

June 28, 2019

**Notice of Corrections to the Summary of Financial Results, etc.
for Past Fiscal Years and Submission of Correction Report on Annual Securities
Reports, etc. for Past Fiscal Years**

AEON DELIGHT CO., LTD. announces that we have revised the summary of financial results for the past fiscal years, and decided to submit the Kinki Local Finance Bureau a correction report on the annual securities reports, etc. submitted in the previous fiscal year.

We would like to express our deepest apologies to our shareholders, investors and other stakeholders for their serious inconvenience and concern.

1. Background and Reasons for Correction

As stated in the "Notice of Discovery of Inappropriate Accounting at our Consolidated Subsidiary and Postponement of Announcement of Financial Results for the Fiscal Year Ended February 2019" dated April 5, 2019 and the " Notice of Establishment of Special Investigation Committee" dated April 11, 2019, it was discovered that our consolidated subsidiary KAJITAKU CO., Ltd. (hereinafter "KAJITAKU") carried out an inappropriate accounting. With this, on April 11, 2019, we established a special investigation committee consisting of external experts who do not have an interest in us and commenced an investigation.

As stated in the "Announcement of the Annual General Meeting of Shareholders and the Status of the Special Investigation Committee" dated May 10, 2019 and the "Receipt of Interim Report from the Special Investigation Committee on Accounting Problems of a Consolidated Subsidiary KAJITAKU," dated May 24, 2019, there were matters that were deemed to be improper in the course of the investigation, not exclusive errors in inventory disposal procedures. KAJITAKU did not have adequate accounting records to show the actual situation throughout the period under investigation, and there were no records of the receipt and payment of goods. As a result, it took time to complete the investigation, including the impact amount for each accounting period, taking into account the appropriateness of attribution of the period. As announced in the "Notice of Approval for Extension of the Deadline for Submission of the 46th Annual Securities Report" dated May 31, 2019, following the receipt of the interim report from the Special Investigation Committee on May 24, 2019, we received approval to extend the deadline for the submission of the 46th annual securities report, with the extended deadline as of July 1, 2019.

We announced the "Notice of the Receipt of Investigation Report from the Special Investigation Committee and Date of Announcement of Financial Results" dated June 27, 2019, and the final report of the investigation results dated today, as we have received the

final report from the Special Investigation Committee. Based on the investigation results by the Special Investigation Committee, we have decided to make corrections in the annual securities report, etc. of the past fiscal years and the financial results for the past fiscal years as we consider it is necessary to revise.

We plan to submit the correction report on the annual securities report and the 46th Annual Securities Report on July 1, 2019.

2. Contents of correction

① Sale from invoicing of uninstalled properties

Some sales transactions were recorded as sales despite the fact that copiers sold were not installed by end users.

② Recording of fictitious sales through profit and loss adjustment, etc.

In the KAJITAKU's Store Support Business, profit and loss adjustments were made to change the financial accounting figures to the management accounting figures. As a result, sales in financial accounting included transactions that did not meet the sales recognition requirements.

③ Unbooked purchase of ID photo machines, etc.

Purchases of ID photo machines from March 2018 were not recorded as purchases or accounts payable.

④ Unbooked purchases of used copiers

In trade-in exchanges involving used copiers, which were executed in the form of purchases from leasing companies, a portion of purchases from leasing companies had not been recorded at the time of acceptance inspections of such equipment.

⑤ Unbooked purchase of new copiers

Some of the purchases of new copiers were not recorded.

⑥ Inventory valuation, etc. that do not reflect actual conditions

The inventory of used copiers did not need to be written down to the lower of cost or market in accordance with the sales prospects for the future. As a result, the value of used copiers exceeded the market.

In addition to the impact of the above inappropriate accounting by KAJITAKU, based on the results of an investigation conducted by the Special Investigation Committee, we have revised the accounting for past years in which it changed the revenue recognition standard for the KAJITAKU's Store Support business (from the fiscal year ended February 2014 to the fiscal year ended February 2019) and recorded a reserve for future specified losses (from the fiscal year ended February 2016 to the fiscal year ended February 2019).

3. Subject of correction

(1) Revised Annual Securities Report, etc.

① Annual Securities Report

41st period (March 1, 2013 to February 28, 2014) (*)

42nd period (March 1, 2014 to February 28, 2015)

43rd period (March 1, 2015-February 29, 2016)

44th period (March 1, 2016-February 28, 2017)

45th period (March 1, 2017-February 28, 2018)

② Quarterly report

Q1 of 44th period (March 1, 2016 to May 31, 2016)

Q2 of 44th period (June 1, 2016 to August 31, 2016)

Q3 of 44th period (September 1, 2017 to November 30, 2016)

Q1 of 45th period (March 1, 2017 to May 31, 2017)

Q2 of 45th period (June 1, 2017 to August 31, 2017)

Q3 of 45th period (September 1, 2017 to November 30, 2017)

Q1 of 46th period (March 1, 2018 to May 31, 2018)

Q2 of 46th period (June 1, 2018 to August 31, 2018)

Q3 of 46th period (September 1, 2018 to November 30, 2018)

(*) This is an annual securities report that is not publicly available as of the end of the period for public inspection, and the relevant documents will be submitted promptly to the Kinki Local Finance Bureau.

(2) Revised Summary of Financial Results, etc. disclosed today

① Summary of Consolidated Financial Results

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2014 [Japanese GAAP]

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2015 [Japanese GAAP]

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2016 [Japanese GAAP]

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2017 [Japanese GAAP]

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2018 [Japanese GAAP]

② Summary of Quarterly Financial Results

Consolidated Financial Results for the First Quarter of the Fiscal Year Ended February 28, 2017 [Japanese GAAP]

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ende

February 28, 2017 [Japanese GAAP]

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended February 28, 2017 [Japanese GAAP]

Consolidated Financial Results for the First Quarter of the Fiscal Year Ended February 28, 2018 [Japanese GAAP]

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ended February 28, 2018 [Japanese GAAP]

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended February 28, 2018 [Japanese GAAP]

Consolidated Financial Results for the First Quarter of the Fiscal Year Ended February 28, 2019 [Japanese GAAP]

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ended February 28, 2019 [Japanese GAAP]

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended February 28, 2019 [Japanese GAAP]

4. Effect of the corrections on the consolidated financial results for the past fiscal years

The effect of the corrections on the consolidated financial results for the past fiscal years is as follows.

(1) Annual Securities Report and Summary of Financial Results (Million yen)

Period	Item	Before Correction (A)	After correction (B)	Effect amount (B-A)
41st (FY2/14) Full year	Net sales	257,243	256,654	-588
	Operating income	15,115	14,622	-492
	Ordinary income	15,092	14,600	-492
	Net income	8,161	7,039	-1,122
	Total assets	112,122	111,010	-1,112
	Net assets	71,316	70,145	-1,171
42nd (FY2/15) Full year	Net sales	266,705	265,572	-1,133
	Operating income	15,861	15,390	-471
	Ordinary income	15,943	15,472	-471
	Net income	8,725	7,965	-760
	Total assets	126,044	124,584	-1,459
	Net assets	77,495	75,558	-1,936
43rd (FY2/16) Full year	Net sales	281,041	277,926	-3,115
	Operating income	16,707	14,556	-2,150
	Ordinary income	16,684	14,534	-2,150
	Net income	9,658	7,247	-2,411
	Total assets	131,349	129,434	-1,914
	Net assets	84,000	79,674	-4,325

Period	Item	Before Correction (A)	After correction (B)	Effect amount (B-A)
4th (FY2/17) Full year	Net sales	294,725	292,607	-2,117
	Operating income	17,257	14,139	-3,117
	Ordinary income	17,381	14,263	-3,117
	Net income attributable to owners of parent	10,238	7,093	-3,145
	Total assets	139,505	137,870	-1,634
	Net assets	92,089	84,604	-7,485
45th (FY2/18) Full year	Net sales	295,839	292,396	-3,442
	Operating income	16,812	12,909	-3,902
	Ordinary income	17,284	13,381	-3,902
	Net income attributable to owners of parent	10,316	6,397	-3,919
	Total assets	146,828	144,678	-2,149
	Net assets	100,561	89,143	-11,417

(2) Quarterly Reports and Quarterly Financial Results (Millions of yen)

Period	Item	Before Correction (A)	After correction (B)	Effect amount (B-A)
44th (FY2/17) 1st quarter	Net sales	75,472	75,762	289
	Operating income	3,911	3,654	-256
	Ordinary income	3,908	3,652	-256
	Net income	2,681	2,434	-247
	Total assets	134,111	132,805	-1,305
	Net assets	85,325	80,751	-4,574
44th (FY2/17) 2nd quarter	Net sales	151,400	150,804	-595
	Operating income	8,505	7,035	-1,469
	Ordinary income	8,506	7,036	-1,469
	Net income	5,342	3,870	-1,471
	Total assets	138,794	137,381	-1,413
	Net assets	87,792	81,992	-5,800
44th (FY2/17) 3rd quarter	Net sales	222,872	221,482	-1,389
	Operating income	12,455	10,860	-1,595
	Ordinary income	12,471	10,876	-1,595
	Net income	7,637	6,018	-1,618
	Total assets	137,185	135,036	-2,148
	Net assets	88,978	83,026	-5,951
45th (FY2/18) 1st quarter	Net sales	75,514	75,064	-450
	Operating income	4,082	3,334	-748
	Ordinary income	4,116	3,367	-748
	Net income attributable to owners of parent	2,773	2,040	-732
	Total assets	141,224	139,635	-1,589
	Net assets	93,456	85,236	-8,220

Period	Item	Before Correction (A)	After correction (B)	Effect amount (B-A)
45th (FY2/18) 2nd quarter	Net sales	151,801	150,738	-1,062
	Operating income	8,806	7,418	-1,388
	Ordinary income	8,878	7,490	-1,388
	Net income attributable to owners of parent	5,573	4,189	-1,384
	Total assets	144,898	143,708	-1,189
	Net assets	96,468	87,594	-8,874
45th (FY2/18) 3rd quarter	Net sales	223,842	222,160	-1,682
	Operating income	12,658	10,563	-2,094
	Ordinary income	13,060	10,965	-2,094
	Net income attributable to owners of parent	7,651	5,558	-2,093
	Total assets	145,341	143,320	-2,021
	Net assets	97,517	87,930	-9,586
46th (FY2/19) 1st quarter	Net sales	76,480	76,370	-109
	Operating income	4,637	3,785	-851
	Ordinary income	4,668	3,816	-851
	Net income attributable to owners of parent	2,908	2,067	-841
	Total assets	147,122	145,528	-1,593
	Net assets	101,783	89,520	-12,262
46th (FY2/19) 2nd quarter	Net sales	153,884	152,611	-1,272
	Operating income	9,060	6,275	-2,784
	Ordinary income	9,134	6,349	-2,784
	Net income attributable to owners of parent	5,628	2,838	-2,789
	Total assets	148,781	146,398	-2,383
	Net assets	104,416	90,204	-14,212
46th (FY2/19) 3rd quarter	Net sales	229,917	226,744	-3,172
	Operating income	13,285	8,913	-4,371
	Ordinary income	13,679	9,307	-4,371
	Net income attributable to owners of parent	8,287	3,893	-4,394
	Total assets	145,289	142,343	-2,945
	Net assets	99,290	83,468	-15,821