

Consolidated Financial Results
for the Three Months of the Fiscal Year Ending March 31, 2025
<under Japanese GAAP>

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 Listing: The Tokyo Stock Exchange
 Stock code: 9831
 URL: <https://www.yamada-holdings.jp/>
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Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: None

(Millions of yen with fractional amounts rounded off, unless otherwise noted)

1. Consolidated performance for the three months of the fiscal year ending March 31, 2025 (from April 1, 2024 to June 30, 2024)

(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								
June 30, 2024	379,104	4.2	14,347	29.6	16,110	23.8	9,616	(8.3)
June 30, 2023	363,710	(3.2)	11,073	(9.7)	13,012	(9.9)	10,491	(28.5)

Note: Comprehensive income
 Three months ended June 30, 2024: 10,120 million yen ((12.5)%)
 Three months ended June 30, 2023: 11,566 million yen ((20.7)%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	13.91	13.81
June 30, 2023	15.10	15.00

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	1,368,749	624,968	45.1	893.55
March 31, 2024	1,288,995	624,175	47.8	892.39

Reference: Equity

As of June 30, 2024: 617,453 million yen

As of March 31, 2024: 616,454 million yen

2. Cash dividends

	Annual cash dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	13.00	13.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecasts)		0.00	—	13.00	13.00

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. Breakdown of year-end dividend for the fiscal year ended March 31, 2024

Ordinary dividend: 12.00 yen

Commemorative dividend: 1.00 yen

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending September 30, 2024	798,500	3.0	22,600	11.0	25,600	8.3	13,600	2.7	19.67
Fiscal year ending March 31, 2025	1,665,000	4.6	48,200	16.2	53,200	13.1	28,200	17.2	40.77

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- a. Changes in accounting policies due to revisions of accounting standards, etc.: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements: None

Note: For the details, please refer to the section of “(3) Notes to quarterly consolidated financial statements (Notes on Changes in Accounting Policies)” under “2. Quarterly consolidated financial statements and significant notes thereto” on page 9 of the attached materials to the quarterly financial results report.

- (4) Number of issued shares (common stock)
- a. Total number of issued shares at the end of the period (including treasury stock)
 - As of June 30, 2024 966,863,199 shares
 - As of March 31, 2024 966,863,199 shares
 - b. Number of treasury stock at the end of the period
 - As of June 30, 2024 275,856,116 shares
 - As of March 31, 2024 276,074,043 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 - Three months ended June 30, 2024 690,916,854 shares
 - Three months ended June 30, 2023 694,468,700 shares

Note: The number of treasury stock at the end of the period includes the Company’s shares (1,259,500 shares as of June 30, 2024 and 1,478,100 shares as of March 31, 2024) held by the “YAMADA HOLDINGS Employee Shareholding Association Trust Account.” In addition, the Company’s shares held by the “YAMADA HOLDINGS Employee Shareholding Association Trust Account” are included in the treasury stock deduction in the calculation of the average number of shares during the period (1,350,034 shares for the three months ended June 30, 2024).

*** Document as English translation and difference in presentation method of figures**

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. Readers should also note that (i) in the Japanese original, figures are presented in millions of yen with fractional amounts discarded unless otherwise noted, while in the English translation, figures are presented in millions of yen with fractional amounts rounded off unless otherwise noted, and (ii) in the Japanese original, totals may not equal the sum of individual amounts due to the discarding of the fractional amounts, while in the English translation, individual amounts are adjusted so that totals equal the sum of such individual amounts.

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

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

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company as of the announcement date and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.

For the details of the above forecasts, please refer to the section of “(3) Information regarding consolidated earnings forecasts and other forward-looking statements” under “1 Overview of operating results and others” on page 4 of the attached materials to the quarterly financial results report.

Attached Materials

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1. Overview of operating results and others

(1) Overview of operating results for the first three months

[On background of economies at home and abroad]

For the first three months of the fiscal year ending March 31, 2025 (from April 1, 2024 to June 30, 2024), the economy has been recovering moderately, although there were signs of a standstill. In addition, due to the upward trend in wages and the effects of various policies, a gradual recovery in personal consumption is expected to continue.

In the consumer electronics retail industry, sales of high value-added products such as air conditioners with excellent energy-saving performance remained robust against the backdrop of climatic factors and a recovery trend in personal consumption following the general reluctance to spend stemming from the rising cost of living due to high prices, declining real wages and reduced disposable income that had continued until now.

[On the Company's efforts]

In this market environment, the Group worked to build a structure that continuously increases revenues and profits by implementing five priority measures under the “Total-Living (Kurashi-Marugoto)” strategy: “active development of area stores by business category with LIFE SELECT as the core,” “strengthening our e-commerce,” “active development of SPA products,” “strengthening complete proposals of Total-Living (Kurashi-Marugoto) through YAMADA Smart House” and “achieve targets by setting goals for issues by each operating company.” In April, the Company announced a capital and business alliance with Giftmall. inc., which operates the online gift platform “Giftmall.” By leveraging the customer-drawing ability, customer base, and service development capabilities of the platform operated by Giftmall. inc., we aim to further deepen our e-commerce platform, focusing on strengthening e-commerce, and the OMO (Online Merges with Offline) concept. In May, we signed a business alliance agreement with avatarin, Inc. to create an AI robotics service specialized for the consumer electronics distribution industry. First, we will conduct experiments with remote-controlled robots serving customers, and then we will consider the feasibility of AI customer service in order to promote digitization of communication with customers in stores, to improve productivity in the immediate future, and to solve possible future labor shortage issues. In June, we also launched “YAMADA Business Rental,” a subscriber service for home appliances targeting corporate clients, in collaboration with Mizuho Leasing Company, Limited, a subscriber service platform provider. We have begun an initiative to allow companies to use home appliances with peace of mind by greatly reducing required response and burden of dealing with the process from installation to pick-up of home appliances and by providing a warranty that covers the entire rental period. We will continue to strive to build a growth strategy by developing new businesses through such business alliances.

For the three months under review, revenues and profits both increased, with net sales increasing 4.2% year on year to ¥379,104 million, operating profit increasing 29.6% year on year to ¥14,347 million, and ordinary profit increasing 23.8% year on year to ¥16,110 million. Profit attributable to owners of parent decreased 8.3% year on year to ¥9,616 million. This was partly due to the absence of the gain on sales of non-current assets and gain on revision of retirement benefit plan recorded as extraordinary income in the previous fiscal year. The main reasons for these results are (1) an increase in demand for durable consumer goods due to a pickup in personal consumption, (2) growth in air conditioner sales due to the extremely hot summer, and (3) a recovery trend in the housing division, where sales had been weak due to structural reforms in the previous fiscal year.

In addition to the aforementioned contribution from sales, reductions in selling and administrative expenses, such as personnel expenses and utility costs, were achieved through efforts to reduce overtime hours by reviewing store operating hours and to increase store productivity by consolidating and closing stores, etc. We will continue our efforts in the future.

[Operating results by segment]

(1) Electrical Segment

In the Electrical Segment, as an initiative to strengthen our “Total-Living (Kurashi-Marugoto)” strategy, we promote deployment of LIFE SELECT stores (stores offering the widest range of everyday goods at the most reasonable price with the best service in Japan), where customers can experience and feel a delightful life and find anything they need for such a life, with the store concept of “We support you living a delightful life. Entirely.” In May 2024, we opened the newly remodeled “Tecc LIFE SELECT Fukuyama Store” in Fukuyama City, Hiroshima Prefecture (33 stores as of June 30, 2024). We are striving to build a structure to further increase sales and profits by strengthening our sales structure through aggressive development of area stores with LIFE SELECT as the core, and by promoting new initiatives and growth strategies in the remodeling, furniture and interior design, Internet and TV shopping, and corporate businesses. In addition, demand for air conditioners and other seasonal home appliances grew significantly during the fiscal year under review due to the effects of the extremely hot summer from the beginning of the period.

As a result of these efforts, in the Electrical Segment, net sales increased 2.9% year on year to ¥312,434 million, and operating profit increased 19.6% year on year to ¥14,440 million.

(2) Housing Segment

In the Housing Segment, net sales increased 12.6% year on year to ¥61,390 million, and operating loss improved by ¥664 million year on year to ¥1,047 million, thereby achieving both improved revenue and a reduced operating deficit.

The performance of the Housing Business by company (before offsetting internal transactions) was as follows. (1) YAMADA HOMES reported net sales of ¥19,825 million (up 25.0% year on year) and an operating loss of ¥886 million (deficit reduction of ¥291 million year on year), thanks to the success of its efforts to revamp its sales and marketing structure and aggressive advertising investments made since the previous fiscal year. Overall, the housing business and the pre-owned home purchase business performed well. In particular, sales of built-for-sale housing have grown significantly under our efforts to strengthen land procurement, and we will continue to expand sales of built-for-sale housing, introduce new built-to-order housing products and shorten construction start periods to promote early profitability.

(2) Hinokiya Group reported net sales of ¥26,733 million (up 12.8% year on year) and operating loss of ¥286 million (deficit reduction of ¥378 million year on year) due to growth in the built-to-order housing business and strong performance in the real estate investment business including sales of income-producing properties.

(3) Housetec reported net sales of ¥15,201 million (up 2.2% year on year) and operating profit of ¥433 million (up 11.6% year on year) mainly due to synergy effects of the Group, our continued revision of product pricing strategies, and thorough cost control.

(3) Financial Segment

In the Financial Segment, net sales increased 25.1% to ¥1,121 million, and operating profit increased 332.7% to ¥312 million, reflecting growth in YAMADA NEOBANK housing loans and living loans linked to the Group’s housing and renovation businesses, as well as expanded performance by YAMADA SMALL AMOUNT SHORT TERM INSURANCE.

(4) Environment Segment

In the Environment Segment, net sales increased 4.2% year on year to ¥8,575 million, and operating profit increased 2.4% to ¥385 million, reflecting steady growth in the production system and sales of reused home appliances. The handling of remanufactured products is currently being conducted at more than 300 YAMADA DENKI stores, and our efforts to build a self-contained group-wide resource recycling system are steadily progressing.

(5) Other Segment

In other segment, net sales decreased 4.6% year on year to ¥6,057 million, and operating profit decreased 0.9% year on year to ¥219 million. The main reason for the decreases in revenues and profits was due to the change in business model at Cosmos Berry's.

[On number of stores]

The number of consolidated retail stores, including those overseas at the end of the first quarter under review encompassing four new store openings and 11 store closures, was 998 directly-managed stores (comprising 968 stores directly managed by YAMADA DENKI and 30 stores operated by other consolidated subsidiaries). The total number of stores of the Group, including FC, was 11,071.

[On performance summary]

As a result of the above, consolidated net sales for the three months under review amounted to ¥379,104 million, up 4.2% year on year, operating profit totaled ¥14,347 million, up 29.6% year on year, ordinary profit was ¥16,110 million, up 23.8% year on year, and profit attributable to owners of parent was ¥9,616 million, down 8.3% year on year.

(2) Overview of financial position for the three months

[Financial position]

Total assets at the end of the first quarter under review amounted to ¥1,368,749 million, up ¥79,754 million compared to the end of the previous fiscal year (March 31, 2024). This was mainly due to an increase in merchandise and finished goods largely as a result of the purchase of seasonal products, etc.

Total liabilities amounted to ¥743,781 million, up ¥78,961 million compared to the end of the previous fiscal year. This was mainly due to an increase in notes and accounts payable, and an increase in short-term loans payable due to borrowings for working capital.

Net assets amounted to ¥624,968 million, up ¥793 million from the end of the previous fiscal year. The main factor was an increase in retained earnings due to profit attributable to owners of parent. As a result, the equity ratio was 45.1% (47.8% at the end of the previous fiscal year).

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company as of the announcement date and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and time deposits	55,237	59,648
Notes and accounts receivable	82,812	86,282
Accounts receivable from completed construction contracts	1,523	1,143
Operating loans	14,323	14,404
Merchandise and finished goods	351,151	389,889
Real estate for sale	61,019	61,407
Costs on construction contracts in progress	7,260	9,560
Work in process	1,217	993
Raw materials and supplies	5,792	6,269
Other current assets	58,805	84,855
Allowance for doubtful accounts	(1,708)	(1,722)
Total current assets	637,431	712,728
Non-current assets		
Property and equipment		
Buildings and structures, net	205,962	206,204
Land	206,310	206,233
Other, net	26,605	29,011
Total property and equipment, net	438,877	441,448
Intangible assets	40,633	40,306
Investments and other assets		
Guarantee deposits	77,422	76,907
Net defined benefit asset	3,090	3,089
Other assets	93,486	96,137
Allowance for doubtful accounts	(1,944)	(1,866)
Total investments and other assets	172,054	174,267
Total non-current assets	651,564	656,021
Total assets	1,288,995	1,368,749

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable	99,025	155,304
Accounts payable for construction contracts	14,262	10,985
Short-term loans payable	131,566	162,201
Current portion of long-term loans payable	59,577	51,955
Income taxes payable	6,402	7,672
Advances received on construction contracts in progress	19,010	23,101
Other provisions	19,835	14,785
Other current liabilities	111,969	120,081
Total current liabilities	461,646	546,084
Long-term liabilities		
Long-term loans payable	108,198	102,583
Other provisions	1,868	1,724
Net defined benefit liability	33,984	34,803
Asset retirement obligations	38,275	38,372
Other long-term liabilities	20,849	20,215
Total long-term liabilities	203,174	197,697
Total liabilities	664,820	743,781
Net assets		
Shareholders' equity		
Common stock	71,149	71,149
Capital surplus	74,671	74,671
Retained earnings	597,152	597,684
Treasury stock, at cost	(129,935)	(129,837)
Total shareholders' equity	613,037	613,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of taxes	92	440
Foreign currency translation adjustments	2,133	2,207
Remeasurements of defined benefit plans	1,192	1,139
Total accumulated other comprehensive income	3,417	3,786
Subscription rights to shares	2,184	2,244
Non-controlling interests	5,537	5,271
Total net assets	624,175	624,968
Total liabilities and net assets	1,288,995	1,368,749

(2) Consolidated statements of income and consolidated statements of comprehensive income**(Consolidated statements of income - cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	363,710	379,104
Cost of sales	252,497	264,359
Gross profit	111,213	114,745
Selling, general and administrative expenses	100,140	100,398
Operating profit	11,073	14,347
Non-operating income		
Purchase discounts	602	634
Other	2,292	2,298
Total non-operating income	2,894	2,932
Non-operating expenses		
Interest expenses	418	484
Cost of sales of electric power	165	111
Other	372	574
Total non-operating expenses	955	1,169
Ordinary profit	13,012	16,110
Extraordinary income		
Gain on sales of non-current assets	1,551	227
Gain on revision of retirement benefit plan	1,573	—
Total extraordinary income	3,124	227
Extraordinary loss		
Loss on disposal of non-current assets	93	306
Impairment loss	—	27
Other	7	73
Total extraordinary losses	100	406
Profit before income taxes	16,036	15,931
Income taxes-current	3,122	8,011
Income taxes-deferred	2,224	(1,832)
Total income taxes	5,346	6,179
Profit	10,690	9,752
Profit attributable to non-controlling interests	199	136
Profit attributable to owners of parent	10,491	9,616

(Consolidated statements of comprehensive income - cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	10,690	9,752
Other comprehensive income, net of taxes		
Valuation difference on available-for-sale securities	211	344
Foreign currency translation adjustments	1	74
Remeasurements of defined benefit plans, net of tax	665	(54)
Share of other comprehensive income of associates accounted for using equity method	(1)	4
Total other comprehensive income	876	368
Comprehensive income	11,566	10,120
Comprehensive income attributable to:		
Owners of parent	11,367	9,985
Non-controlling interests	199	135

(3) Notes to quarterly consolidated financial statements

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in 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 “Revised Application Guidance of 2022”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities between consolidated companies, the Company has applied the Revised Application Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. The change in accounting policy has no effect on the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year.

(Notes on premise of going concern)

No items to report

(Notes on significant changes in the amount of shareholders' equity)

No items to report

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June, 2023 and 2024 are as follows.

	(Millions of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	6,164	6,133
Amortization of goodwill	142	143

Note: In the second quarter of the previous fiscal year, the Company finalized the provisional accounting treatment for the business combination, and the depreciation and amortization of goodwill for the three months of the previous fiscal year reflect the finalized provisional accounting treatment.

(Notes to segment information, etc.)

I Three months ended June 30, 2023

1. Information about amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments				
	Electrical Segment	Housing Segment	Financial Segment	Environment Segment	Total
Net sales					
Sales to external customers	301,013	53,305	784	4,793	359,895
Intersegment sales or transfers	2,636	1,238	112	3,440	7,426
Total	303,649	54,543	896	8,233	367,321
Segment profit (loss)	12,074	(1,711)	72	376	10,811

	Others (Note 1)	Total	Adjusted amounts (Note 2)	Amount recorded in consolidated statement of income (Note 3)
Net sales				
Sales to external customers	3,815	363,710	—	363,710
Intersegment sales or transfers	2,535	9,961	(9,961)	—
Total	6,350	373,671	(9,961)	363,710
Segment profit (loss)	221	11,032	41	11,073

- Notes:
1. The “others” category includes other business segment not included in reportable segments.
 2. The adjusted amounts resulted from elimination of intersegment transactions.
 3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss on fixed assets and goodwill by reportable segment

(Significant impairment losses on fixed assets)

No items to report

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on bargain purchase)

No items to report

II Three months ended June 30, 2024

1. Information about amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments							
	Electrical Segment	YoY (%)	Housing Segment	YoY (%)	Financial Segment	YoY (%)	Environment Segment	YoY (%)
Net sales								
Sales to external customers	309,812	—	60,143	—	972	—	4,720	—
Intersegment sales or transfers	2,622	—	1,247	—	149	—	3,855	—
Total	312,434	2.9	61,390	12.6	1,121	25.1	8,575	4.2
Segment profit (loss)	14,440	19.6	(1,047)	—	312	332.7	385	2.4

	Reportable segments		Others (Note 1)	YoY (%)	Total	Adjusted amounts (Note 2)	Amount recorded in consolidated statement of income (Note 3)
	Total	YoY (%)					
Net sales							
Sales to external customers	375,647	—	3,457	—	379,104	—	379,104
Intersegment sales or transfers	7,873	—	2,600	—	10,473	(10,473)	—
Total	383,520	4.4	6,057	(4.6)	389,577	(10,473)	379,104
Segment profit (loss)	14,090	30.3	219	(0.9)	14,309	38	14,347

- Notes:
1. The “others” category includes other business segment not included in reportable segments.
 2. The adjusted amounts resulted from elimination of intersegment transactions.
 3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

2. Information about impairment loss on fixed assets and goodwill by reportable segment

(Significant impairment losses on fixed assets)

In the “Denki” segment, an impairment loss on fixed assets was recorded. The amount of the impairment loss recorded was ¥27 million in the “Denki” segment.

(Significant changes in the amount of goodwill)

No items to report

(Significant gain on bargain purchase)

No items to report

III Notes relating to changes in reportable segments, etc.

In the third quarter ended December 31, 2023, the Home Electrical Appliances Guarantee Extension Service Business, which was previously included in “Financial Business” was included in the “Electrical Business” due to the merging of subsidiaries.

As a result of this change, segment information for the three months for the previous fiscal year has been prepared based on the reportable segment classification for the three months under review.