

# Supplementary Information on the Financial Results for the Nine Months Ended November 30, 2013

**AEON DELIGHT CO., LTD.** 

January 8, 2014

# FY2/14 3Q Financial Highlights

- Sales and profits increased for four consecutive years. Gross profit margin up 1.0 percentage point YoY.
- Provided Comprehensive FMS for the grand opening of “AEON Mall Makuhari Shintoshin,” Japan’s largest commercial facility as AEON’s flagship on December 20.
- With a view to renewable energy maintenance market, AEON Delight, Recycle One and several other companies jointly established mega-solar management and operation companies in Kikugawa-shi, Shizuoka. Undertook maintenance operations for peripheral facilities that can significantly influence the efficiency of power generation.  
Expanded the total energy solutions through accumulation of knowhow.
- Aggressively promoted Comprehensive FMS business in China/ASEAN. Expanded to 134 properties in China and to 39 properties in Malaysia. Expanded to 21 properties in Vietnam and prepared for the opening of its first AEON store in January 2014.
- Established a new medium-term management plan (2014- 2016) to be announced in April this year.  
Launched new initiatives such as the promotion of facilities management due to automatic control and remote monitoring using IT, management-integrated ESCO business and hygienic cleaning including spatial cleaning.



AEON delight



Net sales **101.3%** from the same period last year

Gross profit margin **11.8% → 12.8%**

Operating income **105.5%** from the same period last year

Million yen

	FY2/14 3Q actual					
	Previous 3Q actual	Pct. to net sales (%)	Current 3Q actual	Pct. to net sales (%)	YoY (%)	YoY difference
Net sales	192,391	100.0	<b>194,808</b>	100.0	101.3	+2,417
Gross profit	22,772	11.8	<b>24,965</b>	12.8	109.6	+2,193
Operating income	10,402	5.4	<b>10,970</b>	5.6	105.5	+567
Ordinary income	10,412	5.4	<b>10,982</b>	5.6	105.5	+570
Net income	5,505	2.9	<b>5,804</b>	3.0	105.4	+298

# Assessment by Segment (Net Sales)

Sales increased in the entire business segments except for construction work which was affected by LED installation last year.

Support services **128.2%** from the same period last year

Million yen

	FY2/14 3Q actual			FY2/13 3Q actual	
	Net sales	Composition ratio (%)	YoY (%)	Net sales	Composition ratio (%)
Facilities management	32,668	16.8	102.8	31,770	16.5
Cleaning services	31,666	16.3	104.1	30,411	15.8
Security services	25,286	13.0	106.4	23,773	12.4
Construction work	38,071	19.5	83.2	45,732	23.8
Materials/supplies sourcing services	33,286	17.1	113.4	29,351	15.3
Vending machine services	23,693	12.2	100.8	23,498	12.2
Support services	10,001	5.1	128.2	7,799	4.1

# Business Overview by Segment – Promotion of Structural Reform –

## Facilities management

Developed a fridge-freezer facility control function to enhance BEMS installation. Accumulated data to promote the building of its **own energy management support services**.

## Cleaning services

**Promoted quality improvement and standardization of productivity** through horizontal development of cleaning knowhow due to integration of outsourcing contractors. Installed 14 newly-developed toilets and prepared for mass production.

## Security services

Boosted “hospitality” services by **female security guard attender services**  
Promoted the construction of **the leading-edge security system (cockpit-style)** standard model.

## Construction work

**Steady progress in maintenance and repair work** within the AEON Group.  
Promoted sales activities outside the AEON Group based on energy-saving-related construction results at AEON.

## Materials/supplies sourcing services

Promoted the expansion of sales of packaging materials and sanitary materials **to new customers who joined the AEON Group**. Promoted the integration of demand for food packs.

## Vending machine services

**Net increase of 2,000 machines in cumulative 3Q** as a result of new business development due to eMoney-compatible devices/low-cost vending machines and expansion of sales to the AEON Group.

## Support services

Lifestyle support services **176.6% YoY**; packaged Housework services **“KAJICloud” matched the diversified lifestyle which led to a mega hit**.

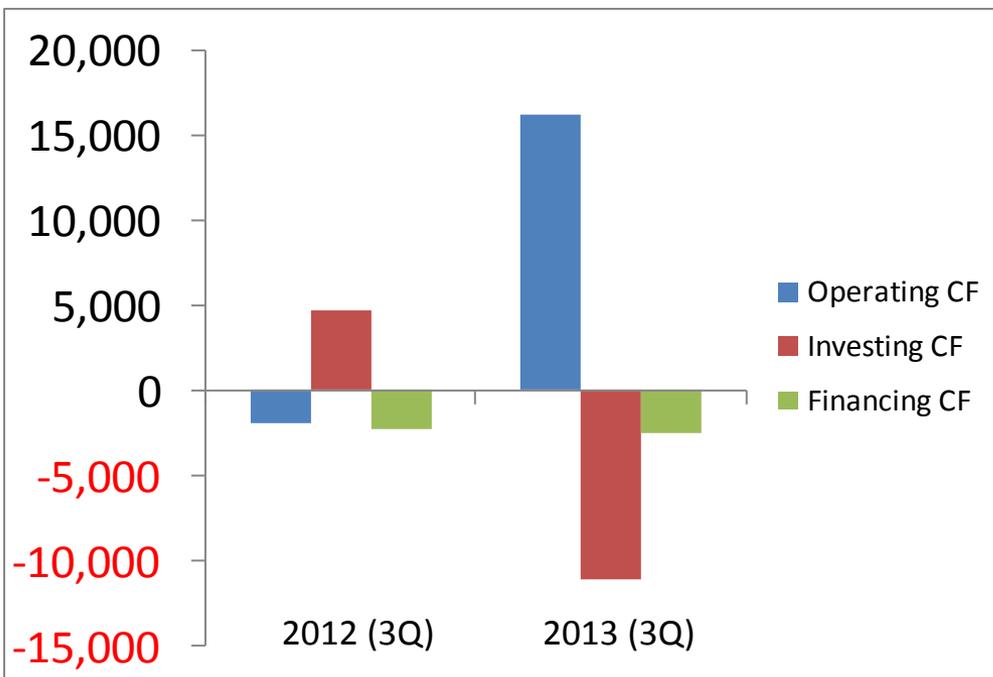
# 3Q Consolidated Balance Sheet (End-November 2013)

Million yen

	February 28, 2013	November 30, 2013	Difference		February 28, 2013	November 30, 2013	Difference
Current assets	79,323	90,579	11,255	Current liabilities	34,955	42,328	7,372
Fixed assets	21,375	22,008	632	Fixed liabilities	1,195	1,520	324
Tangible fixed assets	3,796	4,192	395	Total liabilities	36,151	43,849	7,697
Intangible fixed assets	12,321	11,883	△438				
Investments, etc.	5,257	5,933	675	Total net assets	64,547	68,738	4,190
Total assets	100,699	112,587	11,888	Total liabilities and net assets	100,699	112,587	11,888

• Factors for increase in current assets: Increases in cash and deposits and accounts receivable-trade

# Consolidated Cash Flows (FY2/14 3Q)



## Major factors for increase/decrease

【 Operating cash flows 】 16,301 million yen

Income before income taxes 10,660 million yen

Decrease in accounts receivable 2,274 million yen

Increase in accounts payable 6,171 million yen

【 Investing cash flows 】  $\Delta$ 11,198 million yen

Payments for affiliate consumption entrusted funds  $\Delta$ 159,000 million yen

Proceeds from repayments for affiliate consumption entrusted funds 149,400 million yen

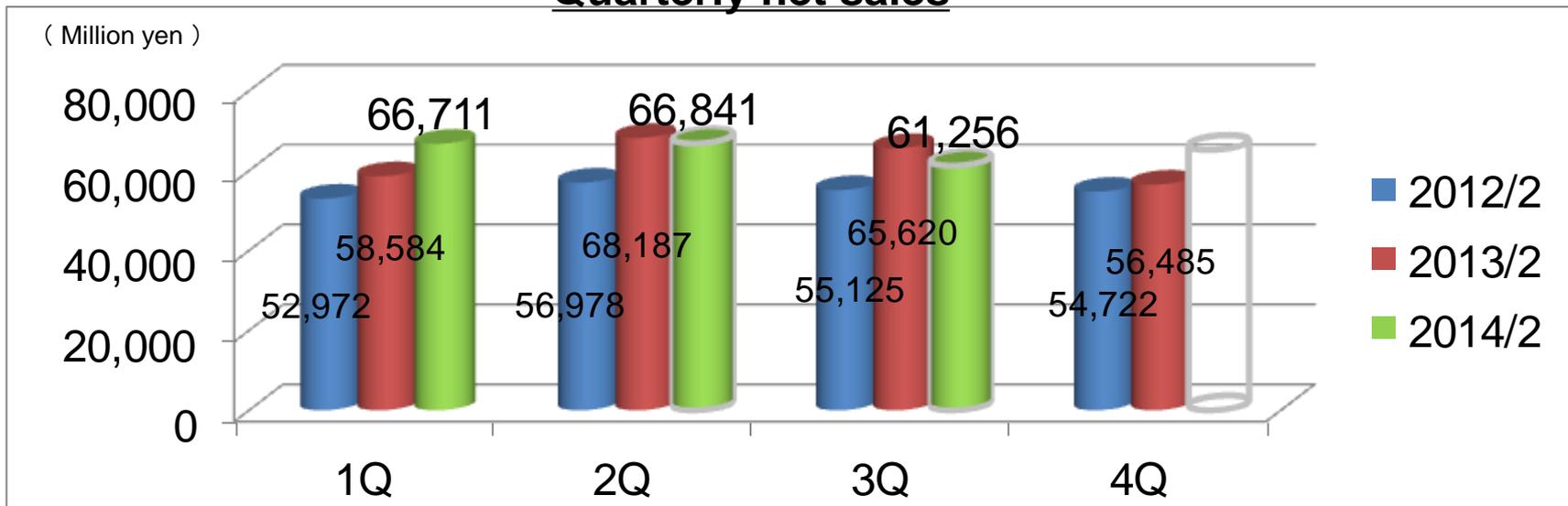
【 Financing cash flows 】  $\Delta$ 2,488 million yen

Dividend payment  $\Delta$ 2,456 million yen

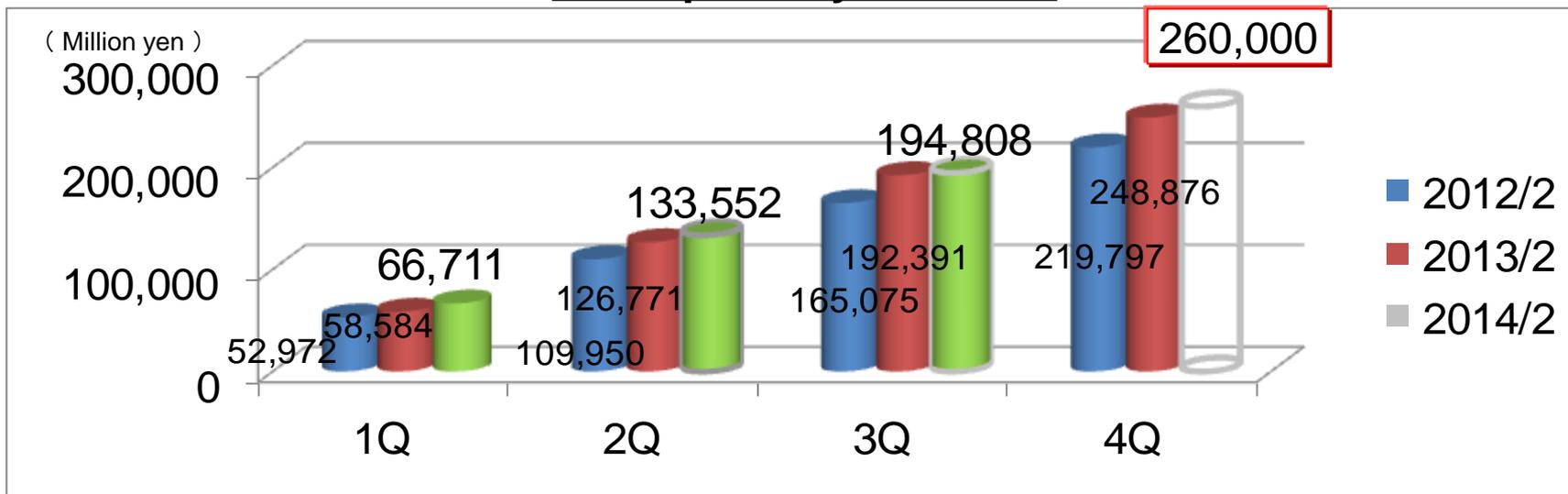
	FY2/13 3Q	FY2/14 3Q	Difference
Cash flows from operating activities	$\Delta$ 1,899	16,301	18,200
Cash flows from investing activities	4,663	$\Delta$ 11,198	$\Delta$ 6,535
Cash flows from financing activities	$\Delta$ 2,301	$\Delta$ 2,489	$\Delta$ 188
Cash and cash equivalents at the end of year	9,595	12,406	2,811

# Quarterly Net Sales for the Past Three Years

## Quarterly net sales

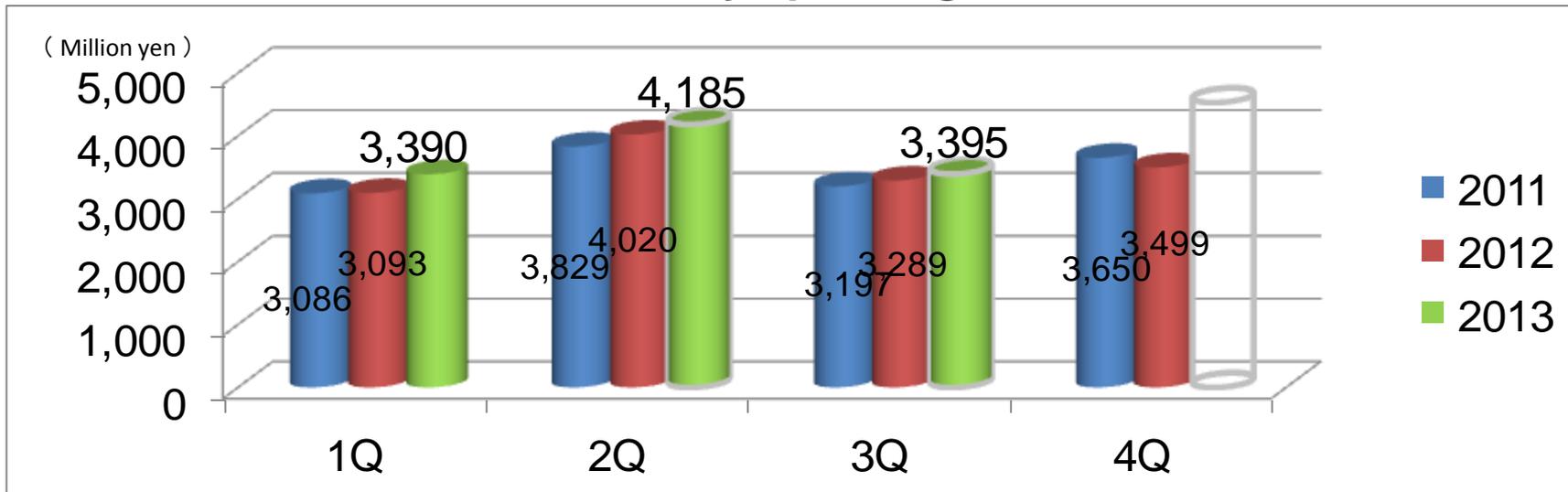


## Total quarterly net sales

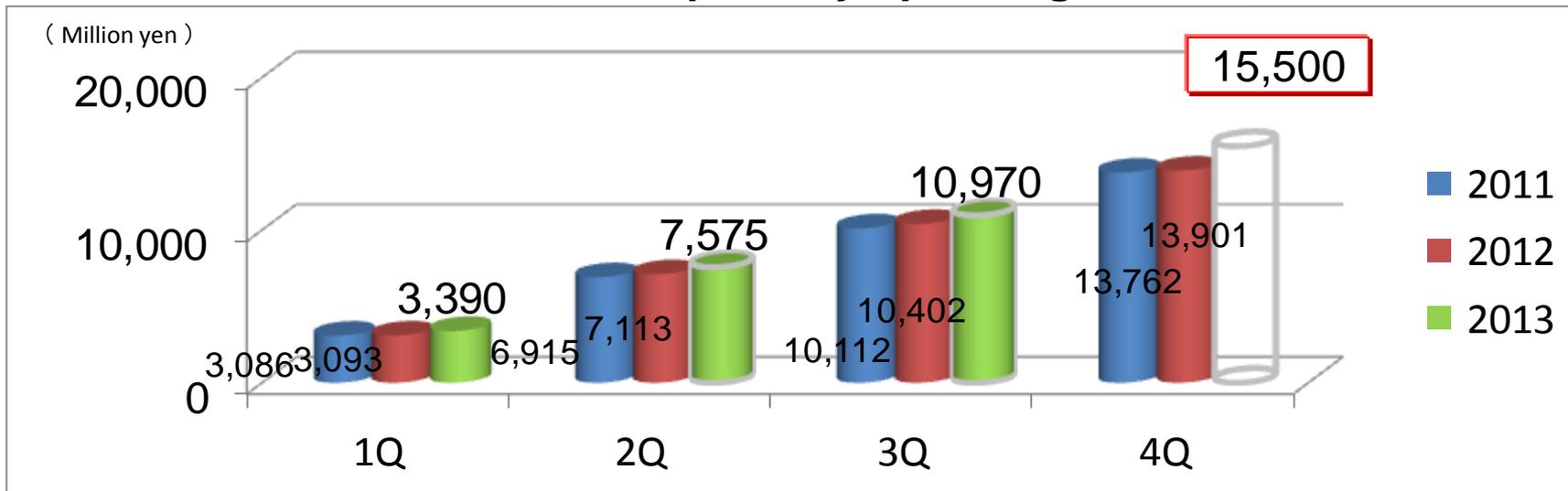


# Quarterly Operating Income for the Past Three Years

## Quarterly operating income



## Total quarterly operating income



# Major Activities in FY2/14 3Q (1)

Opened **AEON Mall Makuhari Shintoshin** on December 20, 2013  
Provided AEON's flagship store with **Comprehensive FMS**

## Menu provided

Facilities management, cleaning, manned guarding, transportation security,  
temporary security (when events are held), in-house delivery, etc.



Site area: About 192,000m<sup>2</sup>

Floor space: About 402,000m<sup>2</sup> (\*parking structure included)

## Major Activities in FY2/14 3Q (2)

Participated in building mega-solar facilities with a total of 16.9 megawatts in two places in Kikugawa-shi, Shizuoka. AEON Delight, Recycle One and several other companies jointly established mega-solar management and operation companies. (Sales of electricity will begin in February 2015)

With a view to **renewable energy maintenance market**, undertook maintenance operations for peripheral facilities that can influence the efficiency of power generation.

【Renderings】



Kikugawa Ishiyama Solar Ltd.



Kikugawa Horinouchiya Solar Ltd.

## China

Steadily expanded development areas through area strategy (joint regional strategy) (Beijing, Tianjin, Guangdong, Jiangsu, Hubei)

Services provided at **134 locations** including **96 locations outside the AEON Group**

Established a joint venture for elevators in Suzhou to **strengthen expertise**

➡ **From a management on a single-entity basis to group management** Aim to establish a holdings function

Differentiate from other companies by becoming specialized in such as energy-saving and elevators

Standardize work and strengthen human resources education to improve quality



## Malaysia

December Met with Malaysia’s International Secretary of State for Trade and Industry who visited Japan

December Undertook **the first commercial facility outside the AEON Group**; provide services to **55 locations**

➡ Aim to develop business centered on energy-saving, cleaning and vending machine



## Vietnam

Provided services to **“AEON Mall Tan Phu Celadon” (the first AEON in Vietnam)**, the Vietnam’s largest commercial facility (soft opening on January 1, 2014, grand opening on January 11, 2014)

➡ Promoted the establishment of operating base



# Initiatives from FY2/14 4Q

## ■ Initiatives for the establishment and implementation of a new medium-term management plan (2014- 2016)

-To deal with the new needs of the facility management industry-

- Cleaning solution to ensure the sanitation and cleanliness of living space

Conducted research and surveys aiming for “**hygienic cleaning**” including spatial cleaning such as decontamination and sterilization taking advantage of being No.1 in the cleaning business in Japan and knowhow

- Promote efforts to build its own “**energy solution**” by combining knowhow of building management and energy-saving system including BEMS

-Initiatives for equipment automatic control using IT and centralized control of contracted facilities

-**Area management** demonstration business from resident management to remote monitoring

-Challenge of **management-integrated ESCO business**



Redefinition of business domain to make the next leap forward

Plan to announce a new medium-term management plan (2014 – 2016) in April this year

# Business Forecast for the Fiscal Year Ending February 28, 2014

Million yen

	Full-year forecast for FY2/14			FY2/13 actual	
	Amount	Pct. to net sales (%)	YoY (%)	Amount (Actual)	Pct. to net sales (%)
Net sales	260,000	100.0	104.5	248,876	100.0
Operating income	15,500	6.0	111.5	13,901	5.6
Ordinary income	15,500	6.0	111.6	13,892	5.6
Net income	8,300	3.2	110.5	7,509	3.0

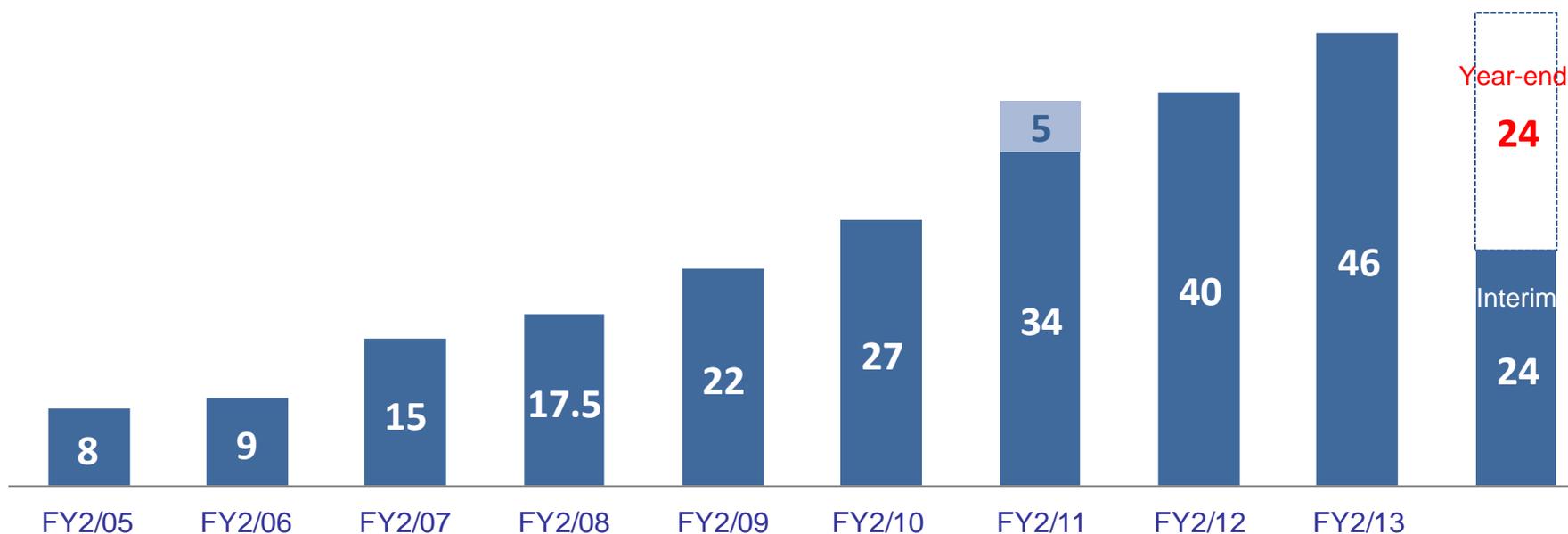
Gross profit margin improved by more than **1.0** percentage point

# Shareholder Return

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

	FY2/05	FY2/06	FY2/07	FY2/08	FY2/09	FY2/10	FY2/11	FY2/12	FY2/13	FY2/14
Dividend	¥8.0	¥9.0	¥15.0	¥17.5	¥22.0	¥27.0	¥39.0	¥40.0	¥46.0	¥48.0

■ Dividend ■ Commemorative dividend □ Dividend forecast



\*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.

## The company's corporate site won 2 awards – Nikko IR and Daiwa IR!

■ Won the Best Website Award in the Nikko IR Co., Ltd.'s “Fiscal 2013 Listed Company Website Quality Ranking”



■ Won the Excellent Prize in the Daiwa Investor Relations Co., Ltd.'s “Internet IR Award”



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 one million yen have been rounded down

◇ Percentages have been rounded off to one decimal place

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This presentation has been prepared based on the information available as of the date of the presentation (November 30, 2013). The business forecasts may be revised due to various factors that may arise in the future.