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April 10, 2025

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Notice on Recording of Extraordinary Losses and Revisions to Full-Year Consolidated Financial Results Forecasts

In light of recent business performance trends, FUJI CO., LTD. (“the Company”) expects to record extraordinary losses. In conjunction with this, we have revised the consolidated financial results forecasts for the fiscal year ended February 28, 2025, which were announced on April 8, 2024. The details are described below.

1. The recording of extraordinary losses

In the fourth quarter of the fiscal year ended February 28, 2025, the Company will record an impairment loss of 4,276 million yen on non-current assets in relation to store assets, in accordance with the Accounting Standard for Impairment of Fixed Assets. The total amount of impairment loss recorded for the fiscal year ended February 28, 2025, including the amount of impairment loss described above, is 4,839 million yen.

With regard to stores, etc. that have shown a decline in profitability among the non-current assets held by the Company and the Group, we have calculated future cash flows for each asset group, with stores as the smallest unit, in accordance with the Accounting Standards for the Impairment of Fixed Assets. Based on these calculations, the Company will record an impairment loss of 4,319 million yen (including the amount recorded separately below) for the following store assets, etc. in the fourth quarter of the fiscal year under review.

(Millions of yen)

Breakdown	No. of stores	Amount
Supermarkets	92	4,143
CD and DVD rental stores	6	114
Restaurants, food courts, etc.	3	58
General fitness gyms	1	3
Total	102	4,319

Impairment losses for the fiscal year ended February 28, 2025 amounted to 4,839 million yen, including the 519 million yen in impairment losses recorded up to the third quarter.

In addition, the Company plans to record an extraordinary loss of 851 million yen as a provision for loss on store closings for the stores it has decided to close. The details of the revisions to the financial results forecasts resulting from this event are described in “2. Revisions to the financial results forecasts” below.

2. Revisions to the financial results forecasts

Consolidated financial results for the fiscal year ended February 28, 2025 (March 1, 2024 to February 28, 2025)
(Millions of yen)

	Operating revenue	Operating profit	Ordinary profit	Profit (loss) attributable to owners of parent	Basic earnings per share
Previously announced forecasts (A)	810,000	15,500	17,700	8,000	92.32 yen
Revised forecasts (B)	808,928	12,953	14,315	3,818	44.06 yen
Change (B - A)	(1,072)	(2,547)	(3,385)	(4,183)	—
Change rate (%)	(0.1)	(16.4)	(19.1)	(52.3)	—
(Reference) Results for the fiscal year ended February 29, 2024	801,022	15,110	17,374	7,436	85.80 yen

3. Reasons for the revisions

The business environment surrounding the retail industry has been severe during the fiscal year under review, with customers becoming increasingly frugal-minded due to continued price hikes for food and lifestyle-related products, while rising raw material prices and energy costs have squeezed profits.

Sales of food products have remained firm as the Company has responded to customers' desire to preserve their lifestyles by providing products at affordable prices and offering added value to meet their needs. These measures, however, have been insufficient to compensate for the increase in various costs, as energy prices and distribution costs have been higher than initially expected. As a result, operating profit and ordinary profit are expected to fall short of initial forecasts.

Following a detailed examination of the asset value and future potential of our stores and the efficiency of our assets, we have recorded impairment losses that are greater than had previously been planned, as well as an increase in income taxes. For these reasons, profit attributable to owners of parent has been revised downward.

Note: The forward-looking statements, including earnings forecasts, contained in this document are based on the judgment of the Company in accordance with information available as of the date of the publication of this document, and actual results may differ due to various factors.