

Summary of Financial Results for the Year Ended February 28, 2018

[Japan GAAP] (Consolidated)

April 11, 2018

Company AEON DELIGHT Co., Ltd. Listed on the TSE1
 Stock Code 9787 URL: <http://www.aeondelight.co.jp>
 Representative Ippei Nakayama, President and CEO
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 Planned date for annual shareholders' meeting: May 18, 2018 Planned date for commencement of dividend payment: May 7, 2018
 Planned date for filing of annual securities report: May 21, 2018
 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 2018 (March 1, 2017 through February 28, 2018)

(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. 2018	295,839	0.4	16,812	-2.6	17,284	-0.6	10,316	0.8
Year ended Feb. 2017	294,725	4.9	17,257	3.3	17,381	4.2	10,238	6.0

(Note) Comprehensive income:

Year ended February 2018: 11,640 million yen (5.6%)

Year ended February 2017: 11,021 million yen (20.1%)

	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. 2018	196.23	195.68	11.0	12.1	5.7
Year ended Feb. 2017	194.84	194.31	12.0	12.8	5.9

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

Year ended February 2018: 69 million yen

Year ended February 2017: 58 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. 2018	146,828	100,561	66.4	1,852.96
As of Feb. 2017	139,505	92,089	64.0	1,700.06

(Reference) Shareholders' equity:

As of February 2018: 97,427 million yen

As of February 2017: 89,345 million yen

(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. 2018	13,568	-2,666	-3,264	38,722
Year ended Feb. 2017	11,703	2,233	-2,400	31,004

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			
Year ended Feb. 2017	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Feb. 2018	-	28.00	-	27.00	55.00	2,890	28.2	3.4
Year ending Feb. 2019 (forecast)	-	30.00	-	31.00	61.00	3,207	31.1	3.4
Year ending Feb. 2019 (forecast)	-	31.00	-	32.00	63.00		30.1	

3. Forecast of consolidated business results for the fiscal year ending February 2019

(March 1, 2018 through February 28, 2019)

(% 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
For the six months ending Aug. 2018	152,000	0.1	9,000	2.2	9,000	1.4	5,600	0.5	106.51
Year ending Feb. 2019	305,000	3.1	18,500	10.0	18,500	7.0	11,000	6.6	209.21

※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 : None
- ④ Restatement : None

(3) Shares outstanding (common stock)

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

As of February 2018 54,169,633 shares

As of February 2017 54,169,633 shares

② Treasury stock at the end of period:

As of February 2018 1,590,132 shares

As of February 2017 1,615,195 shares

③ Average number of stock during period

Year ended February 2018 52,574,261 shares

Year ended February 2017 52,550,291 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)

	Fiscal year ended February 28, 2017 (February 28, 2017)	Fiscal year ended February 28, 2018 (February 28, 2018)
Assets		
Current assets		
Cash and deposits	31,717	39,536
Notes and accounts receivable-trade	36,958	37,437
Electronically recorded monetary obligations	3,577	2,765
Inventories	3,050	3,088
Deferred tax assets	1,360	1,476
Deposit of subsidiaries and affiliates	31,713	32,000
Other	4,231	4,041
Allowance for doubtful accounts	-202	-130
Total current assets	112,405	120,214
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,644	1,593
Tools, furniture and fixtures, net	3,319	4,900
Land	1,975	1,975
Other, net	2,150	1,591
Total tangible fixed assets	9,089	10,060
Intangible fixed assets		
Goodwill	7,038	6,255
Other	2,056	1,780
Total intangible fixed assets	9,095	8,036
Investments and other assets		
Investment securities	4,546	5,334
Deferred tax assets	551	330
Other	4,353	3,462
Allowance for doubtful accounts	-536	-610
Total investments and other assets	8,915	8,516
Total fixed assets	27,099	26,613
Total assets	139,505	146,828

(Million yen)

	Fiscal year ended February 28, 2017 (February 28, 2017)	Fiscal year ended February 28, 2018 (February 28, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,474	23,684
Electronically recorded monetary obligations	5,133	4,474
Short-term loans payable	241	225
Current portion of long-term loans payable	30	-
Accounts payable-other	5,641	5,914
Income taxes payable	3,493	3,059
Reserve for bonuses	1,298	1,244
Reserve for directors' bonuses	117	133
Other	4,635	4,749
Total current liabilities	44,065	43,486
Fixed liabilities		
Long-term loans payable	293	-
Deferred tax assets	871	720
Reserve for directors' retirement benefits	221	178
Liabilities relating to retirement benefits	1,613	1,585
Asset retirement obligation	49	51
Other	301	245
Total fixed liabilities	3,350	2,780
Total liabilities	47,416	46,267
Net assets		
Shareholders' equity		
Capital	3,238	3,238
Capital surplus	18,949	19,020
Retained earnings	66,795	74,115
Treasury stock	-436	-430
Total shareholders' equity	88,546	95,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	964	1,574
Foreign currency translation adjustment	251	313
Total accumulated adjustment relating to retirement benefits	-417	-402
Total accumulated other comprehensive income	799	1,484
Stock acquisition rights	263	303
Non-controlling interests	2,480	2,829
Total net assets	92,089	100,561
Total liabilities and net assets	139,505	146,828

Consolidated Statement of Income and Statement of Comprehensive Income
(Consolidated Statement of Income)

(Million yen)

	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)
Net sales	294,725	295,839
Cost of sales	255,729	256,935
Gross profit	38,995	38,903
Selling, general and administrative expenses	21,738	22,091
Operating income	17,257	16,812
Non-operating revenues		
Interest income	57	46
Dividend income	63	63
Equity in earnings of affiliates	58	69
Gain on investments in silent partnership	57	308
Other	196	119
Total non-operating revenues	434	608
Non-operating expenses		
Interest expenses	26	30
Foreign exchange losses	37	26
Other	245	78
Total non-operating expenses	309	136
Ordinary income	17,381	17,284
Extraordinary profit		
Gain on sale of investment securities	56	170
Gain on transfer from business divestitures	469	-
Total extraordinary profit	525	170
Extraordinary loss		
Settlement package	-	1,222
Impairment loss	79	-
Others	577	43
Total extraordinary loss	657	1,265
Income before income taxes and others	17,249	16,188
Corporate, inhabitant and enterprise taxes	5,968	5,581
Income taxes-deferred	494	-319
Total income taxes	6,463	5,261
Net income	10,786	10,927
Net income attributable to non-controlling interests	547	610
Net income attributable to owners of parent	10,238	10,316

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)
Net income	10,786	10,927
Other comprehensive income		
Valuation difference on available-for-sale securities	317	611
Foreign currency translation adjustment	-160	87
Remeasurements of defined benefit plans	78	13
Total other comprehensive income	235	712
Comprehensive income	11,021	11,640
(Breakdown)		
Comprehensive income attributable to owners of parent	10,512	11,001
Comprehensive income attributable to non-controlling interests	508	638

Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	17,249	16,188
Depreciation and amortization	2,104	2,452
Impairment loss	79	—
Amortization of goodwill	830	798
Increase (decrease) in provision for bonuses	69	-53
Increase (decrease) in provision for directors' retirement	19	-42
Increase (decrease) in liabilities relating to retirement benefits	-22	-15
Interest and dividends income	-121	-110
Interest expenses	26	30
Equity in loss (gain) of affiliates	-58	-69
Loss (gain) on investments in silent partnership	-57	-308
Loss (gain) on sale of investment securities	-56	-166
Loss (gain) on transfer of business	-469	—
Decrease (increase) in notes and accounts receivable-trade	-1,662	338
Increase (decrease) in notes and accounts payable-trade	293	-498
Increase (decrease) in accounts payable-other	-529	321
Increase (decrease) in accrued consumption taxes	-212	220
Decrease (increase) in accounts receivable-other	-161	143
Other	834	316
Subtotal	18,157	19,546
Interest and dividends income received	176	164
Interest expenses paid	-27	-26
Income taxes paid	-6,602	-6,115
Net cash provided by (used in) operating activities	11,703	13,568
Net cash provided by (used in) investing activities		
Payments into time deposits	-762	-854
Proceeds from withdrawal of time deposits	962	854
Purchase of property, plant and equipment and intangible fixed assets	-4,113	-3,228
Proceeds from sales of property, plant and equipment and intangible fixed assets	24	14
Proceeds from sales and redemption of securities	100	—
Purchase of investment securities	-128	-33
Proceeds from sales and redemption of investment securities	511	204
Payments for deposit of subsidiaries and affiliates	-229,151	-250,400
Collection of deposit of subsidiaries and affiliates	234,800	250,113
Proceeds from transfer of business	471	—
Other	-480	663
Net cash provided by (used in) investing activities	2,233	-2,666
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	219	-28
Proceeds from long-term loans payable	340	90
Repayments of long-term loans payable	-16	-35
Cash dividends paid	-2,842	-2,996
Net decrease (increase) in treasury stock	28	41
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-57	-21
Other	-72	-314
Net cash provided by (used in) financing activities	-2,400	-3,264
Effect of exchange rate change on cash and cash equivalents	-6	80

Net increase (decrease) in cash and cash equivalents	11,530	7,718
Cash and cash equivalents at beginning of period	19,473	31,004
Cash and cash equivalents at end of period	31,004	38,722