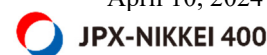


Note: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (under Japanese GAAP)



April 10, 2024



Company name: **LIFE CORPORATION**
 Listing: Tokyo Stock Exchange
 Securities code: 8194
 URL: <http://www.lifecorp.jp/>
 Representative: Takaharu Iwasaki, Representative Director and President
 Inquiries: Koichi Miyata, General Manager, Finance Department, and General Manager, Investor Relations Department
 TEL: +81-3-6717-2500 (from overseas)

Scheduled date of Annual General Meeting of Shareholders: May 23, 2024
 Scheduled date to commence dividend payments: May 24, 2024
 Scheduled date to file Annual Securities Report: May 24, 2024
 Preparation of supplementary material on annual financial results: Yes
 Holding of annual financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	809,709	5.8	24,118	26.0	24,948	24.6	16,938	27.1
February 28, 2023	765,426	–	19,148	(16.5)	20,015	(15.5)	13,327	(12.4)

Note: Comprehensive income

Fiscal year ended February 29, 2024: ¥18,371 million [22.6%]

Fiscal year ended February 28, 2023: ¥14,983 million [(2.2)%]

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

Net sales

Fiscal year ended February 29, 2024: ¥780,028 million [5.6%]

Fiscal year ended February 28, 2023: ¥738,494 million [–%]

Receipts from operating revenue

Fiscal year ended February 29, 2024: ¥29,681 million [10.2%]

Fiscal year ended February 28, 2023: ¥26,931 million [–%]

**3. Consolidated earnings forecasts for the fiscal year ending February 28, 2025
(from March 1, 2024 to February 28, 2025)**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	853,400	5.4	24,700	2.4	25,500	2.2	17,000	0.4	362.23

* Notes

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

Note: For details, please refer to 5. Consolidated financial statements and significant notes thereto, (5) Notes to consolidated financial statements, “Changes in accounting estimates” on page 16 of the attached material.

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

As of February 29, 2024	49,450,800 shares
As of February 28, 2023	49,450,800 shares
 - ii. Number of treasury shares at the end of the period

As of February 29, 2024	2,519,531 shares
As of February 28, 2023	2,522,786 shares
 - iii. Average number of shares during the period

Fiscal year ended February 29, 2024	46,930,194 shares
Fiscal year ended February 28, 2023	46,871,327 shares

Note: The number of treasury shares at the end of the period includes the Company’s shares (80,500 shares as of February 29, 2024, and 84,300 shares as of February 28, 2023) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the “Trust for Delivering Shares to Directors.”

In addition, the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury shares that are excluded from the calculation of the average number of shares during the period. (81,825 shares for the fiscal year ended February 29, 2024, and 86,432 shares for the fiscal year ended February 28, 2023)

Reference: Overview of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended February 29, 2024
(from March 1, 2023 to February 29, 2024)**

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	809,472	5.8	23,793	26.2	24,565	24.8	16,706	28.7
February 28, 2023	765,240	–	18,860	(17.3)	19,683	(16.4)	12,977	(13.9)

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
February 29, 2024	355.99	–
February 28, 2023	276.87	–

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

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	Net assets per share
As of	Millions of yen		Millions of yen		%	Yen
February 29, 2024	289,603		134,043		46.3	2,856.17
February 28, 2023	283,477		120,563		42.5	2,569.11

Reference: Equity

As of February 29, 2024: ¥134,043 million

As of February 28, 2023: ¥120,563 million

**2. Non-consolidated earnings forecasts for the fiscal year ending February 28, 2025
(from March 1, 2024 to February 28, 2025)**

(Percentages indicate year-on-year changes.)

	Operating revenue		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	853,100	5.4	25,050	2.0	16,700	(0.0)	355.84

* Financial results reports are not required to be subjected to audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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

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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

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

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to rising costs on a variety of fronts such as personnel expenses, despite generally favorable revenue due to increased product prices.

In this economic environment, the Group is working on the 7th Medium-Term Plan from the current fiscal year to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward to what we want to be in fiscal 2030.

As a specific initiative to promote management strategies based on the 7th Medium-Term Plan, we renewed the smartphone app for customers in July, adding more convenient and valuable features, and are steadily increasing the number of users. We aim to further enhance the app. We have introduced electronic shelf labels in stores in the Osaka Region following the Tokyo Region. Additionally, we expanded the scope of the automated ordering service using AI-driven demand forecasting that was first introduced for daily delivery food section in February 2021 to fresh produce departments orders starting in February 2024. In April 2024, we plan to have the system in operation in all our stores as we steadily advance initiatives aimed at realizing rewarding workplaces, including reduced workloads and operational streamlining.

As part of our efforts to contribute towards the realization of a sustainable and flourishing society, some of our stores and logistics centers in the Osaka Region have been donating products to children's cafeterias and other facilities offering free meals for children and other welfare programs. These products can no longer be sold mainly because there is package damage or they have reached their sell-by date according to internal rules although there are no problems regarding product quality. This activity was also started in logistics centers in the Tokyo Region in September and Toyonaka City in the Osaka Region in January 2024. In March 2023, we formed the "Tokyo Region Supermarket Logistics Study Group" to make concrete efforts toward building sustainable food logistics, and as the number of companies endorsing this initiative has increased to ten as of the end of February 2024, we received the "53rd Food Industry Technology Achievement Award (Sustainability Category)" in recognition of our efforts. Additionally, the Tempoza biogas power generation facility won the New Energy Foundation Chairman's Award in the introduction activities segment in the 2023 New Energy Awards held by the New Energy Foundation.

In February 2024, to promote further workstyle reforms and to enhance productivity, the Group moved our Tokyo Head Office from Taito-ku to Shinagawa Seaside in Shinagawa-ku.

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

The Group's operating revenue totaled ¥809,709 million (up 5.8% year on year) as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as "BIO-RAL," and implementing product initiatives that sought to enhance freshness and taste of our products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in various property expenses such as rent expenses from opening new stores, and personnel expenses from increased hiring activities. However, with initiatives to increase productivity and optimize costs leading to results exceeding the plan and aggressive investment in the future producing results, operating profit was ¥24,118 million (up 26.0% year on year), ordinary profit was ¥24,948 million (up 24.6% year on year), and profit attributable to owners of parent was ¥16,938 million (up 27.1% year on year).

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥809,472 million (up 5.8% year on year), with net sales of ¥780,028 million (up 5.6% year on year), and segment profit of ¥24,565 million (up 24.8% year on year).

Net sales by department were ¥339,572 million (up 5.1% year on year) for fresh produce, ¥349,672 million (up 6.7% year on year) for general food, ¥67,630 million (up 4.6% year on year) for lifestyle products, and ¥23,153 million (up 0.7% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,749 million (up 6.7% year on year), with segment profit of ¥382 million (up 15.2% year on year).

(2) Overview of financial position for the fiscal year under review

The Group considers the maintenance and securing of an appropriate level of liquid funds as an important financial policy in order to continue to smoothly carry out its business activities.

In order to achieve continuous corporate growth, we plan to aggressively invest in new store openings and the renovation of existing stores, and we will do our best to fund this by using net cash flows from operating activities, with any shortfall to be financed by borrowings from financial institutions.

Total assets of the Group at the end of the current fiscal year were ¥287,146 million, an increase of ¥6,335 million from the end of the previous fiscal year.

Current assets totaled ¥82,849 million, an increase of ¥2,358 million from the end of the previous fiscal year. This was mainly due to a ¥2,407 million increase in accounts receivable - other.

Non-current assets totaled ¥204,297 million, an increase of ¥3,977 million from the end of the previous fiscal year. This was mainly due to increases of ¥435 million in property, plant and equipment, ¥2,266 million in intangible assets, and ¥847 million in guarantee deposits from the end of the previous fiscal year, resulting from new store openings and renovations.

Total liabilities at the end of the current fiscal year were ¥150,290 million, a decrease of ¥8,517 million from the end of the previous fiscal year. This was mainly due to a ¥20,580 million decrease in the total of short-term borrowings and long-term borrowings, while accounts payable - trade increased by ¥3,360 million, accounts payable - other increased by ¥4,593 million, and income taxes payable increased by ¥2,972 million.

Total net assets at the end of the current fiscal year were ¥136,855 million, an increase of ¥14,852 million from the end of the previous fiscal year. This was mainly due to a ¥13,412 million increase in retained earnings.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (“cash”) at the end of the fiscal year under review totaled ¥8,206 million (down 12.0% year on year).

The main reasons for the decrease are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥41,700 million in the current fiscal year (up 74.5% year on year).

This was mainly due to ¥23,178 million in profit before income taxes, and ¥16,034 million in depreciation, a non-cash gain/loss item.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥17,357 million in the current fiscal year (down 27.2% year on year).

This was mainly due to expenditures of ¥13,573 million for the purchase of property, plant and equipment, including opening new stores, and renovations of existing stores.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥25,464 million in the current fiscal year (compared to ¥142 million in cash used in financing activities in the previous year).

This was mainly due to a net decrease in short-term borrowings of ¥24,720 million and repayments of long-term borrowings of ¥8,860 million despite proceeds from long-term borrowings of ¥13,000 million.

(4) Future outlook

In terms of the future outlook for the Japanese economy, a real recovery in inbound demand as well as wage increases that exceed inflation seem possible, and we expect the economy to follow a track of recovery driven by expanded personal consumption. Overseas, however, while economies showed underlying strength, frequent natural disasters, fiscal, monetary, and trade policies in Europe and the United States, economic trends in China, and heightened geopolitical risks continue to affect the Japanese economy, and the situation remains less optimistic.

In the retail industry, increasing financial assets and rising wages, etc. are supporting consumption. However, challenging conditions remain amid inflation and increasingly serious labor shortages. As a result, we are seeing more drastic moves in the industry, including drugstores expanding their food offerings, growth in discount-style retailing, and an expansion beyond traditional operations into the fresh food segment, including by major online retailers.

In this challenging environment, to become the stores most trusted by customers in local communities, and to achieve even greater success, we are advancing our 7th Medium-Term Plan starting in the current fiscal year to realize our Corporate Philosophy, Vision and the “True to LIFE Declaration,” with a focus on our vision for the fiscal year ending February 28, 2030.

In the 7th Medium-Term Plan, the three main themes that we address are as follows.

- Investment in people – We aim to increase motivation through employee growth and satisfaction, which will advance the 7th Medium-Term Plan and lead to company growth.
- Breaking away from homogeneous competition – We aim to provide customers with a comfortable shopping experience by expanding our internet business while refining our unique products and services in order to realize seamless and convenient shopping.

- Contributing towards the realization of a sustainable and flourishing society – As a “lifeline for the community” – we aim to implement initiatives necessary for a sustainable and flourishing society (reduction of environmental impacts, contribution to the local community, etc.).

In promoting the three themes, all employees personally engage in “kaizen” activities under the slogan of “Linking the Circle of Kaizen” in order to promote efficiency and secure funds for investment to realize the 7th Medium-Term Plan, even in the current situation of labor shortages.

Through the abovementioned measures, we aim to improve our corporate value and achieve sustained growth, as a business entity that is trusted by customers, society and employees.

The economy is following a track of recovery with the normalization of socioeconomic activities, and wages are expected to rise, but the impact of product prices rising at a more moderate pace and of continuous inflation on consumption makes it extremely difficult to forecast results trends. Even though the outlook remains unclear, however, for the second year of the 7th Medium-Term Plan (fiscal 2024), the Group forecasts operating revenue of ¥853.4 billion (up 5.4% year on year), operating profit of ¥24.7 billion (up 2.4% year on year), ordinary profit of ¥25.5 billion (up 2.2% year on year), and profit attributable to owners of parent of ¥17.0 billion (up 0.4% year on year). Although we may revise our business outlook in response to changes in the social and economic environment, we steadily implement all measures to “realize our Corporate Philosophy, Vision, and the True to LIFE Declaration,” which are the goals of the 7th Medium-Term Plan.

2. Basic concept regarding selection of accounting standards

The Group currently operates and raises funds mainly in Japan and has decided to apply Japanese GAAP for the time being.

The Group intends to adopt International Financial Reporting Standards (IFRS) in an appropriate manner based on future business developments and trends of other companies in Japan.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	9,727	8,606
Accounts receivable - trade	9,209	9,560
Merchandise and finished goods	25,811	27,900
Raw materials and supplies	250	273
Accounts receivable - other	29,664	32,072
Other	5,826	4,436
Total current assets	80,490	82,849
Non-current assets		
Property, plant and equipment		
Buildings and structures	199,324	207,014
Accumulated depreciation	(107,392)	(115,282)
Buildings and structures, net	*2 91,932	*2 91,732
Machinery, equipment and vehicles	11,256	11,914
Accumulated depreciation	(6,474)	(7,349)
Machinery, equipment and vehicles, net	4,782	4,564
Furniture and fixtures	60,234	65,413
Accumulated depreciation	(43,275)	(47,084)
Furniture and fixtures, net	16,958	18,329
Land	*2, *3 39,614	*2, *3 39,614
Other	2,593	2,084
Accumulated depreciation	–	(9)
Other, net	2,593	2,075
Total property, plant and equipment	155,880	156,315
Intangible assets	3,218	5,484
Investments and other assets		
Investment securities	1,487	1,910
Long-term loans receivable	7,711	7,186
Retirement benefit asset	–	851
Deferred tax assets	5,586	5,501
Guarantee deposits	*2 24,513	*2 25,360
Other	*1 1,963	*1 1,729
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	41,220	42,497
Total non-current assets	200,319	204,297
Total assets	280,810	287,146

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	41,971	45,332
Short-term borrowings	44,120	19,400
Current portion of long-term borrowings	*2 8,628	*2 10,342
Lease liabilities	1,274	1,203
Accounts payable - other	12,384	16,977
Income taxes payable	2,363	5,335
Provision for bonuses	2,764	2,971
Provision for sales promotion expenses	21	19
Contract liabilities	1,608	1,579
Other	13,100	15,055
Total current liabilities	128,236	118,219
Non-current liabilities		
Long-term borrowings	*2 17,497	*2 19,922
Lease liabilities	2,651	2,225
Deferred tax liabilities for land revaluation	*3 951	*3 951
Provision for share awards for directors (and other officers)	43	50
Retirement benefit liability	889	-
Asset retirement obligations	5,350	5,917
Other	3,187	3,003
Total non-current liabilities	30,571	32,071
Total liabilities	158,807	150,290
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	5,696	5,696
Retained earnings	109,147	122,560
Treasury shares	(3,838)	(3,831)
Total shareholders' equity	121,010	134,430
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588	881
Revaluation reserve for land	*3 (1,154)	*3 (1,154)
Remeasurements of defined benefit plans	1,558	2,698
Total accumulated other comprehensive income	992	2,425
Total net assets	122,002	136,855
Total liabilities and net assets	280,810	287,146

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

(Millions of yen)

	Fiscal year ended February 28, 2023		Fiscal year ended February 29, 2024	
Net sales	*1	738,494	*1	780,028
Cost of sales		508,911		535,285
Gross profit		229,582		244,743
Receipts from operating revenue	*1	26,931	*1	29,681
Operating gross profit		256,514		274,424
Selling, general and administrative expenses				
Freight costs		31,002		30,239
Promotion expenses		6,109		5,989
Store remodeling expense and repair expense		5,615		6,485
Utilities expenses		12,699		12,419
Rent expenses		31,623		32,871
Salaries, allowances and bonuses		92,777		98,411
Provision for bonuses		2,758		2,966
Retirement benefit expenses		1,579		1,411
Provision for share awards for directors (and other officers)		0		14
Legal and other welfare expenses		12,595		13,438
Depreciation		14,966		15,921
Other		25,637		30,136
Total selling, general and administrative expenses		237,365		250,306
Operating profit		19,148		24,118
Non-operating income				
Interest income		130		121
Dividend income		52		61
Income from recycling		366		367
Data offer fee		149		163
Other		435		359
Total non-operating income		1,134		1,073
Non-operating expenses				
Interest expenses		185		189
Other		83		53
Total non-operating expenses		268		242
Ordinary profit		20,015		24,948
Extraordinary income				
Gain on sale of non-current assets	*3	3	*3	0
Total extraordinary income		3		0
Extraordinary losses				
Impairment losses	*2	1,286	*2	1,376
Loss on retirement of non-current assets	*4	32	*4	161
Loss on store closings		3		85
Head office relocation expenses		–		80
Loss on disaster		–	*5	49
Corporate funeral costs		45		–
Other		9		17
Total extraordinary losses		1,377		1,770
Profit before income taxes		18,641		23,178
Income taxes - current		4,868		6,787
Income taxes - deferred		444		(547)
Total income taxes		5,313		6,239
Profit		13,327		16,938
Profit attributable to owners of parent		13,327		16,938

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	13,327	16,938
Other comprehensive income		
Valuation difference on available-for-sale securities	230	293
Remeasurements of defined benefit plans, net of tax	1,424	1,139
Total other comprehensive income	*1 1,655	*1 1,433
Comprehensive income	14,983	18,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,983	18,371

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	5,628	99,221	(3,930)	110,923
Cumulative effects of changes in accounting policies			80		80
Restated balance	10,004	5,628	99,302	(3,930)	111,004
Changes during period					
Dividends of surplus			(3,521)		(3,521)
Profit attributable to owners of parent			13,327		13,327
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		68		92	161
Reversal of revaluation reserve for land			39		39
Net changes in items other than shareholders' equity					
Total changes during period	-	68	9,845	92	10,006
Balance at end of period	10,004	5,696	109,147	(3,838)	121,010

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	357	(1,114)	133	(623)	110,299
Cumulative effects of changes in accounting policies					80
Restated balance	357	(1,114)	133	(623)	110,380
Changes during period					
Dividends of surplus					(3,521)
Profit attributable to owners of parent					13,327
Purchase of treasury shares					(0)
Disposal of treasury shares					161
Reversal of revaluation reserve for land					39
Net changes in items other than shareholders' equity	230	(39)	1,424	1,615	1,615
Total changes during period	230	(39)	1,424	1,615	11,622
Balance at end of period	588	(1,154)	1,558	992	122,002

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	5,696	109,147	(3,838)	121,010
Cumulative effects of changes in accounting policies					–
Restated balance	10,004	5,696	109,147	(3,838)	121,010
Changes during period					
Dividends of surplus			(3,525)		(3,525)
Profit attributable to owners of parent			16,938		16,938
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				8	8
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	13,412	6	13,419
Balance at end of period	10,004	5,696	122,560	(3,831)	134,430

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	588	(1,154)	1,558	992	122,002
Cumulative effects of changes in accounting policies					–
Restated balance	588	(1,154)	1,558	992	122,002
Changes during period					
Dividends of surplus					(3,525)
Profit attributable to owners of parent					16,938
Purchase of treasury shares					(1)
Disposal of treasury shares					8
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity	293		1,139	1,433	1,433
Total changes during period	293	–	1,139	1,433	14,852
Balance at end of period	881	(1,154)	2,698	2,425	136,855

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	18,641	23,178
Depreciation	15,087	16,034
Retirement benefit expenses	25	(177)
Impairment losses	1,286	1,376
Increase (decrease) in provision for bonuses	208	207
Increase (decrease) in provision for sales promotion expenses	(12)	(2)
Increase (decrease) in contract liabilities	(204)	(29)
Increase (decrease) in retirement benefit asset and liability	(81)	79
Increase (decrease) in provision for share awards for directors (and other officers)	(12)	6
Interest and dividend income	(183)	(182)
Interest expenses	185	189
Loss on retirement of non-current assets	32	161
Decrease (increase) in trade receivables	(1,076)	(350)
Decrease (increase) in inventories	(1,923)	(2,111)
Decrease (increase) in accounts receivable - other	(1,120)	(2,407)
Increase (decrease) in trade payables	305	3,360
Increase (decrease) in accounts payable - other	(502)	2,351
Other, net	(280)	4,101
Subtotal	30,375	45,786
Interest and dividends received	55	64
Interest paid	(174)	(178)
Income taxes paid	(6,356)	(3,971)
Net cash provided by (used in) operating activities	23,899	41,700
Cash flows from investing activities		
Payments into time deposits	(800)	(800)
Proceeds from withdrawal of time deposits	800	800
Purchase of property, plant and equipment	(21,445)	(13,573)
Proceeds from sale of property, plant and equipment	110	2
Purchase of intangible assets	(641)	(2,576)
Loan advances	(329)	(163)
Payments of guarantee deposits	(693)	(901)
Proceeds from refund of guarantee deposits	25	63
Other, net	(864)	(209)
Net cash provided by (used in) investing activities	(23,839)	(17,357)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,620	(24,720)
Proceeds from long-term borrowings	14,000	13,000
Repayments of long-term borrowings	(14,988)	(8,860)
Repayments of lease liabilities	(1,258)	(1,362)
Dividends paid	(3,515)	(3,519)
Purchase of treasury shares	(0)	(1)
Net cash provided by (used in) financing activities	(142)	(25,464)
Net increase (decrease) in cash and cash equivalents	(81)	(1,121)
Cash and cash equivalents at beginning of period	9,409	9,327
Cash and cash equivalents at end of period	*1 9,327	*1 8,206

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Significant accounting policies for preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries and names of consolidated subsidiaries

- (i) Number of consolidated subsidiaries 1 company
- (ii) Names of consolidated subsidiaries LIFE FINANCIAL SERVICE

(2) Names, etc. of non-consolidated subsidiaries

- (i) Names of non-consolidated subsidiaries LIFE KOSAN CORPORATION
LIFE STORE CORPORATION

(ii) Reason for exclusion from scope of consolidation

Non-consolidated subsidiaries are all small in scale, and any total amount in terms of their total assets, net sales, profit or loss (amount corresponding to the Company's ownership interest) as well as retained earnings (amount corresponding to the Company's ownership interest) and others does not significantly affect the consolidated financial statements.

2. Application of equity method

(1) Number of non-consolidated subsidiaries or associates accounted for using the equity method and names of major companies, etc.

There are no non-consolidated subsidiaries or associates accounted for using the equity method.

(2) Names, etc. of major non-consolidated subsidiaries and associates not accounted for using the equity method

- (i) Names of non-consolidated subsidiaries LIFE KOSAN CORPORATION
LIFE STORE CORPORATION
- (ii) Names of associates Japan Education Center for Future Retailing Inc
LIFE HOME DELIVERY

(iii) Reason for not using equity method

Non-consolidated subsidiaries and associates not accounted for using the equity method are excluded from the scope of the application of the equity method because such exclusion has only an immaterial effect on the consolidated financial statements in terms of each company's profit or loss (the amount corresponding to the Company's ownership interest) and retained earnings (the amount corresponding to the Company's ownership interest), and they have no significance as a whole.

3. Fiscal year of consolidated subsidiaries

Consolidated subsidiaries' fiscal year-end is the same as the consolidated balance sheet date.

4. Accounting policies

(1) Valuation basis and methods for significant assets

(i) Securities

a. Held-to-maturity debt securities

Amortized cost method (straight-line method) is applied.

b. Available-for-sale securities

Securities other than those without market value are stated at fair value (unrealized gains and losses are reported as a separate component of net assets, and the cost of securities sold is determined by the moving-average method), while securities without market value are stated at the cost determined by the moving-average method.

- (ii) Inventories
 - a. Merchandise and finished goods

Stated at the cost determined by the retail method (the carrying value is written down according to the decrease in profitability).

However, fresh food and inventories at distribution and processing centers are stated at the cost determined by the last purchase price method (the carrying value is written down according to the decrease in profitability).
 - b. Raw materials and supplies

Mainly stated at the cost determined by the last purchase price method (the carrying value is written down according to the decrease in profitability).
- (2) Accounting methods for depreciation of significant depreciable assets
 - (i) Property, plant and equipment (excluding leased assets)

Straight-line method (excluding vehicles, for which the declining-balance method is applied)

Major useful lives are as follows.

Buildings and structures	3 to 60 years
Machinery, equipment and vehicles	3 to 17 years
Tools, furniture and fixtures	2 to 20 years

Low-value depreciable assets with an acquisition cost of ¥100,000 or more but less than ¥200,000 are depreciated in equal amounts over three years.

Property, plant and equipment acquired on or before March 31, 2007, are depreciated in equal amounts over five years starting from the fiscal year following the completion of depreciation to the limit of the depreciable amount.
 - (ii) Intangible assets (excluding leased assets)

The straight-line method is applied.

Software for internal use is amortized using the straight-line method over its useful life (five years).
 - (iii) Leased assets

Leased assets related to finance lease transactions that transfer ownership

The same depreciation method that is applied to non-current assets owned by the Company is applied.

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is applied assuming the lease period as the useful life without residual value.
- (3) Accounting for significant provisions
 - (i) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables or the individual consideration of collectability for specific receivables, such as highly doubtful receivables.
 - (ii) Provision for bonuses

To provide for payment of bonuses to employees, the amount is provided based on the estimated amount of bonuses to be paid.
 - (iii) Provision for sales promotion expenses

To provide for the use of points granted under the point card system for sales promotion purposes, the amount estimated to be used in the future, based on the historical usage rate for the unused point balance, is provided.

The provision is included in sales promotion expenses.
 - (iv) Provision for share awards for Directors (and other officers)

To prepare for the delivery of the Company's shares to Directors (excluding outside Directors) in accordance with the Company's Director Performance-Linked

Share Distribution Regulations, the amount provided is based on the estimated amount of share award obligations as of the end of the fiscal year.

(4) Accounting methods for retirement benefits

(i) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year on a benefit formula basis.

(ii) Method of amortizing actuarial gains and losses and past service cost

Past service cost is amortized using the straight-line method over a fixed number of years (11 years), within the average remaining service years of employees, when incurred.

Actuarial gains and losses are amortized using the straight-line method over a fixed number of years (11 years), within the average remaining service years of employees, when incurred in each fiscal year from the fiscal year following the accrual of each gain or loss.

Furthermore, where the amount of pension assets exceeds the amount of retirement benefit obligations associated with the corporate pension system, this amount is recorded as assets associated with retirement benefits in the consolidated balance sheet.

(5) Accounting for significant revenues and expenses

(i) Revenue recognition for sales of goods

The Company's revenues from contracts with customers are primarily derived from sales of merchandise in the supermarket business. The Company recognizes revenue from the sale of these products when the products are delivered to the customer as the Company believes that the customer has acquired control over the products and the performance obligation is satisfied at the time the products are delivered.

For transactions in which the Company does not control the goods or services transferred to the customer (including transactions in which the purchase of goods, etc., is recognized at the time of sales thereof (*shoka shiire*)), and it is determined to have been involved as an agent in the sale of goods, revenue is recognized as the net amount of the gross consideration received from the customer less the gross consideration paid to the supplier. The consideration for the transaction is received generally within one month of satisfying the performance obligation and does not include a significant financial component.

(ii) Revenue recognition for our point system

The Company offers a customer loyalty program, whereby members are awarded points based on the amount of purchases they make. The Company identifies such points as a performance obligation, and it calculates the arm's length sales price of the points, taking into account the expected future expiration of the points and other factors, and allocates the transaction price and recognizes revenue when the points are used.

(iii) Revenue recognition related to company-issued coupons and points issued by other companies

The Company recognizes revenue from sales to customers of company-issued coupons and third-party points as the net amount of the total consideration received from customers less the amount equivalent to company-issued coupons and third-party points.

(6) Scope of cash in the consolidated statement of cash flows

Cash in the consolidated statement of cash flows (cash and cash equivalents) consists of cash on hand, deposits that can be withdrawn at any time, and short-term investments with maturities of three months or less from the acquisition date that are readily convertible into cash and are exposed to only an insignificant risk of fluctuations in value.

Changes in accounting estimates

At the Board of Directors meeting held on August 31, 2023, a resolution was passed concerning guidelines for the relocation of the Tokyo Head Office, and the relocation was completed on February 26, 2024. In line with these guidelines, the term for the useful lives of non-current assets of the former Tokyo Head Office that are no longer required was shortened to the date of relocation.

Regarding asset retirement obligations associated with costs of restoring sites to their original conditions in building lease agreements, the costs of restoring sites to their original conditions and the expected time required have been changed based on the latest estimate information, and the recording of costs for asset retirement obligations has been changed to be completed during the period ending with the date of relocation.

As a result, compared to the previous method, operating profit, ordinary profit, and profit before income taxes each decreased by ¥483 million for the current fiscal year.

Additional information

Share remuneration plan for Directors

Based on the resolution at the 64th Annual General Meeting of Shareholders held on May 23, 2019, the Company introduced a Trust Plan for Delivering Shares to Directors (the “Plan”) for the purpose of further clarifying the linkage between remuneration for Directors (excluding outside Directors; the same applies below) and the Company’s share price and increasing the Directors’ motivation to contribute to improving medium- to long-term performance and increasing corporate value by not only enjoying the benefits of an increased share price but also bearing the risk of a falling share price and sharing with shareholders the benefits and risks associated with share price fluctuations.

Under the Plan, shares of the Company’s stock are delivered to Directors through a trust based on the number of points granted pursuant to the Director Performance-Linked Share Distribution Regulations set by the Board of Directors of the Company. The Company acquires the shares to be delivered to Directors, including those for future delivery, with the money entrusted in advance, and manages them separately as trust assets.

For the accounting related to the trust agreement, the Company applies the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015) and recognizes the difference on disposal at the time of disposing treasury shares to the trust and records the net amount of dividends from the Company on the shares held by the trust and various expenses related to the trust on the consolidated balance sheets.

The Company’s shares held by Custody Bank of Japan, Ltd. as of the end of the current fiscal year are presented as treasury shares under net assets, and the book value of such treasury shares was ¥186 million in the previous fiscal year and ¥178 million in the current fiscal year, and the number of shares was 84,300 shares in the previous fiscal year and 80,500 shares in the current fiscal year.

Consolidated balance sheet

*1 Items related to non-consolidated subsidiaries and associates are as follows.

	As of February 28, 2023	As of February 29, 2024
Shares of subsidiaries and associates (investments, other assets, and other)	¥62 million	¥62 million

*2 Pledged assets and secured liabilities

Assets pledged as collateral are as follows.

	As of February 28, 2023	As of February 29, 2024
Buildings	¥3,735 million	¥3,415 million
Land	6,266	6,266
Guarantee deposits	463	463
Total	10,465	10,145

In addition to the above, real estate owned by third parties (SOGOTAXI HOLDINGS CO., LTD and others) has been pledged as collateral.

Secured liabilities are as follows.

	As of February 28, 2023	As of February 29, 2024
Long-term borrowings (including current portion of long-term borrowings)	¥8,934 million	¥9,898 million

*3 Revaluation of land

In accordance with the Act on Revaluation of Land (Act No. 34, March 31, 1998) and the Act Partially Amending the Act on Revaluation of Land (Act No. 24, March 31, 1999), land used for business purposes was revalued, and the amount equivalent to taxes on the valuation difference is recorded as “deferred tax liabilities for land revaluation” in liabilities, and the amount less this is recorded as “revaluation reserve for land” in net assets.

Method of revaluation

The value is determined by making reasonable adjustments to the value calculated based on National Tax Agency Basic Instructions on Evaluation of Assets for calculating the value of land as the basis for calculating the taxable value of land for land-holding tax purposes, as provided for in Article 16 of Land-holding Tax Act, as stipulated in Article 2, item (iv) of the Order for Enforcement of the Act on Revaluation of Land (Government Ordinance No. 119, March 31, 1998).

Date of revaluation

February 28, 2001

	As of February 28, 2023	As of February 29, 2024
Difference between the total market value of the revalued land at the end of the fiscal year and the total book value of the land after revaluation	¥(2,660) million	¥(2,458) million

Consolidated statement of income

*1 Revenue from contracts with customers

The amount of revenue from contracts with customers that forms part of net sales and operating revenue is provided in “Notes (Segment Information, etc.)”

*2 Impairment losses

The Group recorded impairment losses on the following asset groups.

Fiscal year ended February 28, 2023

Use	Type	Place	Impairment losses (Millions of yen)	
Stores, etc.	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures, etc.	Osaka Prefecture 3 stores	77	
		Kyoto Prefecture 1 store	0	
		Tokyo 6 stores	708	
		Kanagawa Prefecture 2 stores	483	
		Chiba Prefecture 1 store	16	
		Total	13 stores	1,286

The Group groups its assets mainly based on stores as the smallest unit that generates cash flow. For stores with continuous losses from operating activities, stores whose market value of land, etc. has declined significantly and stores whose operating environment has deteriorated significantly, the book value is reduced to the recoverable amount if the recoverable amount is less than the book value, and the reduced amount is recorded as an impairment loss under extraordinary losses.

The breakdown is as follows.

Buildings and structures	¥1,022 million
Machinery, equipment and vehicles	24
Tools, furniture and fixtures	233
Other (*)	6
Total	1,286

(*) “Other” consists of software and long-term prepaid expenses.

The recoverable value of this asset group is measured by net realizable value or value in use. Net realizable value is determined based on the real estate appraisal value or roadside land price, taking materiality into consideration. The value in use is calculated by discounting future cash flows at a rate of 4.4%. In cases where future cash flows are negative, the recoverable value is calculated as zero.

Fiscal year ended February 29, 2024

Use	Type	Place	Impairment losses (Millions of yen)
Stores, etc.	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures, etc.	Osaka Prefecture 5 stores	855
		Tokyo 1 store	158
		Kanagawa Prefecture 1 store	352
		Chiba Prefecture 1 store	8
		Total	8 stores

The Group groups its assets mainly based on stores as the smallest unit that generates cash flow. For stores with continuous losses from operating activities, stores whose market value of land, etc. has declined significantly and stores whose operating environment has deteriorated significantly, the book value is reduced to the recoverable amount if the recoverable amount is less than the book value, and the reduced amount is recorded as an impairment loss under extraordinary losses.

The breakdown is as follows.

Buildings and structures	¥1,191 million
Machinery, equipment and vehicles	1
Tools, furniture and fixtures	163
Other (*)	19
Total	1,376

(*) "Other" consists of leasehold interests in land, software, right to use facilities, and long-term prepaid expenses.

The recoverable value of this asset group is measured by net realizable value or value in use. Net realizable value is determined based on the real estate appraisal value or roadside land price, taking materiality into consideration. The value in use is calculated by discounting future cash flows at a rate of 6.0%. In cases where future cash flows are negative, the recoverable value is calculated as zero.

*3 Details of gains on sales of non-current assets are as follows.

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Tools, furniture and fixtures	¥- million	¥0 million
Land	3	-
Total	3	0

*4 Details of losses on retirement of non-current assets are as follows.

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Buildings and structures	¥14 million	¥81 million
Machinery, equipment and vehicles	0	0
Tools, furniture and fixtures	16	54
Other (*)	–	24
Total	32	161

(*) “Other” is software.

*5 Loss on disaster

Fiscal year ended February 28, 2023

Not applicable.

Fiscal year ended February 29, 2024

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

Consolidated statement of comprehensive income

*1 Reclassification adjustments and tax effects related to other comprehensive income

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Valuation difference on available-for-sale securities		
Amount accrued in the current fiscal year	¥279 million	¥422 million
Reclassification adjustments	–	–
Before tax effect adjustments	279	422
Tax effects	(48)	(129)
Valuation difference on available-for-sale securities	230	293
Remeasurements of defined benefit plans, net of tax		
Amount accrued in the current fiscal year	2,027	1,820
Reclassification adjustments	25	(177)
Before tax effect adjustments	2,053	1,643
Tax effects	(628)	(503)
Remeasurements of defined benefit plans, net of tax	1,424	1,139
Total other comprehensive income	1,655	1,433

Consolidated statement of changes in equity

Fiscal year ended February 28, 2023

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at the end of the fiscal year (Shares)
Issued shares				
Ordinary shares	49,450,800	–	–	49,450,800
Total	49,450,800	–	–	49,450,800
Treasury shares				
Ordinary shares (Note)	2,583,502	284	61,000	2,522,786
Total	2,583,502	284	61,000	2,522,786

Note: The number of treasury shares at end of the fiscal year includes the Company's shares of 84,300 shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

Overview of reasons for change

Breakdown of increase in the number of treasury shares is as follows.

Purchase of shares less than one share unit 284 shares

Breakdown of the decrease in the number of treasury shares is as follows.

Disposal of treasury shares as restricted stock compensation 55,000 shares

Disposal of treasury shares by way of transfer by Trust for Delivering Shares to Directors 6,000 shares

2. Share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 26, 2022 Annual General Meeting of Shareholders	Ordinary shares	1,878	40.00	February 28, 2022	May 27, 2022

Notes: 1. Total dividends resolved by the Annual General Meeting of Shareholders held on May 26, 2022, include ¥3 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

2. The amount of dividends per share resolved at the Annual General Meeting of Shareholders held on May 26, 2022, is ¥40.00, a total of ¥30.00 for ordinary dividends and ¥10.00 for commemorative dividends.

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
October 11, 2022 Board of Directors meeting	Ordinary shares	1,643	35.00	August 31, 2022	November 1, 2022

Note: Total dividends resolved by the Board of Directors meeting held on October 11, 2022, include ¥2 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
May 25, 2023 Annual General Meeting of Shareholders	Ordinary shares	1,645	Retained earnings	35.00	February 28, 2023	May 26, 2023

Note: Total dividends resolved by the Annual General Meeting of Shareholders held on May 25, 2023, include ¥2 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

Fiscal year ended February 29, 2024

1. Class and total number of issued shares and class and number of treasury shares

	Number of shares at the beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at the end of the fiscal year (Shares)
Issued shares				
Ordinary shares	49,450,800	–	–	49,450,800
Total	49,450,800	–	–	49,450,800
Treasury shares				
Ordinary shares (Note)	2,522,786	545	3,800	2,519,531
Total	2,522,786	545	3,800	2,519,531

Note: The number of treasury shares at end of the fiscal year includes the Company's shares of 80,500 shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

Overview of reasons for change

Breakdown of increase in the number of treasury shares is as follows.

Purchase of shares less than one share unit	445 shares
Acquisition of restricted shares without compensation	100 shares

Breakdown of the decrease in the number of treasury shares is as follows.

Disposal of treasury shares by way of transfer by Trust for Delivering Shares to Directors	3,800 shares
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2. Share acquisition rights and treasury share acquisition rights

Not applicable.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 25, 2023 Annual General Meeting of Shareholders	Ordinary shares	1,645	35.00	February 28, 2023	May 26, 2023

Note: Total dividends resolved by the Annual General Meeting of Shareholders held on May 25, 2023, include ¥2 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

(Resolution)	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
October 10, 2023 Board of Directors meeting	Ordinary shares	1,880	40.00	August 31, 2023	November 1, 2023

Note: Total dividends resolved by the Board of Directors meeting held on October 10, 2023, include ¥3 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
May 23, 2024 Annual General Meeting of Shareholders	Ordinary shares	2,350	Retained earnings	50.00	February 29, 2024	May 24, 2024

Note: Total dividends resolved by the Annual General Meeting of Shareholders held on May 23, 2024, include ¥4 million of dividends for the Company's shares held by Custody Bank of Japan, Ltd. as the trust assets for the "Trust for Delivering Shares to Directors."

Consolidated statement of cash flows

*1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash and deposits account	¥9,727 million	¥8,606 million
Time deposits with maturities exceeding three months	(400)	(400)
Cash and cash equivalents	9,327	8,206

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and are regularly reviewed by the highest management decision-making body to make decisions about the allocation of managerial resources and to assess their performance.

The Group's main business is a general retailer of food products, lifestyle products, and apparel, etc., and it also operates a credit card and other businesses related to this business. Therefore, taking into consideration these services and their economic characteristics, they are classified as the "Retail Business" reportable segment.

2. Method for calculating amounts of operating revenue, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method for the reported business segment is the same as that described in "Significant accounting policies for preparation of consolidated financial statements."

Profit of reportable segment is based on ordinary profit. Intersegment revenue and transfers are based on actual market prices.

3. Information on operating revenue, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended February 28, 2023

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments (Note 3)	Amounts recorded in consolidated financial statements (Note 4)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	759,962	1,098	761,061	–	761,061
Other revenue (Note 6)	4,364	–	4,364	–	4,364
Operating revenue from external customers	764,327	1,098	765,426	–	765,426
Intersegment operating revenue and transfers	912	1,479	2,391	(2,391)	–
Total	765,240	2,577	767,818	(2,391)	765,426
Segment profit	19,683	332	20,015	–	20,015
Segment assets	283,477	18,168	301,645	(20,834)	280,810
Other items					
Depreciation	14,952	14	14,966	–	14,966
Interest income	139	–	139	(8)	130
Interest expenses	184	9	193	(8)	185
Increase in property, plant and equipment and intangible assets (Note 5)	21,123	57	21,181	–	21,181

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

2 “Other” includes credit card business, etc.

3 Adjustments of segment assets, interest income and interest expenses are mainly from the elimination of transactions between the reportable segment (the Retail Business) and other.

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

5 Increases in property, plant, equipment and intangible assets do not include assets corresponding to asset retirement obligations, etc.

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

Fiscal year ended February 29, 2024

(Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments (Note 3)	Amounts recorded in consolidated financial statements (Note 4)
	Retail Business				
Operating revenue (Note 1)					
Revenue from contracts with customers	804,087	1,212	805,299	–	805,299
Other revenue (Note 6)	4,410	–	4,410	–	4,410
Operating revenue from external customers	808,497	1,212	809,709	–	809,709
Intersegment operating revenue and transfers	975	1,537	2,512	(2,512)	–
Total	809,472	2,749	812,222	(2,512)	809,709
Segment profit	24,565	382	24,948	–	24,948
Segment assets	289,603	17,940	307,544	(20,397)	287,146
Other items					
Depreciation	15,884	36	15,921	–	15,921
Interest income	128	–	128	(7)	121
Interest expenses	190	8	198	(9)	189
Increase in property, plant and equipment and intangible assets (Note 5)	19,123	135	19,258	–	19,258

- Notes: 1 Operating revenue is the total of net sales and receipts from operating revenue.
2 “Other” includes credit card business, etc.
3 Adjustments of segment assets, interest income and interest expenses are mainly from the elimination of transactions between the reportable segment (the Retail Business) and other.
4 Segment profit is adjusted to ordinary profit in the consolidated statement of income.
5 Increases in property, plant, equipment and intangible assets do not include assets corresponding to asset retirement obligations, etc.
6 Other revenue includes real estate lease revenue based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

[Related information]

Fiscal year ended February 28, 2023

1. Information by product and service

This information is omitted because operating revenue from external customers in a single product or service category exceeds 90% of the operating revenue in the consolidated statement of income.

2. Information about geographical areas

(1) Operating revenue

Not applicable because there is no operating revenue from external customers outside Japan.

(2) Property, plant and equipment

Not applicable because the Company has no property, plant and equipment located outside

Japan.

3. Information by major customer

This information is omitted because there is no external customer who accounts for 10% or more of the operating revenue in the consolidated statement of income.

Fiscal year ended February 29, 2024

1. Information by product and service

This information is omitted because operating revenue from external customers in a single product or service category exceeds 90% of the operating revenue in the consolidated statement of income.

2. Information about geographical areas

(1) Operating revenue

Not applicable because there is no operating revenue from external customers outside Japan.

(2) Property, plant and equipment

Not applicable because the Company has no property, plant and equipment located outside Japan.

3. Information by major customer

This information is omitted because there is no external customer who accounts for 10% or more of the operating revenue in the consolidated statement of income.

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended February 28, 2023

(Millions of yen)

	Reportable segment	Other	Corporate and eliminations	Total
	Retail Business			
Impairment losses	1,286	–	–	1,286

Fiscal year ended February 29, 2024

(Millions of yen)

	Reportable segment	Other	Corporate and eliminations	Total
	Retail Business			
Impairment losses	1,376	–	–	1,376

[Information on amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended February 28, 2023

Not applicable.

Fiscal year ended February 29, 2024

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended February 28, 2023

Not applicable.

Fiscal year ended February 29, 2024

Not applicable.

Per share information

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net assets per share	¥2,599.79	¥2,916.09
Earnings per share	¥284.35	¥360.93

- Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.
2. The basis for calculating net assets per share is as follows.

	As of February 28, 2023	As of February 29, 2024
Total net assets (Millions of yen)	122,002	136,855
Amounts deducted from total net assets (Millions of yen)	–	–
Amount of net assets related to ordinary shares at the end of the fiscal year (Millions of yen)	122,002	136,855
Number of ordinary shares at the end of the fiscal year used in the calculation of net assets per share (Shares)	46,928,014	46,931,269

3. The basis for calculating earnings per share is as follows.

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit attributable to owners of parent (Millions of yen)	13,327	16,938
Amount not attributable to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to ordinary shares (Millions of yen)	13,327	16,938
Average number of ordinary shares during the fiscal year (Shares)	46,871,327	46,930,194

4. The Company's shares held by Custody Bank of Japan, Ltd. as trust assets for "Trust for Delivering Shares to Directors" are included in treasury shares deducted from the total number of shares issued at the end of the fiscal year for calculating net assets per share and are also included in treasury shares deducted from the average number of shares during the fiscal year for calculating earnings per share.

The number of such treasury shares deducted for calculating net assets per share is 84 thousand shares at the end of the previous fiscal year and 80 thousand shares at the end of the current fiscal year, and the average number of such treasury shares deducted for calculating earnings per share is 86 thousand shares for the previous fiscal year and 81 thousand shares for the current fiscal year.

Significant subsequent events

Not applicable.

4. Non-consolidated financial statements and significant notes thereto

(1) Balance sheet

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	8,783	8,505
Accounts receivable - trade	22,313	22,138
Merchandise	25,811	27,900
Supplies	203	215
Prepaid expenses	3,550	3,679
Accounts receivable - other	14,807	15,794
Other	6,229	5,984
Total current assets	81,700	84,218
Non-current assets		
Property, plant and equipment		
Buildings	89,242	89,269
Structures	2,689	2,462
Machinery and equipment	4,781	4,564
Vehicles	1	0
Furniture and fixtures	16,898	18,207
Land	39,614	39,614
Leased assets	–	300
Construction in progress	2,593	1,774
Total property, plant and equipment	155,820	156,193
Intangible assets		
Leasehold interests in land	1,238	2,635
Software	1,789	2,651
Other	167	162
Total intangible assets	3,195	5,449
Investments and other assets		
Investment securities	1,487	1,910
Shares of subsidiaries and associates	1,060	1,060
Long-term loans receivable	7,711	7,186
Long-term prepaid expenses	1,865	1,635
Deferred tax assets	6,128	6,599
Guarantee deposits	24,513	25,360
Other	36	32
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	42,761	43,742
Total non-current assets	201,776	205,385
Total assets	283,477	289,603

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	41,971	45,332
Short-term borrowings	44,120	19,400
Current portion of long-term borrowings	8,628	10,342
Lease liabilities	1,274	1,203
Accounts payable - other	10,215	14,441
Accrued expenses	4,201	4,431
Income taxes payable	2,314	5,303
Accrued consumption taxes	932	2,845
Deposits received	11,074	11,223
Provision for bonuses	2,758	2,967
Provision for sales promotion expenses	21	19
Contract liabilities	1,608	1,579
Asset retirement obligations	48	425
Other	928	934
Total current liabilities	130,096	120,450
Non-current liabilities		
Long-term borrowings	17,497	19,922
Long-term accounts payable - other	162	79
Lease liabilities	2,651	2,225
Deferred tax liabilities for land revaluation	951	951
Provision for retirement benefits	3,136	3,037
Provision for share awards for directors (and other officers)	43	50
Asset retirement obligations	5,350	5,917
Guarantee deposits received	2,815	2,723
Other	209	200
Total non-current liabilities	32,817	35,109
Total liabilities	162,914	155,560
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus		
Legal capital surplus	2,501	2,501
Other capital surplus	3,195	3,195
Total capital surplus	5,696	5,696
Retained earnings		
Other retained earnings		
General reserve	94,320	103,620
Retained earnings brought forward	14,946	18,827
Total retained earnings	109,266	122,447
Treasury shares	(3,838)	(3,831)
Total shareholders' equity	121,129	134,316
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	588	881
Revaluation reserve for land	(1,154)	(1,154)
Total valuation and translation adjustments	(566)	(273)
Total net assets	120,563	134,043
Total liabilities and net assets	283,477	289,603

(2) Statement of income

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	738,494	780,028
Cost of sales	508,911	535,285
Gross profit	229,582	244,743
Receipts from operating revenue	26,745	29,444
Operating gross profit	256,328	274,187
Selling, general and administrative expenses	237,467	250,393
Operating profit	18,860	23,793
Non-operating income		
Interest income	139	128
Dividend income	52	61
Income from recycling	366	367
Data offer fee	149	163
Other	375	293
Total non-operating income	1,084	1,014
Non-operating expenses		
Interest expenses	184	190
Other	76	51
Total non-operating expenses	261	242
Ordinary profit	19,683	24,565
Extraordinary income		
Gain on sale of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary losses		
Impairment losses	1,286	1,376
Loss on retirement of non-current assets	32	135
Loss on store closings	3	85
Head office relocation expenses	–	80
Loss on disaster	–	49
Corporate funeral costs	45	–
Total extraordinary losses	1,367	1,726
Profit before income taxes	18,318	22,839
Income taxes - current	4,815	6,733
Income taxes - deferred	525	(600)
Total income taxes	5,341	6,132
Profit	12,977	16,706

(3) Statement of changes in equity

Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	10,004	2,501	3,127	5,628	83,620	16,070	99,690	(3,930)	111,392
Cumulative effects of changes in accounting policies						80	80		80
Restated balance	10,004	2,501	3,127	5,628	83,620	16,150	99,770	(3,930)	111,473
Changes during period									
Provision of general reserve					10,700	(10,700)	-		-
Dividends of surplus						(3,521)	(3,521)		(3,521)
Profit						12,977	12,977		12,977
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			68	68				92	161
Reversal of revaluation reserve for land						39	39		39
Net changes in items other than shareholders' equity									
Total changes during period	-	-	68	68	10,700	(1,204)	9,495	92	9,656
Balance at end of period	10,004	2,501	3,195	5,696	94,320	14,946	109,266	(3,838)	121,129

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	357	(1,114)	(757)	110,634
Cumulative effects of changes in accounting policies				80
Restated balance	357	(1,114)	(757)	110,715
Changes during period				
Provision of general reserve				-
Dividends of surplus				(3,521)
Profit				12,977
Purchase of treasury shares				(0)
Disposal of treasury shares				161
Reversal of revaluation reserve for land				39
Net changes in items other than shareholders' equity	230	(39)	190	190
Total changes during period	230	(39)	190	9,847
Balance at end of period	588	(1,154)	(566)	120,563

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	10,004	2,501	3,195	5,696	94,320	14,946	109,266	(3,838)	121,129
Cumulative effects of changes in accounting policies									-
Restated balance	10,004	2,501	3,195	5,696	94,320	14,946	109,266	(3,838)	121,129
Changes during period									
Provision of general reserve					9,300	(9,300)	-		-
Dividends of surplus						(3,525)	(3,525)		(3,525)
Profit						16,706	16,706		16,706
Purchase of treasury shares								(1)	(1)
Disposal of treasury shares								8	8
Reversal of revaluation reserve for land						-	-		-
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	9,300	3,880	13,180	6	13,187
Balance at end of period	10,004	2,501	3,195	5,696	103,620	18,827	122,447	(3,831)	134,316

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	588	(1,154)	(566)	120,563
Cumulative effects of changes in accounting policies				–
Restated balance	588	(1,154)	(566)	120,563
Changes during period				
Provision of general reserve				–
Dividends of surplus				(3,525)
Profit				16,706
Purchase of treasury shares				(1)
Disposal of treasury shares				8
Reversal of revaluation reserve for land				–
Net changes in items other than shareholders' equity	293		293	293
Total changes during period	293	–	293	13,480
Balance at end of period	881	(1,154)	(273)	134,043

5. Other

(1) Changes to officers

(i) Change of Representative Director

Not applicable.

(ii) Changes to other officers

[Scheduled on May 23, 2024]

- Candidates for new Director (excluding Directors who are Audit and Supervisory Committee Members)

Jun Adachi (Currently Executive Officer, and General Manager of Corporate Strategy and Planning Department)

Akihiro Tada (Currently Special Advisor to the Ministry of Economy, Trade and Industry)

*Mr. Akihiro Tada is a candidate for outside Director.

- Candidate for Director who is an Audit and Supervisory Committee Member

Shigeyuki Mito (Attorney at law)

*Mr. Shigeyuki Mito is a candidate for outside Director.

- Retiring Directors

Director & Managing Executive Officer Nobuyuki Kawai

Director Haruhiko Yahagi

*Mr. Haruhiko Yahagi is an outside Director.

- Retiring Corporate Auditors

Auditor Mitsuo Maki

Auditor Koji Shiono

*Mr. Mitsuo Maki and Mr. Koji Shiono are outside Corporate Auditors.