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Financial Results for the Fiscal Year Ended February 28, 2026

April 9, 2026

Company name: **AEON CO., LTD.**
Listings: Tokyo Stock Exchange (Prime Market)
Securities code: 8267
URL: https://www.aeon.info/en/
Representative: Akio Yoshida, President
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Scheduled dates:
Ordinary general meeting of shareholders: May 27, 2026
Commencement of dividend payments: April 30, 2026
Filing of annual securities report: May 25, 2026
Supplementary materials for financial results: Available
Fiscal year-end earnings results briefing: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (March 1, 2025–February 28, 2026)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	10,715,342	5.7	270,459	13.8	243,031	8.4	72,677	167.5
February 28, 2025	10,134,877	6.1	237,747	(5.2)	224,223	(5.6)	27,168	(39.2)

Note: Comprehensive income: Fiscal year ended February 28, 2026: ¥177,295 million [134.0%]
Fiscal year ended February 28, 2025: ¥75,764 million [(59.8%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets
Fiscal year ended	Yen	Yen	%	%
February 28, 2026	26.87	26.85	6.4	1.7
February 28, 2025	10.57	10.55	2.6	1.7

Reference: Shares of profit (loss) of entities accounted for using equity method:
Fiscal year ended February 28, 2026: ¥9,143 million
Fiscal year ended February 28, 2025: ¥6,338 million

Notes: 1. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, “Basic earnings per share” and “Diluted earnings per share” have been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.
2. The Accounting Standard for Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022) and other related pronouncements have been applied from the beginning of the fiscal year ended February 28, 2026. Accordingly, the figures related to the fiscal year ended February 28, 2025 reflect retrospective adjustments.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2026	15,369,658	2,204,267	7.9	440.40
[excl. Financial Services]	[7,605,812]	[1,707,816]	[14.3]	–
February 28, 2025	13,833,319	2,135,271	7.7	411.65
[excl. Financial Services]	[6,570,212]	[1,664,006]	[14.2]	–

References: 1. Equity (Shareholders’ equity + Accumulated other comprehensive income):
As of February 28, 2026: ¥1,218,421 million
As of February 28, 2025: ¥1,063,275 million
2. The figures in square brackets represent the consolidated financial position excluding the Financial Services Business.

Notes: 1. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, "Net assets per share" has been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.

2. The Accounting Standard for Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022) and other related pronouncements have been applied from the beginning of the fiscal year ended February 28, 2026. Accordingly, the figures related to the fiscal year ended February 28, 2025 reflect retrospective adjustments.

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2026	1,126,589	(1,088,665)	40,089	1,263,123
February 28, 2025	566,218	(478,810)	881	1,172,102

2. Dividends

	Annual dividend per share					Total dividends paid	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
February 28, 2025*1*2	–	20.00	–	20.00	40.00	34,364	126.2	3.2
February 28, 2026*3	–	20.00	–	7.00	–	37,845	50.9	3.2
Fiscal year ending February 28, 2027 (forecast)	–	7.50	–	7.50	15.00		56.8	

Notes: 1. The interim dividend consists of an ordinary dividend of ¥18 per share and a commemorative dividend of ¥2 per share, while the year-end dividend consists of an ordinary dividend of ¥18 and a commemorative dividend of ¥2 per share.

2. The Accounting Standard for Income Taxes (ASBJ Statement No. 27, issued on October 28, 2022) and other related pronouncements have been applied from the beginning of the fiscal year ended February 28, 2026. Accordingly, the figures of "Payout ratio (consolidated)" and "Dividends on net asset (consolidated)" for the fiscal year ended February 28, 2025 reflect retrospective adjustments.

3. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, the interim dividend is set at ¥20, and the year-end dividend is ¥7, reflecting the impact of the stock split. In addition, the total dividends paid are not presented, as a straightforward comparison is not feasible due to the stock split. Without considering the stock split, the year-end dividend would be ¥21, and the total annual dividend would be ¥41.

4. The dividend for the fiscal year ending February 2027 consists of an interim dividend of ¥7.00 per share as an ordinary dividend and ¥0.50 per share as a commemorative dividend, and a year-end dividend of ¥7.00 per share as an ordinary dividend and ¥0.50 per share as a commemorative dividend.

3. Forecast of Consolidated Earnings for the Fiscal Year Ending February 28, 2027 (March 1, 2026–February 28, 2027)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	–	–	–	–	–	–	–	–	–
Full year	12,000,000	12.0	340,000	25.7	290,000	19.3	73,000	0.4	26.39

Note: AEON does not disclose earnings forecasts for the first half.

***Notes**

(1) Changes affecting the consolidation status of significant subsidiaries during the period: Yes

New: 1 Company name: TSURUHA HOLDINGS, INC.

Exclusion: 1 Company name: AEON Allianz Life Insurance Co., Ltd.

Note: AEON Allianz Life Insurance Co., Ltd. changed its corporate name to Meiji Yasuda Trust Life Insurance Co., Ltd. effective October 1, 2025.

(2) Changes in accounting policy, changes in accounting estimates, and restatement:

1) Changes in accordance with amendments to accounting standards and other regulations: Yes

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

4) Restatement: None

Note:

Details are provided on page 29 of the attached document under "4. Consolidated Financial Statements and Key Notes – (5) Notes to Consolidated Financial Statements, *Changes in Accounting Policies*."

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (treasury shares included):

As of February 28, 2026:	2,783,529,021 shares
As of February 28, 2025:	2,615,773,716 shares

2) Number of treasury shares at the end of the period:

As of February 28, 2026:	16,904,185 shares
As of February 28, 2025:	32,789,689 shares

3) Average number of shares outstanding during the period:

Fiscal year ended February 28, 2026:	2,705,211,013 shares
Fiscal year ended February 28, 2025:	2,571,422,720 shares

Notes: 1. The shares of the Company held by the Employee Stock Ownership Plan Trust (– shares as of February 28, 2026 and 257,100 shares as of February 28, 2025) are included in the number of treasury shares.

2. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, "Number of shares issued at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" have been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.

3. For the number of shares used as the basis for calculating basic earnings per share (consolidated), please refer to *Per Share Information* on page 39 of the accompanying materials.

For Reference

Non-consolidated Financial Results for the Fiscal Year ended February 28, 2026 (March 1, 2025–February 28, 2026)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	91,079	24.5	61,965	31.7	32,074	1.1	24,972	(37.9)
February 28, 2025	73,150	7.6	47,040	2.6	31,733	21.3	40,221	81.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2026	9.23	9.22
February 28, 2025	15.64	15.64

Note: The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, "Basic earnings per share" and "Diluted earnings per share" have been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2026	2,416,708	911,668	37.7	328.98
February 28, 2025	1,880,497	635,876	33.8	245.94

Reference: Equity (Shareholders' equity + Valuation and translation adjustments):
As of February 28, 2026: ¥911,005 million
As of February 28, 2025: ¥635,288 million

Note: The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, "Net assets per share" has been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.

Audit Status

This report is not subject to audit by certified public accountants or an audit firm.

Appropriate Use of Earnings Forecast 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 report. Actual results may differ materially from the above forecasts due to a range of factors. For information regarding the earnings forecast, please refer to "(3) Outlook for the Fiscal Year Ending February 28, 2027" on page 17.

Accompanying Materials

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1. Review of Operating Results and Financial Statements

The Company has adopted the "Accounting Standard for Income Taxes, Inhabitant Taxes and Enterprise Taxes" (ASBJ Statement No. 27, issued on October 28, 2022) and related pronouncements from the beginning of the current fiscal year. Accordingly, comparisons and analyses with the previous fiscal year have been made using figures that reflect the effects of retrospective application.

(1) Analysis of Operating Results

1) Summary of Operating Results

The AEON Group (the "Group") achieved record highs in operating revenue, operating profit, and ordinary profit for the fiscal year ended February 28, 2026 (the "current fiscal year"). Operating revenue totaled ¥10,715,342 million, an increase of 5.7% year on year. Operating profit totaled ¥270,459 million, an increase of ¥32,712 million from the previous fiscal year, and ordinary profit totaled ¥243,031 million, an increase of ¥18,807 million from the previous fiscal year. Profit attributable to owners of the parent totaled ¥72,677 million, an increase of ¥45,509 million from the previous fiscal year.

The global economy remained highly uncertain during the current fiscal year. This reflected prolonged geopolitical tensions in the Middle East and Ukraine, heightened volatility in resource prices, the delayed recovery of the Chinese economy, and continued uncertainty surrounding monetary and trade policy in the United States.

In Japan, household real purchasing power continued to be under pressure. This was due to continued inflation, as well as the fact that real wages in 2025 remained in negative territory year on year for many months and that the recovery throughout the year remained limited. According to the Family Income and Expenditure Survey by the Ministry of Internal Affairs and Communications, real consumer spending also remained weak.

As a result, the polarization of consumer spending continued throughout the current fiscal year. This was driven by persistent consumer frugality, which led to restrained spending per purchase and a growing preference for private-label ("PB") products, particularly for daily necessities, while the services sector, including dining out and travel, maintained a recovery trend, supported in part by the expansion of inbound tourism demand.

Under these business conditions, the Group has pursued initiatives that balance the enhancement of value propositions across products and services with the upgrading of its business structure, while placing the highest priority on fulfilling its role as a vital part of the living infrastructure that supports the daily lives of customers in local communities.

Despite an increasingly intense competitive environment surrounding the retail industry, the Health & Wellness Business delivered solid performance in both merchandise sales and dispensing services, supported by the strengthening of its food offerings and the continued expansion of stores with integrated pharmacy functions.

In addition, the Shopping Center Development Business, which focused on maximizing the value of existing assets, and the Services & Specialty Store Business, which established a stable earnings base mainly driven by movie-related revenues, underpinned earnings growth across the Group.

Furthermore, alongside thorough group-wide cost control, steady progress was made in business process reforms and productivity improvement initiatives leveraging digital transformation (DX), as well as in strengthening structural earning capacity. As a result, both operating profit and ordinary profit for the current fiscal year reached record highs. In parallel, with the objective of improving capital efficiency across the Group, the Company accelerated business structure reforms. Although various costs were incurred in the course of these initiatives, they were fully absorbed by the gain on step acquisition arising from the consolidation of TSURUHA HOLDINGS, INC. ("Tsuruha") as a consolidated subsidiary in January 2026. Consequently, profit attributable to owners of the parent increased significantly, rising 167.5% year on

Common Group Strategy

The Company has been steadily advancing the five key reforms set forth in the AEON Group Medium-Term Management Plan (fiscal 2021–fiscal 2025)—namely, "accelerating and evolving the digital shift," "establishing unique value by a supply chain-driven approach," "advancing Health & Wellness initiatives for a new era," "creating the 'AEON Living Zone,'" and "further accelerating the Asia shift"—while also positioning "environmental and green initiatives" as a key pillar of its growth strategy and working to build a foundation for sustainable growth.

To ensure the steady execution of these reforms, the Group has been advancing the transformation of its business portfolio and management foundation. As part of these efforts, AEON Mall Co., Ltd. ("AEON Mall"), which serves as a platform, and AEON DELIGHT CO., LTD. ("AEON Delight"), which functions as infrastructure, were made wholly owned subsidiaries. In addition, to further accelerate the regional shift, the Company implemented a reorganization of its businesses in the Tokyo metropolitan and Kinki areas, effective March 1, 2026. Through these initiatives, the Company established a structure to enhance profitability and strengthen competitive advantage on a regional basis by standardizing management foundation, including procurement, logistics, IT, and human resources.

Accelerating and evolving the digital shift

In the GMS Business, AEON RETAIL CO., LTD. ("AEON Retail") has been advancing the introduction of self-checkout registers in food sections, while also working to optimize labor hours associated with this initiative. In addition, in physical stores, the company has utilized a new all-in-one device for employees—equipped with tools such as "AI Kakaku (Price)," "AI Order," and the "Product Location Lookup System." Through the use of this device, the company has narrowed gaps in experience and knowledge among employees and improved operational efficiency in tasks such as price changes, checking expiration dates and inventory, placing orders, and restocking products.

In the online channel, efforts to strengthen the business foundation of AEON's online-only supermarket, "Green Beans," in the Tokyo metropolitan area progressed steadily. In November, 15 additional municipalities within Saitama Prefecture, including Saitama City and Kawaguchi City, were newly added to the service area, and the number of members increased to approximately 900,000 as of the end of the current fiscal year. With the planned operation of the second CFC in Hachioji and the third CFC in Kuki-Miyashiro currently under construction, the Company will expand its service coverage primarily across Tokyo and the three surrounding prefectures. In addition, downloads of the "iAEON" app—which integrates functions such as payment, points, coupons, e-receipts, and shareholder benefits—have reached approximately 22 million. AEON Pay, which was newly launched in June through integration with "WAON," has been introduced not only across the Welcia Group but also, from September, at stores operated by United Super Markets Holdings Inc. ("U.S.M.H"), making it available at [approximately 4.15 million] locations, including locations outside the Group. By centrally utilizing purchasing data accumulated through AEON Card, iAEON, WAON POINT, and AEON Pay, the Group has been advancing a transition from conventional mass marketing to one-to-one marketing aimed at maximizing customer experience value.

Establishing unique value through a supply chain-driven approach

For its PB products under the TOPVALU brand, the Group has built and continuously enhanced a supply chain that leverages the Group's scale and capabilities, encompassing product strategy and planning through procurement, manufacturing, logistics, and store operations. Through these efforts, the Group has achieved a balance between stable quality and price competitiveness, while also working to improve the gross profit margin.

TOPVALU is developed around three core brands—TOPVALU BEST PRICE (price-focused), TOPVALU (value-added), and TOPVALU Green Eye (environmentally conscious)—while also expanding local PB products in collaboration with regional producers and strengthening PB offerings in specialized categories. To support customers' daily lives amid rising prices, the Group implemented planned pricing measures for both PB and national brands (NB) products during the current fiscal year. At the same time, through the internalization of product planning, manufacturing, and sales, as well as the utilization of functional companies, the Group has advanced the optimization of procurement and manufacturing costs, thereby achieving both price competitiveness and profitability. In addition, as the Company marks the 100th anniversary of its incorporation in 2026, commemorative TOPVALU products have been rolled out sequentially from March 1, 2026, at approximately 10,000 stores nationwide.

Advancing Health & Wellness initiatives for a new era

The Company has positioned the Health & Wellness Business as a core growth driver and effected the management integration of TSURUHA HOLDINGS, INC. ("Tsuruha") and WELCIA HOLDINGS CO., LTD. ("Welcia") on December 1, 2025. Following this, the Company commenced a tender offer for Tsuruha on December 2, 2025, and made it a consolidated subsidiary in January 2026.

Following the integration, the Group has accelerated the creation of synergies across its stores in areas such as procurement, product development, human resources, and data utilization, while advancing the evolution toward a "lifestyle store" that serves as infrastructure that contributes to solving social issues through healthy and fulfilling lifestyles. In terms of product strategy, the PB products previously developed separately by Tsuruha and Welcia will be integrated into a new unified PB, "*Karada to Kurashi ni,* +1" (meaning "provision of an added element of value that supports customers' health and everyday lives"). Through this integration, the Group is promoting the standardization of development frameworks and procurement bases, thereby further enhancing product quality and value proposition.

In addition, by leveraging the expertise of Tsuruha and Welcia in business development in the ASEAN region, together with the Company's business foundation, the new company aims to establish a leading position in the Health & Wellness sector in Asia. For the fiscal year ending February 2032, the company aims to achieve net sales of ¥3 trillion, an operating profit margin of 7%, and operating profit of ¥210 billion.

Creating the "AEON Living Zone"

In its current Medium-Term Management Plan, the Company has positioned the creation of "AEON Living Zones," which foster lifestyles together with local communities, as a key initiative, and has been promoting community-based initiatives in collaboration with consumers, local governments, and producers.

In the Tokyo metropolitan area, the Group has expanded customer touchpoints through both physical stores and e-commerce by leveraging My Basket and Green Beans, centered on U.S.M.H's "one trillion yen supermarket business vision in the Kanto region." In addition, effective March 1, 2026, MAXVALU KANTO CO., LTD. integrated the Kanto operations of The Daiei, Inc. ("Daiei") and AEON MARKET CO., LTD., and was relaunched as the new "AEON Food Style Co., Ltd." In the Kinki area, Daiei absorbed KOHYO Co., Ltd., thereby enhancing competitiveness through the consolidation of procurement and store operations. Through these reorganizations, the Group established a structure to manage product policy, procurement, logistics, IT, and human resources in an integrated manner on a regional basis.

In addition, in Japan, the Group has entered into comprehensive partnership agreements with multiple local governments, including Yokkaichi City in Mie Prefecture and Hanyu City in Saitama Prefecture. Overseas, the Group has also expanded next-generation digital financial services in the ASEAN region, where disparities in access to financial services remain a significant issue. In physical retail, AEON MALL Hue (Hue City, Vietnam), which opened in September 2024, implemented thorough countermeasures based on historical data from past major floods. As a result, it avoided damage during the major flooding at the end of October 2025. By continuing product supply and opening its facilities to local residents, the mall fulfilled its role as a vital part of the region's living infrastructure.

Further accelerating the Asian shift:

Since opening its first store in Malaysia in 1984, the Group has steadily built a business foundation across Asia. The Group will continue to advance store openings and investments tailored to the stage of growth and consumer characteristics of each country and region, thereby expanding its business portfolio in Asia and strengthening its earnings base.

Under the current Medium-Term Management Plan, the Group has positioned Vietnam—now in its demographic bonus period and exhibiting strong consumption trends—as our most important market and is accelerating dominant store openings in surrounding cities centered on the southern region (Ho Chi Minh City, Binh Duong), the northern region (Hanoi, Hai Phong), and the central region (Hue, Da Nang). AEON Tan An Shopping Center (Tay Ninh Province), which opened in October 2025, has entered full-scale operation and is contributing to the expansion of the customer base in the south-central region of Vietnam.

In mainland China, the Group has designated inland areas with relatively high potential growth rates as priority regions, and in November 2025, it grand-opened AEON MALL Changsha Xiangjiang New Area in the northern part of Xiangjiang New Area (Changsha City, Hunan Province), a national-level new district. Leveraging its advantageous location with strong transportation access and a sustainable demographic profile, the mall has attracted a large number of customers and serves as a core base for inland expansion.

Advancing environmental and green initiatives:

The Company has been focusing on managing and reducing emissions at the product manufacturing stage, which accounts for a significant portion of CO_2 emissions across the entire supply chain. As a result, the Company was selected for the highest "A List" rating for climate change for the seventh consecutive year in the assessment conducted by CDP, an international non-profit organization for environmental disclosure.

In addition, as part of its efforts to realize a circular economy, the Group expanded its collection and recycling initiatives for used clothing from March 2026 and established permanent collection points at approximately 700 locations nationwide. Through the reuse and recycling of clothing, the Group is promoting waste reduction and the establishment of a circular model.

Furthermore, the AEON Hometown Forest Program marked its 35th anniversary. Building on the achievements of regional environmental conservation through tree-planting activities to date, the Group is advancing its initiatives to a new stage aimed at realizing nature-positive outcomes, starting with biodiversity conservation.

As a new initiative toward the realization of a decarbonized society, the Company began supplying renewable energy using surplus electricity generated from rooftop solar power systems, in collaboration with energy providers, at AEON Retail's stores and offices from August 2025. In addition, the Company has entered into a comprehensive agreement for power procurement through off-site corporate PPAs utilizing renewable electricity generated at multiple solar power plants. Through these initiatives, the Company aims to achieve both stable procurement of renewable energy and reductions in CO_2 emissions.

2) Business Segment Information

Results by segment are as follows.

Please note that the classification of reportable segments has been changed from the current fiscal year. For details, please refer to “2. Change in reportable segments” under “*Segment and Other Information*” on page 31.

GMS Business

The GMS Business recorded operating revenue of ¥3,691,864 million, an increase of 3.7% year on year, and operating profit of ¥21,430 million, an increase of ¥5,070 million from the previous fiscal year.

AEON RETAIL CO., LTD. (“AEON Retail”) worked on “structural reform of the retail business,” “maximization of shopping center profitability,” and “the establishment of new earnings drivers,” while also promoting initiatives to strengthen its operational foundation and enhance execution capabilities. In the consolidated fiscal year under review, by pursuing both pricing strategies and value strategies across all product lines, AEON Retail achieved operating revenue of ¥2,030,141 million (an increase of 8.1% year on year). On the other hand, amid continued inflationary trends, operating profit declined to ¥7,196 million (down 9.3% year on year), mainly reflecting higher product costs resulting from rising raw material prices, as well as increased expenses associated with human capital investments, including wage increases.

With respect to the structural reform of the retail business, in the food category, AEON Retail strengthened price competitiveness in response to customers’ strong cost-consciousness through the expansion of private brand (PB) food products and the implementation of new sales promotions, which led to increased customer traffic and an expanded market share. In apparel, the company expanded the deployment of specialty store formats aimed at promoting SPA initiatives and strengthened the development and sales of high value-added proprietary products, resulting in improvements in both sales and customer traffic. In addition, in the home furnishing and H&BC categories, AEON Retail advanced store model renovations and promoted initiatives focused on acquiring new customers. In the digital area, improvements in shipping capacity for the online supermarket and expanded use of pickup services contributed to reductions in logistics costs, and as a result, the online supermarket business achieved operating profitability. Toward the maximization of shopping center profitability, AEON Retail worked to revitalize entire stores in an integrated manner together with directly operated sales floors, while making planned environmental investments to enhance customer comfort. At the same time, the company strengthened event promotions and expanded temporary use of space, thereby increasing tenant-related revenues and contributing to growth in ancillary income.

In establishing new earnings drivers, AEON Retail positioned retail media as a business contributing to both the expansion of advertising revenue and the growth of retail sales, and further strengthened initiatives in this area. As a result, profitability improved significantly from the previous fiscal year, and retail media is steadily growing as a new pillar of earnings.

In developing a foundation to enhance execution capabilities, AEON Retail further promoted the digital transformation (DX) of store and back-office operations and implemented appropriate control of labor hours by establishing model labor cost ratios based on sales scale. By reallocating the labor hours generated to growth areas, the company improved labor productivity and advanced initiatives to enhance operational efficiency and productivity, thereby strengthening its future earnings capacity.

AEON Hokkaido Corporation recorded operating revenue of ¥380,063 million (an increase of 7.4% year on year) and operating profit of ¥8,332 million (an increase of 5.6% year on year).

On the revenue side, in addition to contributions from stores inherited from Seiyu and the impact of new store openings in the previous fiscal year, the discount store (DS) format, which has strong price competitiveness, performed steadily. Strengthened responses to demand for convenience and ready-to-eat products, as well as initiatives to increase store visit frequency, proved effective, with the food category leading performance, increasing 8.1% year on year.

Gross profit was affected by rising costs and intensified price competition; however, gross profit increased from the previous fiscal year due to the expansion of sales. In particular, sales of high-margin TOPVALU products grew, and the expansion of TOPVALU BEST PRICE and original products contributed to securing gross profit. In addition, the strengthening of value-added products, such as convenience and ready-to-eat items and the “*Honki*” series, supported improvements in gross profit. Operating gross profit increased from the previous fiscal year, driven not only by higher gross profit but also by increased tenant income through the review of tenant composition and the attraction of new tenants led by the developer division. Improvements in trade area fit at large-scale revitalized stores and stores inherited from Seiyu undergoing format conversion also contributed to the increase in operating gross profit.

Selling, general and administrative expenses increased due to higher personnel and utility costs; however, ongoing efforts to improve productivity were effective. Through the promotion of operational efficiency and optimization of personnel allocation, labor productivity improved by 3.8% year on year at existing stores, mitigating the impact of rising costs.

AEON KYUSHU CO., LTD. recorded operating revenue of ¥547,145 million (an increase of 2.9% year on year) and operating profit of ¥10,748 million (an increase of 2.0% year on year), both reaching record highs.

On the revenue side, the company strengthened price competitiveness in daily necessities, centered on the expansion of “TOPVALU BEST PRICE” and “*Shiawase* (Happiness) Plus (value price)” products. In addition, promotional initiatives focused on major sales events, including Black Friday and the year-end and New Year holiday season, proved effective, with the food category, which accounts for a high proportion of sales, performing steadily throughout the year. Furthermore, new store openings of the urban small-scale supermarket format “Maxvalu Express” and the drugstore-and-food format “Welcia Plus” contributed to revenue growth.

Gross profit increased from the previous fiscal year, supported by the expansion of sales as well as the optimization of assortments, ordering, and production plans based on store characteristics and customer trends, and efforts to prevent stockouts during key periods such as the year-end and New Year holidays and *Setsubun* (a Japanese bean-throwing festival). In addition, event promotions during Black Friday and the year-end and New Year holiday season, along with shopping center-wide initiatives to increase customer traffic, contributed to the increase in operating gross profit.

Selling, general and administrative expenses included upfront investments for growth, such as human capital investments, including wage increases, and DX-related investments. At the same time, through the introduction of self-checkout systems and electronic shelf labels, the use of labor-saving equipment, and operational improvements utilizing AI, labor productivity increased significantly by 4.7% year on year.

CAN DO CO., LTD. recorded operating revenue of ¥87,057 million (an increase of 4.4% year on year) and operating profit of ¥1,532 million (an increase of 80.3% year on year), representing a significant increase in profit.

The company expanded sales channels through collaboration with the AEON Group while promoting differentiation in products and branding. In terms of store development, the company expanded its store network by promoting new openings, primarily through Group locations and consignment stores. On the product side, the company reviewed its product assortment, centered on its core 100-yen items, while incorporating products at other price points.

In addition, the company worked to improve its earnings structure by implementing measures to enhance the cost ratio, reviewing store opening costs, and strengthening labor hour control. The introduction of self-checkout systems also contributed to reducing personnel expenses.

Supermarket Business

The Supermarket Business recorded operating revenue of ¥3,085,749 million, an increase of 1.0% year on year, and operating profit of ¥29,870 million, a decrease of ¥2,673 million from the previous fiscal year.

U.S.M.H recorded operating revenue of ¥963,762 million, a substantial increase of 18.8% year on year, driven by higher customer traffic at existing stores and the contribution of Inageya Co., Ltd. (“Inageya”), which was integrated into the Group.

Gross profit margin declined as the company continuously implemented pricing and promotional measures, particularly for processed foods, in response to rising prices and intensifying competition. However, gross profit increased to 117.4% of the previous fiscal year, reflecting steady accumulation of profit in line with business expansion. Selling, general and administrative expenses increased by 17.8% year on year, mainly due to higher labor, utility, and logistics costs, as well as the impact of expanded business scale following the integration. As a result, operating profit was ¥5,050 million, a decrease of 15.5% year on year, as the increase in selling, general and administrative expenses exceeded the growth in gross profit.

In response to these conditions, the company has positioned the simultaneous achievement of productivity improvement and workforce optimization as a top priority in order to transition away from a labor-intensive business model, and is promoting structural reforms based on a “true customer-first” approach. In March 2026, the company implemented organizational reforms by cross-functionally restructuring its merchandise procurement, sales promotion, indirect functions, information and logistics, and store development functions. Through these initiatives, the company aims to maximize scale merits, accelerate decision-making, and transition to a structure capable of achieving a sustainable recovery in profitability.

Maxvalu Tokai Co., Ltd. recorded operating revenue of ¥384,951 million, an increase of 2.0% year on year, and operating profit of ¥13,557 million, a decrease of 3.6% year on year, reflecting the impact of rising costs, including labor and logistics expenses.

In terms of sales, continued price-focused initiatives such as the "Value You Can Feel – Supporting Household Budgets" campaign, along with expanded sales of TOPVALU products and the strengthening of growth categories including delicatessen items, frozen foods, and in-store bakery products, contributed to revenue growth. Customer traffic also increased, supported by the expansion of locally sourced products under the "*jimono*" brand, enhanced promotions on special sales days, and increased sales of iAEON coupon-linked products. In addition, new store openings centered on small-format urban stores, improvements to sales floors through store renovations, and the expansion of sales channels through mobile supermarkets and unmanned stores contributed to higher sales.

Gross profit increased year on year, driven by expanded sales of new and renewed TOPVALU products, volume-increase and price-reduction campaign items, and continued strengthening of high-margin categories such as delicatessen and in-store bakery products, despite the impact of ongoing price initiatives. Selling, general and administrative expenses increased from the previous fiscal year, mainly due to higher labor and logistics costs. The company also continued initiatives to improve productivity, including the introduction of electronic shelf labels and self-checkout systems, as well as improvements in ordering accuracy.

Despite the impact of growth investments and rising costs, the company steadily strengthened its business foundation toward improving future profitability.

FUJI CO., LTD. recorded operating revenue of ¥814,260 million, an increase of 0.7% year on year, and operating profit of ¥11,217 million, a decrease of 13.4% year on year.

In terms of sales, the company strengthened its EDLP initiatives centered on "*Zenryoku* Price" and "Everyday Low Price (EDLP)" in response to heightened consumer frugality amid continued price increases, while expanding its lineup of TOPVALU products, private-label products, and ready-to-eat and convenience foods, which contributed to sales growth. In addition, as part of efforts to enhance the competitiveness of existing stores, the company revitalized 37 existing stores and steadily implemented scrap-and-build initiatives and new store openings as planned, resulting in gross profit of ¥249,760 million, an increase of 0.1% year on year.

Despite the impact of rising raw material prices and energy costs, gross profit increased from the previous fiscal year, supported by a higher sales mix of ready-to-eat and convenience foods and private-label products, as well as strengthened product capabilities through the utilization of in-house process centers in fresh and delicatessen categories and the continued expansion of TOPVALU products. Selling, general and administrative expenses increased to ¥238,543 million, up 0.8% year on year, mainly due to growth investments including the revitalization of existing stores, scrap-and-build initiatives, and the introduction of DX-related equipment, as well as rising logistics costs.

The company also worked to enhance customer convenience by launching the granting and use of WAON POINT at all stores. In addition, it promoted region-specific initiatives, including strengthening price competitiveness in the discount store format and expanding its mobile supermarket business tailored to regional characteristics in Shikoku and other areas. Through these initiatives, the company is steadily strengthening its business foundation and advancing efforts to improve future profitability.

MINISTOP CO., LTD. recorded operating revenue of ¥91,788 million, an increase of 4.9% year on year, and an operating loss of ¥3,610 million (compared with an operating loss of ¥3,486 million in the previous fiscal year). Despite higher revenue and lower earnings, signs of recovery in profitability were observed, supported by progress in structural reforms and strengthened product capabilities.

In terms of sales, convenience store products such as rice balls and sweet breads performed steadily, driven by the reconstruction of pricing strategies through MD reforms. In addition, the renewed signature product "Hokkaido Milk Soft" soft-serve ice cream and high-value-added cold desserts performed strongly, contributing to improvements in profitability. Although sales were impacted in the second half by the suspension of handmade rice ball offerings, same-store sales showed a recovery trend toward the latter half of the period, as the company implemented thorough recurrence prevention measures and worked toward resuming sales.

On the other hand, increased labor costs associated with the expansion of directly operated stores, as well as higher expenses related to safety and security measures, weighed on profitability.

My Basket Co., Ltd. achieved steady revenue growth, driven by the continued implementation of its dominant store-opening strategy in the Tokyo metropolitan area and solid performance in same-store sales. During the fiscal year, the company opened 129 new stores, bringing the total number of stores to 1,323 at the end of the period, further expanding its store network in the Tokyo metropolitan area.

On the profit side, labor costs increased as the company promoted wage increases and invested in human resources to create a more comfortable working environment. In addition, expenses related to expanded DX investments and the promotion of cashless payments also weighed on profitability.

With respect to DX initiatives, the company steadily advanced the introduction of ordering support systems and self-checkout registers, resulting in labor savings and steady improvements in productivity. In particular, the expanded use of ordering support systems contributed to greater operational efficiency and more sophisticated store management. Gross profit margin, which had been affected by rising raw material prices, showed a clear recovery trend in the latter half of the fiscal year, supported by ongoing revisions to pricing strategies and strengthened control over markdowns.

Discount Store Business

The Discount Store Business recorded operating revenue of ¥430,512 million, an increase of 4.6% year on year, and operating profit of ¥7,233 million, a decrease of ¥757 million from the previous fiscal year.

AEON BIG CO., LTD. achieved steady sales growth, driven by strengthened price-focused initiatives centered on EDLP and enhanced iAEON-based promotions amid heightened consumer frugality in an inflationary environment. In addition, revitalization initiatives such as widening store aisles supported increased bulk purchasing demand, resulting in year-on-year increases in both customer traffic and average spending per customer. The expansion of imported products and DS-exclusive products also contributed to growth in sales scale.

On the profit side, operating profit increased, supported by higher operating revenue, improvements in gross profit, and thorough cost control. The sales mix of private-label products improved through expanded PB sales, contributing to higher gross profit levels. In addition, reductions in labor hours through the introduction of self-checkout systems and the promotion of digitalization, as well as the control of selling, general and administrative expenses, contributed to profitability.

Despite upward pressure on costs, the company secured profitability through the continued implementation of a low-cost operating model.

BIG-A CO., LTD. increased sales by strengthening its low-price positioning in response to heightened consumer frugality, supported by price reductions on key items and the utilization of outlet products.

Although gross profit improved, operating profit declined from the previous fiscal year due to the impact of renovation and conversion costs associated with the completion of the brand unification of former A-Colle stores into Big-A within the fiscal year, as well as rising labor and logistics costs.

To absorb rising costs, the company is working to improve operational efficiency through systemization of operations and reviewing business processes at both store and headquarters levels, thereby promoting sustainable improvements in its cost structure through enhanced productivity.

Health and Wellness Business

The Health & Wellness Business recorded operating revenue of ¥1,633,318 million, an increase of 23.5% year on year, and operating profit of ¥52,368 million, an increase of ¥16,361 million from the previous fiscal year.

WELCIA HOLDINGS CO., LTD. (“Welcia Holdings”) achieved steady performance in both merchandise sales and dispensing, supported by growth in food sales and an increase in the number of prescriptions handled driven by the expansion of dispensing pharmacy services. In addition, continued strengthening of labor hour control contributed to an improvement in the SG&A ratio, resulting in higher revenue and profit.

At TSURUHA HOLDINGS, INC., which completed a share exchange to become a wholly owned subsidiary of Welcia Holdings in December 2025, operating revenue amounted to ¥1,450,585 million and operating profit totaled ¥63,037 million. The company worked to enhance profitability and competitiveness through the expansion of dispensing pharmacy services, increased sales of private-label products, and appropriate control of selling, general and administrative expenses.

Furthermore, following the management integration with Welcia Holdings on December 1, 2025, the company has been advancing the development of its organizational structure while strengthening collaboration toward the unification of policies for PB and NB products and merchandising. In addition, initiatives to generate synergies are being promoted through the development of data utilization infrastructure and coordination of store development functions.

With regard to store development, the company has adopted a policy of strengthening its dominant strategy in existing areas while emphasizing the quality of new store openings. At the same time, it has actively implemented store renovations to enhance the competitiveness of existing stores and is proceeding with a review of unprofitable stores. As a result, during the fiscal year, the company opened 107 new stores and closed 63 stores. Including an increase of 2,974 stores associated with the integration, the total number of directly operated stores in the Tsuruha Group reached 5,676 as of the end of the fiscal year.

Financial Services Business

The Financial Services Business recorded operating revenue of ¥567,544 million, an increase of 7.0% year on year, and operating profit of ¥60,871 million, a decrease of ¥293 million from the previous fiscal year.

AEON Financial Service Co., Ltd. recorded higher operating revenue, supported by an expansion of operating receivables in Japan and overseas and an increase in financial income. However, operating profit declined from the previous fiscal year due to the absence of gains on securitization of receivables recorded in the previous year and an increase in financial expenses associated with rising interest rates.

In the domestic retail business, performance was driven by the expansion of operating receivables, particularly in shopping revolving credit and installment payments. As a result of enhancing payment convenience, including services such as “Pay Later in Installments,” to meet diverse customer needs, the balance of shopping revolving and installment receivables reached ¥395,179 million (an increase of ¥33,612 million from the beginning of the period), while the balance of cash advance receivables reached ¥435,376 million (an increase of ¥7,473 million). In addition, continued promotion of AEON Pay drove an expansion in card transaction volumes, contributing to the accumulation of operating receivables. Operating revenue also increased due to higher loan interest rates and growth in gains from securities investments. On the other hand, financial expenses increased due to higher deposit interest rates and the rebalancing of the bond portfolio in response to changes in the interest rate environment, resulting in a decline in operating profit compared with the previous fiscal year. Deposits at AEON Bank, Ltd. increased steadily to ¥5,464,167 million (an increase of ¥262,534 million from the beginning of the period).

In the domestic solution business, revenue from fees and commissions increased, supported by the expansion of payment services centered on AEON Pay, the expansion of the merchant network, and the acquisition of the WAON value issuer business. The customer base also expanded, with the number of active IDs in Japan reaching 39.25 million (an increase of 3.09 million from the beginning of the period), resulting in higher operating profit compared with the previous fiscal year.

In overseas operations, performance varied by region. In the China region, although the recovery in the macroeconomic environment remained gradual, operating profit increased from the previous fiscal year due to strengthened credit screening and collection systems, which helped contain credit-related expenses. In the Mekong region, while maintaining prudent credit management, transaction volumes for products such as motorcycle loans remained steady, resulting in higher operating revenue, although operating profit remained largely unchanged from the previous fiscal year. In the Malaysia region, strong demand for personal loans and individual installment financing continued, and the expansion of operating receivables led to increases in both revenue and profit.

Shopping Center Development Business

The Shopping Center Development Business recorded operating revenue of ¥522,428 million, an increase of 5.3% year on year, and operating profit of ¥70,916 million, an increase of ¥17,881 million from the previous fiscal year.

AEON MALL Co., Ltd. achieved higher revenue and profit for the fiscal year, with operating revenue of ¥472,702 million, an increase of 5.1% year on year, and operating profit of ¥68,423 million, an increase of 31.2% year on year, driven by the recovery in profitability of existing malls and contributions from newly opened malls.

At existing domestic malls, full-year tenant sales increased by 5.7% year on year, while customer traffic also rose by 2.7% year on year. Large-scale promotional campaigns such as Black Friday and year-end and New Year events, as well as seasonal events, enhanced customer motivation to visit, leading to stable traffic. In addition, initiatives aligned with lifestyle needs, such as “cool share” measures during periods of extreme heat, also contributed to performance. Initiatives to revitalize existing malls further supported tenant sales growth. In Japan, renovations were carried out at 21 malls during the year, and tenant sales at renovated malls increased by 9.1% year on year, outperforming non-renovated malls. By optimizing tenant mix and introducing experiential content such as indoor and outdoor entertainment facilities, the company enhanced customer circulation and purchasing opportunities, thereby improving the profitability of existing assets.

By category, non-apparel and experiential segments such as food and beverage, miscellaneous goods, amusement, and services performed strongly, and the business mix aligned with changes in consumer behavior drove overall tenant sales. In addition, inbound demand was successfully captured, particularly at malls located in tourist areas and near airports, with duty-free sales by tenants increasing approximately 1.5 times year on year, contributing to revenue growth.

In overseas operations, tenant sales at existing malls also recovered. In China, tenant sales at existing malls increased by 3.7% year on year, supported by consumer stimulus measures, while in Vietnam, strong personal consumption drove a significant increase of 17.6%. In addition, the full-year contribution of newly opened malls since the previous fiscal year contributed to higher operating revenue.

On the profit side, in addition to the positive impact of higher revenue, progress in cost control—particularly in reducing electricity expenses and listing-related costs in the domestic business—contributed to a significant increase in operating profit. As a result, the operating profit margin improved to 14.4%, reflecting earnings growth accompanied by enhanced profitability.

Services and Specialty Store Business

The Services and Specialty Store Business recorded operating revenue of ¥759,617 million, an increase of 3.3% year on year, and operating profit of ¥27,002 million, an increase of ¥3,674 million from the previous fiscal year.

AEON Fantasy Co., Ltd. recorded operating revenue of ¥93,290 million, an increase of 6.9% year on year, and operating profit of ¥6,114 million, an increase of 40.7% year on year, supported by strong performance in its domestic business.

Performance was driven primarily by the domestic business. In the prize segment, which accounts for a high proportion of sales, kid-oriented prize games continued to perform strongly. In the medal segment, sales remained solid due to the introduction of new machines and floor layout enhancements, contributing to improvements in gross profit margin. In the card segment, operations that captured changes in trends associated with new releases supported sales. In addition, expansion of store openings, including new business formats under brands such as "Crane *Yokocho Kiwami* (a vibrant, prize-filled town)," "*Chikyu no Niwa* (Garden on Earth)," and "*Nobikko* (kids playground)," contributed to higher operating revenue.

Selling, general and administrative expenses were controlled at approximately the same level as the previous fiscal year relative to sales growth, through thorough labor hour management and the promotion of automation and operational efficiency. As a result, supported by higher revenue, operating profit increased.

In overseas operations, while revenue expanded in the ASEAN business, initiatives to improve profitability continued. In the China business, earnings improved as structural reforms progressed.

AEON DELIGHT CO., LTD. expanded both intra-group demand within the AEON Group and external transactions, leveraging its transition to a wholly owned subsidiary. Operating revenue increased steadily, supported by growth in new contracts across its three core building maintenance businesses—equipment management, cleaning, and security—as well as the effects of M&A in its China business and increased orders for maintenance and repair work in its construction business. Operating profit increased for the full year, driven by higher gross profit resulting from revenue growth.

In the second half, the company made planned investments aimed at strengthening its medium- to long-term competitiveness and advanced verification of productivity improvement initiatives at model sites. Going forward, the company aims to promote horizontal deployment of these initiatives and enhance operational efficiency through the utilization of DX and business process reengineering (BPR). Over the medium term, it will further improve operational efficiency in facility management, strengthen its facility management consulting capabilities, and expand its construction business, thereby enhancing both business scale and profitability.

AEON ENTERTAINMENT CO., LTD. worked to attract a broad customer base by expanding not only screenings of high-profile film titles but also ODS (non-film content), including live viewings, stage performances, anime, and event screenings. These initiatives supported steady growth in attendance and promoted diversification of customer acquisition beyond traditional film content. Increased attendance also generated positive spillover effects on overall foot traffic at AEON Malls and tenant sales, particularly in the food service sector. In addition, the introduction of self-ordering systems reduced customer waiting time and contributed to higher spending per customer.

On the cost side, the company improved productivity through reductions in overtime work, operational efficiency initiatives, and the review of back-office operations following the introduction of a new core system.

In overseas operations, the company is developing its cinema and film distribution business in Vietnam through a joint venture, working to establish its business foundation.

COX CO., LTD. recorded operating revenue of ¥14,955 million, a decrease of 2.3% year on year, and operating profit of ¥1,324 million, an increase of 4.8% year on year.

The company implemented key initiatives focused on expanding store sales, growing e-commerce sales, and maintaining and improving gross profit margins, while reorganizing its workforce and strengthening brand communication through collaboration projects. It also promoted store renovations into a new lifestyle shop format centered on “ikka apparel + LBC lifestyle goods,” with renovated stores showing certain positive results. However, weak performance at non-renovated stores and challenges during the full-price selling season due to climate fluctuations resulted in same-store sales falling below the previous fiscal year. In the e-commerce business, sales increased through measures such as membership app initiatives and strengthened promotions leveraging influencers.

On the gross profit side, the company worked to strengthen full-price sales, suppress discounting, utilize carryover inventory, and reduce procurement costs by increasing the proportion of sourcing from ASEAN and consolidating suppliers. However, gross profit margin declined from the previous fiscal year due to a review of inventory valuation associated with weak performance during the full-price selling period. On the other hand, operating profit increased as a result of reduced selling, general and administrative expenses, mainly through the reduction of fixed costs.

International Business

(AEON’s consolidated financial statements for the International Business mainly reflect results for the period from January through December.)

The International Business recorded operating revenue of ¥568,284 million, an increase of 3.5% year on year, and operating profit of ¥10,228 million, an increase of ¥734 million from the previous fiscal year.

In Malaysia, while consumption of daily necessities was supported to a certain extent by government subsidy policies targeting low- and middle-income households, consumer frugality persisted throughout the year due to increased household financial burdens, particularly from higher food and dining expenses.

Under these conditions, AEON CO. (M) BHD. maintained steady performance in its retail business by promoting merchandise offerings centered on food and expanding sales of private-label products. In addition, in the mall business, revenue expanded steadily, supported by strengthening of food and entertainment tenants and the maintenance of high occupancy rates, resulting in higher operating revenue for the full year compared with the previous fiscal year. Furthermore, sales in the online supermarket business (myAEON2go) increased due to the expansion of delivery areas.

In Vietnam, the retail market remained strong, supported by robust economic growth and expanding personal consumption. AEON VIETNAM CO., LTD. promoted planned new store openings of small-format GMS and supermarkets, while strengthening operational capabilities at existing stores.

Enhanced product assortments centered on food and large-scale promotional campaigns such as Black Friday and Tet holiday sales proved effective, enabling full-year sales to meet targets. In addition, online sales expanded, driven primarily by food as well as growth in H&BC and kids categories, contributing to the strengthening of the business foundation.

In China, amid a slowdown in economic recovery and continued consumer frugality, each company advanced initiatives aimed at restoring profitability, including revising product strategies, promoting key categories, strengthening promotional campaigns for major sales events such as National Day and Double Eleven, and implementing cost structure reforms. As part of these efforts, the expansion of sales of developed products, including TOPVALU, was positioned as a top priority.

Under these conditions, AEON STORES (HONG KONG) CO., LTD. achieved higher profit, supported by a recovery in its food segment and cost reductions. AEON (HUNAN) Co., Ltd. expanded its business scale and recorded higher profit, driven by contributions from the opening of its second store. AEON (HUBEI) CO., LTD. also improved profitability by capturing the benefits of new store openings and strengthening sales floor and product initiatives.

3) Implementation of Corporate Governance during the Current Fiscal Year

The Company continually works to reform its corporate governance in an effort to create a foundation for continuous enhancement of corporate value. In 2003, the Company transitioned to a company with committees (currently, a company with a nomination committee and other committees) in order to separate the management supervision function and business execution function of the Board of Directors. In addition, by having outside directors form a majority of directors and making outside directors the chairpersons of the Nomination, Compensation, and Audit Committees, the transparency and fairness of management are further enhanced. In 2016, the Group formulated its Basic Policy on Corporate Governance and AEON Group Future Vision in 2023, which presents the Group's basic stance on corporate management and corporate governance and serves as its policy in corporate activities. Looking ahead, we will continue to undertake reforms for optimizing the corporate governance system.

In addition to voting on resolutions and reporting on matters as required by the Companies Act and other laws, the Board of Directors held vigorous discussions from a long-term perspective on important matters concerning the management, with the aim of achieving sustainable growth for the Company and increasing its corporate value. In fiscal 2025, the Board of Directors held extensive discussions on governance-related matters, including risk management and compliance, as well as on the formulation of the Medium-term Management Plan to be launched in fiscal 2026.

In order to further enhance such discussions, we have continuously shared wide-ranging information through preliminary briefings for outside directors and monthly reports, and conducted ongoing follow-ups on the status of progress. Furthermore, opportunities for outside directors to visit the Group's businesses in Japan and overseas have been enhanced, and we have incorporated diverse perspectives not bound by preconceived notions, which are reflected in discussions at meetings of the Board of Directors from a medium- to long-term perspective. Fiscal 2026 marks the first year of the new Medium-Term Management Plan, and we will strengthen monitoring toward enhancing corporate value over the medium to long term, thereby further improving the effectiveness of the Board of Directors.

Status of Implementation of the Board of Directors Meetings and Each Committee

(* denotes an outside director)

	Meetings held	Members	Main functions
Board of Directors	7	Chairperson: Motoya Okada Akio Yoshida Yuki Habu Mitsuko Tsuchiya *Takashi Tsukamoto *Peter Child *Carrie Yu *Makoto Hayashi *Richard Collasse	• 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	7	Chairperson: *Makoto Hayashi *Takashi Tsukamoto *Carrie Yu *Richard Collasse	• 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	2	Chairperson: *Takashi Tsukamoto *Peter Child Motoya Okada	• Decide the content of proposals to nominate or dismiss the 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 the directors and executive officers.

4) Fulfillment of Corporate Social Responsibility during the Current 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 is advancing a variety of initiatives centered on the three themes of the environment, health and people, and communities, and has also positioned sustainability as a central issue for business in its medium-term management plan, and as a core part of the growth strategy. 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.

Toward Realization of a Sustainable Society

• Decarbonization of society

Based on its belief that reducing energy use in business activities contributes to the mitigation of global warming, since 2008 AEON has established detailed numerical targets, and is working to reduce CO_2 emissions. Under the AEON Decarbonization Vision established in 2018, AEON sets a target of reducing the net amount of CO_2 emitted by stores to zero, based on three perspectives: "stores," "products and logistics," and "working together with customers."

Regarding the target of switching 50% of the electricity used at stores in Japan to renewable energy by fiscal 2030, in December 2023, the amount of renewable energy procured at domestic business sites reached 3,706 million kWh—equivalent to approximately 55% of the electricity used at domestic stores—thereby achieving the target seven years ahead of schedule.

In addition, the Company has also been steadily expanding the installation of solar power generation systems at its stores, adding installations at 81 stores in fiscal 2025. As a result of these initiatives, the ratio of renewable energy use in its business operations has reached approximately 73%. Furthermore, the Company expects to achieve its target of sourcing 100% of the electricity used at AEON Malls in Japan from renewable energy by fiscal 2025 within the same fiscal year.

• Preservation of biodiversity

The Company formulated the AEON Biodiversity Policy in 2010 and has been promoting initiatives to achieve coexistence between local communities and nature through its business activities. In sustainable sourcing, the Company is advancing procurement based on internationally recognized certifications, such as MSC- and ASC-certified seafood and organically certified agricultural products, while working to reduce environmental impacts across the entire supply chain. In addition to agricultural, livestock, and marine products, as well as paper, pulp, timber, and palm oil, the Company aims to switch 100% of raw materials used in TOPVALU products to those with verified sustainability, including coffee and cocoa, by 2030.

Sales of organically certified products under TOPVALU reached ¥29.5 billion in fiscal 2025. Although this fell short of the target level, the Company has steadily advanced the development and expansion of environmentally friendly products and has completed the transition of all TOPVALU product development plans toward environmentally conscious products.

In addition, through the AEON Hometown Forest Program, which has continued since 1991, the Company has planted a cumulative total of approximately 12.84 million trees as of the end of fiscal 2025. Going forward, the Company will continue to promote integrated initiatives across procurement, products, stores, and community activities, thereby contributing to the preservation of biodiversity and the realization of a sustainable society.

• Reduction of single-use plastics

AEON formulated the AEON Plastic Usage Policy in 2020 with the aim of establishing a decarbonized and resource-circulating lifestyle. The Company is promoting initiatives through its stores, products, and services, including the transition from fossil fuel–derived materials to environmentally friendly materials and the establishment of a store-based resource-recycling model.

To reduce single-use plastics, the Group has set the following priorities and is promoting initiatives in an integrated manner: (1) reduction of usage, (2) replacement with environmentally friendly materials such as bio-based materials and paper, and (3) utilization of recycled materials and effective use of resources. Specifically, in addition to collecting plastic containers such as food trays and PET bottles, the Group is promoting bottle-to-bottle recycling initiatives, in which PET bottles collected at stores are used as raw materials for new products.

The cumulative volume of PET bottles collected at stores to date has reached approximately 85,000 tons. Going forward, the Company will expand collection and recycling initiatives to the apparel sector and promote the development of a circular model aimed at the effective use of limited resources.

- Reduction of food waste

AEON has been promoting initiatives under the AEON Food Waste Reduction Targets formulated in 2017, with the aim of halving food waste by 2025, based on three approaches: “store- and product-based initiatives,” “communication with customers,” and “collaboration with local communities.”

Specifically, the Company is shortening the time from shipment at packing facilities located near production sites to store delivery in order to extend product shelf life. In addition, it is promoting food drive and food bank activities at stores, and advancing the establishment of an AEON closed-loop food recycling system involving stores, recycling operators, and AEON farms.

Regarding the volume of food waste generated at stores, progress has been steady, with an achievement rate of 90% against the target of halving the food waste intensity by 2025 compared with 2015 levels. In addition, the number of stores conducting regular food drive activities expanded from approximately 1,100 stores in fiscal 2024 to approximately 2,100 stores in fiscal 2025, broadening initiatives to reduce food waste together with customers.

- Nurturing and support for children who will lead the future

1) AEON Children’s Cafeteria Support Group

AEON aims to create a future in which all children can grow up healthy in both body and mind. As part of its initiatives to support child-rearing households in collaboration with local communities, the Company launched the AEON Children’s Cafeteria Support Group in December 2020 and has been implementing support activities for children’s cafeterias nationwide.

As part of these activities, the Company has been continuously conducting fundraising campaigns to support children’s cafeterias across Japan, and the eighth campaign was held for approximately one month from December 2025. Through this campaign, approximately ¥33.21 million was donated to the certified NPO National Children’s Cafeteria Support Center “*Musubie*.” The cumulative amount of donations since the spring of 2020 has reached ¥253.47 million.

In addition, the Company is promoting initiatives to create opportunities for customers to participate in support activities at its stores, in collaboration with organizations, companies, schools, and local governments that support children in local communities. Going forward, the Company will continue to contribute to the development of local communities connected through mutual support by advancing community-based support activities.

2) AEON Cheers Club

The AEON 1% Club Foundation, a public interest incorporated foundation funded by contributions equivalent to 1% of pre-tax profits from major AEON Group companies, operates the AEON Cheers Club at locations near AEON Group stores across Japan as a place where children who will lead the next generation can learn about environmental and social issues through hands-on experiences.

This program is primarily targeted at elementary school children and provides experiential and learning opportunities related to environmental conservation and social contribution. As of the end of January 2026, there were 505 clubs nationwide with 7,521 participants, and the cumulative number of members reached 119,861.

Going forward, the Foundation will continue to create opportunities for children to deepen their understanding of environmental and social issues through community-based activities.

(2) Analysis of Financial Condition

Consolidated Assets, Liabilities, Net Assets, and Cash Flows

(Millions of yen)

As of	Feb. 28, 2026	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2023
Total assets	15,369,658	13,833,319	12,940,869	12,341,523
Interest-bearing debt:	4,465,404	3,844,428	3,715,695	3,483,126
[of which, financial subsidiaries]	[1,438,913]	[1,308,896]	[1,312,938]	[1,210,924]
[of which, excluding financial subsidiaries]	[3,026,490]	[2,535,532]	[2,402,756]	[2,272,202]
Net assets	2,204,267	2,135,271	2,087,201	1,970,232
Cash and cash equivalents at end of period	1,263,123	1,172,102	1,064,093	1,214,462
Fiscal year ended	Feb. 28, 2026	Feb. 28, 2025	Feb. 29, 2024	Feb. 28, 2023
Cash flows from operating activities	1,126,589	566,218	368,487	433,710
Cash flows from investing activities	(1,088,665)	(478,810)	(508,876)	(335,123)
Cash flows from financing activities	40,089	881	(15,867)	1,853

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of February 28, 2026, were ¥15,369,658 million, an increase of ¥1,536,339 million, or 11.1%, from the end of the previous fiscal year. The increase is mainly attributable to increases of ¥414,704 million in securities, ¥341,951 million in property, plant and equipment, ¥179,569 million in inventories, ¥174,935 million in loans and bills discounted for banking business, ¥116,389 million in goodwill, and ¥68,001 million in operating loans receivable, partially offset by a decrease of ¥62,600 million in investment securities.

Consolidated liabilities as of February 28, 2026, were ¥13,165,391 million, an increase of ¥1,467,343 million, or 12.5%, from the end of the previous fiscal year. The increase is mainly attributable to increases of ¥440,075 million in long-term loans payable (including the current portion), ¥393,398 million in notes and accounts payable – trade, ¥277,144 million in deposits for banking business, and ¥148,842 million in bonds payable, partially offset by decreases of ¥56,972 million in short-term loans payable and ¥42,656 million in reserve for insurance policy liabilities.

Consolidated net assets as of February 28, 2026, were ¥2,204,267 million, an increase of ¥68,995 million, or 3.2%, from the end of the previous fiscal year.

Consolidated Cash Flows

Cash and cash equivalents

The balance of cash and cash equivalents as of February 28, 2026, were ¥1,263,123 million, an increase of ¥91,021 million, or 7.8%, from the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥1,126,589 million, an increase of ¥560,371 million, or 99.0%, from the previous fiscal year. The increase was mainly attributable to an increase of ¥319,224 million in other assets and liabilities and an increase of ¥215,988 million in trade payables, partially offset by a decrease of ¥386,571 million in deposits in the banking business.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥1,088,665 million, an increase of ¥609,855 million, or 127.4%, from the previous fiscal year. The increase was mainly attributable to an increase of ¥442,426 million in payments for acquisition of securities in the banking business and a decrease of ¥219,100 million in proceeds due to the absence, in the current fiscal year, of proceeds from the collection of loans receivable from deconsolidated subsidiaries recorded in the previous fiscal year, partially offset by an increase of ¥156,520 million in proceeds from the sale and redemption of securities in the banking business.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥40,089 million, an increase of ¥39,208 million from the previous fiscal year. The increase was mainly attributable to an increase of ¥160,046 million in proceeds from long-term loans payable and an increase of ¥145,285 million in proceeds from issuance of bonds, partially offset by an increase of ¥104,703 million in payments for purchase of shares of subsidiaries not resulting in a change in the scope of consolidation.

(3) Outlook for the Fiscal Year Ending February 28, 2027

Consolidated Operating Results Forecast (Millions of yen)

	Fiscal year ending February 28, 2027	Fiscal year ended February 28, 2026 (Actual results)
Operating revenue	12,000,000	10,715,342
Operating profit	340,000	270,459
Ordinary profit	290,000	243,031
Profit attributable to owners of the parent	73,000	72,677

In the fiscal year ending February 28, 2027 (fiscal 2026), personal consumption is expected to strengthen its moderate recovery trend, supported by improvements in the income environment driven by wage increases. On the other hand, the impact of rising prices is expected to persist, with consumers' frugal and value-oriented behavior continuing. In addition, selective consumption—placing greater emphasis not only on price but also on quality, convenience, and overall value—is expected to become more pronounced. Furthermore, amid rising geopolitical risks in the Middle East, including developments in Iran, increases in crude oil prices are raising concerns about higher energy and logistics costs, and the business environment is expected to remain uncertain.

In this environment, the Group will leverage its nationwide store network and multi-format business model to respond flexibly to changes in external conditions. By maximizing the Group's scale advantages, we will work to mitigate the impact of rising costs while addressing increasingly diverse customer needs, aiming to achieve stable and sustainable growth.

From a business strategy perspective, the Group will proceed with the restructuring of its business portfolio in order to respond flexibly to changes in the business environment and achieve further growth. In fiscal 2026, which marks the first year of this initiative, we will drive growth in the retail business by strengthening competitiveness in the food sector through the effective use of the Group's procurement capabilities, product development capabilities, and logistics infrastructure. At the same time, we will focus on improving profitability—our key priority—and aim to expand earnings.

In addition, we will promote the expansion of the Health & Wellness Business, which is advancing the "Life Store" concept, while further evolving the Shopping Center Development Business and the entertainment business, both of which drove profit growth in fiscal 2025, with the aim of achieving a significant increase in operating profit across the Group.

Furthermore, the Group will introduce a group tax sharing from fiscal 2026. This is expected to have a positive impact on profit attributable to owners of the parent over the medium to long term. Alongside profit growth from core operations, we will pursue tax optimization, thereby addressing our longstanding challenge of improving the bottom line and enhancing capital efficiency.

Based on the above initiatives, for the fiscal year ending February 28, 2027, the Group forecasts consolidated operating revenue of ¥12 trillion, up 12.0% year on year; operating profit of ¥340.0 billion, up 25.7%; ordinary profit of ¥290.0 billion, up 19.3%; and profit attributable to owners of the parent of ¥73.0 billion.

(4) Dividend Policy and Dividends for the Fiscal Year Ended February 28, 2026, and the Fiscal Year Ending February 28, 2027

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.

(Primary uses 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, 2026, and Starting Date for Dividend Payments

By resolution of the Board of Directors at a meeting held on April 9, 2026, the year-end dividend payment from retained earnings for the fiscal year ended February 28, 2027, will be ¥7 per share. The Company implemented a 3-for-

1 stock split of its common shares, effective September 1, 2025. As a result, the interim dividend amounted to ¥20 per share and the year-end dividend amounted to ¥7 per share. For reference, without considering the stock split, the year-end dividend would be ¥21 per share and the total annual dividend would be ¥41 per share. The starting date for dividend payments (effective date) is Thursday, April 30, 2026.

3) Dividend Forecast for the Fiscal Year Ending February 28, 2026
Based on the above basic policy, the Company plans to pay, for the fiscal year ending February 28, 2027, both an interim dividend and a year-end dividend of ¥7.50 per share, comprising an ordinary dividend of ¥7.00 and a commemorative dividend of ¥0.50 in celebration of the 100th anniversary of the Company's incorporation.
As a result, the total annual dividend is expected to be ¥15.00 per share, consisting of an ordinary dividend of ¥14.00 and a commemorative dividend of ¥1.00.

2. Management Strategies and Policies

(1) Basic Management Policy

Since 2006, the Articles of Incorporation have embraced the fundamental philosophy of “Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.” This guiding principle underscores our commitment to ensuring that all of our approximately 600,000 employees worldwide understand the Group's ethos and pass it on to future generations. To effectively communicate this stance to our stakeholders and foster deeper understanding, we have revised our basic philosophy, providing context and implications, and integrated it into our Articles of Incorporation following the General Shareholders’ Meeting in May 2023. Anchored in the ethos of “Everything we do, we do for our customers,” we continually monitor market dynamics and customer needs to enhance corporate value. Our goal is to evolve into a group that fosters sustainable growth and contributes to local communities over the long term.

In 2001, the Company underwent a significant transformation and rebranded as AEON, signaling its aspiration to evolve into a forward-looking enterprise for the 21st century, envisioning a future filled with dreams. In April 2023, AEON reevaluated its vision for the future and articulated the “AEON Group Future Vision” with the guiding principle of “Create a future lifestyle that leads to a smile for each and every person.” For further insights into AEON’s vision statement, please visit the following webpage: https://www.aeon.info/en/company/code_of_conduct/ (AEON Group Future Vision)

(2) Medium-Term Management Strategy

AEON Group’s Growth Strategy

Under its Medium-term Management Plan (FY2021–FY2025), AEON has been working to build a business foundation that enables sustainable growth by promoting the five key reforms”—“accelerating and evolving the digital shift,” “establishing unique value with a supply chain-driven approach,” “advancing Health & Wellness initiatives for a new era,” “creating the ‘AEON Living Zone,’” and “further accelerating the Asia shift”—while also accelerating initiatives related to environmental and green issues, which are becoming increasingly important.

Meanwhile, the business environment surrounding the Company is undergoing significant change, including the normalization of price increases exceeding wage growth, intensifying price competition, and ongoing industry restructuring, as well as increasing instability in the procurement environment for raw materials and energy due to climate change and geopolitical factors.

Even under such circumstances, in order to fulfill its social role of supporting the daily lives of customers in local communities, the Company will work to establish a more robust business foundation by implementing the following initiatives: “reforming the earnings structure of the food retail business,” “evolving into a new Health & Wellness business,” “integrating the Shopping Center Development Business and the entertainment business,” “accelerating the growth of overseas operations,” and “decisively executing structural reforms,” thereby improving profitability and enhancing capital efficiency.

Promotion of Diversity

To achieve the Group’s sustainable growth and value creation, it is essential to create an environment in which diverse human resources can leverage their respective strengths and continue to thrive. AEON has named its group-wide diversity initiatives “Daimanzoku” (meaning “very satisfied” in Japanese), under which it aims to create a corporate environment where each AEON People can fully demonstrate their individuality and capabilities and continue to thrive, while linking the value created by diversity to the satisfaction of three stakeholders: “employees and their families,” “customers,” and “the Company.”

In fiscal 2025, a total of 1,880 participants attended the Daimanzoku Forum, a seminar titled “Considering DE&I as a Management Strategy,” aimed at executives and managerial employees. The forum deepened participants’ understanding of the importance of DE&I and provided an opportunity to consider diversity management as a driver of organizational transformation. In addition, the Daimanzoku Awards, which share and recognize best practices across Group companies, were held for the 12th time, with 32 initiatives reported from 28 Group companies. Participation by overseas Group companies has also expanded, contributing significantly to value creation driven by diversity.

Through these initiatives, a wide range of efforts tailored to the characteristics of each business have progressed across the Group, including career development for women and younger employees, promotion of store managers on an hourly employment basis, support for balancing work and childcare, mental health initiatives, and workplace culture reform. As a result, steady progress has been made in enabling diverse talent to thrive, as evidenced by a ratio of female managers of 28.4% and an employment rate of persons with disabilities of 3.18%.

Going forward, AEON will continue to promote diversity management as a core management strategy and work toward further advancement of women and the empowerment of diverse talent.

Investment in human capital

AEON believes in the potential of each employee and is working to create a workplace environment in which individuals can maximize their capabilities. As a corporate group that continues to innovate, AEON aims to achieve sustainable growth by creating a virtuous cycle of productivity improvement and investment in human capital.

The Company is strengthening the development and recruitment of management, specialist, and global talent that will support sustainable growth, while also promoting increased investment in education, enhanced career support, and more sophisticated recruitment strategies.

Based on the belief that employees who create value for customers are the Company's most important management capital, AEON has positioned employee engagement as a key indicator and is conducting large-scale surveys covering approximately 600,000 employees both in Japan and overseas, along with initiatives to drive improvement.

In addition, AEON is focusing on developing an environment that enables diverse talent to work flexibly. Wages for part-time employees in Japan, who account for approximately 480,000 employees, or about 80% of the domestic workforce, will be increased by 7% for the fourth consecutive year.

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 Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	1,258,383	1,350,037
Call loans	1,514	1,396
Notes and accounts receivable – trade	1,856,384	1,887,611
Securities	874,398	1,289,102
Inventories	649,955	829,524
Operating loans receivable	595,895	663,896
Loans and bills discounted for banking business	3,022,476	3,197,412
Other	569,237	598,660
Allowance for doubtful accounts	(134,719)	(139,936)
Total current assets	8,693,526	9,677,706
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,760,663	1,880,897
Tools, furniture and fixtures, net	278,436	319,675
Land	1,090,370	1,138,073
Leased assets, net	99,698	126,718
Construction in progress	72,807	114,055
Other, net	297,628	362,136
Total property, plant and equipment	3,599,604	3,941,556
Intangible assets		
Goodwill	154,413	270,803
Trademark rights	583	37,134
Software	193,303	215,412
Leased assets	26,021	25,837
Other	41,826	47,148
Total intangible assets	416,147	596,336
Investments and other assets		
Investment securities	326,209	263,609
Retirement benefit asset	70,242	100,707
Deferred tax assets	164,381	174,536
Guarantee deposits	368,322	426,906
Deposits for stores in preparation	4,609	4,116
Other	195,097	188,323
Allowance for doubtful accounts	(4,822)	(4,140)
Total investments and other assets	1,124,039	1,154,058
Total non-current assets	5,139,792	5,691,952
Total assets	13,833,319	15,369,658

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,082,565	1,475,963
Deposits for banking business	5,196,949	5,474,093
Short-term loans payable	427,829	370,857
Current portion of long-term loans payable	395,332	469,807
Current portion of bonds payable	189,310	170,517
Commercial papers	9,344	5,932
Lease obligations	75,635	75,278
Income taxes payable	62,790	71,703
Contract liabilities	217,954	241,631
Provision for bonuses	41,941	50,817
Provision for loss on store closing	12,432	17,273
Provision for point card certificates	8,362	7,967
Notes payable – facilities	57,227	56,013
Other	665,986	797,694
Total current liabilities	8,443,663	9,285,550
Non-current liabilities		
Bonds payable	937,626	1,105,261
Long-term loans payable	1,479,593	1,845,194
Lease obligations	317,999	406,360
Deferred tax liabilities	9,541	27,223
Provision for directors’ retirement benefits	266	183
Provision for loss on store closing	10,918	9,149
Provision for contingent loss	152	26
Provision for loss on interest repayment	1,172	698
Retirement benefit liability	17,279	19,346
Asset retirement obligations	130,080	142,367
Long-term guarantee deposits	269,985	275,444
Reserve for insurance policy liabilities	42,753	97
Other	37,015	48,487
Total non-current liabilities	3,254,384	3,879,840
Total liabilities	11,698,047	13,165,391

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Net assets		
Shareholders’ equity		
Share capital	220,007	220,007
Capital surplus	298,350	338,309
Retained earnings	436,709	473,986
Treasury shares	(13,288)	(6,607)
Total shareholders’ equity	941,779	1,025,696
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,199	1,583
Deferred gains or losses on hedges	788	12,764
Foreign currency translation adjustment	98,415	151,417
Remeasurements of defined benefit plans	15,091	26,959
Total accumulated other comprehensive income	121,495	192,725
Share acquisition rights	1,321	1,751
Non-controlling interests	1,070,674	984,094
Total net assets	2,135,271	2,204,267
Total liabilities and net assets	13,833,319	15,369,658

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Operating revenue		
Net sales	8,829,564	9,355,439
Operating revenue from Financial Services Business	467,023	486,237
Other operating revenue	838,289	873,665
Total operating revenue	10,134,877	10,715,342
Operating costs		
Cost of sales	6,313,968	6,706,260
Operating cost from Financial Services Business	66,173	98,705
Total operating costs	6,380,141	6,804,966
Gross profit	2,515,596	2,649,178
Operating gross profit	3,754,736	3,910,376
Selling, general and administrative expenses		
Advertising expenses	137,815	137,561
Provision of allowance for doubtful accounts	87,788	88,754
Employees' salaries and bonuses	1,232,480	1,290,190
Provision for bonuses	41,941	50,817
Legal and other welfare expenses	214,514	223,714
Utilities expenses	233,051	231,517
Depreciation	326,007	342,061
Repair and maintenance expenses	219,879	226,840
Rent expenses on land and buildings	451,159	464,196
Amortization of goodwill	16,768	19,554
Other	555,581	564,707
Total selling, general and administrative expenses	3,516,989	3,639,916
Operating profit	237,747	270,459
Non-operating income		
Interest income	5,759	5,451
Dividend income	5,936	3,513
Share of profit of entities accounted for using equity method	6,338	9,143
Penalty income from leaving tenants	2,128	1,904
Reversal of allowance for doubtful accounts	300	735
Other	19,169	16,830
Total non-operating income	39,634	37,577
Non-operating expenses		
Interest expenses	43,122	51,376
Other	10,035	13,629
Total non-operating expenses	53,158	65,005
Ordinary profit	224,223	243,031

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Extraordinary income		
Gain on sale of non-current assets	6,334	1,272
Gain on sale of investment securities	24,480	1,164
Gain on sale of shares of subsidiaries and associates	16	16,024
Gain on step acquisition	–	69,086
Other	4,967	4,385
Total extraordinary income	35,798	91,933
Extraordinary losses		
Impairment losses	61,244	97,486
Provision for loss on store closing	13,069	9,567
Loss on retirement of non-current assets	3,261	4,707
Loss on closing of stores	2,012	3,153
Loss on sale of shares of subsidiaries and associates	2,091	9,387
Bad debt-related cost	9,945	–
Other	4,703	3,205
Total extraordinary losses	96,328	127,507
Profit before income taxes	163,693	207,457
Income taxes – current	102,159	101,442
Income tax – deferred	(8,189)	(18,521)
Total income taxes	93,970	82,921
Profit	69,722	124,536
Profit attributable to non-controlling interests	42,553	51,858
Profit attributable to owners of the parent	27,168	72,677

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Profit	69,722	124,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(65,115)	(25,407)
Deferred gains or losses on hedges	(5)	22,051
Foreign currency translation adjustment	58,672	40,822
Remeasurements of defined benefit plans, net of tax	12,585	15,161
Share of other comprehensive income of entities accounted for using equity method	(95)	131
Other comprehensive income	6,041	52,759
Comprehensive income	75,764	177,295
Comprehensive income attributable to:		
Owners of the parent	7,943	143,907
Non-controlling interests	67,820	33,388

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2025 (March 1, 2024–February 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	220,007	288,337	425,596	(20,543)	913,399
Cumulative effect of changes in accounting policies			15,659		15,659
Balance at beginning of period, reflecting changes in accounting policies	220,007	288,337	441,256	(20,543)	929,059
Changes during period					
Dividends of surplus			(32,570)		(32,570)
Profit attributable to owners of the parent			27,168		27,168
Purchase of treasury shares				(13)	(13)
Disposal of treasury shares		10,305		7,268	17,574
Change in ownership interest of the parent due to transactions with non-controlling interests		(293)			(293)
Increase in retained earnings resulting from decrease in entities accounted for using equity method			854		854
Net changes of items other than shareholders' equity					
Total changes during period	–	10,012	(4,546)	7,254	12,720
Balance at end of period	220,007	298,350	436,709	(13,288)	941,779

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	68,233	417	67,154	4,916	140,720	1,155	1,031,925	2,087,201
Cumulative effect of changes in accounting policies								15,659
Balance at beginning of period, reflecting changes in accounting policies	68,233	417	67,154	4,916	140,720	1,155	1,031,925	2,102,861
Changes during period								
Dividends of surplus								(32,570)
Profit attributable to owners of the parent								27,168
Purchase of treasury shares								(13)
Disposal of treasury shares								17,574
Change in ownership interest of the parent due to transactions with non-controlling interests								(293)
Increase in retained earnings resulting from decrease in entities accounted for using equity method								854
Net changes of items other than shareholders' equity	(61,033)	371	31,261	10,175	(19,224)	166	38,748	19,689
Total changes during period	(61,033)	371	31,261	10,175	(19,224)	166	38,748	32,410
Balance at end of period	7,199	788	98,415	15,091	121,495	1,321	1,070,674	2,135,271

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	220,007	298,350	436,709	(13,288)	941,779
Changes during period					
Dividends of surplus			(35,683)		(35,683)
Profit attributable to owners of the parent			72,677		72,677
Purchase of treasury shares				(844)	(844)
Disposal of treasury shares		19,364		7,525	26,889
Issuance of new shares		247,159			247,159
Change in ownership interest of the parent due to transactions with non-controlling interests		(226,564)			(226,564)
Increase in retained earnings resulting from decrease in consolidated subsidiaries			282		282
Net changes of items other than shareholders' equity					
Total changes during period	–	39,959	37,276	6,680	83,916
Balance at end of period	220,007	338,309	473,986	(6,607)	1,025,696

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	7,199	788	98,415	15,091	121,495	1,321	1,070,674	2,135,271
Changes during period								
Dividends of surplus								(35,683)
Profit attributable to owners of the parent								72,677
Purchase of treasury shares								(844)
Disposal of treasury shares								26,889
Issuance of new shares								247,159
Change in ownership interest of the parent due to transactions with non-controlling interests								(226,564)
Increase in retained earnings resulting from decrease in consolidated subsidiaries								282
Net changes of items other than shareholders' equity	(5,616)	11,975	53,001	11,867	71,229	429	(86,579)	(14,920)
Total changes during period	(5,616)	11,975	53,001	11,867	71,229	429	(86,579)	68,995
Balance at end of period	1,583	12,764	151,417	26,959	192,725	1,751	984,094	2,204,267

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	163,693	207,457
Depreciation	345,291	362,945
Amortization of goodwill	16,768	19,554
Increase (decrease) in allowance for doubtful accounts	8,582	(6,200)
Increase (decrease) in provision for loss on interest repayment	(1,629)	(473)
Increase (decrease) in provision for bonuses	(5,809)	(777)
Increase (decrease) in retirement benefit liability	800	113
Decrease (increase) in retirement benefit asset	(8,503)	(9,061)
Interest and dividend income	(11,696)	(8,964)
Interest expenses	43,122	51,376
Foreign exchange losses (gains)	527	2,477
Share of loss (profit) of entities accounted for using equity method	(6,338)	(9,143)
Gain on sale of non-current assets	(6,334)	(1,272)
Loss on sale and retirement of non-current assets	4,778	7,036
Impairment losses	61,244	97,486
Loss (gain) on sale of short-term and long-term investment securities	(23,665)	(1,154)
Loss (gain) on sale of shares of subsidiaries and associates	2,075	(6,637)
Loss (gain) on step acquisitions	–	(69,086)
Decrease (increase) in trade receivables	(72,587)	107,562
Decrease (increase) in inventories	(17,234)	(19,261)
Decrease (increase) in operating loans receivable	1,508	4,062
Decrease (increase) in loans and bills discounted for banking business	(359,373)	(174,561)
Increase (decrease) in trade payables	392	216,381
Increase (decrease) in deposits for banking business	663,716	277,144
Increase/decrease in other assets/liabilities	(145,780)	173,443
Other, net	31,826	43,519
Subtotal	685,374	1,263,608
Interest and dividends received	15,312	13,572
Interest paid	(42,497)	(48,336)
Income taxes paid	(91,971)	(102,254)
Net cash provided by (used in) operating activities	566,218	1,126,589

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from investing activities		
Purchase of securities	(25,762)	(7,731)
Proceeds from sale and redemption of securities	27,385	17,643
Acquisition of securities for banking business	(482,550)	(924,976)
Proceeds from sale and redemption of securities in banking business	242,422	398,943
Purchase of non-current assets	(465,958)	(528,536)
Proceeds from sale of non-current assets	11,978	6,092
Purchase of investment securities	(119,757)	(4,952)
Proceeds from sale of investment securities	42,209	14,107
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(23,253)	(1,160)
Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation	1,353	13,587
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(26,820)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	23,301	7
Payments of guarantee deposits	(38,428)	(10,319)
Proceeds from refund of guarantee deposits	64,863	40,194
Guarantee deposits received	23,894	23,923
Refund of guarantee deposits received	(23,936)	(21,668)
Proceeds from collection of loans receivable from deconsolidated subsidiaries	219,100	—
Other, net	44,328	(76,998)
Net cash provided by (used in) investing activities	(478,810)	(1,088,665)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	(150,954)	(70,860)
Proceeds from long-term loans payable	623,148	783,195
Repayments of long-term loans payable	(356,434)	(458,142)
Proceeds from issuance of bonds	163,694	308,980
Redemption of bonds	(160,893)	(191,871)
Purchase of treasury shares	(13)	(117)
Proceeds from share issuance to non-controlling shareholders	3,274	3,435
Repayments to non-controlling shareholders	(3,185)	(80,113)
Repayments of lease obligations	(72,689)	(82,777)
Dividends paid	(32,570)	(35,683)
Dividends paid to non-controlling interests	(27,468)	(24,609)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	3,213	4,437
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,051)	(106,754)
Other, net	13,811	(9,028)
Net cash provided by (used in) financing activities	881	40,089
Effect of exchange rate change on cash and cash equivalents	19,718	13,007
Net increase (decrease) in cash and cash equivalents	108,008	91,021
Cash and cash equivalents at beginning of period	1,064,093	1,172,102
Cash and cash equivalents at end of period	1,172,102	1,263,123

(5) Notes to Consolidated Financial Statements

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

Going Concern Assumption

Not applicable

Significant Changes in Shareholders' Equity

Previous fiscal year (March 1, 2024–February 28, 2025)
Not applicable

Current fiscal year (March 1, 2025–February 28, 2026)
During the current fiscal year, capital surplus increased by ¥39,959 million. This increase was mainly attributable to a share exchange in which the Company became the wholly owning parent company and AEON MALL Co., Ltd. became the wholly owned subsidiary, as well as the additional acquisition of shares through a tender offer for the shares of AEON DELIGHT CO., LTD. As factors contributing to the change, capital surplus increased by ¥247,159 million due to the issuance of new shares and by ¥19,364 million from the disposal of treasury shares, while it decreased by ¥226,564 million due to changes in the parent's ownership interest arising from transactions with non-controlling interests.

As a result, capital surplus amounted to ¥338,309 million as of the end of the current fiscal year.

Changes in Accounting Policies

Application of "Accounting Standard for Income Taxes" and related pronouncements

The "Accounting Standard for Income Taxes" (ASBJ Statement No. 27, issued on October 28, 2022; the "2022 Revised Accounting Standard"), and related pronouncements have been adopted from the beginning of the current fiscal year.

With respect to the revision concerning the classification of income taxes (taxation on other comprehensive income), the Company has adopted the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to Paragraph 65-2(2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, issued on October 28, 2022; the "2022 Revised Implementation Guidance"). This change in accounting policy had no impact on the consolidated financial statements.

In addition, with regard to the revisions related to the review of the treatment in the consolidated financial statements of gains or losses arising from the sale of shares of subsidiaries, etc. among consolidated companies where such gains or losses are deferred for tax purposes, the 2022 Revised Practical Guidelines have been applied from the beginning of the current fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year reflect the retrospective application. As a result, compared with the amounts before the retrospective application, deferred tax liabilities in the consolidated balance sheet for the previous fiscal year decreased by ¥14,045 million. In addition, as the cumulative effect was reflected in net assets at the beginning of the previous fiscal year, the opening balance of retained earnings for the previous fiscal year increased by ¥15,659 million. In addition, in the consolidated statement of income for the previous fiscal year, income tax – deferred increased by ¥1,614 million, and profit attributable to owners of the parent decreased by ¥1,614 million.

Regarding per-share information, basic earnings per share for the previous fiscal year decreased by ¥0.63 compared with the amount before the retrospective application. As the Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025, basic earnings per share have been calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year. Without considering the stock split, basic earnings per share for the previous fiscal year would decrease by ¥1.88.

Changes in Presentation

Consolidated statements of income

In the previous fiscal year, "Gain on sale of shares of subsidiaries and associates," which had been included in "Other" under "Extraordinary income," has been presented separately under "Extraordinary income" from the current fiscal year due to its increased materiality. Accordingly, the consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥42,410 million previously presented as "Other" under "Extraordinary income" has been reclassified as ¥583 million of "Gain on sale of shares of subsidiaries and associates" and ¥41,826 million of "Other."

Consolidated Statements of Income

In the previous fiscal year, “Gain on sale of shares of subsidiaries and associates”, which had been included in “Other” under “Extraordinary income,” has been presented separately under “Extraordinary income” from the current consolidated fiscal year due to its increased materiality. Accordingly, the consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥4,984 million, which had previously been presented as “Other” under “Extraordinary income,” has been reclassified as ¥16 million of “Gain on sale of shares of subsidiaries and associates” and ¥4,967 million of “Other.”

Consolidated Statements of Cash Flows

In the previous fiscal year, “Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation,” which had been included in “Other” under “Cash flows from investing activities,” has been presented separately from the current consolidated fiscal year due to increased materiality. Accordingly, the consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥45,682 million, which had previously been presented as “Other” under “Cash flows from investing activities” in the consolidated statements of cash flows for the previous consolidated fiscal year, has been reclassified as ¥1,353 million of “Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation” and ¥44,328 million of “Other.”

Additional Information

Transactions of delivering the Company’s own stock to employees, etc. through trusts

The Company introduced the “Employee Stock Ownership ESOP Trust” (the “ESOP Trust”) as a trust-type employee stock ownership incentive plan with the aim of enhancing medium- to long-term corporate value; however, the plan was terminated in March 2025.

Shares of the Company held by the ESOP Trust are presented as treasury shares in the net assets section. As of the end of the previous fiscal year, the book value and the number of such treasury shares were ¥198 million and 257,100 shares, respectively. In addition, the book value of long-term loans payable (including the current portion) recognized under the gross method amounted to ¥650 million as of the end of the previous fiscal year. As of the end of the current fiscal year, neither treasury shares nor long-term loans payable are recorded.

As the Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025, the number of treasury shares has been calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year. Without considering the stock split, the number of treasury shares as of the end of the previous fiscal year would be 85,700 shares.

(Inappropriate accounting treatment at consolidated subsidiary Post and Telecommunication Finance Company Limited)

At the Company’s consolidated subsidiary, Post and Telecommunication Finance Company Limited, the correction arising from the discovery of inappropriate accounting treatment prior to the acquisition of equity interests was recognized in a lump sum during the current fiscal year. As a result, profit before income taxes in the consolidated statement of income for the current fiscal year decreased by ¥3,883 million.

The company changed its corporate name to AEON Consumer Finance Company Limited, effective October 24, 2025.

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), flat-rate discount store business, and other related businesses.

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

The Discount Store Business includes discount stores.

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

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

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

The Services and Specialty Store Business includes facilities management services, amusement services, food services, specialty stores that sell family casual apparel and footwear, and other related businesses.

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

Due to organizational changes, the Company has reclassified certain subsidiaries that had been included in the Supermarket Business to the Services and Specialty Store Business from the current fiscal year, and has included certain subsidiaries as companies engaged in merchandise supply and related functions in “Adjustments.” Segment information for the previous fiscal year has been restated based on the revised classification.

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

Fiscal year ended February 28, 2025 (March 1, 2024–February 28, 2025)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount store	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	3,460,668	3,039,837	410,235	1,321,997	467,023	409,338	521,163
(2) Intersegment revenue or transfers	98,812	14,985	1,211	879	63,429	86,831	214,034
Total	3,559,481	3,054,822	411,447	1,322,876	530,452	496,170	735,197
Segment income (loss)	16,360	32,544	7,991	36,007	61,165	53,035	23,328
Segment assets	1,494,776	1,242,032	79,171	609,201	7,753,855	1,871,672	401,348
Segment interest-bearing debt	400,256	236,205	7,315	89,153	1,309,432	932,306	126,362
Other items:							
Depreciation	53,113	51,755	3,930	23,155	41,533	94,281	20,157
Share of profit (loss) of entities accounted for using equity method	151	2,205	–	687	72	308	168
Impairment losses	16,696	16,397	1,008	12,853	48	8,232	5,332
Investment in entities accounted for using equity method	2,133	18,126	–	6,461	92	6,864	843
Increase in property, plant and equipment, and intangible assets	123,135	78,313	10,863	28,899	55,143	85,588	27,457

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements *3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	544,261	10,174,527	15,421	10,189,949	(55,071)	10,134,877
(2) Intersegment revenue or transfers	4,613	484,797	52,771	537,569	(537,569)	–
Total	548,875	10,659,324	68,193	10,727,518	(592,640)	10,134,877
Segment income (loss)	9,493	239,927	(10,072)	229,854	7,892	237,747
Segment assets	527,030	13,979,089	177,292	14,156,382	(323,063)	13,833,319
Segment interest-bearing debt	267,817	3,368,849	14,061	3,382,910	461,518	3,844,428
Other items:						
Depreciation	41,199	329,125	9,616	338,741	6,549	345,291
Share of profit (loss) of entities accounted for using equity method	(16)	3,577	2,278	5,856	482	6,338
Impairment losses	658	61,228	–	61,228	15	61,244
Investment in entities accounted for using equity method	0	34,522	39,151	73,674	6,362	80,036
Increase in property, plant and equipment, and intangible assets	58,062	467,464	20,465	487,929	25,525	513,455

Notes: 1. Main components of minus ¥55,071 million in adjustments to revenue attributable to customers are as follows:
- (i) an adjustment of minus ¥115,158 million to reclassify certain service transactions, which are presented on a gross basis in the reportable segments as appropriate for the presentation of segment performance, to a net basis in the consolidated statement of income as they represent incidental revenue, and
- (ii) operating revenue of ¥59,897 million from transactions with equity-method associates and other related parties, generated by companies engaged in merchandise supply and related functions within the Group as part of head office functions not attributable to any business segment.

2. Main components of ¥7,892 million in adjustments to segment income are as follows:
- (i) ¥6,098 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
- (ii) ¥5,149 million in income of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
- (iii) Minus ¥3,388 million in the elimination of intersegment transactions.

3. Segment income (loss) is reconciled with operating profit in the consolidated statement of income.

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount store	Health & Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	3,604,875	3,070,400	429,219	1,632,463	486,237	431,506	531,853
(2) Intersegment revenue or transfers	86,988	15,348	1,292	855	81,306	90,921	227,764
Total	3,691,864	3,085,749	430,512	1,633,318	567,544	522,428	759,617
Segment income (loss)	21,430	29,870	7,233	52,368	60,871	70,916	27,002
Segment assets	1,644,284	1,281,982	90,877	1,410,529	8,306,171	2,051,031	446,677
Segment interest-bearing debt	446,225	172,746	7,018	217,162	1,439,403	1,083,003	141,495
Other items:							
Depreciation	59,117	51,607	4,798	27,939	42,307	95,392	20,646
Share of profit (loss) of entities accounted for using equity method	151	2,089	—	3,844	(88)	289	173
Impairment losses	15,716	24,289	1,117	15,156	7,456	26,004	6,301
Investment in entities accounted for using equity method	2,246	16,825	—	3,110	—	7,560	971
Increase in property, plant and equipment, and intangible assets	142,911	66,972	12,501	31,170	50,169	181,312	35,702

	Reportable segment		Other	Total	Adjustments *1, 2	Reported in the consolidated financial statements *3
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	563,599	10,750,157	25,403	10,775,560	(60,217)	10,715,342
(2) Intersegment revenue or transfers	4,684	509,162	55,218	564,380	(564,380)	—
Total	568,284	11,259,319	80,621	11,339,940	(624,598)	10,715,342
Segment income (loss)	10,228	279,923	(14,134)	265,788	4,670	270,459
Segment assets	554,871	15,786,424	213,584	16,000,009	(630,350)	15,369,658
Segment interest-bearing debt	295,091	3,802,146	12,368	3,814,515	650,888	4,465,404
Other items:						
Depreciation	43,522	345,332	10,412	355,744	7,201	362,945
Share of profit (loss) of entities accounted for using equity method	53	6,514	2,372	8,886	256	9,143
Impairment losses	1,418	97,460	–	97,460	25	97,486
Investment in entities accounted for using equity method	–	30,715	39,202	69,918	6,461	76,379
Increase in property, plant and equipment, and intangible assets	55,444	576,186	37,291	613,477	16,017	629,495

Notes: 1. Main components of minus ¥60,217 million in adjustments to revenue attributable to customers are as follows:
- (i) an adjustment of minus ¥122,007 million to reclassify certain service transactions, which are presented on a gross basis in the reportable segments as appropriate for the presentation of segment performance, to a net basis in the consolidated statement of income as they represent incidental revenue, and
- (ii) operating revenue of ¥61,619 million from transactions with equity-method associates and other related parties, generated by companies engaged in merchandise supply and related functions within the Group as part of head office functions not attributable to any business segment.

2. Main components of ¥4,670 million in adjustments to segment income are as follows:
- (i) ¥5,214 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
- (ii) ¥2,259 million in income of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
- (iii) Minus ¥4,957 million in the elimination of intersegment transactions.

3. Segment income (loss) is reconciled with operating profit in the consolidated statement of income.

[Related information]

Fiscal year ended February 28, 2025 (March 1, 2024 – February 28, 2025)

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
9,237,135	554,847	342,294	601	10,134,877

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

   (2) Property, plant and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
2,780,707	521,168	295,198	2,530	3,599,604

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.

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

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
9,780,631	606,329	327,718	663	10,715,342

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

   (2) Property, plant and equipment

(Millions of yen)

Japan	ASEAN	China	Other	Total
3,015,528	562,245	360,905	2,876	3,941,556

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 losses on non-current assets by reportable segment]

Fiscal year ended February 28, 2025 (March 1, 2024–February 28, 2025)

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

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

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]

Fiscal year ended February 28, 2025 (March 1, 2024–February 28, 2025)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Discount Store	Health & Wellness	Financial Services	Shopping Center Development
Amortization for the period	3,028	3,480	–	6,012	1,349	2,371
Ending balance	18,109	37,740	–	58,671	30,418	5,881

	Reportable segment			Other	Adjustments	Total
	Services and Specialty Store	International	Total			
Amortization for the period	517	–	16,760	–	8	16,768
Ending balance	3,511	–	154,332	–	80	154,413

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

(Millions of yen)

	Reportable segment					
	GMS	Supermarket	Discount Store	Health & Wellness	Financial Services	Shopping Center Development
Amortization for the period	3,152	3,457	–	7,709	2,315	2,371
Ending balance	14,957	34,282	–	187,214	26,121	3,509

	Reportable segment			Other	Adjustments	Total
	Services and Specialty Store	International	Total			
Amortization for the period	531	–	19,536	–	17	19,554
Ending balance	4,654	–	270,740	–	62	270,803

[Gain on bargain purchase by reportable segment]

Fiscal year ended February 28, 2025 (March 1, 2024–February 28, 2025)

Not applicable

Fiscal year ended February 28, 2026 (March 1, 2025–February 28, 2026)

Not applicable

Per Share Information

	Fiscal year ended February 28, 2025 (March 1, 2024– February 28, 2025)	Fiscal year ended February 28, 2026 (March 1, 2025– February 28, 2026)
Net assets per share (yen)	411.65	440.40
Basic earnings per share (yen)	10.57	26.87
Diluted earnings per share (yen)	10.55	26.85

(Note) Basis for calculation

1. Net assets per share (Millions of yen, unless otherwise stated)

	As of February 28, 2025	As of February 28, 2026
Total net assets on the consolidated balance sheets	2,135,271	2,204,267
Net assets attributable to common shares	1,063,275	1,218,421
Main component of difference: Non-controlling interests	1,070,674	984,094
Number of common shares issued (thousands of shares)	2,615,773	2,783,529
Number of treasury common shares (thousands of shares)	32,789	16,904
Number of common shares used for calculation of net assets per share (thousands of shares)	2,582,984	2,766,624

2. Basic earnings per share and diluted earnings per share (Millions of yen, unless otherwise stated)

	Fiscal year ended February 28, 2025 (March 1, 2024– February 28, 2025)	Fiscal year ended February 28, 2026 (March 1, 2025– February 28, 2026)
Profit attributable to owners of the parent	27,168	72,677
Amount not attributable to common shareholders	–	–
Profit attributable to common shares of the parent	27,168	72,677
Average number of common shares outstanding (thousands of shares)	2,571,422	2,705,211
Diluted earnings per share		
Adjustment to profit attributable to owners of the parent	(20)	(16)
Difference arising from changes in ownership interest due to share acquisition rights issued by consolidated subsidiaries	(20)	(16)
Increase in number of common shares (thousands of shares)	667	705
[of which, share acquisition rights (thousands of shares)]	[667]	[705]
Summary of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	—	—

Notes:
1. The company’s own shares held in trust and recorded as treasury shares under shareholders’ equity are included in the treasury shares deducted when calculating the average number of shares during the period for basic earnings per share. They are also included in the treasury shares deducted from the total number of shares issued at the end of the period for calculating net assets per share.
The average number of treasury shares deducted for basic earnings per share was 1,934 thousand in the previous fiscal year and 19 thousand in the current fiscal year. The number of treasury shares deducted for net assets per share was 257 thousand in the previous fiscal year.
2. As described in “Changes in accounting policies,” the Company changed its accounting policies from the beginning of the current fiscal year. Accordingly, figures for the previous fiscal year reflect net assets per share and earnings per share after retrospective application. As a result, compared with the amounts before retrospective application, net assets per share for the previous fiscal year increased by ¥5.44, while basic earnings per share decreased by ¥0.63.
3. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, net assets per share, basic earnings per share, and diluted earnings per share have been calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended February 28, 2025.