

# Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2023 (under Japanese GAAP)

February 10, 2023

Name of the Listed Company: Miyakoshi Holdings, Inc.  
 Listed Stock Exchanges: Tokyo Stock Exchange  
 Securities Code: 6620 URL: <http://www.miyakoshi-holdings.com>  
 Representative: Kunimasa Miyakoshi, Representative Director Chairman & CEO  
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 Scheduled date to submit securities report: February 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary materials on quarterly financial results: None  
 Holding of financial results presentation meeting: None

(Million yen with fractional amounts rounded down)

## 1. Consolidated financial results for the third quarter of the fiscal year ending March 31, 2023 (April 1, 2022 to December 31, 2022)

### (1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter ended December 31, 2022	1,000	(5.7)	342	(11.0)	594	(4.5)	318	0.0
December 31, 2021	1,061	(14.1)	385	(53.5)	622	(35.5)	318	(43.8)

Note: Comprehensive income

Third quarter ended December 31, 2022: 1,442 million yen (48.3%)

Third quarter ended December 31, 2021: 973 million yen (60.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter ended December 31, 2022	7.97	–
December 31, 2021	7.96	–

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2022	27,453	26,146	89.9	616.87
As of March 31, 2022	26,202	24,904	90.3	591.11

Reference: Shareholder's equity

As of December 31, 2022: 24,683 million yen

As of March 31, 2022: 23,652 million yen

## 2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	5.00	5.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (forecast)			–	0.00	0.00

Note: Revisions to the most recently announced forecast of the dividend: None

## 3. Consolidated financial forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2023	1,160	(17.6)	380	(23.9)	680	(20.5)	370	(43.8)	9.25

Note: Revisions to the most recently announced financial forecasts: None

\* **Notes**

- (1) Changes in significant subsidiaries during the period (Transfer of specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies other than (i): None
  - (iii) Change in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of shares issued (common shares)
  - (i) Total number of shares issued at the end of the period (including treasury shares)

As of December 31, 2022:	40,014,943 shares
As of March 31, 2022:	40,014,943 shares
  - (ii) Number of treasury shares at the end of the period

As of December 31, 2022:	811 shares
As of March 31, 2022:	596 shares
  - (iii) Average number of shares during the period (first nine months)

Third quarter ended December 31, 2022:	40,014,266 shares
Third quarter ended December 31, 2021:	40,014,380 shares

\* Quarterly financial results are outside the scope of the quarterly review by certified public accountants or audit corporations.

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## 1. Qualitative Information on Consolidated Financial Results for the Nine Months Ended December 31, 2022

### (1) Explanation of Operating Results

During the nine months ended December 31, 2022, the economic environment is expected to recover gradually as COVID-19 restrictions are loosened. However, due to the prolonged conflict of Russia in Ukraine caused the prices of industrial raw materials soar, rapid fluctuations in exchange rates, and economic deterioration forecast due to contractionary monetary stances in response to inflationary pressures in Europe and United States etc., the future of the global economy remained uncertain.

On the other hand, in Shenzhen China, where the Group has established a business presence, the geopolitical risks such as the situation in Ukraine on the Group's operation are considered minor.

In this environment, the Group continues worked to strengthen the revenue base for the real estate leasing and management business, and make preparation for the start of redevelopment project. The Group will refrain from taking in new tenants who planned long-term occupancy and involve renovation cost. Furthermore, in anticipation of the redevelopment situation, the Group will continue to refrain from renewing long-term contracts for tenants whose rental contracts will expired.

As a result, consolidated operating revenue of third quarter of the fiscal year ended March 31, 2023, stood at 1,000 million yen (down 5.7% year on year). Operating profit amounted to 342 million yen (down 11.0% year on year), ordinary profit was 594 million yen (down 4.5% year on year), and profit attributable to owners of parent stood at 318 million yen (up 0.0% year on year).

#### Real Estate Development Business

The Group is promoting to build the World Innovation Center (tentative name: WIC), a large-scale facility with a total floor area of 700,000 square meters, where 200 major cutting-edge foreign companies including Fortune Global 500 will gather from 30 countries to form a full-scale research and development base or marketing base or headquarters in China and create new innovation, through redeveloping the land (127,000 square meters) and buildings (89,000 square meters) owned by the Group's subsidiary Shenzhen Crown (China) Electronics Co., Ltd. (hereinafter referred to as "Crown Electronics").

The Chinese Central Government had clearly positioned Greater Bay Area (bay area economic zone consisting 9 municipalities of Guangdong Province, two Special Administrative Regions of Hong Kong and Macau) as an area that will lead the country and become the driving force of innovation, technology, economy, and culture. The Government promoted various policy breakthroughs and increases the degree of development especially in the high-tech and advanced medical fields. The WIC will be built at the very center of international city Shenzhen.

In this environment, WIC will construct facilities that emphasizes Sustainable Development Goals (SDGs) in terms of natural environment, and the Group will support the creativity and innovation by the companies entering the WIC through providing network that enables business expansion in major economic cities (13 provinces and 4 municipalities) in China, multilingual translation device that eliminate language barriers and concierge service available all-year-round etc. with the support from the Chinese Government.

At the same time, the Group is attracting companies to WIC under the commission of Shenzhen Municipal People's Government, and 90 major companies mainly from Fortune Global 500 in Japan, United States, Europe and Asia have showed strong interests for WIC. The number of companies entering the WIC is expected to rise further as the development process progresses.

Segment information is omitted because the Group has only one segment, namely Real estate development, leasing and management.

### (2) Explanation of Financial Position

Total assets at the end of the nine months ended December 31, 2022, were 27,453 million yen, an increase of 1,251 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits, etc. of overseas subsidiaries, reflecting fluctuations in exchange rates.

Total liabilities came to 1,307 million yen, an increase of 9 million yen from the end of the previous fiscal year. This was chiefly attributable to an increase in non-trade payables etc.

Net assets came to 26,146 million yen, an increase of 1,242 million yen from the end of the previous fiscal year. This was primarily due to increases in foreign currency translation adjustment.

### (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results

The forecasts for the fiscal year ending March 31, 2023, which we announced on May 13, 2022, remain unchanged. In the future, we will promptly provide public notification in matters necessitating the revisions of the forecasts.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (As of March 31, 2022)	Third quarter under review (As of December 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,397	10,407
Trade accounts receivable	323	155
Other	845	860
Allowance for doubtful accounts	(198)	(132)
<b>Total current assets</b>	<b>10,367</b>	<b>11,391</b>
<b>Non-current assets</b>		
Property, plant and equipment	7	205
<b>Intangible assets</b>		
Goodwill	118	88
Land-use rights	959	1,031
Other	0	0
<b>Total intangible assets</b>	<b>1,078</b>	<b>1,121</b>
<b>Investments and other assets</b>		
Long-term loans receivable	13,340	13,312
Other	1,408	1,423
<b>Total investments and other assets</b>	<b>14,748</b>	<b>14,736</b>
<b>Total non-current assets</b>	<b>15,834</b>	<b>16,062</b>
<b>Total assets</b>	<b>26,202</b>	<b>27,453</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Income taxes payable	89	88
Provisions	2	1
Other	301	255
<b>Total current liabilities</b>	<b>392</b>	<b>344</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	7	8
Other	897	954
<b>Total non-current liabilities</b>	<b>905</b>	<b>962</b>
<b>Total liabilities</b>	<b>1,297</b>	<b>1,307</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	9,217	9,217
Capital surplus	8,962	8,962
Retained earnings	5,241	5,360
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>23,421</b>	<b>23,539</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	231	1,143
<b>Total accumulated other comprehensive income</b>	<b>231</b>	<b>1,143</b>
<b>Non-controlling interests</b>	<b>1,251</b>	<b>1,463</b>
<b>Total net assets</b>	<b>24,904</b>	<b>26,146</b>
<b>Total liabilities and net assets</b>	<b>26,202</b>	<b>27,453</b>

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

## Quarterly consolidated statement of income

First nine months

(Million yen)

	Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)
Operating revenue	1,061	1,000
Operating costs	130	151
Operating gross profit	930	849
Selling, general and administrative expenses	545	506
Operating profit	385	342
Non-operating income		
Interest income	184	209
Other	55	41
Total non-operating income	240	251
Non-operating expenses		
Loss on disposals of noncurrent assets	3	—
Total non-operating expenses	3	—
Ordinary profit	622	594
Extraordinary losses		
Loss on lapse of stock warrant	10	—
Total extraordinary losses	10	—
Profit before income taxes	612	594
Income taxes - current	238	216
Income taxes - deferred	9	13
Total income taxes	247	229
Profit	364	364
Profit attributable to non-controlling interests	45	45
Profit attributable to owners of parent	318	318

Quarterly consolidated statement of comprehensive income  
 First nine months

(Million yen)

	Nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 – December 31, 2022)
Profit	364	364
Other comprehensive income		
Foreign currency translation adjustment	608	1,078
Total other comprehensive income	608	1,078
Comprehensive income	973	1,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	831	1,230
Comprehensive income attributable to non-controlling interests	141	212

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable

(Notes on significant fluctuations in shareholders' equity)

Not applicable

(Additional information)

(Accounting estimates associated with the spread of COVID-19)

There are no significant changes to the assumptions regarding the impact of COVID-19 for making the accounting estimates described in the notes (significant accounting estimates) in the securities report for the previous fiscal year.