FY2018 3rd Quarter

Presentation Materials

January 9, 2019

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Consolidated Results (9 month period of FY2018)

Profit attributable to owners of the parent : Marking a return to nine-month profitability for the first time in four years

(billion yen)

	FY2018 3Q	FY2017 3Q	YoY % /change
Operating Revenue	6,339.3	6,206.5	+2.1%
Operating Profit	109.0	102.7	+6.2
Ordinary Profit	110.2	105.1	+5.1
Profit attributable to owners of the parent	0.6	-4.4	+5.0

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Operating Results by Business Segment (9 month period of FY2018)

Operating revenue: Increase in all business segments
Operating profit: Increase in five business segments

(billion yen)

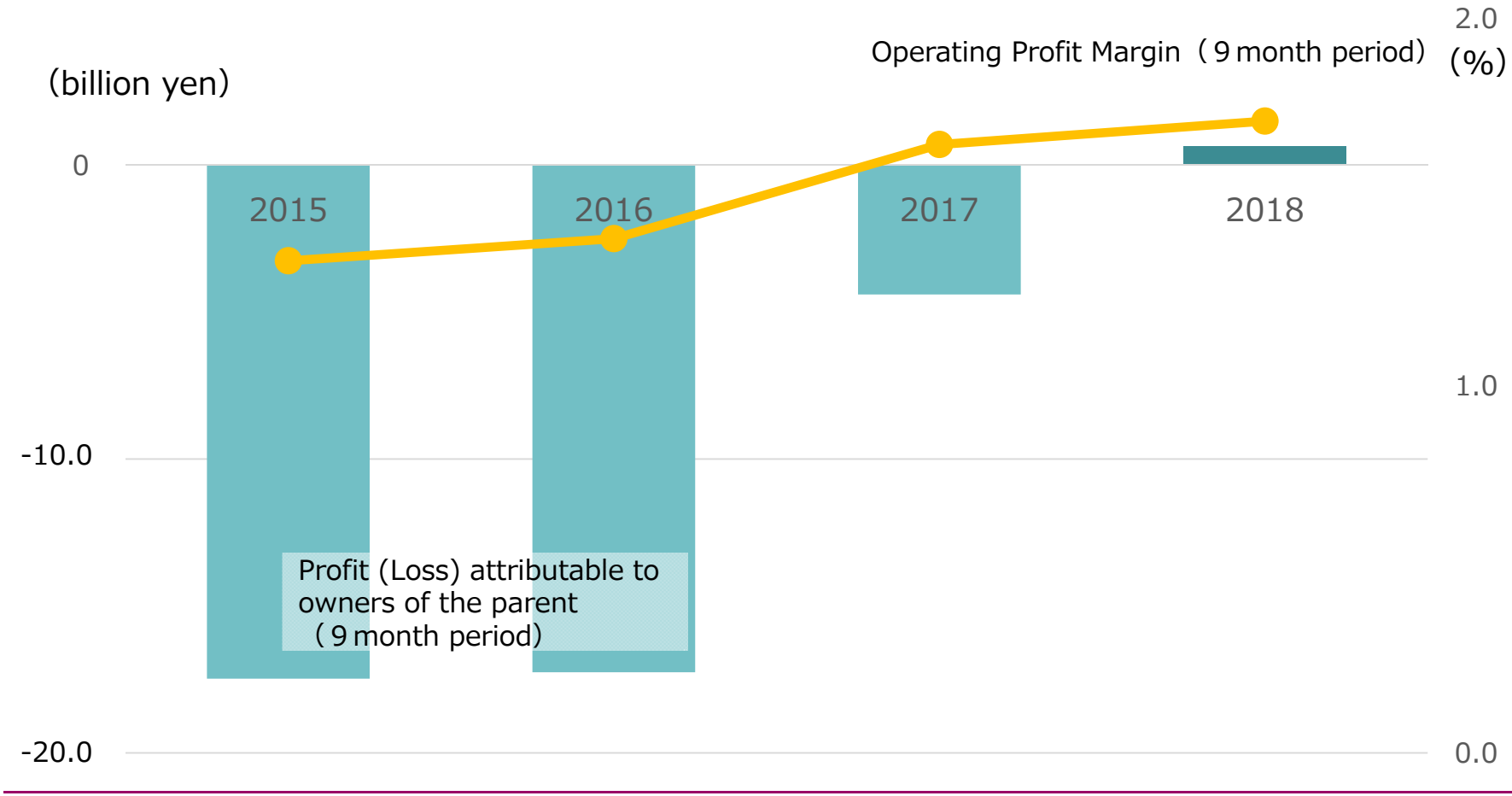
	Operating Revenue	YoY %	Operating Profit	YoY change
Consolidated total	6,339.3	+2.1	109.0	+6.2
GMS	2,272.9	+0.3	-18.8	+2.2
SM	2,429.8	+0.5	13.1	+0.5
Health & Wellness	589.9	+12.1	17.3	-0.0
Financial Services	320.4	+8.9	47.4	+3.3
Shopping Center Development	266.4	+7.7	37.0	+2.6
Services & Specialty Store	576.9	+1.1	13.4	-4.6
International	330.1	+7.6	-0.1	+2.7

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Consolidated Results（9 month period of FY2018）

Steady improvement in profit (loss) attributable to owners of the parent
in conjunction with profitability improvement on the operating profit margin

【Year to year changes in operating profit margin（line graph）and profit (loss) attributable to owners of the parent（bar graph)】



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Consolidated Results（3 month period of FY2018）

Securing an operating profit increase in spite of negative influence
By higher temperature than usual

(billion yen)

	FY2018 3Q	FY2017 3Q	YoY % /change
Operating Revenue	2,072.9	2,037.9	+1.7%
Operating Income	19.1	17.7	+1.3
Ordinary Income	19.3	19.5	-0.1
Profit attributable to owners of the parent	-9.9	-8.6	-1.3

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Operating Results by Business Segment (3 month period of FY2018)

Growth in Financial Services business and International business compensated for delays in the operating results of the domestic retail operations due to higher temperature

(billion yen)

	Operating revenue	YoY %	Operating income	YoY change
Consolidated total	2,072.9	+1.7	19.1	+1.3
GMS	738.2	-0.6	-12.9	-1.8
SM	799.9	+0.7	2.0	+0.3
Health & Wellness	195.0	+9.8	3.6	-0.6
Financial Services	108.6	+12.8	15.5	+4.3
Shopping Center Development	88.2	+7.2	11.6	+0.6
Services & Specialty Store	181.6	+0.8	-0.2	-2.2
International	109.6	+6.5	-0.6	+0.9

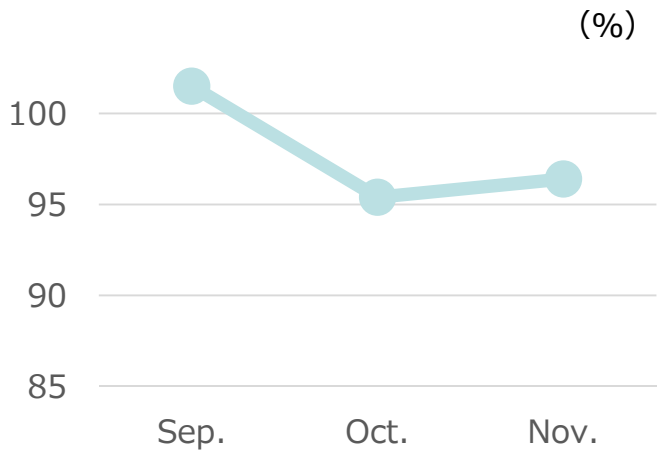
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Implementing measures to enhance customer convenience and acquire new customers

【FY2018 3Q （9 months）results（billion yen, %)】

Operating Revenue	YoY same store sales (%)	Gross profit margin (YoY change)	Same store SG&A (YoY %)	Operating profit	YoY change
1,608.6	99.7 (98.6)	26.1 (+0.1)	99.4	-13.8	**+0.9**

【YoY of same store sales】





Nov.1~15
Cyber "e" Sale
YoY sales : 119%

Approximately 25% of customers at the time of the sales were customers who do not shop at AEON on a daily or frequent basis※



Nov.23~25
Black Friday Sale
YoY sales : 117%



Nov.3~
Started in-store pickup service of merchandise ordered and paid for on AEON's e-commerce site
(approximately at 400 stores)

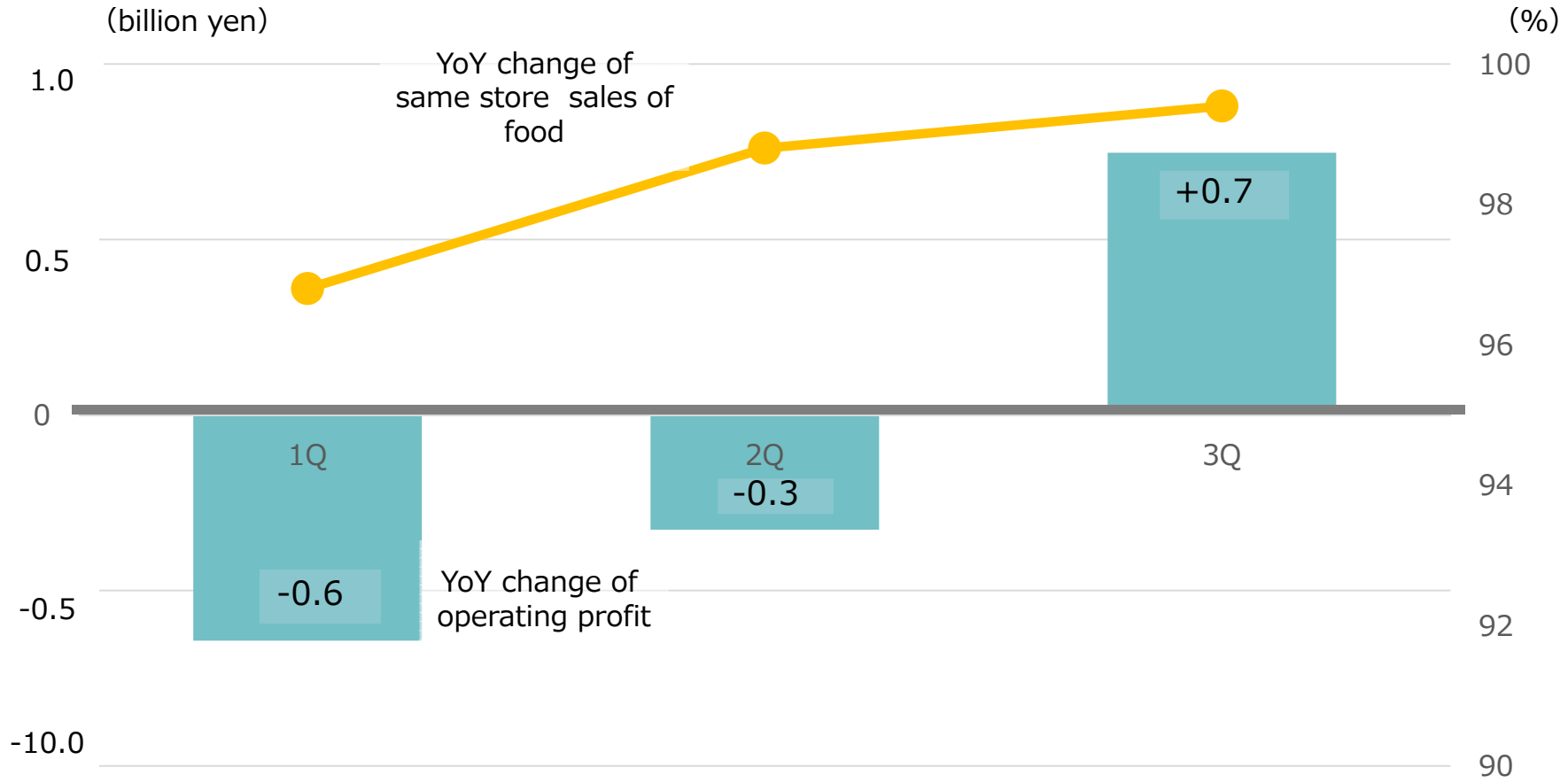
※Store visit of membership customers: Customers who have not visit AEON stores for more than 2 months＋new members

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Operating Results of Daiei (quarterly trend)

Improvement in sales by the penetration of a sales promotion measure targeting seniors
Profitability improved by cost efficiency.

【Quarterly trend of YoY change of same store sales of food and YoY change of operating profit】



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Operating results of overseas operations by company (9 month period of FY2018)

AEON CREDIT SERVICE (M) BERHAD

(billion yen) (Financial services)

YoY change of operating profit	Overview
※ **+2.1**	・Increase in transaction volume accompanying repeal of a goods and services tax (GST) in June 2018 Continued promoting acquisition of middle-income customers by issuing a platinum credit card, enhancing the personal financing with risk based pricing after introducing a sales and services tax (SST) in September 2018 YoY transaction volume of credit card transactions and financing :126.4% ・Promoting cashless payment by launching E-wallet & E-money payment service in October 2018 ※YoY change of Profit before tax of 3Q consolidated results of AEON CREDIT SERVICE(M)BERHAD

AEON CO. (M) BHD.

(International)

YoY change of operating profit	Overview
※ **+0.4**	・Increase in sales accompanied by last-minute purchasing of daily necessities and big-ticket goods between the repeal of GST and introduction of SST Increase in operating revenue reflecting the success of the promotion of “Price Lock” which maintain the price of daily necessities after the introduction of SST in September 2018 ※YoY change of Profit from Operation of 3Q consolidated results of AEON CO.(M)BHD.

AEON Mall (Overseas)

(Shopping center development)

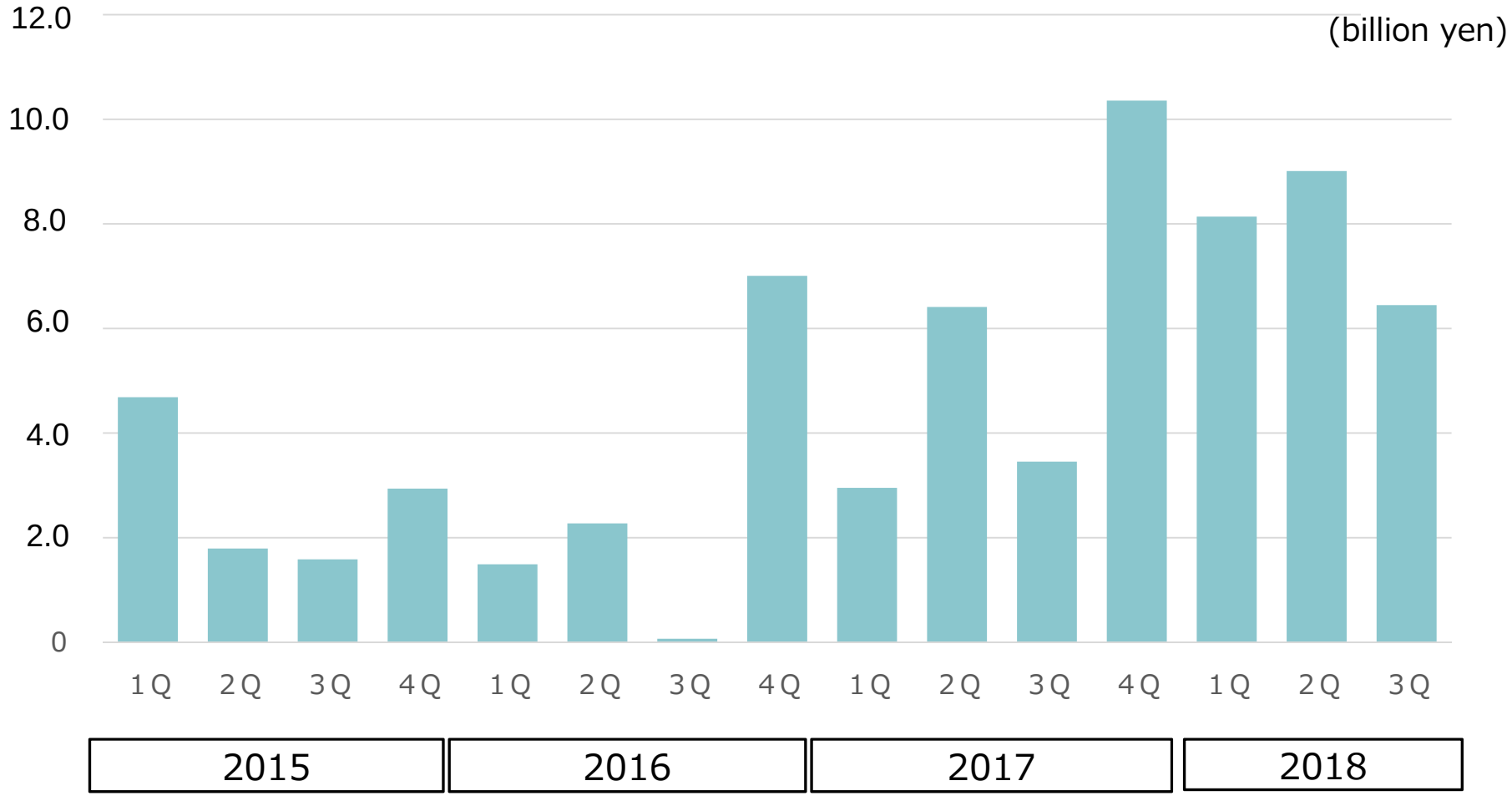
YoY change of operating profit	Overview
+1.2 ※ (China+0.6, ASEAN+0.6)	・Increase in customer-drawing power as a result of progress with a market dominance store-opening strategy in ASEAN countries and “Beijing Tianjin”, “Jiangsu Zhejiang”, Hubei, and Guangdong” area in China Enjoying branding benefits such as introducing excellent specialty stores ※YoY change of overseas operating profit of 3Q consolidated results of AEON Mal Co., Ltd.

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Operating Results of Overseas (quarterly trend)

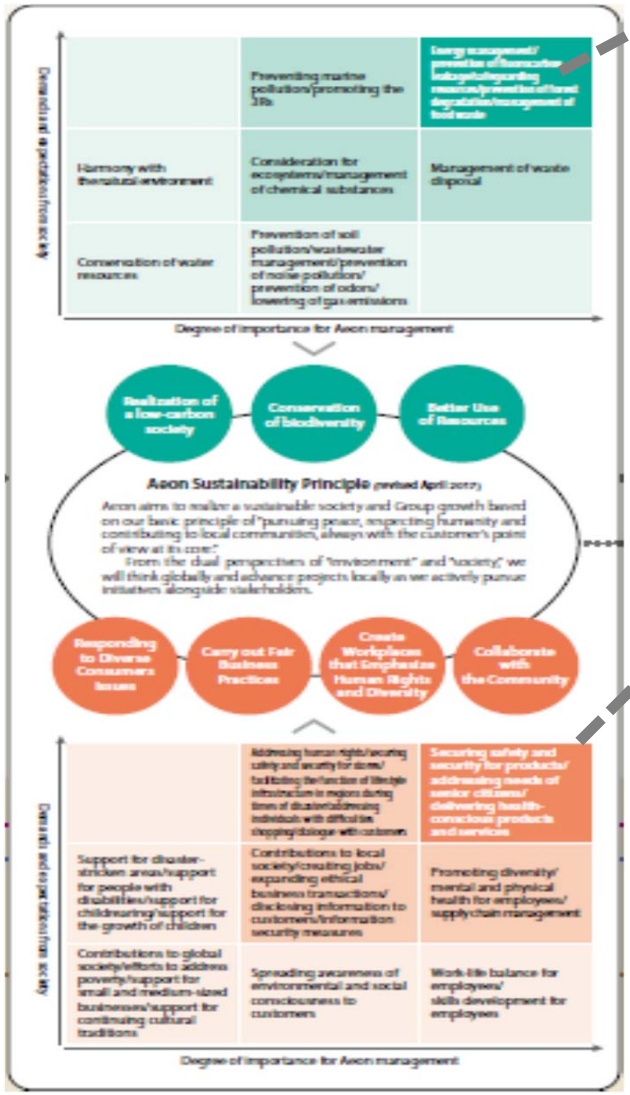
Steady improvement in overseas profit contributes the consolidated operating results

【Operating profit of overseas（quarterly trend）】



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ESG Initiatives（Major initiatives in FY2018 3rd Quarter）



Energy/Climate change/Global warming/Depletion of resources/Food wastes

(Energy) Basic agreement regarding new service for utilization of renewable energy
https://www.aeon.info/news/release_11296/

(Depletion of resources) Launched GLOBALG.A.P. Number (GGN)-labeled products
https://www.aeon.info/news/release_8935/

(Food wastes) Food waste reduction campaign at AEON stores
https://www.aeon.info/news/release_9478/

Health/Hygiene/Product safety/Disaster prevention･community development/Aging society/Vulnerable shoppers

(Aging society) Holding educational events regarding dementia https://www.aeon.info/news/release_9505/

(Hygiene) Introducing new equipment at food floor of AEON Style Sendai-oroshimachi for institutionalization of HACCP https://www.aeonretail.jp/pdf/180710R_1_3.pd

(Disaster prevention) Mutual agreements regarding disaster with SECOM
https://www.aeon.info/news/release_11071/

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ESG Initiatives (Stakeholders Communications)

AEON Report 2018（Integrated report）

https://www.aeon.info/ir/library/aeon-report/



【Sustainable Management Briefing (ESG Briefing)】（To be held on January 22, 2019）

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FY2018 Forecasts

Billion yen)

	FY2018 Forecasts	YoY %	YoY changes
Operating Revenue	8,700.0	+3.7%	+309.9
Operating Profit	240.0	+14.1%	+29.7
Ordinary Profit	240.0	+12.3%	+26.2
Profit attributable to owners of the parent	35.0	+42.7%	+10.4

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AEON

Reference Materials

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Segment Change

FY2017	Inter-segment changes	FY2018
GMS		GMS
SM		SM
Drugstore & Pharmacy	Cosmeme CO., LTD. AEON BODY Co., Ltd. R.O.U CO., LTD. AEON FOREST CO., LTD.	Health & Wellness ※Change in segment name
Financial Services		Financial Services
Shopping Center Development		Shopping Center Development
Services & Specialty Store		Services & Specialty Store
International		International



※AEON.com Co., Ltd. in GMS business was transferred to other business.

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FY2018 3Q Consolidated Balance Sheets

(Billion yen)

Assets (main items only)	2018/2	2018/11	Change from '18/2
Cash and deposits	918.0	737.6	▲ 180.3
Notes and accounts receivable - trade (incl. installment receivables)	1,292.1	1,539.7	+247.6
Inventories	600.2	626.1	+25.8
Operating loans, Loans and bills discounted for banking business	2,167.5	2,365.8	+198.3
Property, buildings and equipment	2,755.1	2,874.4	+119.3
Investments and other assets	928.4	936.4	+8.0
Total assets	9,452.7	10,069.6	+616.9

Liabilities and net assets (main items only)	2018/2	2018/11	Change from '18/2
Notes and accounts payable – trade	906.1	981.2	+75.0
Interest bearing debt (excl. finance subsidiary)	1,534.6	1,665.0	+130.4
Interest bearing debt (finance subsidiary)	809.7	892.8	+83.1
Deposits for banking business	3,007.2	3,362.6	+355.4
Total liabilities	7,536.0	8,219.2	+683.2
Shareholder's equity	1,061.9	1,026.7	▲ 35.2
Total net assets	1,916.7	1,850.3	▲ 66.3
Total net assets and liabilities	9,452.7	10,069.6	+616.9

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Forecast of Dividend Payments

		FY2017 Results	FY2018
Dividend per share / year	End of second quarter	Ordinary dividend 15yen	Ordinary dividend 17yen
	Year-end	Ordinary dividend 15yen	Ordinary dividend 17yen (forecast)
	Total	Ordinary dividend 30yen	Ordinary dividend 34yen (forecast)

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FY2018 9month Period Result of Daiei and ex-Daiei GMS

(Billion yen)

Business segment	Company name	Operating Revenue		Operating Profit	
		Results	YoY %	Results	YoY changes
GMS	AEON Retail store ※Former Daiei GMS in Kanto, Kinki, and Nagoya region	102.3	-2.7%	-5.5	+1.1
	AEON Store Kyushu ※Former Daiei GMS in Kyushu	42.2	+0.7%	-1.3	+0.1
SM	Daiei	211.4	-3.4%	-4.4	-0.2

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