Summary Report of Consolidated Financial Results for the Fiscal Year Ended February 29, 2012 (Based on Japanese Accounting Standards)

April 12, 2012

Listed company name:	AEON DELIGHT CO., LTD.		Listed exchanges: Tokyo Stock Exchange and Osaka Securities Exchange (First Section)
Stock code:	9787		URL http://www.aeondelight.co.jp
Representative:	(Title)	President and CEO	(Name) Kazunori Umemoto
Contact:	(Title)	General Manager, Corporate Communication Dept.	(Name) Susumu Takahashi TEL +81-6-6260-5632

Planned date of ordinary general meeting of shareholders: May 29, 2012
Planned date for commencement of dividend payments: May 15, 2012
Planned date for filing of annual securities report: May 29, 2012
Preparation of Supplementary Materials to Financial Results: Yes
Earnings Briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen have been rounded down.)

1. Consolidated Results for the Fiscal Year Ended February 29, 2012 (from March 1, 2011 to February 29, 2012)

(1) Consolidated Operating Results

(Percentage figures show year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year Ended Feb. 29, 2012	219,797	28.6	13,762	14.4	13,784	14.0	6,912	6.4
Year Ended Feb. 28, 2011	170,905	21.8	12,031	20.7	12,089	22.0	6,495	18.8

Note: Comprehensive income
Year ended Feb. 29, 2012 7,047 million yen (-%)
Year ended Feb. 28, 2011 6,995 million yen (-%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Year Ended Feb. 29, 2012	131.81	131.52	12.5	15.5	6.3
Year Ended Feb. 28, 2011	142.56	142.28	15.5	18.1	7.0

(Reference)
Equity in net income of affiliates
Year ended Feb. 29, 2012 -13 million yen
Year ended Feb. 28, 2011 41 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Feb. 29, 2012	92,809	58,182	61.9	1,095.59
As of Feb. 28, 2011	84,624	52,887	62.3	1,005.62

(Reference)
Shareholders' equity
As of February 29, 2012 57,463 million yen
As of February 28, 2011 52,738 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year Ended Feb. 29, 2012	9,639	(10,051)	(2,722)	9,179
Year Ended Feb. 28, 2011	6,808	(3,000)	(1,321)	12,317

2. Dividends

	Annual dividends					Total Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
(Record Date)	End of the 1st Quarter	End of the 2nd Quarter	End of the 3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year Ended February 28, 2011	-	17.00	-	22.00	39.00	1,828	27.4	4.3
Year Ended February 29, 2012	-	20.00	-	20.00	40.00	2,097	30.3	3.8
Year Ending February 28, 2013 (Forecast)	-	23.00	-	23.00	46.00		27.7	

Note: The Company merged with CERTO Corporation effective as of September 1, 2010. A merger commemorative dividend of 5.00 yen per share is included in the year-end dividend for the fiscal year ended on February 28, 2011. The consolidated payout ratio excluding the commemorative dividend of 5.00 yen is 23.8%.

3. Forecast of Consolidated Results for the Year Ending February 28, 2013 (from March 1, 2012 to February 28, 2013)

(Figures expressed in percentages represent year-on-year percentage changes.)

	Net sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2013	120,000	9.1	7,600	9.9	7,600	9.0	4,000	7.6	76.26
Year Ending February 28, 2013	260,000	18.3	16,600	20.6	16,600	20.4	8,700	25.9	165.87

4. Other Remarks

(1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in changes in scope of consolidation) : None
Newly Included: - Excluded: -
Note: For more details, please refer to “Corporate Group Organization” on page 7.

(2) Changes in the principles, procedures, or methods of presentation for accounting treatment related with the preparation of the financial statements as described in “Significant Changes in the Basis for Preparation of the Financial Statements.”
1) Change arising from revisions of accounting standards: Yes
2) Change due to reasons other than described above: Yes
Note: For more details, please refer to “Changes in Significant Items that Constitute the Basis for Preparing Consolidated Financial Statements” on page 18.

(3) Number of shares issued (common stock)

1) Number of shares outstanding at end of period (including treasury shares)	As of Feb. 29, 2012:	54,169,633 shares	As of Feb. 28, 2011:	54,169,633 shares
2) Number of treasury shares at end of period	As of Feb. 29, 2012:	1,720,051 shares	As of Feb. 28, 2011:	1,726,306 shares
3) Average number of shares outstanding	Year ended February 29, 2012:	52,443,125 shares	Year ended February 28, 2011:	45,564,259 shares

Note: Number of outstanding shares as calculation base for net income per share (consolidated) is shown in “Per share information” on page 25.

(Reference) Overview of Non-consolidated Results

1. Non-consolidated Results of Fiscal Year Ended February 29, 2012
 (from March 1, 2011 to February 29, 2012)

(1) Non-consolidated Operating Results

(Percentage figures show year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year Ended Feb. 29, 2012	201,501	25.1	12,578	13.7	12,721	12.3	6,552	8.7
Year Ended Feb. 28, 2011	161,026	27.3	11,058	19.9	11,330	22.2	6,029	19.0

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Year Ended Feb. 29, 2012	124.95	124.67
Year Ended Feb. 28, 2011	132.33	132.06

(2) Non-consolidated Position

	Total Assets	Net Assets	Shareholders’ Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Year Ended Feb. 29, 2012	88,954	56,488	63.3	1,073.69
Year Ended Feb. 28, 2011	82,903	52,100	62.7	990.62

(Reference)

Shareholders’ equity	As of February 29, 2012	56,314 million yen
	As of February 28, 2011	51,951 million yen

* Items related to the conduct of audit procedures
 This summary report of consolidated financial results is not subject to audit procedures based on the Financial Instruments and Exchange Act, and an audit based on the Financial Instruments and Exchange Act had not been completed at the time this summary report was published.

* Information concerning proper use of financial forecasts and other special instructions
 The financial forecast provided in the preceding section was prepared on the information available as of the time of publication of the report. Actual results may differ from the forecast due to various factors that may arise in the future.
 Since the Company conducts consolidated base group financial management, only the consolidated financial forecast is disclosed.

○ Attached Materials Contents

1. Results of Operations

(1) Analysis of Operating Results

During this consolidated fiscal year, the Japanese economy was forced into temporary stagnation due to the impact of the Great East Japan Earthquake. While businesses began to resume their production activities in response to the recovery of supply chains, and consumer spending showed signs of improvement, the situation remained unpredictable due to various economic uncertainties, including the expanded impact of the flood damage in Thailand that affected the manufacturing sector, the prolonged appreciation of the yen, and the lack of clarity in domestic energy policy.

Amid this environment, we, as a corporation advocating the “safety and security” of customers and communities, were highly acclaimed for making substantial contributions to the resumption of the operation of various facilities, including the commercial facilities that are the infrastructure for everyday life immediately after the Great East Japan Earthquake.

As a result of this focus on assisting the recovery of the regions affected by the disaster, our initiatives for the development of new clientele and the enhancement of profitability slowed down temporarily. With the need for environmental load reduction arising across society, we successfully translated such need to growth in net sales by marketing environmentally friendly products, such as LED products, and steadily winning contracts for energy-saving-related construction and renovation works.

Aiming at achieving further growth in our Comprehensive Facility Management Service (Comprehensive FMS), which offers our customers an environment that allows them to focus on their strategically important business by providing comprehensive services relating to their management and operations, we successfully carried out aggressive sales activities in three markets targeted in our medium-term business plan announced in April 2011: the major urban area market, the environmental load reduction market and the Asian market. As a result, we achieved increases both in sales and profits. The profits increased for the eighth consecutive fiscal period, and were the highest in our history.

<Major initiatives in the current consolidated fiscal year>

(Strengthening group management)

In order to meet the targets set in our medium-term business plan (2011 to 2013 fiscal years), we focused our efforts on the strengthening of group management mainly through the expansion of the comprehensive FMS business primarily in our key business (i.e., deployment to small-store formats and the provision of IT solutions) and into a new business area (BtoBtoC).

Amid the acceleration of small-store openings in the metropolitan area, we added A to Z Service Co., Ltd., which has its strengths in the management and construction of small-scale commercial facilities, to the Group in May 2011 as a consolidated subsidiary, resulting in the establishment of a business structure capable of responding to a full line of customer needs, from large to small facilities.

In order to provide services focused on the needs of consumers who are behind our BtoB customers, we also made KAJITAKU Inc., with its strength in housework support services, into a consolidated subsidiary in April 2011. In addition to a steady expansion of sales of its “KAJIcloud (Housework Professionals)” series that makes over-the-counter marketing of housework support services possible, the company took the initiative in the development of new products. The “RinRin Safety Emergency Alert Pack,” a series of alert systems for the elderly in collaboration with Phillips Respironics GK, and “Online Closet,” a custodial service for off-season clothing, has received wide attention in the media.

In addition, in order to launch a new business to provide IT solutions that will strongly promote reform of the business structure of the Group and power the comprehensive FMS business through significant cost reductions with IT technology and the improved competitiveness of our key business, we established a new company, “FMS Solutions Co., Ltd.” in December 2011 as a joint venture with Vinculum Japan Corporation.

(Environmental business)

The demand for energy-saving products has been rising significantly since the Great East Japan Earthquake. In order to capture this demand, we promoted the adoption of BEMS (Building Energy Management System) through our activities to assist reconstruction efforts. This system makes facility operation more efficient by “visualizing” energy use by each facility. We also captured the demand for energy-saving-related construction, such as the installation of LED lighting or demand controllers that monitor and control electricity use in buildings. These efforts have successfully led to the further growth of net sales.

In recognition of our initiative for energy-saving activities focused on the hardware side based on our unique know-how developed through our comprehensive building maintenance business, including the installation of energy-efficient devices, and the collaboration with our customers in an effort to save electricity, we were awarded the Economy, Trade and Industry Minister’s Award, the highest honor of the fiscal year 2011 energy conservation awards.

(Overseas business)

As for our overseas markets, in order to accelerate our growth in Asia, we have assigned a “Representative for Chinese Business” and “Representative for ASEAN Business” in overseas business based on our structural reforms launched in September 2011. We have thus established a system whereby each representative has the responsibility and is vested with the authority to make prompt decisions. Under this system we strive to expand an optimal comprehensive FMS business from a glocal perspective.

With respect to China, our business has expanded steadily, and is now providing services to a total of 16 properties, including not only the AEON Group properties but also three non-AEON properties, such as a state-owned commercial facility in Beijing and an office building-luxury condominium complex (six in northern China and 10 in southern China). We seek to establish the comprehensive FMS business in China on the strength of the hospitality spirit we nurtured in Japan and the know-how in the comprehensive FMS business. We will also focus on environmental business through the expansion of LED products, which are in high demand.

In the ASEAN region, we opened a representative office in Malaysia to oversee our business in this area, and launched a feasibility study with the objective of establishing a local subsidiary. We also stepped up our activities for business development in Vietnam, where we opened a representative office (in Ho Chi Minh City) in May 2011.

(New contracts)

As the result of our aggressive promotion of comprehensive FMS business, we are now providing our services to facilities of various uses, including the production plant of a major appliance manufacturer, stores of the national network of a mass appliance retailer, and prefectural hospitals as well as luxury condominiums in Tokyo.

<Overview of our major businesses during the current consolidated fiscal year>

- In the facilities management business, net sales increased over the previous year to 42,147 million yen (105.3% year-on-year), due to the contribution of A to Z Service Co., Ltd., which was made a consolidated subsidiary in May 2011. We intend to improve our profitability by further improving patrol-style facilities management efficiency, which is the initiative that we have promoted since last year.
- With net sales of 32,235 million yen (100.5% year-on-year), the security services business held steady at the previous year’s level in a very difficult business environment through quick response to demand for manned emergency security services and the need for repairing security equipment, such as security cameras, immediately after the earthquake destroyed or damaged security equipment together with the buildings that housed them.
- In spite of aggressive efforts to expand business to hospitals, etc. in order to enhance the specialization of cleaning techniques, net sales of the cleaning services business fell short of the previous year with 39,852 million yen (96.9% year-on-year).
- Construction work business sales increased significantly from the previous fiscal year with net sales of 28,513 million yen (173.6% year-on-year) by capturing demands for restoration and

reconstruction of buildings damaged by the earthquake and subsequent demand for energy/electricity-saving measures.

- The materials/supplies sourcing services business posted net sales of 36,730 million yen amidst the diversification of purchase channels for customers and increased pricing competition with our competitors. We will move forward with various initiatives aimed at improving profitability by implementing a reverse auction system in the selection of suppliers or changing suppliers.
- Net sales of the vending machine services business was 32,280 million yen due to the temporary stoppage of the operations of vending machines as a result of the earthquake and the subsequent merchandise shortage caused by delays in logistics. The business was further affected by nationwide efforts to conserve electricity.
- In the support businesses, net sales increased over the previous year to 7,980 million yen (151.4% year-on-year), due in part to the contribution of KAJITAKU, Inc., which was made a consolidated subsidiary in April 2011. We aim to create a business model that will allow us to secure profits in each business.

< Management performance >

As a result of these developments, the Company posted consolidated net sales of 219,797 million yen (128.6% year on year), operating income of 13,762 million yen (114.4% year-on-year), and ordinary income of 13,784 million yen (114.0% year-on-year). An extraordinary loss of 399 million yen was posted to account for losses relating to the Great East Japan Earthquake. After the deduction of extraordinary loss and taxes, net income for the current fiscal year was 6,912 million yen (106.4% year-on-year).

<Forecast for the year ending February 28, 2013>

We forecast consolidated earnings results for the year ending February 28, 2013 as follows:

(Percentage figures show year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Aug. 31, 2012	120,000	9.1	7,600	9.9	7,600	9.6	4,000	7.6	76.26
Year ending Feb.28, 2013	260,000	18.3	16,600	20.6	16,600	20.4	8,700	25.9	165.87

<Information on proper use of the financial forecast and other special instructions>

The financial forecast described above has been prepared based on the information available as of the date of publication of this report. Actual results may differ from the above-mentioned forecast due to various factors that may arise in the future.

Since the Company conducts consolidated base group financial management, only the consolidated financial forecast is disclosed.

(2) Analysis of Financial Position

<Summary of consolidated financial position for the fiscal year ended February 29, 2012>

Total assets at the end of the current fiscal year increased by 8,184 million yen (9.7%) year-on-year to 92,809 million yen.

This increase is attributable mainly to an decrease of 3,391 million yen in cash and deposits, an increase of 2,993 million yen in notes and accounts receivable-trade, an increase of 8,400 million yen in deposits of subsidiaries and affiliates paid to affiliates under bailment arrangements, an increase of 1,783 million yen in goodwill due to additions of consolidated subsidiaries, and a decrease of 1,080 million yen due to amortization of goodwill.

Liabilities at the end of the current fiscal year increased by 2,889 million yen (9.1%) year-on-year to 34,626 million yen.

This increase is attributable mainly to an increase of 1,296 million yen in purchasing obligations that include notes and accounts payable-trade and electronically recorded monetary obligations, an increase of 457 million yen in accounts payable-other, an increase of 869 million yen in income taxes payable, and an increase of 203 million yen in current liabilities and others.

Net assets at the end of the current fiscal year increased by 5,295 million yen (10.0%) year-on-year to 58,182 million yen.

This increase is attributable mainly to the increase in retained earnings of 6,912 million yen due to the posting of net income for the fiscal year, and a decrease of 2,202 million yen in retained earnings due to dividend payments.
As a result of the above factors, the shareholders' equity ratio was 61.9%.

<Summary of consolidated cash flows for the fiscal year ended February 29, 2012>

Cash and cash equivalents (hereinafter referred to as "cash") decreased by 3,137 million yen (25.5%) year-on-year to 9,179 million yen at the end of the current fiscal year.
The status of cash flows and the major factors involved are described below.

(Cash flows from operating activities)

Net cash provided by operating activities came to 9,639 million yen. The major factors contributing to the net cash inflow were posting of net income before income taxes and minority interests of 12,977 million yen; 2,300 million yen due to depreciation and amortization as well as amortization of goodwill, which were partially offset by a decrease of 1,708 million yen due to an increase in notes and accounts receivable-trade; a decrease of 422 million yen due to an increase in accounts payable-other; and a decrease of 5,595 million yen due to income tax payments.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 10,051 million yen. The main factors behind this were an outflow of 8,400 million yen for payment for/collection of deposits of subsidiaries and affiliates, and an outflow of 1,184 million yen for acquisition of property, plant and equipment and intangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was 2,722 million yen. This owed mostly to dividend payments amounting to 2,205 million yen.

Changes in the Group's cash flow indicators are as shown below.

	Year Ended February 28, 2010	Year Ended February 28, 2011	Year Ended February 29, 2012
Shareholders' equity ratio (%)	64.2	62.3	61.9
Shareholders' equity ratio at market value (%)	99.1	93.4	86.6
Ratio of interest-bearing debts to cash flows (%)	0.0	0.0	0.0
Interest coverage ratio	528.7	2,314.4	2,473.73

Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio at market value: Total market capitalization/Total assets
Ratio of interest-bearing debts to cash flows: Interest-bearing debts/Operating cash flows
Interest coverage ratio: Operating cash flows/Interest paid

Note:
1. The above-mentioned indicators have been calculated based on consolidated financial data.
2. Total market capitalization was calculated as the closing stock price at the end of the period multiplied by the number of shares outstanding (excluding treasury stock) at the end of the period.
3. Interest-bearing debts represent all debts that are recorded in the consolidated balance sheets on which interest is paid.
4. Operating cash flows are the "net cash provided by (used in) operating activities" reported in the consolidated statements of cash flows.
5. Interest paid represents the "interest expenses paid" reported in the consolidated statements of cash flows.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal 2012 and 2013

The Company's basic policy is to work towards securing a stable business base and improving return on equity, and providing shareholders dividends based on business performance while maintaining and continuing a stable dividend.

We regard the consolidated payout ratio as an important benchmark and aim to provide a stable dividend payment with a consolidated payout ratio of 20% or higher while taking into account the ratio of dividends to net assets.
We will use retained earnings for proactive investments in sustainable growth and improvement in the quality of the comprehensive FMS business, such as innovation, information technology, human resources development, and M&As. We will endeavor to meet shareholders' expectations by enhancing our corporate value in this manner.
The year-end dividend is 20 yen per share that was in the initial forecasts. This accounts for an annual dividend of 40 yen per share (up 102.6% year-on-year), including the dividend of 20 yen per share that was already provided.
As for dividend payments for fiscal year 2013, we project an annual dividend of 46 yen per share, an increase of 6 yen from the above-mentioned annual dividend of 40 yen per share for this year (an interim dividend of 23 yen per share and a year-end dividend of 23 yen per share; an increase of 115.0% from the annual dividend to be paid for the current fiscal year).

2. Corporate Group Organization

The AEON DELIGHT Group comprises AEON DELIGHT CO., LTD. (“AEON DELIGHT”) and 11 consolidated subsidiaries. AEON DELIGHT is also a member of the corporate group of AEON Co., Ltd., a pure holding company. The AEON Group organizes its operating companies into 12 segments (GMS <general merchandise stores>, SM <supermarkets>, DS <discount store business>, strategic small stores, drugstore & pharmacy business, integrated financial services, shopping center development, services, specialty stores, group IT and digital business, ASEAN business, and the China business).

The AEON DELIGHT Group is positioned in service operations among the afore-mentioned business segments of AEON Co., Ltd., and as one of the core companies of the AEON Group, it is engaged in the comprehensive FMS (facility management service) business, which consists of total management and operations of the customer's non-core business in order to create a comfortable environment so that the customer can focus on their core business.

(1) Comprehensive FMS business

1) Facilities management business
Business that conducts the preservation, inspection, maintenance, etc. of buildings facilities

2) Security services business
Business that provides comprehensive security services including security for facilities, security to handle crowds and traffic, security for transporting valuable goods, etc.

3) Cleaning services business
Business that conducts the cleaning of buildings and facilities

4) Construction work business
Business that conducts large-scale renovation and interior design work, makes environmental load reduction proposals, and installs solar power generation systems

5) Materials-related business
Business that acts as a purchase agent for indirect materials and procures materials, etc.

6) Vending machine business
Business that operates beverage vending machines, cares for foliage plants, and maintains air purification units

7) Support business
Business that includes the housework support services, retail store business, technical training business, and temporary staffing business

(2) Other businesses
Real estate lease business

3. Management Policy

(1) Basic management policy

Under the Management Principle, "We pursue the creation of environmental value for the customers and for local communities," our Basic Management Policy directs us to contribute to the sustainable development of society as a pioneer in the comprehensive FMS business by continuing to develop safety, security, and comfort in our society, while aiming at maximizing corporate value so that we will be highly trusted and valued by all of our stakeholders, including our shareholders and customers.

(2) Medium- and long-term corporate business strategy and issues to be addressed

The AEON DELIGHT Group has formulated a three-year medium-term business strategy starting in fiscal year 2012 aimed at further growth driven by the comprehensive FMS business. In addition to the "major urban area market," "environmental load reduction market" and "Asian market," we address the digitalization and aging population in the macroscopic environment so as to contribute to society through business and increase corporate value.

Furthermore, we will endeavor to strengthen the ability of our marketing and operations systems to secure and retain continuing contracts, and implement measures to enhance profitability that will not be influenced by spot contracts.

<Specialization and integration through the comprehensive FMS business>

In order to minimize life-cycle costs and maximize customer satisfaction by proposing new businesses, the AEON DELIGHT Group as the solutions partner to our customers will increase the competitiveness of our comprehensive FMS (the pursuit of specialization), and expand our business areas and service menu so as to be able to respond to diverse and complex issues faced by customers with the best solutions (the strengthening of integrative capabilities).

(Pursuit of specialization)

The Company is going forward with business activities primarily in comprehensive building maintenance and back office support services with six main businesses (facilities management, security services, cleaning services, construction work, material-related, and vending machines) as a core. We will enhance the specialization in each of these businesses to develop it as the core of the comprehensive FMS through IT-based innovations, so as to improve our competitiveness and profitability. Furthermore, we will organize the "AD Intelligence Center" as part of the Company in collaboration with universities. We aim to achieve, among other things, the building of energy consulting techniques through the collection and verification of data on facilities at buildings we serve, and the establishment of energy-efficient operations so as to implement the idea of Smart Community.

(Strengthening of integrative capabilities)

With the above six business areas at the core of our comprehensive FMS business, we will strengthen our integrative capabilities by actively seeking M&A opportunities to acquire businesses in regions where our presence has yet to be established as well as functions which we lack. We also aim at becoming the true solution partner to our customers by developing technologies and products, such as our unique flooring protection agent "AD Coating," with new perspectives not bound to any of our existing business areas through full use of our diverse businesses and extensive alliance networks.

<Initiatives aimed at gaining new growth opportunities>

(Three target markets)

Aiming for growth, the AEON DELIGHT Group has given special attention to the following three markets from the perspective of gaining long-term growth opportunities.

- Environmental load reduction market

As social needs for the reduction of environmental load increase, the AEON DELIGHT Group has further strengthened our initiatives in this field. We will continue to provide our unique environmental solutions not only by the marketing and installation of LEDs and other environmental products but also through our understanding of the business of our corporate customers that we have gained through past initiatives, and, based on our experience and know-how gained by managing customers' buildings. Our initiatives in this field were recognized by the Ministry of Economy, Trade and Industry and we were certified as a "BEMS Aggregator" in the project of the Ministry of

Economy, Trade and Industry to introduce BEMS (building energy management system) to more than 60,000 buildings units across Japan.

- Major urban area market

Many companies are making preparations for the expansion of new businesses in response to shifts in demography in Japan, including the aging population and declining birthrate and the shift to urban areas. In response to these changes, the AEON DELIGHT Group has advanced with the construction of new business models in the major urban areas. As we expect to see growth in the number of small commercial facilities in major urban areas in particular, we have been making comprehensive proposals by pooling the core competencies of A to Z Service, Co., Ltd., which became a consolidated subsidiary in May 2011, and other members of the AEON DELIGHT Group.
In addition, we will leverage the strengths of housework support services provided by KAJITAKU, Inc., which became a consolidated subsidiary in April 2011, and focus on expanding services to apartments for which demand is expected to increase due to the aging population and return to urban areas.

- Asian market

We will maintain a watch on trends in the rapidly growing Asian countries and aggressively allocate business resources in response to growth in this market. We will further accelerate business expansion by leveraging the business know-how we have gained in China through initiatives in the past to achieve early establishment of the comprehensive FMS business in China.
In the ASEAN region, we will proceed with initiatives to establish local subsidiaries in Malaysia and Vietnam for early business development in these countries. In Malaysia, we have been in the process of completing the procedures to incorporate a preparatory company. We expect that company will start its operation in the next fiscal year and contribute to the consolidated results.

(New markets)

As stated above, we will accurately identify trends not only in the three target markets but also shifts occurring in society toward seniors and digitalization so as to gain new growth opportunities. In response to “seniors shift,” we will aim at the establishment of a living support business as a new pillar of the comprehensive FMS by further enhancing our services provided with the spirit of hospitality we have cultivated through past business so as to harmonize new businesses that would be required by seniors whom we intend to capture as a new customer base.
In response to the digital shift, we will aggressively move forward with low-cost operation by raising the IT readiness of the AEON DELIGHT Group to a higher level through strengthening of functions of FMS Solutions, Co., Ltd. established in December 2011. We will forge ahead in order to achieve the objective of establishing a new business that provide IT-related solutions by deploying our know-how outside the Company.

4. Consolidated Financial Statements, etc.

(1) Consolidated Balance Sheet

(millions of yen)

	Year Ended Feb. 28, 2011 (As of Feb. 28, 2011)	Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)
Assets		
Current assets		
Cash and deposits	13,098	9,707
Notes and accounts receivable-trade	28,246	31,240
Inventories	1,476	1,527
Deferred tax assets	1,265	1,465
Deposit of subsidiaries and affiliates	18,920	27,320
Other	1,741	1,883
Allowance for doubtful accounts	(226)	(657)
Total current assets	64,524	72,486
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,234	1,217
Machinery for area control, net	265	246
Tools, furniture and fixtures, net	1,791	1,918
Land	284	284
Other, net	181	106
Total property, plant and equipment	3,756	3,773
Intangible assets		
Goodwill	10,546	11,249
Other	1,030	1,022
Total intangible assets	11,577	12,272
Investments and other assets		
Investment securities	2,983	2,577
Deferred tax assets	278	406
Other	1,700	1,517
Allowance for doubtful accounts	(196)	(224)
Total investments and other assets	4,766	4,276
Total noncurrent assets	20,100	20,322
Total assets	84,624	92,809

(millions of yen)

	Year Ended Feb. 28, 2011 (As of Feb. 28, 2011)	Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,424	18,872
Electronically Recorded Monetary Obligations	—	4,848
Short-term loans payable	24	25
Current portion of corporate bonds payable due within one year	—	10
Current portion of long-term loans payable	25	6
Accounts payable-other	2,824	3,282
Income taxes payable	2,844	3,714
Accrued consumption taxes	485	570
Provision for bonuses	776	797
Provision for reward of business performance	127	120
Other	1,191	1,395
Total current liabilities	30,724	33,643
Noncurrent liabilities		
Corporate bonds payable	—	15
Long-term loan payable	6	—
Deferred tax liabilities	407	265
Provision for retirement benefits	487	507
Provision for directors' retirement benefits	51	152
Other	58	42
Total noncurrent liabilities	1,012	983
Total liabilities	31,737	34,626
Net assets		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus	18,741	18,753
Retained earnings	30,575	35,285
Treasury stock	(461)	(460)
Total shareholders' equity	52,092	56,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	664	665
Foreign currency translation adjustment	(19)	(18)
Total accumulated other comprehensive income	645	647
Subscription rights to shares	149	173
Minority interest	-	545
Total net assets	52,887	58,182
Total liabilities and net assets	84,624	92,809

(2) Consolidated Statement of Income

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Net sales	170,905	219,797
Cost of sales	146,916	191,166
Gross profit	23,989	28,631
Selling, general and administrative expenses	11,957	14,868
Operating income	12,031	13,762
Non-operating income		
Interest income	56	98
Dividends income	33	38
Equity in earnings of affiliates	41	-
Gain on maturity of insurance contract	-	103
Other	76	41
Total non-operating income	208	281
Non-operating expenses		
Interest expenses	2	3
Loss on cancellation of company housing	51	54
Loss on retirement of noncurrent assets	47	36
Compensation for accident expenses	16	33
Equity in losses of affiliates	-	13
Other	30	119
Total non-operating expenses	149	260
Ordinary income	12,089	13,784
Extraordinary income		
Gain on sales of investment securities	3	-
Gain on sales of memberships	1	-
Marginal gain on step acquisition	-	56
Reversal of provision for directors' bonuses	-	17
Total extraordinary income	5	73
Extraordinary loss		
Management integration expenses	724	-
Welfare expenses for prior periods	181	-
Losses on disasters	-	399
Provision for doubtful accounts	-	428
Other	79	51
Total extraordinary losses	985	880
Income before income taxes and minority interests	11,109	12,977
Income taxes-current	4,739	6,095
Income taxes-deferred	(125)	(162)
Total income taxes	4,613	5,932
Net income before minority interests	-	7,045
Minority interests in income	-	132
Net income	6,495	6,912

(3) Consolidated Statements of Comprehensive Income

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Net income before minority interests	—	7,045
Other comprehensive income		
Valuation difference on available-for-sale securities	—	1
Foreign currency translation adjustments	—	0
Total other comprehensive income	—	1
Comprehensive income	—	7,047
(Details)		
Comprehensive income attributable to parent company	—	6,914
Comprehensive income attributable to minority interests	—	132

(4) Statements of Changes in Shareholders' Equity

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,238	3,238
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,238	3,238
Capital surplus		
Balance at the end of previous period	2,964	18,741
Changes of items during the period		
Disposal of treasury stock	5	12
Increase by merger	15,770	—
Total changes of items during the period	15,776	12
Balance at the end of current period	18,741	18,753
Retained earnings		
Balance at the end of previous period	25,366	30,575
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,495	6,912
Increase by merger	(17)	-
Total changes of items during the period	5,208	4,710
Balance at the end of current period	30,575	35,285
Treasury stock		
Balance at the end of previous period	(461)	(461)
Changes of items during the period		
Purchase of treasury stock	(1)	(6)
Disposal of treasury stock	1	7
Increase by merger	(0)	—
Total changes of items during the period	(0)	1
Balance at the end of current period	(461)	(460)
Total shareholders' equity		
Balance at the end of previous period	31,107	52,092
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,495	6,912
Purchase of treasury stock	(1)	(6)
Disposal of treasury stock	6	20
Increase by merger	15,753	—
Total changes of items during the period	20,984	4,723
Balance at the end of current period	52,092	56,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	149	664

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Changes of items during the period		
Net changes of items other than shareholders' equity	514	1
Total changes of items during the period	514	1
Balance at the end of current period	664	665
Foreign currency translation adjustment		
Balance at the end of previous period	(3)	(19)
Changes of items during the period		
Net changes of items other than shareholders' equity	(15)	0
Total changes of items during the period	(15)	0
Balance at the end of current period	(19)	(18)
Total accumulated other comprehensive income		
Balance at the end of previous period	145	645
Changes of items during the period		
Net changes of items other than shareholders' equity	499	1
Total changes of items during the period	499	1
Balance at the end of current period	645	647
Subscription rights to shares		
Balance at the end of previous period	110	149
Changes of items during the period		
Net changes of items other than shareholders' equity	38	24
Total changes of items during the period	38	24
Balance at the end of current period	149	173
Minority interests		
Balance at the end of previous period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	545
Total changes of items during the period	—	545
Balance at the end of current period	—	545
Total net assets		
Balance at the end of previous period	31,364	52,887
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,495	6,912
Purchase of treasury stock	(1)	(6)
Disposal of treasury stock	6	20
Increase by merger	15,753	—
Net changes of items other than shareholders' equity	538	571
Total changes of items during the period	21,523	5,295
Balance at the end of current period	52,887	58,182

(5) Consolidated Statement of Cash Flows

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,109	12,977
Depreciation and amortization	999	1,219
Amortization of goodwill	788	1,080
Increase (decrease) in provision for bonuses	(14)	(41)
Increase (decrease) in provision for retirement benefits	(89)	19
Increase (decrease) in provision for directors' retirement	(13)	0
Interest and dividends income	(89)	(136)
Interest expenses	2	3
Loss (gain) on sales of property, plant and equipment	60	34
Loss on cancellation of company housing	51	54
Loss (gain) on valuation of investment securities	67	16
Decrease (increase) in notes and accounts receivable-trade	(1,188)	(1,708)
Increase (decrease) in notes and accounts payable-trade	496	521
Increase (decrease) in accounts payable-other	(523)	422
Decrease (increase) in accounts receivable-other	(40)	34
Other, net	(216)	615
Subtotal	11,400	15,115
Interest and dividends income received	92	124
Interest expenses paid	(2)	(3)
Income taxes paid	(4,681)	(5,595)
Net cash provided by (used in) operating activities	6,808	9,639
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	91	573
Payments into time deposits	(511)	(69)
Purchase of property, plant and equipment and intangible fixed assets	—	(1,184)
Proceeds from sales of property, plant and equipment and intangible fixed assets	—	27
Purchase of property, plant and equipment	(541)	—
Proceeds from sales of property, plant and equipment	114	—
Purchase of intangible assets	(251)	—
Purchase of investment securities	(4)	(6)
Proceeds from sales of investment securities	90	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,216)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	365

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Payments for deposit of subsidiaries and affiliates	(135,840)	(150,420)
Collection of deposit of subsidiaries and affiliates	132,820	142,020
Collection of loans receivable	818	10
Payments for guarantee deposits	(154)	(135)
Proceeds from collection of guarantee deposits	292	120
Other, net	76	(135)
Net cash provided by (used in) investing activities	(3,000)	(10,051)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(27)	(2)
Repayment of long-term loans payable	(25)	(475)
Cash dividends paid	(1,262)	(2,205)
Net decrease (increase) in treasury stock	(1)	13
Other, net	(5)	(53)
Net cash provided by (used in) financing activities	(1,321)	(2,722)
Effect of exchange rate change on cash and cash equivalents	(13)	(3)
Net increase (decrease) in cash and cash equivalents	2,472	(3,137)
Cash and cash equivalents at beginning of period	7,873	12,317
Increase in cash and cash equivalents resulting from merger	1,958	—
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	13	—
Cash and cash equivalents at end of period	12,317	9,179

(6) Notes on Premise of Going Concern
None

(7) Changes in Significant Items that Constitute the Basis for Preparing Consolidated Financial Statements

· Changes relating to accounting standards

Application of the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16; issued March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24; issued March 10, 2008)
Effective from the current consolidated fiscal year, the AEON DELIGHT Group has applied the Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16; issued March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24; issued March 10, 2008).
There is no impact of this change on income and loss for the current consolidated fiscal year.

Application of the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18; issued March 31, 2008), etc.
Effective from the current consolidated fiscal year, the AEON DELIGHT Group has applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18; issued March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (Guidance No. 21; issued March 31, 2008).
There is no impact of this change on income and loss for the current consolidated fiscal year.

· Changes in presentation method

(Consolidated statement of income)

1. The “Gain on maturity of insurance contract” that had been included in “Other” under the heading of non-operating income up to the previous consolidated fiscal year was presented separately in the current consolidated fiscal year as its significance increased. The amount of “Gain on maturity of insurance contract” in the previous consolidated fiscal year was 5 million yen.

2. As the result of the application of the Cabinet Office Ordinance Partially Revising the Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5; March 24, 2009) pursuant to the Accounting Standard for Consolidated Financial Statement (ASBJ Statement No. 22; issued December 26, 2008), the item “Net income before minority interests” is presented in the current consolidated fiscal year.

(Calculation of consolidated cash flows)
Effective from the current consolidated fiscal year, “Purchase of property, plant and equipment” (856 million yen for the current consolidated fiscal year) and “Purchase of intangible assets” (327 million yen for the current consolidated fiscal year) under “Net cash provided by (used in) investing activities” in the previous consolidated fiscal year have been changed and are presented as “Purchase of property, plant and equipment and intangible fixed assets.”

· Additional information

Effective from the current consolidated fiscal year, the AEON DELIGHT Group has applied the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25; June 30, 2010). The amounts reported for “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” in the previous consolidated fiscal year are the amounts for “Valuation and translation adjustments” and “Total valuation and translation adjustments.”

(8) Notes on Consolidated Financial Statements
(Segment Information)
[Business segment information]
Fiscal year ended February 28, 2011 (from March 1, 2010 to February 28, 2011)

(millions of yen)

	Comprehensive FMS business							Other businesses	Total	Eliminations/ corporate	Consolidated
	Facilities management business	Security services business	Cleaning services business	Construction work business	Materials-related business	Vending machine business	Support business				
I. Net sales and operating income or loss											
Net sales											
(1) Sales to unaffiliated customers	40,019	32,088	41,142	16,420	18,718	17,188	5,271	56	170,905	—	170,905
(2) Intersegment sales or transfer	27	347	156	210	1	—	669	167	1,580	(1,580)	—
Total sales	40,047	32,435	41,298	16,630	18,720	17,188	5,940	224	172,485	(1,580)	170,905
Operating expenses	34,931	29,670	35,361	15,416	18,092	15,708	5,564	8	154,755	4,118	158,873
Operating income	5,115	2,764	5,937	1,214	627	1,480	375	215	17,730	(5,698)	12,031

Notes: 1. Business segments are classified based on the internal control framework.

2. Main services of each business segment are as follows:

(1) Comprehensive FMS business

1) Facilities management business

Business that conducts the preservation, inspection, maintenance, etc. of building facilities

2) Security services business

Business that provides comprehensive security services including security for facilities, security to handle crowds and traffic, security for transporting valuable goods, etc.

3) Cleaning services business

Business that conducts the cleaning of buildings and facilities

4) Construction work business

Business that conducts large-scale renovation and interior design work, makes environmental load reduction proposals, and installs solar power generation systems

5) Materials/Supplies sourcing services business

Business that acts as a purchase agent for indirect materials and procures materials, etc.

6) Vending machine services business

Business that operates beverage vending machines, cares for foliage plants, and maintains air purification units

7) Support business

Business that includes the retail store business, technical training business, temporary staffing business, and document management business

(The businesses above that were originally included in other businesses have been newly classified as support businesses.)

(2) Other businesses

Real estate lease business

3. Unallocable operating expenses included in eliminations/corporate amount to 51,225 million yen, and consist mainly of general affairs and other administrative expenses of the Company.

(Changes in business classifications)

Previously, the technical training business, temporary staffing business, and document control business have been included in other businesses. However, accompanying the merger between the Company and CERTO Corporation on September 1, 2010, a revision of business classification was conducted, and these businesses will be displayed separately under support businesses from the current fiscal year. Note that if the business classifications from this year were used to classify segment information from the previous year, the results would have been as follows: the support business would have net sales of 5,918 million yen (including sales to unaffiliated customers of 5,340 million yen), operating expenses of 5,232 million yen, and operating income of 685 million yen; other businesses would have net sales of 72 million yen (including sales to unaffiliated customers of 72 million yen), operating expenses of 9 million yen, and operating income of 62 million yen.

(Additional information)

Accompanying the merger with CERTO Corporation on September 1, 2010, the materials-related business (acting as a purchase agent for indirect materials and procuring materials) and the vending machine business (total space management focusing on beverage vending machines and also servicing foliage plants and air purification units) originally conducted by CERTO Corporation were added to the Company's range of businesses.

By incorporating the addition of these new businesses, business classifications in the business segment information were revised as above for transactions on and after September 1, 2010.

Note that due to this revision of business classifications, sales and operating income that would have been posted in each of the following businesses are now posted in sales, operating income and operating expenses of the materials-related business.

(millions of yen)

	Sales	Operating expenses	Operating income
Facilities management business	1,130	943	186
Security services business	42	33	9
Cleaning services business	1,016	908	108
Support business	18	16	1
Total	2,208	1,901	306

[Segment information]

(Additional information)

Effective from the current consolidated fiscal year, the AEON DELIGHT Group has applied the Accounting Standard for Disclosures about Segments of an Enterprise and Relation Information (ASBJ Statement No. 17; revised March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Guidance No. 20; issued March 21, 2008).

1. Overview of reporting segments

The reporting segments of the Company are those of the constituent units of the Company for which separate financial information is available and periodically examined by the Board of Directors for the purposes of making decisions as to the allocation of business resources as well as the evaluation of performance.

The Company carries out a "comprehensive FMS (facility management services) business" which provides package services for non-core duties relating to management and operation in order to create an environment where our customers can concentrate on carrying out their core business. The comprehensive FMS business consists of seven business segments, namely, facilities management business, security services business, cleaning services business, construction work business, materials-related business, vending machine business and support business. Each segment is responsible as a separate unit for the development and promotion of business strategies.

Accordingly, these seven business segments in the comprehensive FMS are the reporting segments of the Company.

The main services of each business segment are as follows:

1) Facilities management business
Business that conducts the preservation, inspection, maintenance, etc. of buildings facilities
2) Security services business
Business that provides comprehensive security services including security for facilities, security to handle crowds and traffic, security for transporting valuable goods, etc.
3) Cleaning services business
Business that conducts the cleaning of buildings and facilities
4) Construction work business
Business that conducts large-scale renovation and interior design work, makes environmental load reduction proposals, and installs solar power generation systems
5) Materials-related business
Business that acts as a purchase agent for indirect materials and procures materials, etc.
6) Vending machine business
Business that operates beverage vending machines, cares for foliage plants, and maintains air purification units
7) Support business
Business that includes the housework support services, retail store business, technical training business, and temporary staffing business.

2. Information on the amount of sales and income or loss of each reporting segment
Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)

(millions of yen)

	Reporting segments (Comprehensive FMS business)								Other businesses*	Total
	Facilities management business	Security services business	Cleaning services business	Construction work business	Materials-related business	Vending machine business	Support business	Total		
Net sales										
Sales to unaffiliated customers	42,147	32,235	39,852	28,513	36,730	32,280	7,980	219,739	57	219,797
Intersegment sales or transfer	114	374	156	227	29	0	809	1,711	106	1,817
Total sales	42,262	32,609	40,009	28,740	36,760	32,280	8,789	221,450	164	221,615
Segment profit	4,962	2,718	5,766	1,851	1,112	2,221	136	18,768	164	18,933

* The category "Other" includes business segments that are not included in the reporting segments, in this case, real estate lease business.

3. Differences between total amounts of income or loss in reporting segments and consolidated statement of income, and details of the differences (matters relating to reconciliation)
Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)

(millions of yen)

Profits	Amount
Reporting segment total	18,768
Income of "Other" category	164
Elimination of intersegment transactions	28
Amortization of goodwill	(1,080)
Corporate expenses (See Note)	(4,118)
Operating income in consolidated statement of income	13,762

Note: Corporate expenses are mainly general and administrative expenses that are not attributable to any of the reporting segments.

(Related party information)

Fiscal year ended February 28, 2011 (from March 1, 2010 to February 28, 2011)

1. Transactions with related parties

Transactions between reporting company and related parties

(a) Parent companies and principal shareholders (limited to corporations) of the reporting company

Type	Name of company, etc.	Address	Capital (millions of yen)	Business lines/ occupation	(Parent company's) ownership of voting rights, etc. (%)	Relation with related parties	Nature of transactions		Transaction amount (millions of yen)	Item	Balance at year-end (millions of yen)
Parent company	AEON Co., Ltd.	Mihama-ku, Chiba City	199,054	Pure holding company	(Parent company's ownership) Direct 17.4 Indirect 44.5	Deposits of subsidiaries and affiliates Concurrent directorships	Transactions other than business transactions	Deposits of subsidiaries and affiliates*1 Return of deposits of subsidiaries and affiliates*1	135,840 132,820	Deposits of subsidiaries and affiliates	18,920
Other affiliates	MYCAL Corp.	Chuo-ku, Osaka City	20,000	General merchandise store	(Parent company's ownership) Direct 44.5 Indirect —	Subcontracting of facility management, security, cleaning, construction work, sales of materials, operating vending machines, and other services, and leasing of offices, etc.	Business transactions	Sales	16,177	Accounts receivable	3,230

Note: MYCAL Corp. changed its status from the parent company to other affiliate effective September 1, 2010.

Terms of transaction and policy on determination of terms of transaction, etc.

Pricing and other terms of transaction for relevant parties are the same as those for other parties who are not related to the Company.

Notes: *1 Interest rates on deposits of subsidiaries and affiliates are decided rationally by considering market rates.

*2 Consumption taxes, etc. are not included in the transaction amount, but are included in the balance at year-end.

(b) Companies that share the same parent company with the reporting company and subsidiaries of other affiliates of the reporting company

Type	Name of company, etc.	Address	Capital (millions of yen)	Business lines or occupation	(Parent company's) ownership of voting rights, etc. (%)	Relation with related parties	Nature of transactions		Transaction amount (millions of yen)	Item	Balance at year-end (millions of yen)
Company sharing same parent company	AEON RETAIL Co., Ltd.	Mihama-ku, Chiba City	50,000	General merchandise store	None	Subcontracting of facility management, security, cleaning, construction work, and other services, and sales of materials, and operating vending machines Concurrent directorships	Business transactions	Sales	42,397	Accounts receivable	6,636
Company sharing same parent company	AEON MALL Co., Ltd.	Mihama-ku, Chiba City	16,662	Shopping center/ Insurance agent	(Ownership) Direct 0.4 Indirect — (Parent company's ownership) Direct 0.2 Indirect —	Subcontracting of facility management, security, cleaning, construction work, and other services, and sales of materials, and operating vending machines Concurrent directorships	Business transactions	Sales	8,096	Accounts receivable	856
Company sharing same parent company	AEON KYUSHU Co., Ltd.	Hakata-ku, Fukuoka City	3,144	General merchandise store	(Ownership) Direct 0.5 Indirect —	Subcontracting of facility management, security, cleaning, construction work, and other services , and sales of materials, and operating vending machines	Business transactions	Sales	5,481	Notes receivable Accounts receivable	20 931

Terms of transaction and policy on determination of terms of transaction, etc.

Pricing and other terms of transaction for relevant parties are the same as those for other parties who are not related to the Company.

Note: Consumption taxes, etc. are not included in the transaction amount, but are included in the balance at year-end.

Fiscal year ended February 29, 2012 (from March 1, 2011 to February 29, 2012)

1. Transactions with related parties

Transactions between reporting company and related parties

(a) Parent companies and principal shareholders (limited to corporations) of the reporting company

Type	Name of company, etc.	Address	Capital (millions of yen)	Business lines/ occupation	(Parent company's) ownership of voting rights, etc. (%)	Relation with related parties	Nature of transactions		Transaction amount (millions of yen)	Item	Balance at year-end (millions of yen)
Parent company	AEON Co., Ltd.	Mihama-ku, Chiba City	199,054	Pure holding company	(Parent company's ownership) Direct 17.4 Indirect 44.4	Deposits of subsidiaries and affiliates Concurrent directorships	Transactions other than business transactions	Deposits of subsidiaries and affiliates[*1] Return of deposits of subsidiaries and affiliates[*1]	150,420 142,020	Deposits of subsidiaries and affiliates	27,320
Other affiliates	AEON RETAIL Co., Ltd.	Mihama-ku, Chiba City	489,700	General merchandise store	(Parent company's ownership) Direct 44.4 Indirect —	Subcontracting of facility management, security, cleaning, construction work, sales of materials, operating vending machines, and other services Concurrent directorships	Business transactions	Sales	72,540	Notes receivable Accounts receivable	2,267 7,993

Note: AEON RETAIL Co. Ltd. became "other affiliate" as the result of the merger with MYCAL Corp. on March 1, 2011.

Terms of transaction and policy on determination of terms of transaction, etc.

Pricing and other terms of transaction for relevant parties are the same as those for other parties who are not related to the Company.

Notes: *1 Interest rates on deposits of subsidiaries and affiliates are decided rationally by considering market rates.

*2 Consumption taxes, etc. are not included in the transaction amount, but are included in the balance at year-end.

(b) Companies that share the same parent company with the reporting company and subsidiaries of other affiliates of the reporting company

Type	Name of company, etc.	Address	Capital (millions of yen)	Business lines/ occupation	(Parent company's) ownership of voting rights, etc. (%)	Relation with related parties	Nature of transactions		Transaction amount (millions of yen)	Item	Balance at year-end (millions of yen)
Company sharing same parent company	AEON MALL Co., Ltd.	Mihama-ku, Chiba City	16,683	Shopping center	(Ownership) Direct 0.4 Indirect — (Parent company's ownership) Direct 0.2 Indirect —	Subcontracting of facility management, security, cleaning, construction work, sales of materials, operating vending machines, and other services	Business transactions	Sales	8,424	Accounts receivable	929

Terms of transaction and policy on determination of terms of transaction, etc.

Pricing and other terms of transaction for relevant parties are the same as those for other parties who are not related to the Company.

Note: Consumption taxes, etc. are not included in the transaction amount, but are included in the balance at year-end.

2. Notes on Parent Companies or Important Affiliates

(1) Parent company information: AEON Co., Ltd. (Listed on the Tokyo Stock Exchange)

(2) Summarized financial information of important affiliates: None

(Per share information)

(yen)

Year Ended February 28, 2011 (from March 1, 2010 to February 28, 2011)		Year Ended February 29, 2012 (from March 1, 2011 to February 29, 2012)	
Net assets per share	1,005.62	Net assets per share	1,095.59
Net income per share	142.56	Net income per share	131.81
Net income per share (diluted)	142.28	Net income per share (diluted)	131.52

Notes: Basis for calculation

1. Net assets per share

	Year Ended Feb. 28, 2011 As of Feb. 28, 2011	Year Ended Feb. 29, 2012 As of Feb. 29, 2012
Total net assets (millions of yen)	52,887	58,182
Net assets attributable to common stock (millions of yen)	52,738	57,463
Breakdown of difference (millions of yen)		
Subscription rights	149	173
Minority interests	—	545
Amount of common stock outstanding (thousands of shares)	54,169	54,169
Amount of common stock in treasury (thousands of shares)	1,726	1,720
Amount of common stock used to calculate net assets per share (thousands of shares)	52,443	52,449

2. Net income per share and net income per share (diluted)

	Year Ended Feb. 28, 2011 (March 1, 2010 - Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 - Feb. 29, 2012)
Net income (millions of yen)	6,495	6,912
Net income attributable to common stock (millions of yen)	6,495	6,912
Average amount of common stock outstanding during the year (thousands of shares)	45,564	52,443
Breakdown of increase in amount of common stock used to calculate net assets per share (diluted) (thousands of shares)		
Subscription rights	94	117

(Significant Subsequent Events)

None

5. Financial Statements
(1) Balance Sheet

(millions of yen)

	Year Ended Feb. 28, 2011 (As of Feb. 28, 2011)	Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)
Assets		
Current assets		
Cash and deposits	10,932	6,011
Notes receivable-trade	1,792	4,099
Accounts receivable-trade	25,361	24,754
Merchandise	1,347	1,185
Raw materials and supplies	60	98
Advance payments-trade	1,052	1,097
Prepaid expenses	353	390
Deferred tax assets	1,132	1,293
Short-term loans receivable from subsidiaries and affiliates	100	615
Long-term loans receivable from subsidiaries and affiliates due within one year	17	245
Deposit of subsidiaries and affiliates	18,920	27,320
Accounts receivable-other	95	190
Other	158	177
Allowance for doubtful accounts	(225)	(652)
Total current assets	61,100	66,828
Noncurrent assets		
Property, plant and equipment		
Buildings	1,419	1,448
Accumulated depreciation	(548)	(597)
Buildings, net	870	851
Machinery for area control	3,919	3,836
Accumulated depreciation	(3,677)	(3,610)
Machinery for area control, net	241	226
Vehicles	10	5
Accumulated depreciation	(9)	(4)
Vehicles, net	1	0
Tools, furniture and fixtures	6,028	5,519
Accumulated depreciation	(4,384)	(4,071)
Tools, furniture and fixtures, net	1,644	1,448
Land	89	89
Lease assets	22	22
Accumulated depreciation	(9)	(14)
Lease assets, net	12	7
Construction in progress	—	1
Other	139	85
Total property, plant and equipment	3,000	2,710

(millions of yen)

	Year Ended Feb. 28, 2011 (As of Feb. 28, 2011)	Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)
Intangible assets		
Goodwill	10,347	9,666
Right of trademark	18	19
Software	921	159
Telephone subscription right	79	79
Other	3	2
Total intangible assets	11,370	9,927
Investments and other assets		
Investment securities	2,380	2,163
Stocks of subsidiaries and affiliates	3,607	5,256
Investments in capital	1	1
Investments in capital of subsidiaries and affiliates	161	161
Long-term loans receivable	38	36
Long-term loans receivable from subsidiaries and affiliates	—	840
Claims provable in bankruptcy, claims provable in rehabilitation and other	136	165
Long-term prepaid expenses	92	176
Guarantee deposits	583	537
Other	617	363
Allowance for doubtful accounts	(188)	(216)
Total investments and other assets	7,431	9,487
Total noncurrent assets	21,803	22,126
Total assets	82,903	88,954
Liabilities		
Current liabilities		
Notes payable-trade	993	1,711
Electronically Recorded Monetary Obligations	—	4,848
Accounts payable-trade	21,876	16,864
Lease obligations	5	5
Accounts payable-other	2,629	3,101
Accrued expenses	97	105
Income taxes payable	2,466	3,301
Accrued consumption taxes	313	364
Advances received	96	154
Deposits received	1,064	946
Provision for bonuses	660	648
Provision for directors' reward of business performance	87	78
Other	46	31
Total current liabilities	30,337	32,163

(millions of yen)

	Year Ended Feb. 28, 2011 (As of Feb. 28, 2011)	Year Ended Feb. 29, 2012 (As of Feb. 29, 2012)
Noncurrent liabilities		
Lease obligations	8	3
Deferred tax liabilities	407	265
Other	49	33
Total noncurrent liabilities	465	302
Total liabilities	30,802	32,466
Net assets		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus		
Legal capital surplus	2,963	2,963
Other capital surplus	16,418	16,429
Total capital surpluses	19,381	19,393
Retained earnings		
Legal retained earnings	395	395
Other retained earnings		
General reserve	7,120	7,120
Retained earnings brought forward	21,609	25,959
Total retained earnings	29,125	33,475
Treasury stock	(461)	(460)
Total shareholders' equity	51,282	55,645
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	668	668
Total valuation and translation adjustments	668	668
Subscription rights to shares	149	173
Total net assets	52,100	56,488
Total liabilities and net assets	82,903	88,954

(2) Statement of Income

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Net sales	161,026	201,501
Cost of sales	140,024	177,658
Gross profit	21,002	23,842
Selling, general and administrative expenses	9,943	11,264
Operating income	11,058	12,578
Non-operating income		
Interest income	55	104
Interest on securities	0	0
Dividends income	274	234
Other	50	10
Total non-operating income	380	349
Non-operating expenses		
Interest expenses	2	2
Loss on cancellation of company housing	50	50
Loss on retirement of noncurrent assets	31	33
Compensation for accident expenses	16	25
Other	7	94
Total non-operating expenses	108	206
Ordinary income	11,330	12,721
Extraordinary income		
Gain on sales of investment securities	3	-
Gain on sales of memberships	1	-
Reversal of provision for directors’ bonuses	—	15
Total extraordinary income	5	15
Extraordinary loss		
Management integration expenses	724	—
Welfare expenses for prior periods	181	—
Loss on liquidation of subsidiaries and affiliates	151	—
Losses on disasters	—	379
Provision for doubtful accounts	—	428
Other	41	30
Total extraordinary losses	1,099	838
Income before income taxes	10,236	11,898
Income taxes-current	4,336	5,426
Income taxes-deferred	(129)	(80)
Total income taxes	4,206	5,345
Net income	6,029	6,552

(3) Statements of Changes in Shareholders’ Equity

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	3,238	3,238
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,238	3,238
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,963	2,963
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,963	2,963
Other capital surplus		
Balance at the end of previous period	641	16,418
Changes of items during the period		
Disposal of treasury stock	5	11
Increase by merger	15,770	—
Total changes of items during the period	15,776	11
Balance at the end of current period	16,418	16,429
Total capital surplus		
Balance at the end of previous period	3,605	19,381
Changes of items during the period		
Disposal of treasury stock	5	11
Increase by merger	15,770	—
Total changes of items during the period	15,776	11
Balance at the end of current period	19,381	19,393
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	395	395
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	395	395
Other retained earnings		
General reserve		
Balance at the end of previous period	7,120	7,120
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,120	7,120
Retained earnings brought forward		
Balance at the end of previous period	16,849	21,609

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,029	6,552
Total changes of items during the period	4,759	4,350
Balance at the end of current period	21,609	25,959
Total retained earnings		
Balance at the end of previous period	24,365	29,125
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,029	6,552
Total changes of items during the period	4,759	4,350
Balance at the end of current period	29,125	33,475
Treasury stock		
Balance at the end of previous period	(461)	(461)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	1	1
Increase by merger	(0)	—
Total changes of items during the period	(0)	1
Balance at the end of current period	(461)	(460)
Total shareholders' equity		
Balance at the end of previous period	30,746	51,282
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,029	6,552
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	6	13
Increase by merger	15,770	—
Total changes of items during the period	20,536	4,363
Balance at the end of current period	51,282	55,645

(millions of yen)

	Year Ended Feb. 28, 2011 (March 1, 2010 – Feb. 28, 2011)	Year Ended Feb. 29, 2012 (March 1, 2011 – Feb. 29, 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	159	668
Changes of items during the period		
Net changes of items other than shareholders' equity	508	0
Total changes of items during the period	508	0
Balance at the end of current period	668	668
Total valuation and translation adjustments		
Balance at the end of previous period	159	668
Changes of items during the period		
Net changes of items other than shareholders' equity	508	0
Total changes of items during the period	508	0
Balance at the end of current period	668	668
Subscription rights to shares		
Balance at the end of previous period	110	149
Changes of items during the period		
Net changes of items other than shareholders' equity	38	24
Total changes of items during the period	38	24
Balance at the end of current period	149	173
Total net assets		
Balance at the end of previous period	31,016	52,100
Changes of items during the period		
Dividends from surplus	(1,269)	(2,202)
Net income	6,029	6,552
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	6	13
Increase by merger	15,770	—
Net changes of items other than shareholders' equity	547	24
Total changes of items during the period	21,083	4,387
Balance at the end of current period	52,100	56,488

(4) Note on the going concern assumption: None

6. Other Remarks

Change in representative director

Refer to the “Adoption of Executive Officer System and the Selection of Officer Candidates” published today.