

Financial Results
for the Year Ended
February 29, 2012 (FY02/2012)

AEON DELIGHT CO., LTD.



Kazunori Umemoto, President & CEO

April 13, 2012



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§1 Financial Results for the year ended Feb. 29, 2012



Business performance

Achieved the best results ever

1. Net sales – **up 28.6%** year-on-year
2. Operating, ordinary and net income for the year – **up for the 8th year in a row**

Millions of yen

	The year ended February 29, 2012				
	Results	% to net sales	Year-on-year change %	Year-on-year difference	% Compared with forecast announced
Net sales	219,797	100.0	128.6	48,892	103.2
Operating income	13,762	6.3	114.4	1,731	96.2
Ordinary income	13,784	6.3	114.0	1,694	96.4
Net income	6,912	3.1	106.4	416	90.9

Net sales by business segment

Construction work business – **up 173.6%** year-on-year
 Strong business in energy-saving work throughout the year

Millions of yen

	FY02/2012			FY02/2011	
	Net Sales	% to net sales	YoY (%)	Net Sales	% to net sales
Facilities Management business	42,147	19.2	105.3	40,019	23.4
Cleaning services business	39,852	18.1	96.9	41,142	24.1
Security services business	32,235	14.7	100.5	32,088	18.8
Construction work business	28,513	13.0	173.6	16,420	9.6
Materials/Supplies sourcing services business	36,730	16.7	196.2	18,718	11.0
Vending machine services business	32,280	14.7	187.8	17,188	10.1
Support businesses	7,980	3.6	151.4	5,271	3.1

* Contributions from the results of the materials/supplies and vending machines businesses started in the second half of FY02/2011.

Consolidated Balance Sheet (Summary)

Consolidated Balance Sheet

Millions of yen

	As of Feb. 29, 2012	As of Feb. 28, 2011	Difference		As of Feb. 29, 2012	As of Feb. 28, 2011	Difference
Current assets	72,486	64,524	7,962	Current liabilities	33,643	30,724	2,918
Fixed assets	20,322	20,100	222	Long-term liabilities	983	1,012	-28
Tangibles	3,773	3,756	17	Total liabilities	34,626	31,737	2,889
Intangibles	12,272	11,577	694	Total net assets	58,182	52,887	5,295
Investments, etc.	4,276	4,766	-489	Total liabilities and net assets	92,809	84,624	8,184
Total assets	92,809	84,624	8,184				

Changes in consolidated subsidiaries

Newly consolidated subsidiaries * Include balance as of March 31, 2011 for A to Z Service, Co., Ltd. and the figures in the balance sheet as of April 1, 2011 for KAJITAKU, Inc.

A to Z Service, Co., Ltd.
KAJITAKU, Inc.

FMS Solutions Co., Ltd.

Assets

Increase of
2,183 million yen

Liabilities

Increase of
1,724 million yen

Net assets

Increase of
459 million yen

Consolidated Statement of Cash Flows (Summary)

Consolidated Statement of Cash Flows

Millions of yen

Millions of yen

	FY02/2012 (Cumulative)	FY02/2011 (Cumulative)
Cash flows from operating activities	9,639	6,808
Cash flows from investing activities	-10,051	-3,000
Cash flows from financing activities	-2,722	-1,321
Net increase (decrease) in cash and cash equivalents	-3,137	2,472
Cash and cash equivalents at the beginning of the period	12,317	7,873
Cash and cash equivalents as of the end of the period	9,179	12,317

Operating cash flows

Net income before taxes	12,977
Depreciation and amortization, and amortization of goodwill	2,299
Notes and accounts receivable	-1,708

Investing cash flows

Payment for/collection of Deposits of subsidiaries and affiliates	-8,400
Expenditures on acquisition of subsidiary stock	-1,216

Financing cash flows

Cash dividends paid	-2,205
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Initiatives in various markets

① Major urban area

- Strong in housework support services, KAJITAKU, Inc. was made a consolidated subsidiary
- A to Z Service Co., Ltd., whose strengths include total management at small-scale facilities, was made a consolidated subsidiary.

② Environmental load reduction

- Energy-saving work – 3.5 times year-on-year; demand for energy-saving work has soared since the Earthquake.
- Awarded the Economy, Trade and Industry Minister's Award (for electricity conservation) at the fiscal 2011 energy conservation awards

③ Asia

- To accelerate overseas business, “Representative for Chinese Business” (stationed in Beijing, China) and “Representative for ASEAN Business” (stationed in Kuala Lumpur, Malaysia) have been appointed
- Expanded contracted services to 16 properties, including non-group customers
- Opened a representative office in Ho Chi Minh City for development of business in Vietnam



Other initiatives

(1) Initiatives in comprehensive FMS business

- Established a new IT company: FMS Solutions Co., Ltd.
 - Functions: ① To provide the Group with indirect cost-cutting measures by IT operations
 - ② To develop infrastructure for providing comprehensive FMS business outside the Group
- Expanded services menu for the comprehensive FMS business
- Launched marketing of solutions business

(2) Initiatives for improving profitability

- Promoted BPR for more efficient operation
- Reduced travel expenses by implementing TV conference and web conference systems

Results of the marketing of the comprehensive FMS <New customers in the 2nd half of FY02/2012>



● New customers

Plants/research facilities	Canon (Toride Office, and 2 others)
High-rise condominium	Shinagawa V Tower
Sports club	Megalos Garden (Hamamatsu)
Commercial complex	Asia Pacific Building
Commercial facility	Bic Camera (Nagoya-Nishi)
Commercial facility	Tokyu Hands (Sapporo)

- Photos ① Asia Pacific Building (China)
 ② Megalos Garden (Hamamatsu)
 ③ Shinagawa V Tower condominium
 ④ Tokyu Hands (Sapporo)
 ⑤ Bic Camera (Nagoya-Nishi)

§2 Initiatives in the year ending Feb. 28, 2013



3 markets and 2 shifts

3 markets

1. Major urban area market

2. Environmental load reduction market

3. Asian market

+

New concepts
2 shifts

4. Digital shift

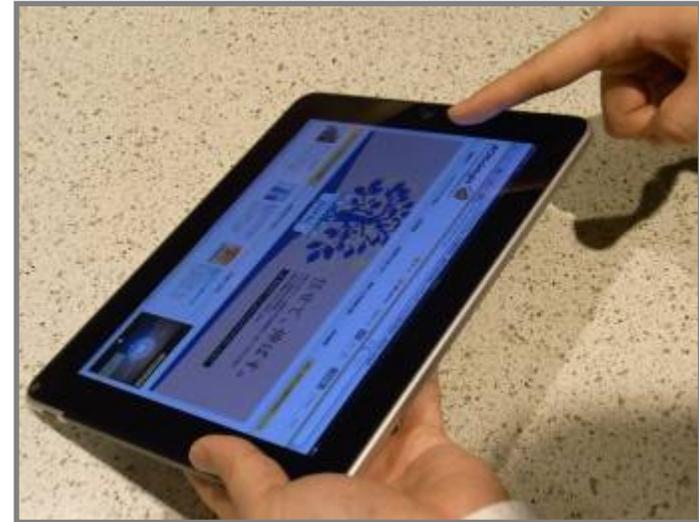
5. Seniors shift



Digital Shift and Seniors Shift

4. Digital shift

- (1) Established a new company for specialization in IT
- (2) New initiatives using IT



5. Seniors shift

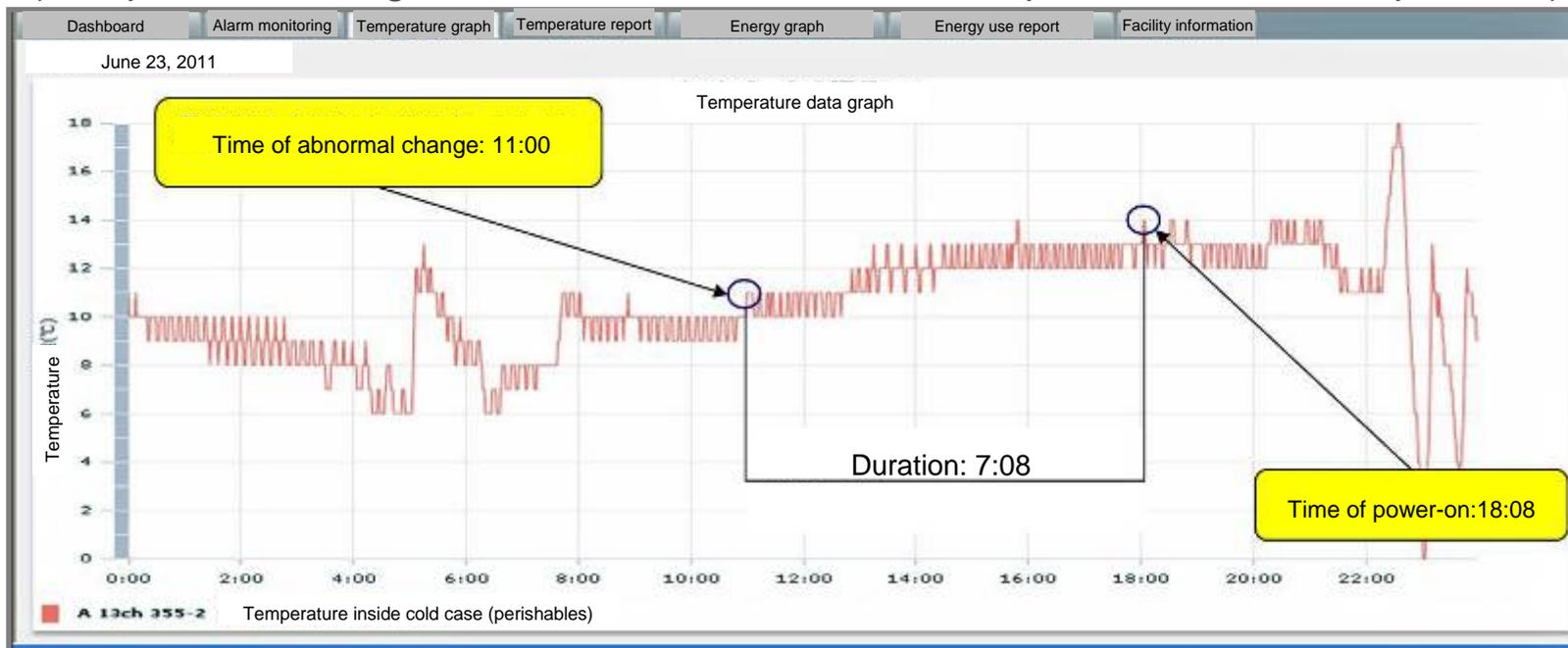
- (1) Reviewed the current specifications/ services in each business and explored new initiatives
- (2) Constructed a BtoBtoC model with KAJITAKU at its core.

① Major urban area market

1. Constructed a model for non-resident services to small stores

(1) Constructed a remote monitoring model (failure forewarning) for small stores

(Temperature changes in cold case at Store A - Example of abnormal temperature)



① Major urban area market

2. Constructed a BtoBtoC comprehensive FMS business model

- (1) Expanded marketing and improved convenience for the KAJIcloud service.
- (2) Expanded concierge services for condominiums

(KAJIcloud – packaged housekeeping services)



(Concierge at a condominium)



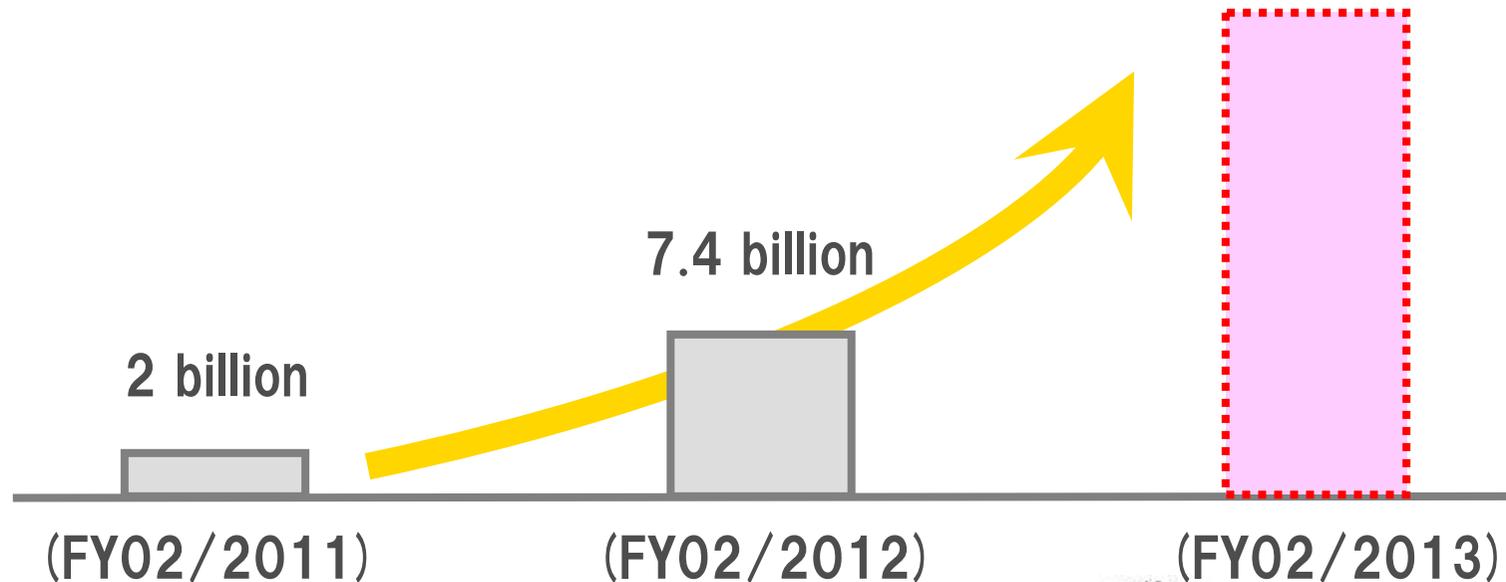
② Environmental load reduction market

1. Strengthened LED sales system

(1) Expanded LED sales inside and outside the AEON DELIGHT Group
(Dominated in price competitiveness)

(2) Developed an alliance model in Japan and Asia

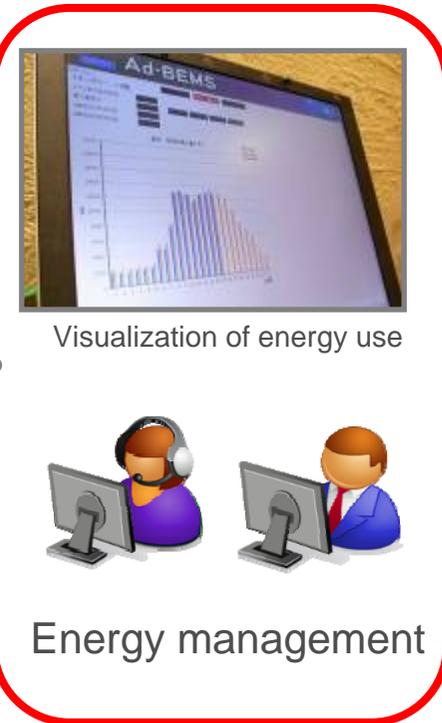
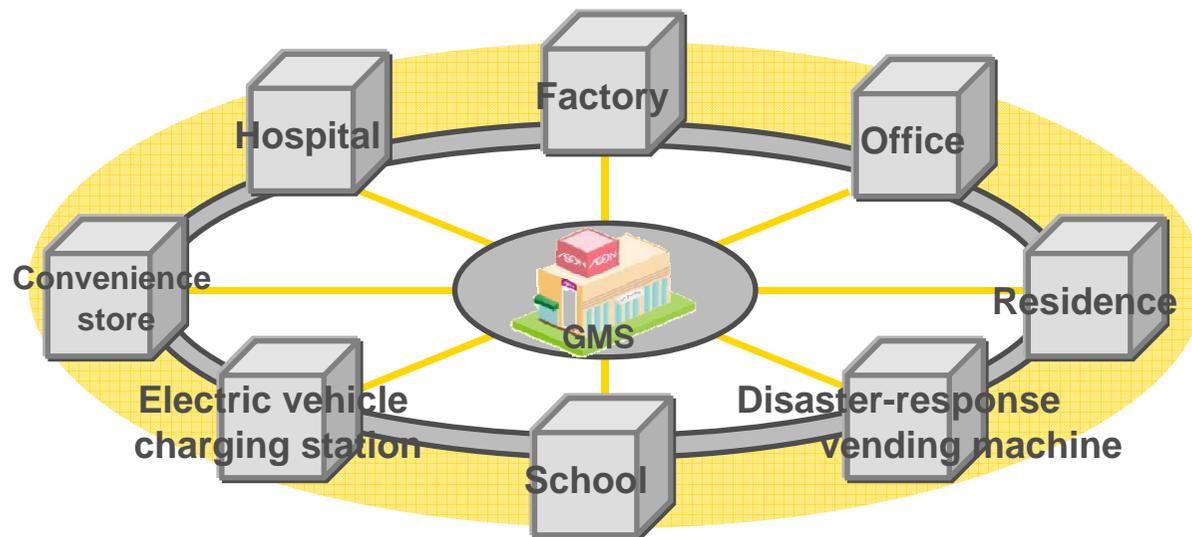
● Sales growth in the environmental load reduction work **14 billion (forecast)**



② Environmental load reduction market

2. Initiatives toward building a “Smart Community”

- (1) Expanded business as a BEMS aggregator
- (2) Constructed a GMS-centered energy management system

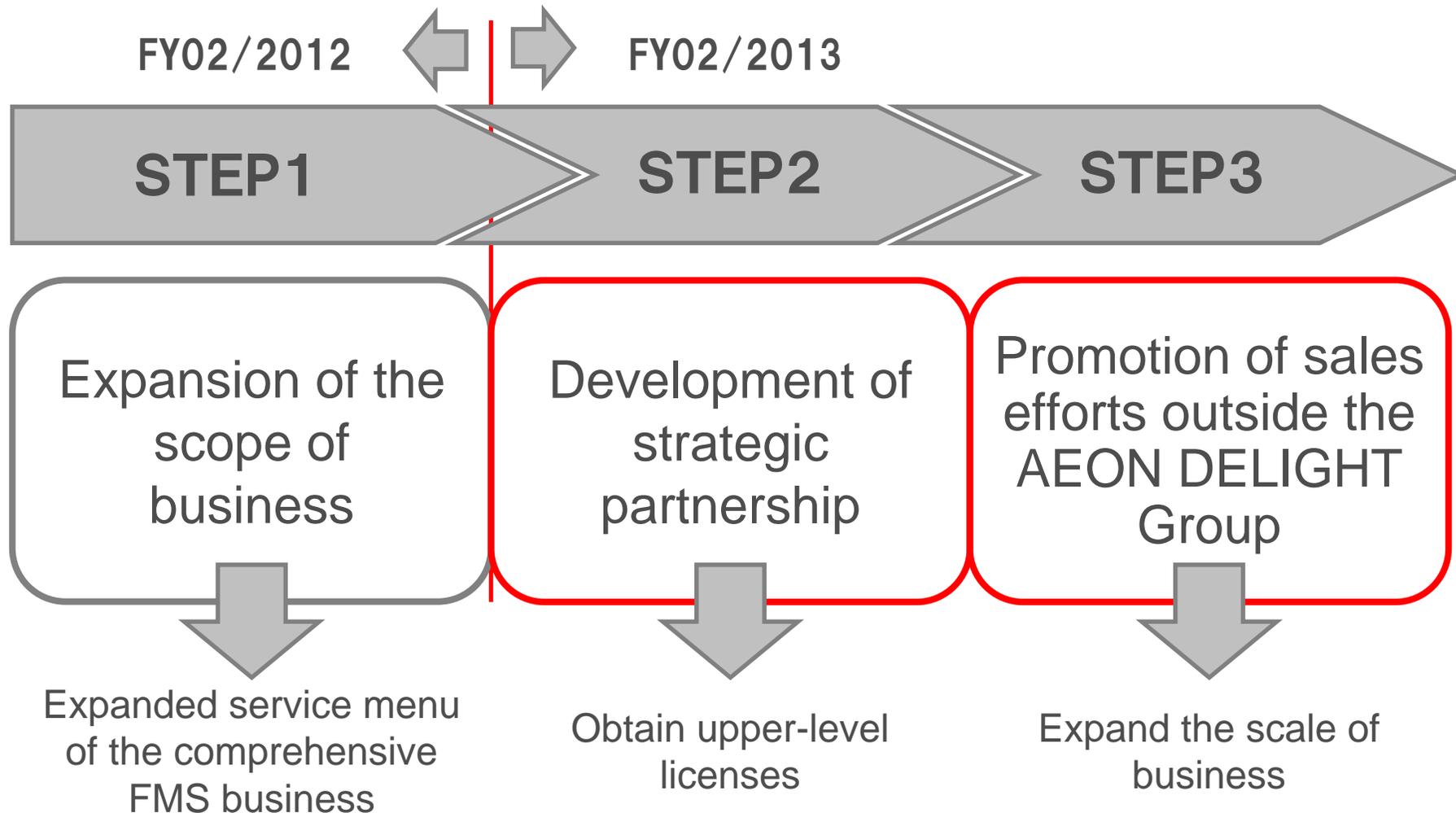


AEON stores deployed to act as a CEMS*

* CEMS: Acronym for Community Energy Management System

③ Asian market

1. Expanded comprehensive FMS business in China



③ Asian market

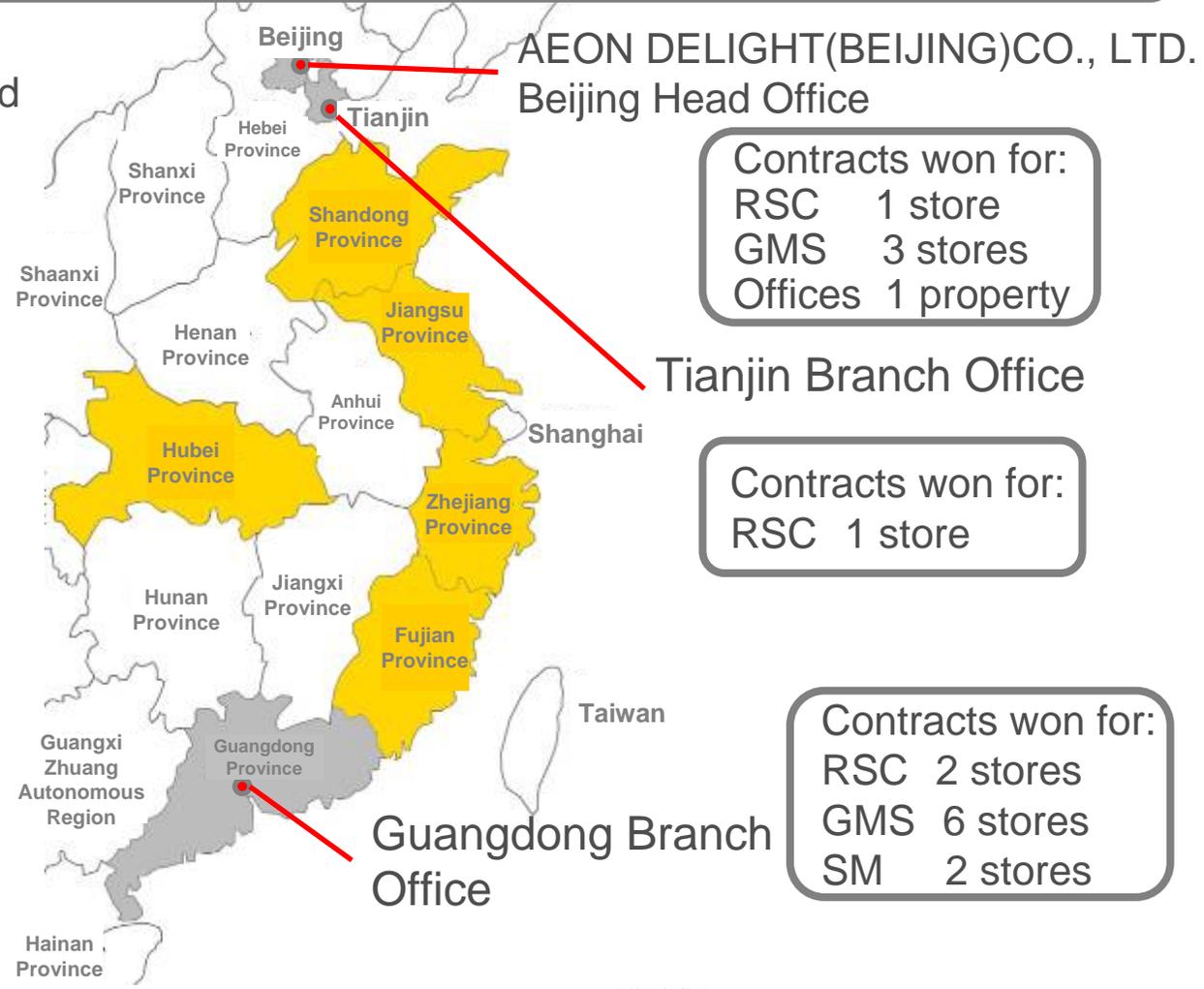
2. Area development strategies in China

Legend:

- ...Areas already covered
- ...Areas in the 2013 expansion plan

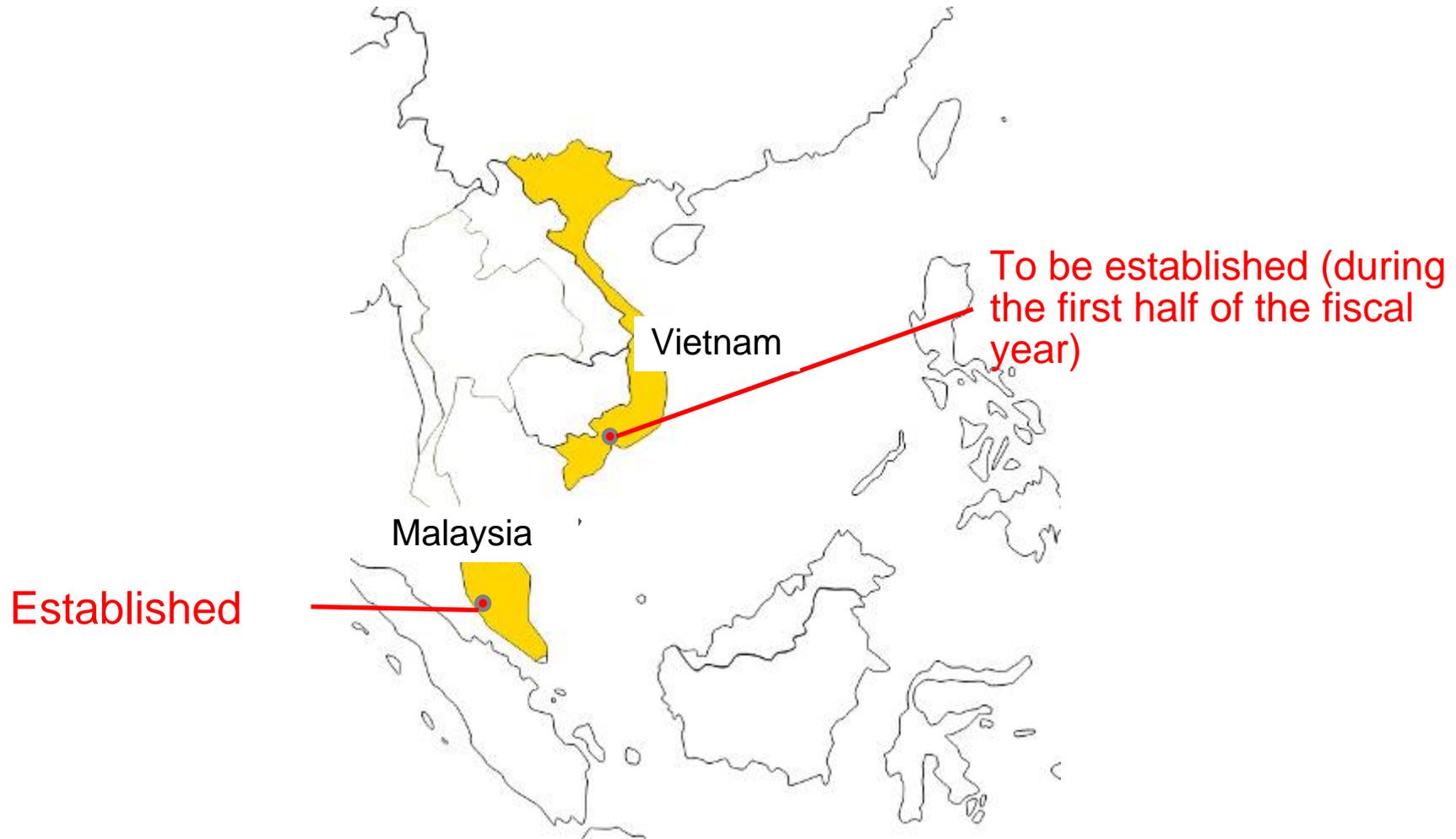
● Areas for new business development

- Shandong Province
- Jiangsu Province
- Zhejiang Province
- Fujian Province
- Hubei Province



③ Asian market

3. Establishment of local subsidiaries in ASEAN



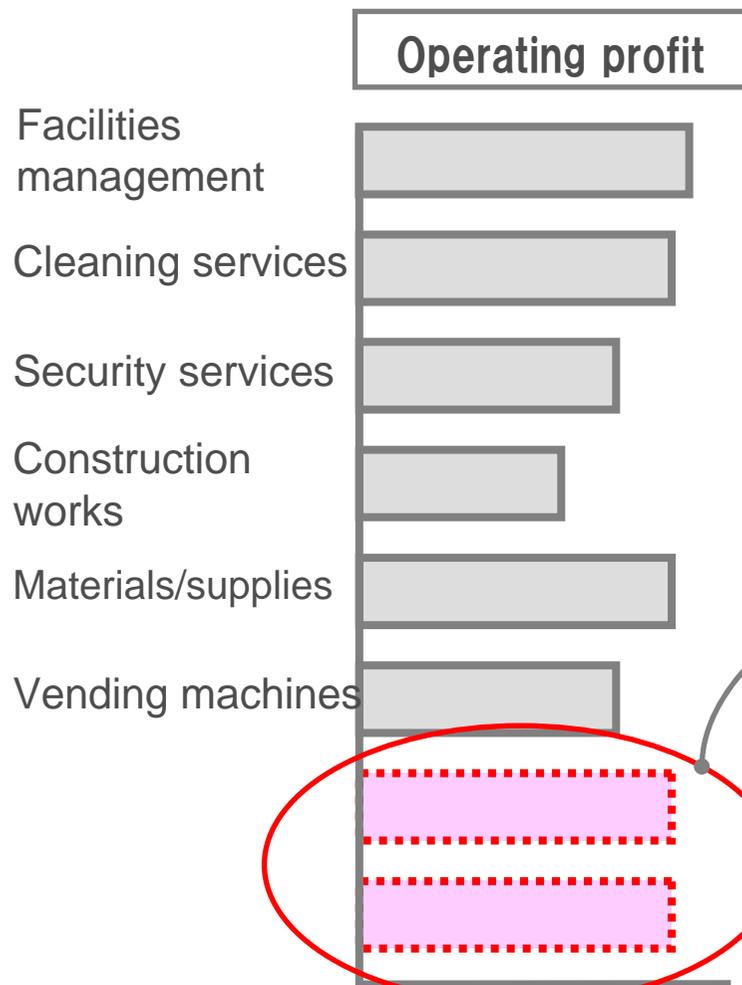
Initiatives for comprehensive FMS (Pursuit of specialization)

Initiatives taken by 6 main businesses

Facilities Management	<ul style="list-style-type: none"> - From resident control to remote control – Construction of a monitoring system
Cleaning services	<ul style="list-style-type: none"> - Development of new cleaning techniques including bacteria control for hospital cleaning - Development of ceramic flooring material and water-saving toilet system
Security services	<ul style="list-style-type: none"> - Development of a security control system combining devices and humans - Introduction of attendant-like comprehensive response services
Construction work	<ul style="list-style-type: none"> - Construction of a next-generation system, including the Smart Community
Materials/Supplies sourcing services	<ul style="list-style-type: none"> - Development of loss leader products and review of merchandise procurement including overseas sources - Logistics reform including the construction of logistics network in the Metropolitan Area
Vending machine services	<ul style="list-style-type: none"> - Development and testing of value-added vending machine services

Initiatives for comprehensive FMS (Stronger integrative capabilities)

Business development through collaboration with others and M&A



● Main businesses and services areas to be explored

- (1) Protective escort business
- (2) Environmental business
- (3) BPO business
- (4) Moving business
- (5) On-site services
- (6) Comprehensive SS services
- (7) Catering business
- (8) Mail services
- (9) Call center business
- (10) Daycare services for children
- (11) Concierge services, etc.

Initiatives for operational efficiency to improve productivity

1. To a higher level of IT-readiness

- (1) Increase in competitive edge
- (2) Increase in productivity through mobile networking

2. To shift to a solution-sales style

- (1) Stronger presentation techniques that are more visible to customers

3. Operational reform through BPR

- (1) Establishment of a new BPO company in China
- (2) Implementation of cost improvement measures
- (3) Promotion of streamlining of management division



***§ 3 Earnings Results Forecasts for the
year ending Feb. 28, 2013***



Forecast for full-year results of FY02/2013

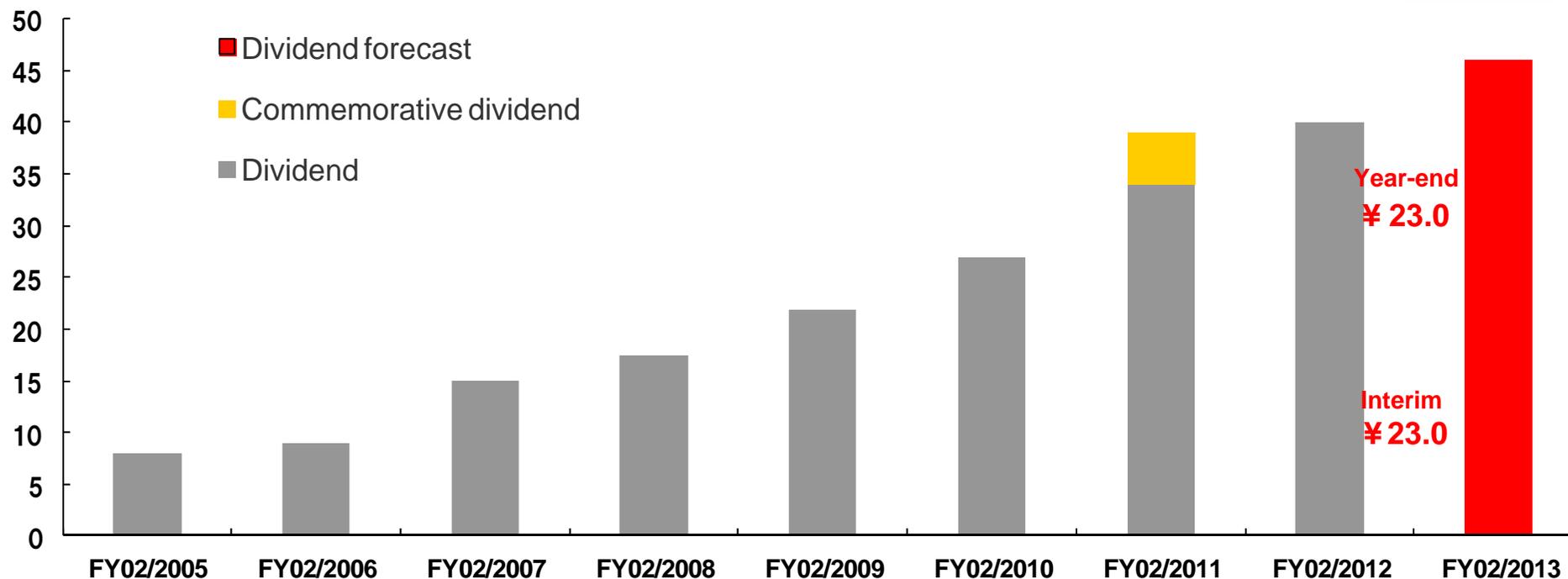
Millions of yen

	Full-year forecast for FY02/2013			FY02/2012 results	
	Amount	% to net sales	YoY change (%)	Amount (results)	% to net sales
Net Sales	260,000	100.0	118.3	219,797	100.0
Operating Income	16,600	6.4	120.6	13,762	6.3
Ordinary Income	16,600	6.4	120.4	13,784	6.3
Net Income	8,700	3.3	125.9	6,912	3.1

Returns to shareholders

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

	FY02/2005	FY02/2006	FY02/2007	FY02/2008	FY02/2009	FY02/2010	FY02/2011	FY02/2012	FY02/2013 (forecast)
Dividend	¥8.0	¥9.0	¥15.0	¥17.5	¥22.0	¥27.0	¥39.0	¥40.0	¥46.0



*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	219,797	128.6
Operating Income	8,330	149.4	9,946	119.4	9,970	100.2	12,031	120.7	13,762	114.4
Ordinary Income	8,186	149.2	9,812	119.9	9,912	101.0	12,089	122.0	13,784	114.0
Net Income	4,379	146.1	4,876	111.3	5,466	112.1	6,495	118.8	6,912	106.4

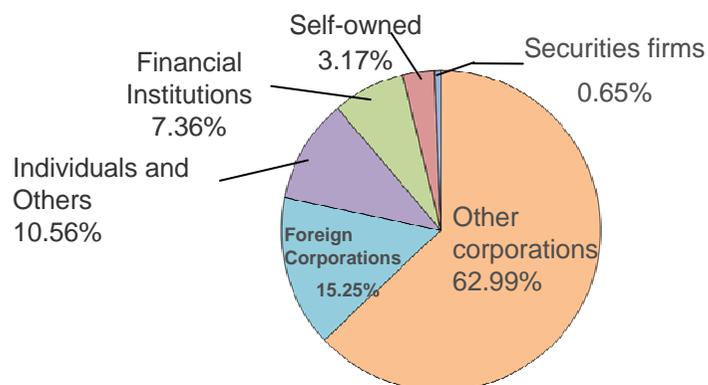
Major Shareholders and Shareholders by type (%)

Major Shareholders The ownership ratio corresponds to outstanding shares.

Numbers of shares are rounded down to the nearest one thousand;
Ownership ratios are rounded to the second decimal place.

Rank	Shareholder	No. of shares owned (1,000 shares)	%
1	AEON RETAIL Co., Ltd.	23,261	42.94
2	AEON CO., Ltd.	9,103	16.81
3	JP Morgan Chase Bank 385174	2,086	3.85
4	Japan Master Trust Bank, Ltd. (trust account)	1,074	1.98
5	Japan Trustee Services Bank, Ltd. (trust account)	752	1.39
6	AEON DELIGHT Employee Stock Ownership Association	682	1.26
7	AEON DELIGHT Business Partner Stock Ownership Association	621	1.15
8	Mellon Bank N.A. Treaty Client Omnibus	612	1.13
9	The Chase Manhattan Bank N.A. London S.L. Omnibus Account	512	0.95
10	BBH FOR FIDELITY LOW-PRICED STOCK FUND (Principal All Sector Sub-portfolio)	475	0.88

Shareholders by type



The data is as of February 29, 2012.

Key Management Indicators

	FY02/2009	FY02/2010	FY02/2011	FY02/2012
EPS	* ¥122.92	¥137.79	¥142.56	¥131.81
ROE	19.89%	18.91%	15.47%	12.55%
ROA	10.11%	11.19%	9.75%	7.79%
Ratio of ordinary income to net sales	6.74%	7.06%	7.07%	6.27%
Ratio of net income to net sales	3.35%	3.90%	3.80%	3.15%
Total assets turnover	3.02	2.87	2.56	2.48
Shareholders' equity ratio	54.15%	64.22%	62.32%	61.92%
Net assets per share	* ¥669.28	¥ 787.84	¥1,005.62	¥1,095.59
PER	10.29	8.83	10.57	11.62
PBR	1.89	1.54	1.50	1.40
(Reference) Share price at end of period	¥1,266	¥1,216	¥1,507	¥1,532

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

* Figures are rounded off to two decimal places.

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 (April 13, 2012).
The earnings forecasts contained herein may be revised due to unforeseen factors that may arise in the future.**