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October 10, 2023

## Consolidated Financial Results for the Six Months Ended August 31, 2023 (Under Japanese GAAP)

Company name: AEON DELIGHT Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9787  
 URL: <https://www.aeondelight.co.jp>  
 Representative: Kazumasa Hamada, President and CEO, Group CEO  
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 Telephone: +81-3-6895-3892  
 Scheduled date to file quarterly securities report: October 13, 2023  
 Scheduled date to commence dividend payments: November 6, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the six months ended August 31, 2023 (from March 1, 2023 to August 31, 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	%
Six months ended August 31, 2023	161,511	9.4	7,263	10.0	7,401	12.1	5,325	22.8
August 31, 2022	147,660	-	6,602	-	6,602	-	4,336	-

Note: Comprehensive income For the six months ended August 31, 2023: ¥6,204 million [7.0%]  
 For the six months ended August 31, 2022: ¥5,795 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2023	108.88	108.80
August 31, 2022	86.68	86.62

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 second 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
	Millions of yen	Millions of yen	%
As of August 31, 2023	152,753	100,902	65.3
February 28, 2023	150,628	99,391	65.3

Reference: Equity  
 As of August 31, 2023: ¥99,814 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 August 31, 2023	50,669,633 shares
As of February 28, 2023	50,669,633 shares

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

As of August 31, 2023	2,139,847 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)

Six months ended August 31, 2023	48,916,493 shares
Six months ended August 31, 2022	50,021,202 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 August 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 Second Quarter (August 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	57,600	58,348
Notes and accounts receivable -trade, and contract assets	47,065	49,631
Electronically recorded monetary claims	8,825	8,170
Securities	7,008	7,901
Inventories	2,363	2,904
Other	6,766	4,523
Allowance for doubtful accounts	-95	-135
Total current assets	129,534	131,344
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,494	1,391
Tools, furniture and fixtures, net	2,967	3,410
Land	434	394
Other, net	1,604	1,604
Total property, plant and equipment	6,499	6,800
Intangible assets		
Goodwill	3,046	2,970
Other	3,324	3,494
Total intangible assets	6,371	6,464
Investments and other assets		
Investment securities	4,021	4,295
Other	4,220	3,867
Allowance for doubtful accounts	-19	-19
Total investment and other assets	8,222	8,142
Total noncurrent assets	21,093	21,408
Total assets	150,628	152,753

(Million yen)

	Previous Fiscal Year (February 28, 2023)	Current Second Quarter (August 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	25,901	27,177
Electronically recorded obligations -operating	5,116	4,735
Short-term borrowings	182	533
Accounts payable	7,265	6,265
Income taxes payable	2,571	1,838
Provision for bonuses	1,389	1,878
Accrued directors' and corporate auditors' remuneration	52	33
Allowance for sales discounts	86	37
Other	5,840	6,284
Total current liabilities	48,406	48,784
Noncurrent liabilities		
Long-term debt	-	27
Provision for directors' retirement benefits	74	52
Retirement benefit liability	1,187	1,066
Asset retirement obligations	419	419
Allowance for sales discounts	11	3
Other	1,137	1,496
Total noncurrent liabilities	2,830	3,067
Total liabilities	51,237	51,851
<b>Net assets</b>		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	4,739	4,740
Retained earnings	91,421	94,623
Treasury stock	-3,415	-6,004
Total shareholders' equity	95,983	96,597
Other accumulated comprehensive income		
Valuation difference on securities	1,130	1,287
Foreign currency translation adjustments	1,435	2,047
Remeasurements of defined benefit plans	-153	-118
Total other accumulated comprehensive income	2,413	3,217
Share subscription rights	86	84
Non-controlling shareholders' equity	908	1,002
Total net assets	99,391	100,902
Total liabilities and net assets	150,628	152,753

(2) 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, 2022- August 31, 2022)	Current Second Quarter (March 1, 2023- August 31, 2023)
Net sales	147,660	161,511
Cost of sales	128,054	140,700
Gross profit	19,606	20,811
Selling, general and administrative expenses	13,004	13,547
Operating income	6,602	7,263
Non-operating income		
Interest income	16	31
Dividends income	47	50
Equity in income of affiliates	46	60
Other	48	99
Total non-operating income	157	241
Non-operating expenses		
Interest expenses	10	12
Other	146	91
Total non-operating expenses	157	104
Ordinary income	6,602	7,401
Extraordinary income		
Gain on sales of investment security	6	-
Subsidies for employment adjustment	17	-
Total extraordinary income	23	-
Extraordinary loss		
Loss due to response to new infections	59	-
Total extraordinary loss	59	-
Profit before income taxes	6,567	7,401
Income taxes	1,001	1,731
Income taxes-deferred	1,234	281
Total income taxes	2,236	2,012
Net income	4,330	5,388
Net income (loss) attributable to non-controlling interests	-5	63
Net income attributable to owners of parent	4,336	5,325

(Quarterly Consolidated Statement of Comprehensive Income)

(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2022- August 31, 2022)	Current Second Quarter (March 1, 2023- August 31, 2023)
Net income	4,330	5,388
Other comprehensive income		
Valuation difference on securities	231	157
Foreign currency translation adjustments	1,204	622
Remeasurements of defined benefit plans	28	36
Total other comprehensive income	1,465	815
Comprehensive income	5,795	6,204
(Breakdown)		
Comprehensive income attributable to owners of parent	5,793	6,130
Comprehensive income attributable to non-controlling interests	2	74

## (3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2022- August 31, 2022)	Current Second Quarter (March 1, 2023- August 31, 2023)
Net cash provided by (used in) operating activities		
Profit before income taxes	6,567	7,401
Depreciation and amortization	1,182	1,367
Amortization of goodwill	392	430
Increase (decrease) in allowance sales discount	-48	-56
Increase (decrease) in other allowances	359	368
Interest and dividend income	-63	-81
Interest expenses	10	12
Loss (gain) on sale of noncurrent assets	-0	-0
Equity in loss (gain) of affiliates	-46	-60
Loss (gain) on sale of investment securities	-1	-
Loss (gain) on sale of investment securities	-6	-
Decrease (increase) in notes and accounts receivable- trade	-5,666	-1,375
Decrease (increase) in inventories	-2,094	-547
Increase (decrease) in notes and accounts payable-trade	2,945	789
Increase (decrease) in accounts payable	-750	-1,002
Increase (decrease) in accrued consumption taxes	-485	234
Increase (increase) in accounts receivable-other	-468	-94
Increase (decrease) in advances received	208	28
Increase (decrease) in advance revenue	-223	-173
Other	463	-327
Sub-total	2,274	6,914
Interest and dividend received	84	121
Interest expenses paid	-10	-13
Income taxes paid	-1,425	-2,037
Net cash provided by (used in) operating activities	923	4,984
Net cash provided by (used in) investing activities		
Payments into time deposits	-90	-76
Proceeds from withdrawal of time deposits	104	75
Purchase of investment securities	-3,511	-7,417
Proceeds from sales and redemption of short-term and long-term investment securities	13	6,503
Purchase of property, plant and equipment and intangible assets	-1,665	-1,956
Proceeds from sale of property, plant and equipment and intangible assets	1	83
Increase in subsidiaries arising from change in scope of consolidation	-489	-289
Payments for sale of shares of subsidiaries arising from change in scope of consolidation	-	-143
Other	-303	-12
Net cash provided by (used in) investing activities	-5,941	-3,232
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	151	182
Repayment of long-term loans payable	-	-7
Cash dividends paid	-2,100	-2,126
Purchase of securities	0	-2,588
Other	-118	-42
Cash flow from financing activities	-2,066	-4,583
Effect of exchange rate change on cash and cash equivalents	1,027	524
Net increase (decrease) in cash and cash equivalents	-6,057	-2,306
Cash and cash equivalents at beginning of period	67,520	59,996
Cash and cash equivalents at end of period	61,462	57,690

(4) 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 current consolidated cumulative second quarter, resulting in an increase of 2,588 million yen in treasury stock. As a result, treasury stock amounted to -6,004 million yen at the end of the second quarter of the current fiscal year.