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

October 3, 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:	October 12, 2012	Planned date for commencement of dividend payments:	November 9, 2012

Preparation of Supplementary Materials to Quarterly Financial Results: Yes
Quarterly Earnings Briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending February 28, 2013 (from March 1, 2012 to August 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	%
Six months ended August 31, 2012	126,771	15.3	7,113	2.9	7,124	2.1	3,944	6.2
Six months ended August 31, 2011	109,950	59.6	6,915	37.7	6,974	38.0	3,716	34.1

Note: Comprehensive income Six months ended August 31, 2012 3,955 million yen / 9.6%
Six months ended August 31, 2011 3,609 million yen / - %

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended August 31, 2012	75.21	75.00
Six months ended August 31, 2011	70.86	70.71

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of August 31, 2012	105,478	61,111	57.2
As of Feb. 29, 2012	92,809	58,182	61.9

(Reference) Shareholders' equity As of August 31, 2012 60,351 million yen
As of February 29, 2012 57,463 million yen

2. Dividends

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

* Notes

(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 August 31, 2012	54,169,633 shares	As of February 29, 2012	54,169,633 shares
2) Number of treasury stock at end of period	As of August 31, 2012	1,710,556 shares	As of February 29, 2012	1,720,051 shares
3) Average number of shares outstanding (quarterly cumulative)	Six months ended August 31, 2012	52,452,231 shares	Six months ended August 31, 2011	52,440,410 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 on the quarterly consolidated financial statements was being conducted at the time these quarterly financial results were disclosed.

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

Forward-looking statements such as 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, the Group makes no guarantee that these forecasts will be achieved, and actual performance may significantly differ due to a variety of factors. Please refer to “Qualitative Information on Consolidated Financial Forecast” on page 5 of Attached Materials for information concerning the assumptions used for financial forecasts and the proper use of financial forecasts.

○ Attached Materials Contents

1. Qualitative Information on Current Quarterly Consolidated Performance

(1) Qualitative Information on Consolidated Operating Results

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

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

<u>a. Selected as a BEMS aggregator</u>

In April, the Company was selected as a BEMS aggregator[*1] 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. For this business, a sales framework 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.

During the second quarter of the current consolidated fiscal year (March 1, 2012 to August 31, 2012), the Group managed to acquire a total of 174 contracts, including contracts with domestic offices of a major insurance company and AEON Group supermarkets, as a result of aggressive proposals of BEMS adoption plans for small-scale facilities.

*1: 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.

<u>b. Increase in energy-saving-related construction work</u>

We were able to fully respond to the increased demand for energy-saving-related construction work as the market expanded due to a greater social awareness towards electricity-saving. As a result, sales in the energy-saving-related construction work business, including the installation of LED lighting, increased significantly year on year by 553.2%. In the future, we will leverage our LED installation and other energy-saving related construction work track record within the AEON Group in aggressive sales activities aimed at acquiring more contracts from customers outside the AEON Group as well.

<u>c. Further expansion of business in China</u>

To accelerate the further expansion of the comprehensive FMS business in China, as part of the area strategy the Group’s subsidiary AEON DELIGHT (BEIJING) CO.,LTD. established the joint venture Aeon Delight Teda (Tianjin) Comprehensive Facility Management Service Co., Ltd. in August with TIANJIN TEDA ENERGY ENGINEERING&TECHNOLOGY CO., LTD., a pioneer in energy-savings and renewable energy development. TIANJIN TEDA ENERGY ENGINEERING&TECHNOLOGY CO., LTD located in the Tianjin Economic-Technological Development Area, a subsidiary of Tianjin TEDA Group Company Ltd., the largest state-run developer conglomerates in Tianjin, China. With this development we plan to further promote firmly rooted local business deployment and leverage our strong competitive advantage in the Chinese domestic environmental business to expand the scale of our business.

In terms of organic growth in China, new contracts were acquired with 13 stores within the AEON Group, thanks to our hospitality-rich service and solid technical skills that were fostered in Japan. In terms of new developments outside the AEON Group, we started to provide new services including contracts 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 is steadily expanding its business in China, as it nearly doubled the number of contracts it has in China during the second quarter of the current fiscal year, bringing the total to 33 properties.

d. Expanding business in the ASEAN countries

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.

In addition, the Group is taking steps in an aim to obtain business licenses and establish a local subsidiary in Vietnam in November 2012, ahead of its Malaysia business.

e. Decision to establish a new company in the BPO business

As a new form of comprehensive FMS business, Vinculum Japan, the TOTYU CO., LTD., and the AEON DELIGHT Group decided to form a joint venture company aimed at entering the BPO (business process outsourcing) market in China. BPO businesses allow companies to strengthen their competitive strength by outsourcing mainly non-core operations such as general affairs, personnel, accounting, social welfare, telephone support, and systems operations. We are working towards commencing operations in October.

We promote BPR (business process re-engineering) within the Group, and by first implementing measures aimed at optimizing our own administrative department, we aim to achieve both significant administrative cost reductions throughout the Group and advance the establishment of our BPO business.

(B) New contracts

As the result of aggressively promoting solution-oriented sales in response to the digital shift in society underpinned by the promotion of IT with the increased use of cloud computing and the adoption of tablet devices, we are now providing our services to facilities of various uses, including all Japanese domestic facilities of a major foreign bank, a national university in a city designated by government ordinance, regional governmental offices, and resort hotels.

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

1) In the facilities management business, net sales decreased year on year to 21,124 million yen (99.2% year-on-year). We will continue with current initiatives aimed at improving profitability through further improvements to patrol-style facilities management efficiency and expanding our BEMS aggregator business further through aggressive proposals of BEMS adoption plans.

2) In the security services business, net sales decreased year on year to 15,807 million yen (97.6% year-on-year). To improve profitability we will adjust outsourcing contract prices properly and promote our “Attender Service,” a comprehensive reception service, and our concentrated monitor camera system (cockpit-style) that achieves drastic improvements in security accuracy through simultaneous confirmation and face recognition of visitors using a combination of human guards and mechanical security systems to monitor images from over 100 monitor cameras.

3) In the cleaning services business, net sales increased year on year to 20,206 million yen (101.9% year-on-year). We will work to acquire new contracts through the introduction of the Group’s newly developed, original floor 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, based on the perspective of providing a comfortable space rather than simply a clean location as has been done conventionally.

4) In the construction work business, net sales increased significantly year on year to 29,965 million yen (214.5% 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, particularly among AEON Group companies. In the

future, we will leverage our LED installation and energy-saving-related construction work track record in aggressive sales activities aimed at acquiring more contracts from customers outside the AEON Group as well.

5) In the materials/supplies sourcing services business, net sales increased year on year to 19,294 million yen (104.8% year-on-year). We will strive to improve profits by increasing sales of automation equipment, such as 5-yen copy machines, and expanding our uniform rental business including white coats.

6) In the vending machine services business, net sales decreased year on year to 16,079 million yen (97.0% year on year). We will work to strengthen sales by continuing with measures to deploy energy-saving vending machines and vending machines that support digital money, as well as developing machines with high value-added functionality, such as digital signage vending machines. In addition, we will work to improve profits by exploiting our strength of having business locations across the country to promote sales activities finely tuned to local area characteristics, such as having individual branches conduct new location-based development .

7) In the support businesses, net sales increased significantly year on year to 4,290 million yen (117.9% year-on-year). While expanding provision of cash 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 126,771 million yen (115.3% year on year) were posted for the second quarter of the current consolidated fiscal year. The gross profit margin was down 1.4% year on year due to factors including an increase in the cost of goods ratio in LED work, while selling, general and administrative expenses were up 103.7% year on year due to costs associated with developing markets in China and ASEAN countries and increasing headcounts in the fields of environmental services and facilities, as well as aggressive prior investments in the growth fields of IT and the environment. As a result, operating income was 7,113 million yen (102.9% year on year), ordinary income was 7,124 million yen (102.1% year on year), and net income for the second quarter of the current consolidated fiscal year was 3,944 million yen (106.2% year on year).

(2) Qualitative Information on Consolidated Financial Position

Total assets as of August 31, 2012 increased by 12,668 million yen (13.7%) compared with the balance at the end of the previous fiscal year to 105,478 million yen.

This was attributable mainly to a decrease of 1,094 million yen in cash and deposits, an increase of 15,353 million yen in notes and accounts receivable-trade, an increase of 587 million yen in merchandise, a decrease of 2,600 million yen in deposit of subsidiaries and affiliates, and a decrease of 550 million yen in amortization of goodwill.

Liabilities as of August 31, 2012 increased by 9,739 million yen (28.1%) compared with the balance at the end of the previous fiscal year to 44,366 million yen. This increase is attributable mainly to an increase of 8,900 million yen in notes and accounts payable-trade, an increase of 3,101 million yen in provision for bonuses, and a decrease of 9,501 million yen in income taxes payable.

Net assets as of August 31, 2012 increased by 2,928 million yen (5.0%) compared with the balance at the end of the previous fiscal year to 61,111 million yen. This increase is attributable mainly to an increase of 3,944 million yen in retained earnings due to posting of net income for the second 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 August 31, 2012 decreased by 4.7% to 57.2%, compared to 61.9% at the end of the previous fiscal year.

Cash Flows

The balance of cash and cash equivalents (hereinafter referred to as “cash”) as of August 31, 2012 decreased by 874 million yen (9.5%) compared to the balance at the end of the previous fiscal year to 8,304 million yen.

Summarized below are cash flows and their underlying factors for the second quarter of the current fiscal year.

(Cash flows from operating activities)

Net cash used in operating activities during the second quarter of the current fiscal year was 1,600 million yen. The major factors contributing to the net cash outflow were an increase of 7,084 million yen due to posting of income before income taxes and minority interests, an increase of 1,070 million yen due to posting of depreciation and amortization as well as amortization of good will, a decrease of 15,894 million yen due to an increase in notes and accounts receivable-trade, an increase of 10,786 million yen due to an increase in notes and accounts payable-trade and a decrease of 3,571 million yen due to income tax payments.

(Cash flows from investing activities)

Net cash provided by investing activities during the second quarter of the current fiscal year was 1,887 million yen. The major factors behind the net cash inflow were an inflow of 2,600 million yen for payment for/collection of deposits of subsidiaries and affiliates, and an outflow of 892 million yen for acquisition of property, plant and equipment and intangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities during the second quarter of the current fiscal year was 1,119 million yen. The major factor contributing to the net cash outflow was dividend payments of 1,049 million yen.

(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 these accounting standards 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)

	Fiscal Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)	First six months of FY2013 ended August 31, 2012
Assets		
Current assets		
Cash and deposits	9,707	8,612
Notes and accounts receivable-trade	31,240	46,593
Merchandise	1,213	1,801
Deposit of subsidiaries and affiliates	27,320	24,720
Other	3,663	3,887
Allowance for doubtful accounts	(657)	(114)
Total current assets	72,486	85,499
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,217	1,060
Land	284	282
Other, net	2,271	2,365
Total property, plant and equipment	3,773	3,709
Intangible assets		
Goodwill	11,249	10,699
Other	1,022	1,226
Total intangible assets	12,272	11,925
Investments and other assets		
Investment securities	2,577	2,552
Other	1,924	1,993
Allowance for doubtful accounts	(224)	(202)
Total investments and other assets	4,276	4,344
Total noncurrent assets	20,322	19,978
Total assets	92,809	105,478

(millions of yen)

	Fiscal Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)	First six months of FY2013 ended August 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,872	27,773
Electronically recorded monetary obligations	4,848	6,374
Short-term loans payable	25	—
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	2,762
Provision for bonuses	797	1,108
Provision for directors' bonuses	120	35
Other	5,248	4,945
Total current liabilities	33,643	43,370
Noncurrent liabilities		
Corporate bonds payable	15	10
Provision for retirement benefits	507	511
Provision for directors' retirement benefits	152	137
Other	308	336
Total noncurrent liabilities	983	996
Total liabilities	34,626	44,366
Net assets		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus	18,753	18,766
Retained earnings	35,285	38,181
Treasury stock	(460)	(458)
Total shareholders' equity	56,816	59,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	665	654
Foreign currency translation adjustment	(18)	(29)
Total accumulated other comprehensive income	647	624
Subscription rights to shares	173	209
Minority interest	545	550
Total net assets	58,182	61,111
Total liabilities and net assets	92,809	105,478

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statement of Income
(First six months of FY2013 (March 1, 2012 – August 31, 2012))

(millions of yen)

	First six months of FY2012 (March 1, 2011 – August 31, 2011)	First six months of FY2013 (March 1, 2012 – August 31, 2012)
Net sales	109,950	126,771
Cost of sales	95,444	111,789
Gross profit	14,506	14,982
Selling, general and administrative expenses	7,590	7,869
Operating income	6,915	7,113
Non-operating income		
Interest income	46	59
Dividends income	27	29
Gain on maturity of insurance contract	84	33
Other	21	13
Total non-operating income	181	135
Non-operating expenses		
Interest expenses	2	2
Adjustment of labor insurance expenses	13	21
Compensation for accident expenses	13	6
Loss on retirement of noncurrent assets	11	27
Equity-method investment losses	13	-
Other	67	65
Total non-operating expenses	122	124
Ordinary income	6,974	7,124
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	-	20
Losses on disasters	300	-
Provision for doubtful accounts	145	-
Head office functions transfer expenses	-	19
Other	32	-
Total extraordinary losses	477	39
Income before income taxes and minority interests	6,570	7,084
Income taxes-current	2,759	2,674
Income taxes-deferred	21	430
Total income taxes	2,781	3,105
Net income before minority interests	3,789	3,978
Minority interests in income	73	33
Net income	3,716	3,944

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

(millions of yen)

	First six months of FY2012 (March 1, 2011 – August 31, 2011)	First six months of FY2013 (March 1, 2012 – August 31, 2012)
Net income before minority interests	3,789	3,978
Other comprehensive income		
Valuation difference on available-for-sale securities	(181)	(11)
Foreign currency translation adjustments	2	(10)
Total other comprehensive income	(179)	(22)
Comprehensive income	3,609	3,955
(Details)		
Comprehensive income attributable to parent company	3,536	3,922
Comprehensive income attributable to minority interests	73	33

(3) Quarterly Consolidated Statements of Cash Flow (cumulative) (millions of yen)

	First six months of FY2012 (March 1, 2011 – August 31, 2011)	First six months of FY2013 (March 1, 2012 – August 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,570	7,084
Depreciation and amortization	588	520
Amortization of goodwill	519	550
Increase (decrease) in provision for bonuses	302	311
Increase (decrease) in provision for retirement benefits	15	4
Increase (decrease) in provision for directors' retirement benefits	(7)	(15)
Interest and dividends income	(74)	(88)
Interest expenses	2	2
Decrease (increase) in notes and accounts receivable-trade	(3,262)	(15,894)
Decrease (increase) in inventories	(93)	(652)
Increase (decrease) in notes and accounts payable-trade	1,686	10,786
Increase (decrease) in accounts payable-other	(435)	(494)
Decrease (increase) in accounts receivable-other	(230)	(87)
Other, net	64	(140)
Subtotal	5,645	1,887
Interest and dividends income received	60	86
Interest expenses paid	(2)	(2)
Income taxes paid	(2,819)	(3,571)
Net cash provided by (used in) operating activities	2,883	(1,600)
Net cash provided by (used in) investment activities		
Proceeds from withdrawal of time deposits	(260)	(410)
Payments into time deposits	270	430
Purchase of property, plant and equipment and intangible fixed assets	(590)	(892)
Proceeds from sales of property, plant and equipment	21	167
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,116)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	365	-
Payments for deposit of subsidiaries and affiliates	(72,520)	(69,520)
Collection of deposit of subsidiaries and affiliates	72,220	72,120
Other, net	(70)	(7)
Net cash provided by (used in) investment activities	(1,680)	1,887
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	96	(25)
Repayment of long-term loans payable	(462)	(6)
Cash dividends paid	(1,156)	(1,049)
Other, net	(44)	(38)
Net cash provided by (used in) financing activities	(1,566)	(1,119)
Effect of exchange-rate change on cash and cash equivalents	2	(42)
Net increase (decrease) in cash and cash equivalents	(361)	(874)
Cash and cash equivalents at beginning of period	12,317	9,179
Cash and cash equivalents at end of period	11,956	8,304

(4) Note on the Going Concern Assumption
First six months of the year ending February 28, 2013 (March 1, 2012 –August 31, 2012)
None

(5) Note on Significant Changes in Shareholders' Equity
First six months of the year ending February 28, 2013 (March 1, 2012 – August 31, 2012)
None

(6) Significant subsequent events
1. AEON COMPASS CO., LTD.
At the Meeting of the Board of Directors held on September 28, 2012, it was decided to underwrite a capital increase through third-party allocation conducted by AEON COMPASS and make AEON COMPASS a subsidiary of the Group.

(1) Name, description of business, and scale of acquired company
1) Name of acquired company
AEON COMPASS CO., LTD.
2) Description of business of acquired company
Provision of overseas and domestic travel services
3) Scale of acquired company (as of February 20, 2012)
Capital: 98 million yen
Operating income: 1,736 million yen
Net income: 12 million yen
Total assets: 2,166 million yen
Net assets: 282 million yen

(2) Main reason for share acquisition
The AEON DELIGHT Group conducts a comprehensive FMS business, consisting of total management of the non-core business for customer companies. Combining the AEON DELIGHT Group's corporate customer base and AEON COMPASS's planning capabilities will enable the prompt commercialization of BTM[*1] and MICE[*2] businesses, which are important parts of service menus for administrative operations, and also provide an opportunity to gain an advantageous position in responding to the wide range of needs related to corporate travel. The acquisition will allow both companies to consolidate their management resources and get the maximum leverage out of the Group's assets for the purpose of developing an even higher-evolved tourism business from the customer's perspective. We have acquired AEON COMPASS's shares in order to achieve these goals.

(3) Date of inclusion in scope of consolidation as a subsidiary: October 10, 2012

(4) Number of shares acquired, acquisition price, and ratio of voting rights acquired
1) Number of shares acquired: 239,024 common shares
2) Acquisition price: 500 million yen
3) Ratio of voting rights acquired: 54.95%

Notes:
[*1] The BTM (business travel management) business is a system that provides overall management of business trip-related operations through the comprehensive consignment of the applicable tasks. The business offers direct cost reductions for items such as airplane tickets and accommodation costs, the streamlining of administrative work related to business expenses, strengthened internal control, and risk management.
[*2] The MICE (meeting, incentive, convention, exhibition) business provides planning and operations services for meetings (business meetings, training programs, and seminars), incentive and reward tours, conventions and conferences (universities, academic, international conferences), and exhibitions.

2. General Services, Inc.

At the Meeting of the Board of Directors held on September 28, 2012, it was decided to acquire shares of General Services and make General Services a subsidiary of the Group.

(1) Name, description of business, and scale of acquired company

1) Name of acquired company
General Services, Inc.

2) Description of business of acquired company
Cross-border business process outsourcing (X-BPO) and business consulting

3) Scale of acquired company (as of March 31, 2012)
Capital: 425 million yen
Sales: 314 million yen
Net loss: 14 million yen
Total assets: 325 million yen
Net assets: 116 million yen

(2) Main reason for share acquisition

The AEON DELIGHT Group conducts a comprehensive FMS business, consisting of total management of the non-core business for customer companies. The BPO (business process outsourcing) market is expanding, which allows companies to increase their competitive strength by outsourcing mainly non-core operations such as general affairs, personnel, accounting, social welfare, telephone support, and systems operations. In response to these needs, the Group is working towards establishing a BPO business as part of its comprehensive FMS business service menu. We have acquired the shares of General Services, which is a pioneer in the BPO business field in Japan, in order to achieve these goals.

(3) Date of inclusion in scope of consolidation as a subsidiary and ratio of voting rights acquired

1) Date of inclusion in scope of consolidation as a subsidiary: October 31, 2012

2) Ratio of voting rights acquired: 51.01%