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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2025 (Based on Japanese GAAP)

July 10, 2025

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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(1) Consolidated financial 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	%
Three months ended May 31, 2025	136,538	25.5	6,161	6.0	6,056	(0.1)	4,045	2.8
May 31, 2024	108,784	(4.8)	5,811	(28.7)	6,063	(27.2)	3,933	(28.9)

(Note) Comprehensive income: Three months ended May 31, 2025: 4,112 million yen (14.9%)

Three months ended May 31, 2024: 3,578 million yen (-38.9%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	56.92	—
May 31, 2024	55.00	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2025	582,015	296,926	48.7
February 28, 2025	569,611	299,218	50.1

(For reference) Equity: As of May 31, 2025: 283,205 million yen

As of February 28, 2025: 285,522 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2025	—	45.00	—	45.00	90.00
Year ending February 28, 2026	—				
Year ending February 28, 2026 (Forecast)		45.00	—	45.00	90.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

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
First half	294,200	23.3	15,700	30.5	15,500	25.5	9,700	18.9	135.56
Full year	590,100	12.6	30,700	20.7	30,400	18.2	18,300	53.5	255.75

(Note) Revisions to business forecasts published most recently: None

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- | | |
|--|------|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| Changes in accounting policies due to other reasons: | None |
| Changes in accounting estimates: | None |
| Restatement of prior period financial statements: | None |
- (4) Number of issued shares (common shares)
- | | | | |
|---|-------------------|---------------------------------|-------------------|
| Total number of issued shares at the end of the period (including treasury shares) | | | |
| As of May 31, 2025 | 71,665,200 shares | As of February 28, 2025 | 71,665,200 shares |
| Number of treasury shares at the end of the period | | | |
| As of May 31, 2025 | 1,070,679 shares | As of February 28, 2025 | 111,165 shares |
| Average number of shares during the period (cumulative from the beginning of the fiscal year) | | | |
| Three months ended May 31, 2025 | 71,074,292 shares | Three months ended May 31, 2024 | 71,518,266 shares |

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing corporation:
None

* Explanation regarding appropriate use of business forecasts and other special instructions

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. See “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in the section, “1. Qualitative Information on Quarterly Financial Results for the Period under Review,” on page 8 of the attached material for the assumptions used in the financial results forecast and precautions for using the financial results forecast.

○ Contents of the attached document

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

The forward-looking statements herein are based on the judgments of the Group as of the end of the first quarter under review.

(1) Explanation of Operating Results

In the first three months of the fiscal year under review, the Japanese economy was on a moderate recovery track, with improvements in employment and income levels. However, there were concerns about a potential increase in the risk of an economic downturn due to U.S. tariffs and ongoing rises in the prices of essential goods that could curb personal consumption. The outlook for the business environment in the retail industry remains uncertain.

In this environment, the Izumi Group, guided by its management philosophy of filling our employees with pride and joy as we continue contributing to communities and our customers' live, has set the long-term goal of creating livable communities and fostering the growth of the population. The Group has been implementing the strategies set out in the Second Medium-term Management Plan formulated in April 2021 (the strategies and target figures were updated in April 2023). However, the Group was slow to respond to prolonged inflation and was not able to carry out new store openings and renovations as planned, as it prioritized restoring customer numbers after the recovery from the system failure caused by the ransomware infection on February 15, 2024. In April 2025, the Group revised its target figures. Going forward, the Group plans to respond flexibly to changes in the external environment. It aims to strengthen its market dominance in the Kyushu region by leveraging the network of 70 SUNNY business stores that it has recently acquired, ultimately driving growth for the entire Group.

As part of its growth strategy, the Group aims to develop a profitable New Supermarket (SM) business by utilizing the expertise gained from the SUNNY business across its existing stores. To develop the New SM business into a key growth driver and a core revenue source, similar to the GMS business, the Company has established the New Supermarket (SM) Merchandising Department within the Food Division.

In April, Shigeki Machida became President and Representative Director. Under the new management, the Company aims to transform the Group's stores so that they are "at the heart of our communities," serving not only as retailers but also fulfilling multiple roles. The Company intends to establish stores that collaborate with local governments, offer services utilizing their characteristics, address changing customer needs, and continuously evolve alongside the communities they serve for the Group to achieve sustainable growth and enhance corporate value.

The Company has been steadily implementing initiatives to achieve its environmental KPIs in its Basic Sustainability Policy. In April, the Company merged the Public Relations Section and the Sustainability Promotion Section into the Corporate Planning Department. This aims to strengthen the sustainability promotion system in alignment with the management strategy. The Company has set up an organizational structure designed to improve its external communication capabilities. For more information about sustainability and the current status of the Company's sustainability activities, please visit the sustainability website.

Sustainability website

<https://www.izumi.co.jp/sustainability/>

The impact of the system failure caused by the ransomware infection in February 2024 diminished. As a result, the number of customers recovered significantly, and sales were strong at the directly operated sales floors, which had been affected in various ways by product supply and system outages during the same period of the previous fiscal year.

As a result, operating results for the first three months of the fiscal year under review were as shown below.

	Three months ended May 31, 2024	Three months ended May 31, 2025	Change	Change (%)
Operating revenue	108,784 million yen	136,538 million yen	27,753 million yen	25.5%
[Net sales]	[94,812 million yen]	[122,057 million yen]	[27,245 million yen]	[28.7%]
[Operating revenue]	[13,972 million yen]	[14,480 million yen]	[508 million yen]	[3.6%]
Operating profit	5,811 million yen	6,161 million yen	349 million yen	6.0%
Ordinary profit	6,063 million yen	6,056 million yen	(7 million yen)	(0.1%)
Profit attributable to owners of parent	3,933 million yen	4,045 million yen	111 million yen	2.8%

Key factors contributing to operating results

(i) Operating revenue and operating gross profit

Operating revenue rose 27,753 million yen (25.5%) year on year to 136,538 million yen. This was primarily due to acquiring the SUNNY business in the retail operations and a recovery in sales, which were adversely affected by the system failure in the previous fiscal year.

Operating gross profit was 53,723 million yen (up 8,984 million yen year on year). This is 39.3% of operating revenue, a decrease of 1.8 percentage points from one year ago.

(ii) Selling, general and administrative expenses and operating profit

Selling, general and administrative expenses increased 8,634 million yen (22.2%) year on year to 47,561 million yen. This increase was primarily due to increases in personnel expenses, rent expenses, and goodwill related to the acquisition of the SUNNY business and a rise in advertising expenses, which were lower in the previous year due to a system failure. This is 34.8% of operating revenue, a decrease of 1.0 percentage points from one year ago.

Consequently, operating profit increased 349 million yen (6.0%) to 6,161 million yen. This is 4.5% of operating revenue, a 0.8 percentage point decrease from the previous year.

(iii) Non-operating income and expenses and ordinary profit

Non-operating income declined by 4 million yen (1.2%) year on year, to 359 million yen. Non-operating expenses climbed 352 million yen (314.7%) to 464 million yen, primarily due to higher interest expenses from a syndicated loan acquired last year and increased funding interest rates for short-term borrowings.

As a result, ordinary profit decreased 7 million yen (0.1%) year on year, to 6,056 million yen. This is 4.4% of operating revenue, a decrease of 1.2 percentage point from the previous year.

(iv) Extraordinary income and losses, income taxes, profit attributable to non-controlling interests, and profit attributable to owners of parent

Extraordinary income had only one account: a gain on sale of non-current assets of 28 million yen. It increased by 28 million yen from the previous year. Extraordinary losses came to 51 million yen (a decrease of 211 million yen from the previous year), chiefly reflecting a loss on retirement of non-current assets of 38 million yen.

Income taxes amounted to 1,930 million yen (an increase of 79 million yen from a year ago).

Profit attributable to non-controlling interests was 57 million yen (an increase of 42 million yen from a year ago).

As a consequence, profit attributable to owners of parent increased 111 million yen (2.8%) year on year to 4,045 million yen. This is 3.0% of operating revenue, a decrease of 0.6 percentage point from the previous year.

Performance by Segment

■ Operating revenue

	Three months ended May 31, 2024	Three months ended May 31, 2025	Change	Change (%)
Retail operations	104,474 million yen	131,966 million yen	27,492 million yen	26.3%
Retail-peripheral operations	10,842 million yen	12,492 million yen	1,650 million yen	15.2%
Other	1,341 million yen	1,294 million yen	(46 million yen)	(3.5%)
Adjusted amount	(7,873 million yen)	(9,216 million yen)	(1,342 million yen)	—
Total	108,784 million yen	136,538 million yen	27,753 million yen	25.5%

■ Operating profit

	Three months ended May 31, 2024	Three months ended May 31, 2025	Change	Change (%)
Retail operations	4,456 million yen	4,682 million yen	226 million yen	5.1%
Retail-peripheral operations	1,227 million yen	1,356 million yen	129 million yen	10.5%
Other	176 million yen	201 million yen	24 million yen	13.6%
Adjusted amount	(49 million yen)	(78 million yen)	(29 million yen)	—
Total	5,811 million yen	6,161 million yen	349 million yen	6.0%

(i) Retail operations

In the core retail operations, the impact of the system failure caused by the ransomware infection in February 2024 diminished. As a result, the number of customers recovered significantly, and sales were strong at the directly operated sales floors, which were affected in various ways by product supply and system outages during the same period of the previous fiscal year.

Sales in the food section were particularly strong, even with an increase in budget-conscious consumers. The robust performance was attributed to promotions, such as the “All-out low prices” campaign. Spring saw weak sales in the lifestyle department due to low temperatures, resulting in sluggish clothing sales. Tenants, especially those in the service and restaurant sectors, performed well. To address the increasing number of budget-conscious consumers, the Group expanded its All-out low prices campaign. In March, the Group increased the number of essential food and household items available at discount prices from 60 to 100. To address diverse customer needs and enhance store value, the Group actively developed new deli and fresh processed items and refined existing items under its manufacturing brand, Zehi. The Group has enhanced its product lineup with suitable sizes and promoted affordability.

Seventy SUNNY stores operated by Youme Mart Kumamoto Co., Ltd., a consolidated subsidiary, conducted system conversion and gradually discontinued selling private brand products of Seiyu Co., Ltd. (Musashino, Tokyo) from March. It also introduced Kurashi More, a private brand of the Nichiryu Group (Fukushima-ku, Osaka), which the Company joined in February 2024. The Group aims to enhance its ability to respond to the growing demand for lower prices due to ongoing inflation. It also aims to offer more attractive products and services, replacing those that have been popular with its customers so far.

In March, the Company opened En Fleur Petit, its first cosmetics store, in Minamore Hiroshima, the new Hiroshima station building (Minami-ku, Hiroshima). The new store offers a wide variety of cosmetics, including organic options, from both domestic and international brands. The store’s theme is “petit récompense” (small reward). The Group opened Avance Minamoa Hiroshima store (Minami-ku, Hiroshima). The key words are everyday and high quality. The store offers a range of high-value-added products, featuring carefully chosen local ingredients and renowned national items to cater to various lifestyles, including those of local customers and tourists.

The Group remodeled existing stores. In March, Muji became a tenant of Youme Town Otake (Otake, Hiroshima). The Group aims to attract new young customers. To enhance the food section, the Group replaced outdated fixtures and expanded the popular frozen food section. Local specialty sweets were introduced. This approach strengthened the product lineup to better meet the needs of local customers and enhanced the shopping environment, making it a cornerstone of their daily lives. In April, HIMARAYA Sports Shop became a tenant at Youme Town Marugame (Marugame, Kagawa). The facility enhanced customer flow within the lifestyle sales area.

At Youme Town Kurume (Kurume, Fukuoka), the Company established its first franchise LittlePlanet space. This facility features a playground and a children’s clothing section. The kids’ area was restructured to attract young parents.

Same-store sales (including specialty tenants’ sales) in the fiscal year under review increased 4.6% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, increased 5.9% year on year.

As a result, operating revenue increased 26.3% year on year, to 131,966 million yen, and operating profit increased 5.1% year on year, to 4,682 million yen.

(ii) Retail-peripheral operations

In the retail-peripheral operations, the impact of the ransomware infection diminished. In the financial business and facility management business, which were significantly affected by the retail operations during the same period of the previous fiscal year, both sales and profit rose as the retail operations returned to normal.

At Youme Card Co., Ltd., the financial business experienced strong fee revenue due to an increase in the transaction value of the Youme Card electronic money. At the end of the fiscal year under review, the cumulative number of Youme Cards issued rose to 10,780,000, up from 10,670,000 at the end of the first quarter.

In the facility management business, Izumi Techno Co., Ltd. saw strong construction orders, and both sales and profit increased.

At Izumi Food Service Co., Ltd., which operates restaurant businesses, key brands, including Mister Donut and BR 31 Ice Cream, continued to perform well, and operating sales increased. However, rising personnel expenses due to higher hourly wages led to a decline in profits.

As a result, operating revenue increased 15.2% year on year, to 12,492 million yen, and operating profit increased 10.5% year on year, to 1,356 million yen.

(iii) Other businesses

In the wholesale business, sales were solid, and costs decreased due to the stronger yen. As a result, profits recovered. Rental income in the real estate lease business was stable.

As a result, operating revenue amounted to 1,294 million yen (down 3.5% year on year) and operating profit was 201 million yen (up 13.6% year on year).

(2) Explanation of Financial Position

(i) Assets, liabilities and net assets

Total assets, liabilities, and net assets at the end of the first three months of the fiscal year ending February 28, 2026 are as stated below.

	As of February 28, 2025	As of May 31, 2025	Change
Total assets	569,611 million yen	582,015 million yen	12,403 million yen
Liabilities	270,392 million yen	285,088 million yen	14,695 million yen
Net assets	299,218 million yen	296,926 million yen	(2,292 million yen)

Total assets

- Capital expenditures during the first three months under review amounted to 6,468 million yen, chiefly due to investments in new store openings, renovations of existing stores, and digital transformation, including prior investments. Property, plant and equipment rose 4,975 million yen after accounting for depreciation.
- Other current assets increased 4,339 million yen, chiefly due to increased receivables from the acquisition of the SUNNY business.
- Notes and accounts receivable - trade and contract assets rose 4,276 million yen, mainly due to an increase in the transaction volume of credit and electronic money (Youme Card).

Liabilities

- Notes and accounts payable - trade rose 28,021 million yen, reflecting a delay in settlement. The last day of the fiscal year was a bank holiday, resulting in the postponement of settlement to the beginning of the following month.
- Short-term and long-term borrowings decreased 16,560 million yen.

Net assets

- Retained earnings rose 826 million yen, indicating an increase in internal reserves.
- The Company acquired 959,400 treasury shares for 3,170 million yen through off-floor purchase transactions. The value of treasury shares increased by 3,171 million yen compared to the end of the previous fiscal year.
- As a result, the equity ratio was 48.7%, a 1.4 percentage point decline from 50.1% at the end of the previous fiscal year.

(ii) Analysis of cash flow

The cash flow situation in the first three months of the fiscal year under review are as follows:

	Three months ended May 31, 2024	Three months ended May 31, 2025	Change
Cash flows from operating activities	14,441 million yen	25,822 million yen	11,381 million yen
Cash flows from investing activities	(7,740 million yen)	(5,083 million yen)	2,657 million yen
Cash flows from financing activities	(8,518 million yen)	(23,012 million yen)	(14,494 million yen)

Cash flows from operating activities

- The main cash inflows were profit before income taxes of 6,033 million yen, an increase in trade payables of 28,021 million yen, and depreciation amounting to 4,469 million yen.
- The major cash outflows were income taxes paid of 4,322 million yen and an increase in accounts receivable - trade and contract assets of 4,276 million yen.

Cash flows from investing activities

- The primary cash outflow was the purchase of property, plant and equipment totaling 5,354 million yen. The purchase of property, plant and equipment was mainly attributable to investments in new store openings, renovations of existing stores, and digital transformation, including prior investments.

Cash flows from financing activities

- The major cash outflows were a decrease of 9,800 million yen in short-term borrowings, repayments of borrowings of 6,760 million yen, dividends paid of 3,219 million yen, and purchase of treasury shares amounting to 3,171 million yen.

As a result, the balance of cash and cash equivalents decreased 2,273 million yen from the end of the previous fiscal year, to 13,444 million yen.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There has been no revision to the consolidated forecasts for the fiscal year ending February 28, 2026, which were released on April 14, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	15,717	13,444
Notes and accounts receivable - trade, and contract assets	59,259	63,536
Merchandise and finished goods	29,231	31,467
Work in process	72	57
Raw materials and supplies	771	795
Other	15,384	19,724
Allowance for doubtful accounts	(586)	(603)
Total current assets	119,851	128,423
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	149,989	148,600
Land	179,274	179,058
Other, net	15,206	21,786
Total property, plant and equipment	344,469	349,445
Intangible assets		
Goodwill	55,722	54,865
Other	9,522	9,590
Total intangible assets	65,245	64,456
Investments and other assets		
Other	40,213	39,858
Allowance for doubtful accounts	(168)	(168)
Total investments and other assets	40,045	39,690
Total non-current assets	449,760	453,592
Total assets	569,611	582,015

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,024	57,045
Short-term borrowings	24,500	14,700
Current portion of long-term borrowings	18,711	19,169
Accounts payable - other	13,141	13,235
Income taxes payable	4,946	2,017
Provision for bonuses	2,389	4,175
Provision for bonuses for directors (and other officers)	4	6
Contract liabilities	7,398	8,219
Provision for loss on building demolition	261	9
Provision for loss on lease contracts	32	32
Other	26,538	26,085
Total current liabilities	126,950	144,698
Non-current liabilities		
Long-term borrowings	96,232	89,014
Long-term leasehold and guarantee deposits received	22,021	21,953
Provision for retirement benefits for directors (and other officers)	53	56
Provision for loss on interest repayment	274	283
Provision for loss on lease contracts	325	317
Retirement benefit liability	10,361	10,378
Asset retirement obligations	12,708	12,786
Other	1,464	5,600
Total non-current liabilities	143,442	140,390
Total liabilities	270,392	285,088
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,739	22,758
Retained earnings	241,299	242,125
Treasury shares	(473)	(3,644)
Total shareholders' equity	283,180	280,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,935	1,907
Remeasurements of defined benefit plans	407	444
Total accumulated other comprehensive income	2,342	2,351
Non-controlling interests	13,696	13,720
Total net assets	299,218	296,926
Total liabilities and net assets	569,611	582,015

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

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Operating revenue	108,784	136,538
Net sales	94,812	122,057
Cost of sales	64,046	82,814
Gross profit	30,765	39,242
Operating revenue	13,972	14,480
Operating gross profit	44,738	53,723
Selling, general and administrative expenses	38,926	47,561
Operating profit	5,811	6,161
Non-operating income		
Interest and dividend income	24	30
Purchase discounts	56	43
Share of profit of entities accounted for using equity method	11	11
Other	271	273
Total non-operating income	364	359
Non-operating expenses		
Interest expenses	64	351
Other	47	113
Total non-operating expenses	111	464
Ordinary profit	6,063	6,056
Extraordinary income		
Gain on sale of non-current assets	—	28
Total extraordinary income	—	28
Extraordinary losses		
Loss on retirement of non-current assets	15	38
Impairment losses	128	—
Provision for loss on building demolition	117	—
Compensation payments	—	10
Other	1	2
Total extraordinary losses	263	51
Profit before income taxes	5,800	6,033
Income taxes – current	2,476	1,727
Income taxes – deferred	(626)	202
Total income taxes	1,850	1,930
Profit	3,949	4,103
Profit attributable to non-controlling interests	15	57
Profit attributable to owners of parent	3,933	4,045

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	3,949	4,103
Other comprehensive income		
Valuation difference on available-for-sale securities	(339)	(29)
Remeasurements of defined benefit plans, net of tax	(33)	37
Share of other comprehensive income of entities accounted for using equity method	1	1
Total other comprehensive income	(370)	8
Comprehensive income	3,578	4,112
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,894	4,054
Comprehensive income attributable to non-controlling interests	(315)	57

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,800	6,033
Depreciation	4,166	4,469
Share-based payment expenses	18	29
Amortization of goodwill	133	857
Increase (decrease) in allowance for doubtful accounts	10	16
Interest and dividend income	(24)	(30)
Interest expenses	64	351
Share of loss (profit) of entities accounted for using equity method	(11)	(11)
Loss (gain) on sale of non-current assets	—	(28)
Loss on retirement of non-current assets	15	38
Impairment losses	128	—
Compensation payments	—	10
Increase (decrease) in provision for loss on building demolition	117	(101)
Decrease (increase) in accounts receivable - trade, and contract assets	(3,779)	(4,276)
Decrease (increase) in inventories	(3,321)	(2,245)
Increase (decrease) in trade payables	5,790	28,021
Increase (decrease) in deposits received	2,602	2,739
Other, net	3,685	(5,231)
Subtotal	15,396	30,642
Interest and dividend received	30	36
Interest paid	(77)	(522)
Expenses paid to address system failures	(222)	—
Compensation paid	—	(10)
Income taxes refund (paid)	(685)	(4,322)
Net cash provided by (used in) operating activities	14,441	25,822
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,956)	(5,354)
Proceeds from sale of property, plant and equipment	13	789
Purchase of intangible assets	(279)	(465)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,564)	—
Other, net	47	(52)
Net cash provided by (used in) investing activities	(7,740)	(5,083)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(800)	(9,800)
Repayments of long-term borrowings	(4,467)	(6,760)
Purchase of treasury shares	(0)	(3,171)
Dividends paid	(3,218)	(3,219)
Dividends paid to non-controlling interests	(32)	(32)
Other, net	(0)	(28)
Net cash provided by (used in) financing activities	(8,518)	(23,012)
Net increase (decrease) in cash and cash equivalents	(1,817)	(2,273)
Cash and cash equivalents at beginning of period	11,997	15,717
Cash and cash equivalents at end of period	10,180	13,444

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Note on significant changes in the amount of shareholders' equity)

Pursuant to a resolution passed at a Board of Directors meeting held on April 14, 2025, the Company acquired 959,400 treasury shares for 3,170 million yen through off-floor purchase transactions on April 15, 2025. Consequently, the Company's treasury shares stood at 3,644 million yen at the end of the first quarter of the consolidated fiscal year under review.

(Notes on segment information, etc.)

[Segment information]

I. Three months ended May 31, 2024

Operating revenue and profit (loss) for each reportable segment and the breakdown of sales

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated financial statements (Note 3)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	99,411	3,000	102,412	840	103,253	—	103,253
Other sales	4,780	733	5,513	18	5,531	—	5,531
Operating revenue from external customers	104,191	3,734	107,925	859	108,784	—	108,784
Inter-segment internal revenue or transfers	282	7,108	7,391	482	7,873	(7,873)	—
Total	104,474	10,842	115,317	1,341	116,658	(7,873)	108,784
Segment profit	4,456	1,227	5,683	176	5,860	(49)	5,811

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -49 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

II. Three months ended May 31, 2025

Operating revenue and profit (loss) for each reportable segment and the breakdown of sales

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated financial statements (Note 3)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	126,876	3,318	130,195	778	130,973	—	130,973
Other sales	4,794	752	5,546	18	5,564	—	5,564
Operating revenue from external customers	131,670	4,070	135,741	796	136,538	—	136,538
Inter-segment internal revenue or transfers	295	8,422	8,717	498	9,216	(9,216)	—
Total	131,966	12,492	144,459	1,294	145,754	(9,216)	136,538
Segment profit	4,682	1,356	6,039	201	6,240	(78)	6,161

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -78 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.