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Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]



July 10, 2025

Company name: Belc CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9974

URL: <https://www.belc.jp>

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Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on financial results: Not available

Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended May 31, 2025 (March 1, 2025 – May 31, 2025)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	103,712	11.0	3,885	4.1	3,991	2.7	2,730	4.5
May 31, 2024	93,456	12.7	3,731	(11.3)	3,884	(12.9)	2,613	(13.1)

(Note) Comprehensive income: Three months ended May 31, 2025: ¥2,731 million [3.5%]

Three months ended May 31, 2024: ¥2,639 million [(12.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2025	131.02	—
May 31, 2024	125.35	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2025	212,922	111,252	52.2
As of February 28, 2025	200,717	109,920	54.8

(Reference) Equity: As of May 31, 2025: ¥111,252 million

As of February 28, 2025: ¥109,920 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	—	58.00	—	62.00	120.00
Fiscal year ending February 28, 2026	—				
Fiscal year ending February 28, 2026 (Forecast)		62.00	—	62.00	124.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025–February 28, 2026)

(% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	414,172	6.8	18,091	6.4	18,263	5.0	12,445	0.5
								597.03

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: –

Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

May 31, 2025:	20,867,800 shares
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February 28, 2025:	20,867,800 shares
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2) Total number of treasury shares at the end of the period:

May 31, 2025:	36,875 shares
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February 28, 2025:	21,875 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended May 31, 2025:	20,841,721 shares
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Three months ended May 31, 2024:	20,845,181 shares
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* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecasts and other notes

The business outlook and other forward-looking statements in these materials are based on information currently available to the Company and certain assumptions that are deemed reasonable. Actual financial results, etc. may significantly vary from these forecasts due to various factors. For the assumptions used in the above financial results forecasts and other related matters, please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements” on page 3.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

During the three months ended May 31, 2025, the Japanese economy experienced improvements in the employment and income situation, and is expected to recover modestly, along with support from various government policies. However, the economic outlook remains uncertain due to the higher risk of an economic downturn resulting from the impact of the U.S. trade policy.

In the retail industry, conditions remain harsh, as rising product purchase prices due to the soaring raw material prices and production costs, and continued rising prices have a significant impact on consumer spending through factors such as a downturn in consumer sentiment.

In this environment, the Belc Group (the “Group”) has worked to sell delicious and fresh products, emphasize our price appeal, and create stores that are supported and trusted by customers, led by our motto of “Better Quality & Lower Price,” so that we, as a supermarket, can provide members of local communities with richer lives.

Below is an overview of the main initiatives we have implemented.

As for our sales measures, we have implemented point card sales promotion and various campaign measures, and delivered information on social media in an effort to give a wider range of customers more incentives to visit our stores. We have also been enhancing the convenience of our customers by expanding the stores that support “Belc otodoke (delivery) pack,” our online grocery shopping service, and “Belc Pay,” our proprietary e-money card.

As for our product measures, we worked to increase customers who shop intentionally at our stores by further expanding our offering of products developed in-house, including our private label, “kurabelc (Belc for everyday life).”

As for our store operations, we have used the Company’s greatest feature, our standardized corporate structure, as a foundation on which we have appropriately allocated personnel and conducted daily reviews of the use of labor-saving equipment to promote highly productive chain operations.

As for our store investments, we newly opened Forte Tsukuba Store in Tsukuba City, Ibaraki Prefecture in April 2025 and Ryugasaki Store in Ryugasaki City, Ibaraki Prefecture in May. In addition, we renovated existing one store, expanded its deli and convenience food selections, and updated the facilities to provide more pleasant shopping environments. As a result, we operate 143 Belc stores and three CLBE stores, total of 146 stores as of May 31, 2025.

As for our logistics system, through large-scale batch procurement of products from production sites and manufacturers and enhancing our delivery efficiency by leveraging our in-house logistics, we have improved product price competitiveness while achieving more consistent product quality. We have also continued to review and revise our delivery system based on the work performed at stores, and to improve the efficiency of store operations.

Meanwhile, our Group company Home Delica Co., Ltd. has increased the production capacity and built a supply system for products that taste good, enhancing our product appeal. In addition, Joytech, Inc. strived to reinforce the Group’s service business by developing and supplying equipment, supplies, and sales materials.

As a result, operating income (net sales and operating revenue combined) for the three months ended May 31, 2025 increased to ¥103,712 million (111.0% of that of the same period of the previous fiscal year). In terms of net sales, the Company achieved a significant increase of 106.5% in non-consolidated existing store sales compared with that of the same period of the previous fiscal year, with relative affordability compared with other companies in terms of product prices and continued sales promotion activities that kept customers interested.

The gross profit margin was 25.7%, a decrease of 0.5 points from that of the same period of the previous year, due to the impact of rising product purchase prices and price increases to maintain competitiveness.

As for selling and administrative expenses, the ratio of selling and administrative expense to net sales was 23.6%, a decrease of 0.2 points from that of the same period of the previous year. This was achieved by implementing expense control in line with net sales while realizing wage increases for employees, resulting in

figures in line with the plan.

As for profits at each stage, operating profit was ¥3,885 million (104.1% of that of the same period of the previous fiscal year), ordinary profit was ¥3,991 million (102.7% of that of the same period of the previous fiscal year) and profit attributable to owners of parent was ¥2,730 million (104.5% of that of the same period of the previous fiscal year), achieving increases in both income and profits.

(2) Explanation of Financial Position

(Assets)

Total assets as of May 31, 2025 were ¥212,922 million, an increase of ¥12,204 million compared with the end of the previous fiscal year.

Current assets were ¥47,951 million, an increase of ¥7,934 million compared with the end of the previous fiscal year, due mainly to an increase of ¥5,930 million in cash and deposits.

Non-current assets were ¥164,970 million, an increase of ¥4,270 million compared with the end of the previous fiscal year, due mainly to increases of ¥1,201 million in construction in progress under “Other, net” and ¥1,193 million in land.

(Liabilities)

Liabilities were ¥101,670 million, an increase of ¥10,873 million compared with the end of the previous fiscal year.

Current liabilities were ¥53,649 million, an increase of ¥4,444 million compared with the end of the previous fiscal year, due mainly to an increase of ¥2,630 million in accounts payable - trade.

Non-current liabilities were ¥48,020 million, an increase of ¥6,428 million compared with the end of the previous fiscal year, due mainly to an increase of ¥5,205 million in long-term borrowings.

(Net assets)

Net assets were ¥111,252 million, an increase of ¥1,331 million compared with the end of the previous fiscal year, due mainly to an increase of ¥1,436 million in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

The Company has decided not to revise the financial results forecast for the fiscal year ending February 28, 2026 announced on April 10, 2025. Going forward, the Company will disclose any events that could significantly impact its business performance as soon as they occur.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	17,833	23,763
Accounts receivable - trade	5,304	7,042
Securities	—	2,000
Merchandise and finished goods	10,889	11,119
Raw materials and supplies	452	407
Other	5,537	3,618
Total current assets	40,017	47,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,725	79,667
Land	46,706	47,900
Other, net	12,775	14,119
Total property, plant and equipment	138,207	141,687
Intangible assets	2,367	2,346
Investments and other assets		
Retirement benefit asset	135	134
Deferred tax assets	2,939	3,269
Guarantee deposits	10,849	11,770
Other	6,206	5,767
Allowance for doubtful accounts	(5)	(4)
Total investments and other assets	20,124	20,937
Total non-current assets	160,699	164,970
Total assets	200,717	212,922

(Million yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	25,109	27,739
Current portion of bonds payable	214	428
Current portion of long-term borrowings	7,931	9,435
Lease liabilities	74	75
Income taxes payable	3,106	1,731
Contract liabilities	2,374	2,532
Provision for bonuses	1,462	2,550
Provision for bonuses for directors (and other officers)	92	22
Other	8,839	9,133
Total current liabilities	49,205	53,649
Non-current liabilities		
Bonds payable	1,928	1,714
Long-term borrowings	26,520	31,725
Lease liabilities	98	79
Provision for share awards for directors (and other officers)	95	104
Guarantee deposited	5,511	6,690
Asset retirement obligations	6,890	6,972
Deferred tax liabilities	—	14
Other	547	718
Total non-current liabilities	41,592	48,020
Total liabilities	90,797	101,670
Net assets		
Shareholders' equity		
Share capital	3,912	3,912
Capital surplus	4,102	4,102
Retained earnings	101,950	103,387
Treasury shares	(114)	(221)
Total shareholders' equity	109,851	111,181
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	37
Remeasurements of defined benefit plans	30	33
Total accumulated other comprehensive income	69	70
Total net assets	109,920	111,252
Total liabilities and net assets	200,717	212,922

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three months ended May 31, 2024 and 2025

(Million yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net sales	91,921	102,032
Cost of sales	67,808	75,795
Gross profit	24,112	26,237
Operating revenue	1,535	1,679
Operating gross profit	25,647	27,917
Selling, general and administrative expenses	21,916	24,032
Operating profit	3,731	3,885
Non-operating income		
Interest and dividend income	9	14
Administrative service fee income	45	47
Subsidy income	68	27
Other	79	80
Total non-operating income	201	169
Non-operating expenses		
Interest expenses	39	54
Interest expenses on bonds	2	1
Other	6	7
Total non-operating expenses	48	64
Ordinary profit	3,884	3,991
Extraordinary income		
Gain on sale of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on retirement of non-current assets	20	20
Total extraordinary losses	20	20
Profit before income taxes	3,864	3,970
Income taxes - current	1,531	1,571
Income taxes - deferred	(279)	(331)
Total income taxes	1,251	1,239
Profit	2,613	2,730
Profit attributable to owners of parent	2,613	2,730

Quarterly Consolidated Statements of Comprehensive Income

Three months ended May 31, 2024 and 2025

(Million yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit	2,613	2,730
Other comprehensive income		
Valuation difference on available-for-sale securities	24	(1)
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	26	1
Comprehensive income	2,639	2,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,639	2,731
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly 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)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. since the beginning of the first quarter of the fiscal year ending February 28, 2026.

Revisions concerning the categories for recording current income taxes (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). The change in accounting policies has no impact on the quarterly consolidated financial statements.

With regard to revisions related to the review of the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter of the fiscal year ending February 28, 2026. The change in accounting policies was applied retrospectively to the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year. The change in the accounting policies has no impact on the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year.

(Notes on segment information, etc.)

[Segment information]

Three months ended May 31, 2024 (March 1, 2024 – May 31, 2024)

Information is omitted as the Group engages only in the retail business comprising a single segment.

Three months ended May 31, 2025 (March 1, 2025 – May 31, 2025)

Information is omitted as the Group engages only in the retail business comprising a single segment.

(Notes to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended May 31, 2025 has not been prepared. Depreciation (including amortization related to intangible assets) for the three months ended May 31, 2025 is as follows.

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation	1,807 million yen	1,959 million yen