

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

April 8, 2025

Company name: PAL GROUP Holdings CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2726

URL: <http://www.palgroup.holdings/>

Representative: Isamu Matsuo, Chairman and Representative Director

Contact: Akiyuki Tameda, Senior Managing Executive Officer and General Manager, Group Business Development Division

Phone: +81-6-6227-0308

Scheduled date of ordinary general meeting of shareholders: May 28, 2025

Scheduled date of commencing dividend payments: May 29, 2025

Scheduled date of filing securities report: May 29, 2025

Availability of supplementary briefing material on financial results: Not available

Schedule of financial results briefing session: Scheduled (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended February 28, 2025	207,825	7.9	23,656	27.1	23,929	27.0	11,848	(7.8)
Fiscal year ended February 29, 2024	192,544	17.1	18,605	17.6	18,839	17.3	12,845	29.0

(Note) Comprehensive income: Fiscal year ended February 28, 2025: ¥11,861 million [(9.1)%]

Fiscal year ended February 29, 2024: ¥13,045 million [30.5%]

	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	136.47	—	17.6	17.4	11.4
Fiscal year ended February 29, 2024	147.30	—	21.7	15.7	9.7

(Reference) Equity in earnings of affiliates: Fiscal year ended February 28, 2025: ¥281 million

Fiscal year ended February 29, 2024: ¥296 million

(Note) The Company conducted a stock split on September 1, 2023 at a ratio of two shares for one share of common stock. Accordingly, basic earnings per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended February 29, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of February 28, 2025	147,929	73,353	47.9	816.52
As of February 29, 2024	126,922	63,444	50.0	730.74

(Reference) Equity: As of February 28, 2025: ¥70,893 million

As of February 29, 2024: ¥63,444 million

(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	22,038	792	(4,364)	85,715
Fiscal year ended February 29, 2024	13,460	(4,404)	(5,672)	67,228

2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter -end	2nd quarter -end	3rd quarter -end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended February 29, 2024	—	0.00	—	50.00	50.00	4,341	33.9	7.4
Fiscal year ended February 28, 2025	—	0.00	—	60.00	60.00	5,209	44.0	7.8
Fiscal year ending February 28, 2026 (Forecast)	—	0.00	—	60.00	60.00		—	

(Note) The Company conducted a stock split on September 1, 2023 at a ratio of two shares for one share of common stock. The year-end dividend for the fiscal year ended February 29, 2024 reflects the stock split.

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		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First half	113,500	12.1	12,700	7.6	12,700	6.2	8,130	6.0	93.63
Full year	231,000	11.2	26,400	11.6	26,400	10.3	16,850	42.2	194.07

*** Notes**

- (1) Significant changes in the scope of consolidation during the period under review: No
- (2) Changes in accounting policies, changes in accounting estimates and corrections of errors
- 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Any changes other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Corrections of errors: No

(3) Total number of issued shares (common shares)

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

As of February 28, 2025	92,544,000 shares
As of February 29, 2024	92,544,000 shares

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

As of February 28, 2025	5,720,867 shares
As of February 29, 2024	5,720,704 shares

3) Average number of shares during the period:

Fiscal year ended February 28, 2025	86,823,247 shares
Fiscal year ended February 29, 2024	87,208,317 shares

(Note) The Company conducted a stock split on September 1, 2023 at a ratio of two shares for one share of common stock. Accordingly, “total number of issued shares at the end of the period,” “total number of treasury shares at the end of the period,” and “average number of shares during the period” are calculated assuming that the stock split took place at the beginning of the fiscal year ended February 29, 2024.

* These consolidated financial results are not covered by the audit procedure conducted by a certified public accountant or audit corporation.

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

The statements regarding financial results forecast in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and do not guarantee the achievement of the projections. Therefore, there might be cases in which actual results differ from forecast values.

Appendix

1. Overview of Consolidated Operating Results	2
(1) Overview of Consolidated Operating Results for the Period under Review	2
(2) Overview of Consolidated Financial Position for the Period under Review	3
(3) Overview of Consolidated Cash Flows for the Period under Review	3
(4) Outlook for Fiscal 2026	4
2. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statements of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13

1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results for the Period under Review

1) Overview for the Fiscal Year Ended February 28, 2025

During the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025), the Japanese economy showed nominal wage increases reflecting labor shortages and the expanded consumption due to increased income in June, July, and December as a result of flat-amount cut of personal income tax. However, a trend of price increases in Japan did not halt due to factors such as the depreciation of the Japanese yen with the yen remaining largely around the level of 150 yen per US dollar and the increased raw material costs, personnel expenses, and logistics costs. As such developments enhanced consumers' awareness of the need to protect their lifestyles in each month when real wages showed negative growth, consumption as a whole showed a declining trend. Along with climate change factors such as a long summer, a cold winter, and heavy snow, the Company experienced large and erratic fluctuations of consumption from month to month.

Uncertainties surrounding the economic outlook are increasing, with macroeconomic factors including economic and foreign policy of US President Trump, geopolitical risks spreading across the globe, and price increases resulting from price hikes of daily necessities as well as microeconomic cause for concern such as an increase in personnel expenses and logistics costs due to labor shortages weighing on the outlook.

Under such a business environment, the Company made efforts to strengthen sales by deepening the initiatives for OMO (Online Merges with Offline). We have continuously conducted active dissemination of information from social services networking accounts of influencers, who are our employees, with over 20 million followers. Such online promotion activities, which utilize responses made directly from customers for merchandizing measures, played a major role in not only increasing sales but also reducing inventories and waste products through optimizing the volume of orders place.

In June, the Company's servers were illegally accessed, resulting in server failure. While the direct loss was within the range of the extraordinary losses that had been initially budgeted, the Company lost sales opportunities, as a result of the restraining of the amount of purchase and the number of items ordered as we had to place orders manually from late June to early August during which we could not operate the order placing system, and in addition, due to delays of delivery of some products. However, the ordinary profit ratio increased year on year as a result of the improved gross profit ratio year on year due to the increased regular sales ratio and restrained inventory.

With the number of opportunities for 3COINS to be featured in TV infotainment and economic magazines increasing, the brand strength of 3COINS has dramatically increased as exemplified by attaining the rank of 100th among 1,000 brands in Brand Japan 2024, a survey conducted by Nikkei BP Consulting last year, despite its nomination for the first time. With its increased brand strength, the opportunities of receiving requests increased for store openings of 3COINS as one of key tenants in a shopping mall, and we continuously opening new stores. We also continued to work on the improvement of rent expenses at the time of store opening and other conditions, as well as streamlining of operation by increasing store sizes.

In January, Director and Advisor Hidetaka Inoue, the founder of the Company, announced his retirement. Granting of a special retirement payment in addition to retirement benefits for directors was resolved by the Board of Directors and special retirement payments of ¥3,158 million were posted as extraordinary losses.

As described above, net sales in the Apparel Business increased by ¥8,027 million year on year to ¥127,795 million and net sales in the Miscellaneous Goods/Accessories Business increased by ¥7,103 million year on year to ¥79,680 million.

As a result of the above, net sales for the fiscal year ended February 28, 2025 increased by 7.9% year on year to ¥207,825 million. In terms of profit, operating profit increased by 27.1% year on year to ¥23,656 million,

ordinary profit increased by 27.0% year on year to ¥23,929 million, and profit attributable to owners of parent decreased by 7.8% year on year to ¥11,848 million.

2) Sales Results by Segment for the Fiscal Year Ended February 28, 2025

Segment	Amount (million yen)	Changes from the previous fiscal year (%)
Apparel Business	127,795	106.7
Miscellaneous Goods/Accessories Business	79,680	109.8
Other	348	175.5
Total	207,825	107.9

3) Status of Stores for the Fiscal Year Ended February 28, 2025 (March 1, 2024 to February 28, 2025)

Number of stores as of February 29, 2024	949 stores
Number of new stores	166 stores
Number of closed stores	37 stores
Number of stores as of February 28, 2025	1,078 stores

(2) Overview of Consolidated Financial Position for the Period under Review

(Assets)

Current assets increased by ¥17,595 million compared with the end of the previous fiscal year, due mainly to increases in cash and deposits by ¥18,487 million, accounts receivable - trade by ¥111 million, and merchandise and finished goods by ¥226 million. Non-current assets increased by ¥3,412 million compared with the end of the previous fiscal year, due primarily to increases in buildings and structures by ¥1,801 million, guarantee deposits by ¥1,502 million, and deferred tax assets by ¥1,016 million, despite a decrease in investment securities by ¥2,073 million.

(Liabilities)

Current liabilities increased by ¥5,562 million compared with the end of the previous fiscal year, due mainly to increases in notes and accounts payable - trade by ¥407 million, short-term borrowings by ¥550 million, current portion of long-term borrowings by ¥246 million, income taxes payable by ¥2,438 million, and provision for bonuses by ¥452 million. Non-current liabilities increased by ¥5,535 million compared with the end of the previous fiscal year, due primarily to increases in long-term borrowings by ¥1,221 million, provision for retirement benefits for directors (and other officers) by ¥3,036 million, and asset retirement obligations by ¥851 million.

(Net assets)

Net assets increased by ¥9,908 million compared with the end of the previous fiscal year, due mainly to increases in retained earnings by ¥7,507 million and non-controlling interests by ¥2,460 million.

(3) Overview of Consolidated Cash Flows for the Period under Review

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year ended February 28, 2025 increased by ¥18,487 million compared with the end of the previous fiscal year to ¥85,715 million, due mainly to cash provided by operating activities in the amount of ¥22,038 million, despite cash used in financing activities in the amount of ¥4,364 million. Cash flows for the fiscal year ended February 28, 2025 are as follows.

(Net cash provided by (used in) operating activities)

While cash provided by operating activities was ¥13,460 million for the previous fiscal year, cash provided by operating activities amounted to ¥22,038 million for the fiscal year ended February 28, 2025, due mainly to profit before income taxes of ¥20,166 million, an increase in provision for retirement benefits for directors (and other officers) by ¥2,950 million, and income taxes paid of ¥5,109 million.

(Net cash provided by (used in) investing activities)

While cash used in investing activities was ¥4,404 million for the previous fiscal year, cash provided in investing activities amounted to ¥792 million for the fiscal year ended February 28, 2025, due mainly to proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥5,124 million, despite purchase of property, plant and equipment of ¥2,884 million, proceeds from refund of guarantee deposits of ¥557 million, payments of guarantee deposits of ¥1,253 million, and payments for asset retirement obligations of ¥276 million.

(Net cash provided by (used in) financing activities)

While cash used by financing activities was ¥5,672 million for the previous fiscal year, cash used in financing activities amounted to ¥4,364 million for the fiscal year ended February 28, 2025, due mainly to dividends paid of ¥4,340 million.

(Reference) Cash flow-related indicators

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Equity ratio (%)	50.5	49.0	50.0	47.9
Equity ratio based on market value (%)	78.8	114.4	165.6	193.3
Interest-bearing debt to cash flows ratio (%)	162.5	76.2	95.4	66.9
Interest-coverage ratio (times)	75.9	190.8	155.0	179.6

Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization of shares / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flows

Interest-coverage ratio: Operating cash flows / Interest payments

(4) Outlook for Fiscal 2026

The economic outlook is assumed to be on a continued gradual recovery path with the expectation of a stable increase of real wages due to the accelerated wage increases and also supported by consumption from inbound tourism. While the surge in prices of energy and raw materials and the depreciation of the Japanese yen show a sign of peaking out, consumption behavior has been continued to be cast a shadow by concerns about further price increase due to fears about supply disruptions, centered on foods such as rice. Interest payments are increasing as a result of interest rate hikes by the Bank of Japan and wage costs and logistics and delivery costs are rising resulting from labor shortages, creating what is expected to be a difficult operating environment for retailers that operate stores.

The three brands of Ray Cassin, w closet, and NOLLEY'S newly joined our Group through mergers and acquisitions by the Company, and we expects these brands to contribute to increases in both net sales and profit for the fiscal year ending February 28, 2026. We also consider a reactionary rise arising from the loss of sales opportunities caused by stock shortages as a result of the restraining of placing orders and delays of delivery due to server failure last year, to be a factor to boost net sales.

The Company will continue to make efforts to formulate and implement efficient plans for staffing shifts, as well as standardize store operations at large-scale stores, which are increasing in number, focus on enhancing education and training programs for store managers and staff, promote increasing the scales of stores and brands, and aim for further efficient management.

The Company will strive to refine sales forecast by analyzing marketing through social networking service, our characteristics, and big data collected from sales of products through PAL CLOSET's, EC website of the Company. We will also improve the final consumption rate by thoroughly implementing controlling placing an order and inventory with great care through a 4-week merchandizing. With these efforts, we will strive to reduce surplus inventory and final waste products.

By steadily implementing these measures, for the fiscal year ending February 28, 2026, we forecast net sales to increase by 11.2 % year on year to ¥231,000 million, operating profit to increase by 11.6 % to ¥26,400 million, ordinary profit to increase by 10.3 % to ¥26,400 million, and profit attributable to owners of parent to increase by 42.2% to ¥16,850 million.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	67,228	85,715
Notes receivable - trade	175	163
Accounts receivable - trade	10,198	10,309
Merchandise and finished goods	16,505	16,731
Raw materials and supplies	18	12
Other	2,565	1,358
Allowance for doubtful accounts	-	(5)
Total current assets	96,692	114,287
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,387	10,189
Machinery, equipment and vehicles, net	3	14
Land	397	618
Leased assets, net	1,333	1,264
Other, net	783	877
Total property, plant and equipment	10,905	12,965
Intangible assets	393	816
Investments and other assets		
Investment securities	2,341	267
Guarantee deposits	12,315	13,817
Deferred tax assets	3,757	4,774
Other	571	1,055
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	18,931	19,861
Total non-current assets	30,230	33,642
Total assets	126,922	147,929

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,845	29,252
Short-term borrowings	250	800
Current portion of long-term borrowings	–	246
Accrued expenses	3,071	3,249
Income taxes payable	3,480	5,918
Provision for bonuses	3,315	3,767
Provision for bonuses for directors (and other officers)	741	1,080
Provision for point card certificates	212	249
Other	5,107	6,021
Total current liabilities	45,023	50,586
Non-current liabilities		
Long-term borrowings	10,962	12,184
Retirement benefit liability	1,255	1,813
Provision for retirement benefits for directors (and other officers)	1,208	4,245
Long-term accounts payable - other	1	1
Lease liabilities	1,098	965
Asset retirement obligations	3,877	4,728
Deferred tax liabilities	1	1
Other	48	49
Total non-current liabilities	18,453	23,989
Total liabilities	63,477	74,576
Net assets		
Shareholders' equity		
Share capital	3,181	3,181
Capital surplus	4,478	4,478
Retained earnings	59,254	66,761
Treasury shares	(3,672)	(3,672)
Total shareholders' equity	63,241	70,748
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	8
Foreign currency translation adjustment	(5)	18
Remeasurements of defined benefit plans	204	117
Total accumulated other comprehensive income	203	144
Non-controlling interests	–	2,460
Total net assets	63,444	73,353
Total liabilities and net assets	126,922	147,929

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Net sales	192,544	207,825
Cost of sales	86,261	91,568
Gross profit	106,283	116,256
Selling, general and administrative expenses		
Advertising and promotion expenses	2,615	2,732
Provision for point card certificates	33	27
Transportation and storage costs	8,658	8,941
Provision of allowance for doubtful accounts	–	(4)
Salaries, allowances and bonuses	23,247	24,232
Provision for bonuses	3,315	3,604
Provision for bonuses for directors (and other officers)	741	1,080
Retirement benefit expenses	205	138
Provision for retirement benefits for directors (and other officers)	1,074	(185)
Welfare expenses	4,156	4,611
Rent expenses	21,961	23,447
Lease expenses	51	55
Other	21,618	23,915
Total selling, general and administrative expenses	87,677	92,599
Operating profit	18,605	23,656
Non-operating income		
Interest income	1	6
Royalty income	10	10
Share of profit of entities accounted for using equity method	296	281
Foreign exchange gains	0	14
Other	77	115
Total non-operating income	385	428
Non-operating expenses		
Interest expenses	87	117
Commission for purchase of treasury shares	30	–
Other	34	38
Total non-operating expenses	151	155
Ordinary profit	18,839	23,929
Extraordinary income		
Gain on bargain purchase	–	235
Subsidy income	–	220
Total extraordinary income	–	455

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Extraordinary losses		
Loss on retirement of non-current assets	120	91
Impairment losses	480	551
Loss on tax purpose reduction entry of non-current assets	–	220
Special retirement payments	–	3,158
Loss on step acquisition	–	196
Total extraordinary losses	600	4,218
Profit before income taxes	18,239	20,166
Income taxes - current	5,907	8,737
Income taxes - deferred	(505)	(491)
Total income taxes	5,402	8,245
Profit	12,836	11,920
Profit (loss) attributable to non-controlling interests	(8)	71
Profit attributable to owners of parent	12,845	11,848

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	12,836	11,920
Other comprehensive income		
Valuation difference on available-for-sale securities	2	3
Foreign currency translation adjustment	8	23
Remeasurements of defined benefit plans, net of tax	158	(47)
Share of other comprehensive income of entities accounted for using equity method	39	(38)
Total other comprehensive income	208	(58)
Comprehensive income	13,045	11,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,054	11,789
Comprehensive income attributable to non-controlling interests	(8)	71

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,181	4,478	49,703	(2,174)	55,187
Changes during period					
Dividends of surplus			(3,294)		(3,294)
Profit attributable to owners of parent			12,845		12,845
Purchase of treasury shares				(1,497)	(1,497)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	9,551	(1,497)	8,053
Balance at end of period	3,181	4,478	59,254	(3,672)	63,241

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1	(13)	6	(5)	8	55,191
Changes during period						
Dividends of surplus						(3,294)
Profit attributable to owners of parent						12,845
Purchase of treasury shares						(1,497)
Net changes in items other than shareholders' equity	2	8	197	208	(8)	199
Total changes during period	2	8	197	208	(8)	8,253
Balance at end of period	4	(5)	204	203	–	63,444

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,181	4,478	59,254	(3,672)	63,241
Changes during period					
Dividends of surplus			(4,341)		(4,341)
Profit attributable to owners of parent			11,848		11,848
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7,507	(0)	7,506
Balance at end of period	3,181	4,478	66,761	(3,672)	70,748

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4	(5)	204	203	–	63,444
Changes during period						
Dividends of surplus						(4,341)
Profit attributable to owners of parent						11,848
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	3	23	(86)	(58)	2,460	2,401
Total changes during period	3	23	(86)	(58)	2,460	9,908
Balance at end of period	8	18	117	144	2,460	73,353

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	18,239	20,166
Depreciation	2,262	2,525
Impairment losses	480	551
Increase (decrease) in allowance for doubtful accounts	–	(4)
Interest and dividend income	(1)	(6)
Interest expenses	87	117
Subsidy income	–	(220)
Loss (profit) on step acquisition	–	196
Share of loss (profit) of entities accounted for using equity method	(296)	(281)
Loss on retirement of property, plant and equipment	120	91
Decrease (increase) in trade receivables	(1,819)	979
Decrease (increase) in inventories	(3,981)	1,203
Increase (decrease) in trade payables	4,441	(2,114)
Gain on bargain purchase	–	(235)
Increase (decrease) in provision for bonuses	712	290
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1,073	2,950
Increase (decrease) in provision for bonuses for directors (and other officers)	194	339
Increase (decrease) in retirement benefit liability	103	77
Increase (decrease) in provision for point card certificates	33	27
Loss on tax purpose reduction entry of non-current assets	–	220
Increase (decrease) in consumption taxes receivable payable	(457)	489
Other, net	977	(320)
Subtotal	22,169	27,044
Interest and dividends received	1	6
Interest paid	(86)	(122)
Subsidies received	–	220
Income taxes refund (paid)	(8,623)	(5,109)
Net cash provided by (used in) operating activities	13,460	22,038

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,969)	(2,884)
Purchase of intangible assets	(197)	(475)
Decrease (increase) in short-term loans receivable	(360)	(0)
Payments of guarantee deposits	(1,155)	(1,253)
Proceeds from refund of guarantee deposits	614	557
Payments for asset retirement obligations	(338)	(276)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	5,124
Net cash provided by (used in) investing activities	(4,404)	792
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	250
Proceeds from long-term borrowings	11,184	11,391
Repayments of long-term borrowings	(11,404)	(11,050)
Purchase of treasury shares	(1,528)	(0)
Dividends paid	(3,295)	(4,340)
Repayments of installment payables	(5)	(2)
Repayments of finance lease liabilities	(623)	(613)
Net cash provided by (used in) financing activities	(5,672)	(4,364)
Effect of exchange rate change on cash and cash equivalents	–	20
Net increase (decrease) in cash and cash equivalents	3,383	18,487
Cash and cash equivalents at beginning of period	63,845	67,228
Cash and cash equivalents at end of period	67,228	85,715