

# Summary of Financial Results for the Year Ended February 28, 2017

## [Japan GAAP] (Consolidated)

April 12, 2017

Company AEON DELIGHT Co., Ltd. Listed on the TSE1  
 Stock Code 9787 URL: <http://www.aeondelight.co.jp>  
 Representative Ippei Nakayama, President and CEO  
 Contact Yukio Furukawa, Director and Managing Director, Business Management TEL: +81-6-6260-5632  
 Planned date for annual shareholders' meeting: May 23, 2017 Planned date for commencement of dividend payment: May 9, 2017  
 Planned date for filing of annual securities report: May 24, 2017  
 Preparation of supplementary financial document: Yes  
 Results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

### 1. Consolidated business results for the fiscal year ended February 2017 (March 1, 2016 through February 28, 2017)

(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	%
Year ended Feb. 2017	294,725	4.9	17,257	3.3	17,381	4.2	10,238	6.0
Year ended Feb. 2016	281,041	5.4	16,707	5.3	16,684	4.6	9,658	10.7

(Note) Comprehensive income:

Year ended February 2017: 11,021 million yen (20.1%)

Year ended February 2016: 9,178 million yen (-0.3%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Feb. 2017	194.84	194.31	12.0	12.8	5.9
Year ended Feb. 2016	183.87	183.38	12.3	13.0	5.9

(Reference) Investment earnings/loss on equity-method:

Year ended February 2017: 58 million yen

Year ended February 2016: 68 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 2017	139,505	92,089	64.0	1,700.06
As of Feb. 2016	131,349	84,000	62.1	1,552.84

(Reference) Shareholders' equity:

As of February 2017: 89,345 million yen

As of February 2016: 81,578 million yen

### (3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Feb. 2017	11,703	2,233	-2,400	31,004
Year ended Feb. 2016	10,303	-3,255	-2,821	19,473

## 2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Year ended Feb. 2016	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Feb. 2017	-	26.00	-	26.00	52.00	2,731	28.3	3.5
Year ended Feb. 2017	-	28.00	-	27.00	55.00	2,890	28.2	3.4
Year ending Feb. 2018 (forecast)	-	30.00	-	31.00	61.00		30.0	

(Note) Breakdown of the interim dividend for the second quarter of the fiscal year ended February 2017: Ordinary dividend 27.00 yen, Commemorative dividend 1.00 yen

### 3. Forecast of consolidated business results for the fiscal year ending February 2018

(March 1, 2017 through February 28, 2018)

(% 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
For the six months ending Aug. 2017	155,000	2.4	8,700	2.3	8,700	2.3	5,400	1.1	102.75
Year ending Feb. 2018	305,000	3.5	18,000	4.3	18,000	3.6	10,700	4.5	203.60

#### ※Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) 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

(3) Shares outstanding (common stock)

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

As of February 2017 54,169,633 shares

As of February 2016 54,169,633 shares

② Treasury stock at the end of period:

As of February 2017 1,615,195 shares

As of February 2016 1,634,461 shares

③ Average number of stock during period

Year ended February 2017 52,550,291 shares

Year ended February 2016 52,530,411 shares

**\*This financial summary is not subject to auditing procedures.**

**\*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.

Consolidated Financial Statements  
(Consolidated Balance Sheet)

(Million yen)

	Fiscal year ended February 29, 2016 (February 29, 2016)	Fiscal year ended February 28, 2017 (February 28, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	20,386	31,717
Notes and accounts receivable-trade	35,768	36,958
Electronically recorded monetary obligations	3,744	3,577
Investment securities	100	-
Inventories	2,897	3,050
Deferred tax assets	1,585	1,360
Deposit of subsidiaries and affiliates	37,362	31,713
Other	4,191	4,231
Allowance for doubtful accounts	-360	-202
Total current assets	105,674	112,405
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,642	1,644
Machinery for area control, net	190	175
Tools, furniture and fixtures, net	2,663	3,319
Land	1,978	1,975
Other, net	610	1,974
Total tangible fixed assets	7,086	9,089
Intangible fixed assets		
Goodwill	7,989	7,038
Other	2,408	2,056
Total intangible fixed assets	10,397	9,095
Investments and other assets		
Investment securities	4,463	4,546
Deferred tax assets	310	551
Other	3,911	4,353
Allowance for doubtful accounts	-494	-536
Total investments and other assets	8,190	8,915
Total fixed assets	25,674	27,099
Total assets	131,349	139,505

(Million yen)

	Fiscal year ended February 29, 2016 (February 29, 2016)	Fiscal year ended February 28, 2017 (February 28, 2017)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	23,487	23,474
Electronically recorded monetary obligations	4,970	5,133
Short-term loans payable	-	241
Current portion of long-term loans payable	-	30
Accounts payable-other	6,345	5,641
Income taxes payable	4,083	3,493
Accrued consumption taxes	1,197	986
Reserve for bonuses	1,241	1,298
Reserve for directors' bonuses	115	117
Other	3,380	3,649
<b>Total current liabilities</b>	<b>44,821</b>	<b>44,065</b>
<b>Fixed liabilities</b>		
Long-term loans payable	-	293
Deferred tax assets	191	871
Reserve for directors' retirement benefits	202	221
Liabilities relating to retirement benefits	1,714	1,613
Asset retirement obligation	42	49
Other	376	301
<b>Total fixed liabilities</b>	<b>2,527</b>	<b>3,350</b>
<b>Total liabilities</b>	<b>47,348</b>	<b>47,416</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	3,238	3,238
Capital surplus	18,862	18,949
Retained earnings	59,393	66,795
Treasury stock	-441	-436
<b>Total shareholders' equity</b>	<b>81,052</b>	<b>88,546</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	648	964
Foreign currency translation adjustment	372	251
Total accumulated adjustment relating to retirement benefits	-495	-417
<b>Total accumulated other comprehensive income</b>	<b>525</b>	<b>799</b>
<b>Stock acquisition rights</b>	<b>221</b>	<b>263</b>
<b>Non-controlling interests</b>	<b>2,200</b>	<b>2,480</b>
<b>Total net assets</b>	<b>84,000</b>	<b>92,089</b>
<b>Total liabilities and net assets</b>	<b>131,349</b>	<b>139,505</b>

Consolidated Statement of Income and Statement of Comprehensive Income  
(Consolidated Statement of Income)

(Million yen)

	Fiscal year ended February 29, 2016 (March 1, 2015 – February 29, 2016)	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)
Net sales	281,041	294,725
Cost of sales	243,651	255,729
Gross profit	37,390	38,995
Selling, general and administrative expenses	20,682	21,738
Operating income	16,707	17,257
Non-operating revenues		
Interest income	94	57
Dividend income	42	63
Subsidy income	3	130
Equity in earnings of affiliates	68	58
Gain on investments in silent partnership	-	57
Other	44	65
Total non-operating revenues	253	434
Non-operating expenses		
Interest expenses	13	26
Accident compensation expenses	79	100
Foreign exchange losses	14	37
Other	168	144
Total non-operating expenses	275	309
Ordinary income	16,684	17,381
Extraordinary profit		
Gain on transfer from business divestitures	-	469
Gain on sale of investment securities	165	56
Gain on bargain purchase	426	-
Gain on step acquisitions	225	-
Total extraordinary profit	816	525
Extraordinary loss		
Loss on business liquidation	810	433
Impairment loss	-	79
Others	163	144
Total extraordinary loss	974	657
Income before income taxes and others	16,526	17,249
Corporate, inhabitant and enterprise taxes	6,590	5,968
Income taxes-deferred	-121	494
Total income taxes	6,469	6,463
Net income	10,057	10,786
Net income attributable to non-controlling interests	398	547
Net income attributable to owners of parent	9,658	10,238

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended February 29, 2016 (March 1, 2015 – February 29, 2016)	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)
Net income	10,057	10,786
Other comprehensive income		
Valuation difference on available-for-sale securities	-545	317
Foreign currency translation adjustment	-256	-160
Remeasurements of defined benefit plans	-75	78
Total other comprehensive income	-878	235
Comprehensive income	9,178	11,021
(Breakdown)		
Comprehensive income attributable to owners of parent	8,811	10,512
Comprehensive income attributable to non-controlling interests	367	508

## Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended February 29, 2016 (March 1, 2015 – February 29, 2016)	Fiscal year ended February 28, 2017 (March 1, 2016 – February 28, 2017)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	16,526	17,249
Depreciation and amortization	1,699	2,104
Impairment loss	-	79
Amortization of goodwill	1,162	830
Increase (decrease) in provision for bonuses	206	69
Increase (decrease) in provision for directors' retirement	12	19
Increase (decrease) in liabilities relating to retirement benefits	49	-22
Interest and dividends income	-136	-121
Interest expenses	13	26
Equity in loss (gain) of affiliates	-68	-58
Loss (gain) on investments in silent partnership	-	-57
Loss (gain) on sale of investment securities	-165	-56
Loss (gain) on transfer of business	-	-469
Gain on bargain purchase	-426	-
Loss (gain) on step acquisitions	-225	-
Decrease (increase) in notes and accounts receivable-trade	1,444	-1,662
Increase (decrease) in notes and accounts payable-trade	-2,532	293
Increase (decrease) in accounts payable-other	552	-529
Increase (decrease) in accrued consumption taxes	-1,322	-212
Decrease (increase) in accounts receivable-other	-613	-161
Other	282	834
Subtotal	16,458	18,157
Interest and dividends income received	194	176
Interest expenses paid	-12	-27
Income taxes paid	-6,336	-6,602
Net cash provided by (used in) operating activities	10,303	11,703
Net cash provided by (used in) investing activities		
Payments into time deposits	-154	-762
Proceeds from withdrawal of time deposits	284	962
Purchase of property, plant and equipment and intangible fixed assets	-2,414	-4,113
Proceeds from sales of property, plant and equipment and intangible fixed assets	116	24
Proceeds from sales and redemption of securities	100	100
Purchase of investment securities	-5	-128
Proceeds from sales of investment securities	198	511
Purchase of investments in subsidiaries	-136	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-4,771	-
Payments for deposit of subsidiaries and affiliates	-218,798	-229,151
Collection of deposit of subsidiaries and affiliates	222,762	234,800
Proceeds from transfer of business	-	471
Other	-436	-480
Net cash provided by (used in) investing activities	-3,255	2,233
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	219
Proceeds from long-term loans payable	-	340
Repayments of long-term loans payable	-	-16
Cash dividends paid	-2,676	-2,842

Net decrease (increase) in treasury stock	14	28
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	-57
Other	-160	-72
Net cash provided by (used in) financing activities	-2,821	-2,400
Effect of exchange rate change on cash and cash equivalents	-229	-6
Net increase (decrease) in cash and cash equivalents	3,997	11,530
Cash and cash equivalents at beginning of period	15,476	19,473
Cash and cash equivalents at end of period	19,473	31,004