



## Summary of (Consolidated) Financial Statements for the Fiscal Year Ended December 31, 2025 (Japanese Standards)

February 13, 2026

Listed company: Laox Holdings Co., Ltd. Stock exchange: Tokyo Stock Exchange  
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Planned Date of General Meeting of Shareholders: March 27, 2026  
 Planned Starting Date for Dividend Payments: March 13, 2026  
 Planned Submission Date for Annual Securities Report: March 27, 2026  
 Supplementary Documents for Results: No  
 Financial Results Briefing: No

(Rounded down to nearest million yen)

### 1. Consolidated Results for FY2025 (from January 1, 2025 to December 31, 2025)

#### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	57,535	(6.5)	69	(51.5)	35	(84.5)	(99)	-
FY2024	61,517	2.2	142	(50.0)	226	(59.2)	670	(67.2)

(Note) Comprehensive income FY2025: (122) million yen ((105.9)%) FY2024: 585 million yen ((71.9)%)

	Profit per share	Diluted profit per share	Return on equity (ROE)	Return on assets (ROA)	Operating margin
	Yen	Yen	%	%	%
FY2025	(1.09)	-	(0.4)	0.1	0.1
FY2024	7.34	-	3.0	0.5	0.2

(For reference) Share of profit/loss of entities accounted for using equity method million yen FY2025: (13) million yen FY2024: (45) million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	42,414	22,686	53.5	248.05
FY2024	44,061	22,991	52.2	251.39

(For reference) Equity FY2025: 22,675 million yen FY2024: 22,981 million yen

#### (3) Consolidated cash flow conditions

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
FY2025	(328)	(1,161)	(320)	7,863
FY2024	(70)	(652)	238	9,708

## 2. Dividends

	Dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024	-	-	-	2.00	2.00	182	27.3	0.8
FY2025	-	-	-	3.00	3.00	274	-	1.2
FY2026 (forecast)	-	-	-	4.00	4.00		58.0	

## 3. Results forecast for FY2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	58,000	0.8	650	841.9	630	1,687.3	630	-	6.89

## \* Notes

- (1) Important changes in scope of consolidation in the fiscal year under review: Yes  
 New: 2 companies (Company name) Barddy Co., Ltd., Ginza Suzuya Co. Ltd.  
 Exclusion: 1 company (Company name) Shanghai Shuogang Trading Co., Ltd.
- (2) Changes in accounting policy and changes or restatement of accounting estimates  
 (i) Changes in accounting policy due to revisions to accounting standards etc.: Yes  
 (ii) Changes in accounting policy other than those in (i): No  
 (iii) Changes in accounting estimates: No  
 (iv) Restatement: No

## (3) Number of issued shares (common shares)

(i) Number of issued shares at the end of period (including treasury stock):	FY2025	93,335,103 shares
	FY2024	93,335,103 shares
(ii) Number of shares of treasury stock at the end of the period:	FY2025	1,918,896 shares
	FY2024	1,918,533 shares
(iii) Average number of issued shares during period	FY2025	91,416,338 shares
	FY2024	91,416,616 shares

## (For reference) Explanation of non-consolidated results

## 1. Non-consolidated results for FY2025 (from January 1, 2025 to December 31, 2025)

## (1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	2,765	12.9	335	-	40	-	215	-
FY2024	2,449	22.5	(496)	-	(292)	-	(701)	-

	Profit per share	Diluted profit per share
	Yen	Yen
FY2025	2.36	-
FY2024	(7.68)	-

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	14,781	12,215	82.6	133.51
FY2024	15,452	12,205	78.9	133.40

(For reference) Equity

FY2025: 12,205 million yen

FY2024: 12,195 million yen

\* This summary of consolidated financial statements falls outside the scope of the review by certified public accountants or audit corporations

\* Notes on the proper use of results forecasts and other special notes

Forward-looking statements, including results forecasts, in this document are based on information that the Group has obtained and certain assumptions that the Group believes to be reasonable. Actual results may differ materially due to a variety of factors.

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## 1. Explanation of operating results

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

During the consolidated fiscal year under review, the Japanese economy continued to recover moderately, with improvements in the employment and income situation of mainly major companies amid the normalization of economic activities. On the other hand, amid prolonged inflation, the recovery in consumer sentiment lacked momentum due to sluggish real income growth, and private consumption on the whole remained cautious. Furthermore, in the second half of 2025, partly reflecting developments in Japan–China relations, the environment surrounding inbound demand changed, as seen in cautious movements observed in the trends of Chinese visitors to Japan and related consumption. In addition, the situation remains uncertain due to the U.S. tariff policy, geopolitical risks in the Middle East, and unstable financial and capital markets. The environment surrounding corporate activities is unpredictable.

Under these circumstances, the Group has formulated the Medium-term Management Plan for FY2025 to FY2027 to realize its management philosophy of proposing a rich and varied lifestyle, or “Global Life Style” and supporting its evolution and creation. In order to respond flexibly and swiftly to the rapidly changing business environment, we will implement various measures under the four key strategic themes of “investment for reform and growth with priority on earnings,” “further selection and concentration,” “expansion/shift of customer segments,” and “maximization of group synergies.”

In the Gift Solution Business, our logistics services, which were previously dedicated exclusively to gifts, have now been expanded to also cover the Retail Business in order to optimize operational efficiency. In addition, SHADDY CO., LTD., a consolidated subsidiary of the Company, worked to expand its sales channels in the bridal field through cooperation with ESCRIT INC. in August. Furthermore, in September, it made Ginza Suzuya Co. Ltd. a subsidiary and has begun efforts to establish an in-house production system and revitalize its Japanese confectionery brand.

Under the policy of “selection and concentration” (selectively allocating management resources to priority businesses), we are consolidating and closing duty-free retail stores in the Retail Business in order to optimize the allocation of management resources. As part of the initiative, we opened two “Hokkaido Snow & Sweets” stores under a new store concept for customers in Japan and overseas. Furthermore, with respect to our apparel store Barneys New York, we strengthened investments in marketing initiatives aimed at enhancing brand value and deepening customer experience, and implemented a large-scale renovation of the Ginza Store. We aim to create unprecedented customer experiences through new store designs and services.

Net sales for the fiscal year under review were 57,535 million yen (down 6.5% year on year). Operating profit was 69 million yen (down 51.5% year on year), and ordinary profit was 35 million yen (down 84.5% year on year). In addition, loss attributable to owners of parent amounted to 99 million yen (a profit of 670 million yen in the same period of the previous year). This was due to the recording of 246 million yen in reversal of allowance for loss on contracts in the Asset & Service Business and 160 million yen in loss on sale of non-current assets in the Retail Business.

Operating results for each business segment are detailed below.

#### (Gift Solution Business)

In this segment, we mainly sell Western confectionery as gifts, miscellaneous goods and lifestyle-related goods, and offer various services such as operation of logistics facilities, e-commerce websites and call centers.

For the “THE SWEETS” private brand of Western confectionery, we promote the development of new products and the provision of diverse flavors. Furthermore, in addition to our existing customers’ store networks, we are also developing new sales channels, including event channels. In addition, we acquired Ginza Suzuya Co. Ltd. as a subsidiary in September and have also begun initiatives to expand our Japanese confectionery segment.

Furthermore, by taking advantage of the expertise we have developed through the sale of gift products, we also focus on creating synergies within the Group, such as handling logistics operations for apparel and e-commerce operations.

As a result, segment net sales for the fiscal year under review decreased 6.9% to 34,540 million yen, and segment profit was 1,126 million yen (down 4.3% year on year).

#### (Retail Business)

In this segment, inbound demand was partially restrained in the second half of 2025 due to the impact of Japan-China relations. In light of these circumstances, we promptly reviewed our sales initiatives and store operations structure to flexibly respond to changes in the business environment. In addition, apparel shops, which mainly target domestic customers, performed well due to the annual large-scale sale in January. On the other hand, growth in February was sluggish on a year-on-year basis due to impacts from factors such as the closing of the Seibu Shibuya store upon the expiration of the lease agreement and a decrease in spring apparel sales driven by temperature-related factors. In May, we released SACAI limited edition products and conducted a worldwide pre-launch of the collaborative limited edition art figure HELLO KITTY “BLACK SERIES,” which attracted significant attention. In September, we implemented a large-scale renovation of the Ginza Store. Through the renewal of the store environment and strengthened marketing investments, we are working to improve both brand experience value and customer acquisition capabilities.

As a result, segment net sales for the fiscal year under review decreased 7.0% year on year to 20,841 million yen, and segment loss was 64 million yen (a profit of 210 million yen in the previous year).

(Trading Business)

In this business segment, we are mainly promoting the restaurant business at Kurogi, a Japanese restaurant operating in China. In this period, we focused on attracting new customers and increasing brand recognition by actively cooperating with Japanese companies in Shanghai and providing our venues for small-scale parties.

In addition, while conducting a thorough analysis of customer needs in the Chinese market, we steadily worked on preparations for future business development.

As a result, segment net sales for the fiscal year under review decreased 63.5% year on year to 241 million yen, and segment loss was 45 million yen (a profit of 13 million yen in the previous year).

(Asset & Service Business)

In this segment, we are mainly engaged in the brokerage business for commercial facility properties and in the management business for properties owned by the Group companies. The occupancy rate of commercial facilities has been on a gradual upward trend due to the ongoing tenant replacement and attraction of new types of businesses.

We also worked to improve cash flow by liquidating and selling idle properties owned by the Group companies and to improve profitability by reducing costs. In addition, we concluded contracts for real estate sales and brokerage projects involving properties owned by Group companies.

As a result, segment net sales for the fiscal year under review increased 44.5% year on year to 1,913 million yen, and segment profit was 224 million yen (a loss of 218 million yen in the previous year).

(2) Explanation of financial conditions for the fiscal year under review

(Assets)

Total assets at the end of the fiscal year under review amounted to 42,414 million yen (44,061 million yen at the end of the previous fiscal year). This was mainly due to decreases of 1,848 million yen in cash and deposits, 348 million yen in notes and accounts receivable-trade, and 259 million yen in leasehold and guarantee deposits, while inventory increased by 578 million yen and advances paid by 202 million yen.

(Liabilities)

Total liabilities came to 19,728 million yen (21,070 million yen at the end of the previous fiscal year). This was mainly due to decreases of 347 million yen in notes and accounts payable-trade, 150 million yen in short-term borrowings, 196 million yen in accounts payable, 227 million yen in allowance for loss on contracts, and 226 million yen in asset retirement obligations.

(Net assets)

Total net assets came to 22,686 million yen (22,991 million yen at the end of the previous fiscal year). The drop in net assets was attributable primarily to recording of loss of 99 million yen and payment of dividends of 182 million yen.

(3) Explanation of cash flow for the fiscal year under review

Cash and cash equivalents at the end of the fiscal year under review amounted to 7,863 million yen, a decrease of 1,844 million yen compared with the end of the previous fiscal year.

(Cash flow from operating activities)

Net cash used in operating activities in the fiscal year under review amounted to 328 million yen, compared with 70 million yen in the previous year.

This was mainly due to: i) a 276 million yen decrease in allowance for loss on contracts; ii) a 561 million yen increase in inventory; iii) a 395 million yen decrease in trade payables; and iv) a 383 million yen decrease in accounts payable and accrued expenses. This was despite 856 million yen in depreciation, 197 million yen in loss on retirement of property, plant and equipment, and a 379 million yen decrease in trade receivables.

(Cash flow from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 1,161 million yen, compared with 652 million yen in the previous year.

This was mainly due to: i) 521 million yen in expenditures for the purchase of property, plant and equipment; ii) 155 million yen in expenditures for the purchase of investment securities; and iii) 162 million yen in expenditure for the purchase of shares of subsidiaries resulting in changes in the scope of consolidation; and iv) 131 million yen in payments for leasehold and guarantee deposits, despite proceeds of 297 million yen from the collection of leasehold and guarantee deposits.

(Cash flow from financing activities)

Net cash used in financing activities in the fiscal year under review amounted to 320 million yen, compared with net cash provided of 238 million yen in the previous year.

This was mainly due to 150 million yen in expenditures for repayments of short-term borrowings and expenditures of 180 million yen for payment of dividends.

(4) Future outlook

Looking ahead, the economic situation remains highly uncertain due to the diversification of consumer behavior, rising logistics and labor costs, and the impact of Japan-China relations.

It remains uncertain how these factors will affect the Group's business. For the next fiscal year (FY2026), in the Gift Solution business, we will further differentiate our product lineup by planning and developing high-priced gifts and considering the introduction of products imported directly from overseas. In addition, we aim to increase customer value and create new demand by strengthening experience-based gifts. Furthermore, we will aim to maintain service quality and optimize costs by enhancing the efficiency of our logistics systems and operations in order to strengthen synergies within the Group.

In the Retail Business, we will expand new channels by opening in-store shops to broaden customer contact points. We will also review and strengthen our private brand products to enhance our responsiveness to market needs. Additionally, we will strive to acquire new customers and elevate brand value through the advancement of marketing activities and enhanced data analysis. We will also work to review and optimize our cost structure to increase business profitability.

In light of this situation, the consolidated earnings forecast for the next fiscal year (FY2026) shows net sales of 58,000 million yen (up 0.8% year on year), operating profit of 650 million yen (up 841.9% year on year), ordinary profit of 630 million yen (up 1,687.3% year on year) and profit attributable to owners of parent of 630 million yen (a loss of 99 million yen in the fiscal year under review).

The forecasts described above were prepared on the basis of information available as of the date of this document and actual results could potentially differ from the forecasts due to various factors.

## **2. Basic thinking on selection of accounting standards**

Our Group prepares consolidated financial statements under Japanese GAAP in consideration of the comparability of consolidated financial statements between companies, among other factors. In the future, we will consider adopting International Financial Reporting Standards (IFRS) in consideration of various circumstances.

**3. Consolidated Financial Statements and Important Notes****(1) Consolidated balance sheet**

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,810	8,962
Notes and accounts receivable–trade	12,201	11,853
Inventory	6,458	7,037
Advances paid	2,045	2,247
Others	1,956	1,587
Provision for doubtful accounts	(266)	(212)
<b>Total current assets</b>	<b>33,206</b>	<b>31,475</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	13,434	13,405
Cumulative depreciation	(10,672)	(10,652)
Buildings and structures, net	2,761	2,752
Machinery, equipment and vehicles	8,036	8,153
Cumulative depreciation	(7,327)	(7,494)
Machinery, equipment and vehicles, net	709	659
Tools, furniture and fixtures	3,252	2,967
Cumulative depreciation	(2,954)	(2,712)
Tools, furniture and fixtures, net	298	254
Land	1,515	1,801
Leased assets	695	710
Cumulative depreciation	(481)	(528)
Leased assets, net	213	182
Construction in progress	13	1
<b>Total property, plant and equipment</b>	<b>5,511</b>	<b>5,651</b>
<b>Intangible assets</b>		
Software	619	379
Others	261	469
<b>Total intangible assets</b>	<b>880</b>	<b>848</b>
<b>Investments and other assets</b>		
Investments in subsidiaries and associates	133	109
Long-term loans receivable	2,500	2,500
Deferred tax assets	22	17
Leasehold and guarantee deposits	3,935	3,675
Others	1,201	1,555
Provision for doubtful accounts	(3,341)	(3,436)
<b>Total investments and other assets</b>	<b>4,451</b>	<b>4,421</b>
<b>Total non-current assets</b>	<b>10,843</b>	<b>10,921</b>
<b>Deferred assets</b>		
Development expenses	12	17
<b>Total deferred assets</b>	<b>12</b>	<b>17</b>
<b>Total assets</b>	<b>44,061</b>	<b>42,414</b>

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	7,428	7,081
Electronically recorded obligations–operating	1,525	1,506
Short-term borrowings	2,700	2,550
Accounts payable	1,763	1,566
Income taxes payable	77	92
Contractual liabilities	1,766	1,701
Provision for bonuses	167	195
Provision for loss on product compensation	13	-
Provision for loss on withdrawal from employees' pension fund	18	15
Provision for loss on subleases	80	-
Allowance for loss on contracts	49	-
Others	1,395	1,110
Total current liabilities	16,985	15,820
Non-current liabilities		
Long-term borrowings	315	439
Deferred tax liabilities	523	509
Reserve for directors' retirement benefits	68	69
Allowance for loss on contracts	227	-
Retirement benefit liability	843	794
Asset retirement obligations	872	646
Others	1,234	1,448
Total non-current liabilities	4,084	3,907
Total liabilities	21,070	19,728
Net assets		
Shareholders' equity		
Capital	100	100
Capital surplus	17,652	14,628
Retained earnings	7,078	9,821
Treasury shares	(2,419)	(2,419)
Total shareholders' equity	22,411	22,129
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	(22)
Foreign currency translation adjustment	564	569
Remeasurements of defined benefit plans	4	-
Total accumulated other comprehensive income	569	546
Share acquisition rights	10	10
Total net assets	22,991	22,686
Total liabilities and net assets	44,061	42,414

## (2) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Million yen)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
Net sales	61,517	57,535
Cost of sales	41,115	37,798
Gross profit	20,402	19,737
Selling, general and administrative expenses	20,259	19,668
Operating profit	142	69
Non-operating income		
Interest income	20	24
Foreign exchange gains	155	-
Consumption tax refunds, etc.	-	10
Insurance proceeds received	-	8
Others	49	24
Total non-operating income	225	68
Non-operating expenses		
Interest expenses	14	9
Share of loss of entities accounted for using equity method	45	13
Rent expenses on land and buildings	35	14
Commission expenses	15	-
Miscellaneous losses	-	20
Others	31	43
Total non-operating expenses	141	102
Ordinary profit	226	35
Extraordinary income		
Gain on sale of fixed assets	1	2
Gain on sale of investment securities	113	-
Gain on liquidation of subsidiaries and associates	168	-
Reversal of allowance for loss on contracts	581	246
Reversal of provision for asset retirement obligations	-	184
Others	-	18
Total extraordinary income	864	452
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	17	198
Impairment loss	29	84
Loss on store closures	9	71
Provision for allowance for doubtful accounts	-	56
Loss on valuation of investments in capital of subsidiaries and associates	61	12
Loss on valuation of inventories	95	-
Loss on business restructuring	175	100
Others	27	35
Total extraordinary losses	417	560
Profit (loss) before income taxes	674	(72)
Income taxes, inhabitant taxes and enterprise taxes payable	75	45
Income taxes-deferred	(71)	(18)
Total income taxes	3	26
Profit (loss)	670	(99)
Profit (loss) attributable to owners of parent	670	(99)

## Consolidated statement of comprehensive income

(Million yen)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
Profit (loss)	670	(99)
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(22)
Foreign currency translation adjustment	(86)	4
Remeasurements of defined benefit plans, net of tax	0	(4)
Total other comprehensive income	(85)	(23)
Comprehensive income	585	(122)
(Breakdown)		
Comprehensive income attributable to owners of parent	585	(122)

## (3) Consolidated statement of changes in shareholders' equity

FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	100	17,652	6,407	(2,419)	21,740
Change during the period					
Profit attributable to owners of parent			670		670
Deficit disposition					
Dividends of surplus - other capital surplus					
Acquisition of treasury shares				(0)	(0)
Changes in accounts other than shareholders' equity during the period, net					
Total change during the period	-	-	670	(0)	670
Ending balance	100	17,652	7,078	(2,419)	22,411

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	-	651	4	655	10	22,406
Change during the period						
Profit attributable to owners of parent						670
Deficit disposition						
Dividends of surplus - other capital surplus						
Acquisition of treasury shares						(0)
Changes in accounts other than shareholders' equity during the period, net		(86)	0	(85)	-	(85)
Total change during the period	-	(86)	0	(85)	-	585
Ending balance	-	564	4	569	10	22,991

FY2025 (From January 1 to December 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	100	17,652	7,078	(2,419)	22,411
Change during the period					
Profit attributable to owners of parent			(99)		(99)
Deficit disposition		(2,841)	2,841		
Dividends of surplus - other capital surplus		(182)			(182)
Acquisition of treasury shares				0	0
Changes in accounts other than shareholders' equity during the period, net					
Total change during the period	-	(3,024)	2,742	0	(282)
Ending balance	100	14,628	9,821	(2,419)	22,129

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	-	564	4	569	10	22,991
Change during the period						
Profit attributable to owners of parent						(99)
Deficit disposition						
Dividends of surplus - other capital surplus						(182)
Acquisition of treasury shares						0
Changes in accounts other than shareholders' equity during the period, net	(22)	4	(4)	(23)		(23)
Total change during the period	(22)	4	(4)	(23)	-	(305)
Ending balance	(22)	569	-	546	10	22,686

## (4) Consolidated Statement of Cash Flows

(Million yen)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
<b>Cash flow from operating activities</b>		
Profit before income taxes	674	(72)
Depreciation	858	856
Impairment loss	29	84
Increase (decrease) in allowance for doubtful accounts	(221)	33
Increase (decrease) in provision for bonuses	14	28
Increase (decrease) in retirement benefit liability	(132)	(79)
Increase (decrease) in provision for loss on subleases	(88)	(80)
Increase (decrease) in allowance for loss on contracts	(765)	(276)
Interest and dividend income	(20)	(25)
Interest expenses	14	9
Foreign exchange losses (gains)	(81)	25
Equity loss (gains) of affiliated companies	45	26
Loss (profit) on retirement of property, plant and equipment	16	197
Loss (gain) on sale and valuation of investment securities	(113)	-
Loss on valuation of investments in capital of subsidiaries and associates	61	8
Loss on valuation of inventories	95	-
Loss on business restructuring	175	-
Loss (gain) on liquidation of subsidiaries and associates	(131)	-
Decrease (increase) in trade receivables	1,702	379
Decrease (increase) in inventory	205	(561)
Increase (decrease) in trade payables	(1,522)	(395)
Decrease (increase) in advances paid	74	(11)
Increase (decrease) in accounts payable and accrued expenses	(371)	(383)
Increase (decrease) in contract liabilities	(669)	(67)
Increase (decrease) in accrued consumption taxes	76	(64)
Others	247	163
Subtotal	173	(203)
Interest and dividends received	19	23
Interest paid	(14)	(13)
Payments related to business liquidation losses	(79)	-
Payments for business restructuring	(156)	(46)
Income taxes paid	(14)	(88)
Net cash provided by (used in) operating activities	(70)	(328)
<b>Cash flow from investing activities</b>		
Payments into time deposits	(1,286)	(1,096)
Proceeds from withdrawal of time deposits	1,226	1,096
Purchase of property, plant and equipment	(344)	(521)
Proceeds from sale of property, plant and equipment	2	14
Purchase of intangible assets	(91)	(162)
Purchase of investment securities	(219)	(155)
Proceeds from sale of investment securities	113	-
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	(58)	(259)
Payments for short-term loans	-	(640)
Collection of short-term loans receivable	-	466
Payments of leasehold and guarantee deposits	(165)	(131)
Collection of leasehold and guarantee deposits	90	297
Payments of asset retirement obligations	-	(71)
Subsidies received	78	-
Others	3	2
Net cash provided by (used in) investing activities	(652)	(1,161)

(Million yen)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term borrowings	150	(150)
Proceeds from long-term borrowings	196	300
Repayments of long-term borrowings	(29)	(227)
Repayments of lease liabilities	(77)	-
Payment of dividends	-	(180)
Others	(0)	(61)
Net cash provided by (used in) financing activities	238	(320)
Effect of exchange rate change on cash and cash equivalents	49	(34)
Increase (decrease) in cash and cash equivalents	(435)	(1,844)
Beginning balance of cash and cash equivalents	10,143	9,708
Ending balance of cash and cash equivalents	9,708	7,863

(5) Notes to the consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Changes in accounting policy)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard of 2022”) and other relevant regulations from the beginning of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022, and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Guidance of 2022”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance of 2022 from the beginning of the fiscal year under review. The change in the accounting policy has been applied retroactively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the fiscal year under review. Not applicable.

(Changes in presentation method)

“Loss on store closures,” which was included in “Others” under extraordinary losses in the previous consolidated fiscal year, is presented separately from the fiscal year under review as it exceeded 10% of extraordinary losses. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the 36 million yen previously reported under “Others” under extraordinary losses on the consolidated statement of income for the previous fiscal year has been reclassified as 9 million yen under “Loss on store closures” and 27 million yen under “Others.”

(Explanatory notes regarding segment information, etc.)

[Segment information]

1. Overview of reporting segments

(1) Method of determining reporting segments

The Group's reporting segments are components within the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate business performance.

The Group's reporting segments consist of the Gift Solution, Retail, Trading, and Asset & Service businesses.

(2) Types of services belonging to each reporting segment

- Gift Solution Business                      Sale of gift items and lifestyle products
- Retail Business                              Operation of duty-free shops for inbound tourists and sale of men's and women's apparel and miscellaneous goods
- Trading Business                            Trading through import and export of private-brand (PB) products, and global e-commerce activities
- Asset & Service Business                Operation and management of shopping complexes, provision of real estate trading and brokerage services, and management of rental property

2. Method for computing sales, profit or loss, assets, liabilities, and other items for each reporting segment

The method of accounting for the reporting business segments is consistent with that described in "Significant Accounting Policies for the Preparation of Consolidated Financial Statements."

Reporting segment profits are based on operating profit. Internal sales or transfers between segments are generally based on prevailing market prices.

3. Information concerning monetary amounts of sales, profit or loss, assets, liabilities, and other items for each reporting segment

FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Reporting segment				Total	Amount of adjustment (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business			
Net sales							
Sales to external customers	37,113	22,417	662	1,323	61,517	-	61,517
Internal sales or transfers between segments	286	72	17	385	762	(762)	-
Total	37,400	22,489	680	1,709	62,279	(762)	61,517
Segment profit (loss)	1,178	210	13	(218)	1,183	(1,040)	142
Segment assets	22,677	12,258	2,982	4,217	42,135	1,926	44,061
Depreciation	746	40	10	13	810	47	858
Increase in property, plant and equipment and intangible assets	357	284	-	10	652	15	667

(Notes) 1. Segment profit adjustment of (1,040) million yen includes elimination of inter-segment transactions of 8 million yen and corporate expenses not divided into each reporting segment of (1,049) million yen. Corporate expenses mainly consist of personnel expenses and general management expenses that do not belong to reporting segments. Segment asset adjustment of 1,926 million yen includes elimination of inter-segment transactions of (9,210) million yen and corporate assets not divided into each reporting segment of 11,137 million yen. Corporate assets are composed mainly of cash and deposits, investment securities, and company-wide shared facilities at the Company. Depreciation adjustment of 47 million yen and adjustments for increase in property, plant and equipment and intangible assets of 15 million yen are all related to corporate assets.

2. Segment profit (loss) is reconciled to operating profit in the consolidated statement of income.

FY2025 (From January 1 to December 31, 2025)

(Million yen)

	Reporting segment				Total	Amount of adjustment (Note) 1	Amount recorded in consolidated financial statements (Note) 2
	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business			
Net sales							
Sales to external customers	34,540	20,841	241	1,913	57,535	-	57,535
Internal sales or transfers between segments	535	60	38	314	948	(948)	-
Total	35,075	20,901	279	2,227	58,484	(948)	57,535
Segment profit (loss)	1,126	(64)	(45)	224	1,240	(1,171)	69
Segment assets	24,845	12,860	3,043	1,505	42,253	160	42,414
Depreciation	707	68	4	14	795	60	856
Increase in property, plant and equipment and intangible assets	413	451	0	32	897	7	905

- (Notes) 1. Segment profit adjustment of (1,171) million yen includes elimination of inter-segment transactions of 10 million yen and corporate expenses not divided into each reporting segment of (1,160) million yen. Corporate expenses mainly consist of personnel expenses and general management expenses that do not belong to reporting segments. Segment asset adjustment of 160 million yen includes elimination of inter-segment transactions of (13,912) million yen and corporate assets not divided into each reporting segment of 14,073 million yen. Corporate assets are composed mainly of cash and deposits, investment securities, and company-wide shared facilities at the Company. The depreciation adjustment of 60 million yen and the adjustment for increases in property, plant and equipment and intangible assets of 12 million yen are entirely related to corporate assets.
2. Segment profit (loss) is reconciled to operating profit in the consolidated statement of income.

[Amortization of goodwill and unamortized balance by reporting segment]

FY2024 (From January 1 to December 31, 2024)

	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business	Total	Amount of adjustment	Total
Amortization amount	7	-	-	-	7	-	7
Ending balance	77	-	-	-	77	-	77

FY2025 (From January 1 to December 31, 2025)

	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business	Total	Amount of adjustment	Total
Amortization amount	18	-	-	-	18	-	18
Ending balance	86	-	-	-	86	-	86

[Gain on bargain purchase by reporting segment]

FY2024 (From January 1 to December 31, 2024)

Not applicable.

FY2025 (From January 1 to December 31, 2025)

Not applicable.

(Per-share information)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
Net assets per share	251.39 yen	248.05 yen
Profit per share	7.34 yen	(1.09) yen

- (Notes)
1. Diluted net profit per share is not shown as there were no dilutive shares.
  2. The basis for calculating profit per share is as follows.

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
Profit attributable to owners of parent (million yen)	670	(99)
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	670	(99)
Average number of common shares outstanding during the period (thousand shares)	91,416	91,416
Dilutive shares not included in the calculation of diluted earnings per share because they had no dilutive effect	Dilutive shares in the 6th series of share acquisition rights 5,281,000	Dilutive shares in the 6th series of share acquisition rights 5,281,000

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

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
Total net assets (million yen)	22,991	22,686
Amount deducted from total net assets (million yen)	10	10
(of which, share acquisition rights (million yen))	(10)	(10)
Net assets relating to common shares at the end of the period (million yen)	22,981	22,686
Number of common shares at the end of the period used in the calculation of net assets per share (1,000 shares)	91,416	91,416

(Significant events after the reporting period)

Not applicable.

**4. Financial statements****(1) Non-consolidated balance sheet**

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,006	1,297
Inventory	188	151
Prepaid expenses	271	103
Short-term loans to subsidiaries and associates	2,825	4,229
Accounts receivable	760	749
Others	53	41
Provision for doubtful accounts	(7)	(11)
<b>Total current assets</b>	<b>7,097</b>	<b>6,561</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	94	66
Vehicles	0	0
Tools, furniture and fixtures	26	27
Land	301	301
Leased assets	22	16
Construction in progress	5	-
<b>Total property, plant and equipment</b>	<b>450</b>	<b>412</b>
Intangible assets	18	17
<b>Investments and other assets</b>		
Investment securities	295	427
Shares of subsidiaries and associates	5,306	5,297
Investments in subsidiaries and associates	14	1
Long-term loans receivable	2,500	2,500
Long-term loans to subsidiaries and associates	3,201	1,387
Claims against bankrupt and quasi-bankrupt debtors	1,528	1,387
Long-term accounts receivable	2,172	241
Leasehold and guarantee deposits	1,402	1,265
Others	204	244
Provision for doubtful accounts	(8,739)	(4,965)
<b>Total investments and other assets</b>	<b>7,886</b>	<b>7,789</b>
<b>Total non-current assets</b>	<b>8,354</b>	<b>8,219</b>
<b>Total assets</b>	<b>15,452</b>	<b>14,781</b>

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	584	467
Accrued expenses	101	90
Income taxes payable	5	5
Advances received	56	20
Deposits received	17	14
Provision for bonuses	21	11
Provision for loss on product compensation	13	-
Provision for loss on withdrawal from employees' pension fund	8	8
Provision for loss on subleases	80	-
Allowance for loss on contracts	7	-
Others	14	11
Total current liabilities	910	630
Non-current liabilities		
Deferred tax liabilities	2	4
Provision for retirement benefits	123	132
Reserve for directors' retirement benefits	60	59
Provision for loss on liquidation of subsidiaries and associates	875	899
Asset retirement obligations	307	110
Others	966	728
Total non-current liabilities	2,336	1,934
Total liabilities	3,246	2,565
Net assets		
Shareholders' equity		
Capital	100	100
Capital surplus		
Capital reserve	11,000	6,000
Other capital surplus	6,356	8,332
Total capital surplus	17,356	14,332
Retained earnings		
Other retained earnings		
Retained earnings carried forward	(2,841)	215
Total retained earnings	(2,841)	215
Treasury shares	(2,419)	(2,419)
Total shareholders' equity	12,195	12,228
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	-	(22)
Total valuation and translation adjustment	-	(22)
Share acquisition rights	10	10
Total net assets	12,205	12,215
Total liabilities and net assets	15,452	14,781

## (2) Non-consolidated statement of income

(Million yen)

	FY2024 (From January 1 to December 31, 2024)	FY2025 (From January 1 to December 31, 2025)
Net sales	2,449	2,765
Cost of sales	1,351	1,132
Gross profit	1,097	1,633
Selling, general and administrative expenses	1,593	1,298
Operating profit (loss)	(496)	335
Non-operating income		
Interest income	95	109
Foreign exchange gains	91	-
Others	22	0
Total non-operating income	209	109
Non-operating expenses		
Interest expenses	4	1
Provision for allowance for doubtful accounts	-	388
Others	1	13
Total non-operating expenses	5	403
Ordinary profit (loss)	(292)	40
Extraordinary income		
Gain on sale of fixed assets	0	-
Gain on sale of investment securities	113	-
Reversal of provision for asset retirement obligations	-	178
Others	-	12
Total extraordinary income	113	191
Extraordinary losses		
Loss on retirement of non-current assets	-	13
Business restructuring expenses	-	27
Loss on valuation of shares of subsidiaries and associates	-	8
Loss on valuation of investments in capital of subsidiaries and associates	61	12
Provision for loss on liquidation of subsidiaries and associates	491	23
Others	29	2
Total extraordinary losses	581	88
Profit (loss) before income taxes	(761)	144
Income taxes, inhabitant taxes and enterprise taxes payable	(58)	(71)
Income taxes-deferred	(0)	0
Total income taxes	(59)	(71)
Profit (loss)	(701)	215

## (3) Non-consolidated statement of changes in shareholders' equity

FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Shareholders' equity							
	Capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings carried forward			
Beginning balance	100	11,000	6,356	17,356	(2,140)	(2,140)	(2,419)	12,896
Change during the period								
Transfer from legal capital surplus to other capital surplus								
Deficit disposition								
Dividends of surplus - other capital surplus								
Profit (loss)					(701)	(701)		(701)
Acquisition of treasury shares							(0)	(0)
Changes in accounts other than shareholders' equity during the period, net								
Total change during the period	-	-	-	-	(701)	(701)	(0)	(701)
Ending balance	100	11,000	6,356	17,356	(2,841)	(2,841)	(2,419)	12,195

	Valuation and translation adjustment		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustment		
Beginning balance	-	-	10	12,907
Change during the period				
Transfer from legal capital surplus to other capital surplus				
Deficit disposition				
Dividends of surplus - other capital surplus				
Profit (loss)				(701)
Acquisition of treasury shares				(0)
Changes in accounts other than shareholders' equity during the period, net			-	-
Total change during the period	-	-	-	(701)
Ending balance	-	-	10	12,205

FY2025 (From January 1 to December 31, 2025)

(Million yen)

	Shareholders' equity							
	Capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Beginning balance	100	11,000	6,356	17,356	(2,841)	(2,841)	(2,419)	12,195
Change during the period								
Transfer from legal capital surplus to other capital surplus		(5,000)	5,000					
Deficit disposition			(2,841)	(2,841)	2,841	2,841		
Dividends of surplus - other capital surplus			(182)	(182)				(182)
Profit (loss)					215	215		215
Acquisition of treasury shares							(0)	(0)
Changes in accounts other than shareholders' equity during the period, net								
Total change during the period	-	(5,000)	1,975	(3,024)	3,057	3,057	(0)	33
Ending balance	100	6,000	8,332	14,332	215	215	(2,419)	12,228

	Valuation and translation adjustment		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustment		
Beginning balance	-	-	10	12,205
Change during the period				
Transfer from legal capital surplus to other capital surplus				
Deficit disposition				
Dividends of surplus - other capital surplus				(182)
Profit (loss)				215
Acquisition of treasury shares				(0)
Changes in accounts other than shareholders' equity during the period, net	(22)	(22)		(22)
Total change during the period	(22)	(22)	-	10
Ending balance	(22)	(22)	10	12,215