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## Summary of Consolidated Financial Results for the Year Ended February 29, 2020 (Based on Japanese GAAP)

April 14, 2020

Company name: IDOM Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 7599 URL: <https://221616.com>  
 Representative: President Yusuke Hatori  
 Inquiries: General Manager, Finance & IR Division Masayuki Matsumoto TEL 03-5208-5503  
 Scheduled date of ordinary general meeting of shareholders: May 28, 2020  
 Scheduled date to file Securities Report: May 29, 2020  
 Scheduled date to commence dividend payments: May 29, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

## (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 29, 2020	361,684	16.9	9,091	<u>167.3</u>	6,867	<u>231.3</u>	3,545	<u>828.8</u>
Year ended February 28, 2019	309,410	12.0	<u>3,400</u>	<u>(49.8)</u>	<u>2,072</u>	<u>(64.2)</u>	<u>381</u>	<u>(89.3)</u>

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2020	34.97	–	8.6	3.8	2.5
Year ended February 28, 2019	<u>3.76</u>	–	0.9	1.4	1.1

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	183,783	42,586	22.9	415.42
As of February 28, 2019	<u>173,851</u>	<u>40,357</u>	22.9	<u>392.88</u>

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 29, 2020	13,757	(406)	1,142	37,295
Year ended February 28, 2019	(19,593)	(11,015)	30,930	22,970

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2019	–	5.50	–	5.50	11.00	1,115	<u>292.2</u>	2.8
Year ended February 29, 2020	–	0.60	–	0.60	1.20	121	3.4	0.3
Year ending February 28, 2021 (Forecast)	–	5.30	–	5.30	10.60		39.8	

3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2020	156,000	(13.0)	1,100	(76.2)	250	(93.1)	100	(95.3)	0.99
Full year	338,000	(6.5)	5,800	(36.2)	4,100	(40.3)	2,700	(23.9)	26.63

Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2020

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 29, 2020	106,888,000 shares	As of February 28, 2019	106,888,000 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	5,480,571 shares	As of February 28, 2019	5,480,531 shares
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Average number of shares during the period

Year ended February 29, 2020	101,407,433 shares	Year ended February 28, 2019	101,407,530 shares
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## Summary of Operating Results, Etc.

### (1) Analysis of operating results

In the fiscal year ended February 29, 2020 (FY2020), retail car sales from all directly managed stores in Japan totaled 132,988 units (up 6.8% compared to the previous fiscal year). In the previous fiscal year, retail car sales per directly managed store and gross profit per unit fell due to changes in the price settings of used car sales and the store sales strategy. However, in the current fiscal year, a range of improvement measures enhanced accuracy in retail price setting and increased the sales and profit of accessories, resulting in the recovery of both retail car sales per store and gross profit per unit.

SG&A expenses increased mainly due to up-front store management expenses resulting from new store openings.

Associated with the syndicated loan agreement signed in the fiscal year under review, an arrangement fee was paid to an arranger financial institution. As said expenses were collectively recorded, interest expenses increased.

Under the Company's management policy of emphasizing capital efficiency when making business investments and decisions of withdrawal in order to establish the basis for our leap to the next growth stage, certain directly managed stores were closed in the fiscal year under review, while the introduction of business process systems was reexamined. In addition, we scaled down the New Zealand business and withdrew from the China business, in which we had previously reviewed the possibility of full-fledged development.

Consequently, investment loss under the equity method increased compared to the previous fiscal year, while extraordinary losses, including loss on retirement of non-current assets, loss on closing of stores, impairment loss and loss on valuation of shares of subsidiaries and associates totaled 3,120 million yen. On the other hand, tax credit was deducted from taxable income due to retained loss.

As a result of the above, the consolidated business results for the fiscal year under review were net sales of 361,684 million yen (up 16.9% year on year), operating profit of 9,091 million yen (up 167.3%), ordinary profit of 6,867 million yen (up 231.3%) and profit attributable to owners of parent of 3,545 million yen (up 828.8%).

Regional segment-specific earnings are as indicated below.

#### (i) Japan

The Japan segment recorded net sales of 274,781 million yen (up 12.1% year on year) and segment income (operating profit) of 9,578 million yen (up 155.4%). Both retail car sales per directly managed store and gross profit per unit improved.

#### (ii) Australia

The Australia segment recorded net sales of 84,277 million yen (up 35.5% year on year) and segment profit (operating profit) of 76 million yen (up 38.0%). The new car dealer group acquired in October 2018 became our subsidiary in the previous consolidated fiscal year (its financial results were consolidated for the period from October 1, 2018 to February 28, 2019). As a result, it contributed to an increase in net sales in the fiscal year under review. The business performance of the subsidiary in Western Australia improved mainly due to an increase in retail car sales.

For the next consolidated fiscal year, numbers of customer visits to directly managed stores in Japan and overseas are expected to decrease due to shelter in place that was requested by governments and local governments in association with the spread of COVID-19 coronavirus epidemic.

In concrete terms, assuming that operations of the directly managed stores are suspended until early May 2020 in prefectures (Tokyo, Kanagawa, Chiba, Saitama, Osaka, Hyogo and Fukuoka) due to requests for the complete closure of businesses, based on the declaration of an emergency issued by the Japanese government on April 7, 2020, in addition to the directly managed stores in Aichi Prefecture, where same measures may be taken, we expect that the numbers of customer visits to stores will start to gradually recover around mid-May and normalize in September 2020.

(The above assumption is based on potential changes in circumstances, although we plan to maintain operations at present by implementing measures such as shorter hours of operation.) With regard to directly managed stores in prefectures other than the above, we assume that certain levels of decreases in the number of customer visits to stores will continue until September when said numbers will normalize. If numbers of customer visits to stores normalize in September, overall retail car sales (based on the car delivery date which is our record date for the net sales) will likely normalize in October.

The above assumptions and periods are on a hypothetical basis, which reflect potential impacts of the coronavirus epidemic, and actual results may fluctuate depending on the status of operations at the stores, increases or decreases in the number of customer visits to the stores and the time when the coronavirus epidemic settles down.

Given these considerations, consolidated business results forecast for the full fiscal year is 338,000 million yen in net sales, 5,800 million yen in operating profit, 4,100 million yen in ordinary profit and 2,700 million yen in profit attributable to owners of parent.

## (2) Analysis of financial position

### [Status of assets, liabilities and net assets]

#### (Assets)

As of the end of the fiscal year under review, total assets stood at 183,783 million yen (up 5.7% compared to the end of the previous fiscal year).

Current assets were 128,115 million yen (up 13.5% compared to the end of the previous fiscal year), mainly reflecting increases in cash and deposits (up 14,246 million yen) and merchandise (up 5,029 million yen).

Non-current assets were 55,667 million yen (down 8.7 % compared to the end of the previous fiscal year), partly due to decreases in software (down 921 million yen) and shares of subsidiaries and associates (down 2,142 million yen).

#### (Liabilities)

As of the end of the fiscal year under review, total liabilities were 141,196 million yen (up 5.8% compared to the end of the previous fiscal year).

Current liabilities were 56,299 million yen (down 7.2% compared to the end of the previous fiscal year), mainly reflecting a decline in short-term loans payable (down 8,096 million yen).

Non-current liabilities were 84,897 million yen (up 16.5% compared to the end of the previous fiscal year), due to a rise in long-term loans payable (up 11,801 million yen), among other factors.

#### (Net assets)

As of the end of the fiscal year under review, total net assets amounted to 42,586 million yen (up 5.5% compared to the end of the previous fiscal year), largely due to an increase in retained earnings (up 2,931 million yen).

### [Status of cash flows]

Cash and cash equivalents (hereinafter, "cash") for the fiscal year under review were 37,295 million yen, an increase of 14,325 million yen (up 62.4%) compared to the end of the previous fiscal year.

The status of cash flows for FY2020 and respective relevant cash flows are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities was 13,757 million yen.

This was mainly attributable to an increase of 5,539 million yen in inventories, profit before income taxes of 3,917 million yen, depreciation cost of 3,207 million yen, proceeds of 2,333 million yen from an increase in accrued consumption taxes and proceeds of 2,323 million yen from a decrease of accounts receivable - other.

#### (Cash flows from investing activities)

Net cash used in investing activities was 406 million yen.

This mainly reflected 2,226 million yen used for purchase of property, plant and equipment, while there were proceeds of 1,955 million yen from liquidation of subsidiary.

#### (Cash flows from financing activities)

Net cash provided by financing activities was 1,142 million yen.

This was mainly attributable to proceeds from long-term loans payable of 22,525 million yen, which more than offset 12,667 million yen used in repayments of long-term loans payable and a net decrease of 8,096 million yen in outstanding short-term loans payable.

(Reference) Changes in cash flow indicators

	FY2016	FY2017	FY2018	FY2019	FY2020
Equity ratio (%)	39.4	33.9	31.4	22.9	22.9
Shareholders' equity (mark-to-market) ratio (%)	122.8	65.1	55.8	21.9	28.3
Debt redemption years	6.1	–	7.7	–	6.7
Interest coverage ratio	19.4	–	10.1	–	10.2

Notes: 1. Breakdown of each indicator

Equity ratio = shareholders' equity/total assets

Shareholders' equity (mark-to-market) ratio = Market capitalization/Total assets

Debt redemption years = Interest bearing debt/Operating cash flow

Interest coverage ratio = Operating cash flow/Interest payments

- Each index is calculated from consolidated figures.
- Market capitalization is calculated using the following formula: closing share price at period-end x number of shares issued (excluding treasury stock)
- Debt redemption years and interest coverage ratio for FY 2017 and FY2019 are not shown in the above table due to a negative figure for operating cash flow.

(3) Basic policy concerning distribution of profit and dividends for FY2020 and FY2021

(i) Dividend basic policy and goals

We apply an earnings performance-linked dividend policy through which we make decisions on dividend payouts based on consolidated performance. We calculate the total dividend amount based on “previous consolidated net income (profit attributable to owners of parent) x 30%” and then determine the current term per-share dividend amount.

(ii) Dividends for FY2020

In accordance with the above, per-share dividends for FY2020 will be 1.20 yen for the full year (interim and year-end dividends of 0.60 yen each).

(iii) Dividends for FY2021

The per-share dividend (forecast) for the upcoming fiscal year will be calculated based on profit attributable to owners of parent in FY2020, resulting in an annual dividend of 10.60 yen (interim and year-end dividends of 5.30 yen each).

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	23,049	37,295
Notes and accounts receivable - trade	6,774	6,715
Merchandise	74,090	79,119
Other	9,043	5,143
Allowance for doubtful accounts	(93)	(158)
Total current assets	<u>112,865</u>	<u>128,115</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,130	<u>37,000</u>
Accumulated depreciation	(13,141)	<u>(14,742)</u>
Buildings and structures, net	<u>22,988</u>	<u>22,257</u>
Vehicles	167	256
Accumulated depreciation	(29)	(21)
Vehicles, net	<u>137</u>	<u>234</u>
Tools, furniture and fixtures	4,333	4,196
Accumulated depreciation	(3,481)	(3,487)
Tools, furniture and fixtures, net	<u>852</u>	<u>708</u>
Land	218	218
Construction in progress	541	97
Total property, plant and equipment	<u>24,738</u>	<u>23,517</u>
Intangible assets		
Software	2,797	1,877
Goodwill	11,726	10,911
Other	<u>5,330</u>	<u>4,604</u>
Total intangible assets	<u>19,855</u>	<u>17,393</u>
Investments and other assets		
Investment securities	191	152
Shares of subsidiaries and associates	2,261	119
Long-term loans receivable	38	13
Leasehold and guarantee deposits	6,083	5,938
Construction assistance fund receivables	5,753	5,142
Deferred tax assets	<u>1,438</u>	<u>2,811</u>
Other	741	625
Allowance for doubtful accounts	(116)	(48)
Total investments and other assets	<u>16,392</u>	<u>14,756</u>
Total non-current assets	<u>60,986</u>	<u>55,667</u>
Total assets	<u>173,851</u>	<u>183,783</u>

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	20,026	21,002
Short-term loans payable	9,031	935
Accounts payable - other	3,809	4,034
Current portion of long-term loans payable	12,000	11,079
Income taxes payable	312	1,624
Advances received	11,177	9,773
Deposits received	249	274
Provision for bonuses	820	823
Provision for merchandise warranties	562	662
Other provision	507	544
Other	<u>2,144</u>	<u>5,544</u>
<b>Total current liabilities</b>	<u>60,642</u>	<u>56,299</u>
<b>Non-current liabilities</b>		
Long-term loans payable	68,023	79,824
Long-term guarantee deposited	432	432
Asset retirement obligations	2,279	2,633
Deferred tax liabilities	<u>1,363</u>	<u>1,386</u>
Other provision	561	426
Other	<u>191</u>	<u>193</u>
<b>Total non-current liabilities</b>	<u>72,852</u>	<u>84,897</u>
<b>Total liabilities</b>	<u>133,494</u>	<u>141,196</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	<u>35,842</u>	<u>38,773</u>
Treasury shares	<u>(3,947)</u>	<u>(3,947)</u>
<b>Total shareholders' equity</b>	<u>40,084</u>	<u>43,016</u>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	<u>(243)</u>	<u>(889)</u>
<b>Total accumulated other comprehensive income</b>	<u>(243)</u>	<u>(889)</u>
Share acquisition rights	3	3
Non-controlling interests	<u>512</u>	<u>456</u>
<b>Total net assets</b>	<u>40,357</u>	<u>42,586</u>
<b>Total liabilities and net assets</b>	<u>173,851</u>	<u>183,783</u>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net sales	309,410	361,684
Cost of sales	244,707	287,724
Gross profit	64,702	73,959
Selling, general and administrative expenses	<u>61,301</u>	64,868
Operating profit	<u>3,400</u>	9,091
Non-operating income		
Interest income	59	54
Interest on refund	–	18
Other	39	35
Total non-operating income	<u>98</u>	108
Non-operating expenses		
Interest expenses	868	1,377
Foreign exchange losses	139	305
Share of loss of entities accounted for using equity method	396	627
Other	21	22
Total non-operating expenses	<u>1,426</u>	2,333
Ordinary profit	<u>2,072</u>	6,867
Extraordinary income		
Compensation income	–	35
Subsidy income	22	22
Gain on liquidation of subsidiaries	–	54
Gain on sale of businesses	–	57
Other	–	1
Total extraordinary income	<u>22</u>	171
Extraordinary losses		
Loss on retirement of non-current assets	305	619
Loss on valuation of investment securities	–	29
Loss on valuation of shares of subsidiaries and associates	–	240
Impairment loss	158	1,847
Settlement package	–	144
Loss on closing of stores	60	211
Loss on disaster	92	–
Other	–	27
Total extraordinary losses	<u>617</u>	3,120
Profit before income taxes	<u>1,478</u>	3,917
Income taxes - current	1,061	1,781
Income taxes - deferred	54	(1,454)
Total income taxes	<u>1,116</u>	327
Profit	<u>361</u>	3,590
Profit (loss) attributable to non-controlling interests	(19)	44
Profit attributable to owners of parent	<u>381</u>	3,545

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Profit	<u>361</u>	3,590
Other comprehensive income		
Foreign currency translation adjustment	(605)	<u>(814)</u>
Share of other comprehensive income of entities accounted for using equity method	9	68
Total other comprehensive income	<u>(595)</u>	<u>(745)</u>
Comprehensive income	<u>(233)</u>	<u>2,844</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	<u>(185)</u>	<u>2,900</u>
Comprehensive income attributable to non-controlling interests	(48)	(56)

## Consolidated statements of changes in equity

Fiscal year ended February 28, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,157	4,032	36,373	(3,947)	40,615
Changes of items during period					
Dividends of surplus			(912)		(912)
Profit attributable to owners of parent			381		381
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	=	=	(530)	(0)	(530)
Balance at end of current period	4,157	4,032	<u>35,842</u>	(3,947)	<u>40,084</u>

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	323	323	3	551	41,494
Changes of items during period					
Dividends of surplus					(912)
Profit attributable to owners of parent					381
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	(567)	(567)	(0)	(39)	(606)
Total changes of items during period	(567)	(567)	(0)	(39)	(1,137)
Balance at end of current period	(243)	(243)	3	512	<u>40,357</u>

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,157	4,032	<u>35,842</u>	(3,947)	<u>40,084</u>
Changes of items during period					
Dividends of surplus			(618)		(618)
Profit attributable to owners of parent			3,545		3,545
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			4		4
Net changes of items other than shareholders' equity					
Total changes of items during period	=	=	2,931	(0)	2,931
Balance at end of current period	4,157	4,032	<u>38,773</u>	(3,947)	<u>43,016</u>

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(243)	(243)	3	512	<u>40,357</u>
Changes of items during period					
Dividends of surplus					(618)
Profit attributable to owners of parent					3,545
Purchase of treasury shares					(0)
Change of scope of consolidation					4
Net changes of items other than shareholders' equity	(645)	(645)	=	(56)	(701)
Total changes of items during period	(645)	(645)	=	(56)	<u>2,229</u>
Balance at end of current period	(889)	(889)	3	456	42,586

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities		
Profit before income taxes	1,478	3,917
Depreciation	3,030	3,140
Amortization of goodwill	577	668
Increase (decrease) in provision for bonuses	4	2
Increase (decrease) in allowance for doubtful accounts	50	(2)
Increase (decrease) in provision for merchandise warranties	(309)	99
Interest and dividend income	(59)	(54)
Share of loss (profit) of entities accounted for using equity method	396	627
Interest expenses	868	1,377
Foreign exchange losses (gains)	126	(150)
Loss on retirement of non-current assets	305	619
Settlement package	–	144
Loss (gain) on valuation of investment securities	–	29
Loss on valuation of shares of subsidiaries and associates	–	240
Impairment loss	158	1,847
Decrease (increase) in notes and accounts receivable - trade	5,333	(2,020)
Decrease (increase) in inventories	(26,865)	(5,539)
Decrease (increase) in consumption taxes refund receivable	–	1,721
Decrease (increase) in accounts receivable - other	(3,398)	2,323
Increase (decrease) in accrued consumption taxes	(2,842)	2,333
Increase (decrease) in notes and accounts payable - trade	2,774	1,439
Increase (decrease) in accounts payable - other	(36)	224
Increase (decrease) in accrued expenses	(507)	1,257
Other, net	3,179	1,305
Subtotal	(15,734)	15,554
Interest and dividend income received	59	57
Interest expenses paid	(869)	(1,346)
Income taxes paid	(3,049)	(508)
Net cash provided by (used in) operating activities	(19,593)	13,757
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,836)	(2,226)
Purchase of intangible assets	(798)	(891)
Payments for asset retirement obligations	(31)	(125)
Purchase of investment securities	(148)	–
Payments of loans receivable	(13)	–
Collection of loans receivable	31	–
Payments for leasehold and guarantee deposits	(782)	(130)
Proceeds from collection of leasehold and guarantee deposits	188	276
Payments of construction assistance fund receivables	(593)	(57)
Collection of construction assistance fund receivables	543	665
Purchase of shares of subsidiaries and associates	(111)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,354)	–
Payments for acquisition of businesses	(973)	–
Proceeds from liquidation of subsidiaries	–	1,955
Other, net	(136)	127
Net cash provided by (used in) investing activities	(11,015)	(406)

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,829	(8,096)
Proceeds from long-term loans payable	24,145	22,525
Repayments of long-term loans payable	(132)	(12,667)
Dividends paid	(911)	(618)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	30,930	1,142
Effect of exchange rate change on cash and cash equivalents	(114)	(184)
Net increase (decrease) in cash and cash equivalents	206	14,308
Cash and cash equivalents at beginning of period	22,763	22,970
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	17
Cash and cash equivalents at end of period	22,970	37,295

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	15,360	33,224
Accounts receivable - trade	5,177	5,696
Merchandise	54,687	57,155
Supplies	53	23
Prepaid expenses	1,366	1,579
Other	6,815	1,824
Allowance for doubtful accounts	(917)	(1,553)
Total current assets	82,543	97,949
Non-current assets		
Property, plant and equipment		
Buildings	18,207	17,249
Structures	4,223	4,184
Vehicles	4	3
Tools, furniture and fixtures	559	429
Land	218	218
Construction in progress	539	85
Total property, plant and equipment	23,753	22,171
Intangible assets		
Trademark right	0	0
Software	2,779	1,863
Other	14	14
Total intangible assets	2,794	1,878
Investments and other assets		
Investment securities	30	0
Shares of subsidiaries and associates	14,791	12,650
Long-term loans receivable from subsidiaries and associates	11,373	11,661
Claims provable in bankruptcy, claims provable in rehabilitation and other	79	48
Long-term prepaid expenses	534	446
Leasehold and guarantee deposits	5,684	5,536
Construction assistance fund receivables	5,753	5,142
Deferred tax assets	1,457	2,826
Other	119	124
Allowance for doubtful accounts	(310)	(243)
Total investments and other assets	39,515	38,192
Total non-current assets	66,062	62,242
Total assets	148,606	160,191

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	3,334	4,620
Short-term loans payable	8,000	–
Current portion of long-term loans payable	12,000	10,680
Accounts payable - other	2,887	2,782
Income taxes payable	–	1,351
Accrued consumption taxes	–	2,384
Accrued expenses	1,424	1,938
Advances received	9,487	9,573
Deposits received	216	223
Provision for bonuses	805	806
Provision for merchandise warranties	562	662
Accounts payable - facilities	255	125
Unearned revenue	310	248
Other provision	507	544
<b>Total current liabilities</b>	<b>39,792</b>	<b>35,941</b>
<b>Non-current liabilities</b>		
Long-term loans payable	64,825	77,145
Long-term guarantee deposited	432	432
Asset retirement obligations	2,146	2,380
Other	191	191
<b>Total non-current liabilities</b>	<b>67,595</b>	<b>80,149</b>
<b>Total liabilities</b>	<b>107,387</b>	<b>116,091</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,157	4,157
<b>Capital surplus</b>		
Legal capital surplus	4,032	4,032
<b>Total capital surpluses</b>	<b>4,032</b>	<b>4,032</b>
<b>Retained earnings</b>		
Legal retained earnings	39	39
Other retained earnings		
Retained earnings brought forward	36,933	39,815
<b>Total retained earnings</b>	<b>36,972</b>	<b>39,854</b>
Treasury shares	(3,947)	(3,947)
<b>Total shareholders' equity</b>	<b>41,215</b>	<b>44,096</b>
Share acquisition rights	3	3
<b>Total net assets</b>	<b>41,218</b>	<b>44,100</b>
<b>Total liabilities and net assets</b>	<b>148,606</b>	<b>160,191</b>

## Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net sales	234,618	258,008
Cost of sales	181,847	199,406
Gross profit	52,770	58,602
Selling, general and administrative expenses		
Advertising expenses	8,142	8,081
Salaries and allowances	12,222	12,423
Provision for bonuses	759	747
Depreciation	2,626	2,652
Rents	9,713	10,347
Provision of allowance for doubtful accounts	21	43
Other	16,533	16,569
Total selling, general and administrative expenses	50,018	50,867
Operating profit	2,751	7,735
Non-operating income		
Interest and dividend income	407	156
Interest on refund	–	18
Other	8	34
Total non-operating income	416	209
Non-operating expenses		
Interest expenses	311	640
Foreign exchange losses	140	307
Other	41	32
Total non-operating expenses	493	979
Ordinary profit	2,673	6,964
Extraordinary income		
Compensation income	–	35
Gain on liquidation of subsidiaries	–	54
Gain on sale of businesses	–	57
Subsidy income	22	22
Gain on reversal of share acquisition rights	0	–
Total extraordinary income	22	169
Extraordinary losses		
Loss on retirement of non-current assets	294	619
Loss on valuation of investment securities	–	29
Loss on valuation of shares of subsidiaries and associates	–	240
Impairment loss	158	1,847
Settlement package	–	144
Loss on closing of stores	60	211
Provision of allowance for doubtful accounts	382	555
Loss on disaster	92	–
Other	0	26
Total extraordinary losses	988	3,676
Profit before income taxes	1,707	3,457
Income taxes - current	673	1,325
Income taxes - deferred	100	(1,368)
Total income taxes	774	(42)
Profit	933	3,500