



## Third Quarter Consolidated Financial Report for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 29, 2024

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 February 13, 2024

Scheduled date for commencement of dividend payments -

Quarterly Financial Results: Preparation of Supplementary Explanations materials: None

Holding of quarterly financial results meeting: None

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results of Year ending March 31, 2024 Third quarter (April 1, 2023-December 31, 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	%
Year ending March 31, 2024 Third quarter	93,279	△1.9	2,335	5.9	243	△79.4	△1,461	-
Year ended March 31, 2023 Third quarter	95,081	△5.0	2,205	△61.1	1,179	△73.5	1,804	△42.0

(NOTE) Comprehensive income Year ending March 31, 2024 Third quarter  $\Delta 2,071$  Millions of yen (-%) Year ended March 31, 2023 Third quarter 1,175 Millions of yen (△62.1%)

	Quarterly net income per share	Quarterly diluted net income per share
	Yen	Yen
Year ending March 31, 2024 Third quarter	△13.30	-
Year ended March 31, 2023 Third quarter	16.52	16.39

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Year ending March 31, 2024 Third quarter	378,458	62,984	14.9
Year ended March 31, 2023	341,669	65,142	18.0

Reference: Shareholders' equity Year ending March 31, 2024 Third quarter 56,557 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 specified subsidiaries accompanied by changes in the scope of consolidation): None 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: None

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

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

② 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)

Year ending March 31, 2024 Third Quarter	121,000,000Shares	Year ended March 31, 2023	121,000,000Shares
Year ending March 31, 2024 Third Quarter	10,959,807Shares	Year ended March 31, 2023	11,192,607Shares
Year ending March 31, 2024 Third Quarter	109,889,687Shares	Year ended March 31, 2023 Third Quarter	109,275,938Shares

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

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 Regarding Consolidated Financial Results for the Third 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 80,108 Millions of yen (down 6.0% from the same quarter of the previous fiscal year) due to factors such as 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 7,846 Millions of yen (up 15.9% from the same quarter of the previous year) due to the revenue from electricity sales at power generation facilities.

As for Asset Management Business, the business Net sales was 371 Millions of yen (down 54.4% from the same quarter of the previous year) due to management fees and other factors.

In Other Businesses, Net sales of this business was 4,952 Millions of yen (up 117.4% from the same quarter of the previous year) due to construction contracting and other factors.

Consequently, Third Quarter Consolidated Cumulative period's results of operations are as follows: Net sales 93,279 Millions of yen (down 1.9% from the same quarter of the previous year), Operating income 2,335 Millions of yen (up 5.9% from the same quarter of the previous year), Ordinary income 243 Millions of yen (down 79.4% from the same quarter of the previous year), and net loss attributable to owners of parent 1,461 Millions of yen (compared to Net income attributable to owners of parent of 1,804 Millions of yen in the same quarter of the previous year).

## ② Progress of contract execution

Regarding Third Quarter Consolidated Cumulative period sales Actual, 2,168 units were contracted for Units 2,200 units scheduled to be delivered to Full year, and the progress rate is 98.5%.

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

	Units scheduled for delivery	Number of contracted units scheduled for delivery	Contract progress ratio (%)	Units under contract From April to December
Previous period	1,780	1,777	99.8	1,747
Current period	2,200	2,168	98.5	1,454

## (2) Explanation of Financial Position

## Assets, Liabilities and Net Assets

At the end of our Third Quarter Consolidated Accounting period, Assets, Liabilities and Net Assets of Total assets increased by 36,788 Millions of yen from 378,458 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 41,834 Millions of yen to 230,563 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 5,063 Millions of yen compared to 147,820 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 repayment of borrowings and other factors, Current liabilities decreased by 19,844 Millions of yen to 142,273 Millions of yen compared to End of Previous Consolidated Accounting Period.

## (Fixed Liabilities)

Fixed liabilities increased by 58,831 Millions of yen from 173, 200 Millions of yen and End of Previous Consolidated Accounting Period due to an increase in borrowings associated with new purchases, etc.

## (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 2,157 Millions of yen compared to 62,984 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)	Current Third Quarter Consolidated Accounting period (As of December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	47,872	48,633
Notes, accounts receivable-trade and contract assets	3,477	4,502
Real estate for sale	34,147	53,370
Power generation facilities for sale	3,375	2,998
Real estate for sale in progress	82,713	102,911
Costs incurred on uncompleted contracts	0	17
Other	17,415	18,405
Allowance for doubtful accounts	△275	△275
<b>Total current assets</b>	<b>188,728</b>	<b>230,563</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	28,879	24,603
Machinery, equipment and vehicles, net	48,705	55,783
Land	41,394	33,831
Other (net)	6,382	4,398
<b>Total property, plant and equipment</b>	<b>125,362</b>	<b>118,616</b>
Intangible assets		
Goodwill	3,918	3,483
Other	4,457	4,665
<b>Total intangible assets</b>	<b>8,376</b>	<b>8,148</b>
Investments and other assets		
Other	19,148	21,055
Allowance for doubtful accounts	△2	△1
<b>Total investments and other assets</b>	<b>19,145</b>	<b>21,054</b>
<b>Total fixed assets</b>	<b>152,884</b>	<b>147,820</b>
Deferred assets	56	74
<b>Total assets</b>	<b>341,669</b>	<b>378,458</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,342	18,365
Short-term borrowings	92,069	43,434
Current portion of bonds payable	190	206
Current portion of long-term loans payable	25,997	46,389
Income taxes payable	4,318	3,968
Allowance	1,250	974
Other	21,987	28,934
<b>Total current liabilities</b>	<b>162,157</b>	<b>142,273</b>
Fixed liabilities		
Long-term loans payable	104,828	158,314
Bonds payable	4,015	9,643
Allowance	135	89
Liabilities related to retirement benefits	1,100	1,233
Other	4,290	3,918
<b>Total Fixed liabilities</b>	<b>114,369</b>	<b>173,200</b>
<b>Total liabilities</b>	<b>276,527</b>	<b>315,473</b>

(Millions of yen)

	End of Previous Consolidated Accounting Period (As of March 31, 2023)	Current Third Quarter Consolidated Accounting period (As of December 31, 2023)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,819	4,819
Capital surplus	4,820	4,670
Retained earnings	55,971	51,874
Treasury stock	△4,174	△4,087
Total shareholders' equity	61,436	57,276
Accumulated other comprehensive income		
Net unrealized gains on available-for-sale securities	△71	96
Deferred gains or losses on hedges	-	△837
Foreign currency translation adjustments	3	12
Remeasurements of defined benefit plans	8	9
Total accumulated other comprehensive income	△59	△719
Subscription rights to shares	220	304
Non-controlling interest	3,544	6,122
Total net assets	65,142	62,984
Total liabilities and net assets	341,669	378,458

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

(Quarterly Consolidated Statements of Income)

(Third Quarter Consolidated Cumulative Period)

(Millions of yen)

	Previous Third Quarter Consolidated Cumulative period (From April 1, 2022 to December 31, 2022)	Current Third Quarter Consolidated Cumulative period (From April 1, 2023 to December 31, 2023)
Net sales	95,081	93,279
Cost of sales	75,708	73,109
Gross profit	19,373	20,169
Selling, general and administrative expenses	17,167	17,833
Operating income	2,205	2,335
Non-operating income		
Interest income	17	29
Dividend income	225	138
Commission received	56	56
Income from insurance claim	34	226
Gain from equity method investment	-	192
Miscellaneous income	155	265
Total non-operating income	489	907
Non-operating expenses		
Interest expenses	1,221	2,203
Losses from equity method investment	39	-
Miscellaneous expenses	255	796
Total non-operating expenses	1,515	3,000
Ordinary income	1,179	243
Extraordinary income		
Gain on subsequent acquisitions	601	-
Gain on sales of Fixed assets	31	-
Gain on sales of stock of affiliates	-	12
Total extraordinary income	632	12
Extraordinary loss		
Impairment loss	48	448
Office relocation expenses	26	18
Extraordinary losses Total	74	467
Current net income for the quarter before income taxes and minority interests or net loss ( $\Delta$ ) prior to distribution of gain/loss on silent partnership	1,737	$\Delta$ 212
Distribution of loss in partnership	-	86
Quarterly net income (loss) ( $\Delta$ ) before income taxes and minority interests	1,737	$\Delta$ 298
Income taxes, inhabitant taxes and business taxes	708	2,006
Income tax adjustments	$\Delta$ 621	$\Delta$ 894
Total income and other taxes	86	1,112
Quarterly net income (loss) ( $\Delta$ )	1,650	$\Delta$ 1,411
Quarterly net income (loss) ( $\Delta$ ) attributable to non-controlling interests	$\Delta$ 154	49
Quarterly net income (loss) ( $\Delta$ ) attributable to owners of the parent	1,804	$\Delta$ 1,461

## (Quarterly Consolidated Statements of Comprehensive Income)

(Third Quarter Consolidated Cumulative Period)

(Millions of yen)

	Previous Third Quarter Consolidated Cumulative period (From April 1, 2022 to December 31, 2022)	Current Third Quarter Consolidated Cumulative period (From April 1, 2023 to December 31, 2023)
Quarterly net income (loss) ( $\Delta$ )	1,650	$\Delta$ 1,411
Other comprehensive income		
Net unrealized gains on available-for-sale securities	$\Delta$ 483	167
Deferred gains or losses on hedges	-	$\Delta$ 837
Foreign currency translation adjustments	5	8
Remeasurements of defined benefit plans	3	0
Total other comprehensive income	$\Delta$ 475	$\Delta$ 659
Quarterly comprehensive income	1,175	$\Delta$ 2,071
(Comprising)		
Quarterly comprehensive income attributable to owners of the parent	1,329	$\Delta$ 2,120
Quarterly comprehensive income attributable to non-controlling interests	$\Delta$ 154	49



(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.