



Summary of Consolidated Financial Results for the Nine-month Period Ended December 31, 2023 (Japanese accounting standards)

Released: January 31, 2024

Name of listed firm: Nojima Corporation

Listed on the Tokyo Stock Exchange

Code No.: 7419

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Supplemental materials on quarterly financial results: No

Briefing session on quarterly financial results for analysts: No

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

1. Consolidated financial results for the fiscal year ended December 31, 2023 (April 1, 2023 - December 31, 2023)

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

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine-month period ended December 31, 2023	560,649	33.1	21,287	-13.3	23,168	-14.8	41,279	0.9	14,215	-20.4
Nine-month period ended December 31, 2022	421,345	1.8	24,559	13.6	27,201	14.6	40,905	11.7	17,851	18.5

Note: Comprehensive income: Nine-month period ended December 31, 2023: 15,142 million yen (-18.6%)

Nine-month period ended December 31, 2022: 18,595 million yen (15.3%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
Nine-month period ended December 31, 2023	144.82	143.23
Nine-month period ended December 31, 2022	182.98	180.68

Note: The Company split one common share into two shares with the effective date of October 1, 2022. Accordingly, net income per share and diluted net income per share are calculated on the premise that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	547,071	172,922	30.8	1,719.90
As of March 31, 2023	556,902	161,056	28.1	1,596.29

Reference: Equity: As of December 31, 2023: 168,413 million yen As of March 31, 2023: 156,517 million yen

Note: The Company had finalized provisional accounting treatment for the business combination in this Six-month period ended September 30, 2023. Each figure for the fiscal year ending March 2023 is based on the provisional accounting treatment have reflected the confirmed details.

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2023	-	26.00	-	15.00	-
FY ended March 2024	-	15.00	-	-	-
FY ending March 2024 (planned)	-	-	-	15.00	30.00

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

Note: The Company split one common share into two shares with the effective date of October 1, 2022. The year-end dividend per share for the FY ending March 2022 and 2023 is stated as the actual dividend amount before the stock split. Accordingly, the year-end dividend per share for the FY ending March 2023 is calculated on the assumption that the share split took place and the total dividend is stated as "-".

3. Forecasts of consolidated financial results for the fiscal year ending March 2024 (April 1, 2023 - March 31, 2024)

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

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	740,000	18.2	38,000	13.2	41,000	13.1	61,000	9.4	27,000	15.8	275.73

Note: Revisions to the most recently announced consolidated earnings forecast: No

* Notes

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

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

i. Number of shares issued and outstanding at the end of the period (including treasury shares)	As of December 31, 2023	102,579,232 shares	FY ended March 2023	102,579,232 shares
ii. Number of shares of treasury shares at the end of the period	As of December 31, 2023	4,658,863 shares	FY ended March 2023	4,528,141 shares
iii. Average number of shares during the period	Nine-month period ended December 31, 2023	98,163,825 shares	Nine-month period ended December 31, 2022	97,559,110 shares

Note: The Company split one common share into two shares with the effective date of October 1, 2022. Accordingly, the number of issued and outstanding shares (common shares) are calculated on the premise that the share split was conducted at the beginning of the fiscal year ended March 31, 2023. The number of shares of treasury shares above includes shares held in trust accounts (0 shares as of December 31, 2023 and 497,900 shares as of March 31, 2023) for the employee stock ownership plan (ESOP). Shares of the Company's own stock held in ESOP trust accounts are included in treasury shares subtracted from the calculation of the average number of shares during the period (220,951 shares for the nine-month period ended December 31, 2023 and 837,413 shares for the nine-month period ended December 31, 2022).

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

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

Note on forward-looking statements:

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

Reference:

The Company acquired CONEXIO Corporation, MONEY SQUARE HOLDINGS, INC. and MONEY SQUARE, INC. as new subsidiaries during FY ended March 2023. Consolidated results for the fiscal year excluding the effects of that impact are as follows.

Consolidated financial results for the nine-month period ended December 31, 2023 (April 1, 2023 – December 31, 2023)
 (Excluding profit and loss using the equity method)

(1) Consolidated results of operations (Cumulative) (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	%
Nine-month period ended December 31, 2023	436,562	3.6	18,236	-25.7	20,153	-25.9	13,119	-26.5
Nine-month period ended December 31, 2022	421,345	1.8	24,559	13.6	27,201	14.6	17,851	18.5

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine-month period ended December 31, 2023	133.65		132.18	
Nine-month period ended December 31, 2022	182.98		180.68	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Nine-month period ended December 31, 2023	382,092		171,036		43.6		1,703.21	
As of March 31, 2023	389,143		160,348		40.1		1,597.14	

(Reference) Equity: FY three-month ended December 31, 2023: 166,779 million yen FY ended March 2023: 156,517 million yen

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of operating results

During the nine-month period ended December 31, 2023, Japan's economy as a whole showed gradual signs of recovery, and it is expected that this will continue in the future due to improvements in the employment and income environment and the effects of various government policies. On the other hand, there are downside risks to the economy, including financial tightening and concerns about the future of the Chinese economy.

Under these circumstances, the Nojima Group has focused on leading the digital field and achieving the industry's highest level of customer satisfaction. To achieve these goals, we sought to establish sales floors where shoppers can easily find what they want, and provide customer services that better reflect customer demand, while working to improve consulting-based sales and enhancing customer services to meet their needs.

As a result, for the nine-month period ended December 31, 2023, we recorded net sales of 560,649 million yen (133.1% of the figure for the nine-month period ended December 31, 2022), operating income of 21,287 million yen (86.7% of the figure for the nine-month period ended December 31, 2022), ordinary income of 23,168 million yen (85.2% of the figure for the nine-month period ended December 31, 2022), and net income attributable to shareholders of the parent company of 14,215 million yen (79.6% of the figure for the nine-month period ended December 31, 2022).

Further, EBITDA (*), a formula the Group considers to be an important indicator of business performance, stood at 41,279 million yen (100.9% of the figure for the nine-month period ended December 31, 2022).

(* EBITDA = ordinary income + interest expenses + interest on bonds + depreciation + amortization of goodwill - gain or loss on equity method investment

Business performance by segment is outlined below.

As a result of including MSHD and its two subsidiaries in the scope of consolidation in the previous consolidated fiscal year, we have added "Financial business" to the existing reportable segments.

(Operation of digital home electronics retail stores)

As a result of the hot weather that lasted until October, and then cooled down significantly since November, demand for air conditioners was on an increasing trend. On the other hand, demand for personal computers and other appliances was low. For these reasons, sales in the consumer electronics retail industry were generally flat.

Under these circumstances, we continued to invest in human resources and stores. We started offering DX Project services in cooperation with Global Logic, Ltd. Currently, we offer two types of digital services, and we will continue to develop them, so that customers can have a comfortable shopping experience at stores. For stores development during the October-December period, we have opened seven stores in the Tokyo metropolitan area, mainly ones like the Grand Duo Tachikawa store, and we have undertaken initiatives to please new stores' area customers. By product, sales of high-function air conditioners with high energy-savings were strong.

As a result, net sales in this segment totaled 197,495 million yen (100.4% of the figure for the nine-month period ended December 31, 2022) and segment ordinary income was 11,992 million yen (74.6% of the figure for the nine-month period ended December 31, 2022).

(Operation of mobile carrier stores)

Due to revision of the Telecommunications Business Law on December 27, retailers cannot now sell mobile devices at extremely low prices. But in December, just before the revision of the law, there was a market environment that supported low price sales to respond to last minute demand. We expect that the revised law will make the market environment even more severe, which has already been feeling the effect of prolonging the customer replacement cycle due to rising mobile device prices.

Under these circumstances, we have continued to operate our stores to please our customers by providing unique services such as security-related services that provide peace of mind and safety, as well as consulting services tailored to customer needs.

In addition to consulting about purchasing related not only to the price but also to the value of the device and the service, we also kept discounting under control, which enabled us to largely improve profits. Regarding CONEXIO Corporation (hereinafter referred to as CONEXIO), the management philosophy and method of Nojima Group have been taken onboard, and we have been improving store management through accepting ideas from store staff.

As a result, net sales in this segment totaled 253,825 million yen (194.6% of the figure for the nine-month period ended December 31, 2022), and segment ordinary income was 4,749 million yen (136.9% of the figure for the nine-month period ended December 31, 2022). CONEXIO's results are included in the carrier shop operation business. Net sales (before consolidation adjustments) totaled 119,656 million yen and ordinary income was 2,546 million yen.

(Internet business)

Amid the increasing use of ultra-high-speed broadband services – an indispensable infrastructure for daily life – we provided information on the mainstay FTTH service "@nifty Hikari" and email services at Group stores to maximize group synergies. As of the end of December, the number of broadband members was 1.291 million, a net increase of 10,171 from the same month last year.

In addition, we have provided the ultra-high-speed service "@nifty Hikari 10GB" including optional services such as security, so that customers can use it safely and comfortably.

Cecile Co., Ltd. continued to create products and services that exceed customer expectations; however, sales and profits continued to struggle.

As a result, net sales in this segment totaled 50,261 million yen (97.2% of the figure for the nine-month period ended

December 31, 2023), and segment ordinary income totaled 4,402 million yen (81.2% of the figure for the nine-month period ended December 31, 2022).

(Overseas business)

Prices continue to rise in Southeast Asian countries, and Japan's economic growth is slow due to the effects of the slowdown in the Chinese economy. Price rise and inflation rate are slowing down, but the economic situation of each country requires close attention.

Under these circumstances, we have been undertaking initiatives to develop human resources to further improve the quality of customer service and invest in stores through renovation projects. We are also carrying out the changes of local organizational structure, while developing supports from Japan. We will thus continue developing stores that will please our customers through human resource development and business improvement in accordance with the Nojima Group management philosophy.

As a result, net sales in this segment totaled 50,060 million yen (130.8% of the figure for the nine-month period ended December 31, 2022) and segment ordinary loss was 490 million yen (segment income was 1,115 million yen in the nine-month period ended December 31, 2022).

(Financial business)

The dollar/yen exchange rate had been on the rise, reaching 151 yen to the dollar at the end of October; however, it started to decline due to the expectation of the FRB cutting interest rates. A drop in U.S. long-term interest rates dominated the market for yen-buying and dollar-selling, so the yen ended the third quarter at around 141 to the dollar. For currencies of other major countries, the yen rose at the end of the quarter after falling from October to November.

Under these circumstances, we worked to expand our "Trap repeat if done" service, our unique investment method that is easy to operate even for FX beginners, and implemented various promotions to acquire new customers. Continuing from the previous year, we will promote diversified investment in the "Australian dollar/NZ dollar", "EURO/GBP", and "US dollar/Canadian dollar", for which it is easy to form the range market that our "Trap repeat if done" service specializes in, under the name "Trap repeat if done – global strategy." As a result, assets under custody reached 122.2 billion yen.

As a result, net sales in this segment totaled 4,661 million yen and segment ordinary income was 1,187 million yen.

(Stores in operation)

With 11 new store openings and 4 store closures, in accordance with the scrap-and-build policy, the number of digital home electronics retail stores stood at 221, or 240 when 19 dedicated communications device stores are included following the opening of 1 store and closure of 1 store.

In the operation of mobile carrier stores, following 11 new store openings and the closure and sale of 42 stores, in accordance with the scrap-and-build policy, the number of stores, including both directly operated carrier stores and franchises, stood at 973.

In the overseas business, after reviewing scrap-and-build, 2 new stores opened and 1 store closed, and the Company made TMT a subsidiary, so the number of stores stood at 116.

In light of these factors, the numbers of stores as of December 31, 2023 are as shown below.

Stores in operation

Classification	Directly operated stores	Franchises	Total
Operation of digital home electronics retail stores	240	-	240
Digital home electronics retail stores	221	-	221
Dedicated communications device stores	19	-	19
Operation of mobile carrier stores	675	298	973
Carrier stores	628	294	922
Others	47	4	51
Overseas business	116	-	116
Total	1,031	298	1,329

(2) Explanation of financial position

Assets, liabilities and net assets

(Assets)

Total assets as of December 31, 2023 were 547,071 million yen, down 9,830 million yen from the end of the previous fiscal year.

This decrease was due mainly to a decrease of 2,756 million yen to 350,652 million yen in current assets and a decrease of 7,074 million yen to 196,418 million yen in non-current assets.

The primary factors underlying the decrease in current assets included decreases of 12,623 million yen and 1,181 million yen in accounts receivable-trade and segregated deposits, respectively, despite increases of 8,200 million yen and 3,352 million yen in trading products and merchandise and products, respectively.

The main causes of the decrease in non-current assets included decreases of 4,006 million yen, 2,071 million yen, and 1,442 million yen in contractual intangible assets, deferred tax assets and goodwill, respectively, despite increases of 1,128 million yen and 608 million yen in lease assets and land, respectively.

(Liabilities)

Total liabilities as of December 31, 2023 were 374,149 million yen, down 21,696 million yen from the end of the previous fiscal year.

This decrease was due mainly to an increase of 9,303 million yen to 300,349 million yen in current liabilities and a decrease of 30,997 million yen to 73,799 million yen in non-current liabilities.

The primary factors underlying the increase in current liabilities included increases of 11,294 million yen, 9,290 million yen and 4,008 million yen in notes and accounts payable-trade, guarantee deposits received and short-term loans payable, respectively, despite decreases of 7,255 million yen and 6,073 million yen in accounts payable-other and accrued income taxes, respectively.

The main causes of the decrease in non-current liabilities included decreases of 31,280 million yen and 2,136 million yen in long-term loans payable and deferred tax liabilities, respectively, despite increases of 764 million yen and 552 million yen in contract liabilities and lease obligations, respectively.

(Net assets)

Net assets as of December 31, 2023 totaled 172,922 million yen, up 11,865 million yen from the end of the previous fiscal year, due to factors including an increase of 11,263 million yen in retained earnings.

These factors resulted in an equity ratio of 30.8%, up 2.7 points from the end of the previous fiscal year.

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

Forecasts of consolidated financial results for the full-year have not been revised since the release of the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 2023” on May 9, 2023.

2. Quarterly consolidated financial statements and main notes

(1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2023)	Third quarter of the current fiscal year (as of December 31, 2023)
Assets		
Current assets		
Cash and deposits	37,145	35,756
Accounts receivable	89,117	76,494
Merchandise and products	69,338	72,690
Programing rights	1,623	1,619
Accounts receivable-other	36,888	36,036
Segregated deposits	92,312	91,131
Trading products	19,675	27,876
Other	7,922	9,920
Allowance for doubtful accounts	-614	-872
Total current assets	353,409	350,652
Non-current assets		
Tangible non-current assets		
Buildings and structures (net)	22,678	21,601
Tools, fixtures, and facilities (net)	4,094	3,963
Lease assets (net)	17,429	18,557
Land	14,220	14,829
Other (net)	437	454
Total tangible non-current assets	58,859	59,407
Intangible assets		
Goodwill	47,518	46,076
Software	3,214	3,425
Contractual intangible assets	53,566	49,559
Technology-related intangible assets	4,387	3,916
Other	552	276
Total intangible assets	109,238	103,254
Investments and other assets		
Investment securities	3,682	4,192
Deferred tax assets	10,703	8,631
Lease and guarantee deposits	18,798	18,608
Retirement benefit assets	196	216
Other	2,222	2,440
Allowance for doubtful accounts	-208	-333
Total investments and other assets	35,394	33,756
Total non-current assets	203,493	196,418
Total assets	556,902	547,071

(Million yen)

	Previous fiscal year (as of March 31, 2023)	Third quarter of the current fiscal year (as of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,942	86,237
Electronically recorded obligations-operating	607	992
Short-term loans payable	1,649	5,658
Current portion of long-term loans payable	19,079	16,696
Accounts payable-other	32,865	25,609
Accrued income taxes	9,487	3,414
Accrued consumption tax	1,872	2,943
Accrued expenses	6,234	7,142
Advance received	7,700	7,166
Contract liabilities	9,662	9,904
Reserve for points	1,204	1,340
Reserve for bonuses	3,924	2,400
Lease obligations	3,671	4,468
Guarantee deposits received	108,542	117,833
Trading products	906	1,099
Other	8,693	7,440
Total current liabilities	291,045	300,349
Non-current liabilities		
Long-term loans payable	42,252	10,971
Contract liabilities	10,861	11,625
Reserve for directors' retirement benefits	206	191
Retirement benefit liabilities	12,538	12,692
Deferred tax liabilities	14,327	12,191
Lease obligations	15,528	16,080
Other	9,082	10,045
Total non-current liabilities	104,797	73,799
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2	1
Total Reserves under special laws	2	1
Total liabilities	395,845	374,149
Net Assets		
Shareholders' equity		
Capital stock	6,330	6,330
Capital surplus	7,475	7,495
Retained earnings	146,191	157,454
Treasury stock	-6,002	-6,162
Total shareholders' equity	153,994	165,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	363	645
Deferred gains or losses on hedges	-8	3
Currency conversion adjustments	1,822	2,355
Accumulated adjustment to retirement benefits	344	290
Total accumulated other comprehensive income	2,523	3,295
Stock acquisition rights	2,682	2,516
Non-controlling interests	1,856	1,992
Total net assets	161,056	172,922
Total liabilities and net assets	556,902	547,071

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

Consolidated income statement

(Million yen)

	Nine-month period of the previous fiscal year (April 1, 2022 - December 31, 2022)	Nine-month period of the current fiscal year (April 1, 2023 - December 31, 2023)
Net sales	421,345	560,649
Cost of sales	297,333	397,925
Gross profit on sales	124,012	162,724
Sales, general and administrative expenses	99,453	141,437
Operating income	24,559	21,287
Non-operating income		
Interest income	104	155
Dividend	186	144
Purchase discounts	1,802	1,745
Profit on equity method investment	159	63
Share of profit of entities accounted for using equity method	66	67
Other	1,291	863
Total non-operating income	3,610	3,039
Non-operating expenses		
Interest expenses	392	562
Interest on bonds	3	-
Foreign exchange losses	327	155
Other	245	440
Total non-operating expenses	968	1,158
Ordinary income	27,201	23,168
Extraordinary income		
Gain on reversal of share acquisition rights	246	604
Gain on sales of non-current assets	187	11
Total extraordinary income	433	615
Extraordinary losses		
Impairment losses	274	410
Other	-	114
Total extraordinary losses	274	524
Net income before taxes and other adjustments	27,360	23,259
Income taxes-current	9,684	8,996
Income taxes-deferred	-248	-106
Total income taxes	9,435	8,889
Net income	17,924	14,369
Net income attributable to shareholders of the non-controlling interests	73	153
Net income attributable to shareholders of the parent company	17,851	14,215

Consolidated statement of comprehensive income
(For the nine-month period)

(Million yen)

	Nine-month period of the previous fiscal year (April 1, 2022 - December 31, 2022)	Nine-month period of the current fiscal year (April 1, 2023 - December 31, 2023)
Net income	17,924	14,369
Other comprehensive income		
Valuation difference on available-for-sale securities	48	281
Deferred gains or losses on hedges	-50	12
Currency conversion adjustments	750	532
Adjustments for retirement benefit obligations	-77	-54
Total other comprehensive income	671	772
Comprehensive income	18,595	15,142
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	18,522	14,988
Comprehensive income attributable to non-controlling interests	73	153

(3) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

Not applicable

(Segment information, etc.)

[Segment information]

I Nine-month period of the previous fiscal year (April 1, 2022 – December 31, 2022)

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

(Million yen)

	Reporting segment						Other (*1)	Total	Adjustments (*2)	Amount on quarterly consolidated income statement (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Operation of Internet Business	Overseas business	Financial business	Subtotal				
Net sales										
Net sales to external customers	195,332	130,121	51,402	38,268	-	415,125	6,219	421,345	-	421,345
Internal sales or transfers between segments	1,371	332	299	-	-	2,003	648	2,651	-2,651	-
Subtotal	196,704	130,454	51,701	38,268	-	417,129	6,868	423,997	-2,651	421,345
Segment income	16,072	3,470	5,424	1,115	-	26,083	1,125	27,208	-7	27,201

Notes:

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

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

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

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

(Significant impairment losses on non-current assets)

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

The amount recorded in the reporting segment was 199 million yen for the operation of digital home electronics retail stores, 57 million yen for the operation of mobile carrier stores, and 17 million yen for the operation of internet business.

(Significant change in amount of goodwill)

Not applicable

II Nine-month period of the current fiscal year (April 1, 2023 – December 31, 2023)

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

(Million yen)

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

Notes:

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

2. Information on change of reporting segment

In the previous fiscal year, "Financial business" was added as new reporting segment due to the inclusion of MONEY SQUARE HOLDINGS, INC. and two other subsidiary companies within the scope of consolidation.

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

(Significant impairment losses on non-current assets)

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

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

(Significant change in amount of goodwill)

Regarding the business combination with MONEY SQUARE HOLDINGS, INC. that took place in the previous fiscal year in the financial business, the amount of goodwill was a provisionally calculated amount because the acquisition cost allocation had not been determined. As the provisional accounting treatment was finalized in the second quarter of the consolidated accounting period, the amount of goodwill has been revised. Owing to the revision, the tentative amount of goodwill of 8,409 million yen was revised to 6,146 million yen, a decrease of 2,263 million yen.

In overseas business, the amount of goodwill increased 74 million Malaysia ringgit owing to the acquisition of the entire share of Thunder Match Technology Sdn. Bhd to make the company a consolidated subsidiary. The amount of goodwill was tentatively calculated by reasonable information currently available because the acquisition cost allocation had not been completed as of December 31, 2023.