Meanwhile, we plan to strengthen management system and governance functions, including sharing business expertise in Japan and overseas and speeding up decision-making, while seeking the development and diversification of human resources and structural and personnel system reforms, with the aim to build an even stronger management system.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	As of February 28, 2014	As of February 28, 2015
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	47,566	67,340
Notes and accounts receivable—trade	2,907	4,724
Prepaid expenses	2,907	2,229
Deferred tax assets	2,228	1,265
Deposits to associated companies	*2 17,000	*2 5,000
Other current assets	17,423	23,031
Allowance for doubtful receivables	–	(20)
<b>Total current assets</b>	<b>90,033</b>	<b>103,572</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Building and structures	474,320	588,701
Accumulated depreciation	(148,056)	(170,230)
Building and structures, net	326,264	418,470
Machinery and transportation equipment	2,863	3,515
Accumulated depreciation	(643)	(842)
Machinery and transportation equipment, net	2,219	2,672
Furniture and fixtures	22,380	26,213
Accumulated depreciation	(16,906)	(18,599)
Furniture and fixtures, net	5,473	7,613
Land	185,905	196,690
Construction in progress	37,697	64,372
<b>Total property, plant and equipment</b>	<b>*1 557,559</b>	<b>*1 689,820</b>
<b>Intangible assets:</b>	<b>3,570</b>	<b>3,830</b>
<b>Investments and other assets:</b>		
Investment securities	1,348	2,159
Shares of subsidiaries and associates	–	190
Long-term loans	314	236
Long-term prepaid expenses	46,734	*1 51,676
Deferred tax assets	5,097	5,430
Lease deposits paid	50,687	40,407
Other investments and other assets	3,977	3,662
Allowance for doubtful receivables	(80)	(29)
<b>Total investments and other assets</b>	<b>108,081</b>	<b>103,734</b>
<b>Total fixed assets</b>	<b>669,211</b>	<b>797,385</b>
<b>Total assets</b>	<b>759,245</b>	<b>900,957</b>

(Million yen)

	As of February 28, 2014	As of February 28, 2015
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable—trade	11,024	11,848
Bonds due within one year	23,000	—
Current portion of long-term debt	*1 10,566	*1 24,709
Income taxes payable	17,782	9,436
Deposits from tenants	24,903	47,598
Deposits received	6,901	6,634
Allowance for employee bonus	710	814
Allowance for director and auditor performance-based remuneration	108	94
Provision for store closing expenses	659	645
Notes payable—construction	28,046	75,599
Electronically recorded obligations—construction	11,698	10,259
Accounts payable—construction	41,117	9,986
Other current liabilities	*1 7,850	*1 11,834
<b>Total current liabilities</b>	<b>184,370</b>	<b>209,461</b>
<b>Long-term liabilities:</b>		
Straight bonds	25,200	65,200
Long-term debt	*1 131,599	*1 163,889
Deferred tax liabilities	130	92
Accrued retirement benefits to employees	199	—
Net defined benefit liability	—	400
Asset retirement obligations	7,704	9,169
Lease deposits from lessees	*1 109,325	*1 117,701
Other long-term liabilities	2,188	2,505
<b>Total long-term liabilities</b>	<b>276,348</b>	<b>358,959</b>
<b>Total liabilities</b>	<b>460,718</b>	<b>568,421</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	42,195	42,207
Capital surplus	42,504	42,516
Retained earnings	196,722	216,223
Treasury stock, at cost	(92)	(99)
<b>Total shareholders' equity</b>	<b>281,330</b>	<b>300,847</b>
<b>Accumulated other comprehensive income:</b>		
Net unrealized gain on available-for-sale securities	429	1,061
Foreign currency translation adjustment	13,364	25,938
Remeasurements of defined benefit plans	—	(138)
<b>Total accumulated other comprehensive income</b>	<b>13,793</b>	<b>26,861</b>
<b>Stock acquisition rights</b>	<b>164</b>	<b>169</b>
<b>Minority interests</b>	<b>3,237</b>	<b>4,658</b>
<b>Total net assets</b>	<b>298,526</b>	<b>332,536</b>
<b>Total liabilities and net assets</b>	<b>759,245</b>	<b>900,957</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)**

(Million yen)

Year ended	February 28, 2014	February 28, 2015
<b>Operating revenue</b>		
<b>Rental income</b>	176,931	203,902
<b>Total operating revenue</b>	176,931	203,902
<b>Operating costs</b>		
<b>Cost of rental income</b>	117,117	141,464
<b>Gross profit</b>	59,814	62,437
<b>Selling, general and administrative expenses:</b>		
Employees' salaries and bonuses	4,428	4,957
Provision for employees' bonuses	379	441
Provision for director and auditor performance-based remuneration	108	96
Retirement benefit expenses	125	128
Statutory welfare benefit expense	1,408	1,178
Travel expenses	1,173	1,406
Rent	1,609	1,749
Sales commission	721	1,231
Depreciation and amortization	775	775
Other selling, general and administrative expenses	6,856	8,598
<b>Total selling, general and administrative expenses</b>	17,586	20,565
<b>Operating income</b>	42,227	41,872
<b>Non-operating profits:</b>		
Interest income	641	513
Dividend income	21	21
Compensation paid by departing tenants	371	796
Foreign exchange gains	273	510
Other non-operating profits	261	293
<b>Total non-operating profits</b>	1,570	2,135
<b>Non-operating expenses:</b>		
Interest expenses	2,421	2,315
Other non-operating expenses	330	532
<b>Total non-operating expenses</b>	2,751	2,847
<b>Ordinary income</b>	41,046	41,160



(Million yen)

Year ended	February 28, 2014	February 28, 2015
<b>Extraordinary gains:</b>		
Gain on sale of fixed assets	*1 6,993	*1 905
Gain on sales of investment securities	—	707
Gain on sales of lease deposits	—	186
Other extraordinary gains	—	13
<b>Total extraordinary gains</b>	<b>6,993</b>	<b>1,812</b>
<b>Extraordinary losses:</b>		
Loss on sales of fixed assets	*2 5,722	*2 36
Loss on disposal of fixed assets	*3 46	*3 159
Impairment losses	*4 1,071	—
Loss on leasing contract cancellation	—	233
Provision for store closing expenses	359	—
Other extraordinary losses	310	181
<b>Total extraordinary losses</b>	<b>7,510</b>	<b>611</b>
<b>Income before income taxes and minority interests</b>	<b>40,529</b>	<b>42,361</b>
<b>Income taxes</b>		
—Current	18,369	17,692
—Deferred	(1,376)	321
<b>Total income taxes</b>	<b>16,992</b>	<b>18,013</b>
<b>Income before minority interests</b>	<b>23,536</b>	<b>24,348</b>
<b>Minority interests in net income (loss)</b>	<b>105</b>	<b>(164)</b>
<b>Net income</b>	<b>23,430</b>	<b>24,513</b>

**(Consolidated Statements of Comprehensive Income)**

(Million yen)

Year ended	February 28, 2014	February 28, 2015
<b>Income before minority interests</b>	23,536	24,348
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	99	632
Foreign currency translation adjustment	9,826	12,950
Total other comprehensive income	*1 9,926	*1 13,582
<b>Comprehensive income</b>	33,462	37,931
<b>Comprehensive income attributable to:</b>		
Owners of the Company	33,632	37,719
Minority interests	(169)	211

**(3) Statements of Changes in Shareholders' Equity**

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of fiscal year	16,691	17,000	177,790	(28)	211,454
Changes during period					
Issue of new shares	25,504	25,504			51,008
Cash dividends			(4,498)		(4,498)
Net income			23,430		23,430
Purchase of treasury stock				(63)	(63)
Net change in items other than shareholders' equity					
Total of changes	25,504	25,504	18,931	(63)	69,876
Balance at end of fiscal year	42,195	42,504	196,722	(92)	281,330

	Accumulated other comprehensive income			Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gain for available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	329	3,261	3,591	141	2,588	217,776
Changes during period						
Issue of new shares						51,008
Cash dividends						(4,498)
Net income						23,430
Purchase of treasury stock						(63)
Net change in items other than shareholders' equity	99	10,102	10,201	23	648	10,873
Total of changes	99	10,102	10,201	23	648	80,749
Balance at end of fiscal year	429	13,364	13,793	164	3,237	298,526

Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of fiscal year	42,195	42,504	196,722	(92)	281,330
Changes during period					
Issue of new shares	11	11			23
Cash dividends			(5,012)		(5,012)
Net income			24,513		24,513
Purchase of treasury stock				(7)	(7)
Net change in items other than shareholders' equity					
Total of changes	11	11	19,500	(7)	19,516
Balance at end of fiscal year	42,207	42,516	216,223	(99)	300,847

	Accumulated other comprehensive income				Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gain for available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	429	13,364	–	13,793	164	3,237	298,526
Changes during period							
Issue of new shares							23
Cash dividends							(5,012)
Net income							24,513
Purchase of treasury stock							(7)
Net change in items other than shareholders' equity	632	12,574	(138)	13,067	4	1,420	14,493
Total of changes	632	12,574	(138)	13,067	4	1,420	34,009
Balance at end of fiscal year	1,061	25,938	(138)	26,861	169	4,658	332,536

**(4) Consolidated Statements of Cash Flows**

(Million yen)

Year ended	February 28, 2014	February 28, 2015
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	40,529	42,361
Depreciation and amortization	23,945	29,574
Impairment losses	1,071	—
Increase (decrease) in provision for store closing expenses	359	(14)
Increase (decrease) in allowance for doubtful accounts	(14)	(32)
Increase (decrease) in provision for employees' bonus	102	103
Increase (decrease) in provision for director and auditor performance-based remuneration	59	(13)
Increase (decrease) in liabilities for retirement benefits	0	—
Increase (decrease) in net defined benefit liability	—	(13)
Interest and dividend income	(663)	(535)
Interest expenses	2,421	2,315
Loss on disposal of fixed assets	194	226
Loss (gain) on sales of fixed assets	(1,271)	(869)
Loss (gain) on sales of investment securities	—	(707)
Decrease (increase) in receivable—trade accounts	(497)	(1,552)
Decrease (increase) in other current assets	(2,791)	(4,109)
Increase (decrease) in payable—trade accounts	6,324	200
Increase (decrease) in consumption tax payable	(1,080)	1,682
Increase (decrease) in deposits from tenants	(12,305)	22,559
Increase (decrease) in other current liabilities	(3,291)	1,497
Other, net	3,669	11,043
Subtotal	56,764	103,715
Interest and dividends received	404	499
Interest paid	(2,442)	(2,185)
Income taxes paid	(10,343)	(25,877)
<b>Net cash provided by operating activities</b>	<b>44,382</b>	<b>76,152</b>

(Million yen)

Year ended	February 28, 2014	February 28, 2015
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(102,821)	(180,863)
Proceeds from sales of property, plant and equipment	64,570	34,013
Purchase of intangible assets	(1,158)	(873)
Proceeds from sales of intangible assets	53	–
Purchase of long-term prepaid expenses	(12,037)	(1,089)
Proceeds from sales of investment securities	–	847
Purchase of investment securities	(29)	–
Purchase of shares of subsidiaries and associates	–	(200)
Collection of loans	79	79
Payment of lease deposits to lessors	(6,855)	(2,176)
Reimbursement of lease deposits to lessors	3,745	5,712
Proceeds from sale of lease deposits	4,593	8,077
Repayment of lease deposits from lessees	(8,142)	(7,987)
Proceeds from lease deposits from lessees	13,683	16,088
Time deposits	(10,051)	(8,002)
Withdrawal of time deposits	7,229	8,867
<b>Net cash used in investing activities</b>	<b>(47,143)</b>	<b>(127,505)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from long-term debt	15,498	52,707
Repayment of long-term debt	(35,278)	(10,566)
Proceeds from issue of bonds	–	40,000
Redemption of bonds	(10,000)	(23,000)
Proceeds from issuance of common stock	50,759	–
Proceeds from stock issuance to minority shareholders	821	1,215
Purchase of treasury stock	(63)	(7)
Dividends paid	(4,498)	(5,012)
Dividends paid to minority shareholders	(6)	(6)
Other	0	(335)
<b>Net cash provided by financing activities</b>	<b>17,232</b>	<b>54,994</b>
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<b>5,332</b>	<b>4,484</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>19,803</b>	<b>8,126</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>39,292</b>	<b>59,096</b>
<b>Cash and cash equivalents at end of the period</b>	<sup>*1</sup> <b>59,096</b>	<sup>*1</sup> <b>67,222</b>

## **(5) Notes to the Consolidated Financial Statements**

### **Notes on the going concern assumption**

Not applicable

### **Important matters concerning the basis for preparing the consolidated financial statements**

#### 1. Matters concerning scope of consolidation

Number of consolidated subsidiaries: 31

Names of major consolidated subsidiaries

AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD., AEON MALL (CAMBODIA) CO., LTD., PT. AEON MALL INDONESIA, AEON MALL (GUANGDONG) BUSINESS MANAGEMENT CO., LTD., PT. AMSL INDONESIA, AEON MALL HIMLAM Company LIMITED, PT. AMSL DELTA MAS, AEON MALL (CHINA) CO., LTD.

AEON MALL YOUYA (BEIJING) BUSINESS MANAGEMENT CO., LTD., AEON MALL EDZ (WUHAN) BUSINESS MANAGEMENT CO., LTD., AEON MALL (GUANGZHOUBAIYUN) BUSINESS MANAGEMENT CO., LTD., AEON MALL (FOSHANNANHAI) BUSINESS MANAGEMENT CO., LTD., AEON MALL SUNAN (SUZHOU) BUSINESS MANAGEMENT CO., LTD. and Yantai MALL Investment Limited were included in the scope of consolidation as these companies were established during the fiscal year under review.

AEON MALL BINH DUONG Co., Ltd., which was newly established in the third quarter of the consolidated fiscal year under review, is excluded from the scope of consolidation due to its merger with AEON MALL VIETNAM Co., Ltd. on December 1, 2014.

#### 2. Matters concerning application of the equity method

Number of equity-method affiliates: 2

Names of equity-method affiliates

La Style Co., Ltd. and KANDU JAPAN INC.

L.A Style Co., Ltd., which was newly established during the consolidated fiscal year under review, and KANDU JAPAN INC., in which we purchased additional shares during the fiscal year, were included within the scope to which the equity method applies.

For companies that end their fiscal year on a different date from that for the consolidated fiscal year-end, the equity method is applied based on financial statements of such companies for the relevant business year.

#### 3. Matters concerning fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, the end of the fiscal year for overseas subsidiaries is December 31.

The consolidated financial statements of the Company are prepared using the financial statements of the subsidiaries at their respective balance sheet dates. For consolidation purposes, the Company makes necessary adjustments to reflect any significant transactions occurring between the fiscal year-ends of the subsidiaries and the consolidated balance sheet date.

#### 4. Matters concerning the basis for accounting

##### (1) Valuation criteria and method for significant assets

Available-for-sale securities

Available-for-sale securities classified as other securities

Available-for-sale securities with market value

Stated at market value, determined by the market price as of the fiscal year-end and other means, with all valuation gains and losses reported in net assets and the cost of securities sold is determined by the moving-average method.

Available-for-sale securities without market value

Stated at cost determined by the moving-average method

##### (2) Method for depreciating and amortizing significant depreciable and amortizable assets

###### 1) Property, plant and equipment

Depreciated using the straight-line method based on the economic useful life

The Company has adopted the following ranges of economic useful life for each asset category:

Buildings and structures: 3 to 39 years

Furniture and fixtures: 2 to 20 years

###### 2) Intangible assets

Amortized using the straight-line method

Software used in-house is amortized using the straight-line method based on an internally estimated useful life of five years.

- 3) Long-term prepaid expenses  
Amortized in equal installments based on the contract period and other factors: 4 to 50 years
- (3) Accounting method for deferred assets  
Bond issue expenses are treated as an expense when paid.
- (4) Accounting standards for significant allowances
- 1) Allowance for doubtful accounts  
The allowance for doubtful accounts provides for possible losses arising from default on receivables such as operating accounts receivable. An allowance is provided for the estimated credit loss for ordinary receivables based on historical default rates, and for specific receivables such as doubtful receivables based on an individual assessment of the recoverability of each account.
  - 2) Allowance for employees' bonus  
The Company provides an allowance for employees' bonus to cover the amount of bonuses to be paid to employees and part-timers, based on the estimated portion to be paid in the fiscal year under review.
  - 3) Allowance for directors' performance-based remuneration  
The Company provides an allowance for directors' performance-based remuneration, based on the estimated portion to be paid in the fiscal year under review.
  - 4) Provision for store closing expenses  
The Company records the estimated loss for the store closing expenses (such as penalty charges for canceling contracts mid-term) reasonably assumed to result from the closing of stores in preparation for the accrual of such loss.
- (5) Standards for translating significant foreign currency-denominated assets and liabilities into Japanese yen  
Foreign currency-denominated assets and liabilities are translated into yen amounts at the rates of exchange in effect as of the consolidated balance sheet date, with the difference treated as a gain or loss. Assets and liabilities of overseas subsidiaries are translated into yen amounts at the rates of exchange in effect at the balance sheet dates of each of the subsidiaries. Revenues and expenses of subsidiaries are translated into yen amounts at the average exchange rate for the fiscal year under review, and translation differences are included in the foreign currency translation adjustment account and minority interests under net assets.
- (6) Accounting treatment for significant lease transactions  
The Company accounts for finance leases that do not transfer ownership of leased assets to the lessee that commenced on or before February 20, 2009 in the same way as for ordinary rental transactions.
- (7) Accounting policies for significant hedging activities
- 1) Hedge accounting methods  
Deferred hedge accounting is used in principle. Special hedge accounting is applied to interest rate swaps that meet the criteria for qualification for special hedge accounting.
  - 2) Hedging instruments and hedged items  
Hedging instruments: Interest rate swaps  
Hedged items: Borrowings
  - 3) Hedging policy  
Interest rate swaps are conducted for the purpose of hedging against the risk of fluctuations in interest rates.
  - 4) Evaluation of hedging effectiveness  
Changes in the market prices and cash flows from hedged items and hedging instruments over their respective periods from the start of hedging to the measurement of effectiveness are compared on a cumulative basis, and the amount of change in both of these parameters is used as a benchmark for evaluating hedging effectiveness. However, the evaluation of hedging effectiveness for interest rate swaps accounted for using special hedge accounting has been omitted.
- (8) Scope of cash and cash equivalents in the consolidated statements of cash flows  
Cash and cash equivalents in the consolidated statements of cash flows comprise cash in hand, deposits repayable on demand, and short-term investments with a maturity of three months or less from the acquisition date that can be readily converted into cash and carry little risk of fluctuation in value.
- (9) Other important matters concerning the preparation of the consolidated financial statements
- 1) Posting standards for net defined benefit liability  
The Company records accrued retirement benefits for employees as of the fiscal year-end, based on the projected retirement benefit liabilities and pension assets at the fiscal year-end, to provide for retirement benefits for employees.  
Past service liabilities are expensed in a lump sum in the fiscal year in which they accrue, while actuarial differences are expensed from the following fiscal year using the straight line method within a fixed period (10 years) of the estimated average remaining life of service of employees at the time of accrual.  
Unrecognized actuarial gain or loss is posted as remeasurements of defined benefit plans as part of total accumulated other comprehensive income under net assets.
  - 2) Accounting treatment of consumption taxes  
Financial statements are prepared exclusive of consumption taxes.



### **Change to accounting policy**

Starting the end of the fiscal year under review, the Company is applying the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on May 17, 2012; hereinafter the “Implementation Guidance for Retirement Benefits”) except for the provisions of the body text of Article 35 of the Accounting Standard for Retirement Benefits and of Article 67 of the Implementation Guidance for Retirement Benefits. With this application, the Company is posting retirement benefit obligations less pension assets as a net defined benefit liability. That is, the Company is posting unrecognized actuarial differences and unrecognized prior service costs due to an accounting standard change in net defined benefit liability.

The application of the Accounting Standard for Retirement Benefits and the Implementation Guidance for Retirement Benefits is in accordance with transitional accounting stipulated in Article 37 of the Accounting Standard for Retirement Benefits, and at the end of the fiscal year under review, the effects of the change in accounting policy were added to, or subtracted from, the remeasurements of defined benefit plans in accumulated other comprehensive income.

The results at the end of the fiscal year under review are the posting of 400 million yen in net defined benefit liability and an 138 million decline in accumulated other comprehensive income.

Net assets per share declined to 0.61 yen.

### **Unapplied accounting standards, etc.**

“Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on May 17, 2012)

#### (1) Overview

The accounting standards have been revised, mainly in terms of accounting methods of unrecognized actuarial gain or loss and unrecognized prior service cost, calculation methods of projected benefit obligation and service cost, and the enhancement of disclosure

#### (2) Scheduled date of adoption

The revised calculation methods of projected benefit obligation and service cost are scheduled for adoption from the beginning of the fiscal year commencing on or after March 1, 2015.

#### (3) Effects of adoption on the accounting standards, etc.

Net defined benefit liability is anticipated to increase by 36 million yen at the beginning of the fiscal year ending February 29, 2016, along with an expected decline of 23 million yen in retained earnings.

The effect these will have on operating income, ordinary income and net income before income taxes and minority interests for the fiscal year ending February 29, 2016 will be negligible.

## Notes

### Consolidated balance sheets

#### \*1. Assets pledged as collateral and collateral-backed liabilities

(Assets pledged as collateral) (Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Buildings and structures	41,618	40,361
Land	17,291	17,291
Construction in progress	–	15,909
Long-term prepaid expenses	–	6,580
Total	58,909	80,142

(Note) Long-term prepaid expenses were for land-use right in China.

(Liabilities backed by above collateral) (Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Current portion of long-term debt	2,237	2,118
Other current liabilities (Current portion of lease deposits from lessees)	75	75
Long-term debt	7,471	8,003
Lease deposits from lessees	1,357	1,282
Total	11,141	11,479

\*2 Deposits to associated companies (Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Deposits to associated companies	17,000	5,000

(Note) Management trust deposits based on depositary agreements with Aeon Co., Ltd.

### Consolidated statements of income

#### \*1. Gains on sale of fixed assets consist of the following items

(Million yen)

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)		Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)	
ÆON Mall Kumamoto (Kamimashiki-gun, Kumamoto Prefecture)	4,056	ÆON Mall KYOTO (Kyoto City, Kyoto Prefecture)	897
ÆON Mall Kurashiki (Kurashiki City, Okayama Prefecture)	811		
ÆON Mall Mito Uchihara (Mito City, Ibaraki prefecture)	2,125		
Other	0	Other	7
Total	6,993		905

(Note) Those that exclude “Other” are gains on sales to Aeon REIT Investment Corporation.

#### \*2. Losses on sale of fixed assets consist of the following items

(Million yen)

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)		Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)	
ÆON Mall Suzuka (Suzuka City, Mie Prefecture)	3,799	Land	19
ÆON Mall Morioka (Morioka City, Iwate Prefecture)	1,264	Building and structures	14
ÆON Mall Nogata (Nogata City, Fukuoka prefecture)	657		
Other	0	Other	1
Total	5,722		36

(Note) Losses recorded in respect of ÆON Mall Suzuka, ÆON Mall Morioka and ÆON Mall Nogata in the previous fiscal year are losses on sales to Aeon REIT Investment Corporation.

\*3. Losses on disposal of fixed assets consist of the following items (Million yen)

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)		Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Building and structures	35	Building and structures	47
Furniture and fixtures	10	Furniture and fixtures	5
		Demolition and removal expenses	106
		Other	0
<b>Total</b>	<b>46</b>		<b>159</b>

\*4. Impairment losses

The Aeon Mall Group incurred impairment losses in the following asset groups in the previous fiscal year (from March 1, 2013 to February 28, 2014).

Location	Use	Type	Amount (million yen)
Chiba Prefecture	Mall multi-story car park	Buildings, etc.	886
Chiba Prefecture	Online store	Software, etc.	184

The Aeon Mall Group has defined individual shopping malls as its smallest unit for asset grouping. Idle assets are grouped individually.

The book value of the multi-story car park in the abovementioned asset groups was reduced by the entire amount following a decision to demolish it and the reduction and removal expenses were stated as an impairment loss under extraordinary loss. These losses consisted of 736 million yen for buildings and structures, 0 million yen for tools, furniture and fixtures, and 150 million yen for removal expenses.

Also the book value of the online store in the abovementioned asset groups was reduced to the recoverable value, as there was no longer any prospect of the earnings initially anticipated, and the reduction was stated as an impairment loss under extraordinary loss. These losses consisted of 110 million yen for software and 73 million yen for long-term prepaid expenses. The recoverable value is estimated taking the net realizable value as zero.

The Group did not post any impairment losses for the fiscal year under review (from March 1, 2014 to February 28, 2015).

**Consolidated statements of comprehensive income**

\*1. Rearrangements, adjustments and tax effects concerning other comprehensive income (Million yen)

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)	Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Net unrealized gain on available-for-sale securities		
Amount accrued in the fiscal year	153	1,687
Amount rearranged or adjusted	–	(707)
Before tax effect adjustment	153	979
Tax effect	(54)	(347)
Net unrealized gain on available-for-sale securities	99	632
Foreign currency translation adjustment		
Amount accrued in the fiscal year	9,826	12,950
<b>Total other comprehensive income</b>	<b>9,926</b>	<b>13,582</b>

## Statements of changes in shareholders' equity

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)

1. Matters concerning the type and total number of shares issued and outstanding, and the type and number of treasury stock

	Number of shares at the beginning of the fiscal year under review (shares)	Increase in shares (shares)	Decrease in shares (shares)	Number of shares at the end of the fiscal year under review (shares)
Shares issued and outstanding				
Common stock (Note 1)	181,156,907	46,719,760	–	227,876,667
Total	181,156,907	46,719,760	–	227,876,667
Treasury stock				
Common stock (Note 2)	10,710	24,875	–	35,585
Total	10,710	24,875	–	35,585

(Notes) 1. An increase of 46,719,760 shares issued and outstanding resulted from an increase of 26,000,000 shares due to the issuance of new shares, an increase of 20,715,810 shares due to a stock split, and an increase of 3,950 shares due to the exercise of stock acquisition rights.

2. An increase of 24,875 shares of treasury stock resulted from an increase of 1,120 shares due to a stock split, and an increase of 23,755 shares due to the purchase of shares less than one unit.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Components of stock acquisition rights	Type of shares that comprise the objective of stock acquisition rights	Number of shares that comprise the objective of stock acquisition rights (shares)				Balance of stock acquisition rights at the end of the fiscal year under review (million yen)
			Number at the beginning of the fiscal year under review	Increase in their number in the fiscal year under review	Decrease in their number in the fiscal year under review	Number at the end of the fiscal year under review	
The Company	Stock acquisition rights as stock options	–	–	–	–	–	164
	Total	–	–	–	–	–	164

3. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors meeting on April 9, 2013	Common stock	1,992	11.00	February 28, 2013	May 7, 2013
Board of Directors meeting on October 2, 2013	Common stock	2,506	11.00	August 31, 2013	November 12, 2013

(2) Dividends whose record dates are in the fiscal year under review and whose effective dates are in the following fiscal year

Resolution	Type of shares	Total dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Board of Directors meeting on April 8, 2014	Common stock	2,506	Retained earnings	11.00	February 28, 2014	May 7, 2014

Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

1. Matters concerning the type and total number of shares issued and outstanding, and the type and number of treasury stock

	Number of shares at the beginning of the fiscal year under review (shares)	Increase in shares (shares)	Decrease in shares (shares)	Number of shares at the end of the fiscal year under review (shares)
Shares issued and outstanding				
Common stock (Note 1)	227,876,667	14,080	–	227,890,747
Total	227,876,667	14,080	–	227,890,747
Treasury stock				
Common stock (Note 2)	35,585	3,354	–	38,939
Total	35,585	3,354	–	38,939

(Notes) 1. An increase of 14,080 shares issued and outstanding resulted from the exercise of stock acquisition rights.

2. An increase of 3,354 shares of treasury stock resulted from the purchase of odd-lot shares.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Components of stock acquisition rights	Type of shares that comprise the objective of stock acquisition rights	Number of shares that comprise the objective of stock acquisition rights (shares)				Balance of stock acquisition rights at the end of the fiscal year under review (million yen)
			Number at the beginning of the fiscal year under review	Increase in their number in the fiscal year under review	Decrease in their number in the fiscal year under review	Number at the end of the fiscal year under review	
The Company	Stock acquisition rights as stock options	–	–	–	–	–	169
	Total	–	–	–	–	–	169

3. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors meeting on April 8, 2014	Common stock	2,506	11.00	February 28, 2014	May 7, 2014
Board of Directors meeting on October 3, 2014	Common stock	2,506	11.00	August 31, 2014	November 12, 2014

(2) Dividends whose record dates are in the fiscal year under review and whose effective dates are in the following fiscal year

Resolution	Type of shares	Total dividends (million yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Board of Directors meeting on April 15, 2015	Common stock	2,506	Retained earnings	11.00	February 28, 2015	May 7, 2015

## Consolidated statements of cash flows

\*1. Relationship between cash and cash equivalents at the end of the period and the itemized amounts stated in consolidated balance sheets

(Million yen)

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)	Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Cash and deposits	47,566	67,340
Deposits to associated companies	17,000	5,000
Time deposits with a deposit term longer than three months	(5,470)	(5,118)
Cash and cash equivalents	59,096	67,222

### 2. Important non-fund transactions

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)

Important asset retirement obligations recorded for the first time in the fiscal year ended February 28, 2014 amounted to 1,343 million yen.

Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

Important asset retirement obligations recorded for the first time in the fiscal year ended February 28, 2015 amounted to 1,306 million yen.

### Lease transactions

#### As lessee

##### 1. Finance leases

Finance leases for which ownership of the leased assets does not transfer to the lessee

Of finance lease transactions without the transfer of ownership, lease transactions that started by February 20, 2009 were accounted for in a manner similar to accounting for ordinary rental transactions. Details are shown below.

(1) Amounts equivalent to the acquisition cost, accumulated depreciation and balance at fiscal year-end

(Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)		
	Acquisition cost	Accumulated depreciation	Year-end balance
Furniture and fixtures	35	19	15
Total	35	19	15

(Million yen)

	Year Ended February 28, 2015 (As of February 28, 2015)		
	Acquisition cost	Accumulated depreciation	Year-end balance
Furniture and fixtures	35	23	12
Total	35	23	12

(2) Amounts equivalent to balance of future lease obligations at fiscal year-end

(Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Amounts equivalent to balance of future lease obligations at fiscal year-end		
Due within 1 year	3	3
Due after 1 year	13	9
Total	17	13

## (3) Lease payments, amounts equivalent to depreciation expenses and interest payments

(Million yen)

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)	Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Lease payments	10	4
Depreciation expense	9	3
Interest payment	0	0

## (4) Method for calculating depreciation equivalent

Depreciation equivalent is computed on the straight-line method, with the lease period counted as the service life of the property and residual value assumed to be zero.

## (5) Method for calculating interest equivalent

The difference between the acquisition cost equivalent and total lease payments is deemed to represent the equivalent of interest payments and is allocated across the periods using the interest method.

**Impairment losses**

No impairment loss was allocated to leased assets.

## 2. Operating leases

Future lease payment obligations

**As lessee**

(Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Due within 1 year	31,098	41,265
Due after 1 year	201,589	251,610
Total	232,687	292,876

(Note) Regarding future lease obligations of 232,687 million yen in the previous fiscal year, 24,982 million yen (848 million yen of which is due within one year) has already been paid for land-use rights in China and Vietnam. This amount is recorded in consolidated balance sheets under "long-term prepaid expenses." During the fiscal year under review, regarding future lease obligations of 292,876 million yen, 29,924 million yen (880 million yen of which is due within one year) has already been paid for land-use rights in China and Vietnam. This amount is recorded in consolidated balance sheets under "long-term prepaid expenses."

**As lessor**

(Million yen)

	Year Ended February 28, 2014 (As of February 28, 2014)	Year Ended February 28, 2015 (As of February 28, 2015)
Due within 1 year	573	723
Due after 1 year	5,473	5,827
Total	6,046	6,550

## Rental property

The Company and some consolidated subsidiaries own commercial leasing buildings in various regions nationwide as well as overseas (China and ASEAN region) aimed at generating profits from property leasing. Leasing profit related to this property leasing, etc. stood at 30,522 million yen in the previous fiscal year (main leasing revenue was posted under operating revenue, while the main leasing expenses were posted under operating expenses) and impairment losses were 736 million yen (posted under extraordinary losses). During the fiscal year under review, leasing profit was 32,904 million yen (main leasing revenue was posted under operating revenue, while main leasing expenses were posted under operating expenses) and gain on sale of fixed assets were 897 million yen (posted under extraordinary gains).

The consolidated balance sheet amounts, changes during the term under review and the fair value for the property leasing are as follows.

(Million yen)

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)	Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Balance sheet amount		
Balance at the beginning of the term under review	441,948	537,866
Change during term under review	95,917	163,331
At end of term under review	537,866	701,197
Fair value at end of term under review	747,618	927,843

- (Notes) 1. The balance sheet amount is the acquisition price less the accumulated depreciation and accumulated impairment loss.
2. Of the changes during the term under review, the main increase during the previous fiscal year was property acquisition (178,376 million yen), while the main decline was disposal and sales of fixed assets (65,929 million yen) and depreciation expense (18,384 million yen). The main increase during the term under review was property acquisition (177,195 million yen), while the main decline was the disposal and sales of fixed assets (33,110 million yen) and depreciation expense (24,441 million yen)
3. The fair value at the end of term under review is based on an appraisal report of an appraisal company.



## Segment information

### a. Segment information

Year ended February 28, 2014 (March 1, 2013 to February 28, 2014) and year ended February 28, 2015 (March 1, 2014 to February 28, 2015)

This information is omitted since the Group operates solely within the shopping mall business.

### b. Related information

Year ended February 28, 2014 (March 1, 2013 to February 28, 2014)

#### 1. Information by product and service

Omitted since over 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in a single products/services category.

#### 2. Information by region

##### (1) Sales

Omitted since over 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in Japan.

##### (2) Property, plant and equipment

Omitted since over 90% of property, plant and equipment in consolidated balance sheets consists of property, plant and equipment located in Japan.

#### 3. Information per major customer

Customer title or name	Operating revenue (million yen)	Name of related segment
Aeon Retail Co., Ltd.	22,443	Shopping mall business

Year ended February 28, 2015 (March 1, 2014 to February 28, 2015)

#### 1. Information by product and service

Omitted since over 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in a single products/services category.

#### 2. Information by region

##### (1) Sales

Omitted since over 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in Japan.

##### (2) Property, plant and equipment

Omitted since over 90% of property, plant and equipment in consolidated balance sheets consists of property, plant and equipment located in Japan.

#### 3. Information per major customer

Customer title or name	Operating revenue (million yen)	Name of related segment
Aeon Retail Co., Ltd.	27,422	Shopping mall business

### c. Information regarding impairment losses on fixed assets per reporting segment

Year ended February 28, 2014 (March 1, 2013 to February 28, 2014)

This information is omitted since the Group operates solely within the shopping mall business.

Year ended February 28, 2015 (March 1, 2014 to February 28, 2015)

This information is omitted since the Group operates solely within the shopping mall business.

### d. Information on amortization of goodwill and balance of portion not amortized per reporting segment

Year ended February 28, 2014 (March 1, 2013 to February 28, 2014)

Not applicable.

Year ended February 28, 2015 (March 1, 2014 to February 28, 2015)

Not applicable.

### e. Information regarding gain on negative goodwill per reporting segment

Year ended February 28, 2014 (March 1, 2013 to February 28, 2014)

Not applicable.

Year ended February 28, 2015 (March 1, 2014 to February 28, 2015)

Not applicable.

## Per-share information

Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)		Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)	
Net assets per share	1,295.30 yen	Net assets per share	1,438.25 yen
Net income per share	106.96 yen	Net income per share	107.58 yen
Diluted net income per share	106.91 yen	Diluted net income per share	107.53 yen

- (Notes) 1. The Company issued 23,500,000 new shares on June 19, 2013 and 2,500,000 new shares on July 12, 2013. The Company also split one share of common stock into 1.1 shares on August 1, 2013. As a result, net income per share and diluted net income per share are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
2. The basis for the calculation of net income per share and diluted net income per share is shown in the table below.

	Year Ended February 28, 2014 (March 1, 2013 to February 28, 2014)	Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)
Net income per share		
Net income (million yen)	23,430	24,513
Amounts not attributable to shareholders of common stock (million yen)	—	—
Net income attributable to common stock (million yen)	23,430	24,513
Average number of common shares outstanding during the fiscal year	219,057,659	227,849,749
Diluted net income per share		
Adjustment of net income (million yen)	—	—
Increase in number of common stock (shares) (Stock acquisition rights included)	99,858 (99,858)	97,768 (97,768)
Outline of dilutive stock not included in calculation of diluted net income per share because it is anti-dilutive	—	—

## Significant subsequent events

### Major funds borrowing

The Company concluded a loan agreement as per the details below as of March 31, 2015 and April 6, 2015.

- |  |   |
|--|---|
| 1. Purpose                                 | Construction costs for Aeon Mall Okinawa Rycom  |
| 2. Lender                                  | The Okinawa Development Finance Corporation   |
| 3. Amount of loan                          | 20,000 million yen  |
| 4. Interest rate on loan                   | Initial five years: 0.20%; 6 <sup>th</sup> -9 <sup>th</sup> year: 0.35%   |
| 5. Repayment terms                         | Suspended for five years, with payments on the principal to be made thereafter every year starting from March 2021.                       |
| 6. Start of loan period                    | August 2015 (scheduled)   |
| 7. Final repayment for loan                | March 2024 (scheduled)  |
| 8. Asset provided as collateral, guarantee | Land and building planned to be pledged as collateral   |
| 9. Other important special terms, etc.     | Lump sum repayment required in the event Aeon Mall Okinawa Rycom is to be sold, operations are to be halted, among other similar reasons. |