

Disclaimer:

This financial report is solely a translation of the "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending June 30, 2017
(Nine Months Ended March 31, 2017)

[Japanese GAAP]

May 12, 2017

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Listing: Tokyo Stock Exchange (Mothers)
 URL: <http://www.marketenterprise.co.jp/>

Scheduled date of filing of Quarterly Report: May 15, 2017

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2017

(July 1, 2016 to March 31, 2017)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2017	4,088	-	(57)	-	(56)	-	(48)	-
Nine months ended Mar. 31, 2016	-	-	-	-	-	-	-	-

Note: Comprehensive income (millions of yen) Nine months ended Mar. 31, 2017: (53) (-%)

Nine months ended Mar. 31, 2016: - (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2017	(9.56)	-
Nine months ended Mar. 31, 2016	-	-

Note: Figures for the nine months ended March 31, 2016 and year-on-year changes are not presented because MarketEnterprise began to prepare the quarterly consolidated financial statements from the second quarter of the fiscal year ending June 30, 2017.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2017	1,568	885	56.3
As of Jun. 30, 2016	-	-	-

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2017: 883 As of Jun. 30, 2016: -

Note: Figures as of June 30, 2016 are not presented because MarketEnterprise began to prepare the quarterly consolidated financial statements from the second quarter of the fiscal year ending June 30, 2017.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2016	-	0.00	-	0.00	0.00
Fiscal year ending Jun. 30, 2017	-	0.00	-	-	-
Fiscal year ending Jun. 30, 2017 (forecasts)				0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending June 30, 2017 (July 1, 2016 to June 30, 2017)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,970	-	5	-	17	-	6	-	1.18

Note: Revisions to the most recently announced earnings forecast: None

Year-on-year changes are not presented because MarketEnterprise began to prepare the quarterly consolidated financial statements from the second quarter of the fiscal year ending June 30, 2017.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding as of the end of the period (including treasury shares)

As of Mar. 31, 2017:	5,076,000 shares	As of Jun. 30, 2016:	5,069,000 shares
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2) Number of treasury shares as of the end of the period

As of Mar. 31, 2017:	174 shares	As of Jun. 30, 2016:	174 shares
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3) Average number of shares outstanding during the period

Nine months ended Mar. 31, 2017:	5,074,220 shares	Nine months ended Mar. 31, 2016:	5,068,962 shares
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Note: MarketEnterprise conducted a 2-for-1 common stock split effective on January 1, 2016. The average number of shares outstanding during the period is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* This summary report is not subject to quarterly review procedures.

* Explanation of appropriate use of earnings forecast, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to MarketEnterprise's management at the time these materials were prepared, but are not promises by MarketEnterprise regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

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1. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)
	Third quarter of FY6/17 (As of Mar. 31, 2017)
Assets	
Current assets	
Cash and deposits	772,413
Accounts receivable-trade	98,341
Merchandise	383,313
Other	143,285
Total current assets	<u>1,397,353</u>
Non-current assets	
Property, plant and equipment	60,563
Intangible assets	4,357
Investments and other assets	105,848
Total non-current assets	<u>170,770</u>
Total assets	<u>1,568,124</u>
Liabilities	
Current liabilities	
Provision for bonuses	16,271
Current portion of long-term loans payable	144,739
Accounts payable-other	169,507
Other	97,729
Total current liabilities	<u>428,246</u>
Non-current liabilities	
Long-term loans payable	<u>254,402</u>
Total non-current liabilities	<u>254,402</u>
Total liabilities	<u>682,649</u>

	(Thousands of yen)
	Third quarter of FY6/17
	(As of Mar. 31, 2017)
Net assets	
Shareholders' equity	
Capital stock	304,907
Capital surplus	284,547
Retained earnings	294,324
Treasury shares	(221)
Total shareholders' equity	<u>883,557</u>
Non-controlling interests	<u>1,917</u>
Total net assets	<u>885,474</u>
Total liabilities and net assets	<u>1,568,124</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

	(Thousands of yen)
	First nine months of FY6/17 (Jul. 1, 2016 – Mar. 31, 2017)
Net sales	4,088,637
Cost of sales	2,314,200
Gross profit	1,774,436
Selling, general and administrative expenses	1,832,016
Operating loss	(57,579)
Non-operating income	
Foreign exchange gains	2,702
Insurance income	650
Vending machine income	298
Other	1,084
Total non-operating income	4,735
Non-operating expenses	
Interest expenses	1,811
Compensation expenses	1,497
Other	150
Total non-operating expenses	3,459
Ordinary loss	(56,303)
Extraordinary losses	
Loss on theft	7,394
Total extraordinary losses	7,394
Loss before income taxes	(63,698)
Income taxes-current	2,740
Income taxes-deferred	(12,849)
Total income taxes	(10,108)
Loss	(53,589)
Loss attributable to non-controlling interests	(5,082)
Loss attributable to owners of parent	(48,507)

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Thousands of yen)
	First nine months of FY6/17 (Jul. 1, 2016 – Mar. 31, 2017)
Loss	(53,589)
Comprehensive income	(53,589)
Comprehensive income attributable to:	
Comprehensive income attributable to owners of parent	(48,507)
Comprehensive income attributable to non-controlling interests	(5,082)

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.