

FY2022 3Q

Presentation Materials

January 13, 2023

- (3 months) Despite higher-than-expected increases in raw material prices and electricity (energy) costs, operating revenue reached a record high, and operating profit and ordinary profit increased.
- (9 months) Operating revenue and operating profit **reached record highs.** Profit attributable to owners of the parent **improved from the previous year.**

(billion yen)

	3Q (3 months)		3QT (9 months)	
	Results	YoY % / change*	Results	YoY % / change*
Operating Revenue	2,234.6	106.1%	6,721.7	104.2%
Operating Profit	16.8	+5.3	112.6	+23.4
Ordinary Profit	12.2	+6.2	107.5	+23.6
Profit attributable to owners of the parent	-21.7	-8.1	-3.6	+5.2

Impact from the application of revenue recognition standard;

(3 months) Operating Revenue - 46.0B, Operating Profit -0.05B, Ordinary Profit -0.2B

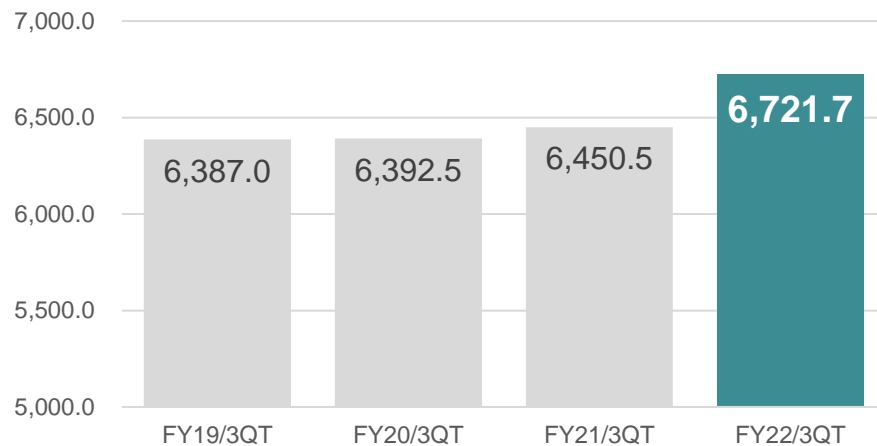
(9 months) Operating Revenue - 132.4B, Operating Profit +0.7B, Ordinary Profit -0.1B

Consolidated Results (9 months)



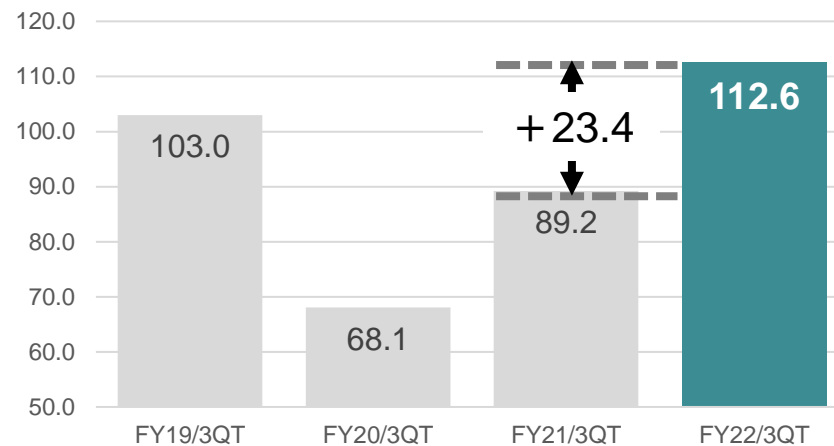
- Operating revenue and **all profit levels** exceeded FY2019 before the COVID-19 pandemic.
- Higher raw material costs and electricity costs were absorbed by a recover in sales and controlling SG&A expenses.

Operating Revenue

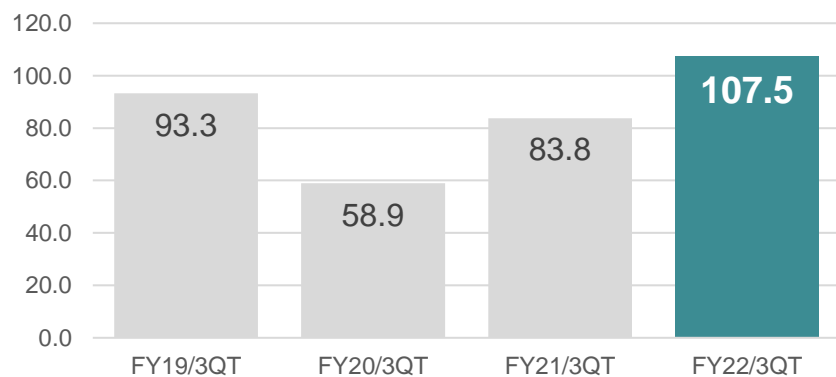


Operating Profit

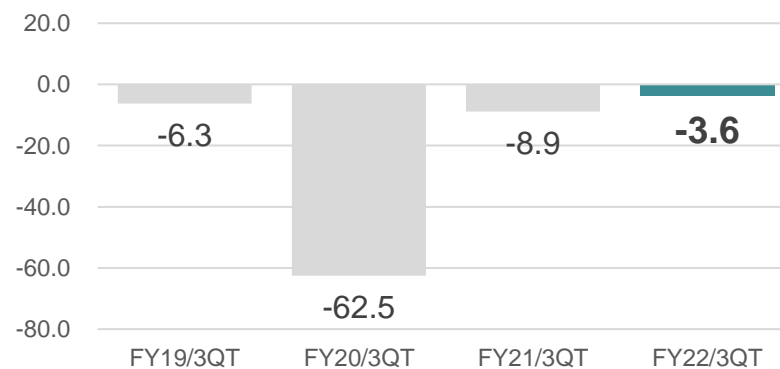
(billion yen)



Ordinary Profit



Profit attributable to owners of the parent



Results by Segment (9 months)



Operating revenue: YoY increase in five business segments

Operating profit: YoY increase or profitability improvement in five business segments

Results by Segment

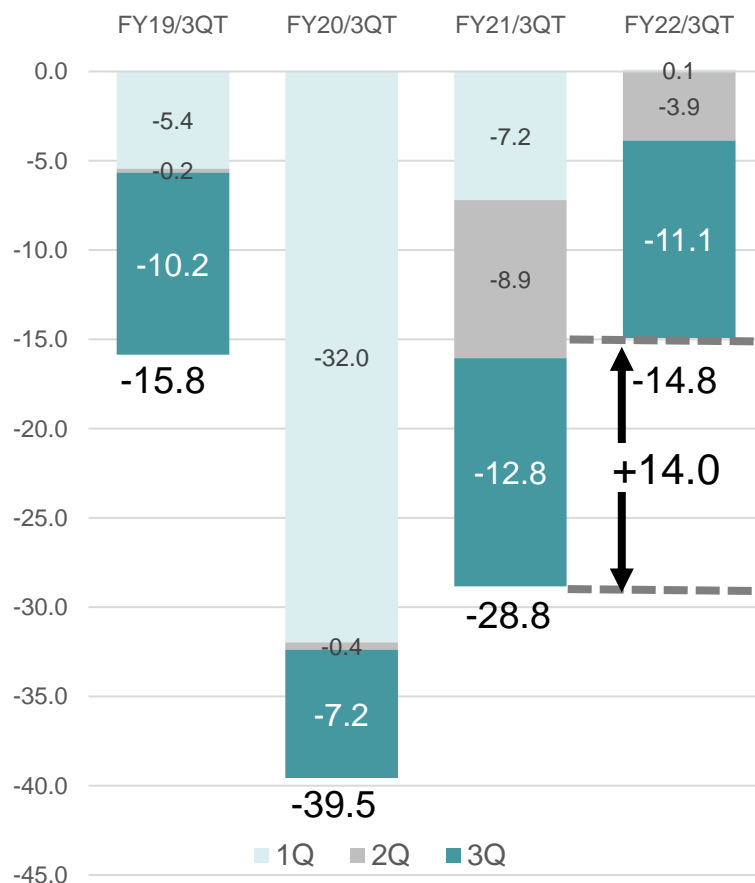
(billion yen)

	Operating Revenues	YoY %*	Operating Profit	YoY change*
Consolidated total	6,721.7	104.2%	112.6	+23.4
General Merchandising Store (GMS)	2,391.6	98.4%	-14.8	+14.0
Services & Specialty Store	566.8	110.8%	6.0	+10.3
International	370.3	122.4%	8.9	+8.2
Shopping Center Development	328.1	121.3%	33.3	+4.9
Health & Wellness	850.0	111.8%	30.8	+1.9
Discount Store (DS)	285.7	98.1%	1.2	0.0
Financial Services	334.3	95.5%	42.6	-3.8
Supermarket (SM)	1,959.8	103.8%	7.4	-9.0

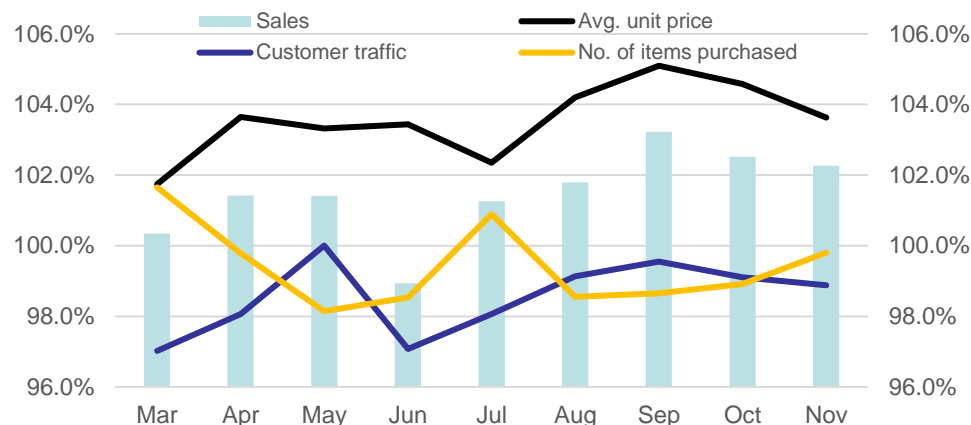
Results by Segment (9 months)

• Operating profit improved by 14 billion yen year-on-year, exceeding the pre-COVID-19 pandemic level, driven by the Health & Beauty Care (H&BC) and Food divisions, which strategically strengthened growth categories and Topvalu.

Segment Operating Profit*1 (billion yen)



GMS: Same-store sales YoY*2



Aeon Retail: same-store sales YoY, and gross profit margin

(%, pt.)	Apparel	Food	Household & recreational	H&BC	Total
YoY same-store sales	105.0	100.5	96.6	103.6	101.3
YoY gross profit margin	+2.1	+0.1	-0.1	+1.7	+0.6

Topvalu food sales in Aeon Retail

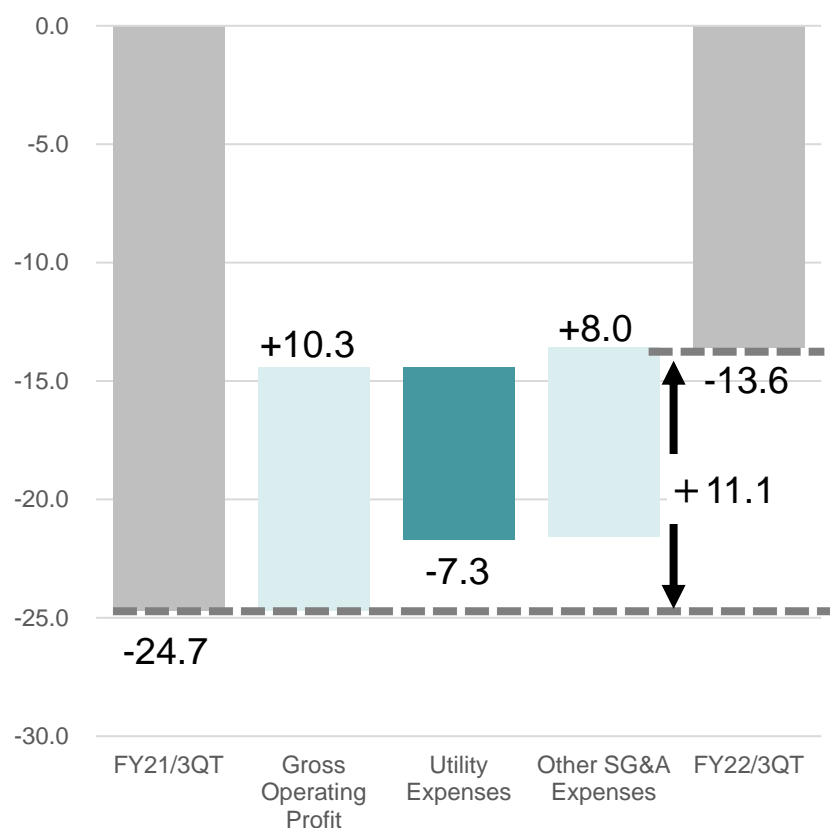
(%)	3 months	9 months
YoY	108.2	106.7

GMS Business (Aeon Retail)



- Significant improvement in operating profit due to inventory and fixed cost reductions from structural reforms
- Absorbed the impact of higher electricity costs by reducing consumption and controlling total SG&A expenses

Factors of operating profit improvement* (billion yen)



Gross operating profit margin* (%)

	2022	2021	YoY
9 months	28.0	27.6	+0.4

Inventory turnover days by department line* (day)

	Apparel	Food	Household & recreational	H&BC	Total
2019 9 months	117.7	11.2	122.8	67.4	46.0
2022 9 months	92.0	8.6	102.8	61.3	32.7

Increase of utility expenses*

	2022.1Q	2022.2Q	2022.3Q
YoY	+1.9	+2.4	+3.0

*Excluding Tohoku business and commodity procurement.

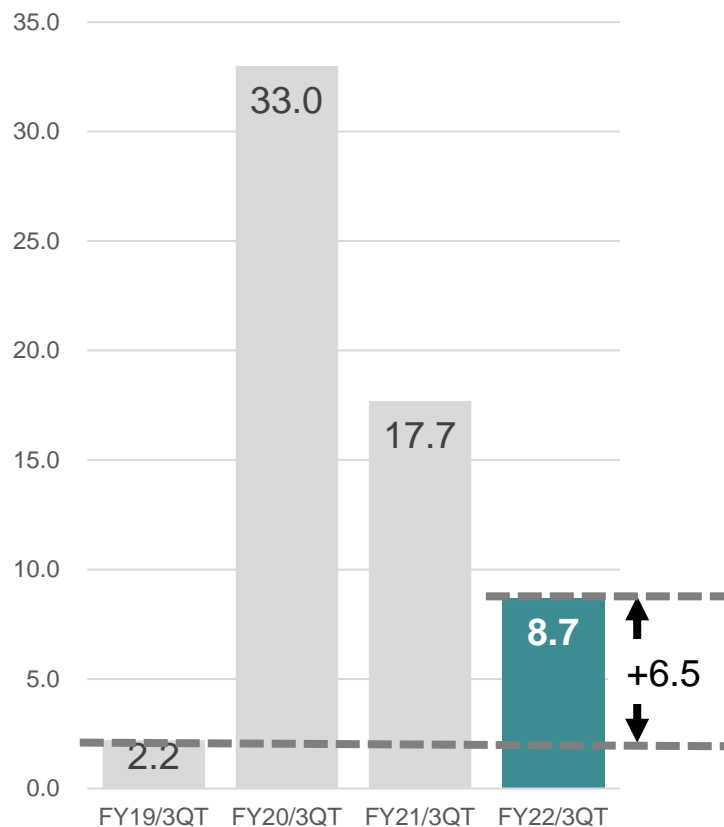
Prior year results were recalculated based on the new revenue recognition standard.

SM Business / DS Business

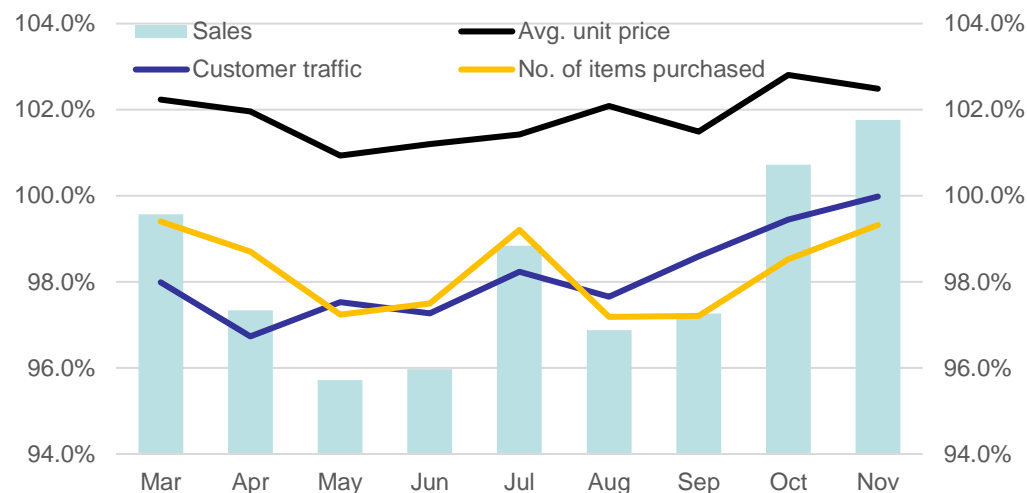


- Despite the impact of higher raw material prices and electricity costs, operating profit increased by 6.5 billion yen compared to the pre-COVID-19 pandemic level.
- Sales and customer traffic in the 3 months were on a recovery trend as the impact of the slowdown in stay-at-home consumption bottomed out.

Segment Operating Profit*1 (billion yen)



SM: Same-store sales YoY



+3.0 Existing businesses

Operating revenue*2 103.7%
SG&A %*2 -0.2 pt.

+3.5 Impact of Fuji consolidation

SM/DS: Increase of utility expenses

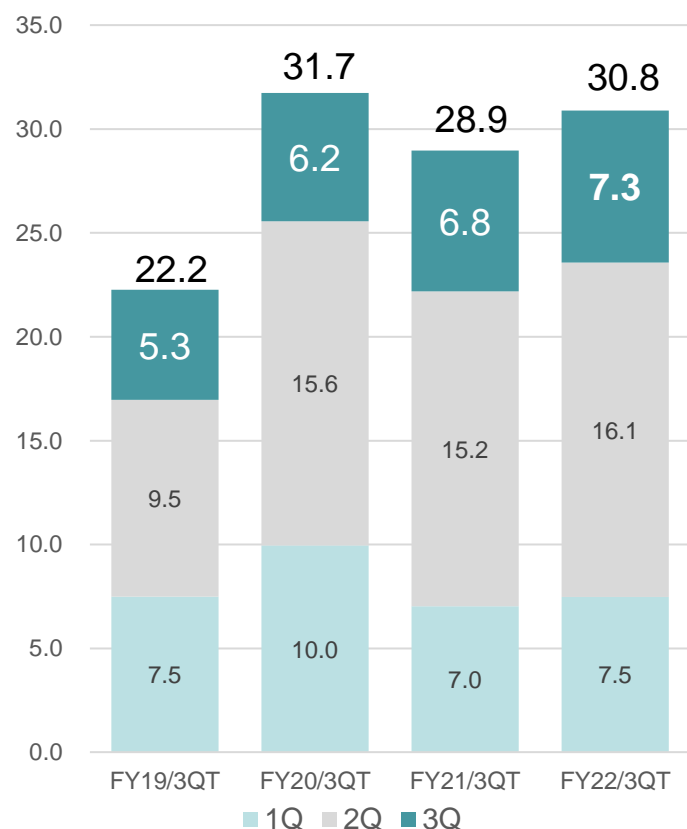
(billion yen)		2022 9 months
YoY*3		+approx. 17.0

*1 FY2019 and FY2020 results were adjusted for segment transfers. FY2021 and FY2022 results were simple sums of SM and DS. *2 Total of main companies

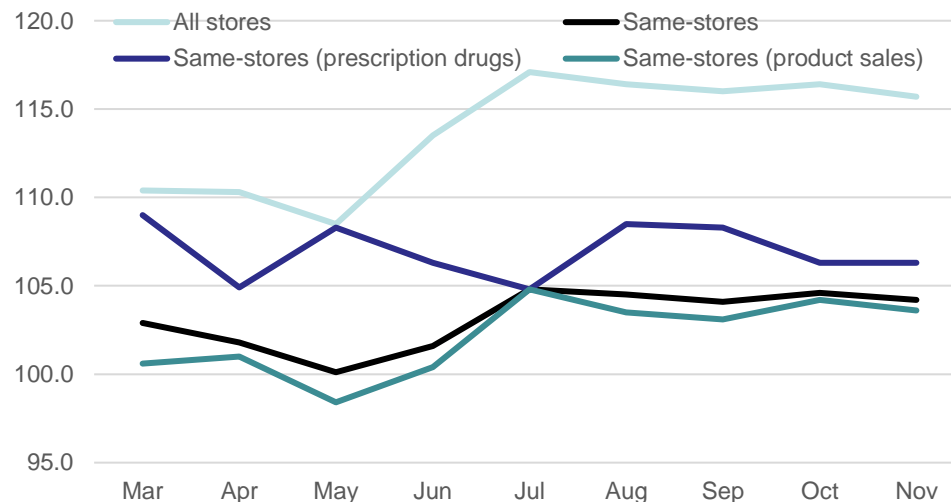
*3 This fiscal year's results were calculated by applying the former revenue recognition standard.

- Continuing to engage in free PCR testing and other tests at stores dispensing prescription drugs. The number of COVID-19 pandemic cases is increasing, which led to sales of antigen test kits, cold medicines, fever reducers, etc.
- Sales and gross profit in the prescription drugs category exceeded both the previous year and the forecast despite the impact of the NHI drug prices revision.

Segment Operating Profit (billion yen)



Welcia Holdings' sales YoY (%)



Welcia Holdings

Growth Strategies

- Drugstores capable of processing prescriptions (domestic): 1,977 stores (now capable: 74.4%)
- New store openings (domestic): 111 stores
- Made "Kokumin" and "French" consolidated subsidiaries in June
- Number of group stores: 2,716 stores

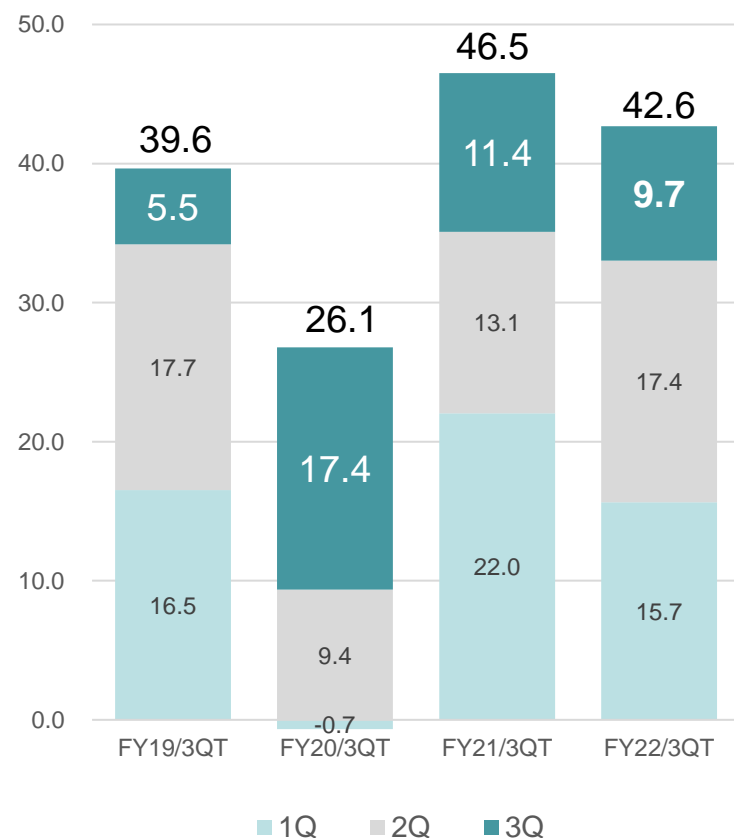
Financial Services Business



Segment operating profit exceeded the pre-COVID-19 level.

- Overseas: Transaction volumes and balance of operating receivables expanded. Revenue and profit increased due to higher productivity from DX.
- Japan: Credit card shopping transaction volume recovered, and revolving credit balance bottomed out at the end of the previous period and re-expanded.

Segment Operating Profit (billion yen)



Aeon Financial Service: Earnings by area (billion yen)

	Operating profit	YoY	
Overseas	31.9	122%	• Transaction volumes and balances of operating receivables increased due to strengthened sales promotion measures
Japan	10.1	56%	• Recovery of credit card shopping • Cash advance transaction volume increased

Transaction volumes and balances of operating receivables

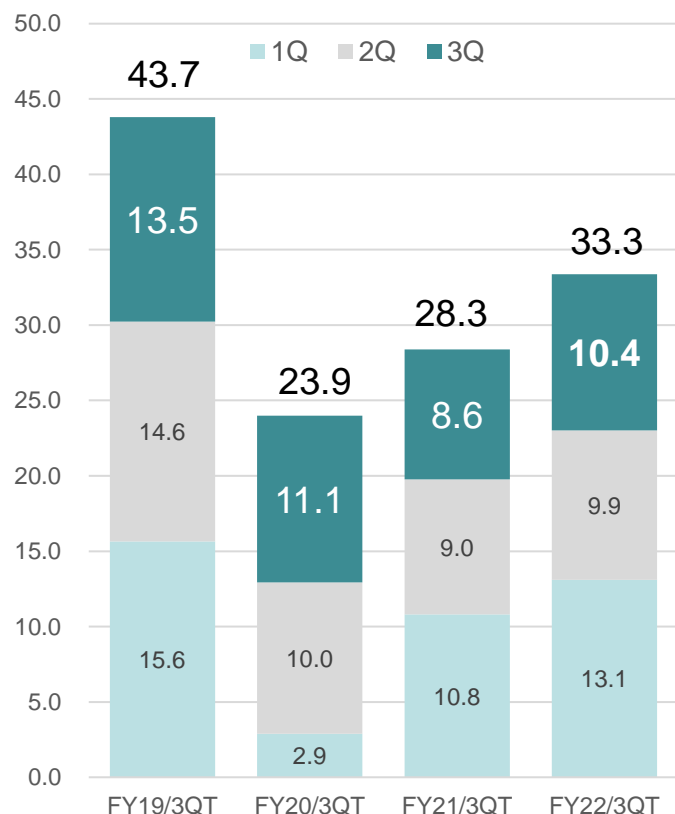
	(billion yen)	FY2022 3Q (9 months)	YoY (change)	vs. 2019 (change)
Shopping	Transaction volume	5,069.8	111%	110%
	Balance of operating receivables	1,167.2	+103.2	+71.3
Cash advance transaction	Transaction volume	356.8	117%	85%
	Balance of operating receivables	522.4	+30.1	-45.5
Installment loans	Transaction volume	237.3	120%	85%
	Balance of operating receivables	659.6	+59.3	+72.9

Shopping Center Development Business



- Operating profit increased by 4.9 billion yen from last year.
- Domestic Aeon Mall specialty store sales increased by 5.1% compared to FY2019 in Oct.
- Sharp improvement in Vietnam Aeon Mall specialty store sales. Sales in China exceeded FY2019 results in Jul.

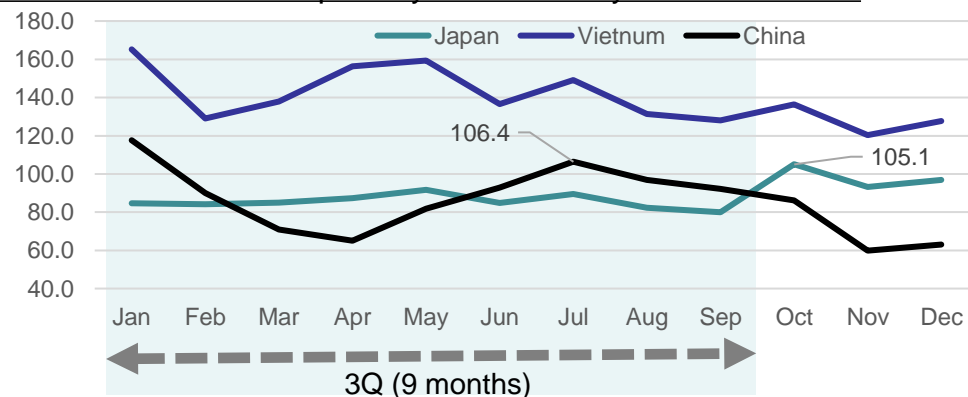
Segment Operating Profit (billion yen)



Aeon Mall: Same-mall specialty store sales YoY (%)

	vs FY2021			vs FY2019		
	1 Q	1 H	3 Q (9 months)	1 Q	1 H	3 Q (9 months)
Japan	112.9	111.5	110.0	88.0	86.8	88.5
Vietnam	113.8	156.8	222.6	145.2	147.6	143.6
Cambodia	135.0	198.3	196.4	87.5	93.7	93.0
Indonesia*1	136.3	123.5	145.9	71.8	75.1	75.4
China	85.0	80.5	86.8	94.4	87.8	91.4

Aeon Mall: Same-mall specialty store monthly sales vs. 2019*2 (%)



*1 Comparison of customer traffic at existing malls shown for Indonesia

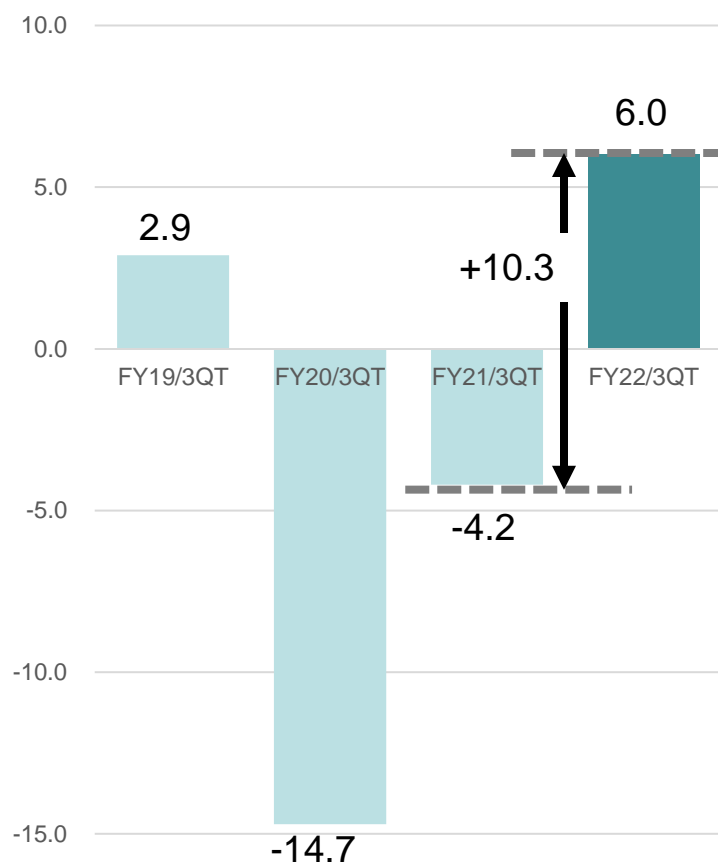
*2 Shaded area represents the consolidated accounting period (Jan to Sep) in Vietnam and China.

Services & Specialty Store Business

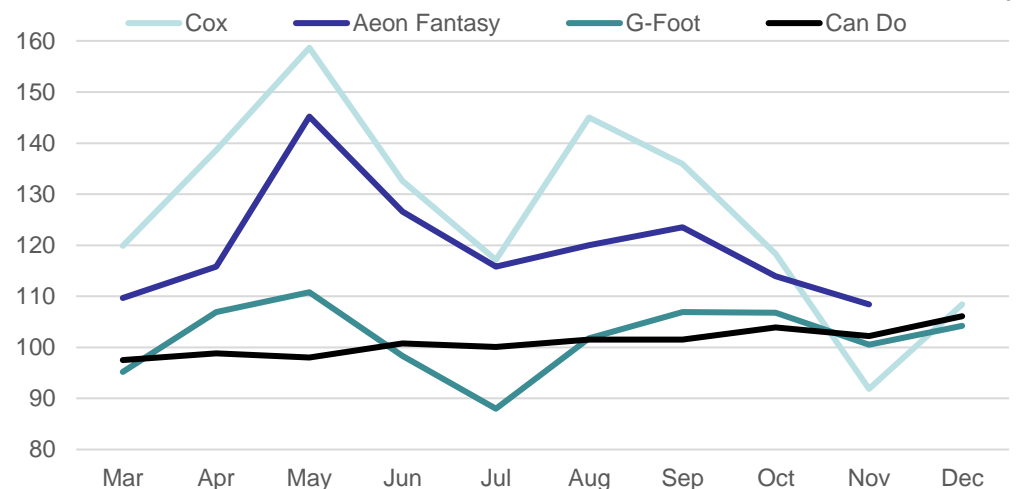


- Returned to profitability and saw segment operating profit increase by over 10 billion yen.
- Amusement companies contributed to profit improvement, which has struggled to attract customers under COVID-19 restrictions.

Segment Operating Profit (billion yen)



Same-store sales YoY* (domestic) (%)



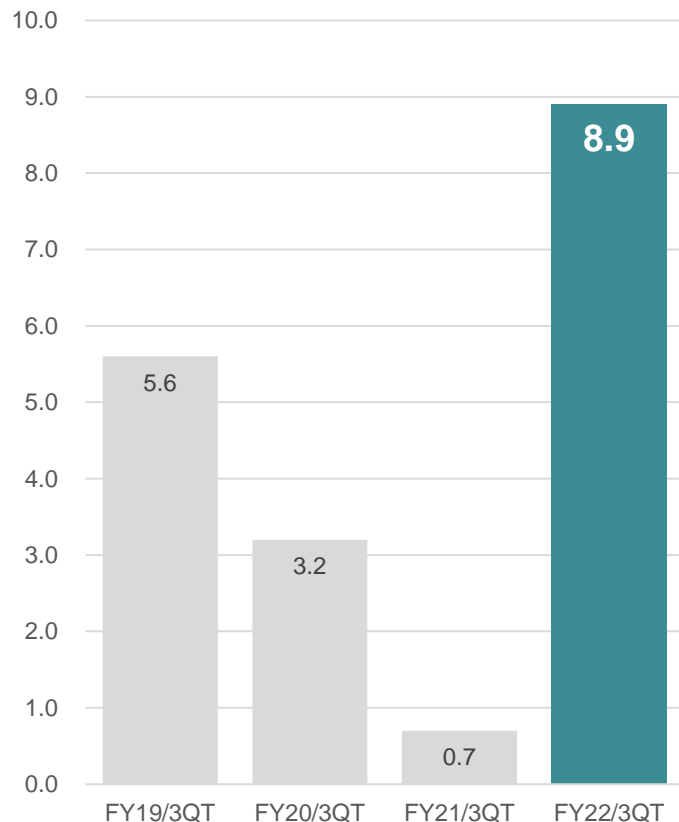
Results of amusement companies (billion yen)

	Operating revenues/ Sales	Operating profit
	YoY	YoY change
Aeon Entertainment	135.8%	+3.5
Aeon Fantasy (cons.)	123.8%	+3.8

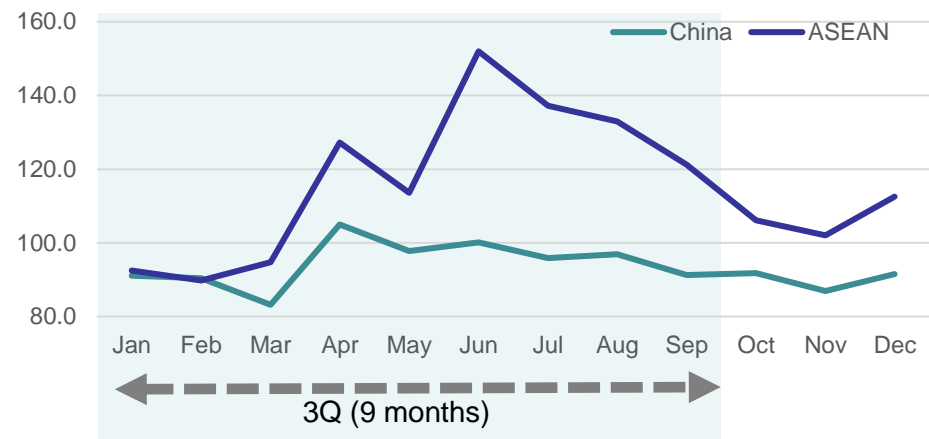
ASEAN: Higher sales and profit improvement in 4 companies including Aeon Malaysia and Aeon Vietnam

China: Higher sales and profit improvement in 5 companies despite the severe impact of COVID-19

Segment Operating Profit (billion yen)



China/ASEAN companies* Same-store sales YoY (%)



Results in ASEAN and China

	Operating Revenue	Operating Profit
	YoY	YoY change
ASEAN	129.2%	+7.0
China	115.6%	+0.9

*Aggregation of 7 companies in China, and 4 in ASEAN

The shaded area represents the consolidated accounting period (Jan to Sep) in Vietnam and China.

Results in December and the year-end and New Year period

Revenues in December and the year-end and New Year period by business



- Strong results in the largest sales season of the year

Year-on-year same-store sales by business*

(%)

Business	December	Dec. 23 to Dec. 25	Dec. 26 to Dec. 31	Jan. 1 to Jan.3
		Christmas period	Year-end period	New Year's first sale period
General Merchandising Store (GMS)	105.3	114.1	101.3	103.3
Supermarket (SM)	103.4	109.8	100.3	104.1
Discount Store (DS)	102.2	108.8	100.5	99.1
Health & Wellness	110.6	106.9	116.7	108.8
Services & Specialty Store	105.3	116.1	86.5	100.3
Shopping Center Development	102.6	122.1	88.4	101.6
China	91.5	90.4	88.5	96.1
ASEAN	112.5	125.1	116.1	114.1

Fiscal 2022 Forecasts



- No change to our initial forecasts; 3Q results were mostly in line with our projections

	FY2019	FY2020	FY2021	FY2022 (Forecast)	YoY %/ change
					(billion yen)
Operating Revenue	8,604.2	8,603.9	8,715.9	9,000.0 9,200.0 old revenue recognition standard	– (+5.6%)
Operating Profit	215.5	150.5	174.3	210.0 to 220.0	+35.6 to +45.6
Ordinary Profit	205.8	138.8	167.0	200.0 to 210.0	+32.9 to +42.9
Profit attributable to owners of the parent	26.8	-71.0	6.5	25.0 to 30.0	+18.4 to +23.4



Consolidated Balance Sheet at the End of November 2022



(billion yen)

Assets (main items only)	Feb. 2022	Nov. 2022	Change from Feb. 2022
Cash & deposits	1,172.2	1,066.7	-105.4
Notes and accounts receivable—trade (incl. installment receivables)	1,655.0	1,940.3	+285.3
Inventories	555.1	634.4	+79.2
Operating loans and loans & bills discounted for banking business	2,835.6	3,071.1	+235.4
Property, Plant and equipment	3,130.8	3,396.1	+265.2
Investments and other assets	990.1	1,012.7	+22.5
Total assets (excl. financing subsidiaries)	11,633.0 (5,726.7)	12,465.9 (6,269.3)	+832.8 (+542.5)

Liabilities and net assets (main items only)	Feb. 2022	Nov. 2022	Change from Feb. 2022
Notes and accounts payable	975.5	1,106.1	+130.6
Interest-bearing debt (excl. finance subsidiaries)	2,203.1	2,326.6	+123.5
Interest-bearing debt (finance subsidiaries)	1,087.8	1,233.3	+145.4
Deposits for banking business	4,173.4	4,326.9	+153.4
Total liabilities	9,820.6	10,501.6	+680.9
Shareholders' equity	897.7	878.9	-18.8
Total net assets (excl. financing subsidiaries)	1,812.4 (1,414.8)	1,964.3 (1,542.4)	+151.8 (+127.5)
Total net assets and liabilities (excl. financing subsidiaries)	11,633.0 (5,726.7)	12,465.9 (6,269.3)	+832.8 (+542.5)

Dividend Forecast



	FY2021	FY2022 (No change from the beginning of this fiscal year)
End of the second quarter	Ordinary Dividend 18 yen	Ordinary Dividend 18 yen
Year-end	Ordinary Dividend 18 yen	Ordinary Dividend 18 yen
Total	Ordinary Dividend 36 yen	Ordinary Dividend 36 yen

Disclaimer regarding Forecast Statement



- These materials are intended to provide information, not to encourage any specific actions. The company has prepared these materials (including business plans) based on available information believed to be reliable, but there are risks and uncertainties. The company bears no liability for the accuracy or completeness of the information.
- Please use these materials at your discretion. The company bears no liability for any loss or harm that may arise from investment decisions made based on any of the projections or targets contained in these materials.
- All rights of authorship of these materials revert to AEON CO., LTD. These materials may not be reproduced or distributed without the permission of the company