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November 13, 2026

Consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (Under Japanese GAAP)

Company name: KONAKA CO.,LTD.
Listing: Tokyo Stock Exchange
Securities code: 7494
URL: https://www.konaka.co.jp
Representative: Kensuke Konaka, Representative Director, President and CEO Group Representative
Inquiries: Ryusuke Konaka, Director, Managing Executive Officer, CFO, General Manager of Administration Division
Telephone: +81-45-825-7700

Scheduled date of annual general meeting of shareholders: December 23, 2026
Scheduled date to commence dividend payments: -
Scheduled date to file annual securities report: December 21, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	51,175	(7.8)	(944)	-	(633)	-	1,045	118.7
September 30, 2025	55,487	(12.1)	(766)	-	(345)	-	478	-

Note: Comprehensive income For the fiscal year ended September 30, 2026: ¥(780) million [-%]
For the fiscal year ended September 30, 2025: ¥538 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2026	31.00	-	6.5	(1.7)	(1.8)
September 30, 2025	14.23	-	2.9	(0.8)	(1.4)

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended September 30, 2026: ¥(10) million
For the fiscal year ended September 30, 2025: ¥8 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	34,546	15,546	45.0	460.15
September 30, 2025	42,274	16,634	39.3	494.10

Reference: Equity
As of September 30, 2026: ¥15,546 million
As of September 30, 2025: ¥16,634 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2026	515	3,681	(4,549)	2,858
September 30, 2025	1,216	1,033	(1,238)	3,198

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2025	-	5.00	-	5.00	10.00	336	70.3	2.0
Fiscal year ended September 30, 2026	-	5.00	-	0.00	5.00	168	16.1	1.0
Fiscal year ending September 30, 2027 (Forecast)		5.00		5.00	10.00		309.6	

Note: Dividends for the second quarter of the fiscal year ending September 30, 2025 and the end of the fiscal year include capital surplus. For details, please refer to “Breakdown of dividends using capital surplus as the source of dividends” below.

3. Forecast of consolidated financial results for the fiscal year ending September 30, 2027 (from October 1, 2026 to September 30, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2027	29,294	(3.2)	2,189	132.8	2,267	93.7	1,520	(52.5)	44.99
Fiscal year ending September 30, 2027	50,904	(0.5)	907	-	1,097	-	109	(89.6)	3.23

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 2 companies (Samantha Thavasa Shanghai Trading Limited、Samantha Thavasa Singapore Pte.Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: Yes
(iv) Restatement: None

Note: For details, please refer to "(5) Notes to consolidated financial statements (Changes in accounting estimates)" of "3. Consolidated Financial Statements and Significant Notes Thereto" on page 13 of the attached materials.

(3) Number of issued shares (common shares)

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

As of September 30, 2026	35,322,490 shares
As of September 30, 2025	35,322,490 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	1,536,606 shares
As of September 30, 2025	1,656,601 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2026	33,739,834 shares
Fiscal year ended September 30, 2025	33,613,096 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	35,386	(2.7)	(260)	-	(832)	-	1,198	174.5
September 30, 2025	36,357	(3.0)	228	-	(906)	-	436	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2026	35.51	-
September 30, 2025	12.98	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	26,907	14,695	54.5	434.95
September 30, 2025	33,006	15,795	47.9	469.18

Reference: Equity
As of September 30, 2026: ¥14,695 million
As of September 30, 2025: ¥15,795 million

2. Non-consolidated earnings forecast for the fiscal year ending September 30, 2027 (October 1, 2026 ~ September 30, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2027	21,601	(0.2)	1,935	45.4	2,201	101.3	1,701	(48.8)	50.35
Fiscal year ending September 30, 2027	36,166	2.2	586	-	877	-	177	(85.2)	5.24

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

* Proper use of earnings forecasts, and other special matters

(Forward-looking statements)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P3 "1. Please refer to "Summary of Business Results (4) Future Outlook".

(About financial results briefing materials)

The Company plans to hold financial results briefings for institutional investors and analysts, and the materials to be distributed at the financial results briefings will be posted on the Company's website promptly after the meeting.

Breakdown of dividends using capital surplus as the source of dividends

The breakdown of dividends for the second quarter of the fiscal year ending September 30, 2025 and the end of the fiscal year using capital surplus as a source of dividends is as follows.

Base Date	End of the second quarter	end of term	sum
Dividends per share	JPY5.00	JPY5.00	JPY10.00
Total Dividends	168 million yen	168 million yen	336

Note: Percentage decrease in net assets: 0.005 (rounded up to the nearest third decimal place)

Consolidated balance sheet

(Millions of yen)

	As of September 30, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,203	2,863
Accounts receivable - trade	1,991	1,798
Merchandise and finished goods	11,047	8,924
Work in process	0	2
Raw materials and supplies	448	445
Deposits paid	569	455
Advance payments to suppliers	680	204
Prepaid expenses	453	406
Other	175	191
Total current assets	18,570	15,290
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,012	18,645
Accumulated depreciation	(18,464)	(16,216)
Buildings and structures, net	2,547	2,428
Machinery, equipment and vehicles	139	124
Accumulated depreciation	(123)	(113)
Machinery, equipment and vehicles, net	15	10
Tools, furniture and fixtures	7,040	6,507
Accumulated depreciation	(6,891)	(6,222)
Tools, furniture and fixtures, net	149	285
Land	6,735	5,826
Leased assets	64	56
Accumulated depreciation	(41)	(37)
Leased assets, net	22	19
Construction in progress	7	8
Total property, plant and equipment	9,478	8,578
Intangible assets		
Trademark right	1	0
Telephone subscription right	13	13
Other	458	610
Total intangible assets	473	624
Investments and other assets		
Investment securities	3,685	697
Long-term loans receivable	307	233
Leasehold and guarantee deposits	8,191	7,186
Retirement benefit asset	1,395	1,736
Other	186	202
Allowance for doubtful accounts	(14)	(2)
Total investments and other assets	13,751	10,052
Total non-current assets	23,703	19,256
Total assets	42,274	34,546

(Millions of yen)

	As of September 30, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	912	922
Electronically recorded obligations - operating	1,975	130
Short-term borrowings	7,444	4,093
Current portion of long-term borrowings	5,288	5,088
Accounts payable - other	170	95
Accrued expenses	2,110	1,923
Income taxes payable	169	480
Accrued consumption taxes	247	237
Contract liabilities	698	578
Provision for bonuses	277	221
Asset retirement obligations	436	270
Other	254	256
Total current liabilities	19,985	14,298
Non-current liabilities		
Long-term borrowings	1,597	941
Long-term accounts payable - other	55	53
Deferred tax liabilities	493	608
Retirement benefit liability	515	509
Provision for point card certificates	20	11
Long-term guarantee deposits	415	412
Asset retirement obligations	2,527	2,144
Other	27	20
Total non-current liabilities	5,654	4,701
Total liabilities	25,639	19,000
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	13,433	13,098
Retained earnings	3,359	4,236
Treasury shares	(2,711)	(2,514)
Total shareholders' equity	14,181	14,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,993	3
Foreign currency translation adjustment	(31)	11
Remeasurements of defined benefit plans	490	611
Total accumulated other comprehensive income	2,452	626
Total net assets	16,634	15,546
Total liabilities and net assets	42,274	34,546

Consolidated statement of income

(Millions of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Net sales	55,487	51,175
Cost of sales	22,167	20,402
Gross profit	33,319	30,773
Selling, general and administrative expenses	34,086	31,718
Operating loss	(766)	(944)
Non-operating income		
Interest income	9	13
Dividend income	45	25
Rental income from real estate	439	383
Foreign exchange gains	68	36
Other	217	175
Total non-operating income	779	633
Non-operating expenses		
Interest expenses	203	201
Rental expenses on real estate	85	69
Other	69	51
Total non-operating expenses	358	322
Ordinary loss	(345)	(633)
Extraordinary income		
Gain on sale of non-current assets	447	765
Gain on sale of investment securities	361	2,626
Compensation income	200	150
Other	-	1
Total extraordinary income	1,008	3,543
Extraordinary losses		
Loss on retirement of non-current assets	54	23
Impairment losses	694	614
Loss on store closings	72	143
Other	16	37
Total extraordinary losses	838	818
Profit (loss) before income taxes	(175)	2,091
Income taxes - current	186	170
Income taxes - refund	(1)	(1)
Income taxes - deferred	(838)	877
Total income taxes	(653)	1,045
Profit	478	1,045
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	478	1,045

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Profit	478	1,045
Other comprehensive income		
Valuation difference on available-for-sale securities	(214)	(1,990)
Foreign currency translation adjustment	(20)	0
Remeasurements of defined benefit plans, net of tax	300	121
Share of other comprehensive income of entities accounted for using equity method	(6)	42
Total other comprehensive income	59	(1,826)
Comprehensive income	538	(780)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	538	(780)
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended September 30, 2025

(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	(1,778)	(2,939)	13,841
Changes during period					
Transfer from share capital to other capital surplus	(5,205)	5,205			-
Dividends of surplus					
Dividends of surplus - other capital surplus		(168)			(168)
Profit (loss) attributable to owners of parent			478		478
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(197)		228	30
Deficit disposition		(4,659)	4,659		-
Net changes in items other than shareholders' equity					-
Total changes during period	(5,205)	180	5,138	227	340
Balance at end of period	100	13,433	3,359	(2,711)	14,181

	Accumulated other comprehensive income				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	2,207	(4)	190	2,393	16,234
Changes during period					
Transfer from share capital to other capital surplus				-	-
Dividends of surplus					
Dividends of surplus - other capital surplus				-	(168)
Profit (loss) attributable to owners of parent				-	478
Purchase of treasury shares				-	(0)
Disposal of treasury shares				-	30
Deficit disposition				-	-
Net changes in items other than shareholders' equity	(214)	(26)	300	59	59
Total changes during period	(214)	(26)	300	59	400
Balance at end of period	1,993	(31)	490	2,452	16,634

Consolidated statement of changes in equity

Fiscal year ended September 30, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	13,433	3,359	(2,711)	14,181
Changes during period					
Transfer from share capital to other capital surplus					
Dividends of surplus			(168)		(168)
Dividends of surplus - other capital surplus		(168)			(168)
Profit (loss) attributable to owners of parent			1,045		1,045
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(167)		198	30

Deficit disposition					
Net changes in items other than shareholders' equity					-
Total changes during period	-	(335)	877	197	739
Balance at end of period	100	13,098	4,236	(2,514)	14,920

	Accumulated other comprehensive income				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	1,993	(31)	490	2,452	16,634
Changes during period					
Transfer from share capital to other capital surplus					
Dividends of surplus				-	(168)
Dividends of surplus - other capital surplus				-	(168)
Profit (loss) attributable to owners of parent				-	1,045
Purchase of treasury shares				-	(0)
Disposal of treasury shares				-	30
Deficit disposition					
Net changes in items other than shareholders' equity	(1,990)	42	121	(1,826)	(1,826)
Total changes during period	(1,990)	42	121	(1,826)	(1,087)
Balance at end of period	3	11	611	626	15,546

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(175)	2,091
Depreciation	557	427
Impairment losses	694	614
Increase (decrease) in allowance for doubtful accounts	(58)	(12)
Increase (decrease) in retirement benefit liability	(66)	(5)
Increase (decrease) in provision for point card certificates	(7)	(9)
Increase (decrease) in provision for bonuses	6	(56)
Long-term loans offset with a rent	62	52
Long-term deposit offset with a rent	1	-
Loss (gain) on sale of non-current assets	(441)	(765)
Loss on retirement of non-current assets	54	23
Loss (gain) on sale of investment securities	(361)	(2,624)
Compensation income	(200)	(150)
Interest and dividend income	(55)	(38)
Interest expenses	203	201
Foreign exchange losses (gains)	(3)	(1)
Decrease (increase) in trade receivables	226	196
Decrease (increase) in inventories	1,214	2,127
Decrease (increase) in advance payments to suppliers	131	469
Increase (decrease) in trade payables	(339)	(1,849)
Increase (decrease) in accrued expenses	19	(243)
Increase (decrease) in accrued consumption taxes	23	(10)
Other, net	(147)	233
Subtotal	1,340	670
Interest and dividends received	52	35
Interest paid	(206)	(190)
Proceeds from compensation	200	150
Income taxes paid	(183)	(176)
Income taxes refund	13	25
Net cash provided by (used in) operating activities	1,216	515

(Millions of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(514)	(899)
Proceeds from sale of property, plant and equipment	982	1,665
Payments for retirement of property, plant and equipment	(224)	(332)
Purchase of intangible assets	(208)	(323)
Proceeds from sale of investment securities	537	2,809
Payments of leasehold and guarantee deposits	(98)	(175)
Proceeds from refund of leasehold and guarantee deposits	553	931
Proceeds from collection of loans receivable	8	6
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	1,033	3,681
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10)	(3,351)
Repayments of long-term borrowings	(1,056)	(856)
Purchase of treasury shares	(0)	(0)
Dividends paid	(167)	(337)
Other, net	(4)	(4)
Net cash provided by (used in) financing activities	(1,238)	(4,549)
Effect of exchange rate change on cash and cash equivalents	11	12
Net increase (decrease) in cash and cash equivalents	1,022	(340)
Cash and cash equivalents at beginning of period	2,176	3,198
Cash and cash equivalents at end of period	3,198	2,858

Balance sheet

(Millions of yen)

	As of September 30, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	2,215	1,389
Accounts receivable - trade	1,304	1,277
Merchandise and finished goods	8,011	7,336
Raw materials and supplies	383	393
Advance payments to suppliers	637	166
Prepaid expenses	315	292
Short-term loans receivable from subsidiaries and associates	306	185
Other	290	311
Total current assets	13,464	11,353
Non-current assets		
Property, plant and equipment		
Buildings	1,691	1,653
Structures	67	55
Tools, furniture and fixtures	123	214
Land	6,076	5,167
Other	29	27
Total property, plant and equipment	7,989	7,118
Intangible assets		
Leasehold interests in land	0	0
Software	361	345
Software in progress	82	246
Total intangible assets	444	592
Investments and other assets		
Investment securities	3,162	143
Shares of subsidiaries and associates	235	235
Long-term loans receivable	191	132
Long-term loans receivable from employees	0	-
Long-term loans receivable from subsidiaries and associates	3,329	3,424
Long-term prepaid expenses	22	66
Leasehold and guarantee deposits	6,550	6,107
Prepaid pension costs	711	860
Other	92	42
Allowance for doubtful accounts	(3,187)	(3,168)
Total investments and other assets	11,108	7,843
Total non-current assets	19,542	15,554
Total assets	33,006	26,907

(Millions of yen)

	As of September 30, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes payable - trade	0	-
Electronically recorded obligations - operating	1,923	130
Accounts payable - trade	470	532
Short-term borrowings	6,255	2,913
Current portion of long-term borrowings	627	627
Accounts payable - other	160	87
Accrued expenses	1,243	1,200
Income taxes payable	150	456
Contract liabilities	590	490
Advances received	0	0
Deposits received	32	32
Unearned revenue	69	67
Provision for bonuses	194	140
Other	445	374
Total current liabilities	12,163	7,055
Non-current liabilities		
Long-term borrowings	1,568	941
Long-term accounts payable - other	41	39
Deferred tax liabilities	297	346
Provision for retirement benefits	534	529
Provision for loss on guarantees	162	1,160
Asset retirement obligations	1,999	1,736
Long-term guarantee deposits	411	382
Other	33	22
Total non-current liabilities	5,048	5,157
Total liabilities	17,211	12,212
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus		
Legal capital surplus	16	25
Other capital surplus	15,961	15,617
Total capital surplus	15,978	15,642
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry	231	129
Retained earnings brought forward	205	1,336
Total retained earnings	436	1,465
Treasury shares	(2,711)	(2,514)
Total shareholders' equity	13,802	14,693
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,992	1
Total valuation and translation adjustments	1,992	1
Total net assets	15,795	14,695
Total liabilities and net assets	33,006	26,907

Statement of income

(Millions of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Net sales	36,357	35,386
Cost of sales		
Beginning merchandise inventory	8,231	8,011
Cost of purchased goods	13,969	13,131
Total	22,200	21,142
Ending merchandise inventory	8,011	7,336
Cost of goods sold	14,189	13,806
Gross profit	22,168	21,580
Selling, general and administrative expenses	21,940	21,841
Operating profit (loss)	228	(260)
Non-operating income		
Interest income	64	77
Dividend income	45	24
Rental income from real estate	411	361
Reversal of allowance for doubtful accounts	130	19
Other	144	128
Total non-operating income	796	611
Non-operating expenses		
Interest expenses	110	94
Rental expenses on real estate	88	65
Provision of allowance for doubtful accounts	1,554	-
Provision for loss on guarantees	162	998
Other	17	25
Total non-operating expenses	1,932	1,182
Ordinary loss	(906)	(832)
Extraordinary income		
Gain on sale of non-current assets	438	765
Gain on sale of investment securities	361	2,626
Compensation income	200	150
Total extraordinary income	999	3,542
Extraordinary losses		
Loss on retirement of non-current assets	17	11
Impairment losses	267	406
Loss on store closings	72	56
Other	9	1
Total extraordinary losses	367	476
Profit (loss) before income taxes	(275)	2,233
Income taxes - current	148	142
Income taxes - deferred	(860)	891
Total income taxes	(711)	1,034
Profit	436	1,198

Statement of changes in equity

Fiscal year ended September 30, 2025

(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	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,305	15,797	-	15,797	370	235	(5,265)	(4,659)	(2,939)	13,504
Changes during period										
Transfer from share capital to other capital surplus	(5,205)		5,205	5,205				-		-
Transfer from legal capital surplus to other capital surplus		(15,797)	15,797	-	(370)		370	-		-
Deficit disposition			(4,659)	(4,659)			4,659	4,659		-
Reversal of reserve for tax purpose reduction entry				-		(4)	4	-		-
Dividends of surplus										
Dividends of surplus - other capital surplus			(168)	(168)				-		(168)
Provision of legal capital surplus		16	(16)	-				-		-
Profit (loss)				-			436	436		436
Purchase of treasury shares				-				-	(0)	(0)
Disposal of treasury shares			(197)	(197)				-	228	30
Net changes in items other than shareholders' equity				-				-		-
Total changes during period	(5,205)	(15,780)	15,961	180	(370)	(4)	5,470	5,096	227	298
Balance at end of period	100	16	15,961	15,978	-	231	205	436	(2,711)	13,802

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	2,207	2,207	15,711
Changes during period			
Transfer from share capital to other capital surplus		-	-
Transfer from legal capital surplus to other capital surplus		-	-
Deficit disposition		-	-
Reversal of reserve for tax purpose reduction entry		-	-
Dividends of surplus			
Dividends of surplus - other capital surplus		-	(168)
Provision of legal capital surplus		-	-
Profit (loss)		-	436
Purchase of treasury shares		-	(0)
Disposal of treasury shares		-	30
Net changes in items other than shareholders' equity	(214)	(214)	(214)
Total changes during period	(214)	(214)	84
Balance at end of period	1,992	1,992	15,795

Statement of changes in equity

Fiscal year ended September 30, 2026

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	
						Other retained earnings			

		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		Total shareholders' equity
Balance at beginning of period	100	16	15,961	15,978	-	231	205	436	(2,711)	13,802
Changes during period										
Transfer from share capital to other capital surplus										
Transfer from legal capital surplus to other capital surplus										
Deficit disposition										
Reversal of reserve for tax purpose reduction entry				-		(101)	101	-		-
Dividends of surplus				-			(168)	(168)		(168)
Dividends of surplus - other capital surplus			(168)	(168)				-		(168)
Provision of legal capital surplus		8	(8)	-				-		-
Profit (loss)				-			1,198	1,198		1,198
Purchase of treasury shares				-				-	(0)	(0)
Disposal of treasury shares			(167)	(167)				-	198	30
Net changes in items other than shareholders' equity				-				-		-
Total changes during period	-	8	(343)	(335)		(101)	1,130	1,029	197	891
Balance at end of period	100	25	15,617	15,642	-	129	1,336	1,465	(2,514)	14,693

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	1,992	1,992	15,795
Changes during period			
Transfer from share capital to other capital surplus			
Transfer from legal capital surplus to other capital surplus			
Deficit disposition			
Reversal of reserve for tax purpose reduction entry			-
Dividends of surplus			(168)
Dividends of surplus - other capital surplus			(168)
Provision of legal capital surplus			-
Profit (loss)			1,198
Purchase of treasury shares			(0)
Disposal of treasury shares			30
Net changes in items other than shareholders' equity	(1,991)	(1,991)	(1,991)
Total changes during period	(1,991)	(1,991)	(1,100)
Balance at end of period	1	1	14,695

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group's focus is on the fashion business, and we are building a comprehensive strategy for the products and services we handle. Accordingly, the Company is divided into segments by products and services, with three reporting segments: Fashion, Foodservice, and Education. The "Fashion Business" is engaged in the planning, manufacture and sale of men's, women's, and clothing accessories, the "Food Service Business" is operated by Katsuya and Karayama, and the "Education Business" is operated by Kids Duo and Kids Duo International.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income. Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities and other items for each reported segment, and information on the breakdown of earnings

The previous fiscal year (October 1, 2024 to September 30, 2025)

(Millions of yen)

	Reporting Segments				Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Fashion	Food service	Educational	Total		
Net sales (Note)3						
Heavy Clothing	22,463	-	-	22,463	-	22,463
Medium Clothing	4,920	-	-	4,920	-	4,920
Light Clothing	9,753	-	-	9,753	-	9,753
Clothing Accessories	14,421	-	-	14,421	-	14,421
And more	750	2,161	1,015	3,927		3,927
Revenue generated from customer contracts	52,310	2,161	1,015	55,487		55,487
Other Earnings	-	-	-	-	-	-
Revenues from external customers	52,310	2,161	1,015	55,487	-	55,487
Transactions with other segments	-	-	-	-	-	-
Total	52,310	2,161	1,015	55,487	-	55,487
Segment profit (loss)	(872)	75	30	(766)	-	(766)
Segment Assets	35,763	765	259	36,788	5,485	42,274
Other items						
Depreciation	503	32	20	556	-	556
Investments in entities accounted for using equity method	514	-	-	514	-	514
Increase in property, plant and equipment and intangible assets	947	6	0	954	-	954

Note: 1. The adjusted amount of 5,485 million yen in segment assets is a company-wide asset that has not been allocated to each reporting segment.

2. Segment profit or loss is consistent with operating loss (loss) in the consolidated statements of income.

3. Clothing: Suits, Formal, Easy Order Coats

Inner clothing: jackets, bottoms, outerwear

Light clothing: Casual, shirt, tie, underwear

Clothing accessories: shoes, bags, jewelry, accessories

Provision of services, etc.

The current fiscal year (October 1, 2025 to September 30, 2026)

(Millions of yen)

	Reporting Segments				Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Fashion	Food service	Educational	Total		
Net sales (Note)3						
Heavy Clothing	21,588	-	-	21,588	-	21,588
Medium Clothing	4,752	-	-	4,752	-	4,752
Light Clothing	9,517	-	-	9,517	-	9,517
Clothing Accessories	11,274	-	-	11,274	-	11,274
And more	844	2,150	1,047	4,042	-	4,042
Revenue generated from customer contracts	47,977	2,150	1,047	51,175	-	51,175
Other Earnings	-	-	-	-	-	-
Revenues from external customers	47,977	2,150	1,047	51,175	-	51,175
Transactions with other segments	-	-	-	-	-	-
Total	47,977	2,150	1,047	51,175	-	51,175
Segment profit (loss)	(948)	23	(19)	(944)	-	(944)
Segment Assets	31,948	748	236	32,932	1,614	34,546
Other items						

Depreciation	498	42	19	560	-	560
Investments in entities accounted for using equity method	524	-	-	524	-	524
Increase in property, plant and equipment and intangible assets	1,168	54	1	1,223	-	1,223

Note: 1. The adjusted amount of 1,614 million yen in segment assets is a company-wide asset that has not been allocated to each reporting segment.

2. Segment profit or loss is consistent with operating loss (loss) in the consolidated statements of income.

3. Clothing: Suits, Formal, Easy Order Coats
Inner clothing: jackets, bottoms, outerwear
Light clothing: Casual, shirt, tie, underwear
Clothing accessories: shoes, bags, jewelry, accessories
Provision of services, etc.

Related Information

The previous fiscal year (October 1, 2024 to September 30, 2025) and the current fiscal year (October 1, 2025 to September 30, 2026)

1. Product and Service Information

Segment Information 3. Information on the amount of sales, profit or loss, assets, liabilities, and other items by reporting segment, and information on the breakdown of revenue.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

No sales to external customers account for more than 10% of sales in the consolidated statements of income.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (October 1, 2024 to September 30, 2025)

(Millions of yen)

	Reporting Segments				Reconciling items	Total
	Fashion	Food service	Educational	Total		
Impairment losses	691	-	3	694	-	694

The current fiscal year (October 1, 2025 to September 30, 2026)

(Millions of yen)

	Reporting Segments				Reconciling items	Total
	Fashion	Food service	Educational	Total		
Impairment losses	606	-	7	614	-	614

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (October 1, 2024 to September 30, 2025) and the current fiscal year (October 1, 2025 to September 30, 2026)

Not applicable.

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (October 1, 2024 to September 30, 2025) and the current fiscal year (October 1, 2025 to September 30, 2026)

Not applicable.