

October 27, 2015  
AEON DELIGHT CO., LTD.

**Tender Offer for Hakuseisha CO., LTD.  
Aims to Consolidate and Reorganize the Industry**

At the Board of Directors Meeting held today, AEON DELIGHT CO., LTD. approved a resolution to conduct a tender offer to purchase the stock of Hakuseisha CO., LTD., (hereafter “Hakuseisha”) which is an affiliate of J. FRONT RETAILING Co., Ltd.

Hakuseisha started operations 60 years ago and is a pioneer in the provision of maintenance, security, cleaning and other building services. Cleaning services for department stores, including the Tokyo store of Daimaru Matsuzakaya Department Stores Co., Ltd., is the primary business. With decades of experience in this market, Hakuseisha has the expertise needed to supply consistently high-quality services.

In 1979, trading of Hakuseisha stock started on the over-the-counter market. In the following years, the company worked even harder on compliance activities and on training programs for employees.

AEON delight is a comprehensive facility management services organization as a core company in the AEON Group. The company provides cleaning, security, equipment management and many other services to inside and outside the AEON Group. AEON delight was the first in its industry to start overseas operations. There are currently operations in China, Malaysia and Vietnam.

A major change has been taking place in the nature of Japan’s cleaning services market, which is part of the larger building maintenance sector where both AEON delight and Hakuseisha operate. Originally, cleaning focused primarily on keeping buildings attractive. But the outbreak of new influenza strains and other infectious diseases as well as the issue of fine particle (PM 2.5) and other air contamination has altered customers’ cleaning requirements. As a result, the cleaning market has expanded to become a market for hygiene and cleaning services. This includes disinfecting services and technologies to remove dust from the air. In this field, Hakuseisha has more than 20 years of experience in clean room cleaning services that require keeping microscopic particles below prescribed levels.

AEON delight views the current business climate as an opportunity for growth. There have been substantial investments in employee training facilities, research programs and other activities. In addition, there are more sales activities targeting hospitals and other medical facilities. Overseas, AEON delight has used knowledge gained from providing high-quality services in Japan to establish alliances and joint ventures with prominent companies in order to build a business foundation. The aim is to grow even faster by strengthening regional networks. AEON delight is also seeking opportunities to acquire companies in its industry or form alliances. As a leading company in the building services industry, AEON delight is playing an active role in measures to consolidate and realign the industry.

Japan’s building cleaning services industry is still has a large number of companies and is highly competitive. To succeed during the changes taking place in the operating environment, AEON delight believes that it must become a larger organization by having major companies work together across a diverse array of business activities. This is the thinking behind the decision to conduct the Hakuseisha tender offer.

AEON delight plans to retain Hakuseisha's autonomy and self-reliance in order to take full advantage of the company's outstanding organization. In addition, the expertise and technologies of the two companies will be shared to build an even more powerful framework of operations. These actions are expected to allow supplying customers with new forms of value while providing employees even more stimulating and rewarding career opportunities.

After the completion of this tender offer, the AEON delight Group plans to continue to take more actions for the consolidation and realignment of the facility management services industry. To continue to create environmental value for clients and communities, which is the AEON delight philosophy, group companies will constantly innovate from within and become more competitive. The objective is to become the leading comprehensive facility management organization in Asia.

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(Reference)

**Overview of Hakuseisha**

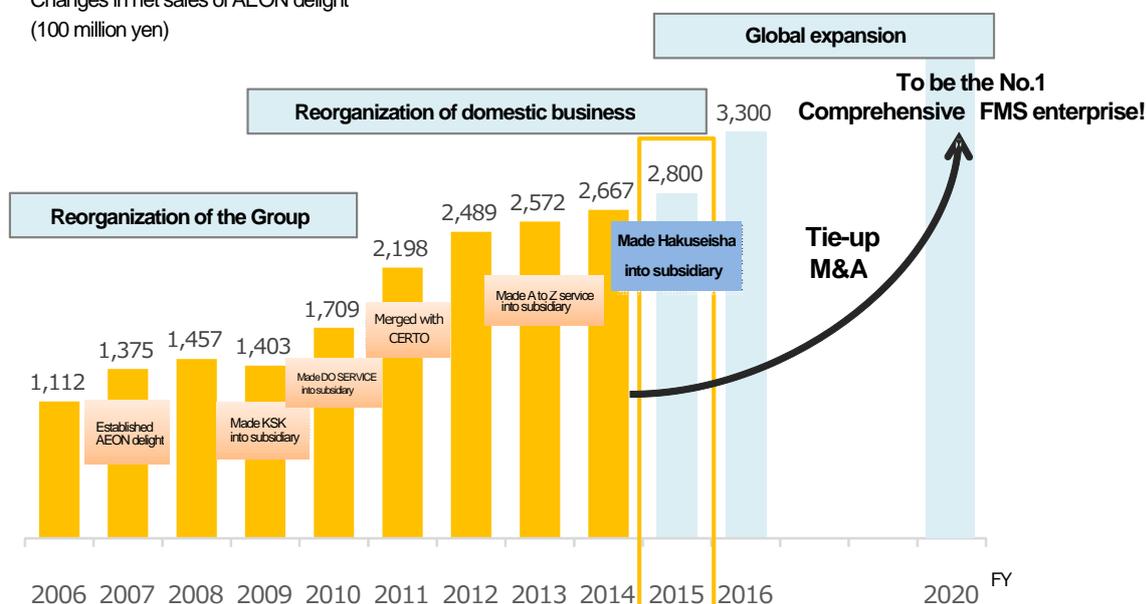
(as of March 31, 2015)

(1) Company name	Hakuseisha CO., LTD.		
(2) Headquarter	1-3-9 Iwamoto-cho, Chiyoda-ku, Tokyo		
(3) Representative	Takashi Uchida, President		
(4) Business	Building maintenance, security and other businesses		
(5) Capital	450million yen		
(6) Establishment	August 13, 1954		
(7) Number of employees	3,256 (Staff: 536 Part-timer: 2,720)		
(8) Consolidated business results and financial condition for the recent three years			
Fiscal year	FY3/13	FY3/14	FY3/15
Net assets (consolidated)	6,169 million yen	6,501 million yen	6,636 million yen
Total assets (consolidated)	8,024 million yen	8,603 million yen	8,821 million yen
Net sales (consolidated)	9,722 million yen	10,036 million yen	9,838 million yen
Operating income (consolidated)	354 million yen	264 million yen	175 million yen
Ordinary income (consolidated)	454 million yen	448 million yen	275 million yen
Net income (consolidated)	296 million yen	289 million yen	172 million yen

**Restructuring and globalization of the building maintenance business led by AEON delight**



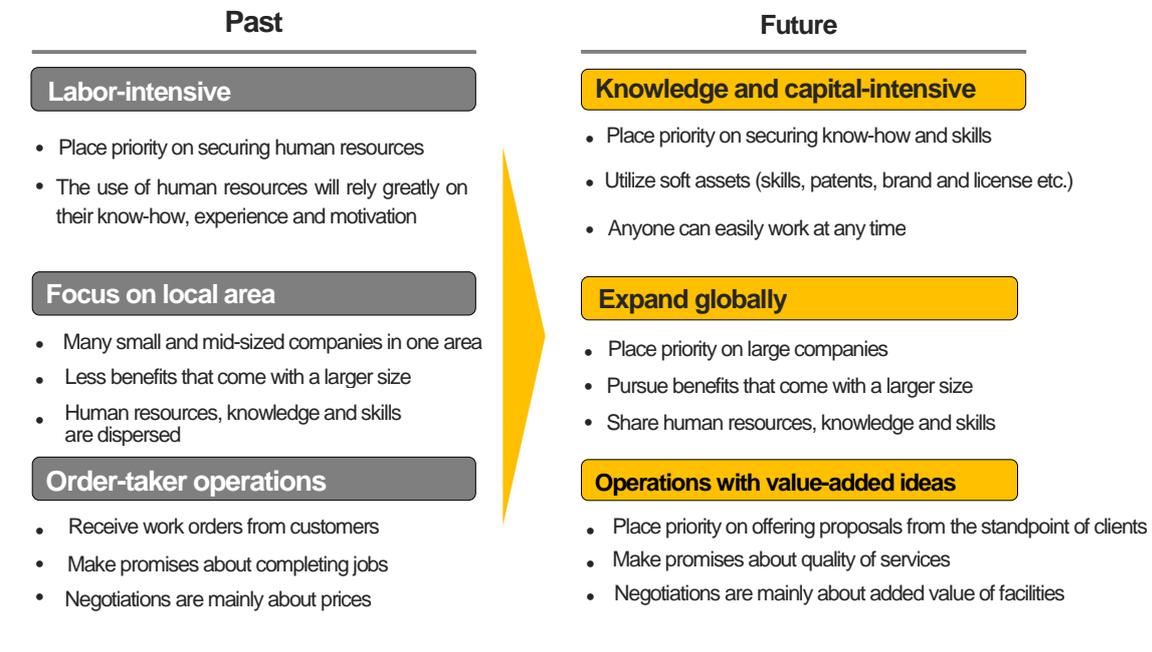
Changes in net sales of AEON delight  
(100 million yen)



Source : AEON CO., LTD. Supplementary Materials of Financial Results, AEON delight CO., LTD. Annual Securities Report

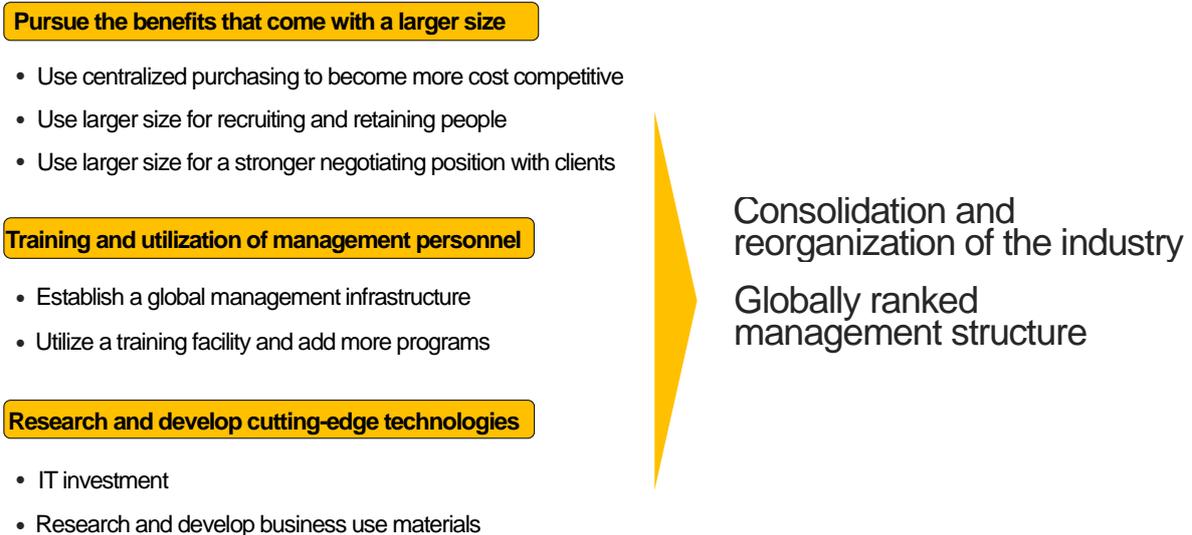
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**How AEON delight plans to redefine the cleaning services business** **AEON delight** 



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**Purpose of M&A**



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