

May 14, 2024

Company name: MarketEnterprise Co., Ltd.
Representative: Yasushi Kobayashi, President, CEO
Securities code: 3135, Tokyo Stock Exchange, Prime
Contact: Kenichi Imamura, Managing Director
Tel: +81-3-5159-4060

Notice of Recording of a Non-operating Expense (Loss on Valuation of Derivatives)

MarketEnterprise Co., Ltd. has recorded a non-operating expense (loss on valuation of derivatives) in the first nine months of the fiscal year ending June 30, 2024 (July 1, 2023 to March 31, 2024) as follows.

1. Non-operating expenses

A loss on valuation of derivatives of 279 million yen was recorded as a non-operating expense in the first nine months of the fiscal year ending June 30, 2024.

This valuation loss is the result of a stock future transaction contract with SBI SECURITIES Co., Ltd. that was signed on September 14, 2022. In accordance with this contract, MarketEnterprise will submit or receive a payment depending on the difference between two designated prices involving MarketEnterprise stock. Due to the contract terms, MarketEnterprise records non-operating income if the price of MarketEnterprise stock at the end of a quarter is higher than the price at the end of the preceding quarter and a non-operating expense if the stock price is lower. Information about this contract is in a press release dated September 14, 2022 (Japanese version only).

(Reference)

Price of MarketEnterprise stock at the end of December 2023 (2Q): 1,020 yen

Price of MarketEnterprise stock at the end of March 2024 (3Q): 777 yen

The designated stock price when the contract was signed is 926 yen.

2. Impact on results of operations

Information about this non-operating expense has been reflected in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2024 (Nine Months Ended March 31, 2024) [Japanese GAAP]” and “Revision to Earnings Forecast for FY 2024” that were released today.

The amount of the gain or loss on valuation of derivatives will change depending on the price of MarketEnterprise stock.