



## Summary of (Consolidated) Financial Statements for the Fiscal Year Ended December 31, 2024 (Japanese Standards)

February 14, 2025

Listed company: Laox Holdings Co., Ltd. Stock exchange: Tokyo Stock Exchange  
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Planned Date of General Meeting of Shareholders: March 28, 2025  
 Planned Starting Date for Dividend Payments: March 14, 2025  
 Planned Submission Date for Annual Securities Report: March 28, 2025  
 Supplementary Documents for Results: No  
 Financial Results Briefing: No

(Rounded down to nearest million yen)

### 1. Consolidated Results for FY2024 (from January 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	61,517	2.2	142	(50.0)	226	(59.2)	670	(67.2)
FY2023	60,187	9.2	284	474.1	555	13.3	2,043	2,826.0

(Notes) Comprehensive income FY2024: 585 million yen ((71.9)%) FY2023: 2,078 million yen (1,325.5%)

	Profit per share	Diluted profit per share	Return on equity (ROE)	Return on assets (ROA)	Operating margin
	Yen	Yen	%	%	%
FY2024	7.34	-	3.0	0.5	0.2
FY2023	22.35	-	9.6	1.3	0.5

(For reference) Share of profit/loss of entities accounted for using equity method FY2024: (45) million yen FY2023: (51) million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024	44,061	22,991	52.2	251.39
FY2023	46,262	22,406	48.4	244.99

(For reference) Equity FY2024: 22,981 million yen FY2023: 22,396 million yen

#### (3) Consolidated cash flow conditions

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
FY2024	(70)	(652)	238	9,708
FY2023	(187)	(747)	1,335	10,143

## 2. Dividends

	Dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2023	-	-	-	0.00	0.00	-	-	-
FY2024	-	-	-	2.00	2.00	182	27.3	0.8
FY2025 (forecast)	-	-	-	3.00	3.00		34.3	

## 3. Results forecast for FY2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	63,000	2.4	630	342.6	630	177.7	800	19.2	8.75

## \* Notes

## (1) Important changes in scope of consolidation in the fiscal year under review: Yes

New: 4 companies (Company name) Shaddy Global Foods Co., Ltd., Laox EC Strategy Co., Ltd., Laox Business Support Co., Ltd., Kikuna-unyu Co., Ltd.

Exclusion: 4 companies (Company name) Laox (Nanjing) Trading Co., Ltd., Laox (Beijing) Trading Co., Ltd., Shanghai Shuojing Travel Service Co., Ltd., Kolotimes Shenzhen Electronics Commerce Co., Ltd.

## (2) Changes in accounting policy and changes or restatement of accounting estimates

- (i) Changes in accounting policy due to revisions to accounting standards etc.: No
- (ii) Changes in accounting policy other than those in (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement of accounting estimates: No

## (3) Number of issued shares (common shares)

- (i) Number of issued shares at the end of period (including treasury stock):
- (ii) Number of shares of treasury stock at the end of period:
- (iii) Average number of issued shares during period

FY2024	93,335,103 shares
FY2023	93,335,103 shares
FY2024	1,918,533 shares
FY2023	1,918,464 shares
FY2024	91,416,616 shares
FY2023	91,416,673 shares

## (For reference) Explanation of non-consolidated results

Non-consolidated results for FY2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	2,449	22.5	(496)	-	(292)	-	(701)	-
FY2023	1,999	(70.6)	(492)	-	(500)	-	(1,544)	-

	Profit per share	Diluted profit per share
	Yen	Yen
FY2024	(7.68)	-
FY2023	(16.90)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024	15,452	12,205	78.9	133.40
FY2023	16,390	12,907	78.7	141.08

(For reference) Equity FY2024: 12,195 million yen FY2023 12,896 million yen

\* This summary of consolidated financial statements falls outside the scope of the review by certified public accountants or audit corporations.

\* Explanation on the proper use of results forecasts and other special notes

Forward-looking statements, including results forecasts, in this document are based on information that the Group has obtained and certain assumptions that the Group believes to be reasonable. Actual results may differ significantly due to a variety of factors.

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## 1. Explanation of operating results

### (1) Explanation of operating results for the fiscal year under review

During the consolidated fiscal year under review, the Japanese economy was expected to recover moderately as normalization of economic activities progressed and the employment and income environment improved, especially among major companies. On the other hand, prices continue to rise, as rising geopolitical risks, changes in monetary policy by the Bank of Japan, and exchange rate fluctuations have caused prices of resources and raw materials to soar. As a result, the outlook for economic recovery and consumption increase remains uncertain.

Under these circumstances, the Laox Group (the “Group”) is steadily pursuing business strategies to realize its management philosophy of proposing a rich and varied lifestyle, or “Global Life Style” and supporting its evolution and creation, and to have renewed business growth. In the Gift Solution Business, the market for traditional return gifts such as mid-year gifts and year-end gifts is shrinking year by year. To overcome this situation, we have responded to the changing times by aggressively entering the casual gift market in addition to the traditional return gift market. Furthermore, we are working on multifaceted measures to establish a foundation for the next stage of growth while improving management efficiency and profit structure. In the Retail Business, apparel stores struggled, but sales at duty-free stores remained strong, driven by demand from foreign visitors to Japan.

Net sales for the fiscal year under review were 61,517 million yen (up 2.2% year on year). Operating profit was 142 million yen (down 50.0% year on year), and ordinary profit was 226 million yen (down 59.2% year on year). In addition, profit attributable to owners of parent amounted to 670 million yen (down 67.2% year on year) due to the recording of 581 million yen in reversal of allowance for loss on contracts in the Asset & Service Business.

Operating results for each business segment are detailed below.

#### (Gift Solution Business)

In the Gift Solution Business segment, we mainly sell Western confectionery as gifts, miscellaneous goods and lifestyle-related goods. For the “THE SWEETS” private brand of Western confectionery, we worked to expand our new fan base through pop-up shops and to acquire permanent sales outlets. Moreover, at “Shaddy EXPO 2024” held in April, we introduced the “Shaddy Tsunagaru (connecting) App” and the newly launched points issuance management platform “SDY Thanks Plus” to visitors, focusing on expanding customer contact points and capturing new demand. Furthermore, we are strengthening our logistics functions cultivated through the sale of gift products, and have begun providing logistics services both within and outside the Group.

On the other hand, in light of the lower revenue due to delays in responding to changes in consumer behavior in the formal gift market, such as gift returns, we sought to strengthen our earnings base by improving product added value and reducing expenses.

As a result, segment net sales for the year under review decreased 9.7% to 37,113 million yen, and segment profit was 1,178 million yen (up 33.6% year on year).

#### (Retail Business)

In this segment, sales remained strong throughout the year on the back of a significant increase in demand from foreign visitors to Japan at duty-free stores. In the first half of the year in particular, tourism demand rose markedly and strongly supported the recovery of the overall business. Although there was a temporary slowdown in the second half of the year, profitability for the full year improved significantly, mainly due to stronger sales of high-gross-profit products. Moreover, some apparel stores, which mainly target domestic customers, struggled due to the growing thriftiness of domestic customers. However, sales of luxury brands and other high-end items were strong, driven by a recovery in demand from foreign visitors to Japan and the weak yen.

As a result, segment net sales for the year under review increased 49.3% to 22,417 million yen, and segment profit was 210 million yen (down 66.7% year on year).

#### (Trading Business)

In this segment, Kurogi, a Japanese restaurant operated by a subsidiary in China, focused on attracting new customers and increasing brand recognition while promoting Japanese food culture and hospitality under the theme of “Pursuit of the Heart of Japanese Cuisine.” In addition, in response to recent changes in the Chinese market, we are restructuring and reorganizing our business.

As a result, segment net sales for the year under review decreased 77.3% to 662 million yen, and segment profit was 13 million yen (down 91.9% year on year).

#### (Asset Service Business)

In the Asset Service Business, we are engaged in the brokerage business for commercial facility properties and are taking steps to replace tenants, attract new types of businesses, and develop new retail properties in order to effectively utilize the commercial facilities we manage and the Group’s real estate. In addition, we have also worked to improve profits by improving cash flow and reducing costs.

As a result, segment net sales for the year under review increased 14.0% year on year to 1,323 million yen, and segment loss was 218 million yen (a loss of 379 million yen in the previous year).

### (2) Explanation of financial conditions for the fiscal year under review

(Assets)

Total assets at the end of the year under review amounted to 44,061 million yen (46,262 million yen at the end of the previous fiscal year). This was mainly due to decreases of 1,314 million yen in notes and accounts receivable-trade, 279 million yen in inventory, and 183 million yen in software.

(Liabilities)

Total liabilities came to 21,070 million yen (23,855 million yen at the end of the previous fiscal year). This was mainly due to decreases of 934 million yen in notes and accounts payable-trade, 478 million yen in electronically recorded obligations-operating, 626 million yen in contractual liabilities, and 765 million yen in allowance for loss on contracts.

(Net assets)

Total net assets came to 22,991 million yen (22,406 million yen at the end of the previous fiscal year). The increase in net assets was attributable primarily to an increase of 670 million yen in retained earnings.

(3) Explanation of cash flow for the fiscal year under review

Cash and cash equivalents at the end of the year under review amounted to 9,708 million yen, a decrease of 435 million yen compared with the end of the previous fiscal year.

(Cash flow from operating activities)

Net cash used in operating activities in the fiscal year under review amounted to 70 million yen, compared with 187 million yen in the previous year.

This was mainly due to: i) a 765 million yen decrease in allowance for loss on contracts; ii) a 1,522 million yen decrease in trade payables; iii) a 669 million yen decrease in contractual liabilities; and iv) a 371 million yen decrease in accounts payable and accrued expenses. This was despite a 674 million yen profit before income taxes, 858 million yen in depreciation, and a 1,702 million yen decrease in trade receivables.

(Cash flow from investing activities)

Net cash used in investing activities in the fiscal year under review amounted to 652 million yen, compared with 747 million yen in the previous year.

This was mainly due to: i) 344 million yen in expenditures for the purchase of property, plant and equipment; ii) 219 million yen in expenditures for the purchase of investment securities; and iii) 165 million yen in expenditure for the payments of leasehold and guarantee deposits, despite proceeds of 113 million yen from sale of investment securities.

(Cash flow from financing activities)

Net cash provided by financing activities in the year under review amounted to 238 million yen, compared with net cash provided of 1,335 million yen in the previous year.

This was mainly due to proceeds from long-term borrowings of 196 million yen.

(4) Future outlook

Looking ahead, the economic situation remains highly uncertain due to geopolitical risks, increasing thriftiness caused by soaring prices, rising interest rates, and other factors.

It will thus remain unpredictable how these situations will affect our Group's business. For the next fiscal year (FY2025), we will continue to strengthen the earnings base of our inbound business, expand our strategic product lineup, develop specialty stores and open new stores in small and narrow locations, and effectively appeal to our target customers to improve the value of our brand. Furthermore, we will promote group-wide inventory optimization and thorough fixed cost management to strengthen our competitiveness.

In addition, to maximize group synergies, we will focus on reducing costs and creating new revenue opportunities by strengthening coordination of group resources and utilizing common platforms.

In light of this situation, the consolidated earnings forecast for the next fiscal year (FY2025) shows net sales of 63,000 million yen (up 2.4% year on year), operating profit of 630 million yen (up 342.6% year on year), ordinary profit of 630 million yen (up 177.7% year on year) and profit attributable to owners of parent of 800 million yen (up 19.2% year on year).

The forecasts described above were prepared on the basis of information available as of the date of releasing this document and actual results could potentially differ from the forecasts due to various factors.

## 2. Basic thinking on selection of accounting standards

Our Group prepares consolidated financial statements under Japanese GAAP in consideration of the comparability of consolidated financial statements between companies, among other factors. In the future, we will consider adopting International Financial Reporting Standards (IFRS) in consideration of various circumstances.

**3. Consolidated Financial Statements and Important Notes**

## (1) Consolidated balance sheet

(Million yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,156	10,810
Notes and accounts receivable–trade	13,516	12,201
Inventory	6,737	6,458
Advances paid	2,094	2,045
Others	1,863	1,956
Allowance for doubtful accounts	(318)	(266)
<b>Total current assets</b>	<b>35,050</b>	<b>33,206</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	13,317	13,434
Cumulative depreciation	(10,417)	(10,672)
Buildings and structures, net	2,900	2,761
Machinery, equipment and vehicles	7,800	8,036
Cumulative depreciation	(7,091)	(7,327)
Machinery, equipment and vehicles, net	708	709
Tools, furniture and fixtures	3,228	3,252
Cumulative depreciation	(3,045)	(2,954)
Tools, furniture and fixtures, net	182	298
Land	1,515	1,515
Leased assets	573	695
Cumulative depreciation	(521)	(481)
Leased assets, net	52	213
Construction in progress	15	13
<b>Total property, plant and equipment</b>	<b>5,375</b>	<b>5,511</b>
<b>Intangible assets</b>		
Software	803	619
Others	269	261
<b>Total intangible assets</b>	<b>1,072</b>	<b>880</b>
<b>Investments and other assets</b>		
Investments in subsidiaries and associates	220	133
Long-term loans receivable	2,500	2,500
Deferred tax assets	26	22
Leasehold and guarantee deposits	4,097	3,935
Others	1,424	1,201
Allowance for doubtful accounts	(3,504)	(3,341)
<b>Total investments and other assets</b>	<b>4,764</b>	<b>4,451</b>
<b>Total non-current assets</b>	<b>11,212</b>	<b>10,843</b>
<b>Deferred assets</b>		
Development expenses	-	12
<b>Total deferred assets</b>	<b>-</b>	<b>12</b>
<b>Total assets</b>	<b>46,262</b>	<b>44,061</b>

(Million yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	8,363	7,428
Electronically recorded obligations–operating	2,004	1,525
Short-term borrowings	2,550	2,700
Accounts payable	2,017	1,763
Income taxes payable	51	77
Contractual liabilities	2,392	1,766
Provision for bonuses	152	167
Provision for loss on product compensation	14	13
Provision for loss on withdrawal from employees' pension fund	22	18
Provision for loss on subloans	88	80
Allowance for loss on contracts	232	49
Others	1,424	1,395
Total current liabilities	19,313	16,985
Non-current liabilities		
Long-term borrowings	192	315
Deferred tax liabilities	559	523
Reserve for directors' retirement benefits	70	68
Provision for loss on subloans	80	-
Allowance for loss on contracts	809	227
Retirement benefit liability	976	843
Asset retirement obligations	857	872
Others	995	1,234
Total non-current liabilities	4,542	4,084
Total liabilities	23,855	21,070
<b>Net assets</b>		
Shareholders' equity		
Capital	100	100
Capital surplus	17,652	17,652
Retained earnings	6,407	7,078
Treasury shares	(2,419)	(2,419)
Total shareholders' equity	21,740	22,411
Accumulated other comprehensive income		
Foreign currency translation adjustment	651	564
Remeasurements of defined benefit plans	4	4
Total accumulated other comprehensive income	655	569
Share acquisition rights	10	10
Total net assets	22,406	22,991
Total liabilities and net assets	46,262	44,061



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

## Consolidated statement of income

(Million yen)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
Net sales	60,187	61,517
Cost of sales	42,063	41,115
Gross profit	18,123	20,402
Selling, general and administrative expenses	17,839	20,259
Operating profit	284	142
Non-operating income		
Interest income	23	20
Foreign exchange gains	202	155
Reversal of allowance for doubtful accounts	64	-
Subsidy income	78	-
Others	50	49
Total non-operating income	419	225
Non-operating expenses		
Interest expenses	13	14
Share of loss of entities accounted for using equity method	51	45
Rent expenses on land and buildings	43	35
Commission expenses	-	15
Prior-period consumption taxes	15	-
Others	25	31
Total non-operating expenses	148	141
Ordinary profit	555	226
Extraordinary income		
Gain on sale of fixed assets	13	1
Gain on sale of investment securities	-	113
Gain on bargain purchase	3,855	-
Gain on liquidation of subsidiaries and associates	-	168
Reversal of allowance for loss on contracts	-	581
Others	31	-
Total extraordinary income	3,900	864
Extraordinary losses		
Loss on sale of non-current assets	-	1
Loss on retirement of non-current assets	63	17
Impairment losses	43	29
Loss on valuation of investments in capital of subsidiaries and associates	-	61
Loss on valuation of inventories	-	95
Loss on business liquidation	1,025	-
Loss on business restructuring	-	175
Contractual losses	149	-
Provision for loss on contracts	795	-
Others	278	36
Total extraordinary losses	2,355	417
Profit before income taxes	2,100	674
Income taxes, inhabitant taxes and enterprise taxes payable	60	75
Income taxes-deferred	(3)	(71)
Total income taxes	56	3
Profit	2,043	670
Profit attributable to owners of parent	2,043	670

## Consolidated statement of comprehensive income

(Million yen)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
Profit	2,043	670
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	-
Foreign currency translation adjustment	36	(86)
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	35	(85)
Comprehensive income	2,078	585
(Breakdown)		
Comprehensive income attributable to owners of parent	2,078	585

## (3) Consolidated statement of changes in shareholders' equity

FY2023 (From January 1 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	100	17,652	4,364	(2,419)	19,697
Change during the period					
Profit attributable to owners of parent			2,043		2,043
Acquisition of treasury shares				(0)	(0)
Changes in accounts other than shareholders' equity during the period, net					
Total change during the period	-	-	2,043	(0)	2,043
Ending balance	100	17,652	6,407	(2,419)	21,740

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	2	614	3	619	10	20,327
Change during the period						
Profit attributable to owners of parent						2,043
Acquisition of treasury shares						(0)
Changes in accounts other than shareholders' equity during the period, net	(2)	36	0	35	-	35
Total change during the period	(2)	36	0	35	-	2,078
Ending balance	-	651	4	655	10	22,406

FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	100	17,652	6,407	(2,419)	21,740
Change during the period					
Profit attributable to owners of parent			670		670
Acquisition of treasury shares				(0)	(0)
Changes in accounts other than shareholders' equity during the period, net					
Total change during the period	-	-	670	(0)	670
Ending balance	100	17,652	7,078	(2,419)	22,411

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	651	4	655	10	22,406
Change during the period					
Profit attributable to owners of parent					670
Acquisition of treasury shares					(0)
Changes in accounts other than shareholders' equity during the period, net	(86)	0	(85)	-	(85)
Total change during the period	(86)	0	(85)	-	585
Ending balance	564	4	569	10	22,991

## (4) Consolidated Statement of Cash Flow

(Million yen)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
<b>Cash flow from operating activities</b>		
Profit before income taxes	2,100	674
Depreciation	818	858
Impairment losses	43	29
Increase (decrease) in allowance for doubtful accounts	(537)	(221)
Increase (decrease) in provision for bonuses	(167)	14
Increase (decrease) in retirement benefit liability	(58)	(132)
Increase (decrease) in provision for loss on subloans	(88)	(88)
Increase (decrease) in allowance for loss on contracts	469	(765)
Interest and dividend income	(23)	(20)
Interest expenses	13	14
Foreign exchange losses (profit)	(94)	(81)
Equity loss (gains) of affiliated companies	51	45
Loss (profit) on retirement of property, plant and equipment	50	16
Loss (gain) on sale and valuation of investment securities	-	(113)
Loss on valuation of investments in capital of subsidiaries and associates	-	61
Gain on bargain purchase	(3,855)	-
Loss on valuation of inventories	-	95
Loss on business liquidation	1,025	-
Loss on business restructuring	-	175
Loss (gain) on liquidation of subsidiaries and associates	-	(131)
Decrease (increase) in trade receivables	1,158	1,702
Decrease (increase) in inventory	(134)	205
Increase (decrease) in trade payables	(359)	(1,522)
Decrease (increase) in advances paid	(156)	74
Increase (decrease) in accounts payable and accrued expenses	(590)	(371)
Increase (decrease) in contractual liabilities	(12)	(669)
Increase (decrease) in accrued consumption taxes	13	76
Others	257	247
Subtotal	(76)	173
Interest and dividends received	20	19
Interest paid	(13)	(14)
Loss on business liquidation paid	(35)	(79)
Payments for business restructuring	-	(156)
Income taxes paid	(81)	(14)
Net cash provided by (used in) operating activities	(187)	(70)
<b>Cash flow from investing activities</b>		
Payments into time deposits	(1,199)	(1,286)
Proceeds from withdrawal of time deposits	999	1,226
Purchase of property, plant and equipment	(689)	(344)
Proceeds from sale of property, plant and equipment	13	2
Purchase of intangible assets	(143)	(91)
Purchase of investment securities	-	(219)
Proceeds from sale of investment securities	37	113
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(467)	(58)
Proceeds from sale of investments in subsidiaries and associates	150	-
Collection of long-term loans receivable	360	-
Payments of leasehold and guarantee deposits	(95)	(165)
Collection of leasehold and guarantee deposits	284	90
Payments of asset retirement obligations	(21)	-
Subsidies received	-	78
Others	25	3
Net cash provided by (used in) investing activities	(747)	(652)



(Million yen)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	1,340	150
Proceeds from long-term borrowings	100	196
Repayments of long-term borrowings	(29)	(29)
Repayments of lease liabilities	(75)	(77)
Others	(0)	(0)
Net cash provided by (used in) financing activities	1,335	238
Effect of exchange rate change on cash and cash equivalents	60	49
Increase (decrease) in cash and cash equivalents	461	(435)
Beginning balance of cash and cash equivalents	9,681	10,143
Ending balance of cash and cash equivalents	10,143	9,708

## (5) Notes to the consolidated financial statement

(Explanatory notes regarding assumption of going concern)

Not applicable

(Notes to segment information, etc. )

[Segment information]

## 1. Explanation of reporting segment

The Group's reporting segments consist of the Gift Solution, Retail, Trading, and Asset &amp; Service businesses.

- Gift Solution Business                      Sale of gift goods and lifestyle-related goods
- Retail Business                              Operation of duty-free shops for inbound tourists and sale of men's clothing, women's clothing, and miscellaneous goods, etc.
- Trading Business                            Trading through import and export of PB products, and global EC activities, etc.
- Asset & Service Business                Operation and management of shopping complexes, provision of real estate trading and brokerage services, and management of rental property

## 2. Method for computing sales, profit or loss, assets, liabilities, and other items for each reporting segment

Reporting segment profits are based on operating profit. Internal sales or transfers between segments are more or less based on prevailing market prices.

## 3. Information concerning monetary amounts of sales, profit or loss, assets, liabilities, and other items for each reporting segment FY2023 (From January 1 to December 31, 2023)

(Million yen)

	Reporting segment				Total	Amount of adjustment (Note) 1	Amount recorded on consolidated financial statements (Note) 2
	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business			
Net sales							
Sales to external clients	41,092	15,010	2,923	1,161	60,187	-	60,187
Internal sales or transfers between segments	110	19	29	169	329	(329)	-
Total	41,203	15,030	2,952	1,330	60,517	(329)	60,187
Segment profit (loss)	881	632	168	(379)	1,302	(1,017)	284
Segment assets	23,497	12,070	3,646	5,350	44,565	1,697	46,262
Depreciation	734	19	22	18	795	23	818
Increase in property, plant and equipment and intangible assets	558	154	27	2	742	176	919

(Notes) 1 Segment profit (loss) adjustment of (1,017) million yen includes elimination of inter-segment transactions of 56 million yen and whole company expenses not divided into each reporting segment of (1,074) million yen. Whole company expenses mainly consist of personnel expenses and general management expenses that do not belong to reporting segments. Segment asset adjustment of 1,697 million yen includes elimination of inter-segment transactions of (10,383) million yen and whole company assets not divided into each reporting segment of 12,081 million yen. Whole company assets are composed mainly of cash and deposits, investment securities, and whole company shared facilities at the Company. Depreciation adjustment of 23 million yen and adjustments for increase in property, plant and equipment and intangible assets of 176 million yen are all related to whole company assets.

2 Segment profit (loss) was adjusted for operating profit in the consolidated statement of income.



FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Reporting segment				Total	Amount of adjustment (Note) 1	Amount recorded on consolidated financial statements (Note) 2
	Gift Solution Business	Retail Business	Trading Business	Asset & Service Business			
Net sales							
Sales to external clients	37,113	22,417	662	1,323	61,517	-	61,517
Internal sales or transfers between segments	286	72	17	385	762	(762)	-
Total	37,400	22,489	680	1,709	62,279	(762)	61,517
Segment profit (loss)	1,178	210	13	(218)	1,183	(1,040)	142
Segment assets	22,677	12,258	2,982	4,217	42,135	1,926	44,061
Depreciation	746	40	10	13	810	47	858
Increase in property, plant and equipment and intangible assets	357	284	-	10	652	15	667

- (Notes) 1 Segment profit adjustment of (1,040) million yen includes elimination of inter-segment transactions of 8 million yen and whole company expenses not divided into each reporting segment of (1,049) million yen. Whole company expenses mainly consist of personnel expenses and general management expenses that do not belong to reporting segments. Segment asset adjustment of 1,926 million yen includes elimination of inter-segment transactions of (9,210) million yen and whole company assets not divided into each reporting segment of 11,137 million yen. Whole company assets are composed mainly of cash and deposits, investment securities, and whole company shared facilities at the Company. Depreciation adjustment of 47 million yen and adjustments for increase in property, plant and equipment and intangible assets of 15 million yen are all related to whole company assets.
- 2 Segment profit (loss) was adjusted for operating profit in the consolidated statement of income.

(Per-share information)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
Net assets per share	244.99 yen	251.39 yen
Profit per share	22.35 yen	7.34 yen

- (Notes) 1 Diluted net profit per share is not shown as there were no dilutive shares.

(Significant post-reporting period events)

Not applicable

**4. Financial statements****(1) Non-consolidated balance sheet**

(Million yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,531	3,006
Inventory	151	188
Prepaid expenses	134	271
Short-term loans to subsidiaries and associates	2,893	2,825
Accounts receivable	677	760
Others	91	53
Allowance for doubtful accounts	(12)	(7)
Total current assets	7,469	7,097
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	101	94
Vehicles	0	0
Tools, furniture and fixtures	25	26
Land	301	301
Leased assets	28	22
Construction in progress	-	5
Total property, plant and equipment	456	450
Intangible assets	24	18
<b>Investments and other assets</b>		
Investment securities	76	295
Shares of subsidiaries and associates	5,306	5,306
Investments in subsidiaries and associates	76	14
Long-term loans receivable	2,500	2,500
Long-term loans to subsidiaries and associates	3,201	3,201
Claim to bankrupt and quasi-bankrupt assets	2,052	1,528
Long-term accounts receivable	2,337	2,172
Leasehold and guarantee deposits	1,579	1,402
Others	209	204
Allowance for doubtful accounts	(8,900)	(8,739)
Total investments and other assets	8,440	7,886
Total non-current assets	8,921	8,354
<b>Total assets</b>	<b>16,390</b>	<b>15,452</b>

(Million yen)

	FY2023 (As of December 31, 2023)	FY2024 (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	300	-
Accounts payable	541	584
Accrued expenses	127	101
Income taxes payable	5	5
Advances received	61	56
Deposits received	28	17
Provision for bonuses	17	21
Provision for loss on product compensation	14	13
Provision for loss on withdrawal from employees' pension fund	12	8
Provision for loss on subloans	88	80
Allowance for loss on contracts	17	7
Others	42	14
Total current liabilities	1,257	910
Non-current liabilities		
Deferred tax liabilities	2	2
Reserve for retirement benefits	143	123
Reserve for directors' retirement benefits	57	60
Provision for loss on liquidation of subsidiaries and associates	384	875
Provision for loss on subloans	80	-
Allowance for loss on contracts	7	-
Asset retirement obligations	307	307
Others	1,242	966
Total non-current liabilities	2,225	2,336
Total liabilities	3,482	3,246
<b>Net assets</b>		
Shareholders' equity		
Capital	100	100
Capital surplus		
Capital reserve	11,000	11,000
Other capital surplus	6,356	6,356
Total capital surplus	17,356	17,356
Retained earnings		
Other retained earnings		
Retained earnings carried forward	(2,140)	(2,841)
Total retained earnings	(2,140)	(2,841)
Treasury shares	(2,419)	(2,419)
Total shareholders' equity	12,896	12,195
Share acquisition rights	10	10
Total net assets	12,907	12,205
Total liabilities and net assets	16,390	15,452

## (2) Non-consolidated statement of income

(Million yen)

	FY2023 (From January 1 to December 31, 2023)	FY2024 (From January 1 to December 31, 2024)
Net sales	1,999	2,449
Cost of sales	1,310	1,351
Gross profit	689	1,097
Selling, general and administrative expenses	1,182	1,593
Operating profit (loss)	(492)	(496)
Non-operating income		
Interest income	89	95
Foreign exchange gains	115	91
Others	10	22
Total non-operating income	214	209
Non-operating expenses		
Interest expenses	9	4
Rent expenses on land and buildings	17	-
Provision for allowance for doubtful accounts	194	-
Others	0	1
Total non-operating expenses	222	5
Ordinary loss	(500)	(292)
Extraordinary income		
Gain on sale of fixed assets	4	0
Gain on sale of investment securities	-	113
Reversal of allowance for loss on contracts	453	-
Others	27	-
Total extraordinary income	486	113
Extraordinary losses		
Loss on retirement of non-current assets	59	-
Loss on liquidation of stores	126	-
Loss on valuation of shares of subsidiaries and associates	1,370	-
Loss on valuation of investments in capital of subsidiaries and associates	-	61
Provision for loss on liquidation of subsidiaries and associates	-	491
Others	23	29
Total extraordinary losses	1,579	581
Profit (loss) before income taxes	(1,593)	(761)
Income taxes, inhabitant taxes and enterprise taxes payable	(48)	(58)
Income taxes-deferred	(0)	(0)
Total income taxes	(49)	(59)
Profit (loss)	(1,544)	(701)

## (3) Non-consolidated statement of changes in shareholders' equity

FY2023 (From January 1 to December 31, 2023)

(Million yen)

	Shareholders' equity							
	Capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings carried forward			
Beginning balance	100	11,000	6,356	17,356	(595)	(595)	(2,419)	14,441
Change during the period								
Profit (loss)					(1,544)	(1,544)		(1,544)
Acquisition of treasury shares							(0)	(0)
Changes in accounts other than shareholders' equity during the period, net								
Total change during the period	-	-	-	-	(1,544)	(1,544)	(0)	(1,544)
Ending balance	100	11,000	6,356	17,356	(2,140)	(2,140)	(2,419)	12,896

	Valuation and translation adjustment		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustment		
Beginning balance	2	2	10	14,454
Change during the period				
Profit (loss)				(1,544)
Acquisition of treasury shares				(0)
Changes in accounts other than shareholders' equity during the period, net	(2)	(2)	-	(2)
Total change during the period	(2)	(2)	-	(1,546)
Ending balance	-	-	10	12,907

FY2024 (From January 1 to December 31, 2024)

(Million yen)

	Shareholders' equity							
	Capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Beginning balance	100	11,000	6,356	17,356	(2,140)	(2,140)	(2,419)	12,896
Change during the period								
Profit (loss)					(701)	(701)		(701)
Acquisition of treasury shares							(0)	(0)
Changes in accounts other than shareholders' equity during the period, net								
Total change during the period	-	-	-	-	(701)	(701)	(0)	(701)
Ending balance	100	11,000	6,356	17,356	(2,841)	(2,841)	(2,419)	12,195

	Share acquisition rights	Total net assets
Beginning balance	10	12,907
Change during the period		
Profit (loss)		(701)
Acquisition of treasury shares		(0)
Changes in accounts other than shareholders' equity during the period, net	-	-
Total change during the period	-	(701)
Ending balance	10	12,205