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April 30, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Infomart Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 2492
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	4,304	22.3	580	152.6	578	153.9	305	50.9
March 31, 2024	3,519	16.7	229	38.4	227	52.7	202	104.9

Note: Comprehensive income For the three months ended March 31, 2025: ¥ 318 million [58.7%]
 For the three months ended March 31, 2024: ¥ 200 million [108.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	1.35	-
March 31, 2024	0.90	-

Note: Diluted earnings per share is not show in the above table, because there are no potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	15,373	11,037	71.6
December 31, 2024	14,842	11,079	73.5

Reference: Equity As of March 31, 2025: ¥ 11,001 million
 As of December 31, 2024: ¥ 10,915 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.77	-	0.97	1.74
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		2.23	-	2.23	4.46

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

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1,2025 to December 31,2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,491	24.7	2,300	91.6	2,283	92.4	1,356	106.9	5.99

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	259,431,200 shares
As of December 31, 2024	259,431,200 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	33,131,685 shares
As of December 31, 2024	33,131,685 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	226,299,515 shares
Three months ended March 31, 2024	226,234,151 shares

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

- * Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from the consolidated forecasts due to various factors.

For the assumptions used for the forecast of financial results, please refer to the attachment on page 4, entitled "1. Overview of Operating Results and Others, (3) Explanation on Future Forecast Information Including Consolidated Earnings Forecast".

○Table of contents

1.Overview of Operating Results and Others	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	3
(3) Explanation on Future Forecast Information Including Consolidated Earnings Forecast	4
2.Quarterly Consolidated Financial Statements and Significant Notes Thereto	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	7
Quarterly Consolidated Statements of Income	
For the Three-month Period	7
Quarterly Consolidated Statements of Comprehensive Income	
For the Three-month Period	8
(3) Quarterly Consolidated Statements of Cash Flows	9
(4) Notes to Quarterly Consolidated Financial Statements	10
(Notes on Segment Information)	10
(Note on Significant Changes in the Amount of Shareholders' Equity)	10
(Notes on Going Concern Assumption)	10
(Notes on Quarterly Consolidated Statements of Income)	11
(Notes on Quarterly Consolidated Statements of Cash Flows)	11
(Business Combinations)	12

1. Overview of Operating Results and Others

(1) Overview of Operating Results

During the first quarter of the consolidated year under review (January 1 to March 31, 2025), the Japanese economy continued to recover moderately, mainly in domestic demand, driven by wage increases and an increase in capital investment by domestic companies, whose earnings remained at a high level, despite growing uncertainty about the environment surrounding companies due to such factors as rapid changes in economic policies in the United States.

The size of the domestic BtoB-EC (company-to-business e-commerce) market, in which our group mainly conducts business, increased by 10.7% year on year to ¥465.2 trillion, and EC ratio, which is the ratio of e-commerce to e transactions excluding miscellaneous services, increased by 2.5 percentage points to 40.0% (METI's FY2023 E-Commerce Market Survey Compiled).

Against this backdrop, our medium-term management policy was to "strengthen our core business (BtoB Platform)," "continue to increase sales and profits, return to high profitability," and "expand synergies and monetize investee companies." Consequently, the number of user companies of BtoB Platform's services steadily expanded, and the number of user companies of BtoB Platform as a whole (Note 1) at the end of the first quarter of the current fiscal year (end of March 2025) increased by 24,964 companies from the end of the previous fiscal year to 1,174,263 companies, and net sales for the first quarter of the current fiscal year increased by ¥785 million (up 22.3%) year on year to ¥4,304 million.

Cost of sales experienced a significant decline in data center costs due to a server cloud migration in September last year.

Selling expenses and general and administrative expenses increased personnel expenses due to the reinforcement of sales and sales-support personnel required for business expansion. In addition, goodwill depreciation expenses and selling expenses and general and administrative expenses increased due to the consolidation of Tanomu Inc..

In terms of earnings, the increase in gross profit absorbed the increase in selling expenses and general and administrative expenses, while the increase in operating profit was ¥580 million, an increase of ¥350 million (up 152.6%) year on year, ordinary profit was ¥578 million, an increase of ¥350 million (up 153.9%), and quarterly net income attributable to Company's parent company stockholders was ¥305 million, an increase of ¥103 million (up 50.9%).

(Note 1) User companies are defined as the unique companies using BtoB Platform, whether on a paid or free basis.

The performance of each business segment is as follows.

① BtoB-PF FOOD business

Sales of BtoB Platform Ordering increased due to an increase in the use of companies (restaurant chains, hotels, inns, meals, etc.) and their business site that seek to shift their management systems to the cloud in the food service industry, as well as the implementation of rate revisions from August last year. As a consequence, the number of buyer companies at the end of the first quarter was 4,147 (up 43 companies from the end of the previous fiscal year) and the number of seller companies was 46,707 (up 574 companies from the end of the previous fiscal year) (Note 2).

Furthermore, TANOMU, which promotes digitalization between food wholesalers and restaurants, also expanded the number of user companies by strengthening operating activity, and increased system-usage fee sales.

BtoB Platform Standards Database has seen a growing number of user companies, reflecting the sustained heightened awareness of food safety, security, and the importance of addressing allergies. At the end of the first quarter of the fiscal year under review, the buyer function was 1,023 companies (up 9 companies from the end of the previous fiscal year), the wholesaler function was 704 companies (down 1 company), and the manufacturer function was 8,934 companies (up 10 companies) (Note 2).

Consequently, net sales in BtoB-PF FOOD Business for the first quarter of the current fiscal year increased by ¥638 million, or 29.5%, year on year to ¥2,803 million. Operating profit increased ¥329 million, or 111.3%, year on year to ¥625 million, as the increase in gross profit absorbed the increase in goodwill depreciation costs associated with the consolidation of Tanomu Inc. and the increase in the Company's selling expenses and general and administrative expenses.

② BtoB-PF ES business

Since the launch of The Invoice System, the introduction of BtoB Platform Invoicing has continued to advance, mainly among major corporations and their group companies, and the number of user companies of the model for receiving and issuing has increased. In addition, the operation of BtoB Platform Invoicing (computerization of invoices) at established user companies, mainly by major corporations with many business partners, progressed steadily. As a result, system usage fee sales increased. In addition, the use of BtoB Platform TRADE (a DX platform that manages the cloud from quotation to ordering and billing) expanded as a result of the enhancement of operating activity, and system-usage fee sales increased. As a consequence, the number of user companies of "BtoB Platform Invoicing" at the end of the first quarter of the current fiscal year was 1,165,771 companies (up 25,011 companies from the end of the previous fiscal year) (Note 2), including 7,726 contracted recipient companies (up 162 companies) and 5,437 contracted issuer the number of companies (up 122 companies), for a total of 13,163 companies (up 284 companies) (Note 2).

In BtoB Platform Matching business, the continuous increase in usage, particularly in the foodservice industry, and the number of buyer companies at the end of the first quarter was 8,180 (up 28 companies) and the number of seller companies was 1,420 (down 31 companies) (Note 2).

Consequently, net sales in BtoB-PF ES Business for the first quarter of the current fiscal year increased by ¥146 million, or 10.8%, year on year to ¥1,501 million. Operating loss decreased to ¥45 million (compared with ¥67 million operating loss in the same period of the previous fiscal year) due to an increase in net sales accompanying the expansion of the use of BtoB Platform Invoicing.

(Note 2) the number of companies by segment indicates the total number of the number of companies that use the system.

(2) Overview of Financial Position

① Financial Position

Total assets at the end of the first quarter of the current fiscal year (end of March 2025) was ¥15,373 million (up ¥530 million from the end of the previous fiscal year).

Current assets decreased by ¥472 million from the end of the previous fiscal year to ¥7,280 million. This was mainly due to a decrease of ¥702 million in cash and deposits.

Non-current assets increased by ¥1,003 million from the end of the previous fiscal year to ¥8,092 million. This was mainly due to an increase of ¥865 million in goodwill.

At the end of the first quarter of the current fiscal year (end of March 2025), total liabilities was ¥4,335 million (up ¥573 million from the end of the previous fiscal year).

Current liabilities increased by ¥586 million from the end of the previous fiscal year to ¥4,270 million. The main factors for the increase were an increase of ¥1,000 million in short-term borrowings, and the main factors for the decrease were decreases of ¥239 million in provision for bonuses, ¥105 million in accounts payable - other, and ¥108 million in income taxes payable.

Non-current liabilities decreased by ¥13 million from the end of the previous fiscal year to ¥65 million. This was mainly due to a decrease of ¥13 million in contract liabilities.

Net assets decreased by ¥42 million from the end of the previous fiscal year to ¥11,037 million. The main factor for the increase was an increase of ¥86 million in retained earnings, while the main factor for the decrease was a decrease of ¥128 million in non-controlling interests.

② Cash Flow

The ending balance of cash and cash equivalent (the "Fund") at the end of the first quarter of the current fiscal year decreased by ¥702 million from the end of previous consolidated fiscal year to ¥3,608 million.

The status of each cash flow and its main factors are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activity was ¥442 million (compared with net cash provided of ¥38 million in the same period of the previous fiscal year). Major inflows included quarterly income before income taxes and minority interests of ¥578 million and depreciation of ¥321 million. Major outflows included a provision for bonuses decrease of ¥195 million and income taxes payments of ¥224 million.

(Cash Flows from Investment Activities)

Net cash used in investing activities was ¥1,932 million, compared with net cash used of ¥1,298 million in the same period of the previous fiscal year. Major expenditures included ¥432 million for the purchase of intangible assets in connection with the development of BtoB Platform and other systems, ¥199 million for the payment of leasehold deposits and guarantee deposits, and ¥1,303 million for the purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥787 million, compared with net cash provided by financing activities of ¥392 million in the same period of the previous fiscal year. The main inflow was ¥1,000 million in proceeds from short-term loans payable. The main outflow was ¥212 million in cash dividends paid.

(3) Explanation on Future Forecast Information Including Consolidated Earnings Forecast

For the fiscal year ending December 2025, net sales is expected to continue growing as a result of the expansion of the use of both BtoB-PF FOOD and BtoB-PF ES businesses.

In BtoB-PF FOOD Business, BtoB Platform Ordering business is expected to see an increase in system-usage fee sales and set-up sales due to an increase in the number of buying companies in the food industry (restaurant chains, hotels, inns, meals, etc.) seeking to digitalize their operations and the new the number of user companies of those restaurants, as well as rate revisions implemented in August 2024. In addition, the use of TANOMU is expected to expand and system-usage fee sales are expected to rise.

In BtoB-PF ES Business, BtoB Platform Invoicing business is expected to continue growing at a high rate as system-usage fee sales and set-up sales increase due to an increase in new the number of user companies centered on major companies, which are our strengths, and steady progress in the use of established major companies and their group companies, which have many business partners, as well as the implementation of rate revisions in April 2025. In addition, the use of BtoB Platform TRADE is expected to expand and system-usage fee sales are expected to rise.

Based on the above, net sales as a whole is expected to be ¥19,491 million (up 24.7% compared to previous consolidated fiscal year).

In cost of sales, although fees for introducing new customers to BtoB Platform Invoicing will increase, the implementation of a server cloud migration in September 2024 will greatly reduce data center costs, resulting in a decline in the entire cost of sales. As a consequence, we expect gross profit to grow significantly.

Selling expenses and general and administrative expenses are expected to increase mainly due to an increase in personnel expenses resulting from the increase in base pay from January 2025, which aims to augment sales and sales-support personnel required for business expansion and to enhance human equity, and an increase in goodwill depreciation expenses due to the acquisition of additional shares of Tanomu Inc..

Based on the above, we expect an increase in net sales and a decrease in cost of sales to absorb an increase in selling expenses and general and administrative expenses, and a return to profitability in BtoB-PF ES Business. Based on these projections, we forecast operating profit of ¥2,300 million (up 91.6%), ordinary profit of ¥2,283 million (up 92.4%), and profit attributable to Company's parent company stockholders of ¥1,356 million (up 106.9%).

The above consolidated earnings forecasts are unchanged from the previous forecasts announced on February 14, 2025.

Since our business domain is mainly in Japan, we expect that the impact of mutual tariffs announced by U.S. President Trump on our business results for the fiscal year ending December 2025 will be minimal. However, we will immediately disclose any revisions to our forecasts in the future.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	4,311,437	3,608,709
Accounts receivable - trade	2,873,702	2,963,190
Supplies	2,579	3,466
Prepaid expenses	514,609	676,980
Other	62,774	37,447
Allowance for doubtful accounts	(11,807)	(8,848)
Total current assets	7,753,297	7,280,945
Non-current assets		
Property, plant and equipment		
Buildings, net	136,777	133,086
Tools, furniture and fixtures, net	59,862	55,816
Total property, plant and equipment	196,639	188,902
Intangible assets		
Software	3,555,445	3,610,269
Software in progress	519,369	531,075
Goodwill	1,096,191	1,961,580
Other	14,703	14,040
Total intangible assets	5,185,710	6,116,965
Investments and other assets		
Investment securities	437,854	434,594
Deferred tax assets	867,979	751,429
Leasehold deposits	196,826	396,379
Long-term time deposits	200,000	200,000
Other	4,173	4,145
Total investments and other assets	1,706,834	1,786,548
Total non-current assets	7,089,184	8,092,417
Total assets	14,842,482	15,373,363

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	117,876	142,939
Short-term borrowings	1,270,000	2,270,000
Accounts payable - other	680,188	574,711
Income taxes payable	282,476	173,649
Provision for bonuses	530,900	291,163
Contract liabilities	285,740	331,074
Other	516,411	486,768
Total current liabilities	3,683,594	4,270,306
Non-current liabilities		
Contract liabilities	23,869	10,222
Asset retirement obligations	55,116	55,173
Total non-current liabilities	78,985	65,396
Total liabilities	3,762,580	4,335,702
Net assets		
Shareholders' equity		
Share capital	3,212,512	3,212,512
Capital surplus	3,121,442	3,121,442
Retained earnings	5,579,408	5,665,657
Treasury shares	(998,359)	(998,359)
Total shareholders' equity	10,915,003	11,001,252
Non-controlling interests	164,898	36,407
Total net assets	11,079,902	11,037,660
Total liabilities and net assets	14,842,482	15,373,363

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

(Quarterly Consolidated Statements of Income)

(For the Three-month Period)

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	3,519,602	4,304,892
Cost of sales	1,578,224	1,179,863
Gross profit	1,941,377	3,125,029
Selling, general and administrative expenses	1,711,487	2,544,318
Operating profit	229,890	580,710
Non-operating income		
Interest income	12	984
Gain on investments in investment partnerships	-	23
Other	16	128
Total non-operating income	29	1,136
Non-operating expenses		
Interest expenses	1,043	3,186
Loss on investments in investment partnerships	350	-
Share of loss of entities accounted for using equity method	619	-
Total non-operating expenses	2,013	3,186
Ordinary profit	227,906	578,659
Extraordinary income		
Gain on step acquisitions	※1 58,141	-
Total extraordinary income	58,141	-
Profit before income taxes	286,048	578,659
Income taxes - current	2,885	143,258
Income taxes - deferred	82,271	116,549
Total income taxes	85,156	259,807
Profit	200,891	318,851
Profit (loss) attributable to non-controlling interests	(1,694)	13,091
Profit attributable to owners of parent	202,586	305,760

(Quarterly Consolidated Statements of Comprehensive Income)

(For the Three-month Period)

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	200,891	318,851
Comprehensive income	200,891	318,851
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	202,586	305,760
Comprehensive income attributable to non-controlling interests	(1,694)	13,091

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	286,048	578,659
Depreciation	323,102	321,905
Amortization of goodwill	-	296,949
Increase (decrease) in allowance for doubtful accounts	392	(2,958)
Increase (decrease) in provision for bonuses	(223,468)	(195,699)
Interest income	(12)	(984)
Interest expenses	1,043	3,186
Loss (gain) on investments in investment partnerships	350	(23)
Share of loss (profit) of entities accounted for using equity method	619	-
Loss (gain) on step acquisitions	(58,141)	-
Decrease (increase) in trade receivables	46,151	(89,488)
Increase (decrease) in trade payables	2,150	25,062
Decrease (increase) in prepaid expenses	(187,297)	(168,073)
Increase (decrease) in contract liabilities	9,091	31,686
Increase (decrease) in accrued consumption taxes	(4,420)	8,911
Other	67,999	(137,960)
Subtotal	263,610	671,174
Interest received	10	449
Interest paid	(1,531)	(5,168)
Income taxes paid	(223,995)	(224,130)
Net cash provided by (used in) operating activities	38,093	442,324
Net cash provided by (used in) investing activities		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	※2 (736,009)	※3 (1,303,921)
Purchase of investment securities	(8,167)	-
Proceeds from redemption of investment securities	-	3,103
Purchase of property, plant and equipment	(2,309)	(558)
Purchase of intangible assets	(518,027)	(432,043)
Payments of leasehold and guarantee deposits	(34,420)	(199,552)
Net cash provided by (used in) investing activities	(1,298,934)	(1,932,971)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	500,000	1,000,000
Dividends paid	(107,241)	(212,080)
Net cash provided by (used in) financing activities	392,758	787,919
Net increase (decrease) in cash and cash equivalents	(868,082)	(702,728)
Cash and cash equivalents at beginning of period	4,936,670	4,311,437
Cash and cash equivalents at end of period	※1 4,068,588	※1 3,608,709

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information)

Segment information

I Three months ended March 31, 2024

1.Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Other	Total	Adjustments (Note 1)	Amount stated in the quarterly consolidated statements of income(Note 2)
	BtoB-PF FOOD	BtoB-PF ES	Total				
Net sales							
Sales to external customers	2,164,411	1,355,191	3,519,602	-	3,519,602	-	3,519,602
Intersegment sales or transfers	-	-	-	-	-	-	-
Total	2,164,411	1,355,191	3,519,602	-	3,519,602	-	3,519,602
Segment profit (loss)	296,242	(67,023)	229,219	-	229,219	671	229,890

(Note 1) adjustments of ¥671 thousand in segment income (loss) represents elimination of intersegment transactions, etc.

(Note 2) Segment income (loss) is adjusted with quarterly consolidated statements of income's operating profit.

2.Impairment losses and goodwill of non-current assets by reportable segment

(Significant changes in the amount of goodwill)

In BtoB-PF FOOD segment, the Company acquired shares of Tanomu Inc. in the first quarter of the previous fiscal year and became a consolidated subsidiary.

The increased amount of goodwill due to this event is ¥1,289 million.

II Three months ended March 31, 2025

1.Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Other	Total	Adjustments (Note 1)	Amount stated in the quarterly consolidated statements of income(Note 2)
	BtoB-PF FOOD	BtoB-PF ES	Total				
Net sales							
Sales to external customers	2,803,014	1,501,878	4,304,892	-	4,304,892	-	4,304,892
Intersegment sales or transfers	-	-	-	-	-	-	-
Total	2,803,014	1,501,878	4,304,892	-	4,304,892	-	4,304,892
Segment profit (loss)	625,996	(45,470)	580,525	-	580,525	184	580,710

(Note 1) adjustments of ¥184 thousand in segment income (loss) represents elimination of intersegment transactions, etc.

(Note 2) Segment income (loss) is adjusted with quarterly consolidated statements of income's operating profit.

2.Impairment losses and goodwill of non-current assets by reportable segment

(Significant changes in the amount of goodwill)

In the "BtoB-PF FOOD" segment, we acquired additional shares of Tanomu Inc. in the first quarter of the fiscal year under review.

The increased amount of goodwill due to this event is ¥1,162 million.

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

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Quarterly Consolidated Statements of Income)

※1 Gain on step acquisitions

Three months ended March 31, 2024

Due to the acquisition of additional shares of Tanomu Inc. as a consolidated subsidiary.

Three months ended March 31, 2025

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

※1 Relation between the ending balance of cash and cash equivalent and the amount of accounts listed in consolidated balance sheets

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash and deposit account	4,068,588	3,608,709
Cash and cash equivalents term	4,068,588	3,608,709

※2 Details of assets and liabilities of companies newly consolidated by acquiring shares

Three months ended March 31, 2024

The following is a breakdown of assets and liabilities at the time of consolidated as a result of the new consolidation of Tanomu Inc. as a result of the acquisition of shares, and the relation between the acquisition cost of such shares and the expenditure (net) for the acquisition.

(Thousands of yen)

Current assets	313,198
Non-current assets	3,660
Goodwill	1,289,636
Current liabilities	(73,850)
Non-current liabilities	0
Non-controlling interests	(120,445)
Acquisition cost of Tanomu Inc.	1,412,200
Acquisition price up to acquisition of control	(306,346)
Gain on step acquisitions	(58,141)
Cash and cash equivalents term	(311,703)
Less: Purchase of shares of subsidiaries resulting in change in scope of consolidation	736,009

Three months ended March 31, 2025

Not applicable.

※3 Purchase of shares of subsidiaries resulting in change in scope of consolidation

The expenditure of ¥1,303,921 thousand for the acquisition of shares of subsidiaries resulting in a change in the scope of consolidation recorded in the first quarter of the fiscal year under review was related to the acquisition of additional shares equivalent to 46.6% of Tanomu Inc. shares, for which we acquired shares equivalent to 50.4% of the voting rights and included them in the scope of consolidation in the first quarter of the previous fiscal year. As the acquisition of shares in the first quarter of the current fiscal year constitutes 1 business combination with the acquisition of the Company's shares conducted in the previous first quarter, these are treated as a single entity, and are presented as payments for the acquisition of shares of subsidiaries resulting in a change in the scope of consolidation in the same manner as expenditures for the acquisition of the Company's shares in the previous first quarter of the current fiscal year.

(Business Combinations)

(Additional Acquisition of Shares of Subsidiaries)

On March 31, 2025, we acquired additional shares of Tanomu Inc., our consolidated subsidiary, pursuant to a share transfer contract concluded on March 29, 2024.

(1) Overview of Additional Acquisitions

① Name and business of the purchase company

Name of purchase company: Tanomu Inc.

Description of business Operation and development of WEB services. Business

② Additional acquisition date

March 31, 2025

③ Legal form of business combination

Acquisition of shares

④ Name following business combination

No change.

⑤ Percentage of voting rights acquired

Percentage of voting rights held immediately before the additional acquisition date: 50.4%

Percentage of voting rights additionally acquired: 46.6%

Proportion of voting rights after the acquisition 97.0%

⑥ Main rationale for determining the company to acquire

This is because we acquired shares in exchange for cash.

(2) Outline of the accounting treatment to be implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statements No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the shares acquired on March 29, 2024 (at the time of control acquisition) and March 31, 2025 (at the time of additional acquisition) constitute 1 business combination, and therefore are treated as a single entity. As a result, goodwill related to additional shares acquired after the acquisition of control is calculated as if goodwill had been recorded at the time of the acquisition of control.

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Market value of stock held immediately prior to the company combination as of the business combination date	¥364 million
Consideration for the shares at the time of control acquisition (cash)	¥1,047 million
Consideration for the shares at the time of additional acquisition (cash)	¥1,303 million
Total	¥2,714 million

(4) Details and amount of major acquisition-related expenses

Advisory fees at the time of control acquisition	¥35 million
Advisory fees at the time of additional acquisition	¥1 million
Total	¥36 million

(5) Amount, source, depreciation method and amortization period of goodwill incurred

① Amount of goodwill incurred

at the time of control acquisition	¥1,289 million
at the time of additional acquisition	¥1,162 million
Total	¥2,451 million

② Cause of occurrence

This is the excess earning power expected from future business development.

③ Method and term to amortize goodwill

Straight-line method over 5 years