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Financial Results for the Nine Months ended November 30, 2016

January 11, 2017

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	January 16, 2017
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 Nine Months ended November 30, 2016 (March 1, 2016 to November 30, 2016)

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

	Operating revenue		Operating income		Ordinary income		Profit (loss) attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended November 30, 2016	6,099,860	1.1	85,376	5.6	85,040	3.7	(17,256)	-
Nine months ended November 30, 2015	6,036,049	18.9	80,851	63.8	81,988	43.9	(17,474)	-

Note: Comprehensive income: Nine months ended November 30, 2016: (12,265) million yen (-%)
Nine months ended November 30, 2015: 16,988 million yen (-79.4%)

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Nine months ended November 30, 2016	(20.61)	-
Nine months ended November 30, 2015	(20.91)	-

Note: Even though the Company has dilutive shares, earnings per share - fully diluted for the nine months ended November 30, 2015 and 2016 is not indicated because a net loss per share was reported for the periods.

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
November 30, 2016	8,674,751	1,783,832	12.5	1,295.64
February 29, 2016	8,225,874	1,819,474	13.9	1,364.57

Note: Total equity: November 30, 2016: 1,085,528 million yen February 29, 2016: 1,141,794 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.

2. Dividends

	Dividend per share				
Record date or period	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended February 29, 2016	-	14.00	-	14.00	28.00
Year ending February 28, 2017	-	15.00	-		
Year ending February 28, 2017 (forecast)				15.00	30.00

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

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2017 (March 1, 2016 to February 28, 2017)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Profit (loss) attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	8,400,000	2.7	190,000	7.4	185,000	3.0	10,000	66.4	11.95

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 7 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):
November 30, 2016: 871,924,572 shares
February 29, 2016: 871,924,572 shares
2) Number of shares held in treasury at end of period:
November 30, 2016: 34,092,329 shares
February 29, 2016: 35,181,560 shares

3) Average number of shares outstanding during the period:
Nine months ended November 30, 2016: 837,235,853 shares
Nine months ended November 30, 2015: 835,880,841 shares

* The Company's stock held by Employee Stock Ownership Plan Trust (November 30, 2016: 3,723,900 shares, February 29, 2016: 4,794,600 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 7 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 nine months of the fiscal year ending February 28, 2017 (March 1, 2016 – November 30, 2016), Aeon Co., Ltd. (hereinafter "Aeon") posted year-on-year increases in consolidated operating revenue and operating income. Consolidated operating revenue totaled 6,099,860 million yen (up 1.1% year on year), while consolidated operating income totaled 85,376 million yen (up 5.6% year on year). Loss attributable to owners of the parent totaled 17,256 million yen (an improvement of 218 million yen year on year), reflecting a significant 7,720 million yen year-on-year improvement for the third quarter alone. Six of the eight business segments (Supermarket and Discount Store Business, Financial Services Business, Drugstore and Pharmacy Business, Services and Specialty Store Business, Small-sized Store Business, and Shopping Center Development Business) posted year-on-year increases in operating income to contribute to consolidated performance. This reflected the success of ongoing business portfolio diversification begun previously in response to customers' changing needs and lifestyles.

Promotion of Common Group Strategy:

- From June, Aeon began a new Group-wide point service, WAON POINT, and newly issued the WAON POINT Card for cash payments. The new program is gradually merging the separate point card programs operated by each Group company. As of the end of August, the number of WAON POINT Card users had surpassed 30 million, including new card users. WAON POINT is an exceptionally social- and public-oriented service. Besides purchases at participating stores, users can accumulate points through walking and other health-promotion activities, as well as through environmental protection activities, while using their points to make donations and for other social contributions. Aeon is promoting close collaboration in each region of Japan to make the common point service a foundation for local communities.
- In June, Aeon established Aeon Saveur Co., Ltd. based on an agreement with Picard Surgelés SAS (head office: Paris, France), which operates small-scale frozen food supermarkets in Europe, primarily France, to jointly pursue the full-scale launch of the "Picard" frozen-food supermarkets in Japan. On November 23, the company opened the "Picard Aoyama Kottodori Store" and then the "Picard Azabujuban Store" on December 9 as Japan's first specialty frozen foods supermarkets. Backed by the management philosophy of "delicious meals anytime, for everyone, 365 days a year," the new chain's delicious and attractive products—prepared using the most advanced frozen foods technologies—have elicited a positive customer response.
- In June, Aeon established Bio c'Bon Japon Co.,Ltd. as a joint venture with Marne & Finance Europe (head office: Brussels, Belgium), which operates small-scale organic supermarkets "Bio c'Bon" in Europe, primarily France. The venture opened its first store, Bio c'Bon Azabujuban Store, on December 9. The store features a delicatessen area with an open kitchen where customers can purchase and enjoy organic foods at the store, including ready-to-eat meals and sandwiches. Customers are responding positively to the chain's proposals for new organic lifestyles.
- As part of the strategic shift to Asian markets, Aeon established Aeon Orange Co., Ltd. (hereinafter "Aeon Orange") in the fast-growing market of Myanmar as a joint venture with local company Creation Myanmar Group of Companies Limited (hereinafter "CMGC"), which manages supermarkets, specialty stores, real-estate and other businesses. In August, Aeon Orange acquired 14 stores from CMGC affiliate Hypermart Asia Co., Ltd. to launch supermarket operations, and on September 30, the company opened its first store

as a new company, Aeon Orange North Okkalapa Store, in Yangon City, the country's largest city.

- Aeon is striving to build local ecosystems based on a new framework for regional development that unites a wide range of community members, from residents to governments and corporations. As part of the program, Aeon launched a mobile sales van on November 17 in the Kotehashidai district of Hanamigawa Ward, Chiba City, to serve customers who have difficulty traveling to stores for daily shopping. The company also signed an agreement with Chiba Kita police station to help preserve a safe and secure environment for the community in addition to shopping support.

Business Segment Information

GMS Business

The GMS (General Merchandise Store) Business posted an operating loss of 35,020 million yen (a year-on-year decline of 9,180 million yen) on operating revenue of 2,221,398 million yen (up 7.9% year on year) for the first nine months of the fiscal year. Although performance was impacted by the transfer of stores from The Daiei, Inc. (hereinafter "Daiei"), which operated under the Supermarket and Discount Store Business segment, the main operating companies including Aeon Retail Co., Ltd. (hereinafter "Aeon Retail"), Aeon Hokkaido Corporation (hereinafter "Aeon Hokkaido"), Aeon Kyushu Co., Ltd., and Sunday Co., Ltd. posted a steady improvement in profitability.

Aeon Retail continued to develop sales floors meeting customers' changing lifestyles and needs, while also actively making new proposals to customers. To support the growing number of working women and double-income households, the company introduced "Aeon Yoruichi" evening food promotions between 6 p.m. and 9 p.m. The promotion has proved popular with customers, leading to higher sales during the time period and helping to boost the company's overall operating revenues. Additionally, Aeon Retail became Japan's first major general retailer to launch a "Black Friday" sales event over three days between November 25 and 27. The event drew tremendous interest from consumers, with year-on-year same-store sales surging more than 15% during the period and apparel sales alone jumping more than 30%. Aeon Retail's same-store sales for the nine-month period declined 1.6% year on year (apparel sales declined 2.9%, food sales declined 0.8%, and housing and recreational product sales declined 2.1% year on year). The success of the new sales promotions and events, however, led to year-on-year sales increases of 1.1% in October and 1.3% in November. Gross profit margin improved by 1.0 points year on year due to the continued success of product and sales floor reforms which have been promoted since the previous fiscal year. Additionally, SG&A expenses at existing stores declined by 1.0% year on year. As a result, Aeon Retail's operating income improved by 1,264 million yen year on year for the third quarter and 1,371 million yen for the nine-month period.

Aeon Hokkaido completed a refurbishment of the Aeon Nayoro Store in September, which expanded sales floors supporting customers' "health" and "beauty" and the range of local products, while adding a new hobby section for children. By promoting this and other successful examples of store refurbishments across the company, Aeon Hokkaido achieved a 2.7% year-on-year increase in same-store sales for the third quarter. In November, the company completed a refurbishment of the Aeon Shin Sapporo Store taken over from Daiei. The store now offers a juice bar with fresh juices, a smaller apparel sales area and newly introduced liquor and flower shops as part of a bold floor redesign. In the period immediately after the reopening (November 25-30), the store posted a 35.6% increase in sales compared with the year-before period. As a result of these and other initiatives, Aeon Hokkaido increased operating revenues and operating income during the nine-month period.

Supermarket and Discount Store Business

The Supermarket and Discount Store Business posted operating income of 16,038 million yen (up 113.9% year on year) on operating revenues of 2,158,101 million yen (down 5.8% year on year) for the first nine months of the fiscal year. Excluding the impact of the transfer of Daiei's GMS stores to GMS operational companies, the business posted a year-on-year increase in operating revenues.

Daiei, which is concentrating its operations in Tokyo metropolitan area and Keihanshin area (the Kyoto-Osaka-Kobe metropolitan area) and focusing its business on food, refurbished eight stores during the period. Sales at stores that have been refurbished since the second half of fiscal 2014 are approximately 10% higher year on year compared with stores that have not been refurbished, reflecting the positive response among urban customers for the ongoing reforms. Daiei's same-store gross profit margin increased by 0.8 point year on year due to reduced markdowns and other improvements resulting from enhanced sales floor management, while the company also continued to make progress in its structural reform program, which includes rationalization of head office expenses and productivity improvements As a result, Daiei achieved a large improvement in operating profitability.

United Super Markets Holdings Inc. (hereinafter "U.S.M.H.") continued to promote joint procurement among its three subsidiaries aimed at lowering the cost of sales of products, implement cost-reduction measures to lower store materials and fixtures expenses, and take other measures to enhance Group synergy. The three subsidiaries held joint sales promotions during the period which contributed to higher customer traffic. In October, consolidated subsidiary Kasumi Co., Ltd. built a meat processing center within its Sakura distribution center in Sakura City, Chiba Prefecture. The new center will raise logistics efficiency and expand capacity for processed meats to serve the planned growth in the number of stores.

Maxvalu Tokai Co., Ltd. (hereinafter "Maxvalu Tokai") focused initiatives on strengthening product freshness. For agricultural products, the company shortened delivery time from farms to stores, while for marine products, it established supply routes from producers at ports. Maxvalu Tokai also continued measures to expand sales of local products by developing new products using local materials and supporting the development of local goods producers. In response to customers' heightened interest in health, the company promoted proposal-style sales floors by introducing unified sales promotion materials for its health and wellness sales sections.

Small-sized Store Business

The Small-sized Store Business recorded operating income of 3,037 million yen (up 48.6% year on year) on operating revenues of 287,025 million yen (up 5.8% year on year) for the first nine months of the fiscal year.

In Japan, Ministop Co., Ltd. posted a year-on-year increase in operating revenue on higher royalties and sales at directly operated stores. Operating income declined, however, due to higher selling and administrative expenses resulting from active new store openings and refurbishment of existing stores. Ministop Korea Co., Ltd. (hereinafter "Ministop Korea") posted a year-on-year decline in operating revenue in yen terms due to the impact of foreign exchange rates, while revenues grew on a local-currency basis owing to growth in the number of stores. Ministop Korea's operating income declined due to higher selling and administrative expenses linked to the enlargement of stores.

My Basket Co., Ltd. (hereinafter "My Basket") posted higher operating revenues and operating income. The company enhanced its fresh foods and delicatessen products and improved sales floor layouts while implementing training for services and customer engagement techniques. My Basket also strove to raise profitability by generating Group synergy through the use of logistics networks and other means.

Drugstore and Pharmacy Business

The Drugstore and Pharmacy Business recorded operating income of 15,638 million yen (up 26.6% year on year) on operating revenues of 465,605 million yen (up 5.7% year on year) for the first nine months of the fiscal year.

Welcia Holdings Co., Ltd. (hereinafter "Welcia Holdings") and its consolidated subsidiaries actively promoted the "Welcia Model" through refurbishment of existing stores. The company raised the percentage of drugstores offering prescription drugs, while promoting 24 hour stores to enhance customer convenience. These and other measures raised sales of the prescription drugs section and led to higher same-store sales. B.B.ON Co., Ltd., a consolidated subsidiary of Welcia Holdings, actively promoted new initiatives, including the opening of new urban-style drugstores in Nihonbashi, Tokyo, and Kawaramachi, Kyoto. In order to raise business efficiency, Welcia Yakkyoku Co., Ltd. carried out a merger of CFS Corporation on September 1.

Financial Services Business

The Financial Services Business earned operating income of 41,428 million yen (up 16.6% year on year) on operating revenue of 271,716 million yen (up 5.2% year on year) for the first nine months of the fiscal year.

During the period, Aeon Financial Service Co., Ltd. (hereinafter "Aeon Financial Service") continued to take initiatives to improve work efficiency through digitalization of operations on a global scale, enhance product and service convenience, and optimize the balance sheet to improve profitability. In the credit card business, the company launched the "Aeon Wallet" smartphone application in September, allowing customers to confirm and manage their credit card balances and payment information, Aeon Bank account balances, and WAON POINT balances from a single application. The application also delivers special coupons and campaign information from Aeon stores and other participating stores to customers' smartphones.

In the banking business, Aeon Bank, Ltd. continued to expand its branch network by opening a new branch at Aeon Style Higashitotsuka (Kanagawa Prefecture) in September, raising the total number of branches to 134. To expand the housing loan business, the bank strengthened promotion of the Aeon Select Club featuring a daily 5% discount on purchases at Aeon Group stores and the online stores. In November, the bank launched a special promotion lowering fixed interest rate housing loans for new loan and refinancing customers.

In the overseas business, in order to expand the number of Aeon credit cardholders, the business improved the range of special offerings to make the cards more appealing while also promoting digitalization through the use of tablet devices and digital signage.

In the fee-based services business, measures were taken to further develop the network of WAON participating stores offering products and services closely related to customers' daily needs and lifestyles. As a result of these and other activities, cumulative issuance of WAON e-money cards grew to approximately 62.1 million cards as of the end of the third quarter, with WAON e-money transaction volume in the period totaling approximately 1,570,900 million yen, a 6.5% year-on-year increase.

Shopping Center Development Business

The Shopping Center Development Business earned operating income of 30,800 million yen (up 1.0% year on year) on operating revenue of 232,640 million yen (up 16.8% year on year) for the first nine months of the fiscal year.

Aeon Mall Co., Ltd. (hereinafter "Aeon Mall") opened three new shopping centers and refurbished 17 existing shopping centers in Japan during the period.

At shopping centers in Japan, Aeon Mall promoted the use of Aeon credit cards and WAON e-money cards in its sales promotions and held customer participation-style events. The company also launched a new three-day "Aeon Black Friday" promotion between November 25 and 27 at all shopping centers in Japan, leading to a strong boost in tenant sales. OPA Co., Ltd. (hereinafter "OPA"), which became a subsidiary of Aeon Mall in March, refurbished the Shinsaibashi OPA (Osaka Prefecture) in September, refocusing its theme from fashion to lifestyle proposals. In the overseas business, which promises to be a future growth driver, Aeon Mall opened Aeon Mall Binh Tan in July in Ho Chi Minh City as its fourth shopping center in Vietnam, followed by Aeon Mall Hebei Yanjiao in November in Sanhe City, Hebei Province, China, the company's first shopping center in the Province. All 17 existing shopping centers

continued to perform well, and eight of the shopping centers turned profitable. As a result, the profitability of the overseas business continued to improve.

Services and Specialty Store Business

The Services and Specialty Store Business posted operating income of 20,093 million yen (up 8.5% year on year) on operating revenue of 575,139 million yen (up 4.3% year on year) for the first nine months of the fiscal year.

In the facilities management business, Aeon Delight Co., Ltd. (hereinafter "Aeon Delight") earned new orders for maintenance and inspection work, while also expanding orders for fluorocarbon management outsourcing to help customers reduce their environmental burden. In the facility construction business, Aeon Delight strengthened its design services structure to establish a system capable of managing comprehensive work orders related to refurbishment, from facility restoration to temporary enclosures, design, and interior management, mainly for commercial facilities. As a result, the company steadily expanded construction orders, mainly for commercial facility refurbishment, maintenance, and repair.

Regarding Aeon Fantasy Co., Ltd. (hereinafter "Aeon Fantasy") , in Japan the company posted higher sales of amusement machines, which have risen since September 2015, while product same-store sales rose year on year in September 2016 for the first time in 31 months. The company actively replaced amusement machines at outlets of Fun Field Co., Ltd., which merged into Aeon Fantasy in June 2015, to enhance their appeal. Additionally, the branding at former Fun Field outlets was changed to Mollyfantasy. Owing to these initiatives, monthly same-store sales at outlets previously management by Fun Field rose year on year from July. Overall, Aeon Fantasy posted a strong 11.5% year-on-year increase in Japan for the nine-month period. Regarding Aeon Fantasy's overseas business, 59 new outlets were opened in six countries during the period. In November, the company opened theme-based indoor playground FANPEKKA as its first outlet in Malaysia and has enjoyed stronger-than-expected sales.

International Business

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

The International Business posted operating revenue of 298,223 million yen (down 6.2% year on year) and an operating loss of 6,698 million yen (a decline of 4,236 million yen year on year).

In Malaysia, Aeon Co. (M) Bhd. opened one of the largest shopping centers in the country, Aeon Mall Shah Alam, in Shah Alam, the capital of Selangor State, in March as a flagship shopping center. In May, the company opened Aeon Mall Kota Bharu, its first on the eastern coast of the Malay Peninsula as part of the strategy to develop new markets. The shopping center has enjoyed a positive response from local customers since its opening.

In ASEAN, Aeon Vietnam Co., Ltd. posted higher year-on-year operating revenues and operating income for the nine-month period to achieve profitability. In China, as part of its initiatives to raise earnings, Aeon Stores (Hong Kong) Co., Limited introduced the Aeon Style brand overseas by completely refurbishing its flagship stores into Aeon Style Kornhill in July and Aeon Style Whampoa in September. On the China mainland, the earnings of existing stores improved during the period as the business continued to take initiatives to strengthen the business foundation and bolster earnings.

(2) Consolidated Financial Condition

Consolidated Assets, Liabilities, and Net Assets as of November 30, 2016

Consolidated assets at November 30, 2016 totaled 8,674,751 million yen, an increase of 448,876 million yen, or 5.5%, from the end of the previous fiscal year (February 29, 2016). The increase was chiefly attributable to increases of 169,336 million yen in notes and accounts receivable-trade and 245,348 million yen in loans and bills discounted for banking business.

Consolidated liabilities at November 30, 2016 totaled 6,890,918 million yen, an increase of 484,519 million yen, or 7.6%, from February 29, 2016. The increase was chiefly attributable to increases of 283,481 million yen in deposits for banking business, 122,018 million yen in short-term borrowings, and 66,193 million yen in bonds (including bonds due within one year).

Consolidated net assets at November 30, 2016 totaled 1,783,832 million yen, a decline of 35,642 million yen, or 2.0%, from February 29, 2016. A main factor for the decline was a decrease of 32,819 million yen in foreign currency translation adjustments stemming from yen appreciation.

(3) Consolidated Earnings Forecast

The earnings forecast for the year ending February 28, 2017 is unchanged from the forecast announced on April 13, 2016.

*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 Business Combinations)

Effective the first three month of the fiscal year ending February 28, 2017, the Company adopted Revised Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013), Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013) and Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013). In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method under which, when the Company still holds control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition cost is expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after March 1, 2016, the beginning of the FY2016 ending February 28, 2017, the Company switched to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the financial statements for the fiscal year which encompasses the effective date of business combination. Furthermore, some changes were made to presentation of net income and other related accounting titles, and "minority interests" was changed to "non-controlling interest." Financial statements for the nine months ended November 30, 2015 and the fiscal year ended February 29, 2016 have been recast to reflect these presentation changes.

These accounting standards were adopted as of March 1, 2016, the beginning of the first three months of the fiscal year ending February 28, 2017, and are applied to the transactions took place on and after the adoption date with transitional treatments stipulated in paragraph 58-2(4) of the ASBJ Statement No.21, paragraph 44-5(4) of the ASBJ Statement No.22, and paragraph 57-4(4) of the ASBJ Statement No.7.

For reference, impact of these changes on the financial statements for the first nine months of the fiscal year ending February 28, 2017 was minor.

(4) Additional Information

(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 the treasury stock under net assets with the book value of 4,725 million yen for 3,723,900 shares as of November 30, 2016. The book value of long-term debt (including the current portion) recorded in accordance with the adoption of the gross accounting method is 4,200 million yen.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2016	As of November 30, 2016
	Amount	Amount
Assets		
Current assets		
Cash and time deposits	736,056	654,293
Call loans	-	25,000
Notes and accounts receivable - trade	1,094,906	1,264,243
Marketable securities	237,767	239,176
Merchandise inventories	575,620	595,627
Deferred tax assets	43,249	54,079
Financial loan	300,854	300,727
Loans and bills discounted for banking business	1,217,376	1,462,724
Other	281,518	280,657
Allowance for doubtful accounts	(51,409)	(54,103)
Total current assets	4,435,940	4,822,425
Fixed assets		
Property, buildings and equipment		
Buildings and structures, net	1,472,547	1,510,862
Tools, furniture and fixtures, net	209,414	225,729
Land	811,128	808,164
Construction in progress	67,142	70,853
Other, net	55,208	67,008
Total property, buildings and equipment	2,615,442	2,682,618
Intangible fixed assets		
Goodwill	181,806	169,836
Software	64,550	76,139
Other	55,473	53,492
Total intangible fixed assets	301,830	299,469
Investments and other assets		
Investment securities	195,658	213,227
Net defined benefit asset	7,976	8,558
Deferred tax assets	87,687	82,915
Fixed leasehold deposits to lessors	413,599	400,008
Other	192,045	186,577
Allowance for doubtful accounts	(24,304)	(21,049)
Total investments and other assets	872,661	870,237
Total fixed assets	3,789,934	3,852,325
Total assets	8,225,874	8,674,751

(Millions of yen)

	As of February 29, 2016	As of November 30, 2016
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	892,629	934,383
Deposits for banking business	2,116,171	2,399,653
Short-term borrowings	328,570	450,588
Current portion of long-term debt	280,662	298,222
Bonds due within one year	4,197	29,723
Convertible bonds with stock acquisition rights due within one year	-	50
Commercial paper	115,500	87,284
Income taxes payable	58,715	23,808
Provision for bonuses	24,496	47,695
Provision for store closing expenses	7,468	5,772
Allowance for point program	24,649	21,980
Oher allowances	1,373	1,145
Notes payable, construction	93,632	63,207
Other	583,900	630,275
Total current liabilities	4,531,966	4,993,793
Long-term liabilities		
Bonds	385,381	426,048
Convertible bonds with stock acquisition rights	50	30,000
Long-term debt	975,055	931,722
Deferred tax liabilities	36,410	42,000
Provision for store closing expenses	4,317	4,058
Allowance for loss on refund of interest received	4,474	1,953
Other allowances	6,302	6,136
Net defined benefit liability	27,432	25,494
Asset retirement obligations	75,119	77,640
Lease deposits from lessees	264,976	262,694
Other	94,912	89,374
Total long-term liabilities	1,874,432	1,897,124
Total liabilities	6,406,399	6,890,918

(Millions of yen)

	As of February 29, 2016	As of November 30, 2016
	Amount	Amount
Net assets		
Shareholders' equity		
Common stock	220,007	220,007
Capital surplus	316,894	316,349
Retained earnings	588,306	546,637
Treasury stock	(42,538)	(41,159)
Total shareholders' equity	1,082,670	1,041,835
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	42,815	56,877
Deferred gain (loss) on derivatives under hedge accounting	(5,237)	(2,412)
Foreign currency translation adjustments	21,651	(11,167)
Remeasurements of defined benefit plans	(104)	396
Total accumulated other comprehensive income	59,123	43,693
Stock acquisition rights	1,979	1,779
Non-controlling interest	675,700	696,524
Total net assets	1,819,474	1,783,832
Total net assets and liabilities	8,225,874	8,674,751

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

Consolidated Statements of Income

(Millions of yen)

	Nine months ended November 30, 2015	Nine months ended November 30, 2016
	Amount	Amount
Operating revenue		
Net sales	5,345,504	5,391,996
Operating revenue in the financial services business	230,585	240,710
Other operating revenue	459,959	467,152
Total operating revenue	6,036,049	6,099,860
Operating costs		
Cost of sales	3,909,225	3,915,960
Operating costs in the financial services business	22,726	21,625
Total operating costs	3,931,951	3,937,586
Gross profit on sales	1,436,278	1,476,035
Gross profit from operations	2,104,097	2,162,274
Selling, general and administrative expenses	2,023,246	2,076,897
Operating income	80,851	85,376
Other income		
Interest income	2,607	2,220
Dividend income	1,786	1,552
Equity in gains of equity-method affiliates	1,816	775
Other	13,049	13,270
Total other income	19,260	17,819
Other expenses		
Interest expense	10,787	10,995
Other	7,335	7,159
Total other expenses	18,123	18,155
Ordinary income	81,988	85,040
Extraordinary gains		
Gain on sale of fixed assets	4,784	4,038
Insurance income	64	1,537
Gain on transfer from business divestitures	-	469
Gain on step acquisition	7,473	-
Other	6,192	763
Total extraordinary gains	18,514	6,808
Extraordinary losses		
Impairment loss	13,255	5,197
Loss on disaster	-	2,074
Other	14,008	8,679
Total extraordinary losses	27,263	15,951
Income (loss) before income taxes	73,239	75,897
Income taxes		
Current	63,542	55,383
Deferred	(8,199)	(6,736)
Total income taxes	55,343	48,647
Profit (loss)	17,896	27,250
Profit attributable to non-controlling interest	35,370	44,506
Profit (loss) attributable to owners of the parent	(17,474)	(17,256)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended November 30, 2015	Nine months ended November 30, 2016
	Amount	Amount
Profit (loss)	17,896	27,250
Other comprehensive income		
Unrealized gain on available-for-sale securities	28,430	14,271
Deferred gain (loss) on derivatives under hedge accounting	(324)	4,388
Foreign currency translation adjustments	(29,043)	(58,835)
Remeasurements of defined benefit plans	114	806
Share of other comprehensive income of equity-method affiliates	(83)	(146)
Total other comprehensive income	(907)	(39,515)
Comprehensive income	16,988	(12,265)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(5,027)	(32,686)
Comprehensive income attributable to non-controlling interest	22,016	20,420

(3) Notes on the Going-concern Assumption

Not applicable

(4) Segment Information

I. Nine Months ended November 30, 2015 (March 1 – November 30, 2015)

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	1,945,248	2,279,318	267,108	440,434	230,585	148,934	418,514
(2) Intersegment revenue or transfers	113,993	12,361	4,244	239	27,629	50,230	132,861
Total	2,059,241	2,291,679	271,352	440,674	258,215	199,164	551,376
Segment income (loss)	(25,839)	7,499	2,043	12,354	35,523	30,496	18,523

	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	317,017	6,047,161	5,289	6,052,450	(16,400)	6,036,049
(2) Intersegment revenue or transfers	1,063	342,624	3,878	346,503	(346,503)	-
Total	318,080	6,389,785	9,168	6,398,953	(362,903)	6,036,049
Segment income (loss)	(2,461)	78,140	(2,704)	75,435	5,415	80,851

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

2. Main components of the minus 16,400 million yen in adjustments for revenue attributable to customers are (a) minus 51,348 million yen in adjustments to transactions reported in the reportable segment information and (b) 34,975 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 5,415 million yen in adjustments for segment income (loss) are (a) 5,068 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments, (b) 562 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 1,913 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. Nine Months ended November 30, 2016 (March 1 – November 30, 2016)

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	2,083,306	2,140,771	282,427	465,486	240,710	178,013	436,327
(2) Intersegment revenue or transfers	138,091	17,329	4,598	119	31,005	54,627	138,811
Total	2,221,398	2,158,101	287,025	465,605	271,716	232,640	575,139
Segment income (loss)	(35,020)	16,038	3,037	15,638	41,428	30,800	20,093

	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	296,840	6,123,883	4,611	6,128,495	(28,635)	6,099,860
(2) Intersegment revenue or transfers	1,383	385,967	9,093	395,061	(395,061)	-
Total	298,223	6,509,851	13,705	6,523,557	(423,696)	6,099,860
Segment income (loss)	(6,698)	85,318	(2,826)	82,491	2,884	85,376

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

2. Main components of the minus 28,635 million yen in adjustments for revenue attributable to customers are (a) minus 57,450 million yen in adjustments to transactions reported in the reportable segment information and (b) 28,676 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 2,884 million yen in adjustments for segment income (loss) are (a) 3,675 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments, (b) 128 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 1,092 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.

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

Not applicable