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Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]



July 11, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4343
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2025 (March 1, 2025 - May 31, 2025)

(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	%
Three months ended May 31, 2025	21,898	7.4	1,222	151.7	587	(16.4)	145	165.1
May 31, 2024	20,389	8.4	485	—	702	563.1	54	—

(Note) Comprehensive income: Three months ended May 31, 2025: ¥574 million [–%]

Three months ended May 31, 2024: ¥(414) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	7.37	7.34
May 31, 2024	2.78	2.77

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2025	60,476	7,416	11.9
As of February 28, 2025	53,673	6,842	12.3

(Reference) Equity: As of May 31, 2025: ¥7,170 million

As of February 28, 2025: ¥6,576 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended February 28, 2025	Yen —	Yen 5.00	Yen —	Yen 0.00	Yen 5.00
Fiscal year ending February 28, 2026	—				
Fiscal year ending February 28, 2026 (Forecast)		0.00	—	15.00	15.00

(Note) Revision to the forecast for dividends announced most recently: None

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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
	92,200	5.7	7,300	68.0	5,700	65.7	2,500	—
								126.42

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) 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
- (Note) For details, please refer to page 8 of the Attachments: “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies).”
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2025:	19,780,525 shares
February 28, 2025:	19,780,525 shares
 - 2) Total number of treasury shares at the end of the period:

May 31, 2025:	2,236 shares
February 28, 2025:	2,204 shares
 - 3) Average number of shares outstanding during the period:

Three months ended May 31, 2025:	19,778,315 shares
Three months ended May 31, 2024:	19,770,775 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

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

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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

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 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 three months ended May 31, 2025 (March 1, 2025 to May 31, 2025), operating results of the Company and its consolidated subsidiaries were as follows: net sales of ¥21,898 million (up 7.4% year on year), operating profit of ¥1,222 million (up 151.7% year on year), ordinary profit of ¥587 million (down 16.4% year on year), and profit attributable to owners of parent of ¥145 million (up 165.1% year on year). Earnings before interest, taxes, depreciation and amortization (EBITDA) which represents actual earning capacity was ¥3,812 million (up ¥750 million year on year). Both net sales and operating profit for the first quarter reached record highs, with operating profit increasing to approximately 2.5 times compared to the same period of the previous fiscal year. Based on the exchange rates as of May 31, 2025 foreign exchange losses of ¥539 million (foreign exchange gains of ¥581 million in the same period of the previous fiscal year) on loans receivable from subsidiaries were posted.

(Japan business)

Regarding operating results in the Japan business, net sales of existing stores were strong, achieving 107.4% compared to the same period of the previous fiscal year. By department, the mainstay Prizes Department achieved 108.3%. Among others, sales in the section of prizes for children, which we have been strengthening especially, increased to 121.5% compared to the same period of the previous fiscal year, strongly driving overall sales growth. The Medals Department which has the highest gross margin ratio performed strongly to achieve 104.9% compared to the same period of the previous fiscal year, with the introduction of new machines and continued focus on events and, sales and promotion activities. As for new store openings, two stores of CHIKYUU NO NIWA with a large business format in the playground business were opened (10 stores in total), and an independent store of SKIDS GARDEN with a small business format was opened (three stores in total) where children can play unaccompanied. In the amusement business, a total of 28 new stores were opened, which included 23 stores of TOYS SPOT PALO, small capsule toy specialty stores, one CAPSULE YOKOCHO store, a business format with a high sales volume, and four stores of PRIZE SPOT PALO, a prize specialty store with a small business format. During the three months ended May 31, 2025, while 31 stores were opened, 17 stores were closed. As of May 31, 2025, the total number of stores was 767.

As a result of these, regarding operating results in the Japan business for the three months ended May 31, 2025, net sales were ¥17,721 million (up 9.6% year on year) and operating profit was ¥1,346 million (up 52.5% year on year), both hitting record highs to drive the consolidated performance.

(ASEAN business)

Our core business in the ASEAN market is the playground business, where we have differentiated ourselves from competitors by enhancing our strengths of unique store interior decorating and playground equipment, a high level of security, and service skills of staff. Centered around the standard business format of kidzooona, we have developed KID'S BOX and KID'S BOX JUMBO as new business formats that can be tailored to the commercial area attributes and facility areas of commercial complexes, and expanded into new geographic areas. In Indonesia, we launched Pokémon MEZASTAR forest stores, the first Pokémon arcade game specialty store chain in the country, as an authorized operator and now operate 25 stores. During the three months ended May 31, 2025, while 43 new stores were opened, five stores were closed. Accordingly, the total number of stores as of May 31, 2025 was 370 (including five franchised stores).

As a result of these, regarding operating results in the ASEAN business for the three months ended May 31, 2025, net sales were ¥3,479 million (up 13.0% year on year) and operating profit was ¥244 million (down 26.7% year on year). Net sales in the first quarter hit a record high for the fourth consecutive year.

(China business)

In the China business, we have been carrying out restructuring measures (disposal of unprofitable stores, cost reduction, and store revitalization) and making steady progress in each. During the three months ended May 31, 2025, 35 unprofitable stores were closed while 27 stores were opened, including Molly Dynamic Space, small stores which can generate profits from the first month with minimum opening costs. Accordingly, as of May 31, 2025, the total number of stores was 135 (including six franchised stores).

As a result of these, regarding operating results in the China business for the three months ended May 31, 2025, net sales were ¥764 million (down 35.8% year on year) and operating loss was ¥368 million (operating loss of ¥729 million in the same period of the previous fiscal year). Although net sales decreased from the same period of the previous fiscal year due to the closure of unprofitable stores, operating profit increased by ¥360 million from the same period of the previous fiscal year as a result of the restructuring measures taken.

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the first quarter were ¥17,700 million, an increase of ¥5,514 million from the end of the previous fiscal year. The main factors were an increase in deposits paid from sales (¥3,364 million) resulting from the fact that as the last day of the quarter was a non-business day of financial institutions, of deposits paid from sales, a portion for early May was settled in the following month, as well as an increase in cash and deposits (¥1,683 million).

Non-current assets at the end of the first quarter were ¥42,776 million, an increase of ¥1,288 million from the end of the previous fiscal year. The main factor was an increase in amusement machines and facilities (¥1,196 million) due to new store openings and store revitalization.

As a result, total assets were ¥60,476 million, an increase of ¥6,803 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter were ¥37,223 million, an increase of ¥6,465 million from the end of the previous fiscal year. The main factor was an increase in short-term borrowings (¥6,457 million).

Non-current liabilities at the end of the first quarter were ¥15,836 million, a decrease of ¥236 million from the end of the previous fiscal year. The main factors were a decrease in lease liabilities (¥484 million) of consolidated subsidiaries, a decrease in long-term accounts payable - installment purchase (¥146 million), and an increase in long-term borrowings (¥396 million).

As a result, total liabilities amounted to ¥53,060 million, an increase of ¥6,228 million from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the first quarter amounted to ¥7,416 million, an increase of ¥574 million from the end of the previous fiscal year. The main factors were the recording of profit attributable to owners of parent (¥145 million) and an increase in foreign currency translation adjustment (¥450 million) due to fluctuations in exchange.

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

As for the consolidated financial results forecast for the fiscal year ending February 28, 2026, no revisions have been made to the full-year forecast announced on April 11, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	6,167,459	7,850,749
Accounts receivable - trade	198,707	233,638
Deposits paid from sales	*1 1,114,485	*1, *2 4,478,567
Inventories	2,733,181	2,995,840
Other	1,971,612	2,141,629
Total current assets	12,185,447	17,700,425
Non-current assets		
Property, plant and equipment		
Buildings, net	7,060,488	7,441,574
Amusement machines and facilities net	18,833,228	20,029,253
Right of use assets, net	4,799,646	4,378,527
Other, net	2,179,655	2,213,450
Total property, plant and equipment	32,873,019	34,062,806
Intangible assets		
Goodwill	79,511	67,098
Software	1,076,508	1,053,204
Other	4,229	4,153
Total intangible assets	1,160,249	1,124,456
Investments and other assets		
Leasehold and guarantee deposits	4,886,681	4,934,717
Other	2,568,066	2,654,164
Total investments and other assets	7,454,747	7,588,881
Total non-current assets	41,488,016	42,776,144
Total assets	53,673,464	60,476,569

(Thousand yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,870,036	1,847,157
Short-term borrowings	12,104,533	18,562,470
Current portion of long-term borrowings	3,289,494	3,541,655
Current portion of long-term accounts payable - installment purchase	579,770	581,473
Lease liabilities	2,391,805	2,267,888
Accrued expenses	1,893,678	2,409,954
Income taxes payable	1,209,960	624,003
Provision for bonuses	465,160	696,808
Provision for remuneration for directors (and other officers)	31,808	24,440
Provision for loss on closing of stores	288,264	225,106
Notes payable facilities	3,077,850	3,668,547
Other	3,555,928	2,774,082
Total current liabilities	30,758,292	37,223,588
Non-current liabilities		
Long-term borrowings	10,540,600	10,937,162
Long-term accounts payable - installment purchase	488,365	342,356
Lease liabilities	3,441,751	2,956,835
Retirement benefit liability	87,204	90,974
Asset retirement obligations	1,389,094	1,395,966
Other	125,900	113,306
Total non-current liabilities	16,072,917	15,836,601
Total liabilities	46,831,209	53,060,190
Net assets		
Shareholders' equity		
Share capital	1,824,320	1,824,320
Capital surplus	4,815,842	4,815,842
Retained earnings	1,005,391	1,151,096
Treasury shares	(5,001)	(5,084)
Total shareholders' equity	7,640,552	7,786,174
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,279,349)	(828,355)
Remeasurements of defined benefit plans	215,220	213,135
Total accumulated other comprehensive income	(1,064,129)	(615,220)
Share acquisition rights	28,970	28,970
Non-controlling interests	236,861	216,456
Total net assets	6,842,255	7,416,379
Total liabilities and net assets	53,673,464	60,476,569

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended May 31

(Thousand yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net sales	20,389,815	21,898,959
Cost of sales	18,152,821	18,913,007
Gross profit	2,236,993	2,985,952
Selling, general and administrative expenses	1,751,033	1,762,953
Operating profit	485,960	1,222,998
Non-operating income		
Interest income	22,044	19,907
Foreign exchange gains	581,118	—
Insurance claim income	10,594	5,481
Gain on sale of non-current assets	56	43,208
Gains on write off of deposits	2,563	3,268
Gain on cancellation of leases	4,286	68,039
Other	5,424	14,787
Total non-operating income	626,089	154,692
Non-operating expenses		
Interest expenses	160,280	237,141
Foreign exchange losses	—	539,101
Loss on sale of non-current assets	7,101	4,075
Financing expenses	176,880	1,000
Other	65,233	8,753
Total non-operating expenses	409,495	790,073
Ordinary profit	702,554	587,617
Extraordinary income		
Reversal of provision for loss on closing of stores	20,715	20,695
Total extraordinary income	20,715	20,695
Extraordinary losses		
Provision for loss on closing of stores	37,719	36,104
Impairment losses	*1 33,490	*1 12,850
Loss on store closings	306	11,904
Total extraordinary losses	71,516	60,858
Profit before income taxes	651,754	547,455
Income taxes - current	283,285	503,887
Income taxes - deferred	310,097	(90,926)
Total income taxes	593,383	412,960
Profit	58,371	134,494
Profit (Loss) attributable to non-controlling interests	3,412	(11,210)
Profit attributable to owners of parent	54,959	145,704

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended May 31

(Thousand yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit	58,371	134,494
Other comprehensive income		
Foreign currency translation adjustment	(475,350)	441,798
Remeasurements of defined benefit plans, net of tax	2,216	(2,085)
Total other comprehensive income	(473,133)	439,713
Comprehensive income	(414,762)	574,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(420,133)	596,621
Comprehensive income attributable to non-controlling interests	5,370	(22,414)

(3) Notes to Quarterly Consolidated Financial Statements

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

Quarterly consolidated financial statements have been prepared in accordance with Rule 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc., as well as with accounting standards for quarterly financial statements that are generally considered fair and reasonable in Japan.

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in significant subsidiaries during the three months ended May 31, 2025)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes and the other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "2022 Revised Accounting Standard") and other standards from the beginning of the first quarter of the fiscal year ending February 28, 2026.

Regarding revisions concerning categories for recording of income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of 2022 Revised Accounting Standard, and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter "2022 Revised Guidance"). The changes in accounting policies have no impact on quarterly consolidated financial statements.

(Additional information)

(Important accounting estimates: Impairment of non-current assets)

There are no significant changes to the information stated in "Important accounting estimates: Impairment of non-current assets" included in the securities report for the previous fiscal year.

(Notes - Quarterly consolidated balance sheet)

*1. Deposits paid from sales

The accounting item represents sales proceeds deposited with lessors of shopping center stores.

*2. Main assets that increased due to the last day of the quarter being a non-business day

The amount in the accounting item below settled in the following month due to the last day of the first quarter being a non-business day of financial institutions is as follows:

	(Thousand yen)	
	As of February 28, 2025	As of May 31, 2025
Deposits paid from sales	—	3,268,539

(Notes - Quarterly consolidated statement of income)

*1. Impairment losses

I. In the three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024), impairment losses were recorded on the following asset groups.

(1) Overview of asset groups on which impairment losses were recognized

Purpose of use	Region	Number of stores	Type	Amount (Thousand yen)
Store	China	7	Buildings, etc.	18,675
			Amusement machines and facilities	5,184
			Other under property, plant and equipment	1,435
			Software	538
			Subtotal	25,834
	Store total	7	Store total	25,834
Other	Philippines	—	Software	7,656
			Subtotal	7,656
	Other total	—	Other total	7,656
Total				33,490

(2) Background to the recognition of impairment losses

The book values of asset groups that had been decided to be closed and idle asset groups that were unlikely to be used in the future were written down to the recoverable values and the decreases were recorded as impairment losses under extraordinary losses.

(3) Amount of impairment losses and breakdown by main type of non-current assets

Type	Amount (Thousand yen)
Buildings, etc.	18,675
Amusement machines and facilities	5,184
Other under property, plant and equipment	1,435
Software	8,194
Total	33,490

(4) Method of asset grouping

In principle, the Group groups business assets by employing the store as the basic unit.

(5) Method of calculation of recoverable values

The Group calculates recoverable values of asset groups based on the value in use or the net selling value.

II. In the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025), impairment losses were recorded on the following asset groups.

(1) Overview of asset groups on which impairment losses were recognized

Purpose of use	Region	Number of stores	Type	Amount (Thousand yen)
Store	Japan	3	Buildings, etc.	3,773
			Other under property, plant and equipment	119
			Subtotal	3,892
	China	4	Amusement machines and facilities	147
			Other under property, plant and equipment	33
			Software	1
			Subtotal	181
	Malaysia	3	Buildings, etc.	6,598
			Other under property, plant and equipment	6
			Subtotal	6,605
	Vietnam	1	Buildings, etc.	2,170
			Subtotal	2,170
	Store total	11	Store total	12,850
Total				12,850

(2) Background to the recognition of impairment losses

The book values of asset groups that had been decided to be closed were written down to the recoverable values and the decreases were recorded as impairment losses under extraordinary losses.

(3) Amount of impairment losses and breakdown by main type of non-current assets

Type	Amount (Thousand yen)
Buildings, etc.	12,542
Amusement machines and facilities	147
Other under property, plant and equipment	158
Software	1
Total	12,850

(4) Method of asset grouping

In principle, the Group groups business assets by employing the store as the basic unit.

(5) Method of calculation of recoverable values

The Group calculates recoverable values of asset groups based on the value in use or the net selling value.

(Notes on quarterly consolidated statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended May 31, 2025. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended May 31, 2024 and 2025 are as follows:

	(Thousand yen)	
	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation	2,568,145	2,582,051
Amortization of goodwill	7,788	7,277

(Notes - Shareholders' equity, etc.)

I. Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

Amount of dividends paid

The Board of Directors resolved as follows at the meeting held on April 10, 2024:

- Matters on dividends of common shares

- | | |
|-------------------------------|-------------------|
| (1) Total amount of dividends | ¥98,848 thousand |
| (2) Dividend per share | ¥5 |
| (3) Record date | February 29, 2024 |
| (4) Effective date | April 26, 2024 |
| (5) Source of dividends | Retained earnings |

II. Three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

Not applicable.

(Segment information)

I. Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

1. Information on the amount of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Japan	ASEAN	China	Total		
Net sales						
Net sales to external customers	16,121,576	3,077,920	1,190,318	20,389,815	—	20,389,815
Inter-segment net sales or transfers	51,013	—	—	51,013	(51,013)	—
Total	16,172,589	3,077,920	1,190,318	20,440,828	(51,013)	20,389,815
Segment profit (loss)	883,092	332,694	(729,225)	486,561	(601)	485,960

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

2. Information on impairment losses on non-current assets or goodwill by reportable segment

(Important impairment losses on non-current assets)

For the three months ended May 31, 2024, impairment losses were recorded as follows: ¥7,656 thousand for ASEAN, and ¥25,834 thousand for China.

II. Three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

1. Information on the amount of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Japan	ASEAN	China	Total		
Net sales						
Net sales to external customers	17,655,445	3,479,271	764,242	21,898,959	—	21,898,959
Inter-segment net sales or transfers	66,190	—	—	66,190	(66,190)	—
Total	17,721,636	3,479,271	764,242	21,965,150	(66,190)	21,898,959
Segment profit (loss)	1,346,638	244,003	(368,791)	1,221,851	1,147	1,222,998

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

2. Information on impairment losses on non-current assets or goodwill by reportable segment

(Important impairment losses on non-current assets)

For the three months ended May 31, 2025, impairment losses were recorded as follows: ¥3,892 thousand for Japan, ¥8,775 thousand for ASEAN, and ¥181 thousand for China.

(Notes - Revenue recognition)

Information on disaggregation of revenue from contracts with customers

Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

(Thousand yen)

	Reportable segment			
	Japan	ASEAN	China	Total
Net sales from amusement machines and facilities	13,306,482	2,718,201	919,624	16,944,307
Net sales of goods	2,586,465	334,053	270,694	3,191,213
Net sales from consignment	28,599	25,665	—	54,265
Other	200,029	—	—	200,029
Revenue from contracts with customers	16,121,576	3,077,920	1,190,318	20,389,815
Net sales to external customers	16,121,576	3,077,920	1,190,318	20,389,815

Three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

(Thousand yen)

	Reportable segment			
	Japan	ASEAN	China	Total
Net sales from amusement machines and facilities net sales	14,533,737	2,996,379	591,886	18,122,003
Net sales of goods	2,868,098	453,608	172,355	3,494,063
Net sales from consignment	38,046	29,283	—	67,330
Other	215,562	—	—	215,562
Revenue from contracts with customers	17,655,445	3,479,271	764,242	21,898,959
Net sales to external customers	17,655,445	3,479,271	764,242	21,898,959

(Per share information)

Basic earnings per share and the basis for its calculation, as well as diluted earnings per share and the basis for its calculation, are as follows:

	Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)	Three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)
(1) Basic earnings per share (Yen)	2.78	7.37
(Basis for calculation)		
Profit attributable to owners of parent (Thousand yen)	54,959	145,704
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	54,959	145,704
Average number of shares outstanding during the period (Shares)	19,770,775	19,778,315
(2) Diluted earnings per share	2.77	7.34
(Basis for calculation)		
Adjustment to profit attributable to owners of parent (Thousand yen)	—	—
Increase in the number of common shares (Shares)	56,750	81,956
Overview of significant changes from the end of the previous fiscal year in dilutive shares that are not included in the calculation of diluted earnings per share due to the lack of dilutive effect	—	—

(Significant subsequent events)

(Reduction of capital and retained earnings reserves and appropriation of surplus)

At a meeting of the Board of Directors held on April 11, 2025, the Board of Directors of the Company resolved to file a proposal regarding the reduction of capital and retained earnings reserves and the appropriation of surplus, which is quoted below, at the Ordinary General Meeting of Shareholders scheduled for May 21, 2025. The proposal was approved at the Ordinary General Meeting of Shareholders and took effect on June 23, 2025.

1. Purpose of Reduction of Reserves

As of February 28, 2025, the Company had recorded a deficit of ¥1,790,813,404 in retained earnings brought forward. To eliminate this deficit, strengthen the soundness of its financial base, and secure flexibility and agility in its capital policy, including potential future returns to shareholders, the Company will reduce its capital and retained earnings reserves and appropriate its surplus.

Specifically, in accordance with Article 448, Paragraph (1) of the Companies Act, the Company plans to reduce its capital and retained earnings reserves and transfer the entire reduced amount to other capital surplus and retained earnings brought forward. Furthermore, in accordance with Article 452 of the Companies Act, the Company plans to transfer a portion of the other capital surplus to retained earnings brought forward in order to eliminate the deficit in retained earnings brought forward.

This will not result in any change to the total number of issued shares or the amount of net assets, and will not affect the number of shares held by shareholders or the net assets per share.

2. Amount of Reduction in Reserves

Capital reserve: ¥4,500,000,000 out of ¥4,810,268,021

Retained earnings reserve: ¥212,500,000 out of ¥212,500,000 (full amount)

3. Method of Reduction of Reserves

The entire amount of the capital reserve reduction will be transferred to other capital surplus, and the entire amount of the retained earnings reserve reduction will be transferred to retained earnings brought forward.

4. Details of Appropriation of Surplus

In accordance with Article 452 of the Companies Act, a portion of other capital surplus, after the reduction of the capital reserve, will be reduced and transferred to retained earnings brought forward in order to offset the deficit.

(1) Amount of surplus to be reduced

Other capital surplus: ¥1,578,313,404 out of ¥4,532,695,335

(2) Amount of surplus to be increased

Retained earnings brought forward: ¥1,578,313,404

5. Timeline for reduction of reserves

(1) Date of resolution of the Board of Directors:	April 11, 2025
(2) Date of resolution of the Ordinary General Meeting of Shareholders:	May 21, 2025
(3) Public notice of creditors' objections:	May 21, 2025
(4) Final date for creditors to make objections:	June 21, 2025
(5) Effective date:	June 23, 2025

6. Future Outlook

These transactions represent a reclassification of accounts within "net assets" and will have no impact on the Company's financial results.