

2. Dividends

| | Annual dividends | | | | |
|--|--------------------|--------------------|--------------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2022 | - | 0.00 | - | 29.00 | 29.00 |
| Fiscal year ending December 31, 2023 | - | 0.00 | - | | |
| Fiscal year ending December 31, 2023 (Forecast) | | | | 34.00 | 34.00 |

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending December 31, 2023 :

| | |
|------------------------|-------|
| Commemorative dividend | - yen |
| Special dividend | - yen |

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023(January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

| | 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 | % | Yen |
| Full year | 5,000 | 21.2 | 1,900 | 17.0 | 1,900 | 17.1 | 1,300 | 14.1 | 98.38 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2023: 13,215,200 shares

December 31, 2022: 13,215,200 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 442 shares

December 31, 2022: 442 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2023: 13,214,758 shares

Nine months ended September 30, 2022: 13,210,728 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

| | As of December 31, 2022 | As of September 30, 2023 |
|--|-------------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,752,630 | 5,107,297 |
| Accounts receivable - trade | 313,815 | 251,763 |
| Merchandise | 10,039 | 21,107 |
| Work in process | 874 | 12,470 |
| Advance payments to suppliers | 31,527 | 15,986 |
| Prepaid expenses | 29,676 | 31,119 |
| Other | 8,343 | 9,239 |
| Allowance for doubtful accounts | (3,118) | (2,451) |
| Total current assets | 5,143,788 | 5,446,533 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 26,944 | 38,858 |
| Accumulated depreciation | (8,222) | (10,209) |
| Buildings and structures, net | 18,722 | 28,648 |
| Land | 348,997 | 367,207 |
| Construction in progress | - | 235,994 |
| Other | 50,562 | 67,511 |
| Accumulated depreciation | (40,827) | (47,389) |
| Other, net | 9,735 | 20,121 |
| Total property, plant and equipment | 377,455 | 651,971 |
| Intangible assets | | |
| Software | 25,423 | 39,913 |
| Other | 8,130 | 9,480 |
| Total intangible assets | 33,553 | 49,393 |
| Investments and other assets | | |
| Investment securities | 395,345 | 721,833 |
| Distressed receivables | 752 | 2,020 |
| Long-term prepaid expenses | 604 | 21 |
| Leasehold and guarantee deposits | 98,289 | 99,063 |
| Long-term time deposits | - | 61,980 |
| Deferred tax assets | 47,786 | 34,992 |
| Allowance for doubtful accounts | (752) | (2,020) |
| Total investments and other assets | 542,025 | 917,890 |
| Total non-current assets | 953,034 | 1,619,256 |
| Total assets | 6,096,822 | 7,065,789 |

(Thousands of yen)

| | As of December 31, 2022 | As of September 30, 2023 |
|--|-------------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 77,803 | 94,227 |
| Accounts payable - other | 14,207 | 9,789 |
| Accrued expenses | 42,552 | 40,393 |
| Income taxes payable | 266,715 | 198,937 |
| Accrued consumption taxes | 46,543 | 44,935 |
| Advances received | 1,159,956 | 1,418,373 |
| Provision for bonuses for directors (and other officers) | 11,000 | 9,750 |
| Deposits received | 20,731 | 14,870 |
| Provision for bonuses | 12,151 | 66,472 |
| Other | 44 | 409 |
| Total current liabilities | 1,651,705 | 1,898,159 |
| Non-current liabilities | | |
| Retirement benefit liability | 7,949 | 9,851 |
| Total non-current liabilities | 7,949 | 9,851 |
| Total liabilities | 1,659,654 | 1,908,011 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 371,351 | 371,351 |
| Capital surplus | 289,158 | 289,158 |
| Retained earnings | 3,751,539 | 4,374,615 |
| Treasury shares | (784) | (784) |
| Total shareholders' equity | 4,411,265 | 5,034,341 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (12,213) | 55,490 |
| Foreign currency translation adjustment | 38,115 | 67,946 |
| Total accumulated other comprehensive income | 25,902 | 123,436 |
| Total net assets | 4,437,168 | 5,157,778 |
| Total liabilities and net assets | 6,096,822 | 7,065,789 |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

| | For the nine months ended September 30, 2022 | For the nine months ended September 30, 2023 |
|---|---|---|
| Net sales | 3,046,350 | 3,585,928 |
| Cost of sales | 1,081,818 | 1,234,718 |
| Gross profit | 1,964,531 | 2,351,210 |
| Selling, general and administrative expenses | | |
| Promotion expenses | 13,256 | 15,202 |
| Sales commission | 700 | 651 |
| Advertising expenses | 10,609 | 11,222 |
| Remuneration for directors (and other officers) | 41,055 | 44,967 |
| Salaries and allowances | 363,904 | 415,633 |
| Provision for bonuses | 33,052 | 40,176 |
| Retirement benefit expenses | 8,735 | 10,342 |
| Legal welfare expenses | 64,190 | 76,163 |
| Depreciation | 7,388 | 7,413 |
| Provision of allowance for doubtful accounts | 585 | 600 |
| Rent expenses | 52,339 | 57,367 |
| Other | 183,286 | 217,007 |
| Total selling, general and administrative expenses | 779,103 | 896,749 |
| Operating profit | 1,185,428 | 1,454,461 |
| Non-operating income | | |
| Interest income | 4,218 | 5,207 |
| Dividend income | 4,617 | 5,633 |
| Foreign exchange gains | 5,629 | 408 |
| Other | 2,305 | 4,370 |
| Total non-operating income | 16,771 | 15,620 |
| Non-operating expenses | | |
| Share of loss of entities accounted for using equity method | 16,025 | 16,027 |
| Other | 221 | 0 |
| Total non-operating expenses | 16,246 | 16,027 |
| Ordinary profit | 1,185,952 | 1,454,053 |
| Profit before income taxes | 1,185,952 | 1,454,053 |
| Income taxes - current | 365,354 | 459,768 |
| Income taxes - deferred | (8,190) | (12,018) |
| Total income taxes | 357,164 | 447,749 |
| Profit | 828,788 | 1,006,303 |
| Profit attributable to owners of parent | 828,788 | 1,006,303 |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

| | For the nine months ended September 30, 2022 | For the nine months ended September 30, 2023 |
|--|---|---|
| Profit | 828,788 | 1,006,303 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (18,817) | 56,220 |
| Foreign currency translation adjustment | 35,070 | 29,830 |
| Share of other comprehensive income of entities accounted for using equity method | - | 11,482 |
| Total other comprehensive income | 16,253 | 97,533 |
| Comprehensive income | 845,041 | 1,103,837 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 845,041 | 1,103,837 |