

**Financial Results for the 3rd Quarter of the Fiscal Year Ending December 31, 2024**  
**[Japanese Standards] (Consolidated)**

Nov 13, 2024

Listed company name: CARTA HOLDINGS, Inc.      Listed stock exchange: TSE Prime Market  
 Stock Code No.: 3688      URL: <https://cartaholdings.co.jp/en/ir/>  
 Representative: Title President and Representative Director      Name: Shinsuke Usami  
 Contact: Title Director and CFO      Name: Hidenori Nagaoka      TEL +81-3-4577-1453  
 Scheduled date of dividend payments: —  
 Availability of supplementary information: Yes  
 Holding investors' meeting: Yes  
 (For security analysts and institutional investors)

*(Rounded down to million yen)*

**1. Consolidated Financial Results for FY 2024 First Nine Months (January 1, 2024 – September 30, 2024)**

(1) Consolidated results of operations (cumulative total)      (The percentage indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
FY 2024 first nine months	17,427	(1.2)	1,349	391.7	1,318	75.0	917	—
FY 2023 first nine months	17,631	(9.4)	274	(86.7)	753	(73.3)	(1,531)	—

(Note) Comprehensive Income: FY 2024 first nine months: ¥972 million (-)%  
 FY 2023 first nine months: ¥(969) million (-)%

	Net income per share	Diluted net income per share	EBITDA	
	¥	¥	¥million	%
FY 2024 first nine months	36.30	—	2,247	—
FY 2023 first nine months	(60.86)	—	176	(96.3)

\* 1. EBITDA noted above (earnings before interest, tax, depreciation, and amortization) is calculated by adding interest expenses, depreciation, amortization, amortization of goodwill, loss on retirement of non-current assets, and impairment loss to the Company's profit before income taxes.

2. Diluted net income per share for the first nine months of FY2023 is not presented because net income per share was negative, although dilutive shares did exist.

3. Diluted net income per share for the first nine months of FY2024 is not presented because potentially dilutive shares did not exist.

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	Yen
September 30, 2024	42,885	23,550	54.3	920.76
December 31, 2023	49,863	23,833	47.2	935.06

(Reference) Owned capital: September 30, 2024: ¥23,296 million  
 December 31, 2023: ¥23,534 million

## 2. Dividend status

	Annual dividends				
	1Q end	2Q end	3Q end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	27.00	—	27.00	54.00
FY 2024	—	27.00	—		
FY 2024 (Forecast)				27.00	54.00

(Note) Revisions to dividend forecast for the current quarter: No

## 3. Forecast of Consolidated Financial Results for FY 2024 (January 1, 2024 – December 31, 2024)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	EBITDA	
	¥million	%	¥million	%	¥million	%	¥million	%	Yen	¥million	%
Full year	24,000	(0.5)	2,000	53.6	2,100	16.8	1,600	—	63.38	3,200	174.9

(Note) Revisions to performance results forecast for the current quarter: No

### ※ Notes

(1) Significant changes in the scope of consolidation during the period : No

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

Please see “2. Consolidated Financial Statements (3) Notes to Condensed Quarterly Consolidated Financial Statements (Adoption of Accounting Method Specific to Preparation of Quarterly Consolidated Financial Statements)” on page 10 of the attached documents.

(3) Changes in accounting policies, changes in accounting estimates, corrections and restatements and retrospective restatements

- |  |        |
|--|--------|
| 1) Changes in accounting policy resulting from revisions to accounting standards | : None |
| 2) Changes in accounting policy other than above                                 | : None |
| 3) Changes in accounting estimates   | : None |
| 4) Retrospective restatements  | : None |

(4) Number of shares issued (common stock)

1) Number of shares issued and outstanding (including treasury stock)

As of September 30, 2024	25,300,971	As of December 31, 2023	25,168,971
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2) Number of treasury stock issued and outstanding

As of September 30, 2024	25	As of December 31, 2023	—
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3) Average number of shares during the period (quarterly consolidated cumulative accounting period)

Nine months ended September 30, 2024	25,263,339	Nine months ended September 30, 2023	25,163,971
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※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None

※ Explanations related to appropriate use of the performance forecast and other special instructions  
(Note on forward-looking statements)

Earnings forecasts and other forward-looking statements in this report are based on information currently available and certain assumptions judged to be reasonable. Therefore, these statements do not constitute a guarantee of achievement. Actual results may differ materially for various reasons.

Please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information” on page 5 of the attached documents.

(Supplementary materials)

Supplementary materials on financial results are on our website (in English and Japanese).

## Attachment

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

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

### (1) Analysis of Operating Results

With regard to the online advertising market where the Group operates its mainstay business, according to research by Dentsu Inc., in 2023 internet advertising spending grew to ¥3,333.0 billion, up 7.8% year on year, owing to rising demand for video advertising on account of growing use of connected TVs(\*) and growth in the market for digital promotion.

In addition, among internet advertising spending, internet advertising medium expenditures amounted to ¥2,687.0 billion, up 8.3% year on year, a substantial increase. In addition to rising TV media-related advertising expenditures against the backdrop of greater use of connected TVs and other factors, this was attributable to higher advertising expenditures for product sales-related EC platforms due to at-home demand becoming more prevalent.

Under these circumstances, the Group announced its “new medium-term management policy” in February 2023, and promoted business based on its strategy and business policy.

As a result, the Group posted net sales of ¥17,427 million, or a decrease of 1.2% year on year, and operating income of ¥1,349 million, or an increase of 391.7% year on year, due to lower selling, general and administrative expenses owing to having taken cost reduction measures. Ordinary income amounted to ¥1,318 million, or an increase of 75.0% year on year, and profit attributable to owners of parent was ¥917 million (loss attributable to owners of parent of ¥1,531 million for the same period of the previous fiscal year).

\*TVs with internet connections.

Financial results for each segment were as follows. Sales of each segment include intersegment sales and transfers.

#### 1) Digital Marketing Business

The Digital Marketing Business provides digital marketing support to advertising agencies, clients, and others, as well as media DX support.

While the direct sales volume and the sales volume from the new alliance with the Dentsu Group Inc. increased, the sales volume of reservation-based advertising within agent sales transactions remained low. As a result, net sales amounted to ¥11,738 million, or a decrease of 4.8% year on year, while segment income was ¥1,027 million, or an increase of 1,742.2% year on year, due to falling selling, general and administrative expenses owing to cost cutting measures.

#### 2) Internet-related Business

In addition to providing media solutions, the Internet-related Business administers services in the EC and HR domains.

The Internet-related Business recorded net sales of ¥5,755 million, or an increase of 8.1% year on year, and segment income of ¥321 million, or an increase of 47.2% year on year.

## **(2) Analysis of Financial Position**

### **(Assets)**

Consolidated assets as of the end of the period under review totaled ¥42,885 million, a decrease of ¥6,978 million from the end of the previous fiscal year. This was mainly attributable to decreases in accounts receivable – trade and lease and guarantee deposits.

### **(Liabilities)**

Consolidated liabilities as of the end of the period under review amounted to ¥19,335 million, a decrease of ¥6,695 million from the end of the previous fiscal year. This was mainly attributable to decreases in accounts payable – trade and account payable - other.

### **(Net Assets)**

Consolidated net assets as of the end of the period under review stood at ¥23,550 million, a decrease of ¥282 million from the end of the previous fiscal year. This was primarily due to a decrease in retained earnings on account of payment of dividends of surplus.

## **(3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information**

No revisions have been made to the full-year consolidated performance forecast announced in “Notice Regarding Revisions to Full-Year Consolidated Financial Results Forecast” on August 9, 2024.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	13,528	13,932
Accounts receivable - trade	17,496	12,635
Securities	1,765	1,870
Merchandise	101	131
Supplies	379	98
Other	4,494	3,456
Allowance for doubtful accounts	(95)	(154)
Total current assets	37,669	31,969
Non-current assets		
Property, plant and equipment	1,908	1,761
Intangible assets		
Goodwill	600	503
Other	1,567	1,491
Total intangible assets	2,168	1,995
Investments and other assets		
Investment securities	5,195	5,414
Deferred tax assets	260	289
Lease and guarantee deposits	2,635	1,439
Other	26	15
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	8,117	7,159
Total non-current assets	12,194	10,916
<b>Total assets</b>	<b>49,863</b>	<b>42,885</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	15,543	11,698
Asset retirement obligations	52	–
Provision for bonuses	8	48
Provision for extra retirement payments	18	8
Provision for point card certificates	499	444
Provision for head office relocation	131	–
Provision for settlements	175	–
Account payable – other	3,460	1,206
Income taxes payable	535	245
Deposits received	3,872	3,706
Other	1,406	1,627
Total current liabilities	25,704	18,985
Non-current liabilities		
Deferred tax liabilities	16	–
Other	309	349
Total non-current liabilities	325	349
<b>Total liabilities</b>	<b>26,030</b>	<b>19,335</b>

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Net assets		
Shareholders' equity		
Capital stock	1,517	1,614
Capital surplus	12,445	12,542
Retained earnings	9,021	8,576
Treasury shares	—	(0)
Total shareholders' equity	22,985	22,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	476
Foreign currency translation adjustment	71	86
Total accumulated other comprehensive income	549	563
Share acquisition rights	66	9
Non-controlling interests	231	244
Total net assets	23,833	23,550
Total liabilities and net assets	49,863	42,885

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**(Consolidated Statements of Income)**

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	17,631	17,427
Cost of sales	2,048	1,766
Gross profit	15,582	15,661
Selling, general and administrative expenses	15,308	14,311
Operating profit	274	1,349
Non-operating income		
Interest income and dividends income	50	129
Investment dividend	291	—
Gain on investments in partnership	54	10
Foreign exchange gains	180	—
Share of gain of entities accounted for using equity method	—	6
Other	70	15
Total non-operating income	646	162
Non-operating expenses		
Interest expenses	0	0
Share of loss of entities accounted for using equity method	81	—
Loss on investments in partnership	79	163
Foreign exchange losses	—	26
Other	6	2
Total non-operating expenses	167	192
Ordinary profit	753	1,318
Extraordinary income		
Gain on sales of investment securities	12	261
Gain on sales of shares of subsidiaries	29	—
Gain on reversal of subscription rights to shares	—	14
Other	6	—
Total extraordinary income	48	276
Extraordinary losses		
Loss on retirement of non-current assets	7	39
Impairment loss	*1 966	—
Loss on valuation of investment securities	39	54
Head office relocation expenses	*2 755	—
Loss on extra retirement payments	*3 526	—
Other	24	—
Total extraordinary losses	2,321	93
Profit before income taxes	(1,519)	1,501
Income taxes	(102)	542
Profit	(1,416)	958
Profit attributable to non-controlling interests	114	41
Profit attributable to owners of parent	(1,531)	917



## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	(1,416)	958
Other comprehensive income		
Valuation difference on available-for-sale securities	363	8
Foreign currency translation adjustment	1	(1)
Share of other comprehensive income of entities accounted for using equity method	82	6
Total other comprehensive income	447	13
Comprehensive income	(969)	972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,084)	930
Comprehensive income attributable to non-controlling interests	114	41

**(3) Notes to Condensed Quarterly Consolidated Financial Statements  
(Going Concern Assumption)**

None

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

None

**(Adoption of Accounting Method Specific to Preparation of Quarterly Consolidated  
Financial Statements)**

**(Calculation of tax expenses)**

Tax expenses for the period are calculated by multiplying net income before income taxes for the period by the reasonably estimated annual effective tax rate after applying tax effect accounting which is calculated based on the estimated net income before income taxes for the entire fiscal year.

**(Changes in Accounting Estimates)**

None

**(Notes to Quarterly Consolidated Statements of Income)****\*1 Impairment loss**

For the nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

The Group recorded impairment losses on the following asset groups.

(Millions of yen)

Location	Usage	Type	Impairment loss
Shibuya-ku, Tokyo	Head office (CARTA HOLDINGS, Inc.)	Buildings	370
Chuo-ku, Tokyo	Head office (CARTA COMMUNICATIONS Inc.)	Buildings	571
		Furniture and fixtures	16
Shibuya-ku, Tokyo	Business assets (Digital Marketing Business)	Software	7

The Group, in the recognition of impairment losses, basically groups its assets according to the classifications in management accounting, by which income and expenditure are monitored on an ongoing basis.

At the Board of Directors meeting held on February 13, 2023, the Company resolved to integrate the head offices of CARTA HOLDINGS, Inc. (Shibuya-ku, Tokyo) and CARTA COMMUNICATIONS Inc. (Chuo-ku, Tokyo), which are our major business locations, to a new head office (planned relocation to Minato-ku, Tokyo), as part of the management integration. As a result, the carrying amount of the asset group with no prospects for future use was reduced to the recoverable amount. The recoverable amount used in the calculation of impairment losses of this asset group was measured at its net realizable value. However, since the relocation was expected to have an obligation of restitution to the original state, involving disposal of interior furnishings, at the cancellation of the lease, it was valued at zero. In addition, in the second and third quarters of the fiscal year ended December 31, 2023, we changed the estimate of costs for restitution to the original state in line with the new agreement which allows the Company's head office to vacate some of the current offices with its furnishings left; and accordingly, we have reversed the full amount of the impairment loss of lease deposits which was recorded in the first quarter of the fiscal year ended December 31, 2023.

In the Digital Marketing Business, the carrying amount of certain software was reduced to the recoverable amount because the initially expected earnings of the software are no longer expected. The reduced amount was recorded as impairment loss under extraordinary losses.

**\*2 Head office relocation expenses**

For the nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

At the Board of Directors meeting held on February 13, 2023, the Company resolved to integrate the head offices of CARTA HOLDINGS, Inc. (Shibuya-ku, Tokyo) and CARTA COMMUNICATIONS Inc. (Chuo-ku, Tokyo), which are our major business locations, to a new head office (planned relocation to Minato-ku, Tokyo), as part of the management integration. As a result, the Company recorded provision for head office relocation for relocation-related expenses, etc. In addition, in the second quarter of the fiscal year ended December 31, 2023, the amount of head office relocation expenses decreased due to the new agreement which allows the Company's head office to vacate some of the current offices with its furnishings left.

**\*3 Extra retirement payments**

For the nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

At the Board of Directors meeting held on September 5, 2023, the Company resolved to call for voluntary retirement. As a result, the Company recorded a provision for extra retirement payments for expenses, etc. related to extra retirement payments to be made to those who retire on a voluntary basis.

**(Segment Information, etc.)**

[Segment Information]

I For the nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

1. Information on sales and income or loss, and information on disaggregation of profit, by reportable business segment

(Millions of yen)

	Reportable Segments			Adjustment	Consolidation (Note)
	Digital Marketing Business	Internet-related Business	Total		
Sales					
Profit from contracts with customers	12,305	5,326	17,631	—	17,631
Other profit	—	—	—	—	—
Outside Sales	12,305	5,326	17,631	—	17,631
Intersegment Sales or Transfer	25	—	25	(25)	—
Total	12,331	5,326	17,657	(25)	17,631
Segment Income	55	218	274	—	274

(Note) Segment income is adjusted against operating profit in the Consolidated Statements of Income.

2. Information concerning impairment loss on non-current assets, goodwill and other items by reportable business segment

(Material impairment loss on non-current assets)

(Millions of yen)

	Reportable Segments			Corporate/ Elimination	Total
	Digital Marketing Business	Internet-related Business	Total		
Impairment loss	7	—	7	958	966

In the Digital Marketing Business segment, the Company has recorded an impairment loss on the entire carrying amount of its non-current assets for which profitability has declined, with the recoverable amount being zero.

The Company resolved to integrate the head offices of CARTA HOLDINGS, Inc. (Shibuya-ku, Tokyo) and CARTA COMMUNICATIONS Inc. (Chuo-ku, Tokyo), which are our major business locations, to a new head office (Minato-ku, Tokyo), as part of the management integration. As a result of this relocation, in the fiscal year ended December 31, 2023, the Company recorded an impairment loss of ¥958 million on the non-current assets of existing offices. This impairment loss is included in the impairment loss under extraordinary losses in the quarterly consolidated statements of income.

(Material changes in goodwill)

In the first quarter of the fiscal year ended December 31, 2023, the Company acquired shares of D-Marketing Academy, inc. and included it in the scope of consolidation. The increase in goodwill in the Digital Marketing Business segment due to this business was ¥256 million.

(Material profit from negative goodwill)

None

II For the nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)

1. Information on sales and income or loss, and information on disaggregation of profit, by reportable business segment

(Millions of yen)

	Reportable Segments			Adjustment	Consolidation (Note)
	Digital Marketing Business	Internet-related Business	Total		
Sales					
Profit from contracts with customers	11,672	5,755	17,427	—	17,427
Other profit	—	—	—	—	—
Outside Sales	11,672	5,755	17,427	—	17,427
Intersegment Sales or Transfer	66	—	66	(66)	—
Total	11,738	5,755	17,494	(66)	17,427
Segment Income	1,027	321	1,349	—	1,349

(Note) Segment income is adjusted against operating profit in the Consolidated Statements of Income.

2. Information concerning impairment loss on non-current assets, goodwill and other items by reportable business segment

(Material impairment loss on non-current assets)

None

(Material changes in goodwill)

None

(Material profit from negative goodwill)

None

(Notes to Statements of Cash Flows)

The Company does not prepare the quarterly Consolidated Statements of Cash Flows for the nine months ended September 30, 2024. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended September 30 were as follows.

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Depreciation	492	610
Amortization of goodwill	228	97

(Significant Subsequent Events)

None