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# Financial Results for the Fiscal Year Ended February 29, 2016

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**AEON DELIGHT CO. LTD.** 

Ippei Nakayama, President and CEO  
April 13, 2016

## **1** Financial Report for the Fiscal Year Ended February 2016

## **2** Initiatives for the Fiscal Year Ending February 2017

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## **2** Initiatives for the Fiscal Year Ending February 2017

# Consolidated Income Statement

Sales increased for 6 consecutive years and  
Earnings increased for 12 consecutive years

Summary of Consolidated income statement (100 million yen, %)	FY2/15		FY2/16		YoY Change	
	Result	Pct. to net sales (%)	Result	YoY (%)	Difference	YoY (%)
Sales	2,667	100.0%	2,810	100.0%	143	105.4%
Gross profit	351	13.2%	373	13.3%	22	106.5%
SG&A	192	7.2%	206	7.4%	14	107.4%
Operating income	158	5.9%	167	5.9%	8	105.3%
Ordinary income	159	6.0%	166	5.9%	7	104.6%
Net income	87	3.3%	96	3.4%	9	110.7%

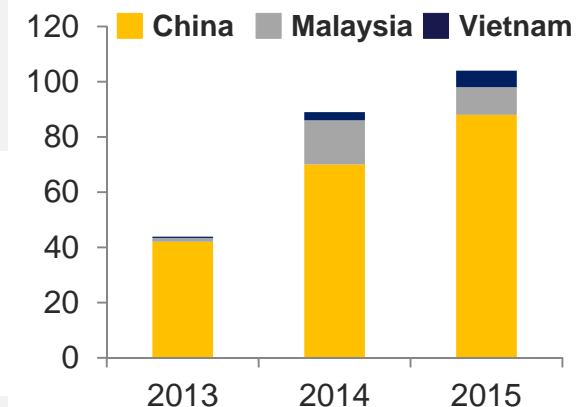
## 1 Business expansion in Japan

Orders from hospitals increased/ Made Hakuseisha Co., Ltd. into wholly-owned subsidiary/ "KAJITAKU" service grew

## 2 Business expansion in Asia

Overseas sales surpassed 10 billion yen

◆ Changes in overseas sales (100 million yen)



## 3 Strengthening of competitive advantages

Strengthened hygiene control service/ Established CFC management system/ Restructured business portfolio

# Sales by Segment

Increased YoY in the six business segments except for vending machine services  
Double digit growth in support services; 119.9% YoY

Consolidated (100 million yen)	FY2/15	FY2/16	
	Result	Result	YoY
Facilities management	458	489	106.8%
Cleaning services	442	478	108.1%
Security services	366	384	105.0%
Construction work	419	438	104.5%
Support services	155	186	119.9%
Materials/supplies sourcing services	476	505	106.1%
Vending machine services	348	327	94.0%
Total sales	2,667	2,810	105.4%

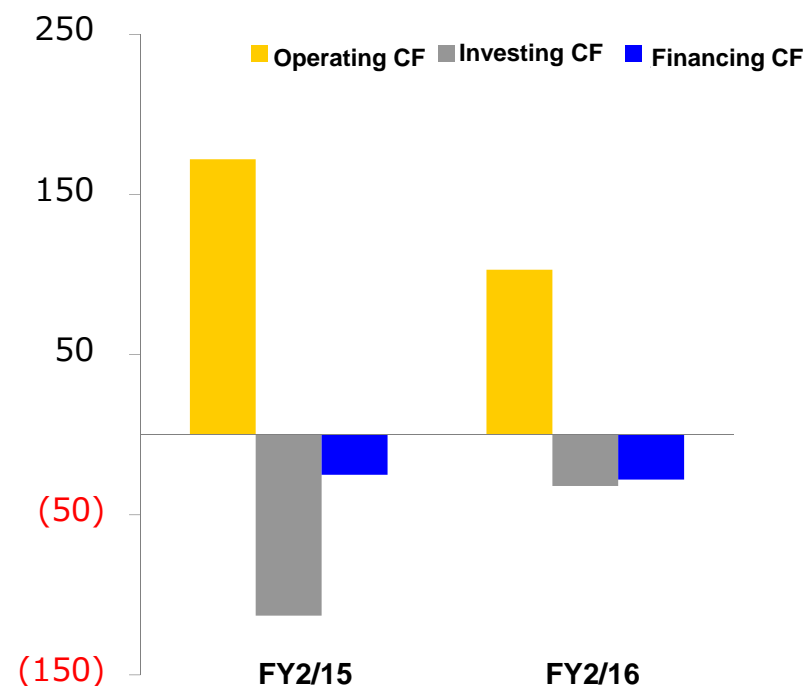
# Consolidated Balance Sheet

Assets (100 million yen)	FY2/15	FY2/16	YoY Difference
Current assets	1,044	1,056	11
Tangible fixed assets	43	70	27
Intangible fixed assets	109	103	▲5
Investments, etc	62	81	19
Fixed assets	215	256	41
Total assets	1,260	1,313	53

Liabilities and net assets (100 million yen)	FY2/15	FY2/16	YoY Difference
Current liabilities	466	448	▲18
Fixed liabilities	19	25	6
Total liabilities	485	473	▲12
Shareholder's equity	740	810	70
Total net assets	774	840	65
Total liabilities and net assets	1,260	1,313	53

# Consolidated Cash Flow Statement

Assets (100 million yen)	FY2/15	FY2/16	YoY Change
Cash flows from operating activities	172	103	▲69
Cash flows from investing activities	▲113	▲32	81
Cash flows from financing activities	▲25	▲28	▲2
Cash and cash equivalents at the end of year	154	194	39



## 1 Financial Report for the Fiscal Year Ended February 2016

## 2 Initiatives for the Fiscal Year Ending February 2017

## A Year of Accelerated Reforms

### ■ FY2/15 – FY2/17 Medium term management plan

Intend to establish new business model and aim for overseas business growth

#### To accelerate reforms

- Management resources invested overseas where there is excellent growth potential
- Investments to promote business model reform

#### ▶ FY2/17 Forecast

Net sales: 305 billion yen   Operating income: 17.5 billion yen

## 1 China

- Expand businesses of mainly two core companies  
【Target】 (AD Jiangsu, Wuhan Xiaozhu)
  1. Facilities offering superior quality service
  2. Infrastructure facilities, redevelopment projects
- Construct networks to expand the business throughout China
  - Expand the business area (including M&A)
  - Reinforce corporate governance structure to better cover the large country

Sales target for 2020 : 30 billion yen (30% of annual growth ratio)

## 2 ASEAN

### ■ Malaysia

Having obtained the mandatory license, commenced security service operations

### ■ Vietnam

Increase orders from commercial facilities etc.

Establish the largest business foundation in ASEAN through expansion of operating area and M&A

## Sales target for 2020 : 20 billion yen

(Aim to double sales for FY2/17 and target 50% of annual growth ratio from the next year onward )

## 1 Construction work

Facility plans and designs contribute to enhancing appeal of facilities (ability to attract customers)



Design proposal for common areas of commercial facilities and specialty stores



## 2 Vending Machine Services

The world's largest number of digital signage vending machine installed  
Creating added value by vending machines

Photo shooting by AR(Augmented Reality) system



Switch to freebee AR after a beverage purchase



Photograph can be downloaded from QR



Customer gathering event  
in commercial facility

## 1 Office building market

Increase office building management orders by energy conservation and workplace

\*Workplace : Space to work efficiently, and how it works and tricks

## 2 Cleaning robots

Simplified model to be introduced on a trial basis in FY2/17

## 3 Next-generation facility management

Remote control facility management based on centralized management



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## Provide private time to double income families

### ■ Strengthen B2B partnership

- Expand after services + KAJITAKU service  
Appliances, housing equipments + inspection, cleaning
- Development of new products by collaboration with manufacturer

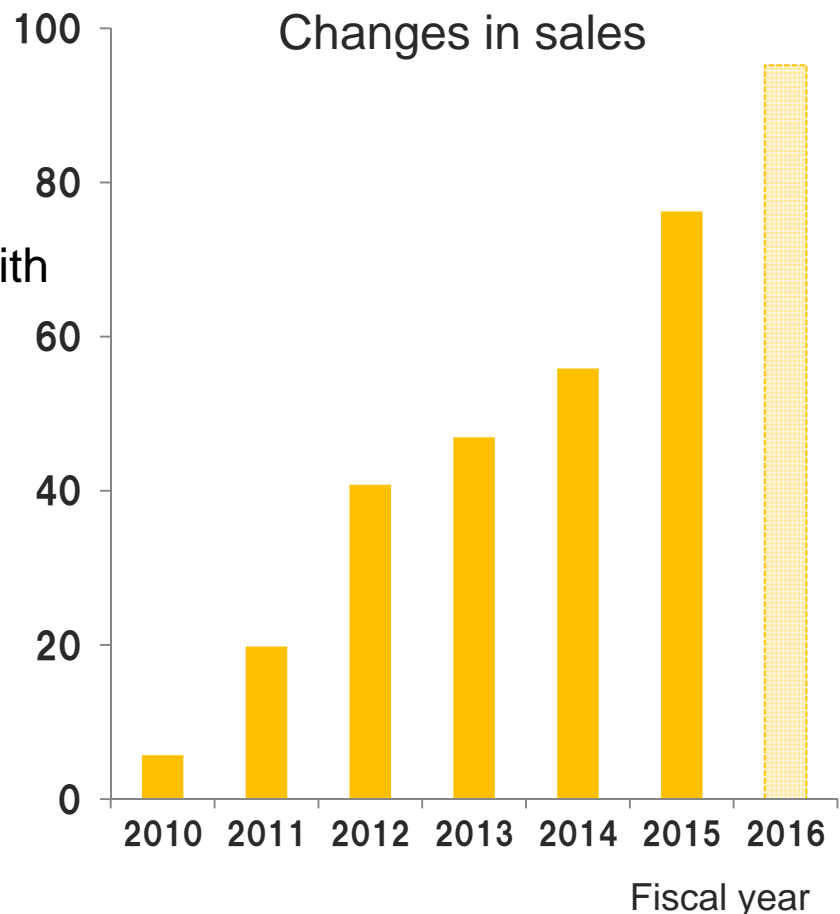
### ■ Strengthen internet sales of KAJICloud

Sales target of the series: 300% YoY



\*Offer popular housekeeping service packages in stores

100 million yen



## To provide the best comfort and the best value for money services for customers' facilities

### ■ FY2/16 Activities for creating comfortable working environment

#### ▶ Examples of successful work place reforms



Announcement meeting to present activities for creating comfortable working environment

### ■ FM-1 Grand prix 2016

#### ▶ Proposal competition on intra-company SNS



Organization designed to give full play to employees' leadership skills

# Business Forecast for FY2/17

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>	100.0%	108.5%	2,810	100.0%
Operating income	<b>175</b>	5.7%	104.7%	167	5.9%
Ordinary income	<b>175</b>	5.7%	104.9%	166	5.9%
Net income	<b>100</b>	3.3%	103.5%	96	3.4%

# Strategies for Growth in Operating Income

FY2/17 Operating income: **17.5** billion yen, YoY increase: **0.8** billion yen (Growth investment: **1** billion yen)

## Contents

## YoY Increase (100 million yen)

1. Growth in non-consolidated performance

**18 - 22**

2. Growth of domestic subsidiaries

**15 - 20**

3. Growth of overseas subsidiaries

**2 - 3**

1-3 Total amount of gross profit

**35 - 45**

YoY increase in SG&A(\*)

**27- 30**

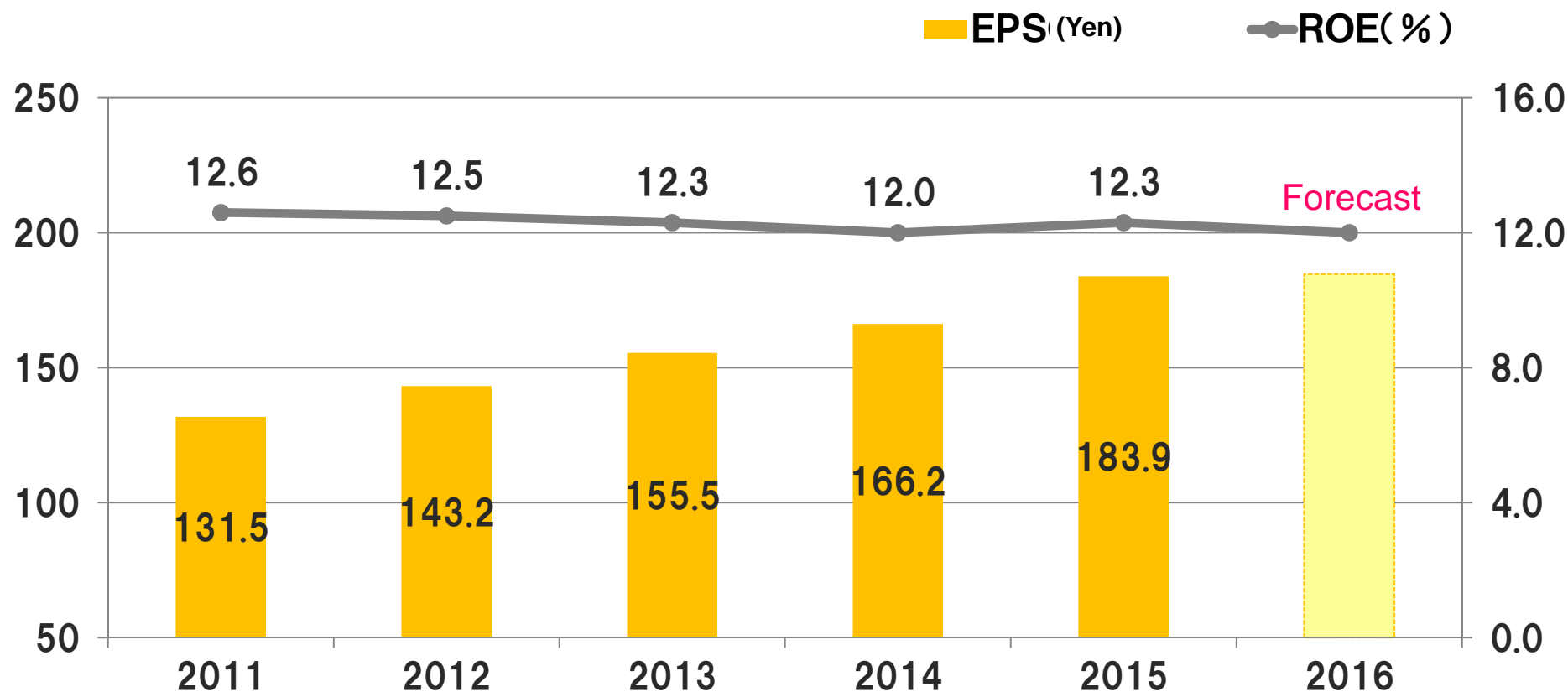
**YoY increase in operating income**

**8 - 15**

\*Including SG&A (930 million yen) of Hakuseisha

## Maintain **around 12%** of ROE

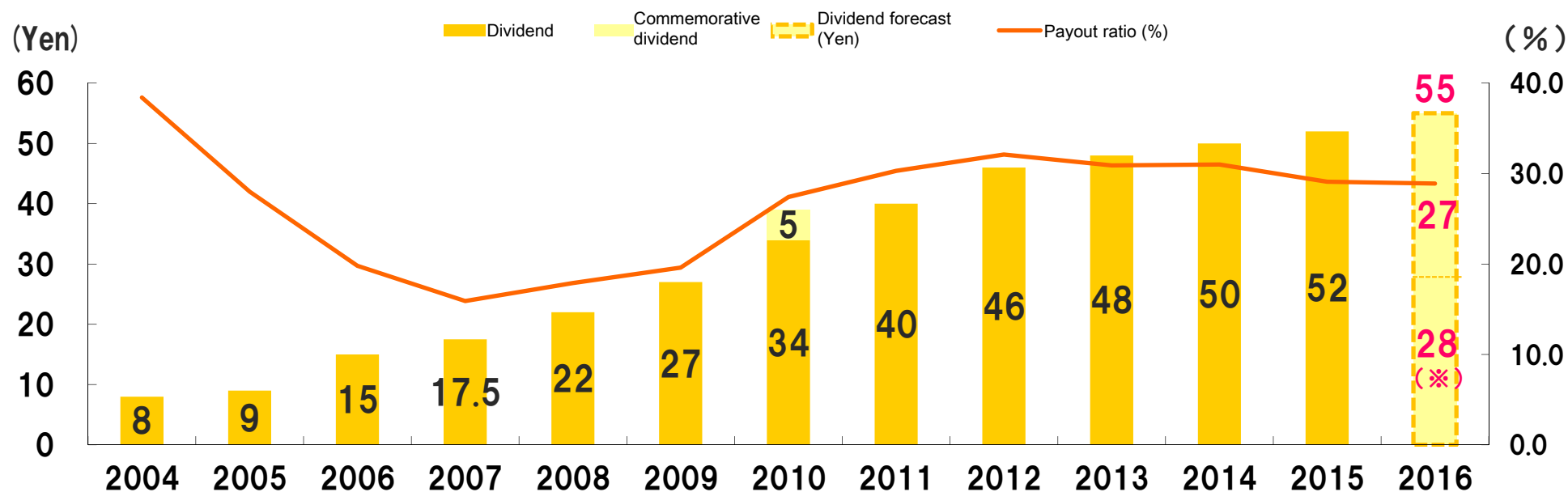
- ROE: Emphasize the ROE as a management discipline for shareholders, with aiming point of **12%** level
- Consolidated dividend ratio : Place the most importance on stable dividend, maintain 30% level of payout ratio for recent five years



# Shareholder Return

Aim for **12 consecutive years** of increased dividends since FY2/06

FY	2/05	2/06	2/07	2/08	2/09	2/10	2/11	2/12	2/13	2/14	2/15	2/16	2/17
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	55.0
Payout ratio (%)	38.4	28.0	19.8	15.9	17.9	19.6	27.4	30.3	32.1	30.9	30.1	28.3	28.9



\*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

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This presentation has been prepared based on the information available as of the date of the presentation (April 13, 2016). The business forecasts may be revised due to various factors that may arise in the future.