



Supplementary Information on the Financial Results for the Nine Months Ended November 30, 2014

AEON DELIGHT CO., LTD. 

The logo for Aeon Delight is a yellow, rounded shape with a black outline, containing a simple black smiley face with two dots for eyes and a curved line for a mouth. Three small black dots are positioned above the shape, suggesting a lightbulb or a happy expression.

January 9, 2015

- The demand for comprehensive facility management service is growing as buildings become larger and serve more purposes. There is also an increasing need for disaster preparedness. As a result, sales and earnings in the first three quarters were higher for the fifth consecutive year. **Sales of 199.2 billion yen and net income of 6.3 billion yen were both all-time highs.**
- Construction work sales were down from the previous year due to the completion of LED installation projects for the AEON Group, but **sales were higher in the other six business segments.**
- Earnings benefited from constant activities to raise productivity and reasonable cost-control measures in all business segments. **Operating income increased 3.0% from the previous year to 11.3 billion yen, an all-time high for the first three quarters of a fiscal year.**

Sales and earnings increased for the fifth consecutive year and were all-time highs due mainly to steady increase of orders for large facilities.

100 million yen

	FY2/15 3Q actual					
	Current 3Q actual	Pct. to net sales (%)	YoY (%)	YoY difference	Previous 3Q actual	Pct. to net sales (%)
Net sales	1,992	100.0	102.3	+44	1,948	100.0
Operating income	113	5.7	103.0	+3	109	5.6
Ordinary income	113	5.7	103.2	+3	109	5.6
Net income	63	3.2	110.0	+5	58	3.0

Construction work sales were down from the previous year due to the completion of LED installation projects for the AEON Group, but **sales were higher in the other six business segments.**

100 million yen

	FY2/15 3Q actual			FY2/14 3Q actual	
	Net sales	Composition ratio (%)	YoY (%)	Net sales	Composition ratio (%)
Facilities management	344	17.3	105.3	326	16.8
Cleaning services	330	16.6	104.3	316	16.3
Security services	271	13.6	107.3	252	13.0
Construction work	323	16.2	85.0	380	19.5
Materials/supplies sourcing services	354	17.8	106.6	332	17.1
Vending machine services	258	12.9	108.9	236	12.2
Support services	110	5.6	110.5	100	5.1

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

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 **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.** 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 developed and installed in the previous fiscal year contributed to sales, providing added-value vending machines with digital signage and other features.

Support services

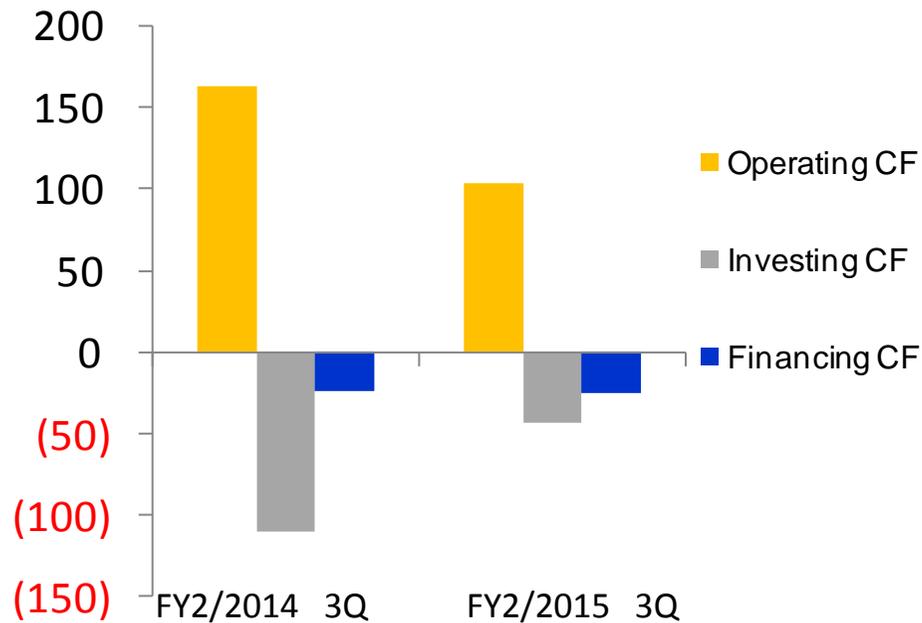
Expanded sales of **event direct marketing business of AEON Compass** and **Housework services (KAJICloud) of KAJITAKU (YoY 151.2%)**

Consolidated Balance Sheet

100 million yen

	February 28, 2014	November 30, 2014	Difference		February 28, 2014	November 30, 2014	Difference
Current assets	903	996	92	Current liabilities	393	449	56
Fixed assets	217	215	Δ2	Fixed liabilities	15	13	Δ1
Tangible fixed assets	42	44	1	Total liabilities	408	462	54
Intangible fixed assets	116	113	Δ3	Total net assets	713	749	36
Investments, etc.	58	57	Δ0	Total liabilities and net assets	1,121	1,211	90
Total assets	1,121	1,211	90				

Consolidated Cash Flow Statement



100 million yen

	FY2/2014 3Q	FY2/2015 3Q	Change
Cash flows from operating activities	163	104	△58
Cash flows from investing activities	△111	△44	67
Cash flows from financing activities	△24	△25	△1
Cash and cash equivalents at the end of year	124	154	30

Major factors for increase/decrease(Billion yen)

【Operating cash flows】 10.4 billion yen

Income before income taxes	11.2
Decrease (increase) in accounts receivable	△4.3
Increase (decrease) in accounts payable	4.7

【Investing cash flows】 △4.4 billion yen

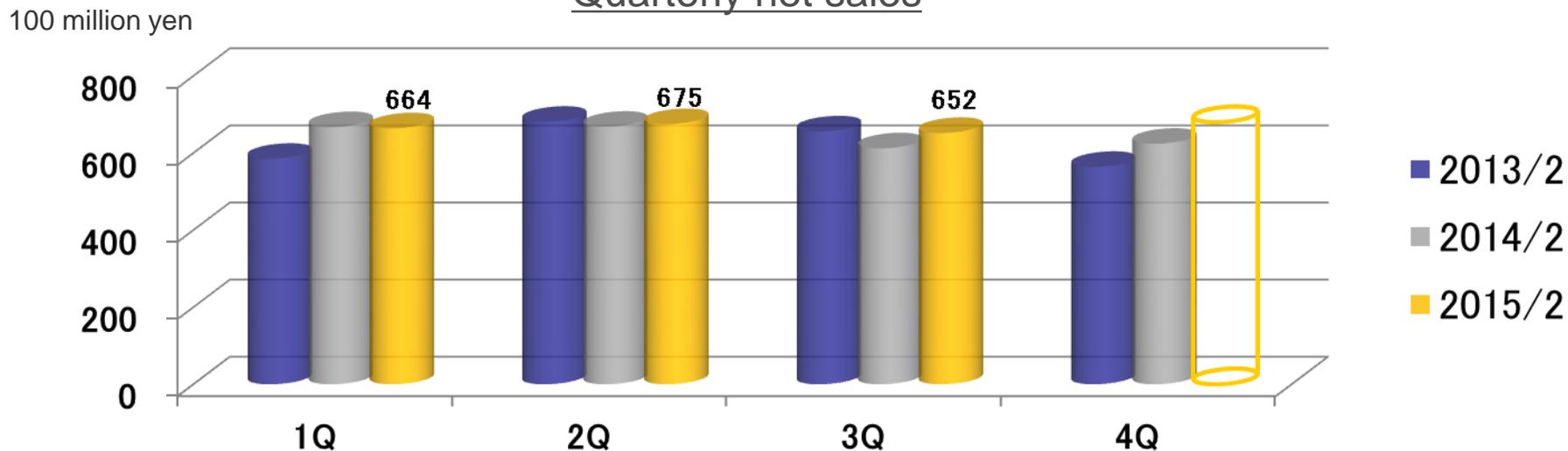
Payments for affiliate consumption entrusted funds	△164.7
Proceeds from repayments for affiliate consumption entrusted funds	162.1

【Financing cash flows】 △2.5 billion yen

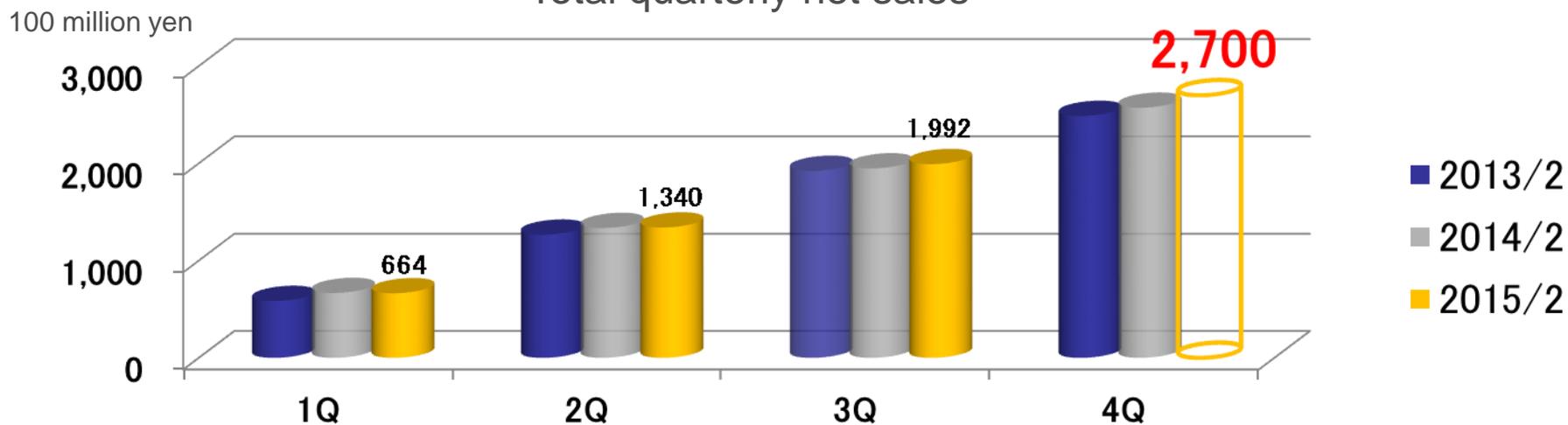
Dividend payment	△2.5
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Quarterly Net Sales for the Past Three Years

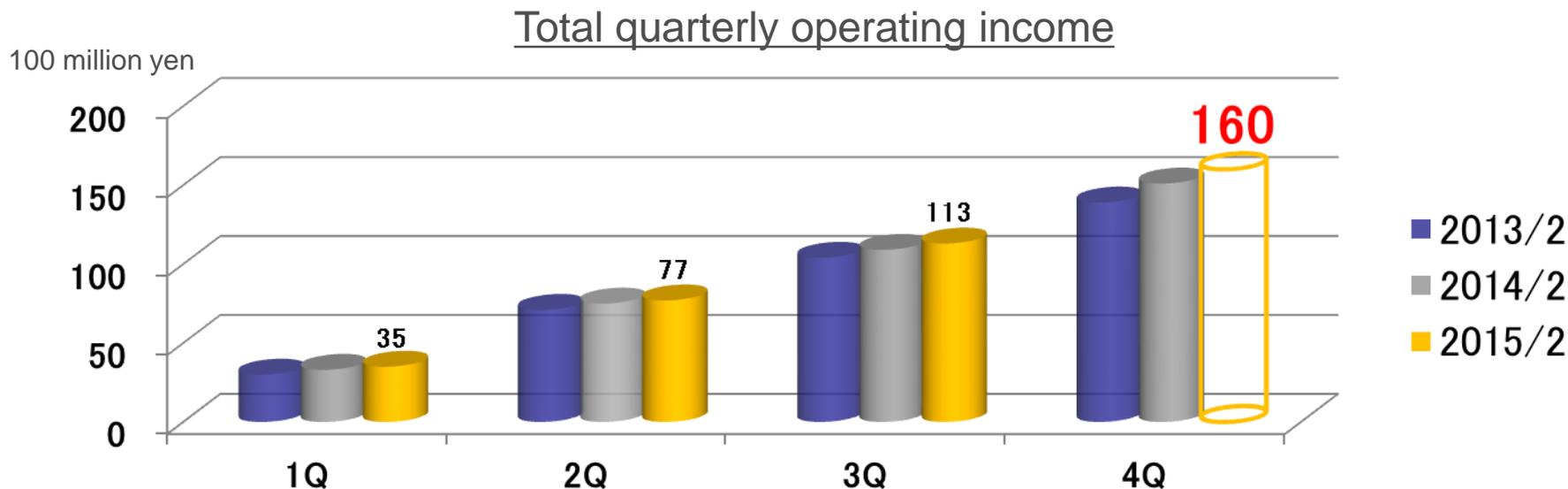
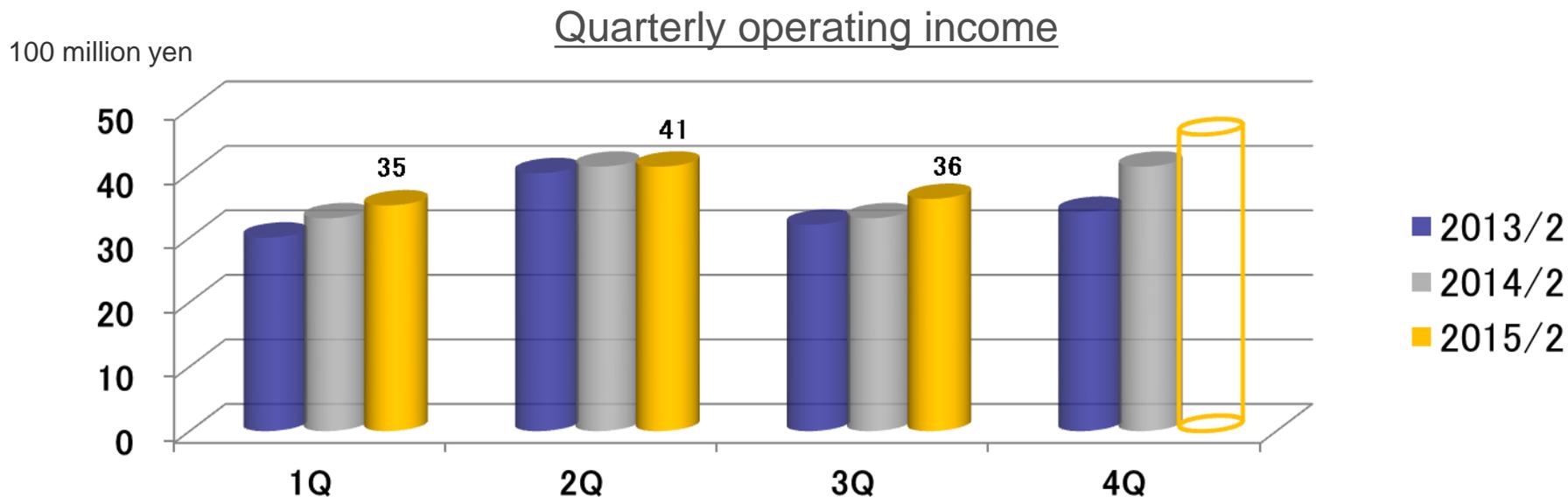
Quarterly net sales



Total quarterly net sales



Quarterly Operating Income for the Past Three Years



Aiming to capture comprehensive facility management service contracts in Asia for large facilities of companies **other than members of the AEON Group**

Improving profitability mainly in cleaning services by raising productivity

	~FY2/15 3Q	From FY2/15 4Q
Initiatives for Growth		
Capture new contracts for large-scale facilities	Increase the volume of contracts to manage large facilities of companies other than the AEON Group → Provide services for a diverse array of buildings and other facilities	Perform well targeted sales activities by emphasizing AEON Delight's comprehensive service lineup and powerful infrastructure (personnel and network).
Growth in Asia	Expand comprehensive facility management services operations in China and the ASEAN region Number of facilities under management (change vs. prior year) China 148 (+14), Malaysia 118 (+79), Vietnam 76 (+55)	<u>China</u> ··· Establish a localized management framework (regional headquarters) to make its operations more efficient and reinforce governance <u>ASEAN</u> ··· Promote the energy-saving business in Malaysia. Goal is fiscal-year profitability by providing services to more customers
Initiatives to improve profitability		
Standardize cleaning service tasks and cut costs	Improve productivity by standardizing operations (new work flow, improving 5S methodology) at all directly managed centers and provide know-how to partner companies → Increase the gross profit margin	Full-scale start of small-group activities based on the Campaign for Ease of Work. Goal is more improvements in quality and productivity by building a framework that enables on-site employees to take actions on their own for improving work processes. → Create a model in the cleaning business and then consider ways to utilize this model in all other businesses.

100 million yen

	Full-year forecast for FY2/15			FY2/14 actual	
	Amount	Pct. to net sales (%)	YoY (%)	Amount (Actual)	Pct. to net sales (%)
Net sales	2,700	100.0	105.0	2,572	100.0
Operating income	160	5.9	105.9	151	5.9
Ordinary income	160	5.9	106.0	150	5.9
Net income	86	3.2	105.4	81	3.2

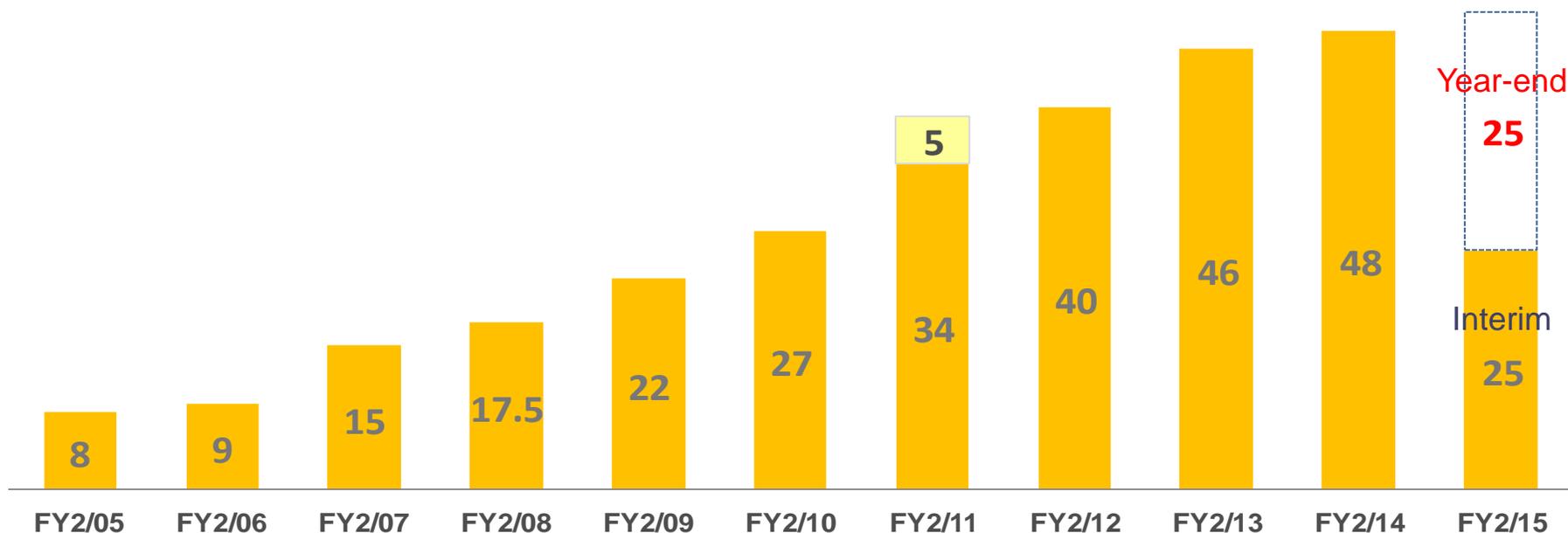
Aim for **ten** consecutive years of increased dividends since FY2/06

	FY2/05	FY2/06	FY2/07	FY2/08	FY2/09	FY2/10	FY2/11	FY2/12	FY2/13	FY2/14	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

□ Dividend forecast

■ Commemorative dividend

■ Dividend



*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.

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

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This presentation has been prepared based on the information available as of the date of the presentation (January 9, 2015).
The business forecasts may be revised due to various factors that may arise in the future.