

Summary of Financial Results for the Third Quarter of Fiscal Year 2025 (Nine Months Ended September 30, 2025)

[Japanese GAAP]

October 31, 2025

Company name: **SENSHUKAI CO.,LTD.**

Stock exchange: Tokyo Stock Exchange

Stock code: 8165

URL: <https://www.senshukai.co.jp>

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

(All amounts are rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the 3rd Quarter of 2025 (January 1, 2025 – September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q 2025	30,021	(6.9)	(2,597)	-	(2,728)	-	3,869	-
3Q 2024	32,246	-	(3,357)	-	(3,494)	-	(3,079)	-

Note: Comprehensive income (millions of yen) 3Q 2025: 3,720 (-%) 3Q 2024: (3,488) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q 2025	82.73	-
3Q 2024	(65.83)	-

Note: All figures for 3Q 2024 incorporate changes in accounting policies and year-on-year changes are omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q 2025	24,768	16,875	68.1	360.76
Fiscal Year 2024	25,484	13,147	51.6	281.22

Reference: Shareholders' equity (millions of yen) 3Q 2025: 16,875 Fiscal Year 2024: 13,154

Note: All figures for the fiscal year 2024 incorporate changes in accounting policies.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2024	-	0.00	-	0.00	0.00
Fiscal Year 2025	-	0.00	-		
Fiscal Year 2025 (forecasts)				0.00	0.00

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Outlook for Fiscal Year 2025 (January 1, 2025 – December 31, 2025)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year 2025	42,000	(7.9)	(2,700)	-	(2,800)	-	4,150	-	88.72

Note: Revision to the most recently announced consolidated outlook: None

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly added: 1 (Belle Maison Logisco Co., Ltd.)

Excluded: 2 (Senshukai Make Co- Inc., WellServe Co., Ltd.,)

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Significant Changes in the Scope of Consolidation)” on page 12 for further information.

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)” on page 9 for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 8, and “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Estimates)” on page 9 for further information.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

3Q 2025:	52,056,993 shares	Fiscal Year 2024:	52,056,993 shares
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2) Number of treasury shares at the end of the period

3Q 2025:	5,280,797 shares	Fiscal Year 2024:	5,280,756 shares
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3) Average number of shares outstanding during the period

3Q 2025:	46,776,213 shares	3Q 2024:	46,779,766 shares
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* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

* Cautionary statement with respect to forward-looking statements

Cautionary statement with respect to forecasts

The above projections are based on information available at the time of release of this report. Actual results could differ significantly from these projections due to a variety of factors. For further details regarding the projections, please refer to page 3, “1. Overview of Results of Operations, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements.”

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1. Overview of Results of Operations

Starting with the beginning of the first nine months of 2025, Senshukai changed its accounting method for unused catalog gift certificates and its accounting policy for sales promotion expenses, and is conducting comparative analyses using retroactively adjusted figures.

(1) Results of Operations

In the first nine months of 2025 (January 1 to September 30), the Japanese economy showed some positive signs, including rising wages and a recovery in capital investment. However, concerns remain regarding the impact on corporate profits and personal consumption of ongoing geopolitical risks and persistent inflationary pressure stemming from the weakening yen.

In this business environment, the Senshukai Group has been steadily advancing measures for reforming business structure and restoring business performance, based on the Revitalization Plan (2025–2027) announced on February 13, 2025. As a result, net sales in the first nine months of 2025 decreased 6.9% YoY to 30,021 million yen and the operating loss was 2,597 million yen (compared with an operating loss of 3,357 million yen in the first nine months of 2024), indicating a narrowing of the loss. Ordinary loss was 2,728 million yen (compared with a loss of 3,494 million yen in the first nine months of 2024) and profit attributable to owners of parent was 3,869 million yen due to a recording of gain on sale of non-current assets (compared with a loss of 3,079 million yen in the first nine months of 2024). We will continue to advance structural reforms based on the Revitalization Plan and work toward returning to profitability in the next fiscal year.

Business segment performance was as follows.

(Mail-order and Online Shopping Business)

In the mail-order and online shopping business, which focuses on online and catalog sales, we are clarifying our customer targets while reviewing our product portfolio and discontinuing unprofitable items. We are also transforming our e-commerce site and catalogs into sales points optimized for each customer segment. These initiatives are part of our ongoing efforts to improve profitability. As a result, consolidated sales in the mail-order and online shopping business decreased 8.9% YoY to 25,323 million yen in the first nine months of 2025. There was an operating loss of 3,032 million yen compared with a loss of 3,685 million yen in the first nine months of 2024.

(Corporates Business)

In the corporates business, which provides products and services to corporations, outsourced logistics services performed well. Consolidated sales in the corporates business increased 6.3% YoY to 3,105 million yen in the first nine months of 2025. Operating profit increased 104.8% YoY to 193 million yen.

(Insurance Business)

This business provides customers with support for choosing the most suitable insurance policies. The number of new contracts from conventional channels has declined, and while we are working to develop new sales channels, these efforts have yet to fully offset the decrease. Consolidated sales decreased 15.6% YoY to 309 million yen in the first nine months of 2025 and operating profit decreased 28.9% YoY to 128 million yen.

(Others)

In the other businesses, which include the childcare support business, the child care business is performing well. As a result, consolidated sales increased 11.0% YoY to 1,282 million yen in the first nine months of 2025. Operating profit increased 112.2% YoY to 112 million yen.

(2) Financial Position

(Balance sheet position)

Assets totaled 24,768 million yen at the end of the third quarter of 2025, a decrease of 716 million yen from the end of 2024.

Current assets increased 1,806 million yen to 15,636 million yen. The factors included an increase of 3,377 million yen in cash and deposits. Non-current assets decreased 2,523 million yen to 9,131 million yen. The factors included decreases of 2,067 million yen in property, plant and equipment, 335 million yen in intangible assets and 120 million yen in investments and other assets.

Current liabilities decreased 2,603 million yen to 7,499 million yen. The factors included decreases of 1,546 million yen in electronically recorded obligations-operating, 762 million yen in other current liabilities and 420 million yen in short-term borrowings. Non-current liabilities decreased 1,840 million yen to 393 million yen. The main factors included a decrease of 1,888 million yen in long-term borrowings.

Net assets increased 3,727 million yen to 16,875 million yen. The factors included booking of profit attributable to owners of parent of 3,869 million yen. As a result, the equity ratio was 68.1%.

(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

The consolidated forecasts for the current fiscal year (January 1–December 31, 2025), announced on February 13, 2025, is based on the Revitalization Plan (2025–2027). As it will take time to thoroughly implement reforms and establish the profit model, we will continue to focus on driving these initiatives throughout 2025, with the goal of returning to profitability in 2026. The Senshukai Group is advancing efforts in three key areas: fundamentally reforming the mail-order and online shopping business; expanding business using mail-order and online shopping assets; and developing new revenue streams. Business performance is expected to progress largely in line with initial projections.

For more information, please refer to “Notice of Sale of Non-current Assets and Recording of Extraordinary Income and Revisions to Full-Year Consolidated Forecasts” (Japanese version only) that was announced on March 28, 2025.

(4) Important Matters Regarding Going Concern Assumption, Etc.

The Senshukai Group recorded a significant operating loss and loss attributable to owners of parent for three consecutive years in 2024. In the first nine months of 2025, the Group continued to record a significant operating loss. These circumstances raise significant doubts about the Group’s ability to continue as a going concern.

For further details regarding measures to resolve this situation and the going-concern assumption, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Going Concern Assumption).”

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	Fiscal Year 2024 (As of Dec. 31, 2024)	3Q 2025 (As of Sep. 30, 2025)
Assets		
Current assets		
Cash and deposits	2,654	6,031
Notes and accounts receivable-trade, and contract assets	1,203	919
Merchandise and finished goods	5,272	6,044
Accounts receivable-other	3,823	2,234
Other	938	453
Allowance for doubtful accounts	(63)	(46)
Total current assets	13,829	15,636
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,524	2,801
Land	5,402	4,118
Other, net	140	79
Total property, plant and equipment	9,067	6,999
Intangible assets		
Other	703	367
Total intangible assets	703	367
Investments and other assets		
Investment securities	1,096	1,014
Other	788	749
Allowance for doubtful accounts	(0)	-
Total investments and other assets	1,884	1,764
Total non-current assets	11,654	9,131
Total assets	25,484	24,768

	(Millions of yen)	
	Fiscal Year 2024 (As of Dec. 31, 2024)	3Q 2025 (As of Sep. 30, 2025)
Liabilities		
Current liabilities		
Electronically recorded obligations-operating	3,278	1,731
Accounts payable-trade	1,822	1,642
Short-term borrowings	620	200
Income taxes payable	21	23
Contract liabilities	482	487
Provision for sales promotion expenses	-	16
Provision for bonuses	35	281
Provision for loss on business closure	90	127
Other	3,750	2,988
Total current liabilities	10,103	7,499
Non-current liabilities		
Long-term borrowings	2,063	175
Retirement benefit liability	5	5
Other	164	212
Total non-current liabilities	2,233	393
Total liabilities	12,337	7,892
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	30,084	30,084
Retained earnings	(12,846)	(9,368)
Treasury shares	(2,954)	(2,954)
Total shareholders' equity	14,383	17,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	21
Deferred gains or losses on hedges	144	14
Revaluation reserve for land	(1,516)	(1,124)
Foreign currency translation adjustment	124	102
Total accumulated other comprehensive income	(1,229)	(986)
Non-controlling interests	(7)	-
Total net assets	13,147	16,875
Total liabilities and net assets	25,484	24,768

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the Nine-month Period)

	(Millions of yen)	
	3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)	3Q 2025 (Jan. 1, 2025 – Sep. 30, 2025)
Net sales	32,246	30,021
Cost of sales	15,577	14,784
Gross profit	16,669	15,236
Selling, general and administrative expenses	20,026	17,834
Operating loss	(3,357)	(2,597)
Non-operating income		
Interest and dividend income	5	5
Share of profit of entities accounted for using equity method	26	38
Other	80	93
Total non-operating income	113	137
Non-operating expenses		
Interest expenses	35	82
Foreign exchange losses	102	30
Commission expenses	110	4
Provision for loss on office closing	-	127
Other	2	23
Total non-operating expenses	249	268
Ordinary loss	(3,494)	(2,728)
Extraordinary income		
Gain on sale of non-current assets	-	7,054
Gain on sale of investment securities	549	-
Total extraordinary income	549	7,054
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Loss on sale of shares of subsidiaries and associates	24	-
Impairment losses	3	344
Other	-	0
Total extraordinary losses	28	345
Profit (loss) before income taxes	(2,973)	3,979
Income taxes	114	110
Profit (loss)	(3,087)	3,868
Loss attributable to non-controlling interests	(8)	(0)
Profit (loss) attributable to owners of parent	(3,079)	3,869

(Quarterly Consolidated Statement of Comprehensive Income)
(For the Nine-month Period)

	(Millions of yen)	
	3Q 2024	3Q 2025
	(Jan. 1, 2024 – Sep. 30, 2024)	(Jan. 1, 2025 – Sep. 30, 2025)
Profit (loss)	(3,087)	3,868
Other comprehensive income		
Valuation difference on available-for-sale securities	(283)	2
Deferred gains or losses on hedges	(129)	(129)
Foreign currency translation adjustment	10	(13)
Share of other comprehensive income of entities accounted for using equity method	0	(8)
Total other comprehensive income	(400)	(148)
Comprehensive income	(3,488)	3,720
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,480)	3,720
Comprehensive income attributable to non-controlling interests	(8)	(0)

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

Senshukai has applied the “Accounting Standard for Current Income Taxes, etc.” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 27, October 28, 2022) from the beginning of the first quarter of the current fiscal year. There is no impact of this change on the quarterly consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, Senshukai has applied the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first quarter of the current fiscal year. This change has been applied retrospectively and the first nine month and fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement. This change in accounting policies has no effect on the first nine month and fiscal year consolidated financial statements for the previous fiscal year.

(Change in Accounting Method for Unused Catalog Gift Certificates)

Regarding catalog gift certificates issued by Senshukai, we incur a performance obligation to deliver products to customers in the future at the time of sale of catalog gifts, and recognize revenue when the catalog gift certificates are redeemed by customers.

Previously, unused portions of catalog gift certificates were recorded under non-operating income as a gain on adjustment of accounts payable. Starting with the beginning of the first nine months of the current fiscal year, they are now recorded as revenue. This change was made after a reexamination of the actual nature of transactions related to catalog gifts, which concluded that even unused portions should be recognized as revenue arising from contracts with customers. The revision was implemented to more appropriately reflect the substance of these transactions.

This change has been applied retrospectively and the first nine month and fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement.

As a result, profit for the first nine months of the previous fiscal year increased 195 million yen and operating loss decreased 186 million yen compared to those before the retrospective application.

(Change in Accounting Policy for Sales Promotion Expenses)

In the Senshukai Group’s mail-order and online business, catalog-related expenses, classified within sales promotion expenses and associated with sales in subsequent periods, were previously recorded as prepaid expenses under “Other” in current assets. Starting with the beginning of the first nine months of the current fiscal year, these expenses are now recognized at the time of catalog distribution.

This change was made because the Group has been facing management challenges in responding to trends under its catalog-based seasonal merchandising cycle. In its Revitalization Plan (2025–2027), the Group has set a policy to introduce new products outside the catalog’s seasonal cycle. The Group has determined that this change will more appropriately reflect its operating results.

This change has been applied retrospectively and the first nine month and fiscal year consolidated financial statements for the previous fiscal year are shown after this restatement.

As a result, other current assets and retained earnings for the previous fiscal year decreased 296 million yen each and operating loss, ordinary loss and loss before income taxes for the first nine months of the previous fiscal year increased 265 million yen each compared to those before the retrospective application.

(Changes in Accounting Estimates)**(Contract Liabilities and Provision for Sales Promotion Expenses)**

After a certain period had passed since the system replacement and sufficient data on reward points had been accumulated, it became possible to more reasonably estimate the number of points expected to be redeemed in the future. Accordingly, starting with the beginning of the first nine months of the current fiscal year, Senshukai has adopted an estimation method based on this data.

As a result, net sales for the first nine months of the current fiscal year decreased 149 million yen, selling, general and administrative expenses increased 35 million yen, and operating loss and ordinary loss increased 184 million yen each, and profit before income taxes decreased 184 million yen, compared to those with the previous accounting method.

(Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)**(Calculation of Tax Expense)**

Tax expenses are calculated by first determining a reasonable estimate of the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year that includes the applicable quarter and multiplying the profit before income taxes for that quarter by that rate. However, Senshukai uses legally stipulated effective tax rates to calculate tax expenses when the use of estimated tax rates produces a clearly irrational result.

(Segment Information)

I 3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)

1. Information related to sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Mail-order and online shopping business	Corporates business	Insurance business	Sub-total				
Net sales								
Sales to customers	27,803	2,921	366	31,091	1,155	32,246	-	32,246
Inter-segment sales or transfers	161	43	-	204	0	204	(204)	-
Total	27,964	2,964	366	31,296	1,155	32,451	(204)	32,246
Segment profit (loss)	(3,685)	94	180	(3,410)	52	(3,357)	-	(3,357)

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and consist of the childcare support business.

2. Segment profit (loss) is adjusted to be consistent with the operating loss on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

No major events or changes occurred.

II 3Q 2025 (Jan. 1, 2025 – Sep. 30, 2025)

1. Information related to sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Mail-order and online shopping business	Corporates business	Insurance business	Sub-total				
Net sales								
Sales to customers	25,323	3,105	309	28,738	1,282	30,021	-	30,021
Inter-segment sales or transfers	167	134	-	302	0	302	(302)	-
Total	25,491	3,239	309	29,041	1,282	30,323	(302)	30,021
Segment profit (loss)	(3,032)	193	128	(2,709)	112	(2,597)	-	(2,597)

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and consist of the childcare support business.

2. Segment profit (loss) is adjusted to be consistent with the operating loss on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

(Significant impairment losses related to non-current assets)

(Millions of yen)

	Reportable segment			Sub-total	Others (Note 1)	Elimination or corporate (Note 2)	Total
	Mail-order and online shopping business	Corporates business	Insurance business				
Impairment loss	40	43	-	84	6	253	344

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and consist of the childcare support business.

2. The amount in “Elimination or corporate” pertains to corporate assets.

3. Information related to revisions for reportable segments

As described in Notes (Changes in Accounting Policies), Senshukai has revised the accounting method for unused catalog gift certificates and the accounting policy for sales promotion expenses from the beginning of the first nine months of 2025. Accordingly, the segment information for the first nine months of 2024 has also been reclassified. The effect of these revisions was to increase net sales by 195 million yen and segment loss by 78 million yen in the mail-order and online shopping business.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Going Concern Assumption)

The Senshukai Group recorded a significant operating loss and loss attributable to owners of parent for three consecutive years in 2024. In the first nine months of 2025, the Group continued to record a significant operating loss. These circumstances raise significant doubts about the Group's ability to continue as a going concern. To address this situation, the Group has formulated a Revitalization Plan (2025–2027) and is implementing the following measures to improve results of operations.

Measures to improve results of operations

Building on our strengths in idea generation, planning, and proposals; product development and procurement; customer assets; and brand trust and reliability, we are implementing improvement measures based on three key strategies.

Progress report

A. Fundamentally reforming the mail-order and online shopping business

By clarifying its targets and reorganizing business domains by generation, the Group is upgrading development of products for its core targets and optimizing marketing initiatives.

We are building a framework to provide each generation of customers with the appropriate products at the right point of sale. This involves developing tailored business strategies for each target segment and implementing product development, marketing, and merchandising initiatives, all of which are subject to continuous review and improvement. Furthermore, we are committed to the ongoing enhancement of our e-commerce site and catalogs.

B. Expanding business using mail-order and online shopping assets

The Group is using e-commerce malls and physical stores to maximize its sales potential, while diversifying its revenue base by strengthening B-to-B operations in areas including insurance and corporate commissions.

In particular, physical stores and the corporate commissions business are performing well. The Group will focus on expanding business scale by implementing new services such as gift offerings at stores on e-commerce malls, developing new insurance seminars, and broadening wholesale sales channels.

C. Developing new revenue streams

To secure new revenue streams, we are exploring new initiatives through collaboration with the childcare support business, developing and expanding our ethical promotion business, and driving our overseas expansion.

As part of our new collaborative initiatives in the childcare support business, we are developing products for a diverse range of needs, including those of customers with disabilities. We are also strengthening our product offerings and sales capabilities in the ethical promotion business and advancing preparations for test sales to expand into overseas markets.

In addition to these initiatives, we are broadly exploring potential new business areas that leverage our strengths, aiming to expand our revenue base through a multifaceted approach.

Regarding funds, as of the end of the third quarter of 2025, the Group possessed cash and deposits totaling 6,031 million yen. We have set up a special overdraft agreement of 3,000 million yen (with an expiry date of February 2, 2026) as an overdraft facility. With respect to borrowings, the proceeds from the real estate sale announced on March 28, 2025, were used to fully repay the 4,500-million-yen commitment line agreement on July 1, 2025 (expired on March 31, 2025). Additionally, the long-term loan from Sumitomo Mitsui Banking Corporation, which had a balance of 1,955 million yen as of the end of June, was also fully repaid on the same day. As of September 30, 2025, the outstanding loan balance stood at 375 million yen. With regard to future funding plans, the Group is considering various measures to properly assess the progress of the Revitalization Plan and to secure funding

through multiple channels. The Group will maintain close coordination with financial institutions and others in order to respond to additional funding when necessary.

However, measures to improve results of operations being undertaken to address significant doubts regarding the going concern assumption are currently in progress, and it is possible that the profit and loss and financial benefits arising from the above-mentioned measures may not be fully realized. The Group recognizes that there is significant uncertainty regarding the assumption of a going concern as it has yet to determine whether it will be able to procure funds should renewal of the term of agreement or further support from financial institutions be required.

Furthermore, the quarterly consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern and do not reflect the impact of significant uncertainties regarding this assumption.

We will continue to respond flexibly to changes in the business environment and implement necessary measures in a timely manner to achieve profitability. In the medium- to long-term, we strive to become a company that is long cherished by customers and meets the expectations of all stakeholders.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The Quarterly Consolidated Statement of Cash Flows for 3Q 2025 have not been prepared. Depreciation (includes amortization expenses related to intangible assets) for 3Q of each fiscal year are as follows.

	(Millions of yen)	
	3Q 2024 (Jan. 1, 2024 – Sep. 30, 2024)	3Q 2025 (Jan. 1, 2025 – Sep. 30, 2025)
Depreciation	538	440

(Significant Changes in the Scope of Consolidation)

In the first quarter of 2025, Belle Maison Logisco Co., Ltd., an equity-method affiliate, was included in the scope of consolidation as a result of the acquisition of all shares of Belle Maison Logisco, and making this company a consolidated subsidiary.

In addition, in the third quarter of 2025, Senshukai Make Co- Inc. and WellServe Co., Ltd., which were consolidated subsidiaries, were excluded from the scope of consolidation as a result of liquidation and sales of all shares, respectively.

** This financial report is solely a translation of summary of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*