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## Consolidated Financial Results for the Fiscal Year ended February 28, 2023 (Under Japanese GAAP)

April 13, 2023

Company name Mr Max Holdings Ltd.  
Listings Tokyo Stock Exchange, Fukuoka Stock Exchange  
Security code 8203  
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### Scheduled dates:

Ordinary General Meeting of Shareholders May 25, 2023  
Commencement of dividend payments May 26, 2023  
Submission of annual securities report May 25, 2023  
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 28, 2023 (March 1, 2022 to February 28, 2023)

#### (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 28, 2023	126,904	1.7	4,632	3.2	4,523	4.1	3,427	20.1
Year ended February 28, 2022	124,831	(5.3)	4,487	(25.4)	4,346	(24.4)	2,853	(19.5)

Note: Comprehensive income: Year ended February 28, 2023: 3,628 million yen [26.5%]  
Year ended February 28, 2022: 2,867 million yen [(20.2%)]

	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 28, 2023	103.19	—	11.0	5.5	3.6
Year ended February 28, 2022	85.97	—	9.9	5.3	3.6

Reference: Share of profit (loss) of entities accounted for using the equity method: Year ended February 28, 2023: – million yen  
Year ended February 28, 2022: – million yen

#### (2) Financial Position

	Total assets	Net assets	Total equity ratio	Net assets per share
	million yen	million yen	%	yen
February 28, 2023	81,932	32,452	39.6	976.82
February 28, 2022	82,216	29,706	36.1	894.76

Reference: Total equity February 28, 2023: 32,452 million yen February 28, 2022: 29,699 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 28, 2023	3,970	(186)	(3,535)	3,136
Year ended February 28, 2022	3,516	(2,774)	(736)	2,887

## 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, 2022	—	0.00	—	27.00	27.00	896	31.4	3.1
Year ended February 28, 2023	—	0.00	—	27.00	27.00	897	26.2	2.9
Year ending February 29, 2024 (forecast)	—	0.00	—	21.00	21.00		27.9	

## 3. Forecast of Consolidated Earnings for the Fiscal Year ending February 29, 2024 (March 1, 2023 to February 29, 2024)

(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	64,700	1.2	2,100	(24.2)	2,000	(26.1)	1,300	(29.1)	39.13
Full year	129,500	2.0	4,000	(13.6)	3,800	(16.0)	2,500	(27.1)	75.25

### \* 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: Yes

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(3) Number of shares issued (common stock)

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

February 28, 2023: 39,611,134 shares

February 28, 2022: 39,611,134 shares

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

February 28, 2023: 6,388,805 shares

February 28, 2022: 6,418,171 shares

3) Average number of shares outstanding during the period:

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

Year ended February 28, 2022: 33,193,360 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 28, 2023, the Japanese economy benefitted from the relaxation of movement restrictions to control COVID-19, and economic activities started to recover as a result. On the other hand, the economic outlook continued to be uncertain as consumer sentiment was dampened mainly due to the soaring prices of energy resources and broader price hikes.

In such an environment, the Group strived to fulfill its function as a social infrastructure that supports people's everyday lives. By leveraging our strength as an operator of general discount stores, we offered daily necessities and a wide range of other products at lower prices that give customers a sense of value while focusing on low-cost operation to realize low prices.

During the fiscal year under review, we worked hard to put the ideal of an "everyday low price" (EDLP) discount store that offers customers consistently low prices into practice. While promoting the development of private brand products (PB products), we also kept the prices of 1,000 PB products at their current levels through August 2022. In addition, the discount campaign to lower the prices of 2,000 national brand products, which started in September 2022, proved very successful as sales of products included in the campaign rose 30% year on year.

In terms of capital investment, we renovated 13 existing stores as part of our efforts to develop competitive stores. Through these renovations, we have been striving to improve convenience for customers to increase sales, while further improving the efficiency of in-store work to improve the ratio of operating profit to sales.

Sales of existing stores for the fiscal year under review increased 1.6% year on year. Mr Max's "Valuable Low Prices" was highly appreciated in the market, given the background of a rise in frugality as exemplified by a 20% year-on-year increase in sales of its PB products. In addition, refrigerators and washing machines sold well as people sought to replace their home appliances with those with improved energy-saving features in response to rising electricity rates. Aside from that, sales of leisure products and beverages in small PET bottles increased as opportunities to go out increased.

As a result, sales of all stores increased 1.8% year on year and the operating revenue (which consists of net sales, real estate lease revenue, and other operating revenue) for the fiscal year ended February 28, 2023 was 126,904 million yen (up 1.7% year on year).

Gross profit margin improved by 0.3% from the previous fiscal year to 22.7% as a result of successful control of merchandise inventory levels and the strong performance of PB products.

In terms of cost, selling, general, and administrative expenses were 27,853 million yen (up 2.5% year on year) due to increases mainly in power rates and cashless payment charges.

As a result, the Company posted an operating profit of 4,632 million yen (up 3.2% year on year), an ordinary profit of 4,523 million yen (up 4.1% year on year), and profit attributable to owners of parent of 3,427 million yen (up 20.1% year on year). Both revenue and profit increased as operating profit increased year on year due to improvement in gross profit margin despite increases in cost during the fiscal year under review caused by changes in market conditions and soaring prices of energy resource in a post-covid-19 world.

(Net sales by product category)

Category	Year ended February 28, 2022		Year ended February 28, 2023	
	Amount (million yen)	Share	Amount (million yen)	Share
Home appliances	17,977	15.0%	17,803	14.6%
Apparel	6,443	5.4%	6,656	5.5%
Life style	16,502	13.8%	17,172	14.1%
Home living	11,611	9.7%	11,581	9.5%
HBC	24,405	20.3%	25,052	20.5%
Foods	42,992	35.8%	43,840	35.9%
Other	53	0.0%	4	0.0%
Elimination	(10)	—	(5)	—
Total	119,975	100.0%	122,107	100.0%

2) Forecast for the next fiscal year

The forecast for the next fiscal year is as follows.

(Earnings forecasts)	Operating revenue	129.5 billion yen
	Operating profit	4.0 billion yen
	Ordinary profit	3.8 billion yen
	Profit attributable to owners of parent	2.5 billion yen
	Earnings per share	75.25 yen

\* The estimated earnings per share is calculated using the number of shares issued at the end of the fiscal year ended February 28, 2023 (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 28, 2023 were 18,246 million yen, an increase of 1,233 million yen from the end of the previous fiscal year (February 28, 2022). The increase is mainly attributable to an increase of 903 million yen in merchandise. Non-current assets were 63,686 million yen, a decrease of 1,517 million yen from the end of the previous fiscal year. The decrease is mainly attributable to a decrease of 1,330 million yen in guarantee deposits.

As a result, total assets were 81,932 million yen, a decrease of 283 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of February 28, 2023 were 25,854 million yen, a decrease of 862 million yen from the end of the previous fiscal year (February 28, 2022). The decrease is mainly attributable to a decrease of 566 million yen in notes and accounts payable - trade. Non-current liabilities were 23,625 million yen, a decrease of 2,167 million yen from the end of the previous fiscal year. The decrease is mainly attributable to a decrease of 1,359 million yen in long-term borrowings.

As a result, liabilities were 49,480 million yen, a decrease of 3,030 million yen from the end of the previous fiscal year.

(Net assets)

Net assets as of February 28, 2023 were 32,452 million yen, an increase of 2,746 million yen from end of the previous fiscal year (February 28, 2022). The increase is mainly attributable to an increase of 2,531 million yen in retained earnings.

2) Cash flows

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 3,970 million yen (up 12.9% year on year). This is mainly attributable to profit before income taxes of 4,380 million yen and depreciation of 2,385 million yen, which were partially offset by an increase in inventories of 907 million yen and income tax paid of 967 million yen.

(Cash flow from investing activities)

Net cash used in investing activities amounted to 186 million yen (down 93.3% year on year). This is mainly attributable to purchases of property, plants, and equipment of 2,533 million yen, proceeds from collection of leasehold and guarantee deposits of 1,383 million yen, and proceeds from sales of property, plants, and equipment of 1,272 million yen.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 3,535 million yen (up 379.8% year on year). This is mainly attributable to repayments of long-term borrowings of 6,131 million yen, dividends paid of 895 million yen, and repayments of lease liabilities of 708 million yen.

As a result, the cash and cash equivalents at the end of the fiscal year ended February 28, 2023 amounted to 3,136 million yen.

(Changes in cash flow indicators)

	FYE Feb 2019	FYE Feb 2020	FYE Feb 2021	FYE Feb 2022	FYE Feb 2023
Shareholders' equity ratio (%)	30.0	29.5	33.8	36.1	39.6
Shareholders' equity ratio based on market value (%)	19.9	14.8	29.1	23.1	26.3
Interest-bearing debt/cash flow ratio (years)	9.8	7.8	2.4	6.6	5.3
Interest coverage ratio (times)	13.3	16.5	44.1	18.7	24.1

(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.

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 28, 2023

The Company plans to pay a year-end dividend of 27 yen per share for the fiscal year ended February 28, 2023.

The scheduled date of commencement of dividend payments is May 26, 2023.

3) Shareholder returns for the fiscal year ending February 29, 2024

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 21 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, 2022	(Millions of yen) As of February 28, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,887	3,136
Accounts receivable - trade	2,645	3,030
Merchandise	9,866	10,769
Supplies	40	45
Other	1,573	1,265
<b>Total current assets</b>	<b>17,012</b>	<b>18,246</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	46,226	46,491
Accumulated depreciation	(32,787)	(33,162)
Buildings and structures, net	13,439	13,328
Vehicles	1	1
Accumulated depreciation	(1)	(1)
Vehicles, net	0	0
Tools, furniture and fixtures	7,967	8,321
Accumulated depreciation	(6,739)	(6,921)
Tools, furniture and fixtures, net	1,227	1,399
Land	31,093	30,115
Leased assets	5,461	5,743
Accumulated depreciation	(2,368)	(2,687)
Lease assets, net	3,092	3,055
Construction in progress	—	528
<b>Total non-current assets</b>	<b>48,852</b>	<b>48,428</b>
<b>Intangible assets</b>		
Leased assets	229	107
Other	806	1,126
<b>Total intangible assets</b>	<b>1,036</b>	<b>1,233</b>
<b>Investments and other assets</b>		
Investment securities	345	423
Long-term loans receivable	19	14
Deferred tax assets	1,688	1,611
Leasehold deposits	3,821	3,862
Guarantee deposits	8,614	7,284
Other	881	862
Allowance for doubtful accounts	(56)	(34)
<b>Total investments and other assets</b>	<b>15,314</b>	<b>14,023</b>
<b>Total non-current assets</b>	<b>65,203</b>	<b>63,686</b>
<b>Total assets</b>	<b>82,216</b>	<b>81,932</b>



	As of February 28, 2022	(Millions of yen) As of February 28, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	7,412	6,846
Electronically recorded obligations - operating	7,477	7,556
Current portion of long-term borrowings	5,842	5,570
Current portion of bonds payable	286	286
Lease liabilities	702	554
Income taxes payable	361	407
Provision for bonuses	861	875
Asset retirement obligations	5	—
Other	3,767	3,757
<b>Total current liabilities</b>	26,717	25,854
<b>Non-current liabilities</b>		
Bonds payable	1,714	1,428
Long-term borrowings	15,316	13,956
Lease liabilities	2,937	2,700
Retirement benefit liability	1,082	864
Asset retirement obligations	1,162	1,230
Other	3,578	3,445
<b>Total non-current liabilities</b>	25,793	23,625
<b>Total liabilities</b>	52,510	49,480
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,229	10,229
Capital surplus	7,980	7,986
Retained earnings	14,081	16,612
Treasury shares	(2,603)	(2,591)
<b>Total shareholders' equity</b>	29,688	32,237
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	53	115
Deferred gains or losses on hedges	—	(1)
Foreign currency translation adjustment	5	5
Remeasurements of defined benefit plans	(47)	95
<b>Total accumulated other comprehensive income</b>	10	215
<b>Non-controlling interests</b>	6	—
<b>Total net assets</b>	29,706	32,452
<b>Total liabilities and net assets</b>	82,216	81,932

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

(Consolidated Statement of Income)

(Millions of yen)

	Year ended February 28, 2022	Year ended February 28, 2023
Net sales	119,975	122,107
Cost of sales		
Beginning merchandise inventory	9,666	9,890
Cost of purchased goods	93,368	95,334
Total	103,034	105,224
Ending merchandise inventory	9,871	10,805
Cost of goods sold	93,162	94,419
Gross profit	26,812	27,687
Operating revenue		
Real estate lease revenue	3,832	3,820
Other operating revenue	1,023	976
Total operating revenue	4,856	4,797
Operating gross profit	31,668	32,485
Selling, general and administrative expenses	27,181	27,853
Operating profit	4,487	4,632
Non-operating income		
Interest income	32	27
Dividend income	12	13
Reversal of allowance for doubtful accounts	31	1
Income from leaving tenants	34	13
Other	43	50
Total non-operating income	153	107
Non-operating expenses		
Interest on bonds	0	0
Interest expenses	191	168
Bond issuance costs	23	—
Loss on discontinuation of a systems development	16	—
Other	63	46
Total non-operating expenses	295	215
Ordinary profit	4,346	4,523
Extraordinary income		
Gain on sale of non-current assets	—	189
Insurance claim income	5	64
Total extraordinary income	5	253
Extraordinary losses		
Loss on disaster	17	38
Loss on sale of investment securities	0	—
Loss on sale of non-current assets	—	75
Loss on retirement of non-current assets	17	90
Impairment losses	8	163
Store closure-related losses	—	29
Total extraordinary losses	44	397
Profit before income taxes	4,307	4,380
Income taxes - current	1,362	956
Income taxes - deferred	127	(0)
Total income taxes	1,490	956
Profit	2,817	3,423
Loss attributable to non-controlling interests	(36)	(3)
Profit attributable to owners of parent	2,853	3,427

(Consolidated Statement of Comprehensive Income)

	Year ended February 28, 2022	Year ended February 28, 2023
	(Millions of yen)	
Profit	2,817	3,423
Other comprehensive income		
Valuation difference on available-for-sale securities	25	62
Deferred gains or losses on hedges	—	(1)
Foreign currency translation adjustment	7	0
Remeasurements of defined benefit plans, net of tax	16	142
Total other comprehensive income	50	204
Comprehensive income	2,867	3,628
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,900	3,631
Comprehensive income attributable to non-controlling interests	(33)	(3)

(3) Consolidated Statement of Changes in Equity  
Year ended February 28, 2022 (From March 1, 2021 to February 28, 2022)

(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	12,256	(2,602)	27,864	27	—	0	(64)	(36)	35	27,863
Cumulative effects of changes in accounting policies					—							—
Restated balance	10,229	7,980	12,256	(2,602)	27,864	27	—	0	(64)	(36)	35	27,863
Changes during period												
Dividends of surplus			(1,029)		(1,029)							(1,029)
Profit attributable to owners of parent			2,853		2,853							2,853
Purchase of treasury shares				(0)	(0)							(0)
Disposal of treasury shares		0		0	0							0
Net changes in items other than shareholders' equity						25	—	4	16	47	(29)	18
Total changes during period	—	0	1,824	(0)	1,823	25	—	4	16	47	(29)	1,842
Balance at end of period	10,229	7,980	14,081	(2,603)	29,688	53	—	5	(47)	10	6	29,706

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
Cumulative effects of changes in accounting policies					—							—
Restated balance	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

(4) Consolidated Statement of Cash Flows

	Year ended February 28, 2022	Year ended February 28, 2023
		(Millions of yen)
Cash flows from operating activities		
Profit before income taxes	4,307	4,380
Depreciation	2,340	2,385
Increase (decrease) in provision for bonuses	(122)	14
Increase (decrease) in retirement benefit liability	19	(218)
Increase (decrease) in allowance for doubtful accounts	(11)	(21)
Interest and dividend income	(44)	(41)
Interest expenses	192	169
Subsidy income	—	(6)
Insurance claim income	(3)	(64)
Store closure-related losses	—	29
Loss on disaster	17	38
Loss (gain) on sale of non-current assets	—	75
Loss on retirement of non-current assets	17	90
Impairment losses	8	163
Decrease (increase) in trade receivables	429	(384)
Decrease (increase) in inventories	(192)	(907)
Increase (decrease) in trade payables	(264)	(597)
Other	(84)	(42)
Subtotal	6,610	5,062
Interest and dividends received	12	13
Interest paid	(187)	(165)
Subsidies received	—	6
Proceeds from insurance income	3	64
Payments associated with store closure-related losses	—	(29)
Payments associated with disaster loss	(17)	(38)
Income taxes paid	(2,904)	(967)
Income taxes refund	—	24
Net cash provided by (used in) operating activities	3,516	3,970
Cash flows from investing activities		
Purchase of property, plant and equipment	(642)	(2,533)
Proceeds from sale of property, plant and equipment	—	1,272
Purchase of intangible assets	(526)	(490)
Proceeds from sale of intangible assets	—	452
Payments of leasehold and guarantee deposits	(1,986)	(87)
Proceeds from refund of leasehold and guarantee deposits	535	1,383
Proceeds from leasehold and guarantee deposits received	111	47
Refund of leasehold and guarantee deposits received	(228)	(160)
Other	(38)	(71)
Net cash provided by (used in) investing activities	(2,774)	(186)
Cash flows from financing activities		
Proceeds from long-term borrowings	6,500	4,500
Repayments of long-term borrowings	(7,506)	(6,131)
Proceeds from issuance of bonds	2,000	—
Redemption of bonds	—	(286)
Dividends paid	(1,026)	(895)
Repayments of lease liabilities	(707)	(708)
Proceeds from share issuance to non-controlling shareholders	4	—
Other	0	(14)
Net cash provided by (used in) financing activities	(736)	(3,535)
Effect of exchange rate change on cash and cash equivalents	7	0
Net increase (decrease) in cash and cash equivalents	12	249
Cash and cash equivalents at beginning of period	2,874	2,887
Cash and cash equivalents at end of period	2,887	3,136

(5) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Change in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc. has been applied since the beginning of the current fiscal year. Under this accounting standard, the Company recognizes revenue at the time of the transfer of control of promised goods or services to the customer at the price expected to be received in exchange for those goods or services.

The application of the Accounting Standard for Revenue Recognition, etc. has no impact on the consolidated financial statements for the current fiscal year.

While the Accounting Standard for Revenue Recognition, etc. has been applied in accordance with the transitional provisions of the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition, this has no impact on the beginning balance of retained earnings.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter the "Accounting Standard for Fair Value Measurement"), etc. has been applied since the beginning of the current fiscal year, and the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc. will be applied prospectively in accordance with the transitional provisions prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The application of the Accounting Standard for Fair Value Measurement, etc. has no impact on the consolidated financial statements for the current fiscal year.

(Segment Information)

[Segment information]

Year ended February 28, 2022

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

Year ended February 28, 2023

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

[Related information]

Year ended February 28, 2022

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	42,992	24,405	17,977	16,502	11,611	6,443	53	(10)	119,975

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 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.

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

Year ended February 28, 2022

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

Year ended February 28, 2023

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, 2022	Year ended February 28, 2023
Net assets per share	894.76	976.82
Earnings per share	85.97	103.19

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, 2022	Year ended February 28, 2023
Earnings per share		
Profit attributable to owners of parent (million yen)	2,853	3,427
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to common shareholders of parent (million yen)	2,853	3,427
Average number of common shares outstanding during the period (thousand shares)	33,193	33,213

(Significant Subsequent Events)

(A company split between consolidated subsidiaries)

On December 7, 2022, an absorption-type company split agreement was entered into by and between two consolidated subsidiaries of the Company, Logidea Co., Ltd. and Mr Max Ltd., for the succession of logistics business, and the company split was approved at the extraordinary general meetings of shareholders of both companies held on February 8, 2023.

The company split was consummated on March 1, 2023 based on the agreement.

The outline of the company split is as follows:

1. Outline of the transaction

(1) Name and business of the constituent enterprise

Name of the constituent enterprise      Logidea Co., Ltd.

Business      Third-party logistics business within the supply chain of the Group

(2) Effective date

March 1, 2023

(3) Company split method

A method of absorption-type company split in which Mr Max Ltd. is the splitting company and Logidea Co., Ltd. is the succeeding company.

(4) Name of the combined enterprise

Logidea Co., Ltd.

(5) Purpose of the company split

The Group intends to expand its business by enhancing its logistics support services through a structure in which Logidea Co., Ltd. contracts to provide cargo collection, inventory control, etc., on behalf of other companies including its existing business partners. It is also our intention to realize speedier decision making and agile business operations through the transfer of the logistics business, which has been operated as part of the discount store business of Mr Max Ltd., to Logidea Co., Ltd. by way of business succession in order to further increase the corporate value of the Group.

2. Outline of the accounting treatment to be applied to the transaction

The Company plans to account for the company split as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).