

Results of Operations for the Second Quarter of the Fiscal Year Ending June 30, 2022

February 14, 2022



MarketEnterprise Co., Ltd.



Securities code: 3135



1) 1H FY6/22 Results of Operations

2) Progress of Medium-term Management Plan by
Business Segment

3) FY6/22 Forecasts

Appendix: Company Overview



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Executive Summary

1

Net sales and operating profit on the recovery track in the first half
Business performance bottomed out and the Medium-term Management Plan is moving ahead as planned

2

- Second-hand Online: Purchases were steady but profit declined due to inventory buildup
Second-hand Services for Individuals: Purchases continue to be steady; Inventory increased in preparation for the demand period.
Machinery (agricultural equipment): Purchases are recovering, and sales were also up along with strong shipments.
Oikura: Number of participating stores are increasing steadily and collaboration with local governments is also favorable.
- Media: Driven by mobile and telecommunications media, page views (PVs) were at record high levels.
- Mobile & Telecommunications: New 5G subscriptions favorable. Number of lines also increased.

3

No change in FY6/22 forecasts

Consolidated Income Statement Summary (1H)

First half sales and earnings were consistent with the plan

(Million yen)	1H FY6/21	1H FY6/22	YoY change	
			Amount	%
Net sales	5,628	5,492	-135	-2.4%
Operating profit	206	(204)	-411	-
Ordinary profit	195	(221)	-416	-
Profit attributable to owners of parent	93	(177)	-271	-

Consolidated Income Statement Components

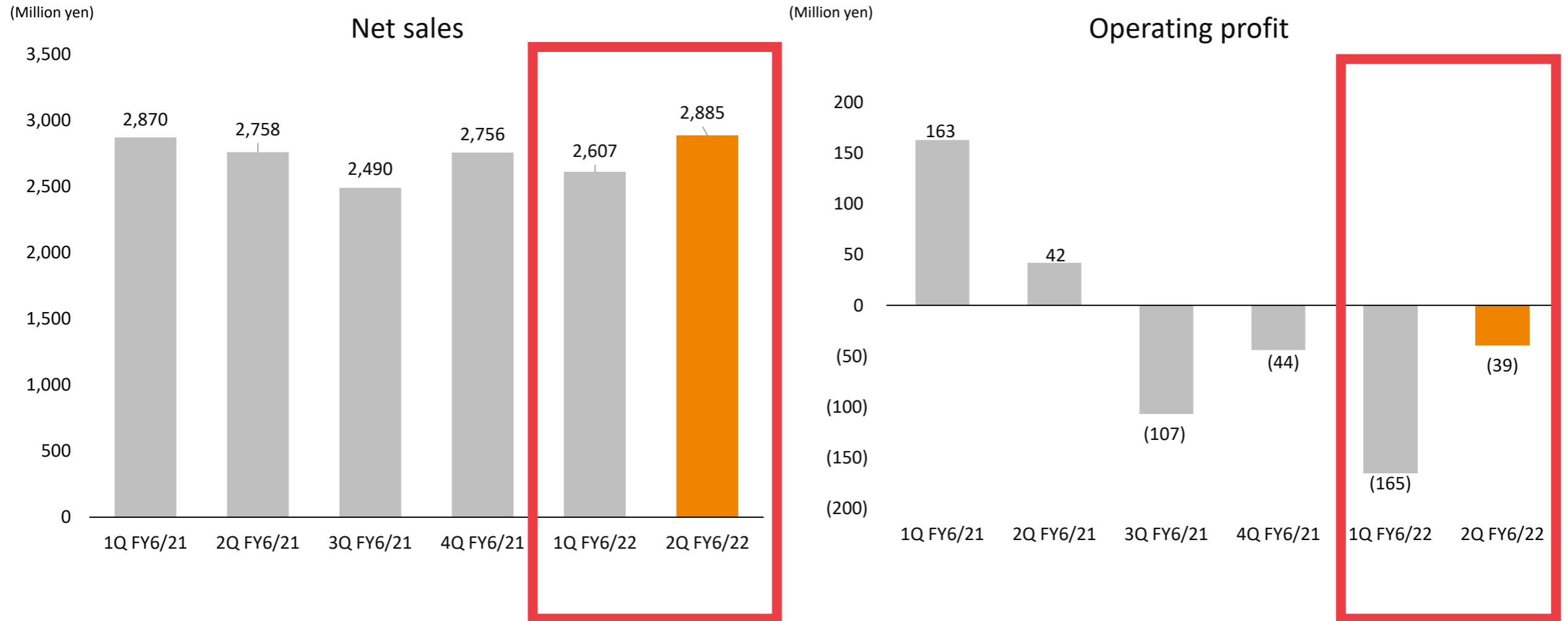
Gross profit declined as inventories rose due to stepped up purchases (See below on purchases and inventory)

Operating profit declined due to stepped up spending on advertising and sales promotion as well as on HR development.

(Million yen)	1H FY6/21 results (Jul. – Dec. 2020) (A)	1H FY6/22 results (Jul. – Dec. 2021) (B)	Change (B/A)
Net sales	5,628	5,492	-2.4%
Gross profit	2,058	1,912	-7.1%
Total SG&A expenses	1,851	2,117	+14.4%
Advertising expenses	230	417	+81.3%
Personnel expenses	664	735	+10.7%
Others	957	964	+0.7%
Operating profit	206	(204)	-

Quarterly Sales and Operating Profit

Business performance bottomed out as the 2Q sales and profit recovered from the previous quarter.





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**2) Progress of Medium-term Management Plan by
Business Segment**

3) FY6/22 Forecasts

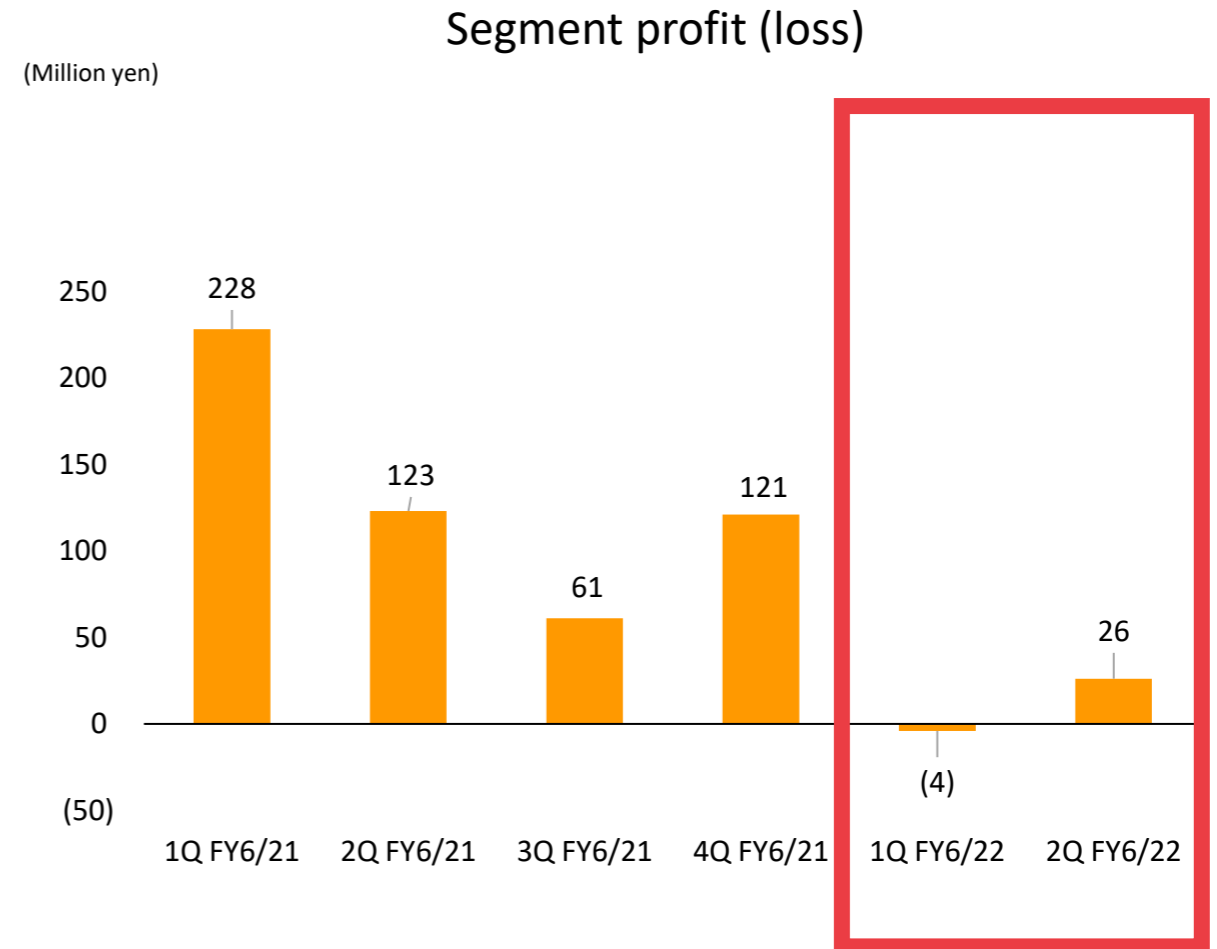
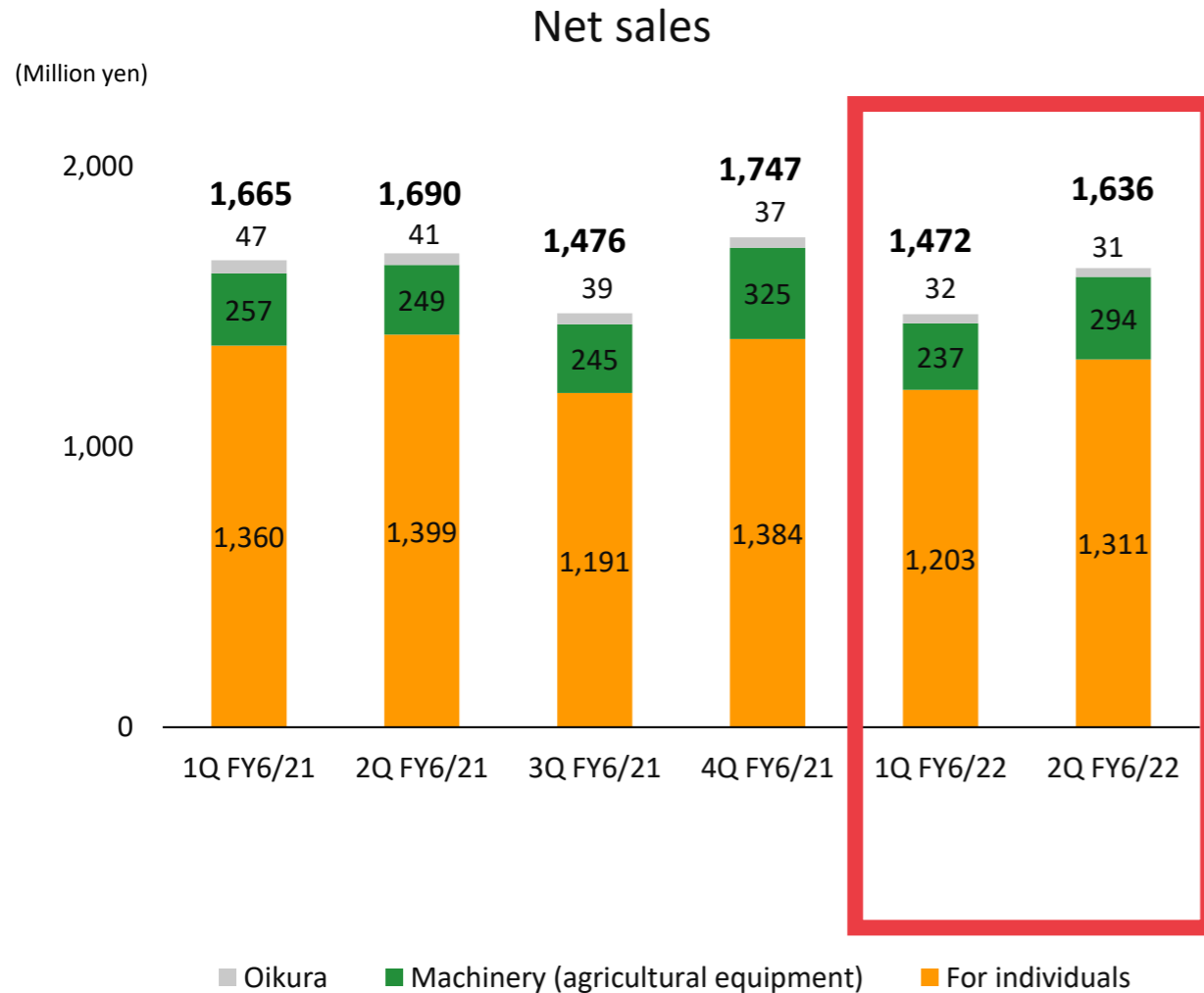
Appendix: Company Overview



Second-hand Online Business

Second-hand Online Business Quarterly Performance

2Q net sales and segment profit were higher than 1Q





Second-hand Online Business

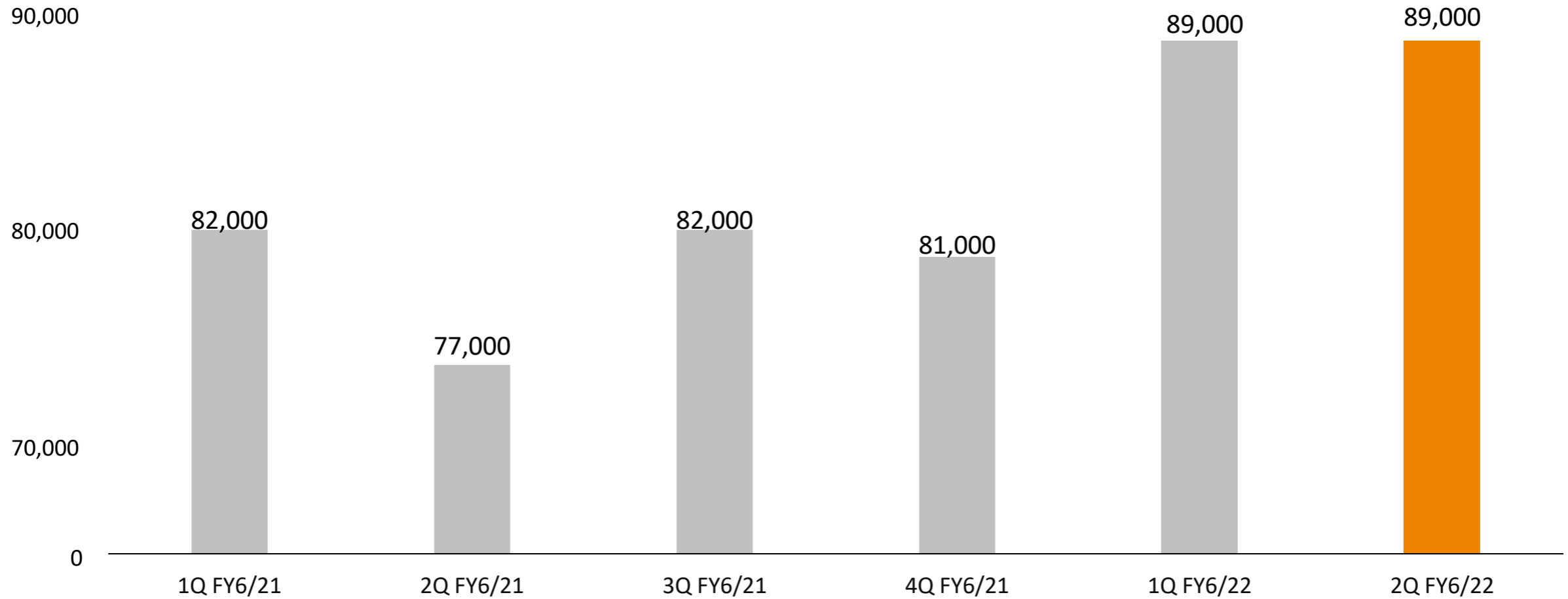
- 1) Second-hand Services for Individuals**
- 2) Machinery (Agricultural Equipment)
- 3) Oikura

Progress in Second-hand Services for Individuals: Purchase Request Trends

More purchase requests

The number of purchase requests remained high.

(Number of requests)

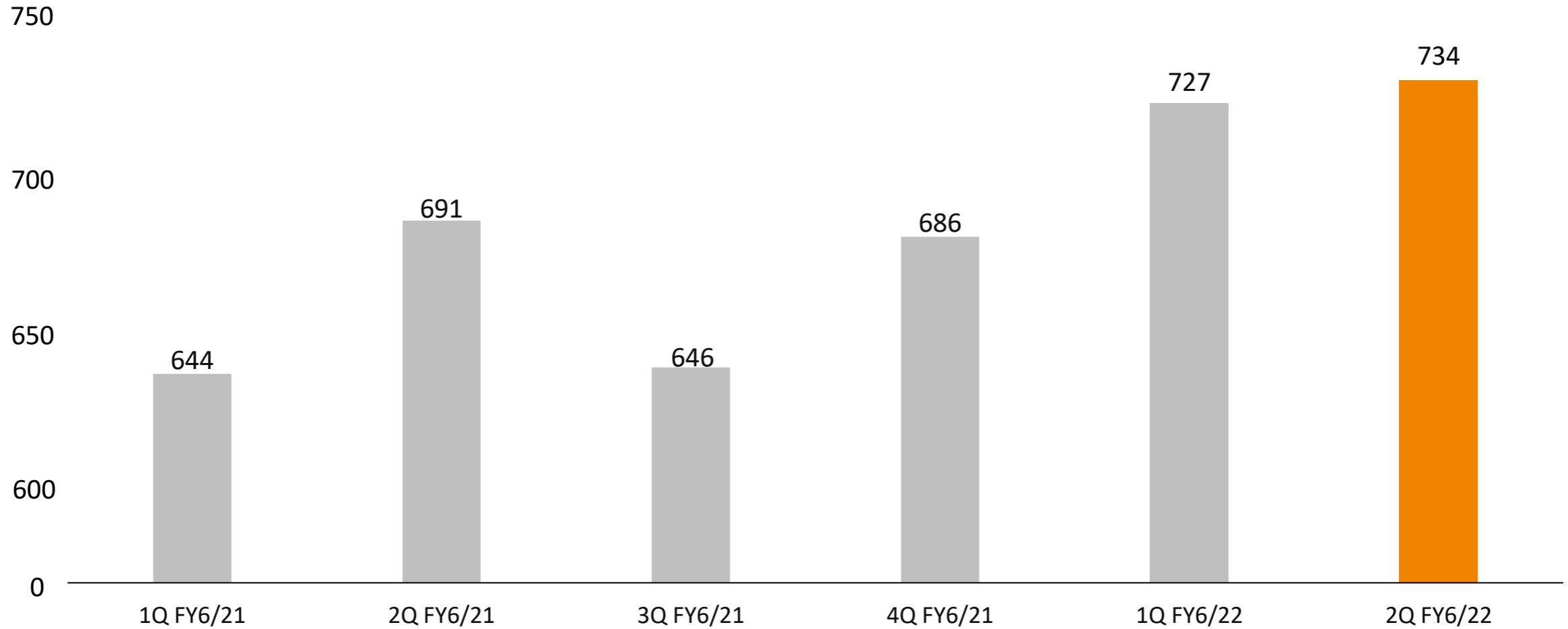


Progress in Second-hand Services for Individuals: Purchase Amount Trends

Increase in
purchasing
capabilities

Purchase amount continued to be high accompanied by increase in purchase requests.

(Million yen)

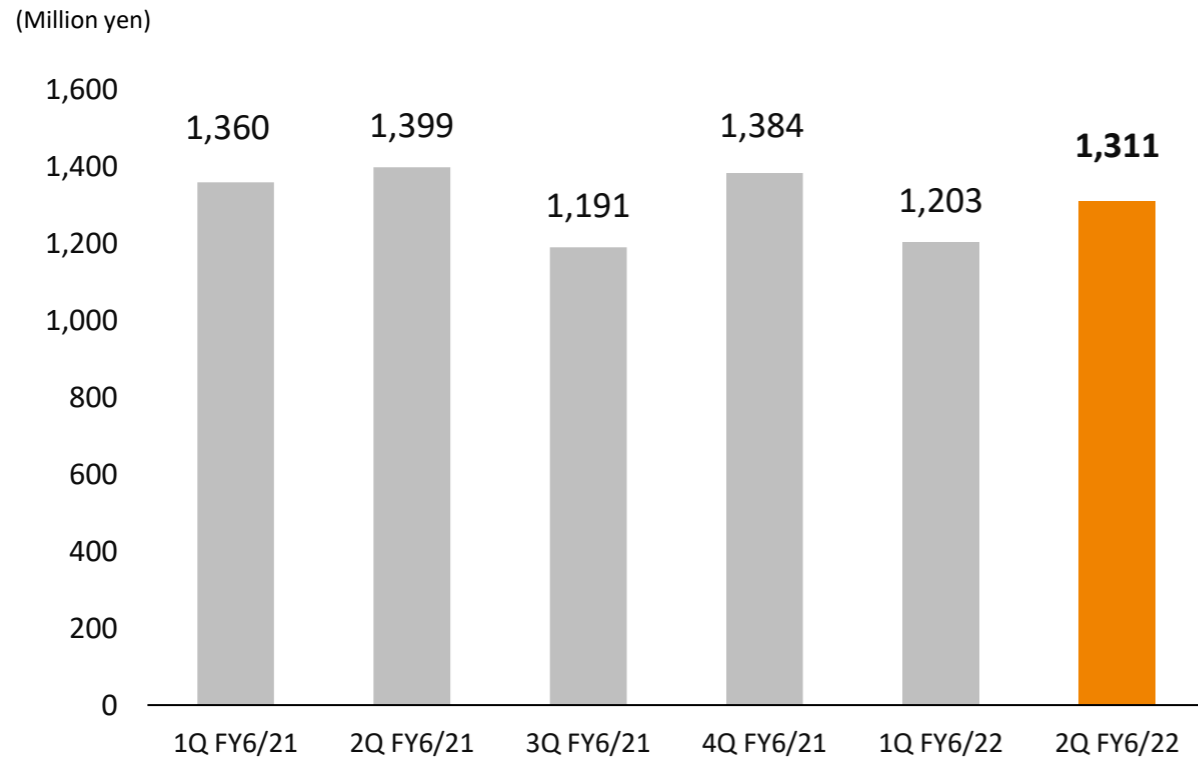


Second-hand Services for Individuals

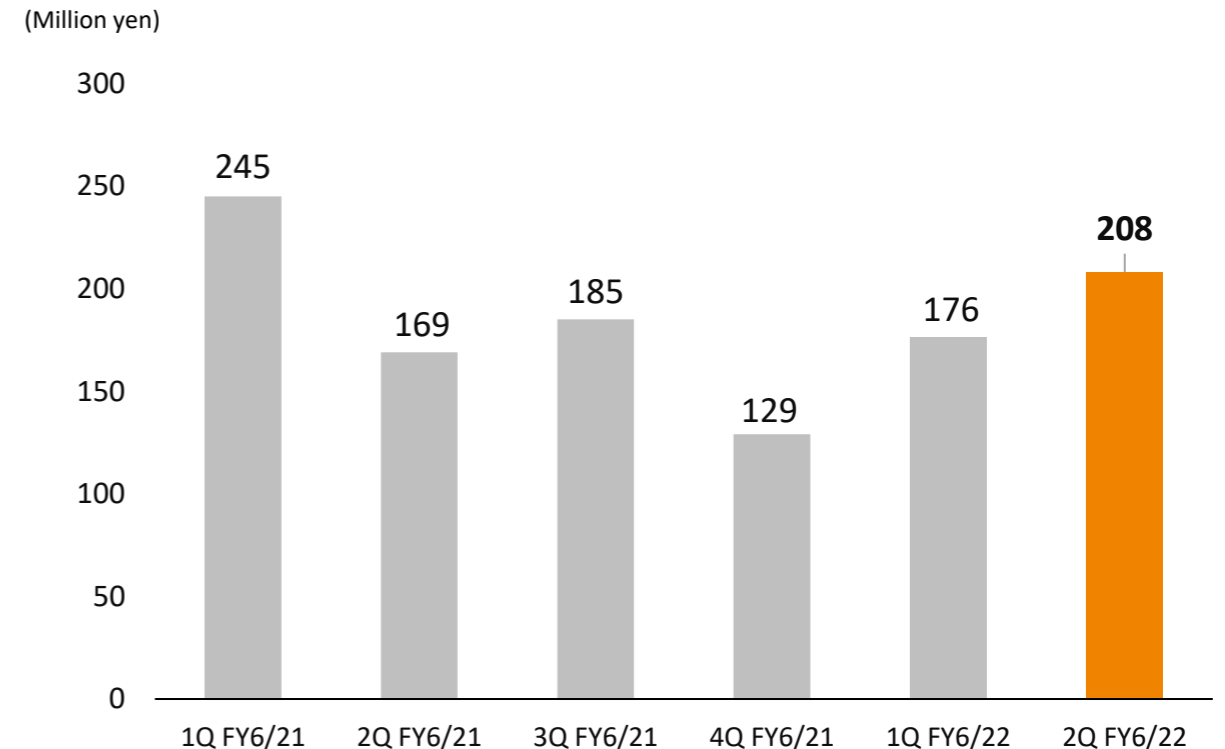
Quarterly Sales and Inventory Levels

Business performance bottomed out as sales were up from the previous quarter. Purchases continued to be steady; built-up inventory in preparation for the demand period.

Net sales



Inventory



Progress in Second-hand Services for Individuals: Started Purchases from Seniors

Opened a dedicated web page in September 2021: Stepped up purchases from seniors.

More purchase requests

..... 自宅に眠っていませんか?

着物 食器 古銭 切手 貴金属

高価買取

高く売れるドットコムへお任せください!

買取実績
100,000点以上

利用者が薦めたいと思う
サービス第1位*

東証一部
上場企業が運営

※調査実施：株式会社ショッパーズアイ ※調査方法：インターネット調査 ※調査期間：2020年1月31日～2月2日 ※調査対象：1044名、男女20～79歳
※調査概要：家電買取サービス10サービスを対象にしたサイト比較イメージ調査 ※比較対象企業：“家電買取サービス” Google検索 (2020年1月23日 時点)

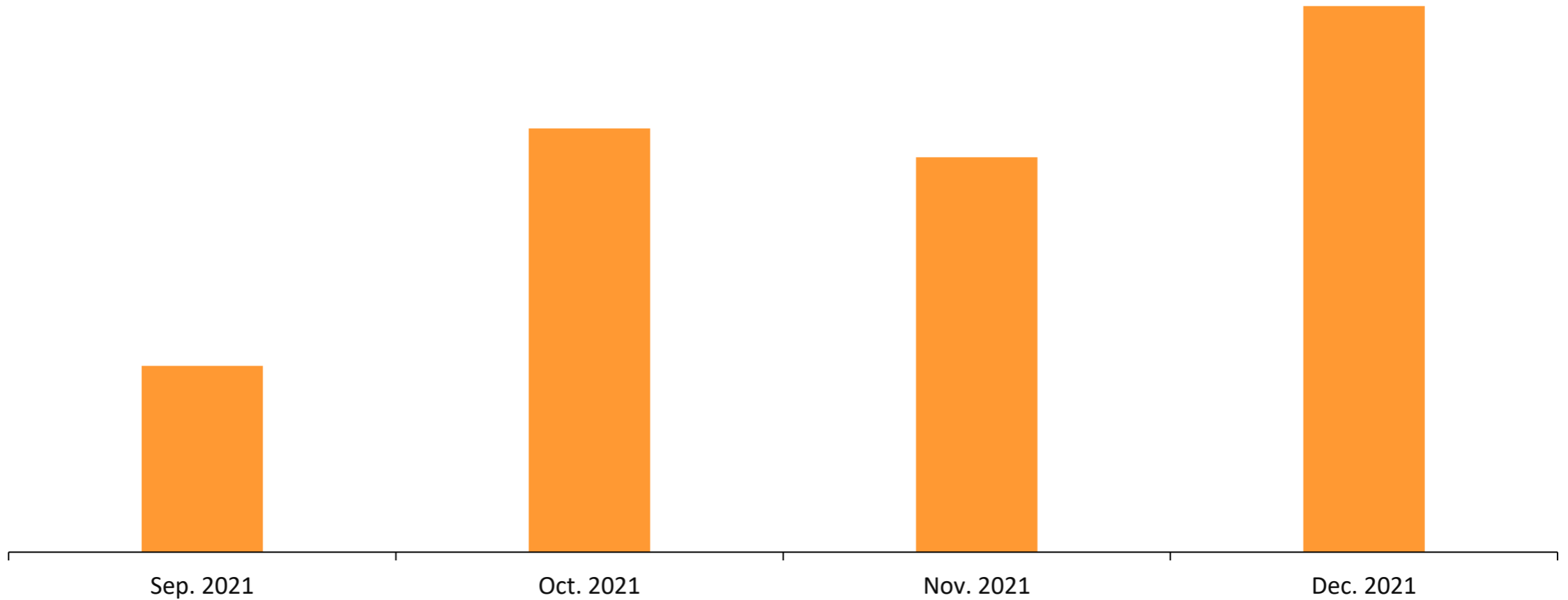
☎ 0120-503-864
[年末年始除く 9:15～21:00]

WEBで無料お見積もり
1分で簡単入力できます!

Progress in Second-hand Services for Individuals: Number of Purchase Requests from Seniors

Smooth launch of service in September

More purchase requests





Second-hand Online Business

- 1) Second-hand Services for Individuals
- 2) Machinery (Agricultural Equipment)**
- 3) Oikura

Progress in Machinery (Agricultural Equipment): Establishment of Kita-Kanto Purchasing Base

Located in Yuki City, Ibaraki. Aim to increase the capacity for buying agricultural equipment in eastern Japan and shipping equipment for cross-border e-commerce.

Opening ceremony (October 1, 2021)



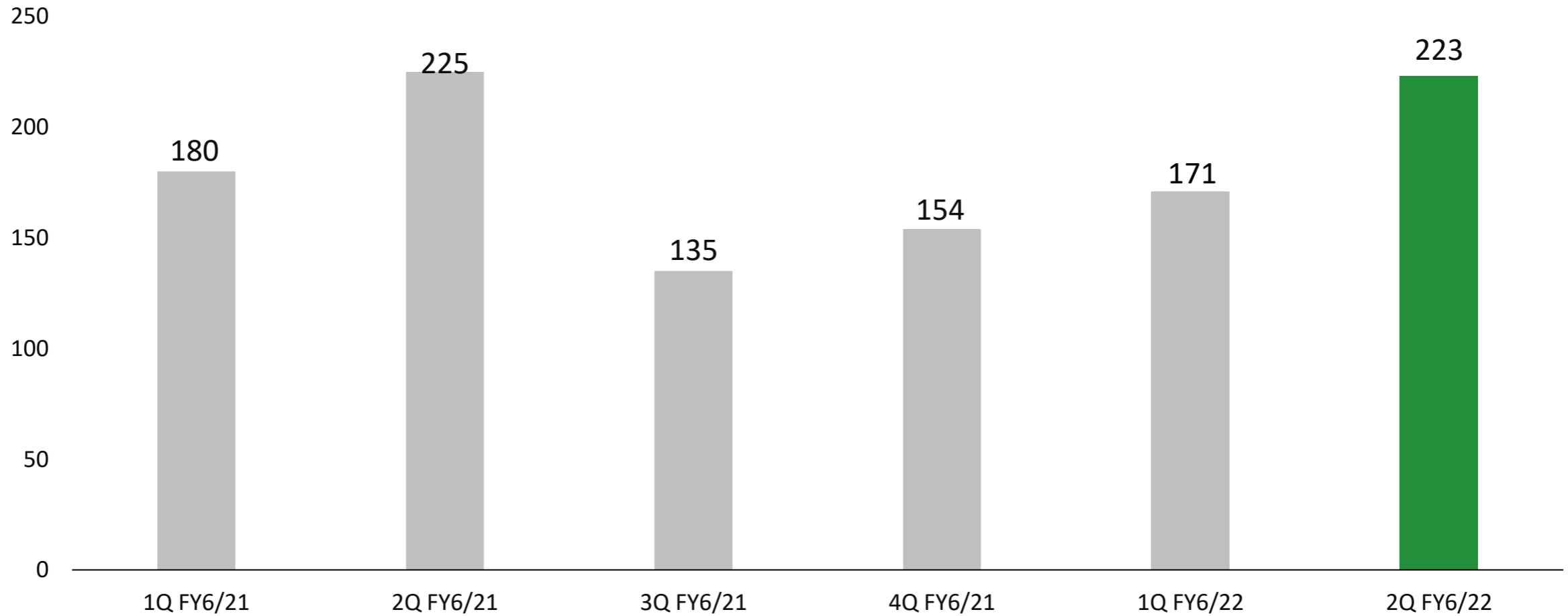
Inside view of the Kita Kanto purchasing base



Progress in Machinery (Agricultural Equipment): Purchase Amount Trends

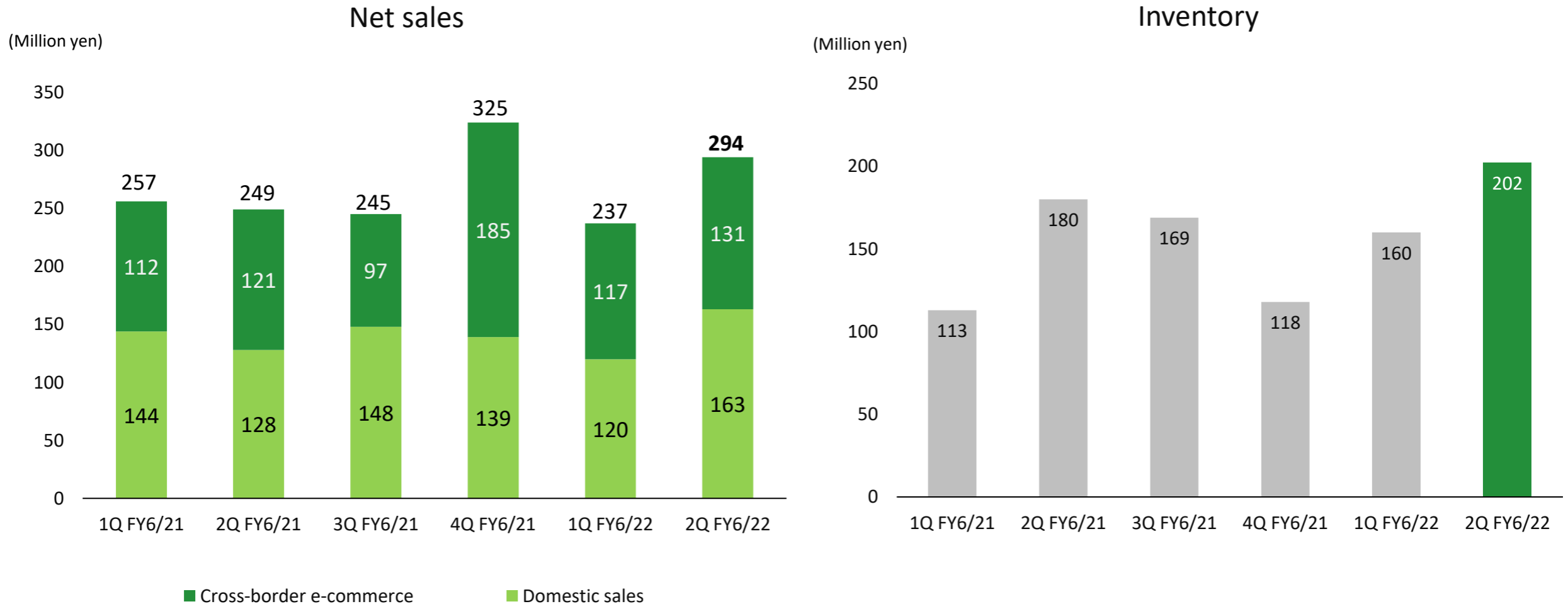
Purchases recovered to the level in 2Q FY6/21

(Million yen)



Machinery (Agricultural Equipment) Quarterly Sales and Inventory Levels

2Q cross-border e-commerce and domestic sales were higher
Increased inventory for the demand period (February-March) before the busy farming season.





Second-hand Online Business

- 1) Second-hand Services for Individuals
- 2) Machinery (Agricultural Equipment)
- 3) Oikura**

Progress of the Oikura Platform: Collaboration with Local Public Bodies

In January 2022, we started a demonstration experiment in cooperation with Sumida-ku, Tokyo to reduce the volume of oversized garbage.



令和4年1月から粗大ごみリユース事業の実証実験を実施します

墨田区では、令和4年1月から民間事業者（株式会社マーケットエンタープライズ）と連携して、粗大ごみリユース事業の実証実験を行います。マーケットエンタープライズが運営するリユースプラットフォーム「おいくら」を活用し、不用となったモノを捨てるのではなく、リユースショップに売却していただくことで粗大ごみを減量へと繋げてまいります。

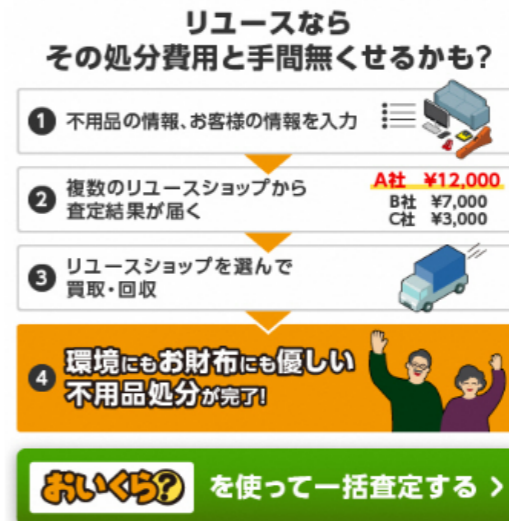
その粗大ごみ『リユース』を検討してみませんか？『リユース』なら処分費用と手間を無くせるかもしれません

排出される粗大ごみの中には、まだまだ再使用できるものが数多くあります。処分費用を支払って、再使用可能なモノを粗大ごみとして処分する前に、「リユース」に繋がらないか一度検討してみてください。

『リユース』は、環境にもお財布にも優しい選択です

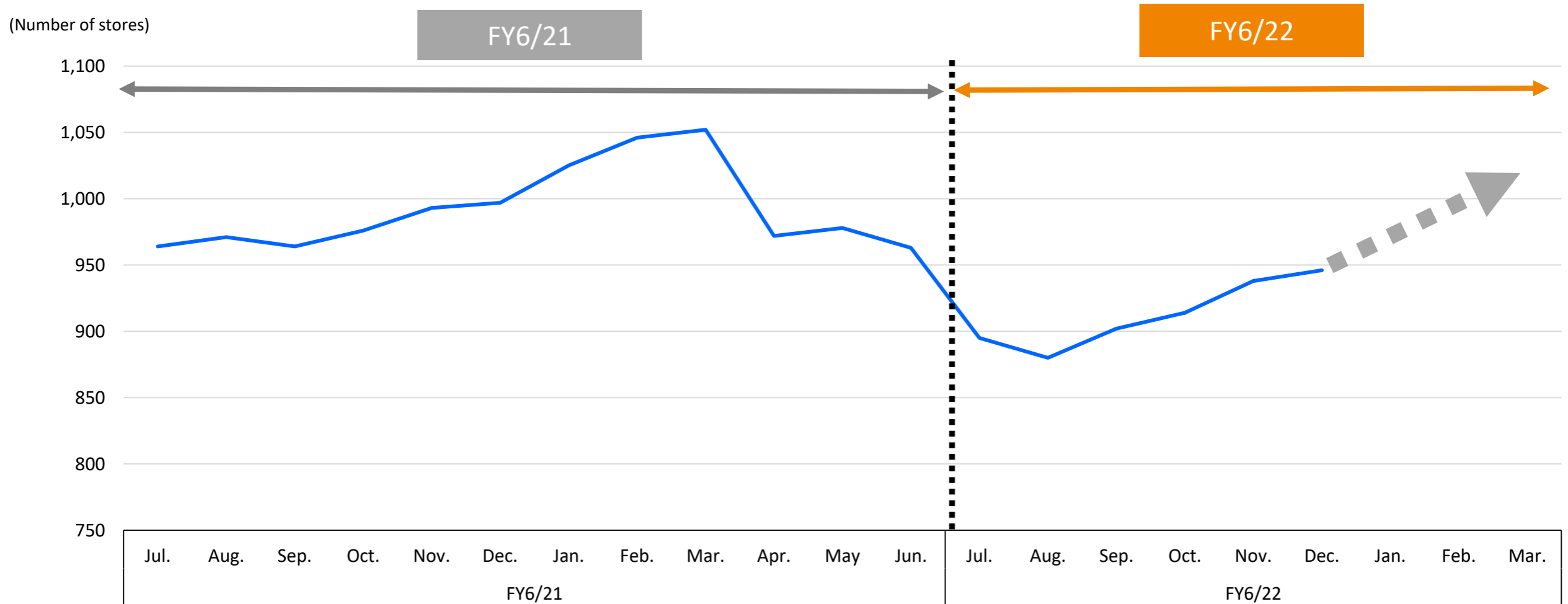
リユース（Reuse）とは、一度使用され不用となったモノを、出来る限り再使用して、廃棄物を減らすことで自然環境へ負担を抑える取組みです。

申込みは簡単3ステップ



Progress of the Oikura Platform: Number of Incentive-based Partner Stores

Number of incentive-based stores started to increase after touching bottom in August. Expect to see the number of stores to reach the 1,000 store level in 3Q.



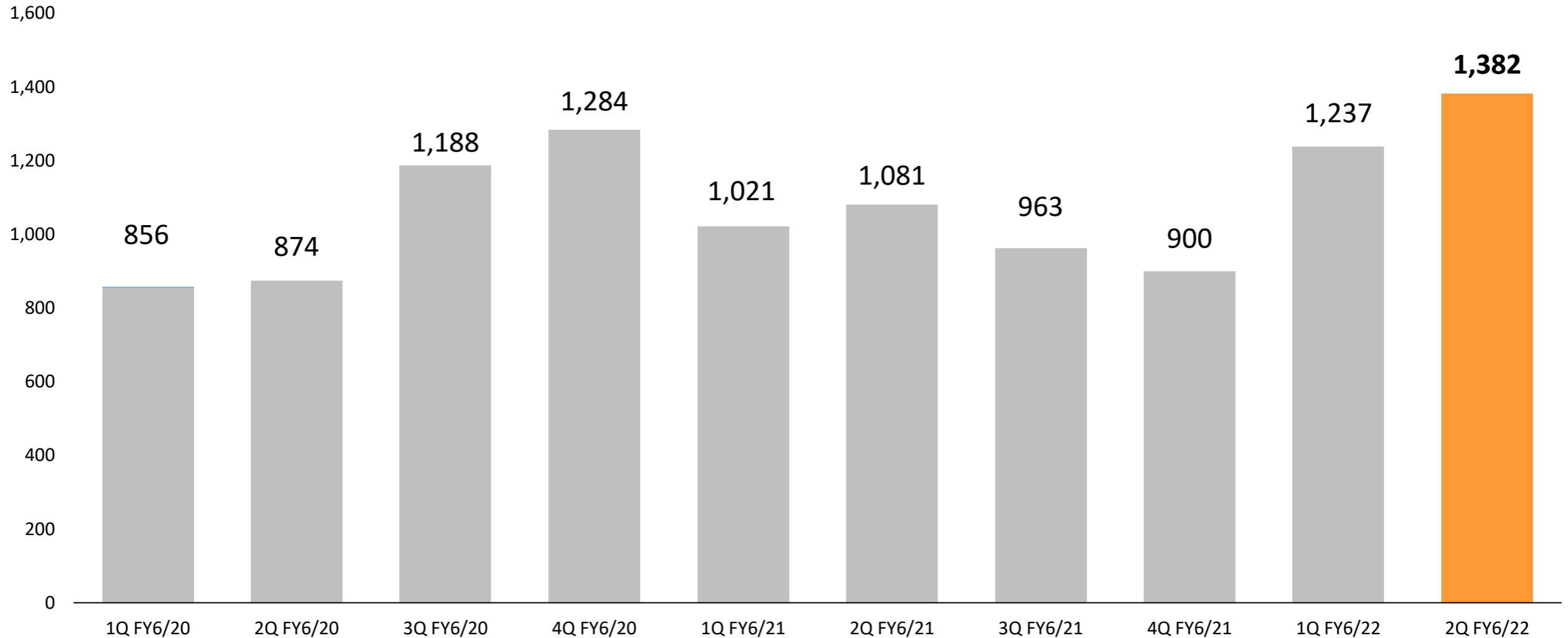


Media Business

Media Business: Quarterly Monthly Average Media Page Views

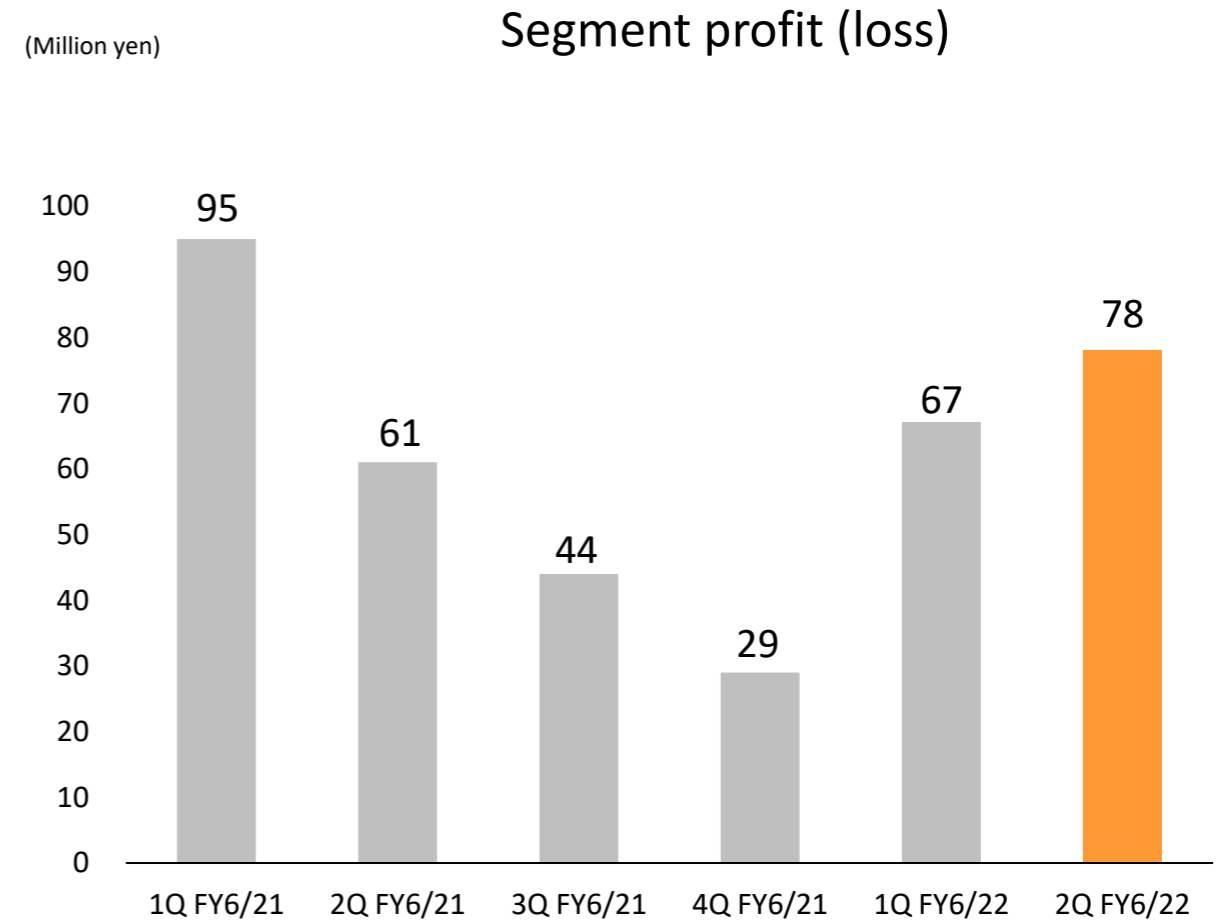
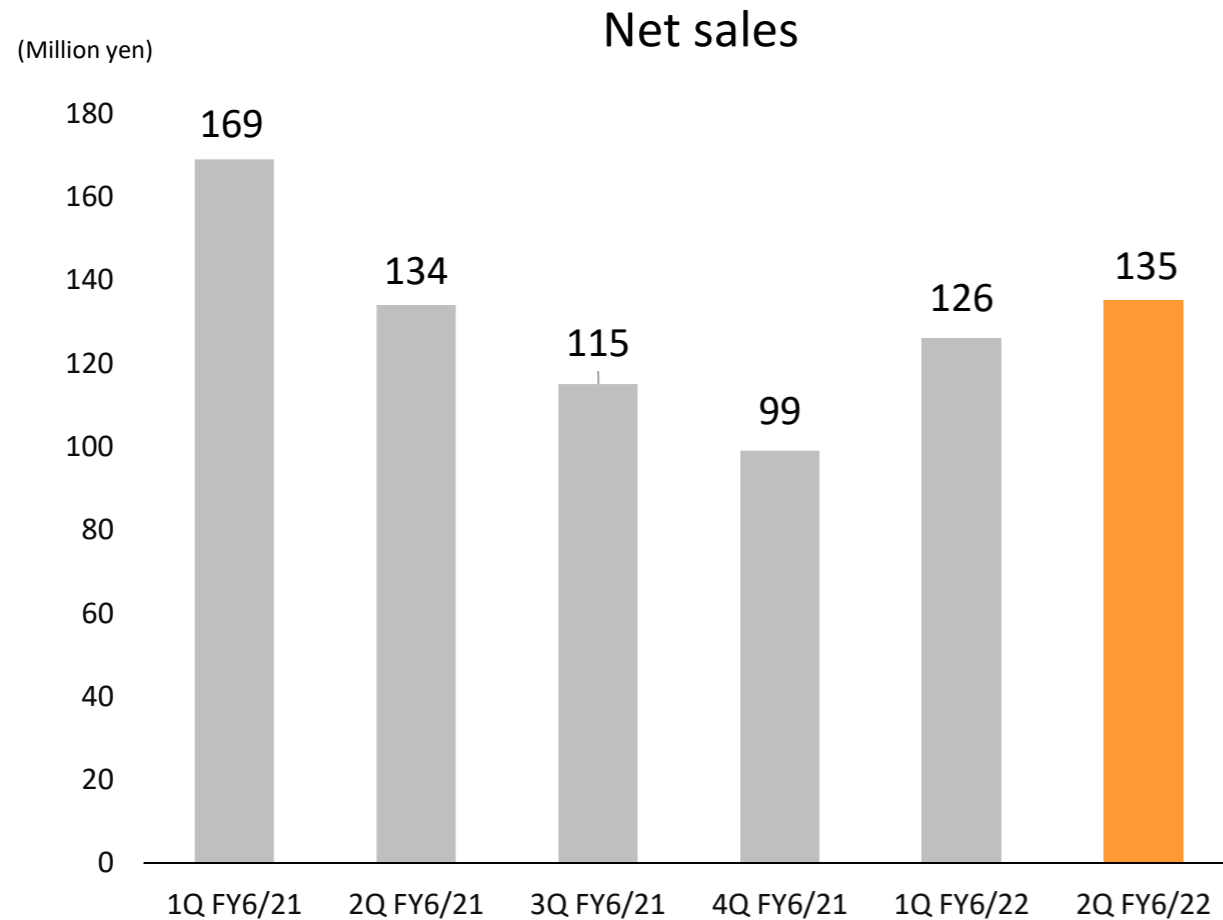
2Q monthly average media page views increased to a record high due to contribution of communication media.

(10,000 page views)



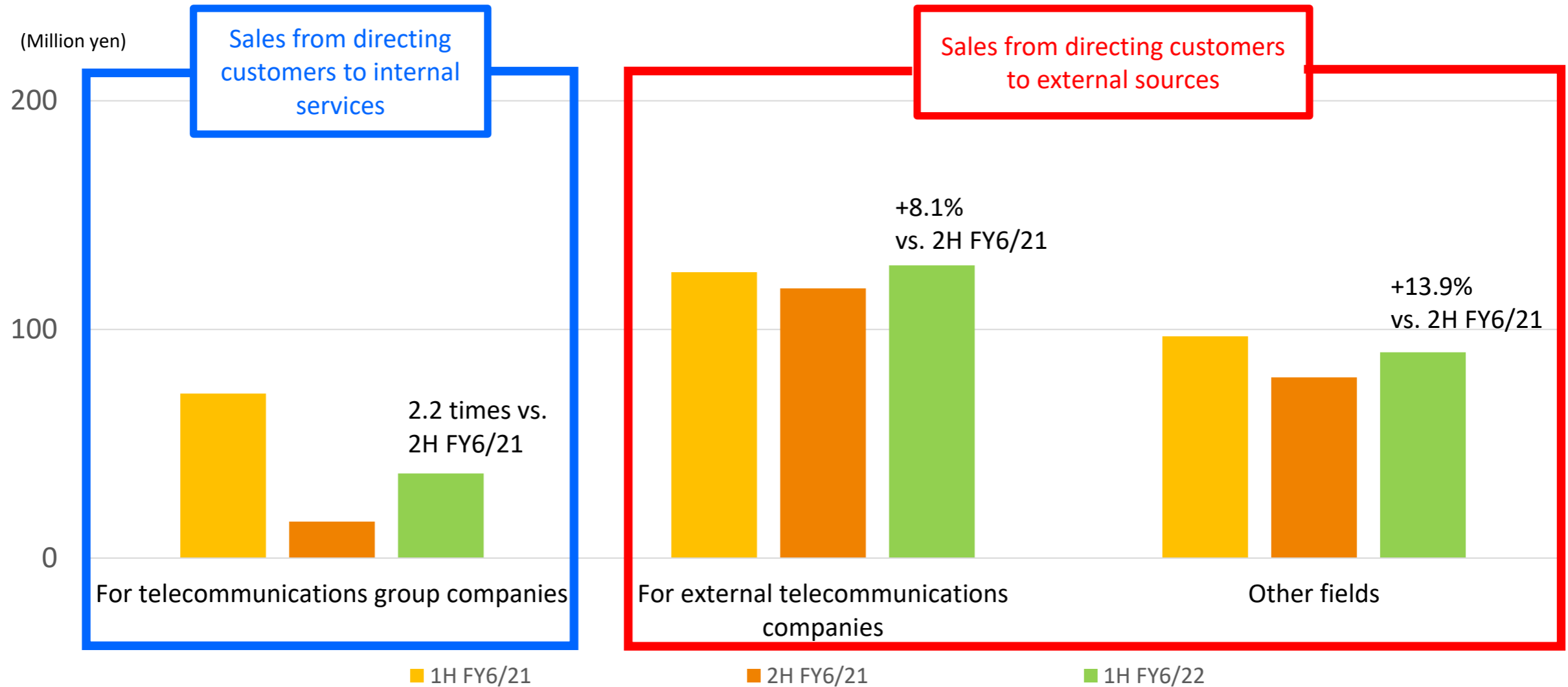
Media Business Results

Net sales recovered to the previous 2Q level. Segment profit was up year-on-year and on a recovery track.



Media Business: Sales Composition

Sales from directing customers to internal services and external sources are on a recovery trend.

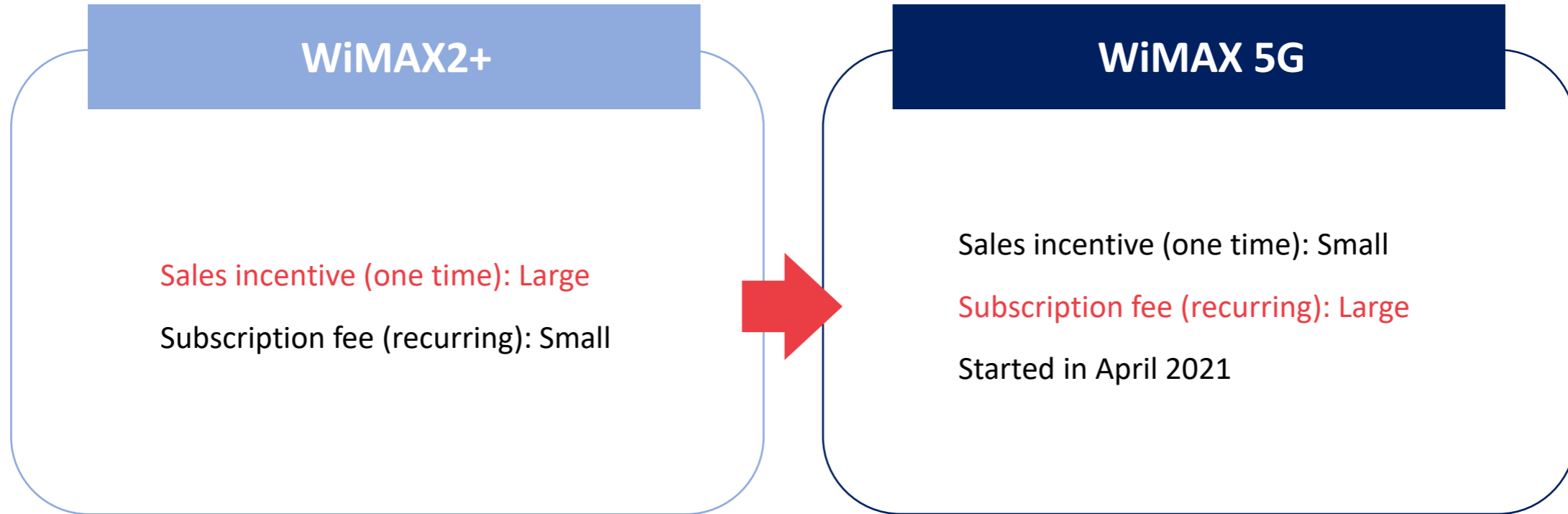




Mobile & Telecommunications Business

Mobile & Telecommunications Business Strategies: Revise the Profit Structure (Excerpt from the Medium-term Management Plan Presentation Material)

Shift from one-time sales to recurring revenue to build a steadily larger base for future earnings*

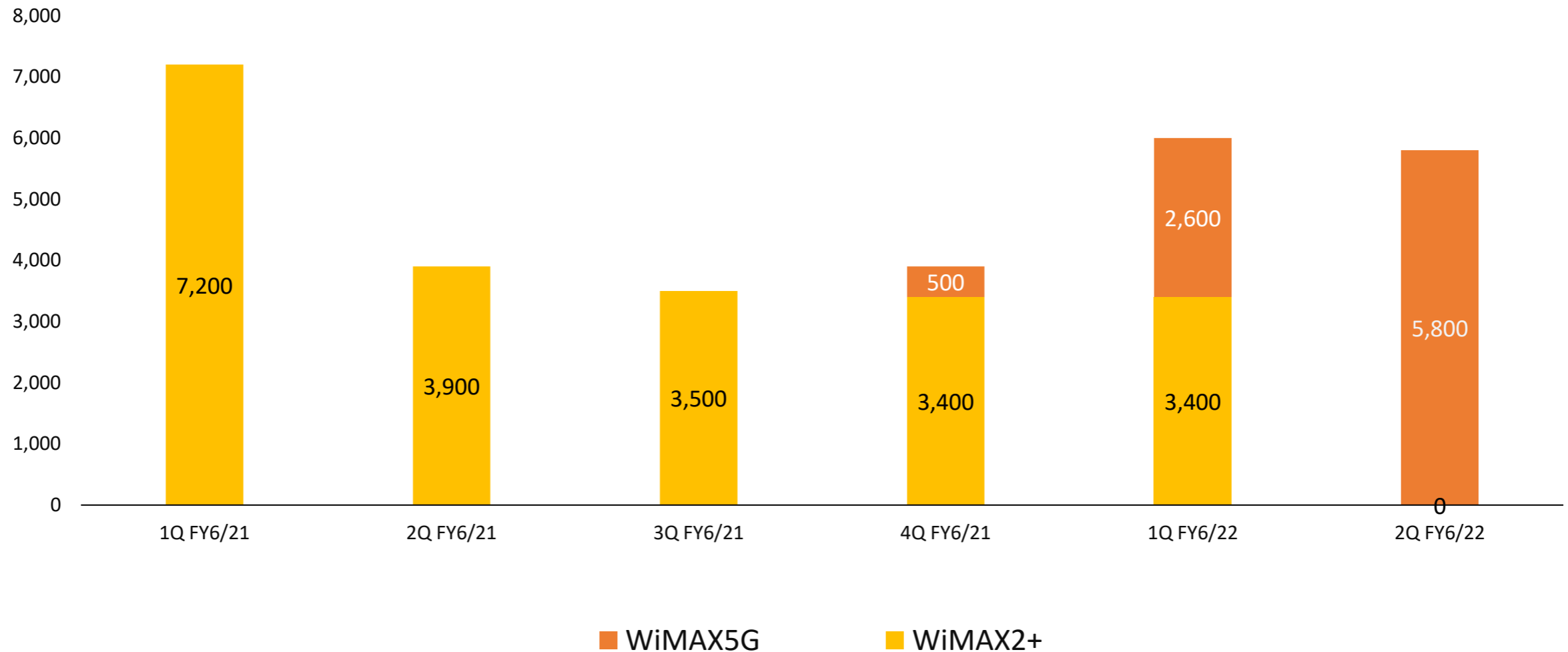


*Future earnings: Earnings from fee income for communication services and other income expected from current service subscriptions

Progress in Mobile & Telecommunications Business: New Service Subscriptions

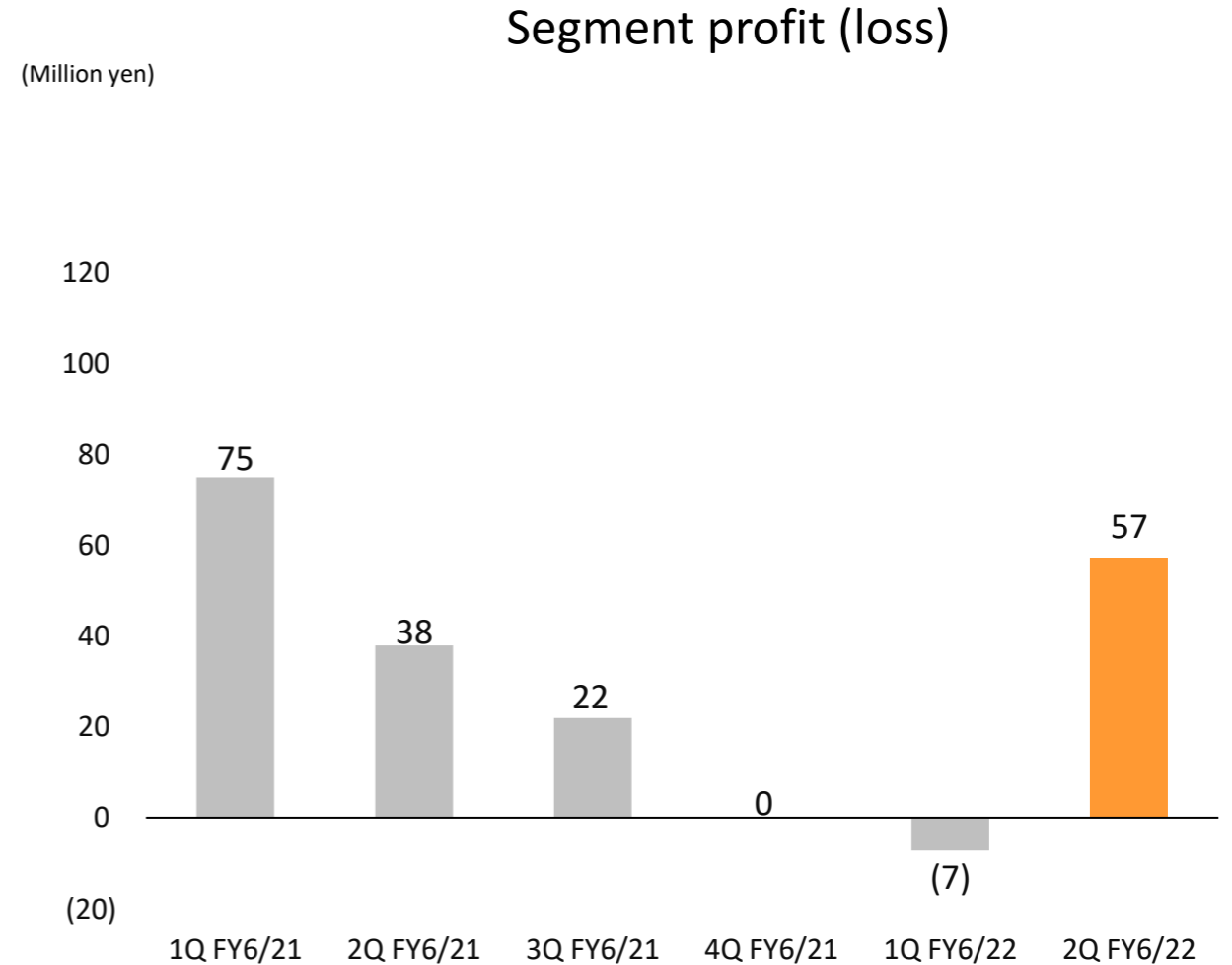
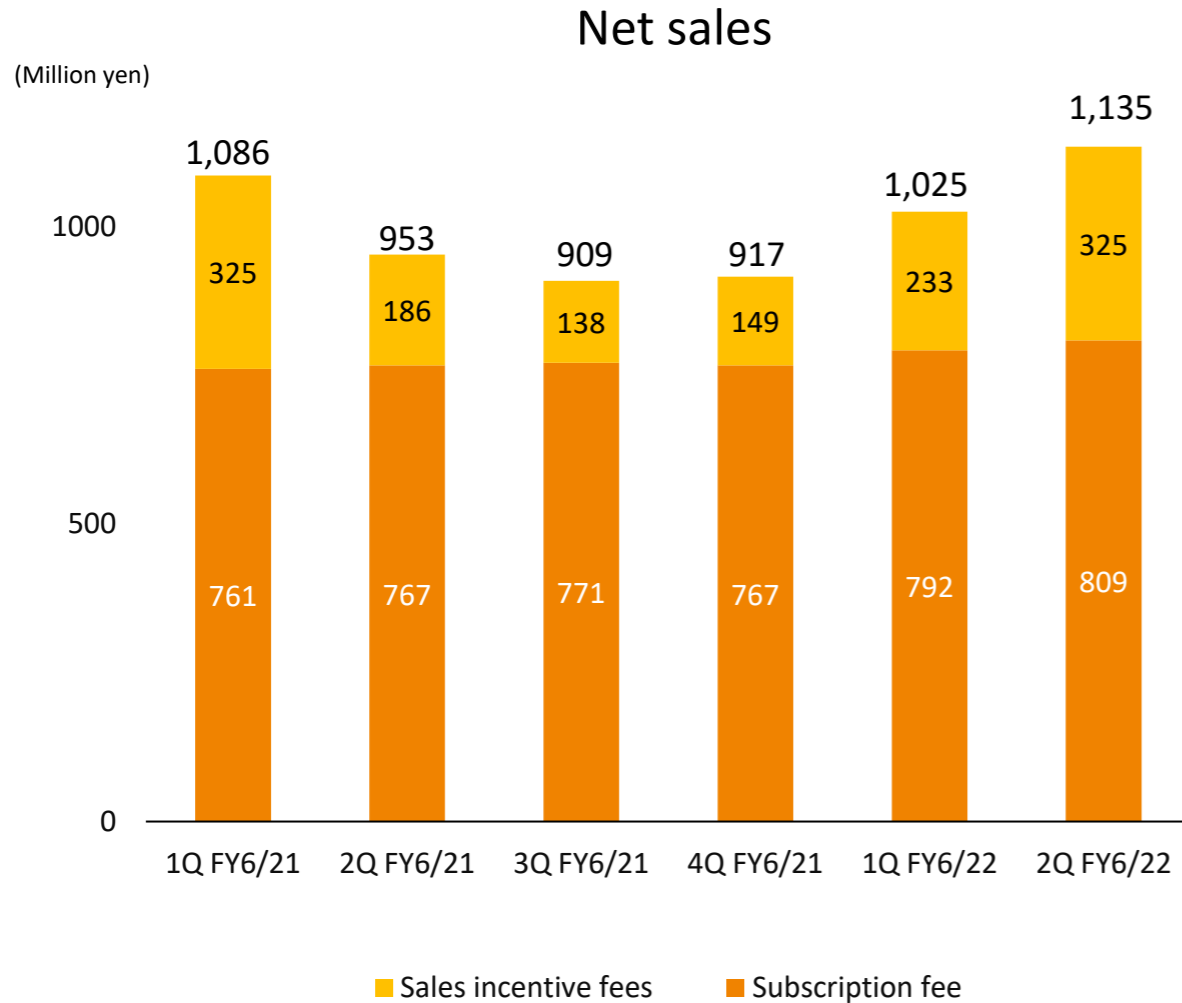
New service subscriptions centered on WiMAX 5G increasing steadily.

(Number of subscriptions)



Mobile & Telecommunications Business Results

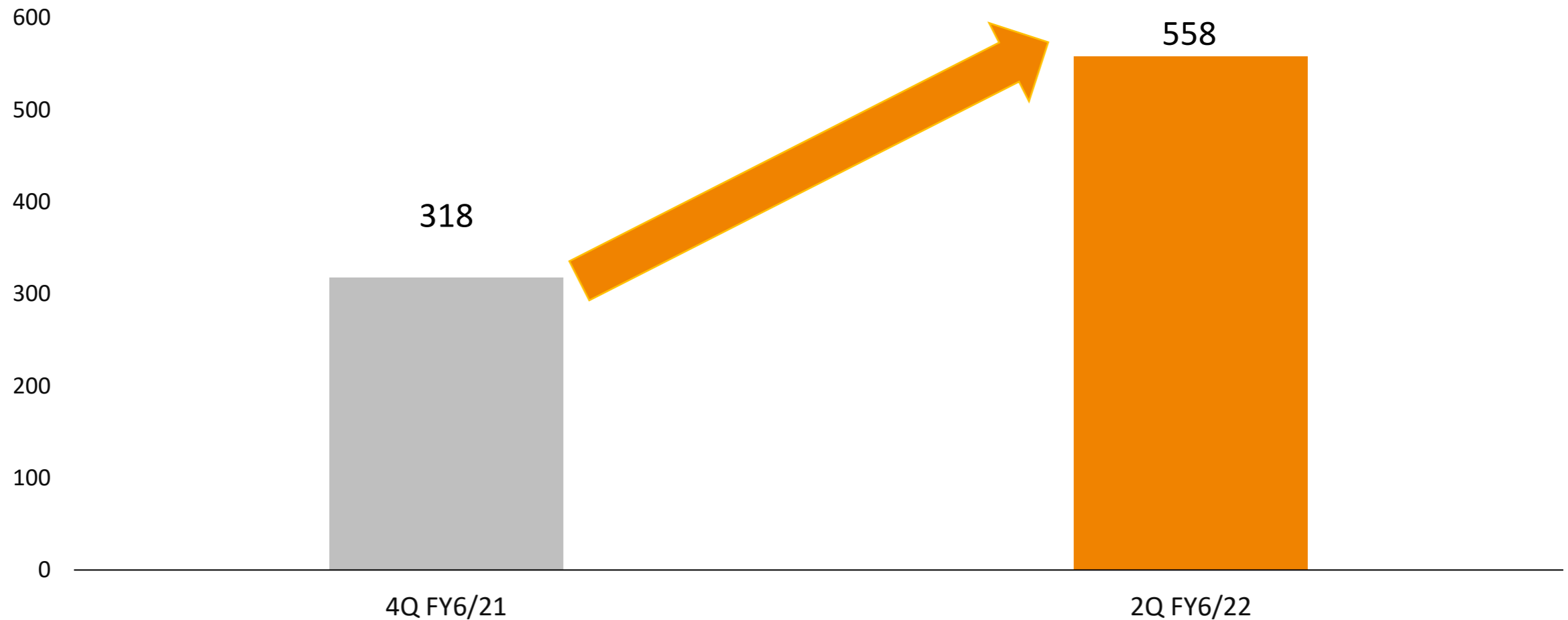
Both net sales and segment profit clearly bottomed out and increased YoY



Progress in Mobile & Telecommunications Business: Future Earnings

Future earnings are expected to increase steadily as planned on the back of increasing recurring-revenue 5G subscriptions.

(Million yen)





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FY6/22 Forecasts

No revisions to the consolidated forecast

(Million yen)	FY6/21 results	FY6/22 forecasts	YoY change
Net sales	10,875	12,000	+10.3%
Operating profit	54	(400)	-
Ordinary profit	32	(405)	-
Profit attributable to owners of parent	(40)	(440)	-

FY6/22 Business Strategies by Segment

Promote the strategies targeted in the Medium-term Management Plan

Segment	Strategies
Second-hand Online	<p>Second-hand services for Individuals:</p> <ul style="list-style-type: none">• More customers by using more methods to attract purchase requests and covering more product categories• Increase purchasing capabilities by channeling more resources to the pick-up purchasing service <p>Machinery (agricultural equipment):</p> <ul style="list-style-type: none">• Focus on increasing the purchase volume by increasing the number of purchase points <p>Oikura:</p> <ul style="list-style-type: none">• Focus on increasing the number of intensive-based partner stores to enhance customer contact and build a stronger customer base• Strengthen system development starting with the UI/UX systems
Media	Build multiple profit chains in the Media Business to achieve an average annual sales growth rate of 15% that is on par with the market growth rate
Mobile & Telecommunications	Focus on building future earnings potential by strengthening WiMAX5G service subscriptions, a recurring-revenue business model

Medium-term Performance Target

(Excerpt from the Medium-term Management Plan Presentation Material)

Aim to accomplish the earnings plan through sales growth supported primarily by the second-hand online business. Also plan to build a stable profit structure by increasing the volume of future earnings in the mobile & telecommunications business

(Million yen)	FY6/21 (Results)	FY6/22 (Plan)	FY6/23 (Plan)	FY6/24 (Plan)	CAGR
Net sales	10,875	12,000	15,000	20,000	122.5%
Second-hand Online	6,580	7,659	9,804	13,744	127.8%
Second-hand services for individuals	5,350	6,000	7,500	10,000	123.2%
Machinery (agricultural equipment)	1,061	1,500	2,000	3,000	141.4%
Oikura	169	159	304	744	163.9%
Media	519	600	700	800	115.5%
Mobile & Telecommunications	3,866	4,300	5,000	5,500	112.5%
Operating profit	54	(400)	300	1,200	280.7%
Operating profit to net sales	0.5%	-3.3%	2.0%	6.0%	-
Operating profit + Future earnings*	373	203	997	1,950	173.6%

*Future earnings: Earnings from fee income for telecom services and other income expected from current service subscriptions



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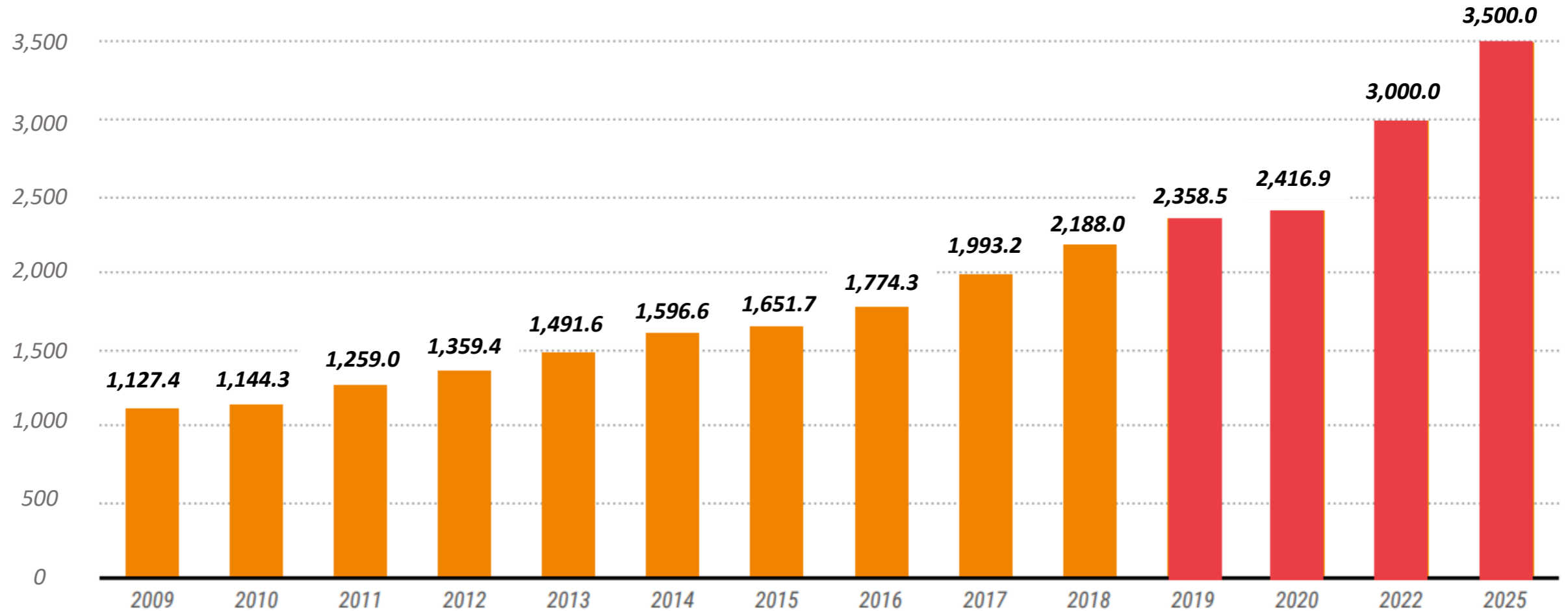
Second-hand Online Business

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Second-hand Market for Individuals (1)

Japan's second-hand market continues to grow

(Billion yen)



Source: Recycle Tsushin

Second-hand Market for Individuals (2)

Potential second-hand market: The value of household hidden assets is estimated at roughly 44 trillion yen, of which 65% is owned by seniors (Age 50+).

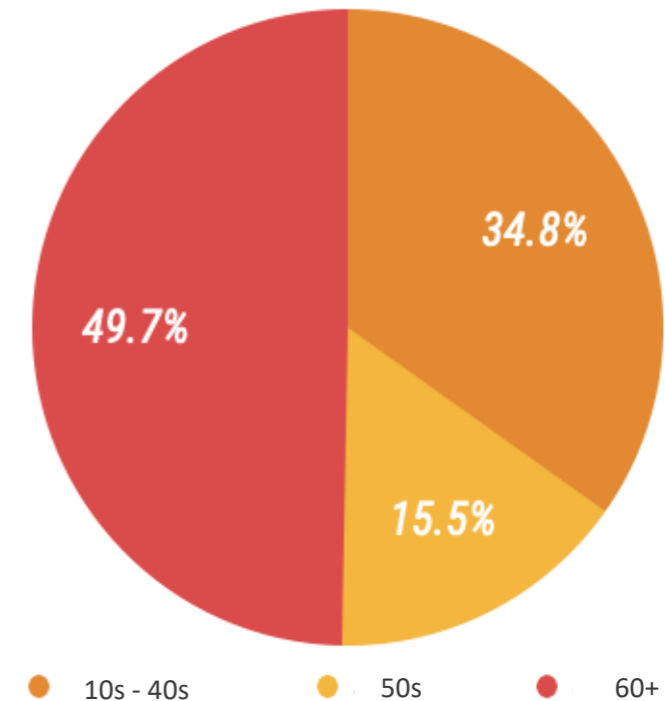
Value of household hidden assets in Japan^{*3}

About ¥44 trillion

Size of the unneeded product market^{*2}
About ¥7.6 trillion

Size of the second-hand market^{*1}
About ¥2.4 trillion

Breakdown of household hidden assets by age group



*1 Recycle Tsushin

*2 Infrastructure for a Data-driven Society in Japan (E-commerce Market Survey), Ministry of Economy, Trade and Industry (2017)

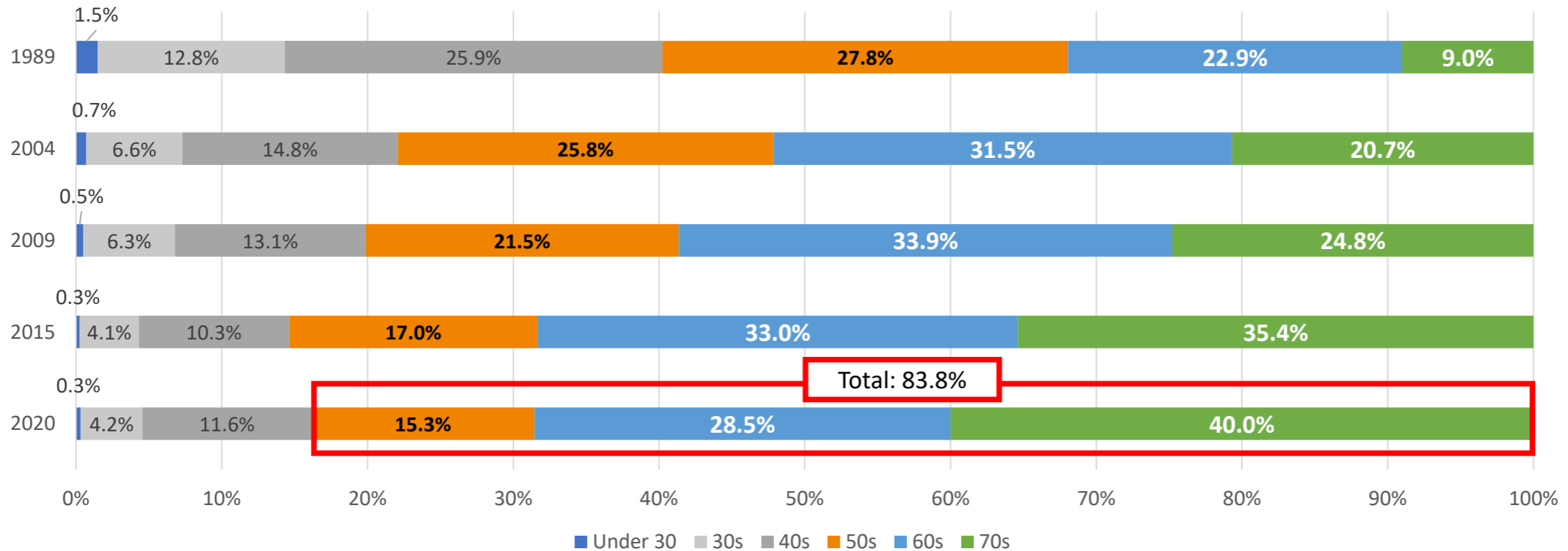
*3 Consumer Hidden Assets Survey Committee press release (December 2021)

* Prepared by MarketEnterprise based on Consumer Hidden Assets Survey Committee press release (December 2021) and Population Estimates by the Statistics Bureau of Japan (as of August 2021)

Second-hand Market for Individuals (3)

The share of financial assets owned by individuals in the 60+ age group have almost doubled in the past 30 years. In 2020, individuals in this age group accounted for 68.5% of the total personal financial assets. The figure for individuals in the 50+ age group was 83.8%.

Trends in the balance of personal financial assets by age group



Source: Ministry of Internal Affairs and Communications; National Survey of Family Income and Expenditure (Two-or-more-person Households)

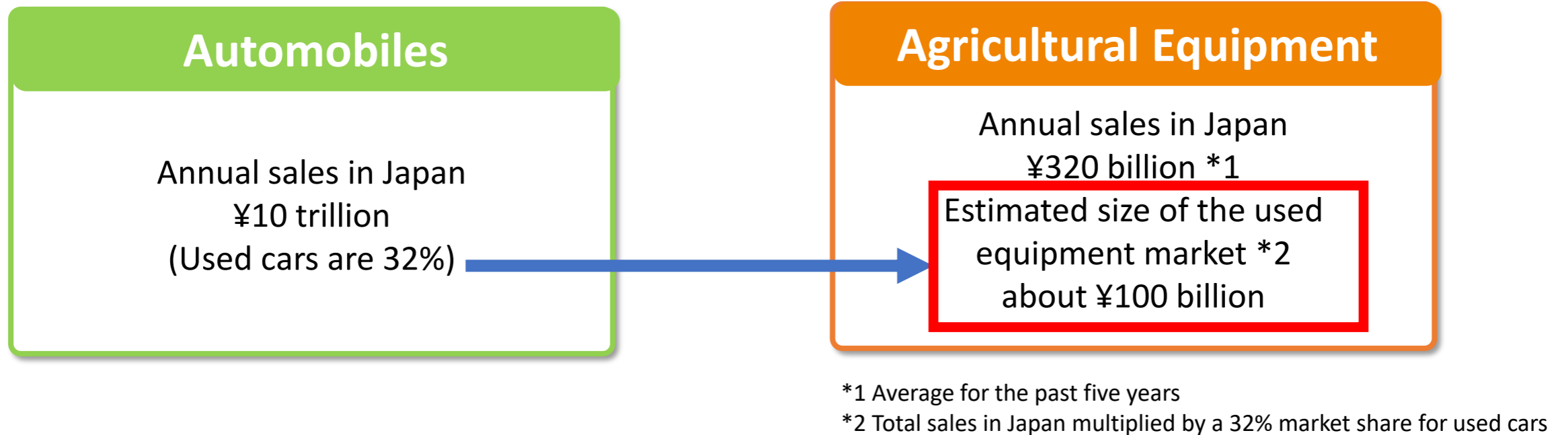
Note: Financial assets = Current savings (before deduction of current debt)

Second-hand Online Business

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Agricultural Equipment Market (1)

The actual size of the used agricultural equipment market in Japan is estimated to be about ¥10 billion, indicating that there is still much potential for more growth.

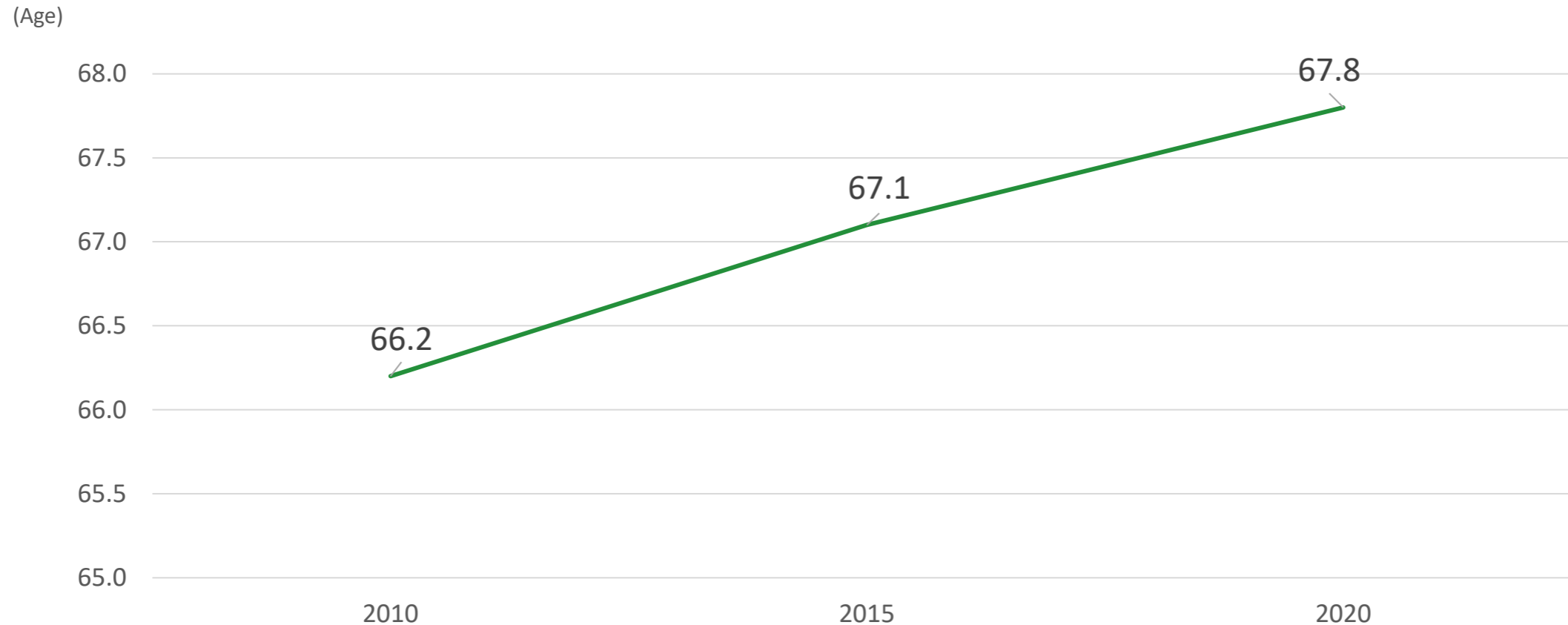


Agricultural Equipment Market (2)

Farmers are aging as their average age has reached 67.8 years.

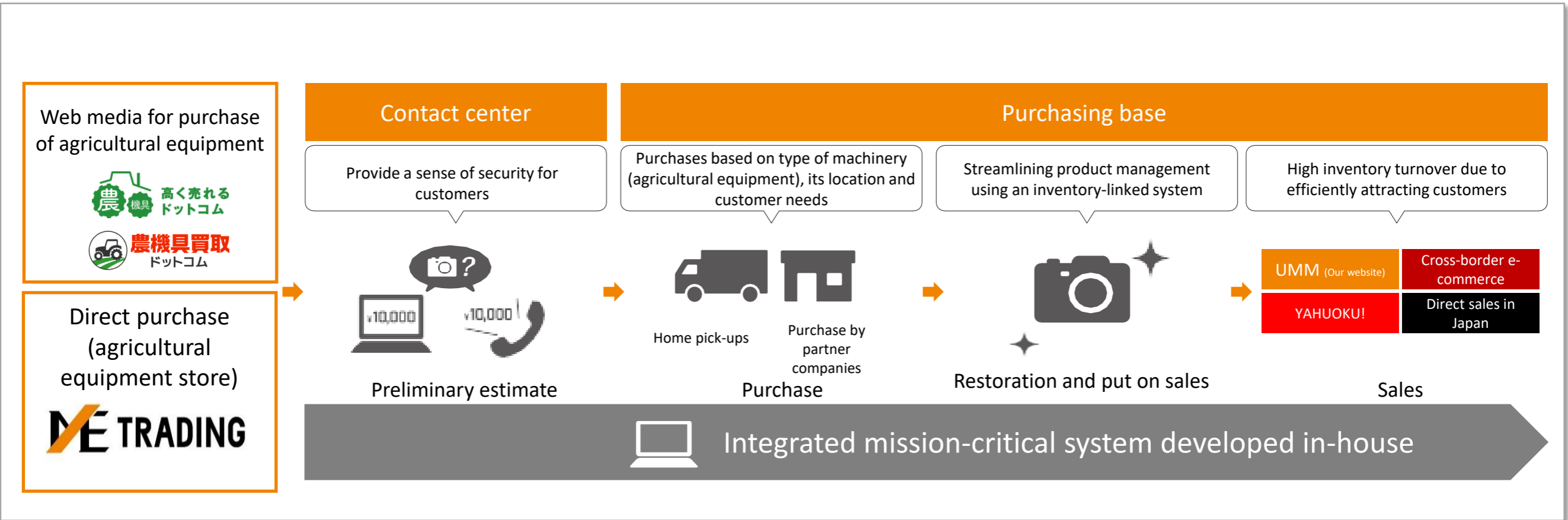
As a result, the social issue concerning the disposal of farming equipment will persist as farmers abandon farms.

Agricultural Workers in Japan and Average Age



Machinery (Agricultural Equipment) Business Flow

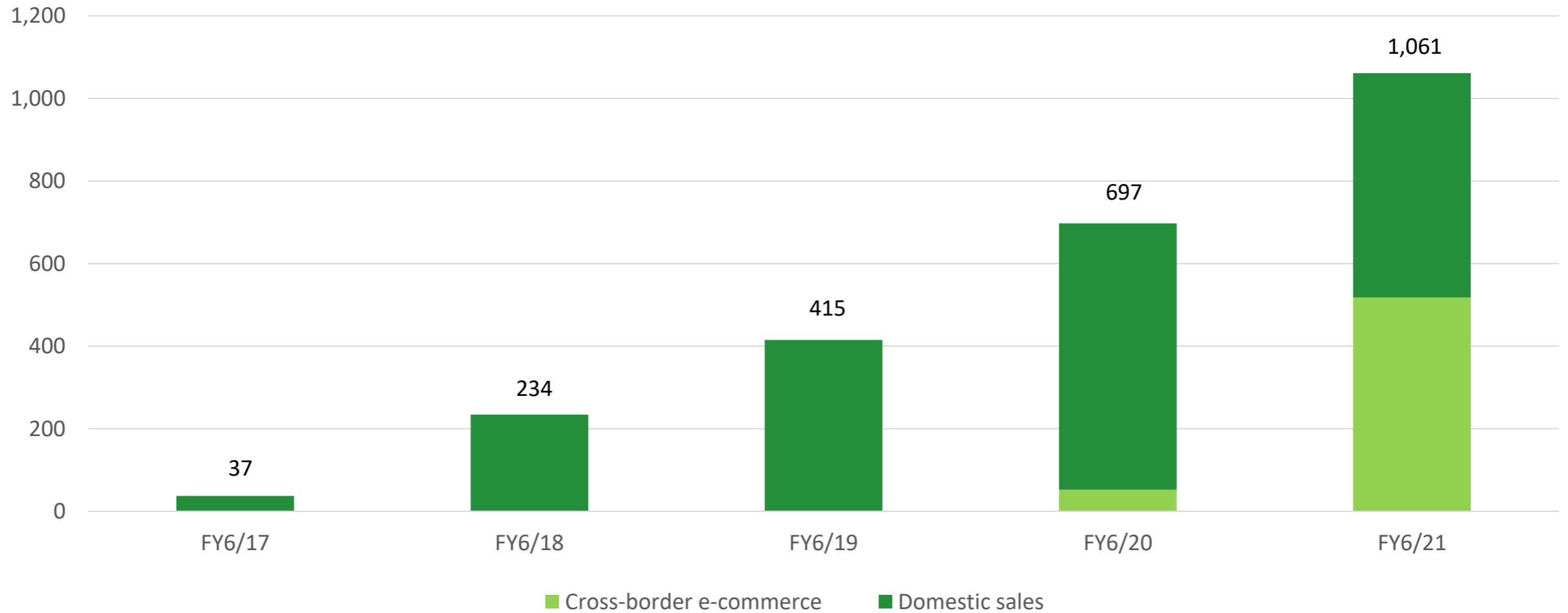
Utilizing the know-how cultivated through second-hand services for individuals, we have established an integrated business flow from the purchase of used machinery (agricultural equipment) to domestic sales and exports.



Machinery (Agricultural Equipment) Performance

Steady growth

(Million yen)



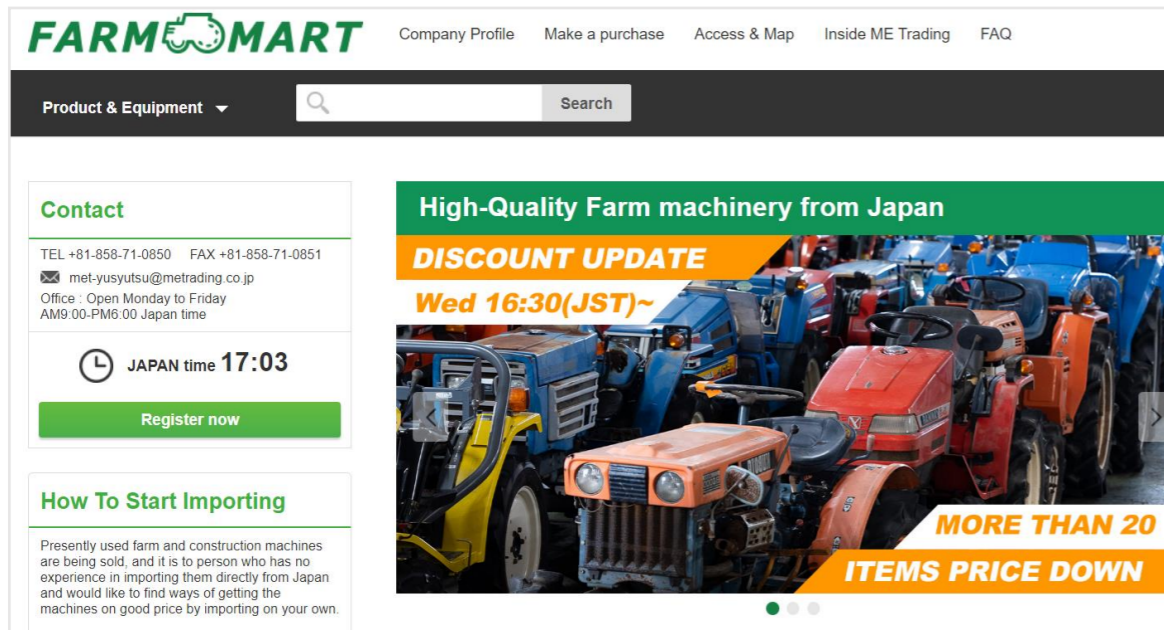
Made in Japan Used Machinery (Agricultural Equipment)

As Japanese tractors used in Japan are in good condition and rarely break down even after 20 to 30 years use, they have strong demand in Europe, the Middle East and Asia.



Machinery (Agricultural Equipment) Exports

We directly export used machinery (agricultural equipment) to over 80 countries. Even now we are expanding export channels.



FARM MART Company Profile Make a purchase Access & Map Inside ME Trading FAQ

Product & Equipment Search

Contact
TEL +81-858-71-0850 FAX +81-858-71-0851
✉ met-yusyutsu@metrading.co.jp
Office : Open Monday to Friday
AM9:00-PM6:00 Japan time

🕒 JAPAN time 17:03
[Register now](#)

High-Quality Farm machinery from Japan
DISCOUNT UPDATE
Wed 16:30(JST)~
MORE THAN 20 ITEMS PRICE DOWN

How To Start Importing
Presently used farm and construction machines are being sold, and it is to person who has no experience in importing them directly from Japan and would like to find ways of getting the machines on good price by importing on your own.

- 
- Netherlands
 - Albania
 - Armenia
 - Belgium
 - France
 - UK
 - Greece
 - Italy
 - Hungary
 - Moldova
 - Poland
 - Romania
 - Spain
 - Egypt
 - Saudi Arabia
 - Yemen
 - Kenya
 - Morocco
 - South Africa
 - Bangladesh
 - Cambodia
 - China
 - India
 - Malaysia
 - Philippines
 - Vietnam
 - Thailand
 - Bolivia
 - Chile
 - Mexico
 - Paraguay
 - Others

Social Significance of Machinery (Agricultural Equipment)

There are countries where no agricultural machinery is available. These countries have to rely on manual labor. Therefore, strengthening exports of Japanese machinery (agricultural equipment) will help increase the world's agricultural output.



1. No poverty

End poverty in all its forms everywhere



2. Zero hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



November 2021: Counselor Cote d'Ivoire in Japan visited MarketEnterprise. Officials from several other embassies have also visited the company.

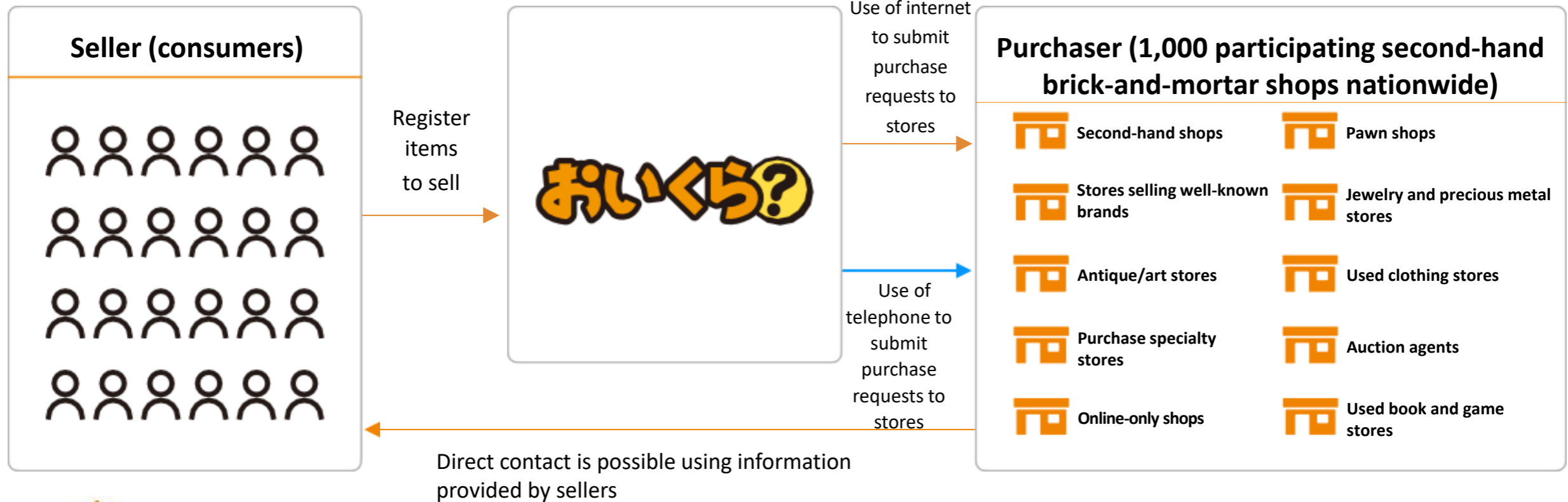


Second-hand Online Business

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Oikura Business Flow and Award History

A platform has a bulk quote feature that allows a seller to receive quotes from second-hand brick-and-mortar shops
 A seller can request estimates from multiple reuse shops just by registering the information of the reuse item for sale.



■ Shoppers Eye “Survey of Purchase Price Comparison Websites”

- Purchase price comparison website with a sense of price satisfaction No.1
- Purchase price comparison website with a sense of speed No.1

Survey outline: Appraisal of four purchase price comparison websites Companies covered: "Purchase price comparison websites" Google search (As of January 29, 2021)



CSR Activities

Musical Instrument Donation for Hometown Tax Payment (1)

- The Hometown Tax Payment System is a new method for paying taxes. This system can be used for donations of musical instruments that are no longer needed to schools, bands and other organizations, via a local government. The appraised value of the instruments then becomes a tax deduction.
- In January 2021, MarketEnterprise received the Local Government Commendation of the Hometown Creation Awards given by the Ministry of Internal Affairs and Communications.
- MarketEnterprise was the only company that participated as a cooperating judge.



Musical Instrument Donation for Hometown Tax Payment (2)

19 local governments have been participated in this program as of February 2022.



Forward-looking statements in this document, such as forecasts of business performance, include forward-looking statements, assumptions and projections that are the basis of our plans. Actual business results may differ substantially due to various factors.

For IR-Related Inquiries and Inquiries about this Document

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To be an Optimized Trading Company for the creation of Sustainable Society

