Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese accounting standards)

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Name of listed firm: Nojima Corporation — Listed on the Tokyo Stock Exchange

Code No.: 7419 — URL: https://www.nojima.co.jp

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Supplemental materials on financial results: Yes

Briefing session on financial results for analysts: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(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	%
FY ended March 2025	853,427	12.1	48,371	58.3	51,197	55.4	74,252	29.0	32,292	61.6
FY ended March 2024	761,301	21.6	30,560	-9.0	32,937	-9.1	57,540	3.2	19,979	-14.3

Note: Comprehensive income: FY ended March 31, 2025: 36,321million yen (71.5 %) FY ended March 31, 2024: 21,184 million yen (-11.9%)

・ For detailed information, including definitions and methods used to calculate indicators, see p. 2, 1. "Overview of operating results and other indicators: (1) Overview of operating results."

	Net income per share	Diluted net income per share	ROE	ROA	Operating income margin
	Yen	Yen	%	%	%
FY ended March 2025	334.97	319.49	17.2	8.7	5.7
FY ended March 2024	203.67	201.11	12.1	6.0	4.0

Reference: Equity in net income (losses) of affiliates: FY ended March 2025: 82million yen FY ended March 2024: 90million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	623,810	208,307	32.4	2,110.39
As of March 31, 2024	547,142	178,920	31.8	1,779.53

Reference: Equity: FY ended March 2025: 202,143million yen FY ended March 2024: 174,190million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY ended March 2025	44,078	-37,172	23,858	65,664
FY ended March 2024	58,197	-14,135	-45,803	34,960

2. Dividends

	Dividends per share					Total dividends for the year	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ended March 2024	－	15.00	－	18.00	33.00	3,236	16.2	2.0
FY ended March 2025	－	20.00	－	25.00	45.00	4,368	13.4	2.3
FY ending March 2026 (planned)	－	23.00	－	23.00	46.00		12.6	

(Note): Breakdown of the dividend for the FY ended March 2025: Regular dividend: 23.00 yen , 30th anniversary commemorative dividend for stock listing: 2.00 yen

3. Forecasts of consolidated financial results for the fiscal year ending March 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate changes from the previous year for full-year forecasts and changes from the same quarter of the previous fiscal year for quarterly 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
Q2 (Cumulative)	420,000	6.8	22,000	10.2	24,000	11.9	36,000	3.2	15,000	5.6	156.60
Full-year	900,000	5.5	50,000	3.4	54,000	5.5	78,000	5.0	35,000	8.4	365.40

* Notes

(1) Significant changes in subsidiaries during this period: Yes

Added: 1 company (name: VAIO Corporation) Removed: ___ company(ies) (name(s): ____________)

(2) 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

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

i. Number of shares issued and outstanding at the end of the period (including treasury stock)	FY ended March 2025	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	FY ended March 2025	6,794,435 shares	FY ended March 2024	4,693,363 shares
iii. Average number of shares during the period	FY ended March 2025	96,403,293 shares	FY ended March 2024	98,098,358 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 (1,336,900 shares as of March 31,2025 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 (799,504 shares for FY ended March 2025 and 166,015 shares for FY ended March 2024)

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY ended March 2025	314,342	12.7	17,939	25.1	26,037	16.4	19,557	16.0
FY ended March 2024	278,861	-1.9	14,342	-25.6	22,378	-25.6	16,860	-26.3

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 2025	202.88	193.50
FY ended March 2024	171.87	169.71

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	278,092	162,065	57.3	1,662.48
As of March 31, 2024	258,424	147,149	55.9	1,476.59

(Reference) Equity: FY ended March 2025: 159,240 million yen FY ended March 2024: 144,536million yen

* This report is 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

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1.Overview of operating results and other indicators

(1) Overview of operating results

During the current consolidated fiscal year, Japan's economy is expected to recover moderately, although some areas still show signs of stagnation. However, there is a possibility that the continued rise in prices affecting personal consumption and the impact of U.S. policy trends could push down Japan's economy. We also need to pay close attention to the effects of fluctuations in financial and capital markets.

Under these circumstances, the Nojima Group, with the aspiration of contributing to society through digital products and services, has been promoting initiatives such as "consulting-based sales" that closely cater to our customers' needs, while leveraging synergy among them. In January, PC manufacturer VAIO Corporation (hereinafter, VAIO) newly joined the Group. The Group's business performance has been progressing favorably, with net sales for the current consolidated fiscal year reaching 853,427 million yen (112.1% compared to the same period of the previous year), operating income at 48,371 million yen (158.3% compared to the same period of the previous year), ordinary income at 51,197 million yen (155.4% compared to the same period of the previous year), and net income attributable to shareholders of the parent company at 32,860 million yen (164.5% compared to the same period of the previous year). Both net sales and operating income reached record high.

Additionally, EBITDA (*), which our Group considers an important management indicator, amounted to 74,252 million yen (129.0% 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

The situation for each segment is as follows.
Furthermore, with the inclusion of VAIO and VJ Holdings 3 Corporation in the scope of consolidation during the current consolidated fiscal year, a new reportable segment, "Product Business," has been added to the previous segments.

(Operation of digital home electronics retail stores)

Regarding trends in the home electronics retail industry, although there are recent signs of a recovery in demand, overall sales for the industry remain flat. Amidst these circumstances, our company has continued to focus on "consulting-based sales" tailored to the needs of our customers.

In August 2024, we celebrated our 65th anniversary since our founding and in December 2024, our 30th anniversary since our listing. To express our gratitude to our customers, we held anniversary sales. Furthermore, in the mobile communications department, the streamlining of operations through the adoption of employee-proposed ideas has progressed, contributing to the strong sales of the second quarter and beyond.

At our company, we place great importance on ensuring our employees experience job satisfaction and well-being. We previously announced a base salary increase of 10,000yen for three consecutive years starting in January 2025, and a starting salary of 300,000yen from April, which is among the highest in the industry. Furthermore, in light of rising prices, we have decided to implement an additional base salary increase of 7,000yen. In addition, we have been investing in DX to enhance the shopping experience for our valued customers.

Regarding our stores, we are conducting a dominant strategy centered in Tokyo and Kanagawa prefectures. We are also opening smaller stores and optimizing the floor space of existing locations, aiming to open stores in areas where our customers are, in a format that pleases them.

As a result, net sales reached 301,972 million yen (112.8% compared to the same period of the previous year), and ordinary income was 20,092 million yen (125.8% compared to the same period of the previous year), with net sales reaching a record high.

(Operation of mobile carrier stores)

In the mobile carrier store industry, we are seeing moves to further enrich customers' lives through the creation of new value, under the policies of customer acquisition and retention. For example, Docomo has started offering " eximo Point Earning Plan " and "d CARD PLATINUM," aiming for seamless collaboration across various fields. To expand our customer base, we focused on indicators related to switching carriers and worked to increase contact points with customers through mobile sales at shopping malls and other locations. Within our Group, we brainstormed ideas from the customer's perspective and held festival events and mobile smartphone classes.

As a result, net sales reached 367,764 million yen (106.1% compared to the same period of the previous year), and ordinary income was 19,218 million yen (228.0% compared to the same period of the previous year), with both net sales and ordinary income reaching record highs.

(Internet business)

As ultra-high-speed broadband services play an increasingly significant role as essential infrastructure for daily life, NIFTY Corporation has been pursuing various initiatives with the aim of becoming the "ISP that is Closest to and Most Inspiring for Our Customers."

By directly contacting our customers, we listen to their "live" feedback. Recognizing that there are many concerns, particularly regarding post-construction issues, we are advancing the development of tools to investigate and understand our customers' network environments.

Meanwhile, Cecile Co., Ltd. is committed to "creating products closely aligned with customer needs" based on customer feedback. In terms of product lineup, we have been able to increase order volume with a selection of products that also provide an impression and good value. We will continue our efforts to address issues such as product shortages

and excess inventory.
As a result of these efforts, net sales reached 70,334 million yen (105.9% compared to the same period of the previous year), and ordinary income was 6,187 million yen (114.7% compared to the same period of the previous year).

(Overseas business)
For the overseas business, Thunder Match Technology Sdn. Bhd. (hereinafter referred to as TMT), which was acquired in July 2023, has been contributing to the overseas business segment throughout the period.
In Singapore, in addition to our existing customers, we have launched a new initiative for co-branded credit cards to deliver COURTS services to different customer demographics. In Malaysia, we acquired an Islamic Finance license to offer new sales to Islamic customers whom we have not been able to approach before, and we are strengthening the environment to further enhance COURTS' strength, which is our in-house credit sales. Regarding our stores, we completed the renovation of the Megastore, which is the flagship store in Singapore, and TMT in Malaysia opened its largest store, Sunway Pyramid, aiming to acquire new customers in new areas and promote store development that allows customers to experience products.
As a result, net sales amounted to 81,359 million yen (117.2% compared to the same period of the previous year), and ordinary income was 953 million yen (compared to an ordinary loss of 329 million yen in the same period of the previous year). Net sales reached a record high.

(Financial business)
The USD/JPY exchange rate, which temporarily appreciated in January, remained around the 155 yen level as the FOMC left policy interest rates unchanged. Entering February, the yen's appreciation trend continued, influenced by a highly uncertain global situation including U.S. tariff policies and the Ukraine situation. In March, the rate further advanced to the 146 yen level due to concerns about a slowdown in the U.S. economy and speculation of additional interest rate hikes by the Bank of Japan.
Under these circumstances, we have been working to enhance our proprietary investment method, "Trap Repeat If Done", which is resilient to market shocks and easy for FX beginners to use. Under the name "Trap Repeat If Done - Global Strategy", we have promoted diversified investments in currency pairs that "Trap Repeat If Done" excels at and that tend to form range-bound markets, such as "AUD/NZD," "EUR/GBP," "USD/CAD," and "NOK/SEK." In March, we added the "Range Shift" function, which allows "Trap Repeat If Done" to follow trend markets, aiming to propose the utilization of "Trap Repeat If Done" in a wider range of market conditions.
As a result, net sales amounted to 5,285 million yen (87.9% compared to the same period of the previous year), and ordinary income was 1,153 million yen (64.3% compared to the same period of the previous year)..

(Product business)
The PC market is shifting towards a growth trend due to the demand for PC replacements as Windows 10's extended support is ending in October 2025. Amidst this situation, VAIO's sales performance is growing at a pace exceeding the market growth rate. The background to this strong performance lies in its corporate PC business, which accounts for nearly 90% of its sales, where both direct and indirect sales channels are performing very well. Furthermore, the high-end mobile PC "VAIO Pro PK-R" announced in October 2024 has already seen deployments of around 1,000 units successively across many companies.
Embodying our product philosophy of "Inspiring," "Ingenious," and "Genuine," VAIO continues to produce high-performance and high-quality products that have passed stringent quality checks at our Azumino headquarters factory in Nagano Prefecture. We have also started collaborations aimed at expanding sales in Nojima stores and developing corporate clients with companies such as Connexio Corporation.
As a result of these efforts, our sales revenue for the January-March 2025 period after joining the group was 17,699 million yen, and our ordinary income was 854 million yen.

(Other business)
Among the businesses categorized under "Others" in segment information, the main operation is the paid satellite broadcasting business, which is operated by AXN Co., Ltd. With the philosophy of "delivering excitement and new lifestyle experiences through encounters with captivating video content," we operate five highly specialized pay-TV channels. Currently, we are working to deliver high-quality entertainment and culture to our customers through events and content production, as well as related business development utilizing our channels.
In April 2024, Animax Broadcast Japan Inc. and Kids Station Inc., which joined the Group, have been working to create synergies within the expanding anime market and to develop appealing program lineups that will satisfy even more customers. Furthermore, we have also engaged in event content businesses related to broadcasting, and have worked to strengthen our unique original content and expand businesses associated with broadcasting.
As a result of these efforts, net sales for the subscription-based satellite broadcasting business amounted to 12,048 million yen, and ordinary income was 1,873 million yen, with both net sales and ordinary income reaching record highs.

(Stores in operation)

In the digital home electronics retail stores business, through scrap-and-build, 16 new digital home electronics retail stores were opened, and 6 stores were closed, resulting in a total of 231 stores. Additionally, 1 dedicated communication device store was acquired, and 2 stores were closed or transferred, resulting in a total of 17 dedicated communication device stores, and an overall total of 248 stores.

In the operation of mobile carrier stores, including both directly operated stores and franchise stores, through scrap-and-build, 14 new stores were opened, and 39 stores were closed or transferred, resulting in a total of 935 stores.

In the overseas business, through scrap-and-build, 8 new stores were opened, and 10 stores were closed, bringing the total to 114 stores.

As a result of the above, the number of stores as of the end of the current consolidated fiscal year is as follows.

Stores in operation.

Classification	Directly operated stores	Franchises	Total
Operation of digital home electronics retail stores	248	—	248
Digital home electronics retail stores	231	—	231
Dedicated communications device stores	17	—	17
Operation of mobile carrier stores	647	288	935
Carrier stores	611	285	896
Others	36	3	39
Overseas business	114	—	114
Total	1,009	288	1,297

(2) Overview of financial position

(Assets)

As of the end of the current consolidated fiscal year, total assets amounted to 623,810 million yen, an increase of 76,668 million yen compared to the end of the previous fiscal year. The main breakdown includes an increase of 43,241 million yen in current assets, bringing the total to 396,676 million yen, and an increase of 33,427 million yen in fixed assets, bringing the total to 227,134 million yen.

The primary factors behind the increase in current assets were a decrease of 14,328 million yen in Segregated deposits, offset by increases of 30,701 million yen in cash and deposits, 16,383 million yen in accounts receivable, 6,642 million yen in accounts receivable-other, and 5,687 million yen in raw materials and supplies. The primary factors behind the increase in fixed assets were a decrease of 5,379 million yen in contractual intangible assets, offset by increases of 26,737 million yen in investment securities and 9,264 million yen in customer-related intangible assets.

(Liabilities)

As of the end of the current consolidated fiscal year, total liabilities amounted to 415,502 million yen, an increase of 47,280 million yen compared to the end of the previous fiscal year. The main breakdown includes an increase of 10,613 million yen in current liabilities, bringing the total to 305,202 million yen, and an increase of 36,668 million yen in fixed liabilities, bringing the total to 110,299 million yen.

The primary factors behind the increase in current liabilities were a decrease of 27,165 million yen in guarantee deposits received, offset by increases of 7,706 million yen in notes and accounts payable-trade, 6,672 million yen in the current portion of long-term loans payable, 6,245 million yen in accrued income taxes, 5,703 million yen in electronically recorded obligations-operating, and 4,476 million yen in contract liabilities. The primary factors behind the increase in fixed liabilities were a decrease of 2,913 million yen in lease obligations, offset by increases of 35,146 million yen in long-term loans payable and 6,709 million yen in contract liabilities.

(Net Assets)

As of the end of the current consolidated fiscal year, total net assets amounted to 208,307 million yen, an increase of 29,387 million yen compared to the end of the previous consolidated fiscal year, primarily due to an increase in retained earnings of 28,551 million yen. As a result, the equity ratio improved by 0.6 points from the end of the previous fiscal year to 32.4%.

(3) Overview of cash flow

Cash and cash equivalents ("funds") at the end of the current consolidated fiscal year amounted to 65,664 million yen (compared to 34,960 million yen at the end of the previous consolidated fiscal year), an increase of 30,704 million yen.
The status of cash flow for each category in the current consolidated fiscal year and its main factors are as follows:

(Cash Flow from Operating Activities)
Cash inflow from operating activities amounted to 44,078 million yen (75.7% compared to the previous fiscal year). This was mainly due to income before income taxes and other adjustments of 50,143 million yen, as well as an increase resulting from depreciation of 17,647 million yen and a decrease in segregated deposits of 14,328 million yen. On the other hand, there was a decrease in guarantee deposits received amounting to 27,165 million yen and payments for income taxes totaling 13,977 million yen.

(Cash Flow from Investing Activities)
Cash outflow from investing activities amounted to 37,172 million yen (263.0% compared to the previous fiscal year). This was mainly due to proceeds from the collection of security deposits and guarantee deposits amounting to 623 million yen. Meanwhile, expenditures included 22,423 million yen for the acquisition of investment securities, 7,534 million yen for the acquisition of tangible fixed assets, 4,629 million yen for the purchase of shares in subsidiaries resulting in a change in the scope of consolidation, and 2,785 million yen for the acquisition of intangible fixed assets.

(Cash Flow from Financing Activities)
Cash inflow from financing activities amounted to 23,858 million yen (compared to a cash inflow of 45,803 million yen in the previous consolidated fiscal year). This was mainly influenced by repayments of long-term loans amounting to 17,629 million yen, expenditures for the acquisition of treasury stock totaling 6,297 million yen, and payments for lease obligations of 5,371 million yen. However, there were proceeds from long-term borrowings of 58,460 million yen, which contributed to the overall cash inflow.

Reference: Trends in cash flow indicators

	59th period FY ended March 31, 2021	60th period FY ended March 31, 2022	61st period FY ended March 31, 2023	62nd period FY ended March 31, 2024	63rd period FY ended March 31, 2025
Equity ratio (%)	41.8	41.6	28.1	31.8	32.4
Market equity ratio (%)	40.8	34.9	24.8	30.5	38.8
Interest-bearing debt to cash flow (years)	1.0	0.6	1.8	0.4	1.6
Interest coverage ratio (times)	57.7	66.4	57.6	76.2	38.8

Equity ratio: equity/total assets
Market equity ratio: total market capitalization/total assets
Interest-bearing debt to cash flow: interest-bearing debt/cash flow
Interest coverage ratio: cash flow/interest expenses
Notes:
1. Each of the above indicators is calculated based on financial figures prepared on a consolidated basis.
2. Total market capitalization is calculated based on the number of shares issued and outstanding, not including treasury stock. Treasury stock doesn't include shares of Company stock held in employee stock ownership plan (ESOP) trust accounts.
3. Cash flow generated by operating activities is used for cash flow.
4. Interest-bearing debt refers to all liabilities on the consolidated balance sheet on which interest is paid(Excluding lease liabilities).
5. During the consolidated accounting period for the second quarter of 62nd period, preliminary accounting for business combinations was finalized, and the figures for the 61st period consolidated fiscal year, reflect the details of preliminary accounting.

(4) Future outlook

Regarding the future outlook, while a gradual recovery is expected in Japan amid improvements in the domestic employment and income environment, there remains the possibility that the continuation of price increases will negatively impact personal consumption through a downturn in consumer sentiment, and that factors such as trade policies and U.S. policy trends will weigh down the economy. We anticipate that a state requiring close attention to future economic conditions and market trends will continue.

In the home appliance retail industry, while the overall trend is expected to be flat, growth is anticipated in specific areas such as smart home appliances and small appliances. Our company will continue to invest in human resources, stores, and DX, and as "the only home appliance specialty store without manufacturer sales representatives or mobile carrier dispatch staff," we will strive to enrich lives by addressing customer needs and engaging in new fields and services.

In the mobile phone sales industry, the market environment is expected to remain one where customer acquisition and retention policies, seamless collaboration including financial services, and a focus on indicators related to carrier switching continue. While continuing to make proposals that offer new value to visiting customers, we will promote shop management that delights customers by leveraging the strengths of real stores and providing services tailored to them.

In the Internet industry, the target area for 10G optical fiber lines is steadily expanding, and demand for high-quality, ultra-high-speed broadband services is expected to increase further. Amidst this, we will continue to listen to customer feedback and develop and improve our services, striving to ensure long-term usage by satisfying and delighting our customers.

In the overseas business, significant economic growth driven by minimum wage increases is expected to continue for some time. Under these circumstances, we will promote the creation of more productive stores through scrap-and-build store development. Furthermore, amid a record number of digital fraud cases, we will enhance our support services in line with increasing awareness of security and technological advancements, aiming to provide high-quality consulting that gives customers peace of mind.

In the financial markets, uncertainty about the future is increasing due to various factors such as the monetary policies of the U.S. and other countries, and trade friction. Amidst this, in March 2025, we added the "Range Shift" function to "Trap Repeat If Done", which allows it to follow trend markets, enabling the utilization of "Trap Repeat If Done" in a wider range of market conditions beyond just range-bound markets. We will continue to enhance "Trap Repeat If Done" related services and propose and realize more comfortable asset management.

In the domestic PC market, towards the end of extended support for Windows 10 in October 2025, replacement demand for PCs will increase in the first half, but will decline in reaction in the second half, resulting in overall sales for both consumer and corporate sectors being on par with the previous year. We will continue to strengthen the sales of high-quality, high-value-added domestic PCs and solutions and services while gaining the understanding of our customers.

In the paid satellite broadcasting business, the number of subscriber households continues to decline annually, and competition for acquiring viewers is intensifying due to the spread of streaming services. Under these circumstances, we will integrate the offices of our five channels to build an efficient operational structure, pursue appealing programming unique to specialized channels, and work on developing related events and merchandise to provide encounters and excitement that cannot be obtained through streaming.

Our Group newly welcomed STREET Holdings Corporation(hereinafter, STREET HD), which engages in advertising agency and digital marketing support businesses, into the Group in April. By continuing to invest in human resources and DX and further strengthening our consulting capabilities, our forecast for the consolidated full-year results for the next fiscal year is net sales of 900,000 million yen (105.5% year-on-year), operating income of 50,000 million yen (103.4% year-on-year), ordinary income of 54,000 million yen (105.5% year-on-year), and net income attributable to owners of the parent of 35,000 million yen (106.5% year-on-year). We also forecast EBITDA of 78,000 million yen (105.0% year-on-year).

(Note) The above forecasts are based on information available as of the date of this announcement. These forecasts contain uncertain factors, and actual results may differ from the forecasts for the consolidated full-year results due to various factors in the future.

2. Basic approach to selecting accounting standards

The Nojima Group prepares consolidated financial statements based on Japanese standards, considering period comparability and comparability between companies. Regarding the application of International Financial Reporting Standards (IFRS), we will consider the possibility and timing of adoption based on domestic and international circumstances.

3. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Assets		
Current assets		
Cash and deposits	35,912	66,614
Accounts receivable	84,989	101,373
Merchandise and products	67,469	72,277
Raw materials and supplies	375	6,063
Programing rights	1,507	2,688
Accounts receivable-other	32,345	38,988
Segregated deposits	86,370	72,041
Trading products	33,749	23,504
Other	11,707	14,230
Allowance for doubtful accounts	-993	-1,106
Total current assets	353,434	396,676
Non-current assets		
Tangible non-current assets		
Buildings and structures	50,295	52,399
Accumulated depreciation	-29,136	-31,402
Buildings and structures (net)	21,158	20,997
Machinery, equipment and vehicles	1,293	2,141
Accumulated depreciation	-946	-1,357
Machinery, equipment and vehicles (net)	346	783
Tools, fixtures, and facilities	18,507	22,293
Accumulated depreciation	-14,563	-17,520
Tools, fixtures, and facilities (net)	3,944	4,772
Lease assets	36,131	37,941
Accumulated depreciation	-17,911	-23,173
Lease assets(net)	18,219	14,768
Land	14,829	16,724
Other (net)	774	901
Total tangible non-current assets	59,273	58,948

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Intangible assets		
Goodwill	44,042	42,621
Software	3,438	3,526
Trademark	842	6,019
Contractual intangible assets	48,380	43,000
Customer-related intangible assets	—	9,264
Technology-related intangible assets	3,760	3,133
Other	21	36
Total intangible assets	100,484	107,602
Investments and other assets		
Investment securities	4,674	31,412
Deferred tax assets	8,208	7,570
Lease and guarantee deposits	18,546	18,621
Retirement benefit assets	241	259
Other	2,637	3,098
Allowance for doubtful accounts	-360	-379
Total investments and other assets	33,948	60,583
Total non-current assets	193,707	227,134
Total assets	547,142	623,810

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	80,054	87,761
Electronically recorded obligations-operating	839	6,543
Short-term loans payable	8,983	11,652
Current portion of long-term loans payable	5,171	11,843
Accounts payable-other	23,051	25,983
Accrued income taxes	7,896	14,142
Accrued consumption tax	3,589	3,717
Accrued expenses	7,068	5,911
Advance received	8,156	9,209
Contract liabilities	10,392	14,869
Provision for product warranties	—	1,989
Reserve for points	1,247	1,424
Reserve for bonuses	4,071	4,288
Lease obligations	4,561	4,631
Guarantee deposits received	119,564	92,398
Trading products	1,367	1,415
Other	8,570	7,418
Total current liabilities	294,588	305,202
Non-current liabilities		
Long-term loans payable	11,542	46,688
Contract liabilities	11,966	18,675
Reserve for directors' retirement benefits	200	359
Retirement benefit liabilities	12,493	11,929
Deferred tax liabilities	11,505	13,118
Lease obligations	15,715	12,801
Other	10,207	6,725
Total non-current liabilities	73,631	110,299
Reserves under special laws		
Reserve for financial instruments transaction liabilities	1	0
Total Reserves under special laws	1	0
Total liabilities	368,221	415,502

(Million yen)

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Net assets		
Shareholders' equity		
Capital stock	6,330	6,330
Capital surplus	7,735	7,734
Retained earnings	162,953	191,505
Treasury stock	-6,293	-10,580
Total shareholders' equity	170,725	194,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	724	3,757
Deferred gains or losses on hedges	0	-2
Currency conversion adjustments	2,740	3,399
Total accumulated other comprehensive income	3,464	7,153
Stock acquisition rights	2,628	2,853
Non-controlling interests	2,101	3,311
Total net assets	178,920	208,307
Total liabilities and net assets	547,142	623,810

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

Consolidated income statement

(Million yen)

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Net sales	761,301	853,427
Cost of sales	541,747	607,447
Gross profit on sales	219,554	245,980
Sales, general and administrative expenses		
Advertising expenses	22,350	26,231
Salaries, allowances and bonuses	67,095	70,137
Provision of reserve for bonuses	4,055	3,673
Retirement benefit expenses	1,323	867
Rents	24,671	24,667
Depreciation	15,642	16,233
Amortization of goodwill	5,321	5,958
Other	48,532	49,840
Total sales, general and administrative expenses	188,993	197,608
Operating income	30,560	48,371
Non-operating income		
Interest income	215	223
Dividend	145	509
Purchase discounts	2,326	2,627
Gain on sale of investment securities	63	159
Gain on equity method investment	90	82
Other	1,221	1,321
Total non-operating income	4,061	4,924
Non-operating expenses		
Interest expenses	747	1,139
Foreign exchange losses	173	358
Donations	197	139
Other	567	460
Total non-operating expenses	1,685	2,098
Ordinary income	32,937	51,197
Extraordinary income		
Gain on sale of non-current assets	16	68
Gain on reversal of share acquisition rights	625	291
Gain on sale of businesses	101	23
Total extraordinary income	743	382
Extraordinary losses		
Impairment losses	634	1,107
Loss on valuation of investment securities	－	151
Loss on store closings	121	178
Others	41	－
Total extraordinary losses	797	1,437
Net income before taxes and other adjustments	32,883	50,143
Income taxes-current	13,057	18,924
Income taxes-deferred	-417	-1,413
Total income taxes	12,640	17,510
Net income	20,242	32,632
Net income attributable to shareholders of the non-controlling interests	262	340
Net income attributable to shareholders of the parent company	19,979	32,292

Consolidated statement of comprehensive income

(Million yen)

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Net income	20,242	32,632
Other comprehensive income		
Valuation difference on available-for-sale securities	360	3,032
Deferred gains or losses on hedges	8	-3
Currency conversion adjustments	917	659
Adjustments for retirement benefit obligations	-344	—
Total other comprehensive income	941	3,689
Comprehensive income	21,184	36,321
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	20,921	35,981
Comprehensive income attributable to non-controlling interests	262	340

(3) Consolidated statement of changes in net assets

Previous fiscal year (April 1, 2023 - March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	6,330	7,475	146,191	-6,002	153,994
Changes during the fiscal year					
Distribution of surplus	—	—	-2,952	—	-2,952
Net income attributable to shareholders of the parent company	—	—	19,979	—	19,979
Acquisition of treasury stock	—	—	—	-1,882	-1,882
Disposal of treasury stock	—	14	—	1,590	1,605
Transfer from retained earnings to capital surplus	—	264	-264	—	—
Changes in the parent company's equity in transactions with non-controlling interests	—	-19	—	—	-19
Changes during the fiscal year in items other than shareholders' equity (net)	—	—	—	—	—
Total changes during the fiscal year	—	259	16,762	-291	16,731
Balance at end of fiscal year	6,330	7,735	162,953	-6,293	170,725

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Currency conversion adjustments	Accumulated adjustment to retirement benefits	Total accumulated other comprehensive income			
Balance at start of fiscal year	363	-8	1,822	344	2,523	2,682	1,856	161,056
Changes during the fiscal year								
Distribution of surplus	—	—	—	—	—	—	—	-2,952
Net income attributable to shareholders of the parent company	—	—	—	—	—	—	—	19,979
Acquisition of treasury stock	—	—	—	—	—	—	—	-1,882
Disposal of treasury stock	—	—	—	—	—	—	—	1,605
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Changes in the parent company's equity in transactions with non-controlling interests	—	—	—	—	—	—	—	-19
Changes during the fiscal year in items other than shareholders' equity (net)	360	8	917	-344	941	-54	245	1,132
Total changes during the fiscal year	360	8	917	-344	941	-54	245	17,863
Balance at end of fiscal year	724	0	2,740	—	3,464	2,628	2,101	178,920

Current fiscal year (April 1, 2024 - March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	6,330	7,735	162,953	-6,293	170,725
Changes during the fiscal year					
Distribution of surplus	—	—	-3,702	—	-3,702
Net income attributable to shareholders of the parent company	—	—	32,292	—	32,292
Acquisition of treasury stock	—	—	—	-6,292	-6,292
Disposal of treasury stock	—	-22	—	2,005	1,982
Transfer from retained earnings to capital surplus	—	38	-38	—	—
Changes in the parent company's equity in transactions with non-controlling interests	—	-16	—	—	-16
Changes during the fiscal year in items other than shareholders' equity (net)	—	—	—	—	—
Total changes during the fiscal year	—	-0	28,551	-4,287	24,263
Balance at end of fiscal year	6,330	7,734	191,505	-10,580	194,989

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Currency conversion adjustments	Accumulated adjustment to retirement benefits	Total accumulated other comprehensive income			
Balance at start of fiscal year	724	0	2,740	—	3,464	2,628	2,101	178,920
Changes during the fiscal year								
Distribution of surplus	—	—	—	—	—	—	—	-3,702
Net income attributable to shareholders of the parent company	—	—	—	—	—	—	—	32,292
Acquisition of treasury stock	—	—	—	—	—	—	—	-6,292
Disposal of treasury stock	—	—	—	—	—	—	—	1,982
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Changes in the parent company's equity in transactions with non-controlling interests	—	—	—	—	—	—	—	-16
Changes during the fiscal year in items other than shareholders' equity (net)	3,032	-3	659	—	3,689	225	1,209	5,123
Total changes during the fiscal year	3,032	-3	659	—	3,689	225	1,209	29,387
Balance at end of fiscal year	3,757	-2	3,399	—	7,153	2,853	3,311	208,307

(4) Consolidated cash flow statement

(Million yen)

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Cash flow from operating activities		
Net income before taxes and other adjustments	32,883	50,143
Depreciation	16,642	17,647
Impairment loss	634	1,107
Amortization of goodwill	5,356	5,958
Loss (profit) on equity method investment	-90	-82
Increase (decrease) in reserve for retirement benefits	-488	-748
Increase (decrease) in allowance for doubtful accounts	468	22
Increase (decrease) in reserve for points	43	176
Increase (decrease) in contract liabilities	1,835	9,260
Interest income and dividend income	-360	-733
Interest expenses	747	1,139
Gain/loss on sale of property, plant and equipment	-16	-68
Decrease (increase) in accounts receivable-trade	5,441	-7,320
Decrease (increase) in inventories	4,532	-1,495
Decrease (increase) in accounts receivable-other	5,038	1,518
Increase (decrease) in notes and accounts payable-trade	2,860	-5,547
Increase (decrease) in accrued expenses	507	-1,564
Increase (decrease) in accrued consumption taxes	2,254	-202
Increase (decrease) in accounts payable-other	-5,385	-170
Increase (decrease) in deposits received	2,046	-822
Increase (decrease) in advances received	180	1,066
Increase (decrease) in unearned revenue	-552	-5,121
Decrease (increase) in segregated deposits	5,942	14,328
Decrease (increase) in trading products (asset)	-14,073	10,245
Increase (decrease) in guarantee deposits received	11,021	-27,165
Increase (decrease) in trading products (liability)	461	47
Other	-4,966	-3,176
Subtotal	72,963	58,444
Interest and dividend income received	376	749
Interest expenses paid	-763	-1,138
Income tax (paid) or refund	-14,378	-13,977
Cash flow from operating activities	58,197	44,078

(Million yen)

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Cash flow from investment activities		
Purchase of tangible non-current assets	-4,385	-7,534
Purchase of intangible assets	-1,688	-2,785
Purchase of investment securities	-107	-22,423
Proceeds from sales of investment securities	87	248
Purchase of shares of subsidiaries and associates	-376	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-7,561	-4,629
Payments for lease and guarantee deposits	-1,318	-980
Proceeds from collection of lease and guarantee deposits	1,212	623
Other	2	308
Cash flow from investment activities	-14,135	-37,172
Cash flow from financing activities		
Increase (decrease) in short-term loans payable	6,712	-3,324
Proceeds from long-term loans payable	15,252	58,460
Repayment of long-term loans payable	-59,960	-17,629
Purchase of treasury stock	-1,883	-6,297
Proceeds from sales of treasury stock	648	451
Proceed from exercising stock options	731	1,220
Cash dividends paid	-2,860	-3,719
Repayment of lease obligations	-4,457	-5,371
Other	14	68
Cash flow from financing activities	-45,803	23,858
Effect of exchange rate changes on cash and cash equivalents	945	-60
Increase (decrease) in cash and cash equivalents	-795	30,704
Starting balance of cash and cash equivalents	35,755	34,960
Ending balance of cash and cash equivalents	34,960	65,664

(5) Notes to the consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Important principles for preparing consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 36 companies

Names of significant consolidated subsidiaries:

ITX Corporation
ITX Communications inc.
Up Beat Corporation
CONEXIO Corporation
NIFTY Corporation
Cecile Co., Ltd.
NIFTY Lifestyle Co., Ltd.
Nojima APAC Limited
MONEY SQUARE HOLDINGS, INC.
VAIO Corporation
NOJIMA STELLA SPORTS CLUB Co., Ltd.
Human Ability Development Co., Ltd.
AXN Co., Ltd.

Notes

i Regarding Tryell Co., Ltd. was dissolved on April 1, 2024, through an absorption-type merger, with NIFTY Lifestyle Co., Ltd., one of our consolidated subsidiaries, as the surviving company.

ii AK Entertainment Co., Ltd. acquired shares of AK Media Co., Ltd. and its two subsidiary companies on April 1, 2024, making AK Media Co., Ltd. a consolidated subsidiary of our company. Furthermore, AK Media Co., Ltd. was dissolved on July 1, 2024, through an absorption-type merger, with AK Entertainment Co., Ltd. as the surviving company.

iii NIFTY Lifestyle Co., Ltd. acquired all shares of Doors Co., Ltd. on May 31, 2024, making it a consolidated subsidiary of our company.

iv Business Grand Works Co., Ltd. changed its corporate name to Human Ability Development Co., Ltd. on June 17, 2024.

v Our company newly established NJM1 Corporation on September 19, 2024, and included it within our scope of consolidation. NJM1 Corporation acquired shares of VAIO Corporation and VJ Holdings 3 Corporation, which holds VAIO Corporation shares, on January 6, 2025, directly and indirectly acquiring 93.2% of VAIO Corporation and making it a consolidated subsidiary of our company.

vi Kanaden Telesis Co., Ltd., which had been an equity-method affiliate of ITX Corporation, became a consolidated subsidiary through additional share acquisition on September 25, 2024. On the same date, the company changed its name to IT Telesis Corporation.

vii Our company newly established NJM2 Corporation and NJM3 Corporation on February 18, 2025, and included them within our scope of consolidation.

(2) Names of non-consolidated subsidiaries and other information

Number of non-consolidated subsidiaries: 4

Name of the non-consolidated subsidiaries:

TKY logistics Co., Ltd, and 3 other companies

(Reason for exclusion from scope of consolidation)

Non-consolidated subsidiaries are small, and their total assets, sales, net income (loss), and retained earnings (proportion of equity) do not have a material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of equity-method affiliates: 1

Name of the equity-method affiliate:

Hascom Mobile Corporation

(2) Number of non-consolidated subsidiaries not accounted for by the equity method: 4

Name of non-consolidated subsidiaries not accounted for by the equity method:

TKY logistics Co., Ltd, and 3 other companies

(Reason for exclusion from scope of consolidation)

Non-consolidated subsidiaries not accounted for by the equity method are excluded from the scope of the equity method because their impact on consolidated financial statements, in terms of net income (proportional amount) and retained earnings (proportional amount), is minimal and not significant as a whole.

3. Fiscal years of consolidated subsidiaries and other matters

The closing dates of the fiscal years of the following consolidated subsidiaries differ from the closing date of the Company's consolidated fiscal year:

Company	Year ends
VAIO Corporation	May 31
VJ Holdings 3 Corporation	June 30
NOJIMA STELLA SPORTS CLUB Co., Ltd.	June 30

Consolidated financial statements of these companies are prepared based on financial statements obtained from a tentative settlement of accounts undertaken as of the date of the consolidated settlement of accounts.The closing dates of the fiscal years of the other consolidated subsidiaries are the same as the closing date of the Company's consolidated fiscal year.Consolidated subsidiaries, VAIO Corporation and VJ Holdings 3 Corporation, were dissolved on April 1, 2025, through an absorption-type merger with NJM1 Corporation as the surviving company. Please also note that on the same date, the surviving company, NJM1 Corporation, changed its trade name to VAIO Corporation.

4. Accounting standards

(1) Standards and methods applied in the valuation of important assets

A. Securities

Available-for-sale securities:

a. Those having fair market value:

Mark-to-market based on market values and other information as of the date of the settlement of accounts (Full revaluation gains/losses are booked directly to net assets. Costs of securities sold are calculated using the moving average method.)

b. Those without fair market value:

Moving average cost method

c. Investment in investment business limited partnerships and similar partnerships

(Items deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

Based on the most recent financial statements available according to the settlement date stipulated in the partnership agreement, the amount equivalent to the equity interest is incorporated in the net amount.

B. Inventory

Merchandise and Products

a. Merchandise

The Company and its domestic consolidated subsidiaries use the moving average cost method (with balance sheet figures stated after write-down to reflect decreased profitability).

Some domestic consolidated subsidiaries use the first-in, first-out cost method.

Overseas consolidated subsidiaries mainly use the lower of cost or market method based on the weighted average method.

b. Products

Our consolidated subsidiary, VAIO Corporation, uses the weighted average cost method (with balance sheet figures stated after write-down to reflect decreased profitability).

Raw Materials and Supplies

a. Raw Materials

Our consolidated subsidiary, VAIO Corporation, uses the weighted average cost method (with balance sheet figures stated after write-down to reflect decreased profitability).

b. Supplies

The Company and its domestic consolidated subsidiaries use the moving average cost method (with balance sheet figures stated after write-down to reflect decreased profitability).

Our consolidated subsidiary, VAIO Corporation, uses the last-in, first-out cost method.

Programing rights:

AXN Co., Ltd., a consolidated subsidiary of the Company, uses a cost method based on the individual method (balance sheet value is a method of reducing book value due to a decline in profitability).

C. Evaluation standards and evaluation methods for derivative transactions

Our consolidated subsidiaries, Cecile Co., Ltd., MONEY SQUARE HOLDINGS, INC., and VAIO Corporation, adopt the fair value method.

(2) Depreciation methods for important depreciable assets

A. Tangible non-current assets (not including leased assets)

The Company and its domestic consolidated subsidiaries, NIFTY Corporation, Cecile Co., Ltd., MONEY SQUARE HOLDINGS, INC. and MONEY SQUARE, INC. primarily apply the declining balance method. However, they apply the straight-line method for buildings (not including equipment attached to buildings) acquired on or after April 1, 1998, and equipment attached to buildings and structures acquired on or after April 1, 2016.

Domestic consolidated subsidiaries, Up Beat Corporation and ITX Corporation, ITX Communications inc., CONEXIO Corporation and VAIO Corporation apply the straight-line method.

Overseas consolidated subsidiaries, Courts (Singapore) Pte. Ltd, Courts (Malaysia) Sdn. Bhd. and PT Courts Retail Indonesia mainly apply the straight-line method.

The main useful lives for depreciation purposes are shown below.

Buildings and structures:	5-47 years
Machinery, equipment, and vehicles:	2-17 years
Tools, fixtures, and facilities:	2-20 years

B. Intangible non-current assets (not including leased assets)

The straight-line method is applied.

Main useful lives for depreciation purposes are shown below.

Software:	5 years
Trademark:	5-20 years
Contractual intangible assets:	15-20 years
Customer-related intangible assets:	12-16 years
Technology-related intangible assets:	7 years

C. Leased assets

The straight-line method is applied using the term of the lease as the useful life of the asset and zero as the residual value.

(3) Accounting standards for important reserves

A. Allowance for doubtful accounts

When providing for losses from unrecoverable claims, the anticipated number of unrecoverable claims is booked as follows: The actual loan loss ratio is applied for ordinary claims (general accounts receivable). For extraordinary claims (doubtful accounts receivable) such as those involving the possibility of default and those in bankruptcy reorganization, the possibility of recovery is considered for each claim.

B. Provision for product warranties

To cover after-sales service costs following product sales, we record an estimated amount for future repair expenses.

C. Reserve for point card certificates

When providing for costs resulting from the future use of loyalty points by customers based on a system that awards points to customers based on past purchases and other factors, the anticipated number of points used in the future is booked based on past performance.

D. Reserve for bonuses

When providing for bonuses paid to employees, some consolidated subsidiaries book the required amount of reserve for bonuses based on the anticipated amount payable.

E. Reserve for directors' retirement benefits

When providing for retirement benefits paid to directors, the amount payable as of the end of the current consolidated fiscal year is booked based on internal rules.

F. Reserve for financial instruments transaction liabilities

In accordance with Article 46-5 of the Financial Instruments and Exchange Act, we have recorded the amount calculated as specified in Article 175 of the Cabinet Office Ordinance on Financial Instruments Business, etc., to cover losses arising from accidents related to the trading of securities or other transactions, including derivative transactions.

(4) Important method of hedge accounting

A. Method of hedge accounting

Deferred hedge accounting is adopted.

B. Hedging instruments and hedged items

Hedging instruments ... Forward exchange contract

Hedged items... Monetary liabilities and forecasted transactions denominated in foreign currencies

C. Hedging policy

The consolidated subsidiary enters into forward exchange contracts for hedging purposes to avoid risks arising from future exchange rate fluctuations to the extent necessary for transactions denominated in foreign currencies.

D. Method for evaluating hedge effectiveness

Effectiveness is assessed by comparing a market change in a hedged instrument or cumulative change in its cash flows with a market change in a hedging instrument or cumulative change in its cash flow to observe the ratio of those changes.

(5) Accounting treatment of retirement benefits

A. Period of attribution of estimated retirement benefits

Straight-line attribution is used to attribute estimated amounts of retirement benefits to periods through the end of the current consolidated fiscal year in calculations of retirement benefit obligations. However, some consolidated subsidiaries apply the payment calculation method.

B. Treatment of actuarial gains and losses and past service costs

Actuarial gains or losses are booked as expenses in the fiscal years in which they arise.

Past service costs are booked as expenses using the straight-line method, setting a fixed number of years (six years) within the average remaining number of years of service for personnel employed at the time such obligations arise.

C. Application of simplified method for small businesses, etc.

Some consolidated subsidiaries apply the simplified method to calculations of obligations related to retirement benefits and costs of retirement benefits, treating the amount payable to employees retiring voluntarily as of the end of the fiscal year as the amount of retirement benefit obligations.

(6) Basis for recording revenues and expenses

The Group recognizes revenue in accordance with the following five-step approach, in exchange for the transfer of goods or services to customers, and we recognize revenue in an amount that reflects the consideration that we expect to obtain for that right.

Step 1: Identify the contract with the customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Calculate the transaction price.
Step 4: Allocate the transaction price to the separate performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies the performance obligation.

In the sale of consumer electronics and mobile phones, the Group sells products such as consumer electronics and mobile phones mainly to general consumers. The Group considers that the customer obtains control and the performance obligation is satisfied at the time the products are delivered, and therefore recognizes revenue at the time of delivery.

In the network services of the internet business, we primarily provide internet connection services to general consumers. Revenue is recognized as services are provided to subscribers.

For the Product business, the alternative treatment stipulated in paragraph 98 of the 'Guidance on Accounting Standard for Revenue Recognition' is applied. In domestic transactions of products, etc., when the period from shipment to the time when control of the products, etc., is transferred to the customer is within the normal period, revenue is recognized at the time of shipment.

In the operation of digital home electronics retail stores and the overseas business, the Group provides warranty services, such as repairs, for products sold on separate contracts. The Company and its subsidiaries identify warranty services as performance obligations and recognize revenue over a certain period of time since the performance obligations are satisfied over the warranty period.

In addition, the operation of digital home electronics retail stores operates its own point system. The Company has determined that the point system is an important right for customers, and therefore identifies a separate performance obligation at the time the points are awarded and generally recognizes revenue at the time the points are used by customers.

(7) Standards for converting major assets or liabilities in foreign currencies into Japanese yen

Monetary claims and obligations in foreign currencies are converted into yen at the spot exchange rate as of the date of the consolidated settlement of accounts. Any difference from this conversion is recorded as a profit or loss. Assets and liabilities of overseas consolidated subsidiaries are converted into yen at the spot exchange rate as of the date of the consolidated settlement of accounts. Income and expenses of overseas subsidiaries are converted into yen at the average exchange rate over the fiscal year. Differences due to conversion are included under Net assets as "Currency conversion adjustments."

(8) Method and period of amortization of goodwill

Goodwill: 3-20 years

(9) Scope of funds on the consolidated cash flow statement

Funds included on the consolidated cash flow statement are cash on hand, deposits that may be withdrawn at any time, and short-term investments that are readily convertible into cash and have maturities of three months or less from the date of purchase and have only a minor risk of a fluctuation in value.

(10) Other important matters that form the basis for the preparation of consolidated financial statements

A. Accounting for foreign exchange margin trading with customers as the counterparty.

Settlement gains and losses and appraisal gains and losses related to foreign exchange margin trading executed by customer orders are recorded. In addition, unrealized gains/losses are calculated for each transaction detail for all unsettled foreign exchange margin transactions with customers, and the amount equivalent to the unrealized gains is recorded as trading products (assets) on the consolidated balance sheet, and the amount equivalent to the valuation loss is recorded in trading instruments (liabilities). Money deposited by customers as the margin for foreign exchange margin transactions shall manage separately from the Company’s assets as set forth in Article 43-3, Paragraph 1 of the Financial Instruments and Exchange Law and Article 143, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Financial Instruments Business, etc. The principal amount of such money trust is recorded as segregated deposits on the consolidated balance sheet.

B. Accounting for foreign exchange margin trading with the counterparty

Settlement gains and losses and appraisal gains and losses related to foreign exchange margin transactions executed by cover transaction orders are recorded.

In addition, valuation gains and losses are calculated for each transaction item for all open foreign exchange margin transactions with the counterparty, and then added together for each counterparty to offset the gains and losses. The same amount is recorded in trading products on the consolidated balance sheets.

(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.

(Notes to the consolidated balance sheet)

*1 "Leased assets (net)" refers to right-of-use assets (18,210 million yen in previous fiscal year, 14,740 million yen in current fiscal year) recorded by subsidiaries applying International Financial Reporting Standards.

*2 To enable the flexible and stable procurement of working capital, the Nojima Group has concluded agreements with its main financial institutions on overdrafts and loan commitments. Shown below are available balances under these agreements as of the end of the consolidated fiscal year.

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Credit line	97,277million yen	121,484million yen
Outstanding balance	7,913million yen	37,639million yen
Difference: Available balance	89,363million yen	83,845million yen

(Segment information, etc.)

[Segment information]

1. Overview of reporting segments

(1) Method for determining reporting segments

The Nojima Group periodically reviews its reporting segments to assess business performance and to allow informed decision-making by top management decision-making bodies on the use of management resources. The reporting segments are based on financial information for units of the Group's organization that can be separated from the rest of the organization.

(2) Types of products and services within each reporting segment

The segment of “Operation of digital home electronics retail stores” sells digital audio video products, IT devices, and home electronics, and provides related solutions, setup, repairs, and other services.

The segment of “Operation of mobile carrier stores” sells communication devices (primarily mobile phones) and provides related services.

The segment of “Internet business” provides broadband connectivity services and services including communication, security, and various information services which use the Internet.

The segment of “Overseas business” sells digital audio video products, IT devices, home electronics, and home furniture, and provides solutions, setup, and other services.

The segment of “Financial business” provides financial instrument trading services, such as over-the-counter foreign exchange trading and exchange stock index margin trading.

The segment of “Product business” provides plans, designs, develops, manufactures, and sells personal computers, as well as provides related services.

(3) Changes in Reporting Segments

In the current consolidated fiscal year, VAIO Corporation and VJ Holding3 Corporation have been included within the scope of consolidation, and as a result, the segment of “Product business” has been added to the existing reporting segments.

2. Calculating net sales, income or loss, assets, liabilities, and other accounts by reporting segment

The account processing methods for each reporting business segment are identical to those described under "Important principles for preparing consolidated financial statements."

Income figures for reporting segments are based on ordinary income.

Internal transactions and transfers between segments are recorded based on market prices.

3. Amounts of net sales, income or loss, assets, liabilities and other accounts by reporting segment

Previous consolidated fiscal year (April 1, 2023 - March 31, 2024)

(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	Internet business	Overseas business	Financial business	Product business	Subtotal				
Net sales											
Net sales to external customers	265,222	345,320	65,905	69,436	6,010	—	751,895	9,406	761,301	—	761,301
Internal sales or transfers between segments	2,579	1,221	491	—	—	—	4,291	871	5,163	-5,163	—
Subtotal	267,801	346,541	66,397	69,436	6,010	—	756,187	10,277	766,464	-5,163	761,301
Segment income (loss)	15,975	8,430	5,393	-329	1,795	—	31,265	1,844	33,109	-171	32,937
Segment assets	110,252	182,735	31,704	57,687	138,910	—	521,290	22,053	543,343	3,798	547,142
Segment liabilities	93,875	86,262	16,525	44,154	123,146	—	363,965	1,825	365,790	2,430	368,221
Other accounts											
Depreciation	2,003	7,052	764	5,341	822	—	15,984	657	16,642	—	16,642
Amortization of goodwill	—	3,063	1,324	415	441	—	5,244	77	5,321	—	5,321
Interest income	—	0	0	210	0	—	210	0	210	4	215
Interest expenses	—	32	3	530	4	—	570	0	570	176	747
Equity in earnings of affiliates	—	90	—	—	—	—	90	—	90	—	90
Impairment loss	385	216	8	24	—	—	633	0	634	—	634
Investment in equity-method affiliates	—	1,251	—	—	—	—	1,251	—	1,251	—	1,251
Unamortized balance of goodwill	—	32,720	4,065	1,278	5,707	—	43,771	270	44,042	—	44,042
Increase in tangible and intangible non-current assets	4,062	920	808	3,381	173	—	9,347	48	9,395	—	9,395

Notes:

*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the pay 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. Adjustments to segment assets and liabilities consist of companywide assets and liabilities not distributed among reporting segments and offsetting between segments.

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

*4. The increase in tangible and intangible non-current assets does not include lease assets of IFRS 16 "Leases."

Current consolidated fiscal year (April 1, 2024 - March 31, 2025)

(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	Internet Business	Overseas business	Financial business	Product business	Subtotal				
Net sales											
Net sales to external customers	299,174	364,639	69,852	81,359	5,285	17,514	837,825	15,602	853,427	—	853,427
Internal sales or transfers between segments	2,797	3,125	481	—	—	184	6,588	841	7,429	-7,429	—
Subtotal	301,972	367,764	70,334	81,359	5,285	17,699	844,413	16,443	860,857	-7,429	853,427
Segment income (loss)	20,092	19,218	6,187	953	1,153	854	48,460	2,798	51,259	-61	51,197
Segment assets	117,099	180,296	31,919	52,757	111,737	58,046	551,856	21,711	573,567	50,242	623,810
Segment liabilities	87,736	119,268	15,681	41,099	95,845	56,761	416,394	4,625	421,019	-5,517	415,502
Other accounts											
Depreciation	2,018	7,134	710	5,685	815	364	16,729	918	17,647	—	17,647
Amortization of goodwill	—	3,105	1,414	597	439	23	5,579	378	5,958	—	5,958
Interest income	—	1	0	201	0	1	205	0	206	17	223
Interest expenses	0	413	3	603	3	20	1,043	17	1,060	79	1,139
Equity in earnings of affiliates	—	82	—	—	—	—	82	—	82	—	82
Impairment loss	301	121	28	600	—	—	1,053	54	1,107	—	1,107
Investment in equity-method affiliates	—	1,132	—	—	—	—	1,132	—	1,132	—	1,132
Unamortized balance of goodwill	—	29,681	3,613	815	5,268	1,843	41,222	1,398	42,621	—	42,621
Increase in tangible and intangible non-current assets	6,677	1,199	2,797	542	81	17,678	28,976	1,925	30,902	—	30,902

Notes:

*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the pay 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. Adjustments to segment assets and liabilities consist of companywide assets and liabilities not distributed among reporting segments and offsetting between segments.

*3. Segment income is adjusted with ordinary income on the consolidated income statement.

*4. The increase in tangible and intangible non-current assets does not include lease assets of IFRS 16 "Leases."

(Per-share information)

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Net assets per share	1,779.53 yen	2,110.39 yen
Net earnings per share	203.67 yen	334.97 yen
Diluted earnings per share	201.11 yen	319.49 yen

Notes:

1. Calculations of net earnings per share and diluted earnings per share are based on the following information:

	Previous fiscal year (April 1, 2023 - March 31, 2024)	Current fiscal year (April 1, 2024 - March 31, 2025)
Net earnings per share		
Net income attributable to shareholders of the parent company (million yen)	19,979	32,292
Amount not reverting to common shareholders (million yen)		
Net income attributable to shareholders of the parent company related to common stock (million yen)	19,979	32,292
Average number of shares during the fiscal year (thousand shares)	98,098	96,403
Diluted net earnings per share		
Adjustments of net income attributable to shareholders of the parent company (million yen)	-	-
Increase in common stock (thousand shares)	1,249	4,671
(Amount of the above corresponding to stock subscription rights [thousand shares])	(1,249)	(4,671)
Summary of potential dilution not included in the calculation of diluted net earnings per share due to lack of dilution effect	Stock acquisition rights no. 20 (2022 stock options) (31,446 stock subscription rights)	Not applicable

2. Shares of Company stock remaining in trust recorded as treasury stock under shareholders' equity are included under treasury stock excluded from calculations of the average number of shares during the fiscal year for the purposes of calculating net earnings per share and are included under treasury stock excluded from total shares issued and outstanding at the end of the fiscal year for the purpose of calculating net assets per share.
   The average number of shares of such treasury stock excluded from calculations of net income per share during the fiscal year was 166 thousand shares in the previous fiscal year and 799 thousand shares in the current fiscal year. The number of such treasury shares deducted for the calculation of net assets per share was zero in the previous consolidated fiscal year and 1,336 thousand shares in the current consolidated fiscal year.

(Important subsequent events)

(Business Combination through Acquisition)

At the Board of Directors meeting held on February 28, 2025, our company resolved to make STREET Holdings Corporation (hereinafter, "STREET HD") a subsidiary through our consolidated subsidiary, NJM2 Corporation, by acquiring all outstanding shares of BCJ-59 Corporation, which holds all issued shares of STREET HD, from BCPE Ocean Cayman, L.P., and others.

Our consolidated subsidiary, NJM2 Corporation, acquired the shares of BCJ-59 Corporation on April 2, 2025, and has made BCJ-59 Corporation and STREET HD consolidated subsidiaries.

１．Overview of Business Combination

（１）Names and Business Description of Acquired Companies

A. Names of Acquired Companies

Street Holdings Corporation

BCJ-59 Corporation

B. Business Description

Direct Marketing Business

Digital Transformation Business

D2C Business

（２）Reason for the Business Combination

Our group primarily operates digital home electronics retail stores while also engaging in mobile carrier stores operations, internet business, overseas business, and financial business. Through these activities, we leverage group synergies to provide services that create new added value, enriching and enhancing our customers' lives.

Street HD focuses on the direct marketing business, digital marketing, and digital transformation (DX) support, as well as the development of retail and wholesale businesses under the D2C model. Since Street HD possesses functions for executing effective advertisements in the digital transformation business, it can enhance the efficiency of the Nojima Group’s promotional activities. Additionally, through direct marketing, it enables advertising activities that cover everything from campaign planning to effectiveness analysis. Anticipating improved customer satisfaction, we have decided to proceed with this share acquisition.

（３）Business Combination Date

April 2, 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

100.0%

（７）Main Reasons for Determining Acquirer

The Company’s consolidated subsidiary NJM2 Corporation acquired shares in exchange for cash

２．Acquisition Cost and Breakdown by Type of Consideration

Consideration for acquisition (cash)	7,000 million Yen(estimated amount)
Acquisition cost	7,000 million Yen(estimated amount)

３．Major Acquisition-Related Costs and Amounts

Advisory fees, etc.	140 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