

FY 2024/9 Summary of Financial Results [IFRS] (Consolidated)

November 14, 2024

Name of issuing company: RECOMM Co., Ltd. Listed on: TSE
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Planned date of regular general meeting of shareholders: December 26, 2024 Planned date of commencement of payment of dividends: December 27, 2024
 Planned date of submittal of Securities Report: December 26, 2024
 Supplementary materials prepared on financial results: Y
 Briefing planned on financial results: Y

(Figures rounded down to the nearest million yen)

1. FY 2024/9 consolidated results (October 1, 2023, to September 30, 2024)

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income		Income before taxes		Net income		Net income attributable to owners of the parent		Total cumulative income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2024/9	11,687	22.9	269	△40.2	307	△37.4	142	△61.0	83	△73.3	451	13.5
FY 2023/9	9,510	6.6	450	9.0	490	7.2	366	24.1	314	△10.4	397	△39.5

	EBITDA *1		Basic net income per share		Diluted net income per share		Ratio of equity attributable to owners of the parent company to net income		Ratio of total assets to income before taxes		Ratio of net sales to operating income	
	Million yen	%	Yen		Yen		%		%		%	
FY 2024/9	445	△25.4	1.03		1.03		1.7		2.6		2.3	
FY 2023/9	596	5.6	3.87		3.87		7.0		4.9		4.7	

(Reference) Gain/loss from investment in affiliates FY 2024/9 70 million yen FY 2023/9 62 million yen

(Note) *1 EBITDA (earnings before interest, taxes, depreciation, and amortization) is calculated as operating income + depreciation and amortization

(2) Consolidated financial standing

	Total assets		Total capital		Equity attributable to owners of the parent		Percentage of equity attributable to owners of the parent		Equity attributable to owners of the parent per share	
	Million yen		Million yen		Million yen		%		Yen	
FY 2024/9	12,645		5,294		4,963		39.3		61.11	
FY 2023/9	10,843		4,953		4,690		43.3		57.74	

(3) Consolidated cash flows

	Cash flow from/used in operating activities		Cash flow from/used in investing activities		Cash flow from/used in financing activities		Ending balance of cash and cash equivalents	
	Million yen		Million yen		Million yen		Million yen	
FY 2024/9	841		△1,348		816		2,975	
FY 2023/9	△104		△843		876		2,625	

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Payout on equity attributable to owners of the parent (consolidated)
	Q1 end	Q2 end	Q3 end	Year end	Total			
FY 2023/9	Yen -	Yen 0.00	Yen -	Yen 1.60	Yen 1.60	Million yen 129	% 41.2	% 2.8
FY 2024/9	-	0.00	-	1.60	1.60	129	154.7	2.6
2025/9 (projected)	-	0.00	-	1.60	1.60		30.2	

3. FY 2025/9 consolidated financial results forecasts (October 1, 2024, to September 30, 2025)

(Percentages indicate YoY changes)

	Net sales		Operating income		Income before taxes		Net income		Net income attributable to owners of the parent		Basic net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
First half (cumulative)	6,800	23.6	220	23.2	220	3.5	150	11.3	120	△6.5		1.48
Full year	14,800	26.6	700	159.8	700	127.9	500	249.7	430	412.3		5.29

* Notes:

(1) Material changes to scope of consolidation during the period: Y

New 1 company (Name) TAKNET SYSTEMS PTE. LTD. Removed —company/ies (Name)

(2) Changes to accounting policies/changes to accounting estimates

(i) Changes to accounting policies required by IFRS: N

(ii) Changes to accounting policies other than those under (i): N

(iii) Changes to accounting estimates N

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at end of period (including treasury shares)	FY 2024/9	82,630,255shares	FY 2023/9	82,630,255shares
(ii) Number of treasury shares at end of period	FY 2024/9	1,410,600shares	FY 2023/9	1,410,600shares
(iii) Average number of shares during period	FY 2024/9	81,219,655shares	FY 2023/9	81,219,655shares

(Reference) Summary of nonconsolidated financial results

1. FY 2024/9 nonconsolidated financial results (October 1, 2023, to September 30, 2024)

(1) Nonconsolidated operating results (Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2024/9	926	95.1	74	—	62	—	161	—
FY 2023/9	474	△59.8	△298	△156.7	△279	△148.2	△200	△138.2

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2024/9	1.99	1.99
FY 2023/9	△2.46	△2.46

(2) Nonconsolidated financial standing

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2024/9	9,272	5,312	57.3	65.41
FY 2023/9	8,397	5,281	62.9	65.02

(Reference) Equity capital FY 2024/9 5,312 million yen FY 2023/9 5,281 million yen

* The Summary of Financial Results is not subject to auditing by a certified public accountant or audit firm.

* Explanation of appropriate use of performance forecasts and other notes

Performance forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time of preparation and certain assumptions considered reasonable. Actual results may differ considerably because of various factors.

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1. Overview of business results etc.

(1) Description of business results

Overview of business results etc.

(i) Financial standing and business results

In the consolidated fiscal year under review, Japan's economy saw improving employment and income conditions and a recovery in inbound demand. At the same time, however, future prospects for the global economy remained uncertain in light of such factors as monetary tightening in response to lengthening inflation, an economic downturn in China due to slow domestic demand, and rising geopolitical risks in Ukraine, the Middle East, and elsewhere.

In the information and communications technology (ICT) industry in which the Company operates, the leasing volume of ICT devices and office equipment remained largely unchanged from the previous year.

Under such economic conditions, the Group identified the vision of a global specialized trading company as its growth strategy and strived to grow its overseas solutions businesses and develop and increase sales of digital transformation (DX) and decarbonization products and services, while also building up stock revenues. To grow the overseas solutions businesses, in July 2024, it made TAKNET SYSTEMS PTE. LTD. (TAKNET), which sells AI servers in Singapore, a subsidiary and began to enter the Singapore market and develop sales of ICT devices overseas.

As a result, financial results in the consolidated fiscal year under review show an increase of 22.9% YoY in net sales to 11,687 million yen, while operating income fell by 40.2% YoY to 269 million yen as the increase in net sales was not enough to absorb higher personnel costs due to such factors as revisions to remuneration and increased hiring of core employees and sales personnel along with higher costs, such as those related to the purchase of stocks in M&As. Net income fell by 61.0% YoY to 142 million yen and net income attributable to owners of the parent was down 73.3% YoY to 83 million yen.

Results by segment are reviewed below

a. Domestic solutions businesses

In the directly operated branch sales channel, the Company strived to implement efficient operating activities using customer databases and to enhance new customer development. It strengthened sales of LED lighting and air conditioners to support carbon neutrality at corporate customers and conducted solution sales to meet demand for network security enhancements. As a result, net sales in this channel were up 13.4% YoY to 2,461 million yen.

In the franchise sales channel, the Company deployed sales methods from directly operated branches to franchises and provided sales support. It also transferred the rights to one franchise. As a result, net sales in this channel were down 20.5% YoY to 918 million yen.

In the agent channel, the Company promoted sales of its main product line of LED lighting to reduce electricity charges. Sales of security solutions, on the other hand, decreased sharply due in part to the impact of termination of the OEM supply. As a result, net sales in this channel were up 10.6% YoY to 1,090 million yen.

As a result of the above factors, net sales of domestic solutions businesses were up 3.6% YoY to 4,471 million yen, while segment income was up 124.6% YoY to 423 million yen as a result of revisions to the cost structure.

b. Overseas solutions businesses

The Company's overseas solutions businesses focused on proposal of energy-saving solutions, such as LED products and commercial air conditioners to corporate customers striving toward decarbonization. Sales went smoothly in China, India, and Malaysia. As a result, net income in this segment was up 42.8% YoY to 6,617 million yen, while segment income was down 11.8% YoY to 342 million yen.

c. BPR*2 business

The BPR business strived to develop new customers while also securing orders for adoption of robotic process automation (RPA) and AI-OCR and for business process outsourcing (BPO) through consulting sales. Its BPO centers strived to improve business efficiency and quality through use of RPA in particular with the aim of automating business processes. As a result, net income in this segment was up 6.4% YoY to 598 million yen, while segment income was down 64.4% YoY to 30 million yen because of rising center costs as a result of the large-scale devaluation of the yen vs. the RMB.

*2 Business process reengineering

(ii) Production, orders received, and sales

a. Production

Not applicable.

b. Orders received

Not applicable.

c. Sales

Sales results by segment and by sales channel in the consolidated fiscal year under review are shown below.

Segment		Current consolidated fiscal year (October 1, 2023, to September 30, 2024)	YoY (%)
Domestic solutions businesses	Directly operated branches (thousand yen)	2,461,272	113.4
	Franchises (thousand yen)	918,882	79.5
	Agents (thousand yen)	1,090,863	110.6
	Total (thousand yen)	4,471,018	103.6
Overseas solutions businesses (thousand yen)		6,617,616	142.8
BPR business (thousand yen)		598,638	106.4
Total (thousand yen)		11,687,272	122.9

(Notes) 1. Transactions between segments have been eliminated through offsetting.

2. The amounts above do not include consumption tax etc.

(2) Description of financial standing

Analysis of financial standing

At the end of the consolidated fiscal year under review, assets were up 1,801 million yen from the end of the previous consolidated fiscal year to 12,645 million yen. This was due mainly to increases of 349 million yen in cash and cash equivalents, 104 million yen in inventories due to the acquisition of TAKNET and other factors, and 1,098 million yen in goodwill.

Liabilities at the end of the consolidated fiscal year under review were up 1,460 million yen from the end of the previous consolidated fiscal year to 7,350 million yen. This was due mainly to increases of 204 million yen in accounts payable-trade due to making TAKNET a subsidiary and other factors and of 1,090 million yen in total loans payable as a result of borrowing 1,210 million yen to fund the acquisition of TAKNET.

Capital at the end of the consolidated fiscal year under review was up 341 million yen from the end of the previous consolidated fiscal year to 5,294 million yen. This was due mainly to increases of 324 million yen in other components of capital and 67 million yen in noncontrolling interests and a decrease of 53 million yen in retained earnings.

(3) Cash flow

Cash and cash equivalents ("funds") at the end of the consolidated fiscal year under review were up 349 million yen from the end of the previous consolidated fiscal year to 2,975 million yen as the Company secured 841 million yen from operating activities, used 1,348 million yen in investing activities, and secured 816 million yen from financing activities.

Cash flow in the consolidated fiscal year under review is reviewed below.

(Cash flow from/used in operating activities)

Funds from operating activities totaled 841 million yen (vs. 104 million yen used in the previous consolidated fiscal year). This was due mainly to 307 million yen in income before taxes, 176 million yen in depreciation and amortization, 164 million yen in trade rights, 213 million yen in inventories, a decrease of 174 million yen in other current assets, and the payment of 103 million yen in income taxes.

(Cash flow from/used in investing activities)

Funds used in investing activities totaled 1,348 million yen (vs. 843 million yen used in the previous consolidated fiscal year). This was due mainly to expenditures of 1,284 million yen to acquire stock in TAKNET.

(Cash flow from/used in financing activities)

Funds from financing activities totaled 816 million yen (vs. 876 million yen used in the previous consolidated fiscal year). This was due mainly to an increase of 1,039 million yen in long- and short-term loans payable, including the raising of 1,210 million yen through long-term loans payable to acquire stock in TAKNET, and the payment of 126 million yen in dividends.

(4) Future outlook

The business environment in FY 2025/9 is expected to be one of continued risk of global economic uncertainty as well as downside risks to the global economy from the uncertain international situation, fluctuations in financial and capital markets, and other factors. However, together with providing services to support corporate decarbonization initiatives and cost-saving solutions sales, the Group will enhance the proposal of AI-RPA and solutions combining AI-RPA with business process reengineering as it promotes digital transformation (DX).

As a result of these initiatives, consolidated financial results for FY 2025/9 are projected to show net sales of 14,800 million yen (up 26.6% YoY), operating income of 700 million yen (up 159.8% YoY), and net income attributable to owners of the parent of 430 million yen (up 412.3% YoY).

The above performance forecasts are based on information available to the Company at the time of preparation and involve uncertainties. Actual results may differ considerably because of changing business conditions and other factors.

2. Basic thinking on choice of accounting standards

Since FY 2021/9, the Group has applied IFRS voluntarily to improve international comparability of financial information in the capital markets.

3. Consolidated financial statements and major notes

(1) Consolidated financial statements

(Unit: thousand yen)

	Notes	Previous consolidated fiscal year (September 30, 2023)	Current consolidated fiscal year (September 30, 2024)
Assets			
Current assets			
Cash and cash equivalents		2,625,888	2,975,680
Accounts receivable-trade and other receivables		2,570,064	2,703,169
Inventories		2,246,618	2,351,585
Securities and other financial assets		68,805	82,200
Other current assets		445,721	251,874
Total current assets		7,957,097	8,364,511
Noncurrent assets			
Investments accounted for by equity method		356,439	420,700
Securities and other financial assets		196,385	181,556
Property, plant, and equipment		590,290	654,901
Right-of-use assets		168,963	393,290
Goodwill		1,278,198	2,376,309
Customer-related assets		62,110	9,201
Other intangible assets		76,171	112,576
Deferred tax assets		156,289	131,861
Other noncurrent assets		1,899	721
Total noncurrent assets		2,886,748	4,281,119
Total assets		10,843,846	12,645,630

(Unit: thousand yen)

Notes	Previous consolidated fiscal year (September 30, 2023)	Current consolidated fiscal year (September 30, 2024)
Liabilities and capital		
Liabilities		
Current liabilities		
Accounts payable-trade and other payables	1,321,763	1,450,399
Loans payable	2,302,681	2,788,272
Lease liabilities	42,670	78,828
Income tax payable	63,043	158,212
Contract liabilities	339,851	213,094
Other current liabilities	238,597	324,153
Total current liabilities	4,308,607	5,012,960
Noncurrent liabilities		
Loans payable	1,031,684	1,636,525
Lease liabilities	137,407	323,548
Reserves	7,625	7,625
Other noncurrent liabilities	263,261	244,960
Deferred tax liabilities	141,414	125,077
Total noncurrent liabilities	1,581,392	2,337,738
Total liabilities	5,889,999	7,350,699
Capital		
Capital stock	2,447,952	2,447,952
Capital surplus	2,498,118	2,498,488
Retained earnings	△461,276	△514,286
Treasury stock	△110,548	△110,548
Other components of capital	315,793	642,037
Equity attributable to owners of the parent	4,690,038	4,963,643
Noncontrolling interests	263,808	331,288
Total capital	4,953,847	5,294,931
Total liabilities and capital	10,843,846	12,645,630

(2) Consolidated Statements of Profit and Loss and Consolidated Statements of Comprehensive Income

Consolidated Statements of Profit and Loss

(Unit: thousand yen)

Notes	Previous consolidated fiscal year (October 1, 2022, to September 30, 2023)	Current consolidated fiscal year (October 1, 2023, to September 30, 2024)
Continuing businesses		
Net sales	9,510,397	11,687,272
Cost of sales	7,078,405	8,812,767
Gross profit	2,431,991	2,874,505
Selling, general, and administrative expenses	2,234,550	2,810,006
Other revenues	268,075	216,178
Other expenses	15,334	11,284
Operating income	450,182	269,391
Financial revenues	30,889	24,065
Financial expenses	52,675	57,235
Share of profit of entities accounted for using equity method	62,206	70,947
Income before taxes from continuing businesses	490,602	307,168
Income tax expense	125,575	164,198
Net income from continuing businesses	365,027	142,970
Noncontinuing businesses		
Net income from noncontinuing businesses	1,323	—
Net income	366,350	142,970
Net income attributable to owners of the parent	314,848	83,943
Noncontrolling interests	51,502	59,027
Net income	366,350	142,970
Net income per share		
Basic net income per share (yen)		
Continuing businesses	3.86	1.03
Noncontinuing businesses	0.01	—
Total	3.87	1.03
Diluted net income per share (yen)		
Continuing businesses	3.86	1.03
Noncontinuing businesses	0.01	—
Total	3.87	1.03

Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

Notes	Previous consolidated fiscal year (October 1, 2022, to September 30, 2023)	Current consolidated fiscal year (October 1, 2023, to September 30, 2024)
Net income	366,350	142,970
Other comprehensive income		
Items not transferred to net income		
Fluctuations in fair values of financial assets etc. measured through other comprehensive income	3,690	△1,445
Total items not transferred to net income	3,690	△1,445
Items transferrable to net income		
Difference on conversion from sales units abroad	615	303,365
Amount equivalent to equity in other comprehensive income of affiliates	27,145	6,421
Total items transferrable to net income	27,761	309,786
Total other comprehensive income	31,452	308,340
Comprehensive income	397,803	451,311
Comprehensive income attributable to		
Interests of owners of the parent	342,887	410,187
Noncontrolling interests	54,915	41,123
Comprehensive income	397,803	451,311

(3) Consolidated Statements of Changes in Equity

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

(Unit: thousand yen)

	Notes	Equity attributable to owners of the parent						Noncontrolling interests	Total capital
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of capital	Total		
Balance on October 1, 2022		2,447,952	2,398,525	△697,560	△110,548	287,703	4,326,071	314,852	4,640,924
Net income				314,848			314,848	51,502	366,350
Other comprehensive income						28,039	28,039	3,412	31,452
Comprehensive income				314,848		28,039	342,887	54,915	397,803
Changes									
Issue of new shares							—		—
Dividends of surplus (cash)				△81,219			△81,219	△11,439	△92,659
Increase due to increase in consolidated subsidiaries							—		—
Increase due to decrease in consolidated subsidiaries				2,655			2,655		2,655
Other changes			99,593			49	99,642	△94,520	5,122
Total changes		—	99,593	△78,563	—	49	21,078	△105,959	△84,880
Balance on September 30, 2023		2,447,952	2,498,118	△461,276	△110,548	315,793	4,690,038	263,808	4,953,847

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

(Unit: thousand yen)

	Notes	Equity attributable to owners of the parent						Noncontrolling interests	Total capital
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of capital	Total		
Balance on October 1, 2023		2,447,952	2,498,118	△461,276	△110,548	315,793	4,690,038	263,808	4,953,847
Net income				83,943			83,943	59,027	142,970
Other comprehensive income						326,244	326,244	△17,903	308,340
Comprehensive income				83,943		326,244	410,187	41,123	451,311
Changes									
Issue of new shares							—		—
Dividends of surplus (cash)				△129,951			△129,951	△17,073	△147,025
Increase due to increase in consolidated subsidiaries							—	43,799	43,799
Increase due to decrease in consolidated subsidiaries							—		—
Other changes			370	△7,001			△6,631	△370	△7,001
Total changes		—	370	△136,952	—	—	△136,582	26,355	△110,226
Balance on September 30, 2024		2,447,952	2,498,488	△514,286	△110,548	642,037	4,963,643	331,288	5,294,931

(4) Consolidated Statements of Cash Flows

	(Unit: thousand yen)	
Notes	Previous consolidated fiscal year (October 1, 2022, to September 30, 2023)	Current consolidated fiscal year (October 1, 2023, to September 30, 2024)
Cash flow from/used in operating activities		
Income before taxes from continuing businesses	490,602	307,168
Income before taxes from noncontinuing businesses	48	—
Income before taxes	490,651	307,168
Depreciation and amortization	146,465	176,146
Financial revenues	△8,312	△24,065
Financial expenses	38,680	57,235
Decrease (increase) in accounts receivable-trade and other receivables	81,779	164,408
Decrease (increase) in inventories	△224,811	213,465
Increase (decrease) in accounts payable-trade and other payables	△148,265	△73,327
Decrease (increase) in other current assets	△52	174,391
Increase (decrease) in other current liabilities	△18,391	△53,501
Increase (decrease) in other noncurrent liabilities	11,353	△19,727
Other	△326,322	33,757
Subtotal	42,774	955,952
Interest received	8,563	35,318
Interest paid	△39,777	△45,968
Income tax paid or refunded	△116,318	△103,688
Cash flow from/used in operating activities	△104,759	841,613
Cash flow from/used in investing activities		
Proceeds from withdrawal of time deposits	61,883	—
Expenditures on acquisition of property, plant, and equipment and intangible assets	△42,298	△54,234
Proceeds from sale of property, plant, and equipment and intangible assets	3,095	—
Expenditures on acquisition of entities accounted for using equity method	△14,700	—
Expenditures on acquisition of shares in subsidiaries involving changes in the scope of consolidation	△1,064,313	△1,284,484
Proceeds from sale of investment securities	172,800	—
Expenditures on pledge of deposits and guarantees	△16,491	△3,482
Proceeds from recovery of deposits and guarantees	3,936	904
Proceeds from withdrawal of insurance funds	47,438	—
Other	4,886	△6,901
Cash flow from/used in investing activities	△843,763	△1,348,197
Cash flow from/used in financing activities		
Increase (decrease) in short-term loans payable	697,954	449,346
Proceeds from long-term loans payable	800,000	1,210,000
Expenditures on repayment of long-term loans payable	△455,517	△620,204
Expenditures on repayment of lease liabilities	△57,308	△78,885
Dividends paid	△82,624	△126,675
Dividends paid to noncontrolling interests	△26,139	△17,073
Cash flow from/used in financing activities	876,365	816,508
Conversion difference on cash and cash equivalents	19,616	39,867
Increase (decrease) in cash and cash equivalents	△52,540	349,791
Starting balance of cash and cash equivalents	2,705,773	2,625,888
Decrease in cash and cash equivalents related to removal of consolidated subsidiaries	△27,344	—
Ending balance of cash and cash equivalents	2,625,888	2,975,680

(5) Notes to the Consolidated Financial Statements

(Notes on the going-concern assumption)

Not applicable.

(Segment information)

(1) Summary of reporting segments

The Company's reporting segments represent Group business units for which separate financial information is available. They are subject to periodic review by the Board of Directors to make decision on allocation of management resources and assess performance.

The Group operates the domestic solutions businesses, overseas solutions businesses, and the BPR business. Consolidated subsidiaries are independent management units that formulate competitive business strategies and deploy business activities autonomously in each business.

Accordingly, the Company consists of business segments based on consolidated subsidiaries. It has identified the three reporting segments of domestic solutions businesses, overseas solutions businesses, and the BPR business.

Domestic solutions businesses mainly sell LED lighting and other products to support decarbonization, RPA services, business telephones, digital multifunction printers, ReSPR, other office equipment, etc.

The overseas solutions business sells LED lighting and other products to support decarbonization, ICT devices, and ReSPR in China, India, and ASEAN.

The business process reengineering (BPR) business handles administrative operations for other organizations within the Group and provides consulting services on proposal of outsourcing and business reforms for customers outside of the Group.

(2) Reporting segment information

Reporting segment income figures are based on operating income. Transactions between segments are conducted under the same conditions as general commercial transactions.

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

(Unit: thousand yen)

	Reporting segment				Adjustments (Note 1)	Amount on consolidated financial statements
	Domestic solutions business	Overseas solutions business	BPR business	Total		
Net sales						
Net sales to external customers	4,314,085	4,633,534	562,776	9,510,397	—	9,510,397
Internal sales and transfers between segments	2,861	34,754	118,095	155,711	△155,711	—
Total	4,316,947	4,668,288	680,872	9,666,108	△155,711	9,510,397
Segment profit (loss)	188,560	388,044	85,003	661,608	△211,426	450,182
Financial revenues	11,321	14,780	1,906	28,008	2,881	30,889
Financial expenses	10,376	48,662	6,252	65,290	△12,614	52,675
Share of profit of entities accounted for using equity method	△3,565	65,772	—	62,206	—	62,206
Net income (loss) from continuing businesses	185,939	419,935	80,658	686,532	△195,930	490,602

(Notes) 1. Adjustments to segment income include elimination of transactions between segments and Company-wide costs not allocated to individual reporting segments.

2. Businesses categorized as noncontinuing are not included above.

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

(Unit: thousand yen)

	Reporting segment				Adjustments (Note 1)	Amount on consolidated financial statements
	Domestic solutions business	Overseas solutions business	BPR business	Total		
Net sales						
Net sales to external customers	4,471,018	6,617,616	598,638	11,687,272	—	11,687,272
Internal sales and transfers between segments	61,544	33,585	107,129	202,258	△202,258	—
Total	4,532,562	6,651,201	705,767	11,889,531	△202,258	11,687,272
Segment profit (loss)	423,432	342,098	30,289	795,821	△526,429	269,391
Financial revenues	18,063	31,394	26,012	75,471	△51,405	24,065
Financial expenses	7,261	83,507	2,209	92,978	△35,742	57,235
Share of profit of entities accounted for using equity method	△7,112	78,059	—	70,947	—	70,947
Net income (loss) from continuing businesses	427,121	368,046	54,092	849,261	△542,092	307,168

(Note) 1. Adjustments to segment income include elimination of transactions between segments and Company-wide costs not allocated to individual reporting segments.

(Per-share information)

(1) Grounds for calculation of basic net income per share

	Previous consolidated fiscal year (October 1, 2022, to September 30, 2023)	Current consolidated fiscal year (October 1, 2023, to September 30, 2024)
Net income attributable to owners of the parent from continuing businesses (thousand yen)	313,524	83,943
Net income attributable to owners of the parent from noncontinuing businesses (thousand yen)	1,323	—
Net income attributable to owners of the parent (thousand yen)	314,848	83,943
Net income not attributable to owners of the parent (thousand yen)	—	—
Net income from continuing businesses used in the calculation of basic net income per share (thousand yen)	313,524	83,943
Net income from noncontinuing businesses used in the calculation of basic net income per share (thousand yen)	1,323	—
Net income used in the calculation of basic net income per share (thousand yen)	314,848	83,943
Weighted average of shares issued and outstanding (shares)	81,219,655	81,219,655
Basic net income per share (yen)		
Continuing businesses	3.86	1.03
Noncontinuing businesses	0.01	—
Total	3.87	1.03

(2) Grounds for calculation of diluted net income per share

	Previous consolidated fiscal year (October 1, 2022, to September 30, 2023)	Current consolidated fiscal year (October 1, 2023, to September 30, 2024)
Net income from continuing businesses used in the calculation of basic net income per share (thousand yen)	313,524	83,943
Net income from noncontinuing businesses used in the calculation of basic net income per share (thousand yen)	1,323	—
Net income used in the calculation of basic net income per share (thousand yen)	314,848	83,943
Interest on convertible bonds	—	—
Net income from continuing businesses used in the calculation of diluted net income per share (thousand yen)	313,524	83,943
Net income from noncontinuing businesses used in the calculation of diluted net income per share (thousand yen)	1,323	—
Net income used in the calculation of diluted net income per share (thousand yen)	314,848	83,943
Weighted average of shares of common stock issued and outstanding (shares)	81,219,655	81,219,655
Increase in shares of common stock		
Stock options (shares)	—	—
Convertible bonds (shares)	—	—
Diluted weighted average of shares (shares)	81,219,655	81,219,655
Diluted net income per share (yen)		
Continuing businesses	3.86	1.03
Noncontinuing businesses	0.01	—
Total	3.87	1.03
Summary of dilutive shares not included in the calculation of diluted net income per share because they had no dilutive effects	—	—

(Note) There were no transactions that involved substantial changes in the shares of common stock issued and outstanding or dilutive shares of common stock from the end of the consolidated fiscal year under review through the date of approval of the consolidated financial statements.

(Material subsequent events)

Not applicable.