

Summary of Financial Results for the Year Ended February 29, 2020

[Japan GAAP] (Consolidated)

April 10, 2020

Company: AEON DELIGHT Co., Ltd. Listed on the TSE1
 Stock Code: 9787 URL: <http://www.aeondelight.co.jp>
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Planned date for annual shareholders' meeting: May 14, 2020 Planned date for commencement of dividend payment: April 30, 2020
 Planned date for filing of annual securities report: May 15, 2020
 Preparation of supplementary financial document: Yes
 Results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended February 2020 (March 1, 2019 through February 29, 2020)

(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	%
Year ended Feb. 2020	308,582	1.9	16,001	22.8	15,949	19.4	9,348	45.7
Year ended Feb. 2019	302,915	3.6	13,030	0.9	13,362	-0.1	6,415	0.3

(Note) Comprehensive income:

Year ended February 2020: 9,039 million yen (50.5%)

Year ended February 2019: 6,007 million yen (-22.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Feb. 2020	187.21	186.94	12.3	11.8	5.2
Year ended Feb. 2019	122.92	122.61	8.1	9.6	4.3

(Reference) Investment earnings/loss on equity-method:

Year ended February 2020: 50 million yen

Year ended February 2019: 67 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 2020	136,917	81,286	57.6	1,578.77
As of Feb. 2019	134,071	75,539	54.6	1,465.94

(Reference) Shareholders' equity:

As of February 2020: 78,886 million yen

As of February 2019: 73,176 million yen

(Note) The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the first quarter of the current fiscal year.

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Feb. 2020	7,371	13,838	-3,392	61,151
Year ended Feb. 2019	12,373	12,256	-19,686	43,437

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Feb. 2019	-	31.00	-	32.00	63.00	3,228	51.3	4.1
Year ended Feb. 2020		32.00		33.00	65.00	3,246	34.7	4.3
Year ending Feb. 2021 (forecast)		35.00		35.00	70.00		35.0	

3. Forecast of consolidated business results for the fiscal year ending February 2021

(March 1, 2020 through February 28, 2021)

(% 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. 2021	315,000	2.1	16,500	3.1	16,500	3.4	10,000	7.0	200.13

※Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : Yes
- ④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of February 2020 54,169,633 shares

As of February 2019 54,169,633 shares

② Treasury stock at the end of period:

As of February 2020 4,202,659 shares

As of February 2019 4,251,504 shares

③ Average number of stock during period

Year ended February 2020 49,933,529 shares

Year ended February 2019 52,189,547 shares

***Financial summary is not subject to auditing 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.

Consolidated Financial Statements
(Consolidated Balance Sheet)

(Million yen)

	Previous fiscal year (February 28, 2019)	Current fiscal year (February 29, 2020)
Asset		
Current assets		
Cash and deposits	44,233	62,355
Notes and accounts receivable	37,544	39,535
Electronically Recorded Monetary Claims	2,545	3,077
Inventories	2,211	1,822
Deposit of subsidiaries and affiliates	16,000	-
Other	4,927	5,813
Allowance for doubtful accounts	-167	-242
Total current assets	107,295	112,362
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,479	1,458
Tools, furniture and fixtures, net	5,064	4,846
Land	2,032	2,032
Other, net	1,585	1,334
Total tangible fixed assets	10,161	9,671
Intangible fixed assets		
Goodwill	6,765	5,975
Other	1,338	1,209
Total intangible fixed assets	8,103	7,185
Investments and other assets		
Investment securities	4,256	3,623
Deferred tax assets	1,345	1,763
Other	3,264	2,347
Allowance for doubtful accounts	-355	-36
Total investment and other assets	8,511	7,698
Total intangible fixed assets	26,776	24,554
Total assets	134,071	136,917

(Million yen)

	Previous fiscal year (February 28, 2019)	Current fiscal year (February 29, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	25,967	23,388
Electronically recorded obligations - operating	4,910	4,814
Short-term borrowings	392	249
Current portion of long-term loans payable	2	3
Accounts payable	6,095	6,356
Income taxes payable	3,661	2,795
Provision for bonuses	1,132	1,333
Accrued directors' and corporate auditors' remuneration	124	91
Allowance for sales discounts	846	677
Other	8,274	9,153
Total current liabilities	51,408	48,864
Fixed liabilities		
Long-term debt	15	11
Deferred tax liabilities	157	763
Provision for directors' retirement benefits	199	178
Obligations for retirement pay	1,764	1,930
Asset retirement obligations	53	60
Allowance for sales discounts	1,903	1,576
Other	3,031	2,247
Total fixed liabilities	7,124	6,767
Total liabilities	58,532	55,631
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	13,888	13,880
Retained earnings	65,910	72,063
Treasury stock	-10,327	-10,208
Total shareholders' equity	72,710	78,972
Other accumulated comprehensive income		
Valuation difference on securities	876	487
Foreign currency translation adjustments	84	18
Remeasurements of defined benefit plans	-493	-592
Total other accumulated comprehensive income	466	-86
Share subscription rights	299	186
Non-controlling shareholders' equity	2,062	2,213
Total net assets	75,539	81,286
Total liabilities and net assets	134,071	136,917

Consolidated Statement of Income and Statement of Comprehensive Income.

(Consolidated Statement of Income)

(Million yen)

	Previous fiscal year (March 1, 2018 - February 28, 2019)	Current fiscal year (March 1, 2019 - February 29, 2020)
Net sales	302,915	308,582
Cost of sales	267,463	270,011
Gross profit	35,452	38,570
Selling, general and administrative expenses	22,421	22,569
Operating income	13,030	16,001
Non-operating income		
Interest income	39	39
Dividends income	104	131
Equity in income of affiliates	67	50
Subsidy income	308	17
Other	70	101
Total non-operating income	590	339
Non-operating expenses		
Interest expenses	27	31
Share repurchase expenses	26	-
Commission paid	54	-
Other	150	359
Total non-operating expenses	258	391
Ordinary income	13,362	15,949
Extraordinary income		
Gain on sales of investment security	-	111
Other	-	17
Total extraordinary income	-	129
Extraordinary loss		
Impairment loss	123	175
Loss on business liquidation	63	-
Other	8	355
Total extraordinary loss	195	530
Income before income taxes	13,166	15,548
Income taxes	5,979	5,547
Income taxes-deferred	107	406
Total income taxes	6,087	5,954
Net income	7,079	9,593
Net income attributable to non-controlling interests	664	245
Net current fiscal year attributable to owners of parent	6,415	9,348

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous fiscal year (March 1, 2018 - February 28, 2019)	Current fiscal year (March 1, 2019 - February 29, 2020)
Net income	7,079	9,593
Other comprehensive income		
Valuation difference on securities	-697	-389
Foreign currency translation adjustments	-280	-61
Remeasurements of defined benefit plans	-93	-103
Total other comprehensive income	-1,071	-554
Comprehensive income	6,007	9,039
(Breakdown)		
Comprehensive income attributable to owners of parent	5,397	8,795
Comprehensive income attributable to non-controlling interests	610	244

Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (March 1, 2018 - February 28, 2019)	Current fiscal year (March 1, 2019 - February 29, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	13,166	15,548
Depreciation and amortization	2,602	2,352
Impairment loss	123	175
Amortization of goodwill	759	815
Increase (decrease) in accrued bonuses	-111	201
Increase (decrease) in allowance sales discount	1,171	-495
Increase (decrease) in provision for directors' retirement	21	-20
Increase (decrease) in liabilities relating to retirement benefits	44	59
Interest and dividend income	-143	-170
Interest expenses	22	31
Equity in loss (gain) of affiliates	-67	-50
Loss (gain) on sale of investment securities	8	-97
Decrease (increase) in notes and accounts receivable-trade	-1,057	-2,470
Decrease (increase) in inventories	422	387
Increase (decrease) in notes and accounts payable-trade	582	-2,662
Increase (decrease) in accounts payable	-461	613
Increase (decrease) in accrued consumption taxes	-221	1,017
Increase (decrease) in accounts receivable-other	-69	-467
Increase (decrease) in advances received	614	1,406
Increase (decrease) in advance revenue	5	-787
Other	-26	-1,672
Sub-total	17,385	13,713
Interest and dividend received	198	201
Interest expenses paid	-22	-36
Income taxes paid	-5,188	-6,506
Net cash provided by (used in) operating activities	12,373	7,371
Cash flows from investing activities		
Payments into time deposits	-915	-1,251
Proceeds from withdrawal of time deposits	940	842
Purchase of property, plant and equipment and intangible fixed assets	-2,059	-2,361
Proceeds from sale of tangible and intangible fixed assets	15	0
Proceeds from sales or maturities of securities	100	100
Purchase of investment securities	-24	-23
Proceeds from sales and redemption of investment securities	2	226
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-1,516	-
Payments for deposit of consumption of subsidiaries and associates	-284,000	-192,500
Proceeds from refund of consumer deposits of subsidiaries and associates	300,000	208,500
Other	-285	305
Cash flows from investing activities	12,256	13,838
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	179	-143
Proceeds from long-term loans payable	-	-
Repayment of long-term loans payable	-2	-3
Cash dividends paid	-3,259	-3,195
Net decrease (increase) in treasury stock	-9,906	109
Proceeds from share issuance to non-controlling interests	61	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-6,458	-
Other	-300	-159
Net cash provided by (used in) financing activities	-19,686	-3,392
Effect of exchange rate change on cash and cash equivalents	-228	-98
Net increase (decrease) in cash and cash equivalents	4,715	17,719

Cash and cash equivalents at beginning of period	38,722	43,437
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation		-5
Cash and cash equivalents at end of period	43,437	61,151