

# Summary of Financial Results for the Year Ended February 28, 2019

## [Japan GAAP] (Consolidated)

June 28, 2019

Company: AEON DELIGHT Co., Ltd. Listed on the TSE1  
 Stock Code: 9787 URL: <http://www.aeondelight.co.jp>  
 Representative: Kazumasa Hamada, President and CEO  
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               Digital Solution

Planned date for annual shareholders' meeting: May 30, 2019 Planned date for commencement of dividend payment: May 31, 2019  
 Planned date for filing of annual securities report: July 1, 2019  
 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 2019

(March 1, 2018 through February 28, 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	%
Year ended Feb. 2019	302,915	3.6	13,030	0.9	13,362	-0.1	6,415	0.3
Year ended Feb. 2018	292,396	-0.1	12,909	-8.7	13,381	-6.2	6,397	-9.8

(Note) Comprehensive income:

Year ended February 2019: 6,007 million yen (-22.1%)

Year ended February 2018: 7,707 million yen (-2.0%)

	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. 2019	122.92	122.61	8.1	9.6	4.3
Year ended Feb. 2018	121.68	121.34	7.6	9.5	4.4

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

Year ended February 2019: 67 million yen

Year ended February 2018: 69 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. 2019	134,614	75,539	54.4	1,465 94
As of Feb. 2018	144,678	89,143	59.5	1,636 89

(Reference) Shareholders' equity:

As of February 2019: 73,176 million yen

As of February 2018: 86,066 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. 2019	12,373	12,256	-19,686	43,437
Year ended Feb. 2018	13,568	-2,666	-3,264	38,722

### 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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Feb. 2018	-	30.00	-	31.00	61.00	3,207	50.1	3.8
Year ended Feb. 2019	-	31.00	-	32.00	63.00	3,114	51.3	4.1
Year ending Feb. 2020 (forecast)	-	32.00	-	33.00	65.00		30.0	

### 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
For the six months ending Aug. 2019	158,000	3.5	8,500	35.5	8,500	33.9	5,100	79.7	102.17
Year ending Feb. 2020	315,000	4.0	18,000	38.1	18,000	34.7	10,800	68.4	216.35

#### ※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: : None
- 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 2019 54,169,633 shares
  - As of February 2018 54,169,633 shares
- ② Treasury stock at the end of period:
  - As of February 2019 4,251,504 shares
  - As of February 2018 1,590,132 shares
- ③ Average number of stock during period
  - Year ended February 2019 52,189,547 shares
  - Year ended February 2018 52,574,261 shares

**\*Financial summary is not subject to auditing 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.

Consolidated Financial Statements  
(Consolidated Balance Sheet)

	Fiscal year ended February 28, 2018 (February 28, 2018)	Fiscal year ended February 28, 2019 (February 28, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	39,536	44,233
Notes and accounts receivable	35,739	37,544
Electronically Recorded Monetary Claims	2,765	2,545
Inventories	2,623	2,211
Deferred tax assets	1,462	1,476
Deposit of subsidiaries and affiliates	32,000	16,000
Other	4,314	4,927
Allowance for doubtful accounts	-130	-167
<b>Total current assets</b>	<b>118,311</b>	<b>108,771</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,582	1,479
Tools, furniture and fixtures, net	4,892	5,064
Land	1,975	2,032
Other, net	1,591	1,585
<b>Total tangible fixed assets</b>	<b>10,041</b>	<b>10,161</b>
Intangible assets		
Goodwill	6,113	6,765
Other	1,699	1,338
<b>Total intangible assets</b>	<b>7,813</b>	<b>8,103</b>
Investments and other assets		
Investment securities	5,334	4,256
Deferred tax assets	330	412
Other	3,458	3,264
Allowance for doubtful accounts	-610	-355
<b>Total investment and other assets</b>	<b>8,512</b>	<b>7,578</b>
<b>Total noncurrent assets</b>	<b>26,367</b>	<b>25,842</b>
<b>Total assets</b>	<b>144,678</b>	<b>134,614</b>

(Million yen)

	Fiscal year ended February 28, 2018 (February 28, 2018)	Fiscal year ended February 28, 2019 (February 28, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	25,820	25,967
Electronically recorded obligations - operating	4,474	4,910
Short-term borrowings	225	392
Current portion of long-term loans payable	-	2
Accounts payable	5,914	6,095
Income taxes payable	3,059	3,661
Provision for bonuses	1,244	1,132
Accrued directors' and corporate auditors' remuneration	133	124
Allowance for sales discounts	599	846
Other	7,588	8,274
<b>Total current liabilities</b>	<b>49,060</b>	<b>51,408</b>
Long-term liabilities		
Long-term debt	-	15
Deferred tax liabilities	720	699
Provision for directors' retirement benefits	178	199
Obligations for retirement pay	1,585	1,764
Asset retirement obligations	51	53
Allowance for sales discounts	979	1,903
Other	2,959	3,031
<b>Total long-term liabilities</b>	<b>6,474</b>	<b>7,667</b>
<b>Total liabilities</b>	<b>55,535</b>	<b>59,075</b>
Net assets		
Shareholders' equity		
Capital stock	3,238	3,238
Capital surplus	19,019	13,888
Retained earnings	62,756	65,910
Treasury stock	-430	-10,327
<b>Total shareholders' equity</b>	<b>84,582</b>	<b>72,710</b>
Other accumulated comprehensive income		
Valuation difference on securities	1,574	876
Foreign currency translation adjustments	313	84
Remeasurements of defined benefit plans	-402	-493
<b>Total other accumulated comprehensive income</b>	<b>1,484</b>	<b>466</b>
Share subscription rights	303	299
Non-controlling shareholders' equity	2,773	2,062
<b>Total net assets</b>	<b>89,143</b>	<b>75,539</b>
<b>Total liabilities and net assets</b>	<b>144,678</b>	<b>134,614</b>

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

(Million yen)

	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)	Fiscal year ended February 28, 2019 (March 1, 2018 – February 28, 2019)
Net sales	292,396	302,915
Cost of sales	257,524	267,463
Gross profit	34,871	35,452
Selling, general and administrative expenses	21,961	22,421
Operating income	12,909	13,030
Non-operating income		
Interest income	46	39
Dividends income	63	104
Equity in income of affiliates	69	67
Subsidy income	20	308
Sub-total	308	-
Other	98	70
Total non-operating income	608	590
Non-operating expenses		
Interest expenses	30	27
Share repurchase expenses	-	26
Commission paid	-	54
Foreign exchange loss	26	0
Other	78	149
Total non-operating expenses	136	258
Ordinary income	13,381	13,362
Extraordinary income		
Gain on sales of investment security	170	-
Total extraordinary income	170	-
Extraordinary loss		
Impairment loss	39	123
Loss on business liquidation	16	63
Settlement package	1,222	-
Other	27	8
Total extraordinary loss	1,305	195
Income before income taxes	12,247	13,166
Income taxes	5,581	5,979
Income taxes-deferred	-329	107
Total income taxes	5,251	6,087
Net income	6,995	7,079
Net income attributable to non-controlling interests	598	664
Net current fiscal year attributable to owners of parent	6,397	6,415

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)	Fiscal year ended February 28, 2019 (March 1, 2018 – February 28, 2019)
Net income	6,995	7,079
Other comprehensive income		
Valuation difference on securities	611	-697
Foreign currency translation adjustments	87	-280
Remeasurements of defined benefit plans	13	-93
Total other comprehensive income	712	-1,071
Comprehensive income	7,707	6,007
(Breakdown)		
Comprehensive income attributable to owners of parent	7,081	5,397
Comprehensive income attributable to non-controlling interests	625	610

## Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended February 28, 2018 (March 1, 2017 – February 28, 2018)	Fiscal year ended February 28, 2019 (March 1, 2018 – February 28, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	12,247	13,166
Depreciation and amortization	2,414	2,602
Impairment loss	39	123
Amortization of goodwill	715	759
Increase (decrease) in accrued bonuses	-53	-111
Increase (decrease) in allowance sales discount	706	1,171
Increase (decrease) in provision for directors' retirement	-42	21
Increase (decrease) in liabilities relating to retirement benefits	-15	44
Interest and dividend income	-110	-143
Interest expenses	30	22
Equity in loss (gain) of affiliates	-69	-67
Loss (gain) on investments in silent partnership	-308	-
Loss (gain) on sale of investment securities	-166	8
Decrease (increase) in notes and accounts receivable-trade	438	-1,057
(Increase) decrease in inventories	600	422
Increase (decrease) in notes and accounts payable-trade	-3	582
Increase (decrease) in accounts payable	321	-461
Increase (decrease) in accrued consumption taxes	169	-221
Increase (decrease) in accounts receivable-other	85	-69
Increase (decrease) in advances received	1,372	614
Increase (decrease) in advance revenue	747	5
Other	426	-26
Sub-total	19,546	17,385
Interest and dividend received	164	198
Interest expenses paid	-26	-22
Income taxes paid	-6,115	-5,188
Net cash provided by (used in) operating activities	13,568	12,373
Cash flow from investing activities		
Payments into time deposits	-854	-915
Proceeds from withdrawal of time deposits	854	940
Purchase of property, plant and equipment and intangible fixed assets	-3,228	-2,059
Proceeds from sale of tangible and intangible fixed assets	14	15
Proceeds from sales or maturities of securities	-	100
Purchase of investment securities	-33	-24
Proceeds from sales and redemption of investment securities	204	2
Increase in subsidiaries arising from change in scope of consolidation	-	-1,516
Payments for deposit of consumption of subsidiaries and associates	-250,400	-284,000
Proceeds from refund of consumer deposits of subsidiaries and associates	250,113	300,000
Other	663	-285
Net cash provided by (used in) investing activities	-2,666	12,256
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	-28	179
Proceeds from long-term loans payable	90	-
Repayment of long-term loans payable	-35	-2
Cash dividends paid	-2,996	-3,259
Net decrease (increase) in treasury stock	41	-9,906
Proceeds from share issuance to non-controlling interests	-	61
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-21	-6,458
Other	-314	-300
Net cash provided by (used in) financing activities	-3,264	-19,686

Effect of exchange rate change on cash and cash equivalents	80	-228
Net increase (decrease) in cash and cash equivalents	7,718	4,715
Cash and cash equivalents at beginning of period	31,004	38,722
Cash and cash equivalents at end of period	38,722	43,437