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Consolidated Financial Results for the Fiscal Year ended February 29, 2024 (Under Japanese GAAP)

April 11, 2024

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Listings Tokyo Stock Exchange, Fukuoka Stock Exchange
Security code 8203
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Scheduled dates:

Ordinary General Meeting of Shareholders May 23, 2024
Commencement of dividend payments May 24, 2024
Submission of annual securities report May 23, 2024
Supplementary materials to the financial results Available
Earnings results briefing Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Fiscal Year ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended February 29, 2024	129,570	2.1	3,021	(34.8)	2,908	(35.7)	2,444	(28.7)
Year ended February 28, 2023	126,904	1.7	4,632	3.2	4,523	4.1	3,427	20.1

Note: Comprehensive income: Year ended February 29, 2024: 2,557 million yen [(29.5%)]
Year ended February 28, 2023: 3,628 million yen [26.5%]

	Earnings per share	Earnings per share – fully diluted	Ratio of profit to total equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	yen	yen	%	%	%
Year ended February 29, 2024	73.53	—	7.3	3.5	2.3
Year ended February 28, 2023	103.19	—	11.0	5.5	3.6

Reference: Share of profit (loss) of entities accounted for using the equity method: Year ended February 29, 2024: – million yen
Year ended February 28, 2023: – million yen

(2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 29, 2024	83,511	34,129	40.9	1,026.47
February 28, 2023	81,932	32,452	39.6	976.82

Reference: Total equity February 29, 2024: 34,129 million yen February 28, 2023: 32,452 million yen

(3) 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
	million yen	million yen	million yen	million yen
Year ended February 29, 2024	3,934	(2,611)	(2,070)	2,389
Year ended February 28, 2023	3,970	(186)	(3,535)	3,136

2. Dividends

	Dividend per share							
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total	Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	yen	yen	yen	yen	yen	million yen	%	%
Year ended February 28, 2023	—	0.00	—	27.00	27.00	897	26.2	2.9
Year ended February 29, 2024	—	0.00	—	18.00	18.00	598	24.5	1.8
Year ending February 28, 2025 (forecast)	—	0.00	—	20.00	20.00		30.2	

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	67,000	2.3	2,000	5.3	1,900	2.6	1,300	8.7	39.10
Full year	132,000	1.9	3,300	9.2	3,200	10.0	2,200	(10.0)	66.16

* Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: None

Newly included: — (company name), Excluded: — (company name)

(2) Changes in accounting policy, changes in accounting estimates, and retrospective restatements:

1) Changes in accordance with amendments to accounting standards: None

2) Changes other than the above 1): None

3) Changes in accounting estimates: Yes

4) Retrospective restatements: None

(3) Number of shares issued (common stock)

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

February 29, 2024: 39,611,134 shares

February 28, 2023: 39,611,134 shares

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

February 29, 2024: 6,362,036 shares

February 28, 2023: 6,388,805 shares

3) Average number of shares outstanding during the period:

Year ended February 29, 2024: 33,241,049 shares

Year ended February 28, 2023: 33,213,093 shares

* Review status

This report is exempt from an audit by a certified public accountant or audit firm.

* Appropriate Use of Earnings Forecasts and Other Important Information

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. The actual results may differ materially from the above forecasts due to a range of factors. For the assumptions underlying the earnings forecasts and important notes on the use of the earnings forecasts, please refer to page 3 of the accompanying materials.

Accompanying Materials

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1. Overview of Operating Results and Financial Condition

(1) Overview of Operating Results for the Fiscal Year under Review

1) Operating results

During the fiscal year ended February 29, 2024, the Japanese economy saw the impact of the COVID-19 pandemic ease and business recover moderately. On the other hand, the economic outlook remained uncertain mainly due to a surge in prices, rapid foreign exchange fluctuations, and concerns over a slowdown of economic activity caused by the easing of monetary policy around the world.

In such an environment, the Group, as an operator of general discount stores, under its management philosophy “Making everyday life of customers richer, more convenient, and more fun,” thoroughly pursued the ideal of Everyday Low Price (EDLP) – we sell products, mainly daily necessities, at low prices every day, thereby focusing on Every Day Low Cost (EDLC), which supports the EDLP principle. During the fiscal year under review, we renovated 12 existing stores with the aim of further enhancing the earnings power of existing stores and customer convenience, and in addition, we opened an online store in March 2023.

In the online store, we offer products at the same reasonable prices as we do in physical stores. Regarding the ways for customers to receive their purchases, customers can opt for home delivery or in-store pickup. Each customer can choose the shopping style that suits their individual situation, which has raised convenience. As a result, the number of registered customers exceeds 100,000 people. From now on, we will further reinforce and broaden the range of merchandise and improve the functions. In parallel, as the digital transformation (DX) strategy, we will utilize data to carry out efficient sales promotions and lift the efficiency of employee work in order to further reduce our operating costs.

Sales from all stores for the fiscal year under review were 124,514 million yen (up 2.0% year on year). In terms of products, we strengthened and expanded the lineup of high-performance front-loader washing machines, which drove sales. Furthermore, sales of products that highlighted EDLP, including beverages, instant noodles, and pet goods, remained strong, reflecting the trend of people becoming more budget-minded in the face of rising prices. Regarding PB products in particular, we offered “low prices with value” by integrating production plants and revising purchases. As a result, sales of them increased 15.1% year on year.

Additionally, as consumers increased outings during the fiscal year under review, sales of products such as carry cases, cosmetics, and shoes increased.

On the other hand, sales of high-profit COVID-19-related goods, including face masks and testing kits, decreased. The gross profit margin dropped 1.0% partly due to a surge in procurement prices, resulting in a gross profit of 26,949 million yen (down 2.7% year on year)

In terms of costs, selling, general, and administrative expenses totaled 28,984 million yen (up 4.1% year on year) due to increases in capital expenditure with an eye on future growth, such as e-commerce business and renovations, and cashless payment charges. Operating profit was 3,021 million yen (down 34.8% year on year), and ordinary profit was 2,908 million yen (down 35.7% year on year). Profit attributable to owners of the parent was 2,444 million yen (down 28.7% year on year).

In the future, we will continue pursuing business expansion with the aim of realizing the goal of “Making everyday life of customers richer, more convenient, and more fun” for as many customers as possible.

(Net sales by product category)

Category	Year ended February 28, 2023		Year ended February 29, 2024	
	Amount (million yen)	Share	Amount (million yen)	Share
Home appliances	17,803	14.6%	17,407	14.0%
Apparel	6,656	5.5%	6,677	5.4%
Life style	17,172	14.1%	17,066	13.7%
Home living	11,581	9.5%	11,569	9.3%
HBC	25,052	20.5%	25,514	20.5%
Foods	43,840	35.9%	46,507	37.4%
Other	4	0.0%	(220)	(0.2%)
Elimination	(5)	0.0%	(9)	0.0%
Total	122,107	100.0%	124,514	100.0%

2) Forecast for the next fiscal year

The forecast for the next fiscal year is as follows.

(Earnings forecasts)	Operating revenue	132.0 billion yen
	Operating profit	3.3 billion yen
	Ordinary profit	3.2 billion yen
	Profit attributable to owners of parent	2.2 billion yen
	Earnings per share	66.16 yen

- * The estimated earnings per share is calculated using the number of shares issued at the end of the fiscal year ended February 29, 2024 (excluding treasury shares), without considering purchases of treasury shares, requests for purchase or additional purchase of fractional shares, bonuses for directors, and other factors.
- * The above forecasts include management decisions and assumptions based on information available as of the filing date. Accordingly, actual business results may differ materially from the above forecasts due to changes in given conditions.

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

1) Assets, liabilities, and net assets

(Total assets)

Current assets as of February 29, 2024 were 19,161 million yen, an increase of 914 million yen from the end of the previous fiscal year (February 28, 2023). The increase is mainly attributable to an increase of 1,093 million yen in merchandise. Non-current assets were 64,350 million yen, an increase of 664 million yen from the end of the previous fiscal year. The rise is mainly attributable to an increase of 1,026 million yen in buildings and structures.

As a result, total assets were 83,511 million yen, an increase of 1,579 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of February 29, 2024 were 26,784 million yen, an increase of 930 million yen from the end of the previous fiscal year (February 28, 2023). The decrease is mainly attributable to an increase of 1,467 million yen in notes and accounts payable - trade. Non-current liabilities were 22,597 million yen, a decrease of 1,028 million yen from the end of the previous fiscal year. The decrease is mainly attributable to a decrease of 695 million yen in long-term borrowings.

As a result, liabilities were 49,382 million yen, a decrease of 97 million yen from the end of the previous fiscal year.

(Net assets)

Net assets as of February 29, 2024 were 34,129 million yen, an increase of 1,677 million yen from end of the previous fiscal year (February 28, 2023). The increase is mainly attributable to an increase of 1,547 million yen in retained earnings.

2) Cash flows

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 3,934 million yen (down 0.9% year on year). This is mainly attributable to profit before income taxes of 2,843 million yen and depreciation of 2,575 million yen, which were partially offset by an increase in inventories of 1,091 million yen and income tax paid of 811 million yen.

(Cash flow from investing activities)

Net cash used in investing activities amounted to 2,611 million yen (up 1,298.8% year on year). This is mainly attributable to purchases of property, plants, and equipment of 2,045 million yen, proceeds from collection of leasehold and guarantee deposits of 492 million yen.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 2,070 million yen (down 41.4% year on year). This is mainly attributable to proceeds of 5,500 million yen from long-term borrowings, 5,845 million yen in repayments of long-term borrowings, dividends paid of 895 million yen, and 554 million yen in repayments of lease liabilities.

As a result, the cash and cash equivalents at the end of the fiscal year ended February 29, 2024 amounted to 2,389 million yen.

(Changes in cash flow indicators)

	FYE Feb 2020	FYE Feb 2021	FYE Feb 2022	FYE Feb 2023	FYE Feb 2024
Shareholders' equity ratio (%)	29.5	33.8	36.1	39.6	40.9
Shareholders' equity ratio based on market value (%)	14.8	29.1	23.1	26.3	24.2
Interest-bearing debt/cash flow ratio (years)	7.8	2.4	6.6	5.3	5.2
Interest coverage ratio (times)	16.5	44.1	18.7	24.1	29.7

(Notes) Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio based on market value: Market capitalization/Total assets *1

Interest-bearing debt/cash flow ratio: Interest-bearing debt/Cash flow *2, 3

Interest coverage ratio: Cash flow/Interest payments *2, 4

*1 Market capitalization is calculated based on the number of shares issued, excluding treasury shares.

*2 The figure for net cash provided by operating activities in the consolidated statement of cash flows is used as cash flow.

*3 Interest-bearing debt refers to the sum of all liabilities in the consolidated balance sheet on which interest is paid.

*4 The figure for interest paid in the consolidated statement of cash flows is used as interest payments.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

1) Basic policy on profit distribution

The Company aims to pay dividends with a target payout ratio of 30% while comprehensively considering such factors as the Company's operating results, financial position, and future outlook. The Company pays dividends, using the profit as the standard after deducting temporary profits and losses (after income taxes), such as impairment loss, from profit attributable to owners of the parent.

Internal reserves will be used mainly for construction and renovation of stores and shopping centers, investment in information systems for logistics and purchasing, and human resources management activities such as recruitment, training and redeployment to enhance our organizational capabilities, with a view to expanding our business and strengthening business foundation.

2) Shareholder returns for the fiscal year ended February 29, 2024

The Company plans to pay a year-end dividend of 18 yen per share for the fiscal year ended February 29, 2024.

The scheduled date of commencement of dividend payments is May 24, 2024.

3) Shareholder returns for the fiscal year ending February 28, 2025

The Company will decide on dividends and use internal reserves in accordance with the basic policy as mentioned above. The Company plans to pay a year-end dividend of 20 yen per share.

2. Status of the Corporate Group

The Group is engaged in retail and associated businesses.

The main businesses of the Group are as follows.

- | | |
|--------------------------------------|---|
| 1) Home appliances | Sale of video equipment (e.g., TVs), audio products, communication devices, kitchen appliances (e.g., refrigerators), household appliances (e.g., washers), lighting fixtures, seasonal home appliances (e.g., air conditioners), watches, etc. |
| 2) Apparel | Sale of practical clothing, kids and baby clothing, men's clothing, women's clothing, shoes, accessories, etc. |
| 3) Life style | Sale of pet supplies, bicycles, sports gear, automobile supplies, toys, stationery, gardening and DIY supplies, etc. |
| 4) Home living | Sale of kitchen appliances, daily sundries, interior goods and storage organizers, etc. |
| 5) HBC (Health and Beauty Care) | Sale of detergents, cosmetics, paper and cotton products, pharmaceutical products, etc. |
| 6) Foods | Sale of confectionery, soft drinks, processed foods, rice, alcoholic beverages, daily foods, etc. |
| 7) Store leasing in shopping centers | |

3. Basic Policy Regarding Selection of Accounting Standards

The Group applies Japanese GAAP to ensure comparability with other domestic competitors.

4. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

	As of February 28, 2023	(Millions of yen) As of February 29, 2024
Assets		
Current assets		
Cash and deposits	3,136	2,389
Accounts receivable - trade	3,030	3,467
Merchandise	10,769	11,862
Supplies	45	43
Other	1,265	1,399
Total current assets	18,246	19,161
Non-current assets		
Property, plant and equipment		
Buildings and structures	46,491	48,808
Accumulated depreciation	(33,162)	(34,453)
Buildings and structures, net	13,328	14,355
Vehicles	1	1
Accumulated depreciation	(1)	(1)
Vehicles, net	0	0
Tools, furniture and fixtures	8,321	8,516
Accumulated depreciation	(6,921)	(7,203)
Tools, furniture and fixtures, net	1,399	1,313
Land	30,115	30,115
Leased assets	5,743	5,743
Accumulated depreciation	(2,687)	(2,989)
Lease assets, net	3,055	2,753
Construction in progress	528	0
Total non-current assets	48,428	48,538
Intangible assets		
Leased assets	107	26
Other	1,126	1,534
Total intangible assets	1,233	1,561
Investments and other assets		
Investment securities	423	578
Long-term loans receivable	14	7
Deferred tax assets	1,611	2,181
Leasehold deposits	3,862	3,841
Guarantee deposits	7,284	6,871
Other	862	805
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	14,023	14,251
Total non-current assets	63,686	64,350
Total assets	81,932	83,511

Mr Max Holdings Ltd. (8203)
Financial Results for the Fiscal Year ended February 29, 2024
(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,846	8,313
Electronically recorded obligations - operating	7,556	6,830
Current portion of long-term borrowings	5,570	5,920
Current portion of bonds payable	286	286
Lease liabilities	554	359
Income taxes payable	407	791
Provision for bonuses	875	725
Other	3,757	3,557
Total current liabilities	25,854	26,784
Non-current liabilities		
Bonds payable	1,428	1,142
Long-term borrowings	13,956	13,261
Lease liabilities	2,700	2,340
Retirement benefit liability	864	917
Asset retirement obligations	1,230	1,572
Other	3,445	3,362
Total non-current liabilities	23,625	22,597
Total liabilities	49,480	49,382
Net assets		
Shareholders' equity		
Share capital	10,229	10,229
Capital surplus	7,986	7,992
Retained earnings	16,612	18,159
Treasury shares	(2,591)	(2,580)
Total shareholders' equity	32,237	33,800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	115	232
Deferred gains or losses on hedges	(1)	3
Foreign currency translation adjustment	5	5
Remeasurements of defined benefit plans	95	86
Total accumulated other comprehensive income	215	328
Total net assets	32,452	34,129
Total liabilities and net assets	81,932	83,511

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

	Year ended February 28, 2023	Year ended February 29, 2024
(Millions of yen)		
Net sales	122,107	124,514
Cost of sales		
Beginning merchandise inventory	9,890	10,804
Cost of purchased goods	95,334	98,658
Total	105,224	109,462
Ending merchandise inventory	10,805	11,897
Cost of goods sold	94,419	97,564
Gross profit	27,687	26,949
Operating revenue		
Real estate lease revenue	3,820	3,862
Other operating revenue	976	1,193
Total operating revenue	4,797	5,056
Operating gross profit	32,485	32,005
Selling, general and administrative expenses	27,853	28,984
Operating profit	4,632	3,021
Non-operating income		
Interest income	27	23
Dividend income	13	15
Income from leaving tenants	13	11
Other	52	65
Total non-operating income	107	116
Non-operating expenses		
Interest on bonds	0	0
Interest expenses	168	140
Other	46	88
Total non-operating expenses	215	229
Ordinary profit	4,523	2,908
Extraordinary income		
Gain on sale of non-current assets	189	-
Gain on sale of investment securities	-	4
Insurance claim income	64	-
Compensation received for damage	-	120
Total extraordinary income	253	124
Extraordinary losses		
Loss on disaster	38	-
Loss on sale of non-current assets	75	-
Loss on retirement of non-current assets	90	190
Impairment losses	163	-
Store closure-related losses	29	-
Total extraordinary losses	397	190
Profit before income taxes	4,380	2,843
Income taxes - current	956	1,015
Income taxes - deferred	(0)	(616)
Total income taxes	956	399
Profit	3,423	2,444
Loss attributable to non-controlling interests	(3)	-
Profit attributable to owners of parent	3,427	2,444

(Consolidated Statement of Comprehensive Income)

	Year ended February 28, 2023	Year ended February 29, 2024
	(Millions of yen)	
Profit	3,423	2,444
Other comprehensive income		
Valuation difference on available-for-sale securities	62	116
Deferred gains or losses on hedges	(1)	4
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	142	(8)
Total other comprehensive income	204	113
Comprehensive income	3,628	2,557
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,631	2,557
Comprehensive income attributable to non-controlling interests	(3)	-

(3) Consolidated Statement of Changes in Equity
Year ended February 28, 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,229	7,980	14,081	(2,603)	29,688	53	-	5	(47)	10	6	29,706
Changes during period												
Dividends of surplus			(896)		(896)							(896)
Profit attributable to owners of parent			3,427		3,427							3,427
Purchase of treasury shares				(0)	(0)							(0)
Disposal of treasury shares		5		12	18							18
Net changes in items other than shareholders' equity		(0)			(0)	62	(1)	0	142	204	(6)	197
Total changes during period	-	5	2,531	11	2,548	62	(1)	0	142	204	(6)	2,746
Balance at end of period	10,229	7,986	16,612	(2,591)	32,237	115	(1)	5	95	215	-	32,452

Year ended February 29, 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,229	7,986	16,612	(2,591)	32,237	115	(1)	5	95	215	-	32,452
Changes during period												
Dividends of surplus			(897)		(897)							(897)
Profit attributable to owners of parent			2,444		2,444							2,444
Purchase of treasury shares				(0)	(0)							(0)
Disposal of treasury shares		5		11	17							17
Net changes in items other than shareholders' equity						116	4	0	(8)	113		113
Total changes during period	-	5	1,547	10	1,563	116	4	0	(8)	113	-	1,677
Balance at end of period	10,229	7,992	18,159	(2,580)	33,800	232	3	5	86	328	-	34,129

(4) Consolidated Statement of Cash Flows

	Year ended February 28, 2023	Year ended February 29, 2024
		(Millions of yen)
Cash flows from operating activities		
Profit before income taxes	4,380	2,843
Depreciation	2,385	2,575
Increase (decrease) in provision for bonuses	14	(146)
Increase (decrease) in retirement benefit liability	(218)	53
Increase (decrease) in allowance for doubtful accounts	(21)	(0)
Interest and dividend income	(41)	(39)
Interest expenses	169	141
Loss (gain) on sales of investment securities	-	(4)
Subsidy income	(6)	-
Insurance claim income	(64)	-
Compensation received for damage	-	(120)
Store closure-related losses	29	-
Loss on disaster	38	-
Loss (gain) on sale of non-current assets	75	-
Loss on retirement of non-current assets	90	190
Impairment losses	163	-
Decrease (increase) in trade receivables	(384)	(437)
Decrease (increase) in inventories	(907)	(1,091)
Increase (decrease) in trade payables	(597)	946
Other	(42)	(240)
Subtotal	5,062	4,669
Interest and dividends received	13	15
Interest paid	(165)	(132)
Subsidies received	6	-
Proceeds from insurance income	64	-
Proceeds from compensation for damage	-	120
Payments associated with store closure-related losses	(29)	-
Payments associated with disaster loss	(38)	-
Income taxes paid	(967)	(811)
Income taxes refund	24	73
Net cash provided by (used in) operating activities	3,970	3,934
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,533)	(2,045)
Proceeds from sale of property, plant and equipment	1,272	-
Purchase of intangible assets	(490)	(795)
Proceeds from sale of intangible assets	452	-
Proceeds from sale of investment securities	-	14
Payments of leasehold and guarantee deposits	(87)	(34)
Proceeds from refund of leasehold and guarantee deposits	1,383	492
Proceeds from leasehold and guarantee deposits received	47	94
Refund of leasehold and guarantee deposits received	(160)	(160)
Other	(71)	(175)
Net cash provided by (used in) investing activities	(186)	(2,611)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,500	5,500
Repayments of long-term borrowings	(6,131)	(5,845)
Redemption of bonds	(286)	(286)
Dividends paid	(895)	(895)
Repayments of lease liabilities	(708)	(554)
Other	(14)	11
Net cash provided by (used in) financing activities	(3,535)	(2,070)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	249	(747)
Cash and cash equivalents at beginning of period	2,887	3,136
Cash and cash equivalents at end of period	3,136	2,389

(5) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Note on Change in Accounting Estimates)

(Changes in Asset Retirement Obligation Estimates)

Regarding asset retirement obligations appropriated as the obligation to restore sites to their original state in connection with real estate lease agreements of the Company, the cost estimates of restoring sites to their original state were changed in the consolidated fiscal year under review as a result of obtaining new information on the costs of restoring such sites to their original state necessary at the time of vacating the stores.

An increase of 373 million yen due to the estimate change was added to the balance of asset retirement obligations before change.

(Changes in Presentation)

(Consolidated Statement of Income)

“Reversal of allowance for doubtful accounts” separately stated in “Non-operating income” in the previous consolidated fiscal year is included in “Other” in the consolidated fiscal year under review, since its quantitative materiality diminished. As a result, 1 million yen stated in “Reversal of allowance for doubtful accounts” in the consolidated statement of income for the previous consolidated fiscal year is reclassified in “Other.”

(Segment Information)

[Segment information]

Year ended February 28, 2023

This information is omitted because the Group has a single segment of retail and associated businesses.

Year ended February 29, 2024

This information is omitted because the Group has a single segment of retail and associated businesses.

[Related information]

Year ended February 28, 2023

1. Information by product and service

(Millions of yen)

	Foods	HBC	Home appliances	Life style	Home living	Apparel	Other	Elimination	Total
Sales to external customers	43,840	25,052	17,803	17,172	11,581	6,656	4	(5)	122,107

2. Information by geographic region

(1) Net sales

This section is omitted because sales to external customers in Japan account for over 90% of net sales stated on the consolidated statement of income.

(2) Property, plant and equipment

This section is omitted because the balance of property, plant and equipment located in Japan accounts for over 90% of property, plant and equipment stated on the consolidated balance sheet.

3. Information by major customer

This section is omitted because no external customer accounts for more than 10% of net sales stated on the consolidated statement of income.

Year ended February 29, 2024

1. Information by product and service

(Millions of yen)

	Foods	HBC	Home appliances	Life style	Home living	Apparel	Other	Elimination	Total
Sales to external customers	46,507	25,514	17,407	17,066	11,569	6,677	(220)	(9)	124,514

2. Information by geographic region

(1) Net sales

This section is omitted because sales to external customers in Japan account for over 90% of net sales stated on the consolidated statement of income.

(2) Property, plant and equipment

This section is omitted because the balance of property, plant and equipment located in Japan accounts for over 90% of property, plant and equipment stated on the consolidated balance sheet.

3. Information by major customer

This section is omitted because no external customer accounts for more than 10% of net sales stated on the consolidated statement of income.

[Information relating to impairment loss on fixed assets by reportable segment]

Year ended February 28, 2023

This information is omitted because the Group has a single segment of retail and associated businesses.

Year ended February 29, 2024

This information is omitted because the Group has a single segment of retail and associated businesses.

[Information regarding goodwill amortization and unamortized balance by reportable segment]

Not applicable.

[Information regarding profit arising from negative goodwill by reportable segment]

Not applicable.

(Per Share Information)

	Year ended February 28, 2023	Year ended February 29, 2024
Net assets per share (yen)	976.82	1,026.47
Earnings per share (yen)	103.19	73.53

Notes 1. Diluted earnings per share is not presented because the Company has no dilutive shares.

2. The basis for the calculation of earnings per share is as follows:

	Year ended February 28, 2023	Year ended February 29, 2024
Earnings per share		
Profit attributable to owners of parent (million yen)	3,427	2,444
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to common shareholders of parent (million yen)	3,427	2,444
Average number of common shares outstanding during the period (thousand shares)	33,213	33,241

(Significant Subsequent Events)

(Issuance of Corporate Bonds)

The Company concluded an underwriting agreement with MUFG Bank, Ltd. concerning the issuance of ESG Management Support Private Bonds (The second round of unsecured corporate bonds of Mr Max Holdings, Ltd.) on March 25, 2024.

- | | |
|-----------------------------|--|
| (1) Name of bonds: | ESG Management Support Private Bonds |
| (2) Objective: | Working capital |
| (3) Category of bonds: | Unsecured corporate bonds |
| (4) Total amount of issue: | 1,500 million yen |
| (5) Issue date: | March 29, 2024 |
| (6) Interest payment dates: | March 31 and September 30 each year, with the first payment to be made on September 30, 2024 |
| (7) Interest rate: | 0.56% per annum |
| (8) Paid-in amount: | 100 yen per par value of 100 yen |
| (9) Redemption amount: | 100 yen per par value of 100 yen |
| (10) Redemption period: | 5 years |
| (11) Fiscal agent: | MUFG Bank, Ltd. |
| (12) Underwriter: | MUFG Bank, Ltd. |
| (13) Transfer institution: | Japan Securities Depository Center, Incorporated |