

Financial Results for the 1st Quarter of the Fiscal Year Ending December 31, 2025 [Japanese Standards] (Consolidated)

May 14, 2025

Listed company name: CARTA HOLDINGS, Inc. Listed stock exchange: TSE Prime Market
Stock Code No.: 3688 URL: <https://cartaholdings.co.jp/en/ir/>
Representative: Title President and Representative Director Name: Shinsuke Usami
Contact: Title Director and CFO Name: Hidenori Nagaoka TEL +81-3-4577-1453
Scheduled date of dividend payments: —
Availability of supplementary information Yes
Holding investors' meeting: Yes
(For security analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated Financial Results for FY 2025 First Three Months (January 1, 2025 – March 31, 2025)

(1) Consolidated results of operations (cumulative total)

(The percentage indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
FY 2025 first three months	6,551	5.7	1,007	2.3	916	(17.1)	594	(15.9)
FY 2024 first three months	6,196	(3.7)	985	57.2	1,105	101.5	706	—

(Note) Comprehensive Income: FY 2025 first three months: ¥686 million (6.5)%
FY 2024 first three months: ¥734 million (-)%

	Net income per share	Diluted net income per share	EBITDA	
	¥	¥	¥million	%
FY 2025 first three months	23.49	—	1,180	(12.8)
FY 2024 first three months	28.05	—	1,353	1,600.0

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

2. Diluted net income per share for the first three months of FY2025 is not presented because dilutive shares did not exist.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	Yen
March 31, 2025	48,660	24,322	49.3	948.06
December 31, 2024	48,344	24,492	50.0	955.64

(Reference) Owned capital: March 31, 2025: ¥23,986 million
December 31, 2024: ¥24,178 million

2. Dividend status

	Annual dividends				
	1Q end	2Q end	3Q end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2024	—	27.00	—	29.00	56.00
FY 2025	—				
FY 2025 (Forecast)		29.00	—	29.00	58.00

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

3. Forecast of Consolidated Financial Results for FY 2025 (January 1, 2025 — December 31, 2025)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	EBITDA	
	¥million	%	¥million	%	¥million	%	¥million	%	Yen	¥million	%
Full year	25,000	3.0	2,400	12.2	2,400	0.7	1,800	6.6	71.14	4,000	10.0

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

※ Notes

- (1) Changes in significant subsidiaries during the period : No
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates, corrections and restatements and retrospective restatements
- 1) Changes in accounting policy resulting from revisions to accounting standards : Yes
 - 2) Changes in accounting policy other than above : None
 - 3) Changes in accounting estimates : None
 - 4) Retrospective restatements : None

(4) Number of shares issued (common stock)

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

As of March 31, 2025	25,300,971	As of December 31, 2024	25,300,971
----------------------	------------	-------------------------	------------

2) Number of treasury stock issued and outstanding

As of March 31, 2025	25	As of December 31, 2024	25
----------------------	----	-------------------------	----

3) Average number of shares during the period (quarterly consolidated cumulative accounting period)

Three months ended March 31, 2025	25,300,939	Three months ended March 31, 2024	25,187,712
-----------------------------------	------------	-----------------------------------	------------

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

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

(Note on forward-looking statements)

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

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

(Supplementary materials)

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

Attachment

Contents

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

- (1) Analysis of Operating Results
- (2) Analysis of Financial Position
- (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information

2. Consolidated Financial Statements

- (1) Consolidated Balance Sheets
- (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
 - (Consolidated Statements of Income)
 - (Consolidated Statements of Comprehensive Income)
- (3) Notes to Condensed Interim Consolidated Financial Statements
 - (Going Concern Assumption)
 - (Notes on Significant Changes in the Amount of Shareholders' Equity)
 - (Adoption of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements)
 - (Changes in Accounting Policies)
 - (Segment Information, etc.)
 - (Significant Subsequent Events)

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

(1) Analysis of Operating Results

With regard to the business environment where the Group operates its mainstay business, the advertising industry as a whole is on the road to recovery after the COVID-19 pandemic, especially with the advancement of digital transformation (DX), which is accelerating the transformation of the industry. According to research by Dentsu Inc., in 2024 internet advertising spending grew by ¥318.7 billion to ¥3,651.7 billion, up 9.6% year on year, setting a new record high and accounting for 47.6% of Japan's total advertising spending. Internet advertising medium expenditures, which consist of internet advertising spending excluding internet advertising production costs and advertising expenditures for product sales-related EC platforms, grew to ¥2,961.1 billion, up 10.2% year on year, driven by growth in video advertising, especially including vertical video advertising on social media.

Under these circumstances, the Group announced its “new medium-term management policy” in February 2023, and promoted business based on its strategy and business policy.

As a result, the Group posted net sales of ¥6,551 million, or an increase of 5.7% year on year, and operating income of ¥1,007 million, or an increase of 2.3% year on year. Ordinary income amounted to ¥916 million, or a decrease of 17.1% year on year, due to recording of foreign exchange losses resulting from the appreciation of the yen, and profit attributable to owners of parent was ¥594 million, or a decrease of 15.9% year on year.

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

1) Digital Marketing Business

The Digital Marketing Business provides digital marketing support to advertising agencies, clients, and others, as well as media DX support. The value of transactions in direct sales, where the Company directly supports resolutions of clients' objectives and business growth, has increased for four consecutive quarters. In addition, in the video advertising field, which is also in a growth phase, the Group has promoted the alliance with the Dentsu Group Inc. and achieved four consecutive quarters of growth in transaction value. However, the cost per mille (CPM) of display ads decreased due to the impact of cookie regulations and the oligopolization of major platformers concerning media digital transformation (DX) support, resulting in net sales of ¥4,272 million, or a decrease of 2.3% year on year, and segment income of ¥726 million, or a decrease of 10.4% year on year.

2) Internet-related Business

In addition to providing media solutions, the Internet-related Business administers services in the EC and HR domains. Yomite Inc., which operates a D2C business, has accumulated expertise in product development and advertising and has become able to acquire customers with high cost-effectiveness. As a result, the Internet-related Business recorded net sales of ¥2,297 million, or an increase of 25.4% year on year, and segment income of ¥280 million, or an increase of 61.0% year on year.

(2) Analysis of Financial Position

(Assets)

Consolidated assets as of the end of the period under review totaled ¥48,660 million, an increase of ¥315 million from the end of the previous fiscal year. This was mainly attributable to an increase in investment securities.

(Liabilities)

Consolidated liabilities as of the end of the period under review amounted to ¥24,337 million, an increase of ¥485 million from the end of the previous fiscal year. This was mainly attributable to an increase in accounts payable - trade and a decrease in provision for bonuses.

(Net Assets)

Consolidated net assets as of the end of the period under review stood at ¥24,322 million, a decrease of ¥170 million from the end of the previous fiscal year. This was due to a decrease in retained earnings on account of payment of dividends of surplus.

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

No revisions have been made to the full-year consolidated performance forecast announced in “Financial Results for the Fiscal Year Ending December 31, 2024” on February 13, 2025.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,349	14,585
Accounts receivable - trade	16,970	17,115
Securities	1,900	1,972
Merchandise	135	221
Supplies	96	111
Other	4,416	3,816
Allowance for doubtful accounts	(109)	(91)
Total current assets	37,760	37,775
Non-current assets		
Property, plant and equipment	1,666	1,691
Intangible assets		
Goodwill	316	297
Other	1,488	1,451
Total intangible assets	1,805	1,748
Investments and other assets		
Investment securities	5,596	5,912
Deferred tax assets	64	95
Lease and guarantee deposits	1,436	1,421
Other	45	62
Allowance for doubtful accounts	(31)	(48)
Total investments and other assets	7,112	7,444
Total non-current assets	10,584	10,884
Total assets	48,344	48,660
Liabilities		
Current liabilities		
Accounts payable – trade	15,152	16,157
Provision for bonuses	510	79
Provision for directors' bonuses	32	2
Provision for point card certificates	415	411
Account payable – other	1,171	1,393
Income taxes payable	305	376
Deposits received	3,917	4,008
Other	1,997	1,561
Total current liabilities	23,503	23,991
Non-current liabilities		
Other	348	346
Total non-current liabilities	348	346
Total liabilities	23,852	24,337

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Capital stock	1,614	1,614
Capital surplus	12,542	12,542
Retained earnings	9,347	9,130
Treasury shares	(0)	(0)
Total shareholders' equity	23,503	23,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	561	589
Foreign currency translation adjustment	113	109
Total accumulated other comprehensive income	674	699
Share acquisition rights	11	15
Non-controlling interests	302	320
Total net assets	24,492	24,322
Total liabilities and net assets	48,344	48,660

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

(Millions of yen)

	Three months ended December 31, 2024	Three months ended December 31, 2025
Net sales	6,196	6,551
Cost of sales	618	664
Gross profit	5,577	5,886
Selling, general and administrative expenses	4,592	4,879
Operating profit	985	1,007
Non-operating income		
Interest income and dividends income	25	31
Gain on investments in partnership	15	7
Foreign exchange gains	101	—
Share of gain of entities accounted for using equity method	19	—
Other	9	3
Total non-operating income	171	43
Non-operating expenses		
Interest expenses	0	—
Share of loss of entities accounted for using equity method	—	14
Loss on investments in partnership	50	50
Foreign exchange losses	—	67
Other	1	2
Total non-operating expenses	52	134
Ordinary profit	1,105	916
Extraordinary income		
Gain on sales of investment securities	—	14
Gain on sales of shares of subsidiaries and associates	—	54
Gain on cancellation of share acquisition rights	14	—
Total extraordinary income	14	69
Extraordinary losses		
Loss on retirement of non-current assets	23	4
Loss on valuation of investment securities	5	—
Total extraordinary losses	28	4
Profit before income taxes	1,091	980
Income taxes	362	318
Profit	728	662
Profit attributable to non-controlling interests	22	67
Profit attributable to owners of parent	706	594

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended December 31, 2024	Three months ended December 31, 2025
Profit	728	662
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	27
Foreign currency translation adjustment	1	(3)
Share of other comprehensive income of entities accounted for using equity method	26	—
Total other comprehensive income	5	24
Comprehensive income	734	686
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	712	619
Comprehensive income attributable to non-controlling interests	22	67

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

None

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

None

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

(Calculation of tax expenses)

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

(Changes in Accounting Policies)

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "2022 Revised Accounting Standard") and related standards from the beginning of the first three months of the fiscal year under review.

With respect to the amendments related to the classification of corporate tax and other taxes (taxation on other comprehensive income), the Company has applied the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the "2022 Revised Guidance"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

In addition, with regard to the amendments related to the revision of the treatment of deferred gain or loss on sale of subsidiary shares, etc. between consolidated companies in the consolidated financial statements, the Company has applied the 2022 Revised Guidance from the beginning of the first three months of the fiscal year under review. This change in accounting policies has been applied retrospectively, and the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year reflect this retrospective application. The change in accounting policies has no impact on the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year.

(Notes to Quarterly Consolidated Statements of Income)

None

(Segment Information, etc.)

[Segment Information]

I For the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

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

(Millions of yen)

	Reportable Segments			Adjustment	Consolidation (Note)
	Digital Marketing Business	Internet-related Business	Total		
Sales					
Profit from contracts with customers	4,363	1,832	6,196	—	6,196
Other profit	—	—	—	—	—
Outside Sales	4,363	1,832	6,196	—	6,196
Intersegment sales or transfer	10	—	10	(10)	—
Total	4,373	1,832	6,206	(10)	6,196
Segment Income	810	174	985	—	985

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

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

(Material impairment loss on non-current assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

II For the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

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

(Millions of yen)

	Reportable Segments			Adjustment	Consolidation (Note)
	Digital Marketing Business	Internet-related Business	Total		
Sales					
Profit from contracts with customers	4,254	2,297	6,551	—	6,551
Other profit	—	—	—	—	—
Outside Sales	4,254	2,297	6,551	—	6,551
Intersegment sales or transfer	17	—	17	(17)	—
Total	4,272	2,297	6,569	(17)	6,551
Segment Income	726	280	1,007	—	1,007

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

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

(Material impairment loss on non-current assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

(Notes to Statements of Cash Flows)

The Company does not prepare the quarterly Consolidated Statements of Cash Flows for the three months ended March 31, 2025. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended March 31 were as follows.

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Depreciation	206	175
Amortization of goodwill	32	19

(Significant Subsequent Events)

None