

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 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
 Senior Managing Executive Officer, CFO,
 Inquiries: General Manager of Administration Makoto Okumura TEL 045-825-7700
 Headquarters
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Three months ended December 31, 2023	16,574	(3.3)	(13)	–	281	64.9	80	(85.5)
Three months ended December 31, 2022	17,142	6.7	(15)	–	170	–	557	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	2.76		–	
Three months ended December 31, 2022	19.15		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	52,274	19,403	36.2
As of September 30, 2023	50,612	19,437	37.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2023	–	10.00	–	10.00	20.00
Year ending September 30, 2024	–				
Year ending September 30, 2024 (Forecast)		10.00	–	10.00	20.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

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, 2024	37,534	2.6	1,457	91.7	1,570	56.1	912	(13.4)	31.18
Full year	70,015	6.4	683	–	887	–	85	–	2.91

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2023	31,146,685 shares	As of September 30, 2023	31,146,685 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	1,896,994 shares	As of September 30, 2023	1,897,073 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2023	29,249,671 shares	Three months ended December 31, 2022	29,115,391 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	5,894	4,541
Accounts receivable - trade	2,826	3,474
Merchandise and finished goods	14,327	15,835
Work in process	2	1
Raw materials and supplies	366	351
Other	1,347	1,542
Total current assets	24,764	25,747
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,458	3,631
Land	9,341	9,341
Other, net	495	562
Total property, plant and equipment	13,296	13,536
Intangible assets		
Trademark right	43	39
Other	512	666
Total intangible assets	555	706
Investments and other assets		
Investment securities	3,417	3,655
Leasehold and guarantee deposits	7,031	7,075
Retirement benefit asset	699	716
Other	895	885
Allowance for doubtful accounts	(47)	(48)
Total investments and other assets	11,996	12,283
Total non-current assets	25,848	26,526
Total assets	50,612	52,274
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,709	2,759
Electronically recorded obligations - operating	2,331	3,225
Short-term borrowings	12,075	12,061
Current portion of long-term borrowings	7,652	7,552
Income taxes payable	366	164
Contract liabilities	896	926
Provision for bonuses	413	159
Other	3,194	3,345
Total current liabilities	28,640	30,194
Non-current liabilities		
Long-term borrowings	85	78
Retirement benefit liability	594	602
Provision for point card certificates	31	23
Other	1,823	1,971
Total non-current liabilities	2,534	2,675
Total liabilities	31,175	32,870

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus	13,253	13,253
Retained earnings	1,631	1,419
Treasury shares	(3,120)	(3,119)
Total shareholders' equity	17,070	16,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,840	2,005
Foreign currency translation adjustment	(39)	(48)
Remeasurements of defined benefit plans	98	95
Total accumulated other comprehensive income	1,898	2,053
Non-controlling interests	467	491
Total net assets	19,437	19,403
Total liabilities and net assets	50,612	52,274

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	17,142	16,574
Cost of sales	7,100	6,873
Gross profit	10,041	9,701
Selling, general and administrative expenses	10,057	9,715
Operating loss	(15)	(13)
Non-operating income		
Interest income	5	7
Dividend income	15	18
Rental income from real estate	108	108
Foreign exchange gains	76	42
Reversal of provision for bonuses	–	163
Other	39	51
Total non-operating income	246	391
Non-operating expenses		
Interest expenses	42	41
Rental expenses on real estate	14	30
Other	2	23
Total non-operating expenses	60	95
Ordinary profit	170	281
Extraordinary income		
Gain on sale of non-current assets	36	0
Penalty income	440	–
Total extraordinary income	476	0
Extraordinary losses		
Loss on retirement of non-current assets	3	7
Loss on store closings	64	12
Other	–	0
Total extraordinary losses	67	19
Profit before income taxes	579	261
Income taxes - current	199	75
Income taxes - deferred	(6)	85
Total income taxes	192	161
Profit	386	99
Profit (loss) attributable to non-controlling interests	(171)	19
Profit attributable to owners of parent	557	80

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit	386	99
Other comprehensive income		
Valuation difference on available-for-sale securities	51	165
Foreign currency translation adjustment	(50)	(3)
Remeasurements of defined benefit plans, net of tax	3	(2)
Total other comprehensive income	4	158
Comprehensive income	391	258
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	576	234
Comprehensive income attributable to non-controlling interests	(185)	24