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Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 [Japanese GAAP]



April 10, 2026

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 annual general meeting of shareholders: May 21, 2026

Scheduled date of commencing dividend payments: May 7, 2026

Scheduled date of filing securities report: May 20, 2026

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled

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

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

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

	Operating income		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2026	423,432	9.2	17,900	5.2	18,168	4.5	12,681	2.4
February 28, 2025	387,779	10.2	17,011	17.4	17,388	16.1	12,385	16.0

(Note) Comprehensive income: Fiscal year ended February 28, 2026: ¥13,366 million [8.0%]

Fiscal year ended February 28, 2025: ¥12,371 million [15.3%]

	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, 2026	608.69	–	11.0	8.6	4.3
February 28, 2025	594.16	–	11.8	9.0	4.5

(Reference) Equity in earnings of affiliated companies: Fiscal year ended February 28, 2026: ¥– million

Fiscal year ended February 28, 2025: ¥– million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2026	221,376	120,592	54.5	5,789.13
As of February 28, 2025	200,717	109,920	54.8	5,272.99

(Reference) Equity: As of February 28, 2026: ¥120,592 million

As of February 28, 2025: ¥109,920 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	Million yen	Million yen	Million yen	Million yen
February 28, 2026	20,935	(22,774)	3,780	19,847
February 28, 2025	22,690	(21,719)	(165)	17,833

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 28, 2025	–	58.00	–	62.00	120.00	2,503	20.2	2.4
Fiscal year ended February 28, 2026	–	62.00	–	62.00	124.00	2,587	20.4	2.2
Fiscal year ending February 28, 2027 (Forecast)	–	66.00	–	66.00	132.00		20.2 ~ 22.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026–February 28, 2027)

(% 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	434,500	2.6	18,000	0.6	18,200	0.2	12,500	(1.4)	600.07
	~	~	~	~	~	~	~	~	~
	454,600	7.4	19,800	10.6	20,000	10.1	13,600	7.2	652.88

(Note) The consolidated financial results forecast for the fiscal year ending February 28, 2027 is disclosed in a range format.

*** Notes:**

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

Newly included: –

Excluded: –

(2) 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

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

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

February 28, 2026: 20,867,800 shares

February 28, 2025: 20,867,800 shares

2) Total number of treasury shares at the end of the period:

February 28, 2026: 36,904 shares

February 28, 2025: 21,875 shares

3) Average number of shares during the period:

Fiscal year ended February 28, 2026: 20,833,638 shares

Fiscal year ended February 28, 2025: 20,845,684 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (March 1, 2025–February 28, 2026)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2026	423,355	9.1	17,557	8.3	17,713	7.2	12,398	4.9
February 28, 2025	387,940	10.2	16,211	18.3	16,522	16.9	11,823	17.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2026	595.11	–
February 28, 2025	567.19	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2026	217,292	113,409	52.2	5,444.29
As of February 28, 2025	197,256	103,639	52.5	4,971.68

(Reference) Equity: As of February 28, 2026: ¥113,409 million

As of February 28, 2025: ¥103,639 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026–February 28, 2027)

(% indicates changes from the previous corresponding period.)

	Operating income		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	433,200	2.3	17,800	0.5	12,100	(2.4)	580.87
	~	~	~	~	~	~	~
	453,300	7.1	19,800	11.8	13,400	8.1	643.28

(Note) The non-consolidated financial results forecast for the fiscal year ending February 28, 2027 is disclosed in a range format.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* 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. Overview of Operating Results, etc. (4) Future Outlook” on page 4.

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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 under review, the Japanese economy is expected to recover modestly, supported by improvements in the employment and income situation and the effects of various government policies. However, the economic outlook remains uncertain as attention needs to be paid to downside risks such as price movements and development surrounding 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.

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 through “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 increase efficiency in chain operations.

As for our store investments, we newly opened Forte Tsukuba Store in Tsukuba City, Ibaraki Prefecture in April 2025, Ryugasaki Store in Ryugasaki City, Ibaraki Prefecture in May, Harbor City Store in Chiba City, Chiba Prefecture in June, Numata Store in Numata City, Gunma Prefecture in July, Atsugi Shimokawairi Store in Atsugi City, Kanagawa Prefecture in September, Abiko Araki Store in Abiko City, Chiba Prefecture in October, and Forte Sakura Ujiie Store in Sakura City, Tochigi Prefecture in January 2026. In addition, we renovated six existing stores, expanded their deli and convenience food selections, and updated the facilities to provide more pleasant shopping environments. As a result, we operate 148 Belc stores and three CLBE stores, total of 151 stores as of February 28, 2026.

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 fiscal year under review increased to ¥423,432 million (109.2% of that of the previous fiscal year). In terms of net sales, the Company achieved a significant increase in non-consolidated existing store sales, reaching 104.7% of that 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 26.9%, a decrease of 0.1 points from that of the previous fiscal year, due to the impact of rising product purchase prices and price increases to maintain competitiveness. However, by reviewing store-specific price policies from the second half of the current fiscal year, the figure showed signs of recovery,

enabling us to secure a level comparable to that of the previous fiscal year.

As for selling and administrative expenses, the ratio of selling and administrative expense to net sales was 24.2%, the same figure as that of the previous fiscal 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.

In addition, based on the performance trends, impairment losses of ¥704 million were recorded as extraordinary losses for one store with low profitability.

As for profits at each stage, operating profit was ¥17,900 million (105.2% of that of the previous fiscal year), ordinary profit was ¥18,168 million (104.5% of that of the previous fiscal year) and profit attributable to owners of parent was ¥12,681 million (102.4% of that of the previous fiscal year), resulting in increases in both income and profits.

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

(Assets)

Total assets as of February 28, 2026 were ¥221,376 million, an increase of ¥20,658 million compared with the end of the previous fiscal year.

Current assets were ¥44,567 million, an increase of ¥4,549 million compared with the end of the previous fiscal year, due mainly to increases of ¥2,013 million in cash and deposits and ¥1,337 million in merchandise and finished goods.

Non-current assets were ¥176,808 million, an increase of ¥16,108 million compared with the end of the previous fiscal year, due mainly to increases of ¥10,090 million in buildings and structures and ¥1,895 million in land.

(Liabilities)

Liabilities were ¥100,783 million, an increase of ¥9,985 million compared with the end of the previous fiscal year.

Current liabilities were ¥53,262 million, an increase of ¥4,057 million compared with the end of the previous fiscal year. This is mainly attributable to an increase of ¥2,220 million in current portion of long-term borrowings.

Non-current liabilities were ¥47,520 million, an increase of ¥5,928 million compared with the end of the previous fiscal year. This is mainly attributable to an increase of ¥4,988 million in long-term borrowings.

(Net assets)

Net assets were ¥120,592 million, an increase of ¥10,672 million compared with the end of the previous fiscal year, due mainly to an increase of ¥10,093 million in retained earnings.

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

Cash and cash equivalents (“cash”) as of February 28, 2026 were ¥19,847 million, an increase of ¥2,013 million compared with the end of the previous fiscal year.

The status of each cash flow category and the factors thereof during the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥20,935 million (a decrease of ¥1,755 million compared with the previous fiscal year). This is mainly attributable to a decrease in increase (decrease) in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥22,774 million (an increase of ¥1,055 million compared with the previous fiscal year). This is mainly attributable to an increase in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥3,780 million (an increase of ¥3,946 million compared with the previous fiscal year). This is mainly attributable to an increase in proceeds from long-term borrowings.

(4) Future Outlook

In the next fiscal year, the business environment is expected to continue its gradual recovery due to the improvement in the employment and income environment and the effects of various government policies. However, the outlook will remain uncertain, due to the possibility that the downturn in overseas economies could put downward pressure on the domestic economy, as well as rising prices, the U.S. stance for policy making including trade policy, and the situation in the Middle East.

In this environment, we will further improve the price competitiveness of frequently purchased products, expand our offering of products in our private label “kurabelc (Belc for everyday life)” and directly imported products to enhance our product appeal and vitalize our sales floors as a means to create stores that are supported and trusted by customers.

As for our sales measures, we will strive to turn non-regular customers into regular customers by increasing customer motivation to visit stores through enhancements to our point card sales promotion measures, improvements to the competitiveness of our flier prices, various promotional campaigns, and an expansion of our proprietary payment service, as well as by continuing to showcase select products, and improve our level of customer service.

As for our store operations, we will review and revise operation contents and employees’ work styles, and will work to reduce selling and administrative expenses through such means as developing a new store model. Furthermore, we will enrich employee training, enhance our product appeal, and raise the level of service we provide.

As for our store investments, we plan to open eight new stores including Kawasaki Shimosakunobe Store, which opened in Kawasaki City, Kanagawa Prefecture, while maintaining standardization, which is one of the Group’s strengths.

As for our logistics system, to respond to various cost increases, we will further improve the efficiency of our deliveries and shorten the time taken to deliver products to stores.

Group company Home Delica Co., Ltd. will aim to strengthen its product supply system and provide value-added products through the operation of the newly launched Home Delica No.3 Plant. Joytech, Inc. will reinforce the Group’s service business by developing and supplying equipment, supplies, and sales materials.

In addition, Group companies Maruichi Suisan Co., Ltd. and Nakamura Rice Co., Ltd. are working together as a group to establish a supply chain, aiming to stabilize the procurement of raw materials for products.

As for the outlook of the full-year financial results of the Group, we will work to further strengthen our management foundation, positioning the next fiscal year as a “year of preparation for the leap toward 2030 for Belc.”

We expect to record upfront expenses associated with the commencement of operations at the No.3 Plant of our Group company Home Delica Co., Ltd., as well as higher employee wages and expanded logistics functions. Given these numerous factors that may affect profit and loss, we are presenting our financial results forecast in a range format.

We expect operating income (net sales and operating revenue combined) to be between ¥434,500 million and ¥454,600 million (between 102.6% and 107.4% of that of the previous fiscal year), operating profit to be between ¥18,000 million and ¥19,800 million (between 100.6% and 110.6% of that of the previous fiscal year), ordinary profit to be between ¥18,200 million and ¥20,000 million (between 100.2% and 110.1% of that of the previous fiscal year), and profit attributable to owners of parent to be between ¥12,500 million and ¥13,600 million (between 98.6% and 107.2% of that of the previous fiscal year).

Although our outlook for the financial results is currently presented in a range format, we will promptly disclose an updated forecast once it becomes reasonably predictable.

Under the Medium-Term Management Plan, we are striving to achieve our targets for the fiscal year ending February 28, 2030, which are net sales of ¥500 billion or more, consolidated ordinary income margin of 4.5%, and a number of stores of 180 or more.

2. Basic Policy on Selection of Accounting Standards

In consideration of the comparability of consolidated financial statements among fiscal periods and between companies, the Group has adopted a policy of creating its consolidated financial statements based on Japanese accounting standards for the time being.

The Group plans to make appropriate decisions regarding the adoption of the International Financial Reporting Standards, taking into consideration conditions in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	17,833	19,847
Accounts receivable - trade	5,304	5,725
Merchandise and finished goods	10,889	12,226
Raw materials and supplies	452	699
Other	5,537	6,068
Total current assets	40,017	44,567
Non-current assets		
Property, plant and equipment		
Buildings and structures	131,499	147,230
Accumulated depreciation	(52,774)	(58,414)
Buildings and structures, net	78,725	88,816
Machinery, equipment and vehicles	4,308	7,378
Accumulated depreciation	(2,035)	(2,661)
Machinery, equipment and vehicles, net	2,272	4,717
Tools, furniture and fixtures	14,284	16,468
Accumulated depreciation	(8,391)	(10,026)
Tools, furniture and fixtures, net	5,893	6,442
Land	46,706	48,601
Leased assets	557	582
Accumulated depreciation	(432)	(491)
Leased assets, net	124	90
Construction in progress	4,484	3,806
Total property, plant and equipment	138,207	152,474
Intangible assets	2,367	2,193
Investments and other assets		
Investment securities	157	267
Retirement benefit asset	135	1,028
Deferred tax assets	2,939	3,179
Guarantee deposits	10,849	11,304
Other	6,048	6,365
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	20,124	22,140
Total non-current assets	160,699	176,808
Total assets	200,717	221,376

(Million yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	25,109	25,394
Short-term borrowings	–	200
Current portion of bonds payable	214	428
Current portion of long-term borrowings	7,931	10,152
Lease liabilities	74	86
Income taxes payable	3,106	3,149
Contract liabilities	2,374	3,696
Provision for bonuses	1,462	1,625
Provision for bonuses for directors (and other officers)	92	92
Other	8,839	8,437
Total current liabilities	49,205	53,262
Non-current liabilities		
Bonds payable	1,928	1,285
Long-term borrowings	26,520	31,508
Lease liabilities	98	37
Provision for share awards for directors (and other officers)	95	131
Guarantee deposited	5,511	6,721
Asset retirement obligations	6,890	7,120
Deferred tax liabilities	–	14
Other	547	698
Total non-current liabilities	41,592	47,520
Total liabilities	90,797	100,783
Net assets		
Shareholders' equity		
Share capital	3,912	3,912
Capital surplus	4,102	4,102
Retained earnings	101,950	112,044
Treasury shares	(114)	(221)
Total shareholders' equity	109,851	119,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	106
Remeasurements of defined benefit plans	30	647
Total accumulated other comprehensive income	69	754
Total net assets	109,920	120,592
Total liabilities and net assets	200,717	221,376

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net sales	381,440	416,514
Cost of sales	278,359	304,539
Gross profit	103,080	111,974
Operating revenue	6,338	6,917
Operating gross profit	109,419	118,892
Selling, general and administrative expenses	92,408	100,991
Operating profit	17,011	17,900
Non-operating income		
Interest and dividend income	57	82
Administrative service fee income	102	107
Subsidy income	160	75
Penalty income from leaving tenants	0	–
Other	262	352
Total non-operating income	582	617
Non-operating expenses		
Interest expenses	164	301
Interest expenses on bonds	8	6
Other	32	41
Total non-operating expenses	205	349
Ordinary profit	17,388	18,168
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	294	173
Impairment losses	–	704
Loss on store closings	18	–
Total extraordinary losses	314	878
Profit before income taxes	17,074	17,290
Income taxes - current	4,867	5,152
Income taxes - deferred	(178)	(543)
Total income taxes	4,688	4,609
Profit	12,385	12,681
Profit attributable to owners of parent	12,385	12,681

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Profit	12,385	12,681
Other comprehensive income		
Valuation difference on available-for-sale securities	16	68
Remeasurements of defined benefit plans, net of tax	(30)	617
Total other comprehensive income	(13)	685
Comprehensive income	12,371	13,366
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,371	13,366
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	91,985	(118)	99,882
Changes during period					
Dividends of surplus			(2,420)		(2,420)
Profit attributable to owners of parent			12,385		12,385
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				4	4
Net changes in items other than shareholders' equity					
Total changes during period	-	-	9,965	3	9,969
Balance at end of period	3,912	4,102	101,950	(114)	109,851

	Accumulated other comprehensive income			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	22	60	83	99,965
Changes during period				
Dividends of surplus				(2,420)
Profit attributable to owners of parent				12,385
Purchase of treasury shares				(0)
Disposal of treasury shares				4
Net changes in items other than shareholders' equity	16	(30)	(13)	(13)
Total changes during period	16	(30)	(13)	9,955
Balance at end of period	38	30	69	109,920

Fiscal year ended February 28, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	101,950	(114)	109,851
Changes during period					
Dividends of surplus			(2,587)		(2,587)
Profit attributable to owners of parent			12,681		12,681
Purchase of treasury shares				(106)	(106)
Disposal of treasury shares				-	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	10,093	(106)	9,987
Balance at end of period	3,912	4,102	112,044	(221)	119,838

	Accumulated other comprehensive income			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	38	30	69	109,920
Changes during period				
Dividends of surplus				(2,587)
Profit attributable to owners of parent				12,681
Purchase of treasury shares				(106)
Disposal of treasury shares				-
Net changes in items other than shareholders' equity	68	617	685	685
Total changes during period	68	617	685	10,672
Balance at end of period	106	647	754	120,592

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	17,074	17,290
Depreciation	7,594	8,550
Impairment losses	–	704
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	186	161
Increase (decrease) in provision for bonuses for directors (and other officers)	(0)	–
Increase (decrease) in contract liabilities	1,749	1,322
Decrease (increase) in retirement benefit asset	(10)	(5)
Increase (decrease) in provision for share awards for directors (and other officers)	35	36
Interest and dividend income	(57)	(82)
Interest expenses	164	301
Interest expenses on bonds	8	6
Loss (gain) on sale of non-current assets	0	(0)
Loss on retirement of non-current assets	294	173
Decrease (increase) in trade receivables	(136)	(410)
Decrease (increase) in inventories	(1,912)	(1,528)
Increase (decrease) in trade payables	1,900	272
Increase (decrease) in guarantee deposits received	(3)	1
Other, net	(130)	(518)
Subtotal	26,759	26,276
Interest and dividends received	13	21
Interest paid	(146)	(266)
Income taxes paid	(3,935)	(5,096)
Net cash provided by (used in) operating activities	22,690	20,935
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,814)	(23,075)
Proceeds from sale of property, plant and equipment	3	0
Payments for retirement of property, plant and equipment	(159)	(128)
Purchase of intangible assets	(467)	(248)
Purchase of investment securities	(9)	(10)
Loan advances	(0)	(6)
Proceeds from collection of loans receivable	23	24
Payments of guarantee deposits	(3,534)	(1,711)
Proceeds from refund of guarantee deposits	329	1,204
Guarantee deposits received	602	1,783
Refund of guarantee deposits received	(421)	(470)
Payments for asset retirement obligations	(49)	–
Other, net	(219)	(135)
Net cash provided by (used in) investing activities	(21,719)	(22,774)

(Million yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	200
Proceeds from long-term borrowings	11,199	16,050
Repayments of long-term borrowings	(8,445)	(9,267)
Redemption of bonds	(428)	(428)
Purchase of treasury shares	(0)	(106)
Repayments of lease liabilities	(72)	(79)
Dividends paid	(2,419)	(2,586)
Net cash provided by (used in) financing activities	(165)	3,780
Net increase (decrease) in cash and cash equivalents	805	1,941
Cash and cash equivalents at beginning of period	17,028	17,833
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	71
Cash and cash equivalents at end of period	17,833	19,847

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in accounting policies)

Effective from the beginning of the fiscal year ended February 28, 2026, the Company has adopted the “Accounting Standard for Income Taxes, Inhabitant Taxes, and Enterprise Taxes” (ASBJ Statement No. 27, issued on October 28, 2022; the “2022 Revised Accounting Standard”) and related standards.

With respect to the amendments concerning the classification of income taxes, etc. (taxation related to other comprehensive income), the Company has applied the transitional treatment prescribed in paragraph 20-3 (proviso) of the 2022 Revised Accounting Standard and paragraph 65-2 (2) (proviso) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; the “2022 Revised Implementation Guidance”). This change in accounting policy had no impact on the consolidated financial statements.

In addition, the Company has applied, from the beginning of the fiscal year ended February 28, 2026, the amendments related to the accounting treatment in consolidated financial statements for gains or losses arising from the sale of shares of subsidiaries among consolidated companies when such gains or losses are deferred for tax purposes, as stipulated in the 2022 Revised Implementation Guidance. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated accordingly. There was no impact on the consolidated financial statements for the previous fiscal year resulting from this change.

(Segment information, etc.)

For the fiscal year ended February 28, 2025

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

For the fiscal year ended February 28, 2026

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

(Per share information)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net assets per share	¥5,272.99	¥5,789.13
Basic earnings per share	¥594.16	¥608.69

- (Notes) 1. Information on diluted earnings per share is not provided because there are no potentially dilutive shares.
2. In the calculation of “Basic earnings per share,” the Company’s shares held by the Officer Remuneration BIP Trust were included in treasury shares, which were excluded from the calculation of the average number of shares during the fiscal year (20,000 shares for the previous fiscal year and 35,000 shares for the fiscal year under review).

3. The basis for calculating basic earnings per share is as follows:

Item	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Profit attributable to owners of parent (million yen)	12,385	12,681
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common shares (million yen)	12,385	12,681
Average number of common shares outstanding during the fiscal year (shares)	20,845,684	20,833,638

(Significant subsequent events)

Not applicable.