Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

August 14, 2026

Company name: Net Protections Holdings, Inc. Listing: Tokyo Stock Exchange
Securities code: 7383 URL: https: //corp.netprotections.com/en/
Representative: Shin Shibata, President and Representative Director
Contact: Takayuki Okada, CFO and Director TEL +81-3-4530-9235

Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Note) Amounts less than one million yen are rounded down to the nearest million yen.

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2026	6,582	6.8	840	9.5	806	3.8	599	26.4	6.02	5.98
June 30, 2025	6,163	17.3	767	180.9	776	204.9	474	250.5	4.77	4.74

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	207,114	14.9	3,228	10.6	1,313	9.7
June 30, 2025	180,282	20.6	2,919	29.3	1,196	75.6

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2026	91,549	21,711	21,649	23.6
March 31, 2026	85,063	21,077	21,019	24.7

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (forecast)		0.00	–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	13,100	5.6	1,600	3.2	1,550	0.7	1,000	4.6	10.05
Full year	27,800	10.3	3,600	26.4	3,450	20.9	2,190	26.4	22.01

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	420,000	14.3	6,300	7.1	2,600	7.3
Full year	890,000	16.4	13,600	13.5	5,600	21.0

Notes: 1. Revisions to the forecast of consolidated financial results most recently announced: None

2. For the average number of shares outstanding during the period that forms the basis for calculating "Basic earnings per share," the number of shares issued (excluding treasury shares) as of March 31, 2026 is used as a substitute.

[Notes]

(1) Significant changes in the scope of consolidation during the period: None

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

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

(3) Number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)	As of June 30, 2026	99,525,999 shares	As of March 31, 2026	99,480,999 shares
2) Number of treasury shares at the end of the period	As of June 30, 2026	− shares	As of March 31, 2026	− shares
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Three months ended June 30, 2026	99,455,408 shares	Three months ended June 30, 2026	97,297,035 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* [Proper use of earning forecasts, and other special matters]

(Disclaimer on forward-looking statements)

The earnings forecast and other forward-looking statements contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that they will be achieved. Note that actual results may differ significantly from forecast figures due to a number of factors.

Non-GAAP performance measures

The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Gross profit	Total operating revenue - (Invoicing related expenses + Bad debt related expenses + Other operating revenue + Other payment related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

(How to obtain supplementary material on financial results and the details of the financial results briefing)

The Company will promptly post the supplementary material on financial results and the details of the financial results briefing on its IR website (https://corp.netprotections.com/en/ir/).

Contents of Attached Materials

1. Overview of Operating Results, etc.

(1) Quarterly operating results

The operating results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026) were as follows:

(Millions of yen, unless otherwise indicated)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026	Percentage change (%)
Total operating revenue	6,163	6,582	6.8
Operating profit	767	840	9.5
Profit before income taxes	776	806	3.8
Profit attributable to owners of parent	474	599	26.4

Business performance by segment is not presented as the Company and its subsidiaries (collectively, the "Group") operate a single segment, Payment Solutions. The Group, nevertheless, discloses its key performance indicators by line of service to the extent possible as shown below.

	Service category	Service
Services for B2C transactions	B2C Services: NP *Atobarai* and others	NP *Atobarai*, NP *Atobarai* air, *AFTEE*, etc.
	B2C Services: *atone*	*atone*
Service for B2B transactions	B2B Service	NP *Kakebarai*

The key performance indicators are shown as below.

(Millions of yen, unless otherwise indicated)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026	Percentage change (%)
GMV (non-GAAP)	180,282	207,114	14.9
B2C Services: NP *Atobarai* and others	87,255	91,585	5.0
B2C Services: *atone*	13,344	19,204	43.9
B2B Service	79,681	96,323	20.9
Total operating revenue	6,163	6,582	6.8
B2C Services: NP *Atobarai* and others	4,198	4,087	(2.6)
B2C Services: *atone*	611	898	46.9
B2B Service	1,353	1,596	17.9
-Other operating revenue	172	150	(12.5)
Revenue	5,991	6,431	7.4
-Invoicing related expenses (non-GAAP)	2,003	2,144	7.0
-Bad debt related expenses	942	922	(2.2)
-Other payment related expenses (non-GAAP)	125	137	9.3
Gross profit (non-GAAP)	2,919	3,228	10.6
B2C Services: NP *Atobarai* and others	2,053	1,978	(3.6)
B2C Services: *atone*	166	277	66.6
B2B Service	699	971	39.0
-SG&A and other operating expenses (non-GAAP)	2,323	2,538	9.2
Operating profit	767	840	9.5
+Depreciation and amortization	425	462	8.9
+Share-based payment expenses	1	9	631.7
+Loss on disposal of property, plant and equipment	2	0	(85.1)
+Impairment losses	-	-	-
-Gain from reversal of impairment losses	-	-	-
EBITDA (non-GAAP)	1,196	1,313	9.7

Note: The Company additionally discloses non-GAAP performance measures that are not prescribed by International Financial Reporting Standards (the “IFRS”), the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group’s operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Invoicing related expenses	Collection expense + Invoicing expense, primarily the amount of expenses incurred per invoice
Other payment related expenses	Other expenses required for providing payment services, including credit screening costs and NP point expenses
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment related expenses)
SG&A and other operating expenses	Operating expenses – (Invoicing related expenses + Bad debt related expenses + Other payment-related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

Given that the Group serves tens of thousands of merchants, our business structure makes us less dependent on specific merchants, but are susceptible to changes in the e-commerce and payment markets impacted by changes in the macro environment.

Notes on GMV
For the three months ended June 30, 2026 GMV increased 14.9% year-on-year to 207,114 million yen (up 5.0% to 91,585 million yen for the B2C Services: NP *Atobarai* and others, up 43.9% to 19,204 million yen for the B2C Services: *atone*, and up 20.9% to 96,323 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:
・GMV grew across all three businesses: NP *Atobarai*, NP *Atobarai air*, and *AFTEE*.

Main factors for the B2C Services: *atone* are as follows:
・GMV increased, driven by a rise in digital content-related transaction volume.

Main factors for the B2B Service are as follows:
・GMV increased, driven by growth in transaction volume from existing merchants.

Group total GMV is progressing steadily in line with our plan.

Notes on total operating revenue
For the three months ended June 30, 2026, total operating revenue increased 6.8% year-on-year to 6,582 million yen (down 2.6% to 4,087 million yen for the B2C Services: NP *Atobarai* and others, up 46.9% to 898 million yen for the B2C Services: *atone*, and up 17.9% to 1,596 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:
・Operating revenue decreased due to a higher share of large merchants with relatively lower fee rates, as well as an increased share of NP *Atobarai air*, which also carries a relatively lower fee rate.

Main factors for the B2C Services: *atone* and the B2B service are as follows:
・In both services, operating revenue increased in line with GMV growth.

Group total operating revenue is progressing steadily in line with our plan.

Notes on gross profit

For the three months ended June 30, 2026, gross profit increased 10.6% year-on-year to 3,228 million yen (up 3.6% to 1,978 million yen for the B2C Services: NP *Atobarai* and others, up 66.6% to 277 million yen for the B2C Services: *atone*, and up 39.0% to 971 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:

・Gross profit decreased due to a rebound from a one-time factor that boosted our performance in the first quarter of the previous fiscal year.

・Please note that the gross profit margin to GMV remained largely in line with the past year's average.

Main factors for the B2C Services: *atone* and the B2B service are as follows:

・In both services, operating revenue steadily accumulated in line with GMV growth, contributing to an increase in gross profit.

・For *atone*, continuous cost reduction efforts led to cost improvements, resulting in an increase in gross profit.

・For the B2B Service, enhanced payment reminders successfully led to cost improvements, which increased gross profit.

・Furthermore, the temporary deterioration in the collection status experienced in the previous quarter for the B2B Service has been resolved, and the gross profit margin to GMV has recovered.

Please note that while our calculation methodology for bad debt related expenses is designed to ensure appropriate levels over the long term, fluctuations may occur on a quarter-on-quarter or year-on-year basis when viewed over shorter periods, irrespective of long-term trends.

Group total gross profit is progressing steadily in line with our plan.

Notes on operating profit and EBITDA

The Group posted operating profit of 840 million yen (up 9.5% year-on-year) and EBITDA of 1,313 million yen (up 9.7% year-on-year).

The main factors are as follows:

・Operating profit and EBITDA increased in line with the growth in gross profit.

・Although system-related T&D expenses increased slightly in line with the transaction growth across all businesses, the SG&A ratio continues its downward trend.

・Group total operating profit is progressing steadily in line with our plan.

(2) Quarterly financial position

(Millions of yen, unless otherwise indicated)

	As of March 31, 2026	As of June 30, 2026	Change	Percentage change (%)
Total assets	85,063	91,549	6,485	7.6
Total current assets	64,787	70,872	6,085	9.4
Total non-current assets	20,275	20,676	400	2.0
Total liabilities	63,986	69,837	5,850	9.1
Total current liabilities	63,867	69,561	5,694	8.9
Total non-current liabilities	119	275	156	131.6
Total equity	21,077	21,711	634	3.0

Current assets as of June 30, 2026 increased 6,085 million yen from the end of the previous fiscal year. This was attributable mainly to a 1,332 million yen increase in trade and other receivables due to an increase in transaction volume, as well as a 4,775 million yen increase in cash and cash equivalents.

Non-current assets increased 400 million yen from the end of the previous fiscal year.

Current liabilities increased 5,694 million yen from the end of the previous fiscal year. This was attributable mainly to a 1,234 million yen increase in trade and other payables due to an increase in transaction volume and an increase of 5,224 million yen in short-term borrowings.

Of the Group's current assets, trade and other receivables (before deduction of allowance for doubtful accounts) of 52,064 million yen represent primarily the receivables from end users who used our payment services. Of the Group's current liabilities, trade and other payables of 55,583 million yen represent primarily the payables to merchants. The Group's trade receivables and payables are well-balanced in the short term, backed by appropriately timed cycles of collection and payment from end users and to merchants, respectively. This implies that the Group has a limited need for raising additional working capital for business expansion. It can therefore be said that it is structurally less susceptible to the impact of rising interest rates.

The factors causing fluctuations in the ending balance vary by service. For B2C services, payments of liabilities to merchants are primarily made on Fridays, so the balance fluctuates depending on which day of the week the last day of the period falls on. In addition, for B2B services, the cycle is such that payments to merchants (40-day terms) follow collections from end users (30-day terms). As a result, unpaid liabilities to merchants tend to accumulate at the end of the period, and "Trade and other payables" structurally tends to be recorded as a large amount.

(3) Status of cash flows

(Millions of yen, unless otherwise indicated)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026	Change
Cash flows from operating activities	3,494	85	(3,409)
Cash flows from investing activities	(397)	(462)	(65)
Cash flows from financing activities	(67)	5,130	5,198
Effects of exchange rate changes on cash and cash equivalents	44	22	(22)
Net increase (decrease) in cash and cash equivalents	3,073	4,775	1,701
Cash and cash equivalents at the beginning of the period	17,039	20,216	3,176
Cash and cash equivalents at the end of the period	20,113	24,991	4,878

Cash and cash equivalents ("net cash") as of June 30, 2026 amounted to 24,991 million yen (compared with 20,113 million yen for the same period of the previous fiscal year).

Cash flows from operating activities

Net cash provided by operating activities amounted to 85 million yen (compared with 3,494 million yen provided for the same period of the previous fiscal year). This is attributable mainly to:

・Profit before income taxes (positive 806 million yen)
・Depreciation, amortization and impairment losses (positive 462 million yen)
・Changes in trade and other receivables (negative 1,332 million yen)
・Changes in trade and other payables (positive 1,234 million yen)
・Changes in other assets and liabilities (negative 462 million yen)
・Income taxes paid (negative 626 million yen)

Cash flows from investing activities

Net cash used in investing activities amounted to 462 million yen (compared with 397 million yen used for the same period of the previous fiscal year).
This is attributable mainly to:
・Purchase of intangible assets related to investment in system development (negative 439 million yen)

Cash flows from financing activities

Net cash provided in financing activities amounted to 5,130 million yen (compared with 67 million yen provided for the same period of the previous fiscal year).
This is attributable mainly to:
・Net increase in short-term loans (positive 5,200 million yen)
・Repayments of lease liabilities (negative 73 million yen)

(4) Forward-looking information including consolidated earnings forecast

There are no revisions to the consolidated financial results forecast disclosed on May 15, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed semi-annual consolidated statement of financial position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	20,216	24,991
Trade and other receivables	43,695	45,027
Operating loans	318	326
Inventories	22	20
Other current assets	528	506
Other financial assets	6	—
Total current assets	64,787	70,872
Non-current assets		
Property, plant and equipment	394	554
Goodwill	11,608	11,608
Other intangible assets	5,130	5,259
Other financial assets	1,059	1,062
Deferred tax assets	1,829	1,919
Other non-current assets	251	270
Total non-current assets	20,275	20,676
Total assets	85,063	91,549

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	54,349	55,583
Short-term loans	5,992	11,217
Lease liabilities	281	285
Other current financial liabilities	11	82
Income taxes payable	648	329
Provisions	39	13
Liabilities for employee benefits	650	672
Other current liabilities	1,893	1,376
Total current liabilities	63,867	69,561
Non-current liabilities		
Lease liabilities	3	155
Provisions	114	114
Other non-current liabilities	1	5
Total non-current liabilities	119	275
Total liabilities	63,986	69,837
Equity		
Share capital	4,230	4,232
Capital surplus	14,287	14,291
Retained earnings	2,277	2,876
Other components of equity	224	249
Total equity attributable to owners of parent	21,019	21,649
Non-controlling interests	57	62
Total equity	21,077	21,711
Total liabilities and equity	85,063	91,549

(2) Condensed quarterly consolidated statements of profit or loss and condensed quarterly consolidated statements of comprehensive income

Condensed quarterly consolidated statements of profit or loss

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Revenue	5,991	6,431
Other operating revenue	172	150
Total operating revenue	6,163	6,582
Operating expenses	(5,395)	(5,741)
Operating profit	767	840
Financial income	39	61
Financial costs	(30)	(95)
Profit before income taxes	776	806
Income tax expense	(305)	(204)
Profit	471	602
Profit attributable to:		
Owners of parent	474	599
Non-controlling interests	(2)	2
Profit	471	602
Earnings per share:		
Basic earnings per share (yen)	4.77	6.02
Diluted earnings per share (yen)	4.74	5.98

Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	471	602
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	113	26
Total of items that may be reclassified to profit or loss	113	26
Other comprehensive income	113	26
Comprehensive income	585	628
Comprehensive income attributable to:		
Owners of parent	582	624
Non-controlling interests	3	4
Comprehensive income	585	628

(3) Condensed quarterly consolidated statement of changes in equity

For the three months ended June 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2025	4,213	14,275	544	136	19,169	60	19,229
Profit	-	-	474	-	474	(2)	471
Other comprehensive income	-	-	-	107	107	5	113
Total comprehensive income	-	-	474	107	582	3	585
Issuance of new shares and other shares	1	1	-	-	3	-	3
Share-based payment transactions	-	1	-	-	1	-	1
Total transactions with owners	1	2	-	-	4	-	4
Balance as of June 30, 2025	4,215	14,278	1,018	244	19,756	63	19,819

For the three months ended June 30, 2026

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2026	4,230	14,287	2,277	224	21,019	57	21,077
Profit	-	-	599	-	599	2	602
Other comprehensive income	-	-	-	25	25	1	26
Total comprehensive income	-	-	599	25	624	4	628
Issuance of new shares and other shares	1	1	-	-	3	-	3
Share-based payment transactions	-	2	-	-	2	-	2
Total transactions with owners	1	3	-	-	5	-	5
Balance as of June 30, 2026	4,232	14,291	2,876	249	21,649	62	21,711

(4) Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	776	806
Depreciation, amortization and impairment losses	425	462
Share-based payment expenses	1	9
Finance income and finance costs	(9)	34
Increase (decrease) in provisions	0	(24)
Loss on retirement of non-current assets	2	0
Decrease (increase) in inventories	0	1
Decrease (increase) in trade and other receivables	(5,159)	(1,332)
Decrease (increase) in operating loans	2	(7)
Increase (decrease) in trade and other payables	7,714	1,234
Other	536	(462)
Subtotal	4,291	721
Interest received	1	1
Interest paid	(9)	(10)
Income taxes paid	(789)	(626)
Net cash provided by (used in) operating activities	3,494	85
Cash flows from investing activities		
Payments into time deposits	0	-
Purchase of property, plant and equipment	(10)	(22)
Purchase of intangible assets	(389)	(439)
Payments of guarantee deposits	-	(0)
Proceeds from collection of guarantee deposits	2	0
Net cash provided by (used in) investing activities	(397)	(462)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	-	5,200
Repayments of lease liabilities	(71)	(73)
Proceeds from issuance of shares	3	3
Net cash provided by (used in) financing activities	(67)	5,130
Effects of exchange rate changes on cash and cash equivalents	44	22
Net increase (decrease) in cash and cash equivalents	3,073	4,775
Cash and cash equivalents at the beginning of the period	17,039	20,216
Cash and cash equivalents at the end of the period	20,113	24,991

(5) Notes to condensed quarterly consolidated financial statements

Applicable financial reporting framework

The Group's condensed quarterly consolidated financial statements are prepared in accordance with Article 5, Paragraph 2 of Tokyo Stock Exchange, Inc.'s standards for the preparation of quarterly financial statements, etc. (however, the omissions set out in Article 5, Paragraph 5 of the same standards apply). The condensed quarterly consolidated financial statements are prepared based on International Accounting Standard No. 34 "Interim Financial Reporting" (hereinafter "IAS 34"), but some of the disclosure items and notes required by IAS 34 are omitted. Accordingly, the condensed quarterly consolidated financial statements are not a set of condensed financial statements in accordance with IAS 34.

Going concern assumption

Not applicable.

Segment information

The Group operates as a single segment, Payment Solutions, and there are no other business segments to be classified. Therefore, segment information is not presented here.

Trade receivables

The breakdown of receivables arising from contracts with customers is as follows:

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Receivables arising from contracts with customers		
Trade receivables	510	517
Other trade receivables	49,955	51,546
Allowance for doubtful accounts	(6,771)	(7,036)
Total	43,695	45,027

Operating expenses

The breakdown of operating expenses is as follows:

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Collection expense	1,571	1,679
Invoicing expense	432	465
Bad debt related expenses (Note 1)	942	922
Advertising expenses	127	113
Sales promotion expenses	152	178
Salaries and bonuses (Note 2)	568	591
Legal welfare expenses	88	92
Wages	94	88
Recruiting expenses	27	29
Consignment expense	293	309
Operating and maintenance expenses	216	233
Maintenance cost	38	67
Depreciation and amortization	425	462
Taxes and dues	76	108
Other	340	399
Total	5,395	5,741

Notes: 1. In the first quarter of the previous fiscal year, "Provision for doubtful accounts," "Bad debt losses," and "Loss on sales of receivables" were presented as separate breakdown items. However, from the perspective of clarifying expense items with similar characteristics, these have been presented as a single item under "Bad debt-related expenses" since the previous consolidated fiscal year. To reflect this change in presentation, the breakdown of operating expenses for the first quarter of the previous fiscal year has been reclassified. As a result, 264 million yen in "Provision for doubtful accounts," 421 million yen in "Bad debt losses," and 256 million yen in "Loss on sales of receivables" have been reclassified and presented as 942 million yen in "Bad debt-related expenses" for the first quarter of the previous fiscal year.

2. In the first quarter of the previous fiscal year, "Salaries and allowances" and "Bonuses and provision for bonuses" were presented as separate breakdown items. However, from the perspective of clarifying expense items with similar characteristics, these have been presented as a single item under "Salaries and bonuses" starting from the first quarter of the current fiscal year. To reflect this change in presentation, the breakdown of operating expenses for the first quarter of the previous fiscal year has been reclassified. As a result, 457 million yen in "Salaries and allowances" and 111 million yen in "Bonuses and provision for bonuses" have been reclassified and presented as 568 million yen in "Salaries and bonuses" for the first quarter of the previous fiscal year.