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## Summary of Consolidated Financial Results for the Year Ended June 30, 2024 [Japanese GAAP]

August 14, 2024

Company name: MarketEnterprise Co.,Ltd.

Listing: Tokyo

Securities code: 3135

URL: <http://www.marketenterprise.co.jp/>

Representative: KOBAYASHI Yasushi

President, CEO

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Managing Director, CFO

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Scheduled date of annual general meeting of shareholders: September 27, 2024

Scheduled date to commence dividend payments: -

Scheduled date to file annual securities report: September 27, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate 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	%
Fiscal year ended June 30, 2024	19,008	24.6	298	215.7	40	(85.5)	(476)	-
June 30, 2023	15,257	27.3	94	-	278	-	290	-

(Note) Comprehensive income: Fiscal year ended June 30, 2024: ¥ (369) million [ -%]  
Fiscal year ended June 30, 2023: ¥ 395 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended June 30, 2024	Yen (89.35)	Yen -	% (42.7)	% 0.8	% 1.6
June 30, 2023	54.56	53.26	24.2	6.6	0.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended June 30, 2024: ¥ - million  
Fiscal year ended June 30, 2023: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of June 30, 2024	Millions of yen 5,345	Millions of yen 1,306	% 16.5	Yen 164.84
June 30, 2023	4,853	1,701	27.8	253.92

(Reference) Equity: As of June 30, 2024: ¥ 879 million  
As of June 30, 2023: ¥ 1,351 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended June 30, 2024	Millions of yen (424)	Millions of yen (229)	Millions of yen 495	Millions of yen 1,486
June 30, 2023	192	87	421	1,643

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
June 30, 2023	-	0.00	-	0.00	0.00	-	-	-
June 30, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending June 30, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,000	21.0	700	134.3	650	-	330	-	61.84

### \* Notes:

(1) Significant changes in the scope of consolidation during the period: None  
 Newly included: - (Company name: )  
 Excluded: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates, and restatement  
 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None  
 2) Changes in accounting policies due to other reasons: None  
 3) Changes in accounting estimates: None  
 4) Restatement: None

(3) Number of issued shares (common shares)  
 1) Total number of issued shares at the end of the period (including treasury shares):  
     June 30, 2024: 5,336,600 shares  
     June 30, 2023: 5,324,000 shares  
  
 2) Number of treasury shares at the end of the period:  
     June 30, 2024: 395 shares  
     June 30, 2023: 395 shares  
  
 3) Average number of shares outstanding during the period:  
     Fiscal Year ended June 30, 2024: 5,330,577 shares  
     Fiscal Year ended June 30, 2023: 5,322,479 shares

\* This summary report is not subject to quarterly review by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecast, and other special items

#### Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to MarketEnterprise's management at the time these materials were prepared, but are not promises by MarketEnterprise regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	11,685	27.6	(314)	-	(368)	-	(621)	-
June 30, 2023	9,156	26.8	(481)	-	(187)	-	36	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 30, 2024	(116.55)	-
June 30, 2023	6.91	6.75

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2024	3,337	126	3.8	23.57
June 30, 2023	3,273	745	22.8	139.93

(Reference) Equity: As of June 30, 2024: ¥ 125 million  
As of June 30, 2023: ¥ 744 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,643,596	1,486,785
Accounts receivable - trade	1,111,482	1,914,833
Merchandise	574,797	731,248
Supplies	14,677	19,321
Other	128,520	211,735
Allowance for doubtful accounts	(152)	(28,964)
Total current assets	3,472,920	4,334,961
Non-current assets		
Property, plant and equipment		
Buildings	324,966	240,328
Accumulated depreciation	(125,004)	(136,950)
Buildings, net	199,962	103,377
Structures	41,468	43,979
Accumulated depreciation	(5,505)	(8,497)
Structures, net	35,963	35,481
Vehicles	141,200	87,479
Accumulated depreciation	(49,438)	(46,935)
Vehicles, net	91,762	40,543
Tools, furniture and fixtures	63,916	56,760
Accumulated depreciation	(46,675)	(50,721)
Tools, furniture and fixtures, net	17,241	6,039
Land	84,510	84,510
Total property, plant and equipment	429,439	269,952
Intangible assets		
Software	30,006	16,804
Goodwill	97,309	32,057
Total intangible assets	127,315	48,861
Investments and other assets		
Investment securities	20,231	2,642
Deferred tax assets	61,327	17,241
Leasehold and guarantee deposits	499,182	650,871
Other	243,433	20,512
Total investments and other assets	824,175	691,267
Total non-current assets	1,380,930	1,010,082
<b>Total assets</b>	<b>4,853,851</b>	<b>5,345,043</b>

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	424,626	695,526
Short-term borrowings	1,500,000	2,233,336
Current portion of long-term borrowings	147,472	-
Accounts payable - other	355,220	453,086
Accrued expenses	269,111	372,674
Lease liabilities	25,064	28,667
Income taxes payable	206,126	78,997
Other	150,002	113,954
Total current liabilities	3,077,624	3,976,241
Non-current liabilities		
Lease liabilities	74,133	62,576
Other	191	138
Total non-current liabilities	74,325	62,715
Total liabilities	3,151,950	4,038,956
<b>Net assets</b>		
Shareholders' equity		
Share capital	331,339	332,416
Capital surplus	310,979	312,056
Retained earnings	697,110	220,810
Treasury shares	(582)	(582)
Total shareholders' equity	1,338,847	864,699
Accumulated other comprehensive income		
Foreign currency translation adjustment	12,901	14,913
Total accumulated other comprehensive income	12,901	14,913
Share acquisition rights	928	907
Non-controlling interests	349,223	425,565
Total net assets	1,701,900	1,306,086
Total liabilities and net assets	4,853,851	5,345,043

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Net sales	15,257,617	19,008,339
Cost of sales	9,436,998	12,066,892
Gross profit	5,820,619	6,941,446
Selling, general and administrative expenses	5,725,974	6,642,686
Operating profit	94,645	298,759
Non-operating income		
Gain on valuation of derivatives	219,900	-
Subsidy income	3,258	26
Vending machine income	392	356
Gain on sale of scraps	2,994	3,726
Other	2,134	1,905
Total non-operating income	228,680	6,014
Non-operating expenses		
Interest expenses	14,866	21,360
Foreign exchange losses	766	568
Commission expenses	27,671	36,443
Loss on valuation of derivatives	-	197,400
Other	1,479	8,575
Total non-operating expenses	44,784	264,348
Ordinary profit	278,540	40,425
Extraordinary income		
Gain on sale of non-current assets	2,124	-
Gain on sale of investment securities	345,600	5,749
Total extraordinary income	347,724	5,749
Extraordinary losses		
Loss on sale of non-current assets	-	8
Impairment losses	-	190,384
Loss on retirement of non-current assets	0	2,132
Loss on valuation of investment securities	11,159	13,687
Total extraordinary losses	11,159	206,213
Profit (loss) before income taxes	615,104	(160,038)
Income taxes - current	213,324	167,833
Income taxes - deferred	7,190	44,086
Total income taxes	220,515	211,919
Profit (loss)	394,589	(371,958)
Profit attributable to non-controlling interests	104,189	104,342
Profit (loss) attributable to owners of parent	290,400	(476,300)

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Profit (loss)	394,589	(371,958)
Other comprehensive income		
Foreign currency translation adjustment	579	2,012
Total other comprehensive income	579	2,012
Comprehensive income	395,168	(369,945)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	290,979	(474,287)
Comprehensive income attributable to non-controlling interests	104,189	104,342

Consolidated Statements of Changes in Equity

For the fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	325,937	305,577	406,710	(530)	1,037,694
Changes during period					
Issuance of new shares - exercise of share acquisition rights	5,402	5,402			10,804
Profit (loss) attributable to owners of parent			290,400		290,400
Purchase of treasury shares				(52)	(52)
Net changes in items other than shareholders' equity					
Total changes during period	5,402	5,402	290,400	(52)	301,152
Balance at end of period	331,339	310,979	697,110	(582)	1,338,847

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	12,322	12,322	1,040	245,033	1,296,091
Changes during period					
Issuance of new shares - exercise of share acquisition rights					10,804
Profit (loss) attributable to owners of parent					290,400
Purchase of treasury shares					(52)
Net changes in items other than shareholders' equity	579	579	(111)	104,189	104,656
Total changes during period	579	579	(111)	104,189	405,809
Balance at end of period	12,901	12,901	928	349,223	1,701,900



For the fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	331,339	310,979	697,110	(582)	1,338,847
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,076	1,076			2,152
Profit (loss) attributable to owners of parent			(476,300)		(476,300)
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	1,076	1,076	(476,300)	-	(474,147)
Balance at end of period	332,416	312,056	220,810	(582)	864,699

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	12,901	12,901	928	349,223	1,701,900
Changes during period					
Issuance of new shares - exercise of share acquisition rights					2,152
Profit (loss) attributable to owners of parent					(476,300)
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	2,012	2,012	(21)	76,342	78,333
Total changes during period	2,012	2,012	(21)	76,342	(395,814)
Balance at end of period	14,913	14,913	907	425,565	1,306,086

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	615,104	(160,038)
Depreciation	68,053	52,449
Loss (gain) on valuation of investment securities	11,159	13,687
Impairment losses	-	190,384
Amortization of goodwill	74,126	65,252
Increase (decrease) in allowance for doubtful accounts	152	28,812
Interest and dividend income	(79)	(92)
Interest expenses	14,866	21,360
Decrease (increase) in trade receivables	(140,455)	(803,351)
Decrease (increase) in inventories	(137,248)	(161,096)
Increase (decrease) in trade payables	58,447	270,899
Loss (gain) on sale of investment securities	(345,600)	(5,749)
Loss (gain) on sale of non-current assets	(2,124)	8
Loss on retirement of non-current assets	0	1,833
Subsidy income	(3,258)	(26)
Increase (decrease) in accounts payable - other	16,299	129,858
Increase (decrease) in accrued expenses	128,860	72,107
Increase (decrease) in accrued consumption taxes	34,894	(55,074)
Decrease (increase) in consumption taxes refund receivable	76,978	(19,994)
Commitmentline expense	27,671	36,277
Loss (gain) on valuation of derivatives	(219,900)	197,400
Other, net	(7,639)	16,367
Subtotal	270,309	(108,722)
Interest and dividends received	79	92
Interest paid	(14,866)	(21,360)
Income taxes paid	(65,833)	(294,452)
Income taxes refund	0	-
Subsidies received	3,258	26
Net cash provided by (used in) operating activities	192,948	(424,416)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(34,337)	(46,501)
Proceeds from sale of property, plant and equipment	2,124	280
Proceeds from sale of investment securities	345,600	9,651
Purchase of intangible assets	-	(920)
Payments of leasehold and guarantee deposits	(211,665)	(205,254)
Purchase of investment securities	(15,000)	-
Other, net	456	12,816
Net cash provided by (used in) investing activities	87,176	(229,926)

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	10,693	2,131
Arrangement fees and others paid	(27,704)	(36,360)
Proceeds from short-term borrowings	8,002,000	9,150,000
Repayments of short-term borrowings	(7,302,000)	(8,416,664)
Repayments of long-term borrowings	(247,656)	(147,472)
Repayments of lease liabilities	(13,766)	(28,006)
Other, net	(52)	(28,000)
Net cash provided by (used in) financing activities	421,514	495,628
Effect of exchange rate change on cash and cash equivalents	259	1,904
Net increase (decrease) in cash and cash equivalents	701,899	(156,810)
Cash and cash equivalents at beginning of period	941,696	1,643,596
Cash and cash equivalents at end of period	1,643,596	1,486,785