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January 10, 2024

Consolidated Financial Results for the Nine Months Ended November 30, 2023 (Under Japanese GAAP)

Company name: AEON DELIGHT Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9787
 URL: <https://www.aeondelight.co.jp>
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 Scheduled date to file quarterly securities report: January 12, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	241,911	6.6	10,862	0.4	11,072	0.6	7,617	6.3
November 30, 2022	226,833	-	10,818	-	11,001	-	7,163	-

Note: Comprehensive income For the nine months ended November 30, 2023: ¥8,691 million [-1.3%]
 For the nine months ended November 30, 2022: ¥8,803 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2023	156.09	155.99
November 30, 2022	143.31	143.21

Note: The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have applied since the beginning of the first quarter of the fiscal year ended February 2023. The figures for the third quarter of the fiscal year ended February 2023 are after the application of these accounting standards, and the year-on-year percentage changes are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2023	154,893	101,305	64.7
February 28, 2023	150,628	99,391	65.3

Reference: Equity
 As of November 30, 2023: ¥100,156 million
 As of February 28, 2023: ¥98,396 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2023	-	42.00	-	43.00	85.00
Fiscal year ending February 29, 2024	-	43.00	-		
Fiscal year ending February 29, 2024 (Forecast)				43.00	86.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	310,000	2.0	16,000	1.2	16,000	0.0	10,400	2.4	214.32

Note: 1. Revisions to the forecast of financial results most recently announced: None
2. At the meeting of the Board of Directors held on October 4, 2022, the Company resolved to acquire treasury stock. "Earnings per share" in the forecast of consolidated financial results for the year ending February 29, 2024, is based on the impact of the acquisition of treasury stock.

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2023	49,169,633 shares
As of February 28, 2023	50,669,633 shares

(ii) Number of treasury shares at the end of the period

As of November 30, 2023	639,847 shares
As of February 28, 2023	1,270,047 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	48,800,481 shares
Nine months ended November 30, 2022	49,982,027 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements 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. Therefore, 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 and Significant Notes

(1) (Quarterly Consolidated Balance Sheets)

(Million yen)

	Previous Fiscal Year (February 28, 2023)	Current Third Quarter (November 30, 2023)
Assets		
Current assets		
Cash and deposits	57,600	62,001
Notes and accounts receivable -trade, and contract assets	47,065	50,560
Electronically recorded monetary claims	8,825	5,565
Securities	7,008	7,903
Inventories	2,363	3,183
Other	6,766	4,219
Allowance for doubtful accounts	-95	-158
Total current assets	129,534	133,275
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,494	1,372
Tools, furniture and fixtures, net	2,967	3,197
Land	434	394
Other, net	1,604	1,826
Total property, plant and equipment	6,499	6,789
Intangible assets		
Goodwill	3,046	2,766
Other	3,324	3,710
Total intangible assets	6,371	6,476
Investments and other assets		
Investment securities	4,021	4,127
Other	4,220	4,246
Allowance for doubtful accounts	-19	-21
Total investment and other assets	8,222	8,352
Total noncurrent assets	21,093	21,618
Total assets	150,628	154,893

(Million yen)

	Previous Fiscal Year (February 28, 2023)	Current Third Quarter (November 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	25,901	27,620
Electronically recorded obligations -operating	5,116	4,939
Short-term borrowings	182	471
Accounts payable	7,265	6,340
Income taxes payable	2,571	1,497
Provision for bonuses	1,389	2,980
Accrued directors' and corporate auditors' remuneration	52	47
Allowance for sales discounts	86	21
Other	5,840	6,591
Total current liabilities	48,406	50,510
Noncurrent liabilities		
Long-term debt	-	25
Provision for directors' retirement benefits	74	54
Retirement benefit liability	1,187	1,011
Asset retirement obligations	419	417
Allowance for sales discounts	11	1
Other	1,137	1,566
Total noncurrent liabilities	2,830	3,077
Total liabilities	51,237	53,588
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	4,739	531
Retained earnings	91,421	94,828
Treasury stock	-3,415	-1,795
Total shareholders' equity	95,983	96,802
Other accumulated comprehensive income		
Valuation difference on securities	1,130	1,149
Foreign currency translation adjustments	1,435	2,309
Remeasurements of defined benefit plans	-153	-104
Total other accumulated comprehensive income	2,413	3,354
Share subscription rights	86	84
Non-controlling shareholders' equity	908	1,063
Total net assets	99,391	101,305
Total liabilities and net assets	150,628	154,893

(2) 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, 2022- November 30, 2022)	Current Third Quarter (March 1, 2023- November 30, 2023)
Net sales	226,833	241,911
Cost of sales	196,542	210,749
Gross profit	30,291	31,162
Selling, general and administrative expenses	19,473	20,299
Operating income	10,818	10,862
Non-operating income		
Interest income	24	40
Dividends income	72	77
Equity in income of affiliates	70	100
Other	203	132
Total non-operating income	370	351
Non-operating expenses		
Interest expenses	18	19
Other	168	122
Total non-operating expenses	187	141
Ordinary income	11,001	11,072
Extraordinary income		
Gain on sales of investment security	6	-
Subsidies for employment adjustment	29	-
Total extraordinary income	36	-
Extraordinary loss		
Loss due to response to new infections	65	-
Total extraordinary loss	65	-
Profit before income taxes	10,971	11,072
Income taxes	2,603	3,302
Income taxes-deferred	1,160	32
Total income taxes	3,763	3,335
Net income	7,208	7,737
Net income attributable to owners of non-controlling shareholders	45	120
Net income attributable to owners of parent	7,163	7,617

(Quarterly Consolidated Statement of Comprehensive Income)

(For the nine months period)

(Million yen)

	Previous Third Quarter (March 1, 2022- November 30, 2022)	Current Third Quarter (March 1, 2023- November 30, 2023)
Net income	7,208	7,737
Other comprehensive income		
Valuation difference on securities	226	18
Foreign currency translation adjustments	1,261	885
Remeasurements of defined benefit plans	106	50
Total other comprehensive income	1,594	953
Comprehensive income	8,803	8,691
(Breakdown)		
Comprehensive income attributable to owners of parent	8,742	8,559
Comprehensive income attributable to non-controlling interests	60	132

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

None

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

At the meeting of the Board of Directors held on October 4, 2022, the Company resolved to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act, which is applied by replacing the terms pursuant to the provisions of Article 165-3 of the same Act. The Company acquired 874,700 shares of treasury stock in the nine months period of the current fiscal year, resulting in an increase of 2,588 million yen in treasury stock. In addition, on October 10, 2023, the Board of Directors resolved to retire treasury stock in accordance with Article 178 of the same Act. On October 31, 2023, the Company retired 1,500,000 shares of common stock out of 2,139,847 shares of treasury stock held by the Company. Consequently, capital surplus and treasury shares decreased by 4,208 million yen each at the end of the third quarter of the current fiscal year. As a result, capital surplus and treasury shares amounted to 531 million yen and -1,795 million yen, respectively, during the period.