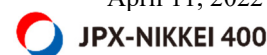


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Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (under Japanese GAAP)



April 11, 2022



Company name: **LIFE CORPORATION**
 Listing: Tokyo Stock Exchange
 Securities code: 8194
 URL: <http://www.lifecorp.jp/>
 Representative: Takaharu Iwasaki, Representative Director and President
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Scheduled date of Annual General Meeting of Shareholders: May 26, 2022
 Scheduled date to commence dividend payments: May 27, 2022
 Scheduled date to file Annual Securities Report: May 27, 2022
 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 28, 2022 (from March 1, 2021 to February 28, 2022)

(1) Consolidated operating results (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	%
Fiscal year ended February 28, 2022	768,335	1.2	22,932	(16.3)	23,695	(15.8)	15,208	(14.7)
Fiscal year ended February 28, 2021	759,146	6.2	27,388	97.3	28,156	93.4	17,824	127.5

Note: Comprehensive income
 Fiscal year ended February 28, 2022: ¥15,322 million [(16.3)%]
 Fiscal year ended February 28, 2021: ¥18,314 million [139.0%]

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

Net sales
 Fiscal year ended February 28, 2022: ¥745,080 million [1.2%]
 Fiscal year ended February 28, 2021: ¥736,346 million [6.2%]
 Receipts from operating revenue
 Fiscal year ended February 28, 2022: ¥23,254 million [2.0%]
 Fiscal year ended February 28, 2021: ¥22,800 million [5.5%]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/operating revenue
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2022	324.50	–	14.6	8.8	3.0
February 28, 2021	380.32	–	19.9	10.6	3.6

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended February 28, 2022: ¥– million
 Fiscal year ended February 28, 2021: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2022	270,229	110,299	40.8	2,353.44
February 28, 2021	268,307	97,560	36.4	2,081.61

Reference: Equity

As of February 28, 2022: ¥110,299 million

As of February 28, 2021: ¥97,560 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2022	(7,926)	(20,303)	22,695	9,409
February 28, 2021	41,747	(20,587)	(19,029)	14,943

2. Cash dividends

	Annual dividends					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2021	–	25.00	–	25.00	50.00	2,345	13.1	2.6
Fiscal year ended February 28, 2022	–	30.00	–	40.00	70.00	3,287	21.6	3.2
Fiscal year ending February 28, 2023 (Forecast)	–	35.00	–	35.00	70.00		21.2	

Note: Breakdown of year-end dividend for the fiscal year ended February 28, 2022: Ordinary dividend of ¥30.00, and the 60th anniversary commemorative dividend of ¥10.00

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

(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, 2023	770,000	–	23,200	1.2	24,000	1.3	15,500	1.9	330.72

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ending February 28, 2023. Therefore, the above consolidated earnings forecasts represent the amounts calculated by applying the said accounting standard, etc., but do not include year-on-year changes for operating revenue as the accounting treatment method subject to comparison differs.

The Company expects operating revenue to decrease by approximately ¥22.0 billion due to this change.

* 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: None
 - iv. Restatement: None
- (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 28, 2022	49,450,800 shares
As of February 28, 2021	53,450,800 shares
 - ii. Number of treasury shares at the end of the period

As of February 28, 2022	2,583,502 shares
As of February 28, 2021	6,583,138 shares
 - iii. Average number of shares during the period

Fiscal year ended February 28, 2022	46,867,560 shares
Fiscal year ended February 28, 2021	46,868,068 shares

Note: The number of treasury shares at the end of the period includes the Company's shares (90,300 shares as of February 28, 2022, and 90,300 shares as of February 28, 2021) 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. (90,300 shares as of February 28, 2022, and 90,300 shares as of February 28, 2021)

Reference: Overview of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended February 28, 2022
(from March 1, 2021 to February 28, 2022)**

(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 28, 2022	767,379	1.2	22,808	(16.1)	23,556	(15.8)	15,066	(14.7)
February 28, 2021	758,259	6.2	27,193	96.3	27,972	92.4	17,665	126.9

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2022	321.46	-
February 28, 2021	376.93	-

(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 28, 2022	275,299	110,634	40.2	2,360.60
February 28, 2021	274,950	98,170	35.7	2,094.63

Reference: Equity

As of February 28, 2022: ¥110,634 million

As of February 28, 2021: ¥98,170 million

2. Non-consolidated earnings forecasts for the fiscal year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

(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, 2023	769,000	–	23,700	0.6	15,250	1.2	325.39

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ending February 28, 2023. Therefore, the above non-consolidated earnings forecasts represent the amounts calculated by applying the said accounting standard, etc., but do not include year-on-year changes for operating revenue as the accounting treatment method subject to comparison differs.

The Company expects operating revenue to decrease by approximately ¥22.0 billion due to this change.

* 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

In the fiscal year under review, the Japanese economy continued to see weak recovery due to the impact of repeated outbreaks of the COVID-19 pandemic. The situation remained far from optimistic also because of geopolitical risks and other factors impacting the Japanese economy.

In this economic environment, there are clouds on the horizon for the food supermarket industry, which is the Group's area of business, despite the industry continuing to benefit from increased demand for eating at home caused by COVID-19. In addition, amid sluggish growth in individual income and limited recovery in consumer confidence, increasing price competition, expansion of e-commerce, expansion of grocery delivery services, expansion of takeout and delivery services from restaurants, intensifying competition across industry boundaries, and higher costs, including personnel expenses and raw materials expenses, have led to a tougher environment for business operations.

In an environment characterized by the presence of COVID-19, the Group has put in place a variety of measures including social distancing, so it can continue fulfilling its mission of providing a lifeline to residents while putting the highest priority on ensuring the safety and security of customers and employees. Also, the Group ran ongoing promotions, such as sales to support specific locales, to help producers, restaurant industry companies, and manufacturers who were impacted by fewer tourists due to people staying at home.

Other major initiatives during the fiscal year under review included those for the online supermarket business, which has received positive reviews in various private surveys. In terms of systems, the Group collaborated with 10X, Inc. to further improve convenience and launched the Life Online Supermarket App, the first mobile app version of the online supermarket, in March 2021, and acquired downloads steadily. In terms of distribution, the Group made efforts to construct a stable and high-quality distribution network for the online supermarket service as well as the home delivery service for in-store purchases. In April, the Company and Maguchi Holdings Co., Ltd. established LIFE HOME DELIVERY, a new company that provides last-mile delivery. Having started operations in June, this company is gradually expanding its business, with nine stores for the online supermarket service and 25 stores for the home delivery service covered as of the end of February 2022. In terms of organization, in January 2022, the Company established E-Commerce Business Division, which directly reports to the President, in order to accelerate the further development and expansion of the online supermarket business, and reorganized related organizations into the new division.

Also, the Group held a special campaign from September 2021 through February 2022 to celebrate the 60th anniversary of the Company and the 5th anniversary of the LC JCB CARD, the Group's co-branded credit card. The Company is striving to expand credit card memberships and usage such as by establishing Card Business Department in January.

Further, the Company expanded the delivery area of its service for Amazon Prime members that began in September 2019. In the Tokyo region, the delivery area now covers all or part of 23 wards and 13 cities in Tokyo, eight cities in Kanagawa prefecture, 13 cities in Chiba prefecture, and five cities in Saitama prefecture. In the Osaka region, it now covers 23 cities in Osaka prefecture, six cities in Hyogo prefecture, and three cities in Kyoto prefecture, with the exception of certain areas.

In addition, the Group strengthened its product development and lineup of BIO-RAL, a private brand that uses healthy materials and production methods for customers interested in health and natural products. The Group also created new BIO-RAL natural supermarkets as well as dedicated sections at existing stores.

The Group opened eight new stores: Higashinipori Store (Tokyo) in March 2021, Mizonokuchi Store (Kanagawa Prefecture) in April, Shijo karasuma Store (Kyoto Prefecture) and Hongo 3-chome Ekimae Store (Tokyo) in September, BIO-RAL EKI MARCHE OSAKA Store (Osaka Prefecture),

which is the third location for the natural supermarket brand, in October, SEVEN PARK Amami Store (Osaka Prefecture) in November, HIRAKATA T-SITE Store (Osaka Prefecture) in December, and BIO-RAL Shimokitazawa Ekimae Store (Tokyo), the fourth location for the natural supermarket brand, in February 2022. On the other hand, three stores were closed. For existing stores, the Group proactively made renovations at a total of 32 stores to address the changing needs of customers, including Oyodo Store, Tatsumi Store, Nagata Store, Kyodo Store, Takidani Store, Nijo Ekimae Store, Central Square Morinomiya Store, Fuchu Nakagawara Store, Bentencho Store, and Kawasaki Miyuki Store.

Effects of opening new stores, expanding e-commerce such as online supermarkets (e-commerce, electronic sales), bolstering BIO-RAL and other private brand products, and implementing product initiatives that sought to enhance taste contributed to the Group's performance. As a result, operating revenue was ¥768,335 million (up 1.2% year on year) and gross profit increased due to improved profit margin. On the other hand, as for selling, general and administrative expenses, the Group saw increases in personnel expenses from increased hiring activities, rent expenses from opening new stores, and non-personnel expenses from strengthening the growing e-commerce business. As a result, operating profit was ¥22,932 million (down 16.3% year on year), ordinary profit was ¥23,695 million (down 15.8% year on year), and profit attributable to owners of parent was ¥15,208 million (down 14.7% year on year) as each item saw a year-on-year decline.

Results by segment are as follows:

(Retail Business)

Operating revenue was ¥767,379 million (up 1.2% year on year), with net sales of ¥745,080 million (up 1.2% year on year), and segment profit of ¥23,556 million (down 15.8% year on year).

Net sales by department were ¥323,082 million (up 2.6% year on year) for fresh produce, ¥324,343 million (up 0.9% year on year) for general food, ¥64,823 million (down 3.2% year on year) for lifestyle products, ¥23,150 million (down 1.6% year on year) for apparel, and ¥9,680 million (up 0.01% year on year) for tenants.

(Other Business)

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,415 million (up 3.7% year on year), with segment profit of ¥139 million (down 24.5% 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 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 ¥270,229 million, an increase of ¥1,922 million from the end of the previous fiscal year.

Current assets totaled ¥74,480 million, a decrease of ¥187 million from the end of the previous fiscal year. This was mainly due to a ¥5,533 million decrease in cash and deposits, while accounts receivable - trade increased by ¥2,608 million, merchandise and finished goods increased by ¥687 million, accounts receivable - other increased by ¥1,160 million and prepaid expenses (other current assets) increased by ¥776 million.

Non-current assets totaled ¥195,748 million, an increase of ¥2,109 million from the end of the previous fiscal year. This was mainly due to an increase of ¥3,038 million in property, plant and equipment from the previous fiscal year, resulting from new store openings, renovation, and land acquisition.

Total liabilities at the end of the current fiscal year were ¥159,929 million, a decrease of ¥10,817 million from the end of the previous fiscal year. This was mainly due to decreases of ¥26,800 million in accounts payable - trade and ¥7,695 million in accounts payable - other, respectively, while the total of short-term borrowings and long-term borrowings increased by ¥26,703 million.

Total net assets at the end of the current fiscal year were ¥110,299 million, an increase of ¥12,739 million from the end of the previous fiscal year. This was mainly due to a ¥12,625 million increase in retained earnings.

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

Cash and cash equivalents (“cash”) for the fiscal year under review totaled ¥9,409 million (down 37.0% year on year).

The main reasons for the decrease are as follows.

Cash flows from operating activities

Net cash used in operating activities amounted to ¥7,926 million in the current fiscal year (compared to ¥41,747 million in cash provided by operating activities in the previous year).

This was mainly due to a decrease of ¥26,800 million in trade payables and a decrease of ¥5,158 million in accounts payable - other, resulting from the settlements in the current fiscal year of purchase and other payables for which the payments were pending because the last day of the previous fiscal year was a holiday for financial institutions, despite profit before income taxes of ¥22,312 million and depreciation, a non-cash gain/loss item, of ¥14,179 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥20,303 million in the current fiscal year (down 1.4% year on year).

This was mainly due to expenditures of ¥19,000 million for the purchase of property, plant and equipment, including land acquisition, opening new stores, and renovation of existing stores.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥22,695 million in the current fiscal year (compared to ¥19,029 million in cash used in financing activities in the previous year).

This was mainly due to repayments of long-term borrowings of ¥12,647 million despite a net increase of ¥36,350 million in short-term borrowings.

(4) Future outlook

The future outlook for the Japanese economy continues to provide little room for optimism, given the ongoing impact of COVID-19 with factors including an increase in the number of cases and the progress of vaccinations. There are also overseas factors that would affect the Japanese economy, such as excessive inflation, frequent occurrence of natural disasters, U.S. financial, monetary, and trade policies, trends in the Chinese economy, and geopolitical risks including the situation in Ukraine.

Although demand for eating at home is still strong due to changes in consumer behavior caused by COVID-19, conditions in the retail industry remain challenging due to concerns about deterioration of corporate profitability, slow growth in personal income, and a decline in consumer confidence in the future. The industry is undergoing significant changes, as seen by new entrants from outside the sector, including major e-commerce players, offering fresh produce.

In this difficult environment, we decided to extend the scope of the 6th Medium-Term Plan by one year, making fiscal 2022 its final year, in order to address issues remaining from the COVID-19 pandemic. This plan, commenced in fiscal 2018, aims to make each of our stores the No. 1 in the area with even greater trust from customers.

In the 6th Medium-Term Plan, while reassessing the issues that the Company is facing, we have clearly expressed the Group's vision as the "True to LIFE Declaration" comprised of three keywords: "delicious," "exciting," and "happy." To achieve this vision, we will continue to execute the action plan whose outline is set out below.

- The store is the star! – Each and every store strives to embody the concept of "True to LIFE" in a way that meets the needs of local customers, with all initiatives based on the notion that "the store is the star" so that we can empower eager and spirited store staff to independently think and put ideas into action.
- Investment in people – We seek to become a company that provides great job satisfaction to its employees, at which diverse people succeed in a stress-free environment without being pressed for time.
- Investment in stores – We will review all of our measures from the ground up, including customer service, store design and displays, renovations, and new stores, with the goal of creating stores that customers associate with ideas and feelings such as "True to LIFE," "delicious," "welcoming," "comfortable," "reassuring," and "a little fun."
- Investment in merchandise – In addition to focusing on a customer-oriented perspective, we aim to provide merchandise that does not compromise on the elements that make up "delicious," namely ingredients, recipes, and freshness.
- LIFE's strengths – By honing in on our online supermarket strategy and card business strategy in particular, we will significantly differentiate ourselves from competitors and grow these aspects into strengths of the Company.
- Strategy to support "True to LIFE" – We will enhance our sales support strategy involving sales promotions and other measures, infrastructure strategy on logistics, food process centers, and information systems, and cost reduction / funds procurement strategy, which consists of initiatives for optimizing purchasing costs and for finance.
- Activities to instill, develop, and maintain the concept of "True to LIFE" – By ensuring that every individual from officers to employees including part-timers understand the concept of "True to LIFE," base their thinking on this notion, and practice it in day-to-day operations, we aim to not only convey this "True to LIFE" concept to customers but also to create an organization that develops the next generation of human resources with excellent teamwork through such activities.

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

Further, based on reflections of the 6th Medium-Term Plan and changes in the external environment, the Group will shift into a new 7th Medium-Term Plan, whose period will begin in fiscal 2023. Under the new plan, the Group will seek to differentiate itself from the competition and further refine the "True to LIFE" concept by taking measures that utilize data and technology, further developing its online supermarkets and the BIO-RAL natural supermarket business, and expanding its unique product lineup, while reassessing the status of current issues.

The COVID-19 pandemic has made it extremely difficult to accurately forecast performance outlook, given the serious negative impact it has had on operations of certain industries, despite causing changes to consumer behavior that generate demand for eating at home in the food supermarket industry, including the Company. For the final year of the 6th Medium-Term Plan (fiscal 2022), the Group forecasts operating revenue of ¥770.0 billion (Note), operating profit of ¥23.2 billion (up 1.2% year on year), ordinary profit of ¥24.0 billion (up 1.3% year on year), and profit attributable to owners of parent of ¥15.5 billion (up 1.9% year on year), although the outlook remains unclear due to the presence of COVID-19. The performance forecast may be revised in response to changes in the

socioeconomic environment and other factors, but in order to achieve the goal of “True to LIFE” that was set in the 6th Medium-Term Plan, we will continue to steadily make investments in people, investments in stores, and investments in merchandise, all based on the notion that “the store is the star.”

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ending February 28, 2023. Therefore, the operating revenue forecast represents the amount calculated by applying the said accounting standard, etc., but does not include year-on-year change as the accounting treatment method subject to comparison differs.

The Company expects operating revenue to decrease by approximately ¥22.0 billion due to this change.

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 development 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, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	15,343	9,809
Accounts receivable - trade	5,524	8,133
Merchandise and finished goods	23,193	23,880
Raw materials and supplies	189	258
Accounts receivable - other	27,383	28,544
Other	3,033	3,854
Total current assets	74,668	74,480
Non-current assets		
Property, plant and equipment		
Buildings and structures	183,085	188,078
Accumulated depreciation	(95,596)	(101,429)
Buildings and structures, net	*2 87,489	*2 86,648
Machinery, equipment and vehicles	9,934	10,906
Accumulated depreciation	(4,876)	(5,646)
Machinery, equipment and vehicles, net	5,057	5,260
Furniture and fixtures	51,790	55,761
Accumulated depreciation	(37,003)	(39,224)
Furniture and fixtures, net	*3 14,786	16,537
Land	*2, *4 38,774	*2, *4 39,256
Other	1,358	2,807
Accumulated depreciation	(15)	(20)
Other, net	1,343	2,787
Total property, plant and equipment	147,452	150,490
Intangible assets	3,635	3,508
Investments and other assets		
Investment securities	1,520	1,208
Long-term loans receivable	8,586	7,935
Deferred tax assets	7,189	6,761
Guarantee deposits	*2 23,321	*2 24,086
Other	*1 1,975	*1 1,799
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	42,551	41,749
Total non-current assets	193,638	195,748
Total assets	268,307	270,229

(Millions of yen)

	As of February 28, 2021		As of February 28, 2022	
Liabilities				
Current liabilities				
Accounts payable - trade		68,466		41,666
Short-term borrowings		2,150		38,500
Current portion of long-term borrowings	*2	12,647	*2	14,865
Lease obligations		1,078		1,082
Accounts payable - other		23,232		15,536
Income taxes payable		6,126		3,901
Provision for bonuses		2,595		2,555
Provision for sales promotion expenses		1,884		1,963
Other	*3	12,284		12,406
Total current liabilities		130,466		132,478
Non-current liabilities				
Long-term borrowings	*2	24,113	*2	12,248
Lease obligations		2,567		2,412
Deferred tax liabilities for land revaluation	*4	969	*4	969
Provision for share awards for directors (and other officers)		36		56
Retirement benefit liability		3,256		2,999
Asset retirement obligations		5,409		5,014
Other		3,926		3,750
Total non-current liabilities		40,280		27,451
Total liabilities		170,747		159,929
Net assets				
Shareholders' equity				
Share capital		10,004		10,004
Capital surplus		11,613		5,628
Retained earnings		86,595		99,221
Treasury shares		(9,914)		(3,930)
Total shareholders' equity		98,298		110,923
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		375		357
Revaluation reserve for land	*4	(1,114)	*4	(1,114)
Remeasurements of defined benefit plans		0		133
Total accumulated other comprehensive income		(738)		(623)
Total net assets		97,560		110,299
Total liabilities and net assets		268,307		270,229

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

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	736,346	745,080
Cost of sales	510,681	514,356
Gross profit	225,664	230,724
Receipts from operating revenue	22,800	23,254
Operating gross profit	248,464	253,978
Selling, general and administrative expenses		
Freight costs	29,053	30,027
Promotion expenses	9,944	9,850
Store remodeling expense and repair expense	6,957	7,161
Utilities expenses	8,132	8,585
Rent expenses	28,849	30,177
Salaries, allowances and bonuses	85,498	90,029
Provision for bonuses	2,590	2,533
Retirement benefit expenses	1,562	1,511
Provision for share awards for directors (and other officers)	25	19
Legal and other welfare expenses	11,927	12,805
Depreciation	13,110	14,061
Other	23,424	24,281
Total selling, general and administrative expenses	221,075	231,046
Operating profit	27,388	22,932
Non-operating income		
Interest income	154	141
Dividend income	60	53
Income from recycling	239	291
Data offer fee	142	143
Other	473	428
Total non-operating income	1,070	1,058
Non-operating expenses		
Interest expenses	216	184
Other	86	110
Total non-operating expenses	302	294
Ordinary profit	28,156	23,695
Extraordinary income		
Gain on sale of investment securities	-	249
Compensation income	262	-
Gain on sale of non-current assets	5	-
Insurance claim income	4	-
Total extraordinary income	272	249
Extraordinary losses		
Impairment losses	*1 2,595	*1 1,241
Loss on retirement of non-current assets	*2 419	*2 187
Loss on store closings	302	89
Loss on COVID-19	*3 106	*3 70
Sublease loss	134	35
Loss on sale of investment securities	-	7
Loss on valuation of investment securities	3	-
Total extraordinary losses	3,561	1,632
Profit before income taxes	24,867	22,312
Income taxes - current	7,343	6,684
Income taxes - deferred	(299)	420
Total income taxes	7,043	7,104
Profit	17,824	15,208
Profit attributable to owners of parent	17,824	15,208

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	17,824	15,208
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(18)
Remeasurements of defined benefit plans, net of tax	486	132
Total other comprehensive income	*1 489	*1 114
Comprehensive income	18,314	15,322
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,314	15,322

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	11,613	70,435	(9,912)	82,140
Changes during period					
Dividends of surplus			(2,113)		(2,113)
Profit attributable to owners of parent			17,824		17,824
Purchase of treasury shares				(1)	(1)
Reversal of revaluation reserve for land			448		448
Net changes in items other than shareholders' equity					
Total changes during period	–	–	16,160	(1)	16,158
Balance at end of period	10,004	11,613	86,595	(9,914)	98,298

	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	372	(666)	(485)	(779)	81,360
Changes during period					
Dividends of surplus					(2,113)
Profit attributable to owners of parent					17,824
Purchase of treasury shares					(1)
Reversal of revaluation reserve for land					448
Net changes in items other than shareholders' equity	2	(448)	486	41	41
Total changes during period	2	(448)	486	41	16,199
Balance at end of period	375	(1,114)	0	(738)	97,560

Fiscal year ended February 28, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	11,613	86,595	(9,914)	98,298
Changes during period					
Dividends of surplus			(2,582)		(2,582)
Profit attributable to owners of parent			15,208		15,208
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(5,984)		5,984	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(5,984)	12,625	5,984	12,625
Balance at end of period	10,004	5,628	99,221	(3,930)	110,923

	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	375	(1,114)	0	(738)	97,560
Changes during period					
Dividends of surplus					(2,582)
Profit attributable to owners of parent					15,208
Purchase of treasury shares					(0)
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity	(18)		132	114	114
Total changes during period	(18)	–	132	114	12,739
Balance at end of period	357	(1,114)	133	(623)	110,299

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	24,867	22,312
Depreciation	13,225	14,179
Retirement benefit expenses	26	19
Impairment losses	2,595	1,241
Increase (decrease) in provision for bonuses	183	(40)
Increase (decrease) in provision for sales promotion expenses	(604)	78
Increase (decrease) in retirement benefit liability	(2,975)	(86)
Interest and dividend income	(214)	(194)
Interest expenses	216	184
Loss on store closings	32	–
Loss (gain) on sale of investment securities	–	(241)
Loss on retirement of non-current assets	419	187
Decrease (increase) in trade receivables	3,853	(2,608)
Decrease (increase) in inventories	649	(755)
Decrease (increase) in accounts receivable - other	(1,292)	(1,160)
Increase (decrease) in trade payables	235	(26,800)
Increase (decrease) in accounts payable - other	3,317	(5,158)
Other, net	2,097	(53)
Subtotal	46,632	1,103
Interest and dividends received	68	57
Interest paid	(203)	(173)
Income taxes paid	(4,748)	(8,914)
Payments associated with disaster loss	(2)	–
Net cash provided by (used in) operating activities	41,747	(7,926)
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	(18,907)	(19,000)
Proceeds from sale of property, plant and equipment	293	126
Purchase of intangible assets	(1,030)	(867)
Proceeds from sale of investment securities	–	485
Purchase of shares of subsidiaries and associates	–	(12)
Loan advances	(20)	(57)
Proceeds from collection of loans receivable	–	22
Payments of guarantee deposits	(966)	(828)
Proceeds from refund of guarantee deposits	221	62
Other, net	(176)	(235)
Net cash provided by (used in) investing activities	(20,587)	(20,303)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(13,550)	36,350
Proceeds from long-term borrowings	10,300	3,000
Repayments of long-term borrowings	(12,322)	(12,647)
Repayments of lease obligations	(1,141)	(1,224)
Repayments of installment payables	(203)	(204)
Dividends paid	(2,109)	(2,577)
Purchase of treasury shares	(1)	(0)
Net cash provided by (used in) financing activities	(19,029)	22,695
Net increase (decrease) in cash and cash equivalents	2,130	(5,533)
Cash and cash equivalents at beginning of period	12,813	14,943
Cash and cash equivalents at end of period	*1 14,943	*1 9,409

(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 unconsolidated subsidiaries or associates accounted for using equity method and names of major companies, etc.

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

(2) Names, etc. of major non-consolidated subsidiaries and associates not accounted for using 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 equity method are excluded from the scope of application of equity method, because such exclusion has only an immaterial effect on the consolidated financial statements in terms of each company's profit or loss (amount corresponding to the Company's ownership interest) and retained earnings (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 with market value are stated at fair value based on the market price on the consolidated balance sheet date (valuation differences are booked directly in a separate component of net assets, and cost of securities sold is determined by the moving average method), while securities without market value are stated at cost determined by the moving-average method.

(ii) Inventories

a. Merchandise and finished goods

Stated at 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 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 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	2 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 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 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 based on 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 is provided 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.

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

Cash in the consolidated statement of cash flows (cash and cash equivalents) consist 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

(6) Other significant matters for preparing consolidated financial statements

Accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes in the consolidated statements of income (and net consumption tax receivable or payable is recorded on the balance sheet.).

Changes in presentation

Consolidated statement of income

“Subsidy income” (¥65 million for the current fiscal year), which was independently presented in the previous fiscal year, is included in “Other” under non-operating income from the current fiscal year because it became insignificant in terms of the amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥115 million presented as “Subsidy income” under non-operating income in the consolidated statement of income for the previous fiscal year has been reclassified as “Other.”

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 applied the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015), 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 ¥199 million in the previous fiscal year and ¥199 million in the current fiscal year, and the number of shares was 90,300 shares in the previous fiscal year and 90,300 shares in the current fiscal year.

Accounting estimates related to the impact of the spread of the COVID-19

The Group makes accounting estimates, such as impairment of non-current assets and recoverability of deferred tax assets, based on information available at the time of preparation of the consolidated financial statements.

In the Retail Business, although there is benefit from increased demand for eating at home caused by COVID-19, this trend is waning. Although accounting estimates are based on the assumption that the impact of COVID-19 will continue for a certain period of time in the next fiscal year (ending February 28, 2023), actual results may differ from these estimates because of the uncertainty involved in estimating the timing of convergence of the infection and other factors.

Consolidated balance sheet

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

	As of February 28, 2021	As of February 28, 2022
Shares of subsidiaries and associates (Investments and other assets, other)	¥50 million	¥62 million

*2 Pledged assets and secured liabilities

Assets pledged as collateral are as follows.

	As of February 28, 2021	As of February 28, 2022
Buildings	¥4,341 million	¥3,970 million
Land	6,693	6,266
Guarantee deposits	479	463
Total	11,514	10,700

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, 2021	As of February 28, 2022
Long-term borrowings (including current portion of long-term borrowings)	¥12,433 million	¥9,470 million

*3 Assets for which ownership is reserved by installment payments are as follows

	As of February 28, 2021	As of February 28, 2022
Tools, furniture and fixtures	¥164 million	¥- million

The corresponding liabilities are as follows.

	As of February 28, 2021	As of February 28, 2022
Accounts payable - installment purchase (current liabilities, other)	¥204 million	¥- million

*4 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, 2021	As of February 28, 2022
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	¥(3,002) million	¥(2,964) million

Consolidated statement of income

*1 Impairment losses

The Group recorded impairment losses on the following asset groups.

Fiscal year ended February 28, 2021

Use	Type	Place	Impairment losses (Millions of yen)	
Stores, etc.	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures; land, etc.	Osaka Prefecture 7 stores	267	
		Kyoto Prefecture 1 store	242	
		Nara Prefecture 2 stores	1,247	
		Tokyo 2 stores	816	
		Saitama Prefecture 1 store	20	

The Group groups its assets mainly based on stores as the smallest unit that generates cash flow. For stores with continuous loss from operating activities and stores whose land market value has declined 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	¥1,390 million
Machinery, equipment and vehicles	3
Tools, furniture and fixtures	122
Land	1,070
Other (*)	8
Total	2,595

(*) "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 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 3.4%. In cases where future cash flows are negative, the recoverable value is calculated as zero.

Fiscal year ended February 28, 2022

Use	Type	Place	Impairment losses (Millions of yen)
Stores, etc.	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures, etc.	Osaka Prefecture 2 stores	519
		Kyoto Prefecture 1 store	13
		Tokyo 2 stores	558
		Saitama Prefecture 1 store	118
		Chiba Prefecture 1 store	31

The Group groups its assets mainly based on stores as the smallest unit that generates cash flow. For stores with continuous loss from operating activities and stores whose land market value has declined 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	¥1,060 million
Machinery, equipment and vehicles	3
Tools, furniture and fixtures	167
Other (*)	10
Total	1,241

(*) “Other” consists of leasehold interests in land, 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 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 3.3%. In cases where future cash flows are negative, the recoverable value is calculated as zero.

*2 Details of loss on retirement of non-current assets are as follows.

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Buildings and structures	¥255 million	¥111 million
Machinery, equipment and vehicles	13	1
Tools, furniture and fixtures	148	73
Other (*)	1	0
Total	419	187

(*) Other is long-term prepaid expenses.

*3 Losses on COVID-19

Fiscal year ended February 28, 2021

The Company recorded a loss on COVID-19 of ¥106 million in extraordinary losses resulting from the loss on abandonment of goods, disinfection expenses, and tenant support through rent concessions incurred in stores and other facilities caused by the spread of COVID-19.

Fiscal year ended February 28, 2022

The Company recorded a loss on COVID-19 of ¥70 million in extraordinary losses resulting from the loss on abandonment of goods, disinfection expenses, and tenant support through rent concessions incurred in stores and other facilities caused by the spread of COVID-19.

Consolidated statement of comprehensive income

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

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Valuation difference on available-for-sale securities		
Amount accrued in the current fiscal year	¥12 million	¥173 million
Reclassification adjustments	–	(241)
Before tax effect adjustments	12	(68)
Tax effects	(9)	50
Valuation difference on available-for-sale securities	2	(18)
Remeasurements of defined benefit plans, net of tax		
Amount accrued in the current fiscal year	674	171
Reclassification adjustments	26	19
Before tax effect adjustments	701	191
Tax effects	(214)	(58)
Remeasurements of defined benefit plans, net of tax	486	132
Total other comprehensive income	489	114

Consolidated statement of changes in equity

Fiscal year ended February 28, 2021

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

	Number of shares at beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at end of the fiscal year (Shares)
Issued shares				
Ordinary shares	53,450,800	–	–	53,450,800
Total	53,450,800	–	–	53,450,800
Treasury shares				
Ordinary shares (Note)	6,582,377	761	–	6,583,138
Total	6,582,377	761	–	6,583,138

Note: The number of treasury shares at end of the fiscal year includes the Company's shares of 90,300 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	561 shares
Acquisition of restricted shares without compensation	200 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 28, 2020 Annual General Meeting of Shareholders	Ordinary shares	939	20.00	February 29, 2020	May 29, 2020

Note: Total dividends resolved by the Board of Directors meeting held on May 28, 2020 include ¥1 million of dividends for the Company's shares held by Japan Trustee Services Bank, Ltd. (currently 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 9, 2020 Board of Directors meeting	Ordinary shares	1,173	25.00	August 31, 2020	November 2, 2020

Note: Total dividends resolved by the Board of Directors meeting held on October 9, 2020 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 27, 2021 Annual General Meeting of Shareholders	Ordinary shares	1,173	Retained earnings	25.00	February 28, 2021	May 28, 2021

Note: Total dividends resolved by the Board of Directors meeting held on May 27, 2021 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 28, 2022

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

	Number of shares at beginning of the fiscal year (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares at end of the fiscal year (Shares)
Issued shares				
Ordinary shares	53,450,800	–	4,000,000	49,450,800
Total	53,450,800	–	4,000,000	49,450,800
Treasury shares				
Ordinary shares (Note)	6,583,138	364	4,000,000	2,583,502
Total	6,583,138	364	4,000,000	2,583,502

Note: The number of treasury shares at end of the fiscal year includes the Company's shares of 90,300 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 decrease in the number of issued shares is as follows.

Cancellation of treasury shares 4,000,000 shares

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

Purchase of shares less than one share unit 164 shares

Acquisition of restricted shares without compensation 200 shares

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

Cancellation of treasury shares 4,000,000 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 27, 2021 Annual General Meeting of Shareholders	Ordinary shares	1,173	25.00	February 28, 2021	May 28, 2021

Note: Total dividends resolved by the Board of Directors meeting held on May 27, 2021 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 7, 2021 Board of Directors meeting	Ordinary shares	1,408	30.00	August 31, 2021	November 1, 2021

Note: Total dividends resolved by the Board of Directors meeting held on October 7, 2021 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 26, 2022 Annual General Meeting of Shareholders	Ordinary shares	1,878	Retained earnings	40.00	February 28, 2022	May 27, 2022

Notes: 1. Total dividends resolved by the Board of Directors meeting 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 to be resolved at the Annual General Meeting of Shareholders to be held on May 26, 2022 is ¥40.00, total of ¥30.00 for ordinary dividends and ¥10.00 for commemorative dividends.

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, 2021	Fiscal year ended February 28, 2022
Cash and deposits account	¥15,343 million	¥9,809 million
Time deposits with maturities exceeding three months	(400)	(400)
Cash and cash equivalents	14,943	9,409

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 regularly reviewed by the highest management decision-making body to make decisions about 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 aggregated and 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 price.

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

Fiscal year ended February 28, 2021

(Unit: Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments (Note 3)	Carrying amount (Note 4)
	Retail Business				
Operating revenue (Note 1)					
Operating revenue from external customers	758,255	891	759,146	–	759,146
Intersegment operating revenue and transfers	4	1,436	1,441	(1,441)	–
Total	758,259	2,328	760,587	(1,441)	759,146
Segment profit	27,972	184	28,156	–	28,156
Segment assets	274,950	12,698	287,648	(19,340)	268,307
Other items					
Depreciation	13,069	41	13,110	–	13,110
Interest income	162	–	162	(8)	154
Interest expenses	215	9	224	(8)	216
Increase in property, plant and equipment and intangible assets (Note 5)	24,586	4	24,590	–	24,590

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 elimination of transactions between reportable segment (Retail Business) and other.

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

5. Increase in property, plant and equipment and intangible assets does not include assets corresponding to asset

retirement obligations, etc.
Fiscal year ended February 28, 2022

(Unit: Millions of yen)

	Reportable segment	Other (Note 2)	Total	Adjustments (Note 3)	Carrying amount (Note 4)
	Retail Business				
Operating revenue (Note 1)					
Operating revenue from external customers	767,376	959	768,335	–	768,335
Intersegment operating revenue and transfers	2	1,456	1,459	(1,459)	–
Total	767,379	2,415	769,794	(1,459)	768,335
Segment profit	23,556	139	23,695	–	23,695
Segment assets	275,299	15,165	290,464	(20,234)	270,229
Other items					
Depreciation	14,040	20	14,061	–	14,061
Interest income	149	–	149	(7)	141
Interest expenses	183	8	192	(7)	184
Increase in property, plant and equipment and intangible assets (Note 5)	16,913	39	16,953	–	16,953

- 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 elimination of transactions between reportable segment (Retail Business) and other.
4. Segment profit is adjusted to ordinary profit in the consolidated statement of income.
5. Increase in property, plant and equipment and intangible assets does not include assets corresponding to asset retirement obligations, etc.

[Related information]

Fiscal year ended February 28, 2021

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 28, 2022

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, 2021

(Unit: Millions of yen)

	Reportable segment	Other	Corporate and eliminations	Total
	Retail Business			
Impairment losses	2,595	–	–	2,595

Fiscal year ended February 28, 2022

(Unit: Millions of yen)

	Reportable segment	Other	Corporate and eliminations	Total
	Retail Business			
Impairment losses	1,241	–	–	1,241

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

Fiscal year ended February 28, 2021

Not applicable.

Fiscal year ended February 28, 2022

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended February 28, 2021

Not applicable.

Fiscal year ended February 28, 2022

Not applicable.

Per share information

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net assets per share	¥2,081.61	¥2,353.44
Earnings per share	¥380.32	¥324.50

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, 2021	As of February 28, 2022
Total net assets (Millions of yen)	97,560	110,299
Amounts deducted from total net assets (Millions of yen)	–	–
Amount of net assets related to ordinary shares at end of the fiscal year (Millions of yen)	97,560	110,299
Number of ordinary shares at end of the fiscal year used in the calculation of net assets per share (Shares)	46,867,662	46,867,298

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

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit attributable to owners of parent (Millions of yen)	17,824	15,208
Amount not attributable to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to ordinary shares (Millions of yen)	17,824	15,208
Average number of ordinary shares during the fiscal year (Shares)	46,868,068	46,867,560

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 90 thousand shares at the end of the previous fiscal year and 90 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 90 thousand shares for the previous fiscal year and 90 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, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	15,210	9,663
Accounts receivable - trade	18,613	20,985
Merchandise	23,193	23,880
Supplies	153	231
Prepaid expenses	2,447	3,228
Accounts receivable - other	15,688	14,566
Other	5,068	6,043
Total current assets	80,374	78,599
Non-current assets		
Property, plant and equipment		
Buildings	84,645	84,062
Structures	2,844	2,586
Machinery and equipment	5,054	5,257
Vehicles	3	2
Furniture and fixtures	14,768	16,525
Land	38,774	39,256
Leased assets	5	0
Construction in progress	1,337	2,786
Total property, plant and equipment	147,433	150,479
Intangible assets		
Leasehold interests in land	1,232	1,197
Software	2,222	2,109
Other	176	170
Total intangible assets	3,631	3,478
Investments and other assets		
Investment securities	1,520	1,208
Shares of subsidiaries and associates	1,048	1,060
Long-term loans receivable	8,586	7,935
Long-term prepaid expenses	1,878	1,693
Deferred tax assets	7,150	6,755
Guarantee deposits	23,321	24,086
Other	46	44
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	43,510	42,741
Total non-current assets	194,575	196,699
Total assets	274,950	275,299

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	68,466	41,666
Short-term borrowings	2,150	38,500
Current portion of long-term borrowings	12,647	14,865
Lease obligations	1,078	1,082
Accounts payable - other	21,770	13,804
Accrued expenses	3,915	4,015
Income taxes payable	6,093	3,890
Accrued consumption taxes	2,709	1,906
Deposits received	12,058	11,388
Provision for bonuses	2,590	2,549
Provision for sales promotion expenses	1,884	1,963
Asset retirement obligations	44	469
Other	1,088	918
Total current liabilities	136,498	137,020
Non-current liabilities		
Long-term borrowings	24,113	12,248
Long-term accounts payable - other	481	481
Lease obligations	2,567	2,412
Deferred tax liabilities for land revaluation	969	969
Provision for retirement benefits	3,258	3,191
Provision for share awards for directors (and other officers)	36	56
Asset retirement obligations	5,409	5,014
Guarantee deposits received	2,991	2,936
Other	453	332
Total non-current liabilities	40,281	27,643
Total liabilities	176,779	164,664
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus		
Legal capital surplus	2,501	2,501
Other capital surplus	9,112	3,127
Total capital surplus	11,613	5,628
Retained earnings		
Other retained earnings		
Reserve for special depreciation	15	-
General reserve	68,020	83,620
Retained earnings brought forward	19,171	16,070
Total retained earnings	87,206	99,690
Treasury shares	(9,914)	(3,930)
Total shareholders' equity	98,909	111,392
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	375	357
Revaluation reserve for land	(1,114)	(1,114)
Total valuation and translation adjustments	(738)	(757)
Total net assets	98,170	110,634
Total liabilities and net assets	274,950	275,299

(2) Statement of income

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	736,346	745,080
Cost of sales	510,681	514,356
Gross profit	225,664	230,724
Receipts from operating revenue	21,913	22,298
Operating gross profit	247,577	253,022
Selling, general and administrative expenses	220,384	230,214
Operating profit	27,193	22,808
Non-operating income		
Interest income	162	149
Dividend income	60	53
Income from recycling	239	291
Data offer fee	142	143
Other	473	401
Total non-operating income	1,078	1,039
Non-operating expenses		
Interest expenses	215	183
Other	84	107
Total non-operating expenses	299	291
Ordinary profit	27,972	23,556
Extraordinary income		
Gain on sale of investment securities	–	249
Compensation income	262	–
Gain on sale of non-current assets	5	–
Insurance claim income	4	–
Total extraordinary income	272	249
Extraordinary losses		
Impairment losses	2,595	1,241
Loss on retirement of non-current assets	419	187
Loss on store closings	302	89
Loss on COVID-19	106	70
Sublease loss	134	35
Loss on sale of investment securities	–	7
Loss on valuation of investment securities	3	–
Total extraordinary losses	3,561	1,632
Profit before income taxes	24,683	22,173
Income taxes - current	7,312	6,661
Income taxes - deferred	(295)	445
Total income taxes	7,017	7,107
Profit	17,665	15,066

(3) Statement of changes in equity

Fiscal year ended February 28, 2021

(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		
					Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at beginning of period	10,004	2,501	9,112	11,613	30	62,520	8,655	71,205	(9,912)	82,910
Changes during period										
Reversal of reserve for special depreciation					(15)		15	-		-
Provision of general reserve						5,500	(5,500)	-		-
Dividends of surplus							(2,113)	(2,113)		(2,113)
Profit							17,665	17,665		17,665
Purchase of treasury shares									(1)	(1)
Reversal of revaluation reserve for land							448	448		448
Net changes in items other than shareholders' equity										
Total changes during period	-	-	-	-	(15)	5,500	10,516	16,001	(1)	15,999
Balance at end of period	10,004	2,501	9,112	11,613	15	68,020	19,171	87,206	(9,914)	98,909

	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	372	(666)	(293)	82,616
Changes during period				
Reversal of reserve for special depreciation				-
Provision of general reserve				-
Dividends of surplus				(2,113)
Profit				17,665
Purchase of treasury shares				(1)
Reversal of revaluation reserve for land				448
Net changes in items other than shareholders' equity	2	(448)	(445)	(445)
Total changes during period	2	(448)	(445)	15,553
Balance at end of period	375	(1,114)	(738)	98,170

Fiscal year ended February 28, 2022

(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		
					Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at beginning of period	10,004	2,501	9,112	11,613	15	68,020	19,171	87,206	(9,914)	98,909
Changes during period										
Reversal of reserve for special depreciation					(15)		15	-		-
Provision of general reserve						15,600	(15,600)	-		-
Dividends of surplus							(2,582)	(2,582)		(2,582)
Profit							15,066	15,066		15,066
Purchase of treasury shares									(0)	(0)
Cancellation of treasury shares			(5,984)	(5,984)					5,984	-
Net changes in items other than shareholders' equity										
Total changes during period	-	-	(5,984)	(5,984)	(15)	15,600	(3,101)	12,483	5,984	12,482
Balance at end of period	10,004	2,501	3,127	5,628	-	83,620	16,070	99,690	(3,930)	111,392

	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	375	(1,114)	(738)	98,170
Changes during period				
Reversal of reserve for special depreciation				-
Provision of general reserve				-
Dividends of surplus				(2,582)
Profit				15,066
Purchase of treasury shares				(0)
Cancellation of treasury shares				-
Net changes in items other than shareholders' equity	(18)		(18)	(18)
Total changes during period	(18)	-	(18)	12,464
Balance at end of period	357	(1,114)	(757)	110,634

(4) Notes to non-consolidated financial statements

Changes in presentation

Statement of income

“Subsidy income” (¥65 million for the current fiscal year), which was independently presented in the previous fiscal year, is included in “Other” under non-operating income from the current fiscal year because it became insignificant in terms of the amount. To reflect this change in presentation, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥115 million presented as “Subsidy income” under non-operating income in the statement of income for the previous fiscal year has been reclassified as “Other.”

5. Other

(1) Changes to officers

- (i) Change of Representative Director
[On May 27, 2021]

Name	New position	New responsibilities	Former position	Former responsibilities
Nobutsugu Shimizu	Director Honorary Chairman	–	Representative Director Chairman & Chief Executive Officer	–

- (ii) Changes to other officers

- Changes to officers

Name	New position	New responsibilities	Former position	Former responsibilities	Date of change
Nobuyuki Kawai	Director Managing Executive Officer	Deputy Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	Director Managing Executive Officer	Assistant to Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	January 16, 2022
Takashi Sumino	Director Managing Executive Officer	Group CEO of Infrastructure Group Headquarters	Director Managing Executive Officer	Group CEO of Infrastructure Group Headquarters and Division COO of E-Commerce Business Division	January 16, 2022

- Candidate for new Director
[Scheduled on May 26, 2022]
Director Takashi Katayama
(Currently Representative of RTK-Design)
*Takashi Katayama is a candidate for outside Director.
- Retiring Directors
[Scheduled on May 26, 2022]
Director, Honorary Chairman Nobutsugu Shimizu
Director Hayuru Tsutsumi
*Hayuru Tsutsumi is an outside Director.