



# Financial and Operating Results for the First Nine Months of the Fiscal Year Ending February 29, 2008

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Listed company's name: **AEON Delight Co., Ltd.**

Listed exchanges: Tokyo Stock Exchange, Osaka Securities

Stock code 9787

Exchange (First Section)

Representative: Yutaka Furutani, President and CEO

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Dept.

Please note that figures of less than one million yen have been rounded down.

## 1. Consolidated financial results for the first nine months of the fiscal year ending February 29, 2008

(March 1, 2007 – November 30, 2007)

### (1) Consolidated operating results

(Percentage figures show year-on-year % change.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine-month period ended November 30, 2007	102,409	(28.7)	5,946	(42.3)	5,800	(41.0)	3,165	(49.5)
Nine-month period ended November 30, 2006	79,578	(76.5)	4,178	(99.3)	4,115	(94.5)	2,118	(129.3)
Year ended February 28, 2007	111,170	—	5,576	—	5,485	—	2,998	—

	Net income per share (Yen)	Fully diluted income per share (Yen)
Nine-month period ended November 30, 2007	159.59	—
Nine-month period ended November 30, 2006	106.78	—
Year ended February 28, 2007	151.17	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
Nine-month period ended November 30, 2007	48,757	21,385	43.9	1,078.16
Nine-month period ended November 30, 2006	52,526	18,135	34.5	914.28
Year ended February 28, 2007	48,084	19,169	39.9	966.41

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Nine-month period ended November 30, 2007	Millions of Yen 3,801	Millions of Yen -2,845	Millions of Yen -4,744	Millions of Yen 5,681
Nine-month period ended November 30, 2006	-653	-12,151	12,371	9,760
Year ended February 28, 2007	1,680	-13,426	11,021	9,469

## 2. Consolidated financial forecast for the year ending February 29, 2008 (March 1, 2007 – February 29, 2008) for reference

(Percentage figures show year-on-year % change.)

	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	132,000	18.7	7,550	35.4	7,400	34.9	4,000	33.4	100.83

## 3. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying a change in the scope of consolidation): None
  - (2) Adoption of simplified accounting methods: Yes
  - (3) Changes in accounting methods from the most recent fiscal year: None
- For details, please refer to "4. Others" under "Qualitative Information and Financial Statements, etc." on page 3.

## ※ Information concerning proper usage of the financial forecast and other special instructions

The above financial forecast has been prepared on the basis of the information available on the date of publication of this report. Actual results may differ from the above forecast due to unforeseen factors that may arise in future.

For the financial forecast, please see "3. Qualitative information concerning the consolidated financial forecast" under "Qualitative Information and Financial Statements, etc." on page 3.

## Reference: Retrospective adjustments to per-share figures due to stock split

In accordance with the approval obtained at the Board of Directors meeting held on November 9, 2007, the company executed a 2-for-1 common stock split as of December 1, 2007.

The following is adjusted per-share information based on the assumption that the stock split was executed at the beginning of the previous fiscal year.

	Net income per share (Yen)	Fully diluted income per share (Yen)	Net assets per share
Nine-month period ended November 30, 2007	Yen 79.80	Yen —	Yen 539.08
Nine-month period ended November 30, 2006	53.39	—	457.14
Year ended February 28, 2007	75.58	—	483.20

## [Qualitative Information and Financial Statements, etc.]

## 1. Qualitative information concerning consolidated operating results

Consolidated financial results for the nine-month period ended November 30, 2007 were nearly in line with the original plan: net sales, operating income, ordinary income, and net income all experienced significant growth owing primarily to new contracts with The Daiei, Inc. for its stores nationwide and the expansion of financial facility services (cash transport, property administration).

## 2. Qualitative information concerning consolidated financial position

The financial measures at the end of the nine-month period ended November 30, 2007 were: total assets - ¥48,757 million (up ¥673 million from the end of the preceding fiscal year), total liabilities - ¥27,372 million (down ¥1,543 million), and total net assets - ¥21,385 million (up ¥2,216 million).

## (Cash flows)

Consolidated cash flows for the nine month period ended November 30, 2007 were as follows:

## (Cash flows from operating activities)

Net cash provided by operating activities increased by 3,801 million yen. The main factors behind the increase include: a 5,808 million yen increase owing to the recording of net income before income taxes, a 634 million yen increase owing to higher retained earnings on account of goodwill written off, a 1,089 million yen increase owing to an increase in provisions, a 2,202 million yen decrease owing to an increase in trade receivables, a 776 million yen increase owing to an increase in accounts payable, and a 2,729 million yen decrease owing to the payment of income taxes, etc.

## (Cash flows from investing activities)

Net cash used in investing activities decreased to 2,845 million yen. The main factors behind the decrease include: a 186 million yen decrease owing to the acquisition and disposal of tangible fixed assets, a 209 million yen decrease owing to the acquisition of intangible fixed assets, and a 2.0 billion yen decrease owing to bailment fees for consumption paid to affiliated companies and the return thereof.

## (Cash flows from financing activities)

Net cash used in financing activities decreased to 4,744 million yen. The main factors behind the decrease include: a 4,050 million yen decrease owing to the repayment of funds raised due to the liquidation of future receivables, and a 694 million yen decrease owing to dividend payments.

## 3. Qualitative information concerning the consolidated financial forecast

The company has not made any revision to its original financial forecast announced in October 2007.

As per our November 9 release, "Notice concerning stock split, partial revisions to the Articles of Incorporation, and revisions to the dividend forecast," the company executed a stock split on December 1, 2007. Accordingly, net income per share in the consolidated financial forecast has been adjusted to the figure after the stock split.

## 4. Others

## (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying a change in the scope of consolidation)

Not applicable

## (2) Adoption of simplified accounting methods

Simplified methods are partially used as the basis for calculating income taxes and provisions.

## (3) Changes in accounting methods used since the most recent fiscal year

Not applicable

[Attachment]

## 1. Consolidated Balance Sheets (Summary)

Millions of Yen

	As of November 30, 2007		As of February 28, 2007		Difference	As of November 30, 2006	
		%		%			%
<b>Assets</b>							
<b>I. Current assets</b>							
Cash and deposits	5,707		9,495		-3,788	9,786	
Notes and accounts receivable	18,922		16,738		2,183	17,319	
Inventories	9		28		-18	31	
Other current assets	4,626		1,574		3,051	4,861	
<b>Total current assets</b>	<b>29,265</b>	<b>60.0</b>	<b>27,837</b>	<b>57.9</b>	<b>1,428</b>	<b>31,999</b>	<b>60.9</b>
<b>II. Fixed assets</b>							
Tangible fixed assets	1,933		2,026		-93	2,028	
Intangible fixed assets							
Consolidated adjustment account	—		—		—	13,234	
Goodwill	12,883		13,517		-634	—	
Others	680		643		36	1,167	
Investments and other assets	3,994		4,058		-63	4,096	
<b>Total fixed assets</b>	<b>19,492</b>	<b>40.0</b>	<b>20,246</b>	<b>42.1</b>	<b>-754</b>	<b>20,526</b>	<b>39.1</b>
<b>Total assets</b>	<b>48,757</b>	<b>100.0</b>	<b>48,084</b>	<b>100.0</b>	<b>673</b>	<b>52,526</b>	<b>100.0</b>
<b>Liabilities</b>							
<b>I. Current liabilities</b>							
Notes and accounts payable	11,073		10,340		733	11,003	
Funds raised due to liquidation of future receivables	4,725		5,400		-675	5,400	
Other current liabilities	7,719		5,706		2,012	9,044	
<b>Total current liabilities</b>	<b>23,518</b>	<b>48.2</b>	<b>21,447</b>	<b>44.6</b>	<b>2,071</b>	<b>25,447</b>	<b>48.5</b>
<b>II. Long-term liabilities</b>							
Funds raised due to liquidation of future receivables	2,625		6,000		-3,375	7,350	
Allowance for accrued retirement benefits for employees	147		156		-8	188	
Allowance for retirement benefits for directors and corporate auditors	18		144		-125	113	
Other long-term liabilities	1,062		1,166		-104	1,290	
<b>Total long-term liabilities</b>	<b>3,853</b>	<b>7.9</b>	<b>7,467</b>	<b>15.5</b>	<b>-3,614</b>	<b>8,942</b>	<b>17.0</b>
<b>Total liabilities</b>	<b>27,372</b>	<b>56.1</b>	<b>28,915</b>	<b>60.1</b>	<b>-1,543</b>	<b>34,390</b>	<b>65.5</b>
<b>Net assets</b>							
<b>I. Shareholders' equity</b>							
Capital stock	3,238		3,238		—	3,238	
Capital surplus	2,963		2,963		—	2,963	
Retained earnings	15,558		13,086		2,471	12,206	
Treasury stock	-460		-460		-0	-459	
<b>Total shareholders' equity</b>	<b>21,299</b>	<b>43.7</b>	<b>18,828</b>	<b>39.2</b>	<b>2,471</b>	<b>17,948</b>	<b>34.1</b>

II. Valuation and translation adjustment, etc.							
Net unrealized gain (loss) on marketable securities	86		340		-254	187	
Total valuation and translation adjustment, etc.	86	0.2	340	0.7	-254	187	0.4
Total net assets	21,385	43.9	19,169	39.9	2,216	18,135	34.5
Total liabilities and net assets	48,757	100.0	48,084	100.0	673	52,526	100.0

## 2. Consolidated Statements of Income (Summary)

(Millions of Yen)

	First nine months of the fiscal year ending February 29, 2008 (March 1, 2007 through November 30, 2007)		First nine months of the fiscal year ending February 28, 2007 (March 1, 2006 through November 30, 2006)		Difference	Fiscal year ended February 28, 2007 (March 1, 2006 through February 28, 2007)	
		%		%			%
I. Net sales	102,409	100.0	79,578	100.0	22,831	111,170	100.0
II. Cost of sales	88,536	86.5	67,831	85.2	20,704	95,226	85.7
Gross profit	13,873	13.5	11,747	14.8	2,126	15,943	14.3
III. Selling, general and administrative expenses	7,926	7.7	7,568	9.5	357	10,367	9.3
Operating income	5,946	5.8	4,178	5.3	1,768	5,576	5.0
IV. Non-operating income	74	0.1	70	0.1	3	99	0.1
V. Non-operating expenses	219	0.2	133	0.2	86	190	0.2
Ordinary income	5,800	5.7	4,115	5.2	1,685	5,485	4.9
VI. Extraordinary profit	34	0.0	152	0.2	-117	267	0.3
VII. Extraordinary loss	27	0.0	190	0.3	-163	227	0.2
Net income before income taxes and minority interests	5,808	5.7	4,076	5.1	1,731	5,524	5.0
Current income taxes	3,149	3.1	2,260	2.8	888	2,293	2.1
Deferred income taxes	-506	-0.5	-302	-0.4	-204	233	0.2
Net income	3,165	3.1	2,118	2.7	1,047	2,998	2.7

## 3. Consolidated Statements of Cash Flows (Summary)

(Millions of Yen)

	First nine months of the fiscal year ending February 29, 2008 (March 1, 2007 through November 30, 2007)	First nine months of the fiscal year ending February 28, 2007 (March 1, 2006 through November 30, 2006)	Fiscal year ended February 28, 2007 (March 1, 2006 through February 28, 2007)
	I. Cash flows from operating activities		
Net income before income taxes and minority interests	5,808	4,076	5,524
Depreciation and amortization	393	516	483
Net change in assets and liabilities	-501	-2,786	-2,250
Others	782	347	723
Subtotal	6,482	2,154	4,481
Income taxes paid	-2,729	-2,543	-2,557
Others	49	-264	-243
Net cash provided by (used in) operating activities	3,801	-653	1,680
II. Cash flows from investing activities			
Net balance on marketable securities	-135	677	686
Net balance on tangible fixed assets	-186	-358	-405
Others	-2,522	-12,470	-13,707
Net cash used in investing activities	-2,845	-12,151	-13,426

III. Cash flows from financing activities			
Purchase of treasury stock	-0	-0	-1
Cash dividends paid	-694	-377	-377
Others	-4,050	12,750	11,400
Net cash provided by (used in) financing activities	-4,744	12,371	11,021
IV. Net increase (decrease) in cash and cash equivalents	-3,788	-433	-724
V. Cash and cash equivalents at beginning of period	9,469	10,194	10,194
VI. Cash and cash equivalents at end of period	5,681	9,760	9,469