

Supplementary Materials for the Financial Results for the Third Quarter of the Fiscal Year Ending February 28, 2015



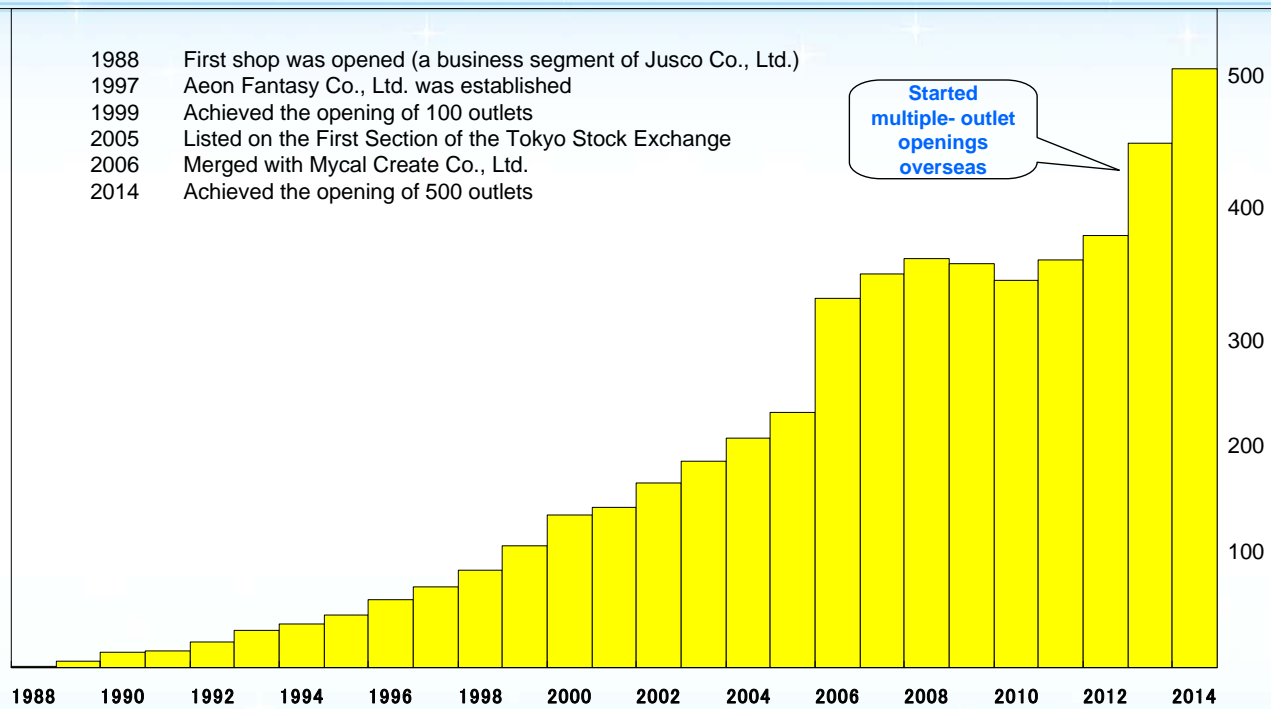
Company Overview

- 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 within shopping centers

History

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

Started multiple-outlet openings overseas



<Change in number of outlets>

Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending February 28, 2015



Topics for the Third Quarter of the Fiscal Year Ending February 28, 2015

(Summary of Business Results)

- Consolidated net sales decreased 1.6% year on year; operating income increased 6.6% year on year; ordinary income increased 22.8% year on year; and net income of the quarter increased 1.1% year on year. A growth in profits was achieved due to improved profitability in the overseas business.
- The ordinary income of the domestic business increased owing to efforts to reduce the cost of sales and SG&A expenses, the revenue of the overseas business increased substantially (up 102.3% year on year), and profitability improved in all the overseas countries in which the Company engages in business.

Opening of new outlets on the largest scale ever	Opening of 55 outlets (11 outlets in Japan and 44 outlets abroad)
Success of new business outlet	Opening of the outlet called "Tokyo Kodomo-Ku, Kodomo-no-Yu" based on the concept of a public bath in "shitamachi."
Growth of the China Business	Net sales increased 170.5% year on year (up 18.7% for sales of existing outlets/ local currency) The operating loss improved, exceeding the estimate (an increase of 207 million yen year on year)
Business expansion in the ASEAN region	Opening of outlets in Philippines (November 2014) Opening of outlets in Cambodia (June 2014) Establishment of a subsidiary in Indonesia (November 2014)

Consolidated Business Results for the Third Quarter of the Fiscal Year Ending February 28, 2015

First Nine Months of the Fiscal Year Ending February 28, 2015
(March 1, 2014 to November 30, 2014)

(million yen)

	FY2014/2 Q3 (Previous FY)	FY2015/2 Q3 (Current FY)	Rate of year-on-year change
Net sales	34,656	34,104	-1.6%
Gross profit	4,023	4,152	+3.2%
SG&A expenses	2,214	2,223	+0.4%
Operating income	1,808	1,928	+6.6%
Non-operating income (expenses)	96	410	+326.8%
Ordinary income	1,904	2,338	+22.8%
Income before income taxes and minority interests	1,844	1,965	+6.6%
Net income	843	852	+1.1%

<Segment Information>

(million yen)

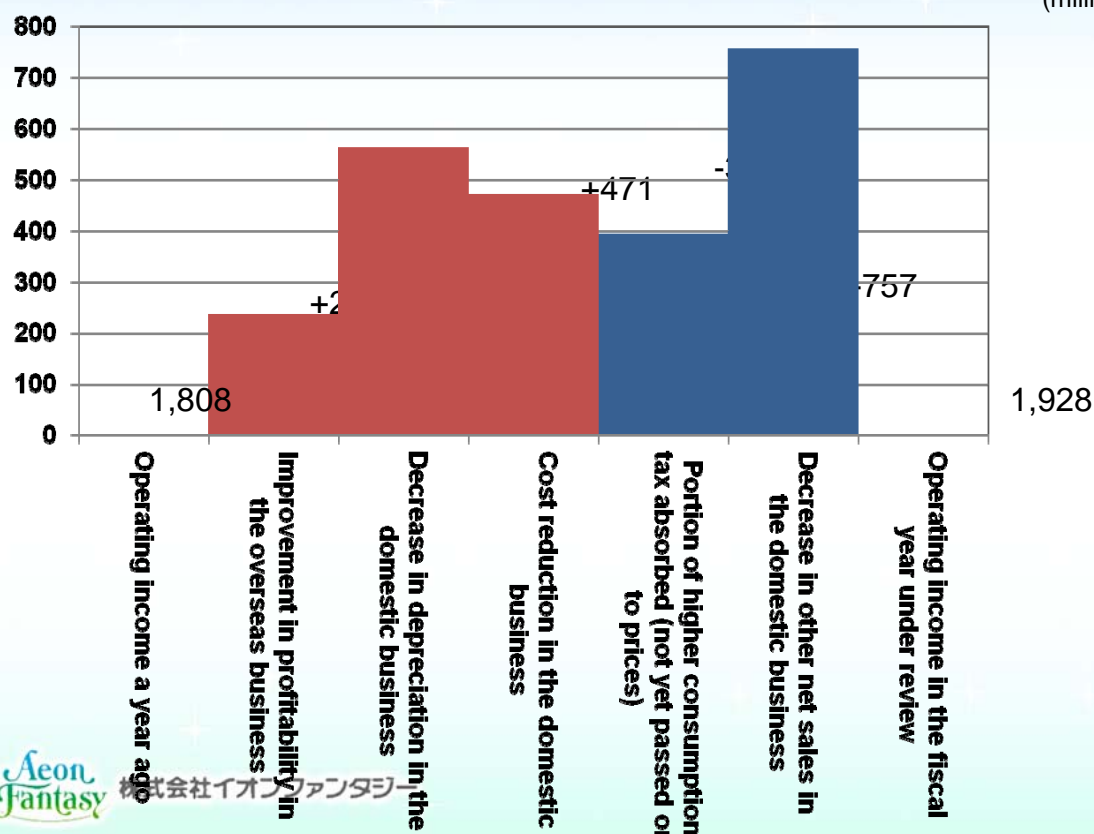
	Domestic	Overseas
Net sales	30,777 (-6.8%)	3,358 (+102.3%)
Operating income	1,971 (-116)	-42 (+235)

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

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

Analysis of Changes in Operating Income by Factor

(million yen)



6

Number of Outlets (as of February 28, 2014)

	Mollyfantasy	Kidzooona	Others	Total
Japan	320	1	5 (5)	326 (5)
China	41 (4)	2	0	43 (4)
Malaysia	38	4	3 (2)	45 (2)
Thailand	10	12	0	22
Vietnam	1 (1)	1 (1)	0	2 (2)
Overseas total	90 (5)	19 (1)	3 (2)	112 (8)
Total	410 (5)	20 (1)	8 (7)	438 (13)

Note 1: The figures in parentheses are included in the figures without parentheses, showing the number of outlets such as FC (including business partnership agreement, outsourcing agreement, license agreement and revenue share)

Note 2: From FY2014, outlets containing both Mollyfantasy and Kidzooona are counted as two outlets.

7

Number of Outlets (as of November 30, 2014)

	Mollyfantasy	Kidzooona	Others	Total
Japan	322	2	14 (13)	338 (13)
China	58 (4)	8		66 (4)
Malaysia	42	9	1	52
Thailand	16	16		32
Philippines		1		1
Vietnam	2 (2)	2 (2)		4 (4)
Cambodia	1 (1)	1 (1)		2 (2)
Overseas total	119 (7)	37 (3)	1	157 (10)
Total	441 (7)	39 (3)	15 (13)	495 (23)

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

Consolidated Balance Sheet (Assets)

As of the end of the Third Quarter of the Fiscal Year Ending February 28, 2015
(as of November 30, 2014)

(million yen, %)

Assets	FY2014/2		FY2015/2 Q3		Change
	Amount	Ratio	Amount	Ratio	
Current assets	11,238	40.2%	9,030	30.8%	(2,208)
Cash and deposits	3,246	11.6%	3,580	12.2%	+334
Sales deposits paid	101	0.4%	2,412	8.2%	+2,311
Inventories	1,053	3.8%	1,520	5.2%	+467
Deposit paid in subsidiaries and affiliates	6,000	21.4%	-	-%	(6,000)
Other	836	3.0%	1,515	16.8%	+679
Non-current assets	16,739	59.8%	20,306	69.2%	+3,567
Property, plant and equipment	12,889	46.1%	16,429	56.0%	+3,540
Intangible assets	948	3.4%	724	2.5%	(224)
Investments and other assets	2,901	10.4%	3,153	10.7%	+252
Total assets	27,978	100.0%	29,336	100.0%	+1,358

Consolidated Balance Sheet (Net Assets and Liabilities)

As of the end of the Third Quarter of the Fiscal Year Ending February 28, 2015
(as of November 30, 2014)

(million yen, %)

Net assets and liabilities	FY2014/2		FY2015/2 Q3		Change
	Amount	Ratio	Amount	Ratio	
Current liabilities	7,032	25.1%	7,933	27.0%	+901
Accounts payable - trade	994	3.6%	972	3.3%	(22)
Notes payable - facilities	1,867	6.7%	1,879	6.4%	+12
Other	4,169	14.9%	5,080	17.3%	+911
Non-current liabilities	327	1.2%	380	1.3%	+53
Net assets	20,618	73.7%	21,023	71.7%	+405
Shareholders' equity	19,757	70.6%	20,070	68.4%	+313
Treasury shares	(57)	(0.2%)	(48)	(0.2%)	+9
Accumulated other comprehensive income	520	1.9%	572	2.0%	+52
Subscription rights to shares	66	0.2%	70	0.2%	+4
Minority interests	273	1.0%	309	1.0%	+36
Total net assets and liabilities	27,978	100.0%	29,336	100.0%	+1,373

10

Summary of Domestic Business for the Third Quarter of the Fiscal Year Ending February 28, 2015



Domestic Business Results for the Third Quarter of the Fiscal Year Ending February 28, 2015

First Nine Months of the Fiscal Year Ending February 28, 2015 (March 1, 2014 to November 30, 2014)

(million yen, %)

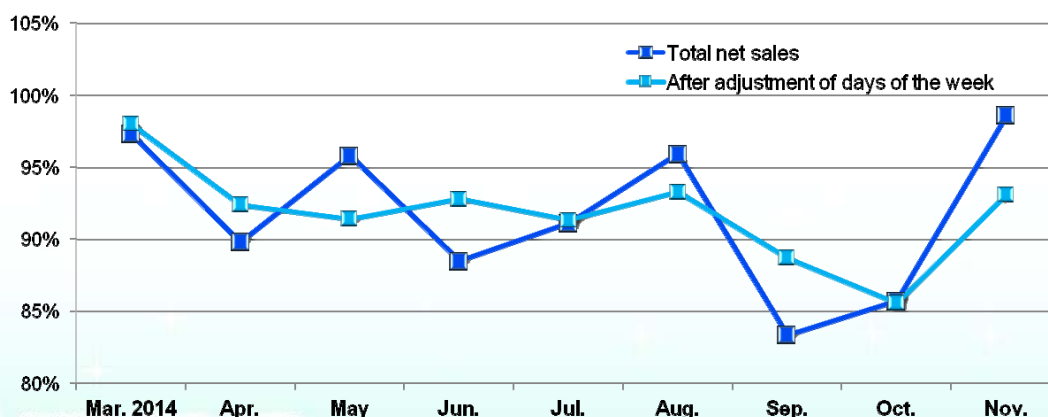
	FY2014/2 Q3 (Previous FY)	FY2015/2 Q3 (Current FY)	Rate of year-on-year change
Net sales	33,021	30,777	(6.8%)
Gross profit	3,868	3,700	(4.3%)
SG&A expenses	1,780	1,728	(2.9%)
Operating income	2,087	1,971	(5.6%)
Non-operating income (expenses)	83	460	-
Ordinary income	2,171	2,432	+12.0%
Income before income taxes	2,016	2,295	+13.8%
Net income	1,020	1,206	+18.2%



12

Monthly Changes in Net Sales of Existing Outlets (Domestic)

4Q of the previous FY to 1Q of the current FY	Dec. 2013	Jan. 2014	Feb.	Mar.	Apr.	May
Total net sales	98.6%	97.3%	94.5%	97.3%	89.8%	95.8%
After adjustment of days of the week	98.9%	103.5%	94.4%	98.0%	92.4%	91.4%
2Q-3Q, current FY	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Total net sales	88.5%	91.1%	95.9%	83.4%	85.7%	98.6%
After adjustment of days of the week	92.8%	91.3%	93.3%	88.7%	85.6%	93.1%



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13

Details of Net Sales for Accounting (Domestic)

First Nine Months of the Fiscal Year Ending February 28, 2015 (March 1, 2014 to November 30, 2014)

(million yen, %)

	FY2015/2 Q3		Year-on-year change	Change from sales of existing outlets
	Results	Ratio		
Amusement machine	23,022	74.8%	94.3%	93.3%
Product (sales)	7,461	24.2%	88.0%	87.0%
Consignment	100	0.3%	100.3%	—
Total amusement facilities related sales	30,584	99.4%	92.7%	92.0%
Other	192	0.6%	436.6%	—
Total net sales	30,777	100.0%	93.2%	91.9%

Change in Net Sales by Group (Domestic)

(%)

	FY2014/2 Q4		FY2015/2 Q1		Q2		Q3	
	Sales ratio	Change from sales of existing outlets*	Sales ratio	Change from sales of existing outlets*	Sales ratio	Change from sales of existing outlets*	Sales ratio	Change from sales of existing outlets*
Time controlling playground equipment group	4.0	91.8	4.0	88.3	4.3	93.9	4.1	81.7
Physical sensation group	9.0	100.2	9.2	95.1	8.8	86.9	8.8	83.4
Card group	22.0	99.3	23.4	90.7	21.6	87.4	21.5	81.5
Medal group	25.3	97.1	25.0	91.9	25.5	89.8	25.2	86.2
Prize group	33.1	95.4	30.4	96.5	33.0	99.7	34.2	98.7
Seal group	5.0	96.8	6.1	94.6	4.8	83.8	4.6	80.4
Capsule toy	1.6	94.3	1.6	100.4	1.5	92.7	1.5	85.1
Total net sales	100.0	97.0	100.0	93.7	100.0	92.4	100.0	88.4

* Adjusted change from sales of existing outlets on the same day as compared with the same period (from the start of a month until the end of the month of each quarter) of the previous fiscal year

Change in Revenues for Each Quarter (Domestic)

(million yen, %)

	FY2014/2 Q4 Results	Rate of change (%)	FY2015/2 Q1 Results	Rate of change (%)	Q2 Results	Rate of change (%)	Q3 Results	Rate of change (%)
Net sales	11,097	(8.9)	10,486	(4.3)	11,321	(6.2)	8,969	(10.4)
Cost of sales	9,565	(6.8)	9,313	(5.8)	9,431	(6.4)	8,331	(9.3)
Gross profit	1,531	(20.2)	1,173	+10.2	1,889	(5.1)	637	(21.9)
SG&A expenses	541	(12.2)	599	+0.1	560	(4.9)	567	(4.0)
Operating income	990	(24.0)	573	+23.3	1,328	(4.9)	69	(69.0)
Non-operating income (expenses)	(5)	–	(8)	–	111	–	357	–
Ordinary income	985	(26.7)	564	+15.0	1,440	+4.9	427	+39.5
Extraordinary income (loss)	(223)	–	(118)	–	(85)	–	67	–
Income before income taxes	761	(3.9)	446	(12.3)	1,355	+9.7	494	+82.3
Income taxes	420	–	273	–	609	–	206	–
Net income	341	+164.9	172	(37.1)	745	+13.9	288	+215.0

Domestic Balance Sheet (Assets)

As of the end of the Third Quarter of the Fiscal Year Ending February 28, 2015
(as of November 30, 2014)

(million yen, %)

Assets	FY2014/2		FY2015/2 Q3		Change
	Amount	Ratio	Amount	Ratio	
Current assets	9,658	36.0%	6,798	23.7%	(2,860)
Cash and deposits	1,895	7.1%	1,785	6.2%	(110)
Inventories	996	3.7%	1,413	4.9%	+417
Deposit paid in subsidiaries and affiliates	6,000	22.4%	-	-	(6,000)
Deferred tax assets	335	1.3%	642	2.2%	+307
Other	431	1.6%	2,957	10.3%	+2,526
Non-current assets	17,140	64.0%	21,945	76.3%	+4,805
Property, plant and equipment	8,563	32.0%	10,063	35.0%	+1,500
Intangible assets	523	2.0%	200	0.7%	(323)
Investments and other assets	8,052	30.0%	11,682	40.6%	+3,630
Total assets	26,799	100.0%	28,744	100.0%	+1,945

Domestic Balance Sheet (Net Assets and Liabilities)

As of the end of the Third Quarter of the Fiscal Year Ending February 28, 2015
(as of November 30, 2014)

(million yen, %)

Net assets and liabilities	FY2014/2		FY2015/2 Q3		Change
	Amount	Ratio	Amount	Ratio	
Current liabilities	6,436	24.0%	7,002	24.3%	+566
Accounts payable - trade	941	3.5%	948	3.3%	+7
Notes payable - facilities	1,867	7.0%	1,879	6.5%	+12
Other	3,627	13.5%	4,172	14.5%	+545
Non-current liabilities	213	0.8%	911	3.2%	+698
Net assets	20,148	75.2%	20,829	72.5%	+681
Shareholders' equity	20,067	74.9%	20,733	72.1%	+666
Treasury shares	(57)	(0.2%)	(48)	(0.2%)	+9
Subscription rights to shares	66	0.2%	70	0.2%	+4
Total net assets and liabilities	26,799	100.0%	28,744	100%	+1,945

18

Cash Flow Statements (Domestic)

First Nine Months of the Fiscal Year Ending February 28, 2015 (March 1, 2014 to November 30, 2014)

(million yen)

	FY2014/2 Q3	FY2015/2 Q3	Year-on-year change
Cash flows from operating activities	2,577	297	(2,280)
Income before income taxes	2,016	2,296	+280
Depreciation	3,200	2,648	(552)
Income taxes paid	(1,323)	(1,715)	(392)
Cash flows from investing activities	(2,574)	135	+2,709
Purchase of property, plant and equipment	(3,866)	(3,547)	+319
Cash flows from financing activities	(815)	(543)	+272
Cash dividends paid	(814)	(543)	+271
Net increase (decrease) in cash and cash equivalents	(812)	(110)	+702
Cash and cash equivalents at beginning of period	4,439	1,896	(2,543)
Cash and cash equivalents at end of period	3,627	1,785	(1,842)

19

Success of New Business Outlet



“Tokyo Kodomo-Ku, Kodomo-no-Yu”

東京子ども区
こどもの湯 先き

～史上最大級のボールプール温泉～

- Concept of a public bath in "shitamachi"
- Opening of an outlet in TOKYO Solamachi in August



Toward 500-Outlet Structure by December 2014

Breakdown of the number of outlets when the number reached 500 in December 2014

	Number of outlets
Japan	339
China	66
Malaysia	53
Thailand	35
Vietnam	4
Cambodia	2
Philippines	1
Overseas total	161
Total	500



The 500th outlet opened in UD Town in Thailand



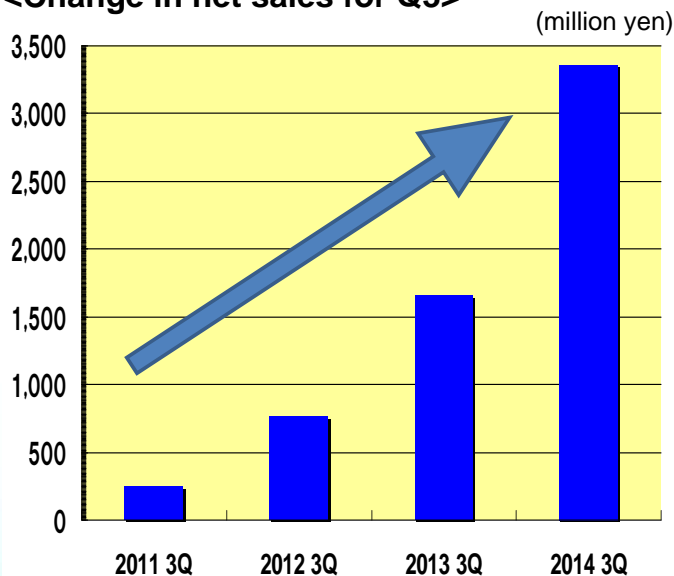
Summary of Overseas Business for the Third Quarter of the Fiscal Year Ending February 28, 2015



Growth of Overseas Business

- Net sales in the overseas business were **double** those of the same period in the previous year.
- Profitability improved in all three overseas countries where the Company engages in business.

<Change in net sales for Q3>



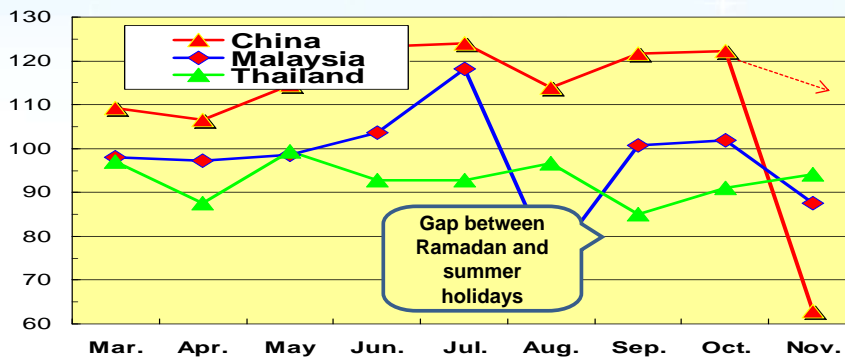
<Business results of overseas subsidiaries>

(million yen)

	China		Malaysia		Thailand	
	2013 3Q	2014 3Q	2013 3Q	2014 3Q	2013 3Q	2014 3Q
Net sales	695	1,993	834	1,040	133	323
Profits of outlets	13	246	137	177	5	34
SG&A expenses	256	278	89	92	50	52
Operating income	-243	-32	48	85	-45	-18

Overseas Business Results (Existing Outlets)

<Changes in existing outlets in overseas business>



<Business results of existing outlets for the third quarter in overseas business>

	China (RMB)	Malaysia (RM)	Thailand (THB)
Net sales of existing outlets	37,315 thousand	21,618 thousand	30,948 thousand
Outlet profitability	21.0%	24.7%	26.7%

Reference: Profitability of existing outlets for the third quarter on a domestic non-consolidated basis => 12.1%

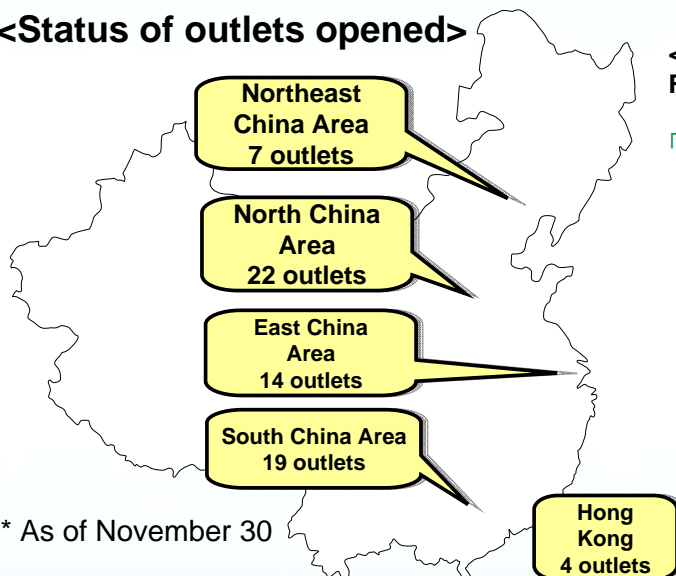


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Growth of the China Business

■ The business in China now encompasses 66 outlets and profitability improved 200 million yen compared to the third quarter of 2013.

<Status of outlets opened>



* As of November 30

Number of outlets in China: 66

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

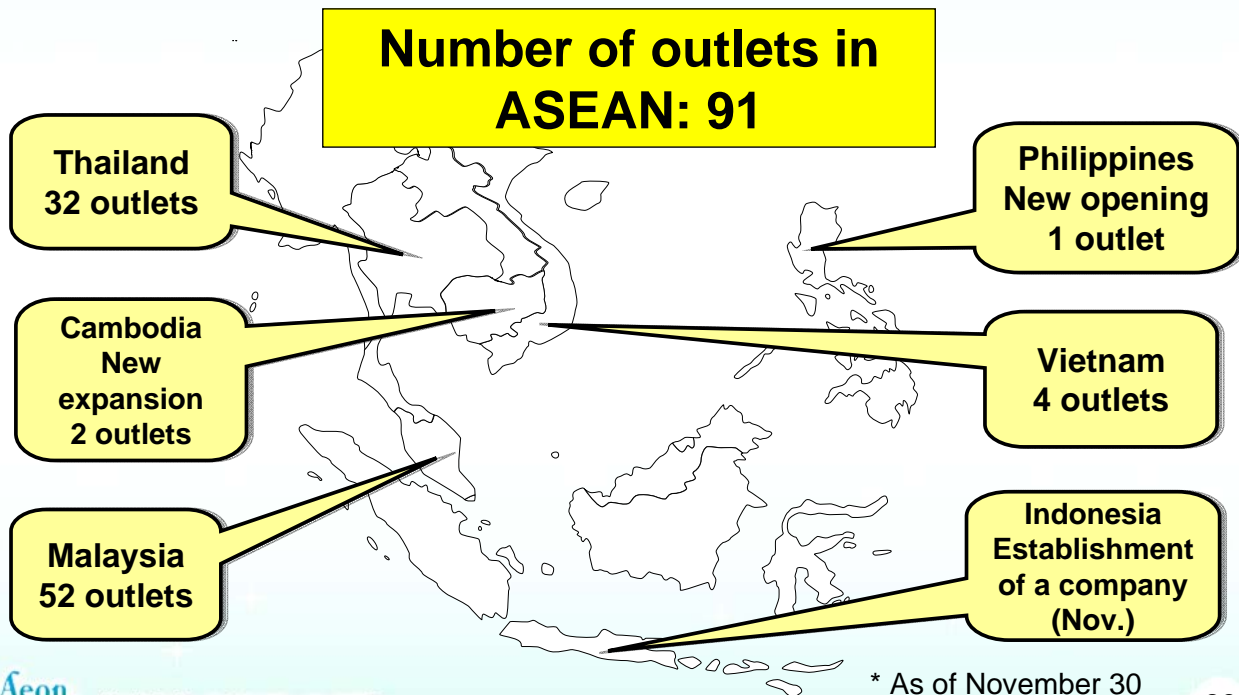
「Mollyfantasy」 The 2014 CCFA Golden Lily for the « Most Popular Chain Store Brand » Award



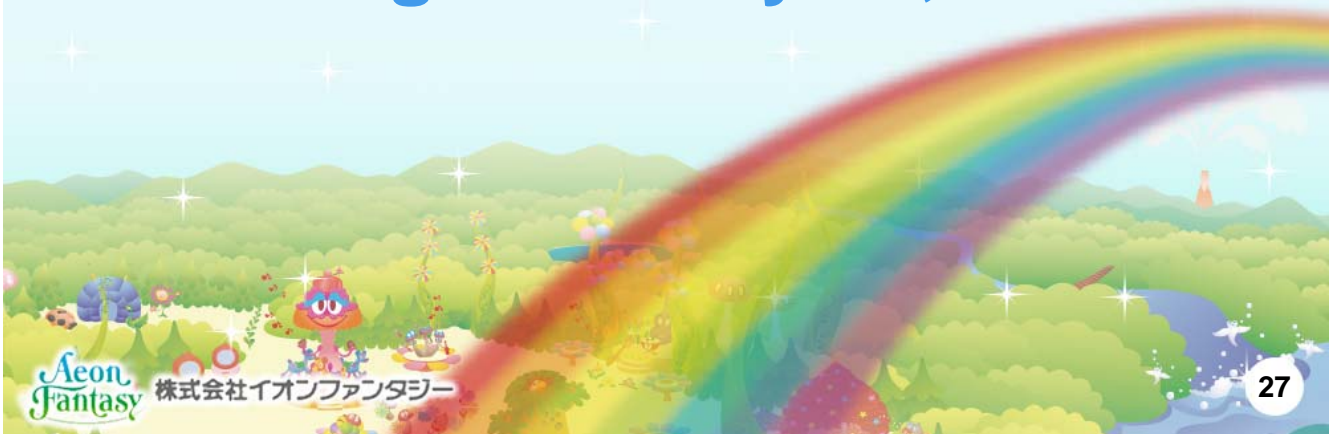
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Business Expansion in the ASEAN Region

- In the ASEAN business, new outlets will be opened in Cambodia and Philippines.
- Preparations are being made to expand the number of outlets in Indonesia.



Consolidated Earnings Forecast for the Fiscal Year Ending February 28, 2015



Consolidated Earnings Forecast for the Fiscal Year Ending February 28, 2015

Fiscal Year Ending February 28, 2015 (March 1, 2014 to February 28, 2015) on a consolidated basis

(million yen, %)

	FY2014/2 Results	FY2015/2 Forecasts	Year-on-year change (%)
Net sales	46,541	50,000	+7.4
Operating income	2,536	3,000	+18.8
Ordinary income	2,645	3,000	+13.9
Net income	1,107	1,400	+25.3
Net income per share (yen)	61.60	77.18	-
Dividend per share (yen)	30.00	30.00	-

* From the fiscal year ended February 28, 2014, an interim dividend of 15 yen and a year-end dividend of 15 yen are paid.

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.

