

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2024
(Six Months Ended December 31, 2023)

[Japanese GAAP]

February 14, 2024

Company name: Smartvalue Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 9417

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Scheduled date of filing of Quarterly Report:

February 14, 2024

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for institutional investors and analysts)

(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, 2024
(July 1, 2023 to December 31, 2023)

(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, 2023	1,714	(2.1)	(303)	-	(303)	-	(280)	-
Six months ended Dec. 31, 2022	1,750	4.3	(158)	-	(160)	-	(115)	-

Note: Comprehensive income (millions of yen) Six months ended Dec. 31, 2023: (308) (-%)

Six months ended Dec. 31, 2022: (164) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 31, 2023	(26.99)	-
Six months ended Dec. 31, 2022	(11.53)	-

Note: Diluted net income per share for the six months ended December 31, 2023 is not presented because there are no latent shares with a dilution effect. Diluted net income per share for the six months ended December 31, 2022 is not presented, because net loss was posted despite the existence of latent shares with a dilution effect.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2023	3,684	2,099	47.7
As of Jun. 30, 2023	3,866	2,441	54.9

Reference: Shareholders' equity (millions of yen)

As of Dec. 31, 2023: 1,758

As of Jun. 30, 2023: 2,121

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2023	-	0.00	-	8.00	8.00
Fiscal year ending Jun. 30, 2024	-	0.00			
Fiscal year ending Jun. 30, 2024 (forecast)			-	8.00	8.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(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	4,454	15.0	23	-	16	-	15	-	1.56

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

*** Notes**

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

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

As of Dec. 31, 2023:	10,679,800 shares	As of Jun. 30, 2023:	10,679,800 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	287,490 shares	As of Jun. 30, 2023:	287,490 shares
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3) Average number of shares outstanding during the period

Six months ended Dec. 31, 2023:	10,392,310 shares	Six months ended Dec. 31, 2022:	9,976,664 shares
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* The current quarterly financial report is not subject to the 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 Smartvalue's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to the section "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements" on page 5 of the attachments regarding preconditions or other related matters for the forecasts.

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 Earnings Forecast and Other Forward-looking Statements	5
2. Quarterly Consolidated Financial Statements and Notes	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
(3) Quarterly Consolidated Statement of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements	11
Going Concern Assumption	11
Significant Changes in Shareholders' Equity	11
Segment and Other Information	11
Revenue Recognition	12

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

There was a slow recovery of the Japanese economy during the first half of the current fiscal year as economic activity continued to return to normal as most pandemic restrictions ended with the Japanese government's downgrade of COVID-19 and demand created by foreign tourists in Japan recovered. The outlook for the economy is still unclear because of the prolonged Ukraine conflict, the Israel-Palestinian conflict and other sources of geopolitical risk as well as the rising cost of energy, food and other items.

The Digital Government segment, which provides cloud services to local governments, is performing well as many governments shift activities to digital technologies. In the Mobility Services segment, which provides services mainly for the fleets of companies, there is a risk to some degree of losing business opportunities because of the suspensions of some automobile shipments caused by fraud involving vehicle quality of a manufacturer.

In this challenging business climate, the activities of the Smartvalue Group are guided by the mission of "combining 'smart' systems and technologies to create social systems that can thrive for many years."

In the first half, there were activities to generate monthly recurring revenue (MRR) in the cloud solutions business, shift to a business model capable of sustained growth, such as by continuing to step up activities for the digitalization of government services, and create a new profit structure based on a medium to long-term perspective.

In the Smart Venues segment, preparations are progressing as planned for the April 2025 opening of Kobe Arena (note 1) and expenditures are increasing. At this time, the priority is generating sales.

Consolidated net sales decreased 2.1% to 1,714 million yen. There was an operating loss of 303 million yen compared with a loss of 158 million yen one year earlier, an ordinary loss of 303 million yen compared with a loss of 160 million yen one year earlier, and loss attributable to owners of parent of 280 million yen compared with a loss of 115 million yen one year earlier.

Although the loss was higher than one year earlier, sales and earnings are down mostly as expected at the beginning of this fiscal year. Activities are continuing to achieve profitability for the full fiscal year, which is the plan for this fiscal year.

In the cloud solutions business, we are continuing to take actions for steady growth of MRR in the SaaS market, where growth is expected to continue, and for cutting expenses. In the Smart Venues segment, which is expected to become the "third pillar" of our business with Digital Government and Mobility Services, we are focusing on the creation of services that can play a role in creating digital communities, such as activities for smart cities linked to the Kobe Arena, which is to open in 2025. The objective of these initiatives is the creation of a profit model that can be a driver of more growth.

Business segment performance for the first half was as follows.

Digital Government

This segment provides Gabukura (note 2), a cloud suite for local governments that is designed to increase transparency, participation and linkage of local government digital transformation open government (note 3).

An increasing number of governments in Japan are using online procedures and other digital operations. As a result, the shift to the cloud is gaining momentum, including use of the government cloud (note 4) and digital marketplace (note 5). To meet needs involving the increasing use of digital technologies in the public sector, the cloud suite Gabukura enables the dissemination of information by local governments as governments continue to use digital technologies for the transition to a new concept for public services. This cloud suite has components such as Smart-L-Gov, CMS (note 6) for the production and operation of websites and GaaS (note 7) for increasing participation and linkage for online ties between governments and the people they serve. With these capabilities, Gabukura can be used for community creation in a sustainable and democratic manner.

During the first half, the priorities of the Digital Government segment were capturing orders from new customers and expanding relationships with existing customers. In addition, this business continued to implement many cost-cutting measures. Sales to local governments and other public-sector organizations resulting from orders received through competitive bids remained strong because of activities by the Japanese government to increase the use of

e-government. However, sales and earnings decreased because of higher personnel and business travel expenses and up-front investments for starting the new wellbeing business at Grand Green Osaka, a large urban development project near Osaka Station. Activities with alliance partners and others are being used to start developing government digitalization services that do not rely on submitting bids for contracts and start joint activities concerning the digital transformation of governments.

As a result, segment sales decreased 10.3% from one year earlier to 769 million yen and the segment profit decreased 48.6% from one year earlier to 69 million yen.

Mobility Services

The car solutions business, which dates back to Smartvalue's establishment, involves the sale of safety assistance equipment and information devices placed in automobiles. These devices target opportunities created by the growing use of electrical equipment in automobiles, often viewed as an automobile industry revolution on a scale that happens only once in a century. The diverse activities of the mobility IoT business include the CiEMS Series (note 8), which is a connected car (note 9) service, the provision of platforms and software development for the utilization of automobile data, and Kuruma Base (note 10), which is a platform that supports car sharing and other car-as-a-service applications.

During the first half, there were measures to cut costs and improve efficiency. Despite these activities, sales and earnings decreased mainly because of the decline in the number of company cars and delays in deliveries of new cars. The new vehicle key management service of Kuruma Base is performing well and Mobility Services will continue activities to upgrade capabilities for providing solutions, raise operating efficiency for higher earnings and make other improvements

Segment sales decreased 0.4% from one year earlier to 764 million yen and the segment profit decreased 31.0% from one year earlier to 100 million yen.

Smart Venues

The Smart Venues segment has the goal of creating new markets based on the concepts of stadium and arena innovations and smart venues, which governments are positioning as growing business sectors. Operations of this business are centered on the Kobe Arena, which is scheduled to open in April 2025. In addition, in terms of earnings too, preparations are proceeding for making the Smart Venues Business the third core business along with Digital Government and Mobility Services.

During the first half, to create a framework for medium to long-term sales and earnings, there was progress generally as planned for establishing a sound environment for the start of operations of Kobe Arena in 2025. Sale increased significantly because of contracts with major sponsors and other business partners but the segment loss increased due to up-front investments for the operations of this segment.

Segment sales increased 44.9% from one year earlier to 180 million yen and the segment loss was 224 million yen compared with a loss of 183 million yen one year earlier.

Explanation of terms

Notes:

1. Kobe Arena The Kobe Arena Project is a project established and operated by the private sector and consisting of a consortium consisting of Smartvalue, NTT Urban Development Corporation and NTT DOCOMO, INC. This is a multi-purpose arena under construction in the second jetty of the New Port Jetty West Area in the City of Kobe.
2. Gabukura A regional information cloud platform suite for local governments and other public-sector institutions
3. Open government: A concept for measures aimed at making national and local government activities more open that is based on three basic principles: (1) Transparency, (2) Participation of the public, and (3) Public/private-sector cooperation
4. Government cloud: An environment for using numerous cloud services for the purposes of creating a unified platform and providing functions concerning data systems for governments

5. Digital marketplace: A framework for the registration of vendors and services using the same requirements and for the easy procurement of goods and services from registered services and companies by the public sector with no need to ask for bids.
6. CMS: A Content Management System facilitates the centralized storage and management of all information concerning the content of a website, such as text, images, designs (templates) and other items
7. GaaS: Government as a Service is a service for online procedures for the digitalization of government services
8. CiEMS Series: The Car intelligent Energy Management System analyzes and utilizes a broad array of data associated with the operation of motor vehicles to eliminate traffic accidents, reduce traffic jams, operate vehicles more efficiently and provide other benefits. By fully utilizing data obtained from the operation of cars, this system also has the goal of helping solve a variety of social issues.
9. Connected car: Automobiles that use the internet to send and receive information
10. Kuruma Base: An integrated platform provided by Smartvalue that encompasses car connectivity and car-as-a-service applications

(2) Explanation of Financial Position

1. Assets, liabilities and net assets

1) Assets

Total assets at the end of the second quarter decreased 182 million yen from the end of the previous fiscal year to 3,684 million yen.

Current assets decreased 246 million yen to 2,770 million yen. Major items include a decrease of 396 million yen in cash and deposits, and an increase of 158 million yen in notes and accounts receivable-trade, and contract assets.

Non-current assets decreased 65 million yen to 909 million yen. Major items include increases of 48 million yen in software in progress and 32 million yen in guarantee deposits, and decreases of 32 million yen in construction in progress and 24 million yen in software.

Deferred assets decreased 1 million yen to 4 million yen. Major items include a decrease of 1 million yen in share issuance cost.

2) Liabilities

Total liabilities increased 159 million yen from the end of the previous fiscal year to 1,584 million yen.

Current liabilities increased 200 million yen to 1,317 million yen. Major items include increases of 91 million yen in short-term borrowings, 12 million yen in provision for bonuses and 114 million yen in other current liabilities.

Non-current liabilities decreased 41 million yen to 266 million yen. Major items include a decrease of 39 million yen in long-term borrowings.

3) Net assets

Net assets decreased 341 million yen from the end of the previous fiscal year to 2,099 million yen. This decrease was mainly the result of dividend payments of 83 million yen, a decrease in retained earnings of 363 million yen due to loss attributable to owners of parent of 280 million yen.

2. Cash flows

Cash and cash equivalents (hereinafter, "cash") at the end of the second quarter decreased 2 million yen from the end of the previous fiscal year to 843 million yen, compared with 845 million yen at the end of the second quarter of the previous fiscal year. The cash flow components and the main reasons for changes are as follows.

Cash flows from operating activities

Net cash used in operating activities was 279 million yen, compared with 359 million yen used in the same period of the previous fiscal year. Positive factors include depreciation of 64 million yen, a 118 million yen increase in contract liabilities, and a 31 million yen increase in accounts payable-other. Negative factors include loss before

income taxes of 303 million yen, a 146 million yen increase in trade receivables, a 17 million yen decrease in trade payables and a 21 million yen decrease in accrued consumption taxes.

Cash flows from investing activities

Net cash used in investing activities was 142 million yen, compared with 25 million yen used in the same period of the previous fiscal year. Negative factors include purchase of property, plant and equipment of 54 million yen, purchase of intangible assets of 55 million yen and payments of leasehold and guarantee deposits of 32 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 25 million yen, compared with 232 million yen used in the same period of the previous fiscal year. Positive factors include net increase in short-term borrowings of 91 million yen and proceeds from share issuance to non-controlling shareholders of 49 million yen. Negative factors include repayments of long-term borrowings of 33 million yen and dividends paid of 79 million yen.

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

There are no revisions to the full-year consolidated earnings forecast for the fiscal year ending June 30, 2024 that was announced in the “Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 (Japanese GAAP)” on August 14, 2023.

An announcement will be made promptly if a revision to the forecast is required due to upcoming changes in the operating environment.

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

	(Thousands of yen)	
	FY6/23 (As of Jun. 30, 2023)	Second quarter of FY6/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	2,339,306	1,943,463
Notes and accounts receivable-trade, and contract assets	472,324	620,918
Electronically recorded monetary claims-operating	1,683	-
Merchandise	110,333	80,449
Work in process	9,491	31,769
Other	83,285	93,731
Allowance for doubtful accounts	(20)	(25)
Total current assets	3,016,404	2,770,306
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	184,387	170,734
Other, net	73,491	98,116
Total property, plant and equipment	257,879	268,851
Intangible assets		
Goodwill	125,880	117,758
Software	128,447	103,667
Other	16,112	64,754
Total intangible assets	270,439	286,180
Investments and other assets		
Deferred tax assets	100,962	100,664
Leasehold and guarantee deposits	205,526	237,675
Other	9,308	15,928
Total investments and other assets	315,797	354,268
Total non-current assets	844,115	909,300
Deferred assets		
Organization expenses	325	266
Share issuance costs	5,269	4,224
Total deferred assets	5,595	4,490
Total assets	3,866,115	3,684,097

	(Thousands of yen)	
	FY6/23 (As of Jun. 30, 2023)	Second quarter of FY6/24 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	92,212	74,814
Short-term borrowings	488,560	580,460
Current portion of long-term borrowings	79,440	86,060
Income taxes payable	15,440	7,766
Provision for bonuses	44,046	56,959
Other	396,750	511,367
Total current liabilities	1,116,449	1,317,428
Non-current liabilities		
Long-term borrowings	247,120	207,400
Asset retirement obligations	55,564	55,633
Other	5,807	3,685
Total non-current liabilities	308,492	266,718
Total liabilities	1,424,941	1,584,146
Net assets		
Shareholders' equity		
Share capital	1,044,944	1,044,944
Capital surplus	1,114,988	1,114,988
Retained earnings	116,161	(247,438)
Treasury shares	(154,411)	(154,411)
Total shareholders' equity	2,121,682	1,758,082
Non-controlling interests	319,491	341,868
Total net assets	2,441,173	2,099,951
Total liabilities and net assets	3,866,115	3,684,097

(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 FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)	First six months of FY6/24 (Jul. 1, 2023 – Dec. 31, 2023)
Net sales	1,750,161	1,714,098
Cost of sales	1,241,272	1,300,986
Gross profit	508,888	413,112
Selling, general and administrative expenses	667,398	717,000
Operating loss	(158,509)	(303,888)
Non-operating income		
Interest income	6	6
Subsidy income	479	574
Penalty income	1,370	3,624
Lecture fee revenue	246	593
Other	410	396
Total non-operating income	2,513	5,195
Non-operating expenses		
Interest expenses	4,012	3,277
Amortization of organization expenses	59	59
Amortization of share issuance costs	551	1,310
Other	150	-
Total non-operating expenses	4,774	4,647
Ordinary loss	(160,771)	(303,340)
Extraordinary income		
Gain on reversal of share acquisition rights	18	-
Total extraordinary income	18	-
Extraordinary losses		
Loss on retirement of non-current assets	226	7
Total extraordinary losses	226	7
Loss before income taxes	(160,979)	(303,347)
Income taxes-current	4,193	4,439
Income taxes-deferred	(971)	297
Total income taxes	3,221	4,736
Loss	(164,201)	(308,084)
Loss attributable to non-controlling interests	(49,193)	(27,622)
Loss attributable to owners of parent	(115,008)	(280,461)

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

	(Thousands of yen)	
	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)	First six months of FY6/24 (Jul. 1, 2023 – Dec. 31, 2023)
Loss	(164,201)	(308,084)
Comprehensive income	(164,201)	(308,084)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(115,008)	(27,622)
Comprehensive income attributable to non-controlling interests	(49,193)	(280,461)

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY6/23 (Jul. 1, 2022 – Dec. 31, 2022)	First six months of FY6/24 (Jul. 1, 2023 – Dec. 31, 2023)
Cash flows from operating activities		
Loss before income taxes	(160,979)	(303,347)
Depreciation	63,860	64,762
Amortization of goodwill	8,121	8,121
Increase (decrease) in allowance for doubtful accounts	(56)	5
Increase (decrease) in provision for bonuses	634	12,913
Interest and dividend income	(6)	(6)
Interest expenses	4,012	3,277
Loss on retirement of non-current assets	226	7
Decrease (increase) in trade receivables	(137,657)	(146,910)
Decrease (increase) in inventories	(46,044)	7,605
Increase (decrease) in trade payables	6,220	(17,397)
Increase (decrease) in contract liabilities	(15,825)	118,632
Increase (decrease) in accounts payable-other	33,944	31,106
Increase (decrease) in deposits received	11,004	(8,115)
Increase (decrease) in accrued consumption taxes	(96,507)	(21,673)
Other, net	(8,526)	(14,735)
Subtotal	(337,578)	(265,754)
Interest and dividends received	6	6
Interest paid	(2,974)	(2,794)
Income taxes paid	(18,693)	(10,593)
Net cash provided by (used in) operating activities	(359,241)	(279,135)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,980)	(54,960)
Purchase of intangible assets	(17,714)	(55,107)
Payments of leasehold and guarantee deposits	(7,346)	(32,314)
Proceeds from refund of leasehold and guarantee deposits	3,126	166
Net cash provided by (used in) investing activities	(25,915)	(142,216)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(58,100)	91,900
Repayments of long-term borrowings	(44,774)	(33,100)
Proceeds from share issuance to non-controlling shareholders	-	49,735
Purchase of treasury shares	(50,331)	-
Proceeds from disposal of treasury shares	5,094	-
Repayments of lease liabilities	(7,567)	(4,020)
Dividends paid	(76,884)	(79,006)
Other, net	(110)	-
Net cash provided by (used in) financing activities	(232,674)	25,508
Net increase (decrease) in cash and cash equivalents	(617,830)	(395,843)
Cash and cash equivalents at beginning of period	1,463,701	1,239,306
Cash and cash equivalents at end of period	845,870	843,463

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment Information

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

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	17,342	348,682	33,368	399,393	-	399,393
Goods or services that are transferred over a certain period of time	840,759	418,770	91,236	1,350,767	-	1,350,767
Revenue from contracts with customers	858,102	767,453	124,605	1,750,161	-	1,750,161
Other revenue	-	-	-	-	-	-
External sales	858,102	767,453	124,605	1,750,161	-	1,750,161
Inter-segment sales and transfers	-	-	-	-	-	-
Total	858,102	767,453	124,605	1,750,161	-	1,750,161
Segment profit (loss)	134,213	146,134	(183,958)	96,388	(254,898)	(158,509)

Notes: 1. The negative adjustment of 254 million yen to segment profit (loss) includes corporate expenses that are not allocated to any reportable segment and mainly consist of general and administrative expenses and goodwill amortization that cannot be attributed to any reportable segment.

2. Segment profit (loss) is adjusted to be consistent with operating loss in the quarterly consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses of non-current assets or goodwill, etc. for reportable segments

Not applicable.

First six months of FY6/24 (Jul. 1, 2023 – Dec. 31, 2023)

1. Information about net sales and profit or loss for reportable segments and breakdown of revenue

(Thousands of yen)

	Reportable segments				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Digital Government	Mobility Services	Smart Venues	Total		
Net sales						
Goods or services that are transferred at a point in time	5,570	352,156	57,891	415,618	-	415,618
Goods or services that are transferred over a certain period of time	763,734	412,075	122,670	1,298,480	-	1,298,480
Revenue from contracts with customers	769,305	764,231	180,561	1,714,098	-	1,714,098
Other revenue	-	-	-	-	-	-
External sales	769,305	764,231	180,561	1,714,098	-	1,714,098
Inter-segment sales and transfers	-	-	-	-	-	-
Total	769,305	764,231	180,561	1,714,098	-	1,714,098
Segment profit (loss)	69,023	100,901	(224,882)	(54,957)	(248,930)	(303,888)

Notes: 1. The negative adjustment of 248 million yen to segment profit (loss) includes corporate expenses that are not allocated to any reportable segment and mainly consist of general and administrative expenses that cannot be attributed to any reportable segment.
2. Segment profit (loss) is adjusted to be consistent with operating loss in the quarterly consolidated statement of income.

2. Information related to assets for reportable segments

Not applicable.

3. Information related to impairment losses of non-current assets or goodwill, etc. for reportable segments

Not applicable.

Revenue Recognition

Information on revenue from contracts with customers broken down is described in the Notes, Segment and Other Information.

* This financial report is solely a translation of “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.