

**Consolidated Financial Results  
for the Six Months Ended July 31, 2023  
[Japanese GAAP]**



August 31, 2023

Company name: ACCESS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 4813

URL: <https://www.access-company.com>

Representative: Kiyoyasu Oishi, Representative Director, President & CEO

Contact: Mitsuhiro Okada, Executive Officer, CFO, VP of Corporate Administration Unit

Phone: +81-3-6853-9088

Scheduled date of filing quarterly securities report: September 7, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Six Months Ended July 31, 2023 (February 1, 2023 to July 31, 2023)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended July 31, 2023	6,738	31.1	(1,125)	-	(1,033)	-	(1,087)	-
July 31, 2022	5,139	30.4	(2,016)	-	(1,692)	-	(1,743)	-

(Note) Comprehensive income: Six months ended July 31, 2023: ¥ (205) million [-%]

Six months ended July 31, 2022: ¥ (584) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2023	(29.01)	-
July 31, 2022	(44.66)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2023	25,504	22,001	86.1
As of January 31, 2023	25,240	22,062	87.2

(Reference) Equity: As of July 31, 2023: ¥21,959 million

As of January 31, 2023: ¥22,018 million

**2. Dividends**

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending January 31, 2024	-	0.00			
Fiscal year ending January 31, 2024 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2024 (February 1, 2023 to January 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	15,500	18.7	500	-	450	-	270	-	7.22

(Note) Revision to the financial results forecast announced most recently: No

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
Newly added: - (Name) - Excluded: - (Name) -
- (2) Accounting policies adopted specifically for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common stock)
  - 1) Total number of issued shares at the end of the period (including treasury shares):  
July 31, 2023: 39,806,000 shares  
January 31, 2023: 39,633,000 shares
  - 2) Total number of treasury shares at the end of the period:  
July 31, 2023: 2,212,255 shares  
January 31, 2023: 2,212,255 shares
  - 3) Average number of shares during the period:  
Six months ended July 31, 2023: 37,484,783 shares  
Six months ended July 31, 2022: 39,031,283 shares

\* The number of treasury shares includes the number of the Company's shares held by the Employee Stock Ownership Plan (six months ended July 31, 2023: 404,800 shares, fiscal year ended January 31, 2023: 404,800 shares).
- \* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms.
- \* Explanation of the proper use of financial results forecast and other notes  
Financial results forecasts stated herein are determined based on information available to the Company and the Group as of the disclosure date of this document and contain various inherent risks and uncertainties. Please be advised that actual results may differ significantly from the financial results forecasts stated herein due to various factors including the economic conditions surrounding the Company and the Group's business, market trends, and exchange rates.

## Table of Contents

1. Qualitative Information on the Quarterly Results .....	2
(1) Explanation of Business Results .....	2
(2) Explanation of Financial Position .....	4
(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements .....	4
2. Quarterly Consolidated Financial Statements and Primary Notes .....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
Quarterly Consolidated Statements of Income (Six Months Ended July 31) .....	7
Quarterly Consolidated Statements of Comprehensive Income (Six Months Ended July 31) .....	8
(3) Quarterly Consolidated Statements of Cash Flows .....	9
(4) Notes to the Quarterly Consolidated Financial Statements .....	11
(Notes on Going Concern Assumption) .....	11
(Notes in Case of Significant Changes in Shareholders' Equity) .....	11
(Changes in Accounting Policies) .....	12
(Segment Information) .....	12
(Significant Subsequent Events) .....	13

## 1. Qualitative Information on the Quarterly Results

### (1) Explanation of Business Results

During the six months ended July 31, 2023 (February 1, 2023 to July 31, 2023), the global economy continued to be unstable as the whole mainly due to concerns about economic slowdowns seen in some regions triggered by high inflation and monetary tightening as well as the prolonged rise in resource and energy prices. On the other hand, social and economic activities have steadily returned to normal with the relaxation of restrictions that had been imposed to control the COVID-19 pandemic. In addition, initiatives for digitalization of society have been activated due to a remarkable development of technological innovation such as generative AI technology. Accordingly, the volume of data traffic continues to increase.

Under these circumstances, positioning the Network Business as a focus area, the Group works to further expand the business scale in the white box market and stabilize the IoT Business and Web Platform Business. In the six months ended July 31, 2023, the Company reported a significant year-on-year increase in net sales, which led to improvement in profit or loss, due to the receipt of a repeat order for a large-scale project in the Network Business in the first quarter of the fiscal year under review and other factors.

As a result, for the consolidated business performance for the six months ended July 31, 2023, the Company reported ¥6,738 million in net sales (up 31.1% year on year) and ¥1,125 million in operating loss (operating loss of ¥2,016 million in the same period of the previous consolidated fiscal year).

Business results of each business segment are as follows.

#### IoT Business

Leveraging our strength of being able to provide one-stop services for communication technology, cloud technology, application development capabilities, sensor technology, etc., we are developing business mainly in the IoT field, which provides IoT professional services that can meet any corporate DX (digital transformation) demand, as well as various IoT solutions that are developed in-house. We also provide the “PUBLUS®” series, a digital publishing and ICT educational solution compatible with EPUB 3 that combines advanced expressive ability with the versatility to support a wide range of content, and provides a comprehensive range of products, from user applications to content distribution systems and server systems. In addition, we provide CROS®, a business support cloud service that integrates omnichannel market expansion functions and back-office functions such as logistics, for Japanese mail-order businesses entering Asian regions.

With regard to the business performance of this segment for the six months ended July 31, 2023, in the IoT field, projects for professional services related to location information utilization and energy management continued to be steady against the backdrop of strong demand for DX in the telecommunication service, construction, and various infrastructure industries, and net sales relating to “CROS®” also started to pick up. However, as sales decreased due to the completion of a large-scale development project in the Digital Publishing field, both net sales and segment profit or loss remained generally at the same level year on year.

IoT Business	(Million yen)		
	Six months ended July 31, 2022	Six months ended July 31, 2023	Year-on-year change
Net sales to external customers	2,586	2,520	(2.6)%
Segment profit or loss	(48)	(42)	—

#### Web Platform Business

In collaboration with local subsidiaries in Germany, China, and South Korea, in domestic and overseas markets, we provide embedded software products including the “NetFront® Browser” series, a high-performance, high-functionality web browser with a rich track record of being installed on smart devices, information

appliances, and various other devices, and promote the expansion of our global market share. In addition, as a medium- to long-term growth measure, we are working to develop the business of content and video distribution systems and service platforms for TV/broadcasting and in-vehicle infotainment applications.

With regard to the business performance of this segment for the six months ended July 31, 2023, net sales and segment profit increased year on year, due to increases in in-vehicle browser projects and development projects in overseas markets.

Web Platform Business	(Million yen)		
	Six months ended July 31, 2022	Six months ended July 31, 2023	Year-on-year change
Net sales to external customers	895	942	5.2%
Segment profit or loss	(154)	(144)	–

### Network Business

The Company has established the development sites in India, Canada, and other countries, centered on its U.S. subsidiary, IP Infusion Inc. Having started business as a developer and provider of a base software platform for network equipment, we are currently focusing on globally rolling out and expanding the OcNOS® business, an integrated Network OS for white box. As we enter the era of 5G, with the expected further increase in communication traffic, the market for white box is growing worldwide, since data center operators, telecommunications carriers, and IXP (Internet Exchange Point) operators see white box as an effective means to significantly reduce network infrastructure capital investment and operation costs, while increasing the degree of freedom in their operations. Under these circumstances, IP Infusion Inc. has expanded our wide range of white box solutions, such as Cell Site Router (CSR) applications in common platforms for both wide area and local area networking for telecommunication service providers, Universal Customer Premise Equipment (uCPE) applications, and the commercial version of “SONiC distribution” for data centers. Furthermore, we are working on the stable provision of white box solutions and support for telecommunication service providers through partnership with major distributors including KGPCo, and TechData, and global system integrators including Wipro Limited.

With regard to the business performance of this segment for the six months ended July 31, 2023, net sales and segment profit increased significantly year on year due to the receipt of a repeat order in advance for a large-scale project in the three months ended April 30, 2023, the acquisition of new customers and the receipt of repeat orders for OcNOS® that progressed generally in line with our forecast.

Network Business	(Million yen)		
	Six months ended July 31, 2022	Six months ended July 31, 2023	Year-on-year change
Net sales to external customers	1,657	3,276	97.7%
Segment profit or loss	(1,820)	(940)	–

Foreign exchange gains of ¥53 million and share of profit of entities accounted for using equity method of ¥25 million are reported as non-operating income.

As a result, for the consolidated business performance for the six months ended July 31, 2023, the Company reported ¥6,738 million in net sales (up 31.1% year on year), ¥1,125 million in operating loss (operating loss of ¥2,016 million in the same period of the previous consolidated fiscal year), ¥1,033 million in ordinary loss (ordinary loss of ¥1,692 million in the same period of the previous consolidated fiscal year), and ¥1,087 million in loss attributable to owners of parent (loss attributable to owners of parent of ¥1,743 million in the same period of the previous consolidated fiscal year).

## (2) Explanation of Financial Position

Total assets as of the end of the consolidated six months under review increased by ¥264 million from the end of the previous fiscal year to ¥25,504 million. This was mainly due to an increase in software, despite decreases in cash and deposits, notes and accounts receivable - trade, and contract assets.

Total liabilities increased by ¥325 million from the end of the previous fiscal year to ¥3,503 million. This was mainly due to increases in accounts payable - trade and provision for bonuses.

Net assets decreased by ¥61 million from the end of the previous fiscal year to ¥22,001 million due mainly to an increase of ¥868 million in foreign currency translation adjustment, and the reporting of ¥1,087 million in loss attributable to owners of parent.

## (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements

Regarding the consolidated financial results forecast for the fiscal year ending January 31, 2024, there is no change from the Consolidated Financial Results for the Fiscal Year Ended January 31, 2023 released on March 13, 2023.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2023	As of July 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,876,088	11,575,269
Notes and accounts receivable - trade, and contract assets	5,074,126	4,876,635
Merchandise and finished goods	196,807	176,045
Work in process	67,223	103,274
Other	614,620	627,105
Allowance for doubtful accounts	(72,396)	(80,608)
Total current assets	17,756,469	17,277,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	365,693	380,265
Accumulated depreciation	(232,234)	(255,247)
Buildings and structures, net	133,459	125,017
Tools, furniture and fixtures	1,339,421	1,606,312
Accumulated depreciation	(967,344)	(1,165,201)
Tools, furniture and fixtures, net	372,077	441,110
Leased assets	3,602	3,602
Accumulated depreciation	(2,761)	(3,121)
Leased assets, net	840	480
Right of use assets	583,212	647,145
Accumulated depreciation	(282,508)	(378,475)
Right of use assets, net	300,704	268,670
Total property, plant and equipment	807,082	835,279
Intangible assets		
Software	4,705,718	5,379,526
Goodwill	497,430	465,658
Other	192,974	171,373
Total intangible assets	5,396,123	6,016,557
Investments and other assets		
Investment securities	634,371	657,154
Deferred tax assets	344,938	340,049
Other	326,844	399,270
Allowance for doubtful accounts	(25,528)	(21,314)
Total investments and other assets	1,280,626	1,375,161
Total non-current assets	7,483,832	8,226,998
Total assets	25,240,301	25,504,719

(Thousand yen)

	As of January 31, 2023	As of July 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	270,460	440,250
Income taxes payable	26,851	39,708
Provision for bonuses	177,961	225,573
Provision for loss on orders received	13,020	19,360
Provision for share awards	115	21,090
Provision for loss on litigation	4,699	5,234
Other	1,919,107	1,985,120
Total current liabilities	2,412,216	2,736,338
Non-current liabilities		
Deferred tax liabilities	6,265	605
Retirement benefit liability	208,811	228,923
Provision for share awards	8,972	8,972
Asset retirement obligations	98,397	99,067
Other	442,837	429,426
Total non-current liabilities	765,284	766,995
Total liabilities	3,177,500	3,503,333
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,000,000	17,072,141
Capital surplus	12,132,404	12,204,545
Retained earnings	(4,289,577)	(5,377,071)
Treasury shares	(1,533,797)	(1,533,797)
Total shareholders' equity	23,309,030	22,365,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,470	75,665
Foreign currency translation adjustment	(1,350,344)	(482,340)
Total accumulated other comprehensive income	(1,290,874)	(406,674)
Share acquisition rights	39,312	39,312
Non-controlling interests	5,332	2,928
Total net assets	22,062,800	22,001,385
Total liabilities and net assets	25,240,301	25,504,719



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

## Quarterly Consolidated Statements of Income

Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Net sales	5,139,168	6,738,146
Cost of sales	4,698,173	4,578,970
Gross profit	440,994	2,159,175
Selling, general and administrative expenses	2,457,710	3,285,083
Operating loss	(2,016,716)	(1,125,907)
Non-operating income		
Interest income	4,756	11,654
Share of profit of entities accounted for using equity method	17,422	25,974
Foreign exchange gains	569,842	53,450
Consumption taxes refund	-	109
Other	3,383	4,047
Total non-operating income	595,405	95,236
Non-operating expenses		
Interest expenses	379	1,703
Loss on investments in investment partnerships	267,014	846
Other	3,518	46
Total non-operating expenses	270,912	2,595
Ordinary loss	(1,692,223)	(1,033,266)
Extraordinary losses		
Loss on retirement of non-current assets	318	22
Extra retirement payments	-	20,494
Total extraordinary losses	318	20,516
Loss before income taxes	(1,692,542)	(1,053,782)
Income taxes - current	55,329	44,114
Income taxes - deferred	1,851	(7,558)
Total income taxes	57,181	36,556
Loss	(1,749,723)	(1,090,339)
Loss attributable to non-controlling interests	(6,580)	(2,845)
Loss attributable to owners of parent	(1,743,143)	(1,087,493)

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended July 31

(Thousand yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Loss	(1,749,723)	(1,090,339)
Other comprehensive income		
Valuation difference on available-for-sale securities	33,129	16,195
Foreign currency translation adjustment	1,132,021	868,446
Total other comprehensive income	1,165,151	884,642
Comprehensive income	(584,572)	(205,697)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(580,239)	(203,293)
Comprehensive income attributable to non-controlling interests	(4,332)	(2,403)

## (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
<b>Cash flows from operating activities</b>		
Loss before income taxes	(1,692,542)	(1,053,782)
Depreciation	1,878,134	1,392,026
Amortization of goodwill	84,746	89,568
Interest and dividend income	(4,756)	(11,654)
Share of loss (profit) of entities accounted for using equity method	(17,422)	(25,974)
Loss (gain) on investments in investment partnerships	267,014	846
Interest expenses	379	1,703
Foreign exchange losses (gains)	(528,742)	(68,540)
Loss on retirement of non-current assets	318	22
Extra retirement payments	-	20,494
Decrease (increase) in trade receivables and contract assets	(9,219)	492,594
Decrease (increase) in inventories	(8,728)	(14,198)
Decrease (increase) in prepaid expenses	(22,936)	(46,969)
Decrease (increase) in long-term prepaid expenses	44,485	25,904
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(160,994)	(17,459)
Increase (decrease) in allowance for doubtful accounts	20,614	(4,216)
Increase (decrease) in trade payables	(52,791)	154,561
Increase (decrease) in provision for bonuses	(27,175)	35,442
Increase (decrease) in provision for loss on orders received	-	5,860
Increase (decrease) in provision for share awards	6,115	20,974
Increase (decrease) in accounts payable - other	(81,000)	(67,156)
Increase (decrease) in accrued expenses	23,774	3,991
Increase (decrease) in contract liabilities	18,623	(16,070)
Increase (decrease) in retirement benefit liability	36,137	20,112
Other, net	103,470	149,974
Subtotal	(122,493)	1,088,057
Interest and dividends received	23,088	33,528
Interest paid	(379)	(1,703)
Income taxes paid	(262,348)	(34,955)
Income taxes refund	13,450	60,113
Extra retirement payments	-	(68,040)
Net cash provided by (used in) operating activities	(348,681)	1,077,000
<b>Cash flows from investing activities</b>		
Payments into time deposits	(211,934)	(359,314)
Proceeds from withdrawal of time deposits	107,851	32,242
Purchase of property, plant and equipment	(107,698)	(163,551)
Proceeds from sale of property, plant and equipment	186	-
Purchase of intangible assets	(1,269,501)	(1,489,674)
Purchase of investment securities	(3,838)	-
Proceeds from distributions from investment partnerships	1,349	919
Payment for guarantee deposits	(3,345)	(1,758)
Proceeds from collection of lease deposits and guarantee deposits	10,946	1,488
Net cash provided by (used in) investing activities	(1,475,982)	(1,979,647)

(Thousand yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Cash flows from financing activities		
Purchase of treasury shares	(493,752)	-
Dividends paid	(52)	(20)
Other, net	(19,420)	(13,466)
Net cash provided by (used in) financing activities	(513,224)	(13,486)
Effect of exchange rate change on cash and cash equivalents	553,580	273,532
Net increase (decrease) in cash and cash equivalents	(1,784,308)	(642,601)
Cash and cash equivalents at beginning of period	15,092,885	11,584,273
Cash and cash equivalents at end of period	13,308,576	10,941,672

#### (4) Notes to the Quarterly Consolidated Financial Statements

##### (Notes on Going Concern Assumption)

There is no relevant information.

##### (Notes in Case of Significant Changes in Shareholders' Equity)

###### I. For the six months ended July 31, 2022 (February 1, 2022 to July 31, 2022)

###### 1. Cash dividends paid

There is no relevant information.

###### 2. Dividends for which the record date falls within the consolidated six months under review, but the effective date is subsequent to that period

There is no relevant information.

###### 3. Significant changes in shareholders' equity

(Reduction of share capital, capital surplus and retained earnings, and appropriation of surplus)

Pursuant to a resolution of the 38th Ordinary General Meeting of Shareholders held on April 20, 2022, the Company reduced share capital, capital surplus and retained earnings, as well as appropriated surplus on May 20, 2022.

As a result, share capital decreased by ¥12,538,781 thousand, capital surplus increased by ¥11,978,543 thousand, and retained earnings increased by ¥560,237 thousand.

This has no effect on the total amount of shareholders' equity.

(Purchase of treasury shares)

At the Board of Directors meeting held on May 31, 2022, the Company resolved matters related to the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, which is applied by replacing the terms of the provisions of Article 165, Paragraph 3 of the Companies Act, and acquired 686,000 treasury shares during the six months ended July 31, 2022.

As a result, treasury shares increased by ¥493,752 thousand during the six months ended July 31, 2022.

###### II. For the six months ended July 31, 2023 (February 1, 2023 to July 31, 2023)

###### 1. Cash dividends paid

There is no relevant information.

###### 2. Dividends for which the record date falls within the consolidated six months under review, but the effective date is subsequent to that period

There is no relevant information.

###### 3. Significant changes in shareholders' equity

Pursuant to a resolution of the meeting of the Board of Directors held on April 27, 2023, the Company issued new shares as restricted stock compensation on May 26, 2023. As such, during the six months ended July 31, 2023, share capital and capital surplus increased by ¥72,141 thousand and ¥72,141 thousand, respectively.

As a result, share capital and capital surplus amounted to ¥17,072,141 thousand and ¥12,204,545 thousand,

respectively, as of the end of the consolidated six months under review.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”) from the beginning of the first quarter of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. There is no impact on the quarterly consolidated financial statements.

(Segment Information)

[Segment information]

I. For the six months ended July 31, 2022 (February 1, 2022 to July 31, 2022)

1. Information on the amounts of net sales and profit or loss by reportable segment and revenue disaggregation information

(Thousand yen)

	Reportable segment			Total	Adjustment (Note) 1	Amount recorded in Quarterly Consolidated Statements of Income (Note) 2
	IoT Business	Web Platform Business	Network Business			
Net sales						
Sale of licenses	301,939	324,181	1,105,825	1,731,946	–	1,731,946
Provision of services	2,202,443	571,475	533,575	3,307,494	–	3,307,494
Other	81,821	20	17,885	99,726	–	99,726
Revenue from contracts with customers	2,586,204	895,677	1,657,287	5,139,168	–	5,139,168
Revenue from other sources	–	–	–	–	–	–
Net sales to external customers	2,586,204	895,677	1,657,287	5,139,168	–	5,139,168
Inter-segment net sales or transfers	33,027	709	–	33,737	(33,737)	–
Total	2,619,231	896,386	1,657,287	5,172,905	(33,737)	5,139,168
Segment loss	(48,177)	(154,815)	(1,820,700)	(2,023,693)	6,977	(2,016,716)

(Notes)

1. The ¥6,977 thousand adjustment for segment loss comprises the elimination of inter-segment transactions.
2. Segment loss was adjusted based on operating loss reported in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets, or goodwill by reportable segment

There is no relevant information.

II. For the six months ended July 31, 2023 (February 1, 2023 to July 31, 2023)

1. Information on the amounts of net sales and profit or loss by reportable segment and revenue disaggregation information

(Thousand yen)

	Reportable segment			Total	Adjustment (Note) 1	Amount recorded in Quarterly Consolidated Statements of Income (Note) 2
	IoT Business	Web Platform Business	Network Business			
Net sales						
Sale of licenses	128,050	436,461	2,767,825	3,332,337	–	3,332,337
Provision of services	2,299,701	505,551	420,958	3,226,211	–	3,226,211
Other	92,284	92	87,220	179,597	–	179,597
Revenue from contracts with customers	2,520,035	942,105	3,276,005	6,738,146	–	6,738,146
Revenue from other sources	–	–	–	–	–	–
Net sales to external customers	2,520,035	942,105	3,276,005	6,738,146	–	6,738,146
Inter-segment net sales or transfers	47,827	646	–	48,474	(48,474)	–
Total	2,567,863	942,752	3,276,005	6,786,620	(48,474)	6,738,146
Segment loss	(42,033)	(144,670)	(940,793)	(1,127,497)	1,589	(1,125,907)

(Notes)

1. The ¥1,589 thousand adjustment for segment loss comprises the elimination of inter-segment transactions.
2. Segment loss was adjusted based on operating loss reported in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets, or goodwill by reportable segment

There is no relevant information.

(Significant Subsequent Events)

There is no relevant information.