

Disclaimer:

This financial report is solely a translation of the “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending June 30, 2018
(Three Months Ended September 30, 2017)

[Japanese GAAP]

November 14, 2017

Company name: MarketEnterprise Co., Ltd.

Listing: Tokyo Stock Exchange (Mothers)

Securities code: 3135

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

Representative: Yasushi Kobayashi, President, CEO

Contact: Kenichi Imamura, Director, CFO

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Scheduled date of filing of Quarterly Report:

November 14, 2017

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting:

None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending June 30, 2018

(July 1, 2017 to September 30, 2017)

(1) Consolidated results of operations

(Percentages represent 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 Sep. 30, 2017	1,380	-	1	-	(8)	-	(7)	-
Three months ended Sep. 30, 2016	-	-	-	-	-	-	-	-

Note: Comprehensive income (millions of yen)

Three months ended Sep. 30, 2017: (9) (-%)

Three months ended Sep. 30, 2016: - (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2017	(1.41)	-
Three months ended Sep. 30, 2016	-	-

Note: Figures for the three months ended September 30, 2016 and year-on-year changes are not presented because

MarketEnterprise began to prepare the quarterly consolidated financial statements from the second quarter of the fiscal year ended June 30, 2017.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2017	1,513	910	59.9
As of Jun. 30, 2017	1,536	917	59.4

Reference: Shareholders' equity (millions of yen)

As of Sep. 30, 2017: 906

As of Jun. 30, 2017: 912

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2017	-	0.00	-	0.00	0.00
Fiscal year ending Jun. 30, 2018	-	-	-	-	-
Fiscal year ending Jun. 30, 2018 (forecasts)	-	0.00	-	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending June 30, 2018 (July 1, 2017 to June 30, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,600	17.2	55	-	51	-	29	-	5.71

Note: Revisions to the most recently announced earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding as of the end of the period (including treasury shares)

As of Sep. 30, 2017:	5,085,600 shares	As of Jun. 30, 2017:	5,077,000 shares
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2) Number of treasury shares as of the end of the period

As of Sep. 30, 2017:	174 shares	As of Jun. 30, 2017:	174 shares
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3) Average number of shares outstanding during the period

Three months ended Sep. 30, 2017:	5,080,034 shares	Three months ended Sep. 30, 2016:	5,071,043 shares
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* This summary report is not subject to quarterly review procedures.

* 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.

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1. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY6/17 (As of Jun. 30, 2017)	First quarter of FY6/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	825,827	745,159
Accounts receivable-trade	107,303	124,896
Merchandise	352,204	356,957
Other	79,259	92,824
Total current assets	1,364,596	1,319,838
Non-current assets		
Property, plant and equipment	60,181	82,568
Intangible assets	4,519	4,232
Investments and other assets	107,581	106,639
Total non-current assets	172,281	193,441
Total assets	1,536,877	1,513,279
Liabilities		
Current liabilities		
Current portion of long-term loans payable	144,739	154,184
Accounts payable-other	114,412	149,391
Provision for bonuses	-	8,390
Other	144,957	114,032
Total current liabilities	404,109	425,998
Non-current liabilities		
Long-term loans payable	215,231	177,171
Total non-current liabilities	215,231	177,171
Total liabilities	619,340	603,169
Net assets		
Shareholders' equity		
Capital stock	304,913	305,275
Capital surplus	284,553	284,915
Retained earnings	323,570	316,393
Treasury shares	(221)	(221)
Total shareholders' equity	912,815	906,362
Subscription rights to shares	-	1,440
Non-controlling interests	4,721	2,308
Total net assets	917,536	910,110
Total liabilities and net assets	1,536,877	1,513,279

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

	(Thousands of yen)
	First three months of FY6/18 (Jul. 1, 2017 – Sep. 30, 2017)
Net sales	1,380,098
Cost of sales	788,976
Gross profit	591,121
Selling, general and administrative expenses	589,423
Operating profit	1,697
Non-operating income	
Foreign exchange gains	251
Other	590
Total non-operating income	841
Non-operating expenses	
Interest expenses	421
Issuance cost of subscription rights to shares	10,149
Other	156
Total non-operating expenses	10,727
Ordinary loss	(8,187)
Loss before income taxes	(8,187)
Income taxes-current	957
Income taxes-deferred	444
Total income taxes	1,402
Loss	(9,590)
Loss attributable to non-controlling interests	(2,413)
Loss attributable to owners of parent	(7,176)

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

	(Thousands of yen)
	First three months of FY6/18 (Jul. 1, 2017 – Sep. 30, 2017)
Loss	(9,590)
Comprehensive income	(9,590)
Comprehensive income attributable to:	
Comprehensive income attributable to owners of parent	(7,176)
Comprehensive income attributable to non-controlling interests	(2,413)

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.