

Financial and Operating Results for the First Three Months of the Fiscal Year Ending February 28, 2009



June 19, 2008

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

Listed exchanges: Tokyo Stock Exchange, Osaka Securities

Stock code: 9787

Exchange (First Section)

Representative: Yuiken Tsutsumi, President & CEO

(URL: <http://www.aeondelight.co.jp>)

Contact: Masatoshi Sashie, General Manager,
[AEON] Delight Communications Department

TEL: +81-6-6260-5621

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

1. Consolidated Results for the First Three Months of the Fiscal Year Ending February 28, 2009 (from March 1, 2008 to May 31, 2008)

(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	%
Three months ended May 31, 2008	36,940	(7.7)	2,586	(25.8)	2,544	(25.3)	1,442	(32.0)
Three months ended May 31, 2007	34,293	(116.4)	2,056	(234.1)	2,030	(231.1)	1,093	(280.7)
Year ended February 29, 2008	137,519	—	8,330	—	8,186	—	4,379	—

	Net Income per Share	Fully Diluted Net Income per Share
	Yen	Yen
Three months ended May 31, 2008	36.37	—
Three months ended May 31, 2007	(Note) 55.12	—
Year ended February 29, 2008	110.39	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2008	48,353	23,819	49.3	600.43
As of May 31, 2007	50,120	20,068	40.0	(Note) 1,011.73
As of February 29, 2008	47,418	22,488	47.4	566 87

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Three months ended May 31, 2008	1,057	-43	-1,522	7,146
Three months ended May 31, 2007	1,502	-352	-1,746	8,872
Year ended February 29, 2008	6,472	-2,190	-6,094	7,657

Note: AEON Delight implemented a two-for-one common stock split effective December 1, 2007.

2. Forecast for Consolidated Results for the Year Ending February 28, 2009 (from March 1, 2008 to February 28, 2009) [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	
Interim	68,500	1.1	4,200	6.7	4,150	8.2	2,100	1.0	52	94
Full-year	145,000	5.4	9,100	9.2	9,000	9.9	4,600	5.0	115	95

3. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): Not applicable
- (2) Adoption of simplified accounting methods: Applicable
- (3) Changes in accounting methods since the most recent fiscal year: Not applicable

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 as of the date of publication of this report. Actual results may differ from the above forecast due to unforeseen factors that may arise at some future point.
For the earnings forecast, please see "3. Qualitative Information concerning the Forecast for Consolidated Results" under "Qualitative Information and Financial Statements, etc." on page 3.

(Reference) Retroactive adjustment of per-share data resulting from a stock split

AEON Delight implemented a two-for-one split of the company's common stock effective December 1, 2007

based on a resolution made at the Board of Directors meeting held on November 9, 2007.

Per-share data assuming that the stock split took place at the beginning of the previous fiscal year is as follows:

	Net Income per Share	Fully Diluted Net Income per Share	Net Assets per Share
Three months ended February 29, 2008	Yen 27.56	Yen —	Yen 505.86

[Qualitative Information and Financial Statements, etc.]

1. Qualitative Information concerning the Consolidated Operating Results

During the three months ended May 31, 2008, the AEON Delight Group achieved revenue growth, despite a slowdown in its construction work segment [in line with][amid] the general economic deceleration, thanks to a steady flow of new orders from the newly opened Odaka Shopping Center, Loc City Hofu and other establishments of the AEON Group, as well as from outside the group, including those from the 25th National Confectionery Exposition in Hyogo and Route Inn Hotels. In addition, contracts [gained][won] in the previous year contributed to consolidated performance on a full-year basis. These included Daiei stores nationwide, AEON Kagamihara Shopping Center, AEON Mall Hinode, unimo Chiharadai, CowBoy stores, and NIPPONKOA Insurance Co., Ltd.

On the profit front, operating income, ordinary income, and net income all showed growth, thanks to efforts to improve our cost structure, including bringing outsourcing fees to reasonable levels based on the economies of scale made possible through management integration, reviews of less profitable projects for some public agencies and others, and consolidation/unification of systems.

2. Qualitative Information concerning the Consolidated Financial Position

The financial position at the end of the three months ended May 31, 2008 was: total assets - ¥48,353 million (up ¥935 million from the end of the preceding fiscal year), total liabilities - ¥24,534 million (down ¥395 million), and total net assets - ¥23,819 million (up ¥1,331 million).

(Cash flows)

Consolidated cash flows for the three months ended May 31, 2008 were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 1,057 million yen. The main factors behind this increase included the posting of net income before income taxes of 2,540 million yen, retained earnings from goodwill amortization of 211 million yen, an increase of 905 million yen in provisions, a decrease of 736 million yen owing to an increase in trade receivables, a 1,302 million yen increase owing to an increase in accounts payable, and a 2,580 million yen decrease owing to payments of income taxes, etc.

(Cash flows from investing activities)

Net cash used in investing activities was 43 million yen, resulting primarily from a 37 million yen decrease owing to acquisition and disposal of tangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was 1,522 million yen. This was mainly attributable to the redemption of funds raised due to the liquidation of future receivables amounting to 1,125 million yen and dividend payments of 396 million yen.

3. Qualitative Information concerning the Forecast for Consolidated Results

The company has not made any revisions to its original forecast announced in April 2008.

4. Others

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

Not applicable

(2) Adoption of simplified accounting methods

Simplified methods are partially used as the basis of calculation of income taxes and provisions.

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

Not applicable

1. Consolidated Balance Sheets (Summary)

(Unit: Millions of Yen)

	Three months ended May 31, 2008 (As of May 31, 2008)		Year ended February 29, 2008 (As of February 29, 2008)		Difference	Three months ended May 31, 2007 (As of May 31, 2007)	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
(Assets)		%		%			%
I. Current assets							
Cash and deposits	7,162		7,673		-511	8,898	
Trade notes and accounts receivable	18,483		17,677		806	18,637	
Inventories	10		10		-0	26	
Others	3,902		3,402		500	2,072	
Total current assets	29,558	61.1	28,764	60.7	794	29,634	59.1
II. Fixed assets							
Tangible fixed assets	1,860		1,885		-24	2,013	
Intangible fixed assets							
Goodwill	12,460		12,671		-211	13,306	
Others	735		684		50	687	
Investments and other assets	3,738		3,411		327	4,478	
Total fixed assets	18,795	38.9	18,653	39.3	141	20,485	40.9
Total assets	48,353	100.0	47,418	100.0	935	50,120	100.0
(Liabilities)							
I. Current liabilities							
Trade notes and accounts payable	11,595		10,293		1,302	11,702	
Funds raised due to liquidation of future receivables	4,500		4,500		—	5,175	
Others	7,109		7,740		-630	6,738	
Total current liabilities	23,205	48.0	22,533	47.5	671	23,615	47.2
II. Long-term liabilities							
Funds raised due to liquidation of future receivables	375		1,500		-1,125	4,875	
Allowance for accrued retirement benefits for employees	145		145		0	152	
Allowance for retirement benefits for directors and corporate auditors	11		24		-13	13	
Others	796		725		70	1,395	
Total long-term liabilities	1,328	2.7	2,395	5.1	-1,067	6,436	12.8
Total liabilities	24,534	50.7	24,929	52.6	-395	30,052	60.0
(Net assets)							
I. Shareholders' Equity							
Capital stock	3,238		3,238		—	3,238	
Capital surplus	2,963		2,963		—	2,963	
Retained earnings	17,818		16,772		1,046	13,783	
Treasury stock	-460		-460		-0	-460	
Total Shareholders' Equity	23,558	48.7	22,512	47.5	1,045	19,524	38.9
II. Valuation and translation adjustments, etc.							

Net unrealized gain (loss) on marketable securities	190		-25		215	543	
Foreign currency translation adjustment	-1		0		-2	—	
Total valuation and translation adjustments, etc.	188	0.4	-24	-0.1	213	543	1.1
III. Share warrants	72	0.2	—	—	72	—	—
Total net assets	23,819	49.3	22,488	47.4	1,331	20,068	40.0
Total liabilities and net assets	48,353	100.0	47,418	100.0	935	50,120	100.0

2. Consolidated Statements of Income (Summary)

(Unit: Millions of Yen)

	First three months of fiscal 2008 (From March 1, 2008 to May 31, 2008)		First three months of fiscal 2007 (From March 1, 2007 to May 31, 2007)		Difference Amount	Fiscal 2007 (From March 1, 2007 to February 29, 2008)	
	Amount	Ratio	Amount	Ratio		Amount	Ratio
I. Net sales	36,940	100.0	34,293	100.0	2,646	137,519	100.0
II. Cost of sales	31,618	85.6	29,631	86.4	1,987	118,692	86.3
Gross profit	5,321	14.4	4,662	13.6	659	18,827	13.7
III. Selling, general and administrative expenses	2,735	7.4	2,606	7.6	129	10,496	7.6
Operating income	2,586	7.0	2,056	6.0	529	8,330	6.1
IV. Non-operating income	33	0.1	25	0.1	7	128	0.1
V. Non-operating expenses	74	0.2	51	0.2	22	272	0.2
Ordinary income	2,544	6.9	2,030	5.9	514	8,186	6.0
VI. Extraordinary profit	—	-	8	0.0	-8	57	0.0
VII. Extraordinary loss	4	0.0	—	-	4	162	0.1
Net income before income taxes and minority interests	2,540	6.9	2,038	5.9	502	8,081	5.9
Current income taxes	1,157	3.1	1,220	3.5	-63	3,898	2.8
Deferred income taxes	-59	-0.1	-275	-0.8	215	-196	-0.1
Net income	1,442	3.9	1,093	3.2	349	4,379	3.2

3. Consolidated Statements of Cash Flows (Summary)

(Unit: Millions of Yen)

	First three months of fiscal 2008 (From March 1, 2008 to May 31, 2008)		First three months of fiscal 2007 (From March 1, 2007 to May 31, 2007)		Fiscal 2007 (From March 1, 2007 to February 29, 2008)	
	Amount	Amount	Amount	Amount	Amount	Amount
I. Cash flows from operating activities						
Income before income taxes	2,540		2,038		8,081	
Depreciation and amortization	130		124		536	
Net change in assets and liabilities	648		458		-596	
Others	294		270		1,110	
Subtotal	3,613		2,892		9,132	
Income taxes paid	-2,580		-1,412		-2,721	
Others	24		21		61	
Net cash provided by (used in) operating activities	1,057		1,502		6,472	
II. Cash flows from investing activities						
Net balance on marketable securities	-0		-134		113	
Net balance on tangible fixed assets	-37		-69		-264	
Others	-5		-148		-2,038	

Net cash provided by (used in) investing activities	-43	-352	-2,190
III. Cash flows from financing activities			
Purchase of treasury stock	-0	—	-0
Cash dividends paid	-396	-396	-694
Others	-1,125	-1,350	-5,400
Net cash provided by (used in) financing activities	-1,522	-1,746	-6,094
IV. Translation adjustment concerning cash and cash equivalents	-3	—	0
V. Change in cash and cash equivalents	-511	-596	-1,811
VI, Cash and cash equivalents at beginning of period	7,657	9,469	9,469
VII. Cash and cash equivalents at end of period	7,146	8,872	7,657