

# Q2 (FY2023) Annual Securities Report

(Second Quarter of the 51st fiscal year)

from July 1, 2022  
to September 30, 2022

**MIRARTH HOLDINGS, Inc.**  
(Former company name: Takara Leben Co., Ltd.)

1-8-2, Marunouchi, Chiyoda-ku, Tokyo

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[Filing]	Q2 (FY2023) Annual Securities Report
[Applicable provision]	Article 24-4-7(1) of the Financial Instruments and Exchange Act
[Submitted To]	Director-General of the Kanto Local Finance Bureau
[Date of submission]	November 14, 2022
[Quarterly Accounting Period]	Second Quarter of the 51st Fiscal Year(from July 1, 2022 to September 30, 2022)
[Company Name ]	MIRARTH HOLDINGS, Inc. (Former company name: Takara Leben Co., Ltd.) (NOTE)As a result of the resolution of the 50th Annual Shareholders' Meeting held at 24 June, 2022, the company name has been changed from October 1, 2022, as described above.
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[Place for public inspection]	Kita-Kanto Branch of MIRARTH HOLDINGS, Inc. (1-20-1, Takahanacho, Omiya-ku, Saitama-shi, Saitama) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. [Company Information]

I. [Company Overview]

1[Trends in Major Management Indicators, Etc.]

Fiscal term		50th fiscal year Second Quarter Consolidated Cumulative Period	51st fiscal year Second Quarter Consolidated Cumulative Period	50th fiscal year
Accounting period		From April 1, 2021 to September 30, 2021	From April 1, 2022 to September 30, 2022	From April 1, 2021 to March 31, 2022
Net sales	(Millions of yen)	50,098	73,471	162,744
Ordinary income (loss) ( $\Delta$ )	(Millions of yen)	$\Delta 89$	3,810	10,258
Quarterly (current term) net income (loss) ( $\Delta$ ) attributable to owners of the parent	(Millions of yen)	$\Delta 226$	2,875	6,215
Quarterly comprehensive income (loss) ( $\Delta$ )	(Millions of yen)	$\Delta 161$	2,901	6,293
Net assets	(Millions of yen)	53,549	61,143	59,601
Total assets	(Millions of yen)	232,129	251,828	223,473
Quarterly (current term) net income (loss) ( $\Delta$ ) per share	(Yen)	$\Delta 2.09$	26.35	57.10
Quarterly (current term) net income per share (fully diluted)	(Yen)	-	26.16	56.69
Equity ratio	(%)	22.8	24.0	26.5
Cash flow from operating activities	(Millions of yen)	$\Delta 17,713$	$\Delta 11,231$	23,189
Cash flow from investing activities	(Millions of yen)	$\Delta 11,759$	$\Delta 8,606$	$\Delta 27,871$
Cash flow from financing activities	(Millions of yen)	25,228	28,792	$\Delta 1,132$
Cash and cash equivalents at end of quarter (term end)	(Millions of yen)	34,263	41,648	32,693

Fiscal term		50th fiscal year Second Quarter Consolidated Accounting period	51st fiscal year Second Quarter Consolidated Accounting period
Accounting period		From July 1, 2021 to September 30, 2021	From July 1, 2022 to September 30, 2022
Quarterly net income per share	(Yen)	7.85	24.46

(NOTE)1. We have prepared our quarterly consolidated financial statements. Therefore, we have not presented any changes in the main management indicators of the companies to which we submit the report.

2. Quarterly diluted net income per share of 50th fiscal year Second Quarter Consolidated Cumulative Period is not disclosed because it is a net loss per Shares, although there are potential shares.

3. The provisional accounting treatment for business combinations conducted in the previous First Quarter Consolidated Accounting period has been finalized at the End of Previous Consolidated Accounting Period, and the related key management indicators of Previous 2nd Quarter Consolidated Cumulative period and Previous second quarter consolidated Accounting period are based on the amount after reflecting the significant review of the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment.

## 2[Businesses]

There have been no material changes to Details of the business conducted by our group (we and our affiliated companies) in Current 2nd Quarter Consolidated Cumulative period. There have also been no changes in major affiliated companies.

Category of Reportable segments has been changed from First Quarter Consolidated Accounting period. The details are described in "IV Financial Information, 1. Quarterly Consolidated Financial Statements, Notes (Segment Information, Etc.)."

The transition to a holding company structure was resolved at the Board of Directors meeting held on May 30, 2022.

On October 1, 2022, we transitioned to a holding company structure and changed our name to MIRARTH HOLDINGS, Inc. on the same date.

## II. [Business Overview]

### 1[Business Risks]

There have been no significant changes in Current 2nd Quarter Consolidated Cumulative period to the new risks of businesses or the risks of businesses described in the Annual Securities Report for the previous fiscal year.

### 2[Management's Analysis of Financial Position, Operating Results and Cash Flows]

Forward-looking statements in the text are based on judgments made as of the end of the current quarterly consolidated accounting period.

As the provisional accounting treatment for the business combination conducted in the previous First Quarter Consolidated Accounting period was finalized at the End of Previous Consolidated Accounting Period, Comparison and analysis with the same quarter of the previous year are based on the amount after reflecting the significant review of the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment.

#### (1)Management's discussion

In Current 2nd Quarter Consolidated Cumulative period, the outlook for the Japanese economy remains uncertain and challenging due to factors such as the prolonged geopolitical tension caused by Russia's invasion of Ukraine and the impact of the rapid depreciation of the yen and the appreciation of the dollar in foreign exchange markets. The domestic economy continues to be affected by the new type of coronavirus infectious disease (COVID-19). Despite the harsh external environment, on October 1, 2022, we shifted to a holding company structure and renamed ourselves "MIRARTH HOLDINGS, Inc." to create a structure that enables swift and flexible management decisions. We will also work to improve productivity through DX and other initiatives, with the aim of promoting sustainable growth.

In conjunction with the "Notice of Business Segment Changes" announced on March 14, 2022, Category of the segment has been changed from the previous 5 business segments to 4 business segments from First Quarter Consolidated Accounting period. In addition, the results for the previous second quarter in the explanation of each segment below have been reclassified in the new segments.

(Millions of yen)

Segment name	Previous second quarter		Current second quarter		Comparison	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Real Estate Business	43,168	524	66,394	4,726	23,225	4,202
Energy Business	5,034	△175	5,026	△484	△8	△308
Asset Management Business	688	372	638	292	△50	△80
Other Businesses	1,206	△132	1,411	△206	205	△73
Total	50,098	588	73,471	4,328	23,372	3,739

#### ① Operating Results by Segment

In Real Estate Business, net sales was 66,394 Millions of yen (up 53.8% from the same quarter of the previous year) due to new condominiums, liquidation, new detached house sales, renewal and resale, real estate rental, real estate management, and real estate Others.

As for Energy Business, Net sales of this business was 5,026 Millions of yen (down 0.2% from the same quarter of the previous year) due to revenue from the sale of electricity generated by power generation facilities.

As for Asset Management Business, due to management fees and other factors, the business Net sales was 638 Millions of yen (down 7.3% from the same quarter of the previous year).

In Other Businesses, Net sales of this business was 1,411 Millions of yen (up 17.0% from the same quarter of the previous year) due to construction contracting and other factors.

Consequently, Current 2nd Quarter Consolidated Cumulative period's results of operations are as follows: Net sales 73,471 Millions of yen (up 46.7% from the same quarter of the previous year), Operating income 4,328 Millions of yen (up 635.4% from the same quarter of the previous year), Ordinary income 3,810 Millions of yen (compared to an ordinary loss of 89 Millions of yen in the same quarter of the previous year), and Net income attributable to owners of parent 2,875 Millions of yen (compared to a net loss attributable to owners of parent of 226 Millions of yen in the same quarter of the

previous year).

## ② Progress of contract

Regarding the sales performance of Current 2nd Quarter Consolidated Cumulative period, contracts were concluded for 1,676 units against the 1,780 units scheduled to be delivered to Full year, and the progress ratio was 94.2%.

(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 September
Previous period	1,800	1,506	83.7	987
Current period	1,780	1,676	94.2	1,166

## (2)Explanation of Financial Position

### Assets, Liabilities and Net Assets

Assets, Liabilities and Net Assets at the end of Current 2nd Quarter Consolidated Accounting Period, Total assets was 251,828 Millions of yen, up 28,355 Millions of yen from the End of Previous Consolidated Accounting Period, mainly due to an increase in inventories associated with new purchases.

### (Current Assets)

Due to an increase in inventories accompanying new purchases and other factors, Current assets was 172,558 Millions of yen, up 29,933 Millions of yen compared to the End of Previous Consolidated Accounting Period.

### (Fixed Assets)

Despite the steady purchase of business assets, Fixed assets was 79,224 Millions of yen, down 1,567 Millions of yen compared to the End of Previous Consolidated Accounting Period due to the transfer to Real estate for sale and Power generation facilities for sale.

### (Current Liabilities)

Due to the increase in Short-term borrowings and the transfer of short-and long-term Category, Current liabilities was 84,064 Millions of yen, up 9,053 Millions of yen and compared to the End of Previous Consolidated Accounting Period.

### (Fixed Liabilities)

Due to an increase in borrowings associated with new purchases and other factors, Fixed liabilities was 106,621 Millions of yen, up 17,760 Millions of yen compared to the End of Previous Consolidated Accounting Period.

### (Net Assets)

Total of Net assets was 61,143 Millions of yen, up 1,541 Millions of yen compared to the end of End of Previous Consolidated Accounting Period due to factors such as the fact that the amount of Net income attributable to owners of parent recorded exceeded the amount of dividends from surplus, Etc.

## (3)Cash Flow

Cash and cash equivalents (hereinafter referred to as "cash") in Current 2nd Quarter Consolidated Cumulative period increased by 8,954 Millions of yen to 41,648 Millions of yen compared to the end of End of Previous Consolidated Accounting Period.

The cash-flow status of Current 2nd Quarter Consolidated Cumulative period and its factors are as follows.

### (Cash flows from operating activities)

Net cash from operating activities was 11,231 Millions of yen (down 17,713 Millions of yen in the same quarter of the previous year). This was mainly due to an increase in inventories and a decrease in notes and accounts payable-trade.

### (Cash flows from investing activities)

The net cash from investing activities was 8,606 Millions of yen (down 11,759 Millions of yen in the same quarter of the previous year). This was mainly due to the acquisition of Property, plant and equipment.



(Cash flows from financing activities)

Net cash from financing activities was 28,792 Millions of yen (up 25,228 Millions of yen in the same quarter of the previous year). This was mainly due to an increase in borrowings.

(4) Business and financial issues to be addressed with priority

There have been no material changes to the business and financial issues that our Current 2nd Quarter Consolidated Cumulative period should prioritize.

(5) Research & Development Activities

Not applicable.

(6) Major factors affecting performance

Our Group's mainstay real estate sales business tends to be influenced by buyer sentiment and supplier supply trends. Purchaser confidence is affected by factors such as economic trends, interest rate trends, housing tax, consumption tax, and land price trends. In addition, supplier supply trends are susceptible to changes in the outsourcing prices of Land suppliers, general contractors and other subcontractors, the failure of subcontractors, and financial trends. Therefore, any changes in these trends could have a material impact on operating results.

3[Important Contracts Etc. Related to Management]

Current 2nd Quarter Consolidated Accounting Period has no significant management contracts, Etc. to be determined or concluded.

### III. [Information on the Reporting Company]

#### 1[Stock Information]

(1)[Total Number of Shares, Etc.]

①[Total number of shares]

Type	Number of authorized shares (shares)
Common stock	248,000,000
Total	248,000,000

②[Issued Shares]

Type	Number of shares issued as of the end of the second quarter (Shares) (As of September 30, 2022)	Number of shares issued as of the filing date (shares) (November 14, 2022)	Stock exchange on which the company is listed	Details
Common stock	121,000,000	121,000,000	Tokyo Stock Exchange Prime market	The number of shares constituting 1 unit is 100 shares, which is the standard for us with no limitation on the content of rights.
Total	121,000,000	121,000,000	-	-

(2)[Information on the Share Acquisition Rights, Etc.]

①[Details of the Stock Option Plan]

10th Subscription rights to shares (Class A Subscription rights to shares)

Resolution Date	July 29, 2022
Category and number of grantees (persons)	Directors 7 Executive Officer 7
Number of Subscription rights to shares (units.)*	7,562
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 756,200 (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	100(NOTE) 2
Strike term of Subscription rights to shares *	From August 24, 2022 to August 23, 2062
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 37,600 Capital allocation 18,800 (NOTE) 3
Terms of Exercise of Subscription rights to shares *	(NOTE)4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE)5

※ Details at the time of issuance (August 23, 2022) of Subscription rights to shares is indicated.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 100 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, others in the event the number of granted shares needs to be adjusted in accordance with these provisions, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 yen per Shares of shares that can be delivered upon the exercise of Subscription rights to shares and shall be the amount obtained by multiplying this amount by the total number of granted shares.
- 3.① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, Etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.  
②The amount of additional paid-in capital to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of increase in Capital stock as set forth in paragraph ① above.
- 4.① Subscription rights to shares holder shall be entitled to exercise all Subscription rights to shares allocated to such Subscription rights to shares holder after the date of issuance of Subscription rights to shares.  
②Notwithstanding the provisions of paragraph ①above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
  1. Failure to Exercise Rights during the Exercise Period
  2. In the event of disciplinary punishment not less than suspension from work
  3. In the event any of the directors and executive officers of the Company is lost due to voluntary resignation within 1 year from the date of Subscription rights to shares allotment (excluding resignation due to expiration of term of

office, resignation due to convenience of the Company, or resignation due to the Company's own reasons).

4. In the event any of the positions of the Directors and Executive Officers of the Company is lost due to dismissal or disciplinary action by a resolution of the general meeting of shareholders or a resolution of the Board of Directors, or in the event it is reasonably deemed inappropriate to have Subscription rights to shares exercised by the Board of Directors.

5. When the Subject Person requests to waive his/her rights

③In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.

1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.

2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.

3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.

5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.

Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:

①Number of Subscription rights to shares of Reorganized Companies to be delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.

②Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.

③Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The post-reorganization exercise price shall be 1 yen per Shares of shares of the Company Subject to Reorganization which may be granted by exercising Subscription rights to shares to be granted.

④Matters pertaining to obtaining Subscription rights to shares

In the event that an absorption-type merger agreement, consolidation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, or share exchange agreement or share transfer plan in which we become a wholly owned subsidiary is approved at our general meeting of shareholders (or our board of directors meeting in the event that approval of the general meeting of shareholders is not required), Subscription rights to shares that has not been exercised as of the same date may be acquired without charge as of the date separately determined by our board of directors.

⑤Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.

⑥Matters concerning Capital stock and capital reserve to be increased in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

11th Subscription rights to shares (Class B Subscription rights to shares)

Resolution Date	July 29, 2022
Category and number of grantees (persons)	Directors 7 Executive Officer 7
Number of Subscription rights to shares (units)*	1,880
Class of shares, Details and numbers (Shares) that are the objectives of Subscription rights to shares *	Common stock 188,000 (NOTE)1
Payment amount at exercise of Subscription rights to shares (Yen) *	100(NOTE) 2
Strike term of Subscription rights to shares *	From August 24, 2022 to August 23, 2062
Issue price of shares issued upon exercise of Subscription rights to shares and amount capitalized (Yen) *	Issue price 26,200 Capital allocation 13,100 (NOTE) 3
Terms of Exercise of Subscription rights to shares *	(NOTE) 4
Matters concerning transfer of Subscription rights to shares *	Acquisition of Subscription rights to shares by assignment shall be approved by the Board of Directors.
Issues related to the issuance of Subscription rights to shares associated with reorganization activities*	(NOTE) 5

※ Details at the time of issuance (August 23, 2022) of Subscription rights to shares is indicated.

(NOTE)1. Subscription rights to shares shall have the target Class of shares as our Common stock and the target number of shares per Subscription rights to shares (hereinafter referred to as "granted shares") shall be 100 Shares.

In the event we effect a share split or reverse share split of our Common stock after the allotment date of Subscription rights to shares, the number of granted shares shall be adjusted according to the following formula, and fractions less than 1 Shares resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split or reverse stock split

In addition, in the event of a merger, company split, share split, or reverse share split, or in the event of allotment of shares without contribution, others in the event the number of granted shares needs to be adjusted in accordance with these provisions, the number of granted shares shall be appropriately adjusted to the extent reasonable.

Provided, however, that adjustments in this paragraph shall be made only for the number of shares of Subscription rights to shares that are not exercised at that time as the object of Subscription rights to shares.

2. The value of the assets to be contributed upon the exercise of Subscription rights to shares shall be 1 yen per Shares of shares that can be delivered upon the exercise of Subscription rights to shares and shall be the amount obtained by multiplying this amount by the total number of granted shares.
- 3.① The amount of Capital stock to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be 1-half of the amount of the limit of increase in Capital stock, Etc., calculated in accordance with the provisions of Article 17-1 of the Company Accounting Rules, and any fraction less than 1 yen resulting from the calculation shall be rounded up.
  - ② The amount of additional paid-in capital to be increased in the event of the issuance of shares upon the exercise of Subscription rights to shares shall be the amount obtained by subtracting the amount of Capital stock to be increased as set forth in paragraph ① above from the maximum amount of increase in Capital stock as set forth in paragraph ① above.
- 4.① Subscription rights to shares Person may exercise Subscription rights to shares allocated to the relevant Subscription rights to shares Person on or after the day following the date on which the said Person lost the position of both directors and executive officers of our group (which means us and its subsidiaries and affiliates; the same shall apply hereinafter).
  - ② Notwithstanding the provisions of paragraph ① above, in the event the Subject Person to whom Subscription rights to shares has been allocated falls under any of the following items, the Subject Person shall not be entitled to exercise his/her rights:
    1. Failure to Exercise Rights during the Exercise Period
    2. In the event of disciplinary punishment not less than suspension from work
    3. In the event that any of the positions of directors and executive officers of our group are lost due to retirement due to their own discretion within 1 year from the date of Subscription rights to shares allocation, Etc. (excluding

retirement due to expiration of term of office, retirement or retirement due to the convenience of our group)

4. In the event that any of the positions of directors or executive officers of our group is lost by resolution of the shareholders of our group or by dismissal or disciplinary action upon resolution of the board of directors, or that it is reasonably accepted that it is not appropriate to have our board of directors exercise their Subscription rights to shares

5. When the Subject Person requests to waive his/her rights

③In the event of the death of Subscription rights to shares, only 1 of the heirs to Subscription rights to shares (hereinafter referred to as the "heir") shall be entitled to exercise Subscription rights to shares in accordance with the terms set forth below. Provided, however, that a person who is deemed to have committed a serious crime among penal code offenses may not be an heir.

1. If an heir dies, his/her heir may not inherit the rights to subscribe for new shares.

2. Successors must complete our prescribed inheritance procedure within 10 months of the commencement of inheritance and no later than the last day of the exercise period.

3. Successors may exercise their share warrants only within 2 months of the completion of our prescribed inheritance procedure.

5. In the event of a merger (limited to the case where the merger is extinguished), an absorption-type demerger, an incorporation-type demerger (limited to the case where each of us becomes a split company), or a share exchange (limited to the case where each of us becomes a wholly-owned subsidiary) (hereinafter collectively referred to as "organizational restructuring"), the effective date of the merger (the date of incorporation of the Kabushiki-Kaisha which is incorporated by the consolidation with regard to the consolidation-type merger, the date of the absorption-type demerger, and the date of incorporation of the parent corporation which is incorporated by share transfer with regard to the share transfer With respect to the rights to subscribe for new shares (hereinafter referred to as the "remaining rights to subscribe for new shares") which exist immediately before the rights to subscribe for new shares (hereinafter referred to as the "restructured company") as set forth in Article 236, Paragraph 1, Item (8) (a) through (e) of the Companies Act, the rights to subscribe for new shares shall be delivered in accordance with the following conditions: In such cases, the remaining Subscription rights to shares shall be extinguished and Subscription rights to shares of the Restructured Companies shall be newly delivered.

Provided, however, that this provision shall be limited to the cases where a merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, share exchange agreement or share transfer plan stipulates that Subscription rights to shares of the Restructured Company shall be delivered in accordance with the following terms:

①Number of Subscription rights to shares of Reorganized Companies to be delivered

Subscription rights to shares shall deliver the same number as the remaining number of Subscription rights to shares held by it.

②Class of shares and numbers of restructured companies subject to Subscription rights to shares

Class of shares subject to Subscription rights to shares shall be the restructured company Common stock, and the number of restructured company Common stock to be delivered upon the exercise of Subscription rights to shares shall be determined in accordance with 1 above after taking into consideration the terms of the restructuring and other factors.

③Value of Property Contributed upon Exercise of Subscription rights to shares

The value of the assets to be contributed upon the exercise of Subscription rights to shares to be delivered shall be the amount obtained by multiplying the post-realignment exercise price stipulated below by the number of shares subject to the respective Subscription rights to shares. The post-reorganization exercise price shall be 1 yen per Shares of shares of the Company Subject to Reorganization which may be granted by exercising Subscription rights to shares to be granted.

④Matters pertaining to obtaining Subscription rights to shares

In the event that an absorption-type merger agreement, consolidation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, or share exchange agreement or share transfer plan in which we become a wholly owned subsidiary is approved at our general meeting of shareholders (or our board of directors meeting in the event that approval of the general meeting of shareholders is not required), Subscription rights to shares that has not been exercised as of the same date may be acquired without charge as of the date separately determined by our board of directors.

⑤Restrictions on Transfer of Subscription rights to shares

Acquisition of Subscription rights to shares by transfer shall be subject to the approval of the Board of Directors of the Restructured Company.

⑥Matters concerning Capital stock and capital reserve to be increased in cases where shares are issued upon the exercise of Subscription rights to shares

Determine in accordance with 3 above.

②[Other Subscription Rights]

Not applicable.



## (3)[Exercise of Moving Strike Convertible Bonds, Etc.]

Not applicable.

## (4)[Changes in Number of Shares Issued and Capital, Etc.]

Date	Change in the total number of issued shares (shares)	Total number of shares outstanding (shares)	Change in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
July 1, 2022- September 30, 2022	-	121,000,000	-	4,819	-	4,817

## (5)[Status of Major Shareholders]

As of September 30, 2022

Name	Address	Shares held (thousands of Shares)	Percentage of the number of shares held to the total number of issued shares (excluding Treasury stock) (%)
Yoshio Murayama	Itabashi-ku, Tokyo	25,633	23.45
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	11,955	10.94
The Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	3,326	3.04
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch Custody Services Department)	50 BANK STREET CANARY WHARF LONDON E14 5NT, UK (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	2,003	1.83
Murayama Kikaku Co., Ltd.	4-33-10, Narumasu, Itabashi-ku Tokyo	2,000	1.83
RUDEN HOLDINGS Co., Ltd.	20-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	1,600	1.46
Takara Leben Business Partner Shareholding Association	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	1,403	1.28
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	1,184	1.08
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A. Tokyo Branch)	PALISADES WEST 6300, BEE CAVE ROAD BUILDING ONE AUSTIN TX 78746 US (6-27-30, Shinjuku, Shinjuku-ku, Tokyo)	1,176	1.08
JP Morgan Chase Bank 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	25 BANK STREET CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)	1,091	1.00
Total	-	51,373	46.99

(NOTE)1. Of the shares held by The Master Trust Bank of Japan, Ltd. (trust account), the number of shares related to trust business is 11,955,000 Shares.

2. Of the shares held by The Custody Bank of Japan, Ltd. (trust account), the number of shares related to trust business is 3,326,000 Shares.

## (6)[Information on Voting Rights]

## ①[Issued Shares]

As of September 30, 2022

Category	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	-	-	-
Shares with limited voting rights (including treasury shares)	-	-	-
Shares with restricted voting rights (other than the above)	-	-	-
Shares with full voting rights (including treasury shares)	Common stock 11,680,200	-	The number of shares constituting 1 unit is 100 shares, which is the standard for us with no limitation on the content of rights.
Shares with full voting rights (other than the above)	Common stock 109,261,000	1,092,610	Same as above
Shares less than 1 unit	Common stock 58,800	-	Shares less than 1 unit (100 shares)
Number of issued shares	121,000,000	-	-
Voting rights of all shareholders	-	1,092,610	-

(NOTE) The column "Shares with full voting rights (other than the above)" includes 1,600 Shares held in the name of the Japan Securities Depository Center, Inc.. In addition, the "Number of voting rights" column includes 16 voting rights of shares with full voting rights held under the name of Japan Securities Depository Center, Inc.

## ②[Treasury stock, Etc.]

As of September 30, 2022

Name of shareholder	Address of shareholder	Number of shares held under the shareholder's name (shares)	Number of shares held under other shareholders' names (shares)	Total number of shares held (shares)	Ratio of shares held to total number of shares issued (%)
Takara Leben Co., Ltd.	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	11,680,200	-	11,680,200	9.65
Total	-	11,680,200	-	11,680,200	9.65

(NOTE) We changed our name from Takara Leben Co., Ltd. to MIRARTH Holdings, Inc. on October 1, 2022.

## 2[Officers]

Changes in officers at the quarterly Cumulative period after the filing date of the annual security report for the previous fiscal year are as follows.

## (1)Retired officers

Title	Name	Retirement Date
Director, COO and Vice President Executive Officer (in charge of Corporate Planning Division and CSR)	Kazuyuki Shimizu	September 16, 2022

(2)Number of Officers by Gender and Ratio of Female Officers after Transfer  
10 men and 4 women (28.6% of all officers are women)

#### IV. [Financial Information]

##### 1. Method of Preparation of Quarterly Consolidated Financial Statements

Our quarterly consolidated financial statements have been prepared in accordance with "Regulations Concerning Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office No. 64, 2007).

##### 2. Audit Certification

Pursuant to the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act, the quarterly consolidated financial statements of the Second Quarter Consolidated Accounting period (from July 1, 2022 to September 30, 2022) and Second Quarter Consolidated Cumulative Period (from April 1, 2022 to September 30, 2022) were reviewed by Grant Thornton Taiyo LLC. on a quarterly basis.

## 1[Quarterly Consolidated Financial Statements]

## (1)[Quarterly Consolidated Balance Sheets]

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	33,428	42,316
Notes, accounts receivable-trade and contract assets	2,886	3,092
Real estate for sale	※1 32,616	※1 30,359
Power generation facilities for sale	※1 1,001	※1 5,638
Real estate for sale in progress	※1 58,036	※1 78,977
Costs incurred on uncompleted contracts	12	32
Others	※1 14,919	※1 12,416
Allowance for doubtful accounts	△275	△275
<b>Total current assets</b>	<b>142,625</b>	<b>172,558</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	※1 9,553	※1 7,980
Land	※1 36,948	※1 38,416
Other (net)	※1 17,237	※1 16,079
<b>Total property, plant and equipment</b>	<b>63,739</b>	<b>62,476</b>
Intangible assets		
Goodwill	1,561	1,397
Others	※1 948	1,031
<b>Total intangible assets</b>	<b>2,510</b>	<b>2,428</b>
Investments and other assets		
Others	※1 14,554	※1 14,331
Allowance for doubtful accounts	△12	△12
<b>Total investments and other assets</b>	<b>14,542</b>	<b>14,319</b>
<b>Total fixed assets</b>	<b>80,792</b>	<b>79,224</b>
Deferred assets	55	45
<b>Total assets</b>	<b>223,473</b>	<b>251,828</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	15,411	10,571
Short-term borrowings	14,189	24,720
Current portion of bonds payable	2,168	2,220
Current portion of long-term loans payable	25,298	27,478
Income taxes payable	2,089	858
Allowance	1,115	1,156
Others	14,738	17,058
<b>Total current liabilities</b>	<b>75,010</b>	<b>84,064</b>
Fixed liabilities		
Long-term loans payable	81,923	99,615
Bonds payable	4,070	4,090
Allowance	160	134
Liabilities related to retirement benefits	984	1,046
Others	1,722	1,734
<b>Total Fixed liabilities</b>	<b>88,860</b>	<b>106,621</b>
<b>Total liabilities</b>	<b>163,871</b>	<b>190,685</b>

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2022)
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,817	4,818
Retained earnings	53,395	54,743
Treasury stock	△4,456	△4,356
Total shareholders' equity	58,575	60,025
Accumulated other comprehensive income		
Valuation difference on other securities	548	508
Foreign currency translation adjustments	0	9
Remeasurements of defined benefit plans	△14	△12
Total accumulated other comprehensive income	534	505
Subscription rights to shares	197	403
Non-controlling interest	294	208
Total net assets	59,601	61,143
Total liabilities and net assets	223,473	251,828

(2)[Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income]  
 [Quarterly Consolidated Statements of Income]  
 [Second Quarter Consolidated Cumulative Period]

(Millions of yen)

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
Net sales	50,098	73,471
Cost of sales	39,701	58,328
Gross profit	10,397	15,143
Selling, general and administrative expenses	※ 9,809	※ 10,814
Operating income	588	4,328
Non-operating income		
Interest income	41	11
Dividend income	147	153
Commission received	33	37
Gain from equity method investment	9	43
Miscellaneous income	75	153
Total non-operating income	308	399
Non-operating expenses		
Interest expenses	903	751
Miscellaneous expenses	83	166
Total non-operating expenses	986	917
Ordinary income (loss) (△)	△89	3,810
Quarterly net income (loss) (△) before income taxes and minority interests	△89	3,810
Income taxes, inhabitant taxes and business taxes	475	822
Income tax adjustments	△410	57
Total income and other taxes	65	880
Quarterly net income (loss) (△)	△154	2,929
Quarterly net income attributable to non-controlling interests	72	54
Quarterly net income (loss) (△) attributable to owners of the parent	△226	2,875

[Quarterly Consolidated Statements of Comprehensive Income]  
[Second Quarter Consolidated Cumulative Period]

(Millions of yen)

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
Quarterly net income (loss) ( $\Delta$ )	$\Delta 154$	2,929
Other comprehensive income		
Net unrealized gains on available-for-sale securities	$\Delta 5$	$\Delta 40$
Foreign currency translation adjustments	$\Delta 1$	9
Remeasurements of defined benefit plans	0	2
Total other comprehensive income	$\Delta 6$	$\Delta 28$
Quarterly comprehensive income	$\Delta 161$	2,901
(Comprising)		
Quarterly comprehensive income attributable to owners of the parent	$\Delta 233$	2,846
Quarterly comprehensive income attributable to non- controlling interests	72	54

## (3)[Quarterly Consolidated Statements of Cash Flows]

(Millions of yen)

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
<b>Cash flow from operating activities</b>		
Quarterly net income (loss) (△) before income taxes and minority interests	△89	3,810
Depreciation and amortization	1,563	971
Goodwill depreciation	164	164
Increase (decrease) in Allowance (decrease in △)	63	14
Increase (decrease) in Liabilities related to retirement benefits (decrease in △)	61	65
Interest income and Dividend income	△189	△165
Charges for stock compensation	125	327
Interest expenses	903	751
Decrease (increase) in notes and accounts receivable- trade (increase in △)	△628	△208
Decrease (increase) in inventories (increase in △)	△11,225	△13,603
Increase (decrease) in notes and accounts payable- trade (decrease in △)	△6,110	△4,839
Increase (decrease) in advances received (decrease in △)	2,657	3,556
Others	△2,158	424
Subtotal	△14,861	△8,729
Interest and dividend received	179	153
Interest expenses paid	△910	△757
Income taxes paid	△2,119	△1,897
Cash flow from operating activities	△17,713	△11,231
<b>Cash flow from investing activities</b>		
Payments into time deposits	△51	△14
Proceeds from withdrawal of time deposits	122	130
Purchase of Property, plant and equipment	△10,234	△8,283
Proceeds from sale of Property, plant and equipment	5	3
Purchase of Intangible assets	△91	△107
Payments for long-term loans	-	△200
Purchase of investment securities	△21	△86
Proceeds from sale of investment securities	-	40
Purchases of subsidiary stock due to changes in the scope of consolidation	※2 △1,875	-
Others	386	△89
Cash flow from investing activities	△11,759	△8,606
<b>Cash flow from financing activities</b>		
Net change in Short-term borrowings (decrease in △)	9,432	10,531
Proceeds from long-term debt	37,218	45,458
Repayment of Long-term loans payable	△19,397	△25,586
Proceeds from issuance of common Bonds payable	50	150
Payments for redemption of Bonds payable	△988	△78
Repayments of lease obligations	△2	△18
Cash dividends paid	△1,084	△1,524
Dividends paid to non-controlling interests	-	△140
Cash flow from financing activities	25,228	28,792
Increase (decrease) in cash and cash equivalents (decrease in △)	△4,244	8,954
Cash and cash equivalents at beginning of term	38,500	32,693
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation (decrease in △)	7	-
Period-end balance of cash and cash equivalents	※1 34,263	※1 41,648



[Notes]

(Additional Information)

(Impact on accounting estimates due to the impact of the new Corona Virus infectious disease)

There have been no significant changes in Current 2nd Quarter Consolidated Cumulative period's accounting estimates due to the impact of the new type of coronavirus infectious disease described in the previous fiscal year's financial statements.

(Notes to Quarterly Consolidated Balance Sheets)

※1 Change in the purpose of holding assets

Previous fiscal year (As of March 31, 2022)

As a result of the change in the purpose of holding real estate from resale to lease, the Company transferred Real estate for sale in progress 95 Millions of yen and Real estate for sale 581 Millions of yen to Buildings and structures 449 Millions of yen and Land 227 Millions of yen during the fiscal year under review.

In addition, due to the change in holding of some of the real estate held from development and leasing to resale, the Company transferred 4,181 Millions of yen of buildings and structures, tools, furniture and fixtures to 31 Millions of yen ("Other (net)" of Property, plant and equipment), Land 5,168 Millions of yen, Construction in progress 1,117 Millions of yen ("Other (net)" of Property, plant and equipment), and Software 0 Millions of yen ("Others" of Intangible assets) to Real estate for sale and Real estate for sale in progress in the current fiscal year. Certain of these assets were sold during the fiscal year under review, and 8,800 Millions of yen of the 10,500 Millions of yen transferred to Real estate for sale were recorded in Cost of sales.

In addition, due to the change in the intent of resale of a portion of the mega-solar power generation facilities, prepaid expenses of 69 Millions of yen ("Others" by Current assets), buildings and structures of 598 Millions of yen, machinery and equipment of 10,502 Millions of yen ("Other (net)" by Property, plant and equipment), Land of 4,219 Millions of yen, construction in progress of 1000 Millions of yen ("Other (net)" by Property, plant and equipment), leasehold interest of 172 Millions of yen ("Others" by Intangible assets), and long-term prepaid expenses of 932 Millions of yen ("Others" by Investments and other assets) were transferred to Power generation facilities for sale. Certain of these assets were sold during the fiscal year under review, and 16,495 Millions of yen of the 17,497 Millions of yen transferred to Power generation facilities for sale were recorded in Cost of sales.

Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2022)

In conjunction with the change in the ownership of certain real estate holdings from development and leasing to resale, Current 2nd Quarter Consolidated Cumulative period transferred 2877 Millions of yen of buildings and structures, tools, furniture and fixtures 32 Millions of yen ("Other (net)" of Property, plant and equipment"), and Land 2481 Millions of yen to Real estate for sale and Real estate for sale in progress. The property transferred to Real estate for sale was sold in Current 2nd Quarter Consolidated Cumulative period.

In addition, due to the change in the intent to hold a portion of the mega-solar power generation facilities for resale, Current 2nd Quarter Consolidated Cumulative period transferred prepaid expenses of 7 Millions of yen ("Others" of Current assets), 3382 Millions of yen of machinery and equipment ("Other (net)" of Property, plant and equipment), Land 60 Millions of yen, 521 Millions of yen of construction-in-progress ("Other (net)") and 374 Millions of yen of long-term prepaid expenses ("Others" of Investments and other assets) to Power generation facilities for sale.

2 Contingent liabilities

Guarantees for loans from financial institutions

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2022)
Joint and several guarantee obligations to financial institutions, Etc. until the completion of the registration of the establishment of mortgages on our group customer housing loans	9,846 Millions of yen	2,583 Millions of yen
Minato Vietnam Co., Ltd.	917	962
WISE ESTATE 3 Co., Ltd.	564	792
Total	11,327	4,338

3 In order to raise working capital efficiently, we have entered into overdraft and loan commitment contracts with 68 financial institutions (End of Previous Consolidated Accounting Period 64 companies). The balance of undrawn lines of credit under

these agreements is as follows:

	End of Previous Consolidated Accounting Period (As of March 31, 2022)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2022)
Maximum Overdraft Amount and Total Loan Commitments	77,471 Millions of yen	91,377 Millions of yen
Loan balance	41,634	52,996
Net amount	35,837	38,381

(Related to Quarterly Consolidated Statements of Income)

※ Major items and amounts of Selling, general and administrative expenses are as follows.

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
Advertising expenses	2,015 Millions of yen	2,229 Millions of yen
Sales commission	296	354
Promotion expenses	817	970
Salary allowance	2,028	2,199
Bonus Allowance provision	409	437
Retirement benefit expenses	80	90
Depreciation and amortization	97	111
Taxes and dues	850	592

(Notes to Quarterly Consolidated Statements of Cash Flows)

※1 The relationship between the balance of cash and cash equivalents at the end of the quarter and the amount of items listed in the quarterly consolidated balance sheets is as follows.

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
Cash and deposits account	34,959 Millions of yen	42,316 Millions of yen
Time deposits falling due in more than three months	△109	△20
Deposits received from customers	△587	△647
Cash and cash equivalents	34,263	41,648

※2 Breakdown of assets and liabilities of newly consolidated subsidiaries due to acquisition of shares, Etc.

Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)

The following is a breakdown of assets and liabilities at the start of consolidation associated with the new consolidation of Leben Clean Energy Co., Ltd. through the acquisition of shares, and the relationship between the acquisition cost of the shares of the company and the proceeds from the acquisition, net.

Current assets	5,713 Millions of yen
Fixed assets	4,651
Goodwill	930
Current liabilities	△2,025
Fixed liabilities	△7,269
Acquisition cost of the subsidiaries' stocks	2,000
Cash and cash equivalents	△124
Less: Purchase of shares of subsidiaries resulting in change in scope of consolidation	△1,875

Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)

Not applicable.

(Shareholders' Equity)

I Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)

1. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date	Source of dividends
25-June, 2021 Annual Shareholders' Meeting	Common stock	1,086	10	31 March, 2021	28 June, 2021	Retained earnings

(2) Dividends for which Record Date belongs to Current 2nd Quarter Consolidated Cumulative period for which Effective date of dividends is after the end of Current 2nd Quarter Consolidated Accounting Period

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date	Source of dividends
October 29, 2021 Board of Directors	Common stock	435	4	September 30, 2021	December 6, 2021	Retained earnings

2. Significant changes in the amount of Shareholders' equity

Not applicable.

II Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)

1. Matters concerning dividends

(1) Dividends paid

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date	Source of dividends
24 June, 2022 Annual Shareholders' Meeting	Common stock	1,526	14	31 March, 2022	27 June, 2022	Retained earnings

(2) Dividends for which Record Date belongs to Current 2nd Quarter Consolidated Cumulative period for which Effective date of dividends is after the end of Current 2nd Quarter Consolidated Accounting Period

(Resolution)	Class of shares	Total dividends (Millions of yen)	Per share dividends (yen)	Record Date	Effective date	Source of dividends
October 31, 2022 Board of Directors	Common stock	437	4	September 30, 2022	December 6, 2022	Retained earnings

2. Significant changes in the amount of Shareholders' equity

Not applicable.

(Segment information, Etc.)

[Segment Information]

I Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)

1. Information on the amount of Net sales and income or loss for each Reportable segments and information on the breakdown of revenue

(Millions of yen)

	Reportable segments				Others (Note) 1	Total
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	40,189	5,034	688	45,913	1,206	47,119
Other revenue	2,979	-	-	2,979	-	2,979
Net sales to customers	43,168	5,034	688	48,892	1,206	50,098
Intersegment net sales or transfers	-	24	-	24	-	24
Total	43,168	5,059	688	48,917	1,206	50,123
Segment income (loss) ( $\Delta$ )	524	$\Delta$ 175	372	721	$\Delta$ 132	588

(NOTE)1. "Others" Category is a business segment not included in Reportable segments and includes rehabilitation-oriented day services, construction subcontracting, and hotel-related businesses.

2. Segment information of Current 2nd Quarter Consolidated Cumulative period is disclosed in the amount after reflecting the significant review of the initial allocation of the acquisition cost due to the finalization of the provisional accounting treatment described in "(Business Combinations, Etc.) Notes."

2. Impairment-loss or Goodwill of Fixed assets by Reportable segments

(Significant changes in the amount of goodwill)

In First Quarter Consolidated Accounting period, all outstanding shares of ACA Clean Energy Co., Ltd. (renamed Leben Clean Energy Co., Ltd. on June 22, 2021) were newly acquired and made a consolidated subsidiary. As a result, the amount of Goodwill increased by 884 Millions of yen in Energy Business segment.

The amount of goodwill is after reflecting the allocation of the acquisition cost due to finalization of the provisional accounting treatment.

II Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)

1. Information on the amount of Net sales and income or loss for each Reportable segments and information on the breakdown of revenue

(Millions of yen)

	Reportable segments				Others (Note)	Total
	Real Estate Business	Energy Business	Asset Management Business	Total		
Net sales						
Revenue arising from contracts with customers	63,396	5,026	638	69,061	1,411	70,472
Other revenue	2,998	-	-	2,998	-	2,998
Net sales to customers	66,394	5,026	638	72,059	1,411	73,471
Intersegment net sales or transfers	-	-	-	-	-	-
Total	66,394	5,026	638	72,059	1,411	73,471
Segment income (loss) (Δ)	4,726	Δ484	292	4,534	Δ206	4,328

(NOTE)"Others" Category is a business segment not included in Reportable segments and includes rehabilitation-oriented day services, construction subcontracting, and hotel-related businesses.

2. Changes in Reportable segments

(Changes in reportable segments)

With the aim of further enhancing corporate value, our Group shifted to a holding company structure on October 1, 2022 from the viewpoint of clarifying profitability and business responsibilities for each segment and making effective use of management resources through the transition to a pure holding company structure.

Accordingly, First Quarter Consolidated Accounting period has decided to change the 5 segments of "Real Estate Sales Business," "Real Estate Rental Business," "Real Estate Management Business," "Energy Business," and "Other Businesses," which were previously disclosed as Reportable segments, to the 4 segments of "Real Estate Business," "Energy Business," "Asset Management Business," and "Other Businesses." In addition, the allocation method of company-wide expenses has been reviewed.

The segment information of Previous 2nd Quarter Consolidated Cumulative period is prepared based on Category of Reportable segments after the change.

(Business Combinations, Etc.)

Significant revision of the initial allocation of the acquisition cost in comparative information

The business combination with ACA Clean Energy, Ltd. (renamed Leben Clean Energy, Ltd. on June 22, 2021), which was conducted on April 13, 2021, was provisionally accounted for in the previous First Quarter Consolidated Accounting period, but was finalized at the end of End of Previous Consolidated Accounting Period.

As a result of the finalization of this provisional accounting treatment, Current 2nd Quarter Consolidated Cumulative period's Comparison data included in the quarterly consolidated financial statements reflected a significant review of the initial allocation of the acquisition cost. Goodwill decreased by 655 Millions of yen, Power generation facilities for sale increased by 767 Millions of yen, machinery and equipment increased by 176 Millions of yen ("Others" in Property, plant and equipment), and the deferred tax liability increased by 289 Millions of yen ("Others").

Consequently, Previous 2nd Quarter Consolidated Cumulative period's Quarterly Consolidated Statements of Income increased by 10 Millions of yen for Cost of sales, decreased by 32 Millions of yen for Selling, general and administrative expenses, increased by 22 Millions of yen for Operating income, and decreased by 22 Millions of yen for ordinary loss and loss before income taxes, respectively.

(Revenue Recognition)

Information disaggregating revenue from contracts with customers is presented in "Notes (Segment Information, Etc.)."

(Per Share Information)

Quarterly net income per share or quarterly net loss per share and the basis for calculation, diluted quarterly net income per share and the basis for calculation are as follows:

	Previous 2nd Quarter Consolidated Cumulative period (from April 1, 2021 to September 30, 2021)	Current 2nd Quarter Consolidated Cumulative period (from April 1, 2022 to September 30, 2022)
(1) Quarterly net income per share or quarterly net loss (Δ) per share	Δ 2.09 yen	2,635 yen
(Basis of calculation)		
Quarterly net income attributable to owners of the parent or quarterly net loss attributable to owners of the parent (Δ) (Millions of yen)	Δ 226	2,875
Amounts not attributable to common shareholders (Millions of yen)	-	-
Quarterly net income attributable to owners of the parent or quarterly net loss attributable to owners of the parent (Δ) related to common stock (Millions of yen)	Δ 226	2,875
Average number of shares of common stock outstanding during the period (Thousands of shares)	108,738	109,091
(2) Quarterly diluted net income per share	-	26.16 yen
(Basis of calculation)		
Quarterly adjustments to net income attributable to owners of parent (Millions of yen)	-	-
Increase in common stock (thousands)	-	803
Summary of potentially dilutive shares not included in the calculation of Quarterly diluted net income per share due to their anti-dilutive effect, which had significant changes from the end of End of Previous Consolidated Accounting Period	-	-

(NOTE)1. Quarterly diluted net income per share of Previous 2nd Quarter Consolidated Cumulative period is not disclosed because it is a quarterly net loss per Shares, although there are potential shares.

2. Quarterly net loss per Shares for Previous 2nd Quarter Consolidated Cumulative period is calculated after reflecting a significant review of the initial allocation of the cost due to the finalization of the provisional accounting treatment described in "Notes to (Business Combinations, Etc.)."

(Significant Subsequent Events)

(Transition to a Holding Company Structure through a Company Split)

Following the approval of the Board of Directors on May 30, 2022, we implemented an absorption-type company split on October 1, 2022, in which we split up and Takara Leben West Japan Co., Ltd., our 100% owned subsidiary, became the successor company, and we shifted to a holding company structure.

On the same date, our name was changed to MIRARTH HOLDINGS, Inc. and the name of Takara Leben West Japan Co., Ltd. was changed to Takara Leben Co., Ltd..

1. Objectives and Overview of the Transition to a Holding Company Structure

Among our businesses, we succeeded to Takara Leben West Japan Co., Ltd. ("Takara Leben Co., Ltd." as of October 1, 2022), a 100% owned subsidiary of us, through an absorption-type company split, the rights and obligations of all of our businesses other than the Group Business Management Business (including businesses related to operations required for us to operate as a holding company as a listed company), Energy Business and Asset Management Business (hereinafter referred to as the "Successor Businesses"), and we will implement organizational reforms in conjunction with this change

to a holding company structure under which we become a "MIRARTH HOLDINGS, Inc."



## 2. Summary of the Company Split

### (1) Schedule of the Company Split

Board of Directors approved the absorption-type company split agreement (we and the successor company) May 30, 2022

Concluded an absorption-type company split agreement May 30, 2022

Approval of absorption-type company split agreement Annual Shareholders' Meeting (Successor company) May 30, 2022

Absorption-type company split Effective date October 1, 2022

(NOTE) This absorption-type demerger falls under the category of a simplified absorption-type demerger stipulated in Paragraph 2 of Article 784 of the Companies Act, and therefore has been effected without the approval of the general meeting of shareholders.

### (2) Spin-off method

This is an absorption-type company split in which we are an absorption-type company split company and our 100% owned subsidiary, Successor Company, is an absorption-type company split successor company.

### (3) Details of Allotment Pertaining to the Absorption-type Company Split

Upon this absorption-type split, the Successor Company issued Common stock 40 Shares, all of which were allocated to us.

### (4) Handling of Bonds payable with Subscription rights to shares and Subscription rights to shares due to the Absorption-type Company Split

The handling of Subscription rights to shares issued by us shall not be changed due to the Absorption-type Company Split. We do not issue Bonds payable with Subscription rights to shares.

### (5) Capital stock to be increased or decreased by the Spin-off

There is no change in our Capital stock.

### (6) Rights and Obligations to be Succeeded by the Successor Company

Assets, liabilities, contractual Others rights and obligations (including contractual status) held in respect of the Successor Business shall be as provided for in the Absorption-type Company Split Agreement. Incidentally, the succession of debts shall be made by the method of concurrent debt assumption.

### (7) Prospects of paying debt obligations

Since it is expected that the amount of assets will exceed the amount of liabilities even after the absorption-type company split, and there is no expectation that there will be an event that would hinder the performance of the obligations incurred after the absorption-type company split, we have determined that there are no problems with the prospects for the fulfillment of the obligations of us and the successor company after the absorption-type company split.

## 3. Situation of the Company after the Absorption-type Company Split

	Corporation which effects absorption-type demerger	Relation to absorption-type demerger
(1) Name	MIRARTH HOLDINGS, Inc. ※ Company name changed from "Takara Leben Co., Ltd." on October 1, 2022	Takara Leben Co., Ltd. ※ Company name changed from Takara Leben West Japan Co., Ltd. on October 1, 2022
(2) Address	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	1-8-2, Marunouchi, Chiyoda-ku, Tokyo ※ Relocated from 3-6-5, 2-bancho, Matsuyama-shi, Ehime, as of October 1, 2022
(3) Title and name of Representative	Representative Director Kazuichi Shimada	Representative Director Kazuichi Shimada Representative Director Shoichi Akisawa
(4) Business Details	Business management of group companies	Real estate sales, rental, and real estate distribution
(5) Capital stock	4,819 Millions of yen	400 Millions of yen
(6) Fiscal year end	March 31	March 31

#### 4. Overview of the divisions to be split

##### (1) Business Details of divisions to be split

Among the businesses we operate, any and all businesses other than the Group Business Administration Business (including businesses related to the operations required for us to operate as a holding company as a listed company), Energy Business and Asset Management Business.

##### (2) Operating Results of Divisions to be Divided (Year ending March 31, 2022)

	Results of divisions to be split (a)	Our non-consolidated results (b)	Ratio (a/b)
Net sales	78,220 Millions of yen	88,949 Millions of yen	87.9%
Gross profit	16,195 Millions of yen	16,641 Millions of yen	97.3%

## 5. Accounting method

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), these transactions are accounted for as transactions under common control.

(Tender offer for Takara Leben Infrastructure Fund Inc.)

On September 28, 2022, our Company, SMFL MIRAI Partners Company, a wholly-owned subsidiary of Sumitomo Mitsui Finance and Leasing Company, in which Sumitomo Mitsui Financial Group, Inc. (hereinafter referred to as the "Sumitomo Mitsui Financial Group") owns 50% of the voting rights, and Sumitomo Mitsui Banking Corporation, a wholly-owned subsidiary of Sumitomo Mitsui Financial Group entered into a tender offer agreement. We have decided to acquire the investment units (hereinafter referred to as the "Target Units") of Takara Leben Infrastructure Fund, Inc. (Securities Code: 9281, Tokyo Stock Exchange Infrastructure Fund Market Listing, hereinafter referred to as the "TargEtcompany") through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (hereinafter referred to as the "Tender Offer") through Green Energy LLC. (hereinafter referred to as the "Tender Offeror", and we plan to invest 70% in the joint venture through silent partnership investment, and it is planned to become a consolidated subsidiary of us). In addition, the Tender Offeror decided on September 28, 2022 to acquire the TargEtcompany Investment Units through the Tender Offer, and implemented the Tender Offer from September 29, 2022. The Tender Offer has ended on November 11, 2022.

### 1. Outline of Purchase

#### (1) Name and address of the Tender Offeror

Name: Green Energy LLC

Address: 3-22-10-201, Toranomom, Minato-ku, Tokyo

#### (2) Name of the subject person

Takara Leben Infrastructure Fund Inc.

#### (3) Type of Share Certificates Pertaining to Purchase

Investment units

#### (4) Number of Share Certificates to be Purchased

Type of Share Certificates	Planned number of purchases	Lower limit of the number of shares to be purchased	Maximum number of shares to be purchased
Investment units	278,671 (units)	179,219 (units)	-(units)
Total	278,671 (units)	179,219 (units)	-(units)

#### (5) Period for Purchase

From Thursday, September 29, 2022 to Friday, November 11, 2022 (30 business days)

#### (6) Price of the Purchase

127,000 yen per unit of investment unit

### 2. Result of the purchase, Etc.

#### (1) Success or failure of the tender offer

In the Tender Offer, if the total number of subscribed share certificates is less than the minimum of the planned number of shares to be purchased (179,219 units), it was conditioned on the Company not to purchase all of the subscribed share certificates. However, the total number of subscribed share certificates (252,935 units) became the minimum of the planned number of shares to be purchased (179,219 units) or more, so the Company will purchase all of the subscribed share certificates as stated in the Public Notice of Commencement of Tender Offer and Tender Offer Statement.

#### (2) Number of Share Certificates for which Purchase was made

Investment units 252,935 units

#### (3) Percentage of Shares Held after Purchase

91.37% (including 84.78% indirectly held through tender offers)

#### (4) Commencement date of settlement

Friday, November 18, 2022

## 2[Others]

At the meeting of the Board of Directors of October 31, 2022, the interim dividends for the fiscal year under review were resolved as follows.

- (1) Total dividends . . . 437 Millions of yen
  - (2) Amount per share . . . 4.00 yen
  - (3) Effective date of claims and payment commencement date . . . December 6, 2022
- (NOTE) Payments will be made to shareholders of record as of September 30, 2022.

Part II. [Information Concerning Guarantors of the Reporting Company]

Not applicable.

## Independent Auditors' Quarterly Review Report

November 14, 2022

MIRARTH HOLDINGS, Inc.

To the Board of Directors

Grant Thornton Taiyo LLC.

Tokyo Office

Designated Limited Liability Partners Managing Partner	Certified Public Accountant	Tooru Yurue
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Designated Limited Liability Partners Managing Partner	Certified Public Accountant	Takafumi Shimokawa
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### Auditor's conclusion

Pursuant to the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act, we reviewed the quarterly consolidated financial statements of MIRARTH HOLDINGS, Inc. (formerly Takara Leben Co., Ltd.) for the second quarter of the fiscal year from April 1, 2022 to March 31, 2023 (July 1, 2022 to September 30, 2022) and Second Quarter Consolidated Cumulative Period (April 1, 2022 to September 30, 2022), i.e., the quarterly consolidated balance sheets, Quarterly Consolidated Statements of Income, Quarterly Consolidated Statements of Comprehensive Income, quarterly consolidated statements of cash flows and notes thereto, which are listed in the "Accounting" section.

In our quarterly review, we did not believe, in all material respects, that the quarterly consolidated financial statements referred to above present fairly, in all material respects, the financial position of MIRARTH HOLDINGS, Inc. (formerly Takara Leben Co., Ltd.) and its consolidated subsidiaries as of September 30, 2022, and the results of their operations and their cash flows for Second Quarter Consolidated Cumulative Period then ended in conformity with accounting principles generally accepted in Japan.

### Rationale for the auditor's conclusion

We conducted our quarterly reviews in accordance with quarterly review standards generally accepted in Japan. Our responsibilities under the standards for quarterly reviews are described in "Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements." We are independent of the Companies and our consolidated subsidiaries in accordance with the professional ethics regulations of our country, and we are responsible for the ethical conduct of Others as an auditor. We believe that the evidence supporting the statements is available.

### Highlights

As described in Significant Subsequent Events, Green Energy LLC, which is scheduled to become a consolidated subsidiary of the Company, decided to acquire the investment units of Takara Leben Infrastructure Fund Inc. through a tender offer on September 28, 2022, and this tender offer was terminated on November 11, 2022.

This matter does not affect our conclusion.

### Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors to the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with the standards for the preparation of quarterly consolidated financial statements generally accepted in Japan. This includes establishing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements based on the going concern assumption, and disclosing matters related to a going concern in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan.

The responsibility of the corporate auditors and the board of corporate auditors is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

#### Auditor's Responsibility for the Quarterly Review of the Quarterly Consolidated Financial Statements

The auditor's responsibility is to express an independent conclusion on the quarterly consolidated financial statements in the quarterly review report based on the quarterly review performed by the auditor.

In accordance with quarterly review standards generally accepted in Japan, the auditor shall, through the course of the quarterly review, make judgments as a professional expert and conduct the following with professional skepticism:

- Questions, analytical procedures, and Others quarterly review procedures mainly for management, finance, and accounting-related persons. The quarterly review procedures are limited compared with the procedures for auditing the financial statements for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- In the event that the Company determines that there is significant uncertainty with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern, the Company will conclude, based on the evidence obtained, whether or not there are any matters that cause the Company to believe that they are not fairly stated in the quarterly consolidated financial statements in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan. In addition, if there is any material uncertainty regarding the Company's ability to continue as a going concern, the Company is required to alert the notes to the quarterly consolidated financial statements in the quarterly review report, or if the notes to the quarterly consolidated financial statements regarding material uncertainty are not appropriate, to express a limited conclusion or a negative conclusion on the quarterly consolidated financial statements. Although Auditor's conclusion is based on evidence obtained through the date of the quarterly review report, future events and circumstances may prevent an entity from continuing as a going concern.
- Evaluate whether the presentation and Details of the quarterly consolidated financial statements, including the related notes, and the matters which cause the Company to believe that the quarterly consolidated financial statements do not fairly present the transactions and accounting events underlying the quarterly consolidated financial statements, as well as whether the matters which cause the Company to believe are not in accordance with the standards for the preparation of quarterly consolidated financial statements generally accepted in Japan, are disallowed.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising and implementing the quarterly review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusion.

The auditor shall report to the auditors and the board of auditors on the scope of the planned quarterly review and the timing of its implementation, as well as important findings in the quarterly review.

The auditors shall report to the auditors and the board of auditors on compliance with the provisions on professional ethics in our country regarding independence, matters that are reasonably likely to affect the auditor's independence, and Details of safeguards to eliminate or mitigate any impediments.

#### Interests

The Company and Consolidated Subsidiaries have no interest in the Auditing Corporation or Operating Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

Above

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(NOTE) 1. The original Quarterly Review Report above has been filed separately by us (Annual Securities Report Filing Firm).

2. XBRL data is not included in the scope of quarterly reviews.