



Consolidated Financial Results for the Third Quarter FY04/22 [Japanese GAAP]

March 14, 2022

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 (Title) Officer, Corporate Planning Dept. Manager	(Name) Ippei Takahashi (TEL) +81-465-42-9181
Scheduled date to file Quarterly Securities Report March 14, 2022	Scheduled date of commencement of dividend payment of-
Preparation of supplementary material on quarterly financial results: Yes	
Quarterly results briefing	: None

(Millions of yen are rounded down.)

FY04/22 Q3 consolidated result(May 1, 2021 to January 31, 2021)

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

	Net sales		Operating income		Ordinary income		Attributable to owners of parent Quarter net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q3 FY04/22	9,979	10.2	1,874	13.3	1,928	19.7	1,448	26.5
Q3 FY04/21	9,055	4.6	1,654	21.6	1,610	17.3	1,145	21.8

(NOTE) Comprehensive income Q3 FY04/22 1,439Millions of yen (11.4%) Q3 FY04/21 1,291Millions of yen (43.9%)

	Earnings Per share	Diluted Earnings Per share
	Yen	Yen
Q3 FY04/22	91.15	90.88
Q3 FY04/21	72.45	71.84

(2)Consolidated Financial Position

	Total assets	Net assets	Equity Ratio
	Millions of yen	Millions of yen	%
Q3 FY04/22	10,667	7,826	72.5
FY04/21	8,338	6,528	77.1

(Reference) Shareholders' equity Q3 FY04/22 7,730Millions of yen FY04/21 6,429Millions of yen

2.Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of the third quarter	Term end	Total
	Yen	Yen	Yen	Yen	Yen
FY04/21	-	0.00	-	10.00	10.00
FY04/22	-	0.00	-	-	-
FY04/22 (Forecast)	-	-	-	20.50	20.50

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

3.Forecasts for the fiscal year ended April 31, 3.2022 (May 1, 2021 to April 30, 2022)

(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	14,000	13.2	2,250	3.2	2,248	4.6	1,612	3.6	101.53

(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

(changes in specified subsidiaries resulting in change in scope of consolidation)

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)	Q3 FY04/22	16,267,200Shares	FY04/21	16,255,200Shares
② Number of treasury stock at the end of the period	Q3 FY04/22	369,481Shares	FY04/21	377,523Shares
③ Average number of shares during the period	Q3 FY04/22	15,892,214Shares	Q3 FY04/21	15,808,571Shares

※ Quarterly financial results are not subject to quarterly review by certified public accountants or auditing firms.

※ 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 Quarterly Financial Results, (3) Explanation of future forecasts such as Consolidated performance Forecasts and Other Forward-Looking Information" on page 4 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.....	4
2. Quarterly Consolidated Financial Statements and Major Notes.....	5
(1) Quarterly Consolidated Balance Sheets.....	5
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	7
(3) Notes to Quarterly Consolidated Financial Statements.....	9
(Notes on the Going Concern Assumption).....	9
(Change in scope of consolidation or scope of application of the equity method).....	9
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	9
(Changes in Accounting Policies)	9
(Segment Information, etc.)	11
(Significant Subsequent Events)	13

1. Qualitative Information on the current quarter's performance

(1) Explanation of Operating Results

In the third quarters of the current fiscal year, the outlook for the Cumulative economy remained unclear. Although the economy regained stability once due to a substantial decrease in the number of new infections of COVID-19, the outlook remained unclear due to the implementation of priority measures to prevent the spread of spread, etc. due to the spread of new variant stocks.

Under these circumstances, the status of each business segment in the third quarter of the current fiscal year was as follows.

① Commerce Business

a. Domestic business

In the third quarter of the fiscal year under review, in addition to the momentum of the new iPhone sales in the second quarter, sales of iFace series were firm during the year-end sales, which is the biggest shopping season in a year, due in part to the sales measures taken by carriers for old models.

Retail: We showed our presence in the market, including winning the Rakuten Shop of the Year 2021 Smartphone, Tablet, and Peripheral Equipment Genre Award for 3 years straight.

Wholesale: Due to the effects of sales measures for old models by carriers, we were able to win more repeat orders than anticipated for both new and old models, resulting in solid sales. As a result, sales were on a par with the same quarter of the previous fiscal year even in a situation in which people's popularity declined due to the spread of COVID-19 by new variants from mid-January onwards.

The gaming monitor brand Pixio, which we have been working to expand into business categories since this fiscal year, was affected by a worldwide shortage of semiconductor supplies. However, as the prospect of product procurement is coming up and we were able to roll out new products in December and January, sales in January 2022 exceeded JPY70 million.

In addition, on January 13, we released ByUR, a cosmetics brand launched as a challenge to the different categories of iFace brands. We are aggressively developing such initiatives as WebCM employing well-known models and creators, postings on social media, and tie-up videos utilizing YouTuber and TikTok.

b. Overseas Business

In the U.S., which is the core of our overseas business, our organizational strength was strengthened to the extent that we can roll out localized products. As a result, iFace increased 82.0% compared with the same quarter of the previous fiscal year, and sales in all categories increased due to favorable sales of our music toys, Otamaton, and low rebound general merchandise. As a result, net sales in the U.S. grew significantly by 105.7% compared with the same quarter of the previous fiscal year. We will continue to enhance localization products.

As a result, the Commerce Business posted net sales of JPY7,532,764 thousand for the third quarter of the current fiscal year (up 6.2% from the same quarter of the previous fiscal year), but segment income (operating income) was JPY1,783,655 thousand (down 4.9%) due to investment in advertising associated with the launch of the Cosmetics Business.

② Platform Business

a. Next Engine

At the end of the third quarter, the number of Next Engine contracts totaled 5,236 (up 143 from the second quarter). In addition, against the backdrop of the seasonal trend of the holiday season, which is the busiest season, transactions were brisk through Next Engine, with GMV (order processing amount) at JPY307.5 billion (up 21.3% from the same quarter of the previous year) and average spend per customer at JPY37,077 (up 0.3% from the same quarter of the previous year), all of which were higher than the same quarter of the previous year. As a result, sales exceeded JPY200 million for the first time

in December on a monthly basis, and in the third quarter of the fiscal year under review, net sales were JPY601,177 thousand (up 18.8% from the same quarter of the previous fiscal year), a record high for quarterly sales. In terms of costs, we continued to invest in the development of cloud infrastructure, and despite a decrease in the operating income margin due to an increase in fixed costs stemming from an increase in server costs of JPY26,475 thousand compared to the same quarter of the previous fiscal year, both sales and profits steadily increased, up 15.5% compared to the same quarter of the previous fiscal year.

In January, we released NEHUB, a service that matches the apps and services of Next Engine platforms that are best suited to solving issues faced by Next Engine users. By creating an environment in which it is easy to match these Next Engine users with the services of partners in the platform, we will strive to realize a robust partner ecosystem.

b. Hamee Consulting Corp.

At Hamee Consulting Corp., which provides sales support consulting for EC businesses, continued to grow. Incomes from EC consulting contracts remained firm, and large-scale orders were received in the EC website production and construction business, which was launched as a new organizational unit from the fiscal year under review.

As a result, net sales in the Platform Business increased 21.4% year-on-year to JPY2,051,494 thousand and segment profit increased 19.6% to JPY850,961 thousand.

③ Others

"Others" includes Hometown Tax Payment Support Service, "Hamic POCKET" watch mobile terminal for elementary school students, and "RUKAMO" ethical net shop.

The Hometown Tax Payment Support Service worked to improve the donation amount of existing contract municipalities by implementing various EC marketing measures, including the use of advertising and e-mail magazine distribution, which were strengthened by increasing the number of web designers from the beginning of the fiscal year under review, and by developing new returns, and steadily proceeded with preparations for the November-December quarter, when the hometown tax payment market will be the most active. As a result, the amount of donations in the third quarter of the fiscal year under review increased 35.5% from the same quarter of the previous fiscal year, and net sales increased 41.8% from the same quarter of the previous fiscal year, a record high for quarterly sales.

As a result, sales in the cumulative third quarter of the fiscal year under review amounted to JPY394,876 thousand (up 45.5% from the same quarter of the previous year). On the other hand, segment income (operating loss) amounted to a loss of JPY90,316 thousand (loss of JPY174,497 thousand for the same quarter of the previous year).

As a result of the above, sales in the cumulative third quarter of the fiscal year under review amounted to JPY9,979,134 thousand (up 10.2% from the same quarter of the previous fiscal year), operating margin was JPY1,874,393 thousand (up 13.3%), ordinary margin was JPY1,928,444 thousand (up 19.7%), and quarterly net profit attributable to owners of parent was JPY1,448,573 thousand (up 26.5%).

As a change in accounting policy, we have applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the first quarter of the current fiscal year. For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)."

(2) Explanation of Financial Position

Assets at the end of the third quarter of the current fiscal year increased by JPY2,329,047 thousand from the end of the previous fiscal year to JPY10,667,801 thousand. This was mainly attributable to an increase of JPY368,265 thousand in notes and accounts receivable-trade due to an increase in net sales, an increase of JPY1,014,238 thousand in other current assets due to an increase in advances paid, etc., and an increase of JPY514,001 thousand in buildings and structures and JPY318,123 thousand in land due to the relocation of offices of Hamee Global Inc.

Liabilities increased by JPY1,030,678 thousand from the end of the previous fiscal year to JPY2,841,379 thousand. This was mainly due to an increase of JPY887,822 thousand in short-term loans payable.

Net assets increased by JPY1,298,369 thousand from the end of the previous fiscal year to JPY 7,826,421 thousand. This was mainly due to an increase of JPY 1,289,655 thousand in retained earnings resulting from an increase in retained earnings carried forward.

(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, 2021.

2. Quarter Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	End of previous fiscal year (As of April 30, 2021)	End of 3rd quarter of the year (As of January 31, 2022)
Assets		
Current assets		
Cash and deposits	3,354,616	3,254,484
Notes and accounts receivable	1,590,162	1,958,427
Inventory	962,612	1,527,309
Work in process	4,674	6,029
Raw materials and supplies	5,800	7,481
Others	571,999	1,586,238
Allowance for doubtful accounts	△33,133	△46,678
Total current assets	6,456,733	8,293,292
Fixed assets		
Property, plant and equipment		
Buildings and structures	208,420	722,422
Accumulated depreciation	△60,667	△66,524
Buildings and structures, net	147,753	655,897
Automotive equipment	-	2,277
Accumulated depreciation	-	△427
Vehicles, net	-	1,849
Tools, furniture and fixtures	638,447	789,282
Accumulated depreciation	△501,983	△534,545
Tools, furniture, and fixtures, net	136,464	254,736
Land	-	318,123
Construction in progress	334,921	243
Total property, plant and equipment	619,139	1,230,850
Intangible assets		
Goodwill	340,255	184,781
Software	235,794	272,092
Trademark rights	14,002	11,760
Others	13,720	7,128
Total intangible assets	603,772	475,763
Investments and other assets		
Investment securities	34,407	48,851
Stocks of subsidiaries and affiliates	46,749	33,778
Net defined benefit asset	15,197	-
Deferred tax assets	417,860	464,028
Others	150,945	121,235
Allowance for doubtful accounts	△6,052	-
Total investments and other assets	659,108	667,894
Total noncurrent assets	1,882,020	2,374,508
Total assets	8,338,753	10,667,801

(Thousands of yen)

	End of previous fiscal year (As of April 30, 2021)	End of 3rd quarter of the year (As of January 31, 2022)
Liabilities		
Current liabilities		
Accounts payable	208,741	159,883
Short-term loans	12,177	900,000
Current portion of long-term loans payable	48,036	48,036
Accounts payable-other	729,990	1,158,575
Accrued expenses	185,142	199,029
Income taxes payable	478,607	248,273
Provision for bonuses	51,096	30,333
Reserve for sales returns	6,938	-
Provision for discount points	217	-
Others	25,114	58,497
Total current liabilities	1,746,062	2,802,629
Noncurrent liabilities		
Long-term loan	43,853	7,826
Obligations for retirement pay	-	4,611
Asset retirement obligations	-	10,703
Others	20,785	15,609
Total Noncurrent liabilities	64,638	38,750
Total liabilities	1,810,701	2,841,379
Net assets		
Shareholders' equity		
Common stock	594,043	597,785
Capital surplus	532,785	541,735
Retained earnings	5,612,726	6,902,381
Treasury stock	△363,636	△355,929
Total shareholders' equity	6,375,918	7,685,973
Other accumulated comprehensive income		
Valuation difference on securities	-	179
Adjustments on Foreign currency statement translation	54,009	44,660
Total other accumulated comprehensive income	54,009	44,840
Stock Option	98,124	95,608
Total net assets	6,528,052	7,826,421
Total liabilities and net assets	8,338,753	10,667,801

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

Consolidated income statement for the quarter
3rd Quarter of the fiscal year

	(Thousands of yen)	
	nine-month period of previous fiscal year (From May 1, 2020 To January 31, 2021)	nine-month period of fiscal year (From May 1, 2021 To January 31, 2022)
Net sales	9,055,834	9,979,134
Cost of sales	3,444,390	3,568,043
Gross profit	5,611,443	6,411,091
Reversal of reserve for sales returns	6,716	-
Provision for reserve for sales returns	7,901	-
Gross profit after adjustment of reserve for sales returns	5,610,259	6,411,091
Selling, general and administrative expenses	3,955,497	4,536,698
Operating income	1,654,761	1,874,393
Non-operating income		
Interest income	635	987
Compensation income	10,737	11,109
Equity in earnings of associated companies	1,176	2,517
Foreign exchange gains	-	32,761
Others	2,425	30,913
Total non-operating income	14,975	78,289
Non-operating expenses		
Interest expenses	7,846	1,630
Payment Guarantee Fee	4,932	5,674
Foreign exchange losses	36,444	-
Settlement money	-	8,456
Others	10,059	8,477
Total non-operating expenses	59,282	24,238
Ordinary profit	1,610,454	1,928,444
Extraordinary gains		
Gain on sales of noncurrent assets	379	1,416
Gain on sales of investment securities	4,999	-
Gain on sales of stock of affiliates	-	172,307
Gain on reversal of subscription rights to shares	1,258	-
Total extraordinary income	6,637	173,723
Extraordinary loss		
Loss on retirement of noncurrent assets	489	3,664
Loss on valuation of investment securities	10,164	27,611
Loss on reversal of foreign currency translation adjustments	868	-
Total extraordinary loss	11,522	31,275
Quarter net profit before income taxes and minority interests	1,605,570	2,070,892
Income taxes	576,855	667,689
Income taxes-deferred	△116,571	△45,370
Total income taxes	460,283	622,318
Quarterly net profit	1,145,286	1,448,573
Quarterly net profit attributable to owners of parent	1,145,286	1,448,573

Quarterly Consolidated Statements of Comprehensive Income
 Third Quarter Consolidated Cumulative Period

	(Thousands of yen)	
	nine-month period of previous fiscal year (From May 1, 2020 To January 31, 2021)	nine-month period of fiscal year (From May 1, 2021 To January 31, 2022)
Quarterly net profit	1,145,286	1,448,573
Other comprehensive income		
Valuation difference on securities	-	179
Adjustment on foreign currency statement translation	146,269	△9,348
Total other comprehensive income	146,269	△9,169
Quarterly comprehensive income	1,291,555	1,439,404
(Details)		
Quarterly comprehensive income attributable to owners of the parent	1,291,555	1,439,404
Comprehensive income attributable to non-controlling interests	-	-

(3)Notes to Quarter Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Change in scope of consolidation or scope of application of equity method)

Significant changes in the scope of application of the equity method

In the second quarter of the consolidated fiscal year under review, the Company sold a portion of its shares in Shippinno INC. and removed it from the scope of application of the equity method.

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

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") and other standards are applied from the beginning of the first quarter of the current fiscal year to recognize revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

As a result, sales discounts, which were previously recorded as non-operating expenses, have been reduced from net sales. In the Commerce segment, we changed our method of recognizing as income and cost of sales the allowance for sales returns, which was recorded as a current liability based on the amount equivalent to gross profit, excluding the amount equivalent to revenue and cost of sales of products expected to be returned. Consequently, the consideration for products expected to be returned is included in "Other" in current liabilities as a refund liability, and assets recognized as the right to recover products from customers when the refund liability is settled are included in "Other" in current assets as a return asset.

In the past, the unused portion of the in-house points granted to customers was recorded as "Provision for points." However, due to the immateriality of the amount of these points, we have changed to a method that does not identify separate performance obligations.

The Commerce business applies the alternative treatment set forth in Item 98 of "Guidance on Accounting Standards for income Recognition" and recognizes revenue upon shipment for domestic sales of merchandise when the period between the time of shipment and the time when control of the merchandise is transferred to the customer is normal.

With regard to the application of the revenue recognition accounting standard, etc., in accordance with the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospectively applying the new accounting policy prior to the beginning of the first quarter of the current fiscal year is added or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policy is applied from the beginning balance of the current fiscal year. However, the new accounting policy has not been applied retrospectively to contracts for which the method set forth in paragraph 86 of the Revenue Recognition Accounting Standard has been applied and substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of the first quarter of the current fiscal year. In addition, we apply the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standard and paragraph (1) of the Written Accounting Standard. Contract modifications made prior to the beginning of the first quarter of the current fiscal year are accounted for under the terms of the contract after reflecting all contract modifications, and the cumulative effect of these modifications is adjusted to retained earnings at the beginning of the first quarter of the current fiscal year.

As a result, for the third quarter of the current fiscal year, net sales decreased by JPY17,901 thousand, cost of sales decreased by JPY9,538 thousand, operating income decreased by JPY8,362 thousand, and ordinary income and income before income taxes decreased by JPY 4,692 thousand each. In addition, the balance of retained earnings at the beginning of the fiscal year decreased by JPY 1,826 thousand.

In accordance with the transitional treatment stipulated in paragraph 28-15 of the "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12, March 31, 2020), information disaggregated by revenue from contracts with customers for the third quarter of the previous fiscal year is not presented.

(Segment information, etc.)

[Segment Information]

I Previous Third Quarter (From May 1, 2020 to January 31, 2021)

1.Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Others (NOTE)1	Total	Adjusted amount (NOTE)2	Quarterly consolidated amount recorded in the income statement (NOTE)3
	Commerce Business	Platform Form Business	Total				
Net sales							
Sales to customers	7,095,257	1,689,277	8,784,534	271,299	9,055,834	-	9,055,834
Inter-segment Sales or reclasses	-	771	771	-	771	△771	-
Total	7,095,257	1,690,049	8,785,306	271,299	9,056,606	△771	9,055,834
Segment profit/(loss) (△)	1,875,624	711,397	2,587,021	△174,497	2,412,523	△757,762	1,654,761

(NOTE)1. The "Others" category is a business segment that is not included in the reportable segments, and includes Hometown tax payment support services, Hamic POCKET, a watch mobile device for elementary school students, and RUKAMO, an ethical net shop.

(NOTE)2. Adjusted amount of segment profit or loss (△) △JPY757,762 thousand is mainly corporate expenses that are not allocated to reportable segments, and mainly general and administrative expenses.

(NOTE)3. Segment profit or loss (△) is consistent with operating profit in the quarterly consolidated statements of income.

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

Not applicable.

II Current Third Quarter (From May 1, 2021 to January 31, 2022)

1.Information on net sales and income (loss) by reportable segment and revenue decomposition information

(Thousands of yen)

	Reportable segments			Others (NOTE)1	Total	Adjusted amount (NOTE)2	Quarterly consolidated amount recorded in the income statement (NOTE)3
	Commerce Business	Platform Form Business	Total				
Net sales							
Arise from contracts with customers revenue	7,532,764	2,051,494	9,584,258	394,876	9,979,134	-	9,979,134
Sales to customers	7,532,764	2,051,494	9,584,258	394,876	9,979,134	-	9,979,134
Inter-segment Sales or reclasses	-	-	-	-	-	-	-
Total	7,532,764	2,051,494	9,584,258	394,876	9,979,134	-	9,979,134
Segment profit / (loss) (△)	1,783,655	850,961	2,634,617	△90,316	2,544,300	△669,907	1,874,393

(NOTE)1. The "Others" category is a business segment that is not included in the reportable segments, and includes Hometown Tax Payment support services, Hamic POCKET, a watch mobile device for elementary school students, and RUKAMO, an ethical net shop.

(NOTE)2. Adjusted amount of segment profit or loss (△) △JPY669,907 thousand are mainly corporate expenses that are not allocated to reportable segments, and mainly general and administrative expenses.

(NOTE)3. Segment profit or loss (△) is consistent with operating profit 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

As stated in Changes in Accounting Policies, we have applied the Revenue Recognition Accounting Standard and other standards from the beginning of the first quarter of the current fiscal year, and changed the accounting method for revenue recognition. As a result, the method of calculating income or loss for business segments have been changed in the same manner.

As a result of this change, compared with the previous method, net sales in the Commerce Business for the third quarter of the current fiscal year decreased by JPY18,118 thousand, segment income decreased by JPY8,580 thousand, net sales in the Other Business increased by JPY217 thousand, and segment income increased by JPY217 thousand.

(Significant Subsequent Events)

Not applicable.