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# Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2025 [Japanese standards]

August 9, 2024

Listed Company Name: Aoyama Trading Co., Ltd. Listed Exchange: Tokyo Stock Exchange
Code: 8219 URL https://www.aoyama-syouji.co.jp
Representative: (Title) President (Name) Osamu Aoyama
Contact person: (Title) Director, Senior Managing Executive Officer, and General Manager of Group Management Div., Manager of General Planning and Policy Dept. (Name) Koichi Yamane TEL: 084-920-0050
Scheduled date to start distributing dividends: -
Preparation of supplementary material on financial results: None
Holding of financial results presentation meeting : None

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the first quarter of the fiscal year ending March 2025 (From April 1, 2024 to June 30, 2024)

(1) Consolidated financial results (Percentages are in comparison with the same period of the previous year.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended Jun. 30, 2024 | 44,979 | 1.5 | 1,695 | (8.7) | 1,732 | (19.7) | 800 | (35.0) |
| Three months ended Jun. 30, 2023 | 44,304 | 7.2 | 1,856 | - | 2,157 | 161.8 | 1,230 | - |

(Note) Comprehensive income: Three months ended Jun. 30, 2024: 934 million yen [(61.2%)]
Three months ended Jun. 30, 2023: 2,409 million yen [389.7%]

| | Net income per share | Diluted net income per share |
|---|---|---|
| | Yen | Yen |
| Three months ended Jun. 30, 2024 | 16.05 | - |
| Three months ended Jun. 30, 2023 | 24.70 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of Jun. 30, 2024 | 336,556 | 178,529 | 51.9 |
| As of Mar. 31, 2024 | 335,597 | 180,877 | 52.8 |

(Reference) Equity capital: As of Jun. 30, 2024: 174,734 million yen As of Mar. 31, 2024: 177,126 million yen

2. Dividends

| | Annual dividend | | | | |
|---|---|---|---|---|---|
| | Q1-end | Q2-end | Q3-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY3/2024 | - | 0.00 | - | 65.00 | 65.00 |
| FY3/2025 | - | | | | |
| FY3/2025 (Forecast) | | 30.00 | - | 31.00 | 61.00 |

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

3. Consolidated forecast for the fiscal year ending March, 2025 (From April 1, 2024 to March 31, 2025)

(Percentages are in comparison with the same period of the previous year.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| (Cumulative results for) | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 85,400 | 2.9 | 1,400 | 0.1 | 1,400 | (22.1) | 100 | (78.4) | 2.01 |
| Full year | 198,800 | 2.6 | 13,000 | 9.1 | 13,300 | 6.4 | 9,100 | (9.8) | 182.50 |

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

* Notes

(1) Significant changes in the scope of consolidation during the period under review :None

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

(Note) For details, please refer to "(3) Notes to Quarterly Consolidated Financial Statements (Application of special accounting methods for quarterly consolidated financial statements)" on page 9.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

a) Changes in accounting policies due to revision of accounting standards : Yes
b) Changes in accounting policies for a reason other than the above [a] : None
c) Changes in accounting estimates : None
d) Restatements : None

(Note) For details, please refer to "(3) Notes to Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)" on page 9.

(4) Number of outstanding shares (common shares)

| | | | | |
|---|---|---|---|---|
| a) Number of shares outstanding at the end of the fiscal year (including treasury shares) | As of Jun. 30, 2024 | 50,394,016 shares | As of Mar. 31, 2024 | 50,394,016 shares |
| b) Number of treasury shares at the end of the fiscal year | As of Jun. 30, 2024 | 530,253 shares | As of Mar. 31, 2024 | 531,253 shares |
| c) Average number of shares outstanding during the term | Three months ended June 2024 | 49,863,096 shares | Three months ended June 2023 | 49,843,519 shares |

(Note) The number of treasury shares at the end of the fiscal year includes the Company's shares (327,400 shares for Q1 FY3/2025, and 328,400 shares for FY3/2024) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property pertaining to the "Employee Stock Ownership Plan (J-ESOP) ". In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the total that is deducted in the treasury shares calculation of the average number of shares during the period (328,066 shares for Q1 FY3/2025 and 332,533 shares for Q1 FY3/2024).

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit corporation: Yes (Voluntary)

* Explanation of forecasts of operations and other notes

(Notes on forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. The Company does not guarantee that these forecasts will be achieved. Actual results may differ significantly due to a variety of factors. Please refer to "Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 4 of the Appendix for the assumptions used in the forecasts and notes on the use of the forecasts.

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# 1. Overview of Operating Results

## (1) Overview of Operating Results for the Period under Review

Matters concerning the future in the text are based on the judgment of the Group as of the end of the current quarterly consolidated fiscal year under review.

<Results by Segment> (Unit: million yen)

| | Net sales | | | | Segment income or loss (Operating income or loss) | | | |
|---|---|---|---|---|---|---|---|---|
| | First three months of FY3/2025 | First three months of FY3/2024 | Increase (decrease) | Year-on-year (%) | First three months of FY3/2025 | First three months of FY3/2024 | Increase (decrease) | Year-on-year (%) |
| Business Wear Business | 29,557 | 29,545 | 11 | 100.0 | 737 | 797 | (59) | 92.5 |
| Credit Card Business | 1,306 | 1,256 | 49 | 103.9 | 532 | 555 | (22) | 95.9 |
| Printing and Media Business | 2,600 | 2,601 | (0) | 100.0 | (18) | 1 | (19) | - |
| Sundry Sales Business | 3,884 | 3,914 | (30) | 99.2 | 151 | 124 | 27 | 122.3 |
| Total Repair Service Business | 3,682 | 3,230 | 451 | 114.0 | 36 | 66 | (29) | 54.8 |
| Franchisee Business | 3,732 | 3,489 | 243 | 107.0 | 263 | 206 | 57 | 127.7 |
| Real Estate Business | 761 | 773 | (11) | 98.5 | 150 | 144 | 6 | 104.3 |
| Others | 306 | 424 | (118) | 72.1 | (63) | (12) | (51) | - |
| Adjustments | (852) | (932) | 80 | - | (94) | (25) | (68) | - |
| Total | 44,979 | 44,304 | 675 | 101.5 | 1,695 | 1,856 | (160) | 91.3 |

(Notes) Net sales and Segment income or loss by segment (operating income or loss) are figures before the elimination of inter-segment transactions.

During the first quarter of the fiscal year under review (from April 1, 2024 to June 30, 2024), the Japanese economy showed a gradual recovery backed by the normalization of social and economic activities and improvements in the employment and income environments. However, the outlook remains uncertain due to concerns about a slowdown in consumption, as income growth has failed to keep pace with continued high prices.

Under these circumstances, the Group's operating results for the first three months of the fiscal year under review were as follows. This was mainly due to a decrease in operating income in the core segment of Business Wear Business, which offset strong performance mainly in Franchisee Business.

Net sales: 44.979 billion yen (up 1.5% year on year)

Operating income: 1.695 billion yen (down 8.7% year on year)

Ordinary income: 1.732 billion yen (down 19.7% year on year)

Net income attributable to owners of the parent: 800 million yen (down 35.0% year on year)

Results by segment are as follows.

Segment sales and income (loss) figures are before the elimination of inter-segment transactions.

<<Business Wear Business>>

[Aoyama Trading Co., Ltd. Business Wear Business, Blue Rivers Co., Ltd., MDS Co., Ltd., Eisho Co., Ltd., FUKURYO Co., Ltd., Aoyama Suits (Shanghai) Co., Ltd., Melbo Men's Wear, Inc.]

Sales in this segment were 29.557 billion yen (flat year on year), and segment profit (operating profit) was 737 million yen (down 7.5% from the same period of the previous fiscal year).

In the Aoyama Trading Co., Ltd. Business Wear Business, which is the core segment of this business, the number of men's suits (not including set-up suits) sold was 219 thousand, down 11.8% year on year, and the average unit selling price was 33,436 yen, up 6.8% year on year. In this environment, Existing store sales for the three months ended June 30, 2024 (April to June) decreased 0.2% compared to the same period of the previous fiscal year. This was mainly due to the penetration of business casual products such as functional set-up suits and "zero pressure suits" which are easy to coordinate with casual styles.

Store openings and closings are described below.

< Number of stores opened and closed in Business Wear Business by type of business and number of stores at the end of the fiscal year (as of June 30, 2024) > (Unit: Store)

| Name of business category | Aoyama Trading Co., Ltd. | | | | Aoyama Suits (Shanghai) Co., Ltd. | Melbo Men's Wear, Inc. |
|---|---|---|---|---|---|---|
| | Yofuku-no-Aoyama | The Suit Company | Universal Language Measure's | Total | Yofuku-no-Aoyama | azabu tailor |
| Opened [Relocation] (April to June) | 1 [1] | 2 [1] | 0 | 3 [2] | 0 | 0 |
| Closed (April to June) | 2 | 0 | 1 | 3 | 2 | 0 |
| Number of stores as of the end of June | 683 | 44 | 13 | 740 | 6 | 27 |

(Notes) 1. "The Suit Company" includes "Suit Square" and "White The Suit Company" (including outlet stores). "Universal Language Measure's" includes "Universal Language" (including outlet stores).
2. Store opened and closed in Aoyama Suits (Shanghai) Co., Ltd. are from January to March 2024. The number of stores at the end of period is as of the end of March 2024.
3. Store opened and closed in Melbo Men's Wear, Inc. are from March to May 2024. The number of stores at the end of period is as of the end of May, 2024.

<< Credit Card Business>> [Aoyama Capital Co., Ltd.]

In this segment, sales were 1.306 billion yen (up 3.9% from the same period of the previous year), and segment profit (operating profit) was 532 million yen (down 4.1% from the same period of the previous fiscal year), due to an increase in sales and consumables expenses, etc., despite an increase in shopping and cashing fees.

As of the end of May 2024, Aoyama Card had 3.9 million active members.

<< Printing and Media Business>> [ASCON Co., Ltd.]

In this segment, sales were 2.6 billion yen (flat year on year), and the segment loss (operating loss) was 18 million yen (segment profit (operating income) of 1 million yen in the same period of the previous fiscal year), mainly due to an increase in cost of sales.

<< Sundry Sales Business>> [Seigo Co., Ltd.]

In this segment, sales were 3.884 billion yen (down 0.8% from the same period of the previous fiscal year), and segment profit (operating profit) was 151 million yen (up 22.3% from the same period of the previous fiscal year), due to the effects of structural reforms such as personnel cost reductions, despite a decrease in sales due to the closing of stores.

As of the end of May 2024, there were 101 stores. (111 stores as of May 31, 2023)

<<Total Repair Service Business>> [Minit Asia Pacific Co., Ltd.]

In this segment, sales were 3.682 billion yen (up 14.0% from the same period of the previous fiscal year), and segment profit (operating profit) was 36 million yen (down 45.2% from the same period of the previous fiscal year), mainly due to an increase in personnel expenses in the Japan business, despite an increase in sales associated with an increase in the number of overseas stores.

Store openings and closings are described below.

< Number of stores opened and closed in Total Repair Service Business and number of stores at the end of the fiscal year (as of June 30, 2024) > (Unit: Store)

| Area | Mister Minit | | | |
|---|---|---|---|---|
| | Japan | Oceania | Others | Total |
| Opened (April to June) | 5 | 3 | 1 | 9 |
| Closed (April to June) | 4 | 2 | 0 | 6 |
| Number of stores as of the end of June | 253 | 339 | 34 | 626 |

(Note) “Oceania” refers to Australia and New Zealand, and “Others” refers to Singapore and Malaysia.

<<Franchisee Business>> [glob Co., Ltd.]

In this segment, sales were 3.732 billion yen (up 7.0% from the same period of the previous fiscal year), and segment profit (operating profit) was 263 million yen (up 27.7% from the same period of the previous fiscal year), due to strong performance in the Food Service Business and other business categories.

Store openings and closings are described below.

< Number of stores opened and closed in Franchisee Business by type of business and number of stores at the end of the fiscal year (as of June 30, 2024) > (Unit: store)

| Name of business category | Food Service Business | | Reuse Business | Fitness Business |
|---|---|---|---|---|
| | Yakiniku King | Yuzu An | 2nd STREET | Anytime Fitness |
| Opened (April to June) | 0 | 0 | 0 | 0 |
| Closed (April to June) | 0 | 0 | 0 | 0 |
| Number of stores as of the end of June | 40 | 13 | 18 | 9 |

<<Real Estate Business>> [Aoyama Trading Co., Ltd. Real Estate Business]

In this segment, sales were 761 million yen (down 1.5% of the same period of the previous fiscal year), and segment profit (operating profit) was 150 million yen (up 4.3% of the same period of the previous fiscal year).

<<Others>> [WTW Corporation, Customlife Co., Ltd.]

In the other segment, sales were 306 million yen (down 27.9% from the same period of the previous fiscal year), and segment loss (operating loss) was 63 million yen (segment loss (operating loss) of 12 million yen in the same period of the previous fiscal year). As of June 30, 2024, there were seven WTW stores.

## (2) Overview of Financial Position for the Period under Review

Current assets at the end of the first quarter under review were 208.078 billion yen, an increase of 987 million yen from the end of the previous fiscal year. This was mainly due to increases of 6.438 billion yen in cash and deposits and 1.019 billion yen in other current assets, which offset decreases of 5.933 billion yen in notes receivable - trade and accounts receivable - trade and of 581 million yen in merchandise and finished goods.

Non-current assets were 128.454 billion yen, a decrease of 20 million yen from the end of the previous fiscal year. This was mainly due to an increase of 140 million yen in property, plant and equipment and an increase of 486 million yen in intangible assets, which offset a decrease of 644 million yen in investments and other assets.

As a result, total assets were 336.556 billion yen, an increase of 958 million yen from the end of the previous fiscal year.

Current liabilities were 95.313 billion yen, a decrease of 5.89 billion yen from the end of the previous fiscal year. This was mainly due to decreases of 4.131 billion yen in Notes and accounts payable - trade, 1.409 billion yen in electronically recorded obligations - operating, 5 billion yen in the current portion of bonds payable, 1.113 billion yen in income taxes payable, 1.167 billion yen in provision for bonuses, and 1.951 billion yen in other under current liabilities, despite an increase of 8.878 billion yen in short-term borrowings.

Non-current liabilities were 62.713 billion yen, an increase of 9.196 billion yen from the end of the previous fiscal year. This was mainly due to increases of 8.681 billion yen in Long-term borrowings and 128 million yen in retirement benefit liability.

As a result, total liabilities amounted to 158.026 billion yen, an increase of 3.306 billion yen from the end of the previous fiscal year.

Total net assets were 178.529 billion yen, a decrease of 2.347 billion yen from the end of the previous fiscal year. This was mainly due to decreases of 2.462 billion yen in retained earnings and 673 million yen in valuation difference on available-for-sale securities, despite an increase of 758 million yen in foreign currency translation adjustments.

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

As of the announcement date of this document, the consolidated earnings forecast announced on May 10, 2024 has not been changed.

## 2. Quarterly Consolidated Financial Statements and Main Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

| | FY3/2024 (As of Mar. 31, 2024) | First Quarter of FY3/2025 (As of Jun. 30, 2024) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 82,552 | 88,990 |
| Notes receivable - trade and Accounts receivable - trade | 18,199 | 12,266 |
| Marketable securities | 1,800 | 1,800 |
| Merchandise and finished goods | 45,912 | 45,331 |
| Work in process | 413 | 408 |
| Raw materials and supplies | 2,626 | 2,742 |
| Operating loans | 53,219 | 53,148 |
| Other | 2,540 | 3,559 |
| Allowance for doubtful accounts | (173) | (170) |
| Total current assets | 207,090 | 208,078 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 32,563 | 32,315 |
| Land | 40,845 | 40,849 |
| Other, net | 10,404 | 10,789 |
| Total property, plant and equipment | 83,813 | 83,954 |
| Intangible assets | | |
| Goodwill | 3,574 | 3,725 |
| Other | 4,958 | 5,293 |
| Total Intangible assets | 8,532 | 9,019 |
| Investments and other assets | | |
| Leasehold and guarantee deposits | 16,401 | 16,417 |
| Other | 19,989 | 19,344 |
| Allowance for doubtful accounts | (262) | (281) |
| Total investments and other assets | 36,128 | 35,481 |
| Total non-current assets | 128,475 | 128,454 |
| Total deferred assets | 31 | 23 |
| Total assets | 335,597 | 336,556 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 12,758 | 8,626 |
| Electronically recorded obligations | 15,028 | 13,618 |
| Bonds payable due within one year | 15,005 | 10,005 |
| Short-term borrowings | 36,284 | 45,163 |
| Income taxes payable | 2,094 | 981 |
| Contract liability | 1,721 | 1,726 |
| Provision for bonuses | 1,913 | 746 |
| Other | 16,397 | 14,445 |
| Total current liabilities | 101,203 | 95,313 |
| Non-current liabilities | | |
| Bonds payable | 6,000 | 6,000 |
| Long-term borrowings | 30,070 | 38,751 |
| Retirement benefit liability | 8,706 | 8,835 |
| Other | 8,739 | 9,126 |
| Total non-current liabilities | 53,517 | 62,713 |
| Total liabilities | 154,720 | 158,026 |

(Unit: million yen)

| | FY3/2024 (As of Mar. 31, 2024) | First Quarter of FY3/2025 (As of Jun. 30, 2024) |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 62,504 | 62,504 |
| Capital surplus | 62,358 | 62,358 |
| Retained earnings | 65,399 | 62,937 |
| Treasury shares | (1,440) | (1,438) |
| Total shareholders' equity | 188,822 | 186,362 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,337 | 1,663 |
| Deferred gains or losses on hedges | 2 | 18 |
| Revaluation reserve for land | (14,804) | (14,804) |
| Foreign currency translation adjustments | 1,141 | 1,900 |
| Remeasurements of defined benefit plans | (373) | (405) |
| Total accumulated other comprehensive income | (11,696) | (11,627) |
| Non-controlling interests | 3,750 | 3,795 |
| Total net assets | 180,877 | 178,529 |
| Total liabilities and net assets | 335,597 | 336,556 |

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Three-Month Period)

(Unit: million yen)

| | First three months of FY3/2024 (Apr. 1, 2023 to Jun. 30, 2023) | First three months of FY3/2025 (Apr. 1, 2024 to Jun. 30, 2024) |
|---|---|---|
| Net sales | 44,304 | 44,979 |
| Cost of sales | 21,543 | 22,178 |
| Gross profit | 22,760 | 22,801 |
| Selling, general and administrative expenses | 20,904 | 21,105 |
| Operating Income | 1,856 | 1,695 |
| Non-operating income | | |
| Interest income | 26 | 25 |
| Dividend income | 56 | 61 |
| Rental income from real estate | 8 | 6 |
| Foreign exchange gains | 212 | 21 |
| Subsidy income | 1 | - |
| Other | 123 | 65 |
| Total non-operating income | 428 | 180 |
| Non-operating expenses | | |
| Interest expense | 80 | 106 |
| Loss on valuation of derivatives | 32 | 0 |
| Other | 14 | 35 |
| Total non-operating expenses | 127 | 142 |
| Ordinary income | 2,157 | 1,732 |
| Extraordinary income | | |
| Gain on sale of Non-current assets | 1 | 2 |
| Gain on sales of investment securities | - | 1 |
| Total Extraordinary income | 1 | 4 |
| Extraordinary loss | | |
| Loss on sale and retirement of non-current assets | 39 | 14 |
| Impairment loss | 26 | 93 |
| Total extraordinary losses | 66 | 107 |
| Income before income taxes | 2,092 | 1,629 |
| Income taxes | 799 | 766 |
| Quarterly net income | 1,292 | 863 |
| Net income attributable to non-controlling interests | 61 | 63 |
| Profit attributable to owners of parent | 1,230 | 800 |

Quarterly Consolidated Statement of Comprehensive Income

(For the Three-Month Period)

(Unit: million yen)

| | First three months of FY3/2024 (Apr. 1, 2023 to Jun. 30, 2023) | First three months of FY3/2025 (Apr. 1, 2024 to Jun. 30, 2024) |
|---|---|---|
| Quarterly net income | 1,292 | 863 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 602 | (673) |
| Deferred gains or losses on hedges | 36 | 15 |
| Foreign currency translation adjustments | 505 | 760 |
| Remeasurements of defined benefit plans | (27) | (32) |
| Total other comprehensive income | 1,116 | 70 |
| Quarterly comprehensive income | 2,409 | 934 |
| (Breakdown) | | |
| Quarterly comprehensive income attributable to shareholders of the parent company | 2,347 | 868 |
| Comprehensive income attributable to non-controlling interests | 61 | 65 |

## (3) Notes to Quarterly Consolidated Financial Statements

(Notes Concerning Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standard for Corporation Tax, Inhabitants Tax and Enterprise Tax")

The Company has applied the "Accounting Standard for Corporation Tax, Inhabitants Tax and Enterprise Tax" (ASBJ Statement No. 27, October 28, 2022. hereinafter referred to as the "2022 Revised Accounting Standard") and other standards from the beginning of the first quarter under review.

The amendments to the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment set forth in the proviso of Section 20-3 of the 2022 revised Accounting Standard and the transitional treatment set forth in the proviso of Section 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting." (ASBJ Guidance No. 28, October 28, 2022. hereinafter referred to as the "2022 Revised Implementation Guidance"). This change in accounting policy has no impact on the quarterly consolidated financial statements.

(Application of Special Accounting Methods for Quarterly Consolidated Financial Statements)

Calculating Tax Expense

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to net income before taxes for the consolidated fiscal year including the first quarterly consolidated accounting period, and multiplying profit before income taxes by the estimated effective tax rate.

(Notes to Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared.

Please note that the amount of depreciation and amortization (including depreciation and amortization related to intangible assets excluding goodwill) for the three months ended June 30, 2024 is not included in the above table. Amortization of goodwill is as follows.

| | First three months of FY3/2024 (Apr. 1, 2023 to Jun. 30, 2023) | First three months of FY3/2025 (Apr. 1, 2024 to Jun. 30, 2024) |
|---|---|---|
| Depreciation expense | 1,720 million yen | 1,809 million yen |
| Amortization of goodwill | 223 million yen | 147 million yen |

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Segment Information, etc.)

[Segment Information]

I. First three months of FY3/2024 (April 1, 2023 to June 30, 2023)

1. Information on the amount of net sales and profit or loss and breakdown of revenue by reportable segment

(Millions of yen)

| | Reportable segment | | | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded on quarterly consolidated statement of income (Note 3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Business Wear Business | Credit Card Business | Printing and Media Business | Sundry Sales Business | Total Repair Service Business | Franchise Business | Real Estate Business | Total | | | | |
| Net sales | | | | | | | | | | | | |
| Revenue generated from customer contracts | 29,528 | 636 | 2,045 | 3,914 | 3,225 | 3,489 | - | 42,840 | 414 | 43,254 | - | 43,254 |
| Other income | - | 555 | - | - | - | - | 494 | 1,049 | - | 1,049 | - | 1,049 |
| (1) Net sales to outside customers | 29,528 | 1,191 | 2,045 | 3,914 | 3,225 | 3,489 | 494 | 43,890 | 414 | 44,304 | - | 44,304 |
| (2) Intersegment Internal net sales or amount transferred | 16 | 65 | 555 | 0 | 5 | - | 278 | 922 | 10 | 932 | (932) | - |
| Total | 29,545 | 1,256 | 2,601 | 3,914 | 3,230 | 3,489 | 773 | 44,812 | 424 | 45,237 | (932) | 44,304 |
| Segment profit (Loss) | 797 | 555 | 1 | 124 | 66 | 206 | 144 | 1,894 | (12) | 1,882 | (25) | 1,856 |

Notes: 1. The “Other” segment is a business segment that is not included in the reportable segments, and includes the Web Media business.

2. The segment profit (loss) adjustment of (25 million yen) is from the elimination of inter-segment transactions.

3. Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss or goodwill of non-current assets by reportable segment

(Significant impairment losses pertaining to non-current assets)

An impairment loss was recorded in the Business Wear Business segment.

The amount of the impairment loss recorded in the Business Wear Business segment was 26 million yen.

II. First three months of FY3/2025 (April 1, 2024 to June 30, 2024)

1. Information on the amount of net sales and profit or loss and breakdown of revenue by reportable segment

(Millions of yen)

| | Reportable segment | | | | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount recorded on quarterly consolidated statement of income (Note 3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Business Wear Business | Credit Card Business | Printing and Media Business | Sundry Sales Business | Total Repair Service Business | Franchise Business | Real Estate Business | Total | | | | |
| Net sales | | | | | | | | | | | | |
| Revenue generated from customer contracts | 29,490 | 676 | 2,111 | 3,884 | 3,670 | 3,732 | - | 43,565 | 300 | 43,866 | - | 43,866 |
| Other income | - | 630 | - | - | - | - | 482 | 1,112 | - | 1,112 | - | 1,112 |
| (1) Net sales to outside customers | 29,490 | 1,306 | 2,111 | 3,884 | 3,670 | 3,732 | 482 | 44,678 | 300 | 44,979 | - | 44,979 |
| (2) Intersegment Internal net sales or amount transferred | 66 | 0 | 488 | 0 | 12 | - | 279 | 846 | 5 | 852 | (852) | - |
| Total | 29,557 | 1,306 | 2,600 | 3,884 | 3,682 | 3,732 | 761 | 45,525 | 306 | 45,831 | (852) | 44,979 |
| Segment profit (Loss) | 737 | 532 | (18) | 151 | 36 | 263 | 150 | 1,853 | (63) | 1,789 | (94) | 1,695 |

Notes: 1. The “Other” segment is a business segment that is not included in the reportable segments, and includes the Web Media business.

2. The segment profit (loss) adjustment of (94 million yen) is from the elimination of inter-segment transactions.

3. Segment income (loss) is adjusted with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss or goodwill of non-current assets by reportable segment

(Significant impairment loss pertaining to non-current assets)

An impairment loss was recorded in the Business Wear Business segment.

The amount of the impairment loss recorded in the Business Wear Business segment was 93 million yen.

# Interim Review Report on Quarterly Consolidated Financial Statements by Independent Auditors

August 9, 2024

Aoyama Trading Co., Ltd.
To the Board of Directors

KPMG AZSA LLC

Osaka Office

| | | |
|---|---|---|
| Designated limited partner<br>Managing partner | Certified Public<br>Accountant | Naoki Sugita |
| Designated limited partner<br>Managing partner | Certified Public<br>Accountant | Masato Tateishi |

Auditors' conclusion

We have conducted an interim review of the quarterly consolidated financial statements of Aoyama Trading Co., Ltd. for the first quarterly consolidated accounting period (from April 1, 2024 to June 30, 2024) and the first quarterly consolidated cumulative period (from April 1, 2024 to June 30, 2024) of the fiscal year from April 1, 2024 to March 31, 2025 listed in the "Attachments" of the quarterly financial report, namely, the quarterly consolidated balance sheets, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income, and the notes thereto.

In the interim review conducted by the audit corporation, there were no matters in any material respect that would lead one to believe that the quarterly consolidated financial statements referred to above have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc., or in accordance with accounting standards for quarterly financial statements that are generally accepted in Japan. (However, the omission specified in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied.)

Basis of the auditors' conclusion

We conducted our interim review in accordance with the standards for interim review generally accepted in Japan. Our responsibilities under the interim review standards are described in "Auditor's responsibilities in the interim review of quarterly consolidated financial statements." We are independent of the Company and its consolidated subsidiaries in accordance with the Code of Professional Ethics in Japan and carry out our other ethical responsibilities as an auditor. We believe that we have obtained the evidence on which our conclusions are based.

Responsibility of management, company auditors and Board of Company Auditors for quarterly consolidated financial statements

The management's responsibility is to prepare the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements that are generally accepted in Japan. (However, the omission specified in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied.) This includes designing and operating such internal controls as management deems necessary to prepare quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly consolidated financial statements based on the going concern assumption, and for disclosing matters related to the going concern if necessary in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements generally accepted in Japan. (However, the omission specified in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied.)

The responsibility of the corporate auditors and the Board of Auditors is to monitor the performance of the directors in the development and operation of the financial reporting process.

Auditors' responsibilities in the interim review of quarterly consolidated financial statements

The auditors' responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report based on the interim review conducted by the auditor.

Throughout the course of the interim review, the auditors will exercise professional judgment and maintain professional skepticism in accordance with the standards for interim reviews generally accepted in Japan. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other interim review procedures. A review is substantially smaller in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the quarterly

consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the standards, should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditors' interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditors' interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the documentation of the interim review. We remain solely responsible for our conclusion.

The auditors report to the corporate auditors and the Board of Corporate Auditors on the scope and timing of the planned interim review and on the significant findings of the interim review.

The auditors shall report to the corporate auditors and the Board of Corporate Auditors that the auditors have complied with the provisions on professional ethics in Japan with regard to independence, and shall also report to the corporate auditors and the Board of Corporate Auditors on matters that are reasonably considered to have an impact on the independence of the auditors, and if the auditors have taken measures to eliminate the hindrance or has applied safeguards to reduce the hindrance to an acceptable level, the details of such measures.

Special interests

There are no special interests between the Company and its consolidated subsidiaries and the audit corporation or its managing partner that should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

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(Notes) 1. The original copy of the above-mentioned interim review report is separately retained by the Company (a company that discloses quarterly financial results).
2. XBRL data and HTML data are not subject to interim review.