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# Non-consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



MEMBERSHIP

January 31, 2025

Company name: Vega corporation Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3542  
 URL: <https://www.vega-c.com/en/ir>  
 Representative: Tomokazu Ukishiro, President and Chief Executive Officer  
 Contact: Kazuhiro Kawabata, Director and Head of Corporate Management Headquarters  
 Phone: +81-92-281-3501  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on financial results: Available  
 Schedule of financial results briefing session: Not scheduled

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

## 1. Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024, to December 31, 2024)

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2024	11,237	(4.9)	507	67.8	512	60.5	327	195.2
December 31, 2023	11,812	(5.3)	302	40.6	319	35.5	110	340.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2024	31.65	31.62
December 31, 2023	10.62	10.62

## (2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	7,530	5,929	78.7
As of March 31, 2024	7,209	5,566	77.2

(Reference) Equity: As of December 31, 2024: ¥5,929 million  
 As of March 31, 2024: ¥5,566 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					
March 31, 2024	—	0.00	—	10.00	10.00
Fiscal year ending					
March 31, 2025	—	0.00	—		
Fiscal year ending					
March 31, 2025 (forecast)				11.00	11.00

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

### 3. Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024, to March 31, 2025)

(% indicates changes from the previous corresponding period.)

Full year	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	16,000	(0.4)	900	16.6	900	13.9	540	36.9	52.17

(Note) Revision to the financial results forecast announced most recently: Yes

#### \*Notes:

- (1) Adoption of accounting policies for the preparation of quarterly financial statements: Yes
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - As of December 31, 2024: 10,669,000 shares
    - As of March 31, 2024: 10,669,000 shares
  - 2) Total number of treasury shares at the end of the period:
    - As of December 31, 2024: 309,974 shares
    - As of March 31, 2024: 332,974 shares
  - 3) Average number of shares during the period:
    - Nine months ended December 31, 2024: 10,347,541 shares
    - Nine months ended December 31, 2023: 10,445,141 shares

(Note) The number of treasury shares deducted for the purpose of calculating the total number of treasury shares at the end of the period and average number of shares during the period include the Company's shares held by Custody Bank of Japan, Ltd. (trust account E) as a trust asset under the Employee Stock Ownership Plan (JESOP).  
 Total number of treasury shares at the end of the period  
 (As of December 31, 2024: 109,750 shares; as of March 31, 2024: 132,750 shares)  
 Average number of shares during the period  
 (Nine months ended December 31, 2024: 121,234 shares; nine months ended December 31, 2023: 140,023 shares)

\* Review of the accompanying quarterly financial statements by certified public accountants and audit firms: None

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

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the date of publication of this document, and the Company does not in any way guarantee the achievement of the projections. In addition, actual results may differ significantly from these forecasts due to various factors. For preconditions for the financial results forecast and notes on the use thereof, etc., please refer to "(3) Explanation of Financial Results Forecast and Other Forward-looking Information" in "1. Qualitative Information on Quarterly Financial Results for the Period under Review" on page 3 of the Appendix.

(Method of obtaining briefing materials)

Briefing materials on quarterly financial results are provided on TDnet on January 31, 2025.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Business Results

During the nine months ended December 31, 2024 (from April 1, 2024, to December 31, 2024), the Japanese economy showed a gradual recovery trend, with personal consumption recovering due to the normalization of economic activities and improvements in employment and income conditions. However, there is an ongoing need to keep a close eye on economic trends both in and outside of Japan, with growing concerns regarding sharp fluctuations in exchange rates caused by domestic and U.S. monetary policies, soaring raw material and energy prices, and the weakening of consumer sentiment due to rising prices.

In the furniture and interior industry, the business environment continues to be challenging due to intensifying competition taking place across business categories in addition to increased raw material prices and logistics costs. Meanwhile, the scale of the sundries, furniture and interior B to C-EC market, to which the Company belongs, expanded strongly to ¥2,472.1 billion in 2023, up 5.0% year on year (source: FY2023 Digital Business Environment Improvement Project, E-Commerce Market Survey; Ministry of Economy, Trade and Industry, September 2024). The rate of e-commerce usage in the furniture and interior industry remains low compared with other industries, and further market expansion is expected, with ample room for a further shift to e-commerce.

Under such a business environment, in its Furniture E-Commerce business, the Company aggressively develops actual stores to expand touch points with customers for establishing an OMO-type direct-to-consumer (D2C) business. The Company also works on expanding distribution through its LOWYA flagship store (the Company's website) and major e-commerce marketplace stores. At the LOWYA flagship store, identified as a core pillar of growth, the Company worked on expanding distribution and improving brand recognition by strengthening its social media presence, as well as encouraging membership through mobile app downloads. Access count and distribution declined as we continued to curb sales promotion expenses and advertising expenses as profitability improvement efforts since the previous fiscal year. However, we were able to build a profitable and efficient sales structure. In terms of product lineup, the Company continued its effort to expand genres and the number of items, develop hit products and high-profit-margin products, under its own private brands, which is an initiative it has been working on for some time.

Regarding actual store development, the Company has gradually seen a positive impact on its LOWYA flagship store from stores already opened, and will continue verifying the establishment of an OMO-type D2C business. The Company plans to open four to six new stores in the current fiscal year and opened them in Yokohama City, Kanagawa Prefecture in August 2024; in Setagaya Ward, Tokyo in September 2024; in Aki District, Hiroshima Prefecture in October 2024, and in Ibaraki City, Osaka Prefecture and Shizuoka City, Shizuoka Prefecture in November 2024. We have decided to open a new store in Anjo City, Aichi Prefecture in April 2025. We will continue to actively engage in the development of actual stores to expand touch points with our customers.

As for profit, the Company implemented stable cost ratio control by implementing forward exchange contracts and other measures, although the trend of yen depreciation continues. In addition, profit increased significantly compared with the same period of the previous fiscal year. This resulted from efforts to control personnel expenses and fixed costs, centered on optimizing advertising costs through profit improvement initiatives that have been ongoing since the previous fiscal year.

In the new International EC Platform DOKODEMO business, total distribution volume has decreased due to continued changes in inbound consumption and the impact of optimization of advertising costs. However, as a result of initiatives such as helping store owners to enhance their product lineup and carrying out marketing measures, the number of members and app downloads is steadily increasing, and we will continue our efforts to expand the total distribution volume.

As a result of the above initiatives, the Company's business results for the nine months ended December 31, 2024, were ¥11,237 million in net sales (down 4.9% year on year), ¥507 million in operating profit (up 67.8% year on year), ¥512 million in ordinary profit (up 60.5% year on year) and ¥327 million in profit (up 195.2% year on year).

## (2) Explanation of Financial Position

Total assets as of the end of the third quarter under review increased ¥320 million to ¥7,530 million (¥7,209 million as of the end of the previous fiscal year). Current assets rose ¥51 million to ¥6,204 million (¥6,153 million as of the end of the previous fiscal year). This was mainly due to increases of ¥145 million in cash and deposits, ¥186 million in merchandise, and ¥150 million in forward exchange contracts, and a decrease of ¥362 million in accounts receivable - trade. Non-current assets were up ¥268 million to ¥1,325 million (¥1,056 million as of the end of the previous fiscal year). This was mainly due to increases of ¥235 million in property, plant and equipment, and ¥141 million in leasehold and guarantee deposits.

Liabilities fell ¥42 million to ¥1,600 million (¥1,643 million as of the end of the previous fiscal year). Current liabilities decreased ¥44 million to ¥1,542 million (¥1,586 million as of the end of the previous fiscal year). This was mainly due to an increase of ¥91 million in accounts payable - trade and a decrease of ¥211 million in income taxes payable. Non-current liabilities were up ¥1 million to ¥58 million (¥56 million as of the end of the previous fiscal year).

Net assets grew ¥363 million to ¥5,929 million (¥5,566 million as of the end of the previous fiscal year). This was mainly due to increases of ¥222 million in retained earnings, and ¥104 million in deferred gains or losses on hedges.

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

In light of recent business trends, revisions have been made to the full-year forecast of financial results for the fiscal year ending March 31, 2025, released on May 15, 2024. For details, please refer to the “Notice of Revision of FY2025 Full-Year Financial Results Forecast,” released today, January 31, 2025.

## 2. Quarterly Financial Statements and Primary Notes

### (1) Quarterly Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,750,184	1,896,070
Accounts receivable - trade	1,739,849	1,377,787
Merchandise	2,110,508	2,296,610
Forward exchange contracts	94,614	245,070
Other	457,935	389,296
Total current assets	6,153,093	6,204,835
Non-current assets		
Property, plant and equipment	234,199	469,489
Intangible assets	284,507	219,316
Investments and other assets		
Deferred tax assets	186,921	140,065
Leasehold and guarantee deposits	250,498	391,884
Other	103,711	107,652
Allowance for doubtful accounts	(3,200)	(3,200)
Total investments and other assets	537,930	636,402
Total non-current assets	1,056,637	1,325,208
Total assets	7,209,731	7,530,043
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	242,433	334,111
Accounts payable - other	787,139	768,498
Income taxes payable	264,602	52,788
Provision for bonuses	101,112	40,555
Provision for product warranties	6,337	6,337
Other	185,126	339,811
Total current liabilities	1,586,752	1,542,102
Non-current liabilities		
Provision for share awards	56,349	41,025
Asset retirement obligations	—	17,197
Total non-current liabilities	56,349	58,222
Total liabilities	1,643,101	1,600,325
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,037,128	1,037,128
Capital surplus	1,020,753	1,020,753
Retained earnings	3,747,515	3,970,366
Treasury shares	(319,237)	(285,913)
Total shareholders' equity	5,486,159	5,742,334
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,694	17,060
Deferred gains or losses on hedges	65,757	170,323
Total valuation and translation adjustments	80,451	187,384
Share acquisition rights	18	—
Total net assets	5,566,629	5,929,718
Total liabilities and net assets	7,209,731	7,530,043

(2) Quarterly Statements of Income  
For the nine months ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	11,812,056	11,237,504
Cost of sales	6,024,923	5,487,303
Gross profit	5,787,132	5,750,200
Selling, general and administrative expenses	5,484,760	5,242,857
Operating profit	302,371	507,343
Non-operating income		
Foreign exchange gains	814	136
Compensation income	5,624	5,399
Other	11,156	3,714
Total non-operating income	17,595	9,250
Non-operating expenses		
Loss on investments in investment partnerships	691	1,032
Loss on sale of goods	—	3,026
Other	0	57
Total non-operating expenses	692	4,116
Ordinary profit	319,275	512,477
Extraordinary losses		
Loss on valuation of investment securities	100,003	—
Total extraordinary losses	100,003	—
Profit before income taxes	219,271	512,477
Income taxes - current	108,330	185,010
Income taxes-deferred	—	(71)
Total income taxes	108,330	184,938
Profit	110,941	327,538

(3) Notes to the Quarterly Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on significant changes in shareholders' equity)

There is no relevant information.

(Adoption of accounting policies for the preparation of quarterly financial statements)

Tax expenses are determined based on the amount of profit before income taxes for the nine months ended December 31, 2024, multiplied by the effective tax rate after the adoption of tax-effect accounting estimated for the entire fiscal year ending March 31, 2025. However, in cases where the result of calculation using this estimated effective tax rate significantly lacks rationality, calculations are made based on the statutory tax rate.

(Notes on segment information, etc.)

Segment information is omitted as the Company engages in the single segment of the e-commerce business.

(Notes to statements of cash flows)

Quarterly statements of cash flows pertaining to the nine months ended December 31, 2024, have not been prepared. Depreciation (including amortization related to intangible assets) pertaining to the first nine months is as follows:

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	¥111,973 thousand	¥117,550 thousand