

# Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 (under Japanese GAAP)

August 9, 2024

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  
 Contact: Keita Itakura, Director and Managing Executive Officer Tel: +81-3-3298-7111  
 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 first quarter of the fiscal year ending March 31, 2025 (April 1, 2024 to June 30, 2024)

### (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	%
First quarter ended								
June 30, 2024	277	(0.0)	90	(6.7)	207	2.4	143	4.2
June 30, 2023	277	(13.1)	96	9.2	202	(8.4)	137	9.2

Note: Comprehensive income First quarter ended June 30, 2024: 574 million yen (77.8%)  
 First quarter ended June 30, 2023: 322 million yen (-50.5%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended		
June 30, 2024	3.57	–
June 30, 2023	3.43	–

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2024	28,345	27,221	90.5	640.96
As of March 31, 2024	27,709	26,646	90.8	628.68

Reference: Shareholder's equity As of June 30, 2024: 25,647 million yen As of March 31, 2024: 25,156 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, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (forecast)		0.00	–	0.00	0.00

Note: Revisions to the most recently announced forecast of the dividend: No

## 3. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	990	(13.0)	260	(38.3)	540	(29.8)	360	(32.8)	9.00

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

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 June 30, 2024: 40,014,943 shares
    - As of March 31, 2024: 40,014,943 shares
  - (ii) Number of treasury shares at the end of the period
    - As of June 30, 2024: 925 shares
    - As of March 31, 2024: 925 shares
  - (iii) Average number of shares during the period (first three months)
    - First quarter ended June 30, 2024: 40,014,018 shares
    - First quarter ended June 30, 2023: 40,014,034 shares

\* Review of the attached quarterly consolidated financial results by certified public accountants or audit corporations: Yes (Optional)

\* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements contained in this material are based on information available to the Company as of this moment and certain assumptions that are deemed reasonable. Therefore, actual results may differ significantly from these forward-looking statements due to various factors. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to "1. Operating Results, (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results" on page 3 of the accompanying materials.

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## 1. Operating Results

### (1) Consolidated Operating Results for the First Quarter

During the first quarter (April 1, 2024 - June 30, 2024) of the fiscal year ending March 31, 2025, although the global economy remains on track to grow at a steady pace led by the solid economic growth in U.S., due to the prolonged situation in Ukraine and the growing tensions in the Middle East, the uncertainty of the future economic environment is increasing.

Meanwhile the economy situation in Shenzhen China, where the Group has established a business presence, as the center city of the Greater Bay Area that is attracting a lot of attentions from overseas, Shenzhen's GDP grew 6.4% in the first quarter of this year compared to the same period last year, and the impact of the geopolitical risks such as the situation in the Middle East is considered minor.

In this environment, Miyakoshi Holdings, Inc. (hereinafter "Group") works to strengthen the revenue base for the real estate leasing and management business, and make preparation for the start of development project. The Group will refrain from taking in new tenants as well as renewing long-term contracts for tenants whose rental contracts will expired. The Group is continuously implementing measures that consider the balance in obtaining licenses and permit for development project.

As a result, consolidated operating revenue of first quarter of the fiscal year ended March 31, 2025, stood at 277 million yen (down 0.0% year on year). Operating profit amounted to 90 million yen (down 6.7% year on year), ordinary profit was 207 million yen (up 2.4% year on year), and profit attributable to owners of parent stood at 143 million yen (up 4.2% year on year).

#### Real Estate Development Business

The Group's subsidiary Shenzhen Crown (China) Electronics Co., Ltd. is promoting a huge innovation project called "World Innovation Center" (tentative name: WIC), 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. These companies will create new innovation in business and expand their business not only in China but also around the world by enjoying business services of corporate information platforms in WIC through collaboration with 13 provinces and 4 municipalities.

Regarding the WIC project, Shenzhen Municipal People's Government approved the draft plan of city renewal unit planning. The Group is proceeding with the application for development operating entity (released on May 13, 2024) and application for amendment of city renewal unit planning (draft) (released on July 16, 2024) for block 01-01. As soon as the development permit is granted, in order to speed up the development of the project, the Group is recruiting talented people who specialize in urban development, and the number of staff in the development department will be increased up to 20 people in the future. After the Group obtained the approval documents for city renewal unit planning from People's Government of Futian District, the details of the development scale, schedule, revenue plan, etc. shall be announced in due course.

At the same time, the Group is actively working to attract business under the commission of Shenzhen Municipal People's Government. Leading blue-chip companies, mainly listed companies in Japan, have expressed their intention to enter WIC, as well as major companies overseas, particularly Fortune Global 500 in U.S. and Europe are also showing strong interest to WIC. The Group has already received letter of intent from over 100 companies in Japan, U.S. and Europe, and the number of companies entering the WIC will rise further as the development process progresses.

The Group is aiming to become a comprehensive investment company, and the WIC project has been positioned as our first investment project. The WIC project is not just a rental project. The Group aims to create a project that will be the foundation for sustainable development of the Group through value co-creation with clients who place importance on the environment, society and governance (ESG).

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

(2) Consolidated Financial Position for the First Quarter

(Assets)

Total assets at the end of the first quarter under review were 28,345 million yen, an increase of 635 million yen from the end of the previous fiscal year. This was mainly due to increase in cash and deposits.

(Liabilities)

Total liabilities at the end of the first quarter under review were 1,124 million yen, an increase of 61 million yen from the end of the previous fiscal year. This was mainly due to increase in account payable and guarantee deposits received etc.

(Net Assets)

Net assets at the end of the first quarter under review were 27,221 million yen, an increase of 574 million yen from the end of the previous fiscal year. This was mainly 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, 2025, which we announced on May 10, 2024, 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, 2024)	First quarter under review (As of June 30, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,003	11,533
Trade accounts receivable	80	74
Other	832	882
Allowance for doubtful accounts	(24)	(24)
<b>Total current assets</b>	<b>11,891</b>	<b>12,466</b>
<b>Non-current assets</b>		
Property, plant and equipment	261	312
<b>Intangible assets</b>		
Goodwill	39	29
Land-use rights	926	951
Other	0	0
<b>Total intangible assets</b>	<b>966</b>	<b>981</b>
<b>Investments and other assets</b>		
Long-term loans receivable	13,413	13,393
Other	1,176	1,191
<b>Total investments and other assets</b>	<b>14,589</b>	<b>14,584</b>
<b>Total non-current assets</b>	<b>15,818</b>	<b>15,878</b>
<b>Total assets</b>	<b>27,709</b>	<b>28,345</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Income taxes payable	81	75
Provisions	2	0
Other	191	212
<b>Total current liabilities</b>	<b>274</b>	<b>288</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	8	8
Other	778	826
<b>Total non-current liabilities</b>	<b>787</b>	<b>835</b>
<b>Total liabilities</b>	<b>1,062</b>	<b>1,124</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	9,217	9,217
Capital surplus	8,962	8,962
Retained earnings	6,079	6,222
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>24,258</b>	<b>24,401</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	897	1,245
<b>Total accumulated other comprehensive income</b>	<b>897</b>	<b>1,245</b>
<b>Non-controlling interests</b>	<b>1,490</b>	<b>1,573</b>
<b>Total net assets</b>	<b>26,646</b>	<b>27,221</b>
<b>Total liabilities and net assets</b>	<b>27,709</b>	<b>28,345</b>

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

## Quarterly consolidated statement of income

First three months

(Million yen)

	Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)
Operating revenue	277	277
Operating costs	49	58
Operating gross profit	227	218
Selling, general and administrative expenses	131	128
Operating profit	96	90
Non-operating income		
Interest income	70	70
Foreign exchange gains	35	46
Other	0	0
Total non-operating income	105	116
Ordinary profit	202	207
Profit before income taxes	202	207
Income taxes - current	74	73
Income taxes - deferred	(22)	(20)
Total income taxes	52	52
Profit	149	154
Profit attributable to non-controlling interests	12	11
Profit attributable to owners of parent	137	143

Quarterly consolidated statement of comprehensive income  
 First three months

(Million yen)

	Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)
Profit	149	154
Other comprehensive income		
Foreign currency translation adjustment	173	420
Total other comprehensive income	173	420
Comprehensive income	322	574
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	279	491
Comprehensive income attributable to non-controlling interests	43	82



(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information)

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

(Notes on significant fluctuations in shareholders' equity)

Not applicable

(Notes on going concern assumptions)

Not applicable

(Notes on statement of cash flows)

Quarterly consolidated statement of cash flows for the first quarter of the fiscal year ending March 31, 2025 is not prepared. The depreciation (includes amortization for intangible assets excluding goodwill and long-term prepaid expenses) and amortization of goodwill for the first quarter are as follows.

	Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)
Depreciation	73 million yen	78 million yen
Amortization of goodwill	9 million yen	9 million yen

## Independent Audit Corporation's Review Report

August 9, 2024

To the Board of Directors of  
Miyakoshi Holdings, Inc.

Koa Audit Corporation  
Chiyoda-ku, Tokyo

Designated Engagement Partner: Certified Public Accountant  
Yoshitaka Kakihara

Designated Engagement Partner: Certified Public Accountant  
Yuji Kuratani

### Auditor's Conclusion

We have reviewed the quarterly consolidated financial statements for the first quarter of the fiscal year ending March 31, 2025 of Miyakoshi Holdings, Inc. (hereinafter "Company") included in the Financial Results, namely the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income and the related notes as of June 30, 2024.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements are not prepared, in all material respects, in accordance with the Article 4-1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and generally accepted accounting principles in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.

### Basis for Auditor's Conclusion

We conducted our review in accordance with generally accepted interim review standards in Japan. Our responsibility under those standards is further described in the Auditor's Responsibility for the Review of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Ethics for Professional in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained the evidence to provide a basis for our review conclusion.

### Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with the Article 4-1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and generally accepted accounting principles in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements. For such, internal controls as management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the Article 4-1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and generally accepted accounting principles in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.

The Audit and Supervisory Committee is responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibility for the Review of the Consolidated Financial Statements**

Our objective is to issue an interim review report that includes our conclusion for the quarterly consolidated financial statements based on the interim review executed by us as an independent entity.

As part of a review in accordance with generally accepted interim review standards in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Japan.

- Conclude whether nothing has come to our attention, based on the evidence obtained, related to going concern that causes us to believe that the quarterly consolidated financial statements are not prepared, in all material respects, in accordance with the Article 4-1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and generally accepted accounting principles in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and disclosures of the quarterly consolidated financial statements are not prepared in accordance with the Article 4-1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and generally accepted accounting principles in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.

- Obtain evidence regarding the financial statements of the entities or business activities within the Company and its consolidated subsidiaries as a basis to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant findings that we identify during our review.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our audit corporation and the designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.