

Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 [Japanese GAAP]



April 11, 2024

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 23, 2024

Scheduled date of commencing dividend payments: May 24, 2024

Scheduled date of filing securities report: May 23, 2024

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 29, 2024 (March 1, 2023–February 29, 2024)

(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 29, 2024	351,856	13.2	14,495	3.4	14,972	4.7	10,677	11.1
February 28, 2023	310,826	–	14,018	–	14,297	3.0	9,614	4.6

(Note) Comprehensive income: Fiscal year ended February 29, 2024: ¥10,726 million [8.5%]

Fiscal year ended February 28, 2023: ¥9,889 million [7.2%]

	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 29, 2024	512.25	–	11.2	8.5	4.2
February 28, 2023	461.02	–	11.0	8.9	4.6

(Reference) Equity in earnings of affiliated companies: Fiscal year ended February 29, 2024: ¥– million

Fiscal year ended February 28, 2023: ¥– million

(Note) The Company has applied 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 ended February 28, 2023. While the above consolidated operating results reflect the application of these accounting standards, changes from the fiscal year ended February 28, 2023 for operating income and operating profit are not provided as the figures for the previous fiscal year were prepared using a different accounting process.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	184,363	99,965	54.2	4,795.60
As of February 28, 2023	169,306	91,304	53.9	4,380.11

(Reference) Equity: As of February 29, 2024: ¥99,965 million

As of February 28, 2023: ¥91,304 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 29, 2024	21,059	(16,227)	(3,382)	17,028
February 28, 2023	15,618	(15,928)	4,097	15,579

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 28, 2023	–	45.00	–	49.00	94.00	1,961	20.4	2.2
Fiscal year ended	–	50.00	–	58.00	108.00	2,253	21.1	2.4
February 29, 2024								
Fiscal year ending	–	58.00	–	58.00	116.00		20.3	
February 28, 2025 (Forecast)								

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024–February 28, 2025)

(% 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
	376,724	7.1	17,509	20.8	17,630	17.8	11,906	11.5	571.18

*** 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 29, 2024:	20,867,800 shares
February 28, 2023:	20,867,800 shares
 - 2) Total number of treasury shares at the end of the fiscal year:

February 29, 2024:	22,619 shares
February 28, 2023:	22,587 shares
 - 3) Average number of shares during the fiscal year:

Fiscal year ended February 29, 2024:	20,845,182 shares
Fiscal year ended February 28, 2023:	20,853,781 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023–February 29, 2024)**

(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 29, 2024	352,015	13.2	13,698	2.7	14,128	3.9	10,109	10.5
February 28, 2023	311,025	–	13,335	–	13,592	0.0	9,148	1.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 29, 2024	484.99	–
February 28, 2023	438.69	–

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

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	181,418	94,215	51.9	4,519.78
As of February 28, 2023	167,069	86,162	51.6	4,133.44

(Reference) Equity: As of February 29, 2024: ¥94,215 million

As of February 28, 2023: ¥86,162 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024–February 28, 2025)

(% 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
	376,924	7.1	16,812	19.0	11,374	12.5	545.68

* 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 experienced improvements in the employment and income situation. The economy was on a moderate recovery path along with support from various government policies. However, the economic outlook remains uncertain as a downturn in overseas economies triggered by global monetary tightening and other factors could put downward pressure on the domestic economy. This is coupled with the impact of rising prices on household finances and companies, supply-side constraints, among other factors.

In the retail industry, despite signs of recovery in consumer spending, some consumers held off from purchasing due to the continuing modest rise in consumer prices, resulting in a polarization of consumption. Conditions remain harsh as a global surge in energy prices has led to a rise in selling, general and administrative expenses and repeated increases in purchase prices for food products.

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 enhanced point card sales promotion measures, improved competitiveness of our flier prices, and implemented product promotions on social media in an effort to give a wider range of customers more incentives to visit our stores. We have also been enhancing the convenience of our customers by expanding the stores that support “Belc otodoke (delivery) pack,” our online grocery shopping service, and “Belc Pay,” our proprietary e-money card. 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 worked to increase customers who shop intentionally at our stores by further expanding our offering of products developed in-house, including our private label, “kurabelc (Belc for everyday life).”

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

As for our store investments, we newly opened six stores, Forte Hachioji Store in Hachioji City, Tokyo Prefecture in May 2023, Higarigaoka Store in Wako City, Saitama Prefecture in June 2023, Forte Tomisato Store in Tomisato City, Chiba Prefecture in September 2023, Koga Morokawa Store in Koga city, Ibaraki Prefecture in December 2023, Funabashi Fujiwara Store in Funabashi City, Chiba Prefecture in January 2024, and Noda Yamazaki Store in Noda City, Chiba Prefecture in February 2024. In addition, we renovated six existing stores, expanded their deli and convenience food selections, and updated the facilities to provide more pleasant shopping environments. Of the six stores renovated, we reopened Egi Store in Takasaki City, Gunma Prefecture, and Ryumai Store in Ota City, Gunma Prefecture as our new store models, “CLBE Egi” and “CLBE Ryumai” in July 2023 and February 2024, respectively. We closed Kamisato SC Store in Kamisato-machi, Kodama-gun, Saitama Prefecture in August 2023. As a result, we operate 138 stores as of February 29, 2024.

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, improving 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.

As a result, operating income (net sales and operating revenue combined) for the fiscal year under review was ¥351,856 million (113.2% of that of the previous fiscal year), operating profit was ¥14,495 million (103.4% of that of the previous fiscal year), ordinary profit was ¥14,972 million (104.7% of that of the previous fiscal year), and profit attributable to owners of parent was ¥10,677 million (111.1% of that of the previous fiscal year).

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

(Assets)

Total assets as of February 29, 2024 were ¥184,363 million, an increase of ¥15,057 million compared with the end of the previous fiscal year.

Current assets were ¥36,908 million, an increase of ¥4,226 million compared with the end of the previous fiscal year, due mainly to an increase of ¥1,448 million in cash and deposits and ¥1,066 million in merchandise and finished goods and ¥1,020 million in accounts receivable - trade.

Non-current assets were ¥147,455 million, an increase of ¥10,830 million compared with the end of the previous fiscal year, due mainly to increases of ¥5,389 million in buildings and structures and ¥3,087 million in land.

(Liabilities)

Liabilities were ¥84,398 million, an increase of ¥6,396 million compared with the end of the previous fiscal year.

Current liabilities were ¥45,444 million, an increase of ¥7,150 million compared with the end of the previous fiscal year, due mainly to an increase of ¥3,267 million in accounts payable - trade.

Non-current liabilities were ¥38,954 million, a decrease of ¥753 million compared with the end of the previous fiscal year, due mainly to a decrease of ¥802 million in long-term borrowings.

(Net assets)

Net assets were ¥99,965 million, an increase of ¥8,660 million compared with the end of the previous fiscal year, due mainly to an increase of ¥8,612 million in retained earnings.

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

Cash and cash equivalents ("cash") as of February 29, 2024 were ¥17,028 million, an increase of ¥1,448 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 ¥21,059 million (an increase of ¥5,440 million compared with the previous fiscal year). This is mainly attributable to an increase in "Increase (decrease) in trade payables."

(Cash flows from investing activities)

Net cash used in investing activities was ¥16,227 million (an increase of ¥298 million compared with the previous fiscal year). This is mainly attributable to a decrease in payments of guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥3,382 million (an increase of ¥7,480 million compared with the previous fiscal year). This is mainly attributable to a decrease 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 effects of various government policies, as the employment and income environment improves. However, the outlook will remain uncertain, due to various factors including the effects of global monetary tightening and concerns for the future of the Chinese economy, as the downturn in overseas economies could put downward pressure on the domestic economy, as well as rising prices, and supply-side constraints.

In the retail industry, conditions are forecast to remain harsh, with rising prices due to the soaring raw material prices and production costs, sluggish consumer spending, and a concern that sudden changes in the financial market could cause economic downturns.

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 a wider range of payment options available at our stores, 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 achieve more efficient chain operations. We will also review and revise operation contents and facilities, 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 Nerima Takamatsu Store, which opened in Nerima-ku, Tokyo Prefecture, while maintaining standardization, which is one of the Group’s strengths.

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. We will also review our delivery routes with a view to overcoming the “2024 issue” in the logistics industry of Japan—new restrictions on truck drivers’ overtime come into effect in April 2024, which could cause a shortage of truck drivers and other issues.

While striving to achieve further stable operation of the No. 1 Plant, Group company Home Delica Co., Ltd. will aim to manufacture products developed in-house that taste good 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 reinforce the Group’s service business by developing and supplying equipment, supplies, and sales materials.

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 ¥376,724 million (107.1% of that of the previous fiscal year), operating profit to be ¥17,509 million (120.8% of that of the previous fiscal year), ordinary profit to be ¥17,630 million (117.8% of that of the previous fiscal year), and profit attributable to owners of parent to be ¥11,906 million (111.5% of that of the previous fiscal year).

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, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	15,579	17,028
Accounts receivable - trade	4,148	5,168
Merchandise and finished goods	7,891	8,957
Raw materials and supplies	428	471
Other	4,634	5,282
Total current assets	32,682	36,908
Non-current assets		
Property, plant and equipment		
Buildings and structures	113,427	123,211
Accumulated depreciation	(43,481)	(47,876)
Buildings and structures, net	69,945	75,335
Machinery, equipment and vehicles	3,782	4,025
Accumulated depreciation	(1,400)	(1,707)
Machinery, equipment and vehicles, net	2,381	2,317
Tools, furniture and fixtures	10,456	12,211
Accumulated depreciation	(6,089)	(7,028)
Tools, furniture and fixtures, net	4,367	5,183
Land	40,288	43,375
Leased assets	2,118	587
Accumulated depreciation	(1,714)	(406)
Leased assets, net	403	181
Construction in progress	1,501	1,857
Total property, plant and equipment	118,888	128,251
Intangible assets	1,646	2,407
Investments and other assets		
Investment securities	110	123
Retirement benefit asset	106	168
Deferred tax assets	2,612	2,754
Guarantee deposits	9,522	9,001
Other	3,793	4,754
Allowance for doubtful accounts	(55)	(5)
Total investments and other assets	16,089	16,796
Total non-current assets	136,624	147,455
Total assets	169,306	184,363

(Million yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	19,940	23,208
Current portion of bonds payable	428	428
Current portion of long-term borrowings	7,273	7,445
Lease liabilities	258	72
Income taxes payable	2,782	2,126
Contract liabilities	515	624
Provision for bonuses	1,193	1,276
Provision for bonuses for directors (and other officers)	91	93
Other	5,809	10,170
Total current liabilities	38,294	45,444
Non-current liabilities		
Bonds payable	2,571	2,142
Long-term borrowings	25,054	24,252
Lease liabilities	245	172
Provision for share awards for directors (and other officers)	27	63
Guarantee deposited	5,143	5,234
Asset retirement obligations	6,043	6,526
Other	622	561
Total non-current liabilities	39,708	38,954
Total liabilities	78,002	84,398
Net assets		
Shareholders' equity		
Share capital	3,912	3,912
Capital surplus	4,102	4,102
Retained earnings	83,373	91,985
Treasury shares	(118)	(118)
Total shareholders' equity	91,270	99,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12	22
Remeasurements of defined benefit plans	21	60
Total accumulated other comprehensive income	34	83
Total net assets	91,304	99,965
Total liabilities and net assets	169,306	184,363

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

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	305,561	346,072
Cost of sales	220,951	251,907
Gross profit	84,610	94,165
Operating revenue	5,264	5,784
Operating gross profit	89,874	99,949
Selling, general and administrative expenses	75,855	85,453
Operating profit	14,018	14,495
Non-operating income		
Interest and dividends received	42	40
Administrative service fee income	89	95
Subsidy income	67	230
Penalty income from leaving tenants	–	2
Gain on adjustment of accounts payable	12	–
Other	186	262
Total non-operating income	399	631
Non-operating expenses		
Interest expenses	98	120
Interest expenses on bonds	0	9
Bond issuance costs	13	–
Other	8	25
Total non-operating expenses	120	155
Ordinary profit	14,297	14,972
Extraordinary income		
Gain on sale of non-current assets	146	–
Gain on sale of investment securities	0	–
Gain on reversal of asset retirement obligations	–	20
Total extraordinary income	147	20
Extraordinary losses		
Loss on sale of non-current assets	0	18
Loss on retirement of non-current assets	89	240
Impairment losses	112	–
Total extraordinary losses	202	258
Profit before income taxes	14,241	14,733
Income taxes - current	4,808	4,218
Income taxes - deferred	(180)	(162)
Total income taxes	4,627	4,055
Profit	9,614	10,677
Profit attributable to owners of parent	9,614	10,677

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Profit	9,614	10,677
Other comprehensive income		
Valuation difference on available-for-sale securities	15	9
Remeasurements of defined benefit plans, net of tax	260	39
Total other comprehensive income	275	48
Comprehensive income	9,889	10,726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,889	10,726
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	75,880	(3)	83,891
Cumulative effects of changes in accounting policies			(201)		(201)
Restated balance	3,912	4,102	75,678	(3)	83,690
Changes during period					
Dividends of surplus			(1,919)		(1,919)
Profit attributable to owners of parent			9,614		9,614
Purchase of treasury shares				(114)	(114)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7,694	(114)	7,579
Balance at end of period	3,912	4,102	83,373	(118)	91,270

	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	(2)	(238)	(241)	83,650
Cumulative effects of changes in accounting policies				(201)
Restated balance	(2)	(238)	(241)	83,449
Changes during period				
Dividends of surplus				(1,919)
Profit attributable to owners of parent				9,614
Purchase of treasury shares				(114)
Net changes in items other than shareholders' equity	15	260	275	275
Total changes during period	15	260	275	7,855
Balance at end of period	12	21	34	91,304

Fiscal year ended February 29, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,912	4,102	83,373	(118)	91,270
Cumulative effects of changes in accounting policies					—
Restated balance	3,912	4,102	83,373	(118)	91,270
Changes during period					
Dividends of surplus			(2,065)		(2,065)
Profit attributable to owners of parent			10,677		10,677
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	8,612	(0)	8,612
Balance at end of period	3,912	4,102	91,985	(118)	99,882

	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	12	21	34	91,304
Cumulative effects of changes in accounting policies				—
Restated balance	12	21	34	91,304
Changes during period				
Dividends of surplus				(2,065)
Profit attributable to owners of parent				10,677
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	9	39	48	48
Total changes during period	9	39	48	8,660
Balance at end of period	22	60	83	99,965

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	14,241	14,733
Depreciation	6,524	6,968
Impairment losses	112	–
Increase (decrease) in allowance for doubtful accounts	0	(50)
Increase (decrease) in provision for bonuses	51	82
Increase (decrease) in provision for bonuses for directors (and other officers)	7	1
Increase (decrease) in provision for point card certificates	(447)	–
Increase (decrease) in contract liabilities	515	108
Increase (decrease) in retirement benefit liability	(248)	–
Decrease (increase) in retirement benefit asset	268	(5)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(235)	–
Increase (decrease) in provision for share awards for directors (and other officers)	27	36
Interest and dividend income	(42)	(40)
Interest expenses	98	120
Interest expenses on bonds	0	9
Loss (gain) on sale of investment securities	(0)	–
Loss (gain) on sale of non-current assets	(145)	18
Loss on retirement of non-current assets	89	240
Decrease (increase) in trade receivables	(609)	(1,020)
Decrease (increase) in inventories	(918)	(1,109)
Increase (decrease) in trade payables	2,023	3,267
Increase (decrease) in guarantee deposits received	(12)	(2)
Other, net	(573)	2,708
Subtotal	20,724	26,067
Interest and dividends received	5	5
Interest paid	(72)	(113)
Income taxes paid	(5,038)	(4,900)
Net cash provided by (used in) operating activities	15,618	21,059
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,538)	(17,117)
Proceeds from sale of property, plant and equipment	867	2,013
Payments for retirement of property, plant and equipment	(68)	(145)
Purchase of intangible assets	(271)	(1,033)
Purchase of investment securities	(10)	–
Proceeds from sale of investment securities	3	–
Loan advances	(90)	(130)
Proceeds from collection of loans receivable	19	20
Payments of guarantee deposits	(403)	(1,623)
Proceeds from refund of guarantee deposits	296	394
Proceeds from sales of guarantee deposits	–	1,265
Guarantee deposits received	738	655
Refund of guarantee deposits received	(390)	(393)
Payments for asset retirement obligations	–	(4)
Other, net	(81)	(128)
Net cash provided by (used in) investing activities	(15,928)	(16,227)

(Million yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(500)	–
Proceeds from long-term borrowings	11,000	7,000
Proceeds from issuance of bonds	3,000	–
Repayments of long-term borrowings	(6,796)	(7,630)
Redemption of bonds	–	(428)
Purchase of treasury shares	(114)	(0)
Repayments of lease liabilities	(570)	(258)
Dividends paid	(1,919)	(2,065)
Net cash provided by (used in) financing activities	4,097	(3,382)
Net increase (decrease) in cash and cash equivalents	3,787	1,448
Cash and cash equivalents at beginning of period	11,791	15,579
Cash and cash equivalents at end of period	15,579	17,028

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

Fiscal year ended February 28, 2023

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

Fiscal year ended February 29, 2024

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, 2023	For the fiscal year ended February 29, 2024
Net assets per share	¥4,380.11	¥4,795.60
Basic earnings per share	¥461.02	¥512.25

(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 (21,000 shares for the previous fiscal year and 21,000 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, 2023	For the fiscal year ended February 29, 2024
Profit attributable to owners of parent (million yen)	9,614	10,677
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent relating to common shares (million yen)	9,614	10,677
Average number of common shares outstanding during the fiscal year (shares)	20,853,781	20,845,182

(Significant subsequent events)

Not applicable.