



Results of Operations for the Fiscal Year Ended June 30, 2022

August 12, 2022



Securities code: 3135

Agenda

1. Overview of Results for FY2022

Kenichi Imamura, Director and CFO

- ① Overview of Consolidated Results
- ② Overview by Segment

2. Progress of the Medium-term Management Plan

Yasushi Kobayashi, President and CEO

- I. Progress of the Medium-term Management Plan
- II. Our Market Recognition and Focused Strategy
- III. Strategies by Business for This FY

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Sales reached a record high since inception.

The level of sales achieved was in line with the plan.

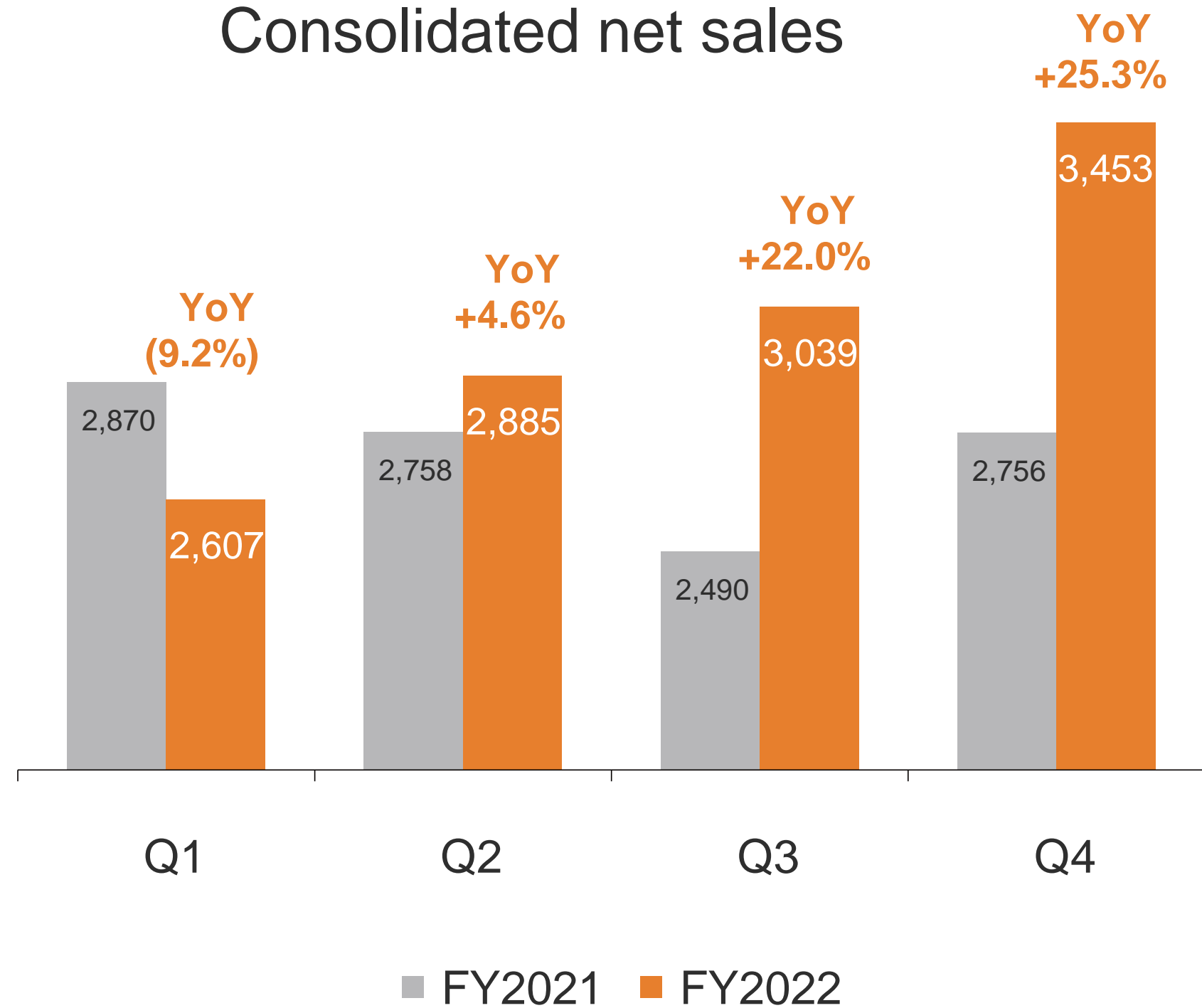
(Million yen)	2021 Results for FY2021 (A)	2022 Results for FY2022 (B)	B/A	2022 Plan for FY2022 (C)	B/C
Net Sales	10,875	11,986	+10.2 %	12,000	(0.1%)
Operating profit	54	(319)	—	(400)	—
Ordinary profit	32	(328)	—	(405)	—
Profit attributable to owners of parent	(40)	(404)	—	(440)	—

Sales trended upward from Q2 onward. **Record quarterly sales achieved in Q4.**

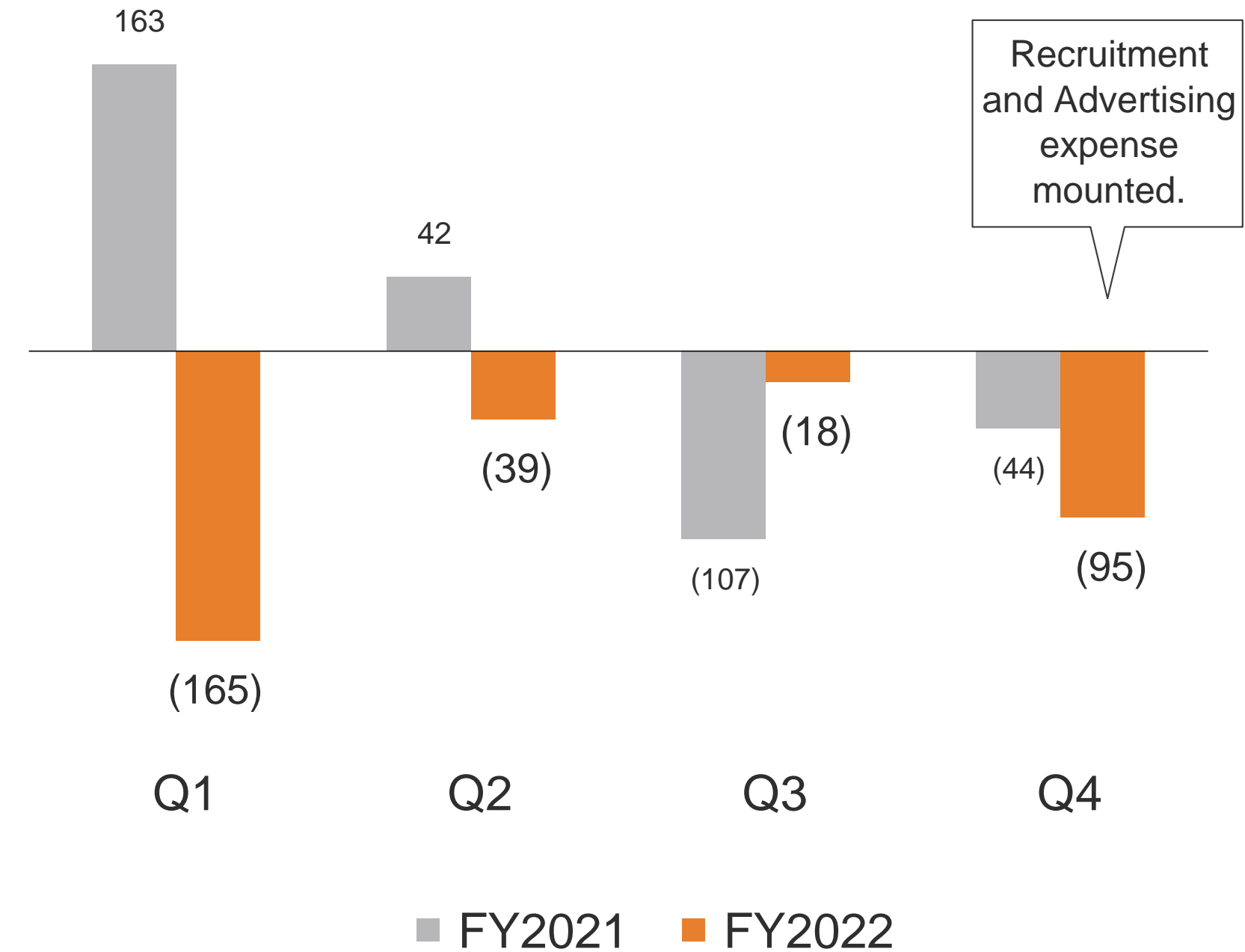
Investments in advertising and recruitment accelerated in Q4.

(Million yen)

Consolidated net sales



Consolidated operating profit



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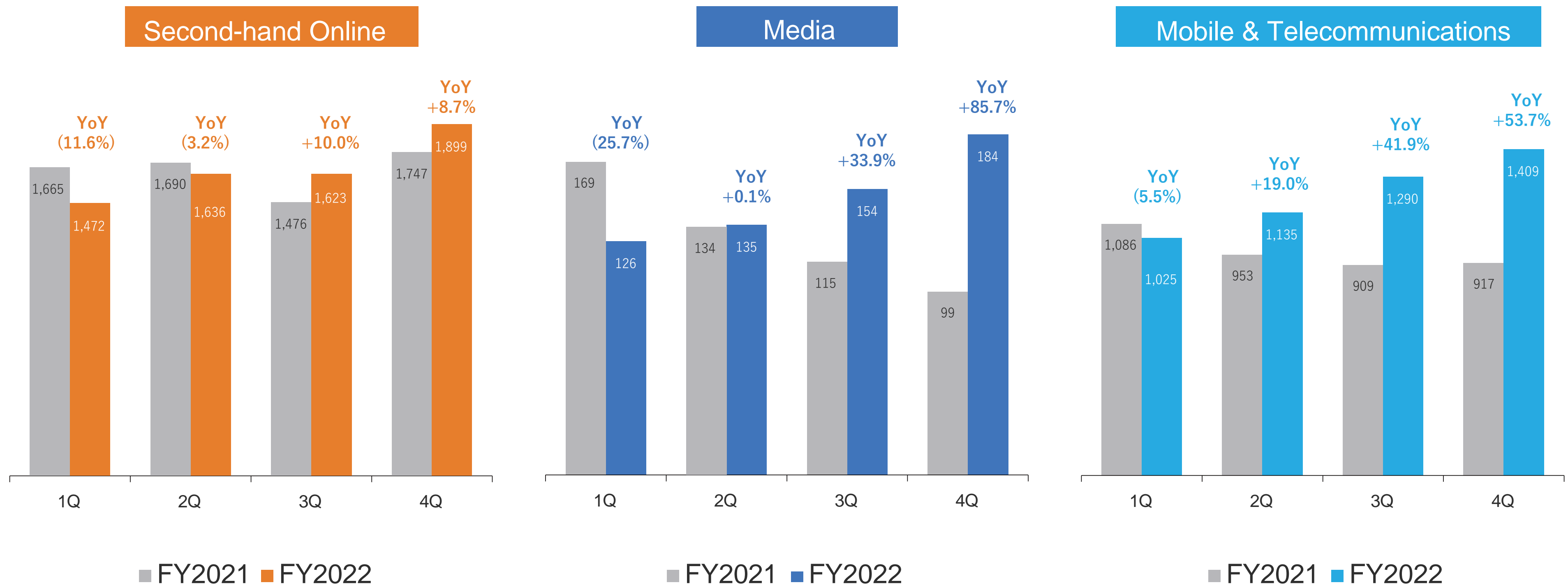
Revenues were up for all business segments.

(Million yen)	FY2021 (Results)	FY2022 (Results)	Year-on-year
Net sales	10,875	11,986	+10.2%
Second-hand Online	6,580	6631	+0.8%
Media	519	599	+15.5%
Mobile & Telecommunications	3,866	4861	+25.7%
Adjustment	(89)	(105)	—

All segments have trended toward higher revenues since the second half of the fiscal year.

In particular, **record sales for second-hand online were achieved in Q4.**

(Million yen)

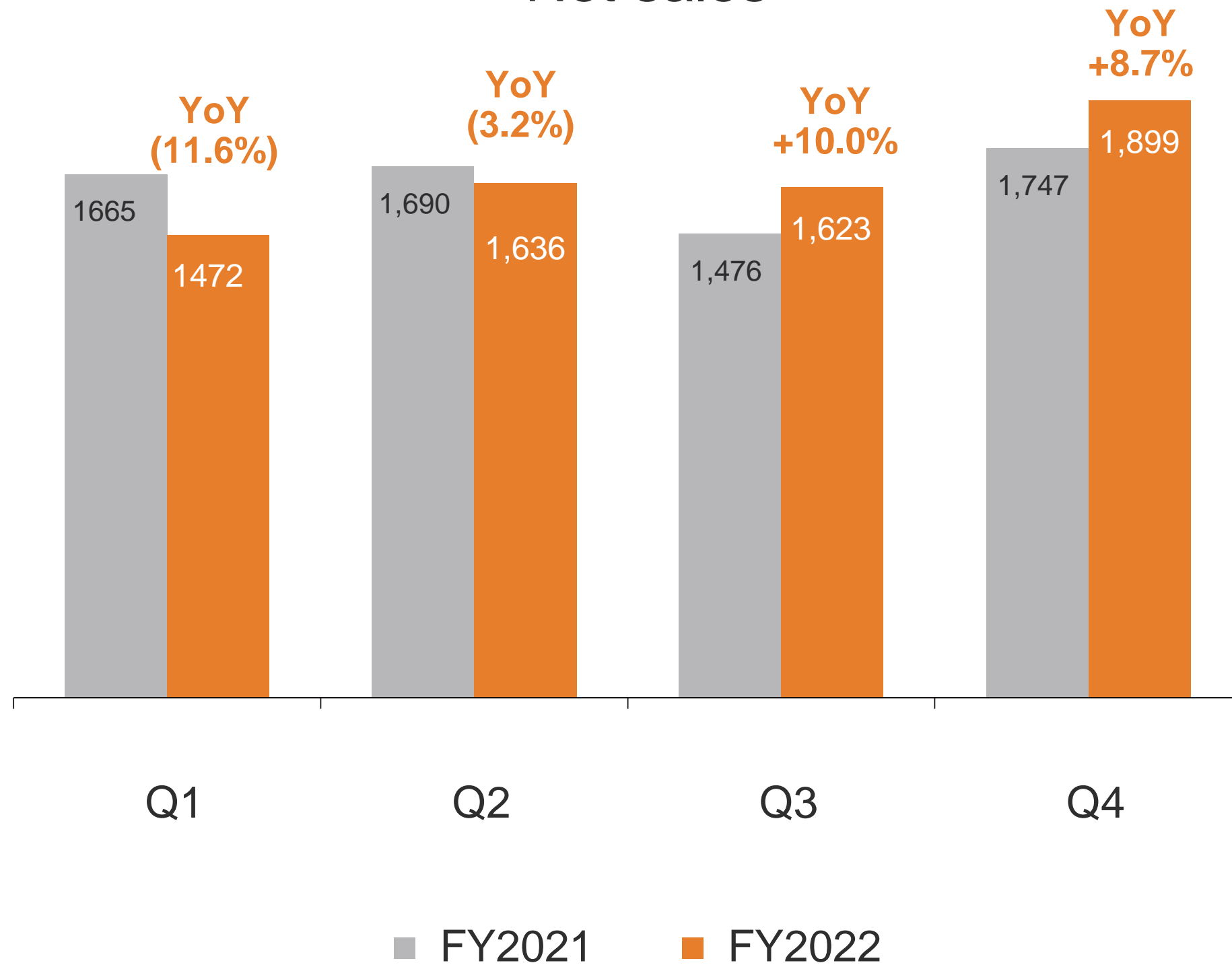


Second-hand Online Business

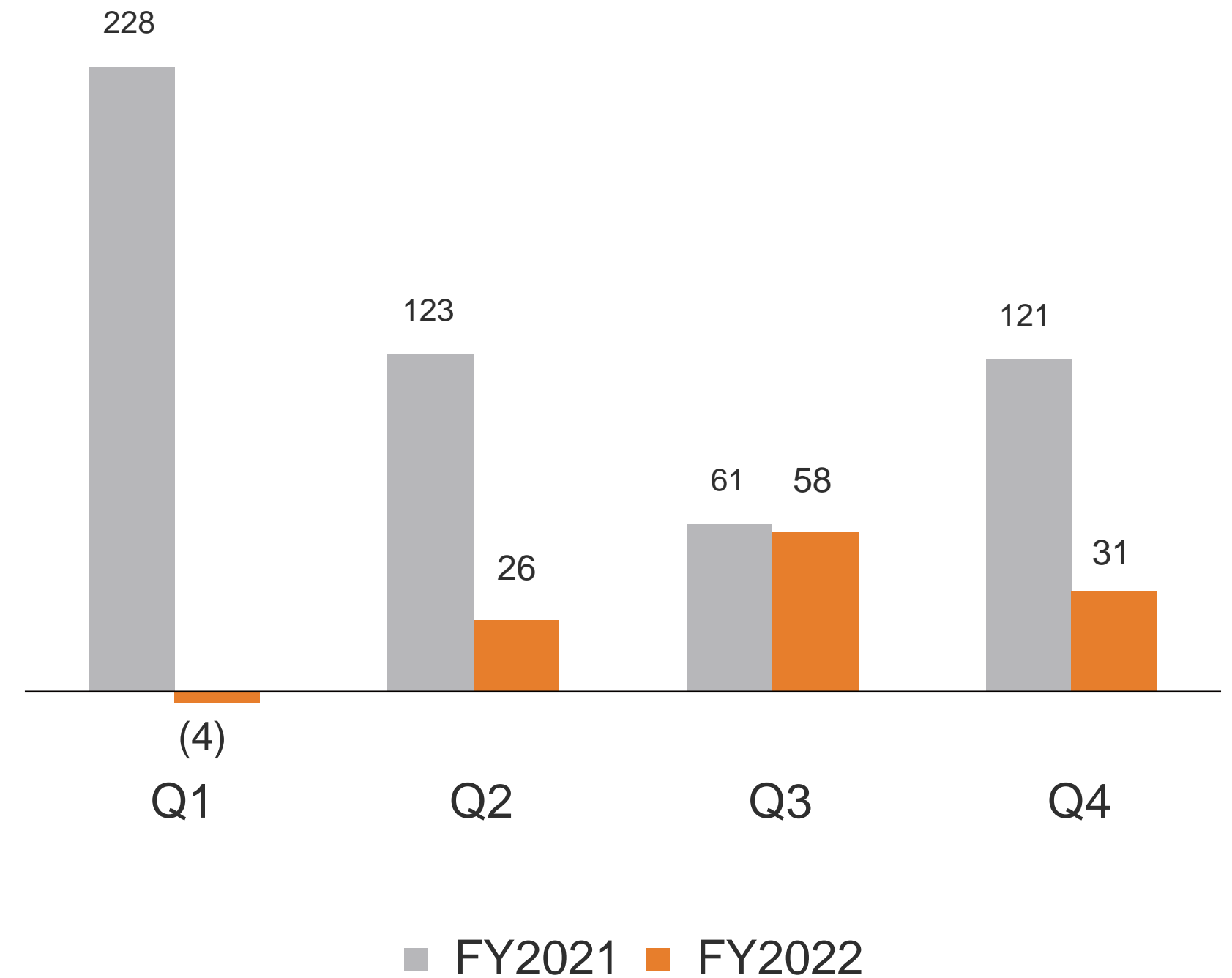
Net sales increased and profits improved from the second half.

(Million yen)

Net sales




Segment profit



Second-hand Online Business

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

Establish a foundation for shifting to a policy of re-expansion in terms of both the number of purchase requests and purchase capacity.



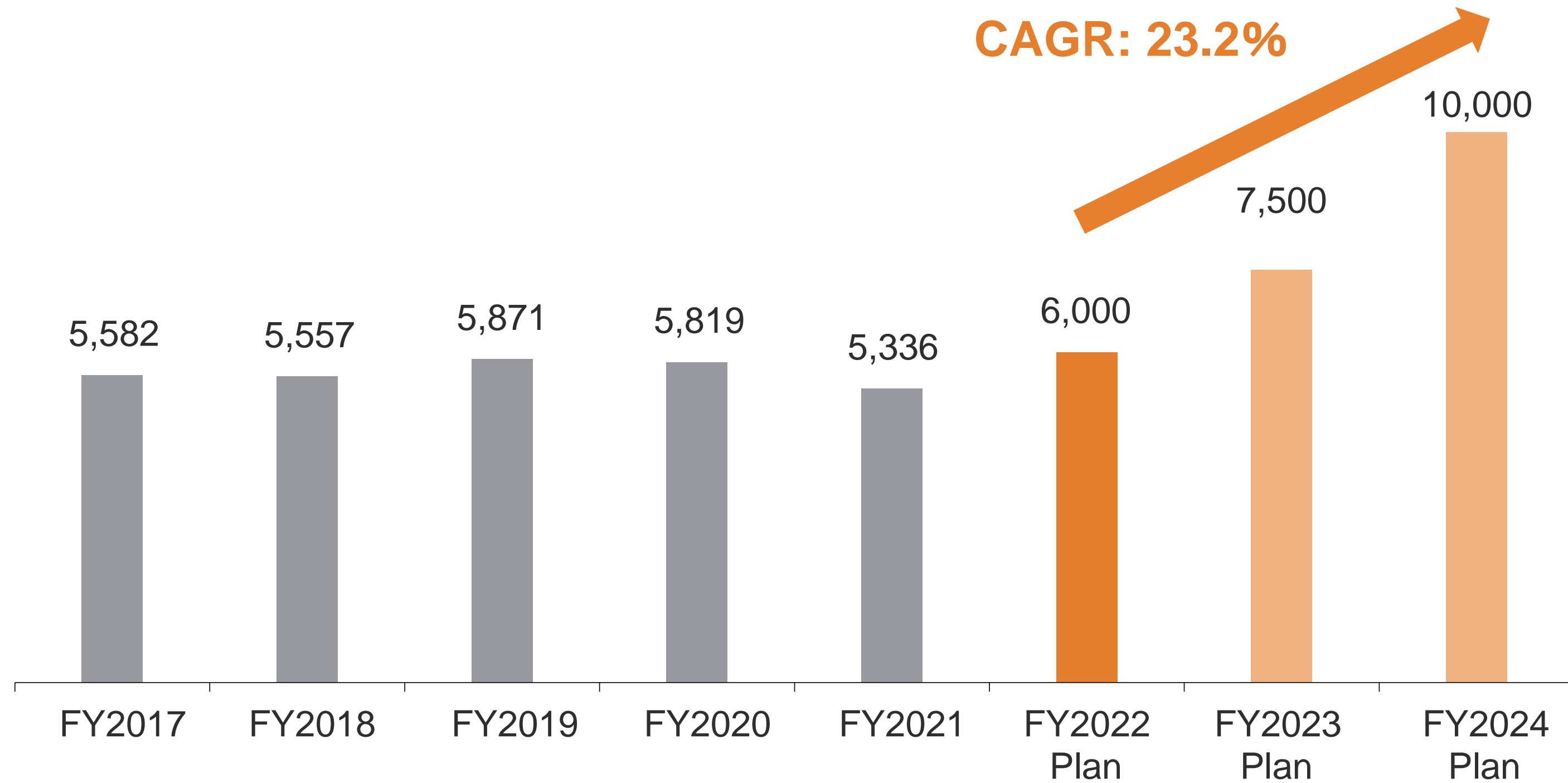
**Increase in
Number
of Purchase
Requests**



**Strengthening
of Purchase
Capacity**

Aim for average annual growth of at least 20% through an increase in the number of requests and strengthen purchase capacity.

(Million yen)

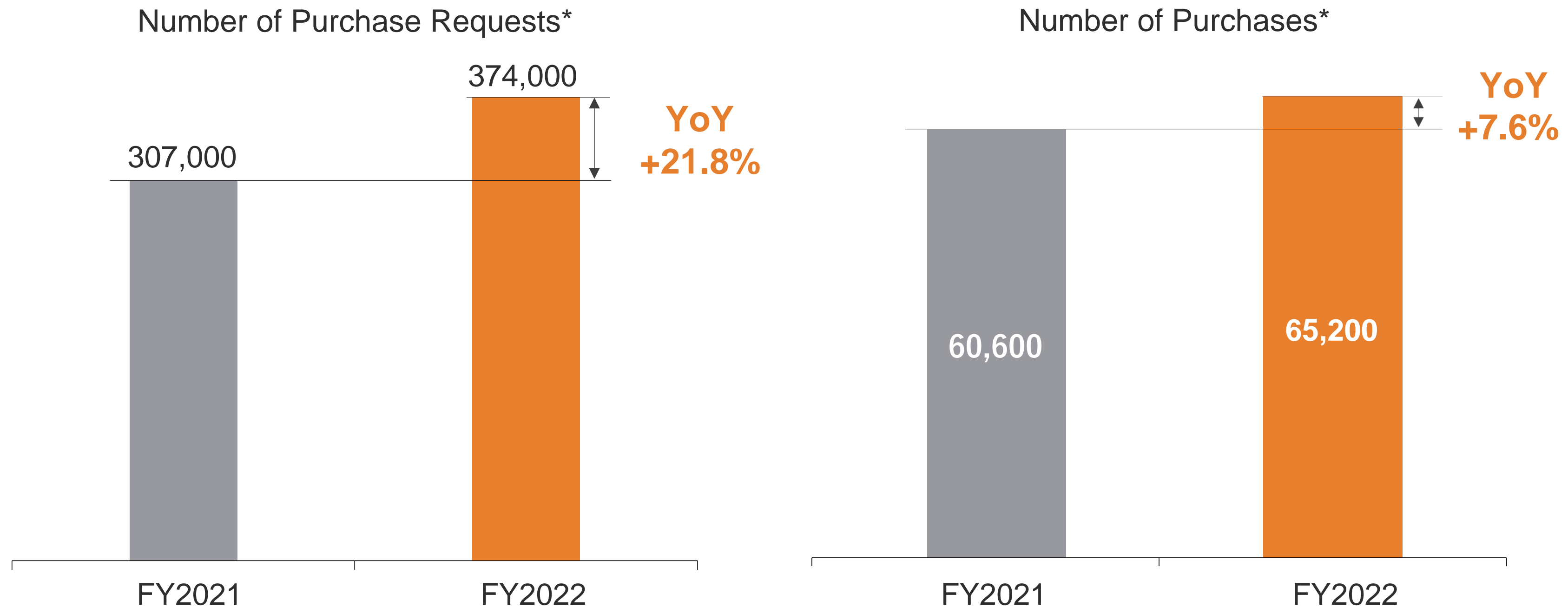


Second-hand Services for Individuals ③: Trends in the Number of Purchase Requests and Number of Purchases

Number of Purchase Requests: Aggressive marketing measures were successful, and requests continued to increase.

Number of Purchases: Growth rate was lower relative to the number of purchase orders due to delays in hiring onsite purchasers.

(Cases)



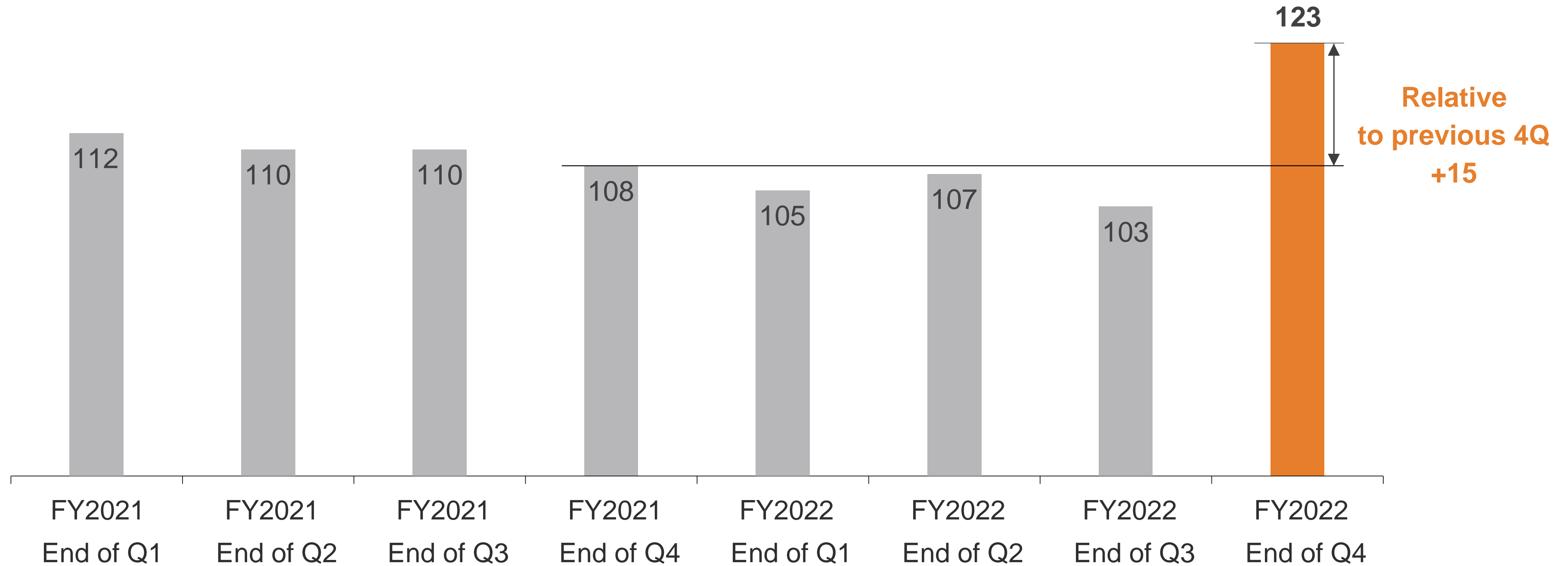
*Both the number of purchase requests and the number of purchases have been revised to reflect only the figures for second-hand services for individuals, excluding machinery (agricultural equipment).

Thanks to the successful implementation of measures to assign new graduates and mid-career hiring in the second half of the year,

the number of employees at the end of Q4 increased.

(Persons)

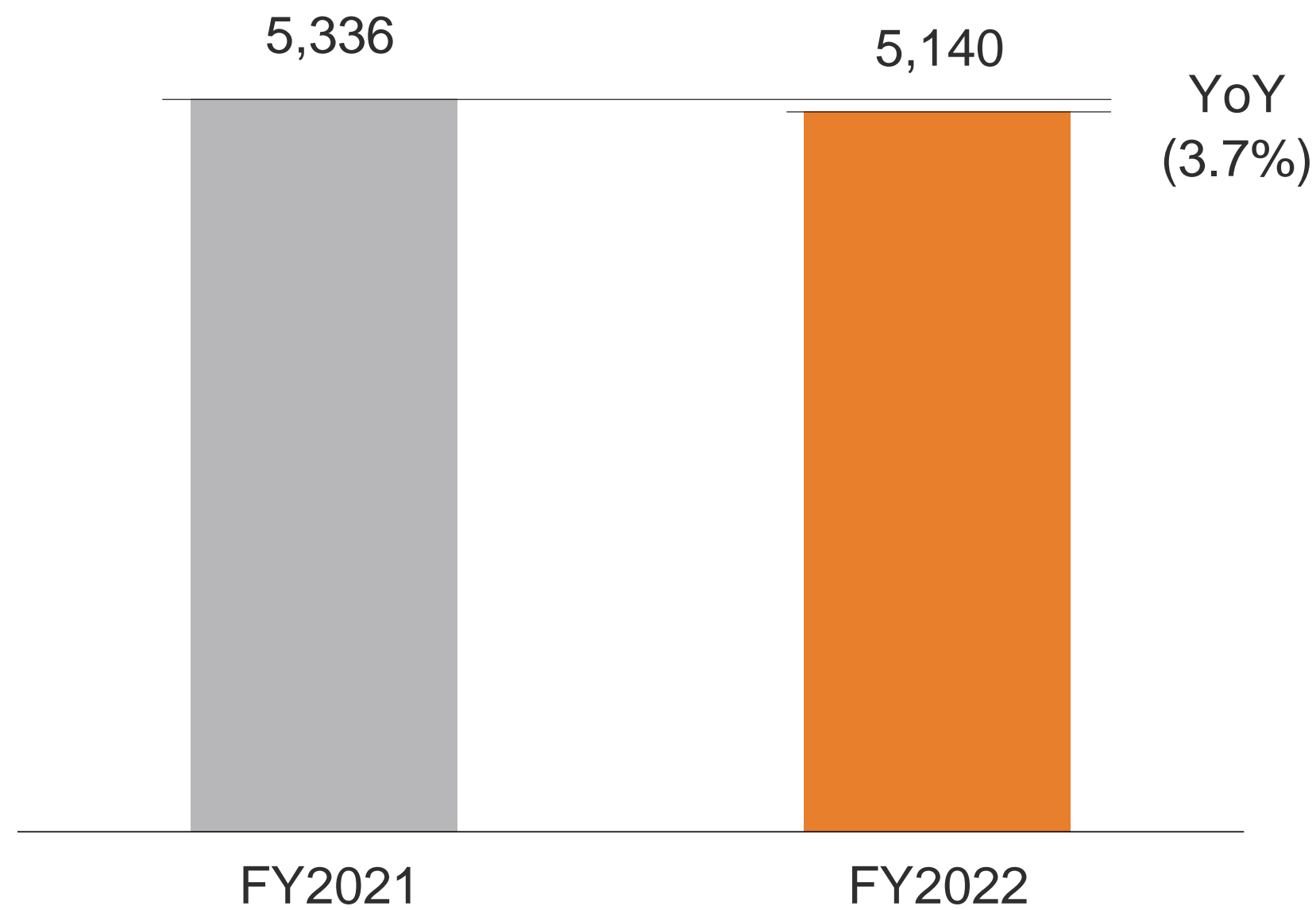
Trends in Employees of Second-hand Services for individuals



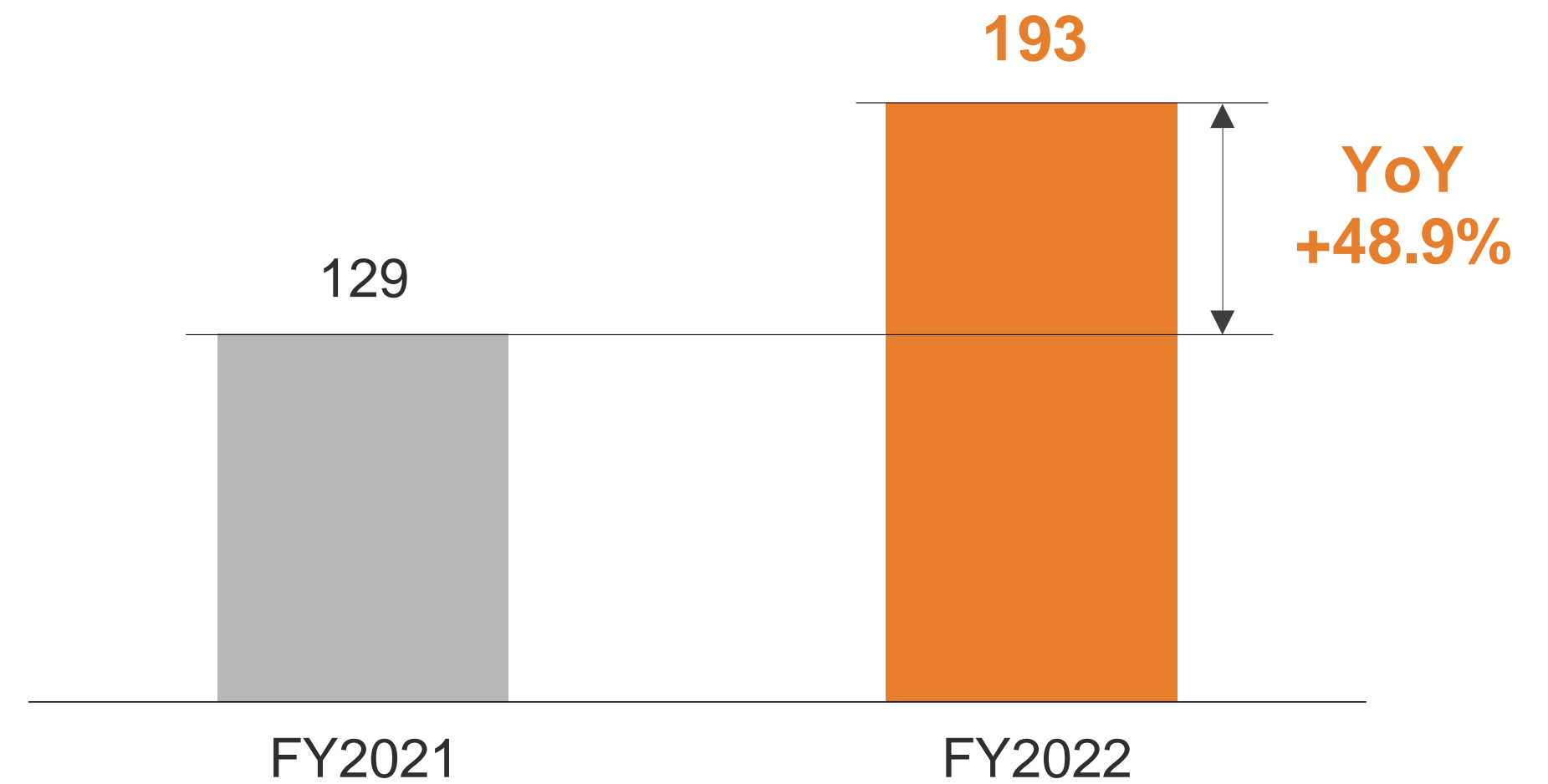
Net sales slightly declined year-on-year, **but inventories remained at levels significantly higher than those at the end of the previous FY.**

(Million yen)


Net sales



Value of inventory

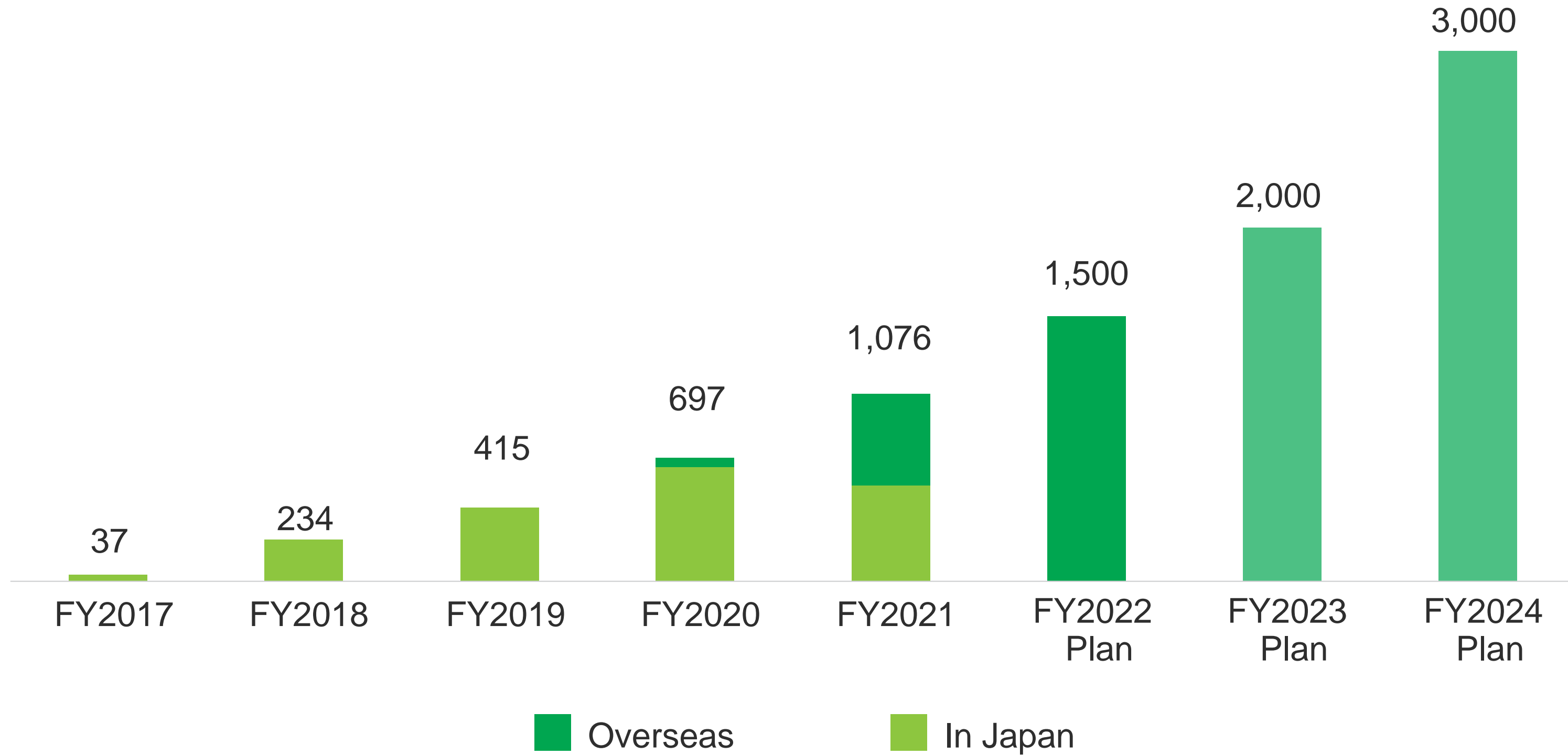


Second-hand Online Business

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

Plan to Sustain High Growth

(Million yen)



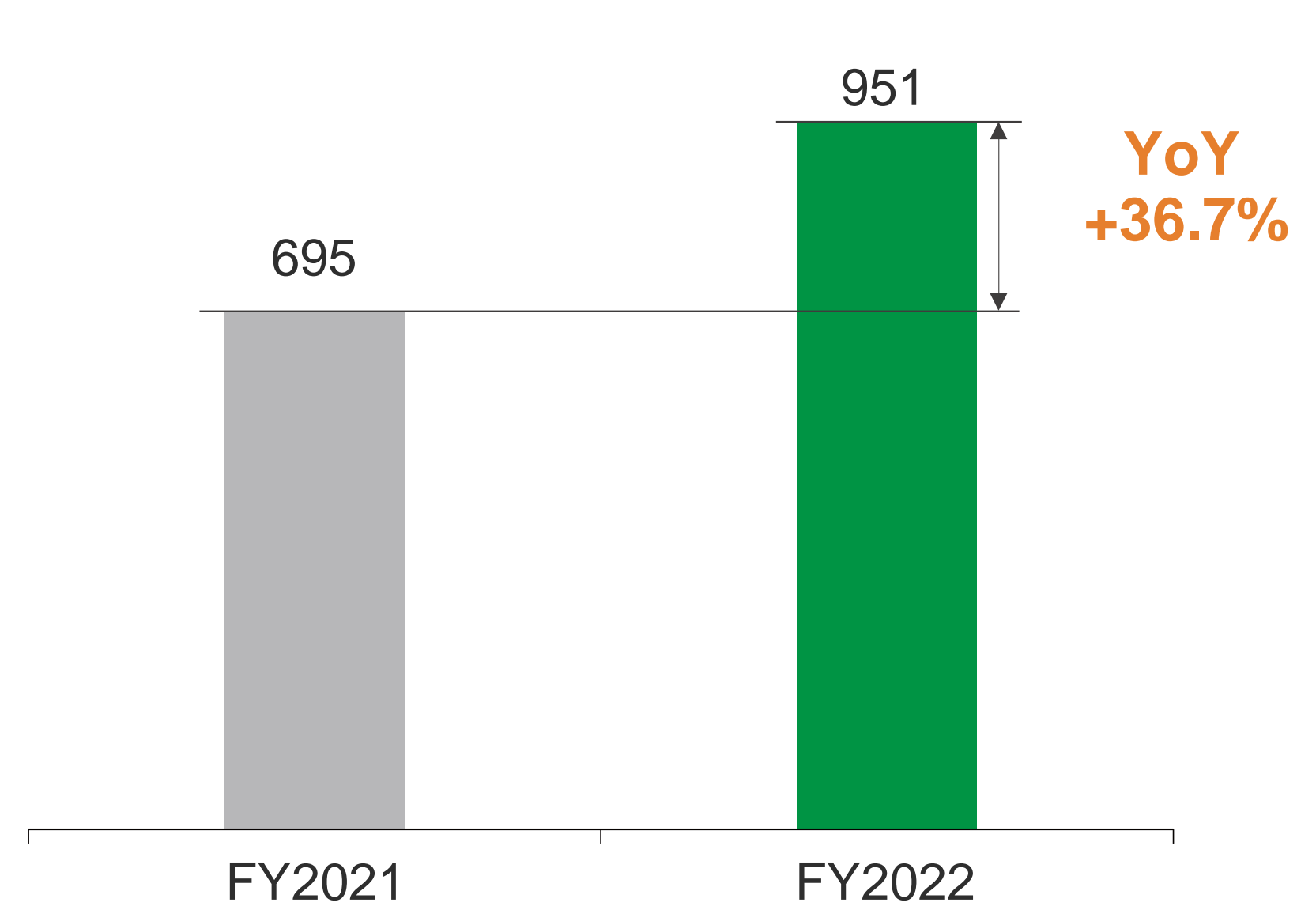
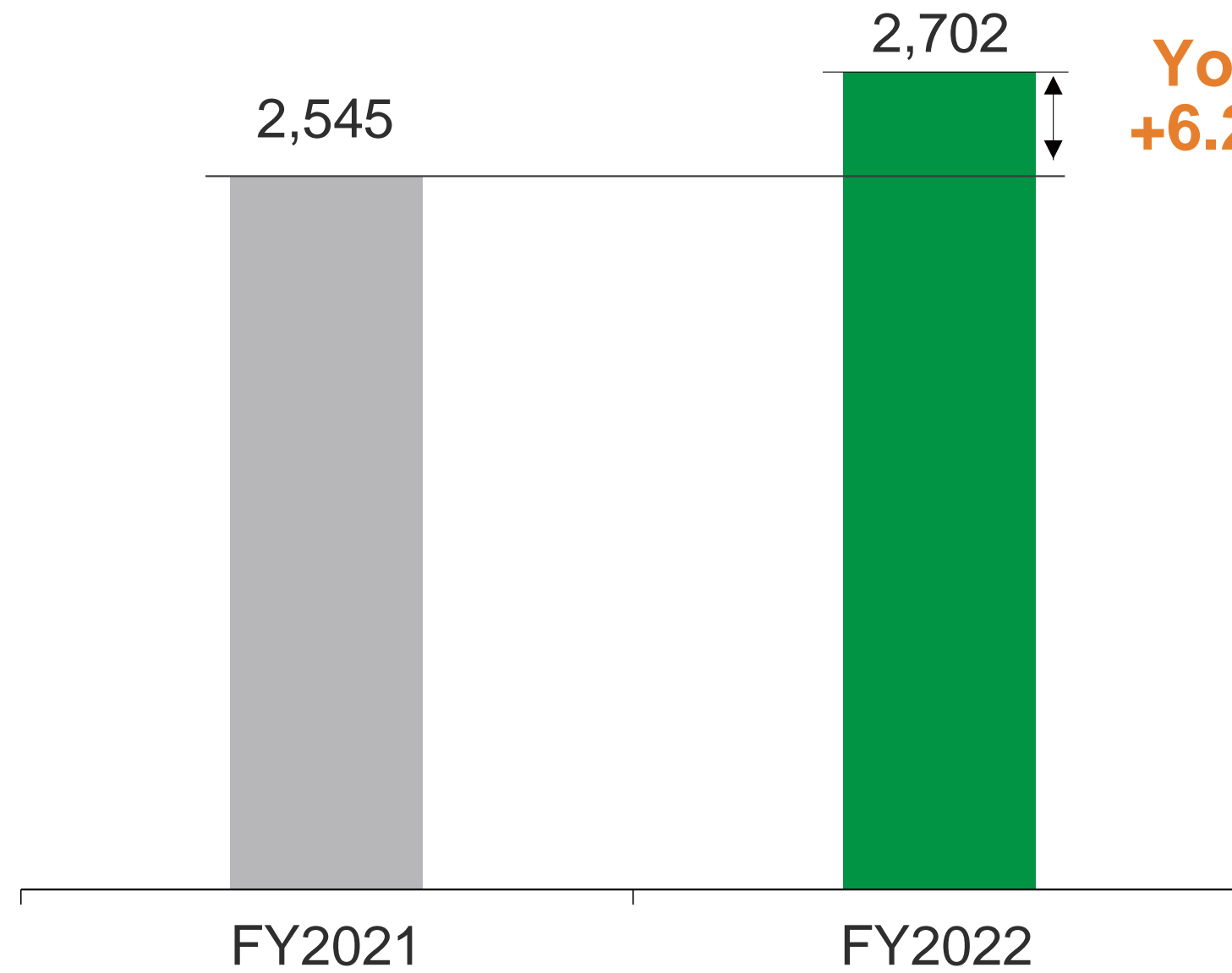
Purchases trended favorably.

(Cases)

Number of purchases

(Million yen)

Purchase amount

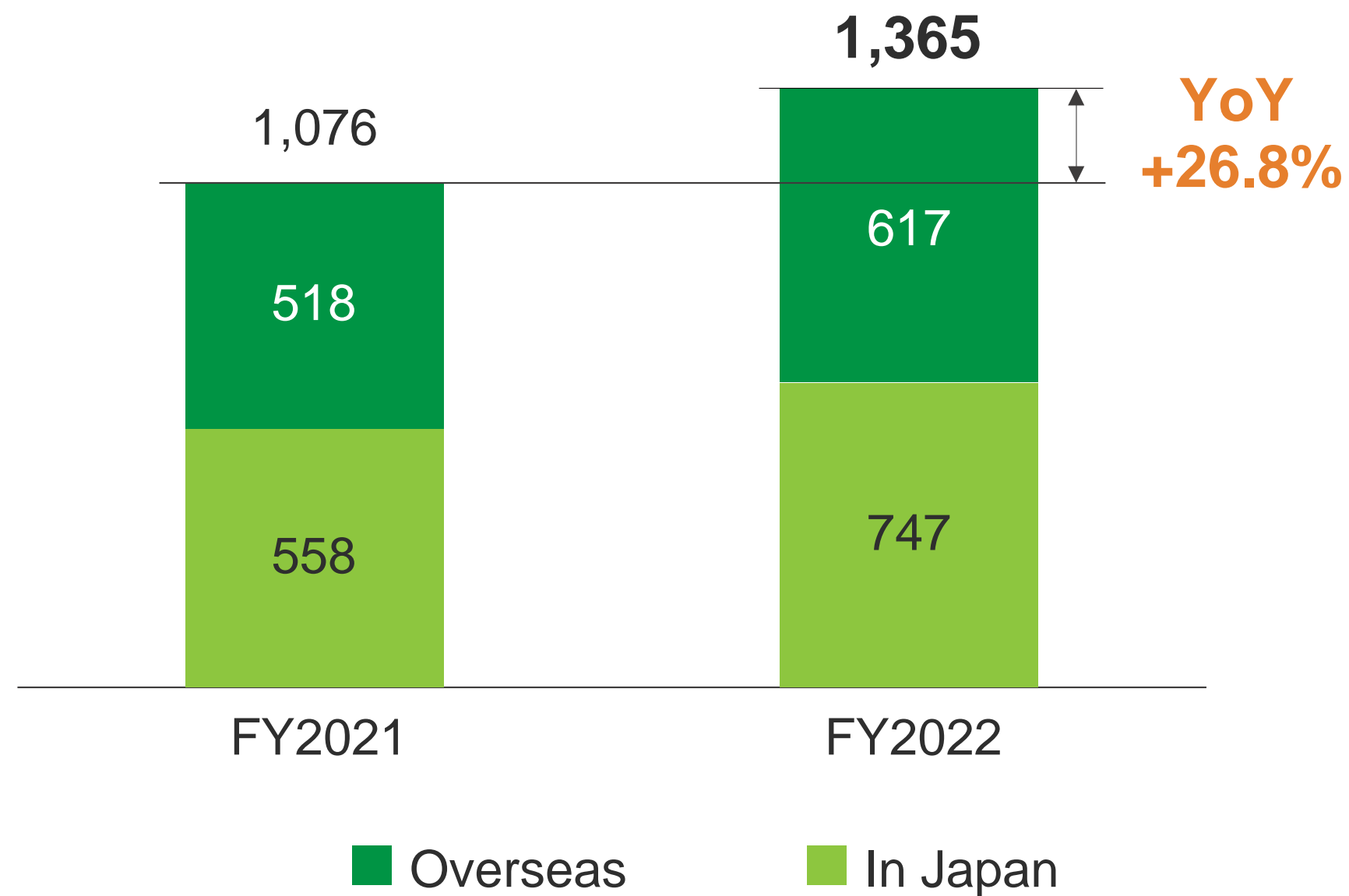


Net sales: Sales in Japan and exports both performed favorably, **with a new record high set for sales.**

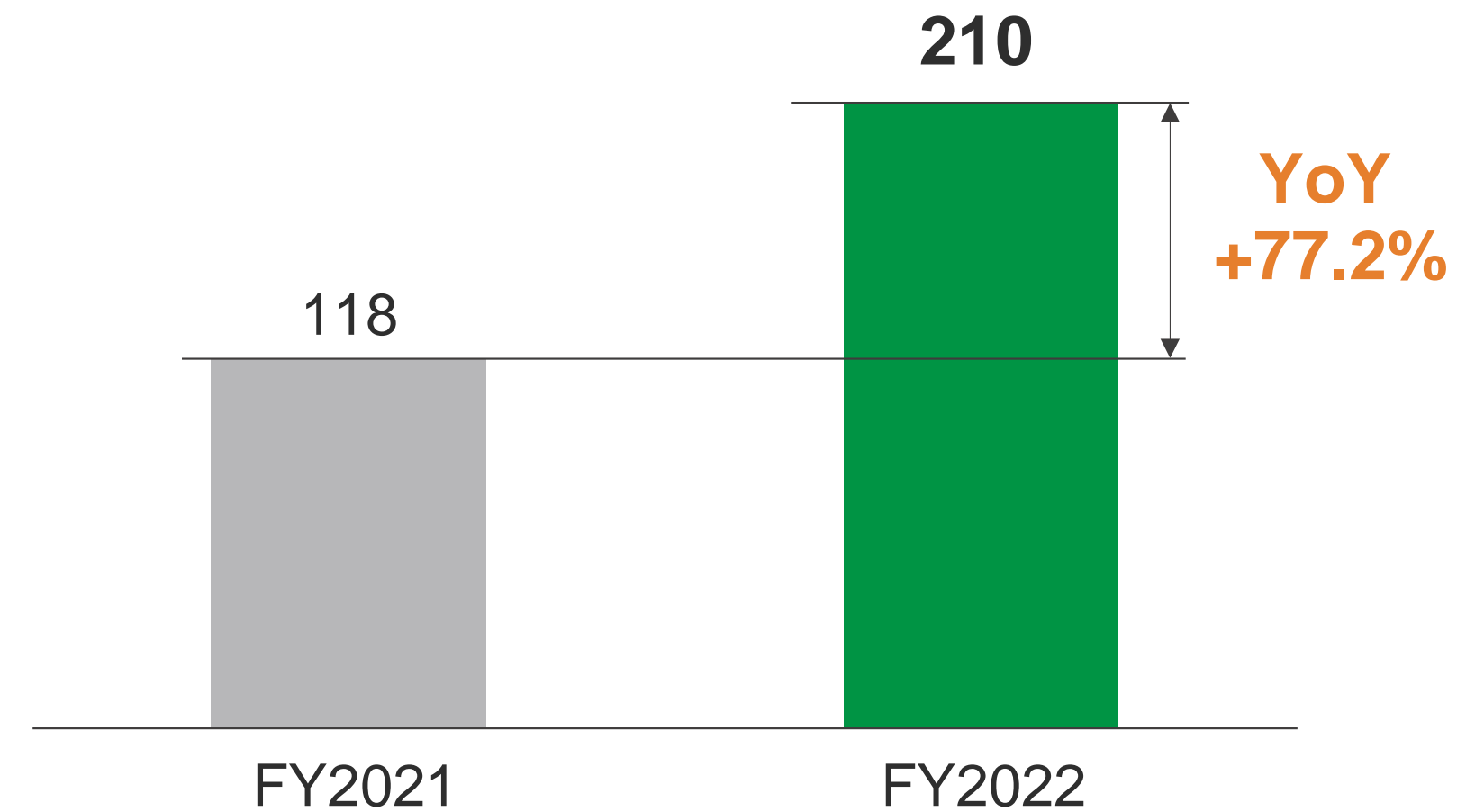
Inventories: **Significantly increased from the end of the previous FY.**

(Million yen)

Net sales



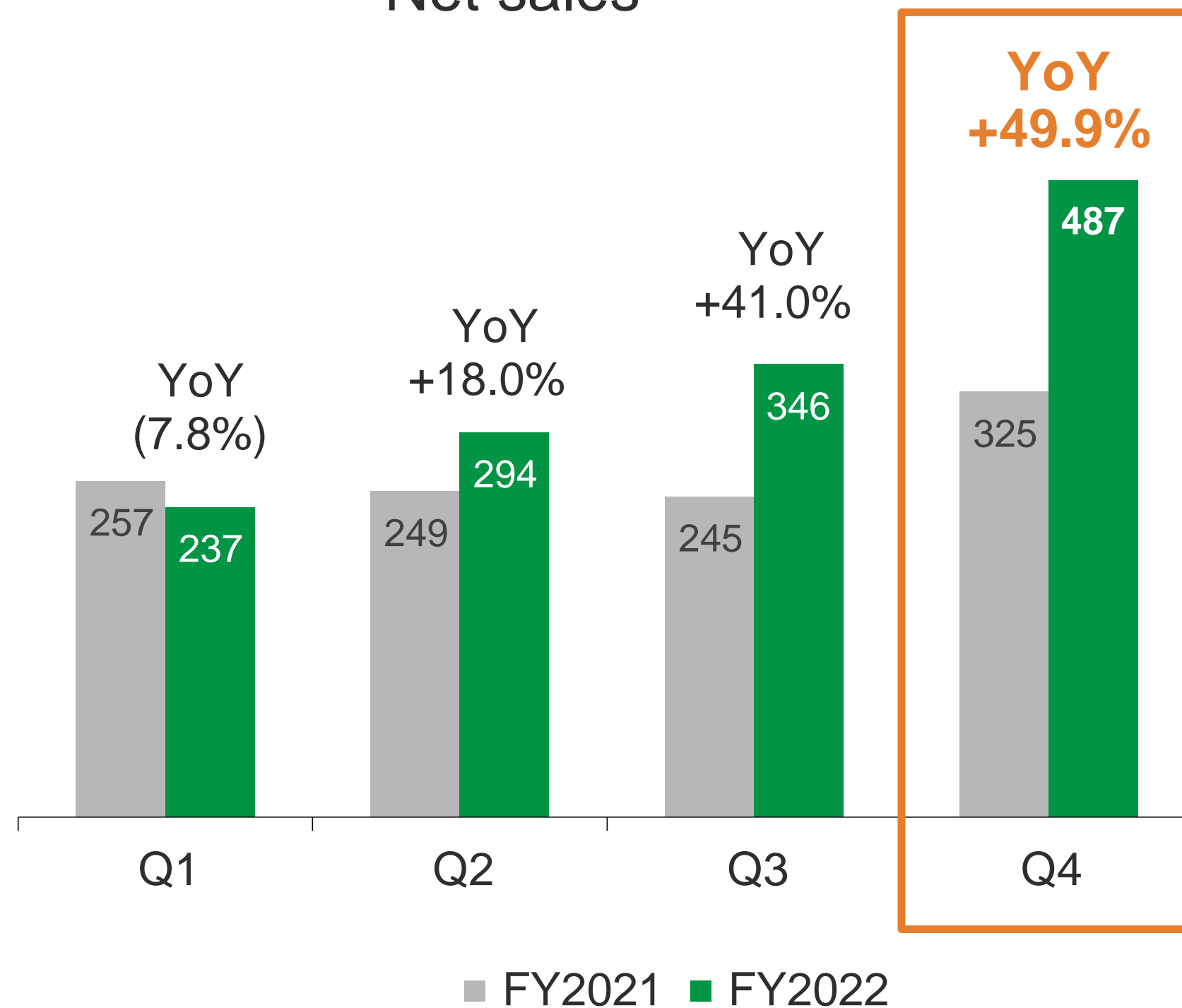
Value of inventory



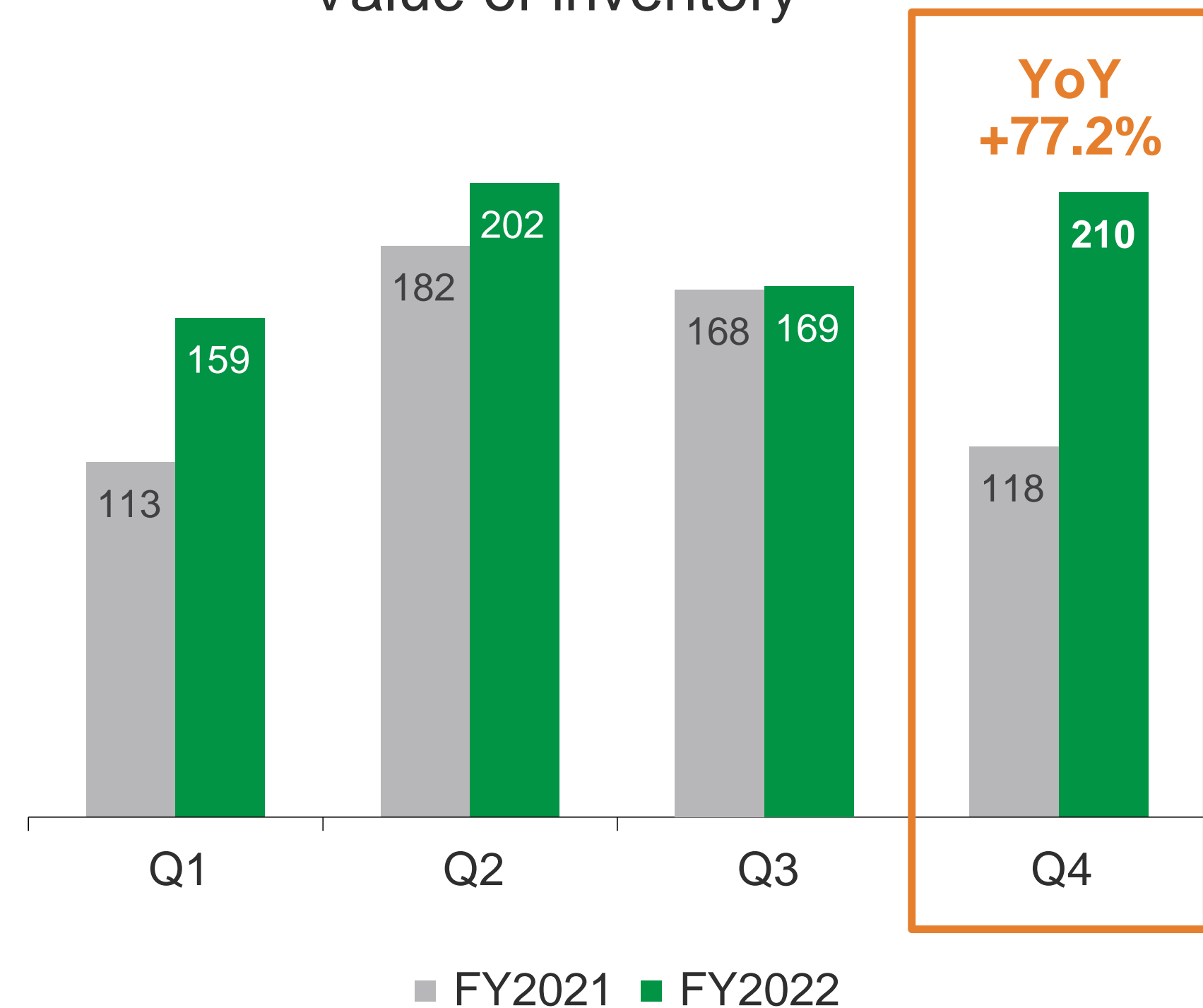
Due to the acquisition of Farmally on April 15, 2012, the volume of merchandise handled in 4Q increased.

(Million yen)

Net sales



Value of inventory



YoY
+77.2%

118

210

Q4

118

210

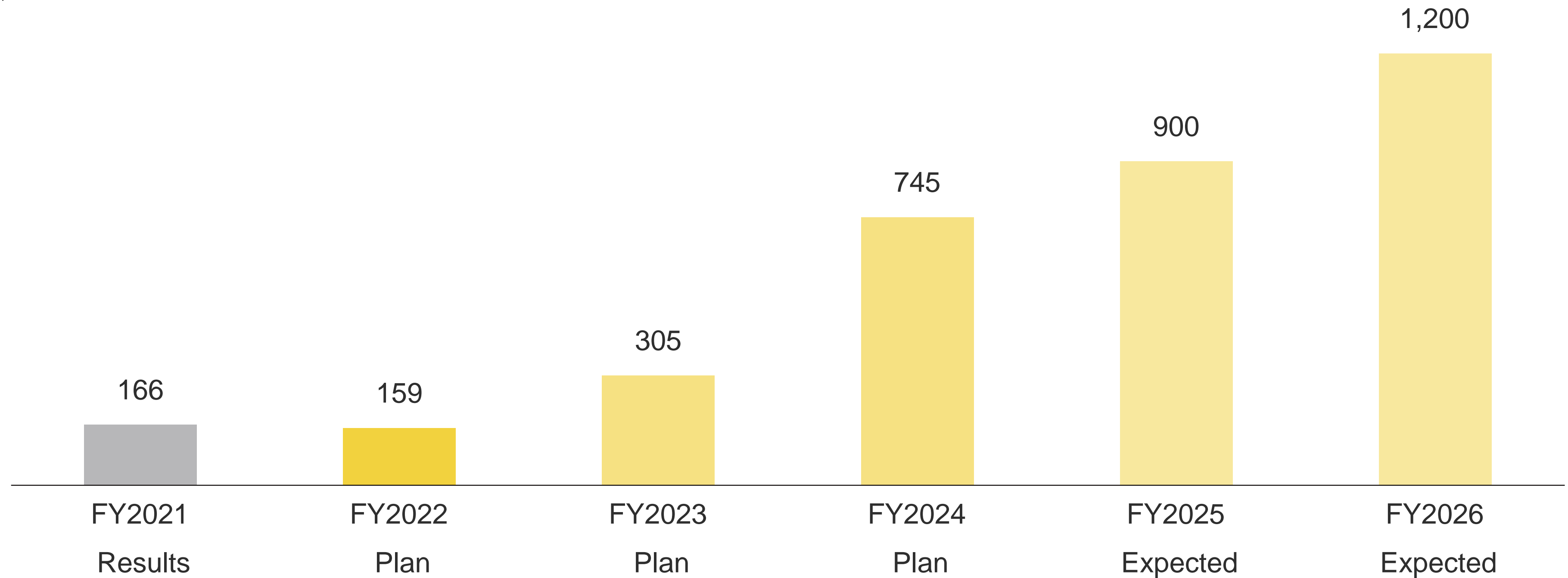
Second-hand Online Business

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

 ③ Oikura

Strengthen foundation to facilitate full-fledged contribution to business performance starting from FY2024.

(Million yen)



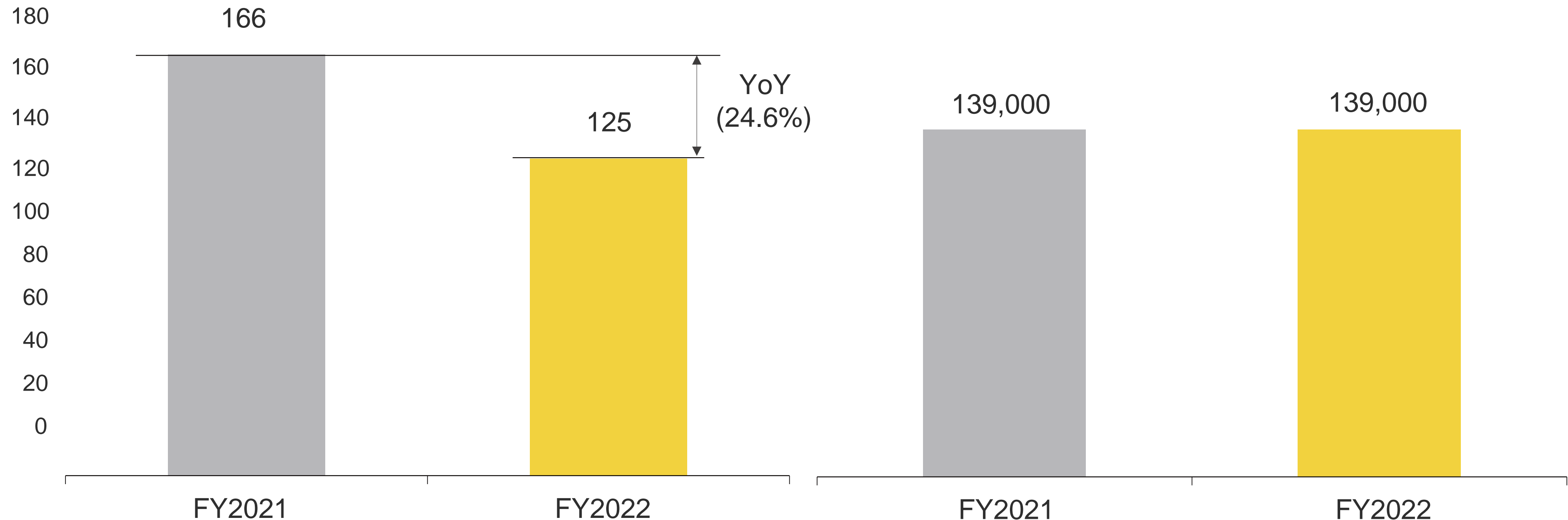
Net sales declined year-on-year, while the number of web-based purchase requests remained unchanged.

(The strategy for Oikura is explained in the latter part of these materials.)

(Million yen)

Net sales

Number of web-based purchase requests

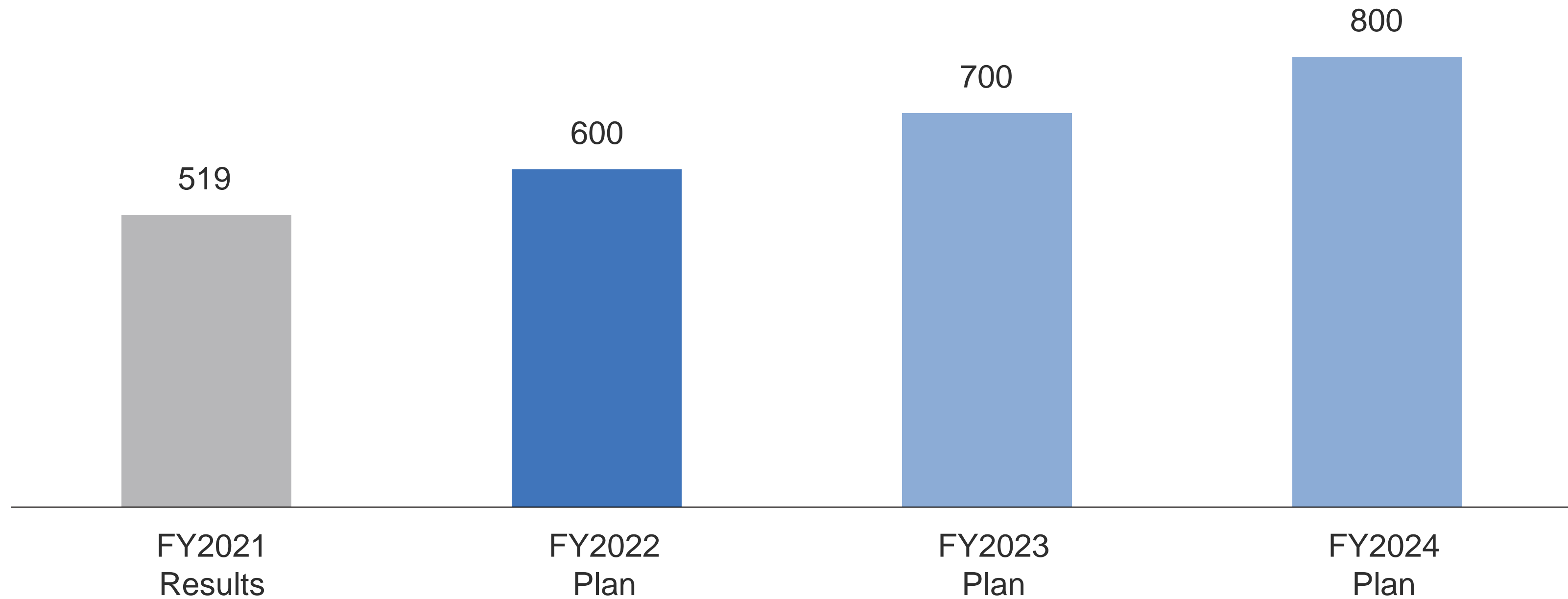




Media Business

Aim to build a stable earnings structure by further developing existing strategies.

(Million yen)



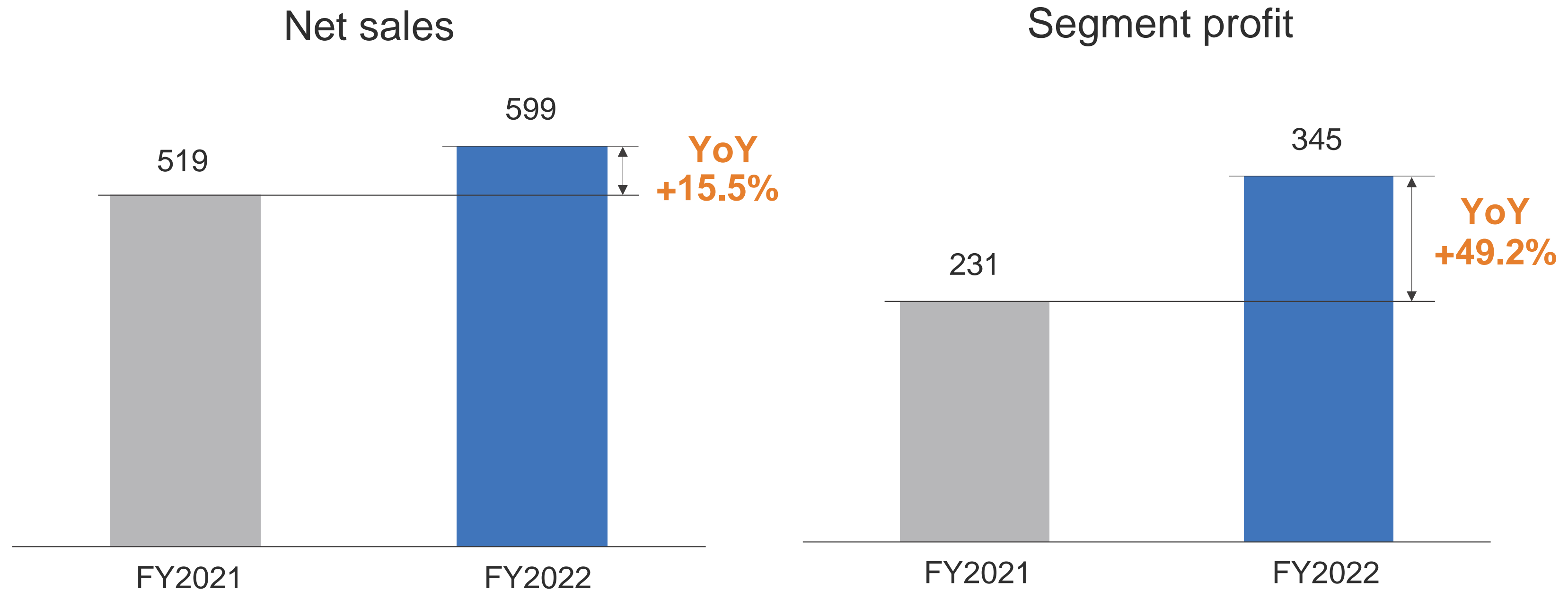
PV numbers increased steadily in the mainstay telecommunications sector as well as in other sectors.

10,000 PV	FY2021	FY2022	YoY
Media monthly average PV numbers	1,016	1,381	+35.9%
Telecommunications sector	527	738	+40.2%
Other sectors	489	642	+31.3%

Net sales: Revenues increased year-on-year.

Profits: **Profits increased significantly year-on-year due to efficient business operation.**

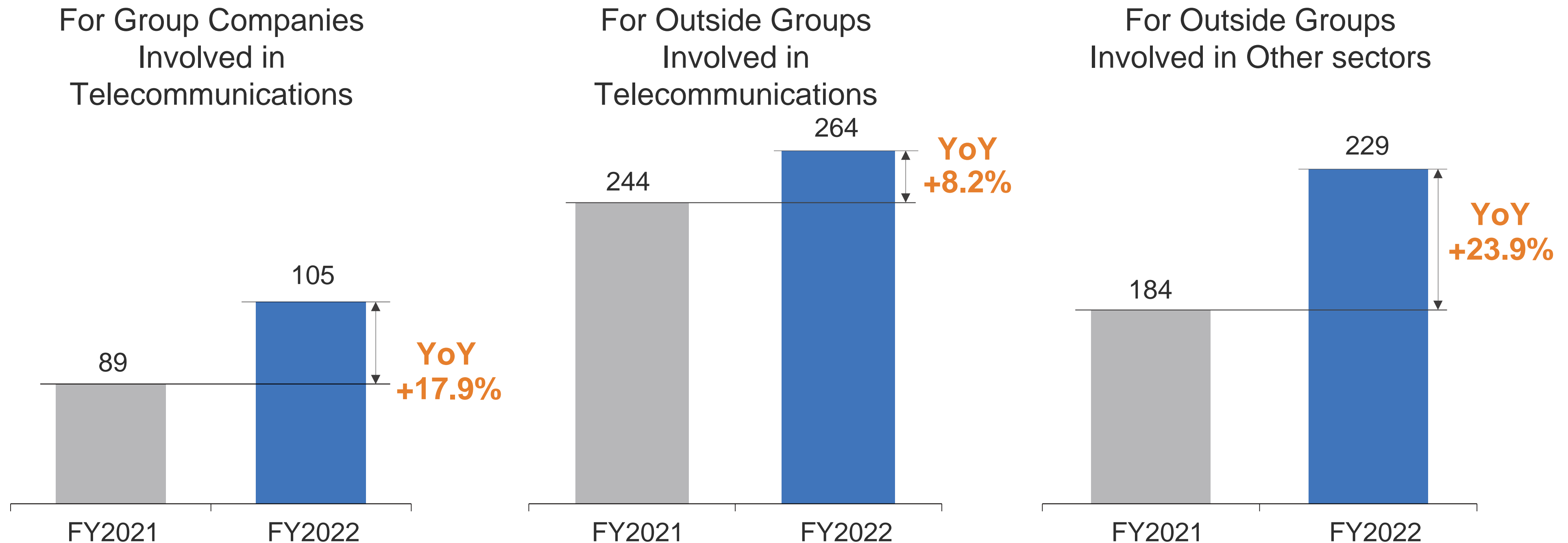
(Million yen)



Revenue growth was secured in all domains.

The construction of a stable foundational structure through diversification of the revenue base is progressing as expected.

(Million yen)





Mobile & Telecommunications Business

Shift from shot-type to stock-type. Focus on buildup of future earnings*.

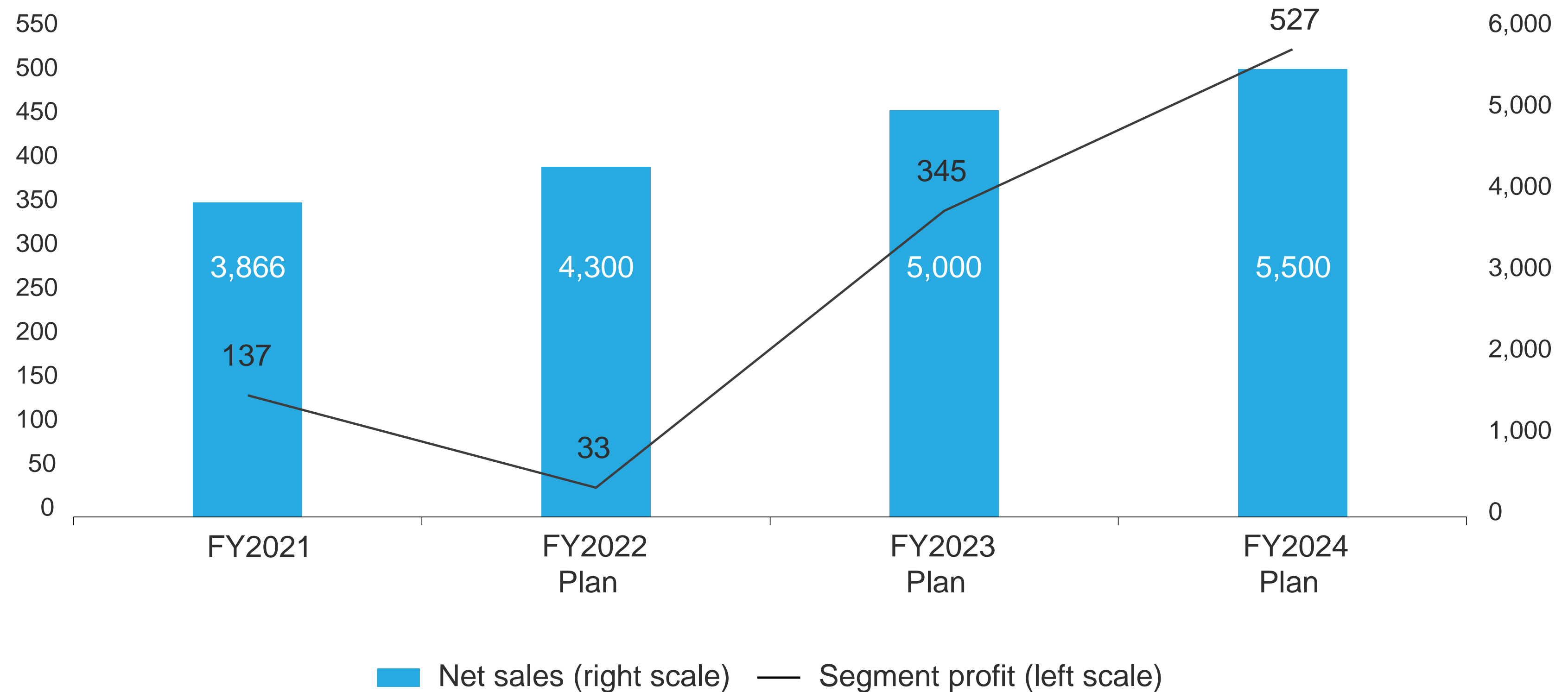


*Future earnings: Gross profit from future telecommunications fee revenues expected to accrue from existing line subscriptions.

Mobile & Telecommunications Business ②: Business Plan (from Medium-term Management Plan materials)

Profit is expected to decline in the short term due to an increase in acquisitions of 5G lines, which have a high weighting of recurring revenue.

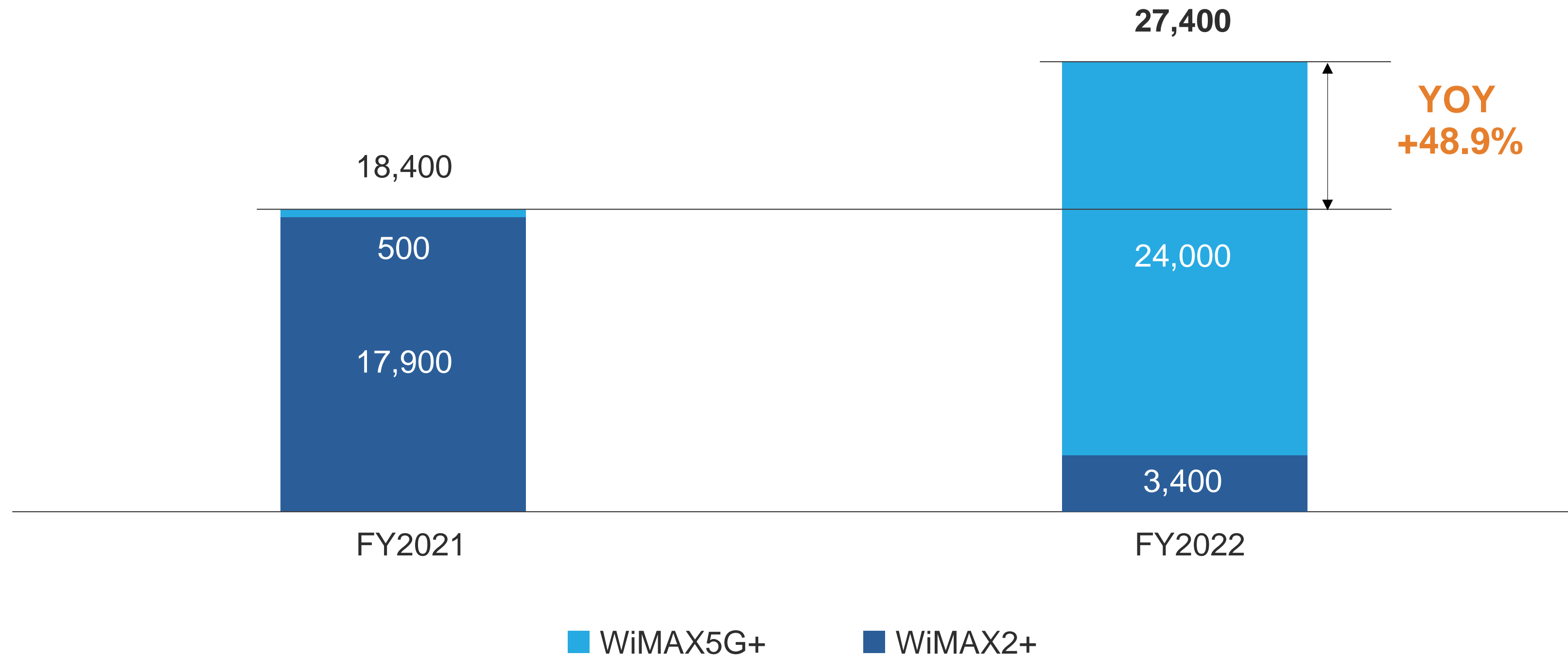
(Million yen)



Mobile & Telecommunications Business ③:
Number of New Line Acquisitions

Acquisition of new lines, centered on WiMAX5G, **remained steady.**

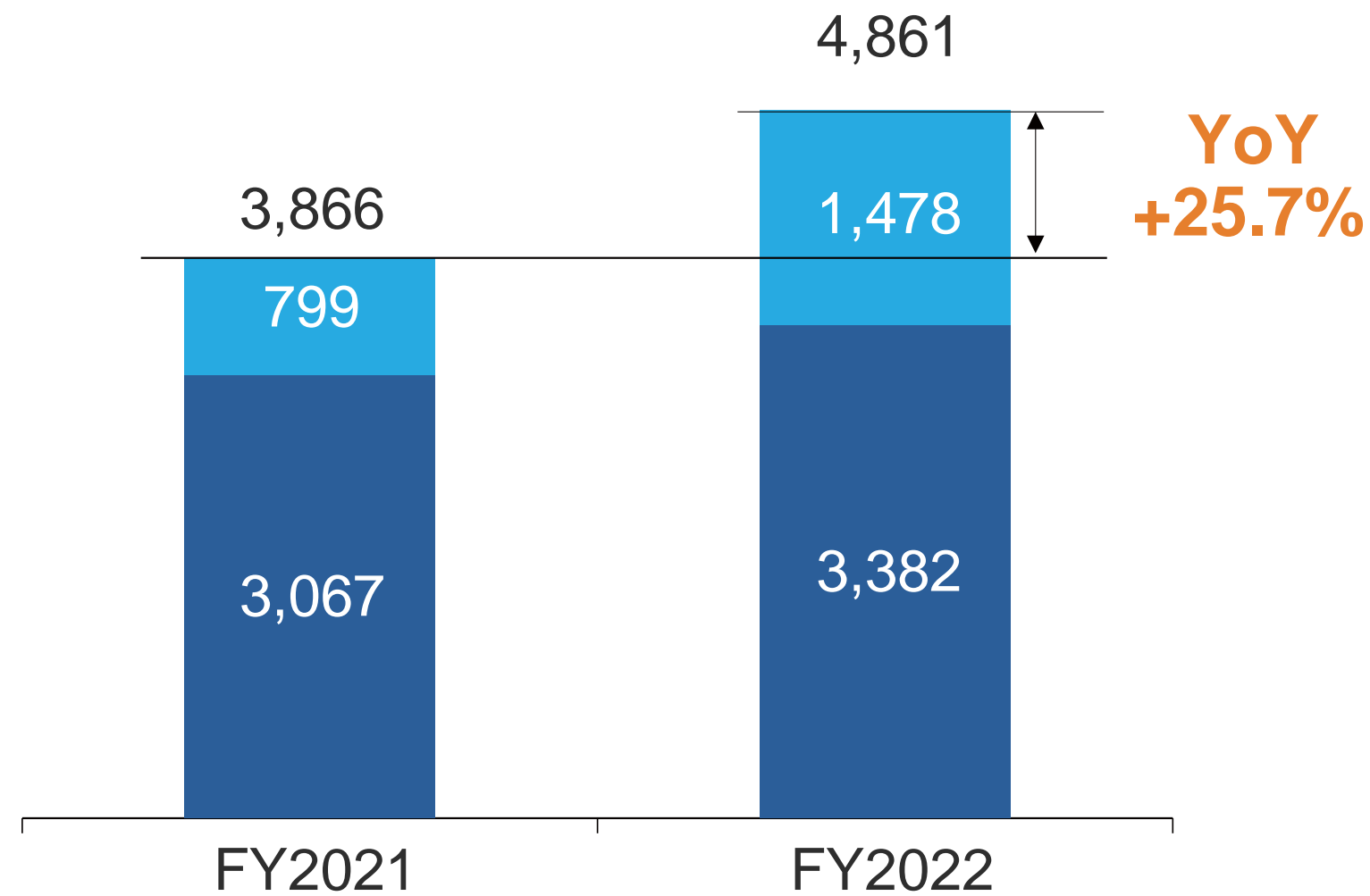
(Lines)



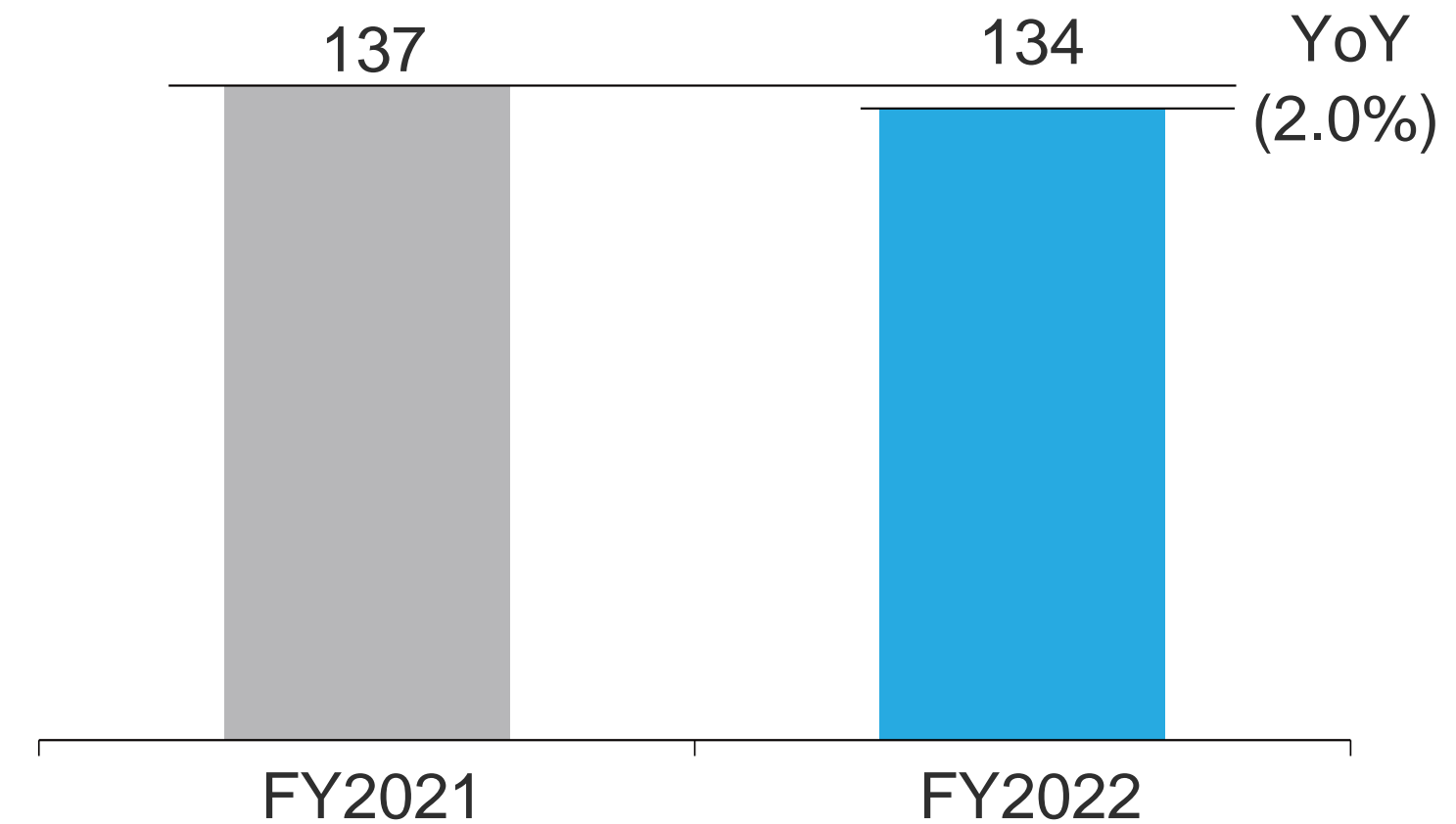
Net sales: **Increased year-on-year due to growth in the number of new lines acquired.**
Profits: **Significantly exceeded initial plan (33 million yen).**

(Million yen)

Net sales



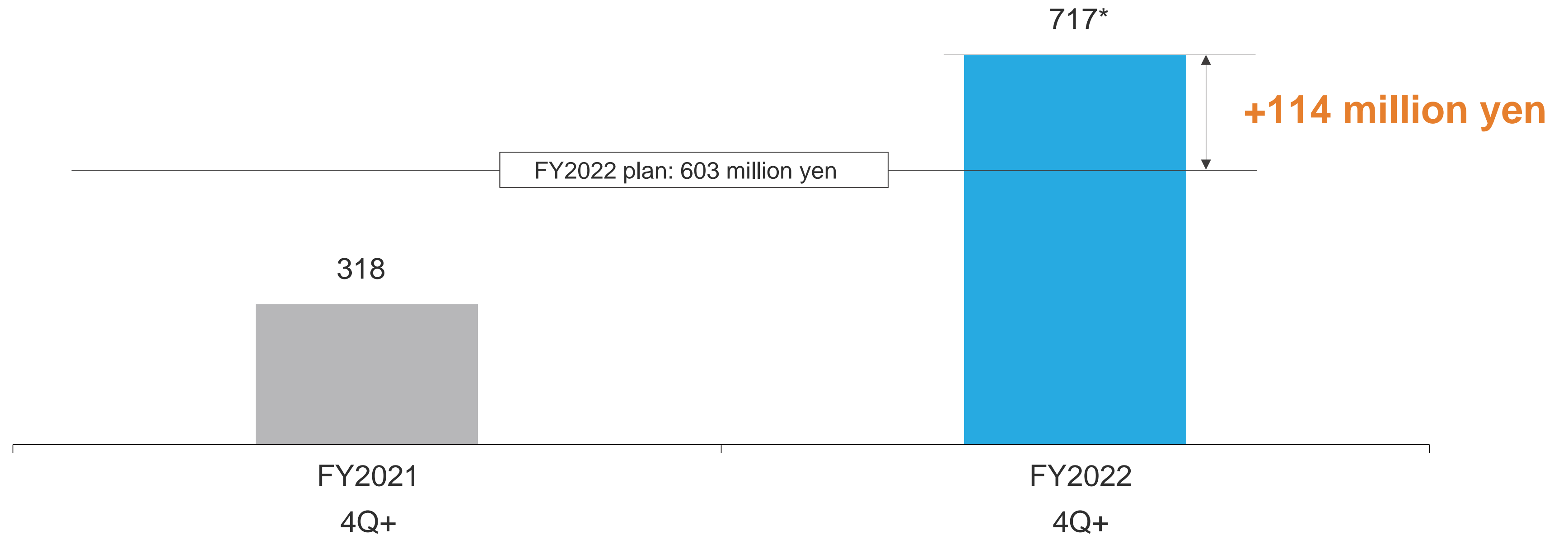
Segment profit



- Sales promotion premiums(one-time-fee)
- Line charge revenue (recurring revenue)

Thanks to favorable trends in acquisition of lines, **future earnings as of the end of Q4 FY2022 exceeded the FY plan.**

(Million yen)



*In accordance with the revision of the Telecommunications Business Law in July, some commissions and other fees incurred for existing line subscriptions were calculated conservatively.

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The speed of strategy implementation accelerated through the second half of the FY.

The following red areas are changes from Q3.

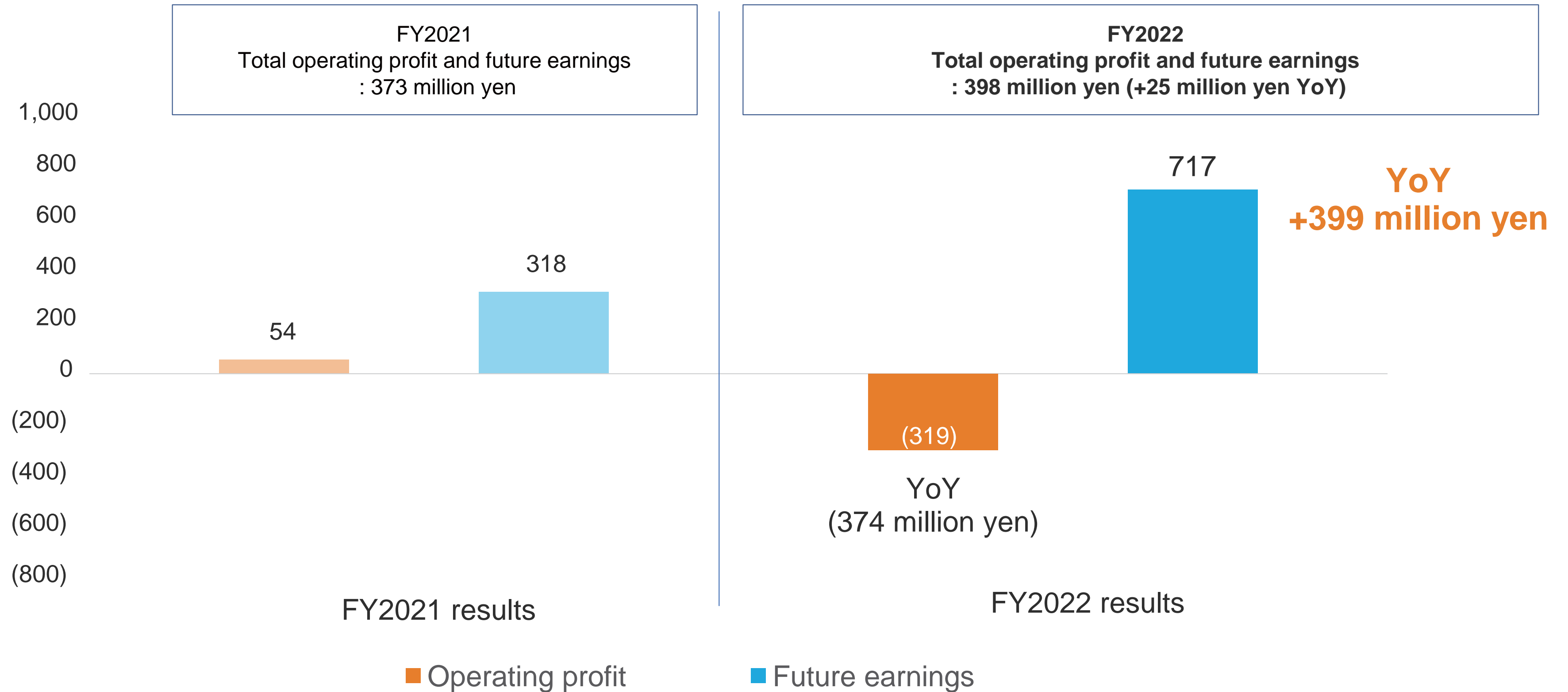
Segment		Business Strategy	Awareness of Present Situation
Second-hand Online	Second-hand Services for individuals	Increase in Number of Purchase Requests	Policies for Growth in Progress → Strategy acceleration in progress
		Strengthening of Purchase Capacity	
		Bolstering of Response to Senior Market	
	Machinery (Agricultural Equipment)	Expansion of Purchase Volume	Trending favorably
		Strengthening of Corporate Sales Channels	Family Business Purchases → Trending favorably
	Oikura	Increase in Number of Paying Member Merchants	Policies for Growth in Progress → Stabilized thanks to introduction of monthly fees
Strengthening of System Development			
Media	Stable sales growth	Trending favorably	
Mobile & Telecommunications	Accrual of Future Earnings Due to Bolstered Acquisition of New 5G Lines	Trending favorably	

Selling, general and administrative expenses exceeded gross profit as an upfront investment.

(Million yen)	FY2021 results (A)	FY2022 results (B)	Amount of increase/decrease (B-A)
Net sales	10,875	11,986	+1,110
Gross profit	3,879	4,268	+389
Selling, general and administrative expenses	3,825	4,588	+763
Advertising expenses	540	999	+459
Personnel expenses + hiring-related expenses	1,433	1,602	+168
Expenses for rent of space, land, etc.	269	312	+42
Other	1,582	1,674	+92
Operating profit	54	(319)	(373)

Despite aggressive investment, total operating profit and future earnings exceeded the prior year due to strong acquisition of WiMAX 5G lines, which have a high weighting in recurring revenues.

(Million yen)



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Our Market Recognition and Focused Policies

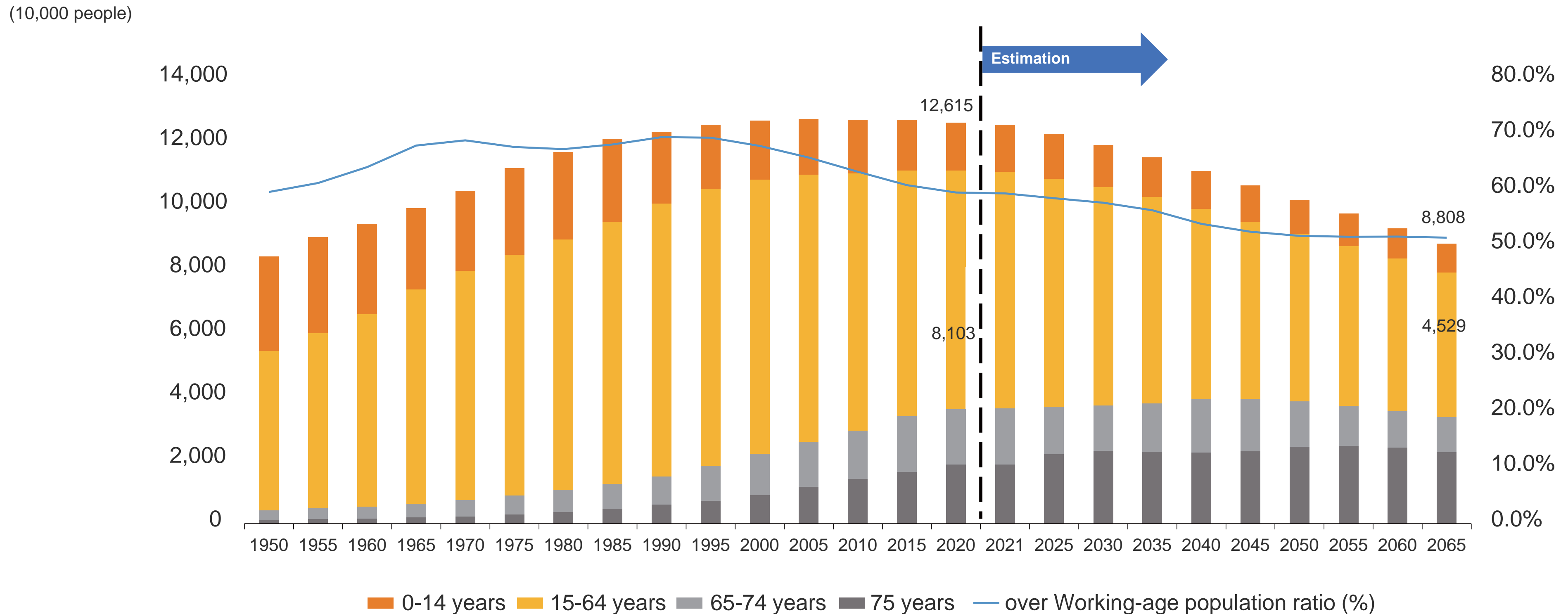
- ① Our Market Recognition
- ② Our Strengths, and Domains That Need Improvement
- ③ Future Focus Strategy

Our Market Recognition and Focused Policies

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- ① Our Market Recognition
 - ② Our Strengths, and Domains That Need Improvement
 - ③ Future Focus Strategy

The total population of Japan in 2065 will be 88.08 million, down 30.2% from 2020.

Also, in 2020, the working-age population (15-64) will be 45.29 million, 44.1% below the 2020 level.



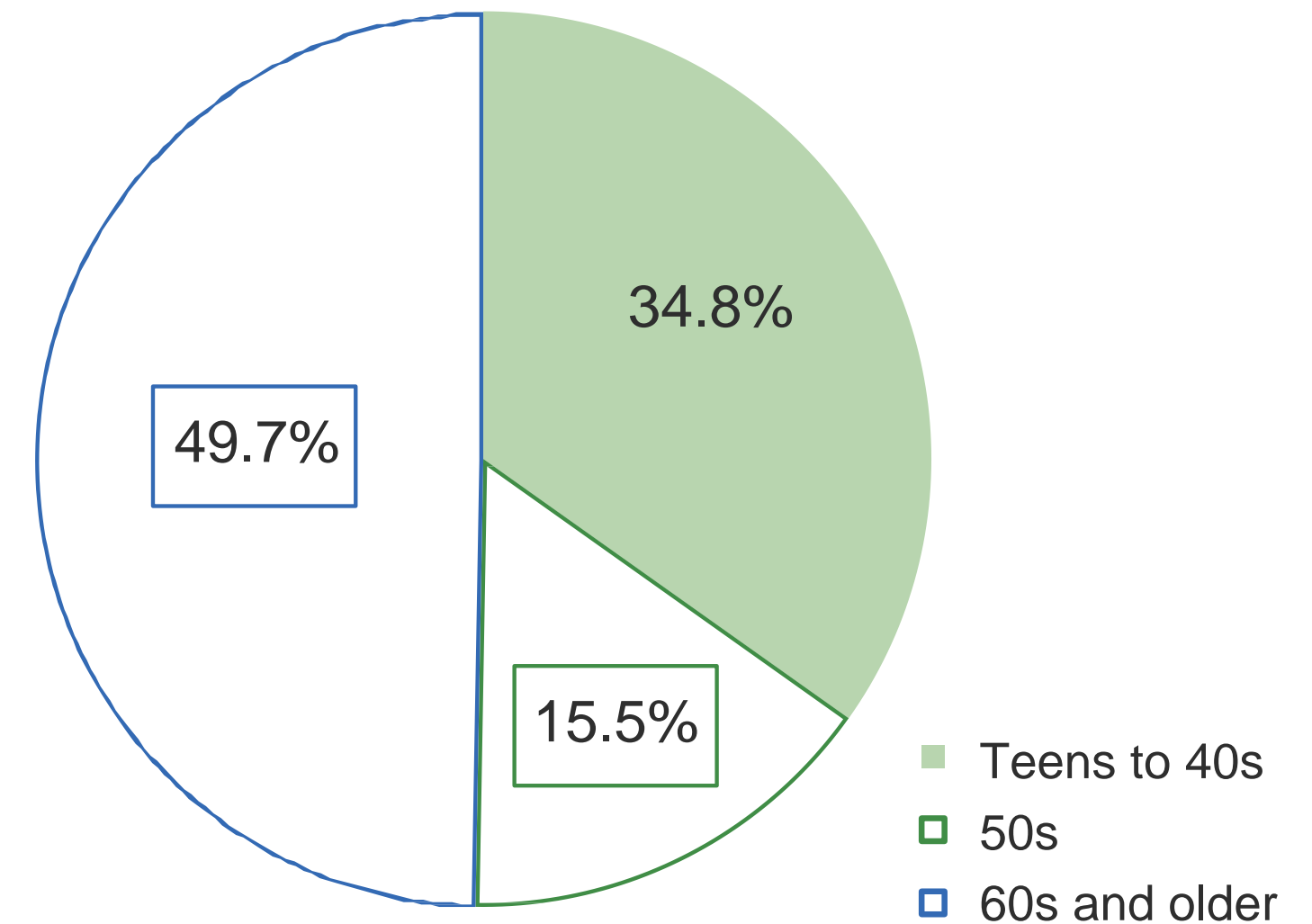
Source: Prepared by MarketEnterprise from the "2022 White Paper on Aging," Cabinet Office, Government of Japan.

The potential second-hand services market (so-called “hidden assets” is massive, at approximately 44 trillion yen.

65% of hidden assets are held by seniors in their 50s and older.



Hidden assets
 Composition by Generation

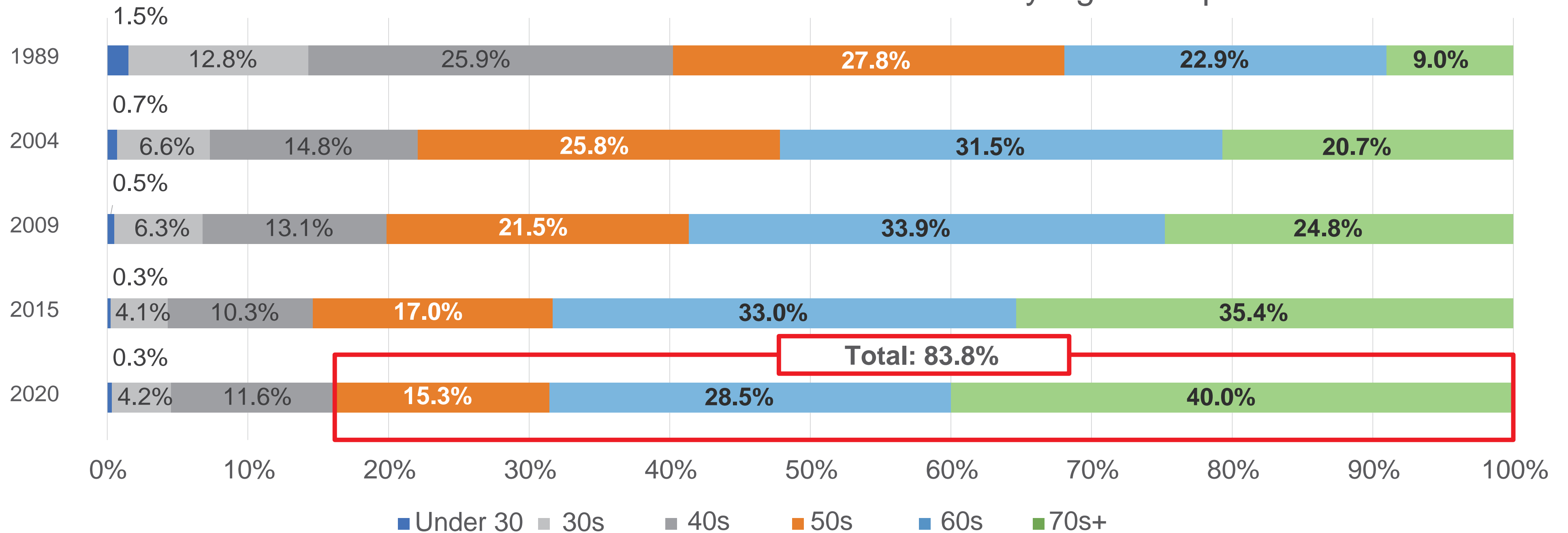


*1: Recycled telecommunications
 *2: Ministry of Economy, Trade and Industry, “FY 2017 Infrastructure Development for a Data-Driven Society in Japan (Market Survey on Electronic Commerce).”
 *3: From press release of Everyone’s Hidden Assets Survey Committee (December 2021)

*Prepared by MarketEnterprise from press release of Everyone’s Hidden Assets Survey Committee (December 2021) and population estimates (as of August 2021) of the Statistics Bureau, Ministry of Internal Affairs and Communications

The proportion of individuals in their 60s and over has almost doubled over the past 30 years. In 2020, individuals aged 60+ will own 68.5% of personal financial assets, and individuals aged 50+ will own 83.8% of personal financial assets.

Trends in the Distribution of Financial Assets by Age Group



Source: Ministry of Internal Affairs and Communications, "National Survey of Consumption" (households of two or more persons)

Note: Financial assets are defined as present value of savings (before deducting present value of liabilities).

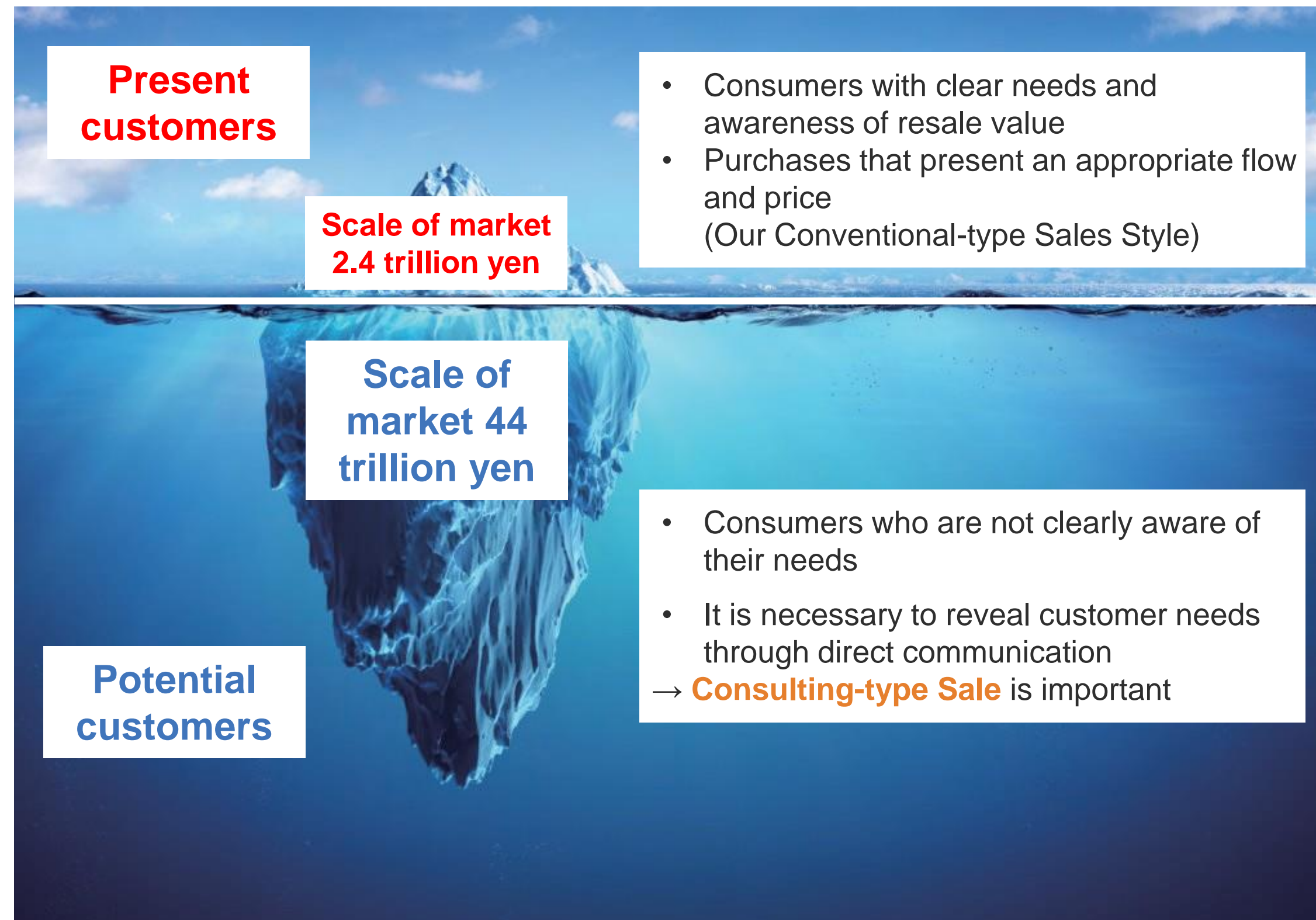
In addition to machinery, which is currently being affected by the aging of the population, we believe that **the market growth rate for second-hand services for individuals will increase**, and we will focus on accelerating our strategy for second-hand services for individuals in the current FY.

Business division	Effect
<div data-bbox="269 877 376 1118" style="background-color: #f4a460; color: white; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);">Focus</div> Second-hand Services for Individuals	Demand for the sale of unwanted items by the elderly is expected to increase. The second-hand market is expected to grow at a higher rate.
Machinery (Agricultural Equipment)	The average age of farmers in Japan is 67.9*, and the population continues to grow older. As the population continues to grow older, the need to purchase unneeded agricultural machinery, etc. is expected to increase.

*: From the Ministry of Agriculture, Forestry and Fisheries' "Current Survey on Agricultural Structure."

The core of our customers will be seniors (potential customers) whose needs have not yet become apparent.

Sales at the final point of contact with the customer (“last mile”) is important to uncover their needs.



Our Market Recognition and Focused Policies

① Our Market Recognition

 ② Our Strengths, and Domains That Need Improvement

③ Future Focus Strategy

Our Strengths, and Domains That Need Improvement ①: Our Strengths (Marketing I)

By using product-oriented vertical media as a base, we can capture

370,000 purchase requests per year at a low cost.

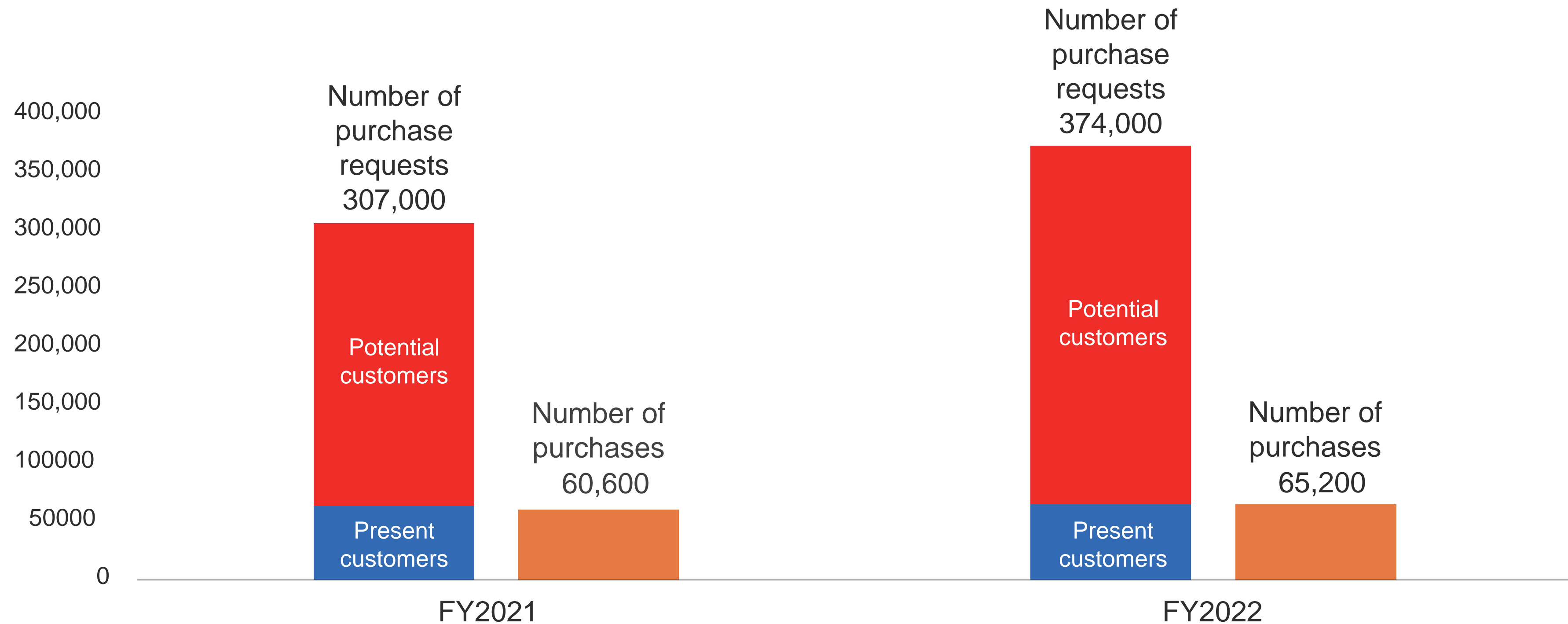
Our Primary Purchase Vertical Media



We have already **secured purchase requests, including from potential customers.**

(Cases)

Trends in the Number of Purchase Requests and Number of Purchases



Our greatest strength is **our purchase sales know-how** that enables us to purchase a wide variety of products. In addition, we have three purchase channels tailored to our customers' needs and 12 purchase locations nationwide, and **our infrastructure is progressing in its development.**

Diverse purchased products

Home appliances, musical instruments, cameras, PCs
Brand bags, noble metals, fishing equipment, power tools, electric potter's wheels, agricultural equipment, construction equipment, medical equipment, etc.

Purchases through 3 channels



Home delivery purchases



Over-the-counter purchases



Door-to-Door purchases

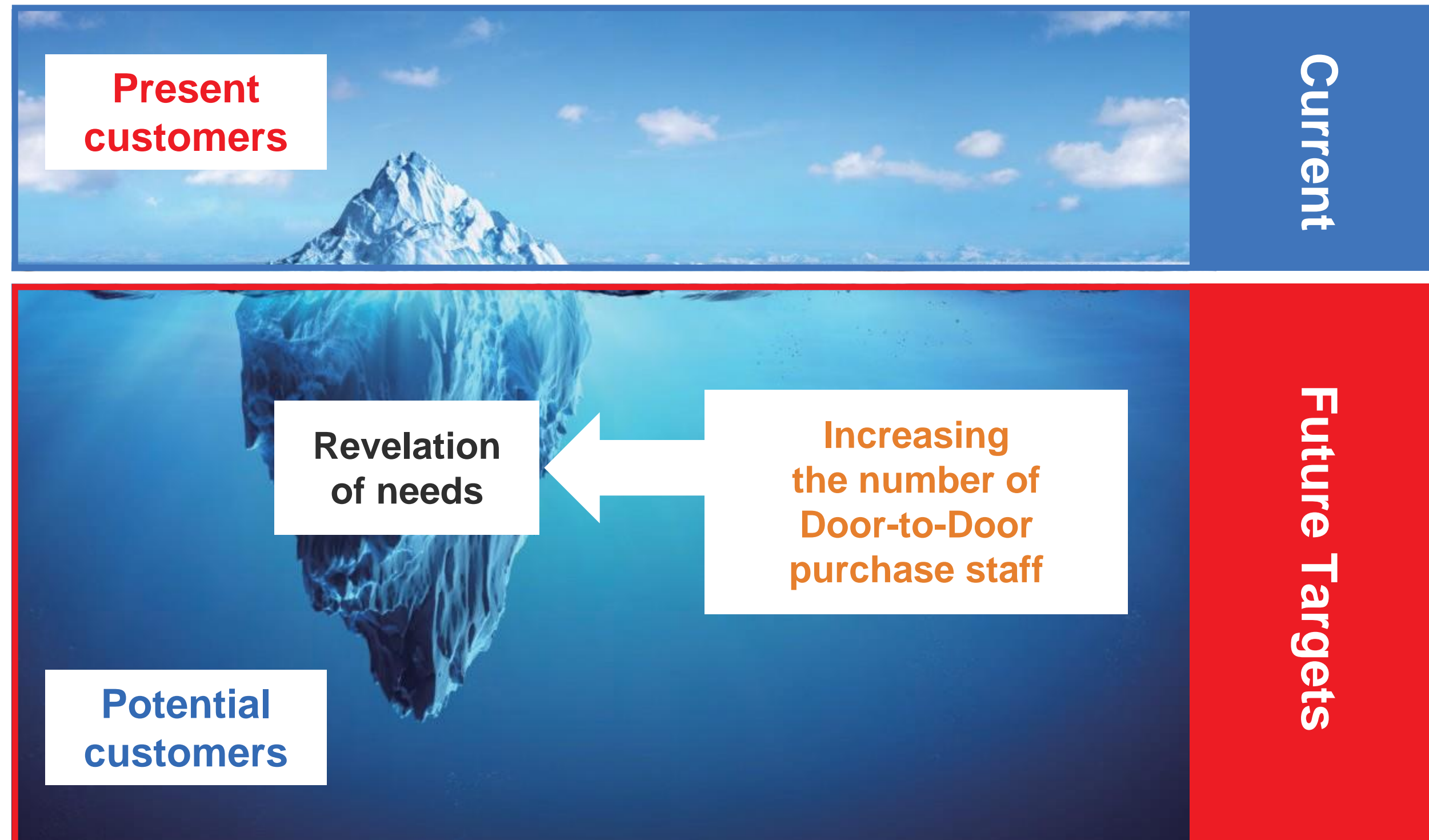
Purchasing Base expanding nationwide




Reduce psychological and physical barriers by expanding into areas familiar to customers.

Purchasing Base in 12 cities: Sapporo, Sendai, Saitama, Tokyo, West Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka, Tottori, and Yuki

In order to reveal the needs of potential customers, **face-to-face consulting sales are necessary.**
Therefore, **we will focus on increasing the number of onsite purchase staff.**



Our Market Recognition and Focused Policies

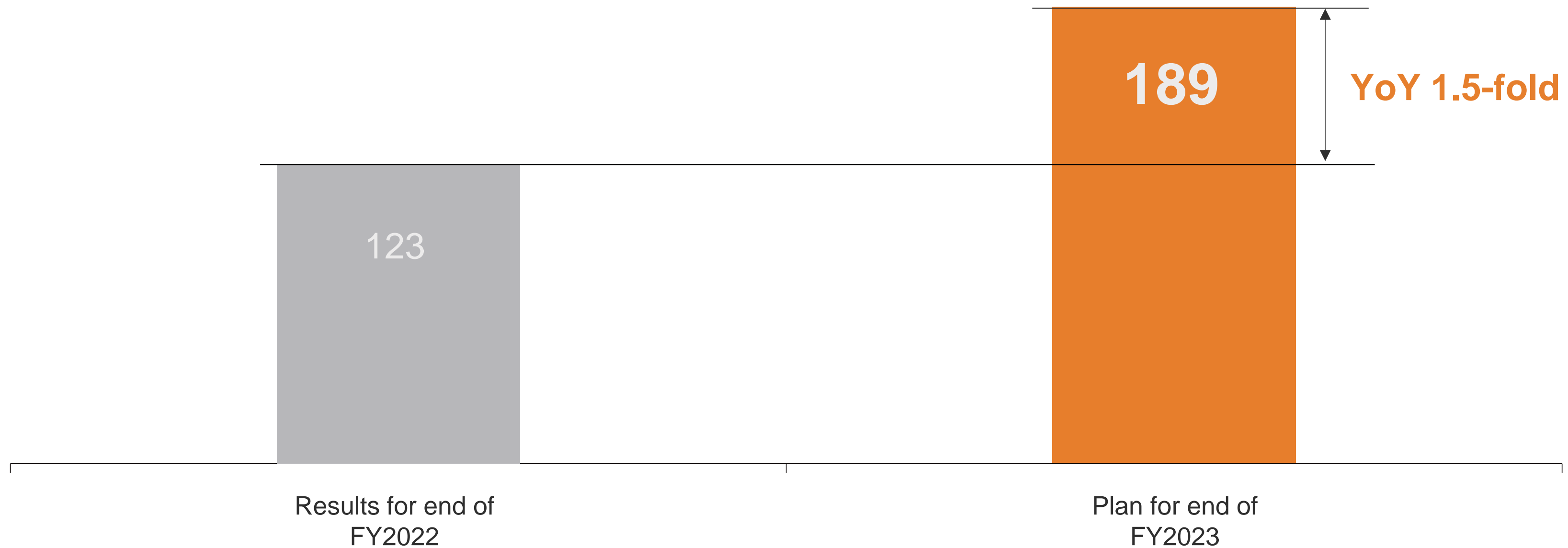
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In order to strengthen proposal resources for potential customers, **accelerate hiring initiatives, mainly hiring of Door-to-Door purchase staff.**

Aim to **increase the number of employees by 50%** by the end of FY2023, mainly through mid-career hiring.

(persons)

Plan for Number of Employees of Second-hand Services for individuals



In order to expand purchase capacity in the Tokyo metropolitan area, where demand is strong, **open the first Purchasing base in Chiba City in four and a half years to handle second-hand services for individuals.**



Address: 4-1-40 Miyanogidai, Hanamigawa-ku, Chiba-shi, Chiba Prefecture

Site area: 1,508.95 m²

Total floor area: 872.55 m²

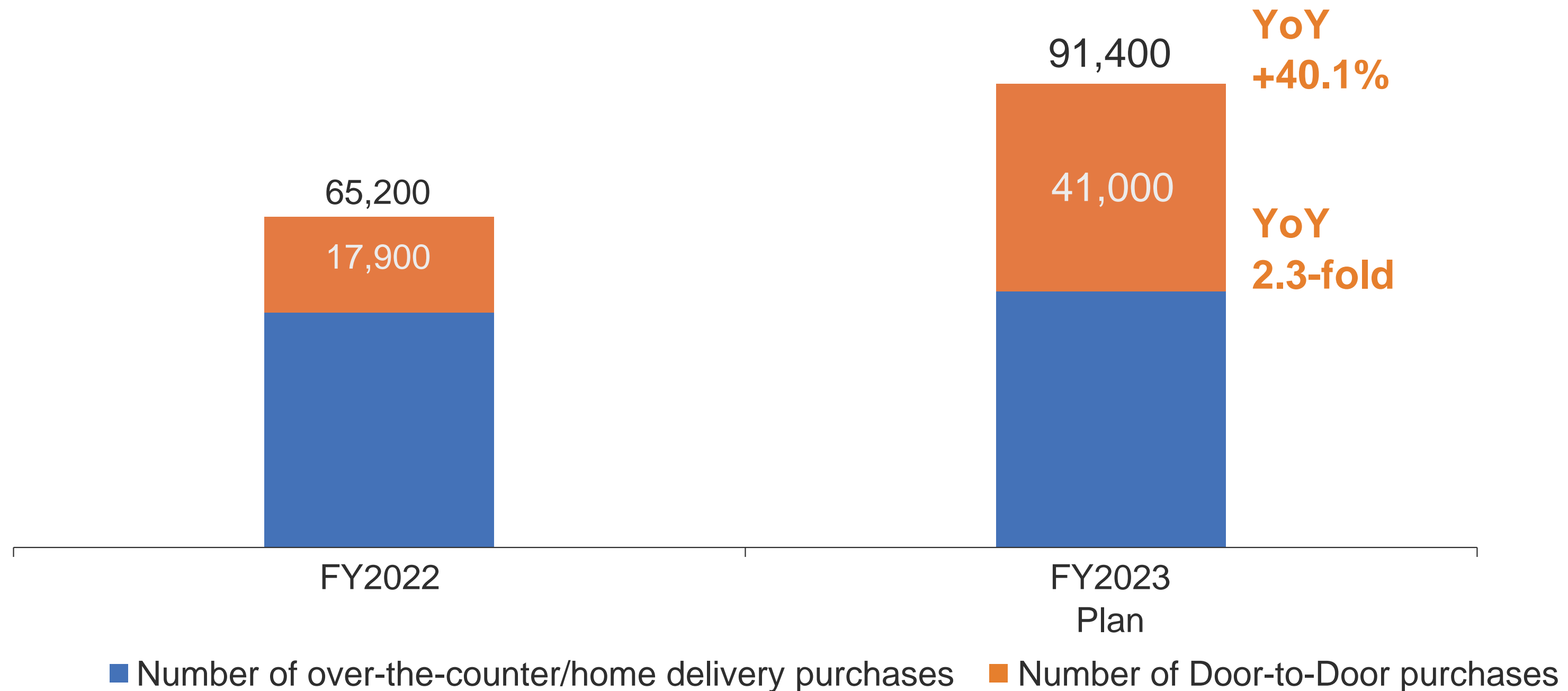
Scheduled opening date: Early October

Enhance on-site purchase capacity by increasing the number of on-site purchase staff and opening new sites.

Aim to increase the number of Door-to-Door purchases in FY2023 to increase 2.3-fold year-on-year, and to increase the overall number of purchases by about 40%.

(Cases)

Plan for Number of Second-hand Services for Individuals Purchases



Carry out full-scale introduction of a new rate plan in July 2022.

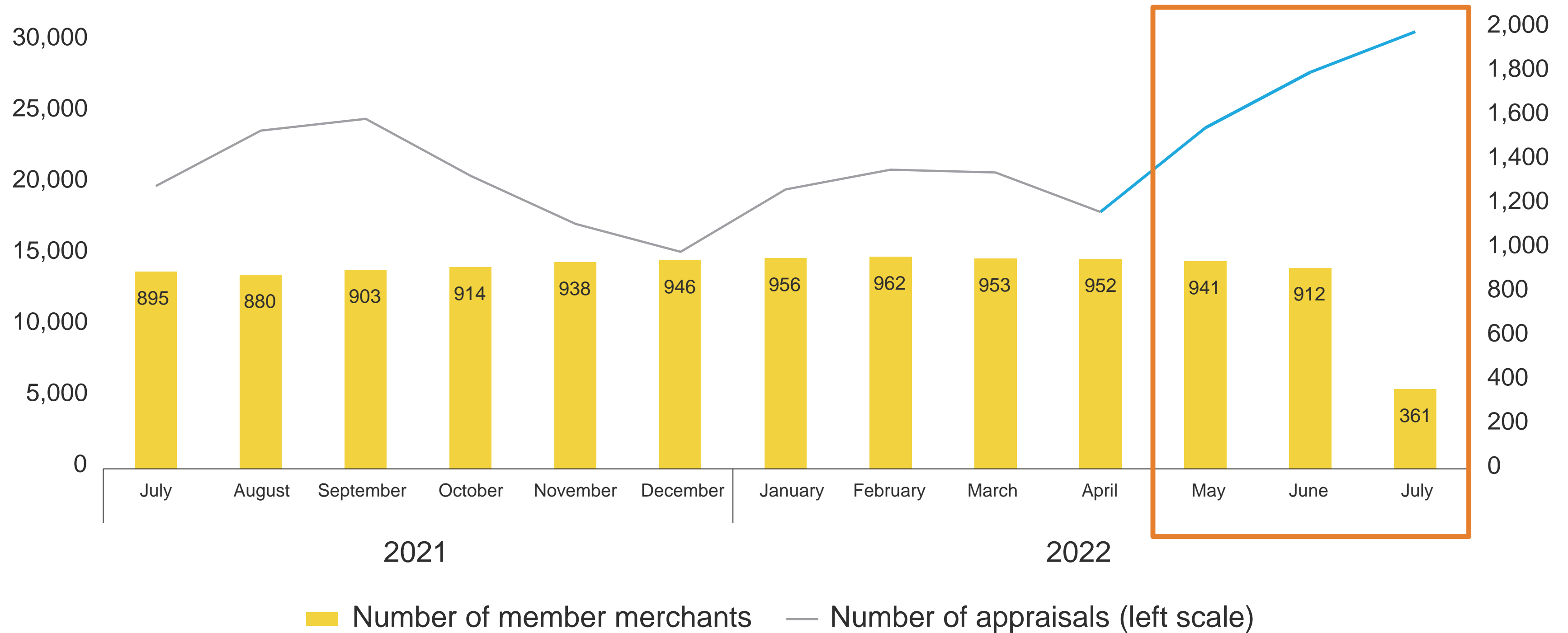
Aim for better service for requesting users and active member merchants.

	Old Fee Plan		New Fee Plan
Monthly base fees for member merchants	No fees	➔	Fixed-amount fees
Merchant merchandise appraisal fees	Pay-as-you-go		No fees
Issues and effects (member merchants)	Because expenses are incurred for appraisal alone, it is unrelated to proactive appraisal activities.		Even though the number of member merchants has decreased, the number of appraisals has increased.
Issues and effects (sellers)	Only a small number of appraisals were made in response to one purchase request.		The number of appraisals per purchase request has increased.

Though the number of member merchants has decreased since the test introduction in May 2022, **the number of appraisals increased.**

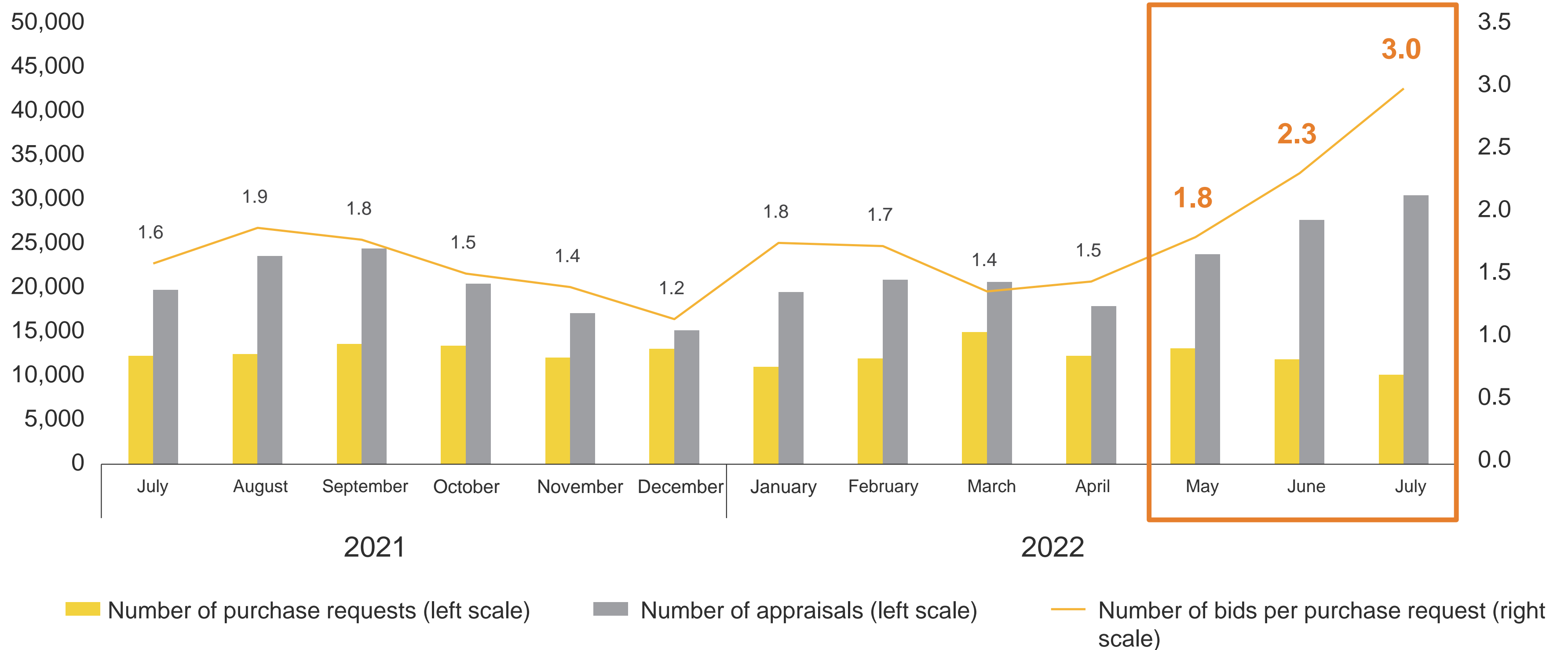
Active member merchants have proactively implemented appraisal activities.

(Cases)



The number of appraisals per purchase request has trended toward improvement.

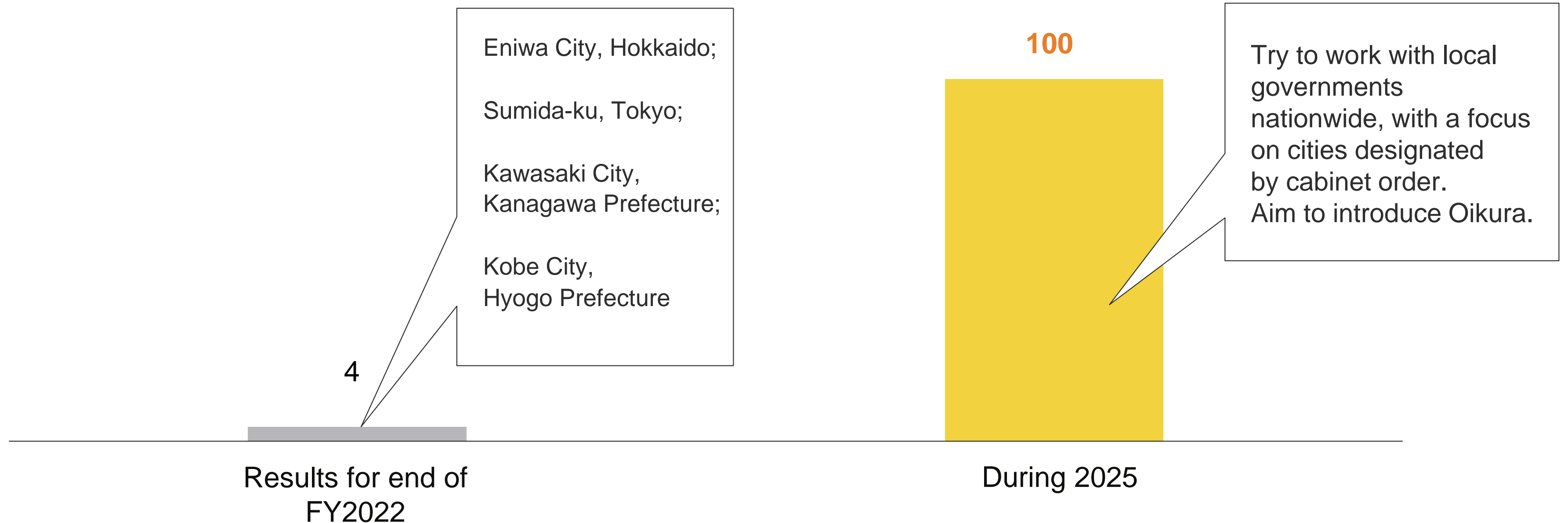
(Cases)



Accelerate waste reduction efforts through public-private partnerships to improve our social credibility.

Aiming for 100 municipalities to newly introduce “Oikura” in 3 years.

Also, focus on building partner relationships with large, highly trustworthy companies.



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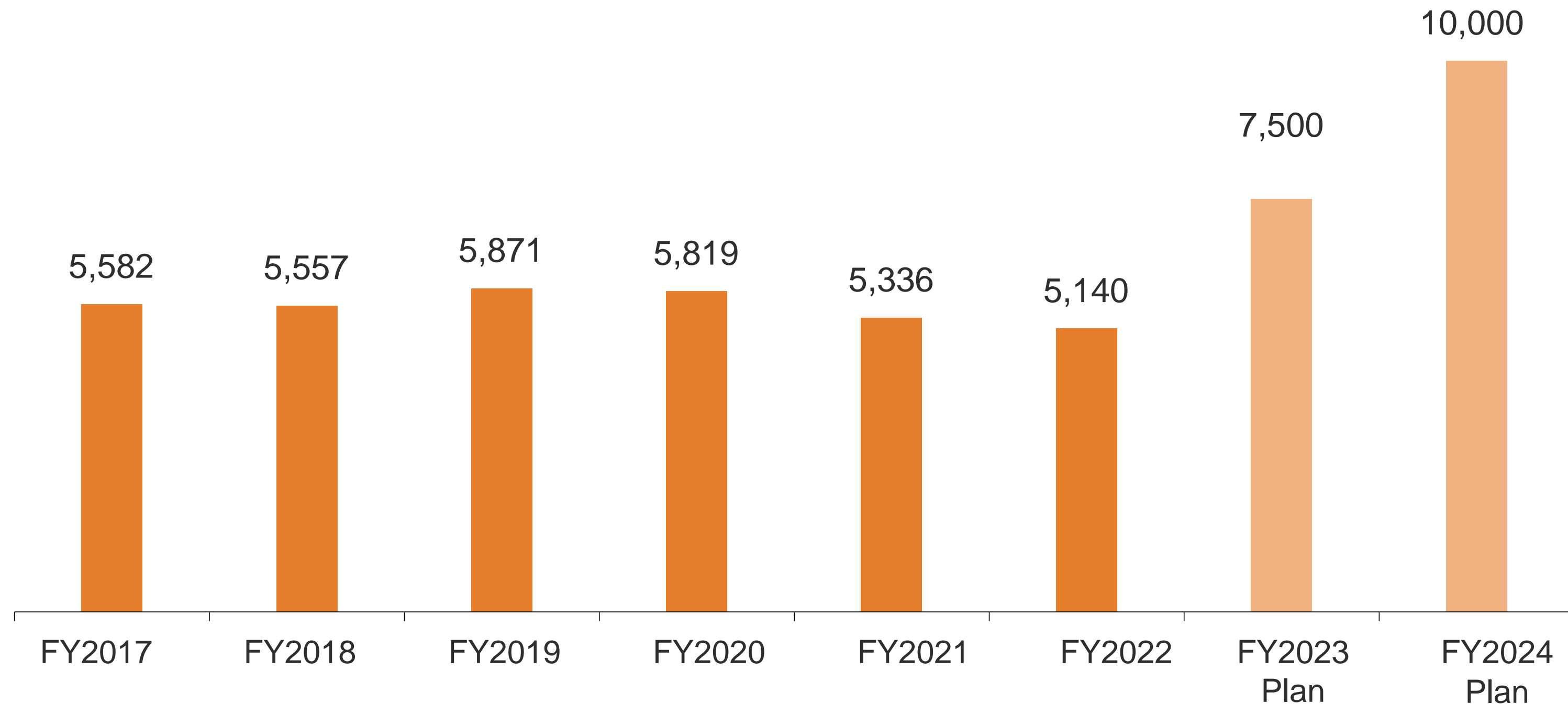
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No changes to plan for FY2023. Enhance hiring of Door-to-Door purchase personnel, open the Chiba site, and more.

Increase revenues by 46% through enhancing the approach to potential customers.

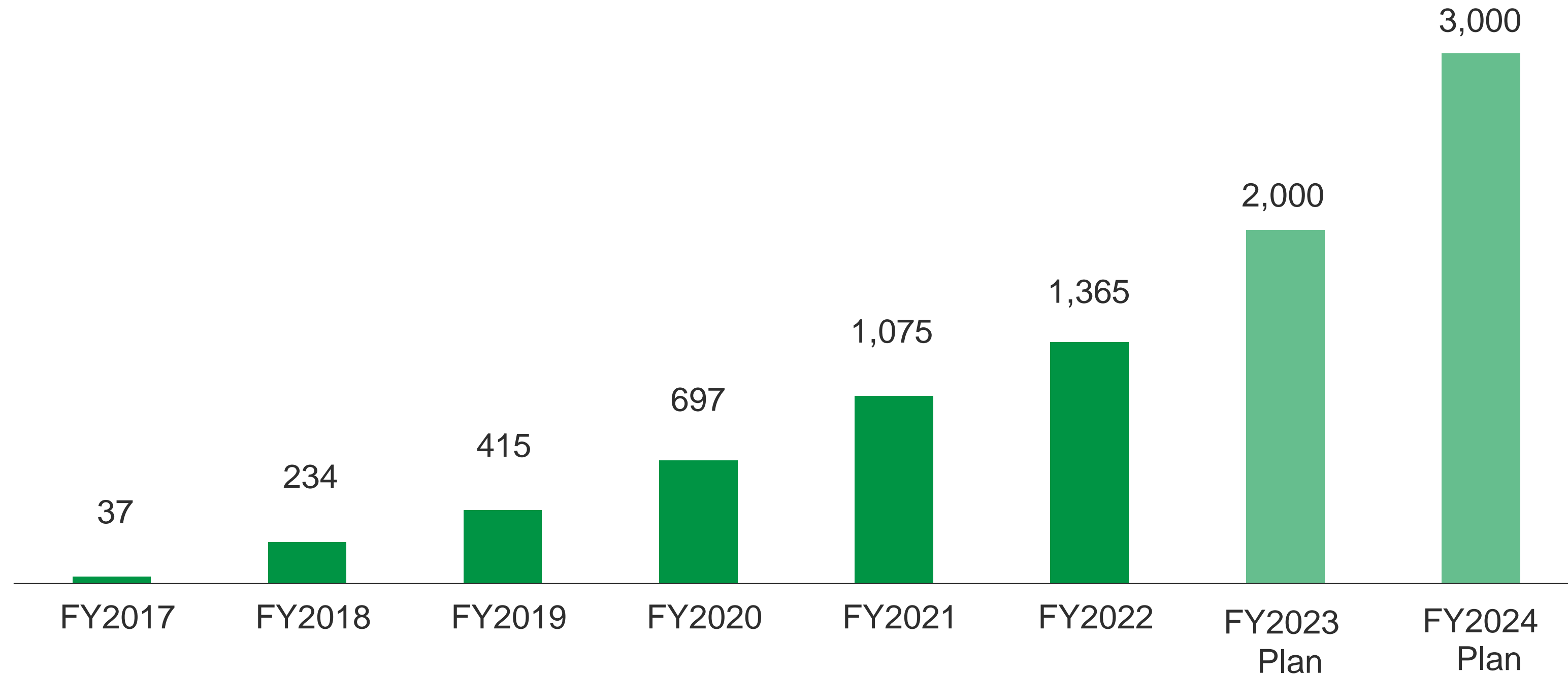
(Million yen)



No changes to plan for FY2023.

Focus on promoting synergies from the acquisition of the Farmally business and strengthening the domestic and overseas corporate sales structure.

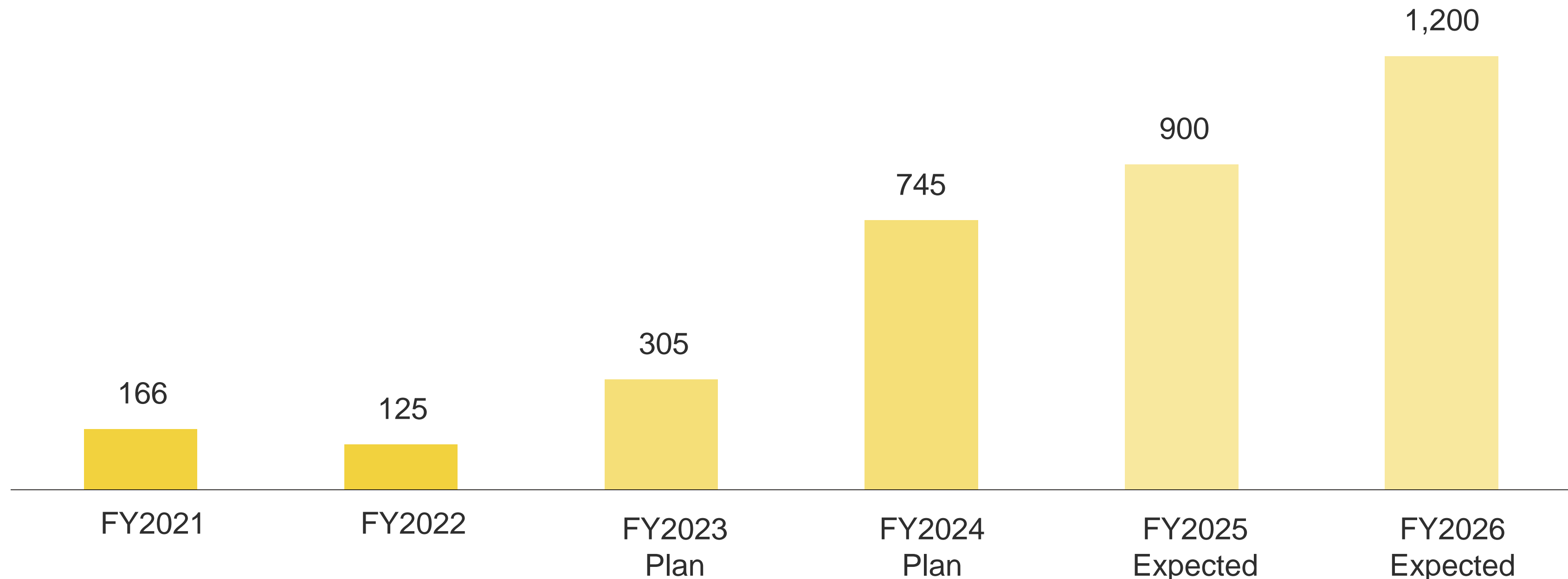
(Million yen)



No changes to plan for FY2023.

Focus on acquiring member merchants that introduce monthly fees and increasing the number of partnerships with local governments.

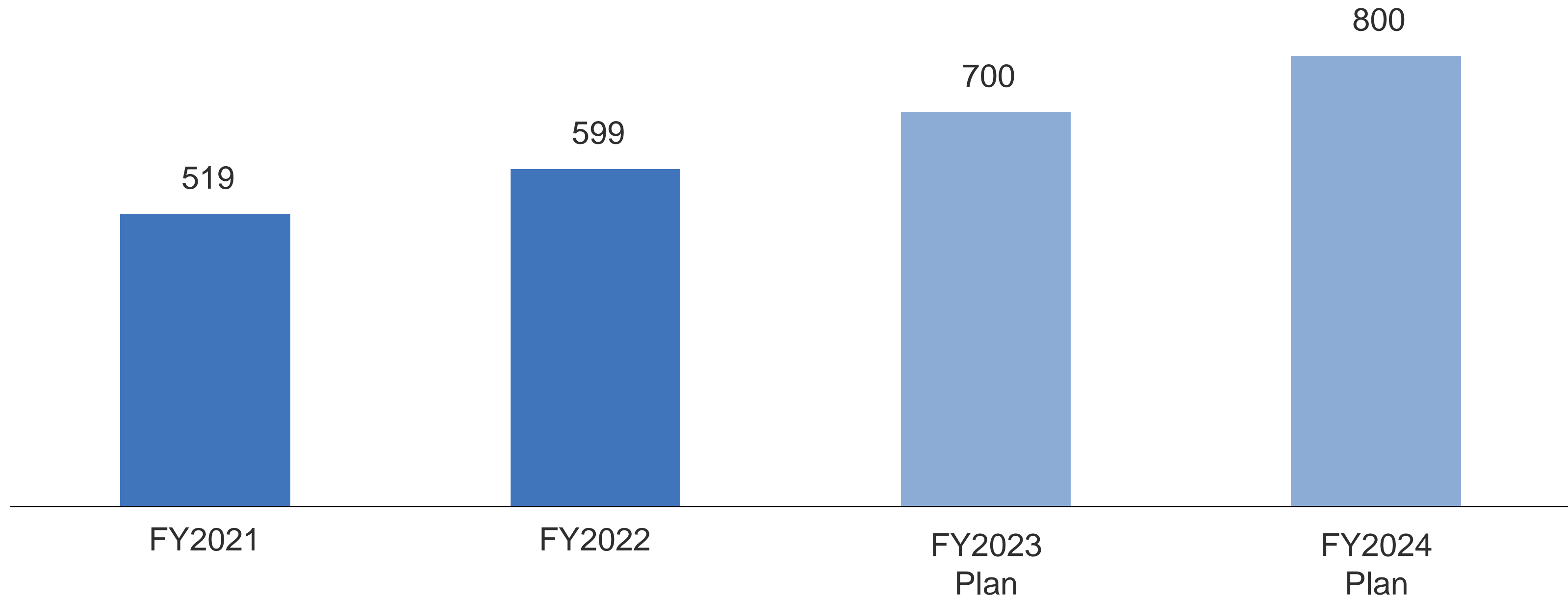
(Million yen)



No changes to plan for FY2023.

Further develop existing strategies and gain a foothold in new areas.

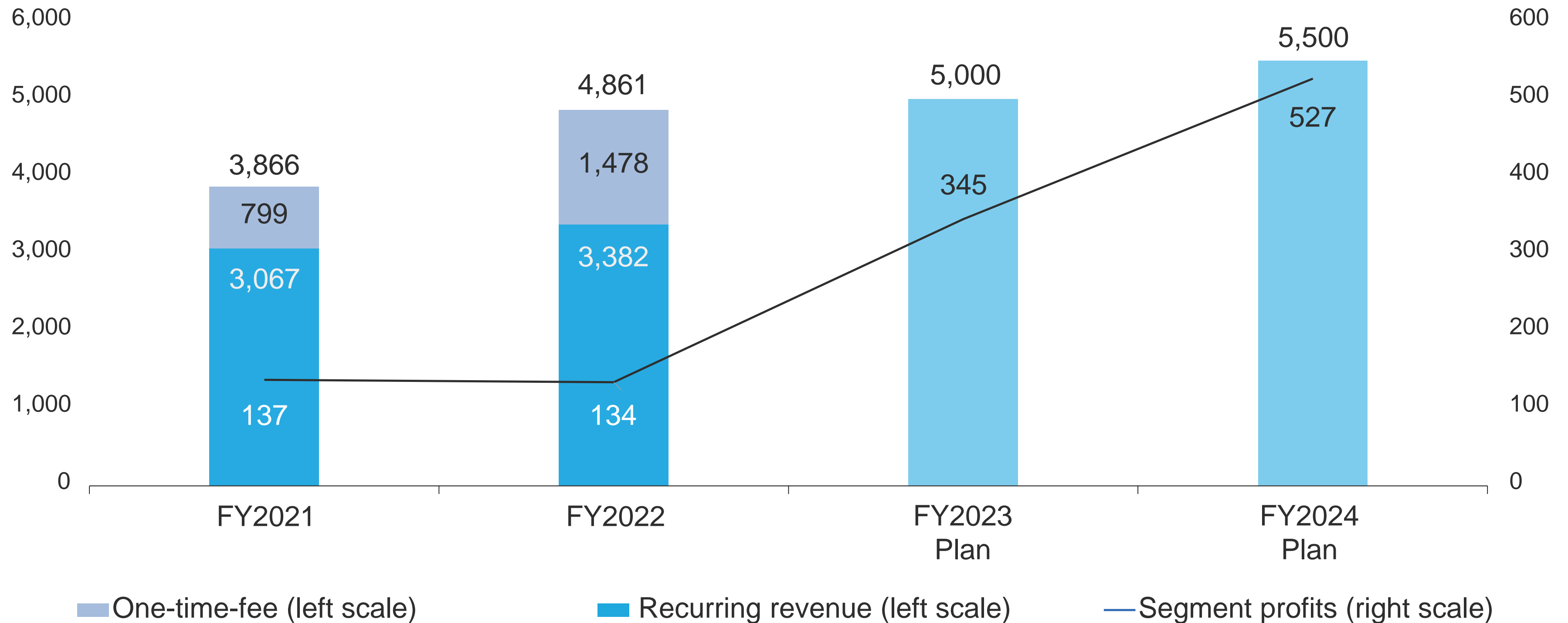
(Million yen)



No changes to plan for FY2023.

In addition to strengthening WiMAX 5G acquisition, focus on improving recurring revenue.

(Million yen)



No changes to the plan.

(Million yen)	FY2022 Results	FY2023 Plan	Year-on-year
Net sales	11,986	15,000	+25.1%
Operating profit	(319)	300	—
Ordinary profit	(328)	275	—
Profit attributable to owners of parent	(404)	167	—

With a focus on second-hand services for individuals, accelerate our growth strategy.

Segment		Business Strategy
Second-hand Online	Second-hand Services for Individuals	Enhance employee hiring, particularly for Door-to-Door purchasing staff.
		Open new base (Chiba Purchasing Base).
		Promote diversification of sales channels.
	Machinery (Agricultural Equipment)	Enhance corporate purchase commercial distribution through the acquisition of the Farmally business.
		Diversify sales channels (our auctions, operation exhibitions, and spot sales)
	Oikura	Focus on acquiring active monthly fee member merchants.
Accelerate development to increase the number of partnerships with local governments.		
Media		Further develop existing strategies and gain a foothold in new areas.
Mobile & Telecommunications		Focus on acquiring new WiMAX 5G lines. Increase ARPU of owned lines.

No changes to the plan.

Achieve higher revenues for all divisions.

(Million yen)	FY2021 (Results)	FY2022 (Results)	FY2023 (Plan)	FY2024 (Plan)
Net sales	10,875	11,968	15,000	20,000
Second-hand Online Business	6,580	6,631	9,804	13,744
Second-hand Services for Individuals	5,336	5,140	7,500	10,000
Machinery (Agricultural Equipment)	1,077	1,365	2,000	3,000
Oikura	166	125	304	744
Media Business	519	599	700	800
Mobile & Telecommunications Business	3,866	4,861	5,000	5,500
Operating profit	54	(319)	300	1,200
Operating margin	0.5%	(2.7%)	2.0%	6.0%
Total Operating profit & future earnings	373	398	997	1,950

Forward-looking statements in this document, such as earnings forecasts, include assumptions and projections that form the basis of future outlooks and plans. Actual results may differ significantly due to various factors such as actual results.

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

