

**Financial Results for the 1st Quarter of the Fiscal Year Ending December 31, 2022**  
**[Japanese Standards] (Consolidated)**

May 13, 2022

Listed company name: CARTA HOLDINGS, Inc. Listed stock exchange: TSE Prime Market  
 Stock Code No.: 3688 URL: <https://cartaholdings.co.jp/en/ir/>  
 Representative: Title Chairman and CEO Name: Shinsuke Usami  
 Contact: Title Director and CFO Name: Hidenori Nagaoka TEL +81-3-4577-1453

Date to submit the Securities Report: May 13, 2022  
 Scheduled date of dividend payments: —  
 Availability of supplementary information: Yes  
 Holding investors' meeting: Yes  
 (For security analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated Financial Results for FY 2022 First Three Months (January 1, 2022 – March 31, 2022)

(1) Consolidated results of operations (cumulative total) (The percentage indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
FY 2022 first three months	6,976	7.6	1,541	(8.0)	1,884	(5.2)	1,975	46.9
FY 2021 first three months	6,483	9.1	1,675	32.6	1,988	67.6	1,344	94.0

(Note) Comprehensive Income: FY 2022 first three months: ¥1,200 million (28.5)%  
 FY 2021 first three months: ¥1,678 million (895.9)%

	Net income per share	Diluted net income per share	EBITDA	
	¥	¥	¥million	%
FY 2022 first three months	77.01	76.45	3,174	28.1
FY 2021 first three months	53.34	53.09	2,478	54.7

\* EBITDA noted above (earnings before interest, tax, depreciation, and amortization) is calculated by adding interest expenses, depreciation, amortization, amortization of goodwill, loss on retirement of non-current assets, and impairment loss to the Company's profit before income taxes.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	Yen
March 31, 2022	52,254	28,246	53.6	1,091.66
December 31, 2021	55,376	27,757	49.6	1,070.34

(Reference) Owned capital: March 31, 2022: ¥28,003 million  
 December 31, 2021: ¥27,444 million

## 2. Dividend status

	Annual dividends				
	1Q end	2Q end	3Q end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2021	—	25.00	—	26.00	51.00
FY 2022	—				
FY 2022 (Forecast)		27.00	—	27.00	54.00

(Note) Revisions to dividend forecast for the current quarter: No

## 3. Forecast of Consolidated Financial Results for FY 2022 (January 1, 2022 — December 31, 2022)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	EBITDA	
	¥million	%	¥million	%	¥million	%	¥million	%	Yen	¥million	%
Full year	28,300	9.6	5,500	10.6	5,900	5.1	4,100	32.1	159.90	7,600	13.4

(Note) Revisions to performance results forecast for the current quarter: No

### ※ Notes

- (1) Changes in significant subsidiaries during the period : Yes  
 (Change of specified subsidiaries that lead to a change in the scope of consolidation)  
 Excluded from consolidation: 1 company (Name) Cyber Communications Inc.  
 (Note) For details, please see “2. Consolidated Financial Statements (3) Notes to Condensed Interim Consolidated Financial Statements (Changes in Significant Subsidiaries during the Period)” on page 10 of the attached documents.
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : Yes  
 Please see “2. Consolidated Financial Statements (3) Notes to Condensed Interim Consolidated Financial Statements (Adoption of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements)” on page 10 of the attached documents.
- (3) Changes in accounting policies, changes in accounting estimates, corrections and restatements and retrospective restatements
- 1) Changes in accounting policy resulting from revisions to accounting standards : Yes
  - 2) Changes in accounting policy other than above : None
  - 3) Changes in accounting estimates : None
  - 4) Retrospective restatements : None

### (4) Number of shares issued (common stock)

#### 1) Number of shares issued and outstanding (including treasury stock)

As of March 31, 2022	25,654,532	As of December 31, 2021	25,643,132
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#### 2) Number of treasury stock issued and outstanding

As of March 31, 2022	2,234	As of December 31, 2021	2,234
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#### 3) Average number of shares during the period (quarterly consolidated cumulative accounting period)

Three months ended March 31, 2022	25,648,498	Three months ended March 31, 2021	25,204,196
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### ※ Notice regarding audit procedures

This financial result is excluded from audit procedures.

### ※ Explanations related to appropriate use of the performance forecast other special instructions

(Note on forward-looking statements)

Earnings forecasts and other forward-looking statements in this report are based on information currently available and certain assumptions judged to be reasonable. Therefore, these statements do not constitute a guarantee of achievement. Actual results may differ materially for various reasons.

Please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information” on page 5 of the attached documents.

(Supplementary materials)

Supplementary materials on financial results are on our website (in English and Japanese).

## Attachment

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#### **1. Qualitative Information on Quarterly Financial Results for the Period under Review**

- (1) Analysis of Operating Results
- (2) Analysis of Financial Position
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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Analysis of Operating Results

With regard to the online advertising market where the Group operates its mainstay business, according to research by Dentsu Inc., in 2021, the impact of the novel coronavirus (COVID-19) eased in the second half of the year and the advertising market as a whole recovered significantly, with internet advertising spending reaching ¥2,705.2 billion, or an increase of 21.4% year on year, surpassing for the first time the total of traditional media advertising expenditures, which was ¥2,453.8 billion.

In addition, internet advertising medium expenditures, which consists of internet advertising spending excluding internet advertising production costs and merchandise-related EC platforms within advertising expenditures in Japan, grew to ¥2,157.1 billion, or an increase of 22.8% year on year, driven by growth in video and social media advertising. Of this amount, performance-based advertising costs, which are the mainstay of transactions in internet advertising medium expenditures, amounted to ¥1,838.2 billion, or an increase of 26.3% year on year, accounting for 85.2% of total internet advertising medium expenditures.

Under these circumstances, the Group worked to develop its business in the following three segments and has been promoting vertical integration throughout the Group to achieve sustainable growth: 1) the “Marketing Solutions Business” which provides advertising sales and solutions mainly through media communication; 2) the “Ad Platform Business” which operates ad distribution platforms; and 3) the “Consumer Business” which provides media solutions and operates its services in the EC, game, and HR fields.

As a result, the Group posted net sales of ¥6,976 million, or an increase of 7.6% year on year, operating income of ¥1,541 million, or a decrease of 8.0% year on year, due to an increase in advertising expenses for the “TELECY” operational TV advertising platform and aggressive upfront investments in the D2C domain, ordinary income of ¥1,884 million, or a decrease of 5.2% year on year, and profit attributable to owners of parent of ¥1,975 million, or an increase of 46.9% year on year, mainly due to the recording of an extraordinary income from gain on sales of investment securities in the period under review.

Financial results for each segment were as follows. Sales of each segment include intersegment sales and transfers.

In addition, in the period under review, the “Partner Sales Business” segment has been renamed the “Marketing Solutions Business” segment and some business that was previously included in the “Marketing Solutions Business” segment and the “Ad Platform Business” segment has been reclassified between the two segments due to organizational restructuring. Therefore, the following year-on-year comparisons are based on figures for the same period of the previous fiscal year that have been reclassified to reflect the new reporting segment classification.

#### 1) Marketing Solutions Business

The Marketing Solutions Business sells advertising space and provides solutions mainly through media communication. The Group has been working to acquire new profit sources through initiatives in operational advertising and sales promotion/EC-related services, as well as expanding sales of our own products and solutions, while promoting operational efficiency to secure the existing media rep margins.

As a result, the Marketing Solutions Business recorded net sales of ¥3,357 million, or an increase of 2.3% year on year, and segment income of ¥1,098 million, or a decrease of 1.8% year on year, in the period under review.

#### 2) Ad Platform Business

The Ad Platform Business operates “Zucks,” “PORTO,” “TELECY,” and others as operational advertising platforms, as well as “fluct” as media support services. We worked to improve and expand the functions of each platform and service, and also captured demand from corporate clients, which led to solid performance.

As a result, the Ad Platform Business recorded net sales of ¥2,023 million, or an increase of 29.0% year on year, and segment income of ¥498 million, or an increase of 20.9% year on year, in the period under review.

#### 3) Consumer Business

In the Consumer Business, we operate sales promotion media centered on “EC Navi,” “PeX,” and “Digico,” as well as services in the EC, game, and HR domains. In media

solutions, we have worked to expand the scale of existing media, and in the EC, game, and HR domains, we have made aggressive upfront investments to promote the strengthening of initiatives in the growing D2C domain in particular.

As a result, the Consumer Business recorded net sales of ¥1,603 million, or a decrease of 2.0% year on year, and segment loss of ¥55 million (segment income of ¥144 million for the same period of the previous fiscal year) in the period under review.

## **(2) Analysis of Financial Position**

### **(Assets)**

Consolidated assets as of the end of the period under review totaled ¥52,254 million, a decrease of ¥3,122 million from the end of the previous fiscal year. This was mainly attributable to decreases in cash and deposits and investment securities.

### **(Liabilities)**

Consolidated liabilities as of the end of the period under review amounted to ¥24,008 million, a decrease of ¥3,611 million from the end of the previous fiscal year. This was mainly attributable to decreases in accounts payable – trade, provision for bonuses and income taxes payable.

### **(Net Assets)**

Consolidated net assets as of the end of the period under review stood at ¥28,246 million, an increase of ¥489 million from the end of the previous fiscal year. This was primarily owing to an increase in retained earnings due to the recording of profit attributable to owners of parent and a decrease in valuation difference on available-for-sale securities due to the sale of investment securities.

## **(3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information**

No revisions have been made to the full-year consolidated performance forecast announced in “Financial Results for the Fiscal Year Ended December 31, 2021” on February 14, 2022.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	21,031	19,100
Accounts receivable - trade	18,349	18,480
Securities	175	180
Merchandise	50	61
Supplies	288	797
Other	2,675	2,381
Allowance for doubtful accounts	(56)	(56)
Total current assets	42,513	40,943
Non-current assets		
Property, plant and equipment	1,290	1,374
Intangible assets		
Goodwill	1,836	1,768
Other	2,853	2,740
Total intangible assets	4,689	4,509
Investments and other assets		
Investment securities	5,235	3,797
Deferred tax assets	229	200
Other	1,423	1,434
Allowance for doubtful accounts	(6)	(5)
Total investments and other assets	6,883	5,426
Total non-current assets	12,863	11,311
Total assets	55,376	52,254
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	16,899	15,864
Asset retirement obligations	162	162
Provision for bonuses	1,237	8
Provision for directors' bonuses	9	–
Provision for point card certificates	466	444
Deposits received	3,444	3,465
Income taxes payable	1,356	192
Current portion of long-term loans payable	117	100
Other	2,587	2,956
Total current liabilities	26,280	23,194
Non-current liabilities		
Long-term loans payable	63	49
Asset retirement obligations	238	238
Deferred tax liabilities	725	187
Lease obligations	16	26
Other	296	312
Total non-current liabilities	1,339	814
Total liabilities	27,619	24,008

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Capital stock	1,410	1,412
Capital surplus	12,337	12,339
Retained earnings	12,255	13,564
Treasury shares	(0)	(0)
Total shareholders' equity	26,002	27,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,428	672
Foreign currency translation adjustment	13	15
Total accumulated other comprehensive income	1,441	687
Share acquisition rights	122	122
Non-controlling interests	190	120
Total net assets	27,757	28,246
Total liabilities and net assets	55,376	52,254

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

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	6,483	6,976
Cost of sales	800	735
Gross profit	5,682	6,241
Selling, general and administrative expenses	4,007	4,699
Operating profit	1,675	1,541
Non-operating income		
Interest income and dividends income	21	25
Gain on investments in partnership	2	—
Foreign exchange gains	226	68
Share of gain of entities accounted for using equity method	5	68
Income from lease termination related a company	54	188
Other	18	22
Total non-operating income	327	374
Non-operating expenses		
Interest expenses	0	0
Loss on investments in partnership	13	20
Other	—	10
Total non-operating expenses	14	31
Ordinary profit	1,988	1,884
Extraordinary income		
Gain on sales of investment securities	248	1,022
Other	0	—
Total extraordinary income	248	1,022
Extraordinary losses		
Loss on retirement of non-current assets	33	11
Loss on valuation of investment securities	9	—
Loss on change in equity	11	—
Impairment loss	74	—
Other	2	—
Total extraordinary losses	131	11
Profit before income taxes	2,104	2,896
Income taxes	760	941
Profit	1,344	1,954
Profit attributable to non-controlling interests	(0)	(20)
Profit attributable to owners of parent	1,344	1,975



(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	1,344	1,954
Other comprehensive income		
Valuation difference on available-for-sale securities	341	(750)
Foreign currency translation adjustment	2	1
Share of other comprehensive income of entities accounted for using equity method	(9)	(5)
Total other comprehensive income	334	(754)
Comprehensive income	1,678	1,200
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,678	1,220
Comprehensive income attributable to non-controlling interests	(0)	(20)

**(3) Notes to Condensed Interim Consolidated Financial Statements  
(Going Concern Assumption)**

None

**(Notes on Significant Changes in the Amount of Shareholders' Equity)**

None

**(Changes in Significant Subsidiaries during the Period)**

The Company carried out an absorption-type merger, effective January 1, 2022, in which the Company was the merging company and VOYAGE GROUP, Inc. and Cyber Communications Inc., its consolidated subsidiaries, were merged companies. Therefore, VOYAGE GROUP, Inc. and Cyber Communications Inc. have been excluded from the scope of consolidation.

**(Adoption of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements)**

Tax expenses for the period are calculated by multiplying net income before income taxes for the period by the reasonably estimated annual effective tax rate after applying tax effect accounting which is calculated based on the estimated net income before income taxes for the entire fiscal year.

**(Changes in Accounting Policies)**

(Application of Accounting Standard for Fair Value Measurement, etc.)

Effective from the beginning of the period under review, the Group has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as "Fair Value Measurement Accounting Standard"), etc. In accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Group has decided to adopt the new accounting policy stipulated by the Fair Value Measurement Accounting Standard, etc. prospectively from the date of the change. There is no impact on the consolidated financial statements.

**(Changes in Accounting Estimates)**

None

**(Additional Information)**

(Application of the Accounting Standard for Revenue Recognition)

Effective from the beginning of the period under review, the Group has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. There is no impact on the consolidated financial statements. In addition, the Group applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 30, 2018) etc. from the beginning of the fiscal year ended December 31, 2019.

**(Segment Information)**

I For the three months ended March 31, 2021 (January 1, 2021 to March 31, 2021)

## 1. Information on sales and income or loss by reportable business segment

(Millions of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Marketing Solutions Business	Ad Platform Business	Consumer Business	Total		
Sales						
Outside Sales	3,281	1,564	1,636	6,483	—	6,483
Intersegment Sales or Transfer	—	3	—	3	(3)	—
Total	3,281	1,567	1,636	6,486	(3)	6,483
Segment Income (Loss)	1,118	411	144	1,675	—	1,675

(Note) Segment income (loss) is adjusted against operating profit in the Consolidated Statements of Income.

## 2. Information concerning impairment loss on non-current assets, goodwill and other items by reportable business segment

(Material impairment loss on non-current assets)

None

(Material changes in goodwill)

In the Consumer Business, as a result of reviewing the progress of rakanu Co., Ltd., a consolidated subsidiary, against its business plan and future business prospects, 74 million yen of the unamortized balance of goodwill recorded at the time of acquisition of the company's shares was recorded as an impairment loss in the period under review as an extraordinary loss.

(Material profit from negative goodwill)

None

II For the three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)

## 1. Information on sales and income or loss, and information on disaggregation of profit, by reportable business segment

(Millions of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Marketing Solutions Business	Ad Platform Business	Consumer Business	Total		
Sales						
Profit from contracts with customers	3,357	2,015	1,603	6,976	—	6,976
Other profit	—	—	—	—	—	—
Outside Sales	3,357	2,015	1,603	6,976	—	6,976
Intersegment Sales or Transfer	—	7	—	7	(7)	—
Total	3,357	2,023	1,603	6,984	(7)	6,976
Segment Income (Loss)	1,098	498	(55)	1,541	—	1,541

(Note) Segment income (loss) is adjusted against operating profit in the Consolidated Statements of Income.

2. Information concerning impairment loss on non-current assets, goodwill and other items by reportable business segment

(Material impairment loss on non-current assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

3. Matters concerning changes etc. in reportable segments

In the period under review, the “Partner Sales Business” segment has been renamed the “Marketing Solutions Business” segment and some business that was previously included in the “Marketing Solutions Business” segment and the “Ad Platform Business” segment has been reclassified between the two segments due to organizational restructuring.

Segment information for the same period of the previous fiscal year has been prepared based on the classification method after the change.

In addition, beginning in the period under review, due to reorganization, the method for allocating common expenses has been partially reviewed and the method of calculating income or loss by business segment was changed.

However, since the impact of the partial revision of the method for allocating common expenses is minor, segment information for the same period of the previous fiscal year is presented based on the method used before the change.

In accordance with the transitional treatment stipulated in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information disaggregating revenue from contracts with customers for the same period of the previous fiscal year is not presented.

### **(Significant Subsequent Events)**

Acquisition and retirement of treasury shares

At the Board of Directors meeting held on May 13, 2022, the Company resolved to acquire treasury shares in accordance with Article 459, Paragraph 1 of the Companies Act and Article 46 of its Articles of Incorporation and to retire treasury shares in accordance with Article 178 of the Companies Act, as follows.

- (1) Reason for acquisition of treasury shares

To enhance shareholder returns and improve share capital efficiency.

- (2) Details of the acquisition

1) Type of shares to be acquired	Common shares of the Company
2) Total number of shares to be acquired	400,000 shares (maximum) (Ratio to total number of shares issued and outstanding (excluding treasury stock): 1.56%)
3) Total acquisition cost	¥1,200 million (maximum)
4) Period of acquisition	May 16, 2022 through August 15, 2022
5) Method of acquisition	Market purchases based on discretionary dealing contract regarding treasury shares acquisition

- (3) Details of the retirement

1) Type of shares to be retired	Common shares of the Company
2) Total number of shares to be retired	2,234 treasury shares currently held and all treasury shares acquired in accordance with (2) above
3) Retirement date	August 31, 2022