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Financial Results for the Six Months ended August 31, 2025

October 14, 2025

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Commencement of dividend payments October 27, 2025
Supplementary materials to the interim results Available
Interim earnings results briefing Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Six Months ended August 31, 2025

(March 1, 2025 to August 31, 2025)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended August 31, 2025	5,189,970	3.8	118,129	19.8	106,468	18.5	4,048	9.1
Six months ended August 31, 2024	4,999,435	6.1	98,600	(16.2)	89,819	(19.7)	3,711	(84.1)

Comprehensive income: Six months ended August 31, 2025: (15,513) million yen (—%)
Six months ended August 31, 2024: 48,264 million yen (-63.5%)

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Six months ended August 31, 2025	1.53	1.53
Six months ended August 31, 2024	1.45	1.44

- Note: 1. The Company conducted a three-for-one stock split of its common shares, effective September 1, 2025. “Interim net income per share” and “Diluted interim net income per share” are calculated as if the split had been effective at the beginning of the previous consolidated fiscal year.
2. The “Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes” (ASBJ Statement No. 27, October 28, 2022) and related standards have been applied from the start of the current interim consolidated accounting period. Accordingly, figures for the fiscal year ended February 2025 have been restated.

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
August 31, 2025	14,498,887	2,017,831	8.3	435.24
[excl. Financial Services]	[6,884,509]	[1,561,379]	[15.8]	—
February 28, 2025	13,833,319	2,135,271	7.7	411.65
[excl. Financial Services]	[6,570,212]	[1,664,006]	[14.2]	—

Reference:

1. Total equity: August 31, 2025: 1,204,222 million yen February 28, 2025: 1,063,275 million yen

Total equity = Shareholders' equity plus total accumulated other comprehensive income.

2. The figures in square brackets represent the consolidated financial position excluding the Financial Services Business.

Note: 1. The Company conducted a three-for-one stock split of its common shares, effective September 1, 2025. "Net assets per share" and "Diluted interim net income per share" are calculated as if the split had been effective at the beginning of the previous consolidated fiscal year.

2. The "Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes" (ASBJ Statement No. 27, October 28, 2022) and related standards have been applied from the start of the current interim consolidated accounting period. Accordingly, figures for the fiscal year ended February 2025 have been restated.

2. Dividends

Record date or period	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended February 28, 2025	—	20.00	—	20.00	40.00
Year ending February 28, 2026	—	20.00			
Year ending February 28, 2026 (forecast)			—	7.00	—

Notes:

No changes were made to the latest release of dividend forecasts.

1. For the fiscal year ending February 28, 2025, the Company distributed an interim ordinary dividend of 18 yen per share along with a commemorative dividend of 2 yen per share. Additionally, a year-end ordinary dividend of 18 yen per share and a commemorative dividend of 2 yen per share were also distributed.

2. The Company conducted a three-for-one stock split of its common shares, effective September 1, 2025.

The interim dividend is set at 20 yen, and the year-end dividend is 7 yen, reflecting the impact of the stock split.

In addition, the total annual dividends 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 yen, and the total annual dividend would be 41 yen.

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2026

(March 1, 2025 to February 28, 2026)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	10,500,000	3.6	270,000	13.6	250,000	11.5	40,000	47.2	15.49

Notes:

No changes were made to the latest release of earnings forecasts.

1. The Company conducted a three-for-one stock split of its common shares, effective September 1, 2025. The full-year forecast for earnings per share in the consolidated earnings for the fiscal year ending February 2026 reflects the impact of this stock split. Without considering the stock split, earnings per share would be 46.46 yen.

***Notes**

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

Newly included: — (Company name) —

Excluded: 1 company (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) Application of special accounting treatment for the preparation of interim consolidated financial statements: None

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

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

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

Note:

Details are provided on page 18 of the attached document under “2. Interim Consolidated Financial Statements and Main Notes – (4) Notes on the Interim Consolidated Financial Statements (Changes in Accounting Policies).”

(4) Number of shares issued (common stock)

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

August 31, 2025: 2,783,529,021 shares

February 28, 2025: 2,615,773,716 shares

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

August 31, 2025: 16,730,475 shares

February 28, 2025: 32,789,689 shares

3) Average number of shares outstanding during the period:

Six months ended August 31, 2025: 2,643,679,367 shares

Six months ended August 31, 2024: 2,568,529,591 shares

Notes:

1. The Company’s stock held by the Employee Stock Ownership Plan Trust (May 31, 2025: - shares, February 28, 2025: 257,100 shares) is included in the number of shares held in treasury.
2. The Company conducted a three-for-one stock split of its common shares, effective September 1, 2025. The “number of shares issued at the end of the period (treasury stock included),” “number of shares held in treasury at the end of the period,” and “average number of shares outstanding during the period” have been restated as if the split had taken place at the beginning of the previous consolidated fiscal year.

***Interim review status**

The second quarter (interim) financial results report is not subject to review by certified public accountants or audit corporations.

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

(Note on the forward-looking statements)

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

For the assumptions and forecasts herein, please refer to “1. Review of Operating Results and Financial Statements (3) Consolidated Earnings Forecast” on page 10.

Accompanying Materials

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1. Review of Operating Results and Financial Statements

The Company has applied the “Accounting Standard for Income Taxes” (ASBJ Statement No. 27, issued on October 28, 2022) and related standards from the beginning of the interim consolidated accounting period. Comparisons and analyses with the previous interim consolidated accounting period and the previous consolidated fiscal year are based on figures reflecting the effects of the retrospective application.

(1) Analysis of Operating Results

Consolidated results for the interim period (March 1, 2025 to August 31, 2025) were as follows: Operating revenue was 5,189,970 million yen (103.8% of the same period last year), operating profit was 118,129 million yen (an increase of 19,528 million yen), and ordinary profit was 106,468 million yen (an increase of 16,648 million yen). Both operating revenue and operating profit reached record highs for an interim period. However, due to extraordinary losses from the review of the business portfolio in the integrated financial services segment, net income attributable to owners of the parent was 4,048 million yen (an increase of 336 million yen).

During the current interim consolidated accounting period, uncertainty over the outlook persisted against a backdrop of global political instability, signs of stagnation in the Chinese economy, and the opaque trade policies of the United States. In Japan, while prices continued to rise, real wages excluding special allowances remained negative compared with the same period of the previous year. As a result, consumers maintained a strong tendency toward frugality, with behaviors such as curtailing purchases and reducing the number of items bought, particularly in essential spending categories such as Food, Apparel, and Home Furnishing. On the other hand, with the arrival of the summer holiday season, service-related consumption such as dining out and travel remained solid, and the polarization of personal consumption continued.

Amid these conditions, the AEON Group worked to support customers facing increasing household burdens by strengthening sales of PB products, particularly the price-focused TOPVALU BESTPRICE. In addition, from July onward, during a period of record-breaking heat, we launched “AEON COOL de ACTION 2025,” a seasonal project that combines heat countermeasures with community engagement, promoting various cooling solutions utilizing the Group’s assets. As a result, all reporting segments recorded year-on-year growth of operating revenue.

Operating profit rose significantly year-on-year, driven by improved profitability in the GMS (General Merchandise Store) Business through DX-driven efficiency gains and progress in cost structure reforms. The SM (Supermarket) Business also performed strongly, led by urban compact food supermarkets “By Basket.” The Health & Wellness Business, centered on the dispensing division, and the Shopping Center Development Business, supported by event-driven increases in customer traffic, both contributed. The Services & Specialty Store Business also benefited from exceptionally strong movie-related revenues.

[Common Group Strategy]

AEON has been diligently implementing the five key reforms outlined in the AEON Group Medium-Term Management Plan (FY2021 – FY2025), which include accelerating and evolving the digital shift, establishing unique value through supply chain enhancements, advancing Health & Wellness initiatives for a new era, creating the “AEON Living Zone,” and further accelerating the Asian shift. Additionally, the company has been actively pursuing environmental and green initiatives as part of its strategic goals. After the announcement on February 28, we made AEON MALL Co., Ltd. (“AEON Mall”) and AEON DELIGHT CO., LTD. (“AEON DELIGHT”) wholly owned subsidiaries. By making AEON Mall, an essential platform, and AEON DELIGHT, a critical infrastructure, we aim to harness the scale of the AEON Group to expand and accelerate the growth of both businesses, driving further growth for the Group as a whole. In August, to continue providing customers in the Tokyo metropolitan and Kinki areas—Japan’s two largest markets where competition is expected to intensify—with greater convenience and richer lifestyles, and to build a sustainable future together with local communities as “the company contributing most to local communities,” the Company entered into a basic agreement with United Super Markets Holdings Inc. (“U.S.M.H”), The Daiei, Inc. (“Daiei”), KOHYO CO., LTD., MAXVALU KANTO CO., LTD. (“Maxvalu Kanto”), and AEON MARKET CO., LTD. to begin discussions on a business integration. By reorganizing operating companies within the same region by segment and driving business transformation as a corporate group of meaningful scale, the aim is to strengthen procurement and development capabilities for local products, integrate logistics and back-office functions, and unify systems, thereby improving efficiency and productivity. The AEON Group will leverage its network and assets to reinforce the management foundation and enhance competitiveness.

Acceleration and evolution of the digital shift:

In the GMS Business, AEON RETAIL CO., LTD. (“AEON Retail”) is steadily advancing the introduction of self-checkout registers in Food sections along with the optimization of labor hours. In physical stores, the use of the new all-in-one device for employees—equipped with tools such as “AI Kakaku (Price),” “AI Order,” and the “Product Location Search System”—is narrowing gaps in experience and knowledge, while improving efficiency in price changes, checking expiration dates and inventory, placing orders, and restocking products. The labor hours saved through these tools are being

redirected to customer service and in-store initiatives that directly enhance customer satisfaction, thereby improving the quality of services provided at stores.

On the digital front, “Green Beans,” an online supermarket that delivers from a customer fulfillment center (CFC), continues to receive high marks from its core customers—dual-income households and families with children with its broad product lineup, guaranteed freshness, and ripeness. With the strengthening of our business foundation in the Tokyo metropolitan area, the number of members increased to approximately 660,000 as of the end of the current interim consolidated accounting period. The service area has expanded to cover all 23 wards of Tokyo Metropolis, Hachioji City, Musashino City, Mitaka City, Chofu City, and Komae City, and 13 cities in the northwestern part of Chiba Prefecture; and in Kanagawa Prefecture, All wards of Yokohama City as well as Kawasaki City, Sagami City (Minami Ward), Yamato City, and Zama City (as of September 2025). Looking ahead, once the second CFC in Hachioji (Hachioji City, Tokyo) and the third in Miyashiro (Miyashiro Town, Saitama Prefecture) become operational, Green Beans will establish a logistics network that covers the core areas of Tokyo and the three surrounding prefectures by fiscal 2026.

In addition, downloads of the “iAEON” app—which integrates features such as payment, points, coupons, e-receipts, and shareholder benefits—have reached over 18 million. The new AEON Pay, which integrates “AEON Pay” and “WAON,” began operation in June, increasing the number of locations where AEON Pay can be used by 1.4 times. In addition, AEON Pay is now accepted at Welcia Group and U.S.M.H. stores. As part of efforts to integrate online and offline services, we are also working to unify customer IDs that were previously managed separately by each company. This will allow AEON to centrally analyze sales and purchasing history from services such as AEON Card, iAEON, WAON POINT, and AEON Pay, enabling a steady transition from mass marketing to one-to-one marketing that maximizes customer experience value.

Establishment of unique value by supply chain:

For our private brand (PB) products called TOPVALU, we leverage the full scale of the Group to build a comprehensive supply chain that covers everything from strategy and planning to store operations, spanning upstream to downstream. This enables us to consistently deliver high-quality products at great value while also working to improve gross profit margins. In addition to the three core brands—TOPVALU (mainstream, value-focused), TOPVALU BESTPRICE (price-focused), and TOPVALU Gurinai (environmentally conscious)—we also offer local PB products developed in collaboration with regional producers by Group companies, as well as specialized PB product lines in categories such as pharmaceuticals, pet supplies, and sports. We are also working to improve profitability by internalizing product planning, manufacturing, and sales functions, while leveraging our functional companies. For national brand (NB) products, AEON GLOBAL MERCHANDISING Co., LTD. aggregates demand across the Group, enabling cost reductions through bulk purchasing. In the food segment, we opened Craft Delica Funabashi (located in Funabashi City, Chiba Prefecture) in June 2024—our next-generation prepared food process center (PC) that delivers authentic restaurant-quality meals with operational efficiency. To further enhance product quality and reduce the in-store labor required for food preparation, we are expanding the geographic rollout of these process centers. In logistics, the AEON Fukuoka Cross-Dock Distribution Center (Higashi Ward, Fukuoka City), which began full-scale operations in July 2024, aims to enhance productivity and reduce operational burden through process optimization and automation. Demonstrating the strength of our supply chain, we secured approximately 20,000 tons of government-stockpiled rice via a no-bid contract in response to ongoing shortages and began nationwide sales in early June. In high-demand urban areas, we leveraged group-wide procurement and logistics capabilities to initiate early sales. Following the positive response to “*Nisui no Takumi*,” which features both domestic and imported rice, we launched a new product called “*Karoyaka*,” made entirely from U.S.-grown Calrose rice, to offer more choices to our customers. We remain committed to ensuring stable supply and preserving Japan’s rice culture.

Advancement of Health & Wellness for a new era:

In February 2024, the Company, TSURUHA Holdings, Inc. (“Tsuruha”), and WELCIA HOLDINGS CO., LTD. (“Welcia”) entered into a capital and business alliance agreement. Built on a strong partnership founded on mutual respect and trust, the three companies aim to deliver better products and services to all members of the community—regardless of where they live or their generation—and to continue supporting healthy, secure lifestyles. The companies subsequently held discussions and negotiations on the specific methods and terms of a capital and business alliance, including management integration, as well as the details and potential effects of expected synergies, and reached a final agreement in April 2025.

To address social issues such as the declining birthrate and aging population, the rise in lifestyle-related diseases, and regional disparities in medical and welfare services, the three companies will leverage their drugstore networks and combine Tsuruha and Welcia’s strengths in healthcare with AEON’s wellness initiatives. Together, they aim to serve as a lifeline supporting the daily health of local communities. At the same time, by improving productivity and efficiency and offering more convenient services, they will help create communities where people can live with peace of mind. In addition, by drawing on Tsuruha and Welcia’s experience in the ASEAN region and building on AEON’s business foundation, the companies will work to become a trusted drugstore chain in Asia. Their goal is to achieve net sales of 3

trillion yen, an operating profit margin of 7%, and operating profit of 210 billion yen in the fiscal year ending February 2032—aiming to become the No. 1 global player in Asia. apps, and social media.

Creation of the “AEON Living Zone:

In our current medium-term management plan, one of our key initiatives is the development of AEON Living Zones—areas where we grow together with local communities by supporting their daily lives. This initiative seeks to balance economic activity with the sustainable development of regional communities that face challenges such as population decline and shortages of social infrastructure, through collaboration with consumers, local governments, and producers. In the Tokyo metropolitan area, U.S.M.H, which now includes Inageya Co., Ltd. (“Inageya”), is pursuing its “One trillion yen supermarket business vision in the Kanto region.” Leveraging channels such as My Basket and the online supermarket Green Beans, we are strengthening customer engagement through both physical stores and e-commerce. AEON MALL, which has long operated as a core community hub, is also supporting community development by working with local governments to introduce smaller neighborhood shopping centers (NSCs) alongside conventional large-scale malls. Overseas, guided by the concept of the “AEON Living Zone,” we are rolling out next-generation, community-oriented services through digital channels in ASEAN countries, where disparities in financial services arising from income gaps and differences in creditworthiness remain a significant challenge.

In July 2017, our company was appointed as the first retailer to become a designated public institution. Since then, we have worked to contribute to the safety and security of local communities and to ensure swift and appropriate responses in times of disaster by strengthening cooperation with the Japan Ground Self-Defense Force. With the conclusion of an agreement in July with the Northern Army, which oversees the entire Hokkaido region, we have now completed partnerships with all regional armies.

Further acceleration of the Asian shift:

Since opening our first store in Malaysia in 1984, we have steadily built a business foundation across Asia. Under our current medium-term management plan, we have identified Vietnam—now in its demographic bonus period and showing strong consumption growth—as our most important market and are accelerating store openings there. In preparation for openings in 2026, construction is underway on AEON Hai Duong Shopping Center (Hai Duong City) in northern Vietnam, AEON MALL Thanh Hoa (Thanh Hoa City) in the north-central region, and AEON MALL Ha Long (Ha Long City), located near the World Heritage site of Ha Long Bay. In southern Vietnam’s Dong Nai Province, near Ho Chi Minh City, we have signed a basic agreement with local developer Viet Phat Group to develop a new shopping mall. These developments will accelerate our dominant regional expansion in and around key cities in the south (Ho Chi Minh City, Binh Duong), the north (Hanoi, Hai Phong), and the central region (Hue, Da Nang). Beyond Vietnam, we are also advancing initiatives in other markets. In Hong Kong, our first store, JUSCO Corn Hill, has been renovated and reopened as AEON STYLE Corn Hill, and our women’s apparel brand ESSEME has made its overseas debut. In Indonesia, at AEON MALL BSD CITY—our first store in the country, now in its 10th year—we continue to evolve by refreshing stores and facilities to deliver new experiential value and offer an enhanced lifestyle for customers.

Environment and Green:

Amid the global shift toward a decarbonized society, we are also focusing on managing and reducing CO2 emissions generated in the product manufacturing stage, which accounts for a significant portion of emissions across our supply chain. Following our inclusion in the highest-rated A List under the “CDP Climate Change” assessment conducted by CDP, an international nonprofit organization that promotes environmental disclosure, we also received the top rating in the Supplier Engagement Assessment and were recognized as a “Supplier Engagement Leader.” In recognition of our sales of products bearing the MSC “Marine Eco-Label,” an international certification for sustainable fisheries that we have offered since 2006, we once again received the “MSC Japan Award 2025” (Retail Division) as the retailer with the largest sales volume of MSC-labeled products in Japan. Going forward, we will continue to expand the sale of environmentally friendly products, thereby promoting initiatives to reduce environmental impact in ways that allow customers to contribute through their shopping.

2) Business Segment Information

Results by segment are as follows.

Effective from the interim period of the current fiscal year, the Company has changed the classification of its reportable segments. For details, please refer to “2. Change of reportable segment” under “Notes on Segment Information” on page 21.

GMS Business

The GMS Business recorded operating revenue of 1,818,672 million yen, up 3.6% year-on-year. It posted an operating loss of 225 million yen, an improvement of 8,035 million yen compared with the same period last year.

AEON Retail has continued to reform its profit structure with a focus on maximizing gross profit, improving shopping center profitability, and expanding digital sales. Despite a rapidly changing business environment, AEON Retail achieved higher operating revenue and improved profit in this interim period, driven by customer acquisition, gross profit growth, and cost reduction. To maximize gross profit, AEON Retail focused on expanding sales of PB products and implementing pricing strategies centered on TOPVALU BESTPRICE, resulting in higher sales and gross profit. In the Food category, it pursued pricing strategies to address inflation and strengthened differentiated categories such as delicatessen items through product renewal and assortment enhancement leveraging PCs, leading to improved gross profit. In Apparel, higher sales of UV protection and fancy goods, along with an increased ratio of PB products, contributed to profit growth. In Home Furnishing, AEON Retail reinforced PB brands such as HOME COORDY and conducted pilot tests of new sales floor models that enhance entertainment elements. In Health and Beauty Care, growth in both the pharmacy and beauty segments contributed to gross profit improvement. To improve shopping center profitability, AEON Retail expanded amusement facilities, hosted children's experience events, strengthened customer engagement through influencer marketing, and enhanced overall mall facilities. Strong box office performance in cinemas led to a 3.7% year-on-year increase in visitors and significant growth in tenant rental income. In digital sales, AEON Retail improved convenience and profitability by enhancing key product offerings, increasing logistics efficiency, and expanding pickup locations. As a result, the online supermarket business became profitable in this interim period, supported by growth user numbers. The retail media business also grew, positioning itself as a future revenue stream, with operating revenue increasing year on year. In terms of profit structure reform, significant gains in labor productivity were achieved through a two-pronged approach: digital transformation (DX) of checkout and back-office operations, and optimization of workforce allocation. These efforts, along with cost reduction at both store and head office levels, contributed to improved productivity per working hour.

AEON Hokkaido Corporation ("AEON Hokkaido") is implementing key initiatives to realize its management vision of becoming "a company that supports health and wellness in Hokkaido," including enhancing the added value of products and stores, promoting customer engagement, collaborating with local communities, reforming the profit structure. Net sales for the interim period reached a record high, rising to 109.9% of the same period last year, and operating gross profit also increased to 108.0%. However, higher costs from investments in human resources and rising prices could not be absorbed, resulting in lower profit at each stage. In store strategy, two stores acquired from Seiyu Co., Ltd. in October 2024 were revitalized and have been performing well. To enhance the overall appeal of shopping complexes, a new "Developer Headquarters" was established, which led to holding rooftop barbecue and beer gardens, cultural and artistic events, and community workshops. In product strategy, AEON Hokkaido advanced the development and sale of original items made with locally sourced ingredients in Hokkaido. In the second half, it will focus on strengthening the "Crafted!" series and developing new products. For TOPVALU BESTPRICE, sales rose to 113.8% of the previous year through price reductions and larger pack sizes for selected items, along with stronger sales of staple products. To drive customer acquisition, initiatives such as awarding "WAON Bonus Points" on iAEON and reinforcing campaigns raised membership to about 720,000, equivalent to one in seven residents of Hokkaido. In the online supermarket, expanding the number of bases increased order volume and improved efficiency, bringing net sales to 135.2% of the previous year. Productivity improvement was achieved by rolling out efficiency tools such as electronic shelf labels and self-checkout registers, reducing total labor hours for existing stores to 97.9% of the prior year's level. In sustainable management, community-based environmental and social initiatives were advanced, including cleaning activities at Escon Field HOKKAIDO, the home stadium of the Hokkaido Nippon-Ham Fighters, and nearby stores, as well as youth exchanges with players and game invitations, promoting regional co-creation.

AEON KYUSHU CO., LTD. ("AEON KYUSHU") is striving to enhance corporate value in response to changes in the business environment, guided by its newly formulated Medium-Term Management Plan (fiscal 2024–2026). The plan outlines five key initiatives: "Shifting to Growth Areas," "Product Reform," "Improving the Appeal of Existing Assets," "Improving Productivity and Management Efficiency," and "Promoting Sustainable Management." During the interim consolidated accounting period, same-store sales rose to 104.1% compared with the same period last year. In net sales, food at existing stores strengthened their performance, reaching 105.7% year-on-year, supported by the expanded rollout of "Shiawase (Happiness) Plus" and TOPVALU BESTPRICE initiatives for daily living, along with growth in original products. Foundations for sustainable growth were also reinforced, including improvements in labor productivity. In shifting toward growth areas, a total of eight stores were opened: the new specialty shop "b!olala" (featuring organic, environmentally conscious, and health-oriented items), three "Welcia Plus" stores, and four "MaxValu Express" stores. iAEON membership surpassed 1.08 million through new member acquisition and enhanced coupon programs. In-app coupon usage and AEON Pay transaction value also posted significant year-on-year growth. In addition, the number of "Smart NICO" cashless unmanned office stores, targeting corporate offices, universities, and medical and nursing care facilities, increased to 43. In the e-commerce sector, online services achieved net sales growth of 118.4% through expanded reservation events and gift promotions, while the online supermarket recorded sales of 103.7% of the previous year's level, supported by improved efficiency and higher order volume. In product innovation, environmentally conscious items and proposals for organic and fermented foods were advanced through b!olala. Net sales of Shiawase Plus products rose 118.8% year-on-year, and TOPVALU products increased 114.7%, both showing strong performance. Customer interest was also captured by initiatives such as "Frozen Day on the 20th of Every Month" for deli and frozen foods, and "Kyushu Local Company Collaboration T-Shirts, Boxer Briefs & Socks" in Apparel. To enhance the appeal of existing assets, four GMS stores and three SM stores were revitalized. Net sales at these stores performed well, reaching 103.9% of plan and 109.5% year-on-year. To further improve productivity and operational efficiency, self-checkout registers were introduced at 265 stores cumulatively and electronic shelf labels at 237 stores. Use of "AI Discount" and "AI Shift" also reduced total

store person-hours while raising service levels, resulting in person-hours productivity improving to 106.9% compared with the same period last year. In sustainable management, AEON KYUSHU held the eco-friendly product fair “Choose. Connecting Today to Tomorrow,” promoted reuse and recycling of 135.8 tons of collected apparel, and surpassed 10 million cumulative electronic receipts.

CAN DO CO., LTD. is working in collaboration within the AEON Group to attract new customers and reform store operations under a company-wide policy focused on expanding sales channels, differentiating products and brands, and enhancing corporate value. To expand sales channels, it refined its lifestyle-concept stores (New Can★Do) and accelerated efficient openings centered on group-based expansion. With 69 new openings and 37 closures, the number of stores at the end of the interim consolidated accounting period was 1,372. For product and brand differentiation, it maintained its 100-yen offerings while expanding higher value-added products in other price ranges. It also worked to create new product categories through line expansion and assortments tailored to customer needs, aiming to attract new customers. To enhance corporate value, it standardized store operations and addressed disparities between stores, while completing pilot and effectiveness evaluation of self-checkout systems and expanding their deployment. In addition to productivity measures, it improved the workplace environment, enhanced employee satisfaction, and promoted the advancement of women. As a result, both total sales and sales at existing company-operated stores increased. Despite higher raw material costs, efforts to improve gross profit and reduce the cost ratio led to a year-on-year improvement of 1.1 percentage points in gross profit margin. Selling, general and administrative (SG&A) expenses increased to 101.2% due to costs related to store openings and closures, cashless payment processing fees, and higher promotional expenses. However, the ratio of SG&A expenses to sales improved by 1.0 percentage points through measures such as reviewing store opening costs and controlling labor hours.

Supermarket Business / Discount Store Business

The Supermarket Business generated operating revenue of 1,544,778 million yen, up 3.2% year-on-year. It achieved operating profit of 12,934 million yen, an increase of 2,825 million yen compared to the same period last year.

Under its Fourth Medium-Term Business Plan, U.S.M.H is pursuing sustainable growth and enhanced profitability through two key initiatives: customer-centric management and structural reform through group-wide optimization. Specifically, it aims to improve the procurement capabilities, productivity, and operational quality of the entire group by establishing a joint purchasing system that leverages its scale in processed and daily-delivery food items, while also consolidating and standardizing back-office functions such as human resources, general affairs, and IT. In August, it signed a basic agreement with Maxvalu Kanto, Daiei's Kanto operations, and to commence integration discussions and is advancing preparations for integration by March 2026. For the current interim consolidated accounting period, operating revenue and gross profit both increased significantly to 133.4% of the previous year's level, driven by a recovery in customer traffic at existing stores and the contribution from Inageya, which was integrated last fiscal year. However, the gross profit margin remained flat year-on-year due to the continued implementation of price-freezing measures in response to rising prices and intensifying competition. SG&A expenses rose to 131.4% year-on-year, reflecting increases in labor costs, logistics expenses, and other factors. As a result, operating profit and ordinary profit exceeded the previous year's figures. Although an interim net loss was recorded, the loss margin narrowed. Among group companies, The Maruetsu, Inc. opened four new stores and revitalized 28 stores, advancing initiatives such as setting special-price items, introducing WAON POINT, and rolling out electronic shelf labels across all stores. KASUMI CO., LTD. strengthened its deli department by collaborating with its subsidiary Rose Corporation to develop labor-saving bento boxes and price-conscious rice balls, while addressing local needs through store renovations. Maxvalu Kanto enhanced pricing appeal for NB products, developed sales floor layouts reflecting defensive spending needs, strengthened agricultural, marine, and prepared food offerings, and revitalized four stores. Inageya opened three new store and renovated three existing stores. It established a prepared foods development team to accelerate product launches, enhancing differentiation. It also expanded its fresh fish and sushi offerings and increased the availability of TOPVALU products to enhance perceived value, contributing to improved profitability. In environmental and social initiatives, it is working to introduce renewable energy to stores, transition to alternative refrigerants, and upgrade to energy-saving equipment. It is also aiming to realize a recycling-oriented society through reducing food loss and strengthening resource recovery. Furthermore, it is pursuing initiatives that engage with local communities, including providing shopping support through mobile supermarkets, collaborating with food banks and children's cafeterias, conducting fundraising for disaster recovery support, and concluding comprehensive agreements with local governments.

FUJI CO., LTD. (“FUJI”) is united in its efforts to implement its Medium-Term Management Plan for fiscal 2024–2026, which is built around three core strategies—Establishing a Corporate Culture, Transforming Existing Businesses, and Integrating Business Infrastructure and Creating Synergies—along with a cross-cutting focus on Promoting ESG Management. To establish a strong corporate culture, FUJI has continued to conduct training programs to instill its corporate philosophy and vision, while encouraging learning and growth through the sharing of best practices across stores. In reforming existing businesses, FUJI renovated 15 stores, carried out a scrap-and-build project for one store, and opened two new stores. To revitalize operations, it expanded ready-to-eat and convenient products and upgraded facilities. As

labor-saving investments, electronic shelf labels were introduced at 44 stores (134 in total) and self-checkout systems at four stores (375 in total), further enhancing competitiveness. FUJI enhanced the appeal of its shopping centers by expanding tenant offerings. It completed the reorganization of logistics hubs in the Shikoku region and reinforced its structure in the San'in area of the Chugoku region. By consolidating suppliers and expanding product supply through in-house process centers, it broadened the TOPVALU lineup while realizing economies of scale and greater efficiency. In July, it expanded the WAON POINT service to all stores to improve customer convenience. Mobile stores expanded to 90 stores, 142 vehicles, and 777 routes, including depopulated and island areas, with sales reaching 107.4% year-on-year. In ESG initiatives, food drives to reduce food waste were extended to 369 stores, and clothing recycling to 26 stores in Chugoku and Shikoku. LED lighting and solar power equipment were installed at 95 stores. It also promoted community-linked donations, food education, and human resource development through diversity and inclusion initiatives.

Maxvalu Tokai Co., Ltd. has worked on the three fundamental strategies set out in its Medium-Term Management Plan (fiscal 2024-2026): “Business Structure Transformation,” “Creating Added Value Through Technology Integration,” and “Promoting Sustainability Management Practices” to embody its brand message of “Making dreams a reality and bringing people together through delicious foods.” In terms of business restructuring, it focused on promoting value-for-money products in response to increasing cost-consciousness, including initiatives such as “Affordable and Supportive for Household Budgets,” as well as efforts to expand sales of TOPVALU products and to provide information about great deals via iAEON. With the launch of the new AEON Pay service and the expanded introduction of retail media, it advanced effective promotional activities in collaboration with business partners. It also focused on expanding sales of TOPVALU and small-sized products, promoting time-specific assortments and freshly made items, and strengthening growth categories such as deli, frozen foods, and in-store bakeries. On the product front, it promoted locally sourced ingredients (“*jimono*”) by offering co-developed products and hosting the “Jimono Product Grand Trade Fair.” It also supported richer dietary lifestyles through information dissemination, cooking classes, health campaigns, and co-developed student lunchbox sales utilizing the “*Chanto Gohan* (Square Meals) STUDIO.” During store renovations, it enhanced *jimono* corners, strengthened deli and bakery offerings, and refreshed frozen food sections. To create new customer touchpoints, it expanded its mobile supermarket fleet by six units, bringing the total to 40. It also strengthened online shop reservation sales and online supermarket promotions, opened new unmanned “Max Mart” stores, and expanded delivery services using Uber Eats. To create added value through technology, it introduced electronic shelf labels in 58 additional stores, bringing the cumulative total to 243, with the aim of improving service levels. It also increased the number of self-checkout registers. Furthermore, it expanded the application of the automatic ordering support system, which utilizes weather data from the Japan Weather Association and was already introduced in the agricultural products department, to the livestock products department. This aims to improve ordering accuracy and reduce operational burdens. As part of its unique initiatives to promote sustainability management, in the human resources field it established an environment where diverse talents can thrive by introducing training for female assistant store managers and a “short-hour full-time employee system.” As a result, total sales for all stores during the current interim consolidated accounting period reached 102.9% year-on-year, while same-store sales reached 101.7% year-on-year.

MINISTOP CO., LTD. (“MINISTOP”) is executing structural reforms and growth initiatives centered on delivering “delicious” and “convenient” products. Following incidents of improper expiration date labeling on in-store processed products at some locations, production of handmade rice balls, lunchboxes, and prepared foods has been suspended. Investigations at all stores were completed on August 29, and efforts are now focused on ensuring thorough implementation of preventive measures. During the interim period, domestic same-store sales rose year on year, driven by strong sales of renewed soft serve ice cream, Halo-Halo, and hot snacks. Profitability improved as both low-priced and high-value-added products were strengthened, resulting in a higher gross profit margin. In new businesses, the unmanned store “MINISTOP POCKET” expanded to over 120% more locations and achieved more than double the operating profit from the same period last year. E-commerce sales also surged, exceeding 400% growth year on year. Overseas, gross profit from high-value-added products increased in Vietnam, reducing losses. As a result, the MINISTOP Group as a whole achieved higher revenue and profit, turning from a loss in the previous year to a profit.

The Discount Store Business generated operating revenue of 217,050 million yen, up 6.3% year-on-year. It achieved operating profit of 3,697 million yen, a decrease of 299 million yen compared to the same period last year. While the business expanded customer traffic and sales by promoting the development and sales of PB products tailored to thrift-minded customers, stimulating bulk buying demand through wider aisles and increased case sales, and expanding sales of both PB and high markup products, rising labor and logistics costs put pressure on profit, resulting in higher revenue but lower profit.

Health and Wellness Business

The Health & Wellness Business generated operating revenue of 681,904 million yen, up 3.7% year-on-year. It achieved operating profit of 22,707 million yen, an increase of 4,210 million yen compared to the same period last year.

Welcia is pursuing “Welcia 2.0” as its group management policy, with the goal of becoming the “No. 1 Health Station in the Region” by 2030. In the retail category, Welcia focused on expanding use of the WAON POINT service and increasing sales of PB products. In addition to driving customer acquisition through greater use of point cards and apps, it also promoted social media initiatives, bringing total membership to 14.09 million. Development of PB products continued with an emphasis on functionality, quality, and eco-performance, and at the end of the second quarter, the “*Karada* (Body) Welcia” and

“*Kurashi* (Living) Welcia” lineups reached 451 items. In the prescription drugs category, the number of stores dispensing prescription drugs rose to 2,287 as of the end of the interim consolidated accounting period, resulting in growth in prescription orders. Same-store sales remained firm. In services, Welcia expanded its role as regional infrastructure through initiatives such as “Care Capsule” (counseling by registered dietitians and health checks), the community space “Wel Cafe,” the mobile sales vehicle “Uetan-go,” nursing care taxi services, and co-located home care support offices. During the interim period, 26 stores were opened and 37 were closed, bringing the total number of group stores at period-end to 3,002.

Financial Services Business

The Financial Services Business generated operating revenue of 276,371 million yen, up 8.3% year-on-year. It achieved operating profit of 26,968 million yen, a decrease of 520 million yen compared to the same period last year.

Guided by our Purpose—“Bringing finance closer. Engaging with each individual and enriching daily life with safety and joy”—AEON Financial Service (“AFS”) is committed to delivering financial solutions that respond to the diverse life stages and evolving needs of customers across Asia. Leveraging its unique strength as a retail-originated financial group, AFS maintains a consumer-centric perspective in all markets it serves. During the interim consolidated accounting period, operating revenue increased, supported by growth in transaction volume and outstanding receivables both in Japan and overseas. However, net income attributable to owners of the parent declined due to the extraordinary loss from the July transfer of equity in AEON Allianz Life Insurance.

In the domestic retail finance business, enhancements to the AEON Wallet UI/UX and stronger promotions drove steady growth. Revolving credit and installment loan receivables rose to 378,975 million yen, up 17,408 million yen from the beginning of the period, while cash advance receivables increased to 435,128 million yen, up 7,225 million yen. At AEON Bank, Ltd., mortgage loans were pressured by intensifying competition, but deposits remained firm at 5,505,346 million yen, up 303,713 million yen, supported by interest rate adjustments, promotional initiatives, and promotion of retirement lump-sum term deposits. On anti-money laundering and counter-terrorist financing, AFS has taken the Financial Services Agency’s business improvement order seriously, continuing to submit plans and progress reports while working company-wide to reinforce its framework and restore trust. In the domestic solutions business, leveraging the WAON Value Share acquisition and the launch of AEON Pay, it expanded its member and merchant networks, increased usage through ATM charging and campaigns, and grew active domestic IDs to 37.49 million, up 1.33 million, with card shopping volume at 3,906,570 million yen (105.4% year-on-year).

Overseas, in Hong Kong, a core market in Greater China, operating profit rose significantly, as bad debt expenses improved against revenue that remained at the same level as the previous year. This was supported by expanded benefits for thrift-minded consumers, data-driven individualized approaches, and strengthened credit and collection systems. In the Mekong region, card and loan transactions were constrained by high household debt and tighter credit amid the macroeconomic environment. Nevertheless, operating revenue increased on the consolidation of Vietnam Post and Telecommunication Finance Company Limited and solid results in Cambodia. Bad debt expenses also improved through AI utilization and enhancement of sales promotion efficiency, contributing to higher operating profit. In the Malay region, card and personal loan transactions expanded on strong domestic demand in Malaysia, lifting operating revenue. Operating profit declined, but the “AEON Biker Visa Card,” launched in June as Malaysia’s first biker-specific card, performed well, and personal loan transactions grew with app UI/UX upgrades and stronger automated approval functions.

Shopping Center Development Business

The Shopping Center Development Business generated operating revenue of 257,964 million yen, up 4.5% year-on-year. It achieved operating profit of 32,886 million yen, an increase of 5,500 million yen compared to the same period last year.

AEON Mall aims to become a company that co-create a sustainable future with local communities, based on its 2030 vision “AEON Mall is a Regional Co-Founder.” During the interim period, operating revenue rose by 4.8% year-on-year and operating profit increased by 19.0%, driven by progress in strengthening the profitability of existing malls in Japan and overseas.

Domestically, renovations were carried out at 15 malls, including the expansion and renewal of AEON MALL Kashiwara (Kashiwara City, Nara Prefecture) to enhance profitability. At AEON MALL Toki (Toki City, Gifu Prefecture) was newly opened with a compact cinema complex and solar carport, advancing both entertainment offerings and environmental considerations. At AEON MALL Natori (Natori City, Miyagi Prefecture), the public-private partnership childcare support facility “Natori Park” was established, enhancing the environment for family use. During the summer, nationwide events such as the “Cool Share Event” and “AEON MALL Walking” were held, driving significant year-on-year growth in both visitor numbers and specialty store sales. Demand from visitors to Japan also increased, with duty-free sales at specialty stores expanding to approximately 1.5 times the previous year’s level, reaching a record high in August. This fiscal year, new malls, AEON MALL Suzaka (Suzaka City, Nagano Prefecture) and AEON MALL Sendai Uesugi (Aoba Ward, Sendai City, Miyagi Prefecture) are planned to open, advancing mall development tailored to each location’s characteristics. For urban shopping centers, operation restructuring efforts are underway, including closing unprofitable stores, with the aim of achieving operating profitability by fiscal 2026.

Overseas, in China, existing mall specialty store sales remained strong at 103.3% year-on-year, with operating revenue at 103.6% and operating profit at 133.7%. Sales of digital products performed well, supported by replacement demand for durable goods, while large-scale sales events and enhanced promotional activities utilizing SNS were effective. In Vietnam, promotional campaigns and unique initiatives leveraging major holidays boosted customer traffic and sales. Existing mall

specialty store sales increased by 8.5% year-on-year, operating revenue increased by 11.0%, and operating profit increased by 0.8%. Going forward, it will pursue new development in Vietnam and inland China, its top-priority expansion areas, while also advancing renovations of existing malls and tackling vacancy issues to further expand profitability.

Services and Specialty Store Business

The Services and Specialty Store Business generated operating revenue of 381,826 million yen, up 3.2% year-on-year. It achieved operating profit of 16,836 million yen, an increase of 2,407 million yen compared to the same period last year.

During the interim consolidated accounting period, AEON DELIGHT achieved growth in both operating profit and ordinary profit. This was driven by new contracts, including services for the Osaka-Kansai Expo, expanded market share with existing customers within and outside the AEON Group, and profitability improvement measures such as unit price adjustment in response to rising costs and business digitalization. By segment, revenue increased across all businesses, with five (excluding Facilities Management) also recording profit growth. In Construction Work, orders expanded for renovation projects, including energy-saving initiatives addressing higher customer energy costs. Profitability also improved through optimized specifications and processes, resulting in double-digit growth in both revenue and profit.

AEON Fantasy Co., LTD. is advancing its Medium-Term Management Plan (fiscal 2024–2026) with the aim of realizing its corporate purpose: “Inspiring enthusiasm in every child so that there is a smile on every face.” During the interim consolidated period, both net sales and operating profit reached record highs for an interim term. In Japan, existing store sales were strong at 106.7% year-on-year. The Prizes department rose 106.8%, while the Kids Prize department grew 117.9%, driving overall expansion. Store development included five large “*CHIKYUU NO NIWA* (Garden on Earth)” stores, one small-format “Skids Garden,” three new format “*Nobikko* Jumbo (ocean-themed playground),” one “*Nobikko* Picnic (playground with grassy picnic area),” 35 “TOYS SPOT PALO,” six “PRIZE SPOT PALO,” and one “Capsule *Yokocho* (alley).” In ASEAN, differentiation was achieved through unique interiors, play equipment, safety, and service. Alongside “kidzooona,” new formats “KID’S BOX (toys and game machines in a well-designed space)” and “KID’S BOX JUMBO” were introduced. Sales rose to 114.2% year-on-year, marking a record high for the fourth straight interim period, though profit declined due to new store costs and weaker existing store sales. In China, under the profit improvement plan, cost reductions, store revitalization, and closures of unprofitable stores led to a sharp decrease in operating losses.

COX CO., LTD. (“COX”) is responding flexibly to a challenging business environment by focusing on three key measures: expanding in-store sales, growing e-commerce sales, and maintaining and improving gross profit margins. At its stores, COX strengthened staffing levels on weekends and holidays, which account for a high proportion of sales, and reviewed staff allocation at large stores. To address staffing shortages, it also intensified recruitment efforts through strategic raise of hiring budget and referral programs. For sales promotions, it conducted multiple magazine tie-up campaigns featuring well-known Japanese TV personalities for both women’s and men’s lines, aiming to strengthen brand communication and expand sales. Furthermore, the number of stores completed with the “ikka THE BEAUTIFUL LIFE GREEN STORE” renovation reached 106. In the e-commerce business, sales revenue rose to 104.6% of the previous year. This was driven by extending influencer collaborations—previously used for the D2C (Direct to Consumer) brand “notch.”—to other brands, implementing initiatives to acquire new app members and actively carrying out PR activities. The gross profit margin improved by 0.8 percentage points year-on-year, reflecting stronger full-price sales, fewer discount sales, greater use of inventory and staple products for events and e-commerce, and lower procurement costs through a higher ASEAN production ratio and supplier consolidation. During the period, four stores were closed, and five new stores were opened, including the conversion of temporary pop-up stores into permanent locations, bringing the total to 176.

International Business

(AEON’s consolidated financial statements for the International Business reflect results mainly for January through June)

The International Business generated operating revenue of 281,259 million yen, up 2.7% year-on-year. It achieved operating profit of 4,887 million yen, a decrease of 65 million yen compared to the same period last year.

Malaysia’s economy maintained year-on-year growth of 4.4% in both the first and second quarters. Private consumption grew steadily, supported by lower unemployment and higher labor force participation, but the World Bank revised down its full-year growth forecast, reflecting rising food prices, additional tax burdens from the third quarter onward, and trade friction and weaker export demand. Operating revenue at AEON CO. (M) BHD. (“AEON Malaysia”) rose to 102.5% year-on-year, while operating profit fell to 94.4% due to strategic investments in mall and store revitalization aimed at business expansion and sustainable growth. Sales from the online supermarket “myAEON2go” increased sharply to 110.8% year-on-year, driven by expanded home delivery services across the Malay Peninsula. Going forward, AEON Malaysia will collaborate with new partners to broaden its product range and further enhance customer satisfaction.

Vietnam’s economy benefited from multiple growth drivers—including durable goods, external demand, and investment—achieving real GDP growth of 7.52% in this interim period, one of the highest in Southeast Asia. Inflation remained contained, with the January–June 2025 CPI in the low 3% range, while the service sector, including travel and dining, remained strong. AEON VIETNAM CO., LTD. recorded significant growth, with sales revenue reaching 125% year-on-year, supported by contributions from new stores and steady performance at existing stores. Online sales also rose to 133% year-on-year, driven

by the successful rollout of seasonal gift products for International Women's Day. Gross profit for the January–June period also performed strongly, increasing to 131.6% year-on-year.

In China, real GDP growth for January through June rose 5.3% year-on-year, exceeding the government target. However, total retail sales of consumer goods increased 5.0% over the period, making a slight deceleration from May, with June reaching only 4.8%. The consumer confidence index remained low at around 88, indicating continued cautious spending. Government support measures drove strong sales of home appliances, furniture, and communication devices, but the automotive market showed only limited recovery amid intensifying price competition. Persistent employment concerns, particularly among younger generations, and limited income growth continue to support frugal mindset. The real estate market also remained under adjustment, with real estate investment for January through June declining sharply to 88.8% year-on-year. Regionally, in Hong Kong, AEON STORES (HONG KONG) CO., LTD. achieved the largest operating profit improvement (reduction in operating loss) among AEON's GMS companies in China, supported by a recovery in the food market and effective labor cost control amid increasing inbound travel from mainland China. In inland high-growth regions, AEON (HUBEI) CO., LTD. strengthened seasonal items such as durian, and by combining bulk purchasing with new sourcing routes to improve quality and price competitiveness, resulting in strong sales and profits exceeding the plan. TOPVALU achieved its plan, with apparel sales significantly exceeding the prior year. From July to December, new daily necessities will be introduced, and sales promotions will be conducted in line with TOPVALU Fairs and 10-yuan uniform price campaigns.

(2) Consolidated Financial Condition

Consolidated Assets, Liabilities, and Net Assets

Consolidated assets as of August 31, 2025 were 14,498,887 million yen, an increase of 665,568 million yen, or 4.8%, from the end of the previous fiscal year (February 28, 2025). The increase is mainly attributable to increases of 197,227 million yen in investment securities, 184,408 million yen in notes and accounts receivable – trade, 91,977 million yen in property, plant and equipment and other factors.

Consolidated liabilities as of August 31, 2025 were 12,481,055 million yen, an increase of 783,008 million yen, or 6.7%, from the end of the previous fiscal year. The increase is mainly attributable to increases of 323,059 million yen in notes and accounts payable – trade, 308,460 million yen in deposits for banking business, and 135,928 million yen in long-term loans payable (including current portion), among other factors.

Consolidated net assets as of August 31, 2025 were 2,017,831 million yen, a decrease of 117,439 million yen, or 5.5%, from the end of the previous fiscal year.

Consolidated Cash Flows

Cash and cash equivalents

The balance of cash and cash equivalents as of August 31, 2025, increased by 93,927 million yen from the end of the previous fiscal year to 1,266,029 million yen.

Cash flows from operating activities

Net cash provided by operating activities was 816,268 million yen. This was mainly due to income before income taxes and minority interests of 292,153 million yen before deducting non-cash items such as depreciation and amortization, as well as a 327,078 million yen increase in notes and accounts payable – trade and a 308,460 million yen increase in deposits for banking business, which increased cash inflows. These factors offset a 173,787 million yen increase in notes and accounts receivable – trade, which decreased cash, among other factors.

Cash flows from investing activities

Net cash used in investing activities was 621,928 million yen. This was mainly due to expenditures of 481,257 million yen for the acquisition of securities in the banking business and 263,458 million yen for the acquisition of property, plant and equipment, partially offset by proceeds of 193,850 million yen from the sale and redemption of securities in the banking business, among other factors.

Cash flows from financing activities

Net cash used in financing activities was 88,140 million yen. This was mainly due to repayments of long-term loans of 175,632 million yen and redemption of bonds totaling 110,859 million yen, which offset proceeds of 306,304 million yen from long-term loans, among other factors.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the year ending February 28, 2026 is unchanged from the forecast announced on April 11, 2025.

*Since AEON CO., LTD. is a pure holding company, non-consolidated forecasts are not disclosed.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheet

	As of February 28, 2025 Amount	(Millions of yen) As of August 31, 2025 Amount
Assets		
Current assets		
Cash and deposits	1,258,383	1,360,563
Call loans	1,514	5,963
Notes and accounts receivable - trade	1,856,384	2,040,792
Securities* ¹	874,398	1,071,625
Inventories	649,955	637,341
Operating loan	595,895	613,141
Loans and bills discounted for banking business	3,022,476	3,058,424
Other	569,237	594,409
Allowance for doubtful accounts	(134,719)	(130,272)
Current assets	8,693,526	9,251,990
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,760,663	1,764,079
Tools, furniture and fixtures, net	278,436	298,132
Land	1,090,370	1,106,563
Construction in progress	72,807	98,794
Other, net	397,326	424,012
Property, plant and equipment	3,599,604	3,691,581
Intangible assets		
Goodwill	154,413	143,474
Software	193,303	198,144
Other	68,431	69,671
Intangible assets	416,147	411,289
Investments and other assets		
Investment securities	326,209	346,978
Net defined benefit asset	70,242	73,033
Deferred tax assets	164,381	177,110
Guarantee deposits	368,322	364,578
Other	199,707	186,727
Allowance for doubtful accounts	(4,822)	(4,402)
Investments and other assets	1,124,039	1,144,025
Non-current assets	5,139,792	5,246,897
Assets	13,833,319	14,498,887

	As of February 28, 2025 Amount	(Millions of yen) As of August 31, 2025 Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,082,565	1,405,624
Deposits for banking business	5,196,949	5,505,409
Short-term loans payable	427,829	423,481
Current portion of long-term loans payable	395,332	401,936
Current portion of bonds	189,310	139,895
Commercial papers	9,344	8,647
Income taxes payable	62,790	52,058
Provision for bonuses	41,941	39,467
Provision for loss on store closing	12,432	17,582
Provision for point card certificates	8,362	8,480
Other provision	1,318	679
Notes payable - facilities	57,227	81,400
Other	958,257	1,036,122
Current liabilities	8,443,663	9,120,787
Non-current liabilities		
Bonds payable	937,626	917,236
Long-term loans payable	1,479,593	1,608,918
Deferred tax liabilities	9,541	33,850
Provision for loss on store closing	10,918	6,529
Provision for loss on interest repayment	1,172	907
Other provision	419	270
Net defined benefit liability	17,279	17,222
Asset retirement obligations	130,080	133,339
Long-term guarantee deposited	269,985	269,074
Reserve for insurance policy liabilities	42,753	98
Other	355,014	372,821
Non-current liabilities	3,254,384	3,360,267
Liabilities	11,698,047	12,481,055

	As of February 28, 2025 Amount	(Millions of yen) As of August 31, 2025 Amount
Net assets		
Shareholders' equity		
Capital stock	220,007	220,007
Capital surplus	298,350	446,264
Retained earnings	436,709	423,817
Treasury shares	(13,288)	(6,533)
Shareholders' equity	941,779	1,083,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,199	(48)
Deferred gains or losses on hedges	788	7,950
Foreign currency translation adjustment	98,415	97,586
Remeasurements of defined benefit plans	15,091	15,177
Total accumulated other comprehensive income	121,495	120,665
Subscription rights to shares	1,321	1,206
Non-controlling interests	1,070,674	812,403
Net assets	2,135,271	2,017,831
Liabilities and net assets	13,833,319	14,498,887

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

Interim Consolidated Statement of Income

	(Millions of yen)	
	Six Months ended August 31, 2024	Six Months ended August 31, 2025
	Amount	Amount
Operating revenue		
Net sales	4,359,397	4,521,591
Operating revenue from financial services business	224,277	236,729
Other operating revenue	415,760	431,648
Operating revenue	4,999,435	5,189,970
Operating costs		
Cost of sales	3,125,921	3,241,891
Operating cost from financial services business	30,220	47,810
Operating cost	3,156,142	3,289,702
Gross profit	1,233,476	1,279,699
Operating gross profit	1,843,293	1,900,267
Selling, general and administrative expenses	1,744,692	1,782,138
Operating profit	98,600	118,129
Non-operating income		
Interest income	2,724	2,476
Dividend income	2,874	2,343
Share of profit of entities accounted for using equity method	3,539	4,682
Other	8,180	11,484
Non-operating income	17,319	20,986
Non-operating expenses		
Interest expenses	20,912	23,641
Other	5,188	9,006
Non-operating expenses	26,100	32,647
Ordinary profit	89,819	106,468
Extraordinary income		
Gain on sales of non-current assets	565	348
Gain on sales of investment securities	399	790
Gain on sales of shares of associates	15	3,299
Other	2,681	2,961
Extraordinary income	3,661	7,399
Extraordinary losses		
Impairment loss	7,389	12,402
Loss on retirement of non-current assets	1,268	1,907
Loss on sales of shares of associates	2,091	8,487
Provision for loss on store closing	4,463	6,372
Other	1,179	1,804
Extraordinary losses	16,392	30,974
Profit before income taxes	77,088	82,893
Income taxes		
Income taxes-current	41,669	50,396
Income tax adjustments	6,221	727
Income taxes	47,891	51,124
Profit	29,197	31,769
Profit attributable to non-controlling interests	25,485	27,721
Profit (loss) attributable to owners of the parent	3,711	4,048

Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six Months ended August 31, 2024	Six Months ended August 31, 2025
	Amount	Amount
Profit	29,197	31,769
Other comprehensive income		
· Valuation difference on available-for-sale securities	(39,620)	(20,710)
· Deferred gains or losses on hedges	(2,944)	13,608
· Foreign currency translation adjustment	61,022	(40,243)
· Remeasurements of defined benefit plans, net of tax	696	(368)
· Share of other comprehensive income of entities accounted for using equity method	(86)	431
Other comprehensive income	19,066	(47,282)
Comprehensive income	48,264	(15,513)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(2,731)	3,217
Comprehensive income attributable to non- controlling interests	50,996	(18,730)

(3) Interim Consolidated Statement of Cash Flows

		(Millions of yen)	
		Six months ended August 31, 2024	Six months ended August 31, 2025
		Amount	Amount
Cash flows from operating activities			
Profit before income taxes		77,088	82,893
Depreciation		169,851	177,065
Amortization of goodwill		8,279	8,925
Increase (decrease) in allowance for doubtful accounts		2,690	(5,416)
Increase (decrease) in provision for loss on interest repayment		(923)	(265)
Increase (decrease) in provision for bonuses		(9,877)	(2,483)
Increase (decrease) in net defined benefit liability		733	(120)
Decrease (increase) in net defined benefit asset		(3,726)	(3,204)
Interest and dividend income		(5,599)	(4,819)
Interest expenses		20,912	23,641
Share of (profit) loss of entities accounted for using equity method		(3,539)	(4,682)
Impairment loss		7,389	12,402
Loss (gain) on sale of shares of subsidiaries and associates		2,091	5,188
Decrease (increase) in notes and accounts receivable - trade		(140,320)	(173,787)
Decrease (increase) in inventories		4,463	9,183
Decrease (increase) in operating loans receivable		4,681	(7,417)
Decrease (increase) in cash loans and bills discounted for banking business		(369,799)	(35,941)
Increase (decrease) in notes and accounts payable - trade		276,270	327,078
Increase (decrease) in deposits for banking business		325,423	308,460
Increase/decrease in other assets/liabilities		(61,956)	142,962
Other, net		13,563	34,386
	Subtotal	317,696	894,050
Interest and dividend income received		7,349	6,387
Interest expenses paid		(20,468)	(23,095)
Income taxes paid		(50,687)	(61,074)
Net cash provided by (used in) operating activities		253,889	816,268

	Six months ended August 31, 2024	(Millions of yen) Six months ended August 31, 2025
	Amount	Amount
Cash flows from investing activities		
Purchase of securities	(8,563)	(11,981)
Proceeds from sales and redemption of securities	14,216	2,444
Acquisition of securities for banking business	(226,005)	(481,257)
Proceeds from sales and redemption of securities in banking business	127,694	193,850
Purchase of non-current assets	(207,247)	(263,458)
Proceeds from sales of non-current assets	1,826	1,502
Purchase of investment securities	(105,342)	(3,875)
Proceeds from sales of investment securities	1,748	6,342
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,757)	(507)
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	1,353	45
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(26,820)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	23,301	—
Payments for guarantee deposits	(10,267)	(6,711)
Proceeds from collection of guarantee deposits	32,739	33,604
Proceeds from guarantee deposits received	12,632	12,756
Repayments of guarantee deposits received	(11,470)	(10,969)
Income from the collection of loans from deconsolidated subsidiaries	219,100	—
Other, net	24,507	(66,892)
Net cash provided by (used in) investing activities	(111,532)	(621,928)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	(153,532)	683
Proceeds from long-term loans payable	385,072	306,304
Repayments of long-term loans payable	(132,296)	(175,632)
Proceeds from issuance of bonds	120,738	34,033
Redemption of bonds	(106,047)	(110,859)
Proceeds from share issuance to non-controlling shareholders	1,908	2,228
Repayments to non-controlling shareholders	(1,879)	(797)
Repayments of lease obligations	(46,534)	(39,279)
Cash dividends paid	(15,427)	(17,222)
Dividends paid to non-controlling interests	(15,568)	(15,777)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(967)	(71,692)
Other, net	1,910	(129)
Net cash provided by (used in) financing activities	37,375	(88,140)
Effect of exchange rate change on cash and cash equivalents	18,063	(12,271)
Net increase (decrease) in cash and cash equivalents	197,795	93,927
Cash and cash equivalents, beginning of the period	1,064,093	1,172,102
Cash and cash equivalents, end of the period	1,261,889	1,266,029

(4) Notes on the Interim Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

In the previous interim consolidated accounting period (from March 1, 2024 to August 31, 2024)

No applicable matters.

In the current interim consolidated accounting period (from March 1, 2025 to August 31, 2025), Capital surplus increased by 147,913 million yen due to a share exchange, in which the Company became the wholly-owning parent company of AEON MALL Co., Ltd., and the acquisition of additional shares of AEON DELIGHT CO., LTD. through a tender offer for its shares and related securities. This increase was attributable to 247,159 million yen from issuance of new shares and 19,342 million yen from disposal of treasury shares, offset by a decrease of 118,588 million yen resulting from changes in ownership interests in transactions with non-controlling interests. As a result, capital surplus amounted to 446,264 million yen at the end of the current interim consolidated accounting period.

(Changes in Accounting Policies)

(Application of Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes, etc.)

The "Accounting Standard for Income Taxes, Resident Taxes, and Business Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of the current interim consolidated accounting period.

Regarding the amendment to the classification of income taxes (taxation on other comprehensive income), the transitional treatment prescribed in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in paragraph 65-2(2) proviso of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the "2022 Revised Guidance") has been applied. This change in accounting policy had no impact on the interim consolidated financial statements.

In addition, with respect to the amendment relating to the review of accounting treatment in consolidated financial statements for gains and losses on sales of subsidiary shares arising from intra-group transactions when such gains and losses are deferred for tax purposes, the 2022 Revised Guidance has been applied from the beginning of the current interim consolidated accounting period. This change in accounting policy has been applied retrospectively, and the interim consolidated financial statements for the previous interim consolidated accounting period and the consolidated financial statements for the previous fiscal year have been restated accordingly.

As a result, compared with before the retrospective application, in the consolidated balance sheet for the previous fiscal year, deferred tax liabilities decreased by 14,045 million yen, and retained earnings at the beginning of the previous fiscal year increased by 15,659 million yen as the cumulative effect was reflected in net assets at the beginning of the period. In the interim consolidated statement of income for the previous interim consolidated accounting period, adjustment to income taxes increased by 1,776 million yen, resulting in a decrease of 1,776 million yen in net income attributable to owners of the parent.

With respect to per-share information, compared with before the retrospective application, basic net income per share and diluted net income per share for the previous interim consolidated accounting period decreased by 0.69 yen. The Company conducted a stock split at a ratio of three shares for each share of common stock, effective September 1, 2025, and basic net income per share and diluted net income per share have been calculated assuming that this stock split occurred at the beginning of the previous fiscal year. Without considering the effect of this stock split, basic net income per share and diluted net income per share for the previous interim consolidated accounting period decreased by 2.08 yen.

(Additional Information)

(Transactions to deliver the Company's shares to employees, etc. through a trust)

The Company had introduced the "Employee Stock Ownership Plan Trust" (the "ESOP Trust") as a trust-type employee incentive plan with the aim of enhancing corporate value over the medium to long term. However, the ESOP Trust was terminated in March 2025.

Shares of the Company held by the ESOP Trust were presented as treasury stock under net assets, with a book value of 198 million yen and 257,100 shares as of the end of the previous fiscal year. In addition, long-term borrowings (including the current portion) recognized under the gross method amounted to 650 million yen as of the end of the previous fiscal year. As of the end of the current interim consolidated accounting period, no treasury stock or long-term borrowings were recorded.

The Company conducted a stock split at a ratio of three shares for each share of common stock, effective September 1, 2025. The number of treasury shares as of the beginning of the previous fiscal year has been calculated on the assumption that this stock split was effected at that date. Without considering the effect of this stock split, the number of treasury shares as of the end of the previous fiscal year was 85,700 shares.

(Improper Accounting Practices at Consolidated Subsidiary Post and Telecommunication Finance Company Limited)

At the Company's consolidated subsidiary, Post and Telecommunication Finance Company Limited, adjustments related to improper accounting practices that occurred prior to the acquisition of its shares were recorded in full during the interim consolidated accounting period. As a result, income before income taxes and other adjustments decreased by 3,883 million yen for the period.

(Notes on Segment Information)

I. Six Months ended August 31, 2024 (March 1 – August 31, 2024)

1. Operating revenue and income/loss by reportable segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	1,705,201	1,489,619	203,504	656,949	224,277	203,885	263,366
(2) Intersegment revenue or transfers	50,075	6,916	597	468	31,018	42,911	106,731
Total	1,755,276	1,496,535	204,101	657,418	255,296	246,796	370,098
Segment income (loss)	(8,260)	10,108	3,996	18,497	27,489	27,385	14,428

	Reportable segment		Other*1	Total	Adjustments *2,3	Reported in the interim consolidated statement of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	271,311	5,018,114	6,843	5,024,958	(25,522)	4,999,435
(2) Intersegment revenue or transfers	2,585	241,305	25,788	267,093	(267,093)	—
Total	273,896	5,259,420	32,631	5,292,051	(292,615)	4,999,435
Segment income (loss)	4,953	98,599	(4,260)	94,339	4,261	98,600

Notes:

1. "Other" segment includes business segments not categorized as reportable segments such as digital business.
2. Main components of the minus 25,522 million yen in adjustments for revenue attributable to customers are as follows:
 - (a) minus 55,792 million yen for certain service transactions that are presented on a gross basis in the reportable segments as it is more appropriate for segment performance presentation, but reclassified to a net basis in the interim consolidated statement of income as they represent incidental revenues, and
 - (b) 30,517 million yen in "operating revenues from equity-method affiliates" of Group companies attributable to AEON Group merchandise supply that is part of head office functions and does not fall into any of the business segments.
3. Main components of 4,261 million yen in adjustments for segment income (loss) are as follows:
 - (a) 3,467 million yen in the income of the pure holding company (AEON CO., LTD.) not attributable to any of the business segments,
 - (b) 2,087 million yen in the income of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
 - (c) minus 1,313 million yen in intersegment transaction eliminations.
4. Segment income (loss) adjustments are based on operating profit reported in the interim Consolidated Statement of Income for the corresponding period.

2. Information on Impairment Losses on Fixed Assets, Goodwill, etc. by Reportable Segment

(Significant impairment losses on fixed assets)

There were no significant impairment losses.

(Significant changes in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

There are no applicable matters.

II. Six Months ended August 31, 2025 (March 1 – August 31, 2025)

1. Operating revenue and income/loss by reportable segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Shopping Center Development	Services and Specialty Store
Operating revenue:							
(1) Revenue attributable to customers	1,775,019	1,537,515	216,497	681,486	236,729	213,625	268,800
(2) Intersegment revenue or transfers	43,653	7,262	553	417	39,641	44,338	113,026
Total	1,818,672	1,544,778	217,050	681,904	276,371	257,964	381,826
Segment income (loss)	(225)	12,934	3,697	22,707	26,968	32,886	16,836

	Reportable segment		Other*1	Total	Adjustments*2,3	Reported in the interim consolidated statement of income*4
	International	Total				
Operating revenue:						
(1) Revenue attributable to customers	278,956	5,208,631	11,485	5,220,116	(30,146)	5,189,970
(2) Intersegment revenue or transfers	2,302	251,196	27,134	278,330	(278,330)	—
Total	281,259	5,459,828	38,619	5,498,447	(308,477)	5,189,970
Segment income (loss)	4,887	120,693	(5,321)	115,372	2,756	118,129

Notes:

- “Other” segment includes business segments not categorized as reportable segments such as digital business.
- Main components of the minus 30,146 million yen in adjustments for revenue attributable to customers are as follows:
 - minus 59,858 million yen for certain service transactions that are presented on a gross basis in the reportable segments as it is more appropriate for segment performance presentation, but reclassified to a net basis in the interim consolidated statement of income as they represent incidental revenues, and
 - 29,641 million yen in “operating revenues from equity-method affiliates” of Group companies attributable to AEON Group merchandise supply that is part of head office functions and does not fall into any of the business segments.
- Main components of 2,756 million yen in adjustments for segment income (loss) are as follows:
 - 2,735 million yen in the income of the pure holding company (AEON CO., LTD.) not attributable to any of the business segments,
 - 341 million yen in the income of Group companies attributable to AEON Group merchandise supply that does not fall into any of the business segments, and
 - minus 1,612 million yen in intersegment transaction eliminations.
- Segment income (loss) adjustments are based on operating profit reported in the interim Consolidated Statement of Income for the corresponding period.

2. Change of reportable segment

In line with organizational changes, from the first quarter of the fiscal year ending February 28, 2026, the Company has reclassified some of the subsidiaries included in the Supermarket Business to Services and Specialty Store Business. For reference, segment information for the Six months ended August 31, 2024, was prepared based on the current segmentation.

3. Information on Impairment Losses on Fixed Assets, Goodwill, etc. by Reportable Segment

(Significant impairment losses on fixed assets)

An impairment loss of 6,826 million yen was recorded in the Financial Services Business segment.

(Significant changes in the amount of goodwill)

There were no significant changes.

(Significant gain on negative goodwill)

There are no applicable matters.