

*Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*



Summary of Results of Operations  
for the First Nine Months  
of the Fiscal Year Ending June 30, 2024

May 14, 2024

MarketEnterprise Co., Ltd.

Securities code: 3135





# Agenda

**1**

3Q FY6/24 Results of Operations

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Overview of Business Results by Segment

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Summary of Consolidated Financial Results

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## 3Q FY6/24 Results of Operations



# Quarterly Consolidated Statement of Income (For the nine months)



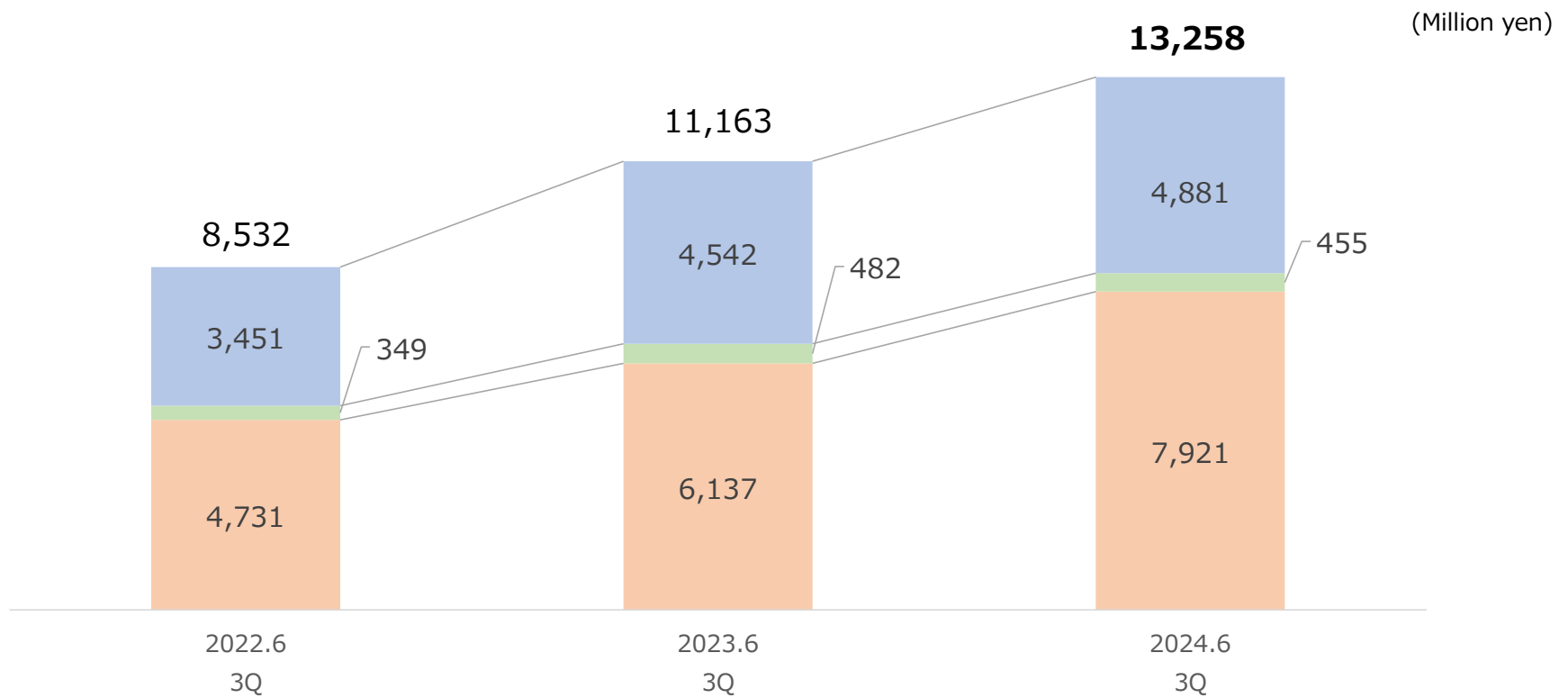
(Million yen)	3Q FY6/2023	3Q FY6/2024	Change	YoY
Net sales	11,163	13,258	2,095	118.8%
Gross profit	4,151 (37.2%)	4,821 (36.4%)	669	116.1%
Operating profit	39 (0.4%)	106 (0.8%)	66	269.1%
Ordinary profit (loss)	89 (0.8%) <small>(Reference) Gain on valuation of derivatives +4</small>	(227) (- %) <small>(Reference) Loss on valuation of derivatives (279)</small>	(316)	-
Loss attributable to owners of parent	(106) (- %)	(651) (- %) <small>(Reference) Impairment loss (190)</small>	(544)	-

※ The figures in parentheses refer to profit margin.

# Quarterly Consolidated Sales By Business Segment

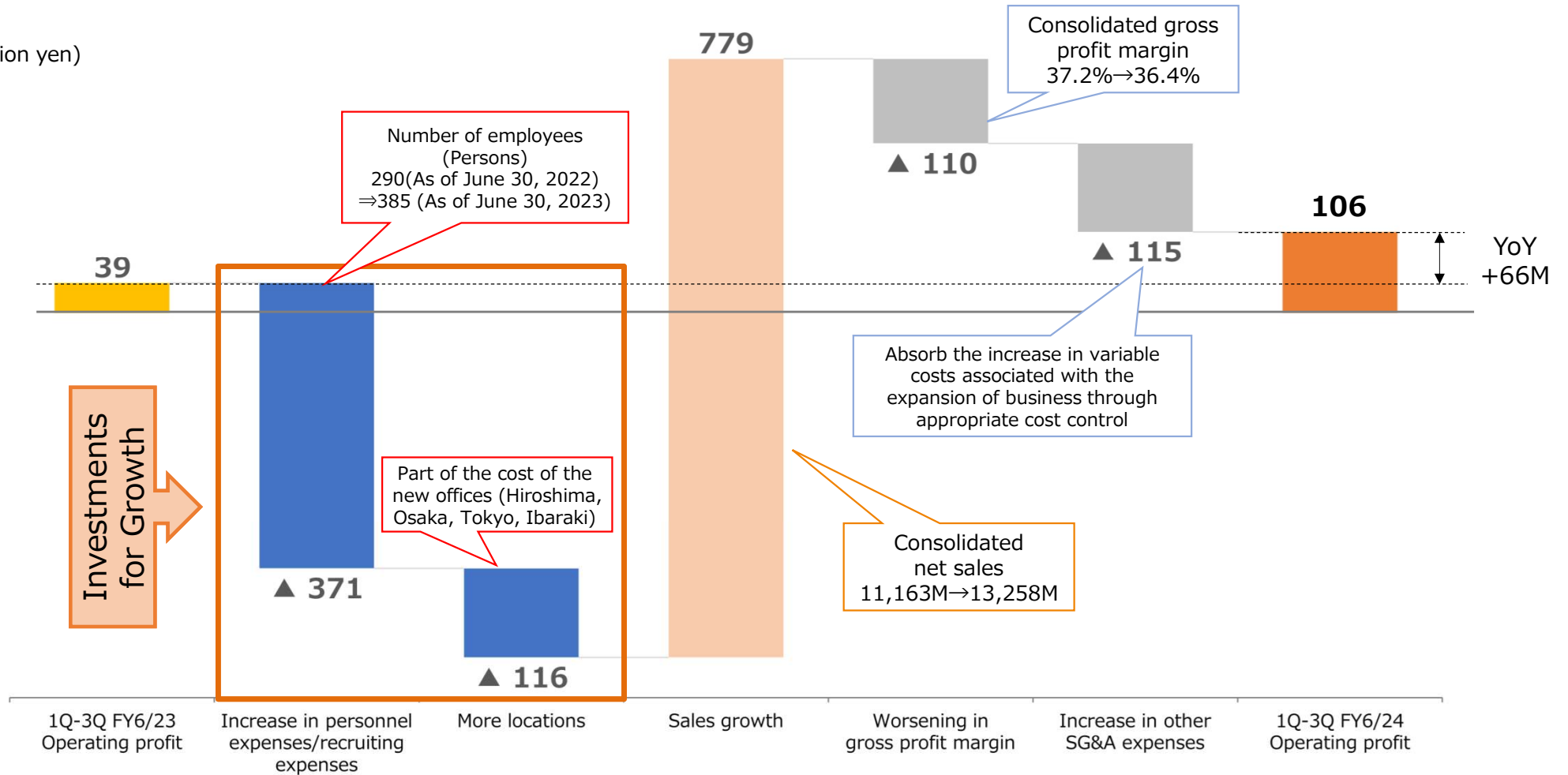


Second-hand online   Media   Mobile & Telecommunications



# 3Q Analysis of Change in Operating Profit

(Million yen)



# Other Information about Results of Operations (1)



## ✓ Derivative valuation loss (non-operating expense) in the third quarter

### Summary

- This loss involves a stock future transaction contract\* with SBI SECURITIES Co., Ltd. that was signed on September 14, 2022. MarketEnterprise will submit or receive a payment depending on the difference between two designated prices involving its stock when the contract ends.
- Until this contract ends, the price of MarketEnterprise stock at the end of each quarter will have an effect as non-operating income or an expense on earnings.
- For example, in the third quarter, there is non-operating income if the price of MarketEnterprise stock at the end of the quarter is higher than at the end of the previous quarter and a non-operating expense if the price is lower.

\*Information about this contract is in a press release dated September 14, 2022 (Japanese version only).

### Third quarter extraordinary expense due to this contract

- The derivative valuation loss at the end of the third quarter was ▲¥279 million.

	End-2Q	End-3Q	
Stock price	1,020 yen	777 yen	※1 The stock price at the time the contract was signed was 926 yen.
Valuation loss	▲191 million yen	▲279 million yen	※2 This loss has no impact on cash flow.

## Other Information about Results of Operations (2)



### ✓ Extraordinary loss (impairment loss) in the second quarter

#### Summary

- Although productivity has improved rapidly in the second-hand online business (especially in second-hand services for individuals), monetization has been slower compared to the initial plan. Moreover, there was a deviation from the initial plan as of the end of the second quarter.
- Accordingly, the book value of equipment and fixtures at locations in this business, previously recorded as fixed assets, was reclassified as an impairment loss.
- This accounting treatment arises from the delay in achieving the sales plan mentioned earlier. It reflects the actual state of operations for equipment and fixtures, business activities, and related processes. There is no actual impact on sales → Accelerate the pace of productivity improvement to quickly catch up with the sales plan.

#### Effect on the first nine months earnings

- Cumulative impact in the first nine months = Extraordinary loss (impairment loss) of 190 million yen
- This is a book value adjustment and has no impact on cash flow.



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## Overview of Business Results by Segment



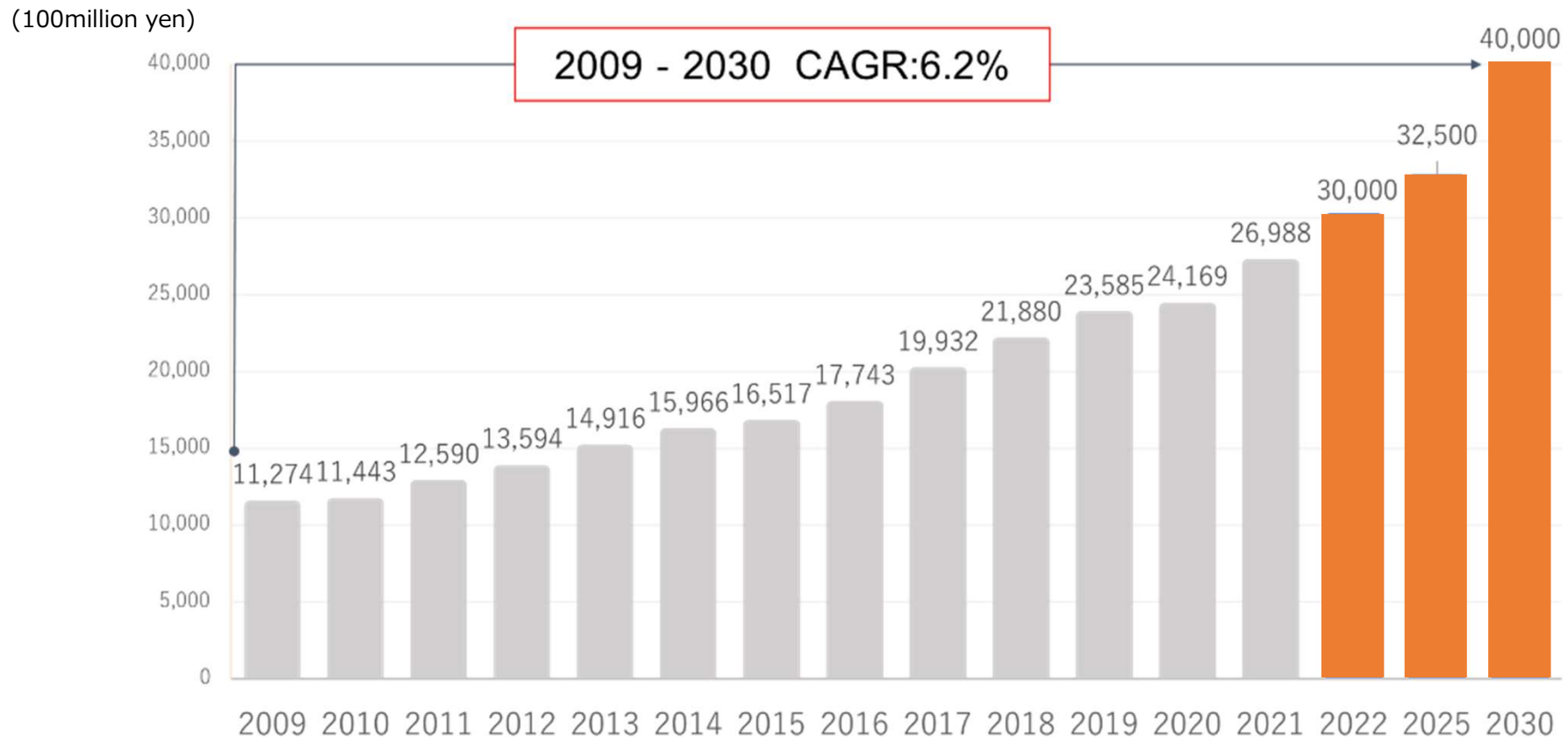


# **Second-hand Online Business**

# Our Market Recognition: Growth of the Reuse Market



✓ The reuse market growing steadily.



Source: Prepared by MarketEnterprise based on The Reuse Business Journal

# 3Q FY6/24 Results of Second-hand Online Business



- ✓ Net sales : ¥ 2,809million (YoY+ 36.0%)
- ✓ Gross profit : ¥ 1,115million (YoY+ 26.1%)
- ✓ Segment profit : ¥ 24 million (YoY+ 114.7%)

		(Million yen)	1Q	2Q	3Q	4Q	SUM
Net sales	FY6/2022	Second-hand Online Business	1,472 (-)	1,636 (-)	1,623 (-)	1,899 (-)	6,631 (-)
		Second-hand Services for Individuals	1,202 (-)	1,310 (-)	1,245 (-)	1,382 (-)	5,140 (-)
		Machinery	237 (-)	294 (-)	346 (-)	487 (-)	1,365 (-)
		Oikura	32 (-)	31 (-)	31 (-)	30 (-)	125 (-)
	FY6/2023	Second-hand Online Business	1,936 (131.5%)	2,134 (130.4%)	2,065 (127.2%)	2,254 (118.7%)	8,391 (126.5%)
		Second-hand Services for Individuals	1,455 (121.0%)	1,520 (116.0%)	1,546 (124.2%)	1,624 (117.5%)	6,146 (119.6%)
		Machinery	444 (187.3%)	578 (196.6%)	486 (140.5%)	594 (122.0%)	2,104 (154.1%)
		Oikura	36 (112.5%)	36 (116.1%)	32 (103.2%)	36 (120.0%)	140 (112.0%)
	FY6/2024	Second-hand Online Business	2,405 (124.2%)	2,706 (126.8%)	2,809 (136.0%)		
		Second-hand Services for Individuals	1,726 (118.7%)	1,956 (128.8%)	2,047 (132.4%)		
		Machinery	636 (143.1%)	705 (122.0%)	719 (147.8%)		
		Oikura	41 (113.1%)	43 (117.2%)	43 (133.7%)		

※ The figures in parentheses refer to YoY.



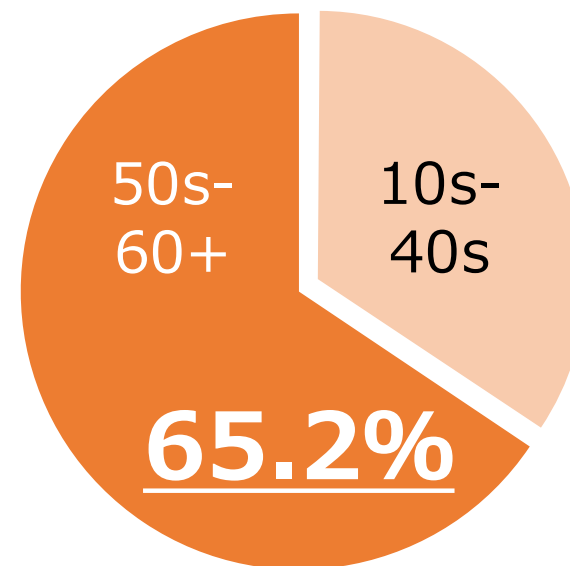
# Second-hand Online Business

- ① **Second-hand Services for Individuals**
- ② Machinery (Agricultural Equipment)
- ③ Oikura

## Our Market Recognition: Potential Reuse Market

Potential reuse market: The value of household hidden assets is estimated at roughly ¥66.7 trillion, of which 65.2% is owned by seniors (Age 50+).

Breakdown of household hidden assets by age group



Size of the unneeded product market\*<sub>2</sub>  
About ¥7.6 trillion

Value of household hidden assets in Japan\*<sub>3</sub>  
**About ¥66.7 trillion**

Size of the second-hand market\*<sub>1</sub>  
About ¥3 trillion

\*1 The Reuse Business Journal estimated in FY2023

\*2 Infrastructure for a Data-driven Society in Japan (E-commerce Market Survey), Ministry of Economy, Trade and Industry (2017)

\*3 Mercari, Inc. press release (November 2023)

## 3Q FY6/24 Results of Second-hand Services for Individuals



✓ Net sales : ¥ 2,047 million (YoY + 32.4%)

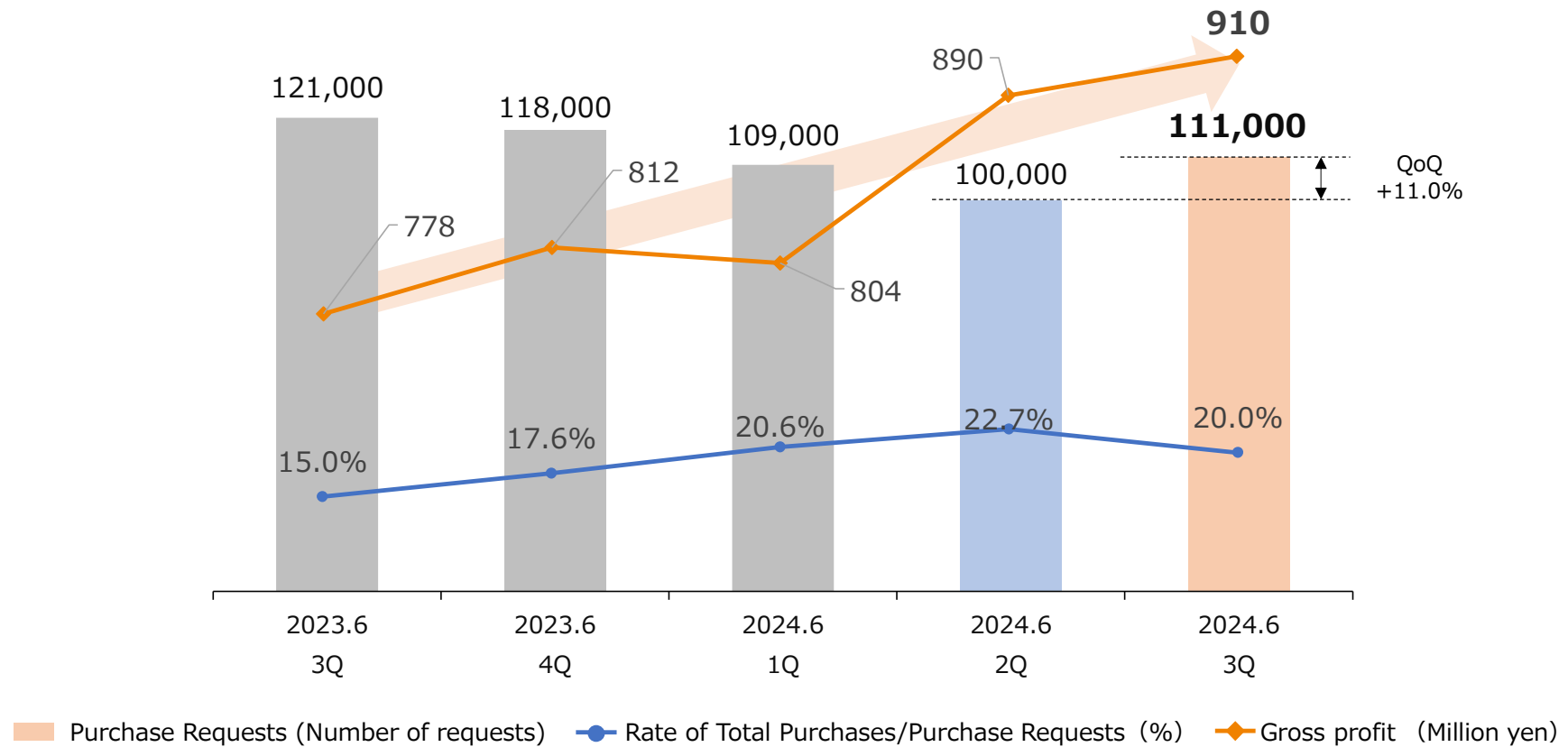
✓ Gross profit : ¥ 910 million (YoY + 17.3%)

(Million yen)		1Q		2Q		3Q		4Q		SUM	
FY6/2022	Net sales	1,202	(-)	1,311	(-)	1,245	(-)	1,382	(-)	5,140	(-)
	Gross profit	492	(-)	574	(-)	565	(-)	614	(-)	2,245	(-)
	Gross margin	40.9%	(-)	43.9%	(-)	45.4%	(-)	44.4%	(-)	43.7%	(-)
FY6/2023	Net sales	1,455	(121.0%)	1,519	(115.9%)	1,547	(124.3%)	1,624	(117.5%)	6,146	(119.6%)
	Gross profit	656	(133.3%)	731	(127.4%)	778	(137.6%)	812	(132.2%)	2,977	(132.6%)
	Gross margin	45.1%	(+4.2p)	48.1%	(+4.2p)	50.3%	(+4.9p)	50.0%	(+5.6p)	48.3%	(+4.7p)
FY6/2024	Net sales	1,726	(118.7%)	1,956	(128.8%)	2,047	(132.4%)				
	Gross profit	804	(121.7%)	890	(122.1%)	910	(117.3%)				
	Gross margin	46.6%	(+1.5p)	45.5%	(▲2.6p)	44.5%	(▲5.8p)				
	(Reference) except Preowned Vehicle	-	(-)	[48.4%]	(-)	[48.3%]	(-)				

※ The figures in parentheses refer to YoY.

# Services For Individuals (1): Quarterly Purchase Requests

Quarterly Gross profit and Purchase Requests





# Services For Individuals (2): Quarterly Purchases

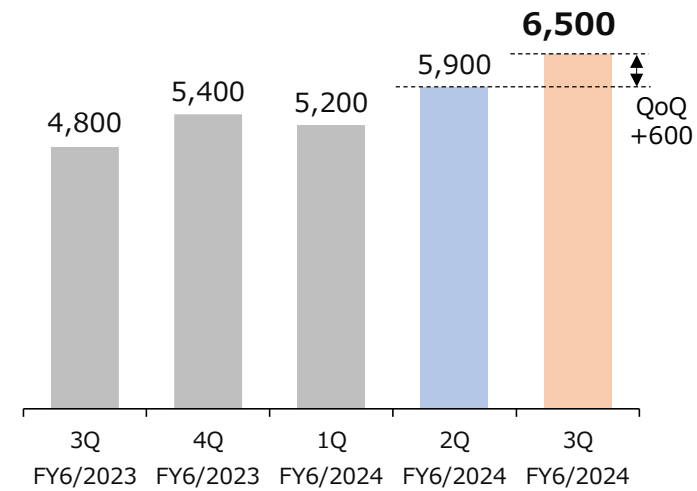
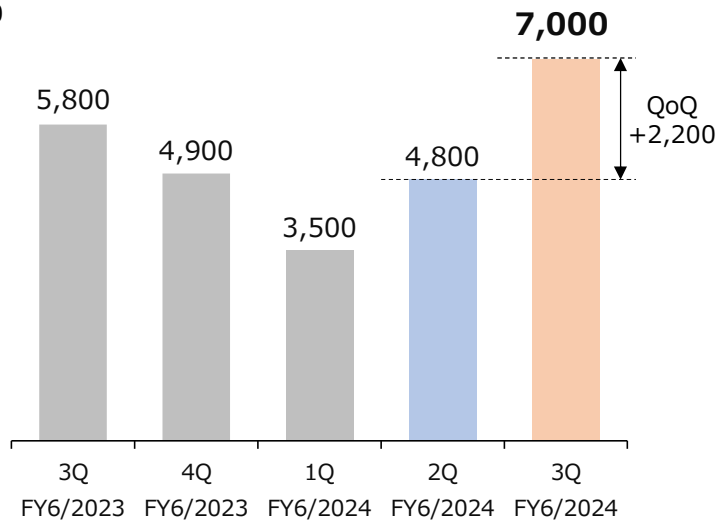
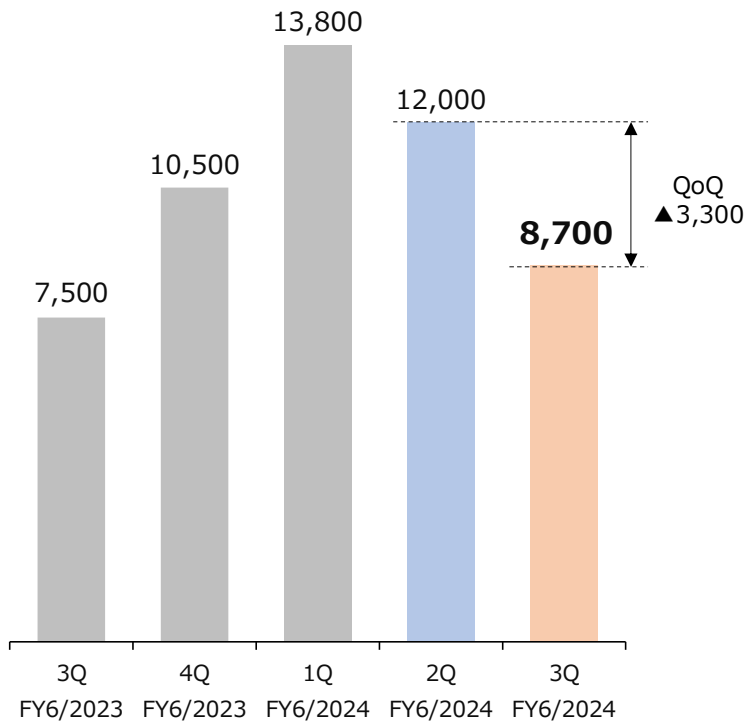


Home pick-up purchases

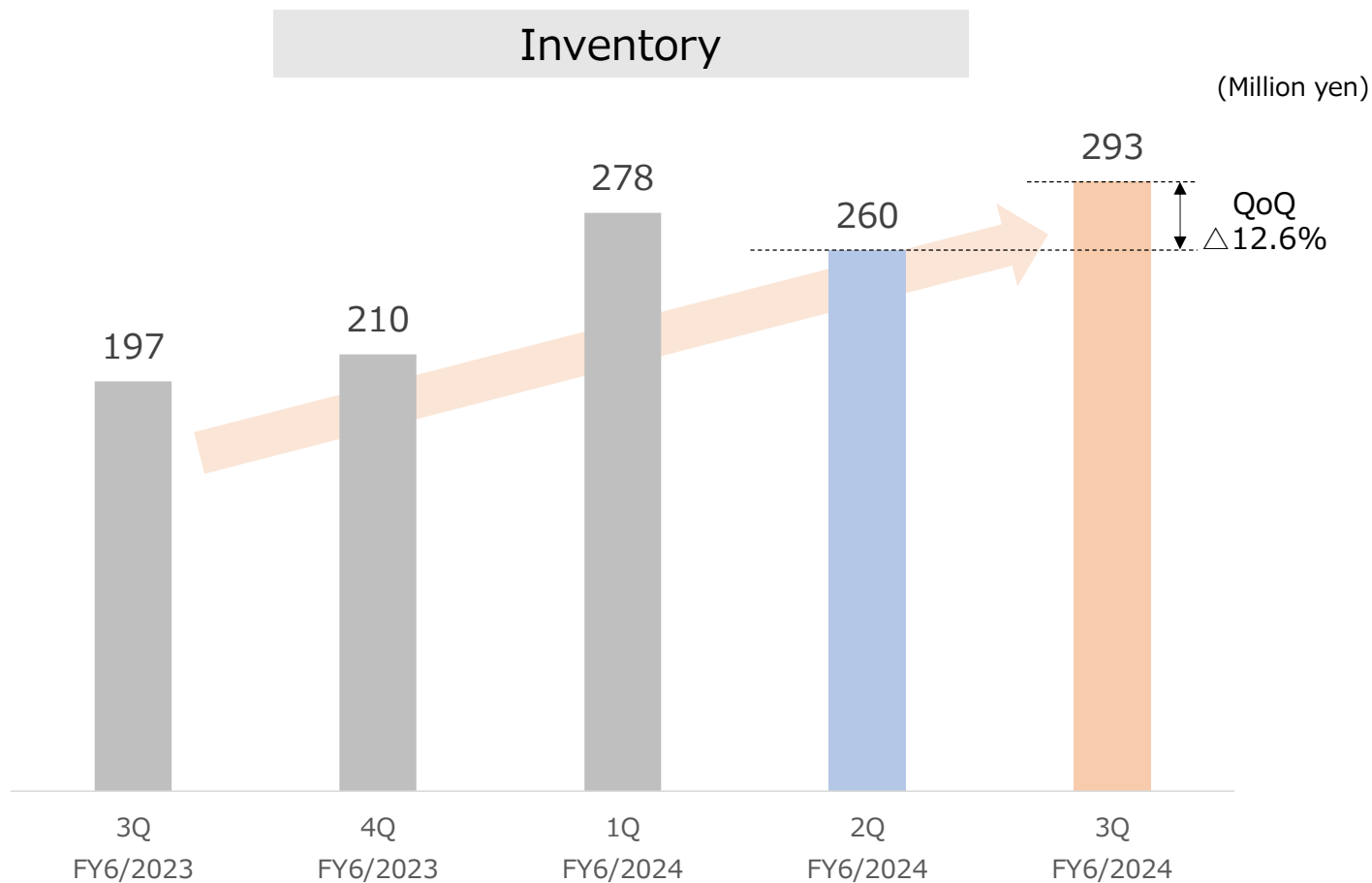
Purchases using delivery services

Purchases at stores

(Unit: Items purchased)



# Services For Individuals (4): Quarterly Inventory Levels





# Second-hand Online Business

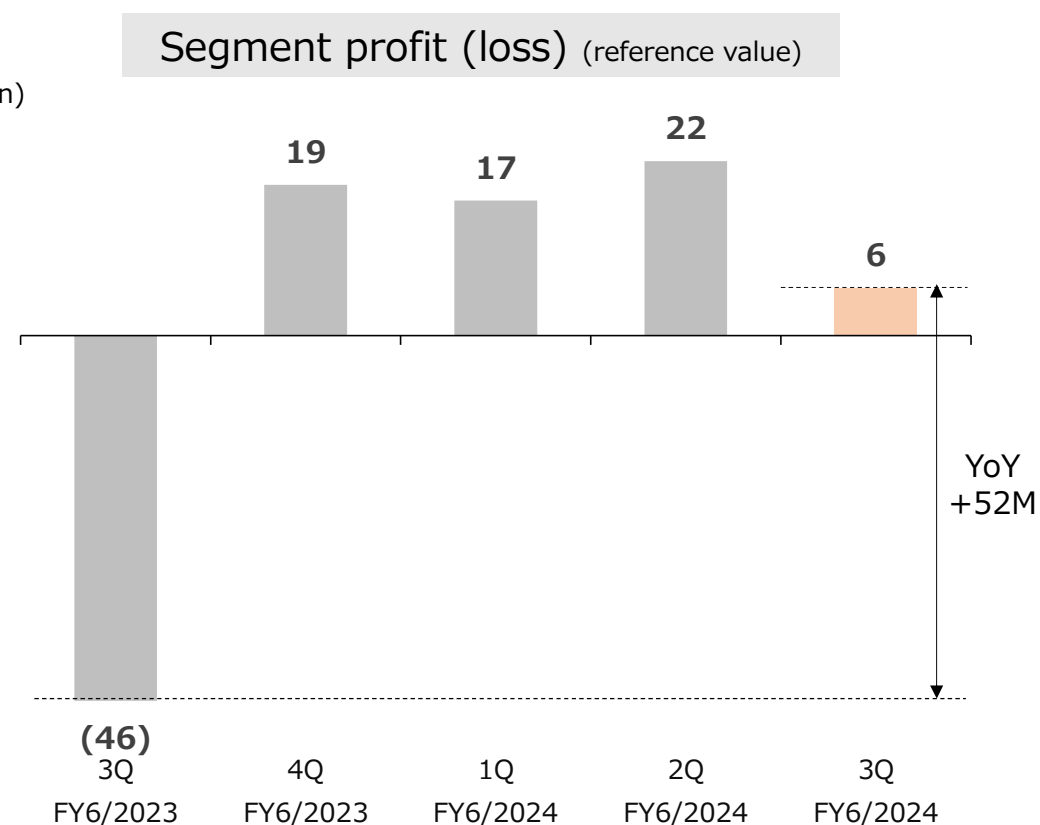
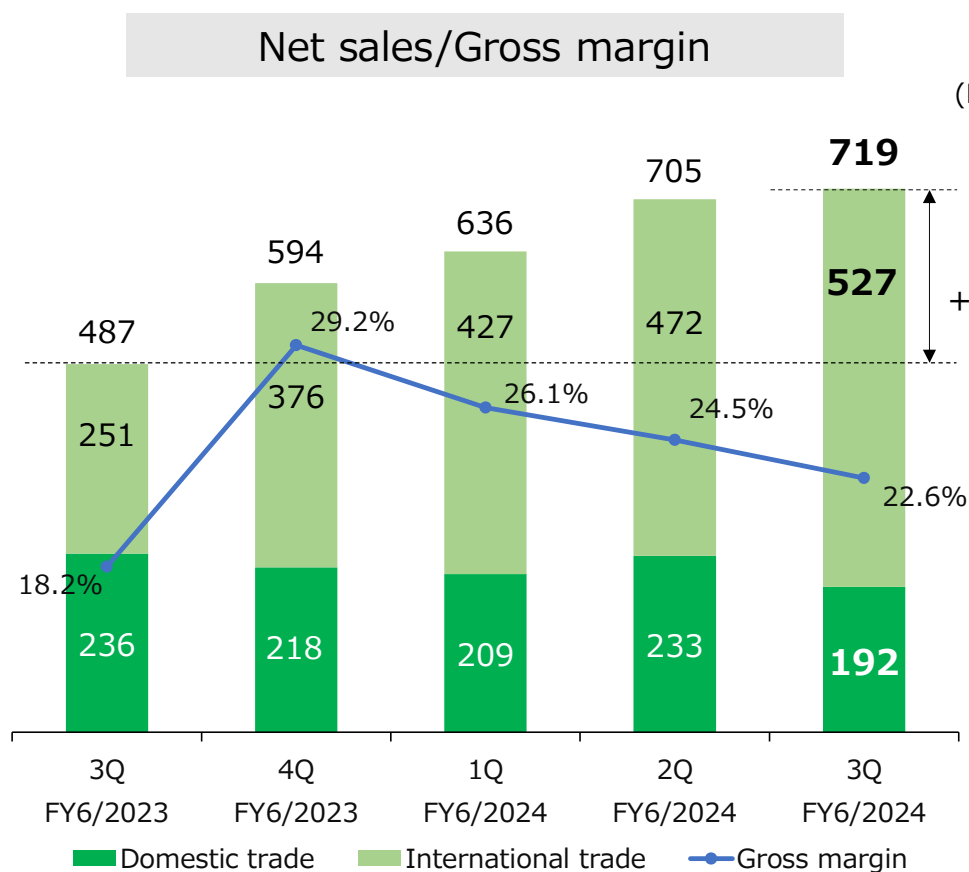
- ① Second-hand Services for Individuals
- ② **Machinery (Agricultural Equipment)**
- ③ Oikura

# 3Q FY6/24 Results of Machinery (Agricultural Equipment)



✓ Net sales : ¥719 million (YoY+47.8%)

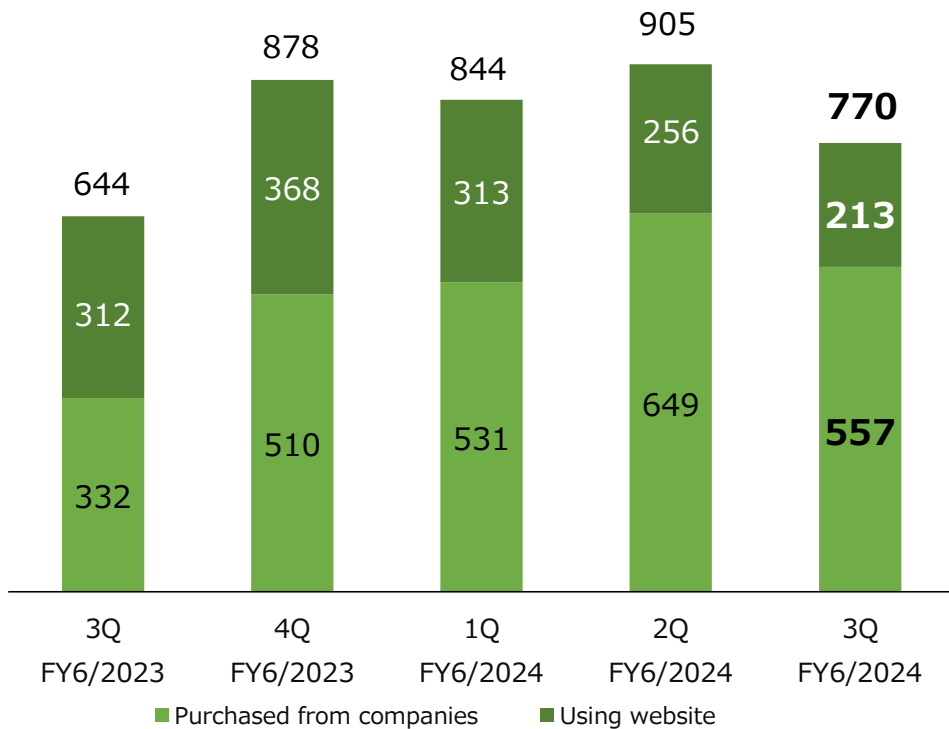
✓ Segment profit : ¥ 6 million (compared with a loss of ¥46 million yen one year earlier)



# Machinery (Agricultural Equipment) : Number of Items Purchased and Inventory Levels

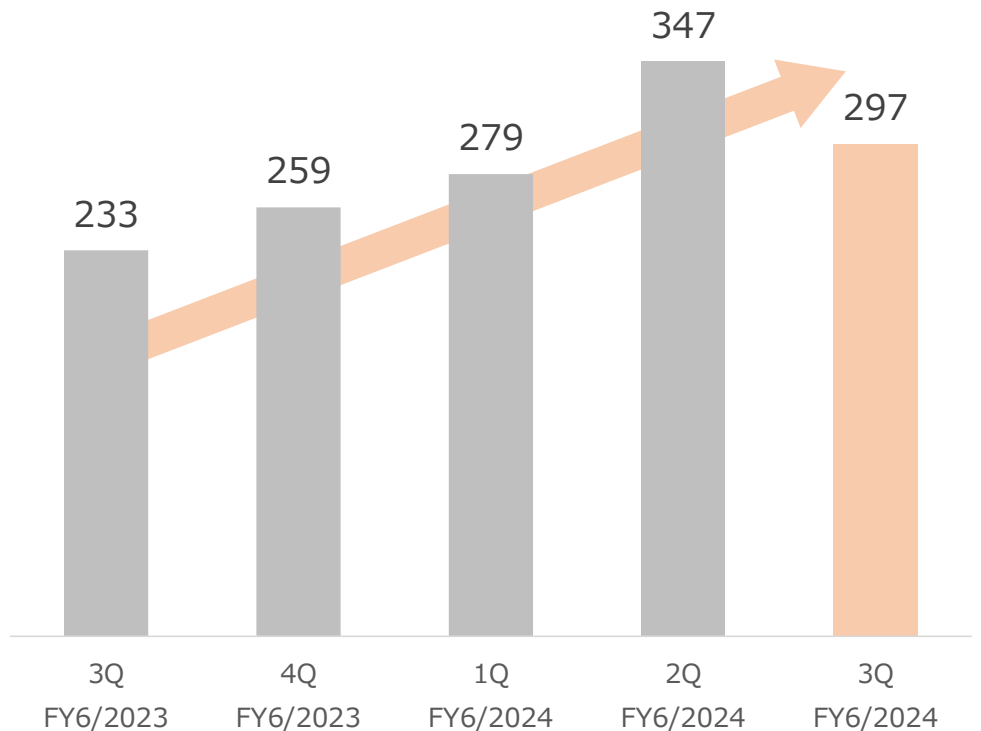
Number of items purchased

(Transactions)



Inventory

(Million yen)





# Second-hand Online Business

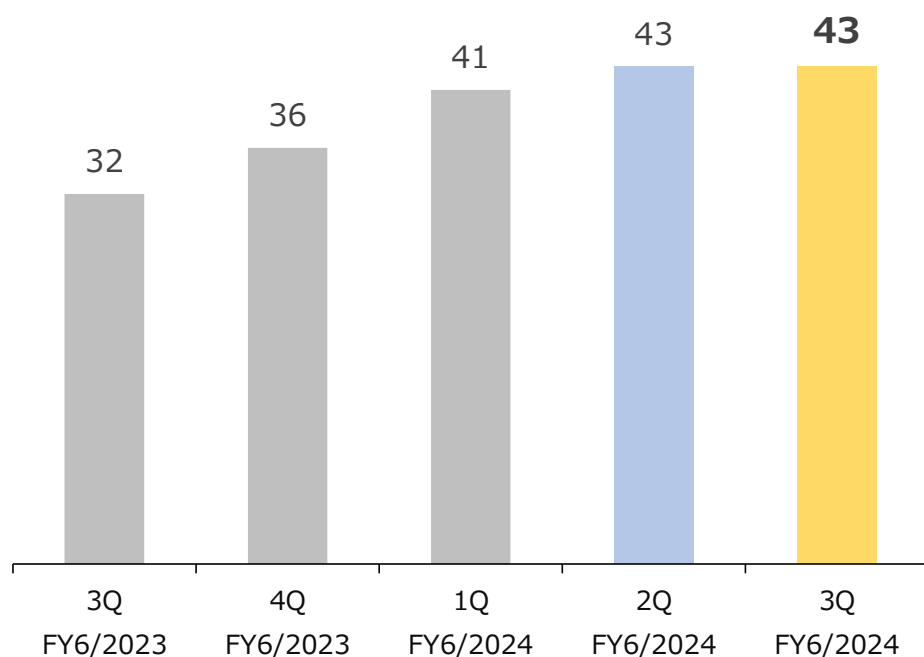
- ① Second-hand Services for Individuals
- ② Machinery (Agricultural Equipment)
- ③ **Oikura**

# Oikura: Net Sales and Number of Franchised Stores



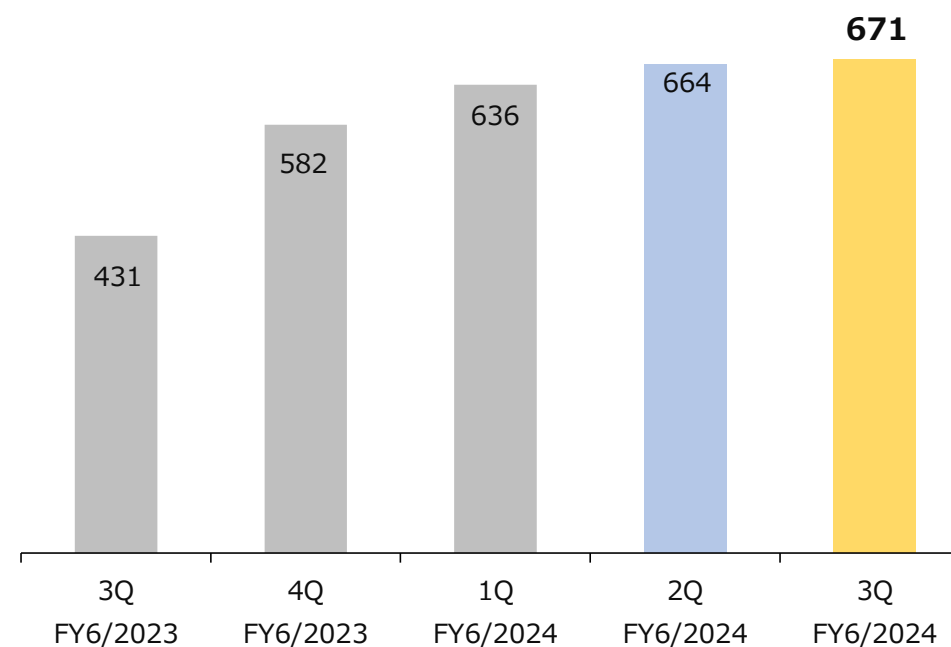
### Net sales

(Million yen)



### Number of franchised store

(Stores)





# Media Business

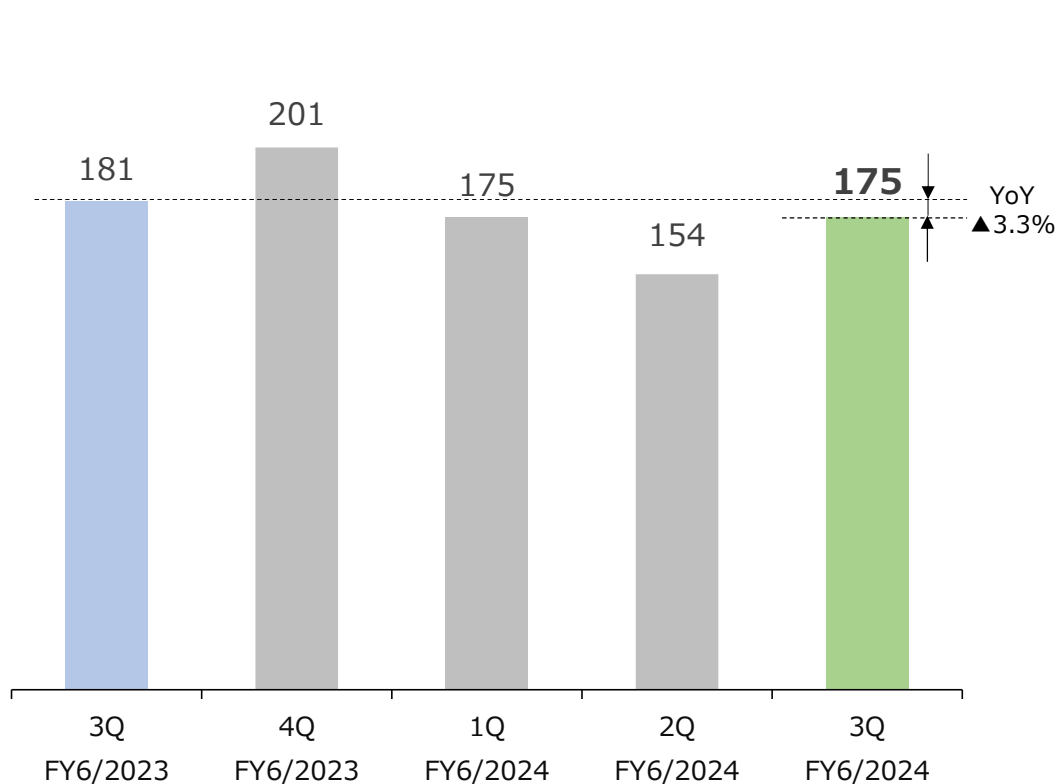


# Media Business: Quarterly Results

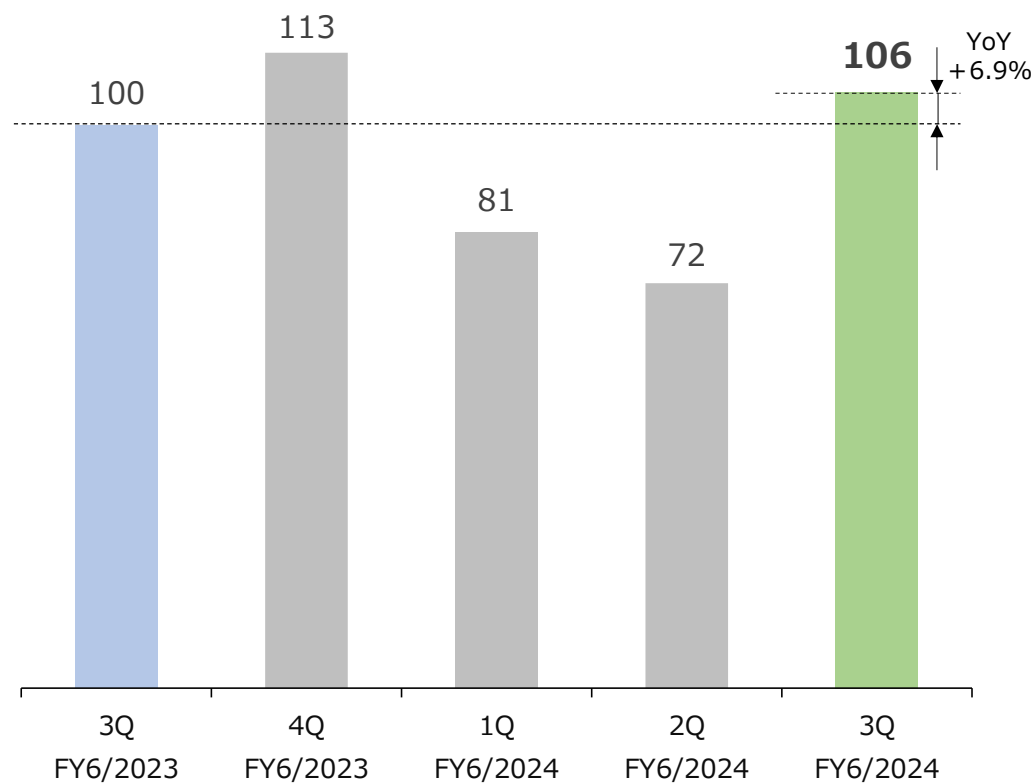


## Net sales

(Million yen)



## Segment profit





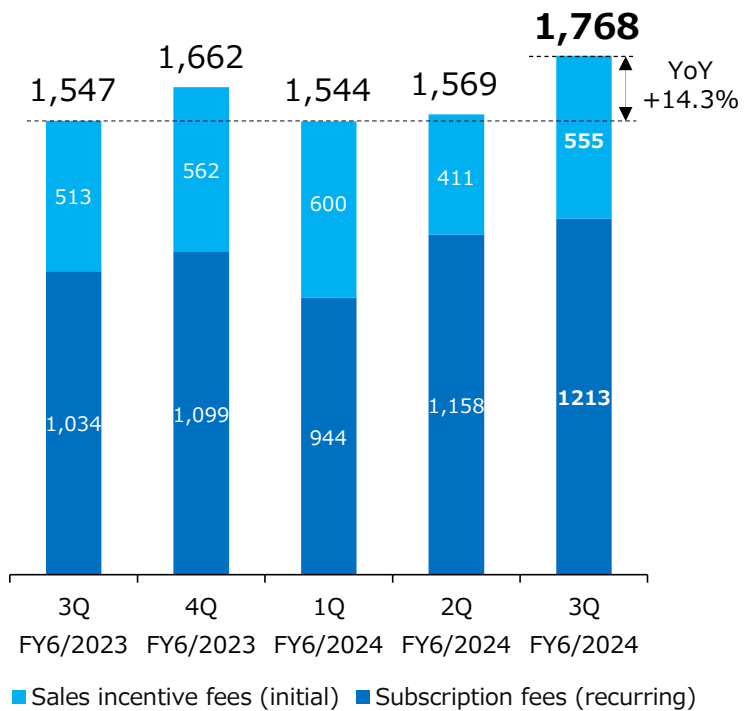
# Mobile & Telecommunications Business

# Mobile & Telecommunications Business: Quarterly Results



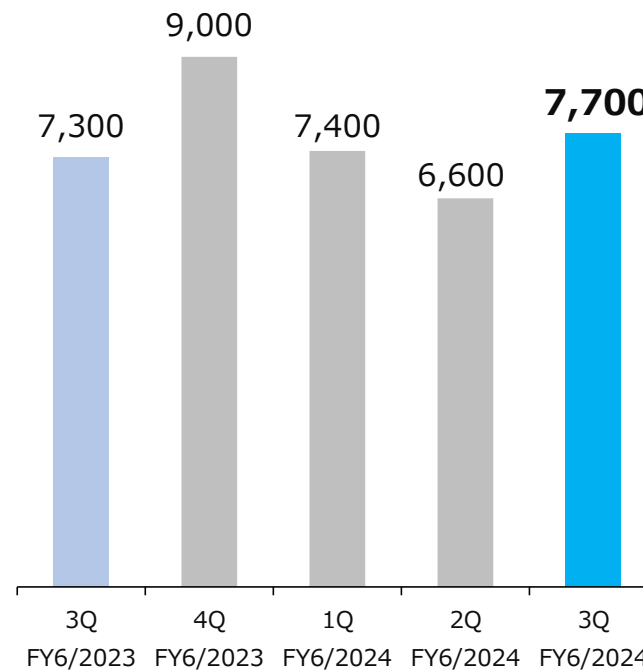
## Net sales

(Million yen)



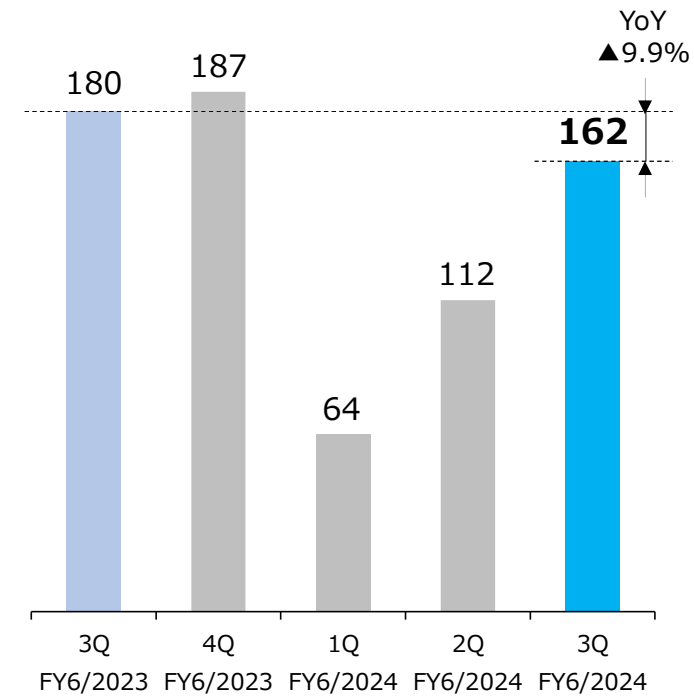
## New Service Subscriptions

(Number of subscriptions)



## Segment profit (loss)

(Million yen)



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## Summary of Consolidated financial statements

# Segment Information for the nine months ended March 31, 2024



(Million yen)		1Q	2Q	3Q	4Q	計
FY6/2022	<b>Net sales</b>	<b>2,607</b> (-)	<b>2,885</b> (-)	<b>3,039</b> (-)	<b>3,453</b> (-)	<b>11,986</b> (-)
	Second-hand Online	1,472 (-)	1,636 (-)	1,623 (-)	1,899 (-)	6,631 (-)
	Media	109 (-)	114 (-)	126 (-)	144 (-)	493 (-)
	Mobile & Telecom	1,025 (-)	1,135 (-)	1,290 (-)	1,409 (-)	4,861 (-)
	Operating profit (loss)	(165) (-)	(39) (-)	(18) (-)	(95) (-)	(319) (-)
	Second-hand Online	(4) (-)	26 (-)	58 (-)	31 (-)	111 (-)
	Media	67 (-)	76 (-)	95 (-)	106 (-)	345 (-)
Mobile & Telecom	(7) (-)	57 (-)	79 (-)	4 (-)	134 (-)	
Other	(220) (-)	(200) (-)	(252) (-)	(237) (-)	(911) (-)	
FY6/2023	<b>Net sales</b>	<b>3,671</b> (140.8%)	<b>3,715</b> (128.7%)	<b>3,776</b> (124.2%)	<b>4,094</b> (118.5%)	<b>15,257</b> (127.3%)
	Second-hand Online	1,936 (131.6%)	2,134 (130.5%)	2,065 (127.3%)	2,254 (118.7%)	8,392 (126.6%)
	Media	156 (143.5%)	162 (142.4%)	163 (129.5%)	177 (123.2%)	660 (133.7%)
	Mobile & Telecom	1,577 (153.8%)	1,417 (124.9%)	1,547 (119.9%)	1,662 (117.9%)	6,204 (127.6%)
	Operating profit (loss)	(57) (-)	14 (-)	83 (-)	55 (-)	94 (-)
	Second-hand Online	48 (-)	73 (277.4%)	95 (163.9%)	112 (355.7%)	329 (295.6%)
	Media	128 (191.6%)	102 (133.5%)	99 (104.0%)	113 (106.5%)	443 (128.3%)
Mobile & Telecom	28 (-)	58 (101.5%)	180 (225.8%)	186 (4403.6%)	454 (336.8%)	
Other	(263) (-)	(220) (-)	(291) (-)	(357) (-)	(1,132) (-)	
FY6/2024	<b>Net sales</b>	<b>4,106</b> (111.9%)	<b>4,419</b> (119.0%)	<b>4,732</b> (125.3%)		
	Second-hand Online	2,405 (124.2%)	2,706 (126.8%)	2,809 (136.0%)		
	Media	157 (100.6%)	144 (88.7%)	154 (94.2%)		
	Mobile & Telecom	1,544 (97.9%)	1,569 (110.7%)	1,768 (114.3%)		
	Operating profit (loss)	(154) (-)	<b>113</b> (799.0%)	<b>148</b> (178.3%)		
	Second-hand Online	10 (21.3%)	142 (195.0%)	204 (214.7%)		
	Media	81 (63.5%)	72 (71.1%)	106 (106.9%)		
Mobile & Telecom	64 (226.4%)	112 (192.0%)	162 (90.1%)			
Other	(310) (-)	(215) (-)	(325) (-)			

※ The figures in parentheses refer to YoY.

# Quarterly Consolidated Balance Sheets



(Million yen)	End-4Q FY6/2023	End-3Q FY6/2024	Change
Current assets	3,472	4,042	568
Cash and deposits	1,643	1,621	(21)
Accounts receivable - trade	1,111	1,540	428
Merchandise	574	663	88
[of Services for Individuals]※	[210]	[293]	82
[of Machinery]※	[259]	[297]	37
Other	143	216	73
Non-current assets	1,380	1,015	(365)
Property, plant and equipment	429	270	(159)
Intangible assets	127	65	(62)
[as Goodwill]	[97]	[46]	(51)
Investments and other assets	824	679	(144)
<b>Assets</b>	<b>4,853</b>	<b>5,056</b>	<b>203</b>

	End-4Q FY6/2023	End-3Q FY6/2024	Change
Liabilities	3,151	3,933	781
Accounts payable - trade	424	621	197
Short-term interest-bearing liabilities	1,672	2,387	715
Accounts payable	355	387	32
Long-term interest-bearing liabilities	74	64	(9)
Other	625	470	(154)
<b>Net assets</b>	<b>1,701</b>	<b>1,123</b>	<b>(578)</b>
<b>Liabilities and net assets</b>	<b>4,853</b>	<b>5,056</b>	<b>203</b>

※The balances in the merchandise breakdown are before reflecting valuation loss.

# Revision to Earnings Forecast for FY6/2024



(Million yen)	FY6/2023 full-year results	FY6/2024 full-year forecast			YoY
		Previous forecast	Revised forecast	Change	
Net sales	15,257	18,000	18,000	-	118.0%
Operating profit	94	100	180	80	190.2%
Ordinary profit (loss)	278 <small>(Reference) Gain on valuation of derivatives +219</small>	(135) <small>(Reference) Loss on valuation of derivatives (191)</small>	(100) <small>(Reference) Loss on valuation of derivatives (279)</small>	35	-
Profit (loss) attributable to owners of parent	290	(547)	(540)	7	-

# Introduction of Shareholder Benefit Program

- ✓ We aim to achieve sustainable growth and corporate value enhancement.

In light of these circumstances, we have decided to introduce a shareholder benefit program with the aim of increasing the attractiveness of investment in our shares and expanding the shareholder base.

- ✓ Eligible shareholders

Shareholders holding 100 or more shares of the Company's stock on the shareholders' register as of the record date (the last day of June each year)

- ✓ Benefits

QUO Card for 500yen





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## Appendix

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# Summary of Business Results



(Million yen)	3Q FY6/2020	3Q FY6/2021	3Q FY6/2022	3Q FY6/2023	3Q FY6/2024
<b>Net sales</b>	<b>7,885</b>	<b>8,119</b>	<b>8,532</b>	<b>11,163</b>	<b>13,258</b>
<b>Gross profit</b>	<b>3,019</b>	<b>2,922</b>	<b>3,031</b>	<b>4,151</b>	<b>4,821</b>
Selling, general and administrative expenses	2,576	2,824	3,255	4,112	4,714
Advertising and promotion expenses	459	389	669	960	826
Personnel and hiring expenses	835	1,053	1,152	1,441	1,813
Rent expenses on land and buildings	178	202	235	247	297
Other	1,104	1,180	1,199	1,464	1,778
Operating profit	443	98	(223)	39	106

Forward looking statements in this document, such as forecasts of business performance, include forward-looking statements, assumptions and projections that are the basis of our plans. Actual business results may differ substantially due to various factors.

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To be an Optimized Trading Company  
for the creation of Sustainable Society