

Disclaimer:

This financial report is solely a translation of the “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending June 30, 2023
(Six Months Ended December 31, 2022)

[Japanese GAAP]

February 14, 2023

Company name: MarketEnterprise Co., Ltd.

Securities code: 3135

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Listing: Tokyo Stock Exchange

URL: <http://www.marketenterprise.co.jp/>

Scheduled date of filing of Quarterly Report:

February 14, 2023

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2023

(July 1, 2022 to December 31, 2022)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Dec. 31, 2022	7,386	34.5	(43)	-	(73)	-	(134)	-
Six months ended Dec. 31, 2021	5,492	(2.4)	(204)	-	(221)	-	(177)	-

Note: Comprehensive income (millions of yen)

Six months ended Dec. 31, 2022: (119) (- %)

Six months ended Dec. 31, 2021: (162) (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2022	(25.20)	-
Six months ended Dec. 31, 2021	(33.51)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2022	4,167	1,187	22.1
As of Jun. 30, 2022	3,531	1,296	29.7

Reference: Shareholders' equity (millions of yen)

As of Dec. 31, 2022: 920

As of Jun. 30, 2022: 1,050

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2022	-	0.00	-	0.00	0.00
Fiscal year ending Jun. 30, 2023	-	0.00			
Fiscal year ending Jun. 30, 2023 (forecasts)			-	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,000	25.1	300	-	275	-	167	-	31.39

Note: Revisions to the most recently announced earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding as of the end of the period (including treasury shares)

As of Dec. 31, 2022:	5,322,800 shares	As of Jun. 30, 2022:	5,304,800 shares
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2) Number of treasury shares as of the end of the period

As of Dec. 31, 2022:	395 shares	As of Jun. 30, 2022:	349 shares
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3) Average number of shares outstanding during the period

Six months ended Dec. 31, 2022:	5,321,800 shares	Six months ended Dec. 31, 2021:	5,295,513 shares
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* This summary report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecast, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to MarketEnterprise's management at the time these materials were prepared, but are not promises by MarketEnterprise regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

1) First half overview of the economy and business environment

In the first half of the fiscal year ending in June 2023, there were expectations for a recovery of economic activities due to the gradual elimination of restrictions on various activities due to the pandemic. But the outlook for the economy is still unclear because inflation linked to the rising cost of energy and raw materials and the negative effects of higher interest rates worldwide on the economy are holding down consumer sentiment.

Consumers in Japan have an even stronger desire than before to economize and seek low prices, but this is not the only defining characteristic of consumer spending. Purchasing activity by consumers in Japan is becoming more diverse as the range of ways people spend their money expands in order to reflect the different values and preferences of consumers. These trends are most pronounced with regard to purchases made using the internet. In this social environment, activities of the MarketEnterprise Group are guided by the “optimized trading company” vision that reflects the growing diversity of consumption behavior and the increasing interest in smart consumption and has the goal of giving everyone the best options for purchasing products and services. Another goal is to use business operations to play a role in the creation of the circular economy, an economic activity aimed at the realization of SDGs, which has become a global trend in recent years.

2) First half results of operations

The MarketEnterprise Group’s vision is to operate as an “optimized trading company for the creation of a sustainable society.” Group companies are dedicated to providing products and services that match the increasingly diverse range of consumption behavior and styles of people and, for some products and services, business operators and companies. Activities include use of the internet to give customers a selection of purchasing channels in order to match their needs.

We are currently implementing a medium-term management plan covering the three-year period ending in June 2024. The goals for the plan’s final year are net sales of 20 billion yen and an operating profit of 1.2 billion yen. In the current fiscal year, which is the middle year of this plan, investments are continuing for building a sound medium-term base for earnings. There are also activities for sales growth and becoming more profitable. The following table summarizes activities during the first half for accomplishing these goals.

Reportable segment	Activities
Second-hand Online Business	<p>(Second-hand business for individuals)</p> <ul style="list-style-type: none"> • Opening of the Chiba Purchasing Base in October for expanding operations to more areas • More buyers and vehicles for purchasing used items at customers’ homes for the growth of these purchases • Marketing investment for increasing the number of used items submitted for purchases <p>(Agricultural equipment)</p> <ul style="list-style-type: none"> • More overseas sales channels to increase exports • Growth of business with companies in Japan at the used agricultural equipment purchasing and sales business that was acquired from Farmally, inc. in the fourth quarter of the previous fiscal year. <p>(Oikura)</p> <ul style="list-style-type: none"> • IT system investments to increase earnings of Oikura as a second-hand distribution platform • Cooperation with local governments for public-private sector initiatives that contribute to accomplishing the SDGs (Increase the second-hand distribution of consumer products in order to reduce the amount of used products in trash and the environmental impact of these products.)

Media Business	<ul style="list-style-type: none"> • Maintenance activities for articles in this business to accommodate updated search engine algorithms • Expand the categories of products and services used to send customers to other MarketEnterprise businesses
Mobile & Telecommunications Business	<ul style="list-style-type: none"> • New rate plans that match customers' needs for increasing new service subscriptions • Service agreements with longer terms as customers ask to change from 4G to 5G

As a result, net sales were 7,386 million yen, 34.5% higher than in the first half of the previous fiscal year. Operating loss was 43 million yen, compared with a loss of 204 million yen one year earlier, ordinary loss was 73 million yen, compared with a loss of 221 million yen one year earlier, and loss attributable to owners of parent was 134 million yen, compared with a loss of 177 million yen one year earlier. Sales and earnings were generally consistent with the assumptions used for the medium-term management plan.

3) Business Segment Overview

• Second-Hand Online Business

This business, which is the core business of the MarketEnterprise Group, buys and sells second-hand merchandise by using only the internet and operating no brick-and-mortar stores.

To purchase second-hand merchandise, this business operates the takakuureru.com comprehensive purchasing website for all types of merchandise as well as other purchasing websites for specific categories of merchandise. Second-hand merchandise is sold using the internet by posting goods simultaneously on many websites, including YAHUOKU!, Rakuten, Amazon, ReRe, our own e-commerce site, and others. The main targets of this business are large or expensive merchandise and merchandise in large quantities. These types of merchandise are not suitable for C2C transactions because of the difficulty of packaging and sending these items. Using the C2B2C structure instead gives people confidence about the quality of merchandise and other aspects of these transactions due to the inclusion of a reputable company as an intermediary. During the past few years, we have used knowledge acquired by operating this business to start a second-hand agricultural equipment business. In addition to operating this business in Japan, we plan to diversify this business by using synergies with other group businesses, such as by exporting used agricultural equipment. There are also numerous initiatives under way for enlarging the base of operations for Oikura, an internet platform that matches sellers of second-hand items, which are ordinary consumers, with buyers, which are second-hand stores throughout Japan.

During the first half, operations started at the Chiba Purchasing Base in October 2022 to support the expansion of operations to more areas in order to meet the very strong demand for services for purchasing second-hand items. In addition, there were substantial marketing expenditures as in the previous fiscal year for increasing the number of items submitted to be purchased in the second-hand business for individuals. We also hired and trained buyers who visit customers and added more vehicles for this purchasing service. As these activities progressed, we increased the volume of used items purchased by starting activities targeting consumer needs that are not readily apparent involving the sale of used items. In the agricultural equipment sector, the volume of business with companies in Japan increased due to synergies with the used agricultural equipment buying and selling business of Farmally that we acquired in April 2022. In the Oikura business, we invested in IT systems as a second-hand platform to build a larger and more powerful base for long-term earnings. Public-private sector collaboration involving the SDGs is another major theme of this business. We are establishing partnerships with local governments with the goal of increasing the utilization of markets for used consumer goods in order to reduce the volume of waste materials and the environmental impact of discarded items. At the end of 2022, there were 16 of these partnerships, 10 more than at the end of the first quarter of the current fiscal year.

Sales increased 31.0% to 4,071 million yen and segment profit increased 462.0% to 121 million yen.

• Media Business

The media business uses internet media to distribute useful information concerning purchasing activities to people interested in smart consumption. This business operates eight internet media in five categories.

- iPhone Kakuyasu SIM Tsushin and SIMCHANGE, which have information about mobile phones and services
- Takakuureru.com Magazine and Oikura Magazine, which have information about selling and disposing items
- Beginners and Outlet Japan, which have information about buying items
- Saiyasu-Syuuri.com, which has information about repairing items
- Used Agricultural Equipment Market UMM, a platform for buying and selling used agricultural equipment

In the first half, there were maintenance activities for articles in the media of this business to reflect updated search engine algorithms. Due to this maintenance and the addition of more product and service categories used to send customers to other MarketEnterprise businesses, search rankings for highly profitable keywords were generally consistent with the forecast just as in the first quarter. As a result, performance in the core mobile phone and services media category was generally firm. In other media categories (hobbies, internet services and other sectors), there were big increases in page views and revenue from directing customers to other media.

Supported by these business activities and the diversification of sources of sales and earnings, sales increased 50.7% to 393 million yen and segment profit increased 60.6% to 230 million yen.

• Mobile & Telecommunications Business

Consolidated subsidiary MEMobile Co., Ltd. is the primary component of this business. This company provides telecommunication services that are less expensive, simpler, and easier to understand. The main service, which uses the Kashimo brand (an abbreviation for the words “smart mobile” in Japanese), is an internet connection service that uses a mobile Wi-Fi router.

During the first half, a large number of customers were sent to this business from our mobile phone and services media as collaboration with the media business increased. In addition, this business increased its exposure on media operated by other companies. The result was an increase in the number of new service contracts sold. In addition, we took steps to increase the length of contracts with customers as customers requested a switch to 5G service at the end of their 4G service plans. There was a temporary increase in expenses in this business for measures to build a sound base for medium-term earnings. One action is a large volume of advertising activity for selling phone service plans to new customers in order to raise sales of higher-rate plans with a high percentage of recurring revenue. These plans temporarily reduce earnings recorded when a new subscription is sold but increases earnings in the future.

Because of these numerous marketing initiatives, sales increased 38.6% to 2,995 million yen and segment profit increased 71.6% to 87 million yen.

(2) Explanation of Financial Position

1) Assets

Total assets at the end of the second quarter increased 636 million yen from the end of the previous fiscal year to 4,167 million yen. This was mainly due to increases of 355 million yen in cash and deposits, 218 million yen in merchandise and 169 million yen in investments and other assets. The increase in investments and other assets is attributable primarily to an increase in guarantee deposits associated with a MarketEnterprise stock future transaction contract with SBI SECURITIES Co., Ltd. in which MarketEnterprise will submit or receive a payment depending on the difference between two designated prices involving its stock when the contract ends.

2) Liabilities

Total liabilities increased 745 million yen from the end of the previous fiscal year to 2,980 million yen. The main reason was an increase of 801 million yen in short-term borrowings. There was a decrease of 118 million yen in long-term borrowings (including current portion of long-term borrowings).

3) Net assets

Net assets decreased 108 million yen from the end of the previous fiscal year to 1,187 million yen. This was

mainly due to loss attributable to owners of parent of 134 million yen.

Cash flows from operating activities

Net cash used in operating activities was 96 million yen (compared with 348 million yen used in the same period of the previous fiscal year). Main factors include increases of 37 million yen in trade payables, 46 million yen in accounts payable-other, 84 million yen in consumption taxes refund receivable, while there were loss before income taxes of 72 million yen and a 220 million yen increase in inventories.

Cash flows from investing activities

Net cash used in investing activities was 198 million yen (compared with 98 million yen used in the same period of the previous fiscal year). Main factors include purchase of property, plant and equipment of 26 million yen and payments of leasehold and guarantee deposits of 158 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 654 million yen (compared with 21 million yen used in the same period of the previous fiscal year). Main factors include proceeds from short-term borrowings of 4,701 million yen, while there were repayments of short-term borrowings of 3,900 million yen and long-term borrowings of 118 million yen and the payment of 27 million yen in arrangement fees and other expenses related to the establishment of a commitment line.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Sales and earnings in the first half are in line with our business plan. The MarketEnterprise Group maintains its consolidated forecast for the fiscal year ending June 30, 2023 that was announced on August 12, 2022.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/22 (As of Jun. 30, 2022)	Second quarter of FY6/23 (As of Dec. 31, 2022)
Assets		
Current assets		
Cash and deposits	941,696	1,296,699
Accounts receivable-trade	971,026	937,464
Merchandise	439,020	657,958
Allowance for doubtful accounts	-	(14,943)
Other	189,331	143,262
Total current assets	2,541,074	3,020,440
Non-current assets		
Property, plant and equipment	365,858	398,154
Intangible assets		
Goodwill	171,685	133,997
Other	44,095	36,781
Total intangible assets	215,781	170,779
Investments and other assets	408,667	578,616
Total non-current assets	990,307	1,147,551
Total assets	3,531,382	4,167,992
Liabilities		
Current liabilities		
Accounts payable-trade	366,179	403,681
Short-term borrowings	800,000	1,601,000
Current portion of long-term borrowings	247,656	230,491
Accounts payable-other	282,308	327,138
Lease liabilities	15,462	16,620
Income taxes payable	46,044	45,402
Other	300,807	274,557
Total current liabilities	2,058,458	2,898,892
Non-current liabilities		
Long-term borrowings	147,472	45,819
Lease liabilities	14,288	35,874
Other	15,071	311
Total non-current liabilities	176,832	82,005
Total liabilities	2,235,290	2,980,898
Net assets		
Shareholders' equity		
Share capital	325,937	330,999
Capital surplus	305,577	310,639
Retained earnings	406,710	273,182
Treasury shares	(530)	(582)
Total shareholders' equity	1,037,694	914,237
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,322	6,732
Total accumulated other comprehensive income	12,322	6,732
Share acquisition rights	1,040	936
Non-controlling interests	245,033	265,187
Total net assets	1,296,091	1,187,094
Total liabilities and net assets	3,531,382	4,167,992

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Six-month Period)**

	(Thousands of yen)	
	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)
Net sales	5,492,960	7,386,286
Cost of sales	3,578,328	4,703,571
Gross profit	1,914,632	2,682,714
Selling, general and administrative expenses	2,119,344	2,726,142
Operating loss	(204,712)	(43,427)
Non-operating income		
Dividend income of insurance	195	260
Subsidy income	4,667	1,639
Vending machine income	352	242
Gain on valuation of derivatives	-	4,800
Gain on sale of scraps	2,057	1,072
Other	1,209	1,313
Total non-operating income	8,481	9,327
Non-operating expenses		
Interest expenses	2,542	6,563
Foreign exchange losses	2,125	5,598
Commission expenses	20,421	26,590
Other	164	580
Total non-operating expenses	25,253	39,331
Ordinary loss	(221,484)	(73,431)
Extraordinary income		
Gain on sale of non-current assets	-	1,124
Total extraordinary income	-	1,124
Extraordinary losses		
Loss on retirement of non-current assets	7,798	0
Total extraordinary losses	7,798	0
Loss before income taxes	(229,283)	(72,307)
Income taxes-current	23,286	36,430
Income taxes-deferred	(86,814)	5,205
Total income taxes	(63,528)	41,635
Loss	(165,754)	(113,942)
Profit attributable to non-controlling interests	11,709	20,153
Loss attributable to owners of parent	(177,464)	(134,096)

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)
Loss	(165,754)	(113,942)
Other comprehensive income		
Foreign currency translation adjustment	3,151	(5,589)
Total other comprehensive income	3,151	(5,589)
Comprehensive income	(162,602)	(119,532)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(174,312)	(139,685)
Comprehensive income attributable to non-controlling interests	11,709	20,153

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)
Cash flows from operating activities		
Loss before income taxes	(229,283)	(72,307)
Depreciation	29,853	32,347
Amortization of goodwill	34,612	37,688
Increase (decrease) in allowance for doubtful accounts	-	14,943
Interest and dividend income	(38)	(35)
Interest expenses	2,542	6,563
Decrease (increase) in trade receivables	(157,896)	33,562
Decrease (increase) in inventories	(183,062)	(220,579)
Increase (decrease) in trade payables	36,365	37,502
Loss (gain) on sale of non-current assets	-	(1,124)
Loss on retirement of non-current assets	6,641	0
Subsidy income	(4,667)	(1,639)
Decrease (increase) in prepaid expenses	(13,363)	(35,935)
Increase (decrease) in accounts payable-other	28,521	46,550
Increase (decrease) in accrued expenses	4,008	3,214
Increase (decrease) in accrued consumption taxes	12,161	(29,226)
Decrease (increase) in consumption taxes refund receivable	-	84,646
Commitment line expense	20,421	26,590
Other, net	(12,641)	(14,511)
Subtotal	(425,824)	(51,750)
Interest and dividends received	38	35
Interest paid	(2,542)	(6,563)
Income taxes paid	(3,908)	(39,592)
Income taxes refund	79,312	0
Subsidies received	4,667	1,639
Net cash provided by (used in) operating activities	(348,258)	(96,231)
Cash flows from investing activities		
Purchase of property, plant and equipment	(41,970)	(26,658)
Proceeds from sale of property, plant and equipment	-	1,124
Purchase of investment securities	-	(15,000)
Purchase of intangible assets	(23,170)	-
Payments of leasehold and guarantee deposits	(34,876)	(158,117)
Other, net	1,550	454
Net cash provided by (used in) investing activities	(98,466)	(198,197)

(Thousands of yen)

	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	505	10,018
Proceeds from short-term borrowings	500,000	4,701,000
Repayments of short-term borrowings	-	(3,900,000)
Repayments of long-term borrowings	(491,112)	(118,818)
Repayments of lease liabilities	(9,300)	(9,856)
Arrangement fees and others paid	(22,000)	(27,605)
Other, net	-	(52)
Net cash provided by (used in) financing activities	(21,906)	654,687
Effect of exchange rate change on cash and cash equivalents	2,720	(5,255)
Net increase (decrease) in cash and cash equivalents	(465,910)	355,003
Cash and cash equivalents at beginning of period	1,469,224	941,696
Cash and cash equivalents at end of period	1,003,314	1,296,699

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information

I. First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Second-hand online	Media	Mobile & Telecommunica- tions	Total		
Net sales						
External sales	3,108,445	223,497	2,161,018	5,492,960	-	5,492,960
Inter-segment sales and transfers	-	37,773	-	37,773	(37,773)	-
Total	3,108,445	261,270	2,161,018	5,530,733	(37,773)	5,492,960
Segment profit (loss)	21,672	143,717	50,712	216,102	(420,814)	(204,712)

Notes: 1. The -420 million yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 38 million yen, and -459 million yen in corporate expenses that cannot be allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profits (losses) are adjusted to be consistent with operating loss shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

II. First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly consolidated financial statements (Note 2)
	Second-hand online	Media	Mobile & Telecommunica- tions	Total		
Net sales						
External sales	4,071,851	319,420	2,995,014	7,386,286	-	7,386,286
Inter-segment sales and transfers	-	74,418	-	74,418	(74,418)	-
Total	4,071,851	393,838	2,995,014	7,460,704	(74,418)	7,386,286
Segment profit (loss)	121,795	230,834	87,028	439,659	(483,086)	(43,427)

Notes: 1. The -483 million yen adjustment to segment profit includes elimination for inter-segment transactions of 55 million yen, and -539 million yen in corporate expenses that cannot be allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profits (loss) are adjusted to be consistent with operating loss shown on the consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

Revenue Recognition

Information on revenue from contracts with customers broken down

First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)

(Thousands of yen)

	Reportable segment			
	Second-hand online	Media	Mobile & Telecommunications	Total
Second-hand business for individuals	2,576,918	-	-	2,576,918
Machinery (agricultural equipment/ construction machinery)	531,526	-	-	531,526
Performance-based advertising revenue	-	223,497	-	223,497
Communication service fee income	-	-	2,161,018	2,161,018
Revenue from contracts with customers	3,108,445	223,497	2,161,018	5,492,960
Other income	-	-	-	-
External sales	3,108,445	223,497	2,161,018	5,492,960

First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)

(Thousands of yen)

	Reportable segment			
	Second-hand online	Media	Mobile & Telecommunications	Total
Second-hand business for individuals	3,048,692	-	-	3,048,692
Machinery (agricultural equipment/ construction machinery)	1,023,158	-	-	1,023,158
Performance-based advertising revenue	-	319,420	-	319,420
Communication service fee income	-	-	2,995,014	2,995,014
Revenue from contracts with customers	4,071,851	319,420	2,995,014	7,386,286
Other income	-	-	-	-
External sales	4,071,851	319,420	2,995,014	7,386,286