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Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2025 (Japanese GAAP)

October 8, 2024

Company name: AEON MALL Co., Ltd. Stock Exchange Listing: TSE
Stock code: 8905 URL https://www.aeonmall.com/en/ir/index.html
Representative: Keiji Ohno, President and CEO
Scheduled date of filing of quarterly report: October 11, 2024 Starting date of dividend payment: October 22, 2024
Preparation of supplementary materials for financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 2025 (March 1, 2024 – August 31, 2024)

(1) Consolidated Operating Results (cumulative) (Percentages represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 31, 2024	222,231	5.4	26,841	9.9	21,368	8.6	9,078	(13.6)
Six months ended August 31, 2023	210,807	8.6	24,428	7.0	19,674	6.2	10,505	47.5

(Note) Comprehensive income: Six months ended August 31, 2024: ¥47,024 million (11.3%)
Six months ended August 31, 2023: ¥42,254 million (-20.9%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
Six months ended August 31, 2024	39.89	39.89
Six months ended August 31, 2023	46.16	46.15

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
August 31, 2024	1,738,055	517,362	29.0
February 29, 2024	1,655,253	476,226	28.0

(Reference) Equity: August 31, 2024: ¥504,806 million
February 29, 2024: ¥464,291 million

2. Dividends

	Annual Dividend				
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2024	—	25.00	—	25.00	50.00
Year ending February 28, 2025	—	25.00			
Year ending February 28, 2025 (projection)			—	25.00	50.00

(Note) Revisions to dividend forecast announced recently: None

3. Consolidated Earnings Projections for the Year Ending February 28, 2025 (March 1, 2024 - February 28, 2025)

(Percentages represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	453,500	7.2	55,000	18.5	42,000	13.3	16,500	(19.1)	72.50

(Notes) 1. Revisions to earnings forecast announced recently: None

* Notes

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

New 2 (Company names)

AEON MALL (HUNAN) XIANGJIANG NEW AREA BUSINESS MANAGEMENT CO., LTD.,
Kunshan Mall Investment Limited

Excluded - (Company name)

(Note) For details, see ***2. Quarterly Consolidated Financial Statements and Notes (4) Notes on Consolidated Interim Financial Statements (Material changes in the scope of consolidation during the consolidated interim period)*** on page 12 of the attachments.

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes of accounting-based estimates, revisions & restatements

[1] Changes in accounting policies due to changes in accounting standards, etc.: None
[2] Changes in accounting policies other than the above: None
[3] Changes in accounting estimates: None
[4] Revisions and restatements: None

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

[1] Number of shares outstanding at period-end (including treasury stock)	Six months ended August 31, 2024	227,563,739	Year ended February 29, 2024	227,560,939
[2] Treasury stock at period-end	Six months ended August 31, 2024	4,836	Year ended February 29, 2024	4,796
[3] Average number of shares during the period (quarterly cumulative)	Six months ended August 31, 2024	227,556,606	Six months ended August 31, 2023	227,555,338

* The summary of interim financial results is exempt from quarterly review procedures.

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

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements, such as earnings projections, included in these materials are based on information currently available to the Company and certain assumptions it deems reasonable. They do not constitute a promise of future performance by the Company. Moreover, actual performance may vary considerably due to a variety of factors. See ***1. Qualitative Information on Interim Financial Performance (3) Explanation of Consolidated Earnings Projections and Other Projections*** on P.6 of the accompanying materials for assumptions used in earnings projections and matters to note when using earnings projections.

(Procedures for obtaining supplementary information on financial results)

The Company is scheduled to hold a briefing for institutional investors and analysts on October 9, 2024. The materials handed out at this briefing will be posted on the Company's website on October 8, 2024, and an audio recording of the briefing will be made available on the Company's website soon after the briefing has ended.

Accompanying Materials — Contents

1. Qualitative Information on Interim Financial Performance 2
(1) Analysis of Operating Results and Financial Position 2
(2) Explanation of Financial Position 6
(3) Explanation of Consolidated Earnings Projections and Other Projections 6
2. Consolidated Interim Financial Statements and Notes 7
(1) Consolidated Interim Balance Sheets 7
(2) Consolidated Interim Statements of Income and Consolidated Statements of Comprehensive Income 9
Consolidated Interim Statements of Income
Consolidated Interim Period 9
Consolidated Interim Statements of Comprehensive Income
Consolidated Interim Period 10
(3) Consolidated Interim Statement of Cash Flows 11
(4) Notes on Consolidated Interim Financial Statements 12
Notes on the going concern assumption 12
Notes on significant changes in shareholders' equity 12
Changes in major consolidated subsidiaries during the period under review 12
Material changes in the scope of consolidation during the consolidated interim period 12
Segment and other information 13
Significant subsequent events 13

1. Qualitative Information on Interim Financial Performance

Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results and Financial Position

We recorded higher revenue and profit for the consolidated interim period of the fiscal year ending February 28, 2025. Operating revenue amounted to ¥222,231 million (+5.4% year on year), while operating income amounted to ¥26,841 million (+9.9%) and ordinary income amounted to ¥21,368 million (+8.6%). The Company also posted extraordinary losses of ¥3,858 million, including an impairment loss of ¥2,149 million as well as a provision for loss on store closings of ¥817 million due to the decision to end management and operations of Seisekisakuragaoka OPA. As a result, net income attributable to owners of parent for the interim period amounted to ¥9,078 million (-13.6% year on year).

By segment, our Domestic Business (Japan) drove Company performance, posting operating revenue of ¥171,677 million (+2.4% year on year) as the profitability of existing malls recovered due to aggressive activation efforts at existing malls, attracting customers through Cool Share promotions during the heat wave, and the expansion of inbound consumption. Operating income was ¥20,700 million (+13.8%). Operating revenue in our overseas business was ¥50,745 million (+17.3% year on year) and operating income was ¥6,128 million (-1.4%), down slightly from the same period last year, as higher profit in Vietnam and Indonesia was not enough to recover the profit decline in China and Cambodia.

◆ Consolidated Earnings (Million yen)

	Consolidated Interim FY2023	Consolidated Interim FY2024	Change [YoY]
Operating revenue	210,807	222,231	+11,423 [+5.4%]
Operating income	24,428	26,841	+2,413 [+9.9%]
Ordinary income	19,674	21,368	+1,693 [+8.6%]
Net income attributable to owners of parent	10,505	9,078	(1,426) [-13.6%]

◆ Earnings by Segment (Million yen)

	Operating Revenue			Segment Income (Loss)		
	Consolidated Interim FY2023	Consolidated Interim FY2024	Change [YoY]	Consolidated Interim FY2023	Consolidated Interim FY2024	Change [YoY]
Japan	167,684	171,677	+3,992 [+2.4%]	18,198	20,700	+2,502 [+13.8%]
China	28,672	33,206	+4,533 [+15.8%]	4,192	3,546	(645) [-15.4%]
Vietnam	7,155	8,192	+1,037 [+14.5%]	1,992	2,414	+422 [+21.2%]
Cambodia	3,999	4,624	+625 [+15.6%]	181	(11)	(192) [－]
Indonesia	3,434	4,721	+1,287 [+37.5%]	(142)	187	+330 [－]
Other	―	―	― [－]	(6)	(8)	(2) [－]
Overseas	43,261	50,745	+7,484 [+17.3%]	6,217	6,128	(88) [-1.4%]
Adjustment	(138)	(192)	(53) [－]	12	12	― [+0.0%]
Total	210,807	222,231	+11,423 [+5.4%]	24,428	26,841	+2,413 [+9.9%]

The following describes the status of sales in each country and local initiatives based on our medium-term management plan. The accounting period for companies outside Japan is the year ending December 31. Accordingly, the figures presented herein reflect results for January through June.

(Japan)
In Japan, the Company recorded operating revenue of ¥171,677 million (+2.4% year on year) and operating income of ¥20,700 million (+13.8%). Specialty store sales at existing malls increased a significant +5.9% year on year (92 malls). Cost reductions in electricity and other expenses contributed to a double-digit profit increase.

We renovated 10 existing malls during the current consolidated interim period as part of efforts to strengthen profitability. Renovations included floor space expansions at AEON Lake Town OUTLET (Saitama Prefecture) on March 29 and AEON MALL Ota (Gunma Prefecture) on April 19.

In April, we launched a new Specialty Store Appreciation Day program offering 5% off at the time of payment exclusively for AEON Gold Card members. Currently, customers who use their AEON cards on Customer Appreciation Days (20th and 30th of each month) receive special offers from specialty stores; however, this new program offers a further 5% discount at the time of payment exclusively to Gold members. We expect this new program will increase the number and loyalty of Gold Card members who use credit often and in large amounts, thereby increasing the amount of money spent per customer. In June, the Company added to the number of Customer Appreciation Day dates due to the the flat-rate tax cut, looking to grow sales by capture the additional consumption stimulated by the tax cut.

In response to inbound consumption, which continues to rise amid the ongoing depreciation of the yen, we sought to capture demand at malls near tourist attractions and airports. As a result, duty-free sales doubled from the previous fiscal year. The number of domestic travelers in Japan has transitioned downward due to uncertainties over the future caused by high prices. Highlighting our malls as *cheap, close, and quick*, we responded to the leisure demand of the summer months, resulting in a strong increase in customer traffic.

As Japan continued to experience intense heat, we registered our malls nationwide as Cool Share spots and invite community residents to use our facilities. In this way, we aim to reduce the number of heat stroke victims and make a positive contribution to social issues, including reducing energy consumption and easing the burden on household budgets caused by soaring fuel costs. We also pursue initiatives in cooperation with the Ministry of the Environment and local governments, including registering 110 of our facilities nationwide as Cooling Shelters (as of September 2024). Cooling Shelters are designated heat evacuation facilities in the event of a government-issued special alert for heat stroke.

We held a number of family-friendly events at malls nationwide. Events included summer festivals, mini fireworks shows, and water parks to help local residents cool off and have fun.
Further, we promote AEON Mall Walking, which allows customers to enjoy walking inside the mall, and *MOKUIKU Hiroba*, a children's playground filled with the warmth of wood installations. These and similar activities provided a safe and comfortable environment for community residents to enjoy themselves anytime without worrying about weather, temperature, or time of day. August specialty store sales at existing malls were +11.8% year on year, while customer traffic was up +6.2%, both figures representing significant growth.

Although we have no plans to open new properties during the current fiscal year, construction has begun on AEON MALL Suzaka (Nagano Prefecture) and AEON MALL Sendai Amamiya (tentative name; Miyagi Prefecture). We are working toward openings for these malls in fiscal 2025. We are planning renovations of existing malls in line with the respective market locations to create new incentives to visit and increase the frequency of visits. We are replacing specialty stores to provide fresh and attractive updates to customers and diversify the value we offer. We are also conducting building repairs to provide comfortable spaces in common areas, as well as to maintain and improve facility environments. Through these efforts, we will strengthen the ability of our malls to attract customers in Japan and improve profitability, leading to sustainable growth in our domestic business.

(China)
The Company recorded operating revenue in China of ¥33,206 million (+15.8% year on year). Operating income amounted to ¥3,546 million (-15.4%). Specialty store sales at existing malls increased +3.3% year on year (21 malls), with the opening of new

malls contributing to this revenue increase. Operating income, however, decreased due to the impact of lower profits from malls we closed in the previous fiscal year.

Uncertainties about the future of the economy persisted throughout the current consolidated interim period due to the prolonged real estate recession. Accordingly, consumers continue to be price-conscious. Time-consumption industries such as food and beverage and amusement remained firm. The number of customers visiting existing malls grew by double digits of +12.5% year on year (21 malls). However, shopping for merchandise such as apparel and accessories has been in decline.

Assuming that consumers will continue to have a low price preference even after the consolidated interim period, we plan to develop measures to attract customers and increase the number of mall visits. We intend to grow sales through sales measures that will lead to higher purchase rates and unit price per purchase.

In terms of new properties, we opened a second mall in Zhejiang Province, AEON Mall Hangzhou Qiantang (Hangzhou City, Zhejiang Province), on June 1. We also opened a first mall in Hunan Province, AEON Mall Changsha Xingsha (Changsha City, Hunan Province), on September 12. AEON MALL Changsha Xingsha is located in the eastern part of Changsha, a city known for its high growth potential, especially in the cultural industry. The area is also known for its thriving nighttime economy. Taking advantage of the area's characteristics, the mall features an outdoor night market with food, beverages, and various activities, providing an environment that can be used by the local community as a base for nighttime activities.

(Vietnam)
In Vietnam, the Company recorded operating revenue of ¥8,192 million (+14.5% year on year) and operating income of ¥2,414 million (+21.2%). Sales and profits increased, with high profit growth stemming from the continued strong performance of existing mall specialty store sales, which were +8.3% year on year (6 malls).

During the current consolidated interim period, the negative impact on consumption of delays in factory worker employment, wage improvements, and other labor environment issues remained to a certain degree. However, our malls held events in collaboration with local governments and organizations, issued coupons for use at specialty stores, leading to steady sales.

In the period following the consolidated interim period, we plan to conduct sales and events to coincide with anniversaries and seasonal events such as National Day in September and Vietnamese Women's Day in October.

In terms of new properties, we opened AEON MALL Hue (Thua Thien Hue Province) on September 21, our first mall in the central area of the country. The new mall is located in a large development area of Hue City, a cultural and educational city with abundant tourist resources, including beautiful temples, museums, and a large concentration of cultural and educational facilities. The mall is the largest new landmark in Hue City, offering a green sunken garden, an open restaurant zone, and a variety of other spaces for interaction.

(Cambodia)
The Company operating revenue in Cambodia of ¥4,624 million (+15.6% year on year) and an operating loss of ¥11 million (compared with operating income of ¥181 million in the interim period of the previous fiscal year). Specialty store sales at existing malls increased 0.1% year on year (3 malls), representing an increase in revenue. However, operating income fell due to an increase in expenses accompanying stepped-up sales promotion activities to attract customers back.

Customer traffic began to improve during the current consolidated interim period due to the effects of the renovation and expansion of our first mall, AEON Mall Phnom Penh (Phnom Penh), in November last year. Progress in road construction in the vicinity of our third mall, AEON Mall Meanchey (Phnom Penh), is easing the impact of traffic congestion gradually. However, sales have yet to fully recover due to the decline of foreign investment in Cambodia, resulting in a delayed recovering of consumption by foreign nationals.

After the consolidated interim period, AEON MALL Meanchey will continue interior renovations to expand entertainment functions and attract more customers, which we expect will lead to an improved leasing environment. Ongoing and aggressive sales activities should attract more customers and improve profitability, as should the quickly improving the vacant floor space situation, which has been an issue.

(Indonesia)
The Company recorded operating revenue in Indonesia of ¥4,721 million (+37.5% year on year). Operating income amounted to ¥187 million (compared to an operating loss of ¥142 million in the same period of the previous fiscal year). Customer traffic at existing malls grew +8.1% year on year (4 malls), and the opening of new malls impacted revenues positively, resulting in a profit improvement of ¥330 million compared with the previous fiscal year.

We engaged in stronger leasing activities during the interim period, including attracting popular local specialty stores and new specialty stores through collaborations resulting in new business formats. Vacancy rates at existing malls improved, including our fourth mall, AEON MALL Tanjung Barat (South Jakarta), which contributed to revenue growth. Our fifth mall, AEON MALL Delta Mas (Bekasi Prefecture; opened on March 22), unveiled a Japan-originated interactive indoor sports entertainment facility in June. We continued to step up efforts to attract customers through promotions utilizing various media, including social media and media installations inside and outside the building.

In addition to continuing raffles and sales events at each mall in the periods following the consolidated interim period, we plan to improve profitability by driving more weekday customer traffic by creating community venues using local events, etc.

◆ New Properties During the Current Consolidated Interim Period

Country	Name	Location	Opening Date	Tenants	Lease Area (㎡)
Features					
Indonesia	AEON MALL Delta Mas	Bekasi Province	March 22, 2024	300	86,000
Located in the eastern part of the Jakarta Metropolitan Area, the mall is situated in the center of Delta Mas City township, home to the world's largest urban development project, currently underway in a partnership between Sinar Mas Land, the largest real estate company in Indonesia, and Sojitz Corporation of Japan. As one of the largest flagship malls in Indonesia, this mall will play a central role in the township's lifestyle function, providing new value and community-building opportunities.					
China	AEON MALL Hangzhou Qiantang	Hangzhou City, Zhejian Province	June 1, 2024	170	70,000
The property is located in Qiantang District, a newly established administrative district in Hangzhou City that is experiencing economic growth and population influx due to the development of the digital industry. The property is also near an international airport and a new subway line is under construction nearby. In addition to multiple plazas and parks of differing composition inside and outside the mall building, the mall will offer space for community interaction through the development of a food and beverage zone featuring a biophilic design.					

◆ New Japanese Properties Scheduled to Open After the Consolidated Interim Period

Country	Name	Location	Opening Date	Tenants	Lease Area (㎡)
China	AEON MALL Changsha Xingsha	Changsha City, Hunan Province	September 12, 2024	250	84,000
Vietnam	AEON MALL Hue	Thua Thien-Hue Province	September 21, 2024	140	51,000

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Assets

Total assets amounted to ¥1,738,055 million, up ¥82,801 million compared to the end of the prior consolidated fiscal year. This result was due to an increase in cash and deposits of ¥51,138 million, an increase in property, plant and equipment of ¥33,627 million as a result of investments of ¥21,054 million for the opening of new malls and the revitalization of existing malls, etc., and the effect of foreign currency translation, which exceeded depreciation and amortization of ¥37,908 million.

Liabilities

Total liabilities stood at ¥1,220,693 million, up ¥41,666 million from the end of the previous consolidated fiscal year. This result was mainly due to an increase of ¥36,216 million in deposits received from specialty stores and an increase of ¥4,646 million in notes and accounts payable-trade, offset in part by decreases of ¥6,386 million in accounts payable-other related to facilities (included in other current liabilities).

Net Assets

Net assets totaled ¥517,362 million, up ¥41,135 million compared to the end of the prior consolidated fiscal year. This result was mainly due to an increase of ¥3,389 million in retained earnings stemming from the recording of ¥9,078 million in net income attributable to owners of parent and ¥5,688 million in dividend payments, as well as an increase in foreign currency translation adjustments of ¥37,030 million.

2) Cash Flows

Cash and cash equivalents ("cash") at the end of the current consolidated interim period amounted to ¥143,309 million, an increase of ¥30,954 million from the end of the previous consolidated fiscal year.
Cash flows in the period under review were as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥79,831 million, compared to net cash provided of ¥55,300 million for the same period in the prior fiscal year. This result was mainly due to income before income taxes and other adjustments of ¥17,509 million (¥18,487 million in the year-ago period), depreciation and amortization of ¥37,908 million (¥36,317 million in the year-ago period), and an increase in deposits received from specialty stores of ¥35,660 million (¥12,214 million in the year-ago period). These amounts were offset in part by income taxes paid of ¥11,034 million (¥6,441 million in the year-ago period).

Cash flows from investing activities

Net cash used in investing activities amounted to ¥47,190 million, compared to cash used of ¥62,126 million in the previous consolidated fiscal year. This result was mainly due to expenditures of 34,602 million yen (54,039 million yen in the same period of the previous year) for the purchase of property, plant and equipment, including AEON MALL Changsha Xingsha (Changsha City, Hunan Province) and AEON MALL Hue (Thua Thien Hue Province), which opened in September 2024, as well as the renovated Yokohama World Porters (Kanagawa Prefecture), and Lake Town OUTLET in AEON Lake Town (Saitama Prefecture).

Cash flows from financing activities

Net cash used in financing activities amounted to ¥15,107 million, compared to net cash used of ¥24,407 million for the same period in the prior fiscal year. This result was mainly due to proceeds from the issuance of bonds in the amount of ¥50,000 million (¥40,000 million in the year-ago period) and proceeds from long-term debt of ¥25,000 million (¥28,568 million in the year-ago period). During the same period, the Company made cash outlays for redemptions of bonds of ¥50,000 million (¥45,000 million in the year-ago period), repayments of long-term debt of ¥21,002 million (¥30,510 million in the year-ago period), ¥12,901 million in repayments of lease obligations (¥11,380 million in the year-ago period), and ¥5,688 million in dividend payments (¥5,688 million in the year-ago period).

(3) Explanation of Consolidated Earnings Projections and Other Projections

We have made no changes to the full-year consolidated earnings projections as announced April 9, 2024.

2. Consolidated Interim Financial Statements and Notes

(1) Consolidated Interim Balance Sheets

(Million yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	89,915	141,054
Notes and accounts receivable–trade	12,766	16,272
Other	98,781	93,520
Allowance for doubtful receivables	(685)	(875)
Total current assets	200,778	249,972
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	663,998	710,535
Land	376,823	382,485
Right-of-use assets (net)	196,649	203,674
Other, net	86,200	60,604
Total property, plant and equipment	1,323,673	1,357,300
Intangible assets	3,559	3,311
Investments and other assets		
Lease deposits paid	53,310	53,238
Retirement benefit asset	444	554
Other	73,542	73,719
Allowance for doubtful receivables	(55)	(41)
Total investments and other assets	127,243	127,471
Total fixed assets	1,454,475	1,488,083
Total assets	1,655,253	1,738,055

(Million yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	11,771	16,417
Bonds due within one year	50,000	43,000
Current portion of long-term debt	59,069	48,942
Lease obligations	25,327	29,751
Income taxes payable	10,315	6,566
Deposits received from specialty stores	54,810	91,027
Allowance for employee bonus	1,774	1,254
Allowance for director and corporate auditor performance-based remuneration	48	35
Provision for loss on store closing	1,572	1,736
Other	62,214	56,912
Total current liabilities	276,904	295,644
Long-term liabilities		
Straight bonds	405,000	412,000
Long-term debt	181,129	193,719
Lease obligations	136,691	135,756
Accrued retirement benefits to employees	118	135
Asset retirement obligations	18,910	19,012
Lease deposits from lessees	152,827	156,537
Provision for loss on store closing	1,095	547
Other	6,351	7,340
Total long-term liabilities	902,123	925,048
Total liabilities	1,179,027	1,220,693
Net assets		
Shareholders' equity		
Common stock	42,383	42,385
Capital surplus	40,701	40,704
Retained earnings	326,301	329,691
Treasury stock, at cost	(8)	(8)
Total shareholders' equity	409,377	412,771
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	763	799
Foreign currency translation adjustment	54,193	91,224
Remeasurements of defined benefit plans	(42)	11
Total accumulated other comprehensive income	54,914	92,035
Stock acquisition rights	35	47
Non-controlling interests	11,898	12,508
Total net assets	476,226	517,362
Total liabilities and net assets	1,655,253	1,738,055

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

(Consolidated Interim Statements of Income)

(Consolidated Interim Period)

(Million yen)

	FY2023 Q2 March 1 - August 31, 2023	FY2024 Q2 March 1 - August 31, 2024
Operating revenue	210,807	222,231
Operating costs	169,881	177,129
Gross profit	40,926	45,101
Selling, general and administrative expenses	16,498	18,260
Operating income	24,428	26,841
Non-operating profits		
Interest income	994	1,088
Compensation paid by departing tenants	642	589
Gain on valuation of derivatives	804	254
Compensation income	79	181
Share of profit of entities accounted for using equity method	66	296
Other	284	271
Total non-operating profits	2,871	2,682
Non-operating expenses		
Interest expenses	6,384	7,348
Foreign exchange losses	764	100
Other	476	707
Total non-operating expenses	7,625	8,155
Ordinary income	19,674	21,368
Extraordinary gains		
Gain on sale of fixed assets	0	0
Total extraordinary gains	0	0
Extraordinary losses		
Loss on sale of fixed assets	0	32
Loss on retirement of fixed assets	496	785
Impairment loss	—	2,149
Provision for loss on store closings	650	817
Other	40	73
Total extraordinary losses	1,187	3,858
Income before income taxes	18,487	17,509
Income tax – current	6,824	7,307
Income tax – deferred	1,092	1,131
Total income taxes	7,917	8,438
Net income	10,570	9,070
Net income (loss) attributable to non-controlling interests)	65	(8)
Net income attributable to owners of parent	10,505	9,078

(Consolidated Interim Statements of Comprehensive Income)

(Consolidated Interim Period)

(Million yen)

	FY2023 Q2 March 1 - August 31, 2023	FY2024 Q2 March 1 - August 31, 2024
Net income	10,570	9,070
Other comprehensive income		
Net unrealized gain on available-for-sale securities	174	35
Foreign currency translation adjustment	31,441	37,863
Remeasurements of defined benefit plans	68	54
Total other comprehensive income	31,684	37,953
Comprehensive income	42,254	47,024
Comprehensive income (loss) attributable to:		
Owners of parent	40,921	46,199
Non-controlling interests	1,333	824

(3) Consolidated Interim Statements of Cash Flows

(Million yen)

	FY2023 Q2 March 1 - August 31, 2023	FY2024 Q2 March 1 - August 31, 2024
Cash flows from operating activities		
Income before income taxes	18,487	17,509
Depreciation and amortization	36,317	37,908
Impairment loss	—	2,149
Increase (decrease) in provision for loss on store closing	650	(384)
Share of loss (profit) of entities accounted for using equity method	(66)	(296)
Interest and dividend income	(1,010)	(1,102)
Interest expenses	6,384	7,348
Decrease (increase) in receivables–trade accounts	(159)	(2,591)
Increase (decrease) in payables–trade accounts	471	4,250
Increase (decrease) in deposits received from specialty stores	12,214	35,660
Other	(6,392)	(3,846)
Subtotal	66,895	96,604
Interest and dividends received	996	1,481
Interest paid	(6,149)	(7,220)
Income taxes paid	(6,441)	(11,034)
Net cash provided by (used in) operating activities	55,300	79,831
Cash flows from investing activities		
Purchase of property, plant and equipment	(54,039)	(34,602)
Proceeds from sales of property, plant and equipment	0	4
Payment of lease deposits to lessors	(1,559)	(328)
Reimbursement of lease deposits to lessors	501	630
Repayment of lease deposits from lessees	(5,162)	(5,113)
Proceeds from lease deposits from lessees	7,095	6,795
Other payments	(16,325)	(37,401)
Other proceeds	7,361	22,825
Net cash provided by (used in) investing activities	(62,126)	(47,190)
Cash flows from financing activities		
Repayment of lease obligations	(11,380)	(12,901)
Proceeds from long-term debt	28,568	25,000
Repayment of long-term debt	(30,510)	(21,002)
Proceeds from issuance of bonds	40,000	50,000
Redemption of bonds	(45,000)	(50,000)
Proceeds from share issuance to non-controlling shareholders	0	2
Purchase of treasury stock	(0)	(0)
Dividends paid	(5,688)	(5,688)
Dividends paid to non-controlling interests	(145)	(217)
Other	(250)	(299)
Net cash provided by (used in) financing activities	(24,407)	(15,107)
Foreign currency translation adjustments on cash and cash equivalents	7,209	13,421
Net increase (decrease) in cash and cash equivalents	(24,023)	30,954
Cash and cash equivalents at beginning of the period	101,101	112,354
Cash and cash equivalents at end of the period	77,077	143,309

(4) Notes on Consolidated Interim Financial Statements

Notes on the going concern assumption

Not applicable

Notes on significant changes in shareholders' equity

Not applicable

Changes in major consolidated subsidiaries during the period under review

Not applicable

Material changes in the scope of consolidation during the consolidated interim period

We established AEON MALL (HUNAN) XIANGJIANG NEW AREA BUSINESS MANAGEMENT CO., LTD. and Kunshan Mall Investment Limited during the current consolidated interim period and added these entities to the scope of consolidation.

Segment and Other Information

Segment information

I. Six Months Ended August 31, 2023

1. Information on operating revenue and profit (loss) of each reporting segment

(Million yen)

	Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas) (Note 1)	Total	Adjustments (Note 2)	Amount to consolidated interim statements of income (Note 3)
Operating Revenue									
Operating revenue from external customers	167,546	28,672	7,155	3,999	3,434	—	210,807	—	210,807
Intersegment operating revenue or transfers	138	—	—	—	—	—	138	(138)	—
Total	167,684	28,672	7,155	3,999	3,434	—	210,946	(138)	210,807
Segment Income (Loss)	18,198	4,192	1,992	181	(142)	(6)	24,415	12	24,428

(Notes) 1. Other (Overseas) represents Myanmar, etc.

2. Adjustments to segment profit (loss) reflect unrealized profits on intersegment transactions.

3. Segment profit (loss) has been adjusted to operating income on the consolidated interim statement of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc., by reportable segment

Not applicable

II. Six Months Ended August 31, 2024

1. Information on operating revenue and profit (loss) of each reporting segment

(Million yen)

	Japan	China	Vietnam	Cambodia	Indonesia	Other (Overseas) (Note 1)	Total	Adjustments (Note 2)	Amount to consolidated interim statements of income (Note 3)
Operating Revenue									
Operating revenue from external customers	171,485	33,206	8,192	4,624	4,721	—	222,231	—	222,231
Intersegment operating revenue or transfers	192	—	—	—	—	—	192	(192)	—
Total	171,677	33,206	8,192	4,624	4,721	—	222,423	(192)	222,231
Segment Income (Loss)	20,700	3,546	2,414	(11)	187	(8)	26,829	12	26,841

(Notes) 1. Other (Overseas) represents Myanmar, etc.

2. Adjustments to segment profit (loss) reflect unrealized profits on intersegment transactions.

3. Segment profit (loss) has been adjusted to operating income on the consolidated interim statement of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc., by reportable segment

Material impairment of fixed assets

The Company recognized impairment losses in the Japan segment and Vietnam segment for asset groups for which changes have occurred, causing a significant decline in expected recoverable value. The Company recorded ¥1,045 million and ¥1,104 million, respectively, in impairment loss for the current consolidated interim period.

Goodwill did not change materially during the period under review.

Significant subsequent events

Not applicable