

Financial Results for the Fiscal Year Ended February 28, 2015



AEON DELIGHT CO. LTD.

Ippei Nakayama, President and CEO

April 10, 2015

- § 1** Financial Report for the Fiscal Year Ended
February 28, 2015
- § 2** Initiatives for the Fiscal Year Ending February
29, 2016
- § 3** Reference Materials

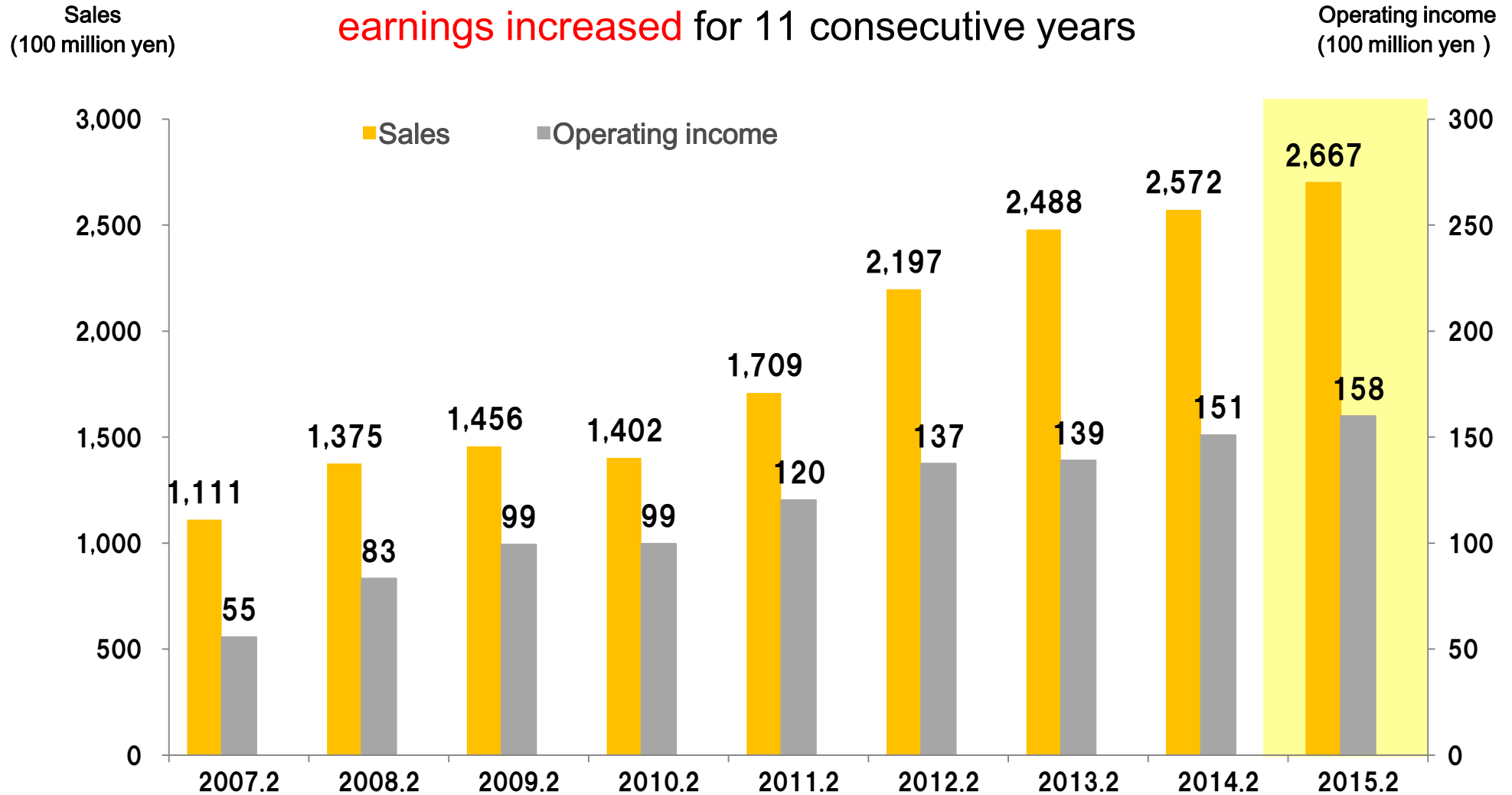
§ 1 Financial Report for the Fiscal Year Ended February 28, 2015

§ 2 Initiatives for the Fiscal Year Ending February 29, 2016

§ 3 Reference Materials

Business Results (Sales and Operating Income)

Sales increased for 5 consecutive years and
earnings increased for 11 consecutive years



Sales and earnings increased for five consecutive years, and recorded highest profit due mainly to steady increase of orders for large facilities and growth in subsidiaries' performance

(100 million yen)

	FY2/15			FY2/14	
	Amount	Pct. to net sales (%)	YoY (%)	Amount (Actual)	Pct. to net sales (%)
Sales	2,667	100.0	103.7	2,572	100.0
Operating income	158	5.9	104.9	151	5.9
Ordinary income	159	6.0	105.6	150	5.9
Net income	87	3.3	106.9	81	3.2

EPS : 166.2 yen

ROE : 12.0%

- ① Cleaning services: Profit improved driven by productivity improvement measures including review of operation methods etc.
- ② Expansion of new large-scale contracts contributes to increase in sales of outside the AEON Group
- ③ Steady business expansion in Asia (Sales YoY 204.3%)
- ④ Consolidated subsidiary AEON Compass and KAJITAKU showed steady performance

Increased YoY in the entire six business segments except for Construction work,
even the management environment is tough mainly due to increase in cost and tightness of employment market

※ Sales of Construction work decreased due to completion of installation of LED lighting at AEON Group companies

(100 million yen)

	FY2/15			FY2/14	
	Sales	Pct. to net sales (%)	YoY (%)	Sales	Pct. to net sales (%)
Facilities management	458	17.2	105.5	434	16.9
Cleaning services	442	16.6	104.6	423	16.5
Security services	366	13.7	107.0	342	13.3
Construction work	419	15.7	92.0	456	17.7
Materials/ Supplies sourcing services	476	17.9	106.9	445	17.3
Vending machine services	348	13.1	104.5	333	13.0
Support services	155	5.8	114.5	135	5.3

Facilities management	Undertook new stores of large commercial facilities and expanded sales of BEMS(*) equipment. For the centralized oversight of refrigeration and freezing equipment, training programs were strengthened for technicians who handle CFC refrigerants (more than 400 technicians in all areas of Japan).
Cleaning services	In addition to review of operation method, we started the “Campaign for Ease of Work”, which involves the use of small teams for on-site work. The goal is more improvements in quality and productivity.
Security services	Starting to use female attenders who provide information and other services in addition to conventional security services at facilities ; customer response has been positive in Japan and other countries
Construction work	Completed installation of LED lighting at AEON Group companies. Big increase in construction contracts for revitalizing at aging facilities. Steady volume of orders for maintenance services, too.
Materials/Supplies sourcing services	Volume of business with both new and existing customers continues to grow. Continued to work on improving profitability by reviewing the cost of logistics and using e-sales meetings.
Vending machine services	Vending machines installed in the previous fiscal year contributed to sales. Started to construct new business model by providing digital signage advertisement frameworks
Support services	Expanded sales of event business of AEON Compass and Housework services “KAJICloud” of KAJITAKU(YoY 163.6%)

※ BEMS (Building Energy Management System):

A system for collection and analysis of energy usage volume data for equipment and facilities installed in buildings, and for efficient regulation enabling energy conservation and operational optimization.

Provide services to various types of facilities



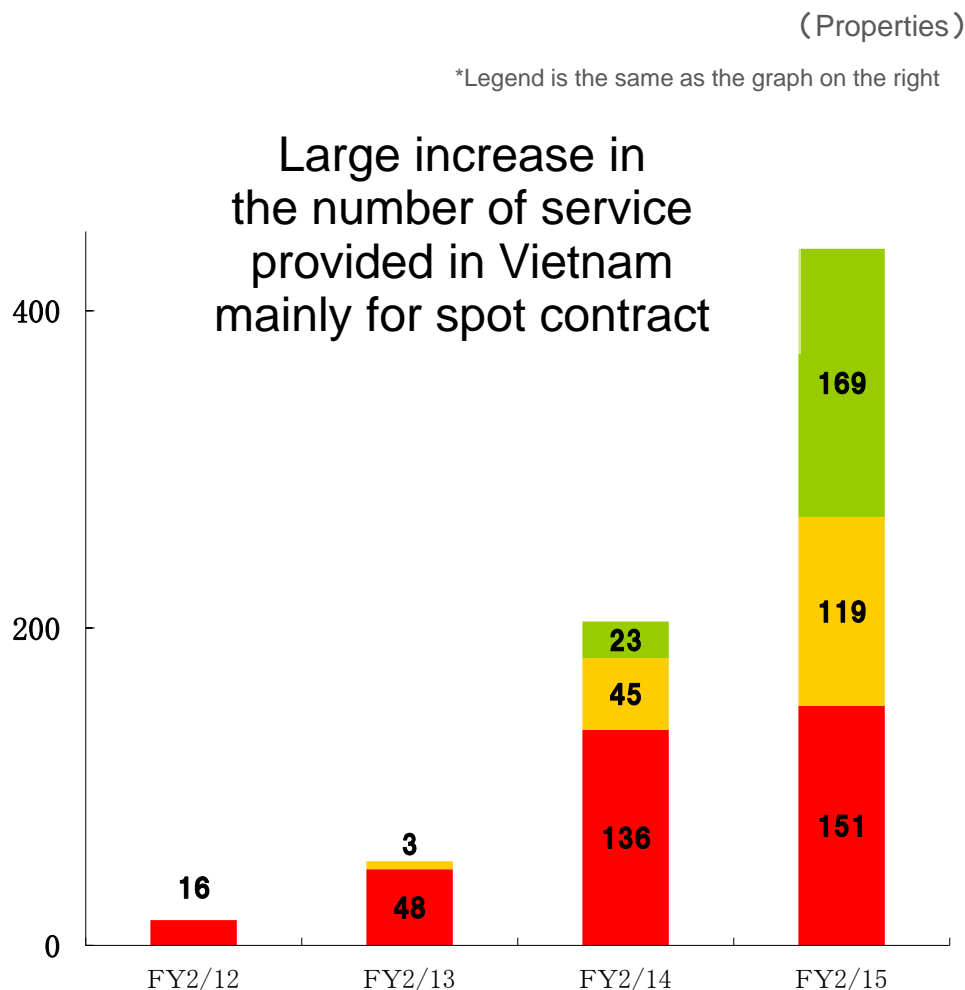
New Service Users (Overseas)

- China Total of **151 facilities** including Chinese offices and department stores, etc.
- Malaysia Total of **119 facilities** including Japanese department stores, government buildings and large commercial facilities, etc.
- Vietnam Total of **169 buildings** including Japanese factories, offices and large commercial facilities

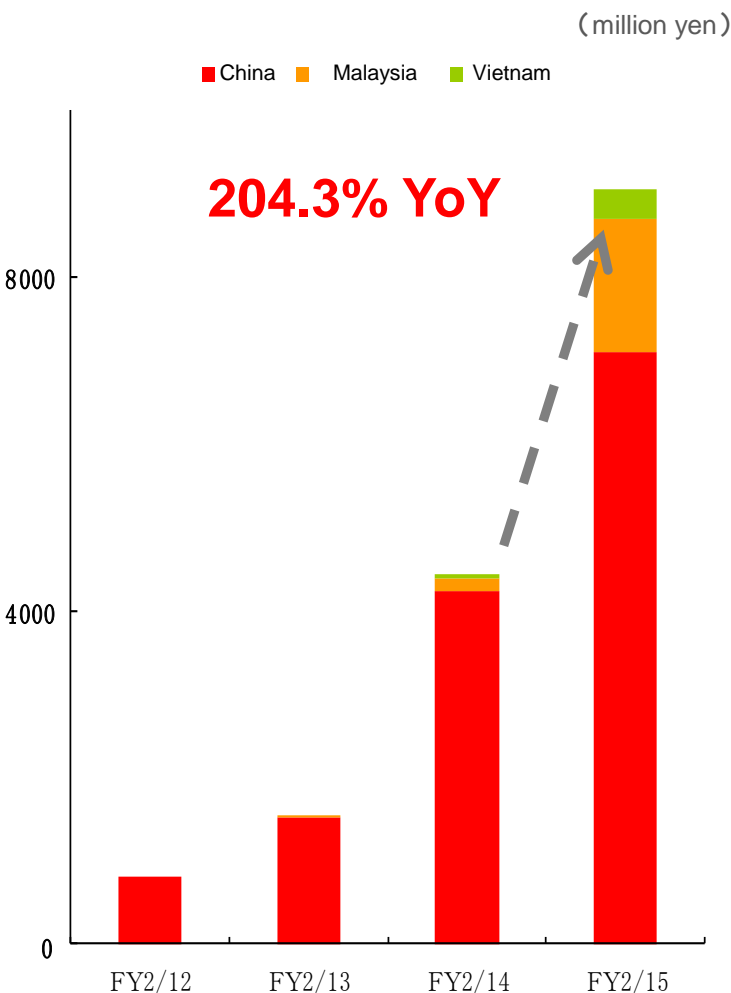
*including spot contract



No. of overseas contracted properties



Overseas sales

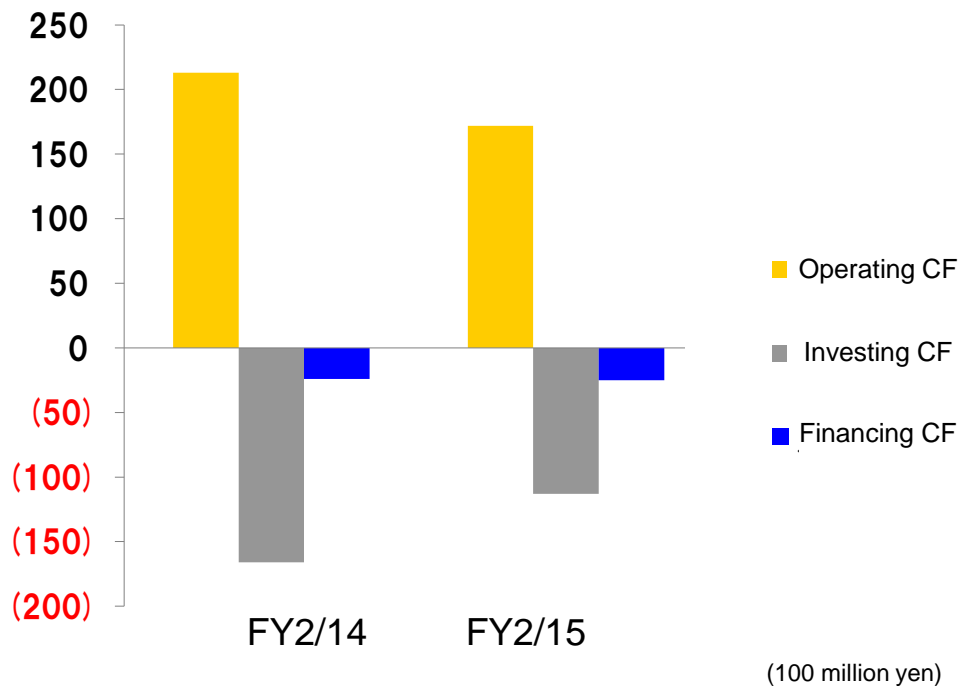


Consolidated Balance Sheet

(100 million yen)

	February 28, 2014	February 28, 2015	Difference		February 28, 2014	February 28, 2015	Difference
Current assets	903	1,044	141	Current liabilities	393	466	73
Fixed assets	217	215	Δ2	Fixed liabilities	15	19	4
Tangible fixed assets	42	43	1	Total liabilities	408	485	77
Intangible fixed assets	116	109	Δ7	Total net assets	713	774	61
Investments, etc.	58	62	4	Total liabilities and net assets	1,121	1,260	139
Total assets	1,121	1,260	139				

Consolidated Cash Flow Statement



	FY2/14	FY2/15	Change
Cash flows from operating activities	213	172	Δ41
Cash flows from investing activities	Δ166	Δ113	52
Cash flows from financing activities	Δ24	Δ25	Δ1
Cash and cash equivalents at the end of year	120	154	34

Major factors for increase/decrease(100 million yen)

【 Operating cash flows 】 172

Income before income taxes	156
Decrease (increase) in accounts receivable	Δ24
Increase (decrease) in accounts payable	40

【 Investing cash flows 】 Δ113

Payments for affiliate consumption entrusted funds	Δ89
Decrease (increase) in fixed assets	Δ18

【 Financing cash flows 】 Δ25

Dividend Payment	Δ25
------------------	-----

§ 1 Financial Report for the Fiscal Year Ended
February 28, 2015

§ 2 Initiatives for the Fiscal Year Ending February
29, 2016

§ 3 Reference Materials

“Favorable conditions and great opportunities” -- Following wind for AEON delight in a management environment

FY2/16 is year to decide the match: Capture market share in Japan and Asia

«Perceptions of the domestic management environment»

(1) Inflationary trends will change the management environment. Though pressure will come from cost increases and hiring difficulties, there are opportunities in our competitive environment. Oligopolization in the market will enhance.

(2) At large facilities, tendencies toward bundled entrusting of facility management services are notable, increasing switching of outsourcers (many inquiries from hospitals, universities, large corporations)

(3) Greater consciousness of emergency responses and safety in abnormal weather and natural disasters

(4) Retail industry is experiencing a difficult struggle since last year's consumption tax rate hike. Increase in investment interest at commercial facilities.

(5) Full scale invasion of the industry by foreign major companies and companies in other industries is nearing. Competition will soon be characterized by facility management by international standard specifications and by reform-driven innovation.

«Perceptions of the management environment in China»

(1) Real estate market shifts point to waning condominium demand, particularly in the major cities. The priority trend is away from expansion and toward quality. In commercial facilities, energy conservation is inevitable.

(2) Business areas will be expanded centering on companies that join our Group by means of joint venture strategies. We are searching for new energy conservation partners. The pace of China's commercialization is extremely high.

«Perceptions of the ASEAN management environment»

(1) The stages of FM business development vary by country. Singapore and Malaysia are advanced countries in FM operations, and foreign companies in Europe and the U.S. have made advances there, but no company is overwhelmingly prominent.

(2) The business is undeveloped, and it is necessary to build an industry top class business foundation before a competitive landscape is fixed up.

- ① Expand customers outside the AEON Group
- ② Establish competitive advantages
- ③ Expand the business in Asia

■ Target large facilities such as hospitals, universities and hotels

Maximize our strengths: Nationwide service network, abundant human resources with multiple qualifications, comprehensive FM ability enabling acceptance of bundled outsourcing, disaster response abilities, and financial strength enabling responses to large scale switching costs.

■ “Hygiene control services” has already gained results in the hospital market

Entrusted comprehensive management appointments at hospital chains in Hokkaido (all 17 installations) and Kansai (all 16 installations)

Offering solutions for infection disease measure to other hospital chains, research facilities and universities

■ High growth in inquiries for comprehensive proposals



«Top priority issue: Measures for increasing domestic customers outside the AEON Group»

- (1) Supplement the new sales force
- (2) M&A (facilities management subsidiaries of major companies)
- (3) Focus on capture of hospital nursing facilities
- (4) Reinforce the sales of patrol centers
- (5) Develop continuous sales
- (6) Expand the route of customer introductions from consulting companies

《Secure labor power and cooperating companies》

- (1) Reliability and name recognition as Japan's largest company
- (2) Nationwide network of cooperating companies

《Added value creation, innovation》

- (1) Enhance the competitive advantages already possessed (Example: Commercialization of emergency support and other disaster countermeasures)
- (2) Improve the on-site operation steadily.(Examples: Small group activity, review of cleaning operation methods in FY2/15)
- (3) Innovation: Research & develop next-generation business model (cleaning materials, energy conservation and remote control, BI etc.)
- (4) Domestic nationwide network, ASEAN and China development: Global sales network

《Energy solution business R&D》

- (1) Sensor information concentration, remote surveillance and control
- (2) Packaged commercialization of energy conservation unitary facility management
- (3) Concentration and remote control of contract counterparty electric power usage information
- (4) Research future forecasting management (disaster countermeasure, obsolescent equipment judgment, air conditioning regulation etc.) by internal experience and big data analysis

《Hygiene control service R&D》

- (1) Establish cleaning technology congruent with anti-bacterial technology, infection measures in special environments like hospital etc.
- (2) Develop detergents for low-contamination environments and other cleaning materials

“Improve the on-site operation steadily and build the next-generation cleaning model”

- Implement continuous improvement in productivity by reviewing operating methods and implementing work standardization and small group activity* for scattered revisions in by-unit productivity

Note: As "activity seeking ease of working," continuous small group activity was introduced starting in FY 2/15.

Construct systems enabling measures for work improvement centering on on-site employees

- Take measures to generate new differentiations

- Introduce environment-friendly washing systems

- ▶ Materials superior to existing sanitation related chemicals
- ▶ Initiate proofing experiments in Sapporo and Okinawa

- Using alliances, develop cleaning robots

- ▶ Study and test multiple measures toward full scale introduction

- Change to Service Level Agreement (SLA)

Note: SLA (Service Level Agreement): Not methods related to number of times and number of personnel, but contract configuration with commitment to results



"Build an unique unitary energy conservation model for facility management"

(1) From central to decentralized surveillance and regulation

- ▶ Remote surveillance, efficient personnel allocation, reduces personnel
- ▶ Initiate testing and experiments in food related supermarkets in Kanto area

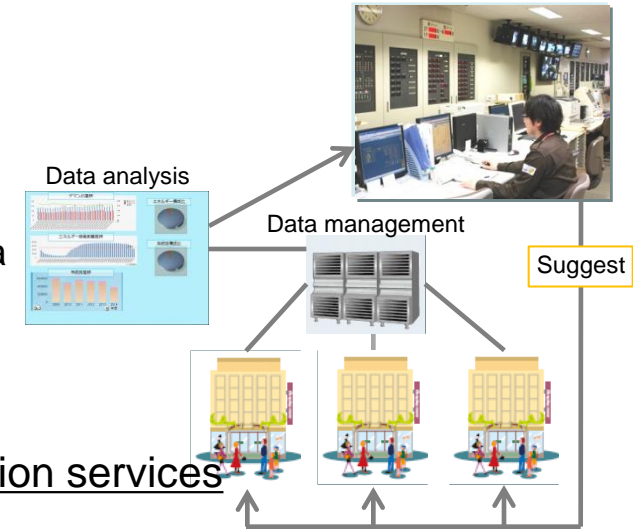
(2) Collect, analyze and optimize customer electric power data

(3) Construct an unique facilities management unitary energy conservation services

- ▶ Implement Standardization of BEMS installation
- ▶ By means of optimized equipment operation by facilities management personnel, maximize energy conservation effects
- ▶ Reduce total energy costs
- ▶▶ Grow sales by providing long term and inclusive services

(4) Research and develop future forecasting management (disaster countermeasure, obsolescent equipment judgment, air conditioning regulation etc.) by internal experience and big data analysis

- ▶ Enhance training of younger technicians



China

- Expand business area by delegating more authority to local management and organizational reform at discretion
- By means of alliances with prominent local corporations, create product models for China versions of energy conservation packages (LED, heat sources, air conditioning)
- In addition to geographical expansion, expand the business to Phase 2, further expansion of business portfolio

Malaysia

- The building maintenance business has already reached the mature stage. Accelerate customer cultivation, keying off strengths in the cleaning and energy conservation businesses
- To change the outsourcing contractor of existing 27 shops, which operated by AEON Group, to AEON delight is an urgent matter, simultaneously expand new consignment acceptances outside Group properties

Vietnam

- Having acquired various types of business licenses, AEON group is in an advantageous competitive position. Attack growth markets by building speedier business, including M&A and alliances.
- Expand the business area with establishing a new base (Hanoi office)

① Quality policy

- Respond to facility management international standard requirements "ISO18480"
- Renew and deepen quality focus, establishment of dedicated quality control department under president's direct control

② Personnel policy

- Secure human resources (quality, quantity), divergent management
- Cultivate global human resources

③ Investment policy

- M&A for business expansion (Japan, China, ASEAN)
- Alliances with other companies to generate new business domains
- Next-generation technology R&D in collaboration with universities, others

④ Capital policy

- Business portfolio operation and appropriate allocation of management resources
- Stress on growth investment and returns to shareholders (aim 12% level of ROE)
- Expand dialog with shareholders and investors

⑤ Governance

- Coping with the revised Corporate Code and the Corporate Governance Code
- Appointment of multiple outside directors

FY2/16 Operating income **¥17billion** YoY **+¥1.2billion**

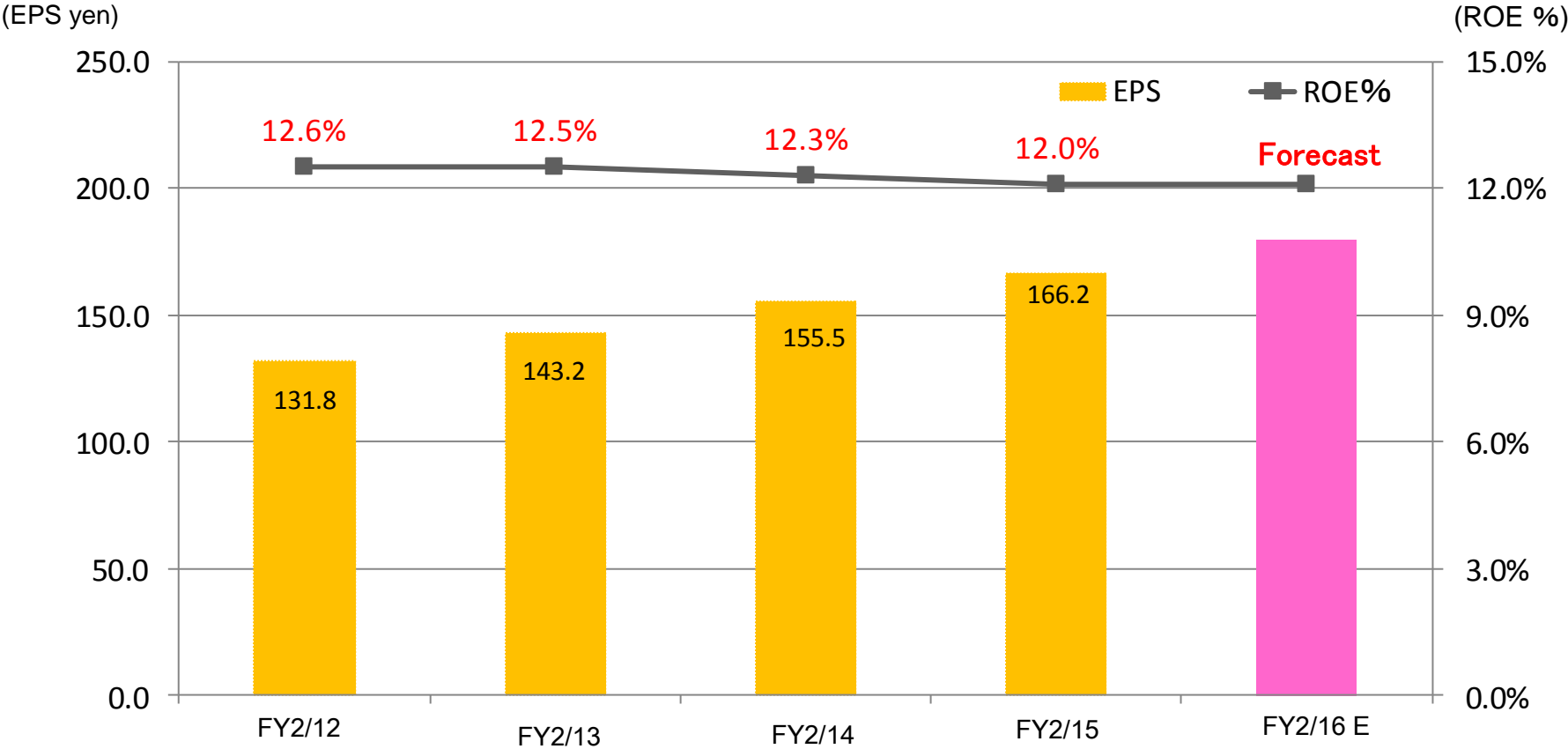
Measures	YoY change (billion)
Measure 1: Expand customers outside the AEON Group	¥1-1.5 billion
Measure 2: Improve profitability of each business	¥1-1.5 billion
Measure 3: Grow the subsidiaries' businesses	¥0.5 billion
Measure 4: Expand contract of AEON Group	¥0.5 billion
1-4 Total: Increase in gross profit margin	¥3-4 billion
YoY Increase in SG&A	▲¥2 billion
YoY Increase in operating income	¥1-2 billion

(100 million yen)

	Full-year forecast for FY2/16			FY2/15 actual	
	Amount	Pct. to net sales (%)	YoY (%)	Amount (Actual)	Pct. to net sales (%)
Net sales	2,800	100.0	105.0	2,667	100.0
Operating income	170	6.1	107.2	158	5.9
Ordinary income	170	6.1	106.6	159	6.0
Net income	94	3.4	107.7	87	3.3

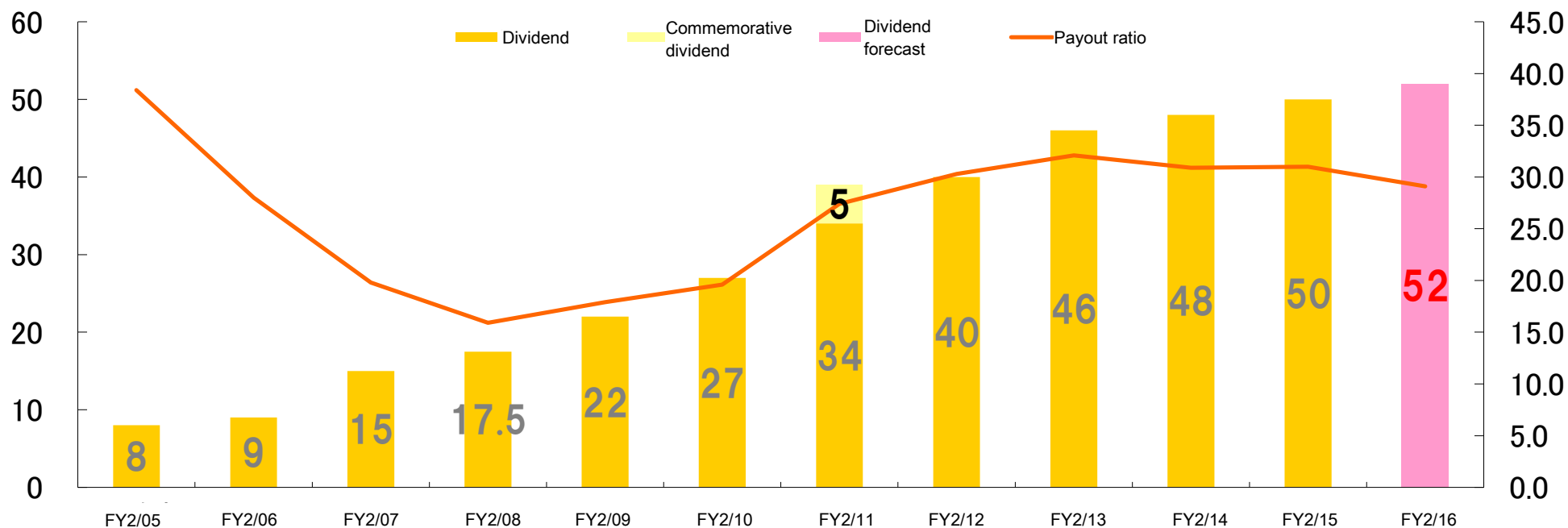
Regard **ROE** as an important indicator, and maintain **12%** level

- **ROE** : Emphasize the ROE as a management discipline for shareholders, with aiming point of 12% level
- **Dividend ratio** : Place the most importance on stable dividend, maintain 30% level of payout ratio for recent five years



Aim for **eleven** consecutive years of increased dividends since FY2/05

	FY2/04	FY2/05	FY2/06	FY2/07	FY2/08	FY2/09	FY2/10	FY2/11	FY2/12	FY2/13	FY2/14	FY2/15
Dividend	¥8.0	¥9.0	¥15.0	¥17.5	¥22.0	¥27.0	¥39.0	¥40.0	¥46.0	¥48.0	¥50.0	¥52.0
Payout ratio	38.4%	28.0%	19.8%	15.9%	17.9%	19.6%	27.4%	30.3%	32.1%	30.9%	30.1%	29.1%



*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 FY2/05.

*A commemorative dividend of 5.00 yen is included in the year-end dividend for FY2/11.

- § 1 Financial Report for the Fiscal Year Ended
February 28, 2015
- § 2 Initiatives for the Fiscal Year Ending February
29, 2016
- § 3 Reference Materials

AEON delight group

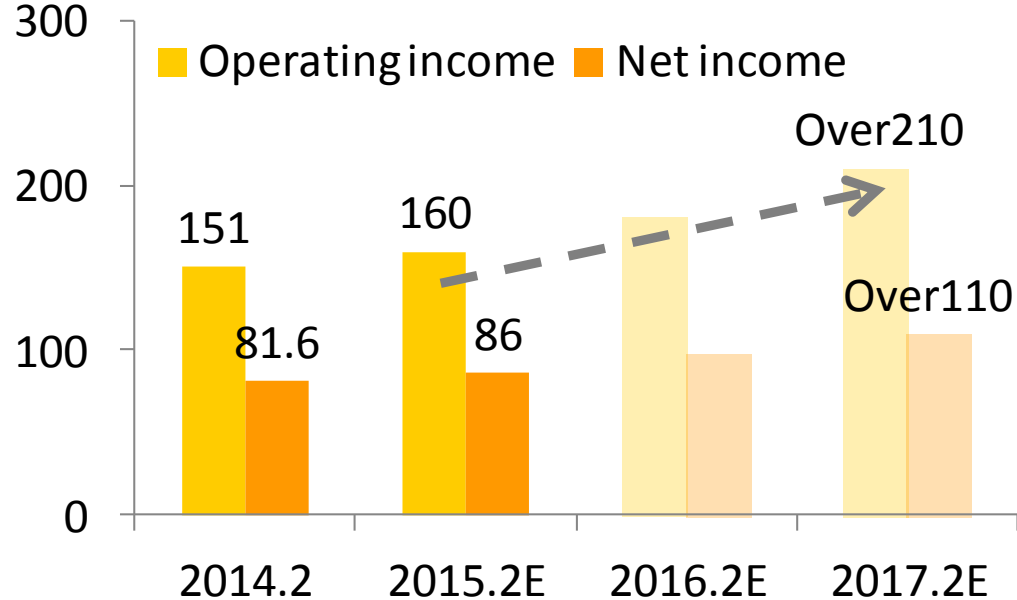
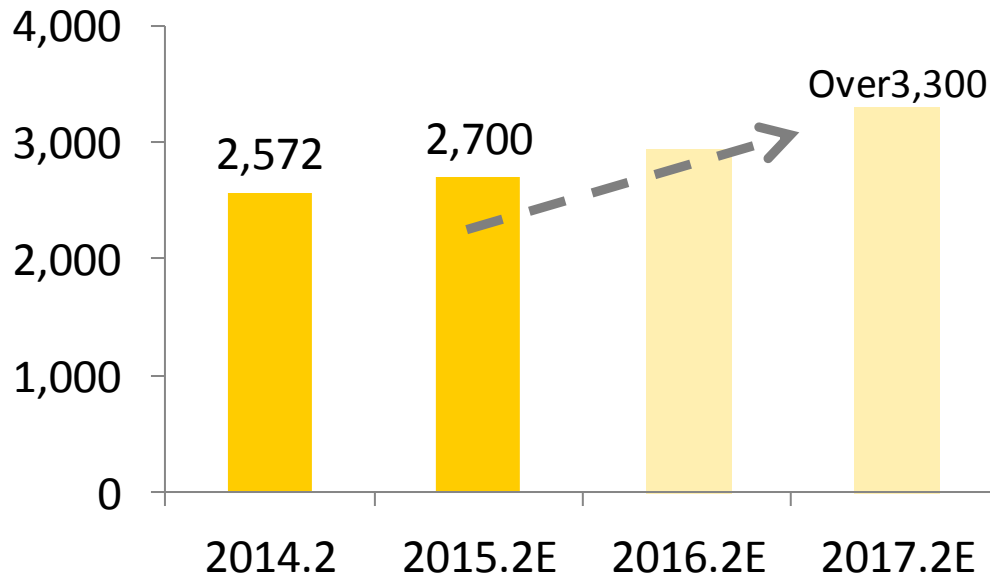
is aiming to be the facility management company providing the greatest comfort with the greatest value for facilities of growing companies in Asia



Numerical Goal of Medium-Term Management Plan

Consolidated net sales, operating income and net income plans

(100 million yen)



FY2/17 major numerical goals		
Consolidated net sales	Over ¥330 billion	*Major indicators of net sales (ratio outside the AEON Group 35%, overseas ratio 10%)
Consolidated operating income (operating margin)	Over ¥21billion	
Operating margin	Over 6.4%	

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.

(Stock code: 9787)

IR Contact Susumu Takahashi

Group Strategy Div.

TEL 043-351-2563

Or visit our website at:

<http://www.aeondelight.co.jp>

This presentation has been prepared based on the information available as of the date of the presentation (April 10, 2015). The business forecasts may be revised due to various factors that may arise in the future.