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April 28, 2020

Company name: MarketEnterprise Co., Ltd.
Representative: Yasushi Kobayashi, President, CEO
Securities code: 3135, Tokyo Stock Exchange Mothers
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Notice of Establishment of New Company and Acquisition of Business

MarketEnterprise Co., Ltd. established ME Trading Co., Ltd. on April 24, 2020 as a wholly owned subsidiary. Following its establishment, ME Trading signed a contract with Oho Trading Corp. for the acquisition of its used agricultural equipment business, which includes buying, selling and exporting this equipment and other activities.

Although the timely disclosure standards do not apply to this acquisition, MarketEnterprise has made this announcement voluntarily because this information is deemed useful for shareholders and other investors.

1. Reason for the establishment of new company and the acquisition

The MarketEnterprise Group has the goal of becoming an “optimized trading company” capable of giving customers the best choices that reflect the increasingly diverse range of purchasing behavior and the growing interest in “smart consumption.” The group operates three businesses in order to accomplish this goal: buying and selling second-hand goods through the Internet, a media business, and a mobile & telecommunications business.

The second-hand online business goes beyond the conventional concept of reuse in order to buy and sell a diverse array of used items in order to meet customers' needs. The purchasing request and consultation contact center of this business receives more than 40,000 calls every month about buying used items. In recent years, the number of calls about buying used agricultural equipment has been increasing. To meet this need, MarketEnterprise started buying and selling used agricultural equipment in January 2017 and this business category has been growing consistently since then.

Oho Trading, which was established in 1990, buys and sells used agricultural equipment in Japan and uses its FARM MART members-only overseas sales site (<http://farm-mart.jp/en>) to export about 70% of the used agricultural equipment purchased in Japan. With export sales covering about 80 countries, Oho Trading is one of Japan's largest agricultural equipment trading companies. The company also uses auctions, relationships with agricultural equipment retailers and other sales channels in Japan. The acquisition of this business by ME Trading is expected to further enlarge these sales channels. In addition, the large number of maintenance and repair technicians at Oho Trading makes it possible to increase customer satisfaction, such as by purchasing agricultural equipment no longer needed by people who decide to stop operating a farm.

For these reasons, the decision to acquire this used agricultural equipment business was made because the management of MarketEnterprise believes this business will speed up the growth of the MarketEnterprise Group and make the group even more competitive.

2. Overview of ME Trading

(1)	Company name	ME Trading Co., Ltd.	
(2)	Location	3-6-18 Kyobashi, Chuo-ku, Tokyo	
(3)	Representative	Yasushi Kobayashi, President, CEO	
(4)	Business	Used agricultural equipment purchases and sales in Japan and exports	
(5)	Capital	30 million yen	
(6)	Establishment	April 24, 2020	
(7)	Shareholder	MarketEnterprise Co., Ltd. 100%	
(8)	Fiscal year-end	End of June	
(9)	Relationships between MarketEnterprise and ME Trading	Capital Relationship	Wholly owned by MarketEnterprise
		Personnel Relationship	Two directors, one Audit & Supervisory Board member and one employee of MarketEnterprise serve concurrently as directors and an Audit & Supervisory Board member of ME Trading
		Business Relationship	Not applicable

3. Overview of Oho Trading

(1)	Company name	Oho Trading Corp.	
(2)	Location	525-1 Kawaharacho Hotei, Tottori City, Tottori prefecture	
(3)	Representative	Shinichi Koda, President	
(4)	Business	Used agricultural equipment purchases, exports, wholesale sales, rental and franchised store business	
(5)	Capital	10 million yen	
(6)	Establishment	December 9, 2000	
(7)	Net assets	Not disclosed due to the wishes of Oho Trading.	
(8)	Total assets	Not disclosed due to the wishes of Oho Trading.	
(9)	Shareholder	Shinichi Koda 100%	
(10)	Fiscal year-end	End of March	
(11)	Relationships between MarketEnterprise and Oho Trading	Capital Relationship	Not applicable
		Personnel Relationship	Not applicable
		Business Relationship	Not applicable

4. Outline of business acquisition

(1) Business operations to be acquired

All business activities involving the used agricultural equipment purchasing, export and other operations of Oho Trading, the company selling this business to ME Trading.

(2) Results of operations of business to be acquired

Net sales: 659 million yen (Fiscal year ended March 2019)

Ordinary profit is not disclosed in accordance with an agreement between MarketEnterprise and Oho Trading.

(3) Assets and liabilities of business and amount to be acquired

Not disclosed in accordance with an agreement between MarketEnterprise and Oho Trading.

(4) Acquisition price and payment method

1) Acquisition price: 244 million yen

2) Payment method: In cash

5. Schedule

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|---------------------------------|--------------------------|
| (1) Establishment of ME Trading | April 24, 2020 |
| (2) Contract signing | April 27, 2020 |
| (3) Date of acquisition | May 14, 2020 (tentative) |

6. Summary of accounting method

MarketEnterprise believes this transaction is an “acquisition” in accordance with the Accounting Standard for Business Combinations. MarketEnterprise is currently calculating the amount of goodwill resulting from the use of this accounting method.

7. Outlook

The effect of this acquisition on the results of operations is insignificant.