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Financial Results for the Fiscal Year ended February 28, 2021

April 9, 2021

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

Ordinary general meeting of shareholders	May 26, 2021
Commencement of dividend payments	April 30, 2021
Submission of statutory financial report	May 27, 2021

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, 2021 (March 1, 2020 to February 28, 2021)

(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, 2021	8,603,910	(0.0)	150,586	(30.1)	138,801	(32.6)	(71,024)	-
Year ended February 29, 2020	8,604,207	1.0	215,530	1.5	205,828	(4.3)	26,838	13.5

Note: Comprehensive income: Fiscal Year ended February 28, 2021: -32,311 million yen (-%)
Fiscal Year ended February 29, 2020: 60,292 million yen (64.7%)

	Earnings per share	Earnings per share – fully diluted	Return on equity	Ordinary profit to total assets
	yen	yen	%	%
Year ended February 28, 2021	(84.06)	-	(7.0)	1.2
Year ended February 29, 2020	31.88	31.83	2.5	2.0

Reference: Equity in gains (losses) of equity-method affiliates:
Year ended February 28, 2021: 3,977 million yen
Year ended February 29, 2020: 3,295 million yen

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2021	11,481,268	1,755,776	8.5	1,147.56
[excl. Financial Services]	[5,749,281]	[1,393,624]	[15.3]	-
February 29, 2020	11,062,685	1,849,278	9.6	1,264.63
[excl. Financial Services]	[5,665,381]	[1,498,689]	[17.2]	-

Reference: Total equity: February 28, 2021: 970,321 million yen February 29, 2020: 1,064,515 million yen
Total equity = Shareholders' equity plus total accumulated other comprehensive income.
Note: The figures in square brackets represent consolidated financial position excluding the Financial Services Business.

(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, 2021	396,461	(341,814)	24,290	1,217,054
Year ended February 29, 2020	624,660	(341,492)	51,164	1,141,171

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. 29, 2020	-	18.00	-	18.00	36.00	30,406	112.9	2.8
Year ended Feb. 28, 2021	-	18.00	-	18.00	36.00	30,601	-	3.0
Year ending Feb. 28, 2022 (forecast)	-	18.00	-	18.00	36.00		101.5 to 152.2	

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2022
(March 1, 2021 to February 28, 2022)

(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, 2021	-	-	-	-	-	-	-	-	-
Full year	8,620,000	0.2	200,000 to 220,000	32.8 to 46.1	190,000 to 210,000	36.9 to 51.3	20,000 to 30,000	-	23.65 to 35.48

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: None

2) Changes other than the above 1): None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Number of shares issued (common stock)

1) Number of shares issued at end of period (treasury stock included):
February 28, 2021: 871,924,572 shares
February 29, 2020: 871,924,572 shares

2) Number of shares held in treasury at end of period:
February 28, 2021: 26,370,771 shares
February 29, 2020: 30,162,176 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended February 28, 2021: 844,964,447 shares
Fiscal Year ended February 29, 2020: 841,731,857 shares

* For the number of shares serving as basis for calculation of earnings per share (consolidated), see "Per Share Information" on page 34.

For Reference

1. Non-consolidated Financial Results for the Fiscal Year ended February 28, 2021
(March 1, 2020 to February 28, 2021)

(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, 2021	50,707	(14.4)	33,079	(17.3)	11,096	(50.1)	7,101	(74.6)
Year ended February 29, 2020	59,238	5.0	40,008	5.6	22,234	26.0	27,916	58.0

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Year ended February 28, 2021	8.40	8.40
Year ended February 29, 2020	33.16	33.15

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2021	1,516,381	669,333	44.1	791.06
February 29, 2020	1,529,735	677,544	44.3	804.41

Reference: Total equity: February 28, 2021: 668,951 million yen February 29, 2020: 677,188 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 28, 2022” on page 13.

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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, 2021 (March 1, 2020 – February 28, 2021), Aeon Co., Ltd. (hereinafter "Aeon") posted consolidated operating revenue of 8,603,910 million yen (largely unchanged year on year), operating profit of 150,586 million yen (down 30.1%), and ordinary profit of 138,801 million yen (down 32.6%). These operating results were higher than the consolidated operating results forecasts announced in December 2020. Loss attributable to owners of parent was 71,024 million yen (a profit decrease of 97,863 million yen), but this was the result of one-off measures and other measures that will contribute to future improvements in profitability, and profitability is expected to recover in fiscal 2021 (March 1, 2021 – February 28, 2022). The aforementioned measures include those implemented in relation to the temporary suspension of store operations and the shortening of store opening hours in response to the spread of the novel coronavirus (COVID-19), rent reductions and exemptions for tenant specialty store companies (which are important business partners for Aeon), and measures to improve management efficiency such as inventory reductions.

Amid activity restrictions and people refraining from outings due to COVID-19, the Supermarket Business and the Health and Wellness Business both continued to operate as lifelines supporting the lifestyles of those in local communities with sales of food and daily essentials throughout the year, and both posted large increases in profit. The GMS (General Merchandise Store) Business was impacted by people refraining from going out and the suspension of operation of tenant zones accompanying the state of emergency declared in April 2020, but efforts were made to reduce inventories as a way to enhance the structure of the business, and the gross profit margin is now on a recovery track. Efforts also focused on reducing the expenses and increasing the profitability of the GMS Business. The Financial Services Business, Shopping Center Development Business, Services and Specialty Store Business, and the International Business were all impacted by suspensions of operations and shortened business hours in conjunction with the declaration of states of emergency both in Japan and overseas, as well as lockdowns, but the situation is currently recovering as a result of thorough efforts to prevent infection, respond robustly to the emerging "new normal", and improve earnings.

Common Group Strategy:

- In November 2020, Aeon revised the AEON COVID-19 Protocol for Infectious Disease Control which was instituted in June 2020. This protocol established standards for epidemic prevention measures. The November revision added measures related to the introduction of equipment to ventilate facilities and air-cleaning systems to prevent infection via airborne droplets, and also added provisions regarding eradicating the risk of infection from employees in our facilities as well as measures to prevent secondary infections should a primary infection occur. The purpose of this protocol is to contribute to the realization of a society in which epidemic prevention is a part of daily life, protect the health and lifestyles of customers and employees, and ensure safe and secure lifestyles for people in local communities together with customers by implementing epidemic prevention measures on an ongoing basis, not as a temporary initiative. Aeon will continue working to reduce transmission risk, and build safe and secure store environments and workplace environments by combining a variety of epidemic prevention initiatives.

- In accordance with basic agreements concerning supermarket management integration in six regions of Japan concluded in 2018, Aeon integrated management of supermarkets in the Chugoku and Shikoku regions and the Tokai and Chubu regions in fiscal 2019. In fiscal

2020, Aeon completed management integration in all regions of Japan by integrating management in the Hokkaido, Tohoku, Kinki, and Kyushu regions. Specifically, management integration was carried out at Aeon Hokkaido Corporation and Maxvalu Hokkaido Co., Ltd. in Hokkaido and at Maxvalu Tohoku Co., Ltd. and AEON Retail Co., Ltd. Tohoku Company's food business in the Tohoku region in March. In the Kinki region, The Daiei, Inc. made Kohyo Co., Ltd. a subsidiary. In the Kyushu region, management of Aeon Kyushu Co., Ltd., Maxvalu Kyushu Co., Ltd., and Aeon Store Kyushu Co., Ltd. was integrated in September. In the Chugoku and Shikoku region, to further reorganize stores, in October Maxvalu Nishinihon Co., Ltd. concluded an agreement to merge Marunaka Co., Ltd. and Sanyo Marunaka Co., Ltd. (which were converted into subsidiaries in March 2019), in March 2021. The integrated companies in each region will aim to become the companies that contribute the most to their local communities by responding to: diversification of food preferences, such as preferences for local food, low-priced food, and healthy food; even greater consciousness of safety and security; intensification of competition in the food market with e-commerce companies, convenience stores, and other providers; and changes in the labor environment.

- In October, Aeon announced that BIG-A CO. LTD. and A·Colle Co., LTD., companies involved in the Discount Store business, would carry out a management integration in March 2021. The management integration of the two companies is aimed at accelerating their dominance of the small-scale discount store business in the Greater Tokyo Area and building a new growth strategy in order to respond to changes in the business environment, such as the emerging "new normal" and changing work styles spurred by COVID-19, increasing numbers of budget-minded consumers, and intensifying price competition. To win the support of customers with overwhelmingly low prices, efforts will be made to establish low-cost management through consolidating procurement, integrating logistics, pursuing horizontal expansion of logistics-linked low-cost operations, and consolidating headquarters functions.

- Aeon has set out a policy of reorganizing the Group business structure and is proceeding with the strategic liquidation and reorganization of Group companies. As a part of this effort, in April 2020, Aeon sold its entire shareholding in Zwei Co., Ltd. and terminated the business operated by Talbots Japan Co., Ltd. in May. In October, Aeon terminated the businesses operated by Claire's Nippon Co., Ltd., while in October Aeon sold its entire shareholding in Aeon Forest Co., Ltd., which operates The Body Shop in Japan.

- In February 2021, AEON CO. (M) BHD. ("Aeon Malaysia") concluded an agreement on digital business with a group company of U.S.-based Giddy, Inc. that operates Boxed. Aeon Malaysia will utilize the advanced technology-supported platform of Boxed, which operates an online-only wholesale business and possesses strong customer proposal capabilities based on advanced automated logistics systems and AI-based algorithms, to provide convenient online shopping experiences to customers through functional screen design, personalized functions, and other features.

2) Business Segment Information

From the fiscal year under review, Aeon has revised the business segments presented as reportable segments. Comparisons and analysis for the fiscal year are based on the revised segments.

GMS Business

The General Merchandise Store (GMS) Business posted an operating loss of 15,689 million yen (a profit decrease of 22,913 million yen year on year) on operating revenue of 3,069,510 million yen (largely unchanged year on year) for the fiscal year.

Aeon Retail Co., Ltd. continued to capture demand arising from COVID-19. In terms of product-related initiatives, in response to people's growing focus on maintaining their current living standards, from early November Aeon Retail began selling up to approximately 700 daily necessities, including food and everyday consumables at special low prices. In addition, Sporsium, a shop offering home fitness-related items, was expanded to 352 stores nationwide, and by selling at-home fitness products and walking-related products, same-store sales in this category grew more than 30% year on year. Also, sales of the fall/winter series of HOME COORDY items developed in response to the "new normal" with the aim of meeting remote work and stay-at-home demand were strong. In terms of services, online supermarket services have experienced a sharp increase in demand, and Aeon Retail has proceeded with diversification of ways in which customers can receive their orders by increasing the number of stores that offer the "Pick Up!" service for customers to pick up merchandise ordered online to 200 stores as of the end of February 2021. Aeon Retail also bolstered its online advanced sales of food for special events, such as Christmas, New Year's, and Setsubun (traditional festival celebrating the coming of spring), and online supermarket sales increased significantly. In response to increased customer demand for non-contact and non-face-to-face services, Aeon Retail has introduced Regi Go, a service that meets this demand by allowing customers themselves to use smartphones to scan items and pay for them at dedicated cash registers, and the number of stores offering this service increased to 22 stores as of the end of February. In addition to these initiatives, Aeon Retail proactively reduced inventories to improve management efficiency, resulting in an approximately 20% decline in inventories compared to the beginning of the fiscal year, and a continual improvement in gross profit margin as the fiscal year progressed. Moreover, Aeon Retail opened 12 new stores during the fiscal year. This included the grand opening in November of Aeon Style Fujimino (Saitama Prefecture), a store designed in response to the "new normal" based on the concept "Healthy bodies and minds. A store that supports a fulfilling life".

In March, Aeon Hokkaido Corporation (hereinafter "Aeon Hokkaido") carried out a management integration with Maxvalu Hokkaido Co., Ltd., and made a fresh start as the new Aeon Hokkaido. Aeon Hokkaido engaged in development of local production areas and products through the Food Products Development Department, which was established in order to promote the expansion and enhancement of the private-brand food product range, and developed approximately 760 items unique to the region during the fiscal year. Aeon Hokkaido also held an "Aeon Dosan Day" aimed at supporting local food produce during the period, and in order to help local restaurants and producers facing a variety of difficulties as a result of COVID-19, they were given the opportunity to communicate with people through various media and through digital signage in stores. In addition, Aeon Hokkaido expanded the "Raku Haya! Cooking" initiative, which it has been undertaking at supermarkets with the aim of recommending fresh seasonal ingredients and suggesting dishes to cook, to all 40 GMS Business stores. The number of Supermarket Business stores offering cut flowers, a strongly performing product for the GMS Business, was expanded to 30, and sales were strong. Elsewhere, in response to the increase in online supermarket demand, Aeon Hokkaido worked to increase the number of orders received, including by upgrading its systems, and net sales in the online supermarket business increased 32.3% year on year. Gift sales via the online shop "eShop" were robust, and Aeon Hokkaido also launched six additional specialty websites, including "Aeon Toys", and net sales increased 165.6% year on year. As a result of these initiatives and the management integration, Aeon Hokkaido posted an increase in sales and profit.

Supermarket Business

The Supermarket Business posted operating profit of 50,687 million yen (a profit increase of 135.7% year on year) on operating revenue of 3,265,669 million yen (up 1.3% year on year) for the fiscal year.

The United Super Markets Holdings Group (hereinafter "U.S.M. Holdings") prioritized measures to prevent infection in stores and thereby fulfil its responsibility as a part of the lifeline infrastructure of local communities. In terms of digitalization initiatives, the Scan & Go Service, a payment function that facilitates simple, secure, effortless shopping using customers' own smartphones without waiting in line at cash registers possible, was first introduced and then expanded among stores of Kasumi Co., Ltd., and introduced at stores of both Maruetsu, Inc. and Maxvalu Kanto. U.S.M Holdings also expanded Online Delivery, a service that allows customers to order products using smartphones and pick them up at stores or designated delivery destinations within the service area. The company also expanded the rollout of an advertisement distribution and marketing service that utilizes AI digital signage. Furthermore, the company proactively refurbished stores, and worked to bolster its fresh food and delicatessen food offerings, and enhance its product lineup, enabling it to enhance the convenience of its outlets as food specialty stores. Also, the company worked to increase productivity through initiatives such as introducing full-self-checkout registers and semi-self-checkout registers, and standardizing work processes.

At Maxvalu Tokai Co., Ltd. (hereinafter "Maxvalu Tokai"), in response to the increase in demand for eating-at-home and more customers seeking to economize, and in an effort to ensure the stable provision of products to customers, the company bolstered its offerings of fresh foods and products that are frequently purchased, worked to offer more appealing prices, enhanced its lineup of individually-wrapped, small volume foods, and established "day of week" sales with uniformly priced products, as well as special promotion days such "customer appreciation days", along with special store displays on weekends. The company also launched the Mie Prefecture Arigato and Aichi Prefecture Arigato campaigns in order to expand the rollout of locally-produced products cherished by local residents and to strengthen partnerships with local communities. In terms of services, in response to changes in customer purchasing behavior, the company increased the number of online supermarket delivery centers and expanded delivery areas. Also, in addition to a product delivery service utilizing the Uber Eats food delivery platform introduced on a trial basis in November, the company launched new trial initiatives, including providing access to online supermarket services within the popular recipe video service "Kurashiru" from February 2021.

Health and Wellness Business

The Health and Wellness Business recorded operating profit of 41,532 million yen (up 16.6% year on year) on operating revenue of 956,596 million yen (up 8.9%) for the fiscal year.

At Welcia Holdings Co., Ltd. (hereinafter "Welcia Holdings") and its consolidated subsidiaries, although business was affected by COVID-19, efforts were made to continue operations and provide products and services while implementing measures to prevent infection and ensure high hygiene standards. Despite the impact from the decline in demand for cosmetics and makeup products due to people working from home and refraining from going out, merchandise sales were strong because of higher demand for items such as food and products to prevent infection. With regard to prescription drugs, in addition to the impact from drug price revisions, there was an impact from the decline in the number of prescriptions filled as less people are undergoing medical examinations and prescription unit prices increased due to the increase in long-term prescriptions as a result of people refraining from going out due to COVID-19, but sales remained strong due to the increase in the number of stores dispensing prescription drugs (1,643 stores as of February 28, 2021, an increase of 201 stores compared to February 29, 2020). With respect to SG&A expenses, Welcia Holdings worked to control

expenses, especially personnel expenses, through efforts such as increasing the operating efficiency of stores by promoting thorough store labor-hour management through labor-hour control and automating ordering. Also, Welcia Holdings increased the number of group stores to 2,217 as of February 28, 2021 through the proactive opening of new stores and M&A. As a result of these initiatives, Welcia Holdings posted increased revenue and profit.

Financial Services Business

The Financial Services Business posted operating profit of 42,648 million yen (down 39.5% year on year) on operating revenue of 487,572 million yen (up 0.6%) for the fiscal year.

Aeon Financial Service Co., Ltd. (hereinafter "AFS") leveraged Aeon Group's retail business and e-commerce channels which offer food products and daily goods tailored to people's lifestyles , as well as AFS's unique customer base with its strengths based on partnerships with large blue-chip companies such as major public transportation agencies, to enhance screening and diversify marketing methods. Furthermore, AFS continued to building out its platform facilitating business continuity amid the COVID-19 crisis by working to accelerate its digital transformation (DX), increase business efficiency, and advance workstyle reforms through the introduction of teleworking and other measures.

Aeon Bank Ltd. increased the number of installed video teller machines and expanded the online advanced reservation system and online financial consultation services as initiatives to facilitate non-face-to-face and contact-free services, as well as to minimize the time customers need to spend in branches. In addition the bank advanced efforts to introduce a housing loan service that enables customers to complete the entire loan application procedure, right through to completion of the loan agreement, at home via online application, telephone, and mail. Due to the bank's initiatives such as screening loan applications even on weekends and holidays, as well as well as strengthening marketing, the number of applications received increased and the loan balance grew despite the impact of COVID-19.

This year marks Aeon Card's 20th anniversary, and from November we launched an Aeon Card 20th anniversary campaign focused on expanding the customer base and increasing shopping transaction volume. Regarding credit card shopping, although there was still an impact on the use of credit cards for automobile-related purchases, such as gasoline and electronic toll collections, as well as for public transportation and travel agency use, credit card shopping transaction volume was high for Aeon Group, which accounts for a large proportion of the total 7 transaction volume, and was also high for supermarkets and drugstores. In addition, transaction volume at home improvement stores and large consumer electronics retailers was strong, and transaction volume in the fiscal year recovered to roughly the same level as the previous fiscal year.

In AFS's international operations, in Thailand, card transaction volume was low at department stores and travel agencies due to the impact of activity restrictions, but card shopping transaction volume increased for necessities such as food and daily consumables. With respect to cash advances and personal loans, AFS increased credit limits for customers with the ability to repay loans, and implemented a campaign encouraging dormant members to use these services. In Malaysia, for motorbike loans, which account for approximately 50% of the motorbike installment sales market, AFS returned its loan screening standards, which had temporarily been made stricter, to the same level as the previous year. This and other efforts resulted in the balance of motorbike loan operating receivables exceeding that of the previous fiscal year.

Shopping Center Development Business

The Shopping Center Development Business earned operating profit of 35,738 million yen (down 43.5% year on year) on operating revenue of 327,017 million yen (down 12.1%) for the fiscal year.

In its domestic business, in response to the state of emergency declaration in April, Aeon Mall Co., Ltd. (hereinafter "Aeon Mall") temporarily closed all 164 facilities nationwide. Subsequently, Aeon Mall resumed operations at all of its facilities by the end of May. In reopening, Aeon Mall implemented measures to prevent the spread of infection and ensure safety and peace of mind, such as installing AI-based temperature screening equipment at entrances and creating better air circulation inside mall buildings by bringing in more outside air. To meet needs in the "new normal" emerging as a result of COVID-19, Aeon Mall introduced fresh types of entertainment, such as drive-in movies and drive-in public viewings. Also, in June, Aeon Mall completely overhauled the Aeon Mall app and supported the specialty store business by providing services suited to changes in customer behaviors, such as providing information helping customers to avoid peak store visit times. During the Aeon Mall Black Friday event held in November, Aeon Mall carried out special activities utilizing both offline and online channels, including "live commerce" events and raffles that customers participated in using the Aeon Mall app. At Aeon Mall Ageo (Saitama Prefecture) which opened in December, in consideration of the health and safety of visitors and employees, the company enhanced air circulation, such as by installing air circulators directing air into atrium areas and opening the windows at the top of the atriums. Aeon Mall refurbished eight malls and also carried out refurbishment and floor space expansion of two further malls.

Although Aeon Mall temporarily closed as many as 11 of 21 malls operated in China in mid-February 2020, malls were reopened in stages, and specialty store operation at all malls had resumed by April. Aeon Mall implemented measures in response to changes in consumption behavior and government stimulus policies. These included the March start-up of a platform for "live commerce" (a new sales technique that fuses live video streaming and e-commerce), a delivery campaign for online purchases and restaurants, and the opening of night markets in large parking lot areas. In addition, the company reopened cinemas at all malls in early August, after having been closed in accordance with government orders. As a result of these initiatives, Aeon Mall posted year-on-year increases in specialty store sales at existing malls in its China business during the fourth quarter of the fiscal year (October 1, 2020 – December 31, 2020). In Vietnam, although the specialty stores of four malls were temporarily closed beginning in late March because of government regulations, stores at all malls reopened in late April. A subsequent COVID-19 outbreak in July temporarily impacted operations, but thanks to stringent measures to contain the virus, sales at specialty stores in existing malls in the fourth quarter of the fiscal year (October 1, 2020 – December 31, 2020) exceeded the level of the same period of the previous year. During the fiscal year, the company opened a total of two new malls. These were the Aeon Mall Sentul City (Jawa Barat), which opened in October as the company's third mall in Indonesia, and Aeon Mall Hai Phong Le Chan (Hai Phong), which opened in December as the company's sixth mall in Vietnam.

Services and Specialty Store Business

The Services and Specialty Store Business posted an operating loss of 17,690 million yen (a profit decrease of 22,211 million yen year on year) on operating revenue of 642,323 million yen (down 13.7% year on year) for the fiscal year.

Aeon Delight Co., Ltd. (hereinafter "Aeon Delight") set up a COVID-19 response headquarters covering Japan, China, and the ASEAN region, all being areas where it operates, at the beginning of February 2020. By carrying out a variety of measures to prevent infections in each area, the company contributed to creating facilities adapted to the age of COVID-19. In addition, as a part of the establishment of new standards for facility management incorporating infectious disease control measures, Aeon Delight is testing various measures to strengthen prevention of contact infection and improve ventilation within facilities, while the company has also established New Standard Cleaning (hereinafter "NSC"), a new cleaning method that creates a sanitary environment with a scientific evidence-based approach, and began providing

the NSC service in September. In providing this service, the company has created its own original education program based on the knowledge cultivated through sanitary cleaning services that it has been providing to hospitals over the years, as well as the latest developments in research, and the company has worked to expand the platform for providing this service. The company also worked to reform its business structure through the digital transformation of its operations and services, including transitioning to an area management system based on patrol-style facility management aimed at resolving personnel shortages and facilitating sustainable growth.

Cox Co., Ltd., a clothing and miscellaneous goods specialty store, opened a fashion mask specialty store on a limited-time basis in Tokyo Station's Yaesu underground shopping mall in September, positioning masks as fashion items given the fact that wearing a mask has become a normal part of everyday life. Subsequently, the company opened a total of 13 stores on a limited-time basis, centered on main train stations and department stores in key cities. Mask sales significantly boosted the company's presence, and the company revamped its online store in October, making it even easier to view and buy products, and more convenient to use the website. This led to significant growth with an 80.5% year-on year increase in online shopping sales. In addition, in response to stay-at-home demand, the company released a new range of loungewear, and also responded to changes in customer needs by expanding its selection of houseware.

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 6,068 million yen (down 43.7% year on year) on operating revenue of 414,413 million yen (down 5.6% year on year) for the year.

At Aeon Co. (M) Bhd. (hereinafter "Aeon Malaysia"), although January sales increased substantially year on year thanks to a successful early start during the Chinese New Year sales season, business activities were subsequently impacted due to the spread of COVID-19. Amid this situation, Aeon Malaysia implemented new initiatives, such as a drive-through pick-up service for customers to pick up products ordered online in store parking lots, a service where personal shoppers buy products on behalf of customers, and a motorbike delivery service for seniors. In addition, efforts to capture demand for bulk purchasing and eating-at-home led to the posting of a year-on-year increase in food section sales.

Aeon Vietnam Co., Ltd., which has worked continuously to strengthen its response to social events, promoted sales of priority merchandise during the Tet (the Vietnamese Lunar New Year) sales season, one of the most important sales seasons of the year. During the season, sales of Lunar New Year-related products were particularly strong, mainly ao dai (a traditional Vietnamese garment) in the apparel category and gift items and fresh foods in the food category. Subsequently, although sales were affected most in April, when a lockdown was imposed due to the spread of COVID-19, sales in July recovered to a level above the previous year, due to the success of a large discount event and other initiatives as a part of a sale implemented as a measure to encourage consumption and help support customers. Business was then impacted by a second wave of COVID-19 infections, but the company subsequently bolstered its initiatives targeting social events such as the Harvest Moon, Black Friday, and Christmas, and sales are now back on a recovery track. In terms of new stores, in December the company opened the Le Chan store (Hai Phong), the sixth GMS Business store in Vietnam.

In China, sales promotions timed to coincide with the peak in demand during the Chinese New Year holiday, the time of year when sales are highest, fueled strong sales, with sales during the Chinese New Year period increasing 5% year on year. After the Chinese New Year, although sales of apparel as well as household and recreational products declined due to the spread of COVID-19, food sales grew substantially due to more opportunities for people to eat

meals at home and bulk-buying of groceries. Because infection was subsequently contained, sales in April and May exceeded the prior-year level, but sales were then impacted by changes in shopping behavior, including the further shift to online shopping and the rapid expansion of bulk-buying, as well as the spreading once again of COVID-19 infections in some regions starting in June. In response to the changes in shopping behavior, the Aeon app service was introduced for all stores in China, the company worked to offer information and services drawing on Aeon's strength of possessing brick-and-mortar stores, and substantially expanded the introduction of self-checkout registers.

3) Implementation of Corporate Governance During the Period

With the 2003 Commercial Code amendment targeting open management on par with companies around the world, Aeon became one of the first Japanese companies to transition to a "company with committees" structure (now "company with a nomination committee and other committees" structure), thereby establishing a governance structure that clearly segregates management oversight and business execution between directors and executive officers. The Board of Directors comprises seven directors, of which four directors, representing a majority, are outside directors from a wide range of industries. The Nomination Committee, Compensation Committee, and Audit Committee are each chaired by outside directors, with the goal of maintaining and further increasing transparency and fairness as well as enhancing shareholder returns. Also, in 2008, as a part of the Group's management reforms, efforts were made to build a foundation for continuous enhancement of corporate value, including the transition to being a pure holding company, in order to construct a new growth model for the Group, rebuild the business structure, and further increase the concentration and decentralization of power. In 2016, Aeon established the Basic Policy on Corporate Governance, in order to continue practicing management grounded in a long-term perspective built on Aeon's Basic Principles and Aeon's DNA of innovation.

Status of Implementation of the Board of Directors and Each Committee

(* Denotes outside director)

	Meetings Held	Members	Main Functions
Board of Directors	7	Chairperson: Motoya Okada Akio Yoshida, Akinori Yamashita, *Takashi Tsukamoto, *Kotaro Ohno, *Peter Child, *Carrie Yu	- Oversee the work performance of the directors 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 *Takashi Tsukamoto, *Carrie Yu	- 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: *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	3	Chairperson: *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

In order to fulfill its social responsibility as a corporate citizen and continuously increase its corporate value, Aeon promotes sustainable management that balances the realization of a sustainable society and the Group's growth. Based on the Aeon Sustainability Principle, Aeon has positioned the environmental challenges of achieving a decarbonized society, preservation of biodiversity, and promotion of resource recycling, as well as the societal challenges of creating products and stores that meet society's expectations, engaging in fair business practices that respect human rights, and collaborating with the community as priority issues. Specific initiatives Aeon is working on include energy-saving and energy generation, as well as reduction of waste, tree-planting activities with customers and programs encouraging customers to bring their own shopping bags, sustainable procurement throughout the supply chain, and initiatives to support the reconstruction effort in the Tohoku region. Also, the Aeon 1% Club Foundation works to nurture the next generation and promote friendship and goodwill programs with other countries, while the Aeon Environmental Foundation engages in tree-planting activities and supports environmental conservation activities. All of the above initiatives are part of Aeon's wide-ranging environmental and social contribution activities.

Aeon Sustainability Principle

Aeon aims to realize a sustainable society and 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	**Society Priority Issues**
・Realization of decarbonized society ・Conservation of biodiversity ・Better use of resources	・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

- To achieve the goals set forth in Aeon Decarbonization Vision 2050, Aeon is promoting energy-saving and shifting to renewable energy. Efforts include the introduction of on-site PPA (power purchasing agreements) for solar power generation, post-FIT electricity purchasing, and in fiscal 2020 Aeon for the first time began operating stores in which 100% of the electric power used comes from renewable energy. In recognition of these initiatives, Aeon was selected as a Climate Change A List company (the highest rating) by CDP, an NGO that conducts international environment-related surveys and discloses environmental information, for the second consecutive year.

- In order to support the livelihoods of children and households raising children who have been forced to bear a particularly heavy burden due to COVID-19, in December Aeon teamed up with an NPO, the National Children's Cafeteria Support Center Musubie, to launch the AEON Children's Cafeteria Support Group. Aeon has been raising funds for the initiative at all Aeon Group stores and business offices nationwide in order to support the activities of children's cafeterias across Japan which have been struggling to continue their

normal activities to support children amid the difficult environment, and donated 35.03 million yen in February.

- To further advance sustainable procurement, Aeon has set a new goal of shifting to raw ingredients that have been proven to be sustainable for use in Aeon's private brand Topvalu coffee and freshly brewed coffee sold at Group stores including Aeon Retail, Daiei, and Ministop stores.

- In terms of efforts to reduce food waste, Aeon is the only retailer in Asia participating in a food waste reduction initiative carried out by the WRI (World Resources Institute), a U.S. non-profit organization that aims to reduce food waste throughout entire supply chains. Aeon is working on this project with 21 other companies in Japan including food manufacturers.

- Having set a target of halving the volume of disposable plastic it uses by 2030, Aeon launched the "Bottle to Bottle Project" in February 2021, starting in the Kanto region. This project is the key pillar of Aeon's initiatives to achieve this target, and the project aims to build a resource recycling system using closed-loop recycling, in which the recycled resin from PET bottles collected from customers at Aeon's stores will be used as raw materials in Aeon products. In fiscal 2021, Aeon will establish a mechanism for recycling PET bottles collected at stores in the Kanto region into new products, and plans to expand this initiative nationwide in phases.

Great East Japan Earthquake Reconstruction Support Activities

- The effort to assist recovery and reconstruction in areas that suffered massive damage from the Great East Japan Earthquake has reached the 10-year mark. With the aim of taking an "all of Aeon" (management and labor together) approach, in March 2012 Aeon launched the "Project AEON Joining Hands". In the 10 years since its launch, the project achieved its goals of planting 300,000 trees in coastal areas of the Tohoku region, and having 300,000 employees volunteer to help. Since fiscal 2016, Aeon has also been working on the "Aeon Future Co-creation Program", which aims to support the resolution of the region's challenges through exchange and engagement. Going forward, the Aeon Group will continue to work with the people of the Tohoku region to help realize a new stage of recovery, and contribute to a quick recovery and revitalization of the affected areas.

(2) Analysis of Financial Condition

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

	Fiscal year to end-February,			
	2021	2020	2019	2018
Total Assets	11,481,268	11,062,685	10,045,380	9,452,756
Interest-bearing debt	3,145,713	3,006,690	2,552,589	2,344,381
Breakdown:				
Interest-bearing debt of financial subsidiaries	1,043,469	1,064,956	905,802	809,773
Interest-bearing debt excluding that of financial subsidiaries	2,102,243	1,941,734	1,646,787	1,534,608
Net assets	1,755,776	1,849,278	1,875,364	1,916,737
Cash and cash equivalents, ending balance	1,217,054	1,141,171	814,479	870,013
Cash flow from operating activities	396,461	624,660	469,874	463,911
Cash flow from investing activities	(341,814)	(341,492)	(662,416)	(427,854)
Cash flow from financing activities	24,290	51,164	143,792	28,641

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of February 28, 2021 were 11,481,268 million yen, an increase of 418,582 million yen, or 3.8%, from the end of the previous fiscal year (February 29, 2020). The increase is mainly attributable to an increase of 268,369 million yen in loans and bills discounted for banking business, an increase of 158,033 million yen in securities, and an increase of 65,572 million in cash and deposits.

Consolidated liabilities as of February 28, 2021 were 9,725,491 million yen, an increase of 512,083 million yen, or 5.6%, from February 29, 2020. The increase is mainly attributable to increases of 225,770 million yen in deposits for banking business and 120,892 million yen in bonds (including the current portion of bonds) as well as 107,085 million yen in short-term loans payable and 86,639 million yen in reserve for insurance policy liabilities due to the impact of newly consolidated companies.

Consolidated net assets as of February 28, 2021 were 1,755,776 million yen, a decrease of 93,501 million yen, or 5.1%, from February 29, 2020.

Consolidated Cash Flows

Cash and cash equivalents

The balance of cash and cash equivalents as of February 28, 2021 was 1,217,054 million yen, an increase of 75,883 million yen, or 6.6%, from February 29, 2020.

Cash flow from operating activities

Net cash provided by operating activities was 396,461 million yen, a decrease in cash provided of 228,198 million yen, or 36.5% year on year. The decrease in cash provided is mainly attributable to the 184,246 million yen increase in cash loans and bills discounted for banking business and the 155,003 million yen decrease in notes and accounts payable – trade, which were partially offset by the increase in cash provided from the 192,869 million yen decrease in notes and accounts receivable – trade.

Cash flow from investing activities

Net cash used in investing activities was 341,814 million yen, an increase in cash used of 321 million, or 0.1%, year on year. The increase in cash used is mainly attributable to an increase of 45,899 million yen in acquisition of securities for banking business and a decrease of 52,131 million yen in proceeds from sales of non-current assets, which offset a decrease of 116,507 million yen in purchase of non-current assets.

Cash flow from financing activities

Net cash provided by financing activities was 24,290 million yen, a decrease in cash provided of 26,873 million yen, or 52.5%, year on year. The decrease in cash provided is mainly due to a decrease of 169,824 million yen in proceeds from issuance of bonds, which offset an increase of 90,224 million yen in short-term bank loans and commercial papers.

(3) Outlook for the Fiscal Year Ending February 28, 2022

Consolidated Operating Results Forecast (millions of yen)

	Fiscal year to end-February,	
	2022 (forecast)	2021 (actual)
Operating revenue	8,620,000	8,603,910
Operating profit	200,000 to 220,000	150,586
Ordinary profit	190,000 to 210,000	138,801
Profit attributable to owners of parent	20,000 to 30,000	(71,024)

For operating results in the fiscal year ending February 28, 2022, Aeon is projecting a further improvement in profitability, and expects a V-shaped recovery back to the level of the fiscal year ended February 29, 2020, prior to COVID-19. In light of the situation with infections and the possibility for accompanying changes to restrictions and measures in countries where Aeon operates, Aeon has expressed its forecasts for operating profit and lower profit lines, as ranges rather than figures.

In addition, Aeon has formulated the Aeon Group Medium-Term Management Plan, which begins in the fiscal year ending February 28, 2022. Please refer to Aeon's website for an overview of the plan.
https://www.aeon.info/ir/ (Latest information)
https://www.aeon.info/ir/policy/strategy/ (Medium-Term Management Plan, sustainable management initiatives)

(4) Dividend Policy and Dividends for the Fiscal Year ended February 28, 2021 and the Fiscal Year ending February 28, 2022

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 will continue to set a dividend policy that takes consolidated operating results into consideration.

(Dividends)

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, 2021 and Starting Date for Dividend Payments

By resolution of the Board of Directors at a meeting held on April 9, 2021, the year-end dividend payment from retained earnings for the fiscal year ended February 28, 2021 will be 18 yen per share. The total annual dividend for the fiscal year will therefore be 36 yen per share, including the interim payment of 18 yen per share. The starting date for dividend payments (effective date) is Friday, April 30, 2021.

3) Dividend Forecast for the Fiscal Year Ending February 28, 2022

In accordance with the basic policy outlined above, Aeon plans to pay an ordinary dividend for the fiscal year ending February 28, 2022 of 36 yen per share, consisting of an interim payment of 18 yen per share and a year-end payment of 18 yen per share.

2. Management Strategies and Policies

(1) Basic Policy on Management

Aeon's unchanging 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 philosophy, and from the viewpoint "everything we do, we do for our customers," Aeon closely watches market and customer changes and is pursuing corporate value enhancement with the aim of being a corporate group that contributes to sustainable growth and local communities from a long-term perspective.

Aeon 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, and Aeon is instilling this code throughout the Group. On the basis of this code, Aeon will strive 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

Aeon has been building value chains in different parts of Asia, and has grown to become a top-class super-regional retailer. In 2020, there was a significant acceleration of changes that were already underway, including big changes in consumer behavior, sentiment, and values, as a result of COVID-19, in addition to demographic changes, changes in the social environment due to climate change, the permeation of digital technology into all aspects of life, heightening health awareness, and structural changes in the competitive environment. Looking ahead to the upcoming 10 years from a medium- to long-term perspective, Aeon recognizes that it will face environmental changes that are on a completely different scale compared to the changes it has experienced in the past. The Group formulated the Aeon Group Medium-Term Management Plan looking ahead to 2025 based on its view that this tumultuous environmental change is an opportunity for dramatic growth. In this new medium-term management plan, in addition to further accelerating the "shift to regional markets", "shift to digital markets", "shift to Asian markets", and the "shift in investments" to support the other "shifts", the Aeon Group will aim to build a business foundation that facilitates sustainable growth by working on "Five Reforms" (accelerate and evolve the shift to digital, create unique value with a supply chain-focused outlook, evolve health and wellness in response to the new era, create Aeon lifestyle spheres, and further accelerate the shift to Asian markets) as strategies shared across the entire Group. By doing so, Aeon will significantly reform the Group's business structure and transform itself into a highly-profitable corporate group.

Promotion of Diversity

Aeon views promoting diversity as not just a matter of addressing social issues, but also as one of its management strategies. Aeon's basic philosophy on human resources is that discrimination based on attributes such as nationality, gender, age, physical and/or intellectual disabilities, sexual orientation, or gender identification should be eliminated, and that human resources matters should be decided based on abilities and achievements. Aeon aims to be an organization that fully utilizes the abilities of diverse human resources, boldly responds to dramatic changes in the environment, and always flexibly responds to customers' needs and continues to innovate. Aeon uses the term "Daimanzoku," which means very satisfied in Japanese, to refer to the satisfaction born from diversity management felt by employees and their family members, customers, and the company, and the Aeon Group is working on a variety of activities to create such satisfaction. Good examples of diversity management by Group companies in which efforts are rooted in local communities and take advantage of the individual

company's specific business characteristics are now shared among Group companies. In addition, the Group offers the "Daimanzoku College" online training programs that include level-specific training for female employees, training for the active participation of people with disabilities, and LGBT-related training. It has become easy for employees to participate in Daimanzoku College training programs from business sites throughout the country, and these programs take advantage of the Group's strengths by giving employees a chance to interact with people from across the Group and share diverse insights and connect with role models. In recognition of these initiatives, in March 2021 Aeon and Aeon Mall were selected as "Nadeshiko Brand" companies that excel in promoting the advancement of women. This marks the fourth and fifth consecutive years, respectively, for Aeon and Aeon Mall to be selected as "Nadeshiko Brand" companies.

Health Management Initiatives

Aeon promotes health management based on the belief that the promotion of employee health is the cornerstone of corporate activity, and that healthy employees are better able to provide services that contribute to the health and happiness of customers. In fiscal 2020, Aeon set a goal of reducing the number of employees who smoke by 25%, and based on this goal, 115 Aeon Group companies began prohibiting smoking during working hours and smoking on company grounds. In terms of efforts to prevent the spread of infectious diseases, Aeon implemented measures to prevent COVID-19 infections, and fully subsidized the cost of influenza vaccinations. In recognition of these initiatives, in March 2021 Aeon was certified as a 2021 Company with Excellent Health Management (White 500).

3. Basic Policy Regarding Selection of Accounting Standards

The Aeon Group uses Japanese 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 29, 2020	As of February 28, 2021
	Amount	Amount
Assets		
Current assets		
Cash and deposits	1,221,991	1,287,564
Call loans	53,773	30,841
Notes and accounts receivable - trade	1,626,704	1,602,703
Securities	462,062	620,096
Inventories	575,748	542,894
Operating loan	433,808	415,531
Loans and bills discounted for banking business	2,049,319	2,317,689
Other	404,271	453,335
Allowance for doubtful accounts	(114,328)	(134,409)
Current assets	6,713,352	7,136,247
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,555,080	1,508,861
Tools, furniture and fixtures, net	221,896	207,096
Land	926,900	945,371
Leased assets, net	89,198	96,979
Construction in progress	41,590	46,307
Other, net	259,654	258,299
Property, plant and equipment	3,094,320	3,062,916
Intangible assets		
Goodwill	133,989	121,659
Software	105,477	122,593
Leased assets	26,530	26,345
Other	35,890	34,163
Intangible assets	301,888	304,762
Investments and other assets		
Investment securities	229,916	269,706
Net defined benefit asset	11,975	18,087
Deferred tax assets	159,727	147,034
Guarantee deposits	414,576	409,843
Deposits for stores in progress	2,189	1,049
Other	143,542	139,672
Allowance for doubtful accounts	(8,803)	(8,051)
Investments and other assets	953,124	977,341
Non-current assets	4,349,333	4,345,020
Assets	11,062,685	11,481,268

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,068,427	1,072,409
Deposits for banking business	3,784,320	4,010,090
Short-term loans payable	253,395	360,481
Current portion of long-term loans payable	303,055	281,435
Current portion of bonds	75,633	68,882
Commercial papers	168,131	91,269
Lease obligations	54,146	56,238
Income taxes payable	55,363	53,954
Provision for bonuses	31,475	35,055
Provision for loss on store closing	8,245	10,143
Provision for point card certificates	24,319	25,143
Notes payable - facilities	58,171	44,116
Other	714,536	769,250
Current liabilities	6,599,221	6,878,471
Non-current liabilities		
Bonds payable	779,513	907,156
Long-term loans payable	1,040,774	1,043,122
Lease obligations	309,782	316,705
Deferred tax liabilities	37,444	40,137
Provision for directors' retirement benefits	882	449
Provision for loss on store closing	2,923	2,622
Provision for contingent loss	53	58
Provision for loss on interest repayment	4,965	5,706
Provision for loss on future collection of gift certificates	5,455	5,738
Net defined benefit liability	25,496	21,852
Asset retirement obligations	97,369	104,029
Long-term guarantee deposited	261,653	254,763
Reserve for insurance policy liabilities	-	86,639
Other	47,872	58,036
Non-current liabilities	2,614,186	2,847,019
Liabilities	9,213,407	9,725,491

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
	Amount	Amount
Net assets		
Shareholders' equity		
Capital stock	220,007	220,007
Capital surplus	307,089	300,964
Retained earnings	541,180	439,600
Treasury shares	(42,455)	(36,601)
Shareholders' equity	1,025,822	923,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,054	62,813
Deferred gains or losses on hedges	(4,149)	(3,122)
Foreign currency translation adjustment	(2,064)	(8,752)
Remeasurements of defined benefit plans	(10,147)	(4,589)
Total accumulated other comprehensive income	38,693	46,349
Subscription rights to shares	1,706	1,550
Non-controlling interests	783,056	783,904
Net assets	1,849,278	1,755,776
Liabilities and net assets	11,062,685	11,481,268

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

Consolidated Statement of Income

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
	Amount	Amount
Operating revenue		
Net sales	7,505,415	7,576,142
Operating revenue from financial services business	436,936	438,870
Other operating revenue	661,855	588,897
Operating revenue	8,604,207	8,603,910
Operating costs		
Cost of sales	5,431,856	5,505,835
Operating cost from financial services business	36,917	86,056
Operating cost	5,468,774	5,591,891
Gross profit	2,073,558	2,070,306
Operating gross profit	3,135,433	3,012,018
Selling, general and administrative expenses		
Advertising expense	207,802	170,572
Provision of allowance for doubtful accounts	64,440	70,084
Employees' salaries and bonuses	1,015,292	1,020,926
Provision for bonuses	31,475	35,055
Legal and employee benefits expenses	174,737	177,609
Utilities expenses	148,861	131,323
Depreciation	274,323	272,218
Repair and maintenance	155,587	156,811
Rents	393,413	384,603
Amortization of goodwill	14,309	14,051
Other	439,658	428,173
Selling, general and administrative expenses	2,919,902	2,861,432
Operating profit	215,530	150,586
Non-operating income		
Interest income	3,589	3,579
Dividend income	2,545	2,254
Share of profit of entities accounted for using equity method	3,295	3,977
Income from unredeemed gift vouchers	4,035	4,279
Penalty income from leaving tenants	4,020	3,719
Reversal of allowance for doubtful accounts	914	467
Other	13,013	12,210
Non-operating income	31,414	30,487
Non-operating expenses		
Interest expenses	31,813	32,302
Other	9,302	9,968
Non-operating expenses	41,115	42,271
Ordinary profit	205,828	138,801
Extraordinary income		
Gain on sales of non-current assets	29,785	7,311
Gain on revision of retirement benefit plan	-	7,853
Subsidy income	-	6,530
Other	19,240	5,541
Extraordinary income	49,025	27,236
Extraordinary losses		
Loss on sales of non-current assets	668	397

Impairment loss	58,267	57,821
Provision for loss on store closing	6,146	5,172
Loss on retirement of non-current assets	5,295	3,236
Infectious disease related cost	-	33,964
Other	9,812	12,226
Extraordinary losses	80,189	112,819
Profit before income taxes	174,664	53,219
Income taxes		
Current	98,509	82,144
Deferred	1,217	8,847
Income taxes	99,726	90,992
Profit (loss)	74,937	(37,772)
Profit attributable to non-controlling interests	48,099	33,252
Profit (loss) attributable to owners of parent	26,838	(71,024)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
	Amount	Amount
Profit (loss)	74,937	(37,772)
Other comprehensive income		
Valuation difference on available-for-sale securities	7,123	7,797
Deferred gains or losses on hedges	(4,769)	1,706
Foreign currency translation adjustment	(7,995)	(10,876)
Remeasurements of defined benefit plans, net of tax	(9,752)	6,558
Share of other comprehensive income of entities accounted for using equity method	748	276
Other comprehensive income	(14,645)	5,461
Comprehensive income	60,292	(32,311)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	19,386	(63,368)
Comprehensive income attributable to non-controlling interests	40,905	31,056

(3) Consolidated Statement of Changes in Equity

Year ended February 29, 2020 (March 1, 2019 – February 29, 2020)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	220,007	302,636	561,135	(36,290)	1,047,490
Cumulative effects of changes in accounting policies			(17,331)		(17,331)
Restated balance	220,007	302,636	543,804	(36,290)	1,030,159
Changes of items during period					
Dividends of surplus			(29,462)		(29,462)
Profit attributable to owners of parent			26,838		26,838
Purchase of treasury shares				(13,013)	(13,013)
Disposal of treasury shares		6,231		6,848	13,080
Change in ownership interest of parent due to transactions with non-controlling interests		(1,779)			(1,779)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4,452	(2,624)	(6,165)	(4,337)
Balance at end of period	220,007	307,089	541,180	(42,455)	1,025,822

	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	47,391	(2,542)	2,155	(859)	46,145	1,960	779,768	1,875,364
Cumulative effects of changes in accounting policies							(12,359)	(29,690)
Restated balance	47,391	(2,542)	2,155	(859)	46,145	1,960	767,409	1,845,674
Changes of items during period								
Dividends of surplus								(29,462)
Profit attributable to owners of parent								26,838
Purchase of treasury shares								(13,013)
Disposal of treasury shares								13,080
Change in ownership interest of parent due to transactions with non-controlling interests								(1,779)
Net changes of items other than shareholders' equity	7,663	(1,607)	(4,220)	(9,287)	(7,451)	(253)	15,647	7,941
Total changes of items during period	7,663	(1,607)	(4,220)	(9,287)	(7,451)	(253)	15,647	3,604
Balance at end of period	55,054	(4,149)	(2,064)	(10,147)	38,693	1,706	783,056	1,849,278

Year ended February 28, 2021 (March 1, 2020 – February 28, 2021)

(Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Shareholders' equity
Balance at beginning of period	220,007	307,089	541,180	(42,455)	1,025,822
Changes of items during period					
Dividends of surplus			(30,555)		(30,555)
Profit (loss) attributable to owners of parent			(71,024)		(71,024)
Purchase of treasury shares				(140)	(140)
Disposal of treasury shares		2,107		5,995	8,102
Change in ownership interest of parent due to transactions with non-controlling interests		(8,231)			(8,231)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(6,124)	(101,580)	5,854	(101,850)
Balance at end of period	220,007	300,964	439,600	(36,601)	923,971

	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	55,054	(4,149)	(2,064)	(10,147)	38,693	1,706	783,056	1,849,278
Changes of items during period								
Dividends of surplus								(30,555)
Profit (loss) attributable to owners of parent								(71,024)
Purchase of treasury shares								(140)
Disposal of treasury shares								8,102
Change in ownership interest of parent due to transactions with non-controlling interests								(8,231)
Net changes of items other than shareholders' equity	7,758	1,027	(6,687)	5,557	7,656	(155)	847	8,348
Total changes of items during period	7,758	1,027	(6,687)	5,557	7,656	(155)	847	(93,501)
Balance at end of period	62,813	(3,122)	(8,752)	(4,589)	46,349	1,550	783,904	1,755,776

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	174,664	53,219
Depreciation	292,747	296,600
Amortization of goodwill	14,309	14,051
Increase (decrease) in allowance for doubtful accounts	8,543	18,807
Increase (decrease) in provision for loss on interest repayment	1,122	741
Increase (decrease) in provision for bonuses	(1,389)	3,985
Increase (decrease) in net defined benefit liability	(4,059)	(5,592)
Decrease (Increase) in net defined benefit asset	(5,388)	(2,084)
Interest and dividend income	(6,134)	(5,834)
Interest expenses	31,813	32,302
Foreign exchange losses (gains)	(1,385)	(4,775)
Share of (profit) loss of entities accounted for using equity method	(3,295)	(3,977)
Gain on sales of non-current assets	(29,785)	(7,311)
Loss on sales and retirement of non-current assets	7,452	5,125
Impairment loss	58,267	57,821
Gain on negative goodwill	(1,333)	-
Loss (gain) on sales of short-term and long-term investment securities	(10,088)	2
Decrease (increase) in notes and accounts receivable – trade	(172,577)	20,291
Decrease (increase) in inventories	22,263	33,923
Decrease (increase) in operating loans receivable	(41,057)	20,625
Decrease (increase) in cash loans and bills discounted for banking business	(84,124)	(268,371)
Increase (decrease) in notes and accounts payable - trade	157,079	2,075
Increase (decrease) in deposits for banking business	341,266	225,770
Increase/decrease in other assets/liabilities	16,715	26,232
Other, net	(15,924)	(7,202)
Subtotal	749,702	506,428
Interest and dividend income received	7,855	8,195
Interest expenses paid	(31,998)	(34,589)
Income taxes paid	(100,899)	(83,573)
Net cash provided by (used in) operating activities	624,660	396,461

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
	Amount	Amount
Cash flows from investing activities		
Purchase of securities	(1,398)	(31,960)
Proceeds from sales and redemption of securities	1,498	75,909
Acquisition of securities for banking business	(531,621)	(577,521)
Proceeds from sales and redemption of securities in banking business	508,841	487,478
Purchase of non-current assets	(417,762)	(301,255)
Proceeds from sales of non-current assets	87,002	34,870
Purchase of investment securities	(3,590)	(28,148)
Proceeds from sales of investment securities	20,439	1,669
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,693)	(2,475)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	28	10,266
Payments for guarantee deposits	(20,162)	(17,052)
Proceeds from collection of guarantee deposits	29,798	19,765
Proceeds from guarantee deposits received	21,400	16,112
Repayments of guarantee deposits received	(25,002)	(22,769)
Other, net	(9,272)	(6,705)
Net cash provided by (used in) investing activities	(341,492)	(341,814)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	(57,691)	32,533
Proceeds from long-term loans payable	231,606	294,788
Repayments of long-term loans payable	(239,228)	(310,227)
Proceeds from issuance of bonds	366,603	196,779
Redemption of bonds	(126,225)	(77,019)
Purchase of treasury shares	(13,013)	(140)
Proceeds from share issuance to non-controlling shareholders	2,255	1,538
Repayments to non-controlling shareholders	(6,006)	(5,290)
Repayments of lease obligations	(73,331)	(54,380)
Cash dividends paid	(29,462)	(30,555)
Dividends paid to non-controlling interests	(23,229)	(20,649)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	6,982	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5,890)	(10,957)
Other, net	17,795	7,871
Net cash provided by (used in) financing activities	51,164	24,290
Effect of exchange rate change on cash and cash equivalents	(7,639)	(3,095)
Net increase (decrease) in cash and cash equivalents	326,692	75,842
Cash and cash equivalents, beginning of period	814,479	1,141,171
Increase in cash and cash equivalents resulting from merger	-	41
Cash and cash equivalents, end of period	1,141,171	1,217,054

(5) Notes on the Consolidated Financial Statements

Notes and other supplementary information for the consolidated balance sheet, the consolidated statement of income and consolidated 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

(Additional Information)

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

The Company has introduced the Employee Stock Ownership Plan Trust ("ESOP Trust") incentive scheme that provides 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 ESOP Trust has adopted the gross accounting method, and the Company's stock held by the ESOP Trust was included in treasury shares under net assets. At the end of the fiscal year ended February 28, 2021, the book value of treasury shares and long-term loans payable (including the current portion) recorded in accordance with the adoption of the gross accounting method were 10,138 million yen (4,388,100 shares) and 11,050 million yen, respectively.

(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 retail store operations, including 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, banking, and insurance 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 changes, from the fiscal year ended February 28, 2021, the Company has reclassified some subsidiaries included in “Health and Wellness” business to include them in “Services and Specialty Store” business, and some subsidiaries included in “International” business to include them in digital business in “Other”. For reference, segment information for the previous fiscal year was prepared based on the current segmentation.

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

Year ended February 29, 2020 (March 1, 2019 – February 29, 2020)

(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	2,831,842	3,212,842	878,291	436,936	290,482	565,567
(2) Intersegment revenue or transfers	238,678	11,520	359	47,782	81,444	178,526
Total	3,070,521	3,224,363	878,650	484,719	371,926	744,094
Segment income	7,223	21,507	35,625	70,464	63,279	4,521
Segment assets	1,428,143	1,189,877	435,111	5,813,931	1,593,193	395,025
Segment interest-bearing debt	329,516	245,736	47,438	1,065,476	772,761	81,659
Other items:						
Depreciation	50,566	55,120	14,460	34,625	74,074	19,951
Share of profit (loss) of entities accounted for using equity method	147	523	487	2,062	-	(253)
Impairment loss	17,597	21,977	4,097	398	6,729	4,946
Investment in entities accounted for using equity method	1,918	31,846	4,560	36,385	-	1,729
Increase in property, plant and equipment and intangible assets	115,566	80,465	27,256	44,130	119,580	20,872

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	435,283	8,651,246	3,297	8,654,544	(50,337)	8,604,207
(2) Intersegment revenue or transfers	3,857	562,170	49,897	612,067	(612,067)	-
Total	439,141	9,213,417	53,194	9,266,612	(662,404)	8,604,207
Segment income	10,783	213,407	1,558	214,965	564	215,530
Segment assets	442,784	11,298,067	59,577	11,357,645	(294,959)	11,062,685
Segment interest-bearing debt	217,385	2,759,973	22,765	2,782,738	223,952	3,006,690
Other items:						
Depreciation	32,700	281,499	7,648	289,147	3,600	292,747
Share of profit (loss) of entities accounted for using equity method	1	2,967	-	2,967	327	3,295
Impairment loss	1,589	57,336	902	58,239	27	58,267
Investment in entities accounted for using equity method	0	76,440	-	76,440	5,209	81,649
Increase in property, plant and equipment and intangible assets	27,254	435,126	10,929	446,055	4,650	450,706

Notes: 1. Main components of the minus 50,337 million yen in adjustments for operating revenue attributable to customers are as follows:

(a) Minus 90,472 million yen in adjustments to service transactions reported in the reportable segment information, and

(b) 40,104 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 564 million yen in adjustments for segment income are as follows:

(a) 2,098 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments,

(b) Minus 157 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 1,322 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, 2021 (March 1, 2020 – February 28, 2021)

(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	2,865,843	3,248,830	955,893	438,870	250,532	466,172
(2) Intersegment revenue or transfers	203,666	16,838	703	48,702	76,484	176,151
Total	3,069,510	3,265,669	956,596	487,572	327,017	642,323
Segment income (loss)	(15,689)	50,687	41,532	42,648	35,738	(17,690)
Segment assets	1,381,170	1,212,252	476,186	6,159,161	1,616,667	386,244
Segment interest-bearing debt	290,492	249,967	53,372	1,043,920	831,045	106,676
Other items:						
Depreciation	47,576	55,313	15,367	38,509	76,436	19,901
Share of profit (loss) of entities accounted for using equity method	16	1,982	668	2,199	-	(952)
Impairment loss	22,903	16,898	3,822	144	7,336	4,892
Investment in entities accounted for using equity method	1,872	33,548	5,141	36,504	-	606
Increase in property, plant and equipment and intangible assets	56,993	67,897	26,398	39,488	109,382	20,047

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements*3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	410,902	8,637,046	7,089	8,644,135	(40,225)	8,603,910
(2) Intersegment revenue or transfers	3,511	526,058	47,244	573,303	(573,303)	-
Total	414,413	9,163,104	54,333	9,217,438	(613,528)	8,603,910
Segment income (loss)	6,068	143,296	2,357	145,653	4,932	150,586
Segment assets	408,612	11,640,294	65,206	11,705,501	(224,233)	11,481,268
Segment interest-bearing debt	208,576	2,784,051	20,420	2,804,472	341,241	3,145,713
Other items:						
Depreciation	31,226	284,331	8,467	292,798	3,801	296,600
Share of profit (loss) of entities accounted for using equity method	(1)	3,914	-	3,914	62	3,977
Impairment loss	1,021	57,018	777	57,795	26	57,821
Investment in entities accounted for using equity method	0	77,673	-	77,673	5,387	83,061
Increase in property, plant and equipment and intangible assets	17,043	337,251	12,442	349,693	6,496	356,190

Notes: 1. Main components of the minus 40,225 million yen in adjustments for operating revenue attributable to customers are as follows:

(a) Minus 79,921 million yen in adjustments to service transactions reported in the reportable segment information, and

(b) 39,588 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 4,932 million yen in adjustments for segment income are as follows:

(a) 3,555 million yen in income of the pure holding company (Aeon Co., Ltd.) not attributable to any of the business segments,

(b) 2,956 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 1,629 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 29, 2020 (March 1, 2019 – February 29, 2020)

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
7,832,102	390,512	276,514	105,078	8,604,207

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
2,489,046	347,393	244,072	13,807	3,094,320

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, 2021 (March 1, 2020 – February 28, 2021)

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
7,896,403	347,498	261,698	98,309	8,603,910

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
2,478,862	342,067	229,476	12,510	3,062,916

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 29, 2020 (March 1, 2019 – February 29, 2020)

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

Year ended February 28, 2021 (March 1, 2020 – February 28, 2021)

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 29, 2020 (March 1, 2019 – February 29, 2020)

(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. 29, 2020	2,242	2,313	4,147	1,910	2,628	849
Balance at Feb. 29, 2020	13,593	26,712	52,215	15,413	18,279	7,325

	Reportable segment		Other	Adjustments	Total
	International	Total			
Amortization for the fiscal year ended Feb. 29, 2020	193	14,285	-	23	14,309
Balance at Feb. 29, 2020	436	133,977	-	11	133,989

Year ended February 28, 2021 (March 1, 2020– February 28, 2021)

(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, 2021	2,247	2,300	4,397	1,647	2,572	776
Balance at Feb. 28, 2021	11,588	24,331	51,020	14,039	15,367	5,313

	Reportable segment		Other	Adjustments	Total
	International	Total			
Amortization for the fiscal year ended Feb. 28, 2021	97	14,039	-	11	14,051
Balance at Feb. 28, 2021	-	121,659	-	-	121,659

[Gain on negative goodwill by reportable segment]

Year ended February 29, 2020 (March 1, 2019 – February 29, 2020)

Not applicable

Year ended February 28, 2021 (March 1, 2020 – February 28, 2021)

Not applicable

(Per Share Information)

	Year ended February 29, 2020 (March 1, 2019 – February 29, 2020)	Year ended February 28, 2021 (March 1, 2020 – February 28, 2021)
Net assets per share (yen)	1,264.63	1,147.56
Earnings (loss) per share (yen)	31.88	(84.06)
Earnings per share - fully diluted (yen)	31.83	-

(Note) Even though the Company has dilutive shares, earnings per share - fully diluted for the fiscal year ended February 28, 2021 is not indicated because a net loss per share was recorded for the period.

(Note) Data for calculation

1. Net assets per share

	February 29, 2020	February 28, 2021
Total net assets on the consolidated balance sheets (millions of yen)	1,849,278	1,755,776
Net assets attributable to common shares (millions of yen)	1,064,515	970,321
Main component of difference: Non-controlling interests (millions of yen)	783,056	783,904
Number of common shares issued (thousands of shares)	871,924	871,924
Number of common shares in treasury (thousands of shares)	30,162	26,370
Number of common shares used for calculation of net assets per share (thousands of shares)	841,762	845,553

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

	Year ended February 29, 2020 (March 1, 2019 – February 29, 2020)	Year ended February 28, 2021 (March 1, 2020 – February 28, 2021)
Profit (loss) attributable to owners of parent (millions of yen)	26,838	(71,024)
Amount not attributable to common shareholders (millions of yen)	-	-
Profit (loss) attributable to common shares of parent (millions of yen)	26,838	(71,024)
Average number of common shares outstanding (thousands of shares)	841,731	844,964
Main components of adjustment for profit 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	(35)	-
Adjustment for profit attributable to owners of parent (millions of yen)	(35)	-
Increase in the number of common shares used to calculate earnings per share - fully diluted (thousands of shares)	267	-
Residual securities not included in the calculation for earnings per share - fully diluted because they have no dilutive effect	-	-

Note: The average number of common shares outstanding for the fiscal year ended February 28, 2021 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 29, 2020 was 5,626 thousand shares; as of February 28, 2021, 4,388 thousand shares). The average number of common shares held by the trust was 230 thousand shares for the fiscal year ended February 29, 2020, and 4,983 thousand shares for the fiscal year ended February 28, 2021.

(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 27
(2)	Total amount of bonds	30,000 million yen
(3)	Denomination per bond	1 million yen
(4)	Coupon rate	0.39%
(5)	Issue price	100 yen per face value of 100 yen
(6)	Date of issuance	March 31, 2021
(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 31, 2026.
(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 used for repayment of borrowings.