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Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2025 (under Japanese GAAP)



October 7, 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 to file Semi-annual Securities Report: October 15, 2024
 Scheduled date to commence dividend payments: November 1, 2024
 Preparation of supplementary material on semi-annual financial results: Yes
 Holding of semi-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 first six months of the fiscal year ending February 28, 2025 (from March 1, 2024 to August 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------------|-----|------------------|-------|-----------------|-------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended August 31, 2024 | 421,885 | 5.4 | 12,232 | (1.4) | 12,706 | (1.1) | 8,914 | 4.4 |
| Six months ended August 31, 2023 | 400,148 | 6.0 | 12,410 | 39.2 | 12,851 | 37.7 | 8,534 | 33.1 |

Note: Comprehensive income

Six months ended August 31, 2024: ¥8,968 million [4.5%]
 Six months ended August 31, 2023: ¥8,580 million [32.7%]

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

Net sales

Six months ended August 31, 2024: ¥406,199 million [5.3%]
 Six months ended August 31, 2023: ¥385,663 million [5.9%]

Receipts from operating revenue

Six months ended August 31, 2024: ¥15,686 million [8.3%]
 Six months ended August 31, 2023: ¥14,484 million [8.8%]

| | Earnings per share | Diluted earnings per share |
|------------------|--------------------|----------------------------|
| Six months ended | Yen | Yen |
| August 31, 2024 | 189.94 | - |
| August 31, 2023 | 181.87 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| August 31, 2024 | 316,971 | 143,473 | 45.3 | 3,057.10 |
| February 29, 2024 | 287,146 | 136,855 | 47.7 | 2,916.09 |

Reference: Equity

As of August 31, 2024: ¥143,473 million

As of February 29, 2024: ¥136,855 million

2. Cash dividends

| | Annual dividends | | | | |
|---|-------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended February 29, 2024 | — | 40.00 | — | 50.00 | 90.00 |
| Fiscal year ending February 28, 2025 | — | 50.00 | | | |
| Fiscal year ending February 28, 2025 (Forecast) | | | — | 50.00 | 100.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

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 |

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of special accounting treatment to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - i. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii. Changes in accounting policies due to other reasons: None
 - iii. Changes in accounting estimates: None
 - iv. Restatement: None
- (4) Number of issued shares (ordinary shares)
 - i. Total number of issued shares at the end of the period (including treasury shares)

| | |
|-------------------------|-------------------|
| As of August 31, 2024 | 49,450,800 shares |
| As of February 29, 2024 | 49,450,800 shares |
 - ii. Number of treasury shares at the end of the period

| | |
|-------------------------|------------------|
| As of August 31, 2024 | 2,519,626 shares |
| As of February 29, 2024 | 2,519,531 shares |
 - iii. Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|-------------------|
| Six months ended August 31, 2024 | 46,931,239 shares |
| Six months ended August 31, 2023 | 46,929,037 shares |

Note: The number of treasury shares at the end of the period includes the Company's shares (80,500 shares as of August 31, 2024, and 80,500 shares as of February 29, 2024) 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. (80,500 shares for the six months ended August 31, 2024, and 83,136 shares for the six months ended August 31, 2023)

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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

Attached material

| | |
|--|----|
| 1. Qualitative information on semi-annual financial results..... | 2 |
| (1) Explanation of operating results | 2 |
| (2) Explanation of financial position | 3 |
| (3) Explanation of consolidated earnings forecasts and other such forward-looking information..... | 4 |
| 2. Semi-annual consolidated financial statements and significant notes thereto | 5 |
| (1) Semi-annual consolidated balance sheet | 5 |
| (2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income..... | 7 |
| Semi-annual consolidated statement of income (cumulative)..... | 7 |
| Semi-annual consolidated statement of comprehensive income (cumulative) | 8 |
| (3) Semi-annual consolidated statement of cash flows | 9 |
| (4) Notes to semi-annual consolidated financial statements | 10 |
| Notes on premise of going concern..... | 10 |
| Notes on the event of significant changes in the amount of shareholders' equity..... | 10 |
| Notes to semi-annual consolidated statement of income..... | 10 |
| Notes to semi-annual consolidated statement of cash flows | 10 |
| Notes to segment information, etc. | 11 |
| Significant subsequent events | 12 |

1. Qualitative information on semi-annual financial results

(1) Explanation of operating results

During the first six months of the current fiscal year, the Japanese economy followed a track of mild recovery. On the other hand, the outlook remains uncertain due to sharp fluctuations in stock prices and exchange rates, heightened geopolitical risks, and uncertainties in the global economy.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to cautious consumer spending, intensifying competition across industries and business categories, and rising costs on a variety of fronts such as personnel expenses, despite the effect of the boost in revenue mainly due to an improved income environment and increased product prices.

In this economic environment, to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward what we want to be in fiscal 2030, the entire Group is continuing in the current fiscal year to work on the 7th Medium-Term Plan, which started in fiscal 2023, with the following three main themes.

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

In addition, even in a business environment in which costs are increasing due to labor shortages, caused by a shrinking population, and rising prices for goods and services, all employees are working on their own to implement "Kaizen" activities centered on improving productivity and optimizing costs in order to steadily promote management strategies, including the three themes, toward what we want to be in fiscal 2030.

As specific initiatives to promote management strategies based on the 7th Medium-Term Plan to break away from homogeneous competition steadily, we established the BIO-RAL Business Division in March, increased the number of BIO-RAL products in line with the concept of organic, local, healthy, and sustainable, opened two new BIO-RAL stores, enhanced BIO-RAL sections in existing stores, and implemented other measures. Additionally, we are advancing initiatives to reduce workloads and carry out operational streamlining, such as by expanding the scope of the automated ordering service using AI-driven demand forecasting, which was first introduced for the daily delivery food section in February 2021, to orders for fresh produce departments, and having the system in operation in almost all of our stores.

As part of our efforts to contribute toward the realization of a sustainable and flourishing society, we have increased our donations to children's cafeterias in Tokyo, expanding to seven wards, and in the Osaka Region, we began donating in Kobe City in June, bringing the total to four prefectures (Osaka, Hyogo, Kyoto and Nara) in which we have opened stores. In addition, the Company received the Grand Prize in the business activity category of the 2023 Osaka Environmental Award for its "efforts to reduce food waste that contribute towards the realization of a sustainable and flourishing society," including the biogas power generation business at its own food process centers. In addition, the "LIFE's on-demand classes and Parent/child Food education experience classes" activities received the "Food Safety and Consumer Affairs Bureau Chief Award" at the 8th

Shokuiku Activities Awards sponsored by the Ministry of Agriculture, Forestry and Fisheries.

We opened following new stores: Ikebukuro Sanhome Store (Tokyo) and BIO-RAL Minoh Q's MALL Store (Osaka) and BIO-RAL Kunitachi Ekimae Store (Tokyo) in March, SoCoLa Tokorozawa Store (Saitama) in April, Meguro Yakumo Store (Tokyo) in May, Matsugasaki Store (Kyoto) in June, Kichijoji Ekimae Store (Tokyo) in July and Ashiya Kurekawa-cho Store (Hyogo) in August. Also, we have closed two stores. As for existing stores, we newly introduced a handmade bread section "Komugi-no-Sato" and a pharmaceutical section and implemented other measures at Nishikujo Store to enhance the product lineups, and undertook renovations at Minamitsumori Store to enhance the product lineups, such as BIO-RAL brand products, frozen foods and ready-prepared foods. The Group's operating revenue totaled ¥421,885 million (up 5.4% 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 investment in employees, improvement of compensation, etc. In response, the Group promoted productivity improvements, initiatives to optimize costs and other measures through Kaizen activities. However, operating profit was ¥12,232 million (down 1.4% year on year) and ordinary profit was ¥12,706 million (down 1.1% year on year). Profit attributable to owners of parent was ¥8,914 million (up 4.4% year on year) due to a decrease in extraordinary losses.

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥421,748 million (up 5.4% year on year), with net sales of ¥406,199 million (up 5.3% year on year), and segment profit of ¥12,525 million (down 0.9% year on year).

Net sales by department were ¥176,786 million (up 5.9% year on year) for fresh produce, ¥183,296 million (up 5.6% year on year) for general food, ¥34,652 million (up 3.3% year on year) for lifestyle products, and ¥11,463 million (down 2.3% year on year) for apparel.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥1,420 million (up 3.4% year on year), with segment profit of ¥180 million (down 13.0% year on year).

(2) Explanation of financial position

(i) Assets, liabilities, and net assets

Total assets at the end of the first six months of the current fiscal year were ¥316,971 million, an increase of ¥29,825 million from the end of the previous fiscal year.

Current assets totaled ¥111,201 million, an increase of ¥28,352 million from the end of the previous fiscal year. This was mainly due to increases of ¥20,366 million in cash and deposits and ¥8,839 million in accounts receivable - trade.

Non-current assets totaled ¥205,770 million, an increase of ¥1,472 million from the end of the previous fiscal year. This was mainly due to an increase of ¥1,710 million in property, plant and equipment, mainly due to new store openings and renovations.

Total liabilities at the end of the first six months of the current fiscal year were ¥173,498 million, an increase of ¥23,208 million from the end of the previous fiscal year. This was mainly due to a ¥41,724 million increase in accounts payable - trade, while the total of short-term borrowings and long-term borrowings decreased by ¥22,709 million.

Total net assets at the end of the first six months of the current fiscal year were ¥143,473 million, an

increase of ¥6,617 million from the end of the previous fiscal year. This was mainly due to a ¥6,563 million increase in retained earnings.

(ii) Cash flows

Cash and cash equivalents (“cash”) at the end of the first six months of the current fiscal year totaled ¥28,573 million (up 271.7% year on year).

The status of respective cash flows and their factors during the first six months of the current fiscal year are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥56,447 million in the first six months of the current fiscal year (up 97.9% year on year). This was mainly due to an increase of ¥41,724 million in trade payables, as well as depreciation, a non-cash gain/loss item, of ¥8,058 million, and profit before income taxes of ¥12,731 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥10,347 million in the first six months of the current fiscal year (up 20.9% year on year). This was mainly due to expenditures of ¥9,172 million for the purchase of property, plant and equipment, including the construction of new stores and renovation of existing stores.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥25,733 million in the first six months of the current fiscal year (up 19.1% year on year). This was mainly due to a net decrease in short-term borrowings and repayments of long-term borrowings of ¥24,909 million despite proceeds from long-term borrowings of ¥2,200 million.

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

There is no change in the consolidated earnings forecasts for the fiscal year ending February 28, 2025 from that announced on April 10, 2024 in the “Consolidated Financial Results for the Fiscal Year Ended February 29, 2024.”

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

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

| | As of February 29, 2024 | As of August 31, 2024 |
|--|-------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,606 | 28,973 |
| Accounts receivable - trade | 9,560 | 18,399 |
| Merchandise and finished goods | 27,900 | 27,891 |
| Raw materials and supplies | 273 | 217 |
| Accounts receivable - other | 32,072 | 32,170 |
| Other | 4,436 | 3,549 |
| Total current assets | 82,849 | 111,201 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 91,732 | 92,571 |
| Land | 39,614 | 39,614 |
| Other, net | 24,969 | 25,839 |
| Total property, plant and equipment | 156,315 | 158,025 |
| Intangible assets | 5,484 | 5,488 |
| Investments and other assets | | |
| Guarantee deposits | 25,360 | 25,518 |
| Retirement benefit asset | 851 | 808 |
| Other | 16,327 | 15,970 |
| Allowance for doubtful accounts | (42) | (41) |
| Total investments and other assets | 42,497 | 42,256 |
| Total non-current assets | 204,297 | 205,770 |
| Total assets | 287,146 | 316,971 |

(Millions of yen)

| | As of February 29, 2024 | As of August 31, 2024 |
|---|-------------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 45,332 | 87,057 |
| Short-term borrowings | 19,400 | – |
| Current portion of long-term borrowings | 10,342 | 9,184 |
| Income taxes payable | 5,335 | 4,618 |
| Provision for bonuses | 2,971 | 3,195 |
| Provision for sales promotion expenses | 19 | 21 |
| Other | 34,816 | 39,843 |
| Total current liabilities | 118,219 | 143,921 |
| Non-current liabilities | | |
| Long-term borrowings | 19,922 | 17,771 |
| Provision for share awards for directors (and other officers) | 50 | 43 |
| Asset retirement obligations | 5,917 | 6,041 |
| Other | 6,180 | 5,721 |
| Total non-current liabilities | 32,071 | 29,577 |
| Total liabilities | 150,290 | 173,498 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,004 | 10,004 |
| Capital surplus | 5,696 | 5,696 |
| Retained earnings | 122,560 | 129,124 |
| Treasury shares | (3,831) | (3,831) |
| Total shareholders' equity | 134,430 | 140,993 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 881 | 1,031 |
| Revaluation reserve for land | (1,154) | (1,154) |
| Remeasurements of defined benefit plans | 2,698 | 2,603 |
| Total accumulated other comprehensive income | 2,425 | 2,479 |
| Total net assets | 136,855 | 143,473 |
| Total liabilities and net assets | 287,146 | 316,971 |

(2)Semi-annual consolidated statement of income and consolidated statement of comprehensive income

Semi-annual consolidated statement of income (cumulative)

(Millions of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 385,663 | 406,199 |
| Cost of sales | 265,804 | 281,610 |
| Gross profit | 119,858 | 124,588 |
| Receipts from operating revenue | 14,484 | 15,686 |
| Operating gross profit | 134,343 | 140,275 |
| Selling, general and administrative expenses | *1 121,932 | *1 128,043 |
| Operating profit | 12,410 | 12,232 |
| Non-operating income | | |
| Interest income | 61 | 57 |
| Dividend income | 31 | 33 |
| Income from recycling | 182 | 180 |
| Data offer fee | 84 | 69 |
| Other | 203 | 267 |
| Total non-operating income | 564 | 608 |
| Non-operating expenses | | |
| Interest expenses | 95 | 95 |
| Other | 27 | 39 |
| Total non-operating expenses | 123 | 134 |
| Ordinary profit | 12,851 | 12,706 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 50 |
| Total extraordinary income | – | 50 |
| Extraordinary losses | | |
| Loss on store closings | 61 | 15 |
| Loss on retirement of non-current assets | 59 | 8 |
| Head office relocation expenses | 80 | – |
| Loss on disaster | *2 49 | – |
| Other | 13 | – |
| Total extraordinary losses | 264 | 24 |
| Profit before income taxes | 12,587 | 12,731 |
| Income taxes - current | 4,067 | 3,647 |
| Income taxes - deferred | (14) | 170 |
| Total income taxes | 4,052 | 3,817 |
| Profit | 8,534 | 8,914 |
| Profit attributable to owners of parent | 8,534 | 8,914 |

Semi-annual consolidated statement of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Profit | 8,534 | 8,914 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 107 | 149 |
| Remeasurements of defined benefit plans, net of tax | (61) | (95) |
| Total other comprehensive income | 46 | 54 |
| Comprehensive income | 8,580 | 8,968 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 8,580 | 8,968 |

(3)Semi-annual consolidated statement of cash flows

(Millions of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 12,587 | 12,731 |
| Depreciation | 7,675 | 8,058 |
| Retirement benefit expenses | (88) | (137) |
| Increase (decrease) in provision for bonuses | 230 | 223 |
| Increase (decrease) in provision for sales promotion expenses | 0 | 2 |
| Increase (decrease) in contract liabilities | 27 | 49 |
| Increase (decrease) in retirement benefit asset and liability | 43 | 42 |
| Increase (decrease) in provision for share awards for directors (and other officers) | (8) | (6) |
| Interest and dividend income | (93) | (91) |
| Interest expenses | 95 | 95 |
| Loss on retirement of non-current assets | 59 | 8 |
| Decrease (increase) in trade receivables | (1,595) | (8,839) |
| Decrease (increase) in inventories | (1,082) | 64 |
| Decrease (increase) in accounts receivable - other | 1,678 | (98) |
| Increase (decrease) in trade payables | 6,415 | 41,724 |
| Increase (decrease) in accounts payable - other | 1,753 | 5,840 |
| Other, net | 2,409 | 1,164 |
| Subtotal | 30,109 | 60,834 |
| Interest and dividends received | 32 | 34 |
| Interest paid | (89) | (87) |
| Income taxes paid | (1,534) | (4,334) |
| Net cash provided by (used in) operating activities | 28,517 | 56,447 |
| Cash flows from investing activities | | |
| Payments into time deposits | (400) | (400) |
| Proceeds from withdrawal of time deposits | 400 | 400 |
| Purchase of property, plant and equipment | (7,290) | (9,172) |
| Proceeds from sale of property, plant and equipment | 1 | 50 |
| Purchase of intangible assets | (845) | (624) |
| Loan advances | (144) | - |
| Payments of guarantee deposits | (260) | (247) |
| Proceeds from refund of guarantee deposits | 14 | 9 |
| Other, net | (32) | (361) |
| Net cash provided by (used in) investing activities | (8,557) | (10,347) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (28,100) | (19,400) |
| Proceeds from long-term borrowings | 13,000 | 2,200 |
| Repayments of long-term borrowings | (4,171) | (5,509) |
| Repayments of lease liabilities | (684) | (677) |
| Dividends paid | (1,643) | (2,345) |
| Purchase of treasury shares | (1) | (0) |
| Net cash provided by (used in) financing activities | (21,599) | (25,733) |
| Net increase (decrease) in cash and cash equivalents | (1,639) | 20,366 |
| Cash and cash equivalents at beginning of period | 9,327 | 8,206 |
| Cash and cash equivalents at end of period | *1 7,687 | *1 28,573 |

(4) Notes to semi-annual consolidated financial statements

Notes on premise of going concern

Not applicable.

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

Not applicable.

Notes to semi-annual consolidated statement of income

*1 Major items and amounts of selling, general and administrative expenses

(Millions of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Salaries, allowances and bonuses | 45,862 | 48,479 |
| Provision for bonuses | 2,989 | 3,190 |
| Retirement benefit expenses | 704 | 689 |

*2 Loss on disaster

First six months of the previous fiscal year (March 1, 2023 to August 31, 2023)

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

First six months of the current fiscal year (March 1, 2024 to August 31, 2024)

Not applicable.

Notes to semi-annual consolidated statement of cash flows

*1 Reconciliation of cash and cash equivalents at end of period and the related account on the semi-annual consolidated balance sheet

(Millions of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Cash and deposits account | 8,087 | 28,973 |
| Time deposits with maturities exceeding three months | (400) | (400) |
| Cash and cash equivalents | 7,687 | 28,573 |

Notes to segment information, etc.

[Segment information]

I First six months of the previous fiscal year (March 1, 2023 to August 31, 2023)

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

(Millions of yen)

| | Reportable segment | Other (Note 2) | Total | Adjustments | Amounts recorded in semi-annual consolidated statement of income (Note 3) |
|--|--------------------|----------------|---------|-------------|---|
| | Retail Business | | | | |
| Operating revenue (Note 1) | | | | | |
| Revenue from contracts with customers | 397,360 | 594 | 397,955 | – | 397,955 |
| Other revenue (Note 4) | 2,192 | – | 2,192 | – | 2,192 |
| Operating revenue from external customers | 399,553 | 594 | 400,148 | – | 400,148 |
| Intersegment operating revenue and transfers | 487 | 778 | 1,265 | (1,265) | – |
| Total | 400,040 | 1,373 | 401,413 | (1,265) | 400,148 |
| Segment profit | 12,644 | 207 | 12,851 | – | 12,851 |

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

II First six months of the current fiscal year (March 1, 2024 to August 31, 2024)

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

| (Millions of yen) | | | | | |
|--|--------------------|----------------|---------|-------------|---|
| | Reportable segment | Other (Note 2) | Total | Adjustments | Amounts recorded in semi-annual consolidated statement of income (Note 3) |
| | Retail Business | | | | |
| Operating revenue (Note 1) | | | | | |
| Revenue from contracts with customers | 419,012 | 642 | 419,654 | – | 419,654 |
| Other revenue (Note 4) | 2,231 | – | 2,231 | – | 2,231 |
| Operating revenue from external customers | 421,243 | 642 | 421,885 | – | 421,885 |
| Intersegment operating revenue and transfers | 505 | 777 | 1,283 | (1,283) | – |
| Total | 421,748 | 1,420 | 423,169 | (1,283) | 421,885 |
| Segment profit | 12,525 | 180 | 12,706 | – | 12,706 |

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

Significant subsequent events

Purchase of treasury shares and tender offer for treasury shares

At the Board of Directors meeting held on October 7, 2024, the Company resolved to purchase treasury shares and to conduct a tender offer as the specific purchase method pursuant to the provisions of Article 156, paragraph 1 of the Companies Act as applied by replacing terms under the provisions of Article 165, paragraph 3 of the same Act and pursuant to the Company’s Articles of Incorporation.

(1) Reason for the purchase of treasury shares

The Company has determined that the purchase of treasury shares as part of the Company’s capital policy is in line with the Company’s management policy as it will contribute to improving capital efficiency, leading to a return of profits to shareholders, and will not have a significant impact on the Company’s financial position or business operations. In addition, with respect to the specific method of purchasing treasury shares, the Company has determined that a tender offer is appropriate from the perspective of maintaining fairness among shareholders and transparency of the transactions.

(2) Details of the resolution by the Board of Directors regarding the purchase of treasury shares

- | | |
|---|-------------------------------------|
| (i) Class of shares to be purchased | Ordinary shares of the Company |
| (ii) Total number of shares to be purchased | 4,030,900 shares (maximum) |
| (iii) Total purchase cost | ¥12,975 million (maximum) |
| (iv) Purchase period: | October 8, 2024 to January 31, 2025 |

(3) Overview of the tender offer for treasury shares

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|--|---|
| (i) Number of shares to be purchased | 4,030,800 shares |
| (ii) Price of purchase, etc. | ¥3,219 per ordinary share |
| (iii) Tender offer period | October 8, 2024 to November 6, 2024 (20 business days) |
| (iv) Date of public notice of commencement of tender offer | October 8, 2024 |
| (v) Date of commencement of settlement | November 28, 2024 |