



## Summary of Consolidated Financial Results for the Nine-month Period Ended December 31, 2022 (Japanese accounting standards)

Released: January 31, 2023

Name of listed firm: Nojima Corporation

Listed on the Tokyo Stock Exchange

Code No.: 7419

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Scheduled start date of dividend payments: -

Supplemental materials on quarterly financial results: No

Briefing session for quarterly financial results for analysts: No

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

### 1. Consolidated financial results for the nine-month period ended December 31, 2022 (April 1, 2022 – December 31, 2022)

#### (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, 2022	421,345	1.8	24,559	13.6	27,201	14.6	40,905	11.7	17,851	18.5
Nine-month period ended December 31, 2021	413,833	9.3	21,625	-11.6	23,731	-55.0	36,614	-3.8	15,065	-65.6

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

Nine-month period ended December 31, 2021: 16,126 million yen (-67.4%)

· 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, 2022	182.98		180.68	
Nine-month period ended December 31, 2021	152.21		149.10	

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, 2022	335,186	154,733	44.9	1,542.06
As of March 31, 2022	326,952	140,101	41.6	1,380.61

Reference: Equity: As of December 31, 2022: 150,640 million yen As of March 31, 2022: 136,067 million yen

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

#### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2022	-	24.00	-	26.00	50.00
FY ending March 2023	-	26.00	-	-	-
FY ending March 2023 (planned)	-	-	-	13.00	-

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

The Company split one common share into two shares with the effective date of October 1, 2022. Accordingly, the year-end dividend per share for the FY ending March 2023 (planned) is calculated on the assumption that the share split took place and the total of dividend is stated as "-". The year-end dividend per share for the FY ending March 2023 (planned) is 26 yen if the share split is not taken into account and the total of dividend is 52 yen.

3. Forecasts of consolidated financial results for the fiscal year ending March 2023 (April 1, 2022 – March 31, 2023)

(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	565,000	0.0	34,000	2.5	36,500	1.7	54,800	2.4	25,000	-3.3	255.92

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

The Company split one common share into two shares with the effective date of October 1, 2022. Accordingly, net income per share for the full year is calculated on the assumption that the share split took place.

\* 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: Yes
  - Changes in accounting policies for reasons other than i.: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No
- For detailed information, see page 9, "2. Quarterly Consolidated Financial Statements and Main Notes: (3) Notes to the consolidated financial statements (Changes in accounting policy)."

(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, 2022	102,579,232 shares	As of March 31, 2022	102,579,232 shares
ii. Number of treasury shares at the end of the period	As of December 31, 2022	4,891,325 shares	As of March 31, 2022	4,023,088 shares
iii. Average number of shares during the period	Nine-month period ended December 31, 2022	97,559,110 shares	Nine-month period ended December 31, 2021	98,980,655 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, 2022.

The number of treasury shares above includes shares held in trust accounts (661,900 shares as of December 31, 2022 and - shares as of March 31, 2022) 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 (837,413 shares for the nine-month period ended December 31, 2022 and 335,788 shares for the nine-month period ended December 31, 2021).

\* Quarterly 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.

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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, 2022, Japan's economy, as a whole, has been on a moderate recovery track. However, in addition to significant fluctuations in foreign exchange rates, substantial price increases and a sharp rise in the number of people infected with COVID-19 in China make it necessary to pay attention to future developments.

Under these circumstances, the Group focused on being a leader in the digital field and achieving the industry's highest levels 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 reflecting the perspectives of customers, while working to improve consulting-based sales and enhancing customer services to meet their needs.

The Company launched a tender offer for shares of CONEXIO Corporation (CONEXIO), which is a major player in the mobile phone sales industry. After the successful completion of the tender offer, we will demonstrate synergies and continue to provide high-quality services that are more closely tailored to customers, aiming to enhance our corporate value, despite a severe marketing environment. In addition, the Company decided to invest in "New Synergy Investment Business Limited Partnership," which aims to invest in companies with high growth potential that operate businesses having high social significance through Money Square HD Co., Inc. Furthermore, AXN Co., Ltd., a consolidated subsidiary, acquired The Cinema, Inc. to expand its satellite broadcasting business.

As a result, for the nine-month period ended December 31, 2022, we recorded net sales of 421,345 million yen (101.8% of the figure for the nine-month period ended December 31, 2021), operating income of 24,559 million yen (113.6% of the figure for the nine-month period ended December 31, 2021), ordinary income of 27,201 million yen (114.6% of the figure for the nine-month period ended December 31, 2021), and net income attributable to shareholders of the parent company of 17,851 million yen (118.5% of the figure for the nine-month period ended December 31, 2021).

EBITDA\*, which the Group considers to be an important indicator of business performance, stood at 40,905 million yen (111.7% of the figure for the nine-month period ended December 31, 2021).

\*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.

#### (Operation of digital home electronics retail stores)

Overall sales of digital home appliances remained solid with PCs, air conditioners, large refrigerators, etc., performing well.

Under these circumstances, we aggressively opened stores at attractive locations in metropolitan areas in front of stations, while investing in human resources and stores. In addition to promoting the creation of appealing stores that attract more customers, we continued our efforts with the Energy Conservation Consultant system to provide consulting services that meet the energy conservation needs of customers.

As a result, net sales in this segment totaled 196,704 million yen (107.8% of the figure for the nine-month period ended December 31, 2021), and segment income was 16,072 million yen (123.9% of the figure for the nine-month period ended December 31, 2021).

#### (Operation of mobile carrier stores)

The market environment is expected to be more challenging as the replacement cycle lengthens due to rises in the prices of mobile devices amid demand for higher quality store operations as telecommunications carriers announce policies to drastically reduce the number of carrier shops.

Under these circumstances, we endeavored to maximize customer acceptance, while continuing to implement thorough infection control measures. At the same time, we continued to operate stores that give satisfaction to our customers through consulting services tailored to their needs, including security-related services that provide peace of mind and safety, and our own services that deliver synergies with Nifty.

As a result, net sales in this segment totaled 130,454 million yen (95.7% of the figure for the nine-month period ended December 31, 2021), and segment income was 3,470 million yen (95.1% of the figure for the nine-month period ended December 31, 2021).

#### (Internet business)

Amid the increasing use of ultra-high-speed broadband services, which are an indispensable infrastructure for daily life, we provided information on the mainstay FTTH service "@nifty Hikari" and mail services at Group stores, and maximized group synergies.

Cecile Co., Ltd. continued to develop products that satisfy customers through the selection and concentration of resources in line with business restructuring. Regarding Nifty Lifestyle Co., Ltd., we promoted investments to further expand business and improve the foundations for growth.

As a result, net sales in this segment totaled 51,701 million yen (92.3% of the figure for the nine-month period ended December 31, 2021), and segment income was 5,424 million yen (113.9% of the figure for the nine-month period ended December 31, 2021).

## (Overseas business)

The recovery in economic activity continues in Southeast Asian countries as restrictions on movements to prevent the spread of COVID-19 are eased. Although there are signs that the inflation rate has peaked, it is still necessary to pay close attention to the impacts of rising prices on the economy.

Under these circumstances, we developed human resources in order to further improve the quality of customer services, and invested in stores, including renovations and scrap and build, to create stores that prove popular with customers.

As a result, net sales in this segment totaled 38,268 million yen (119.3% of the figure for the nine-month period ended December 31, 2021), and segment income was 1,115 million yen (83.5% of the figure for the nine-month period ended December 31, 2021).

## (Stores in operation)

With 12 new store openings and three store closures, including scrap-and-build, the number of digital home electronics retail stores stood at 214, or 234 including 20 dedicated communications device stores following one store closure.

In the operation of mobile carrier stores, after considering scrap-and-build, the number of stores, including both directly-operated carrier stores and franchises, stood at 584 with the acquisition of six stores and the closure and sale of seven stores.

In the overseas business, the number of stores stood at 66 with three new store openings and two store closures.

In the light of these factors, the number of stores as of December 31, 2022 is as shown below.

## Stores in operation

Classification	Directly operated	Franchises	Total
Operation of digital home electronics retail stores	234 stores	-	234 stores
Digital home electronics retail stores	214 stores	-	214 stores
Dedicated communications device stores	20 stores	-	20 stores
Operation of mobile carrier stores	405 stores	179 stores	584 stores
Carrier stores	392 stores	174 stores	566 stores
Others	13 stores	5 stores	18 stores
Overseas business	66 stores	-	66 stores
Total	705 stores	179 stores	884 stores

## (2) Explanation of financial position

### Assets, liabilities and net assets

#### (Assets)

Total assets as of December 31, 2022 were 335,186 million yen, up 8,234 million yen from the end of the previous fiscal year.

This increase was due mainly to an increase of 11,020 million yen to 194,984 million yen in current assets and a decrease of 2,786 million yen to 140,202 million yen in non-current assets.

The primary factors underlying the increase in current assets included increases of 24,027 million yen and 17,255 million yen in cash and deposits and merchandise and products, despite decreases of 19,997 million yen and 12,572 million yen in securities and accounts receivable-trade.

The main causes of the decrease in non-current assets included the decreases of 3,212 million yen and 1,589 million yen in contractual intangible assets and goodwill, despite the increases of 1,311 million yen and 1,109 million yen in lease assets and land, respectively.

#### (Liabilities)

Total liabilities as of December 31, 2022 were 180,453 million yen, down 6,397 million yen from the end of the previous fiscal year.

This decrease was due mainly to a decrease of 4,286 million yen to 122,685 million yen in current liabilities and a decrease of 2,111 million yen to 57,768 million yen in non-current liabilities.

The primary factors underlying the decrease in current liabilities included decreases of 5,000 million yen, 4,409 million yen and 4,162 million yen in current portion bonds, current portion of long-term loans payable and accounts accrued income taxes, despite increases of 6,620 million yen, 2,208 million yen and 1,434 million yen in notes and accounts payable-trade, short-term loans payable and contract liabilities, respectively.

The main causes of the decrease in non-current liabilities included decreases of 3,463 million yen and 1,109 million yen in long-term loans payable and deferred tax liabilities, respectively, despite increases of 1,082 million yen and 871 million yen in contract liabilities and lease liabilities.

#### (Net assets)

Net assets as of December 31, 2022 totaled 154,733 million yen, up 14,631 million yen from the end of the previous fiscal year, due to factors including an increase of 15,273 million yen in retained earnings.

These factors resulted in an equity ratio of 44.9%, up 3.3 points from the end of the previous fiscal year.

## (3) Information on forward-looking statements 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 2022" on May 6, 2022.

## 2. Quarterly Consolidated Financial Statements and Main Notes

## (1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2022)	Third quarter of the current fiscal year (as of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	31,007	55,034
Accounts receivable-trade	69,063	56,490
Securities	19,997	-
Merchandise and products	50,735	67,990
Programing rights	1,648	1,899
Accounts receivable-other	7,406	8,271
Other	5,045	5,939
Allowance for doubtful accounts	-940	-640
<b>Total current assets</b>	<b>183,963</b>	<b>194,984</b>
Non-current assets		
Tangible non-current assets		
Buildings and structures (net)	21,034	21,047
Tools, fixtures, and facilities (net)	2,804	2,662
Lease assets (net)	16,694	18,006
Land	13,059	14,168
Other (net)	668	524
<b>Total tangible non-current assets</b>	<b>54,262</b>	<b>56,409</b>
Intangible assets		
Goodwill	19,263	17,673
Software	1,995	2,262
Contractual intangible assets	37,844	34,632
Customer-related intangible assets	661	165
Other	464	17
<b>Total intangible assets</b>	<b>60,230</b>	<b>54,750</b>
Investments and other assets		
Investment securities	2,419	3,121
Deferred tax assets	9,261	8,499
Lease and guarantee deposits	14,702	15,362
Retirement benefit assets	223	249
Other	1,943	1,867
Allowance for doubtful accounts	-54	-57
<b>Total investments and other assets</b>	<b>28,496</b>	<b>29,042</b>
<b>Total non-current assets</b>	<b>142,988</b>	<b>140,202</b>
<b>Total assets</b>	<b>326,952</b>	<b>335,186</b>

(Million yen)

	Previous fiscal year (as of March 31, 2022)	Third quarter of the current fiscal year (as of December 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	57,151	63,772
Electronically recorded obligations-operating	711	1,620
Short-term loans payable	1,616	3,824
Current portion of long-term loans payable	8,224	3,814
Current portion of bonds	5,000	-
Accounts payable-other	11,714	10,559
Accrued income taxes	7,669	3,507
Accrued consumption tax	2,053	1,103
Accrued expenses	3,480	4,335
Unearned revenue	6,548	5,763
Contract liabilities	7,132	8,566
Reserve for points	739	1,107
Reserve for bonuses	1,721	915
Lease liabilities	3,136	3,736
Other	10,072	10,056
Total current liabilities	126,971	122,685
Non-current liabilities		
Long-term loans payable	9,074	5,610
Contract liabilities	9,315	10,398
Reserve for directors' retirement benefits	186	199
Retirement benefit liabilities	8,982	9,141
Deferred tax liabilities	10,264	9,154
Lease liabilities	15,110	15,981
Other	6,945	7,282
Total non-current liabilities	59,879	57,768
Total liabilities	186,851	180,453
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,330	6,330
Capital surplus	7,510	7,399
Retained earnings	125,543	140,817
Treasury shares	-5,221	-6,481
Total shareholders' equity	134,163	148,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285	333
Deferred gains or losses on hedges	30	-20
Currency conversion adjustments	1,155	1,906
Accumulated adjustment to retirement benefits	432	355
Total accumulated other comprehensive income	1,903	2,574
Stock acquisition rights	2,557	2,542
Non-controlling interests	1,476	1,549
Total net assets	140,101	154,733
Total liabilities and net assets	326,952	335,186



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

## Consolidated income statement

(For the nine-month period)

	(Million yen)	
	Nine-month period of the previous fiscal year (April 1, 2021 - December 31, 2021)	Nine-month period of the current fiscal year (April 1, 2022 - December 31, 2022)
Net sales	413,833	421,345
Cost of sales	291,958	297,333
Gross profit on sales	121,874	124,012
Sales, general, and administrative expenses	100,249	99,453
Operating income	21,625	24,559
Non-operating income		
Interest income	26	104
Dividend income	332	186
Purchase discounts	1,518	1,802
Gain on sales of investment securities	124	159
Share of profit of entities accounted for using equity method	95	66
Other	963	1,291
Total non-operating income	3,059	3,610
Non-operating expenses		
Interest expenses	461	392
Interest on bonds	36	3
Foreign exchange losses	47	327
Other	407	245
Total non-operating expenses	953	968
Ordinary income	23,731	27,201
Extraordinary income		
Gain on reversal of share acquisition rights	128	246
Gain on sales of non-current assets	27	187
Gain on negative goodwill	187	-
Total extraordinary income	342	433
Extraordinary losses		
Loss on sales of non-current assets	345	-
Loss on valuation of investment securities	32	-
Impairment loss	358	274
Total extraordinary losses	736	274
Net income before taxes and other adjustments	23,337	27,360
Income taxes-current	7,378	9,684
Income taxes-deferred	892	-248
Total income taxes	8,271	9,435
Net income	15,065	17,924
Net income attributable to shareholders of the non-controlling interests	-	73
Net income attributable to shareholders of the parent company	15,065	17,851

## Consolidated statement of comprehensive income

(For the nine-month period)

(Million yen)

	Nine-month period of the previous fiscal year (April 1, 2021 - December 31, 2021)	Nine-month period of the current fiscal year (April 1, 2022 - December 31, 2022)
Net income	15,065	17,924
Other comprehensive income		
Valuation difference on available-for-sale securities	1,003	48
Deferred gains or losses on hedges	-38	-50
Currency conversion adjustments	330	750
Adjustments for retirement benefit obligations	20	-77
Share of other comprehensive income of entities accounted for using equity method	-255	-
Total other comprehensive income	1,060	671
Comprehensive income	16,126	18,595
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	16,126	18,522
Comprehensive income attributable to non-controlling interests	-	73

## (3) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

Not applicable

(Changes in accounting policy)

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 June 17, 2021) has been applied from the beginning of the current consolidated first quarter, and the new accounting policies prescribed in the "Implementation Guidance on Accounting Standard for Fair Value Measurement" will be applied prospectively following transitional treatment prescribed in Paragraph 27-2 of the guidance. Note that there is no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

[Segment information]

## I Nine-month period of the previous fiscal year (April 1, 2021 – December 31, 2021)

## 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	Internet business	Overseas business	Subtotal				
Net sales									
Net sales to external customers	181,302	136,162	55,719	32,067	405,252	8,580	413,833	-	413,833
Internal sales or transfers between segments	1,102	117	310	-	1,530	627	2,158	-2,158	-
Subtotal	182,405	136,279	56,030	32,067	406,782	9,208	415,991	-2,158	413,833
Segment income	12,976	3,647	4,764	1,336	22,725	1,096	23,821	-90	23,731

Notes:

- \*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the sports business, the training business, the mega-solar business, the animal medical business and the paid satellite broadcasting business etc.
- \*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 309 million yen for the operation of digital home electronics retail stores, 38 million yen for the operation of mobile carrier stores, and 10 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, 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	Internet business	Overseas 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 etc.
- \*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

(Important subsequent events)

(Business combination by acquisition)

At its meeting held on November 15, 2022, the Board of Directors of the Company resolved to invest in Money Square HD Inc. (Hereafter, Money Square Group) through New Synergy Investment Business Limited Partnership (Hereafter, the Fund), a consolidated subsidiary of the Company. On January 16, 2023, the Fund acquired 97.75% of the outstanding shares of Money Square Group, making it a subsidiary.

1. Overview of business combination

(1) Name of the acquired company and details of its business

A. Name of the acquired company

Money Square HD Inc.

B. Details of its business

Market-making operations for over-the-counter foreign exchange transactions and over-the-counter foreign exchange options transactions

Fiduciary, brokerage, and intermediary services for over-the-counter foreign exchange transactions and over-the-counter foreign exchange options transactions

Consulting on over-the-counter foreign exchange operations

Fiduciary, brokerage, and intermediary services, such as stock exchange index margin trading

Guidance and consulting on overseas operations, etc.

(2) Main reason for the business combination

By becoming a subsidiary of our company, Money Square Group is expected to leverage business synergies with retail businesses in our company in order to expand its customer base and improve the quality and convenience of its services for customers. Based on these synergies, we believe that Money Square Group can further contribute to the formation of personal assets in Japan.

(3) Business combination date

January 16, 2023

(4) Legal form of business combination

Acquisition of shares for cash

(5) Name of the combined company

No changes

(6) Percentage of voting rights acquired

97.75%

(7) Major reason for decision to acquire

Because New Synergy Investment Limited Partnership, a consolidated subsidiary of our company, acquired 97.75% of the issued shares of the acquired company for a cash consideration.

2. Acquisition cost of acquired company and breakdown by type of consideration

Undisclosed by agreement between the parties.

3. Details and amounts of major acquisition-related expenses

Not confirmed at this time.

4. Amount of goodwill incurred, cause of goodwill, amortization method, and amortization period

Not confirmed at this time.

5. Amounts of assets and liabilities assumed on the date of the business combination and their main breakdown

Not confirmed at this time.