
Financial Results

for the First Half of the Year Ending February 2009



October 8-9, 2008

AEON Delight Co., Ltd.

Yuiken Tsutsumi, President & CEO

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1. *Financial Results for 1H FY2008*

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Record-high sales and profits

- ✓ Topped beginning-of-year forecast to achieve YoY sales/profit growth
Net sales: +8.1%, OP: +28.9%
- ✓ Driven by strategic focus on “profits,”
Both gross and OP margins increased
Gross margin: 13.7%→14.4% OP margin: 5.8%→6.9%
- ✓ First overseas foothold established in Beijing
Looking at Shandong

(1) Statement of Income (Summary)

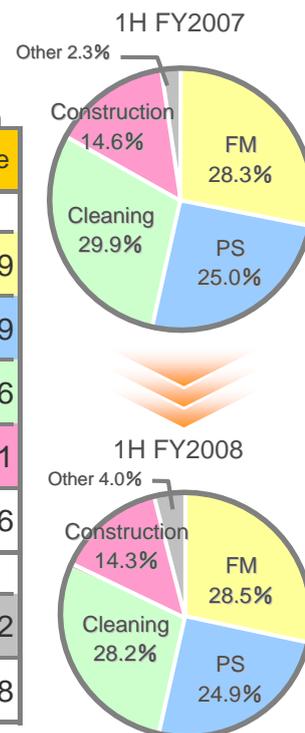
Millions of Yen

	Six months ended Aug. '07	% to net sales	Six months ended Aug. '08	% to net sales	YoY change (%)	Difference
Net sales	67,766	100.0	73,265	100.0	108.1	5,498
Operating income	3,935	5.8	5,073	6.9	128.9	1,138
Ordinary income	3,833	5.7	4,979	6.8	129.9	1,145
Net income	2,080	3.1	2,702	3.7	129.9	622

(2) Segment Sales

◇ Brisk showings across the board, thanks to a greater emphasis on full-line services

Millions of Yen				
	Six months ended Aug. '07	Six months ended Aug. '08	YoY change (%)	Difference
(1) Building Maintenance				
Facility Management (FM)	19,153	20,912	109.2	1,759
Preservation of security (PS)	16,915	18,255	107.9	1,339
Cleaning	20,258	20,684	102.1	426
Construction	9,904	10,496	106.0	591
Building Maintenance Total	66,232	70,348	106.2	4,116
(2) Other				
Other Businesses	1,533	2,916	190.2	1,382
(1)+(2)	67,766	73,265	108.1	5,498



◇ "Other Businesses" include condominium management, land / building leases, technical training, and temp staff services.

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(3) Balance Sheets (Summary)

Millions of Yen

	Year ended Feb. '08	Six months ended Aug. '08	Difference		Year ended Feb. '08	Six months ended Aug. '08	Difference
Current assets	28,764	31,628	2,864	Current liabilities	22,533	24,100	1,566
Fixed assets	18,653	18,459	-194	Long-term liabilities	2,395	933	-1,461
Tangible fixed assets	1,885	1,944	59	Total liabilities	24,929	25,034	104
Intangible fixed assets	13,356	12,975	-381	Shareholders' equity	22,512	24,817	2,305
Investments and other assets	3,411	3,539	127	Valuation and translation adjustment	-24	234	259
Total assets	47,418	50,087	2,669	Total net assets	22,488	25,053	2,564
				Total liabilities and net assets	47,418	50,087	2,669

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(4) Statements of Cash Flows

Millions of Yen

	Six months ended Aug. '07	Six months ended Aug. '08	Year ended Feb. '08
Cash flows from operating activities	2,711	3,906	6,472
Cash flows from investing activities	-673	-1,664	-2,190
Cash flows from financing activities	-3,096	-2,646	-6,094
Net increase (decrease) in cash and cash equivalents	-1,058	-402	-1,811
Cash and cash equivalents at beginning of period	9,469	7,657	9,469
Cash and cash equivalents at end of first half	8,410	7,255	7,657

Factors behind changes

Operating activities	Investing activities	Financing activities
<ul style="list-style-type: none"> ○ Net income before income taxes ⇒ + ¥4,863 million ○ Notes and accounts receivable ⇒ - ¥1,458 million ○ Notes and accounts payable ⇒ + ¥2,189 million ○ Income tax payment ⇒ - ¥2,579 million 	<ul style="list-style-type: none"> ○ Acquisition and sale of tangible fixed assets ⇒ - ¥138 million ○ Acquisition of intangible fixed assets ⇒ - ¥80 million ○ Payment and refund of affiliates' deposits for consumption ⇒ - ¥1,500 million 	<ul style="list-style-type: none"> ○ Return of funds for liquidation of receivables ⇒ - ¥2,250 million ○ Dividend payment ⇒ - ¥396 million

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(5) New Projects

1. Non-AEON Group (New)



2. AEON Group (New)



3. AEON Bank – Entrusted with the installation of ATMs in-store branches

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(6) New Projects in Japan

Higher penetration (in terms of floor area) into large commercial complexes!

New contracts won with AEON LakeTown, Japan's largest eco-shopping mall, and other large commercial complexes



Improving our reputation as a commercial facility management expert led to contracts with non-Group customers

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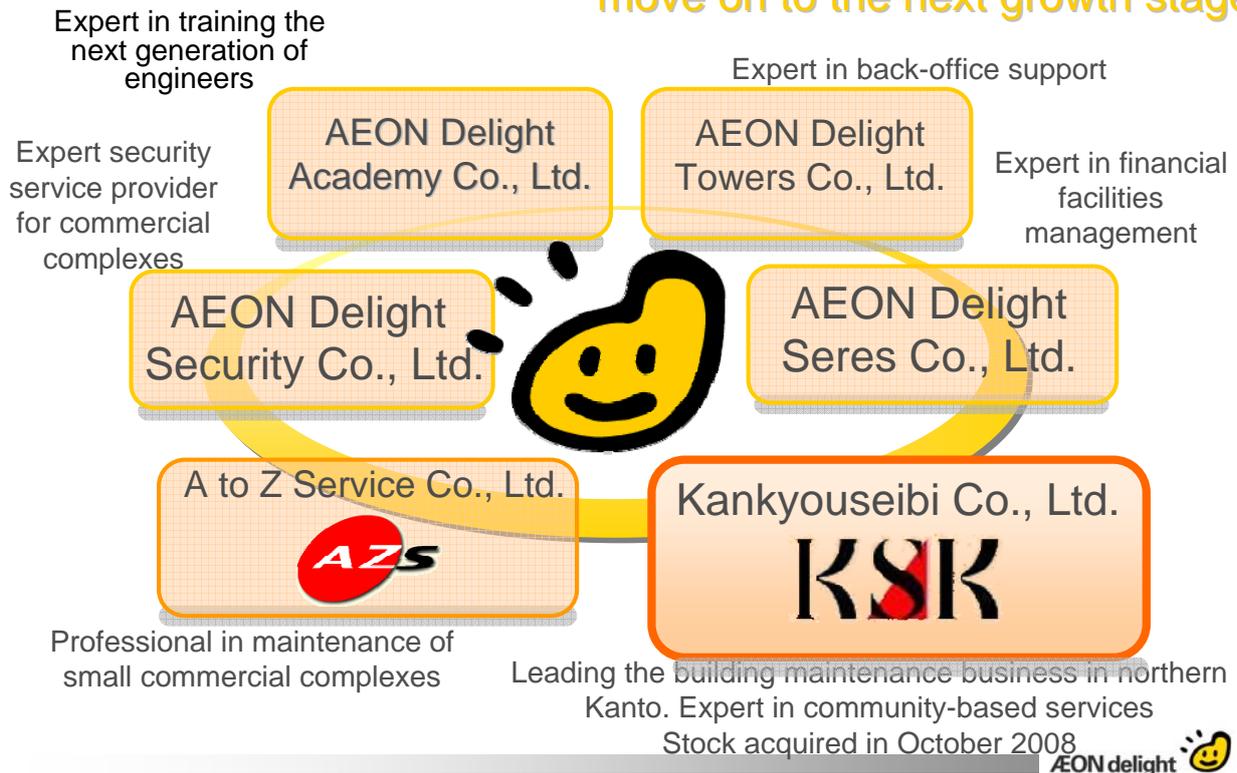
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2. Basic Strategies, Policies for 2H

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(1) Expanding our Unified Group through M&A

Leveraging group strength to enhance “corporate value” and move on to the next growth stage



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(2) Overseas Strategies

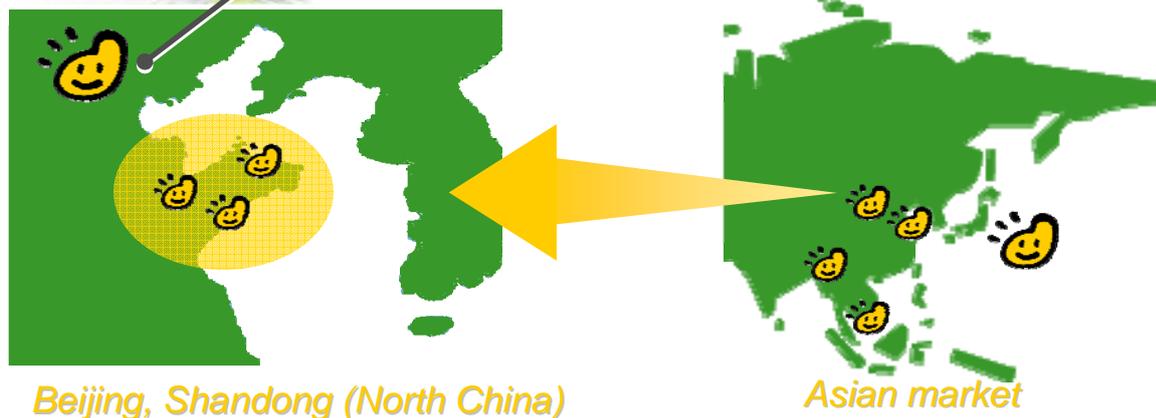
(1) Keeping up the momentum of AEON’s new opening plan, expand from Beijing to Shandong

(2) Accelerate Asian strategies (other regions in China, SEA)

Name	AEON Delight Beijing Building Maintenance Co., Ltd.
Location	Changpinku, Beijing
Representative	Tetsuo Ohbayashi, Chairman & President
Established	November 2007
Ownership	100% owned by AEON Delight Co., Ltd.
Line of business	Building management



AEON Beijing International Co., Ltd.



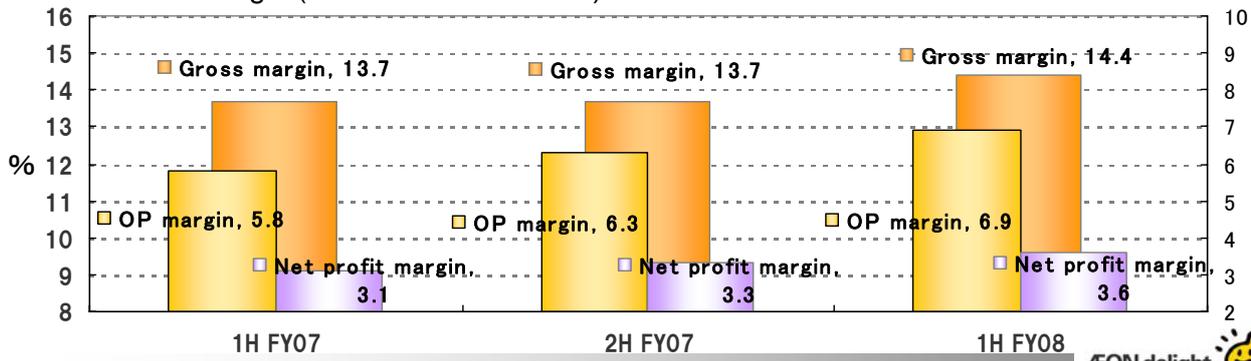
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(3) Progress in the “Profit Focus” Strategy

- 1) “Change the way we work” “Enhance productivity”
 “Put the cleaning business at the core”
 – Experiment on direct-managed services began
- 2) Consolidate subcontractors
- 3) Focus on customers who put a high priority on
 “Balance between quality and price”

Review of operations led to improved returns on existing projects

Profit margin (FY2006 – 1H FY2008)

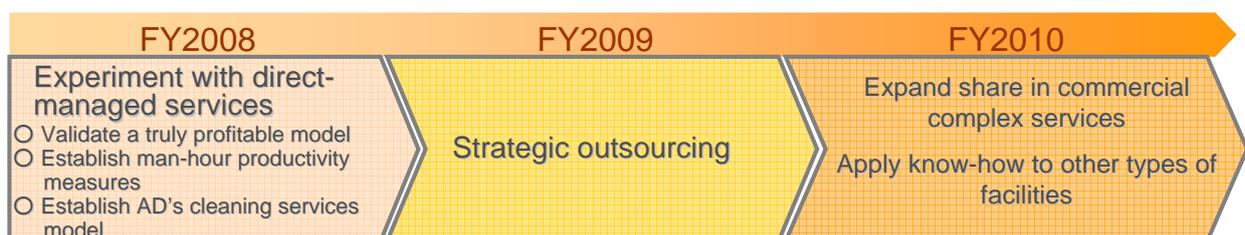


(4) Steps toward Making Cleaning a Core Business

Programs in 2H/FY08



Growth scenario



(5) Reducing Environmental Stress

Maintenance services friendly to the global environment

1) CO₂ Reduction Dept. established sustainable reduction plans made possible by “visualizing” operations

2) Energy-saving LED lighting offered / introduced

Environmental stress reduction plans presented to large commercial complexes



3) Electrical vehicles collect shopping carts at AEON LakeTown

Also reducing CO₂ emissions from routine work

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(6) Customized Solutions

Versatile solution provider in demand

Continued pursuit of safety, security, comfort, and cleanliness

1) “Baby lounge” plan
Comfort and cleanliness meeting customer requirements
“Premium baby lounge,” rather than a mere “baby area”

Premium baby lounge

Basic concept



2) Security guards on Segways
For efficient patrolling of large facilities
Safety and security for all customers



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(7) Quality Management

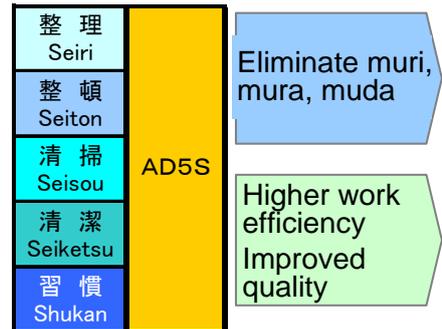
For greater “safety and security”

- 1) Special task force checks the quality of our services at facilities around the country
 - Data sent to inspection team for analysis and verification
 - “Zero accident” campaign for improved quality
- 2) Manufacturers’ “5S” made into a “habit”

AD 5S campaign to eliminate “muri (overburdened), mura (uneven), and muda (wasteful)” operations
 Greater efficiency in routine work, improved quality



“Know-hows” delivered



(8) New HR Development Center for Higher Quality

Construction of an advanced training and research facility begun in the Nagahama Science Park



AEON Delight Academy
 Nagahama (provisional name)

- ◇ Symbol of AEON Group’s commitment to “global warming prevention”
- ◇ Develop / train HRs through industry-government-university cooperation
- ◇ R&D and practical application of chemical-free, energy-saving technologies
- ◇ Operations development, building an advanced management model

(9) CSR

1. CO₂ counters donated to elementary/junior high schools



100 each to 7 schools around the country
Total of 700 units donated

Converts various energy-consuming activities into CO2 emission levels

Environmental education for children



2. AEON Clean Campaign



Many employees, including 15 directors, joined a campaign at Kehi-no-Matsubara, Fukui.



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(10) FY08 Earnings Forecast

Millions of Yen

	Year ending Feb. '09 (revised forecast)	% to net sales	Beginning-of-year forecast	% to net sales	Year ended Feb '08	% to net sales	YoY change	
							Amount	%
Net sales	147,000	100.0	145,000	100.0	137,519	100.0	9,481	106.9%
Operating income	9,900	6.7	9,100	6.3	8,330	6.1	1,570	118.8%
Ordinary income	9,750	6.6	9,000	6.2	8,186	6.0	1,564	119.1%
Net income	5,150	3.5	4,600	3.2	4,379	3.2	771	117.6%

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(11) Profit Distribution

2.5 yen dividend increase in 1H, backed by brisk performance

	Dividend per share			
	FY2007 results		FY2008 forecast	
	1H	2H	1H	2H
Ordinary dividend	¥7.5	¥10	¥10	¥10
Annual dividend (total)	¥17.5		¥20	

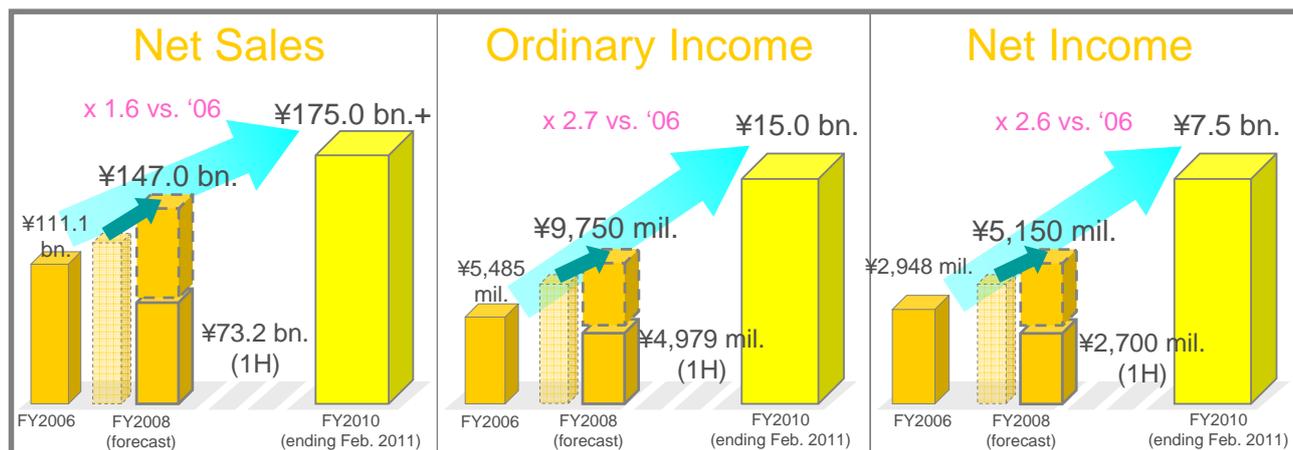
※ Dividend for 1H/FY07 above is calculated on the assumption that stock split was executed at the beginning of FY07.



3. Progress in the Medium-term Management Plan

Financial Targets for FY2010

PL



	FY2008 forecast	FY2010 targets
(1) Net sales	¥147,000 mil.	¥175,000 mil.+
(2) Ordinary income	¥9,750 mil.	¥15,000 mil.
(3) Net income	¥5,150 mil.	¥7,500 mil.
(4) EPS	¥129.8	¥189.1

The sizes of the bars above are not to scale.

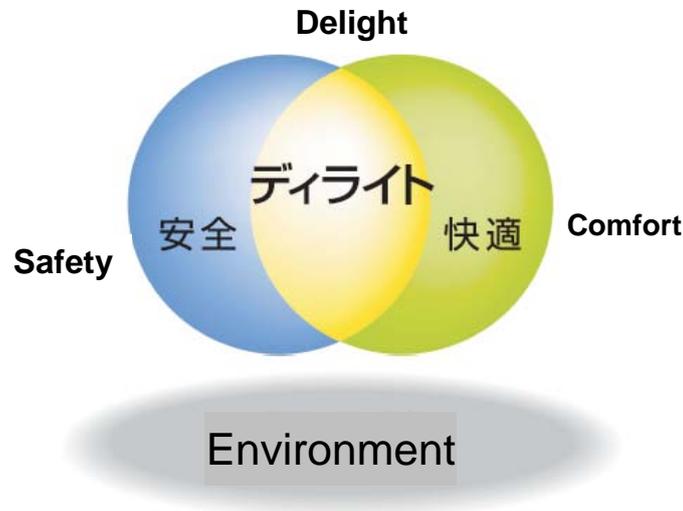
Figures for ordinary income, net income, and EPS above are median values.



 Reference: Corporate Data

(1) The Delight Way — Management Principles —

AEON Delight continues to create
“environmental value” for its customers.



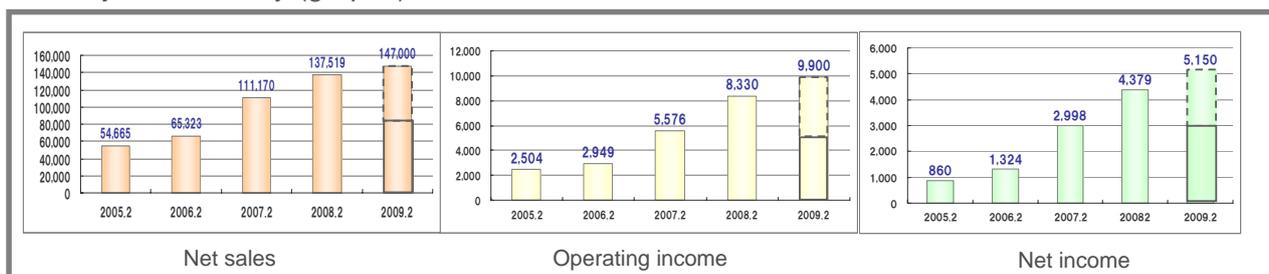
(2) The Delight Way — Vision —

A pioneer in “environmental value” creation,
constantly evolving safety and comfort.

(3) Profit and Loss Analysis

1. Five-year summary (graphs)

Millions of Yen



2. Five-year summary (figures)

Millions of Yen

	FY2004		FY2005		FY2006		FY2007		FY2008 (forecast)	
		% YoY		% YoY		% YoY		% YoY		% YoY
Net sales	54,665	98.1%	62,323	114.0%	111,170	178.4%	137,519	123.7%	147,000	106.9%
Operating income	2,504	148.5%	2,949	117.8%	5,576	189.1%	8,330	149.4%	9,900	118.8%
Ordinary income	2,511	148.0%	2,953	117.6%	5,485	185.7%	8,186	149.2%	9,750	119.1%
Net income	860	581.1%	1,324	154.0%	2,998	226.4%	4,379	146.1%	5,150	117.6%

(4) Key Management Indicators

(Reference)

	FY2005	FY2006	FY2007	1H FY2008	
EPS	¥64.26	¥151.17	¥110.40	Six months	¥68.12
ROE	8.29%	16.85%	21.00%	Six months	11.39%
ROA	10.70%	13.90%	17.10%	Six months	5.54%
Ratio of ordinary income to net sales	4.74%	4.93%	6.00%		6.80%
Ratio of net income to net sales	2.11%	2.70%	3.20%		3.69%
Total asset turnover	2.26 times	2.83 times	2.90 times	Six months	1.50 times
Shareholders' equity ratio	53.69%	39.87%	47.40%		49.87%
Net assets per share	¥825.28	¥966.41	¥566.90		¥6.30

(5) Employees

1. Number of employees

Year		FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Gender		Year-end	Year-end	Year-end	Year-end	Year-end	1H end
Regular employees	Male	1,898	2,306	2,396	3,810	4,013	3,884
	Female	100	157	184	367	378	272
	Subtotal	1,998	2,463	2,580	4,177	4,391	4,156
Contract employees	Male	887	745	606	1,094	1,379	1,351
Contract employees for specialized duties	Female	176	131	132	133	136	134
	Subtotal	1,063	876	738	1,227	1,515	1,485
Part-time workers		3,332	2,499	2,444	2,834	2,652	2,547
Total		6,393	5,838	5,762	8,238	8,558	8,188

2. Average age

Year	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
	Year-end	Year-end	Year-end	Year-end	Year-end	1H end
Average age	43.1	41.8	42.0	43.8	45.8	45.7

◇ The above data are current as of August 31, 2008. Numbers for part-time workers are calculated by dividing total monthly working hours by 172 hours.
The total number of employees is 10,766, with 5,125 part-time workers and 5,641 regular / contract / specialized-duty contract employees.



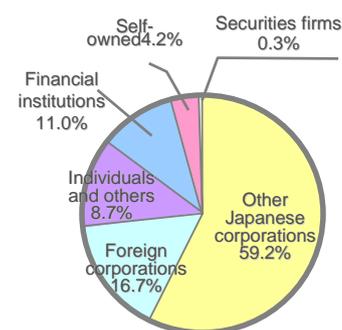
(6) Shareholders / Stock Price

1. Major shareholders (Top 10)

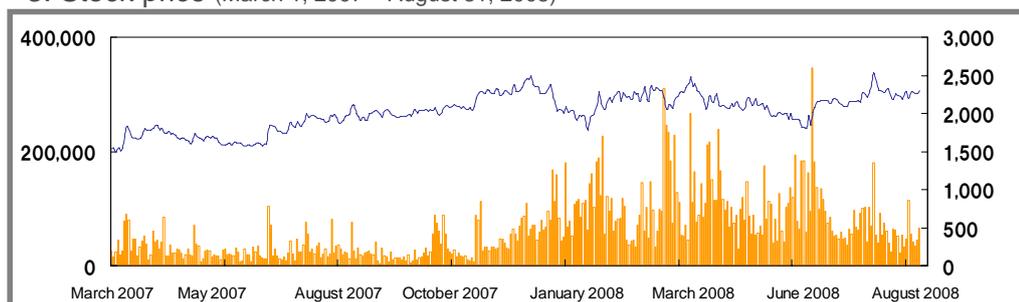
Total number of shares outstanding: 414 million

Place	No. of shares owned	Percentage
1 MYCAL Corp.	23,261,800	56.19
2 Japan Trustee Services Bank, Ltd.	1,796,300	4.34
3 AEON Delight Co., Ltd. (self-owned)	1,729,519	4.18
4 State Street Bank and Trust Company	1,166,122	2.82
5 The Chase Manhattan Bank N.A. London SL Omnibus Account	729,900	1.76
6 AEON Delight Employee Stock Ownership Association	617,600	1.49
7 Trust & Custody Services Bank, Ltd.	583,400	1.41
8 AEON Co., Ltd.	560,800	1.35
9 The Master Trust Bank of Japan, Ltd. (trust account)	550,100	1.33
10 Japan Trustee Services Bank, Ltd.	419,400	1.01

2. Shareholders by type



3. Stock price (March 1, 2007 – August 31, 2008)



High	¥2,540/share (July 28, 2008)
Low (before stock split)	¥3,000/share (March 5, 2007)
Largest volume	345,500 shares (June 20, 2008)

◇ The above data is current as of August 31, 2008.
◇ As of December 1, 2007, AEON Delight executed a two-for-one stock split.



Disclaimer, etc.

- This material contains certain statements describing the future plans, strategies, and performance of AEON Delight.
- ◇ These statements are not based solely on historical facts, but rather on assumptions and estimates based on currently available information. Because of this, AEON Delight's actual performance may differ materially from the assumptions and estimates supplied.
- Unless otherwise stated, the following applies to data supplied.
 - ◇ All numbers are on a consolidated basis.
 - ◇ Any fraction below one million yen is disregarded.
 - ◇ Percentages are rounded to one decimal place.
 - ◇ The accounting period of AEON Delight ends on the last day of February. This material is for the first six months of the year ending February 28, 2009.



Thank you very much for your kind attention.

Comments and inquiries should be directed to the following:

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

This presentation has been prepared using the information available as of the dates of the presentation (October 8-9, 2008). The earnings forecast contained herein may be revised due to unforeseen factors that may arise in the future.