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October 8, 2024

Consolidated Financial Results for the Six Months Ended August 31, 2024 (Under Japanese GAAP)

Company name: AEON DELIGHT Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9787
 URL: <https://www.aeondelight.co.jp>
 Representative: Kazumasa Hamada, President and CEO, Group CEO
 Inquiries: Emiko Ishii, Executive Officer, General Manager of President's Office
 Telephone: +81-3-6895-3892
 Scheduled date to file semi-annual securities report: October 11, 2024
 Scheduled date to commence dividend payments: November 5, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2024	166,984	3.4	7,615	4.8	7,751	4.7	5,419	1.8
August 31, 2023	161,511	9.4	7,263	10.0	7,401	12.1	5,325	22.8

Note: Comprehensive income For the six months ended August 31, 2024: ¥6,881 million [10.9%]
 For the six months ended August 31, 2023: ¥6,204 million [7.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2024	112.01	111.94
August 31, 2023	108.88	108.80

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2024	166,169	107,354	63.9
February 29, 2024	160,257	104,212	64.3

Reference: Equity
 As of August 31, 2024: ¥106,104 million
 As of February 29, 2024: ¥103,090 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	-	43.00	-	43.00	86.00
Fiscal year ending February 28, 2025	-	43.00			
Fiscal year ending February 28, 2025 (Forecast)			-	44.00	87.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	340,000	4.7	16,000	5.0	16,000	3.3	10,400	-2.9	216.07

Note: 1. Revisions to the forecast of financial results most recently announced: None

2. At the meeting of the Board of Directors held on April 9, 2024, the Company resolved to acquire treasury stock. "Basic earnings per share" in the forecast of consolidated financial results for the year ending February 28, 2025, is based on the impact of the acquisition of treasury stock.

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2024	49,169,633 shares
As of February 29, 2024	49,169,633 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2024	1,075,647 shares
As of February 29, 2024	634,347 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2024	48,382,515 shares
Six months ended August 31, 2023	48,916,493 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements 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. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

2. Semi-annual Consolidated Financial Statements and Significant Notes
(1) (Semi-annual Consolidated Balance Sheets)

(Million yen)

	Previous Fiscal Year (February 29, 2024)	Current Second Quarter (August 31, 2024)
Assets		
Current assets		
Cash and deposits	68,350	65,540
Notes and accounts receivable - trade, and contract assets	51,519	53,527
Electronically recorded monetary claims	5,237	9,711
Securities	7,903	7,351
Inventories	2,858	3,128
Other	4,274	6,514
Allowance for doubtful accounts	-164	-175
Total current assets	139,980	145,597
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,358	1,316
Tools, furniture and fixtures, net	2,948	2,803
Land	193	193
Other, net	1,984	2,183
Total property, plant and equipment	6,484	6,497
Intangible assets		
Goodwill	2,203	1,845
Other	3,894	4,044
Total noncurrent assets	6,098	5,889
Investments and other assets		
Investment securities	4,123	4,369
Other	3,590	3,834
Allowance for doubtful accounts	-19	-20
Total investment and other assets	7,693	8,183
Total noncurrent assets	20,277	20,571
Total assets	160,257	166,169

(Million yen)

	Previous Fiscal Year (February 29, 2024)	Current Second Quarter (August 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,292	27,675
Electronically recorded obligations - operating	5,667	6,162
Short-term borrowings	378	479
Accounts payable	7,525	7,982
Income taxes payable	2,572	2,769
Provision for bonuses	1,459	2,046
Accrued directors' and corporate auditors' remuneration	67	34
Other	6,481	8,493
Total current liabilities	53,445	55,642
Noncurrent liabilities		
Provision for directors' retirement benefits	57	58
Retirement benefit liability	753	1,076
Asset retirement obligations	418	422
Other	1,369	1,614
Total noncurrent liabilities	2,599	3,171
Total liabilities	56,044	58,814
Net assets		
Shareholder's equity		
Capital stock	3,238	3,238
Capital surplus	532	532
Retained earnings	97,918	101,250
Treasury stock	-1,779	-3,465
Total shareholders' equity	99,909	101,555
Other accumulated comprehensive income		
Valuation difference on securities	1,212	1,355
Foreign currency translation adjustments	1,951	3,151
Remeasurements of defined benefit plans	17	41
Total other accumulated comprehensive income	3,181	4,548
Share subscription rights	68	78
Non-controlling shareholders' equity	1,054	1,170
Total net assets	104,212	107,354
Total liabilities and net assets	160,257	166,169

(2) Semi-annual Consolidated Statement of Income and Semi-annual Statement of Comprehensive Income
(Semi-annual Consolidated Statement of Income)

(Million yen)

	Previous Second Quarter (March 1, 2023- August 31, 2023)	Current Second Quarter (March 1, 2024- August 31, 2024)
Net sales	161,511	166,984
Cost of sales	140,700	145,067
Gross profit	20,811	21,916
Selling, general and administrative expenses	13,547	14,300
Operating profit	7,263	7,615
Non-operating income		
Interest income	31	62
Dividends income	50	58
Equity in income of affiliates	60	62
Other	99	27
Total non-operating income	241	211
Non-operating expenses		
Interest expenses	12	19
Other	91	56
Total non-operating expenses	104	75
Ordinary profit	7,401	7,751
Profit before income taxes	7,401	7,751
Income taxes - current	1,731	2,029
Income taxes-deferred	281	225
Total income taxes	2,012	2,255
Profit	5,388	5,495
Profit attributable to non-controlling interests	63	76
Profit attributable to owners of parent	5,325	5,419

(Semi-annual Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous Second Quarter (March 1, 2023- August 31, 2023)	Current Second Quarter (March 1, 2024- August 31, 2024)
Profit	5,388	5,495
Other comprehensive income		
Valuation difference on securities	157	142
Foreign currency translation adjustments	622	1,218
Remeasurements of defined benefit plans, net of tax	36	24
Total other comprehensive income	815	1,386
Comprehensive income	6,204	6,881
(Breakdown)		
Comprehensive income attributable to owners of parent	6,130	6,786
Comprehensive income attributable to non- controlling interests	74	94

(3) Consolidated Statement of Cash Flows

(Million yen)

	Previous Second Quarter (March 1, 2023- August 31, 2023)	Current Second Quarter (March 1, 2024- August 31, 2024)
Net cash provided by (used in) operating activities		
Profit before income taxes	7,401	7,751
Depreciation and amortization	1,367	1,502
Amortization of goodwill	430	401
Increase (decrease) in accrued bonuses	489	581
Increase (decrease) in provision for directors' retirement	-21	1
Increase (decrease) in liabilities relating to retirement benefits	-99	342
Interest and dividend income	-81	-121
Interest expenses	12	19
Loss (gain) on sale of noncurrent assets	-0	-6
Equity in loss (gain) of affiliates	-60	-62
Decrease (increase) in notes and accounts receivable- trade	-1,375	-5,772
Decrease (increase) in inventories	-547	-261
Increase (decrease) in notes and accounts payable-trade	789	-1,406
Increase (decrease) in accounts payable	-1,002	57
Other	-388	811
Sub-total	6,914	3,837
Interest and dividend received	121	134
Interest expenses paid	-13	-19
Income taxes paid	-2,037	-1,784
Net cash provided by (used in) operating activities	4,984	2,168
Net cash provided by (used in) investing activities		
Payments into time deposits	-76	-0
Proceeds from withdrawal of time deposits	75	16
Purchase of short-term and long-term investment securities	-7,417	-6,423
Proceeds from sales and redemption of short-term and long-term investment securities	6,503	6,957
Purchase of property, plant and equipment and intangible assets	-1,956	-1,370
Proceeds from sale of property, plant and equipment and intangible assets	83	21
Increase in subsidiaries arising from change in scope of consolidation	-289	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-143	-
Other	-12	-52
Net cash provided by (used in) investing activities	-3,232	-851
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	182	76
Repayment of long-term loans payable	-7	-7
Cash dividends paid	-2,126	-2,086
Purchase of treasury shares	-2,588	-1,689
Other	-42	-80
Cash flow from financing activities	-4,583	-3,787
Effect of exchange rate change on cash and cash equivalents	524	1,081
Net increase (decrease) in cash and cash equivalents	-2,306	-1,389
Cash and cash equivalents at beginning of period	59,996	67,714
Cash and cash equivalents at end of period	57,690	66,324

(4) Semi-annual Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

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

At the meeting of the Board of Directors held on April 9, 2024, the Company resolved to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act, which is applied by replacing the terms pursuant to the provisions of Article 165-3 of the same Act, and acquired 442,400 shares of treasury stock in the six months period of the fiscal year under review. As a result, treasury stock increased by 1,689 million yen, which amounted to -3,465 million yen at the end of the second quarter of the current fiscal year.