



Financial Results Supplementary for the Fiscal Year Ended February 28, 2015



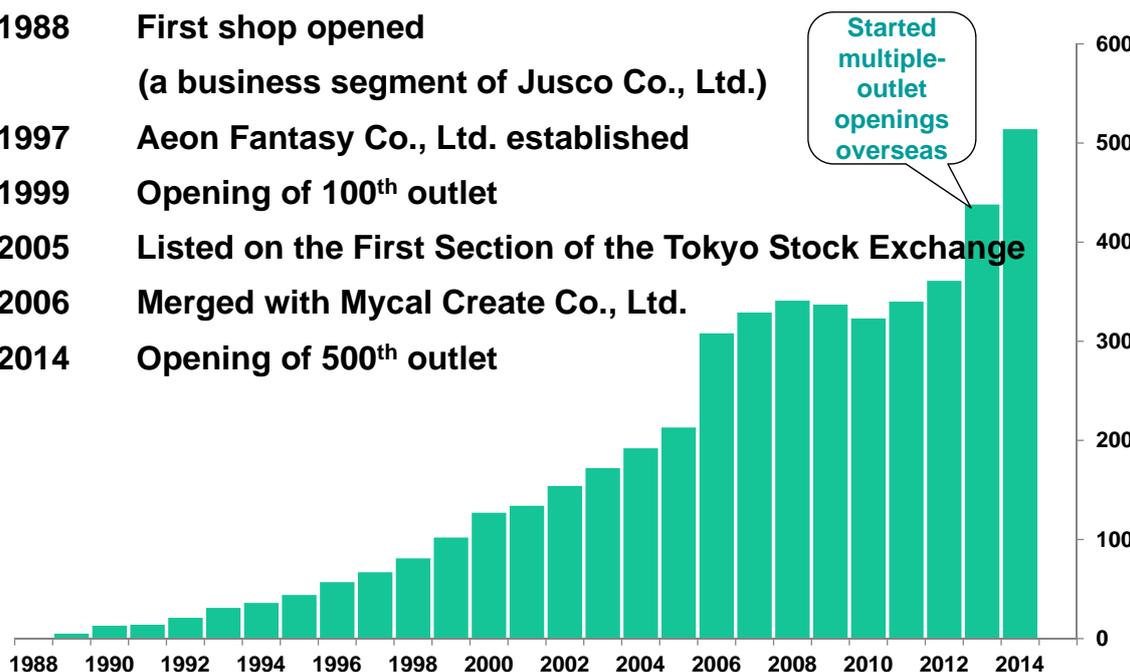
株式会社イオンファンタジー
Aeon Fantasy Co., Ltd.

Company Overview

- 1) Company name Aeon Fantasy Co., Ltd.
- 2) Location 1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba
- 3) Establishment February 14, 1997
- 4) Capital 1,747 million yen
- 5) Shareholders Aeon Co., Ltd.: 62.58%, Others: 37.42%
- 6) Listing First Section of the Tokyo Stock Exchange
- 7) Business Operation of amusement facilities and indoor playgrounds in shopping centers

History

- 1988 First shop opened
(a business segment of Jusco Co., Ltd.)
- 1997 Aeon Fantasy Co., Ltd. established
- 1999 Opening of 100th outlet
- 2005 Listed on the First Section of the Tokyo Stock Exchange
- 2006 Merged with Mycal Create Co., Ltd.
- 2014 Opening of 500th outlet



株式会社イオンファンタジー <Change in number of outlets>

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2015



Consolidated Business Results for the Fiscal Year Ended February 28, 2015

■ Consolidated net sales increased 0.2% year on year, operating income increased 3.6% year on year, ordinary income increased 29.1% year on year, and net income increased 19.6% year on year.

Fiscal Year Ended February 28, 2015
(March 1, 2014 to February 28, 2015)

(million yen)

<Segment Information>

(million yen)

	FY2013	FY2014	% change year-on-year
Net sales	46,541	46,632	+0.2%
Gross profit	5,466	5,667	+3.7%
Operating income	2,536	2,626	+3.6%
Ordinary income	2,645	3,415	+29.1%
Net income	1,117	1,336	+19.6%
Net income per share	61.60 yen	73.67 yen	Up 12.07 yen

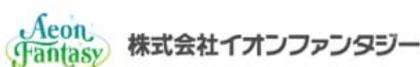
	Domestic	Overseas
Net sales	41,179 (-6.7%)	5,497 (+121.0%)
Operating income	2,910 (-166)	-285 (+256)

Net sales: figures in parentheses show the year-on-year change.
Operating income: figures in parentheses show the year-on-year increase.



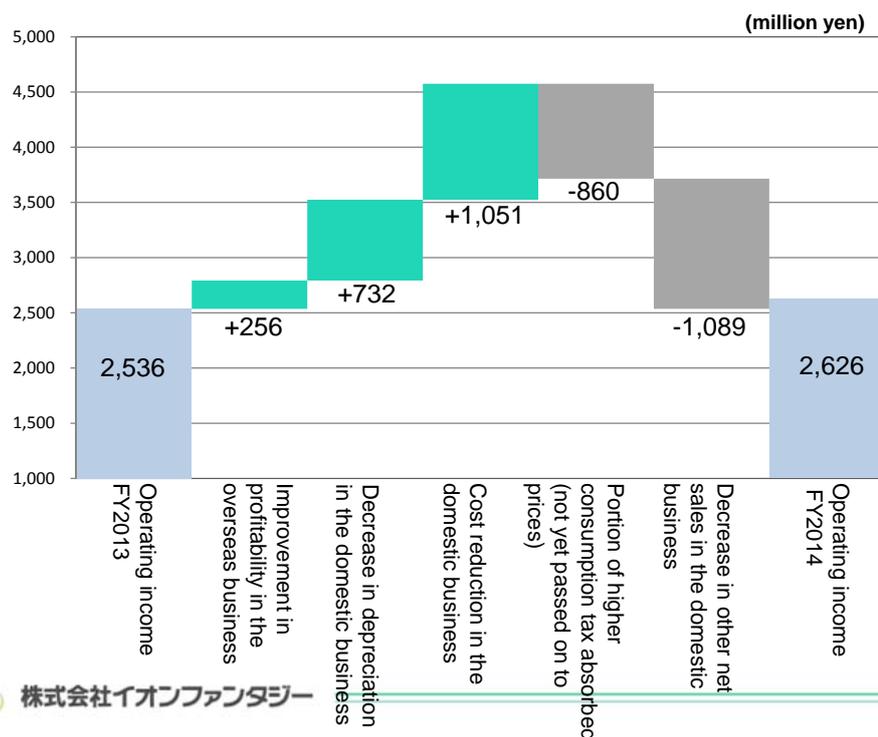
Highlights for the Fiscal Year Ended February 28, 2015

Opening of new outlets on the largest scale ever	Opening of 82 outlets (12 outlets in Japan and 70 outlets abroad)
Success of a new business format	Opening of the outlet at Tokyo SKYTREE TOWN, called "Tokyo Kodomo-Ku, Kodomo-no-Yu" based on the concept of a public bath in "shitamachi."
Expansion of overseas procurement of amusement machines	After acquiring the demands from subsidiaries, production will be in the most suitable places. Reduction of investment by 600 million yen in FY2014.
Growth of China Business	Net sales and the number of outlets doubled compared FY2013. Improvement in the operating loss exceeded the plan. (improved by 219 million yen from FY2013.)
Growth of ASEAN Business	Establishment of a subsidiary and the opening of an outlet in the Philippines (May 2014). Opening of an outlet in Cambodia (June 2014). Establishment of a subsidiary in Indonesia (November 2014).



Analysis of Changes in Operating

■ Profits increased due to cost reduction and improved profitability in the overseas business



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Consolidated Balance Sheet

■ Implemented active capital investments including an increase in the number of new outlets

Fiscal Year Ended February 28, 2015 (as of February 28, 2015)

(million yen, %)

	FY2012		FY2013		FY2014		Change
	Amount	Ratio	Amount	Ratio	Amount	Ratio	
Current assets	13,399	50.2%	11,238	40.2%	7,994	26.6%	(3,244)
Non-current assets	13,284	49.8%	16,739	59.8%	22,051	73.4%	+5,311
Total assets	26,684	100.0%	27,978	100.0%	30,045	100.0%	+2,066
Current liabilities	6,433	24.1%	7,032	25.1%	7,956	26.5%	+923
Non-current liabilities	263	1.0%	327	1.2%	476	1.6%	+149
Total liabilities	6,696	25.1%	7,359	26.3%	8,432	28.0%	+1,072
Total net assets	19,988	74.9%	20,618	73.7%	21,612	71.9%	+993
Total net assets and liabilities	26,684	100.0%	27,978	100.0%	30,045	100.0%	+2,066

<Major changes>

- Main decreases in current assets => Reduced deposits with affiliates as a result of an increase in capital investments (- 6.0 billion yen)
- Main increase in non-current assets => Increased property, plant and equipment as a result of an increase in capital investments (+5.0 billion yen)

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Consolidated Cash Flow Statements

Fiscal Year Ended February 28, 2015 (March 1, 2014 to February 28, 2015)

(million yen)

	FY2012	FY2013	FY2014	Change
Income before income taxes	3,446	2,544	3,013	+469
Depreciation	4,083	5,076	4,623	(453)
Income taxes paid	(1,803)	(1,336)	(1,721)	(384)
Cash flows from operating activities	6,152	6,674	4,061	(2,612)
Purchase of property, plant and equipment	(5,499)	(7,947)	(8,535)	(588)
Cash flows from investing activities	(5,672)	(8,023)	(3,122)	+4,900
Cash dividends paid	(580)	(815)	(544)	+271
Cash flows from financing activities	(580)	(820)	(394)	+425
Net increase (decrease) in cash and cash equivalents	(0)	(2,003)	123	+2,126
Cash and cash equivalents at beginning of period	4,326	5,250	3,246	(2,003)
Cash and cash equivalents at end of period	5,250	3,246	3,369	+123



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Number of Outlets (as of February 28, 2015)

	Mollyfantasy	Kidzoona	Others	Total
Japan	316	2	16 (15)	334 (15)
China	69 (4)	11		80 (4)
Malaysia	45	9	1	55
Thailand	18	19		37
Philippines		2		2
Vietnam	2 (2)	2 (2)		4 (4)
Cambodia	1 (1)	1 (1)		2 (2)
Overseas total	135 (7)	44 (3)	1	180 (10)
Total	451 (7)	46 (3)	17 (15)	514 (25)

Note: The figures in parentheses are included in the figures without parentheses, showing the number of outlets such as franchise businesses (including business partnership agreement, outsourcing agreement, and license agreement)



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SUMMARY OF KEY INITIATIVES FOR THE FISCAL YEAR ENDED FEBRUARY 28, 2015



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Initiatives for FY2015/2

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- Jan. Started operations in Vietnam
- May Received the “*Mothers Selection Grand Prix*” in Japan
- Jun. Started operations in Cambodia
- Jul. Started sales of character goods via the internet
- Aug. Opened a new business format “*Tokyo Kodomo-ku, Kodomo-no-Yu*”
Launched a new design of LaLa-chan
- Oct. Started operations in the Philippines
- Nov. Received the “Most Popular Chain Store Brand Award” in China
Established a subsidiary in Indonesia
- Dec. Released applications for smartphones
Achieved 500 outlets in Japan and abroad



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“Strategy Cycle” to Sustain Growth

(i) Increase in the number of outlets



(ii) Promotion of brands



Overwhelming
cost advantages

Differentiation
from
competition

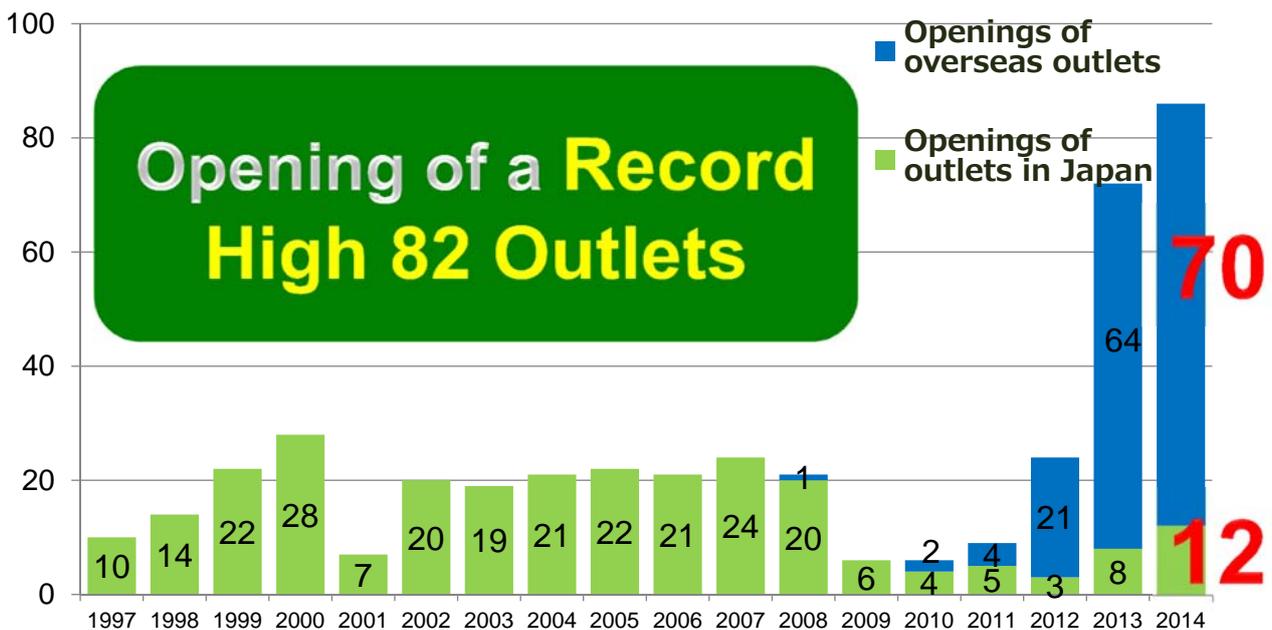
(iii) Facilitation of global merchandising



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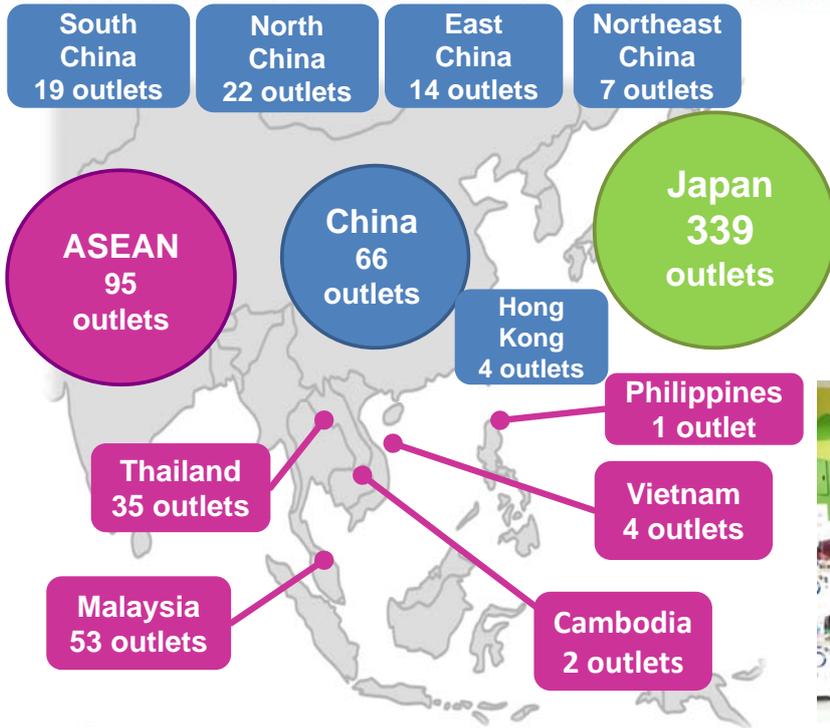
Increase in the Number of Outlets



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Achieved 500 Outlets in Japan and Abroad



Success of New Business Format

Opening of "Tokyo Kodomo-Ku, Kodomo-no-Yu"



"Tokyo Kodomo-Ku, Kodomo-no-Yu"

東京子ども区
こどもの湯
 ~史上最大級のボールプール温泉~

Opened on the 5th floor of "TOKYO Solamachi"



Promotion of Character Brands

Launched a new design for “LaLa-Chan”



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Video transmission



Publication of illustrated books



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Facilitation of Global Merchandising

(i) Find out the “fun things” in global markets



(ii) Gather demands from respective countries (500 outlets)

FY2015/2 => Reduction in investments amounting to 600 million yen

(iii) Carry out production in the most suitable places, considering production and logistics costs

(iv) Facilitate simultaneous sales in Japan and abroad



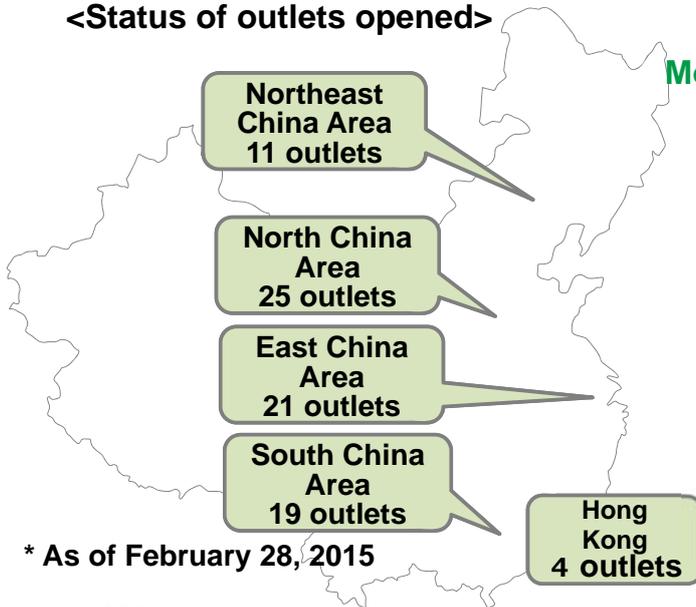
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Growth of China Business

<The Company garnered the China Chain Store & Franchise Association Golden Lily Award>

<Status of outlets opened>



* As of February 28, 2015

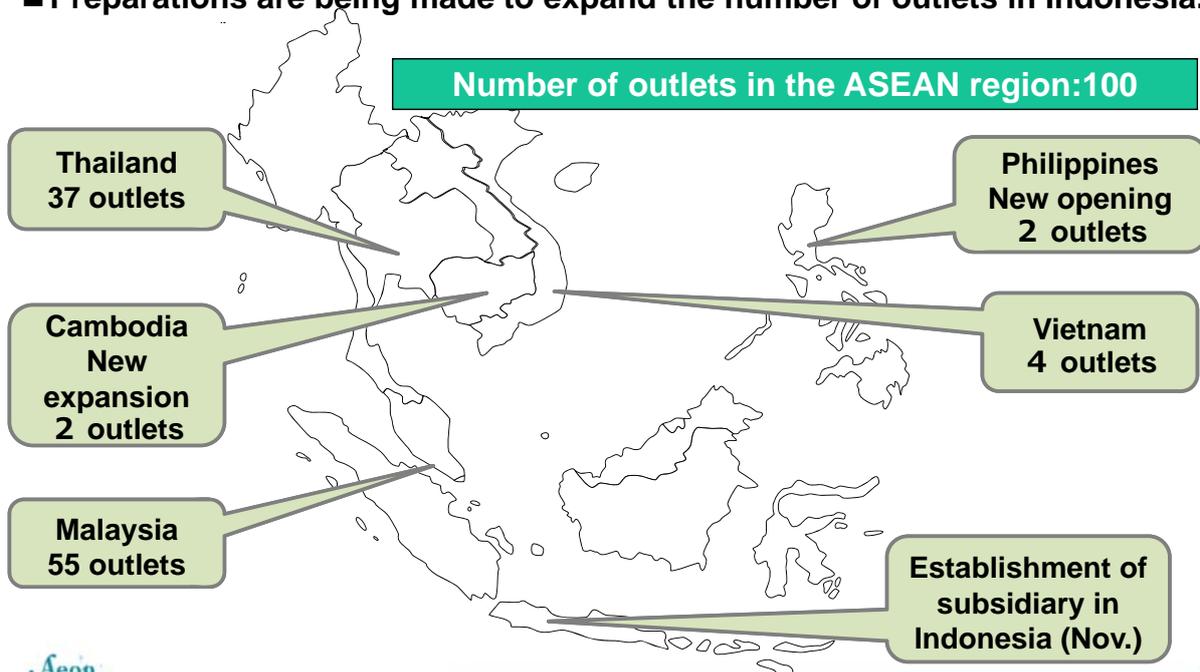
Mollyfantasy The 2014 CCFA Golden Lily for the « Most Popular Chain Store Brand » Award



Number of outlets in China: 80

Business Expansion in the ASEAN Region

- New outlets opened in Cambodia and Philippines.
- Preparations are being made to expand the number of outlets in Indonesia.

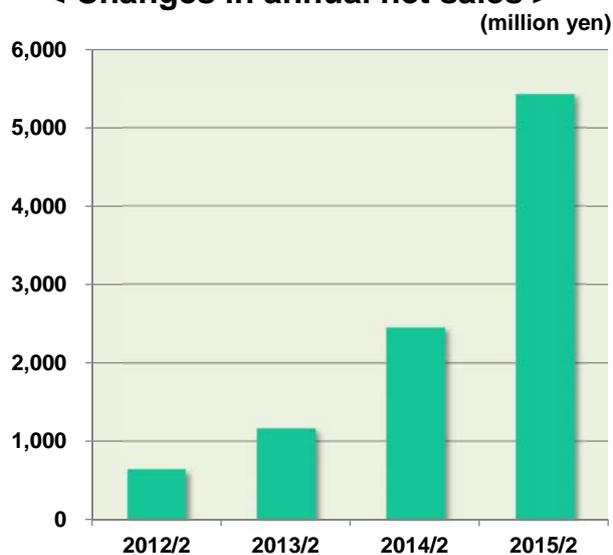


Number of outlets in the ASEAN region: 100

Overseas Business Results

- Overseas net sales doubled year on year
- Profitability improved in all three countries abroad

< Changes in annual net sales >



(million yen)

	China		Malaysia		Thailand	
	FY 2013	FY 2014*	FY 2013	FY 2014	FY 2013	FY 2014
Net sales	1,085	3,531	1,176	1,475	198	470
Profits of outlets	(112)	257	178	275	(7)	28
SG&A expenses	351	501	115	128	85	94
Operating income	(463)	(243)	63	147	(92)	(66)

FY2013: Mar, 2013- Feb, 2014 , FY2014: Mar, 2014- Feb, 2015
 *FY2014 for China: 14 months from Jan. 2014 through Feb. 2015

CONSOLIDATED EARNINGS FORECAST FOR THE FISCAL YEAR ENDING FEBRUARY 29, 2016



Management Integration with Fun Field

■ To be merged on June 1, 2015 ⇒ No. 1 in terms of sales in the amusement industry

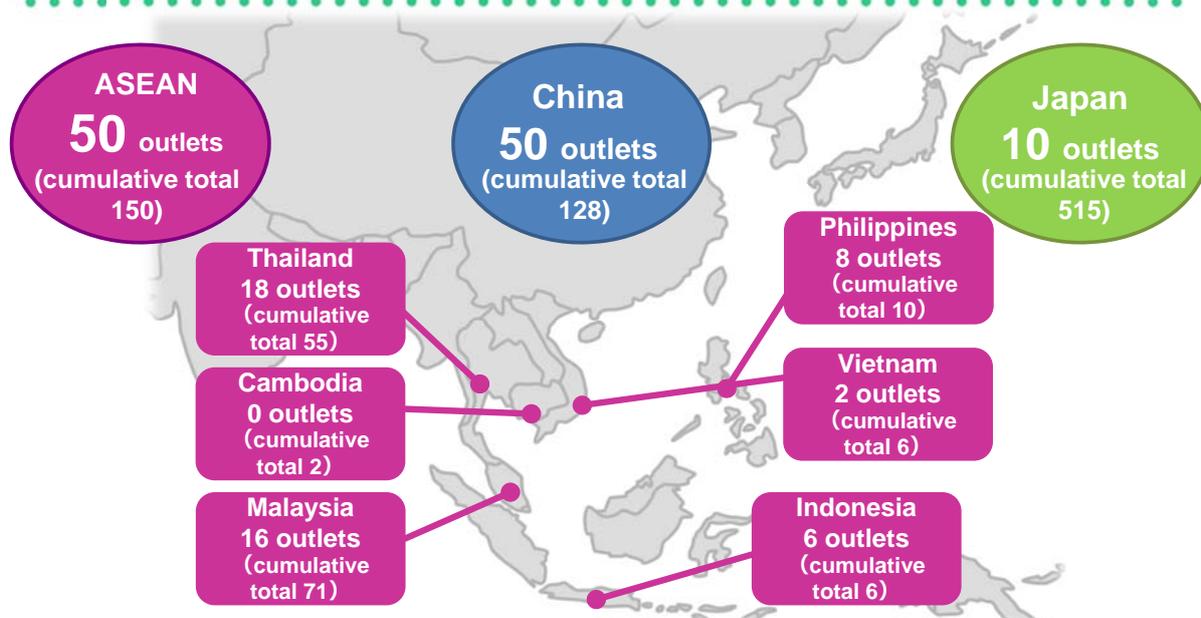
Ranking	Name of Company	Actual domestic sales (FY2013)
→	Aeon Fantasy (after the merger)	¥56.1 billion
1 st	Company N	¥46.5 billion
2 nd	Aeon Fantasy	¥44.0 billion
3 rd	Company S	¥43.2 billion
4 th	Company R	¥34.9 billion
5 th	Company A	¥16.6 billion
6 th	Company W	¥13.9 billion
7 th	Fun Field	¥12.1 billion



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New Outlets to be Opened in FY2016/2



**Opening of a Record High 110 Outlets
(cumulative total 793)**



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Launch of New Theme Park-Type Playgrounds

Opening of “FANPEKKA”, a Theme Park-Type Playground (1st outlet in Beijing, Grand opening on April 18)

Leikkimokki for assembling
組み立てレイツキモッキ

なりきりレイツキモッキ
Leikkimokki for playing shopping

FANPEKKA

Castle
“Lasten Linna”
城[ラストンリナ]

Sea “Lasten Ocean”
海[ラストンオーシャン]

Toy corner
トイコーナー

Workshop
ワークショップ

FANPEKKA Cafe
FANPEKKA カフェ

Aeon Fantasy 株式会社イオンファンタジー

Launch of New Theme Park-Type Playgrounds



Preliminary opening of the first outlet crowded with visitors

<The developer is a local subsidiary of IKEA in China>



Development of Brand Strategies

Promotion of Characters

Animation (YouTube)

- i) Animated story movies (1 to 1.5 min.) 12 episodes
- ii) Animated short movies(30 sec.) 24 episodes



Illustrated books of LaLa-Chan - Animated movie version

- iii) Illustrated books (two issues per year)



Cartoons for Facebook

- iv) Cartoons for Facebook (one issue per month)



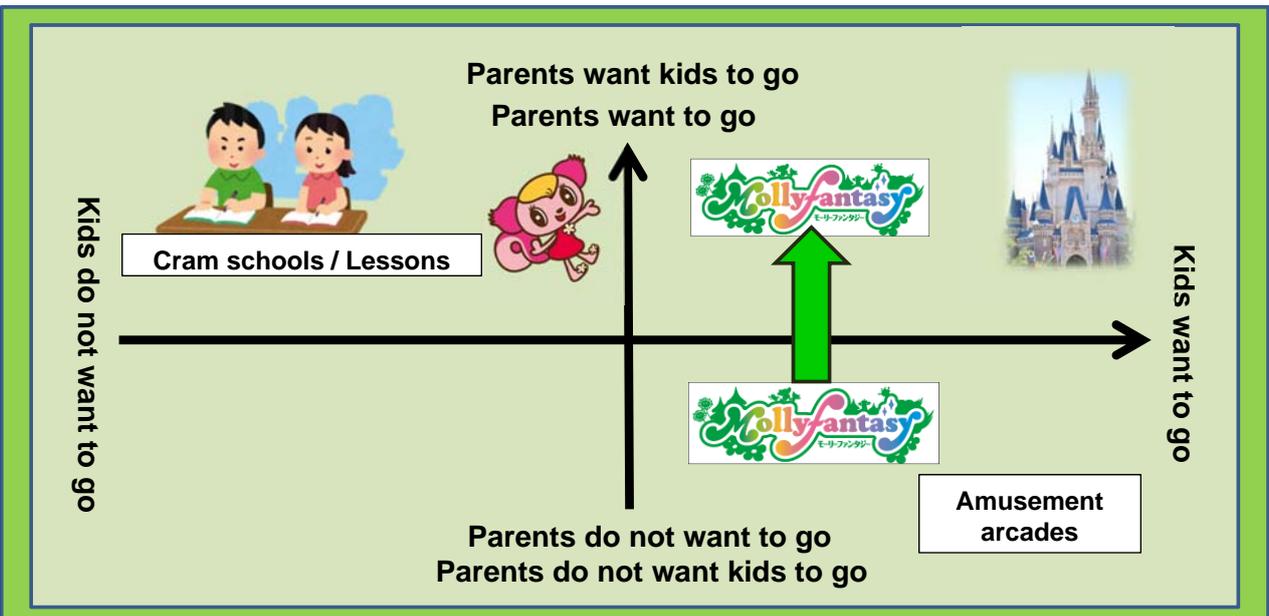
LINE creators' stamps

- v) LINE stamps (2nd series)



Development of Brand Strategies

Repositioning of Mollyfantasy



Expansion of Overseas Procurement of Amusement Machines

Production in Japan	
Procurement cost for Japan	Procurement cost for China
350,000 yen	500,000 yen

Example



LaLa Aeo Hockey

Production in China	
Procurement cost for Japan	Procurement cost for China
250,000 yen	150,000 yen

Introduced **130 units** in **5 countries**, achieving a cost reduction of **30 million yen**

Expansion of Overseas Procurement of Amusement Machines

Reduction in the procurement cost of machines by facilitating global merchandising

FY2015 Target: -700 million yen



Target sales of the procured machines to other companies

FY2015 Target: 200 million yen



Consolidated Earnings Forecast for the Fiscal Year Ending February 29, 2016

Fiscal Year Ending February 29, 2016 (March 1, 2015 to February 29, 2016) on a consolidated basis

(million yen, %)

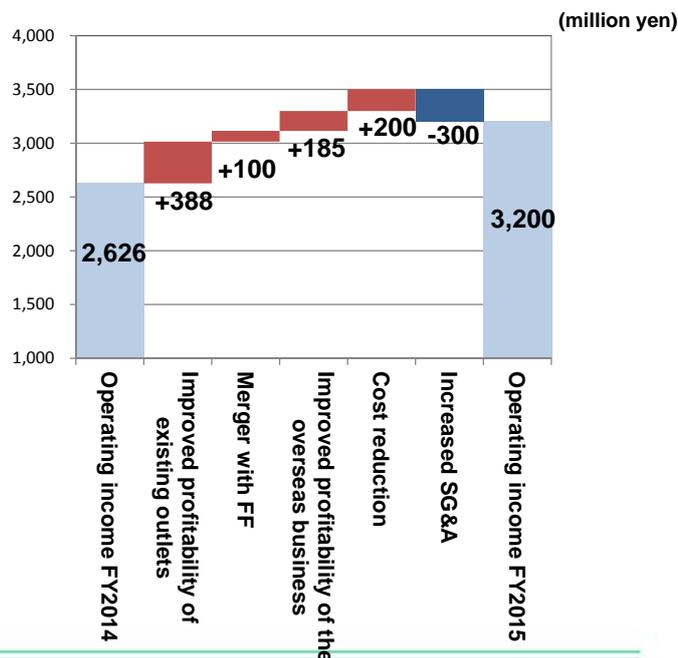
	FY2014 Results	FY2015 Forecasts	Year-on-year change(%)
Net sales	46,632	58,000	+24.4
Operating income	2,626	3,200	+21.8
Ordinary income	3,415	3,700	+8.3
Net income	1,336	1,580	+18.2
Net income per share	¥73.67	¥81.91	Up ¥ 8.24
Dividend per share	30 yen	30 yen	-

Assumptions for Consolidated Earnings Forecast

<Segment Information>

	(million yen)	
	Domestic	Overseas
Net Sales	50,000 (FY2014: 41,179)	8,000 (FY2014: 5,497)
Operating income	3,300 (FY2014: 2,910)	-100 (FY2014: -285)

<Analysis of Changes in Operating Income for the Fiscal Year Ending February 29, 2016>



**EARNINGS FORECASTS ARE PREPARED BASED ON
INFORMATION AVAILABLE AS OF THE DATE OF THE
ANNOUNCEMENT OF THESE MATERIALS. ACTUAL
BUSINESS RESULTS MAY DIFFER FROM THE
ESTIMATED FIGURES DUE TO VARIOUS REASONS.**



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