



FY2024 3Q

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# Presentation Materials

AEON CO., LTD

January 10, 2025

# Consolidated Results (9 Months Total)



- Record-high operating revenue for 13 consecutive fiscal nine-month periods
- Swift responses at the front line to changing consumer needs and abnormal weather contributed to improving sales trends.
- The favorable trend observed during the year-end and New Year sales season is expected to persist, contributing to improved performance for the full year.

## Consolidated Results

(Billion)

YTD (1-3Q)

	FY2024	FY2023	YoY %	YoY change
Operating revenue	7,470.5	7,025.8	6.3%	+444.7
Operating profit	117.5	142.8	-17.7%	-25.2
Ordinary profit	102.0	133.1	-23.3%	-31.0
Profit attributable to owners of the parent company	-15.6	18.3	—	-34.0

The followings are notes for all slides;

1. All figures are presented in Japanese yen unless otherwise noted
2. 3QT or 9 months in the graphs and tables refer to the cumulative total from March to November 2024, while 3Q refers to the period from September to November.
3. OGP: Operating Gross Profit, OP: Operating Profit, OPM: Operating Profit Margin, SG&A: Selling, General and Administrative Expenses

# Consolidated Results (3Q: Sep.–Nov.)

- Record-high temperatures affected profitability, as sales of autumn/winter items and seasonal products were sluggish. Consequently, while revenue increased, profit declined in the third quarter.
- Enhanced pricing strategy to attract customers and boost sales; promoted DX to improve productivity and control costs.
- The improvement in the profit structure ahead of December, a period with a high contribution to the full-year profit ratio, was a significant achievement in securing full-year profitability.

## Consolidated Results

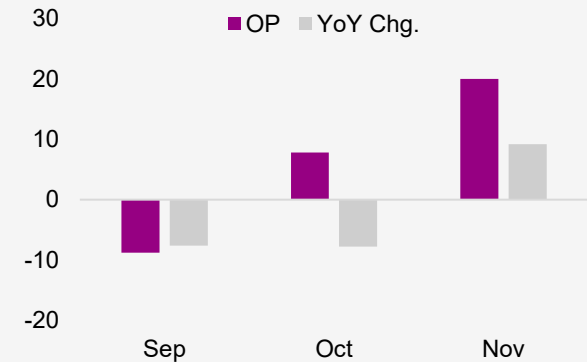
(Billion)

3Q (Sep.- Nov.)

	FY2024	FY2023	YoY %	YoY change
Operating revenue	2,471.1	2,314.5	+6.8%	+156.6
Operating profit	18.9	25.1	-24.7%	-6.2
Ordinary profit	12.2	21.2	-42.3%	-8.9
Profit attributable to owners of the parent company	-21.1	-4.9	—	-16.1

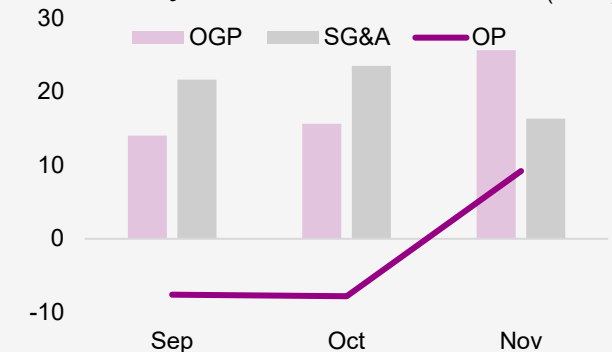
## OP and YoY change

(Billion)

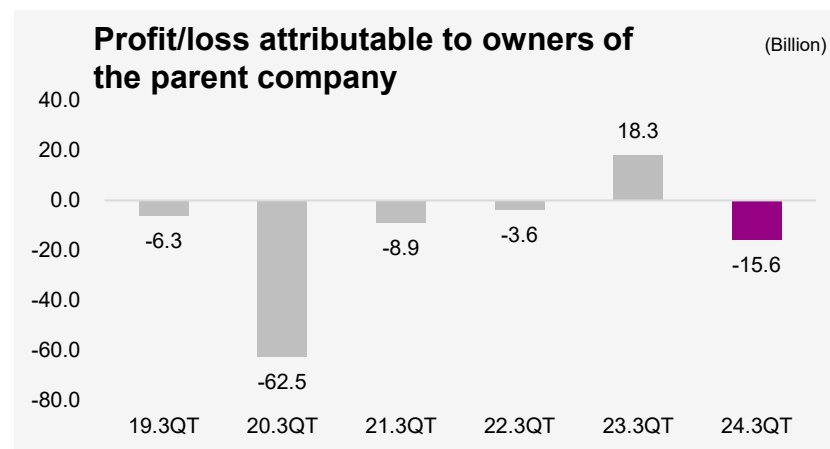
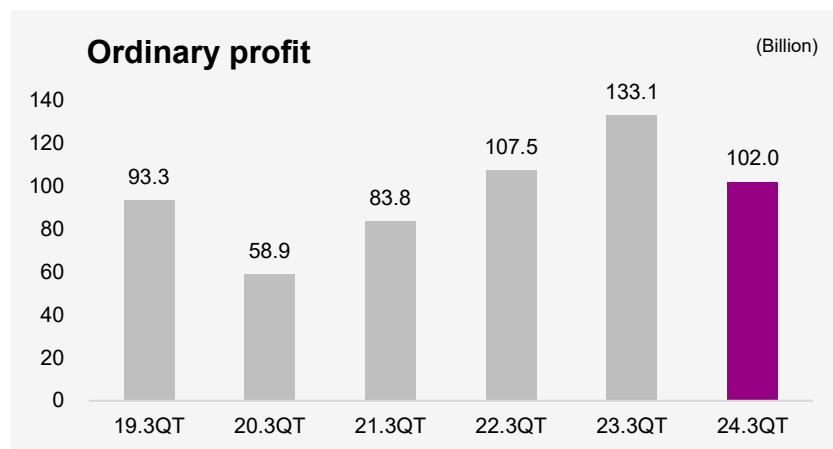
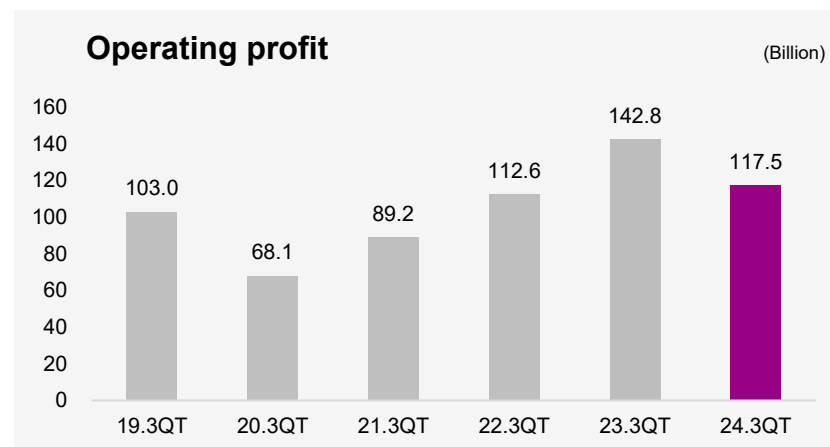
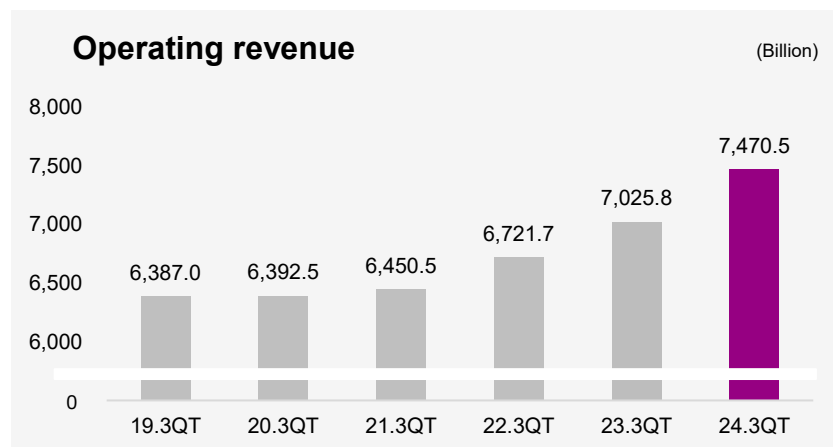


## YoY Changes in OP: Breakdown by OGP and SG&A

(Billion)



- Operating revenue reached a record high, while operating profit was the second highest, following the previous year's record.
- The absence of extraordinary income, combined with the early recording of store closure losses and impairment losses, impacted net income for the nine-month period.



# Results by Segment (9 months)

- Operating Revenue: All business segments experienced revenue growth.
- Operating Profit: Increased in the Financial Service, Shopping Center Development and Services & Specialty Store, reflecting a recovering trend in Japan.

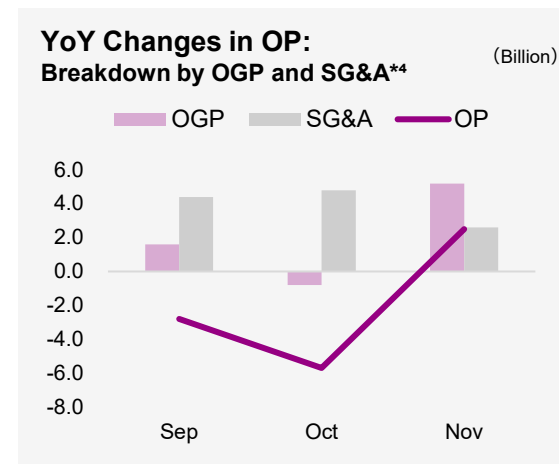
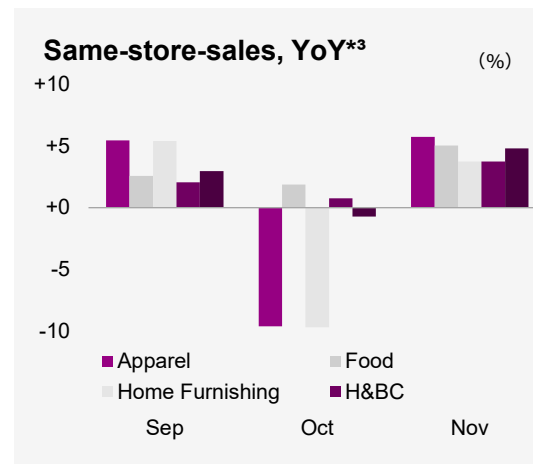
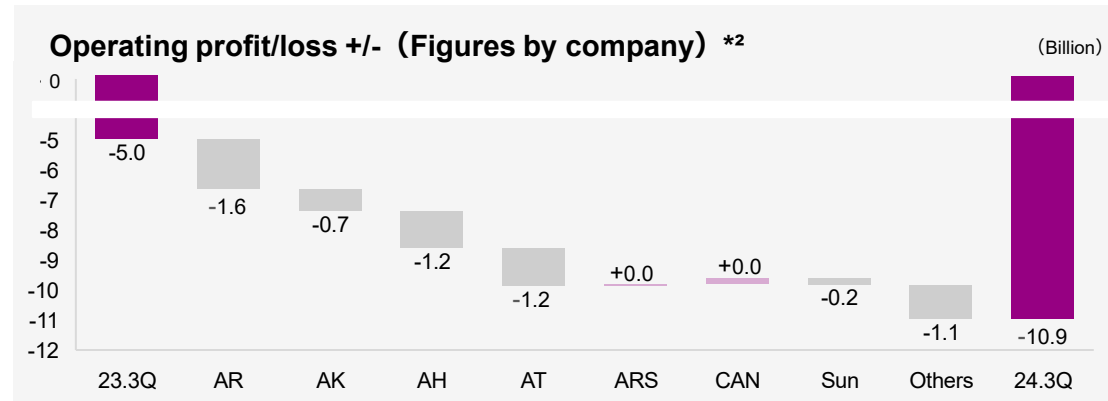
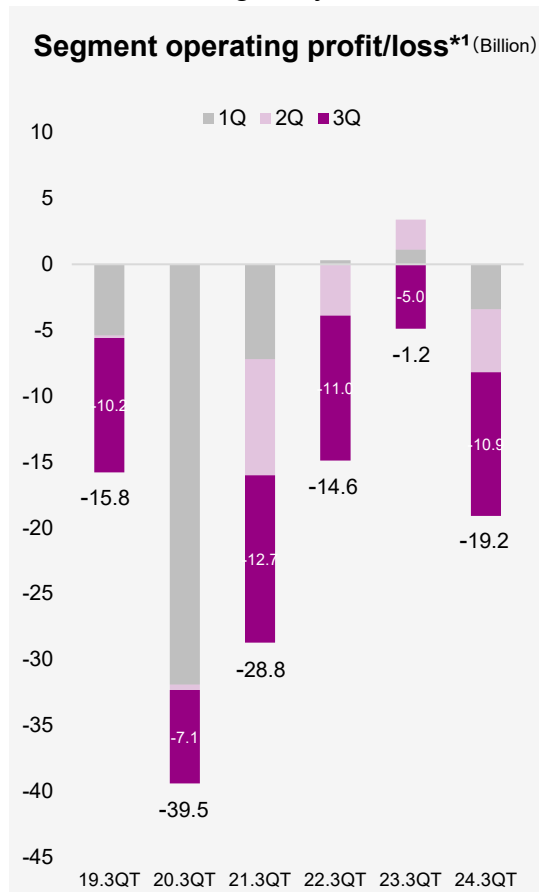
Results by Segment					(Billion)
YTD (1-3Q, 9 months)					
Operating revenue			Operating profit		
	Amount	YoY %	Amount	YoY change	
S e g m e n t	General Merchandising Store (GMS)	2,616.1	+2.6%	-19.2	-17.7
	Supermarket (SM)	2,244.3	+10.8%	11.8	-10.0
	Discount Store (DS)	305.0	+1.8%	4.7	-1.3
	Health & Wellness	988.2	+8.0%	22.6	-7.8
	Financial Services	386.8	+8.9%	38.3	+11.1
	Shopping Center Development	367.6	+5.9%	38.6	+4.0
	Services & Specialty Store	543.4	+1.7%	16.4	+4.1
	International	409.3	+7.6%	5.8	-1.2
Others		49.4	+15.6%	-7.3	-0.4
Adjustment amount		-439.8	-	5.6	-5.9
Consolidated total		7,470.5	+6.3%	117.5	-25.2

## Results by Segment

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# General Merchandising Store (GMS) Business

- The record-high temperatures in September and October suppressed demand for autumn and winter goods, negatively affecting revenue and leading to a decline in third-quarter profits.
- From November onward, pricing strategy and AEON Black Friday promotions drove significant sales and customer traffic, signaling a business recovery.
- Business performance showed signs of recovery, with expectations of further improvement in the fourth quarter and during the year-end and New Year sales season.



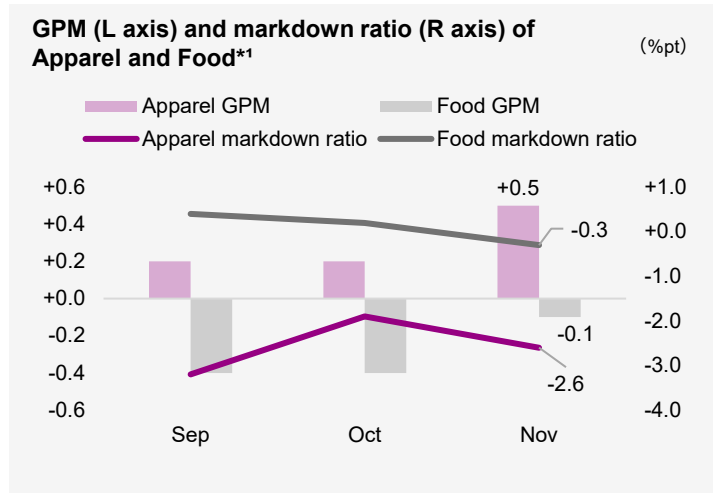
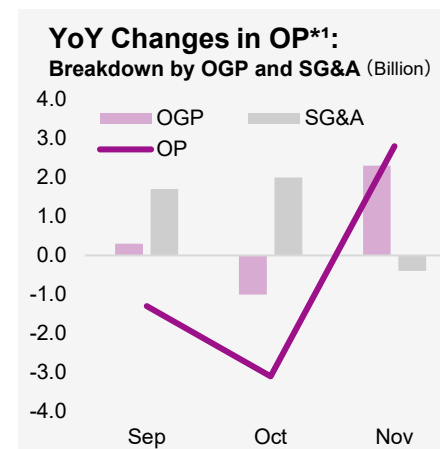
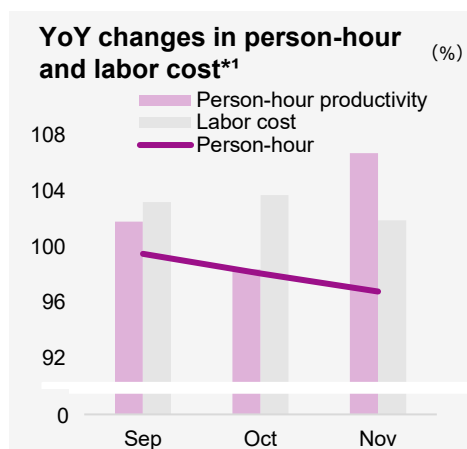
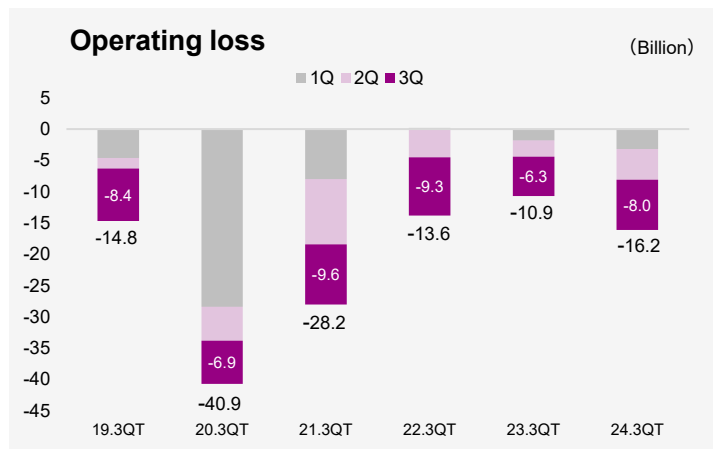
\*1 Prior year results were adjusted for reportable segment transfers

\*2 AR:AEON Retail (separate), AK:AEON KYUSHU (cons.), AH:AEON Hokkaido (separate), AT:AEON Tohoku (separate), ARS: AEON Retail Store (ex. Daiei), CAN:CANDO (cons., segment changed), Sun: SUNDAY (separate)

\*3 Managerial accounting figures from 14 major GMS companies

\*4 Managerial accounting

- Despite challenges in September and October due to high temperatures, performance rebounded in November. Successful sales promotions are driving earnings growth in the fourth quarter.
- DX-driven enhancements in man-hour management improved productivity and cost efficiency, leading to better profitability.
- Earnings improvements were further supported by organizational reforms and enhanced on-site capabilities.



Progress in MTP and structural reforms, Impact of cost increase (9 months / 3Q)			
No. of customers of Food YoY	101.5%/101.3%	TOPVALU sales YoY	103.1%/101.4%
Inventory*2 Change from previous FY-End	¥128.5bn +¥5.7bn	Person-hour productivity YoY	102.4%/102.0%
Tenant rent revenue YoY	¥0.5bn/-¥0.0bn	Wage increase YoY*4	+¥7.9bn/+¥2.6bn
Sales in EC channel YoY	108.2%/101.0%	Utility cost decrease YoY	-¥0.1bn/+¥1.4bn
Regi Go (Full self-checkout)	251 stores	AI work Mal board*5	364 stores 328 stores
AI order*3	351 stores	AI kakaku (AI price)	Delica, Seafood, and Meat: 350 stores Daily foods: 323 stores

Among 373 stores in AEON Retail at the end of November 2024

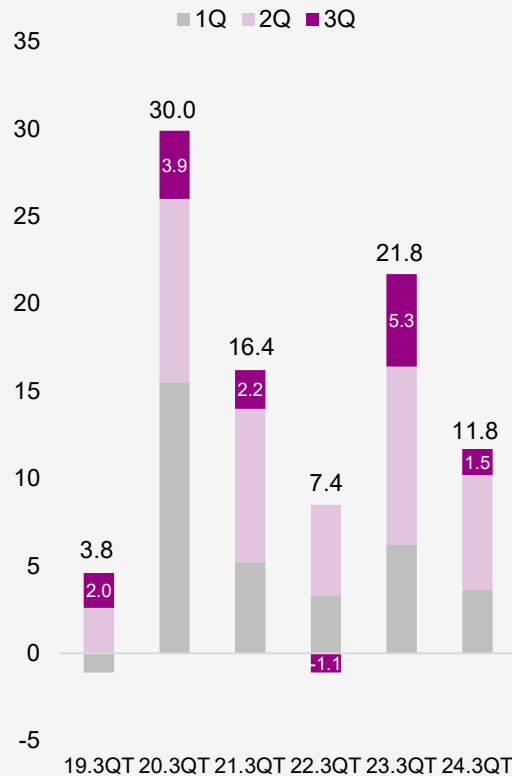
\*1 Managerial accounting \*2 Including the impact of transferring to the TOPVALU Collection

\*3 Daily 11 categories, Delicatessen 2 categories \*4 Including the impact of the minimum wage revision \*5 AI tool for sharing information via digital signage

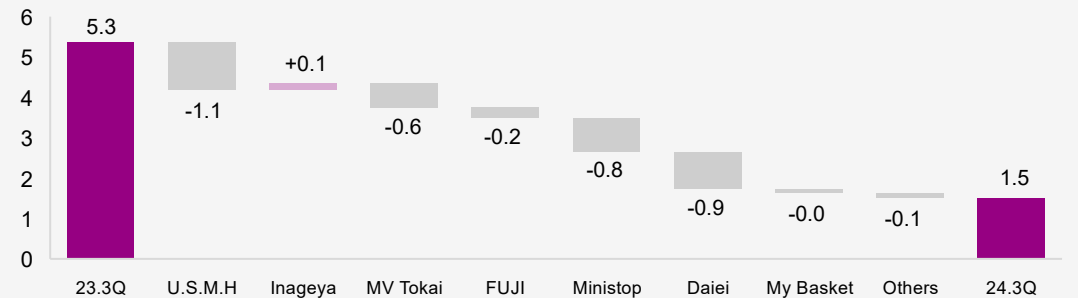


- Despite efforts to enhance store operations and emphasize price appeal tailored to regional characteristics, operating profit decreased.
- Enhanced productivity by managing SG&A expenses through efficient person-hour control and optimizing store operations, driven by the impact of DX investments.
- In November, the number of customers and sales increased due to the emphasis on low prices, while operating profit rose as a result of reduced SG&A expenses.

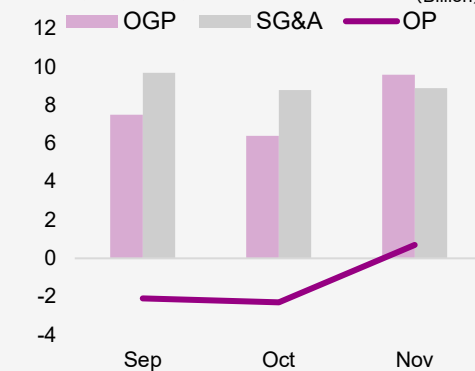
**Segment operating profit/loss\*1 (Billion)**



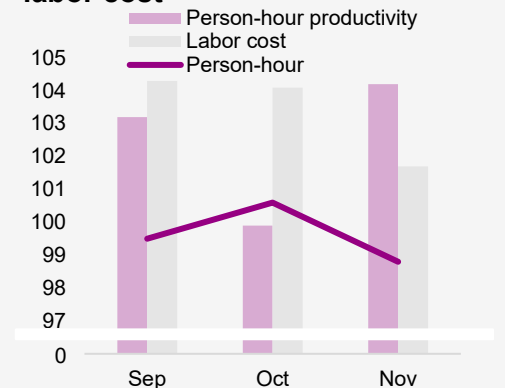
**Operating profit +/- (Figures by company) \*2 \*3 \*4**



**OGP, SG&A, and OP YoY\*5 (Billion)**



**Person-hour, productivity, and labor cost\*5 (%)**



\*1 FY2019 and FY2020 results were adjusted for transfers between reportable segments

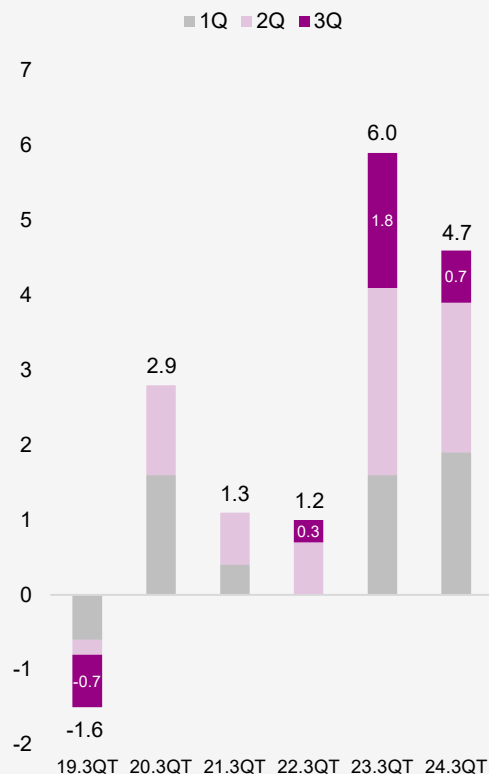
\*2 Results of FUJI, U.S.M.H, Maxvalu Tokai, and MINISTOP are consolidated results in each group. Data of Inageya, Daiei, and My Basket are non-consolidated results.

\*3 Figures of Inageya indicate the consolidated amount to AEON from Jul. to Sep. 2024

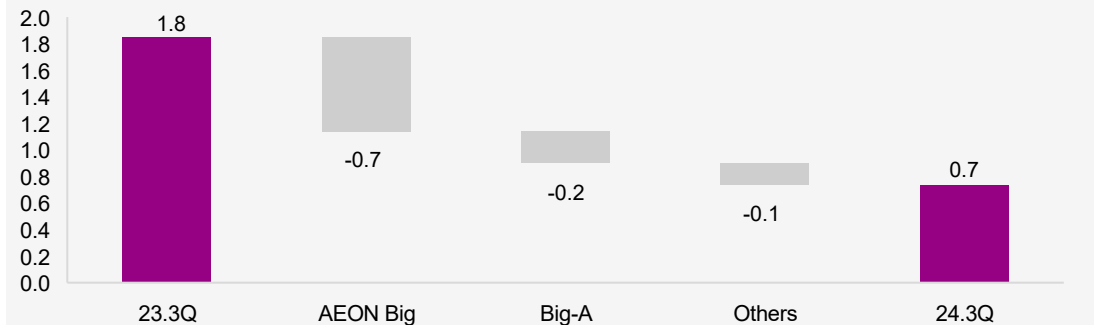
\*4 13 major SM companies included \*5 Managerial accounting

- Profits decreased due to higher raw material and distribution costs, as well as cost structure pressures from intensifying competition.
- Price competitiveness improved, and measures targeting cost-conscious consumers were successful, resulting in strong sales driven by demand for fresh food and large-volume products.
- Promote the unification of store names and establish a model for discount stores to enhance competitiveness and operational efficiency.

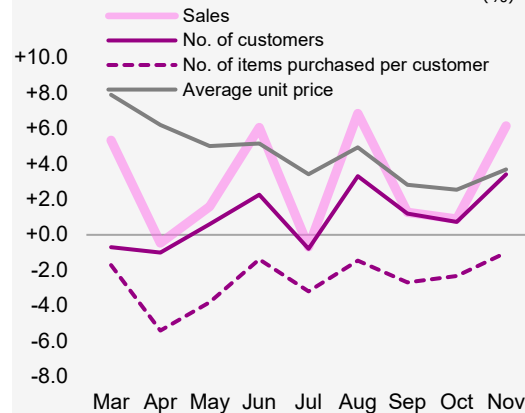
**Segment operating profit/loss** (Billion)



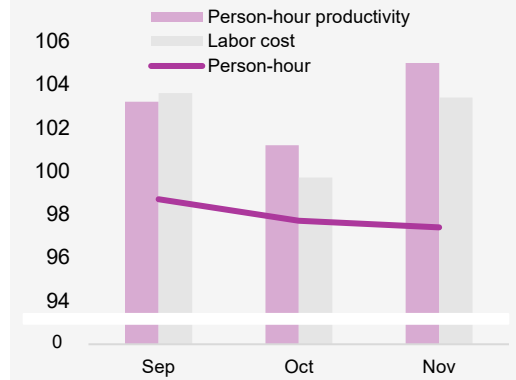
**Operating profit +/- (Figures by company)** (Billion)



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

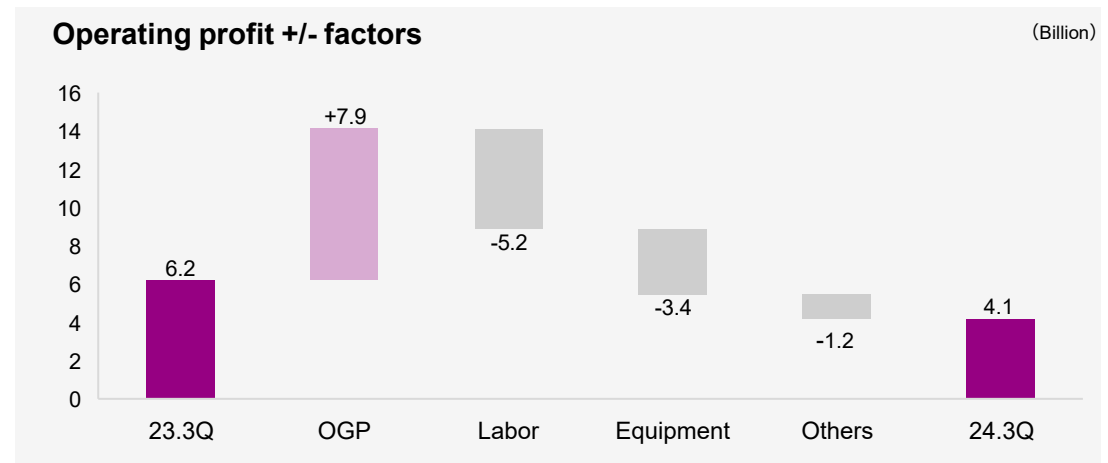
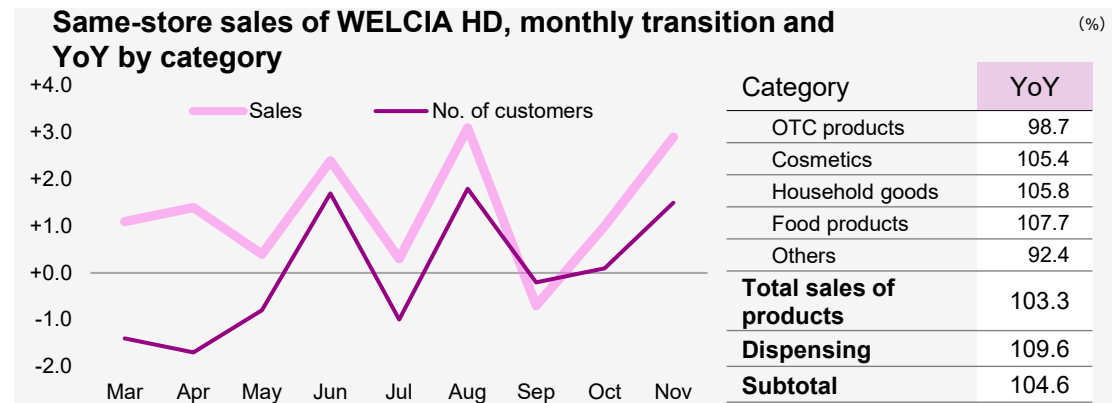
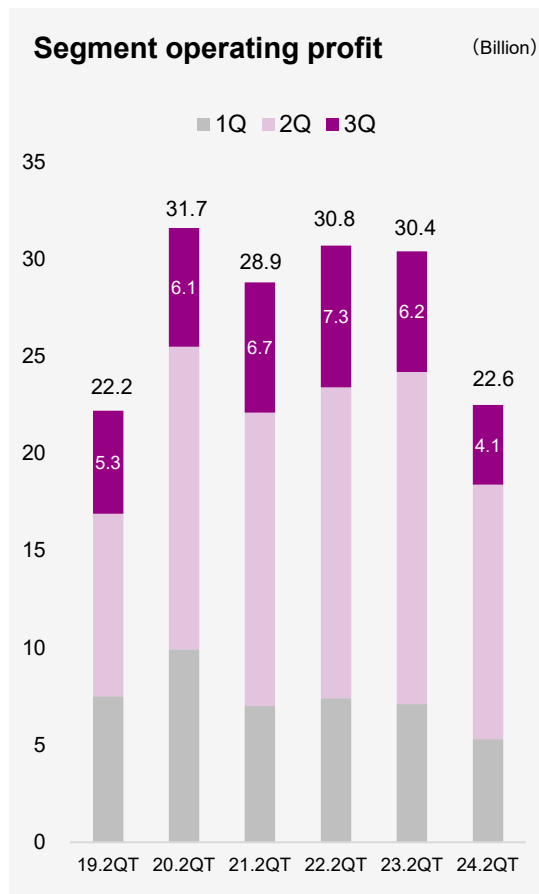


**Impact of person-hour control\*1** (%)

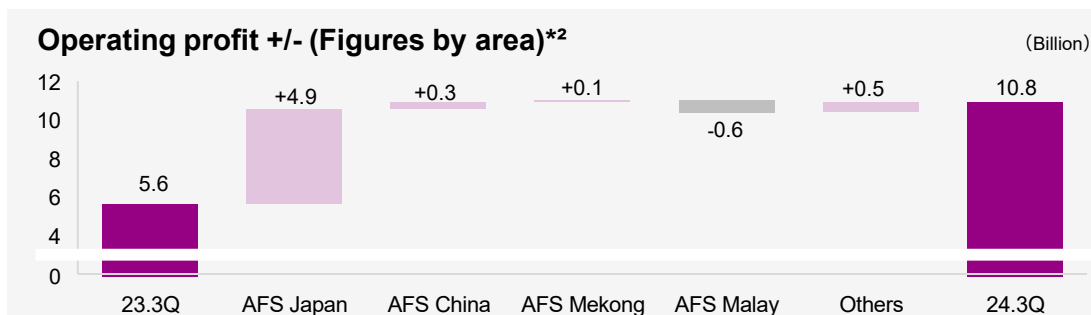
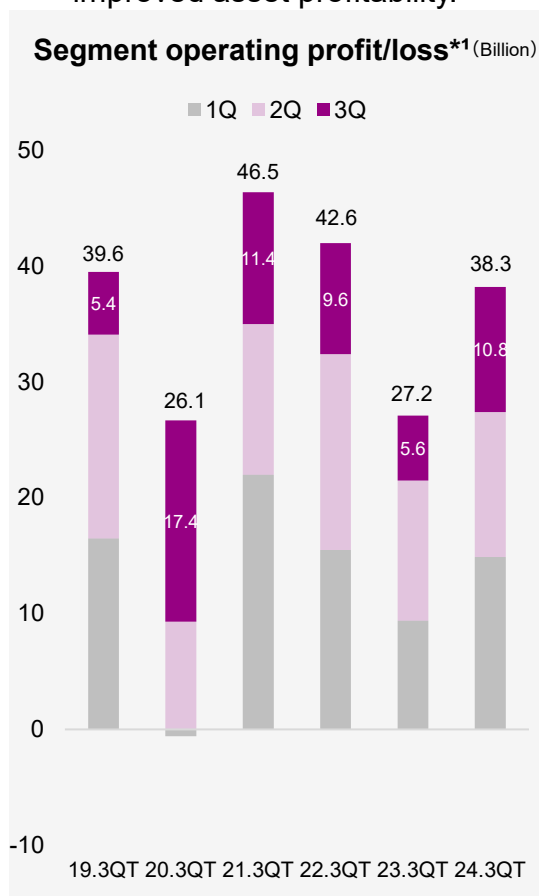


\*1 Managerial accounting

- Profits declined due to weak performance in seasonal products and the discontinuation of tobacco sales. However, the company is focusing on expanding the lineup of TOPVALU and self-selection cosmetics.
- The number of stores dispensing prescription drugs has grown, and the category has seen strong sales supported by revisions to prescription drug reimbursement fees.
- By leveraging the WAON point service, the company has reached 13.3 million Welcia members, contributing to an increase in customer numbers.



- Significant profit growth was achieved through steady expansion of domestic card revenue and the recording of financial revenue.
- Operating revenue reached record highs across all three regions overseas due to increased transaction volumes, with profits rising in the Malay region when excluding digital bank expenses.
- The balance of high-yield operating receivables reached record levels both in Japan and overseas, leading to improved asset profitability.



**AEON Financial Service Co., Ltd.: Results by area \*2 (Billion)**

		Japan	YoY	China	YoY	Mekong	YoY	Malay	YoY
Operating profit	3Q	2.7	+49	2.4	118%	3.4	103%	1.9	76%
Bad debt related expenses	3Q	8.8	141%	2.0	108%	8.0	101%	8.2	128%

**Transaction volumes and balance of operating receivables\*3 (Billion)**

		Transaction volumes	YoY	Balance of operating receivables	+/- in 9 months
Japan	Shopping	5,561.1	106%	1,476.0	+171.9
	Cash advance transaction	286.8	100%	433.1	+20.8
Global	Shopping	377.7	120%	155.8	+4.6
	Cash advance transaction	143.4	131%	148.4	+3.8

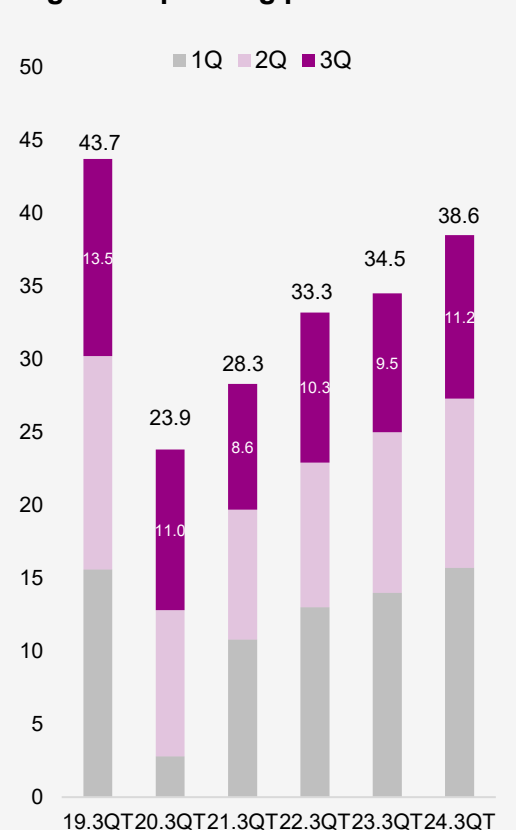
\*1 Prior year results were adjusted for reportable segment transfers.

\*2 AFS stands for AEON Financial Service Co., Ltd. China: China, Hong Kong, Mekong: Vietnam, Thailand, Cambodia, Laos, Myanmar, Malay: Malaysia, Indonesia, Philippines, India

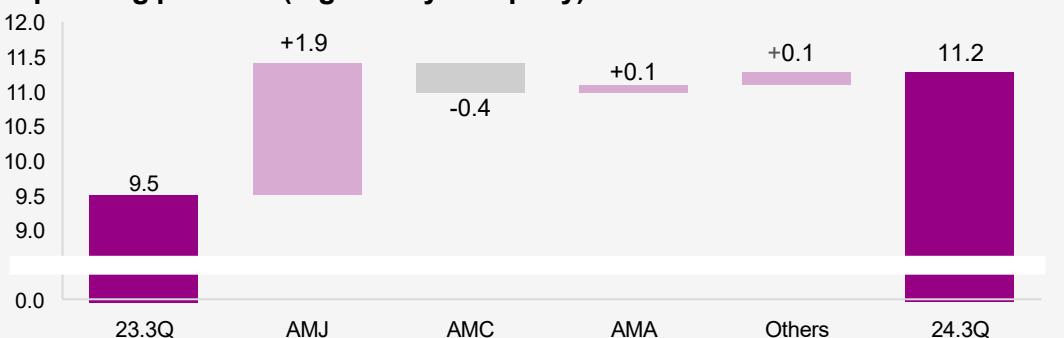
\*3 The balance of operating receivables is the value before liquidation

- Domestic: Profits increased due to strong sales and higher customer numbers at specialty stores in existing malls, with duty-free sales nearly doubling..
- China: Sales improved with the introduction of the “Super Big Shopping Day,” a new large-scale sales event designed to boost consumer spending and address declining consumer sentiment.
- ASEAN: In Vietnam, sales at specialty stores were strong due to the strengthening of seasonal events, and in Indonesia, rent income increased due to the improvement of vacant rooms.

**Segment operating profit** (Billion)



**Operating profit +/- (Figures by company)\*1** (Billion)



**Specialty store sales**

Existing malls by area (%)	YoY
<b>Japan</b>	106.2
<b>China</b>	97.4
<b>Vietnam</b>	105.8
<b>Cambodia</b>	100.7
<b>Indonesia*2</b>	109.8

Existing malls in Japan by business category (%)

Existing malls in Japan by business category (%)	YoY
<b>Large-scale specialty stores</b>	104.5
Apparel	102.9
Accessories	108.4
Miscellaneous goods	107.4
Dining	108.9
Amusement	105.8
Services	105.3
<b>SMID-scale specialty stores</b>	106.4
Existing malls in Japan by business category (%)	106.2

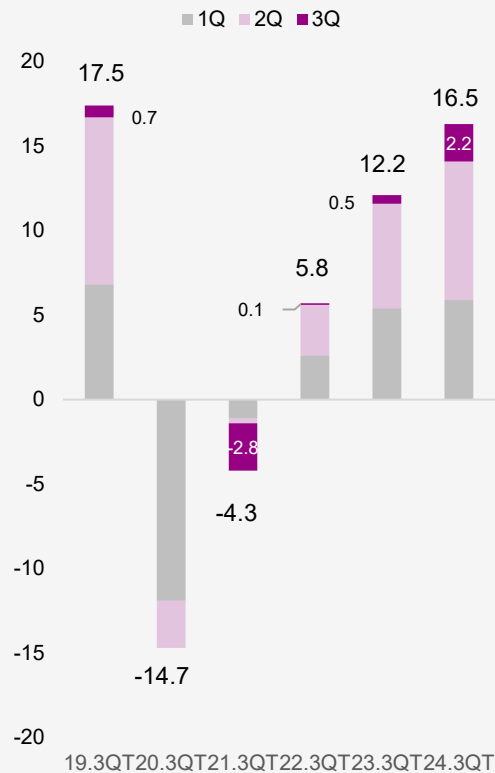
\*1 AMJ refers to AEON Malls' operating segment in Japan, while AMC represents the same segment in China. Similarly, AMA denotes the equivalent segment in ASEAN.

\*2 Number of visitors to existing malls

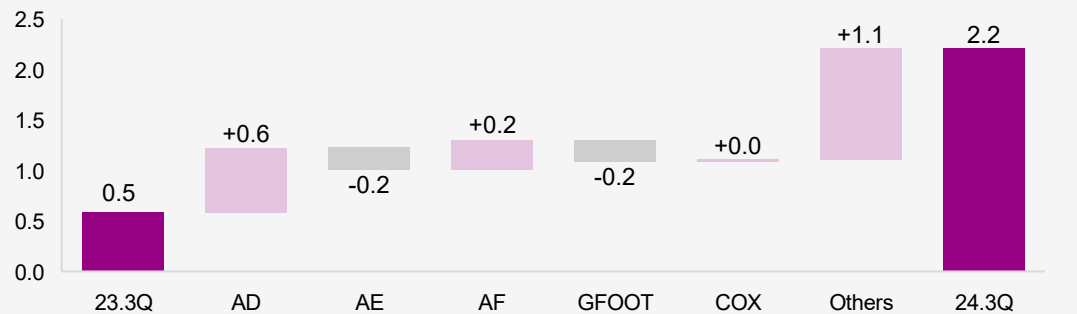
# Services & Specialty Store Business

- AEON Delight: Profits increased due to higher market share among existing customers and the acquisition of new customers. DX initiatives strengthened the earnings base by improving facility management efficiency.
- AEON Fantasy: Profits grew, driven by strong performance in key divisions, the success of the “Playground” business, and controlled SG&A expenses, despite rising personnel costs.
- COX: Profits rose due to increased sales from e-commerce and event stores, a reduction in the cost of sales, and minimized foreign exchange risk, maintaining the gross profit margin.

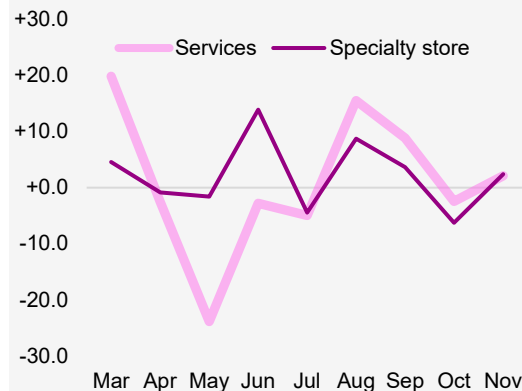
**Segment operating profit/loss\*1 (Billion)**



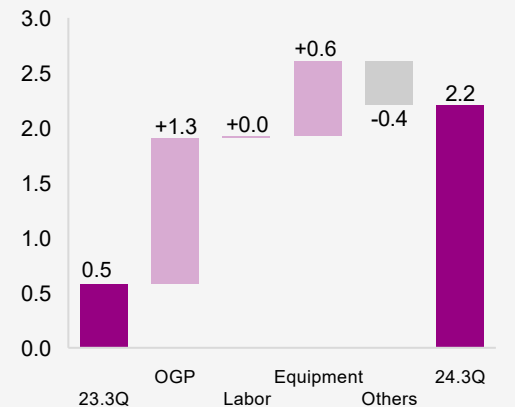
**Operating profit +/- by company\*2 (Billion)**



**Same store sales YoY \*2 (%)**



**Operating profit +/- factors (Billion)**

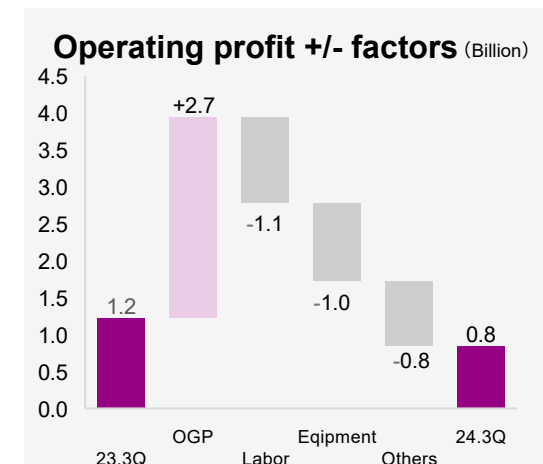
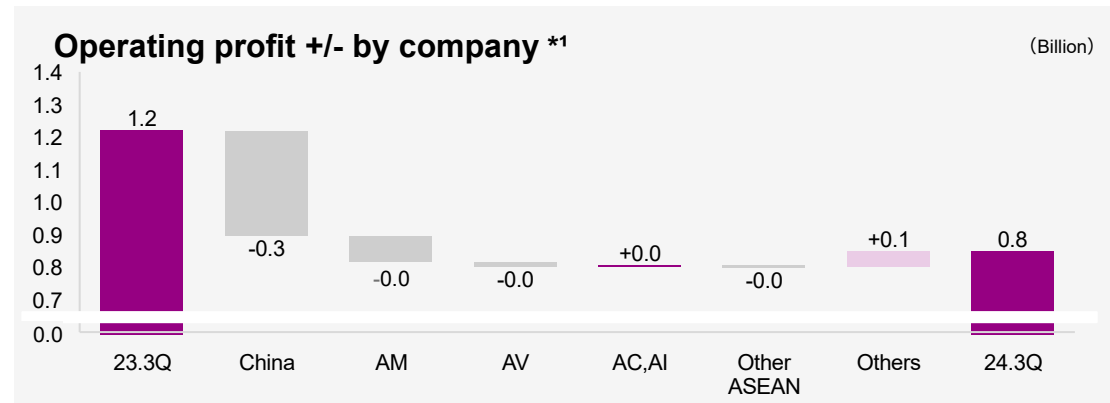
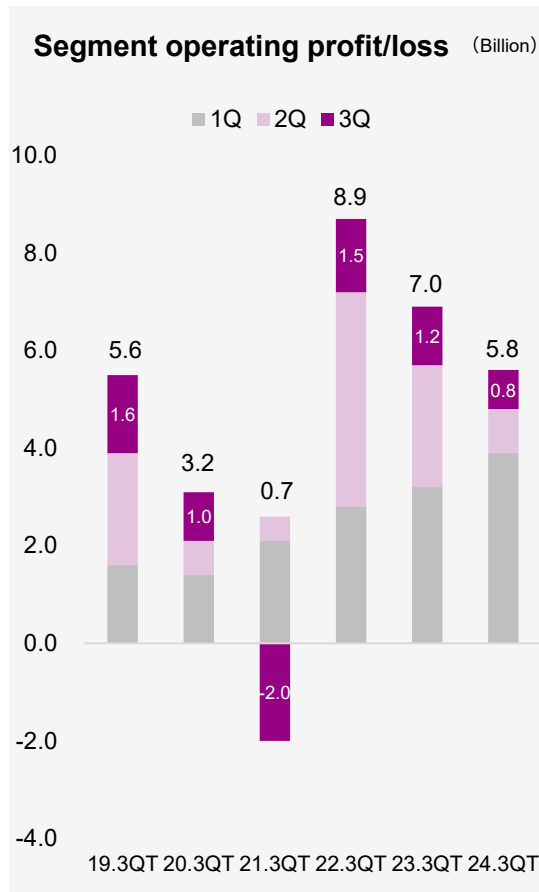


\*1 FY2019 results exclude the impact of Kajitaku, CANDO result was adjusted for reportable segment transfers.

\*2 AD:AEON DELIGHT (cons.), AE: AEON ENTERTAINMENT (separate), AF: AEON Fantasy (cons.). Figures of GFOOT and COX are consolidated in each group.

\*3 Services include 4 major companies and Specialty stores includes 7 major companies

- In China, operating profit declined, while in ASEAN, despite a somewhat weak rollout, profit increased over the nine months.
- China: Performance varies by region due to macroeconomic factors, with inland areas performing well, while coastal areas face some challenges.
- ASEAN: In Malaysia and Vietnam, profitability will be boosted by renovating existing stores, improving occupancy rates, and intensifying sales promotions during seasonal sales periods.



\*1 China: Business in China, AM: AEON CO.(M), AV: AEON VIETNAM, AC: AEON (CAMBODIA), AI: AEON INDONESIA, Other ASEAN: Other 4 companies in ASEAN

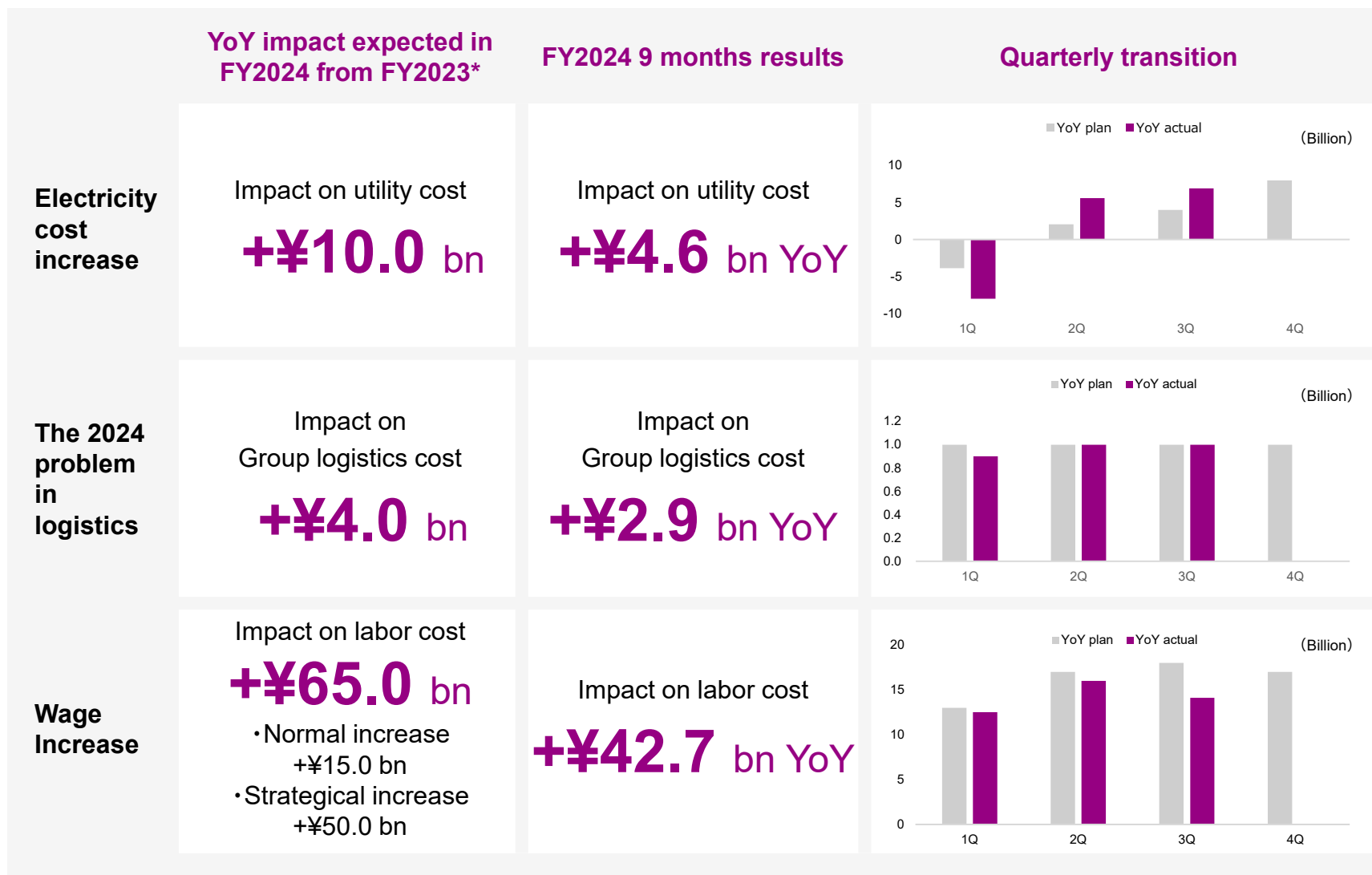
\*2 ASEAN: AEON CO.(M), AEON BIG (M), AEON (Thailand), AEON VIETNAM; China: AEON STORES (HONG KONG), AEON EAST CHINA (SUZHOU), 青島永旺東泰商業, GUANGDONG AEON TEEM, 永旺商業, AEON SOUTH CHINA, AEON (HUBEI)

# Forecast for FY2024

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# FY2024 Projected Impact on Consolidated Results and Progress



\* The financial forecast includes the estimated impact amounts and the anticipated effects of the measures taken.

- In December, Christmas sales performed as anticipated, while the year-end and New Year's holiday season, the largest sales period of the year, exceeded expectations with slightly faster growth.
- Malls performed strongly, and companies in the GMS and Services and Specialty Store within the malls also benefited from increased customer traffic.
- Food sales remained stable in the GMS, SM, and DS, while the Health & Wellness saw growth driven by pharmaceuticals and hygiene products amid the influenza outbreak.

## Same-Day Same-Store Sales YoY by Segment\*1

(%)

	December			January
	December 1 to 31	December 20 to 25 Christmas	December 26 to 31 Year end	January 1 to 2 Beginning of the year
General Merchandising Store (GMS)	102.9	102.5	104.2	104.0
Supermarket (SM)	102.9	104.9	102.2	103.4
Discount Store (DS)	105.5	107.2	106.6	105.0
Health & Wellness	104.0	106.6	108.9	97.5*2
Services	102.1	102.5	110.7	111.8
Specialty Store	96.8	95.3	104.2	92.0
Shopping Center Development	105.7	102.2	112.3	104.8
China	89.9	85.3	87.4	86.4
ASEAN	100.3	111.7	104.8	110.8

\*1 Preliminary sales figures as of January 8, 2025

\*2 Including the impact of an increase in the number of stores that did not operate during the New Year holiday period this year.

No changes to the initial forecast. While third-quarter profit fell short of expectations, recovery is anticipated in the fourth quarter.

(Billion)					
	FY2024			FY2023	
	Forecast	YoY	Change	9 months	Results
Operating revenue	10,000.0	+4.7%	+446.4	7,470.5	9,553.5
Operating profit	270.0	+7.6%	+19.1	117.5	250.8
Ordinary profit	260.0	+9.5%	+22.5	102.0	237.4
Profit attributable to owners of the parent	46.0	+2.9%	+1.3	-15.6	44.6

AEON

# Consolidated Balance Sheet at the End of November 2024



Assets (main items only)				Liabilities and net assets (main items only)			
		(Billion)				(Billion)	
	Feb. 2024	Nov. 2024	Change		Feb. 2024	Nov. 2024	Change
Cash & deposits	1,165.5	1,179.8	+14.2	Notes and accounts payable	1,073.1	1,362.3	+289.1
Notes and accounts receivable—trade (incl. installment receivables)	1,957.4	1,977.1	+19.7	Interest-bearing debt (excl. financial subsidiaries)	2,402.7	2,586.0	+183.3
Inventories	625.2	679.2	+53.9	Interest-bearing debt (finance subsidiaries)	1,312.9	1,267.4	-45.4
Operating loans and loans & bills discounted for banking business	3,222.8	3,662.3	+439.4	Deposits for banking business	4,533.2	4,892.3	+359.1
Property, Plant and equipment	3,414.9	3,566.3	+151.4	Total liabilities [excl. financial subsidiaries]	10,853.6 [4,779.0]	11,764.5 [5,361.3]	+910.9 [+582.2]
Investments and other assets	1,105.7	1,124.5	+18.8	Shareholders' equity	913.3	862.1	-51.2
Total assets [excl. financial subsidiaries]	12,940.8 [6,400.6]	13,782.1 [6,906.4]	+841.2 [+505.8]	Total net assets [excl. financial subsidiaries]	2,087.2 [1,621.5]	2,017.5 [1,545.0]	-69.6 [-76.4]
				Total net assets and liabilities [excl. financial subsidiaries]	12,940.8 [6,400.6]	13,782.1 [6,906.4]	+841.2 [+505.8]

- Commemorative dividend for the 50th anniversary of the Company's listing is being paid.
- 40 yen per year, ordinary dividend of 36 yen and commemorative dividend of 4 yen.

	FY2023	FY2024 (Forecast)
End of the second quarter	Ordinary dividend 18 yen	Ordinary dividend 18 yen Commemorative dividend 2 yen
Fiscal year-end	Ordinary dividend 18 yen	Ordinary dividend 18 yen Commemorative dividend 2 yen
Total	Ordinary dividend 36 yen	Ordinary dividend 36 yen Commemorative dividend 4 yen

# FY2024 Nine Months Results of Daiei and ex-Daiei GMS



(Billion)

Segment	Company Name	Operating revenue		Operating profit	
		Result	YoY %	Result	YoY change
GMS	AEON Retail store *Former Daiei GMS in Kanto, Kinki, and Nagoya region	71.3	-4.0%	-2.1	+0.2
SM	Daiei	231.1	+2.5%	-3.3	-1.6

## Disclaimer regarding Forecast Statement

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