

Financial Results for the Fiscal Year Ended February 28, 2013

AEON DELIGHT CO. LTD.

Ippei Nakayama, President and CEO

April 10, 2013



Contents

- § 1 Business Report for the Fiscal Year
Ended February 28, 2013
- § 2 Major Initiatives for the Fiscal Year
Ending February 28, 2014
- § 3 Reference Materials

§ 1 Business Report for the Fiscal Year Ended February 28, 2013

§ 2 Major Initiatives for the Fiscal Year Ending February 28, 2014

§ 3 Reference Materials

3

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.  × 

Business Results

Achieved record profits

1. Net sales increased for three consecutive years
Up **113.2%** YoY
2. Operating income, ordinary income and net income increased for **nine consecutive years**

Million yen

	FY2/13 actual			
	Actual figures	Pct. to net sales (%)	YoY (%)	YoY difference
Net sales	248,876	100.0	113.2	+29,078
Gross profit	30,227	12.1	105.5	+1,596
Operating income	13,901	5.6	101.0	+138
Ordinary income	13,892	5.6	100.8	+108
Net income	7,509	3.0	108.6	+596

Annual dividend increased from 40 yen to 46 yen

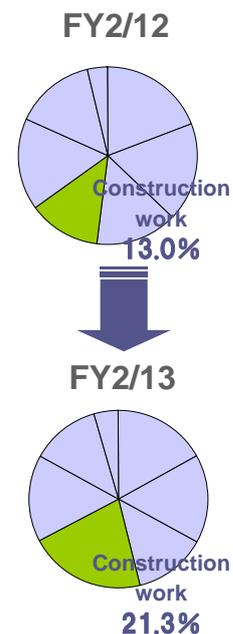
4

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.  × 

Assessment by Segment (Net Sales)

Construction work, up 186.1% YoY
Support services, up 135.6% YoY

	FY2/13 actual			FY2/12	
	Net sales	Composition ratio (%)	YoY (%)	Net sales	Composition ratio (%)
Facilities management	42,050	16.9	99.8	42,147	19.2
Cleaning services	40,519	16.3	101.7	39,852	18.1
Security services	31,805	12.8	98.7	32,235	14.7
Construction work	53,071	21.3	186.1	28,513	13.0
Materials/supplies sourcing services	39,284	15.8	107.0	36,730	16.7
Vending machine services	31,200	12.5	96.7	32,280	14.7
Support services	10,823	4.3	135.6	7,980	3.6



5

Major Activities for the Fiscal Year Ended February 28, 2013

① Further promotion of environmental business

Expanded LED sales, selected as BEMS aggregator, developed its own environmental products and EV battery charger

② Expansion of Comprehensive FMS in China and ASEAN

(China) Expansion of business through promotion of area strategy...

established new subsidiaries (Tianjin, Suzhou)

(ASEAN) Malaysia Started business in December 2012

Vietnam Started business in January 2013

③ Expansion of new services through M&A

(To build BPO business)

October 2012 General Services, Inc. (GSI) became a subsidiary

October 2012 Established a new subsidiary in China (Suzhou)

(To strengthen BTM field)

October 2012 AEON Compass Co., Ltd. became a subsidiary

④ Entry into BtoBtoC market

(Condominium management)

December 2012 Established A-LIFE SUPPORT Co., Ltd.

6

Consolidated Balance Sheet

Million yen

	February 28, 2013	February 29, 2012	Difference		February 28, 2013	February 29, 2012	Difference
Current assets	79,323	72,486	6,836	Current liabilities	34,955	33,643	1,312
Fixed assets	21,375	20,322	1,052	Fixed liabilities	1,195	983	212
Tangible fixed assets	3,796	3,773	22	Total liabilities	36,151	34,626	1,525
Intangible fixed assets	12,321	12,272	49	Total net assets	64,547	58,182	6,364
Investments, etc.	5,257	4,276	980	Total liabilities and net assets	100,699	92,809	7,889
Total assets	100,699	92,809	7,889				

7

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Consolidated Cash Flow Statement

Million yen

	FY2/13	FY2/12
Cash flows from operating activities	▲4,358	9,639
Cash flows from investing activities	7,086	▲10,051
Cash flows from financing activities	▲2,257	▲2,722
Increase/decrease in cash and cash equivalents	497	▲3,137
Cash and cash equivalents at beginning of year	9,179	12,317
Cash and cash equivalents at end of year	9,676	9,179

Million yen

Operating cash flows

Income before income taxes	13,920
Accounts receivable	▲12,612
Accounts payable	▲1,116

Investing cash flows

Deposits and repayments for affiliate consumption entrusted funds	9,500
---	-------

Financing cash flows

Dividend payment	▲2,256
------------------	--------

● Operating cash flows were negative due to increased accounts receivable associated with LED lighting installation

8

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.

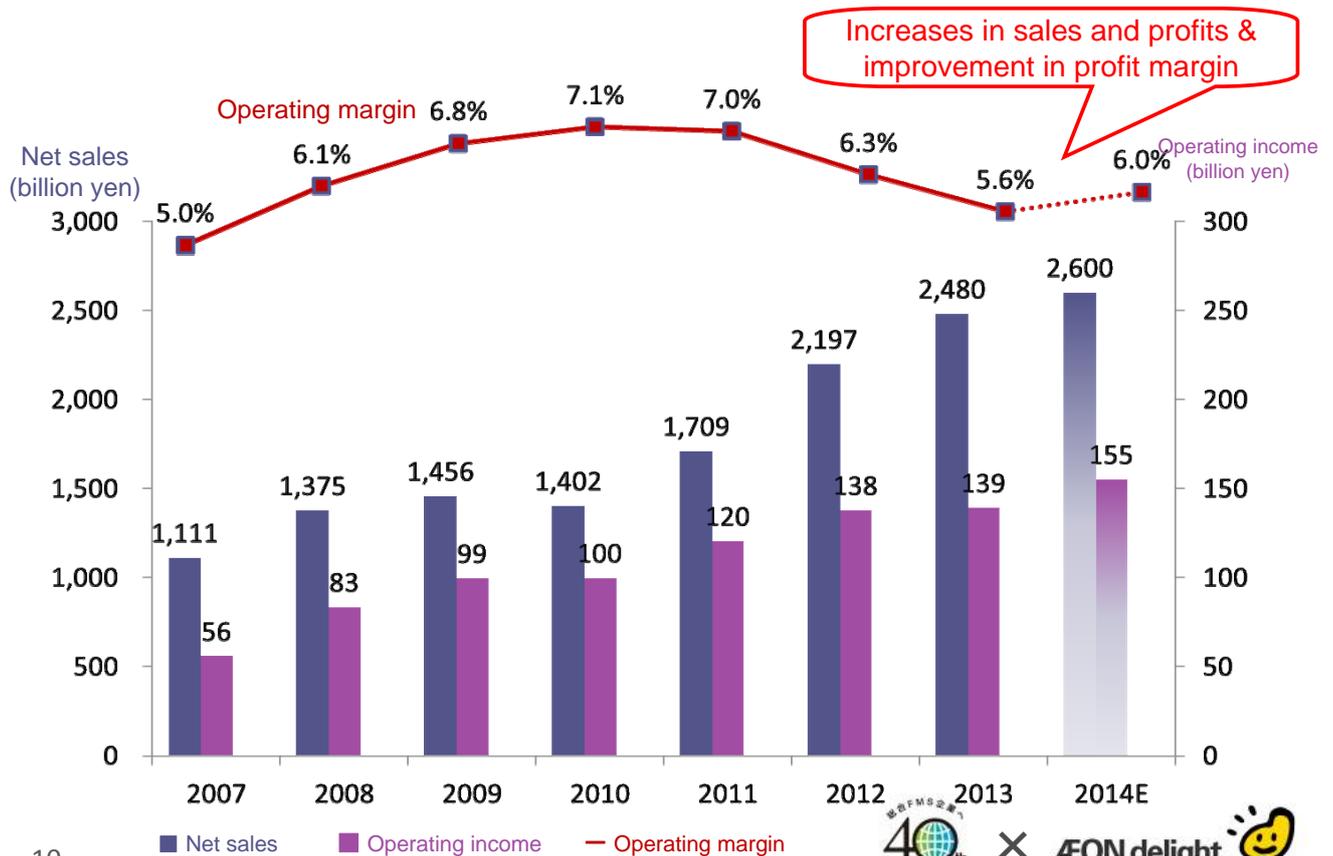


§ 1 Business Report for the Fiscal Year Ended February 28, 2013

§ 2 Major Initiatives for the Fiscal Year Ending February 28, 2014

§ 3 Reference Materials

Business Results (Net Sales, Operating Income, Operating Margin)



Changing Business Environment

Changes in the market due to new services

➡ Promote **business structural reform** to enhance competitive advantage and increase profits

Growing awareness of **environmental load reduction** and expansion of business opportunities

➡ Expand **energy-saving business** in Japan and overseas using the knowledge and knowhow accumulated on site

11

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Major Initiatives for the Fiscal Year Ending February 28, 2014

- (1) Initiatives for cost reduction
- (2) Initiatives for business structural reform
 1. Introduction of area management
 2. Development of products ~Initiatives for Cleaning services~
- (3) Promotion of IT and work restructuring
- (4) Expansion of energy-saving business
 1. Development of energy-saving business in Japan
 2. Development of energy-saving business in Asia
- (5) Creation of a market in Asia

12

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



(1) Initiatives for Cost Reduction

Reduced cost **1.2 billion yen**

(Examples of measures)

Cleaning services

- Improvement in the cost of directly managed properties, restructuring of partner network

Materials/supplies sourcing services

- Aggregation of materials/supplies, promotion of overseas sourcing, reduction of logistics costs

Vending machine services

- Review of operations

13

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.



(2)-1 Introduction of Area Management

From resident management (individual management) to remote monitoring (area management)

Introduction of **BEMS equipment**

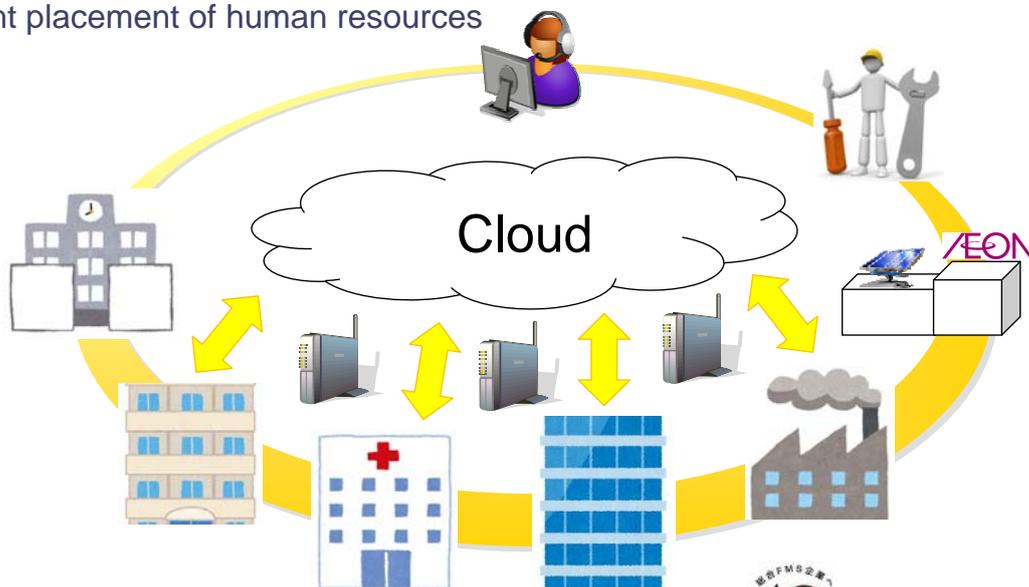
Uniform management of **food facilities**

Development of **ESCO services**

Efficient placement of human resources



Conserve energy and cut management costs



14

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.



From downstream to upstream ~development of environmental products~

① AEON DELIGHT Coat

- Water-based coating agent as alternative to conventional resin wax
- Achieves high-luster finish without use of organic solvents, detachment not required
- Buffing not required for **AD hard coat (under development)**

500 properties Net sales of 250 million yen



② Toilet revolution

- Recirculating, water-saving plastic urinals
- CO2 reduction during manufacturing
- **Water-savings of approximately 90%** when flushing

Simulation (in the case of a station with 500 users per day)

Water charge Cut by about 160,000 yen a year

*Water and sewage calculated based on 550 yen/1,000 liters

1,500 toilets Net sales of 180 million yen



(3) Promotion of IT and Work Restructuring

① Standardize indirect operations and BPO to GSI

➔ Profit contribution target 100 million yen a year



② Offices not necessary due to IT - make "offices available everywhere"

➔ FY2/13, average client meeting time per day from 2.6 hrs. to 4.0 hrs.
FY2/14, **raise business efficiency** of sales people

③ "Reduction of site administrative work" through new work flow

➔ Increase in comprehensive FMS proposals
Improvement in cancellation rate due to improved CS



(4) -1 Development of Energy-saving Business in Japan

Expansion of energy-saving business

Spread and expansion of renewable energy
Contribute to government policies and requirements of society

① Introduction of BEMS Net sales of **2 billion yen**

② Power sales through photovoltaic generation system



Participate in power selling business using idled land of Kikukawa-shi, Shizuoka Prefecture

▪ Jointly fund SPC (Special Purpose Company)

➔ Profit increase through **dividend + undertaking of related business**

17

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



(4) -2 Development of Energy-saving Business in Asia

Expansion of energy-saving business

Expand **ESCO business** in China and ASEAN

Plan to introduce to **five** stores all together from the current one store in China

(introduce to all stores in the future)



AEON Shunde Shopping Center (China) which introduced ESCO business

AEON Shunde launched the ESCO business in October 2012. Commit to reducing more than **10%** of **electricity prices and CO2 emissions** a year

➔ **Contribute to improvement in cash flows**

18

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



(5) Creation of a Market in Asia

- ① **China** Expansion of business opportunities due to a sudden increase in buildings
 - Number of contracts received **87** properties (**57** properties outside the AEON Group) (as of February 28, 2013)
 - Accelerate area strategy through joint venture with strong local companies (Also plan to expand into **Shandong, Hubei and Zhejiang**)
- ② **ASEAN** Create markets in areas with high growth potential
 - Full-scale operations in **Malaysia and Vietnam**
 - Aim to establish a local company in **Thailand**
- ③ **Promotion of glocal sales**
 - Attract **Japanese companies** by **strengthening partnership with sales team in Japan**

19

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Business Forecast for the Fiscal Year Ending February 28, 2014

Million yen

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

Gross profit margin improved by more than one point

20

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.

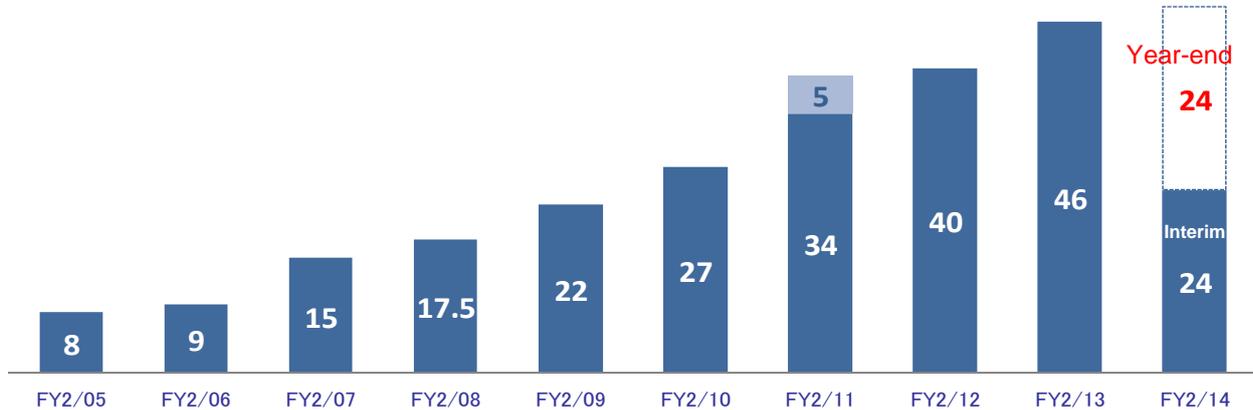


Shareholder Return

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

	FY2/05	FY2/06	FY2/07	FY2/08	FY2/09	FY2/10	FY2/11	FY2/12	FY2/13	FY2/14
Dividend	¥8.0	¥9.0	¥15.0	¥17.5	¥22.0	¥27.0	¥39.0	¥40.0	¥46.0	¥48

■ Dividend ■ Commemorative dividend □ Dividend forecast



*On December 1, 2007, the company conducted a two-for-one stock split. The dividend amount assumes that the stock split was conducted at the beginning of FY2/05.

*A commemorative dividend of 5.00 yen is included in the year-end dividend for FY2/11.

21

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.



Contents

§ 1 Business Report for the Fiscal Year Ended February 28, 2013

§ 2 Major Initiatives for the Fiscal Year Ending February 28, 2014

§ 3 Reference Materials

22

Copyright ©2012 ÆON DELIGHT Co., Ltd. All Rights Reserved.



Income Statement

Million yen

	FY2/04		FY2/05		FY2/06		FY2/07		FY2/08	
	Actual	YoY (%)	Actual	YoY (%)	Actual	YoY (%)	Actual	YoY (%)	Actual	YoY (%)
Net sales	55,749	99.3	54,665	98.1	62,323	114.0	111,170	178.4	137,519	123.7
Operating income	1,686	79.7	2,504	148.5	2,949	117.8	5,576	189.0	8,330	149.4
Ordinary income	1,697	80.5	2,511	147.9	2,953	117.6	5,485	185.7	8,186	149.2
Net income	148	13.1	860	580.6	1,324	153.8	2,998	226.4	4,379	146.1

Million yen

	FY2/09		FY2/10		FY2/11		FY2/12		FY2/13	
	Actual	YoY (%)								
Net sales	145,690	105.9	140,299	96.3	170,905	121.8	219,797	128.6	248,876	113.2
Operating income	9,946	119.4	9,970	100.2	12,031	120.7	13,762	114.4	13,901	101.0
Ordinary income	9,812	119.9	9,912	101.0	12,089	122.0	13,784	114.0	13,892	100.8
Net income	4,876	111.3	5,466	112.1	6,495	118.8	6,912	106.4	7,509	108.6

23

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Major Shareholders and Shareholders by Type (%)

Major shareholders

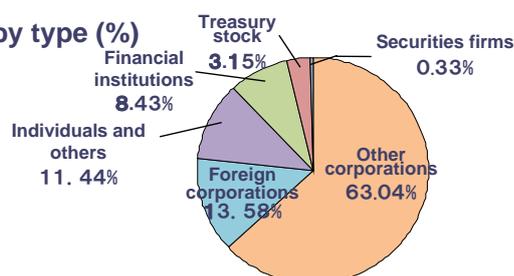
The ownership ratio corresponds to outstanding shares.

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

Rank	Shareholder	No. of shares owned (thousand shares)	Ownership (%)
1	AEON RETAIL CO., LTD.	23,261	42.94
2	AEON CO., LTD.	9,103	16.81
3	Japan Master Trust Bank, Ltd. (trust account)	1,034	1.91
4	AEON DELIGHT Business Partner Stock Ownership Association	722	1.33
5	Japan Trustee Services Bank, Ltd. (trust account)	710	1.31
6	THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	688	1.27
7	AEON DELIGHT Employee Stock Ownership Association	672	1.24
8	Japan Trustee Services Bank, Ltd. (trust account 9)	623	1.15
9	Northern Trust Company (AVFC) Subaccount British Client	592	1.09
10	JP MORGAN CHASE US PENSION TREATY JASDEC	575	1.06

The data is as of February 28, 2013

Shareholders by type (%)



24

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Management Indicators

	FY2/10	FY2/11	FY2/12	FY2/13
EPS	¥137.79	¥142.56	¥131.81	¥143.15
ROE	18.91%	15.47%	12.55%	12.46%
ROA	11.19%	9.75%	7.79%	7.76%
Ratio of ordinary income to net sales	7.06%	7.07%	6.27%	5.58%
Ratio of net income to net sales	3.90%	3.80%	3.15%	3.02%
Total assets turnover	2.87	2.56	2.48	2.57
Shareholders' equity ratio	64.22%	62.32%	61.92%	62.64%
Net assets per share	¥787.84	¥1,005.62	¥1,095.59	¥1,202.42
PER	8.83	10.57	11.62	11.46
PBR	1.54	1.50	1.40	1.36
(Ref.) Share price at year end	¥1,216	¥1,507	¥1,532	¥1,641

* The number is rounded to the second decimal place.

25

Copyright ©2012 AEON DELIGHT Co., Ltd. All Rights Reserved.



Thank you very much for your attention.

If you have any questions or comments, please contact us below.

■ These materials contain statements about forecasts and estimates relating to the future plans, strategies, and performance of AEON DELIGHT.

◇ These statements are based not only on past performance, but also on assumptions based on information currently available to the company. For this reason, please note that the actual performance may differ from our estimates.

■ The information contained in these materials has been prepared by the following methods if not specifically stated otherwise.

- ◇ All statements are based on consolidated results
- ◇ All figures of less than one million yen have been rounded down
- ◇ Percentages have been rounded to one decimal place

AEON DELIGHT CO., LTD.
(Stock code: 9787)

IR Contact

Susumu Takahashi Corporate Communication Dept.
TEL 06-6260-5632
FAX 06-6260-5653

Or visit our website at:
<http://www.aeondelight.co.jp>

* When sending a fax, please include your name and contact details.

This presentation has been prepared based on the information available as of the date of the presentation (February 28, 2013). The business forecasts may be revised due to various factors that may arise in the future.

26