

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

April 11, 2025

Company Name: MARUZEN CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 5982 URL <http://www.maruzen-kitchen.co.jp>
 Representative: Keiichi Watanabe, President
 Contact: Koji Kimizuka, Director Phone: +81-3-5603-7755
 Scheduled date of Annual General Meeting of Shareholders: May 28, 2025
 Scheduled date of commencing dividend payments: May 29, 2025
 Scheduled date of filing annual securities report: May 29, 2025
 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, 2025 (March 1, 2024 to February 28, 2025)

(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, 2025	64,253	6.0	6,094	25.5	6,658	25.6	4,647	25.3
February 29, 2024	60,596	5.3	4,857	35.7	5,300	29.9	3,708	31.7

(Note) Comprehensive income: Fiscal year ended February 28, 2025: ¥4,773 million (16.1%)
 Fiscal year ended February 29, 2024: ¥4,109 million (43.3%)

	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, 2025	294.43	—	9.9	9.6	9.5
February 29, 2024	230.48	—	8.4	7.9	8.0

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

(Note) “Basic earnings per share” is calculated by including the Company's shares held by the stock benefit trust account in treasury stock, which is deducted when calculating the average number of shares during the period.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended February 28, 2025	70,654	48,492	68.6	3,061.58
February 29, 2024	67,883	45,272	66.7	2,863.15

(Reference) Equity: As of February 28, 2025: ¥48,492 million
 As of February 29, 2024: ¥45,272 million

(Note) “Net assets per share” is calculated by including the Company's shares held by the stock benefit trust account in treasury stock, which is deducted when calculating the number of treasury stocks at the end of the fiscal year.

(3) 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, 2025	5,431	△12,905	△1,746	23,847
February 29, 2024	4,661	△759	△2,411	33,067

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 29, 2024	—	35.00	—	55.00	90.00	1,464	39.0	3.2
February 28, 2025	—	45.00	—	70.00	115.00	1,872	39.1	3.9
Fiscal year ending February 28, 2026 (Forecast)	—	55.00	—	60.00	115.00		38.8	

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

(% 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
Full year	65,000	△1.2	6,150	0.9	6,750	1.4	4,700	1.1	296.74

(Note) "Basic earnings per share" is calculated by including the Company's shares held by the stock benefit trust account as of the end of the fiscal year ending February 28, 2025 in treasury shares, which are deducted when calculating the average number of shares during the period.

* 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, 2025	19,780,000 shares
February 29, 2024	19,780,000 shares

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

February 28, 2025	3,940,956 shares
February 29, 2024	3,968,056 shares

3) Average number of shares during the period:

February 28, 2025	15,783,642 shares
February 29, 2024	16,092,437 shares

(Note) "Total number of treasury shares at the end of the period" includes the number of Company shares held by the stock benefit trust account. In addition, the treasury stock deducted in the calculation of "average number of shares during period" includes the average number of Company shares held by the stock benefit trust account during the period.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)

(1) Non-consolidated Operating Result

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2025	60,837	5.0	4,931	17.7	6,003	17.3	4,194	17.2
February 29, 2024	57,959	4.7	4,188	42.7	5,116	32.1	3,580	36.3

Fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
February 28, 2025	265.75		—	
February 29, 2024	222.48		—	

(Note) "Basic earnings per share" is calculated by including the Company's shares held by the stock benefit trust account in treasury stock, which is deducted when calculating the average number of shares during the period.

(2) Non-consolidated Financial Position

Fiscal year ended	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
February 28, 2025	63,714		44,747		70.2		2,825.14	
February 29, 2024	61,290		41,916		68.4		2,650.94	

(Reference) Equity: As of February 28, 2025: ¥44,747 million As of February 29, 2024: ¥41,916 million

(Note) "Net assets per share" is calculated by including the Company's shares held by the stock benefit trust account in treasury stock, which is deducted when calculating the number of treasury stocks at the end of the fiscal year.

* 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

During the current consolidated fiscal year (March 1, 2024 to February 28, 2025), the Japanese economy showed a gradual recovery trend, with improvements in corporate earnings, employment, and the income environment. However, the future remains uncertain due to factors such as the unstable international situation and the persistence of high raw material prices. The food service industry, which is one of the Group's main customers, has performed steadily thanks to the recovery in foot traffic and inbound demand, but at the same time, the economy has been struggling with customers' desire to save money amid rising prices. Due to factors such as an increasing trend toward low prices and the impact of serious labor shortages, the situation varies by industry and business type, including the ready-meal industry, and the situation remains one that does not allow for optimism.

Under these circumstances, sales for the current consolidated fiscal year were 64,253 million yen (up 6.0% from the previous fiscal year), operating profit was 6,094 million yen (up 25.5% from the previous fiscal year), ordinary profit was 6,658 million yen (up 25.6% from the previous fiscal year), and net income attributable to parent company shareholders was 4,647 million yen (up 25.3% from the previous fiscal year), with both sales and profit being record highs.

The performance by segment is as follows:

(Commercial Kitchen Department)

In our main business, the Commercial Kitchen Department, we actively provided our customers in the wide range of industries and business formats of our group's customers with the widest range of original products in the industry, including high quality, high functionality, low price, and safe kitchen equipment, as well as kitchen equipment that contributes to the SDGs by saving energy and improving the working environment, and strengthened our service and maintenance system. In the midst of this, we have been actively working to provide route sales to general restaurants and restaurant chains, in response to the recovery of traffic and consumption activities, including inbound tourists. Sales to retailers such as supermarkets and other distributors were favorable, resulting in increased revenue. On a profit basis, we were able to absorb the high costs of raw materials and other items and the increase in labor costs associated with human investment, thereby ensuring increased profits.

As a result of the above, sales were 60,290 million yen (up 5.1% from the previous fiscal year), and operating profit was 6,262 million yen (up 21.0% from the previous fiscal year).

(Large Baking Machinery Department)

In our Large Baking Machinery Department, we worked to expand sales to domestic and overseas bread manufacturers and various food factories in different industries. As a result of recording sales of large overseas properties, net sales were 3,447 million yen (up 29.5% year on year) and operating income was 338 million yen (up 211.9% year on year).

(Rental Building Department)

In our Rental Building Department, which owns five properties and aims to make effective use of land and funds, sales were 547 million yen (down 6.6% from the previous fiscal year) and operating profit was 363 million yen (down 8.8% from the previous fiscal year) due to the expiration of a lease contract for one property during the period.

2) Outlook for the Next Fiscal Year

As for the outlook for the next fiscal year, personal consumption is expected to remain strong, but there are concerns that the international situation will become even more unstable, and domestically there are concerns that raw material prices and utility costs will remain high and that labor shortages will become even more severe.

Even in our Commercial Kitchen Department, which is our main business, we expect the situation to be difficult, with a worsening labor shortage, high raw material and utility costs, and a decline in enthusiasm for opening new shops due to soaring construction prices.

In this environment, we will utilize our strengths—our industry-leading product lineup and the high mobility of our sales offices across the country—to expand our sales reach to customers in all types of industries and business formats, meet the needs of a wide range of customers, and increase sales based on our own products.

In our Large Baking Machinery Department, we will continue to work to expand sales to domestic and overseas bread manufacturers and various food factories in different industries.

In our Rental Building Department, although one property's contract expired during the period, resulting in a decrease in revenue compared to the previous period, we expect revenues from each of the four properties currently being rented to be at the same level as the current period.

Our business outlook for the next fiscal year is as follows: net sales are expected to be 65.0 billion yen (up 1.2% from the previous fiscal year), operating income is expected to be 6.15 billion yen (up 0.9% from the same period), ordinary profit is expected to be 6.750 billion yen (up 1.4% from the same period), and net profit attributable to parent company shareholders is expected to be 4.7 billion yen (up 1.1% from the same period).

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

1) Overview of Assets, Liabilities and Net Assets

Assets increased by 2,771 million yen compared to the end of the previous consolidated fiscal year to 70,654 million yen, due to an increase in cash and deposits resulting from steady collection of accounts receivable.

Liabilities decreased by 449 million yen compared to the end of the previous consolidated fiscal year to 22,162 million yen, due to factors including the withdrawal of advances received after large overseas properties that had been received as contract payments since the previous consolidated fiscal year and prior were inspected during the current consolidated fiscal year.

Net assets increased by 3,220 million yen compared to the end of the previous consolidated fiscal year to 48,492 million yen due to an increase in retained earnings following 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”) for the current consolidated fiscal year decreased by 9,220 million yen compared to the end of the previous consolidated fiscal year, to 23,847 million yen (down 27.9% from the previous fiscal year), due to expenditures of 12.0 billion yen for large term deposits, etc. Also, the conditions of each cash flow and major factors are as follows:

(Net cash provided by operating activities)

Capital provided by operating activities was 5,431 million yen (up 16.5% year on year).

The main contributing factor was the recording of profit before taxes and other adjustments of 6,662 million yen (up 25.9% year on year).

(Net cash provided by investment activities)

As a result of investment activities, capital used was 12,905 million yen (759 million yen spent in the same period of the previous year).

The main factor was the effective use of capital, including the placement of large term deposits of 12,000 million yen (there was no such transaction in the same period of the previous year).

(Net cash provided by financing activities)

Capital used for financing activities was 1,746 million yen (down 27.6% from the previous fiscal year).

This was mainly due to dividend payments of 1,628 million yen (up 25.6% year on year).

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

We consider the return of profits to shareholders to be one of our most important tasks, and while our basic policy is to pay stable and continuous dividends, we have raised our consolidated dividend payout ratio from 30% to 40% since two fiscal years earlier, and will continue to aim for a dividend payout ratio of 40% in the current 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 70 yen, and the annual dividend per share was 115 yen (including 45 yen at the interim period).

The Company’s annual cash dividend per share is planned at 115 (55 yen at the end of the second quarter, 60 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 29, 2024)	For the fiscal year ended (February 28, 2025)
Assets		
Current assets		
Cash and deposits	33,067,889	35,847,011
Bills receivable	693,652	401,002
Electronic record receivables	1,052,566	1,285,579
Receivables	6,995,180	7,385,148
Merchandise and products	2,956,923	3,461,233
Work in progress	1,419,961	742,116
Raw materials and stored products	1,750,107	1,632,532
Others	618,588	188,802
Provisions for debt loss	△2,907	△7,103
Total current assets	48,551,962	50,936,324
Non-current assets		
Tangible fixed assets		
Buildings and structures	18,373,647	18,798,572
Accumulated depreciation	△11,884,908	△12,298,629
Buildings and structures (net)	6,488,739	6,499,943
Mechanical devices and conveyors	8,279,079	8,546,604
Accumulated depreciation	△6,955,438	△7,180,944
Machinery, equipment and conveyors (net)	1,323,640	1,365,660
Lands	7,854,871	7,854,871
Leased assets	21,597	21,597
Accumulated depreciation	△10,076	△14,132
Leased assets (net)	11,520	7,464
Construction in progress	—	13,728
Others	1,429,982	1,459,677
Accumulated depreciation	△1,385,744	△1,403,456
Other (net)	44,238	56,220
Total tangible fixed assets	15,723,010	15,797,889
Intangible fixed assets		
Software	12,266	31,695
Leased assets	8,368	4,061
Total intangible fixed assets	20,634	35,756
Investments and other assets		
Investment securities	2,988,667	3,261,025
long-term loans	3,253	2,127
Deferred tax assets	402,386	423,504
Others	198,088	201,297
Provisions for debt loss	△4,583	△3,377
Total investments and other assets	3,587,813	3,884,577
Total fixed assets	19,331,458	19,718,223
Total assets	67,883,421	70,654,547

(Thousand yen)

	For the fiscal year ended (February 29, 2024)	For the fiscal year ended (February 28, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable	4,082,110	4,015,188
Electronic record debt	10,415,549	10,001,468
Lease debt	9,200	5,802
Unpaid corporate taxes, etc.	1,034,333	1,306,982
Advance payment	1,360,461	877,484
Reserve for bonuses	760,000	810,000
Provision for executive bonuses	55,950	62,310
Equipment related bills payable	102,232	44,811
Equipment-related electronic record liabilities	289,425	203,864
Others	1,496,934	1,623,006
Total current liabilities	19,606,198	18,950,919
Non-current liabilities		
Lease obligations	12,677	6,875
Deferred tax liabilities	—	50,585
Deferred tax liabilities relating to revaluation	172,186	172,186
Provision for executive retirement benefits	31,400	14,400
Liabilities relating to retirement benefits	2,003,258	2,161,019
Long-term equipment-related bills payable	59,321	14,510
Long-term equipment-related electronic record debt	390,893	262,991
Others	335,455	528,519
Total fixed liabilities	3,005,193	3,211,088
Total liabilities	22,611,391	22,162,007
Net assets section		
Shareholders' equity		
Capital	3,164,950	3,164,950
Capital surplus	3,503,331	3,525,583
Retained earnings	46,733,004	49,750,455
Treasury stock	△5,178,318	△5,123,456
Total shareholders' equity	48,222,966	51,317,532
Other accumulated comprehensive income		
Other securities valuation differences	1,662,471	1,851,599
Land revaluation difference	△4,543,591	△4,543,591
Accumulated adjustments relating to retirement benefits	△69,816	△133,000
Total other accumulated comprehensive income	△2,950,936	△2,824,992
Total net assets	45,272,030	48,492,539
Total liabilities and net assets	67,883,421	70,654,547

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

(Thousand yen)

	For the fiscal year ended February 28, 2023 (March 1, 2023 to February 29, 2024)	For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)
Sales	60,596,747	64,253,258
Cost of sales	44,343,105	46,280,055
Gross profit	16,253,641	17,973,203
Selling and general administrative expenses		
Freight and packing costs	1,882,528	1,965,554
Advertising expenses	198,054	216,043
Amount of provision for debt loss	2,907	9,268
Executive Remuneration and Salary Allowance	5,061,638	5,266,566
Welfare expenses	1,102,717	1,134,126
Bonus reserve deposit amount	632,011	674,777
Officer bonus reserve deposit amount	55,950	62,310
Retirement benefit costs	130,753	161,013
Depreciation expenses	153,334	164,711
Rental charges	239,345	254,263
R&D expenses	422,981	417,992
Others	1,513,875	1,552,166
Total sales and general and administrative expenses	11,396,099	11,878,793
Operating profit	4,857,541	6,094,410
Non-operating income		
Interest received	260	31,536
Dividends received	57,862	90,188
Fixed asset rent	22,574	22,710
Purchase discounts	151,893	158,574
Proceeds from sales of work waste	211,750	233,223
Others	30,590	32,277
Total non-operating income	474,931	568,511
Non-operating expenses		
Sales discounts	6,865	—
Payment fees	23,320	2,312
Others	1,971	1,859
Total non-operating expenses	32,157	4,172
Ordinary profit	5,300,315	6,658,749
Extraordinary benefits		
Gains on sales of fixed assets	3,115	8,712
Total Extraordinary Profit	3,115	8,712
Extraordinary losses		
Loss on removal of fixed assets	9,612	210
Loss on valuation of investment securities	—	4,960
Total extraordinary losses	9,612	5,170
Net income before tax adjustments	5,293,818	6,662,290
Corporate tax, residence tax, and business tax	1,603,503	2,039,451
Corporate tax adjustments	△ 18,605	△ 24,343
Total corporate taxes, etc.	1,584,897	2,015,107
Net profit for the period	3,708,921	4,647,183
Net income attributable to parent company shareholders	3,708,921	4,647,183

(Consolidated Statement of Comprehensive Income)

(Thousand yen)

	For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)	For the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Profit	3,708,921	4,647,183
Other comprehensive income		
Valuation difference on available- for-sale securities	444,208	189,128
Re-measurements of defined benefit plans, net of taxes	△43,243	△63,183
Total other comprehensive income	400,964	125,944
Comprehensive income	4,109,885	4,773,127
(Breakdown)		
Comprehensive income attributable to parent company shareholders	4,109,885	4,773,127
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	3,164,950	2,533,296	44,321,191	△3,276,852	46,742,585
Changes in the current fiscal year					
Dividends from surplus			△1,297,108		△1,297,108
Net income attributable to parent company shareholders			3,708,921		3,708,921
Acquisition of treasury stock				△2,647,123	△2,647,123
Disposal of treasury stock				745,657	745,657
Profit on disposal of treasury stock		970,034			970,034
Current changes in items other than shareholders' equity (net amount)					
Total changes in the current fiscal year	—	970,034	2,411,813	△1,901,466	1,480,381
Current year-end balance	3,164,950	3,503,331	46,733,004	△5,178,318	48,222,966

	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 the beginning of current period	1,218,263	△4,543,591	△26,572	△3,351,901	43,390,684
Changes in the current fiscal year					
Dividends from surplus					△1,297,108
Net income attributable to parent company shareholders					3,708,921
Acquisition of treasury stock					△2,647,123
Disposal of treasury stock					745,657
Profit on disposal of treasury stock					970,034
Current changes in items other than shareholders' equity (net amount)	444,208	—	△43,243	400,964	400,964
Total changes in the current fiscal year	444,208	—	△43,243	400,964	1,881,345
Current year-end balance	1,662,471	△4,543,591	△69,816	△2,950,936	45,272,030

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	3,164,950	3,503,331	46,733,004	△5,178,318	48,222,966
Changes in the current fiscal year					
Dividends from surplus			△1,629,732		△1,629,732
Net income attributable to parent company shareholders			4,647,183		4,647,183
Acquisition of treasury stock				△107,929	△107,929
Disposal of treasury stock				162,791	162,791
Profit on disposal of treasury stock		22,252			22,252
Current changes in items other than shareholders' equity (net amount)					
Total changes in the current fiscal year	—	22,252	3,017,450	54,861	3,094,565
Current year-end balance	3,164,950	3,525,583	49,750,455	△5,123,456	51,317,532

	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 the beginning of current period	1,662,471	△4,543,591	△69,816	△2,950,936	45,272,030
Changes in the current fiscal year					
Dividends from surplus					△1,629,732
Net income attributable to parent company shareholders					4,647,183
Acquisition of treasury stock					△107,929
Disposal of treasury stock					162,791
Profit on disposal of treasury stock					22,252
Current changes in items other than shareholders' equity (net amount)	189,128	—	△63,183	125,944	125,944
Total changes in the current fiscal year	189,128	—	△63,183	125,944	3,220,509
Current year-end balance	1,851,599	△4,543,591	△133,000	△2,824,992	48,492,539

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)	For the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net cash from operating activities		
Profit before income taxes	5,293,818	6,662,290
Depreciation	867,086	894,538
Increase/decrease in allowance for bonuses (Δ is decrease)	92,000	50,000
Increase/decrease in allowance for directors' bonuses (Δ is decrease)	Δ 3,286	6,360
Increase/decrease in liabilities related to retirement benefits (Δ is decrease)	26,389	64,839
Increase/decrease in directors' retirement benefits (Δ is decrease)	2,800	Δ 17,000
Increase/decrease in allowance for doubtful accounts (Δ is decrease)	Δ 3,245	2,989
Interest income and dividends received	Δ 58,122	Δ 121,725
Loss/gain on sale of investment securities (Δ is gain)	—	4,960
Loss/gain on sale of tangible assets (Δ is gain)	Δ 3,115	Δ 8,712
Loss on retirement of tangible assets	9,612	210
Decrease/increase in notes and accounts receivable – trade (Δ is increase)	64,808	Δ 330,175
Decrease/increase in inventories (Δ is increase)	Δ 68,233	291,111
Decrease/increase in other current assets (Δ is increase)	Δ 345,739	441,714
Increase/decrease in notes and accounts payable – trade (Δ is decrease)	Δ 382,924	Δ 481,002
Increase/decrease in accrued consumption tax, etc. (Δ is decrease)	300,516	Δ 71,232
Increase/decrease in other current liabilities (Δ is decrease)	Δ 93,090	Δ 427,815
Increase/decrease in other non-current liabilities (Δ is decrease)	9,570	Δ 40,625
Other	152,015	159,008
Subtotal	5,860,862	7,079,735
Interest and dividend income received	58,124	114,359
Income taxes paid	Δ 1,257,045	Δ 1,763,075
Net cash from operating activities	4,661,941	5,431,018
Net cash from investing activities		
Expenditures for time deposits	—	Δ 12,000,000
Purchase of tangible fixed assets	Δ 718,641	Δ 909,679
Proceeds from sales of tangible fixed assets	3,769	9,721
Purchase of intangible fixed assets	Δ 9,476	Δ 25,193
Purchase of other fixed assets	Δ 11,753	Δ 50,013
Proceeds from decrease in other fixed assets	775	44,672
Purchase of investment securities	Δ 57,436	Δ 2,515
Expenditures for acquisition of subsidiary shares	—	Δ 2,125
Revenue from collection of loans	10,390	6,616
Other	22,592	22,740
Net cash from investing activities	Δ759,779	Δ12,905,777
Net cash from financing activities		
Purchase of treasury shares	Δ 1,106,891	Δ 107,929
Cash dividends paid	Δ 1,297,161	Δ 1,628,989
Other	Δ 7,703	Δ 9,200
Net cash from financing activities	Δ2,411,755	Δ1,746,118
Net increase/decrease in cash and cash equivalents (Δ is decrease)	1,490,405	Δ9,220,877
Cash and cash equivalents at beginning of period	31,577,483	33,067,889
Cash and cash equivalents at end of period	33,067,889	23,847,011

(5) Notes on Consolidated Financial Statements
(Notes concerning assumptions regarding ongoing concerns)

Not applicable.

(Additional information)

(Acquisition of treasury stock)

In order to improve capital efficiency and expand shareholder returns, at the Board of Directors meeting held on September 14, 2023, we resolved the total number of shares to be acquired (upper limit) of 500,000 shares (upper limit) and total acquisition amount of 1,500,000 thousand yen (upper limit) on matters relating to share repurchases based on the provisions of section 156 of the same law, which is replaced and applied in accordance with the provisions of section 165 (3) of the Companies Act.

Note that as of March 29, 2024, the upper limit of 500,000 shares (total acquisition amount of 1,214,719,000 yen) for the share buyback was reached, and the buyback of treasury stock related to the resolution was completed on the same day.

(Overview of transactions in stock benefit trusts, etc.)

“Stock Benefit Trust (J-ESOP)” (hereinafter referred to as “this system”) for the purpose of increasing the linkage between our stock prices and the Group's employee treatment and sharing the economic effects with shareholders to increase employee motivation and morale to improve stock prices and performance. We have introduced it.

1. Transaction Overview

Our company and group companies grant points to employees, etc. according to their positions, etc., and when they acquire the right to receive benefits under certain conditions, we will pay our shares equivalent to the points awarded. Shares to be paid benefits to employees, etc. shall be acquired with money set in advance, including future shares, and managed separately as trust property. With the introduction of this system, the interest of employees and others in improving stock prices and performance has increased, and it is expected that they will work more ambitiously than ever before to achieve business results.

2. Shares of the company remaining in trust

The book value of the treasury stock was 1,391,382,000 yen in the previous consolidated fiscal year and 1,241,356,000 yen in the current consolidated fiscal year, and the number of shares was 497,000 shares in the previous consolidated fiscal year and 443,000 shares in the current consolidated fiscal year.

(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, large baking 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 large baking 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 large baking equipment manufacturing and sales business consists of the manufacture, sales and maintenance of large 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.

Intersegment revenues and transfers are determined through discussions between the two companies, taking into consideration prevailing market prices and other factors.

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

For the fiscal year ended Feb. 29, 2024 (March 1, 2023 to February 29, 2024)

(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	Large baking equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	57,373,729	2,636,854	586,163	60,596,747	—	60,596,747
Internal sales or transfers between segments	—	24,668	—	24,668	△24,668	—
Total	57,373,729	2,661,523	586,163	60,621,415	△24,668	60,596,747
Segment profits	5,173,950	108,467	398,590	5,681,008	△823,467	4,857,541
Segment assets	29,215,506	1,782,220	3,482,231	34,479,958	33,403,462	67,883,421
Other items						
Depreciation	733,220	16,380	104,638	854,240	12,846	867,086
Increase in tangible and intangible fixed assets	623,351	2,271	187,379	813,002	8,221	821,223

(Notes) 1. The adjusted amount for segment profit $\triangle 823,467,000$ yen includes elimination of transactions between segments of 120,000,000 yen and company-wide expenses of $\triangle 943,467,000$ yen not allocated to each reporting segment. Note that the main details of company-wide expenses are general and administrative expenses that are not attributed to the reporting segment.

2. The adjusted amount of segment assets of 33,403,462,000 yen is company-wide assets not allocated to each reporting segment, and the main ones are management and management funds (cash and deposits) and assets related to the management (headquarters) division.

3. The adjusted amount for depreciation and amortization expenses of 12,846,000 yen is amortization expenses relating to company-wide assets.

4. Segment profits are adjusted with operating income in the consolidated financial statements.

For the fiscal year ended Feb. 28, 2025 (March 1, 2024 to February 28, 2025)

(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	Large baking equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	60,290,618	3,415,344	547,295	64,253,258	—	64,253,258
Internal sales or transfers between segments	—	32,107	—	32,107	△32,107	—
Total	60,290,618	3,447,452	547,295	64,285,366	△32,107	64,253,258
Segment profits	6,262,043	338,359	363,586	6,963,988	△869,578	6,094,410
Segment assets	30,623,716	1,522,334	2,524,572	34,670,623	35,983,923	70,654,547
Other items						
Depreciation	766,098	11,671	102,548	880,318	14,220	894,538
Increase in tangible and intangible fixed assets	960,504	2,963	4,289	967,756	11,236	978,992

(Notes) 1. The adjusted amount for segment profit △869,578,000 yen includes elimination of transactions between segments of 120,000,000 yen and company-wide expenses of △989,578,000 yen not allocated to each reporting segment. Note that the main details of company-wide expenses are general and administrative expenses that are not attributed to the reporting segment.

2. The adjusted amount of segment assets of 35,983,923,000 yen is company-wide assets not allocated to each reporting segment, and the main ones are management and management funds (cash and deposits) and assets related to the management (headquarters) division.

3. The adjusted amount for depreciation and amortization expenses of 14,220,000 yen is amortization expenses relating to company-wide assets.

4. Segment profit is adjusted with operating income in consolidated financial statements.

[Related information]

For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business					Large baking 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)	14,889,579	3,272,652	3,863,744	5,403,165	10,952,559	18,992,027	2,504,162	132,692	586,163	60,596,747

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, 2025 (March 1, 2024 to February 28, 2025)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business					Large baking 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	Large baking equipment			Large baking - related equipment
Standard		Order								
Sales to external customers (thousand yen)	15,883,115	3,263,711	4,131,911	5,837,279	11,244,367	19,930,233	3,348,590	66,753	547,295	64,253,258

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 29, 2024 (March 1, 2023 to February 29, 2024)	For the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net assets per share	¥2,863.15	¥3,061.58
Net income per share	¥230.48	¥294.43

(Notes) 1. The net profit amount per share after adjustments for potential shares is not listed because there are no potential shares.

2. Our shares relating to stock benefit trusts held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares deducted from the number of shares issued at the end of the period in calculating net assets per share. Also, in calculating net income per share, it is included in treasury stock which is deducted in calculating the average number of shares during the period.

The number of Company shares held by the trust account at the end of the fiscal year was 497,000 shares for the previous consolidated fiscal year and 443,000 shares for the current consolidated fiscal year, and the average number of shares during the fiscal year was 52,000 shares for the previous consolidated fiscal year and 496,000 shares for the current consolidated fiscal year.

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

	For the fiscal year ended February 29, 2024 (March 1, 2023 to February 29, 2024)	For the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025)
Net income per share		
Net income attributable to shareholders of parent company (thousand yen)	3,708,921	4,647,183
Amount not attributable to common shareholders (thousand yen)	—	
Net income attributable to shareholders of parent company related to common stock (thousand yen)	3,708,921	4,647,183
Average number of shares during the period (thousand shares)	16,092	15,783

(Important subsequent events)

Not applicable.

4. Others

(1) Changes in Officers

Not applicable.

(2) Others

Not applicable.