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## Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 [Japanese GAAP]



April 10, 2024

Company name: AEON Fantasy Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4343  
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 Scheduled date of general shareholders' meeting: May 21, 2024  
 Scheduled date of commencing dividend payments: April 26, 2024  
 Scheduled date of filing securities report: May 22, 2024  
 Availability of supplementary briefing materials on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 – February 29, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 29, 2024	81,758	12.5	3,585	322.2	4,488	240.5	1,314	–
February 28, 2023	72,690	20.8	849	–	1,318	–	(3,376)	–

(Note) Comprehensive income: Fiscal year ended February 29, 2024: ¥586 million [–%]  
 Fiscal year ended February 28, 2023: ¥(3,505) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended February 29, 2024	Yen 66.50	Yen 66.46	% 16.2	% 9.0	% 4.4
February 28, 2023	(170.82)	–	(34.4)	2.7	1.2

(Reference) Equity in earnings of affiliated companies: Fiscal year ended February 29, 2024: ¥– million  
 Fiscal year ended February 28, 2023: ¥– million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of February 29, 2024	Million yen 52,303	Million yen 8,541	% 15.9	Yen 419.70
As of February 28, 2023	46,917	8,138	16.9	401.98

(Reference) Equity: As of February 29, 2024: ¥8,297 million  
 As of February 28, 2023: ¥7,945 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 year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
February 29, 2024	12,056	(10,725)	(97)	7,491
February 28, 2023	9,057	(4,845)	(4,379)	6,058

### 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 28, 2023	–	5.00	–	5.00	10.00	197	–	2.0
Fiscal year ended	–	5.00	–	5.00	10.00	197	15.0	2.4
February 29, 2024								
Fiscal year ending	–	5.00	–	5.00	10.00		12.4	
February 28, 2025 (Forecast)								

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 – February 28, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	86,700	6.0	5,700	59.0	4,200	(6.4)	1,600	21.7	80.94

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):

February 29, 2024:	19,771,725 shares
February 28, 2023:	19,768,825 shares
  - 2) Total number of treasury shares at the end of the period:

February 29, 2024:	2,052 shares
February 28, 2023:	1,919 shares
  - 3) Average number of shares during the period:

Fiscal year ended February 29, 2024:	19,768,057 shares
Fiscal year ended February 28, 2023:	19,766,962 shares

**(Reference) Summary of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 – February 29, 2024)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
February 29, 2024	64,475	9.6	4,570	90.3	6,242	70.1	(368)	–
February 28, 2023	58,824	16.7	2,402	–	3,669	–	(3,938)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
February 29, 2024	(18.63)	–
February 28, 2023	(199.27)	–

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	51,477	7,184	13.9	361.50
As of February 28, 2023	43,925	7,736	17.5	389.81

(Reference) Equity: As of February 29, 2024: ¥7,146 million

As of February 28, 2023: ¥7,705 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 – February 28, 2025)**

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	67,000	3.9	4,400	(29.5)	1,000	–	50.59

\* These financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation on the proper use of financial results forecast and other notes

(Cautionary note regarding forward-looking statements, etc.)

The financial results forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not guarantee the achievement of the projections. In addition, actual results may differ significantly from these forecasts due to various factors. For the assumptions used for the financial results forecasts and the notes regarding the use thereof, please refer to “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Fiscal Year under Review” on page 2 of the attached document.

(Method of obtaining supplementary briefing materials on financial results and the content of financial results briefing session)

The Company will hold a financial results briefing session on Thursday, April 11, 2024.

The content of the session, along with the supplementary briefing materials on financial results to be used at the session, will be posted on the Company’s website promptly after the event.

## Table of Contents - Attachments

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	5
(3) Basic Policy on Profit Distribution, Dividends for Fiscal Year under Review and Next Fiscal Year .....	7
2. Status of the Corporate Group .....	8
3. Basic Stance on Selection of Accounting Standards .....	9
4. Consolidated Financial Statements and Principal Notes .....	10
(1) Consolidated Balance Sheets .....	10
(2) Consolidated Statements of Income and Comprehensive Income .....	12
(3) Consolidated Statements of Changes in Equity .....	14
(4) Consolidated Statements of Cash Flows .....	16
(5) Notes to Consolidated Financial Statements .....	17
(Notes on going concern assumption) .....	17
(Important matters that serve as the basis for preparation of consolidated financial statements) .....	17
(Important accounting estimates) .....	19
(Changes in accounting policies) .....	20
(Segment information, etc.) .....	20
(Per share information) .....	24
(Significant subsequent events) .....	24
5. Non-consolidated Financial Statements .....	25
(1) Non-consolidated Balance Sheets .....	25
(2) Non-consolidated Statements of Income .....	27
(3) Non-consolidated Statements of Changes in Equity .....	29

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

In April 2022, the Company set down the “Purpose” of “inspiring enthusiasm in every child so that there is a smile on every face.” At the same time, the Company established the Sustainability Policy, and is moving ahead with business activities toward the realization of contributing to a sustainable society and improving corporate value.

For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024), operating results of the Company and its consolidated subsidiaries were as follows: net sales of ¥81,758 million (up 12.5% year on year), operating profit of ¥3,585 million (up 322.2% year on year), ordinary profit of ¥4,488 million (up 240.5% year on year), and profit attributable to owners of parent of ¥1,314 million (loss attributable to owners of parent of ¥3,376 million in the previous fiscal year). As a result of the depreciation of the yen against other currencies, foreign exchange gains of ¥1,173 million was posted as non-operating income, and impairment losses of ¥1,078 million mainly due to unprofitable stores and store closures in the China business were recorded as extraordinary losses.

In the Japan business, recovery grew more prominent quarter by quarter following the reclassification of COVID-19 to Category V under the Infectious Diseases Control Law, and both net sales and operating profit for the fourth quarter of the fiscal year under review reached record high. Net sales for the fiscal year under review reached a record high of ¥64,475 million thanks to the sales expansion with the opening of strategic small stores.

In the China business, the recovery in sales was sluggish due to a sense of uncertainty in the Chinese economy and a decrease in the number of child customers visiting our stores because of the spread of infectious diseases. As a result, net sales for the fiscal year under review were ¥6,527 million.

The ASEAN business posted an increase in both income and profits with net sales of ¥11,006 million and operating profit of ¥1,358 million in the fiscal year under review, hitting record highs two fiscal years in a row.

As for the number of stores, 191 new stores were opened and 68 stores were closed during the fiscal year under review. As a result, the total number of stores as of February 29, 2024 was 1,167 (1,156 directly managed stores, 11 franchised stores), including 703 stores in Japan and 464 stores overseas.

#### (Japan business)

In the Japan business, the Prizes Department and the Capsule Toys Department continued to perform well, and the Medals Department and the Time-Based Facilities Department showed notable recovery from the previous fiscal year. Net sales for the fiscal year under review reached a record high thanks to the sales expansion with the opening of strategic small stores.

During the fiscal year under review, a total of 106 strategic small stores of TOYS SPOT PALO, a capsule toy specialty store, and PRIZE SPOT PALO, a prize specialty store, were opened. The Company expanded into new locations to open its stores, including station buildings and fashion shopping malls.

The Medals Department, which is on a smooth recovery track, made investments in new machines for the first time in three years, installing the popular models of Momotaro Dentetsu and HORI A TALE. This, together with the “10,000 medals worth ¥10,000 each” event and other sales promotion activities, led to a jump in the number of Medal members and resulted in net sales reaching 117.2% compared to the previous fiscal year. In the Prizes Department, the continued good performance of the kid’s prizes section, which has been a target for strategic enhancement, became the driving force for the entire Prizes Department, whose net sales were 107.9% compared to the previous fiscal year.

During the fiscal year under review, we opened five stores of Mollyfantasy, 76 stores of capsule toy specialty stores, 30 stores of prize specialty stores, two stores of CHIKYUU NO NIWA, one store of Mieux Forest, and other three stores, while closing 23 stores including unprofitable ones. As of February 29, 2024, the total number of stores was 703.

As a result, regarding operating results in the Japan business for the fiscal year ended February 29, 2024, net sales were ¥64,475 million (up 9.6% year on year) and operating profit was ¥4,570 million (up 90.3% year

on year).

(China business)

In the China business, recovery in sales was lagging as the number of child customers decreased due to the persisting sense of uncertainty in economic activities and the impact of infectious diseases that began to spread in September. However, operating profit improved by ¥439 million from the previous fiscal year due to the closing of unprofitable stores and reduction of costs at higher levels than originally planned.

During the fiscal year under review, while 22 new stores, mainly strategic small stores with high ROI, were opened, 30 stores including unprofitable stores were closed. Accordingly, as of February 29, 2024, the total number of stores was 187 including six franchised stores.

As a result, regarding operating results in the China business for the fiscal year ended February 29, 2024, net sales were ¥6,527 million (up 34.4% year on year) and operating loss was ¥2,343 million (operating loss of ¥2,782 million in the previous fiscal year).

(ASEAN business)

In the ASEAN business, business in Malaysia and the Philippines, the two countries where the Company holds the largest share in the industry, drove the performance of the entire ASEAN business. Consequently, net sales of existing stores in the fiscal year under review were 110.9% compared to the previous fiscal year and both net sales and operating profit for the fiscal year under review reached record high. Net sales of existing stores in the fiscal year under review exceeded the results of the previous fiscal year in four countries; the figures were 125.4% in Thailand, 123.4% in Malaysia, 104.3% in the Philippines, and 100.9% in Indonesia compared to the previous fiscal year.

During the fiscal year under review, while 52 new stores were opened, 15 stores including unprofitable stores were closed. Accordingly, the total number of stores as of February 29, 2024 was 277, including five franchised stores.

As a result, regarding operating results in the ASEAN business for the fiscal year ended February 29, 2024, net sales were ¥11,006 million (up 21.8% year on year) and operating profit was ¥1,358 million (up 11.3% year on year)\*.

(\*) In the ASEAN business, operating profit for the fiscal year under review included approximately ¥240 million from in-house brand royalty, which was not included in the previous fiscal year. In the Philippines, operating profit for the previous fiscal year included approximately ¥100 million as effects from reductions on store rent due to COVID-19. Accordingly, operating profit virtually increased by 39.1%.

(Status of social contribution activities)

The Company and its consolidated subsidiaries actively promote social contribution activities, engaging in initiatives that contribute to the development of local communities as a good corporate citizen while continuously enhancing corporate value.

As the “Expanded Fundraising Playday,” we donated 10% of the sales of target amusement machines and facilities for the period from March 1 to March 11 to the children’s education fund in three prefectures affected by the Great East Japan Earthquake (Iwate, Miyagi, and Fukushima Prefectures) to be used for earthquake reconstruction support activities.

In our child support activities, we visited local social welfare facilities, etc. and held invitational events for children in Japan, China, Malaysia, Thailand, the Philippines, Indonesia, and Vietnam, a total of 5,425 times.

In addition, we donated funds to the AEON 1% Club Foundation, a public interest incorporated foundation, with the aim of achieving “sound development of young people who will lead the next generation,” “promotion of friendly relations with various foreign countries,” and “sustainable development of local communities and society” through the foundation’s activities.

(Initiatives and projections for the next fiscal year)

(Million yen)

	Fiscal year ending February 28, 2025 (Results forecast)	Fiscal year ended February 29, 2024 (Actual results)
Net sales	86,700	81,758
Operating profit	5,700	3,585
Ordinary profit	4,200	4,488
Profit attributable to owners of parent	1,600	1,314

Regarding the business environment surrounding the Group, new changes are emerging, including a shrinking market in Japan due to the declining birth rate, the growth of ASEAN market, changes in values concerning children and their families, rising costs of materials, labor, etc., as well as the growing awareness about the attitudes of companies toward climate change and social issues. Responses to these changes are urgently needed in order to expand growth.

The Group will push ahead with its “new medium-term management plan” (2024–2026) beginning in FY2024. Under the plan, which features “transformation of the Group in accordance with changes in the market” and “promotion of growth strategy that capitalize on the Group’s own strengths” as management issues, we will advance the ongoing structuring of our corporate philosophy system, update our “Vision” that sets forth the course of corporate action towards achieving the Purpose, and promote the development of business based on the proposition of new value for children and their families.

The Group will also carry out growth strategy that capitalizes on its strengths backed by “AEON Living Zones” and other elements. As segmental policy, the Japan business will place importance on the function for creating funds that underpin corporate growth. In the ASEAN business, which aims to become the second largest growth driver, we will work with speed and intensity to localize business formats and develop into new areas. In the China business, we will build a management structure that allows a V-shaped recovery and develop services that lead to the growth of the next generation. Furthermore, we will continue the Club activities based on the Sustainability Policy and material issues, and push forward with our efforts toward contributing to a sustainable society and the realization of improving corporate value.

In the Japan business, we will evolve our business format to meet the new value expected by customers. We will work to expand CHIKYUU NO NIWA, an indoor facility where visitors can learn about natural environments that has been well-received since its first store opened in March 2023.

We will also continue and expand the “childcare support complex,” which is a combination of Mollyfantasy and childcare support functions that opened the first store in April 2023, and independent stores of “SKIDS GARDEN,” which offers a function to let children stay and play on their own, through which we aim to enhance value proposition for children and their families to support child growth and parenting through play.

We will continue expanding “Capsule Toy Specialty Stores” and “Prize Specialty Stores,” which adopt a business format focusing on the specialization of play functions, by rolling the stores out into wider areas.

As part of our structural reform through digital transformation (DX), we will work to enhance royalty by digitizing membership systems, attract more customers, including by integrating member IDs with that of the AEON Group, boost man-hour productivity by streamlining back-office work at headquarters office and stores, and thereby improve business profitability.

In the ASEAN business, the need and demand for “play” that increased after the end of COVID-19 remain strong, and business performance continues to expand in each country. To meet this increase in demand, in addition to kidzooona, our mainstay business format, we will promote localization of playgrounds and improve earnings by establishing patterns for the store opening business format according to regional income and facility size. We will also develop business formats according to the size of commercial facilities and open multiple stores in the same commercial facility so as to increase the density of profitability and also efficiency. In terms

of area strategy, we will actively open new stores not only in major cities but also in provincial cities and regions classified as market for small scale facilities. From a country by country perspective, we will push on with the growth strategy of allocating management resources in varying priorities, based on the demographics, economic growth, and the AEON Group's store opening strategy in each country.

In the China business, amid the persisting sense of uncertainty in economic activities, we will build a streamlined management system by closing unprofitable stores and driving down administrative costs of the headquarter office. At the same time, we will work to streamline "amusement business format," the mainstay of our existing business, while expanding the "playground business format," which has unique strengths in its high levels of safety and service skills of staff, and make use of our competitive advantage in opening stores.

Furthermore, we plan to actively expand strategic small stores with high ROI and low risk, open stores in CSCs (small-scale shopping centers) and supermarkets, and enhance the profitability of our mainstay business. With the aim of diversifying revenue channels, we will also promote services relating to sales of goods on e-commerce sites targeting families.

In the fiscal year ending February 28, 2025, which will mark the initial year of the above-mentioned new medium-term management plan (2024–2026), we will push ahead with the key strategies and key measures for each segment and promote further pursuit of values that customers seek, provision of new services, as well as further evolution of values that existing business formats have to offer.

Based on the above, regarding the full-year consolidated financial results forecast for the fiscal year ending February 28, 2025, we expect to achieve net sales of ¥86,700 million, operating profit of ¥5,700 million, ordinary profit of ¥4,200 million, and profit attributable to owners of parent of ¥1,600 million.

## (2) Overview of Financial Position for the Fiscal Year under Review

### i) Assets, Liabilities and Net Assets

#### (Assets)

Current assets at the end of the fiscal year under review were ¥12,924 million, an increase of ¥2,081 million from the end of the previous fiscal year. The main factors were an increase in cash and deposits (¥1,434 million), an increase in supplies (¥290 million), and an increase in deposits paid from sales (¥225 million).

Non-current assets at the end of the fiscal year under review were ¥39,378 million, an increase of ¥3,303 million from the end of the previous fiscal year. The main factors were an increase in amusement machines and facilities (¥1,488 million) due to new store openings and store revitalization, an increase in right of use assets (¥1,417 million), and an increase in buildings (¥968 million).

As a result, total assets were ¥52,303 million, an increase of ¥5,385 million from the end of the previous fiscal year.

#### (Liabilities)

Current liabilities at the end of the fiscal year under review were ¥37,652 million, an increase of ¥5,298 million from the end of the previous fiscal year. The main factors were an increase in short-term borrowings (¥4,658 million) and an increase in accounts payable - trade (¥429 million).

Non-current liabilities at the end of the fiscal year under review were ¥6,109 million, a decrease of ¥315 million from the end of the previous fiscal year. The main factors were a decrease in long-term borrowings at consolidated subsidiaries (¥757 million), a decrease in long-term accounts payable - installment purchase (¥573 million), and an increase in lease liabilities at consolidated subsidiaries (¥974 million).

As a result, total liabilities amounted to ¥43,762 million, an increase of ¥4,983 million from the end of the previous fiscal year.

#### (Net assets)

Net assets at the end of the fiscal year under review amounted to ¥8,541 million, an increase of ¥402 million from the end of the previous fiscal year. The main factors were the recording of profit attributable to owners of



parent (¥1,314 million), a decrease in foreign currency translation adjustment (¥866 million) due to fluctuations in exchange, and a decrease due to dividends of surplus (¥197 million).

ii) Cash Flows

Cash flows in the fiscal year under review

(Million yen)

	Previous fiscal year	Fiscal year under review	Year-on-year change
Cash flows from operating activities	9,057	12,056	2,998
Cash flows from investing activities	(4,845)	(10,725)	(5,879)
Cash flows from financing activities	(4,379)	(97)	4,282
Effect of exchange rate change on cash and cash equivalents	239	198	(40)
Net increase (decrease) in cash and cash equivalents	71	1,432	1,361
Cash and cash equivalents at beginning of period	5,986	6,058	71
Cash and cash equivalents at end of period	6,058	7,491	1,432

(Cash flows from operating activities)

Cash provided by operating activities was ¥12,056 million. This was mainly due to an increase in funds resulting from the recording of ¥10,043 million in depreciation and an increase in funds due to the recording of ¥3,289 million in profit before income taxes.

(Cash flows from investing activities)

Cash used in investment activities was ¥10,725 million. This was mainly due to the purchase of property, plant and equipment of ¥9,590 million in line with the opening of new stores and investments to revitalize existing stores.

(Cash flows from financing activities)

Cash used in financing activities amounted to ¥97 million. This was mainly due to net increase in short-term borrowings of ¥4,559 million, ¥2,554 million in repayments of lease liabilities, and ¥1,337 million in repayments of long-term borrowings.

The trends in cash flow-related indicators are as follows:

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Capital adequacy ratio	16.9%	15.9%
Capital adequacy ratio based on market value	116.1%	87.6%
Interest-bearing debt to cash flow ratio	315.8%	270.9%
Interest coverage ratio	14.7 times	20.4 times

- (Notes)
1. Capital adequacy ratio: Shareholders' equity / Total assets  
 Capital adequacy ratio based on market value: Total market value of shares / Total assets  
 Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows  
 Interest coverage ratio: Cash flows / Interest payments
  2. Cash flows are calculated using cash flows from operating activities in the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all liabilities for which interest are paid among the liabilities recorded on the Consolidated Balance Sheets. Interest payments use the amount of interest paid in the Statements of Cash Flows.

### (3) Basic Policy on Profit Distribution, Dividends for Fiscal Year under Review and Next Fiscal Year

The Company positions the provision of stable returns to shareholders as one of the most important management goals. Our basic policy is to return profits to shareholders stably over the long term, after comprehensively taking into account factors including the enhancement of internal reserves, the reinforcement of our financial position, business performance, and the dividend payout ratio. Regarding internal reserves, we will use them to fund business development initiatives, such as opening new stores or making capital investments at existing stores both in Japan and overseas, while striving to further enhance our management structure.

Taking into consideration our financial position, we propose to pay a common dividend of ¥5 per share for the year-end dividend in the fiscal year under review, as indicated by the dividends forecast. (Scheduled date of commencement of dividend payments to shareholders: Friday, April 26, 2024) Accordingly, combined with an interim dividend of ¥5, the annual dividend for the fiscal year ended February 29, 2024 will be ¥10 per share.

In addition, regarding dividends for the next fiscal year, we plan to pay an interim dividend of ¥5, a year-end dividend of ¥5, which sums up to an annual dividend of ¥10 per share.

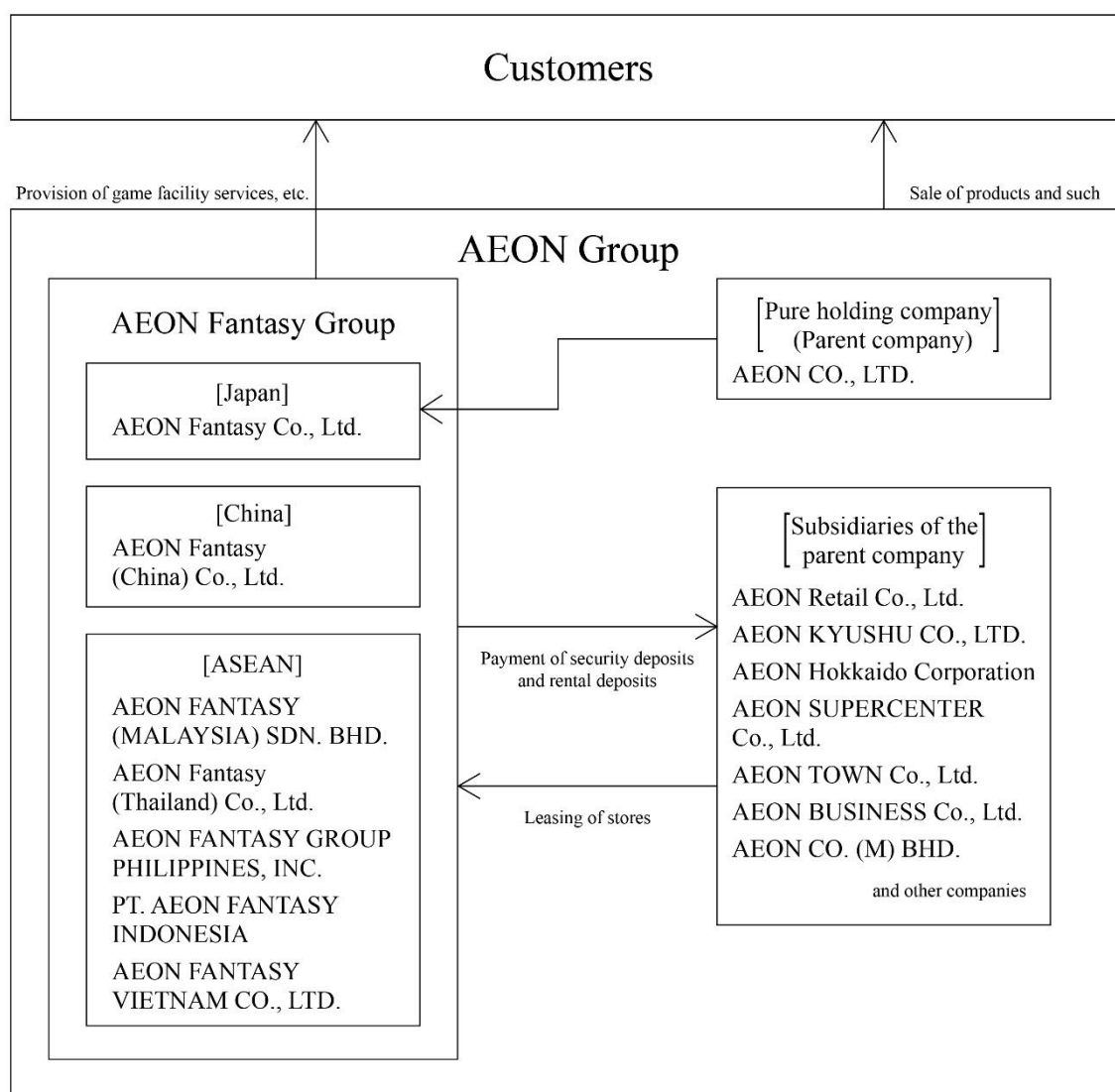
## 2. Status of the Corporate Group

AEON Co., Ltd., the parent company of the Company, is a pure holding company. Centering on the retail business that revolves around the GMS (General Merchandise Store) business, it operates an array of businesses, including general finance, developers, and services and specialty stores.

Within the AEON Group's business, the Group is classified as being in the service business. The Group mainly conducts the operation of amusement facilities, playground facilities, etc. for families. The Japan business consists of one company, the Company, which establishes and operates game facilities in shopping centers operated by the AEON Group and other developers.

The China business consists of one company, while the ASEAN business consists of six companies (including one pure holding company). We establish and operate game facilities in shopping centers operated by the AEON Group and other developers in China, Malaysia, Thailand, the Philippines, Indonesia, and Vietnam.

The matters described above are shown in the business system diagram below.



### 3. Basic Stance on Selection of Accounting Standards

The Group intends to prepare its consolidated financial statements based on Japanese accounting standards (J-GAAP) for the time being, taking into account the comparability of consolidated financial statements between periods and between companies.

Going forward, we will consider the application of International Financial Reporting Standards (IFRS) based on factors such as changes in the ratio of foreign shareholders, and trends in the application of IFRS by other companies in the same industry in Japan.

#### 4. Consolidated Financial Statements and Principal Notes

##### (1) Consolidated Balance Sheets

(Thousand yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	6,081,975	7,516,588
Accounts receivable - trade	248,227	136,357
Deposits paid from sales	734,050	959,411
Merchandise	730,043	699,429
Supplies	1,426,373	1,717,005
Other	1,621,847	1,895,671
Total current assets	10,842,517	12,924,463
Non-current assets		
Property, plant and equipment		
Buildings	22,112,391	24,161,110
Accumulated depreciation	(17,209,693)	(18,289,605)
Buildings, net	4,902,698	5,871,504
Amusement machines and facilities	65,072,939	68,914,488
Accumulated depreciation	(48,870,166)	(51,223,705)
Amusement machines and facilities, net	16,202,773	17,690,783
Right of use assets	12,964,058	15,829,991
Accumulated depreciation	(9,444,973)	(10,893,385)
Right of use assets, net	3,519,085	4,936,605
Tools, furniture and fixtures	8,428,096	8,648,551
Accumulated depreciation	(6,522,394)	(6,992,761)
Tools, furniture and fixtures, net	1,905,701	1,655,790
Other	145,662	233,838
Accumulated depreciation	(80,679)	(90,924)
Other, net	64,983	142,913
Total property, plant and equipment	26,595,241	30,297,597
Intangible assets		
Goodwill	135,035	113,358
Software	1,299,155	1,262,921
Other	4,685	4,585
Total intangible assets	1,438,876	1,380,866
Investments and other assets		
Investment securities	5,323	5,323
Leasehold and guarantee deposits	4,601,768	4,938,411
Deferred tax assets	3,141,308	2,252,465
Retirement benefit asset	–	109,937
Other, net	292,271	393,998
Total investments and other assets	8,040,671	7,700,135
Total non-current assets	36,074,789	39,378,598
<b>Total assets</b>	<b>46,917,307</b>	<b>52,303,062</b>

(Thousand yen)

	As of February 28, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,432,864	1,862,629
Short-term borrowings	19,542,050	24,200,300
Current portion of long-term borrowings	1,307,274	811,519
Current portion of long-term accounts payable - installment purchase	566,324	573,008
Lease liabilities	2,018,731	2,261,264
Accounts payable - other	1,034,245	1,260,655
Accrued expenses	1,690,766	1,955,502
Income taxes payable	658,746	1,029,901
Provision for bonuses	495,106	516,702
Provision for remuneration for directors (and other officers)	32,128	71,476
Notes payable - facilities	1,478,985	1,512,723
Provision for loss on closing of stores	190,757	269,483
Provision for loss on disaster	—	15,290
Other	1,906,550	1,312,263
<b>Total current liabilities</b>	<b>32,354,531</b>	<b>37,652,722</b>
Non-current liabilities		
Long-term borrowings	1,025,655	268,260
Long-term accounts payable - installment purchase	1,641,144	1,068,136
Lease liabilities	2,504,862	3,479,579
Retirement benefit liability	115,567	72,937
Asset retirement obligations	941,623	1,068,056
Other	195,569	152,316
<b>Total non-current liabilities</b>	<b>6,424,423</b>	<b>6,109,287</b>
<b>Total liabilities</b>	<b>38,778,955</b>	<b>43,762,010</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,806,987	1,810,821
Capital surplus	4,825,630	4,829,464
Retained earnings	1,902,889	3,019,873
Treasury shares	(4,176)	(4,635)
<b>Total shareholders' equity</b>	<b>8,531,331</b>	<b>9,655,524</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	(568,301)	(1,434,669)
Remeasurements of defined benefit plans	(17,204)	76,542
<b>Total accumulated other comprehensive income</b>	<b>(585,506)</b>	<b>(1,358,126)</b>
Share acquisition rights	31,437	37,947
Non-controlling interests	161,089	205,707
<b>Total net assets</b>	<b>8,138,352</b>	<b>8,541,051</b>
<b>Total liabilities and net assets</b>	<b>46,917,307</b>	<b>52,303,062</b>

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

(Thousand yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	72,690,638	81,758,939
Cost of sales	65,794,379	71,504,110
Gross profit	6,896,259	10,254,829
Selling, general and administrative expenses	6,047,056	6,669,293
Operating profit	849,202	3,585,535
Non-operating income		
Interest income	73,373	75,600
Foreign exchange gains	934,017	1,173,768
Insurance claim income	51,050	39,640
Gain on sale of non-current assets	203	18,649
Gains on write off of deposits	9,409	3,943
Gain on cancellation of leases	22,444	72,609
Refund of Chinese value added tax	40,419	64,437
Other	53,690	146,418
Total non-operating income	1,184,609	1,595,068
Non-operating expenses		
Interest expenses	603,125	596,426
Loss on sale of non-current assets	17,338	12,708
Other	95,267	82,961
Total non-operating expenses	715,731	692,096
Ordinary profit	1,318,081	4,488,507
Extraordinary income		
Subsidies for employment adjustment	36,233	–
Gain on reversal of impairment losses	124,756	111,808
Reversal of provision for loss on closing of stores	–	87,014
Total extraordinary income	160,990	198,823
Extraordinary losses		
Provision for loss on closing of stores	188,713	236,367
Impairment losses	2,165,627	1,078,304
Loss on store closings	34,667	64,477
Loss on temporary closing of stores	1,124,762	–
Loss on disaster	15,039	2,906
Provision for loss on disaster	–	15,290
Total extraordinary losses	3,528,810	1,397,345
Profit (loss) before income taxes	(2,049,738)	3,289,985
Income taxes - current	496,820	1,044,192
Income taxes - deferred	800,719	897,816
Total income taxes	1,297,539	1,942,008
Profit (loss)	(3,347,278)	1,347,977
Profit attributable to non-controlling interests	29,316	33,315
Profit (loss) attributable to owners of parent	(3,376,595)	1,314,661

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Profit (loss)	(3,347,278)	1,347,977
Other comprehensive income		
Foreign currency translation adjustment	(189,939)	(855,065)
Remeasurements of defined benefit plans, net of tax	31,940	93,747
Total other comprehensive income	(157,998)	(761,318)
Comprehensive income	(3,505,276)	586,658
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,548,464)	542,002
Comprehensive income attributable to non-controlling interests	43,187	44,656



## (3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,806,987	4,825,630	5,477,154	(3,704)	12,106,068
Changes of items during period					
Dividends of surplus			(197,670)		(197,670)
Loss attributable to owners of parent			(3,376,595)		(3,376,595)
Issuance of new shares					—
Purchase of treasury shares				(472)	(472)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(3,574,265)	(472)	(3,574,737)
Balance at end of period	1,806,987	4,825,630	1,902,889	(4,176)	8,531,331

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(364,491)	(49,145)	(413,636)	31,437	117,901	11,841,771
Changes of items during period						
Dividends of surplus						(197,670)
Loss attributable to owners of parent						(3,376,595)
Issuance of new shares						—
Purchase of treasury shares						(472)
Net changes of items other than shareholders' equity	(203,809)	31,940	(171,869)	—	43,187	(128,681)
Total changes of items during period	(203,809)	31,940	(171,869)	—	43,187	(3,703,419)
Balance at end of period	(568,301)	(17,204)	(585,506)	31,437	161,089	8,138,352

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,806,987	4,825,630	1,902,889	(4,176)	8,531,331
Changes of items during period					
Dividends of surplus			(197,677)		(197,677)
Profit attributable to owners of parent			1,314,661		1,314,661
Issuance of new shares	3,834	3,834			7,668
Purchase of treasury shares				(459)	(459)
Net changes of items other than shareholders' equity					
Total changes of items during period	3,834	3,834	1,116,983	(459)	1,124,192
Balance at end of period	1,810,821	4,829,464	3,019,873	(4,635)	9,655,524

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(568,301)	(17,204)	(585,506)	31,437	161,089	8,138,352
Changes of items during period						
Dividends of surplus						(197,677)
Profit attributable to owners of parent						1,314,661
Issuance of new shares						7,668
Purchase of treasury shares						(459)
Net changes of items other than shareholders' equity	(866,367)	93,747	(772,620)	6,509	44,617	(721,493)
Total changes of items during period	(866,367)	93,747	(772,620)	6,509	44,617	402,699
Balance at end of period	(1,434,669)	76,542	(1,358,126)	37,947	205,707	8,541,051

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(2,049,738)	3,289,985
Depreciation	10,063,569	10,043,067
Loss (gain) on sale and retirement of non-current assets	52,445	38,039
Increase (decrease) in provision for bonuses	224,773	7,707
Increase (decrease) in retirement benefit liability	(69,519)	(46,481)
Interest income	(73,373)	(75,600)
Interest expenses	603,125	596,426
Foreign exchange losses (gains)	(934,017)	(1,173,768)
Insurance claim income	(51,050)	(39,640)
Gain on cancellation of leases	(22,444)	(72,609)
Subsidies for employment adjustment	(36,233)	–
Gain on reversal of impairment losses	(124,756)	(111,808)
Impairment losses	2,165,627	1,078,304
Loss on disaster	15,039	2,906
Decrease (increase) in trade receivables	(13,486)	112,813
Decrease (increase) in deposits paid from sales	(429,330)	(223,572)
Decrease (increase) in inventories	108,634	(214,753)
Increase (decrease) in trade payables	159,512	420,429
Other, net	296,670	(330,299)
Subtotal	9,885,445	13,301,146
Interest received	37,858	38,331
Interest paid	(614,747)	(591,307)
Subsidies for employment adjustment received	36,233	–
Income taxes paid	(287,031)	(691,468)
Net cash provided by (used in) operating activities	9,057,758	12,056,700
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,069,404)	(9,590,592)
Proceeds from sale of property, plant and equipment	49,665	47,391
Purchase of intangible assets	(426,389)	(573,345)
Payments for increase in long-term prepaid expenses	(86,451)	(205,384)
Payments of leasehold and guarantee deposits	(335,835)	(567,899)
Proceeds from refund of leasehold and guarantee deposits	204,519	263,756
Other, net	(181,675)	(99,045)
Net cash provided by (used in) investing activities	(4,845,571)	(10,725,119)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	240,704	4,559,200
Proceeds from long-term borrowings	394,290	–
Repayments of long-term borrowings	(2,211,156)	(1,337,829)
Dividends paid	(197,670)	(197,677)
Repayments of lease liabilities	(2,045,831)	(2,554,271)
Repayments of installment payables	(559,719)	(566,324)
Other, net	(472)	(459)
Net cash provided by (used in) financing activities	(4,379,854)	(97,363)
Effect of exchange rate change on cash and cash equivalents	239,450	198,654
Net increase (decrease) in cash and cash equivalents	71,783	1,432,872
Cash and cash equivalents at beginning of period	5,986,843	6,058,627
Cash and cash equivalents at end of period	6,058,627	7,491,499

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Important matters that serve as the basis for preparation of consolidated financial statements)

1. Matters regarding scope of consolidation

All subsidiaries are included in the scope of consolidation.

Number of consolidated subsidiaries 7

Names of consolidated subsidiaries  
AEON Fantasy (China) Co., Ltd.  
AEON FANTASY (MALAYSIA) SDN. BHD.  
AEON Fantasy (Thailand) Co., Ltd.  
AEON Fantasy Holdings (Thailand) Co., Ltd.  
AEON FANTASY GROUP PHILIPPINES, INC.  
PT. AEON FANTASY INDONESIA  
AEON FANTASY VIETNAM CO., LTD.

2. Matters regarding application of equity method

Not applicable.

3. Matters regarding fiscal years of consolidated subsidiaries, etc.

Among the consolidated subsidiaries, although the fiscal year-ends of AEON Fantasy (China) Co., Ltd. and AEON FANTASY VIETNAM CO., LTD. fall on December 31, their results are based on financial statements that have made provisional settlements in accordance with the consolidated financial results as of the consolidated fiscal year-end.

The fiscal year-ends of other consolidated subsidiaries coincide with the consolidated fiscal year-end.

4. Matters regarding accounting policies

(1) Valuation criteria and valuation methods of important assets

i) Securities

Other securities

Shares, etc. that do not have a market price Cost method based on moving average method

ii) Inventories

Merchandise Cost method based on moving average method

(Method of writing down balance sheet book value based on a decrease in profitability)

Supplies Last purchase cost method

(Method of writing down balance sheet book value based on a decrease in profitability)

(2) Depreciation and amortization methods of important depreciable assets

i) Property, plant and equipment (excluding leased assets)

Straight line method

The following years are adopted as the life expectancy of each asset.

Buildings 3-20 years

Amusement machines and facilities 2-9 years

Tools, furniture and fixtures 2-8 years

ii) Intangible assets (excluding leased assets)

Regarding software for internal use, the straight line method is adopted based on the usable period in the Company (5-10 years).

iii) Right of use assets

The lease period is used as the life expectancy, and the straight line method with a residual value of zero is used.

(3) Recording criteria for important reserves

i) Allowance for doubtful accounts

In preparation for losses due to bad debts of trade receivables, etc., we individually examine the recoverability of specific receivables such as receivables with a possibility of default, and record the amount deemed irrecoverable.

ii) Provision for bonuses

In preparation for bonuses to be paid to employees and part-timers, out of the estimated payment amount, the amount to be paid in the fiscal year under review is recorded.

iii) Provision for remuneration for directors (and other officers)

In preparation for remuneration to be paid to directors (and other officers), out of the estimated payment amount, the amount to be paid in the fiscal year under review is recorded.

iv) Provision for loss on closing of stores

In preparation for losses that will be incurred in line with store closures, the estimated amount of loss related to store closures, which includes mid-term cancellation penalties that can reasonably be expected to arise due to store closures, is recorded.

v) Provision for loss on disaster

In preparation for payments that will be required mainly for the restoration of assets damaged by disaster events, the estimated amount expected to be incurred in the future is recorded.

(4) Revenue and expense recognition standards

The Group's main business is the operation of amusement facilities, playground facilities, etc. for families in Japan, China and the ASEAN region. Revenue from the operation of these facilities is recognized at a point in time as performance obligations are deemed to be satisfied mainly when customers use the facilities.

(5) Accounting method concerning retirement benefits

i) Method of attributing estimated retirement benefits to accounting periods

In calculating retirement benefit obligations, the benefit formula standard is used to attribute the estimated amount of retirement benefits to the periods up to the end of the fiscal year under review.

ii) Amortization method for actuarial gains and losses and past service cost

Past service cost is processed as a one-time expense in the year in which it is incurred.

Regarding actuarial gains and losses, the amount that arises in each fiscal year derived using the straight line method over a certain number of years within the average remaining service period of employees (10 years) are amortized from the following fiscal year.

iii) Application of simple method at small enterprises, etc.

A portion of the consolidated subsidiaries apply a simple method.

(6) Standards for translating important assets or liabilities denominated in foreign currencies into yen

Foreign currency-denominated monetary receivables and debts are translated into yen based on the spot exchange rate on the consolidated fiscal year-end, and translation adjustments are treated as gains or losses. Assets and liabilities of overseas subsidiaries are translated into yen based on the spot exchange rate on the fiscal year-end of each overseas subsidiary, while revenue and expenses are translated into yen based on the average exchange rate for the fiscal year. Translation adjustments are included in foreign currency translation adjustment and non-controlling interests and recorded under net assets.

(7) Method and period for amortization of goodwill

Goodwill is amortized using the straight line method based on a period where the effect can be detected, etc. (10 years).

(8) Scope of funds in the Consolidated Statements of Cash Flows

Funds (cash and cash equivalents) in the Consolidated Statements of Cash Flows include cash on hand and bank deposits that can be withdrawn at any time.

(Important accounting estimates)

Items recorded in the consolidated financial statements concerning the fiscal year under review due to accounting estimates which may have a material impact on the consolidated financial statements concerning the next fiscal year are as follows:

1. Impairment of non-current assets

(1) Amount recorded in the consolidated financial statements concerning the fiscal year under review

(Thousand yen)

	Previous fiscal year	Fiscal year under review
Property, plant and equipment	26,595,241	30,297,597
Impairment losses	2,165,627	1,078,304

(2) Information on important accounting estimates concerning the item identified

When considering the impairment of non-current assets of the Group, future cash flows are estimated for the recognition of impairment losses and calculation of usage value. The said estimate is based on figures from the budget for the next fiscal year which has been approved by management, and takes into consideration the current usage status and a reasonable usage plan. The said figures have incorporated forecasts of net sales and gross profit margins at each store, forecasts of personnel expenses and expenses at each store, etc. as the main assumptions involving the judgment of management. With regard to stores in China, considering the impact of uncertainties in economic activities, changes in consumer needs, and other factors, we expect that net sales for the fiscal year ending February 28, 2025 will recover gradually.

These key estimates and assumptions may be affected by changes in business strategies, changes in the external economic environment, etc., and additional impairment losses may arise in the consolidated financial statements for the next fiscal year if a review of the estimate of future cash flows is required.

2. Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements concerning the fiscal year under review

(Thousand yen)

	Previous fiscal year	Fiscal year under review
Deferred tax assets	3,141,308	2,252,465

(2) Information on important accounting estimates concerning the item identified

When the Company records deferred tax assets, recoverability is judged based on whether or not the assets have the effect of reducing the future tax burden. In this judgment process, we make several estimates, including the estimate of taxable income before adding and subtracting future temporary differences, etc., and the estimate of the timing of elimination of temporary differences. These estimates are calculated based on figures from the budget for the next fiscal year which has been approved by management, and take into account past performance, the future business environment, etc.

These key estimates and assumptions may be affected by changes in business strategies, changes in the external economic environment, etc. Accordingly, if a portion or all of the deferred tax assets is deemed to be

irrecoverable, deferred tax assets may be broken down and income taxes - deferred may arise in the consolidated financial statements for the next fiscal year.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

From the beginning of the fiscal year under review, the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the “Fair Value Measurement Guidance”) has been applied, and, in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Fair Value Measurement Guidance, the Company will prospectively apply the new accounting policies stipulated in the Fair Value Measurement Guidance. This has no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group’s reportable segments are segments with separate financial statements available among the constituent units of the Group. They are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and to evaluate performance.

The Group’s main business is the operation of amusement facilities, playground facilities, etc. for families, with three reportable segments, namely “Japan,” “China,” and “ASEAN.”

“Japan” is operated by the Company, while “China” is managed by AEON Fantasy (China) Co., Ltd. in China. As for “ASEAN,” the following companies are engaged in the operation of amusement facilities, playground facilities, etc. for families in each of their respective countries: AEON FANTASY (MALAYSIA) SDN. BHD. in Malaysia, AEON Fantasy (Thailand) Co., Ltd. in Thailand, AEON FANTASY GROUP PHILIPPINES, INC. in the Philippines, PT. AEON FANTASY INDONESIA in Indonesia, and AEON FANTASY VIETNAM CO., LTD. in Vietnam.

2. Calculation method for the amount of net sales, profit (loss), assets and other items by reportable segment

The accounting method for the reported business segments is largely the same as that described in “Important matters that serve as the basis for preparation of consolidated financial statements.”

3. Information on the amount of net sales, profit (loss), assets and other items by reportable segment  
Previous fiscal year (from March 1, 2022 to February 28, 2023)

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Japan	China	ASEAN	Total		
Net sales						
Net sales to external customers	58,797,544	4,858,163	9,034,929	72,690,638	–	72,690,638
Inter-segment net sales	27,057	–	–	27,057	(27,057)	–
Total	58,824,601	4,858,163	9,034,929	72,717,695	(27,057)	72,690,638
Segment profit (loss)	2,402,003	(2,782,559)	1,220,307	839,751	9,451	849,202
Segment assets	29,720,075	7,365,785	10,149,723	47,235,584	(318,276)	46,917,307
Other items						
Depreciation	4,969,978	2,760,437	2,304,044	10,034,459	–	10,034,459
Increase in property, plant and equipment and intangible assets	3,893,344	837,404	1,159,193	5,889,942	–	5,889,942

(Note) Adjustments were made due to the elimination of inter-segment transactions.

Fiscal year under review (from March 1, 2023 to February 29, 2024)

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Japan	China	ASEAN	Total		
Net sales						
Net sales to external customers	64,225,075	6,527,351	11,006,512	81,758,939	–	81,758,939
Inter-segment net sales	250,882	–	–	250,882	(250,882)	–
Total	64,475,957	6,527,351	11,006,512	82,009,822	(250,882)	81,758,939
Segment profit (loss)	4,570,694	(2,343,012)	1,358,594	3,586,276	(740)	3,585,535
Segment assets	32,606,399	6,590,963	13,937,078	53,134,442	(831,379)	52,303,062
Other items						
Depreciation	5,325,889	2,085,411	2,601,124	10,012,425	–	10,012,425
Increase in property, plant and equipment and intangible assets	7,800,105	645,994	3,323,364	11,769,464	–	11,769,464

(Note) Adjustments were made due to the elimination of inter-segment transactions.



[Related information]

Previous fiscal year (from March 1, 2022 to February 28, 2023)

1. Information by product or service

Since net sales to external customers in a single product and service segment exceed 90% of net sales in the Consolidated Statements of Income, this information is omitted.

2. Information by region

(1) Net sales

(Thousand yen)			
Japan	China	Others	Total
58,797,544	4,858,163	9,034,929	72,690,638

(Note) Net sales are based on the location of the store, and are classified by country or region.

(2) Property, plant and equipment

(Thousand yen)			
Japan	China	Others	Total
15,785,677	4,720,730	6,088,833	26,595,241

(Note) The countries classified under "Others" are Malaysia, Thailand, the Philippines, Indonesia, and Vietnam.

3. Information by major customer

Out of net sales to external customers, since there are no parties that account for 10% or more of net sales in the Consolidated Statements of Income, this information is omitted.

Fiscal year under review (from March 1, 2023 to February 29, 2024)

1. Information by product or service

Since net sales to external customers in a single product and service segment exceed 90% of net sales in the Consolidated Statements of Income, this information is omitted.

2. Information by region

(1) Net sales

(Thousand yen)			
Japan	China	Others	Total
64,225,075	6,527,351	11,006,512	81,758,939

(Note) Net sales are based on the location of the store, and are classified by country or region.

(2) Property, plant and equipment

(Thousand yen)			
Japan	China	Others	Total
18,055,251	3,669,260	8,573,085	30,297,597

(Note) The countries classified under "Others" are Malaysia, Thailand, the Philippines, Indonesia, and Vietnam.

3. Information by major customer

Out of net sales to external customers, since there are no parties that account for 10% or more of net sales in the Consolidated Statements of Income, this information is omitted.

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

Previous fiscal year (from March 1, 2022 to February 28, 2023)

(Thousand yen)

	Japan	China	ASEAN	Total	Adjustment	Total
Impairment losses	129,777	1,893,988	141,861	2,165,627	–	2,165,627

Fiscal year under review (from March 1, 2023 to February 29, 2024)

(Thousand yen)

	Japan	China	ASEAN	Total	Adjustment	Total
Impairment losses	132,732	828,413	117,158	1,078,304	–	1,078,304

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

Previous fiscal year (from March 1, 2022 to February 28, 2023)

(Thousand yen)

	Japan	China	ASEAN	Total	Adjustment	Total
Amortization amount during period	–	–	29,109	29,109	–	29,109
Balance at end of period	–	–	135,035	135,035	–	135,035

Fiscal year under review (from March 1, 2023 to February 29, 2024)

(Thousand yen)

	Japan	China	ASEAN	Total	Adjustment	Total
Amortization amount during period	–	–	30,641	30,641	–	30,641
Balance at end of period	–	–	113,358	113,358	–	113,358

(Per share information)

	Previous fiscal year (from March 1, 2022 to February 28, 2023)	Fiscal year under review (from March 1, 2023 to February 29, 2024)
Net assets per share	¥401.98	¥419.70
Basic earnings (loss) per share	¥(170.82)	¥66.50
Diluted earnings per share	–	¥66.46

(Notes) 1. Although there were dilutive shares in the previous fiscal year, diluted earnings per share are not stated as it was a loss per share.

2. The basis for calculating basic earnings or loss per share and diluted earnings per share is as follows:

	Previous fiscal year (from March 1, 2022 to February 28, 2023)	Fiscal year under review (from March 1, 2023 to February 29, 2024)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Thousand yen)	(3,376,595)	1,314,661
Amount not attributable to common shareholders (Thousand yen)	–	–
Profit (loss) attributable to owners of parent relating to common shares (Thousand yen)	(3,376,595)	1,314,661
Average number of shares outstanding during the period (Shares)	19,766,962	19,768,057
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Thousand yen)	–	–
Increase in the number of common shares (Shares)	–	13,735
[of which, share acquisition rights (Shares)]	–	[13,735]

(Significant subsequent events)

Not applicable.

## 5. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Thousand yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,627,520	3,762,580
Accounts receivable - trade	236,666	136,440
Deposits paid from sales	666,696	929,486
Merchandise	301,849	278,085
Supplies	1,156,798	1,413,958
Short-term loans receivable from subsidiaries and associates	10,433,250	14,242,400
Other	890,132	2,305,139
Total current assets	17,312,914	23,068,091
Non-current assets		
Property, plant and equipment		
Buildings	1,722,617	2,209,338
Amusement machines and facilities, net	12,817,652	14,650,251
Tools, furniture and fixtures	1,181,187	1,059,929
Other	64,218	135,732
Total property, plant and equipment	15,785,677	18,055,251
Intangible assets		
Software	934,296	975,677
Other	3,667	3,440
Total intangible assets	937,963	979,117
Investments and other assets		
Investment securities	5,323	5,323
Shares of subsidiaries and associates	444,509	811,967
Investments in capital of subsidiaries and associates	0	0
Deferred tax assets	2,663,020	1,789,870
Leasehold and guarantee deposits	3,346,111	3,491,527
Long-term loans receivable from subsidiaries and associates	3,491,142	3,319,750
Prepaid pension costs	–	14,746
Other	158,705	176,971
Provision for investment loss	(219,534)	(235,181)
Total investments and other assets	9,889,278	9,374,975
Total non-current assets	26,612,919	28,409,344
Total assets	43,925,833	51,477,436

(Thousand yen)

	As of February 28, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,283,918	1,651,736
Short-term borrowings	18,200,000	22,800,000
Current portion of long-term accounts payable - installment purchase	566,324	573,008
Income taxes payable	640,889	1,000,839
Provision for bonuses	310,770	292,644
Provision for remuneration for directors (and other officers)	32,128	71,476
Notes payable - facilities	1,478,985	1,512,723
Provision for loss on closing of stores	12,179	26,063
Provision for loss on disaster	–	15,290
Other	2,685,678	2,376,567
Total current liabilities	25,210,874	30,320,351
Non-current liabilities		
Long-term accounts payable - installment purchase	1,641,144	1,068,136
Provision for retirement benefits	20,264	–
Provision for loss on business of subsidiaries and associates	8,756,732	12,283,025
Asset retirement obligations	501,426	563,391
Other	58,569	57,923
Total non-current liabilities	10,978,138	13,972,476
Total liabilities	36,189,013	44,292,827
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,806,987	1,810,821
Capital surplus		
Legal capital surplus	4,792,935	4,796,769
Other capital surplus	32,695	32,695
Total capital surplus	4,825,630	4,829,464
Retained earnings		
Legal retained earnings	212,500	212,500
Other retained earnings		
Retained earnings brought forward	864,441	298,510
Total retained earnings	1,076,941	511,010
Treasury shares	(4,176)	(4,635)
Total shareholders' equity	7,705,383	7,146,660
Share acquisition rights	31,437	37,947
Total net assets	7,736,820	7,184,608
Total liabilities and net assets	43,925,833	51,477,436

## (2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales		
Children's play facilities sales	58,725,404	64,098,240
Other net sales	99,197	377,717
Total net sales	58,824,601	64,475,957
Cost of sales		
Game facilities cost of goods sold	52,455,843	55,506,756
Other cost of sales	324	686
Total cost of sales	52,456,167	55,507,442
Gross profit	6,368,433	8,968,515
Selling, general and administrative expenses	3,966,430	4,397,820
Operating profit	2,402,003	4,570,694
Non-operating income		
Interest income	540,191	738,284
Foreign exchange gains	857,526	964,679
Insurance claim income	24,217	36,954
Gain on sale of non-current assets	191	18,060
Other	46,450	124,690
Total non-operating income	1,468,577	1,882,670
Non-operating expenses		
Interest expenses	189,653	196,950
Loss on sale of non-current assets	9,936	6,989
Other	1,908	6,820
Total non-operating expenses	201,499	210,759
Ordinary profit	3,669,081	6,242,605
Extraordinary income		
Reversal of allowance for investment loss	25,605	–
Reversal of provision for loss on business of subsidiaries and associates	594,101	169,784
Reversal of provision for loss on closing of stores	–	1,335
Total extraordinary income	619,706	171,119
Extraordinary losses		
Provision for loss on closing of stores	12,179	26,063
Impairment losses	129,777	132,732
Loss on store closings	4,432	13,611
Provision for investment loss	–	15,646
Provision for loss on business of subsidiaries and associates	6,832,572	4,657,991
Loss on disaster	15,039	2,906
Provision for loss on disaster	–	15,290
Total extraordinary losses	6,994,001	4,864,243
Profit (loss) before income taxes	(2,705,212)	1,549,481
Income taxes – current	481,028	1,044,584
Income taxes - deferred	752,632	873,150
Total income taxes	1,233,661	1,917,734
Loss	(3,938,874)	(368,253)

## Detailed Statement of Game Facilities Cost of Goods Sold

		Fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)			Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)		
Category	Note No.	Amount (Thousand yen)		Component ratio (%)	Amount (Thousand yen)		Component ratio (%)
I Premium expenses			8,485,055	16.2		9,051,575	16.3
II Rent expenses on amusement machines and facilities			1,919,184	3.7		1,868,531	3.4
III Merchandise cost			7,274,035	13.9		7,540,972	13.6
IV Labor expenses			10,909,854	20.8		11,888,077	21.4
V Expenses							
1. Rent expenses on buildings and common service expenses		12,271,587			13,318,700		
2. Depreciation		4,731,467			4,982,126		
3. Other		6,864,658	23,867,714	45.5	6,856,771	25,157,598	45.3
Total game facilities cost of goods sold			52,455,843	100.0		55,506,756	100.0

## (3) Non-consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
					Retained earnings brought forward	Total other retained earnings	
Balance at beginning of period	1,806,987	4,792,935	32,695	4,825,630	212,500	5,000,985	5,000,985
Changes of items during period							
Dividends of surplus						(197,670)	(197,670)
Loss						(3,938,874)	(3,938,874)
Issuance of new shares							
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	—	—	—	(4,136,544)	(4,136,544)
Balance at end of period	1,806,987	4,792,935	32,695	4,825,630	212,500	864,441	864,441

	Shareholders' equity			Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity		
	Total Retained earnings				
Balance at beginning of period	5,213,485	(3,704)	11,842,399	31,437	11,873,837
Changes of items during period					
Dividends of surplus	(197,670)		(197,670)		(197,670)
Loss	(3,938,874)		(3,938,874)		(3,938,874)
Issuance of new shares			—		—
Purchase of treasury shares		(472)	(472)		(472)
Net changes of items other than shareholders' equity				—	—
Total changes of items during period	(4,136,544)	(472)	(4,137,016)	—	(4,137,016)
Balance at end of period	1,076,941	(4,176)	7,705,383	31,437	7,736,820



Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
					Retained earnings brought forward	Total other retained earnings	
Balance at beginning of period	1,806,987	4,792,935	32,695	4,825,630	212,500	864,441	864,441
Changes of items during period							
Dividends of surplus						(197,677)	(197,677)
Loss						(368,253)	(368,253)
Issuance of new shares	3,834	3,834		3,834			
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	3,834	3,834	—	3,834	—	(565,930)	(565,930)
Balance at end of period	1,810,821	4,796,769	32,695	4,829,464	212,500	298,510	298,510

	Shareholders' equity			Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity		
	Total Retained earnings				
Balance at beginning of period	1,076,941	(4,176)	7,705,383	31,437	7,736,820
Changes of items during period					
Dividends of surplus	(197,677)		(197,677)		(197,677)
Loss	(368,253)		(368,253)		(368,253)
Issuance of new shares			7,668		7,668
Purchase of treasury shares		(459)	(459)		(459)
Net changes of items other than shareholders' equity				6,509	6,509
Total changes of items during period	(565,930)	(459)	(558,722)	6,509	(552,212)
Balance at end of period	511,010	(4,635)	7,146,660	37,947	7,184,608