Consolidated Financial Results (Japanese Accounting Standards) for the First Half of the Fiscal Year Ending February 28, 2014

October 2, 2013

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

Submission of statutory quarterly financial report	October 11, 2013
Commencement of dividend payments	November 12, 2013
Supplementary documents for quarterly results	Yes
Quarterly results briefing	Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the First Half of the Year Ending February 28, 2014 (March 1, 2013 to August 31, 2013)

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

	Operating revenue		Operating income		Ordinary income		Net income	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
August 31, 2013	85,540	11.0	20,387	7.8	19,673	10.8	11,319	20.4
August 20, 2012	77,046	6.1	18,907	2.7	17,753	1.1	9,400	6.2

(Note) Comprehensive income Six months ended August 31, 2013 16,669 million yen (75.2 %)
Six months ended August 20, 2012 9,516 million yen (6.7 %)

	Net income per share	Net income per share (diluted)
Six months ended	yen	yen
August 31, 2013	53.79	53.77
August 20, 2012	47.17	47.15

(Note) The Company issued 23,500,000 shares of common stock through a public offering with a payment date of June 19, 2013 and issued 2,500,000 shares of common stock through a private placement with a payment date of July 12, 2013. The Company also split one share of common stock into 1.1 shares effective August 1, 2013. "Net income per share" and "Net income per share (diluted)" are calculated on the assumption that the common stock has increased by 26,000,000 shares through the above public offering and private placement and that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
August 31, 2013	718,756	284,251	39.1
February 28, 2013	630,887	217,776	34.1

(Note) Equity August 31, 2013: 280,876 million yen February 28, 2013: 215,046 million yen

2. Dividends

	Dividend per share				
(Record date)	First quarter-end	First half-end	Third quarter- end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Year ended February 28, 2013	–	11.00	–	11.00	22.00
Year ending February 28, 2014	–	11.00			
Year ending February 28, 2014 (Projection)			–	11.00	22.00

(Note) 1. Revisions to dividend projection published most recently: None
2. Although the Company split one share of common stock into 1.1 shares effective August 1, 2013, the amount of dividend per share remained unchanged, as stated in the "Notice Concerning Issuance of New Shares, Secondary Offering of Shares and Stock Split" released on June 3, 2013. As a result, dividends will effectively increase.

3. Consolidated Earnings Projections for the Year Ending February 28, 2014 (March 1, 2013 to February 28, 2014)

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

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	180,000	11.5	43,000	3.0	41,000	3.1	22,500	2.9	102.71

(Note) 1. Revisions to earnings projections published most recently: None

2. Beginning the fiscal year ended February 28, 2013, the Aeon Mall Group has moved the fiscal year end from February 20th to the last day of February. Consequently, the full-year percentage change (%) indicates percentage change from results recorded for a period of 12 months and 8 days.

* Notes

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

New: 2 companies

Company name HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD.
PT. AMSL DELTA MAS

Excluded: – companies

Company name –

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements: Not applicable

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

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

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

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

August 31, 2013: 227,873,917 shares February 28, 2013: 199,272,597 shares

[2] Treasury stock at period-end

August 31, 2013: 31,500 shares February 28, 2013: 11,781 shares

[3] Average number of shares issued

August 31, 2013: 210,418,447 shares August 20, 2012: 199,252,360 shares

(Note) The Company split one share of common stock into 1.1 shares effective August 1, 2013. Number of shares above is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Status of a quarterly review

The quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been reviewed at the time of the announcement of these consolidated financial results, as these results are excluded from quarterly review procedures based on said Act.

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

(Notes concerning statements about the future, etc.)

1. 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 "(3) Qualitative information on consolidated earnings forecast" of "1. Qualitative Information on Quarterly Consolidated Operating Results," on page 5 of the Accompanying Materials for the assumptions of the earnings forecasts and points to note in the use of earnings forecasts.
2. Aeon Mall Co., Ltd. issued 23,500,000 shares of common stock through a public offering with a payment date of June 19, 2013. The Company also issued 2,500,000 shares of common stock through third-party allotment with a payment date of July 12, 2013. In addition, the Company split one share of common stock into 1.1 shares effective August 1, 2013. Net income per share stated in the consolidated earnings projections for the fiscal year ending February 28, 2014 is calculated on the assumption that the common stock has increased by 26,000,000 shares through the public offering and private placement above and that the stock split was conducted at the beginning of the previous fiscal year.

(Procedure for obtaining supplementary information on financial results)

Aeon Mall is scheduled to hold a financial briefing for institutional investors and analysts on October 3, 2013. The materials handed out at this briefing will be posted on the Company's web page on October 2, 2013, and the audio recording will be made available on the Company's web page as soon as possible after the briefing.

Accompanying Materials ― Contents

1. Qualitative Information on Quarterly Consolidated Operating Results 2
(1) Qualitative information on consolidated operating results 2
(2) Qualitative information on consolidated financial position 4
(3) Qualitative information on consolidated earnings forecast 5
2. Matters Regarding Summary Information (Notes) 6
(1) Material changes in consolidated subsidiaries during the period 6
(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements 6
(3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements 6
3. Quarterly Consolidated Financial Statements 7
(1) Quarterly consolidated balance sheets 7
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income 9
Quarterly consolidated statements of income
For the six months ended August 20, 2012 and August 31, 2013 9
Quarterly consolidated statements of comprehensive income
For the six months ended August 20, 2012 and August 31, 2013 10
(3) Quarterly consolidated statements of cash flows 11
(4) Notes on the going concern assumption 12
(5) Notes on significant change in shareholders' equity, if any 12
(6) Segment information 12

1. Qualitative Information on Quarterly Consolidated Operating Results

(1) Qualitative information on consolidated operating results

Aeon Mall, the core operator of the AEON Group's developer business, aims to become the representative specialist shopping mall developer in Asia, and is working to establish a management base to ensure continuous growth and profitability.

The AEON Group is focusing on the autonomous growth of each business and the generation of synergies between group companies by integrating and reorganizing businesses and functions, establishing a single brand name for each business format, and promoting the specialization of Group companies. The Group is also pushing ahead with initiatives aimed at moving a new stage of growth, looking ahead to fiscal 2020.

Aeon Mall has formulated the Aeon Group Medium-Term Management Plan covering the three years from the fiscal year ending February 2012 to the fiscal year ending February 2014. Under this plan, we are pursuing integration of overlapping functions in the AEON Group's developer business, focusing on enhancing the business base in Japan by expanding the business network and strengthening profitability, and working to establish a business base for expansion in the new growth markets of China and the ASEAN region.

With regard to the functional integration of the developer business, we have launched the AEON Doyutenkai (store association), comprising tenant companies that open stores in the AEON Group's malls and shopping centers, and have integrated marketing functions under Aeon Mall. We aim to expand profits, leveraging our 120 malls that represent Japan's largest economies of scale. We are also integrating the development functions under Aeon Mall, accelerating new mall openings and developing new locations in Japan, while offering malls where visitors can have fun and enjoy themselves and new mall functions to meet the needs of a broad range of age groups, including the senior stratum of society, which is set to grow further going forward. We are also pursuing initiatives to open malls in China and ASEAN countries.

To secure the capital necessary to move forward with these initiatives, the Company conducted a public offering with a payment date of June 19, 2013 and a private placement with a payment date of July 12, 2013. The Company will also strengthen its financial base to support its medium- and long-term growth strategies by diversifying its financing methods, including the use of asset securitization.

i) Overview of the first half under review

During the first half under review, the Japanese economy showed more positive signs in business confidence, including improved corporate earnings, particularly in export-oriented companies and the recovering stock market, helped by a weaker yen against a backdrop of the economic policies of the government and monetary easing by the Bank of Japan. In the retail industry, however, the income environment had yet to turn up despite some signs of improvement in consumer confidence. Personal consumption continued to suffer the strongly-rooted economic mind of consumers, and customers became more selection-oriented towards merchandise and commercial facilities.

Meanwhile, in the shopping center industry, as the number of new openings is expected to increase from the previous fiscal year in 2013 for the first time in six years in anticipation of full recovery in consumption, competition among shopping centers is expected to intensify.

In this environment, the Company opened three malls as new business sites in Japan, including one mall as a property entrusted under the property management business. It also renovated eight existing malls.

In overseas businesses, the group identified new development contracts in China, Cambodia, Indonesia and Vietnam.

As a result of these initiatives, the Company achieved record consolidated operating revenue, operating income, ordinary income and net income in the first half under review.

Domestic Businesses

Three new malls were opened: ÆON Mall Kasukabe (Saitama Prefecture) and ÆON Mall Tsukuba (Ibaraki Prefecture) in March, and Kobe Harborland umie (Hyogo Prefecture), which opened in April as a property under a management contract.

In addition to a wide array of specialty stores, ÆON Mall Kasukabe offers service functions in the form of a Clinic Zone and a Money Plaza, which provides banking, credit, insurance and housing services. It also has an extensive Hobby/Lifestyle Zone. The mall has also enhanced its function as a reconstruction site at the time of disaster by adopting a construction method with stronger quake resistance and installing emergency power generators.

ÆON Mall Tsukuba is a mall based on a new concept. Its major feature is its leisure zone, where visitors can have fun and feel enjoyment in two outer wings called the West Village and the East Village. The West Village is home to a bakery restaurant providing both a dog run and a dog café, an integrated sports center equipped with futsal courts produced by the local football club, and a camping car store, and outdoor clothing and

equipment store. The East Village is home to a farmers' market, restaurants, space for garden exterior exhibits, Harley-Davidson and cycling speciality stores, and lifestyle-theme speciality stores.
At Kobe Harborland umie, the Company received a commission for work related to redevelopment and operation/management following withdrawal of the department store that was the core store of the previous mall in March 2012. Kobe Harborland umie is located in Kobe Haborland, Kobe's top tourist destination, and is an urban mall with 225 specialty stores, including 13 stores opening for the first time in Kansai and 40 stores opening for the first time in Kobe, in addition to all the latest overseas brands.

New Malls in the Fiscal Year Ending February 28, 2014

Name of Mall	Location	Opening Date
ÆON Mall Kasukabe	Saitama Prefecture	March 3013
ÆON Mall Tsukuba	Ibaraki Prefecture	March 2013
Kobe Harborland umie*	Hyogo Prefecture	April 2013
ÆON Mall Toin	Mie Prefecture	November 2013
ÆON Mall Makuharishintoshin	Chiba Prefecture	December 2013

* Property under management contract

The Group renewed some of its existing malls, transforming them entirely by introducing new tenant stores and changing the retail format of existing tenant stores or relocating them.

Malls renewed in the first half under review

Name of Mall	Location	Date reopened	Tenants	New tenant stores (1) (See Note)	Relocations & refurbishments (2)	No. of tenant stores on reopening (1) + (2)
ÆON Mall Takasaki	Gunma Prefecture	March 15	170	43 (41)	76	119
ÆON Mall Musashimurayama	Tokyo Metropolis	March 19	180	35 (7)	46	81
ÆON Mall Tsurumi Ryokuchi	Osaka Prefecture	March 20	160	25 (7)	43	68
ÆON Mall Kobe Kita	Hyogo Prefecture	March 22	165	14 (4)	47	61
ÆON Mall Natori	Miyazaki Prefecture	April 19	170	24 (12)	36	60
ÆON Mall Ota	Gunma Prefecture	April 19	170	18 (10)	38	56
ÆON Mall Kochi	Kochi Prefecture	April 26	140	30 (26)	52	82
ÆON Mall Shimoda	Aomori Prefecture	June 7	120	16 (1)	5	21

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

Overseas Businesses

In China business, at ÆON Mall Beijing International Mall (Beijing), ÆON Mall Tianjin TEDA (Tianjin) and ÆON Mall Tianjin Zhongbei (Tianjin) opened in April 2012, customers and sales exceeded the previous year's level, and the Group is focusing on further expansion in results. In terms of new malls, the Company is focusing on efforts to open new malls, including ÆON Mall Tianjin Meijiang (Tianjin), which is scheduled to open in the second half of 2013, and develop new properties.
In ASEAN business, the Company is carrying out preparations for the opening of the first ÆON mall in Vietnam, Cambodia and Indonesia.
In Vietnam, tenant leasing is making steady progress at ÆON Mall Tan Phu Celadon, the first mall planned by the ÆON Group in Ho Chi Minh City, which is scheduled to open in 2014. The Company is pressing forward with its efforts to open shopping malls in Vietnam, including ÆON Mall Binh Duong Canary, the second ÆON mall in Binh Duong Province, together with ÆON's Vietnamese subsidiary, and the Group plans to take charge of management after opening. In addition, ÆON Mall Long Bien (Long Bien), the first ÆON mall in Hanoi, is due to open in 2015.

In Cambodia, the Company commenced construction of ÆON Mall Phnom Penh (Phnom Penh), which is scheduled to open in 2014 in December 2012 and is steadily attracting tenants.
In Indonesia, on August 24, 2013 the Company began construction of ÆON Mall BSD City (BSD City, Tangerang, Banten), which is located in the suburbs southwest of Jakarta and is scheduled to open in 2014. The site for the mall, which was developed in earnest in 2003, is located in an area with great potential, as residences, industrial facilities, schools, hospitals, a golf course and sports facilities are scheduled to be constructed, in addition to the planned extension of the expressway in the future. The Company also plans to advance several projects mainly in the suburbs of Jakarta, including ÆON Mall Deltamas (tentative name, Bekasi, Java Bara, scheduled to open after 2015).
The Group has also made a start on initiatives for business expansion in Myanmar and is developing properties.

Financial Status
Operating revenue for the first half totaled 85,540 million yen (111.0% year on year). Operating cost amounted to 56,511 million yen (110.4% year on year) due to business expansion, but gross profit came to 29,028 million yen (112.3% year on year), showing double-digit growth.
Selling, general and administrative expenses increased to 8,641 million yen (124.3% year on year) due to factors such as the strengthened system for increasing the opening of malls in Japan, an increase in overseas business sites to accelerate business operation in China and ASEAN countries, and a rise in prior costs reflecting progress in the securing of property development in Japan and overseas. Nevertheless, operating income increased to 20,387 million yen (107.8% year on year).
Ordinary income was 19,673 million yen (110.8% year on year) as a result of non-operating profits of 746 million yen (200.6% year on year) and non-operating expenses of 1,460 million yen (95.8% year on year).
In extraordinary items, extraordinary losses were 331 million yen (compared to extraordinary losses of 1,147 million yen in the first half of the previous fiscal year).
As a result of the above, the Company posted net income of 11,319 million yen (120.4% year on year), an increase of 1,918 million yen from a year ago.
At a meeting of the Board of Directors held on October 2, 2013, the Company decided to pay dividends from surplus with August 31, 2013 as the record date (the effective date of November 12, 2013). The Company split one share of common stock held by the shareholders as of July 31, 2013 into 1.1 shares (the effective date of August 1, 2013). As a result, dividend will effectively increase by 10%.

(2) Qualitative information on consolidated financial position
i) Assets, Liabilities and Net Assets
Assets
Total assets stood at 718,756 million yen, up 87,869 million yen from February 28, 2013. This reflected the acquisition of property, plant and equipment of 77,123 million yen, mainly for the opening of new shopping malls, the acquisition of land for future development, and the acquisition of ÆON Mall Kyoto which was previously managed under a PM contract, an increase of 4,878 million yen in cash and cash equivalents, a rise of 10,000 million yen in deposits to associated companies (included in “Other current assets”), and a decrease of 11,939 million yen in fixed assets due to depreciation.
Liabilities
Total liabilities stood at 434,505 million yen, up 21,395 million yen from February 28, 2013. This increase primarily reflected a 20,243 million yen increase in notes payable-facilities (included in “Other current liabilities”) associated with the opening of new shopping malls, a 16,807 million yen rise in deposits from tenants (included in “Other current liabilities”), a 10,151 million yen decrease in long-term debt (including the current portion of long-term debt), and a 10,000 million yen reduction in straight bonds (including bonds due within one year).
Net assets
Consolidated net assets on August 31, 2013 stood at 284,251 million yen, up 66,474 million yen from February 28, 2013. This primarily reflected a 25,502 million yen increase in common stock and a 25,502 million yen rise in the capital surplus associated with the issuance of shares and an increase in retained earnings due to net income of 11,319 million yen.

ii) Cash Flows
Cash and cash equivalents (“cash”) as of August 31, 2013 amounted to 49,612 million yen, up 10,319 million yen from February 28, 2013.
Cash flows in the first half were as follows:

Cash flows from operating activities

Net cash provided by operating activities was 38,922 million yen (compared with 24,220 million yen in the first half of the previous fiscal year). The major contributors to this outcome were income before income taxes and minority interests of 19,341 million yen (16,606 million yen in the first half of the previous fiscal year), depreciation and amortization of 11,939 million yen (10,496 million yen in the first half of the previous fiscal year), an increase in deposits from tenants (included in "Increase (decrease) in other current liabilities") of 16,769 million yen (8,132 million yen in the first half of the previous fiscal year) associated with the postponement of reimbursement of deposits from tenants to the third quarter due to the end of the second quarter falling on a bank holiday, and income taxes paid of 9,343 million yen (7,183 million yen in the first half of the previous fiscal year).

Cash flows from investment activities

Net cash used in investing activities amounted to 60,431 million yen (compared with 13,880 million yen in the first half of the previous fiscal year). Major contributors included the payment of 53,171 million yen (13,658 million yen in the first half of the previous fiscal year) for the purchase of property, plant and equipment, including the cost of facilities of ÆON Mall Fukutsu, which opened the previous fiscal year, the purchase of land for future development, the acquisition of ÆON Mall Kyoto, which was previously operated under a PM contract, and the cost of facilities of ÆON Mall Kasukabe and ÆON Mall Tsukuba, which opened in the first half under review and the purchase of long-term prepaid expenses (included in "Other payments") of 6,809 million yen (876 million yen in the first half of the previous fiscal year) associated primarily with the purchase of a land-use right in China.

Cash flows from financing activities

Net cash provided by financing activities was 28,793 million yen (compared with 18,562 million yen in the first half of the previous fiscal year). This was largely the result of proceeds from the issuing of common stock of 50,759 million yen, proceeds from long-term debt of 6,000 million yen (25,400 million yen in the first half of the previous fiscal year), repayment of long-term debt of 16,736 million yen (17,184 million yen in the first half of the previous fiscal year), redemption of bonds of 10,000 million yen, and dividends paid of 1,992 million yen (1,992 million yen in the first half of the previous fiscal year).

(3) Qualitative information on consolidated earnings forecast

In terms of new malls, the Company plans to open ÆON Mall Toin (Mie Prefecture) in November, and ÆON Mall Makuharishintoshin (Chiba Prefecture), which will be a flagship mall that harnesses all the expertise of the AEON Group, in December. ÆON Mall Makuharishintoshin is a next-generation shopping mall consisting of 350 outlets, half of which are outlets that have been opened for the first time in Japan, in Kanto, or in Chiba Prefecture.

In terms of the renewal of existing malls, we will strive to increase the customer appeal of our malls by renewing another five malls on a large scale after the eight malls renewed in the first half, and undertaking promotional activities using the infrastructure of the Aeon Group, such as nationwide simultaneous campaigns, Aeon cards and the electric money WAON.

This April, we integrated the AEON Group's leasing functions under Aeon Mall, and we will seek to expand profits by enhancing our capabilities to invite and support tenants. We plan to integrate the Aeon Group's mall management and operation functions under Aeon Mall through a property management contract arrangement to expand our operations.

In China and ASEAN businesses, we plan to push ahead with preparations for new mall openings and develop new facilities. In China, we established AEONMALL (CHINA) CO., LTD., a holding company that will centralize the functions of business investment and management (a holding company under Chinese Law) on September 13. At our local subsidiaries in Cambodia, Indonesia and Vietnam, we will enhance human capital to strengthen the management structure for business expansion.

On October 2, 2013, we resolved to transfer certain shopping malls that we own to Aeon REIT Investment Corporation, whose asset manager is Aeon Reit Management Co., Ltd., a wholly owned subsidiary of Aeon Co., Ltd., our parent company. We will implement our growth strategy flexibly, using funds that we will raise through the sale of assets. Meanwhile, we will improve asset efficiency and strengthen our financial base.

The effect of the transfer of assets on our results is minor, and we are not changing the full-year earnings projection for the fiscal year ending February 2014 stated in the Consolidated Financial Results for the Fiscal Year Ended February 28, 2013, announced on April 9, 2013.

*Please refer to the Notice Concerning Transfer of Assets, Lease of Fixed Assets, and Occurrence of Extraordinary Profit and Loss, which was announced on October 2, 2013.

2. Matters Regarding Summary Information (Notes)

(1) Material changes in consolidated subsidiaries during the period

HANGZHOU YUHANG LIANGZHU MALL REAL ESTATE DEVELOPMENT CO., LTD. and PT. AMSL DELTA MAS are included in the scope of consolidation, as these companies were established during the first half under review.

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements

Not applicable

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

Not applicable

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of February 28, 2013	As of August 31, 2013
Assets		
Current assets:		
Cash and deposits	33,312	38,190
Notes and accounts receivable—trade	2,261	2,513
Other current assets	27,521	38,995
Allowance for doubtful receivables	–	(5)
Total current assets	63,095	79,694
Fixed assets:		
Property, plant and equipment:		
Building and structures, net	276,947	312,953
Land	177,065	202,818
Other, net	18,356	22,856
Total property, plant and equipment	472,369	538,629
Intangible assets:	3,326	3,327
Investments and other assets:		
Lease deposits paid	52,792	48,854
Other	39,397	48,332
Allowance for doubtful receivables	(94)	(80)
Total investments and other assets	92,095	97,105
Total fixed assets	567,791	639,062
Total assets	630,887	718,756

(Million yen)

	As of February 28, 2013	As of August 31, 2013
Liabilities		
Current liabilities:		
Notes and accounts payable—trade	4,432	8,950
Bonds due within one year	10,000	–
Current portion of long-term debt	31,397	25,566
Income taxes payable	9,501	8,416
Allowance for employee bonus	608	413
Allowance for director and auditor performance-based remuneration	48	54
Provision for store closing expenses	–	300
Other current liabilities	67,627	102,522
Total current liabilities	123,614	146,223
Long-term liabilities:		
Straight bonds	48,200	48,200
Long-term debt	130,548	126,227
Accrued retirement benefits to employees	199	210
Asset retirement obligations	6,235	6,295
Lease deposits from lessees	103,633	106,991
Other long-term liabilities	678	355
Total long-term liabilities	289,495	288,281
Total liabilities	413,110	434,505
Net assets		
Shareholders' equity:		
Common stock	16,691	42,194
Capital surplus	17,000	42,502
Retained earnings	177,790	187,117
Treasury stock, at cost	(28)	(80)
Total shareholders' equity	211,454	271,734
Accumulated other comprehensive income:		
Net unrealized gain on available-for-sale securities	329	395
Foreign currency translation adjustment	3,261	8,747
Total accumulated other comprehensive income	3,591	9,142
Stock acquisition rights	141	168
Minority interests	2,588	3,206
Total net assets	217,776	284,251
Total liabilities and net assets	630,887	718,756

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

(Quarterly consolidated statements of income)

(For the six months ended August 20, 2012 and August 31, 2013)

(Million yen)

Six months ended	August 20, 2012	August 31, 2013
Operating revenue	77,046	85,540
Operating costs	51,188	56,511
Gross profit	25,857	29,028
Selling, general and administrative expenses	6,950	8,641
Operating income	18,907	20,387
Non-operating profits:		
Interest income	205	317
Compensation paid by departing tenants	104	225
Other non-operating profits	62	203
Total non-operating profits	372	746
Non-operating expenses:		
Interest expenses	1,267	1,285
Other non-operating expenses	257	175
Total non-operating expenses	1,525	1,460
Ordinary income	17,753	19,673
Extraordinary gains:		
Other extraordinary gains	0	0
Total extraordinary gains	0	0
Extraordinary losses:		
Impairment losses	745	149
Provision for store closing expenses	300	–
Loss on sales of fixed assets	0	1
Loss on disposal of fixed assets	90	45
Other extraordinary losses	10	135
Total extraordinary losses	1,147	331
Income before income taxes and minority interests	16,606	19,341
Income taxes		
—Current	7,859	8,218
—Deferred	(686)	(211)
Total income taxes	7,173	8,006
Income before minority interests	9,433	11,335
Minority interests in net income	33	15
Net income	9,400	11,319

(Quarterly consolidated statements of comprehensive income)

(For the six months ended August 20, 2012 and August 31, 2013)

(Million yen)

Six months ended	August 20, 2012	August 31, 2013
Income before minority interests	9,433	11,335
Other comprehensive income		
Net unrealized gain on available-for-sale securities	28	65
Foreign currency translation adjustment	53	5,269
Total other comprehensive income	82	5,334
Comprehensive income	9,516	16,669
Comprehensive income attributable to:		
Owners of the Company	9,483	16,870
Minority interests	33	(200)

(3) Quarterly consolidated statements of cash flows

(Million yen)

Six months ended	August 20, 2012	August 31, 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	16,606	19,341
Depreciation and amortization	10,496	11,939
Impairment losses	745	149
Increase (decrease) in provision for store closing expenses	300	–
Interest and dividend income	(219)	(332)
Interest expenses	1,267	1,285
Decrease (increase) in receivable—trade accounts	605	(182)
Decrease (increase) in other current assets	(6,274)	(1,707)
Increase (decrease) in payable—trade accounts	1,161	4,422
Increase (decrease) in other current liabilities	7,836	13,059
Other, net	1,191	1,501
Subtotal	33,717	49,476
Interest and dividends received	40	116
Interest paid	(1,168)	(1,327)
Payments for loss on disaster	(1,185)	–
Income taxes paid	(7,183)	(9,343)
Net cash provided by operating activities	24,220	38,922
Cash flows from investing activities:		
Purchase of property, plant and equipment	(13,658)	(53,171)
Purchase of investment securities	(280)	–
Payment of lease deposits to lessors	(207)	(1,609)
Reimbursement of lease deposits to lessors	704	1,075
Repayment of lease deposits from lessees	(1,794)	(3,312)
Proceeds from lease deposits from lessees	2,750	3,354
Other payments	(1,596)	(13,605)
Other proceeds	201	6,837
Net cash used in investing activities	(13,880)	(60,431)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial paper	(12,655)	–
Proceeds from long-term debt	25,400	6,000
Repayment of long-term debt	(17,184)	(16,736)
Proceeds from issue of bonds	25,000	–
Redemption of bonds	–	(10,000)
Proceeds from issuance of common stock	–	50,759
Purchase of treasury stock	(0)	(52)
Dividends paid	(1,992)	(1,992)
Dividends paid to minority shareholders	(6)	(6)
Other	–	821
Net cash provided by financing activities	18,562	28,793
Foreign currency translation adjustments on cash and cash equivalents	13	3,035
Net increase (decrease) in cash and cash equivalents	28,916	10,319
Cash and cash equivalents at beginning of the period	8,440	39,292
Cash and cash equivalents at end of the period	37,356	49,612

(4) Notes on the going concern assumption

Not applicable

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

The Company carried out a capital increase through a public offering whose payment date was June 19, 2013, and a capital increase through a private placement whose payment date was July 12, 2013. Through the capital increases, common stock and capital surplus each increased 25,500 million yen, and at the end of the first half of the fiscal year under review, common stock and capital surplus stood at 42,194 million yen and 42,502 million yen, respectively.

(6) Segment information

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