

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2025 (Based on Japanese GAAP)

May 15, 2025

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
 Director, Managing Executive Officer, CFO,
 Inquiries: General Manager of Administration Ryusuke Konaka TEL 045(825)7700
 Headquarters
 Scheduled date to file Semi-annual Securities Report: May 15, 2025
 Scheduled date to commence dividend payments: June 16, 2025
 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 six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

(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	%
Six months ended March 31, 2025	32,300	(11.1)	1,582	43.0	1,763	25.7	1,629	129.2
Six months ended March 31, 2024	36,336	—	1,107	—	1,402	—	710	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2025	48.55	—
Six months ended March 31, 2024	24.28	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	47,176	17,265	36.6
As of September 30, 2024	44,458	16,234	36.5

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, 2024	—	0.00	—	0.00	0.00
Year ending September 30, 2025	—	5.00			
Year ending September 30, 2025 (Forecast)			—	5.00	10.00

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
Full year	61,556	(1.1)	720	—	958	—	(247)	—	(7.38)

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended March 31, 2025: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

Changes in accounting policies due to other reasons: Yes

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 March 31, 2025	35,322,490 shares	As of September 30, 2024	35,322,490 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	1,655,902 shares	As of September 30, 2024	1,794,453 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2025	33,567,542 shares	Six months ended March 31, 2024	29,281,138 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	2,181	5,385
Accounts receivable - trade	2,214	3,649
Merchandise and finished goods	12,314	12,184
Work in process	0	0
Raw materials and supplies	388	354
Other	2,270	1,894
Total current assets	19,369	23,470
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,885	2,709
Land	7,273	7,273
Other, net	293	251
Total property, plant and equipment	10,451	10,234
Intangible assets		
Trademark right	1	1
Other	424	406
Total intangible assets	426	407
Investments and other assets		
Investment securities	4,144	3,159
Leasehold and guarantee deposits	8,598	8,460
Retirement benefit asset	921	954
Other	620	561
Allowance for doubtful accounts	(72)	(71)
Total investments and other assets	14,211	13,065
Total non-current assets	25,089	23,706
Total assets	44,458	47,176
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,112	2,168
Electronically recorded obligations - operating	2,041	3,245
Short-term borrowings	7,455	7,582
Current portion of long-term borrowings	1,056	1,056
Income taxes payable	298	96
Contract liabilities	807	984
Provision for bonuses	271	292
Other	2,896	3,044
Total current liabilities	15,940	18,470
Non-current liabilities		
Long-term borrowings	6,885	6,357
Retirement benefit liability	581	582
Provision for point card certificates	28	25
Asset retirement obligations	2,939	2,840
Other	1,848	1,634
Total non-current liabilities	12,283	11,441
Total liabilities	28,224	29,911

	(Millions of yen)	
	As of September 30, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	5,305	100
Capital surplus	13,253	13,602
Retained earnings	(1,778)	4,511
Treasury shares	(2,939)	(2,711)
Total shareholders' equity	13,841	15,501
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,207	1,662
Foreign currency translation adjustment	(4)	(77)
Remeasurements of defined benefit plans	190	177
Total accumulated other comprehensive income	2,393	1,763
Total net assets	16,234	17,265
Total liabilities and net assets	44,458	47,176

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net sales	36,336	32,300
Cost of sales	15,086	12,864
Gross profit	21,250	19,436
Selling, general and administrative expenses	20,142	17,853
Operating profit	1,107	1,582
Non-operating income		
Interest income	17	3
Dividend income	20	22
Rental income from real estate	218	216
Reversal of provision for bonuses	163	—
Other	76	125
Total non-operating income	496	367
Non-operating expenses		
Interest expenses	82	93
Rental expenses on real estate	58	38
Other	60	55
Total non-operating expenses	201	187
Ordinary profit	1,402	1,763
Extraordinary income		
Gain on sale of non-current assets	587	1
Gain on sale of investment securities	—	361
Total extraordinary income	587	362
Extraordinary losses		
Loss on retirement of non-current assets	11	13
Impairment losses	827	303
Other	47	40
Total extraordinary losses	886	358
Profit before income taxes	1,102	1,767
Income taxes - current	335	101
Income taxes - refund	—	(1)
Income taxes - deferred	52	37
Total income taxes	388	137
Profit	714	1,629
Profit attributable to non-controlling interests	3	—
Profit attributable to owners of parent	710	1,629

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Profit	714	1,629
Other comprehensive income		
Valuation difference on available-for-sale securities	111	(544)
Foreign currency translation adjustment	36	(73)
Remeasurements of defined benefit plans, net of tax	(4)	(12)
Total other comprehensive income	143	(629)
Comprehensive income	858	1,000
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	836	1,000
Comprehensive income attributable to non-controlling interests	21	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,102	1,767
Depreciation	429	257
Impairment losses	827	303
Increase (decrease) in allowance for doubtful accounts	1	(1)
Increase (decrease) in retirement benefit liability	(7)	1
Increase (decrease) in provision for point card certificates	1	(2)
Increase (decrease) in provision for bonuses	(66)	21
Long-term loans offset with a rent	59	32
Long-term deposit offset with a rent	3	1
Gain on sale of non-current assets	(587)	4
Loss on retirement of non-current assets	11	13
Loss (gain) on sale of investment securities	—	(361)
Interest and dividend income	(38)	(25)
Interest expenses	82	93
Foreign exchange losses (gains)	(3)	(0)
Decrease (increase) in trade receivables	(1,586)	(1,431)
Decrease (increase) in inventories	341	159
Increase (decrease) in trade payables	1,905	2,143
Increase (decrease) in accrued expenses	187	130
Increase (decrease) in accrued consumption taxes	14	177
Other, net	(327)	202
Subtotal	2,352	3,488
Interest and dividends received	37	23
Interest paid	(89)	(91)
Income taxes paid	(203)	(152)
Income taxes refund	3	13
Net cash provided by (used in) operating activities	2,100	3,282
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	62	—
Purchase of property, plant and equipment	(678)	(238)
Proceeds from sale of property, plant and equipment	1,658	4
Payments for retirement of property, plant and equipment	(108)	(136)
Purchase of intangible assets	(464)	(109)
Proceeds from sale and redemption of investment securities	—	537
Payments of leasehold and guarantee deposits	(131)	(29)
Proceeds from refund of leasehold and guarantee deposits	135	292
Proceeds from collection of loans receivable	3	5
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	476	324
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,456)	127
Repayments of long-term borrowings	(379)	(528)
Purchase of treasury shares	(0)	(0)
Dividends paid	(291)	(0)
Other, net	(4)	(2)
Net cash provided by (used in) financing activities	(2,132)	(403)
Effect of exchange rate change on cash and cash equivalents	(11)	0
Net increase (decrease) in cash and cash equivalents	433	3,204
Cash and cash equivalents at beginning of period	5,493	2,176
Cash and cash equivalents at end of period	5,926	5,380