

**Consolidated Financial Statements for the Third Quarter of
the Fiscal Year Ending December 31, 2025
(the Nine Months Ended September 30, 2025)
[Japanese GAAP]**



November 11, 2025

Company name: AUCNET INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3964

URL: <https://www.aucnet.co.jp/en/>

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Scheduled date of commencing dividend payments: –

Preparation of supplementary explanatory materials: Yes

Financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 (January 1, 2025 - September 30, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2025	47,481	17.4	8,038	43.3	8,023	40.7	4,562	26.9
September 30, 2024	40,443	25.4	5,610	3.4	5,700	3.3	3,594	2.3

(Note) Comprehensive income: Nine months ended September 30, 2025: ¥4,360 million [15.1%]

Nine months ended September 30, 2024: ¥3,789 million [1.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	99.87	99.85
September 30, 2024	75.59	75.37

(Note) The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	49,982	25,107	49.7
As of December 31, 2024	44,040	26,166	58.8

(Reference) Equity: As of September 30, 2025: ¥24,862 million

As of December 31, 2024: ¥25,898 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Year ended December 31, 2024	Yen —	Yen 28.00	Yen —	Yen 48.00	Yen 76.00
Year ending December 31, 2025	—	22.00 (44.00)	—		
Year ending December 31, 2025 (Forecast)				33.00 (66.00)	55.00 (110.00)

- (Notes)
1. Revision to the forecast for dividends announced most recently: Yes
 2. The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. The dividends per share for the year ending December 31, 2025 reflect the amounts after taking into account the share split. The dividends per share for the year ending December 31, 2025 before taking into account the share split are presented in parentheses.
 3. Breakdown of year-end dividend for the fiscal year ending December 31, 2025 (forecast)
 Ordinary dividend: ¥28.00
 Commemorative dividend: ¥5.00

3. Forecast of Consolidated Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
	62,500	11.8	9,050	29.2	9,050	25.6	5,500	22.6
								120.61

- (Notes)
1. Revision to the forecast of consolidated results announced most recently: Yes
 2. The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. The forecast of consolidated results for the fiscal year ending December 31, 2025 (full year) reflects the amount of basic earnings per share after taking into account the share split.

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company AUCNET ASIA-PACIFIC PTE. LTD.
Excluded: 1 company Defactostandard, Ltd.
(Note) Defactostandard, Ltd. was dissolved as a result of an absorption-type merger effective July 1, 2025, with Gallery Rare Ltd., a consolidated subsidiary of the Company, as the surviving entity. Accordingly, it has been excluded from the scope of consolidation.
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: Yes
4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
 September 30, 2025: 49,526,400 shares
 December 31, 2024: 49,526,400 shares

2) Total number of treasury shares at the end of the period:
 September 30, 2025: 4,176,081 shares
 December 31, 2024: 1,745,866 shares

3) Average number of shares during the period:
 Nine months ended September 30, 2025: 45,686,606 shares
 Nine months ended September 30, 2024: 47,550,410 shares
(Note) The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. The total number of issued and outstanding shares at the end of the period, total number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

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

* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and the Company does not guarantee their achievement. In addition, actual results may differ significantly from these forecasts due to a wide range of factors. For cautionary notes on assumptions that form the basis of the performance forecast and the use of the performance forecast, please see “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information” on page 5 of the attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Forward-looking statements in this document are based on the judgments of the Group (the Company and its consolidated subsidiaries) as of the end of the third quarter of the fiscal year under review.

The Group has undertaken the task of establishing a circular market in line with our sustainability policy, “Circulating valuable goods on a global scale ~ Circulation Engine.” As a company that contributes to a sustainable society by creating a system to efficiently circulate valuable goods in the market, the Group works to further improve its social and economic value.

In the medium-term management plan, Blue Print 2027, formulated in February 2025, we aim to create the future of the circular economy with our partners around the world. We have set out a roadmap for achieving this goal, with a long-term target of GCV ¥1 trillion and medium-term quantitative targets of 1) EBITDA of ¥10.0 billion, 2) ROE of 15 to 20%, and 3) payout ratio of 40% or more. To achieve this goal, we will accelerate sustainable growth based on stable business foundations and further expand the management base for the next stage.

As a result of promoting business in line with such plans, for the nine months ended September 30, 2025, the Group’s net sales were ¥47,481,147 thousand (up 17.4% from the same period of the previous fiscal year), operating profit was ¥8,038,751 thousand (up 43.3% from the same period of the previous fiscal year), ordinary profit was ¥8,023,085 thousand (up 40.7% from the same period of the previous fiscal year), and profit attributable to owners of parent was ¥4,562,622 thousand (up 26.9% from the same period of the previous fiscal year).

	For the nine months ended September 30, 2025	Year-on-year change
Net sales	¥47,481,147 thousand	+17.4%
Operating profit	¥8,038,751 thousand	+43.3%
Ordinary profit	¥8,023,085 thousand	+40.7%
Profit attributable to owners of parent	¥4,562,622 thousand	+26.9%

Performance results by business segment are as follows.

(Lifestyle Products segment)

The Lifestyle Products segment comprises the Digital Product Business and Fashion Resale Business.

(1) Digital Product Business

The Digital Product Business provides auctions for used digital products, including used smartphones and used PCs, and services pertaining to distribution, including those targeting consumers.

As a result of strengthening collaboration with domestic suppliers and expanding new sales activities, both the number of units sold and the transaction amount increased. In addition, we focused on revitalizing auctions by approaching active buyers, while also promoting operational efficiency.

	For the nine months ended September 30, 2025	Year-on-year change
Transaction amount (million yen)	61,841	+65.0%
Number of units sold (unit)	1,989,560	+55.7%
Number of members (member)	2,032	+1.3%

(2) Fashion Resale Business

The Fashion Resale Business provides auctions primarily for pre-owned luxury brand items such as bags, watches, precious metals, and clothing, as well as services pertaining to distribution, including those targeting consumers. From the beginning of the second quarter of the fiscal year ended December 31, 2024, Defactostandard, Ltd. and JOYLAB, inc. have been included in the Company's scope of consolidation, and the results of the two companies have been included in those of the Company's.

In addition, on July 1, 2025, the Company conducted an absorption-type merger, in which Gallery Rare Ltd., a consolidated subsidiary of the Company, was the surviving company, and Defactostandard, Ltd. was the absorbed company. The merger was carried out with the objective of maximizing business synergies through the integration of the resources, know-how, and channels held by both companies. Although the merger was on an equal basis, for procedural purposes Gallery Rare Ltd. was designated as the surviving company and subsequently changed its trade name to CircLuxe Inc. following the merger.

In the BtoB business, in addition to the continued growth of the market, the number of items listed and the number of items sold at auctions increased due to the rise in the number of auction members and the increased demand for cashing of inventory. Furthermore, the number of members increased as a result of advertising and promotional activities, as well as by strengthening support for new members. At the same time, we focused on establishing an operational framework to ensure the stable operation of our merchandising center.

In the business targeting consumers, the transaction amount showed a softening trend due to the closure of certain stores and the impact of the U.S. tariff policy. Meanwhile, we promoted advertising and promotional activities and advanced organizational restructuring aimed at strengthening group synergies.

		For the nine months ended September 30, 2025	Year-on-year change
BtoB business	Transaction amount (million yen)	38,801	+2.8%
	Items listed (item)	1,158,010	+26.6%
	Items sold (item)	729,812	+19.4%
	Number of members (member)	6,501	+16.3%
Business targeting consumers	Transaction amount (million yen)	13,817	+8.9%

As a result, for the nine months ended September 30, 2025, net sales were ¥33,332,061 thousand (up 20.8% from the same period of the previous fiscal year) and operating profit was ¥6,755,311 thousand (up 54.1% from the same period of the previous fiscal year).

	For the nine months ended September 30, 2025	Year-on-year change
Net sales	¥33,332,061 thousand	+20.8%
Operating profit	¥6,755,311 thousand	+54.1%

(Mobility & Energy segment)

The Mobility & Energy segment comprises the Automobile Business and Motorcycle Business.

(1) Automobile Business

The Automobile Business provides used vehicle auctions (*1), shared inventory market (*2), live relay broadcast auctions (*3), proxy bidding service (*4), used vehicle inspection service (*5), and other services.

In the Japanese automotive sector, which has close connections with our business, total new vehicle registrations (*6) increased 5.0% year on year to 3.46 million units in the nine months ended September 30, 2025. The total number of used vehicle registrations (*7) increased 0.4% year on year to 4.92 million units, and the number of used vehicles listed at auctions around Japan (*8) increased 10.1% year on year to 6.07 million units. The total number of used vehicles sold at auctions (*8) increased 5.1% year on year to 4.14 million units.

The demand for used vehicles remained strong, and the total number of vehicles sold/bought increased across the proxy bidding service, live relay broadcast auctions, and our own auctions. In addition, the rise in the average unit price of vehicles sold led to an increase in the transaction amount. Meanwhile, costs associated with the release of “BASE,” our new core system, continued to be incurred from the second quarter.

Also, demand for the inspection service for a used vehicle listing platform remained at a high level, and the number of used vehicles inspected continued to increase.

	For the nine months ended September 30, 2025	Year-on-year change
Transaction amount (million yen)	416,366	+9.8%
Total vehicles sold/bought (unit)	418,443	+5.3%
Number of members (member)	15,996	+4.0%
Number of used vehicles inspected (*9) (unit)	1,163,044	+13.3%

(2) Motorcycle Business

The Motorcycle Business provides used motorcycle auctions (*1), shared inventory market (*2), proxy bidding service (*4), used vehicle inspection service (*5), rental service, and subscription service targeting individuals.

The transaction amount increased owing to an increase in the number of vehicles listed and the total vehicles sold/bought, mainly from major domestic dealers, as well as an increase in the average price of vehicles sold due to the continued high levels of purchase demand at auctions from the exporters.

	For the nine months ended September 30, 2025	Year-on-year change
Transaction amount (million yen)	9,562	+20.3%
Total vehicles sold/bought (unit)	25,128	+12.8%
Number of members (member)	2,577	(1.0)%

As a result, for the nine months ended September 30, 2025, net sales were ¥12,035,099 thousand (up 10.6% from the same period of the previous fiscal year) and operating profit was ¥2,865,926 thousand (up 3.1% from the same period of the previous fiscal year).

	For the nine months ended September 30, 2025	Year-on-year change
Net sales	¥12,035,099 thousand	+10.6%
Operating profit	¥2,865,926 thousand	+3.1%

- (*1) The used car and used motorcycle auctions are real-time, members-only online auctions run by the Company.
- (*2) The shared inventory market is a system that allows Aucnet Group member sellers to share inventory with other members online. The inventory remains at the seller’s premises while other members access it via the online system.
- (*3) The live relay broadcast auctions use an online live-link system that enables real-time remote access to participate at physical auction sites, through partnerships between AUCNET and the physical auction sites.
- (*4) The proxy bidding service is an agency service provided by i-Auc, Inc. to buy, sell, settle payment for and arrange for transportation of used cars and used motorcycles at auctions on behalf of its members.
- (*5) The used vehicle inspection service and related inspection skills training services are provided by AIS INC.
- (*6) Based on statistics compiled by Japan Automobile Dealers Association
- (*7) Based on statistics compiled by Japan Automobile Dealers Association and Japan Light Motor Vehicle and

Motorcycle Association

(*8) Based on the 2025 U-Car Full Data Book and Export Quotation Book

(*9) Total number of used cars and used motorcycles inspected

(Other)

The Other segment comprises the Agricultural Business and Circular Commerce Business.

The Agricultural Business provides online auctions and physical markets for flowers and engages in the production and sale of phalaenopsis orchids. The Circular Commerce Business provides services that support partners in creating secondary distribution businesses.

For the nine months ended September 30, 2025, net sales (including inter-segment net sales) were ¥2,485,190 thousand (up 12.3% from the same period of the previous fiscal year) and operating loss was ¥227,120 thousand (the operating loss for the previous fiscal year was ¥312,306 thousand).

	For the nine months ended September 30, 2025	Year-on-year change
Net sales	¥2,485,190 thousand	+12.3%
Operating loss	¥(227,120) thousand	—

(2) Explanation of Financial Position

Total assets as of the end of the third quarter of the fiscal year under review amounted to ¥49,982,129 thousand, an increase of ¥5,941,473 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥5,096,211 thousand increase in cash and deposits, a ¥2,628,200 thousand increase in due from auction members, and a ¥926,531 thousand increase in other intangible assets, despite a ¥1,122,670 thousand decrease in goodwill, a ¥283,639 thousand decrease in inventories, and a ¥975,740 thousand decrease in other current assets.

Total liabilities amounted to ¥24,874,971 thousand, an increase of ¥7,000,558 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥6,447,735 thousand increase in due to auction members, a ¥303,685 thousand increase in income taxes payable, and a ¥362,081 thousand increase in other current liabilities, despite a ¥110,514 thousand decrease in accounts payable - trade.

Total net assets amounted to ¥25,107,158 thousand, a decrease of ¥1,059,084 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥2,386,330 thousand increase in retained earnings, despite a ¥3,055,580 thousand decrease due to repurchase of treasury shares, etc.

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

Regarding the full-year consolidated performance forecast for the fiscal year ending December 31, 2025, the figures announced on August 7, 2025 have been revised based on recent performance trends. For details, please refer to the “Notice Concerning Revisions to the Forecast of Consolidated Results and the Forecast for Dividends (Including the 40th Anniversary Commemorative Dividend) for the Fiscal Year Ending December 31, 2025” announced today.

Please note that the performance forecast is based on information available at the time of publication, and actual performance may differ from the forecast due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,980,692	22,076,904
Notes and accounts receivable - trade, and contract assets	1,755,289	1,850,733
Inventories	4,377,881	4,094,241
Due from auction members	4,978,666	7,606,866
Other	5,537,661	4,561,920
Allowance for doubtful accounts	(92,889)	(141,712)
Total current assets	33,537,302	40,048,954
Non-current assets		
Property, plant and equipment	1,805,596	1,847,237
Intangible assets		
Goodwill	1,345,391	222,720
Other	1,836,388	2,762,920
Total intangible assets	3,181,779	2,985,641
Investments and other assets	5,515,977	5,100,296
Total non-current assets	10,503,353	9,933,175
Total assets	44,040,655	49,982,129

(Thousand yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,044,057	933,542
Due to auction members	9,340,069	15,787,804
Income taxes payable	1,403,155	1,706,841
Other provisions	480,478	405,677
Other	2,243,067	2,605,148
Total current liabilities	14,510,828	21,439,014
Non-current liabilities		
Retirement benefit liability	1,916,230	1,927,521
Provision for share-based remuneration	171,605	202,247
Other	1,275,748	1,306,187
Total non-current liabilities	3,363,584	3,435,956
Total liabilities	17,874,413	24,874,971
Net assets		
Shareholders' equity		
Share capital	1,807,303	1,807,303
Capital surplus	4,491,088	4,433,513
Retained earnings	20,518,859	22,905,189
Treasury shares	(1,589,978)	(4,645,558)
Total shareholders' equity	25,227,272	24,500,447
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	406,191	149,918
Foreign currency translation adjustment	246,699	196,813
Remeasurements of defined benefit plans	18,806	15,367
Total accumulated other comprehensive income	671,697	362,099
Non-controlling interests	267,272	244,611
Total net assets	26,166,242	25,107,158
Total liabilities and net assets	44,040,655	49,982,129

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended September 30, 2024 and 2025

(Thousand yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Net sales	40,443,269	47,481,147
Cost of sales	23,511,103	26,932,476
Gross profit	16,932,165	20,548,670
Selling, general and administrative expenses	11,321,680	12,509,918
Operating profit	5,610,485	8,038,751
Non-operating income		
Interest income	4,768	26,696
Dividend income	56,316	74,862
Share of profit of entities accounted for using equity method	22,122	18,268
Subsidy income	11,823	26,673
Other	22,404	82,218
Total non-operating income	117,435	228,718
Non-operating expenses		
Interest expenses	1,582	180
Foreign exchange losses	13,270	226,304
Other	12,292	17,900
Total non-operating expenses	27,145	244,385
Ordinary profit	5,700,775	8,023,085
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	8,901
Gain on sale of investment securities	—	504,720
Gain on step acquisitions	—	16,166
Other	18,897	291
Total extraordinary income	18,897	530,080
Extraordinary losses		
Impairment losses	—	986,200
Loss on retirement of non-current assets	2,888	2,539
Other	—	63,958
Total extraordinary losses	2,888	1,052,698
Profit before income taxes	5,716,784	7,500,466
Income taxes	2,037,471	2,830,685
Profit	3,679,312	4,669,781
Profit attributable to non-controlling interests	84,809	107,158
Profit attributable to owners of parent	3,594,503	4,562,622

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended September 30, 2024 and 2025

(Thousand yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Profit	3,679,312	4,669,781
Other comprehensive income		
Valuation difference on available-for-sale securities	116,211	(256,273)
Foreign currency translation adjustment	1,881	(49,885)
Remeasurements of defined benefit plans, net of tax	(8,279)	(3,438)
Total other comprehensive income	109,813	(309,597)
Comprehensive income	3,789,126	4,360,183
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,704,317	4,253,024
Comprehensive income attributable to non-controlling interests	84,809	107,158

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant changes in the scope of consolidation)

Effective July 1, 2025, the Company conducted an absorption-type merger in which its consolidated subsidiary Gallery Rare Ltd. was the surviving company and its consolidated subsidiary Defactostandard, Ltd. was the absorbed company, and thereby dissolved. Accordingly, Defactostandard, Ltd. has been excluded from the scope of consolidation.

In addition, the surviving company, Gallery Rare Ltd., changed its trade name to CircLuxe Inc. after the merger.

(Notes in case of significant changes in amount of shareholders' equity)

Based on the resolution of the Board of Directors meeting held on February 14, 2025, the Company repurchased 1,430,000 shares of its shares. As a result of this repurchase, treasury shares increased by ¥3,533,530 thousand.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after application of tax-effect accounting to profit before income taxes for the fiscal year (consolidated) including the third quarter of the fiscal year under review, with profit before income taxes then multiplied by the estimated effective tax rate.

However, in the event that this tax expense calculation using estimated effective tax rate results in a significantly improbable figure, a method using the statutory effective tax rate may be adopted.

(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 fiscal year under review.

With respect to the amendments related to the classification of income taxes (taxation on other comprehensive income), the Company has adopted the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to 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 Implementation Guidance"). These changes in accounting policies had no impact on the quarterly consolidated financial statements.

In addition, regarding the amendments related to the treatment in consolidated financial statements of deferred taxation on gains and losses arising from the sale of shares of subsidiaries, etc., the Company has applied the 2022 Revised Implementation Guidance from the beginning of the fiscal year under review. These changes in accounting policies have been applied retrospectively, and the quarterly consolidated financial statements for the nine months ended September 30, 2024 and the consolidated financial statements for the previous fiscal year have been presented after retrospective application. These changes had no impact on the quarterly consolidated financial statements for the nine months ended September 30, 2024 or on the consolidated financial statements for the previous fiscal year.

(Changes in accounting estimates)

(Change in useful lives of intangible assets)

The Company previously determined the useful lives of software for back-office operations as five years. As the Company replaced its software for back-office operations in the Automobile Business during the second quarter of the fiscal year under review, it re-examined the usable period based on the actual use up to then. As a result, the Company revised its useful lives of software for back-office operations to 10 years, applied from the nine months ended September 30, 2025. Due to this change, operating profit, ordinary profit, and profit before income taxes for the nine months ended September 30, 2025 increased by ¥67,143 thousand, respectively, compared to those under the previous method.

(Segment information, etc.)

[Segment information]

For the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

1. Information on net sales and income (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Lifestyle Products	Mobility & Energy	Total				
Net sales							
Auction related revenue	7,967,219	7,138,030	15,105,249	894,602	15,999,852	—	15,999,852
Product sales related revenue	19,529,916	376,211	19,906,127	492,709	20,398,836	—	20,398,836
Other	100,971	3,366,841	3,467,813	576,766	4,044,580	—	4,044,580
Revenue from contracts with customers	27,598,108	10,881,083	38,479,191	1,964,078	40,443,269	—	40,443,269
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	27,598,108	10,881,083	38,479,191	1,964,078	40,443,269	—	40,443,269
Inter-segment net sales or transfers	—	—	—	248,352	248,352	(248,352)	—
Total	27,598,108	10,881,083	38,479,191	2,212,431	40,691,622	(248,352)	40,443,269
Segment income (loss)	4,382,737	2,781,087	7,163,824	(312,306)	6,851,518	(1,241,033)	5,610,485

(Notes) 1. “Other” is the segment which is not included in reportable segments, including such businesses as auctions for flowers, circular commerce businesses, and overseas businesses.

2. Adjustment of segment income (loss) of negative ¥1,241,033 thousand is corporate expenses not allocated to specific reportable segments. Corporate expenses chiefly comprise general and administrative expenses not allocated to specific reportable segments.

3. Adjustments are made to reconcile segment income (loss) with operating profit reported on the quarterly consolidated statements of income.

2. Reporting segment-specific information on assets

(Significant increase in assets due to acquisition of subsidiaries)

The total assets of the Lifestyle Products segment increased by ¥4,990 million from the end of the previous fiscal year as the Company acquired all shares of Defactostandard, Ltd. and JOYLAB, inc. and included them in the scope of consolidation during the six months ended June 30, 2024.

3. Reporting segment-specific information on impairment loss on non-current assets and details of goodwill, etc.

(Significant change in the amount of goodwill)

The Company included Defactostandard, Ltd. and JOYLAB, inc. in the scope of consolidation from the six months ended June 30, 2024 as the Company made them subsidiaries in the Lifestyle Products segment. This resulted in an increase of ¥1,344 million in goodwill.

We note that the amount of goodwill is presented in a tentative figure as purchase price allocation is yet to be settled as of the end of the nine months ended September 30, 2024.

For the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

1. Information on net sales and income (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Lifestyle Products	Mobility & Energy	Total				
Net sales							
Auction related revenue	11,684,531	7,735,972	19,420,503	845,222	20,265,726	—	20,265,726
Product sales related revenue	21,564,755	613,377	22,178,133	576,074	22,754,207	—	22,754,207
Other	82,775	3,685,749	3,768,524	692,687	4,461,212	—	4,461,212
Revenue from contracts with customers	33,332,061	12,035,099	45,367,161	2,113,985	47,481,147	—	47,481,147
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	33,332,061	12,035,099	45,367,161	2,113,985	47,481,147	—	47,481,147
Inter-segment net sales or transfers	—	—	—	371,205	371,205	(371,205)	—
Total	33,332,061	12,035,099	45,367,161	2,485,190	47,852,352	(371,205)	47,481,147
Segment income (loss)	6,755,311	2,865,926	9,621,237	(227,120)	9,394,117	(1,355,365)	8,038,751

(Notes) 1. “Other” is the segment which is not included in reportable segments, including such businesses as auctions for flowers, circular commerce businesses, and overseas businesses.

2. Adjustment of segment income (loss) of negative ¥1,355,365 thousand is corporate expenses not allocated to specific reportable segments. Corporate expenses chiefly comprise general and administrative expenses not allocated to specific reportable segments.

3. Adjustments are made to reconcile segment income (loss) with operating profit reported on the quarterly consolidated statements of income.

2. Reporting segment-specific information on assets

Not applicable.

3. Reporting segment-specific information on impairment loss on non-current assets and details of goodwill, etc.

(Significant impairment loss on non-current assets)

In the Lifestyle Products segment, an impairment loss was recognized on non-current assets owned by JOYLAB, inc., as well as on goodwill associated with the subsidiary.

The total amount of the impairment loss recorded during the nine months ended September 30, 2025 was ¥978,050 thousand.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows were not prepared for the nine months ended September 30, 2025. Depreciation for the nine months ended September 30, 2024 and 2025 (including the amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows.

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Depreciation	¥451,315 thousand	¥487,775 thousand
Amortization of goodwill	¥135,887 thousand	¥170,086 thousand

(Significant subsequent events)

Not applicable.