

**Financial Results**  
**for the First Half of the Year Ending**  
**February 29, 2012 (FY02/2012)**

**AEON DELIGHT CO., LTD.**



Kazunori Umemoto, President & CEO

**October 6, 2011**



- § 1 Overview of financial results for the first half of the year ending February 29, 2012*
- § 2 Progress of the medium-term business plan and future developments*
- § 3 Full-year outlook for the year ending February 29, 2012*
- § 4 Reference materials*



*§ 1 Overview of financial results  
for the first half of the year  
ending February 29, 2012*



# Business performance

~A great start aimed at the achievement of the medium-term business plan~

**Record high profit was achieved as net sales was up 59.6% and both net sales and profits increased**

Millions of yen

	First six months ended August 31, 2011				
	Results	% to net sales	Year-on-year change %	Year-on-year difference	% Compared with forecast announced
Net sales	109,950	100.0	159.6	41,065	105.7
Operating income	6,915	6.3	137.7	1,894	100.2
Ordinary income	6,974	6.3	138.0	1,921	101.1
Net income	3,716	3.4	134.1	945	100.4

# Net sales by business segment

Net sales were up **171.7%** year-on-year in the construction work business

Millions of yen

	First Half of FY02/2012		First Half of FY02/2011		Year-on-year change %	Note 1: Year-on-year same scale comparison (%)
	Results	% to net sales	Previous year results	% to net sales		
Facilities Management business	21,292	19.4	20,669	30.0	103.0	98.9
Cleaning services business	19,835	18.0	21,260	30.9	93.3	98.4
Security services business	16,199	14.7	16,225	23.6	99.8	100.1
Construction work business	13,970	12.7	8,136	11.8	171.7	152.3
Materials/Supplies sourcing services business	18,416	16.7	-	-	-	99.2
Vending machine services business	16,572	15.1	-	-	-	95.0
Support businesses	3,639	3.3	2,562	3.7	142.0	107.9

\* Following the merger in September 2010, the materials results that were posted as facilities, cleaning, security, and support were allocated to the materials/supplies sourcing services business.

Note 1: The year-on-year same scale comparison is a comparison that excludes the results of A to Z Service Co., Ltd. and KAJITAKU, Inc and includes the results for the first half of the year ended February 28, 2011 for CERTO Corp.

# Consolidated Balance Sheet (Summary)

## Consolidated Balance Sheet

Millions of yen

	As of Aug. 31, 2011	As of Feb. 28, 2011	Difference		As of Aug. 31, 2011	As of Feb. 28, 2011	Difference
Current assets	69,410	64,524	4,886	Current liabilities	33,570	30,724	2,845
Fixed assets	20,882	20,100	781	Long-term liabilities	985	1,012	(27)
Tangibles	3,832	3,756	75	Total liabilities	34,555	31,737	2,818
Intangibles	12,795	11,577	1,218	Total net assets	55,737	52,887	2,849
Investments, etc.	4,254	4,766	(511)	Total liabilities and net assets	90,292	84,624	5,668
Total assets	90,292	84,624	5,668				

Impact of the merger and acquisition of the two companies (A to Z Service and KAJITAKU) on the consolidated balance sheets

**Assets**

Increase of 2,122 million yen

**Liabilities**

Increase of 1,558 million yen

**Net assets**

Increase of 564 million yen

\*Total of the figures on the balance sheet as of February 28, 2011 for A to Z Service Co., Ltd. and as of March 31, 2011 for KAJITAKU, Inc



# Consolidated Statement of Cash Flows (Summary)

## Consolidated Statement of Cash Flows

Millions of yen

Millions of yen

	First Half of FY02/2012	First Half of FY02/2011
Cash flows from operating activities	2,883	2,076
Cash flows from investing activities	(1,680)	(2,479)
Cash flows from financing activities	(1,566)	(637)
Net increase (decrease) in cash and cash equivalents	(361)	(1,038)
Cash and cash equivalents at beginning of period	12,317	7,873
Cash and cash equivalents as of the end of the first half of the year	11,956	6,835

### Operating cash flows

Net income before taxes	6,570
Depreciation and amortization, and amortization of goodwill	1,108
Notes and accounts receivable	(3,262)

### Investing cash flows

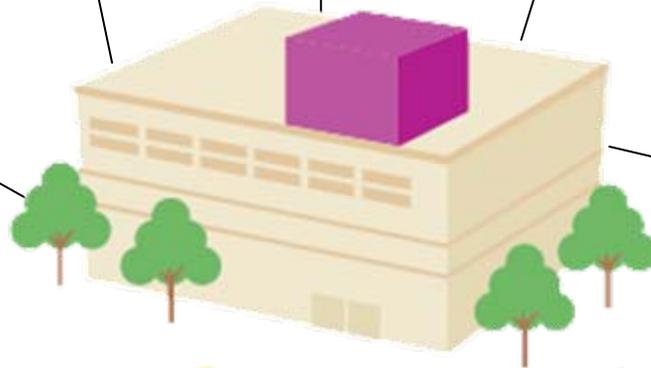
Deposits and repayments for affiliate consumption entrusted funds	(300)
Expenditures on acquisition of subsidiary stock	(1,116)

### Financing cash flows

Cash dividends paid	(1,156)
---------------------	---------

# Impact of the earthquake and steps towards recovery

Making large contributions to the restarting of operations at commercial facilities that serve as the foundation for living infrastructure



*§2 Progress of the medium-term  
business plan and future  
developments*



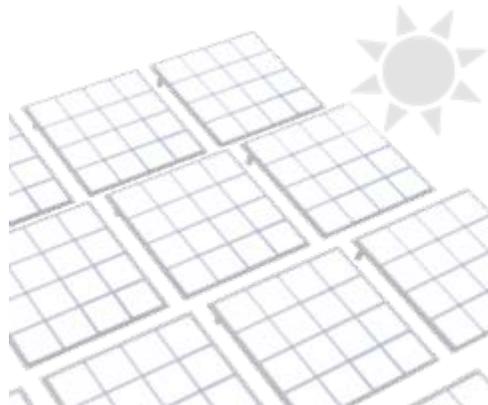
# Overview of the medium-term business plan

## Focusing management resources on three markets

Major urban  
area market



Environmental  
load reduction  
market



Asian market



# ① Major urban area market 《Overview》

## Developing new services in response to the shift of population to urban areas

During 2010, new apartment sales in the Tokyo metropolitan area increased over the previous year for the first time in six years, up 22.4% to 44,000 apartments.

\*Source: National Apartment Market Trends (February 2011) from the Real Estate Economic Institute Co., Ltd.

Accelerating the establishment of small-scale shops by many companies focused on urban areas

The scale of the small chain store market is approximately 20 trillion yen

There are over 200,000 stores

\*Source: JFA Franchise Chain Statistics Report (2009) from the Japan Franchise Association

The scale of the housework support services market is 120 billion yen (annual growth rate of 8%)

If cleaning services are added, the scale is 570 billion yen

\*These figures are from 2010. The Company made these estimates based on data from the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare



Accelerating the establishment of small-scale shops by many companies focused on urban areas

- May 2011 **A to Z Service Co., Ltd.**, whose strengths include total management at small-scale facilities, was made a consolidated subsidiary.



Strengthening our system in response to the needs of small-scale facilities

- Based on customer data gathered from call centers in operation 24 hours a day, 365 days a year, we are actively expanding services for small stores





## Establish **total store management** as a new business model

- Create prediction know-how by combining event data and monitoring data at call centers
- Establish systems that can conduct **remote sensing** and **remote control** through alliances with large-scale electric machinery companies



# ① Major urban area market - KAJITAKU, Inc - 《Progress》

Changes in the lifestyles of people working and living

- April 2011 Strong in housework support services, **KAJITAKU, Inc** was made a consolidated subsidiary



+



Development of new services that bear in mind B-to-B-to-C customers

- The number of 5 yen copy machines increased to approximately 2,000 machines
- KAJIcloud (Housework Professionals) products sales increased to approximately 30,000 units at approximately 2,000 stores





家事の宅配



## Penetration of the **KAJITAKU** brand

- Making KAJIcloud (Housework Professionals) a staple product at the stores where it has been introduced
  - ⇒ Aiming for 100,000 annual units sold by March 2012
- Construction of a my-page function allowing you to view items looked after over the Internet
  - ⇒ Making a customer information database to achieve CRM (Customer Relationship Management)



## ② Environmental load reduction market 《Overview》

The Company's target (excluding industrial waste) is:

The environmental business market for energy-saving and new energy

Currently: 4 trillion yen



Factors:

- Increase in environmental needs
- Sudden increase in LED
- Technical innovation

2020: **8** trillion yen

\*The Company made these estimates based on data from the *Kansai New Environmental Business Promotion Strategy* (March 2008) from the Kansai Bureau of Economy, Trade and Industry.

Using our performance within the AEON Group as a weapon, we aim to increase orders from outside the Group

## ② Environmental load reduction market 《Progress》

**Energy-saving-related work has grown**  
in response to aggressive environmental investments by customers



Demand controllers

## ② Environmental load reduction market《Future initiatives》

### Initiatives

Second half

- Expand business by forming alliances with energy-saving materials and equipment manufacturers
- Increase sales of LED lighting inside and outside the Group  
Sales to hotels and stores with 24-hour lighting outside the Group

Next fiscal year

- Propose switching to LED for basic store lighting and multi-story parking lots

Medium to long-term

- Introduce an ESCO business model in which the Company bears the initial investment and receives compensation based on energy-saving results.
- Construct a business model based on the AEON DELIGHT smart building concept

through total management

Shift from spot contracts



to annual contracts



### ③ Asian market 《Overview》

Targeted at the retail market

Comprehensive FMS market

in Asia (China and ASEAN)

Currently: 8 trillion yen

Factors:

- Expansion in retail market due to population increase
- Modernization of commerce and increase in store facilities

2020: **20** trillion yen

\*The scale of the comprehensive FMS market was estimated from the retail market scale based on the ratio of the sales composition (actual results) of the comprehensive FMS business in sales to large commercial facilities.

Focusing on the Asian market, we aim to become a top global company by providing comprehensive FMS that increases the environmental value for customers

# ③ Asian market 《Progress》

Initiatives during the first half

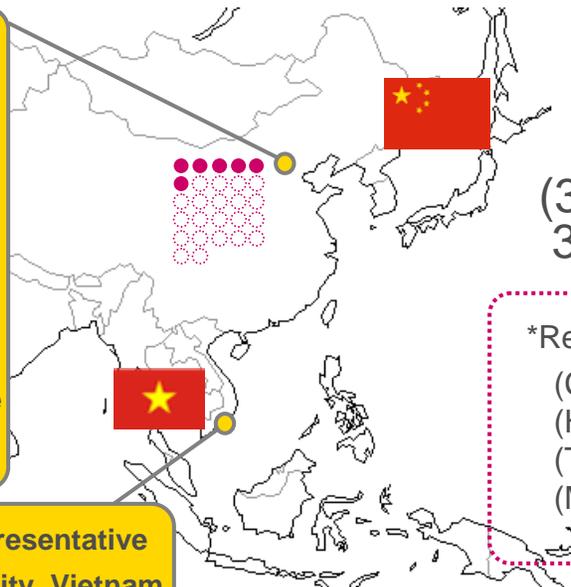
- Service started at the JUSCO One Mall Store and the JUSCO Sun City Store (April)
- A representative office was established in Ho Chi Minh City, Vietnam (May)
- Service started at the Beijing Xinhai Yuntong Commerce Dalou Fuxing Store, a state-run supermarket (June)
- To accelerate the comprehensive FMS business in China, the name AEON DELIGHT (BEIJING) BUILDING MAINTENANCE CO., LTD. was changed to AEON DELIGHT (BEIJING) CO.,LTD. to expand the scope of its business(August)

Status of developments in Asia



Beijing Xinhai Yuntong Commerce Dalou Fuxing Store (in Beijing)

Establishment of a representative office in Ho Chi Minh City, Vietnam



Providing service in China at 7 stores

(3 in Beijing, 1 in Tianjin, and 3 in Guangdong)

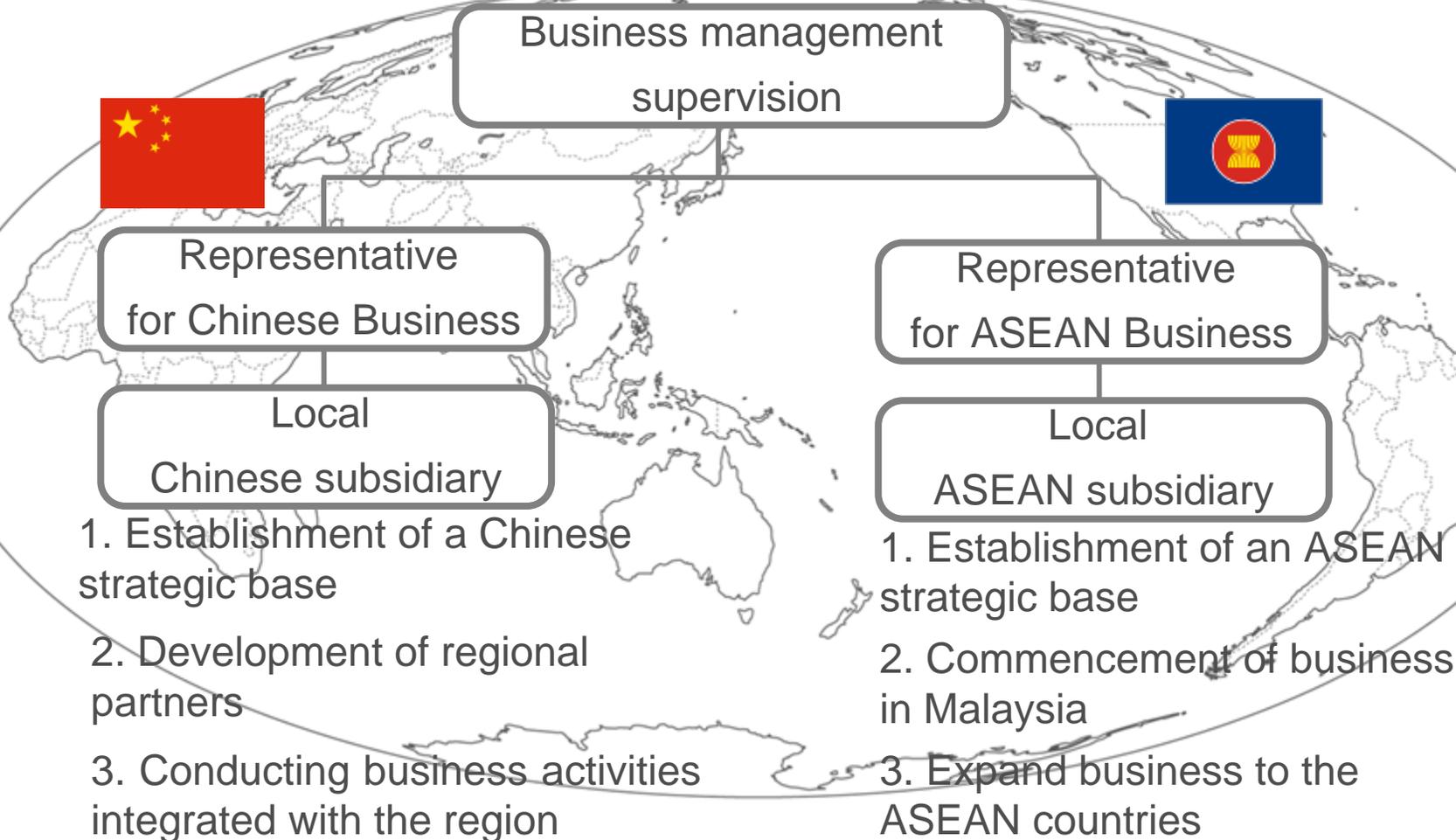
\*Reference: Number of existing AEON stores

(China)	GMS: 24	SM: 3
(Hong Kong)	GMS: 5	SM: 5
(Thailand)	GMS: 13	
(Malaysia)	GMS: 23	SM: 4

(As of end of February 2011)

### ③ Asian market 《Future initiatives》

September 2011: Establishment of a supervisory system by area to conduct our Asian strategy (construction of a strategy and execution system)



\*Representative for Chinese Business: stationed in Beijing

\*Representative for ASEAN Business: stationed in Kuala Lumpur

# Initiatives in comprehensive FMS 《New contract clients》

Provision of comprehensive FMS to a wide variety of customers



Shionogi Drug Discovery  
Innovation Center



Japanese Red Cross  
Otsu Hospital



Smile Hotel



Tokyu Hands  
22 (Shinsaibashi Store)



Kumagaya Station  
Building AZ



Japan Post Holdings  
Head Office Building

# Initiatives in comprehensive FMS 《Progress》

## Construction of Comprehensive FMS model

### ➤ Build a Comprehensive FMS model for general merchandise stores

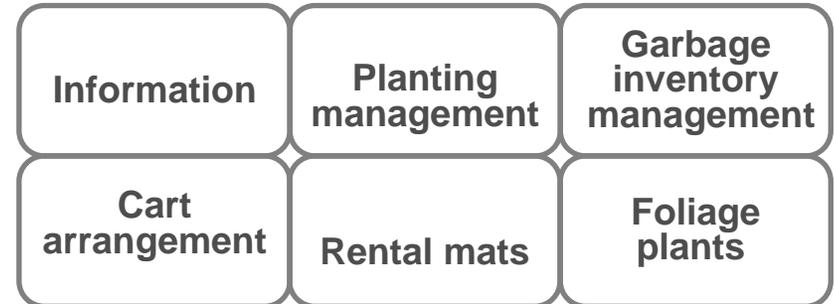
- Assembling and proposing a service menu with 40 types of service

Example:

Rental baskets



Other



etc.

- Selected a model store at ten regional offices and ten stores across the country and started providing service

## Establishing a sales structure

- ### ➤ Studying a salesman education plan to stimulate the consulting business



# Initiatives in comprehensive FMS 《Future initiatives》

## Construction of Comprehensive FMS model

- Build a Comprehensive FMS model for general merchandise stores
- Develop and Expand the service menu
  - ⇒ from the current one with more than 40 items to one with more than 80 items (increased by more than two times)
- Roll-out of the results at model stores to centers throughout the country starting from the second half of the year

## Establishing a sales structure

<Outline of consulting sales>



## 《Progress》

- Reduce travel expenses through the use of television meeting systems; reduce office supply expenses by adopting paperless systems



**0.2 point improvement year-on-year (same scale comparison)  
in selling, general and administrative expense ratio**

## 《Future initiatives》

Improving efficiency with IT

- Promote BPR (Business Process Reengineering) aimed at improving office efficiency from the second half of the year  
Create a project team in September and aim for results within the fiscal year



*§ 3 Full-year outlook for the year  
ending February 29, 2012*



# Forecast for full-year results outlook of FY02/2012

Millions of yen

	Full-year forecast for FY02/2012			FY02/2011 results		Reference
	Amount	% to net sales	YoY change (%)	Amount	% to net sales	Note 2: Year-on-year same scale net sales comparison (%)
Net Sales	213,000	100.0	124.6	170,905	100.0	100.0
Operating Income	14,300	6.7	118.8	12,031	7.0	6.6
Ordinary Income	14,300	6.7	118.3	12,089	7.1	6.7
Net Income	7,600	3.6	117.0	6,495	3.8	3.5

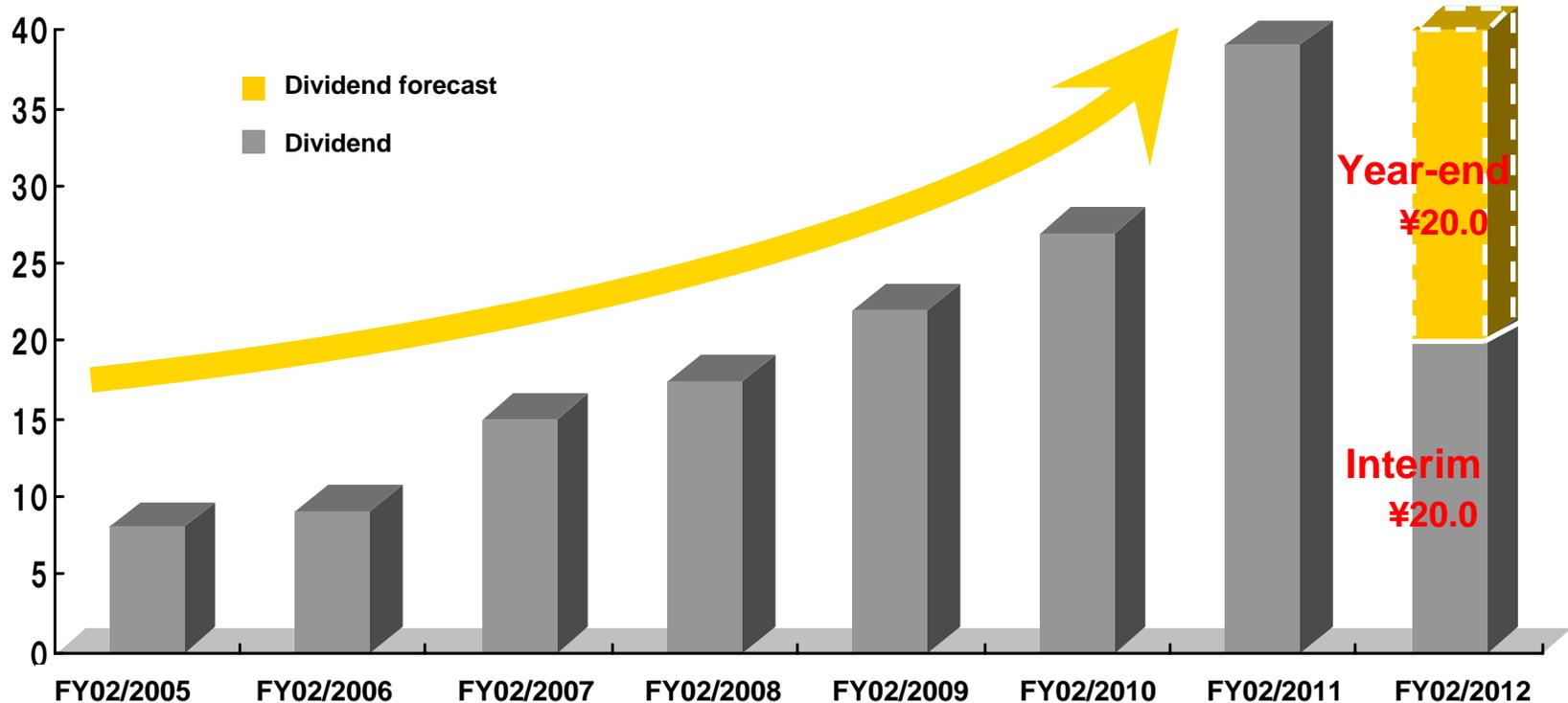
Note 2: The year-on-year same scale net sales comparison figures include the results for the first half of the year ended February 28, 2011 for CERTO Corp. in AEON DELIGHT's results for the year ended February 28, 2011.



# Returns to shareholders

**Seven consecutive years**  
of increased dividends since FY02/2006

	FY02/2005	FY02/2006	FY02/2007	FY02/2008	FY02/2009	FY02/2010	FY021/2011	FY02/2012 (forecast)
<b>Dividend</b>	¥8.0	¥9.0	¥15.0	¥17.5	¥22.0	¥27.0	¥39.0	<b>¥40.0</b>



\*On December 1, 2007, the Company conducted a two-for-one stock split. The dividend amount assumes that the stock split was conducted at the beginning of FY02/2005.

\*A commemorative dividend of 5.00 yen is included in the year-end dividend for FY02/2011.

# ***§ 4 Reference materials***



# Income statement

Millions of yen

	FY02/2003		FY02/2004		FY02/2005		FY02/2006		FY02/2007	
	Results	YoY change (%)								
Net sales	56,153	86.0	55,749	99.3	54,665	98.1	62,323	114.0	111,170	178.4
Operating Income	2,116	54.1	1,686	79.7	2,504	148.5	2,949	117.8	5,576	189.0
Ordinary Income	2,110	53.6	1,697	80.5	2,511	147.9	2,953	117.6	5,485	185.7
Net Income	1,132	—	148	13.1	860	580.6	1,324	153.8	2,998	226.4

Millions of yen

	FY02/2008		FY02/2009		FY02/2010		FY02/2011		FY02/2012	
	Results	YoY change (%)								
Net sales	137,519	123.7	145,690	105.9	140,299	96.3	170,905	121.8	109,950	159.6
Operating Income	8,330	149.4	9,946	119.4	9,970	100.2	12,031	120.7	6,915	137.7
Ordinary Income	8,186	149.2	9,812	119.9	9,912	101.0	12,089	122.0	6,974	138.0
Net Income	4,379	146.1	4,876	111.3	5,466	112.1	6,495	118.8	3,716	134.1

\* Full-year results for FY02/2003 to FY02/2011, first-half results for FY02/2012

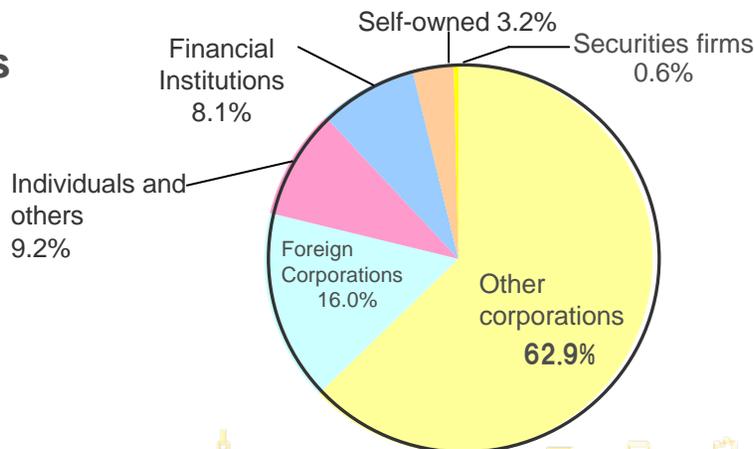
# Major Shareholders and Shareholders by type (%)

## Major Shareholders

The ownership ratio corresponds to outstanding shares.

Rank	Shareholder	No. of shares owned (1,000 shares)	%
1	ÆON RETAIL Co., Ltd.	23,261	42.94
2	AEON CO., Ltd.	9,103	16.81
3	JPMorgan Chase Bank 385174	2,549	4.71
4	Japan Trustee Services Bank, Ltd. (trust account)	985	1.82
5	Japan Master Trust Bank, Ltd. (trust account)	934	1.73
6	AEON DELIGHT Employee Stock Ownership Association	673	1.24
7	Mellon Bank N.A. Treaty Client Omnibus	640	1.18
8	AEON DELIGHT Business Partner Stock Ownership Association	564	1.04
9	Northern Trust Company (AVFC) Sub-account American Clients	482	0.89
10	BBH FOR FIDELITY LOW-PRICED STOCK FUND	475	0.88

## Shareholders by type



The data is as of August 31, 2011.

# Key Management Indicators

	FY02/2009	FY02/2010	FY02/2011	1HFY02/2012
EPS	¥122.92	* ¥137.79	¥142.56	Half-year) ¥70.86
ROE	19.89%	18.91%	15.47%	Half-year) 6.89%
ROA	10.11%	11.19%	9.75%	Half-year) 4.25%
Ratio of ordinary income to net sales	6.74%	7.06%	7.07%	6.34%
Ratio of net income to net sales	3.35%	3.90%	3.80%	3.38%
Total assets turnover	3.02	2.87	2.56	Half-year) 1.26
Shareholders' equity ratio	54.15%	64.22%	62.32%	61.05%
Net assets per share	¥669.28	* ¥ 787.84	¥1,005.62	¥1051.07
PER	10.29	8.83	10.57	Half-year) 22.86
PBR	1.89	1.54	1.50	1.54
(Reference) Share price at end of period	¥1,266	¥1,216	¥1,507	¥ 1,620

32 \*The number is after a two-for-one stock split.



# Thank you very much for your kind attention.

## Comments and inquiries should be directed to the following:

- These materials contain statements about forecasts and estimates relating to the future plans, strategies, and performance of AEON DELIGHT.
- ◇ These statements are based not only on past performance, but also on assumptions based on information currently available to the Company.  
For this reason, please understand that the actual performance may differ from our estimates.
- The information contained in these materials has been prepared by the following methods if not specifically stated otherwise.
- ◇ All statements are based on consolidated results.
- ◇ All figures of less than one million yen have been rounded down.
- ◇ Percentages have been rounded off to one decimal place.

AEON DELIGHT CO., LTD.  
(Stock code: 9787)

IR Contact

Susumu Takahashi  
Corporate Communication Dept.  
TEL +81-6-6260-5632  
FAX +81-6-6260-5653  
Or visit our website at:  
<http://www.aeondelight.co.jp>

\* When sending a fax, please include your name and contact details.

This presentation has been prepared using the information available as of the date of the presentation (October 6, 2011).  
The earnings forecasts contained herein may be revised due to unforeseen factors that may arise in the future.

