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# Summary of Results of Operations for the Fiscal Year Ended June 30, 2024

August 14, 2024

Market Enterprise co., ltd.

Securities code; 3135



# Overview of the Financial Results for the Full Year



## Net sales / Gross profit

✓ Continued record-high quarterly net sales and gross profit, driven by growth in second-hand online business and mobile & telecommunications business net sales.

- Net sales : 19,008 million yen (YoY +24.6%)
- Gross profit : 6,941 million yen (YoY +19.3%)

## Operating profit

✓ V-shaped recovery after falling behind in 1Q; profit growth continues after turning profitable in 2Q.  
(154M) in 1Q → 113M in 2Q → 148M in 3Q → 192M in 4Q

- Operating profit : 298 million yen (YoY +215.7%)

## Ordinary profit / Loss attributable to owners of parent

✓ Despite a loss on valuation of derivatives of 197 million yen recorded as non-operating expenses at the end of the fiscal year, ordinary profit returned to the black.

- Ordinary profit : 40 million yen (YoY -85.5%)
- ✓ Impairment losses of 190 million yen was recorded as an extraordinary loss in 2Q.
- Loss attributable to owners of parent : 476 million yen (In the previous fiscal year, Profit: 290 million yen)

# Results of Performance Progress for FY6/2024

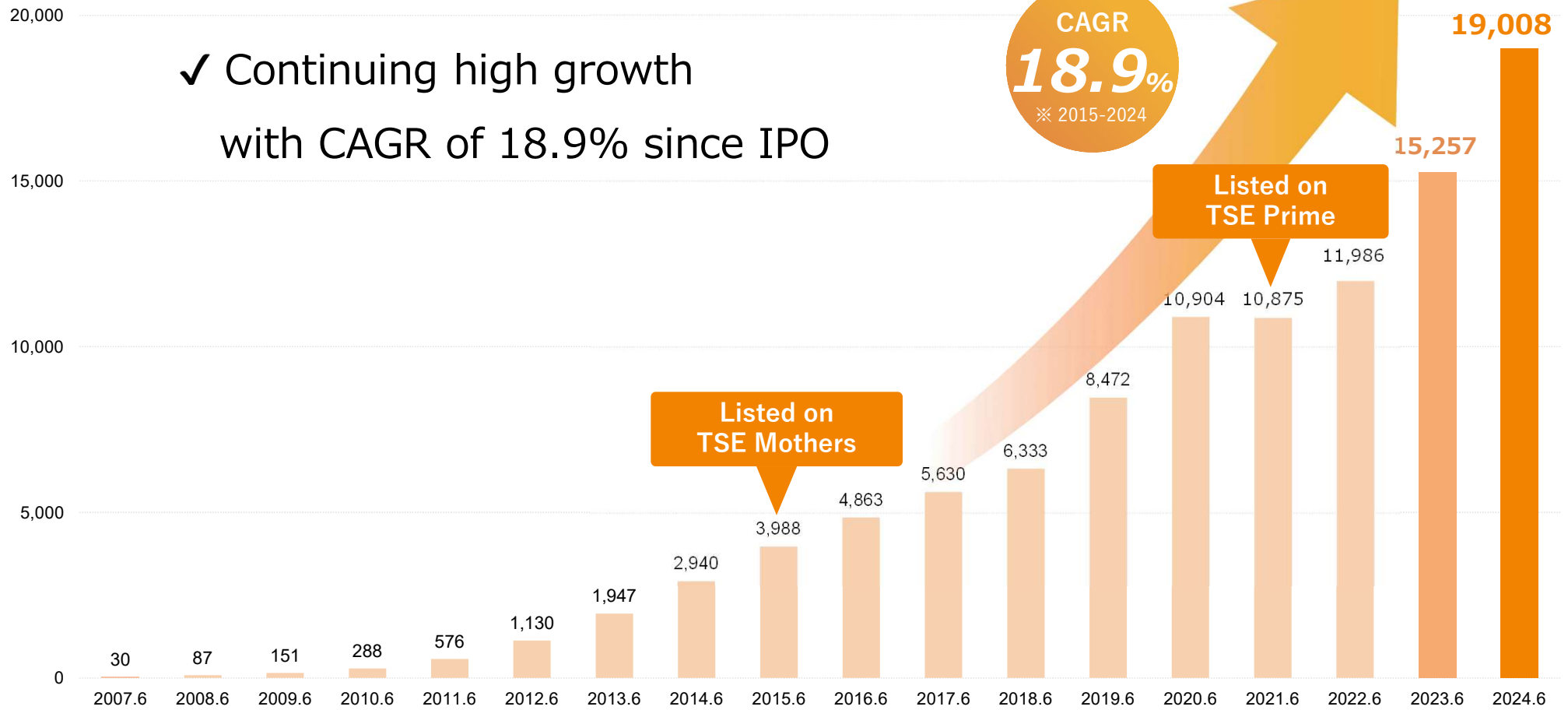


- ✓ Net sales : Continuing increase due to rapid productivity improvement after the downward revision in 2Q
- ✓ Operating profit : Due to the effect of increased net sales, operating profit increased by nearly 20% from the forecast announced in June
- ✓ Ordinary profit : Return to the black on an ordinary profit basis as a result of reduced a loss on valuation of derivatives due to rising the stock price

(Million yen)	1st Full-Year Forecast for FY6/2024 (As of Feb. 14) <sup>②</sup>	2nd Full-Year Forecast for FY6/2024 (As of May 14) <sup>②</sup>	Final Full-Year Forecast for FY6/2024 (As of Jun. 14) <sup>③</sup>	Actual Results for FY6.2024 <sup>④</sup>	Versus the Plan <sup>④÷③</sup>
Net sales	18,000	18,000	↗ 18,500	↗ 19,008	102.7%
Operating profit	100	↗ 180	↗ 250	↗ 298	119.2%
Ordinary profit (loss)	(135)	↗ (100)	↗ (55)	↗ 40	(Returning to Profitability)
Profit attributable to owners of parent (loss)	(547)	↗ (540)	↗ (520)	↗ (476)	(narrowing of the deficit)

# Growth in Net Sales since Establishment

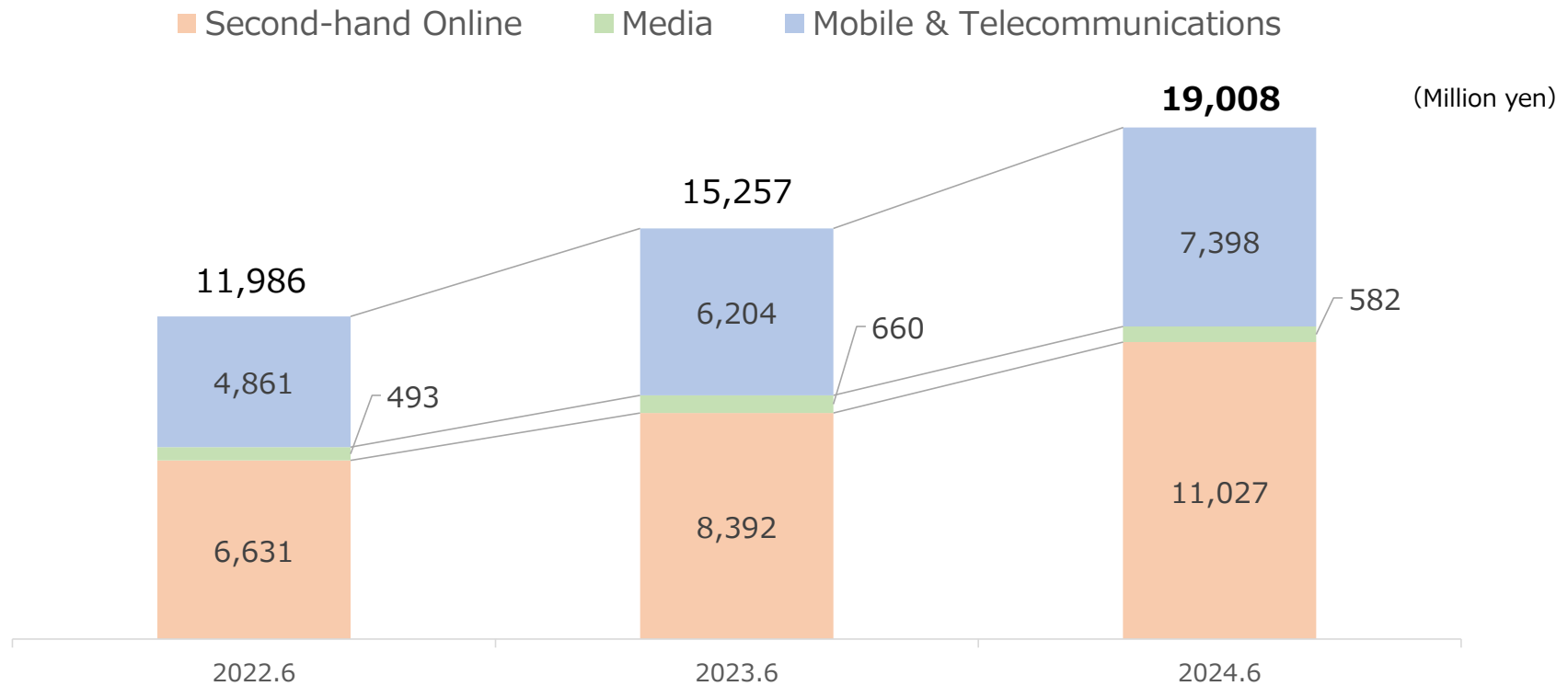
(Million yen)



# Consolidated Net Sales by Business Segment for FY6/2024

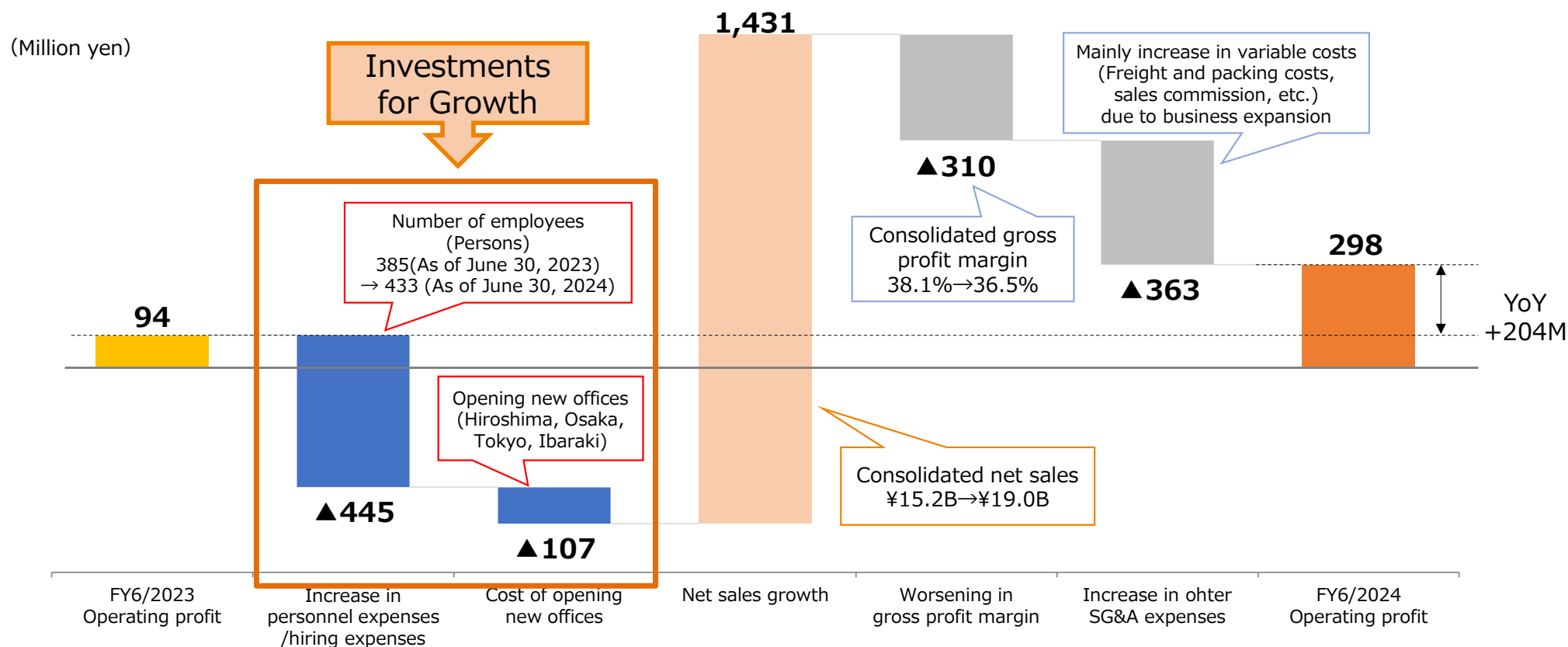


- ✓ Second-hand online business as core business continues to achieve high growth. (YoY +31.4%)
- ✓ Media business shows signs of recovery in some categories despite decline in net sales due to Google algorithm updates. (YoY -11.8%)
- ✓ Net sales of mobile & telecommunications business increased due to strong acquisition of new lines. (YoY +19.2%)



# Analysis of Change in Operating Profit for FY6/2024

- ✓ ① Profit increase factor : Increase of 1.12 billion yen due to net sales growth
- ② Profit decrease factor : Decrease of 916 million yen mainly due to increase personnel expenses and cost of opening new offices for business expansion



# Full-Year Forecast for FY6/2025

- ✓ Net sales : Continue to aim for double-digit net sales growth through progress in productivity improvement and increased manpower
- ✓ Operating profit : Increase significantly due to increase in net sales and decrease in SG & A expenses ratio
- ✓ Ordinary profit : Increase due to increase in operating profit
- ✓ Profit attributable to owners of parent : Return to profitability due to increase in ordinary profit

(Million yen)	Actual Results for FY6/2024	Full-Year Forecast for FY6/2025	Change	YoY
Net sales	19,008	23,000	3,992	121.0%
Operating profit	298	700	402	234.3%
Ordinary profit	40	650	610	1625.0%
Profit attributable to owners of parent (loss)	△476	330	806	-



# Basic Views for the Fiscal Year Ending June 2025 (1)



## Basic approach to consolidated forecast for FY6/2025

- ✓ Net sales : Continue high growth of 18.9% CAGR since IPO, exceeding the market growth of each segment
- ✓ Operating profit : We plan to achieve a record operating profit of 700 million yen in FY6/2025 by increasing net sales and reducing the SG & A ratio and aim for continuous profit growth hereafter.
- ✓ Ordinary profit : We intend to gradually dissolve the derivative contract, based on the assumption that the stock price will move towards a stable upward trend as a result of the growth in business performance and a boost of the shareholder returns.
- ✓ Profit attributable to owners of parent : As mentioned above, we expect to return to profitability on profit attributable to owners of parent basis as a result of increased operating profit and stabilised ordinary profit.

## Basic approach to stock price and shareholder returns

The basic policy of aiming to increase corporate value by improving business performance remains unchanged, but, at milestones in performance progress, we weigh to boost shareholder returns and to start dividends.



## Basic Views for the Fiscal Year Ending June 2025 (2)

### Basic approach to costs and losses

✓ The following costs and losses are not recorded in FY6/2025.

Matter	Account	Results in FY6/2024
Costs related to the opening new offices and relocation of a part of head office(※)	SA & G	107 million yen
Impairment loss	Extraordinary losses	190 million yen
<b>Sum</b>		<b>297 million yen</b>

※ The rest of costs related to relocation of head office will record 70 million yen in FY6/2025

✓ In addition, the investment in systems and human capital which have experienced an expansion trend for the past few years expected is expected to move into balance thereafter.



## Other Information about Results of Operations

### ✓ 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 new offices (Hiroshima, Osaka and Tokyo), 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 FY6/2024

- Cumulative impact in FY6/2024 = Extraordinary loss (impairment loss) of 190 million yen
- This is a book value adjustment and has no impact on cash flow.

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