

Summary of Financial Results for the Third Quarter Ended November 30, 2018 [Japan GAAP] (Consolidated)

January 9, 2019

Company AEON DELIGHT CO., LTD. Listed on the TSE1
 Stock Code 9787 URL: <http://www.aeondelight.co.jp>
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 Expected date of filing of quarterly report: January 15, 2019 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the nine months ended November 2018 (March 1, 2018 through November 30, 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	%
Nine months ended Nov. 2018	229,917	2.7	13,285	4.9	13,679	4.7	8,287	8.3
Nine months ended Nov. 2017	223,842	0.4	12,658	1.6	13,060	4.7	7,651	0.2

(Note) Comprehensive income

Nine months ended November 2018: 8,477 million yen (-1.4%)

Nine months ended November 2017: 8,597 million yen (8.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 2018	157.56	157.17
Nine months ended Nov. 2017	145.53	145.15

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2018	145,289	99,290	66.7
As of Feb. 2018	146,828	100,561	66.4

(Reference) Shareholders' equity

As of November 2018: 96,902 million yen

As of February 2018: 97,427 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. 2018	—	30.00	—	31.00	61.00
Year ending Feb. 2019	—	31.00	—		
Year ending Feb. 2019 (forecast)				32.00	63.00

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

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	
Year ending Feb. 2019	305,000	3.1	18,500	10.0	18,500	7.0	11,000	6.6	209.21

(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 November 2018	54,169,633 shares
As of February 2018	54,169,633 shares

② Treasury stock at the end of period

As of November 2018	1,555,704 shares
As of February 2018	1,590,132 shares

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

Nine months ended November 2018	52,601,273 shares
Nine months ended November 2017	52,572,679 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 Sheet

(Million yen)

	Previous fiscal year (February 28, 2018)	Current Third Quarter (November 30, 2018)
Assets		
Current assets		
Cash and deposits	39,536	40,496
Notes and accounts receivable-trade	37,437	40,648
Electronically recorded monetary obligations	2,765	2,702
Inventories	3,088	3,716
Deposit of subsidiaries and affiliates	32,000	26,500
Other	5,517	6,103
Allowance for doubtful accounts	-130	-165
Total current assets	120,214	120,002
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,593	1,532
Land	1,975	2,032
Other, net	6,491	6,342
Total tangible fixed assets	10,060	9,906
Intangible fixed assets		
Goodwill	6,255	5,827
Other	1,780	1,539
Total intangible fixed assets	8,036	7,366
Investments and other assets		
Investment securities	5,334	4,765
Other	3,793	3,668
Allowance for doubtful accounts	-610	-419
Total investments and other assets	8,516	8,014
Total fixed assets	26,613	25,287
Total assets	146,828	145,289

(Million yen)

	Previous fiscal year (February 28, 2018)	Current Third Quarter (November 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,684	23,416
Electronically recorded monetary obligations	4,474	4,102
Short-term loans payable	225	260
Current portion of long-term loans payable	-	2
Accounts payable-other	3,059	2,469
Reserve for bonuses	1,244	2,763
Reserve for directors' bonuses	133	101
Other	10,663	10,093
Total current liabilities	43,486	43,211
Fixed liabilities		
Long-term loans payable	-	15
Reserve for directors' retirement benefits	178	188
Liabilities relating to retirement benefits	1,585	1,501
Asset retirement obligation	51	53
Other	965	1,029
Total fixed liabilities	2,780	2,787
Total liabilities	46,267	45,999
Net assets		
Shareholders' equity		
Capital	3,238	3,238
Capital surplus	19,020	13,880
Retained earnings	74,115	79,142
Treasury stock	-430	-422
Total shareholders' equity	95,943	95,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,574	1,200
Foreign currency translation adjustment	313	204
Total accumulated adjustment relating to retirement benefits	-402	-340
Total accumulated other comprehensive income	1,484	1,064
Stock acquisition rights	303	307
Non-controlling interests	2,829	2,079
Total net assets	100,561	99,290
Total liabilities and net assets	146,828	145,289

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

(Million yen)

	Previous Third Quarter (March 1, 2017 – November 30, 2017)	Current Third Quarter (March 1, 2018 – November 30, 2018)
Net sales	223,842	229,917
Cost of sales	194,428	199,603
Gross profit	29,414	30,313
Selling, general and administrative expenses	16,755	17,028
Operating income	12,658	13,285
Non-operating revenues		
Interest income	34	26
Dividend income	57	68
Equity in earnings of affiliates	68	65
Gain on investments in silent partnership	308	-
Subsidy income	15	309
Other	49	54
Total non-operating revenues	533	523
Non-operating expenses		
Interest expenses	22	12
Other	110	116
Total non-operating expenses	132	129
Ordinary income	13,060	13,679
Extraordinary profit		
Gain on sale of investment securities	111	-
Total extraordinary profit	111	-
Extraordinary loss		
Settlement money, etc.	1,201	-
Others	18	-
Total extraordinary loss	1,220	-
Income before income taxes and others	11,951	13,679
Corporate, inhabitant and enterprise taxes	4,205	4,871
Income taxes-deferred	-375	-139
Total income taxes	3,829	4,732
Net income	8,122	8,946
Net income attributable to non-controlling interests	471	658
Net income attributable to owners of parent	7,651	8,287

(Quarterly Consolidated Statement of Comprehensive Income)

(For the nine months period)

	(Million yen)	
	Previous Third Quarter (March 1, 2017 – November 30, 2017)	Current Third Quarter (March 1, 2018 – November 30, 2018)
Net income	8,122	8,946
Other comprehensive income		
Valuation difference on available-for-sale securities	391	-373
Foreign currency translation adjustment	18	-158
Remeasurements of defined benefit plans	66	63
Total other comprehensive income	475	-469
Comprehensive income	8,597	8,477
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	8,118	7,867
Comprehensive income attributable to non-controlling interests	479	609

Notes on quarterly consolidated financial statements

●(Notes on going concern assumption)

Third quarter of FY2019 (March 1, 2018 – November 30, 2018)

None

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

Third quarter of FY2019 (March 1, 2018 – November 30, 2018)

On November 30, 2018, the Company acquired additional equity interests from non-controlling shareholders of its consolidated subsidiaries Aeon Delight (Jiangsu) Comprehensive Facility Management Service Co., Ltd. and Wuhan Xiaozhu Comprehensive Facility Management Service Co., Ltd.

As a result, capital surplus decreased by 5,216 million yen in the nine months period for the current fiscal year.

At the end of the third quarter of the current fiscal year, capital surplus was 13,880 million yen.