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Financial Results for the Three Months ended May 31, 2015

July 8, 2015

Company name	**Aeon Co., Ltd.**
Listings	The First Section of Tokyo Stock Exchange
Security code	8267
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Scheduled dates:	
Submission of statutory quarterly financial report	July 15, 2015
Commencement of dividend payments	-
Supplementary materials to the quarterly results	Available
Quarterly earnings results briefing	Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Three Months ended May 31, 2015 (March 1, 2015 to May 31, 2015)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended May 31, 2015	2,019,417	17.9	34,913	55.4	35,784	42.2	5,020	283.1
Three months ended May 31, 2014	1,713,032	17.2	22,471	(35.3)	25,167	(34.0)	1,310	(90.1)

Note: Comprehensive income: Three months ended May 31, 2015: 27,909 million yen (342.5 %)
Three months ended May 31, 2014: 6,306 million yen (-85.8 %)

	Net income per share	Net income per share – fully diluted
	yen	yen
Three months ended May 31, 2015	6.01	5.89
Three months ended May 31, 2014	1.56	1.43

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
May 31, 2015	8,203,572	1,871,801	14.7	1,447.05
February 28, 2015	7,859,803	1,829,980	15.3	1,443.97

Note: Total equity: May 31, 2015: 1,209,366 million yen February 28, 2015: 1,206,306 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.

2. Dividends

Record date or period	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended February 28, 2015	-	14.00	-	14.00	28.00
Year ending February 29, 2016	-				
Year ending February 29, 2016 (forecast)		14.00	-	14.00	28.00

Note: No changes were made to the latest release of dividend forecasts

*Dividend for the year ended February 28, 2015:

End-second quarter: ordinary dividend of 13 yen and commemorative dividend of 1 yen

Fiscal year-end: ordinary dividend of 13 yen and commemorative dividend of 1 yen

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	8,000,000	13.0	175,000	23.8	165,000	8.2	42,500	1.0	50.87

Note: No changes were made to the latest release of earnings forecasts

***Notes**

(1) Changes affecting the consolidation status of significant subsidiaries during the period: None

(2) Use of accounting methods specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:

1) Changes in accordance with amendments to accounting standards: Yes
2) Changes other than the above 1): None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

*For details, see "(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement" on page 6 in section "2. Other Information" in the Accompanying Materials.

(4) Number of shares issued (common stock)

1) Number of shares issued at end of period (treasury stock included):
May 31, 2015: 871,924,572 shares
February 28, 2015: 871,924,572 shares

2) Number of shares held in treasury at end of period:
May 31, 2015: 36,176,545 shares
February 28, 2015: 36,514,815 shares

3) Average number of shares outstanding during the period:
Three months ended May 31, 2015: 835,551,997 shares
Three months ended May 31, 2014: 838,036,620 shares

* The Company's stock held by Employee Stock Ownership Plan Trust (May 31, 2015: 5,765,400 shares, February 28, 2015: 6,118,700 shares) is included in the number of shares held in treasury.

***Quarterly review status**

This report is exempt from the quarterly review of accounts requirements of Japan's Financial Instruments and Exchange Act. As of this report's publication, the quarterly review of the quarterly financial results had not been completed.

***Appropriate Use of Earnings Forecasts and Other Important Information**

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.
For the assumptions underlying the forecasts herein and other information on the use of earnings forecasts, refer to "(3) Consolidated Earnings Forecast" on page 6 in section "1. Review of Operating Results and Financial Statements" in the Accompanying Materials.

Accompanying Materials

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1. Review of Operating Results and Financial Statements
(1) Analysis of Operating Results

Summary of Operating Results

For the first three months of the fiscal year ending February 29, 2016 (March 1, 2015 ~ May 31, 2015), Aeon Co., Ltd. reported consolidated operating income of 34,913 million yen (up 55.4% year on year) on consolidated operating revenue of 2,019,417 million yen (up 17.9% year on year), both of which are record highs for the first quarter. The company earned consolidated ordinary income of 35,784 million yen (up 42.2% year on year) and consolidated net income of 5,020 million yen (up 283.1% year on year).

During the first quarter, the Japanese economy demonstrated a recovery trend, as Japanese exporters posted strong earnings amid yen depreciation and the stock market remained robust. In terms of personal consumption, consumer sentiment showed improvement amid lower gasoline prices and a stronger employment environment. The future outlook remained unclear, however, due to the small improvement in personal income, which is the basis for consumer activity.

In this environment, in order to achieve further growth and strengthen financial results, Aeon continued to pursue a common Group strategy of accelerating the shift to Asian markets, urban markets, senior-oriented markets, and digital markets, and promoting product-oriented reforms. Aeon concentrated management resources in these future growth areas, while also implementing general merchandise store (GMS) business reforms, supermarket business reforms and other initiatives to address key management issues.

Promotion of Common Group Strategy:

- In March 2015, Aeon Retail Co., Ltd. separated its Acolle small-scale discount store chain, which operates 117 stores in Tokyo, Saitama Prefecture and Chiba Prefecture, and its R.O.U sundries specialty store chain, which operates 13 stores primarily in Aeon shopping centers, into new companies. The separation of these two businesses creates dynamic management structures which can strengthen the chains' response to diversifying lifestyles and customer needs. The companies will promote the opening of a large number of stores in metropolitan regions where population continues to rise, helping to rapidly build dominant strategic positions in these key markets.
- In May, Aeon Co., Ltd. and Aeon Mall Co., Ltd. opened AEON MALL BSD CITY, one of the largest shopping centers in the BSD district located southwest of the capital Jakarta and the first Aeon shopping center in Indonesia. The BSD district is a major mixed-use development area with promising economic growth, featuring residential housing, shopping centers, universities, large exhibition halls, and other facilities. The opening of a new mall in the district provides Aeon with a strong business foothold in a country, while furthering Aeon's aim of realizing fast growth and higher earnings in the ASEAN region.

Initiatives to Resolve Major Issues:

- Aeon is reorganizing the operational and organizational structure of its retail operations in Japan with the aim of building a structure to become the "best local" retailer in each region. To implement this policy, Daiei, Inc. decided in April to conclude basic agreements with Aeon Hokkaido Corporation, Maxvalu Hokkaido Co., Ltd., Aeon Kyushu Co., Ltd., Maxvalu Kyushu Co., Ltd. and Aeon Retail Co., Ltd. to transfer a part of its GMS and supermarket businesses to these five companies.
- Aeon Fantasy Co., Ltd., a consolidated subsidiary operating amusement facilities for children, and Fun Field Co., Ltd., a wholly owned subsidiary of Daiei, Inc. operating family amusement facilities, agreed at their respective Board of Directors meetings in March 2015 to sign a merger agreement under which Aeon Fantasy will be the surviving

company. The merger will create Japan's largest amusement facility operations business in terms of revenues, enabling the merged company to achieve unparalleled competitiveness by maximizing integration synergies and accelerating its expansion in and outside of Japan.

Business Segment Information

GMS Business

The GMS Business posted an operating loss of 4,790 million yen (a year-on-year decline of 3,967 million yen) on operating revenue of 662,811 million yen (down 2.5% year on year) for the first three months of the fiscal year.

Aeon Retail Co., Ltd. implemented organizational reforms to enhance its on-site capabilities. Among the initiatives, the company delegated authority to regional companies and assigned personnel mainly to the merchandising departments, while increasing sales floor staffing to improve customer service. Based on the new organizational structure, Aeon Retail continued to promote sales floor specialization, strengthen private brand product, and raise store competitiveness by refurbishing existing stores. Additionally, the company strove to expand earnings by deepening its community-rooted management, such as improving product selection to include more local fresh foods and developing products which are limited to a region. Aeon Retail's same-store sales in the first three months declined 2.7% year on year (apparel sales declined 3.5%, food sales declined 0.9%, and housing and recreational product sales declined 6.4% year on year). Although March year-on-year sales were impacted by the consumption surge in the previous year ahead of the April 2014 consumption tax hike, same-store sales in April and May posted large year-on-year increases. Directly-operated stores' gross profit margin declined 0.6 points from the same period of the previous year due mainly to slumping sales of seasonal apparel products. As a result of higher operational efficiency and other efforts to control costs, SG&A expenses at existing stores declined by 0.1% year on year.

Supermarket and Discount Store Business

The Supermarket and Discount Store Business posted operating income of 2,965 million yen (up 7,238 million yen year on year) on operating revenues of 767,692 million yen (up 28.6% year on year) in the first three months of the fiscal year.

Maxvalu Hokkaido Co., Ltd. strengthened its responsiveness to customers' thriftiness and desire for low prices by expanding the number of products offered in "Yasui Ne!" sales promotions, which feature overwhelmingly low prices. The company also enhanced its customer-drawing ability by continuing campaigns to expand the number of WAON e-money users.

Maxvalu Tohoku Co., Ltd. enhanced its "4 p.m. delicatessens" to feature an optimal selection of ready-to-eat evening meals, while expanding the range of delicatessen foods to meet customers' heightened health-consciousness. The company also bolstered "Kayo-ichi (Tuesday Sale)," "Suiyo-ichi (Wednesday Sale)," and other special sales day promotions, leading to a significant improvement in earnings.

Maxvalu Tokai Co., Ltd. promoted "Jimono-no-hi" local products fairs with regional characteristics, while expanding selections of quick and easy foods, such as ready-to-eat meals, frozen foods, and pre-prepared and processed foods, to improve responsiveness to customers' changing lifestyles. As a result, the company logged higher revenues and operating income.

Small-sized Store Business

The Small-sized Store Business recorded operating income of 221 million yen (up 959 million yen year on year) on operating revenues of 84,331 million yen (up 15.9% year on year) for the first three months of the fiscal year.

In Japan, Ministop Co., Ltd. raised the competitiveness of existing convenience stores by improving its lineup of in-store-prepared fast foods and revamping its lineup of chilled lunches and cold noodles, while also refurbishing stores with new coffee machines and other equipment. The company's in-store-prepared fast foods business, which remains Ministop's main strength, posted robust results. The chain's soft-serve vanilla ice cream won a gold quality award from Monde Selection for the second straight year, while its HALOHALO ice dessert celebrated its 20th anniversary, helping cold dessert results exceed business plan by a wide margin. The strength of the in-store-prepared fast foods business underpinned Ministop's overall results, and daily same-store sales in the first quarter rose 0.5% year on year. Overseas, the company continued to open new stores in Korea and China, and including store networks in the Philippines, Vietnam, and Indonesia, the company had 2,572 overseas stores at the end of the first quarter.

Drugstore and Pharmacy Business

The Drugstore and Pharmacy Business recorded operating income of 3,384 million yen (up 513.4% year on year) on operating revenues of 143,680 million yen (up 257.9% year on year) for the first three months of the fiscal year.

Welcia Holdings Co., Ltd. (became a consolidated subsidiary in November 2014) strove to build a highly profitable business model by promoting such store refurbishment initiatives as establishing dual-purpose drugstores and pharmacies, offering late-night operating hours, and providing counseling sales services and nursing. With the aim of bolstering its business foundation in Japan, Welcia Holdings also converted Takiya Co., Ltd. and SHIMIZU YAKUHIN CO., LTD, which are based in the Kansai region, into wholly owned subsidiaries in March.

With the aim of creating a highly competitive store model, CFS Corporation refurbished existing stores to enhance the pharmacy sections and frozen and daily foods lineups, while relocating stores to raise profitability. These initiatives led to higher profitability. The company also expanded its ancillary services by adding Automated External Defibrillator (AED) and blood testing services and installing automated teller machines (ATMs). As a result of these activities, the company posted record operating revenues and operating income.

Financial Services Business

The Financial Services Business earned operating income of 12,455 million yen (up 28.0% year on year) on operating revenue of 84,618 million yen (up 13.9% year on year) for the first three months of the fiscal year.

In the credit card business, Aeon Financial Service Co., Ltd. increased credit card shopping transaction volume by continuing to solicit new credit cardholders, while offering zero-interest installment payment campaigns and leveraging Group networks to implement sales promotions, such as holding joint promotions with specialty stores at Aeon Group shopping centers. In the credit card cash advance business, the company increased customer convenience and expanded opportunities for customers to use its services by allowing small transactions at ATMs and by expanding partner banks in the repayment programs.

Overseas, the Financial Services Business expanded mainly around the business of three major listed subsidiaries in Hong Kong, Thailand, and Malaysia. Additionally, in Indonesia, the business began soliciting new credit cardholders at the AEON MALL BSD CITY, the Group's first shopping center in the country. In the e-money business, locally rooted initiatives included the issuance of the "Gotouchi WAON," which donates a percentage of money spent to local governments and other organizations, and the "Soccer Daisuki WAON," which were newly issued in collaboration with J-League professional soccer teams with the purpose of promoting regional communities through soccer. As a result of these activities, cumulative issuance of WAON cards grew to approximately 50.11 million cards as of May 31, 2015, with WAON

e-money transaction volume in the three-month period totaling approximately 503.9 billion yen, a steady 9.2% year-on-year increase.

Shopping Center Development Business

The Shopping Center Development Business earned operating income of 11,340 million yen (up 16.3% year on year) on operating revenue of 66,350 million yen (up 12.5% year on year) in the first three months of the fiscal year.

Aeon Mall Co., Ltd. opened AEON MALL Okinawa Rycom, a full-fledged resort mall in Okinawa Prefecture, as well as AEON MALL Asahikawa Ekimae located in a multi-purpose building adjoining Asahikawa Station in Hokkaido Prefecture. The company also renovated five existing shopping centers during the first quarter. In Japan, Aeon Mall introduced new tenants and encouraged existing tenants to reform their business models and transfer to new locations as part of large-scale refurbishments of its shopping centers. Furthermore, the company strove to raise customer-drawing power by implementing sales promotions utilizing Aeon Card, WAON, and other Group infrastructure, as well as holding customer participation-style events. Overseas, the company opened AEON MALL Suzhou Yuanqu Hudong as its second shopping center in Suzhou, Jiangsu Province, while making preparations to open its first shopping centers in Guangdong Province, Zhejiang Province, and Hanoi, Vietnam.

Services and Specialty Store Business

The Services and Specialty Store Business posted operating income of 7,776 million yen (up 3.2% year on year) on operating revenue of 186,516 million yen (up 1.9% year on year) in the first three months of the fiscal year.

Aeon Delight Co., Ltd. promoted its comprehensive facilities management services (FMS) business among medical facilities and financial institutions in Japan, and at Aeon Group commercial facilities in China. Aiming for further growth, the company bolstered its overseas business foundation by opening a new branch in Hanoi, Vietnam.

G Foot Co., Ltd. expanded store openings in Group facilities and enhanced its product lineup for visiting foreign tourists. Sales of the popular U.S. brand “Keds,” for which the company signed an exclusive Japan distributor agreement, were strong in the period. As a result of these activities, profitability increased strongly.

International Business

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

The International Business earned operating income of 744 million yen (up 196.0% year on year) on operating revenue of 117,438 million yen (up 26.9% year on year).

In Vietnam, Aeon reached capital and business tie-up agreements with supermarket chain operators FIVIMART Co. and CITIMART Co. in January 2015 in order to share know-how on improving responsiveness to local customer needs and product procurement. In Malaysia, Aeon enhanced price appeal and expanded product lineups, mostly for food, sundries and other convenience goods, to prepare for a spending surge before the introduction of a goods and service tax on April 1. As a result, Malaysian retailing companies Aeon Co. (M) Bhd. andAEON BIG (M) SDN. BHD. posted strong results for the period. In China, Aeon strove to expand sales by enhancing product lineups and sales floor promotions for the Chinese New Year. Aeon Mall Co., Ltd. made steady progress on opening AEON MALL Suzhou Yuanqu Hudong in May.

(2) Consolidated Financial Condition

Consolidated Assets, Liabilities, and Net Assets as of May 31, 2015

Consolidated assets at May 31, 2015 totaled 8,203,572 million yen, an increase of 343,769 million yen, or 4.4%, from the end of the previous fiscal year (February 28, 2015). The increase was chiefly attributable to increases of 153,283 million yen in loans and bills discounted for banking business, 113,268 million yen in notes and accounts receivable - trade, which consists mostly of installment plan accounts receivable at financial subsidiaries, and 90,394 million yen in property, buildings and equipment, which includes the assets of newly consolidated Kasumi Co., Ltd. and its subsidiaries.

Consolidated liabilities at May 31, 2015 totaled 6,331,771 million yen, an increase of 301,948 million yen, or 5.0%, from February 28, 2015. The increase was chiefly attributable to increases of 77,272 million yen in notes and accounts payable - trade, which includes the liabilities of newly consolidated subsidiaries and financial subsidiaries, 80,010 million yen in other current liabilities including deposits received, and 55,388 million yen in short-term borrowings.

Consolidated net assets at May 31, 2015 totaled 1,871,801 million yen, an increase of 41,821 million yen, or 2.3%, from February 28, 2015.

(3) Consolidated Earnings Forecast

The earnings forecast for the year ending February 29, 2016 is unchanged from the forecast announced April 9, 2015.

*Since Aeon Co., Ltd. is a pure holding company, non-consolidated forecasts are not disclosed.

2. Other Information

(1) Changes affecting the status of significant subsidiaries during the period: None

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

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:

(Accounting standards for retirement benefits)

Effective the first three month of the fiscal year ending February 29, 2016, the Company adopted the main clause of paragraph 35 of *Accounting Standard for Retirement Benefits* (ASBJ Statement No. 26, May 17, 2012) and the main clause of paragraph 67 of *Guidance on Accounting Standard for Retirement Benefits* (ASBJ Guidance No. 25, May 17, 2012). In accordance with this, some of the consolidated subsidiaries of the Company reviewed the calculation method for retirement benefit obligations and service cost. As a result, the method for attributing expected pension benefits to periods of employee service was switched from the straight-line attribution to the benefit formula, and the discount rate was also switched from the previous discount rate calculated based on the average period up to the estimated timing of benefit payment to a single weighted average discount rate that mainly reflects the estimated timing and amount of each benefit payment.

The ASBJ Statement No. 26 and the ASBJ Guidance No. 25 are applied with transitional treatments stipulated in paragraph 37 of the ASBJ Statement No.26. As of the beginning of first three month of the fiscal year ending February 29, 2016 (March 1, 2015), impact of the change in calculation method was reflected in retained earnings.

As a result, as of the beginning of first three month of the fiscal year ending February 29, 2016 , net defined benefit asset was 1,684 million yen lower, net defined benefit liability was 2,389 million yen higher, and retained earnings was 3,244 million yen lower.

The impacts of this change on income and per share information for the first three months of the fiscal year ending February 29, 2016 were minor.

(Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts)

Effective the first three month of the fiscal year ending February 29, 2016, the Company adopted *Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts* (PITF No.30, December 25, 2013).

There is no impact of this change on accounting policy.

(4) Additional Information

(Accounting treatment for issuance cost of credit card by domestic consolidated subsidiaries)

The Company’s domestic consolidated subsidiaries that operate financial services business previously applied the accounting treatment under which issuance cost of credit card is expensed in full when incurred. These subsidiaries, however, decided changeover of credit card to integrated-circuit card (ICC) that can accumulate more customer information and moved forward the timing of renewal to ICC. As the changeover to ICC undoubtedly pushes up the asset value of ICC-related assets, the accounting treatment was also changed for the issuance cost of ICC issued in or after July 2014. Under the new treatment, ICC issuance cost is recorded in assets and amortized over validity period of the cards.

As a result, for the first three month of the fiscal year ending February 29, 2016, operating income, ordinary income and income before income taxes and minority interests were each 847 million yen higher compared with what would have been under the previous accounting method.

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

The Company has introduced Employee Stock Ownership Plan Trust (“ESOP Trust”), which is an incentive scheme that provides the Company’s work force with ownership interest in the Company to further enhance the corporate value over the mid-to-long term.

The Company’s stock held by ESOP Trust is included in treasury stock under net assets with the book value of 7,316 million yen for 5,765,400 shares as of May 31, 2015. The book value of long-term debt (including the current portion) that was recorded in accordance with the adoption of the gross accounting method was 7,800 million yen.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
	Amount	Amount
Assets		
Current assets		
Cash and time deposits	811,176	723,610
Notes and accounts receivable - trade	1,054,676	1,167,944
Marketable securities	194,220	216,638
Merchandise inventories	557,331	551,038
Deferred tax assets	45,070	48,245
Financial loan	319,995	328,485
Loans and bills discounted for banking business	1,027,659	1,180,942
Other	256,430	277,991
Allowance for doubtful accounts	(48,938)	(51,762)
Total current assets	4,217,621	4,443,134
Fixed assets		
Property, buildings and equipment		
Buildings and structures, net	1,371,993	1,394,085
Tools, furniture and fixtures, net	192,256	202,475
Land	763,257	794,863
Construction in progress	88,896	113,520
Other, net	50,824	52,678
Total property, buildings and equipment	2,467,229	2,557,624
Intangible fixed assets		
Goodwill	191,035	195,246
Software	61,752	65,131
Other	49,191	50,515
Total intangible fixed assets	301,979	310,892
Investments and other assets		
Investment securities	211,579	223,585
Net defined benefit asset	43,183	42,916
Deferred tax assets	77,933	76,562
Fixed leasehold deposits to lessors	418,090	424,960
Other	149,249	151,117
Allowance for doubtful accounts	(27,064)	(27,220)
Total investments and other assets	872,972	891,921
Total fixed assets	3,642,181	3,760,438
Total assets	7,859,803	8,203,572

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	946,674	1,023,947
Deposits for banking business	1,936,605	1,968,682
Short-term borrowings	232,167	287,556
Current portion of long-term debt	225,367	233,052
Bonds due within one year	42,448	22,653
Convertible bonds with stock acquisition rights due within one year	-	40
Commercial paper	63,000	68,659
Income taxes payable	42,809	28,458
Provision for bonuses	18,525	34,235
Provision for store closing expenses	4,267	4,175
Allowance for point program	24,278	23,811
Other allowances	1,121	446
Notes payable, construction	102,273	75,714
Other	648,592	728,603
Total current liabilities	4,288,130	4,500,038
Long-term liabilities		
Bonds	294,978	327,034
Convertible bonds with stock acquisition rights	90	50
Long-term debt	917,819	965,361
Deferred tax liabilities	39,452	41,287
Provision for store closing expenses	6,891	7,485
Allowance for loss on refund of interest received	4,844	4,237
Other allowances	6,534	6,427
Net defined benefit liability	51,081	50,937
Asset retirement obligations	70,510	73,242
Lease deposits from lessees	261,080	266,923
Other	88,407	88,745
Total long-term liabilities	1,741,691	1,831,732
Total liabilities	6,029,822	6,331,771

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
	Amount	Amount
Net assets		
Shareholders' equity		
Common stock	220,007	220,007
Capital surplus	316,894	316,894
Retained earnings	609,125	599,126
Treasury stock	(44,235)	(43,807)
Total shareholders' equity	1,101,792	1,092,221
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	49,573	63,715
Deferred gain (loss) on derivatives under hedge accounting	(3,144)	(3,256)
Foreign currency translation adjustments	37,587	35,643
Remeasurements of defined benefit plans	20,497	21,042
Total accumulated other comprehensive income	104,513	117,144
Stock acquisition rights	1,910	2,095
Minority interests	621,763	660,340
Total net assets	1,829,980	1,871,801
Total net assets and liabilities	7,859,803	8,203,572

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

Consolidated Statements of Income

(Millions of yen)

	Three months ended May 31, 2014	Three months ended May 31, 2015
	Amount	Amount
Operating revenue		
Net sales	1,503,626	1,788,663
Operating revenue in the financial services business	66,002	75,389
Other operating revenue	143,403	155,364
Total operating revenue	1,713,032	2,019,417
Operating costs		
Cost of sales	1,103,419	1,311,004
Operating costs in the financial services business	6,124	8,911
Total operating costs	1,109,544	1,319,916
Gross profit on sales	400,206	477,659
Gross profit from operations	603,487	699,501
Selling, general and administrative expenses	581,015	664,588
Operating income	22,471	34,913
Other income		
Interest income	748	856
Dividend income	312	257
Equity in gains of equity-method affiliates	1,544	468
Other	4,753	4,558
Total other income	7,358	6,141
Other expenses		
Interest expense	2,940	3,530
Other	1,722	1,739
Total other expenses	4,663	5,270
Ordinary income	25,167	35,784
Extraordinary gains		
Gain on step acquisitions	-	7,473
Reversal of provision for store closing expenses	1,219	-
Other	1,266	1,879
Total extraordinary gains	2,486	9,352
Extraordinary losses		
Impairment loss	1,499	1,908
Provision for store closing expenses	972	1,564
Other	1,239	2,034
Total extraordinary losses	3,711	5,507
Income before income taxes and minority interests	23,941	39,628
Income taxes		
Current	17,851	21,921
Deferred	(2,823)	1,861
Total income taxes	15,027	23,782
Income before minority interests	8,914	15,846
Minority interests	7,603	10,825
Net income	1,310	5,020

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended May 31, 2014	Three months ended May 31, 2015
	Amount	Amount
Income before minority interests	8,914	15,846
Other comprehensive income		
Unrealized gain on available-for-sale securities	3,548	14,912
Deferred gain (loss) on derivatives under hedge accounting	(755)	(840)
Foreign currency translation adjustments	(5,399)	(2,936)
Remeasurements of defined benefit plans	-	988
Share of other comprehensive income of equity-method affiliates	(0)	(61)
Total other comprehensive income	(2,607)	12,063
Comprehensive income	6,306	27,909
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,581	17,651
Comprehensive income attributable to minority interests	4,724	10,257

(3) Notes on the Going-concern Assumption

Not applicable

(4) Segment Information

I. Three Months ended May 31, 2014 (March 1 – May 31, 2014)

Operating revenue and income/loss by reportable segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket, and Discount Store	Small-sized Store	Drugstore and Pharmacy	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	664,608	594,277	71,383	40,038	66,002	43,959	140,645
(2) Intersegment revenue or transfers	15,217	2,731	1,373	107	8,280	14,998	42,343
Total	679,825	597,009	72,757	40,146	74,283	58,958	182,989
Segment income (loss)	(822)	(4,272)	(738)	551	9,730	9,747	7,533

	Reportable segment		Other*1	Total	Adjustments *2,3	Reported in the quarterly consolidated statements of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	92,353	1,713,269	1,835	1,715,105	(2,072)	1,713,032
(2) Intersegment revenue or transfers	163	85,216	1,388	86,605	(86,605)	-
Total	92,516	1,798,486	3,224	1,801,710	(88,678)	1,713,032
Segment income (loss)	251	21,981	(516)	21,465	1,006	22,471

Notes: 1. "Other" segment includes business segments not categorized as reportable segments, such as digital business, etc.

2. Main components of the minus 2,072 million yen in adjustments for revenue attributable to customers are (a) minus 18,178 million yen in adjustments to transactions reported in the reportable segment information and (b) 16,064 million yen in operating revenues of Group companies attributable to Aeon Group merchandise supply that does not fall into any of the business segments.

3. Main components of the 1,006 million yen in adjustments for segment income (loss) are (a) 850 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments, (b) 43 million yen in income of Group companies attributable to Aeon Group merchandise supply that does not fall into any of the business segments, and (c) minus 87 million yen in intersegment transaction eliminations.

4. Segment income adjustments are based on operating income reported in the quarterly consolidated statements of income for the corresponding period.

II. Three Months Ended May 31, 2015 (March 1 – May 31, 2015)

1. Operating revenue and income/loss by reportable segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket, and Discount Store	Small-sized Store	Drugstore and Pharmacy	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	647,176	764,639	82,946	143,600	75,389	49,427	141,715
(2) Intersegment revenue or transfers	15,635	3,052	1,385	80	9,229	16,923	44,801
Total	662,811	767,692	84,331	143,680	84,618	66,350	186,516
Segment income (loss)	(4,790)	2,965	221	3,384	12,455	11,340	7,776

	Reportable segment		Other*1	Total	Adjustments *2,3	Reported in the quarterly consolidated statements of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	117,149	2,022,042	1,532	2,023,575	(4,157)	2,019,417
(2) Intersegment revenue or transfers	289	91,397	1,192	92,590	(92,590)	-
Total	117,438	2,113,440	2,725	2,116,165	(96,747)	2,019,417
Segment income (loss)	744	34,098	(909)	33,188	1,724	34,913

Notes: 1. "Other" segment includes business segments not categorized as reportable segments, such as digital business, etc.

2. Main components of the minus 4,157 million yen in adjustments for revenue attributable to customers are (a) minus 18,790 million yen in adjustments to transactions reported in the reportable segment information and (b) 14,542 million yen in operating revenues of Group companies attributable to Aeon Group merchandise supply that does not fall into any of the business segments.

3. Main components of the 1,724 million yen in adjustments for segment income (loss) are (a) 2,101 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments, (b) 452 million yen in income of Group companies attributable to Aeon Group merchandise supply that does not fall into any of the business segments, and (c) minus 289 million yen in intersegment transaction eliminations.

4. Segment income adjustments are based on operating income reported in the quarterly consolidated statements of income for the corresponding period.

2. Change in reportable segment

In order to tackle with new management challenges, the Company has promoted the Group-wide structural reforms to the next stage. Along the lines of the Company's basic policies, namely autonomous management by operating companies, deeper community-rooted management, and promotion of priority Group challenges, the Company implemented organizational reforms to further strengthen the solid management system of the Aeon Group.

In line with this, effective the first three months of the fiscal year ending February 29, 2016, the Company's business segments have been reorganized: "Supermarket, Discount Store and Small-size Store" business is split into "Supermarket and Discount Store" business and "Small-sized Store" business; and "ASEAN" and "China" are unified to "International" business. With respect to changes in primary Group companies, Daiei Inc. and its subsidiaries, which were included in "GMS" Business, have been reclassified into the "Supermarket and Discount Store" business. Furthermore, the "Drugstore and Pharmacy" business, which was included in "Other," has been reported separately as a new reportable segment because of its higher importance. The segment amounts for the three months of the fiscal year ended February 28, 2015 have been recast to conform to the current period presentation.

(5) Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

(6) Material Subsequent Events

Issuance of corporate bonds

Aeon Co., Ltd. issued bonds based on the decision made on June 2, 2015 by the Representative Executive Officer. Details are summarized below.

(1)	Name of bonds	Aeon Co., Ltd. Unsecured Bonds (with special pari passu conditions among bonds), series 21
(2)	Total amount of bonds	15,000 million yen
(3)	Amount of each bond	100 million yen
(4)	Coupon rate	0.472%
(5)	Issue price	100 yen per face value of 100 yen
(6)	Date of issuance	July 2, 2015
(7)	Method and due date for the redemption	Bullet bond, where the entire face value is paid at once on the maturity date of July 2, 2020
(8)	Collateral	The bonds are not secured or guaranteed. No assets are reserved for the bonds.
(9)	Use of proceeds	The proceeds will be used for payment of interest-bearing debt.

(1)	Name of bonds	Aeon Co., Ltd. Unsecured Bonds (with special pari passu conditions among bonds), series 22
(2)	Total amount of bonds	10,000 million yen
(3)	Amount of each bond	100 million yen
(4)	Coupon rate	0.749%
(5)	Issue price	100 yen per face value of 100 yen
(6)	Date of issuance	July 2, 2015
(7)	Method and due date for the redemption	Bullet bond, where the entire face value is paid at once on the maturity date of July 1, 2022
(8)	Collateral	The bonds are not secured or guaranteed. No assets are reserved for the bonds.
(9)	Use of proceeds	The proceeds will be used for payment of interest-bearing debt.

(1)	Name of bonds	Aeon Co., Ltd. Unsecured Bonds (with special pari passu conditions among bonds), series 23
(2)	Total amount of bonds	10,000 million yen
(3)	Amount of each bond	100 million yen
(4)	Coupon rate	1.073%
(5)	Issue price	100 yen per face value of 100 yen
(6)	Date of issuance	July 2, 2015
(7)	Method and due date for the redemption	Bullet bond, where the entire face value is paid at once on the maturity date of July 2, 2025
(8)	Collateral	The bonds are not secured or guaranteed. No assets are reserved for the bonds.
(9)	Use of proceeds	The proceeds will be used for payment of interest-bearing debt.