

< Consolidated Financial Statements >

(1) Consolidated statement of income

(Thousands of yen)

| | Fiscal year ended May 31, 2024 | Fiscal year ended May 31, 2025 |
|---|-----------------------------------|-----------------------------------|
| Net sales | 11,213,162 | 11,580,528 |
| Cost of sales | 6,928,594 | 7,254,684 |
| Gross profit | 4,284,567 | 4,325,843 |
| Selling, general and administrative expenses | | |
| Promotion expenses | 401,622 | 354,965 |
| Advertising expenses | 100,742 | 98,712 |
| Packing and transportation expenses | 83,811 | 85,573 |
| Salaries and allowances | 958,900 | 982,689 |
| Retirement benefit expenses | 27,084 | 28,988 |
| Welfare expenses | 183,717 | 241,289 |
| Rent expenses | 127,308 | 157,885 |
| Depreciation | 81,402 | 62,073 |
| Commission fee | 242,187 | 285,426 |
| Taxes and dues | 97,721 | 99,872 |
| Experiment and research expenses | 339,022 | 335,121 |
| Other | 462,542 | 462,202 |
| Total selling, general and administrative expenses | 3,106,064 | 3,194,799 |
| Operating income | 1,178,502 | 1,131,044 |
| Non-operating income | | |
| Interest income | 36,626 | 40,094 |
| Dividend income | 4,254 | 4,680 |
| Foreign exchange gains | 29,809 | — |
| Real estate rent | 121,956 | 120,673 |
| Share of profit of entities accounted for using equity method | 31,310 | 29,803 |
| Subsidy income | 34,250 | 42,651 |
| Other | 14,184 | 22,341 |
| Total non-operating income | 272,391 | 260,244 |
| Non-operating expenses | | |
| Interest expenses | 10,948 | 4,443 |
| Foreign exchange losses | — | 21,719 |
| Rent expenses on real estates | 86,964 | 81,023 |
| Other | 3,948 | 14,777 |
| Total non-operating expenses | 101,862 | 121,963 |
| Ordinary income | 1,349,032 | 1,269,324 |
| Extraordinary income | | |
| Subsidy income | — | 111,000 |
| Gain on reversal of provision for loss on disaster | — | 5,996 |
| Total extraordinary income | — | 116,996 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 280 | — |
| Loss on disaster | 160,258 | — |
| Provision for loss on disaster | 209,395 | — |
| Total extraordinary losses | 369,934 | — |
| Income before income taxes and minority interests | 979,098 | 1,386,321 |
| Income taxes - current | 252,285 | 470,640 |
| Income taxes - deferred | 39,254 | △78,418 |
| Total income taxes | 291,539 | 392,222 |
| Profit | 687,558 | 994,099 |
| Profit attributable to non-controlling interests | 335 | 8,081 |
| Profit attributable to owners of parent | 687,223 | 986,017 |

(2) Consolidated statement of income

(Thousands of yen)

| | Fiscal year ended May 31, 2024 | Fiscal year ended May 31, 2025 |
|--|-----------------------------------|-----------------------------------|
| Profit | 687,558 | 994,099 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 45,670 | △73,108 |
| Foreign currency translation adjustment | 379,048 | △44,918 |
| Remeasurements of defined benefit plans, net of tax | 4,491 | 48,616 |
| Total other comprehensive income | 429,210 | △69,410 |
| Comprehensive income | 1,116,768 | 924,689 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,109,858 | 917,946 |
| Comprehensive income attributable to non-controlling interests | 6,910 | 6,742 |