

# Consolidated Financial Results for the Fiscal Year Ended February 28, 2022

## [Japanese GAAP]

April 8, 2022

Company Name: MARUZEN CO.,LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5982

URL <http://www.maruzen-kitchen.co.jp>

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Scheduled date of Annual General Meeting of Shareholders: May 26, 2022

Scheduled date of commencing dividend payments: May 27, 2022

Scheduled date of filing annual securities report: May 27, 2022

Availability of supplementary briefing material on annual financial results: Available

Availability of annual financial results briefing session: Yes (For analysts and institutional investors)

(Figures are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 1, 2021 to February 28, 2022)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2022	52,825	16.3	3,829	13.0	4,236	14.2	2,873	14.7
February 28, 2021	45,410	△15.2	3,388	△29.6	3,710	△28.6	2,504	△30.3

(Note) Comprehensive income: Fiscal year ended February 28, 2022: ¥2,857 million (13.3%)

Fiscal year ended February 28, 2021: ¥2,523 million (△14.8%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended February 28, 2022	177.46	—	7.1	7.2	7.2
February 28, 2021	154.78	—	6.6	6.7	7.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2022: ¥\_\_ million

Fiscal year ended February 28, 2021: ¥\_\_ million

#### (1) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended February 28, 2022	61,755	41,471	67.2	2,560.68
February 28, 2021	55,295	39,070	70.7	2,414.32

(Reference) Equity: As of February 28, 2022: ¥41,471 million

As of February 28, 2021: ¥39,070 million

#### (2) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended February 28, 2022	7,685	△712	△494	29,097
February 28, 2021	1,531	△1,117	△901	22,618

### 2. Dividends

	Annual dividends					Total dividends (Total)	Payout Ratio (Consolidated)	Dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 28, 2021	—	15.00	—	15.00	30.00	485	19.4	1.3
February 28, 2022	—	15.00	—	35.00	50.00	809	28.2	2.0
Fiscal year ending February 28, 2023 (Forecast)	—	25.00	—	25.00	50.00		28.9	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	26,118	△0.0	2,000	△0.9	2,170	△1.4	1,470	△1.8	90.77
Full year	51,500	△2.5	3,725	△2.7	4,120	△2.7	2,800	△2.6	172.89

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: — (Company name: —) Exclusion: — (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(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, 2022	19,780,000 shares
February 28, 2021	19,780,000 shares

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

February 28, 2022	3,584,534 shares
February 28, 2021	3,597,000 shares

3) Average number of shares during the period:

February 28, 2022	16,191,300 shares
February 28, 2021	16,178,822 shares

#### (Reference) Summary of Non-consolidated Financial Results

#### Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 1, 2021 to February 28, 2022)

(1) Non-consolidated Operating Result

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2022	50,985	18.2	3,146	38.6	3,985	29.1	2,709	29.4
February 28, 2021	43,141	△15.9	2,269	△43.3	3,086	△37.6	2,093	△39.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended February 28, 2022	167.34	—
February 28, 2021	129.42	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended February 28, 2022	55,393	38,359	69.2	2,368.54
February 28, 2021	49,830	36,092	72.4	2,230.26

(Reference) Equity: As of February 28, 2022: ¥38,359 million As of February 28, 2021: ¥36,092 million

\* These financial results are outside the scope of audit.

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

Financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. As for the conditions of business performance forecasts and notes for using the financial results forecasts, please refer to “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Fiscal Year under Review 2) Outlook for the Next Fiscal Year” on Page 2 of the attached document.

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# 1. Overview of Operating Results, etc.

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

### 1) Overview of the Consolidated Fiscal Year under Review

Japan's economy during the current consolidated fiscal year (March 1, 2021 - February 28, 2022) has been rocked by the COVID-19 pandemic, which has continued since the year before last, and an extremely difficult situation continues due to the decline of economic and consumer activities. Additionally, the rising cost of resources and a shortage of semiconductors, etc., is making the future unreadable not only for Japan, but for the entire global economy.

The Group's major customers in the restaurant/home-meal industries were impacted by COVID-19, and consequently they experienced significant decreases in sales in the food/beverage and accommodation markets. This in turn increased the number of business closures due to the restaurants' self-imposed restrictions and limited business hours, self-quarantine throughout communities and a decreased appetite for consumption as well as a decrease in the otherwise expected inbound effects. The impact from the coronavirus has varied according to the given industry and its business conditions. For example, sales have increased in supermarkets, food take-out and delivery services. Generally, however, the environment has been very difficult.

In this economic environment, our company's consolidated net sales were 52,825 million yen (16.3% increase over the previous term), operating profit was 3,829 million (13.0% increase over the previous term), ordinary profit was 4,236 million yen (14.2% increase over the previous term) and net profit attributable to shareholders of the parent company was 2,873 million yen (14.7% increase over the previous term).

The business results for each segment are shown as follows.

#### (Commercial Kitchen Department)

Due to the spread of the COVID-19 pandemic, the Company's main business operation, i.e., the Commercial Kitchen Department, continued to suffer with respect to the restaurant and hotel/inn markets throughout the subject fiscal year. However, we have focused our business interests on supermarkets, for which conditions remain favorable, and companies operating restaurants that continue to open new facilities and have a broad appeal to facility investors, despite the difficult economic environment, for the wide range of industries and business categories represented by the Group's customers. In addition, there is a favorable shift across to the sale of a diverse range of individual original goods by companies enjoying prosperity within the industry. As part of our strategy to counter COVID-19, we put our efforts into improving our customers' peace of mind, safety and satisfaction by proposing and promoting the sale of sanitation-related products, such as automatic hand/finger sanitizers and food take-out/delivery equipment, as well as conducting cooking webinars.

As a result, net sales were 50,387 million yen (18.3% increase from the previous term) and operating profit was 4,133 million yen (21.5% increase from the previous term).

#### (Large-scale Bakery Department)

In our Large-scale Bakery Department, the Company was mostly unable to carry out sales overseas due to the effects of the COVID-19 pandemic. There was also a lack of large-scale facility investment in Japan, and this resulted in net sales of 1,859 million yen (19.4% decrease from the previous term) and operating loss of 4 million yen (operating profit for the previous term was 316 million yen).

#### (Rental Building Department)

Business results for the five rental properties purchased for the purpose of making efficient use of the Company's properties and funds are running according to plan, resulting in net sales of 597 million yen (an increase of 10.3% from the previous term) and operating profit of 424 million yen (a 16.5% increase from the previous term).

## 2) Outlook for the Next Fiscal Year

With respect to the outlook for the next fiscal year, there is concern that COVID-19 will continue to impact our financial situation. Also, in addition to the rising cost of resources and a shortage of semiconductors, the soaring cost of nickel and wheat, etc., due to the conflict between Russia and the Ukraine will have a negative effect on the global economy, which is expected to create difficulties in the future not only for Japan, but for the entire global economy.

With regard to the Commercial Kitchen Department, our main business operation, it is expected that the effects of the COVID-19 pandemic will result in sales continuing to drop, particularly in the food/beverage and accommodation industries, thereby causing those businesses to slow down or shut down. In contrast, it is predicted that sales will increase for supermarkets and food-production plants. In the food and beverage industry, which is facing extreme challenges, it is also expected that there will be an increasing movement to seek survival by changing business approaches, such as with a switch from dining-in to delivery and take-out. In other words, it is thought that additional efforts to return economic activities back to normal, including within the food/beverage industry, will become apparent amid the COVID-19 crisis.

In this economic situation, we will make the most of our top-of-the-industry product diversification, which is the Company's strength, as well as our high mobility supported by our nationwide sales establishment structure. We will expand the scope of our business in various industries, including mass feeding services for social welfare facilities, hospitals and schools, which are less susceptible to the effects of COVID-19, meet the demands of customers in a wide range of industries and business fields and strive to increase sales based on our existing products.

The Bakery Department, meanwhile, has barely been able to conduct overseas business during the subject fiscal year. Thus, in the next fiscal year we will focus on overseas business as we track the infection status of COVID-19. We will also strive to increase sales to domestic and international bread producers. At the same time, we will continue to develop new business relationships with various food manufacturers in different industries in order to secure stable sales results.

In the Rental Building Department, results similar to those of the previous fiscal year can be expected from existing properties.

The outlook for the next fiscal year includes net sales of 51,500 million yen (2.5% decrease from the previous term), operating profit of 3,725 million yen (2.7% decrease from the previous term), ordinary profit of 4,120 million yen (2.7% decrease from the previous term), and net profit attributable to shareholders of the parent company of 2,800 million yen (2.6% decrease from the previous term).

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

### 1) Overview of Assets, Liabilities and Net Assets

With regard to assets, current assets recorded 43,013 million yen, an increase of 6,872 million yen compared to the end of the previous consolidated fiscal year, due to a smooth transition across to the recovery of trade receivables. Non-current assets recorded 18,742 million yen, a decrease of 413 million yen in comparison with the end of the previous consolidated fiscal year, due to the depreciation of existing tangible assets, etc.

With regard to liabilities, current liabilities recorded 17,529 million yen, an increase of 4,156 million yen compared to the end of the previous consolidated fiscal year, due to an increase in trade accounts payable in alignment with an increase in net sales, etc. Non-current liabilities recorded 2,755 million yen, a decrease of 96 million yen compared to the end of the previous consolidated fiscal year, due to a reduction in long-term notes payable, etc.

The Company's net assets were 41,471 million yen, an increase of 2,400 million yen from the end of the previous consolidated year, owing to an increase in retained earnings due to the recording of net profit attributable to shareholders of the parent company.

### 2) Status of Cash Flow

Cash and cash equivalents (hereafter referred to as "capital") as of this fiscal year had an increase of 6,478 million yen to 29,097 million yen (28.6% increase from the same period last year). Also, the conditions of each cash flow and major factors are as follows:

(Net cash provided by operating activities)

The sales activities resulted in acquired capital of 7,685 million yen (401.9% increase from the same period last year).

This is mainly attributable to the recording of profit before income taxes of 4,239 million yen, and the smooth transition across to the recovery of trade receivables, etc.

(Net cash provided by investment activities)

Capital used in investment activities was 712 million yen (36.3% decrease from the same period last year).

This is mainly attributable to the acquisition of tangible fixed assets valued at 619 million yen, etc.

(Net cash provided by financing activities)

Capital used for financing activities was 494 million yen (45.2% decrease from the same period last year). This is attributable to a 485 million yen payment for dividends, etc.

## (3) Basic Policy related to Profit Allocation and Dividends for the Current and Next Fiscal Years

The Company considers returning profits to our shareholders as one of the most important tasks as a corporation and has made it a standard corporate policy to provide stable dividends continuously, and we estimate consolidated dividend payout ratio of 30% from this fiscal year. Also, the retained earnings will be used to invest in research and development, equipment and expansion of the Company's market share to secure a steady increase in our business scale and to improve the company's corporate value.

The cash dividend per share at the end of this fiscal year was 35 yen, and the annual dividend per share was 50 yen (including 15 yen at the interim period).

The Company's annual cash dividend per share is planned at 50 (25 yen at the end of the second quarter, 25 yen at the end of the fiscal year) from the viewpoint of providing steady and continuous allocation.

The Company is also offering a special benefit plan for shareholders to express our gratitude for their support of our business. At the end of February and August of the current fiscal year, those who own more than 300 shares will receive a QUO Card, and those who own more than 1,000 shares will receive a JF Gourmet Card (gift certificate that can be used at restaurants throughout Japan).

## 2. Basic Stance Concerning Choice of Accounting Standards

By taking comparability of consolidated financial statements with other terms and with other companies into consideration, our Corporate Group plans to continue using Japanese accounting standards for our consolidated financial statements for the foreseeable future.

Also, use of International Financial Reporting Standards (IFRS) will be considered for application based on the domestic and overseas business situations.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Thousand yen)

	For the fiscal year ended (February 28, 2021)	For the fiscal year ended (February 28, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	22,618,706	29,097,672
Notes and accounts receivable - trade	8,141,261	8,237,785
Merchandise and finished goods	3,783,915	2,840,934
Work in process	511,594	1,305,541
Raw materials and supplies	954,297	1,252,361
Other	141,456	284,838
Allowance for doubtful accounts	△10,595	△5,514
Total current assets	36,140,636	43,013,620
Non-current assets		
Tangible assets		
Buildings and structures	17,862,739	17,886,980
Cumulative depreciation	△10,911,486	△11,304,876
Buildings and structures, net	6,951,253	6,582,104
Machinery, equipment and vehicles	7,760,757	7,827,892
Cumulative depreciation	△6,175,573	△6,503,549
Machinery and delivery equipment, net	1,585,184	1,324,342
Land	7,893,156	7,892,002
Leased assets	29,612	29,612
Cumulative depreciation	△22,091	△24,903
Leased assets, net	7,520	4,708
Construction in progress	—	31,849
Other	1,400,120	1,416,021
Cumulative depreciation	△1,301,216	△1,346,821
Other, net	98,904	69,200
Total tangible assets	16,536,018	15,904,207
Intangible assets		
Software	16,230	13,671
Leased assets	14,382	12,531
Total intangible assets	30,612	26,203
Investments and other assets		
Investment securities	1,936,728	2,087,459
Long-term loans	30,527	19,985
Deferred tax assets	431,497	518,541
Other	198,789	193,866
Allowance for doubtful accounts	△8,887	△8,011
Total investments and other assets	2,588,655	2,811,841
Total non-current assets	19,155,285	18,742,251
Total assets	55,295,922	61,755,872

(Thousand yen)

	For the fiscal year ended (February 28, 2021)	For the fiscal year ended (February 28, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,341,637	4,652,354
Electronically Recorded Debt	—	8,653,942
Lease obligations	7,947	6,579
Income taxes payable	437,718	994,324
Provision for bonuses	615,000	657,000
Reserve for directors' bonuses	55,202	57,572
Notes payable - equipment	520,819	272,407
Other	1,394,366	2,235,012
Total current liabilities	13,372,692	17,529,192
Non-current liabilities		
Lease obligations	16,053	12,356
Deferred tax liability on reappraisals	172,186	172,186
Reserve for retirement benefits for officers	23,400	25,900
Debt related to retirement benefits	1,791,993	1,870,094
Notes payable-long-term installations	508,993	347,048
Other	339,609	327,718
Total non-current liabilities	2,852,237	2,755,305
Total liabilities	16,224,929	20,284,497
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,164,950	3,164,950
Capital surplus	2,505,468	2,522,326
Retained earnings	40,102,717	42,490,381
Treasury shares	△3,299,707	△3,288,319
Total shareholders' equity	42,473,427	44,889,338
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	1,118,707	1,133,957
Difference in revaluation of land	△4,556,460	△4,556,460
Re-measurements of defined benefit plans	35,318	4,539
Total other accumulated comprehensive income	△3,402,434	△3,417,963
Total net assets	39,070,993	41,471,374
Total liabilities and net assets	55,295,922	61,755,872

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

(Thousand yen)

	For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)	For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)
Net sales	45,410,642	52,825,400
Cost of sales	32,111,953	38,357,960
Gross profits	13,298,689	14,467,440
Sales, general and administrative expenses		
Shipping and packing expenses	1,431,744	1,655,496
Advertising expenses	150,402	166,042
Provision for allowance for doubtful accounts	10,595	5,514
Directors' compensation and salary payments	4,620,822	4,769,067
Benefit expenses	834,281	883,102
Provision for accrued bonuses	514,702	550,295
Transfer to reserves for directors' bonuses	55,202	57,572
Retirement benefit expenses	121,070	118,989
Depreciation	144,737	150,376
Rental charges	223,879	243,528
R&D costs	459,463	400,681
Other	1,343,133	1,637,266
Total sales, general and administrative expenses	9,910,035	10,637,933
Operating profit	3,388,653	3,829,506
Non-operating revenue		
Interest earned	341	203
Dividends earned	68,372	12,098
Rents for fixed assets	22,723	25,118
Purchase discounts	125,557	134,387
Revenue on sale of work scrap	84,920	207,835
Other	26,197	32,279
Total non-operating revenue	328,113	411,922
Non-operating expenses		
Interest expenses	1,044	—
Sales discounts	4,669	4,770
Other	84	273
Total non-operating expenses	5,797	5,044
Ordinary profit	3,710,969	4,236,384
Extraordinary income		
Gain from sale of fixed assets	14,930	4,184
Total extraordinary income	14,930	4,184
Extraordinary losses		
Loss on sale of non-current assets	—	469
Loss on retirement of non-current assets	123	183
Loss on valuation of investment securities	20,100	—
Total extraordinary losses	20,223	652
Profit before income taxes	3,705,676	4,239,916
Income taxes - deferred	1,167,008	1,446,843
Income taxes - deferred	34,440	△80,268
Total income taxes	1,201,448	1,366,575
Profit	2,504,228	2,873,340
Net profit attributable to shareholders of parent company	2,504,228	2,873,340



## (Consolidated Statement of Comprehensive Income)

(Thousand yen)

	For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)	For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)
Profit	2,504,228	2,873,340
Other comprehensive income		
Valuation difference on available- for-sale securities	7,321	15,249
Re-measurements of defined benefit plans, net of taxes	11,558	△30,779
Total other comprehensive income	18,880	△15,529
Comprehensive income	2,523,108	2,857,811
(Breakdown)		
Comprehensive income attributable to parent company shareholders	2,523,108	2,857,811
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,164,950	2,494,610	38,099,786	△3,311,174	40,448,172
Change during period					
Surplus dividends			△501,473		△501,473
Net profit attributable to shareholders of parent company			2,504,228		2,504,228
Disposition of treasury shares				11,466	11,466
Profit from disposition of treasury shares		10,858			10,858
Reversal of difference in revaluation of land			175		175
Net changes of items other than shareholders' equity					
Total change during period	—	10,858	2,002,930	11,466	2,025,255
Balance at end of current period	3,164,950	2,505,468	40,102,717	△3,299,707	42,473,427

	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Difference in revaluation of land	Re-measurements of defined benefit plans	Total other accumulated comprehensive income	
Balance at beginning of current period	1,111,385	△4,556,285	23,760	△3,421,139	37,027,032
Change during period					
Surplus dividends					△501,473
Net profit attributable to shareholders of parent company					2,504,228
Disposition of treasury shares					11,466
Profit from disposition of treasury shares					10,858
Reversal of difference in revaluation of land					175
Net changes of items other than shareholders' equity	7,321	△175	11,558	18,704	18,704
Total change during period	7,321	△175	11,558	18,704	2,043,960
Balance at end of current period	1,118,707	△4,556,460	35,318	△3,402,434	39,070,993

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,164,950	2,505,468	40,102,717	△3,299,707	42,473,427
Change during period					
Surplus dividends			△485,676		△485,676
Net profit attributable to shareholders of parent company			2,873,340		2,873,340
Purchase of treasury shares				△78	△78
Disposition of treasury shares				11,466	11,466
Profit from disposition of treasury shares		16,858			16,858
Net changes of items other than shareholders' equity					
Total change during period	—	16,858	2,387,663	11,388	2,415,910
Balance at end of current period	3,164,950	2,522,326	42,490,381	△3,288,319	44,889,338

	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Difference in revaluation of land	Re-measurements of defined benefit plans	Total other accumulated comprehensive income	
Balance at beginning of current period	1,118,707	△4,556,460	35,318	△3,402,434	39,070,993
Change during period					
Surplus dividends					△485,676
Net profit attributable to shareholders of parent company					2,873,340
Purchase of treasury shares					△78
Disposition of treasury shares					11,466
Profit from disposition of treasury shares					16,858
Net changes of items other than shareholders' equity	15,249	—	△30,779	△15,529	△15,529
Total change during period	15,249	—	△30,779	△15,529	2,400,380
Balance at end of current period	1,133,957	△4,556,460	4,539	△3,417,963	41,471,374

## (4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)	For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes	3,705,676	4,239,916
Depreciation	912,695	873,904
Increase (decrease) in allowance for bonuses	△76,000	42,000
Increase (decrease) in allowance for directors' bonuses	2,460	2,370
Increase (decrease) in liabilities related to retirement benefits	35,856	33,737
Increase (decrease) in directors' retirement benefits	△259,100	2,500
Increase (decrease) in allowance for doubtful accounts	△1,486	△5,956
Interest income and dividends received	△68,714	△12,301
Interest expenses	1,044	—
Loss (gain) on sale of investment securities	20,100	—
Loss (gain) on sale of tangible assets	△14,930	△3,715
Loss on retirement of tangible assets	123	183
Decrease (increase) in notes and accounts receivable – trade	779,214	△96,367
Decrease (increase) in inventories	△453,865	△149,030
Decrease (increase) in other current assets	6,443	△79,220
Increase (decrease) in notes and accounts payable – trade	△1,156,304	2,964,659
Increase (decrease) in accrued consumption tax, etc.	△389,925	297,857
Increase (decrease) in other current liabilities	△186,659	553,897
Increase (decrease) in other non-current liabilities	253,277	△9,123
Other	△8,039	1,206
Subtotal	3,101,865	8,656,517
Interest and dividend income received	68,748	12,300
Interest expenses paid	△981	—
Income taxes paid	△1,638,516	△983,474
Net cash provided by (used in) operating activities	1,531,115	7,685,344
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	△1,148,711	△619,263
Proceeds from sales of tangible fixed assets	16,787	8,558
Purchase of intangible fixed assets	△8,930	△7,118
Purchase of other fixed assets	△12,604	△6,094
Proceeds from decrease in other fixed assets	2,490	5,214
Purchase of investment securities	△540	△128,673
Revenue from collection of loans	10,851	10,695
Other	23,300	24,538
Net cash provided by (used in) investing activities	△1,117,356	△712,142
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	△400,000	—
Purchase of treasury shares	—	△78
Cash dividends paid	△501,522	△485,632
Other	—	△8,524
Net cash provided by (used in) financing activities	△901,522	△494,235
Net increase (decrease) in cash and cash equivalents	△487,763	6,478,965
Cash and cash equivalents at beginning of period	23,106,470	22,618,706
Cash and cash equivalents at end of period	22,618,706	29,097,672

(5) Notes on Consolidated Financial Statements

(Notes concerning assumptions  
regarding ongoing concerns)  
Not applicable.

(Additional information)

(Accounting estimates due to the effects of the COVID-19 pandemic)

The spread of COVID-19 has affected the Group's business activities, and it is extremely difficult to forecast the future direction of the pandemic or when it will end, etc.

However, there are signs of gradual improvement in infections within the Group, and we assume that we will be able to increase our economic activities stage by stage in the future, and will experience gradual recovery.

Amid this environment, the Group has considered various administrative situations and investigated the effects of these on accounting estimates, and we have come to the decision that it will not have a serious affect on the Group's business results.

There may be cases in which re-examine the effects of accounting estimates again in the future in the event of the end of the pandemic being extended for a longer period.

(Segment information, etc.)

[Segment Information]

1. Overview of reporting  
segments

Isolated financial information of the Group's constituent units is available from the Group's reporting segments; this information is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group classifies sales management into manufactured goods (heating equipment, work equipment, bakery equipment and so on) and merchandise (cooling equipment, cooking equipment, bakery-related equipment and so on). Responding to the needs of each customer, it is developing comprehensive domestic and overseas sales strategies and expanding its business activities. Moreover, the Group also treats three business classifications based on the makeup of sales –the commercial kitchen equipment manufacturing and sales business, the bakery equipment manufacturing and sales business and the building rental business - as reporting segments.

The commercial kitchen equipment manufacturing and sales business consists of manufacturing, purchasing and selling commercial kitchen equipment. The bakery equipment manufacturing and sales business consists of the manufacture, sales and maintenance of bakery equipment, such as bread plants. The building rental business rents out buildings (business hotels, for-profit nursing home etc.)

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for reported business segments is the same as that described in "Important matters as the basis for preparing consolidated financial statements."

Reported segment earnings are based on operating income.

Internal revenues and transfers between segments are based on prevailing market prices.

### 3. Information on the amount of sales, profits or losses, assets, liabilities and other items per reported segment

For the fiscal year ended Feb. 28, 2021 (March 1, 2020 to February 28, 2021)

(Thousand yen)

	Reporting segment				Adjusted amount See Note 1 See Note 2 See Note 3	Amount recorded on consolidated financial statements See Note 4
	Commercial kitchen equipment manufacturing and sales business	Bakery equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	42,600,098	2,268,743	541,801	45,410,642	—	45,410,642
Internal sales or transfers between segments	—	38,659	—	38,659	△38,659	—
Total	42,600,098	2,307,402	541,801	45,449,302	△38,659	45,410,642
Segment profits	3,401,966	316,372	364,586	4,082,924	△694,271	3,388,653
Segment assets	27,385,836	1,385,716	3,576,459	32,348,011	22,947,911	55,295,922
Other items						
Depreciation	783,292	19,078	98,065	900,436	12,259	912,695
Increase in tangible and intangible fixed assets	1,093,346	917	2,074	1,096,337	9,720	1,106,057

- (Notes) 1. The △¥694.271 million adjustment for segment profits includes elimination of intersegment transactions of ¥120 million and company-wide expenses of △¥814.271 million not allocated to each reporting segment. Company-wide expenses are mainly made up of general administrative expenses not attributable to reporting segments.
2. The ¥22,947.911 million adjustment for segment assets are company-wide assets not allocated to each reporting segment, with major items consisting of management funds (cash and deposits) and assets related to the management (headquarters) division.
3. The ¥12.259 million adjustment for depreciation expenses consists of amortization expenses for all corporate assets.
4. Segment profits are coordinated with the operating income of consolidated financial statements.

For the fiscal year ended Feb. 28, 2022 (March 1, 2021 to February 28, 2022)

(Thousand yen)

	Reporting segment				Adjusted amount See Note 1 See Note 2 See Note 3	Amount recorded on consolidated financial statements See Note 4
	Commercial kitchen equipment manufacturing and sales business	Bakery equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	50,387,448	1,840,135	597,816	52,825,400	—	52,825,400
Internal sales or transfers between segments	—	19,350	—	19,350	△19,350	—
Total	50,387,448	1,859,485	597,816	52,844,750	△19,350	52,825,400
Segment profits and losses (decreases)	4,133,978	△4,236	424,854	4,554,595	△725,089	3,829,506
Segment assets	27,203,746	1,659,781	3,487,954	32,351,483	29,404,388	61,755,872
Other items						
Depreciation	748,560	17,515	95,876	861,952	11,952	873,904
Increase in tangible and intangible fixed assets	226,963	—	1,148	228,111	8,952	237,063

- (Notes) 1. The △¥725.089 million adjustment for segment profits includes elimination of intersegment transactions of ¥120 million and company-wide expenses of △¥845.089 million not allocated to each reporting segment. Company-wide expenses are mainly made up of general administrative expenses not attributable to reporting segments.
2. The ¥29,404.388 million adjustment for segment assets are company-wide assets not allocated to each reporting segment, with major items consisting of management funds (cash and deposits) and assets related to the management (headquarters) division.
3. The ¥11.952 million adjustment for depreciation expenses consists of amortization expenses for all corporate assets.
4. Segment profits are coordinated with the operating income of consolidated financial statements.

[Related information]

For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business						Bakery equipment manufacturing and sales business		Building rental business	Total
	Company products				Products purchased from other companies		Company products	Products purchased from other companies		
	Heating equipment	Work equipment		Parts, etc.	Cooling equipment	Cooking service equipment	Bakery equipment	Bakery-related equipment		
		Standard	Order							
Sales to external customers (thousand yen)	10,986,932	2,459,428	3,350,739	4,225,410	7,665,477	13,912,108	2,172,518	96,225	541,801	45,410,642

2. Information by region

(1) Sales

Since sales to customers outside of Japan exceed 90% of sales on the consolidated income statement, the description is omitted.

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated income statement, the description is omitted.

3. Major customer-specific information

Since no customer makes up 10% or more of sales to outside customers on the consolidated income statement, the description is omitted.

For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business						Bakery equipment manufacturing and sales business		Building rental business	Total
	Company products				Products purchased from other companies		Company products	Products purchased from other companies		
	Heating equipment	Work equipment		Parts, etc.	Cooling equipment	Cooking service equipment	Bakery equipment	Bakery-related equipment		
		Standard	Order							
Sales to external customers (thousand yen)	13,495,975	3,000,305	3,712,314	4,470,457	9,163,629	16,544,764	1,777,150	62,985	597,816	52,825,400

2. Information by region

(1) Sales

Since sales to customers outside of Japan exceed 90% of sales on the consolidated income statement, the description is omitted.

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated income statement, the description is omitted.

3. Major customer-specific information

Since no customer makes up 10% or more of sales to outside customers on the consolidated income statement, the description is omitted.

[Information on impairment loss of fixed assets by reporting segment]

Not applicable.

[Information on negative goodwill amortization and unamortized balance by reporting segment]

Not applicable.

[Information on negative goodwill amortization by reporting segment]

Not applicable.

(Per share information)

Item	For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)	For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)
Net assets per share	¥2,414.32	¥2,560.68
Net income per share	¥154.78	¥177.46

(Notes) 1. No net income per share adjusted for potential diluted shares is stated because there are no potential shares.

2. The basis for calculating net income per share is as follows.

	For the fiscal year ended February 28, 2021 (March 1, 2020 to February 28, 2021)	For the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022)
Net income per share		
Net income attributable to shareholders of parent company (thousand yen)	2,504,228	2,873,340
Amount not attributable to common shareholders (thousand yen)	—	—
Net income attributable to shareholders of parent company related to common stock (thousand yen)	2,504,228	2,873,340
Average number of shares during the period (thousand shares)	16,178	16,191

(Important subsequent events)

Not applicable.

#### 4. Others

(1) Changes in Officers

Not applicable.

(2) Others

Not applicable.