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December 15, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended October 31, 2023 (Under Japanese GAAP)



Company name: NIHON HOUSE HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 1873
 URL: <http://www.nihonhouse-hd.co.jp/>
 Representative: Kazuyuki Narita: Chairman and Representative Director, Group CEO
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 Telephone: +81-3-5215-9907
 Scheduled date of annual general meeting of shareholders: January 25, 2024
 Scheduled date to commence dividend payments: January 26, 2024
 Scheduled date to file annual securities report: January 25, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
October 31, 2023	39,103	(8.6)	973	(61.4)	684	(70.6)	(47)	—
October 31, 2022	42,778	15.2	2,523	(6.8)	2,329	(12.3)	1,474	(8.2)

Note: Comprehensive income For the fiscal year ended October 31, 2023: ¥94 million [(94.3)%]
 For the fiscal year ended October 31, 2022: ¥1,678 million [8.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2023	(1.20)	—	(0.2)	1.5	2.5
October 31, 2022	36.87	—	6.6	5.1	5.9

Reference: Equity in earnings (losses) of affiliates
 For the fiscal year ended October 31, 2023: — million yen
 For the fiscal year ended October 31, 2022: — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2023	43,705	22,694	51.1	558.78
October 31, 2022	47,540	23,239	48.2	572.91

Reference: Shareholders' equity
 As of October 31, 2023: ¥22,350 million
 As of October 31, 2022: ¥22,915 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2023	2,520	(1,855)	(3,091)	4,804
October 31, 2022	2,726	(3,297)	2,205	7,231

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended October 31, 2022	Yen —	Yen 10.00	Yen —	Yen 10.00	Yen 20.00	Millions of yen 799	% 54.2	% 3.6
Fiscal year ended October 31, 2023	—	6.00	—	5.00	11.00	439	—	1.9
Fiscal year ending April 30, 2024 (Forecast)	—	—	—	5.00	5.00		—	

3. Consolidated financial results forecasts for the fiscal year ending April 30, 2024 (from November 1, 2023 to April 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,200	—	(1,980)	—	(2,110)	—	(1,650)	—	(41.25)

Notes: 1 The Company plans to change its closing date from October 31 to April 30 subject to the approval of the proposal "Partial Amendments to the Articles of Incorporation" at the annual general meeting of shareholders to be held on January 25, 2024.

In accordance with the change in accounting period, the fiscal year ending April 30, 2024 will cover the six months from November 1, 2023 to April 30, 2024. Due to the different comparative periods, no year-on-year changes are provided for the full-year forecasts.

2 The Group's mainstay housing business generates a high proportion of sales in the snowy regions of Hokkaido and Tohoku. As a result, sales and profits are skewed toward the second half of the fiscal year (May to October) and the first half of the fiscal year (November to April) tends to record losses. For the fiscal year ending April 30, 2025, a 12-month period, the Company expects to return to profitability as follows.

- Consolidated financial results forecasts for the fiscal year ending April 30, 2025 (from May 1, 2024 to April 30, 2025)
Net sales: ¥40,500 million; Operating profit: ¥2,820 million; Ordinary profit: ¥2,550 million; Profit attributable to owners of parent: ¥1,560 million

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Change in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Change in accounting policies other than (i): None
 - (iii) Change in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of October 31, 2023	40,000,000 shares
As of October 31, 2022	40,000,000 shares

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

As of October 31, 2023	1,593 shares
As of October 31, 2022	1,593 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended October 31, 2023	39,998,407 shares
Fiscal year ended October 31, 2022	39,998,407 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2023	34,633	(9.5)	827	(63.6)	536	(73.3)	(118)	—
October 31, 2022	38,261	13.2	2,276	(18.2)	2,010	(20.3)	1,298	(17.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
October 31, 2023	(2.97)	—
October 31, 2022	32.47	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
October 31, 2023	40,964	21,286	52.0	532.18
October 31, 2022	44,661	21,913	49.1	547.87

Reference: Shareholders' equity

As of October 31, 2023: ¥21,286 million
As of October 31, 2022: ¥21,913 million

2. Non-consolidated financial results forecasts for the fiscal year ending April 30, 2024 (from November 1, 2023 to April 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,000	—	(2,150)	—	(1,660)	—	(41.50)

Note: The Company plans to change its closing date from October 31 to April 30 subject to the approval of the proposal “Partial Amendments to the Articles of Incorporation” at the annual general meeting of shareholders to be held on January 25, 2024.

In accordance with the change in accounting period, the fiscal year ending April 30, 2024 will cover the six months from November 1, 2023 to April 30, 2024. Due to the different comparative periods, no year-on-year changes are provided for the full-year forecasts.

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

* Explanation of proper use of financial results forecasts and other special matters

(Note on forward-looking statements, etc.)

Forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	7,384	4,957
Notes receivable, accounts receivable from completed construction contracts and other	2,686	2,218
Costs on construction contracts in progress	510	457
Real estate for sale	4,221	3,914
Merchandise and finished goods	80	84
Raw materials and supplies	640	449
Other	756	517
Allowance for doubtful accounts	(3)	(3)
Total current assets	16,277	12,595
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,184	45,902
Machinery, vehicles, tools, furniture and fixtures	4,206	4,387
Land	10,299	10,304
Leased assets	3,913	3,823
Construction in progress	2,195	188
Accumulated depreciation and impairment	(36,275)	(36,888)
Total property, plant and equipment	27,524	27,718
Intangible assets	701	480
Investments and other assets		
Investment securities	229	241
Long-term loans receivable	231	318
Retirement benefit asset	442	709
Deferred tax assets	1,221	626
Distressed receivables	8	7
Other	1,098	1,218
Allowance for doubtful accounts	(253)	(252)
Total investments and other assets	2,978	2,870
Total non-current assets	31,203	31,069
Deferred assets		
Bond issuance costs	59	40
Total deferred assets	59	40
Total assets	47,540	43,705

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,382	4,847
Short-term borrowings	2,320	768
Current portion of bonds payable	120	120
Current portion of long-term borrowings	1,658	425
Lease liabilities	361	456
Income taxes payable	387	100
Advances received on construction contracts in progress	1,398	1,515
Provision for warranties for completed construction	160	149
Provision for bonuses	496	418
Other	2,599	2,392
Total current liabilities	14,884	11,194
Non-current liabilities		
Bonds payable	1,880	1,760
Long-term borrowings	4,827	5,009
Lease liabilities	649	913
Deferred tax liabilities	22	18
Provision for retirement benefits for directors (and other officers)	799	852
Retirement benefit liability	79	86
Asset retirement obligations	342	356
Other	815	818
Total non-current liabilities	9,417	9,816
Total liabilities	24,301	21,010
Net assets		
Shareholders' equity		
Share capital	3,873	3,873
Capital surplus	20	20
Retained earnings	19,053	18,365
Treasury shares	(0)	(0)
Total shareholders' equity	22,947	22,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	15
Deferred gains or losses on hedges	(13)	105
Remeasurements of defined benefit plans	(20)	(29)
Total accumulated other comprehensive income	(31)	91
Non-controlling interests	324	344
Total net assets	23,239	22,694
Total liabilities and net assets	47,540	43,705

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

(Millions of yen)

	For the fiscal year ended October 31, 2022	For the fiscal year ended October 31, 2023
Net sales	42,778	39,103
Cost of sales	27,423	25,161
Gross profit	15,354	13,941
Selling, general and administrative expenses	12,830	12,968
Operating profit	2,523	973
Non-operating income		
Interest income	4	5
Dividend income	7	7
Subsidies for employment adjustment	77	—
Gain on forfeiture of unclaimed dividends	7	3
Subsidy income	—	6
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	29	35
Total non-operating income	126	57
Non-operating expenses		
Interest expenses	204	220
Commission for syndicated loans	12	11
Arrangement fee	22	15
Amortization of bond issuance costs	19	19
Miscellaneous expenses	61	80
Total non-operating expenses	320	347
Ordinary profit	2,329	684
Extraordinary income		
Gain on sale of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	11	24
Other	0	0
Total extraordinary losses	11	24
Profit before income taxes	2,318	659
Income taxes - current	492	145
Income taxes - deferred	329	542
Total income taxes	822	687
Profit (loss)	1,496	(27)
Profit attributable to non-controlling interests	21	20
Profit (loss) attributable to owners of parent	1,474	(47)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended October 31, 2022	For the fiscal year ended October 31, 2023
Profit (loss)	1,496	(27)
Other comprehensive income		
Valuation difference on available-for-sale securities	1	11
Deferred gains or losses on hedges	171	119
Remeasurements of defined benefit plans, net of tax	9	(8)
Total other comprehensive income	182	122
Comprehensive income	1,678	94
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,656	74
Comprehensive income attributable to non-controlling interests	21	20

(3) Consolidated Statements of Changes in Equity

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,873	22	20,397	(2,021)	22,272
Changes during period					
Dividends of surplus			(799)		(799)
Profit attributable to owners of parent			1,474		1,474
Cancellation of treasury shares		(2,020)		2,020	—
Transfer to retained earnings from other capital surplus		2,018	(2,018)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(1)	(1,343)	2,020	674
Balance at end of period	3,873	20	19,053	(0)	22,947

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1	(185)	(30)	(213)	302	22,360
Changes during period						
Dividends of surplus						(799)
Profit attributable to owners of parent						1,474
Cancellation of treasury shares						—
Transfer to retained earnings from other capital surplus						—
Net changes in items other than shareholders' equity	1	171	9	182	21	203
Total changes during period	1	171	9	182	21	878
Balance at end of period	3	(13)	(20)	(31)	324	23,239

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,873	20	19,053	(0)	22,947
Changes during period					
Dividends of surplus			(639)		(639)
Loss attributable to owners of parent			(47)		(47)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(687)	—	(687)
Balance at end of period	3,873	20	18,365	(0)	22,259

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3	(13)	(20)	(31)	324	23,239
Changes during period						
Dividends of surplus						(639)
Loss attributable to owners of parent						(47)
Net changes in items other than shareholders' equity	11	119	(8)	122	20	142
Total changes during period	11	119	(8)	122	20	(545)
Balance at end of period	15	105	(29)	91	344	22,694

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended October 31, 2022	For the fiscal year ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,318	659
Depreciation	1,250	1,510
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	36	(77)
Increase (decrease) in retirement benefit liability	36	(259)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	17	53
Interest and dividend income	(12)	(12)
Interest expenses	204	220
Loss (gain) on sale of non-current assets	11	24
Subsidies for employment adjustment	(77)	—
Decrease (increase) in trade receivables	(1,013)	468
Decrease (increase) in costs on construction contracts in progress	607	53
Decrease (increase) in other inventories	(703)	494
Increase (decrease) in trade payables	546	(529)
Increase (decrease) in advances received on construction contracts in progress	(255)	117
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(24)	203
Other, net	508	302
Subtotal	3,450	3,227
Interest and dividends received	12	12
Interest paid	(205)	(218)
Proceeds from subsidies for employment adjustment	77	—
Income taxes paid	(607)	(501)
Income taxes refund	0	0
Net cash provided by (used in) operating activities	2,726	2,520
Cash flows from investing activities		
Payments into time deposits	(762)	(608)
Proceeds from withdrawal of time deposits	762	608
Purchase of property, plant and equipment and intangible assets	(3,121)	(1,599)
Proceeds from sale of property, plant and equipment and intangible assets	0	—
Proceeds from collection of loans receivable	291	20
Disbursement of loans	(331)	(108)
Other, net	(136)	(167)
Net cash provided by (used in) investing activities	(3,297)	(1,855)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,022	(1,552)
Proceeds from long-term borrowings	3,230	615
Repayments of long-term borrowings	(1,095)	(1,666)
Proceeds from sale-and-leaseback payable	266	725
Repayments of lease liabilities	(407)	(450)
Redemption of bonds	—	(120)
Commission for syndicate loan	(18)	(2)
Dividends paid	(791)	(640)
Net cash provided by (used in) financing activities	2,205	(3,091)
Net increase (decrease) in cash and cash equivalents	1,635	(2,427)
Cash and cash equivalents at beginning of period	5,596	7,231
Cash and cash equivalents at end of period	7,231	4,804

Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	5,835	3,227
Accounts receivable from completed construction contracts	2,198	1,823
Costs on construction contracts in progress	512	462
Real estate for sale	4,223	3,915
Supplies	13	15
Advance payments to suppliers	112	68
Prepaid expenses	264	216
Advances paid	99	99
Accounts receivable - other	830	768
Other	5	10
Allowance for doubtful accounts	(3)	(3)
Total current assets	14,091	10,604
Non-current assets		
Property, plant and equipment		
Buildings	6,270	6,552
Accumulated depreciation and impairment	(4,739)	(4,829)
Buildings, net	1,530	1,723
Building for lease	32,419	34,831
Cumulative amount of depreciation and total amount of spoil loss	(22,212)	(22,937)
Building for lease, net	10,207	11,894
Structures	239	227
Accumulated depreciation and impairment	(202)	(190)
Structures, net	37	36
Structures for renting	1,386	1,452
Cumulative amount of depreciation and total amount of spoil loss	(764)	(819)
Structures for renting, net	621	632
Machinery and equipment	1,052	1,052
Accumulated depreciation and impairment	(918)	(927)
Machinery and equipment, net	133	124
Vehicles	4	4
Accumulated depreciation and impairment	(2)	(3)
Vehicles, net	1	0
Tools, furniture and fixtures	1,421	1,609
Accumulated depreciation and impairment	(983)	(1,071)
Tools, furniture and fixtures, net	438	537
Land	9,802	9,807
Leased assets	3,815	3,720
Accumulated depreciation and impairment	(2,409)	(1,994)
Leased assets, net	1,406	1,725
Construction in progress	2,230	188
Total property, plant and equipment	26,410	26,672
Intangible assets		
Leasehold interests in land	203	203
Software	388	62
Leased assets	49	142
Other	52	51
Total intangible assets	693	461

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Investments and other assets		
Investment securities	20	31
Shares of subsidiaries and associates	553	553
Long-term loans receivable	211	305
Long-term loans receivable from shareholders, directors (and other officers) or employees	20	13
Long-term loans receivable from subsidiaries and associates	517	423
Distressed receivables	7	7
Long-term prepaid expenses	195	184
Prepaid pension costs	393	687
Guarantee deposits	168	155
Long-term accounts receivable - other	464	564
Deferred tax assets	1,148	552
Other	14	14
Allowance for doubtful accounts	(306)	(306)
Total investments and other assets	3,407	3,186
Total non-current assets	30,510	30,319
Deferred assets		
Bond issuance costs	59	40
Total deferred assets	59	40
Total assets	44,661	40,964
Liabilities		
Current liabilities		
Accounts payable for construction contracts	5,329	4,762
Short-term borrowings	2,320	768
Current portion of bonds payable	120	120
Current portion of long-term borrowings	1,536	316
Lease liabilities	348	447
Accounts payable - other	506	371
Accrued expenses	404	378
Income taxes payable	305	68
Accrued consumption taxes	—	240
Advances received on construction contracts in progress	1,398	1,515
Deposits received	1,099	916
Suspense receipt	13	19
Provision for warranties for completed construction	98	87
Provision for bonuses	465	388
Other	371	408
Total current liabilities	14,318	10,808
Non-current liabilities		
Bonds payable	1,880	1,760
Long-term borrowings	4,600	4,828
Lease liabilities	636	902
Long-term deposits received	132	143
Provision for retirement benefits for directors (and other officers)	779	827
Asset retirement obligations	317	331
Other	83	74
Total non-current liabilities	8,429	8,869
Total liabilities	22,748	19,678

(Millions of yen)

	As of October 31, 2022	As of October 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,873	3,873
Capital surplus		
Legal capital surplus	20	20
Total capital surplus	20	20
Retained earnings		
Legal retained earnings	928	947
Other retained earnings	17,101	16,324
Retained earnings brought forward	17,101	16,324
Total retained earnings	18,030	17,272
Treasury shares	(0)	(0)
Total shareholders' equity	21,924	21,165
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3	15
Deferred gains or losses on hedges	(13)	105
Total valuation and translation adjustments	(10)	120
Total net assets	21,913	21,286
Total liabilities and net assets	44,661	40,964

(2) Non-Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended October 31, 2022	For the fiscal year ended October 31, 2023
Net sales		
Net sales of completed construction contracts	31,971	28,875
Real estate sales	5,521	4,836
Other sales	768	921
Total net sales	38,261	34,633
Cost of sales		
Cost of sales of completed construction contracts	20,127	18,614
Cost of real estate sales	4,529	4,325
Other costs	1,575	1,538
Total cost of sales	26,231	24,477
Gross profit		
Gross profit on sales of completed construction contracts	11,843	10,261
Gross profit on real estate sales	992	511
Gross loss - other	(807)	(616)
Total gross profit	12,029	10,156
Selling, general and administrative expenses		
Sales commission	205	222
Advertising expenses	565	721
Remuneration for directors (and other officers)	189	188
Employees' salaries and allowances	3,775	3,563
Provision for bonuses	358	288
Retirement benefit expenses	246	13
Provision for retirement benefits for directors (and other officers)	59	48
Legal welfare expenses	650	607
Welfare expenses	53	51
Repair expenses	6	9
Book and printing expenses	42	32
Communication expenses	143	140
Travel and transportation expenses	180	203
Utilities expenses	85	89
Entertainment expenses	23	22
Rent expenses	1,277	1,273
Depreciation	429	483
Supplies expenses	38	34
Vehicle expenses	278	256
Taxes and dues	352	294
Commission	490	490
Insurance expenses	19	19
Experimentation and research expenses	4	4
Miscellaneous expenses	272	271
Total selling, general and administrative expenses	9,753	9,328
Operating profit	2,276	827

(Millions of yen)

	For the fiscal year ended October 31, 2022	For the fiscal year ended October 31, 2023
Non-operating income		
Interest income	10	10
Dividend income	7	7
Gain on forfeiture of unclaimed dividends	7	3
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	14	18
Total non-operating income	40	40
Non-operating expenses		
Interest expenses	178	195
Commission for syndicated loans	12	11
Interest expenses on bonds	20	20
Amortization of bond issuance costs	19	19
Arrangement fee	22	15
Miscellaneous expenses	51	69
Total non-operating expenses	305	331
Ordinary profit	2,010	536
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	10	22
Total extraordinary losses	11	22
Profit before income taxes	1,999	513
Income taxes - current	371	88
Income taxes - deferred	328	543
Total income taxes	700	632
Profit (loss)	1,298	(118)

(3) Non-Consolidated Statements of Changes in Equity

Fiscal year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance at beginning of period	3,873	20	1	22	848	18,701	19,550
Changes during period							
Dividends of surplus					79	(879)	(799)
Profit						1,298	1,298
Cancellation of treasury shares			(2,020)	(2,020)			
Transfer to retained earnings from other capital surplus			2,018	2,018		(2,018)	(2,018)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	(1)	(1)	79	(1,599)	(1,519)
Balance at end of period	3,873	20	—	20	928	17,101	18,030

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(2,020)	21,425	1	(185)	(183)	21,242
Changes during period						
Dividends of surplus		(799)				(799)
Profit		1,298				1,298
Cancellation of treasury shares	2,020	—				—
Transfer to retained earnings from other capital surplus		—				—
Net changes in items other than shareholders' equity			1	171	172	172
Total changes during period	2,020	498	1	171	172	671
Balance at end of period	(0)	21,924	3	(13)	(10)	21,913

Fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of period	3,873	20	—	20	928	17,101	18,030
Changes during period							
Dividends of surplus					18	(658)	(639)
Loss						(118)	(118)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	18	(777)	(758)
Balance at end of period	3,873	20	—	20	947	16,324	17,272

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(0)	21,924	3	(13)	(10)	21,913
Changes during period						
Dividends of surplus		(639)				(639)
Loss		(118)				(118)
Net changes in items other than shareholders' equity			11	119	131	131
Total changes during period	—	(758)	11	119	131	(627)
Balance at end of period	(0)	21,165	15	105	120	21,286