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### **Updated Plan for Compliance with Continued Listing Criteria in the New Market Listing Segment**

Trading of stocks using the three new Tokyo Stock Exchange segments, Prime, Standard and Growth, started on April 4, 2022. Due to the inability of MarketEnterprise to meet some standards for a Prime Market listing as of the listing transition record date of June 30, 2021, MarketEnterprise submitted on December 24, 2021 a Plan for Compliance with the Prime Market Continued Listing Criteria. Subsequently, MarketEnterprise announced an Updated Plan for Compliance with Continued Listing Criteria in the New Market Listing Segment on March 18, 2024. The following information is an explanation of progress concerning this plan as of the end of June 2024.

Note that the updated plan announced on March 18, 2024 does not revise the basic policy or the period covered by the plan for compliance, which is through the fiscal year ending in June 2026.

#### 1. Status of compliance with continued listing criteria and plan period as of the most recent record date (June 30, 2024)

As of December 31, 2023, the tradable share market cap of MarketEnterprise stock was below the Prime Market Continued Listing Criteria. The status of compliance with the continued listing criteria as of June 30, 2024 is as follows and the tradable share market cap is still insufficient.

		Number of shareholders	Number of tradable shares	Tradable share market cap	Tradable share ratio	Average daily trading value
Status of compliance	As of Jun. 30, 2022 (Note 1)	1,859	20,773 units	1.90 billion yen	39.0%	40 million yen
	As of Dec. 31, 2022	-	-	-	-	15 million yen
	As of Jun. 30, 2023 (Note 2)	1,536	20,758 units	2.73 billion yen	38.9%	15 million yen
	As of Dec. 31, 2023 (Note 3)	-	-	-	-	24 million yen
	As of Jun. 30, 2024 (Note 4)	1,870	20,129 units	1.60 billion yen	37.7%	20 million yen
Prime Market continued listing requirements		800	20,000 units	10.00 billion yen	35.0%	20 million yen
Compliance status		Compliant	Compliant	Non-compliant	Compliant	Compliant
Plan period				FY6/26		

Note 1: The status of compliance is based on the holders of MarketEnterprise stock and other securities and on other information available to the Tokyo Stock Exchange as of the record date of June 30, 2022. Average daily trading value figures are based on MarketEnterprise estimates using the average daily value on the Tokyo Stock Exchange between January and August 2022.

Note 2: The status of compliance is based on the holders of MarketEnterprise stock and other securities and on other information available to the Tokyo Stock Exchange as of the record date of June 30, 2023. Average daily trading value figures are based on MarketEnterprise estimates using the average daily value on the Tokyo Stock Exchange between January and June 2023.

Note 3: This is based on the notice submitted by the Tokyo Stock Exchange concerning the result of the confirmation of the status of compliance with the continued listing criteria (trading value) during 2023. This is a new item with which MarketEnterprise complies.

Note 4: The status of compliance is based on the holders of MarketEnterprise stock and other securities and on other information available to the Tokyo Stock Exchange as of the record date of June 30, 2024. Average daily trading value figures are based on MarketEnterprise estimates using the average daily value on the Tokyo Stock Exchange between January and June 2024.

## 2. Actions for achieving compliance with the Prime Market Continued Listing Criteria

### (1) Basic approach to the Prime Market Continued Listing Criteria of the tradable share market cap

(Previous plan as of Dec. 24, 2021)

	FY6/25 Plan	FY6/25 Plan
Tradable share market cap	9.29 – 11.80 billion yen	10.06 – 13.70 billion yen
Profit attributable to owners of parent	0.60 – 0.65 billion yen	0.65 – 0.75 billion yen
PER	-	43.5
Tradable share ratio	-	39.9%

(Current plan as of today)

	FY6/25 Plan	FY6/25 Plan	FY6/24 Results
Tradable share market cap	3.9 – 4.7 billion yen	10.1 – 10.2 billion yen	1.6 billion yen
Profit attributable to owners of parent	0.33 billion yen	0.80 – 0.85 billion yen	(0.47) billion yen
PER	30 - 36	28 – 32	-
Tradable share ratio	39.5%	40.0 – 42.5%	37.7%
Operating profit	0.7 billion yen	2.0 billion yen	0.29 billion yen

### (2) Growth of sales and earnings

The MarketEnterprise Group’s vision is to operate as an “optimized trading company for the creation of a sustainable society.” Group companies are dedicated to providing products and services that match the increasingly diverse range of consumption behavior and styles of people and, for some products and services, business operators and companies. The objective of business activities is to provide the best possible consumption options to customers by using the internet for the growth of corporate value. As measures for the growth of corporate value continue, the highest priority is raising productivity of the second-hand business for individuals. By focusing on this goal, MarketEnterprise has achieved a rapid improvement in productivity since the second quarter of the fiscal year that ended in June 2024. In addition, earnings contributions are expected from the used agricultural equipment business, which is growing rapidly, the mobile & telecommunications business due to strong sales of new service agreements, and other businesses. As a result, MarketEnterprise has established the following goals in the latest medium-term management plan.

(Millions of yen)

		FY6/22		FY6/23		FY6/24		FY6/25	FY6/26
		Plan	Results	Plan	Results	Plan	Results	Plan	Plan
Original medium-term management plan as of Aug. 13, 2021	Net sales	12,000	11,986	15,000	15,257	20,000			
	Operating profit	(400)	(319)	300	94	1,200			
Revised medium-term management plan as of Aug. 14, 2023	Net sales					20,000		25,000	30,000
	Operating profit					800		1,300	2,000
Latest medium-term management plan as of Aug. 14, 2024	Net sales						19,008	23,000	30,000
	Operating profit						298	700	2,000

During the fiscal year ending in June 2025, MarketEnterprise is planning on consolidated sales of 23 billion yen, which

is 21.0% higher than in the previous fiscal year. The goal is sales growth that surpasses overall market expansion in all business segments to continue MarketEnterprise's record of consistently rapid growth since its IPO (CAGR of 18.9%). The operating profit plan is 700 million yen, which would be a record high, and more growth in the following years. Higher sales and a lower SG&A expense ratio due to the shift from the investment phase that ended in the previous fiscal year to an investment recovery phase are expected to support earnings growth. Furthermore, the stability of ordinary profit due to the increase in operating profit is expected to result in bottom-line profitability.

More information about current results of operations and the forecast is in the [presentation materials for the fiscal year that ended in June 2024](#) that were released on August 14, 2024.

### (3) More communications with investors

#### 1) For institutional investors

##### a. Upgraded information meetings for institutional investors and analysts

MarketEnterprise uses the internet to hold information meetings for institutional investors and analysts about results of operations in the first half of every fiscal year and the entire fiscal year. To increase participation in the information meeting for the fiscal year that ended in June 2024, the date of this event was revised and an investor relations firm was used to attract more people. Due to these activities, the number of participants in the fiscal year meeting was 14, which was three more than for the meeting for the previous fiscal year's first half.

##### b. More one-on-one meetings

Since the May 14 announcement of results of operations for the third quarter of the fiscal year that ended in June 2024, there have been 17 one-on-one meetings. This includes six institutions and major shareholders who attended these meetings for the first time. Most of the institutional investors who use these one-on-one meetings have been following MarketEnterprise consistently for many years. Requests received at these meetings about the disclosure of information are reflected as much as possible in information provided at information meetings and in other ways. MarketEnterprise has a reputation among investors for the provision of information and maintenance of investor relationships that comply with the fair disclosure rules. One-on-one meetings are viewed as an important activity for creating opportunities to add shareholders. MarketEnterprise will continue to work on increasing the number of investors who attend these meetings.

##### c. Sell-side information meetings

There have been very few opportunities for sell-side contact concerning information about results of operations for the fiscal year ended in June 2024. To provide this information, MarketEnterprise held two information meetings about its business model, current results of operations and other subjects. The first meeting was for independent financial advisers and had attendance of 11. The second meeting was at a large meeting for securities analysts that was held by The Securities Analysts Association of Japan with attendance of eight.

#### 2) Relationships with retail investors

Communications with both institutional and retail investors are essential for maintaining a proper valuation of MarketEnterprise stock. Activities for providing information to individuals include information meetings specifically for these investors. The goal is to hold at least two of these meetings after each announcement of quarterly results of operations. During the fiscal year that ended in June 2024, there were four meetings for first quarter results, two for the second quarter, four for the third quarter and three for the fourth quarter.

### (4) Improvements in the quality and quantity of information

MarketEnterprise places importance on the fair and thorough disclosure of information in compliance with the fair disclosure rules for the purpose of increasing awareness of MarketEnterprise and the understanding of business operations. The objective is to ensure that all market participants have an accurate understanding of the corporate value of MarketEnterprise. English-language disclosure activities started with results of operations for the second quarter of the

June 2023 fiscal year. In addition, TDnet is used for the distribution of a broad range of information, including 58 releases in the June 2023 fiscal year and 126 releases in the June 2024 fiscal year. During the fiscal year ending in June 2025, MarketEnterprise used the following measures for further increasing the provision of information.

- 1) Improvement in speed and coverage of English-language disclosure activities (started with the first quarter of the June 2024 fiscal year)
- 2) More information in materials concerning results of operations (Japanese and English information concerning information meetings and summaries of the question and answer) (started with the fourth quarter of the June 2023 fiscal year)
- 3) Business model explanation and information meeting recordings on YouTube (started with the fourth quarter of the June 2023 fiscal year)
- 4) More sponsored research reports (started with the second quarter of the June 2024 fiscal year)
- 5) Easier accessibility to IR materials for prior years (started with the second quarter of the June 2024 fiscal year)
- 6) Periodic distribution of IR events and topics using X, IR note and other channels (started with the second quarter of the June 2024 fiscal year)
- 7) Switch on emphasis from quantity to quality of public relations information (started with the fourth quarter of the June 2024 fiscal year)

(5) Upgraded framework for disclosure activities

In prior years, investor relations programs have been one of the roles of the Office of the President. In July 2023, a separate IR unit was established within the Corporate Planning Office and an individual responsible solely for investor relations was appointed. This change is strengthening lines of communications with financial markets and is expected to create an even stronger framework for the disclosure of information.

(6) Other activities

- 1) Increasing the tradable share market cap by raising the tradable share ratio
  - a. There are currently 2,362 stock options not yet exercised that were distributed to MarketEnterprise executives and employees. The tradable share market cap is expected to increase as the exercise of these options raises the tradable share ratio.
  - b. As of June 30, 2024, which is the most recent record date, the number of shares held by Japanese money market dealers, which are deducted from the tradable share, was 100,000 (1,000 trading units). This deduction lowered the tradable share ratio by 1.9 percentage point. Due to the business activities of money market dealers, holdings of stock are quickly sold. These sales are expected to eliminate the negative effect of these holdings on the tradable share ratio and tradable share market cap.

2) More distributions of earnings to shareholders

MarketEnterprise started its first shareholder benefit program in the fiscal year that ended in June 2024. In the current fiscal year, benefits will be increased as one way so support the stock price. Furthermore, discussions are under way regarding the time to begin paying a dividend.

3. Continued listing criteria not in compliance and associated issues and actions

As of the most recent record date, the tradable share market cap was below the continued listing criteria. MarketEnterprise believes that the reason is the inability to earn a sufficient valuation from investors because earnings growth has fallen behind the steady growth of sales. As explained in “2. Actions for achieving compliance with the Prime Market Continued Listing Criteria (2) Growth of sales and earnings,” MarketEnterprise will continue to position as its highest priority actions for ending the low level of earnings in relation to sales. In addition, there is no change in the policy of making an improvement in earnings the primary measure for the growth of corporate value. However, as explained in “2. Actions for achieving compliance with the Prime Market Continued Listing Criteria (6) Other activities 2) More distributions of

earnings to shareholders,” there will be activities that are intended to support the stock price, such as the plan to increase in distributions to shareholders.

In the past, the investor relations programs of MarketEnterprise have placed emphasis on the distribution of information. From now on, there will be consistent and well-planned activities for increasing the awareness and understanding of business operations from the standpoint of holding dialogues with investors. This includes the activities explained in “2. Actions for achieving compliance with the Prime Market Continued Listing Criteria (3) to (5).”

This report has explained the steady progress achieved involving all initiatives for achieving compliance with the Prime Market Continued Listing Criteria. MarketEnterprise is also committed to taking suitable corporate actions with the goal of more growth of corporate value.

\* Forecasts of future performance in this report are based on assumptions judged to be valid and information available to MarketEnterprise’s management at the time this report was prepared. Actual results may differ significantly from these forecasts for a number of reasons.