

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

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
 Senior Managing Executive Officer, CFO,
 Inquiries: General Manager of Administration Makoto Okumura TEL 045(825)7700
 Headquarters
 Scheduled date of ordinary general meeting of shareholders: December 22, 2022
 Scheduled date to file Securities Report: December 22, 2022
 Scheduled date to commence dividend payments: December 23, 2022
 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, 2022 (from October 1, 2021 to September 30, 2022)

(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, 2022	63,174	–	(3,255)	–	(2,193)	–	(3,231)	–
Year ended September 30, 2021	58,584	22.5	(7,825)	–	(6,516)	–	(1,938)	–

Note: Comprehensive income Year ended September 30, 2022 ¥(4,694) million [–%]
 Year ended September 30, 2021 ¥(6,671) 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, 2022	(110.99)	–	(15.2)	(3.9)	(5.2)
Year ended September 30, 2021	(66.56)	–	(7.5)	(10.2)	(13.4)

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

Year ended September 30, 2022 ¥– million
 Year ended September 30, 2021 ¥– million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended September 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(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, 2022	54,307	19,797	35.2	657.10
As of September 30, 2021	58,835	25,051	39.7	801.70

Reference: Equity As of September 30, 2022 ¥19,131 million
 As of September 30, 2021 ¥23,342 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure as of September 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(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, 2022	1,644	(567)	(844)	6,547
Year ended September 30, 2021	(3,284)	5,400	(2,023)	6,237

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, 2021	–	10.00	–	10.00	20.00	582	–	0.4
Year ended September 30, 2022	–	10.00	–	10.00	20.00	582	–	0.5
Year ending September 30, 2023 (Forecast)	–	10.00	–	10.00	20.00		122.0	

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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, 2023	39,185	14.0	1,448	–	2,014	–	1,500	–	51.54
Full year	72,011	14.0	531	–	1,213	–	477	–	16.40

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

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, 2022	31,146,685 shares	As of September 30, 2021	31,146,685 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,031,282 shares	As of September 30, 2021	2,030,693 shares
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Average number of shares during the period

Year ended September 30, 2022	29,115,691 shares	Year ended September 30, 2021	29,116,249 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(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, 2022	33,937	–	(1,417)	–	(636)	–	(1,809)	–
Year ended September 30, 2021	28,698	(1.4)	(4,552)	–	(3,158)	–	645	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2022	(62.16)	–
Year ended September 30, 2021	22.15	–

(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, 2022	41,404	23,411	56.5	804.10
As of September 30, 2021	41,847	25,994	62.1	892.80

Reference: Equity As of September 30, 2022 ¥23,411 million

As of September 30, 2021 ¥25,994 million

2. Forecast of non-consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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, 2023	22,876	19.8	1,460	652.6	1,955	152.3	1,594	–	54.75
Full year	54.75	16.5	354	–	1,040	–	575	–	19.77

* 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, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	6,339	6,744
Notes and accounts receivable - trade	2,092	2,532
Merchandise and finished goods	17,927	15,499
Work in process	0	1
Raw materials and supplies	320	286
Other	1,493	1,469
Allowance for doubtful accounts	(5)	(0)
Total current assets	28,167	26,533
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,383	25,921
Accumulated depreciation	(22,563)	(22,078)
Buildings and structures, net	4,819	3,842
Machinery, equipment and vehicles	429	437
Accumulated depreciation	(408)	(418)
Machinery, equipment and vehicles, net	20	18
Tools, furniture and fixtures	8,417	8,265
Accumulated depreciation	(8,046)	(7,991)
Tools, furniture and fixtures, net	370	274
Land	10,488	10,409
Leased assets	193	81
Accumulated depreciation	(148)	(46)
Leased assets, net	44	35
Construction in progress	11	27
Total property, plant and equipment	15,755	14,607
Intangible assets		
Trademark right	1,240	1,090
Telephone subscription right	26	13
Other	414	314
Total intangible assets	1,681	1,418
Investments and other assets		
Investment securities	3,530	2,932
Long-term loans receivable	750	659
Leasehold and guarantee deposits	8,248	7,638
Retirement benefit asset	467	399
Other	266	158
Allowance for doubtful accounts	(31)	(42)
Total investments and other assets	13,231	11,746
Total non-current assets	30,668	27,773
Total assets	58,835	54,307

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,453	1,641
Electronically recorded obligations - operating	1,531	2,045
Short-term borrowings	13,090	13,562
Current portion of long-term borrowings	728	658
Accounts payable - other	309	141
Accrued expenses	2,339	2,772
Income taxes payable	461	422
Accrued consumption taxes	210	569
Contract liabilities	–	994
Provision for bonuses	499	420
Other	818	396
Total current liabilities	21,441	23,625
Non-current liabilities		
Long-term borrowings	8,406	7,738
Long-term accounts payable - other	46	56
Deferred tax liabilities	1,622	1,453
Retirement benefit liability	619	606
Provision for retirement benefits for directors (and other officers)	31	–
Provision for point card certificates	642	37
Long-term guarantee deposits	655	668
Other	318	323
Total non-current liabilities	12,342	10,885
Total liabilities	33,784	34,510
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus	13,253	13,253
Retained earnings	6,349	2,553
Treasury shares	(3,342)	(3,342)
Total shareholders' equity	21,565	17,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,698	1,481
Foreign currency translation adjustment	47	(46)
Remeasurements of defined benefit plans	30	(73)
Total accumulated other comprehensive income	1,776	1,361
Non-controlling interests	1,708	665
Total net assets	25,051	19,797
Total liabilities and net assets	58,835	54,307

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

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	58,584	63,174
Cost of sales	25,755	27,125
Gross profit	32,828	36,048
Selling, general and administrative expenses	40,653	39,304
Operating loss	(7,825)	(3,255)
Non-operating income		
Interest income	17	14
Dividend income	98	32
Rental income from real estate	455	482
Foreign exchange gains	36	215
Gain on valuation of derivatives	2	–
Subsidies for employment adjustment	1,034	357
Other	236	278
Total non-operating income	1,881	1,382
Non-operating expenses		
Interest expenses	158	170
Rental expenses on real estate	76	84
Arrangement Fee	255	–
Provision of allowance for doubtful accounts	4	5
Other	77	59
Total non-operating expenses	572	319
Ordinary loss	(6,516)	(2,193)
Extraordinary income		
Gain on sale of non-current assets	5	112
Gain on sale of investment securities	5,141	49
Total extraordinary income	5,147	162
Extraordinary losses		
Loss on retirement of non-current assets	97	8
Impairment losses	1,885	1,809
Loss on store closings	37	61
Other	–	21
Total extraordinary losses	2,020	1,899
Loss before income taxes	(3,389)	(3,930)
Income taxes - current	294	297
Income taxes - deferred	(40)	(23)
Total income taxes	254	273
Loss	(3,644)	(4,204)
Loss attributable to non-controlling interests	(1,706)	(972)
Loss attributable to owners of parent	(1,938)	(3,231)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Loss	(3,644)	(4,204)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,107)	(226)
Foreign currency translation adjustment	(17)	(159)
Remeasurements of defined benefit plans, net of tax	97	(103)
Total other comprehensive income	(3,027)	(490)
Comprehensive income	(6,671)	(4,694)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,978)	(3,645)
Comprehensive income attributable to non-controlling interests	(1,692)	(1,048)

Consolidated statements of changes in equity

Fiscal year ended September 30, 2021

(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	8,578	(3,342)	23,795
Changes during period					
Dividends of surplus			(291)		(291)
Loss attributable to owners of parent			(1,938)		(1,938)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(2,229)	(0)	(2,229)
Balance at end of period	5,305	13,253	6,349	(3,342)	21,565

	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	4,820	63	(66)	4,817	3,401	32,014
Changes during period						
Dividends of surplus				-		(291)
Loss attributable to owners of parent				-		(1,938)
Purchase of treasury shares				-		(0)
Net changes in items other than shareholders' equity	(3,121)	(16)	97	(3,040)	(1,693)	(4,733)
Total changes during period	(3,121)	(16)	97	(3,040)	(1,693)	(6,963)
Balance at end of period	1,698	47	30	1,776	1,708	25,051

Fiscal year ended September 30, 2022

(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	6,349	(3,342)	21,565
Cumulative effects of changes in accounting policies			18		18
Restated balance	5,305	13,253	6,367	(3,342)	21,584
Changes during period					
Dividends of surplus			(582)		(582)
Loss attributable to owners of parent			(3,231)		(3,231)
Purchase of treasury shares			–	(0)	(0)
Net changes in items other than shareholders' equity			–		–
Total changes during period	–	–	(3,813)	(0)	(3,814)
Balance at end of period	5,305	13,253	2,553	(3,342)	17,770

	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	1,698	47	30	1,776	1,708	25,051
Cumulative effects of changes in accounting policies					5	23
Restated balance	1,698	47	30	1,776	1,714	25,074
Changes during period						
Dividends of surplus					–	(582)
Loss attributable to owners of parent					–	(3,231)
Purchase of treasury shares					–	(0)
Net changes in items other than shareholders' equity	(217)	(93)	(103)	(414)	(1,048)	(1,463)
Total changes during period	(217)	(93)	(103)	(414)	(1,048)	(5,277)
Balance at end of period	1,481	(46)	(73)	1,361	665	19,797

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(3,389)	(3,930)
Depreciation	1,295	1,119
Impairment losses	1,885	1,809
Loss (gain) on valuation of derivatives	(2)	1
Increase (decrease) in allowance for doubtful accounts	2	6
Increase (decrease) in retirement benefit liability	2	(13)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5	(31)
Increase (decrease) in provision for point card certificates	(66)	(118)
Increase (decrease) in provision for bonuses	4	(79)
Long-term loans offset with a rent	145	127
Long-term deposit offset with a rent	8	10
Loss (gain) on sale of non-current assets	(5)	(105)
Loss on retirement of non-current assets	97	8
Loss (gain) on sale of investment securities	(5,141)	(49)
Subsidy income	(1,034)	(357)
Interest and dividend income	(116)	(47)
Interest expenses	158	170
Foreign exchange losses (gains)	(2)	(20)
Decrease (increase) in trade receivables	434	(411)
Decrease (increase) in inventories	2,335	2,495
Increase (decrease) in trade payables	(659)	601
Increase (decrease) in accrued consumption taxes	(11)	358
Other, net	(59)	52
Subtotal	(4,112)	1,596
Interest and dividends received	100	35
Interest paid	(157)	(171)
Income taxes paid	(331)	(285)
Income taxes refund	78	2
Subsidies received	1,138	467
Net cash provided by (used in) operating activities	(3,284)	1,644
Cash flows from investing activities		
Payments into time deposits	(96)	(95)
Purchase of property, plant and equipment	(653)	(913)
Proceeds from sale of property, plant and equipment	11	159
Payments for retirement of property, plant and equipment	(128)	(105)
Purchase of intangible assets	(277)	(270)
Purchase of investment securities	(6)	(1)
Proceeds from sale and redemption of securities	5,799	325
Payments of leasehold and guarantee deposits	(96)	(171)
Proceeds from refund of leasehold and guarantee deposits	747	425
Loan advances	(5)	(30)
Proceeds from collection of loans receivable	19	20
Other, net	86	88
Net cash provided by (used in) investing activities	5,400	(567)

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	850	472
Proceeds from long-term borrowings	8,728	–
Repayments of long-term borrowings	(11,273)	(728)
Purchase of treasury shares	(0)	(0)
Dividends paid	(290)	(580)
Dividends paid to non-controlling interests	(4)	(0)
Other, net	(33)	(7)
Net cash provided by (used in) financing activities	(2,023)	(844)
Effect of exchange rate change on cash and cash equivalents	23	77
Net increase (decrease) in cash and cash equivalents	116	309
Cash and cash equivalents at beginning of period	6,121	6,237
Cash and cash equivalents at end of period	6,237	6,547

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,654	3,711
Accounts receivable - trade	981	1,267
Merchandise and finished goods	9,769	8,719
Raw materials and supplies	213	172
Advance payments to suppliers	330	117
Prepaid expenses	395	388
Short-term loans receivable from subsidiaries and associates	370	326
Other	291	357
Total current assets	16,008	15,060
Non-current assets		
Property, plant and equipment		
Buildings	1,928	1,528
Structures	33	27
Tools, furniture and fixtures	221	151
Land	7,390	7,312
Other	38	55
Total property, plant and equipment	9,612	9,075
Intangible assets		
Leasehold interests in land	12	0
Software	–	6
Software in progress	44	–
Total intangible assets	56	7
Investments and other assets		
Investment securities	3,208	2,904
Shares of subsidiaries and associates	5,020	5,020
Long-term loans receivable	405	338
Long-term loans receivable from employees	0	0
Long-term loans receivable from subsidiaries and associates	1,338	3,063
Long-term prepaid expenses	26	19
Leasehold and guarantee deposits	6,125	5,708
Prepaid pension costs	361	458
Other	68	84
Allowance for doubtful accounts	(385)	(337)
Total investments and other assets	16,169	17,260
Total non-current assets	25,839	26,343
Total assets	41,847	41,404

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable - trade	3	1
Electronically recorded obligations - operating	1,471	1,911
Accounts payable - trade	362	659
Short-term borrowings	8,170	9,439
Current portion of long-term borrowings	300	230
Accounts payable - other	88	74
Accrued expenses	1,043	1,164
Income taxes payable	356	288
Contract liabilities	–	837
Advances received	488	200
Deposits received	31	28
Unearned revenue	92	91
Provision for bonuses	218	194
Other	133	426
Total current liabilities	12,760	15,547
Non-current liabilities		
Long-term borrowings	230	–
Long-term accounts payable - other	46	42
Deferred tax liabilities	1,132	1,075
Provision for retirement benefits	532	539
Provision for point card certificates	389	–
Provision for loss on business of subsidiaries and associates	80	84
Long-term guarantee deposits	620	631
Other	62	71
Total non-current liabilities	3,092	2,444
Total liabilities	15,852	17,992
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus		
Legal capital surplus	14,745	14,745
Total capital surplus	14,745	14,745
Retained earnings		
Legal retained earnings	370	370
Other retained earnings		
Reserve for tax purpose reduction entry	248	244
General reserve	9,300	–
Retained earnings brought forward	(2,315)	4,607
Total retained earnings	7,603	5,221
Treasury shares	(3,342)	(3,342)
Total shareholders' equity	24,312	21,930
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,682	1,481
Total valuation and translation adjustments	1,682	1,481
Total net assets	25,994	23,411
Total liabilities and net assets	41,847	41,404

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	28,698	33,937
Cost of sales		
Beginning merchandise inventory	10,949	9,769
Cost of purchased goods	10,216	12,369
Total	21,166	22,139
Ending merchandise inventory	9,769	8,719
Cost of goods sold	11,396	13,419
Gross profit	17,301	20,518
Selling, general and administrative expenses	21,853	21,936
Operating loss	(4,552)	(1,417)
Non-operating income		
Interest income	26	38
Dividend income	87	32
Rental income from real estate	385	401
Subsidies for employment adjustment	917	232
Other	151	225
Total non-operating income	1,568	930
Non-operating expenses		
Interest expenses	45	43
Foreign exchange losses	9	21
Rental expenses on real estate	62	71
Provision for loss on business of subsidiaries and associates	40	4
Other	17	8
Total non-operating expenses	174	148
Ordinary loss	(3,158)	(636)
Extraordinary income		
Gain on sale of non-current assets	4	112
Gain on sale of investment securities	5,141	0
Total extraordinary income	5,146	113
Extraordinary losses		
Loss on retirement of non-current assets	7	5
Impairment losses	1,128	1,037
Loss on store closings	34	57
Total extraordinary losses	1,170	1,101
Profit (loss) before income taxes	818	(1,624)
Income taxes - current	178	157
Income taxes - deferred	(4)	27
Total income taxes	173	185
Profit (loss)	645	(1,809)

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2021

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	5,305	14,745	14,745	370	253	9,300	(2,674)	7,249
Changes during period								
Reversal of reserve for tax purpose reduction entry			–		(4)		4	–
Dividends of surplus			–				(291)	(291)
Profit (loss)			–				645	645
Purchase of treasury shares			–					–
Net changes in items other than shareholders' equity			–					–
Total changes during period	–	–	–	–	(4)	–	358	353
Balance at end of period	5,305	14,745	14,745	370	248	9,300	(2,315)	7,603

	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)	23,958	4,825	4,825	28,784
Changes during period					
Reversal of reserve for tax purpose reduction entry		–		–	–
Dividends of surplus		(291)		–	(291)
Profit (loss)		645		–	645
Purchase of treasury shares	(0)	(0)		–	(0)
Net changes in items other than shareholders' equity		–	(3,143)	(3,143)	(3,143)
Total changes during period	(0)	353	(3,143)	(3,143)	(2,789)
Balance at end of period	(3,342)	24,312	1,682	1,682	25,994

Fiscal year ended September 30, 2022

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	5,305	14,745	14,745	370	248	9,300	(2,315)	7,603
Cumulative effects of changes in accounting policies			-				10	10
Restated balance	5,305	14,745	14,745	370	248	9,300	(2,305)	7,613
Changes during period								
Reversal of reserve for tax purpose reduction entry			-		(4)		4	-
Dividends of surplus			-				(582)	(582)
Reversal of general reserve			-			(9,300)	9,300	-
Profit (loss)			-				(1,809)	(1,809)
Purchase of treasury shares			-					
Net changes in items other than shareholders' equity			-					-
Total changes during period	-	-	-	-	(4)	(9,300)	6,912	(2,392)
Balance at end of period	5,305	14,745	14,745	370	244	-	4,607	5,221

	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)	24,312	1,682	1,682	25,994
Cumulative effects of changes in accounting policies		10		-	10
Restated balance	(3,342)	24,322	1,682	1,682	26,005
Changes during period					
Reversal of reserve for tax purpose reduction entry		-		-	-
Dividends of surplus		(582)		-	(582)
Reversal of general reserve		-		-	-
Profit (loss)		(1,809)		-	(1,809)
Purchase of treasury shares	(0)	(0)		-	(0)
Net changes in items other than shareholders' equity		-	(201)	(201)	(201)
Total changes during period	(0)	(2,392)	(201)	(201)	(2,593)
Balance at end of period	(3,342)	21,930	1,481	1,481	23,411