

Analyst Briefing FY2005
April 2006



AEON Mall Co.,Ltd.

(TSE:8905)

Financial Results



JP¥ in millions

Consolidation	Fiscal Year Ended on February 20, 2006	Year-on-year Growth	Difference from Forecast
Revenues	52,903	+23.7%	+1.0%
Operating income	18,510	+24.1%	-
Ordinary income	17,419	+26.3%	+2.5%
Net income	10,369	+33.2%	+3.7%
Net income per share	171.99 yen		

JP¥ in millions

Unconsolidated	Fiscal Year Ended on February 20, 2006	Year-on-year Growth	Difference from Forecast
Revenues	53,200	+23.6%	+1.0%
Operating income	18,092	+24.7%	-
Ordinary income	17,069	+26.8%	+2.8%
Net income	10,235	+32.8%	+3.4%
Net income per share	169.77 yen		

Revenues: Shopping Mall Operation



Sales is Growing Well at New Shopping Centers:

Nogata ('05 April), Miyazaki ('05 May), Mito-Uchihara ('05 November)

Specialty Stores' Sales Advanced 1.6% from the Previous Year at 16 Comparable Shopping Centers.

Factors

- (1) AEON Higashiura SC modified the contract with a cinema company from service agreement to leasing in September 2004.*
- (2) Rents decrease due to the sale of AEON Yamato SC's land to a fund in February 2005.*

** Operation Income Rose by 2.1 % from the Previous Year at 14 Comparable Shopping Centers less Higashiura and Yamato.*



**Revenues Increased 24.4% to 51 billion yen
from the previous year**

Shopping Center Sales

SC	Fiscal Year Ended on February 20, 2006	Changes from the Previous Year	Fiscal Year Ended on February 20, 2005	Changes from the Previous Year
Kashiwa	1,198	-1.2%	1,213	+ 1.8%
Akita	2,398	+2.4%	2,341	+ 0.5%
Futtsu	1,076	-0.7%	1,084	- 1.4%
Shimoda	2,039	0%	2,038	+ 8.1%
Suzuka	2,863	+0.6%	2,845	+ 3.4%
Sanko	933	+7.6%	867	+ 4.8%
Kurashiki	3,299	+3.1%	3,200	+ 2.9%
Narita	2,603	+0.8%	2,581	+ 1.0%
Okazaki	2,367	+3.0%	2,298	+ 1.2%
Kochi	2,522	+5.2%	2,398	+ 6.7%
Niihama	1,731	+1.0%	1,714	+ 1.3%
Higashiura	2,801	+5.7%	2,649	+ 5.7%
Yamato	1,884	-19.2%	2,331	0%
Takaoka	2,757	+1.7%	2,712	+ 0.9%
Morioka	2,210	+2.0%	2,167	---
Ota	3,609	+3.8%	3,478	---
Hamamatsu-Shitoro	3,439	(-)	2,057	---
Rinku-Sennan	3,497	(-)	1,195	---
Nogata	2,479	-	---	---
Miyazaki	2,702	-	---	---
Mito-Uchihara	1,193	-	---	---

In February 2005, the company trusted the own land of AEON Yamato SC and sold its trust beneficiary right to a fund. Revenues of Fiscal Year Ended on February 20, 2006 includes the rental income of building bottom ground, 486 million yen. Without these, Sales at AEON Yamato SC increased 2.2% from the previous year.

Development Activity in 2004



AEON Hamamatsu-Shitoro Shopping Center		
Opened Date:	August 6, 2004	
Place:	Shizuoka Pref.	
Site:	733,000 s.f.	68,126 m2
Commercial Space:	703,000 s.f.	65,322 m2
Parking Capacity:	3,500	
Population of Trading Area*:	660,000	
Planned Sales:	30 billion yen	



AEON Rinku-Sennan Shopping Center		
Opened Date:	November 12, 2004	
Place:	Osaka Pref.	
Site:	1,505,000 s.f.	139,822 m2
Commercial Space:	829,000 s.f.	77,026 m2
Parking Capacity:	4,367	
Population of Trading Area*:	500,000	
Planned Sales:	30 billion yen	

*within 30 minute-drive by car from the mall

Development Activity in 2005



On April 8, 2005, the company opened **AEON Nogata Shopping Center**, a 62,727 square meter (approximately 675,200 square feet) regional shopping mall located in Nogata City, Fukuoka. The center features JUSCO and 140 specialty tenants gathering popular national chain stores, familiar local shops and new faces in the region. A 9-screen TOHO Cinemas Nogata also opened in the mall. Restaurants complementing the retail offerings include a variety of local dishes specialty and international cuisines. The center offers attractive streetscape amenities and a fine mixture of retail, community and entertainment uses. Also, the company introduces a security section in the mall, as part of CS activities to offer safe & secured shopping environment for customers.



On May 19, 2005, the company opened **AEON Miyazaki Shopping Center**, a 77,355 square meter (approximately 832,600 square feet) regional shopping mall located in Miyazaki City, Miyazaki, in the south of a luxurious hotel and resort Sea Gaia. The center features JUSCO, home furnishing Nitori, and about 160 specialty tenants. A 9-screen Miyazaki Central Cinema also opened in the mall. Fashionable apparel chains include Gap, Tommy Hilfiger, AIGLE and Right-on. The center offers desirable shopping experience in the comfortable mall facility in all conditions for local customers and tourist shoppers.



On November 11, 2005, the company opened **AEON Mito-Uchihara Shopping Center**, a 71,710 square meter (approximately 771,900 square feet) regional shopping mall located in Uchihara-machi, Tochigi. The center features JUSCO, large-scale national chains such as Sports Authority, Miraiya Shoten (bookstore), Pet City and MUJI. This urban-type time-consuming center houses 160 specialty tenants. A 8-screen TOHO Cinemas Mito-Uchihara also opened in the mall. As a first trial, the company introduced "Parking Reservation System" for 14 spaces among 56 exclusively for handi-capped people. Users need to register in advance, then receive a remote control for parking. Adding this, new features for Pets enhance the amenities of the center: Shower, Water Fountain, Elevator... all for Pets!

Fee Business

Property Management in Taiwan



Global Mall Shopping Center		
Developer:	Kindom Construction	
AEON Mall's Support Service:	Construction and Operation Management	
Opening Date:	December 10, 2005	
Place:	Chungho City, Taiwan	
Site*:	277,000 s.f.	25,800 m2
Commercial Space:	854,000 s.f.	79,000 m2
Parking Capacity:	1,600 (Bicycle: 1,200)	
Number of Tenants**:	153	

*Including green & park: 30,000 sf (2,800 m2)

**Including JUSCO

Insurance Agency Operations

Individual Field:

Number of Contracts of Cancer, Medical Insurances Increases Favorably.

Corporate Field:

Proposal-type Approaches Expanded the Agreements.



Revenues Increased 7.8% to 1,821 million yen from the previous year

Financial Positions



JPY in millions

Consolidated	Fiscal Year Ended on February 20, 2006		Fiscal Year Ended on February 20, 2005	
Total Assets	202,132	100.0%	191,255	100.0%
Loans Payable	65,127	32.2%	62,573	32.7%
Shareholders' Equity	49,103	24.3%	39,343	20.6%
Cash Flows from Operating Activities	15,687		22,539	
Cash Flows from Investment Activities	- 12,281		- 17,033	
Cash Flows from Financing Activities	1,647		- 7,164	
Market-value-based Equity to Total Assets	144.0%		123.6%	
Years of Debt Redemption	4.2 years		2.8 years	
Interest Coverage Ratio	12.8 times		18.3 times	

- **Factor of a decrease in business cash flow for fiscal year ended on February 20, 2006.**

The company adopts the adjustment method by sales deposits of specialty stores, which are returned to the specialty stores after deduction of rents not paid yet.

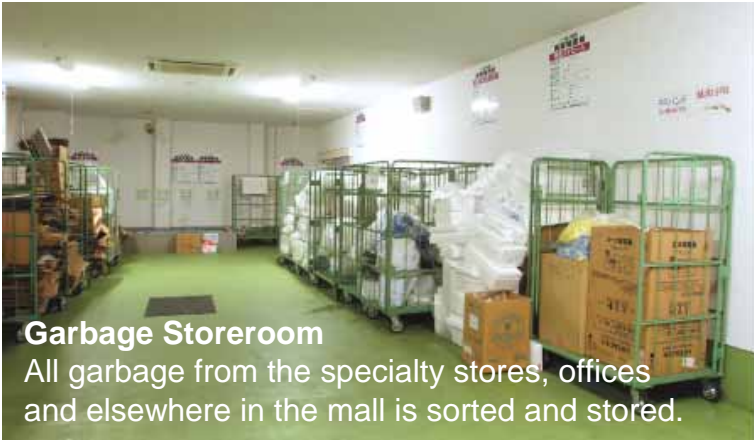
Since the accounting period end of the previous year was Sunday, the restoration of sales deposits was postponed to the following business day, February 21, 2005. Therefore, the business cash flow decreases from the previous year.

Social Contribution, Environmental Preservation Activity

Working toward "Zero Emission"



Garbage bins in a mall for customers to use, sorted into burnable, non-burnable, bottles, cans, pet bottles and other categories.

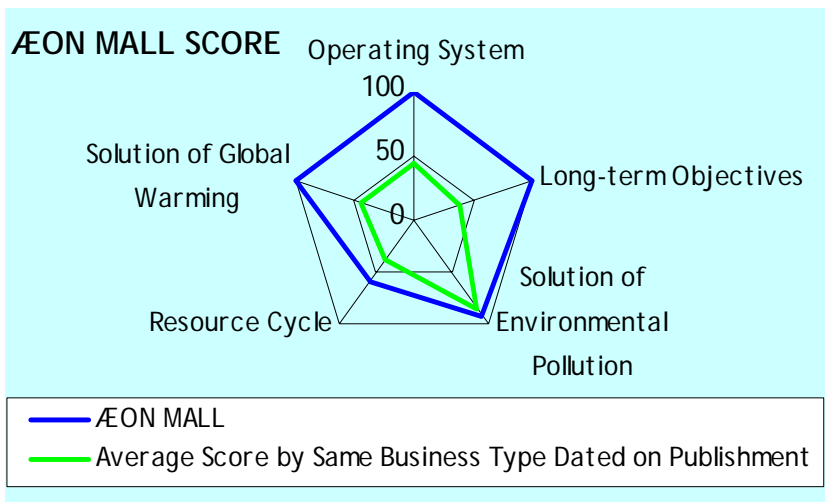


Garbage Storeroom
All garbage from the specialty stores, offices and elsewhere in the mall is sorted and stored.

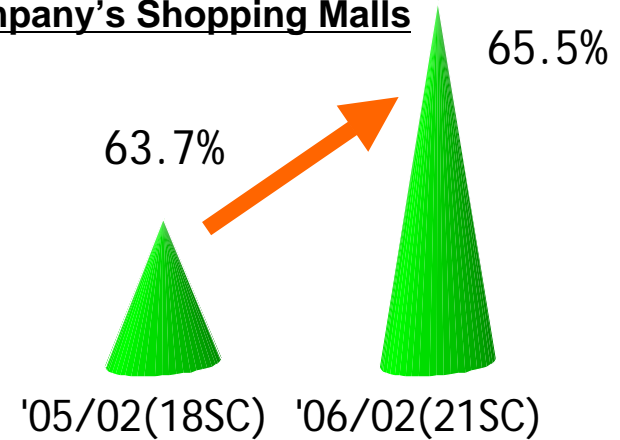
AEON MALL Ranked First in 2005 Nikkei Environmental Management Survey of Storage and Real Estate.
(December 2, 2005)

- | | |
|-----------------------------|-----------|
| 1. Aeon Mall | 452 point |
| 2. The Japan General Estate | 419 point |
| 3. Mitsui Fudosan | 353 point |

The Nihon Keizai Shimbun, or "Nikkei," is Japan's equivalent of the Wall Street Journal.



Average Recycling Rate of the Company's Shopping Malls



Ranking in Performance	
1. Nogata SC	100.0%
2. Narita SC	82.7%
...	
...	

SOURCE: The Nihon Keizai Shimbun, dated on December 2, 2005

Social Contribution, Environmental Preservation Activity

When “The Mid Niigata Prefecture Earthquake of 2004” occurred, AEON Group immediately collected the money from 1% CLUB, AEON’s institution of social contribution, as well as from customers. As a result, the total amount of 216.2 million yen was donated to Niigata Prefecture.

This contribution was regarded as positive support activity for public benefits. Four enterprises among AEON Groups, AEON, AEON CREDIT SERVICE, MINISTOP and AEON MALL were praised with Medal with Dark Blue Ribbon from the nation and Letter of Appreciation from Mayor of Niigata Prefecture.



EVALUATION SCORE by Tenants



Developer Ranking

		Site Planning	Facility Layout	Tenant Mix	Disclosure	Property Management	TOTAL
1	ÆON MALL	2.27	1.45	1.36	0.36	0.74	6.18
2	Lumine	2.44	0.81	1.00	0.40	1.27	5.92
3	Chelsie Japan	1.64	0.73	1.55	0.30	0.55	4.77
4	Diamond City	0.67	0.86	1.05	0.62	0.73	3.93
5	Mitsui Fudosan	0.96	0.65	0.91	0.41	0.70	3.63
6	PARCO	0.76	0.33	0.52	0.86	0.71	3.18
7	Mori Building	0.30	0.20	0.00	0.00	0.40	0.30
8	Izumi	0.18	0.06	0.12	0.00	0.19	0.55
9	ÆON	0.29	0.04	0.29	0.18	0.30	1.02
10	ユニー	0.18	0.29	0.65	0.00	0.56	1.68
11	Heiwado	0.33	0.44	0.67	0.11	0.56	2.11
12	Sonichi	0.88	0.50	0.63	0.29	0.43	2.73
13	Ito Yokado	0.69	0.50	0.75	0.47	1.00	3.41

Among 13 Japan's leading developers, tenants chose one in which they had ever been tenanted and made scores on five items (1. Site Planning, 2. Facility Layout, 3. Tenant Mix, 4. Disclosure, 5. Property Management), evaluating each by points in five levels (Good (+3), Better (+1), Average (0), Not Good (-1), Bad (-3)).

The list shows the comparison of the scores.

Evaluation of the company:

- Shopping Center Specialty Developer with expertise of Retail Business
- Strength in Development and Operation

Source: Kojima Fashion Marketing Survey, Hambai Kakushin 2006.1

SC Property Ranking

		Points
1	ÆON Higashiura SC	36P
2	Diamond City Kirio	23P
3	ÆON Ota SC	21P
4	ÆON Rinku-Sennan SC	20P
5	Diamond City Terrace	18P
6	ÆON Miyazaki SC	17P
6	ÆON Kochi SC	17P
6	ÆON Atsuta SC	17P
9	ÆON Okazaki SC	16P
10	Yume Town Kurume	14P

Tenants chose one from main commercial facilities that opened after 2000, in which they had ever been tenanted, making scores on 2 items by points in levels below.

1. Sales Proficiency compared to own other shops

Very high (+3), High (+1), Average (0), Low (-1), Very low (-3)

2. Sales Profitability from the opening date

Great Increase (+3), Increase (+1), Less change (0), Decrease (-1), Great Decrease (-3), Store Closing (No answer) (-5)

*Answers from 469 tenants in total.

Overview of Revised Three Town-Planning Laws



City Planning Law		
<i>Enforce Zoning of Large-Scale Facilities</i>		
Zoning	Current (Construction)	Revised (Construction)
Category 1 exclusive districts for low-rise residential buildings	Size should be smaller than 50 m2	No Change
Category 2 exclusive districts for low-rise residential buildings	Size should be smaller than 150 m2	
Category 1 exclusive districts for medium-rise and high-rise residential buildings	Size should be smaller than 500 m2	
Category 2 exclusive districts for medium-rise and high-rise residential buildings	Size should be smaller than 1,500 m2	
Category 1 exclusive districts for residential buildings	Size should be smaller than 3,000 m2	
Category 2 exclusive districts for residential buildings	No Limit	Location of large-scale facilities is possible according to the change of zoning or the decision of district planning to ease the usage.
Quasi-residential districts		
Industrial districts		
Neighborhood commercial districts		
Commercial districts		
Quasi-industrial districts	Change of zoning or decision of district planning should be essential	No Limit (*)
Exclusively industrial districts		
Free construction areas within quasi-city planning districts or non-identified city planning districts	No Limit	Location of large-scale facilities is possible according to the designation of zoning. In non-identified city planning districts it's also possible according to the decision of district planning to ease the usage.

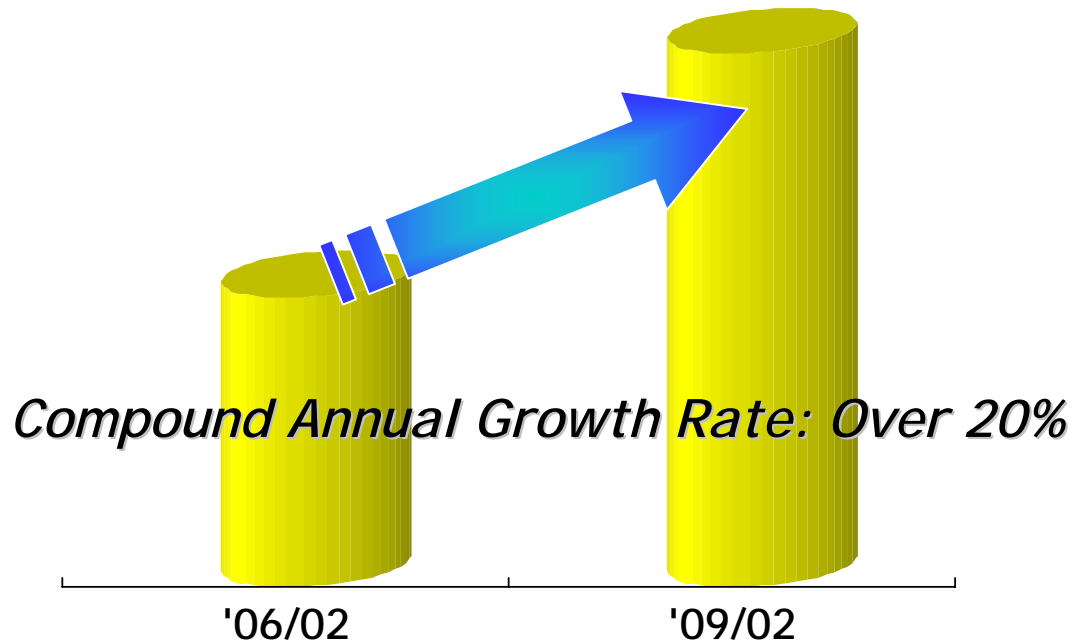
Large-scale facilities: Store with floor space larger than 10,000 m2, movie theater, amusement facility and exhibition Hall, etc.
 * In quasi-industrial districts in the suburb less Japan's three major megalopolises and government designated major cities, location of large-scale facilities is restricted by special zoning.

Large-scale Store Location Law (No change)
When a large-scale store is located, consideration is requested from the viewpoint of "Maintenance of Neighborhood Living Environment".

Central Town Revitalization Law
Expand support for revitalization of central towns

Mid-term Plan (FY2005-FY2008)

	Fiscal Year Ended on February 20, 2006	Fiscal Year Ended on February 20, 2009
Revenues	52.9 billion yen	92 billion yen
Ordinary Income	17.4 billion yen	32 billion yen
Net Income	10.3 billion yen	20 billion yen
ROA	5.3%	Over 5%



Solutions of Achieving Mid-term Plan



The Company Continues Construction on:



AEON Chiba New-Town Shopping Center			
Place:	Chiba Pref.		
Site:	994,000 s.f.	92,333 m2	
Commercial Space:	810,000 s.f.	75,236 m2	
Parking Capacity:	3,515		
Population of Trading Area*:	450,000		
Planned Opening:	April 21, 2006		

AEON Kobe Kozudai Shopping Center			
Place:	Hyogo Pref.		
Site:	1,234,000 s.f.	114,600 m2	
Commercial Space:	616,000 s.f.	57,200 m2	
Parking Capacity:	2,800		
Population of Trading Area*:	320,000		
Planned Opening:	Autumn 2006		



AEON Takasaki Shopping Center			
Place:	Gunma Pref.		
Site:	1,313,000 s.f.	122,000 m2	
Commercial Space:	732,000 s.f.	68,000 m2	
Parking Capacity:	3,280		
Population of Trading Area*:	590,000		
Planned Opening:	Autumn 2006		

*within 30 minute-drive by car from the mall

Solutions of Achieving Mid-term Plan



MAINTENANCE OF STRONG GROWTH

Internal Factors

Increased Revenues by Existing SC Operation

- Increase of Sales-Based Rent from Specialty Stores' Higher Sales
- Strategic Tenant-mix in order to Grow Customer Attractions

Growth and Strength of Existing Stores

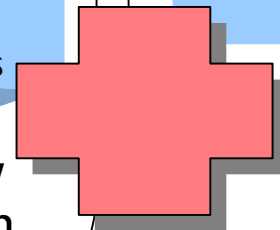
- Expansion, Renovation
- * Effective Promotion toward the Existing Customers
- * Advantages in Negotiation for New Tenants

Rate of Sales-based Rent increases by Sales Growth. Improve SC's Attraction, Competitiveness and Duration.

External Factors

Growth by New SC Developments

- New SC Opening:
3 to 4 malls per year
- Strong Profitability based on Strict Investment Return Projection
- Floor Expansion Estimated by SC Duration Since Opening Date

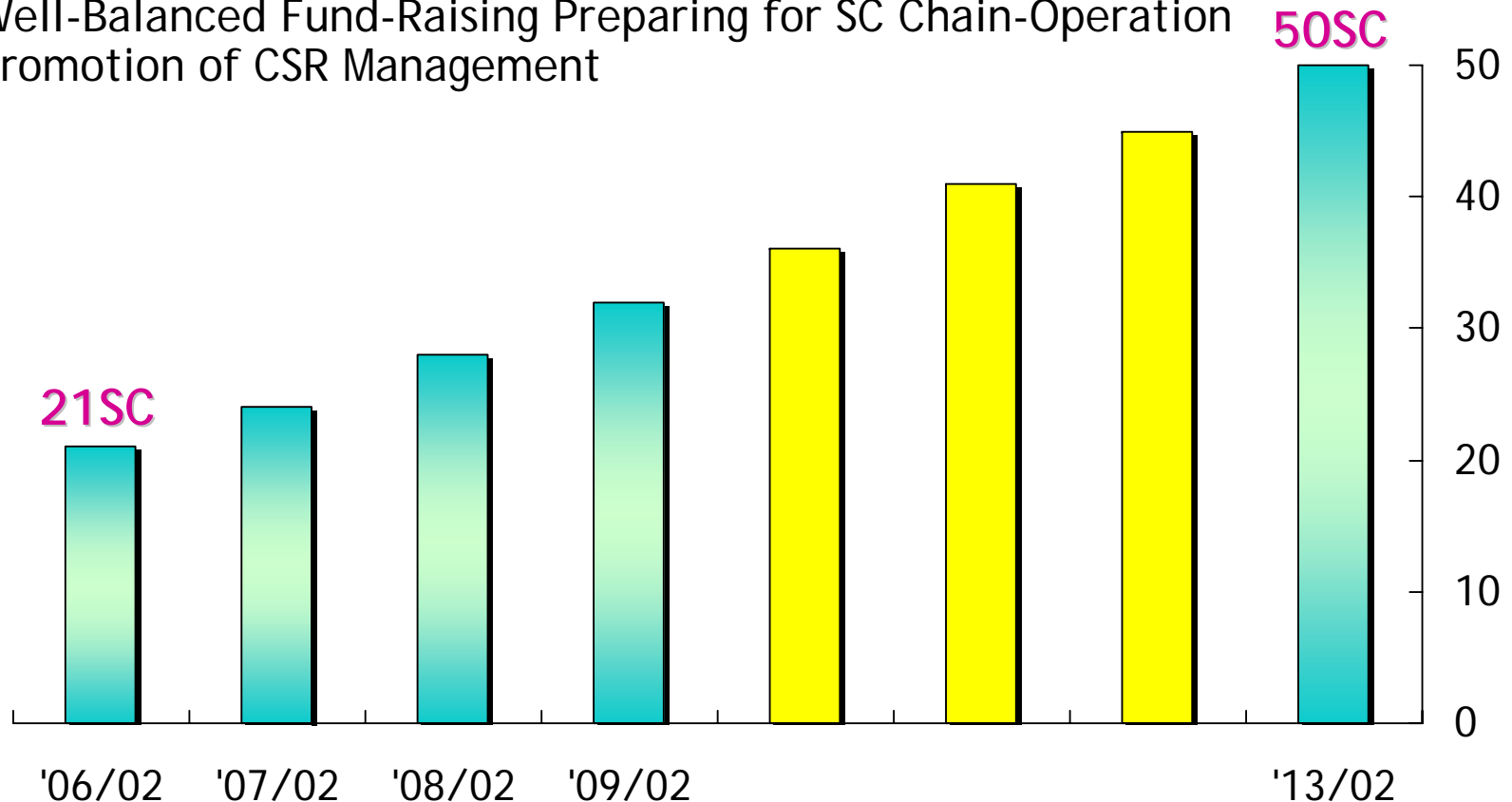


Solutions of Achieving Mid-term Plan



Growing Strategy

- New Shopping Center Opening More Than Ten Centers
- Strengthen The Customer Attraction and Competition by Creating Innovated Centers of Higher Classification
- Overseas Business
- Expansion of Fee Business, Merger & Acquisition
- Well-Balanced Fund-Raising Preparing for SC Chain-Operation
- Promotion of CSR Management



Business Forecast



JP¥ in Millions

Consolidation	Fiscal Year Ended on February 20, 2007	Fiscal Year Ended on February 20, 2006	Year-on-year Growth
Revenues	60,800	52,903	+ 14.9 %
Ordinary Income	19,500	17,419	+ 11.9 %
Net Income	11,500	10,369	+ 10.9 %
Earnings per Share	190.89 yen	165.93 yen	

JP¥ in Millions

Unconsolidated	Fiscal Year Ended on February 20, 2007	Fiscal Year Ended on February 20, 2006	Year-on-year Growth
Revenues	61,100	53,200	+ 14.8 %
Ordinary Income	19,100	17,069	+ 11.9 %
Net Income	11,300	10,235	+ 10.4 %
Earnings per Share	187.56 yen	164.26 yen	---

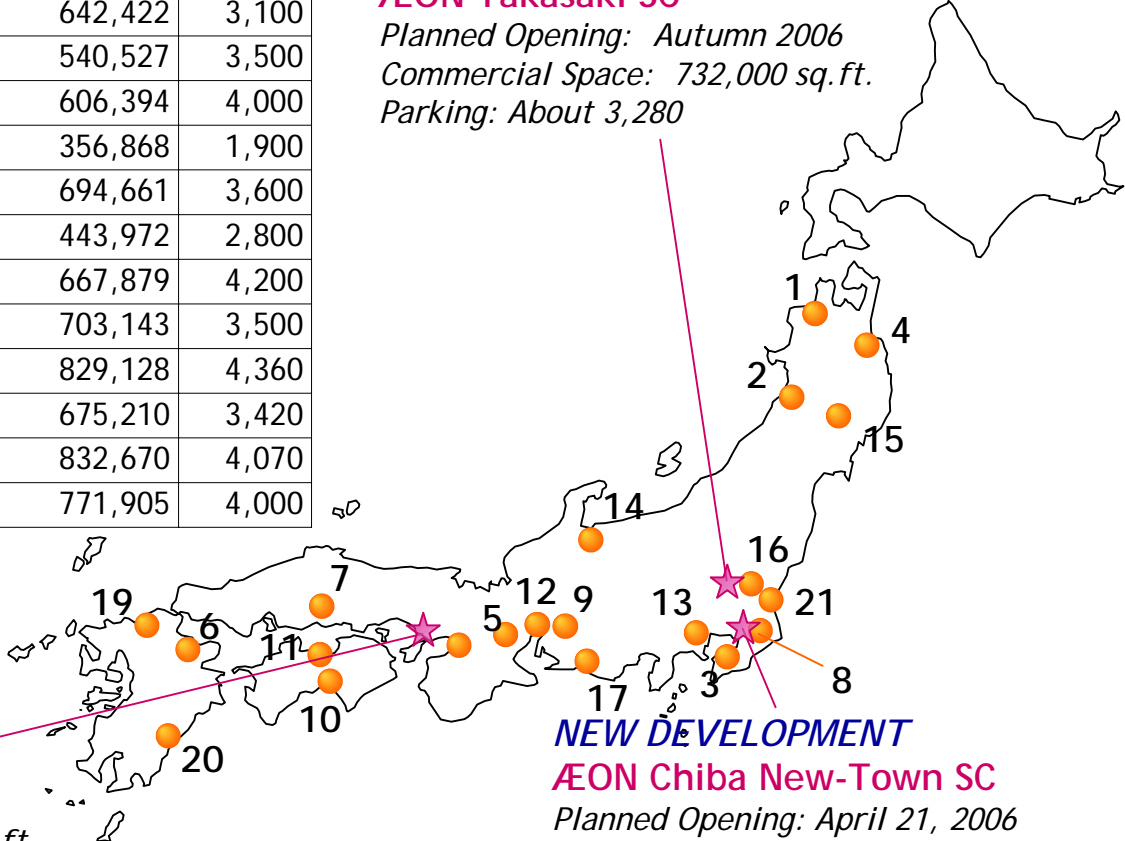
No.	Shopping Center Name	Opened Year	Commercial Space(sq.ft.)	Parking
1	ÆON Kashiwa SC	Nov.1992	551,539	2,700
2	ÆON Akita SC	Sep.1993	701,765	2,700
3	ÆON Futtsu SC	Sep.1993	349,031	1,800
4	ÆON Shimoda SC	Apr.1995	573,488	4,000
5	ÆON Suzuka SC	Nov.1996	716,405	3,500
6	ÆON Sanko SC	Dec.1996	388,073	2,500
7	ÆON Kurahashi SC	Sep.1999	771,862	4,000
8	ÆON Narita SC	Mar.2000	709,505	3,500
9	ÆON Okazaki SC	Sep.2000	744,004	3,500
10	ÆON Kochi SC	Dec.2000	642,422	3,100
11	ÆON Niihama SC	Jun.2001	540,527	3,500
12	ÆON Higashiura SC	Jul.2001	606,394	4,000
13	ÆON Yamato SC	Dec.2001	356,868	1,900
14	ÆON Takaoka SC	Sep.2002	694,661	3,600
15	ÆON Morioka SC	Sep.2003	443,972	2,800
16	ÆON Ohta SC	Dec.2003	667,879	4,200
17	ÆON Hamamatsu-Shitoro SC	Aug.2004	703,143	3,500
18	ÆON Rinku-Sennan SC	Nov.2004	829,128	4,360
19	ÆON Nogata SC	Apr.2005	675,210	3,420
20	ÆON Miyazaki SC	May.2005	832,670	4,070
21	ÆON Mito-Uchihara SC	Nov.2005	771,905	4,000

Our SC Network Nationwide

NEW DEVELOPMENT

ÆON Takasaki SC

Planned Opening: Autumn 2006
Commercial Space: 732,000 sq. ft.
Parking: About 3,280



*As of February 2006

NEW DEVELOPMENT

ÆON Kobe-kozudai SC

Planned Opening: Autumn 2006
Commercial Space: 616,000 sq. ft.
Parking: About 2,800

NEW DEVELOPMENT

ÆON Chiba New-Town SC

Planned Opening: April 21, 2006
Commercial Space: 810,000 sq. ft.
Parking: About 3,515

SC Frequency Survey

Results from Net Research

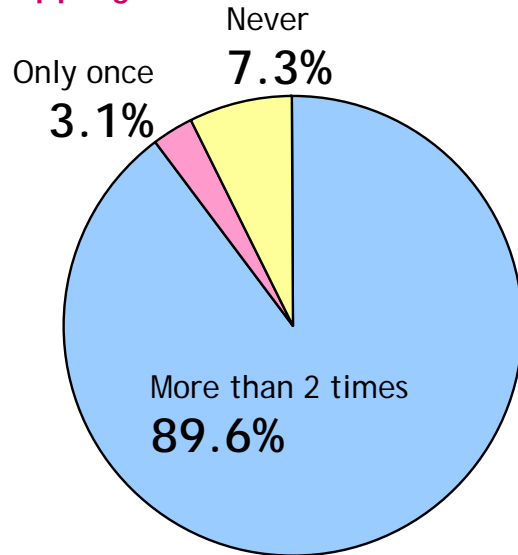


Object Persons: Registered members of an online research community
 Examination Method: Survey on the website
 Research Period: January 1 to 5, 2006
 Number of Answers: 13,984 people
 Conducted Organization: MyVoice Communications, Inc.

	SEX			AGE					
	Male	Female	Total	Teens	Twenties	Thirties	Forties	Fifties	Total
Number of Visits (Percentage)	6,008 (43%)	7,976 (57%)	13,984 (100%)	535 (4%)	3,094 (22%)	5,356 (38%)	3,355 (24%)	1,644 (12%)	13,984 (100%)

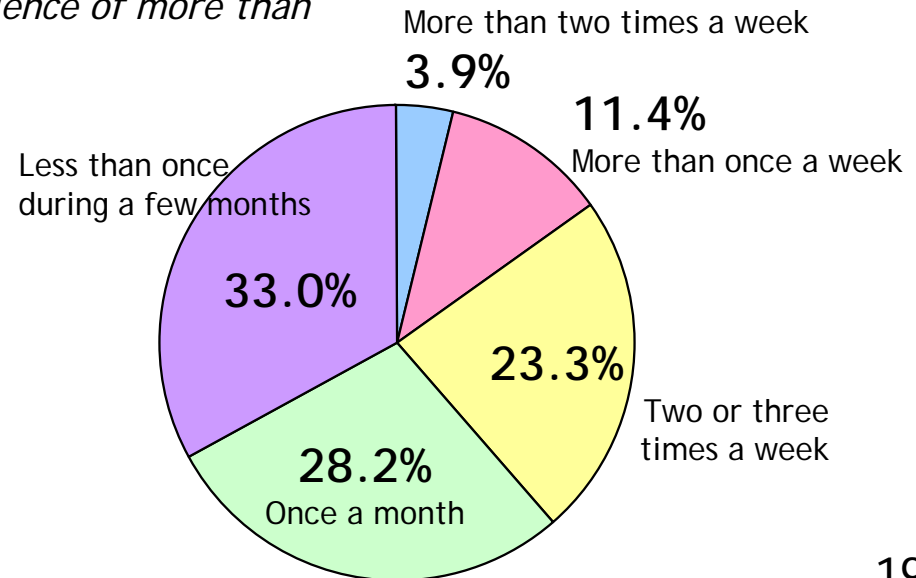
Shopping Experience

Have you ever been to a shopping mall?



Frequency of visits

How often do you go to a mall?
 (With experience of more than two times)



SC Frequency Survey

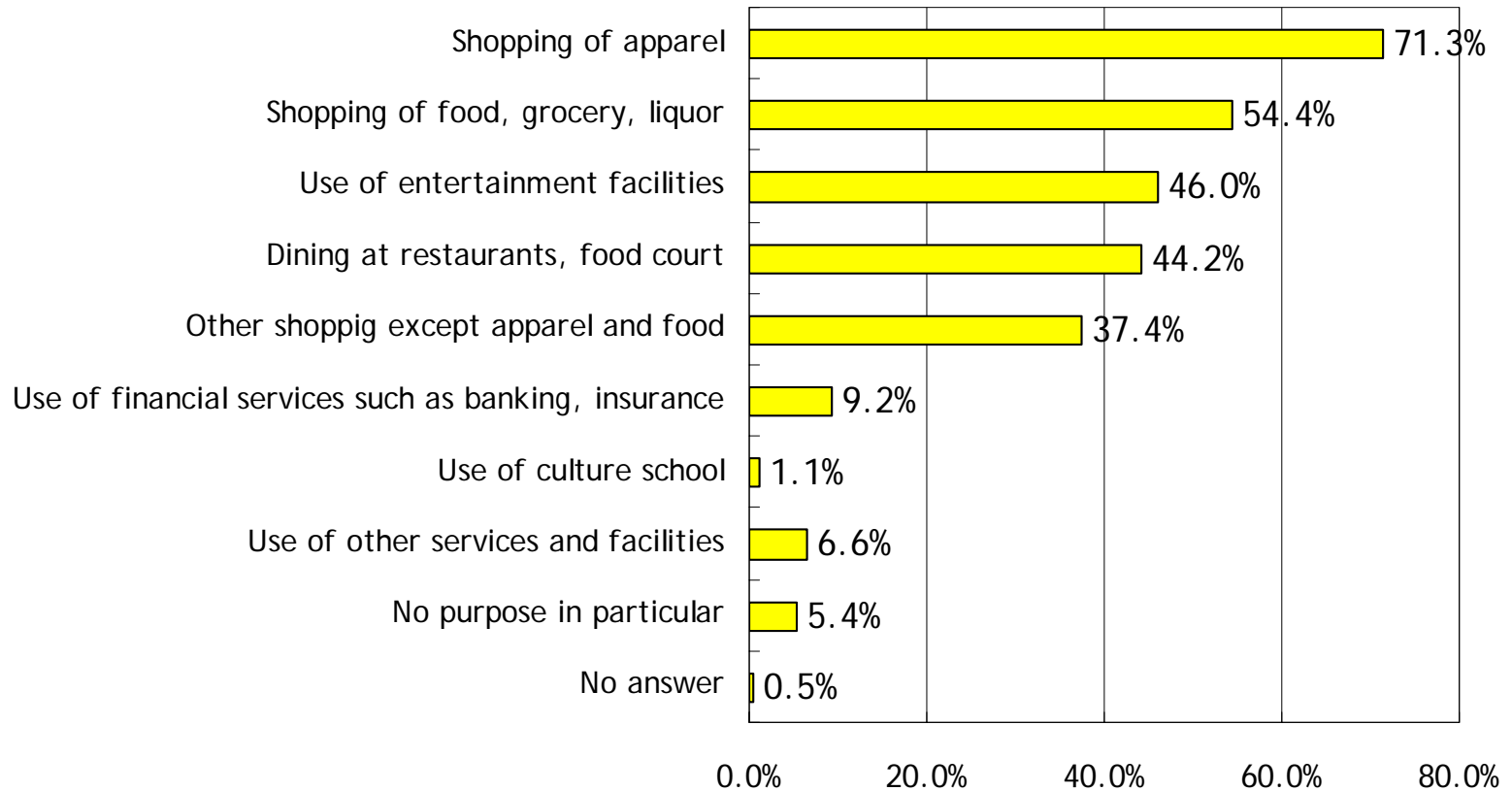
Results from Net Research



Purpose of Visit

What is the main purpose of mall visit?

(With experience of more than once)



SC Frequency Survey

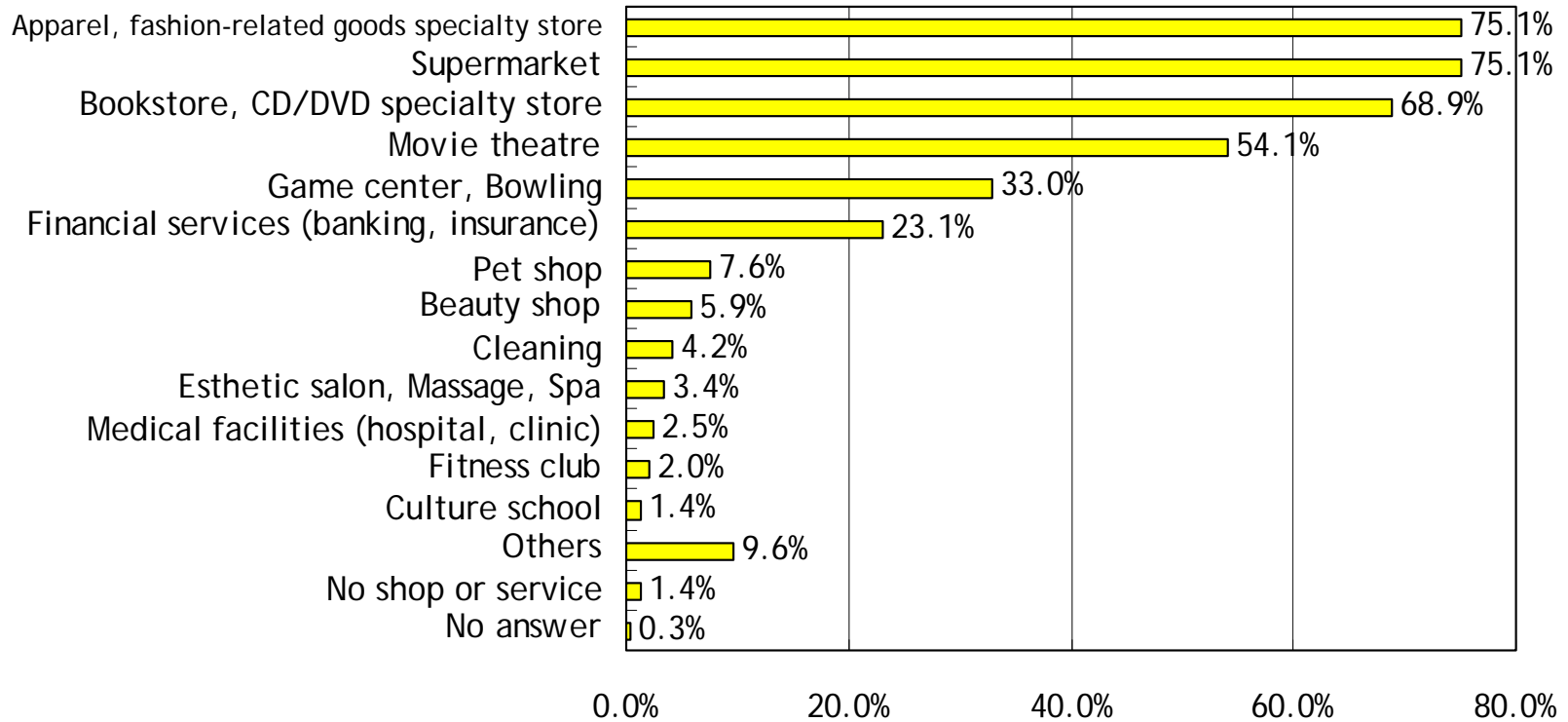
Results from Net Research



Shops and Services

What shop or service have you ever used?

(With experience of more than once)



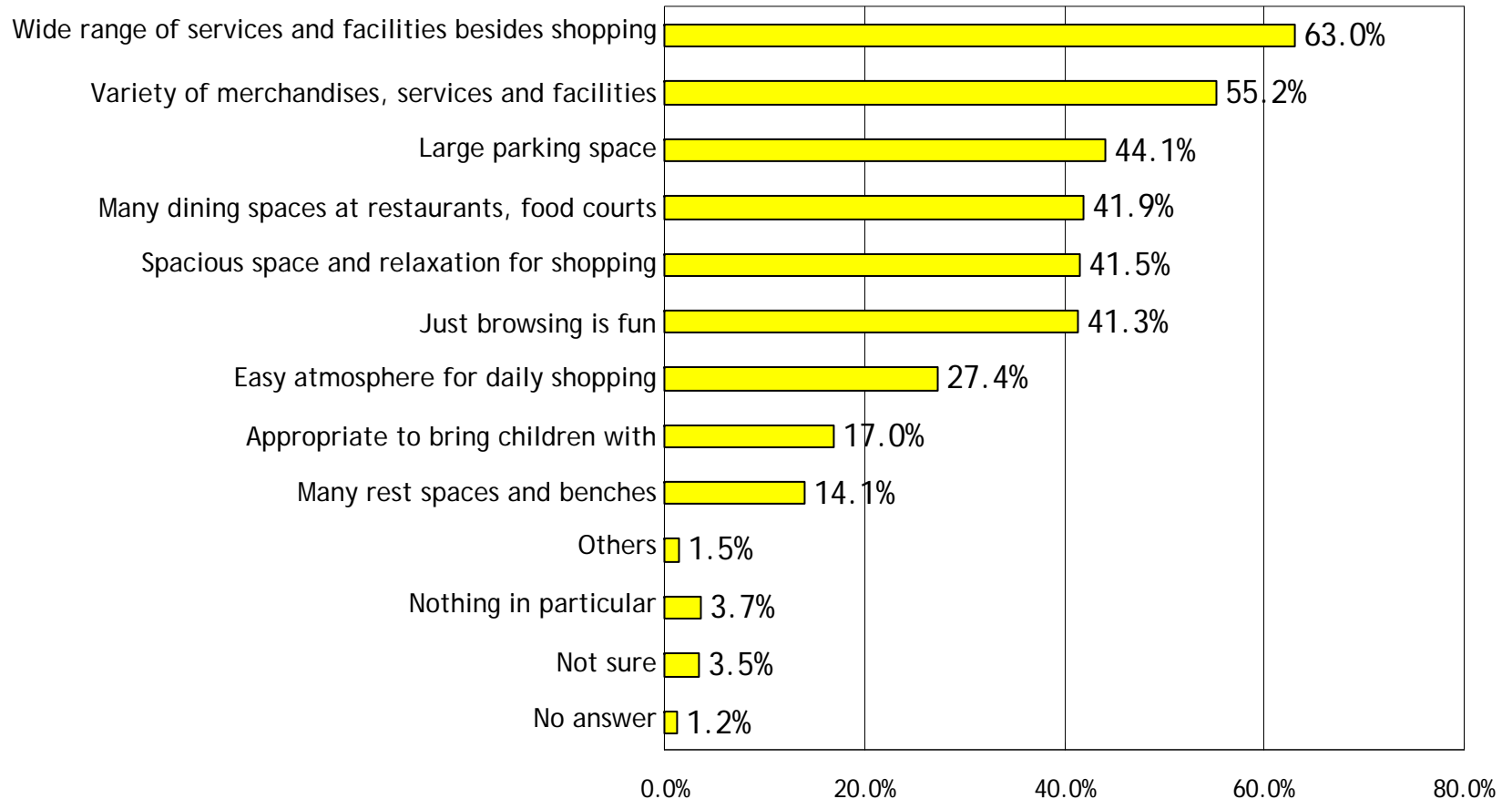
SC Frequency Survey

Results from Net Research



Mall Advantage

What's the advantage of a shopping mall?



About *AEON MALL*

AEON MALL Co., Ltd., headquartered in Chiba City, Chiba, is a member of AEON Group and a 100% subsidiary company of AEON Corporation. The company positions as a shopping center specialty developer, primarily regional malls, engaged in the ownership, development and management of retail real estate and its current total market capitalization is approximately 3 billion yen.

Through its shopping center business, it currently operates 21 properties in Japan containing over 1.23 million square meters of gross leasable area in 18 prefectures nationwide. Additional AEON MALL information in English is available at: <http://www.aeon-mall.net/e/index.html>



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