Translation

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# 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 Group Representative — Kensuke Konaka
Inquiries: Managing Executive Officer, CFO, General Manager of Administration Headquarters — Ryusuke Konaka TEL 045(825)7700
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 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Capital surplus | | | Retained earnings | | | |
| | | | | | | Other retained earnings | | |
| | Share capital | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Reserve for tax purpose reduction entry | Retained earnings brought forward | Total retained earnings |
| 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 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Capital surplus | | | Retained earnings | | | |
| | | | | | | Other retained earnings | | |
| | Share capital | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Reserve for tax purpose reduction entry | Retained earnings brought forward | Total retained earnings |
| 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 |