

Summary of Financial Results for the Second Quarter Ended August 31, 2016 [Japan GAAP] (Consolidated)

October 5, 2016

Company AEON DELIGHT CO., LTD.
Stock Code 9787
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Expected date of filing of quarterly report: October 14, 2016 Expected starting date of dividend payment: November 10, 2016
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 2016 (March 1, 2016 through August 31, 2016)

(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. 2016	151,400	6.0	8,505	4.7	8,506	4.5	5,342	14.1
Six months ended Aug. 2015	142,783	6.5	8,121	5.4	8,139	5.4	4,682	6.9

(Note) Comprehensive income

Six months ended August 2016: 5,160 million yen (7.3%)

Six months ended August 2015: 4,808 million yen (17.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 2016	101.66	101.40
Six months ended Aug. 2015	89.14	88.93

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 2016	138,794	87,792	61.5	1,575.49
As of Feb. 2016	131,349	84,000	62.1	1,552.84

(Reference) Shareholders' equity:

As of August 2016: 85,343 million yen

As of February 2016: 81,578 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. 2016	—	26.00	—	26.00	52.00
Year ending Feb. 2017	—	28.00	—	—	—
Year ending Feb. 2017 (forecast)	—	—	—	27.00	55.00

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

Breakdown of the dividends for the second quarter of the fiscal year ending Feb. 2017 (forecast):

Ordinary dividend 27.00 yen, Commemorative dividend 1.00 yen

3. Forecast of consolidated business results for the year ending February 2017

(March 1, 2016 through February 28, 2017) (% 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. 2017	305,000	8.5	17,500	4.7	17,500	4.9	10,000	3.5	190.35

(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

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|---|--------|
| ①Changes in accounting policies associated with revision of accounting standards: | : Yes |
| 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 2016	54,169,633 shares
As of February 2016	54,169,633 shares

②Treasury stock at the end of period

As of August 2016	1,615,110 shares
As of February 2016	1,634,461 shares

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

Six months ended August 2016	52,546,701 shares
Six months ended August 2015	52,504,746 shares

※ Implementation status of quarterly review procedures

This financial summary is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this report, the procedures for review of consolidated financial statements pursuant to the Financial Instruments and Exchange Act have are being conducted.

※Explanation regarding appropriate use of business forecasts and other special instructions

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 29, 2016)	Current Second Quarter (August 31, 2016)
Assets		
Current assets		
Cash and deposits	20,386	25,841
Notes and accounts receivable-trade	35,768	38,730
Electronically recorded monetary obligations	3,744	5,496
Investment securities	100	-
Inventories	2,897	2,881
Deposit of subsidiaries and affiliates	37,362	33,713
Other	5,776	6,191
Allowance for doubtful accounts	-360	-264
Total current assets	105,674	112,589
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,642	1,617
Land	1,978	1,975
Other, net	3,464	4,178
Total tangible fixed assets	7,086	7,771
Intangible fixed assets		
Goodwill	7,989	7,451
Other	2,408	2,496
Total intangible fixed assets	10,397	9,948
Investments and other assets		
Investment securities	4,463	4,329
Other	4,221	4,647
Allowance for doubtful accounts	-494	-492
Total investments and other assets	8,190	8,485
Total fixed assets	25,674	26,204
Total assets	131,349	138,794

(Million yen)

	Previous Fiscal Year (February 29, 2016)	Current Second Quarter (August 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,487	26,432
Electronically recorded monetary obligations	4,970	6,312
Short-term loans payable	-	28
Current portion of long-term loans payable	-	31
Income taxes payable	4,083	3,399
Reserve for bonuses	1,241	1,753
Reserve for directors' bonuses	115	64
Other	10,923	10,167
Total current liabilities	44,821	48,189
Fixed liabilities		
Long-term loans payable	-	308
Reserve for directors' retirement benefits	202	212
Net defined benefit liability	1,714	1,672
Asset retirement obligation	42	36
Other	568	581
Total fixed liabilities	2,527	2,811
Total liabilities	47,348	51,001
Net assets		
Shareholders' equity		
Capital	3,238	3,238
Capital surplus	18,862	18,946
Retained earnings	59,393	63,369
Treasury stock	-441	-436
Total shareholders' equity	81,052	85,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	648	548
Foreign currency translation adjustment	372	118
Remeasurements of defined benefit plans	-495	-441
Total accumulated other comprehensive income	525	225
Stock acquisition rights	221	263
Non-controlling interests	2,200	2,186
Total net assets	84,000	87,792
Total liabilities and net assets	131,349	138,794

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, 2015 – August 31, 2015)	Current Second Quarter (March 1, 2016 – August 31, 2016)
Net sales	142,783	151,400
Cost of sales	124,185	131,855
Gross profit	18,598	19,544
Selling, general and administrative expenses	10,476	11,039
Operating income	8,121	8,505
Non-operating revenues		
Interest income	48	32
Dividend income	28	41
Equity in earnings of affiliates	40	32
Other	23	64
Total non-operating revenues	139	170
Non-operating expenses		
Interest expenses	4	10
Foreign exchange losses	4	42
Accident compensation expenses	37	49
Other	74	67
Total non-operating expenses	121	169
Ordinary income	8,139	8,506
Extraordinary profit		
Gain on transfer from business divestitures	-	469
Gain on sale of investment securities	160	-
Total extraordinary profit	160	469
Extraordinary loss		
Loss on liquidation of business	-	133
Loss on disaster	-	56
Loss on valuation of investment securities	9	-
Others	-	12
Total extraordinary loss	9	202
Income before income taxes and others	8,290	8,773
Corporate, inhabitant and enterprise taxes	3,039	2,952
Income taxes-deferred	389	264
Total income taxes	3,429	3,217
Net income	4,860	5,556
Net income attributable to non-controlling interests	178	214
Net income attributable to owners of parent	4,682	5,342

(Quarterly Consolidated Statement of Comprehensive Income)

(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2015 – August 31, 2015)	Current Second Quarter (March 1, 2016 – August 31, 2016)
Net income	4,860	5,556
Other comprehensive income		
Valuation difference on available-for-sale securities	-40	-99
Foreign currency translation adjustment	-27	-349
Remeasurements of defined benefit plans	16	53
Total other comprehensive income	-52	-395
Comprehensive income	4,808	5,160
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	4,614	5,041
Comprehensive income attributable to non-controlling interests	193	119

Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2015 – August 31, 2015)	Current Second Quarter (March 1, 2016 – August 31, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,290	8,773
Depreciation and amortization	776	989
Amortization of goodwill	578	430
Increase (decrease) in provision for bonuses	604	523
Increase (decrease) in liabilities relating to retirement benefits	-39	11
Increase (decrease) in provision for directors' retirement	2	10
Interest and dividends income	-76	-73
Interest expenses	4	10
Investment loss (gain) on equity method	-40	-32
Loss (gain) on transfer from business divestitures	-	-469
Loss (gain) on sale of investment securities	-160	-
Decrease (increase) in notes and accounts receivable-trade	-4,128	-5,173
Decrease (increase) in inventories	-18	-1
Increase (decrease) in notes and accounts payable-trade	2,507	4,414
Increase (decrease) in accounts payable-other	-1,493	-318
Decrease (increase) in accounts receivable-other	-770	-459
Increase (decrease) in accrued consumption tax etc.	-1,486	-301
Other	12	-157
Subtotal	4,562	8,176
Interest and dividends income received	76	101
Interest expenses paid	-3	-12
Income taxes paid	-3,605	-3,512
Net cash provided by (used in) operating activities	1,029	4,753
Net cash provided by (used in) investing activities		
Payments into time deposits	-60	-140
Proceeds from withdrawal of time deposits	60	340
Purchase of property, plant and equipment and intangible fixed assets	-1,365	-1,832
Proceeds from sales and redemption of securities	-	100
Purchase of investment securities	-2	-114
Proceeds from sales and redemption of investment securities	183	100
Purchase of investments in subsidiaries	-136	-
Payments for deposit of subsidiaries and affiliates	-110,425	-103,351
Collection of deposit of subsidiaries and affiliates	109,608	107,000
Proceeds from business divestitures	-	471
Other	-82	-413
Net cash provided by (used in) investing activities	-2,218	2,159
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	28
Proceeds from long-term loans payable	-	340
Cash dividends paid	-1,312	-1,370
Other	-67	-68
Net cash provided by (used in) financing activities	-1,380	-1,070
Effect of exchange rate change on cash and cash equivalents	-72	-187
Net increase (decrease) in cash and cash equivalents	-2,642	5,655
Cash and cash equivalents at beginning of period	15,476	19,473
Cash and cash equivalents at end of period	12,833	25,128