# Summary Report of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2013 (Based on Japanese Accounting Standards)

July 4, 2012


| | | | |
|---|---|---|---|
| Listed company name: | AEON DELIGHT CO., LTD. | | Listed exchanges: Tokyo Stock Exchange and Osaka Securities Exchange (First Section) |
| Stock code: | 9787 | | URL http://www.aeondelight.co.jp |
| Representative: | (Title) | President and CEO | (Name) Kazunori Umemoto |
| Contact: | (Title) | General Manager, Corporate Communication Dept. | (Name) Susumu Takahashi TEL +81-6-6260-5632 |


| | | | |
|---|---|---|---|
| Planned date for filing of quarterly financial statements: | July 13, 2012 | Planned date for commencement of dividend payments | — |
| Preparation of Supplementary Materials to Quarterly Financial Results: | No | | |
| Quarterly earnings briefing held: | No | | |

(Amounts of less than one million yen have been rounded down)

1. Consolidated Results for the First Quarter of the Fiscal Year Ending February 28, 2013 (from March 1, 2012 to May 31, 2012)

(1) Consolidated Operating Results (cumulative)

(Figures expressed in percentages represent year-on-year percentage changes.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended May 31, 2012 | 58,584 | 10.6 | 3,093 | 0.2 | 3,102 | (1.2) | 1,786 | 4.8 |
| Three months ended May 31, 2011 | 52,972 | 52.7 | 3,086 | 26.4 | 3,141 | 27.8 | 1,704 | 24.8 |

Note: Comprehensive income
First quarter of the year ending Feb. 28, 2013 1,638 million yen (3.1%)
First quarter of the year ended Feb. 29, 2012 1,588 million yen (- %)

| | Net Income per Share | Diluted Net Income per Share |
|---|---|---|
| | Yen | Yen |
| Three months ended May 31, 2012 | 34.07 | 33.97 |
| Three months ended May 31, 2011 | 32.51 | 32.45 |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|---|---|---|---|
| | Millions of yen | Millions of yen | % |
| As of May 31, 2012 | 95,708 | 58,801 | 60.7 |
| As of Feb. 29, 2012 | 92,809 | 58,182 | 61.9 |

(Reference) Shareholders' equity As of May 31, 2012: 58,065 million yen
As of February 29, 2012: 57,463 million yen

2. Dividends

| | Dividends per Share | | | | |
|---|---|---|---|---|---|
| | End of the 1st Quarter | End of the 2nd Quarter | End of the 3rd Quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| Year Ended February 29, 2012 | - | 20.00 | - | 20.00 | 40.00 |
| Year Ending February 28, 2013 | - | | | | |
| Year Ending February 28, 2013 (Forecast) | | 23.00 | - | 23.00 | 46.00 |

Note: Adjustments from the most recently released dividend forecast: None

3. Forecast of Consolidated Results for the Year Ending February 28, 2013
(from March 1, 2012 to February 28, 2013)

(Figures expressed in percentages represent year-on-year percentage changes.)

| | Net sales | | Operating Income | | Ordinary Income | | Net Income | | Net Income per Share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending August 31, 2012 | 120,000 | 9.1 | 7,600 | 9.9 | 7,600 | 9.0 | 4,000 | 7.6 | 76.26 |
| Full year | 260,000 | 18.3 | 16,600 | 20.6 | 16.600 | 20.4 | 8,700 | 25.9 | 165.87 |

Note: Adjustments from the most recently released consolidated results forecast: None

4. Other Remarks

(1) Changes in significant subsidiaries during the consolidated quarter under review : None

(2) Application of accounting methods that are specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatements
1) Change arising from revisions of accounting standards : Yes
2) Change due to reasons other than those described in “1)” above : None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at end of period (including treasury stock):

| | | | |
|---|---|---|---|
| As of May 31, 2012 | 54,169,633 shares | As of February 29, 2012: | 54,169,633 shares |

2) Number of treasury shares at end of period:

| | | | |
|---|---|---|---|
| As of May 31, 2012: | 1,717,576 shares | As of February 29, 2012: | 1,720,051 shares |

3) Average number of shares during the period (quarterly cumulative):

| | | | |
|---|---|---|---|
| Three months ended May 31, 2012: | 52,450,115 shares | Three months ended May 31, 2011: | 52,439,378 shares |

* Items related to the conduct of quarterly review procedures

▪ These quarterly financial results are not subject to quarterly review based on the Financial Instrument and Exchange Act, and a quarterly review based on the Financial Instrument and Exchange Act had not been completed at the time these quarterly financial results were disclosed.

* Information concerning proper use of financial forecasts and other special instructions

▪ Forward-looking statements concerning financial forecasts contained in these materials are based on certain assumptions judged to be reasonable and on the information available when the forecasts were made. However, actual performance may significantly differ due to a variety of factors. Please refer to “Qualitative Information on Consolidated Financial Forecast” on page 4 of these quarterly financial results (attached materials) for information concerning the assumptions used for financial forecasts and the proper use of financial forecasts.

〇Table of contents for attached materials

1. Qualitative Information on Current Quarterly Consolidated Performance

(1) Qualitative Information on Consolidated Operating Results

During the first quarter of the current consolidated fiscal year (March 1, 2012 to May 31, 2012), the Company aimed to achieve further growth in our Comprehensive Facility Management Service (Comprehensive FMS) by conducting aggressive sales activities in three markets targeted in our medium-term business plan: the major urban area market, the environmental load reduction market, and the Asian market.

In addition, the Group has worked to reinforce its IT readiness in response to the progress of IT, a trend rising accompanied by the evolution in IT.

(A) Major initiatives during the first quarter of the current consolidated fiscal year

a. Transforming our sales approach by shifting towards solutions-oriented sales

Since FMS Solutions Co., Ltd. was established in December 2011 with the goal of enacting structural reform of the Group’s business through the promotion of IT, the Company has worked to adopt new technologies in response to the progress of IT. As part of this adoption of new technologies, starting in February 2012 smart tablet devices were distributed to all sales employees as we utilized cloud computing to renovate our sales style so that our staff would be able to do their jobs regardless of the time, place, or whether they were working from a computer or mobile device. In this manner we have transformed our sales approach by shifting to solutions-oriented sales, allowing us to promptly respond to the needs of our customers.

b. Selected as a BEMS aggregator

In April, the Company was selected as a BEMS aggregator in the subsidy for the project to promote the introduction of an energy management system (a BEMS adoption project) conducted by the Sustainable open Innovation Initiative, an affiliated organization of the Agency for Natural Resource and Energy, the Ministry of Economy, Trade and Industry. BEMS aggregators are energy use information managers who manage and support energy savings by introducing BEMS (Building Energy Management Systems) for low-volume, high-voltage energy consumers, such as those in small and medium-sized buildings, that visualize building energy use, as well as by installing centralized systems for managing energy through cloud computing, etc. For this business, a framework focused on AEON DELIGHT CO., LTD. has been constructed in which A to Z Service Co., Ltd., which provides total management of small-scale facilities within the Group, is positioned as the BEMS vendor.

With this recognition by the Ministry of Economy, Trade and Industry as a BEMS aggregator, we plan to strengthen proposals of BEMS adoption plans to small-scale facilities, make significant reductions in the costs borne by customers in BEMS adoption, and further strengthen our solution sales based on our track record in energy savings.

c. Further expansion in our shift towards Asia

Based on the Group's growth strategy in the Asian market, a preparatory company was established in Malaysia during March 2012 to advance the expansion of our business in the ASEAN region. As we aim to commence business within the fiscal year, we have made efforts to obtain business licenses and establish a local subsidiary.

To accelerate the further expansion of the comprehensive FMS business in China, as part of the area strategy, the Group decided in April 2012 to establish a joint venture between the Group’s subsidiary AEON DELIGHT (BEIJING) CO., LTD. and an affiliate of Tianjin TEDA Group Company Ltd., one of the largest state-run developer conglomerates in Tianjin, China. With this development we plan to further promote firmly rooted local business deployment to accelerate our growth strategy in Tianjin.

In terms of organic growth in China, the Group’s subsidiary AEON DELIGHT (BEIJING) CO., LTD. has leveraged its hospitality-rich service and solid technical skills that were fostered in Japan to acquire contracts with four businesses within the AEON Group: JUSCO YOU YI STORE (Guangdong), JUSCO Bao An Zhong Xin Store (Guangdong), JUSCO Phenix City Store (Guangdong), and Aeon Mall Tianjin Teda (Tianjin). Outside the AEON Group, the subsidiary has been contracted for comprehensive FMS consulting services at a Japanese-

affiliated factory in Jiangsu and for comprehensive FMS services at a state-run shopping center in Beijing.
As a result, the Group has now acquired contracts with 22 properties in China and is steadily expanding its business there.

(B) New contracts
As the result of aggressively promoting comprehensive FMS solutions-oriented sales, we are now providing our services to facilities of various uses, including a research facility for a major domestic pharmaceuticals company, a large stadium serving as the home field for a popular professional baseball team, a luxury resort hotel, and prefectural hospitals.

(C) Overview of our major businesses during the first quarter of the current consolidated fiscal year

1) In the facilities management business, net sales decreased year on year to 10,371 million yen (97.9% year on year). We intend to improve our profitability by further improving patrol-style facilities management efficiency and reducing permanently stationed facilities management personnel, and we also plan to strengthen our BEMS aggregator business.

2) In the security services business, net sales decreased year on year to 7,898 million yen (96.2% year on year). We intend to improve our profitability by expanding sales in “Attender Service,” a comprehensive reception service, and adjusting contract prices to more reasonable levels.

3) With net sales of 10,122 million yen (101.6% year on year), the cleaning services business held steady, year on year. We will work to acquire new contracts through the introduction of the Company's newly developed original coating agent. We will increase contracts with large commercial facilities, one of the Group's core client groups, as well as aggressively conduct sales proposals to strategically targeted hospitals and nursing care facilities that require specialized know-how.

4) In the construction work business, net sales increased significantly year on year to 11,081 million yen (196.7% year on year). We were able to fully respond to demand for energy-saving related construction work, such as the installation of LED lighting, as well as demand for renovation work. In the future, we will leverage our LED installation track record with the AEON Group as we strive to acquire more contracts for LED work outside the AEON Group, as well.

5) In the materials/supplies sourcing business, net sales increased year on year to 9,525 million yen (105.1% year on year). In particular, profitability improved due to strong sales of cleaning materials and equipment, and an increase in transactions with existing clients. In the future, we will work with partners both inside and outside of the Group to increase sales of office automation equipment, such as copy machines and tablet devices.

6) In the vending machine services business, net sales decreased year on year to 7,508 million yen (96.0% year on year). We will work to strengthen sales by deploying energy-saving vending machines and vending machines that support digital payment, as well as developing machines with high value-added functionality, such as digital signage vending machines. In addition, we will exploit our strength of having business locations across the country to promote sales activities finely tuned to local area characteristics, such as conducting location-based development conducted by individual branches.

7) In the support businesses, net sales increased significantly year on year to 2,072 million yen (127.4% year on year). While expanding provision of valuable goods transport services that are essential for the management and operations of commercial facilities, we have worked to develop a new business service menu in response to market needs, such as the steps that are being taken towards the construction of a comprehensive cash management service.

(D) Results of Operation
As a result of these developments, net sales of 58,584 million yen (110.6% year on year) was posted for the first quarter of the current consolidated fiscal year. In addition to the impact caused by a reduction in margins in the facilities management business due to specification changes

among major clients and a change in the sales composition in the construction work business, operating income was also affected by aggressive investments aimed at even further growth including IT readiness reinforcements in response to the progress of IT and enhancements made to the environmental service business in response to increasing needs. As a result, operating income was 3,093 million yen (100.2% year on year), while ordinary income was 3,102 million yen (98.8% year on year).

As a result of the factors above, net income for the first quarter of the current consolidated fiscal year was 1,786 million yen (104.8% year on year).

(2) Qualitative Information on Consolidated Financial Position

Total assets as of May 31, 2012 increased by 2,899 million yen (3.1%), compared with the balance at the end of the previous fiscal year, to 95,708 million yen.

This resulted mainly from an increase of 3,584 million yen in notes and accounts receivable-trade, an increase of 501 million yen in merchandise, a decrease of 1,000 million yen in deposit of subsidiaries and affiliates, a decrease of 267 million yen in amortization of goodwill, and a decrease of 224 million yen due to the mark-to-market accounting of investment securities.

Liabilities as of May 31, 2012 increased by 2,280 million yen (6.6%), compared with the balance at the end of the previous fiscal year, to 36,907 million yen.

This increase is attributable mainly to an increase of 3,935 million yen in notes and accounts payable-trade, an increase of 895 million yen in provision for bonuses, and a decrease of 2,454 million yen in income taxes payable.

Net assets as of May 31, 2012 increased by 618 million yen (1.1%), compared with the balance at the end of the previous fiscal year, to 58,801 million yen.

This increase is attributable mainly to an increase of 1,786 million yen in retained earnings due to posting of net income for the first quarter, and a decrease of 1,048 million yen in retained earnings due to dividend payments.

As a result, the shareholders' equity ratio as of May 31, 2012 decreased by 1.2% to 60.7%, compared to 61.9% at the end of the previous fiscal year.

(3) Qualitative Information on Consolidated Financial Forecast

Regarding its earnings projection for the fiscal year ending February 28, 2013, AEON DELIGHT's forecast released on April 12, 2012 remains unchanged.

2. Summary information on other matters

(1) Changes in significant subsidiaries during the consolidated quarter under review

None.

(2) Application of accounting methods that are specific to the preparation of quarterly consolidated financial statements

None.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(Application of accounting standard related to net income per share)

The Accounting Standard for Earnings Per Share (ASBJ Statement No. 2, June 30, 2010) and its Implementation Guidance (ASBJ Guidance No. 4, June 30, 2010) have been applied to the calculation of quarterly diluted net income per share from the first quarter of the current consolidated fiscal year. Note that the application of this accounting standard will have no material effect.

(4) Additional information

The Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24, December 4, 2009) and its Implementation Guidance (ASBJ Guidance No. 24, December 4, 2009) have been applied to accounting changes and corrections of errors that occurred following the beginning of the first quarter of the current consolidated fiscal year.

## 3. Quarterly Consolidated Financial Statements
### (1) Quarterly Consolidated Balance Sheet

(millions of yen)

| | Year Ended Feb. 29, 2012 (As of Feb. 29, 2012) | First three months of FY2013 ended May 31, 2012 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 9,707 | 9,748 |
| Notes and accounts receivable-trade | 31,240 | 34,824 |
| Merchandise | 1,213 | 1,714 |
| Deposit of subsidiaries and affiliates | 27,320 | 26,320 |
| Other | 3,663 | 3,971 |
| Allowance for doubtful accounts | (657) | (675) |
| Total current assets | 72,486 | 75,903 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 1,217 | 1,077 |
| Land | 284 | 282 |
| Other, net | 2,271 | 2,340 |
| Total property, plant and equipment | 3,773 | 3,699 |
| Intangible assets | | |
| Goodwill | 11,249 | 10,982 |
| Other | 1,022 | 1,128 |
| Total intangible assets | 12,272 | 12,111 |
| Investments and other assets | | |
| Investment securities | 2,577 | 2,353 |
| Other | 1,924 | 1,842 |
| Allowance for doubtful accounts | (224) | (201) |
| Total investments and other assets | 4,276 | 3,994 |
| Total noncurrent assets | 20,322 | 19,805 |
| Total assets | 92,809 | 95,708 |

(millions of yen)

| | Year Ended Feb. 29, 2012 (As of Feb. 29, 2012) | First three months of FY2013 ended May 31, 2012 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 18,872 | 22,807 |
| Electronically recorded monetary obligations | 4,848 | 5,183 |
| Short-term loans payable | 25 | 35 |
| Current portion of corporate bonds payable due within one year | 10 | 10 |
| Current portion of long-term loans payable | 6 | — |
| Income taxes payable | 3,714 | 1,259 |
| Provision for bonuses | 797 | 1,692 |
| Provision for directors' bonuses | 120 | 21 |
| Other | 5,248 | 4,985 |
| Total current liabilities | 33,643 | 35,996 |
| Noncurrent liabilities | | |
| Corporate bonds payable | 15 | 15 |
| Provision for retirement benefits | 507 | 518 |
| Provision for directors' retirement benefits | 152 | 133 |
| Other | 308 | 243 |
| Total noncurrent liabilities | 983 | 910 |
| Total liabilities | 34,626 | 36,907 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,238 | 3,238 |
| Capital surplus | 18,753 | 18,756 |
| Retained earnings | 35,285 | 36,023 |
| Treasury stock | (460) | (460) |
| Total shareholders' equity | 56,816 | 57,557 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 665 | 524 |
| Foreign currency translation adjustment | (18) | (16) |
| Total accumulated other comprehensive income | 647 | 508 |
| Subscription rights to shares | 173 | 221 |
| Minority interest | 545 | 514 |
| Total net assets | 58,182 | 58,801 |
| Total liabilities and net assets | 92,809 | 95,708 |

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statement of Income

(First three months of FY2013 (March 1, 2012 – May 31, 2012))

(millions of yen)

| | First three months of FY2012 (March 1, 2011 – May 31, 2011) | First three months of FY2013 (March 1, 2012 – May 31, 2012) |
|---|---|---|
| Net sales | 52,972 | 58,584 |
| Cost of sales | 46,193 | 51,599 |
| Gross profit | 6,778 | 6,984 |
| Selling, general and administrative expenses | 3,692 | 3,890 |
| Operating income | 3,086 | 3,093 |
| Non-operating income | | |
| Interest income | 23 | 27 |
| Dividends income | 17 | 17 |
| Gain on maturity of insurance contract | 54 | 29 |
| Other | 12 | 6 |
| Total non-operating income | 108 | 81 |
| Non-operating expenses | | |
| Interest expenses | 1 | 0 |
| Loss on cancellation of company housing | 12 | 29 |
| Loss on retirement of noncurrent assets | — | 14 |
| Equity-method investment losses | 13 | — |
| Other | 25 | 29 |
| Total non-operating expenses | 53 | 73 |
| Ordinary income | 3,141 | 3,102 |
| Extraordinary income | | |
| Marginal gain on step acquisition | 56 | — |
| Reversal of provision for directors' bonuses | 17 | — |
| Total extraordinary income | 73 | — |
| Extraordinary loss | | |
| Loss on valuation of investment securities | — | 15 |
| Losses on disasters | 256 | — |
| Other | 10 | — |
| Total extraordinary losses | 267 | 15 |
| Income before income taxes and minority interests | 2,947 | 3,086 |
| Income taxes-current | 1,236 | 1,210 |
| Income taxes-deferred | (13) | 99 |
| Total income taxes | 1,222 | 1,309 |
| Net income before minority interests | 1,724 | 1,777 |
| Minority interests (loss) in income | 19 | (9) |
| Net income | 1,704 | 1,786 |

Quarterly Consolidated Statements of Comprehensive Income
(First three months of FY2013 (March 1, 2012 – May 31, 2012))

(millions of yen)

| | First three months of FY2012 (March 1, 2011 – May 31, 2011) | First three months of FY2013 (March 1, 2012 – May 31, 2012) |
|---|---|---|
| Net income before minority interests | 1,724 | 1,777 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (136) | (141) |
| Foreign currency translation adjustments | 0 | 2 |
| Total other comprehensive income | (136) | (138) |
| Comprehensive income | 1,588 | 1,638 |
| (Details) | | |
| Comprehensive income attributable to parent company | 1,568 | 1,647 |
| Comprehensive income attributable to minority interests | 20 | (9) |

(3) Note on the Going Concern Assumption:
First three months of the year ending February 28, 2013 (March 1, 2012 – May 31, 2012)
None

(4) Note on Significant Changes in Shareholders' Equity:
First three months of the year ending February 28, 2013 (March 1, 2012 – May 31, 2012)
None

(5) Significant subsequent events
First three months of the year ending February 28, 2013 (March 1, 2012 – May 31, 2012)
None