



Summary of Consolidated Financial Results for the Nine-month Period Ended December 31, 2024 (Japanese accounting standards)

Released: January 30, 2025

Name of listed firm: Nojima Corporation

Listed on the Tokyo Stock Exchange

Code No.: 7419

URL: <https://www.nojima.co.jp>

Representative: Hiroshi Nojima, President & Representative Executive Officer

Tel.: +81-50-3116-1234

Contact: Hiroaki Hatano, Executive Officer/General Manager, Finance and Accounting Division

Scheduled start date of dividend payments: -

Supplemental materials on quarterly financial results: No

Briefing session on quarterly financial results for analysts: No

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the fiscal year ended December 31, 2024 (April 1, 2024 - December 31, 2024)

(1) Consolidated results of operations (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine-month Period ended December 31, 2024	616,318	9.9	32,501	52.7	34,794	50.2	54,332	31.6	23,076	62.3
Nine-month Period ended December 31, 2023	560,649	33.1	21,287	-13.3	23,168	-14.8	41,279	0.9	14,215	-20.4

Note: Comprehensive income: Nine-month Period ended December 31, 2024: 27,807 million yen (83.6%)
Nine-month Period ended December 31, 2023: 15,142 million yen (-18.6%)

· For detailed information, including definitions and methods used to calculate indicators, see p. 2, "1. Qualitative Information on Quarterly Consolidated Financial Performance: (1) Explanation of operating results."

	Net income per share	Diluted net income per share
	Yen	Yen
Nine-month Period ended December 31, 2024	238.77	229.30
Nine-month Period ended December 31, 2023	144.82	143.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	592,857	198,973	32.7	2,025.20
As of March 31, 2024	547,142	178,920	31.8	1,779.53

Reference: Equity: As of December 31, 2024: 193,569million yen As of March 31, 2024: 174,190million yen

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2024	—	15.00	—	18.00	33.00
FY ended March 2025	—	20.00	—	—	—
FY ending March 2025 (planned)	—	—	—	20.00	40.00

Note: Revisions to the most recently announced dividend forecast: No

3. Forecasts of consolidated financial results for the fiscal year ending March 2025 (April 1, 2024 - March 31, 2025)

(Percentages indicate changes from the previous year for full-year forecasts)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	810,000	6.4	40,000	30.9	43,000	30.5	65,000	13.0	26,000	30.1	272.02

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

* Notes

- (1) Significant changes in subsidiaries during this period (changes in designated subsidiaries resulting in changes in the scope of consolidation): No
 Added: __company(ies) (name(s): _____)
 Removed: __ company(ies) (name(s): _____)
- (2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- i. Changes in accounting policies due to revisions in accounting standards and other regulations: Yes
 - ii. Changes in accounting policies for reasons other than i.: No
 - iii. Changes in accounting estimates: No
 - iv. Restatement of prior period financial statements: No

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

i. Number of shares issued and outstanding at the end of the period (including treasury stock)	As of December 31, 2024	102,579,232 shares	FY ended March 2024	102,579,232 shares
ii. Number of shares of treasury stock at the end of the period	As of December 31, 2024	6,998,935 shares	FY ended March 2024	4,693,363 shares
iii. Average number of shares during the period	Nine-month Period ended December 31, 2024	96,646,838 shares	Nine-month Period ended December 31, 2023	98,163,825 shares

Note: Shares of the Company's own stock held in the ESOP trust account are included in the treasury stock at the end of the period (1,503,300 shares as of December 31, 2024 and 0 shares as of March 31, 2024). Additionally, shares of the Company's own stock held in the ESOP trust account are included in the treasury stock subtracted from the calculation of the average number of shares during the period (593,092 shares for nine-month Period ended December 31, 2024 and 220,951 shares for nine-month Period ended December 31, 2023)

* Financial statements are not subject to audits by certified public accountants or auditing firms

* Explanation concerning the appropriate use of forecasts of business performance and other notes

Note on forward-looking statements:

Forecasts of business performance and other forward-looking statements in this release are based on information currently available and certain assumptions the Company deems reasonable at the time of preparation. They do not constitute a guarantee of future results. Actual results may differ materially from those of any forward-looking statements for various reasons.

○ Contents of attached documents

1.	Qualitative Information on Quarterly Consolidated Financial Performance.....	2
	(1) Explanation of operating results.....	2
	(2) Explanation of financial position	4
	(3) Information on forward-looking statements such as forecasts of consolidated financial results	4
2.	Quarterly Consolidated Financial Statements and Main Notes	5
	(1) Consolidated balance sheet	5
	(2) Consolidated income statement and consolidated statement of comprehensive income.....	7
	Consolidated income statement	
	(For the Nine-month Period)	7
	Consolidated statement of comprehensive income	
	(For the Nine-month Period)	8
	(3) Notes on consolidated financial statements.....	9
	(Notes on going concern assumption)	9
	(Significant changes in shareholders' equity)	9
	(Changes in accounting policies).....	9
	(Segment information, etc.).....	9
	(Notes on the cash flow statement)	10
	(Important subsequent events).....	11

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of operating results

During the nine-month cumulative consolidated period, Japan's economy has been on a path of gradual recovery, although some areas still show signs of stagnation. However, there is a possibility that the downturn in overseas economies could negatively impact Japan's economy. We must also pay close attention to the effects of rising prices, U.S. policy trends, the situation in the Middle East, and fluctuations in financial and capital markets.

Under these circumstances, the Nojima Group, with the aspiration of always delighting our customers and contributing to society through digital products and services, has been promoting initiatives such as "consulting-based sales" that closely cater to our customers' needs. Furthermore, our company has been expanding the Group and creating value through numerous M&As. In November, we announced the acquisition of VAIO Corporation (hereinafter, VAIO). By respecting the culture and brand that VAIO has built and leveraging each other's strengths to generate Group synergy, we will create even greater new value. Notably, the business performance of our career shop operations, including those of CONEXIO Corporation and ITX Corporation, has been strong. As a result, for the nine-month cumulative consolidated period, net sales reached 616,318 million yen (109.9% compared to the same period of the previous year), operating income was 32,501 million yen (152.7% compared to the same period of the previous year), ordinary income amounted to 34,794 million yen (150.2% compared to the same period of the previous year), and net income attributable to owners of the parent was 23,076 million yen (162.3% compared to the same period of the previous year). This year marks Nojima's 65th anniversary since its founding and its 30th anniversary since its listing. In December, our stock price reached a record high since listing. The Group's business performance is progressing favorably, with both net sales and operating income reaching record high levels.

Additionally, EBITDA (*), which our Group considers an important management indicator, amounted to 54,332 million yen (131.6% compared to the same period of the previous year), also marking a record high.

(*) EBITDA = Ordinary income + Interest expenses + Interest on bonds + Depreciation + Amortization of goodwill - Gain or loss on equity method investment

(Operation of digital home electronics retail stores)

Regarding trends in the consumer electronics retail industry, some products performed well, such as mobile phones due to the revision of the Telecommunications Business Law and the replacement cycle driven by residual value settings, as well as seasonal appliances for infection and dryness control. However, overall, the market has remained flat. Under these circumstances, our company, aiming to be the leader in the digital field, has continued to provide all digital products and related services that are relevant to our customers' lives in a way that is the "fastest," "most courteous," and "easiest to understand," in line with our customers' needs through "consulting-based sales." In November, we held a championship commemorative sale for the Yokohama DeNA BayStars, a Japanese professional baseball team we have been supporting since 2008, which was well-received by many customers, including BayStars fans.

Furthermore, with the desire to create an environment where employees feel motivated and happy, leading to actions that further delight our customers, we announced a base pay increase of 10,000 yen for three consecutive years starting in January 2025, and a starting salary of 300,000 yen from April 2025, which is among the highest in the industry. Additionally, under the name of the "DX Project," we have been working to deliver excitement to our customers who visit our stores through various IT services. By promoting investment in people and DX in this way, we are differentiating ourselves from other companies with services and tools that delight our customers.

As a result of these efforts, net sales reached 224,161 million yen (113.5% compared to the same quarter of the previous year), and ordinary income was 14,389 million yen (120.0% compared to the same quarter of the previous year), with net sales reaching a record high.

(Operation of mobile carrier stores)

Docomo increased the monthly data allowance for ahamo from 20GB to 30GB while keeping the monthly fee at 2,970 yen starting October 1st. KDDI also launched the "comi-comi Plan +" for UQmobile, offering 30GB for a monthly fee of 3,278 yen. These moves by various companies indicate a trend towards making mobile phone charges more affordable for customers and enriching their lives. Amid the release of high-end smartphone models, we focused on creating sales floors that effectively communicate the appeal of the latest devices and on providing related services, including security, to ensure safe and secure usage. As monthly charges for customers decrease, revenue for agencies from carriers also declines. In this environment of rapidly changing rate plans and services, we aim to be carrier shops that are valued and survive by not simply explaining products and services, but by proposing products that enrich customers' lives and by providing personalized and fitting consultations that cater to each individual customer. By promoting the philosophy of "Nojima Way," which is Nojima's core principle, and practicing the "Action Credo," we are steadily improving the customer service skills of our employees and conducting store operations that delight our customers every day. Carrier shops not only play a part in the infrastructure that supports customers' lives but also have the pride and responsibility to enrich those lives through our proposals, which serves as our driving force.

As a result of these efforts, net sales reached 266,650 million yen (105.1% compared to the same quarter of the previous year), and ordinary income was 11,226 million yen (236.3% compared to the same quarter of the previous year), with both net sales and ordinary income reaching record highs.

(Internet business)

As ultra-high-speed broadband services, an indispensable infrastructure for daily life, continue to play an increasingly significant role, we aim to become the "ISP that is Closest to and Most Inspiring for Our Customers" and will promote various initiatives to achieve this goal.

Our main initiatives include directly contacting customers after their broadband service is set up to listen to their "live" feedback on any issues they may encounter from the application process to construction and post-installation support. We will work to resolve these issues to ensure a comfortable and long-lasting service experience.

Furthermore, we have been providing comfortable living environments for our customers and leveraging group synergies through the sale of "@nifty Hikari" and email services at our group stores. In particular, to enable a more comfortable experience with "@nifty Hikari 10G," we have started offering high-performance wireless LAN routers through installment purchases, striving to improve our customers' internet environment.

Meanwhile, Cecile Co., Ltd. listens to customer feedback and is committed to "creating products that are closely aligned with customer needs." Focusing on the high number of purchases of men's products by female customers, we will enhance our product lineup with items that "women would want to buy for their families," thereby supporting fulfilling lifestyles. Additionally, through the cooperation of our group company, CONEXIO Corporation, we have launched new member recruitment measures to provide better products to a new customer base. On the other hand, we will continue our efforts to address challenges such as product shortages and the optimization of inventory levels and amounts.

As a result of these efforts, net sales reached 53,024 million yen (105.5% compared to the same quarter of the previous year), and ordinary income was 5,268 million yen (119.7% compared to the same quarter of the previous year).

(Overseas business)

As for the overseas business, Thunder Match Technology Sdn. Bhd. (hereinafter referred to as 'TMT'), which was acquired in July 2023, contributed to the overseas business segment for the full period of the third quarter cumulative consolidated period. Furthermore, in December 2024, TMT opened its largest store, Sunway Pyramid, to expand customer acquisition in new regions.

In Singapore, in addition to the existing in-house installment credit system, we launched a new initiative for co-branded credit cards to deliver COURTS services to a different customer demographic. For our stores, we have been renovating our flagship store, Tampines Megastore, and will continue refurbishments and scrap-and-build initiatives. Through the dispatch of expatriates from Japan and inter-country exchanges, we aim to further strengthen the overseas business segment by streamlining personnel collaboration with the Japan headquarters.

As a result, net sales amounted to 60,886 million yen (121.6% compared to the same quarter of the previous year), and ordinary income was 462 million yen (compared to an ordinary loss of 490 million yen in the same quarter of the previous year). Net sales reached a record high.

(Financial business)

During the second quarter, the USD/JPY exchange rate showed signs of yen appreciation. However, in the third quarter, it shifted back towards yen depreciation. Although U.S. long-term interest rates declined temporarily in November, they showed an overall upward trend throughout the quarter. In Japan, multiple factors, including the ruling party losing its majority in the House of Representatives election, contributed to the Bank of Japan postponing interest rate hikes, resulting in the USD/JPY rate reaching the 157 yen range at the end of the third quarter.

A similar trend was observed with the EUR/JPY exchange rate. Meanwhile, resource currencies such as the AUD and NZD maintained a yen depreciation trend until mid-November but shifted towards yen appreciation by the end of December.

Amid these developments, we enhanced our proprietary investment method, "Trap Repeat If Done", which is resilient to volatile markets and suitable for FX beginners. As part of our 'Trap Repeat If Done - Global Strategy,' we promoted diversified investments in currency pairs likely to form range-bound markets, such as 'AUD/NZD,' 'EUR/GBP,' 'USD/CAD,' and 'NOK/SEK.'

As a result, net sales amounted to 4,245 million yen (91.1% compared to the same period of the previous year), and ordinary income was 1,147 million yen (96.6% compared to the same period of the previous year).

(Other business)

Among the businesses categorized under 'Others' in segment information, the main operation is the paid satellite broadcasting business, which includes AXN Co.,Ltd. With the inclusion of Animax Broadcast Japan Inc. and Kids Station Inc. into the group in April 2024, efforts have been made to create synergies between channels catering to the expanding anime market and those fostering intellectual curiosity among the next generation of children, thereby building more appealing channels that meet the expectations of a wider audience.

As a result, net sales in the subscription-based satellite broadcasting business amounted to 9,134 million yen, and ordinary income was 1,686 million yen.

(Stores in operation)

In the digital home appliance store operation business, through scrap-and-build, 13 new digital appliance specialty stores were opened, and 4 stores were closed, resulting in a total of 230 stores. Additionally, 1 dedicated communication store was acquired, and 2 stores were closed or transferred, resulting in a total of 17 stores and 247 stores overall.

In the operation of carrier shops, including both directly operated stores and franchises, 14 stores were acquired, and 35 stores were closed or transferred, through scrap-and-build, resulting in a total of 939 stores.

In the overseas business, through scrap-and-build, 7 new stores were opened, and 8 stores were closed, bringing the total to 115 stores.

As a result, as of the end of the third quarter consolidated accounting period, the number of stores was as follows: Stores in operation.

Classification	Directly operated stores	Franchises	Total
Operation of digital home electronics retail stores	247	—	247
Digital home electronics retail stores	230	—	230
Dedicated communications device stores	17	—	17
Operation of mobile carrier stores	649	290	939
Carrier stores	613	287	900
Others	36	3	39
Overseas business	115	—	115
Total	1,011	290	1,301

(2) Explanation of financial position

Assets, liabilities and net assets

(Assets)

As of the end of the third quarter consolidated accounting period, total assets amounted to 592,857 million yen, an increase of 45,715 million yen compared to the end of the previous fiscal year. The main breakdown includes an increase of 27,896 million yen in current assets, bringing the total to 381,331 million yen, and an increase of 17,818 million yen in fixed assets, bringing the total to 211,525 million yen. The primary factors behind the increase in current assets were a decrease of 15,073 million yen in entrusted deposits, offset by an increase of 31,243 million yen in cash and deposits, and a 10,333 million yen increase in merchandise and products. The main factors behind the increase in fixed assets were a decrease of 4,029 million yen in contract-related intangible assets, 1,751 million yen in goodwill, and 1,337 million yen in lease assets (net), offset by a 24,311 million yen increase in investment securities.

(Liabilities)

As of the end of the third quarter consolidated accounting period, total liabilities amounted to 393,884 million yen, an increase of 25,662 million yen compared to the end of the previous fiscal year. The main breakdown includes a 7,680 million yen decrease in current liabilities, bringing the total to 286,908 million yen, and a 33,343 million yen increase in fixed liabilities, bringing the total to 106,974 million yen. The primary factors behind the decrease in current liabilities were an increase of 8,158 million yen in notes and accounts payable, and a 6,892 million yen increase in the current portion of long-term loans payable, offset by a decrease of 24,350 million yen in guarantee deposits received. The main factors behind the increase in fixed liabilities were a decrease of 1,460 million yen in lease obligations and 1,351 million yen in deferred tax liabilities, offset by a 33,971 million yen increase in long-term loans payable, which was due to transitioning intra-group loan contracts to external financing institutions.

(Net assets)

As of the end of the third quarter consolidated accounting period, total net assets amounted to 198,973 million yen, an increase of 20,052 million yen compared to the end of the previous fiscal year. This was primarily due to an increase of 19,373 million yen in retained earnings. As a result, the equity ratio improved by 0.8 points compared to the end of the previous fiscal year, reaching 32.7%.

(3) Information on forward-looking statements such as forecasts of consolidated financial result

Regarding the consolidated earnings forecast, the full-year consolidated earnings forecast announced in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 2024” on May 7, 2024, has been revised. For details, please refer to the “Notice Regarding Revisions to the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 2025,” published on January 30, 2025.

2. Quarterly consolidated financial statements and main notes

(1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Third quarter of the current fiscal year (as of December 31, 2024)
Assets		
Current assets		
Cash and deposits	35,912	67,155
Accounts receivable	84,989	83,455
Merchandise and products	67,469	77,802
Programing rights	1,507	2,704
Accounts receivable-other	32,345	40,564
Segregated deposits	86,370	71,297
Trading products	33,749	26,038
Other	12,083	13,238
Allowance for doubtful accounts	-993	-925
Total current assets	353,434	381,331
Non-current assets		
Tangible non-current assets		
Buildings and structures (net)	21,158	20,831
Tools, fixtures, and facilities (net)	3,944	4,324
Machinery, equipment and vehicles (net)	346	310
Lease assets (net)	18,219	16,882
Land	14,829	16,394
Other (net)	774	964
Total tangible non-current assets	59,273	59,707
Intangible assets		
Goodwill	44,042	42,290
Software	3,438	3,201
Contractual intangible assets	48,380	44,351
Customer-related intangible assets	—	494
Technology-related intangible assets	3,760	3,290
Other	863	843
Total intangible assets	100,484	94,471
Investments and other assets		
Investment securities	4,674	28,985
Deferred tax assets	8,208	7,025
Lease and guarantee deposits	18,546	18,428
Retirement benefit assets	241	276
Other	2,637	3,016
Allowance for doubtful accounts	-360	-386
Total investments and other assets	33,948	57,346
Total non-current assets	193,707	211,525
Total assets	547,142	592,857

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Third quarter of the current fiscal year (as of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	80,054	88,213
Electronically recorded obligations-operating	839	1,345
Short-term loans payable	8,983	10,060
Current portion of long-term loans payable	5,171	12,063
Accounts payable-other	23,051	26,294
Accrued income taxes	7,896	7,314
Accrued consumption tax	3,589	2,804
Accrued expenses	7,068	6,915
Advance received	8,156	6,420
Contract liabilities	10,392	12,934
Reserve for points	1,247	1,414
Reserve for bonuses	4,071	1,999
Lease obligations	4,561	4,892
Guarantee deposits received	119,564	95,213
Trading products	1,367	1,193
Other	8,570	7,830
Total current liabilities	294,588	286,908
Non-current liabilities		
Long-term loans payable	11,542	45,513
Contract liabilities	11,966	17,095
Reserve for directors' retirement benefits	200	199
Retirement benefit liabilities	12,493	12,875
Deferred tax liabilities	11,505	10,154
Lease obligations	15,715	14,255
Other	10,207	6,880
Total non-current liabilities	73,631	106,974
Reserves under special laws		
Reserve for financial instruments transaction liabilities	1	0
Total Reserves under special laws	1	0
Total liabilities	368,221	393,884
Net Assets		
Shareholders' equity		
Capital stock	6,330	6,330
Capital surplus	7,735	7,653
Retained earnings	162,953	182,327
Treasury stock	-6,293	-10,729
Total shareholders' equity	170,725	185,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	724	4,014
Deferred gains or losses on hedges	0	14
Currency conversion adjustments	2,740	3,958
Total accumulated other comprehensive income	3,464	7,987
Stock acquisition rights	2,628	2,748
Non-controlling interests	2,101	2,655
Total net assets	178,920	198,973
Total liabilities and net assets	547,142	592,857

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

Consolidated income statement

(Million yen)

	Nine-month Period of the previous fiscal year (April 1, 2023 - December 31, 2023)	Nine-month Period of the current fiscal year (April 1, 2024 - December 31, 2024)
Net sales	560,649	616,318
Cost of sales	397,925	438,551
Gross profit on sales	162,724	177,767
Sales, general and administrative expenses	141,437	145,265
Operating income	21,287	32,501
Non-operating income		
Interest income	155	157
Dividend	144	496
Purchase discounts	1,745	2,043
Gain on sale of investment securities	63	5
Profit on equity method investment	67	49
Other	863	785
Total non-operating income	3,039	3,537
Non-operating expenses		
Interest expenses	562	816
Foreign exchange losses	155	38
Other	440	390
Total non-operating expenses	1,158	1,245
Ordinary income	23,168	34,794
Extraordinary income		
Gain on reversal of share acquisition rights	604	277
Gain on sales of non-current assets	11	0
Other	—	23
Total extraordinary income	615	301
Extraordinary losses		
Impairment losses	410	196
Loss on store closings	71	144
Other	42	—
Total extraordinary losses	524	341
Net income before taxes and other adjustments	23,259	34,754
Income taxes-current	8,996	12,929
Income taxes-deferred	-106	—
Total income taxes	8,889	11,469
Net income	14,369	23,284
Net income attributable to shareholders of the non-controlling interests	153	208
Net income attributable to shareholders of the parent company	14,215	23,076

Consolidated statement of comprehensive income
(For the Nine-month Period)

	(Million yen)	
	Nine-month Period of the previous fiscal year (April 1, 2023 - December 31, 2023)	Nine-month Period of the current fiscal year (April 1, 2024 - December 31, 2024)
Net income	14,369	23,284
Other comprehensive income		
Valuation difference on available-for-sale securities	281	3,289
Deferred gains or losses on hedges	12	13
Currency conversion adjustments	532	1,218
Adjustments for retirement benefit obligations	-54	—
Total other comprehensive income	772	4,522
Comprehensive income	15,142	27,807
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	14,988	27,598
Comprehensive income attributable to non-controlling interests	153	208

(3) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of the "Accounting Standard for Corporate Income Taxes, Inhabitants Taxes, and Enterprise Taxes")

The "Accounting Standard for Corporate Income Taxes, Inhabitants Taxes, and Enterprise Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, issued on October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standard") has been applied from the beginning of the first quarter of the consolidated accounting period.

Regarding the amendment on the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and paragraph 65-2 (2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance") has been followed. There is no impact on the consolidated quarterly financial statements due to the change in the accounting policy.

Additionally, the amendment regarding the review of the handling in the consolidated financial statements of gains and losses arising from the sale of shares of subsidiaries within the group, when deferred for tax purposes, has been applied from the beginning of the first quarter of the consolidated accounting period, following the 2022 Revised Implementation Guidance. This change in accounting policy has been retrospectively applied, and the consolidated financial statements and consolidated quarterly financial statements for the previous quarter and the previous fiscal year reflect this retrospective application. There is no impact on the consolidated quarterly financial statements for the previous quarter or the consolidated financial statements for the previous fiscal year due to this change in accounting policy.

(Segment information, etc.)

[Segment information]

I Nine-month Period of the previous fiscal year (April 1, 2023 – December 31, 2023)

1. Net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment						Other (*1)	Total	Adjustments (*2)	Amount on quarterly consolidated income statement (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Operation of Internet business	Overseas business	Financial business	Subtotal				
Net sales										
Net sales to external customers	195,926	253,047	49,887	50,060	4,661	553,583	7,066	560,649	—	560,649
Internal sales or transfers between segments	1,568	778	373	—	—	2,720	614	3,334	-3,334	—
Subtotal	197,495	253,825	50,261	50,060	4,661	556,304	7,680	563,984	-3,334	560,649
Segment income(loss)	11,992	4,749	4,402	-490	1,187	21,842	1,470	23,313	-144	23,168

Notes:

*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the satellite broadcasting business, the sports business, the training business and the mega-solar business.

*2. Adjustments to segment income (loss) consist of companywide costs not distributed among reporting segments.

*3. Segment income (loss) is adjusted with ordinary income on the quarterly consolidated income statement.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 310 million yen for the operation of digital home electronics retail stores, 97 million yen for the operation of mobile carrier stores, and 2 million yen for the operation of internet business.

(Significant change in amount of goodwill)

In the financial business, regarding the business combination with MONEY SQUARE HOLDINGS, INC. conducted in the previous consolidated fiscal year, the allocation of the acquisition cost had not yet been finalized, and the goodwill amount had been provisionally calculated. However, during the current interim consolidated accounting period, the provisional accounting treatment has been finalized. As a result, the provisionally calculated goodwill amount of 8,409 million yen has been reduced by 2,263 million yen due to the finalization of the accounting treatment, resulting in a final goodwill amount of 6,146 million yen.

II Nine-month Period of the current fiscal year (April 1, 2024 – December 31, 2024)

1. Net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment						Other (*1)	Total	Adjustments (*2)	Amount on consolidated financial statements (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Operation of Internet business	Overseas business	Financial business	Subtotal				
Net sales										
Net sales to external customers	222,278	264,449	52,700	60,886	4,245	604,561	11,757	616,318	—	616,318
Internal sales or transfers between segments	1,882	2,200	323	—	—	4,406	602	5,009	-5,009	—
Subtotal	224,161	266,650	53,024	60,886	4,245	608,968	12,359	621,328	-5,009	616,318
Segment income	14,389	11,226	5,268	462	1,147	32,494	2,349	34,844	-50	34,794

Notes:

- *1. The “Other” business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the satellite broadcasting business, the sports business, the training business and the mega-solar business.
- *2. Adjustments to segment income consist of companywide costs not distributed among reporting segments.
- *3. Segment income is adjusted with ordinary income on the quarterly consolidated income statement.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 158 million yen for the operation of digital home electronics retail stores, 35 million yen for the operation of mobile carrier stores, and 2 million yen for overseas business.

(Significant change in amount of goodwill)

Not applicable

(Notes on the cash flow statement)

The quarterly cash flow statement for the Nine-month Period of the current fiscal year has not been prepared. However, depreciation expenses (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the Nine-month Period are as follows.

(Million yen)

	Nine-month Period of the previous fiscal year (April 1, 2023 - December 31, 2023)	Nine-month Period of the current fiscal year (April 1, 2024 - December 31, 2024)
Depreciation	12,314	11,977
Amortization of goodwill	3,910	4,464

(Important subsequent events)

(Business Combination through Acquisition)

At the Board of Directors meeting held on November 11, 2024, the Company resolved to enter into a share transfer agreement through its consolidated subsidiary NJM1 Corporation to acquire shares of VAIO Corporation (hereinafter "VAIO") and VJ Holdings 3 Corporation (hereinafter "VJHD3"), which holds VAIO shares, from Japan Industrial Partners Inc., its subsidiaries, and affiliated funds such as the Japan Industrial No. 4 Investment Limited Partnership. This acquisition corresponds to 93.2% of VAIO's total issued shares, either directly or indirectly. NJM1 Corporation, a consolidated subsidiary of the Company, acquired shares of VAIO and VJHD3 on January 6, 2025, resulting in the acquisition of 93.2% of VAIO's issued shares, making it a consolidated subsidiary.

1. Overview of Business Combination

(1) Names and Business Description of Acquired Companies

① Names of Acquired Companies

VAIO Corporation

VJ Holdings 3 Corporation

② Business Description

PC Business: Planning, design, development, manufacturing, sales, and related services

(2) Reason for the Business Combination

Our group has been actively engaged in proposals that generate new added value to enhance and improve the quality of our customers' lives by leveraging group synergies through the operation of digital home appliance stores, carrier shop businesses, internet businesses, overseas businesses, and financial services. VAIO specializes in the PC business domestically and internationally, offering one-stop services that span planning, design, manufacturing, sales, and after-sales service. In recent years, VAIO has focused particularly on corporate business, expanding its operations significantly. The acquisition (subsidiarization) of VAIO shares will not bring any changes to VAIO's business management policies or relationships with its customers.

Moving forward, our group will respect VAIO's management policies while maintaining its strong brand and high quality to further maximize VAIO's growth potential. By leveraging both parties' customer bases to create and expand mutual business opportunities, strengthening VAIO's financial strategies using our group's stable financial foundation, and utilizing each party's strengths to realize group synergies, we aim to deliver VAIO's appeal as a purely domestic PC manufacturer to customers worldwide. Through the provision of IT and digital-related products and services, we will contribute to enriched living while pursuing further enhancement of our group's corporate value, guided by the philosophy of 'the leader in the digital field.'

(3) Business Combination Date

January 6, 2025

(4) Legal Form of Business Combination

Share acquisition paid in cash

(5) Name of Combined Company Post-Acquisition

No changes.

(6) Voting Rights Acquired

93.2%

(7) Main Reasons for Determining Acquirer

The Company's consolidated subsidiary NJM1 Corporation acquired shares in exchange for cash

2. Acquisition Cost and Breakdown by Type of Consideration

Consideration for acquisition (cash)	11,138 million Yen
---	--------------------

Acquisition cost	11,138 million Yen
------------------	--------------------

3. Major Acquisition-Related Costs and Amounts

Advisory fees, etc.	105 million Yen(estimated amount)
---------------------	-----------------------------------

4 . Amount, Cause, Amortization Method, and Amortization Period of Goodwill

Currently undetermined

5 . Amount and Main Breakdown of Assets Acquired and Liabilities Assumed on the Date of Business Combination

Currently undetermined