

**Financial Results for the Nine Months Ended  
November 30, 2018**

**ÆON DELIGHT CO., LTD.**

**January 9, 2019**

# Consolidated Income Statement

As result of the efforts to expand sales opportunities and improve efficiency, sales and profits increased, and all-time high profits were reported.

(100 million yen)

	FY2/18 3Q (Ratio to sales)	FY2/19 3Q (Ratio to sales)	Difference	Percentage change
<b>Net sales</b>	<b>2,238 (100.0%)</b>	<b>2,299 (100.0%)</b>	<b>60</b>	<b>102.7%</b>
<b>Gross profit</b>	<b>294 (13.1%)</b>	<b>303 (13.2%)</b>	<b>8</b>	<b>103.1%</b>
<b>SG&amp;A</b>	<b>167 (7.5%)</b>	<b>170 (7.4%)</b>	<b>2</b>	<b>101.6%</b>
<b>Operating income</b>	<b>126 (5.7%)</b>	<b>132 (5.8%)</b>	<b>6</b>	<b>104.9%</b>
<b>Ordinary income</b>	<b>130 (5.8%)</b>	<b>136 (5.9%)</b>	<b>6</b>	<b>104.7%</b>
<b>Net income attributable to owners of parent</b>	<b>76 (3.4%)</b>	<b>82 (3.6%)</b>	<b>6</b>	<b>108.3%</b>

## 1 Safety

- Supported areas affected by the Hokkaido Eastern Iburi Earthquake in September and typhoons by providing services including restoration of buildings, temporary cleaning and delivery of materials

## 2 Labor shortage

- Introduced “Delight Viewer”, a distributed management system in October  
Streamlined maintenance and inspection
- Introduced and launched sales of automated floor cleaning robots in November
- Constructed labor-saving model for Security services at commercial facilities due to collaboration with SECOM CO., LTD.
- Launched a demonstration experiment of “Toilet IoT Service” at AEON MALL Binh Tan in Vietnam in September due to collaboration with SoftBank Telecom Vietnam

## 3 Environment

- Newly established “Electricity Planning Department” in October to operate Energy Management Services

### Solve labor shortage in the cleaning industry Introduced and launched sales of automated floor cleaning robots



Introduced to AEON Style Sendai Oroshimachi in September

Verified introduction at several facilities and provided explanations about equipment to cleaning service companies

**Introduced and launched sales in full-scale in November**

## Create a new business model for FM through collaboration

信頼される安心を、社会へ。

**SECOM**

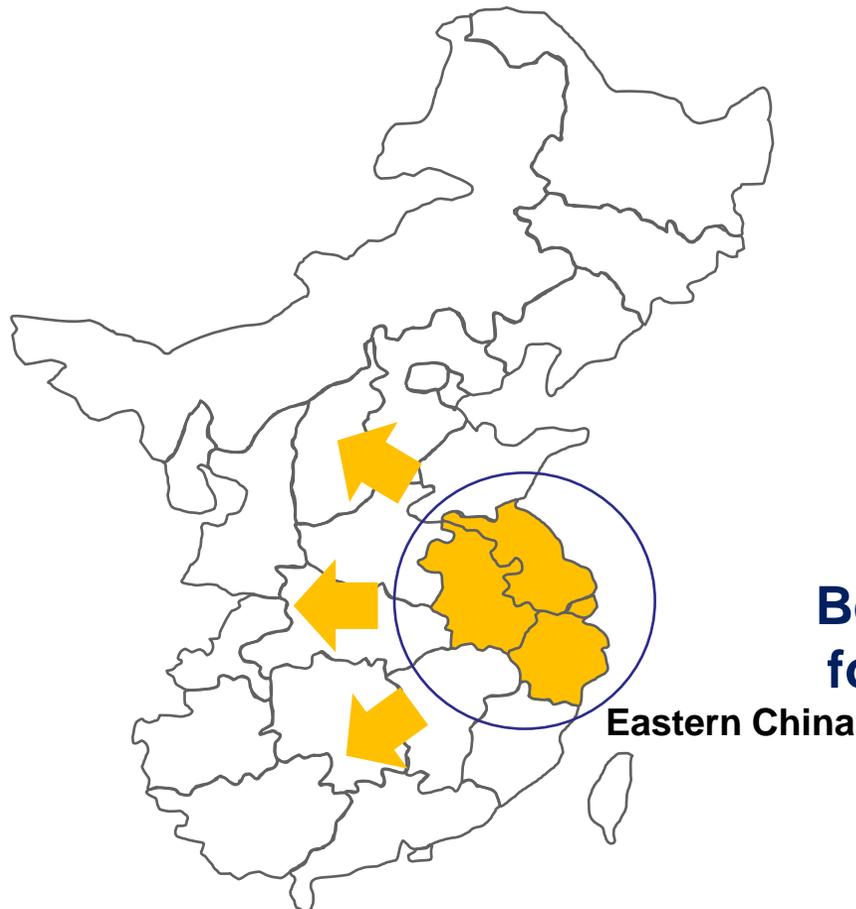


**AEON delight** 

**Constructed labor-saving model for Security services (entrance/exit management, closing) at AEON stores as a first step in collaboration and expanded to other stores at an early point**

**Continued inspections toward further labor-saving in the Facility Management**  
**Also enhanced cooperation in sales for small and medium-sized offices by taking advantages of both companies' strengths**

Made two core companies (AD Jiangsu and Wuhan Xiaozhu) into wholly owned subsidiaries through acquisition of additional equity



- Rebuilt the Group's governance system
- Established AEON delight brand in Eastern China

Began strengthening business foundation focusing on expanding throughout China

**Made an Indonesian cleaning service company into a consolidated subsidiary to further expand business in ASEAN**



**Left: Our President Kazumasa Hamada,  
Right: Mr. Norman Sebastian, former representative, PT Sinar Jernih Sarana**

**Made PT Sinar Jernih Sarana, leader in the Indonesia's cleaning industry, a consolidated subsidiary**



**Develop business in Indonesia which is the largest market in ASEAN**

**A facility receiving IFM acquired ISO 41001 certification, the international standard for facility management, as a first company in Japan**



**Became the only company in Japan to provide facility management that meets global standards**



**Standardized business process using ISO 41001  
Provide global-level services**

**ISO 41001 Certificate Presentation Ceremony  
(Left: Kazuo Tatsukami, President of Japan Audit and Certification Organization for Environment and Quality  
Right: Our President Kazumasa Hamada)**

# Initiatives for Improvement in Employee Engagement

## Improved employee engagement through creation of “job satisfaction and challenge”

Held the 4<sup>th</sup> Presentation for the Efforts to Pursue Pleasant Working Environment



(Participant companies)  
AEON delight, Kankyouseibi, DO SERVICE,  
Hakuseisha, Wuhan Xiaozhu, AEON delight  
Malaysia, AEON delight Vietnam

Continue with the small group activity  
“Activity to Pursue Pleasant Working  
Environment” lead by the cleaning crews  
in Japan and overseas



Enhance the willingness to make  
contribution voluntarily and form a  
workplace where employees can  
maximize their abilities to improve  
productivity

## Sales by Segment

YoY increase in 5 segments. Construction work and vending machine services have been recovered YoY from the first half.

	FY2/18 3Q	FY2/19 3Q	Percentage change (100 million yen)
Facilities management	395	425	107.6%
Security services	325	332	102.4%
Cleaning services	413	430	104.2%
Construction work	327	309	94.6%
Materials/supplies sourcing services	378	387	102.5%
Vending machine services	245	240	97.8%
Support services	152	172	112.8%
<b>Total</b>	<b>2,238</b>	<b>2,299</b>	<b>102.7%</b>

## Profit by Segment

Profits increased in 6 segments. Facilities management increased for double digit. Vending machine services are in the process of transforming the profit structure.

	FY2/18 3Q	FY2/19 3Q	Percentage change (100 million yen)
Facilities management	35.1	42.5	121.0%
Security services	21.1	21.1	100.0%
Cleaning services	46.4	50.0	107.5%
Construction work	26.2	28.8	109.9%
Materials/supplies sourcing services	21.1	21.3	100.9%
Vending machine services	15.0	7.6	50.9%
Support services	20.1	20.9	104.0%
<b>Total</b>	<b>185.3</b>	<b>192.5</b>	<b>103.8%</b>

# Initiatives by Segment

## Facilities management

In addition to acquiring new contracts, undertook periodic inspections of fire prevention equipment, conducted load tests for emergency generators, and expanded contracts for malfunction and defect repair works by focusing on support for the improvement of customers' disaster prevention and disaster reduction system.

## Security services

To secure the labor force, continuously implemented work style reforms, including improvement of the work environment. Promoted the systematization of services such as entrance/exit management and security patrols for labor saving.

## Cleaning services

In addition to acquiring new contracts, promoted the expansion of sales of self-developed equipment and labor-saving toilet cleaning. Introduced and launched sales of automated cleaning robots.

## Construction work

Reconstructed disaster areas. Focused on proposals from the planning stage including design when renovating commercial facilities and expanded comprehensive contracts for various constructions.

## Materials/supplies sourcing services

Expanded contracts for packaging materials of Aeon PB products "TOPVALU." Focused on reducing logistics cost to improve profitability.

## Vending machine services

Focused on increasing the installation of our own vending machines with each beverage manufacturer's products. Sold beverages and also tried to create new value using digital signage vending machines.

## Support services

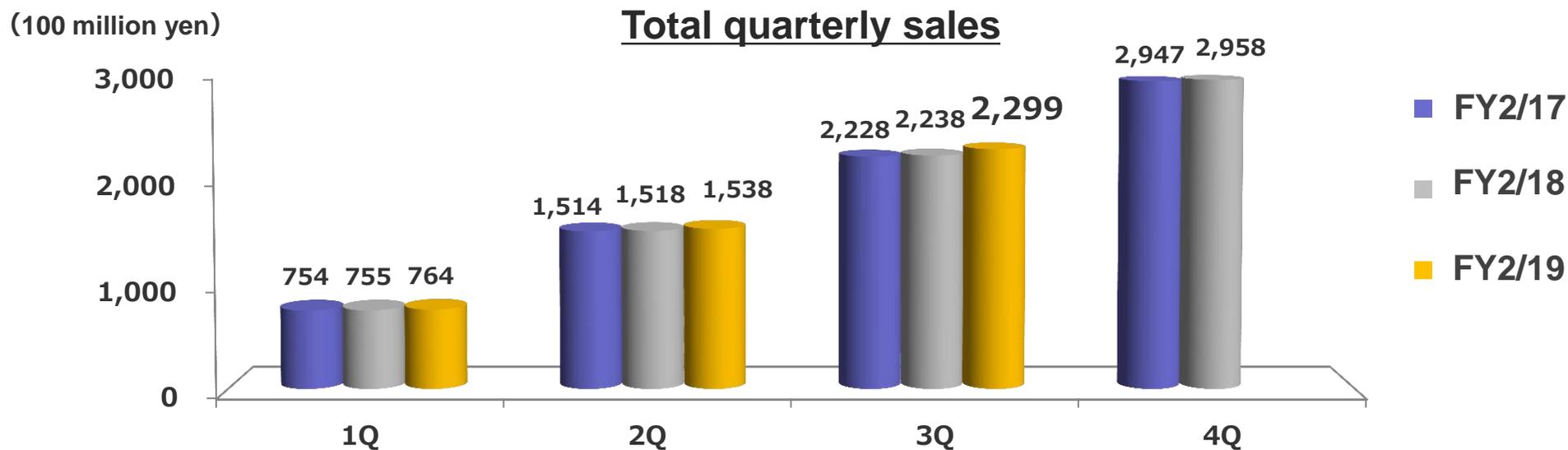
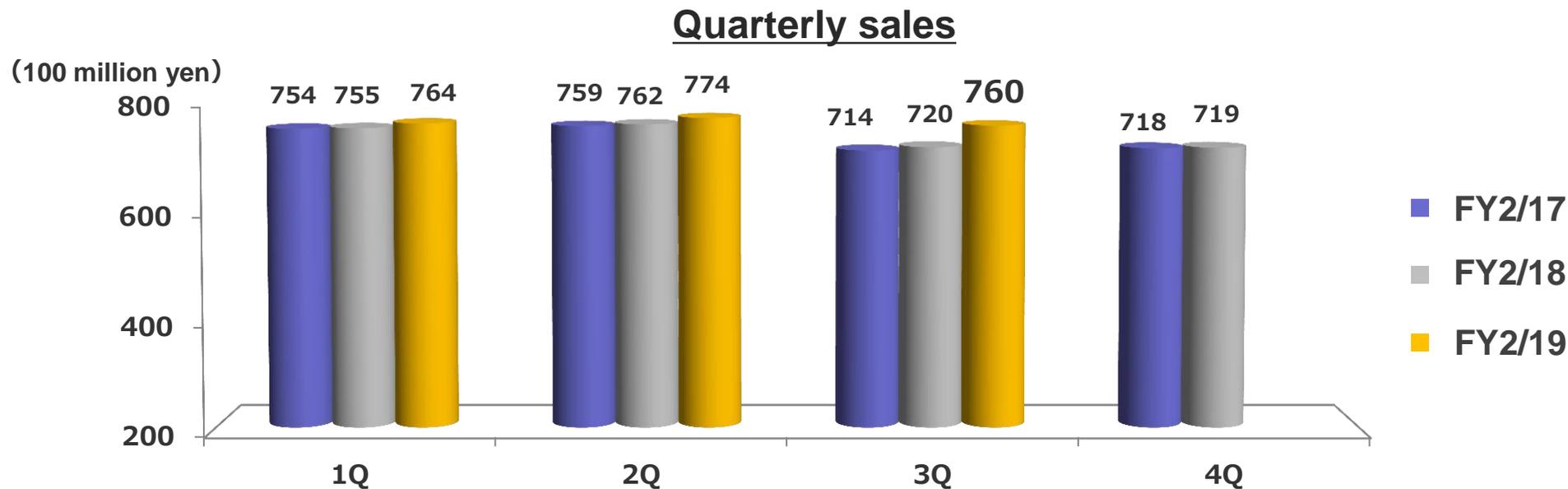
Expanded the provision of outsourcing services related to the management of facilities and its surroundings including the businesses of consolidated subsidiaries KAJITAKU CO., Ltd. and AEON COMPASS CO., LTD.

# Consolidated Balance Sheet

Assets	FY2/18	FY2/19 3Q	Difference
Current assets	1,202	1,200	▲2
Tangible fixed assets	100	99	▲1
Intangible fixed assets	80	73	▲6
Investments, etc.	85	80	▲5
Fixed assets	266	252	▲13
Total assets	1,468	1,452	▲15

Liabilities and net assets	FY2/18	FY2/19 3Q	Difference
Current liabilities	434	432	▲2
Fixed liabilities	27	27	0
Total liabilities	462	459	▲2
Shareholder's equity	959	958	▲1
Total net assets	1,005	992	▲12
Total liabilities and net assets	1,468	1,452	▲15

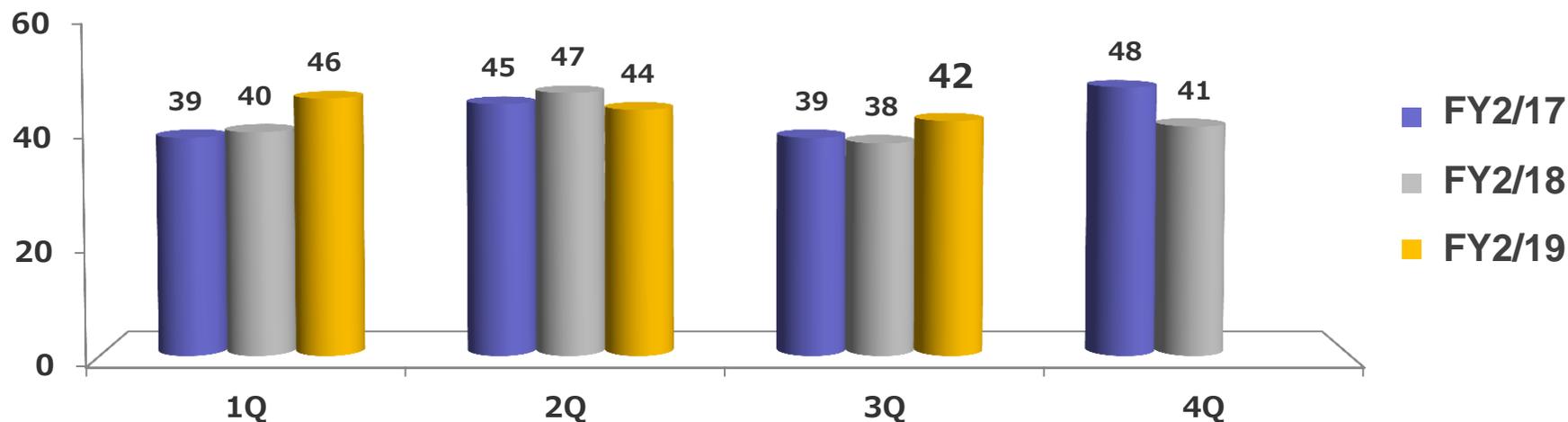
# Quarterly Performance for the Past Three Years : Sales



# Quarterly Performance for the Past Three Years : Operating income

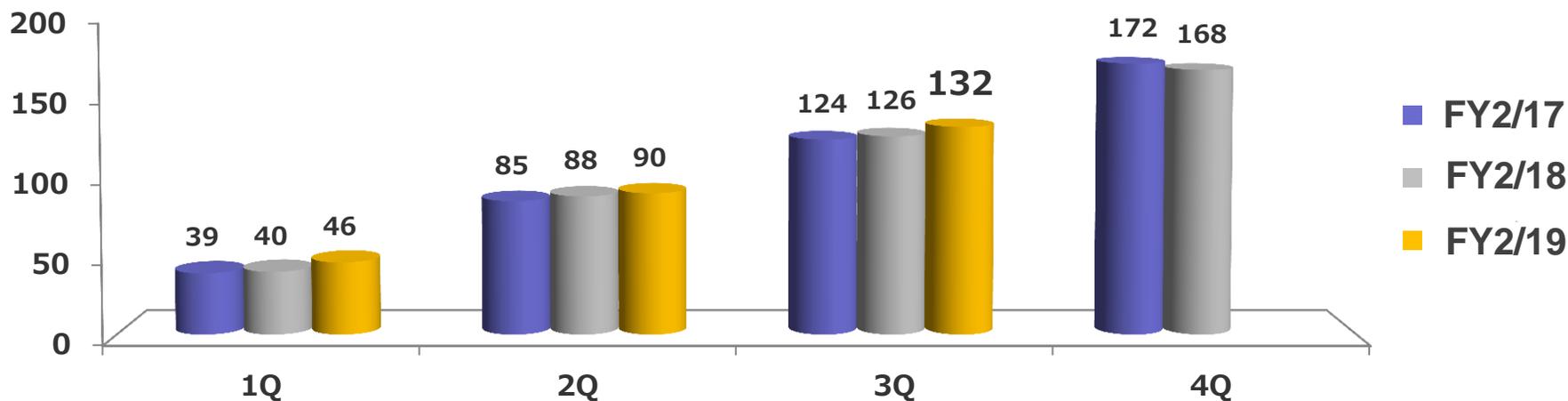
## Quarterly operating income

(100 million yen)



(100 million yen)

## Total quarterly operating income

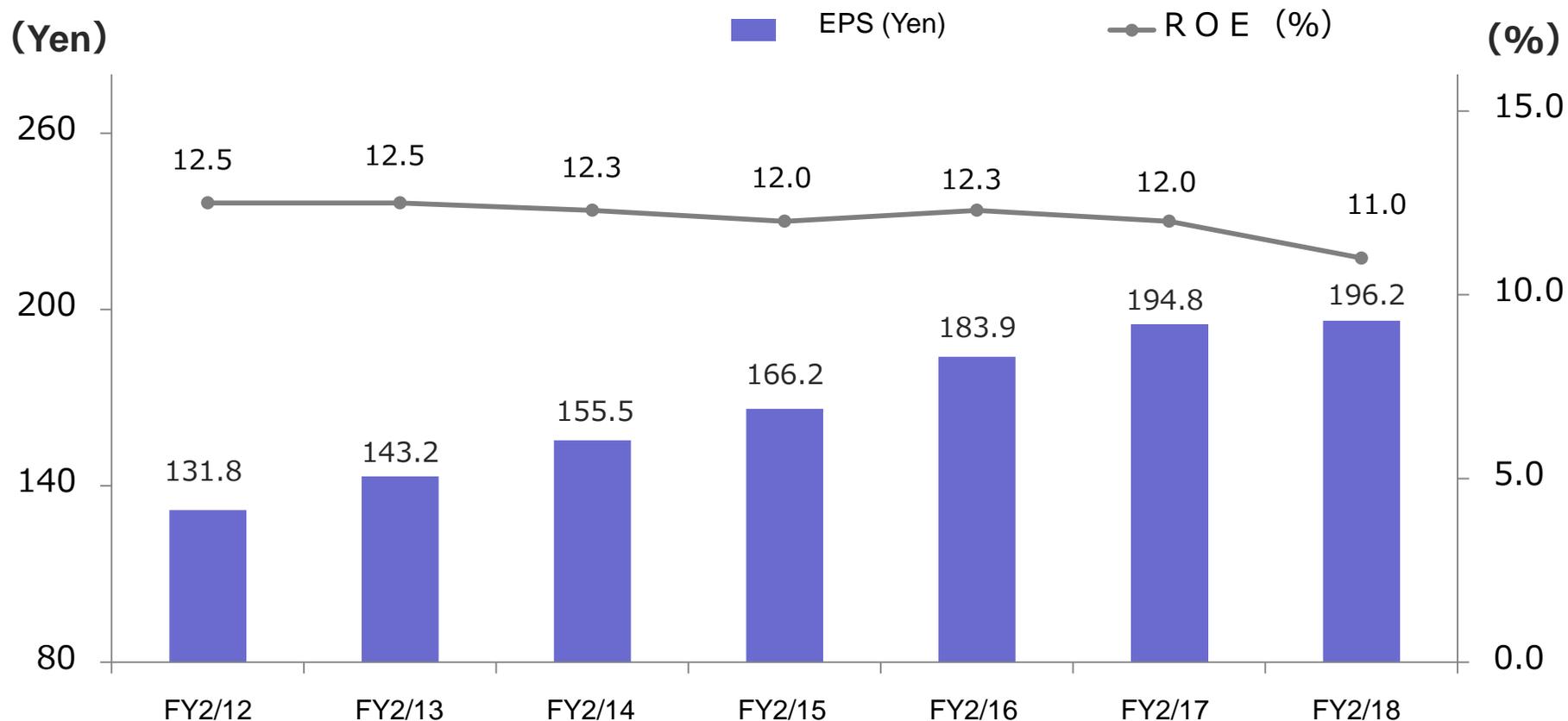


## Business Forecasts for FY2/19

(100 million yen)	FY2/18 results (Ratio to sales)		FY2/19 Forecasts (Ratio to sales)		Percentage change
Net sales	<b>2,958</b>	<b>(100.0%)</b>	<b>3,050</b>	<b>(100.0%)</b>	<b>103.1%</b>
Operating income	<b>168</b>	<b>(5.7%)</b>	<b>185</b>	<b>(6.1%)</b>	<b>110.0%</b>
Ordinary income	<b>172</b>	<b>(5.8%)</b>	<b>185</b>	<b>(6.1%)</b>	<b>107.0%</b>
Net income attributable to owners of parent	<b>103</b>	<b>(3.5%)</b>	<b>110</b>	<b>(3.6%)</b>	<b>106.6%</b>

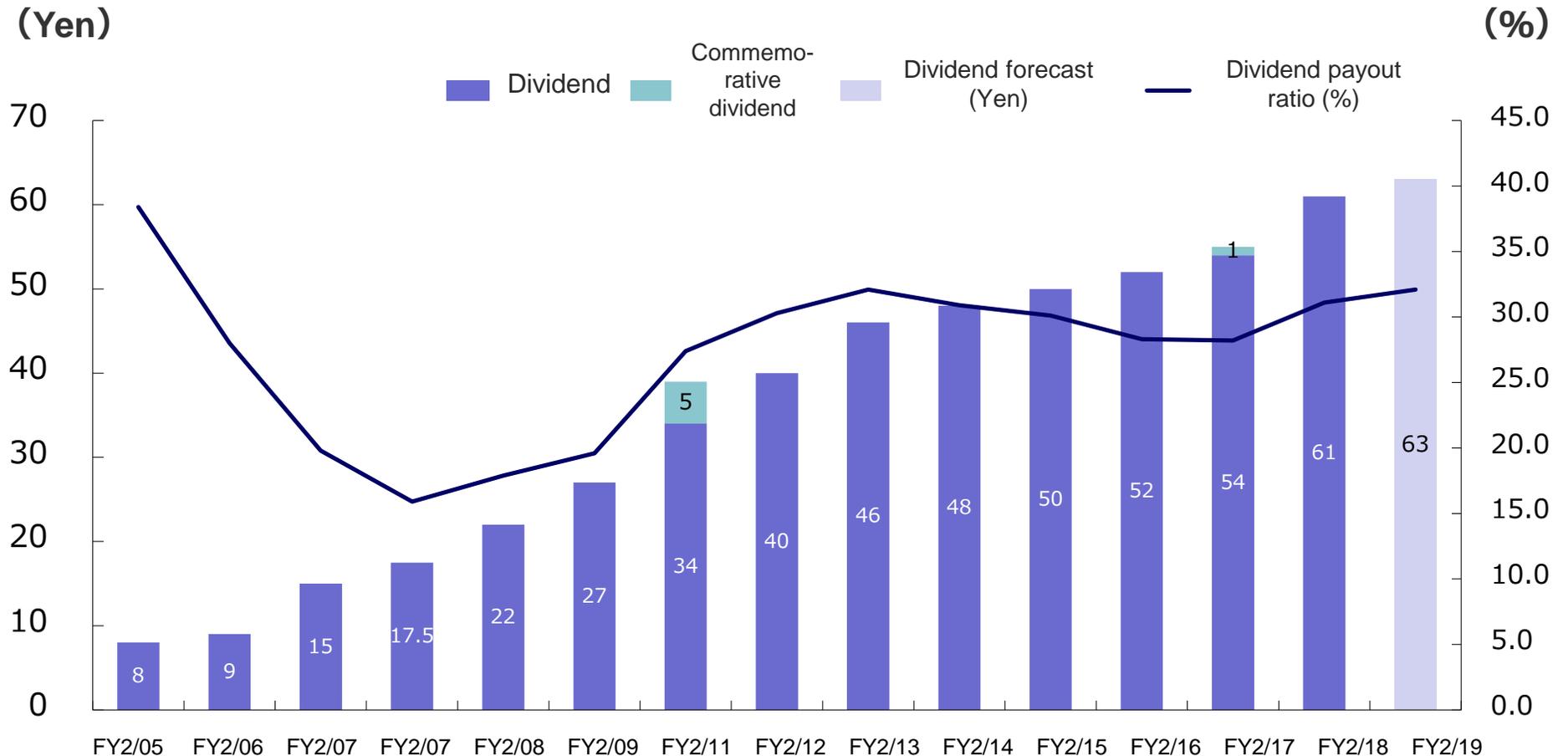
**Consolidated payout ratio: Maintain around 30%**

**Capital efficiency: Maintain around ROE 12%**



# Shareholder Return

Dividends increased for 13 consecutive years since FY2/06.  
 Aim for **14 consecutive years** of increase.



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

- These materials contain statements about forecasts and estimates relating to the future plans, strategies, and performance of AEON delight.
- ◇ These statements are based not only on past performance, but also on assumptions based on information currently available to the company. For this reason, please note that the actual performance may differ from our estimates.
- The information contained in these materials has been prepared by the following methods if not specifically stated otherwise.
  - ◇ All statements are based on consolidated results
  - ◇ All figures of less than 100 million yen have been rounded down
  - ◇ Percentages have been rounded off to one decimal place

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This presentation has been prepared based on the information available as of the date of the presentation (January 9, 2019). The business forecasts may be revised due to various factors that may arise in the future.