



Consolidated Financial Results for the Second Quarter (Interim Period) FY04/25 [Japanese GAAP]

December 13, 2024

Name of listed company Hamee Corp.	Listed stock exchanges	East
Code Number 3134	URL https://hamee.co.jp/	
Representative (Title) President and CEO	(Name) Ikuhiro Mizushima	
Contact person (Title) Corporate Planning Dept. Manager	(Name) Toshiki Kunii	(TEL) +81-465-25-0260
Scheduled date to file Quarterly Securities Report	December 13, 2024	Scheduled date of commencement of dividend payment -
Preparation of supplementary material on quarterly financial results: Yes		
Quarterly results briefing : Yes (For analysts and institutional investors to be held on December 16.) (Millions of yen are rounded down.)		

1.FY04/25 Q2(Interim Period) consolidated results (May 1, 2024 to October 31, 2024)

(1)Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 FY04/25	10,677	39.9	1,021	61.2	1,033	47.6	665	229.7
Q2 FY04/24	7,631	15.0	633	10.3	700	(7.5)	201	(59.2)

(NOTE) Comprehensive income Q2 FY04/25 531Millions of yen (3.8%) Q2 FY04/24 552Millions of yen 12.4%

	Earnings Per share	Fully diluted Per share Net income
	Yen	Yen
Q2 FY04/25	41.77	41.77
Q2 FY04/24	12.69	12.68

(2)Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q2 FY04/25	16,837	10,347	61.0
FY04/24	14,512	10,157	69.3

(Reference) Shareholders' equity Q2 FY04/25 10,262Millions of yen FY04/24 10,063Millions of yen

2.Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY04/24	–	0.00	–	22.50	22.50
FY04/25	–	0.00	–	22.50	22.50
FY04/25 (Forecast)	–	0.00	–	22.50	22.50

(NOTE) Revisions to the most recently announced dividend forecasts None

3.Forecast of Consolidated Financial Results for the Year Ending April 2025 (May 1, 2024 to April 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net profit Attributable to owners of parent		Earnings Per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,745	12.1	2,084	8.7	2,051	1.6	1,362	21.5	83.69

(NOTE) Revisions to the consolidated forecasts most recently announced :None

(NOTE)Because we manage our performance on an annual basis, our earnings forecasts are only for the full fiscal year.

※ Notes

(1) Changes of important subsidiaries during the period : None

New - Exclusion -

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies caused by revision of accounting standards : Yes
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(4) Number of shares of outstanding (common stock)

① Number of shares outstanding at the end of the period (including treasury stock)	Q2 FY04/25	16,294,400Shares	FY04/24	16,286,400Shares
② Number of treasury shares at the end of the period	Q2 FY04/25	344,675Shares	FY04/24	355,575Shares
③ Average number of shares during the period (quarterly consolidated cumulative period)	Q2 FY04/25	15,939,751Shares	Q2 FY04/24	15,917,689Shares

※ This quarterly (Interim Period) financial report is not subject to quarterly review by a certified public accountant or auditing firm.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Qualitative Information on the current quarter's performance, (3) Explanation of future forecasts such as Consolidated performance Forecasts" on page 5 of the attached material for the assumptions underlying the earnings forecasts and notes on the use of the earnings forecasts.

○Accompanying Materials – Contents

1. Qualitative Information on the current quarter’s performance.....	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	4
(3) Explanation of future forecasts such as Consolidated performance Forecasts.....	5
2. Quarter Consolidated Financial Statements and Major Notes.....	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarter Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	8
(3) Quarterly Consolidated Statements of Cash Flows.....	10
(4) Notes to Quarterly Consolidated Financial Statements.....	11
(Notes on the Going Concern Assumption).....	12
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	12
(Changes in accounting policies)	12
(Segment Information, etc.).....	13

1. Qualitative Information on the current quarter's performance

(1) Explanation of Operating Results

According to the BOJ Tankan in September, DI for all large enterprises (Business Conditions Index) in the manufacturing sector remained unchanged from the previous June survey, and the employment and income situation in the non-manufacturing sector improved. The Japanese economy, however, showed a slight improvement. However, the outlook for the economy remains uncertain due to the negative impact of high prices on consumer spending, worsening labor shortages, rising raw material costs due to the yen's depreciation, rising labor costs, global monetary tightening, foreign exchange rate volatility, and heightened geopolitical risks.

In this business environment, our operating results by segment for the current interim consolidated accounting period were as follows.

Beginning with the current interim consolidated accounting period, in order to more appropriately reflect the performance of each reportable segment, the method of allocating certain expenses of the Global Business has been changed. Comparison and analysis for the current interim consolidated accounting period are based on the calculation method after the change.

① Commerce segment

a. Mobile Life Business

During the first half of the fiscal year under review, in the new iPhone sales, our largest selling opportunity, the development of new products mainly Reflection series and First class series of popular iFace series, and sales activities exceeded those of the previous year. In addition to launching products other than those for iPhone and mobile-related accessories that incorporate market trends, we focused on expanding sales of our mainstay iFace series. These products include collaborative planning with popular IP contents.

Specifically, in August we launched a smartphone case exclusively for Google Pixel9, a card wallet and iFace Hang and strap holder double ring in collaboration with the popular character "Chiikawa" and iFace. In September, we released Reflection series, First class series, and phone charms (straps) of iFace series for iPhone16 series. In October, we launched 5000mAh thin mobile battery from MagSynq series, which is compatible with MagSafe. As a result of these measures, both wholesale and retail sales exceeded the results of the previous fiscal year, and net sales increased 11.0% year on year.

b. Cosmetics Business

Sales of the cosmetics brand "ByUR" continued to be strong during the current interim consolidated accounting period, and sales have been significantly above the initial plan, and we continue to steadily grow into a core business.

Contracts with new wholesale customers remained firm, and after careful consideration of the number of stores introducing ByUR while making full use of marketing strategies. As a result, the number of stores which sells ByUR totaled approximately 7,000. In August, we released collaborative products with Sanrio characters, and in September, we released our brand's first aging care products. We developed this product as an appendix to magazines in an effort to expand recognition. In October, we renewed some products in the base makeup and skincare series. As a result, net sales increased 132.0% year on year.

Operating income in the current interim consolidated accounting period was slightly higher than initial plan nevertheless an increase in sales promotion expenses for a change in product mix, fixtures, samples and other items due to an expansion in the number of newly installed stores.

c. Gaming accessories Business

Sales of "Pixio", a gaming monitor brand, remained strong from the previous fiscal year. Sales of peripheral equipment such as gaming monitors and monitor arms for white and pastel color models remained strong. In terms of sales channels, contracts with new EC store customers and transactions with electronics retailers and electronics retailers have expanded. As a result, the group continues to grow into a core business, similar to the Cosmetics Business.

At the Tokyo Game Show held in September, we exhibited our best-selling color monitors and new color monitors (beige, mint and purple) at the lifestyle corner for the first time, and the recognition of

Pixio brand was further expanded. Subsequently, during Amazon Prime Thanks Festival in October, we greatly exceeded our plan, partly because of the increased recognition of the Tokyo Game Show. As a result, net sales increased 340.2% year on year.

d. Global Business

In the U.S. market, the Korean market, and the Chinese market, Sales after eliminations increased 34.2% year on year. Net sales outside the group also increased 15.5% year on year as a result of strong sales.

Operating income declined year on year, as the deduction of unrealized profit associated with the increase in inventories in the Mobile Life Business and the Cosmetics Business, where sales were favorable, increased year on year, and marketing and logistics costs related to sales expansion in the U.S. continued to increase.

As a result, net sales in the Commerce segment for the current interim consolidated accounting period were JPY8,874,964 thousand (up 48.1% year on year), and segment income (operating income) was JPY834,894 thousand (up 51.4% year on year).

② Platform segment

a. Next Engine Business

In June 2023, we revised the service price and reduced the basic usage fee from JPY10,000 to JPY3,000 per month. This resulted in an expansion of the transaction value for EC sales to small businesses. At the same time, the increase in the number of orders processed, which is the basis of pay-as-you-go billing, became easier to reflect in usage fees. As a result, ARPU of the new charging plan has continued to improve since the new charging plan was first applied to existing clients in November 2023. In addition, there were signs of a return to consumption in EC market. The change in consumption behavior, which shifted from consumption of goods to consumption of experience in reaction to COVID-19, was stabilized.

On the other hand, as customer targets widened in line with the reduction in basic usage fees, marketing methods that differ from those in the past were required. As a result, the efficiency of winning leads declined in the first quarter, resulting in a slight increase in the net number of contracts compared to the target of 88 clients. In the second quarter, however, the pace of winning contracts recovered as we focused on strengthening marketing measures such as various campaigns, increasing the conversion rate from free trial to formal contracts, and maintaining the low churn rate. As a result, the total number of clients increased to 6,426 (up 170 from the end of the previous fiscal year).

As a result, net sales in the Next Engine Business were JPY1,456,293 thousand (up 19.1% year on year.)

b. Localco Business

Due in part to the contribution of local governments that acquired new contracts in the previous fiscal year, the hometown tax payment support service in the first quarter exceeded the previous year's results. However, special demand was generated in September of the previous fiscal year due to the partial system change related to hometown tax payment, which came into effect in October 2023. As a result, sales in the second quarter were sluggish compared with the same period of the previous fiscal year.

In EC sales of traditional handicrafts business, which we acquired in April of this year through a business acquisition, we worked to expand sales through steady activities, such as finding suppliers within the contracted local governments of hometown tax payment support services, despite the problem of suppliers (craftsmen) in the form of stable supplies of inventories.

As a result of the above, net sales in the Localco Business were JPY170,743 thousand (down 21.5% year on year).

c. Consulting Business

Given the continuing management issue of securing consultant resources (recruitment and improving

retention rates), we are continuing activities with an awareness of maximizing the utilization rate of existing resources and thoroughly managing profitability. As a result, sales themselves continued to decline year on year. However, as a result of focusing on initiatives that emphasize profitability, such as profitability management for each project, improvement in the utilization rate of consultants, and cost reviews, operating income was able to significantly exceed the results of the previous year.

As a result of the above, net sales of the Consulting Business were JPY183,293 thousand (down 10.3% year on year).

d. encer mall Business

This business relates to the operation of "encer mall", a new wholesale marketplace linking manufacturers and retailers that was released as β in the previous fiscal year as a result of new business development. In the second quarter, the main content of this business is marketing activities and R&D activities, such as solicitation by member companies for the official release. However, the number of member companies registered as wholesalers and purchasing businesses are increasing, and distribution within malls is gradually commencing.

As a result of the above, net sales in the encer mall Business was JPY27 thousand.

As a result, net sales in the Platform segment for the current interim consolidated accounting period were JPY1,810,357 thousand (up 10.1% year on year), and segment income (operating income) was JPY950,092 thousand (up 25.3% year on year).

As a result of the above, for the current interim consolidated accounting period, net sales were JPY10,677,513 thousand (up 39.9% year on year), operating income was JPY1,021,152 thousand (up 61.2%), ordinary income was JPY1,033,645 thousand (up 47.6%), and interim net income attributable to owners of the parent was JPY665,882 thousand (up 229.7%).

(2) Explanation of Financial Position

① Financial position

Assets at the end of the current interim consolidated accounting period increased by JPY2,325,266 thousand from the end of the previous consolidated accounting year to JPY16,837,738 thousand. This was mainly due to JPY985,484 thousand increase inventories, JPY739,712 thousand increase in other current assets, JPY110,112 thousand decrease in cash and deposits, JPY93,052 thousand decrease in goodwill, and JPY48,957 thousand decrease in net defined benefit asset, despite JPY574,365 thousand increase in notes and accounts receivable-trade.

Liabilities increased by JPY2,134,876 thousand from the end of the previous fiscal year to JPY6,490,209 thousand. This was mainly due to an increase of JPY1,900,000 thousand in short-term loans payable and an increase of JPY162,773 thousand in accounts payable-other, partially offset by a decrease of JPY105,060 thousand in long-term loans payable.

Net assets increased JPY190,389 thousand from the end of the previous fiscal year to JPY10,347,528 thousand. This was mainly due to JPY125,128 thousand decrease in foreign currency translation adjustment, while retained earnings increased by JPY307,438 thousand.

② Cash Flow

Cash and cash equivalents (hereinafter "cash") at the end of the current interim consolidated accounting period decreased by JPY110,112 thousand from the end of the previous consolidated accounting year to JPY3,911,563 thousand.

The status of each cash flow and its factors at the end of the current interim consolidated accounting period are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was JPY1,054,616 thousand, compared with JPY245,902 thousand used in the same period of the previous fiscal year. This was mainly due to an increase in inventories of JPY1,087,946 thousand, an increase in notes and accounts receivable-trade of JPY622,745 thousand, and income taxes paid of JPY365,032 thousand, which offset such factors as income before income taxes

and minority interests of JPY1,010,819 thousand, depreciation and amortization of JPY305,248 thousand, and an increase in accounts payable-other of JPY168,780 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was JPY397,446 thousand (compared with net cash used of JPY299,442 thousand in the same period of the previous fiscal year). This was mainly due to the acquisition of property, plant and equipment of JPY162,817 thousand, the purchase of intangible assets such as software of JPY97,719 thousand, and other cash outflows of JPY67,994 thousand, despite the proceeds from collection of long-term loans receivable of JPY1,084 thousand.

(Cash flows from financing activities)

Net cash provided by financing activities was JPY1,369,681 thousand (compared with net cash used of JPY79,313 thousand in the same period of the previous fiscal year). This was mainly due to cash inflows of JPY1,900,000 thousand in short-term loans payable, offset by cash dividends paid of JPY358,443 thousand, repayments of long-term loans payable of JPY105,060 thousand, and repayments of lease obligations of JPY76,014 thousand.

(3) Explanation of future forecasts such as Consolidated performance Forecasts

There are no changes to the full-year consolidated earnings forecast announced on June 14, 2023.

2. Quarter Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	End of previous fiscal year (April 30, 2024)	End of second quarter of the fiscal year (October 31, 2024)
Assets		
Current assets		
Cash and deposits	4,021,675	3,911,563
Trade notes and accounts	2,367,883	2,942,249
Inventory	2,791,349	3,776,834
Work in process	4,544	7,079
Raw materials and supplies	80,037	128,114
Others	1,410,988	2,150,700
Allowance for doubtful accounts	(44,017)	(43,548)
Total current assets	10,632,462	12,872,992
Fixed assets		
Property, plant and equipment		
Buildings and structures	830,184	838,673
Accumulated depreciation	(202,805)	(240,044)
Buildings and structures, net	627,378	598,628
Automotive equipment	3,932	3,824
Accumulated depreciation	(1,729)	(2,063)
Vehicles, net	2,203	1,760
Tools, furniture and fixtures	1,074,720	1,209,855
Accumulated depreciation	(770,248)	(886,788)
Tools, furniture, and fixtures, net	304,471	323,066
Right-of-use asset	408,754	406,539
Accumulated depreciation	(268,590)	(148,809)
Assets for right of use, net	140,164	257,730
Land	367,820	360,830
Construction in progress	7,860	1,018
Total property, plant and equipment	1,449,898	1,543,035
Intangible assets		
Goodwill	496,487	403,434
Software	285,097	271,244
Trademark right	20,372	20,753
Others	29,171	44,824
Total intangible assets	831,129	740,257
Investments and other assets		
Investment securities	643,592	628,976
Stocks of subsidiaries and affiliates	349,106	340,072
Long-term loans receivable	16,418	15,718
Net defined benefit asset	170,367	121,410
Deferred tax assets	324,775	404,927
Others	123,231	196,446
Allowance for doubtful accounts	(28,510)	(26,096)
Total investments and other assets	1,598,982	1,681,453
Total noncurrent assets	3,880,010	3,964,746
Total assets	14,512,472	16,837,738

(Thousands of yen)

	End of previous fiscal year (April 30, 2024)	End of second quarter of the fiscal year (October 31, 2024)
Liabilities		
Current liabilities		
Accounts payable	369,736	360,724
Short-term loans	1,200,000	3,100,000
Current portion of long-term loans	210,120	210,120
Accounts payable-other	935,374	1,098,147
Accrued expenses	226,482	237,426
Income taxes payable	362,724	398,366
Provision for bonuses	18,093	30,849
Others	190,093	232,528
Total current liabilities	3,512,623	5,668,163
Long-term liabilities		
Long-term loans	774,860	669,800
Asset retirement obligations	12,375	12,034
Others	55,474	140,211
Total noncurrent liabilities	842,709	822,045
Total liabilities	4,355,333	6,490,209
Net assets		
Shareholders' equity		
Common stock	598,524	605,640
Capital surplus	545,014	553,424
Retained earnings	8,599,706	8,907,145
Treasury stock	(341,799)	(331,321)
Total shareholders' equity	9,401,446	9,734,889
Other accumulated comprehensive income		
Valuation difference on securities	66,665	57,547
Foreign currency translation adjustments	595,305	470,176
Total other accumulated comprehensive income	661,971	527,724
Stock Option	93,721	84,915
Total net assets	10,157,139	10,347,528
Total liabilities and net assets	14,512,472	16,837,738

(2)Quarter Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarter Consolidated Income Statement

	(Thousands of yen)	
	First six-month period of previous fiscal year (May 1, 2023 To October 31, 2023)	First six-month period of fiscal year under review (May 1, 2024 To October 31, 2024)
Net sales	7,631,488	10,677,513
Cost of sales	2,910,376	4,469,064
Gross profit	4,721,112	6,208,448
Selling, general and administrative expenses	4,087,479	5,187,296
Operating income	633,632	1,021,152
Non-operating income		
Interest income	454	1,031
Equity in earnings of associated companies	1,869	-
Foreign exchange gain	41,339	2,041
Advertising revenue	1,385	18,339
Others	43,085	28,202
Total non-operating income	88,134	49,614
Non-operating expenses		
Interest expenses	15,314	15,461
Payment Guarantee Fee	3,887	3,989
Equity in losses of affiliates	-	8,586
Provision for allowance for doubtful accounts	-	8,841
Others	2,235	244
Total non-operating expenses	21,437	37,122
Ordinary income	700,329	1,033,645
Extraordinary income		
Gain on sales of noncurrent assets	103	22
Gain on reversal of stock option	1,887	3,774
Total extraordinary income	1,990	3,796
Extraordinary losses		
Loss on retirement of noncurrent assets	893	5,090
Loss on sale of investment securities	-	1,532
Write-down of investment securities	5,070	19,998
Total extraordinary loss	5,963	26,621
Income before income taxes	696,355	1,010,819
Income taxes	269,286	405,435
Income taxes-deferred	225,121	(60,498)
Total income taxes	494,408	344,937
Quarter net income	201,947	665,882
Quarter net income attributable to owners of parent	201,947	665,882

Quarterly Consolidated Statements of Comprehensive Income

	(Thousands of yen)	
	Second quarter of previous fiscal year (May 1, 2023 To October 31, 2023)	Second quarter of fiscal year (May 1, 2024 To October 31, 2024)
Net income	201,947	665,882
Other comprehensive income		
Valuation difference on securities	43,151	(9,118)
Adjustment on foreign currency statement translation	307,781	(125,128)
Total other comprehensive income	350,933	(134,247)
Quarterly comprehensive income	552,880	531,635
(Details)		
Quarterly comprehensive income attributable to owners of parent	552,880	531,635
Quarterly comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First six-month period of previous fiscal year (May 1, 2023 To October 31, 2023)	First six-month period of fiscal year under review (May 1, 2024 To October 31, 2024)
Net cash provided by operating activities		
Income before income taxes	696,355	1,010,819
Depreciation and amortization	336,578	305,248
Amortization of goodwill	54,233	58,132
Loss on retirement of property, plant and equipment	893	5,090
Loss on sales of property, plant and equipment (△gain)	(△103)	-
Unrealized gains on available-for-sale securities. (△gain)	5,070	19,998
Loss on Sales of Investment Securities. (△gain)	-	1,532
Increase in allowance for doubtful accounts (△decrease)	9,162	(△1,341)
Increase in accrued bonuses (△decrease)	2,710	13,582
Increase in net defined benefit asset and liability	9,523	45,355
Interest and dividend income	(△454)	(△1,031)
Interest expenses	15,314	15,461
Equity in earnings of affiliates (△gain)	(△1,869)	8,586
Decrease in notes and accounts receivable-trade (△increase)	(△289,446)	(△622,745)
Decrease in inventories (△increase)	(△857,044)	(△1,087,946)
Increase in notes and accounts payable-trade (△decrease)	148,411	15,535
Increase in advances paid (△ increased)	(△15,396)	(△275,392)
Increase in accounts payable-other (△decrease)	419,472	168,780
Increase in accrued expenses (△decrease)	(△13,782)	14,160
Others	(△598,592)	(△365,019)
Subtotal	(△78,962)	(△671,191)
Interest and dividends income received	9,633	819
Interest expenses paid	(△2,014)	(△19,211)
Income taxes paid	(△174,558)	(△365,032)
Net cash provided by operating activities	(△245,902)	(△1,054,616)
Cash flow from investing activities		
Purchase of property, plant and equipment	(△214,461)	(△162,817)
Purchase of intangible assets	(△79,240)	(△97,719)
Purchase of investment securities	-	(△19,998)
Payments for short-term loans to affiliates	-	(△50,000)
Proceeds from long-term loans receivable	-	1,084
Others	(△5,740)	(△67,594)
Cash flow from investing activities	(△299,442)	(△397,446)
Cash flow from financing activities		
Net increase in short-term borrowings (△decrease)	(△100,000)	1,900,000
Proceeds from long-term debt	450,000	-
Repayment of long-term loans payable	-	(△105,060)
Repayments of lease obligations	(△71,196)	(△76,014)
Proceeds from issuance of common stock	-	9,200
Cash dividends paid	(△358,116)	(△358,443)
Cash flow from financing activities	(△79,313)	1,369,681
Effect of exchange rate change on cash and cash equivalents	71,532	(△27,730)

	(Thousands of yen)	
	First six-month period of previous fiscal year (May 1, 2023 To October 31, 2023)	First six-month period of fiscal year under review (May 1, 2024 To October 31, 2024)
Net increase in cash and cash equivalents(△decrease)	(△553,125)	(△110,112)
Cash and cash equivalents at beginning of term	3,535,669	4,021,675
Cash and cash equivalents, end of the period	2,982,543	3,911,563

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Income Taxes, Inhabitant Taxes and Business Taxes, etc.)

"Accounting Standard for Income Taxes, Resident Taxes and Business Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the first quarter of the current fiscal year.

Revisions to the classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Article 20-3 of the Revised Accounting Standard for 2022 and the transitional treatment stipulated in Article 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance"). This change had no impact on the quarterly consolidated financial statements.

In addition, we have applied the revised guidance for 2022 from the beginning of the first quarter of the current fiscal year with regard to the amendments related to the revision to the treatment in the consolidated financial statements for deferring gain or loss on sales of shares of subsidiaries, etc. arising from sales of subsidiaries, etc. among consolidated companies for tax purposes. This change in accounting policy is applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year and for the previous fiscal year have been retroactively applied. This change had no impact on the quarterly consolidated financial statements for the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment Information]

I Previous Second Quarter (May 1, 2023 to October 31, 2023)

1. Information on net sales and profits or losses by reportable segment and revenue decomposition information

(Thousands of yen)

	Reportable segments			Adjusted amount (NOTE)1	Quarterly consolidated amount recorded in the income statement (NOTE)2
	Commerce	Platform	Total		
Net sales					
Arise from contracts with customers revenue	5,991,556	1,639,932	7,631,488	–	7,631,488
Sales to customers	5,991,556	1,639,932	7,631,488	–	7,631,488
Inter-segment sales or reclasses	1,040	5,095	6,136	(6,136)	–
Total	5,992,596	1,645,028	7,637,625	(6,136)	7,631,488
Segment profit	551,456	758,502	1,309,958	(676,326)	633,632

(NOTE)1. The adjusted amount of segment profit, (JPY676,326 thousand) is mainly corporate expenses that are not allocated to each reportable segment, and is mainly general and administrative expenses.

(NOTE)2. Segment income is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

II Current First Quarter (May 1, 2024 to October 31, 2024)

1. Information on net sales and profits or losses by reportable segment and revenue decomposition information

(Thousands of yen)

	Reportable segments			Adjusted amount (NOTE)1	Quarterly consolidated amount recorded in the income statement (NOTE)2
	Commerce	Platform	Total		
Net sales					
Arise from contracts with customers revenue	8,874,964	1,802,548	10,677,513	–	10,677,513
Sales to customers	8,874,964	1,802,548	10,677,513	–	10,677,513
Inter-segment sales or reclasses	–	7,809	7,809	(7,809)	–
Total	8,874,964	1,810,357	10,685,322	(7,809)	10,677,513
Segment profit	834,894	950,092	1,784,987	(763,834)	1,021,152

(NOTE)1. The adjusted amount of segment profit, (JPY763,834 thousand) is mainly corporate expenses that are not allocated to each reportable segment, and is mainly general and administrative expenses.

(NOTE)2. Segment income is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

3. Changes in reportable segments

From the current quarterly consolidated accounting period, the allocation method of certain expenses for the Global Business has been changed to more appropriately reflect the performance of each reportable segment.

Segment information for the previous quarterly consolidated accounting period has been prepared using the new calculation method.