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January 5, 2026

Consolidated Financial Results for the Fiscal Year Ended September 2025 (under IFRS)

Company name: Quants Research Institute Holdings Inc. Listing: Tokyo Stock Exchange
Securities code: 9552 URL: <https://quants-souken.co.jp>
Representative: Shunsaku Sagami, Representative Director
Inquiries: Hiroki Kagami, Executive Officer and CFO Telephone: +81 3-6665-7590

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

1. Consolidated financial results for the fiscal year ended September 30, 2025 (October 1, 2024 to September 30, 2025)

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

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025	16,602	0.3	4,778	-42.1	4,773	-42.1	2,747	-51.4	2,747	-51.4	2,749	-51.4
FY2024	16,549	—	8,254	—	8,249	—	5,658	—	5,658	—	5,658	—

	Basic earnings per share	Diluted earnings per share	Profit attributable to owners of parent	Profit before tax to total assets ratio	Revenue to operating profit ratio
	Yen	Yen	%	%	%
FY2025	47.97	46.60	39.2	46.2	28.8
FY2024	96.60	92.46	78.3	78.3	49.9

Reference: Equity method investment income FY2025 – Millions of yen FY2024 – Millions of yen

(2) Consolidated financial position

	Total assets		Total equity		Equity attributable to owners of parent		Ratio of equity attributable to owners of parent		Equity attributable to owners of parent per share	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	%	Yen	
FY2025	8,123		5,104		5,104		—	62.8	94.44	
FY2024	12,523		8,913		8,913		—	71.2	152.70	

(3) Consolidated cash flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at end of period	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
FY2025	1,302		-351		-7,009		4,118	
FY2024	5,718		-308		-2,665		10,174	

2. Cash dividends

	Annual dividends per share					Cash dividends (Total)	Payout ratio (Consolidated)	Dividend ratio of equity attributable to owners of (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
FY2024	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2025	—	0.00	—	0.00	0.00	—	—	—
FY2026 (forecast)	—	0.00	—	0.00	0.00	270	10.4	4.0

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2026 (October 1, 2025 to September 30, 2026)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	22,184	33.6	5,993	20.7	5,889	18.5	3,533	22.1	3,533	22.1	65.14	

*Notes

(1) Significant changes in the scope of consolidation during this period: Yes

New inclusions 2 Companies (M&A Research Institute Singapore Pte. Ltd., Souken Leasing Inc.)
Exclusions – Companies

(2) Changes in accounting policies, changes in accounting estimates

- (i) Changes in accounting policies as required under IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

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

(iii) Average number of shares outstanding during the period

FY2025	54,101,335 shares	FY2024	59,312,793 shares
FY2025	50,600 shares	FY2024	938,631 shares
FY2025	57,271,166 shares	FY2024	58,576,901 shares

* Financial results are exempt from audits conducted by certified public accountants or an audit corporation.

* Explanation for proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements made in this document, including the earnings forecasts, are based on information currently available to the Group Company and on certain assumptions deemed to be reasonable by the Group Company and are not intended to be a promise by the Group Company that they will be achieved. Actual performance and other results may differ materially owing to various factors.

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1. Consolidated Financial Statements and Key Notes

(1) Consolidated statement of financial position

	Date of transition (October 1, 2023)	Previous consolidated fiscal year (September 30, 2024)	Current consolidated fiscal year (September 30, 2025)	(Thousands of yen)
Assets				
Current assets				
Cash and cash equivalents	7,430,428	10,174,674	4,118,742	
Trade and other receivables	143,188	371,457	973,818	
Other financial assets	607	27,589	921,643	
Other current assets	82,058	447,289	244,207	
Total current assets	7,656,282	11,021,010	6,258,412	
Non-current assets				
Property, plant and equipment	59,826	165,273	187,859	
Right-of-use assets	201,347	453,060	765,439	
Other financial assets	450,156	601,012	709,369	
Deferred tax assets	188,447	283,638	202,038	
Total non-current assets	899,778	1,502,985	1,864,707	
Total assets	8,556,061	12,523,996	8,123,119	

	Date of transition (October 1, 2023)	Previous consolidated fiscal year (September 30, 2024)	Current consolidated fiscal year (September 30, 2025)	(Thousands of yen)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	155,185	230,819	426,407	
Borrowings	45,435	33,880	9,180	
Lease liabilities	158,768	210,626	481,926	
Income taxes payable	1,572,255	1,354,227	603,728	
Consumption tax payable	447,124	628,926	66,506	
Other current liabilities	513,322	849,102	1,085,735	
Total current liabilities	2,892,089	3,307,583	2,673,485	
Non-current liabilities				
Borrowings	48,415	14,535	5,355	
Lease liabilities	28,785	196,515	221,298	
Allowance	42,224	91,879	118,069	
Deferred tax liabilities	—	—	337	
Total non-current liabilities	119,424	302,929	345,061	
Total liabilities	3,011,514	3,610,512	3,018,546	

	Date of transition (October 1, 2023)	Previous consolidated fiscal year (September 30, 2024)	Current consolidated fiscal year (September 30, 2025)	(Thousands of yen)
Equity				
Share capital	629,678	80,569	50,000	
Capital surplus	928,423	1,688,240	1,158,818	
Retained earnings	3,987,219	9,645,641	3,968,448	
Treasury shares	-774	-2,500,967	-75,250	
Other components of equity	—	—	2,556	
Total equity attributable to owners of parent	5,544,546	8,913,483	5,104,573	
Total equity	5,544,546	8,913,483	5,104,573	
Total liabilities and equity	8,556,061	12,523,996	8,123,119	

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

		(Thousands of yen)
	Previous consolidated fiscal year (From October 1, 2023 to September 30, 2024)	Current consolidated fiscal year (From October 1, 2024 to September 30, 2025)
Revenue	16,549,607	16,602,585
Cost of sales	4,592,237	6,572,376
Gross profit	11,957,370	10,030,209
Selling, general and administrative expenses	3,698,596	5,227,707
Other income	9,532	21,979
Other expenses	14,106	46,239
Operating profit	8,254,201	4,778,240
Finance income	2,704	16,179
Finance costs	7,813	21,284
Profit before tax	8,249,092	4,773,136
Income tax expense	2,590,670	2,025,796
Profit	5,658,421	2,747,339
Profit attributable to owners of parent	5,658,421	2,747,339
Profit	5,658,421	2,747,339
Earnings per share		
Basic earnings per share (Yen)	96.60	47.97
Diluted earnings per share (Yen)	92.46	46.60

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous consolidated fiscal year (From October 1, 2023 to September 30, 2024)	Current consolidated fiscal year (From October 1, 2024 to September 30, 2025)
Profit	5,658,421	2,747,339
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	—	2,556
Total	—	2,556
Total other comprehensive income	—	2,556
Comprehensive income	5,658,421	2,749,896
Comprehensive income attributable to owners of parent	5,658,421	2,749,896
Comprehensive income	5,658,421	2,749,896

(3) Consolidated Statement of Changes in Equity

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

(Thousands of yen)

	Equity attributable to owners of parent					Other components of equity		
	Share capital	Equity surplus	Profit surplus	Treasury shares	Exchange differences on translation of foreign operations	Total	Total	Equity Total
October 1, 2023	629,678	928,423	3,987,219	-774	—	—	5,544,546	5,544,546
Profit	—	—	5,658,421	—	—	—	5,658,421	5,658,421
Other comprehensive income	—	—	—	—	—	—	—	—
Comprehensive income	—	—	5,658,421	—	—	—	5,658,421	5,658,421
Issuance of new shares (Exercise of share acquisition rights)	63,397	63,397	—	—	—	—	126,795	126,795
Purchasing of treasury shares	—	—	—	-2,500,193	—	—	-2,500,193	-2,500,193
Issuance of new shares (Exercise of share acquisition rights)	—	—	—	—	—	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Capital reduction	-612,506	612,506	—	—	—	—	—	—
Share-based payment expenses	—	83,912	—	—	—	—	83,912	83,912
Total of transactions with owners	-549,108	759,816	—	-2,500,193	—	—	-2,289,484	-2,289,484
FY2024	80,569	1,688,240	9,645,641	-2,500,967	—	—	8,913,483	8,913,483

This consolidated fiscal year (From October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Equity attributable to owners of parent					Other components of equity		
	Share capital	Equity surplus	Profit surplus	Treasury shares	Exchange differences on translation of foreign operations	Total	Total	Equity Total
October 1, 2024	80,569	1,688,240	9,645,641	-2,500,967	—	—	8,913,483	8,913,483
Profit	—	—	2,747,339	—	—	—	2,747,339	2,747,339
Other comprehensive income	—	—	—	—	2,556	2,556	2,556	2,556
Comprehensive income	—	—	2,747,339	—	2,556	2,556	2,749,896	2,749,896
Issuance of new shares (exercise of share acquisition rights)	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-6,707,356	—	—	-6,707,356	-6,707,356
Disposal of treasury shares (exercise of share acquisition rights)	—	-1,317,355	—	1,382,820	—	—	65,464	65,464
Cancellation of treasury shares	—	-7,750,253	—	7,750,253	—	—	—	—
Transfer from retained earnings to capital surplus	—	8,424,532	-8,424,532	—	—	—	—	—
Capital reduction	-30,569	30,569	—	—	—	—	—	—
Share-based payment expenses	—	83,084	—	—	—	—	83,084	83,084
Total of transactions with owners	-30,569	-529,421	-8,424,532	2,425,717	—	—	-6,558,806	-6,558,806
September 30, 2025	50,000	1,158,818	3,968,448	-75,250	2,556	2,556	5,104,573	5,104,573

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (From October 1, 2023 to September 30, 2024)	Current consolidated fiscal year (From October 1, 2024 to September 30, 2025)
Cash flows from operating activities		
Profit before tax	8,249,092	4,773,136
Depreciation and amortization	348,856	515,614
Interest income	-2,704	-16,179
Interest expenses	7,813	11,861
Decrease (increase) in deposits received (minus indicates increase)	-120	-788,310
Decrease (increase) in trade and other receivables (minus indicates increase)	-228,268	-611,161
Increase (decrease) in trade and other payables (minus indicates decrease)	78,711	191,443
Increase (decrease) in consumption tax payable (minus indicates decrease)	181,802	-562,419
Other	152,092	316,591
Subtotal	8,787,275	3,830,576
Interest income received	1,128	12,286
Interest payments	-7,550	-11,528
Income taxes paid (refunded)	-3,062,737	-2,528,555
Cash flows from operating activities	5,718,115	1,302,778
Cash flows from investing activities		
Payments into time deposits	-	-100,000
Purchases of property, plant and equipment	-156,444	-128,623
Payment for lease and guarantee deposits	-174,827	-325,970
Proceeds from refund of leasehold and guarantee deposits	23,054	238,110
Other	-122	-34,720
Cash flows from investing activities	-308,340	-351,204
Cash flows from financing activities		
Repayment of long-term borrowings	-45,435	-33,880
Repayments of lease liabilities	-241,696	-329,300
Payments for purchase of treasury shares	-2,505,192	-6,711,380
Proceeds from exercise of share acquisition rights	126,795	65,464
Cash flows from financing activities	-2,665,529	-7,009,095
Effect of exchange rate change on cash and cash equivalents	-	1,590
Net increase (decrease) in cash and cash equivalents (minus indicates decrease)	2,744,246	-6,055,931
Cash and cash equivalents at beginning of fiscal year	7,430,428	10,174,674
Cash and cash equivalents at fiscal year-end	10,174,674	4,118,742

(5) Notes to Consolidated Financial Statements

(Notes on assumptions for going concern)

Not applicable.

(Segment information, etc.)

(1) Overview of reportable segments

Overview of reportable segments

The reportable segments of the Group are the constituent units of the Group for which separate financial information is available and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group Company presents its business activities under two reportable segments based on business content: “M&A Brokerage Business” and “Consulting Business.”

Category		Main products, services, and business content
Reportable segment	M&A Brokerage	M&A brokerage business
	Consulting	Consulting business
Other		Asset management consulting business, operating lease business.

(Changes to reportable segment categories)

The Group Company previously reported its primary business, “M&A Brokerage Business,” as a reportable segment, while classifying the consulting business, asset management consulting business, and operating lease business—business segments not included in the reportable segment—under the “Other” category. However, due to the increased management significance of the consulting business segment resulting from its expanded scale of operations, the Group Company has added “Consulting Business” as a new independent reportable segment effective from the current consolidated fiscal year.

The segment information for the previous fiscal year has been restated based on the revised reportable segment classifications.

(2) Reportable segment information

The accounting policy for reported operating segments is largely the same as the accounting policy for creating the consolidated financial statement.

Information for each of the Group's reportable segments is shown below. In addition, the profits of the reportable segments are figures based on operating profit. Intersegment transactions are based on market prices.

Date of transition (October 1, 2023)

The amount of segment assets and liabilities is not listed as they are not regularly reviewed in order to determine the allocation of management resources and evaluate business performance.

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

	Reportable segment			Other	Total	Adjustment Notes 1 and 3	(Thousands of yen) Consolidated financial statement
	M&A Brokerage	Consulting	Total				
Revenue							
Revenue from contracts with customers	16,301,662	247,945	16,549,607	–	16,549,607	–	16,549,607
Revenue from external customers	16,301,662	247,945	16,549,607	–	16,549,607	–	16,549,607
Intersegment revenue	–	–	–	–	–	–	–
Revenue							
Total	16,301,662	247,945	16,549,607	–	16,549,607	–	16,549,607
Segment income (loss)	8,559,281	-248,880	8,310,401	-43,241	8,267,160	-12,958	8,254,201
Finance income	–	–	–	–	–	–	2,704
Finance costs	–	–	–	–	–	–	-7,813
Profit before tax	–	–	–	–	–	–	8,249,092
(Other profit and loss items)							
Salaries and bonuses	3,891,384	169,322	4,060,706	23,534	4,084,240	884	4,085,124
Depreciation and amortization	321,290	23,304	344,594	1,469	346,064	2,791	348,856
Impairment losses	–	–	–	–	–	–	–

Note 1. The adjustment amount for segment profit or loss includes the elimination of intersegment transactions and corporate revenues and expenses not allocated to a reporting segment.

2. The amount of segment assets and liabilities is not listed as they are not regularly reviewed in order to determine the allocation of management resources and evaluate business performance.
3. The salaries and bonuses adjustment amount is remuneration for directors (and other officers) that are not allocated to a reporting segment. The depreciation and amortization adjustment amount is depreciation and amortization related to all company assets that are not allocated to a reporting segment.

This consolidated fiscal year (From October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Reportable segment			Other	Total	Adjustment Notes 1 and 3	Consolidated financial statement
	M&A Brokerage	Consulting	Total				
Revenue							
Revenue from contracts with customers	15,146,556	1,451,529	16,598,085	4,500	16,602,585	–	16,602,585
Revenue from external customers	15,146,556	1,451,529	16,598,085	4,500	16,602,585	–	16,602,585
Revenue	–	–	–	–	–	–	–
Intersegment revenue							
Revenue	–	–	–	–	–	–	–
Total	15,146,556	1,451,529	16,598,085	4,500	16,602,585	–	16,602,585
Segment income (loss)	5,748,408	-786,248	4,962,160	-133,473	4,828,686	-50,446	4,778,240
Finance income	–	–	–	–	–	–	16,179
Finance costs	–	–	–	–	–	–	-21,284
Profit before tax	–	–	–	–	–	–	4,773,136
(Other profit and loss items)							
Salaries and bonuses	4,619,367	1,011,793	5,631,161	68,891	5,700,052	593	5,700,646
Depreciation and amortization	496,478	15,262	511,740	3,614	515,354	259	515,614
Impairment losses	–	13,298	13,298	–	13,298	–	13,298

1. The adjustment amount for segment profit or loss includes the elimination of intersegment transactions and corporate revenues and expenses not allocated to a reporting segment.
2. The amount of segment assets and liabilities is not listed as they are not regularly reviewed in order to determine the allocation of management resources and evaluate business performance.
3. The salaries and bonuses adjustment amount is remuneration for directors (and other officers) that are not allocated to a reporting segment. The depreciation and amortization adjustment amount is depreciation and amortization related to all company assets that are not allocated to a reporting segment.

(3) Information regarding impairment losses on fixed assets for reportable segments

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

Not applicable.

This consolidated fiscal year (From October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Reportable segment			Other *	Total	Adjustment	Total
	M&A Brokerage	Consulting	Total				
Impairment losses	–	13,298	13,298	–	13,298	–	13,298

* The “Other” category is a business segment not included in the reportable segments and includes the asset management consulting business and operating lease business.

(Per share information)

(1) Basic earnings per share

The basis for calculation of net income per share and diluted earnings per share is shown below.

	(Thousands of yen)	
	Previous consolidated fiscal year (From October 1, 2023 to September 30, 2024)	Current consolidated fiscal year (From October 1, 2024 to September 30, 2025)
Profit attributable to ordinary shareholders of parent		
Profit attributable to owners of parent	5,658,421	2,747,339
Amount not attributable to ordinary shareholders of parent	—	—
Profit used in the calculation of basic earnings per share	5,658,421	2,747,339
Average number of ordinary shares during the period (Shares)	58,576,901	57,271,166
Basic earnings per share	96.60 yen	47.97 yen
(2) Diluted earnings per share		
The basis for calculation of diluted earnings per share is shown below.		
	(Thousands of yen)	
	Previous consolidated fiscal year (From October 1, 2023 to September 30, 2024)	Current consolidated fiscal year (From October 1, 2024 to September 30, 2025)
Profit attributable to ordinary shareholders after dilution		
Profit used in the calculation of basic earnings per share	5,658,421	2,747,339
Adjustment for net income	—	—
Profit used in the calculation of earnings per share after dilution	5,658,421	2,747,339
Average number of ordinary shares during the period (Shares)	58,576,901	57,271,166
Impact of dilutive potential ordinary shares:		
Share acquisition rights	2,621,682	1,690,331
After adjustments for dilutive effect	61,198,583	58,961,497
Diluted earnings per share	92.46 yen	46.60 yen

(Significant subsequent events)

(Significant borrowings)

At the Board of Directors meeting held on November 11, 2025, the Company resolved to borrow funds as described in "1. Summary of Loan Agreement" and "2. Summary of Loan Agreement with Financial Covenants" below.

With respect to "1. Summary of Loan Agreement (1)," the borrowing was executed on December 19, 2025. With respect to "1. Summary of Loan Agreement (2)," the borrowing is scheduled to be executed on December 26, 2025. Furthermore, with respect to "2. Summary of Loan Agreement with Financial Covenants," the Company is scheduled to enter into a loan agreement and execute the borrowing on December 30, 2025.

1. Loan agreement overview

(1)

(i) Attributes of lender	City bank
(ii) Borrowing amount	4.0 Billion yen
(iii) Drawdown date	December 19, 2025
(iv) Repayment date	December 30, 2025 (scheduled)
(v) Interest	Variable interest rate
(vi) Details of collateral	Not applicable.
(vii) Use of funds	To refinance funds for the acquisition of treasury shares

2.

(i) Attributes of lender	City bank
(ii) Borrowing amount	1.5 Billion yen
(iii) Drawdown date	December 26, 2025 (scheduled)
(iv) Repayment date	August 12, 2026 (scheduled)
(v) Interest	Variable interest rate
(vi) Details of collateral	Not applicable.
(vii) Use of funds	To use as operating funds for the wholly-owned subsidiary Souken Leasing Inc.

2. Overview of loan agreement subject to financial covenants

(1) Reason for concluding the loan agreement subject to financial covenants

See 1. above. Funds for the refinancing of borrowings in (1)

Content of loan agreement subject to financial covenants (2)

(i) Agreement conclusion date	December 30, 2025 (scheduled)
(ii) Attributes of counterparties	Multiple financial institutions
(iii) Principal amount of debt	4.0 Billion yen
(iv) Maturity date	December 29, 2028 (scheduled)
(v) Details of collateral	Not applicable.

(3) Content financial covenants

(i) The Company shall maintain, total net assets on the consolidated balance sheet as of September 30, 2026 and the final day of each subsequent fiscal year at amount not less than the higher of 75% of the total net assets on the consolidated balance sheet on September 30, 2025, or 75% of the total net assets on the consolidated balance sheet as of the end of the immediately preceding fiscal year.

(ii) The Company shall not record losses for two consecutive fiscal years in the consolidated statements of income as of September 30, 2026, and the final day of each subsequent fiscal year.

(First-Time Adoption)

From the current consolidated fiscal year, the Group has disclosed its consolidated financial statements in accordance with IFRS. The most recent consolidated financial statements prepared in accordance with accounting standards generally accepted as fair and appropriate in Japan (hereinafter referred to as "JGAAP") are those for the consolidated fiscal year ended September 30, 2024, and the date of transition to IFRS is October 1, 2023.

(1) Exemptions from retrospective application

IFRS 1 requires entities applying IFRS for the first time to retrospectively apply IFRS as a general rule. However, IFRS 1 permits some exceptions, and the exemptions adopted by the Group are as follows:

(i) Share-based payment

The Group has elected not to apply IFRS 2 Share-based Payment to share-based payments that vested before the date of transition.

(ii) Decommissioning liabilities included in the cost of property, plant and equipment

IFRS 1 permits entities, in respect of certain changes in decommissioning, restoration, and similar liabilities included in the cost of property, plant and equipment that arose before the date of transition, to measure the liability at the date of transition, estimate the amount that would have been included in the cost of the related asset when the liability first arose by discounting the liability to that date, and to calculate accumulated depreciation of that amount using the depreciation method adopted by the entity based on the current estimate of the useful life of the asset. The Group has elected to apply this exemption and has measured the liability and calculated the accumulated depreciation accordingly.

(iii) Leases

IFRS 1 permits a first-time adopter that is a lessee to assess whether a contract existing at the date of transition to IFRS contains a lease.

In addition, IFRS 1 permits entities to measure the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition and to measure the right-of-use asset at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of transition in relation to that lease.

Furthermore, IFRS 1 permits a lessee to recognize leases with a lease term ending within 12 months of the date of transition and leases for which the underlying asset is of low value as an expense.

The Group has applied these exemptions and, based on the facts and circumstances existing at the date of transition, assessed whether contracts contain a lease. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition, and an amount equal to the lease liabilities was recognized as right-of-use assets.

(2) Adjustment table

The impact that transitioning from Japanese accounting standards (hereinafter referred to as “JGAAP”) to IFRS will have on the financial position, operating results, and cash flow of the Group is shown below. Furthermore, items listed under “Reclassification” in the adjustment table include those that do not affect retained earnings or comprehensive income, while items listed under “Difference in recognition and measurement” include those that affect retained earnings and comprehensive income.

(i) Adjustment for equity

Date of transition date (October 1, 2023)

JGAAP line items	JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	(Thousands of yen)						
						IFRS line items						
Assets												
Current assets												
Cash and deposits	7,430,428	—	—	7,430,428	A	Cash and cash equivalents						
Accounts receivable	143,188	—	—	143,188	B	Trade and other receivables						
Other	80,234	-80,234	—	—		Other financial assets						
	—	607	—	607		Other current assets						
	—	79,626	2,431	82,058		Total current assets						
Total current assets	7,653,851	—	2,431	7,656,282								
Non-current assets												
Property, plant and equipment												
Property, plant and equipment	67,751	—	-7,925	59,826	a	Property, plant and equipment						
	—	6,887	194,459	201,347	C, b	Right-of-use assets						
Intangible assets	7,859	-6,887	-972	—	C							
Investments and other assets												
Deposits received	437,788	-437,788	—	—	D	Other financial assets						
	437,788		12,367	450,156	D, c							
Deferred tax assets	160,211	—	28,236	188,447	e	Deferred tax assets						
Total non-current assets	673,610	—	226,167	899,778		Total non-current assets						
Total assets	8,327,462	—	228,599	8,556,061		Total assets						

JGAAP line items		JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	IFRS line items	(Thousands of yen)
Liabilities							Liabilities and equity	
Current liabilities							Liabilities	
Current portion of long-term borrowings		45,435	—	—	45,435		Trade and other payables	
Lease liabilities		1,069	—	157,698	158,768	b	Borrowings	
Accrued income taxes		1,572,255	—	—	1,572,255		Lease liabilities	
Accrued consumption taxes		447,124	—	—	447,124		Income taxes payable	
Liabilities		27,500	-27,500	—	—	F	Accrued consumption taxes	
Other		579,238	-579,238	—	—	E		
Total current liabilities		2,672,622	—	219,467	2,892,089	F, d	Other current liabilities	
Non-current liabilities							Total current liabilities	
Long-term borrowings		48,415	—	—	48,415		Non-current liabilities	
Lease liabilities		6,791	—	21,993	28,785	b	Borrowings	
Total non-current liabilities		—	—	42,224	42,224	c	Lease liabilities	
Total liabilities		55,206	—	64,217	119,424		Allowance	
		2,727,829	—	283,685	3,011,514		Total non-current liabilities	
							Total liabilities	

JGAAP line items							(Thousands of yen)
		JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	IFRS line items
Net assets							Equity
Share capital	629,678	—	—	629,678			Share capital
Capital surplus	629,668	924	297,830	928,423	G, f		Capital surplus
Retained earnings	4,340,136	—	-352,916	3,987,219	F, g		Retained earnings
Treasury shares	-774	—	—	-774			Treasury shares
Share acquisition rights	924	-924	—	—	G, f		
		—	-55,086	5,544,546			Total equity attributable to owners of parent
Total net assets	5,599,632	—	-55,086	5,544,546			Total equity
Total liabilities and net assets	8,327,462	—	228,599	8,556,061			Total liabilities and equity

Previous consolidated fiscal year (September 30, 2024)

(Thousands of yen)

JGAAP line items	JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	IFRS line items
Assets						
Current assets						
Cash and deposits	10,174,674	—	—	10,174,674	A	Cash and cash equivalents
Accounts receivable	371,457	—	—	371,457	B	Trade and other receivables
Other	483,756	-483,756	—	—		
	—	27,589	—	27,589		Other financial assets
	—	456,166	-8,877	447,289		Other current assets
Total current assets	11,029,888	-	-8,877	11,021,010		Total current assets
Non-current assets						
Property, plant and equipment	169,173	—	-3,900	165,273	a	Property, plant and equipment
	—	9,079	443,980	453,060	C, b	Right-of-use assets
Intangible assets	9,079	-9,079	—	—	C	
Investments and other assets						
Deposits received	561,036	-561,036	—	—	D	
	—	561,036	39,976	601,012	D, c	Other financial assets
Deferred tax assets	230,697	—	52,940	283,638	e	Deferred tax assets
Total non-current assets	969,987	—	532,997	1,502,985		Total non-current assets
Total assets	11,999,875	—	524,120	12,523,996		Total assets

							(Thousands of yen)
JGAAP line items	JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	IFRS line items	
Liabilities						Liabilities and equity	
Current liabilities						Liabilities	
	—	226,075	4,744	230,819	E	Current liabilities	
Current portion of long-term borrowings	33,880	—	—	33,880		Trade and other payables	
Lease liabilities	3,373	—	207,253	210,626	b	Borrowings	
Accrued income taxes	1,354,227	—	—	1,354,227		Lease liabilities	
Accrued consumption taxes	628,926	—	—	628,926		Income taxes payable	
Other	938,811	-938,811	—	—	E	Accrued consumption taxes	
	—	712,735	136,366	849,102	F, d	Other current liabilities	
Total current liabilities	2,959,219	-	348,364	3,307,583		Total current liabilities	
Non-current liabilities						Non-current liabilities	
	—	—	—	14,535		Borrowings	
Long-term borrowings	14,535	—	—	14,535		Lease liabilities	
Lease liabilities	6,972	—	189,542	196,515	b	Allowance	
	—	—	91,879	91,879	c	Total non-current liabilities	
Total non-current liabilities	21,507	—	281,421	302,929		Total liabilities	
Total liabilities	2,980,726	—	629,786	3,610,512			
Net assets						Equity	
	—	—	—	80,569		Share capital	
Share capital	80,569	—	—	80,569		Capital surplus	
Capital surplus	1,305,572	5,193	377,474	1,688,240	G, f	Retained earnings	
Retained earnings	10,128,781	—	-483,139	9,645,641	f, g	Treasury shares	
Treasury shares	-2,500,967	—	—	-2,500,967		Total equity attributable to owners of parent	
Share acquisition rights	5,193	-5,193	—	—	G, f	Total equity	
	9,019,149	—	-105,665	8,913,483		Total liabilities and equity	
Total net assets	9,019,149	—	-105,665	8,913,483			
Total liabilities and net assets	11,999,875	—	524,120	12,523,996			

(ii) Adjustment for comprehensive income

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

(Thousands of yen)

JGAAP line items	JGAAP	Reclassification	Difference in recognition and measurement	IFRS	Notes	IFRS line items
Net sales	16,549,607	—	—	16,549,607		Revenue
Cost of sales	4,531,986	—	60,250	4,592,237	a	Cost of sales
Gross profit	12,017,621	—	-60,250	11,957,370		Gross profit
Selling, general and administrative expenses	3,608,947	—	89,648	3,698,596	A, b, c, d	Selling, general and administrative expenses
	—	9,532	—	9,532	A	Other income
	—	14,106	—	14,106	A	Other expenses
Operating profit	8,408,673	-4,574	-149,898	8,254,201		Operating profit
Non-operating income	10,661	-10,661	—	—	A	
Non-operating expenses	13,717	-13,717	—	—	A	
Extraordinary income	—	—	—	—	A	
Extraordinary loss	1,597	-1,597	—	—	A	
	—	1,128	1,575	2,704	A	Finance income
	—	1,208	6,604	7,813	A, b	Finance costs
Net income before income taxes	8,404,020	—	-154,927	8,249,092		Profit before tax
Income taxes total	2,615,375	—	-24,704	2,590,670	e	Income tax expense
Net income	5,788,644	—	-130,223	5,658,421		Profit
Other comprehensive income						Other comprehensive income
Foreign currency translation adjustment	—	—	—	—		Items that may be reclassified to profit or loss
Total other comprehensive income	—	—	—	—		Exchange differences on translation of foreign operations
Comprehensive income	5,788,644	—	-130,223	5,658,421		Other comprehensive income
						Comprehensive income

(iii) Notes regarding adjustment of equity and comprehensive income

Notes regarding adjustment of equity

(1) Reclassification

A Cash and cash equivalents

“Cash and deposits,” which were presented as a separate line item under JGAAP, are presented as part of “Cash and cash equivalents” under IFRS.

B Trade and other receivables

“Accounts receivable,” which were presented as a separate line item under JGAAP, are presented as part of “Trade and other receivables” under IFRS.

C Right-of-use assets

“Leased assets,” which were classified as “Property, plant and equipment” and “Intangible non-current assets” under JGAAP, are classified as “Right-of-use assets” under IFRS.

D Deposits received

“Deposits received,” which were presented as a separate line item under JGAAP, are presented as part of “Other financial assets” under IFRS.

E Trade and other payables

“Accounts payable-other” which were included in the current liabilities under JGAAP, are presented as part of “Trade and other payables” under IFRS.

F Other current liabilities

“Contract liabilities,” which were separately presented under JGAAP, and “Accrued expenses” and “Deposits received,” which were included in “Other” under current liabilities under JGAAP, are included in “Other current liabilities” under IFRS.

G Capital surplus

“Share acquisition rights,” which were presented as a separate line item under JGAAP, are presented as part of “Capital surplus” under IFRS.

(2) Difference in recognition and measurement

a Adjustments for property, plant and equipment

With respect to the depreciation method for property, plant and equipment, the Group primarily applied the declining-balance method under JGAAP, whereas the straight-line method is applied under IFRS. In addition, certain useful lives of property, plant and equipment have been revised as a result of the adoption of IFRS.

b Adjustments for lease transactions

Under JGAAP, lessee leases were categorized as finance leases and operating leases, and operating leases were processed in a manner similar to ordinary lease transactions. However, under IFRS, there is no distinction between finance leases and operating leases for lessees, and in principle, “Right-of-use assets” and “Lease liabilities” are recognized for all lease transactions.

c Adjustments for allowance

Under JGAAP, certain asset retirement obligations were offset against security deposits. However, under IFRS, such asset retirement obligations are recognized as liabilities and presented within non-current items, and the corresponding amounts are added to the acquisition cost of the related property, plant and equipment and depreciated accordingly.

d Adjustment for accrued paid leave

Under JGAAP, no liability was recognized for unused paid leave. However, under IFRS, accrued paid leave is recognized as a liability and presented as part of "other current liabilities."

e Adjustment for deferred tax assets

As a result of the adjustments made for differences arising from the adoption of IFRS, "Deferred tax assets" have changed.

f Adjustments for share acquisition rights

Under JGAAP, stock options were measured based on their intrinsic value. However, under IFRS, stock options are measured at fair value at the grant date, and the resulting adjustments are reflected in capital surplus and retained earnings.

g Adjustments for retained earnings

(Difference in recognition and measurement)

The impact on retained earnings as a result of applying IFRS is shown below (a minus indicates a decrease).

	Date of transition (October 1, 2023)	Previous consolidated fiscal year (September 30, 2024)	(Thousands of yen)
Adjustments for property, plant and equipment	-5,498	-2,549	-2,549
Adjustments for lease transactions	—	-8,138	-8,138
Adjustments for allowance	-4,190	-4,129	-4,129
Adjustment for accrued paid leave	-44,865	-91,223	-91,223
Adjustments for share acquisition rights	-297,830	-377,174	-377,174
Other	-532	74	74
Total	-352,916	-483,139	

Notes regarding adjustment of comprehensive income

(1) Reclassification

A Reclassification

Items that were presented as "Non-operating income," "Non-operating expenses," "Extraordinary income" and "Extraordinary loss" under JGAAP, are presented under IFRS as "Finance income" and "Finance costs" for items related to finance-related loss and income, while other items are presented as "Other income" or "Other expenses" etc., after consideration of classification based on their function.

(2) Difference in recognition and measurement

a Unused paid leave

Under JGAAP, no liability was recognized for unused paid leave. However, under IFRS, accrued paid leave is recognized as personnel expenses, resulting in adjustments to "Cost of sales" and "Selling, general and administrative expenses."

b Right-of-use assets and Lease liabilities

Under JGAAP, operating lease transactions were processed in a manner similar to ordinary lease transactions. However, under IFRS, "Right-of-use assets" and "Lease liabilities" are recognized, and depreciation expense and interest expense are recognized accordingly.

c Share-based payment expenses

Under JGAAP, stock options were measured based on their intrinsic value. However, under IFRS, stock options are measured at fair value at the grant date, and share-based payment expenses calculated based on the measured fair value are reflected as an adjustment to "Selling, general and administrative expenses."

d Depreciation method and useful life of property, plant and equipment

With respect to the depreciation method for property, plant and equipment, the Group primarily applied the declining-balance method under JGAAP, whereas the straight-line method is applied under IFRS. In addition, certain useful lives of property, plant and equipment have been revised as a result of the adoption of IFRS.

e Income tax expense

“Income tax, resident tax, and business tax” and “Income taxes adjustment,” which were presented as separate line items under JGAAP, are presented collectively as “Income tax expense” under IFRS. Also, as a result of the adjustments made for differences arising from the adoption of IFRS, “Deferred tax assets” have changed.

(iv) Adjustments for cash flow

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

Under JGAAP, operating lease payments were classified as cash flows from operating activities. However, under IFRS, such payments are classified as cash flows from financing activities, representing repayments of lease liabilities related to right-of-use assets.