

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, 2022
(Six Months Ended December 31, 2021)

[Japanese GAAP]

February 14, 2022

Company name: MarketEnterprise Co., Ltd.
 Securities code: 3135
 Representative: Yasushi Kobayashi, President, CEO
 Contact: Kenichi Imamura, Director, CFO
 Tel: +81-(0)3-5159-4060

Listing: Tokyo Stock Exchange
 URL: <http://www.marketenterprise.co.jp/>

Scheduled date of filing of Quarterly Report:

February 14, 2022

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for securities analysts and 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, 2022
(July 1, 2021 to December 31, 2021)

(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, 2021	5,492	(2.4)	(204)	-	(221)	-	(177)	-
Six months ended Dec. 31, 2020	5,628	8.7	206	(33.2)	195	(36.7)	93	(44.3)

Note: Comprehensive income (millions of yen)

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

Six months ended Dec. 31, 2020: 117 (down 41.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2021	(33.51)	-
Six months ended Dec. 31, 2020	17.85	16.98

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31 2021	3,430	1,491	36.8
As of Jun. 30, 2021	3,461	1,653	41.5

Reference: Shareholders' equity (millions of yen)

As of Dec. 31, 2021: 1,263

As of Jun. 30, 2021: 1,437

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2021	-	0.00	-	0.00	0.00
Fiscal year ending Jun. 30, 2022	-	0.00	-	-	-
Fiscal year ending Jun. 30, 2022 (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, 2022 (July 1, 2021 to June 30, 2022)

(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	12,000	10.3	(400)	-	(405)	-	(440)	-	(83.10)

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: Yes

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, 2021:	5,296,200 shares	As of Jun. 30, 2021:	5,295,300 shares
----------------------	------------------	----------------------	------------------

2) Number of treasury shares as of the end of the period

As of Dec. 31, 2021:	349 shares	As of Jun. 30, 2021:	349 shares
----------------------	------------	----------------------	------------

3) Average number of shares outstanding during the period

Six months ended Dec. 31, 2021:	5,295,513 shares	Six months ended Dec. 31, 2020:	5,231,618 shares
---------------------------------	------------------	---------------------------------	------------------

* 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.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Quarterly Consolidated Statement of Cash Flows	8
(4) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Changes in Accounting Policies	9
Segment Information	9
Revenue Recognition	10

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 2022, the Japanese economy was sluggish because states of emergency and other measures to combat the pandemic restricted economic activity and consumer spending. Restrictions on various activities were eased for a while because of progress with vaccinations and other pandemic measures. However, the current wave of infections caused by the omicron variant is creating a risk of an economic downturn in Japan and other countries. As a result, the economic climate remains challenging.

Japanese consumers continue to hold down spending and purchase lower-priced items. But emphasis on economizing and seeking low prices 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 gives 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, companies. Activities include use of the internet to give customers a selection of purchasing channels in order to match their needs. On August 13, 2021, we announced 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. Numerous initiatives are under way for accomplishing these goals.

In the first half, there were many up-front expenditures, primarily involving the second-hand online business, which is the core business of the MarketEnterprise Group, for achieving medium-term growth. Examples include substantial marketing expenditures to increase the number of items submitted for purchasing in the personal second-hand field, new business sites for agricultural equipment operations, and expenditures for recruiting activities and IT systems for building a base to support growth in earnings. In the media business, there were maintenance activities for articles in this business to reflect updated search engine algorithms in order to improve search rankings for highly profitable keywords from the low levels of the previous fiscal year. In the mobile & telecommunications business, a new rate plan was introduced and activities focused on selling new subscriptions in order to build a sound base for generating recurring income for a medium term.

As a result, net sales were 5,492 million yen, 2.4% lower than in the first half of the previous fiscal year. Operating loss was 204 million yen, compared with profit of 206 million yen one year earlier, ordinary loss was 221 million yen, compared with profit of 195 million yen one year earlier, and loss attributable to owners of parent was 177 million yen, compared with profit of 93 million yen one year earlier.

3) Overview by Business Segment

· 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. Activities include up-front investments for the expansion of a base for making the export of this agricultural equipment another profit center. More activities are planned for leveraging synergies with current businesses for the diversification of the business portfolio. 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.

To accomplish the goals of the medium-term management plan, there were many up-front expenditures during the first half. Examples include substantial marketing expenditures to increase the number of items submitted for purchasing, new business sites for agricultural equipment operations, and expenditures for recruiting activities and IT systems.

As a result, sales decreased 7.4% to 3,108 million yen and segment profit decreased 93.8% to 21 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 this business to reflect updated search engine algorithms. Due to this maintenance and other activities, search rankings for highly profitable keywords are recovering and, as a result, there is also a recovery at the core mobile phone and services media in revenue received for directing customers to other media, including in sectors other than telecommunications. At media in sectors other than mobile phones and services, there is also a recovery in the number of page views and revenue for directing customers to other media.

As a result, sales and earnings in the second quarter (October to December) were higher than in the second quarter of the previous fiscal year. However, the second quarter recovery was not enough to fully offset the year-on-year decline in sales and earnings in the first quarter (July to September). As a result, sales decreased 14.3% to 261 million yen and segment profit decreased 8.5% to 143 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.

In the first half, signs of a recovery began to appear concerning the number of customers sent to this business from the mobile phone and services media operated by the media business. As a result, the number of new subscriptions is improving, chiefly for the new WiMAX 5G service. A new rate plan was introduced to build a base for the medium-term generation of recurring income. The new plan temporarily reduces earnings recorded at the time when a new subscription is sold but increases monthly earnings over the entire subscription period. This new rate plan lowered the profitability of this business in the first half because the plan spreads earnings over a

longer time for each service contract and there was a temporary increase in the cost of acquiring customers for this plan.

As a result, sales increased 5.9% to 2,161 million yen and segment profit decreased 55.5% to 50 million yen.

(2) Explanation of Financial Position

1) Assets

Total assets at the end of first half of the current fiscal year decreased 31 million yen from the end of the previous fiscal year to 3,430 million yen. This was mainly due to a decrease of 465 million yen in cash and deposits, while there were increases of 157 million yen in accounts receivable-trade, 178 million yen in merchandise and 115 million yen in investments and other assets.

2) Liabilities

Total liabilities increased 130 million yen from the end of the previous fiscal year to 1,939 million yen. The main reasons were decreases of 162 million yen in current portion of long-term borrowings and 328 million yen in long-term borrowings, while there were increases of 500 million yen in short-term borrowings, 36 million yen in accounts payable-trade, 30 million yen in accounts payable-other and 27 million yen in income taxes payable.

3) Net assets

Net assets decreased 162 million yen from the end of the previous fiscal year to 1,491 million yen. This was mainly because of loss attributable to owners of parent of 177 million yen.

Cash flows from operating activities

Net cash used in operating activities was 348 million yen (compared with 600 million yen provided in the same period of the previous fiscal year). Main factors include income taxes refund of 79 million yen, amortization of goodwill of 34 million yen, depreciation of 29 million yen, increases of 36 million yen in trade payables and 28 million yen in accounts payable-other, while there were loss before income taxes of 229 million yen, increases of 157 million yen in trade receivables and 183 million yen in inventories

Cash flows from investing activities

Net cash used in investing activities was 98 million yen (compared with 54 million yen used in the same period of the previous fiscal year). Main factors include purchase of property, plant and equipment of 41 million yen and payments of leasehold and guarantee deposits of 34 million yen

Cash flows from financing activities

Net cash used in financing activities was 21 million yen (compared with 16 million yen provided in the same period of the previous fiscal year). Main factors include proceeds from short-term borrowings of 500 million yen, while there were repayments of long-term borrowings of 491 million yen and the payment of 22 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

First half sales and earnings are in line with our business plan. The MarketEnterprise Group maintains its consolidated forecast for the fiscal year ending June 30, 2022 that was announced on August 13, 2021.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY6/21 (As of Jun. 30, 2021)	Second quarter of FY6/22 (As of Dec. 31, 2021)
Assets		
Current assets		
Cash and deposits	1,469,224	1,003,314
Accounts receivable-trade	581,128	739,024
Merchandise	285,310	464,180
Other	194,996	180,239
Total current assets	2,530,660	2,386,759
Non-current assets		
Property, plant and equipment	360,264	374,862
Intangible assets		
Goodwill	211,686	177,074
Other	24,331	41,104
Total intangible assets	236,017	218,179
Investments and other assets	334,958	450,745
Total non-current assets	931,240	1,043,787
Total assets	3,461,901	3,430,546
Liabilities		
Current liabilities		
Accounts payable-trade	308,176	344,541
Short-term borrowings	-	500,000
Current portion of long-term borrowings	421,439	259,325
Accounts payable-other	204,531	235,450
Lease obligations	18,608	18,426
Income taxes payable	2,888	30,352
Other	200,092	238,210
Total current liabilities	1,155,735	1,626,307
Non-current liabilities		
Long-term borrowings	605,308	276,310
Lease obligations	29,765	20,647
Other	17,944	16,231
Total non-current liabilities	653,018	313,189
Total liabilities	1,808,753	1,939,496
Net assets		
Shareholders' equity		
Share capital	324,679	324,935
Capital surplus	304,319	304,575
Retained earnings	810,896	633,431
Treasury shares	(530)	(530)
Total shareholders' equity	1,439,365	1,262,412
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,764)	1,387
Total accumulated other comprehensive income	(1,764)	1,387
Share acquisition rights	1,063	1,058
Non-controlling interests	214,482	226,192
Total net assets	1,653,147	1,491,050
Total liabilities and net assets	3,461,901	3,430,546

(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 FY6/21 (Jul. 1, 2020 – Dec. 31, 2020)	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)
Net sales	5,628,480	5,492,960
Cost of sales	3,570,244	3,578,328
Gross profit	2,058,236	1,914,632
Selling, general and administrative expenses	1,851,794	2,119,344
Operating profit (loss)	206,441	(204,712)
Non-operating income		
Guarantee commission received	164	-
Dividend income of insurance	162	195
Subsidy income	-	4,667
Vending machine income	198	352
Gain on sales of scraps	-	2,057
Other	840	1,209
Total non-operating income	1,366	8,481
Non-operating expenses		
Interest expenses	2,276	2,542
Foreign exchange losses	6,401	2,125
Commission expenses	-	20,421
Listing expenses	4,000	-
Other	128	164
Total non-operating expenses	12,807	25,253
Ordinary profit (loss)	195,000	(221,484)
Extraordinary losses		
Loss on sale of non-current assets	844	-
Loss on retirement of non-current assets	132	7,798
Total extraordinary losses	976	7,798
Profit (loss) before income taxes	194,023	(229,283)
Income taxes-current	50,024	23,286
Income taxes-deferred	24,819	(86,814)
Total income taxes	74,844	(63,528)
Profit (loss)	119,179	(165,754)
Profit attributable to non-controlling interests	25,792	11,709
Profit (loss) attributable to owners of parent	93,387	(177,464)

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

(Thousands of yen)

	First six months of FY6/21 (Jul. 1, 2020 – Dec. 31, 2020)	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)
Profit (loss)	119,179	(165,754)
Other comprehensive income		
Foreign currency translation adjustment	(1,771)	3,151
Total other comprehensive income	(1,771)	3,151
Comprehensive income	117,407	(162,602)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	91,615	(174,312)
Comprehensive income attributable to non-controlling interests	25,792	11,709

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY6/21 (Jul. 1, 2020 – Dec. 31, 2020)	First six months of FY6/22 (Jul. 1, 2021 – Dec. 31, 2021)
Cash flows from operating activities		
Profit (loss) before income taxes	194,023	(229,283)
Depreciation	28,103	29,853
Amortization of goodwill	34,612	34,612
Interest and dividend income	(14)	(38)
Interest expenses	2,276	2,542
Decrease (increase) in trade receivables	627,977	(157,896)
Decrease (increase) in inventories	6,375	(183,062)
Increase (decrease) in trade payables	(56,747)	36,365
Loss (gain) on sale of non-current assets	844	-
Loss on retirement of non-current assets	-	6,641
Subsidy income	-	(4,667)
Decrease (increase) in deposits paid	725	439
Decrease (increase) in prepaid expenses	834	(13,363)
Increase (decrease) in accounts payable-other	(22,796)	28,521
Increase (decrease) in accrued expenses	(31,484)	4,008
Increase (decrease) in accrued consumption taxes	(46,356)	12,161
Commitment line expense	-	20,421
Other, net	15,903	(13,080)
Subtotal	754,278	(425,824)
Interest and dividends received	14	38
Interest paid	(2,276)	(2,542)
Income taxes paid	(151,754)	(3,908)
Income taxes refund	-	79,312
Subsidies received	-	4,667
Net cash provided by (used in) operating activities	600,262	(348,258)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,045)	(41,970)
Proceeds from sale of property, plant and equipment	193	-
Purchase of investment securities	(10,500)	-
Purchase of intangible assets	(580)	(23,170)
Payments of leasehold and guarantee deposits	(25,456)	(34,876)
Other, net	(3,950)	1,550
Net cash provided by (used in) investing activities	(54,339)	(98,466)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	33,158	505
Proceeds from short-term borrowings	-	500,000
Proceeds from long-term borrowings	200,000	-
Repayments of long-term borrowings	(205,535)	(491,112)
Repayments of lease obligations	(10,578)	(9,300)
Arrangement fees and others paid	-	(22,000)
Other, net	(70)	-
Net cash provided by (used in) financing activities	16,974	(21,906)
Effect of exchange rate change on cash and cash equivalents	(2,087)	2,720
Net increase (decrease) in cash and cash equivalents	560,809	(465,910)
Cash and cash equivalents at beginning of period	1,255,622	1,469,224
Cash and cash equivalents at end of period	1,816,432	1,003,314

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies**Application of the Accounting Standard for Revenue Recognition**

MarketEnterprise has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in the proviso to paragraph 84 of this standard, there is no effect on retained earnings at the beginning of the first quarter.

There is also no effect of this application on profit.

Furthermore, in accordance with the transitional treatment prescribed in paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), MarketEnterprise has not presented information on revenue from contracts with customers broken down for the first half of the previous fiscal year.

Application of the Accounting Standard for Fair Value Measurement

MarketEnterprise has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies prescribed in the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019).

There is no effect of this change on the quarterly consolidated financial statements.

Segment Information

I. First six months of FY6/21 (Jul. 1, 2020 – Dec. 31, 2020)

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	3,356,724	231,850	2,039,905	5,628,480	-	5,628,480
Inter-segment sales and transfers	-	73,019	-	73,019	(73,019)	-
Total	3,356,724	304,870	2,039,905	5,701,500	(73,019)	5,628,480
Segment profit	351,564	157,121	113,962	622,648	(416,206)	206,441

Notes: 1. The -416 million yen adjustment to segment profit includes elimination for inter-segment transactions of 29 million yen, and -445 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 are adjusted to be consistent with operating profit 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 FY6/22 (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.

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
Comprehensive reuse	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