

3. Forecast of Consolidated Financial Results for Fiscal 2024 (From March 1, 2023 to February 29, 2024)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	90,000	14.1	6,400	11.0	6,550	11.4	4,200	7.6	83.78

(Note) Revision to the financial forecast from recently announced figures: None

* Notes

(1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): None

Companies added to the scope: None

Companies removed from the scope: None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements:

Not applicable

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards, etc.: Applicable

2) Any changes in accounting policies other than 1) above: Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

(4) Number of shares issued (common shares)

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

Interim period of fiscal 2024: 52,021,297 shares

Fiscal 2023: 52,021,297 shares

2) Number of treasury shares at the end of period:

Interim period of fiscal 2024: 2,154,926 shares

Fiscal 2023: 1,888,341 shares

3) Average number of shares during the period:

Interim period of fiscal 2024: 50,057,955 shares

Interim period of fiscal 2023: 51,545,947 shares

* These Consolidated Financial Results are not subject to quarterly review by certified public accountants or an auditing firm.

* Explanation for the appropriate use of performance forecasts and other special notes:

The performance forecasts and other descriptions on future events presented in this material are based on information that was available at the time of preparation of this material and based on certain assumptions considered to be reasonable, and not intended to guarantee their achievement. The actual performance, etc. may differ materially from these forecasts due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	20,210	18,424
Notes and accounts receivable - trade	20,182	19,891
Securities	3,713	600
Merchandise	5,305	-
Merchandise and finished goods	-	5,215
Supplies	150	-
Raw materials and supplies	-	184
Work in process	-	103
Other	975	1,234
Allowance for doubtful accounts	(69)	(85)
Total current assets	50,467	45,567
Non-current assets		
Property, plant and equipment		
Assets for rent, net	12,457	12,511
Real estate for rent, net	42,678	43,728
Land	11,079	11,564
Other, net	9,501	9,980
Total property, plant and equipment	75,716	77,783
Intangible assets		
Goodwill	6,070	10,497
Other	636	703
Total intangible assets	6,706	11,201
Investments and other assets		
Investment securities	2,991	4,249
Retirement benefit asset	787	833
Other	2,484	2,714
Allowance for doubtful accounts	(503)	(587)
Total investments and other assets	5,761	7,209
Total non-current assets	88,184	96,195
Total assets	138,652	141,762

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,626	11,553
Short-term borrowings	920	1,009
Current portion of long-term borrowings	122	120
Income taxes payable	1,201	1,330
Provision for bonuses	405	498
Provision for product warranties	-	9
Other	7,573	8,259
Total current liabilities	20,848	22,782
Non-current liabilities		
Long-term borrowings	543	652
Provision for share based compensation expenses for directors	106	85
Provision for retirement benefits for directors (and other officers)	21	26
Retirement benefit liability	283	373
Other	17,275	18,320
Total non-current liabilities	18,229	19,459
Total liabilities	39,078	42,241
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	71,092	70,855
Treasury shares	(2,154)	(2,503)
Total shareholders' equity	99,386	98,800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,086	1,530
Deferred gains or losses on hedges	185	241
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	195	175
Total accumulated other comprehensive income	(676)	(195)
Non-controlling interests	864	916
Total net assets	99,574	99,521
Total liabilities and net assets	138,652	141,762

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Interim Period of Consolidated Fiscal Year)

(Millions of yen)

	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)	Interim Period of Fiscal 2024 (From March 1, 2023 to August 31, 2023)
Net sales	37,764	42,179
Cost of sales	27,435	30,334
Gross profit	10,328	11,844
Selling, general and administrative expenses	7,625	9,087
Operating profit	2,703	2,757
Non-operating income		
Interest income	2	0
Dividend income	75	73
Purchase discounts	18	16
Foreign exchange gains	35	37
Gain on investments in investment partnerships	9	10
Other	38	65
Total non-operating income	180	204
Non-operating expenses		
Interest expenses	62	89
Dismantlement cost	12	–
Other	11	13
Total non-operating expenses	85	102
Ordinary profit	2,798	2,858
Extraordinary income		
Gain on sale of non-current assets	13	0
Total extraordinary income	13	0
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	1	6
Other	–	1
Total extraordinary losses	1	8
Profit before income taxes	2,810	2,851
Income taxes - current	1,050	1,213
Income taxes - deferred	(22)	(28)
Total income taxes	1,028	1,185
Profit	1,782	1,665
Profit attributable to non-controlling interests	49	37
Profit attributable to owners of parent	1,732	1,628

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)	Interim Period of Fiscal 2024 (From March 1, 2023 to August 31, 2023)
Profit	1,782	1,665
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	444
Deferred gains or losses on hedges	247	70
Remeasurements of defined benefit plans, net of tax	(13)	(19)
Total other comprehensive income	185	495
Comprehensive income	1,967	2,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,867	2,109
Comprehensive income attributable to non-controlling interests	99	52

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)	Interim Period of Fiscal 2024 (From March 1, 2023 to August 31, 2023)
Cash flows from operating activities		
Profit before income taxes	2,810	2,851
Depreciation	2,910	3,330
Amortization of goodwill	556	610
Increase (decrease) in allowance for doubtful accounts	48	49
Increase (decrease) in provision for bonuses	26	27
Increase (decrease) in net defined benefit asset and liability	(23)	(61)
Interest and dividend income	(78)	(74)
Interest expenses	62	89
Loss (gain) on sale and retirement of property, plant and equipment	(12)	5
(Gain) loss on sales or redemption of investment securities	–	1
Impairment losses	–	0
Decrease (increase) in trade receivables	2,377	1,145
Decrease (increase) in inventories	(782)	72
Increase (decrease) in trade payables	(7,835)	287
Other, net	254	64
Subtotal	314	8,400
Interest and dividends received	78	73
Interest paid	(62)	(89)
Income taxes paid	(1,374)	(1,250)
Net cash provided by (used in) operating activities	(1,043)	7,133
Cash flows from investing activities		
Purchase of securities	(300)	–
Purchase of property, plant and equipment	(2,474)	(813)
Proceeds from sale of property, plant and equipment	41	5
Purchase of investment securities	(26)	(1)
Proceeds from sale and redemption of investment securities	205	1
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	2	1
Purchase of shares of subsidiaries	–	(5,036)
Other, net	(145)	(32)
Net cash provided by (used in) investing activities	(2,699)	(5,877)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(123)	(220)
Repayments of long-term borrowings	(39)	(69)
Repayments of lease liabilities	(3)	(41)
Repayments of installment payables - property and equipment	(2,371)	(3,014)
Proceeds from sale of treasury shares	0	–
Purchase of treasury shares	(783)	(379)
Dividends paid	(1,715)	(1,907)
Net cash provided by (used in) financing activities	(5,037)	(5,633)
Effect of exchange rate change on cash and cash equivalents	21	8
Net increase (decrease) in cash and cash equivalents	(8,759)	(4,368)
Cash and cash equivalents at beginning of period	33,724	23,142
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	249
Cash and cash equivalents at end of period	24,965	19,024