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Consolidated Financial Results for the Nine Months Ended November 30, 2024 [Japanese GAAP]



January 10, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4343
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended November 30, 2024 (March 1, 2024 - November 30, 2024)

(1) Consolidated Operating Results (% 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 November 30, 2024	63,968	7.5	2,623	58.4	1,979	(14.8)	(1,148)	–
Nine months ended November 30, 2023	59,486	12.7	1,656	–	2,324	555.9	341	–

(Note) Comprehensive income: Nine months ended November 30, 2024: ¥(1,189) million [–%]
 Nine months ended November 30, 2023: ¥(187) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2024	(58.11)	–
Nine months ended November 30, 2023	17.30	17.29

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2024	57,675	7,171	12.0
As of February 29, 2024	52,303	8,541	15.9

(Reference) Equity: As of November 30, 2024: ¥6,910 million
 As of February 29, 2024: ¥8,297 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	—	5.00	—	5.00	10.00
Fiscal year ending February 28, 2025	—	5.00	—		
Fiscal year ending February 28, 2025 (Forecast)				5.00	10.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 - February 28, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	86,700	6.0	5,700	59.0	4,200	(6.4)	1,600	21.7	80.94

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2024:	19,779,925 shares
February 29, 2024:	19,771,725 shares
 - 2) Total number of treasury shares at the end of the period:

November 30, 2024:	2,184 shares
February 29, 2024:	2,052 shares
 - 3) Average number of shares outstanding during the period:

Nine months ended November 30, 2024:	19,774,110 shares
Nine months ended November 30, 2023:	19,767,738 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

*** Explanation on the proper use of financial results forecast and other notes**

The financial results forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not guarantee the achievement of the projections. In addition, actual results may differ significantly from these forecasts due to various factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Toward the realization of our “Purpose” of “inspiring enthusiasm in every child so that there is a smile on every face,” the Company is moving ahead with business activities with the new medium-term management plan (2024–2026) established under the new Vision so as to contribute to a sustainable society and improve corporate value.

For the nine months ended November 30, 2024 (March 1, 2024 to November 30, 2024), operating results of the Company and its consolidated subsidiaries were as follows: net sales of ¥63,968 million (up 7.5% year on year), operating profit of ¥2,623 million (up 58.4% year on year), ordinary profit of ¥1,979 million (down 14.8% year on year), and loss attributable to owners of parent of ¥1,148 million (profit attributable to owners of parent of ¥341 million in the same period of the previous fiscal year). As a result of the appreciation of the yen against other currencies since the beginning of the fiscal year, foreign exchange losses of ¥227 million (foreign exchange gains of ¥914 million in the same period of the previous fiscal year) were posted as non-operating expenses. Extraordinary losses of ¥1,516 million were also posted, including losses of ¥1,405 million from the China business which significantly accelerated the disposal of unprofitable stores. Earnings before interest, taxes, depreciation and amortization (EBITDA) which represents actual earning capacity was ¥10,550 million (up ¥1,455 million year on year). The Japan business performed well, in which stores with a new business format and strategic small stores were proactively opened, and the ASEAN business made progress as planned. Therefore, net sales and operating profit for the nine months ended November 30, 2024 hit record highs. As for major departments in Japan, the Prizes Department and the Capsule Toys Department continued to grow, and the Medals Department and the Time-Based Facilities Department also remained strong. As a result, net sales hit a record high for a third quarter. While sales continued to increase in the ASEAN business due to the acceleration of store openings, the China business accelerated the closure of unprofitable stores, under the expectation of a prolonged sluggish economic activities.

During the nine months ended November 30, 2024, while 156 stores, mainly stores with a new business format, were opened, 93 stores (56 stores in China) including unprofitable ones were closed. As a result, the total number of stores as of November 30, 2024 was 1,230 (1,219 directly managed stores, 11 franchised stores), including 754 stores in Japan and 476 stores overseas.

(Japan business)

Regarding financial results in the Japan business for the nine months ended November 30, 2024, net sales were ¥50,800 million (up 8.9% year on year) and operating profit increased by 81.8% or ¥1,841 million from a year earlier to ¥4,093 million, hitting record highs for the nine-month period.

In the third quarter, the amusement business opened the first Feedy Diner & Arcade, a facility with a new large business format that also offer food and beverages, in Ibaraki City, Osaka. The playground business opened three CHIKYUU NO NIWA “POP” stores, which are with a new business format. Net sales exceeded the plan significantly in both new business formats. The number of strategic small stores has continued to increase, with four prize specialty stores and 17 capsule toy specialty stores opening during the quarter. Each department of existing stores also performed well. Net sales of existing stores for the nine months ended November 30, 2024 were 111.2% in the mainstay Prizes Department compared to the same period of the previous fiscal year. The figure was 124.2% for prizes for children which the Company has especially been enhancing, driving significant sales growth. The Medals Department with the highest gross margin ratio has continued to enhance sales promotion activities and make investments. As a result, its net sales were 104.2% compared to the same period of the previous fiscal year, showing continuous and steady sales increase.

During the nine months ended November 30, 2024, while 74 new stores were opened, 23 stores were closed. Accordingly, a total number of stores as of November 30, 2024 was 754.

(ASEAN business)

Regarding financial results in the ASEAN business for the nine months ended November 30, 2024, net sales were ¥9,528 million (up 20.4% year on year) and operating profit was ¥810 million (down 9.9% year on year), with net sales hitting a record high for the nine-month period. In the playground business, a core business, the Company has ensured advantages in competitiveness by enhancing especially our strength: unique store interior decorating and playground equipment, a high level of security, and service skills of staff. In the third quarter, 28 stores were opened. In Indonesia and Vietnam, where the Company focuses on their growth rates, store openings have continued to expand, with seven and six stores opening respectively. In Indonesia, the Company opened the second Mollyfantasy store in the amusement business. Malaysia and Philippines, where the Company focuses on share expansion, performed well thanks to the enhancement of existing stores as well as the opening of eight and four stores respectively, including stores in a new area and with a new business format. In Thailand, where the Company is moving ahead with productivity improvement, the Company improved gross profit margins while opening three stores.

During the nine months ended November 30, 2024, while 54 new stores were opened, 14 stores were closed. Accordingly, the total number of stores as of November 30, 2024 was 317 (312 directly managed stores, five franchised stores).

(China business)

Regarding operating results in the China business for the nine months ended November 30, 2024, net sales were ¥3,810 million (down 25.2% year on year) and operating loss was ¥2,279 million (operating loss of ¥1,489 million in the same period of the previous fiscal year).

Regarding disposal of unprofitable stores, 56 stores have been closed, and approximately 70 stores are expected to close in the fiscal year ending February 28, 2025, compared to 40 stores planned at the beginning of the fiscal year. The Company continued enhance cost reduction at existing stores, while areas of amusement were reduced and playgrounds were expanded at 15 stores to revitalize them. In addition, the Company opened 25 stores of Molly Dynamic Space, small stores with high ROI and low risk. Accordingly, as of November 30, 2024, the total number of stores was 159 (153 directly managed stores, six franchised stores).

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the third quarter were ¥16,084 million, an increase of ¥3,160 million from the end of the previous fiscal year. The main factors were an increase in deposits paid from sales (¥2,593 million) resulting from the fact that as the last day of the quarter was a non-business day of financial institutions, of deposits paid from sales, a portion for early November was settled in the following month, as well as an increase in inventories (¥604 million).

Non-current assets at the end of the third quarter were ¥41,590 million, an increase of ¥2,212 million from the end of the previous fiscal year. The main factors were an increase in buildings (¥1,319 million) due to new store openings and store revitalization, and an increase in amusement machines and facilities (¥879 million).

As a result, total assets were ¥57,675 million, an increase of ¥5,372 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the third quarter were ¥33,941 million, a decrease of ¥3,711 million from the end of the previous fiscal year. The main factors were a decrease in short-term borrowings (¥9,230 million) due to conversion of domestic short-term borrowings to long-term borrowings, an increase in current portion of long-term borrowings (¥2,443 million), an increase in other under current assets (mainly accounts payable - facilities and accrued consumption taxes) (¥1,540 million), an increase in notes payable - facilities (¥737 million), and an increase in accrued expenses (mainly personnel expenses and rent) (¥540 million).

Non-current liabilities at the end of the third quarter were ¥16,562 million, an increase of ¥10,453 million

from the end of the previous fiscal year. The main factor was an increase in long-term borrowings (¥10,879 million) due to conversion of domestic short-term borrowings to long-term borrowings.

As a result, total liabilities amounted to ¥50,503 million, an increase of ¥6,741 million from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the third quarter amounted to ¥7,171 million, a decrease of ¥1,369 million from the end of the previous fiscal year. The main factors were the recording of loss attributable to owners of parent (¥1,148 million) and a decrease due to dividends of surplus (¥197 million).

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

As for the consolidated financial results forecast for the fiscal year ending February 28, 2025, no revisions have been made to the full-year forecast announced on April 10, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	7,516,588	7,173,270
Accounts receivable - trade	136,357	194,556
Deposits paid from sales	*1 959,411	*1, *2 3,553,078
Inventories	2,416,434	3,021,138
Other	1,895,671	2,142,641
Total current assets	12,924,463	16,084,685
Non-current assets		
Property, plant and equipment		
Buildings, net	5,871,504	7,190,547
Amusement machines and facilities net	17,690,783	18,570,468
Right of use assets, net	4,936,605	4,836,132
Other, net	1,798,703	2,208,822
Total property, plant and equipment	30,297,597	32,805,971
Intangible assets		
Goodwill	113,358	87,044
Software	1,262,921	1,232,236
Other	4,585	4,366
Total intangible assets	1,380,866	1,323,647
Investments and other assets		
Leasehold and guarantee deposits	4,938,411	4,912,247
Other	2,761,724	2,548,880
Total investments and other assets	7,700,135	7,461,127
Total non-current assets	39,378,598	41,590,746
Total assets	52,303,062	57,675,431

(Thousand yen)

	As of February 29, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,862,629	2,098,486
Short-term borrowings	24,200,300	14,969,360
Current portion of long-term borrowings	811,519	3,254,530
Current portion of long-term accounts payable - installment purchase	573,008	578,072
Lease liabilities	2,261,264	2,237,767
Accrued expenses	1,955,502	2,495,611
Income taxes payable	1,029,901	820,115
Provision for bonuses	516,702	745,736
Provision for remuneration for directors (and other officers)	71,476	36,015
Provision for loss on closing of stores	269,483	326,040
Notes payable facilities	1,512,723	2,250,463
Other	2,588,209	4,128,988
Total current liabilities	37,652,722	33,941,189
Non-current liabilities		
Long-term borrowings	268,260	11,148,092
Long-term accounts payable - installment purchase	1,068,136	633,946
Lease liabilities	3,479,579	3,366,730
Retirement benefit liability	72,937	98,381
Asset retirement obligations	1,068,056	1,187,059
Other	152,316	128,124
Total non-current liabilities	6,109,287	16,562,335
Total liabilities	43,762,010	50,503,524
Net assets		
Shareholders' equity		
Share capital	1,810,821	1,822,505
Capital surplus	4,829,464	4,814,027
Retained earnings	3,019,873	1,673,167
Treasury shares	(4,635)	(4,940)
Total shareholders' equity	9,655,524	8,304,759
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,434,669)	(1,475,727)
Remeasurements of defined benefit plans	76,542	81,767
Total accumulated other comprehensive income	(1,358,126)	(1,393,959)
Share acquisition rights	37,947	32,599
Non-controlling interests	205,707	228,507
Total net assets	8,541,051	7,171,907
Total liabilities and net assets	52,303,062	57,675,431

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended November 30

(Thousand yen)

	For the nine months ended November 30, 2023	For the nine months ended November 30, 2024
Net sales	59,486,739	63,968,191
Cost of sales	52,898,853	55,931,988
Gross profit	6,587,885	8,036,202
Selling, general and administrative expenses	4,931,409	5,412,402
Operating profit	1,656,476	2,623,799
Non-operating income		
Interest income	57,438	60,841
Foreign exchange gains	914,746	—
Insurance claim income	29,434	54,726
Gain on sale of non-current assets	589	1,951
Gains on write off of deposits	1,986	9,571
Gain on cancellation of leases	48,374	208,713
Refund of Chinese value added tax	45,153	—
Other	37,228	79,539
Total non-operating income	1,134,952	415,344
Non-operating expenses		
Interest expenses	411,557	534,277
Foreign exchange losses	—	227,850
Loss on sale of non-current assets	10,711	10,920
Financing expenses	—	194,280
Other	44,387	92,009
Total non-operating expenses	466,656	1,059,337
Ordinary profit	2,324,772	1,979,806
Extraordinary income		
Gain on reversal of impairment losses	*1 63,056	—
Reversal of provision for loss on closing of stores	95,658	53,551
Total extraordinary income	158,714	53,551
Extraordinary losses		
Provision for loss on closing of stores	54,037	295,145
Impairment losses	*2 703,273	*2 1,076,313
Loss on store closings	41,909	144,615
Total extraordinary losses	799,220	1,516,073
Profit before income taxes	1,684,266	517,284
Income taxes - current	793,457	1,354,091
Income taxes - deferred	535,466	309,348
Total income taxes	1,328,923	1,663,440
Profit (Loss)	355,342	(1,146,156)
Profit attributable to non-controlling interests	13,361	2,821
Profit (Loss) attributable to owners of parent	341,981	(1,148,977)

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended November 30

(Thousand yen)

	For the nine months ended November 30, 2023	For the nine months ended November 30, 2024
Profit (Loss)	355,342	(1,146,156)
Other comprehensive income		
Foreign currency translation adjustment	(554,370)	(48,199)
Remeasurements of defined benefit plans, net of tax	11,735	5,225
Total other comprehensive income	(542,634)	(42,974)
Comprehensive income	(187,291)	(1,189,130)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(212,060)	(1,184,809)
Comprehensive income attributable to non-controlling interests	24,768	(4,320)

(3) Notes to Quarterly Consolidated Financial Statements

(Important matters that serve as the basis for preparation of quarterly consolidated financial statements)

Quarterly consolidated financial statements have been prepared in accordance with Rule 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc., as well as with accounting standards for quarterly financial statements that are generally considered fair and reasonable in Japan.

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Changes in significant subsidiaries during the nine months ended November 30, 2024)

Not applicable.

(Additional information)

(Important accounting estimates: Impairment of non-current assets)

At the end of the third quarter, the Company amended the assumptions of net sales from stores in China in the "Important accounting estimates: Impairment of non-current assets" included in the securities report for the previous fiscal year as below.

In the estimation of future cash flows, the Company has reviewed net sales forecasts for stores in China, in light of current business environment in China, future performance trends, and other factors. Specifically, estimated future net sales from stores in China were revised downward, based on their actual net sales and target achievement rates in the nine months ended November 30, 2024.

(Notes - Quarterly consolidated balance sheet)

*1. Deposits paid from sales

The accounting item represents sales proceeds deposited with lessors of shopping center stores.

*2. Main assets that increased due to the last day of the quarter being a non-business day

The amount in the accounting item below settled in the following month due to the last day of the third quarter being a non-business day of financial institutions is as follows:

	(Thousand yen)	
	As of February 29, 2024	As of November 30, 2024
Deposits paid from sales	—	2,353,363

(Notes - Quarterly consolidated statement of income)

*1. Gain on reversal of impairment losses

Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

The accounting item represents gain on the reversal of impairment losses, conducted based on the International Financial Reporting Standards in relation to buildings, etc. by consolidated subsidiaries AEON FANTASY GROUP PHILIPPINES, INC. and PT. AEON FANTASY INDONESIA.

*2. Impairment losses

I. Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

Impairment losses were recorded on the following asset groups.

(1) Overview of asset groups on which impairment losses were recognized

Purpose of use	Region	Number of stores	Type	Amount (Thousand yen)
Store	Japan	5	Buildings, etc.	4,572
			Other under property, plant and equipment	914
			Subtotal	5,486
	China	50	Buildings, etc.	184,992
			Amusement machines and facilities	200,165
			Right of use assets	187,339
			Other under property, plant and equipment	52,774
			Software	41,211
			Subtotal	666,483
	Malaysia	1	Buildings, etc.	2,904
			Other under property, plant and equipment	118
			Subtotal	3,023
	Philippines	4	Amusement machines and facilities	7,471
			Other under property, plant and equipment	577
			Subtotal	8,048
	Thailand	3	Buildings, etc.	2,359
			Amusement machines and facilities	4,335
Other under property, plant and equipment			145	
Subtotal			6,840	
Indonesia	1	Buildings, etc.	12,455	
		Subtotal	12,455	
Store total	64	Store total	702,338	
Other	Philippines	—	Amusement machines and facilities	935
			Subtotal	935
	Other total	—	Other total	935
Total				703,273

(2) Background to the recognition of impairment losses

For the nine months ended November 30, 2023, the book values of asset groups that continued to or were expected to continue to generate negative cash flows from operating activities, asset groups that had been decided to be closed, and idle asset groups that were unlikely to be used in the future were written down to the recoverable values and the decreases were recorded as impairment losses under extraordinary losses.

(3) Amount of impairment losses and breakdown by main type of non-current assets

Type	Amount (Thousand yen)
Buildings, etc.	207,284
Amusement machines and facilities	212,907
Right of use assets	187,339
Other under property, plant and equipment	54,530
Software	41,211
Total	703,273

(4) Method of asset grouping

In principle, the Group groups business assets by employing the store as the basic unit.

(5) Method of calculation of recoverable values

The Group calculates recoverable values of asset groups based on the value in use or the net selling value.

II. Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

Impairment losses were recorded on the following asset groups.

(1) Overview of asset groups on which impairment losses were recognized

Purpose of use	Region	Number of stores	Type	Amount (Thousand yen)
Store	Japan	5	Buildings, etc.	720
			Other under property, plant and equipment	331
			Subtotal	1,052
	China	83	Buildings, etc.	354,176
			Amusement machines and facilities	246,815
			Right of use assets	352,174
			Other under property, plant and equipment	54,663
			Software	47,272
			Subtotal	1,055,103
	Malaysia	7	Buildings, etc.	6,779
			Amusement machines and facilities	1
			Other under property, plant and equipment	582
			Software	0
			Subtotal	7,364
	Indonesia	4	Buildings, etc.	4,172
Amusement machines and facilities			1,079	
Subtotal			5,251	
Store total	99	Store total	1,068,770	
Other	Philippines	—	Software	7,542
			Subtotal	7,542
	Other total	—	Other total	7,542
Total				1,076,313

(2) Background to the recognition of impairment losses

For the nine months ended November 30, 2024, the book values of asset groups that continued to or were expected to continue to generate negative cash flows from operating activities, asset groups that had been decided to be closed, and idle asset groups that were unlikely to be used in the future were written down to the recoverable values and the decreases were recorded as impairment losses under extraordinary losses.

(3) Amount of impairment losses and breakdown by main type of non-current assets

Type	Amount (Thousand yen)
Buildings, etc.	365,848
Amusement machines and facilities	247,895
Right of use assets	352,174
Other under property, plant and equipment	55,578
Software	54,815
Total	1,076,313

(4) Method of asset grouping

In principle, the Group groups business assets by employing the store as the basic unit.

(5) Method of calculation of recoverable values

The Group calculates recoverable values of asset groups based on the value in use or the net selling value.

(Notes on quarterly consolidated statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the nine months ended November 30, 2024. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended November 30, 2023 and 2024 are as follows:

	(Thousand yen)	
	For the nine months ended November 30, 2023	For the nine months ended November 30, 2024
Depreciation	7,416,194	7,903,391
Amortization of goodwill	22,981	23,364

(Notes - Shareholders' equity, etc.)

I. Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

1. Amount of dividends paid

The Board of Directors resolved as follows at the meeting held on April 12, 2023:

- Matters on dividends of common shares

(1) Total amount of dividends	¥98,834 thousand
(2) Dividend per share	¥5
(3) Record date	February 28, 2023
(4) Effective date	April 27, 2023
(5) Source of dividends	Retained earnings

The Board of Directors resolved as follows at the meeting held on October 11, 2023:

- Matters on dividends of common shares

(1) Total amount of dividends	¥98,843 thousand
(2) Dividend per share	¥5
(3) Record date	August 31, 2023
(4) Effective date	November 2, 2023
(5) Source of dividends	Retained earnings

II. Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

1. Amount of dividends paid

The Board of Directors resolved as follows at the meeting held on April 10, 2024:

- Matters on dividends of common shares

(1) Total amount of dividends	¥98,848 thousand
(2) Dividend per share	¥5
(3) Record date	February 29, 2024
(4) Effective date	April 26, 2024
(5) Source of dividends	Retained earnings

The Board of Directors resolved as follows at the meeting held on October 9, 2024:

- Matters on dividends of common shares

(1) Total amount of dividends	¥98,879 thousand
(2) Dividend per share	¥5
(3) Record date	August 31, 2024
(4) Effective date	October 31, 2024
(5) Source of dividends	Retained earnings

2. Dividends record date of which belongs to the nine-month period under review but effective date of which comes after the last day of the third quarter
Not applicable.

(Segment information)

I. Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

1. Information on the amount of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Japan	ASEAN	China	Total		
Net sales						
Net sales to external customers	46,478,942	7,913,746	5,094,050	59,486,739	—	59,486,739
Inter-segment net sales or transfers	156,205	—	—	156,205	(156,205)	—
Total	46,635,147	7,913,746	5,094,050	59,642,944	(156,205)	59,486,739
Segment profit (loss)	2,251,821	899,109	(1,489,421)	1,661,509	(5,033)	1,656,476

(Note) Adjustments were made due to the elimination of inter-segment transactions, etc.

2. Information on impairment losses on non-current assets or goodwill by reportable segment
(Important impairment losses on non-current assets)

For the nine months ended November 30, 2023, impairment losses were recorded as follows: ¥5,486 thousand for Japan, ¥31,303 thousand for ASEAN, and ¥666,483 thousand for China.

II. Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

1. Information on the amount of net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Japan	ASEAN	China	Total		
Net sales						
Net sales to external customers	50,629,112	9,528,930	3,810,148	63,968,191	—	63,968,191
Inter-segment net sales or transfers	171,282	—	—	171,282	(171,282)	—
Total	50,800,394	9,528,930	3,810,148	64,139,473	(171,282)	63,968,191
Segment profit (loss)	4,093,067	810,102	(2,279,683)	2,623,486	313	2,623,799

(Note) Adjustments were made due to the elimination of inter-segment transactions, etc.

2. Information on impairment losses on non-current assets or goodwill by reportable segment
(Important impairment losses on non-current assets)

For the nine months ended November 30, 2024, impairment losses were recorded as follows: ¥1,052 thousand for Japan, ¥20,157 thousand for ASEAN, and ¥1,055,103 thousand for China.

(Notes - Revenue recognition)

Information on disaggregation of revenue from contracts with customers

Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

(Thousand yen)

	Reportable segment			
	Japan	ASEAN	China	Total
Net sales from amusement machines and facilities	38,172,684	7,036,660	4,326,718	49,536,064
Net sales of goods	7,689,672	859,531	767,331	9,316,535
Net sales from consignment	79,479	17,553	—	97,032
Other	537,106	—	—	537,106
Revenue from contracts with customers	46,478,942	7,913,746	5,094,050	59,486,739
Net sales to external customers	46,478,942	7,913,746	5,094,050	59,486,739

Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

(Thousand yen)

	Reportable segment			
	Japan	ASEAN	China	Total
Net sales from amusement machines and facilities net sales	42,195,305	8,464,118	2,881,581	53,541,006
Net sales of goods	7,682,131	981,845	928,566	9,592,543
Net sales from consignment	83,933	82,966	—	166,900
Other	667,741	—	—	667,741
Revenue from contracts with customers	50,629,112	9,528,930	3,810,148	63,968,191
Net sales to external customers	50,629,112	9,528,930	3,810,148	63,968,191

(Per share information)

Basic earnings or loss per share and the basis for its calculation, as well as diluted earnings per share and the basis for its calculation, are as follows:

	Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)	Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)
(1) Basic earnings (loss) per share (Yen)	17.30	(58.11)
(Basis for calculation)		
Profit (loss) attributable to owners of parent (Thousand yen)	341,981	(1,148,977)
Amount not attributable to common shareholders (Thousand yen)	–	–
Profit (loss) attributable to owners of parent relating to common shares (Thousand yen)	341,981	(1,148,977)
Average number of shares outstanding during the period (Shares)	19,767,738	19,774,110
(2) Diluted earnings per share	17.29	–
(Basis for calculation)		
Adjustment to profit attributable to owners of parent (Thousand yen)	–	–
Increase in the number of common shares (Shares)	13,713	–
Overview of significant changes from the end of the previous fiscal year in dilutive shares that are not included in the calculation of diluted earnings per share due to the lack of dilutive effect	–	–

(Note) Although there were dilutive shares in the nine months ended November 30, 2024, diluted earnings per share are not stated as it was a loss per share.

(Significant subsequent events)

Not applicable.