



## Second Quarter Consolidated Financial Report for the Six Months Ended September 30, 2023 (Japan GAAP)

October 30, 2023

Listed company name MIRARTH HOLDINGS, Inc. Stock Exchange Listings Prime market of the Tokyo Stock Exchange  
 Security code 8897 URL <https://mirarth.co.jp/en/>  
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 Scheduled date for release of Annual Securities Report November 13, 2023 Scheduled date for commencement of dividend payments December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results of Year ending March 31, 2024 2nd quarter (April 1, 2023-September 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	%
Second Quarter of Fiscal Year Ending March 2024	59,179	△19.5	2,370	△45.2	1,382	△63.7	87	△97.0
Second Quarter of Fiscal Year Ending March 2023	73,471	46.7	4,328	635.4	3,810	-	2,875	-

(NOTE) Comprehensive income Second Quarter of Fiscal Year Ending March 2024 279 Millions of yen (△90.3%) Second Quarter of Fiscal Year Ending March 2023 2,901 Millions of yen (-%)

	Quarterly net income per share	Quarterly diluted net income per share
	Yen	Yen
Second Quarter of Fiscal Year Ending March 2024	0.79	0.79
Second Quarter of Fiscal Year Ending March 2023	26.35	26.16

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second Quarter of Fiscal Year Ending March 2024	353,882	60,298	16.8
Year ended March 31, 2023	341,669	65,142	18.0

Reference: Shareholders' equity Second Quarter of Fiscal Year Ending March 2024 59,414 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	-	6.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	18.00	24.00

(NOTE) Revisions to the most recently announced dividend forecasts: None

### 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: None

※ Notes

(1) Changes in significant subsidiaries in the current quarterly consolidated Cumulative period

(Changes in specified subsidiaries accompanied by changes in the scope of consolidation): None

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

① Changes in accounting Policy due to revision of accounting standards: None

② ① Changes in Policy other than accounting: None

③ Changes in accounting estimates: None

④ Restatement of revisions: None

(4) Issued shares count (Common stock)

① Term end Issued shares counts (including Treasury stock)

Second Quarter of Fiscal Year Ending March 2024	121,000,000Shares	Year ended March 31, 2023	121,000,000Shares
Second Quarter of Fiscal Year Ending March 2024	11,091,707Shares	Year ended March 31, 2023	11,192,607Shares
Second Quarter of Fiscal Year Ending March 2024	109,831,425Shares	Second Quarter of Fiscal Year Ending March 2023	109,091,304Shares

② Number of Term end Treasury stock

③ Average 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

(Cautionary Statement with Respect to Forward-Looking Statements)

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.

(Method of Obtaining Supplementary Briefing Materials on Financial Results)

Supplementary materials for financial results are posted on our website and disclosed in TDnet.

(Financial Results Details Obtaining Methods)

We plan to distribute a video presentation of our financial results on our website.

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## 1. Qualitative Information Regarding Consolidated Financial Results for the Second Quarter of the Fiscal Year under Review

## (1) Explanation of Operating Results

## ① Results of Operations by Segment

In Real Estate Business, Net sales for this segment was 50,340 Millions of yen (down 24.2% 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 Other.

In Energy Business, Net sales of this business was 5,682 Millions of yen (up 13.1% from the same quarter of the previous year) due to revenue from electricity sales at power generation facilities.

As for Asset Management Business, the business Net sales was 276 Millions of yen (down 56.7% from the same quarter of the previous year) due to management fees and other factors.

In Other Businesses, Net sales of this business was 2,879 Millions of yen (up 104.0% 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 59,179 Millions of yen (-19.5% QoQ), Operating income 2,370 Millions of yen (-45.2% QoQ), Ordinary income 1,382 Millions of yen (down 63.7% QoQ), and Net income attributable to owners of parent 87 Millions of yen (down 97.0% QoQ).

## ② Progress of contract execution

Regarding Current 2nd Quarter Consolidated Cumulative period sales Actual, 2,022 units were contracted for 2,200 units scheduled to be delivered to Full year, and the progress rate is 91.9%.

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

	Units scheduled for delivery	Number of contracted units scheduled for delivery	Contract progress ratio (%)	Units under contract From April to September
Previous period	1,780	1,676	94.2	1,166
Current period	2,200	2,022	91.9	975

## (2) Explanation of Financial Position

## Assets, Liabilities and Net Assets

At the end of our Current 2nd Quarter Consolidated Accounting Period, Assets, Liabilities and Net Assets of Total assets increased by 12,212 Millions of yen from 353,882 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 16,426 Millions of yen to 205,155 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 4,203 Millions of yen compared to 148,680 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 17,488 Millions of yen to 179,646 Millions of yen compared of End of Previous Consolidated Accounting Period.

## (Fixed Liabilities)

Fixed liabilities decreased by 431 Millions of yen from 113,937 Millions of yen to End of Previous Consolidated Accounting Period mainly due to the transfer of short-and long-term Category of borrowings.

## (Net Assets)

Total of Net assets has decreased by 4,844 Millions of yen compared to 60,298 Millions of yen and End of Previous Consolidated Accounting Period due to factors such as the reduction of Non-controlling interest due to the acquisition of fractional Investment units of Dividend of surplus and Takara Leben Infrastructure Fund Inc.

## (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)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	47,872	38,255
Notes, accounts receivable-trade and contract assets	3,477	3,982
Real estate for sale	34,147	32,160
Power generation facilities for sale	3,375	2,998
Real estate for sale in progress	82,713	107,928
Costs incurred on uncompleted contracts	0	11
Other	17,415	20,093
Allowance for doubtful accounts	△275	△275
<b>Total current assets</b>	<b>188,728</b>	<b>205,155</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	28,879	27,885
Machinery, equipment and vehicles, net	48,705	49,636
Land	41,394	37,104
Other (net)	6,382	6,595
<b>Total property, plant and equipment</b>	<b>125,362</b>	<b>121,222</b>
Intangible assets		
Goodwill	3,918	3,610
Other	4,457	4,841
<b>Total intangible assets</b>	<b>8,376</b>	<b>8,452</b>
Investments and other assets		
Other	19,148	19,006
Allowance for doubtful accounts	△2	△1
<b>Total investments and other assets</b>	<b>19,145</b>	<b>19,005</b>
<b>Total fixed assets</b>	<b>152,884</b>	<b>148,680</b>
Deferred assets	56	46
<b>Total assets</b>	<b>341,669</b>	<b>353,882</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,342	7,561
Short-term borrowings	92,069	107,872
Current portion of bonds payable	190	140
Current portion of long-term loans payable	25,997	35,454
Income taxes payable	4,318	3,641
Allowance	1,250	1,337
Other	21,987	23,638
<b>Total current liabilities</b>	<b>162,157</b>	<b>179,646</b>
Fixed liabilities		
Long-term loans payable	104,828	104,149
Bonds payable	4,015	4,220
Allowance	135	85
Liabilities related to retirement benefits	1,100	1,204
Other	4,290	4,278
<b>Total Fixed liabilities</b>	<b>114,369</b>	<b>113,937</b>
<b>Total liabilities</b>	<b>276,527</b>	<b>293,584</b>

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31,2023)	Current 2nd Quarter Consolidated Accounting Period (As of September 30, 2023)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,820	4,574
Retained earnings	55,971	54,081
Treasury stock	△4,174	△4,137
Total shareholders' equity	61,436	59,339
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	△71	54
Foreign currency translation adjustments	3	12
Remeasurements of defined benefit plans	8	8
Total accumulated other comprehensive income	△59	75
Subscription rights to shares	220	368
Non-controlling interest	3,544	515
Total net assets	65,142	60,298
Total liabilities and net assets	341,669	353,882

## (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, 2022 To September 30, 2022)	Current 2nd Quarter Consolidated Cumulative period (April 1, 2023 To September 30, 2023)
Net sales	73,471	59,179
Cost of sales	58,328	45,391
Gross profit	15,143	13,787
Selling, general and administrative expenses	10,814	11,417
Operating income	4,328	2,370
Non-operating income		
Interest income	11	23
Dividend income	153	75
Commission received	37	32
Income from insurance claim	16	220
Gain from equity method investment	43	108
Miscellaneous income	136	125
Total non-operating income	399	585
Non-operating expenses		
Interest expenses	751	1,411
Miscellaneous expenses	166	161
Total non-operating expenses	917	1,573
Ordinary income	3,810	1,382
Extraordinary income		
Gain on sales of stock of affiliates	-	6
Total extraordinary income	-	6
Extraordinary loss		
Impairment loss	-	408
Extraordinary losses Total	-	408
Current net income for the quarter before income taxes and minority interests prior to distribution of gain/loss on silent partnership	3,810	980
Distribution of loss in partnership	-	260
Current net income for the quarter before income taxes and minority interests	3,810	719
Income taxes, inhabitant taxes and business taxes	822	1,062
Income tax adjustments	57	△488
Total income and other taxes	880	574
Net profit	2,929	145
Quarterly net income attributable to non-controlling interests	54	58
Net income attributable to owners of parent	2,875	87

## (Quarterly Consolidated Statements of Comprehensive Income)

(Second Quarter Consolidated Cumulative Period)

(Millions of yen)

	Previous 2nd Quarter Consolidated Cumulative period (From April 1, 2022 to September 30, 2022)	Current 2nd Quarter Consolidated Cumulative period (From April 1, 2023 to September 30, 2023)
Net profit	2,929	145
Other comprehensive income		
Net unrealized gains on available-for-sale securities	△40	125
Foreign currency translation adjustments	9	8
Remeasurements of defined benefit plans	2	0
Total other comprehensive income	△28	134
Quarterly comprehensive income	2,901	279
(Comprising)		
Quarterly comprehensive income attributable to owners of the parent	2,846	221
Quarterly comprehensive income attributable to non-controlling interests	54	58



(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

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

Not applicable.