

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 Third Quarter of the Fiscal Year Ending June 30, 2018
(Nine Months Ended March 31, 2018)

[Japanese GAAP]

May 14, 2018

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

Tel: +81-(0)3-5159-4060

Scheduled date of filing of Quarterly Report:

May 14, 2018

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 Third Quarter of the Fiscal Year Ending June 30, 2018**(July 1, 2017 to March 31, 2018)**

(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	%
Nine months ended Mar. 31, 2018	4,455	9.0	26	-	15	-	(4)	-
Nine months ended Mar. 31, 2017	4,088	-	(57)	-	(56)	-	(48)	-

Note: Comprehensive income (millions of yen) Nine months ended Mar. 31, 2018: 5 (-%)

Nine months ended Mar. 31, 2017: (53) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2018	(0.92)	-
Nine months ended Mar. 31, 2017	(9.56)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2018	1,834	925	49.5
As of Jun. 30, 2017	1,536	917	59.4

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2018: 908 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	-	0.00	-	-	-
Fiscal year ending Jun. 30, 2018 (forecasts)	-	-	-	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 Mar. 31, 2018:	5,098,600 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 Mar. 31, 2018:	220 shares	As of Jun. 30, 2017:	174 shares
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3) Average number of shares outstanding during the period

Nine months ended Mar. 31, 2018:	5,084,926 shares	Nine months ended Mar. 31, 2017:	5,074,220 shares
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* 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.

Contents of Attachments

1. Quarterly Consolidated Financial Statements and Notes	2
(1) Quarterly Consolidated Balance Sheet	2
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	4
(3) Notes to Quarterly Consolidated Financial Statements	6
Going Concern Assumption	6
Significant Changes in Shareholders' Equity	6

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

(Thousands of yen)

	FY6/17 (As of Jun. 30, 2017)	Third quarter of FY6/18 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	825,827	1,000,502
Accounts receivable-trade	107,303	192,103
Merchandise	352,204	233,622
Other	79,259	105,363
Total current assets	1,364,596	1,531,592
Non-current assets		
Property, plant and equipment	60,181	106,330
Intangible assets	4,519	21,849
Investments and other assets	107,581	174,784
Total non-current assets	172,281	302,965
Total assets	1,536,877	1,834,557
Liabilities		
Current liabilities		
Accounts payable-trade	1,315	49,903
Short-term loans payable	-	100,000
Current portion of long-term loans payable	144,739	181,394
Accounts payable-other	114,412	160,757
Provision for bonuses	-	16,253
Provision for loss on order received	-	10,643
Other	143,641	133,417
Total current liabilities	404,109	652,370
Non-current liabilities		
Long-term loans payable	215,231	256,614
Total non-current liabilities	215,231	256,614
Total liabilities	619,340	908,984

	(Thousands of yen)	
	FY6/17 (As of Jun. 30, 2017)	Third quarter of FY6/18 (As of Mar. 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	304,913	305,353
Capital surplus	284,553	284,993
Retained earnings	323,570	318,872
Treasury shares	(221)	(256)
Total shareholders' equity	912,815	908,962
Subscription rights to shares	-	1,440
Non-controlling interests	4,721	15,170
Total net assets	917,536	925,572
Total liabilities and net assets	1,536,877	1,834,557

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

(Thousands of yen)

	First nine months of FY6/17 (Jul. 1, 2016 – Mar. 31, 2017)	First nine months of FY6/18 (Jul. 1, 2017 – Mar. 31, 2018)
Net sales	4,088,637	4,455,098
Cost of sales	2,314,200	2,581,415
Gross profit	1,774,436	1,873,683
Selling, general and administrative expenses	1,832,016	1,846,811
Operating profit (loss)	(57,579)	26,872
Non-operating income		
Foreign exchange gains	2,702	-
Insurance income	650	-
Insurance premiums refunded cancellation	-	1,311
Vending machine income	298	589
Other	1,084	775
Total non-operating income	4,735	2,675
Non-operating expenses		
Interest expenses	1,811	1,755
Issuance cost of subscription rights to shares	-	10,149
Foreign exchange losses	-	1,087
Compensation expenses	1,497	536
Other	150	137
Total non-operating expenses	3,459	13,667
Ordinary profit (loss)	(56,303)	15,880
Extraordinary losses		
Loss on theft	7,394	-
Total extraordinary losses	7,394	-
Profit (loss) before income taxes	(63,698)	15,880
Income taxes-current	2,740	20,521
Income taxes-deferred	(12,849)	(10,392)
Total income taxes	(10,108)	10,129
Profit (loss)	(53,589)	5,751
Profit (loss) attributable to non-controlling interests	(5,082)	10,448
Loss attributable to owners of parent	(48,507)	(4,697)

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

	(Thousands of yen)	
	First nine months of FY6/17 (Jul. 1, 2016 – Mar. 31, 2017)	First nine months of FY6/18 (Jul. 1, 2017 – Mar. 31, 2018)
Profit (loss)	(53,589)	5,751
Comprehensive income	(53,589)	5,751
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(48,507)	(4,697)
Comprehensive income attributable to non-controlling interests	(5,082)	10,448

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.