

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 10, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: MIRARTH HOLDINGS, Inc.
 Listing: Prime market of the Tokyo Stock Exchange
 Securities code: 8897
 URL: <https://mirarth.co.jp>
 Representative: Kazuichi Shimada, Representative Director,
 Inquiries: Daisuke Nakamura, Director Managing Executive Officer
 Telephone: +81-3-6551-2133
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: No
 Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
Dec.31, 2024	110,332	18.3	2,508	7.4	1,063	337.5	81	—
Dec.31, 2023	93,279	△1.9	2,335	5.9	243	△79.4	△1,461	—

Note: Comprehensive income For the nine months ended December 31, 2024: ¥596 million [—%]
 For the nine months ended December 31, 2023: ¥△2,071 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
Dec.31, 2024	0.63	0.63
Dec.31, 2023	△13.30	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Dec.31,2024	366,766	80,768	20.4
Mar.31,2024	337,447	71,669	19.5

Reference: Equity
 As of Dec.31,2024: ¥74,657 million
 As of Mar.31,2024: ¥65,717 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar.31,2024	—	6.00	—	18.00	24.00
Fiscal year ending Mar.31,2025	—	7.00			
Fiscal year ending Mar.31,2025 (Forecast)			—	23.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of Consolidated Financial Results of Year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	205,700	11.1	17,000	10.0	16,000	23.2	10,700	30.8	81.86

(NOTE)Revisions to the most recently announced earnings forecasts: No

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (-)

Excluded: - companies (-)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than the above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	140,300,000 shares
As of March.31, 2024	121,000,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	4,555,808 shares
As of March.31, 2024	10,902,707 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	129,321,763 shares
Nine months ended December 31, 2023	109,889,687 shares

* Review of accompanying quarterly consolidated financial statements by certified public accountants or auditing firms: None

* Explanation of the proper use of financial results forecasts and Other special notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors.

Attachments Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1)Explanation of Results of Operations	2
(2)Explanation of Financial Position	2
(3)Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements	3
2. Quarterly Consolidated Financial Statements and Major Notes	4
(1)Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	6
(Quarterly Consolidated Statements of Income for the Nine months from April 1 to December 31, 2024)	6
(Quarterly Consolidated Statements of Comprehensive Income for the Nine months from April 1 to December 31, 2024)	7
(3)Notes Items Related to the Quarterly Consolidated Financial Statements	8
(Notes to Segment Information)	8
(Notes on Significant Changes in the Amount of Shareholders' Equity)	9
(Notes on Going Concern)	9
(Notes to Quarterly Consolidated Statements of Cash Flows)	9

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Results of Operations

(i) Results of Operations by Segment

In Real Estate Business, Net sales for this segment was 97,246 million yen (up 21.4% from the same quarter of the previous fiscal year) due to factors such as New built-for-sale condominium, liquidation, new detached house, renewal and resale, real estate rental, real estate management, and real estate Other. In Energy Business, Net sales of this business was 7,475 million yen (down 4.7% from the same quarter of the previous fiscal year) due to the revenue from electricity sale of power generation facilities. In Asset Management Business, Net sales was 684 million yen (up 84.4% from the same quarter of the previous fiscal year) due to management fees and other factors. In Other Businesses, Net sales of this business was 4,924 million yen (down 0.6% from the same quarter of the previous fiscal year) due to construction contracting and other factors. Consequently, third quarter of fiscal year under review's results of operations are as follows : Net sales 110,332 million yen (up 18.3% from the same quarter of the previous fiscal year), Operating income 2,508 million yen (up 7.4% from the same quarter of the previous fiscal year), Ordinary income 1,063 million yen (up 337.5% from the same quarter of the previous fiscal year), and net income attributable to owners of the parent of 81 million yen (Net loss attributable to owners of the parent of 1,461 million yen for the same period of the previous year).

(ii) Progress of contract execution

Regarding third quarter of fiscal year under review sales actual, 2,242 units were contracted for units 2,200 units scheduled to be delivered to Full year, and the progress rate is 101.9%.

(Contract status for new built-for-sale condominiums)

	Units scheduled for delivery	Number of contracted units scheduled for delivery	Contract progress ratio (%)	Units under contract From April to December
Previous period	2,200	2,168	98.5	1,454
Current period	2,200	2,242	101.9	1,870

(2) Explanation of Financial Position

Assets, Liabilities and Net Assets

As for the status of the Group's assets, liabilities, and net assets at the end of the previous fiscal year, total assets amounted to 366,766 million yen, up 29,319 million yen from the end of the previous fiscal year, mainly due to steady purchase of business assets, etc.

(Current Assets)

Current assets totaled 213,087 million yen, up 21,149 million yen from the end of the previous fiscal year, mainly due to steady purchase of business assets, etc..

(Fixed Assets)

Fixed assets totaled 153,636 million yen, up 8,195 million yen from the end of the previous fiscal year, mainly due to the steady purchase of business assets.

(Current Liabilities)

Current liabilities totaled 138,974 million yen, up 16,436 million yen from the end of the previous fiscal year, mainly due to an increase in short-term loans payable and transfers of loans payable into long- and short-term categories.

(Fixed Liabilities)

Long-term liabilities amounted to 147,023 million yen, up 3,782 million yen from the end of the previous fiscal year, mainly due to increase in borrowings for new purchases, etc..

(Net Assets)

Total net assets totaled 80,768 million yen, up 9,099 million yen from the end of the previous fiscal year, mainly due to the issuance of new shares through public offering, third-party allotment and disposal of treasury stock.

(3)Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There is no change in the consolidated earnings forecast from Full year forecast announced on May 13, 2024.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	42,740	34,332
Notes, accounts receivable-trade and contract assets	8,335	3,416
Real estate for sale	47,381	48,185
Power generation facilities for sale	65	65
Real estate for sale in progress	76,598	112,070
Costs incurred on uncompleted contracts	40	21
Other	17,053	15,273
Allowance for doubtful accounts	△277	△277
Total current assets	<u>191,937</u>	<u>213,087</u>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	27,755	28,735
Machinery, equipment and vehicles, net	52,453	51,992
Land	33,759	34,377
Other, net	3,790	8,616
Total property, plant and equipment	<u>117,759</u>	<u>123,722</u>
Intangible assets		
Goodwill	3,420	3,093
Other	4,643	4,756
Total intangible assets	<u>8,063</u>	<u>7,850</u>
Investments and other assets		
Other	19,619	22,064
Allowance for doubtful accounts	△0	△0
Total investments and other assets	<u>19,619</u>	<u>22,064</u>
Total fixed assets	<u>145,441</u>	<u>153,636</u>
Deferred assets	68	42
Total assets	<u>337,447</u>	<u>366,766</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	27,119	10,823
Short-term borrowings	25,621	46,318
Current portion of bonds payable	2,806	3,156
Current portion of long-term loans payable	44,102	56,183
Income taxes payable	3,571	262
Allowance	1,464	1,035
Other	17,851	21,193
Total current liabilities	<u>122,537</u>	<u>138,974</u>
Fixed liabilities		
Long-term loans payable	130,673	134,849
Bonds payable	7,008	6,486
Allowance	100	59
Liabilities related to retirement benefits	1,314	1,441
Other	4,144	4,187
Total Fixed liabilities	<u>143,240</u>	<u>147,023</u>
Total liabilities	<u>265,778</u>	<u>285,997</u>

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Capital stock	4,819	9,056
Capital surplus	3,375	8,064
Retained earnings	61,514	58,665
Treasury stock	△4,066	△1,699
Total shareholders' equity	65,643	74,087
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	127	575
Foreign currency translation adjustments	△36	6
Remeasurements of defined benefit plans	△17	△13
Total accumulated other comprehensive income	73	569
Subscription rights to shares	277	387
Non-controlling interest	5,674	5,723
Total net assets	71,669	80,768
Total liabilities and net assets	337,447	366,766

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income for the Nine months from April 1 to December 31, 2024)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	93,279	110,332
Cost of sales	73,109	87,673
Gross profit	20,169	22,659
Selling, general and administrative expenses	17,833	20,150
Operating income	2,335	2,508
Non-operating income		
Interest income	29	13
Dividend income	138	185
Commission received	56	72
Insurance income	226	138
Gain from equity method investment	192	186
Miscellaneous income	265	238
Total non-operating income	907	835
Non-operating expenses		
Interest expenses	2,203	2,133
Arrangement fee	637	0
Miscellaneous expenses	158	147
Total non-operating expenses	3,000	2,280
Ordinary income	243	1,063
Extraordinary income		
Marginal gain on step acquisitions		
Gain on negative goodwill	—	0
Gain on exchange of fixed assets	—	0
Gain on sales of subsidiaries and affiliates' stocks	12	—
Total extraordinary income	12	144
Extraordinary loss		
Loss on disposal of fixed assets	—	42
Impairment loss	448	—
Office relocation expenses	18	149
Total extraordinary loss	467	191
Net income or loss (Δ) for the four halves of the year before adjustment for taxes, etc. before allocation of anonymous portfolio gains and losses	Δ 212	1,016
Distribution of loss in partnership	86	157
Current net income or loss (Δ) for the quarter before income taxes and minority interests	Δ 298	858
Income taxes, inhabitant taxes and business taxes	2,006	607
Income tax adjustments	Δ 894	176
Total income and other taxes	1,112	784
Quarterly net income or loss (Δ)	Δ 1,411	74
Net income or loss (Δ) attributable to non-controlling interests	49	Δ 7
Net income or loss (Δ) attributable to owners of the parent	Δ 1,461	81

(Quarterly Consolidated Statements of Comprehensive Income for the Nine months from April 1 to December 31, 2024)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Quarterly net income or loss (Δ)	$\Delta 1,411$	74
Other comprehensive income		
Net unrealized gains on available-for-sale securities	167	448
Deferred gains or losses on hedges	$\Delta 837$	—
Foreign currency translation adjustments	8	43
Remeasurements of defined benefit plans	0	4
Total other comprehensive income	$\Delta 659$	495
Quarterly comprehensive income	$\Delta 2,071$	569
(Comprising)		
Quarterly comprehensive income attributable to owners of the parent	$\Delta 2,120$	577
Quarterly comprehensive income attributable to non-controlling interests	49	$\Delta 7$

(3) Notes Items Related to the Quarterly Consolidated Financial Statements

(Notes to Segment Information)

I Previous Consolidated Fiscal Year of the third quarters (April 1, 2023 to December 31, 2023)

1. Information on sales and profit or loss by reportable segment and decomposition of income

(Millions of yen)

	Reportable segments				Other (NOTE-1)	Amount recorded in quarterly consolidated statements of income (NOTE-2)
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	75,730	7,846	371	83,947	4,952	88,900
Other revenue	4,378	—	—	4,378	—	4,378
Net sales to customers	80,108	7,846	371	88,326	4,952	93,279
Intersegment net sales or transfers	—	—	—	—	—	—
Total	80,108	7,846	371	88,326	4,952	93,279
Segment income, loss (Δ)	1,650	830	Δ 171	2,310	25	2,335

(NOTE) 1 "Other" segment is a business segment not included in the reportable segments and includes the construction and hotel management businesses.

2 Segment income, loss is consistent with operating income in the quarterly consolidated statements of income.

2. Information on impairment losses on fixed assets or goodwill by reportable segment

(Significant impairment losses on fixed assets)

Impairment losses on fixed assets were recorded in the 'Real Estate Business' segment and in the hotel management business in 'Others'. The amount of such impairment losses recorded for the nine-month period under review was ¥39 million in the 'Real Estate Business' segment and ¥408 million in the 'Other' hotel operation business.

II Current Consolidated Fiscal Year (April 1, 2024 to December 31, 2024)

Information on sales and profit or loss by reportable segment and decomposition of income

(Millions of yen)

	Reportable segments				Other (NOTE-1)	Amount recorded in quarterly consolidated statements of income (NOTE-2)
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	89,824	7,475	684	97,984	4,924	102,909
Other revenue	7,422	—	—	7,422	—	7,422
Net sales to customers	97,246	7,475	684	105,407	4,924	110,332
Intersegment net sales or transfers	—	—	—	—	—	—
Total	97,246	7,475	684	105,407	4,924	110,332
Segment income, loss (Δ)	2,358	218	100	2,678	Δ 169	2,508

(NOTE) 1 "Other" segment is a business segment not included in the reportable segments and includes the construction and hotel management businesses.

2 Segment income or loss is consistent with operating income in the quarterly consolidated statements of income.

(Notes on Significant Changes in the amount of Shareholders' Equity)

The Company's Board of Directors resolved at its meeting on 20 May 2024 to issue new shares and dispose of treasury shares by public offering and by third-party allotment, with the payment and disposal of new shares and treasury shares by public offering completed on 4 June 2024 and new shares by third-party allotment. The payment for the issue of new shares by third-party allotment was completed on 2 July 2024. As a result, capital stock and capital surplus increased by ¥ 4,237 million and ¥ 4,689 million, respectively, and treasury shares decreased by ¥ 2,367 million during the nine months of the current financial year, resulting in capital stock of ¥ 9,056 million, capital surplus of ¥ 8,064 million and treasury shares of ¥ 1,699 million at the end of the third quarter.

(Notes on Going Concern)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the third quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible fixed assets excluding goodwill) and amortization of goodwill for the third quarter of the consolidated fiscal year under review are as follows. Amortization of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the third quarter of the fiscal year under review are as follows.

	Nine months ended December 31, 2023		Nine months ended December 31, 2024	
Depreciation and amortization	4,006	Millions of yen	4,363	Millions of yen
Amortization of goodwill	381		326	