

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: KONAKA CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 7494 URL <https://www.konaka.co.jp>
 Representative: Representative Director, President and CEO Kensuke Konaka
 Group Representative
 Managing Executive Officer, CFO, General
 Inquiries: Ryusuke Konaka TEL 045(825)7700
 Manager of Administration Headquarters
 Scheduled date of ordinary general meeting of shareholders: December 24, 2024
 Scheduled date to file Securities Report: December 24, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2024	62,217	(5.4)	(1,348)	–	(1,159)	–	(3,062)	–
Year ended September 30, 2023	65,797	–	(914)	–	(685)	–	(119)	–

Note: Comprehensive income Year ended September 30, 2024 ¥(2,524) million [–%]

Year ended September 30, 2023 ¥220 million [–%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2024	(101.13)	–	(17.4)	(2.4)	(2.2)
Year ended September 30, 2023	(4.08)	–	(0.6)	(1.2)	(1.4)

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended September 30, 2024 ¥– million

Year ended September 30, 2023 ¥– million

Note: Due to the retrospective application of changes to accounting policies, each figure indicated for the fiscal year ended September 30, 2023 is the figure after the retrospective application. As such, year-on-year percentage changes are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	44,458	16,234	36.5	484.20
As of September 30, 2023	53,132	19,518	35.9	651.32

Reference: Equity As of September 30, 2024 ¥16,234 million

As of September 30, 2023 ¥19,050 million

Note: Due to the retrospective application of changes to accounting policies, each figure indicated for the fiscal year ended September 30, 2023 is the figure after the retrospective application.

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2024	(228)	2,019	(4,809)	2,176
Year ended September 30, 2023	415	1,248	(2,735)	5,493

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2023	–	10.00	–	10.00	20.00	583	–	3.0
Year ended September 30, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2025 (Forecast)	–	5.00	–	5.00	10.00		–	

Note: Due to the retrospective application of changes to accounting policies, the figure indicated for “Ratio of dividends to net assets (Consolidated)” for the fiscal year ended September 30, 2023 was calculated using figures after the retrospective application.

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2025	34,554	(3.6)	1,884	66.7	1,991	39.6	773	5.5	23.08
Full year	61,556	(1.1)	720	–	958	–	(247)	–	(7.38)

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended September 30, 2024: Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: Yes
- Changes in accounting estimates: Yes
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	35,322,490 shares	As of September 30, 2023	31,146,685 shares
--------------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2024	1,794,453 shares	As of September 30, 2023	1,897,073 shares
--------------------------	------------------	--------------------------	------------------

Average number of shares during the period

Year ended September 30, 2024	30,279,819 shares	Year ended September 30, 2023	29,188,004 shares
-------------------------------	-------------------	-------------------------------	-------------------

Note: Due to a share exchange between the Company and Samantha Thavasa Japan Limited with the effective date of July 1, 2024, the total number of issued shares increased by 4,175,805 shares to 35,322,490 shares on the same date.

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2024	37,471	(0.1)	(240)	–	(1,159)	–	(8,884)	–
Year ended September 30, 2023	37,498	–	324	–	610	–	202	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2024	(293.42)	–
Year ended September 30, 2023	6.94	–

Note: Due to the retrospective application of changes to accounting policies, each figure indicated for the fiscal year ended September 30, 2023 is the figure after the retrospective application. As such, year-on-year percentage changes are not provided.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	34,366	15,711	45.7	468.60
As of September 30, 2023	42,400	23,425	55.2	800.89

Reference: Equity As of September 30, 2024 ¥15,711 million

As of September 30, 2023 ¥23,425 million

Note: Due to the retrospective application of changes to accounting policies, each figure indicated for the fiscal year ended September 30, 2023 is the figure after the retrospective application.

2. Forecast of non-consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2025	22,717	1.1	1,819	13.8	1,999	8.3	1,326	42.6	39.56
Full year	38,993	4.1	809	–	1,171	–	520	–	15.53

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Notes regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

(Financial results briefing materials)

The Company plans to hold a financial results briefing for institutional investors and securities analysts. The materials, etc. distributed at the briefing will be posted on the Company's website immediately after the briefing.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,894	2,181
Accounts receivable - trade	2,826	2,214
Merchandise and finished goods	14,327	12,314
Work in process	2	0
Raw materials and supplies	366	388
Deposits paid	286	597
Advance payments to suppliers	195	810
Prepaid expenses	587	491
Other	276	370
Total current assets	24,764	19,369
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,042	22,541
Accumulated depreciation	(22,272)	(19,656)
Buildings and structures, net	3,769	2,885
Machinery, equipment and vehicles	136	148
Accumulated depreciation	(126)	(130)
Machinery, equipment and vehicles, net	10	18
Tools, furniture and fixtures	8,109	7,458
Accumulated depreciation	(7,679)	(7,220)
Tools, furniture and fixtures, net	430	238
Land	9,341	7,273
Leased assets	81	69
Accumulated depreciation	(50)	(43)
Leased assets, net	31	26
Construction in progress	23	9
Total property, plant and equipment	13,606	10,451
Intangible assets		
Trademark right	43	1
Telephone subscription right	13	13
Other	498	411
Total intangible assets	555	426
Investments and other assets		
Investment securities	3,417	4,144
Long-term loans receivable	556	386
Leasehold and guarantee deposits	9,241	8,598
Retirement benefit asset	699	921
Other	339	233
Allowance for doubtful accounts	(47)	(72)
Total investments and other assets	14,206	14,211
Total non-current assets	28,368	25,089
Total assets	53,132	44,458

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,709	1,112
Electronically recorded obligations - operating	2,331	2,041
Short-term borrowings	12,075	7,455
Current portion of long-term borrowings	7,652	1,056
Accounts payable - other	341	159
Accrued expenses	2,314	2,199
Income taxes payable	366	298
Accrued consumption taxes	286	185
Contract liabilities	896	807
Provision for bonuses	413	271
Other	291	352
Total current liabilities	28,679	15,940
Non-current liabilities		
Long-term borrowings	85	6,885
Long-term accounts payable - other	55	55
Deferred tax liabilities	1,041	1,324
Retirement benefit liability	594	581
Provision for point card certificates	31	28
Long-term guarantee deposits	444	428
Asset retirement obligations	2,632	2,939
Other	49	39
Total non-current liabilities	4,934	12,283
Total liabilities	33,614	28,224
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus	13,253	13,253
Retained earnings	1,712	(1,778)
Treasury shares	(3,120)	(2,939)
Total shareholders' equity	17,151	13,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,840	2,207
Foreign currency translation adjustment	(39)	(4)
Remeasurements of defined benefit plans	98	190
Total accumulated other comprehensive income	1,898	2,393
Non-controlling interests	467	-
Total net assets	19,518	16,234
Total liabilities and net assets	53,132	44,458

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	65,797	62,217
Cost of sales	27,661	26,179
Gross profit	38,135	36,038
Selling, general and administrative expenses	39,049	37,387
Operating loss	(914)	(1,348)
Non-operating income		
Interest income	25	34
Dividend income	38	46
Rental income from real estate	357	439
Compensation income	80	–
Foreign exchange gains	87	8
Reversal of provision for bonuses	–	163
Other	177	163
Total non-operating income	766	856
Non-operating expenses		
Interest expenses	169	172
Commission expenses	–	214
Rental expenses on real estate	74	126
Share issuance costs	214	–
Arrangement Fee	–	88
Provision of allowance for doubtful accounts	4	12
Other	75	53
Total non-operating expenses	538	668
Ordinary loss	(685)	(1,159)
Extraordinary income		
Gain on sale of non-current assets	1,030	1,151
Gain on sale of investment securities	0	11
Compensation for forced relocation	230	–
Penalty income	440	–
Other	41	0
Total extraordinary income	1,742	1,164
Extraordinary losses		
Loss on retirement of non-current assets	52	31
Loss on valuation of investment securities	–	300
Impairment losses	1,826	2,103
Loss on store closings	77	141
Other	0	41
Total extraordinary losses	1,958	2,618
Loss before income taxes	(900)	(2,614)
Income taxes - current	286	247
Income taxes - deferred	(847)	147
Total income taxes	(561)	395
Loss	(339)	(3,009)
Profit (loss) attributable to non-controlling interests	(220)	52
Loss attributable to owners of parent	(119)	(3,062)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Loss	(339)	(3,009)
Other comprehensive income		
Valuation difference on available-for-sale securities	358	367
Foreign currency translation adjustment	29	25
Remeasurements of defined benefit plans, net of tax	171	91
Total other comprehensive income	559	484
Comprehensive income	220	(2,524)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	418	(2,567)
Comprehensive income attributable to non-controlling interests	(198)	43

Consolidated statements of changes in equity

Fiscal year ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,305	13,253	2,553	(3,342)	17,770
Cumulative effects of changes in accounting policies			39		39
Restated balance	5,305	13,253	2,592	(3,342)	17,809
Changes during period					
Dividends of surplus			(583)		(583)
Loss attributable to owners of parent			(119)		(119)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(177)		222	45
Transfer of loss on disposal of treasury shares		177	(177)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(880)	222	(657)
Balance at end of period	5,305	13,253	1,712	(3,120)	17,151

	Accumulated other comprehensive income				Non-controlling 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 period	1,481	(46)	(73)	1,361	665	19,797
Cumulative effects of changes in accounting policies				–		39
Restated balance	1,481	(46)	(73)	1,361	665	19,836
Changes during period						
Dividends of surplus				–		(583)
Loss attributable to owners of parent				–		(119)
Purchase of treasury shares				–		(0)
Disposal of treasury shares				–		45
Transfer of loss on disposal of treasury shares				–		–
Net changes in items other than shareholders' equity	358	7	171	537	(198)	339
Total changes during period	358	7	171	537	(198)	(318)
Balance at end of period	1,840	(39)	98	1,898	467	19,518

Fiscal year ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,305	13,253	1,712	(3,120)	17,151
Changes during period					
Dividends of surplus			(292)		(292)
Loss attributable to owners of parent			(3,062)		(3,062)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(136)		182	45
Transfer of loss on disposal of treasury shares		136	(136)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(3,491)	180	(3,310)
Balance at end of period	5,305	13,253	(1,778)	(2,939)	13,841

	Accumulated other comprehensive income				Non-controlling 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 period	1,840	(39)	98	1,898	467	19,518
Changes during period						
Dividends of surplus				–		(292)
Loss attributable to owners of parent				–		(3,062)
Purchase of treasury shares				–		(1)
Disposal of treasury shares				–		45
Transfer of loss on disposal of treasury shares				–		–
Net changes in items other than shareholders' equity	367	35	91	494	(467)	26
Total changes during period	367	35	91	494	(467)	(3,284)
Balance at end of period	2,207	(4)	190	2,393	–	16,234

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(900)	(2,614)
Depreciation	882	843
Impairment losses	1,826	2,103
Increase (decrease) in allowance for doubtful accounts	4	25
Increase (decrease) in retirement benefit liability	(13)	(13)
Increase (decrease) in provision for point card certificates	(6)	(2)
Increase (decrease) in provision for bonuses	(6)	(141)
Long-term loans offset with a rent	122	118
Long-term deposit offset with a rent	10	6
Loss (gain) on sale of non-current assets	(1,029)	(1,131)
Loss on retirement of non-current assets	52	31
Loss (gain) on sale of investment securities	(0)	(11)
Loss (gain) on valuation of investment securities	–	300
Subsidy income	(9)	–
Interest and dividend income	(63)	(81)
Interest expenses	169	172
Penalty income	(440)	–
Foreign exchange losses (gains)	(2)	(7)
Decrease (increase) in trade receivables	(280)	456
Decrease (increase) in inventories	1,088	1,791
Decrease (increase) in advance payments to suppliers	(42)	(614)
Increase (decrease) in trade payables	241	(771)
Increase (decrease) in accrued expenses	(567)	(131)
Increase (decrease) in accrued consumption taxes	(283)	(91)
Other, net	(81)	(63)
Subtotal	672	171
Interest and dividends received	49	75
Interest paid	(167)	(171)
Subsidies received	7	–
Penalty income received	189	–
Income taxes paid	(342)	(317)
Income taxes refund	6	12
Net cash provided by (used in) operating activities	415	(228)
Cash flows from investing activities		
Payments into time deposits	(274)	–
Proceeds from withdrawal of time deposits	106	62
Purchase of property, plant and equipment	(1,045)	(1,238)
Proceeds from sale of property, plant and equipment	2,183	3,846
Payments for retirement of property, plant and equipment	(160)	(172)
Purchase of intangible assets	(272)	(759)
Proceeds from sale and redemption of securities	8	23
Payments of leasehold and guarantee deposits	(244)	(209)
Proceeds from refund of leasehold and guarantee deposits	914	502
Loan advances	(15)	(5)
Proceeds from collection of loans receivable	2	5
Other, net	46	(36)
Net cash provided by (used in) investing activities	1,248	2,019

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,487)	(4,620)
Proceeds from long-term borrowings	–	10,364
Repayments of long-term borrowings	(658)	(10,248)
Purchase of treasury shares	(0)	(1)
Dividends paid	(581)	(292)
Dividends paid to non-controlling interests	(0)	–
Other, net	(8)	(10)
Net cash provided by (used in) financing activities	(2,735)	(4,809)
Effect of exchange rate change on cash and cash equivalents	18	24
Net increase (decrease) in cash and cash equivalents	(1,053)	(2,994)
Cash and cash equivalents at beginning of period	6,547	5,493
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	(323)
Cash and cash equivalents at end of period	5,493	2,176

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,640	471
Accounts receivable - trade	1,462	1,397
Merchandise and finished goods	8,533	8,231
Raw materials and supplies	257	308
Advance payments to suppliers	145	768
Prepaid expenses	348	337
Short-term loans receivable from subsidiaries and associates	283	307
Other	356	296
Total current assets	15,028	12,118
Non-current assets		
Property, plant and equipment		
Buildings	1,766	1,876
Structures	32	49
Tools, furniture and fixtures	271	190
Land	6,615	6,614
Other	45	29
Total property, plant and equipment	8,730	8,761
Intangible assets		
Leasehold interests in land	0	0
Software	64	402
Software in progress	137	–
Total intangible assets	202	403
Investments and other assets		
Investment securities	3,410	3,626
Shares of subsidiaries and associates	5,672	235
Long-term loans receivable	284	252
Long-term loans receivable from employees	0	0
Long-term loans receivable from subsidiaries and associates	2,082	3,332
Long-term prepaid expenses	41	34
Leasehold and guarantee deposits	6,828	6,696
Prepaid pension costs	511	596
Other	92	70
Allowance for doubtful accounts	(486)	(1,763)
Total investments and other assets	18,439	13,082
Total non-current assets	27,372	22,247
Total assets	42,400	34,366

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable - trade	21	0
Electronically recorded obligations - operating	2,191	2,001
Accounts payable - trade	705	595
Short-term borrowings	9,166	6,144
Current portion of long-term borrowings	–	627
Accounts payable - other	111	89
Accrued expenses	1,269	1,164
Income taxes payable	334	231
Contract liabilities	778	673
Advances received	1	0
Deposits received	99	25
Unearned revenue	70	69
Provision for bonuses	194	117
Other	238	298
Total current liabilities	15,181	12,038
Non-current liabilities		
Long-term borrowings	–	2,196
Long-term accounts payable - other	41	41
Deferred tax liabilities	906	1,231
Provision for retirement benefits	536	534
Provision for loss on business of subsidiaries and associates	68	29
Asset retirement obligations	1,772	2,128
Long-term guarantee deposits	408	409
Other	59	47
Total non-current liabilities	3,793	6,617
Total liabilities	18,975	18,655
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus		
Legal capital surplus	14,745	15,797
Total capital surplus	14,745	15,797
Retained earnings		
Legal retained earnings	370	370
Other retained earnings		
Reserve for tax purpose reduction entry	239	235
Retained earnings brought forward	4,044	(5,265)
Total retained earnings	4,654	(4,659)
Treasury shares	(3,120)	(2,939)
Total shareholders' equity	21,585	13,504
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,840	2,207
Total valuation and translation adjustments	1,840	2,207
Total net assets	23,425	15,711
Total liabilities and net assets	42,400	34,366

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	37,498	37,471
Cost of sales		
Beginning merchandise inventory	8,719	8,533
Cost of purchased goods	14,506	14,742
Total	23,226	23,276
Ending merchandise inventory	8,533	8,231
Cost of goods sold	14,692	15,045
Gross profit	22,805	22,426
Selling, general and administrative expenses	22,481	22,666
Operating profit (loss)	324	(240)
Non-operating income		
Interest income	39	46
Dividend income	37	46
Rental income from real estate	287	389
Compensation income	80	–
Reversal of allowance for doubtful accounts	–	69
Other	128	122
Total non-operating income	572	674
Non-operating expenses		
Interest expenses	56	68
Foreign exchange losses	–	1
Rental expenses on real estate	71	123
Provision of allowance for doubtful accounts	149	1,346
Other	10	53
Total non-operating expenses	286	1,592
Ordinary profit (loss)	610	(1,159)
Extraordinary income		
Gain on sale of non-current assets	254	–
Gain on sale of investment securities	0	11
Compensation for forced relocation	230	–
Penalty income	440	–
Total extraordinary income	924	11
Extraordinary losses		
Loss on retirement of non-current assets	26	7
Loss on valuation of shares of subsidiaries and associates	1,163	6,526
Impairment losses	280	558
Loss on store closings	74	28
Other	–	300
Total extraordinary losses	1,544	7,421
Loss before income taxes	(9)	(8,568)
Income taxes - current	175	153
Income taxes - deferred	(387)	162
Total income taxes	(211)	315
Profit (loss)	202	(8,884)

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2023

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry	Retained earnings brought forward		
Balance at beginning of period	5,305	14,745	–	14,745	370	244	4,607	5,221
Cumulative effects of changes in accounting policies				–			(9)	(9)
Restated balance	5,305	14,745	–	14,745	370	244	4,598	5,212
Changes during period								
Reversal of reserve for tax purpose reduction entry				–		(4)	4	–
Dividends of surplus				–			(583)	(583)
Profit (loss)				–			202	202
Purchase of treasury shares				–				–
Disposal of treasury shares			(177)	(177)				–
Transfer of loss on disposal of treasury shares			177	177			(177)	(177)
Net changes in items other than shareholders' equity				–				–
Total changes during period	–	–	–	–	–	(4)	(554)	(558)
Balance at end of period	5,305	14,745	–	14,745	370	239	4,044	4,654

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(3,342)	21,930	1,481	1,481	23,411
Cumulative effects of changes in accounting policies		(9)		–	(9)
Restated balance	(3,342)	21,921	1,481	1,481	23,402
Changes during period					
Reversal of reserve for tax purpose reduction entry		–		–	–
Dividends of surplus		(583)		–	(583)
Profit (loss)		202		–	202
Purchase of treasury shares	(0)	(0)		–	(0)
Disposal of treasury shares	222	45		–	45
Transfer of loss on disposal of treasury shares		–		–	–
Net changes in items other than shareholders' equity		–	359	359	359
Total changes during period	222	(335)	359	359	23
Balance at end of period	(3,120)	21,585	1,840	1,840	23,425

Fiscal year ended September 30, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry	Retained earnings brought forward		
Balance at beginning of period	5,305	14,745	–	14,745	370	239	4,044	4,654
Changes during period								
Reversal of reserve for tax purpose reduction entry				–		(4)	4	–
Dividends of surplus				–			(292)	(292)
Profit (loss)				–			(8,884)	(8,884)
Purchase of treasury shares				–				
Disposal of treasury shares			(136)	(136)				
Transfer of loss on disposal of treasury shares			136	136			(136)	(136)
Increase by share exchanges		1,052		1,052				
Net changes in items other than shareholders' equity								
Total changes during period	–	1,052	–	1,052	–	(4)	(9,309)	(9,313)
Balance at end of period	5,305	15,797	–	15,797	370	235	(5,265)	(4,659)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(3,120)	21,585	1,840	1,840	23,425
Changes during period					
Reversal of reserve for tax purpose reduction entry		–		–	–
Dividends of surplus		(292)		–	(292)
Profit (loss)		(8,884)		–	(8,884)
Purchase of treasury shares	(1)	(1)		–	(1)
Disposal of treasury shares	182	45		–	45
Transfer of loss on disposal of treasury shares		–		–	–
Increase by share exchanges		1,052		–	1,052
Net changes in items other than shareholders' equity		–	366	366	366
Total changes during period	180	(8,081)	366	366	(7,714)
Balance at end of period	(2,939)	13,504	2,207	2,207	15,711