

Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 [Japanese GAAP]



April 14, 2022

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 26, 2022

Scheduled date of commencing dividend payments: May 27, 2022

Scheduled date of filing securities report: May 26, 2022

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, 2022 (March 1, 2021 – February 28, 2022)

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

	Operating income		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
February 28, 2022	300,268	5.6	13,072	9.6	13,885	9.5	9,187	4.1
February 28, 2021	284,460	18.8	11,932	14.0	12,675	14.4	8,828	21.0

(Note) Comprehensive income: Fiscal year ended February 28, 2022: ¥9,224 million [3.5%]

Fiscal year ended February 28, 2021: ¥8,909 million [26.4%]

	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, 2022	440.30	–	11.5	9.6	4.4
February 28, 2021	423.09	–	12.1	9.6	4.2

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended February 28, 2022: ¥– million

Fiscal year ended February 28, 2021: ¥– million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2022	153,214	83,650	54.6	4,008.83
As of February 28, 2021	136,558	76,283	55.9	3,655.78

(Reference) Equity: As of February 28, 2022: ¥83,650 million

As of February 28, 2021: ¥76,283 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, 2022	17,059	(18,476)	5,838	11,791
February 28, 2021	17,348	(14,001)	(3,500)	7,369

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, 2021	–	40.00	–	46.00	86.00	1,794	20.3	2.5
Fiscal year ended February 28, 2022	–	43.00	–	47.00	90.00	1,877	20.4	2.3
Fiscal year ending February 28, 2023 (Forecast)	–	45.00	–	45.00	90.00		21.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 – February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Operating income		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	296,166	–	13,193	–	13,223	(4.8)	8,850	(3.7)	424.14

(Note) The Company will apply the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29) and other related accounting standards from the beginning of the fiscal year ending February 28, 2023. While the above forecasts reflect the application of these accounting standards, changes from the previous corresponding period for operating income and operating profit are not provided as the figures for the previous fiscal year were prepared using a different accounting process.

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
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: None
 - 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 and outstanding shares (common shares)
 - 1) Total number of issued and outstanding shares at the end of the fiscal year (including treasury shares):

February 28, 2022:	20,867,800 shares
February 28, 2021:	20,867,800 shares
 - 2) Total number of treasury shares at the end of the fiscal year:

February 28, 2022:	1,287 shares
February 28, 2021:	1,153 shares
 - 3) Average number of shares during the fiscal year:

Fiscal year ended February 28, 2022:	20,866,607 shares
Fiscal year ended February 28, 2021:	20,866,721 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 1, 2021 – February 28, 2022)****(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, 2022	300,801	5.6	12,748	10.7	13,591	10.4	9,004	2.8
February 28, 2021	284,836	18.8	11,518	17.6	12,309	17.5	8,756	26.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2022	431.55	–
February 28, 2021	419.62	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2022	151,393	79,234	52.3	3,797.21
As of February 28, 2021	134,769	72,081	53.5	3,454.37

(Reference) Equity: As of February 28, 2022: ¥79,234 million

As of February 28, 2021: ¥72,081 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 – February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Operating income		Ordinary profit		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Yen
	296,426	–	12,994	(4.4)	8,706	(3.3)	417.23

(Note) The Company will apply the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and other related accounting standards from the beginning of the fiscal year ending February 28, 2023. While the above forecasts reflect the application of these accounting standards, the change from the previous corresponding period for operating income is not provided as the figure for the previous fiscal year was prepared using a different accounting process.

* 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 ended February 28, 2022, the Japanese economic climate remained harsh due to the impact of COVID-19. As the level of social and economic activity increases, with measures being implemented to curb the spread of infection, the economy is expected to recover as a result of various government policies and improvements in overseas economies. However, due care must be taken with respect to the risk of the pandemic causing downturns in domestic or overseas economies, and the economic outlook, including the impact of changes in the financial and capital markets, remains uncertain.

In the retail industry, amid the changes in lifestyle and persistent decline in consumer spending due to the spread of COVID-19, conditions remain harsh, with increased transportation costs due to soaring crude oil prices, and higher purchase prices for food products due to rising raw material prices.

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 continued with business as usual, supplied products, and fulfilled our role as a lifeline in communities while employing various measures to prevent the spread of COVID-19. In April, to commemorate the number of Belc card members exceeding two million, we made efforts to give customers more incentives to visit our stores, including a massive promotional campaign in which customers won big prizes and product promotion on social media. We have also been enhancing the convenience of our customers by gradually expanding the stores that support “Belc otodoke (delivery) pack,” our online grocery shopping service, and “smabelc,” a service that enables smart shopping and eases the lines at the check-out counters. Furthermore, we have pushed ahead with our efforts to provide shopping assistance to the elderly and other customers through increasing the availability of our mobile supermarket, “Tokushimaru.”

As for our product measures, we have promoted select products by creating conceptual flyers that focus on the products. We have also expanded our offering of products in our private label, “kurabelc (Belc for everyday life),” successively launching reasonably priced products that help improve people’s daily lives.

As for our store operations, we have used the Company’s greatest feature, our standardized corporate structure, as a foundation on which we have firmly established our labor scheduling program (LSP), appropriately allocated personnel, and leveraged labor-saving equipment to promote efficient chain operations.

As for our store investments, we newly opened the following four new stores: Toda Hikawa-cho Store in Toda City, Saitama Prefecture in July 2021; Forte Ota Store in Ota City, Gunma Prefecture in October 2021; Sagamihara Miyashimohon-cho Store in Sagamihara City, Kanagawa Prefecture in November 2021; and Hanno Azu Store in Hanno City, Saitama Prefecture in January 2022. In addition, we renovated seven existing stores, expanded their deli and convenience food selections, and updated the facilities to provide more pleasant shopping environments. In March 2021, we closed Satte Minami Store in Satte City, Saitama Prefecture. As a result, we operate 126 stores as of February 28, 2022.

We have leveraged the strength of our in-house logistics to carry out large-scale batch procurement of products from production sites and manufacturers, through which we aim to improve our delivery efficiency and 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 consolidated subsidiary Home Delica Co., Ltd. started operation of its new No. 1 Plant equipped with cutting edge machinery and production lines in January 2022. Going forward, together with the No. 2 Plant, we intend to build a supply system for products that taste even better and improve the efficiency of our stores. In addition, Joytech, Inc. strived to reinforce the Group’s service business by developing and supplying equipment, supplies, and sales materials and through its store cleaning service business.

We report impairment losses of ¥157 million in extraordinary losses for one store with low profitability in light of trends in its business performance.

As a result, operating income (net sales and operating revenue combined) for the fiscal year ended February 28, 2022 was ¥300,268 million (105.6% of that of the previous fiscal year), operating profit was ¥13,072 million (109.6% of that of the previous fiscal year), ordinary profit was ¥13,885 million (109.5% of that of the previous fiscal year) and profit attributable to owners of parent was ¥9,187 million (104.1% of that of the previous fiscal year).

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

(Assets)

Total assets as of February 28, 2022 were ¥153,214 million, an increase of ¥16,656 million compared with the end of the previous fiscal year.

Current assets were ¥27,380 million, an increase of ¥4,124 million compared with the end of the previous fiscal year, due mainly to an increase of ¥4,421 million in cash and deposits.

Non-current assets were ¥125,834 million, an increase of ¥12,531 million compared with the end of the previous fiscal year, due mainly to increases of ¥3,072 million in buildings and structures and ¥4,810 million in land.

(Liabilities)

Liabilities were ¥69,564 million, an increase of ¥9,289 million compared with the end of the previous fiscal year.

Current liabilities were ¥36,225 million, an increase of ¥1,476 million compared with the end of the previous fiscal year, due mainly to an increase of ¥984 million in the current portion of long-term borrowings.

Non-current liabilities were ¥33,339 million, an increase of ¥7,812 million compared with the end of the previous fiscal year, due mainly to an increase of ¥7,916 million in long-term borrowings.

(Net assets)

Net assets were ¥83,650 million, an increase of ¥7,366 million compared with the end of the previous fiscal year, due mainly to an increase of ¥7,330 million in retained earnings.

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

Cash and cash equivalents (“cash”) as of February 28, 2022 were ¥11,791 million, an increase of ¥4,421 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 ended February 28, 2022 are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥17,059 million, a decrease of ¥288 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 ¥18,476 million, an increase of ¥4,474 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 ¥5,838 million, an increase of ¥9,338 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 gradually recover, as socioeconomic activities move toward normalization, with COVID-19 countermeasures in place. However, as trends in society are subject to changing situations in other countries and the future impact of COVID-19 cannot be predicted as yet, the economic outlook is expected to remain uncertain.

In the retail industry, conditions are forecast to remain harsh, with the continuation of consumers' cutdown on spending, raises in product prices due to soaring crude oil prices and raw material prices, competition across business types and categories, as well as rising personnel costs.

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, and various promotional campaigns, as well as by continuing to showcase select products, reduce the frequency with which products sell out, and improve our level of customer service.

As for our store operations, we will carry out thorough standardization and make further improvements to our labor scheduling program (LSP) to achieve more efficient chain operations. We will also review and revise operation contents and facilities, and will work to reduce selling and administrative expenses. 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 seven new stores including Forte Abiko Store, opening in Abiko City, Chiba Prefecture, while maintaining standardization, which is one of the Group's strengths. As of February 28, 2023, we plan to operate 133 stores.

As for our logistics system, to respond to soaring crude oil prices, we will further improve the efficiency of our deliveries and shorten the time taken to deliver products to stores.

While striving to early achieve stable operation of the No. 1 Plant, consolidated subsidiary Home Delica Co., Ltd. will aim to manufacture products developed in-house that taste even better and enhance the management structure by working on meticulous product supply and strengthening product appeal as well as streamlining in-store workloads and striving to contribute to profit. Joytech, Inc. will further reinforce the Group's service business by developing and supplying equipment, supplies, and sales materials and through its store cleaning service business.

The outlook of the full-year financial results of the Group is as follows.

We expect operating income (net sales and operating revenue combined) to be ¥296,166 million (Note), operating profit to be ¥13,193 million (Note), ordinary profit to be ¥13,223 million (95.2% of that of the previous fiscal year), and profit attributable to owners of parent to be ¥8,850 million (96.3% of that of the previous fiscal year).

(Note) The Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and other related accounting standards from the beginning of the fiscal year ending February 28, 2023. While the forecasts for operating income and operating profit reflect the application of these accounting standards, year-on-year changes are not provided as the figures for the previous fiscal year were prepared using a different accounting process.

(5) Basic Policy on Distribution of Profits and Dividends for the Fiscal Year under Review and Next Fiscal Year

We consider returning profits to our shareholders to be one of our highest management priorities, and have a basic policy of maintaining stable dividend payments. We also have a policy of making decisions by taking into consideration factors such as the increase in internal reserves that will prepare us for improving our financial position and expanding the scope of our business and will be utilized for capital investments, such as opening new stores and renovating existing stores, and for the reduction of interest-bearing liabilities. Through this, we aim to improve our corporate competitiveness and increase our corporate value, thereby increasing shareholder returns.

Our basic policy on dividends of surplus is to issue dividends twice per year in the form of interim dividends and year-end dividends. The Board of Directors is the decision-making body with respect to interim dividends and the General Meeting of Shareholders is the decision-making body with respect to year-end dividends. The Company's Articles of Incorporation state that it can pay interim dividends prescribed by Article 454, Paragraph 5 of the Companies Act.

For the fiscal year ended February 28, 2022, the Company has paid an ordinary dividend of ¥43 per share as an interim dividend, and plans to pay an ordinary dividend of ¥47 per share as a year-end dividend. Consequently, the annual dividend will come to ¥90 per share, with a payout ratio of 20.4% and the ratio of dividends to net assets standing at 2.3%.

For the fiscal year ending February 28, 2023, the Company plans to pay an annual dividend of ¥90 per share consisting of an interim dividend of ¥45 per share and a year-end dividend of ¥45 per share.

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, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	7,369	11,791
Accounts receivable - trade	4,282	3,538
Merchandise and finished goods	7,013	7,278
Raw materials and supplies	258	324
Other	4,331	4,448
Total current assets	23,255	27,380
Non-current assets		
Property, plant and equipment		
Buildings and structures	94,370	101,273
Accumulated depreciation	(35,373)	(39,203)
Buildings and structures, net	58,997	62,069
Machinery, equipment and vehicles	2,539	3,713
Accumulated depreciation	(952)	(1,094)
Machinery, equipment and vehicles, net	1,587	2,619
Tools, furniture and fixtures	7,579	8,753
Accumulated depreciation	(4,896)	(5,302)
Tools, furniture and fixtures, net	2,683	3,451
Land	33,083	37,894
Leased assets	4,779	3,459
Accumulated depreciation	(3,096)	(2,559)
Leased assets, net	1,682	899
Construction in progress	341	1,894
Total property, plant and equipment	98,376	108,829
Intangible assets	1,443	1,655
Investments and other assets		
Investment securities	71	80
Deferred tax assets	2,371	2,553
Guarantee deposits	8,152	9,546
Other	2,944	3,225
Allowance for doubtful accounts	(56)	(55)
Total investments and other assets	13,484	15,349
Total non-current assets	113,303	125,834
Total assets	136,558	153,214

(Million yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	17,349	17,917
Short-term borrowings	800	500
Current portion of long-term borrowings	5,311	6,296
Lease obligations	906	570
Income taxes payable	2,375	3,023
Provision for bonuses	1,065	1,142
Provision for bonuses for directors (and other officers)	83	84
Provision for point card certificates	398	447
Provision for loss on store closings	10	–
Other	6,447	6,241
Total current liabilities	34,748	36,225
Non-current liabilities		
Long-term borrowings	13,911	21,828
Lease obligations	1,074	503
Provision for retirement benefits for directors (and other officers)	179	235
Retirement benefit liability	307	248
Guarantee deposited	4,496	4,773
Asset retirement obligations	5,048	5,305
Other	509	444
Total non-current liabilities	25,526	33,339
Total liabilities	60,274	69,564
Net assets		
Shareholders' equity		
Share capital	3,912	3,912
Capital surplus	4,102	4,102
Retained earnings	68,549	75,880
Treasury shares	(3)	(3)
Total shareholders' equity	76,562	83,891
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8)	(2)
Remeasurements of defined benefit plans	(269)	(238)
Total accumulated other comprehensive income	(278)	(241)
Total net assets	76,283	83,650
Total liabilities and net assets	136,558	153,214

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

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Net sales	281,656	297,019
Cost of sales	209,951	221,919
Gross profit	71,704	75,099
Operating revenue	2,804	3,248
Operating costs	1,206	1,244
Operating gross profit	73,303	77,104
Selling, general and administrative expenses	61,370	64,031
Operating profit	11,932	13,072
Non-operating income		
Interest income	38	38
Dividend income	2	2
Administrative service fee income	564	611
Penalty income from leaving tenants	8	–
Gain on adjustment of account payable	25	19
Other	209	232
Total non-operating income	847	904
Non-operating expenses		
Interest expenses	88	83
Other	16	8
Total non-operating expenses	105	91
Ordinary profit	12,675	13,885
Extraordinary income		
Gain on sale of non-current assets	0	5
Gain on reversal of asset retirement obligations	14	–
Insurance claim income	567	–
Total extraordinary income	581	5
Extraordinary losses		
Loss on sale of non-current assets	–	12
Loss on retirement of non-current assets	49	123
Impairment losses	365	157
Provision for loss on store closings	10	–
Loss on fire	686	–
Total extraordinary losses	1,112	293
Profit before income taxes	12,144	13,597
Income taxes - current	3,744	4,607
Income taxes - deferred	(428)	(197)
Total income taxes	3,315	4,410
Profit	8,828	9,187
Profit attributable to owners of parent	8,828	9,187

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Profit	8,828	9,187
Other comprehensive income		
Valuation difference on available-for-sale securities	5	6
Remeasurements of defined benefit plans, net of tax	75	30
Total other comprehensive income	81	36
Comprehensive income	8,909	9,224
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,909	9,224
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	61,411	(2)	69,424
Changes during period					
Dividends of surplus			(1,690)		(1,690)
Profit attributable to owners of parent			8,828		8,828
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7,138	(0)	7,137
Balance at end of period	3,912	4,102	68,549	(3)	76,562

	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	(14)	(345)	(359)	69,064
Changes during period				
Dividends of surplus				(1,690)
Profit attributable to owners of parent				8,828
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	5	75	81	81
Total changes during period	5	75	81	7,218
Balance at end of period	(8)	(269)	(278)	76,283

Fiscal year ended February 28, 2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	68,549	(3)	76,562
Changes during period					
Dividends of surplus			(1,857)		(1,857)
Profit attributable to owners of parent			9,187		9,187
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7,330	(0)	7,329
Balance at end of period	3,912	4,102	75,880	(3)	83,891

	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	(8)	(269)	(278)	76,283
Changes during period				
Dividends of surplus				(1,857)
Profit attributable to owners of parent				9,187
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	6	30	36	36
Total changes during period	6	30	36	7,366
Balance at end of period	(2)	(238)	(241)	83,650

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	12,144	13,597
Depreciation	5,933	6,291
Impairment losses	365	157
Increase (decrease) in allowance for doubtful accounts	–	(0)
Increase (decrease) in provision for bonuses	100	76
Increase (decrease) in provision for bonuses for directors (and other officers)	–	1
Increase (decrease) in provision for point card certificates	40	49
Increase (decrease) in provision for loss on store closings	10	(10)
Increase (decrease) in retirement benefit liability	9	(14)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(45)	56
Interest and dividend income	(40)	(41)
Interest expenses	88	83
Insurance claim income	(567)	–
Loss on fire	686	–
Gain on sale of non-current assets	(0)	6
Loss on retirement of non-current assets	49	123
Decrease (increase) in trade receivables	(702)	744
Decrease (increase) in inventories	(426)	(330)
Increase (decrease) in trade payables	2,170	568
Increase (decrease) in guarantee deposits received	30	2
Other, net	577	(231)
Subtotal	20,425	21,127
Interest and dividends received	5	5
Interest paid	(57)	(56)
Proceeds from insurance income	567	–
Amount payment of loss on fire	(52)	–
Income taxes paid	(3,539)	(4,015)
Net cash provided by (used in) operating activities	17,348	17,059
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,952)	(16,251)
Proceeds from sale of property, plant and equipment	0	18
Payments for retirement of property, plant and equipment	(27)	(84)
Purchase of intangible assets	(180)	(512)
Loan advances	–	(30)
Proceeds from collection of loans receivable	19	19
Payments of guarantee deposits	(655)	(2,016)
Proceeds from refund of guarantee deposits	336	321
Guarantee deposits received	799	593
Refund of guarantee deposits received	(299)	(338)
Payments for asset retirement obligations	–	(61)
Other, net	(41)	(134)
Net cash provided by (used in) investing activities	(14,001)	(18,476)

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(300)
Proceeds from long-term borrowings	5,000	15,000
Repayments of long-term borrowings	(5,671)	(6,098)
Purchase of treasury shares	(0)	(0)
Repayments of lease obligations	(1,137)	(906)
Dividends paid	(1,690)	(1,856)
Net cash provided by (used in) financing activities	(3,500)	5,838
Net increase (decrease) in cash and cash equivalents	(153)	4,421
Cash and cash equivalents at beginning of period	7,523	7,369
Cash and cash equivalents at end of period	7,369	11,791

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

Fiscal year ended February 28, 2021

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

Fiscal year ended February 28, 2022

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, 2021	For the fiscal year ended February 28, 2022
Net assets per share	¥3,655.78	¥4,008.83
Basic earnings per share	¥423.09	¥440.30

(Notes) 1. Information on diluted earnings per share is not provided because there are no potentially dilutive shares.

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

Item	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Profit attributable to owners of parent (million yen)	8,828	9,187
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common shares (million yen)	8,828	9,187
Average number of common shares outstanding during the fiscal year (shares)	20,866,721	20,866,607

(Significant subsequent events)

Not applicable.