

# Summary of Financial Results for the Second Quarter Ended August 31, 2018 [Japan GAAP] (Consolidated)

October 10, 2018

Company AEON DELIGHT CO., LTD.

Listed on the TSE1

Stock Code 9787

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Expected date of filing of quarterly report: October 12, 2018

Expected starting date of dividend payment: November 9, 2018

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 2018

(March 1, 2018 through August 31, 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	%
Six months ended Aug. 2018	153,884	1.4	9,060	2.9	9,134	2.9	5,628	1.0
Six months ended Aug. 2017	151,801	0.3	8,806	3.5	8,878	4.4	5,573	4.3

#### (Note) Comprehensive income

Six months ended August 2018: 5,523 million yen (-7.3%)

Six months ended August 2017: 5,959 million yen (15.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 2018	107.01	106.76
Six months ended Aug. 2017	106.03	105.76

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Aug. 2018	148,781	104,416	67.9
As of Feb. 2018	146,828	100,561	66.4

#### (Reference) Shareholders' equity:

As of August 2018: 101,082 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
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 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

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

(4) Shares outstanding (common stock)

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

As of August 2018	54,169,633 shares
As of February 2018	54,169,633 shares

②Treasury stock at the end of period

As of August 2018	1,558,582 shares
As of February 2018	1,590,132 shares

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

Six months ended August 2018	52,596,422 shares
Six months ended August 2017	52,569,708 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 Second Quarter (August 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	39,536	38,550
Notes and accounts receivable-trade	37,437	39,807
Electronically recorded monetary obligations	2,765	3,273
Inventories	3,088	3,580
Deposit of subsidiaries and affiliates	32,000	32,000
Other	5,517	5,999
Allowance for doubtful accounts	-130	-151
Total current assets	120,214	123,060
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,593	1,558
Land	1,975	2,032
Other, net	6,491	6,497
Total tangible fixed assets	10,060	10,088
Intangible fixed assets		
Goodwill	6,255	6,040
Other	1,780	1,593
Total intangible fixed assets	8,036	7,633
Investments and other assets		
Investment securities	5,334	4,736
Other	3,793	3,675
Allowance for doubtful accounts	-610	-413
Total investments and other assets	8,516	7,998
Total fixed assets	26,613	25,720
Total assets	146,828	148,781

(Million yen)

	Previous fiscal year (February 28, 2018)	Current Second Quarter (August 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	23,684	23,207
Electronically recorded monetary obligations	4,474	4,375
Short-term loans payable	225	259
Current portion of long-term loans payable	-	2
Accounts payable-other	3,059	3,197
Reserve for bonuses	1,244	1,759
Reserve for directors' bonuses	133	65
Other	10,663	8,767
Total current liabilities	43,486	41,635
Fixed liabilities		
Long-term loans payable	-	16
Reserve for directors' retirement benefits	178	190
Liabilities relating to retirement benefits	1,585	1,529
Asset retirement obligation	51	53
Other	965	940
Total fixed liabilities	2,780	2,729
Total liabilities	46,267	44,364
Net assets		
Shareholders' equity		
Capital	3,238	3,238
Capital surplus	19,020	19,093
Retained earnings	74,115	78,113
Treasury stock	-430	-422
Total shareholders' equity	95,943	100,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,574	1,199
Foreign currency translation adjustment	313	221
Total accumulated adjustment relating to retirement benefits	-402	-361
Total accumulated other comprehensive income	1,484	1,060
Stock acquisition rights	303	312
Non-controlling interests	2,829	3,021
Total net assets	100,561	104,416
Total liabilities and net assets	146,828	148,781

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, 2017 – August 31, 2017)	Current Second Quarter (March 1, 2018 – August 31, 2018)
Net sales	151,801	153,884
Cost of sales	131,765	133,577
Gross profit	20,035	20,307
Selling, general and administrative expenses	11,228	11,246
Operating income	8,806	9,060
Non-operating revenues		
Interest income	24	17
Dividend income	38	46
Equity in earnings of affiliates	37	41
Other	80	54
Total non-operating revenues	180	159
Non-operating expenses		
Interest expenses	15	8
Other	92	77
Total non-operating expenses	107	85
Ordinary income	8,878	9,134
Extraordinary profit		
Gain on sale of investment securities	2	-
Total extraordinary profit	2	-
Extraordinary loss		
Loss on liquidation of business	11	-
Others	77	-
Total extraordinary loss	89	-
Income before income taxes and others	8,792	9,134
Corporate, inhabitant and enterprise taxes	2,834	2,956
Income taxes-deferred	101	191
Total income taxes	2,936	3,148
Net income	5,855	5,985
Net income attributable to non-controlling interests	281	357
Net income attributable to owners of parent	5,573	5,628

(Quarterly Consolidated Statement of Comprehensive Income)

(For the six months period)

	(Million yen)	
	Previous Second Quarter (March 1, 2017 – August 31, 2017)	Current Second Quarter (March 1, 2018 – August 31, 2018)
Net income	5,855	5,985
Other comprehensive income		
Valuation difference on available-for-sale securities	118	-374
Foreign currency translation adjustment	-58	-129
Remeasurements of defined benefit plans	44	42
Total other comprehensive income	103	-461
Comprehensive income	5,959	5,523
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	5,692	5,204
Comprehensive income attributable to non-controlling interests	266	319

Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2017 – August 31, 2017)	Current Second Quarter (March 1, 2018 – August 31, 2018)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,792	9,134
Depreciation and amortization	1,121	1,262
Amortization of goodwill	400	408
Increase (decrease) in provision	264	452
Interest and dividends income	-62	-63
Interest expenses	15	8
Investment loss (gain) on equity method	-37	-41
Decrease (increase) in notes and accounts receivable-trade	-3,496	-2,873
Decrease (increase) in inventories	76	-489
Increase (decrease) in notes and accounts payable-trade	3,025	-547
Increase (decrease) in accounts payable-other	-1,935	-1,734
Increase (decrease) in accrued consumption tax etc.	159	-150
Decrease (increase) in accounts receivable-other	-453	-78
Other	-75	-632
Subtotal	7,794	4,652
Interest and dividends income received	83	81
Interest expenses paid	-14	-8
Income taxes paid	-2,953	-2,701
Net cash provided by (used in) operating activities	4,910	2,024
Net cash provided by (used in) investing activities		
Payments into time deposits	-200	-240
Proceeds from withdrawal of time deposits	200	340
Purchase of property, plant and equipment and intangible fixed assets	-1,500	-1,028
Purchase of investment securities	-13	-13
Proceeds from sales and redemption of short-term and long-term investment securities	3	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-100
Payments for deposit of subsidiaries and affiliates	-123,400	-131,000
Collection of deposit of subsidiaries and affiliates	123,400	131,000
Other	9	-98
Net cash provided by (used in) investing activities	-1,500	-1,040
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-28	39
Proceeds from long-term loans payable	90	—
Repayments of long-term loans payable	-15	-0
Cash dividends paid	-1,419	-1,629
Dividends paid to non-controlling interests	-226	-188
Other	-10	-5
Net cash provided by (used in) financing activities	-1,609	-1,783
Effect of exchange rate change on cash and cash equivalents	-45	-85
Net increase (decrease) in cash and cash equivalents	1,755	-885
Cash and cash equivalents at beginning of period	31,004	38,722
Cash and cash equivalents at end of period	32,759	37,836

Notes on quarterly consolidated financial statements

●(Notes on going concern assumption)

Second quarter of FY2019 (March 1, 2018 – August 31, 2018)

None

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

Second quarter of FY2019 (March 1, 2018 – August 31, 2018)

None