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Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Japanese GAAP)

April 11, 2025

Company name: AEON MALL Co., Ltd.
Stock code: 8905
Representative: Keiji Ohno, President and CEO
Scheduled dates:

Listings Tokyo Stock Exchange
URL <https://www.aeonmall.com/en/ir/index.html>

General shareholder's meeting May 22, 2025
Commencement of dividend payments May 2, 2025
Submission of statutory financial report May 23, 2025
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, 2025 (March 1, 2024 – February 28, 2025)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
Years ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2025	449,753	6.3	52,146	12.4	42,595	14.9	14,260	(30.1)
February 29, 2024	423,168	6.3	46,411	5.5	37,086	1.9	20,399	57.0

(Note) Comprehensive income Year ended February 28, 2025: ¥46,445 million (28.9%)
Year ended February 29, 2024: ¥36,026 million (-3.6%)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income / total assets ratio	Operating income / net sales ratio
Years ended	Yen	Yen	%	%	%
February 28, 2025	62.66	62.66	3.0	2.6	11.6
February 29, 2024	89.64	89.63	4.5	2.3	11.0

(Reference) Investment profit on equity method Year ended February 28, 2025: ¥846 million
Year ended February 29, 2024: ¥242 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
February 28, 2025	1,663,276	511,094	30.0	2,192.52
February 29, 2024	1,655,253	476,226	28.0	2,040.33

(Reference) Equity February 28, 2025: ¥498,945 million
February 29, 2024: ¥464,291 million

(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, 2025	102,282	(96,580)	(64,788)	64,687
February 29, 2024	126,305	(101,743)	(12,848)	112,354

2. Dividends

	Dividend per share					Total dividend	Payout ratio (consolidated)	Dividend on equity (consolidated)
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 29, 2024	—	25.00	—	25.00	50.00	11,377	55.8	2.5
February 28, 2025	—	25.00	—	25.00	50.00	11,377	79.8	2.4
Year ending February 28, 2026 (Projection)	—	—	—	—	—		—	

(Note) The Company is scheduled to become a wholly owned subsidiary of AEON Co., Ltd. through a share exchange, as announced in the April 11, 2025 notice titled *Notice Concerning Execution of a Share Exchange Agreement (Simplified Share Exchange) for Making AEON Mall Co., Ltd. a Wholly Owned Subsidiary of AEON Co., Ltd.* Accordingly, the Company has omitted the dividend forecast for the fiscal year ending February 2026, as it expects to delist its shares from the Tokyo Stock Exchange on June 27, 2025, following share exchange procedures.

3. Consolidated Earnings Projections for the Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)

The Company is scheduled to become a wholly owned subsidiary of AEON Co., Ltd. through a share exchange, as announced in the April 11, 2025 notice titled *Notice Concerning Execution of a Share Exchange Agreement (Simplified Share Exchange) for Making AEON Mall Co., Ltd. a Wholly Owned Subsidiary of AEON Co., Ltd.* Accordingly, the Company has omitted the consolidated earnings forecast for the fiscal year ending February 2026, as it expects to delist its shares from the Tokyo Stock Exchange on June 27, 2025, following share exchange procedures.

* Notes

- (1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in a change in the scope of consolidation): Yes

New 3 (Company names)

AEON MALL (HUNAN) XIANGJIANG NEW AREA BUSINESS MANAGEMENT CO., LTD.,

Kunshan Mall Investment Limited,

KUNSHAN MALL REAL ESTATE DEVELOPMENT CO.,LTD.

Excluded - (Company name)

(Note) For details, see 5. *Consolidated Financial Statements and Notes (5) Notes on Consolidated Financial Statements (Important matters concerning the basis for preparing consolidated financial statements)* on page 21 of the attachments.

- (2) Changes in accounting policies, changes of accounting-based estimates, revisions and restatements

[1] Changes in accounting policies due to changes in accounting standards, etc.: None

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

[3] Changes in accounting estimates: None

[4] Revisions and restatements: None

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

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

Year ended February 28, 2025	227,571,139	Year ended February 29, 2024	227,560,939
Year ended February 28, 2025	4,896	Year ended February 29, 2024	4,796
Year ended February 28, 2025	227,558,204	Year ended February 29, 2024	227,555,807

[2] Treasury stock at period-end

[3] Average number of shares during the period (quarterly cumulative)

*This summary of consolidated results is exempt from review procedures conducted by a certified public accountant or public accounting firm.

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

The Company is scheduled to become a wholly owned subsidiary of AEON Co., Ltd. through a share exchange, as announced in the April 11, 2025 notice titled *Notice Concerning Execution of a Share Exchange Agreement (Simplified Share Exchange) for Making AEON Mall Co., Ltd. a Wholly Owned Subsidiary of AEON Co., Ltd.* Accordingly, the Company has omitted the consolidated earnings forecast for the fiscal year ending February 2026, as it expects to delist its shares from the Tokyo Stock Exchange on June 27, 2025, following share exchange procedures.

(Procedures for obtaining supplementary information on financial results and accessing briefing materials)

The Company is scheduled to hold a briefing for institutional investors and analysts on April 14, 2025. The materials handed out at this briefing will be posted on the Company's website on April 11, 2025, and an audio recording of the briefing will be made available on the Company's website soon after the briefing has ended.

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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

We recorded higher revenue and profit for the current consolidated fiscal year. Operating revenue amounted to ¥449,753 million (+6.3% year on year), while operating income amounted to ¥52,146 million (+12.4%) and ordinary income amounted to ¥42,595 million (+14.9%). We recorded extraordinary losses of ¥14,210 million, including an impairment loss of ¥7,179 million and a ¥5,148 million provision for loss on store closings following the decision to terminate management and operation of the Seisekisakuragaoka OPA (Tokyo) and Shinsaibashi OPA (Osaka). As a result, net income attributable to owners of parent amounted to ¥14,260 million (-30.1% year on year).

Our Domestic Business (Japan) recorded operating revenue of ¥345,921 million (+3.7% year on year) and operating income of ¥42,791 million (+19.5%), resulting in strong profit growth that drove consolidated performance. Progress in strengthening the business foundation for generating sustainable cash flow led to a clear recovery in the profitability of domestic malls. This recovery owed to the impact of aggressive revitalization efforts at existing malls. Additional contributors included Cool Share spots provided during heat waves, Black Friday campaigns, year-end sales, other large-scale sales programs, and increased inbound consumption. Vietnam continued to deliver strong profit growth as a key strategic area., achieving year-on-year increases in both revenue and profit. alongside Indonesia, in the Overseas Business. However, these gains were not sufficient to offset profit declines in China and Cambodia. As a result, the business posted operating revenue of ¥104,623 million (+16.2%) and operating income of ¥9,329 million (-11.7%).

◆Consolidated Earnings (Million yen)

	FY2023	FY2024	Change [YoY]
Operating revenue	423,168	449,753	+26,585 [+6.3%]
Operating income	46,411	52,146	+5,734 [+12.4%]
Ordinary income	37,086	42,595	+5,508 [+14.9%]
Net income attributable to owners of parent	20,399	14,260	(6,139) [-30.1%]

◆Earnings by Segment (Million yen)

	Operating Revenue			Segment Income (Loss)		
	FY2023	FY2024	Change [YoY]	FY2023	FY2024	Change [YoY]
Japan	333,722	345,921	+12,198 [+3.7%]	35,821	42,791	+6,970 [19.5%]
China	58,985	68,141	+9,155 [+15.5%]	6,537	4,746	(1,790) [-27.4%]
Vietnam	15,263	17,321	+2,057 [13.5%]	3,901	4,235	+334 [8.6%]
Cambodia	8,499	9,308	+809 [9.5%]	411	105	(305) [-74.3%]
Indonesia	7,260	9,852	+2,591 [35.7%]	(269)	259	+529 [—]
Other	—	—	— [—]	(14)	(18)	(3) [—]
Overseas	90,009	104,623	+14,614 [+16.2%]	10,565	9,329	(1,235) [-11.7%]
Adjustment	(563)	(791)	(227) [—]	25	25	— [+0.0%]
Total	423,168	449,753	+26,585 [+6.3%]	46,411	52,146	+5,734 [+12.4%]

The following describes the status of operations in each country and initiatives based on our medium-term management plan. The accounting period for companies outside Japan is the year ending December 31. Accordingly, the figures presented herein reflect results for January through December.

(Japan)

In Japan, the Company recorded operating revenue of ¥345,921 million (+3.7% year on year) and operating income of ¥42,791 million (+19.5%). We achieved double-digit profit growth due to specialty store sales growth of +5.4% in existing malls (92 malls) and a significant increase in lease income percentages.

We renovated 11 existing malls during the current consolidated fiscal year. Renovations included floor space expansions at AEON Lake Town OUTLET (Saitama Prefecture) on March 29 and AEON MALL Ota (Gunma Prefecture) on April 19.

To attract customers in greater numbers, we held more than 1,500 events at AEON MALL locations throughout Japan between during Golden Week (April 26 - May 6). Our objective was to help families enjoy time together in comfort indoors, regardless of weather conditions outside. During the extended summer heat wave throughout Japan, we held a number of mall events for the whole family to enjoy, including a summer festival, mini fireworks shows, and a water park. These efforts encouraged community residents to have fun and use our malls as Cool Share spots. AEON Black Friday took place on the ten days between November 22 and December 1, kicking off the year-end sales season. As customers became more frugal in response to soaring prices, we provided shopping experiences designed to stimulate consumer demand, featuring a variety of events and products that were both affordable and fun. AEON launched the AEON New Year's Super Sale on January 1 during the extended New Year holiday period. Malls across the country displayed festive New Year's style decorations, holding over 900 events and a wide range of promotional campaigns. Through these efforts, customer traffic at existing malls (92 malls) was up +2.2% compared with the previous consolidated fiscal year.

Inbound consumption continues to trend upward amid the ongoing weakness of the yen. In response we sought to capture demand in tourist areas and malls located near airports, doubling duty-free sales compared with the same period in the previous fiscal year. To strengthen efforts in capturing the likely ongoing increase in inbound consumption, we plan to leverage the strengths of our malls overseas. In this context, we plan to use in-facility signage and social media accounts of overseas malls to broadcast travel information about AEON MALL in Japan and other regions for travelers in the pre-departure stage.

(China)

In China, the Company recorded operating revenue of ¥68,141 million (+15.5% year on year) and operating income of ¥4,746 million (-27.4%). Specialty store sales at existing malls increased +1.7% year on year (21 malls) leading to an increase in lease income percentages, while the opening of new malls also contributed to this revenue increase. Operating income, however, decreased due to the impact of lower profits from malls we closed in the previous fiscal year and net deficits at new malls.

Low consumer confidence persisted throughout the current consolidated fiscal year amid a prolonged slump in the real estate market and a difficult employment environment, especially among young people. The number of customers visiting existing Company malls grew by +8.2% year on year. Time-based services, including food and beverage and amusement, performed well, while cross-shopping for apparel and fashion accessories declined.

The Company also launched AEON Mall Super Lucky Days, a new proprietary sales event, across all malls in China from November 28 to December 1. During the four-day period, specialty stores sales at existing malls increased by 13.6%, and customer traffic rose by 12.4%, compared to the same period in the previous year.

While we expect price-conscious spending on daily necessities to continue, demand for ceremonial-style purchases remains solid. To boost sales, we will strengthen customer-attraction events and implement sales initiatives that spark consumer interest and encourage cross-shopping.

Competition from new entrants has weakened the competitiveness of certain coastal malls. In response, we revitalized these malls through efforts to improve performance, including measures to attract more visitors and reduce operating expenses. However, we decided to close two malls in the Beijing-Tianjin areas to prevent further losses due to the impact of the recent deterioration of the business environment in China and the lack of prospects for future improvement. As a result, we recorded a provision for loss on store closings of ¥1,820 million yen in the current consolidated fiscal year.

In terms of new properties, we opened a second mall in Zhejiang Province, AEON Mall Hangzhou Qiantang (Hangzhou City, Zhejiang Province), on June 1. We opened our first mall in Hunan Province, AEON Mall Changsha Xingsha (Changsha City, Hunan Province) on September 12.

(Vietnam)

In Vietnam, the Company recorded operating revenue of ¥17,321 million (+13.5% year on year) and operating income of ¥4,235 million (+8.6%). Specialty store sales at existing malls (6 malls) were up +7.4% year on year, resulting in higher revenue and profit.

Consumption in the southern part of the country slowed due to delays in improving factory workers' labor conditions. Consumer activity declined in July following the passing of the General Secretary of the Communist Party, and a major typhoon in September led to temporary mall closures in the north. Despite these factors, overall consumption in Vietnam during the current consolidated fiscal year remained generally firm. The Company worked to increase sales and customer traffic at malls through a range of initiatives. We hosted events in collaboration with local governments and organizations, issued coupons for use at specialty stores, and implemented sales promotions and customer engagement events during holidays and seasonal occasions.

In terms of new properties, we opened AEON MALL Hue (Hue City) on September 21, our first mall in the central area of the country.

(Cambodia)

The Company recorded operating revenue in Cambodia of ¥9,308 million (+9.5% year on year). Operating income amounted to ¥105 million (-74.3%). Specialty store sales at existing malls increased +1.4% year on year (3 malls). However, profit declined due to increased expenses associated with enhanced sales promotion activities to recover customers.

AEON Mall Mean Chey (our third mall in Phnom Penh) advanced initiatives to attract more customers during the current consolidated fiscal year. The mall benefited from progress in previously delayed road construction nearby, expanded advertising efforts through social media, and renovated rest areas and other in-mall facilities. The November 2024 expansion of AEON Mall Phnom Penh helped increase customer traffic at existing malls by 5.2% year on year. However, weak foreign investment in Cambodia resulted in a delayed recovery in consumption by foreign nationals, and sales have yet to fully recover.

(Indonesia)

The Company recorded operating revenue in Indonesia of ¥9,852 million (+35.7% year on year) and operating income of ¥259 million (compared with an operating loss of ¥269 million in the previous consolidated fiscal year). Customer traffic at existing malls grew +7.4% year on year (4 malls), while the impact of improved vacancy rates on revenue contributed to a ¥529 million improvement and a swing to net profit.

The Company worked to attract more customers through ongoing sales promotions and community events at each mall during the current consolidated fiscal year. Specifically, we collaborated with existing malls to hold joint opening sales campaigns supporting the launch of a new mall in March, and implemented promotional campaigns in August to coincide with Independence Day. Improved occupancy at existing malls, particularly at our fourth location, AEON Mall Tanjung Barat in South Jakarta, led to higher lease income and contributed to profit growth.

In terms of new properties, we opened AEON MALL Deltamas (Bekasi Province), our fifth mall, on March 22.

◆ New Properties During the Fiscal Year Ended February 28, 2025

Country	Name	Location	Opening Date	Tenants	Lease Area (㎡)
Features					
Indonesia	AEON MALL Deltamas	Bekasi Province	March 22, 2024	300	86,000
AEON MALL Deltamas is located in the eastern part of the Jakarta Metropolitan Area in the center of Deltamas City township, home to the world's largest urban development project, currently underway in a partnership between Sinar Mas Land, the largest real estate company in Indonesia, and Sojitz Corporation of Japan. As one of the largest flagship malls in Indonesia, this mall will play a central role in the township's lifestyle function, providing new value and community-building opportunities.					
China	AEON MALL Hangzhou Qiantang	Hangzhou City, Zhejiang Province	June 1, 2024	170	70,000
AEON MALL Hangzhou Qiantang is located in Qiantang District, a newly established administrative district in Hangzhou City that is experiencing economic growth and population influx due to the development of the digital industry. The property is also near an international airport, and with a new subway line under construction nearby, the area is expected to continue seeing more development. In addition to multiple plazas and parks of differing composition inside and outside the mall building, the mall will offer space for community interaction through the development of a food and beverage zone featuring a biophilic design.					
China	AEON MALL Changsha Xingsha	Changsha City, Hunan Province	September 12, 2024	250	84,000
AEON MALL Changsha Xingsha is located in the eastern part of Changsha, a city known for its high growth potential, especially in the cultural industry. The area is also known for its thriving nighttime economy. Taking advantage of the area's characteristics, the mall features an outdoor night market with food, beverages, and various activities, providing an environment that can be used by the local community as a base for nighttime activities.					
Vietnam	AEON MALL Hue	Hue City	September 21, 2024	140	51,000
AEON MALL Hue is located in a large development area of Hue City, a cultural and educational city with abundant tourist resources, including beautiful temples, museums, and a large concentration of cultural and educational facilities. The mall is the largest new landmark in Hue City, offering a green sunken garden, an open restaurant zone, and a variety of other spaces for interaction.					

2) Future Outlook

The Company is scheduled to become a wholly owned subsidiary of AEON Co., Ltd. through a share exchange, as announced in the April 11, 2025 notice titled *Notice Concerning Execution of a Share Exchange Agreement (Simplified Share Exchange) for Making AEON Mall Co., Ltd. a Wholly Owned Subsidiary of AEON Co., Ltd.* Accordingly, the Company has omitted the consolidated earnings forecast for the fiscal year ending February 2026, as it expects to delist its shares from the Tokyo Stock Exchange on June 27, 2025, following share exchange procedures.

(2) Consolidated Financial Position

1) Assets, Liabilities and Net Assets

Assets

Total assets amounted to ¥1,663,276 million, up ¥8,023 million compared to the end of the previous consolidated fiscal year. This result was due to a decrease in cash and deposits of ¥28,216 million and an ¥11,000 million decrease in deposits paid to affiliates, offset by an increase in property, plant and equipment of ¥46,568 million. Factors behind this increase include the offsetting of ¥76,614 million in depreciation and amortization by ¥87,521 million in investments related to new mall development, the revitalization of existing properties, and the advance acquisition of land for future growth, in addition to the effects of foreign currency translation.

Liabilities

Total liabilities stood at ¥1,152,182 million, down ¥26,844 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥12,886 million in accounts payable-other related to facilities, offset by a decrease of ¥25,294 million in long-term borrowings (including current portion), and a decrease of ¥15,846 million in lease liabilities (included in lease obligations under current liabilities).

Net assets

Net assets totaled ¥511,094 million, up ¥34,867 million compared to the end of the previous consolidated fiscal year. This result was mainly due to an increase of ¥2,883 million in retained earnings stemming from the recording of ¥14,260 million in net income attributable to owners of parent, ¥11,377 million in dividend payments, and an increase in foreign currency translation adjustments of ¥31,133 million.

2) Cash Flows

Cash and cash equivalents ("cash") at the end of the current consolidated fiscal year amounted to ¥64,687 million, down ¥47,666 million from the end of the previous consolidated fiscal year.

Cash flows in the period under review were as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥102,282 million, compared to cash flows of ¥126,305 million in the previous consolidated fiscal year. This result was mainly due to income before income taxes and other adjustments of ¥29,111 million (¥36,374 million in the year-ago period), depreciation and amortization of ¥76,614 million (¥73,257 million in the year-ago period), impairment losses of ¥7,179 million (¥1,960 million in the year-ago period). These amounts were offset in part by income taxes paid of ¥19,304 million (¥12,752 million in the year-ago period).

Cash flows from investing activities

Net cash used in investing activities amounted to ¥96,580 million, compared to cash used of ¥101,743 million in the previous consolidated fiscal year. This result was mainly due to expenditures of ¥87,675 million (¥104,136 million in the year-ago period) for the purchase of property, plant and equipment, including AEON MALL Hue (Hue City), AEON MALL Changsha Xingsha (Changsha City, Hunan Province), which opened in September 2024, and AEON MALL Changsha Xiangjiangxinqu (Changsha City, Hunan Province; scheduled to open next fiscal year), as well as the renovated Yokohama World Porters (Kanagawa Prefecture), and Lake Town OUTLET in AEON Lake Town (Saitama Prefecture).

Cash flows from financing activities

Net cash used in financing activities amounted to ¥64,788 million, compared to net cash used of ¥12,848 million in the previous consolidated year. This result was mainly due to proceeds from the issuance of bonds in the amount of ¥50,000 million (¥90,000 million in the year-ago period) and proceeds from long-term debt of ¥33,569 million (¥42,068 million in the year-ago period). During the same period, the Company made cash outlays for repayment of long-term debt of ¥59,611 million (¥39,512 million in the year-ago period), redemptions of bonds of ¥50,000 million (¥70,000 million in the year-ago period), ¥26,809 million in repayment of lease obligations (¥23,154 million in the year-ago period), and ¥11,377 million in dividend payments (¥11,377 million in the year-ago period).

With respect to capital resources and cash liquidity, the AEON MALL Group uses cash generated through free cash flows from operating activities, borrowings from financial institutions and cash procured through corporate bonds, etc., for working capital, capital investment, dividend payments, etc.

(Reference) Changes in Cash Flow Indicators

	Fiscal Year Ended February 29, 2024	Fiscal Year ended February 28, 2025
Equity ratio (%)	28.0	30.0
Equity ratio based on market capitalization (%)	24.0	27.8
Ratio of interest-bearing debt to cash flow (annual)	6.8	8.0
Interest coverage ratio (times)	9.8	7.1

(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 bonds payable, current portion of long-term debt, lease obligations (current liabilities), bonds, long-term debt, and lease obligations (long-term liabilities) reflected in 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.

(3) Basic Policy on Income Distribution, Dividends for Fiscal Years Ended February 2025 and February 2026

AEON MALL recognizes that returning profits to shareholders through improving earnings power is a key management priority. Our basic policy on income distribution emphasizes steady dividend payments to shareholders, while using internal reserves to invest in structural business improvements, including investments in growth businesses, new businesses, and other areas that strengthen our operating foundation. Our policy is to maintain a consolidated payout ratio of at least 30%.

We issue dividends twice annually, in the interim and at the end of the fiscal year, according to the provisions of Article 459, Paragraph 1 of the Companies Act. The Company's articles of incorporation state that dividends paid from surplus are to be determined by resolution of the board of directors.

At a meeting held on April 11, 2025, our board of directors resolved to pay year-end dividends of ¥25 per share during the current consolidated fiscal year, in line with our initial plan. In combination with an interim dividend of ¥25 per share, our annual dividend for the current consolidated fiscal year amounted to ¥50 per share. Consolidated payout ratio was 79.8%.

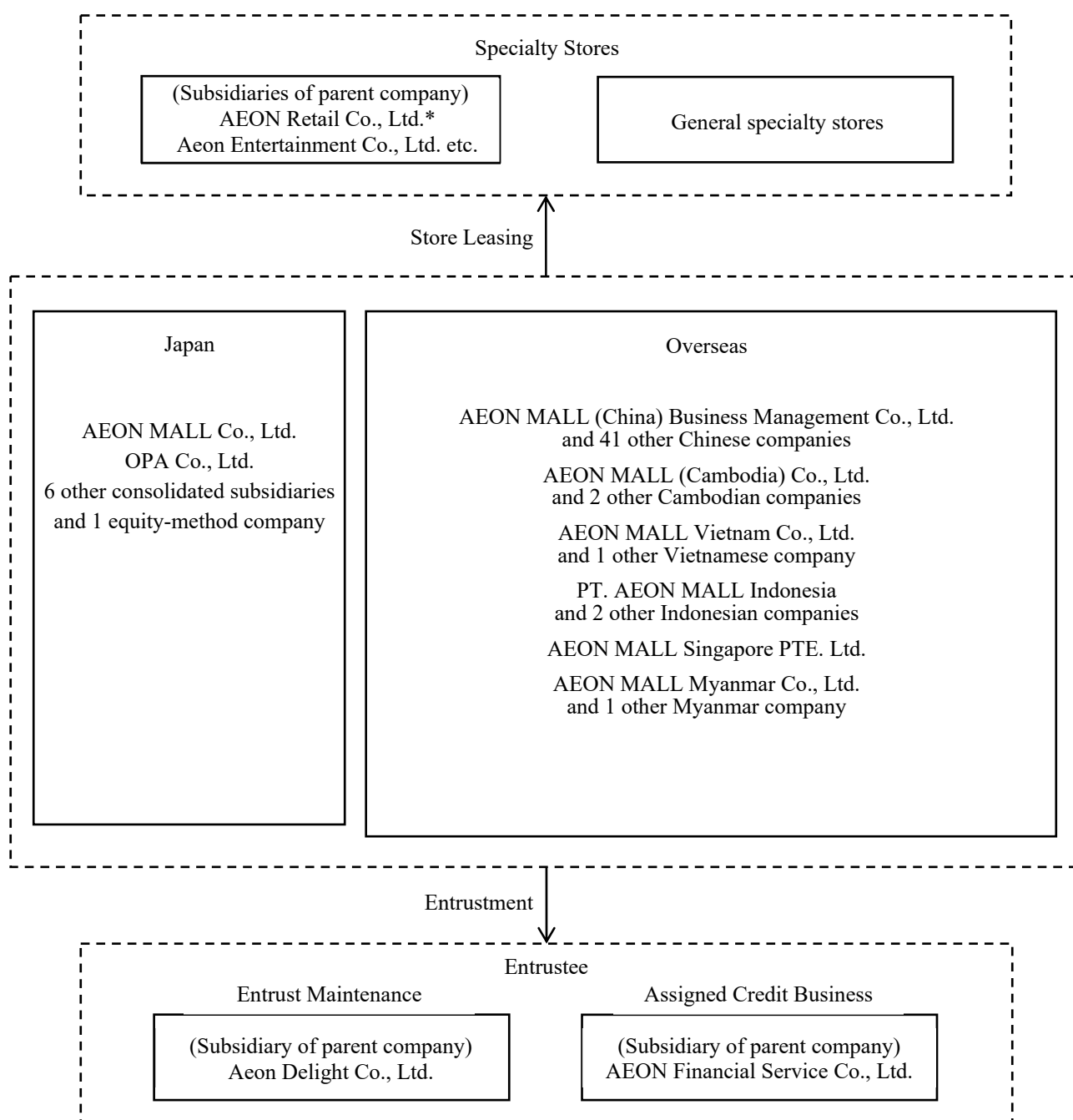
The Company is scheduled to become a wholly owned subsidiary of AEON Co., Ltd. through a share exchange, as announced in the April 11, 2025 notice titled *Notice Concerning Execution of a Share Exchange Agreement (Simplified Share Exchange) for Making AEON Mall Co., Ltd. a Wholly Owned Subsidiary of AEON Co., Ltd.* Accordingly, the Company has omitted the dividend forecast for the fiscal year ending February 2026, as it expects to delist its shares from the Tokyo Stock Exchange on June 27, 2025, following share exchange procedures.

2. State of the Corporate Group

The AEON Mall Group consists of AEON MALL Co., Ltd. (shopping mall operations; owned by parent company AEON Co., Ltd.) and 60 consolidated subsidiaries, including OPA Co., Ltd., six other Japanese subsidiaries, AEON MALL (China) Business Management Co., Ltd. and 41 other subsidiaries in China, three subsidiaries in Cambodia, two subsidiaries in Vietnam, three subsidiaries in Indonesia, one subsidiary in Singapore, two subsidiaries in Myanmar and one equity-method company. Among consolidated subsidiaries, OPA Co., Ltd. and two others are engaged in urban shopping center operations, while the remaining 57 subsidiaries are engaged in shopping mall operations and other businesses.

AEON MALL Co., Ltd. is the central entity in the AEON Group responsible for development operations. The Company leases mall shop space to general tenants, as well as AEON Retail Co., Ltd. (general merchandiser) and other companies within the AEON Group.

The following diagram illustrates the relationships between AEON MALL Co., Ltd., and our affiliated companies.



*The Company entered into a contract to manage and operate 49 commercial facilities owned by AEON Retail Co., Ltd. and AEON TOHOKU Co., Ltd.

3. Management Policies

(1) Basic Management Policies

AEON MALL Co., Ltd. is a Life Design Developer (Note), creating the future of community living as we pursue our basic principle that the customer comes first. In this way, we contribute through corporate activities we call Heartful Sustainable to the development and revitalization of communities and society as a corporate citizen, striving to achieve sustainable societies through various initiatives.

(Note) Our definition of Life Design extends beyond the framework of the shopping mall. Life Design addresses functions associated with different customer life stages, including not only shopping, but also interaction with other people, cultural development, and other features contributing to future lifestyles.

(2) Target Performance Indicators

To maximize cash flows in the future and improve corporate value, the Company has established target financial indicators: EPS growth rate of 7% (annual growth rate beginning FY2019); net interest-bearing debt/EBITDA ratio of 4.5 times or less, and return on invested capital (ROIC) of at least 5%.

The Company recorded the following indicators for the fiscal year ended February 28, 2025.

Financial Indicators	Target	Results (for FY2024)
EPS Growth Rate	7%	-16.1%
Net interest-bearing debt/EBITDA ratio	4.5 times or lower	5.8 times
ROIC (Return on Invested Capital)	5.0% or greater	2.7%

(Note) EPS: net income attributable to owners of parent/average outstanding shares during the year

Net interest-bearing debt/EBITDA ratio: (interest-bearing debt - cash and cash equivalents)/ (operating income + depreciation and amortization on the statement of cash flows)

ROIC: Operating income x (1-effective tax rate) / average equity for the fiscal year + average interest-bearing debt for the fiscal year)

(3) Medium-Term Management Strategies and Priorities

1) 2030 Vision

We formulated a new vision for 2030, AEON MALL, Co-Creating With Our Communities. Our goal here is to create sustainable societies and build a resilient organization in an era of increasing uncertainty. Together with our customers, local communities, partners, shareholders, investors, and other like-minded stakeholders, we strive to create, expand, and foster deeper connections, co-creating through activities that lead to sustainable futures for our communities.

2) Medium-Term Management Plan (FY2023-FY2025)

To achieve our 2030 vision, we formulated a medium-term management plan (FY2023-FY2025), the first year of which is the fiscal year ended February 2024 (FY2023). Under this plan, we will engage in ESG management as a measure of growth. To evolve ESG management further, we (1) pursue regional shift in Japan and overseas and (2) create a Health and Wellness platform, aiming for sustainable growth through truly integrated ESG management that creates economic, social, and environmental value for our stakeholders. Specifically, we develop growth measures to discover and commercialize business opportunities in overseas growth markets, pursue business model innovation in Japan, and create business models that break from existing business frameworks. We also strive to build strong financial foundations and resilient organizations from the perspective of sustainability.

3) AEON MALL Materialities

In 2019, AEON MALL selected 10 materialities from five areas deemed important from an ESG perspective. To reach this decision, we conducted a materiality analysis in consideration of the SDGs and social issues in Japan and overseas, evaluating the level of importance to our stakeholders and the Company. We redefined our materialities in light of major societal changes, including the COVID-19 pandemic, progress in work style reforms, and the spread of diverse lifestyles.

We outlined a vision for 2050 and set action-based KPIs (intermediate targets) for each of the 10 materialities to achieve by 2030. The Company intends to review and manage progress on each issue and its targets regularly using the PDCA cycle. By communicating and working together to resolve issues throughout the company, we will work to create social, environmental, and economic value

Refer to the AEON Mall Integrated Report and ESG Data Book for more information on our materialities and sustainability initiatives.

- Integrated Report 2024: https://www.aeonmall.com/en/ir/i_report.html
- ESG Databook 2024: https://www.aeonmall.com/en/sustainability/assets/img/esgdatabook/download/2024/esg2024_all.pdf

4. Policy on Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements according to Japanese standards for some time to come. This ensures proper comparison of consolidated financial statements for different periods and across group companies. We will consider adopting international accounting standards as appropriate in consideration of our circumstances in Japan and overseas.

5. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	89,915	61,699
Notes and accounts receivable–trade	12,766	14,119
Prepaid expenses	4,247	4,738
Deposits paid to affiliates	*2 40,000	*2 29,000
Other	54,534	50,338
Allowance for doubtful receivables	(685)	(509)
Total current assets	200,778	159,386
Fixed assets		
Property, plant and equipment		
Buildings and structures	*1 1,128,374	*1 1,239,509
Accumulated depreciation	(464,375)	(513,351)
Buildings and structures, net	*1 663,998	*1 726,157
Machinery and transportation equipment	6,408	7,150
Accumulated depreciation	(3,720)	(4,149)
Machinery and transportation equipment, net	2,687	3,000
Furniture and fixtures	52,734	56,551
Accumulated depreciation	(40,834)	(43,354)
Furniture and fixtures, net	11,900	13,197
Land	*1 376,823	*1 381,736
Right-of-use assets	303,568	348,875
Accumulated depreciation	(106,918)	(140,968)
Right-of-use assets (net)	196,649	207,906
Construction in progress	71,599	38,238
Other	72	72
Accumulated depreciation	(58)	(67)
Other, net	13	4
Total property, plant and equipment	1,323,673	1,370,241
Intangible assets	3,559	3,586
Investments and other assets		
Investment securities	8,685	9,123
Long-term loans	6	0
Long-term prepaid expenses	47,979	50,028
Deferred tax assets	16,661	15,243
Lease deposits paid	53,310	53,280
Retirement benefit asset	444	1,367
Other	209	1,070
Allowance for doubtful receivables	(55)	(51)
Total investments and other assets	127,243	130,061
Total fixed assets	1,454,475	1,503,890
Total assets	1,655,253	1,663,276

(Million yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	11,771	14,278
Bonds due within one year	50,000	63,000
Current portion of long-term debt	*1 59,069	*1 31,495
Lease obligations	25,327	29,105
Income taxes payable	10,315	6,649
Deposits received from specialty stores	54,810	51,315
Deposits received	7,469	6,841
Allowance for employee bonus	1,774	2,029
Allowance for director and corporate auditor performance-based remuneration	48	74
Provision for loss on store closing	1,572	2,977
Notes payable—construction	3,093	846
Electronically recorded obligations—construction	7,281	10,096
Accounts payable—construction	16,750	29,069
Other	27,619	26,392
Total current liabilities	276,904	274,173
Long-term liabilities		
Straight bonds	405,000	392,000
Long-term debt	*1 181,129	*1 183,409
Lease obligations	136,691	117,066
Deferred tax liabilities	790	631
Accrued retirement benefits to employees	118	99
Asset retirement obligations	18,910	19,127
Lease deposits from lessees	152,827	156,455
Provision for loss on store closing	1,095	3,041
Other	5,560	6,178
Total long-term liabilities	902,123	878,009
Total liabilities	1,179,027	1,152,182
Net assets		
Shareholders' equity		
Common stock	42,383	42,389
Capital surplus	40,701	40,708
Retained earnings	326,301	329,184
Treasury stock	(8)	(8)
Total shareholders' equity	409,377	412,274
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	763	784
Foreign currency translation adjustment	54,193	85,326
Remeasurements of defined benefit plans	(42)	560
Total accumulated other comprehensive income	54,914	86,671
Stock acquisition rights	35	38
Non-controlling interests	11,898	12,110
Total net assets	476,226	511,094
Total liabilities and net assets	1,655,253	1,663,276

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

(Million yen)

	FY2023 March 1, 2023 - February 29, 2024	FY2024 March 1, 2024 - February 28, 2025
Operating revenue	423,168	449,753
Operating costs	341,992	360,075
Gross profit	81,175	89,678
Selling, general and administrative expenses		
Employees' salaries and bonuses	8,290	8,393
Provision for employees' bonuses	902	1,100
Provision for director and auditor performance-based remuneration	38	76
Retirement benefit expenses	198	195
Statutory welfare benefit expense	2,429	2,499
Travel expenses	999	1,162
Rent	461	468
Sales commission	3,671	3,775
Depreciation and amortization	1,393	1,380
Other	16,377	18,480
Total selling, general and administrative expenses	34,763	37,531
Operating income	46,411	52,146
Non-operating profits		
Interest income	2,188	2,513
Dividend income	25	24
Share of profit of entities accounted for using equity method	242	846
Compensation paid by departing tenants	1,172	1,345
Foreign exchange gains	90	1,578
Gain on valuation of derivatives	530	—
Compensation income	164	363
Insurance income	305	226
Other	416	423
Total non-operating profits	5,136	7,321
Non-operating expenses		
Interest expenses	13,331	14,459
Loss on valuation of derivatives	—	1,178
Other	1,129	1,234
Total non-operating expenses	14,461	16,872
Ordinary income	37,086	42,595

(Million yen)

	FY2023 March 1, 2023 - February 29, 2024	FY2024 March 1, 2024 - February 28, 2025
Extraordinary gains		
Gain on sale of fixed assets	*1 2,009	*1 0
Gain on sale of investment securities	938	—
Gain on change in lease terms	—	*4 726
Total extraordinary gains	2,948	726
Extraordinary losses		
Loss on sale of fixed assets	4	61
Loss on retirement of fixed assets	*2 951	*2 1,403
Impairment loss	*3,*5 1,960	*3,*5 7,179
Provision for loss on store closings	*5 650	*5 5,148
Other	94	417
Total extraordinary losses	3,660	14,210
Income before income taxes	36,374	29,111
Income tax – current	17,054	15,669
Income tax – deferred	(1,220)	(561)
Total income taxes	15,834	15,108
Net income	20,540	14,002
Profit (loss) attributable to non-controlling interests	140	(258)
Net income attributable to owners of parent	20,399	14,260

(Consolidated Statements of Comprehensive Income)

(Million yen)

	FY2023 March 1, 2023 - February 29, 2024	FY2024 March 1, 2024 - February 28, 2025
Net income	20,540	14,002
Other comprehensive income		
Net unrealized gain on available-for-sale securities	(356)	74
Foreign currency translation adjustment	15,432	31,818
Remeasurements of defined benefit plans	410	603
Share of other comprehensive income of entities accounted for using equity method	—	(53)
Total other comprehensive income	*1 15,486	*1 32,442
Comprehensive income	36,026	46,445
Comprehensive income (loss) attributable to:		
Owners of parent	35,172	46,018
Non-controlling interests	853	426

(3) Statements of Changes in Shareholders' Equity

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	42,381	40,700	317,279	(7)	400,353
Changes during period					
Issue of new shares	1	1			2
Cash dividends			(11,377)		(11,377)
Net income attributable to owners of parent			20,399		20,399
Purchase of treasury stock				(0)	(0)
Net change in items other than shareholders' equity					
Total of changes	1	1	9,022	(0)	9,023
Balance at end of fiscal year	42,383	40,701	326,301	(8)	409,377

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	1,120	39,474	(453)	40,141	27	11,187	451,711
Changes during period							
Issue of new shares							2
Cash dividends							(11,377)
Net income attributable to owners of parent							20,399
Purchase of treasury stock							(0)
Net change in items other than shareholders' equity	(356)	14,718	410	14,772	8	710	15,491
Total of changes	(356)	14,718	410	14,772	8	710	24,515
Balance at end of fiscal year	763	54,193	(42)	54,914	35	11,898	476,226

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

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	42,383	40,701	326,301	(8)	409,377
Changes during period					
Issue of new shares	6	6			13
Cash dividends			(11,377)		(11,377)
Net income attributable to owners of parent			14,260		14,260
Purchase of treasury stock				(0)	(0)
Net change in items other than shareholders' equity					
Total of changes	6	6	2,883	(0)	2,896
Balance at end of fiscal year	42,389	40,708	329,184	(8)	412,274

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	763	54,193	(42)	54,914	35	11,898	476,226
Changes during period							
Issue of new shares							13
Cash dividends							(11,377)
Net income attributable to owners of parent							14,260
Purchase of treasury stock							(0)
Net change in items other than shareholders' equity	20	31,133	603	31,757	2	211	31,971
Total of changes	20	31,133	603	31,757	2	211	34,867
Balance at end of fiscal year	784	85,326	560	86,671	38	12,110	511,094

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2023 March 1, 2023 - February 29, 2024	FY2024 March 1, 2024 - February 28, 2025
Cash flows from operating activities		
Income before income taxes	36,374	29,111
Depreciation and amortization	73,257	76,614
Impairment loss	1,960	7,179
Increase (decrease) in provision for loss on store closing	650	3,295
Share of loss (profit) of entities accounted for using equity method	(242)	(846)
Increase (decrease) in allowance for doubtful accounts	(108)	(481)
Increase (decrease) in provision for employees' bonus	437	254
Increase (decrease) in provision for director and auditor performance-based remuneration	(27)	26
Increase (decrease) in net defined benefit liability	48	21
Decrease (increase) in retirement benefit asset	(117)	(140)
Interest and dividend income	(2,213)	(2,538)
Interest expenses	13,331	14,459
Loss (gain) on sale of investment securities	(938)	—
Loss on retirement of fixed assets	1,070	766
Loss (gain) on sales of fixed assets	(2,005)	61
Decrease (increase) in receivables—trade accounts	2,410	(621)
Decrease (increase) in other current assets	(4,248)	6,883
Increase (decrease) in payables—trade accounts	(1,030)	2,189
Increase (decrease) in consumption tax payable	3,943	(3,904)
Increase (decrease) in deposits received from specialty stores	7,333	(3,948)
Increase (decrease) in other current liabilities	68	(2)
Other	19,932	4,743
Subtotal	149,887	133,122
Interest and dividends received	2,116	2,776
Interest paid	(12,946)	(14,312)
Income taxes paid	(12,752)	(19,304)
Net cash provided by (used in) operating activities	126,305	102,282

(Million yen)

	FY2023 March 1, 2023 - February 29, 2024	FY2024 March 1, 2024 - February 28, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(104,136)	(87,675)
Proceeds from sales of property, plant and equipment	14,232	17
Purchase of intangible assets	(1,213)	(1,098)
Purchase of long-term prepaid expenses	(2,547)	(2,334)
Purchase of investment securities	(199)	(121)
Proceeds from sale of investment securities	1,078	—
Purchase of shares of subsidiaries and associates	(7,077)	—
Collection of loans	6	6
Payment of lease deposits to lessors	(2,769)	(1,134)
Reimbursement of lease deposits to lessors	431	685
Repayment of lease deposits from lessees	(10,073)	(10,252)
Proceeds from lease deposits from lessees	13,983	12,257
Time deposits	(20,225)	(55,925)
Withdrawal of time deposits	20,043	48,995
Other	(3,273)	—
Net cash provided by (used in) investing activities	(101,743)	(96,580)
Cash flows from financing activities		
Repayment of lease obligations	(23,154)	(26,809)
Proceeds from long-term debt	42,068	33,569
Repayment of long-term debt	(39,512)	(59,611)
Proceeds from issuance of bonds	90,000	50,000
Redemption of bonds	(70,000)	(50,000)
Proceeds from share issuance to non-controlling shareholders	2	2
Purchase of treasury stock	(0)	(0)
Dividends paid	(11,377)	(11,377)
Dividends paid to non-controlling interests	(145)	(217)
Other	(728)	(343)
Net cash provided by (used in) financing activities	(12,848)	(64,788)
Foreign currency translation adjustments on cash and cash equivalents	(460)	11,419
Net increase (decrease) in cash and cash equivalents	11,253	(47,666)
Cash and cash equivalents at beginning of the period	101,101	112,354
Cash and cash equivalents at end of the period	*1 112,354	*1 64,687

(5) Notes on Consolidated Financial Statements

Notes on the going concern assumption

Not applicable

Important matters concerning the basis for preparing consolidated financial statements

1. Matters concerning scope of consolidation

Number of consolidated subsidiaries: 60

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 Long Bien Co., Ltd., AEON MALL Vietnam Co., Ltd., PT. AMSL DELTA MAS, AEON MALL (China) Co., Ltd., AEON MALL DIANYA (Tianjin) Business Management Co., Ltd., OPA Co., Ltd.

AEON MALL HIMLAM Company Limited changed its name to AEON MALL Long Bien Co., Ltd. as of May 30, 2024.

We established AEON MALL (Hunan) Xiangjiang New Area Business Management Co., Ltd., Kunshan Mall Investment Limited, and Kunshan Mall Real Estate Development Co., Ltd. during the current consolidated fiscal year, added these entities to the scope of consolidation.

2. Application of the equity method

Number of affiliates under the equity method: 1

Names of equity-method affiliates: Marimo Co., Ltd.

While the fiscal year of the company in question differs from the consolidated fiscal year, we apply the equity method based on the financial statements for the company in question.

3. Matters concerning consolidated subsidiary fiscal years

Of the Company's consolidated subsidiaries, AEON MALL (CHINA) BUSINESS MANAGEMENT CO., LTD. and 51 others have a fiscal year end of December 31. We prepare our consolidated financial statements using the respective balance sheet dates of our consolidated subsidiaries. In addition, AEON MALL MYANMAR CO., LTD and one other company have a fiscal year end of March 31. We prepare our consolidated financial statements using the December 31 respective balance sheet dates of our consolidated subsidiaries. For consolidation purposes, the Company makes necessary adjustments to reflect any significant transactions occurring between January 1 and the consolidated balance sheet date.

4. Matters concerning basis for accounting

(1) Valuation criteria and method for significant assets

1) Available-for-sale securities

Available-for-sale securities classified as other securities

Securities other than equity securities without market prices

Stated at market value (all valuation gains and losses reported in net assets and the cost of securities sold is determined by the moving-average method).

Equity securities without market prices

Stated at cost determined by the moving-average method.

2) Derivatives

Stated at market value

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

1) Property, plant and equipment (excluding right-of-use assets)

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: 2 to 39 years

Machinery and transportation equipment: 3 to 17 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 estimated useful internal life of five years.

3) Right-of-use assets

Amortized using the straight-line method

4) Long-term prepaid expenses

Amortized in equal installments based on contract periods and other factors (period of amortization: 2 to 50 years)

(3) Accounting method for deferred assets

Bond issuance expenses are treated as an expense when paid.

(4) Accounting standards for significant allowances

1) Allowance for doubtful accounts

An 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 employee bonuses

The Company provides an allowance for employee bonuses to cover the amount of bonuses to be paid to employees and part-time workers. This allowance is based on the estimated portion to be paid in the fiscal year under review.

3) Allowance for director and corporate auditor performance-based remuneration

The Company provides an allowance for director and corporate auditor performance-based remuneration, which is based on the estimated portion to be paid during the fiscal year under review.

4) Provision for loss on store closing

The Company records estimates and accrues for losses on store closing (penalty charges for canceling contracts mid-term, etc.) reasonably assumed to result from the closing of stores.

(5) Accounting for retirement benefits

The Company records projected retirement benefit liabilities less projected pension assets at the end of the fiscal year under review to provide for retirement benefits for employees. When calculating retirement benefit liabilities, the method to allocate the projected retirement benefits to the consolidated fiscal year under review is based on benefits calculation formula standards.

Actuarial gains and losses are expensed from the following fiscal year using the straight-line method over a fixed period (10 years) of the estimated average remaining life of service of employees at the time of accrual.

Unrecognized actuarial gains or losses and unrecognized prior service cost are posted as remeasurements of defined retirement benefit plans as part of total accumulated other comprehensive income under net assets.

(6) Basis for recognition of significant revenues and expenses

The following is a description of the major performance obligations in AEON MALL Group principal businesses related to revenues arising from contracts with customers and the usual time at which such performance is satisfied (usual time at which revenues are recognized). For major Group transactions involving performance obligations related to real estate lease transactions based on mall-opening contracts with customers, the Group recognizes revenue in accordance with Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

Common area expense income based on store-opening contracts, etc.

As the manager of commercial facilities operated by the AEON MALL Group and based on store-opening contracts with customers, we are obligated to provide security, cleaning, greenery management and other facilities management services, maintenance and management services related to electricity, water, and other facilities. We are also obligated to provide effective sales promotion activities for the benefit of tenants. As these services are provided to tenants in satisfaction of these performance obligations, the Company recognizes revenues over the contract period with tenants, primarily based on the passage of time.

In addition, a variable income component is included for maintenance and management obligations related to facilities such as electricity and water on a pay-as-incurred basis. The terms of this variable income are related to the actual use of electricity, water, etc., by tenants, and the variable income is allocated to the performance obligation related to the variable income in its entirety after considering the performance obligation and payment terms in the contract.

Payments from tenants are usually received prior to the satisfaction of performance obligations, or is generally

collected within approximately one month from the time the performance obligations are satisfied, and does not include a significant financial component.

PM management contract fees

Under management contract agreements with customers, the AEON MALL Group is obligated to perform all services related to the operation of commercial facilities, including the creation of operating policies, facility management services such as security and cleaning, and tenant leasing services. As these services are provided to customers in satisfaction of performance obligations, the Company recognizes revenues over the contract period with tenants, primarily based on the passage of time.

In addition, management contract agreements include a variable income component based on the operating performance of the commercial facilities in question as an incentive fee. The terms of this variable income are related to the actual commercial facilities management results, and the variable income is allocated to the performance obligation related to the variable income in its entirety after considering the entirety of the performance obligation and payment terms in the contract.

Payments from customers are usually received within one month of the satisfaction of the performance obligation and does not include a significant financial component.

When multiple performance obligations are included in a single contract, the Company estimates the arm's length sales price by adding a profit-equivalent amount to the expected cost. We then allocate the transaction price to each of the performance obligations based on the ratio of said arm's length sales price.

(7) 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. Differences are 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 subsidiary in question. Revenues and expenses of subsidiaries are translated into yen amounts at the average exchange rate for the fiscal year under review. Translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(8) 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 as special hedge accounting.

2) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Borrowings

3) Hedging policy

In accordance with AEON MALL Group rules, interest rate swaps are conducted for the purpose of hedging against the risk of fluctuations in interest rates.

The exceptional treatment prescribed in the PITF is applied to all hedging relationships above included in the scope of Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR (PITF No.40, March 17, 2022). The details of hedging relationships to which the PITF is applied are as follows.

Hedge accounting applied: Exceptional accounting treatment

Hedging instruments: Interest rate swaps

Hedged items: Borrowings

Categories of hedges: Hedge of exposure to avoid interest rate variability risks

4) Evaluation of hedging effectiveness

The Company compares market prices and cash flows from hedged items and hedging instruments over their respective periods from the start of hedging to the point where effectiveness is measured. The fluctuation in 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.

(9) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, deposits repayable on

demand, and short-term investments with a maturity of three months or less from the acquisition date which can be readily converted into cash and carry little risk of fluctuation in value.

Unapplied accounting standards, etc.

1. Overview

The Accounting Standards Board of Japan (ASBJ) released new accounting standards as part of efforts to align Japanese standards with international practices. In developing these standards, the ASBJ examined international accounting standards with a focus on creating a lease accounting standard that would require lessees to recognize all leases as assets and liabilities. The new standards adopt a single accounting model based on IFRS 16 *Leases*. However, rather than fully incorporating IFRS 16 *Leases*, the ASBJ included only key provisions to create a simpler, more practical standard that allows companies to apply the provisions of this guideline in non-consolidated financial statements with minimal adjustments.

For lessee accounting, the new standards apply a single expense allocation model for leases, consistent with IFRS 16 *Leases*. Under this model, lessees must recognize depreciation and amortization of right-of-use assets and interest on lease liabilities for all leases, regardless of whether they are classified as finance or operating leases.

2. Effective date

Effective from the beginning of the fiscal year ending February 28, 2029.

3. Impact of new accounting standards

The impact of adopting the lease accounting standards on the consolidated financial statements is currently under evaluation.

Notes

Notes to consolidated balance sheets

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

(Assets pledged as collateral)

(Million yen)

	Year Ended February 29, 2024 (As of February 29, 2024)	Year Ended February 28, 2025 (As of February 28, 2025)
Buildings and structures	23,583	5,342
Land	2,456	2,331
Total	26,040	7,674

(Liabilities backed by above collateral)

(Million yen)

	Year Ended February 29, 2024 (As of February 29, 2024)	Year Ended February 28, 2025 (As of February 28, 2025)
Current portion of long-term debt	16,976	476
Long-term debt	2,857	2,380
Total	19,833	2,857

*2. Deposits paid to affiliates

(Million yen)

	Year Ended February 29, 2024 (As of February 29, 2024)	Year Ended February 28, 2025 (As of February 28, 2025)
Deposits paid to affiliates	40,000	29,000

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

Notes to consolidated statements of income

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

(Million yen)

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)		Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)	
AEON MALL Natori (Natori city, Miyagi prefecture)	2,009	Other	0
Other	0		
Total	2,009	Total	0

*2. Losses on disposal of fixed assets consist of the following items.

(Million yen)

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)		Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)	
Buildings and structures	156	Buildings and structures	313
Tools, furniture and fixtures	23	Tools, furniture and fixtures	15
Dismantlement cost	713	Dismantlement cost	1,063
Other	56	Other	10
Total	951	Total	1,403

*3. Impairment loss

The AEON MALL Group incurred an impairment loss in the following asset groups during the previous consolidated fiscal year (March 1, 2023 to February 29, 2024).

Location	Use	Type	Amount (million yen)
Overseas (China)	Store	Right-of-use assets	1,960
Total	—	—	1,960

The AEON MALL Group has defined individual shopping malls as the smallest unit for asset grouping. Idle assets are grouped individually. Common-use assets are grouped in larger units that include groups of common-use assets and shared assets contributing to the generation of future cash flows.

Significant profitability declines for the asset groups noted above have led the Company to reduce the carrying values to their respective recoverable values. The write-down was posted as impairment losses under extraordinary losses.

Recoverable value is calculated based on fair value less disposal costs or value in use, whichever is greater. We used a discount rate of 9.94% to calculate the future cash flows for value in use for overseas malls (China).

The total amount of impairment loss above includes long-term prepaid expenses of ¥438 million and right-of-use assets of ¥1,522 million.

The AEON MALL Group incurred an impairment loss in the following asset groups during the current consolidated fiscal year (March 1, 2024 to February 28, 2025).

Location	Use	Type	Amount (million yen)
Osaka Prefecture	Store	Buildings, etc.	531
Miyagi Prefecture	Store	Buildings, etc.	1,045
Overseas (China)	Store	Right-of-use assets	3,954
Overseas (Vietnam)	Development property	Construction in progress	1,104
Overseas (Cambodia)	Warehouse	Buildings, etc.	299
Overseas (Myanmar)	Development property	Construction in progress	243
Total	—	—	7,179

The AEON MALL Group has defined individual shopping malls as the smallest unit for asset grouping. Idle assets are grouped individually. Common-use assets are grouped in larger units that include groups of common-use assets and shared assets contributing to the generation of future cash flows.

Significant profitability declines for the asset groups noted above have led the Company to reduce the carrying values to their respective recoverable values. The write-down was posted as impairment losses under extraordinary losses.

Recoverable value is calculated based on either value in use, or the higher of net realizable value or fair value less costs of disposal. Assessments of certain stores' value in use resulted in zero due to a lack of expected future cash flows. We used a discount rate of 9.36% to calculate the future cash flows for value in use for overseas malls (China). The figures for impairment loss above consist of ¥1,798 million in buildings and structures, ¥2 million in machinery and transportation equipment, ¥30 million in tools, furniture and fixtures, ¥3,034 million in right-of-use assets, ¥1,347 million in construction in progress, ¥962 million in long-term prepaid expenses, and ¥3 million in other. Net realizable value and fair value less costs of disposal are calculated based on the appraised value of the real estate in question.

*4. We recorded a gain on lease modification resulting from changes to the lease term for certain facilities.

*5. We recorded an impairment loss and a provision for loss on store closings in connection with our decision to terminate the management and operations of certain facilities.

Consolidated statements of comprehensive income

*1. Rearrangements, adjustments, and tax effects related to other comprehensive income

(Million yen)

	Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net unrealized gain on available-for-sale securities		
Amount accrued in the fiscal year	424	107
Amount rearranged or adjusted	(938)	-
Before tax effect adjustment	(513)	107
Tax effect	156	(32)
Net unrealized gain on available-for-sale securities	(356)	74
Foreign currency translation adjustment		
Amount accrued in the fiscal year	20,374	33,742
Amount rearranged or adjusted	-	-
Before tax effect adjustment	20,374	33,742
Tax effect	(4,941)	(1,923)
Foreign currency translation adjustment	15,432	31,818
Remeasurements of defined benefit plans		
Amount accrued in the fiscal year	376	661
Amount rearranged or adjusted	161	128
Before tax effect adjustment	537	789
Tax effect	(126)	(186)
Remeasurements of defined benefit plans	410	603
Share of other comprehensive income of entities accounted for using equity method		
Amount accrued in the fiscal year	-	(53)
Amount rearranged or adjusted	-	-
Share of other comprehensive income of entities accounted for using equity method	-	(53)
Total other comprehensive income	15,486	32,442

Statements of changes in shareholders' equity

Year Ended February 29, 2024 (March 1, 2023 - February 29, 2024)

1. Matters concerning the type and total number of shares issued and outstanding; 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)	227,559,339	1,600	—	227,560,939
Total	227,559,339	1,600	—	227,560,939
Treasury stock				
Common stock (Note 2)	4,270	526	—	4,796
Total	4,270	526	—	4,796

(Notes) 1. An increase of 1,600 shares issued and outstanding resulted from the exercise of stock acquisition rights.

2. An increase in treasury stock resulted from the purchase of 526 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 number in the fiscal year under review	Decrease in 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	—	-	-	-	-	35
Total		—	-	-	-	-	35

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 11, 2023	Common stock	5,688	25.00	February 28, 2023	May 1, 2023
Board of directors meeting on October 10, 2023	Common stock	5,688	25.00	August 31, 2023	October 20, 2023

(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 9, 2024	Common stock	5,688	Retained earnings	25.00	February 29, 2024	May 7, 2024

Year Ended February 28, 2025 (March 1, 2024 - February 28, 2025)

1. Matters concerning the type and total number of shares issued and outstanding; 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)	227,560,939	10,200	—	227,571,139
Total	227,560,939	10,200	—	227,571,139
Treasury stock				
Common stock (Note 2)	4,796	100	—	4,896
Total	4,796	100	—	4,896

(Notes) 1. An increase of 10,200 shares issued and outstanding resulted from the exercise of stock acquisition rights.

2. An increase in treasury stock resulted from the purchase of 100 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 number in the fiscal year under review	Decrease in 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	—	-	-	-	-	38
Total		—	-	-	-	-	38

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, 2024	Common stock	5,688	25.00	February 29, 2024	May 7, 2024
Board of directors meeting on October 8, 2024	Common stock	5,688	25.00	August 31, 2024	October 22, 2024

(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 11, 2025	Common stock	5,689	Retained earnings	25.00	February 28, 2025	May 2, 2025

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 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Cash and deposits	89,915	61,699
Deposits paid to affiliates	40,000	29,000
Time deposits with a deposit term longer than three months	(17,561)	(26,012)
Cash and cash equivalents	112,354	64,687

2. Significant non-cash transactions

(1) Asset retirement obligations recorded (Million yen)

	Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Asset retirement obligations	-	12

(2) Assets and obligations recorded for lease transactions under IFRS 16 Leases (Million yen)

	Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Right-of-use assets	52,426	73
Lease obligations	54,126	1,048

Lease transactions

1. Finance leases

Omitted due to the lack of materiality.

2. Operating leases

Unexpired lease payment related to non-cancellable operating lease transactions

As lessee (Million yen)

	Year Ended February 29, 2024 (As of February 29, 2024)	Year Ended February 28, 2025 (As of February 28, 2025)
Due within 1 year	59,948	60,445
Due after 1 year	304,054	291,776
Total	364,002	352,221

As lessor (Million yen)

	Year Ended February 29, 2024 (As of February 29, 2024)	Year Ended February 28, 2025 (As of February 28, 2025)
Due within 1 year	5,515	5,923
Due after 1 year	25,041	23,616
Total	30,556	29,540

Rental property

The Company and certain consolidated subsidiaries own commercial leasing buildings in various regions nationwide as well as overseas (China and ASEAN region) for the purpose of generating profits from property leasing. Leasing profit related to said leasing property (owned properties and overseas master leased properties, not including master leased properties in Japan and malls operated under property management, etc. Same below.) for the previous consolidated fiscal year amounted to ¥51,993 million (main leasing revenue was posted under operating revenue, while main leasing expenses were posted under operating expenses). Loss on sale of fixed assets amounted to ¥2,009 million (posted under extraordinary losses). Loss on retirement of fixed assets amounted to ¥684 million (posted under extraordinary losses). Impairment losses amounted to ¥1,960 million (posted under extraordinary losses). Leasing profit for the current consolidated fiscal year amounted to ¥56,168 million (main leasing revenue was posted under operating revenue, while main leasing expenses were posted under operating expenses). Loss on sale of fixed assets amounted to ¥58 million (posted under extraordinary losses) and loss on retirement of fixed assets amounted to ¥751 million (posted under extraordinary losses). Impairment losses amounted to ¥6,787 million (posted under extraordinary losses).

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

(Million yen)

	Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Consolidated balance sheet amount		
Balance at the beginning of the term under review	1,238,911	1,301,231
Change during term under review	62,320	30,815
At end of term under review	1,301,231	1,332,046
Fair value at end of term under review	1,688,554	1,781,427

(Notes) 1. The balance sheet amount is the acquisition price less the accumulated depreciation.

2. Of the changes during the period, the largest increases during the previous consolidated fiscal year were due to property acquisitions (¥124,426 million) and foreign currency translation adjustments (¥24,949 million). The largest decreases were due to disposal and sales of fixed assets (¥12,914 million), impairment losses (¥1,960 million), and depreciation expense (¥72,358 million). The largest increases during the current consolidated fiscal year under review were due to property acquisitions (¥70,538 million) and foreign currency translation adjustments (¥44,010 million). The largest decreases were due to disposal and sales of fixed assets (¥855 million), impairment losses (¥6,787 million), and depreciation expenses (¥76,269 million).
3. The fair value at the end of term under review is based on appraisal reports and other information provided by an appraisal company.

Segment and other information

Segment information

1. Overview of reportable segments

The Group's reportable segments are units of the Group whose financial information is available separately and are reviewed regularly for determining the distribution of management resources and the evaluation of business performance.

The Group has been operating solely in the shopping mall business in Japan and overseas. The Group develops comprehensive strategies according to the characteristics of different regions and conducts operations.

Accordingly, the Group consists of six reportable segments by region: Japan, China, Vietnam, Cambodia, Indonesia, and Other (Overseas).

2. Method of calculating operating revenue, profit (loss), assets, liabilities, and other items of each reportable segment

The accounting treatment for each reportable segment is essentially the same as that described in Important matters concerning the basis for preparing the consolidated financial statements. Profit for each reportable segment is treated as operating income.

3. Information on operating revenue, profit (loss), assets, liabilities, and other items of each reportable segment

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(Million yen)

	Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas) (Note 1)	Total	Adjustments (Note 2)	Amount on Consolidated Financial Statements (Note 3)
Operating revenue									
Operating revenue from external customers	333,158	58,985	15,263	8,499	7,260	—	423,168	—	423,168
Intersegment operating revenue or transfers	563	—	—	—	—	—	563	(563)	—
Total	333,722	58,985	15,263	8,499	7,260	—	423,732	(563)	423,168
Segment income (loss)	35,821	6,537	3,901	411	(269)	(14)	46,386	25	46,411
Segment assets	942,127	335,095	100,191	108,606	103,778	3,807	1,593,605	61,647	1,655,253
Other items									
Depreciation and amortization (Note 4)	43,002	27,617	4,972	4,074	3,436	0	83,103	(25)	83,078
Impairment loss	—	1,960	—	—	—	—	1,960	—	1,960
Increase in property, plant and equipment and intangible assets (Note 4)	35,152	89,717	9,594	4,752	8,793	—	148,010	—	148,010

(Notes) 1. Other (Overseas) represents Myanmar, etc.

2. Adjustments are as follows:

(1) Adjustments to segment income (loss) reflect unrealized profits on intersegment transactions.

(2) Adjustment to segment assets of ¥61,647 million include corporate assets not allocated to reportable segments of ¥60,050 million and the elimination of intersegment transactions.

(3) Adjustment to depreciation and amortization is an adjustment to unrealized gains related to fixed assets.

3. Segment income (loss) has been adjusted to operating income on the consolidated statement of income.

4. Depreciation and amortization and the increase in property, plant and equipment and intangible assets includes long-term prepaid expenses and the amortization of long-term prepaid expenses.

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

(Million yen)

	Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas) (Note 1)	Total	Adjustments (Note 2)	Amount on Consolidated Financial Statements (Note 3)
Operating revenue									
Operating revenue from external customers	345,129	68,141	17,321	9,308	9,852	—	449,753	—	449,753
Intersegment operating revenue or transfers	791	—	—	—	—	—	791	(791)	—
Total	345,921	68,141	17,321	9,308	9,852	—	450,545	(791)	449,753
Segment income (loss)	42,791	4,746	4,235	105	259	(18)	52,121	25	52,146
Segment assets	958,262	316,296	128,275	115,410	110,607	3,984	1,632,837	30,439	1,663,276
Other items									
Depreciation and amortization (Note 4)	40,917	31,958	5,430	4,487	4,315	0	87,110	(25)	87,084
Impairment loss	1,576	3,954	1,104	299	—	243	7,179	—	7,179
Increase in property, plant and equipment and intangible assets (Note 4)	38,905	25,080	29,232	1,448	2,779	—	97,446	—	97,446

(Notes) 1. Other (Overseas) represents Myanmar, etc.

2. Adjustments are as follows:

(1) Adjustments to segment income (loss) reflect unrealized profits on intersegment transactions.

(2) Adjustment to segment assets of ¥30,439 million include corporate assets not allocated to reportable segments of ¥33,446 million and the elimination of intersegment transactions.

(3) Adjustment to depreciation and amortization is an adjustment to unrealized gains related to fixed assets.

3. Segment income (loss) has been adjusted to operating income on the consolidated statement of income.

4. Depreciation and amortization and the increase in property, plant and equipment and intangible assets includes long-term prepaid expenses and the amortization of long-term prepaid expenses.

Related information

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

1. Information by product and service

Omitted, as more than 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in the shopping mall business.

2. Information by region

(1) Operating revenue

Omitted, as the same information is disclosed in segment information.

(2) Property, plant and equipment

(Million yen)

Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas)	Total
826,420	243,564	72,268	92,139	85,731	3,548	1,323,673

3. Information per major customer

Customer title or name	Operating revenue (million yen)	Name of related segment
AEON Retail Co., Ltd.	38,511	Japan

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

1. Information by product and service

Omitted, as more than 90% of operating revenue in the consolidated statements of income consists of operating revenue to external customers in the shopping mall business.

2. Information by region

(1) Operating revenue

Omitted, as the same information is disclosed in segment information.

(2) Property, plant and equipment

(Million yen)

Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas)	Total
824,424	252,972	99,891	99,539	89,709	3,703	1,370,241

3. Information per major customer

Customer title or name	Operating revenue (million yen)	Name of related segment
AEON Retail Co., Ltd.	38,748	Japan

Information regarding impairment losses on fixed assets per reportable segment

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

Omitted, as the same information is disclosed in segment information.

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

Omitted, as the same information is disclosed in segment information.

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

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

Omitted, as information is not material.

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

Not applicable

Information regarding gain on negative goodwill per reporting segment

Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

Not applicable

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

Not applicable

Per-share information

	Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net assets per share	2,040.33 yen	2,192.52 yen
Net income per share	89.64 yen	62.66 yen
Diluted net income per share	89.63 yen	62.66 yen

(Note) 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 29, 2024 (March 1, 2023 to February 29, 2024)	Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net income per share		
Net income attributable to owners of parent (million yen)	20,399	14,260
Amounts not attributable to shareholders of common stock (million yen)	—	—
Net income attributable to shareholders of common stock of parent (million yen)	20,399	14,260
Average number of common shares outstanding during the fiscal year (shares)	227,555,807	227,558,204
Diluted net income per share		
Adjustment of net income attributable to owners of parent (million yen)	—	—
Increase in number of common stock (shares) (Stock acquisition rights included)	26,339 [26,339]	33,469 [33,469]
Outline of dilutive stock not included in calculation of diluted net income per share because it is anti-dilutive	—————	—————

Significant subsequent events

At a meeting held December 24, 2024, the AEON MALL board of directors resolved that AEON MALL will absorb wholly owned subsidiary and specified subsidiary, Yokohama Importmart Inc., in an absorption-type merger. The merger was executed on March 1, 2025.

1. Outline of Transaction

(1) Names and Businesses of the Combiner and Combinee

Name of the combinee: Yokohama Importmart Inc.

Description of business: Management, operations, and development of commercial facilities

(2) Date of Business Combination

March 1, 2025

(3) Legal Form of Business Combination

The merger will be an absorption-type merger, with the Company as the surviving company and Yokohama Importmart Inc. as the non-surviving company.

(4) Name of the Combined Enterprise

AEON MALL Co., Ltd.

(5) Other Matters Regarding the Transaction

The purpose of the transaction is to improve the administrative and operational efficiency of the AEON MALL Group.

2. Outline of Accounting Procedures Implemented

In accordance with *Accounting Standard for Business Combinations* (ASBJ Statement No. 21, January 16, 2019) and *Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures* (ASBJ Guidance No. 10, January 16, 2019), we plan to account for the aforementioned transaction as a transaction under common control.