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Notice of Revisions to Forecast for the Fiscal Year Ending June 30, 2019

MarketEnterprise Co., Ltd. has decided to revise its forecast for the fiscal year ending June 30, 2019 (July 1, 2018 to June 30, 2019) as follows to reflect the current trends in its performance.

1. Revisions to forecasts for the fiscal year ending June 30, 2019 (July 1, 2018 – June 30, 2019)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous forecast (A)	8,065	245	247	115	22.53
Revised forecast (B)	8,300	385	387	180	35.27
Change (B - A)	235	140	140	65	-
Percentage change (%)	2.9	57.1	56.7	56.5	-
(Reference) Previous fiscal year (ended June 30, 2018)	6,333	96	94	31	6.28

2. Reasons for revisions

Revenues from owned media operations and telecommunication services, purchase and sales of agricultural equipment, which is a new service that has contributed to earnings from the second half of the previous consolidated fiscal year (ending June 30, 2016), grew beyond the initial forecast during the current consolidated cumulative third quarter continuing from the second quarter. Also, for existing services, the business environment in the third quarter showed the expansion that exceeds expectations, due to growing needs for product replacements and new purchases accompanying relocation, inventory has also steadily increased. As a result, sales will be expected to increase.

In addition to the growth of profitable new businesses, due to the further automation and standardization, the SGA ratio will be expected to be lower than the previously announced forecast.

Consequently, while continuing to invest in future earnings, operating income and below is expected to exceed the initial forecast as described above.

Note: Forecasts are based on information currently available to MarketEnterprise. Actual performance may differ from these forecasts for several reasons.