



Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of the Fiscal Year Ending February 29, 2016

July 8, 2015

Company name Aeon Mall Co., Ltd.
Securities code 8905
Representative Akio Yoshida, President and CEO

Listings The First Section of the Tokyo Stock Exchange
URL <http://www.aeonmall.com/en/ir/index.html>

Scheduled dates:

Submission of statutory quarterly financial report July 13, 2015

Commencement of dividend payments –

Supplementary documents for quarterly results Yes

Quarterly results briefing Yes (for institutional investors and analysts in Japanese)

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Year Ending February 29, 2016

(March 1, 2015 to May 31, 2015)

(1) Consolidated Operating Results

(Percentage figures represent year-on-year changes)

| | Operating revenue | | Operating income | | Ordinary income | | Net income | |
|----------------------------------|-------------------|------|------------------|-------|-----------------|--------|-------------|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| First Quarter ended May 31, 2015 | 55,815 | 13.9 | 11,116 | 11.6 | 10,812 | 12.3 | 5,058 | (9.3) |
| May 31, 2014 | 48,995 | 14.6 | 9,958 | (9.0) | 9,628 | (10.2) | 5,575 | (10.9) |

(Note) Comprehensive income First quarter ended May 31, 2015 4,668 million yen (67.3 %)
First quarter ended May 31, 2014 2,790 million yen (-72.9 %)

| | Net income per share | Net income per share (diluted) |
|----------------------------------|----------------------|--------------------------------|
| | yen | yen |
| First Quarter ended May 31, 2015 | 22.20 | 22.19 |
| May 31, 2014 | 24.47 | 24.45 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------|--------------|-------------|--------------|
| | million yen | million yen | % |
| May 31, 2015 | 913,767 | 334,711 | 36.1 |
| February 28, 2015 | 900,957 | 332,536 | 36.4 |

(Note) Equity May 31, 2015: 330,307 million yen February 28, 2015: 327,708 million yen

2. Dividends

| | Dividend per share | | | | |
|--|--------------------|----------------|-------------------|-----------------|--------|
| (Record date) | First quarter-end | First half-end | Third quarter-end | Fiscal year-end | Annual |
| | yen | yen | yen | yen | yen |
| Year ended February 28, 2015 | – | 11.00 | – | 11.00 | 22.00 |
| Year ending February 29, 2016 | – | | | | |
| Year ending February 29, 2016 (Projection) | | 11.00 | – | 11.00 | 22.00 |

(Note) Revisions to dividend projection published most recently: None

3. Consolidated Earnings Projections for the Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016)

(Percentage figures represent changes from the corresponding period of the previous fiscal year)

| | Operating revenue | | Operating income | | Ordinary income | | Net income | | Net income per share |
|------------|-------------------|------|------------------|-----|-----------------|-----|-------------|-------|----------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| First half | 114,000 | 16.7 | 19,500 | 5.9 | 18,500 | 2.5 | 9,500 | (7.5) | 41.69 |
| Full year | 238,000 | 16.7 | 44,500 | 6.3 | 42,000 | 2.0 | 24,600 | 0.4 | 107.96 |

(Note) Revisions to earnings projections published most recently: None

* Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements: Not applicable

(3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements

[1] Changes in accounting policies in accordance with changes in accounting principles: Yes

[2] Changes in accounting policies other than the above: None

[3] Changes in accounting estimates: None

[4] Revisions and restatements: None

(4) Number of shares issued and outstanding (common stock)

[1] Number of shares issued at period-end (including treasury stock)

| | | | |
|---------------|--------------------|--------------------|--------------------|
| May 31, 2015: | 227,892,397 shares | February 28, 2015: | 227,890,747 shares |
|---------------|--------------------|--------------------|--------------------|

[2] Treasury stock at period-end

| | | | |
|---------------|---------------|--------------------|---------------|
| May 31, 2015: | 39,319 shares | February 28, 2015: | 38,939 shares |
|---------------|---------------|--------------------|---------------|

[3] Average number of shares issued

| | | | |
|---------------|--------------------|---------------|--------------------|
| May 31, 2015: | 227,853,193 shares | May 31, 2014: | 227,844,708 shares |
|---------------|--------------------|---------------|--------------------|

* Status of a quarterly review

The quarterly consolidated financial statements under the Financial Instruments and Exchange Act have not been reviewed at the time of the announcement of these consolidated financial results, as these results are excluded from quarterly review procedures based on said Act.

* Explanations and other special notes concerning the appropriate use of earnings projections

(Notes concerning statements about the future, etc.)

The statements about the future, including earnings projections, included in this report are based on information currently available to the Company and certain assumptions considered reasonable, which do not guarantee the achievement of such projected results. Actual results may vary considerably from these projections due to a range of factors. See “(3) Explanation of information on future forecasts such as the consolidated operating results forecast” of “1. Qualitative Information on Quarterly Consolidated Operating Results,” on page 5 of the Accompanying Materials for the assumptions of the earnings forecasts and points to note in the use of earnings forecasts.

(Procedure for obtaining supplementary information on financial results)

Aeon Mall is scheduled to hold a financial briefing for institutional investors and analysts on July 9, 2015. The materials handed out at this briefing will be posted on the Company’s web page on July 8, 2015, and the audio recording will be made available on the Company’s web page as soon as possible after the briefing.

http://www.aeonmall.com/en/ir/aof_br.html

Accompanying Materials — Contents

| | |
|--|----|
| 1. Qualitative Information on Quarterly Consolidated Operating Results | |
| (1) Explanation of operating results..... | 2 |
| (2) Explanation of financial position | 4 |
| (3) Explanation of information on future forecasts such as the consolidated operating results forecast | 5 |
| 2. Matters Regarding Summary Information (Notes) | |
| (1) Material changes in consolidated subsidiaries during the period | 6 |
| (2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements | 6 |
| (3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements | 6 |
| 3. Quarterly Consolidated Financial Statements | |
| (1) Quarterly consolidated balance sheets | 7 |
| (2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income | |
| Quarterly consolidated statements of income | |
| For the three months ended May 31, 2014 and May 31, 2015 | 9 |
| Quarterly consolidated statements of comprehensive income | |
| For the three months ended May 31, 2014 and May 31, 2015 | 10 |
| (3) Quarterly consolidated statements of cash flows | 11 |
| (4) Notes on quarterly consolidated financial statements | |
| Notes on the going concern assumption..... | 12 |
| Notes on significant change in shareholders' equity, if any | 12 |
| Segment information | 12 |

1. Qualitative Information on Quarterly Consolidated Operating Results

(1) Explanation of operating results

In the first quarter of the fiscal year ending February 29, 2016 (March 1, 2015 – May 31, 2015), the Japanese economy followed a moderate recovery path backed by the strong earnings of export and related companies and improvements in employment and income levels. Personal consumption remained sluggish following the hike in consumption tax, however, and has yet to fully recover due partly to low growth in real income as a result of a rise in commodity prices owing to the increasingly weaker yen.

In the retail industry, consumption is increasingly polarized between spending for high value-added products and services and the persistent trend of saving, causing the competition across industries to intensify and the business environment of the shopping center (SC) industry to remain harsh.

In this environment, the Company has been implementing various measures to increase new business locations in Japan, improve the earning power of existing malls, and establish a business foundation in China and the ASEAN region.

As for the existing malls, five malls introduced new tenants and had existing tenants renew their business by changing industries or relocating stores, and other malls implemented promotional measures in response to market demand and worked to improve their ability to attract shoppers. Specialty store sales for March 2015 in 63 existing malls declined from the results in March 2014 when the last-minute surge in demand peaked ahead of the consumption tax hike. Specialty store sales in April and May 2015 increased from a year earlier.

New malls were developed based on new concepts corresponding to local characteristics. The Company opened two malls and is working to acquire land for more new malls.

In its overseas businesses, the Company has been working to establish its business foundation by, for instance, enhancing customer drawing power and growing sales at existing malls in China and the ASEAN region, which have been showing strong performance, and opening its second mall in Jiangsu Province in China in May and its first mall in Indonesia.

i) Domestic Businesses

New malls include Aeon Mall Asahikawa Ekimae, which opened in March, and Aeon Mall Okinawa Rycom, which opened in April.

Aeon Mall Asahikawa Ekimae is located in a building complex connected directly to JR Asahikawa Station, which is the portal to Asahikawa City. It opened as one of the commercial facilities contributing to the promotion of the basic plan for the revitalization of the central urban area of Asahikawa City that was developed by the city government. The tenants total 130 stores, including 22 stores with their first store in Hokkaido and 43 with their first store in Asahikawa City. The mall also has enhanced functions to promote tourism in Asahikawa City by inviting 48 stores of local tenants from Hokkaido to sell duty-free products, set up free Wi-Fi spots, and provide information on neighboring tourist facilities, etc.

Aeon Mall Okinawa Rycom was developed based on the concept of a full-scale resort mall located in Okinawa Prefecture, one of the major resorts in Japan. Its accessibility from the entire area of Okinawa Island via main roads and high-speed interchanges attracts customers from the wider area.

The tenants consist of 235 stores, including 49 stores with their first store in the Kyushu and Okinawa region and 70 stores with their first store in Okinawa. The mall's restaurant zone is particularly large, encompassing 60 stores offering a large variety of dishes from local Okinawan cuisine to cuisine from countries around the world, in one of the largest gourmet zones in Okinawa Prefecture with a total of 5,500 seats. The mall also offers complete entertainment functions, including "Rycom Aquarium," a massive decorative aquarium with a capacity of more than 100 tons presented by Okinawa Churashima Foundation, "Cinema Rycom" equipped with Okinawa's first 4K projector with nine screens and 1,400 seats, and event venues such as "Rycom Court Air," where concerts and traditional art performances are presented every day of the year. In terms of merchandise sales, global brands can be found and one of the largest children's areas in the Prefecture is operated there. Services for foreign visitors to Japan have increased significantly, including products from Okinawa and the rest of Japan targeting foreign tourists, a duty-free counter, and a "Tourism Concierge" providing tourism information and tips for enjoying travel. The mall creates a space that offers the impression of a resort that is unique to Okinawa by, for instance, using a roof design reflecting the red tiles often used for Okinawa's traditional houses and placing the largest pair of Shisa statues in Okinawa at the Welcome Gate.

New domestic Malls in the quarter under review

| Name of Mall | Location | Opening Date |
|---------------------------|--------------------|--------------|
| ÆON Mall Asahikawa Ekimae | Hokkaido | March 2015 |
| ÆON Mall Okinawa Rycom | Okinawa Prefecture | April 2015 |

As for existing malls, sales promotion campaigns were held utilizing the Aeon card and WAON, and efforts were made to improve the ability to attract more shoppers by holding events involving customer participation. The Group also renewed five malls by enlisting new tenants, changing business formats and relocating existing tenants.

Malls renewed in the quarter under review

| Name of Mall | Location | Date reopened | Tenants | New tenants (1) (See Note) | Relocations & refurbishments (2) | No. of tenants on reopening (1) + (2) |
|----------------------------|---------------------|---------------|---------|-------------------------------|-------------------------------------|--|
| ÆON Mall Takaoka | Toyama Prefecture | March 6 | 130 | 17 (10) | 32 | 49 |
| ÆON Mall Itami | Hyogo Prefecture | March 20 | 150 | 14 (6) | 47 | 61 |
| ÆON Mall Kusatsu | Shiga Prefecture | March 20 | 190 | 43 (26) | 88 | 131 |
| ÆON Mall Miyakonojo Ekimae | Miyazaki Prefecture | April 17 | 100 | 10 (2) | 31 | 41 |
| ÆON LakeTown KAZE | Saitama Prefecture | April 24 | 230 | 96 (48) | 59 | 155 |

(Note) Figures in brackets represent new specialty stores opening for the first time in the prefecture.

ii) Overseas Businesses

Business in China

In the China Business, the Company opened Aeon Mall Suzhou Yuanqu Hudong (Suzhou) as the seventh mall in China in May 2015. It is the second mall in Suzhou City after Aeon Mall Suzhou Wuzhong, which opened in April 2014. Leasing activities were carried out extremely efficiently, partly due to the successful business of Aeon Mall Suzhou Wuzhong.

Suzhou Industrial Park, where this mall is located, has been developed as an important economic and technological joint project between China and Singapore since 1994. It has a permanent population in excess of one million, and is expected to become even larger in the future. The mall's tenants comprise 230 stores, including 15 stores with their first store in Suzhou City and 22 stores of Japanese companies. Each floor has a different "gourmet" zone. In terms of the physical aspect, the mall building's exterior uses a sophisticated modern urban design. The entrance includes a 35-meter-high globe dome as a new symbol of the area, which emits light (LED) and sound and where events linked to the light and sound are held. The Company is working to build the most advanced malls in terms of physical aspects, including universal design, environmentally friendly facilities, and photovoltaic power generation of the largest scale in Jiangsu Province. This mall obtained a two-star rating in the Green Building Evaluation Standard* following Aeon Mall Suzhou Wuzhong.

Both Aeon Mall Suzhou Wuzhong (Suzhou) and Aeon Mall Wuhan Jinyintan (Wuhan), the first mall in Hubei Province that opened in December 2014, continue to receive enough visitors to fully occupy their 3,000-vehicle parking lots on weekends. Both the number of visitors and sales at specialty stores in the existing four malls, including Aeon Mall Beijing International Mall (Beijing), Aeon Mall Tianjin TEDA (Tianjin), Aeon Mall Tianjin Zhongbei (Tianjin), and Aeon Mall Tianjin Meijiang (Tianjin), also exceeded the respective levels of a year earlier.

* Green Building Evaluation Standard

The environmental assessment standard for buildings certified by China's Ministry of Construction with the aim of protecting the global environment, maximizing the effective use of global resources, preventing environmental pollution, etc. The two-star rating is a rating based on this system.

Business in the ASEAN region

In the ASEAN region, Aeon Mall BSD CITY (Tangerang, Banten Province) opened in May 2015 as the first Aeon Mall in Indonesia. The BSD district in which this mall is located is in the southwestern part of Jakarta, which has been fully developed by Sinar Mas Land Limited, the largest real estate developer in Indonesia, since 2003. The area is expected to grow rapidly in the near future with plans to build housing, industrial facilities, schools, a hospital, golf courses, sports facilities, and more. The tenants in this mall consist of 280 stores, including 24 stores with their first store in Indonesia and 47 stores of Japanese companies. The restaurant zone is the largest in the BSD district. It is the largest suburban shopping mall in the area, where all needs for food, clothing, and shelter can be satisfied in one location.

In addition, the number of visitors to Aeon Mall Phnom Penh (Phnom Penh City), the first Aeon Mall in Cambodia, which opened in June 2014, and Aeon Mall Tan Phu Celadon (Ho Chi Minh City), the first Aeon Mall in Vietnam, which opened in January 2014, exceeded 15 million and 12 million respectively within one year of opening. The number of visitors to Aeon Mall Binh Duong Canary (Binh Duong Province), the second Aeon Mall in Vietnam, which opened in November 2014, exceeded five million within seven months of opening.

New overseas Malls in the quarter under review

| | Name of Mall | Location | Opening Date |
|-----------|--------------------------------|-------------------------------|--------------|
| China | Aeon Mall Suzhou Yuanqu Hudong | Suzhou City, Jiangsu Province | May 2015 |
| Indonesia | Aeon Mall BSD CITY | Tangerang, Banten | May 2015 |

iii) Financial Status

While operating revenue totaled 55,815 million yen (113.9% year on year), operating costs increased to 39,373 million yen (116.3% year on year) due to business expansion, resulting in a rise in gross profit to 16,441 million yen (108.5% year on year).

Selling, general and administrative expenses increased to 5,325 million yen (102.5% year on year), but operating income achieved double-digit growth to 11,116 million yen (111.6% year on year).

Non-operating profits grew to 459 million yen (126.3% year on year) and non-operating expenses stood at 763 million yen (109.9% year on year). As a result, ordinary income achieved double-digit growth to 10,812 million yen (112.3% year on year).

Net income was 5,058 million yen (90.7 % year on year) due to the inclusion of expenses of 1,298 million yen for the closure of Aeon Mall Neyagawa, for which a scrap-and-build reform is planned, in extraordinary loss (an impairment loss of 686 million yen and provision for store closing expenses of 612 million yen).

(2) Explanation of financial position

i) Assets, Liabilities and Net Assets

Assets

Total assets stood at 913,767 million yen, up 12,810 million yen from February 28, 2015. This was chiefly attributable to the acquisition of property, plant and equipment of 42,585 million yen due to the opening of new malls and the advance acquisition of land for development in the future, increases in cash and deposits of 6,858 million yen, and a decline primarily due to the depreciation of fixed assets of 7,419 million yen and the sale of property, plant and equipment of 33,160 million yen.

Liabilities

Total liabilities stood at 579,055 million yen, up 10,634 million yen from February 28, 2015. This was mainly due to increases in deposits from tenants of 18,761 million yen, which offset a decline in long-term debt of 5,054 million yen (including the current portion of long-term debt).

Net assets

Net assets totaled 334,711 million yen, up 2,175 million yen from February 28, 2015. This was primarily attributable to an increase in retained earnings due to the recording of net income of 5,058 million yen.

ii) Cash Flows

Cash and cash equivalents ("cash") as of May 31, 2015 amounted to 71,144 million yen, up 3,921 million yen from February 28, 2015.

Cash flows in the first quarter were as follows:

Cash flows from operating activities

Net cash provided by operating activities was 27,541 million yen (compared with 29,359 million yen in the first quarter of the previous fiscal year). The primary factors included an increase in deposits from tenants of 18,761 million yen (31,716 million yen in the first quarter of the fiscal year ended February 28, 2015) due to the postponement of the return of deposits from tenants to the second quarter of the current fiscal year, reflecting the fact that the last day of the first quarter under review was a non-business day for banks, and an increase in depreciation and amortization of 7,419 million yen (6,806 million yen), as well as income taxes paid of 9,103 million yen (16,957 million yen).

Cash flows from investing activities

Net cash used in investing activities amounted to 14,847 million yen (compared with 28,133 million yen in the first quarter of the previous fiscal year). The major factors were the purchase of property, plant and equipment of 49,349 million yen (42,855 million yen in the first quarter of the fiscal year ended February 28, 2015) due to payments for equipment at Aeon Mall Nagoya Chaya, Aeon Mall Kisarazu, and Aeon Mall Tamadaira Woods, etc., which opened in the previous fiscal year, and the advance acquisition of land for development, as well as proceeds from the acceptance of guarantee deposits of 4,780 million yen (3,415 million yen) and proceeds from the sale of property, plant and equipment of 33,160 million yen (0 yen), among other factors.

Cash flows from financing activities

Net cash used in financing activities was 8,680 million yen (net cash provided of 16,216 million yen in the first quarter of the previous fiscal year). This was chiefly attributable to proceeds from long-term debt of 1,954 million yen (2,564 million yen in the first quarter of the fiscal year ended February 28, 2015), as well as the

repayment of long-term debt of 8,122 million yen (4,940 million yen) and dividends paid to shareholders of 2,506 million yen (2,506 million yen).

(3) Explanation of information on future forecasts such as the consolidated operating results forecast

In Japan, the Company will open Aeon Mall Tonami in July 2015 under a property management contract, and Aeon Mall Shijonawate and Aeon Mall Tokoname in the second half of the fiscal year.

At existing malls, the Company will undertake the renewal of eight malls in terms of overall renovations, launch sales promotions catering to the needs of local communities, provide tenant support, and further strengthen efforts to increase customer satisfaction with the aim of increasing the malls' customer drawing power and sales. Meanwhile, the Company will reduce costs and increase mall revenues by building a more efficient operation system using the economies of scale with more than 140 malls in Japan.

Malls to be opened in Japan in and after the second quarter

| Name of Mall | Location | Due to open |
|----------------------|-------------------|----------------|
| ÆON Mall Tonami | Toyama Prefecture | July 2015 |
| ÆON Mall Shijonawate | Osaka Prefecture | Autumn in 2015 |
| ÆON Mall Tokoname | Aichi Prefecture | Winter in 2015 |

In China, the Company will open three malls in Beijing, Jiangsu Province and Hubei Province, where it has already opened malls. In addition, the Company will open its first malls in Guangdong Province and Zhejiang Province. The Company will open more dominant malls in four main areas in China: the Beijing and Tianjin area, the Jiangsu Province and Zhejiang Province area, Hubei Province, and Guangdong Province.

In the ASEAN region, the Company will open Aeon Mall Long Bien (Hanoi) as its first mall in Hanoi, Vietnam. In Cambodia and Indonesia, the Company will enhance its expertise in the management and operation of its first malls in each country.

The Company considers its overseas business to be its growth driver. The business is in the prior investment stage and has not yet contributed to earnings, but both the existing and new malls have been performing as planned and are getting onto a growth path. With the progress of motorization and the expansion of the middle-income group, the market of suburban malls is expected to expand in China and the ASEAN region. We will actively develop operations in these regions.

Malls to be opened overseas from the second quarter

| | Name of Mall | Location | Due to open |
|---------|--------------------------------------|------------------------------------|----------------|
| China | Aeon Mall Beijing Fengtai | Fengtai District, Beijing | 2015 |
| | Aeon Mall Guangzhou Panyu Square | Guangzhou City, Guangdong Province | 2015 |
| | Aeon Mall Hangzhou Liangzhu Xincheng | Hangzhou City, Zhejiang Province | 2015 |
| | Aeon Mall Wuhan Jingkai | Wuhan City, Hubei Province | 2015 |
| | Aeon Mall Suzhou Xinqu | Suzhou City, Jiangsu Province | 2015 |
| Vietnam | Aeon Mall Long Bien | Hanoi | Autumn in 2015 |

* Store opening plans are stated according to the Japanese fiscal year. The fiscal year-end of local corporations in China and Vietnam is December 31.

The consolidated earnings forecasts for the fiscal year ending February 29, 2016 are unchanged from the forecasts in the Consolidated Financial Results announced on April 9, 2015.

2. Matters Regarding Summary Information (Notes)

(1) Material changes in consolidated subsidiaries during the period

Not applicable

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes to accounting policies, changes of accounting estimates, and revisions and restatements

Changes to Accounting Policy

Starting from the first quarter under review, the Company has applied the provisions of the body text of Article 35 of “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012) and the provisions of the body text of Article 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on March 26, 2015), revised the methods of calculating retirement benefit obligations and service costs, changed the attribution method for projected retirement benefits from the service period basis to the payment calculation method, and changed the method of determining discount rates from the method of determining the bond period that becomes the basis of determining a discount rate using the average period until the date of the expected payment of retirement benefits, to the method of using the single weighted average discount rate that reflects the amount in each expected period of retirement benefit payment.

The application of the Accounting Standard for Retirement Benefits is in accordance with the transitional accounting stipulated in Article 37 of the Accounting Standard for Retirement Benefits, and at the beginning of the first quarter under review, the effects of the change in the method of calculating retirement benefit obligations and service costs were added to, or subtracted from, the retained earnings.

As a result, net defined benefit liability at the beginning of the first quarter under review increased 36 million yen and retained earnings decreased 23 million yen. The effect that these will have on operating income, ordinary income, and net income before income taxes for the first quarter under review will be negligible.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

| | As of February 28, 2015 | As of May 31, 2015 |
|---------------------------------------|-------------------------|--------------------|
| Assets | | |
| Current assets: | | |
| Cash and deposits | 67,340 | 74,199 |
| Notes and accounts receivable—trade | 4,724 | 4,702 |
| Other current assets | 31,526 | 36,599 |
| Allowance for doubtful receivables | (20) | (20) |
| Total current assets | 103,572 | 115,481 |
| Fixed assets | | |
| Property, plant and equipment: | | |
| Building and structures, net | 418,470 | 410,006 |
| Land | 196,690 | 196,276 |
| Other, net | 74,659 | 83,773 |
| Total property, plant and equipment | 689,820 | 690,056 |
| Intangible assets | 3,830 | 3,843 |
| Investments and other assets: | | |
| Lease deposits paid | 40,407 | 41,888 |
| Other | 63,356 | 62,527 |
| Allowance for doubtful receivables | (29) | (29) |
| Total investments and other assets | 103,734 | 104,385 |
| Total fixed assets | 797,385 | 798,286 |
| Total assets | 900,957 | 913,767 |

(Million yen)

| | As of February 28, 2015 | As of May 31, 2015 |
|---|-------------------------|--------------------|
| Liabilities | | |
| Current liabilities: | | |
| Notes and accounts payable—trade | 11,848 | 13,764 |
| Bonds due within one year | — | 200 |
| Current portion of long-term debt | 24,709 | 18,789 |
| Income taxes payable | 9,436 | 4,094 |
| Deposits from tenants | 47,598 | 66,359 |
| Allowance for employee bonus | 814 | 407 |
| Allowance for director and auditor performance-based remuneration | 94 | 19 |
| Provision for store closing expenses | 645 | 645 |
| Other current liabilities | 114,313 | 111,735 |
| Total current liabilities | 209,461 | 216,016 |
| Long-term liabilities: | | |
| Straight bonds | 65,200 | 65,000 |
| Long-term debt | 163,889 | 164,754 |
| Net defined benefit liability | 400 | 421 |
| Asset retirement obligations | 9,169 | 9,210 |
| Lease deposits from lessees | 117,701 | 120,307 |
| Provision for store closing expenses | — | 612 |
| Other long-term liabilities | 2,598 | 2,733 |
| Total long-term liabilities | 358,959 | 363,039 |
| Total liabilities | 568,421 | 579,055 |
| Net assets | | |
| Shareholders' equity: | | |
| Common stock | 42,207 | 42,208 |
| Capital surplus | 42,516 | 42,517 |
| Retained earnings | 216,223 | 218,752 |
| Treasury stock, at cost | (99) | (100) |
| Total shareholders' equity | 300,847 | 303,377 |
| Accumulated other comprehensive income: | | |
| Net unrealized gain on available-for-sale securities | 1,061 | 1,555 |
| Foreign currency translation adjustment | 25,938 | 25,515 |
| Remeasurements of defined benefit plans | (138) | (140) |
| Total accumulated other comprehensive income | 26,861 | 26,930 |
| Stock acquisition rights | 169 | 210 |
| Minority interests | 4,658 | 4,192 |
| Total net assets | 332,536 | 334,711 |
| Total liabilities and net assets | 900,957 | 913,767 |

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Quarterly consolidated statements of income)
(For the three months ended May 31, 2014 and May 31, 2015)

(Million yen)

| | Three months ended | May 31, 2014 | May 31, 2015 |
|--|--------------------|--------------|--------------|
| Operating revenue | | 48,995 | 55,815 |
| Operating costs | | 33,841 | 39,373 |
| Gross profit | | 15,154 | 16,441 |
| Selling, general and administrative expenses | | 5,195 | 5,325 |
| Operating income | | 9,958 | 11,116 |
| Non-operating profits: | | | |
| Interest income | | 127 | 133 |
| Compensation paid by departing tenants | | 95 | 176 |
| Other non-operating profits | | 141 | 149 |
| Total non-operating profits | | 364 | 459 |
| Non-operating expenses: | | | |
| Interest expenses | | 561 | 584 |
| Other non-operating expenses | | 133 | 178 |
| Total non-operating expenses | | 694 | 763 |
| Ordinary income | | 9,628 | 10,812 |
| Extraordinary gains: | | | |
| Gain on sales of guarantee deposits | | 186 | — |
| Other extraordinary gains | | 13 | — |
| Total extraordinary gains | | 199 | — |
| Extraordinary losses: | | | |
| Loss on leasing contract cancellation | | 230 | — |
| Loss on retirement of fixed assets | | — | 369 |
| Impairment loss | | — | 686 |
| Provision for loss on store closing | | — | 612 |
| Total extraordinary losses | | 230 | 1,667 |
| Income before income taxes and minority interests | | 9,597 | 9,145 |
| Income taxes: | | | |
| —Current | | 3,154 | 3,876 |
| —Deferred | | 861 | 473 |
| Total income taxes | | 4,015 | 4,350 |
| Income before minority interests | | 5,581 | 4,794 |
| Minority interests in income (loss) | | 6 | (264) |
| Net income | | 5,575 | 5,058 |

(Quarterly consolidated statements of comprehensive income)
(For the three months ended May 31, 2014 and May 31, 2015)

(Million yen)

| | Three months ended | May 31, 2014 | May 31, 2015 |
|--|--------------------|--------------|--------------|
| Income before minority interests | | 5,581 | 4,794 |
| Other comprehensive income: | | | |
| Net unrealized gain on available-for-sale securities | | 18 | 493 |
| Foreign currency translation adjustment | | (2,809) | (619) |
| Remeasurements of defined benefit plans, net of tax | | — | (1) |
| Total other comprehensive income | | (2,790) | (126) |
| Comprehensive income | | 2,790 | 4,668 |
| Comprehensive income attributable to: | | | |
| Owners of the Company | | 2,755 | 5,128 |
| Minority interests | | 35 | (459) |

(3) Quarterly consolidated statements of cash flows

(Million yen)

| | Three months ended | May 31, 2014 | May 31, 2015 |
|--|--------------------|-----------------|-----------------|
| Cash flows from operating activities: | | | |
| Income before income taxes and minority interests | | 9,597 | 9,145 |
| Depreciation and amortization | | 6,806 | 7,419 |
| Impairment loss | | — | 686 |
| Increase (decrease) in provision for loss on store closing | | — | 612 |
| Interest and dividend income | | (140) | (147) |
| Interest expenses | | 561 | 584 |
| Decrease (increase) in receivable—trade accounts | | (226) | 25 |
| Increase (decrease) in payable—trade accounts | | 71 | 1,896 |
| Increase (decrease) in deposits from tenants | | 31,716 | 18,761 |
| Other, net | | (1,607) | (1,879) |
| Subtotal | | 46,779 | 37,104 |
| Interest and dividends received | | 121 | 145 |
| Interest paid | | (583) | (604) |
| Income taxes paid | | (16,957) | (9,103) |
| Net cash provided by operating activities | | 29,359 | 27,541 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment | | (42,855) | (49,349) |
| Proceeds from sales of property, plant and equipment | | 0 | 33,160 |
| Payment of lease deposits to lessors | | (273) | (1,668) |
| Reimbursement of lease deposits to lessors | | 4,411 | 276 |
| Repayment of lease deposits from lessees | | (1,798) | (2,430) |
| Proceeds from lease deposits from lessees | | 3,415 | 4,780 |
| Other payments | | (2,405) | (733) |
| Other proceeds | | 11,372 | 1,117 |
| Net cash used in investing activities | | (28,133) | (14,847) |
| Cash flows from financing activities: | | | |
| Proceeds from long-term debt | | 2,564 | 1,954 |
| Repayment of long-term debt | | (4,940) | (8,122) |
| Proceeds from issuance of bonds | | 20,000 | — |
| Purchase of treasury stock | | (1) | (0) |
| Dividends paid | | (2,506) | (2,506) |
| Dividends paid to minority shareholders | | (6) | (6) |
| Other | | 1,106 | 0 |
| Net cash provided by (used in) financing activities | | 16,216 | (8,680) |
| Foreign currency translation adjustments on cash and cash equivalents | | (1,072) | (90) |
| Net increase (decrease) in cash and cash equivalents | | 16,370 | 3,921 |
| Cash and cash equivalents at beginning of the period | | 59,096 | 67,222 |
| Cash and cash equivalents at end of the period | | 75,466 | 71,144 |

(4) Notes on quarterly consolidated financial statements**Notes on the going concern assumption**

Not applicable

Notes on significant change in shareholders' equity, if any

Not applicable

Segment information

[Segment information]

I. Consolidated cumulative first quarter (March 1, 2014, to May 31, 2014)

This information is omitted since the Group operates solely within the shopping mall business.

II. Consolidated cumulative first quarter (March 1, 2015, to May 31, 2015)**1. Information on profit and loss and sales of each reporting segment**

(Million yen)

| | Japan | China | ASEAN | Total | Adjustment | Amount on Quarterly Consolidated Statements of Income (Note) |
|--|--------|-------|-------|--------|------------|--|
| Operating revenue | | | | | | |
| Operating revenue to external customers | 52,825 | 2,343 | 647 | 55,815 | — | 55,815 |
| Internal operating revenue or transfer amount between segments | — | — | — | — | — | — |
| Total | 52,825 | 2,343 | 647 | 55,815 | — | 55,815 |
| Segment profit (loss) | 12,152 | (834) | (201) | 11,116 | — | 11,116 |

Note: Segment profit (loss) has been adjusted to the operating income stated in the quarterly consolidated statements of income.

2. Information on impairment loss of fixed assets or goodwill of each reporting segment

Important impairment loss on fixed assets

In the "Japan" segment, an impairment loss has been recognized in the asset group of malls that are expected to close down. The amount of this impairment loss recognized for the first quarter under review is 686 million yen.

3. Matters concerning changes in reporting segments

While the Group has operated solely within the shopping mall business, the segmentation method has been revised due to the increased importance of overseas business, and as a result, the reporting segments have been changed from the conventional single segment to the "Japan," "China," and "ASEAN" segments starting in the first quarter under review.

The segment information in the first quarter of the previous consolidated fiscal year will be as shown below when prepared based on the reporting segments used for the first quarter under review.

(Million yen)

| | Japan | China | ASEAN | Total | Adjustment | Amount on Quarterly Consolidated Statements of Income (Note) |
|--|--------|-------|-------|--------|------------|--|
| Operating revenue | | | | | | |
| Operating revenue to external customers | 47,786 | 1,181 | 28 | 48,995 | — | 48,995 |
| Internal operating revenue or transfer amount between segments | — | — | — | — | — | — |
| Total | 47,786 | 1,181 | 28 | 48,995 | — | 48,995 |
| Segment profit (loss) | 10,887 | (697) | (231) | 9,958 | — | 9,958 |

Note: Segment profit (loss) has been adjusted to the operating income stated in the quarterly consolidated statements of income.