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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 12, 2025

Company name	MIRARTH HOLDINGS, Inc.		Stock exchange listings: Tokyo Prime
Securities code	8897	URL https://mirarth.co.jp	
Representative	(Title)	Representative Director	(Name) Kazuichi Shimada
Inquiries	(Title)	Director Managing Executive Officer	(Name) Daisuke Nakamura Tel +81-3-6551-2133
Date of general shareholders' meeting (as planned)	June 25, 2025	Dividend payable date (as planned)	June 27, 2025
Annual securities report filing date (as planned)	June 25, 2025		
Supplemental material of annual results : Yes			
Convening briefing of annual results : Yes		(for institutional investors and analysts)	

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	196,523	6.1	14,364	(7.1)	12,427	(4.3)	8,207	0.4
March 31, 2024	185,194	20.7	15,457	119.9	12,984	158.0	8,178	78.4

For the fiscal year ended March 31, 2025
Note: Comprehensive income 8,913 Million s of yen (6.0%)

For the fiscal year ended March 31, 2024
8,409 Million s of yen (118.3%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	62.69	62.13	11.0	3.5	7.3
March 31, 2024	74.39	73.72	12.9	3.8	8.3

Reference: Investment profit (loss) on equity method	For the fiscal year ended March 31, 2025	272 Million s of yen	For the fiscal year ended March 31, 2024	238 Million s of yen
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	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	372,508	89,107	22.3	610.61
March 31, 2024	337,447	71,669	19.5	596.90

Reference: Owner's equity As of March 31, 2025 82,954 Million s of yen As of March 31, 2024 65,717 Million s of yen

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	7,877	(24,807)	22,042	47,008
March 31, 2024	36,777	(26,329)	(15,464)	41,884

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
Fiscal year ended March 31, 2024	Yen —	Yen 6.00	Yen —	Yen 18.00	Yen 24.00	Millions of yen 2,641	% 32.3	% 4.2
Fiscal year ended March 31, 2025	—	7.00	—	23.00	30.00	4,074	47.9	5.0
Fiscal year ending March 31, 2026 (Forecast)	—	5.00	—	16.00	21.00		35.7	

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	216,400	10.1	15,500	7.9	12,000	(3.4)	8,000	(2.5)	58.89

* Notes

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

Newly included: — companies (Company name) Excluded: — companies (Company name)

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
- (ii) Changes in accounting policies due to other reasons : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(3) Number of issued shares (common shares)

- ① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)
- ② Number of treasury stock at the end of fiscal year
- ③ Average number of shares

As of March 31, 2025	140,300,000 shares	As of March 31, 2024	121,000,000 shares
As of March 31, 2025	4,444,408 shares	As of March 31, 2024	10,902,707 shares
Fiscal year ended March 31, 2025	130,926,166 shares	Fiscal year ended March 31, 2024	109,938,968 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	68,227	(23.5)	5,366	(29.3)	6,468	(22.4)	5,343	(13.9)
March 31, 2024	89,226	15.3	7,590	85.4	8,336	93.6	6,209	69.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended March 31, 2025	Yen 40.81	Yen 40.45
March 31, 2024	56.48	55.98

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2025	Millions of yen 110,084	Millions of yen 57,369	% 52.1	Yen 422.28
March 31, 2024	148,678	56,861	38.1	513.95

Reference: Owner's equity As of March 31, 2025 57,369 Million s of yen As of March 31, 2024 56,583 Million s of yen

<Reasons for difference in non-consolidated results from the results of the previous fiscal year >

Variations in the delivery of new condominiums for sale have resulted in differences between the actual figures for the previous and current financial year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(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.

○Accompanying Materials - Contents

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Fiscal Year under Review

During the year under review, the Japanese economy showed a gradual recovery due to increased capital investment, mainly in labour-saving and digitalisation by companies, as well as strong inbound demand. On the other hand, the outlook for the future economic environment remains uncertain and requires continued close monitoring, due to factors such as sluggish growth in personal consumption caused by rising domestic prices and uncertainty in the overseas situation.

In the business environment of the real estate industry to which the Group belongs, in the market for newly built condominiums for sale, sales prices are rising against the backdrop of a procurement environment of high raw material prices and soaring construction costs due to a serious labour shortage, but the high purchasing appetite of the actual demand segment is still strong. The diversification of end-users' lifestyles and the trend towards compact cities in core regional cities have resulted in continued growth in demand for compact condominiums in addition to needs for location and living convenience, and sales of condominiums for sale have remained strong.

According to a survey by the Real Estate Economic Institute, In 2024, the number of new condominiums for sale across the country was 59,467, down 8.6% year-on-year. It was the first time in four years that the number of condominiums put on sale in a year fell below 60,000 units, but the average price of condominiums in 2024 was 60.82 Millions of yen (59.1 Millions of yen in 2023, up 2.9%), an increase for the eighth consecutive year and the highest price since the survey began in 1973.

According to the institute's research, the number of condominiums on sale nationwide in 2025 is expected to be approximately 62,000 nationwide, and the market for new condominiums for sale is expected to continue to have a relatively favourable supply-demand balance. Against this backdrop, the Group ranked seventh in Japan in terms of the number of condominium units supplied by seller group in 2024, and is playing a role in ensuring a stable supply in the new condominium market.

Our group formulated a long-term vision in October 2023, with the fiscal year ending March 2030 as the target, to embody our Purpose: "To design sustainable environments for a happier future for both people and our planet."

Be the Takara* of the community.

What future does a real estate developer have.

Does power trained at the site become the value of the local community.

MIRARTH will reform themselves and provide answers for 2030.

We evolve our model by connecting flow type to a stock-circulating type.

We extend our domain by connecting real estate to cities, regions and the environment.

We redefine value by connecting real estate revenues to social value.

MIRARTH become a Takara-like presence for the local community by thoroughly learning "the unique characteristics" that are rooted in each region, connecting the development of "points" with "lines," and promoting the revitalization of "faces."

Encourage the region, Japan and the world.

*Takara = treasure

In the formulation of this plan, the main target of the message is made up of employees. By doing so, we hope that the employees of our group will continue to ask their questions and become a company that contributes to regional revitalization.

In addition, we have set up specific "indicators" to be implemented by 2030. By connecting the ideas of our long-term vision to Segment of our group companies, we are playing a role in aligning and encouraging the direction of business growth and change.

In the future, based on this long-term vision, we will aim to create synergies that transcend the boundaries of the Group, such as "Real Estate Business," "Energy Business," and "Asset Management Business," by reflecting the ideals of each Group company up to 2030 in the day-to-day operations of each company's Target and each employee, and to make the future of humans and the planet happy as a "future environmental design company" that transcends the boundaries of a comprehensive real estate developer.

The operating results for the current financial year were sales of 196,523 Millions of yen (up 6.1% year on year), operating

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

profit of 14,364 Millions of yen (down 7.1% year on year), ordinary profit of 12,427 Millions of yen (down 4.3% year on year) and net profit attributable to shareholders of the parent company of 8,207 Millions of yen (up 0.4% year on year).

① Results of Operations by Segment

<Real Estate Business>

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, this business Net sales was 178,512 Millions of yen (up 9.6% year on year).

<Energy Business>

Due to the postponement of the planned sale of operational power generation facilities and the costs incurred to combat cable theft and repair costs, sales amounted to 9,921 Millions of yen (down 28.4% year on year).

<Asset Management Business>

In terms of management fees, sales in this segment amounted to 1,162 Millions of yen as a result of the steady build-up in the size of assets under management (up 58.2% year on year).

<Other Businesses>

Net sales for this segment was 6,927 Millions of yen (down 11.2% year on year) due to construction subcontracting, orders for large-scale repair work, and revenues from various fees and commissions.

② Explanation by Item

<Net sales>

In Real Estate Business segment, 178,512 Millions of yen consisted of 2,339 newly built condominiums (including JV interests), sales of income-generating properties, sales of newly built detached houses, sales of pre-owned condominiums, rental income from apartments, condominiums, offices, etc., and management income from 79,624 managed units.

Energy Business sales totaled 9,921 Millions of yen due to the revenue from electricity sales at power generation facilities and other factors.

Asset Management Business account is 1,162 Millions of yen due to management fees and other factors.

Other Businesses accounts for 6,927 Millions of yen due to construction subcontracting, large-scale repair work orders, and various fee income.

Consequently, Current Consolidated Fiscal Year's Net sales was 196,523 Millions of yen, up 6.1% year on year.

<Cost of sales>

This was 154,212 Millions of yen, up 6.6% from the same period of the previous fiscal year, mainly due to an increase in the delivery of newly built condominiums.

<Selling, general and administrative expenses>

Selling, general and administrative expenses increased 11.2% year on year to 27,946 Millions of yen due to aggressive investments in human capital and the building of a DX base.

<Non-operating income and expenses>

Non-operating income amounted to 1,340 Millions of yen, an increase of 12.3% year on year, mainly due to an increase in insurance income.

Non-operating expenses were 3,278 Millions of yen, a decrease of 10.6% year on year, mainly due to a decrease in arrangement fees.

<Extraordinary income/losses>

Extraordinary income was 144 Millions of yen, a decrease of 565 Millions of yen year on year, mainly due to the recording of a gain on the sale of shares in an affiliate in the previous financial year, despite the recording of a gain on the exchange of fixed assets.

Extraordinary losses were 1,014 Millions of yen, an increase of 459 Millions of yen year on year, mainly due to the recording of valuation losses on shares in affiliated companies and construction compensation losses, and an increase in office relocation costs.

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

As a result of the above, the Group's operating results for the year under review were as follows: net sales of 196,523 Millions of yen (up 6.1% year-on-year), operating income of ¥14,364 million (down 7.1% year on year), ordinary income of 12,427 Millions of yen (down 4.3% year on year) and net income attributable to owners of the parent of 8,207 Millions of yen (up 0.4% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

The Group's assets, liabilities and net assets in the current financial year were 372,508 Millions of yen, an increase of 35,060 Millions of yen compared to the end of the previous financial year, due to the delivery of newly built condominiums and the sale of income-generating properties.

<Current assets>

Current assets amounted to 215,263 Millions of yen, an increase of 23,325 Millions of yen compared to the end of the previous year, mainly due to the steady purchase of business assets.

<Fixed assets>

Fixed assets amounted to 157,198 Millions of yen, an increase of 11,756 Millions of yen compared to the end of the previous financial year, mainly due to the steady purchase of business assets.

<Current liabilities>

Current liabilities amounted to 134,075 Millions of yen, an increase of 11,537 Millions of yen compared to the end of the previous year, mainly due to an increase in short-term borrowings.

<Fixed liabilities>

Long-term liabilities amounted to 149,325 Millions of yen, an increase of 6,084 Millions of yen compared to the end of the previous year, mainly due to an increase in long-term borrowings for new purchases.

<Net assets>

Total net assets amounted to 89,107 Millions of yen, an increase of 17,438 Millions of yen compared to the end of the previous year, due to the issue of new shares by public offering and private placement, the recording of net profit attributable to owners of the parent company and the disposal of treasury shares.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents ("Funds") in end of the consolidated financial year increased by 5,123 Millions of yen to 47,008 Millions of yen compared to end of Previous Consolidated Accounting Period.

<Cash flow from operating activities>

The increase in funds from operating activities amounted to 7,877 Millions of yen (previous year: increase of 36,777 Millions of yen). This was mainly due to a decrease in trade receivables.

<Cash flow from investing activities>

The decrease in net cash used in investing activities was 24,807 Millions of yen (a decrease of 26,329 Millions of yen for End of Previous Consolidated Accounting Period). This was mainly due to Purchase of Property, plant and equipment.

<Cash flow from financing activities>

The increase in funds from financing activities amounted to 22,042 Millions of yen (decrease of 15,464 Millions of yen in the previous year). This was mainly due to proceeds from the issue of shares and an increase in short-term borrowings.

(Reference) Trends in cash flow-related indicators

	Year ending March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2025
Equity ratio (%)	18.0	19.5	22.3
Market value based Equity ratio (%)	12.1	16.8	18.5
Debt amortization schedule (number of years)	—	5.7	28.8
Interest coverage ratio (times)	—	13.6	2.5

Equity ratio: Shareholders' equity/Total assets

Market value based Equity ratio: Equity securities market capitalization/Total assets

Debt redemption period: Interest-bearing Liabilities/Operating cash flow

Interest coverage ratio = operating cash flow / interest expenses

※ All figures are calculated on a consolidated basis.

※ The interest-bearing debt refers to the debts posted in the consolidated balance sheets for which we are paying interests.

※ "Debt redemption period (years)" and "Interest coverage ratio (times)" of Year ending March 31, 2023 are not stated because of negative operating cash flow.

(4) Future Outlook

Consolidated earnings forecasts for the fiscal year ending March 2026 are estimated as follows

In Real Estate Business, we are actively promoting the provision of new condominiums, which are our core business, not only in the Tokyo metropolitan area but also in central urban areas in rural areas. We anticipate the delivery of 2,820 units (our share of 2,150 units after the pro rata JV), and the contract progress rate is robust at 47.8%.

In Energy Business, we aim to expand our business by promoting onshore wind power and biomass, including solar power.

In Asset Management Business, we aim to accumulate Assets under management and increase management fees through group synergies and acquiring properties from third parties.

As a result of the above, the Company expects to make the following forecasts for the next fiscal year.

Net sales	216,400 Millions of yen (up 10.1% year on year)
Operating income	15,500 Millions of yen (up 7.9% year on year)
Ordinary income	12,000 Millions of yen (down 3.4% year on year)
Net income attributable to owners of parent	8,000 Millions of yen (down 2.5% year on year)

(Contracts with Units to be delivered in the new condominium business, including JV Units)

	Year ending March 31, 2026 Number of units to be delivered (units)	Number of units	From the year ending March 31, 2027 Number of contracts (units) to be delivered	Total subscribers (units)
As of the end of March 2025	2,820 (2,150)	1,349 (1,005)	300 (132)	1,649 (1,137)

() Figures in parentheses are the number of units in which the JV has a pro rata share of the Company's equity.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Our medium-term management plan formulated in May 2021 calls for Dividend payout ratio to be in the range of 30% to 35%.

For the fiscal year under review, we plan to pay a Term end dividend of 23 yen per share in 1 Shares Per share. Combined with End of second quarter dividends paid, 1 Shares Per share's Annual Cash Dividends per Share is 30 yen. The resulting Dividend payout ratio is 47.9%.

The dividend for the next financial year will be returned with a target payout ratio of 35% to 40%, as set out in the new medium-term management plan published on 12 May 2025.

2 . Basic Approach to Selection of Accounting Standards

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

In order to ensure Comparison potential with other companies in the same industry in Japan, we have adopted Japanese accounting standards.

3 . Consolidated Financial Statements and Supplementary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	42,740	48,044
Notes and accounts receivable - trade, and contract assets	8,335	3,775
Real estate for sale	47,381	53,551
Power production units for sale	65	65
Real estate for sale in process	76,598	92,729
Costs on construction contracts in progress	40	34
Other	17,053	17,359
Allowance for doubtful accounts	(277)	(297)
Total current assets	191,937	215,263
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,724	33,508
Accumulated depreciation	(5,969)	(5,969)
Buildings and structures, net	27,755	27,539
Machinery, equipment and vehicles	63,287	71,697
Accumulated depreciation	(10,834)	(15,380)
Machinery, equipment and vehicles, net	52,453	56,316
Tools, furniture and fixtures	1,265	1,673
Accumulated depreciation	(966)	(1,070)
Tools, furniture and fixtures, net	299	602
Land	33,759	33,826
Leased assets	345	355
Accumulated depreciation	(118)	(149)
Leased assets, net	226	205
Construction in progress	3,264	8,711
Total property, plant and equipment	117,759	127,201
Intangible assets		
Goodwill	3,420	3,014
Other	4,643	4,881
Total intangible assets	8,063	7,895
Investments and other assets		
Investment securities	2,597	3,125
Long-term loans receivable	200	—
Deferred tax assets	4,258	4,680
Other	12,563	14,295
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	19,619	22,100
Total non-current assets	145,441	157,198
Deferred assets	68	47
Total assets	337,447	372,508

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	17,346	19,899
Accounts payable - trade	9,772	8,514
Short-term borrowings	25,621	43,238
Current portion of bonds payable	2,806	1,006
Current portion of long-term borrowings	44,102	39,462
Lease liabilities	34	36
Income taxes payable	3,571	2,874
Advances received	9,167	7,321
Provision for bonuses	850	864
Provision for warranties for completed construction	614	891
Other	8,648	9,963
Total current liabilities	<u>122,537</u>	<u>134,075</u>
Non-current liabilities		
Long-term borrowings	130,673	136,185
Bonds payable	7,008	6,887
Lease liabilities	214	188
Provision for retirement benefits for directors (and other officers)	100	59
Retirement benefit liability	1,314	1,408
Asset retirement obligations	200	534
Deferred tax liabilities	2,489	2,773
Other	1,239	1,287
Total non-current liabilities	<u>143,240</u>	<u>149,325</u>
Total liabilities	<u>265,778</u>	<u>283,401</u>
Net assets		
Shareholders' equity		
Share capital	4,819	9,056
Capital surplus	3,375	8,083
Retained earnings	61,514	66,783
Treasury shares	(4,066)	(1,657)
Total shareholders' equity	<u>65,643</u>	<u>82,265</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	127	583
Foreign currency translation adjustment	(36)	62
Remeasurements of defined benefit plans	(17)	42
Total accumulated other comprehensive income	<u>73</u>	<u>688</u>
Share acquisition rights	277	326
Non-controlling interests	5,674	5,826
Total net assets	<u>71,669</u>	<u>89,107</u>
Total liabilities and net assets	<u>337,447</u>	<u>372,508</u>

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	185,194	196,523
Cost of sales	※1 144,603	※1 154,212
Gross profit	40,590	42,311
Selling, general and administrative expenses	※2 25,133	※2 27,946
Operating profit	15,457	14,364
Non-operating income		
Interest income	34	23
Dividend income	174	153
Commission income	122	137
Insurance claim income	228	422
Share of profit of entities accounted for using equity method	238	272
Miscellaneous income	395	330
Total non-operating income	1,193	1,340
Non-operating expenses		
Interest expenses	2,795	3,017
Arrangement fees	646	—
Miscellaneous losses	223	261
Total non-operating expenses	3,666	3,278
Ordinary profit	12,984	12,427
Extraordinary income		
Gain on step acquisitions	—	0
Gain on sale of investment securities	145	—
Gain on bargain purchase	—	0
Gain on exchange of non-current assets	—	143
Gain on sale of shares of subsidiaries and associates	563	—
Total extraordinary income	709	144
Extraordinary losses		
Loss on retirement of non-current assets	—	36
Impairment losses	※3 508	—
Office relocation expenses	31	189
Loss on sale of shares of subsidiaries and associates	14	—
Loss on valuation of shares of subsidiaries and associates	—	506
Compensation loss for construction	—	282
Total extraordinary losses	554	1,014
Profit before distributions of profit or loss on silent partnerships and income taxes	13,139	11,557
Distributions of profit or loss on silent partnerships	147	230
Profit before income taxes	12,991	11,326
Income taxes - current	4,470	3,843
Income taxes - deferred	244	(815)
Total income taxes	4,714	3,028
Profit	8,276	8,298
Profit attributable to non-controlling interests	98	90
Profit attributable to owners of parent	8,178	8,207

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	8,276	8,298
Other comprehensive income		
Valuation difference on available-for-sale securities	198	456
Foreign currency translation adjustment	(40)	98
Remeasurements of defined benefit plans, net of tax	(25)	60
Total other comprehensive income	133	614
Comprehensive income	8,409	8,913
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,311	8,822
Comprehensive income attributable to non-controlling interests	98	90

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,819	4,820	55,971	(4,174)	61,436
Changes during period					
Dividends of surplus			(2,635)		(2,635)
Profit attributable to owners of parent			8,178		8,178
Changes due to exclusion of subsidiaries from consolidation			1		1
Capital increase of consolidated subsidiaries		(1,301)			(1,301)
Change in ownership interest of parent due to transactions with non-controlling interests		(174)			(174)
Disposal of treasury shares		31		108	140
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,444)	5,543	108	4,207
Balance at end of period	4,819	3,375	61,514	(4,066)	65,643

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(71)	3	8	(59)	220	3,544	65,142
Changes during period							
Dividends of surplus							(2,635)
Profit attributable to owners of parent							8,178
Changes due to exclusion of subsidiaries from consolidation							1
Capital increase of consolidated subsidiaries							(1,301)
Change in ownership interest of parent due to transactions with non-controlling interests							(174)
Disposal of treasury shares							140
Net changes in items other than shareholders' equity	198	(40)	(25)	133	56	2,129	2,319
Total changes during period	198	(40)	(25)	133	56	2,129	6,526
Balance at end of period	127	(36)	(17)	73	277	5,674	71,669

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,819	3,375	61,514	(4,066)	65,643
Changes during period					
Issuance of new shares	4,237	4,237			8,474
Dividends of surplus			(2,931)		(2,931)
Profit attributable to owners of parent			8,207		8,207
Changes due to exclusion of subsidiaries from consolidation			(7)		(7)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		470		2,408	2,879
Net changes in items other than shareholders' equity					
Total changes during period	4,237	4,707	5,268	2,408	16,622
Balance at end of period	9,056	8,083	66,783	(1,657)	82,265

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	127	(36)	(17)	73	277	5,674	71,669
Changes during period							
Issuance of new shares							8,474
Dividends of surplus							(2,931)
Profit attributable to owners of parent							8,207
Changes due to exclusion of subsidiaries from consolidation							(7)
Purchase of treasury shares							(0)
Disposal of treasury shares							2,879
Net changes in items other than shareholders' equity	456	98	60	614	49	151	816
Total changes during period	456	98	60	614	49	151	17,438
Balance at end of period	583	62	42	688	326	5,826	89,107

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,991	11,326
Depreciation	5,370	5,965
Impairment losses	508	—
Office relocation expenses	—	189
Loss on valuation of shares of subsidiaries and associates	—	506
Amortization of goodwill	509	405
Gain on bargain purchase	—	(0)
Increase (decrease) in provisions	179	305
Increase (decrease) in retirement benefit liability	174	154
Interest and dividend income	(209)	(177)
Insurance claim income	—	(422)
Share-based payment expenses	196	293
Interest expenses	2,795	3,017
Gain on exchange of non-current assets	—	(143)
Decrease (increase) in trade receivables	(4,892)	4,567
Decrease (increase) in inventories	15,692	(12,926)
Increase (decrease) in trade payables	10,934	1,308
Increase (decrease) in advances received	(1,029)	(1,845)
Other, net	1,736	2,351
Subtotal	44,957	14,875
Interest and dividends received	192	162
Interest paid	(2,695)	(3,115)
Income taxes paid	(5,676)	(4,467)
Proceeds from insurance income	—	422
Net cash provided by (used in) operating activities	36,777	7,877
Cash flows from investing activities		
Payments into time deposits	(35)	(194)
Proceeds from withdrawal of time deposits	—	230
Purchase of property, plant and equipment	(25,589)	(21,010)
Proceeds from sale of property, plant and equipment	1,271	2
Purchase of intangible assets	(1,895)	(1,079)
Purchase of shares of subsidiaries and associates	(604)	(1,723)
Proceeds from collection of long-term loans receivable	380	—
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	0	—
Purchase of membership	—	(35)
Purchase of subsidiaries stocks and others resulting in change in scope of consolidation	(518)	(1,168)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	445	102
Other, net	215	71
Net cash provided by (used in) investing activities	(26,329)	(24,807)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(67,503)	17,618
Proceeds from long-term borrowings	124,207	74,604
Repayments of long-term borrowings	(75,498)	(76,309)
Proceeds from issuance of bonds	5,745	876
Redemption of bonds	(190)	(2,806)
Repayments of lease liabilities	(34)	(35)
Proceeds from issuance of shares	—	8,474
Proceeds from disposal of treasury shares	—	2,634
Purchase of treasury shares	—	(0)
Repayments to non-controlling shareholders	(4,768)	—
Proceeds from share issuance to non-controlling shareholders	5,761	—
Dividends paid	(3,161)	(2,928)
Dividends paid to non-controlling interests	(22)	(83)
Net cash provided by (used in) financing activities	(15,464)	22,042
Effect of exchange rate change on cash and cash equivalents	—	10
Net increase (decrease) in cash and cash equivalents	(5,017)	5,123
Cash and cash equivalents at beginning of period	47,148	41,884
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(246)	—
Cash and cash equivalents at end of period	41,884	47,008

(5)Notes to the Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Notes to Consolidated Balance Sheets)

In order to raise working capital efficiently, we have entered into overdraft and loan commitment contracts with 59 financial institutions (63 End of Previous Consolidated Accounting Period). Balance of undisbursed borrowings at the end of the consolidated fiscal year under these contracts are as follows:

	Previous Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)
Maximum overdraft amount and loans		
Commitments	84,333 Millions of yen	90,728 Millions of yen
Total amount		
Loan balance	53,894	55,521
Net amount	30,439	35,207

(Notes to Consolidated Statements of Income)

※1 Term end Inventory is the amount after writing down the book value due to a decline in profitability, and the following loss on valuation of inventory Assets is included in Cost of sales.

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
16 Millions of yen	67 Millions of yen

※2 The approximate percentages of expenses in selling expenses are End of Previous Consolidated Accounting Period 34%, Current Consolidated Fiscal Year 33%, and the approximate percentages of expenses in general and administrative expenses are End of Previous Consolidated Accounting Period 66% and Current Consolidated Fiscal Year 67%.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Advertising expenses	5,336百万円	5,416百万円
Promotion expenses	2,398	2,811
Salaries and allowances	4,536	5,050
Provision for bonuses	1,082	1,174
Retirement benefit expenses	213	227
Provision for retirement benefits for directors (and other officers)	26	1
Provision of allowance for doubtful accounts	1	19

※3 Impairment loss

Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

Our group recorded Impairment loss (508 Millions of yen) for the following Assets or Assets group in Current Consolidated Fiscal Year due to the decrease in profitability of Hotel, etc.

Application	Type	Location	Amount (Millions of yen)
Real estate for rent	Land	Matsuyama, Ehime.	39
Power generation facility	Machinery, equipment and vehicles	Kayabe County, Hokkaido	13
Hotel	Land	Kyoto City, Kyoto Prefecture	408
	Land	Kyoto City, Kyoto Prefecture	46
Total			508

The breakdown by subject is 494 Millions of yen for land and 13 Millions of yen for machinery, equipment and vehicles.

The Group groups rental properties, power generation facilities and hotels by individual property unit.

The recoverable amount of rental properties and hotels is measured by net realisable value, and the net realisable value is assessed based on the appraisal value by a real estate appraiser. The recoverable value of power generation facilities is measured by value in use, and the recoverable value is assessed as zero as the future cash flows are expected to be negative.

Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)

Not applicable.

(Notes on Rental properties)

The Company and certain consolidated subsidiaries have office buildings (including land) for rent in Tokyo and other areas. The Company and some consolidated subsidiaries have office buildings (including land) and condominiums, etc. for rent in Tokyo and other regions. The rental profit/loss from such rental properties in the previous financial year amounted to 151 Millions of yen (rental income is included in net sales and major rental expenses are included in cost of sales). The rental income/loss from such rental properties in the current financial year amounted to 748 Millions of yen (rental income is included in net sales and major rental expenses are included in cost of sales).

The carrying amount on the consolidated balance sheet, changes during the year and fair value of the relevant rental properties are as follows.

(Millions of yen)

	Previous Consolidated Accounting Period (April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)
Carrying amount		
Beginning Balance	35,714	31,045
Changes during the year	△4,668	△1,056
Term end Balance	31,045	29,989
Term end Market Value	36,080	33,538

(NOTE) 1 . The consolidated balance sheet amount is the acquisition cost less accumulated depreciation and accumulated impairment losses.

- 2 . The main increase in the amount of change during the year was due to property acquisitions (11,659 Millions of yen), while the main decrease was due to transfers to property for sale and property for sale in progress (17,010 Millions of yen) and depreciation (¥ 303 Millions of yen). The main increase in the current financial year was due to property acquisitions (8,644 Millions of yen), while the main decreases were transfers to properties for sale and properties for sale in progress (9,546 Millions of yen) and depreciation (367 Millions of yen).
- 3 . The fair value at the end of the year is based on the value appraised by an external property appraiser.
- 4 . Assets under construction are not included in the table above as it is extremely difficult to determine their fair value. The carrying amounts of assets under construction in the consolidated balance sheet for the previous and current financial years were 2,165 Millions of yen and 4,873 Millions of yen respectively.

(Segment Information, etc.)

a. Segment information

1. Reportable segments at a Glance

Reportable segments of the Group are components of the Group for which discrete financial data is available and regularly reviewed by Board of Directors to make decisions about resource allocation and assess performance.

Our group conducts business activities mainly on condominium sales. "Real Estate Business," "Energy Business," and "Asset Management Business" are referred to as Reportable segments.

Real Estate Business is engaged in the core business of selling new condominiums, as well as new detached houses, renovation and resale of condominiums, the liquidation business, which sells income-generating properties such as residential properties and offices, the real estate rental business, and the real estate management business.

Energy Business sells electricity generated from solar and other wind, biomass and other renewable energy to electric power companies to generate stable revenues.

Asset Management Business utilizes our extensive expertise, know-how, and network accumulated in real estate and renewable energy to manage J-REIT and private funds and provide excellent investment-opportunities and solid Assets administration services.

2. Methods of calculating the amount of Net sales, Profit or loss, Assets, and Liabilities Items in Other for each Reportable segments

The accounting methods used for Report of business Segment are generally the same as the accounting Policy used for the preparation of consolidated financial statements, except for the valuation standards for inventory Assets.

Inventories are valued at book value after devaluation based on a decline in profitability.

Reportable segments earnings are Operating income based figures.

Intersegment revenues and transfers are based on prevailing market prices.

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3. Information on the amount of Net sales, Profit or loss, Assets, and Liabilities Items in Other for each Reportable segments, as well as information on the breakdown of revenue

Previous Consolidated Accounting Period (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments				Other	Total
	Real estate business	Energy business	Asset management business	Reportable segments		
Sales						
Revenue arising from contracts with customers	156,933	13,849	734	171,517	7,805	179,322
Other revenue	5,871	—	—	5,871	—	5,871
Revenues from external customers	162,804	13,849	734	177,388	7,805	185,194
Transactions with other segments	—	—	—	—	—	—
Net sales	162,804	13,849	734	177,388	7,805	185,194
Operating profit (loss)	13,790	2,026	(34)	15,782	(325)	15,457
Assets	178,033	113,998	935	292,967	7,264	300,232
Liabilities	157,048	117,604	110	274,763	3,562	278,325
Other items						
Depreciation	344	4,585	5	4,935	84	5,020
Amortization of goodwill	78	—	—	78	—	78
Interest expenses	1,315	1,544	0	2,860	2	2,862
Increase in property, plant and equipment and intangible assets	16,320	22,960	0	39,281	1,231	40,513

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

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments				Other	Total
	Real estate business	Energy business	Asset management business	Reportable segments		
Sales						
Revenue arising from contracts with customers	169,435	9,921	1,162	180,519	6,927	187,446
Other revenue	9,077	—	—	9,077	—	9,077
Revenues from external customers	178,512	9,921	1,162	189,596	6,927	196,523
Transactions with other segments	—	—	—	—	—	—
Net sales	178,512	9,921	1,162	189,596	6,927	196,523
Operating profit (loss)	13,130	1,110	268	14,509	(144)	14,364
Assets	204,206	114,317	2,528	321,052	5,912	326,965
Liabilities	177,441	121,844	291	299,577	2,622	302,199
Other items						
Depreciation	440	4,479	11	4,930	89	5,020
Amortization of goodwill	19	—	—	19	—	19
Interest expenses	1,418	1,338	0	2,757	6	2,763
Increase in property, plant and equipment and intangible assets	12,259	8,600	102	20,961	48	21,010

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

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

4 . Major Details of Difference and Difference between Reportable segments Total and Carrying value (items related to reconciliation of differences)

(Millions of yen)

Net sales	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	177,388	189,596
Net sales of Category in Other	7,805	6,927
Elimination of inter-segment transactions	—	—
Net sales of Consolidated Financial Statements	185,194	196,523

(Millions of yen)

Profit	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	15,782	14,509
Benefits of Other's Category	△325	△144
Elimination of inter-segment transactions	—	—
Amortization of goodwill	—	—
Operating income of Consolidated Financial Statements	15,457	14,364

(Millions of yen)

Assets	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	292,967	321,052
Other's Category property	7,264	5,912
Offset and Elimination of Obligations to Administration	△62,756	△59,419
Divisions of Head Office	99,971	104,961
Corporate assets (Note)		
Total assets of Consolidated Financial Statements	337,447	372,508

(NOTE)Corporate assets are assets not attributable to Reportable segments. Major items include assets related to Cash and deposits and Administration Divisions and deferred tax assets.

(Millions of yen)

Liabilities	Previous Consolidated Accounting Period	Current Consolidated Fiscal Year
Reportable segments Total	274,763	299,577
Other's Category Debt	3,562	2,622
Offset and Elimination of Obligations to Administration	△44,596	△42,725
Divisions of Head Office	32,049	23,926
Corporate liabilities (Note)		
Total liabilities of Consolidated Financial Statements	265,778	283,401

(NOTE)Corporate Liabilities is a Liabilities that is not attributable to Reportable segments. The main item is loans payable, etc.

(Millions of yen)

Items in Other	Reportable segments Total		Other		Adjusted amount		Carrying value	
	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year
Depreciation and amortization	4,935	4,930	84	89	350	945	5,370	5,965
Amortization of goodwill	78	19	—	—	430	386	509	405
Interest expenses	2,860	2,757	2	6	△66	253	2,795	3,017

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Items in Other	Reportable segments Total		Other		Adjusted amount		Carrying value	
	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year	Previous consolidated Fiscal year	This consolidated company Fiscal year
Property, plant and equipment and intangibles Increased Fixed assets (Note)	39,281	20,961	1,231	48	△13,871	660	26,641	21,670

(NOTE) Adjustments to increase in Property, plant and equipment and Intangible assets represent accruals for Goodwill not allocated to Reportable segments, capital expenditures for head office buildings, etc., and elimination of inter-segment transactions

MIRARTH HOLDINGS, Inc. (8897) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

- b . Information regarding impairment losses on fixed assets by report item
 Previous Consolidated Accounting Period (April 1, 2023 to March 31, 2024)

	Real estate business	Energy business	Asset management business	Other	Unallocated amounts and elimination	(Millions of yen) Total
Impairment losses	39	13	—	455	—	508

(NOTE)The amount of "Other" is related to Hotel business.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

Not applicable.

(Per Share Information)

	Previous Consolidated Accounting Period (From April 1, 2023 to 31 March, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Net assets per share	596.90 yen	610.61 yen
Net income per share	74.39 yen	62.69 yen
Diluted Net income per share	73.72 yen	62.13 yen

(NOTE)The basis for calculation of Net income per share and Diluted Net income per share is as follows.

	Previous Consolidated Accounting Period (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Net income per share		
Net income attributable to owners of parent (Millions of yen)	8,178	8,207
Net income not applicable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent related to Common (Millions of yen)	8,178	8,207
Average number of shares during the period (Thousands of Shares)	109,938	130,926
Diluted Net income per share		
Net income attributable to owners of parent Adjustments (Millions of yen)	—	—
Common stock growth (Thousands of Shares)	990	1,174
(Subscription rights to shares (Thousands of Shares))	(990)	(1,174)
Summary of dilutive shares not included in the calculation of diluted Net income per share because they have no dilutive effect		—

(Significant Subsequent Events)

Not applicable.