

# Summary of Financial Results for the Second Quarter Ended August 31, 2019 [Japan GAAP] (Consolidated)

October 9, 2019

Company AEON DELIGHT CO., LTD.

Stock Code 9787

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Expected date of filing of quarterly report: October 11, 2019

Expected starting date of dividend payment: November 11, 2019

Preparation of quarterly supplementary financial document: Yes

Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

## 1. Consolidated business results for the six months ended August 2019 (March 1, 2019 through August 31, 2019)

### (1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Aug. 2019	157,482	3.2	8,594	37.0	8,655	36.3	5,181	82.5
Six months ended Aug. 2018	152,611	1.2	6,275	-15.4	6,349	-15.2	2,838	-32.2

(Note) Comprehensive income

Six months ended August 2019: 5,127 million yen (87.9%)

Six months ended August 2018: 2,728 million yen (-40.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 2019	103.78	103.57
Six months ended Aug. 2018	53.97	53.85

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Aug. 2019	135,538	78,972	56.5
As of Feb. 2019	134,071	75,539	54.6

(Reference) Shareholders' equity:

As of August 2019: 76,578 million yen

As of February 2019: 73,176 million yen

## 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Feb. 2019	-	31.00	-	32.00	63.00
Year ending Feb. 2019	-	32.00	-	-	-
Year ending Feb. 2019 (forecast)	-	-	-	33.00	65.00

(Note) Revisions to dividend forecast for the current quarter: None

## 3. Forecast of consolidated business results for the year ending February 2020 (March 1, 2019 through February 28, 2020)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2020	315,000	4.0	18,000	38.1	18,000	34.7	10,800	68.4	216.35

(Note) Revisions to business forecast for the current quarter: None

**※Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None
- (2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:  
None
- (3) Changes in accounting policies, accounting estimates and restatement
- |   |        |
|---|--------|
| ①Changes in accounting policies associated with revision of accounting standards: | : None |
| ②Changes in accounting policies other than ①                                      | : None |
| ③Changes in accounting estimates  | : Yes  |
| ④Restatement  | : None |
- (4) Shares outstanding (common stock)
- |  |                   |
|--|-------------------|
| ①Number of shares outstanding at the end of period (treasury stock included) |                   |
| As of August 2019  | 54,169,633 shares |
| As of February 2019  | 54,169,633 shares |
| ②Treasury stock at the end of period   |                   |
| As of August 2019  | 4,238,504 shares  |
| As of February 2019  | 4,251,504 shares  |
| ③Average number of stock during period (quarterly cumulative period)         |                   |
| Six months ended August 2019   | 49,923,615 shares |
| Six months ended August 2018   | 52,596,422 shares |

**\*Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

**\*Explanation regarding appropriate use of business forecasts and other special instructions**

**(Precautions regarding forward-looking statements)**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

Quarterly Consolidated Financial Statements  
(Quarterly Consolidated Balance Sheets)

(Million yen)

	Previous Fiscal Year (February 28, 2019)	Current Second Quarter (August 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	44,233	41,681
Notes and accounts receivable	37,544	41,263
Electronically Recorded Monetary Claims	2,545	3,437
Inventories	2,211	1,870
Deposit of subsidiaries and affiliates	16,000	17,000
Other	4,927	5,465
Allowance for doubtful accounts	-167	-182
Total current assets	107,295	110,535
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,479	1,480
Tools, furniture and fixtures, net	5,064	5,141
Other	2,032	2,032
Other, net	1,585	1,200
Total tangible fixed assets	10,161	9,854
Intangible fixed assets		
Goodwill	6,765	6,357
Other	1,338	1,307
Total intangible fixed assets	8,103	7,664
Investments and other assets		
Investment securities	4,256	4,010
Other	4,610	3,834
Allowance for doubtful accounts	-355	-360
Total investment and other assets	8,511	7,484
Total noncurrent assets	26,776	25,003
Total assets	134,071	135,538

(Million yen)

	Previous Fiscal Year (February 28, 2019)	Current Second Quarter (August 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	25,967	24,528
Electronically recorded obligations - operating	4,910	4,776
Short-term borrowings	392	390
Current portion of long-term loans payable	2	3
Income taxes payable	3,661	3,014
Provision for bonuses	1,132	1,965
Accrued directors' and corporate auditors' remuneration	124	47
Allowance for sales discounts	846	632
Other	14,369	14,695
Total current liabilities	51,408	50,053
Fixed liabilities		
Long-term debt	15	13
Provision for directors' retirement benefits	199	167
Obligations for retirement pay	1,764	1,657
Asset retirement obligations	53	60
Allowance for sales discounts	1,903	1,849
Other	3,188	2,765
Total fixed liabilities	7,124	6,512
<b>Total liabilities</b>	<b>58,532</b>	<b>56,565</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus	13,888	13,890
Retained earnings	65,910	69,494
Treasury stock	-10,327	-10,295
Total shareholders' equity	72,710	76,326
Other accumulated comprehensive income		
Valuation difference on securities	876	718
Foreign currency translation adjustments	84	-13
Remeasurements of defined benefit plans	-493	-453
Total other accumulated comprehensive income	466	251
Share subscription rights	299	265
Non-controlling shareholders' equity	2,062	2,129
<b>Total net assets</b>	<b>75,539</b>	<b>78,972</b>
<b>Total liabilities and net assets</b>	<b>134,071</b>	<b>135,538</b>

Quarterly Consolidated Statement of Income and Quarterly Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2018– August 31, 2018)	Current Second Quarter (March 1, 2019– August 31, 2019)
Net sales	152,611	157,482
Cost of sales	135,149	137,719
Gross profit	17,462	19,763
Selling, general and administrative expenses	11,186	11,168
Operating income	6,275	8,594
Non-operating income		
Interest income	17	21
Dividends income	46	55
Equity in income of affiliates	41	40
Other	54	57
Total non-operating income	159	175
Non-operating expenses		
Interest expenses	8	16
Other	77	98
Total non-operating expenses	85	114
Ordinary income	6,349	8,655
Extraordinary income		
Loss on sales of investment security	-	10
Other	-	17
Total extraordinary income	-	28
Extraordinary loss		
Loss on sales of investment security	-	7
Other	13	265
Total extraordinary loss	13	272
Profit before income taxes	6,336	8,411
Income taxes	2,956	2,867
Income taxes-deferred	188	201
Total income taxes	3,145	3,068
Net income	3,190	5,342
Net income attributable to non-controlling interests	351	161
Net income attributable to owners of parent	2,838	5,181

(Quarterly Consolidated Statement of Comprehensive Income)  
(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2018– August 31, 2018)	Current Second Quarter (March 1, 2019– August 31, 2019)
Net income	3,190	5,342
Other comprehensive income		
Valuation difference on securities	-374	-158
Foreign currency translation adjustments	-129	-98
Remeasurements of defined benefit plans	42	41
Total other comprehensive income	-461	-215
Comprehensive income	2,728	5,127
Breakdown		
Comprehensive income attributable to owners of parent	2,414	4,966
Comprehensive income attributable to non-controlling interests	314	161

## Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2018– August 31, 2018)	Current Second Quarter (March 1, 2019– August 31, 2019)
<b>Cash flow from operating activities</b>		
Profit before income taxes	6,336	8,411
Depreciation and amortization	1,241	1,135
Impairment loss	13	-
Amortization of goodwill	367	408
Increase (decrease) in allowance sales discount	787	-268
Increase (decrease) in other allowances	452	733
Interest and dividend income	-63	-76
Interest expenses	8	16
Equity in loss (gain) of affiliates	-41	-40
Decrease (increase) in notes and accounts receivable-trade	-2,837	-4,641
(Increase) decrease in inventories	-126	338
Increase (decrease) in notes and accounts payable-trade	751	-1,561
Increase (decrease) in accounts payable	-1,734	40
Increase (decrease) in accrued consumption taxes	-210	411
Increase (decrease) in accounts receivable-other	-200	-198
Increase (decrease) in advances received	110	-642
Increase (decrease) in advance revenue	152	-280
Other	-572	519
<b>Total</b>	<b>4,432</b>	<b>4,305</b>
Interest and dividend received	81	106
Interest expenses paid	-8	-17
Income taxes paid	-2,701	-3,457
<b>Net cash provided by (used in) operating activities</b>	<b>1,804</b>	<b>937</b>
<b>Cash flow from investing activities</b>		
Payments into time deposits	-240	-180
Proceeds from withdrawal of time deposits	340	180
Purchase of property, plant and equipment and intangible fixed assets	-1,028	-1,214
Purchase of investment securities	-13	-13
Proceeds from sales or maturities of securities and investment securities	100	140
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-100	-
Payments for deposit of consumption of subsidiaries and associates	-131,000	-122,500
Proceeds from refund of consumer deposits of subsidiaries and associates	131,000	121,500
Other	-98	374
<b>Net cash provided by (used in) investing activities</b>	<b>-1,040</b>	<b>-1,714</b>
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term borrowings	259	7
Proceeds from long-term loans payable	-0	-1
Cash dividends paid	-1,629	-1,595
Other	-193	-94
<b>Net cash provided by (used in) financing activities</b>	<b>-1,563</b>	<b>-1,683</b>
Effect of exchange rate change on cash and cash equivalents	-85	-9
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-885</b>	<b>-2,469</b>
Cash and cash equivalents at beginning of period	38,722	43,437
<b>Cash and cash equivalents at end of period</b>	<b>37,836</b>	<b>40,967</b>

Notes on quarterly consolidated financial statements

●(Notes on going concern assumption)

Second quarter of FY2020 (March 1, 2019 – August 31, 2019)

None

●(Notes if there is a significant change in the amount of shareholders' equity)

Second quarter of FY2020 (March 1, 2019 – August 31, 2019)

None

●(Changes in Accounting Estimates)

(Change in useful life)

Effective from the first quarter of the current fiscal year, we have changed the useful lives of certain property, plant and equipment. The useful life of the vending machine facilities has been changed based on the fact with comprehensively taking into account the replacement period and the physical life of the machines.

As a result, operating income, ordinary income and profit before income taxes for the first half of the current fiscal year increased by 154 million yen, respectively, compared with the previous method.