

# **FY2011 (2012/2) 3Q Analyst Meeting**

**Jan 6, 2012  
Aeon Co., Ltd.**



# 1-① Consolidated Income Statements - Summary

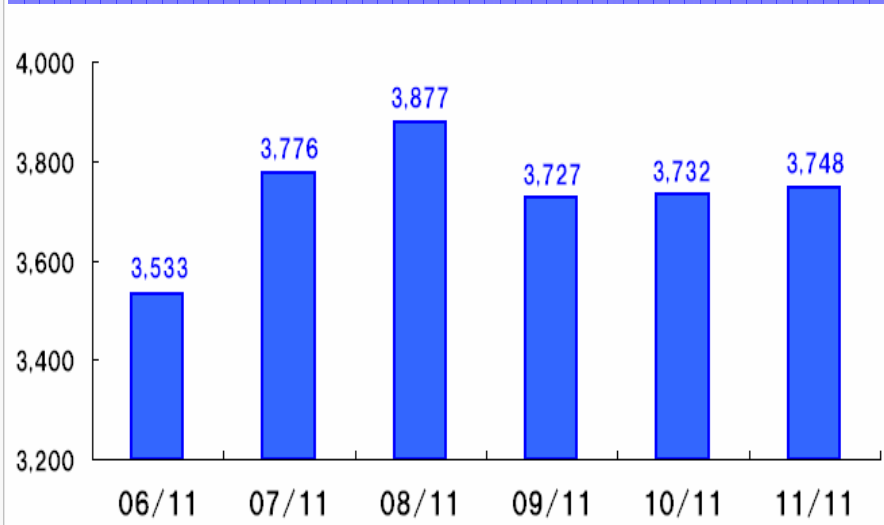


Both operating revenue and income increased  
 Operating revenue: largest for Japanese retail company  
 Ordinary income: best ever

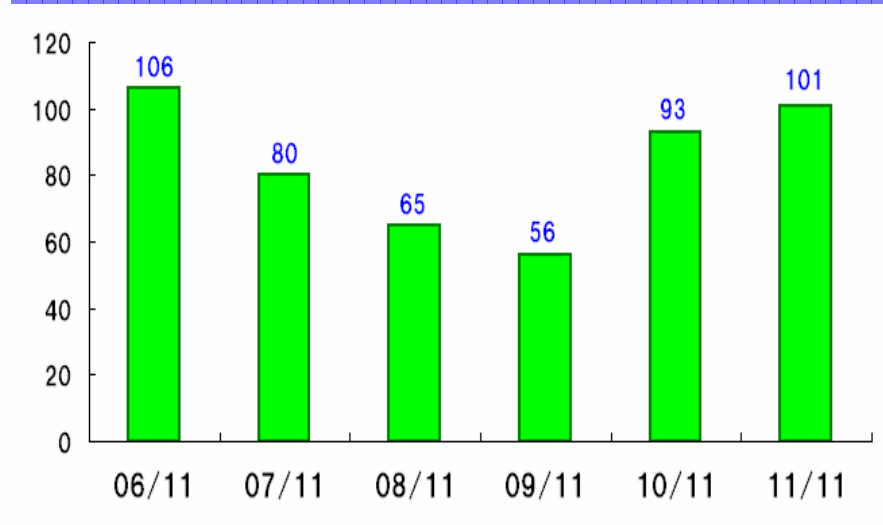
(Bil yen)	2010/11	2011/11	YOY	Change	Note
Operating revenue	3,732	3,748	+0.4%	+15	Mycal impact: ▲12.5 bil yen Fx impact: ▲13.1 bil yen
Gross income	1,296	1,304	+0.6%	+8	
SG&A	1,202	1,202	0.0%	0	
Operating income	93	101	+9.1%	+8	
Ordinary income	101	114	+13.3%	+13	Equity in profit of associated companies: +5.3 bil YOY (Aeon bank: +4.9 bil yen YOY)
Net income	49	36	▲25.6%	▲12	Impact on ▲12 YOY change from one-off events for last two years (losses from disaster, asset retirement liabilities and others): ▲16.9 bil yen

# 1-② 3Q (9 months) results – Last six years (Bil yen)

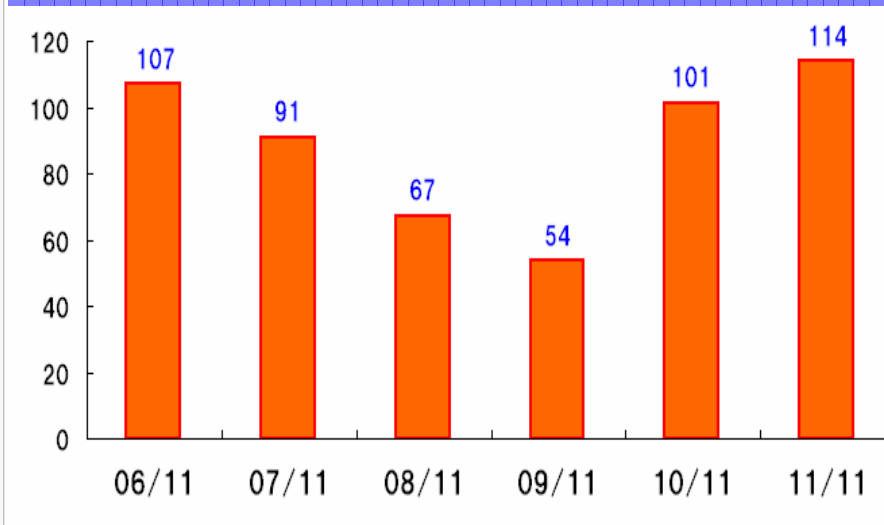
## Operating revenue



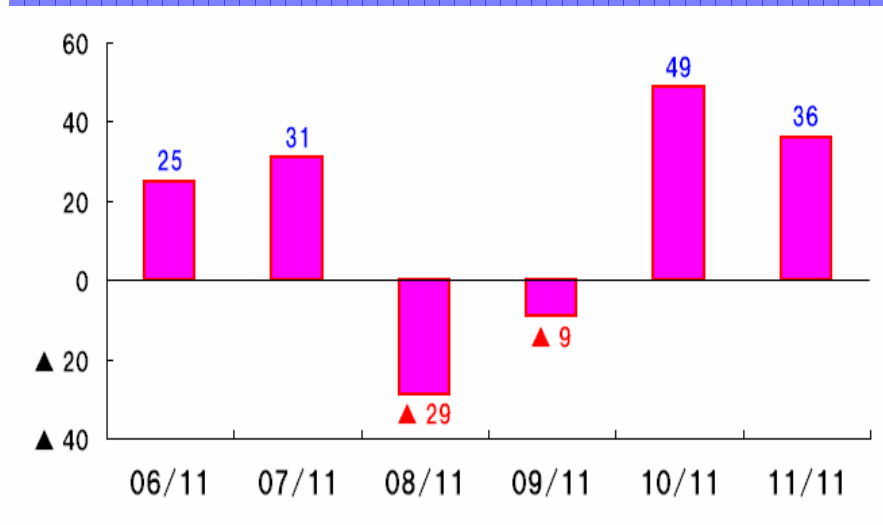
## Operating income



## Ordinary income



## Net income



# 1-③ Consolidated Balance Sheets – Summary



Total assets: 4,162 bil yen, increased by 331 bil yen from 2010/11

				Bil yen			
Assets	2010/11	2011/11	Change	Net assets and liabilities	2010/11	2011/11	Change
Cash and time deposits	278	253	▲25	Notes and accounts payable-trade	658	710	51
Notes and accounts receivables-trade	460	488	27	Interest-bearing debt (※)	1,202	1,331	129
Merchandise inventories	334	361	26	(Excl. financial business)	(671)	(830)	(158)
Financial loan	308	231	▲77	Asset retirement liabilities(※)	-	42	42
Fixed assets	1,436	1,752	315	Total liabilities	2,633	2,934	301
(Asset retirement cost)	(-)	19	19	Shareholders' equity	888	919	31
Investment and other asset	733	776	42	Net assets	1,198	1,228	29
Total assets	3,831	4,162	331	Total net assets and liabilities	3,831	4,162	331

(※)Interest-bearing debt includes lease obligation (※)Asset retirement obligation includes current obligation

# 1-④ Consolidated Cash Flows – Summary



## Cash flows from operating activities increased by 26 bil yen

(Bil yen)	2010/11	2011/11	Change	Note
<b>Cash flows from operating activities</b>	135	162	26	
Income before income taxes and minority investments	115	62	▲53	
Depreciation and amortization	103	101	▲1	
One-time factor	▲17	40	57	10/11: Gains from selling Talbots stock 11/11: Asset retirement obligation, losses from disaster, insurance income, and others
Change in working capital	▲92	▲54	38	
Income taxes paid	▲54	▲69	▲15	
<b>Cash flows from investing activities</b>	▲67	▲243	▲176	
Capital expenditures	▲145	▲240	▲95	Acquisition of fixed asset, payment for fixed leasehold deposits to lessors
Payment for stock acquisition	▲3	▲34	▲31	
Revenue from loan payback	44	0	▲44	10/11: cash received in conjunction with the sales of consolidated subsidiaries
<b>Cash flows from financing activities</b>	▲80	15	95	
<b>Cash and cash equivalents</b>	▲17	▲69	▲51	

## 2-① Business Segment



**GMS business led operating income increase, followed by Service and Strategic small size store**

(Bil yen)	Operating revenue		Operating income	
	2011/11	YOY	2011/11	Change
<b>GMS (General merchandise store)</b>	<b>1,900</b>	<b>99.1% (Note)</b>	<b>16.2</b>	<b>+5.4</b>
<b>SM (Supermarket)</b>	<b>846</b>	<b>103.9%</b>	<b>9.8</b>	<b>+0.4</b>
<b>Strategic small size store</b>	<b>159</b>	<b>113.4%</b>	<b>5.5</b>	<b>+0.9</b>
<b>Financial service</b>	<b>124</b>	<b>98.4%</b>	<b>14.1</b>	<b>+0.6</b>
<b>SC (Shopping center) development</b>	<b>119</b>	<b>106.7%</b>	<b>27.4</b>	<b>+0.5</b>
<b>Service</b>	<b>234</b>	<b>104.3%</b>	<b>14.0</b>	<b>+1.5</b>
<b>Specialty store</b>	<b>230</b>	<b>100.3%</b>	<b>2.5</b>	<b>0</b>
<b>ASEAN</b>	<b>63</b>	<b>99.3%</b>	<b>4.3</b>	<b>▲0.5</b>
<b>China</b>	<b>76</b>	<b>101.8%</b>	<b>1.5</b>	<b>▲0.4</b>
<b>Other</b>	<b>189</b>	<b>104.2%</b>	<b>▲1.1</b>	<b>+1.1</b>
<b>Consolidated</b>	<b>3,748</b>	<b>100.4%</b>	<b>101.8</b>	<b>+8.4</b>

## 2-② GMS Business (Aeon Retail GMS)



3Q (9 month) comp store sales better than 3Q previous year

### 3Q major merchandise initiatives

- Assuring further safety  
「Topvalu」 New Year's cuisine (Sales: +78% YOY)
- Social occasion  
Writing desk(+58% YOY), 「Topvalu」 school backpack(+23% YOY)
- Disaster prevention  
Disaster prevention(+566% YOY, oil heater, 「Topvalu」 battery)

Comp store sales (YOY)						Gross margin (Change)				
(%)	1Q	2Q	3Q	9 month	(Reference) 3Q vs 2 yr ago	(P)	1Q	2Q	3Q	9 month
Apparel	▲6.8	+3.6	+3.1	0.0	+8.1	Apparel	+0.8	+0.4	▲0.6	+0.2
Food	+0.3	+1.8	▲0.1	+0.7	+3.4	Food	0.0	0.0	▲0.8	▲0.3
Household	+1.0	+6.3	▲4.2	+1.0	+2.6	Household	+1.2	+1.0	+1.3	+1.2
Total	▲0.9	+3.2	▲0.5	+0.6	+4.1	Total	+0.1	+0.1	▲0.3	0.0

"Comp store sales" figures are provided for reference and based on former Aeon retail's GMS store operations

## 2-③ 4Q Initiatives & Performance



# 4Q started well by leveraging Aeon's strength

### 4Q major initiatives

#### Utilize group infrastructure

- Aeon Card
- WAON e-money

#### Leverage scale merit

- Nationwide sales (23,000 stores)

#### Prepare early for social occasion

- Graduation & entrance ceremony

### GMS business: Comp store sales

#### (Aeon Retail)

After "Eco-point" system was changed in previous year

YOY (%)	11/21~ 11/30	12/1~ 12/20	12/21~ 1/3
Apparel	+0.6	+6.7	+5.4
Food	▲4.0	+4.4	▲0.2
Household	▲29.7	+2.5	+2.5
Total	▲10.8	+4.4	+1.6

#### SC development business

(Specialty store sales)

#### ※Aeon Mall + Aeon Retail (SC)

YOY (%)	12/21~1/3
Specialty store sales	+11.5

(Figures are for all stores)

"Comp store sales" figures are provided for reference and based on former Aeon retail's GMS store operations

### 3-① Merchandising: Ensuring Food Safety



## Strengthening self inspection system, aiming for “Zero” radiation pollution

### 《Disclosure of self inspection results》

Radiation inspection by third party using Germanium semiconductor detector



Disclosing results on AEON homepage

2011年12月28日更新

検査結果確認日	品種	産地	セシウム134	
			検査結果	検出限界値
2011/12/19	コシヒカリ	栃木県	検出せず	17
2011/12/19	あきたこまち	秋田県	検出せず	12
2011/12/19	あきたこまち	秋田県	検出せず	12

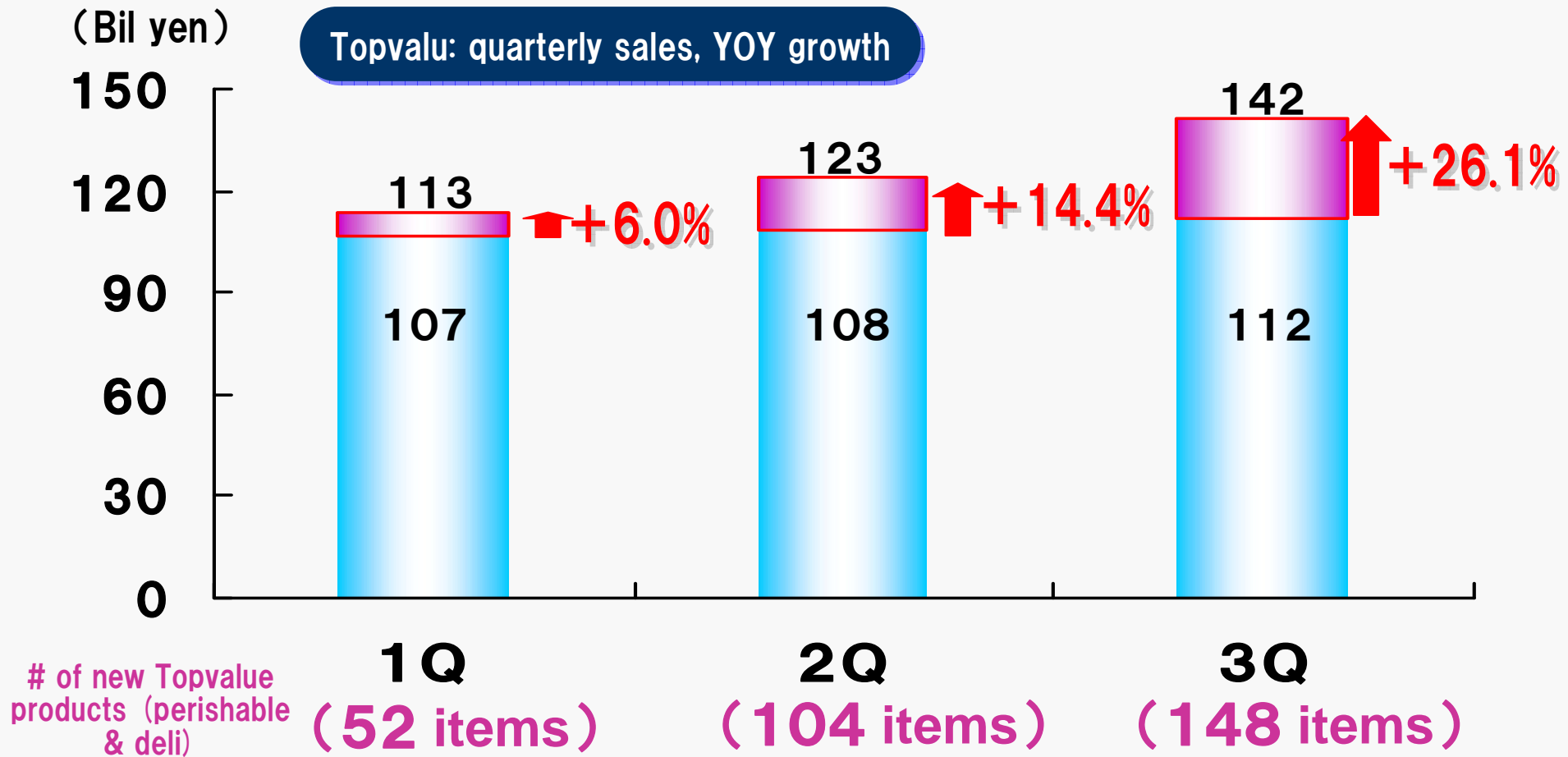
Explaining Aeon's initiatives at store



### 3-② Merchandising: Private Brands



Adding perishable and deli to Aeon's private brand "Topvalu" lineup  
**Topvalu sales increased by 16% YOY to 379 bil yen for 3Q (9 month)**



(Accumulated)

### 3-④ Merchandising: Topvalu (perishable and deli)



Offering “good taste”, “freshness”, “convenience” and “safety”

#### Agricultural products (Topvalu “Komatsuna” raised at Aeon firm)

**TOPVALU** AEON 農場から  
トップバリュ  
**こまつな**

■トップバリュのこだわり■

- 新鮮**  
イオン農場から  
採みたてを  
お店にお届け♪
- 安心**  
栽培方法や肥料など、  
厳しいチェックを  
しています。
- 環境配慮**  
配送にはコンテナを  
使い、ダンボールを  
省きました。

#### Meet (Topvalu Japanese black beef)

**TOPVALU** 味わいひとときわ  
トップバリュ  
**まろやか 黒毛和牛**

■トップバリュのこだわり■

- 風味**  
原料の脂肪質に  
こだわりました。
- うま味**  
低温貯蔵し  
食べごろに  
こだわりました。
- くちあたり**  
料理用途に  
最適なカットに  
こだわりました。

#### Marine product (Topvalu Yellowtail)

**TOPVALU** イオンの指定生産者が育てた  
トップバリュ 宮崎県産  
**活めぶり**

■トップバリュのこだわり■

- 身がしまり  
しっかり食感**  
潮の漬れが深い  
沖合いで育てました。
- 色鮮やか**  
カプサイシン入りの  
厚きエサ(配合飼料)で  
仕上げました。
- 安心**  
HACCP認定工場  
温度管理を  
徹底しています。

#### Deli (Topvalu Beef croquette)

**TOPVALU** カリカリ! ホックホック!  
トップバリュ  
**牛肉コロッケ**

■トップバリュのこだわり■

- いもは  
ホックホク**  
北海道産の  
男爵いも使用。
- 肉の  
うまみと風味**  
肉の量を増やしうまみと  
風味を出しました。
- カリカリ  
ころも**  
新食感!  
米粉入りパン粉使用。

※牛肉はオーストラリア産を使用しています。

## One business, One brand, Localization

### Aeon Mall

All large scale shopping centers are renamed “Aeon Mall”

### Aeon Town



Acquiring remaining stake from Daiwa House to establish Aeon Town as 100% own subsidiary

### My Basket



Separate “My Basket” from Aeon Retail to establish dominance in metropolitan Tokyo

Going to open first store in Vietnam and Cambodia



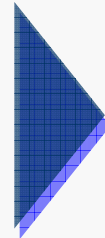
First Cambodian store

## 4-③ Medium Term Management Plan – Asian Shift



**Expand businesses in China and ASEAN area  
with all group companies**

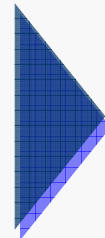
**Aeon Mall**



**China**

Signed agreement to open SC with  
Wuhan and Tianjin local government

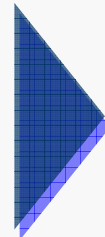
**Aeon Credit Service**



**Cambodia**

Established subsidiary

**Ministop**



**Vietnam**

Opened first store in Ho Chi Minh City

## 5-① FY 2011 (2012/2) Forecast



Making good progress toward achieving forecast

Bil yen

	2011/2 Actual	2012/2 Forecast	YOY
Operating revenue	5,096	5,170	+1.4%
Operating income	172	195~205	+13.1%~18.9%
Ordinary income	182	200~210	+9.8%~15.3%
Net income	59	63~68	+5.5%~13.9%



This material contains projections based on the assumptions, forecasts and plans on futures. Due to the risks and unpredictable factors such as the environmental change of world economy and currency fluctuations, the actual results could be different from the described projections.