

# Summary of Financial Results for the Third Quarter Ended November 30, 2022 [Japan GAAP] (Consolidated)

January 12, 2023

Company AEON DELIGHT CO., LTD. Listed on the TSE  
 Stock Code 9787 URL: <https://www.aeondelight.co.jp/english/>  
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 Expected date of filing of quarterly report: January 13, 2023 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 2022 (March 1, 2022 through November 30, 2022)

(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. 2022	226,833	-	10,818	-	11,001	-	7,163	-
Nine months ended Nov. 2021	240,715	7.3	11,852	5.7	11,943	6.2	8,495	34.3

(Note) Comprehensive income

Nine months ended November 2022: 8,803 million yen (-%)

Nine months ended November 2021: 9,055 million yen (41.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 2022	143.31	143.21
Nine months ended Nov. 2021	169.87	169.72

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others are applied since the beginning of the first quarter of the fiscal year under review. The figures for the third quarter of the fiscal year ending February 2023 are after the application of these accounting standards, and the year-on-year percentage changes are not presented. Applying these accounting standards, net sales for the third quarter of the fiscal year ended February 2022 would be 215,261 million yen, and the year-on-year percentage change in 226,833 million yen of net sales for the third quarter of the fiscal year ending February 2023 would be 5.4%.

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2022	150,164	98,511	64.8
As of Feb. 2022	142,859	95,421	66.2

(Reference) Shareholders' equity

As of November 2022: 97,348 million yen

As of February 2022: 94,577 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. 2022					
Ordinary dividend	-	37.00	-	37.00	74.00
Commemorative dividend	-	5.00	-	5.00	10.00
Total	-	42.00	-	42.00	84.00
Year ending Feb. 2023	-	42.00	-		
Year ending Feb. 2023 (forecast)			-	43.00	85.00

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

The commemorative dividend is paid in commemoration of the 15th anniversary of AEON DELIGHT.

## 3. Forecast of consolidated business results for the fiscal year ending February 2023 (March 1, 2022 through February 28, 2023)

(% 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. 2023	310,000	-2.4	17,000	8.1	17,000	7.7	10,700	0.3	213.91

(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: | : Yes  |
| ② Changes in accounting policies other than ①                                      | : None |
| ③ Changes in accounting estimates  | : None |
| ④ Restatement  | : None |

Note: Please refer to “ Notes on quarterly consolidated financial statements (Changes in accounting policies) “ on page 7 of the document.

(4) Shares outstanding (common stock)

- ① Number of shares outstanding at the end of period (treasury stock included)
- |                     |                   |
|---------------------|-------------------|
| As of November 2022 | 50,669,633 shares |
| As of February 2022 | 54,169,633 shares |
- ② Treasury stock at the end of period
- |                     |                  |
|---------------------|------------------|
| As of November 2022 | 886,747 shares   |
| As of February 2022 | 4,148,409 shares |
- ③ Average number of stock during period (quarterly cumulative period)
- |                                 |                   |
|---------------------------------|-------------------|
| Nine months ended November 2022 | 49,982,027 shares |
| Nine months ended November 2021 | 50,008,136 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 and Significant Notes  
(Quarterly Consolidated Balance Sheets)

	(Million yen)	
	Previous Fiscal Year (February 28, 2022)	Current Third Quarter (November 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	68,282	56,043
Notes and accounts receivable	40,708	-
Notes and accounts receivable - trade, and contract assets	-	49,105
Electronically recorded monetary claims	4,220	6,744
Securities	-	7,012
Inventories	2,074	2,438
Other	5,861	6,945
Allowance for doubtful accounts	-134	-167
Total current assets	121,013	128,123
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,629	1,575
Tools, furniture and fixtures, net	3,589	3,126
Land	466	466
Other, net	1,394	1,971
Total tangible fixed assets	7,080	7,140
Intangible fixed assets		
Goodwill	3,360	3,316
Other	2,293	3,089
Total intangible fixed assets	5,653	6,406
Investments and other assets		
Investment securities	3,720	4,121
Other	5,421	4,396
Allowance for doubtful accounts	-30	-22
Total investment and other assets	9,111	8,494
Total fixed assets	21,845	22,041
Total assets	142,859	150,164

(Million yen)

	Previous Fiscal Year (February 28, 2022)	Current Third Quarter (November 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	22,070	25,715
Electronically recorded obligations - operating	4,415	5,240
Short-term borrowings	247	304
Income taxes payable	2,326	1,373
Provision for bonuses	1,363	2,878
Accrued directors' and corporate auditors' remuneration	84	54
Asset retirement obligations	6	-
Allowance for sales discounts	120	98
Other	13,257	12,725
<b>Total current liabilities</b>	<b>43,892</b>	<b>48,391</b>
<b>Fixed liabilities</b>		
Provision for directors' retirement benefits	84	71
Retirement benefit liability	1,486	1,297
Asset retirement obligations	416	415
Allowance for sales discounts	80	20
Other	1,477	1,455
<b>Total fixed liabilities</b>	<b>3,544</b>	<b>3,260</b>
<b>Total liabilities</b>	<b>47,437</b>	<b>51,652</b>
<b>Net assets</b>		
<b>Shareholder's equity</b>		
Capital stock	3,238	3,238
Capital surplus	13,239	4,736
Retained earnings	86,559	88,444
Treasury stock	-10,077	-2,269
<b>Total shareholders' equity</b>	<b>92,958</b>	<b>94,149</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on securities	921	1,148
Foreign currency translation adjustments	961	2,214
Remeasurements of defined benefit plans	-263	-163
<b>Total other accumulated comprehensive income</b>	<b>1,619</b>	<b>3,198</b>
Share subscription rights	86	98
Non-controlling shareholders' equity	757	1,064
<b>Total net assets</b>	<b>95,421</b>	<b>98,511</b>
<b>Total liabilities and net assets</b>	<b>142,859</b>	<b>150,164</b>

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, 2021- November 30, 2021)	Current Third Quarter (March 1, 2022- November 30, 2022)
Net sales	240,715	226,833
Cost of sales	210,883	196,542
Gross profit	29,832	30,291
Selling, general and administrative expenses	17,979	19,473
Operating income	11,852	10,818
Non-operating income		
Interest income	14	24
Dividends income	68	72
Equity in income of affiliates	70	70
Subsidy income	12	118
Other	53	84
Total non-operating income	219	370
Non-operating expenses		
Interest expenses	24	18
Other	103	168
Total non-operating expenses	127	187
Ordinary income	11,943	11,001
Extraordinary income		
Gain on sale of fixed assets	1,218	-
Gain on sales of investment security	-	6
Subsidies for employment adjustment	163	29
Total extraordinary income	1,381	36
Extraordinary loss		
Impairment loss	87	-
Loss due to response to new infections	133	65
Other	153	-
Total extraordinary loss	374	65
Profit before income taxes	12,950	10,971
Income taxes	3,173	2,603
Income taxes-deferred	1,327	1,160
Total income taxes	4,500	3,763
Net income	8,450	7,208
Net income (loss) attributable to non-controlling interests	-44	45
Net income attributable to owners of parent	8,495	7,163

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

(Million yen)

	Previous Third Quarter (March 1, 2021- November 30, 2021)	Current Third Quarter (March 1, 2022- November 30, 2022)
Net income	8,450	7,208
Other comprehensive income		
Valuation difference on securities	-167	226
Foreign currency translation adjustments	703	1,261
Remeasurements of defined benefit plans	69	106
Total other comprehensive income	605	1,594
Comprehensive income	9,055	8,803
(Breakdown)		
Comprehensive income attributable to owners of parent	9,095	8,742
Comprehensive income attributable to non- controlling interests	-39	60

## 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)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter of the fiscal year under review. The effects of this change are described below in the "(Changes in accounting policies)."

In addition, on April 7, 2022, the Board of Directors resolved to cancel treasury stock in accordance with Article 178 of the Companies Act. With this, the Company retired 3,500,000 shares of common stock out of 4,148,409 shares of treasury stock held by the Company on April 28, 2022. As a result, capital surplus and treasury stock decreased by 8,502 million yen, respectively, in the nine months period of the fiscal year under review. In addition, 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, and acquired 238,338 shares of treasury stock. As a result, treasury stock increased by 694 million yen in the nine months period of the fiscal year under review. As a result, capital surplus and treasury stock at the end of the third quarter of the current fiscal year amounted to 4,736 million yen and -2,269 million yen, respectively.

(Changes in accounting policies)

(Applications of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020. Hereafter "Accounting Standard for Revenue Recognition."), etc. from the beginning of the first quarter of the current consolidated accounting period and recognized revenue when control of promised goods or services is transferred to customers at an amount that it expects to receive in exchange for those goods or services.

As a result, for a part of the materials-related business and the vending machine business, the Company has changed from recognizing revenue in the total amount of consideration received from customers to recognizing revenue in the net amount calculated by subtracting the amount paid to suppliers from the total amount. In addition, for a part of the facilities management business, we have changed the method of recognizing revenue at one point of service provision from what we recognized revenue over a certain period of time based on the contract. Accordingly, the corresponding cost of sales is also systematized from the previous simplified accounting treatment, which is in line with the accounting treatment of recognizing revenue at a point in time when services are rendered.

The applications of the Accounting Standard for Revenue Recognition, etc., are conformable to the transitional treatment stipulated in the provisions of P.84 of the Accounting Standard for Revenue Recognition, and the cumulative effect of retrospectively applying a new accounting policy prior to the beginning of the first quarter of the current consolidated accounting period has been adjusted to retained earnings at the beginning of the first quarter of the current consolidated accounting period, and the new accounting policy has been applied from the beginning balance of the current fiscal year. However, the new accounting policy has not been retroactively applied to contracts that apply the methods set forth in P.86 of the Accounting Standard for Revenue Recognition and that recognize almost all proceeds in accordance with previous treatment prior to the beginning of the first quarter of the consolidated accounting period. Moreover, the method stipulated in P.86 (1) of the Accounting Standard for Revenue Recognition has been applied and accounting is done based on the terms and conditions of the contract after reflecting all contract changes for the contract changes made prior to the beginning of the first quarter of the current consolidated accounting period. The cumulative effect has been adjusted to retained earnings at the beginning of the first quarter of the current consolidated accounting period.

As a result, net sales for the third quarter of the current fiscal year decreased 26,186 million yen, cost of sales decreased 26,221 million yen, and operating income, ordinary income and net income before income taxes also increased 34 million yen, respectively. The balance of retained earnings at the beginning of the current fiscal year decreased 1,087 million yen.

Due to the applications of the Accounting Standard for Revenue Recognition, etc., "notes and accounts receivable – trade" indicated in the "current assets" in the consolidated balance sheet in the previous consolidated fiscal year has been included in the "notes receivable, accounts receivable and contract assets" from the current first quarter of the current consolidated accounting period. In accordance with the transitional treatment stipulated in P.89-2 of the Accounting Standard for Revenue Recognition, the previous consolidated fiscal year has not been reclassified under the new indication method.

(Application of Accounting Standard for Calculation of Fair Market Value)

The Company has applied the "Accounting Standard for Calculation of Fair Market Value" (ASBJ Statement No. 30, July 4, 2019.) from the beginning of the first quarter of the fiscal year under review, and have decided to apply the new accounting policy established by the Accounting Standard for Calculation of Fair Market Value, etc., in accordance with the transitional treatment specified in paragraph 19 of the Accounting Standard for Calculation of Fair Market Value and paragraph 44-2 of the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 July 4, 2019). The adoption of the Accounting Standard for Calculation of Fair Market Value and other standards did not have a material impact on the quarterly consolidated financial statements.