Summary Report of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2011 (Based on Japanese Accounting Standards)

October 6, 2010

Listed company name:	AEON DELIGHT CO., LTD.		Listed exchanges: Tokyo Stock Exchange and Osaka Securities Exchange (First Section)	
Stock code:	9787		URL http://www.aeondelight.co.jp	
Representative:	(Title)	President and CEO	(Name) Yuiken Tsutsumi	
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Planned date for filing of quarterly financial statements:	October 14, 2010		Planned date for commencement of dividend payments:	November 10, 2010

Preparation of Supplementary Materials to Quarterly Financial Results: Yes
Quarterly Earnings Briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen have been rounded down.)

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending February 28, 2011 (from March 1, 2010 to August 31, 2010)

(1) Consolidated Operating Results (cumulative)

(Figures expressed in percentages represent year-on-year percentage changes.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2010	68,885	(5.5)	5,021	2.9	5,053	4.0	2,770	6.9
Six months ended August 31, 2009	72,856	-	4,882	-	4,856	-	2,591	-

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended August 31, 2010	69.84	69.69
Six months ended August 31, 2009	65.32	65.23

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2010	50,852	33,666	65.9	844.72
As of Feb. 28, 2010	48,670	31,364	64.2	787.84

(Reference) Shareholders' equity   As of August 31, 2010: 33,510 million yen   As of February 28, 2010: 31,253 million yen

2. Dividends

	Annual dividends				
(Record Date)	End of the 1st Quarter	End of the 2nd Quarter	End of the 3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended February 28, 2010	-	12.00	-	15.00	27.00
Year Ending February 28, 2011	-	17.00			
Year Ending February 28, 2011 (Forecast)			-	22.00	39.00

Note 1: Adjustments to dividend forecast made during the second quarter of fiscal 2011: None
Note 2: The Company merged with CERTO Corp. effective as of September 1, 2010. A merger commemorative dividend of

5.00 yen per share is included in the dividend forecast of 22.00 yen for the fiscal 2011 ending in February 28, 2011.

3. Forecast of Consolidated Results for the Year Ending February 28, 2011 (from March 1, 2010 to February 28, 2011)

(Figures expressed in percentages represent year-on-year percentage changes.)

	Net sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	181,000	29.0	12,050	20.9	12,105	22.1	6,470	18.4	142.00

Note: Adjustments to consolidated results forecast made during the second quarter of fiscal 2011: None

4. Other Remarks (See “2. Other Remarks” on page 4 of the Attached Materials.)

(1) Changes in significant subsidiaries during the period : None

Note: This refers to changes in specified subsidiaries resulting in changes in the scope of consolidation during the current quarterly accounting period.

(2) Application of simplified accounting methods and specific accounting methods : Yes

Note: This refers to application of simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and methods of presentation

1) Change arising from revisions of accounting standards : None

2) Change due to reasons other than those described in “1)” above : Yes

Note: This refers to changes in the principles, procedures, or methods of presentation for accounting treatment related with the preparation of the quarterly financial statements as described in “Significant Changes in the Basis for Preparation of the Quarterly Financial Statements”.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at end of period (including treasury stock)	As of August 31, 2010	41,400,000 shares	As of February 28, 2010	41,400,000 shares
2) Number of treasury shares at end of period	As of August 31, 2010	1,729,838 shares	As of February 28, 2010	1,729,838 shares
3) Average number of shares outstanding (quarterly cumulative)	Six months ended August 31, 2010	39,670,162 shares	Six months ended August 31, 2009	39,668,346 shares

* Items related to the conduct of quarterly review procedures

・ These quarterly financial results are not subject to quarterly review based on the Financial Instrument and Exchange Act, and a quarterly review based on the Financial Instrument and Exchange Act has not been completed at the time these quarterly financial results were disclosed.

* Information concerning proper use of financial forecasts and other special instructions

・ Forward-looking statements such as financial forecasts contained in these materials are based on certain assumptions judged to be reasonable and on the information available when the forecasts were made. However, actual performance may significantly differ due to a variety of factors. Please refer to “1. (3) Qualitative Information on Consolidated Financial Forecast” on page 4 of Attached Materials for information concerning the assumptions used for financial forecasts and the proper use of financial forecasts.

○ Attached Materials Contents

1. Qualitative Information on Current Quarterly Consolidated Performance

(1) Qualitative Information on Consolidated Operating Results

During the first half of the current fiscal year (March 1, 2010 to August 31, 2010), although partial recovery of the Japanese economy was seen as the result of the growth of the Asian economy and various economic policy measures taken by the government, the future outlook remains unclear due to the continuing yen appreciation and concerns that the recovery will stall. Within this business environment, customers are still strongly inclined to reduce facility maintenance and administration costs and have inhibitions against capital investments. As a result, the business environment for the AEON DELIGHT Group (the “Company”) continues to be difficult.

Within this business environment, the Company took the step of merging with CERTO Corp., who shares the Company’s vision, in order to create a new business called the “Comprehensive Facility Management Service (Comprehensive FMS)” aiming at a new stage of growth. As part of these measures, the Comprehensive FMS Business Promotion Office was established with the aim of expanding the FMS business ahead of the merger.
As the result of measures enacted for expanding business in the first half of the current fiscal year, business transactions have commenced with a wide variety of customers for various purposes at facilities, such as international airports, international exhibition halls, research facilities for global companies, amusement facilities nationwide, etc.

In this harsh business environment, even more focus has been put on measures for improving profitability. In the cleaning services business, the horizontal integration of the Company’s cleaning services model that was introduced from the year before last was implemented, and this model has given continual returns. In order to apply such a good business practice to the facilities management business, first the Company started to improve and streamline working methods at patrol centers by improving work transparency with work schedules and introducing GPS recorders to optimize patrol routes, etc.

The Company has looked at the rising environmental consciousness around the world as an opportunity to expand business, and has reinforced its environmental load reduction business since the year before last. We are beginning to see concrete energy-saving effects being achieved at the facilities where these environmental services were first provided, and the promotion of environmental solutions based on this performance and know-how has raised the results for the first half of fiscal 2011 to about the same level as the results for the entire fiscal 2010.
In the construction work business, as customers continue to try to suppress repair costs and put off capital investment, we have promoted measures at all our centers to make the rounds of all customers to listen to their views and conduct proposals from the customers’ perspective to ensure that facilities are safe, secure, and comfortable, or to consider the perspective of improving asset value.

Overseas, following in the footsteps of the JUSCO Chao Bei Joy City Store that opened in Beijing, China in May, 2010, a branch of our subsidiary AEON DELIGHT (BEIJING) BUILDING MAINTENANCE CO., LTD was established in Southern China and operations started at the AEON Shunde Shopping Center (Yongwang Shunde Shopping Centre) in Foshan, Guangdon during July. Thanks to these steps, the Company has strengthened the base for business development in China.

As a result of these measures, the Company posted the first half-period net sales of 68,885 million yen (94.5% year-on-year). Both operating income and ordinary income were up year-on-year and the Company posted figures of 5,021 million yen (102.9% year-on-year) and 5,053 million yen (104.0% year-on-year), respectively. In addition, an extraordinary loss of 166 million yen including merger-related expenses of 155 million yen was posted. After posting this extraordinary loss and taxes, a record-high first half-period net income of 2,770 million yen (106.9% year-on-year) was achieved.

Results by business segment are described below.
Net sales were 20,669 million yen (97.4% year-on-year) for facilities management business, 16,225 million yen (93.6% year-on-year) for security services business, 21,260 million yen (92.2% year-on-year) for cleaning services business, 8,136 million yen (94.8% year-on-year) for construction work business, and for the building management sector overall net sales were 66,292 million yen (94.4% year-on-year).
Net sales from other operations stood at 2,593 million yen (98.1% year-on-year).

(2) Qualitative Information on Consolidated Financial Position

Total assets as of August 31, 2010 increased by 2,182 million yen (4.5%) compared with the balance at the end of fiscal 2010 to 50,852 million yen. This resulted mainly from a decrease of 847 million yen in cash and deposits, an increase of 1,390 million yen in notes and accounts receivable-trade, an increase of 1,820 million yen in deposits for consumption paid to affiliates under bailment arrangements, and a decrease of 377 million yen in amortization of goodwill.
Liabilities as of August 31, 2010 decreased by 119 million yen (0.7%) compared with the balance at the end of fiscal 2010 to 17,186 million yen. This decrease is attributable mainly to an increase of 720 million yen in notes and accounts payable-trade, an increase of 523 million yen in provision for reward for business performance, and a decrease of 1,102 million yen in "other" under current liabilities.
Net assets as of August 31, 2010 increased by 2,301 million yen (7.3%) compared with the balance at the end of fiscal 2010 to 33,666 million yen. This increase is attributable mainly to an increase of 2,770 million yen in retained earnings due to posting of net income for the second quarter, and a decrease of 595 million yen in retained earnings due to dividend payments.
As a result, the shareholders' equity ratio as of August 31, 2010 increased by 1.7% to 65.9%, compared to 64.2% at the end of fiscal 2010.

Cash Flows
The balance of cash and cash equivalents (hereinafter referred to as "cash") at August 31, 2010 decreased by 1,038 million yen (13.2%) compared to the balance at the end of fiscal 2010 to 6,835 million yen.
Summarized below are cash flows and their underlying factors for the first half of fiscal 2011.

(Cash flows from operating activities)
Net cash provided by operating activities during the first half of the current fiscal year was 2,076 million yen. The major factors contributing to the net cash inflow were income before income taxes and minority interests of 4,889 million yen and a 523 million yen provision for bonuses, which were partially offset by a decrease of 1,410 million yen due to an increase in notes and accounts receivable-trade and income tax payments of 2,087 million yen.

(Cash flows from investing activities)
Net cash used in investing activities during the first half of the current fiscal year was 2, 479 million yen. The principal factors behind the net cash outflow were outflows of 1,820 million yen for payment for/collection of deposits of subsidiaries and affiliates, 420 million yen for payment into/withdrawal of time deposits, and 402 million yen for acquisition of tangible and intangible fixed assets.

(Cash flows from financing activities)
Net cash used in financing activities during the first half of the current fiscal year was 637 million yen. The major factor contributing to the net cash outflow was dividend payments of 594 million yen.

(3) Qualitative Information on Consolidated Financial Forecast

Regarding its earnings projection for the fiscal year ending February 28, 2011, AEON DELIGHT's forecast released on April 14, 2010 remains unchanged.

2. Other Remarks

(1) Overview of changes in significant subsidiaries during the period: None

(2) Overview of simplified accounting methods and specific accounting methods

・Simplified accounting methods

Method for estimating credit losses on general receivables

Since the difference between the actual credit loss ratio as of August 31, 2010 and the ratio computed at the end of fiscal 2010 was deemed insignificant, the actual credit loss ratio at the end of fiscal 2010 was used in estimating credit losses.

・Accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Overview of changes in accounting principles and procedures, and methods of presentation

・Changes in accounting principles and procedures: None

・Changes in methods of presentation

<u>Quarterly Consolidated Balance Sheet-Related</u>

As the materiality of “deposit of subsidiaries and affiliates” that was contained in “other” under current assets during the first half of the previous fiscal year has increased, it is listed separately for the first half of the current fiscal year. The amount of “deposit of subsidiaries and affiliates” that was contained in “other” under current assets during the first half of the previous fiscal year was 1,600 million yen.

<u>Quarterly Consolidated Statement of Income-Related</u>

1. As the amount of “loss on retirement of noncurrent assets” that was contained in “other” under non-operating expenses during the first half of the previous fiscal year has exceeded 20% of the total amount of non-operating expenses, it is listed separately for the first half of the current fiscal year. The amount of “loss on retirement of noncurrent assets” that was contained in “other” under non-operating expense during the first half of the previous fiscal year was 14 million yen.
2. As the amount of “proceeds from sales of investment securities” that was contained in “other” under extraordinary income during the first half of the previous fiscal year has exceeded 20% of the total amount of extraordinary income, it is listed separately for the first half of the current fiscal year. The amount of “proceeds from sales of investment securities” that was contained in “other” under extraordinary income during the first half of the previous fiscal year was 1 million yen.

(4) Overview of significant events related to the going concern assumption: None

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

(millions of yen)

	FY2011 (As of August 31, 2010)	FY2010 (As of Feb. 28, 2010)
Assets		
Current assets		
Cash and deposits	7,116	7,964
Notes and accounts receivable-trade	17,674	16,284
Deposit of subsidiaries and affiliates	4,820	3,000
Other	2,979	2,899
Allowance for doubtful accounts	(102)	(122)
Total current assets	32,488	30,026
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,182	1,185
Land	284	284
Other, net	1,237	1,271
Total property, plant and equipment	2,705	2,741
Intangible assets		
Goodwill	10,918	11,295
Other	605	629
Total intangible assets	11,523	11,924
Investments and other assets		
Investment securities	2,107	2,050
Other	2,203	2,068
Allowance for doubtful accounts	(175)	(141)
Total investments and other assets	4,135	3,977
Total noncurrent assets	18,364	18,644
Total assets	50,852	48,670

Liabilities	FY2011 (As of August 31, 2010)	FY2010 (As of Feb. 28, 2010)
Current liabilities		
Notes and accounts payable-trade	9,695	8,974
Short-term loans payable	26	55
Current portion of long-term loans payable	25	25
Income taxes payable	2,200	2,191
Provision for reward for business performance	1,261	738
Provision for directors' bonuses	48	101
Other	3,091	4,194
Total current liabilities	16,349	16,281
Noncurrent liabilities		
Long-term loans payable	18	31
Provision for retirement benefits	472	577
Provision for directors' retirement benefits	43	65
Other	302	350
Total noncurrent liabilities	837	1,024
Total liabilities	17,186	17,306
Net assets		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus	2,964	2,964
Retained earnings	27,542	25,366
Treasury stock	(461)	(461)
Total shareholders' equity	33,283	31,107
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	226	149
Foreign currency translation adjustment	0	(3)
Total valuation and translation adjustments	226	145
Subscription rights to shares	156	110
Total net assets	33,666	31,364
Total liabilities and net assets	50,852	48,670

(2) Quarterly Consolidated Statements of Income

Second Quarter Consolidated Statements of Income (cumulative)

(millions of yen)

	First six months of FY2010 (March 1, 2009 – August 31, 2009)	First six months of FY2011 (March 1, 2010 – August 31, 2010)
Net sales	72,856	68,885
Cost of sales	62,188	58,291
Gross profit	10,667	10,593
Selling, general and administrative expenses	5,785	5,572
Operating income	4,882	5,021
Non-operating income		
Interest income	14	16
Dividends income	22	23
Equity in earnings of affiliates	5	18
Other	10	52
Total non-operating income	53	110
Non-operating expenses		
Interest expenses	16	1
Compensation for accident expenses	17	1
Loss on cancellation of company housing	15	26
Loss on retirement of noncurrent assets	-	24
Other	29	24
Total non-operating expenses	79	78
Ordinary income	4,856	5,053
Extraordinary income		
Proceeds from sales of investment securities	-	1
Gain (loss) on sales of membership	-	1
Reversal of allowance for doubtful accounts	49	-
Surrender profit of insurance	16	-
Other	3	-
Total extraordinary income	70	3
Extraordinary loss		
Cost of merger	-	155
Impairment loss	140	-
Other	3	10
Total extraordinary losses	144	166
Income before income taxes and minority interests	4,782	4,889
Income taxes-current	1,916	2,068
Income taxes-deferred	224	51
Total income taxes	2,141	2,119
Minority interests in income	50	-
Net income	2,591	2,770

(3) Quarterly Consolidated Statements of Cash Flow (cumulative)

(millions of yen)

	First six months of FY2010 (March 1, 2009 – August 31, 2009)	First six months of FY2011 (March 1, 2010 – August 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,782	4,889
Depreciation and amortization	367	316
Amortization of goodwill	446	377
Impairment loss	140	-
Increase (decrease) in provision for bonuses	450	523
Increase (decrease) in provision for retirement benefits	27	(104)
Increase (decrease) in provision for directors' retirement benefits	(3)	(22)
Interest and dividends income	(37)	(39)
Interest expenses	16	1
Decrease (increase) in notes and accounts receivable-trade	689	(1,410)
Increase (decrease) in notes and accounts payable-trade	(752)	720
Increase (decrease) in accounts payable-other	(868)	(732)
Decrease (increase) in accounts receivable-other	61	(38)
Other, net	(736)	(353)
Subtotal	4,584	4,127
Interest and dividends income received	38	38
Interest expenses paid	(11)	(1)
Income taxes paid	(2,336)	(2,087)
Net cash provided by (used in) operating activities	2,275	2,076
Net cash provided by (used in) investment activities		
Payments into time deposits	-	(500)
Proceeds from withdrawal of time deposits	715	80
Purchase of property, plant and equipment	(234)	(261)
Proceeds from sales of property, plant and equipment	13	114
Purchase of intangible assets	(55)	(141)
Purchase of investments in subsidiaries	(1,608)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	284	-
Payments for deposit of subsidiaries and affiliates	(43,900)	(37,320)
Collection of deposit of subsidiaries and affiliates	44,800	35,500
Other, net	66	49
Net cash provided by (used in) investment activities	81	(2,479)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,031)	(28)
Repayment of long-term loans payable	(684)	(12)
Liquidation of claims credit loans payable	(1,500)	-
Cash dividends paid	(475)	(594)
Other, net	(15)	(2)
Net cash provided by (used in) financing activities	(3,708)	(637)

(millions of yen)

	First six months of FY2010 (March 1, 2009 – August 31, 2009)	First six months of FY2011 (March 1, 2010 – August 31, 2010)
Effect of exchange-rate change on cash and cash equivalents	2	2
Net increase (decrease) in cash and cash equivalents	(1,348)	(1,038)
Cash and cash equivalents at beginning of period	6,970	7,873
Cash and cash equivalents at end of period	5,621	6,835

(4) Note on the going concern assumption: None

(5) Note on significant changes in shareholders' equity: None

(6) Significant subsequent events
AEON DELIGHT entered into a merger agreement with CERTO Corporation effective September 1, 2010. The outline of the merger is as follows:

1) The corporate names and principal businesses of the parties to the merger, the legal form of the merger and the post-merger corporate name as well as an outline of the merger including the purpose of the merger

I. The corporate names and principal businesses of the parties to the merger

a. Surviving entity

Corporate name:	AEON DELIGHT CO., LTD.
Principal business:	Comprehensive building maintenance services

b. Outline of the entity ceasing to exist (as of February 20, 2010)

Corporate name:	CERTO Corporation
Principal business:	Supply business, vending machine business
Capital stock	1,222 million yen
Operating income	68,093 million yen
Current net income	1,841 million yen
Total assets	30,202 million yen
Net assets	16,211 million yen

II. Legal form of the merger and the post-merger corporate name
The Merger will be effected by the merger of CERTO with and into AEON DELIGHT, with AEON DELIGHT as the surviving entity.

III. Outline of the merger including the purpose of the merger

a. Purpose of the Merger
The AEON DELIGHT Group takes up the mission to meet the growing social demands for greater safety and comfort as a leading company in the building maintenance industry under the Management Principle of "pursuing the creation of 'environmental value' for its customers." The AEON DELIGHT Group offers its services to buildings for a wide range of purposes including large-scale commercial complexes.
CERTO takes up the mission "to eternally deliver with reliability and quality" in order to meet customer demands in continually changing societies. CERTO provides office supplies and packaging materials to businesses and offers vending machine operation services.
AEON DELIGHT and CERTO have agreed to integrate their management resources, further the AEON Group "DNA" that is embodied in its "customer comes first" principle, and create a facilities management service to meet the diverse needs of its customers and take into consideration people working or staying in buildings as Comprehensive Facility Management Service (Comprehensive FMS).
A pioneer in the comprehensive FMS business, the new AEON DELIGHT aims to achieve world-class scale of operations and profitability by tapping into a greater number of marketing opportunities created through the merger synergies, all-in-one services made possible by the AEON DELIGHT Group's extensive network, and high productivity backed by knowledge in service science.

b. Outline of the merger
・ Date of the merger

September 1, 2010

- Structure of the merger
  AEON DELIGHT shall be the surviving company based on the structure of the merger.
- Number of shares or equity issued by AEON DELIGHT in exchange for one CERTO share in accordance with the merger
  AEON DELIGHT will issue 1.30 shares of its common stock in exchange for every CERTO common share.

2) Outline of accounting treatment
The Merger will be treated as an incorporation transaction under common control according to the Accounting Standard for Business Combinations. As such, accounting statements were made prescribed in the provisions of Item 247 of the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” in ASBJ Guidance No. 10. Thus, there will be no “goodwill” incurred.