



April 6, 2016

## Consolidated Financial Results for the Fiscal Year Ended February 29, 2016 <under Japanese GAAP>

Company name: **PARCO CO., LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 8251  
 URL: <http://www.parco.co.jp/>  
 Representative: Kouzou Makiyama, Member of the Board, President, Representative Executive Officer  
 Inquiries: Hideki Noguchi, Executive Officer for the Finance Group, Accounting Group and Accounting Coordination Group  
 TEL: +81-3-3477-5791 (from overseas)

Scheduled date of annual general shareholders' meeting: May 28, 2016  
 Scheduled date of dividend distribution: May 9, 2016  
 Scheduled date to file Annual Securities Report: May 30, 2016  
 Preparation of supplementary material on earnings: Yes  
 Holding of earnings performance review: Yes (for institutional investors and analysts)

(All amounts have been rounded down to the nearest million yen.)

### 1. Consolidated performance for the fiscal year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 29, 2016	276,358	2.4	12,772	2.1	12,673	1.4	6,061	(3.7)
February 28, 2015	269,889	2.1	12,508	2.6	12,499	4.0	6,294	(7.1)

Note: Comprehensive income

For the fiscal year ended February 29, 2016: 5,421 million yen [(14.5)%]

For the fiscal year ended February 28, 2015: 6,343 million yen [(10.2)%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
Fiscal year ended	Yen	Yen	%	%	%
February 29, 2016	59.75	—	5.3	5.5	4.6
February 28, 2015	62.04	—	5.7	5.6	4.6

Reference: Equity in earnings (losses) of affiliates

For the fiscal year ended February 29, 2016: (14) million yen

For the fiscal year ended February 28, 2015: (0) million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2016	236,315	116,474	49.3	1,148.00
February 28, 2015	226,830	113,211	49.9	1,115.83

Reference: Equity

As of February 29, 2016: 116,474 million yen

As of February 28, 2015: 113,211 million yen

### (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
February 29, 2016	14,652	(19,325)	7,203	6,582
February 28, 2015	15,281	(7,612)	(7,206)	4,059

### 2. Cash dividends

	Annual dividends					Total cash dividends (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Fiscal year-end Yen	Total Yen			
Fiscal year ended February 28, 2015	–	9.00	–	9.00	18.00	1,826	29.0	1.6
Fiscal year ended February 29, 2016	–	10.00	–	10.00	20.00	2,029	33.5	1.8
Fiscal year ending February 28, 2017 (Forecast)	–	11.00	–	11.00	22.00		28.4	

### 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2017 (from March 1, 2016 to February 28, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2016	139,450	2.0	7,150	7.2	6,950	5.3	4,100	19.8	40.41
Fiscal year ending February 28, 2017	280,150	1.4	13,500	5.7	13,800	8.9	7,850	29.5	77.37

#### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement of prior period financial statements after error corrections: None

- (3) Number of issued shares (common shares)
- a. Total number of issued shares at the end of the period (including treasury shares)
- |                         |                    |
|-------------------------|--------------------|
| As of February 29, 2016 | 101,462,977 shares |
| As of February 28, 2015 | 101,462,977 shares |
- b. Number of treasury shares at the end of the period
- |                         |              |
|-------------------------|--------------|
| As of February 29, 2016 | 4,200 shares |
| As of February 28, 2015 | 3,242 shares |
- c. Average number of shares during the period
- |   |                    |
|---|--------------------|
| For the fiscal year ended February 29, 2016 | 101,459,135 shares |
| For the fiscal year ended February 28, 2015 | 101,460,086 shares |

## (Reference) Overview of non-consolidated performance

### 1. Non-consolidated performance for the fiscal year ended February 29, 2016 (from March 1, 2015 to February 29, 2016)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 29, 2016	249,366	1.5	11,731	(0.1)	11,727	0.1	5,932	(1.0)
February 28, 2015	245,646	1.2	11,747	(0.6)	11,718	(0.1)	5,994	(11.5)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
February 29, 2016	58.48	–
February 28, 2015	59.09	–

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2016	233,450	116,827	50.0	1,151.48
February 28, 2015	222,876	113,696	51.0	1,120.60

Reference: Equity

As of February 29, 2016: 116,827 million yen

As of February 28, 2015: 113,696 million yen

### 2. Non-consolidated earnings forecasts for the fiscal year ending February 28, 2017 (from March 1, 2016 to February 28, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2016	125,200	1.6	6,450	4.3	6,300	1.6	3,700	6.8	36.47
Fiscal year ending February 28, 2017	251,700	0.9	12,150	3.6	12,500	6.6	7,050	18.8	69.49

**\* Indication regarding execution of audit procedures**

The audit procedures pursuant to the Financial Instruments and Exchange Act do not apply to this earnings report. At the time of disclosure of this earnings report, the audit procedures for financial statements are in progress.

**\* Proper use of earnings forecasts, and other special matters**

Caution concerning forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the time of the filing and certain assumptions deemed reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

Method of accessing supplementary material on earnings

Supplementary material on financial results will be disclosed on TDnet, on the date of this report. On Wednesday, April 6, 2016, the Company plans to hold an earnings performance review for institutional investors and analysts. The Company plans to post a video of this earnings performance review on its website promptly after the review is held.

## Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	4,333	6,840
Notes and operating accounts receivable	11,655	8,289
Merchandise and finished goods	3,069	3,387
Work in process	670	653
Raw materials and supplies	37	37
Advance payments - trade	316	375
Prepaid expenses	878	907
Deferred tax assets	1,102	1,071
Short-term loans receivable	31	22
Other	5,321	2,312
Allowance for doubtful accounts	(4)	(3)
Total current assets	27,410	23,894
Non-current assets		
Property, plant and equipment		
Buildings and structures	124,240	129,672
Accumulated depreciation	(79,979)	(82,301)
Accumulated impairment loss	(1,224)	(1,878)
Buildings and structures, net	43,036	45,492
Buildings and structures in trust	21,872	22,270
Accumulated depreciation	(4,290)	(5,411)
Buildings and structures in trust, net	17,582	16,858
Machinery, equipment and vehicles	867	887
Accumulated depreciation	(681)	(729)
Accumulated impairment loss	(0)	(0)
Machinery, equipment and vehicles, net	185	158
Machinery, equipment and vehicles in trust	171	171
Accumulated depreciation	(15)	(31)
Machinery, equipment and vehicles in trust, net	155	139
Tools, furniture and fixtures	5,445	5,814
Accumulated depreciation	(4,236)	(4,409)
Accumulated impairment loss	(70)	(87)
Tools, furniture and fixtures, net	1,139	1,317
Tools, furniture and fixtures in trust	192	194
Accumulated depreciation	(102)	(124)
Tools, furniture and fixtures in trust, net	90	69
Land	43,024	51,392
Land in trust	47,069	50,104
Leased assets	973	1,070
Accumulated depreciation	(484)	(542)
Accumulated impairment loss	-	(76)
Leased assets, net	489	452
Construction in progress	5,864	6,229
Total property, plant and equipment	158,636	172,215
Intangible assets		
Leasehold right	10,969	10,237
Other	1,042	1,403
Total intangible assets	12,011	11,641

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Investments and other assets		
Investment securities	2,371	1,192
Long-term loans receivable	153	131
Long-term prepaid expenses	531	496
Lease and guarantee deposits	24,075	23,863
Deferred tax assets	1,308	2,369
Long-term accounts receivable - other	84	73
Other	440	617
Allowance for doubtful accounts	(193)	(180)
Total investments and other assets	28,771	28,564
Total non-current assets	199,419	212,421
Total assets	226,830	236,315
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	17,850	17,258
Short-term loans payable	8,569	7,919
Commercial papers	4,499	11,399
Lease obligations	172	224
Accounts payable - other	6,815	4,615
Accrued expenses	1,822	1,733
Income taxes payable	3,556	2,627
Provision for bonuses	1,094	1,067
Provision for sales returns	21	21
Provision for books unsold	113	121
Provision for sales promotion expenses	349	367
Provision for loss on store closing	-	487
Other	2,605	2,888
Total current liabilities	47,472	50,732
Non-current liabilities		
Long-term loans payable	32,161	35,200
Lease obligations	346	339
Long-term accounts payable - other	8	8
Net defined benefit liability	1,964	2,281
Provision for loss on store closing	-	564
Guarantee deposits received	31,206	30,188
Asset retirement obligations	447	505
Other	12	20
Total non-current liabilities	66,146	69,108
Total liabilities	113,618	119,841
Net assets		
Shareholders' equity		
Capital stock	34,367	34,367
Capital surplus	35,129	35,129
Retained earnings	43,249	47,154
Treasury shares	(2)	(3)
Total shareholders' equity	112,743	116,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	656	15
Foreign currency translation adjustment	(59)	(86)
Remeasurements of defined benefit plans	(129)	(101)
Total accumulated other comprehensive income	467	(172)
Minority interests	-	-
Total net assets	113,211	116,474
Total liabilities and net assets	226,830	236,315

**(2) Consolidated statements of (comprehensive) income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Net sales	269,889	276,358
Cost of sales	228,948	234,395
Gross profit	40,941	41,963
Reversal of provision for sales returns	4	0
Gross profit - net	40,946	41,963
Operating revenue	4,322	4,691
Operating gross profit	45,269	46,655
Selling, general and administrative expenses	32,760	33,883
Operating income	12,508	12,772
Non-operating income		
Interest income	43	37
Dividend income	37	21
Miscellaneous income	408	307
Total non-operating income	489	366
Non-operating expenses		
Interest expenses	422	377
Interest on bonds	7	10
Share of loss of entities accounted for using equity method	0	14
Miscellaneous expenses	68	62
Total non-operating expenses	498	465
Ordinary income	12,499	12,673
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	211	1,220
Other	-	29
Total extraordinary income	212	1,250
Extraordinary losses		
Loss on sales of non-current assets	-	20
Loss on retirement of non-current assets	649	822
Impairment loss	1,463	1,024
Loss on sales of investment securities	0	-
Special retirement expenses	-	26
Loss on closing of stores	-	1,887
Other	16	3
Total extraordinary losses	2,129	3,785
Income before income taxes and minority interests	10,582	10,137
Income taxes - current	4,939	4,663
Income taxes - deferred	(650)	(588)
Total income taxes	4,288	4,075
Income before minority interests	6,294	6,061
Net income	6,294	6,061

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Income before minority interests	6,294	6,061
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(640)
Foreign currency translation adjustment	58	(16)
Remeasurements of defined benefit plans, net of tax	–	27
Share of other comprehensive income of entities accounted for using equity method	6	(10)
Total other comprehensive income	49	(640)
Comprehensive income	6,343	5,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,343	5,421
Comprehensive income attributable to minority interests	–	–



**(3) Consolidated statements of changes in equity**  
**Fiscal year ended February 28, 2015**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,367	35,129	38,781	(2)	108,276
Cumulative effects of changes in accounting policies					-
Restated balance	34,367	35,129	38,781	(2)	108,276
Changes of items during period					
Dividends of surplus			(1,826)		(1,826)
Net income			6,294		6,294
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,468	(0)	4,467
Balance at end of current period	34,367	35,129	43,249	(2)	112,743

	Accumulated other comprehensive income				Minority 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 current period	671	(124)	-	547	-	108,823
Cumulative effects of changes in accounting policies				-		-
Restated balance	671	(124)	-	547	-	108,823
Changes of items during period						
Dividends of surplus						(1,826)
Net income						6,294
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	(15)	64	(129)	(79)	-	(79)
Total changes of items during period	(15)	64	(129)	(79)	-	4,387
Balance at end of current period	656	(59)	(129)	467	-	113,211

## Fiscal year ended February 29, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,367	35,129	43,249	(2)	112,743
Cumulative effects of changes in accounting policies			(229)		(229)
Restated balance	34,367	35,129	43,020	(2)	112,514
Changes of items during period					
Dividends of surplus			(1,927)		(1,927)
Net income			6,061		6,061
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,134	(1)	4,133
Balance at end of current period	34,367	35,129	47,154	(3)	116,647

	Accumulated other comprehensive income				Minority 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 current period	656	(59)	(129)	467	-	113,211
Cumulative effects of changes in accounting policies				-		(229)
Restated balance	656	(59)	(129)	467	-	112,981
Changes of items during period						
Dividends of surplus						(1,927)
Net income						6,061
Purchase of treasury shares						(1)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	(640)	(27)	27	(640)	-	(640)
Total changes of items during period	(640)	(27)	27	(640)	-	3,493
Balance at end of current period	15	(86)	(101)	(172)	-	116,474

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	10,582	10,137
Depreciation	5,921	6,277
Impairment loss	1,463	1,024
Increase (decrease) in provision for bonuses	53	(27)
Increase (decrease) in net defined benefit liability	(23)	27
Interest and dividend income	(80)	(59)
Interest expenses	430	388
Loss on sales and retirement of non-current assets	213	240
Gain on sales of investment securities	(211)	(1,220)
Loss on store closings	-	1,887
Decrease (increase) in notes and accounts receivable - trade	(4,071)	3,366
Increase in inventories	(472)	(300)
Increase (decrease) in notes and accounts payable - trade	2,286	(592)
Increase/decrease in other assets/liabilities	2,317	(716)
Other, net	(5)	121
Subtotal	18,403	20,555
Interest and dividend income received	80	59
Interest expenses paid	(456)	(407)
Payment resulting from store closing	(114)	-
Income taxes paid	(2,632)	(5,554)
Net cash provided by operating activities	15,281	14,652
<b>Cash flows from investing activities</b>		
Payments into time deposits	(273)	(257)
Proceeds from withdrawal of time deposits	-	256
Purchase of property, plant and equipment	(9,218)	(22,179)
Proceeds from sales of property, plant and equipment	20	7
Purchase of investment securities	(2)	(402)
Proceeds from sales of investment securities	711	1,722
Payments for lease and guarantee deposits	(856)	(660)
Proceeds from collection of lease and guarantee deposits	4,020	3,892
Decrease in guarantee deposits received	(1,527)	(863)
Other, net	(485)	(841)
Net cash used in investing activities	(7,612)	(19,325)
<b>Cash flows from financing activities</b>		
Net decrease in short-term loans payable	(5,000)	(1,000)
Net increase in commercial papers	4,499	6,900
Proceeds from long-term loans payable	4,000	11,000
Repayments of long-term loans payable	(8,700)	(7,606)
Net increase in treasury shares	(0)	(1)
Cash dividends paid	(1,826)	(1,927)
Other, net	(179)	(161)
Net cash provided by (used in) financing activities	(7,206)	7,203
Effect of exchange rate change on cash and cash equivalents	68	(7)
Net increase in cash and cash equivalents	530	2,523
Cash and cash equivalents at beginning of period	3,529	4,059
Cash and cash equivalents at end of period	4,059	6,582

## Non-consolidated financial statements

### (1) Non-consolidated balance sheets

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	3,909	6,496
Operating accounts receivable	9,329	6,527
Merchandise and finished goods	296	338
Work in process	219	370
Raw materials and supplies	3	5
Advance payments - trade	316	374
Prepaid expenses	745	764
Deferred tax assets	704	682
Short-term loans receivable	812	1,399
Current portion of guarantee deposits	3,970	942
Other	1,156	1,256
Allowance for doubtful accounts	(2)	(2)
<b>Total current assets</b>	<b>21,461</b>	<b>19,155</b>
Non-current assets		
Property, plant and equipment		
Buildings	121,893	126,986
Accumulated depreciation	(78,669)	(80,903)
Accumulated impairment loss	(1,039)	(1,687)
<b>Buildings, net</b>	<b>42,184</b>	<b>44,396</b>
Buildings in trust	21,594	21,991
Accumulated depreciation	(4,225)	(5,333)
<b>Buildings in trust, net</b>	<b>17,368</b>	<b>16,657</b>
Structures	1,757	1,944
Accumulated depreciation	(1,309)	(1,345)
Accumulated impairment loss	(9)	(11)
<b>Structures, net</b>	<b>438</b>	<b>586</b>
Structures in trust	286	287
Accumulated depreciation	(65)	(79)
<b>Structures in trust, net</b>	<b>221</b>	<b>208</b>
Machinery and equipment	860	881
Accumulated depreciation	(674)	(722)
Accumulated impairment loss	-	(0)
<b>Machinery and equipment, net</b>	<b>186</b>	<b>159</b>
Machinery and equipment in trust	171	171
Accumulated depreciation	(15)	(31)
<b>Machinery and equipment in trust, net</b>	<b>155</b>	<b>139</b>
Vehicles	16	16
Accumulated depreciation	(15)	(15)
Accumulated impairment loss	(0)	(0)
<b>Vehicles, net</b>	<b>0</b>	<b>-</b>
Tools, furniture and fixtures	3,985	4,191
Accumulated depreciation	(3,242)	(3,326)
Accumulated impairment loss	(14)	(20)
<b>Tools, furniture and fixtures, net</b>	<b>728</b>	<b>844</b>
Tools, furniture and fixtures in trust	192	194
Accumulated depreciation	(102)	(124)
<b>Tools, furniture and fixtures in trust, net</b>	<b>90</b>	<b>69</b>

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
Land	43,822	52,359
Land in trust	47,069	50,104
Leased assets	334	459
Accumulated depreciation	(110)	(188)
Leased assets, net	223	270
Construction in progress	5,785	6,156
Total property, plant and equipment	158,274	171,952
Intangible assets		
Leasehold right	10,969	10,237
Software	474	583
Other	283	349
Total intangible assets	11,727	11,170
Investments and other assets		
Investment securities	2,219	705
Shares of subsidiaries and associates	4,929	5,329
Investments in capital	7	7
Long-term loans receivable	143	131
Long-term prepaid expenses	529	495
Lease and guarantee deposits	23,141	22,793
Deferred tax assets	117	1,204
Long-term accounts receivable - other	83	73
Other	432	609
Allowance for doubtful accounts	(192)	(180)
Total investments and other assets	31,412	31,171
Total non-current assets	201,415	214,294
Total assets	222,876	233,450
Liabilities		
Current liabilities		
Operating accounts payable	13,605	13,623
Short-term loans payable	4,645	3,781
Current portion of long-term loans payable	7,550	7,900
Commercial papers	4,499	11,399
Lease obligations	71	90
Accounts payable - other	6,857	5,198
Accrued expenses	1,196	1,068
Income taxes payable	3,249	2,312
Advances received	483	533
Deposits received	281	284
Provision for bonuses	639	590
Provision for sales returns	21	21
Provision for books unsold	113	121
Provision for loss on store closing	-	487
Current portion of guarantee deposits	1,211	1,366
Other	312	356
Total current liabilities	44,739	49,136

(Millions of yen)

	As of February 28, 2015	As of February 29, 2016
<b>Non-current liabilities</b>		
Long-term loans payable	32,100	35,200
Lease obligations	167	200
Long-term accounts payable - other	8	8
Provision for retirement benefits	584	932
Provision for loss on store closing	–	564
Guarantee deposits received	31,329	30,314
Asset retirement obligations	237	254
Other	12	11
Total non-current liabilities	64,440	67,486
Total liabilities	109,180	116,623
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,367	34,367
<b>Capital surplus</b>		
Legal capital surplus	13,600	13,600
Other capital surplus	21,529	21,529
Total capital surpluses	35,129	35,129
<b>Retained earnings</b>		
Legal retained earnings	681	681
<b>Other retained earnings</b>		
General reserve	12,811	12,811
Retained earnings brought forward	30,075	33,860
Total retained earnings	43,567	47,352
Treasury shares	(2)	(3)
Total shareholders' equity	113,061	116,845
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	634	(17)
Total valuation and translation adjustments	634	(17)
Total net assets	113,696	116,827
Total liabilities and net assets	222,876	233,450

**(2) Non-consolidated statements of income**

(Millions of yen)

	Fiscal year ended February 28, 2015	Fiscal year ended February 29, 2016
Net sales		
Tenants sales	239,157	243,079
Other sales	6,489	6,287
Total net sales	245,646	249,366
Cost of sales		
Cost of tenants sales	209,897	213,601
Other cost of sales	4,424	4,315
Total cost of sales	214,321	217,917
Gross profit	31,324	31,449
Reversal of provision for sales returns	4	0
Gross profit - net	31,329	31,450
Operating revenue	4,270	4,690
Operating gross profit	35,600	36,140
Selling, general and administrative expenses	23,852	24,409
Operating income	11,747	11,731
Non-operating income		
Interest income	47	40
Dividend income	71	109
Miscellaneous income	359	301
Total non-operating income	479	450
Non-operating expenses		
Interest expenses	434	390
Interest on bonds	7	10
Miscellaneous expenses	64	52
Total non-operating expenses	507	453
Ordinary income	11,718	11,727
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	211	1,220
Other	-	29
Total extraordinary income	212	1,250
Extraordinary losses		
Loss on sales of non-current assets	-	20
Loss on retirement of non-current assets	649	811
Impairment loss	1,406	868
Special retirement expenses	-	26
Loss on closing of stores	-	1,708
Other	0	-
Total extraordinary losses	2,056	3,435
Income before income taxes	9,875	9,542
Income taxes - current	4,526	4,210
Income taxes - deferred	(645)	(600)
Total income taxes	3,880	3,609
Net income	5,994	5,932

**(3) Non-consolidated statements of changes in equity**  
**Fiscal year ended February 28, 2015**

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	34,367	13,600	21,529	35,129	681	12,811	25,906	39,399	(2)	108,893
Cumulative effects of changes in accounting policies										-
Restated balance	34,367	13,600	21,529	35,129	681	12,811	25,906	39,399	(2)	108,893
Changes of items during period										
Dividends of surplus							(1,826)	(1,826)		(1,826)
Net income							5,994	5,994		5,994
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares										-
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	-	-	4,168	4,168	(0)	4,168
Balance at end of current period	34,367	13,600	21,529	35,129	681	12,811	30,075	43,567	(2)	113,061

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of current period	661	109,554
Cumulative effects of changes in accounting policies		-
Restated balance	661	109,554
Changes of items during period		
Dividends of surplus		(1,826)
Net income		5,994
Purchase of treasury shares		(0)
Disposal of treasury shares		-
Net changes of items other than shareholders' equity	(26)	(26)
Total changes of items during period	(26)	4,141
Balance at end of current period	634	113,696



## Fiscal year ended February 29, 2016

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	34,367	13,600	21,529	35,129	681	12,811	30,075	43,567	(2)	113,061
Cumulative effects of changes in accounting policies							(220)	(220)		(220)
Restated balance	34,367	13,600	21,529	35,129	681	12,811	29,854	43,347	(2)	112,841
Changes of items during period										
Dividends of surplus							(1,927)	(1,927)		(1,927)
Net income							5,932	5,932		5,932
Purchase of treasury shares									(1)	(1)
Disposal of treasury shares										-
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	-	-	4,005	4,005	(1)	4,004
Balance at end of current period	34,367	13,600	21,529	35,129	681	12,811	33,860	47,352	(3)	116,845

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of current period	634	113,696
Cumulative effects of changes in accounting policies		(220)
Restated balance	634	113,475
Changes of items during period		
Dividends of surplus		(1,927)
Net income		5,932
Purchase of treasury shares		(1)
Disposal of treasury shares		-
Net changes of items other than shareholders' equity	(652)	(652)
Total changes of items during period	(652)	3,351
Balance at end of current period	(17)	116,827