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Consolidated Financial Results for the Nine Months (Q3) Ended November 30, 2024 (Under Japanese GAAP)

January 10, 2025

Company name Mr Max Holdings Ltd.
Listings Tokyo Stock Exchange, Fukuoka Stock Exchange
Security code 8203
URL <https://www.mrmxhd.co.jp/>
Representative Yoshiaki Hirano, President
Contact Hirokazu Ishii, Senior Executive Officer in charge of Corporate Planning and Finance Division
Telephone +81-92-623-1111

Scheduled date for the commencement of dividend payments —
Supplementary materials to the quarterly results No
Quarterly earnings results briefing No

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Nine Months (Q3) Ended November 30, 2024 (March 1, 2024 to November 30, 2024)

(1) Operating Results

(Percentage figures represent year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended November 30, 2024	101,885	5.0	2,926	17.7	2,887	20.8	1,878	21.2
Nine months ended November 30, 2023	96,987	2.6	2,486	(28.0)	2,390	(29.0)	1,550	(40.2)

Note: Comprehensive income: Nine months ended November 30, 2024: 1,877 million yen [15.3%]
Nine months ended November 30, 2023: 1,628 million yen [(38.0)%]

	Earnings per share	Earnings per share – fully diluted
	yen	yen
Nine months ended November 30, 2024	56.47	—
Nine months ended November 30, 2023	46.65	—

(2) Financial Position

	Total assets	Net assets	Total equity ratio
	million yen	million yen	%
November 30, 2024	85,676	35,435	41.4
February 29, 2024	83,511	34,129	40.9

Reference: Total equity: November 30, 2024: 35,435 million yen February 29, 2024: 34,129 million yen

2. Dividends

	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended February 29, 2024	—	0.00	—	18.00	18.00
Year ending February 28, 2025	—	0.00	—		
Year ending February 28, 2025 (forecast)				20.00	20.00

Note: Revisions to the dividends forecasts most recently announced: None

3. Forecast of Consolidated Earnings for the Fiscal Year ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(Percentage figures represent year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	132,000	1.9	3,300	9.2	3,200	10.0	2,200	(10.0)	66.16

Note: Revisions to the earnings forecasts most recently announced: None

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: None

Newly included: — (company name), Excluded: — (company name)

(2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements:

1) Changes in accounting policies in accordance with amendments to accounting standards: None

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued at end of period (including treasury shares):

November 30, 2024: 39,611,134 shares

February 29, 2024: 39,611,134 shares

2) Number of treasury shares held at end of period:

November 30, 2024: 6,322,254 shares

February 29, 2024: 6,362,036 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2024: 33,273,467 shares

Nine months ended November 30, 2023: 33,238,319 shares

*Quarterly (Q3) review status

Review of quarterly financial statements attached to this report by a certified public accountant or audit firm: None

*Appropriate Use of Earnings Forecasts and Other Important Information

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. The actual results may differ materially from the above forecasts due to a range of factors. For the assumptions underlying the earnings forecasts and important notes on the use of the earnings forecasts, please refer to page 2 of the accompanying materials.

Accompanying Materials

Contents

1. Review of Operating Results and Financial Statements	2
(1) Analysis of Operating Results	2
(2) Consolidated Financial Condition	2
(3) Consolidated Earnings Forecast.....	2
2. Consolidated Financial Statements and Main Notes	3
(1) Consolidated Balance Sheet	3
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	5
(Consolidated Statement of Income) (Nine-Month Consolidated Accounting Period)	5
(Consolidated Statement of Comprehensive Income) (Nine-Month Consolidated Accounting Period)	6
(3) Notes on the Consolidated Financial Statements	7
(Notes on the Going Concern Assumption)	7
(Notes on Significant Changes in the Amount of Shareholders' Equity)	7
(Notes on Quarterly Consolidated Statement of Cash Flows).....	7
(Notes on Segment Information, Etc.)	7
(Significant Subsequent Events)	7

1. Review of Operating Results and Financial Statements

(1) Analysis of Operating Results

The operating revenue (which consists of net sales, real estate lease revenue and other operating revenue) for the first nine months of the fiscal year under review was 101,885 million yen (up 5.0% year on year), operating profit was 2,926 million yen (up 17.7% year on year), ordinary profit was 2,887 million yen (up 20.8% year on year), and profit attributable to owners of parent was 1,878 million yen (up 21.2% year on year), which led to increases in both revenue and profit.

The Group fully implemented as an operator of general discount stores our EDLP (Everyday Low Price) strategy of selling living necessities in the main at low prices every day under the management philosophy of “making everyday life of customers richer, more convenient, and more fun” while focusing on our EDLC (Everyday Low Cost) strategy to support EDLP. The Group has pushed forward with continued efforts to contribute to the everyday lives of its customers through measures such as price reduction plans and an apps campaign.

Sales from all stores for the nine months under review were 97,934 million yen (up 5.1% year on year). In terms of merchandise, sales of rice increased substantially as rice shortages in the market boosted demand. As the result of active low-price promotions that reflected the consumer trend of cutting down on spending, those of detergents for clothes, pet foods, processed foods, and other products continued to be strong. Regarding PB products, sales rose considerably of large home appliances that incorporated in the Company’s revival models old products of home appliance manufacturers which were sold as the exclusive products of the Company. Furthermore, product lineups of paper products, food, and so forth were strengthened, and as a result, net sales went up 14.1% year on year with their percentage to total sales rising 1.6 percentage points to 21.1%. As a result, sales of existing stores were 105.3% of those of the same period of the previous fiscal year.

In terms of new store openings, “Mr Max SunLive Koga Store” (in the City of Koga, Fukuoka Prefecture) was opened in November 2024. The store’s sales have exceeded the plan since its opening. With this opening, the number of stores at the end of the first nine months of the fiscal year under review totaled 57.

In terms of cost, although personnel costs increased due to a rise in wages, the increase was successfully held down to a minimum by cutting man-hours compared to the previous year through improvement in work efficiency. Selling, general and administrative expenses were 22,516 million yen (up 4.2% year on year), resulting mainly from an increase in cashless payment charges.

Gross profit was 21,490 million yen (up 6.0% year on year). The gross profit ratio improved by 0.2% year on year to 21.9% as sales of PB products with a high gross profit ratio rose.

As the result of securing a gross profit that surpassed the cost increase, the Company saw both its revenue and profit grow. For the upcoming three months and beyond, we will strive to improve financial results by continuing to focus on profit expansion and low-cost operation.

(2) Consolidated Financial Condition

(Total assets)

Current assets as of November 30, 2024 were 22,037 million yen, an increase of 2,875 million yen from the end of the previous fiscal year (February 29, 2024). The increase is mainly attributable to an increase of 2,387 million yen in merchandise. Non-current assets were 63,639 million yen, a decrease of 710 million yen from the end of the previous fiscal year. The decrease is mainly attributable to a decrease of 310 million yen in guarantee deposits.

As a result, total assets were 85,676 million yen, an increase of 2,165 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of November 30, 2024 were 29,548 million yen, an increase of 2,763 million yen from the end of the previous fiscal year (February 29, 2024). The increase is mainly attributable to an increase of 2,695 million yen in notes and accounts payable - trade. Non-current liabilities were 20,692 million yen, a decrease of 1,905 million yen from the end of the previous fiscal year. The decrease is mainly attributable to a decrease of 2,382 million yen in long-term borrowings.

As a result, liabilities were 50,240 million yen, an increase of 858 million yen from the end of the previous fiscal year.

(Net assets)

Net assets as of November 30, 2024 were 35,435 million yen, an increase of 1,306 million yen from the end of the previous fiscal year (February 29, 2024). The increase is mainly attributable to an increase of 1,280 million yen in retained earnings.

(3) Consolidated Earnings Forecast

The consolidated earnings forecast for the fiscal year ending February 28, 2025 is unchanged from the forecast announced on April 11, 2024.

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

	As of February 29, 2024	As of November 30, 2024
(Millions of yen)		
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Assets		
Current assets		
Cash and deposits	2,389	2,131
Accounts receivable - trade	3,467	4,234
Merchandise	11,862	14,249
Supplies	43	44
Other	1,399	1,376
Total current assets	19,161	22,037
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,355	13,627
Land	30,115	30,115
Other, net	4,067	4,143
Total property, plant and equipment	48,538	47,886
Intangible assets	1,561	1,488
Investments and other assets		
Guarantee deposits	6,871	6,561
Other	7,413	7,736
Allowance for doubtful accounts	(34)	(32)
Total investments and other assets	14,251	14,264
Total non-current assets	64,350	63,639
Total assets	83,511	85,676

	As of February 29, 2024	As of November 30, 2024
(Millions of yen)		
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Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,313	11,009
Electronically recorded obligations - operating	6,830	6,492
Short-term borrowings	—	150
Current portion of long-term borrowings	5,920	5,655
Current portion of bonds payable	286	586
Income taxes payable	791	627
Provision for bonuses	725	528
Other	3,916	4,498
Total current liabilities	26,784	29,548
Non-current liabilities		
Bonds payable	1,142	1,906
Long-term borrowings	13,261	10,878
Retirement benefit liability	917	929
Asset retirement obligations	1,572	1,588
Other	5,703	5,388
Total non-current liabilities	22,597	20,692
Total liabilities	49,382	50,240
Net assets		
Shareholders' equity		
Share capital	10,229	10,229
Capital surplus	7,992	8,003
Retained earnings	18,159	19,439
Treasury shares	(2,580)	(2,563)
Total shareholders' equity	33,800	35,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	232	234
Deferred gains or losses on hedges	3	—
Foreign currency translation adjustment	5	5
Remeasurements of defined benefit plans	86	86
Total accumulated other comprehensive income	328	326
Total net assets	34,129	35,435
Total liabilities and net assets	83,511	85,676

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)
(Nine-Month Consolidated Accounting Period)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Net sales	93,165	97,934
Cost of sales	72,889	76,443
Gross profit	20,275	21,490
Operating revenue		
Real estate lease revenue	2,881	2,979
Other operating revenue	940	972
Total operating revenue	3,822	3,951
Operating gross profit	24,098	25,442
Selling, general and administrative expenses		
Selling expenses	4,705	4,933
General and administrative expenses	16,907	17,582
Total selling, general and administrative expenses	21,612	22,516
Operating profit	2,486	2,926
Non-operating income		
Interest income	18	15
Subsidy income	—	39
Other	60	65
Total non-operating income	78	120
Non-operating expenses		
Interest on bonds	0	5
Interest expenses	102	94
Other	71	58
Total non-operating expenses	174	159
Ordinary profit	2,390	2,887
Extraordinary income		
Gain on sale of investment securities	4	—
Total extraordinary income	4	—
Extraordinary losses		
Loss on retirement of non-current assets	120	39
Total extraordinary losses	120	39
Profit before income taxes	2,274	2,847
Income taxes - current	834	1,142
Income taxes - deferred	(110)	(173)
Total income taxes	723	968
Profit	1,550	1,878
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,550	1,878

(Consolidated Statement of Comprehensive Income)
(Nine-Month Consolidated Accounting Period)

	(Millions of yen)	
	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Profit	1,550	1,878
Other comprehensive income		
Valuation difference on available-for-sale securities	75	1
Deferred gains or losses on hedges	(0)	(3)
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	1	(0)
Total other comprehensive income	77	(1)
Comprehensive income	1,628	1,877
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,628	1,877
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Notes on Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the nine months ended November 30, 2024, was not prepared.
Depreciation for the nine months ended November 30, 2024 (including amortization of intangible assets) is as below.

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Depreciation	1,911 million yen	1,988 million yen

(Notes on Segment Information, Etc.)

[Segment Information]

- I. Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)
Segment information is omitted because the Group's retail and accompanying businesses consist of a single segment.
- II. Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)
Segment information is omitted because the Group's retail and accompanying businesses consist of a single segment.

(Significant Subsequent Events)

Not applicable