

Summary of Financial Results for the First Quarter Ended May 31, 2020 [Japan GAAP] (Consolidated)

July 8, 2020

Company AEON DELIGHT Co., Ltd. Listed on the TSE1
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 Expected date of filing of quarterly report: July 14, 2020 Expected starting date of dividend payment: -
 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 three months ended May 2020 (March 1, 2020 through May 31, 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	%
Three months ended May 2020	73,532	-7.0	3,455	-9.1	3,459	-9.5	2,991	44.5
Three months ended May 2019	79,048	3.5	3,800	0.4	3,822	0.2	2,070	0.2

(Note) Comprehensive income

Three months ended May 2020: 2,448 million yen (18.5%)

Three months ended May 2019: 2,066 million yen (-1.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 2020	59.86	59.79
Three months ended May 2019	41.47	41.38

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of May 2020	131,800	80,206	60.0
As of Feb. 2020	136,917	81,286	57.6

(Reference) Shareholders' equity

As of May 2020: 79,129 million yen

As of February 2020: 78,886 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. 2020	-	32.00	-	33.00	65.00
Year ending Feb. 2021	-				
Year ending Feb. 2021 (forecast)		35.00	-	35.00	70.00

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

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

(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

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

(4) Shares outstanding (common stock)

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

As of May 2020 54,169,633 shares

As of February 2020 54,169,633 shares

② Treasury stock at the end of period

As of May 2020 4,192,089 shares

As of February 2020 4,202,659 shares

③ Average number of stock during period (quarterly cumulative period)

Three months ended May 2020 49,971,367 shares

Three months ended May 2019 49,919,679 shares

*** 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 29, 2020)	Current First Quarter (May 31, 2020)
Assets		
Current assets		
Cash and deposits	62,355	57,469
Notes and accounts receivable	39,535	37,113
Electronically Recorded Monetary Claims	3,077	3,854
Inventories	1,822	2,341
Other	5,813	6,683
Allowance for doubtful accounts	-242	-183
Total current assets	112,362	107,278
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,458	1,430
Tools, furniture and fixtures, net	4,846	4,602
Land	2,032	2,032
Other, net	1,334	2,112
Total tangible fixed assets	9,671	10,177
Intangible fixed assets		
Goodwill	5,975	5,579
Other	1,209	1,289
Total intangible fixed assets	7,185	6,868
Investments and other assets		
Investment securities	3,623	3,427
Other	4,111	4,056
Allowance for doubtful accounts	-36	-8
Total investment and other assets	7,698	7,475
Total fixed assets	24,554	24,521
Total assets	136,917	131,800

(Million yen)

	Previous Fiscal Year (February 29, 2020)	Current First Quarter (May 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,388	20,767
Electronically recorded obligations - operating	4,814	5,212
Short-term borrowings	249	334
Current portion of long-term loans payable	3	3
Income taxes payable	2,795	1,342
Provision for bonuses	1,333	2,366
Accrued directors' and corporate auditors' remuneration	91	18
Allowance for sales discounts	677	654
Other	15,509	14,203
Total current liabilities	48,864	44,903
Fixed liabilities		
Long-term debt	11	9
Provision for directors' retirement benefits	178	180
Obligations for retirement pay	1,930	1,878
Asset retirement obligations	60	61
Allowance for sales discounts	1,576	1,410
Other	3,010	3,150
Total fixed liabilities	6,767	6,689
Total liabilities	55,631	51,593
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	13,880	13,219
Retained earnings	72,063	73,406
Treasury stock	-10,208	-10,183
Total shareholders' equity	78,972	79,680
Other accumulated comprehensive income		
Valuation difference on securities	487	382
Foreign currency translation adjustments	18	-367
Remeasurements of defined benefit plans	-592	-565
Total other accumulated comprehensive income	-86	-551
Share subscription rights	186	187
Non-controlling shareholders' equity	2,213	890
Total net assets	81,286	80,206
Total liabilities and net assets	136,917	131,800

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

(Million yen)

	Previous First Quarter (March 1, 2019– May 31, 2019)	Current First Quarter (March 1, 2020– May 31, 2020)
Net sales	79,048	73,532
Cost of sales	69,415	64,569
Gross profit	9,632	8,963
Selling, general and administrative expenses	5,832	5,507
Operating income	3,800	3,455
Non-operating income		
Interest income	11	5
Dividends income	41	31
Equity in income of affiliates	12	18
Other	28	29
Total non-operating income	93	84
Non-operating expenses		
Interest expenses	7	9
Other	63	70
Total non-operating expenses	71	80
Ordinary income	3,822	3,459
Extraordinary income		
Gain on sales of investment security	-	32
Total extraordinary income	-	32
Extraordinary loss		
Loss due to response to new infections	-	172
Loss on sales of investment security	7	-
Other	306	133
Total extraordinary loss	313	305
Profit before income taxes	3,508	3,186
Income taxes	1,620	276
Income taxes-deferred	-240	-11
Total income taxes	1,379	265
Net income	2,128	2,921
Net income (loss) attributable to non-controlling interests	58	-70
Net income attributable to owners of parent	2,070	2,991

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

(Million yen)

	Previous First Quarter (March 1, 2019– May 31, 2019)	Current First Quarter (March 1, 2020– May 31, 2020)
Net income	2,128	2,921
Other comprehensive income		
Valuation difference on securities	-225	-103
Foreign currency translation adjustments	142	-396
Remeasurements of defined benefit plans	20	27
Total other comprehensive income	-61	-472
Comprehensive income	2,066	2,448
(Breakdown)		
Comprehensive income attributable to owners of parent	2,005	2,526
Comprehensive income attributable to non-controlling interests	61	-78

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Current First Quarter (March 1, 2020– May 31, 2020)

None

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

Current First Quarter (March 1, 2020– May 31, 2020)

During the first quarter of the current fiscal year, capital surplus decreased by 664 million yen due to the additional acquisition of shares of consolidated subsidiary A to Z Service Co., Ltd. from non-controlling interests. As of the end of the first quarter of the current fiscal year, capital surplus amounted to 13,219 million yen.