



July 11, 2025

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Notice Concerning the Recording of Non-operating Expenses and Extraordinary Losses

AEON Fantasy Co., Ltd. (the “Company”) hereby announces that it has recorded non-operating expenses and extraordinary losses in its consolidated and non-consolidated financial results for the first quarter of the fiscal year ending February 28, 2026 (March 1, 2025 to May 31, 2025), as follows.

For reporting purposes, the consolidated totals represent the amounts recorded in the consolidated financial statements, while the domestic business amounts reflect the amounts recorded in the non-consolidated financial statements.

1. Recording of Non-operating Expenses (Consolidated and Non-Consolidated)

Due to fluctuations in foreign exchange rates, foreign exchange losses of ¥322,201 thousand for the domestic business, ¥50,260 thousand for the ASEAN business, and ¥166,639 thousand for the China business, totaling ¥539,101 thousand on a consolidated basis, were recorded under non-operating expenses.

2. Recording of Extraordinary Losses (Non-consolidated)

(1) Provision of allowance for doubtful accounts for subsidiaries and associates (non-consolidated)

Extraordinary losses totaling ¥530,940 thousand were recorded in the non-consolidated financial statements as an allowance for doubtful accounts related to loans to subsidiaries and associates since, due to the deteriorating performance of AEON Fantasy (China), a consolidated subsidiary of the Company, it was deemed necessary to set aside an allowance for doubtful accounts of subsidiaries and associates. Since this provision will be eliminated in the consolidated financial statements, it will have no impact on the Company’s consolidated financial results.

(2) Loss on valuation of investments in capital of subsidiaries and associates (non-consolidated)

Extraordinary losses totaling ¥206,041 thousand were recorded in the non-consolidated financial statements as a loss on valuation of investments in capital of subsidiaries and associates since, due to the deteriorating performance of AEON Fantasy (China), a consolidated subsidiary of the Company, it was deemed necessary to record a loss on valuation of investments in capital of subsidiaries and associates. Since this loss on valuation of investments in capital of subsidiaries and associates will be eliminated in the consolidated financial statements, it will have no impact on the Company’s consolidated financial results.

3. Impact on business performance

The above non-operating expenses and extraordinary losses are reflected in the “Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]” announced today.

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