

# Summary of Financial Results for the Second Quarter Ended August 31, 2021 [Japan GAAP] (Consolidated)

October 6, 2021

Company	AEON DELIGHT CO., LTD.	Listed on the TSE1
Stock Code	9787	URL: <a href="https://www.aeondelight.co.jp">https://www.aeondelight.co.jp</a>
Representative	Kazumasa Hamada, President and CEO, Group CEO	
Contact	Keiji Sagata, Managing Director, Group Strategy and ESG	T E L: +81-3-6895-3892
Expected date of filing of quarterly report:	October 14, 2021	Expected starting date of dividend payment: November 8, 2021
Preparation of quarterly supplementary financial document:	Yes	
Quarterly results briefing:	Yes (for institutional investors and analysts)	

(Rounded down to million yen)

## 1. Consolidated business results for the six months ended August 2021 (March 1, 2021 through August 31, 2021)

### (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	%
Six months ended Aug. 2021	163,907	9.5	8,427	12.4	8,489	13.2	5,557	40.9
Six months ended Aug. 2020	149,734	-4.9	7,500	-12.7	7,496	-13.4	3,943	-23.9

(Note) Comprehensive income

Six months ended August 2021: 5,957 million yen (56.2%)

Six months ended August 2020: 3,815 million yen (-25.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 2021	111.14	111.04
Six months ended Aug. 2020	78.90	78.81

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Aug. 31, 2021	141,920	91,919	64.1
As of Feb. 28, 2021	136,565	88,281	64.0

(Reference) Shareholders' equity:

As of August 2021: 91,000 million yen

As of February 2021: 87,347 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. 2021	-	35.00	-	47.00	82.00
Year ending Feb. 2022	-				
Ordinary dividend		37.00			
Commemorative dividend		5.00			
Total		42.00			
Year ending Feb. 2022 (forecast)					
Ordinary dividend			-	37.00	74.00
Commemorative dividend			-	5.00	10.00
Total			-	42.00	84.00

(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 2022

### (March 1, 2021 through February 28, 2022) (% 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. 2022	325,000	8.3	16,500	8.3	16,500	8.1	10,500	-10.1	209.99

(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): Yes  
Excluded: 1 (General Services, Inc.)  
(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Significant Notes (4) Notes on quarterly consolidated financial statements (Changes in significant subsidiaries during the period) on page 8 of this material.
- (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                                      | : Yes  |
| ③ Changes in accounting estimates  | : None |
| ④ Restatement  | : None |
- (4) Shares outstanding (common stock)
- |   |                   |
|---|-------------------|
| ① Number of shares outstanding at the end of period (treasury stock included) |                   |
| As of August 2021   | 54,169,633 shares |
| As of February 2021   | 54,169,633 shares |
| ② Treasury stock at the end of period   |                   |
| As of August 2021   | 4,160,597 shares  |
| As of February 2021   | 4,167,473 shares  |
| ③ Average number of stock during period (quarterly cumulative period)         |                   |
| Six months ended August 2021  | 50,007,085 shares |
| Six months ended August 2020  | 49,977,087 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.

2. Quarterly Consolidated Financial Statements and Significant Notes  
(Quarterly Consolidated Balance Sheets)

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Second Quarter (August 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	59,773	59,048
Notes and accounts receivable	39,176	45,735
Electronically recorded monetary claims	3,182	4,924
Inventories	2,006	1,943
Other	6,082	6,398
Allowance for doubtful accounts	-212	-157
Total current assets	110,008	117,891
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,671	1,283
Tools, furniture and fixtures, net	4,264	4,034
Land	2,000	1,432
Other, net	1,545	1,689
Total tangible fixed assets	9,481	8,440
Intangible fixed assets		
Goodwill	3,938	3,611
Other	1,579	1,858
Total intangible fixed assets	5,518	5,470
Investments and other assets		
Investment securities	3,960	3,724
Other	7,607	6,411
Allowance for doubtful accounts	-11	-17
Total investment and other assets	11,557	10,118
Total fixed assets	26,556	24,028
Total assets	136,565	141,920

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Second Quarter (August 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	22,170	23,810
Electronically recorded obligations - operating	4,188	4,918
Short-term borrowings	299	373
Income taxes payable	1,147	1,959
Provision for bonuses	1,325	1,897
Accrued directors' and corporate auditors' remuneration	81	35
Asset retirement obligations	127	28
Allowance for sales discounts	130	119
Other	14,652	13,187
Total current liabilities	44,123	46,331
Fixed liabilities		
Provision for directors' retirement benefits	114	70
Retirement benefit liability	1,594	1,537
Asset retirement obligations	234	229
Allowance for sales discounts	192	134
Other	2,024	1,697
Total fixed liabilities	4,160	3,669
Total liabilities	48,283	50,000
<b>Net assets</b>		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	13,226	13,231
Retained earnings	80,344	83,552
Treasury stock	-10,123	-10,106
Total shareholders' equity	86,685	89,914
Other accumulated comprehensive income		
Valuation difference on securities	1,042	881
Foreign currency translation adjustments	-30	515
Remeasurements of defined benefit plans	-349	-311
Total other accumulated comprehensive income	662	1,086
Share subscription rights	119	124
Non-controlling shareholders' equity	814	794
Total net assets	88,281	91,919
Total liabilities and net assets	136,565	141,920

(2) Quarterly Consolidated Statement of Income and Quarterly Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2020- August 31, 2020)	Current Second Quarter (March 1, 2021- August 31, 2021)
Net sales	149,734	163,907
Cost of sales	131,494	143,444
Gross profit	18,239	20,462
Selling, general and administrative expenses	10,738	12,035
Operating income	7,500	8,427
Non-operating income		
Interest income	11	8
Dividends income	43	43
Equity in income of affiliates	48	44
Other	59	45
Total non-operating income	162	142
Non-operating expenses		
Interest expenses	19	17
Other	146	63
Total non-operating expenses	166	80
Ordinary income	7,496	8,489
Extraordinary income		
Gain on sale of fixed assets	-	170
Gain on sales of investment security	32	-
Subsidies for employment adjustment	216	126
Total extraordinary income	248	296
Extraordinary loss		
Loss on valuation of investment security	443	-
Loss on sales of investment security	1	0
Impairment loss	13	87
Loss due to response to new infections	352	98
Loss on transfer of business	1,262	-
Other	191	150
Total extraordinary loss	2,266	336
Profit before income taxes	5,479	8,448
Income taxes	1,563	1,790
Income taxes-deferred	49	1,127
Total income taxes	1,613	2,918
Net income	3,865	5,530
Net income attributable to non-controlling interests	-77	-27
Net income attributable to owners of parent	3,943	5,557

(Quarterly Consolidated Statement of Comprehensive Income)

(For the six months period)

(Million yen)

	Previous Second Quarter (March 1, 2020- August 31, 2020)	Current Second Quarter (March 1, 2021- August 31, 2021)
Net income	3,865	5,530
Other comprehensive income		
Valuation difference on securities	101	-160
Foreign currency translation adjustments	-203	549
Remeasurements of defined benefit plans	51	38
Total other comprehensive income	-50	426
Comprehensive income	3,815	5,957
(Breakdown)		
Comprehensive income attributable to owners of parent	3,893	5,981
Comprehensive income attributable to non-controlling interests	-78	-24

## (3) Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2020- August 31, 2020)	Current Second Quarter (March 1, 2021- August 31, 2021)
Net cash provided by (used in) operating activities		
Profit before income taxes	5,479	8,448
Depreciation and amortization	1,171	1,308
Impairment loss	13	87
Amortization of goodwill	406	356
Increase (decrease) in allowance sales discount	-254	-67
Increase (decrease) in other allowances	386	494
Interest and dividend income	-54	-52
Interest expenses	19	17
Equity in loss (gain) of affiliates	-48	-44
Loss (gain) on sale of investment securities	443	-
Loss (gain) on transfer of business	1,262	-
Loss (gain) on sale of investment securities	-30	0
Decrease (increase) in notes and accounts receivable- trade	-574	-8,002
Decrease (increase) in inventories	-446	67
Increase (decrease) in notes and accounts payable-trade	-2,026	2,262
Increase (decrease) in accounts payable	-1,321	-555
Increase (decrease) in accrued consumption taxes	-619	-879
Decrease (increase) in accounts receivable-other	-269	93
Increase (decrease) in advances received	-243	140
Increase (decrease) in advance revenue	-417	-303
Other	-307	-817
Sub-total	2,569	2,555
Interest and dividend received	128	100
Interest expenses paid	-17	-16
Income taxes paid	-1,724	-880
Net cash provided by (used in) operating activities	956	1,758
Net cash provided by (used in) investing activities		
Payments into time deposits	-255	-179
Proceeds from withdrawal of time deposits	680	269
Purchase of property, plant and equipment and intangible fixed assets	-1,320	-1,545
Proceeds from sale of tangible and intangible fixed assets	4	885
Purchase of investment securities	-11	-12
Proceeds from sales and redemption of short-term and long-term investment securities	62	9
Payments for deposit of consumption of subsidiaries and associates	-31,000	-
Proceeds from refund of consumer deposits of subsidiaries and associates	31,000	-
Payments for transfer of business	-4,359	-
Other	30	163
Net cash provided by (used in) investing activities	-5,169	-409
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	189	60
Repayment of long-term loans payable	-2	-
Cash dividends paid	-1,648	-2,349
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-1,853	-
Other	-85	-188
Cash flow from financing activities	-3,400	-2,477
Effect of exchange rate change on cash and cash equivalents	-144	491
Net increase (decrease) in cash and cash equivalents	-7,757	-636
Cash and cash equivalents at beginning of period	61,151	58,937
Cash and cash equivalents at end of period	53,394	58,300

(4) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Current Second Quarter (March 1, 2021-August 31, 2021)

None

(Notes if there is a significant change in the amount of shareholders' equity)

Current Second Quarter (March 1, 2021-August 31, 2021)

None

(Changes in significant subsidiaries during the period)

During the first quarter of the fiscal year under review, General Services Inc. was excluded from the scope of consolidation due to the completion of liquidation.

(Changes in accounting policies)

(Change in valuation method for inventories)

Previously, merchandise was stated at cost determined by the moving-average method. Effective from the 1Q of the consolidated fiscal year under review, the Company has changed to the cost method based on the gross average method.

The purpose of this change in valuation method was to enable faster and more appropriate periodical calculation of profit and loss as a result of the renewal of the core system.

As the impact of this change on the Company's performance is immaterial, it has not been applied retrospectively.