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Notice of Difference between Consolidated Earnings Forecast and Latest Estimates

In view of recent business performance trends, AEON CO., LTD. has revised its earnings forecast for the fiscal year ending February 28, 2025 (March 1, 2024 – February 28, 2025), originally announced on April 10, 2024.

1. Revision to Consolidated Earnings Forecast for the Fiscal Year Ending February 2025

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of the parent company	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previously announced forecasts (A)	10,000,000	270,000	260,000	46,000	53.74
Revised forecasts (B)	10,134,000	237,000	224,000	28,500	33.30
Change (B-A)	+134,000	-33,000	-36,000	-17,500	—
Change (%)	+1.3	-12.2	-13.8	-38.0	—
(Reference) Actual consolidated results for the fiscal year ended February 29, 2024	9,553,557	250,822	237,479	44,692	52.25

2. Reason for the Revision

With respect to our consolidated earnings forecast for the fiscal year ending February 28, 2025 (March 1, 2024 – February 28, 2025), we now expect operating revenue to reach a record high of 10,134 billion yen, an increase of 134 billion yen from the previous forecast. Meanwhile, operating profit is projected to decline to 237 billion yen (down 33 billion yen), ordinary profit to 224 billion yen (down 36 billion yen), and profit attributable to owners of the parent company to 28.5 billion yen (down 17.5 billion yen).

Operating revenue is expected to increase as we focused on stimulating consumer spending amid a growing trend toward frugality. Sales of essential items—particularly food and daily necessities—remained strong, and efforts to enhance sales of our private brand, TOPVALU, proved effective. Operating revenue is projected to grow across all segments, with the Financial Services Business—driven by higher credit card transaction volume both in Japan and overseas—and the Supermarket Business—boosted by the newly consolidated Inageya Co., Ltd. —contributing significantly to the overall increase.

On the other hand, operating profit is expected to decline, mainly due to higher costs and shifts in consumer behavior driven by climate change, which hindered the Retail Business from achieving the anticipated improvement in its gross profit margin. By segment, however, the Financial Services Business, Shopping Center Development Business, and Services and Specialty Store Business are expected to record profit increases.

In the second half of the year, we clearly set forth a group-wide policy to emphasize price appeal and secure

gross profit margins through our private brands, TOPVALU and BESTPRICE. We also reviewed our cost structures and reinforced awareness of managing person-hours to enhance productivity. As a result of these efforts, we have made progress in improving gross profit margins and optimizing cost structure, and we expect operating profit and ordinary profit to reach record highs in the second half of the year.

As for net income attributable to owners of the parent, a one-off loss was recorded due to fraudulent credit card use in the Financial Services Business. In addition, impairment losses and losses related to store closures were recognized in our businesses in China, the Shopping Center Development Business, and the Health & Wellness Business, following a fundamental review of area strategies and store opening plans. While these actions will temporarily reduce profits, we believe they will contribute to strengthening our business foundation over the long term.

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