

Summary of Financial Results for the Third Quarter Ended November 30, 2021 [Japan GAAP] (Consolidated)

January 12, 2022

Company AEON DELIGHT CO., LTD. Listed on the TSE1
 Stock Code 9787 URL: <https://www.aeondelight.co.jp>
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 Expected date of filing of quarterly report: January 14, 2022 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 2021 (March 1, 2021 through November 30, 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	%
Nine months ended Nov. 2021	240,715	7.3	11,852	5.7	11,943	6.2	8,495	34.3
Nine months ended Nov. 2020	224,398	-3.5	11,214	-7.4	11,245	-7.7	6,326	-14.2

(Note) Comprehensive income

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

Nine months ended November 2020: 6,405 million yen (-13.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 2021	169.87	169.72
Nine months ended Nov. 2020	126.58	126.42

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2021	141,330	92,941	65.1
As of Feb. 2021	136,565	88,281	64.0

(Reference) Shareholders' equity

As of November 2021: 92,021 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: Please refer to ' 2. Quarterly Consolidated Financial Statements and significant notes (3) Notes on quarterly consolidated financial statements (Changes in significant subsidiaries during the period) ' on page 7 of the document.

(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

Note: Please refer to ' 2. Quarterly Consolidated Financial Statements and significant notes (3) 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 2021	54,169,633 shares
As of February 2021	54,169,633 shares

② Treasury stock at the end of period

As of November 2021	4,158,288 shares
As of February 2021	4,167,473 shares

③ Average number of stock during period (quarterly cumulative period)

Nine months ended November 2021	50,008,136 shares
Nine months ended November 2020	49,979,376 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 Third Quarter (November 30, 2021)
Assets		
Current assets		
Cash and deposits	59,773	61,989
Notes and accounts receivable	39,176	42,040
Electronically recorded monetary claims	3,182	5,603
Inventories	2,006	2,088
Other	6,082	6,182
Allowance for doubtful accounts	-212	-151
Total current assets	110,008	117,752
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	1,671	1,743
Tools, furniture and fixtures, net	4,264	4,126
Land	2,000	999
Other, net	1,545	1,486
Total tangible fixed assets	9,481	8,356
Intangible fixed assets		
Goodwill	3,938	3,522
Other	1,579	1,885
Total intangible fixed assets	5,518	5,408
Investments and other assets		
Investment securities	3,960	3,684
Other	7,607	6,165
Allowance for doubtful accounts	-11	-36
Total investment and other assets	11,557	9,813
Total fixed assets	26,556	23,578
Total assets	136,565	141,330

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Third Quarter (November 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,170	22,407
Electronically recorded obligations - operating	4,188	4,184
Short-term borrowings	299	345
Income taxes payable	1,147	1,644
Provision for bonuses	1,325	2,860
Accrued directors' and corporate auditors' remuneration	81	55
Asset retirement obligations	127	28
Allowance for sales discounts	130	126
Other	14,652	13,119
Total current liabilities	44,123	44,774
Fixed liabilities		
Provision for directors' retirement benefits	114	76
Retirement benefit liability	1,594	1,517
Asset retirement obligations	234	368
Allowance for sales discounts	192	107
Other	2,024	1,545
Total fixed liabilities	4,160	3,615
Total liabilities	48,283	48,389
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	13,226	13,233
Retained earnings	80,344	84,388
Treasury stock	-10,123	-10,101
Total shareholders' equity	86,685	90,758
Other accumulated comprehensive income		
Valuation difference on securities	1,042	875
Foreign currency translation adjustments	-30	669
Remeasurements of defined benefit plans	-349	-282
Total other accumulated comprehensive income	662	1,262
Share subscription rights	119	116
Non-controlling shareholders' equity	814	803
Total net assets	88,281	92,941
Total liabilities and net assets	136,565	141,330

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, 2020- November 30, 2020)	Current Third Quarter (March 1, 2021- November 30, 2021)
Net sales	224,398	240,715
Cost of sales	196,836	210,883
Gross profit	27,561	29,832
Selling, general and administrative expenses	16,347	17,979
Operating income	11,214	11,852
Non-operating income		
Interest income	14	14
Dividends income	64	68
Equity in income of affiliates	67	70
Other	91	65
Total non-operating income	238	219
Non-operating expenses		
Interest expenses	29	24
Other	177	103
Total non-operating expenses	206	127
Ordinary income	11,245	11,943
Extraordinary income		
Gain on sale of fixed assets	-	1,218
Gain on sales of investment security	32	-
Subsidies for employment adjustment	358	163
Total extraordinary income	390	1,381
Extraordinary loss		
Loss on valuation of investment security	443	-
Impairment loss	119	87
Loss due to response to new infections	412	133
Loss on transfer of business	1,253	-
Other	193	153
Total extraordinary loss	2,421	374
Profit before income taxes	9,214	12,950
Income taxes	3,218	3,173
Income taxes-deferred	-240	1,327
Total income taxes	2,977	4,500
Net income	6,237	8,450
Net loss attributable to non-controlling interests	-89	-44
Net income attributable to owners of parent	6,326	8,495

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

(Million yen)

	Previous Third Quarter (March 1, 2020- November 30, 2020)	Current Third Quarter (March 1, 2021- November 30, 2021)
Net income	6,237	8,450
Other comprehensive income		
Valuation difference on securities	301	-167
Foreign currency translation adjustments	-211	703
Remeasurements of defined benefit plans	77	69
Total other comprehensive income	167	605
Comprehensive income	6,405	9,055
(Breakdown)		
Comprehensive income attributable to owners of parent	6,490	9,095
Comprehensive income attributable to non-controlling interests	-85	-39

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Current Third Quarter (March 1, 2021–November 30, 2021)

None

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

Current Third Quarter (March 1, 2021–November 30, 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.