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Financial Results for the Fiscal Year ended February 28, 2019

April 10, 2019

Company name	**Aeon Co., Ltd.**
Listings	The First Section of Tokyo Stock Exchange
Security code	8267
URL	http://www.aeon.info/
Representative	Motoya Okada, President
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Scheduled dates:

Ordinary general meeting of shareholder	May 29, 2019
Commencement of dividend payments	May 7, 2019
Submission of statutory financial report	May 30, 2019

Supplementary materials to the financial results	Available
Fiscal year-end earnings results briefing	Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Fiscal Year ended February 28, 2019 (March 1, 2018 to February 28, 2019)

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

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended February 28, 2019	8,518,215	1.5	212,256	0.9	215,117	0.6	23,637	(3.6)
Year ended February 28, 2018	8,390,012	2.2	210,273	13.8	213,772	14.1	24,522	117.9

Note: Comprehensive income: Fiscal Year ended February 28, 2019: 36,604 million yen (-70.6%)
Fiscal Year ended February 28, 2018: 124,403 million yen (75.9%)

	Earnings per share	Earnings per share – fully diluted	Return on equity	Ordinary profit to total assets
	yen	yen	%	%
Year ended February 28, 2019	28.11	27.62	2.1	2.2
Year ended February 28, 2018	29.23	28.75	2.1	2.3

Reference: Equity in gains (losses) of equity-method affiliates:
Year ended February 28, 2019: 2,532 million yen
Year ended February 28, 2018: 3,839 million yen

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2019	10,049,680	1,875,364	10.9	1,299.32
February 28, 2018	9,452,756	1,916,737	12.2	1,371.60

Note: Total equity: February 28, 2019: 1,093,635 million yen February 28, 2018: 1,151,561 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.

(3) Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended February 28, 2019	469,874	(662,416)	143,792	814,479
Year ended February 28, 2018	463,911	(427,854)	28,641	870,013

2. Dividends

Record date or period	Dividend per share					Total dividends paid (full year)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended Feb. 28, 2018	-	15.00	-	15.00	30.00	25,250	102.6	2.2
Year ended Feb. 28, 2019	-	17.00	-	17.00	34.00	28,620	121.0	2.5
Year ending Feb. 29, 2020 (forecast)	-	18.00	-	18.00	36.00		121.2	

*Dividend for the fiscal year ending February 29, 2020: Ordinary dividend of 17.00 yen and commemorative dividend of 1.00 yen for interim period, and ordinary dividend of 17.00 yen and commemorative dividend of 1.00 yen for year-end.

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 29, 2020 (March 1, 2019 to February 29, 2020)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending Aug. 31, 2019	-	-	-	-	-	-	-	-	-
Full year	8,600,000	1.0	230,000	8.4	220,000	2.3	25,000	5.8	29.70

Note: Aeon has not disclosed earnings forecasts for the first six months

***Notes**

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

(2) 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

Note: For details, see "Changes in Accounting Policy" on page 25.

(3) Number of shares issued (common stock)
1) Number of shares issued at end of period (treasury stock included):
February 28, 2019: 871,924,572 shares
February 28, 2018: 871,924,572 shares
2) Number of shares held in treasury at end of period:
February 28, 2019: 30,227,327 shares
February 28, 2018: 32,347,411 shares
3) Average number of shares outstanding during the period:
Fiscal Year ended February 28, 2019: 840,914,879 shares
Fiscal Year ended February 28, 2018: 838,844,483 shares

* For the number of shares serving as basis for calculation of earnings per share (consolidated), see "Per Share Information" on page 33.

For Reference

1. Non-consolidated Financial Results for the Fiscal Year ended February 28, 2019 (March 1, 2018 to February 28, 2019)

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

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended February 28, 2019	56,424	(4.0)	37,899	(2.8)	17,643	(5.7)	17,668	4.3
Year ended February 28, 2018	58,766	(6.2)	38,995	(12.1)	18,701	(26.4)	16,941	41.0

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Year ended February 28, 2019	21.01	21.00
Year ended February 28, 2018	20.19	20.19

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2019	1,468,864	670,871	45.6	796.52
February 28, 2018	1,509,365	707,628	46.9	842.38

Note: Total equity: February 28, 2019: 670,490 million yen February 28, 2018: 707,315 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.

***Audit Status**

This report is not subject to audit by certified public accountant and audit firm.

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

(Note on the forward-looking statements)

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 forecasts herein, please refer to "(3) Outlook for the Fiscal Year ending February 29, 2020" on page 12.

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

1) Summary of Operating Results

For the fiscal year ended February 28, 2019 (March 1, 2018 – February 28, 2019), Aeon Co., Ltd. (hereinafter "Aeon") posted record-high consolidated operating revenue, operating profit, and ordinary profit. Consolidated operating revenue was 8,518,215 million yen (up 1.5% year on year), operating profit was 212,256 million yen (up 0.9% year on year), ordinary profit was 215,117 million yen (up 0.6% year on year), and profit attributable to owners of parent was 23,637 million yen (down 3.6% year on year). Looking at operating profit by segment, although summertime torrential rains and typhoons, a warm winter, and other unsettled weather affected the results of domestic retail operations, the overseas operating results of the Financial Services Business and Shopping Center Development Business and the results of the International Business, which consists of overseas retail operations, showed steady improvement and contributed to consolidated earnings.

Common Group Strategy:

- In March 2018, Aeon announced Aeon Decarbonization Vision 2050, a sustainable management initiative for achieving balance between the Group's growth and societal development, and declared that the Group would engage in initiatives to help realize a decarbonized society together with all of the Group's stakeholders. Furthermore, in October Aeon revised the content of the AEON Basic Policy on Human Rights to cover business partners and all other stakeholders involved in Aeon's business activities. Aeon Report 2018, an integrated report that describes these initiatives, was awarded a Grand Prize for Global Warming Countermeasures Reporting (Environment Minister's Award), one of the top awards in the environmental reporting category of the 22nd Environmental Communication Awards, in recognition of the easy-to-understand, precise presentation of information such as the targets and results of environmental initiatives.

- In October, Aeon entered into basic agreements for mergers of supermarket operations with subsidiaries in six regions of Japan in accordance with the Aeon Group Medium-term Management Plan. In advance of the Group companies in the other regions, Maxvalu Nishinihon Co., Ltd., Marunaka Co., Ltd., and Sanyo Marunaka Co., Ltd. (companies in the Chugoku and Shikoku regions that will merge their operations), entered into a share transfer agreement in December and began operations under a new integrated management structure on March 1, 2019. The integrated companies to be created in each region will aim to become the companies contributing the most to their local communities, while responding to the diversification of food preferences, such as preferences for low-priced food, healthy food, and local food, increasing demand for time-saving foods and ingredients, intensification of competition surrounding increasingly borderless food markets, and changes in the labor environment.

- In October, Aeon entered into a capital and business alliance agreement with Fuji Co., Ltd. Aeon and Fuji Co., Ltd., which share a common philosophy of contributing to people's lives and local communities, will pursue synergies in various areas, such as joint development of original private brand products for the Chugoku and Shikoku regions and initiatives to refurbish shopping centers and general merchandise stores, through collaboration that makes maximum use of one another's management resources. By promoting this partnership, they aim to form the leading business alliance in the Chugoku and Shikoku regions, which will enjoy the sustained support of customers in the regions, continue to contribute to the development of the regions, and by extension, make them companies where employees can continue to work with pride.

- In October, Aeon became the first retailer in Asia to begin offering products with

GLOBALG.A.P. Number labels (hereinafter "GGN label"), which identify farm products supplied from GLOBALG.A.P.-certified farms. GLOBALG.A.P. is an international certification system for farms that are committed to food safety and sustainable production management, including consideration of the environment and occupational safety. Offering GGN-labeled products has made it easy for customers to select in stores agricultural products produced at farms that engage in agricultural production process management compliant with international standards. Also, by strengthening partnerships with organic farm product producers nationwide, Aeon will create a mechanism for delivering affordably priced, fresh products to customers and aim to achieve the target of a 5% sales ratio of organic farm products set forth in the Sustainable Procurement Goals for 2020. Since November 2016, Aeon has been undertaking product development to restructure the Topvalu Gurinai line of environment- and people-friendly private-brand products into three lines, namely "Organic", "Natural", and "Free From", to respond to changes among nature-conscious customers keenly interested in health and green issues. As of February 2019, we have expanded the product selection to some 220 items in the Organic line, 150 items in the Natural line, and 105 items in the Free From line.

- In December, Aeon announced an equity investment in SIGNA Sports United GmbH (hereinafter "SSU"), the number-one sports e-commerce platform operator in Europe. SSU has sophisticated customer solutions capabilities derived from strengths such as expertise in bicycle assembly, automated logistics systems, and AI-driven optimal pricing utilizing proprietary software as well as personal customization of clothing. Through this investment, Aeon will take advantage of SSU's expertise in wide-ranging fields and accelerate the "digital shift" by proactively utilizing SSU's e-commerce business model and e-commerce expertise.

- In January, Aeon conducted a sale at some 420 Group stores to commemorate the impending coming into effect of the Japan-EU Economic Partnership Agreement (EPA). Taking advantage of economies of scale from Group joint procurement utilizing Cordon Vert Co., Ltd., a Group company that specializes in the import of alcoholic beverages, in February Aeon expanded the number of participating stores to approximately 3,000 and lowered prices of European wines across the board. Thanks in part to the impact of the pre-EPA sale, unit sales of European wine during the one-month period after the start of the sale increased by approximately 80% year on year, and the initiative proved highly popular among customers.

2) Business Segment Information

From the fiscal year under review, Aeon has revised the business segments presented as reportable segments, and the comparisons and analysis for the fiscal year are based on the revised segments. Also, the segment name Drugstore and Pharmacy Business has been changed to Health and Wellness Business.

GMS Business

The GMS Business posted operating profit of 11,515 million yen (up 2.3% year on year) on operating revenue of 3,080,630 million yen (largely unchanged year on year) for the fiscal year.

AEON Retail Co., Ltd. (hereinafter "Aeon Retail") opened 8 new stores during the period. Aeon Style Zama (Kanagawa Prefecture) opened in March, and focusing on its location in an area with many young family households busy with work and child-rearing, has prepared a fully featured eat-in space where customers can conveniently enjoy their favorite ready-to-eat food and bento (prepacked meals). Furthermore, the store provides highly convenient services that are closely attuned to customers' lifestyles. For instance, it has initiated a service that enables customers to receive products ordered on Aeon's online shopping site at the store. In November, Aeon Retail started full-scale provision of the in-store pickup service, which enables customers to pick up at stores merchandise ordered and paid for on Aeon's online shopping site, and offers the service at approximately 400 Aeon and Aeon Style stores in Honshu and Shikoku. Aeon

Style Sendai Oroshimachi (Miyagi Prefecture), which opened in September, has prepared a space where customers can play together with their children, centered on Miyagi Prefecture's first Kids Republic, a specialty store for infants and children, providing a facility where customers can enjoy a restful time with their children and fellow parent friends. In November, AEON Retail introduced "Obstetrics and Gynecology Online for Kids Republic", a service for Kids Republic App members that enables expectant mothers to discuss their worries and concerns with obstetrics and gynecology specialists and obstetric nurses, and the company also expanded opportunities for providing products and services necessary to families raising children through the app and an online shop in addition to physical stores. Aeon Retail also refurbished 29 existing stores. Aeon Style Itabashi (Tokyo), which converted to the Aeon Style format in early November, reinforced its food offering and introduced a large specialty store sales floor featuring Kids Republic, Glam Beautique, Home Coordy, and iC.

Aeon Hokkaido Corporation saw its clothing section sales substantially affected by a downturn in consumer sentiment, especially in the third quarter due to the Hokkaido Eastern Iburi Earthquake in September, and also as a result of unseasonable weather, such as record low temperatures in August and a delay in snowfall later in the year. Nevertheless, food section sales increased for an eighth consecutive year; there were strong sales from the My Basket small supermarket business, which made meticulous improvements to its product selection for each service area, and from the Internet sales business, which developed new services to increase customer convenience, such as smartphone capability and in-store pickup; and fourth-quarter clothing section sales were favorable. As a result of these and other factors, sales recovered to the prior-year level.

Supermarket Business

The Supermarket Business posted operating profit of 25,195 million yen (down 18.0% year on year) on operating revenues of 3,235,064 million yen (down 0.2%) for the fiscal year.

Maxvalu Hokkaido Co., Ltd. opened 2 new stores in the fiscal year and completed major refurbishment of 6 stores. When opening new stores, the company installed interior facilities and designed sales floor layouts that facilitate shopping at small sites in urban locations and prepared wide assortments of convenient products, instant foods, products for health-conscious customers, and other carefully selected merchandise suited to service area characteristics and customer needs. The company has also established instore eat-in spaces which are utilized by a large number of customers. In the areas of merchandise and sales, the company has devised initiatives to increase the freshness of vegetables, selling locally harvested "vegetables picked fresh this morning" and implementing a change in distribution involving direct shipping of a limited selection of products from producing areas to its own center for delivery to stores.

Maxvalu Kyushu Co., Ltd. opened 6 new stores, refurbished 15 stores, and revamped the merchandise displayed at 3 stores in the fiscal year and conducted a review of its merchandise mix and product lineup. In August, the company opened Shunsen Kobo (a marine products packaging center in Fukuoka) and began supplying sashimi, sushi, fresh fillets, and other products to six small stores in the Fukuoka city center in an effort to realize low-cost operation and enhance store earning capacity by reducing in-store work and alleviating labor shortages.

United Super Markets Holdings Inc. and its consolidated subsidiaries continued integrated purchasing of products in some categories and expanded joint merchandise planning and joint procurement. Furthermore, they implemented initiatives to reduce systems costs in ICT departments, cut costs through joint procurement of business materials and consumables and a review of electricity rate contracts, and curb labor costs, with a focus on total working hours. Maruetsu, Inc. pursued gross profit margin improvement by reviewing its purchasing structure and working to improve accuracy in purchasing and sales planning and also expanded introduction of semi-automatic self-checkout registers to 198 stores and introduced electronic shelf labels at 24 urban stores as labor-saving measures. It also expanded to 46 the number of stores with delicatessen areas featuring seasonal fresh ingredients as a response to the popularization of supermarket delicatessens. To increase customer convenience, Kasumi Co., Ltd. introduced Aeon's WAON e-money payment service in March and began a completely cashless store experiment at Kasumi Tsukuba University Store (Ibaraki Prefecture), which

opened in October.

Health and Wellness Business

The Health and Wellness Business recorded operating profit of 26,269 million yen (up 0.9% year on year) on operating revenues of 793,962 million yen (up 11.7%) for the fiscal year.

Welcia Holdings Co., Ltd. (hereinafter "Welcia Holdings") and its consolidated subsidiaries actively implemented the Welcia Model—built on the four pillars of drugstore and pharmacy, counseling, late-night operations, and nursing—by refurbishing existing stores and taking other actions. Same-store sales were strong thanks to expansion of the number of 24-hour stores (203 stores as of February 28) for the purpose of providing customers with peace of mind and enhanced convenience, and growth in prescription drug sales due to expansion of the number of stores offering prescription drugs (1,287 stores as of February 28). Welcia Holdings engaged in product development with health as the key development theme and, to enhance customer convenience, sold packaged lunches and ready-to-eat meals, expanded its receiving agent service, sold prepaid cards that can be used for online shopping, installed parcel pickup lockers, and actively responded to diversification of payment methods.

Welcia Holdings increased the number of group stores to 1,878 as of February 28, 2019 by opening 128 new stores, mainly in the high-priority Tohoku and Kinki regions, and by adding stores operated by IPPONDO Co., Ltd. and MASAYA Co., Ltd., which became subsidiaries.

Financial Services Business

The Financial Services Business earned operating profit of 70,839 million yen (up 1.5% year on year) on operating revenue of 436,565 million yen (up 7.0%) for the fiscal year.

In its domestic business operations, Aeon Financial Service Co., Ltd. (hereinafter "Aeon Financial Service") issued various new credit cards in the third quarter, such as Aeon Card (SKE48) and Aeon Card Select (Minions), for the purpose of acquiring new customer segments, mainly young people, a priority measure in the fiscal year under review. Aeon Financial Service worked to expand the revenue foundation through means including strengthening of reward point sales promotions at Aeon retail stores and other sales measures and collaboration with a major travel agent, and the number of active cardholders and credit card shopping transaction volume increased.

Loans and the balance of asset management products steadily increased as well. With regard to housing loans in particular, the opening of the Tokyo Yaesu Branch, mainly for the purpose of capturing housing loan demand in the Tokyo metropolitan area, as well as continuing provision of competitive special interest rate plans contributed to earnings expansion. There was an increase in the number of installment-type products offered in the asset management products portfolio: For instance, iDeCo, installment-type NISAs, and foreign-currency installment deposits (a new service). In addition, Aeon Financial Service sought to boost customer loyalty by starting a reward point program that enables customers to earn preferential interest rates in accordance with their transaction details.

With regard to systems (IT) investment, which was set as an objective in the medium-term management plan, a service for restoring credit cards with defective magnetic strips at ATMs was introduced, the first of its kind in Japan. This has led to a decrease in the number of calls received at the call center and contributed to improved work efficiency. The company also worked to improve customer convenience by expanding services provided through its smartphone apps, such as developing a smartphone household accounts app that makes possible asset management and introducing an app that makes it possible to complete some transactions simply by waving a smartphone near an Aeon Bank ATM.

Aeon Financial Service's international operations also achieved strong revenue and earnings by working to acquire new customer segments in each country and steadily implementing cost control, and other measures. Listed local subsidiaries in Hong Kong, Thailand, and Malaysia, issued new credit cards targeting medium- and high-income persons. Since the number of loan users for the auto loan business for low- and medium income earners that utilizes an IoT device initiated in the Philippines in July 2017 has steadily increased, the company introduced a similar service in Indonesia during the third quarter.

Shopping Center Development Business

The Shopping Center Development Business earned operating profit of 55,590 million yen (up 7.9% year on year) on operating revenue of 360,259 million yen (up 7.3%) for the fiscal year.

In Japan, Aeon Mall Co., Ltd. (hereinafter "Aeon Mall") completed floor expansion of 2 existing shopping centers, refurbished 6 shopping centers, and opened 4 new shopping centers in the fiscal year, including new-format mall THE OUTLETS HIROSHIMA (Hiroshima Prefecture). Aeon Mall Tsu-Minami (Mie Prefecture) opened in November following the rebuilding and expansion of Aeon Tsu Minami Shopping Center SUNVALLEY, which first opened in 1978 and closed in 2016. This mall aims to enhance customer convenience by introducing the latest digital content, such as installing digital signage at some 60 locations within the facility, including a 270-inch large LED vision system installed at an event plaza. Also, the Aeon Mall Black Friday sale was held at all Aeon malls nationwide for three days from November 23 to 25 with the aim of stimulating consumption demand in Japan. In the third year for the sale, the results were favorable, with customer traffic and sales exceeding the prior-year level during the sale period thanks to an increase in customer awareness of the sale and efforts to attract more customers through various events, such as offering limited-time prices on featured products again this year.

In overseas operations, positioned as a future growth driver, Aeon Mall opened three new malls during the fiscal year: Aeon Mall Yantai Jinshatan (Yantai City, Shandong Province, China), Aeon Mall Sen Sok City (Phnom Penh, Cambodia), and Aeon Mall Guangzhou Jinsha (Guangzhou City, Guangdong Province, China). Aeon Mall Guangzhou Jinsha, which opened in November, is located in an area where population growth can be expected accompanying progress with public transportation and housing development. Along with Aeon Mall Guangzhou Panyu Square (Guangzhou City, Guangdong Province), the first Aeon Mall in Guangzhou City, and Aeon Mall Foshan Dali (Foshan City, Guangdong Province), the first Aeon Mall in Foshan City, the new mall will reinforce Aeon Mall's dominant strategic position in the Guangdong area. All seven existing shopping centers opened in the ASEAN region up to the previous fiscal year achieved profitability, as did 10 of 17 shopping centers in China. Aeon Mall's overseas operations achieved growth in operating revenue to 44,617 million yen (up 36.8% year on year) and attained profitability, posting an operating profit of 546 million yen.

Services and Specialty Store Business

The Services and Specialty Store Business posted operating profit of 19,762 million yen (down 9.9% year on year) on operating revenue of 768,548 million yen (up 1.2% year on year) for the fiscal year.

Aeon Delight Co., Ltd. (hereinafter "Aeon Delight") instituted Aeon Delight Vision 2025 in October and declared its aspiration to be an environmental value creation company that resolves social issues, with safety and security, labor shortages, and the environment as the three pillars of its growth strategy in Asia.

As a safety and security initiative, immediately after the occurrence of an earthquake, torrential rains and typhoons in various areas of Japan, Aeon Delight established response headquarters and worked toward the early recovery of disaster-stricken areas through the provision of services such as building restoration work, extraordinary cleaning, and the delivery of supplies. To address labor shortages, the company began construction of the Aeon Delight Platform, which will provide optimal solutions to issues facing individual customers by gathering and accumulating data obtained inside and outside of facilities where the company provides services and analyzing it using AI. As an environmental initiative, the company began creating new electric power-based business for the purpose of rapidly establishing energy management services to include everything from the supply of energy required by local communities to energy-saving operation of facilities management.

Overseas, for the purpose of further expansion of the business in China, in October Aeon Delight made two core local operating companies wholly owned subsidiaries through acquisition of additional equity. Furthermore, in the ASEAN region, in December Aeon Delight acquired 90% of the shares of a cleaning company that does business in Indonesia. Going

forward, it will expand the acquired company's business domain and develop it into a facilities management company that will drive the ASEAN business.

Aeon Fantasy Co., Ltd., while opening new stores in Japan and overseas and undertaking new business development, refurbished existing stores and closed unprofitable stores. In domestic operations, the company opened 11 new stores, closed 22 stores, and undertook refurbishment and expansion of 43 stores. Molly Online, a new online crane-type game business introduced in March, achieved sales above the planned level and profitability in its first year, with original prizes available only from Aeon Fantasy proving highly popular. The company opened 35 new stores and closed 16 stores in its ASEAN operations, and opened 33 new stores, closed 16 stores, and refurbished 26 stores in its China operations.

International Business

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

The International Business posted operating profit of 3,414 million yen (improvement of 3,181 million yen from the previous fiscal year) on operating revenue of 437,567 million yen (up 4.5% year on year) for the fiscal year.

In Malaysia, Aeon Co. (M) Bhd. achieved sales above the prior-year level. Sales increased sharply after abolition of the 6% goods and services tax (GST) in June, and in response to the introduction of a sales and services tax in September, the company held a price freeze sale as a measure to combat purchasing restraint from September onward. In December, AEON BIG (M) SDN. BHD. opened a new store in Kuala Lumpur City as an experimental store that will serve as a model for future stores. GMS stores in the ASEAN countries held Black Friday sales on the fourth Friday of November and steadily increased their sales.

Aeon Vietnam Co., Ltd. achieved same-store sales growth of 9.7% year on year. The company expanded a line of clothing products developed in-house to achieve differentiation adapted to local needs, and clothing sales increased by 13.9% year on year. It also reinforced its offering of fresh foods in response to an increase in consumer purchasing behavior that reflects a preference for safe, worry-free, high-quality products. Consequently, sales of marine products, meat, and agricultural produce grew by 21.9%, 17.2%, and 13.6%, respectively, driving an overall increase in food sales of 14.4% year on year.

In China, sales increased and profitability improved thanks to the positive contribution of a cold wave in January and February to higher sales of winter clothing, a successful early response to the Lunar New Year sales season, and strong food sales driven by 52-week merchandizing centered on day of week promotions. Strong performance at Aeon Kornhill Store and Aeon Whampoa Store, Aeon Stores (Hong Kong) Co., Limited's flagship stores, which were completely refurbished in the Aeon Style format in 2016, drove the company's results.

3) Implementation of Corporate Governance During the Period

Aeon pursues management based on Basic Principles that incorporates a group-wide perspective, management that is transparent, sustainable, and stable, and ceaseless innovation with customers as the core and has adopted a company with a nomination committee and other committees system as the optimal corporate governance structure to put these into practice. Also, Aeon segregates management oversight and business execution and has instituted a governance system that realizes expeditious management decision-making through delegation of significant authority to executive officers. Aeon established the Audit Committee, Nomination Committee, and Compensation Committee, each consisting of a majority of outside directors, to ensure management transparency and objectivity.

Status of implementation of the Board of Directors and each committee

(*Denotes outside director)

	Meetings Held	Members	Main Functions
Board of Directors	8	Chairperson: Hiroshi Yokoo Motoya Okada, Yoshiki Mori,	● Oversee the work performance of the directors

		Akinori Yamashita, *Yukako Uchinaga, *Toru Nagashima, *Takashi Tsukamoto, *Kotaro Ohno, *Peter Child	and executive officers. ● Make decisions on matters stipulated under Article 416 of the Companies Act as well as matters that cannot be entrusted to the executive officers.
Audit Committee	9	Chairperson: *Kotaro Ohno *Yukako Uchinaga, *Toru Nagashima, *Takashi Tsukamoto	● Audit the work performance of the directors and executive officers. ● Decide the content of proposals to nominate, dismiss, or forgo the reappointment of the accounting auditor, which are submitted to the General Meeting of Shareholders.
Nomination Committee	3	Chairperson: *Yukako Uchinaga *Kotaro Ohno, *Peter Child, Motoya Okada	Decide the content of proposals for the nomination or dismissal of directors, which are submitted to the General Meeting of Shareholders.
Compensation Committee	5	Chairperson: *Toru Nagashima, *Takashi Tsukamoto, *Peter Child, Motoya Okada	Decide individual compensation, etc. received by directors and executive officers.

4) Fulfillment of Corporate Social Responsibility During the Fiscal Year

To promote management that respects humanity, one of the Aeon Basic Principles, in October 2018 Aeon revised the AEON Basic Policy on Human Rights. In the revised policy, Aeon has clearly indicated that it supports the UN's Guiding Principles on Business and Human Rights and that the policy covers business partners and all other stakeholders involved in Aeon's business activities and stipulated that Aeon will develop a process for verifying and improving the impact of Aeon's business activities on human rights and aim to realize a society in which human rights are respected. Also, accompanying the revision of the AEON Basic Policy on Human Rights, Aeon has reviewed and revised the social priority issues in the Aeon Sustainability Principle.

Aeon Sustainability Principle

Aeon aims to realize a sustainable society ensure Group growth based on our basic principle of "pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core."
In conducting activities, we will think globally and advance activities locally from both environmental and social viewpoints in actively pursuing sustainability with many different stakeholders.

Environment Priority Issues
- Realization of decarbonized society
- Conservation of biodiversity
- Better use of resources

Society Priority Issues
- Creating products and stores that meet society's expectations
- Implementing fair business practices based on respect for human rights
- Collaborating with communities

Toward Realization of a Sustainable Society

- In March 2018, Aeon instituted Aeon Decarbonization Vision 2050, an initiative to help realize a decarbonized society, and set an interim target of reducing CO_2 emissions by 35% compared to the fiscal 2010 level by 2030. Aeon aims to reduce total emissions of CO_2 and other greenhouse gases from the Group's stores to zero and has declared that it will work toward decarbonization together with all stakeholders, including the customers who use Group stores and business partners involved in the Group's businesses throughout the supply chain in areas such as product manufacturing and logistics. Furthermore, Aeon has become the first major retailer in Japan to participate in RE100, an international initiative with the objective of using 100% renewable energy for business operation.

- To help conserve biodiversity, Aeon promotes procurement of products produced in accordance with global standards, such as ASC-certified products (aquaculture farm products), MSC-certified products (natural fishery products), and FSC-certified products (forest products), under the Aeon Sustainable Procurement Policy and the Sustainable Procurement Goals for 2020. In June 2018, with a view to sustainable procurement, Aeon established Aeon's Eel Handling Policy and launched in Indonesia the world's first eel fishery improvement project.

- To promote recycling of resources, under Aeon Group's Food Waste Reduction Targets, Aeon aims to reduce food waste by half by 2025 and implement a food resource recycling model at 10 or more locations across Japan. To that end, Aeon has set up a promotion organization in each area and begun recycling efforts.

- With regard to community collaboration initiatives, Aeon has continuously engaged in activities together with customers to support organizations benefitting their communities. Aeon promotes the Happy Yellow Receipt Campaign, which donates goods to organizations worth 1% of collected shopping receipts, and is expanding the "regional WAON" card program, which supports local community development with a portion of the WAON e-money used. Aeon has also entered into comprehensive partnership agreements with local governments around Japan to support community safety, security, and vitalization and help raise the level of citizen services.

- The Aeon Environmental Foundation, established in 1990 under the Aeon Basic Principles, has provided assistance and support to organizations that engage in tree-planting activities and environmental activities in and outside Japan; publicly honored organizations and individuals that have contributed to biodiversity conservation; engaged in environmental education to foster environmental leaders; and engaged in collaborative projects with universities, governments, academic research institutions, and international specialist organizations around the world.

- Out of a desire to utilize profits received from customers to benefit society, major Aeon Group companies contribute 1% of their pretax profits to the Aeon 1% Club Foundation. Cumulative financial assistance to the foundation, which engages in activities for the sound development of youths, promotion of friendship with foreign countries, and sustainable development of local communities, has reached approximately 26,900 million yen since its establishment in 1989.

Activities to Assist Disaster-Stricken Areas

Under the slogan "Nigiwai Tohoku - Join Hands and Foster the Power of Hometown," Aeon is implementing various initiatives with the aim of transitioning from rebuilding after the Great East Japan Earthquake to a new stage of regional (hometown) re-creation. More than 300,000 employees have volunteered to participate in Project Aeon Joining Hands, a 10-year program in

which management and employees engage together in volunteer activities to support the effort to restore the Tohoku region. Also, the tree-planting activities target of 300,000 trees planted along the Tohoku coast was achieved in March 2019, when trees were planted in a coastal protection forest in the Sendai area.

(2) Analysis of Financial Condition

Consolidated Assets, Liabilities, Net Assets, and Cash Flows (millions of yen)

	Fiscal year to end-February,			
	2019	2018	2017	2016
Total assets	10,049,680	9,452,756	8,750,856	8,225,874
Interest-bearing debt	2,552,589	2,344,381	2,257,094	2,170,800
Breakdown:				
Interest-bearing debt of financial subsidiaries	905,802	809,773	823,800	796,448
Interest-bearing debt excluding that of financial subsidiaries	1,646,787	1,534,608	1,433,294	1,374,351
Net assets	1,875,364	1,916,737	1,862,410	1,819,474
Cash and cash equivalents, ending balance	814,479	870,013	802,099	700,511
Cash flow from operating activities	469,874	463,911	294,893	43,156
Cash flow from investing activities	(662,416)	(427,854)	(267,710)	(446,612)
Cash flow from financing activities	143,792	28,641	81,450	313,344

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of February 28, 2019 were 10,049,680 million yen, an increase of 596,924 million yen, or 6.3%, from the end of the previous fiscal year (February 28, 2018). The increase is mainly attributable to increases of 219,790 million yen in marketable securities held by financial subsidiaries, 169,513 million yen in notes and accounts receivable-trade, consisting mostly of installment plan accounts receivable at financial subsidiaries, and 145,671 million yen in loans and bills discounted for banking business.

Consolidated liabilities as of February 28, 2019 were 8,174,316 million yen, an increase of 638,297 million yen, or 8.5%, from February 28, 2018. The increase is mainly attributable to increases of 435,763 million yen in deposits for banking business and 208,208 million yen in interest-bearing debt.

Consolidated net assets as of February 28, 2019 were 1,875,364 million yen, a decrease of 41,372 million yen, or 2.2%, from February 28, 2018. The decrease is mainly attributable to a decrease of 30,309 million yen in unrealized gain on available-for-sale securities.

Consolidated Cash Flows

Cash and cash equivalents

The balance of cash and cash equivalents as of February 28, 2019 was 814,479 million yen, a decrease of 55,533 million yen, or 6.4%, from February 28, 2018.

Cash flow from operating activities

Net cash provided by operating activities was 469,874 million yen, an increase in cash provided of 5,962 million yen, or 1.3%, year on year. The increase in cash provided is mainly attributable to a decrease of 205,373 million yen in loans in banking business, which offset decreases of 126,220 million yen in other assets and liabilities and 72,800 million yen in deposits for banking business.

Cash flow from investing activities

Net cash used in investing activities was 662,416 million yen, an increase in cash used of 234,561 million yen, or 54.8%, year on year. The increase in cash used is mainly attributable to an increase of 591,497 million yen in purchase of marketable securities in banking business, which offset an increase of 378,508 million yen in proceeds from sale and redemption of marketable securities in banking business.

Cash flow from financing activities
Net cash provided by financing activities was 143,792 million yen, an increase of 115,151 million, or 402.0%, year on year. The increase in cash provided is mainly attributable to increases of 55,561 million yen in short-term bank loans and commercial papers and an increase of 30,373 million yen in proceeds from issuance of bonds.

(3) Outlook for the Fiscal Year Ending February 29, 2020

Consolidated Operating Results Forecast (millions of yen)

	Fiscal year to end-February,	
	2020 (forecast)	2019 (actual)
Operating revenue	8,600,000	8,518,215
Operating profit	230,000	212,256
Ordinary profit	220,000	215,117
Profit attributable to owners of the parent	25,000	23,637

As a corporate group with an everlasting innovative spirit, Aeon strives to realize sustainable management that balances growth for the Group and development of society. At the same time, we have instituted the Aeon Group Medium-term Management Plan, which began in the fiscal year ended February 28, 2018 and which sets out earnings structure reforms of existing businesses as well as Group-wide structural reforms toward new growth.

In December 2017, Aeon announced the Aeon Group Toward 2020 management policies, which further refined the medium-term management plan. The policies set forth a shift in Aeon's direction toward regional, digital, and Asian markets and a corresponding shift in investments. Following efforts in the previous fiscal year, Aeon will proceed with supermarket business management integration in each region of Japan, and Aeon Retail Co., Ltd., the Group's principal company in the GMS business, will proceed with reforms aimed at becoming a company that combines a strong food offering and highly specialized businesses. Also, Aeon will increase the allocation of investment to IT, logistics, and digitalization and strive to increase the Group's digital sales ratio and the proportion of Group operating profit generated overseas. Simultaneously, Aeon will implement and consider intensive management and strategic restructuring of Group companies to promote profitability improvement.

(4) Dividend Policy and Dividends for the Fiscal Year ended February 28, 2019 and the Fiscal Year ending February 29, 2020

1) Basic Medium- to Long-Term Policy
Aeon considers maintaining an optimal balance between providing shareholder returns and improving corporate value through medium- to long-term growth a key management priority and believes in returning profits to shareholders, whom it considers partners in business management.

(Dividends)
Aeon will implement a dividend policy that takes into consideration consolidated earnings results from the perspective of how to reward shareholders appropriately for capital invested. Specifically, Aeon has set a target of a consolidated dividend payout ratio of 30% while maintaining its annual dividend payment at or above the prior-year level and will strive for further earnings growth and shareholder returns.

(Use of internal reserves)
Aeon will utilize internal reserves as funds for growth investments essential for future business development and meet shareholder expectations through corporate value enhancement achieved from medium- to long-term growth.

2) Dividends for the Fiscal Year Ended February 28, 2019 and Starting Date for Dividend Payments
By resolution of the Board of Directors at a meeting held on April 10, 2019, the year-end dividend payment from retained earnings for the fiscal year ended February 28, 2019 will be 17 yen per share. The total annual dividend for the fiscal year will therefore be 34 yen per share, including the interim payment of 17 yen per share. The starting date for dividend payments (effective date) is Tuesday, May 7, 2019.

3) Dividend Forecast for the Fiscal Year Ending February 29, 2020
Aeon will celebrate the 50th anniversary of the founding of its forerunner, Jusco Co., Ltd., in 2020. To reward shareholders for their support over many years, Aeon plans to pay a dividend for the fiscal year ending February 29, 2020 of 36 yen per share, consisting of an ordinary dividend consisting of an interim payment of 17 yen per share and a year-end payment of 17 yen per share, in accordance with the basic policy outlined above, and a commemorative dividend consisting of an interim payment of 1 yen per share and a year-end payment of 1 yen per share.

2. Management Strategies and Policies

(1) Basic Policy on Management
Aeon's fundamental management principles are the pursuit of peace, respect for humanity, and contributions to local communities—with the customer's point of view as the core. On the basis of this unchanging philosophy, the Aeon Group focuses first and foremost on its customers and ensuring customer satisfaction, constantly innovating to promptly and precisely respond to changes in the external environment and customer needs.

Aeon aims to be a "glocal" company, meaning that management must both meet global quality standards and at the same time remain rooted in local communities.

From the viewpoint of corporate social responsibility (CSR), the company has instituted the Aeon Code of Conduct, a set of behavior guidelines and standards for decision-making for all Group employees to follow in their daily work activities. Aeon is instilling this code throughout the Group.

On the basis of this code, Aeon is striving to achieve long-term prosperity and growth by building excellent relationships with its customers, shareholders, business partners, local communities, and employees, while continuing to offer products and services that satisfy customers.

(2) Medium-term Management Strategy
Aeon Group's Sustainable Growth
In recent years, customer preferences and needs have increasingly diversified in ways including health orientation, low-price orientation, and growing interest in ethical consumption that takes into consideration the global environment and local communities. Also, the market presence of companies that principally engage in e-commerce businesses is further strengthening, and competition is intensifying. In this environment, to rapidly respond to customer changes as a corporate group with an everlasting innovative spirit, Aeon will implement a shift in direction toward regional, digital, and Asia markets, and a shift in investments to support this change of direction, as set forth as the direction for innovation in the Aeon Group's medium-term management policies (FY2018-2020) toward 2020, and will continue innovation with the aim of becoming the number-one company in each region and business field.

Organizational Structure Reforms
To increase the speed of implementation of the shift in direction toward regional, digital, and Asian markets, in the fiscal year ending February 28, 2019 Aeon has newly assigned three deputy presidents and representative executive officers: One to oversee each shift. Also, to reinforce the logistics and ICT platforms, Aeon will put in place a structure for expeditiously

resolving management issues and achieving business objectives by newly assigning personnel in charge of logistics and ICT, delegating authority, and clarifying responsibilities.

Promoting Diversity and Health Management

Aeon respects differences in the values and beliefs of individual employees and promotes diversity management to enable diverse personnel to actively contribute.

Since its founding, in accordance with the belief that employees are its most important management resource, Aeon has continuously promoted sharing of best practices and measures to raise the awareness of managers and undertaken expansion of childcare facilities at worksites to enable diverse personnel to demonstrate their abilities in good health. In recognition of these initiatives, in February 2019 Aeon was certified as a 2019 Company with Excellent Health Management (White 500) for a third consecutive year, and in March 2019 was selected for a second consecutive year as a Nadeshiko Brand company (a listed company recognized for excellence at empowering women).

3. Basic Policy Regarding Selection of Accounting Standards

The Aeon Group uses Japan accounting standards for its financial reporting.

Regarding the adoption of International Financial Reporting Standards (IFRS), Aeon will take appropriate measures in consideration of various developments in and outside Japan.

4. Consolidated Financial Statements and Main Notes
(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
	Amount	Amount
Assets		
Current assets		
Cash and deposits	918,053	852,382
Call loans	-	27,138
Notes and accounts receivable - trade	1,292,103	1,461,616
Securities	208,866	428,657
Inventories	600,287	598,420
Deferred tax assets	45,707	47,349
Operating loan	347,829	393,914
Loans and bills discounted for banking business	1,819,681	1,965,353
Other	298,118	335,513
Allowance for doubtful accounts	(56,525)	(104,335)
Current assets	5,474,121	6,006,010
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,529,041	1,549,236
Tools, furniture and fixtures, net	228,380	224,925
Land	828,326	890,857
Leased assets, net	75,653	73,515
Construction in progress	93,251	51,887
Other, net	459	449
Property, plant and equipment	2,755,112	2,790,872
Intangible assets		
Goodwill	155,628	147,727
Software	77,090	88,989
Leased assets	26,584	27,101
Other	35,796	37,304
Intangible assets	295,100	301,123
Investments and other assets		
Investment securities	252,386	231,120
Net defined benefit asset	16,209	19,552
Deferred tax assets	96,951	112,080
Guarantee deposits	406,500	424,362
Deposits for stores in progress	2,349	2,378
Other	166,126	172,734
Allowance for doubtful accounts	(12,102)	(10,554)
Investments and other assets	928,421	951,674
Non-current assets	3,978,634	4,043,669
Assets	9,452,756	10,049,680

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	906,195	914,150
Deposits for banking business	3,007,289	3,443,053
Short-term loans payable	332,486	385,634
Current portion of long-term loans payable	272,136	230,054
Current portion of bonds	25,803	96,312
Current portion of bonds with subscription rights to shares	-	29,946
Commercial papers	81,049	92,079
Lease obligations	14,460	13,908
Income taxes payable	50,003	56,526
Provision for bonuses	31,874	33,078
Provision for loss on store closing	5,790	10,882
Provision for point card certificates	19,435	20,943
Notes payable - facilities	106,253	68,999
Other	594,862	611,585
Current liabilities	5,447,642	6,007,156
Non-current liabilities		
Bonds payable	482,112	489,661
Bonds with subscription rights to shares	29,948	-
Long-term loans payable	1,026,738	1,127,742
Lease obligations	61,055	63,128
Deferred tax liabilities	54,648	41,623
Provision for directors' retirement benefits	927	911
Provision for loss on store closing	3,776	2,958
Provision for contingent loss	75	62
Provision for loss on interest repayment	3,098	3,842
Provision for loss on future collection of gift certificates	4,956	5,154
Net defined benefit liability	25,643	28,311
Asset retirement obligations	85,993	94,955
Long-term guarantee deposited	264,591	265,622
Other	44,811	43,184
Non-current liabilities	2,088,377	2,167,159
Liabilities	7,536,019	8,174,316

(Millions of yen)

	As of February 28, 2018	As of February 28, 2019
	Amount	Amount
Net assets		
Shareholders' equity		
Capital stock	220,007	220,007
Capital surplus	306,464	302,636
Retained earnings	574,409	561,135
Treasury shares	(38,962)	(36,290)
Shareholders' equity	1,061,920	1,047,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	77,701	47,391
Deferred gains or losses on hedges	(3,013)	(2,542)
Foreign currency translation adjustment	13,356	2,155
Remeasurements of defined benefit plans	1,597	(859)
Total accumulated other comprehensive income	89,641	46,145
Subscription rights to shares	1,921	1,960
Non-controlling interests	763,254	779,768
Net assets	1,916,737	1,875,364
Liabilities and net assets	9,452,756	10,049,680

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

Consolidated Statement of Income

(Millions of yen)

	Year ended February 28, 2018	Year ended February 28, 2019
	Amount	Amount
Operating revenue		
Net sales	7,380,567	7,452,464
Operating revenue from financial services business	363,824	391,363
Other operating revenue	645,620	674,388
Operating revenue	8,390,012	8,518,215
Operating costs		
Cost of sales	5,325,422	5,392,966
Operating cost from financial services business	31,260	34,767
Operating cost	5,356,683	5,427,734
Gross profit (loss)	2,055,144	2,059,497
Operating gross profit (loss)	3,033,329	3,090,481
Selling, general and administrative expenses		
Advertising expense	184,715	188,760
Provision of allowance for doubtful accounts	45,597	50,126
Employees' salaries and bonuses	990,440	1,002,740
Provision for bonuses	31,874	33,078
Legal and employee benefits expenses	169,113	173,797
Utilities expenses	146,381	152,694
Depreciation	225,982	231,590
Repair and maintenance	145,802	152,383
Rents	435,817	444,569
Amortization of goodwill	15,405	15,150
Other	431,926	433,332
Selling, general and administrative expenses	2,823,056	2,878,224
Operating profit (loss)	210,273	212,256
Non-operating income		
Interest income	2,540	3,257
Dividend income	2,371	2,421
Share of profit of entities accounted for using equity method	3,839	2,532
Income from unredeemed gift vouchers	3,414	3,725
Penalty income from leaving tenants	2,759	2,671
Reversal of allowance for doubtful accounts	716	773
Gain on collection of guarantee deposits	2,707	1,594
Other	9,756	10,771
Non-operating income	28,106	27,748
Non-operating expenses		
Interest expenses	15,321	16,409
Other	9,286	8,477
Non-operating expenses	24,607	24,887
Ordinary profit (loss)	213,772	215,117
Extraordinary income		
Gain on sales of non-current assets	22,582	26,258
Insurance income	220	8,935
Other	4,384	3,475
Extraordinary income	27,186	38,669
Extraordinary losses		
Loss on sales of non-current assets	3,606	887

Impairment loss	48,332	62,724
Provision for loss on store closing	4,132	8,878
Loss on retirement of non-current assets	3,466	3,119
Loss on closing of stores	3,558	1,475
Disaster-related loss	-	7,222
Other	9,267	1,394
Extraordinary losses	72,364	85,703
Profit (loss) before income taxes	168,594	168,083
Income taxes		
Current	83,807	89,629
Deferred	(8,072)	(9,800)
Income taxes	75,735	79,829
Profit (loss)	92,859	88,253
Profit (loss) attributable to non-controlling interests	68,336	64,615
Profit (loss) attributable to owners of parent	24,522	23,637

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended February 28, 2018	Year ended February 28, 2019
	Amount	Amount
Profit (loss)	92,859	88,253
Other comprehensive income		
Valuation difference on available-for-sale securities	23,645	(29,511)
Deferred gains or losses on hedges	(54)	842
Foreign currency translation adjustment	7,087	(19,635)
Remeasurements of defined benefit plans, net of tax	706	(3,060)
Share of other comprehensive income of entities accounted for using equity method	159	(283)
Other comprehensive income	31,544	(51,648)
Comprehensive income	124,403	36,604
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	53,041	(19,858)
Comprehensive income attributable to non-controlling interests	71,361	56,463

(3) Consolidated Statement of Changes in Equity

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	220,007	315,813	575,147	(40,709)	1,070,259
Cumulative effects of changes in accounting policies					
Restated balance	220,007	315,813	575,147	(40,709)	1,070,259
Changes of items during period					
Dividends of surplus			(25,249)		(25,249)
Profit (loss) attributable to owners of parent			24,522		24,522
Purchase of treasury shares				(27)	(27)
Disposal of treasury shares			(10)	1,775	1,764
Change in ownership interest of parent due to transactions with non-controlling interests		(9,348)			(9,348)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(9,348)	(738)	1,747	(8,338)
Balance at end of period	220,007	306,464	574,409	(38,962)	1,061,920

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	52,440	(2,588)	10,178	1,091	61,121	1,820	729,209	1,862,410
Cumulative effects of changes in accounting policies								
Restated balance	52,440	(2,588)	10,178	1,091	61,121	1,820	729,209	1,862,410
Changes of items during period								
Dividends of surplus								(25,249)
Profit (loss) attributable to owners of parent								24,522
Purchase of treasury shares								(27)
Disposal of treasury shares								1,764
Change in ownership interest of parent due to transactions with non-controlling interests								(9,348)
Net changes of items other than shareholders' equity	25,261	(425)	3,177	505	28,519	100	34,045	62,665
Total changes of items during period	25,261	(425)	3,177	505	28,519	100	34,045	54,326
Balance at end of period	77,701	(3,013)	13,356	1,597	89,641	1,921	763,254	1,916,737

Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	220,007	306,464	574,409	(38,962)	1,061,920
Cumulative effects of changes in accounting policies			(9,971)		(9,971)
Restated balance	220,007	306,464	564,438	(38,962)	1,051,948
Changes of items during period					
Dividends of surplus			(26,935)		(26,935)
Profit (loss) attributable to owners of parent			23,637		23,637
Purchase of treasury shares				(29)	(29)
Disposal of treasury shares			(4)	2,701	2,697
Change in ownership interest of parent due to transactions with non-controlling interests		(3,828)			(3,828)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(3,828)	(3,302)	2,672	(4,458)
Balance at end of period	220,007	302,636	561,135	(36,290)	1,047,490

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	77,701	(3,013)	13,356	1,597	89,641	1,921	763,254	1,916,737
Cumulative effects of changes in accounting policies							(18,269)	(28,240)
Restated balance	77,701	(3,013)	13,356	1,597	89,641	1,921	744,985	1,888,496
Changes of items during period								
Dividends of surplus								(26,935)
Profit (loss) attributable to owners of parent								23,637
Purchase of treasury shares								(29)
Disposal of treasury shares								2,697
Change in ownership interest of parent due to transactions with non-controlling interests								(3,828)
Net changes of items other than shareholders' equity	(30,309)	471	(11,200)	(2,457)	(43,496)	39	34,783	(8,673)
Total changes of items during period	(30,309)	471	(11,200)	(2,457)	(43,496)	39	34,783	(13,131)
Balance at end of period	47,391	(2,542)	2,155	(859)	46,145	1,960	779,768	1,875,364

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended February 28, 2018	Year ended February 28, 2019
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	168,594	168,083
Depreciation	239,835	247,136
Amortization of goodwill	15,405	15,150
Increase (decrease) in allowance for doubtful accounts	2,056	10,689
Increase (decrease) in provision for loss on interest repayment	(709)	743
Increase (decrease) in provision for bonuses	5,152	1,669
Increase (decrease) in net defined benefit liability	(897)	(289)
Decrease (Increase) in net defined benefit asset	(3,302)	(4,232)
Interest and dividend income	(4,912)	(5,678)
Interest expenses	15,321	16,409
Foreign exchange losses (gains)	(1,234)	1,383
Share of (profit) loss of entities accounted for using equity method	(3,839)	(2,532)
Gain on sales of non-current assets	(22,582)	(26,258)
Loss on sales and retirement of non-current assets	8,787	6,408
Impairment loss	48,332	62,724
Loss (gain) on sales of short-term and long-term investment securities	(870)	(646)
Decrease (increase) in notes and accounts receivable – trade	(95,615)	(153,680)
Decrease (increase) in inventories	(9,768)	837
Decrease (increase) in operating loans receivable	(37,224)	(38,344)
Decrease (increase) in cash loans and bills discounted for banking business	(351,701)	(146,327)
Increase (decrease) in notes and accounts payable - trade	13,112	11,472
Increase (decrease) in deposits for banking business	508,564	435,763
Increase/decrease in other assets/liabilities	66,386	(59,834)
Other, net	(2,778)	20,864
Subtotal	556,112	561,511
Interest and dividend income received	6,328	7,776
Interest expenses paid	(14,866)	(16,262)
Income taxes paid	(83,662)	(83,151)
Net cash provided by (used in) operating activities	463,911	469,874

(Millions of yen)

	Year ended February 28, 2018	Year ended February 28, 2019
	Amount	Amount
Cash flows from investing activities		
Proceeds from sales and redemption of securities	-	767
Acquisition of securities for banking business	(333,760)	(925,257)
Proceeds from sales and redemption of securities in banking business	312,791	691,300
Purchase of non-current assets	(465,236)	(469,650)
Proceeds from sales of non-current assets	77,808	99,022
Purchase of investment securities	(7,228)	(27,414)
Proceeds from sales of investment securities	3,802	3,332
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13,277)	(6,819)
Payments for guarantee deposits	(37,959)	(50,314)
Proceeds from collection of guarantee deposits	34,991	30,424
Proceeds from guarantee deposits received	23,075	26,298
Repayments of guarantee deposits received	(21,468)	(23,097)
Other, net	(1,391)	(11,008)
Net cash provided by (used in) investing activities	(427,854)	(662,416)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	12,990	68,551
Proceeds from long-term loans payable	332,895	340,684
Repayments of long-term loans payable	(306,502)	(284,538)
Proceeds from issuance of bonds	71,742	102,116
Redemption of bonds	(27,499)	(26,562)
Purchase of treasury shares	(27)	(29)
Proceeds from share issuance to non-controlling shareholders	10,185	4,195
Repayments to non-controlling shareholders	(4,140)	(219)
Cash dividends paid	(25,249)	(26,935)
Dividends paid to non-controlling interests	(21,132)	(23,274)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	2,859	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(34,622)	(6,441)
Other, net	17,141	(3,752)
Net cash provided by (used in) financing activities	28,641	143,792
Effect of exchange rate change on cash and cash equivalents	3,726	(6,785)
Net increase (decrease) in cash and cash equivalents	68,425	(55,533)
Cash and cash equivalents, beginning of period	802,099	870,013
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(511)	-
Cash and cash equivalents, end of period	870,013	814,479

(5) Notes on the Consolidated Financial Statements

Notes and other supplementary information for the consolidated balance sheet, the consolidated statement of income and consolidate statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows are omitted from this report.

(Notes on the Going-concern Assumption)

Not applicable

(Changes in Accounting Policy)

From the fiscal year ended February 28, 2019, foreign consolidated subsidiaries and some other Aeon Group companies have adopted the following accounting standards.

For the adoption of these standards, the Company applied transitional measures which recognize the cumulative effects of adoption of these standards as of the date of adoption, as is permitted for a first-time adopter.

1. IFRS 9 “Financial Instruments”

IFRS 9 introduces new requirements for classification, measurement and hedge accounting of financial instruments.

Due to the adoption of IFRS 9 by foreign consolidated subsidiaries and some other Aeon Group companies, the measurement method has been changed mainly for the Financial Services Business’s accounts receivable as well as allowance for doubtful accounts for operating loan.

As a result, as of the beginning of the fiscal year ended February 28, 2019, allowance for doubtful accounts and deferred tax assets increased by 35,017 million yen and 6,776 million yen, respectively, while non-controlling interests and retained earnings decreased 18,269 million yen and 9,971 million yen, respectively.

For reference, this change has little impact on profit/loss and per share information for the fiscal year ended February 28, 2019.

2. IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 introduces an entity’s single and comprehensive model for accounting of revenue from contracts with customers. Due to the adoption of IFRS 15 by foreign consolidated subsidiaries and some other Aeon Group companies, from the fiscal year ended February 28, 2019, some promotion expenses that were previously accounted for as selling, general and administrative expenses have been deducted from net sales.

For reference, this change has little impact on profit/loss and per share information for the fiscal year ended February 28, 2019.

(Changes to Presentation of Consolidated Statement of Income)

(Consolidated Statement of Income and related statements)

From the fiscal year ended February 28, 2018, “Insurance income,” which was included in “Other” under “Extraordinary income,” has been separately presented under “Extraordinary income” as the amount is now material. Consolidated financial statements for the fiscal year ended February 28, 2018 have been recast to reflect the change to presentation.

As a result, for the Consolidated Statement of Income for the fiscal year ended February 28, 2018, 4,604 million yen included in “Other” under “Extraordinary income” has been recast as “Insurance income” of 220 million yen and “Other” of 4,384 million yen.

(Additional Information)

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

In June 2018, the Company ended an incentive scheme Employee Stock Ownership Plan Trust (“ESOP Trust”), which had provided the Company’s work force with ownership interest in the Company with the aim of further enhancing corporate value over the mid to long term.

The Company's stock held by ESOP Trust was included in the treasury shares under net assets with the book value of 2,617 million yen for 2,062,800 shares as of February 28, 2018. The book value of current portion of long-term loans payable recorded in accordance with the adoption of the gross accounting method was 1,200 million yen as of February 28, 2018. At the end of the fiscal year ended February 28, 2019, the balances of treasury shares and current portion of long-term loans payable do not include those held by the trust.

(Segment and Other Information)

[Segment Information]

1. Overview of Reportable Segments

Aeon has adopted the "nomination committee and other committees system" as its governance model. Under the system, operational supervision and operational execution functions are explicitly divided and allocated to individual directors and executive officers. The system enables swift management decision-making by delegating significant authority to executive officers to enable them to achieve medium- and long-term targets.

Aeon's reportable segments are components of its operations about which segment-specific financial statements are available. These segments are subject to periodic examinations to enable Aeon's management to decide how to allocate resources and assess performance.

Led by Aeon Co., Ltd, a pure holding company, the Group companies conduct various business operations centering on the Group's core retail store operations, including general merchandise stores, financial services operations, shopping center development operations, and services and specialty store operations.

The main operations in each reportable segment and other businesses are thus as follows.

The GMS Business includes general merchandise stores (GMS), specialty stores that sell packaged lunches and ready-to-eat meals.

The Supermarket Business includes supermarkets, discount stores, convenience stores and small-scale supermarkets

The Health & Wellness Business includes drugstores, pharmacies and other related businesses.

The Financial Services Business includes credit card, fee-based services, and banking businesses.

The Shopping Center Development Business includes development and leasing of shopping centers and malls.

The Services and Specialty Store Business includes facilities management services, amusement services, food services, and specialty stores that sell family casual apparel, women's apparel, footwear, and others.

International Business includes retail stores in the ASEAN region and China.

Other Businesses include mobile marketing business, digital and other related businesses.

2. Changes in Reportable Segments

In line with organizational reforms, from the fiscal year ended February 28, 2019, the Company has renamed the Drugstore and Pharmacy Business to Health and Wellness Business and reclassified some consolidated subsidiaries to the business from the Services and Specialty Store Business. Furthermore, the Digital Business, which was previously included in the GMS Business, has been reclassified to Other. For reference, segment information for the fiscal year ended February 28, 2018 was prepared based on the current segmentation.

3. Operating revenue, income/loss, assets, liabilities and other items by reportable segment

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:						
(1) Revenue attributable to customers	2,875,424	3,225,229	710,624	363,824	257,579	580,713
(2) Intersegment revenue or transfers	206,715	15,749	442	44,267	78,084	178,996
Total	3,082,139	3,240,978	711,067	408,092	335,664	759,710
Segment income (loss)	11,257	30,722	26,022	69,766	51,542	21,938
Segment assets	1,458,655	1,151,421	346,107	4,612,894	1,308,628	410,469
Segment interest-bearing debt	415,119	253,950	48,650	809,773	498,650	88,695
Other items:						
Depreciation	54,631	50,414	12,423	23,873	51,417	18,582
Share of profit (loss) of entities accounted for using equity method	12	1,020	606	1,996	-	86
Impairment loss	15,526	16,337	2,264	52	8,173	4,534
Investment in entities accounted for using equity method	1,782	24,061	3,729	36,100	-	2,693
Increase in property, plant and equipment and intangible assets	65,441	71,118	15,311	31,756	223,942	30,062

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	416,431	8,429,828	806	8,430,635	(40,622)	8,390,012
(2) Intersegment revenue or transfers	2,453	526,709	17,231	543,940	(543,940)	-
Total	418,884	8,956,538	18,037	8,974,575	(584,563)	8,390,012
Segment income (loss)	232	211,481	(307)	211,174	(901)	210,273
Segment assets	320,973	9,609,151	20,776	9,629,928	(177,171)	9,452,756
Segment interest-bearing debt	65,017	2,179,855	7,214	2,187,069	157,312	2,344,381
Other items:						
Depreciation	17,898	229,241	470	229,711	10,123	239,835
Share of profit (loss) of entities accounted for using equity method	(262)	3,459	-	3,459	379	3,839
Impairment loss	1,261	48,152	180	48,332	-	48,332
Investment in entities accounted for using equity method	835	69,204	-	69,204	4,576	73,781
Increase in property, plant and equipment and intangible assets	19,240	456,872	595	457,468	11,394	468,862

Notes: 1. Main components of the minus 40,622 million yen in adjustments for operating revenue attributable to customers are as follows:

(a) Minus 76,811 million yen in adjustments to service transactions reported in the reportable segment information, and

(b) 36,089 million yen in "operating revenues from equity-method affiliates" of Group companies attributable to Aeon Group merchandise supply that is part of head office functions and does not fall into any of the business segments.

2. Main components of the minus 901 million yen in adjustments for segment income are as follows:

(a) 1,055 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments,

(b) Minus 10 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 1,908 million yen in intersegment transaction eliminations

3. Segment income adjustments are based on operating profit (loss) reported in the Consolidated Statement of Income for the corresponding period.

Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:						
(1) Revenue attributable to customers	2,851,900	3,221,964	793,547	391,363	279,365	585,824
(2) Intersegment revenue or transfers	228,729	13,099	415	45,201	80,893	182,724
Total	3,080,630	3,235,064	793,962	436,565	360,259	768,548
Segment income (loss)	11,515	25,195	26,269	70,839	55,590	19,762
Segment assets	1,418,264	1,149,345	377,172	5,184,643	1,397,489	390,852
Segment interest-bearing debt	347,701	253,184	56,799	905,802	610,494	78,717
Other items:						
Depreciation	52,417	50,393	13,277	26,506	57,056	18,044
Share of profit (loss) of entities accounted for using equity method	114	663	556	1,969	-	(555)
Impairment loss	23,456	20,022	3,027	56	9,179	5,907
Investment in entities accounted for using equity method	1,818	20,008	4,155	36,018	-	2,051
Increase in property, plant and equipment and intangible assets	85,525	69,153	25,624	36,036	170,773	23,178

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	434,291	8,558,256	3,915	8,562,172	(43,956)	8,518,215
(2) Intersegment revenue or transfers	3,276	554,341	12,979	567,321	(567,321)	-
Total	437,567	9,112,598	16,895	9,129,493	(611,277)	8,518,215
Segment income (loss)	3,414	212,586	196	212,783	(526)	212,256
Segment assets	318,276	10,236,042	21,867	10,257,910	(208,229)	10,049,680
Segment interest-bearing debt	70,874	2,323,574	8,212	2,331,786	220,803	2,552,589
Other items:						
Depreciation	18,613	236,308	555	236,864	10,271	247,136
Share of profit (loss) of entities accounted for using equity method	(673)	2,074	-	2,074	457	2,532
Impairment loss	829	62,479	56	62,535	189	62,724
Investment in entities accounted for using equity method	0	64,051	-	64,051	4,949	69,001
Increase in property, plant and equipment and intangible assets	29,789	440,080	476	440,557	8,414	448,971

Notes: 1. Main components of the minus 43,956 million yen in adjustments for operating revenue attributable to customers are as follows:

(a) Minus 80,596 million yen in adjustments to service transactions reported in the reportable segment information, and

(b) 36,523 million yen in “operating revenues from equity-method affiliates” of Group companies attributable to Aeon Group merchandise supply that is part of head office functions and does not fall into any of the business segments.

2. Main components of the minus 526 million yen in adjustments for segment income are as follows:

(a) 2,427 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments,

(b) Minus 165 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 2,677 million yen in intersegment transaction eliminations

3. Segment income adjustments are based on operating profit (loss) reported in the Consolidated Statement of Income for the corresponding period.

[Related Information]

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

1. Information by merchandise and service

The information is omitted here because the same information is presented in the "Segment Information" above.

2. Information by geographic area

(1) Operating revenue

(Millions of yen)

Japan	ASEAN	China	Other	Total
7,674,425	334,981	262,081	118,523	8,390,012

Note: Operating revenues are based on the location of customers and classified into countries or regions.

(2) Property, buildings and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
2,408,350	250,696	87,038	9,027	2,755,112

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the operating revenue on the Consolidated Statement of Income.

Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)

1. Information by merchandise and service

The information is omitted here because the same information is presented in the "Segment Information" above.

2. Information by geographic area

(1) Operating revenue

(Millions of yen)

Japan	ASEAN	China	Other	Total
7,757,433	365,741	278,952	116,088	8,518,215

Note: Operating revenues are based on the location of customers and classified into countries or regions.

(2) Property, buildings and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
2,441,024	259,233	81,690	8,923	2,790,872

3. Information by major customer

The information is omitted here because no customer accounts for more than 10% of the operating revenue on the Consolidated Statement of Income.

[Impairment loss on non-current assets by reportable segment]

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

The information is omitted here because the same information is presented in the "Segment Information" above.

Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)

The information is omitted here because the same information is presented in the "Segment Information" above.

[Amortization for and unamortized balance of goodwill by reportable segment]

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Amortization for the fiscal year ended Feb. 28, 2018	2,464	2,753	3,456	2,856	2,628	980
Balance at Feb. 28, 2018	18,078	31,608	53,729	20,075	23,537	7,684

	Reportable segment		Other	Adjustments	Total
	International	Total			
Amortization for the fiscal year ended Feb. 28, 2018	241	15,381	-	23	15,405
Balance at Feb. 28, 2018	855	155,568	-	59	155,628

Year ended February 28, 2019 (March 1, 2018– February 28, 2019)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Amortization for the fiscal year ended Feb. 28, 2018	2,242	2,387	3,986	2,796	2,628	887
Balance at Feb. 28, 2018	15,836	29,012	55,803	17,301	20,908	8,208

	Reportable segment		Other	Adjustments	Total
	International	Total			
Amortization for the fiscal year ended Feb. 28, 2018	197	15,126	-	23	15,150
Balance at Feb. 28, 2018	620	147,691	-	35	147,727

Note. In addition to the above, the Company recorded impairment loss on goodwill of 203 million yen in the Supermarket Business.

[Gain on negative goodwill by reportable segment]

Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)

Not applicable

Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)

Not applicable

(Per Share Information)

	Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)	Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)
Net assets per share (yen)	1,371.60	1,299.32
Earnings per share (yen)	29.23	28.11
Earnings per share - fully diluted (yen)	28.75	27.62

(Note) Data for calculation

1. Net assets per share

	February 28, 2018	February 28, 2019
Total net assets on the consolidated balance sheets (millions of yen)	1,916,737	1,875,364
Net assets attributable to common shares (millions of yen)	1,151,561	1,093,635
Main component of difference: Non-controlling interests (millions of yen)	763,254	779,768
Number of common shares issued (thousands of shares)	871,924	871,924
Number of common shares in treasury (thousands of shares)	32,347	30,227
Number of common shares used for calculation of net assets per share (thousands of shares)	839,577	841,697

2. Earnings per share and earnings per share - fully diluted

	Year ended February 28, 2018 (March 1, 2017 – February 28, 2018)	Year ended February 28, 2019 (March 1, 2018 – February 28, 2019)
Profit (loss) attributable to owners of parent (millions of yen)	24,522	23,637
Amount not attributable to common shareholders (millions of yen)	-	-
Profit (loss) attributable to common shares of parent (millions of yen)	24,522	23,637
Average number of common shares outstanding (thousands of shares)	838,844	840,914
Main components of adjustment for profit (loss) attributable to owners of parent used to calculate earnings per share - fully diluted (millions of yen) Changes in equity interest resulting from issuance of subscription rights to shares by consolidated subsidiaries	(392)	(402)
Adjustment for profit (loss) attributable to owners of parent (millions of yen)	(392)	(402)
Increase in the number of common shares used to calculate earnings per share - fully diluted (thousands of shares)	330	296
Residual securities not included in the calculation for earnings per share - fully diluted because they have no dilutive effect	-	-

Note. 1. The average number of common shares outstanding for the fiscal year ended February 28, 2019 does not include the Company's common shares held by the Employee Stock Ownership Plan Trust (the number of shares that trust held as of February 28, 2018 was 2,062 thousand shares). The average number of common shares held by the trust was 2,749 thousand shares for the fiscal year ended February 28, 2018, and 753 thousand shares for the fiscal year ended February 28, 2019.

(Material Subsequent Events)

Corporate bonds issued by a consolidated subsidiary

Aeon Mall Co., Ltd., a consolidated subsidiary of the Company, issued unsecured bonds.

The details are outlined below.

(1)	Name of bonds	Aeon Mall Co., Ltd. Unsecured Bonds (with special pari passu conditions among bonds) series 19
(2)	Total amount of bonds	30,000 million yen
(3)	Denomination per bond	1 million yen
(4)	Coupon rate	0.30%
(5)	Issue price	100 yen per face value of 100 yen
(6)	Date of issuance	March 29, 2019
(7)	Method and due date for the redemption	Bullet bond, where the entire face value is paid at once on the maturity date of March 29, 2024.
(8)	Collateral	No collateral or guarantee is pledged, and no assets are specifically reserved to secure the bonds.
(9)	Use of proceeds	The proceeds will be added to the fund for redemption of commercial papers and payment of borrowings.