

# Financial Results for the Nine Months Ended November 30, 2016

**AEON DELIGHT CO., LTD.** 

January 11, 2017

## Performance

- **Sales and earnings increased, and all-time high earnings were reported** owing to increase in customers inside and outside Japan

Sales: ¥222.8 billion, 105.8%YoY    Operating income ¥12.4 billion, 104.1%YoY

## Initiatives

- In Japan, started providing services for multi-purpose facilities, hotels, distribution centers, office buildings, hospitals, and other buildings
- Preparations are under way to provide an integrated facility management (IFM) service to multinational pharmaceutical manufacturers, this service will involve management and operations for all activities outsourced by these manufacturers
- Took proactive actions for expanding the “hygiene control services” that chiefly serves hospitals to other kind of facilities
- Strong performance by the growth of subsidiaries including KAJITAKU, AEON Compass and Hakuseisha which became a wholly-owned subsidiary in the previous fiscal year
- For the purpose of participating in the “New City High Speed Rail Project”, a large-scale urban development project in the city of Suzhou in China, established a joint venture with a real estate investment development company led by municipal government. The goal is to receive more facility management contracts in this area

## Increase in sales and profits, and profits reached a new record high. (100 million yen)

Summary of consolidated profit and loss statement (Unit: 100 million yen, %)	FY2/16 3Q		FY2/17 3Q		YoY Change	
	Result	Pct. to net sales (%)	Result	Pct. to net sales (%)	Difference	YoY (%)
Net sales	<b>2,106</b>	<b>100.0%</b>	<b>2,228</b>	<b>100.0%</b>	<b>121</b>	<b>105.8%</b>
Gross profit	<b>275</b>	<b>13.1%</b>	<b>288</b>	<b>13.0%</b>	<b>13</b>	<b>104.9%</b>
SG&A	<b>155</b>	<b>7.4%</b>	<b>164</b>	<b>7.4%</b>	<b>8</b>	<b>105.6%</b>
Operating income	<b>119</b>	<b>5.7%</b>	<b>124</b>	<b>5.6%</b>	<b>4</b>	<b>104.1%</b>
Ordinary income	<b>120</b>	<b>5.7%</b>	<b>124</b>	<b>5.6%</b>	<b>4</b>	<b>103.8%</b>
Net income attributable to owners of parent	<b>69</b>	<b>3.3%</b>	<b>76</b>	<b>3.4%</b>	<b>6</b>	<b>109.5%</b>

# Sales by Segment

**Increase in sales in seven businesses**

**Double digit growth in cleaning services and support services**

(100 million yen)

Consolidated (100 million yen)	FY2/16 3Q	FY2/17 3Q	
	Result	Result	YoY (%)
Facilities management	365	380	104.2%
Cleaning services	351	400	113.8%
Security services	281	304	108.4%
Construction work	359	366	102.0%
Support services	129	145	111.9%
Materials/supplies sourcing services	375	386	103.0%
Vending machine services	244	245	100.2%
Total sales	2,106	2,228	105.8%

## Facilities management

Increased orders for repairs and improvements to heating/cooling and refrigeration/freezing equipment and for CFC management operations which helps protect the environment. Working on the preventive maintenance of CFC leakage.

## Cleaning services

Established a new cleaning quality standard considering the characteristics of each facility. Increased sales of cleaning products and developed environmentally responsible cleaning products and increased the use of these products

## Security services

Reinforced sales activities to increase the number of customers, and developed a labor-saving system using the IoT that can reduce the labor shortage problem and improve the quality of services

## Construction work

Reinforced design operations. Increased orders for tenant renovation work, maintenance and repair work and renovation works for energy conservation including LED lighting work

## Materials/supplies sourcing services

Orders from both new and existing customers are steadily increased. Improved profitability by increasing demand prediction accuracy in order to cut the cost of storage, distribution and other activities.

## Vending machine services

Increased the number of vending machines in use and upgraded the functions of vending machines with digital signage. Promoting sales of movie advertising and introduction of multilingual support system

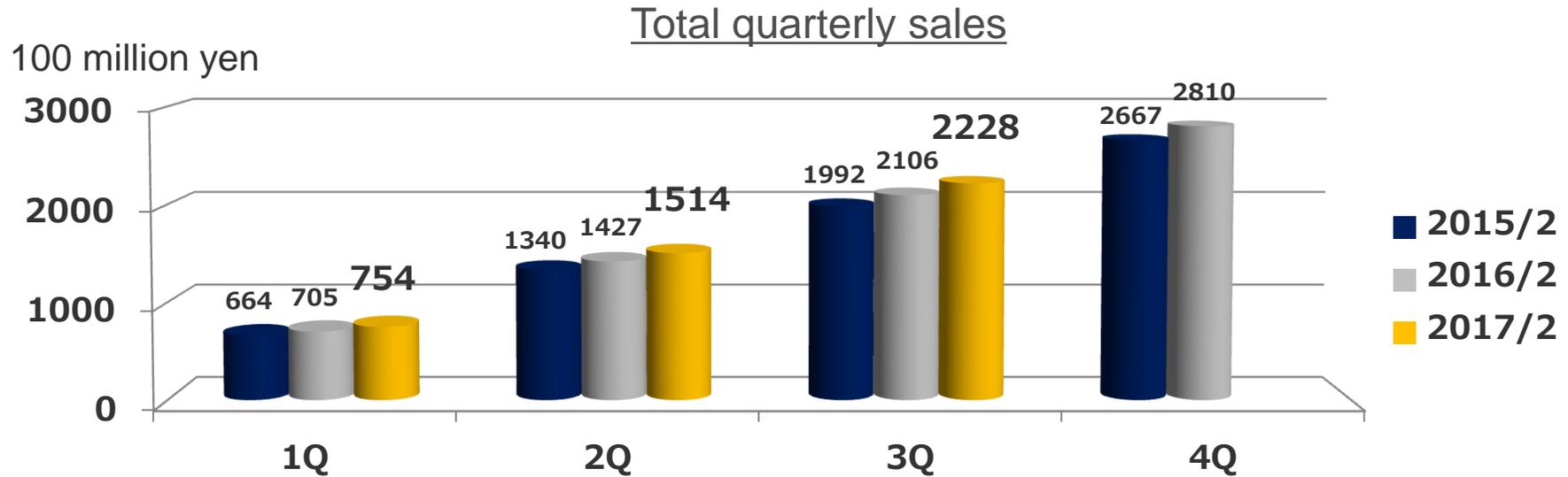
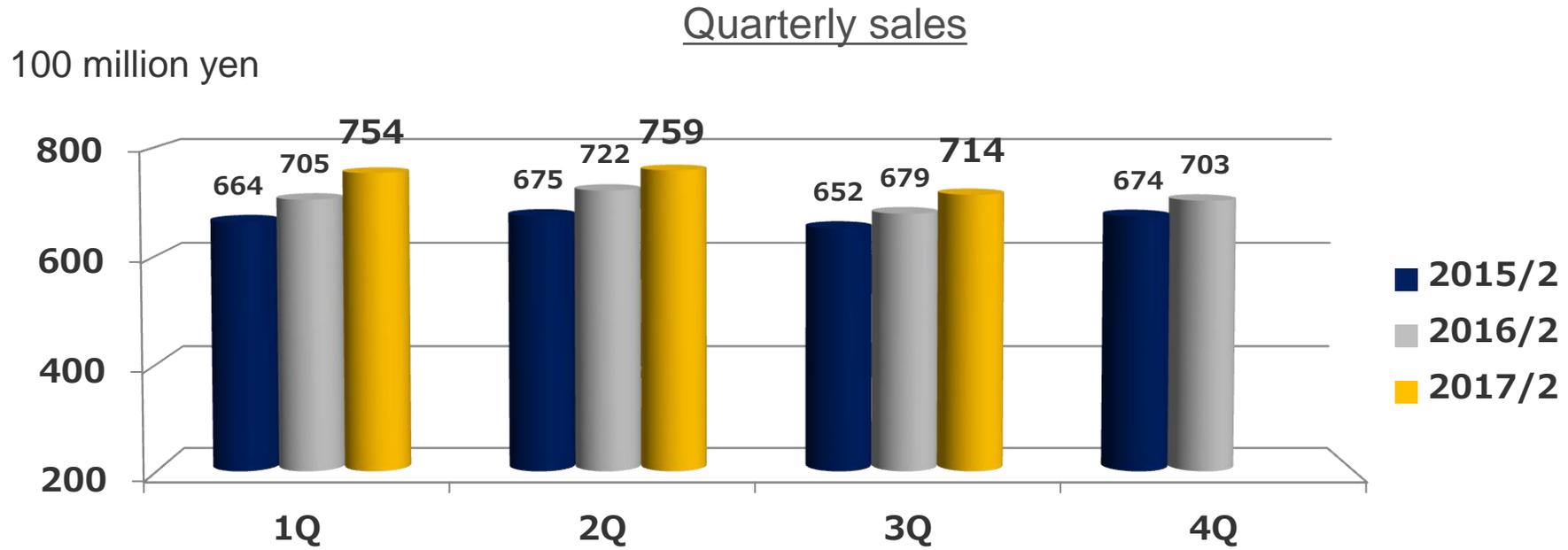
## Support services

Strong corporate client sales for the BTM services of Aeon Compass for business trips within Japan and long-term overseas assignments. Strong sales supported by the growth of domestic and overseas consolidated subsidiaries

# Consolidated Balance Sheet

Assets (100 million yen)	FY2/16	FY2/17 3Q	YoY Differ ence	Liabilities and net assets (100 million yen)	FY2/16	FY2/17 3Q	YoY Differ ence
Current assets	<b>1,056</b>	<b>1,110</b>	<b>53</b>	Current liabilities	<b>448</b>	<b>453</b>	<b>5</b>
Tangible fixed assets	<b>70</b>	<b>79</b>	<b>8</b>	Fixed liabilities	<b>25</b>	<b>28</b>	<b>3</b>
Intangible fixed assets	<b>103</b>	<b>95</b>	<b>▲8</b>	Total liabilities	<b>473</b>	<b>482</b>	<b>8</b>
Investments, etc.	<b>81</b>	<b>86</b>	<b>4</b>	Shareholder's equity	<b>810</b>	<b>859</b>	<b>48</b>
Fixed assets	<b>256</b>	<b>261</b>	<b>5</b>	Total net assets	<b>840</b>	<b>889</b>	<b>49</b>
Total assets	<b>1,313</b>	<b>1,371</b>	<b>58</b>	Total liabilities and net assets	<b>1,313</b>	<b>1,371</b>	<b>58</b>

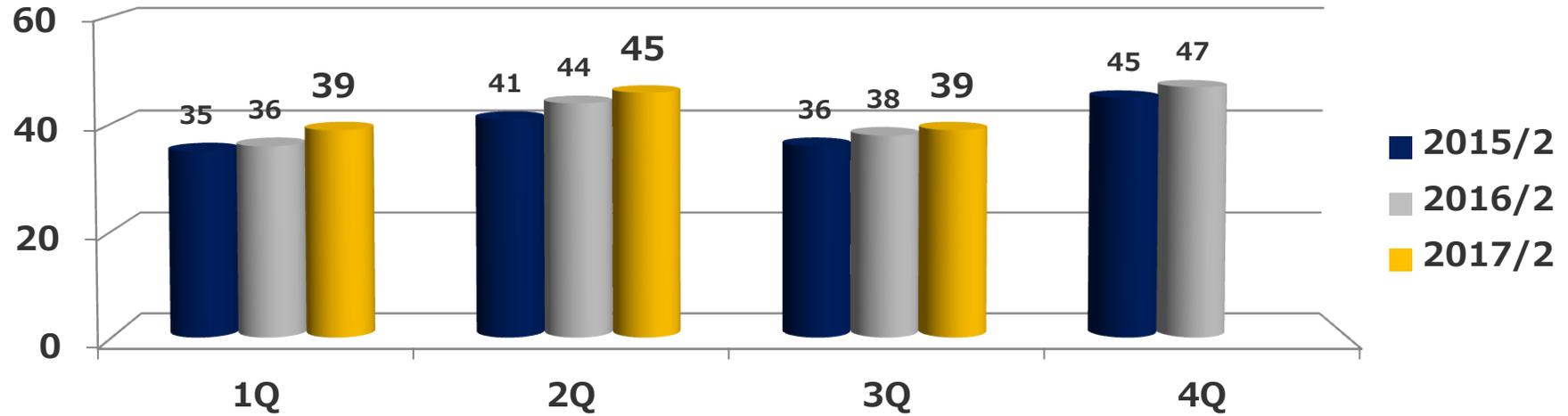
# Quarterly Sales for the Past Three Years



# Quarterly Operating Income for the Past Three Years

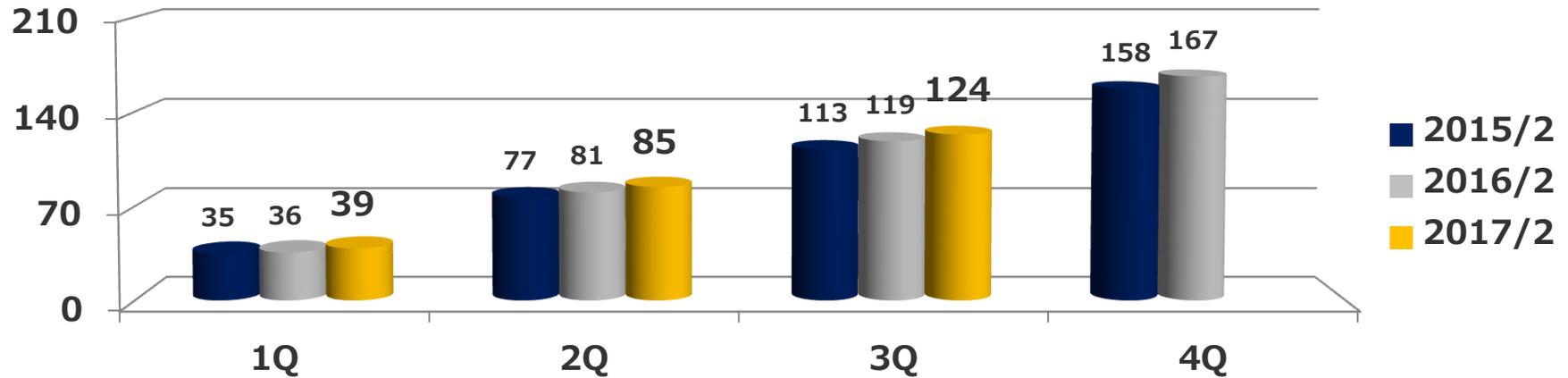
Quarterly operating income

100 million yen



100 million yen

Total quarterly operating income



## ■ Domestic initiatives

### Sales activity

- Start provision of IFM for major pharmaceutical company from December
- Expand the “hygiene control services” that chiefly serves hospitals to multi-purpose facilities  
Start providing the services to domestic laboratories of foreign IT companies from January

### Construction

Increase orders for work required by new retail or other tenants and interior decoration and design projects

### Materials/ supplies sourcing

Consolidation of materials and supplies of Aeon Group; Increase orders for packaging materials of Top Value

## ■ Overseas expansion

### China

- Increase orders from mid to high-end facilities requiring high quality services
- Acquire FM business customers with focusing on redeveloping areas
- Preparing to start a catering business by using a company formed jointly with a company based in Wuhan

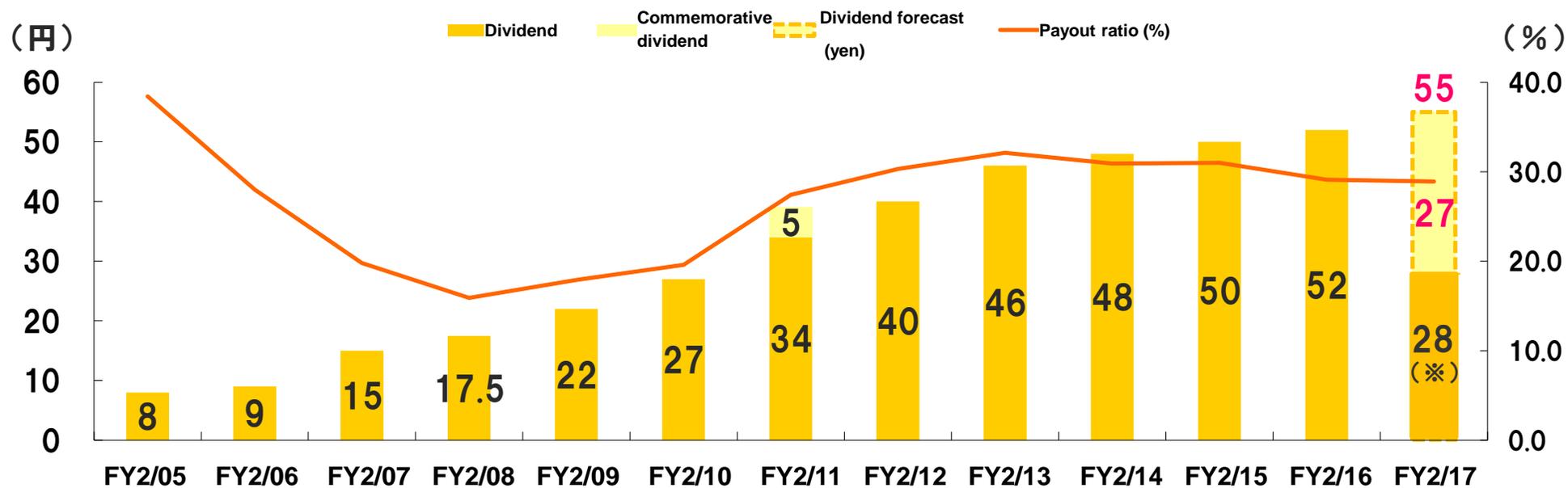
### ASEAN

- Malaysia: increase orders for resident facility management
- Vietnam: enhance operational structure to strengthen the customer base
- Conduct research about starting operations in Indonesia, Thailand and other countries

Summary of Consolidated income statement (100 million yen, %)	FY2/17			FY2/16	
	Result	Pct. to net sales (%)	YoY (%)	Result	Pct. to net sales (%)
Net sales	<b>3,050</b>	<b>100.0%</b>	<b>108.5%</b>	<b>2,810</b>	<b>100.0%</b>
Operating income	<b>175</b>	<b>5.7%</b>	<b>104.7%</b>	<b>167</b>	<b>5.9%</b>
Ordinary income	<b>175</b>	<b>5.7%</b>	<b>104.9%</b>	<b>166</b>	<b>5.9%</b>
Net income attributable to owners of parent	<b>100</b>	<b>3.3%</b>	<b>103.5%</b>	<b>96</b>	<b>3.4%</b>

Aim for **twelve consecutive years** of increased dividends since FY2/06

Fiscal year	FY2/05	FY2/06	FY2/07	FY2/08	FY2/09	FY2/10	FY2/11	FY2/12	FY2/13	FY2/14	FY2/15	FY2/16	FY2/17
Dividend (Yen)	8.0	9.0	15.0	17.5	22.0	27.0	39.0	40.0	46.0	48.0	50.0	52.0	<b>55.0</b>
Payout ratio (%)	38.4	28.0	19.8	15.9	17.9	19.6	27.4	30.3	32.1	30.9	30.1	28.3	<b>28.9</b>



\*Interim dividend of 28 yen includes the commemorative dividend of 1 yen.

# If you have any questions or comments, please contact us below.

- 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 note 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 100 million yen have been rounded down
  - ◇ Percentages have been rounded off to one decimal place

**AEON DELIGHT CO., LTD.**

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This presentation has been prepared based on the information available as of the date of the presentation (January 11, 2017). The business forecasts may be revised due to various factors that may arise in the future.