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October 10, 2025

Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Under Japanese GAAP)

Company name: Watts Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2735
URL: https://www.watts-jp.com
Representative: Fumio Hiraoka, President, CEO and Executive Officer
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Scheduled date of annual general meeting of shareholders: November 26, 2025
Scheduled date to commence dividend payments: November 27, 2025
Scheduled date to file annual securities report: November 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2025	61,578	0.5	1,419	13.8	1,429	16.4	870	-3.7
August 31, 2024	61,257	3.3	1,246	100.5	1,228	89.4	904	260.8

Note: Comprehensive income For the fiscal year ended August 31, 2025: ¥866 million [-6.7%]
For the fiscal year ended August 31, 2024: ¥928 million [215.3%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2025	66.00	-	6.8	4.9	2.3
August 31, 2024	68.45	-	7.4	4.4	2.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended August 31, 2025: ¥-1 million
For the fiscal year ended August 31, 2024: ¥7 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2025	27,510	13,029	47.3	983.37
August 31, 2024	30,280	12,517	41.3	949.80

Reference: Equity
As of August 31, 2025: ¥13,012 million
As of August 31, 2024: ¥12,500 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2025	-1,768	-1,079	-351	6,187
August 31, 2024	4,043	-538	233	9,380

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2024	-	0.00	-	20.00	20.00	263	29.2	2.2
Fiscal year ended August 31, 2025	-	10.50	-	12.50	23.00	303	34.8	2.4
Fiscal year ending August 31, 2026 (Forecast)	-	7.50	-	12.50	20.00		29.4	

(Note)
Breakdown of year-end dividend for the fiscal year ended August 31, 2024
Ordinary dividend: 15.00 yen, Special dividend: 5.00 yen
Breakdown of second quarter-end dividend for the fiscal year ending August 31, 2025
Ordinary dividend: 7.50 yen, Commemorative dividend: 3.00 yen
Breakdown of year-end dividend for the fiscal year ended August 31, 2025
Ordinary dividend: 7.50 yen, Special dividend: 5.00 yen
Breakdown of year-end dividend for the fiscal year ending August 31, 2026 (forecast)
Ordinary dividend: 7.50 yen, Special dividend: 5.00 yen

The year-end dividend for the fiscal year ending August 31, 2025 has been revised from 7.50 yen to 12.50 yen.
For details, please refer to the “Notice Regarding Dividend of Surplus” announced today (October 10, 2025).

3. Forecast of consolidated financial results for the year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	31,000	1.8	750	-8.6	750	-13.4	450	-16.2	34.01
Full year	63,000	2.3	1,500	5.7	1,500	5.0	900	3.4	68.01

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of August 31, 2025	13,458,800 shares
As of August 31, 2024	13,458,800 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2025	225,953 shares
As of August 31, 2024	297,853 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2025	13,191,269 shares
Fiscal year ended August 31, 2024	13,208,473 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

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1. Results of Operations

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, although wages in Japan continued to rise steadily, the pace of increase failed to keep up with the sharp surge in prices, particularly for food products. As a result, real wages and consumer spending remained under pressure, with no full recovery in sight. Despite the "Japan–U.S. tariff agreement," the U.S. continued to impose additional tariffs on individual items. Combined with the prolonged weakness of the Chinese economy, these factors made it difficult for companies to formulate concrete plans for exports and capital expenditures.

Given this environment, in addition to the 100-yen shop business in Japan, the Company, which operates the “Watts”, “Watts with”, “meets.”, “silk”, etc., has been working on diversifying its revenue sources by undertaking other domestic businesses, centering on the sale of lifestyle goods and discount goods as well as overseas business.

In the domestic 100-yen shop business, the Company implemented the following initiatives: introduction of collaborative products featuring celebrities and anime characters, launch of new items under “fasmy,” its original cosmetic brand, promotion of the in-store pickup service for the Watts Online Shop, expansion of the lineup of higher-priced products (non-100-yen items) and replacement of products to better meet customer needs, and introduction of self-checkout registers to streamline payment operations.

Regarding store openings and closures, the Company opened 142 new stores against the full-year plan of 152. There were 77 store closings (including 5 franchised stores), including certain unprofitable stores and unpredictable closing of stores where the Company’s stores were located in. As a result, the total number of 100-yen shops at the end of the fiscal year under review was 1,877, which includes 1,868 directly managed stores (net increase of 70), and 9 franchised/other stores (net decrease of 5). Of these, the number of the Watts brand stores "Watts" and "Watts with" was 1,516 (net increase of 133), accounting for more than 80.8% of the total.

As for the number of the other domestic stores, “Buona Vita,” a lifestyle goods store offering comfortable life, stood at 10 stores (net decrease of 2). “Tokino:ne”, a household items store under the theme of “time”, operates 1 directly-managed store (unchanged), and its brand items are also available as dedicated sections within 100-yen shop tenant stores. "Value 100," a collaboration store with a fresh food supermarket, operates 1 store (unchanged), while the discount store "Real" operates 7 stores (unchanged).

Regarding the overseas operation, the Company operates “KOMONOYA”, a fixed-price store mainly in Southeast Asia. KOMONOYA had 1 store in Thailand (a net decrease of 13) and 3 stores in Peru (a net decrease of 2). In China, all 4 stores of KOMONOKAEN (小物家园), another fixed-price store brand, were closed. As a result, the total number of overseas stores under the Company’s own Watts and KOMONOYA stood at 4 (a net decrease of 19).

As a result of the above, for the fiscal year under review, sales totaled 61,578 million yen (up 0.5% YoY, 99.3% of the plan), operating profit was 1,419 million yen (up 13.8% YoY, 105.1% of the plan), recurring profit was 1,429 million yen (up 16.4% YoY, 109.9% of the plan), and net income attributable to owners of parent was 870 million yen (down 3.7% YoY, 91.7% of the plan).

Sales increased mainly due to solid performance at existing 100-yen shops and were generally in line with the plan.

On the profit front, the gross profit margin improved due to a decline in the procurement cost for miscellaneous goods, including higher-priced products, as well as the implementation of initiatives aimed at increasing the sales composition ratio of miscellaneous goods and higher-priced products. While selling, general and administrative expenses rose, reflecting higher variable costs associated with sales growth, increased utilities expenses, and higher depreciation mainly due to the introduction of self-checkout systems, operating profit and recurring profit both increased thanks to the growth in gross profit. Net income attributable to owners of parent decreased, mainly because a compensation income of 113 million yen was recorded as extraordinary income in the previous fiscal year. (Year-on-year comparisons are based on the results for the previous fiscal year. Comparisons with the plan are based on the full-year consolidated earnings forecast for the fiscal year ended August 2025, as announced in the Summary of Financial Results on October 10, 2024.)

Since the Group operates under a single segment consisting of the operation of 100-yen shops associated business, segment information is omitted.

(2) Overview of financial position for the fiscal year under review

(Assets)

As of the end of the fiscal year ended August 2025, current assets stood at 21,185 million yen, a decrease of 2,864 million yen from the end of the previous fiscal year. This was mainly due to the fact that the final day of the previous fiscal year fell on a bank holiday, causing a portion of payments to be carried over into the fiscal year under review. Cash and deposits decreased by 3,192 million yen, and notes and accounts receivable - trade decreased by 28 million yen, while merchandise and finished goods increased by 402 million yen. To maintain favorable relationships with suppliers, the Company changed its payment policy starting from the fiscal year under review, such that when the scheduled payment date falls on a bank holiday, payments are, in principle, made on the immediately preceding business day.

Noncurrent assets stood at 6,325 million yen, increasing by 95 million yen from the end of the previous fiscal year. This was mainly due to increases of 275 million yen in tools, furniture and fixtures, 19 million yen in deferred tax assets, and 11 million yen in guarantee deposits, while there were decreases of 131 million yen in goodwill and 83 million yen in software included in other intangible assets.

As a result, total assets stood at 27,510 million yen, a decrease of 2,769 million yen from the end of the previous fiscal year.

(Liabilities)

As of the end of the fiscal year under review, current liabilities stood at 11,021 million yen, a decrease of 3,095 million yen from the end of the previous fiscal year. This was mainly due to the fact that the final day of the previous fiscal year fell on a bank holiday, causing a portion of payments to be carried over into the fiscal year under review. Notes and accounts payable–trade decreased by 1,688 million yen, electronically recorded obligations decreased by 1,182 million yen, and accounts payable–other, included in other current liabilities, decreased by 558 million yen, while current portion of long-term borrowings increased by 298 million yen. To maintain favorable relationships with suppliers, the Company changed its payment policy starting from the fiscal year under review, such that when the scheduled payment date falls on a bank holiday, payments are, in principle, made on the immediately preceding business day.

Noncurrent liabilities totaled 3,459 million yen, a decrease of 186 million yen from the end of the previous fiscal year. This was mainly due to a 245 million yen decrease in long-term borrowings, partially offset by a 53 million yen increase in retirement benefit liabilities.

As a result, total liabilities stood at 14,480 million yen, a decrease of 3,281 million yen from the end of the previous fiscal year.

(Net assets)

As of the end of the fiscal year under review, total net assets stood at 13,029 million yen, an increase of 512 million yen from the end of the previous fiscal year. This was due to an increase of 468 million yen in retained earnings and a decrease of 37 million yen in treasury stock.

As a result, shareholders' equity ratio stood at 47.3% (41.3% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review amounted to 6,187 million yen, a decrease of 3,192 million yen compared with the previous fiscal year.

The main factors behind this decrease were that the final day of the previous fiscal year fell on a bank holiday, resulting in certain payments being carried over and settled in the fiscal year under review, and that although the final day of the fiscal year under review also fell on a bank holiday, the Company changed its payment policy to make payments on the immediately preceding business day, which reduced trade payables under cash flows from operating activities.

Details and breakdown of each cash flow in the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash used for operating activities was 1,768 million yen (4,043 million yen was provided in the previous fiscal year). The main components of cash outflows were a decrease of 2,871 million yen in trade payables, payments of 477 million yen for income taxes and other taxes, and an increase of 408 million yen in inventories. The main components of cash inflows were income before income taxes of 1,369 million yen and depreciation of 815 million yen.

(Cash flows from investing activities)

Net cash used for investing activities was 1,079 million yen (538 million yen was used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 961 million yen, purchase of intangible assets of 84 million yen, and payments of leasehold and guarantee deposits of 71 million yen. Cash was provided mainly by proceeds from refund of leasehold and guarantee deposits of 50 million yen.

(Cash flows from financing activities)

Net cash used for financing activities was 351 million yen (233 million yen was provided in the same period of the previous fiscal year). Cash was used mainly for long-term loans payable of 1,347 million yen and cash dividends paid of 401 million yen. Cash was provided mainly by proceeds from long-term loans payable of 1,400 million yen.

(4) Future outlook

The Company believes that a sustained recovery in personal consumption will require a stable environment in which real wages remain in positive territory. In terms of corporate trends, the Company expects developments to unfold while closely monitoring the final resolution of the “Japan–U.S. Tariff Agreement” (including the possibility that reciprocal tariffs themselves may be ruled unconstitutional and abolished), the monetary policies of both Japan and the U.S. and the resulting yen–dollar exchange rate, resource prices, and the economic conditions of overseas markets such as the U.S., Europe, and China.

Under these circumstances, while maintaining the Company’s commitment to the 100-yen price point, the Group will continue to offer value-for-money products across a broader range of price points. In addition, the Company will further refine its business model to respond to increasingly diverse customer needs and strive to create stores that deliver value exceeding the price customers pay.

Furthermore, with the aim of building a new revenue source to complement the 100-yen shop business, the Group is actively working on developing lines like “Buona Vita”, “Tokino:ne” and “Real”, to provide the new driving force for further growth in the future.

As for the overseas business, the Company will strive to expand existing business and develop new markets, in order to further expand the sales share within the Group and to earn profits.

Based on the above, the Company expects the following performance for the next fiscal year: sales of 63,000 million yen (up 2.3% year on year), operating profit of 1,500 million yen (up 5.7% year on year), recurring profit of 1,500 million yen (up 5.0% year on year) and net income attributable to owners of parent of 900 million yen (up 3.4% year on year).

(Reference) Cash flow indicators

	FY8/21	FY8/22	FY8/23	FY8/24	FY8/25
Equity ratio (%)	52.6	46.6	46.9	41.3	47.3
Market value equity ratio (%)	55.7	38.0	32.5	32.7	31.9
Interest-bearing debt to cash flows ratio (years)	3.0	1.7	13.0	0.8	-
Interest coverage ratio (times)	30.8	157.1	18.9	257.2	-

(Notes) Equity ratio: Equity/Total assets

Market value equity ratio: Total market capitalization/Total assets

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

Interest coverage ratio: Operating cash flow/Interest payment

1. Total market capitalization is calculated by multiplying closing stock price at the end of the period by the total number of shares issued at the end of the period (excluding treasury stock).
2. Net cash provided by operating activities in the consolidated statements of cash flows is used as ‘Operating cash flow.’
3. Interest-bearing debt includes all debt on which interest is paid reported on the consolidated balance sheet.
4. For interest payment, interest expenses paid in the consolidated statements of cash flows are used.
5. The “Interest-bearing debt to cash flows ratio” and “Interest coverage ratio” for FY8/25 are not presented, as operating cash flow was negative.

2. Basic Policy Regarding Selection of Accounting Standards

In order to secure comparability with domestic peer companies, the Company applies Japanese accounting standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of August 31, 2024)	Fiscal year under review (As of August 31, 2025)
Assets		
Current assets		
Cash and deposits	9,380,370	6,187,421
Notes and accounts receivable - trade	3,530,170	3,501,633
Merchandise and finished goods	10,816,387	11,218,940
Raw materials and supplies	19,206	16,720
Consumption taxes receivable	20,631	401
Other	319,837	296,387
Allowance for doubtful accounts	-36,467	-35,978
Total current assets	24,050,136	21,185,526
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,774,322	3,851,704
Accumulated depreciation and impairment loss	-2,874,645	-2,952,316
Buildings and structures, net	899,677	899,388
Vehicles	27,992	26,383
Accumulated depreciation and impairment loss	-20,985	-21,766
Vehicles, net	7,007	4,617
Tools, furniture and fixtures	5,215,171	5,760,268
Accumulated depreciation and impairment loss	-4,310,840	-4,580,273
Tools, furniture and fixtures, net	904,330	1,179,994
Land	257,800	257,800
Leased assets	101,017	99,084
Accumulated depreciation and impairment loss	-97,801	-97,713
Leased assets, net	3,215	1,371
Total property, plant and equipment	2,072,031	2,343,171
Intangible assets		
Goodwill	274,842	142,918
Other	343,937	260,259
Total intangible assets	618,780	403,177
Investments and other assets		
Investment securities	350,264	360,046
Deferred tax assets	591,167	610,930
Guarantee deposits	2,467,565	2,478,600
Other	137,836	136,727
Allowance for doubtful accounts	-7,609	-7,419
Total investments and other assets	3,539,224	3,578,885
Total noncurrent assets	6,230,036	6,325,234
Total assets	30,280,173	27,510,760

(Thousands of yen)

	Previous fiscal year (As of August 31, 2024)	Fiscal year under review (As of August 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,612,554	3,924,364
Electronically recorded obligations	5,100,681	3,918,559
Current portion of long-term loans payable	1,074,807	1,373,176
Income taxes payable	310,882	350,650
Accrued consumption taxes	223,287	233,051
Provision for bonuses	158,384	158,616
Other	1,635,707	1,062,739
Total current liabilities	14,116,305	11,021,156
Noncurrent liabilities		
Long-term loans payable	2,207,659	1,962,278
Retirement benefit liability	513,631	567,366
Provision for directors' retirement benefits	35,546	37,622
Asset retirement obligations	639,867	666,540
Other	249,711	225,855
Total noncurrent liabilities	3,646,415	3,459,663
Total liabilities	17,762,720	14,480,820
Net assets		
Shareholders' equity		
Capital stock	440,297	440,297
Capital surplus	1,124,379	1,135,435
Retained earnings	10,963,834	11,432,731
Treasury stock	-152,850	-115,698
Total shareholders' equity	12,375,661	12,892,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150	102
Foreign currency translation adjustment	124,433	119,864
Total accumulated other comprehensive income	124,583	119,966
Stock acquisition right	17,208	17,208
Total net assets	12,517,453	13,029,940
Total liabilities and net assets	30,280,173	27,510,760

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

(Consolidated Statements of Income)

(Thousands of yen)

	Previous fiscal year (From September 1, 2023 to August 31, 2024)	Fiscal year under review (From September 1, 2024 to August 31, 2025)
Sales	61,257,283	61,578,772
Cost of sales	37,666,314	37,671,118
Gross profit	23,590,969	23,907,654
Selling, general and administrative expenses	22,344,202	22,488,210
Operating profit	1,246,767	1,419,443
Non-operating revenues		
Interest income	7,863	12,934
Dividends income	186	16
Equity in earnings of affiliates	7,785	-
Foreign exchange gains	-	4,865
Royalty income	3,583	2,321
Compensation income	15,512	8,566
Subsidy income	930	-
Other	14,821	9,807
Total non-operating income	50,683	38,510
Non-operating expenses		
Interest expenses	15,428	23,468
Early-withdrawal penalty	39,984	800
Share of loss of entities accounted for using equity method	-	1,759
Exchange loss	5,569	-
Other	8,170	2,741
Total non-operating expenses	69,152	28,769
Recurring profit	1,228,298	1,429,184
Extraordinary income		
Gain on sale of investment securities	10,659	-
Gain on sales of noncurrent assets	588	262
Compensation income	113,202	-
Insurance claim income	-	7,945
Total extraordinary income	124,450	8,208
Extraordinary loss		
Loss on sales of noncurrent assets	4,241	-
Loss on retirement of noncurrent assets	24,403	15,656
Impairment loss	113,857	52,092
Total extraordinary losses	142,502	67,749
Income before income taxes and minority interests	1,210,246	1,369,643
Income taxes-current	349,844	518,464
Income taxes-deferred	-43,747	-19,499
Total income taxes	306,097	498,964
Net income	904,148	870,678
Net income attributable to owners of parent	904,148	870,678

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Previous fiscal year (From September 1, 2023 to August 31, 2024)	Fiscal year under review (From September 1, 2024 to August 31, 2025)
Net income	904,148	870,678
Other comprehensive income		
Valuation difference on available-for-sale securities	-4,403	-48
Foreign currency translation adjustment	11,566	-8,354
Share of other comprehensive income of associates accounted for using equity method	16,793	3,785
Total other comprehensive income	23,956	-4,617
Comprehensive income	928,105	866,060
(Breakdown)		
Comprehensive income attributable to owners of parent	928,105	866,060

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous fiscal year (from September 1, 2023 to August 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period under review	440,297	1,350,605	10,261,701	-200,885	11,851,719
Changes of items during the period					
Dividends from surplus			-202,015		-202,015
Net income attributable to owners of parent			904,148		904,148
Acquisition of treasury stock				-191,701	-191,701
Disposal of treasury stock		1,253		12,256	13,510
Cancellation of treasury stock		-227,480		227,480	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-226,226	702,133	48,034	523,942
Balance at the end of period under review	440,297	1,124,379	10,963,834	-152,850	12,375,661

	Accumulated other comprehensive income			Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of period under review	4,553	96,073	100,627	12,639	11,964,985
Changes of items during the period					
Dividends from surplus					-202,015
Net income attributable to owners of parent					904,148
Acquisition of treasury stock					-191,701
Disposal of treasury stock					13,510
Cancellation of treasury stock					-
Net changes of items other than shareholders' equity	-4,403	28,360	23,956	4,569	28,525
Total changes of items during the period	-4,403	28,360	23,956	4,569	552,467
Balance at the end of period under review	150	124,433	124,583	17,208	12,517,453

Fiscal year under review (from September 1, 2024 to August 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period under review	440,297	1,124,379	10,963,834	-152,850	12,375,661
Changes of items during the period					
Dividends from surplus			-401,781		-401,781
Net income attributable to owners of parent			870,678		870,678
Disposal of treasury stock		11,056		37,151	48,208
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	11,056	468,897	37,151	517,105
Balance at the end of period under review	440,297	1,135,435	11,432,731	-115,698	12,892,766

	Accumulated other comprehensive income			Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of period under review	150	124,433	124,583	17,208	12,517,453
Changes of items during the period					
Dividends from surplus					-401,781
Net income attributable to owners of parent					870,678
Disposal of treasury stock					48,208
Net changes of items other than shareholders' equity	-48	-4,569	-4,617	-	-4,617
Total changes of items during the period	-48	-4,569	-4,617	-	512,487
Balance at the end of period under review	102	119,864	119,966	17,208	13,029,940

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous fiscal year (From September 1, 2023 to August 31, 2024)	Fiscal year under review (From September 1, 2024 to August 31, 2025)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,210,246	1,369,643
Depreciation and amortization	607,823	815,873
Impairment loss	113,857	52,092
Amortization of goodwill	131,924	131,924
Increase (decrease) in allowance for doubtful accounts	7,204	-679
Increase (decrease) in provision for bonuses	16,376	231
Increase (decrease) in liabilities relating to retirement benefits	57,478	53,734
Increase (decrease) in provision for directors' retirement benefits	3,872	2,076
Interest and dividends income	-8,049	-12,950
Interest expenses	15,428	23,468
Loss (gain) on sale of investment securities	-10,659	-
Loss on retirement of noncurrent assets	24,403	15,656
Decrease (increase) in accounts receivable-trade	-732,774	28,612
Decrease (increase) in inventories	-1,086,716	-408,968
Increase (decrease) in notes and accounts payable-trade	2,851,920	-2,871,017
Increase (decrease) in accrued consumption taxes	148,220	29,292
Other	709,543	-508,927
Subtotal	4,060,099	-1,279,934
Interest and dividends income received	8,111	12,950
Interest expenses paid	-15,724	-24,034
Income taxes paid	-150,601	-477,222
Income taxes refund	141,906	-
Net cash provided by (used in) operating activities	4,043,791	-1,768,241
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-555,835	-961,353
Proceeds from sales of property, plant and equipment	1,129	372
Purchase of intangible assets	-54,607	-84,450
Payments for asset retirement obligations	-105,673	-12,609
Payments for lease and guarantee deposits	-69,715	-71,577
Proceeds from collection of lease and guarantee deposits	216,331	50,337
Proceeds from sale of investment securities	29,623	-
Other	600	200
Net cash provided by (used in) investing activities	-538,148	-1,079,079
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	1,400,000	1,400,000
Repayment of long-term loans payable	-1,001,688	-1,347,012
Repayment of lease obligations	-2,605	-2,613
Purchase of treasury stock	-0	-
Decrease (increase) in deposits paid for acquisition of treasury stock	40,171	-
Cash dividends paid	-202,650	-401,622
Net cash provided by (used in) financing activities	233,225	-351,248
Effect of exchange rate change on cash and cash equivalents	-5,106	5,620
Net increase (decrease) in cash and cash equivalents	3,733,762	-3,192,949
Cash and cash equivalents at beginning of period	5,646,608	9,380,370
Cash and cash equivalents at end of period	9,380,370	6,187,421

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

No items to report

(Notes on segment information, etc.)

[Segment information]

Since we operate 100-yen shops and its associated business under the single segment, this information is omitted.

(Per share information)

	Previous fiscal year (From September 1, 2023 to August 31, 2024)	Fiscal year under review (From September 1, 2024 to August 31, 2025)
Net assets per share	949.80 yen	983.37 yen
Net income per share	68.45 yen	66.0 yen

(Notes) 1. No diluted net income per share is presented because dilutive shares do not exist.

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

	Previous fiscal year (From September 1, 2023 to August 31, 2024)	Fiscal year under review (From September 1, 2024 to August 31, 2025)
Net income attributable to owners of parent (thousand yen)	904,148	870,678
Amount that does not belong to common shareholders (thousand yen)	-	-
Net income attributable to owners of parent available to common shareholders (thousand yen)	904,148	870,678
Average number of common shares during the period (shares)	13,208,473	13,191,269
Outline of dilutive shares not included in the calculation of diluted net income per share due to the absence of dilutive effects.	Stock acquisition rights by resolution of the Board of Directors on March 22, 2022 (Number of stock acquisition rights issued: 1,238 Common shares: 123,800)	Stock acquisition rights by resolution of the Board of Directors on March 22, 2022 (Number of stock acquisition rights issued: 1,238 Common shares: 123,800)

(Important subsequent events)

No items to report

4. Other

(1) Changes in directors

1. Change in the representative director

No items to report

2. Changes in other directors

・New director candidates (Scheduled appointment: November 26, 2025)

Director (Audit and Supervisory Committee Member): Hidehito Mori (Current position: Director, Managing Executive Officer and Head of Corporate Planning Office)

Director (Audit and Supervisory Committee Member): Akiko Tanabe (Outside)

・Directors scheduled to resign (Effective date: November 26, 2025)

Director and Managing Executive Officer: Hidehito Mori

Director and Executive Officer: Masahiro Hirata

Director (Audit and Supervisory Committee Member): Hiroshi Fukumitsu (Term of office expired)

Director (Audit and Supervisory Committee Member): Yoshiko Hayashido (Outside)

・Director who resigned (Effective date: May 31, 2025)

Director (Audit and Supervisory Committee Member): Toru Nishioka (Outside; resigned due to passing on May 31, 2025)

(2) Sales information

Sales by area and business type are as follows.

Business Divisions	Area	Amount (thousand yen)	Year-on-year change (%)	Proportion (%)	Number of stores at the end of period
	Hokkaido area	2,525,272	101.2	4.5	98
	Tohoku area	2,519,524	105.5	4.5	111
	Kanto area	14,697,814	100.3	26.5	396
	Chubu area	8,502,802	102.1	15.3	308
	Kinki area	14,859,063	97.0	26.9	363
	Chugoku/Shikoku area	7,060,249	104.4	12.7	382
	Kyushu area	5,346,684	101.6	9.6	210
100-yen shop business		55,511,411	100.5	100.0	1,868
Wholesale		5,973,832	100.3		
Revenue from contracts with customers		61,485,243	100.5		
Other revenue		93,528	97.7		
Sales to outside customers		61,578,772	100.5		

(NOTE) The breakdown by region is as follows:

Hokkaido area	Hokkaido
Tohoku area	Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima
Kanto area	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa
Chubu area	Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka, Aichi, Mie
Kinki area	Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama
Chugoku/Shikoku area	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Tokushima, Kagawa, Ehime, Kochi
Kyushu area	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa