



## Summary of Consolidated Financial Statements for the Fiscal Year Ended September 30, 2024 (Based on IFRS)

December 16, 2024

Name of listed company: GMO Financial Gate, Inc Exchange: Tokyo Stock Exchange Growth  
 Stock code: 4051 URL: <https://gmo-fg.com/>  
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(Amounts rounded down to the nearest one million yen)

1. Consolidated Financial Statements for the Fiscal Year Ended September 30, 2024 (From October 1, 2023 to September 30, 2024)

(1) Consolidated Financial Statements (Cumulative) (Percentages represent year-on-year % change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
FY 2024	18,705	17.6	1,531	35.0	1,513	34.1	1,075	31.6	1,013	29.5	1,075	31.6
FY 2023	15,909	—	1,134	—	1,128	—	817	—	782	—	817	—

  

	Basic earnings per share		Diluted earnings per share		Return on equity using profit attributable to owners of parent		Return on assets using profit before taxes		Operating profit margin	
	Yen	%	Yen	%	%	%	%	%		
FY 2024	121.99	—	121.53	—	19.2	—	12.9	—	8.2	
FY 2023	94.58	—	93.84	—	16.6	—	14.1	—	7.1	

(Note) Share of profit of entities accounted for using equity method FY2024 — Mil.Yen FY2023 — Mil.Yen

(Note) The Company conducted a 2-for-1 stock split for common stock on January 17, 2023. The effect of the stock split has been reflected in the calculation of basic earnings per share for the fiscal year ending September 30, 2023 (forecast)

(2) Consolidated Financial Position

	Total assets		Total equity		Total equity attributable to owners of parent		Ratio of total equity attributable to owners of parent to total assets		Total equity attributable to owners of parent per share	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Yen	%	Mil.Yen	%
FY 2024	14,206	—	5,890	—	5,627	—	39.6	—	676.41	—
FY 2023	9,322	—	5,140	—	4,939	—	53.0	—	596.13	—

(3) Consolidated Cash Flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at the end of period	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
FY 2024	1,712	—	△719	—	63	—	5,060	—
FY 2023	866	—	△529	—	1,280	—	4,003	—

2. Dividends

	Annual Dividend					Total dividends	Dividend Payout ratio (Consolidated)	Ratio of dividends to equity (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
FY 2023	—	0.00	—	46.00	46.00	382	48.6	8.1
FY 2024	—	0.00	—	62.00	62.00	517	50.8	9.9
FY 2025 (forecast)	—	0.00	—	80.00	80.00	—	50.6	—

3. Consolidated Financial Forecast for the Fiscal Year Ending September 2025 (October 1, 2024 to September 30, 2025)

(Percentages represent quarter-on-quarter / year-on-year % change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Basic earnings per share	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Yen	%
Q2 FY2025(Cumulative)	9,677	—	1,090	—	1,081	—	674	—	677	—	81.37	—
FY2025(Full year)	22,200	18.7	2,020	31.9	2,002	32.3	1,316	22.4	1,316	29.9	158.17	—

**Translation**

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Notes:

(1) Changes of important subsidiaries during the period : No

Number of new subsidiaries - (Name ) Number of excluded subsidiaries: - (Name )

(change of specific subsidiaries that leads to a change in the scope of consolidation)

(2) Changes in the accounting policy / changes in the accounting estimation

[1] Changes in accounting policy required by IFRS : No

[2] Changes in accounting policy other than [1] : No

[3] Changes in accounting estimations : No

(3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the term  
(including treasury stock)

FY2024	8,339,480	FY2023	8,305,340
FY2024	19,210	FY2023	19,188
FY2024	8,307,038	FY2023	8,270,541

[2] Number of treasury shares at the end of the term

[3] Average number of shares during the term

(Notes) 1. The number of treasury shares at the end of the term includes the Company's shares held by Board Benefit Trust (BBT and J-ESOP) (FY2023: 18,800 shares, FY2024: 18,800 shares)

2. The company conducted a 2-for-1 stock split for common stock on January 17, 2023. As a result, the number of shares issued (common stock) is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended September 30, 2023

\* Financial statements are not subject the review by certified public accountants or financial statement auditors.

\* Explanation of the appropriate use of forecasts and other special notes

As stated in the "Notice regarding Voluntary Adoption of International Financial Reporting Standards (IFRS)" dated September 17, 2024 (Japanese only), the Board of Directors resolved at the meeting held on the same day to voluntarily adopt International Financial Reporting Standards (IFRS) in place of the previous Japanese GAAP for the consolidated financial statements in the securities report for the fiscal year ending September 2024.

2. The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from the consolidated financial statements in the securities report for the fiscal year ending September 2024. The Company published a summary of financial results for the fiscal year ending September 2024 based on Japanese GAAP on November 12, 2024.

3. Statements regarding the future, such as business outlook, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers to be reasonable, and are not intended to guarantee the achievement of such forecasts. In addition, actual business results, etc. may differ significantly due to various factors.

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Table of contents of attachments

1. Basic Concept Regarding Selection of Accounting Standards.....	2
2. Consolidated financial statements and Major Notes.....	3
(1) Consolidated balance sheet.....	3
(2) Consolidated statement of income and comprehensive income.....	5
(3) Consolidated statement of changes in equity.....	7
(4) Consolidated statement of cash flows.....	8
(5) Notes regarding consolidated financial statements.....	9
(Notes regarding the going concern assumptions).....	9
(Segment information) .....	9
(Per share Information) .....	9
(Significant subsequent events).....	10
(First time application).....	11

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### 1. Basic Concept Regarding Selection of Accounting Standards

In order to improve the international comparability of financial information in capital markets and to enhance the Group's medium- to long-term management foundation, the Group has voluntarily adopted IFRS instead of the previous Japanese standards for the consolidated financial statements in its securities report for the fiscal year ending September 2024.

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## Consolidated financial statements and Major Notes

## (1) Quarterly consolidated balance sheet

(Unit: Thousand yen)

	IFRS Implementation Date (October 1, 2022)	FY2023 (September 30, 2023)	FY2024 (September 30, 2024)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,387,185	4,003,682	5,060,458
Trade accounts receivable	662,803	968,331	3,166,426
Merchandise	1,506,942	2,396,236	3,170,105
Other financial assets	132,506	13,062	13,056
Allowance of doubtful accounts	326,619	123,896	221,685
<b>Total current assets</b>	<b>5,016,057</b>	<b>7,505,209</b>	<b>11,631,732</b>
<b>Non-current assets</b>			
Property, plant and equipment	90,142	94,331	214,250
Intangible fixed assets	1,356,587	1,399,732	1,623,274
Other financial assets	47,884	77,884	223,730
Deferred tax assets	135,331	245,823	501,746
Other non-current assets	—	—	11,948
<b>Total non-current assets</b>	<b>1,629,945</b>	<b>1,817,771</b>	<b>2,574,950</b>
<b>Total Assets</b>	<b>6,646,003</b>	<b>9,322,980</b>	<b>14,206,683</b>

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	(Unit: Thousand yen)		
	IFRS Implementation Date (October 1, 2022)	FY2023 (September 30, 2023)	FY2024 (September 30, 2024)
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Account payable	1,148,417	1,584,518	3,672,285
Other financial liabilities	908	1,099	68,056
Income taxes payable	234,277	176,338	521,671
Provisions	—	—	263,027
Other current liabilities	596,708	903,441	1,708,761
<b>Total current liabilities</b>	<b>1,980,311</b>	<b>2,665,398</b>	<b>6,233,803</b>
<b>Non-current liabilities</b>			
Long term borrowings	—	1,500,000	2,000,000
Other financial liabilities	194	—	62,396
Provisions	10,520	10,583	10,647
Deferred tax liabilities	6,357	—	—
Other non-current liabilities	5,050	6,467	9,196
<b>Total non-current liabilities</b>	<b>22,122</b>	<b>1,517,051</b>	<b>2,082,240</b>
<b>Total liabilities</b>	<b>2,002,434</b>	<b>4,182,449</b>	<b>8,316,043</b>
<b>Equity</b>			
Capital stock	1,617,987	1,629,932	1,638,680
Capital surplus	1,734,812	1,763,213	1,810,751
Retained earnings	1,127,278	1,669,989	2,302,216
Treasury stock	△2,627	△123,529	△123,703
Other items of equity	—	—	—
<b>Total equity attributable to owners of parent</b>	<b>4,477,450</b>	<b>4,939,605</b>	<b>5,627,943</b>
Non-controlling interests	166,118	200,925	262,695
<b>Total equity</b>	<b>4,643,569</b>	<b>5,140,530</b>	<b>5,890,639</b>
<b>Total liabilities and equity</b>	<b>6,646,003</b>	<b>9,322,980</b>	<b>14,206,683</b>

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## (2) Consolidated statement of income and comprehensive income

## Consolidated statement of income

(Unit: Thousand Yen)

	End of FY2023 (October 1, 2022 to September 30, 2023)	End of FY2024 (October 1, 2023 to September 30, 2024)
Revenue	15,909,069	18,705,381
Cost of goods sold	<u>△12,003,608</u>	<u>△12,659,146</u>
Gross profit	3,905,460	6,046,234
Selling, general and administrative expense	<u>△2,756,386</u>	<u>△4,514,115</u>
Other income	181	180
Other expenses	<u>△14,347</u>	<u>△494</u>
Operating profit	1,134,909	1,531,804
Financial income	25	1,158
Financial expenses	<u>△6,403</u>	<u>△19,896</u>
Profit before taxes	1,128,530	1,513,066
Corporate income taxes	<u>△311,473</u>	<u>△437,906</u>
Profit	<u>817,057</u>	<u>1,075,159</u>
Profit attributable to		
Owners of parent	782,250	1,013,389
Non-controlling interests	<u>34,806</u>	<u>61,770</u>
Profit	<u>817,057</u>	<u>1,075,159</u>
Earnings per share (Yen/share)		
Basic earnings per share	94.58	121.99
Diluted earnings per share	93.84	121.53

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## Consolidated statement of comprehensive income

(Unit: Thousand Yen)

	End of FY2023 (October 1, 2022 to September 30, 2023)	End of FY2024 (October 1, 2023 to September 30, 2024)
Profit	817,057	1,075,159
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Fair value of financial assets measured through other comprehensive income	—	—
Share of other comprehensive income of equity method affiliates	—	—
Other comprehensive income after income taxes	—	—
Comprehensive income	<u>817,057</u>	<u>1,075,159</u>
Comprehensive income attributable to		
Owners of parent	782,250	1,013,389
Non-controlling interests	<u>34,806</u>	<u>61,770</u>
Total	<u>817,057</u>	<u>1,075,159</u>



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## (3) Consolidated statement of changes in equity

Previous fiscal year (October 1, 2022 to September 30, 2023)

	(Unit: Thousand Yen)							
	Capital	Capital surplus	Retained earnings	Treasury stock	Total of shareholders' equity	Profit attributable to owners of parent	Profit attributable to non-controlling shareholder	Total Assets
Balance at beginning of period	1,617,987	1,734,812	1,127,278	△2,627	—	4,477,450	166,118	4,643,569
Profit	—	—	782,250	—	—	782,250	34,806	817,057
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	782,250	—	—	782,250	34,806	817,057
Purchase of treasury stock	—	—	—	△120,902	—	△120,902	—	△120,902
Dividends	—	—	△239,539	—	—	△239,539	—	△239,539
Issuance of new shares (exercise of stock acquisition rights)	11,945	11,945	—	—	—	23,890	—	23,890
Stock-Based Compensation Transactions	—	16,455	—	—	—	16,455	—	16,455
Total transactions with owners	11,945	28,400	△239,539	△120,902	—	△320,095	—	△320,095
As of September 30, 2023	1,629,932	1,763,213	1,669,989	△123,529	—	4,939,605	200,925	5,140,530

Current fiscal year (October 1, 2023 to September 30, 2024)

	(Unit: Thousand Yen)							
	Capital	Capital surplus	Retained earnings	Treasury stock	Total of shareholders' equity	Profit attributable to owners of parent	Profit attributable to non-controlling shareholder	Total Assets
Balance at beginning of period	1,629,932	1,763,213	1,669,989	△123,529	—	4,939,605	200,925	5,140,530
Profit	—	—	1,013,389	—	—	1,013,389	61,770	1,075,159
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	1,013,389	—	—	1,013,389	61,770	1,075,159
Purchase of treasury stock	—	—	—	△174	—	△174	—	△174
Dividends	—	—	△381,162	—	—	△381,162	—	△381,162
Issuance of new shares (exercise of stock acquisition rights)	8,747	8,747	—	—	—	17,495	—	17,495
Stock-Based Compensation Transactions	—	38,790	—	—	—	38,790	—	38,790
Total transactions with owners	8,747	47,538	△381,162	△174	—	△325,051	—	△325,051
As of September 30, 2024	1,638,680	1,810,751	2,302,216	△123,703	—	5,627,943	262,695	5,890,639

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## (4) Consolidated statement of cash flows

	End of FY2023 (October 1, 2022 to September 30, 2023)	End of FY2024 (October 1, 2023 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	1,128,530	1,513,066
Depreciation	386,407	525,337
Loss on disposal of fixed assets	14,314	135
Stock-Based Compensation Expenses	16,455	38,790
Allowance for chargebacks (△:decrease)	—	263,027
Financial income/costs (△:profit)	6,378	18,737
Change in inventory (△:increase)	△889,293	△773,869
Change in trade payables (△:increase)	△305,527	△2,198,095
Change in in trade payables (△:decrease)	466,125	1,983,659
Change in deposits received (△:increase)	202,722	△109,738
Changes in other liabilities (△:decrease)	308,149	808,049
Other	24,352	5,054
Cash flows from operating activities	1,358,615	2,074,155
Interest and dividends received	25	477
Interest paid	△6,339	△13,997
Income taxes paid	△486,296	△348,496
Cash flows from operating activities	866,004	1,712,139
Cash flows from investing activities		
Purchase of property, plant and equipment	△62,231	△14,705
Purchase of intangible fixed assets	△437,698	△553,752
Expenditures for acquisition of investment securities	—	△99,994
Expenditures from long-term loans	—	△50,720
Other	△30,000	—
Cash flows from investing activities	△529,929	△719,173
Cash flows from financing activities		
Proceeds from long term borrowing	1,500,000	500,000
Repayment of lease liabilities	△452	△65,873
Proceeds from issuance of shares through exercise of stock acquisition rights	23,890	17,495
Expenditures for acquisition of treasury stock	△1,137	△174
Payment of dividends	△239,089	△382,293
Other	△2,788	△5,345
Cash flows from financing activities	1,280,421	63,809
Net increase(decrease) in cash and cash equivalents	1,616,496	1,056,775
Cash and cash equivalents at the beginning of period	2,387,185	4,003,682
Cash and cash equivalents at the end of period	4,003,682	5,060,458

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## (5) Notes regarding consolidated financial statements

(Notes regarding the going concern assumptions)

Not applicable

## (Segment Information)

The Group's business segment consists of a single segment, face-to-face payment services only, and therefore segment information is omitted.

## (Per share information)

## (1) Basis for calculating basic earnings per share

	FY2023 (October 1, 2022 to September 30, 2023)	FY2024 (October 1, 2023 to September 30, 2024)
Profit attributable to common shareholders of the parent company		
Profit for the year attributable to owners of the parent	782,250	1,013,389
Profit for the period not attributable to common shareholders of the parent company	—	—
Net income used to calculate basic earnings per share	782,250	1,013,389
Average number of common shares during the period (shares)	8,270,541	8,307,038
Basic earnings per share(yen)	94.58	121.99

(Notes) 1. On January 17, 2023, the Company conducted a 2-for-1 stock split of common shares. Accordingly, net assets per share, net income per share, and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The Company has introduced a stock benefit trust (BBT and J-ESOP). The Company's shares held by such stock benefit trusts are recorded as treasury stock in the consolidated financial statements, however are deducted from average number of common shares during the period (previous consolidated fiscal year: None; current consolidated fiscal year: 18,800 shares)

## (2) Basis for calculation of net income per share and diluted net income per share

	FY2023 (October 1, 2022 to September 30, 2023)	FY2024 (October 1, 2023 to September 30, 2024)
Profit attributable to ordinary shareholders after dilution		
Profit used to calculate basic earnings per share	782,250	1,013,389
Adjustment to profit	—	—
Profit used to calculate diluted earnings per share	782,250	1,013,389
Average number of shares (shares)	8,270,541	8,307,038
Effect of dilutive securities (shares)	65,787	31,443
Convertible bond-type bonds with subscriptions rights (shares)	8,336,328	8,338,481
Diluted earnings per share (yen)	93.84	121.53

(Notes) 1. On January 17, 2023, the Company conducted a 2-for-1 stock split of common shares. Accordingly, net assets per share, net income per share, and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The Company has introduced a stock benefit trust (BBT and J-ESOP). The Company's shares held by such stock benefit trusts are recorded as treasury stock in the consolidated financial statements, however are deducted from average number of common shares during the period (previous consolidated fiscal year: None; current consolidated fiscal year: 18,800 shares)

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(Significant Subsequent Events)

(Acquisition of treasury stock)

At the Board of Directors meeting held on November 18, 2024, the Company resolved matters related to the acquisition of treasury stock pursuant to the provisions of Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act.

(1) Reason for acquiring treasury stock

To enable the implementation of a flexible capital policy in response to changes in the business environment, and as part of shareholder returns.

(2) Details of acquisition

- ① Type of shares to be acquired: Common stock of the Company
- ② Total number of shares to be acquired: 74,000 shares (maximum)  
(Percentage of total issued shares (excluding treasury stock): 0.88%)
- ③ Total acquisition cost of shares: 500,000,000 yen (maximum)
- ④ Acquisition period: From November 19, 2024 to December 30, 2024
- ⑤ Acquisition method: Market purchase on the Tokyo Stock Exchange

(3) Acquisition status

Based on the above resolution, 67,300 shares (acquisition cost: 499,287,000 yen) have been acquired between November 19, 2024 and the date of publication of this financial results summary.

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(First-time application)

The Group has disclosed consolidated financial statements in accordance with IFRS since this consolidated fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP relate to the consolidated fiscal year ending September 30, 2023, and the transition date to IFRS is October 1, 2022.

(1) Exemptions from retrospective application

IFRS 1 "First-time Adoption of International Financial Reporting Standards" (hereinafter referred to as "IFRS 1") requires companies that apply IFRS for the first time to apply IFRS retrospectively in principle. However, there are some exceptions, and the exemptions adopted by the Group are as follows.

① Business combinations

IFRS 1 allows companies to choose to apply IFRS 3 "Business Combinations" (hereinafter referred to as "IFRS 3") retrospectively or prospectively. The Group has chosen not to apply IFRS 3 retrospectively to business combinations that took place before the IFRS transition date. As a result, business combinations that took place before the transition date to IFRS are accounted for under Japanese GAAP and are not restated. Goodwill arising from business combinations is carried over to the book value of Japanese GAAP that was applied before the transition to IFRS. Goodwill is tested for impairment as of the transition date to IFRS regardless of indication of impairment.

② Recognition of right-of-use assets and lease liabilities

IFRS 1 allows lessees within the scope of IFRS 16 "Leases" not to recognize right-of-use assets and lease liabilities for leases whose lease term ends within 12 months from the transition date to IFRS, and to recognize the related lease payments as expenses over the lease term on either a straight-line basis or another systematic basis. The Group applies this exemption.

③ Measurement of assets and liabilities when a subsidiary adopts IFRS later than the parent company

IFRS 1 allows a subsidiary to choose to measure assets and liabilities based on the parent company's transition date to IFRS or the subsidiary's transition date to IFRS when the subsidiary becomes a first-time adopter later than the parent company. Although our parent company, GMO Payment Gateway, Inc., has adopted IFRS ahead of the rest, we have chosen to measure based on the Group's transition date to IFRS.

(2) Mandatory exceptions to IFRS 1

IFRS 1 prohibits the retroactive application of IFRS for "estimates," "derecognition of financial assets and financial liabilities," "non-controlling interests," "classification and measurement of financial assets," etc., and our Group applies these items prospectively from the IFRS transition date.

(3) Reconciliation table

The impact of the transition from Japanese GAAP to IFRS on our Group's financial position, operating results, and cash flow status is as follows. Please note that the "reclassification" in the reconciliation table includes items that do not affect retained earnings and comprehensive income, and the "recognition and measurement differences" includes items that affect retained earnings and comprehensive income.

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① Reconciliations

Date of transition to IFRS (As of October 1, 2022)

Items under J-GAAP	J-GAAP	Adjustment (1)	Differences in recognition and measurement	IFRS	Notes	Items under IFRS
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen		
<b>Assets</b>						<b>Assets</b>
<b>Current Assets</b>						<b>Total Assets</b>
Cash and deposits	2,519,185	△132,000	—	2,387,185		Cash and deposits
Accounts receivable	630,851	31,952	—	662,803		Accounts receivable
Inventories	1,506,845	97	—	1,506,942		Merchandise
	—	132,506	—	132,506		Other financial assets
Other	362,240	△35,621	—	326,619		Other current assets
Allowance of doubtful accounts	△3,065	3,065	—	—		
Total current assets	5,016,057	—	—	5,016,057		Total current assets
<b>Non-current assets</b>						<b>Non-current assets</b>
Property, plant and equipment	79,685	—	10,456	90,142	(2)	Property, plant and equipment
Intangible fixed assets	1,356,587	—	—	1,356,587		Intangible fixed assets
Lease deposits	47,801	19	63	47,884	(2)	Other financial assets
Bankruptcy rehabilitation claims	1,021	△1,021	—	—		
Deferred tax assets	137,863	△23,061	20,530	135,331	(4)	Deferred tax assets
Other	19	△19	—	—		Other non-current assets
Allowance for doubtful accounts	△1,021	1,021	—	—		
Total non-current assets	1,621,956	△23,061	31,050	1,629,945		Total non-current assets
<b>Total Assets</b>	<b>6,638,014</b>	<b>△23,061</b>	<b>31,050</b>	<b>6,646,003</b>		<b>Total Assets</b>

**Translation**

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Items under J-GAAP	J-GAAP	Adjustment (1)	Differences in recognition and measurement	IFRS	Notes	Items under IFRS
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen		
						Liabilities and Net Assets
Liabilities						Liabilities
Current liabilities						Current liabilities
Account payable	814,649	333,767	—	1,148,417		Account payable
	—	908	—	908		Other financial liabilities
Income taxes payable	253,018	△18,741	—	234,277		Income taxes payable
Contract liabilities	34,343	510,855	51,510	596,708	(6)	Other current liabilities
Deposits received	173,421	△173,421	—	—		
Allowance for employees' bonuses	241,500	△241,500	—	—		
Allowance for directors' bonuses	59,300	△59,300	—	—		
Other	352,552	△352,552	—	—		
Total current liabilities	1,928,785	15	51,510	1,980,311		Total current liabilities
Non-current liabilities						Non-current liabilities
Long term borrowing	166	—	△166	—		Long term borrowings
Provision for employee stock ownership plan trust	11,977	—	△11,977	—		
Provision for management board benefit trust	—	194	—	194		
	—	—	10,520	10,520	(2)	Provisions
Deferred tax liabilities	26,217	△23,061	3,201	6,357	(4)	Deferred tax liabilities
Other	210	△210	5,050	5,050	(6)	Other non-current liabilities
Total non-current liabilities	38,571	△23,077	6,628	22,122		Total non-current liabilities
Total liabilities	1,967,356	△23,061	58,139	2,002,434		Total liabilities
Net Assets						Net Assets
Capital stock	1,617,987	—	—	1,617,987		Capital stock
Capital surplus	1,631,098	—	103,714	1,734,812	(5),(7)	Capital surplus
Retained earnings	1,257,124	—	△129,846	1,127,278	(8)	Retained earnings
Treasury stock	△2,627	—	—	△2,627		Treasury stock
Accumulated other comprehensive income	—	—	—	—		Other items of equity
Total equity attributable to owners of parent	4,503,581	—	△26,131	4,477,450		Total equity attributable to owners of parent
Non-controlling interests	167,075	—	△956	166,118		Non-controlling interests
Total net assets	4,670,657	—	△27,088	4,643,569		Total equity
Total liabilities and net assets	6,638,014	△23,061	31,050	6,646,003		Total liabilities and equity

**Translation**

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Previous Fiscal Year (As of September 30, 2023)

Items under J-GAAP	J-GAAP	Adjustment (1)	Differences in recognition and measurement	IFRS	Notes	IFRS Subject
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen		
<b>Assets</b>						<b>Assets</b>
<b>Current Assets</b>						<b>Total Assets</b>
Cash and deposits	4,015,682	△12,000	—	4,003,682		Cash and deposits
Accounts receivable	920,725	47,605	—	968,331		Accounts receivable
Inventories	2,396,179	57	—	2,396,236		Merchandise
	—	13,062	—	13,062		Other financial assets
Other	181,151	△57,254	—	123,896		Other current assets
Allowance of doubtful accounts	△8,529	8,529	—	—		
Total current assets	7,505,209	—	—	7,505,209		Total current assets
<b>Non-current assets</b>						<b>Non-current assets</b>
Property, plant and equipment	84,575	—	9,755	94,331	(2)	Property, plant and equipment
Intangible fixed assets	1,355,293	—	44,438	1,399,732	(3)	Intangible fixed assets
Lease deposits	47,033	30,019	831	77,884	(2)	Other financial assets
Bankruptcy rehabilitation claims	1,043	△1,043	—	—		
Deferred tax assets	237,641	△16,095	24,277	245,823	(4)	Deferred tax assets
Other	32,486	△30,019	△2,467	—	(5)	Other non-current assets
Allowance for doubtful accounts	△1,043	1,043	—	—		
Total non-current assets	1,757,031	△16,095	76,835	1,817,771		Total non-current assets
<b>Total Assets</b>	<b>9,262,240</b>	<b>△16,095</b>	<b>76,835</b>	<b>9,322,980</b>		<b>Total Assets</b>



**Translation**

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Items under J-GAAP	J-GAAP	Adjustment (1)	Differences in recognition and measurement	IFRS	Notes	IFRS Subject
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen		
						Liabilities and Net Assets
Liabilities						Liabilities
Current liabilities						Current liabilities
Account payable	1,075,275	509,243	—	1,584,518		Account payable
	—	1,099	—	1,099		Other financial liabilities
Income taxes payable	201,123	△24,784	—	176,338		Income taxes payable
Contract liabilities	89,224	753,677	60,540	903,441	(6)	Other current liabilities
Deposits received	375,741	△375,741	—	—		
Allowance for employees' bonuses	392,760	△392,760	—	—		
Allowance for directors' bonuses	107,576	△107,576	—	—		
Other	363,157	△363,157	—	—		
Total current liabilities	2,604,857	—	60,540	2,665,398		Total current liabilities
Non-current liabilities						Non-current liabilities
Long term borrowing	1,500,000	—	—	1,500,000		Long term borrowings
Provision for employee stock ownership plan trust	4,524	—	△4,524	—		
Provision for management board benefit trust	23,954	—	△23,954	—		
	—	—	10,583	10,583	(2)	Provisions
Deferred tax liabilities	13,108	△16,095	2,987	—	(4)	Deferred tax liabilities
Other	—	—	6,467	6,467	(6)	Other non-current liabilities
Total non-current liabilities	1,541,587	△16,095	△8,440	1,517,051		Total non-current liabilities
Total liabilities	4,146,445	△16,095	52,099	4,182,449		Total liabilities
Net Assets						Net Assets
Capital stock	1,629,932	—	—	1,629,932		Capital stock
Capital surplus	1,643,043	—	120,170	1,763,213	(5),(7)	Capital surplus
Retained earnings	1,764,019	—	△94,029	1,669,989	(8)	Retained earnings
Treasury stock	△123,529	—	—	△123,529		Treasury stock
Accumulated other comprehensive income	—	—	—	—		Other items of equity
Total equity attributable to owners of parent	4,913,464	—	26,140	4,939,605		Total equity attributable to owners of parent
Non-controlling interests	202,330	—	△1,404	200,925		Non-controlling interests
Total net assets	5,115,795	—	24,735	5,140,530		Total equity
Total liabilities and net assets	9,262,240	△16,095	76,835	9,322,980		Total liabilities and equity

## Notes on Adjustments to Equity

### (1) Adjustments to Presentation Items

Presentation has been reclassified to comply with IFRS presentation regulations, and the main items are as follows.

- Under Japanese GAAP, cash and deposits, time deposits with a deposit period of more than three months are included in other financial assets (current) under IFRS.
- Under Japanese GAAP, accounts receivable included in "accounts receivable" and "other current assets," and "provision for doubtful accounts" related to trade receivables are directly deducted from the receivable amount and presented at a net amount under IFRS.
- Under Japanese GAAP, "accounts payable" and "deposits received" related to affiliated stores and accounts payable included in "other current liabilities" are presented as "trade and other payables" under IFRS.

### (2) Asset retirement obligations

Under Japanese GAAP, asset retirement obligations in the property, plant and equipment category were not recorded as liabilities or the acquisition cost of the related property, plant and equipment, and the corresponding deposits were amortized over their useful lives. Under IFRS, however, asset retirement obligations and the acquisition cost of the related property, plant and equipment are recognized and the property, plant and equipment are depreciated and expensed over their useful lives, and the amortization amount of the deposits has been revised.

### (3) Goodwill

Under Japanese GAAP, goodwill was amortized in equal installments over a 10-year period, but under IFRS, amortization was suspended after the IFRS transition date, and impairment tests are conducted every fiscal year.

### (4) Deferred tax assets and deferred tax liabilities

This is due to temporary differences arising from adjustments to other items in the consolidated statement of financial position.

### (5) Stock-based compensation transactions by BBT Trust and J-ESOP Trust

Under Japanese GAAP, expenses and provisions were recognized based on the market value based on the stock price at the time the trust acquired its own shares, but under IFRS, as equity-settled stock-based compensation transactions, they are recognized as expenses over the vesting period based on the fair value on the grant date, with capital surplus as the counter account. In addition, under Japanese GAAP, compensation paid to an external party as a fee for managing the trust was deferred as a long-term prepaid expense and recognized as an expense when the shares were actually paid to officers or employees, but under IFRS, it is recognized as an expense at the time of occurrence.

### (6) Unused paid holidays and accrued long-service awards

Unused paid holidays were not recognized as liabilities under Japanese GAAP, but are recognized as liabilities under IFRS. In addition, long-service awards and long-service paid holidays were not recognized as liabilities under Japanese GAAP, but are recognized as liabilities under IFRS.

### (7) Stock options

Under Japanese GAAP, the expense value of stock options granted to the Company when it was not yet listed was measured at intrinsic value, but under IFRS, they are measured at fair value, including the time value of the options.

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(8) Adjustments to Retained Earnings

	Date of IFRS implementation (October 1, 2022)	Date of IFRS implementation (September 30, 2023)	Note
	Thousands of yen	Thousands of yen	
Adjustment of goodwill	—	44,438	(3)
Stock option fair value adjustment	△91,447	△91,447	(7)
Adjustments to unused paid vacation days and unpaid long-service awards	△56,561	△67,007	(6)
Adjustments for BBT Trusts and J-ESOP Trusts	△123	△2,711	(5)
Other	957	1,407	(2)
Tax effect of the above	17,328	21,290	(4)
Total	△129,846	△94,029	

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② Reconciliation of profit or loss and other comprehensive income

Previous Fiscal Year (October 1, 2022 to September 30, 2023)

Items under J-GAAP	J-GAAP	Adjustment (1)	Differences in recognition and measurement	IFRS	Notes	IFRS Subject
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen		
Revenue	15,909,069	—	—	15,909,069		Revenue
Costs of goods sold	△12,003,608	—	—	△12,003,608		Costs of goods sold
Gross profit	3,905,460	—	—	3,905,460		Gross profit
Selling, general and administrative expense	△2,785,136	△2,721	31,470	△2,756,386	(2),(3), (4),(5)	Selling, general and administrative expense
	—	181	—	181		Other income
	—	△14,347	—	△14,347		Other expenses
Operating profit	1,120,324	△16,886	31,470	1,134,909		Operating profit
Non-operating income	206	△206	—	—		
Non-operating expenses	△6,372	6,372	—	—		
Extraordinary loss	△14,314	14,314	—	—		
	—	25	—	25		Financial income
	—	△6,339	△63	△6,403	(5)	Financial expenses
	—	—	—	—		Equity method investment gains/loss
Profit before income taxes	1,099,844	△2,721	31,406	1,128,530		Profit before income taxes
Corporation income taxes, resident taxes, business taxes	△431,043	115,608	3,962	△311,473	(6)	Corporate Income taxes
Total corporation income taxes	112,887	△112,887	—	—		
Profit	781,688	—	35,368	817,057		Profit
Profit attributable to owners of parent	746,433	—	35,816	782,250		Profit attributable to non-controlling shareholder
Comprehensive Profit attributable to non-controlling shareholder	35,254	—	△447	34,806		Profit attributable to owners of parent
Other comprehensive profit	—	—	—	—		Other comprehensive income
Other comprehensive profit total	—	—	—	—		Other comprehensive income after tax
Comprehensive profit	781,688	—	35,368	817,057		Comprehensive income
Comprehensive profit attributable to owners of parent	746,433	—	35,816	782,250		Comprehensive income attributable to owners of parent
Comprehensive profit attributable to non-controlling shareholder	35,254	—	△447	34,806		Comprehensive income attributable to noncontrolling shareholder

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## Notes on adjustments to profit or loss and other comprehensive income

### (1) Adjustments to presentation items

In order to comply with the presentation regulations of IFRS, the presentation has been reclassified, and the main items are as follows.

- Items presented as "non-operating income," "non-operating expenses," "extraordinary income," and "extraordinary losses" under Japanese GAAP are recorded as "financial income" and "financial expenses" for financial profit or loss under IFRS, and other items are presented as "other income" and "other expenses."
- Under Japanese GAAP, "corporate tax, resident tax, and business tax" and "corporate tax adjustments" were presented separately, but under IFRS, they are presented collectively as "corporate income tax expenses."
- Under Japanese GAAP, resident tax per capita was recorded as "corporate tax, resident tax, and business tax," but under IFRS, it is presented as "selling, general and administrative expenses." As a result, consolidated profit before tax has decreased by 2,721 thousand yen.

### (2) Adjustment of the amount of goodwill recorded

Under Japanese GAAP, goodwill is amortized, but under IFRS, it is not amortized. As a result, consolidated profit before tax increased by 44,438 thousand yen.

### (3) Stock-based compensation transactions by BBT Trust and J-ESOP Trust

Under Japanese GAAP, expenses and provisions were recognized based on the market value based on the stock price at the time the trust acquired its own shares, but under IFRS, as equity-settled stock-based compensation transactions, they are recognized as expenses over the vesting period based on the fair value on the grant date, with capital surplus as the counter account. In addition, with regard to compensation paid to external parties as fees for the management of the trust, under Japanese GAAP, they were deferred as long-term prepaid expenses and recognized as expenses when the shares were actually paid to officers or employees, but under IFRS, they are recognized as expenses at the time of occurrence. As a result, consolidated profit before tax decreased by 2,587 thousand yen.

### (4) Unused paid holidays and unpaid long-service awards

Unused paid holidays were not recognized as liabilities under Japanese GAAP, but are recognized as liabilities under IFRS. Long-service awards and long-service paid holidays were not recognized as liabilities under Japanese GAAP, but are recognized as liabilities under IFRS. As a result, consolidated profit before tax has decreased by 10,446 thousand yen.

### (5) Asset retirement obligations

Under Japanese GAAP, liabilities for asset retirement obligations in the property, plant and equipment item and the acquisition cost of the related property, plant and equipment were not recorded, and the corresponding deposit was amortized over its useful life. Under IFRS, however, asset retirement obligations and the acquisition cost of the related property, plant and equipment are recognized, and the property, plant and equipment are depreciated and expensed over their useful life, and the amortization amount of the deposit is revised. As a result, consolidated profit before tax has increased by 2 thousand yen.

### (6) Income tax expense

This is due to temporary differences arising from adjustments to other items in the consolidated statement of financial position.

### ③ Cash flow adjustments

There are no significant differences between the consolidated cash flow statements prepared in accordance with IFRS for the previous consolidated fiscal year and those prepared in accordance with Japanese GAAP.