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Financial Results for the Three Months Ended May 31, 2026

July 10, 2026

Company name: **AEON CO., LTD.**
Listings: Tokyo Stock Exchange (Prime Market)
Securities code: 8267
URL: https://www.aeon.info/en/
Representative: Akio Yoshida, President
Contact: Hiroaki Egawa, Executive Officer, Finance and Accounting
Telephone: +81 43-212-6042

Scheduled dates:
Commencement of dividend payments: —
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 Three Months Ended May 31, 2026 (March 1, 2026–May 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	2,941,981	14.6	75,203	33.6	63,582	32.3	13,809	–
May 31, 2025	2,566,897	4.8	56,282	17.8	48,056	5.9	(6,570)	–

Note: Comprehensive income: Three months ended May 31, 2026: ¥20,440 million [–%]
Three months ended May 31, 2025: ¥(42,266) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	4.99	4.99
May 31, 2025	(2.54)	–

Notes: 1. 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. Diluted earnings per share for the three months ended May 31, 2025 is not presented because, although potential shares exist, the Company recorded a basic loss per share for the period.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	15,593,500	2,186,571	7.8	436.64
[excl. Financial Services]	[7,823,837]	[1,693,774]	[13.8]	–
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 May 31, 2026: ¥1,208,561 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	–				
Fiscal year ending February 28, 2027(forecast)*2		7.50	–	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, 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 quarterly 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 May 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 May 31, 2026: 15,641,970 shares
As of February 28, 2026: 16,904,185 shares
3) Average number of shares outstanding during the period:
Three months ended May 31, 2026: 2,767,245,305 shares
Three months ended May 31, 2025: 2,583,057,831 shares

Notes: 1. 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.
2. For the number of shares used as the basis for calculating basic earnings per share (consolidated), please refer to *Per Share Information* on page 23 of the accompanying materials.

***Quarterly review status**

Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

***Appropriate use of earnings forecasts and other important information**

(Note on the forward-looking statements)

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors. For the assumptions and forecasts herein, please refer to "1. Review of Operating Results and Financial Statements, (3) Consolidated Earnings Forecast" on page 11.

Accompanying Materials

Contents

1. Review of Operating Results and Financial Statements

(1) Analysis of Operating Results

1) Summary of Operating Results

For the three months ended May 31, 2026 (March 1, 2026 to May 31, 2026), operating revenue totaled ¥2,941,981 million, an increase of 14.6% year on year. Operating profit totaled ¥75,203 million, an increase of ¥18,920 million year on year, and ordinary profit totaled ¥63,582 million, an increase of ¥15,526 million year on year. Operating revenue, operating profit and ordinary profit reached record highs for the first three months of a fiscal year. Profit attributable to owners of the parent totaled ¥13,809 million, an improvement of ¥20,380 million year on year.

The economic environment during the three months ended May 31, 2026 remained highly uncertain, reflecting factors such as fluctuations in resource prices associated with heightened tensions in the Middle East.

In Japan, while wage increases continued and real wages began to improve, personal consumption lacked momentum due to the prolonged impact of rising prices and continued consumer caution. Spending on daily necessities tended to be restrained, leisure fields, including entertainment, remained resilient, and value-oriented consumption, which emphasizes satisfaction with spending, continued to expand.

Under these conditions, the Group established an organizational structure to operate the Shopping Center Development Business and the entertainment business in an integrated manner, positioning them to meet consumers' needs for "affordable, nearby, and short-duration" leisure activities, while strengthening experiential content. In the Health and Wellness Business, synergies from the management integration of TSURUHA HOLDINGS, INC. ("Tsuruha") and WELCIA HOLDINGS CO., LTD. ("Welcia") emerged steadily. In ASEAN, particularly in Vietnam, which the Group positions as its most important area, store openings expanded from previous years captured the country's economic growth and drove significant business expansion. As a result, Developer and Entertainment, Health and Wellness, and ASEAN, which the Group positions as drivers of profit growth, led overall performance, and operating profit reached a record high for the first three 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, in addition to the expansion of scale it has pursued to date. Amid significant changes in consumption structures, the Group aims to evolve into a highly profitable growth model by combining its frequent-visit customer base anchored in food, multi-format strengths, and data. 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 aims to improve earnings power and capital efficiency.

In "Building a High-return Portfolio," the Group positions Health and Wellness, Developer and Entertainment, and Vietnam as growth domains and is prioritizing the allocation of management resources to these areas, while working to improve the profitability of its overall portfolio through the expansion of high value-added domains such as non-food products and services. In "Reforming the Profit Structure of the Food Retail Business," the Group will establish a structure that converts scale into earnings through integrated reforms in merchandise, store operations, and formats, thereby driving Group-wide profit growth. In "Completing Business Structure Reform," the Group is reviewing unprofitable businesses and integrating functions, while enhancing the quality of its portfolio by reallocating resources to growth domains. In "Advancing Financial Structure Reform," the Group is enforcing disciplined investment management centered on operating cash flow, while reducing interest-bearing debt and improving capital efficiency.

Through these initiatives, the Group aims, in the fiscal year ending February 28, 2031, to expand EBITDA on a scale of ¥1.1 trillion, generate stable free cash flow, and achieve operating profit of ¥530 billion and ROE of 8.5% or higher.

Building a High-return Portfolio:

The Group has positioned the Health and Wellness Business as a core growth driver. Tsuruha and Welcia completed their management integration in December 2025, and Tsuruha became a consolidated subsidiary of the Company in January 2026. As a result, the Group is accelerating the creation of synergies in procurement, product development, human resources, and data utilization, while strengthening its earnings base by leveraging the high-frequency store-visit characteristics of the format. In terms of product strategy, the Group is integrating the private-brand ("PB") products of the two companies and unifying them under the new PB "*Karada to Kurashi ni*, +1," thereby standardizing development frameworks and procurement bases and enhancing quality and price competitiveness. In addition, through the rollout of the Drug & Food format, which combines drugstores and food, the Group aims to create daily reasons for customers to visit stores and expand both sales and profits.

In the Developer and Entertainment Business, the Group is upgrading existing shopping mall assets and working to increase tenant revenues and improve the overall profitability of its facilities by enhancing the value of time spent at those facilities through the strengthening of experience and entertainment functions. In May, AEON Mall Co., Ltd. (“AEON Mall”) opened the new “LAKESIDE DINING” and “LAKESIDE PARK” areas on the riverside adjacent to AEON LakeTown, and is working to enhance customer attraction through collaboration with local communities and expand experiential value.

In ASEAN, the Group is accelerating dominant store openings centered on Vietnam, a growth market, by combining GMS, supermarkets, financial services, and entertainment. On July 3, AEON Mall opened AEON Mall Da Nang Thanh Khe, an urban-style complex mall in Da Nang City in central Vietnam, as its eighth mall in Vietnam. Together with the rollout of high value-added Super Supermarkets (SSM) by AEON VIETNAM CO., LTD. (“AEON Vietnam”), the Group is working to capture demand from middle-income consumers and tourists. In Ho Chi Minh City, the Group also aims to expand earnings opportunities through multi-format development, including the opening of a cinema complex by AEON Entertainment Co., Ltd. (“AEON Entertainment”).

In the GMS Business, the Group is advancing the restructuring of assets in the apparel and home/leisure categories, centered on AEON RETAIL CO., LTD. (“AEON Retail”). The Group is working to improve profitability by expanding experiential sales floors, strengthening the SPA model in non-food domains, and internalizing basic products. At the same time, it is reviewing unprofitable categories and reallocating assets to growth domains, thereby lifting the earnings power of the business.

Reforming the Profit Structure of the Food Retail Business:
In food retail, the Group is pursuing four priority initiatives, reforming gross profit structure, reforming cost structure, transitioning to a new supermarket model, and expanding market share in the Tokyo metropolitan area.

For gross profit structure reform, the Group is further expanding its initiatives for TOPVALU and joint procurement of national-brand products, aiming to transform its earnings structure by achieving both stronger price competitiveness and expansion of total gross profit. By FY2030, the Group aims to raise TOPVALU sales to ¥2 trillion and the national-brand joint procurement ratio to 45%. During the first quarter, TOPVALU sales increased to 105.2% of the previous year's level, while the ratio of food TOPVALU sales reached 15.9%, demonstrating steady growth. The Group has designated products with annual sales exceeding ¥1 billion as “Mega Items” and plans to increase the number of such products from 100 to 300 during the current fiscal year. Through higher sales volumes of individual products, the Group aims to reduce procurement costs, reinvest the benefits into pricing, and attract more customers. Joint procurement of national-brand products also increased to 107% of the previous year's level, reflecting progress in procurement cost reforms through the Group’s scale advantages.

For expense structure reform, the Group is shifting store DX initiatives, which have previously been advanced by individual companies and stores, to a Group-led framework to improve productivity across the entire Group. During the first quarter, continued initiatives such as the expansion of self-checkout systems, electronic shelf labels, and AI tools contributed to productivity improvements, with labor hours at existing stores reaching 96.7% of the previous year's level in the supermarket business and 99.4% in the discount store business. In addition, the value of products supplied by Craft Delica Funabashi, the Group’s delicatessen process center, increased to 131% of the previous year's level, with the number of recipient stores expanding to approximately 3,000 stores across 11 Group companies. This has enabled both higher product quality and reduced in-store food preparation labor.

For the transition to a new supermarket model, the Group is building a low-cost operating model by optimizing in-store processing and capital investment while leveraging the price competitiveness achieved through gross profit structure reform and expense structure reform. At the same time, the Group aims to improve profitability by enhancing the freshness and quality of fresh food and delicatessen products while maintaining price competitiveness. United Super Markets Holdings Inc. (“U.S.M.H”) has established store formats based on 100-tsubo, 300-tsubo, and over-500-tsubo models and is promoting store development tailored to local market characteristics. During the first quarter, U.S.M.H. introduced its 100-tsubo model, which offers essential daily food items as well as fresh food and delicatessen products in an easy-to-shop format, and began rolling out new supermarket models, including value-proposition stores offering freshness, vibrancy, enjoyment, and low prices.

For the expansion of market share in the Tokyo metropolitan area, the Group is strengthening its business foundation in Japan’s largest growth market by deploying multiple business formats and store types on a common platform. My

Basket CO., LTD. (“My Basket”) expanded its network to 1,337 stores as of the end of the first quarter and continued to advance its dominant strategy. In addition, the online-only supermarket Green Beans surpassed one million members in May, reflecting steady progress in the expansion of digital channels. Furthermore, U.S.M.H. integrated three consolidated subsidiaries of the Company in March and launched the new AEON FOOD STYLE Co., Ltd. (“AEON Food Style”). Through this integration, U.S.M.H. is working to improve operational efficiency and strengthen service delivery tailored to regional characteristics. At the same time, it is enhancing its earnings base through improved procurement capabilities and operational efficiency generated by synergies with its dominant strategy in the Tokyo metropolitan area.

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,” “CO_2 Net Zero,” and “Transition to a Circular Model.”

In Nature Positive, based on the expertise cultivated through the AEON Hometown Forest Program, the Group is redefining *satoyama* (a semi-managed landscape near human settlements) as a resource for creating regional value and is building a model in which nature, the economy, and communities circulate. In April, the Group launched the AEON Satoyama Project, which reconstructs the relationship between local communities and nature, and is working to establish a standard model with a view to nationwide rollout through the conclusion of a regional partnership agreement with Takomachi, Chiba Prefecture. In addition, to improve the sustainability of biological resources, the Group is participating as a cooperating company for trial sales to general consumers in a demonstration project for the social implementation of full-cycle aquaculture technology promoted by the Japan Fisheries Research and Education Agency (FRA). In May, the Group conducted online sales of full-cycle farmed eel. Through this initiative, the Group sought to reduce dependence on natural resources while ensuring stable procurement.

Toward CO_2 Net Zero, Maxvalu Tokai Co., Ltd. (“Maxvalu Tokai”) concluded an Agreement to Promote the Use of Shizuoka Prefecture-Grown Timber with Shizuoka Prefecture in March, and is promoting the use of locally sourced timber in store development. Through this initiative, Maxvalu Tokai will work to achieve both decarbonization and revitalization of the local economy.

In Transition to a Circular Model, the Group expanded clothing collection points by approximately 1.6 times and began collecting used garments at about 700 AEON Group locations nationwide. In addition, through the expansion of environmentally conscious products under TOPVALU, including products bearing the 3R environmental label, third-party certified products, and the “Mottainai wo Oishiku!” series, the Group achieved its target of converting all food and daily necessity items to environmentally friendly products by the end of FY2025, as planned.

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 three months ended May 31, 2026. The comparison and analysis for the three months ended May 31, 2026 are presented based on the revised classification. For details, please refer to “2. Matters related to changes in reportable segments” under “*Segment and Other Information*.”

GMS Business
The GMS Business recorded operating revenue of ¥923,251 million, an increase of 3.9% year on year, and an operating loss of ¥3,455 million, a deterioration of ¥1,668 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 “development of a foundation to enhance execution capabilities.”

During the three months ended May 31, 2026, same-store sales increased 2.4% year on year, while customer traffic also returned to positive growth, rising 1.1% year on year. As a result, operating revenue increased to ¥505,201 million, up 4.4% year on year. Sales growth was particularly notable on weekends and during evening hours, and initiatives combining price-focused measures with digital promotions led to improved store visit frequency. Same-store sales in non-food categories also performed strongly, with apparel up 6.0%, home and leisure products up 7.6%, and Health and Beauty Care (“H&BC”) up 6.5% year on year. Reviewing merchandise offerings in response to changes in demand, launching seasonal products earlier, and advancing sales floor reforms proved effective, leading to improvements in merchandise capabilities and sales floor competitiveness. As a result, the proportion of non-food categories in the sales mix increased, and progress was made in reducing the longstanding reliance on food products.

On the profit side, AEON Retail recorded an operating loss of ¥3,730 million, a deterioration of ¥1,961 million year on year, reflecting higher raw material prices amid continued inflation, stronger price-focused initiatives in food, the rebound from high rice market prices in the previous year, and increases in personnel and logistics costs. These factors also included strategic upfront investments aimed at expanding the customer base and strengthening competitiveness.

In the "reform of the profit structure of the retail business," AEON Retail pursued both pricing strategies and value strategies across all product lines. In particular, by strengthening the rollout of PB products in response to customers' cost-consciousness, TOPVALU sales expanded to ¥103.3 billion, with its sales composition ratio rising to 20.4%, steadily strengthening the earnings base that supports profit growth. In "maximization of shopping center profitability," customer traffic increased 4.5% year on year, supported by revitalization initiatives and environmental improvements aligned with trends, such as the strengthening of entertainment functions, as well as customer attraction measures using social media. Tenant sales also remained steady, mainly in merchandise sales and food and beverage. In "the establishment of new earnings drivers," retail media grew substantially, with app advertising revenue increasing 154.6% and signage revenue increasing 185.0% year on year. In e-commerce, operating revenue grew by nearly double digits year on year, supported by the strengthening of the online supermarket and AEON Style Online for non-food products. As a result, the company is making progress in transitioning to a composite earnings model that combines sales floors with media and digital channels. In addition, under "development of a foundation to enhance execution capabilities," AEON Retail is working to improve profitability while absorbing rising costs through reductions in labor hours and productivity improvements driven by DX, as well as greater efficiency in logistics and sales promotion and energy-saving investments.

During the three months ended May 31, 2026, although there was a short-term impact on profit, future growth drivers began to emerge, including a recovery in customer traffic, renewed growth in non-food categories, and expansion of digital revenue. Going forward, AEON Retail will move into a phase of converting sales growth into profit growth by increasing the TOPVALU sales composition ratio, improving the precision of pricing strategies, strengthening non-food categories, and expanding digital domains.

AEON Hokkaido Corporation secured higher sales even amid continued consumer cost-consciousness, supported by enhanced price-focused initiatives, stronger merchandise measures, and sales floor reforms that increased customer attraction. Sales for the three months ended May 31, 2026 increased 2.1% year on year, reaching a record high. By format, the company carried out a large-scale revitalization at one discount store, expanding sales floors for frozen foods and delicatessen items and enhancing merchandise assortments in response to changes in customers' lifestyles. As a result, sales in the frozen food and delicatessen categories increased by approximately 20% year on year. In the supermarket format, initiatives tailored to format characteristics also proved effective, including improved labor productivity by 4.5% year on year through greater operational efficiency. On the merchandise side, stronger price-focused initiatives for TOPVALU and other measures led to growth in same-store sales of BESTPRICE products by 8.2% year on year, contributing to higher sales through enhanced price competitiveness.

On the profit side, profit declined due to sluggish growth in the apparel category and a lower gross profit margin amid intensified competition. However, these factors reflected strategic initiatives aimed at strengthening price competitiveness and expanding the customer base. In addition, the company is working to improve operational efficiency and control costs through DX initiatives, including the introduction of automatic ordering systems, while strengthening its business foundation in terms of both top-line growth and productivity improvement.

AEON KYUSHU CO., LTD. recorded operating revenue of ¥135,893 million, an increase of 3.0% year on year, and operating profit of ¥655 million, an increase of 18.3% year on year, resulting in higher revenue and profit. On the revenue side, sales increased 3.0% year on year, supported by new store openings, totaling nine stores, and the succession of Joyful Sun stores, as well as steady performance in food products, which account for a high proportion of sales, and growth in apparel and home and leisure products driven by the early rollout of products for extreme heat and UV protection. In food products, same-store sales increased 0.8% year on year, supported by strengthened initiatives such as the new pricing strategy "Gachi Toku ("exceptional value" campaign)," TOPVALU's "Price Freeze Declaration," and "Rice Day on the 10th of Every Month." In apparel and home and leisure products, sales increased 5.5% and 3.7% year on year, respectively, supported by an expanded assortment of fancy goods, cross-department promotional initiatives for extreme heat and UV protection products under "COOL de ACTION 2026," and strong sales of popular game consoles.

Operating gross profit increased 2.2% year on year, supported by higher sales and an increase in other operating revenue through enhanced event promotions. Selling, general and administrative expenses increased by only 1.9% year on year, as the company promoted efficiency improvements through the introduction of self-checkout systems, electronic shelf labels, and labor-saving equipment, while advancing new store openings, existing-store revitalization, and human capital investments.

CAN DO CO., LTD. (“Can Do”) recorded operating revenue of ¥22,789 million, an increase of 3.8% year on year, and operating profit of ¥739 million, an increase of 12.0% year on year, for the three months ended May 31, 2026, resulting in higher revenue and profit.

In store development, Can Do expanded highly efficient stores centered on openings within the AEON Group, while also expanding consignment stores in collaboration with business partners. On the merchandise side, to strengthen the “Can★Do” brand, the company optimized its product mix centered on 100-yen items while incorporating products at other price points, and worked on product development leveraging Group synergies. In store operations, the company reviewed sales floor layouts, expanded the introduction of self-checkout systems, and improved operational efficiency through the use of AI, thereby enhancing productivity. Although store operating expenses and investment costs increased, the company controlled the SG&A expense ratio by reviewing store opening costs and strengthening labor hour control, leading to improved profitability.

Supermarket Business

The Supermarket Business recorded operating revenue of ¥757,219 million, a decrease of 0.4% year on year, and an operating loss of ¥800 million, a deterioration of ¥7,759 million year on year.

U.S.M.H recorded a significant increase in operating revenue to ¥273,635 million, up 16.8% year on year, for the three months ended May 31, 2026, supported by higher customer traffic at existing stores and the consolidation effect of AEON Food Style. On the other hand, profit came under pressure due to responses to price competition, higher materials prices, and increases in labor costs, sales promotion expenses, and renovation costs. As a result, U.S.M.H recorded an operating loss of ¥805 million, a deterioration of ¥1,552 million year on year. Under integrated management, U.S.M.H has positioned the current fiscal year as a “year of standardization” and is working to improve profitability and strengthen its growth foundation by promoting area strategies, store strategies, and structural reforms. To enhance competitiveness in the food retail market in the Tokyo metropolitan area, the company has begun developing new store formats, while also integrating procurement, logistics, systems, and head office functions to improve efficiency across its Group and maximize the benefits of integration.

FUJI CO., LTD. (“FUJI”) recorded operating revenue of ¥198,026 million, a decrease of 1.7% year on year, and operating profit of ¥391 million, a decrease of 79.4% year on year, for the three months ended May 31, 2026. This reflected lower revenue and profit due mainly to the reactionary decline from temporary demand growth in the previous year caused by high market prices and product shortages, particularly in food products.

Under this challenging business environment, FUJI worked to strengthen store competitiveness by enhancing price-focused initiatives through expanded EDLP (Everyday Low Price) products and PB products, renovating existing stores, improving the shopping environment, and renewing its merchandise mix. In addition, the company established cross-functional policy promotion tasks and accelerated initiatives to maximize integration synergies and scale advantages. Through these efforts, it is promoting Group-wide efficiency in merchandise procurement, sales promotion, and operational standardization, and is making progress in developing a foundation for improving profitability.

FUJI is also working to improve productivity through digital investment and business reforms, including more advanced automatic ordering using demand forecasts, the introduction of electronic shelf labels, and the promotion of multi-skilling. Through these initiatives, the company will continue to advance efficiency improvements and strengthen its earnings base even amid rising costs.

Furthermore, by expanding its mobile supermarket operations, FUJI has established an operating structure covering a cumulative total of 96 stores, 148 vehicles, and 805 routes. Through the provision of shopping opportunities and enhanced services that support local residents, the company is expanding its customer base through community-based services.

Maxvalu Tokai recorded operating revenue of ¥95,274 million, a decrease of 0.4% year on year, and operating profit of ¥2,403 million, a decrease of 11.8% year on year. On the revenue side, the company has steadily expanded customer touchpoints through the opening of new store models, operation of mobile supermarkets, and new openings of the unmanned “Max Mart” store format. At existing stores, the company sought to create reasons for customers to visit stores by strengthening price-focused initiatives through the continued “Value You Can Feel – Supporting Household Budgets” campaign. However, sales fell short of the previous year’s level, partly due to the impact of restrained average spending per customer, resulting in lower revenue overall.

On the profit side, profit was affected by the continued implementation of pricing strategies aimed at establishing a competitive advantage and external factors such as higher raw material prices and logistics costs. Profit was also affected by upfront investments to strengthen the growth foundation, including new store openings, existing-store renovations, and digital initiatives. Meanwhile, store competitiveness is steadily improving through the expansion of high value-added categories such as delicatessen items, frozen foods, and in-store bakery products, the further evolution of differentiated merchandising through the brands of “*Jimono*” (locally sourced products) and “*Chanto Gohan*” (balanced everyday meals) and more sophisticated sales promotions using iAEON.

My Basket secured higher revenue during the three months ended May 31, 2026, supported by the advantages of its small-format urban store format. Sales increased 7.4% year on year, driven by progress in new store openings. On the other hand, the merchandise mix showed some fluctuations, including the reactionary decline in sales of rice substitute products such as bread and pasta, which had grown in the previous year amid the sharp rise in rice prices. Nevertheless, demand for the format remained solid. On the merchandise side, My Basket further strengthened its position as an everyday-use store format by enhancing price competitiveness through measures such as increasing the sales composition ratio of TOPVALU products.

On the profit side, although the company was affected by higher costs, including wage increases and logistics costs, these reflected upfront initiatives for future growth, such as investment in human resources and the strengthening of its supply system, and are expected to contribute to improved competitiveness over the medium to long term. In addition, productivity improvement initiatives through DX, including the introduction of ordering support systems and the expansion of self-checkout systems, progressed steadily.

Discount Store Business

The Discount Store Business recorded operating revenue of ¥109,200 million, an increase of 1.1% year on year, and operating profit of ¥257 million, a decrease of ¥1,558 million year on year.

AEON BIG CO., LTD. (“AEON BIG”) maintained sales at largely the same level year on year by continuing price-focused initiatives centered on EDLP products amid heightened cost-consciousness caused by rising prices. In the food category, sales declined due to the reactionary impact of the sharp rise in rice prices in the previous year, while in non-food categories, sales increased on the back of higher demand for daily necessities and other products. In addition, the sales composition ratio of PB products, which had already reached a level just below 30%, increased further, and the optimization of the merchandise mix toward improved profitability is steadily progressing. In April, the company newly launched operations at a micro-processing center, working to address a shortage of skilled workers and reduce in-store work, while promoting stable product supply. In addition, by strengthening the merchandise mix through small-lot supply, the company has achieved product assortments at small-format stores that are comparable to those of large stores.

BIG-A CO., LTD. increased sales through new store openings and stronger price-focused initiatives. On the profit side, although the company was affected by the reactionary impact of high rice market prices in the previous year, it worked to maintain profitability by reviewing merchandise policies and other measures. Under these conditions, the company has worked to optimize its merchandise mix centered on expanded sales of PB products, in addition to reducing markdown losses by prioritizing the allocation of promotional resources and reviewing product assortments. These initiatives contributed to increases in both sales and gross profit. As part of labor-saving initiatives, the company is also working to achieve both operational efficiency and greater customer convenience, including the introduction of fully self-checkout systems at approximately 30% of its stores.

Health and Wellness Business

The Health and Wellness Business recorded operating revenue of ¥638,003 million, an increase of 89.9% year on year, and operating profit of ¥26,696 million, an increase of ¥18,247 million year on year.

Tsuruha recorded net sales of ¥636,886 million, an increase of 133.7% year on year, and operating profit of ¥24,229 million, an increase of 94.3% year on year, for the three months ended May 31, 2026, resulting in higher revenue and profit. Following its management integration with Welcia on December 1, 2025, Tsuruha is promoting initiatives aimed at the early creation of integration synergies. In merchandising, Tsuruha is integrating organizations with a view to unifying merchandising, developing the new PB "*Karada to Kurashi ni*, +1," and introducing the existing PB products of each company into the other's stores. In systems, Tsuruha is working to establish an organizational structure and build a data infrastructure for the integration of core systems. In addition, Tsuruha has divided Japan into six blocks and is strengthening store development across its Group, while renovating existing stores and rolling out the "Drug & Food" format with expanded food categories. As a result, during the three months ended May 31, 2026, Tsuruha opened 36 new stores and closed 47 stores, bringing the number of directly operated stores in its Group to 5,665 as of May 31, 2026.

Financial Services Business

The Financial Services Business recorded operating revenue of ¥151,596 million, an increase of 8.8% year on year, and operating profit of ¥18,185 million, an increase of ¥4,778 million year on year.

AEON Financial Service Co., Ltd. ("AFS") secured higher revenue, supported by increases in various transaction volumes and operating receivables in Japan and overseas. In addition, operating profit increased significantly, reflecting improved profitability through measures such as raising the fee rate for shopping revolving credit, as well as an increase in investment income in the banking business associated with rising interest rates.

In the domestic retail business, AFS responded to diverse customer payment needs by improving the convenience of payment methods, including "Pay Later in Installments." As a result, the balance of shopping revolving and installment receivables expanded to ¥403,387 million, an increase of ¥8,207 million from the beginning of the period, while the balance of cash advance receivables increased to ¥438,987 million, an increase of ¥3,610 million, contributing to improved asset profitability. In addition, the balance of housing loans grew to ¥2,932,502 million, an increase of ¥20,714 million from the beginning of the period, with the expansion of loan assets supporting revenue growth.

In the domestic solution business, AFS expanded its customer base, primarily through the smartphone payment service AEON Pay. The number of registered ID members for the service increased to 13.68 million, an increase of 1.60 million from the beginning of the period, while the number of active IDs in Japan, including AEON Pay, expanded to 40.30 million, an increase of 1.05 million from the beginning of the period. In addition, card shopping transaction volume remained steady at ¥2,038,543 million, an increase of 4.3% year on year, supported by the expansion of the merchant network and strengthened promotional initiatives. As a result, the expansion of scale and higher usage frequency in the payment domain led to increased earnings opportunities.

In overseas operations, the Malaysia region maintained strong growth, with operating revenue and operating profit both increasing 25.3% and 40.8%, respectively, supported by steady growth in the balance of individual installment financing and personal loan receivables. In the China region, profitability also improved, reflecting increases in transaction volumes and operating receivables, as well as the containment of credit-related expenses through more sophisticated credit screening.

In addition, AFS is strengthening its management foundation through a review of its business portfolio and the reorganization of functions within its Group, while working to improve organizational efficiency and accelerate decision-making. Through these initiatives, AFS is enhancing its ability to execute growth strategies leveraging retail customer touchpoints and financial data in Japan and overseas, and is making progress in developing a foundation for sustainable earnings growth.

Developer and Entertainment Business

The Developer and Entertainment Business recorded operating revenue of ¥174,072 million, an increase of 9.2% year on year, and operating profit of ¥27,847 million, an increase of ¥8,421 million year on year.

AEON Mall achieved higher revenue and profit, with operating revenue of ¥123,779 million, an increase of 7.0% year on year, and operating profit of ¥23,367 million, an increase of 39.9% year on year, supported by growth in tenant sales at existing malls in Japan and overseas.

In Japan, AEON Mall sought to create reasons for customers to visit its malls through initiatives such as the "Gasoline Cost Support Campaign," which responded to rising gasoline prices, and "Cinema de Gourmet." As a result, tenant sales at existing malls increased by 7.8% year on year, while customer traffic rose by 4.0%, with both sales and traffic growing. In addition, AEON Mall carried out renovations at 11 malls during the three months ended May 31, 2026, promoting stronger profitability through the revitalization of existing malls. Renovated malls recorded higher sales growth than non-renovated malls, demonstrating the effectiveness of these initiatives.

Overseas, tenant sales at existing malls in China increased by 4.5% year on year, leading to higher variable rent income. In Vietnam, tenant sales increased significantly by 28.8% year on year, driving growth on the back of higher customer traffic.

On the profit side, operating profit increased substantially, supported by higher revenue centered on existing malls and progress in cost control, including the containment of electricity expenses, mainly in Japan. In addition, following AEON Mall's transition to a wholly owned subsidiary, collaboration in management resources within the AEON Group has progressed. AEON Mall worked to strengthen customer attraction across the Group through initiatives such as joint promotions with AEON Retail and measures to enhance customer circulation within malls through coordination among GMS, specialty stores, cinemas, and food and beverage tenants. Furthermore, AEON Mall captured inbound tourism demand amid an increase in visitors to Japan, and strengthened its response mainly at malls in tourist areas and near airports. As a result, duty-free sales by tenants increased substantially to approximately 1.3 times the level of the same period of the previous fiscal year, contributing to higher customer traffic and sales.

For store openings in the current fiscal year, in Japan, AEON Mall plans to open AEON Mall Date in Date City, Fukushima Prefecture, in addition to AEON Hachioji Takiyama in Hachioji City, Tokyo, which opened on June 26. Overseas, AEON Mall is steadily advancing growth investments, including plans to open new malls in Da Nang, Thanh Hoa, and Ha Long in Vietnam, which it positions as its most important area.

Using the cash generated through these initiatives, AEON Mall is strengthening its business foundation for sustainable growth by advancing business development through both the continuous renovation of existing malls and new development.

AEON Fantasy Co., Ltd. ("AEON Fantasy") achieved higher revenue and profit, with operating revenue of ¥24,575 million, an increase of 12.2% year on year, and operating profit of ¥1,336 million, an increase of 9.3% year on year, for the three months ended May 31, 2026, supported by strong performance in its domestic business. In the domestic business, existing stores performed steadily, while improved operational efficiency and stronger sales floors in the core prize segment also contributed to performance. AEON Fantasy also expanded openings of new formats, including "*Crane Yokocho Kiwami* (a vibrant, prize-filled town)," "*Nobikko* (kids playground)" and "*Chikyu no Niwa* (Garden on Earth)" In the bathing facility business, the company opened "OYUGIWA Niiza Onsen," which has performed above plan, and these new stores are contributing to sales growth as growth domains.

In overseas operations, AEON Fantasy is shifting to operations that emphasize improved profitability at existing stores and investment efficiency. In ASEAN, revitalization of existing stores and carefully selected new openings contributed to strong performance, particularly in Thailand and Indonesia. Although some regions were affected by the consumer environment, ASEAN as a whole secured higher revenue and profit. In China, profitability is also improving as structural reforms progress.

AEON Entertainment strengthened ODS (Other Digital Stuff, including live-viewing and other non-film content), including live viewings, in addition to film screenings. By utilizing periods with relatively few hit films and time slots with lower movie attendance, the company improved its attendance rate. These initiatives resulted in a significant increase in attendance, up 20.8% year on year. Operating revenue increased substantially, supported by higher average spending per customer on food and merchandise through the rollout of original products and other initiatives, as well as an improved purchase rate through the introduction of self-ordering systems.

On the profit side, profitability improved as sales growth in food and other categories, together with the introduction of self-ordering systems, which also contributed to operational efficiency, absorbed the impact of higher personnel expenses. As a result, operating profit reached a record high for the first three months of a fiscal year, increasing 140.9% year on year.

Overseas, AEON Entertainment is promoting business development in Vietnam through a joint venture with a local cinema operator. Since December 2025, the company has opened three cinemas in Ha Noi, Hai Phong, and Ho Chi Minh City, building its store network as planned. In addition, through the distribution of Japanese and Korean films, it has secured solid box-office results for multiple titles, and the development of its business foundation is progressing steadily in both cinema operations and distribution.

Services and Specialty Store Business
The Services and Specialty Store Business recorded operating revenue of ¥158,315 million, an increase of 2.6% year on year, and operating profit of ¥4,402 million, a decrease of ¥350 million year on year.

AEON DELIGHT CO., LTD. ("AEON DELIGHT") maintained its revenue growth trend during the three months ended May 31, 2026, supported by the expansion of new contracts and progress in price revisions. Sales increased steadily, rising by 3.1% year on year, due to the expansion of new contracts in its three core building maintenance businesses—equipment management, cleaning, and security—as well as the effects of M&A in its China business. Operating profit, however, declined year on year. Although increases in personnel expenses remained within the planned range, the benefits of price optimization and operational efficiency improvements were still in the process of materializing, while selling, general and administrative expenses increased in line with growth investments.

Nevertheless, following AEON DELIGHT's transition to a wholly owned subsidiary, the company is promoting the unification of sales activities to capture demand within the Group, as well as the consolidation of materials procurement and construction work. As a result, its ability to win contracts and improve cost efficiency is progressing. In addition, the company is promoting greater efficiency in indirect departments through the consolidation and standardization of back-office functions via shared services, as well as more sophisticated operations through the use of AI. Furthermore, AEON DELIGHT is working to improve productivity across the business by advancing smart maintenance and enhancing the efficiency of on-site operations.

COX CO., LTD. ("COX") recorded higher revenue but lower profit, with sales of ¥3,802 million, an increase of 0.9% year on year, and operating profit of ¥328 million, a decrease of 29.9% year on year. 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 enhanced brand communication through collaboration projects. On the other hand, sales of early summer and summer products struggled due to a delay in the rise in temperatures, and same-store sales decreased 0.8% year on year. Under these conditions, e-commerce sales increased substantially, rising by 13.3% year on year, supported by strengthened OMO initiatives through the distribution of coupons in stores and expanded collaboration with influencers.

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

The International Business recorded operating revenue of ¥169,653 million, an increase of 11.9% year on year, and operating profit of ¥5,722 million, an increase of ¥1,484 million year on year.

In Malaysia, sales in the retail business at AEON CO. (M) BHD. remained at a level comparable to the previous year, as weak consumer sentiment led to slower purchases of products other than daily necessities. In the mall business, however, sales remained steady as the company promoted contract renewals that contribute to improved profitability, maintained occupancy rates, and optimized the tenant mix. In the online supermarket business, although average spending per customer declined following the curtailment of low-margin case sales products, the number of orders increased. In addition, through thorough cost control and improvements in operational efficiency, profit for the quarter increased significantly by 40.5% year on year.

In Vietnam, AEON Vietnam, a major Group company in the country, achieved significant growth in same-store sales, which increased by approximately 20% year on year, supported by higher customer traffic in modern trade channels and strong performance during the Tet holiday sales season. In the e-commerce business, both sales and the number of orders maintained strong growth, increasing by approximately 80% year on year, driven by an expanded assortment of food and H&BC products, the promotion of strategic collaborations, and the expansion of OMNI online supermarket and B2B operations.

In China, consumer frugality continued amid a sluggish real estate market and uncertainty over the employment environment, particularly among younger consumers, and Spring Festival sales campaigns and uniform-price promotions struggled. On the other hand, the Group is steadily advancing reforms to its earnings structure, including reviews of merchandise and promotional measures and the optimization of store openings and closures. By area, AEON (HUNAN) Co., Ltd. secured higher profit due to the effect of new store openings, while initiatives to improve profitability are progressing in each region, including the strengthening of delicatessen items and the rebuilding of PB strategies.

(2) Analysis of Financial Condition

Consolidated assets as of May 31, 2026 were ¥15,593,500 million, an increase of ¥223,841 million, or 1.5%, from the end of the previous fiscal year. The increase was mainly attributable to increases of ¥128,663 million in notes and accounts receivable – trade, ¥88,761 million in loans and bills discounted for banking business, and ¥71,055 million in property, plant and equipment, partially offset by a decrease of ¥136,521 million in cash and deposits.

Consolidated liabilities as of May 31, 2026 were ¥13,406,928 million, an increase of ¥241,537 million, or 1.8%, from the end of the previous fiscal year. The increase was mainly attributable to increases of ¥153,431 million in notes and accounts payable – trade, ¥49,303 million in short-term loans payable, and ¥28,031 million in long-term loans payable, including the current portion, partially offset by decreases of ¥56,870 million in deposits for banking business and ¥37,615 million in income taxes payable.

Consolidated net assets as of May 31, 2026 were ¥2,186,571 million, a decrease of ¥17,695 million, or 0.8%, from the end of the previous fiscal year.

(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.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	1,350,037	1,213,516
Call loans	1,396	1,327
Notes and accounts receivable – trade	1,887,611	2,016,275
Securities	*1 1,289,102	*1 1,278,384
Inventories	829,524	843,094
Operating loans receivable	663,896	690,091
Loans and bills discounted for banking business	3,197,412	3,286,174
Other	598,660	648,810
Allowance for doubtful accounts	(139,936)	(137,931)
Total current assets	9,677,706	9,839,743
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,880,897	1,908,084
Tools, furniture and fixtures, net	319,675	327,466
Land	1,138,073	1,145,881
Construction in progress	114,055	135,943
Other, net	488,854	495,236
Total property, plant and equipment	3,941,556	4,012,611
Intangible assets		
Goodwill	270,803	267,240
Software	215,412	220,044
Other	110,120	110,053
Total intangible assets	596,336	597,338
Investments and other assets		
Investment securities	263,609	244,371
Retirement benefit asset	100,707	102,549
Deferred tax assets	174,536	177,450
Guarantee deposits	426,906	426,630
Other	192,439	196,961
Allowance for doubtful accounts	(4,140)	(4,156)
Total investments and other assets	1,154,058	1,143,806
Total non-current assets	5,691,952	5,753,757
Total assets	15,369,658	15,593,500

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,475,963	1,629,395
Deposits for banking business	5,474,093	5,417,222
Short-term loans payable	370,857	420,160
Current portion of long-term loans payable	469,807	458,703
Current portion of bonds payable	170,517	181,064
Commercial papers	5,932	17,006
Income taxes payable	71,703	34,087
Provision for bonuses	50,817	69,256
Provision for loss on store closing	17,273	10,015
Provision for point card certificates	7,967	7,725
Other provisions	2,238	666
Notes payable – facilities	56,013	65,639
Other	1,112,364	1,172,680
Total current liabilities	9,285,550	9,483,623
Non-current liabilities		
Bonds payable	1,105,261	1,096,120
Long-term loans payable	1,845,194	1,884,330
Deferred tax liabilities	27,223	31,622
Provision for loss on store closings	9,149	8,614
Provision for loss on interest repayment	698	637
Other provisions	209	230
Retirement benefit liability	19,346	19,518
Asset retirement obligations	142,367	145,131
Long-term guarantee deposits	275,444	278,471
Other	454,944	458,627
Total non-current liabilities	3,879,840	3,923,304
Total liabilities	13,165,391	13,406,928

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Net assets		
Shareholders' equity		
Share capital	220,007	220,007
Capital surplus	338,309	338,844
Retained earnings	473,986	468,411
Treasury shares	(6,607)	(6,311)
Total shareholders' equity	1,025,696	1,020,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,583	(21,986)
Deferred gains or losses on hedges	12,764	19,462
Foreign currency translation adjustment	151,417	163,889
Remeasurements of defined benefit plans	26,959	26,243
Total accumulated other comprehensive income	192,725	187,608
Share acquisition rights	1,751	1,566
Non-controlling interests	984,094	976,443
Total net assets	2,204,267	2,186,571
Total liabilities and net assets	15,369,658	15,593,500

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Operating revenue		
Net sales	2,231,576	2,572,213
Operating revenue from Financial Services Business	119,415	130,044
Other operating revenue	215,906	239,723
Total operating revenue	2,566,897	2,941,981
Operating costs		
Cost of sales	1,605,714	1,860,225
Operating cost from Financial Services Business	26,097	29,509
Total operating costs	1,631,811	1,889,735
Gross profit	625,861	711,987
Operating gross profit	935,085	1,052,245
Selling, general and administrative expenses	878,803	977,042
Operating profit	56,282	75,203
Non-operating income		
Interest income	1,189	1,105
Dividend income	1,469	419
Foreign exchange gains	–	907
Share of profit of entities accounted for using equity method	1,554	1,307
Other	5,627	4,796
Total non-operating income	9,840	8,536
Non-operating expenses		
Interest expenses	11,845	16,701
Foreign exchange losses	2,301	–
Other	3,919	3,454
Total non-operating expenses	18,066	20,156
Ordinary profit	48,056	63,582
Extraordinary income		
Gain on sale of non-current assets	38	309
Gain on sale of investment securities	727	262
Gain on sale of shares of subsidiaries and associates	3,298	879
Other	688	473
Total extraordinary income	4,753	1,925
Extraordinary losses		
Impairment losses	8,131	1,477
Loss on retirement of non-current assets	1,307	810
Provision for loss on store closings	3,649	1,204
Other	488	789
Total extraordinary losses	13,577	4,281
Profit before income taxes	39,232	61,226
Income taxes – current	29,609	25,927
Income tax – deferred	3,548	3,221
Total income taxes	33,157	29,148
Profit	6,075	32,077
Profit attributable to non-controlling interests	12,645	18,268
Profit (loss) attributable to owners of the parent	(6,570)	13,809

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	6,075	32,077
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,079)	(37,657)
Deferred gains or losses on hedges	5,459	13,793
Foreign currency translation adjustment	(33,573)	13,283
Remeasurements of defined benefit plans, net of tax	(84)	(1,054)
Share of other comprehensive income of entities accounted for using equity method	(63)	(2)
Other comprehensive income	(48,341)	(11,637)
Comprehensive income	(42,266)	20,440
Comprehensive income attributable to:		
Owners of the parent	(32,576)	8,693
Non-controlling interests	(9,689)	11,747

(3) Notes to Quarterly Consolidated Financial Statements

Key Principles Underlying the Preparation of Quarterly Consolidated Financial Statements

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements generally accepted in Japan.

Going Concern Assumption

Not applicable

Changes in the Scope of Consolidation or Application of the Equity Method

1) Significant changes in the scope of consolidation
   There were no significant changes in the scope of consolidation during the three months ended May 31, 2026.

2) Significant changes in the scope of application of the equity method
   There were no significant changes in the scope of application of the equity method during the three months ended May 31, 2026.

Significant Changes in Shareholders' Equity

Three months ended May 31, 2025

During the three months ended May 31, 2025, capital surplus decreased by ¥35,146 million, mainly due to the Company's additional acquisition of shares, etc. of AEON DELIGHT CO., LTD., a consolidated subsidiary of the Company, as a result of a tender offer for those shares. As a result, capital surplus amounted to ¥263,204 million as of May 31, 2025.

Three months ended May 31, 2026

Not applicable.

Notes on the Quarterly Consolidated Balance Sheets

*1. Breakdown of securities

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Securities in banking operations	1,097,389	1,081,112
Purchased monetary claims in banking operations	188,214	194,771
Other	3,498	2,500
Total	1,289,102	1,278,384

2. Contingent liabilities

(1) Debt guarantees

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Credit guarantee services for general customers operated by consolidated subsidiaries	11,437	11,335
Other	72	52
Total	11,509	11,388

(2) Management Guidance Letters, etc.

The Company has submitted memoranda on management guidance and similar documents to financial institutions and other parties in connection with the financing activities of certain associates, in which it has undertaken, among other matters, responsibility for maintaining the sound financial condition of those companies. None of the above memoranda on management guidance and similar documents fall under guarantee-like arrangements pursuant to the Audit Treatment for Accounting and Disclosure of Guarantees and Guarantee-like Transactions (JICPA Audit and Assurance Practice Committee Practical Guideline No. 61).

Notes on the Quarterly Consolidated Statements of Cash Flows

The quarterly consolidated statement of cash flows for the three months ended May 31, 2026 has not been prepared. Depreciation, including amortization of intangible assets other than goodwill, and amortization of goodwill for the three months ended May 31, 2025 and 2026 are as follows:

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Depreciation	88,528	96,148
Amortization of goodwill	4,415	5,800

Shareholders' Equity and Related Matters

Three Months ended May 31, 2025 (March 1–May 31, 2025)

Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividend
Board of Directors' Meeting held on April 11, 2025	Common shares	17,222	20	February 28, 2025	May 1, 2025	Retained Earnings

Notes: 1. The total amount of dividends includes dividends on shares of the Company held by the Employee Stock Ownership Plan (ESOP) Trust (85,700 shares as of the record date of February 28, 2025).
2. The dividend per share includes a commemorative dividend of ¥2 per share.

Three Months ended May 31, 2026 (March 1–May 31, 2026)

Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividend
Board of Directors' Meeting held on April 9, 2026	Common shares	19,384	7	February 28, 2026	April 30, 2026	Retained Earnings

Note: The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. The dividend per share based on the number of shares before the stock split was ¥21.

Segment and Other Information

[Segment Information]

I. Three Months ended May 31, 2025 (March 1–May 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	867,689	757,069	107,708	335,766	119,415	138,849	98,870
Intersegment revenue or transfers	20,558	3,553	290	210	19,961	20,504	55,448
Total	888,247	760,622	107,999	335,977	139,376	159,353	154,319
Segment income (loss)	(1,787)	6,958	1,816	8,448	13,407	19,426	4,752

	Reportable segment		Other (Note 1)	Total	Adjustments (Notes 2&3)	Reported in the quarterly consolidated statement of Income (Note 4)
	International	Total				
Operating revenue:						
Revenue attributable to customers	150,469	2,575,838	5,155	2,580,994	(14,097)	2,566,897
Intersegment revenue or transfers	1,178	121,706	13,486	135,193	(135,193)	–
Total	151,648	2,697,545	18,642	2,716,188	(149,290)	2,566,897
Segment income (loss)	4,237	57,260	(2,812)	54,448	1,834	56,282

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

2. Main components of minus ¥14,097 million in adjustments to revenue attributable to customers are as follows:
   (i) an adjustment of minus ¥29,651 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 consolidated statement of income as they represent incidental revenue, and
   (ii) operating revenue of ¥15,490 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 ¥1,834 million in adjustments to segment income (loss) are as follows:
   (i) ¥1,813 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
   (ii) ¥394 million in income of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
   (iii) Minus ¥926 million in the elimination of intersegment transactions.
4. Segment income (loss) is reconciled with operating profit in the quarterly 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 three months ended May 31, 2025, impairment losses of ¥6,845 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. Three Months ended May 31, 2026 (March 1–May 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	900,261	753,832	108,893	637,628	130,044	152,711	100,946
Intersegment revenue or transfers	22,989	3,386	307	375	21,551	21,360	57,368
Total	923,251	757,219	109,200	638,003	151,596	174,072	158,315
Segment income (loss)	(3,455)	(800)	257	26,696	18,185	27,847	4,402

	Reportable segment		Other (Note 1)	Total	Adjustments (Notes 2&3)	Reported in the quarterly consolidated statement of Income (Note 4)
	International	Total				
Operating revenue:						
Revenue attributable to customers	168,502	2,952,821	8,008	2,960,829	(18,848)	2,941,981
Intersegment revenue or transfers	1,150	128,489	14,544	143,033	(143,033)	–
Total	169,653	3,081,311	22,552	3,103,863	(161,882)	2,941,981
Segment income (loss)	5,722	78,855	(3,669)	75,185	17	75,203

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

2. Main components of minus ¥18,848 million in adjustments to revenue attributable to customers are as follows:
   (i) an adjustment of minus ¥31,241 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 consolidated statement of income as they represent incidental revenue, and
   (ii) operating revenue of ¥12,309 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 ¥17 million in adjustments to segment income (loss) are as follows:
   (1) ¥611 million in income of the pure holding company (AEON CO., LTD.) not allocated to any business segment,
   (2) ¥490 million in income of Group companies engaging in merchandise supply within the Group not attributable to any business segment, and
   (3) Minus ¥1,084 million in the elimination of intersegment transactions.
4. Segment income (loss) is reconciled with operating profit in the quarterly consolidated statement of income.

2. Matters related to changes in reportable segments

Due to organizational changes, effective from the three months ended May 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 three months ended May 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.

Revenue Recognition

1. Disaggregated information on revenue from contracts with customers

   Three months ended May 31, 2025 (March 1–May 31, 2025)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Developer and Entertainment	Services and Specialty Store
Merchandise sales revenue	823,343	733,379	107,121	335,328	–	26,650	64,433
Service income and other	11,841	13,112	361	128	1,319	42,239	34,005
Revenue from contracts with customers	835,185	746,491	107,483	335,457	1,319	68,889	98,438
Other revenue (Note 3)	32,503	10,577	225	309	118,096	69,959	432
Revenue attributable to customers	867,689	757,069	107,708	335,766	119,415	138,849	98,870

	Reportable segment		Other (Note 1)	Total	Adjustments (Note 2)	Reported in the quarterly consolidated statement of Income
	International	Total				
Merchandise sales revenue	128,770	2,219,027	3,936	2,222,963	8,612	2,231,576
Service income and other	10,679	113,688	1,218	114,907	(22,796)	92,110
Revenue from contracts with customers	139,450	2,332,715	5,155	2,337,871	(14,184)	2,323,686
Other revenue (Note 3)	11,019	243,123	0	243,123	87	243,210
Revenue attributable to customers	150,469	2,575,838	5,155	2,580,994	(14,097)	2,566,897

Notes:
1. The “Other” category represents business segments not included in the reportable segments, and includes the digital business.
2. The “Adjustments” category includes adjustments to reclassify certain service transactions, which are presented on a gross basis in the relevant business segments as appropriate for the presentation of segment performance, to a net basis in the quarterly consolidated statement of income as they represent incidental revenue, as well as revenue of the head office and companies engaged in merchandise supply and related functions that is not attributable to any business segment.
3. “Other revenue” mainly consists of tenant rent under fixed-term lease agreements recognized in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), interest on card cash advances recognized in accordance with the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), and other items.

Three months ended May 31, 2026 (March 1–May 31, 2026)

(Millions of yen)

	Reportable segment						
	GMS	Supermarket	Discount Store	Health and Wellness	Financial Services	Developer and Entertainment	Services and Specialty Store
Merchandise sales revenue	854,022	732,786	108,320	626,569	–	30,717	64,676
Service Income and other	11,784	11,534	343	10,220	3,538	45,961	35,819
Revenue from contracts with customers	865,807	744,321	108,664	636,790	3,538	76,679	100,495
Other revenue (Note 3)	34,453	9,511	228	838	126,506	76,032	451
Revenue attributable to customers	900,261	753,832	108,893	637,628	130,044	152,711	100,946

	Reportable segment		Other (Note 1)	Total	Adjustments (Note 2)	Reported in the quarterly consolidated statement of Income
	International	Total				
Merchandise sales revenue	144,157	2,561,251	6,223	2,567,475	4,738	2,572,213
Service Income and other	11,790	130,992	1,784	132,777	(23,673)	109,104
Revenue from contracts with customers	155,948	2,692,244	8,007	2,700,252	(18,934)	2,681,317
Other revenue (Note 3)	12,554	260,577	0	260,577	86	260,663
Revenue attributable to customers	168,502	2,952,821	8,008	2,960,829	(18,848)	2,941,981

Notes: 1. The “Other” category represents business segments not included in the reportable segments, and includes the digital business.
2. The “Adjustments” category includes adjustments to reclassify certain service transactions, which are presented on a gross basis in the relevant business segments as appropriate for the presentation of segment performance, to a net basis in the quarterly consolidated statement of income as they represent incidental revenue, as well as revenue of the head office and companies engaged in merchandise supply and related functions that is not attributable to any business segment.
3. “Other revenue” mainly consists of tenant rent under fixed-term lease agreements recognized in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), interest on card cash advances recognized in accordance with the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), and other items.

2. Matters related to changes in reportable segments, etc.

Due to organizational changes, effective from the three months ended May 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.

Disaggregated information on revenue from contracts with customers for the three months ended May 31, 2025 has been prepared based on the revised classification method.

Per Share Information

Basic earnings (loss) per share and the basis for its calculation, and diluted earnings per share and the basis for its calculation, are as follows:

(Millions of yen, unless otherwise specified)

Item	Three months ended May 31, 2025	Three months ended May 31, 2026
(1) Basic earnings (loss) per share (Yen)	(2.54)	4.99
Basis for calculation		
Profit (loss) attributable to owners of the parent	(6,570)	13,809
Amount not attributable to common shareholders	–	–
Profit (loss) attributable to owners of the parent attributable to common shares	(6,570)	13,809
Average number of common shares during the period (Thousands of shares)	2,583,057	2,767,245
(2) Diluted earnings (loss) per share (Yen)	–	4.99
Basis for calculation		
Adjustments to profit attributable to owners of the parent	–	(10)
[of which: difference arising from changes in ownership interest due to share acquisition rights issued by consolidated subsidiaries]	[–]	[(10)]
Increase in common shares (Thousands of shares) [of which: share acquisition rights (Thousands of shares)]	– [–]	636 [636]
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect, for which there were significant changes from the end of the previous fiscal year	–	–

Notes: 1. In calculating the average number of common shares outstanding during the period, shares of the Company held by the Employee Stock Ownership Plan (ESOP) Trust are included in treasury shares deducted from the calculation. The average number of shares of the Company held by the trust was 75 thousand shares during the three months ended May 31, 2025.

2. Diluted earnings per share for the three months ended May 31, 2025 is not presented because, although potential shares exist, the Company recorded a basic loss per share for the period.

3. The Company implemented a 3-for-1 stock split of its common shares, effective September 1, 2025. Basic earnings (loss) per share and diluted earnings (loss) per share have been calculated assuming that the stock split had been conducted during the three months ended May 31, 2025.

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Independent Auditor's Report on the Quarterly Consolidated Financial Statements

July 9, 2026

To the Board of Directors, AEON CO., LTD.

Deloitte Touche Tohmatsu LLC
Tokyo Office

Designated and Engagement Partner	Certified Public Accountant	Masayuki Yamada
Designated and Engagement Partner	Certified Public Accountant	Shinsuke Tsuji
Designated and Engagement Partner	Certified Public Accountant	Mikihiko Okabe

Auditor's Conclusion:

The quarterly consolidated financial statements of AEON CO., LTD. (hereinafter the "Company") for the first quarter of the consolidated fiscal year from March 1, 2026 to February 28, 2027 (from March 1, 2026 to May 31, 2026), including the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income, and the related notes—presented in the "Attached Materials" of this quarterly financial results report—have been reviewed by our audit firm.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above do not present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of May 31, 2026, and the results of their operations for the three-month period then ended, in conformity with accounting principles generally accepted in Japan, which are described in Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc.

Basis for Auditor's Conclusion:

We conducted our review in accordance with the standards for an interim review generally accepted in Japan. Our responsibility under those standards are described in "**Auditor's Responsibility for Interim Review of Quarterly Consolidated Financial Statements."** We are independent of the Company and its consolidated subsidiaries and have fulfilled our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan, including those applicable to audits of financial statement of entities with significant public interest. We believe that the evidence we have obtained provides a basis for our conclusion.

Management and Audit Committee Responsibility for Quarterly Consolidated Financial Statements:

The responsibility of management is to prepare and fairly present the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the accounting principles generally accepted in Japan. This includes the design and operation of internal controls deemed necessary by management for the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the statements on a going concern basis and, where required, for disclosing matters related to a going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements issued by Tokyo Stock Exchange, Inc. and the accounting principles generally accepted in Japan.

The Audit Committee is responsible for monitoring the performance of the Executive Officers and Directors in the development and operation of the financial reporting process.

Auditor's Responsibility for Interim Review of Quarterly Consolidated Financial Statements:

The auditor's responsibility is to express a conclusion in the interim review report, from an independent standpoint, on the quarterly consolidated financial statements based on an interim review. Throughout the course of the interim review, the auditor is required to exercise professional judgment and maintain professional skepticism in accordance with the generally accepted standards for interim reviews in Japan.

We perform analytical procedures and other interim review procedures, consisting principally of inquiries of management and other persons responsible for financial and accounting matters. Interim review procedures are more limited in scope than an audit of annual financial statements performed in accordance with auditing standards generally accepted in Japan.

If we determine that there is significant uncertainty regarding events or conditions that may cast substantial doubt on the entity's ability to continue as a going concern, we evaluate based on the evidence obtained, whether the quarterly consolidated financial statements are fairly presented in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the accounting principles generally accepted in Japan. Additionally, if significant uncertainty regarding the going concern assumption exists, we are required to either emphasize the related note disclosures in our review report or, if those disclosures are inadequate, express a qualified or adverse conclusion. Our conclusion is based on the evidence obtained up to the date of our review report; however, future events or conditions may cause the entity to cease to continue as a going concern.

We evaluate whether there are any matters that lead us to believe that the presentation and disclosures in the quarterly consolidated financial statements are not in compliance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan. Additionally, we assess whether the structure, content, and related notes, as well as the representation of the underlying transactions and accounting events in the quarterly consolidated financial statements, are not fairly presented.

We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for our conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and performing the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the conclusion expressed.

The auditor shall report to the Audit Committee on the scope and timing of the planned interim review and significant findings on the interim review.

The auditor shall report to the Audit Committee that they have complied with Japanese professional ethics rules regarding independence, and disclose any matters that could reasonably be considered to affect independence. This includes any impediments and, if applicable, the measures taken to eliminate them or the safeguards applied to reduce them to an acceptable level.

Interest or Relationship:

We have no interest or relationship with the Company or its consolidated subsidiaries that would require disclosure under the Certified Public Accountants Act.

END

Notes: 1. The original of the above review report for the period is kept separately by the Company (the company disclosing the quarterly financial statements).
2. XBRL data and HTML data are not included in the scope of the interim review.