

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Based on Japanese GAAP)

August 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
 Inquiries: Managing Executive Officer, CFO, General Ryusuke Konaka TEL 045(825)7700
 Manager of Administration Headquarters
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(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	%
Nine months ended June 30, 2024	50,412	(4.4)	531	(29.9)	730	(13.2)	(96)	–
Nine months ended June 30, 2023	52,736	4.5	757	–	840	–	851	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2024	(3.29)	–
Nine months ended June 30, 2023	29.20	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	49,141	19,132	37.9
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	–	0.00	–		
Year ending September 30, 2024 (Forecast)				0.00	0.00

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
Full year	70,015	6.4	683	–	887	–	85	–	2.81

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: 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 June 30, 2024	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 June 30, 2024	1,789,483 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)

Nine months ended June 30, 2024	29,304,433 shares	Nine months ended June 30, 2023	29,169,489 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,894	4,912
Accounts receivable - trade	2,826	3,225
Merchandise and finished goods	14,327	14,070
Work in process	2	1
Raw materials and supplies	366	396
Other	1,347	1,782
Total current assets	24,764	24,388
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,458	3,369
Land	9,341	8,637
Other, net	495	541
Total property, plant and equipment	13,296	12,548
Intangible assets		
Trademark right	43	1
Other	512	600
Total intangible assets	555	601
Investments and other assets		
Investment securities	3,417	3,415
Leasehold and guarantee deposits	7,031	6,729
Retirement benefit asset	699	759
Other	895	747
Allowance for doubtful accounts	(47)	(49)
Total investments and other assets	11,996	11,602
Total non-current assets	25,848	24,752
Total assets	50,612	49,141
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,709	1,715
Electronically recorded obligations - operating	2,331	3,466
Short-term borrowings	12,075	7,311
Current portion of long-term borrowings	7,652	1,056
Income taxes payable	366	306
Contract liabilities	896	731
Provision for bonuses	413	324
Other	3,194	3,192
Total current liabilities	28,640	18,104
Non-current liabilities		
Long-term borrowings	85	9,332
Retirement benefit liability	594	582
Provision for point card certificates	31	25
Other	1,823	1,963
Total non-current liabilities	2,534	11,903
Total liabilities	31,175	30,008

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	5,305	5,305
Capital surplus	13,253	13,253
Retained earnings	1,631	1,106
Treasury shares	(3,120)	(2,938)
Total shareholders' equity	17,070	16,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,840	1,838
Foreign currency translation adjustment	(39)	(38)
Remeasurements of defined benefit plans	98	91
Total accumulated other comprehensive income	1,898	1,891
Non-controlling interests	467	513
Total net assets	19,437	19,132
Total liabilities and net assets	50,612	49,141

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	52,736	50,412
Cost of sales	22,094	21,196
Gross profit	30,642	29,216
Selling, general and administrative expenses	29,884	28,685
Operating profit	757	531
Non-operating income		
Interest income	18	24
Dividend income	36	43
Rental income from real estate	275	329
Reversal of provision for bonuses	–	163
Other	188	153
Total non-operating income	518	715
Non-operating expenses		
Interest expenses	127	125
Commission expenses	–	167
Rental expenses on real estate	53	86
Share issuance costs	214	–
Arrangement Fee	–	88
Other	40	48
Total non-operating expenses	435	516
Ordinary profit	840	730
Extraordinary income		
Gain on sale of non-current assets	811	587
Gain on sale of investment securities	0	–
Penalty income	440	–
Other	230	–
Total extraordinary income	1,481	587
Extraordinary losses		
Loss on retirement of non-current assets	26	10
Impairment losses	1,526	825
Loss on store closings	68	63
Other	0	–
Total extraordinary losses	1,620	899
Profit before income taxes	701	418
Income taxes - current	439	328
Income taxes - deferred	(320)	134
Total income taxes	119	462
Profit (loss)	581	(44)
Profit (loss) attributable to non-controlling interests	(270)	51
Profit (loss) attributable to owners of parent	851	(96)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit (loss)	581	(44)
Other comprehensive income		
Valuation difference on available-for-sale securities	371	(1)
Foreign currency translation adjustment	68	(4)
Remeasurements of defined benefit plans, net of tax	10	(6)
Total other comprehensive income	450	(12)
Comprehensive income	1,032	(57)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,272	(103)
Comprehensive income attributable to non-controlling interests	(240)	46