

Summary of Financial Results for the Third Quarter Ended November 30, 2019

[Japan GAAP] (Consolidated)

January 10, 2020

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 14, 2020 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 2019

(March 1, 2019 through November 30, 2019)

(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. 2019	232,643	2.6	12,104	35.8	12,189	31.0	7,369	89.3
Nine months ended Nov. 2018	226,744	2.1	8,913	-15.6	9,307	-15.1	3,893	-30.0

(Note) Comprehensive income

Nine months ended November 2019: 7,403 million yen (81.8%)

Nine months ended November 2018: 4,073 million yen (-37.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 2019	147.61	147.32
Nine months ended Nov. 2018	74.01	73.83

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2019	134,255	79,649	57.5
As of Feb. 2019	134,071	75,539	54.6

(Reference) Shareholders' equity

As of November 2019: 77,194 million yen

As of February 2019: 73,176 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. 2019	-	31.00	-	32.00	63.00
Year ending Feb. 2020	-	32.00	-		
Year ending Feb. 2020 (forecast)				33.00	65.00

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

3. Forecast of consolidated business results for the fiscal year ending February 2020

(March 1, 2019 through February 29, 2020)

(% 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. 2020	315,000	4.0	18,000	38.1	18,000	34.7	10,800	68.4	216.35

(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

- | | |
|------------------------------------------------------------------------------------|--------|
| 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 | : Yes |
| ④ Restatement | : None |

(4) Shares outstanding (common stock)

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

As of November 2019	54,169,633 shares
As of February 2019	54,169,633 shares

② Treasury stock at the end of period

As of November 2019	4,232,504 shares
As of February 2019	4,251,504 shares

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

Nine months ended November 2019	49,927,069 shares
Nine months ended November 2018	52,601,273 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 Sheets)

(Million yen)

	Previous Fiscal Year (February 28, 2019)	Current Third Quarter (November 30, 2019)
Asset		
Current assets		
Cash and deposits	44,233	42,006
Notes and accounts receivable	37,544	40,176
Electronically Recorded Monetary Claims	2,545	3,113
Inventories	2,211	2,065
Deposit of subsidiaries and affiliates	16,000	16,000
Other	4,927	5,558
Allowance for doubtful accounts	-167	-184
Total current assets	107,295	108,734
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,479	1,478
Tools, furniture and fixtures, net	5,064	5,013
Land	2,032	2,032
Other, net	1,585	1,214
Total tangible fixed assets	10,161	9,739
Intangible fixed assets		
Goodwill	6,765	6,131
Other	1,338	1,272
Total intangible fixed assets	8,103	7,404
Investments and other assets		
Investment securities	4,256	4,158
Other	4,610	4,248
Allowance for doubtful accounts	-355	-29
Total investment and other assets	8,511	8,378
Total noncurrent assets	26,776	25,521
Total assets	134,071	134,255

(Million yen)

	Previous Fiscal Year (February 28, 2019)	Current Third Quarter (November 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	25,967	24,156
Electronically recorded obligations - operating	4,910	4,361
Short-term borrowings	392	340
Current portion of long-term loans payable	2	2
Income taxes payable	3,661	1,646
Provision for bonuses	1,132	3,088
Accrued directors' and corporate auditors' remuneration	124	72
Allowance for sales discounts	846	627
Other	14,369	13,556
Total current liabilities	51,408	47,853
Fixed liabilities		
Long-term debt	15	12
Provision for directors' retirement benefits	199	182
Obligations for retirement pay	1,764	1,637
Asset retirement obligations	53	60
Allowance for sales discounts	1,903	1,693
Other	3,188	3,165
Total fixed liabilities	7,124	6,752
Total liabilities	58,532	54,605
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	13,888	13,883
Retained earnings	65,910	70,085
Treasury stock	-10,327	-10,281
Total shareholders' equity	72,710	76,925
Other accumulated comprehensive income		
Valuation difference on securities	876	859
Foreign currency translation adjustments	84	-157
Remeasurements of defined benefit plans	-493	-432
Total other accumulated comprehensive income	466	269
Share subscription rights	299	257
Non-controlling shareholders' equity	2,062	2,198
Total net assets	75,539	79,649
Total liabilities and net assets	134,071	134,255

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, 2018– November 30, 2018)	Current Third Quarter (March 1, 2019– November 30, 2019)
Net sales	226,744	232,643
Cost of sales	200,903	203,629
Gross profit	25,840	29,014
Selling, general and administrative expenses	16,927	16,909
Operating income	8,913	12,104
Non-operating income		
Interest income	26	30
Dividends income	68	66
Equity in income of affiliates	65	53
Other	363	73
Total non-operating income	523	224
Non-operating expenses		
Interest expenses	12	21
Other	116	117
Total non-operating expenses	129	139
Ordinary income	9,307	12,189
Extraordinary income		
Gain on sales of investment security	-	111
Other	-	17
Total extraordinary loss	-	129
Extraordinary loss		
Loss on sales of investment security	-	14
Other	34	255
Total extraordinary loss	34	270
Profit before income taxes	9,273	12,048
Income taxes	4,871	4,440
Income taxes-deferred	-141	4
Total income taxes	4,730	4,445
Net income	4,542	7,603
Net income attributable to non-controlling interests	649	233
Net income attributable to owners of parent	3,893	7,369

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

(Million yen)

	Previous Third Quarter (March 1, 2018– November 30, 2018)	Current Third Quarter (March 1, 2019– November 30, 2019)
Net income	4,542	7,603
Other comprehensive income		
Valuation difference on securities	-373	-16
Foreign currency translation adjustments	-158	-244
Remeasurements of defined benefit plans	63	61
Total other comprehensive income	-469	-199
Comprehensive income	4,073	7,403
Breakdown		
Comprehensive income attributable to owners of parent	3,473	7,171
Comprehensive income attributable to non-controlling interests	600	231