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To Whom It May Concern

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Notice of Extraordinary Loss and Consolidated Earnings Projections for the Fiscal Year Ending February 2021

The following provides details of extraordinary losses posted in the first quarter (March 1 through May 31, 2020) of the fiscal year ending February 2021, as well as consolidated earnings forecasts for AEON MALL Co., Ltd. for the fiscal year ending February 2021 (March 1, 2020 through February 28, 2021), which had been undecided as of *Consolidated Financial Results for the Fiscal Year Ended February 29, 2020*, published April 9, 2020.

1. Reasons for recording extraordinary loss

The company recorded fixed costs incurred during the temporary closures of malls due to COVID-19 in the amount of ¥15,818 million, recorded as extraordinary losses. These costs consist mainly of rent, depreciation and amortization, and tenant support in the form of rent reductions during the temporary closures.

2. Earnings forecasts

(1) Consolidated earnings projections for the six months ending August 31, 2020 (first half)

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Projection	Million yen 125,000	Million yen 8,000	Million yen 4,000	Million yen (14,000)	Yen (61.53)
(Reference) Earnings for the six months ended August 31, 2019 (first half)	161,070	29,212	25,157	17,043	74.91
(Reference) Year-on-year change	(36,070)	(21,212)	(21,157)	(31,043)	(136.45)
(Reference) Year-on-year change (%)	(22.4)	(72.6)	(84.1)	—	

(2) Consolidated earnings projections for the six months ending February 28, 2021 (second half)

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Projection	Million yen 155,000	Million yen 22,000	Million yen 18,000	Million yen 10,000	Yen 43.95
(Reference) Earnings for the six months ended February 29, 2020 (second half)	163,067	31,581	30,959	17,196	75.58
(Reference) Year-on-year change	(8,067)	(9,581)	(12,959)	(7,196)	(31.63)
(Reference) Year-on-year change (%)	(4.9)	(30.3)	(41.9)	(41.8)	

(3) Consolidated earnings projections for the year ending February 28, 2021

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Projection	Million yen 280,000	Million yen 30,000	Million yen 22,000	Million yen (4,000)	Yen (17.58)
(Reference) Earnings for the fiscal year ended February 29, 2020	324,138	60,794	56,117	34,239	150.50
(Reference) Year-on-year change	(44,138)	(30,794)	(34,117)	(38,239)	(168.08)
(Reference) Year-on-year change (%)	(13.6)	(50.7)	(60.8)	—	

(4) Reason for publication

Due to the global spread of COVID-19, we reduced mall operating hours or closed malls temporarily in China, ASEAN, and Japan in response to government requests, as well as our own considerations in preventing the spread of infection. These measures had a wide-ranging impact on our businesses, making it difficult to rationally calculate a consolidated earnings forecast for the fiscal year ending February 2021.

Placing the highest priority on the safety of our customers, tenant staff, and mall employees, we implemented thorough safety and security measures to prevent the spread of infection, gradually reopening malls in China, ASEAN, and Japan.

As economic activities resume, including a new standard of existing with COVID-19, we determined that we were able to provide a rational earnings projection for the fiscal year.

(5) Earnings projection assumptions

Specialty store sales at our domestic and overseas malls declined due to the effects of COVID-19; however, but we are seeing a recovery more recently.

Although we appear to have passed the peak of the COVID-19 pandemic, AEON MALL Group estimates related to fixed asset impairment accounting assume that the impact of COVID-19 on earnings results will continue throughout the fiscal year ending February 2021 at levels that contract over time.

Our earnings forecasts here do not project/reflect any declarations of emergency or other social restrictions in response to a second wave of COVID-19 infections. Actual results may differ significantly due to a variety of factors.

We will promptly publish new information affecting actual earnings in the event of any important matters requiring disclosure.