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Financial Results for the Six Months Ended August 31, 2026

October 13, 2026

Company name: **AEON CO., LTD.**
Listings: Tokyo Stock Exchange (Prime Market)
Securities code: 8267
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Scheduled dates:
Filing of semi-annual securities report: October 14, 2026
Commencement of dividend payments: October 28, 2026
Supplementary materials for financial results: Available
Quarterly earnings results briefing: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Six Months Ended August 31, 2026 (March 1, 2026–August 31, 2026)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	5,904,157	13.8	130,743	10.7	108,292	1.7	13,321	229.1
August 31, 2025	5,189,970	3.8	118,129	19.8	106,468	18.5	4,048	9.1

Note: Comprehensive income: Six months ended August 31, 2026: ¥46,214 million [–%]

Six months ended August 31, 2025: ¥(15,513) million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	4.81	4.81
August 31, 2025	1.53	1.53

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, 2026.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2026	15,435,380	2,201,136	7.9	440.50
[excl. Financial Services]	[7,673,279]	[1,721,013]	[14.3]	–
February 28, 2026	15,369,658	2,204,267	7.9	440.40
[excl. Financial Services]	[7,605,812]	[1,707,816]	[14.3]	–

References: 1. Equity (Shareholders' equity + Accumulated other comprehensive income):

As of August 31, 2026: ¥1,219,346 million

As of February 28, 2026: ¥1,218,421 million

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

2. Dividends

	Annual dividend per share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026 ^{*1}	–	20.00	–	7.00	–
Fiscal year ending February 28, 2027	–	7.50			
Fiscal year ending February 28, 2027 (forecast) ^{*2}			–	7.50	15.00

Notes: Revisions to the dividend forecast most recently announced: No

1. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Accordingly, for the fiscal year ended February 28, 2026, the interim dividend is presented as ¥20, and the year-end dividend is presented as ¥7, reflecting the impact of the stock split. In addition, the total annual dividend per share is 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 per share would be ¥41.
2. The dividend for the fiscal year ending February 28, 2027 will consist 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
Full year	12,000,000	12.0	340,000	25.7	290,000	19.3	73,000	0.4
								26.39

Note: Revisions to the earnings forecast most recently announced: No

*Notes

- (1) Changes affecting the consolidation status of significant subsidiaries during the period: None
- (2) Application of special accounting treatment for the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policy, changes in accounting estimates, and restatement:
 - 1) Changes in accordance with amendments to accounting standards and other regulations: None
 - 2) Changes other than the above 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of shares issued (common shares)
 - 1) Number of shares issued at the end of the period (treasury shares included):
 - As of August 31, 2026: 2,783,529,021 shares
 - As of February 28, 2026: 2,783,529,021 shares
 - 2) Number of treasury shares at the end of the period:
 - As of August 31, 2026: 15,424,253 shares
 - As of February 28, 2026: 16,904,185 shares
 - 3) Average number of shares outstanding during the period:
 - Six months ended August 31, 2026: 2,767,345,351 shares
 - Six months ended August 31, 2025: 2,643,679,367 shares

Note: 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, 2026.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Appropriate use of earnings forecasts and other important information

(Note on the forward-looking statements)

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document and certain assumptions that the Company considers reasonable. 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 11.

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1. Review of Operating Results and Financial Statements

Regarding the 2026 Kumamoto Earthquake

We express our deepest condolences to those who lost their lives in the accidents that occurred at AEON Mall Kumamoto (Kashima Town, Kamimashiki District, Kumamoto Prefecture) and AEON Mall Uki (Uki City, Kumamoto Prefecture) as a result of the 2026 Kumamoto Earthquake. We also sincerely apologize to the bereaved families, those who were injured, and all others affected.

An Accident Investigation Committee consisting solely of external experts has been established to investigate the cause of the explosion accidents and develop measures to prevent recurrence, and the investigation is currently underway. Upon receipt of the investigation report, we will promptly disclose it and reflect its findings in initiatives to further enhance the safety of our facilities. As a Group, we will continue to make every effort to respond responsibly and support the recovery and reconstruction of the affected communities.

(1) Analysis of Operating Results

1) Summary of Operating Results

For the six months ended August 31, 2026 (March 1, 2026 to August 31, 2026), operating revenue totaled ¥5,904,157 million, an increase of 13.8% year on year. Operating profit totaled ¥130,743 million, an increase of ¥12,614 million year on year, and ordinary profit totaled ¥108,292 million, an increase of ¥1,824 million year on year. Profit attributable to owners of the parent totaled ¥13,321 million, an increase of ¥9,273 million year on year.

The economic environment during the six months ended August 31, 2026 remained highly uncertain, reflecting the impact of international developments, including the situation in the Middle East, as well as movements in resource prices and foreign exchange rates.

In Japan, although real wages showed signs of recovery, consumers remained cautious in their spending amid persistently high prices. While price-consciousness and frugality continued for daily necessities, a trend toward selective spending was evident, with consumers maintaining spending in areas aligned with their personal values, such as health and experiential value.

Under these conditions, the Developer and Entertainment Business performed strongly, capturing consumers' needs for "affordable, nearby, and time-efficient leisure" activities by expanding experiential and dwell-time-enhancing content. In the Health and Wellness Business, the business expanded significantly, supported by growing demand for drugstores as essential community health infrastructure and the addition of TSURUHA HOLDINGS, INC. ("Tsuruha"). In addition, in ASEAN, particularly in Vietnam, which the Group positions as its most important area, the Group accelerated growth by developing multiple business formats spanning not only retail but also shopping center development, drugstores, financial services, and other businesses, leveraging the country's economic growth as a tailwind. Overall, Developer and Entertainment, Health and Wellness, and ASEAN, which the Group positions as drivers of profit growth, drove the Group's performance, and operating profit reached a record high for the first six months of a fiscal year.

Common Group Strategy

Based on the AEON Group Medium-term Management Plan (FY2026–FY2030) (the "Medium-term Plan"), the Group is advancing a transition to management that places particular emphasis on cash generation and capital efficiency. Under the Medium-term Plan, the Group has positioned "Building a High-return Portfolio," "Reforming the Profit Structure of the Food Retail Business," "Completing Business Structure Reform," and "Advancing Financial Structure Reform" as key strategies, and will translate focused investment in growth domains and the strengthening of its earnings base into sustainable profit growth and enhanced corporate value.

Building a High-return Portfolio:

Following the management integration of Tsuruha and WELCIA HOLDINGS CO., LTD. ("Welcia") in December 2025 and the consolidation of Tsuruha as a subsidiary of the Company in January 2026, the Group is advancing initiatives toward a new stage of growth. The Group aims to maximize integration benefits centered on product procurement, private-label ("PB") development, and logistics, targeting the creation of ¥40 billion in synergies from Tsuruha and Welcia combined and ¥50 billion in total synergies including the Company over three years. During the six months ended August 31, 2026, Tsuruha and Welcia generated synergies that exceeded plan. The Group is also

working to build a new business model that combines dispensing pharmacies, healthcare, nursing care, and food by bringing together the strengths of the AEON Group, which has one of Japan's leading food retail business platforms, and those of Tsuruha and Welcia, which together have one of the country's largest drugstore business platforms. As part of these initiatives, the Group is expanding the rollout of the Drug & Food format with enhanced food categories, which had expanded to 37 stores as of the end of August. By increasing customer traffic and expanding sales of related products, the Group is strengthening its earnings base while developing locations that support local residents throughout all aspects of their lives and daily living.

In the Developer and Entertainment Business, the Group is working to enhance the earnings power of existing assets and expand its business foundation in growth markets. In Japan, through renovations and revitalization investments at existing malls, the Group is expanding non-merchandise categories and tenants offering leisure, entertainment, and other experiences, seeking to transform its facilities from primarily shopping-focused destinations into places where customers can spend time enjoying leisure activities and social interaction. The Group is also enhancing customer attraction by capturing inbound tourism demand and strengthening collaboration across Group businesses, thereby improving the earnings power of existing malls.

In its ASEAN business, which the Group positions as a next-generation growth business, the Group is accelerating the development of dominant market areas in Vietnam, its top-priority country. As part of these efforts, it opened a new mall in July in Da Nang, Vietnam's third-largest city, and plans to open additional malls in Thanh Hoa in October and Ha Long in November. The newly opened mall has also delivered a strong start. Going forward, in the Vietnamese market, where high growth is expected to continue on the back of an expanding middle-income population and ongoing urbanization, the Group will deploy a multi-format strategy combining retail, shopping centers, entertainment, and financial services, while developing future growth drivers.

Reforming the Profit Structure of the Food Retail Business:

In reforming the profit structure of the food retail business, the Group is advancing procurement cost reforms that leverage its scale advantages through the rollout of its PB products under the TOPVALU brand and joint procurement of national-brand ("NB") products. During the six months ended August 31, 2026, TOPVALU sales increased to 104.5% of the previous year's level, while joint procurement of NB products increased to 105.0%. The Group is also strengthening collaboration with contract manufacturers and Group-wide sales initiatives, while developing "Mega Items," priority products targeting annual sales of more than ¥1 billion, with the aim of enhancing merchandise competitiveness and earnings power.

To improve productivity, the Group advanced MD process reforms, including optimizing merchandise assortments, planograms, pricing, and ordering, while promoting digital transformation initiatives at stores using AI to improve the efficiency of store operations. In addition, the value of products supplied by Craft Delica Funabashi (Funabashi City, Chiba Prefecture), the Group's delicatessen process center, increased to 118.7% of the previous year's level, while the number of recipient Group companies expanded to 14. This has enabled both higher quality of delicatessen products and greater efficiency in store operations. At the online-only supermarket Green Beans, the Group is also strengthening its business foundation for future growth through initiatives such as expanding its delivery area and creating new customer touchpoints.

Completing Business Structure Reform:

The Group is advancing business structure reform to optimize the allocation of management resources to priority business domains and improve Group-wide earnings power and capital efficiency, including the consolidation and reorganization of businesses and functions, the restoration of profitability at loss-making companies, and withdrawal from unprofitable businesses. As part of the consolidation and reorganization of businesses and functions, in July, The Daiei, Inc. sold a subsidiary responsible for inventory operations. In September, Maxvalu Tokai Co., Ltd. ("Maxvalu Tokai") absorbed its wholly owned subsidiary Delica Foods Co., Ltd. through a merger to further strengthen its delicatessen business and improve management efficiency. As part of efforts to turn around loss-making companies and withdraw from unprofitable businesses, in June, the Group delisted GFOOT CO., LTD. and made it a wholly owned subsidiary, and is working to turn around the business through stronger collaboration with GMS companies. Overseas, in October, the Group transferred its shares in AEON Thailand Co., LTD. to one of Thailand's leading conglomerates. In Thailand, the Group will work to improve earnings power primarily in financial services, entertainment, and health and wellness. The Group is also advancing business restructuring in China, with AEON Fantasy Co., Ltd. ("AEON Fantasy") deciding to dissolve and liquidate a subsidiary in China, among other initiatives. Through these efforts, the Group is steadily advancing business structure reform across the Group. The Group will allocate the management resources generated through these initiatives primarily to growth domains and work to accelerate the realization of the benefits of these reforms.

Sustainability Initiatives:

The Group aims to realize a sustainable society by leveraging co-creation with customers and the Group's scale, centered on "Nature Positive," "CO₂ Net Zero," and "Transition to a Circular Model."

In Nature Positive, the AEON Hometown Forest Program marked its 35th anniversary, and the Group is advancing efforts to visualize the biodiversity value of its forests. In the FY2025 "AEON Hometown Forest Wildlife Survey," 2,299 species were identified at 120 locations nationwide. In FY2026, the Group will expand the survey to more than 150 locations nationwide to continuously and quantitatively track changes in biodiversity and use the survey findings in initiatives that contribute to nature recovery.

Toward CO₂ Net Zero, as of the end of May, the Group had achieved virtually 100% renewable energy use at all 159 AEON Mall locations in Japan. In addition, the share of electricity effectively sourced from renewable energy across the Group reached 68%, and the installation of solar power generation systems had been completed at approximately 2,000 stores and facilities of Group companies nationwide. Going forward, the Group will continue to expand the installation of rooftop solar panels, solar carports, and other facilities with the aim of further increasing its renewable energy ratio.

In Transition to a Circular Model, the Group concluded a partnership agreement with Nomura Real Estate Holdings, Inc. to promote the circular economy and is advancing initiatives to develop resource-circulation business models and encourage participation by local residents. By installing automated PET bottle collection machines at condominiums and commercial facilities that award WAON POINT based on the amount collected, the Group is establishing a closed-loop system in which recovered resources are recycled into packaging for TOPVALU products, and aims to realize a circular society together with local communities.

2) Business Segment Information

Results by segment are as follows.

Please note that the classification of business segments presented as reportable segments has been changed from the six months ended August 31, 2026. The comparison and analysis for the six months ended August 31, 2026 are presented based on the revised classification. For details, please refer to "2. Matters related to changes in reportable segments" under "II. Six Months Ended August 31, 2026 (March 1–August 31, 2026)" in "*Segment and Other Information*."

GMS Business

The GMS Business recorded operating revenue of ¥1,865,345 million, an increase of 2.6% year on year, and an operating loss of ¥12,631 million, a deterioration of ¥12,406 million year on year.

AEON Retail is working on four reforms: "reform of the profit structure of the retail business," "maximization of shopping center profitability," "the establishment of new earnings drivers," and "the development of a foundation to enhance execution capabilities."

During the six months ended August 31, 2026, same-store sales increased 0.6% year on year, while operating revenue increased to ¥1,020,052 million, up 2.5% year on year. Despite the reactionary impact following special demand in the previous year for stockpiled rice and a new game console, AEON Retail worked to balance price-focused and value-focused initiatives, resulting in customer traffic remaining at the previous year's level, with sales driven particularly by home and leisure products and Health and Beauty Care ("H&BC"). TOPVALU sales totaled ¥206.2 billion, with its sales composition ratio at 20.3%. On the profit side, AEON Retail recorded an operating loss of ¥13,297 million, a deterioration of ¥9,653 million year on year, reflecting stronger price competitiveness in food, the reactionary impact of the special demand for rice in the previous year, sluggish sales of apparel and home and leisure products due to unfavorable weather, and increases in personnel costs. Meanwhile, initiatives to improve earnings power over the medium to long term are progressing steadily, including growth in the retail media business, productivity improvements driven by DX, and the rollout of new sales floor models.

In the "reform of the profit structure of the retail business," AEON Retail strengthened merchandise offerings and sales floors in fresh foods and delicatessen, including MEAT PARK and its salmon strategy, to create reasons for customers to visit stores. In apparel, as part of merchandise reforms focusing on both price and value, the company expanded the rollout of affordably priced TOPVALU BESTPRICE products and strengthened sales of the CELLIENT recovery wear. In home and leisure products, the company continued testing "WONDER GATE," a new sales floor model with enhanced entertainment offerings. In H&BC, the company worked to establish its beauty sales floors,

centered on Asian cosmetics, as shopping destinations, with the aim of attracting younger customers.

In the “maximization of shopping center profitability,” in addition to revitalization initiatives and environmental improvements at existing shopping centers, AEON Retail introduced experiential content such as “*Nobikko Jumbo*” and “*Chikyu no Niwa* (Garden on Earth),” working to create new reasons for customers to visit and increase the time they spend at its facilities. At AEON Mall Tsudanuma South (Narashino City, Chiba Prefecture), the company attracted new customer segments through the strengthening of entertainment functions and information dissemination using social media. It also promoted a tenant strategy designed to capture food and beverage and nighttime demand, leading to higher customer traffic.

In “the establishment of new earnings drivers,” AEON Retail advanced initiatives in the retail media business to provide end-to-end support from product awareness through purchase. Retail media grew substantially, with app advertising revenue increasing 75.0% and signage revenue increasing 345.2% year on year, while the company also strengthened media promotions linked with sales floors.

In “the development of a foundation to enhance execution capabilities,” AEON Retail advanced DX initiatives, including electronic shelf labels, self-checkout systems, and AI-based ordering, freeing up approximately 1.55 million labor hours through DX. Total labor hours at existing stores reached 97.4% of the previous year’s level, demonstrating steady progress in productivity improvements. The company is also working to enhance merchandise competitiveness while improving operational efficiency in stores by expanding its delicatessen supply system using Craft Delica Funabashi and rolling out all-in-one devices.

AEON Hokkaido Corporation continued to address consumer cost-consciousness amid rising prices by revitalizing existing stores, reforming sales floors, and strengthening sales of TOPVALU products. As a result, sales for the six months ended August 31, 2026 increased 1.2% year on year to a record high of ¥188,263 million. On the profit side, operating profit decreased 38.4% year on year to ¥1,517 million, reflecting a lower gross profit margin due to stronger pricing initiatives aimed at increasing the number of items purchased per customer, as well as increases in personnel and general expenses. In the GMS format, the company strengthened its one-stop shopping functions in local communities. In addition, it opened Kids Republic, where customers can enjoy everything from shopping to play. In the supermarket format, the company advanced initiatives to develop a store model that optimally combines price-focused products and value-added products. MaxValu Kyowa (Kyowa Town, Iwanai District, Hokkaido), which underwent revitalization, recorded strong sales growth to 123.2% of the previous year’s level. In the discount store format, the company advanced sales floor reforms in response to changing customer needs, including strengthening delicatessen offerings and expanding frozen food sales floors. On the merchandise side, the company maintained prices on TOPVALU products and strengthened promotional initiatives. As a result, same-store sales of BESTPRICE products increased to 107.2% of the previous year’s level. In addition, sales of recovery wear, supported by growing health consciousness, as well as character merchandise and Asian cosmetics, for which demand continues to expand, remained strong and contributed to higher sales.

AEON KYUSHU CO., LTD. recorded operating revenue of ¥282,502 million, an increase of 3.9% year on year, and operating profit of ¥2,711 million, a decrease of 32.7% year on year. Despite the impact of temporary store closures caused by the 2026 Kumamoto Earthquake, revenue increased, supported by the merger with Joyful Sun Co., Ltd., the consolidation of Tokiwa Industry Co., Ltd. as a subsidiary, and the rollout of the store network through new store openings, totaling 20 stores. On the profit side, profit declined due to investments in new store openings and existing-store revitalization, human capital investments including wage increases for the fourth consecutive year, strengthened promotional initiatives aimed at expanding the membership base of “iAEON,” and increased expenses associated with M&A. Under its growth strategy, the company promoted the utilization of the business foundation expanded through M&A and the creation of Group synergies, while strengthening initiatives to support household budgets, expanding sales of TOPVALU products, and revitalizing existing stores. In addition, the company worked to strengthen its foundation for medium- to long-term growth by improving productivity through DX investments, including the expanded introduction of self-checkout systems and electronic shelf labels, and expanding its digital customer base through the use of iAEON.

CAN DO CO., LTD. (“Can Do”) recorded net sales of ¥44,743 million, an increase of 3.2% year on year, and operating profit of ¥997 million, a decrease of 24.7% year on year, for the six months ended August 31, 2026. In store development, Can Do expanded highly efficient stores centered on openings within the AEON Group, while also increasing openings of consignment stores. In merchandise planning, with the aim of establishing and differentiating

the “Can★Do” brand, the company optimized the mix of 100-yen items and products at other price points, and promoted product development leveraging the AEON Group’s scale advantages. In store operations, the company worked to redesign its store model, expanded the introduction of self-checkout systems, made investments to revitalize stores, and promoted the use of AI in head office operations, thereby further improving and optimizing store operations. As a result of these initiatives, same-store sales at directly operated stores remained solid at 103.3% of the previous year’s level. Amid higher raw material prices and increases in depreciation and maintenance expenses associated with store revitalization and DX investments, as well as cashless payment fees, the company worked to reduce various expenses and improve store operating efficiency by reviewing store opening costs, strengthening labor hour control, and reducing labor requirements through the introduction of self-checkout systems.

Supermarket Business

The Supermarket Business recorded operating revenue of ¥1,526,391 million, a decrease of 1.2% year on year, and an operating loss of ¥176 million, a deterioration of ¥13,063 million year on year.

United Super Markets Holdings Inc. (“U.S.M.H”) recorded operating revenue of ¥544,779 million, an increase of 14.0% year on year, for the six months ended August 31, 2026, supported by the sales contribution from AEON Food Style Co., Ltd., which was launched in March. On the other hand, profit came under pressure due to stronger pricing and promotional initiatives in response to higher materials prices and intensified competition, as well as customer traffic and the number of items purchased falling below expectations. In addition, selling, general and administrative expenses increased due to higher labor costs, sales promotion expenses, store renovation costs, and other factors. As a result, U.S.M.H recorded an operating loss of ¥3,283 million, a deterioration of ¥3,451 million year on year. Under integrated management, U.S.M.H is advancing standardization centered on area strategies, store strategies, and structural reforms. The company has divided the Tokyo metropolitan market into three areas and is optimizing merchandise assortments, sales floor development, and promotional initiatives in line with regional characteristics, while also integrating procurement, conducting joint sales initiatives for priority products, standardizing logistics and systems, and integrating head office functions. Through the creation of integration synergies and steady execution of structural reforms, U.S.M.H aims to improve its earnings power and enhance corporate value over the medium to long term.

FUJI CO., LTD. (“FUJI”) recorded operating revenue of ¥398,069 million, a decrease of 2.6% year on year, and operating profit of ¥2,291 million, a decrease of 49.1% year on year, for the six months ended August 31, 2026. This reflected the reactionary impact of the special demand for rice in the previous year, as well as temporary decreases in sales associated with store closures and renovations. Under these conditions, FUJI worked to strengthen price-focused initiatives through the rollout of “Zenryoku Price” and TOPVALU products, while developing its own original products with an emphasis on local flavors and local production for local consumption. The company also renovated 16 stores during the six months ended August 31, 2026, working to strengthen store competitiveness. In addition, as a result of optimizing the number of merchandise SKUs and expanding the introduction of PB products, the gross profit margin continued to improve. FUJI also advanced productivity improvements and cost reductions through more advanced automatic ordering using demand forecasts, the introduction of electronic shelf labels, and the promotion of multi-skilling. As a result, selling, general and administrative expenses decreased to 97.3% of the previous year’s level. Furthermore, by expanding its mobile supermarket operations, FUJI established an operating structure covering a cumulative total of 100 stores, 151 vehicles, and 826 routes. As the company strengthened its community-based services, mobile supermarket sales also increased to 108.1% of the previous year’s level.

Maxvalu Tokai recorded operating revenue of ¥192,884 million, an increase of 0.2% year on year, and operating profit of ¥4,889 million, a decrease of 16.3% year on year. On the revenue side, the company promoted initiatives aligned with customers’ purchasing behavior, including stronger sales of “Value You Can Feel – Supporting Household Budgets” products and TOPVALU products, the rollout of growth categories such as delicatessen items, frozen foods, and in-store bakery products, and an expanded assortment of “Jimono” (locally sourced products). The company also opened 13 new stores, mainly small-format urban stores designed to meet diverse customer needs and changes in lifestyles, and renovated seven stores. At the same time, it strengthened fresh food and delicatessen offerings and enhanced price competitiveness through TOPVALU. Furthermore, the company worked to expand customer touchpoints in local communities by expanding its mobile supermarket operations and the unmanned “Max Mart” store format. On the profit side, although profit was affected by higher personnel expenses due to wage increases and higher electricity costs, the company is improving store operating efficiency and customer shopping convenience through initiatives such as the expanded introduction of self-checkout systems and automatic ordering support systems, as well as the rollout of digital signage.

My Basket CO., LTD. (“My Basket”) recorded sales growth of 6.8% year on year for the six months ended August 31, 2026, driven by continued new store openings. The company continued to advance its dominant strategy in the Tokyo metropolitan area while expanding store openings into new trade areas, including western Tokyo, Saitama, and Chiba, thereby further expanding its store network. On the merchandise side, the sales composition ratio of TOPVALU

products increased by 0.8 percentage points year on year. The company also expanded product development and procurement in collaboration with Group functional companies, strengthening its merchandise capabilities by leveraging scale advantages. Although the company was affected by the reactionary impact of the special demand for rice in the previous year and sluggish sales of beverages and frozen products due to temperature-related factors, same-store sales remained solid. On the profit side, the company was affected by increases in personnel costs associated with strengthening its organizational structure to support store rollout. Under these conditions, productivity improvement initiatives through DX, including the expanded introduction of ordering support systems and self-checkout systems, progressed steadily.

Discount Store Business

The Discount Store Business recorded operating revenue of ¥218,657 million, an increase of 0.7% year on year, and operating profit of ¥455 million, a decrease of ¥3,241 million year on year.

AEON BIG CO., LTD. strengthened its response to heightened cost-consciousness caused by rising prices by increasing sales of products with strong price appeal and PB products, expanding its lineup of outlet products, and utilizing iAEON coupon promotions. The sales composition ratio of PB products reached a level just below 30%, increasing from the same period of the previous year. On the profit side, although the company was affected by increases in personnel expenses due to wage increases and equipment costs associated with new store openings, it established a system to supply products to 98 stores from five micro-processing centers, reducing the workload of in-store processing and promoting stable product supply. In addition, the utilization rate of self-checkout systems at stores where they have been introduced increased to approximately 70%, contributing to labor savings and greater efficiency in store operations. Furthermore, the company opened three new stores and revitalized 10 stores, strengthening its business foundation toward improving earnings power over the medium to long term.

BIG-A CO., LTD. continued to open new stores, mainly in the four prefectures of the Tokyo metropolitan area, opening seven stores during the six months ended August 31, 2026 and bringing its total store network to 349 stores. On the merchandise side, the company prioritized the allocation of promotional resources to products with strong price appeal, strengthened sales of PB products, and optimized product assortments based on sales trends. On the profit side, although the company was affected by increases in expenses associated with new store openings, as well as personnel, electricity, and delivery costs, it expanded the introduction of fully self-checkout systems to 88 stores and steadily advanced initiatives to improve productivity.

Health and Wellness Business

The Health and Wellness Business recorded operating revenue of ¥1,277,897 million, an increase of 87.4% year on year, and operating profit of ¥59,690 million, an increase of ¥36,982 million year on year.

Tsuruha recorded net sales of ¥1,275,514 million, an increase of 128.7% year on year, and operating profit of ¥54,770 million, an increase of 92.6% year on year, for the six months ended August 31, 2026, achieving increases in both revenue and profit. Following its management integration with Welcia on December 1, 2025, Tsuruha is promoting initiatives aimed at creating integration synergies and building a foundation for value creation. In merchandising, Tsuruha is developing the new PB “*Karada to Kurashi ni, +1*,” introducing the existing PB products of each company into the other’s stores, and standardizing products promoted under joint initiatives, while preparing to unify merchandising from the second half. In systems and DX, Tsuruha worked to build a Group-wide data utilization infrastructure by developing common platforms for core systems, product master data, customer IDs and customer databases, while preparing for the introduction of a common loyalty point program and a common app. In addition, under its six-block nationwide structure, Tsuruha optimized its store network, opening 53 new stores and closing 77 stores, while rolling out the Drug & Food format with expanded food categories and revitalizing existing stores. As a result, the Tsuruha Group had 5,652 stores in Japan as of August 31, 2026.

Financial Services Business

The Financial Services Business recorded operating revenue of ¥307,693 million, an increase of 11.3% year on year, and operating profit of ¥26,076 million, a decrease of ¥892 million year on year.

AEON Financial Service Co., Ltd. (“AFS”) is pursuing growth through the expansion of its customer base and the use of digital technologies, as set out in its Medium-term Plan. During the six months ended August 31, 2026, AFS secured higher revenue, supported by increases in various transaction volumes and operating receivables in Japan and overseas.

On the other hand, operating profit declined due to higher financial expenses, including deposit interest, associated with increases in policy interest rates in Japan, as well as temporary costs associated with the renewal of its core credit card system.

In the domestic retail business, AFS worked to improve customer convenience through the rollout of “Pay Later in Installments,” a service that allows customers to change their payment method to installment payments via the web or smartphone app after making a payment. As a result, the balance of shopping revolving and installment receivables expanded to ¥400,971 million, an increase of ¥5,791 million from the beginning of the period. In housing loans, AFS extended the maximum loan term to 50 years and strengthened promotion of the “AEON Select Club,” which provides housing loan customers with an everyday 5% discount on purchases at AEON Group stores. As a result, the balance of housing loans increased to ¥2,931,589 million, an increase of ¥19,801 million from the beginning of the period.

In the domestic solution business, AFS promoted the use of AEON Pay and expanded its merchant network. As a result, the number of registered ID members for AEON Pay increased to 14.83 million, an increase of 2.74 million from the beginning of the period, while the number of active IDs in Japan expanded to 41.07 million, an increase of 1.82 million from the beginning of the period. In addition, card shopping transaction volume totaled ¥4,003,743 million, an increase of 2.5% year on year, supported by initiatives to raise awareness of “AEON Pay Day” and joint promotional initiatives with partner companies and merchants.

In overseas operations, in the China area, primarily in Hong Kong, AFS promoted usage in everyday situations such as restaurants and transportation, as well as in e-commerce, through initiatives aligned with consumer behavior. As a result, transaction volumes and operating receivables increased. In addition, operating profit exceeded the previous year’s level, reflecting the containment of credit loss-related expenses through more sophisticated credit screening and greater efficiency in receivables management. In the Mekong area, AFS worked in Thailand to acquire new customer segments and improve convenience through the rollout of a credit card that provides comprehensive support for life with pets and the introduction of long-term loans on deed. In Vietnam, the company expanded transaction volumes and receivables by strengthening promotions for personal loans. However, operating profit in the Mekong area declined year on year due to factors including higher credit-related costs. In the Malay area, AFS expanded its customer base by strengthening Group-wide membership and loyalty point strategies and enhancing the functionality of payment services. In its digital banking business, the company introduced generative AI-powered household budget management support functions and lending services for business operators, working to create new earnings opportunities. As a result, transaction volumes for individual installment financing and personal loans increased, resulting in higher revenue and profit.

Developer and Entertainment Business

The Developer and Entertainment Business recorded operating revenue of ¥354,238 million, an increase of 8.2% year on year, and operating profit of ¥54,247 million, an increase of ¥13,236 million year on year.

AEON Mall achieved higher revenue and profit, with operating revenue of ¥248,437 million, an increase of 6.7% year on year, and operating profit of ¥44,047 million, an increase of 37.9% year on year, supported by growth in tenant sales at existing malls in Japan and overseas and the contribution from new mall openings.

In Japan, AEON Mall worked to strengthen profitability through the revitalization of existing malls. Tenant sales at the 32 malls renovated during FY2025 and the first quarter of FY2026 increased 6.8% year on year, outperforming malls that were not renovated and demonstrating the steady effectiveness of revitalization investments. In revitalizing its malls, AEON Mall expanded non-merchandise categories such as food and beverage, services, and amusement, and introduced experiential tenants centered on hobby and entertainment, thereby diversifying reasons for customers to visit its malls and strengthening facility competitiveness. Furthermore, AEON Mall captured inbound tourism demand and strengthened its response mainly at malls in tourist areas and near airports. As a result, duty-free sales by tenants increased to approximately 1.5 times the level of the same period of the previous year. In addition to these initiatives, profitability improved as the company optimized various costs, including utilities. At AEON Hachioji Takiyama (Hachioji City, Tokyo), which opened in June, the company established a specialty store mix centered on a cinema, as well as a cutting-edge logistics hub operated by AEON Next Co., Ltd. and a pickup point for Green Beans. The facility also features an interactive outdoor space with one of the largest dog parks in Hachioji, strengthening its function as a community gathering place that goes beyond shopping.

Overseas, AEON Mall is expanding its business primarily in Vietnam, a priority growth market. In July, it opened AEON Mall Da Nang Thanh Khe in Da Nang, while advancing preparations for the openings of AEON Mall Thanh Hoa in Thanh Hoa and AEON Mall Ha Long in Quang Ninh. By building dominant market areas across northern, central, and southern Vietnam, the company is working to strengthen its competitive advantage through enhanced tenant leasing capabilities and the rollout of operational know-how across its mall network. Toward “Building a High-return Portfolio,” a priority under the Medium-term Plan, AEON Mall is steadily advancing both initiatives to improve earnings power through the revitalization of existing malls in Japan and growth investments centered on Vietnam.

AEON Fantasy achieved higher revenue and profit, with net sales of ¥52,374 million, an increase of 12.3% year on year, and operating profit of ¥4,156 million, an increase of 14.5% year on year, for the six months ended August 31, 2026, supported by strong performance in both its domestic and overseas businesses. In the domestic business, the core prize, capsule toy, and card segments performed strongly. AEON Fantasy also expanded openings of new formats, including the prize-game specialty store “Crane *Yokocho Kiwami* (a vibrant, prize-filled town),” the playgrounds “*Nobikko Jumbo* (kids playground)” and “*Chikyu no Niwa* (Garden on Earth),” and the “OYUGIWA” bathing facility business, contributing to sales growth.

In overseas operations, AEON Fantasy continued to shift to operations that emphasize improved profitability at existing stores and investment efficiency. In ASEAN, expansion of store openings, mainly in regional cities, and the revitalization of existing stores contributed to performance, with Thailand and Indonesia leading results. In China, profitability also improved as structural reforms progressed. As a result, net sales achieved a record high for the first six months of a fiscal year, while profit at all levels also reached record highs.

AEON Entertainment strengthened ODS (Other Digital Stuff), including live viewings and other non-film content, in addition to film screenings. Although attendance declined year on year due to the reactionary impact of a record-breaking hit film in the previous year, the expansion of independently sourced content, mainly higher-priced live-viewing content, drove ODS box-office revenue for the second quarter to 127.4% of the previous year’s level and attendance to 104.5%. In addition, stronger sales of food, beverage, and merchandise increased average spending per customer, and net sales for the six months ended August 31, 2026 increased 7.0% year on year. On the profit side, profitability improved, supported by growth in higher-margin food and beverage sales, improved labor productivity through the use of self-ordering systems, and optimization of selling, general and administrative expenses. As a result, operating profit increased 17.4% year on year. In Vietnam, AEON Entertainment is expanding film distribution, cinema operations, and merchandise and event IP initiatives. During the six months ended August 31, 2026, the company distributed 11 films through August and operated three cinemas. In Indonesia, the company established a local subsidiary and fully launched its film distribution business in July, thereby expanding its business foundation in ASEAN.

Services and Specialty Store Business

The Services and Specialty Store Business recorded operating revenue of ¥314,284 million, an increase of 1.6% year on year, and operating profit of ¥7,105 million, a decrease of ¥1,676 million year on year.

AEON DELIGHT CO., LTD. recorded steady sales growth of 1.0% year on year during the six months ended August 31, 2026. While the domestic business remained at approximately the same level as the previous year, the overseas business benefited from the consolidation effect of AEON Delight (Asia) Limited in China and new and additional contracts, mainly in Vietnam, in ASEAN. Operating profit, however, declined year on year, reflecting increases in personnel expenses and energy costs, as well as the fact that the benefits of price optimization were still in the process of materializing in some areas. Even under these business conditions, the company continued to consolidate demand within the Group and materials procurement, while achieving Group-wide cost reductions through proposals combining integrated management of multiple facilities with DX and labor-saving initiatives. In addition, the company is promoting productivity improvements by advancing smart maintenance, utilizing AI, and consolidating and standardizing back-office functions.

COX CO., LTD. (“COX”) recorded net sales of ¥7,304 million, a decrease of 2.3% year on year, and operating profit of ¥497 million, a decrease of 44.0% year on year. Store sales struggled due in part to unfavorable weather conditions. COX focused on key initiatives to expand store sales, grow e-commerce sales, and maintain and improve gross profit margin. These included new store openings, relocations and renovations of existing stores, training to strengthen sales capabilities, and stronger sales of products developed in collaboration with magazines.

International Business

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

The International Business recorded operating revenue of ¥315,187 million, an increase of 12.1% year on year, and operating profit of ¥5,619 million, an increase of ¥732 million year on year.

In Malaysia, amid continued cautious consumer spending, AEON CO. (M) BHD. maintained sales in its retail business at a level comparable to the same period of the previous year by expanding PB products and improving its merchandise mix. In the mall business, revenue increased, supported by the maintenance of high occupancy rates, optimization of the tenant mix, and an improved lease renewal rate. In addition, second-quarter sales in the online supermarket business, “myAEON2go,” remained steady at 102.4% of the previous year’s level. In Vietnam, AEON VIETNAM CO., LTD. (“AEON Vietnam”), a major Group company in the country, strengthened its integrated operating structure for its 11 GMS stores and 34 supermarkets and achieved a significant increase in profit by capturing the country’s economic growth. In addition, sales increased to 117.0% of the previous year’s level, supported by initiatives including sales campaigns designed to support customers’ daily lives. In the e-commerce business, the company maintained strong growth by expanding its product assortment and conducting online-exclusive promotions and joint campaigns with suppliers. As a result, the number of new customers increased to 136.6% of the previous year’s level, sales to 129.2%, and the number of orders to 157.3%.

In China, consumer frugality continued amid a sluggish real estate market and uncertainty over the employment environment, particularly among younger consumers. The business environment remained challenging due to weak performance of the “Haowu Jie” (“Good Finds Festival”) promotional campaign, introduced as an alternative to uniform-price sales, as well as sluggish sales of seasonal products caused by prolonged rainfall and low temperatures. By area, AEON STORES (HONG KONG) CO., LTD. secured higher profit through stronger promotional initiatives and expanded sales in priority categories. Meanwhile, at AEON (GUANGDONG) CO., LTD., lower customer traffic and challenges in promotional initiatives affected performance, while at QINGDAO AEON DONGTAI CO., LTD. (“Qingdao AEON”), intensified competition weighed on food sales. On the other hand, the Group continued structural reforms aimed at improving earnings power. Results of store model reforms have begun to emerge, with the new supermarket model featuring enhanced fresh food and delicatessen offerings generating higher customer traffic and improved sales per tsubo. The Group also strengthened O2O initiatives and expanded its online supermarket business, with online supermarket sales at Qingdao AEON increasing to 115.8% of the previous year’s level during the six months ended August 31, 2026. Going forward, the Group will continue to reform its store models and review unprofitable stores to improve profitability.

(2) Consolidated Financial Condition

Consolidated assets as of August 31, 2026 were ¥15,435,380 million, an increase of ¥65,721 million, or 0.4%, from the end of the previous fiscal year. The increase was mainly attributable to increases of ¥170,695 million in loans and bills discounted for banking business, ¥140,078 million in property, plant and equipment, and ¥128,342 million in notes and accounts receivable – trade, partially offset by a decrease of ¥373,443 million in cash and deposits.

Consolidated liabilities as of August 31, 2026 were ¥13,234,243 million, an increase of ¥68,852 million, or 0.5%, from the end of the previous fiscal year. The increase was mainly attributable to increases of ¥116,410 million in bonds payable, including the current portion, and ¥99,324 million in short-term loans payable, partially offset by a decrease of ¥156,878 million in notes and accounts payable – trade.

Consolidated net assets as of August 31, 2026 were ¥2,201,136 million, a decrease of ¥3,130 million, or 0.1%, from the end of the previous fiscal year.

The balance of cash and cash equivalents as of August 31, 2026, was ¥879,101 million, a decrease of ¥384,021 million from the end of the previous fiscal year.

Net cash used in operating activities amounted to ¥262,544 million. This was mainly attributable to an increase of ¥170,752 million in loans and bills discounted for banking business, a decrease of ¥163,662 million in trade payables, an increase of ¥129,632 million in trade receivables, and ¥66,528 million in income taxes paid, partially offset by ¥322,641 million in profit before income taxes adjusted for non-cash expenses such as depreciation.

Net cash used in investing activities amounted to ¥367,504 million. This was mainly attributable to ¥432,786 million in acquisition of securities for banking business and ¥249,002 million in purchase of non-current assets, partially offset by ¥348,620 million in proceeds from sale and redemption of securities in banking business.

Net cash provided by financing activities amounted to ¥144,735 million. This was mainly attributable to ¥257,170 million in proceeds from long-term loans payable and ¥176,643 million in proceeds from issuance of bonds, partially offset by ¥231,143 million in repayments of long-term loans payable and ¥61,041 million in redemption of bonds.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the fiscal year ending February 28, 2027 is unchanged from the forecast announced on April 9, 2026.

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

(4) Response of the AEON Group to the 2026 Kumamoto Earthquake

The AEON Group is working to determine the causes of the accidents, formulate and implement measures to prevent recurrence, and support the recovery and reconstruction of the affected areas.

- **Initiatives to Ensure Safety**

Following the accidents, the AEON Group placed the highest priority on the safety of customers and employees and conducted emergency voluntary safety inspections of gas equipment. The Group also conducted safety checks of gas equipment in the presence of gas utility representatives. Equipment in which abnormalities were identified was taken out of service and restored before being returned to use sequentially.

To determine the causes of the accidents and prevent recurrence, the Group established an Accident Investigation Committee consisting of external experts in fields including law, disaster prevention, gas equipment, and construction. The Committee is examining the circumstances leading up to the accidents, including cases in which individuals re-entered facilities before evacuation orders were lifted, while identifying operational issues. The Group will reflect the findings in future safety measures and efforts to strengthen its disaster response capabilities.

Based on lessons learned from the accidents, the Group is reviewing its disaster and accident response manuals. It is reorganizing procedures for evacuation guidance, confirmation of individuals' safety, equipment inspections, and the provision of relief supplies, while also revising rules regarding the carrying of valuables during evacuation. In addition, the Group is clarifying operational rules for managing re-entry into facilities and disseminating information, and will work to enhance its crisis response capabilities through drills and the rollout of these measures across Group companies. Upon receipt of the report from the Accident Investigation Committee, the Group will promptly disclose its contents and, based on the recommendations provided, proceed with the formulation of new disaster-prevention standards for the AEON Group in times of emergencies. In addition, the Group will review its facility management systems and operational rules and work to further enhance the safety of its commercial facilities and ensure the thorough prevention of recurrence.

- **Recovery and Reconstruction Support for Affected Areas**

The AEON Group carried out support activities to help affected communities rebuild their daily lives and achieve recovery and reconstruction as quickly as possible. From August 28 to September 18, the Group provided emergency meals at 34 facilities, including schools, in Yatsushiro City that were affected by the earthquake, helping secure approximately 10,000 meals per day. The Group also deployed water trucks, primarily in the Uki and Yatsushiro areas affected by water outages, while continuously providing drinking water and daily necessities.

In Kashima Town, Kamimashiki District, the Group installed a mobile ATM at the town office to provide financial services to residents in areas where access to ATMs had become difficult, among other initiatives to support daily life in the affected communities. In addition, donation boxes were installed and donations via electronic money were accepted at Group stores nationwide, while employees called for donations at stores, expanding the circle of support together with customers.

The "Loss on disaster" presented in the semi-annual consolidated statement of income for the six months ended August 31, 2026 mainly represents losses resulting from damage caused by the 2026 Kumamoto Earthquake, based on information available as of August 31, 2026.

2. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheets

	(Millions of yen)	
	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	1,350,037	976,594
Call loans	1,396	1,230
Notes and accounts receivable – trade	1,887,611	2,015,953
Securities	1,289,102	1,307,467
Inventories	829,524	815,405
Operating loans receivable	663,896	657,974
Loans and bills discounted for banking business	3,197,412	3,368,107
Other	598,660	605,581
Allowance for doubtful accounts	(139,936)	(141,767)
Total current assets	9,677,706	9,606,548
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,880,897	1,931,622
Tools, furniture and fixtures, net	319,675	335,172
Land	1,138,073	1,150,900
Construction in progress	114,055	151,486
Other, net	488,854	512,452
Total property, plant and equipment	3,941,556	4,081,634
Intangible assets		
Goodwill	270,803	263,247
Software	215,412	211,587
Other	110,120	108,724
Total intangible assets	596,336	583,559
Investments and other assets		
Investment securities	263,609	265,990
Retirement benefit asset	100,707	106,588
Deferred tax assets	174,536	170,372
Guarantee deposits	426,906	423,080
Other	192,439	201,760
Allowance for doubtful accounts	(4,140)	(4,155)
Total investments and other assets	1,154,058	1,163,637
Total non-current assets	5,691,952	5,828,832
Total assets	15,369,658	15,435,380

	(Millions of yen)	
	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,475,963	1,319,085
Deposits for banking business	5,474,093	5,430,849
Short-term loans payable	370,857	470,182
Current portion of long-term loans payable	469,807	435,687
Current portion of bonds payable	170,517	194,036
Commercial papers	5,932	11,921
Income taxes payable	71,703	51,689
Provision for bonuses	50,817	47,945
Provision for loss on store closing	17,273	8,466
Provision for point card certificates	7,967	7,691
Other provisions	2,238	971
Notes payable – facilities	56,013	72,601
Other	1,112,364	1,125,498
Total current liabilities	9,285,550	9,176,628
Non-current liabilities		
Bonds payable	1,105,261	1,198,153
Long-term loans payable	1,845,194	1,912,966
Deferred tax liabilities	27,223	33,434
Provision for loss on store closings	9,149	8,137
Provision for loss on interest repayment	698	563
Other provisions	209	226
Retirement benefit liability	19,346	20,263
Asset retirement obligations	142,367	146,984
Long-term guarantee deposits	275,444	280,007
Other	454,944	456,879
Total non-current liabilities	3,879,840	4,057,615
Total liabilities	13,165,391	13,234,243

	(Millions of yen)	
	As of February 28, 2026	As of August 31, 2026
Net assets		
Shareholders' equity		
Share capital	220,007	220,007
Capital surplus	338,309	333,012
Retained earnings	473,986	467,923
Treasury shares	(6,607)	(6,223)
Total shareholders' equity	1,025,696	1,014,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,583	(15,226)
Deferred gains or losses on hedges	12,764	23,293
Foreign currency translation adjustment	151,417	172,295
Remeasurements of defined benefit plans	26,959	24,264
Total accumulated other comprehensive income	192,725	204,626
Share acquisition rights	1,751	1,531
Non-controlling interests	984,094	980,258
Total net assets	2,204,267	2,201,136
Total liabilities and net assets	15,369,658	15,435,380

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income
Semi-annual Consolidated Statements of Income

	(Millions of yen)	
	Six months ended August 31, 2025	Six months ended August 31, 2026
Operating revenue		
Net sales	4,521,591	5,163,594
Operating revenue from Financial Services Business	236,729	264,531
Other operating revenue	431,648	476,030
Total operating revenue	5,189,970	5,904,157
Operating costs		
Cost of sales	3,241,891	3,716,346
Operating cost from Financial Services Business	47,810	57,615
Total operating costs	3,289,702	3,773,961
Gross profit	1,279,699	1,447,248
Operating gross profit	1,900,267	2,130,195
Selling, general and administrative expenses	1,782,138	1,999,452
Operating profit	118,129	130,743
Non-operating income		
Interest income	2,476	2,947
Dividend income	2,343	2,018
Share of profit of entities accounted for using equity method	4,682	2,505
Other	11,484	9,925
Total non-operating income	20,986	17,396
Non-operating expenses		
Interest expenses	23,641	34,048
Other	9,006	5,798
Total non-operating expenses	32,647	39,847
Ordinary profit	106,468	108,292
Extraordinary income		
Gain on sale of non-current assets	348	1,099
Gain on sale of investment securities	790	263
Gain on sale of shares of subsidiaries and associates	3,299	1,092
Gain on revision of retirement benefit plan	—	2,890
Other	2,961	1,672
Total extraordinary income	7,399	7,018
Extraordinary losses		
Impairment losses	12,402	5,965
Loss on retirement of non-current assets	1,907	1,609
Loss on disaster	6	4,198
Loss on sale of shares of subsidiaries and associates	8,487	127
Provision for loss on store closings	6,372	3,561
Other	1,798	2,061
Total extraordinary losses	30,974	17,523
Profit before income taxes	82,893	97,787
Income taxes – current	50,396	46,484
Income tax – deferred	727	4,021
Total income taxes	51,124	50,505
Profit	31,769	47,281
Profit attributable to non-controlling interests	27,721	33,960
Profit attributable to owners of the parent	4,048	13,321

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Profit	31,769	47,281
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,710)	(36,355)
Deferred gains or losses on hedges	13,608	21,055
Foreign currency translation adjustment	(40,243)	18,781
Remeasurements of defined benefit plans, net of tax	(368)	(4,507)
Share of other comprehensive income of entities accounted for using equity method	431	(41)
Other comprehensive income	(47,282)	(1,066)
Comprehensive income	(15,513)	46,214
Comprehensive income attributable to:		
Owners of the parent	3,217	25,223
Non-controlling interests	(18,730)	20,991

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	82,893	97,787
Depreciation	177,065	200,299
Amortization of goodwill	8,925	11,499
Increase (decrease) in allowance for doubtful accounts	(5,416)	2,169
Increase (decrease) in provision for loss on interest repayment	(265)	(135)
Increase (decrease) in provision for bonuses	(2,483)	(3,695)
Increase (decrease) in retirement benefit liability	(120)	(2,137)
Decrease (increase) in retirement benefit asset	(3,204)	(9,808)
Interest and dividend income	(4,819)	(4,966)
Interest expenses	23,641	34,048
Share of loss (profit) of entities accounted for using equity method	(4,682)	(2,505)
Impairment losses	12,402	5,965
Loss (gain) on sale of shares of subsidiaries and associates	5,188	(964)
Decrease (increase) in trade receivables	(173,787)	(129,632)
Decrease (increase) in inventories	9,183	19,030
Decrease (increase) in operating loans receivable	(7,417)	(1,882)
Decrease (increase) in loans and bills discounted for banking business	(35,941)	(170,752)
Increase (decrease) in trade payables	327,078	(163,662)
Increase (decrease) in deposits for banking business	308,460	(43,244)
Increase/decrease in other assets/liabilities	142,962	(41,120)
Other, net	34,386	35,608
Subtotal	894,050	(168,100)
Interest and dividends received	6,387	6,480
Interest paid	(23,095)	(34,395)
Income taxes paid	(61,074)	(66,528)
Net cash provided by (used in) operating activities	816,268	(262,544)

	(Millions of yen)	
	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from investing activities		
Purchase of securities	(11,981)	–
Proceeds from sale and redemption of securities	2,444	–
Acquisition of securities for banking business	(481,257)	(432,786)
Proceeds from sale and redemption of securities in banking business	193,850	348,620
Purchase of non-current assets	(263,458)	(249,002)
Proceeds from sale of non-current assets	1,502	6,388
Purchase of investment securities	(3,875)	(674)
Proceeds from sale of investment securities	6,342	1,487
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(507)	(1,364)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	45	24
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	–	165
Payments of guarantee deposits	(6,711)	(7,908)
Proceeds from refund of guarantee deposits	33,604	11,829
Guarantee deposits received	12,756	18,637
Refund of guarantee deposits received	(10,969)	(15,657)
Other, net	(66,892)	(47,261)
Net cash provided by (used in) investing activities	(621,928)	(367,504)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans and commercial papers	683	99,980
Proceeds from long-term loans payable	306,304	257,170
Repayments of long-term loans payable	(175,632)	(231,143)
Proceeds from issuance of bonds	34,033	176,643
Redemption of bonds	(110,859)	(61,041)
Proceeds from share issuance to non-controlling shareholders	2,228	1,039
Repayments to non-controlling shareholders	(797)	(649)
Repayments of lease obligations	(39,279)	(44,413)
Dividends paid	(17,222)	(19,384)
Dividends paid to non-controlling interests	(15,777)	(16,884)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(71,692)	(16,531)
Other, net	(129)	(49)
Net cash provided by (used in) financing activities	(88,140)	144,735
Effect of exchange rate change on cash and cash equivalents	(12,271)	100,856
Net increase (decrease) in cash and cash equivalents	93,927	(384,456)
Cash and cash equivalents at beginning of period	1,172,102	1,263,123
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	434
Cash and cash equivalents at end of period	1,266,029	879,101

(4) Notes to Semi-annual Consolidated Financial Statements

Going Concern Assumption

Not applicable

Significant Changes in Shareholders' Equity

Six months ended August 31, 2025

During the six months ended August 31, 2025, capital surplus increased by ¥147,913 million mainly due 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 Company's additional acquisition of shares of AEON DELIGHT CO., LTD. as a result of a tender offer for those shares. The change reflected increases of ¥247,159 million due to the issuance of new shares and ¥19,342 million due to the disposal of treasury shares, partially offset by a decrease of ¥118,588 million due to changes in the parent's ownership interest arising from transactions with non-controlling interests.

As a result, capital surplus amounted to ¥446,264 million as of August 31, 2025.

Six months ended August 31, 2026

Not applicable.

Segment and Other Information

[Segment Information]

I. 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	Developer and Entertainment	Services and Specialty Store
Operating revenue:							
Revenue attributable to customers	1,775,019	1,537,606	216,497	681,486	236,729	285,866	196,559
Intersegment revenue or transfers	43,653	7,475	553	417	39,641	41,461	112,722
Total	1,818,672	1,545,082	217,050	681,904	276,371	327,328	309,281
Segment income (loss)	(225)	12,886	3,697	22,707	26,968	41,011	8,781

	Reportable segment		Other (Note 1)	Total	Adjustments (Notes 2&3)	Reported in the semi-annual consolidated statement of income (Note 4)
	International	Total				
Operating revenue:						
Revenue attributable to customers	278,956	5,208,722	11,485	5,220,207	(30,237)	5,189,970
Intersegment revenue or transfers	2,302	248,227	27,134	275,361	(275,361)	–
Total	281,259	5,456,950	38,619	5,495,569	(305,599)	5,189,970
Segment income (loss)	4,887	120,715	(5,321)	115,394	2,734	118,129

Notes: 1. The “Other” category represents business segments not included in the reportable segments, and includes the digital business.

2. Main components of minus ¥30,237 million in adjustments to revenue attributable to customers are as follows:

- (i) an adjustment of minus ¥59,858 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 semi-annual consolidated statement of income as they represent incidental revenue, and
- (ii) operating revenue of ¥29,550 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.

3. Main components of ¥2,734 million in adjustments to segment income (loss) are as follows:

- (i) ¥2,735 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
- (ii) ¥413 million in income of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
- (iii) Minus ¥1,706 million in the elimination of intersegment transactions.

4. Segment income (loss) is reconciled with operating profit in the semi-annual consolidated statement of income.

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

Significant impairment losses on non-current assets

During the six months ended August 31, 2025, impairment losses of ¥6,826 million were recorded in the Financial Services Business segment.

Significant changes in the amount of goodwill

There were no significant changes.

Significant gain on negative goodwill

Not applicable.

II. Six Months Ended August 31, 2026 (March 1–August 31, 2026)

1. Operating revenue and income/loss by reportable segment

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Developer and Entertainment	Services and Specialty Store
Operating revenue:							
Revenue attributable to customers	1,818,132	1,519,518	218,015	1,277,195	264,531	311,323	199,297
Intersegment revenue or transfers	47,213	6,873	642	702	43,161	42,915	114,987
Total	1,865,345	1,526,391	218,657	1,277,897	307,693	354,238	314,284
Segment income (loss)	(12,631)	(176)	455	59,690	26,076	54,247	7,105

	Reportable segment		Other (Note 1)	Total	Adjustments (Notes 2&3)	Reported in the semi-annual consolidated statement of income (Note 4)
	International	Total				
Operating revenue:						
Revenue attributable to customers	312,812	5,920,825	18,064	5,938,889	(34,732)	5,904,157
Intersegment revenue or transfers	2,375	258,871	29,405	288,276	(288,276)	–
Total	315,187	6,179,696	47,469	6,227,166	(323,009)	5,904,157
Segment income (loss)	5,619	140,387	(7,565)	132,822	(2,079)	130,743

Notes: 1. The “Other” category represents business segments not included in the reportable segments, and includes the digital business.

2. Main components of minus ¥34,732 million in adjustments to revenue attributable to customers are as follows:

- (i) an adjustment of minus ¥63,402 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 semi-annual consolidated statement of income as they represent incidental revenue, and
- (ii) operating revenue of ¥28,509 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.

3. Main components of minus ¥2,079 million in adjustments to segment income (loss) are as follows:

- (1) ¥771 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
- (2) Minus ¥851 million in loss of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
- (3) Minus ¥1,999 million in the elimination of intersegment transactions.

4. Segment income (loss) is reconciled with operating profit in the semi-annual consolidated statement of income.

2. Matters related to changes in reportable segments

Due to organizational changes, effective from the six months ended August 31, 2026, the Company changed the name of the “Shopping Center Development” Business to the “Developer and Entertainment” Business, and reclassified certain subsidiaries previously included in the “Services and Specialty Store” Business to the “Developer and Entertainment” Business.

Segment information for the six months ended August 31, 2025 has been prepared based on the revised classification method.

3. Information on impairment losses on non-current assets, goodwill, etc. by reportable segment

Significant impairment losses on non-current assets

There were no significant impairment losses.

Significant changes in the amount of goodwill

There were no significant changes.

Significant gain on negative goodwill

Not applicable.