Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under IFRS)

February 13, 2026

Company name Net Protections Holdings, Inc. Listing: Tokyo Stock Exchange
Securities code: 7383 URL: https: //corp.netprotections.com/en/
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Note) Amounts less than one million yen are rounded down to the nearest million yen.

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2025	18,959	9.7	2,532	42.7	2,521	47.1	1,584	56.3	15.95	15.80
December 31, 2024	17,277	9.5	1,774	—	1,714	—	1,013	—	10.41	10.31

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	570,826	19.3	9,092	16.0	3,857	28.8
December 31, 2024	478,291	12.8	7,839	33.4	2,995	319.0

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2025	90,506	20,930	20,869	23.1
March 31, 2025	70,848	19,229	19,169	27.1

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (forecast)			—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Total operating revenue		Operating profit		Profit before income taxes		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	25,400	10.3	2,900	37.9	2,740	28.1	1,600	18.5	16.11

	GMV (non-GAAP)		Gross profit (non-GAAP)		EBITDA (non-GAAP)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	763,000	18.9	11,950	14.0	4,690	25.2

Notes: 1. Revisions to the forecast of consolidated financial results most recently announced: None

2. For the average number of shares outstanding during the period that forms the basis for calculating "Basic earnings per share," the number of shares issued (excluding treasury shares) as of March 31, 2025 is used as a substitute.

[Notes]

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

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None

(3) Number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares)
2) Number of treasury shares at the end of the period
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of December 31, 2025	99,444,999 shares	As of March 31, 2025	99,306,627 shares
As of December 31, 2025	― shares	As of March 31, 2025	― shares
Nine months ended December 31, 2025	99,347,009 shares	Nine months ended December 31, 2024	97,376,394 shares

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

* [Proper use of earning forecasts, and other special matters]

(Disclaimer on forward-looking statements)

The earnings forecast and other forward-looking statements contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that they will be achieved. Note that actual results may differ significantly from forecast figures due to a number of factors.

Non-GAAP performance measures

The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Gross profit	Total operating revenue - (Invoicing related expenses + Bad debt related expenses + Other operating revenue + Other payment related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

(How to obtain supplementary material on financial results and the details of the financial results briefing)

The Company will promptly post the supplementary material on financial results and the details of the financial results briefing on its IR website (https://corp.netprotections.com/en/ir/).

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1. Overview of Operating Results, etc.

(1) Quarterly operating results

The operating results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025) were as follows:

(Millions of yen, unless otherwise indicated)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025	Percentage change (%)
Total operating revenue	17,277	18,959	9.7
Operating profit	1,774	2,532	42.7
Profit before income taxes	1,714	2,521	47.1
Profit attributable to owners of parent	1,013	1,584	56.3

Business performance by segment is not presented as the Company and its subsidiaries (collectively, the "Group") operate a single segment, Payment Solutions. The Group, nevertheless, discloses its key performance indicators by line of service to the extent possible as shown below.

	Service category	Service
Services for B2C transactions	B2C Services: NP *Atobarai* and others	NP *Atobarai*, NP *Atobarai* air, *AFTEE*, etc.
	B2C Services: *atone*	*atone*
Service for B2B transactions	B2B Service	NP *Kakebarai*

The key performance indicators are shown as below.

(Millions of yen, unless otherwise indicated)

	Three months ended December 31, 2024	Three months ended December 31, 2025	Percentage change (%)	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Percentage change (%)
GMV (non-GAAP)	173,497	203,248	17.1	478,291	570,826	19.3
B2C Services: NP *Atobarai* and others	95,502	96,581	1.1	269,602	271,451	0.7
B2C Services: *atone*	11,390	16,420	44.2	28,569	44,799	56.8
B2B Service	66,604	90,246	35.5	180,120	254,575	41.3
Total operating revenue	6,255	6,555	4.8	17,277	18,959	9.7
B2C Services: NP *Atobarai* and others	4,520	4,272	(5.5)	12,523	12,577	0.4
B2C Services: *atone*	512	788	53.9	1,382	2,125	53.7
B2B Service	1,223	1,494	22.2	3,370	4,256	26.3
－Other operating revenue	157	146	(6.6)	430	482	11.9
Revenue	6,098	6,408	5.1	16,846	18,477	9.7
－Invoicing related expenses (non-GAAP)	2,125	2,106	(0.9)	6,047	6,153	1.8
－Bad debt related expenses (non-GAAP)	941	949	0.8	2,649	2,819	6.4
－Other payment related expenses (non-GAAP)	95	140	46.7	310	410	32.3
Gross profit (non-GAAP)	2,935	3,212	9.4	7,839	9,092	16.0
B2C Services: NP *Atobarai* and others	2,155	2,110	(2.1)	5,753	6,107	6.2
B2C Services: *atone*	147	239	62.2	399	615	54.1
B2B Service	632	863	36.5	1,686	2,369	40.5
－SG&A and other operating expenses (non-GAAP)	2,184	2,376	8.8	6,495	7,042	8.4
Operating profit	908	982	8.2	1,774	2,532	42.7
＋Depreciation and amortization	408	438	7.5	1,210	1,294	7.0
＋Share-based payment expenses	1	4	253.1	4	17	314.9
＋Loss on disposal of property, plant and equipment	(1)	7	－	5	11	108.9
＋Impairment losses	－	0	－	－	0	－
－Gain from reversal of impairment losses	－	－	－	－	－	－
EBITDA (non-GAAP)	1,316	1,434	8.9	2,995	3,857	28.8

Note: The Company additionally discloses non-GAAP performance measures that are not prescribed by International Financial Reporting Standards (the "IFRS"), the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Invoicing related expenses	Collection expense + Invoicing expense, primarily the amount of expenses incurred per invoice
Bad debt related expenses	Allowance for doubtful accounts (addition) + Bad debt expense + Loss on sale of trade receivables, primarily the expenses incurred in proportion to the amount of invoice
Other payment related expenses	Other expenses required for providing payment services, including credit screening costs and NP point expenses
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment related expenses)
SG&A and other operating expenses	Operating expenses – (Invoicing related expenses + Bad debt related expenses + Other payment-related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain from reversal of impairment losses)

Given that the Group serves tens of thousands of merchants, our business structure makes us less dependent on specific merchants, but are susceptible to changes in the e-commerce and payment markets impacted by changes in the macro environment.

Notes on GMV

For the nine months ended December 31, 2025, GMV increased 19.3% year-on-year to 570,826 million yen (up 0.7% to 271,451 million yen for the B2C Services: NP *Atobarai* and others, up 56.8% to 44,799 million yen for the B2C Services: *atone*, and up 41.3% to 254,575 million yen for the B2B Service).

Main factors for the B2C Services: NP *Atobarai* and others are as follows:

・GMV growth for the NP *Atobarai* remained limited this period.

・GMV for the NP *Atobarai* air, a BNPL service for the service sectors, achieved year-on-year growth driven by nationwide demand for digital transformation (DX) of billing operations.

Main factors for the B2C Services: *atone* are as follows:

・GMV grew driven by at merchants that were newly onboarded and newly introduced *Pay in 10 Days* previous fiscal year.

・Merchants newly onboarded during the current fiscal year also contributed to the GMV growth. Notably, growth was especially significant in digital content and entertainment, representing a distinct merchant segment with characteristics different from those of NP *Atobarai*.

Main factors for the B2B Service are as follows:

・Building on the momentum from the previous fiscal year, GMV continued to grow among existing merchants, led by major accounts in the recruitment and job advertising sectors.

・Additionally, a merchant newly onboarded during the current fiscal year drove further GMV expansion.

・A shrinking labor force and 'Work-Style Reform' have led to a heightened focus on streamlining payment operations to support business expansion. We intend to capitalize on this trend to drive GMV growth by winning contracts from major enterprises through strategic sales and service development.

Company-wide GMV is progressing steadily in line with our plan.

Notes on total operating revenue

For the nine months ended December 31, 2025, total operating revenue increased 9.7% year-on-year to 18,959 million yen (up 0.4% to 12,577 million yen for the B2C Services: NP *Atobarai* and others, up 53.7% to 2,125 million yen for the B2C Services: *atone*, and up 26.3% to 4,256 million yen for the B2B Service).

Total operating revenue increased in absolute terms, driven by GMV growth across all service segments.

Take rate decreased due to several factors: a higher weighting of B2B services, the expansion of major merchants with lower commission rates, and a rising invoice enclosure rate within the NP *Atobarai*.

Company-wide operating revenue is progressing steadily in line with our plan.

Notes on gross profit

For the nine months ended December 31, 2025, gross profit increased 16.0% year-on-year to 9,092 million yen (up 6.2% to 6,107 million yen for the B2C Services: NP *Atobarai* and others, up 54.1% to 615 million yen for the B2C Services: *atone*, and up 40.5% to 2,369 million yen for the B2B Service).

As with total operating revenue, the absolute amount increased, driven by the growth of GMV across each service segment.

Main factors for changes in gross profit margin to GMV are as follows:

- Reflecting the improving trend in collections across all services, the ratios of invoicing related and bad debt related expenses to GMV decreased.
- Going forward, we remain committed to improving collection performance across all services to further reduce the ratios of bad debt and invoicing related expenses to GMV.

Please note that while our calculation methodology for bad debt related expenses is designed to ensure appropriate levels over the long term, fluctuations may occur on a quarter-on-quarter or year-on-year basis when viewed over shorter periods, irrespective of long-term trends.

Company-wide gross profit is progressing steadily in line with our plan.

Notes on operating profit and EBITDA

The Group posted operating profit of 2,532 million yen (up 42.7% year-on-year) and EBITDA of 3,857 million yen (up 28.8% year-on-year).

The main driver/impediment is as follows:

- Operating profit and EBITDA also increased in line with the growth in gross profit.
- While SG&A expenses increased year-on-year on an absolute basis, the SG&A-to-GMV ratio decreased year-on-year due to improved operational efficiency.
- Company-wide operating profit is progressing steadily in line with our plan.

(2) Quarterly financial position

(Millions of yen, unless otherwise indicated)

	As of March 31, 2025	As of December 31, 2025	Change	Percentage change (%)
Total assets	70,848	90,506	19,658	27.7
Total current assets	50,540	70,109	19,569	38.7
Total non-current assets	20,307	20,397	89	0.4
Total liabilities	51,618	69,576	17,958	34.8
Total current liabilities	46,249	69,365	23,116	50.0
Total non-current liabilities	5,368	210	(5,157)	(96.1)
Total equity	19,229	20,930	1,700	8.8

Current assets as of December 31, 2025 increased 19,569 million yen from the end of the previous fiscal year. The increase was attributable mainly to a 12,926 lion yen increase in trade and other receivables due mainly to an increase in transaction volume, as well as a 6,079 million yen increase in cash and cash equivalents.

Non-current assets increased 89 million yen from the end of the previous fiscal year.

Current liabilities increased 23,116 million yen from the end of the previous fiscal year. This was attributable mainly to a 19,097 million yen increase in trade and other payables due to an increase in transaction volume, as in the case of trade and other receivables. In addition, short-term loans increased 2,721 million yen, due to the reclassification of loans scheduled to be repaid within one year from non-current to current liabilities.

Of the Group's current assets, trade and other receivables (before deduction of allowance for doubtful accounts) of 53,367 million yen represent primarily the receivables from end users who used our payment services. Of the Group's current liabilities, trade and other payables of 58,037 million yen represent primarily the payables to merchants. The Group's trade receivables and payables are well-balanced in the short term, backed by appropriately timed cycles of collection and payment from end users and to merchants, respectively. This implies that the Group has a limited need for raising additional working capital for business expansion. It can therefore be said that it is structurally less susceptible to the impact of rising interest rates. As payables to merchants for whom we provide payment services are paid mostly on Fridays, the ending balance varies significantly depending on what day of the week is the last day of the reporting period.

Non-current liabilities decreased by 5,157 million yen compared to the end of the previous fiscal year. This was due to the reclassification of loans scheduled to be repaid within one year from non-current to current liabilities.

(3) Status of cash flows

(Millions of yen, unless otherwise indicated)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025	Change
Cash flows from operating activities	7,308	9,894	2,585
Cash flows from investing activities	(1,125)	(1,328)	(203)
Cash flows from financing activities	(2,909)	(2,556)	353
Effects of exchange rate changes on cash and cash equivalents	13	69	55
Net increase (decrease) in cash and cash equivalents	3,287	6,079	2,791
Cash and cash equivalents at the beginning of the period	10,810	17,039	6,229
Cash and cash equivalents at the end of the period	14,098	23,119	9,020

Cash and cash equivalents ("net cash") as of December 31, 2025 amounted to 23,119 million yen (compared with 14,098 million yen for the same period of the previous fiscal year).

Cash flows from operating activities

Net cash provided by operating activities amounted to 9,894 million yen (compared with 7,308 million yen provided for the same period of the previous fiscal year). This is attributable mainly to:

・recording of profit before income taxes (positive 2,521 million yen),
・recording of depreciation, amortization and impairment losses (positive 1,295 million yen),
・changes in trade and other receivables (negative 12,926 million yen),
・changes in trade and other payables (positive 19,097 million yen),
・changes in other assets and liabilities (positive 1,278 million yen), and
・income taxes paid (negative 1,210 million yen).

Cash flows from investing activities

Net cash used in investing activities amounted to 1,328 million yen (compared with 1,125 million yen used for the same period of the previous fiscal year).

This is attributable mainly to:

・purchase of intangible assets due to investment in system development (negative 1,230 million yen).

Cash flows from financing activities

Net cash used in financing activities amounted to 2,556 million yen (compared with 2,909 million yen provided for the same period of the previous fiscal year).

This is attributable mainly to:

・a net decrease in short-term loans (negative 2,350 million yen) and
・repayments of lease liabilities (negative 214 million yen).

(4) Forward-looking information including consolidated earnings forecast

There are no revisions to the consolidated financial results forecast disclosed on November 14, 2025.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed semi-annual consolidated statement of financial position

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	17,039	23,119
Trade and other receivables	32,810	45,737
Operating loans	180	343
Inventories	28	29
Other current receivables	481	879
Total current assets	50,540	70,109
Non-current assets		
Property, plant and equipment	686	479
Goodwill	11,608	11,608
Other intangible assets	4,886	5,079
Other financial assets	958	1,045
Deferred tax assets	1,884	1,910
Other non-current assets	282	274
Total non-current assets	20,307	20,397
Total assets	70,848	90,506

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	38,940	58,037
Short-term loans	4,766	7,488
Lease liabilities	262	287
Other current financial liabilities	9	30
Income taxes payable	780	1,007
Provisions	33	34
Liabilities for employee benefits	556	644
Other current liabilities	899	1,835
Total current liabilities	46,249	69,365
Non-current liabilities		
Long-term loans	4,984	―
Lease liabilities	270	91
Provisions	112	114
Other non-current liabilities	―	5
Total non-current liabilities	5,368	210
Total liabilities	51,618	69,576
Equity		
Share capital	4,213	4,228
Capital surplus	14,275	14,280
Retained earnings	544	2,129
Other components of equity	136	230
Total equity attributable to owners of parent	19,169	20,869
Non-controlling interests	60	60
Total equity	19,229	20,930
Total liabilities and equity	70,848	90,506

(2) Condensed quarterly consolidated statements of profit or loss and condensed quarterly consolidated statements of comprehensive income

Condensed quarterly consolidated statements of profit or loss

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Revenue	16,846	18,477
Other operating revenue	430	482
Total operating revenue	17,277	18,959
Operating expenses	(15,502)	(16,426)
Operating profit	1,774	2,532
Financial income	4	88
Financial costs	(64)	(99)
Profit before income taxes	1,714	2,521
Income tax expense	(710)	(942)
Profit	1,003	1,578
Profit attributable to:		
Owners of parent	1,013	1,584
Non-controlling interests	(9)	(5)
Profit	1,003	1,578
Earnings per share:		
Basic earnings per share (yen)	10.41	15.95
Diluted earnings per share (yen)	10.31	15.80

Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	1,003	1,578
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	19	100
Total of items that may be reclassified to profit or loss	19	100
Other comprehensive income	19	100
Comprehensive income	1,023	1,679
Comprehensive income attributable to:		
Owners of parent	1,031	1,678
Non-controlling interests	△8	0
Comprehensive income	1,023	1,679

(3) Condensed quarterly consolidated statement of changes in equity

For the nine months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2024	4,134	14,196	(805)	178	17,704	76	17,780
Profit	—	—	1,013	—	1,013	(9)	1,003
Other comprehensive income	—	—	—	18	18	1	19
Total comprehensive income	—	—	1,013	18	1,031	(8)	1,023
Issuance of new shares and other shares	12	9	—	—	22	—	22
Share-based payment transactions	—	1	—	—	1	—	1
Total transactions with owners	12	11	—	—	24	—	24
Balance as of December 31, 2024	4,147	14,208	207	196	18,759	68	18,827

For the nine months ended December 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2025	4,213	14,275	544	136	19,169	60	19,229
Profit	—	—	1,584	—	1,584	(5)	1,578
Other comprehensive income	—	—	—	94	94	6	100
Total comprehensive income	—	—	1,584	94	1,678	0	1,679
Issuance of new shares and other shares	4	4	—	—	9	—	9
Share-based payment transactions	11	1	—	—	12	—	12
Total transactions with owners	15	5	—	—	21	—	21
Balance as of December 31, 2025	4,228	14,280	2,129	230	20,869	60	20,930

(4) Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,714	2,521
Depreciation, amortization and impairment losses	1,210	1,295
Share-based payment expenses	4	17
Finance income and finance costs	60	11
Increase (decrease) in provisions	(25)	2
Loss on retirement of non-current assets	5	11
Decrease (increase) in inventories	(14)	(1)
Decrease (increase) in trade and other receivables	(7,393)	(12,926)
Decrease (increase) in operating loans	—	(163)
Increase (decrease) in trade and other payables	11,756	19,097
Other	418	1,278
Subtotal	7,737	11,144
Interest received	3	21
Interest paid	(25)	(61)
Income taxes paid	(406)	(1,210)
Net cash provided by (used in) operating activities	7,308	9,894
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(54)	(10)
Purchase of intangible assets	(1,128)	(1,230)
Payments of guarantee deposits	(50)	(89)
Proceeds from collection of guarantee deposits	108	2
Net cash provided by (used in) investing activities	(1,125)	(1,328)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	(2,705)	(2,350)
Repayments of lease liabilities	(224)	(214)
Proceeds from issuance of shares	20	9
Net cash provided by (used in) financing activities	(2,909)	(2,556)
Effects of exchange rate changes on cash and cash equivalents	13	69
Net increase (decrease) in cash and cash equivalents	3,287	6,079
Cash and cash equivalents at the beginning of the period	10,810	17,039
Cash and cash equivalents at the end of the period	14,098	23,119

(5) Notes to condensed quarterly consolidated financial statements

Applicable financial reporting framework

The Group's condensed quarterly consolidated financial statements are prepared in accordance with Article 5, Paragraph 2 of Tokyo Stock Exchange, Inc.'s standards for the preparation of quarterly financial statements, etc. (however, the omissions set out in Article 5, Paragraph 5 of the same standards apply). The condensed quarterly consolidated financial statements are prepared based on International Accounting Standard No. 34 "Interim Financial Reporting" (hereinafter "IAS 34"), but some of the disclosure items and notes required by IAS 34 are omitted. Accordingly, the condensed quarterly consolidated financial statements are not a set of condensed financial statements in accordance with IAS 34.

Going concern assumption

Not applicable.

Segment information

The Group operates as a single segment, Payment Solutions, and there are no other business segments to be classified. Therefore, segment information is not presented here.

Trade receivables

The breakdown of receivables arising from contracts with customers is as follows:

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Receivables arising from contracts with customers		
Trade receivables	419	539
Other trade receivables	39,004	52,827
Allowance for doubtful accounts	(6,613)	(7,629)
Total	32,810	45,737

Operating expenses

The breakdown of operating expenses is as follows:

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Collection expense	4,771	4,830
Invoicing expense	1,275	1,323
Provision for doubtful accounts	488	1,001
Bad debt expense	1,703	1,033
Loss on sale of trade receivables (Note 1)	457	785
Advertising expenses	322	364
Sales promotion expenses	408	483
Salaries	1,289	1,390
Bonuses and provision for bonuses	293	335
Legal welfare expenses	253	274
Wages	293	277
Recruiting expenses	71	76
Consignment expense	761	854
Operating and maintenance expenses	596	682
Maintenance cost	99	113
Depreciation and amortization	1,210	1,295
Taxes and dues	349	219
Other	855	1,086
Total	15,502	16,426

Notes: 1. For other trade receivables for *NP Kakebarai*, the Group sold trade receivables that are no longer expected to be collected through normal collection procedures by internal reminders and outsourcing, and recognized loss on sale of trade receivables at the time of selling.