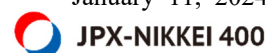


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Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending February 29, 2024 (under Japanese GAAP)



January 11, 2024



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 Listing: Tokyo Stock Exchange
 Securities code: 8194
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Scheduled date to file Quarterly Securities Report: January 15, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

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

1. Consolidated financial results for the first nine months of the fiscal year ending February 29, 2024 (from March 1, 2023 to November 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
November 30, 2023	602,452	5.9	19,232	41.8	19,852	40.3	13,269	37.5
November 30, 2022	568,681	–	13,559	(31.2)	14,151	(30.0)	9,652	(29.6)

Note: Comprehensive income

Nine months ended November 30, 2023: ¥13,323 million [36.9%]
 Nine months ended November 30, 2022: ¥9,735 million [(28.2)%]

Reference: Operating revenue is the total of net sales and receipts from operating revenue.

Net sales

Nine months ended November 30, 2023: ¥580,449 million [5.8%]
 Nine months ended November 30, 2022: ¥548,649 million [–%]

Receipts from operating revenue

Nine months ended November 30, 2023: ¥22,002 million [9.8%]
 Nine months ended November 30, 2022: ¥20,032 million [–%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2023	282.75	–
November 30, 2022	205.93	–

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the first quarter of the fiscal year ended February 28, 2023. Figures for the nine months ended November 30, 2022 represent the amounts after applying the said accounting standard, etc., and do not include year-on-year changes for operating revenue.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2023	282,851	131,807	46.6	2,808.52
February 28, 2023	280,810	122,002	43.4	2,599.79

Reference: Equity

As of November 30, 2023: ¥131,807 million

As of February 28, 2023: ¥122,002 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2023	–	35.00	–	35.00	70.00
Fiscal year ending February 29, 2024	–	40.00	–		
Fiscal year ending February 29, 2024 (Forecast)				50.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 29, 2024	809,800	5.8	22,200	15.9	23,000	14.9	15,000	12.5	319.63

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: Yes
 - iv. Restatement: None

Note: For details, please refer to 2. Quarterly consolidated financial statements and significant notes thereto, (3) Notes to quarterly consolidated financial statements, “Changes in accounting estimates” on page 9 of the attached material.

- (4) Number of issued shares (ordinary shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2023	49,450,800 shares
As of February 28, 2023	49,450,800 shares
 - ii. Number of treasury shares at the end of the period

As of November 30, 2023	2,519,431 shares
As of February 28, 2023	2,522,786 shares
 - iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	46,929,809 shares
Nine months ended November 30, 2022	46,870,373 shares

Note: The number of treasury shares at the end of the period includes the Company’s shares (80,500 shares as of November 30, 2023, and 84,300 shares as of February 28, 2023) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the “Trust for Delivering Shares to Directors.”

In addition, the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period. (82,264 shares for the nine months ended November 30, 2023, and 87,130 shares for the nine months ended November 30, 2022)

* Quarterly financial results reports are not required to be subjected to quarterly financial reviews conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to “1. Qualitative information on quarterly financial results, (3) Explanation of consolidated earnings forecasts and other such forward-looking information” on page 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Reference:**Non-consolidated earnings forecasts for the fiscal year ending February 29, 2024
(from March 1, 2023 to February 29, 2024)**

(Percentages indicate year-on-year changes.)

	Operating revenue		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 29, 2024	809,600	5.8	22,600	14.8	14,750	13.7	314.30

Note: Revisions to the non-consolidated earnings forecasts most recently announced: Yes

Attached material

1. Qualitative information on quarterly financial results	2
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1. Qualitative information on quarterly financial results

(1) Explanation of operating results

During the first nine months of the current fiscal year, the outlook for the Japanese economy remained uncertain mainly due to ongoing inflation, economic stagnation due to global scale monetary tightening, the impact from the depreciation of the yen, and the Russian invasion of Ukraine becoming prolonged as well as growing tensions in the Middle East. Meanwhile, amid the normalization of socioeconomic activities in Japan following the change in the legal classification of COVID-19 and the abolition of activity restrictions, the rate of economic growth showed underlying strength despite stagnation in some areas and companies generally had strong earnings results.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to not only concerns over consumer confidence weakening on account of the rise in wages being insufficient to catch up with higher prices but also rising costs on a variety of fronts such as personnel expenses, electricity expenses and logistics expenses, despite generally favorable revenue due to increased product prices.

In this economic environment, based on what we have built up through the 6th Medium-Term Plan and changes in the external environment, the Group is working on the 7th Medium-Term Plan with the following three main themes from the current fiscal year to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward to what we want to be in fiscal 2030.

- Investment in employees – We invest in growth of employee and a motivating workplace environment because we recognize that increased motivation through employee growth and satisfaction, will advance the 7th Medium-Term Plan and lead to company growth.
- Breaking away from homogeneous competition – We aim to provide customers with a comfortable shopping experience by refining our unique products and services, expanding our internet business, and providing information through the LIFE app available on smartphones, in order to realize seamless and convenient shopping environment.
- Contributing towards the realization of a sustainable and flourishing society – As a "lifeline for the community" – we are implementing initiatives to realize a sustainable and flourishing society (reduction of environmental impacts, contribution to the local community, etc.).

In promoting the three themes, even in the current situation of labor shortages, we are steadily getting all employees to conduct their activities while engaging in "kaizen" under the slogan of "Linking the Circle of Kaizen" in order to optimize costs while also increasing productivity to accomplish the 7th Medium-Term Plan, and beginning to see some results.

As a specific initiative to promote management strategies based on the 7th Medium-Term Plan, we renewed the LIFE app in July, adding more convenient and valuable features, and are steadily increasing the number of users. Also, the number of members of the LIFE credit card "LC JCB CARD" exceeded 500,000 and as a limited-time offer, point campaigns were offered once per month for the months from June to August. As part of our efforts to contribute towards the realization of a sustainable and flourishing society, some of our stores and distribution centers in the Osaka Region have been donating products to children's cafeterias offering free meals for children and other welfare programs. These products can no longer be sold mainly because there is package damage or they have reached their sell-by date according to internal rules although there are no problems regarding product quality. Distribution centers in the Tokyo Region also started this activity in September. In March 2023, we formed the "Tokyo Region Supermarket Logistics Study Group" to make concrete efforts toward building sustainable food logistics, and as the number of companies endorsing this initiative has increased to ten, we received the "53rd Food Industry Technology Achievement Award (Sustainability Category)" in recognition of our efforts.

We opened following new stores: Takarazuka Nakayamadera Store (Hyogo) and BIO-RAL PARCO_ya Ueno Store (Tokyo) in March, Kawasaki Tsukagoshi Store (Kanagawa) and Central Square LaLaport Kadoma Store (Osaka), which was our 300th store, in April, and Umejima Ekimae Store (Tokyo) and BIO-RAL Ariake Garden Store (Tokyo), which our first “Large BIO-RAL Cafe” is attached to, in June, Sakuranomiya Store (Osaka) in September, Kachidoki Mid Store (Tokyo) in October, and Shimomeguro Store (Tokyo) in November. Also, we have closed one store. As for existing stores, we undertook renovations at Oizumigakuen Ekimae Store, Kema Store, Higashinakano Store, Konohanadempo Store, and Kumata Store enhancing the product lineups such as BIO-RAL brand products and frozen foods.

The Group’s operating revenue totaled ¥602,452 million (up 5.9% year on year) as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as “BIO-RAL,” and implementing product initiatives that sought to enhance taste of our products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in utilities expenses, various property expenses such as rent expenses from opening new stores, and personnel expenses from increased hiring activities. However, initiatives to increase productivity and optimize costs led to the results exceeding the plan, and operating profit was ¥19,232 million (up 41.8% year on year), ordinary profit was ¥19,852 million (up 40.3% year on year), and profit attributable to owners of parent was ¥13,269 million (up 37.5% year on year).

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥602,283 million (up 5.9% year on year), with net sales of ¥580,449 million (up 5.8% year on year), and segment profit of ¥19,546 million (up 40.4% year on year).

Net sales by department were ¥252,116 million (up 5.0% year on year) for fresh produce, ¥260,707 million (up 7.0% year on year) for general food, ¥50,319 million (up 5.1% year on year) for lifestyle products, and ¥17,306 million (up 2.2% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,064 million (up 8.1% year on year), with segment profit of ¥306 million (up 32.3% year on year).

(2) Explanation of financial position

Total assets at the end of the third quarter of the current fiscal year were ¥282,851 million, an increase of ¥2,040 million from the end of the previous fiscal year.

Current assets totaled ¥79,991 million, a decrease of ¥498 million from the end of the previous fiscal year. This was mainly due to decreases of ¥1,493 million in cash and deposits, ¥1,320 million in accounts receivable - other, and ¥1,242 million in advances paid (other current assets), while merchandise and finished goods increased by ¥2,848 million and accounts receivable - trade increased by ¥895 million.

Non-current assets totaled ¥202,859 million, an increase of ¥2,539 million from the end of the previous fiscal year. This was mainly due to an increase of ¥310 million in property, plant and equipment after depreciation, an increase of ¥987 million in intangible assets, and an increase of ¥708 million in guarantee deposits, resulting from new store openings.

Total liabilities at the end of the third quarter of the current fiscal year were ¥151,043 million, a decrease of ¥7,764 million from the end of the previous fiscal year. This was mainly due to a ¥22,066 million decrease in the total of short-term borrowings and long-term borrowings, while accounts payable - trade increased by ¥6,015 million, income taxes payable increased by ¥2,885 million, and accounts payable - other (other current liabilities) increased by ¥6,505 million.

Total net assets at the end of the third quarter of the current fiscal year were ¥131,807 million, an

increase of ¥9,804 million from the end of the previous fiscal year. This was mainly due to a ¥9,743 million increase in retained earnings.

(3) Explanation of consolidated earnings forecasts and other such forward-looking information

The Company has revised the consolidated earnings forecasts that announced on April 10, 2023 in the “Consolidated Financial Results for the Fiscal Year Ended February 28, 2023.” For details, please refer to “Notice Concerning Revisions to Earnings Forecasts and Year-End Dividend Forecast” released today (January 11, 2024).

We will closely monitor future economic and consumer spending trends, and if it becomes necessary to revise our consolidated earnings forecasts, we will disclose them promptly.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	9,727	8,234
Accounts receivable - trade	9,209	10,104
Merchandise and finished goods	25,811	28,660
Raw materials and supplies	250	290
Accounts receivable - other	29,664	28,344
Other	5,826	4,357
Total current assets	80,490	79,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91,932	92,628
Land	39,614	39,614
Other, net	24,334	23,948
Total property, plant and equipment	155,880	156,190
Intangible assets	3,218	4,206
Investments and other assets		
Guarantee deposits	24,513	25,221
Other	16,749	17,282
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	41,220	42,462
Total non-current assets	200,319	202,859
Total assets	280,810	282,851

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	41,971	47,987
Short-term borrowings	44,120	16,100
Current portion of long-term borrowings	8,628	10,300
Income taxes payable	2,363	5,248
Provision for bonuses	2,764	441
Provision for sales promotion expenses	21	21
Other	28,367	36,233
Total current liabilities	128,236	116,332
Non-current liabilities		
Long-term borrowings	17,497	21,778
Provision for share awards for directors (and other officers)	43	35
Retirement benefit liability	889	950
Asset retirement obligations	5,350	5,570
Other	6,790	6,375
Total non-current liabilities	30,571	34,710
Total liabilities	158,807	151,043
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	5,696	5,696
Retained earnings	109,147	118,891
Treasury shares	(3,838)	(3,831)
Total shareholders' equity	121,010	130,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588	734
Revaluation reserve for land	(1,154)	(1,154)
Remeasurements of defined benefit plans	1,558	1,466
Total accumulated other comprehensive income	992	1,046
Total net assets	122,002	131,807
Total liabilities and net assets	280,810	282,851

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Net sales	548,649	580,449
Cost of sales	378,723	399,112
Gross profit	169,925	181,337
Receipts from operating revenue	20,032	22,002
Operating gross profit	189,958	203,339
Selling, general and administrative expenses	176,399	184,107
Operating profit	13,559	19,232
Non-operating income		
Interest income	98	92
Dividend income	27	31
Income from recycling	264	274
Data offer fee	112	122
Other	291	279
Total non-operating income	795	801
Non-operating expenses		
Interest expenses	138	143
Other	64	37
Total non-operating expenses	203	181
Ordinary profit	14,151	19,852
Extraordinary losses		
Loss on retirement of non-current assets	38	91
Head office relocation expenses	-	80
Loss on store closings	-	66
Loss on disaster	-	*1 49
Other	2	13
Total extraordinary losses	40	302
Profit before income taxes	14,110	19,550
Income taxes - current	4,578	7,108
Income taxes - deferred	(120)	(827)
Total income taxes	4,458	6,281
Profit	9,652	13,269
Profit attributable to owners of parent	9,652	13,269

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	9,652	13,269
Other comprehensive income		
Valuation difference on available-for-sale securities	69	146
Remeasurements of defined benefit plans, net of tax	13	(92)
Total other comprehensive income	82	54
Comprehensive income	9,735	13,323
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,735	13,323

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on the event of significant changes in the amount of shareholders' equity

Not applicable.

Changes in accounting estimates

Changes in useful lives

At the Board of Directors meeting held on August 31, 2023, a resolution was passed concerning guidelines for the relocation of the Tokyo Head Office. In line with these guidelines, the term for the useful lives of non-current assets that will be no longer required was shortened to the scheduled date of relocation.

As a result, compared to the previous method, operating profit, ordinary profit, and profit before income taxes each decreased by ¥63 million for the first nine months of the current fiscal year.

Notes to quarterly consolidated statement of income

***1 Loss on disaster**

First nine months of the previous fiscal year (March 1, 2022 to November 30, 2022)

Not applicable.

First nine months of the current fiscal year (March 1, 2023 to November 30, 2023)

An amount of ¥49 million was recorded as loss on abandonment of goods and waste disposal costs in association with Typhoon Lan (seventh named storm), which struck in August 2023.

Segment information, etc.

[Segment information]

I First nine months of the previous fiscal year (March 1, 2022 to November 30, 2022)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	564,585	811	565,397	–	565,397
Other revenue (Note 4)	3,284	–	3,284	–	3,284
Operating revenue from external customers	567,869	811	568,681	–	568,681
Intersegment operating revenue and transfers	673	1,098	1,771	(1,771)	–
Total	568,543	1,909	570,453	(1,771)	568,681
Segment profit	13,919	231	14,151	–	14,151

- Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.
2. “Other” includes credit card business, etc.
3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.
4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

II First nine months of the current fiscal year (March 1, 2023 to November 30, 2023)

1. Information on operating revenue and profit or loss by reportable segment and on disaggregation of revenue

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments	Amounts recorded in quarterly consolidated statement of income (Note 3)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	598,255	901	599,156	–	599,156
Other revenue (Note 4)	3,296	–	3,296	–	3,296
Operating revenue from external customers	601,551	901	602,452	–	602,452
Intersegment operating revenue and transfers	732	1,163	1,895	(1,895)	–
Total	602,283	2,064	604,347	(1,895)	602,452
Segment profit	19,546	306	19,852	–	19,852

Notes: 1. Operating revenue is the total of net sales and receipts from operating revenue.

2. “Other” includes credit card business, etc.

3. Segment profit is adjusted to ordinary profit in the quarterly consolidated statement of income.

4. Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

Significant subsequent events

Not applicable.