

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.

April 30, 2025

Consolidated Financial Results for Q1 of FY2025 (Under Japanese GAAP)

Company name: ValueCommerce Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2491
 URL: <https://www.valuecommerce.co.jp/en/>
 Representative: Jin Kagawa, Representative Director, President and CEO
 Inquiries: Masatomo Endo, Director of the Board, CFO
 Telephone: +81-3-5210-6688
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Three months ended	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
March 31, 2025	8,181	6.9	1,055	(19.8)	1,061	(20.8)	1,053	15.3
March 31, 2024	7,653	(0.4)	1,315	(11.6)	1,340	(9.8)	913	(10.6)

Note: Comprehensive income For the three months ended March 31, 2025: ¥1,117 million [24.5%]
 For the three months ended March 31, 2024: ¥897 million [(9.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	¥	¥
March 31, 2025	48.65	—
March 31, 2024	28.26	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	¥ millions	¥ millions	%	¥
March 31, 2025	19,991	13,284	66.5	613.44
December 31, 2024	19,592	12,860	65.6	593.73

Reference: Equity As of March 31, 2025: ¥13,284 million
 As of December 31, 2024: ¥12,860 million

2. Dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	Total
	¥	¥	¥	¥	¥
FY2024	—	25.00	—	32.00	57.00
FY2025	—				
FY2025 (Forecast)		25.00	—	24.00	49.00

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

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	
Six months ending June 30, 2025	14,455	(3.4)	1,655	(24.7)	1,655	(25.5)	2,000	32.2	92.31
Fiscal year ending December 31, 2025	22,900	(24.7)	1,500	(63.9)	1,500	(63.6)	2,100	(26.5)	96.90

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2. Changes in accounting policies due to other reasons: None
3. Changes in accounting estimates: None
4. Restatement: None

Note: For details, please refer to “2. Quarterly consolidated financial statements and significant notes, (4) Notes to quarterly consolidated financial statements (Notes - Changes in accounting policies)” on page 9 of the attached materials.

(4) Number of issued shares (common shares)

		shares		shares
1. Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2025	34,471,000	As of December 31, 2024	34,471,000
2. Number of treasury shares at the end of the period	As of March 31, 2025	12,814,901	As of December 31, 2024	12,810,219
3. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Three months ended March 31, 2025	21,660,365	Three months ended March 31, 2024	32,337,505

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable.

Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. Please refer to “1. Overview of operating results and others, (3) Information about consolidated earnings forecasts” on page 4 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

(Means of access to supplementary material on financial results)

The supplementary material on financial results will be available on the Company’s website.

○Attached Material

Index

1. Overview of operating results and others.....	2
(1) Overview of operating results for the period	2
(2) Overview of financial positions for the period	3
(3) Information about consolidated earnings forecasts.....	4
2. Quarterly consolidated financial statements and significant notes.....	5
(1) Quarterly consolidated balance sheet.....	5
(2) Quarterly consolidated statement of income and comprehensive income (cumulative).....	7
(3) Quarterly consolidated statement of cash flows	8
(4) Notes to quarterly consolidated financial statements.....	9
(Notes - Changes in Accounting Policies)	9
(Notes - Segment information)	10
(Notes when there are significant changes in amounts of equity).....	11
(Notes - Uncertainties of entity's ability to continue as going concern).....	11

1. Overview of operating results and others

(1) Overview of operating results for the period

During the first quarter of the fiscal year (cumulative), the Japanese economy was expected to continue its moderate recovery, backed by improved conditions in the employment/income environment, an increase in inbound demand and other factors. On the other hand, the outlook remains uncertain due to soaring raw material and energy prices, the impact of U.S. policy trends including trade policy, and other factors.

In this environment, the Group focused on deriving correct information from a large amount of information and efficiently delivering that information to those who need it, based on its mission “Efficiently Connecting Accurate Information,” resulting in the following consolidated operating results.

For the first quarter of the fiscal year (cumulative), net sales were ¥8,181 million (up 6.9% year on year).

For “Affiliate Marketing,” a pay-per-performance advertising service, sales increased year on year due to a continued moderate recovery in the motivation of advertisers to place advertisements in the Finance category. In addition, for “StoreMatch” pay-per-click advertising for stores in the online shopping mall, sales increased year on year because its demand for use remained strong among stores that are advertisers.

Selling, general and administrative expenses were ¥1,415 million (up 3.6% year on year) mainly due to strategic investments in new business areas.

Operating income was ¥1,055 million (down 19.8% year on year) due to a higher cost rate in “Affiliate Marketing” year on year and an increase in selling, general and administrative expenses.

Ordinary income was ¥1,061 million (down 20.8% year on year).

Net income attributable to owners of parent was ¥1,053 million (up 15.3% year on year) mainly due to the recording of gain on service transition operations of ¥600 million, despite the recording of income taxes of ¥519 million.

Segment performance was as follows:

(i) Marketing Solutions Business

Marketing Solutions Business provides solutions oriented to attracting customers to e-commerce websites of commerce business operators. Its main service is that of “Affiliate Marketing” pay-per-performance advertising.

In “Affiliate Marketing” during the first quarter of the fiscal year (cumulative), although there was a continued moderate recovery in the motivation of advertisers to place advertisements in the Finance category, which boosted sales, there was a year-on-year decrease in segment operating income due to a higher cost rate and other factors. As a result, this segment attained net sales of ¥3,452 million (up 8.5% year on year) and segment operating income of ¥398 million (down 29.3% year on year).

(ii) EC Solutions Business

EC Solutions Business provides solutions oriented to sales promotion on e-commerce websites of commerce business operators. Its main services are the “StoreMatch” pay-per-click advertising, and “STORE’s R∞” CRM tool for stores in the online shopping mall operated by Yahoo Japan Corporation. Its services also include the “B-Space” e-commerce website operation support tool.

During the first quarter of the fiscal year (cumulative), demand for use of “StoreMatch” remained strong among stores that are advertisers, resulting in increased year-on-year sales. On the other hand, mainly due to a decrease in net sales as a result of the partial withdrawal from commissioned business offered with “B-Space” in the second quarter of the previous fiscal year, segment operating income declined year on year. As a result, this segment attained net sales of ¥4,377 million (up 5.4% year on year) and segment operating income of ¥1,162 million (down 4.1% year on year).

(iii) Travel Tech Business

Travel Tech Business mainly provides solutions for accommodation facilities centered on the consolidated subsidiary Dynatech inc. (the Company carried out an absorption-type merger of the said company on April 1, 2025). Its main services are “Direct In,” an accommodation reservation system, and “Dynamulation,” an accommodation management system.

During the first quarter of the fiscal year (cumulative), net sales increased year on year due in part to a recovery in the willingness of accommodation facilities to invest, but the Company posted a segment operating loss due to strategic investments in new business areas and up-front investments for the transition to an accommodation management system.

As a result, this segment attained net sales of ¥355 million (up 11.2% year on year) and segment operating loss of ¥72 million (compared to segment operating loss of ¥31 million during the first quarter of the previous fiscal year).

(2) Overview of financial positions for the period

(i) The status of assets, liabilities and net assets

Assets

At the end of the first quarter of the fiscal year, total assets amounted to ¥19,991 million, an increase of ¥399 million from the end of the previous fiscal year.

Current assets amounted to ¥17,503 million, a decrease of ¥139 million from the end of the previous fiscal year. This was mainly due to a decrease in accounts receivable - other of ¥129 million.

Non-current assets amounted to ¥2,488 million, an increase of ¥538 million from the end of the previous fiscal year. This was mainly due to increases in goodwill of ¥197 million and investment securities of ¥363 million.

Liabilities

At the end of the first quarter of the fiscal year, total liabilities amounted to ¥6,707 million, a decrease of ¥24 million from the end of the previous fiscal year.

Current liabilities amounted to ¥6,647 million, a decrease of ¥24 million from the end of the previous fiscal year. This was mainly due to a decrease in accounts payable - other of ¥558 million, despite increases in accounts payable - trade of ¥232 million, provision for bonuses of ¥127 million, and other current liabilities of ¥178 million.

Non-current liabilities amounted to ¥59 million, a decrease of ¥0 million from the end of the previous fiscal year.

Net assets

At the end of the first quarter of the fiscal year, total net assets amounted to ¥13,284 million, an increase of ¥424 million from the end of the previous fiscal year. This was mainly due to an increase in recording of net income attributable to owners of parent of ¥1,053 million, despite a decrease in retained earnings of ¥693 million as a result of a dividend of surplus.

(ii) Cash flows

At the end of the first quarter of the fiscal year, the balance of cash and cash equivalents amounted to ¥11,776 million, an increase of ¥1 million from the end of the previous fiscal year.

The cash flows and their causes during the first quarter of the fiscal year (cumulative), are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥1,350 million (compared to net cash provided of ¥1,400 million during the first quarter of the previous fiscal year), mainly due to income before income taxes of ¥1,572 million. Positive factors include depreciation and amortization of ¥113 million, an increase in accounts payable - trade of ¥232 million, and a decrease in accounts receivable - other of ¥136 million. Negative factors include a decrease in accounts payable - other of ¥563 million and income taxes paid of ¥531 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥662 million (compared to net cash used of ¥80 million during the first quarter of the previous fiscal year), mainly due to purchase of investment securities of ¥365 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥196 million.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥686 million (compared to net cash used of ¥900 million during the first quarter of the previous fiscal year), mainly due to dividends paid of ¥685 million.

(3) Information about consolidated earnings forecasts

The Company has revised its consolidated earnings forecasts for the fiscal year ending December 31, 2025, as released in its “Consolidated Financial Results for the Fiscal Year Ended December 31, 2024,” which was published on January 31, 2025. The main reason for the revision is related to the “Notice Regarding Termination of Transaction Agreement with LY Corporation With Respect to ‘StoreMatch’ and ‘STORE’s R∞’, and Conclusion of Basic Agreement With Respect to the Provision of Transition Support Services in Connection with the Foregoing,” which was published on January 31, 2025. Specifically, (i) ¥1 billion to be received as compensation for providing transition support services and (ii) a settlement payment for the decrease in net sales of the Company during the period when the Company’s services and the new service developed by LY Corporation were operating in parallel were initially planned to be recorded as net sales, forming the basis for our consolidated earnings forecasts. However, we have decided to record both of them as extraordinary income. For details, please refer to the “Notice of Revision of Earnings Forecasts for FY2025,” which was published today (April 30, 2025).

Furthermore, the forward-looking statements, including earnings forecasts, contained in this quarterly financial results are based on information currently available to management, and various factors may cause actual results to differ materially from these estimates.

2. Quarterly consolidated financial statements and significant notes**(1) Quarterly consolidated balance sheet**

(¥ millions)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,775	11,776
Notes and accounts receivable - trade	4,197	4,143
Accounts receivable - other	1,495	1,366
Other	176	221
Allowance for doubtful accounts	(2)	(3)
Total current assets	17,642	17,503
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	99	96
Tools, furniture and fixtures, net	114	106
Leased assets, net	2	1
Total property, plant and equipment	216	203
Intangible assets		
Software	768	754
Software in progress	73	87
Goodwill	77	274
Other	4	4
Total intangible assets	923	1,120
Investments and other assets		
Investment securities	727	1,090
Deferred tax assets	53	48
Other	27	24
Allowance for doubtful accounts	—	(0)
Total investments and other assets	809	1,163
Total non-current assets	1,949	2,488
Total assets	19,592	19,991

(¥ millions)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,736	2,968
Accounts payable - other	2,693	2,135
Income taxes payable	572	567
Provision for bonuses	0	128
Other	668	846
Total current liabilities	6,671	6,647
Non-current liabilities		
Other	59	59
Total non-current liabilities	59	59
Total liabilities	6,731	6,707
Net assets		
Shareholders' equity		
Share capital	1,728	1,728
Capital surplus	1,224	1,224
Retained earnings	21,174	21,534
Treasury shares	(11,517)	(11,517)
Total shareholders' equity	12,609	12,970
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250	314
Total accumulated other comprehensive income	250	314
Total net assets	12,860	13,284
Total liabilities and net assets	19,592	19,991

(2) Quarterly consolidated statement of income and comprehensive income (cumulative)

(¥ millions)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	7,653	8,181
Cost of sales	4,970	5,709
Gross income	2,682	2,471
Selling, general and administrative expenses	1,367	1,415
Operating income	1,315	1,055
Non-operating income		
Gain on non-refundable commissions for publishers	0	0
Gain on investments in investment partnerships	17	0
Reversal of allowance for doubtful accounts	2	1
Other	5	4
Total non-operating income	25	6
Non-operating expenses		
Foreign exchange losses	0	0
Other	—	0
Total non-operating expenses	0	0
Ordinary income	1,340	1,061
Extraordinary income		
Gain on service transition operations	—	600
Total extraordinary income	—	600
Extraordinary losses		
Loss on valuation of investment securities	—	88
Total extraordinary losses	—	88
Income before income taxes	1,340	1,572
Income taxes - current	444	536
Income taxes - deferred	(17)	(17)
Total income taxes	427	519
Net income	913	1,053
(Break Down)		
Net income attributable to		
Net income attributable to owners of parent	913	1,053
Net income attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	63
Total other comprehensive income	(16)	63
Comprehensive income	897	1,117
(Break Down)		
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	897	1,117
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly consolidated statement of cash flows

(¥ millions)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Cash flows from operating activities		
Income before income taxes	1,340	1,572
Depreciation and amortization	87	113
Amortization of goodwill	13	4
Share-based payment expenses	4	7
Increase (decrease) in allowance for doubtful accounts	(2)	(1)
Interest income	(0)	(0)
Loss (gain) on investments in investment partnerships	(17)	(0)
Loss (gain) on valuation of investment securities	—	88
Decrease (increase) in accounts receivable - trade	(66)	57
Increase (decrease) in accounts payable - trade	237	232
Decrease (increase) in accounts receivable - other	97	136
Increase (decrease) in accounts payable - other	(281)	(563)
Other, net	210	234
Subtotal	1,622	1,882
Interest received	0	0
Income taxes paid	(221)	(531)
Income taxes refund	0	—
Net cash provided by (used in) operating activities	1,400	1,350
Cash flows from investing activities		
Purchase of property, plant and equipment	(1)	(2)
Purchase of intangible assets	(79)	(98)
Purchase of investment securities	—	(365)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(196)
Net cash provided by (used in) investing activities	(80)	(662)
Cash flows from financing activities		
Dividends paid	(899)	(685)
Repayments of finance lease liabilities	(1)	(1)
Net cash provided by (used in) financing activities	(900)	(686)
Net increase (decrease) in cash and cash equivalents	418	1
Cash and cash equivalents at beginning of period	21,534	11,775
Cash and cash equivalents at end of period	21,952	11,776

(4) Notes to quarterly consolidated financial statements**(Notes - Changes in Accounting Policies)**

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This does not affect the quarterly consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This does not affect the quarterly consolidated financial statements for the quarter in the previous year or the consolidated financial statements for the previous fiscal year.

(Notes - Segment information)

I. The first quarter of the previous fiscal year (cumulative) (Jan. 1 to Mar. 31, 2024)

Information about sales and income (loss) for each reportable segment and information on disaggregation of net sales

(¥ millions)

	Reportable segments				Adjustments (Note 1)	Amounts reported on the quarterly consolidated statement of income and comprehensive income (Note 2)
	Marketing Solutions Business	EC Solutions Business	Travel Tech Business	Total		
Net sales						
“Affiliate Marketing” pay-per-performance advertising						
ASP	555	—	—	555	—	555
Consulting	2,120	—	—	2,120	—	2,120
Options	503	—	—	503	—	503
“StoreMatch” pay-per- click advertising	—	3,361	—	3,361	—	3,361
“STORE’s R∞” CRM tool	—	617	—	617	—	617
Travel Tech	—	—	318	318	—	318
Others	2	173	—	175	—	175
Net sales from contracts with customers	3,182	4,152	318	7,653	—	7,653
Net sales from external customers	3,182	4,152	318	7,653	—	7,653
Transactions with other segments	—	—	0	0	(0)	—
Total	3,182	4,152	319	7,653	(0)	7,653
Segment operating income (loss)	563	1,212	(31)	1,744	(428)	1,315

(Notes) 1. The adjustment to segment operating income (loss) of ¥(428) million constitutes corporate expense not allocated to any of the reportable segments.

2. Segment operating income (loss) is adjusted to operating income on the quarterly consolidated statement of income and comprehensive income.

II. The first quarter of the fiscal year (cumulative) (Jan. 1 to Mar. 31, 2025)

Information about sales and income (loss) for each reportable segment and information on disaggregation of net sales

(¥ millions)

	Reportable segments				Adjustments (Note 1)	Amounts reported on the quarterly consolidated statement of income and comprehensive income (Note 2)
	Marketing Solutions Business	EC Solutions Business	Travel Tech Business	Total		
Net sales						
“Affiliate Marketing” pay-per-performance advertising						
ASP	602	—	—	602	—	602
Consulting	2,124	—	—	2,124	—	2,124
Options	715	—	—	715	—	715
“StoreMatch” pay-per- click advertising	—	3,694	—	3,694	—	3,694
“STORE’s R∞” CRM tool	—	599	—	599	—	599
Travel Tech	—	—	351	351	—	351
Others	10	83	—	94	—	94
Net sales from contracts with customers	3,452	4,377	351	8,181	—	8,181
Net sales from external customers	3,452	4,377	351	8,181	—	8,181
Transactions with other segments	—	—	3	3	(3)	—
Total	3,452	4,377	355	8,185	(3)	8,181
Segment operating income (loss)	398	1,162	(72)	1,488	(432)	1,055

(Notes) 1. The adjustment to segment operating income (loss) of ¥(432) million constitutes corporate expense not allocated to any of the reportable segments.

2. Segment operating income (loss) is adjusted to operating income on the quarterly consolidated statement of income and comprehensive income.

(Notes when there are significant changes in amounts of equity)

Not applicable.

(Notes - Uncertainties of entity’s ability to continue as going concern)

Not applicable.