

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 Third Quarter of Fiscal Year Ending March 31, 2024 (Nine Months Ended December 31, 2023) (Based on J-GAAP)

February 2, 2024

Company name: T-Gaia Corporation  
 Stock code: 3738  
 Representative: Masato Ishida, President and Representative Director  
 Contact: Kaoru Hayashi, Senior Executive Officer & General Manager of Corporate Planning & Strategy Dept.  
 Tel: +81-3-6409-1010

Listing: Tokyo Stock Exchange  
 URL: <https://www.t-gaia.co.jp/english/ir/>

Scheduled date of filing Quarterly Securities Report: February 5, 2024

Scheduled commencement date of dividend payout: -

Quarterly financial results supplementary explanatory documents: Yes

Quarterly financial results presentation: None

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023 – December 31, 2023)

(1) Consolidated results of operations (nine months) (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY 2024	328,984	0.2	5,052	8.4	8,014	1.6	3,810	(30.6)
3Q FY 2023	328,308	(3.4)	4,659	(35.3)	7,890	(27.5)	5,493	(28.2)

Note: Comprehensive income (million yen): 3Q FY 2024: 3,498 / [(39.0)%] 3Q FY 2023: 5,732 / [(24.8)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
3Q FY 2024	68.28	—
3Q FY 2023	98.48	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3Q FY 2024	243,239	74,219	30.5
FY 2023	246,068	74,887	30.2

Reference: Shareholders' equity (million yen): 3Q FY 2024: 74,154 FY 2023: 74,385

### 2. Dividends

	Annual dividends				
	1Q-end	Interim	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	37.50	—	37.50	75.00
FY 2024	—	37.50	—	—	—
FY 2024 (forecasts)	—	—	—	37.50	75.00

Note: Revisions to the dividend forecast most recently announced: None

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	459,500	1.3	8,200	17.2	12,400	6.5	6,600	(26.9)	118.25

Note: Revisions to the financial forecast most recently announced: Yes

**Notes**

- (1) Changes in significant subsidiaries during the period (nine months) under review  
(Changes in subsidiaries accompanying change in the scope of consolidation): Yes  
Newly included: 1 company (T-Gaia Asia Pacific Pte. Ltd.)
- (2) Application of accounting procedures specific to creation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles, estimates and restatements
- 1) Changes in accounting principles caused by revision of accounting standards, etc.: None
  - 2) Changes in accounting principles other than those mentioned above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None

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

1) Number of issued shares (including treasury shares) at the end of the period	3Q FY 2024	56,074,000 shares	FY 2023	56,074,000 shares
2) Number of treasury shares at the end of the period	3Q FY 2024	253,709 shares	FY 2023	282,309 shares
3) Average number of shares outstanding during the period (nine months)	3Q FY 2024	55,808,747 shares	3Q FY 2023	55,780,994 shares

\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

\* Cautionary statement with respect to forward-looking statements

(Disclaimer on forward-looking statements, etc.)

These materials contain forward-looking information including earnings projections based on information currently available to the Company and certain assumptions considered reasonable in the judgment of the Company. Nothing contained in these materials is meant to suggest that the Company promises to attain the said projections. Moreover, due to various factors, actual results may materially differ from projections.

(Concerning quarterly financial results supplementary explanatory documents)

Financial results supplementary explanatory documents will be posted on the Company's website in Japanese on February 2, 2024 (Friday).

○ Attachment: Table of Contents

1. Qualitative Information Concerning the Third Quarter Financial Results .....	2
(1) Explanation of operating performance .....	2
(2) Explanation of financial position.....	4
(3) Explanation of forward-looking information including the consolidated financial forecasts .....	4
2. Quarterly Consolidated Financial Statements and Notes .....	5
(1) Quarterly consolidated balance sheets .....	5
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income.....	6
(Quarterly consolidated statements of income)	
(Consolidated nine months period).....	6
(Quarterly consolidated statements of comprehensive income)	
(Consolidated nine months period).....	6
(3) Notes to quarterly consolidated financial statements.....	7
(Notes on the going-concern assumption) .....	7
(Notes on significant changes in shareholders' equity) .....	7
(Segment information).....	7

## 1. Qualitative Information Concerning the Third Quarter Financial Results

### (1) Explanation of operating performance

In the period under review (April to December 2023), amid the continuation of global monetary tightening, etc., the downturn in overseas business conditions has been a downward risk on the business conditions in Japan. Looking ahead, careful attention needs to be paid to the impacts of rises in commodity prices, fluctuations in the financial and capital markets, etc.

In the market for mobile phone handsets, which is the main business field of the Company, there has been excessive competition among telecommunications carriers to obtain new contracts, partly due to the impact of the revision of the Telecommunications Business Act, which took effect in October 2019, to facilitate transfers between carriers. In the fiscal year under review, excessive discount competition is subsiding, and on December 27, 2023, a partial revision of the Regulations for Enforcement of Telecommunications Business Act, including a new mobile phone handset discount cap regulation, went into effect. It is hoped that from now on, excessive discount competition will be curbed and the market will transition to a more normal market.

On the other hand, the average number of years of mobile phone handset use has been lengthening as a result of price hikes due to the increasing functionality of smartphones and the reluctance to buy due to high commodity prices. As telecommunications carriers begin to offer new value propositions, such as linking with financial services, we expect that the role expected of us and other mobile phone distributors will continue to expand.

Under this business environment, the Group (the Company, its consolidated subsidiaries, and its equity-method affiliates) steadily worked toward the realization of the TG Universe (the ecosystem within T-Gaia), the Group-wide strategy in our medium-term management plan (FY2022-FY2024), and Initiatives for TG Material Issues (eight material issues). With the aim of transforming the well-balanced business portfolio so that it is not dependent on the Consumer Mobile Business Segment, we are actively carrying out growth investments, particularly in the Enterprise Solutions Business Segment and Smart Life & QUO Card Business Segment.

We also set up a project organization in April 2023 and regional revitalization teams at each location in October to transform our shops, mainly carrier shops, to adopt a customer-centric business model. This is a foothold to promote horizontal collaboration across all businesses, under which, we are working on “provision of smart life-related services at shops,” “DX support for small and medium-sized businesses,” and “collaboration with local governments.” Both our consumer and enterprise client businesses are shifting focus from a product-out approach, or product sales-oriented approach, to a market-in approach, in which we provide services in line with customer requests, aiming to expand revenue.

Consolidated business results for the period under review marked net sales of 328,984 million yen (+0.2% compared with the year-earlier period), with operating profit of 5,052 million yen (+8.4%). Ordinary profit marked 8,014 million yen (+1.6%) and profit attributable to owners of parent posted 3,810 million yen (-30.6%).

The main reason for the decrease in profit was that the Enterprise Solutions Business Segment recorded impairment losses related to consolidated subsidiary Relay2, Inc. as extraordinary losses.

Results by business segment for the period under review are described below.

	(Millions of yen)				
	Consumer Mobile Business Segment	Enterprise Solutions Business Segment	Smart Life & QUO Card Business Segment	Others	Consolidated financial results
Net sales	276,660 1.0%	29,836 8.1%	22,469 (15.7%)	18 (65.2%)	328,984 0.2%
Profit (loss) attributable to owners of parent	2,752 71.1%	(829) -	1,789 (13.5%)	98 (46.6%)	3,810 (30.6%)
Supplementary information – Operating profit (loss)	4,599 92.1%	972 (50.9%)	(443) -	(75) -	5,052 8.4%

\* Percentages represent year-over-year changes

[Consumer Mobile Business Segment]

The Consumer Mobile Business Segment is engaged in intermediary services specializing in contracts for telecommunications services, and other types of contracts provided by each telecommunications carrier, as well as the sales of smartphones, etc. For the Group's shops across Japan, we are aiming to realize shops that are "regional ICT hubs" rather than mere "points of sale," and which provide impressive experience to customers through high quality services and proposals with utility value that meets customer requirements.

The number of mobile phone contracts in the Consumer Mobile Business Segment was 2,228,000 (a decrease of 6.0% compared to the same period of the previous fiscal year) due to the lengthening replacement cycle of mobile phones caused by soaring smartphone prices and other factors. On the other hand, in the period under review, the number of mobile phone contracts remained at the same level as in the same period of the previous fiscal year, partly due to the launch of new models.

We have also introduced Smart Online Support at our carrier shops, which provides remote support for initial setup and instructions on smartphone use, to make our operations more efficient and increase customer satisfaction through the provision of support tailored to each customer by specialist staff. The number of customers visits to our directly managed shops is on a recovery trend, as we have resumed accepting customers who do not have reservations after the transition of COVID-19 to Class 5 infection. In addition, since the previous fiscal year, the Company has been working to optimize the number of shops and to improve operational efficiency and productivity, thereby controlling selling, general and administrative expenses.

Sales of original products, especially glass coatings and security products, remained solid, which contributed to the increase in operating profit.

As a result, net sales marked 276,660 million yen (+1.0% compared with the year-earlier period), with profit attributable to owners of parent of 2,752 million yen (+71.1%).

[Enterprise Solutions Business Segment]

The Enterprise Solutions Business Segment is engaged in the sales of smartphones, etc. to enterprise clients, the provision of solution services related to devices and network management services, etc., and sales and intermediary services specializing in optical communication line service contracts for enterprise clients and individual customers. The Group is expanding products and services to create a one-stop channel for meeting customers' requirements through its Life Cycle Management (LCM) business which revolves around administrative and support services for device life cycles spanning from procurement, propositions, and introduction support for smart devices including PCs, to building Wi-Fi environment, maintenance, operations, and updating services.

The number of mobile phone contracts in the Enterprise Solutions Business Segment was 238,000 (an increase of 0.5% compared to the same period of the previous fiscal year). On the other hand, net sales and commission income of smart devices decreased, but we have been focusing on expanding sales channels while seeking to enhance our sales capabilities in part by engaging in human resource development on a Group-wide basis.

We expanded products and services in the LCM business and the number of management IDs for network administrative services (movino star), helpdesks, and the like surpassed the same period of the previous fiscal year. As a result of movino star expanding target devices to include not only smartphones but also PCs, the number of IDs is increasing.

In addition, with an eye on the aging society, we are focusing on expanding our business domain and attracting new customer segments by proposing voice interactive AI services and monitoring cameras for nursing care to nursing care facilities.

On the other hand, depreciation and other expenses increased from the same period of the previous fiscal year due to the enhancement of sales system functions.

In products related to fixed-line telecommunications, despite a steadily increasing cumulative number of lines owned by the Company's own "TG Hikari" fiber-optics access service, such gains were not sufficient to compensate for the decreases in net sales and commission income that were due to factors such as languishing sales.

As a result, net sales marked 29,836 million yen (+8.1% compared with the year-earlier period), with loss attributable to owners of parent of 829 million yen (profit attributable to owners of parent was 1,631 million yen for the same period of the previous fiscal year) mainly due to the recording of extraordinary losses mentioned above.

[Smart Life & QUO Card Business Segment]

The Smart Life & QUO Card Business Segment is mainly engaged in sales of PIN (prepaid codes), gift cards, and smartphone accessories through major nationwide convenience store chains, as well as ESG-related businesses such as renewable energy, healthcare, ICT schools for children, and e-sports. It also includes the Company's consolidated subsidiary QUO CARD Co., Ltd. which is tasked with the issuance and settlement of "QUO CARD" and "QUO CARD Pay" and the sales and repair/maintenance of card-handling equipment, etc.

In the Smart Life Business, PIN and gift card transaction volumes were down compared with the same period of the previous fiscal year. The demand for a variety of digital content, including games, music, and video streaming, is gradually declining along with changing lifestyles. Sales in the wholesale of smartphone accessories mainly to convenience stores and sales of wearable device "Fitbit" were robust.

In November 2023, we opened our first "FEMTECH LAB," a salon-style femtech store offering products and services that help solve women's specific health issues. We are also working on the development of services that organically integrate real and digital worlds in cooperation with our online store, which opened in December.

In overseas business operations, we began franchising the mobile battery sharing service "ChargeSPOT" in Singapore in December.

In the QUO Card Business, the amount of issuance for QUO CARD and QUO CARD Pay decreased compared to the same period of the previous fiscal year, primarily due to effects of significant initiatives undertaken for local governments during the same period of the previous fiscal year. Since July 2023, we have been striving to expand our network of member stores in part by adding major convenience stores as QUO CARD Pay member stores.

As a result, net sales marked 22,469 million yen (-15.7% compared with the year-earlier period), with profit attributable to owners of parent of 1,789 million yen (-13.5%).

(2) Explanation of financial position

(Assets)

Current assets at the end of the period under review were 202,127 million yen, which was 1,706 million yen higher than at the end of the previous fiscal year. This was mainly due to a 15,526 million yen increase in operational investment securities, a 5,446 million yen increase in inventories, a 3,474 million yen increase in accounts receivable - other, a 14,049 million yen decrease in guarantee deposits, and a 9,120 million yen decrease in cash and deposits. Non-current assets at the end of the period under review were 41,112 million yen, which was 4,535 million yen lower than at the end of the previous fiscal year. This was mainly due to a 1,418 million yen decrease in investment securities due to change in the scope of consolidation, a 1,370 million yen decrease in deferred tax assets, and a 1,322 million yen decrease in goodwill.

As a result, total assets posted 243,239 million yen, which was 2,829 million yen lower than at the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the period under review were 165,594 million yen, which was 605 million yen lower than at the end of the previous fiscal year. This was mainly due to a 1,134 million yen increase in accounts payable - other, a 959 million yen decrease in provision for bonuses, a 936 million yen decrease in current portion of long-term borrowings, and a 523 million yen decrease in income taxes payable. Non-current liabilities at the end of the period under review were 3,426 million yen, which was 1,555 million yen lower than at the end of the previous fiscal year. This was mainly due to a 1,871 million yen decrease in long-term borrowings.

As a result, total liabilities posted 169,020 million yen, which was 2,160 million yen lower than at the end of the previous fiscal year.

(Net assets)

Net assets at the end of the period under review were 74,219 million yen, which was 668 million yen lower than at the end of the previous fiscal year. This was mainly due to 3,810 million yen recognized in profit attributable to owners of parent and 4,185 million yen in payment of dividends of surplus.

(3) Explanation of forward-looking information including the consolidated financial forecasts

As stated in the "Notice of Recording Extraordinary Losses and Revision of Full-Year Consolidated Forecasts" released today, we have revised our full-year consolidated forecasts for the fiscal year ending March 31, 2024, which was announced on May 1, 2023.

Nine months (April to December 2023) net sales represent 71.6% of the revised full-year estimate, with percentages for operating profit, ordinary profit, and profit attributable to owners of parent at 61.6%, 64.6%, and 57.7%, respectively.

As for the details of the revision, the impact of the extraordinary losses, etc. recorded for Relay2, Inc. has been deducted from profit attributable to owners of parent. The previous forecasts for net sales, operating profit, and ordinary profit remain unchanged, as they have remained steady and the fiscal year-end sales season is approaching.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	FY 2023 (As of March 31, 2023)	3Q FY 2024 (As of December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	47,652	38,531
Notes and accounts receivable - trade	19,687	20,228
Operational investment securities	-	15,526
Inventories	25,855	31,302
Accounts receivable - other	11,258	14,733
Guarantee deposits	93,219	79,170
Other	2,765	2,670
Allowance for doubtful accounts	(18)	(35)
<b>Total current assets</b>	<b>200,420</b>	<b>202,127</b>
Non-current assets		
Property, plant and equipment	4,227	4,652
Intangible assets		
Goodwill	16,502	15,180
Contract-related intangible assets	1,193	1,142
Other	5,484	4,920
<b>Total intangible assets</b>	<b>23,179</b>	<b>21,243</b>
Investments and other assets	18,240	15,217
<b>Total non-current assets</b>	<b>45,648</b>	<b>41,112</b>
<b>Total assets</b>	<b>246,068</b>	<b>243,239</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,104	9,975
Current portion of long-term borrowings	3,751	2,814
Accounts payable - other	16,723	17,858
Income taxes payable	971	448
Refund liability	87	77
Provision for bonuses	2,486	1,527
Card deposits	131,028	131,156
Other	1,046	1,736
<b>Total current liabilities</b>	<b>166,199</b>	<b>165,594</b>
Non-current liabilities		
Years of service gratuity reserve provisions	187	178
Retirement benefit liability	369	567
Asset retirement obligations	1,991	2,089
Other	2,432	590
<b>Total non-current liabilities</b>	<b>4,981</b>	<b>3,426</b>
<b>Total liabilities</b>	<b>171,181</b>	<b>169,020</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,154	3,154
Capital surplus	5,141	5,165
Retained earnings	65,892	65,517
Treasury shares	(260)	(233)
<b>Total shareholders' equity</b>	<b>73,927</b>	<b>73,603</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	318	289
Foreign currency translation adjustment	139	262
<b>Total accumulated other comprehensive income</b>	<b>458</b>	<b>551</b>
Non-controlling interests	501	64
<b>Total net assets</b>	<b>74,887</b>	<b>74,219</b>
<b>Total liabilities and net assets</b>	<b>246,068</b>	<b>243,239</b>

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
(Quarterly consolidated statements of income)  
(Consolidated nine months period)

(Millions of yen)

	3Q FY 2023 (From April 1, 2022 to December 31, 2022)	3Q FY 2024 (From April 1, 2023 to December 31, 2023)
Net sales	328,308	328,984
Cost of sales	276,367	274,345
Gross profit	51,940	54,638
Selling, general and administrative expenses	47,281	49,586
Operating profit	4,659	5,052
Non-operating income		
Delay damages income	362	-
Hoard profit of prepaid card	2,933	2,984
Other	200	179
Total non-operating income	3,496	3,164
Non-operating expenses		
Share of loss of entities accounted for using equity method	33	57
Delay damages	171	-
Store lease termination penalties	10	42
Other	50	102
Total non-operating expenses	265	202
Ordinary profit	7,890	8,014
Extraordinary income		
Gain on sale of investment securities	-	163
Gain on bargain purchase	249	-
Gain on step acquisitions	305	-
Other	19	9
Total extraordinary income	575	173
Extraordinary losses		
Loss on retirement of non-current assets	53	87
Impairment losses	-	1,709
Other	0	-
Total extraordinary losses	54	1,797
Profit before income taxes	8,411	6,390
Income taxes - current	1,596	1,569
Income taxes - deferred	1,380	1,499
Total income taxes	2,976	3,069
Profit	5,435	3,320
Loss attributable to non-controlling interests	(58)	(490)
Profit attributable to owners of parent	5,493	3,810

(Quarterly consolidated statements of comprehensive income)  
(Consolidated nine months period)

(Millions of yen)

	3Q FY 2023 (From April 1, 2022 to December 31, 2022)	3Q FY 2024 (From April 1, 2023 to December 31, 2023)
Profit	5,435	3,320
Other comprehensive income		
Valuation difference on available-for-sale securities	49	(29)
Foreign currency translation adjustment	234	205
Share of other comprehensive income of entities accounted for using equity method	13	2
Total other comprehensive income	297	178
Comprehensive income	5,732	3,498
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,712	3,958
Comprehensive income attributable to non-controlling interests	19	(459)



- (3) Notes to quarterly consolidated financial statements  
 (Notes on the going-concern assumption)  
 Not applicable.  
 (Notes on significant changes in shareholders' equity)  
 Not applicable.  
 (Segment information)

I 3Q FY 2023 (from April 1, 2022 to December 31, 2022)

1. Information by reportable segment on net sales, profit / loss amounts and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Total	Other (Note)	Total
	Consumer Mobile Business Segment	Enterprise Solutions Business Segment	Smart Life & QUO Card Business Segment			
Net sales						
Smart device	163,224	8,724	–	171,948	–	171,948
Prepaid cards, etc.	–	–	7,818	7,818	–	7,818
Fees related to smart device	106,377	8,376	–	114,754	–	114,754
Sales commissions of prepaid card, etc.	–	–	11,924	11,924	–	11,924
Own solution services	–	4,927	–	4,927	–	4,927
TG Hikari & NW related	–	5,316	–	5,316	–	5,316
Other	4,395	247	6,826	11,469	52	11,522
Revenue from contracts with customers	273,997	27,590	26,570	328,158	52	328,210
Other revenue	–	–	97	97	–	97
Sales to external customers	273,997	27,590	26,667	328,255	52	328,308
Intersegment sales or transfers	184	77	86	348	1,112	1,460
Total	274,182	27,667	26,753	328,603	1,165	329,769
Segment profit	1,608	1,631	2,069	5,309	184	5,493

Note: The “Other” segment is a segment for businesses that do not fall under reportable segments and includes the Company’s systems development, operation, and maintenance operations.

2. The difference between total profit or loss of reportable segments and profit or loss reported in the quarterly consolidated statements of income for the period under review, and main items responsible for the difference (Matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	5,309
Profit categorized as “Other”	184
Profit attributable to owners of parent in the quarterly consolidated statements of income	5,493

3. Matters concerning the impairment loss from non-current assets or goodwill of reportable segments  
 (Material change in the goodwill amount)

In the Enterprise Solutions Business Segment, Relay2, Inc. was made into a consolidated subsidiary from 1Q FY 2023. The increase in the amount of goodwill caused by this event was 1,137 million yen.

- (Information concerning gain on bargain purchase)

In the Consumer Mobile Business Segment, we recognized a gain on bargain purchase associated with the acquisition of shares of CCC FRONTIER Inc. (name changed to UNiCASE Corporation on October 1, 2022) and its conversion into a consolidated subsidiary in 2Q FY 2023. This gain on bargain purchase amounted to 244 million yen.

II 3Q FY 2024 (from April 1, 2023 to December 31, 2023)

1. Information by reportable segment on net sales, profit / loss amounts and information on disaggregation of revenue

(Millions of yen)

	Reportable segments				Other (Note)	Total
	Consumer Mobile Business Segment	Enterprise Solutions Business Segment	Smart Life & QUO Card Business Segment	Total		
Net sales						
Smart device	175,384	8,166	–	183,551	–	183,551
Prepaid cards, etc.	–	–	6,144	6,144	–	6,144
Fees related to smart device	96,978	7,434	–	104,413	–	104,413
Sales commissions of prepaid card, etc.	–	–	10,231	10,231	–	10,231
Own solution services	–	7,663	–	7,663	–	7,663
TG Hikari & NW related	–	6,288	–	6,288	–	6,288
Other	4,296	282	5,771	10,351	18	10,369
Revenue from contracts with customers	276,660	29,836	22,147	328,643	18	328,662
Other revenue	–	–	321	321	–	321
Sales to external customers	276,660	29,836	22,469	328,965	18	328,984
Intersegment sales or transfers	1,454	1,563	120	3,138	2,601	5,740
Total	278,115	31,399	22,589	332,104	2,620	334,724
Segment profit (loss)	2,752	(829)	1,789	3,712	98	3,810

Note: The “Other” segment is a segment for businesses that do not fall under reportable segments and includes the Company’s systems development, operation, and maintenance operations.

2. The difference between total profit or loss of reportable segments and profit or loss reported in the quarterly consolidated statements of income for the period under review, and main items responsible for the difference (Matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Reportable segments total	3,712
Profit categorized as “Other”	98
Profit attributable to owners of parent in the quarterly consolidated statements of income	3,810

3. Changes in reportable segments, etc.

Beginning in 1Q FY 2024, the name of the reportable segment previously referred to as “Payment Service Business and Other Business Segment” has been changed to “Smart Life & QUO Card Business Segment” in light of the nature of its business. Accordingly, the segment information for 3Q FY 2023 is also presented under the new name.

Beginning in 1Q FY 2024, the accessories business, which was included in the Consumer Mobile Business Segment, has been reclassified into the Smart Life & QUO Card Business Segment. Additionally, the segment information for 3Q FY 2023 has not been prepared based on segment classifications reflecting this change, as its impact on net sales and segment profit is immaterial.

4. Matters concerning the impairment loss from non-current assets or goodwill of reportable segments (Significant impairment losses on non-current assets and material change in the goodwill amount)

In the Enterprise Solutions Business Segment, impairment losses of 1,709 million yen on non-current assets, including goodwill related to Relay2, Inc., was recorded in the period under review. The decrease in the amount of goodwill caused by this event was 1,098 million yen for the period under review.