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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2024 [Japanese GAAP]

November 13, 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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Scheduled date to commence dividend payments: -

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 Three Months Ended September 30, 2024 (July 1, 2024 to September 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	%
Three months ended September 30, 2024	5,492	33.7	69	-	25	-	(48)	-
September 30, 2023	4,106	11.9	(154)	-	(263)	-	(325)	-

(Note) Comprehensive income: Three months ended September 30, 2024: ¥ (30) million [-%]

Three months ended September 30, 2023: ¥ (311) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2024	(9.06)	-
September 30, 2023	(61.18)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	5,148	1,280	16.0
June 30, 2024	5,345	1,306	16.5

(Reference) Equity: As of September 30, 2024: ¥ 825 million

As of June 30, 2024: ¥ 879 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 June 30, 2024	-	0.00	-	0.00	0.00
Fiscal year ending June 30, 2025	-				
Fiscal year ending June 30, 2025 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 5,336,600 shares
June 30, 2024: 5,336,600 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 443 shares
June 30, 2024: 395 shares

3) Average number of shares outstanding during the period:

Three months ended September 30, 2024: 5,336,175 shares
Three months ended September 30, 2023: 5,325,318 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.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,486,785	1,202,161
Accounts receivable - trade	1,914,833	1,982,169
Merchandise	731,248	753,595
Allowance for doubtful accounts	(28,964)	(36,708)
Other	231,057	168,100
Total current assets	4,334,961	4,069,319
Non-current assets		
Property, plant and equipment	269,952	331,007
Intangible assets		
Goodwill	32,057	23,102
Other	16,804	14,407
Total intangible assets	48,861	37,509
Investments and other assets	691,267	710,924
Total non-current assets	1,010,082	1,079,441
Total assets	5,345,043	5,148,760
Liabilities		
Current liabilities		
Accounts payable - trade	695,526	713,896
Short-term borrowings	2,233,336	2,220,838
Accounts payable - other	453,086	405,273
Lease liabilities	28,667	28,958
Income taxes payable	78,997	47,895
Provision for bonuses	-	27,222
Other	486,628	352,870
Total current liabilities	3,976,241	3,796,955
Non-current liabilities		
Lease liabilities	62,576	61,562
Derivative liabilities	-	9,200
Other	138	131
Total non-current liabilities	62,715	70,893
Total liabilities	4,038,956	3,867,849
Net assets		
Shareholders' equity		
Share capital	332,416	332,416
Capital surplus	312,056	312,056
Retained earnings	220,810	177,920
Treasury shares	(582)	(626)
Total shareholders' equity	864,699	821,766
Accumulated other comprehensive income		
Foreign currency translation adjustment	14,913	3,404
Total accumulated other comprehensive income	14,913	3,404
Share acquisition rights	907	907
Non-controlling interests	425,565	454,834
Total net assets	1,306,086	1,280,911
Total liabilities and net assets	5,345,043	5,148,760

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Net sales	4,106,755	5,492,173
Cost of sales	2,583,371	3,511,481
Gross profit	1,523,384	1,980,692
Selling, general and administrative expenses	1,678,045	1,911,366
Operating profit	(154,661)	69,326
Non-operating income		
Dividend income of insurance	348	475
Subsidy income	26	-
Surrender value of insurance policies	75	32
Vending machine income	101	74
Gain on sale of scraps	1,547	-
Other	238	936
Total non-operating income	2,337	1,519
Non-operating expenses		
Interest expenses	4,392	7,078
Foreign exchange losses	973	5,325
Commission expenses	500	651
Compensation expenses	756	790
Loss on valuation of derivatives	104,700	31,700
Other	58	2
Total non-operating expenses	111,380	45,547
Ordinary profit (loss)	(263,704)	25,297
Extraordinary income		
Extraordinary losses		
Loss on retirement of non-current assets	-	819
Total extraordinary losses	-	819
Profit (loss) before income taxes	(263,704)	24,478
Income taxes - current	18,130	42,724
Income taxes - deferred	29,049	815
Total income taxes	47,179	43,539
Loss	(310,883)	(19,060)
Profit attributable to non-controlling interests	14,905	29,268
Loss attributable to owners of parent	(325,789)	(48,329)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Loss	(310,883)	(19,060)
Other comprehensive income		
Foreign currency translation adjustment	(194)	(11,509)
Total other comprehensive income	(194)	(11,509)
Comprehensive income	(311,078)	(30,570)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(325,983)	(59,839)
Comprehensive income attributable to non-controlling interests	14,905	29,268