



First Quarter Consolidated Financial Report for the Three Months Ended June 30, 2023 (Japan GAAP)

July 31, 2023

Listed company name MIRARTH HOLDINGS, Inc. Stock Exchange Listings Prime market of the Tokyo Stock Exchange
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Scheduled date for release of Annual Securities Report August 10, 2023
 Scheduled date for commencement of dividend payments -
 Quarterly Financial Results: Preparation of Supplementary Explanations materials: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results of Year ending March 31, 2024 1st quarter (April 1, 2023-June 30, 2023)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	28,137	Δ0.7	621	4.1	245	Δ38.5	Δ218	-
Three months ended June 30, 2022	28,325	54.5	597	-	398	-	206	-

(NOTE) Comprehensive income Three months ended June 30, 2023 Δ50 Millions of yen (-%) Three months ended June 30, 2022 134 Millions of yen (-%)

	Quarterly net income per share	Quarterly diluted net income per share
	Yen	Yen
Three months ended June 30, 2023	Δ1.99	-
Three months ended June 30, 2022	1.89	1.88

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	349,262	59,824	16.9
As of March 31, 2023	341,669	65,142	18.0

Reference: Shareholders' equity Year ending March 31, 2024 1st quarter 59,133 Millions of yen Year ended March 31, 2023 61,377 Millions of yen

2. Dividends

	Annual Cash Dividends per Share				
	End of first quarter	End of second quarter	End of third quarter	Term end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	4.00	-	18.00	22.00
Year ending March 31, 2024	-	-	-	-	-
Year ending March 31, 2024 (Forecast)	-	6.00	-	18.00	24.00

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

3. Forecast of Consolidated Financial Results of Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	188,710	23.0	13,700	94.9	12,700	152.3	8,500	85.4	77.41

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

※ Notes

(1)(Changes in specified subsidiaries accompanied by changes in the scope of consolidation): No on Changes in Significant Subsidiaries in the Current Quarterly Consolidated Cumulative period

New: -(Company name:-) Excluded: -(Company name:-)

(2)Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3)Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

①Changes in accounting Policy due to revision of accounting standards: No

②①Changes in Policy other than accounting: No

③Changes in accounting estimates: No

④Restatement of revisions: No

(4)Issued shares count (Common stock)

①Term end Issued shares counts (including Treasury stock)

Year ending March 31, 2024 First Quarter	121,000,000Shares	Year ended March 31, 2023	121,000,000Shares
Year ending March 31, 2024 First Quarter	11,192,607Shares	Year ended March 31, 2023	11,192,607Shares
Year ending March 31, 2024 First Quarter	109,807,393Shares	Year ended March 31, 2023 First Quarter	109,051,193Shares

②Number of Term end Treasury stock

③Average number of shares during the period (quarterly consolidated cumulative period)

※ Quarterly financial results are not subject to quarterly reviews by Certified Public Accountant or Audit companies.

※ 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.

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

(1) Explanation of Results of Operations

① Results of Operations by Segment

In Real Estate Business, Net sales for this segment was 23,908 Millions of yen (down 3.7% from the same quarter of the previous fiscal year) due to factors such as new condominiums, 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 2,798 Millions of yen (up 5.9% 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 79 Millions of yen (68.5% decrease 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 1,351 Millions of yen (up 126.9% from the same quarter of the previous fiscal year) due to construction contracting and other factors.

Consequently, 1st quarter of fiscal year under review's results of operations are as follows : Net sales 28,137 Millions of yen (down 0.7% from the same quarter of the previous fiscal year), Operating income 621 Millions of yen (up 4.1% from the same quarter of the previous fiscal year), Ordinary income 245 Millions of yen (down 38.5% from the same quarter of the previous fiscal year), and net loss attributable to owners of the parent of 218 Millions of yen (compared to Net income attributable to owners of parent of 206 Millions of yen in the same quarter of the previous fiscal year).

② Progress of contract execution

Regarding 1st quarter of fiscal year under review sales Actual, 1,788 units were contracted for Units 2,200 units scheduled to be delivered to Full year, and the progress rate is 81.3%.

(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 June
Previous period	1,780	1,433	80.5	635
Current period	2,200	1,788	81.3	535

(2)Explanation of Financial Position

Assets, Liabilities and Net Assets

At the end of our End of 1st quarter of the fiscal year under review, Assets, Liabilities and Net Assets of Total assets increased by 7,593 Millions of yen from 349,262 Millions of yen to End of Previous Consolidated Accounting Period as a result of steady purchases of Assets for business use and other factors.

(Current Assets)

Thanks to steady purchases of business Assets and other factors, Current assets increased by 12,975 Millions of yen to 201,704 Millions of yen compared to End of Previous Consolidated Accounting Period.

(Fixed Assets)

Despite the steady purchase of Assets for business use, Fixed assets decreased by 5,377 Millions of yen compared to 147,507 Millions of yen and End of Previous Consolidated Accounting Period mainly due to the transfer to Real estate for sale.

(Current Liabilities)

Due to the increase in Short-term borrowings and the transfer of short-and long-term Category, Current liabilities increased by 11,304 Millions of yen compared to 173,462 Millions of yen and End of Previous Consolidated Accounting Period.

(Fixed Liabilities)

Due to an increase in borrowings associated with new purchases and other factors, Fixed liabilities increased by 1,606 Millions of yen compared to 115,975 Millions of yen and End of Previous Consolidated Accounting Period.

(Net Assets)

Due to the recording of quarterly net loss attributable to owners of the parent and Dividend of surplus, Total of Net assets decreased by 5,317 Millions of yen compared to 59,824 Millions of yen and End of Previous Consolidated Accounting Period.

(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 15, 2023.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2023)	End of 1st quarter of the fiscal year under review (As of June 30, 2023)
Assets		
Current assets		
Cash and deposits	47,872	47,044
Notes, accounts receivable-trade and contract assets	3,477	3,458
Real estate for sale	34,147	35,165
Power generation facilities for sale	3,375	3,039
Real estate for sale in progress	82,713	93,982
Costs incurred on uncompleted contracts	0	10
Other	17,415	19,277
Allowance for doubtful accounts	△275	△275
Total current assets	188,728	201,704
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	28,879	26,613
Machinery, equipment and vehicles, net	48,705	49,915
Land	41,394	37,155
Other (net)	6,382	6,114
Total property, plant and equipment	125,362	119,799
Intangible assets		
Goodwill	3,918	3,790
Other	4,457	5,632
Total intangible assets	8,376	9,422
Investments and other assets		
Other	19,148	18,287
Allowance for doubtful accounts	△2	△2
Total investments and other assets	19,145	18,285
Total fixed assets	152,884	147,507
Deferred assets	56	51
Total assets	341,669	349,262
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,342	12,391
Short-term borrowings	92,069	99,802
Current portion of bonds payable	190	190
Current portion of long-term loans payable	25,997	32,089
Income taxes payable	4,318	2,867
Allowance	1,250	976
Other	21,987	25,146
Total current liabilities	162,157	173,462
Fixed liabilities		
Long-term loans payable	104,828	106,699
Bonds payable	4,015	4,005
Allowance	135	80
Liabilities related to retirement benefits	1,100	1,130
Other	4,290	4,060
Total Fixed liabilities	114,369	115,975
Total liabilities	276,527	289,438

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2023)	End of 1st quarter of the fiscal year under review (As of June 30, 2023)
Net assets		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,820	4,677
Retained earnings	55,971	53,776
Treasury stock	△4,174	△4,174
Total shareholders' equity	61,436	59,099
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	△71	23
Foreign currency translation adjustments	3	1
Remeasurements of defined benefit plans	8	8
Total accumulated other comprehensive income	△59	33
Subscription rights to shares	220	220
Non-controlling interest	3,544	470
Total net assets	65,142	59,824
Total liabilities and net assets	341,669	349,262

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(First Quarter Consolidated Cumulative period)

(Millions of yen)

	1st quarter of previous fiscal year (From April 1, 2022 to June 30, 2022)	1st quarter of fiscal year under review (From April 1, 2023 to June 30, 2023)
Net sales	28,325	28,137
Cost of sales	22,485	21,941
Gross profit	5,839	6,195
Selling, general and administrative expenses	5,242	5,574
Operating income	597	621
Non-operating income		
Interest income	5	11
Dividend income	71	47
Commission received	19	18
Gain from equity method investment	67	161
Miscellaneous income	52	150
Total non-operating income	216	389
Non-operating expenses		
Interest expenses	360	698
Miscellaneous expenses	53	66
Total non-operating expenses	414	765
Ordinary income	398	245
Current net income for the quarter before income taxes and minority interests prior to distribution of gain/loss on silent partnership	398	245
Distribution of loss in partnership	-	146
Current net income for the quarter before income taxes and minority interests	398	98
Income taxes, inhabitant taxes and business taxes	143	52
Income tax adjustments	40	188
Total income and other taxes	184	241
Quarterly net income (loss) (Δ)	214	Δ 143
Quarterly net income attributable to non-controlling interests	8	75
Quarterly net income attributable to owners of the parent or quarterly net loss attributable to owners of the parent (Δ)	206	Δ 218

(Quarterly Consolidated Statements of Comprehensive Income)

(First Quarter Consolidated Cumulative period)

(Millions of yen)

	1st quarter of previous fiscal year (From April 1, 2022 to June 30, 2022)	1st quarter of fiscal year under review (From April 1, 2023 to June 30, 2023)
Quarterly net income (loss) (Δ)	214	Δ 143
Other comprehensive income		
Net unrealized gains on available-for-sale securities	Δ 84	95
Foreign currency translation adjustments	3	Δ 2
Remeasurements of defined benefit plans	1	0
Total other comprehensive income	Δ 80	92
Quarterly comprehensive income	134	Δ 50
(Comprising)		
Quarterly comprehensive income attributable to owners of the parent	125	Δ 125
Quarterly comprehensive income attributable to non-controlling interests	8	75

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

(Notes on Going Concern)

Not applicable.

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

Not applicable.