

Disclaimer:

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January 31, 2020

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

The Board of Directors of MarketEnterprise Co., Ltd. approved a resolution on January 21, 2020 to acquire the Saiyasu-Syuuri.com (<https://saiyasu-syuuri.com/>) business of Jiraffe Inc. Saiyasu-Syuuri is one of Japan's largest platforms for information about repair service providers.

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 acquisition

MarketEnterprise seeks to be 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 MarketEnterprise Group has three businesses. First is the second-hand online business that involves buying and selling second-hand goods through the Internet and no brick-and-mortar stores for sales. Second is the media business, which operates owned media for the provision of valuable information associated with the diversification of purchasing behavior and "smart consumption." Third is the mobile & telecommunications business that provides our own telecommunication services that are less expensive, simpler and easier to understand in order to lower the cost of these services.

Saiyasu-Syuuri.com started operations in August 2015 as a source of information about the charge of iPhone repair shops in order to facilitate comparisons. Since then, this website expanded to cover information about providers of repair and maintenance services for home appliances, cameras, drones and a broad array of other products. The website currently has listings of about 19,000 repair shops and has more than 1.1 million page views and 570,000 unique users every month (as of December 2019). This makes Saiyasu-Syuuri.com one of the largest sources of information about repair service providers in Japan.

MarketEnterprise plans to combine Saiyasu-Syuuri.com with the second-hand online business in order to expand services associated with buying and selling second-hand products to include repairs and maintenance. As shown in the diagram on the right, the aim is to establish a cycle of second-hand goods with the second-hand online business at the center. This will create an environment that makes merchandise second-hand services more convenient for an even larger number of people.



The second-hand goods cycle centered on the MarketEnterprise second-hand online business

Saiyasu-Syuuri.com is an excellent match with the second-hand online business as well as with the media business and mobile & telecommunications business in terms of the characteristics of the operations and customers profiles. MarketEnterprise believes there will be substantial synergies among these businesses, including the ability for each business to provide customers to the others.

For these reasons, the management of MarketEnterprise decided that the acquisition of Saiyasu-Syuuri.com is likely to make the MarketEnterprise Group even more profitable and competitive.

2. Outline of business acquisition

(1) Business operations acquired

Saiyasu-Syuuri.com (<https://saiyasu-syuuri.com/>), one of Japan's largest platforms for information about repair service providers

(2) Sales of Saiyasu-Syuuri.com in previous fiscal year

Net sales: 38 million yen (January to December 2019)

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

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

This information is not disclosed in accordance with an agreement between MarketEnterprise and Jiraffe.

(4) Acquisition price and payment method

Acquisition price: 75 million yen

Payment method: In cash

3. Schedule of business acquisition

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|--------------------------------|------------------|
| Board of Directors' resolution | January 21, 2020 |
| Contract signing | January 31, 2020 |
| Date of acquisition | February 1, 2020 |

4. Overview of seller

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| Company name | Jiraffe Inc. | |
| Location | 4F NID Building, 1-23-9 Honcho, Nakano-ku, Tokyo | |
| Representative | Teruaki Aso, CEO | |
| Business | Planning, development and operation of Internet services, purchase and sale of used products | |
| Capital | 700 million yen (including legal capital surplus) | |
| Established | October 29, 2014 | |
| Net assets | Not disclosed due to the wishes of the seller. | |
| Total assets | Not disclosed due to the wishes of the seller. | |
| Relationships between MarketEnterprise and Jiraffe | Capital | Not applicable. |
| | Personnel | Not applicable. |
| | Business | Not applicable. |
| | Related parties | Not applicable. |

5. Outlook

The effect of this acquisition on the results of operations is insignificant. There is no revision to the latest earnings forecast. An announcement will be made promptly if there is any additional information that should be disclosed.