

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 [Japanese GAAP]



April 11, 2025

Company name: AEON Fantasy Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4343  
 URL: <https://www.fantasy.co.jp/>  
 Representative: Tokuya Fujiwara, President and Representative Director  
 Contact: Yoshinori Iseki, Director and Managing Executive Officer, Management Control and Risk Management Officer  
 Phone: +81-43-212-6203  
 Scheduled date of general shareholders' meeting: May 21, 2025  
 Scheduled date of commencing dividend payments: –  
 Scheduled date of filing securities report: May 22, 2025  
 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 28, 2025 (March 1, 2024 – February 28, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen
February 28, 2025	87,240	6.7	4,344	21.2	3,440	(23.4)	(1,816)
February 29, 2024	81,758	12.5	3,585	322.2	4,488	240.5	1,314

(Note) Comprehensive income: Fiscal year ended February 28, 2025: ¥(1,518) million [–%]  
 Fiscal year ended February 29, 2024: ¥586 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	Yen	Yen	%	%	%
February 28, 2025	(91.87)	—	(24.4)	6.5	5.0
February 29, 2024	66.50	66.46	16.2	9.0	4.4

(Reference) Equity in earnings of affiliated companies: Fiscal year ended February 28, 2025: ¥– million  
 Fiscal year ended February 29, 2024: ¥– million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2025	53,673	6,842	12.3	332.51
As of February 29, 2024	52,303	8,541	15.9	419.70

(Reference) Equity: As of February 28, 2025: ¥6,576 million  
 As of February 29, 2024: ¥8,297 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 28, 2025	12,353	(10,858)	(2,841)	6,141
February 29, 2024	12,056	(10,725)	(97)	7,491

### 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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 29, 2024	—	5.00	—	5.00	10.00	197	15.0	2.4
Fiscal year ended February 28, 2025	—	5.00	—	0.00	5.00	98	—	1.3
Fiscal year ending February 28, 2026 (Forecast)	—	0.00	—	15.00	15.00		—	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	92,200	5.7	7,300	68.0	5,700	65.7	2,500	—
								126.42

#### \* Notes:

(1) Significant changes in the scope of consolidation during the period: 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: None

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 28, 2025: 19,780,525 shares

February 29, 2024: 19,771,725 shares

2) Total number of treasury shares at the end of the period:

February 28, 2025: 2,204 shares

February 29, 2024: 2,052 shares

3) Average number of shares during the period:

Fiscal year ended February 28, 2025: 19,775,053 shares

Fiscal year ended February 29, 2024: 19,768,057 shares

**(Reference) Summary of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024 – February 28, 2025)**

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

	Net sales		Operating profit		Ordinary profit		Profit
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen
February 28, 2025	69,468	7.7	6,210	35.9	6,269	0.4	(1,891)
February 29, 2024	64,475	9.6	4,570	90.3	6,242	70.1	(368)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2025	(95.66)	—
February 29, 2024	(18.63)	—

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

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2025	39,528	5,112	12.9	257.05
As of February 29, 2024	51,477	7,184	13.9	361.50

(Reference) Equity: As of February 28, 2025: ¥5,083 million

As of February 29, 2024: ¥7,146 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 – February 28, 2026)**

(% 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	73,000	5.1	6,100	(2.7)	2,200	111.25

\* 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 Monday, April 14, 2025.

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
(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

Toward the realization of our “Purpose” of “inspiring enthusiasm in every child so that there is a smile on every face,” the Company is moving ahead with business activities with the new medium-term management plan (2024–2026) established under the new Vision so as to contribute to a sustainable society and improve corporate value.

For the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025), operating results of the Company and its consolidated subsidiaries were as follows: net sales of ¥87,240 million (up 6.7% year on year), operating profit of ¥4,344 million (up 21.2% year on year), ordinary profit of ¥3,440 million (down 23.4% year on year), and loss attributable to owners of parent of ¥1,816 million (profit attributable to owners of parent of ¥1,314 million in the previous fiscal year). As a result of the appreciation of the yen against other currencies from the beginning of the fiscal year, foreign exchange losses of ¥457 million (foreign exchange gains of ¥1,173 million in the previous fiscal year) were posted as non-operating expenses. Extraordinary losses of ¥3,190 million were also posted, including losses of ¥2,722 million from the China business which significantly accelerated the disposal of unprofitable stores. Earnings before interest, taxes, depreciation and amortization (EBITDA) which represents actual earning capacity was ¥15,101 million (up ¥1,472 million year on year).

In the Japan business, existing stores performed well with a steady growth of the Medals Department offering spaces for spending leisure time in addition to the continued growth of the Prizes Department and the Capsule Toys Department, and new stores also performed well, including stores with a new business format and strategic small stores. As a result of these, net sales and operating profit reached record highs. While the ASEAN business continued to expand steadily with new store openings, in the China business, sales remained slow to recover under a sluggish economic environment and intensifying competition, where we are in the process of shifting to the more competitive playground business format while closing unprofitable stores with the amusement business format.

During the fiscal year under review, 195 new stores were opened, primarily with a new business format, while 134 stores (82 stores in China) including unprofitable ones were closed. As a result, the total number of stores as of February 28, 2025 was 1,228 (1,217 directly managed stores, 11 franchised stores), including 753 stores in Japan and 475 stores overseas.

#### (Japan business)

Regarding operating results in the Japan business for the fiscal year ended February 28, 2025, net sales were ¥69,468 million (up 7.7% year on year) and operating profit increased by ¥1,639 million from the previous fiscal year to ¥6,210 million (up 35.9% year on year), both hitting record highs.

Net sales of existing stores reached 106.0% of the previous year’s level which significantly exceeded the plan, with the Prizes Department, among others, achieving 110.4% to drive the overall growth. In the Medals Department, as a result of continued investments and promotion activities, net sales from existing stores achieved 103.4% of the previous year’s level with steady growth of sales and membership, contributing to the improvement of the gross profit margin.

As for stores with a new business format in the amusement business, stores in new types of areas (such as near stations or in downtown quarters) were opened, and the first outlet of Feedy Diner & Arcade, a large-sized store that also offers food and beverages was also opened. As for stores with a new business format in the playground business, six stores of CHIKYUU NO NIWA were opened, a number exceeding the initial plan. Each of these has performed strongly, with net sales significantly exceeding the plan. The number of strategic small stores continued to increase, with a total of 73 stores opening during the fiscal year under review, which included 19 prize specialty stores and 54 capsule toy specialty stores.

During the fiscal year under review, while 85 new stores were opened, 35 stores were closed. As of February 28, 2025, the total number of stores was 753.

#### (ASEAN business)

Regarding operating results in the ASEAN business for the fiscal year ended February 28, 2025, net sales were ¥13,181 million (up 19.8% year on year) and operating profit was ¥1,190 million (down 12.4% year on year).

While net sales reached a record high, operating profit decreased from the previous year due to factors such as the enhancement of head office personnel anticipating future expansion, and the cancellation of the effects of online classes in the Philippines seen in the previous fiscal year (face-to-face classes were resumed in the fiscal year under review).

In the playground business, our core business in the market, in addition to our main business format, kidzooona, we developed business formats tailored to different commercial areas, such as Kidzooona Safari and KID'S BOX JUMBO, and expanded into new areas in various countries. In markets where we focus on growth rates, we opened 16 stores in Indonesia and 10 stores in Vietnam and continued to expand our network. In markets where we focus on expanding the market share, we opened 24 stores in Malaysia and 11 stores in the Philippines. In Thailand where we moved ahead with productivity improvement, we opened 11 stores while improving the gross profit margin.

During the fiscal year ended February 28, 2025, while 72 new stores were opened, 17 stores were closed. Accordingly, the total number of stores as of February 28, 2025 was 332 (327 directly managed stores, five franchised stores).

#### (China business)

Regarding operating results in the China business for the fiscal year ended February 28, 2025, net sales were ¥4,829 million (down 26.0% year on year) and operating loss was ¥3,052 million (operating loss of ¥2,343 million in the previous fiscal year). Sales were slow to recover due to sluggish economic activities and intensified competition with new entrants from other industries rushing into the amusement business in commercial facilities. As a result, 82 unprofitable stores were closed, significantly exceeding the initial plan. While efforts were continued and enhanced to reduce costs at existing stores and selling, general and administrative expenses at the headquarters office, 20 stores were revitalized by reducing areas of amusement and expanding playgrounds. In addition, 34 stores of Molly Dynamic Space, small stores which can generate profits from the first month with minimum opening costs were opened. Accordingly, as of February 28, 2025, the total number of stores was 143 (including 96 directly managed standard/large stores, 41 directly managed small stores and six franchised stores).

#### (Status of social contribution activities)

The Company established its Sustainability Policy in April 2022 and has been working to enhance the effectiveness of its sustainability management, aiming to become a company that contributes to a sustainable society while raising its value as an enterprise.

In support of the recovery efforts following the 2024 Noto Peninsula Earthquake, we donated 10% of the sales from designated amusement machines during the period from March 1 to March 31 to Ishikawa Prefecture.

Also to protect the rights of children who will shape the future society, we donated 10 million yen to seven children's support organizations worldwide as part of our "Fundraising Playday" campaign.

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 7,547 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 children," "friendly relations with various foreign countries," "contribution to development of local communities," and "reconstruction assistance to disaster-affected areas" through the foundation's activities.

(Initiatives and projections for the next fiscal year)

(Million yen)

	Fiscal year ending February 28, 2026 (Results forecast)	Fiscal year ended February 28, 2025 (Actual results)
Net sales	92,200	87,240
Operating profit	7,300	4,344
Ordinary profit	5,700	3,440
Profit (loss) attributable to owners of parent	2,500	(1,816)

In the business environment surrounding the Group, changes taking place include a shrinking market in Japan due to the declining birth rate, the growth of ASEAN market and sluggish economic activities in China, as well as rising costs of materials, labor, etc., and changes in value of time use in response to climate change. The Group needs to respond to these urgently for its growth and expansion.

The Group has been carrying forward its “new medium-term management plan” (2024–2026) which started 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 are working to develop businesses and business formats 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 creating funds that underpin corporate growth and further expansion of market areas. In the ASEAN business, which is to be the second largest growth driver, we will work with speed and intensity to develop new business formats and develop into new areas. In the China business, we will proceed with the closure of unprofitable stores and the restructuring of our strategy, assuming that the economic downturn will continue for an extended period of time. Furthermore, we will continue the activities based on the Sustainability Policy and material issues, and push forward with our efforts toward contributing to a sustainable society and improving corporate value.

In the Japan business, we will evolve our business format to meet the new value expected by customers. In the playground business, we will open new stores of CHIKYUU NO NIWA, an indoor facility where visitors can learn about natural environments that has been well-received since the first store opening in 2023, and CHIKYUU NO NIWA “POP” as its localized version. We will also open the first store of NOBICCO JUMBO, a time-based children’s play facility that can be flexibly tailored for different commercial areas and various facility sizes.

In the amusement business, in addition to opening new stores of Mollyfantasy with the conventional format, we will also open Feedy Diner & Arcade stores with a large business format that caters for Generation Z. We will also continue increasing “Capsule Toy Specialty Stores” and “Prize Specialty Stores,” which adopt a business format focusing on the specialization of play functions by opening 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 grow in each country. To meet this increase in demand, in addition to kidzooona, our mainstay business format, we will develop new playground business formats and improve earnings by establishing store opening patterns for choosing business formats based on regional income and facility sizes. We will also drive business format development according to the sizes of commercial facilities, and open multiple stores within a single commercial facility to increase the intensity of profitability and efficiency. In terms of area strategy, we will proactively 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 prolonged slowdown of economic activities, we will continue closing unprofitable stores and driving down administrative costs to build a streamlined management system. At the same time, we will push forward with business format change at existing stores to convert them from amusement facilities into playground facilities, and implement revitalization measures tailored for each store's location and characteristics. Furthermore, we plan to proactively increase Molly Dynamic Space stores with high ROI and low risk to strengthen profitability.

In the fiscal year ending February 28, 2026, which will be the middle 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, 2026, we expect to achieve net sales of ¥92,200 million, operating profit of ¥7,300 million, ordinary profit of ¥5,700 million, and profit attributable to owners of parent of ¥2,500 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 ¥12,185 million, a decrease of ¥739 million from the end of the previous fiscal year. The main factors were a decrease in cash and deposits (¥1,349 million), an increase in supplies (¥316 million), and an increase in deposits paid from sales (¥155 million).

Non-current assets at the end of the fiscal year under review were ¥41,488 million, an increase of ¥2,109 million from the end of the previous fiscal year. The main factors were an increase in buildings (¥1,188 million) and an increase in amusement machines (¥1,142 million) due to new store openings and store revitalization.

As a result, total assets were ¥53,673 million, an increase of ¥1,370 million from the end of the previous fiscal year.

#### (Liabilities)

Current liabilities at the end of the fiscal year under review were ¥30,758 million, a decrease of ¥6,894 million from the end of the previous fiscal year. The main factors were a decrease in short-term borrowings (¥12,095 million) due to conversion of domestic short-term borrowings to long-term borrowings, an increase in current portion of long-term borrowings (¥2,477 million), and an increase in notes payable - facilities (¥1,565 million).

Non-current liabilities at the end of the fiscal year under review were ¥16,072 million, an increase of ¥9,963 million from the end of the previous fiscal year. The main factor was an increase in long-term borrowings (¥10,272 million) due to conversion of domestic short-term borrowings to long-term borrowings.

As a result, total liabilities amounted to ¥46,831 million, an increase of ¥3,069 million from the end of the previous fiscal year.

#### (Net assets)

Net assets at the end of the fiscal year under review amounted to ¥6,842 million, a decrease of ¥1,698 million from the end of the previous fiscal year. The main factors were the recording of loss attributable to owners of parent (¥1,816 million) 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	12,056	12,353	296
Cash flows from investing activities	(10,725)	(10,858)	(133)
Cash flows from financing activities	(97)	(2,841)	(2,743)
Effect of exchange rate change on cash and cash equivalents	198	(3)	(202)
Net increase (decrease) in cash and cash equivalents	1,432	(1,350)	(2,783)
Cash and cash equivalents at beginning of period	6,058	7,491	1,432
Cash and cash equivalents at end of period	7,491	6,141	(1,350)

(Cash flows from operating activities)

Cash provided by operating activities was ¥12,353 million. This was mainly due to an increase in funds resulting from the recording of ¥10,756 million in depreciation and ¥2,612 million in impairment losses, and a decrease in funds due to the recording of ¥1,502 million in income taxes paid.

(Cash flows from investing activities)

Cash used in investment activities was ¥10,858 million. This was mainly due to the purchase of property, plant and equipment of ¥9,825 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 ¥2,841 million. This was mainly due to a decrease in funds resulting from the recording of net decrease in short-term borrowings of ¥12,152 million, ¥3,371 million in repayments of long-term borrowings, and ¥2,752 million in repayments of lease liabilities, and an increase in funds resulting from the recording of ¥16,205 million in proceeds from long-term borrowings.

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

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Capital adequacy ratio	15.9%	12.3%
Capital adequacy ratio based on market value	87.6%	102.5%
Interest-bearing debt to cash flow ratio	270.9%	265.8%
Interest coverage ratio	20.4 times	15.7 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.

We regret to announce that we will not pay a year-end dividend, as stated in the "Notice Concerning Revisions to Financial Results and Dividend Forecasts" announced on February 14, 2025. Accordingly, combined with an interim dividend of ¥5, the annual dividend for the fiscal year ended February 28, 2025 will be ¥5 per share.

Regarding dividends for the next fiscal year, we plan to pay an annual dividend of ¥15 per share (an interim dividend of ¥0 and a year-end dividend of ¥15) based on our future financial results forecasts.

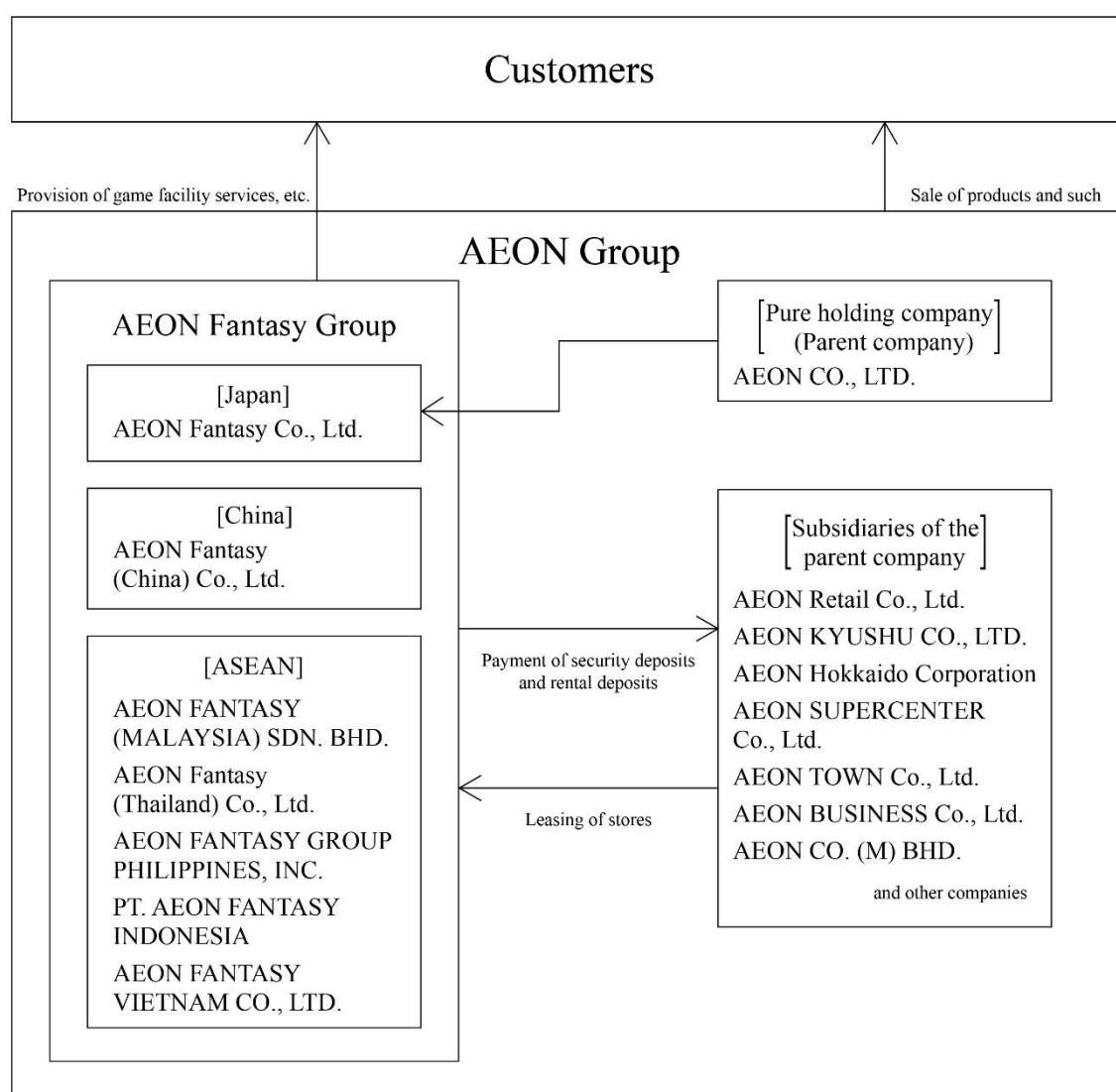
## 2. Status of the Corporate Group

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 29, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	7,516,588	6,167,459
Accounts receivable - trade	136,357	198,707
Deposits paid from sales	959,411	1,114,485
Merchandise	699,429	699,626
Supplies	1,717,005	2,033,555
Other	1,895,671	1,971,612
Total current assets	12,924,463	12,185,447
Non-current assets		
Property, plant and equipment		
Buildings	24,161,110	24,577,251
Accumulated depreciation	(18,289,605)	(17,516,762)
Buildings, net	5,871,504	7,060,488
Amusement machines and facilities	68,914,488	68,334,594
Accumulated depreciation	(51,223,705)	(49,501,365)
Amusement machines and facilities, net	17,690,783	18,833,228
Right of use assets	15,829,991	15,546,103
Accumulated depreciation	(10,893,385)	(10,746,456)
Right of use assets, net	4,936,605	4,799,646
Tools, furniture and fixtures	8,648,551	8,681,952
Accumulated depreciation	(6,992,761)	(6,651,855)
Tools, furniture and fixtures, net	1,655,790	2,030,096
Other	233,838	224,979
Accumulated depreciation	(90,924)	(75,419)
Other, net	142,913	149,559
Total property, plant and equipment	30,297,597	32,873,019
Intangible assets		
Goodwill	113,358	79,511
Software	1,262,921	1,076,508
Other	4,585	4,229
Total intangible assets	1,380,866	1,160,249
Investments and other assets		
Investment securities	5,323	5,323
Leasehold and guarantee deposits	4,938,411	4,886,681
Deferred tax assets	2,252,465	1,721,627
Retirement benefit asset	109,937	352,391
Other, net	393,998	488,724
Total investments and other assets	7,700,135	7,454,747
Total non-current assets	39,378,598	41,488,016
Total assets	52,303,062	53,673,464

(Thousand yen)

	As of February 29, 2024	As of February 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,862,629	1,870,036
Short-term borrowings	24,200,300	12,104,533
Current portion of long-term borrowings	811,519	3,289,494
Current portion of long-term accounts payable - installment purchase	573,008	579,770
Lease liabilities	2,261,264	2,391,805
Accounts payable - other	1,260,655	1,408,595
Accrued expenses	1,955,502	1,893,678
Income taxes payable	1,029,901	1,209,960
Provision for bonuses	516,702	465,160
Provision for remuneration for directors (and other officers)	71,476	31,808
Notes payable - facilities	1,512,723	3,077,850
Provision for loss on closing of stores	269,483	288,264
Provision for loss on disaster	15,290	—
Other	1,312,263	2,147,332
Total current liabilities	37,652,722	30,758,292
Non-current liabilities		
Long-term borrowings	268,260	10,540,600
Long-term accounts payable - installment purchase	1,068,136	488,365
Lease liabilities	3,479,579	3,441,751
Retirement benefit liability	72,937	87,204
Asset retirement obligations	1,068,056	1,389,094
Other	152,316	125,900
Total non-current liabilities	6,109,287	16,072,917
Total liabilities	43,762,010	46,831,209
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,810,821	1,824,320
Capital surplus	4,829,464	4,815,842
Retained earnings	3,019,873	1,005,391
Treasury shares	(4,635)	(5,001)
Total shareholders' equity	9,655,524	7,640,552
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,434,669)	(1,279,349)
Remeasurements of defined benefit plans	76,542	215,220
Total accumulated other comprehensive income	(1,358,126)	(1,064,129)
Share acquisition rights	37,947	28,970
Non-controlling interests	205,707	236,861
Total net assets	8,541,051	6,842,255
Total liabilities and net assets	52,303,062	53,673,464

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

(Thousand yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	81,758,939	87,240,584
Cost of sales	71,504,110	75,572,155
Gross profit	10,254,829	11,668,428
Selling, general and administrative expenses	6,669,293	7,323,567
Operating profit	3,585,535	4,344,860
Non-operating income		
Interest income	75,600	88,978
Foreign exchange gains	1,173,768	—
Insurance claim income	39,640	65,962
Gain on sale of non-current assets	18,649	4,271
Gains on write off of deposits	3,943	13,097
Gain on cancellation of leases	72,609	349,109
Refund of Chinese value added tax	64,437	—
Other	146,418	119,096
Total non-operating income	1,595,068	640,516
Non-operating expenses		
Interest expenses	596,426	767,149
Foreign exchange losses	—	457,036
Loss on sale of non-current assets	12,708	13,563
Financing expenses	—	194,280
Other	82,961	113,106
Total non-operating expenses	692,096	1,545,136
Ordinary profit	4,488,507	3,440,240
Extraordinary income		
Gain on reversal of impairment losses	111,808	20,916
Reversal of provision for loss on closing of stores	87,014	63,716
Total extraordinary income	198,823	84,632
Extraordinary losses		
Provision for loss on closing of stores	236,367	291,700
Impairment losses	1,078,304	2,612,930
Loss on store closings	64,477	285,722
Loss on disaster	2,906	—
Provision for loss on disaster	15,290	—
Total extraordinary losses	1,397,345	3,190,353
Profit before income taxes	3,289,985	334,519
Income taxes - current	1,044,192	1,686,706
Income taxes - deferred	897,816	452,651
Total income taxes	1,942,008	2,139,358
Profit (loss)	1,347,977	(1,804,839)
Profit attributable to non-controlling interests	33,315	11,914
Profit (loss) attributable to owners of parent	1,314,661	(1,816,753)

# Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit (loss)	1,347,977	(1,804,839)
Other comprehensive income		
Foreign currency translation adjustment	(855,065)	147,438
Remeasurements of defined benefit plans, net of tax	93,747	138,678
Total other comprehensive income	(761,318)	286,116
Comprehensive income	586,658	(1,518,722)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	542,002	(1,522,755)
Comprehensive income attributable to non-controlling interests	44,656	4,033



### (3) Consolidated Statements of Changes in Equity

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

Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,810,821	4,829,464	3,019,873	(4,635)	9,655,524
Changes of items during period					
Dividends of surplus			(197,728)		(197,728)
Loss attributable to owners of parent			(1,816,753)		(1,816,753)
Issuance of new shares	13,498	13,498			26,997
Purchase of treasury shares				(365)	(365)
Change in ownership interest of parent due to transactions with non-controlling interests		(27,121)			(27,121)
Net changes of items other than shareholders' equity					
Total changes of items during period	13,498	(13,622)	(2,014,481)	(365)	(2,014,971)
Balance at end of period	1,824,320	4,815,842	1,005,391	(5,001)	7,640,552

	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	(1,434,669)	76,542	(1,358,126)	37,947	205,707	8,541,051
Changes of items during period						
Dividends of surplus						(197,728)
Loss attributable to owners of parent						(1,816,753)
Issuance of new shares						26,997
Purchase of treasury shares						(365)
Change in ownership interest of parent due to transactions with non-controlling interests						(27,121)
Net changes of items other than shareholders' equity	155,319	138,678	293,997	(8,977)	31,154	316,175
Total changes of items during period	155,319	138,678	293,997	(8,977)	31,154	(1,698,796)
Balance at end of period	(1,279,349)	215,220	(1,064,129)	28,970	236,861	6,842,255

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	3,289,985	334,519
Depreciation	10,043,067	10,756,289
Loss (gain) on sale and retirement of non-current assets	38,039	87,557
Increase (decrease) in provision for bonuses	7,707	(52,447)
Increase (decrease) in retirement benefit liability	(46,481)	(39,418)
Interest income	(75,600)	(88,978)
Interest expenses	596,426	767,149
Foreign exchange losses (gains)	(1,173,768)	457,036
Insurance claim income	(39,640)	(65,962)
Gain on cancellation of leases	(72,609)	(349,109)
Gain on reversal of impairment losses	(111,808)	(20,916)
Impairment losses	1,078,304	2,612,930
Loss on disaster	2,906	—
Decrease (increase) in trade receivables	112,813	(62,565)
Decrease (increase) in deposits paid from sales	(223,572)	(153,421)
Decrease (increase) in inventories	(214,753)	(316,309)
Increase (decrease) in trade payables	420,429	665
Other, net	(330,299)	739,317
Subtotal	13,301,146	14,606,336
Interest received	38,331	34,683
Interest paid	(591,307)	(785,001)
Income taxes paid	(691,468)	(1,502,917)
Net cash provided by (used in) operating activities	12,056,700	12,353,100
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,590,592)	(9,825,205)
Proceeds from sale of property, plant and equipment	47,391	41,810
Purchase of intangible assets	(573,345)	(395,218)
Payments for increase in long-term prepaid expenses	(205,384)	(228,154)
Payments of leasehold and guarantee deposits	(567,899)	(640,496)
Proceeds from refund of leasehold and guarantee deposits	263,756	439,858
Other, net	(99,045)	(250,851)
Net cash provided by (used in) investing activities	(10,725,119)	(10,858,257)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,559,200	(12,152,303)
Proceeds from long-term borrowings	—	16,205,919
Repayments of long-term borrowings	(1,337,829)	(3,371,577)
Dividends paid	(197,677)	(197,728)
Repayments of lease liabilities	(2,554,271)	(2,752,159)
Repayments of installment payables	(566,324)	(573,008)
Other, net	(459)	(365)
Net cash provided by (used in) financing activities	(97,363)	(2,841,223)
Effect of exchange rate change on cash and cash equivalents	198,654	(3,949)
Net increase (decrease) in cash and cash equivalents	1,432,872	(1,350,329)
Cash and cash equivalents at beginning of period	6,058,627	7,491,499
Cash and cash equivalents at end of period	7,491,499	6,141,169

(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	30,297,597	32,873,019
Intangible assets	1,380,866	1,160,249
Impairment losses	1,078,304	2,612,930

(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, competition within shopping centers is expected to continue to intensify also for the next fiscal year. Despite that, the effects of the revitalization of playgrounds and other facilities scheduled for the next fiscal year are estimated based on the effects of the store revitalization measures implemented in the fiscal year under review and reflected by sales forecasts, while forecasts of expenses reflect an expected decrease in costs at the headquarters office due to a decrease in the number of stores upon closures of unprofitable stores.

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	2,252,465	1,721,627

(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.

(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," "ASEAN," and "China."

"Japan" is operated by the Company, and 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. "China" is managed by AEON Fantasy (China) Co., Ltd. in China.

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, 2023 to February 29, 2024)

(Thousand yen)

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

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

Fiscal year under review (from March 1, 2024 to February 28, 2025)

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Japan	ASEAN	China	Total		
Net sales						
Net sales to external customers	69,230,158	13,181,280	4,829,145	87,240,584	—	87,240,584
Inter-segment net sales	238,630	—	—	238,630	(238,630)	—
Total	69,468,789	13,181,280	4,829,145	87,479,214	(238,630)	87,240,584
Segment profit (loss)	6,210,631	1,190,015	(3,052,128)	4,348,518	(3,657)	4,344,860
Segment assets	35,757,509	15,520,949	2,714,805	53,993,264	(319,799)	53,673,464
Other items						
Depreciation	5,737,037	3,394,036	1,594,062	10,725,137	—	10,725,137
Increase in property, plant and equipment and intangible assets	8,526,645	4,988,147	792,857	14,307,650	—	14,307,650

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



[Related information]

Previous fiscal year (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	Malaysia	China	Others	Total
64,225,075	4,466,043	6,527,351	6,540,468	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	Malaysia	China	Others	Total
18,055,251	2,840,354	3,669,260	5,732,730	30,297,597

(Note) The countries classified under “Others” are 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, 2024 to February 28, 2025)

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	Malaysia	China	Others	Total
69,230,158	5,347,232	4,829,145	7,834,047	87,240,584

(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	Malaysia	China	Others	Total
20,581,463	3,902,400	1,049,220	7,339,935	32,873,019

(Note) The countries classified under “Others” are 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, 2023 to February 29, 2024)

(Thousand yen)

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

Fiscal year under review (from March 1, 2024 to February 28, 2025)

(Thousand yen)

	Japan	ASEAN	China	Total	Adjustment	Total
Impairment losses	267,466	114,870	2,230,593	2,612,930	—	2,612,930

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

Previous fiscal year (from March 1, 2023 to February 29, 2024)

(Thousand yen)

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

Fiscal year under review (from March 1, 2024 to February 28, 2025)

(Thousand yen)

	Japan	ASEAN	China	Total	Adjustment	Total
Amortization amount during period	—	31,152	—	31,152	—	31,152
Balance at end of period	—	79,511	—	79,511	—	79,511

(Per share information)

	Previous fiscal year (from March 1, 2023 to February 29, 2024)	Fiscal year under review (from March 1, 2024 to February 28, 2025)
Net assets per share	¥419.70	¥332.51
Basic earnings (loss) per share	¥66.50	¥(91.87)
Diluted earnings per share	¥66.46	—

(Notes) 1. Although there were dilutive shares in the fiscal year under review, 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, 2023 to February 29, 2024)	Fiscal year under review (from March 1, 2024 to February 28, 2025)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Thousand yen)	1,314,661	(1,816,753)
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit (loss) attributable to owners of parent relating to common shares (Thousand yen)	1,314,661	(1,816,753)
Average number of shares outstanding during the period (Shares)	19,768,057	19,775,053
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 29, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	3,762,580	4,343,907
Accounts receivable - trade	136,440	210,880
Deposits paid from sales	929,486	1,088,271
Merchandise	278,085	371,034
Supplies	1,413,958	1,557,090
Short-term loans receivable from subsidiaries and associates	14,242,400	2,165,000
Other	2,305,139	1,732,010
Total current assets	23,068,091	11,468,195
Non-current assets		
Property, plant and equipment		
Buildings	2,209,338	2,831,520
Amusement machines and facilities, net	14,650,251	16,091,991
Tools, furniture and fixtures	1,059,929	1,518,506
Other	135,732	139,445
Total property, plant and equipment	18,055,251	20,581,463
Intangible assets		
Software	975,677	942,017
Other	3,440	2,875
Total intangible assets	979,117	944,892
Investments and other assets		
Investment securities	5,323	5,323
Shares of subsidiaries and associates	811,967	1,020,312
Investments in capital of subsidiaries and associates	0	0
Deferred tax assets	1,789,870	1,560,734
Leasehold and guarantee deposits	3,491,527	3,673,014
Long-term loans receivable from subsidiaries and associates	3,319,750	393,269
Prepaid pension costs	14,746	58,190
Other	176,971	136,337
Provision for investment loss	(235,181)	(313,062)
Total investments and other assets	9,374,975	6,534,120
Total non-current assets	28,409,344	28,060,476
Total assets	51,477,436	39,528,672

(Thousand yen)

	As of February 29, 2024	As of February 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,651,736	1,676,001
Short-term borrowings	22,800,000	10,300,000
Current portion of long-term borrowings	—	2,600,400
Current portion of long-term accounts payable - installment purchase	573,008	579,770
Income taxes payable	1,000,839	1,176,008
Provision for bonuses	292,644	325,184
Provision for remuneration for directors (and other officers)	71,476	31,808
Notes payable - facilities	1,512,723	3,077,850
Provision for loss on closing of stores	26,063	8,341
Provision for loss on disaster	15,290	—
Other	2,376,567	3,392,820
Total current liabilities	30,320,351	23,168,184
Non-current liabilities		
Long-term borrowings	—	8,066,100
Long-term accounts payable - installment purchase	1,068,136	488,365
Provision for loss on business of subsidiaries and associates	12,283,025	1,933,887
Asset retirement obligations	563,391	685,497
Other	57,923	73,698
Total non-current liabilities	13,972,476	11,247,549
Total liabilities	44,292,827	34,415,733
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,810,821	1,824,320
Capital surplus		
Legal capital surplus	4,796,769	4,810,268
Other capital surplus	32,695	32,695
Total capital surplus	4,829,464	4,842,963
Retained earnings		
Legal retained earnings	212,500	212,500
Other retained earnings		
Retained earnings brought forward	298,510	(1,790,813)
Total retained earnings	511,010	(1,578,313)
Treasury shares	(4,635)	(5,001)
Total shareholders' equity	7,146,660	5,083,968
Share acquisition rights	37,947	28,970
Total net assets	7,184,608	5,112,938
Total liabilities and net assets	51,477,436	39,528,672

## (2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales		
Children's play facilities sales	64,098,240	69,088,480
Other net sales	377,717	380,308
Total net sales	64,475,957	69,468,789
Cost of sales		
Game facilities cost of goods sold	55,506,756	58,474,233
Other cost of sales	686	412
Total cost of sales	55,507,442	58,474,646
Gross profit	8,968,515	10,994,142
Selling, general and administrative expenses	4,397,820	4,783,511
Operating profit	4,570,694	6,210,631
Non-operating income		
Interest income	738,284	706,156
Foreign exchange gains	964,679	—
Insurance claim income	36,954	41,238
Gain on sale of non-current assets	18,060	3,909
Other	124,690	75,508
Total non-operating income	1,882,670	826,812
Non-operating expenses		
Interest expenses	196,950	277,109
Foreign exchange losses	—	284,813
Loss on sale of non-current assets	6,989	8,890
Financing expenses	—	194,280
Other	6,820	3,267
Total non-operating expenses	210,759	768,362
Ordinary profit	6,242,605	6,269,081
Extraordinary income		
Reversal of provision for loss on business of subsidiaries and associates	169,784	—
Reversal of provision for loss on closing of stores	1,335	6,355
Total extraordinary income	171,119	6,355
Extraordinary losses		
Provision for loss on closing of stores	26,063	8,341
Impairment losses	132,732	267,466
Loss on store closings	13,611	50,035
Provision of allowance for doubtful accounts for subsidiaries and associates	—	3,944,704
Provision for investment loss	15,646	77,881
Provision for loss on business of subsidiaries and associates	4,657,991	2,025,937
Loss on disaster	2,906	—
Provision for loss on disaster	15,290	—
Total extraordinary losses	4,864,243	6,374,366
Profit (loss) before income taxes	1,549,481	(98,929)
Income taxes – current	1,044,584	1,563,529
Income taxes - deferred	873,150	229,136
Total income taxes	1,917,734	1,792,665
Loss	(368,253)	(1,891,595)

## Detailed Statement of Game Facilities Cost of Goods Sold

		Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)			Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)		
Category	Note No.	Amount (Thousand yen)		Component ratio (%)	Amount (Thousand yen)		Component ratio (%)
I Premium expenses			9,051,575	16.3		10,062,976	17.2
II Rent expenses on amusement machines and facilities			1,868,531	3.4		1,759,821	3.0
III Merchandise cost			7,540,972	13.6		7,646,624	13.1
IV Labor expenses			11,888,077	21.4		12,838,152	22.0
V Expenses							
1. Rent expenses on buildings and common service expenses		13,318,700			14,223,372		
2. Depreciation		4,982,126			5,431,874		
3. Other		6,856,771	25,157,598	45.3	6,511,412	26,166,659	44.8
Total game facilities cost of goods sold			55,506,756	100.0		58,474,233	100.0

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

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



Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(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	1,810,821	4,796,769	32,695	4,829,464	212,500	298,510	298,510
Changes of items during period							
Dividends of surplus						(197,728)	(197,728)
Loss						(1,891,595)	(1,891,595)
Issuance of new shares	13,498	13,498		13,498			
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	13,498	13,498	—	13,498	—	(2,089,323)	(2,089,323)
Balance at end of period	1,824,320	4,810,268	32,695	4,842,963	212,500	(1,790,813)	(1,790,813)

	Shareholders' equity			Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity		
	Total retained earnings				
Balance at beginning of period	511,010	(4,635)	7,146,660	37,947	7,184,608
Changes of items during period					
Dividends of surplus	(197,728)		(197,728)		(197,728)
Loss	(1,891,595)		(1,891,595)		(1,891,595)
Issuance of new shares			26,997		26,997
Purchase of treasury shares		(365)	(365)		(365)
Net changes of items other than shareholders' equity				(8,977)	(8,977)
Total changes of items during period	(2,089,323)	(365)	(2,062,692)	(8,977)	(2,071,669)
Balance at end of period	(1,578,313)	(5,001)	5,083,968	28,970	5,112,938