April 10, 2025

Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)

Company name: FUJI CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 8278
URL: https://www.the-fuji.com/
Representative: Hiroshi Yamaguchi, President, Representative Director
Inquiries: Yasuhiko Toyoda, Director, Senior Executive Officer, in charge of Planning and Development
Telephone: +81-82-535-8516
Scheduled date of annual general meeting of shareholders: May 19, 2025
Scheduled date to commence dividend payments: May 20, 2025
Scheduled date to file annual securities report: May 20, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	808,928	1.0	12,953	(14.3)	14,315	(17.6)	3,818	(48.7)
February 29, 2024	801,022	2.0	15,110	33.5	17,374	30.0	7,436	(17.7)

Note: Comprehensive income For the fiscal year ended February 28, 2025: ¥4,549 million [(51.4)%]
For the fiscal year ended February 29, 2024: ¥9,356 million [29.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2025	44.06	–	1.8	3.4	1.7
February 29, 2024	85.80	–	3.5	4.0	2.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended February 28, 2025: ¥1,024 million
For the fiscal year ended February 29, 2024: ¥1,441 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	411,808	218,028	52.9	2,513.14
February 29, 2024	427,702	216,097	50.5	2,490.63

Reference: Equity
As of February 28, 2025: ¥217,756 million
As of February 29, 2024: ¥215,837 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2025	16,747	(15,980)	(11,658)	26,291
February 29, 2024	30,607	(14,607)	(10,618)	37,182

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 29, 2024	–	15.00	–	15.00	30.00	2,604	35.0	1.2
Fiscal year ended February 28, 2025	–	15.00	–	15.00	30.00	2,604	68.1	1.2
Fiscal year ending February 28, 2026 (Forecast)	–	15.00	–	15.00	30.00		–	

3. Consolidated financial result forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	815,000	0.8	15,500	19.7	16,800	17.4	5,500	44.0	63.48

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None

Excluded: 2 companies (FUJI Retailing Co., Ltd., MaxValu Nishinihon Co., Ltd.)

(Note) FUJI Retailing Co., Ltd. and MaxValu Nishinihon Co., Ltd., which used to be specified subsidiaries of FUJI CO., LTD., were eliminated as a result of an absorption-type company split with FUJI CO., LTD. as the surviving company on March 1, 2024, and have therefore been excluded from the scope of consolidation effective the fiscal year under review.

(2) 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: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of February 28, 2025	86,856,954 shares
As of February 29, 2024	86,856,954 shares

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

As of February 28, 2025	209,722 shares
As of February 29, 2024	197,179 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2025	86,670,393 shares
Fiscal year ended February 29, 2024	86,674,804 shares

(Note) The number of treasury shares at the end of the period includes shares of FUJI CO., LTD. held by Custody Bank of Japan, Ltd. (trust account) (182,500 shares as of February 28, 2025; 170,550 shares as of February 29, 2024) as trust assets under the “Share Delivery Trust for Directors.”

Treasury shares to be deducted in the calculation of the average number of shares outstanding during the period include shares of FUJI CO., LTD. held by Custody Bank of Japan, Ltd. (trust account) (159,589 shares as of February 28, 2025; 155,683 shares as of February 29, 2024).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss)	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	768,534	–	11,539	360.5	12,593	118.5	16,181	330.6
February 29, 2024	23,912	4.3	2,506	20.7	5,763	97.6	3,757	301.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2025	186.70	–
February 29, 2024	43.36	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	380,786	190,704	50.1	2,202.92
February 29, 2024	231,455	164,991	71.3	1,903.90

Reference: Equity
As of February 28, 2025: ¥190,704 million
As of February 29, 2024: ¥164,991 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Explanation of proper use of earnings forecasts and other special matters
Earnings forecasts and other forward-looking statements in this document are based on information currently available to FUJI CO., LTD. and certain assumptions deemed to be reasonable. Actual results may differ materially from these forecasts due to various factors. Please refer to “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Fiscal Year under Review” on page 2 of this financial results report for the conditions that form the basis for the forecasts and cautions when using the forecasts

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025), the Japanese economy recovered moderately, as evidenced by the real GDP growth of 0.6% (an annualized rate of 2.2%) seen from October to December on the back of improvement in employment and income conditions.

Meanwhile, the operating environment surrounding the retail industry remains challenging, with consumers tightening their purse strings further due to prolonged price increases, such as for energy and daily necessities, in addition to various cost increases including higher raw material prices.

On March 1, 2024, the former FUJI CO., LTD. carried out an absorption-type merger with itself as the surviving company and FUJI Retailing Co., Ltd. and MaxValu Nishinihon Co., Ltd. as the absorbed companies. With the aim of providing a more abundant lineup of new products and services closely aligned with the daily lives of our customers, we have adopted a new slogan, “Making new connections with local communities,” and started operations as the new FUJI CO., LTD., the No. 1 regional supermarket retailer in the Chugoku and Shikoku regions and Hyogo Prefecture. We have formulated our Medium-Term Management Plan for fiscal 2024–2026, and set an operating revenue target of ¥1 trillion for fiscal 2030. We are committed to implementing three basic strategies: “establishing a corporate culture,” “transforming existing businesses,” and “integrating business infrastructure and creating synergies,” along with “promoting ESG management,” across the company.

In establishing a corporate culture, we worked to ensure that our management philosophy and vision are fully embraced, and conducted various training and education programs aimed at creating a culture and organization in which each and every employee acts more autonomously.

For transforming existing businesses, we conducted scrapping and building at four stores and revitalized 37 existing stores as planned, with an eye to meeting increasingly diversifying customer needs and enhancing customer convenience. We also introduced electronic shelf tags at 69 stores (total of 90 stores) and self-checkout registers at 40 stores (total of 377 stores) to promote DX (digital transformation) aimed at saving workforce and labor.

With regard to integrating business infrastructure and creating synergies, we are reorganizing logistics with the aim of integrating and optimizing our supply chains. Following reorganization efforts in eastern Shikoku in the first half of the fiscal year, in the second half we reorganized cold chain logistics in October and room-temperature logistics in November in western Shikoku, and reorganized room-temperature logistics in Hiroshima Prefecture and Yamaguchi Prefecture in February. At our process centers, where fresh foods and prepared dishes are processed and manufactured, we are also working to standardize product specifications and rebuild the product supply system on a regional basis. In product procurement and product development, we are consolidating business partners, unifying product lineups, and expanding the range of Aeon’s private-brand TOPVALU products. Additionally, we are working to develop our own original products that utilize local ingredients, seasonings, menus, etc.

As for promoting ESG management, we are actively promoting activities rooted in local communities in terms of both society and the environment based on our Basic Sustainability Policy. On the social front, we are implementing various activities in cooperation with regional communities, such as donating to organizations active in our business areas and carrying out food education activities aimed at promoting health. In November, we donated a portion of the amount spent using Hofu Shiawasemasu WAON cards (Hofu-shi, Yamaguchi) to the city of Hofu, which was used to purchase educational materials for junior high schools. In February, we began food drive and food bank activities at stores to reduce food waste at six FUJI stores in Ehime Prefecture, and are currently carrying out these activities at 322 stores in total. As an initiative to realize a sustainable society, we are also implementing activities in cooperation with local communities, such as taking part in the marine waste cleanup volunteer program. In terms of the environment, as part of our efforts to save and create energy, we have been replacing refrigerated showcases with more energy-saving models and switching to LED lighting. We have also been working to install facilities designed to generate solar power for self-consumption, and installed them at 18 stores (a total of 81 stores). We will continue our efforts to further reduce our environmental impact going forward.

Initiatives and net sales by type of business (year-on-year basis) are as follows.

For supermarkets, we have bolstered our Everyday Low Price (EDLP) products, such as “lowest possible price," "cheap daily price," and "55 plus points" products in a bid to provide low prices following the tightening of consumers' purse strings. We also worked to provide added value based on the themes of health, beauty, convenience, luxury, and the environment in response to the increasingly two-tiered nature of consumer spending habits.

In the revitalization of existing stores, we worked to improve convenience at stores by rolling out the latest merchandise such as instant meals and convenient products, revamping facilities such as parking lots and resting spaces, and improving services such as by introducing self-checkout registers at more stores. We revitalized 31 stores in the first nine months of the fiscal year under review, followed by three stores in January: MV Oike Store (Kobe-shi, Hyogo), F Minami Iwakuni Store (Iwakuni-shi, Yamaguchi), and M Ozu Store (Ozu-shi, Ehime). For scrapping and building, we opened two stores in the first nine months of the fiscal year under review, followed by two stores in December: MV Aeon Town Rakurakuen Store (Saeki-ku, Hiroshima-shi) and F Niihama Store (Niihama-shi, Ehime). As a result of the above, net sales increased 1.8% year on year, owing mainly to robust sales of food.

As for discount stores, we worked to strengthen sales of private brands (TOPVALU BESTPRICE, private brands only available at Aeon discount stores), create products that motivate customers to visit our stores, and promote volume discounts through bulk purchasing, in order to thoroughly provide low prices. In the revitalization of existing stores, we revitalized the B Hofu Store (Hofu-shi, Yamaguchi) in March, the B Mine Store (Mine-shi, Yamaguchi) in July, and the B Okuda Minami Store (Kita-ku, Okayama-shi) in September. Meanwhile, we closed B Aeon Town Hofu Higashi (Hofu-shi, Yamaguchi) due to a change of business model. As a result, net sales decreased 1.8% year on year.

In non-store initiatives, we took measures to expand sales channels for mobile supermarkets, and started operations at the MV Miki Kita Store (Miki-shi, Hyogo) in January, and now operate at 87 stores and 137 vehicles across 752 routes. Going forward, we will continue to improve customer convenience and build connections with local communities. As a result, net sales at mobile supermarkets increased 14.8% year on year.

On February 28, 2025, we merged by absorption with FUJI TSUTAYA Entertainment Co., Ltd. to strengthen our business foundation and improve management efficiency. In addition, FUJI TRAVEL SERVICE INC. merged with Marunaka Tourist Co., Ltd. on March 1, 2025.

As a result of the above initiatives, operating revenue amounted to ¥808,928 million (up 1.0% year on year), and operating gross profit to ¥249,507 million (up 5.3% year on year). Meanwhile, in addition to continuous wage increases aimed at improving employee satisfaction, we conducted scrapping and building and revitalized existing stores as investments geared toward future growth, and proactively carried out repairs to preserve facilities. Sales promotions, such as those carried out to celebrate the birth of the new FUJI at the beginning of the year, and the relocation of the head office were carried out as planned, bringing selling, general and administrative expenses to ¥236,554 million (up 6.6% year on year). Accordingly, operating profit came to ¥12,953 million (down 14.3% year on year), ordinary profit to ¥14,315 million (down 17.6% year on year), and profit (loss) attributable to owners of parent to ¥3,818 million (down 48.7% year on year).

*FG: Fuji Grand, F: FUJI, MV: MaxValu, M: Marunaka, B: The Big

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review stood at ¥411,808 million, down ¥15,893 million from the end of the previous fiscal year. This was mainly due to decreases of ¥10,891 million in cash and deposits, attributable to the repayment of borrowings, etc.

Total liabilities at the end of the fiscal year under review stood at ¥193,780 million, down ¥17,824 million from the end of the previous fiscal year. This was mainly due to decreases of ¥4,662 million in notes and accounts payable - trade and ¥9,909 million in long-term borrowings including the current portion.

Net assets amounted to ¥218,028 million, up ¥1,931 million from the end of the previous fiscal year, due mainly to a ¥1,237 million increase in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year under Review

Regarding "cash flows from operating activities" for the current consolidated fiscal year, income was 16,747 million yen (income of 30,670 million yen in the previous fiscal year), due to the adjustment of non-cash items such as depreciation expenses of 15,610 million yen and impairment losses of 4,839 million yen, which are included in the current net income before taxes and other adjustments of 7,477 million yen, and the payment of corporate taxes, etc. of 3,358 million yen.

Regarding "cash flows from investing activities," expenditures were 15,980 million yen (expenses of 14,670 million yen in the previous fiscal year), due to expenditures of 16,788 million yen for the acquisition of tangible and intangible fixed assets (including the settlement of facility-related bills payable, etc.).

Regarding "cash flows from financing activities," expenditures for repayment of long-term borrowings were 26,109 million yen, dividend payments were 2,604 million yen, and income from long-term borrowings was 16,200 million yen, resulting in expenditures of 11,658 million yen (expenses of 10,618 million yen in the previous fiscal year).

As a result of the above, the balance of cash and cash equivalents at the end of this consolidated fiscal year was 26,291 million yen.

(Reference) Indicators

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Equity ratio (%)	51.8	54.4	48.5	50.5	52.9
Equity ratio based on market value (%)	38.2	68.6	35.7	38.3	43.6
Cash flow/interest bearing debt ratio (years)	2.4	3.4	3.7	2.7	4.2
Interest coverage ratio (times)	52.7	34.3	53.3	69.1	36.8

Notes: 1. The calculation methods for each indicator are as follows.

Equity ratio: Shareholders' equity / total assets

Equity ratio based on market value: Market capitalization / total assets

Cash flow/interest bearing debt ratio: Interest bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

2. All indicators are calculated based on consolidated financial figures.
3. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
4. Interest bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid.

(4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

We position the appropriate return of profits to our shareholders as an important management task. We will strive to provide our shareholders with stable and perpetual returns while taking into consideration the enhancement of internal reserves and other measures aimed at strengthening our corporate structure. Internal reserves will be used to effectively reinforce our management base by allocating them to investments for the revitalization of existing stores, facility maintenance, IT, logistics, process centers, and human resources, as well as to the consolidation of our financial standing and preparation for large-scale disasters.

We plan to pay a year-end dividend of ¥15 per share, bringing our total annual dividend for the fiscal year ended February 28, 2025 to ¥30 per share when combined with the interim dividend of ¥15 per share.

For the fiscal year ending February 28, 2026, we plan to pay an annual dividend of ¥30 per share.

(5) Future Outlook

The outlook for the business environment surrounding the Company is expected to remain uncertain amid long-standing factors such as population decline, falling birth rates, the graying of society, and the intensification of homogenized competition across business lines, as well as consumers tightening their purse strings and various cost increases.

It is under this environment that we enter the second year since our corporate integration. We will continue to work toward the basic policies of “establishing a corporate culture,” “transforming existing businesses,” and “integrating business infrastructure and creating synergies” set forth in our Medium-Term Management Plan together with “promoting ESG management,” which is the foundation of these policies.

In response to the ongoing rise in commodity prices, we will focus on emphasizing the low price of our products to support the daily lives of our customers to the fullest. We will work to increase sales of TOPVALU products and expand the number of EDLP products, develop our own original products, and provide greater product value while increasing gross profit. In order to meet diversifying customer needs and improve the convenience of our stores, we will continue to revamp our merchandising, facilities, and services by actively revitalizing existing stores and conducting scrapping and building. We will also implement workforce- and labor-saving measures, such as carrying out DX, streamline logistics by integrating our supply chains, enhance the functions of our process centers, and integrate our purchasing and procurement to achieve greater synergy, thereby accelerating our efforts to respond to rising prices. Furthermore, this year, as planned, we will complete our integration of the individual systems that make up the infrastructure behind our business activities, and we will make steady progress toward full-fledged operation in the fiscal year to come.

In promoting ESG management, we will implement environmental measures, including efforts to realize a decarbonized society and promote resource recycling, based on our Basic Sustainability Policy, and we will work to contribute to the promotion of local sports and culture. In addition, we will implement human capital management, and continue to promote diversity and carry out work style reforms. Furthermore, we will strengthen our governance by conducting training and education aimed at ensuring compliance, and by building a robust compliance system including the implementation of timely monitoring.

In light of the above, on a consolidated basis for the next fiscal year, we forecast operating revenue of ¥815.0 billion (up 0.8% year on year), operating profit of ¥15.5 billion (up 19.7% year on year), ordinary profit of ¥16.8 billion (up 17.4% year on year), and profit (loss) attributable to owners of parent of ¥5.5 billion (up 44.0% year on year).

(6) Business Risks, etc.

Major risk factors that could affect the FUJI Group’s operating results, share price, and financial position are outlined below. The forward-looking statements presented herein are based on the judgment of the Company as of the end of the fiscal year under review.

- Risks related to business characteristics

1) Securing and developing human resources

The Group considers securing and developing human resources who support the continuous provision of products and services that satisfy our customers an important task. If these plans do not proceed as intended due to factors such as trends in the domestic economy and demographic changes resulting from the declining birthrate and aging population, or if personnel costs increase due to revisions to labor-related laws and regulations, this could adversely affect the Group’s financial position and operating results.

2) Food labeling and food safety

The Group manufactures fresh food and other products at process centers and in stores, and it is the responsibility of manufacturers and sellers to carry out various food labeling and hygiene management. To address potential risks on this front, we take measures such as preparing manuals, providing in-house training, and thoroughly implementing a check system. However, the occurrence of unexpected incidents or accidents may lead to a loss of social credibility, which in turn could adversely affect the Group’s financial position and operating results.

3) IT systems

The Group has established networks and implements computer management at our stores and offices. However, if our communication networks are cut off or damaged due to natural disasters, accidents, cyberattacks, etc., functions such as logistics, product supply, and internal management may be impaired, causing disruption to our business. This may adversely affect the Group’s earnings and financial condition.

4) Facility maintenance

The Group conducts business with store facilities as our main management asset. Poor maintenance of facilities and equipment may cause unforeseen accidents and jeopardize the physical safety of our customers and employees, leading to a loss of trust, which in turn could adversely affect the Group's financial position and operating results.

5) Impairment losses

The Group mainly engages in sales activities through our store assets. If, as a result of considering the future recoverability of our non-current assets, the Group were to record impairment losses related to stores, etc., in accordance with the Accounting Standard for Impairment of Fixed Assets, this could adversely affect the Group's financial position and operating results.

6) Protection of personal information

The Group takes thorough measures to prevent personal information leaks, such as the establishment of internal regulations, employee training, and the strengthening of IT system security. However, if customers' personal information is leaked for some reason, this could adversely affect the Group's financial position and operating results.

7) Management of subsidiaries

Insufficient management of our subsidiaries runs the risk of fraud or misconduct occurring or the incurrence of unexpected losses, thereby resulting in a loss of credibility and deterioration in the Group's earnings. Earnings deterioration at subsidiaries could also adversely affect the Group's operating results and financial position.

8) Business integration

Within the Group, the following absorption-type mergers were conducted with FUJI CO., LTD as the surviving company: the merger between FUJI CO., LTD., FUJI Retailing Co., Ltd., MaxValu Nishinihon Co., Ltd., and Fuji Delica Quality Co., Ltd. on March 1, 2024, and the merger between FUJI CO., LTD. and FUJI TSUTAYA Entertainment Co., Ltd. on February 28, 2025. In moving ahead with post-merger integration efforts, the business integration may not proceed as planned due to factors such as sudden changes in the economic situation or turmoil in the financial markets. The synergies expected from the business integration may not fully materialize, either. This could adversely affect the Group's financial position and operating results.

- Risks related to the market environment

1) Price fluctuations for raw materials, energy, etc.

The Group is working to provide products and develop stores that meet changes in customer needs. However, fluctuations in market conditions, including exchange rates and crude oil prices, and economic trends could significantly affect procurement prices for products, raw materials, store materials, etc., and development costs. This may result in increased costs for purchasing goods and setting up facilities in stores, which in turn could adversely affect the Group's financial position and operating results.

2) Prolonged competitive environment

The FUJI Group operates stores mainly in the Chugoku and Shikoku regions and western Hyogo Prefecture. Due to the nature of our business, if a large number of new stores from other companies enter the markets in which our stores operate, including the entry of companies from other industries, the Group's financial position and operating results could be adversely affected.

3) Economic and seasonal factors

The Group's core operations consist of retail and retail-related businesses, and our target customers are general consumers. The Group's financial position and operating results may be adversely affected by a decline in purchasing power caused by an economic downturn and unseasonable weather that goes beyond our expectations.

- Risks related to regulations, legal procedures, disasters, etc.

1) Legal restrictions, etc.

The Group conducts business activities with due consideration given to the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment, the Antimonopoly Act, and laws and regulations related to food safety, the environment, and recycling. However, in the unlikely event that we violate laws and regulations or a change in the legal system occurs, this could adversely affect the Group's financial position and operating results.

2) Interest rate and financial market fluctuations

Capital investment funds are sourced from our own funds and borrowings from financial institutions, and the Group's interest bearing debt dependence ratio to total assets stood at 17.1% as of February 28, 2025.

The Group's policy is to strengthen our financial standing through the reduction of borrowings and other measures. We also aim to mitigate the risk of rising interest rates by raising funds at fixed interest rates. However, future fluctuations in interest rates and financial markets could adversely affect the Group's financial position and operating results.

3) Infectious diseases and natural disasters, etc.

The Group operates stores mainly in the Chugoku and Shikoku regions and western Hyogo Prefecture. While we have established an internal emergency system for responding to natural disasters, etc., the occurrence of a large-scale earthquake, storm or flood damage, infectious diseases, etc. may significantly hinder our business activities, which in turn could adversely affect the Group's financial position and operating results.

The Group regards risk management as an important task that all Group companies and departments should take responsibility for. Each Group company conducts its own risk assessments and sets priority risks according to its specific business characteristics and business environment. It then organizes a management system and conducts ongoing deliberations on these risks. The status of risk management implemented by each company is compiled by the Company's Risk Management Meeting and regularly reported to the Internal Control Committee, which is composed of all Directors.

As a result of conducting risk assessments within the Company, we have set items (1) to (5) listed below as priority risks. Each item is deliberated by the Risk Management Meeting and then reported to the Internal Control Committee.

1) Soaring prices of raw materials, energy, etc.

The Company shares information and collaborates with AEON Co., Ltd. based on the monitoring of electricity usage across all facilities, with the General Affairs Department, Construction Department, and Sustainability Promotion Office in charge of management.

2) Securing and developing human resources

The Human Resources Department is in charge of managing initiatives such as the real-time monitoring of work hours and initiatives for establishing a corporate culture (vision meetings).

3) Food labeling and food safety

The Quality Control Office is in charge of managing initiatives such as the creation of labels, pre-sale inspections, and the centralized management in accordance with the HACCP (Hazard Analysis and Critical Control Point) system based on food safety certification.

4) IT systems

In cooperation with AEON Co., Ltd., the System Management Department is in charge of managing initiatives such as updating various management ledgers, providing security training, and addressing vulnerabilities in publicly available servers.

5) Facility maintenance

The Company has created a management list that consolidates the construction status of all facilities, and the Construction Department, General Affairs Department, and Store Operations Headquarters work together to share and manage priorities.

2. Management Policy

(1) Basic Management Policy

The management vision of FUJI and the FUJI Group calls for “realizing unparalleled peace of mind and excitement for our customers and employees,” with a management policy that consists of three pillars: “field-oriented,” “employee satisfaction,” and “creating synergies.” We will continue to focus on ensuring the safety and security of our customers and employees, and aim to be a corporate group that contributes most to local communities by responding flexibly and swiftly to changing customer behavior.

(2) Medium- to Long-Term Management Strategy

On January 30, 2024, we disclosed our three-year Medium-Term Management Plan for fiscal 2024–2026. In this plan, we are committed to implementing three basic strategies, “establishing a corporate culture,” “transforming existing businesses,” and “integrating business infrastructure and creating synergies,” as well as promoting ESG management. In order to implement measures based on these basic strategies, we plan to invest ¥86.0 billion over the plan’s three-year period, and are aiming for operating revenue of ¥845.0 billion and an operating profit ratio of over 2% in fiscal 2026, and operating revenue of ¥1 trillion in fiscal 2030.

3. Basic Approach to Selection of Accounting Standards

As the Group does not conduct international business operations or fundraising, we have adopted Japanese GAAP in preparing our consolidated financial statements.

With regard to the potential adoption of International Financial Reporting Standards (IFRS), the Group will closely monitor institutional trends and other factors, taking into account various situations in Japan and overseas.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	37,182	26,291
Notes receivable - trade	39	8
Accounts receivable - trade	10,071	9,010
Operating loans	411	-
Merchandise	32,995	33,669
Other	11,549	9,801
Allowance for doubtful accounts	(115)	(37)
Total current assets	92,135	78,744
Non-current assets		
Property, plant and equipment		
Buildings and structures	345,558	348,113
Accumulated depreciation	(238,885)	(243,952)
Buildings and structures, net	106,673	104,160
Machinery, equipment and vehicles	13,414	13,360
Accumulated depreciation	(8,532)	(9,239)
Machinery, equipment and vehicles, net	4,881	4,121
Tools, furniture and fixtures	67,948	70,450
Accumulated depreciation	(56,178)	(56,871)
Tools, furniture and fixtures, net	11,770	13,578
Land	114,223	115,760
Leased assets	7,270	7,460
Accumulated depreciation	(2,007)	(2,460)
Leased assets, net	5,263	4,999
Construction in progress	1,144	608
Total property, plant and equipment	243,955	243,229
Intangible assets		
Leasehold interests in land	59	56
Other	1,934	2,180
Goodwill	24,269	22,921
Total intangible assets	26,262	25,158
Investments and other assets		
Investment securities	24,108	24,481
Long-term loans receivable	298	285
Deferred tax assets	14,510	13,406
Guarantee deposits	17,832	16,754
Construction assistance fund receivables	2,565	2,134
Retirement benefit asset	3,086	4,398
Other	3,224	3,423
Allowance for doubtful accounts	(278)	(208)
Total investments and other assets	65,348	64,676
Total non-current assets	335,566	333,064
Total assets	427,702	411,808

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,266	52,603
Short-term borrowings	4,900	3,950
Current portion of long-term borrowings	24,945	21,798
Accounts payable - other	16,052	11,979
Income taxes payable	1,669	2,201
Provision for bonuses	3,075	2,387
Contract liabilities	7,424	6,809
Provision for loss on store closings	713	78
Provision for directors remuneration based on-CL	32	7
Other	16,003	19,515
Total current liabilities	132,084	121,331
Non-current liabilities		
Long-term borrowings	45,334	38,571
Lease liabilities	5,866	5,506
Deferred tax liabilities	185	80
Provision for retirement benefits for directors (and other officers)	65	51
Provision for share awards for directors (and other officers)	368	271
Retirement benefit liability	1,930	1,869
Provision for loss on interest repayment	284	239
Provision for loss on store closings	-	899
Long-term guarantee deposits	13,329	12,991
Asset retirement obligations	10,866	10,932
Other	1,289	1,034
Total non-current liabilities	79,521	72,449
Total liabilities	211,605	193,780
Net assets		
Shareholders' equity		
Share capital	22,000	22,000
Capital surplus	142,025	142,025
Retained earnings	46,201	47,415
Treasury shares	(418)	(429)
Total shareholders' equity	209,808	211,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,553	4,725
Remeasurements of defined benefit plans	1,474	2,019
Total accumulated other comprehensive income	6,028	6,745
Non-controlling interests	260	272
Total net assets	216,097	218,028
Total liabilities and net assets	427,702	411,808

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	771,123	778,238
Cost of sales	563,965	559,421
Gross profit	207,157	218,817
Operating revenue		
Real estate lease revenue	20,095	20,112
Other operating revenue	9,803	10,576
Total operating revenue	29,898	30,689
Operating gross profit	237,056	249,507
Selling, general and administrative expenses		
Advertising expenses	9,261	10,093
Provision of allowance for doubtful accounts	164	46
Employees' salaries and allowances	85,675	92,632
Employees' bonuses	5,501	5,809
Provision for bonuses	3,075	2,387
Retirement benefit expenses	1,418	1,355
Provision for retirement benefits for directors (and other officers)	17	16
Provision for share awards for directors (and other officers)	60	41
Rent expenses on land and buildings	19,706	19,284
Utilities expenses	18,008	17,859
Enterprise and office taxes	445	1,908
Depreciation	15,580	15,610
Amortization of goodwill	1,348	1,348
Other	61,681	68,159
Total selling, general and administrative expenses	221,945	236,554
Operating profit	15,110	12,953
Non-operating income		
Interest income	49	54
Dividend income	348	388
Share of profit of entities accounted for using equity method	1,441	1,024
Gain on amortization of canceled tenant contracts	59	52
Subsidy income	571	97
Other	555	563
Total non-operating income	3,025	2,180
Non-operating expenses		
Interest expenses	442	459
Provision of allowance for doubtful accounts	-	21
Other	319	336
Total non-operating expenses	761	817
Ordinary profit	17,374	14,315

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Extraordinary income		
Gain on sale of non-current assets	219	67
Gain on sale of investment securities	14	241
Gain on sale of businesses	-	58
Total extraordinary income	234	367
Extraordinary losses		
Loss on sale and retirement of non-current assets	311	1,325
Impairment losses	5,117	4,839
Loss on valuation of investment securities	-	1
Provision of allowance for doubtful accounts	7	-
Loss on store closings	159	161
Provision for loss on store closings	709	878
Total extraordinary losses	6,305	7,206
Profit before income taxes	11,303	7,477
Income taxes - current	4,742	2,741
Income taxes - deferred	(890)	903
Total income taxes	3,852	3,645
Profit	7,450	3,832
Profit attributable to non-controlling interests	14	13
Profit attributable to owners of parent	7,436	3,818

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit	7,450	3,832
Other comprehensive income		
Valuation difference on available-for-sale securities	1,161	172
Remeasurements of defined benefit plans, net of tax	756	445
Share of other comprehensive income of entities accounted for using equity method	(12)	99
Total other comprehensive income	1,905	717
Comprehensive income	9,356	4,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,342	4,559
Comprehensive income attributable to non-controlling interests	14	13

Consolidated Statements of Changes in Equity

For the fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,000	142,025	41,370	(376)	205,019
Changes during period					
Dividends of surplus			(2,604)		(2,604)
Profit attributable to owners of parent			7,436		7,436
Purchase of treasury shares				(41)	(41)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,831	(41)	4,789
Balance at end of period	22,000	142,025	46,201	(418)	209,808

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,391	731	4,122	247	209,388
Changes during period					
Dividends of surplus					(2,604)
Profit attributable to owners of parent					7,436
Purchase of treasury shares					(41)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity	1,161	743	1,905	12	1,918
Total changes during period	1,161	743	1,905	12	6,708
Balance at end of period	4,553	1,474	6,028	260	216,097

For the fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,000	142,025	46,201	(418)	209,808
Changes during period					
Dividends of surplus			(2,604)		(2,604)
Profit attributable to owners of parent			3,818		3,818
Purchase of treasury shares				(147)	(147)
Disposal of treasury shares				136	136
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,213	(11)	1,202
Balance at end of period	22,000	142,025	47,415	(429)	211,011

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,553	1,474	6,028	260	216,097
Changes during period					
Dividends of surplus					(2,604)
Profit attributable to owners of parent					3,818
Purchase of treasury shares					(147)
Disposal of treasury shares					136
Net changes in items other than shareholders' equity	172	544	717	12	729
Total changes during period	172	544	717	12	1,931
Balance at end of period	4,725	2,019	6,745	272	218,028

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	11,303	7,477
Depreciation	16,847	15,610
Impairment losses	5,117	4,839
Amortization of goodwill	1,348	1,348
Increase (decrease) in allowance for doubtful accounts	86	35
Increase (decrease) in provision for bonuses	773	(688)
Increase (decrease) in retirement benefit liability	(221)	(61)
Decrease (increase) in retirement benefit asset	(692)	(1,311)
Increase (decrease) in provision for directors remuneration based on performance	(0)	(23)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(14)
Increase (decrease) in provision for share awards for directors (and other officers)	57	(97)
Increase (decrease) in provision for loss on interest repayment	(73)	(44)
Increase (decrease) in provision for loss on store closings	650	265
Interest and dividend income	(398)	(442)
Interest expenses	442	459
Share of loss (profit) of entities accounted for using equity method	(1,441)	(1,024)
Subsidy income	(571)	(97)
Loss (gain) on sale and retirement of non-current assets	91	1,066
Loss (gain) on sale of investment securities	(14)	(241)
Loss (gain) on valuation of investment securities	-	1
Loss (gain) on sale of businesses	-	(58)
Loss on store closings	159	296
Decrease (increase) in trade receivables	(737)	(83)
Decrease (increase) in inventories	(924)	(674)
Increase (decrease) in trade payables	1,855	(4,662)
Other, net	2,973	(2,339)
Subtotal	36,629	19,533
Interest and dividends received	975	930
Interest paid	(442)	(455)
Subsidies received	571	97
Income taxes paid	(7,125)	(3,358)
Net cash provided by (used in) operating activities	30,607	16,747

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from investing activities		
Purchase of investment securities	(2)	(3)
Proceeds from sale of investment securities	188	511
Loan advances	(121)	(96)
Proceeds from collection of loans receivable	36	232
Payment of long-term prepaid expenses	(363)	(211)
Payment of investments and other assets	(984)	(1,186)
Collction of investments and other assets	1,522	1,194
Purchase of property, plant and equipment and intangible assets	(15,921)	(16,788)
Proceeds from sale of property, plant and equipment	1,039	366
Net cash provided by (used in) investing activities	(14,607)	(15,980)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,050	(950)
Proceeds from long-term borrowings	19,500	16,200
Repayments of long-term borrowings	(27,703)	(26,109)
Repayments of lease liabilities	(816)	(1,192)
Proseeds from sale of business	-	3,010
Purchase of treasury shares	(41)	(147)
Proceeds from sale of treasury shares	-	136
Dividends paid	(2,604)	(2,604)
Dividends paid to non-controlling interests	(1)	(1)
Net cash provided by (used in) financing activities	(10,618)	(11,658)
Net increase (decrease) in cash and cash equivalents	5,381	(10,891)
Cash and cash equivalents at beginning of period	31,800	37,182
Cash and cash equivalents at end of period	37,182	26,291

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies, etc.)

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)

(Changes in depreciation method, useful life, and residual value estimates for property, plant and equipment)

For the depreciation of property, plant and equipment (excluding leased assets), the Company and some of its consolidated subsidiaries previously had used the declining balance method, as well as the straight-line method for buildings (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016. From the fiscal year under review, the depreciation method has been changed to the straight-line method.

On March 1, 2024, FUJI CO., LTD. merged by absorption with its subsidiaries, FUJI Retailing Co., Ltd. and MaxValu Nishinihon Co., Ltd.

Accompanying this merger, the Company reconsidered the consumption patterns of the economic benefits of the Group's property, plant and equipment such as store facilities. As a result, since the Group's property, plant and equipment have been used in a stable manner over their useful lives and said benefits are expected to be consumed evenly over their useful lives, we have determined that depreciation using the straight-line method would more accurately reflect the actual situation of the Group.

In conjunction with the change in depreciation method, we have also reviewed their useful life and residual value in light of our store strategy going forward. As a result, the useful life of the property, plant and equipment that FUJI CO., LTD. acquired from MaxValu Nishinihon Co., Ltd. has been changed to the same useful life used by FUJI CO., LTD., and the residual value has been changed to the memorandum value of ¥1, the same as FUJI CO., LTD.

As a result of the above changes, depreciation for the fiscal year under review decreased by ¥1,049 million, and operating profit, ordinary profit, and profit (loss) before income taxes increased by the same amount.

(Additional information)

(Board Benefit Trust)

Based on the resolution of the 50th Annual General Meeting of Shareholders held on May 18, 2017, the Company introduced a stock-based compensation system (hereinafter referred to as the "System") for its directors (excluding outside directors and part-time directors) and corporate auditors (excluding part-time corporate auditors) (hereinafter referred to as the "Directors, etc.") from July 10, 2017.

(1) Outline of the System

The System is a stock-based compensation system in which a trust established through monetary contribution by the Company acquires the Company's shares through monetary contributions, and the Company's shares equivalent to the number of points granted by the Company to each Director, etc. are delivered to each Director, etc. through the trust. In principle, Directors, etc. receive the Company's shares upon retirement.

(2) Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding incidental expenses). The book value and number of treasury shares at the end of the previous fiscal year were ¥368 million and 170,550 shares, respectively. The book value and number of treasury shares at the end of the fiscal year under review were ¥378 million and 182,500 shares, respectively.

(Segment information, etc.)

(Segment information)

This information is omitted because the Company only has a single business segment.

(Per share information)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net assets per share	2,490.63 yen	2,513.14 yen
Basic earnings per share	85.80 yen	44.06 yen

Notes: 1. There were no dilutive shares, so no diluted earnings per share are indicated.

2. When calculating basic earnings per share, company shares remaining in the trust that are recorded as treasury shares within the shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of shares outstanding during the period. When calculating net assets per share, they are included in the number of treasury shares to be deducted in the calculation of the total number of issued shares at the end of the period.

   When calculating basic earnings per share, the average number of deducted treasury shares during the period was 155,683 shares and 159,589 shares for the fiscal year ended February 29, 2024 and the fiscal year ended February 28, 2025, respectively. When calculating net assets per share, the number of deducted treasury shares at the end of the period was 170,550 shares and 182,500 shares for the fiscal year ended February 29, 2024 and the fiscal year ended February 28, 2025, respectively.

3. Basis for calculations

(1) Basic earnings per share

Item	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit (loss) attributable to owners of parent (Millions of yen)	7,436	3,818
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to common shareholders of parent (Millions of yen)	7,436	3,818
Average number of common shares outstanding during the period (Thousand shares)	86,674	86,670

(2) Net assets per share

Item	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Total net assets (Millions of yen)	216,097	218,028
Amount deducted from total net assets (Millions of yen)	260	272
[Of which, non-controlling interests (Millions of yen)]	[260]	[272]
Net assets attributable to common shares at end of period (Millions of yen)	215,837	217,756
Number of common shares outstanding at end of period used in the calculation of net assets per share (Thousand shares)	86,659	86,647

(Significant events after reporting period)

Not applicable.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	14,233	21,258
Accounts receivable - trade	0	8,791
Merchandise	-	32,835
Short-term loans receivable from subsidiaries and associates	3,000	1,350
Other	3,801	11,368
Allowance for doubtful accounts	(3)	-
Total current assets	21,031	75,603
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,969	99,560
Machinery, equipment and vehicles	184	4,501
Tools, furniture and fixtures	2,939	13,472
Land	34,017	117,441
Leased assets	2,146	4,254
Construction in progress	63	575
Total property, plant and equipment	83,321	239,805
Intangible assets		
Leasehold interests in land	4,276	3,561
Other	1,405	2,096
Total intangible assets	5,681	5,658
Investments and other assets		
Investment securities	5,831	13,572
Shares of subsidiaries and associates	99,505	4,843
Long-term loans receivable	99	5,733
Guarantee deposits	10,491	16,546
Construction assistance fund receivables	2,065	2,028
Prepaid pension costs	1,699	2,155
Deferred tax assets	795	13,534
Other	1,034	3,681
Allowance for doubtful accounts	(100)	(2,378)
Total investments and other assets	121,420	59,718
Total non-current assets	210,423	305,183
Total assets	231,455	380,786

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,741	51,299
Short-term borrowings	4,720	10,210
Current portion of long-term borrowings	5,861	21,787
Accounts payable - other	4,569	10,743
Income taxes payable	36	1,777
Contract liabilities	660	1,249
Provision for bonuses	609	2,120
Provision for loss on store closings	634	78
Deposits received	16,532	4,250
Other	1,592	16,181
Total current liabilities	36,959	119,698
Non-current liabilities		
Long-term borrowings	11,615	38,461
Lease liabilities	2,677	4,675
Provision for retirement benefits	1,403	1,569
Provision for share awards for directors (and other officers)	368	271
Provision for loss on interest repayment	284	239
Provision for loss on store closings	-	899
Provision for loss on business of subsidiaries and associates	-	80
Long-term guarantee deposits	7,849	12,755
Asset retirement obligations	4,305	10,405
Other	1,000	1,024
Total non-current liabilities	29,504	70,384
Total liabilities	66,463	190,082
Net assets		
Shareholders' equity		
Share capital	22,000	22,000
Capital surplus		
Legal capital surplus	107,599	107,599
Total capital surplus	107,599	107,599
Retained earnings		
Legal retained earnings	633	633
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	172	1,478
General reserve	27,900	27,900
Retained earnings brought forward	4,569	25,191
Other retained earnings	32,642	54,570
Total retained earnings	33,275	55,203
Treasury shares	(418)	(429)
Total shareholders' equity	162,456	184,372
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,535	6,331
Total valuation and translation adjustments	2,535	6,331
Total net assets	164,991	190,704
Total liabilities and net assets	231,455	380,786

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Operating revenue		
Net sales	-	740,538
Real estate lease revenue	22,091	21,606
Other operating revenue	1,820	6,389
Total operating revenue	23,912	768,534
Operating expenses		
Cost of sales	-	537,190
Cost of real estate lease revenue	18,424	-
Total operating expenses	18,424	537,190
Operating gross profit	5,487	231,344
Selling, general and administrative expenses		
Advertising expenses	0	9,170
Depreciation	-	15,567
Employees' salaries and allowances	16,014	84,428
Employees' bonuses	1,807	5,276
Provision for bonuses	609	2,120
Retirement benefit expenses	501	1,338
Provision for share awards for directors (and other officers)	57	39
Legal and other welfare expenses	2,323	13,231
Burden charge for transferred employees	(20,419)	-
Rent expenses on land and buildings	-	19,288
Utilities expenses	-	16,341
Commission expenses	1,264	-
Enterprise and office taxes	288	1,860
Provision of allowance for doubtful accounts	100	9
Other	431	51,132
Total selling, general and administrative expenses	2,981	219,804
Operating profit	2,506	11,539
Non-operating income		
Interest and dividend income	3,184	1,380
Subsidy income	156	95
Other	191	612
Total non-operating income	3,531	2,087
Non-operating expenses		
Interest expenses	203	455
Provision of allowance for doubtful accounts for subsidiaries and associates	-	290
Other	70	287
Total non-operating expenses	274	1,033
Ordinary profit	5,763	12,593

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Extraordinary income		
Gain on extinguishment of tie-in shares	-	13,667
Gain on sale of non-current assets	-	70
Gain on sale of investment securities	95	241
Total extraordinary income	95	13,979
Extraordinary losses		
Loss on sale and retirement of non-current assets	154	1,215
Impairment losses	907	4,916
Loss on valuation of investment securities	-	1
Loss on waiver of debt of subsidiaries and associates	-	193
Loss on store closings	15	149
Provision for loss on store closings	634	834
Total extraordinary losses	1,711	7,311
Profit before income taxes	4,147	19,261
Income taxes - current	403	1,991
Income taxes - deferred	(14)	1,089
Total income taxes	389	3,080
Profit	3,757	16,181

Non-consolidated Statements of Changes in Equity

For the fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	22,000	107,599	107,599
Changes during period			
Dividends of surplus			
Profit			
Provision of reserve for tax purpose reduction entry of non-current assets			
Reversal of reserve for tax purpose reduction entry of non-current assets			
Purchase of treasury shares			
Disposal of treasury shares			
Increase by reversal of business merger reserves			
Net changes in items other than shareholders' equity			
Total changes during period	-	-	-
Balance at end of period	22,000	107,599	107,599

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
		Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	633	186	27,900	3,208	31,928
Changes during period					
Dividends of surplus				(2,604)	(2,604)
Profit				3,757	3,757
Provision of reserve for tax purpose reduction entry of non-current assets					
Reversal of reserve for tax purpose reduction entry of non-current assets		(14)		14	-
Purchase of treasury shares					
Disposal of treasury shares					
Increase by reversal of business merger reserves				194	194
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	-	1,361	1,347
Balance at end of period	633	172	27,900	4,569	33,275

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(376)	161,150	1,944	1,944	163,095
Changes during period					
Dividends of surplus		(2,604)			(2,604)
Profit		3,757			3,757
Provision of reserve for tax purpose reduction entry of non-current assets		-			-
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Purchase of treasury shares	(41)	(41)			(41)
Disposal of treasury shares		-			-
Increase by reversal of business merger reserves		194			194
Net changes in items other than shareholders' equity			590	590	590
Total changes during period	(41)	1,305	590	590	1,895
Balance at end of period	(418)	162,456	2,535	2,535	164,991

For the fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	22,000	107,599	107,599
Changes during period			
Dividends of surplus			
Profit			
Provision of reserve for tax purpose reduction entry of non-current assets			
Reversal of reserve for tax purpose reduction entry of non-current assets			
Purchase of treasury shares			
Disposal of treasury shares			
Increase by reversal of business merger reserves			
Net changes in items other than shareholders' equity			
Total changes during period	-	-	-
Balance at end of period	22,000	107,599	107,599

	Shareholders' equity				
	Retained earnings				
	Legal retained earnings	Other retained earnings			Total retained earnings
		Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	633	172	27,900	4,569	33,275
Changes during period					
Dividends of surplus				(2,604)	(2,604)
Profit				16,181	16,181
Provision of reserve for tax purpose reduction entry of non-current assets		1,324		(1,324)	
Reversal of reserve for tax purpose reduction entry of non-current assets		(18)		18	-
Purchase of treasury shares					
Disposal of treasury shares					
Increase by reversal of business merger reserves				8,351	8,351
Net changes in items other than shareholders' equity					
Total changes during period	-	1,305	-	20,621	21,927
Balance at end of period	633	1,478	27,900	25,191	55,203

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(418)	162,456	2,535	2,535	164,991
Changes during period					
Dividends of surplus		(2,604)			(2,604)
Profit		16,181			16,181
Provision of reserve for tax purpose reduction entry of non-current assets		-			-
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Purchase of treasury shares	(147)	(147)			(147)
Disposal of treasury shares	136	136			136
Increase by reversal of business merger reserves		8,351			8,351
Net changes in items other than shareholders' equity			3,796	3,796	3,796
Total changes during period	(11)	21,916	3,796	3,796	25,712
Balance at end of period	(429)	184,372	6,331	6,331	190,704