

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

November 12, 2021



MarketEnterprise Co., Ltd.



Securities code: 3135



1) 1Q FY6/22 Results of Operations

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

3) FY6/22 Forecasts



1) 1Q FY6/22 Results of Operations

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# Executive Summary

1Q results on target. Medium-term Management Plan is moving ahead smoothly.

Second-hand Online: Purchases were steady but sales declined due to sales timing differences.

Second-hand Services for Individuals: The number of purchase requests has also turned up and the Medium-term Management Plan is progressing smoothly.

Machinery: Purchases were firm. Establishment of additional (agricultural equipment): purchase locations significantly increased purchasing capability.

Oikura: The number of partner stores has touched bottom and is on the uptrend.

Media: Page views and sales up over previous quarter.

Mobile & Telecommunications: New 5G subscriptions favorable. Future earnings building up as planned.

No change in FY6/22 forecasts

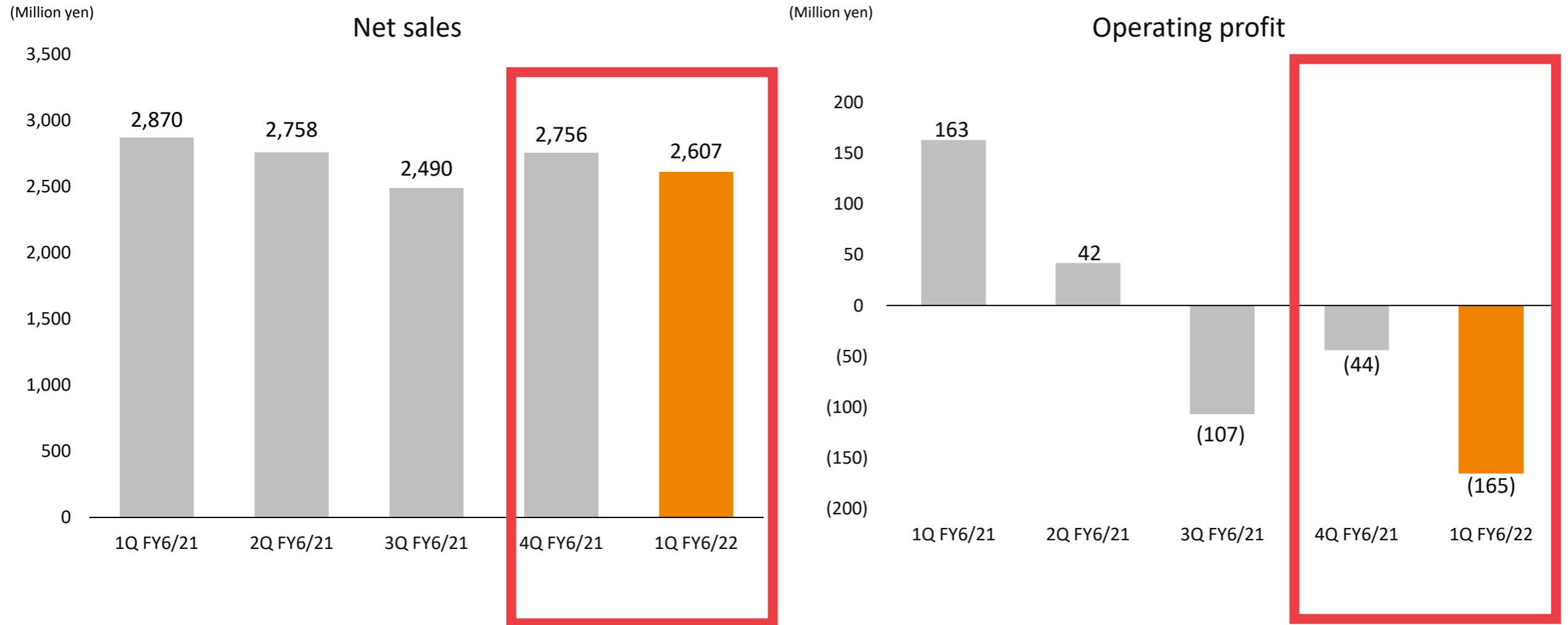
# Consolidated Income Statement Summary (YoY Change)

First quarter sales and earnings were consistent with the plan

(Million yen)	1Q FY6/21	1Q FY6/22	YoY change	
			Amount	%
Net sales	2,870	2,607	-262	-9.2%
Operating profit	163	(165)	-329	-
Ordinary profit	160	(161)	-321	-
Profit attributable to owners of parent	84	(121)	-206	-

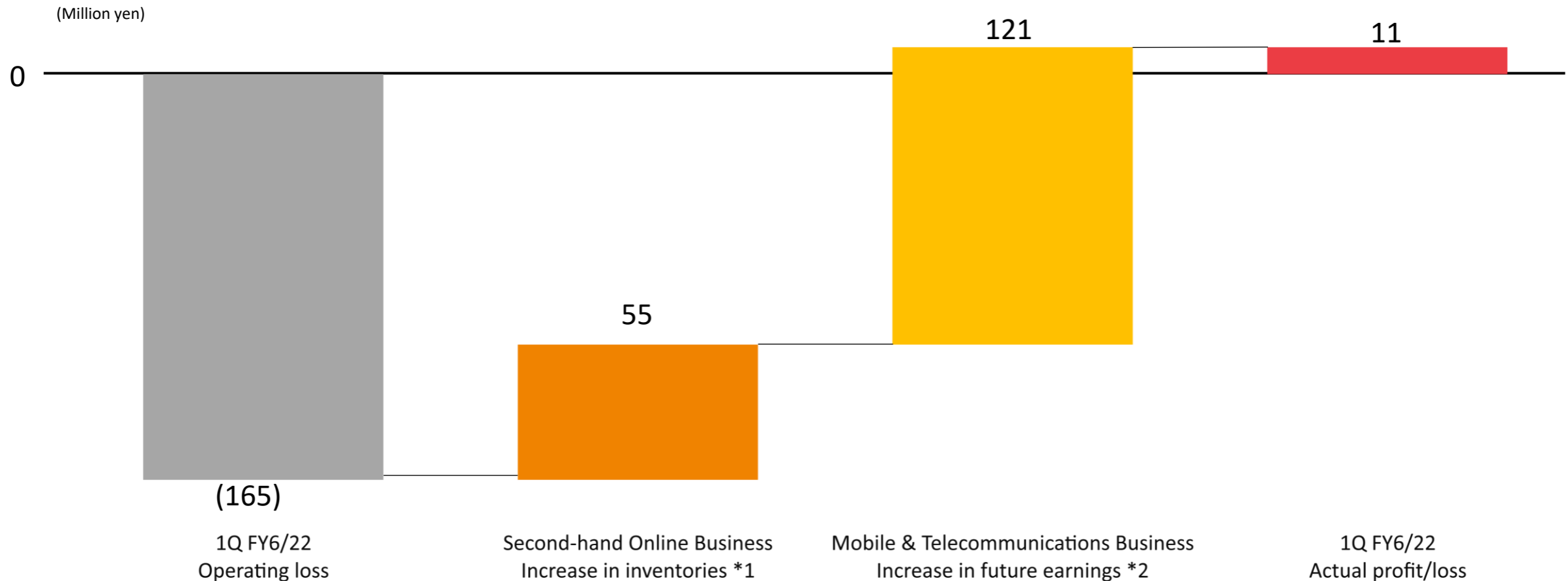
# Quarterly Sales and Operating Profit

Sales declined from the 4Q of FY6/21; profit was down



# Our Perception of 1Q Operating Profit (Loss)

Operating profit, adjusted for the impact of inventory build-up and the outlook for future earnings growth in the mobile & telecommunications business, is in the black for practical purposes.



\*1 Arrived at by dividing the inventory increase in the purchasing and selling business (second-hand services for individuals and agricultural equipment) of the second-hand online business by the cost of sales of each department and multiplying by the gross profit margin.

\*2 Earnings from fee income for communication services and other income expected from current service subscriptions in the mobile & telecommunications business  
 4Q FY6/21: 318 million yen 1Q FY6/22: 439 million yen (+121 million yen)

# Consolidated Income Statement Components (Vs. 4Q 6/21)

Substantial marketing investments in the second-hand online and mobile & telecommunications businesses

(Million yen)	4Q FY6/21 results (A)	1Q FY6/22 results (B)	Change
Net sales	2,756	2,607	-5.4%
Gross profit	956	878	-8.2%
Total SG&A expenses	1,001	1,043	+4.2%
Advertising expenses	148	205	+38.2%
Personnel expenses	373	367	-1.6%
Others	479	470	-1.9%
Operating profit	(44)	(165)	-





1) 1Q FY6/22 Results of Operations

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

3) FY6/22 Forecasts

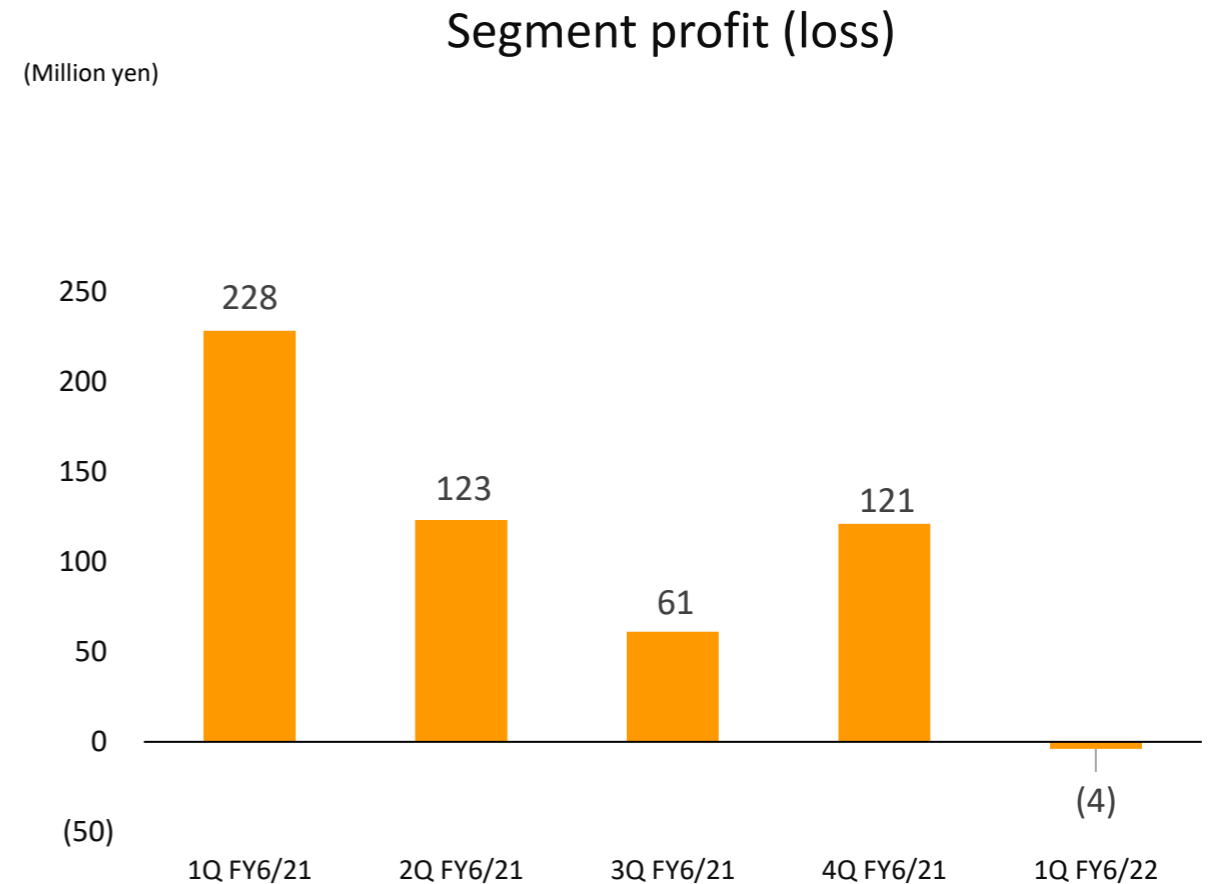
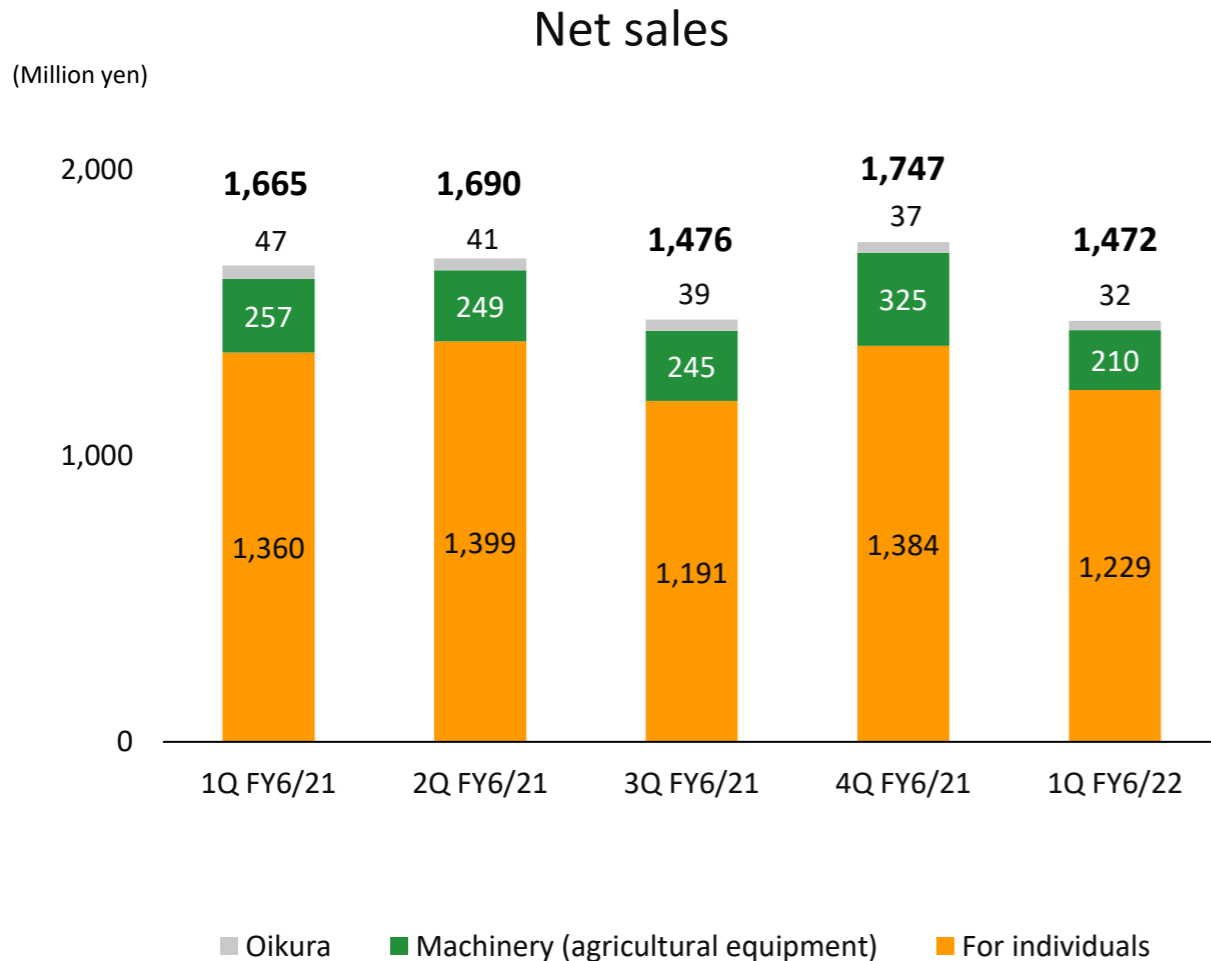


# **Second-hand Online Business**

# Second-hand Online Business

## Quarterly Performance

Sales declined due to the impact of the seasonal nature of the second-hand services for individuals and delays in sales of agricultural machinery associated with the establishment of additional purchasing bases. Operating profit declined due to increase in up-front investments for marketing and other fields.





# Second-hand Online Business

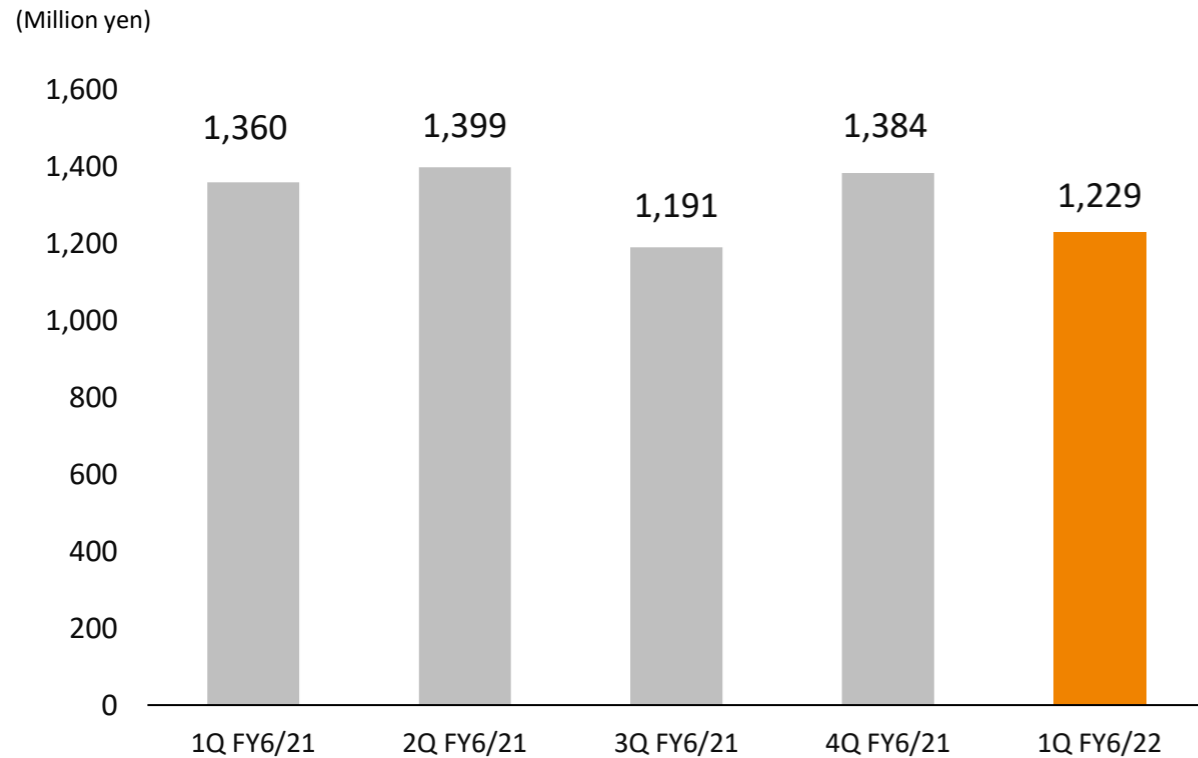
- 1) Second-hand Services for Individuals**
- 2) Machinery (Agricultural Equipment)
- 3) Oikura

# Second-hand Services for Individuals

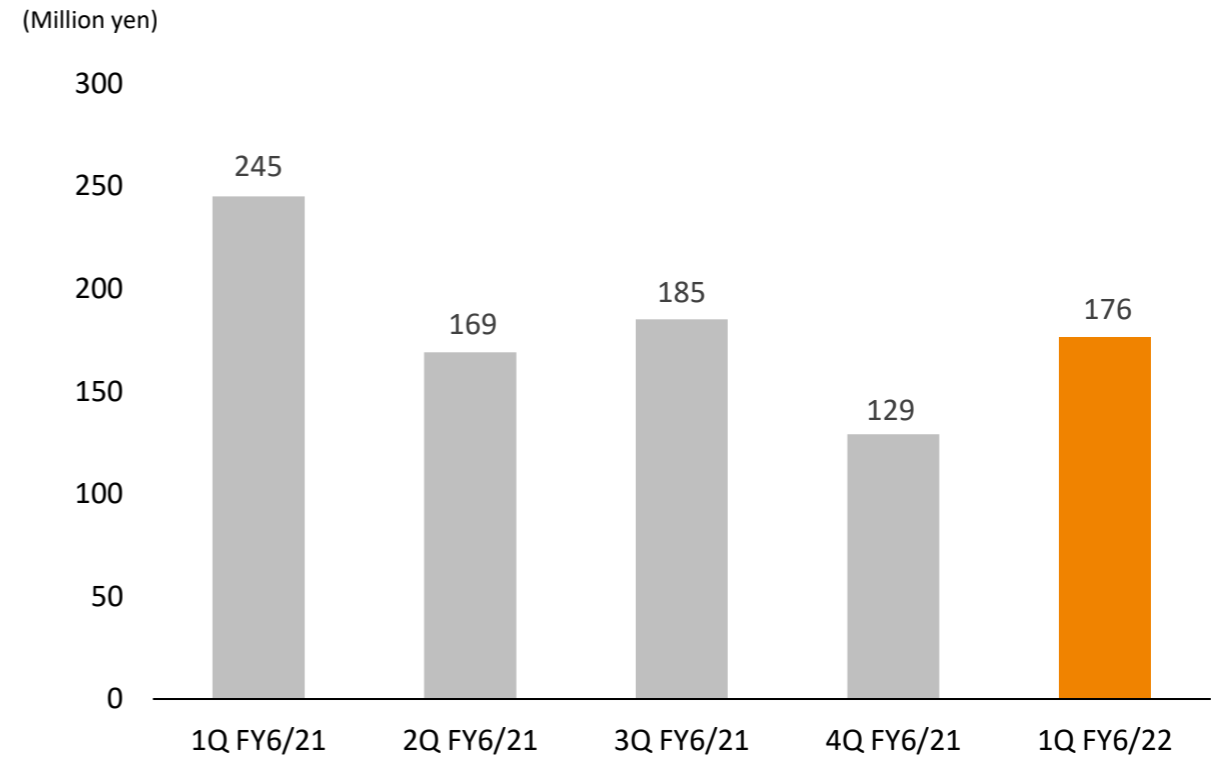
## Quarterly Sales and Inventory Levels

Sales declined from previous quarter due to the seasonality and the amount of inventory was up as purchases were steady.

### Net sales




### Inventory




# Growth Strategy for Second-hand Services for Individuals (Excerpt from the Medium-term Management Plan Presentation Material)

Shift to a policy of increasing the number of purchases and take actions to establish a system for improving purchase rates.



More purchase  
requests



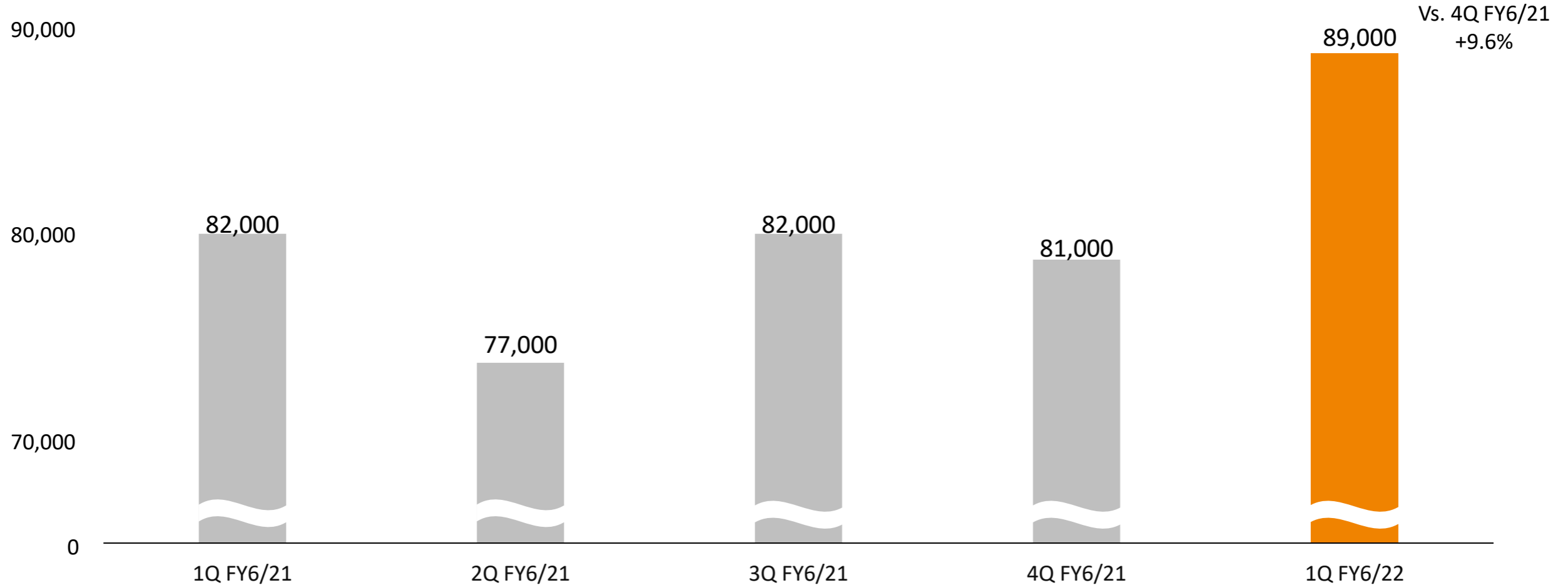
Increase in  
purchasing  
capabilities

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

More purchase requests

The number of purchase requests has turned up.

(Number of requests)



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

More purchase requests

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

..... 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  
[年未年始除く 9:15～21:00]

WEBで無料お見積もり  
1分で簡単入力できます!

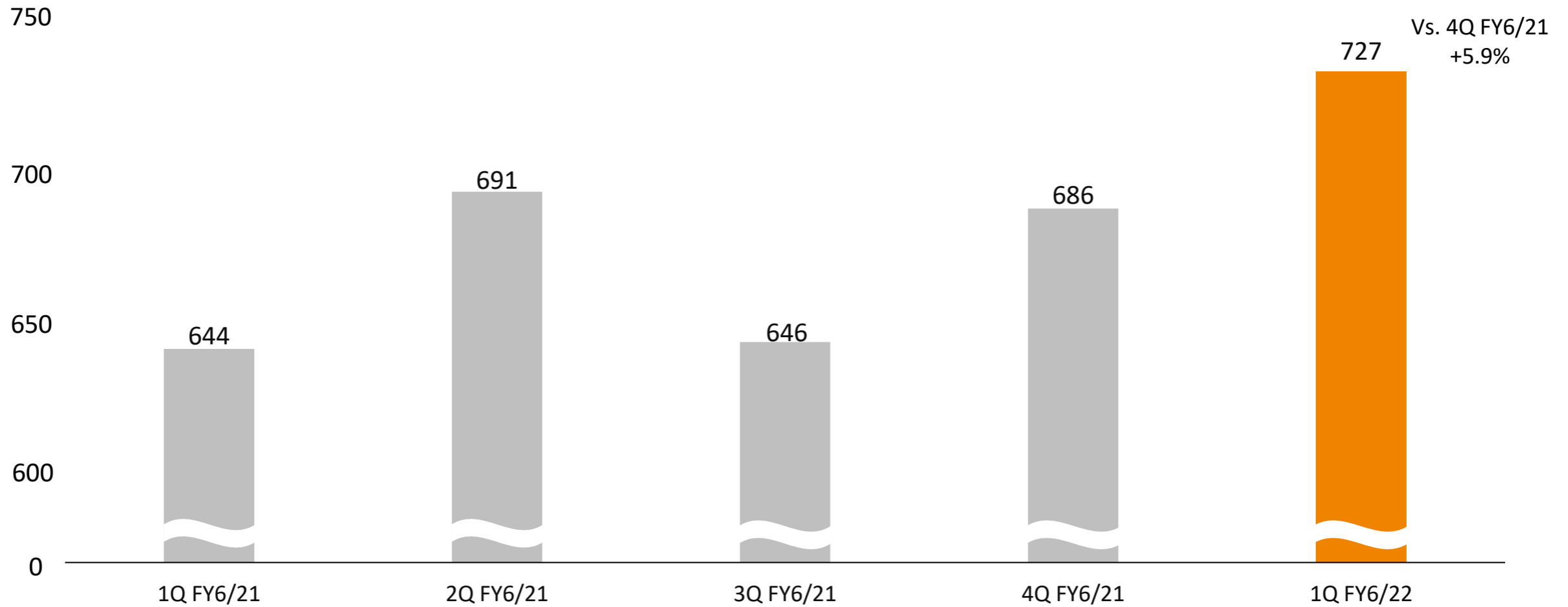


# Progress in Second-hand Services for Individuals: Purchase Amount Trends

Increase in  
purchasing  
capabilities

Purchase amount was steadily increasing accompanied by increase in purchase requests.

(Million yen)



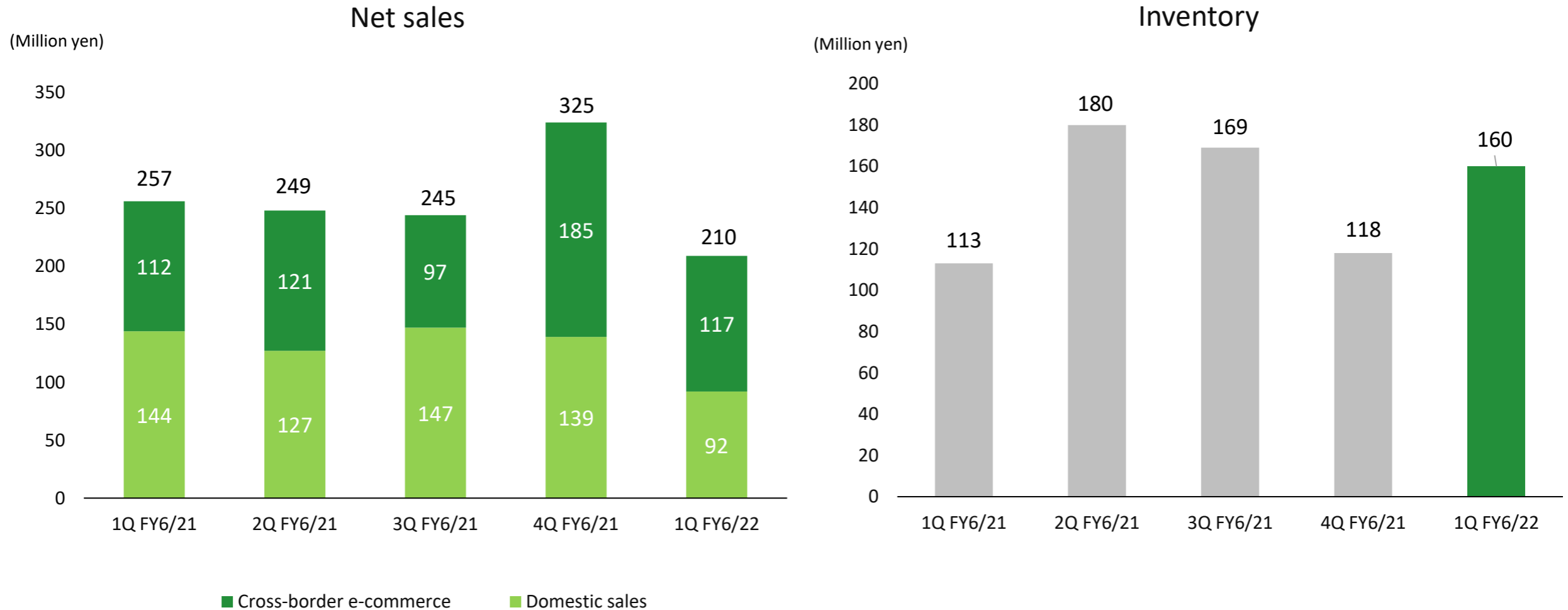


# Second-hand Online Business

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

# Machinery (Agricultural Equipment) Quarterly Sales and Inventory Levels

Sales declined due to a temporary delay in sales associated with the opening of the Kita-Kanto purchasing base but the amount of inventory was up due to steady purchases.



# Growth Strategies for Machinery (Agricultural Equipment) (Excerpt from the Medium-term Management Plan Presentation Material)

## Purchases

- **Established the Kita-Kanto purchasing base as the main location for operations in eastern Japan**
- Continuing internet activities for attracting customers
- Increasing nationwide the number of partner stores that buy and sell agricultural equipment
- Plan to increase the number of purchasing base from the current two to four during the next three years

## Sales

- Continue selling equipment on YAHUOKU! and increase sales using the marketplace of UMM Co., Ltd. (a wholly owned subsidiary of MarketEnterprise)
- More vanning (loading containers) agency bases for cross-border e-commerce with partners

# 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

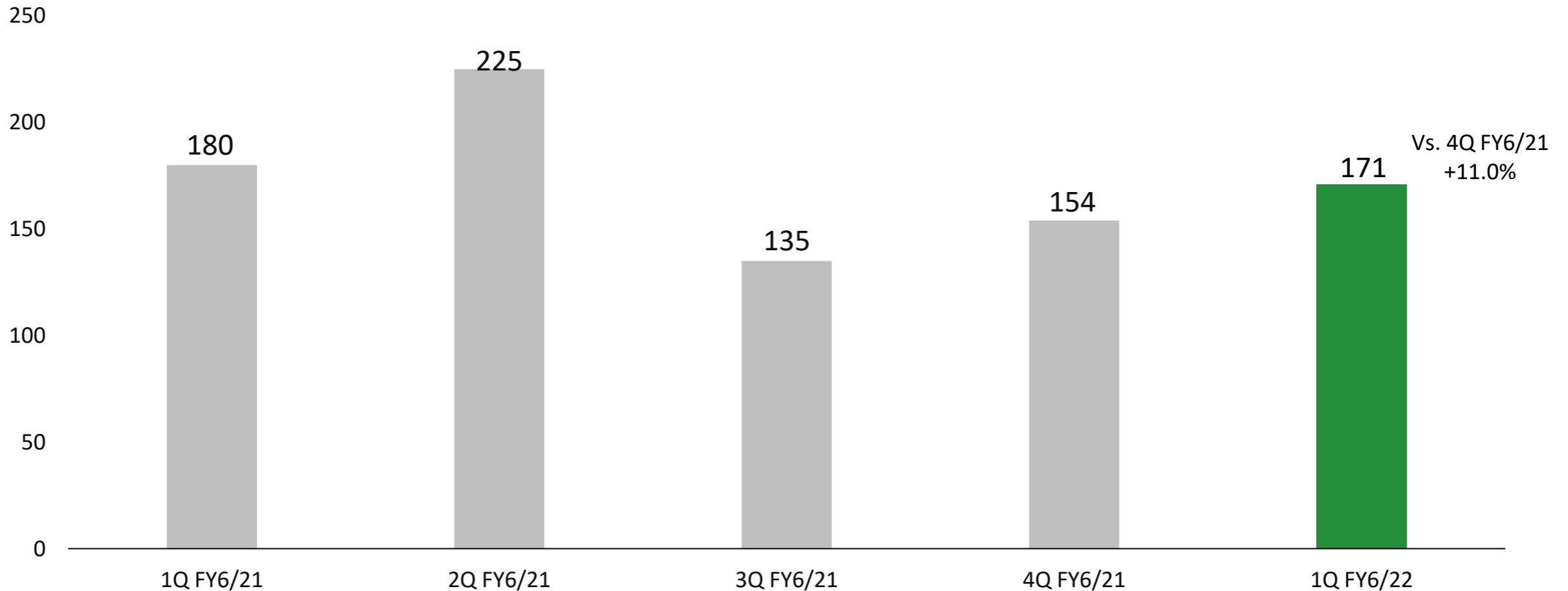


# Progress in Machinery (Agricultural Equipment): Purchase Amount Trends



Purchases are steady and from 2Q onward are expected to increase along with expanded purchasing capability.

(Million yen)






# Second-hand Online Business

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


# Three Medium-term Goals for Oikura

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

Actively increase the number of merchants for building a stronger customer base and promote UI/UX and system development.



More customer  
contact points



Increase in the  
number of  
merchants



Improve UI/UX and  
back-end  
capabilities



# Progress of the Oikura Platform: Collaboration with Local Public Bodies (1)

More customer contact points

Speed up collaboration toward the realization of a sustainable recycling society.

June 2021: Eniwa City, Hokkaido

Concluded a collaboration agreement on sustainable recycling society.



July 2021: Inabe City, Mie

Signed a comprehensive agreement with the goal of developing a sustainable recycling society.



# Progress of the Oikura Platform: Collaboration with Local Public Bodies (2)

More customer contact points

In October 2021, we started a demonstration experiment in cooperation with Kawasaki City, the city with the 6th largest population in Japan, to reduce the volume of oversized garbage.



川崎市 KAWASAKI CITY

Google 提供 検索 検索の使い方 拡大 標準 文字の大きさ 色の変更 読み上げ 読み上げ

トップ 暮らし・手続き お知らせ イベント・募集 市の施設 川崎の魅力 みどころ 事業者 就労支援情報 市政情報

現在位置: トップページ > 暮らし・手続き > ごみ・上下水道・住宅 > ごみ・リサイクル > 家庭から出るごみ・リサイクル > 3R (リデュース・リユース・リサイクル) > 家具のリユース

### 家具のリユース

2021年10月1日  
コンテンツ番号85550

■ 民間事業者と連携して実証実験を行います (10月1日～3月31日)

本市では、市民の方々のごみ減量に対する理解と行動により、1人1日当たりのごみ排出量が政令指定都市の中で最も少なく、平成29年度より3年連続で1位となっております。本市のごみ焼却量は減少傾向にあるものの、一方で、粗大ごみ収集量は年々増加している状況にあります。

焼却ごみの削減は、単純なコスト減だけでなく、2050年の脱炭素社会の実現に向けても重要な取り組みであることから、この度覚書を締結し、令和3年10月1日から民間事業者と連携して、粗大ごみリユース事業の実証実験を行います。(10月1日～3月31日)

以下の民間事業者を活用すれば、短期間での引取が可能です。粗大ごみではなくリユースを検討してみませんか？

※連携事業者を利用した際のトラブルや損害等について、本市は一切の責任を負いかねますのであらかじめご了承ください。

▶ 連携事業者

株式会社マーケットエンタープライズ (「おいくら」を運営)

おいくら【株式会社マーケットエンタープライズ】

URL: <https://oikura.jp/offer-form/?rt=topmain&baitai=kawasaki>

外部リンク

・家具や家電等の大型品から、本、CD、ブランド品、貴金属、電動工具など小型品まで

3R (リデュース・リユース・リサイクル)

- 3Rとは
- 資源物のゆくえ
- 家電リサイクル
- 自動車リサイクル
- 生ごみの減量化・資源化

家具のリユース

- リユース食器活用のご案内
- 川崎市リユース・リサイクルショップ制度
- 川崎市エコショップ制度
- 食べきり協力店制度
- 市のリサイクル関連施設
- 家庭のごみダイエットチェックシート～かわさきチャレンジ3R

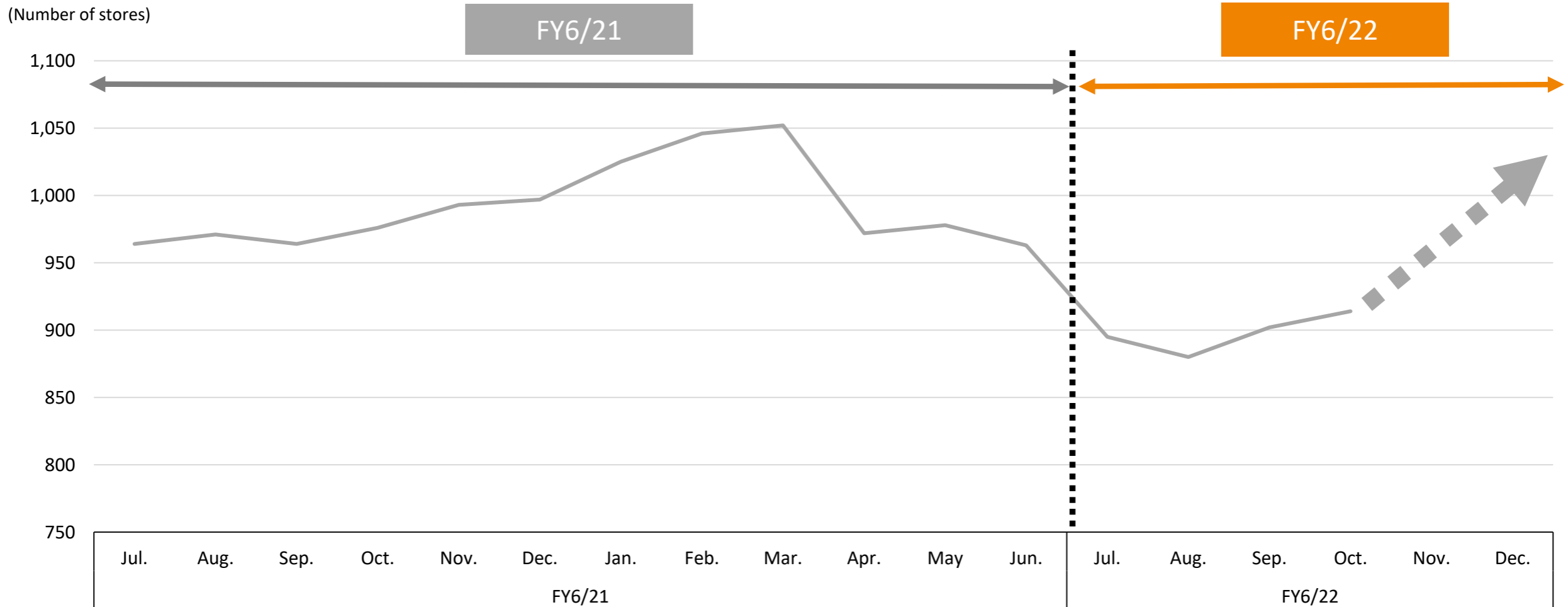
サンキューコールかわさき  
044-200-3939  
(市政に関するお問合せ・ご相談)

よくある質問 (FAQ)

電子申請

# Progress of the Oikura Platform: Number of Partner Stores

In the previous fiscal year, the number of partner stores decreased temporarily following a revision of our partner store rules which mandated tighter standards for partner stores. This trend was reversed after hitting the bottom in August as we stepped up sales activities to sign up more partner stores.



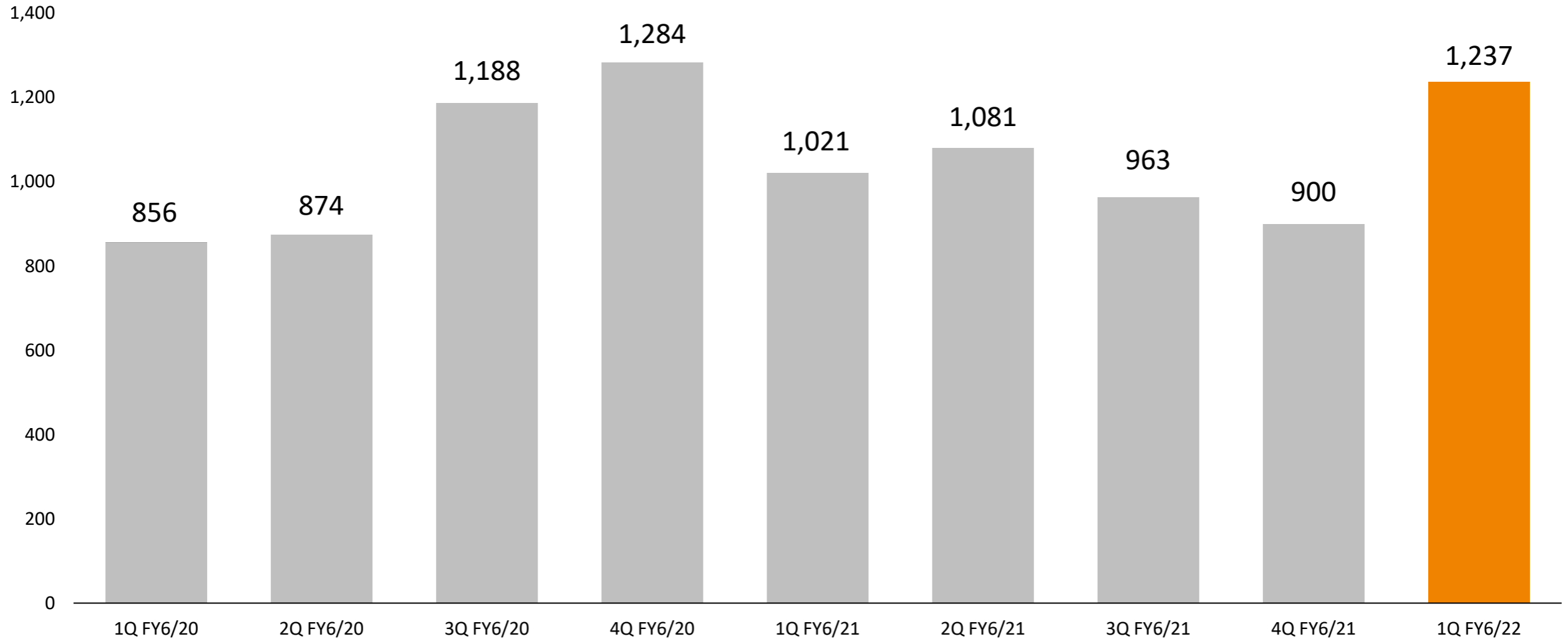


# Media Business

# Media Business: Quarterly Monthly Average Media Page Views

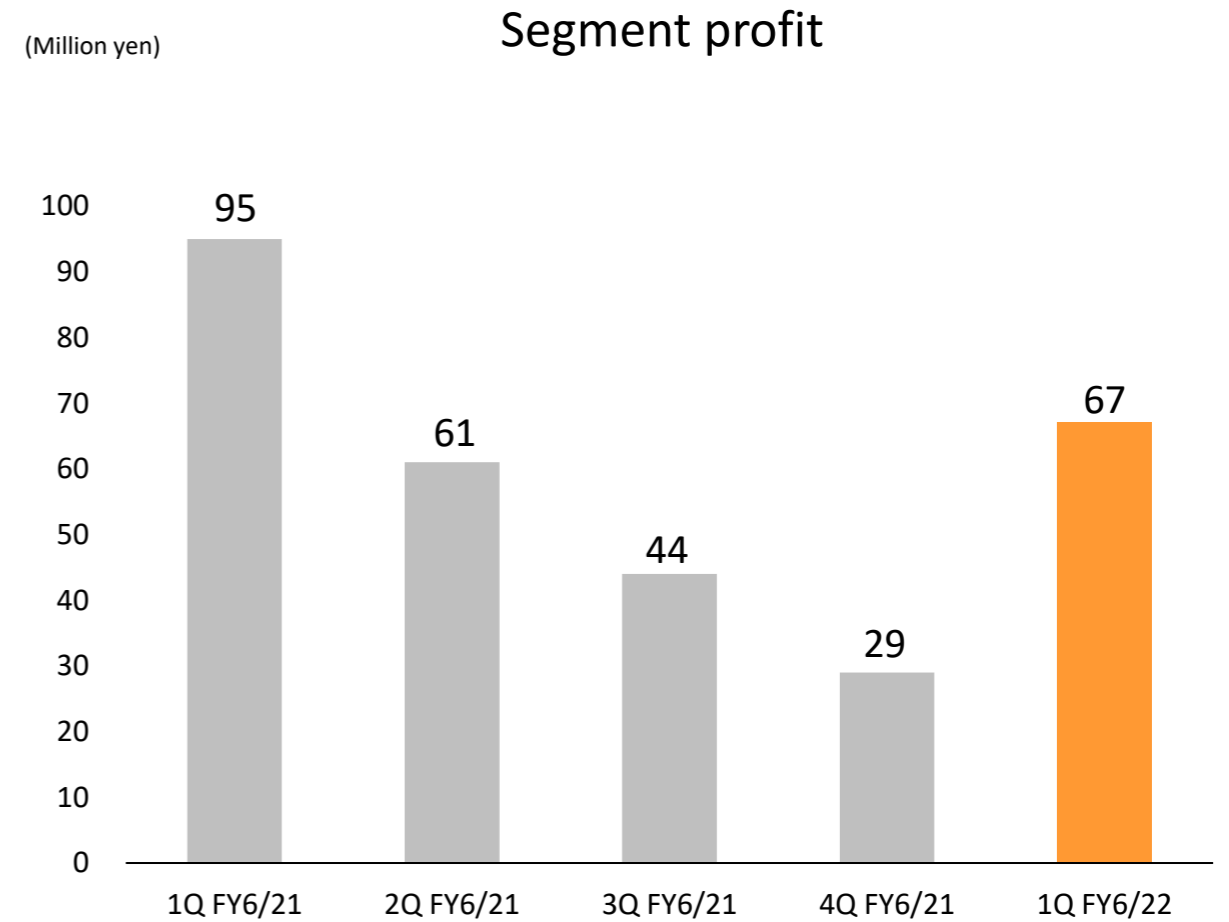
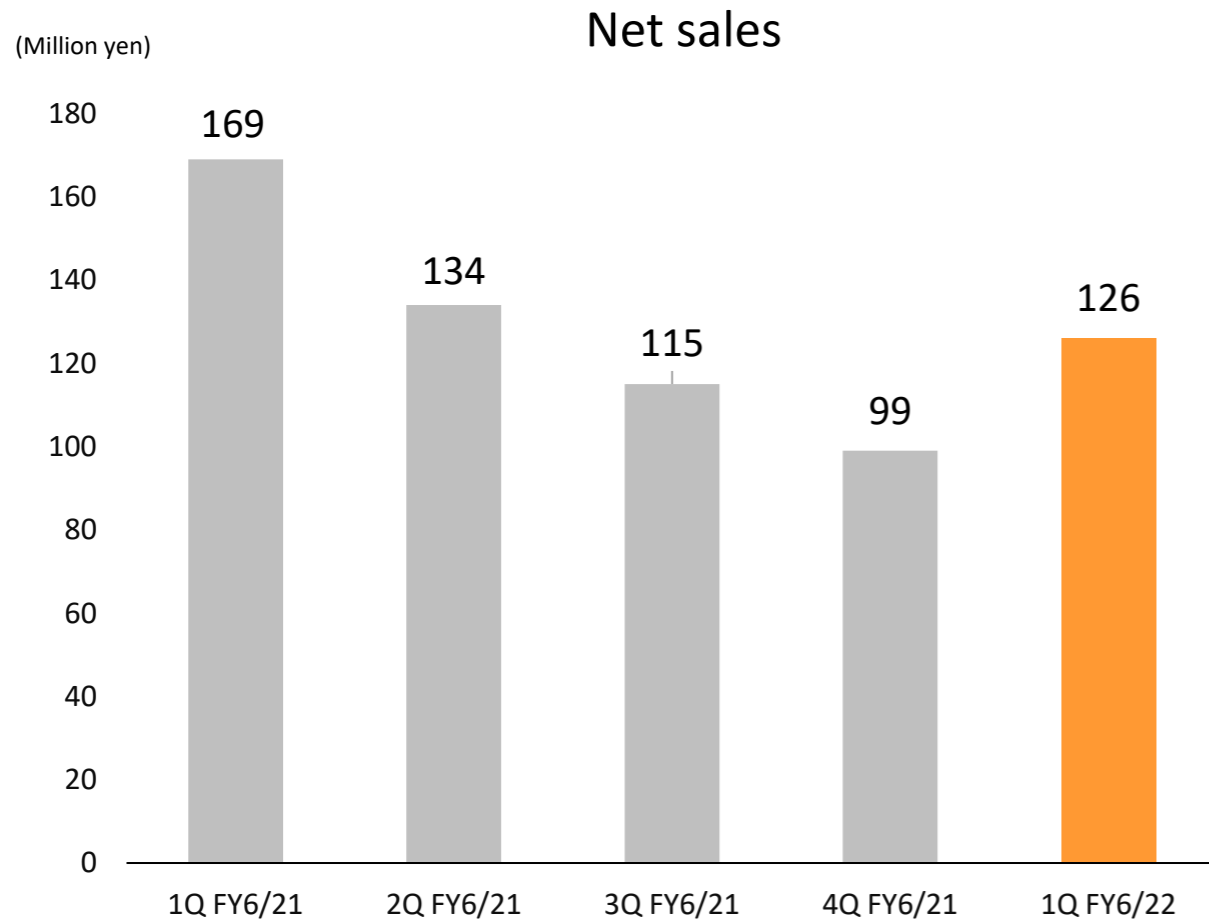
1Q monthly average media page views increased to a record high.

(10,000 page views)



# Media Business Results

Net sales and segment profit were higher than 4Q FY6/21.

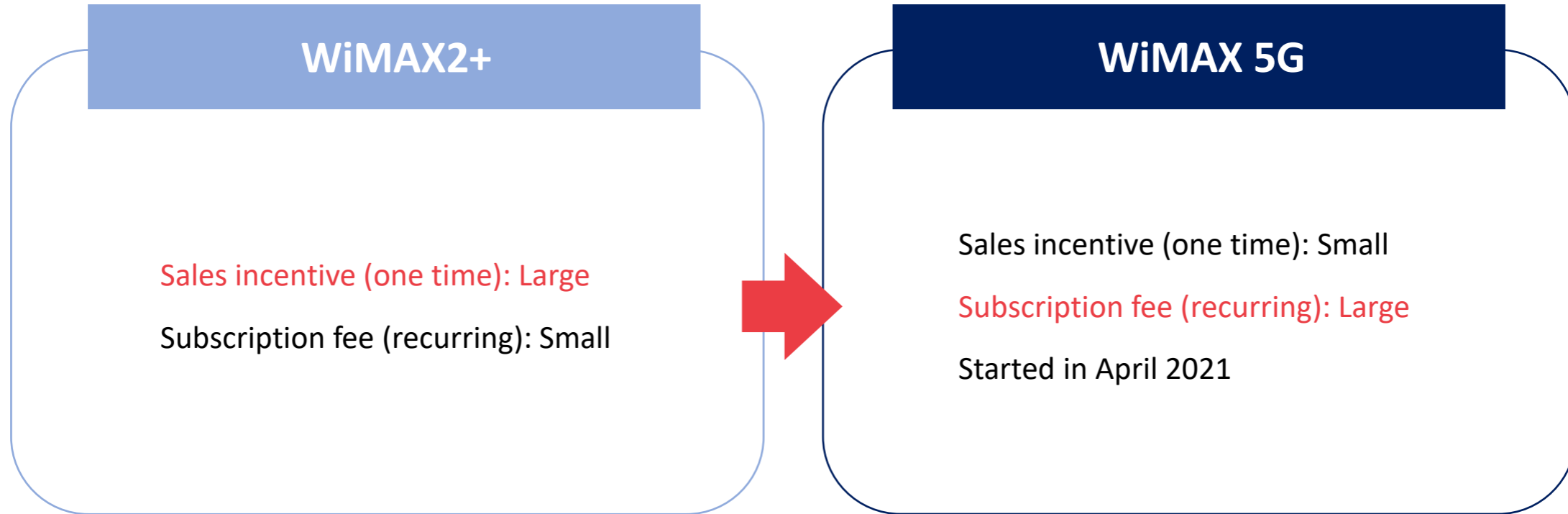




# **Mobile & Telecommunications Business**

# 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\*



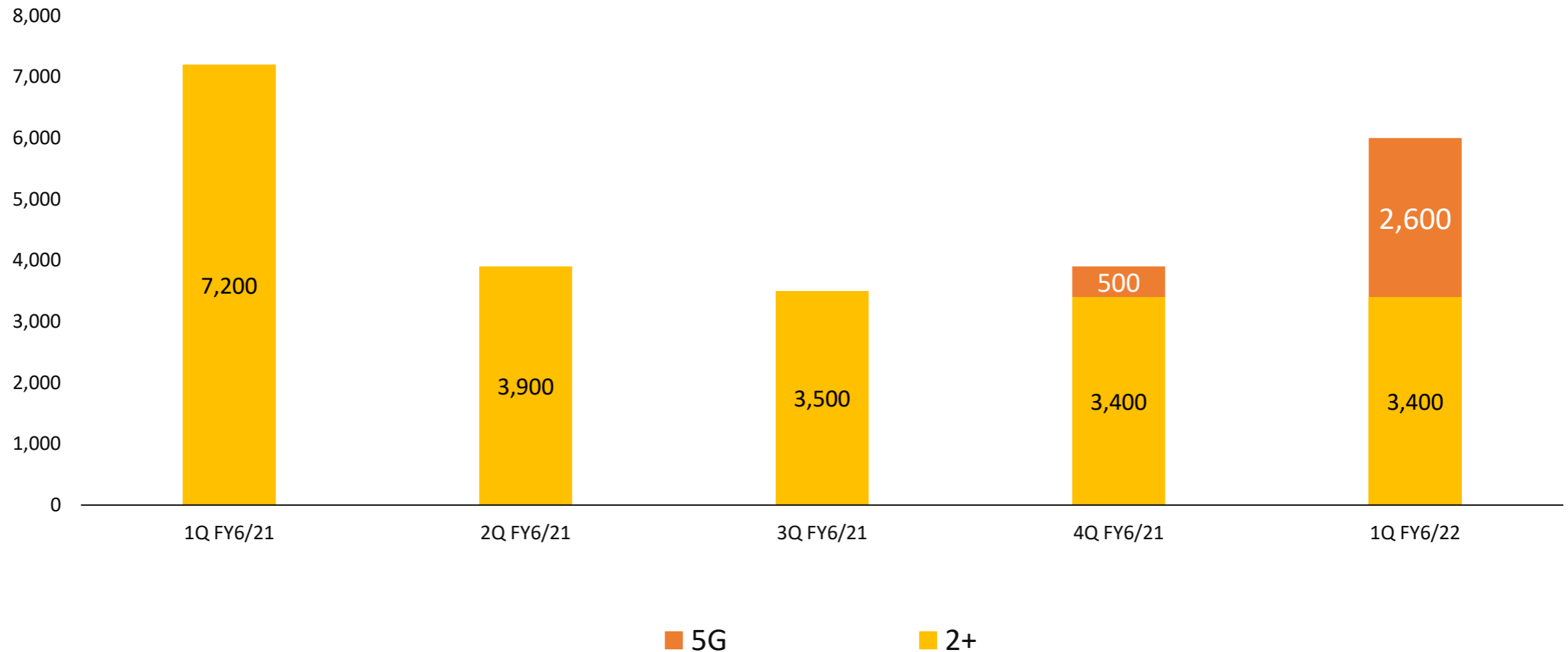
\*Future earnings: Earnings from fee income for communication services and other income expected from current service subscriptions



# Progress in Mobile & Telecommunications Business: New Service Subscriptions

New service subscriptions centered on WiMAX 5G increasing steadily.

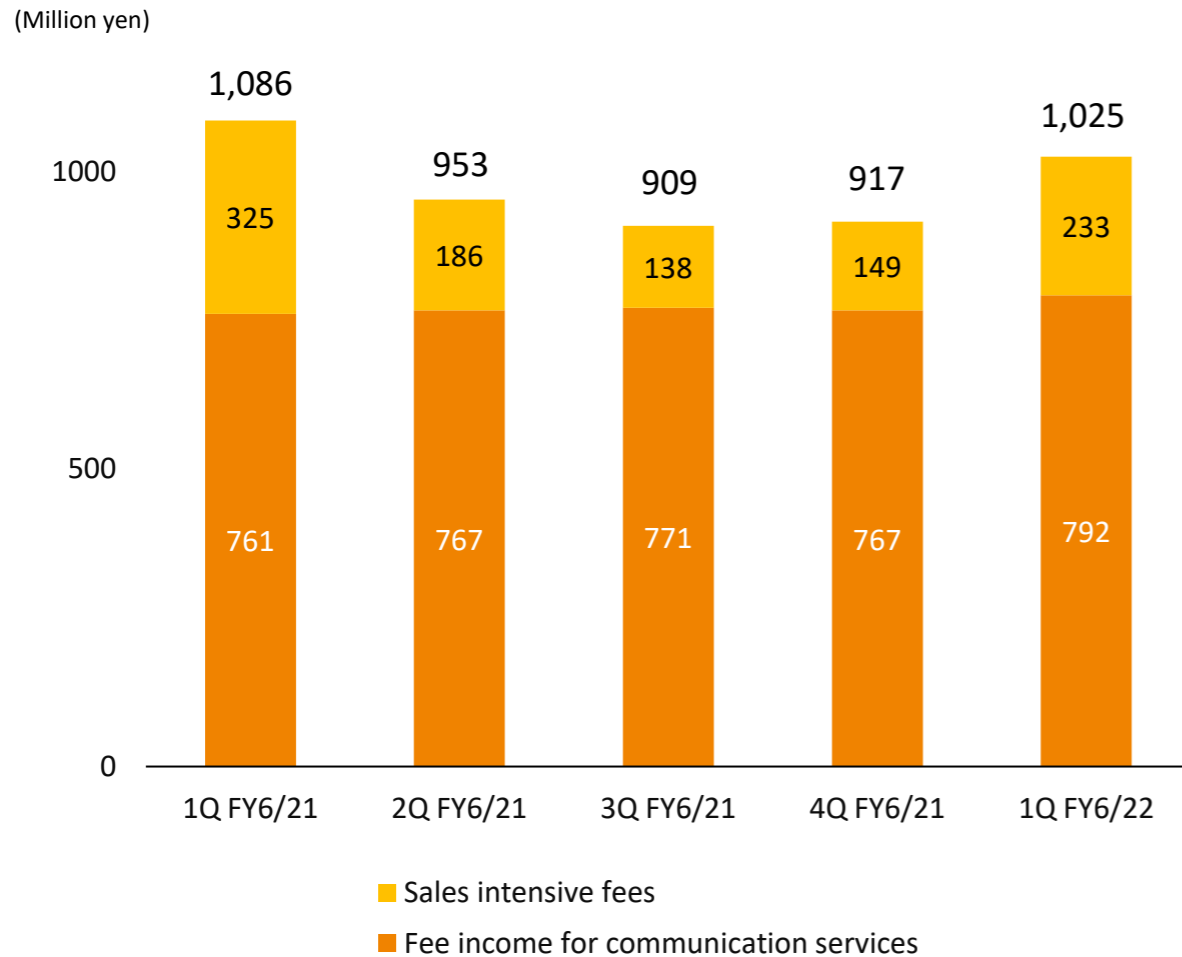
(Number of subscriptions)



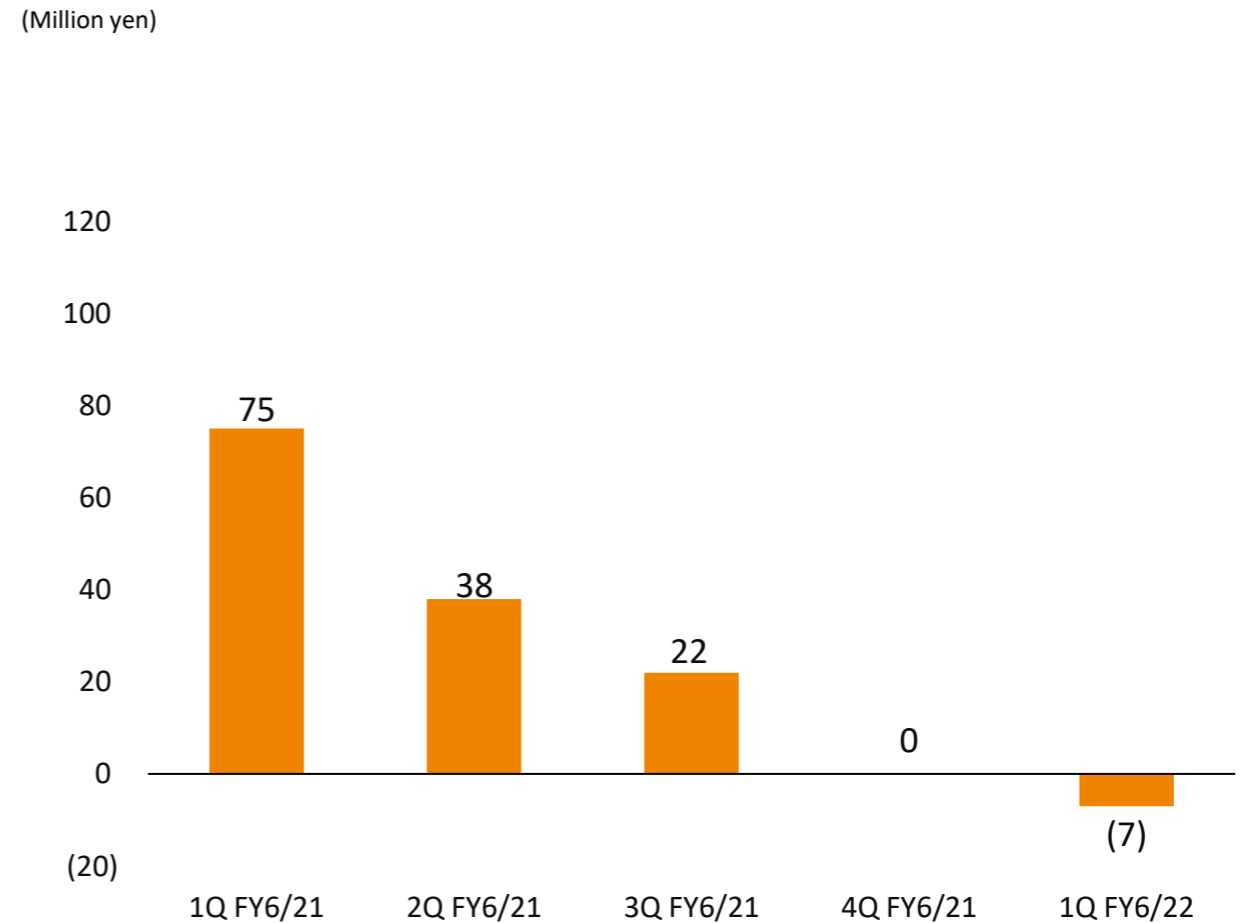
# Mobile & Telecommunications Business Results

Sales up from previous quarter but profit was lower because of increased advertising expenses for acquiring new subscriptions.

### Net sales



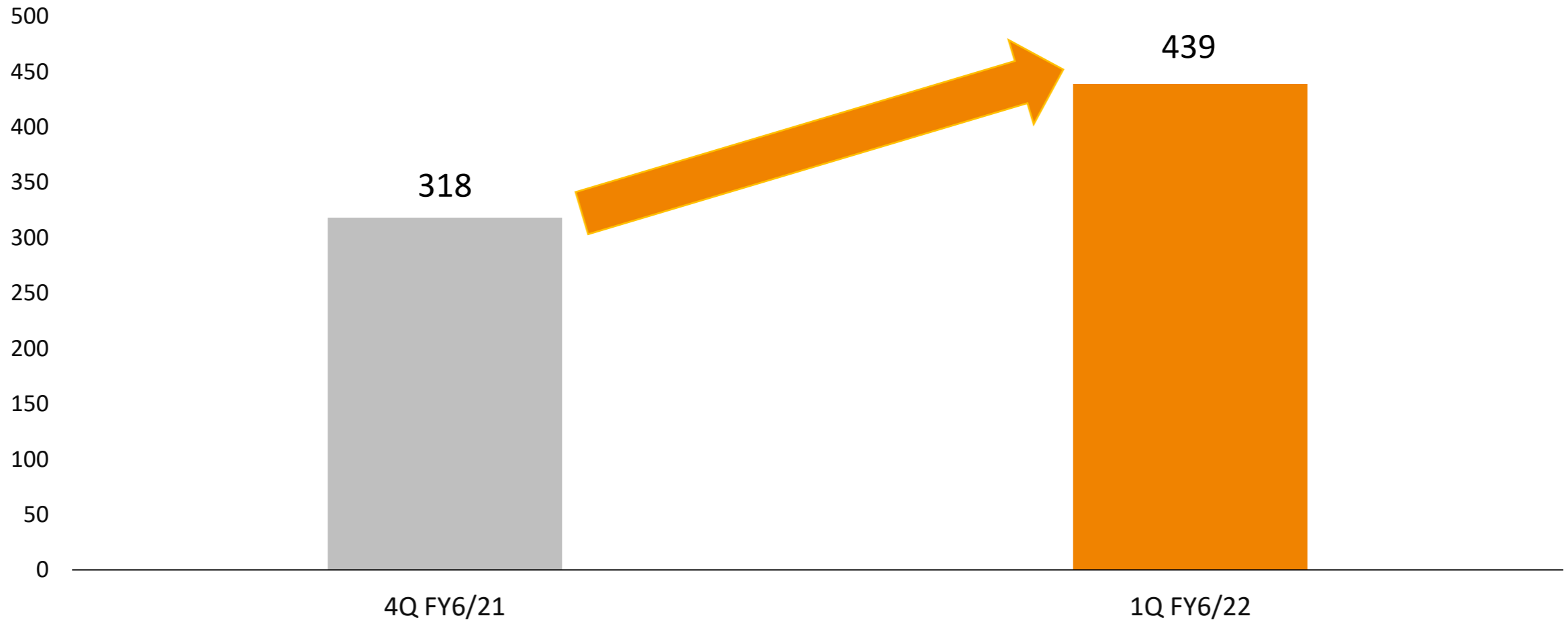
### Segment profit (loss)



# 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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**3) FY6/22 Forecasts**

## 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"><li>• More customers by using more methods to attract purchase requests and covering more product categories</li><li>• Increase purchasing capabilities by channeling more resources to the pick-up purchasing service</li></ul> <p>Machinery (agricultural equipment):</p> <ul style="list-style-type: none"><li>• Focus on increasing the purchase volume by increasing the number of purchase points</li></ul> <p>Oikura:</p> <ul style="list-style-type: none"><li>• Focus on increasing the number of intensive-based partner stores to enhance customer contact and build a stronger customer base</li><li>• Strengthen system development starting with the UI/UX systems</li></ul>
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

(Billion yen)	FY6/21 (Result)	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

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

