



Mercuria Holdings Co., Ltd.

TSE Prime Market: 7347

Summary of Results of Operations for the Fiscal Year Ended December 31, 2023

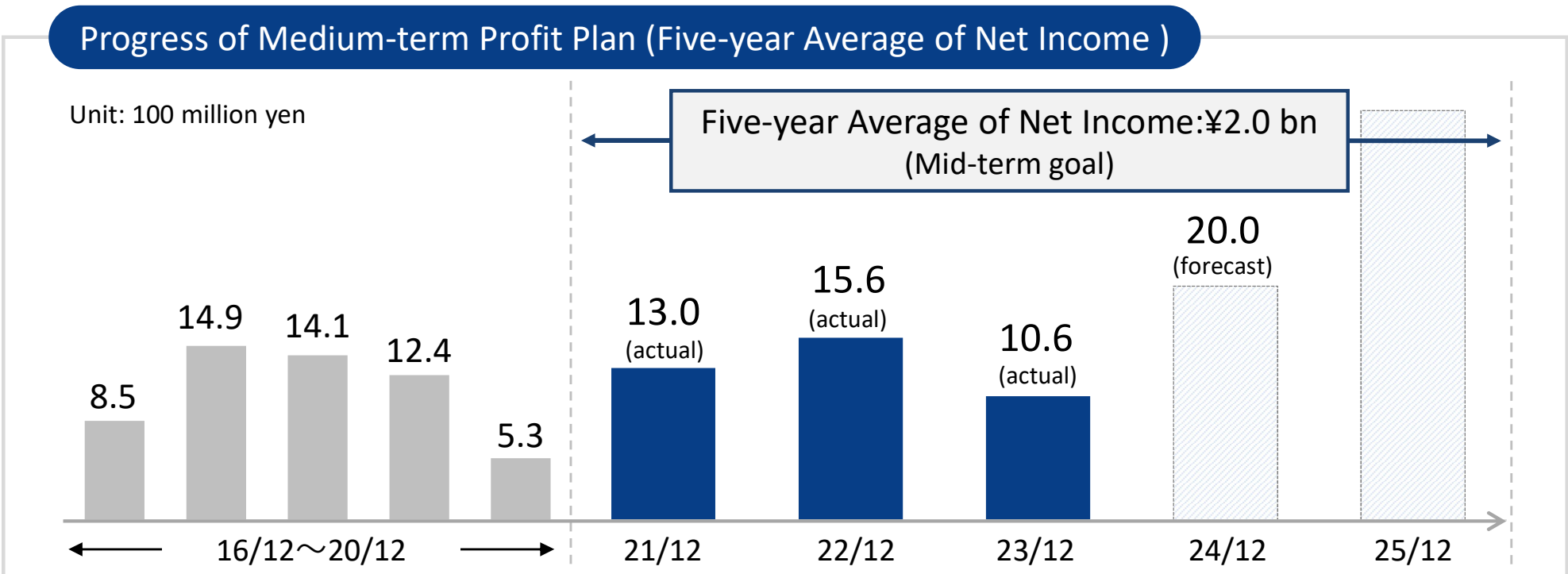
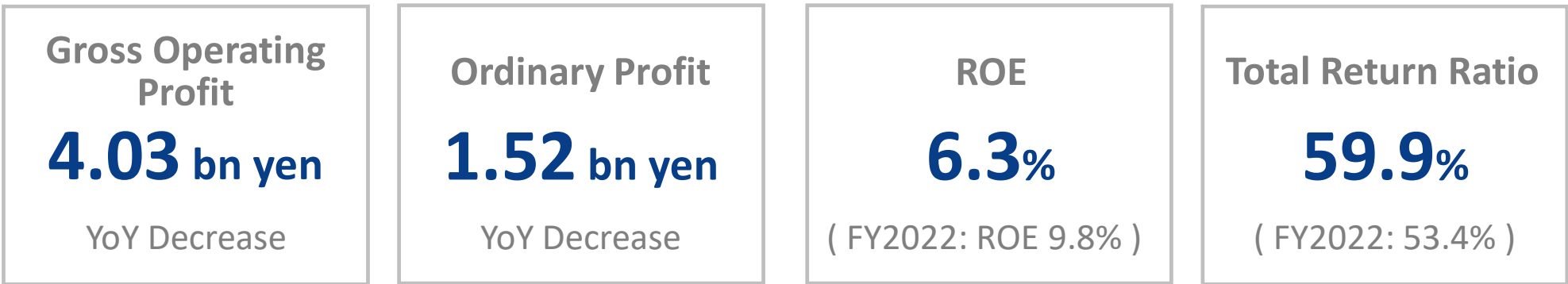
February 21, 2024

Notes:

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Summary of Result of FY 2023

- Fund management is steady (AUM at the end of FY2023 is over ¥300 bn), Buyout Fund I will soon reach to the performance fee stage in 2024, which was expected in 2023.
- The medium-term profit plan remains unchanged, targeting a five-year average net income of ¥2.0 billion and a ROE of 10% to 15%.





1. Group Management and Business Strategy Progress

Outline of the Mercuria Investment Group

- The Mercuria Investment Group, with its core company Mercuria Investment that was established in 2005, manages funds that invest in alternative assets and makes principal investments in these funds.
- Mercuria's mission is "Change Today's Japan Through Power of Funds."

Company Profile (as of the end of December 2023)

Company name:	Mercuria Holdings Co., Ltd.
Head office:	Daibiru Bldg., 1-3-3 Uchisaiwaicho, Chiyoda-ku, Tokyo
Established:	July 1, 2021 (the former Mercuria Investment Co., Ltd. was established on October 5, 2005)
Capital:	¥4,066,183,280
Business:	Holding company, fund management business and principal investment business
Management personnel:	Toshihiro Toyoshima, CEO Hideya Ishino, Director, COO, Head of Asset Investment Dept. Kiyoto Koyama, Director, CIO, Head of Business Investment Dept.
Number of employees:	115(consolidated)
Listing:	Tokyo Stock Exchange, Prime Market (stock code 7347)
Strategic shareholders:	Development Bank of Japan Inc. ITOCHU Corporation Sumitomo Mitsui Trust Bank, Limited

Vision, Mission, and Management Philosophy

Vision

"To Become a World-Class Investment Group"

Mission

"Change Today's Japan Through Power of Funds"

**Management Philosophy
= Investment Philosophy**

**Growth of
Happiness**

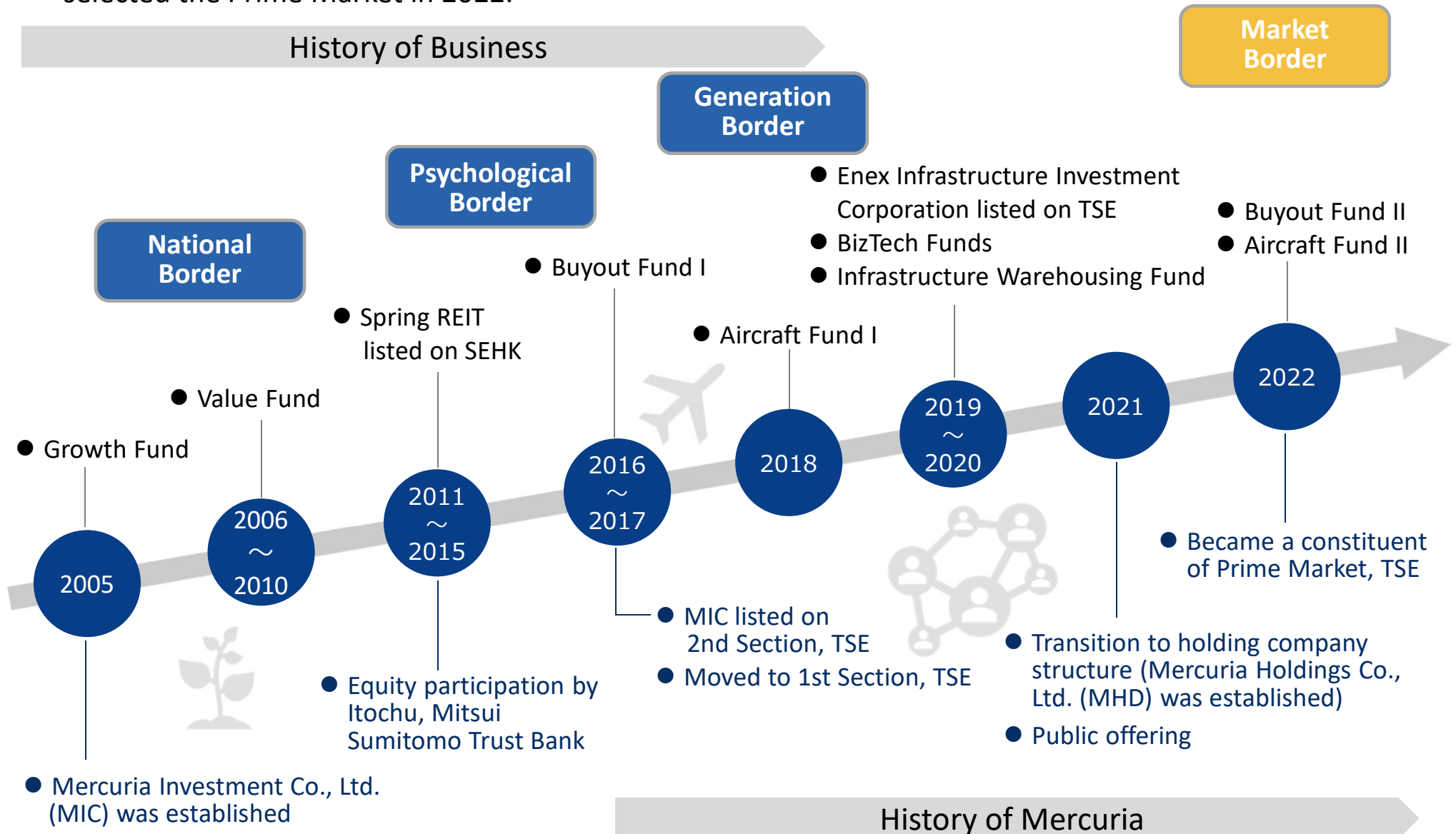
**Cross-
Border**

**All for the
Business**

**Undiscovered
Common**

History of Mercuria and Its Business

- Since its establishment in 2005, we have expanded our business by strategically shifting investment areas by taking a cross-border approach based on macro trends.
- Listed on the Tokyo Stock Exchange in 2016, transitioned to a holding company structure in 2021, and selected the Prime Market in 2022.



Company Overview

- Business operations consist primarily of two categories. One is business investments, which are buyout and growth investments. The other is asset investments, which are real estate, aircraft and renewable energy investments.
- Also carry out value investments such as undervalued real estate investments/bonds, etc. during the financial crisis.

Business Investments

Buyout Investments

- Buyout Fund I (2016-)
- Buyout Fund II (2022-)



Growth Investments

- BizTech Fund (2019-)
- Successor Fund (Under planning)



Asset Investments

Real estate Investments

- Spring REIT (2013-)
- Acquisition of Spring REIT assets (2017/2022)



Aircraft Investments

- Aircraft fund I (2018-)
- Aircraft fund II (2022-)



Renewable energy Investments

- Enex Infrastructure Investment Corporation (2018-)
- Infrastructure warehousing fund (2020-)

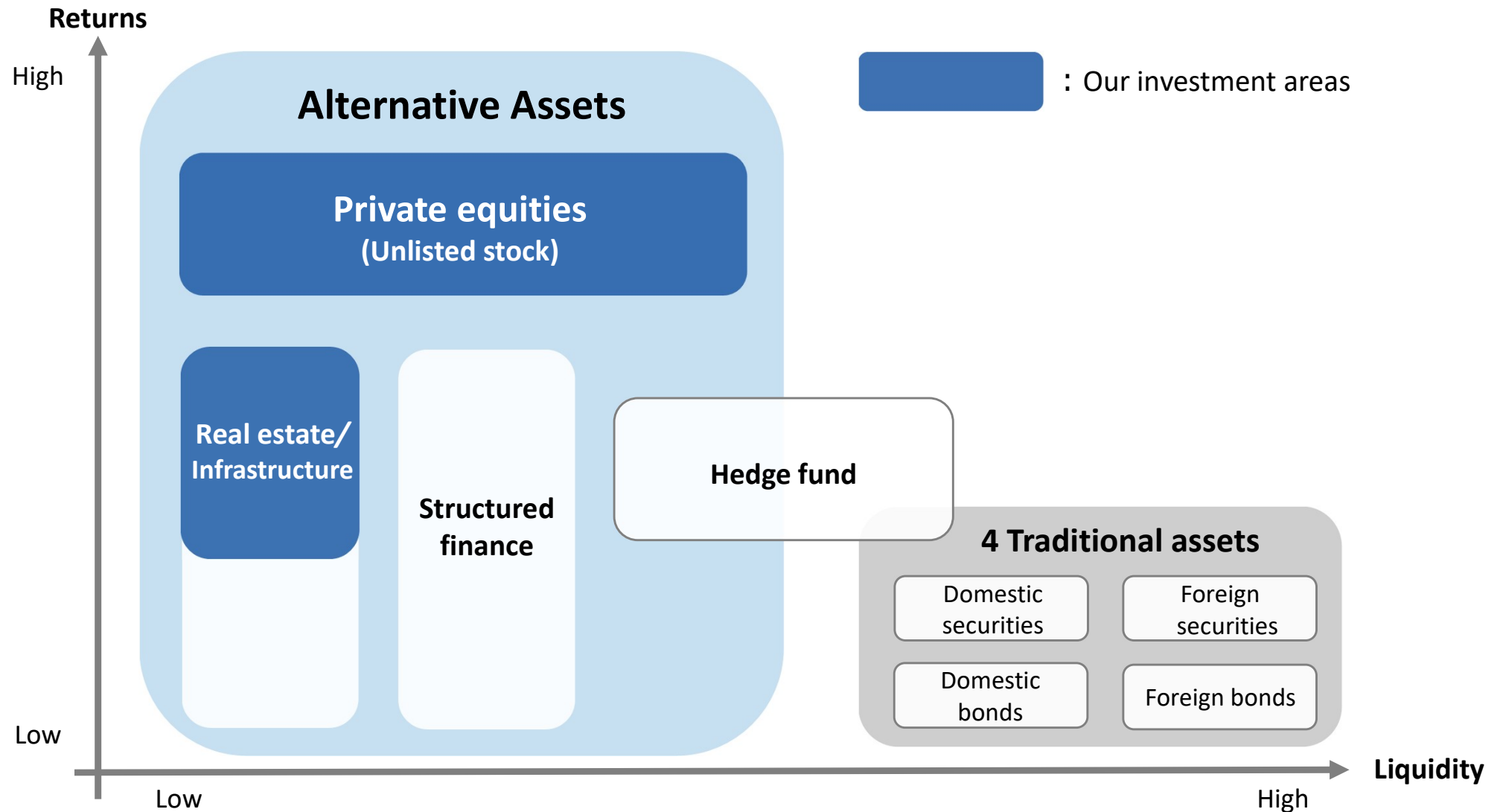


Value Investments

Undervalued real estate investments/ bonds, etc. during the financial crisis

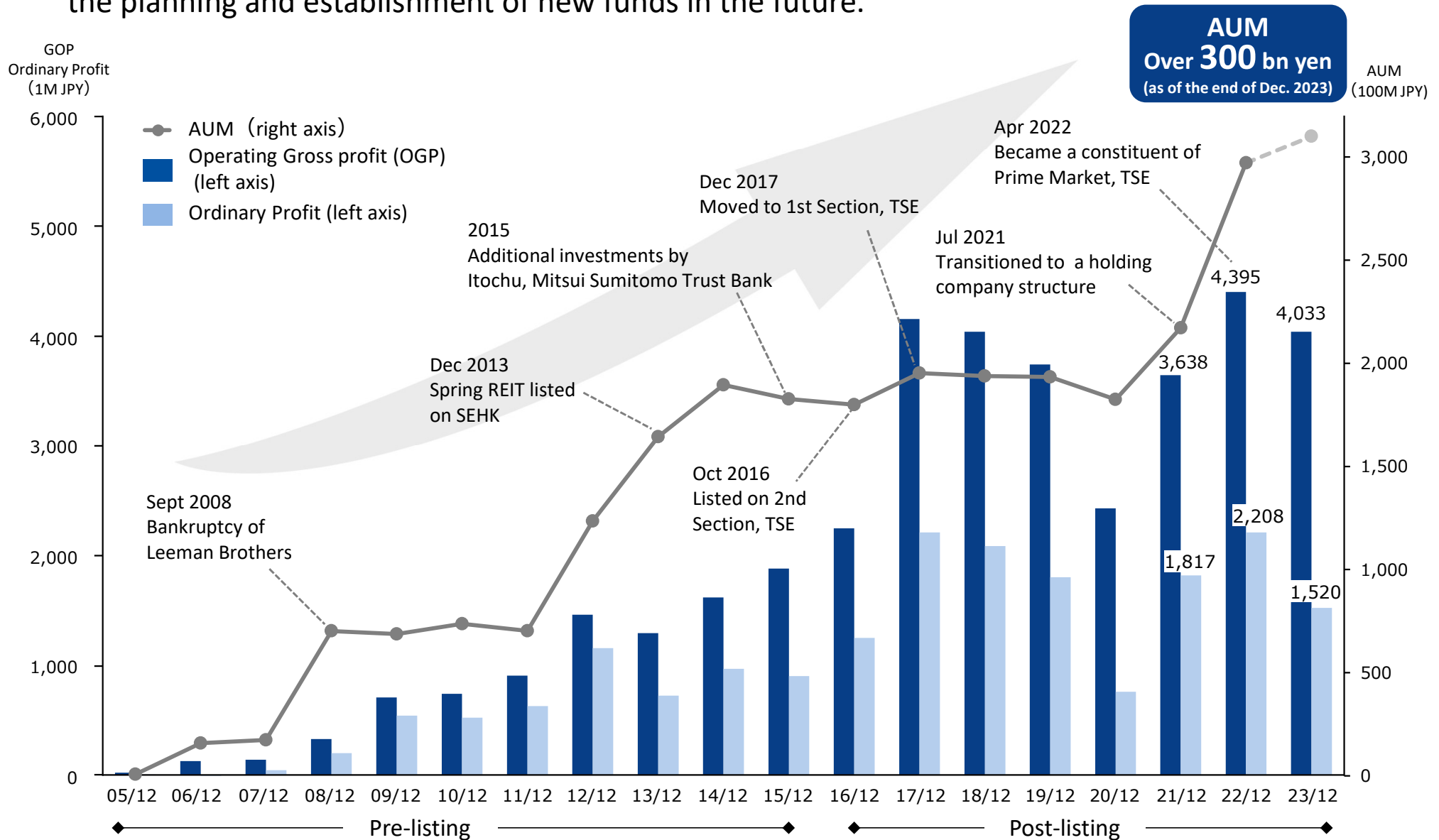
Alternative Investment and Investment Areas

- Alternative investment, which has less liquidity than the four traditional asset classes and generally takes longer to achieve returns, is an investment strategy to earn reasonable excess returns.
- Mercuria Investment Group's investment area is the alternative assets such as private equities (Buyout Investment and Growth Investment), real estate and infrastructure (Real Estate Investment and Aircraft Investment).



Key Performance Indicators

- We have developed new investment areas forecasting macroeconomic trends and achieving strategic transitions.
- Assets under management have reached 300 billion yen, and we aim to further expand it through the planning and establishment of new funds in the future.



Competitive Advantages of Mercuria Investment Group

Fund planning according to the macro environment

Business Investments

Buyout Investment



Growth Investment



Asset Investments

Real Estate Investment



Aircraft Investment



Renewable Energy Investment



Value Investment

Experienced management team



Chief Executive Officer



CIO, Head of Business Investment Dept.



COO, Head of Asset Investment Dept.

Credit quality of prime market listing



Investment group whose principal occupation is managing alternative funds, listed on TSE Prime Market

Change Today's Japan Through Power of Funds

"Overseas Bases" and "Global Team"



BEIJING



BANGKOK



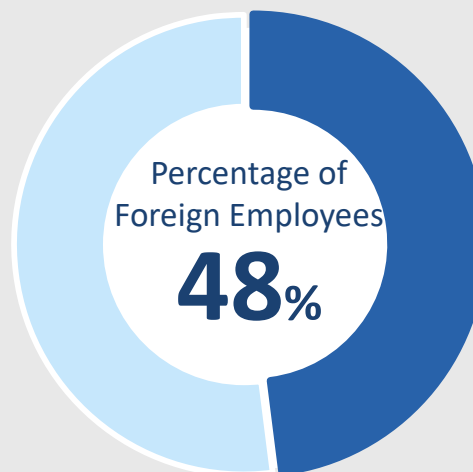
HONG KONG



Ho Chi Minh City



SINGAPORE



*as of December 2023




Collaboration with strategic shareholders



三井住友信託銀行

Summary of Business Progress (Current fund operations/fundraising)

- Fund operations and fundraising for each business category are steady.
- Successor funds to the current funds under management are also being launched successfully.

Category	Current Situation	Management	Fundraising
 <p>Business Investments</p>	<ul style="list-style-type: none"> ➤ <u>Buyout Fund I</u> : Operating above target returns, soon to reach the stage of performance fees. ➤ <u>Buyout Fund II</u> : Achieved its final closing at the end of September 2023 with the total fund amount of ¥43.85 billion, more than double the total amount of Buyout Fund I. ➤ <u>Growth Investment</u> : In addition to Biztech Fund, planning successor funds. 	○	○
 <p>Spring REIT</p>	<ul style="list-style-type: none"> ➤ <u>Spring REIT</u> : Listed on Hong Kong Stock Exchange (Market cap: ¥59.6 billion, total asset: ¥266.7 billion). ➤ <u>Owned Assets</u> : Office (Beijing: 145,000m²), Shopping mall (Huizhou: 145,000m²), Store real estate (UK: 84 stores) ➤ <u>Occupancy rate</u> : Both are above 90%; operating steadily. 	○	-
 <p>Asset Investments</p>	<ul style="list-style-type: none"> ➤ <u>Aircraft Fund I</u> : Although there was an impact of Covid-19, aircraft investment has been going well in the post-Covid-19 period. ➤ <u>Aircraft Fund II</u> : Fundraising was closed with the fund amount of ¥7.0 billion. Considering new structures for further expansion. ➤ <u>Renewable Energy Investment</u> : AUM for Enex Infrastructure Investment Corporation achieved ¥100 billion. The Case Number 1 solar power plant in a Taiwan-based mega solar development project has started its operations. Aiming for further expansion. 	○	○



2. Business Investments

Overview of Business Investment

- We manage the "Buyout Funds", whose primary investment strategy is business succession, and the "BizTech Fund", which invests in companies providing innovative services in the real estate and logistics sectors.

Buyout Fund

Buyout Fund I

- Fund size: 21.3 bn yen
- Executed 10 investments (including 4 exits)
- Reached the performance fee stage

Growth Fund

BizTech Fund

- Fund size: 3.1 bn yen
- Executed 17 investments
- Expect IPO of the companies invested by the fund in the future

Although teams are clearly separated, they work closely together to share know-how/DXing to investees, etc.

Buyout Fund II

- Fund size: 43.85 bn yen
- Executed 4 investments
- Target net IRR: 15%+

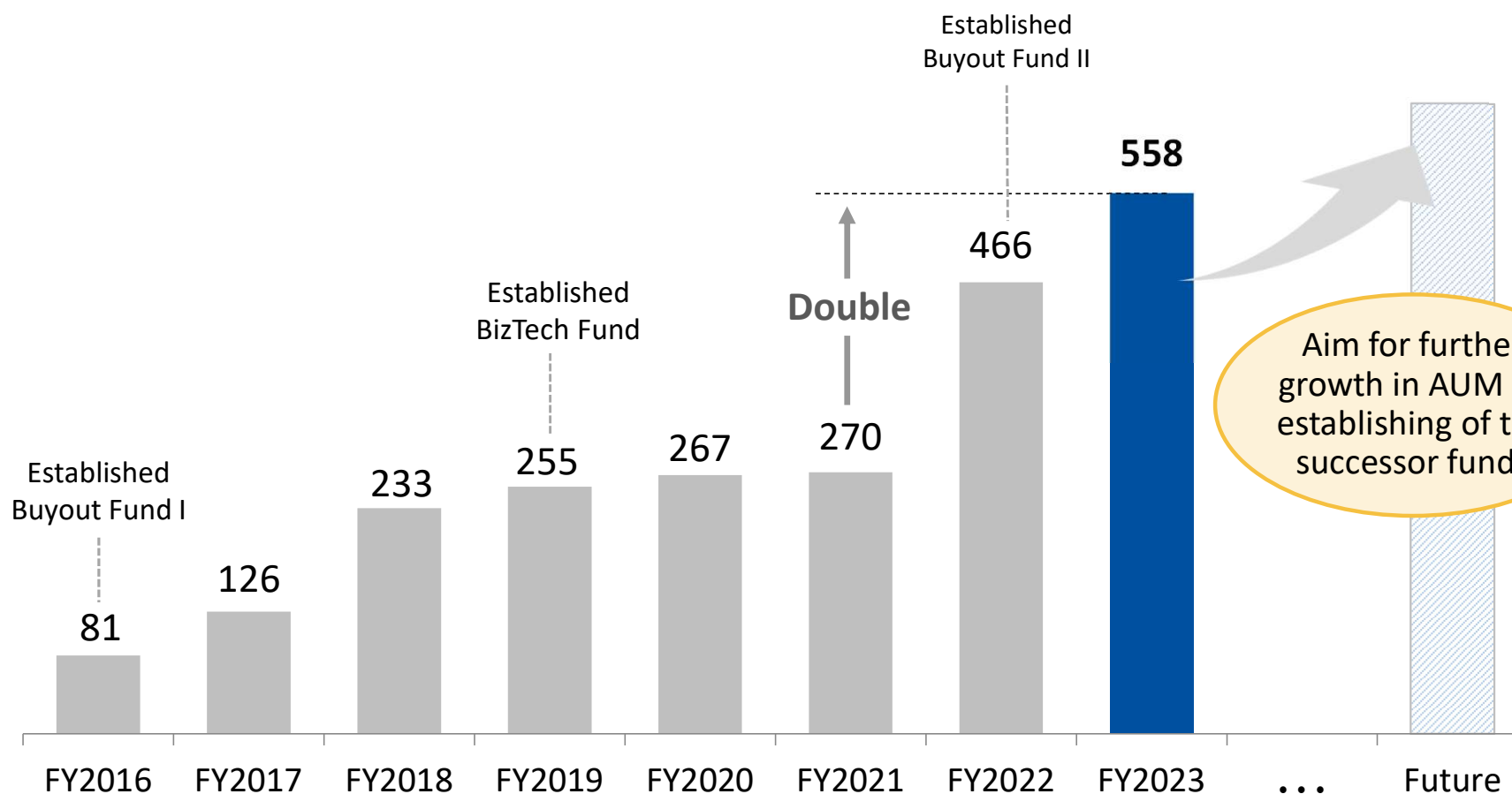
Successor funds

- Under planning for establishment of a fund

AUM has increased steadily




- AUM reached ¥55.8 billion, double the AUM prior to the establishment of Buyout Fund II
- As the management fees have increased, we have strengthened the team structure by hiring professional staff and achieving the investment flow from sourcing, execution, PMI (Post Merger Integration) and exit by close collaboration of highly specialized team members.

Trend of AUM (100 million yen)



Overview of Buyout Funds

- Achieved its final closing at the end of September 2023 with the total fund amount of ¥43.85 billion, more than double the total amount of Buyout Fund I.
- The annual management fees from Buyout Fund II will be approximately ¥0.8 billion during the investment period.

	Buyout Fund I	Buyout Fund II
Name of fund	Mercuria Japan Industrial Growth Fund	Mercuria Japan Industrial Growth Fund II
Total Fund Amount	¥21.3 billion	More than double → ¥43.85 billion
Establishment	August 2016	March 2022
Returns	Operational performance <ul style="list-style-type: none"> • Net IRR: 15%+ • Net return on investment: 2x 	Target Returns <ul style="list-style-type: none"> • Net IRR: 15%+ • Net return on investment: 2x
Investors	DBJ, SMTB Major financial institutions, Regional banks, Non-financial companies	DBJ, SMTB, Life insurance companies, Non-life insurance companies, Pension funds, Major financial institutions, Regional banks, Non-financial companies, Overseas investors
Investment Strategy	Business succession, Privatization Carve-out deals, etc.	Business succession, Privatization Carve-out deals, etc.
Status of Investment	<div style="border: 1px solid gray; padding: 5px;"> <p>Exits</p>  </div> <div style="border: 1px solid gray; padding: 5px; margin-top: 5px;"> <p>Current holdings</p>  </div>	<div style="border: 1px solid gray; padding: 5px; border-radius: 15px;"> <p>Current holdings</p>  </div>

Performance of Buyout Fund I

- 10 investments have been made, 4 of which have already been exited.
- DPI (Distribution to Paid in Capital) is about 1x, expecting the performance fee stage from FY2024.

Buyout Fund I

Fund size	¥21.3 billion (Fully funded)
Establishment	August 2016
Returns	Net IRR: 15%+ Net return on investment: 2x
Fund investors	DBJ, SMTB Major financial institutions, Regional banks Non-financial companies
Investment strategies	Business succession Privatization Carve-out deals, etc.

Exits



Current holdings



Performance of Buyout Fund II

- Achieved its final closing at the end of September 2023 with the total fund amount of ¥43.85 billion. (The annual management fees will be approx. ¥0.8 billion during the investment period.)
- Investment progress is on track; 4 investments have been made since the fund establishment in March 2022.

Buyout Fund II

Fund size	¥43.85 billion
Establishment	March 2022
Target returns	Net IRR: 15%+ Net return on investment: 2x
Fund investors	DBJ, SMTB Life insurance companies, Non-life insurance companies, Pension funds, Major financial institutions, Regional banks, Non-financial companies, Overseas investors
Investment strategies	Business succession Privatization Carve-out deals, etc.

Current holdings



DELIGHT



BizTech Fund/ Areas of Investment and Examples of Investment

- Invest in companies that provide innovative services in the real estate and logistics sectors
- Investment progress has been steady, and the investment period ended with a total of 17 investments. Aiming to exit through an IPO in the future.

Areas of Investment

Real Estate



Logistics



Examples of Investment





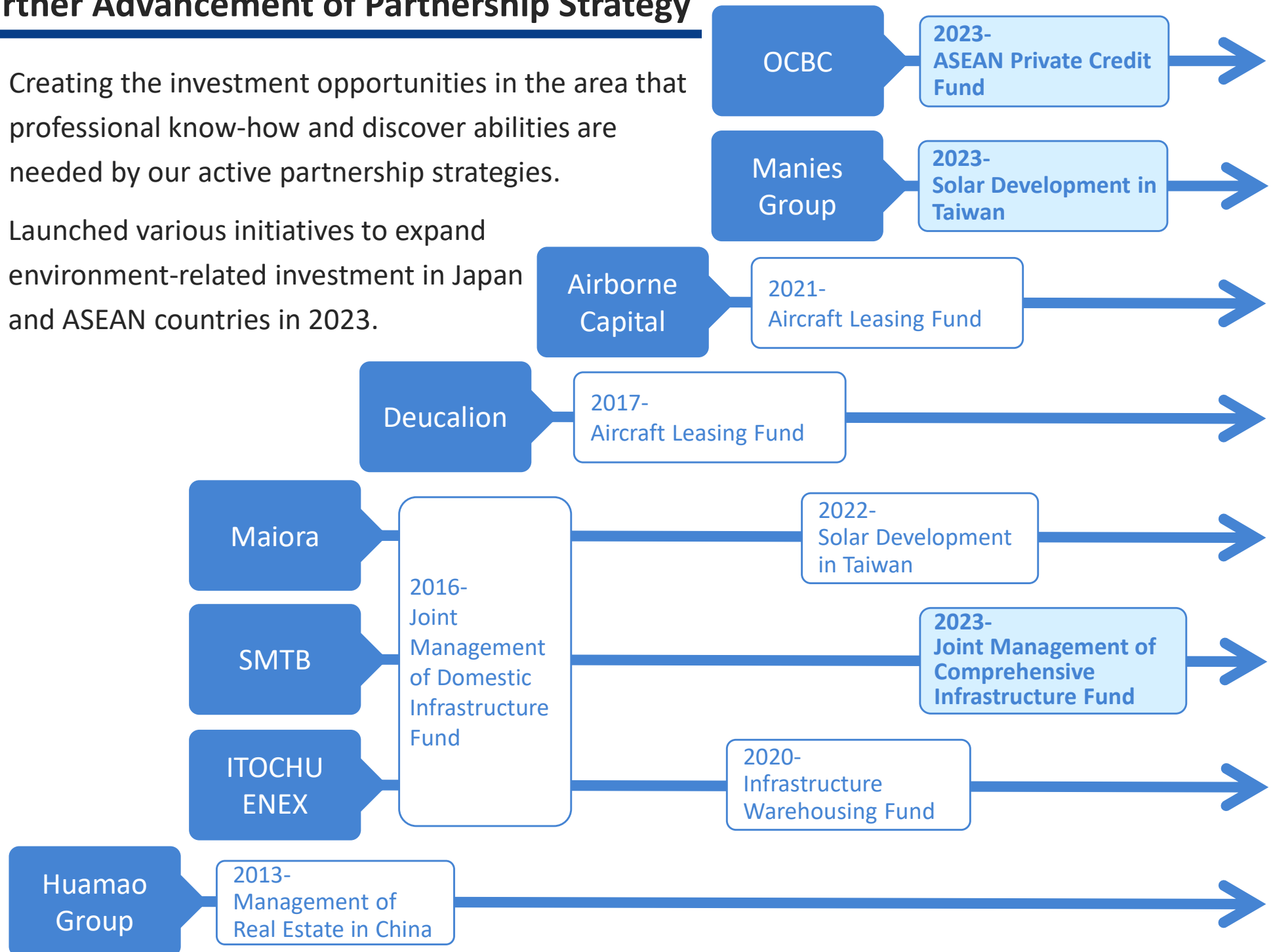
3. Asset Investments

Expanding Assets Under Management and Operation (2/2)

	Term	Number of the projects
Solar Development in Taiwan	~2022/12	○○○○○○○
	2023/1~	●○○○○○○○
	For the investments initiated in 2022, the first solar power plant was completed and began operations. Development of subsequent projects is also progressing smoothly. New joint development with the Manies Group was initiated. Acquired No. 1 pipeline. Total project cost will be approx. 150-200 billion yen.	
Domestic Solar Development	~2022/12	●●●●●●●●
	2023/1~	●●●●●●●●
	Processing of selling assets as they have fulfilled certain roles. The total amount of asset acquired: approx. 6 billion yen.	
ENEX Infrastructure	~2022/12	●●●●●●●●
	2023/1~	●●●●●●●●●●●●
	Acquired two mega-solar power generation facilities and one wind power generation facility, as well as has been expanding the existing facilities. Cumulative acquisition price exceeded 100 billion yen, became the largest infrastructure fund in Japan. The fund's management company is subject to an equity method affiliate from FY2023.	

Further Advancement of Partnership Strategy

- Creating the investment opportunities in the area that professional know-how and discover abilities are needed by our active partnership strategies.
- Launched various initiatives to expand environment-related investment in Japan and ASEAN countries in 2023.



Promoting Japan-ASEAN Environment-Related Investment



The image features a light blue map of the Japan-ASEAN region. Three callout boxes are connected to the map by lines. The first callout points to Japan, the second to Taiwan, and the third to the ASEAN region. Each callout box contains a title and a paragraph of text.

Comprehensive Domestic Infrastructure Fund

Established an Investment Advisory Company, with SMTB, specialized in domestic infrastructure. Started managing the comprehensive infrastructure fund to invest in wide range of domestic infrastructure business.

Solar Development in Taiwan

Continue to promote the development of Solar power generation facilities in Taiwan, where the government is pushing for a shift to renewable energy. Working with local partners, we have established our own project identification system.

ASEAN Private Debt Fund

Form a private debt fund in the area of infrastructure and environmental investments, working with OCBC, Singapore's largest private bank.

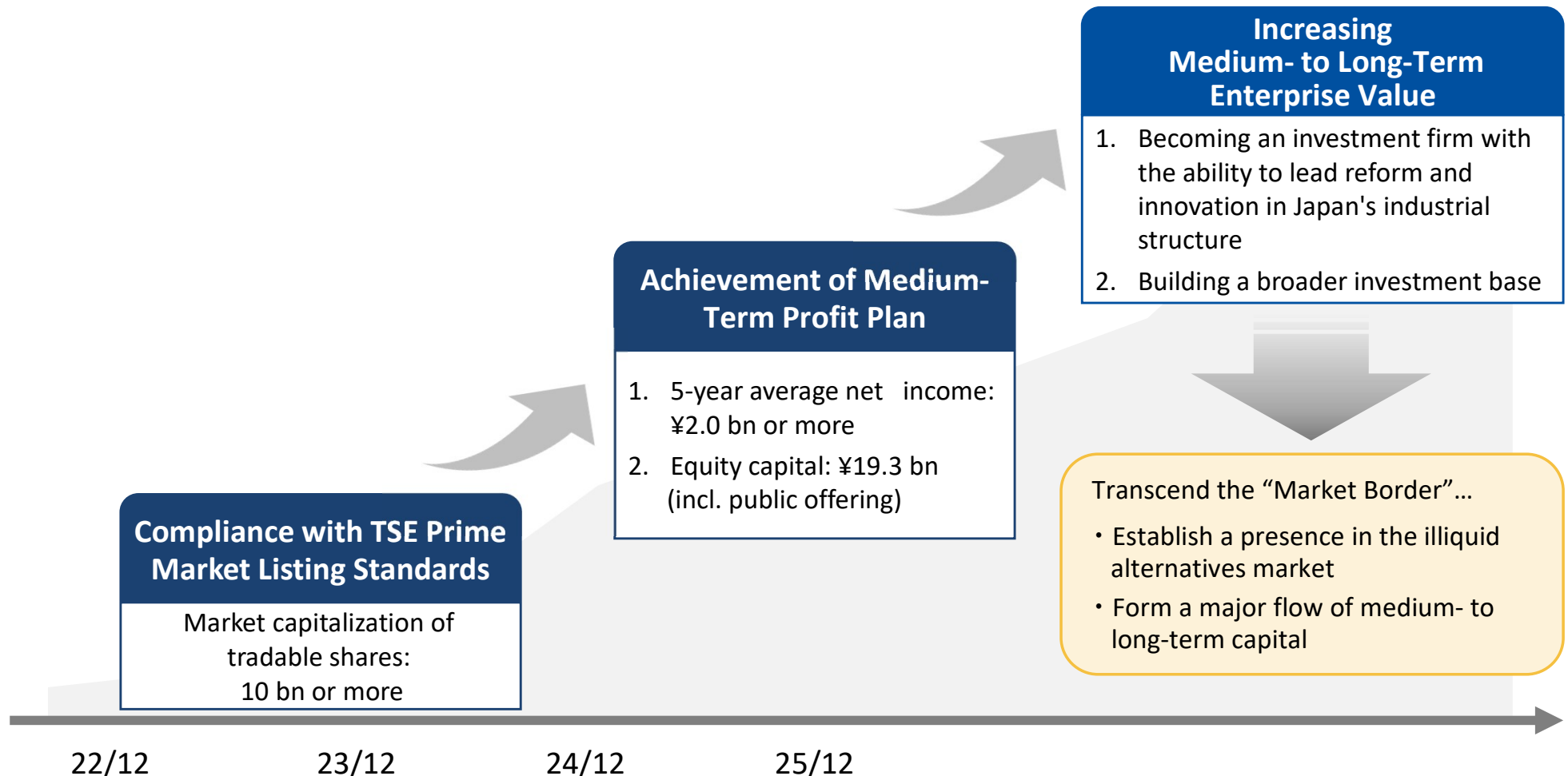


4. Future Strategy

Medium-Term Profit Plan / Compliance with TSE Prime Market Listing Standards

- As a listed company, we aim to achieve the following interim goals to increase MHD's medium- to long-term market cap and become an investment firm with the ability to lead reform and innovation in Japan's industrial structure: 1) Compliance with TSE Prime Market Listing Standards; 2) Achievement of Medium-Term Profit Plan

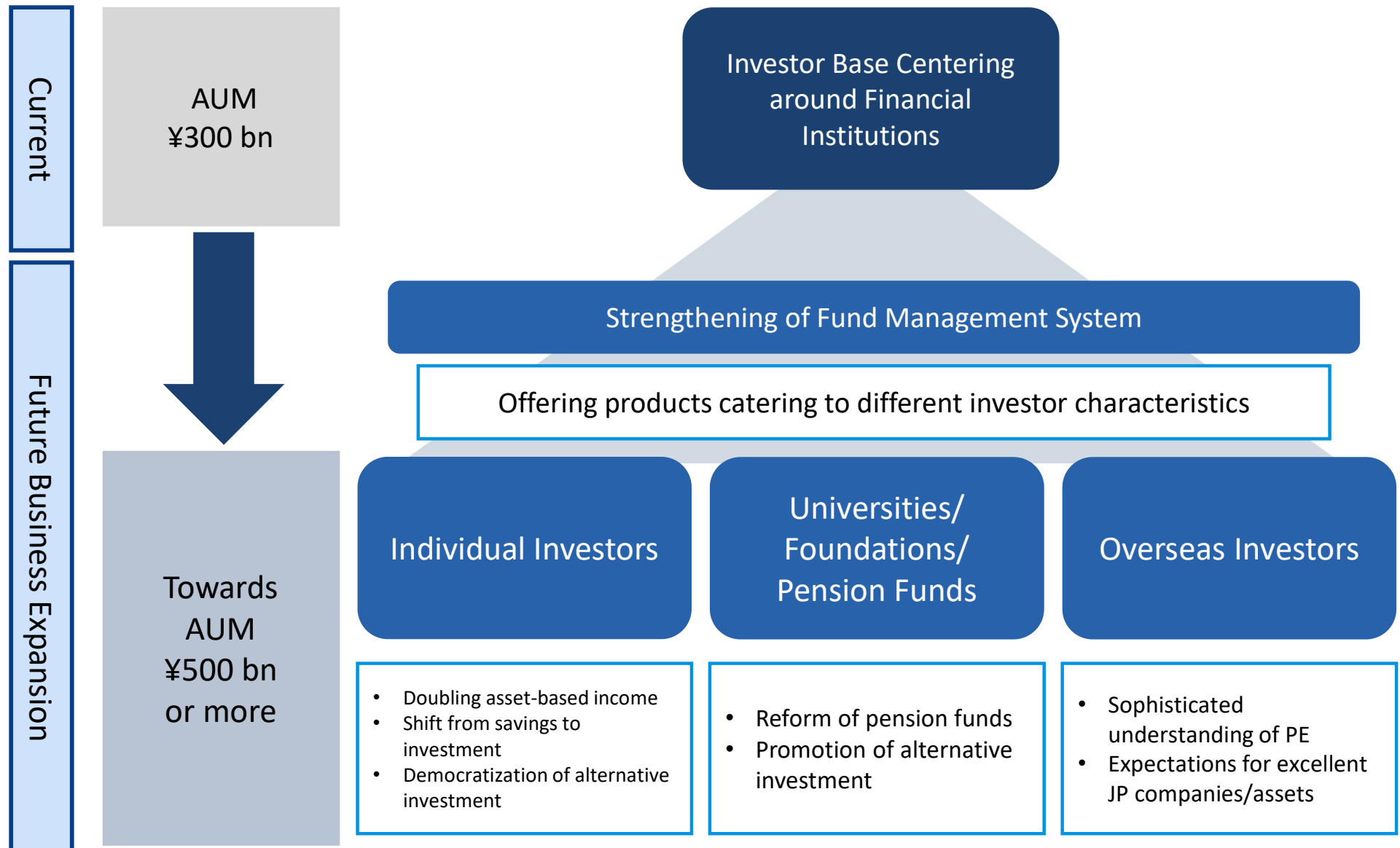
Roadmap for Increasing Medium- to Long-Term Corporate Value



Future Business Expansion

(Transcend Market Border/Dialogue with a wide range of investors)

- As a fund management company, to further strengthen the fund management system and expand the investor base by offering products that meet the characteristics of each investor category, such as different risk/return perspectives and investment periods.



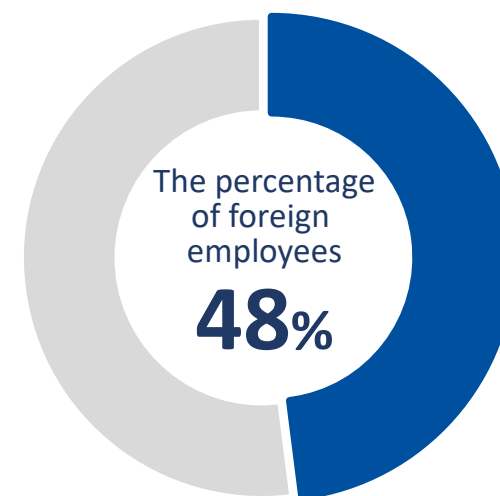
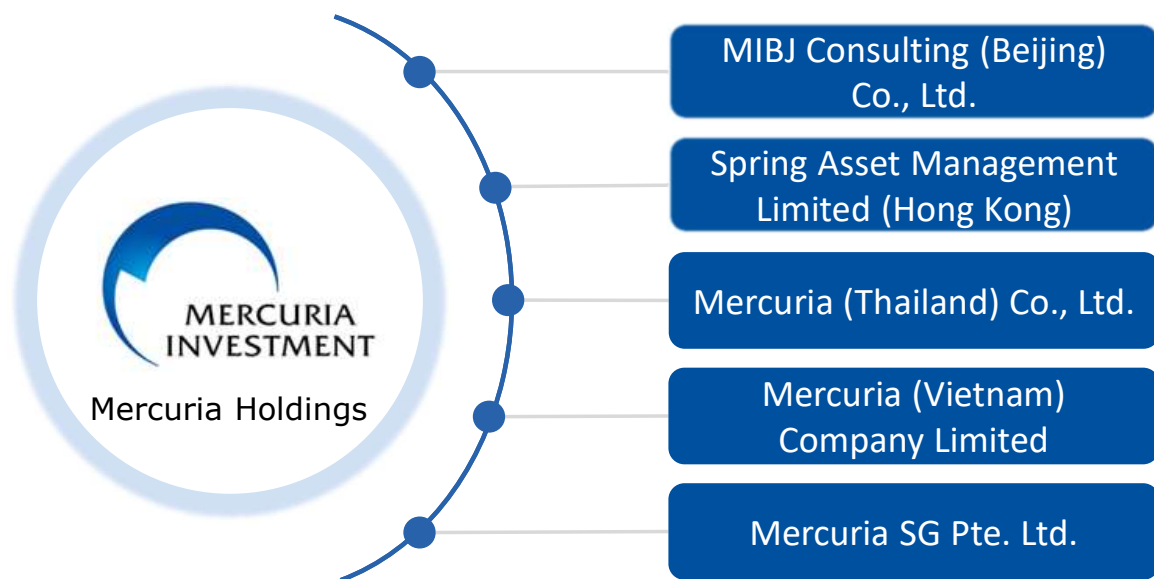
Overseas Business Development (1/2)

- MIBJ Consulting (Beijing) Co., Ltd., established in 2011, followed by overseas subsidiaries in Hong Kong, Thailand, and Vietnam.
- Mercuria SG Pte. Ltd., established in July 2023.



Overseas Business Development (2/2)

- Mercuria Group subsidiaries manage overseas operations by leveraging the on-site capabilities of local professional personnel. The percentage of foreign employees on the consolidated basis is 48%.
- Strong support for JVs between Japanese companies and overseas partners by leveraging our expertise in PE investment management.



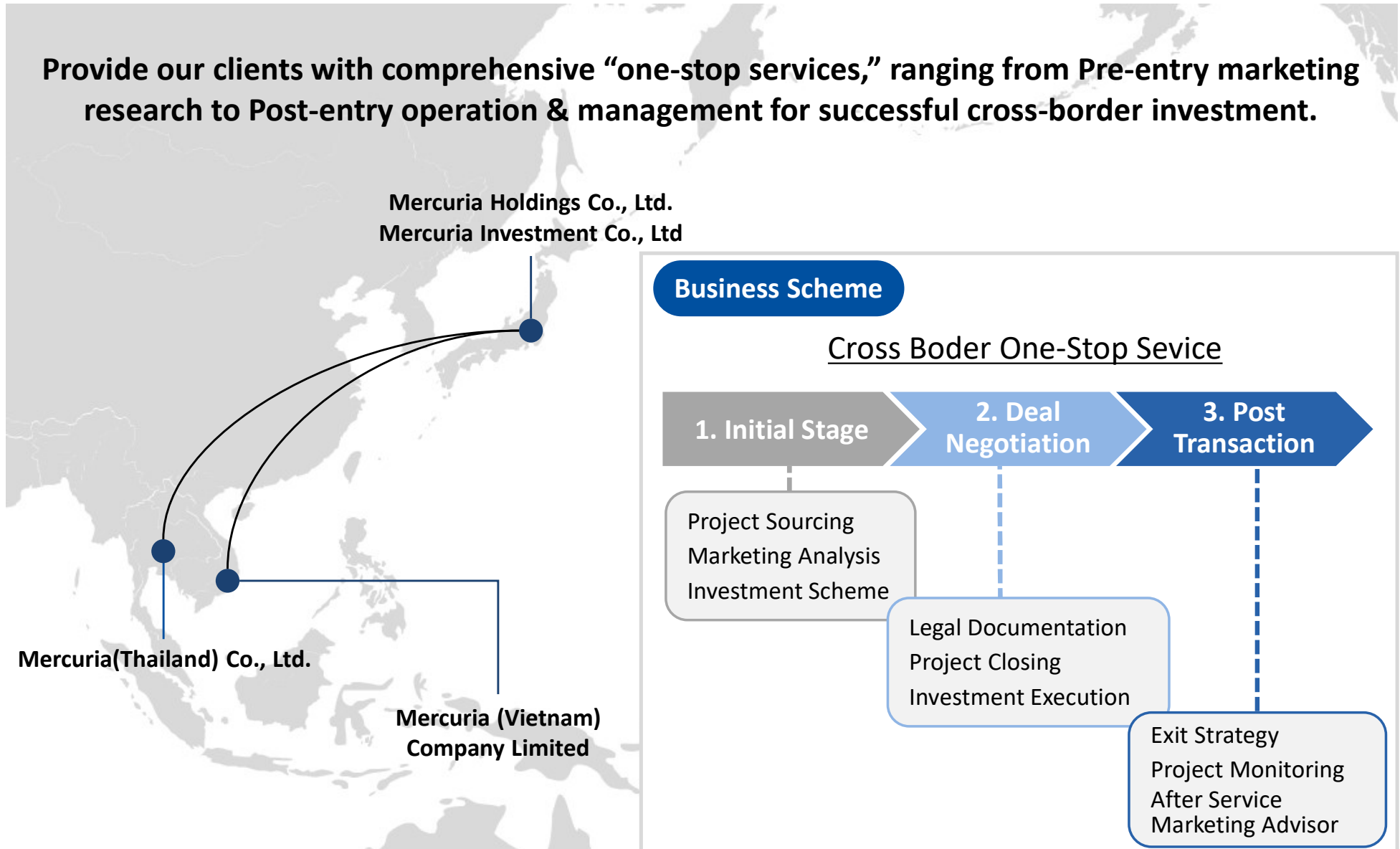
*as of the end of December 2023
(consolidated basis)

Overseas Subsidiaries	Establishment of company	Business Outline	Number of employees (December 2023)
MIBJ Consulting (Beijing) Co., Ltd.	Aug. 2011	Business and asset management in China for Mercuria Investment Group	8
Spring Asset Management Limited.	Jan. 2013	Investment management on Spring REIT listed on HK Stock Exchange	8
Mercuria (Thailand) Co., Ltd.	Mar. 2018	Investment consulting for Japanese developers in Thailand and support JVs	33
Mercuria (Vietnam) Company Limited	Feb. 2023	Advisory on M&A, fundraising and so on in Vietnam	7
Mercuria SG Pte. Ltd.	Jul. 2023	Investment consulting on private credit fund, etc., collaborating with OCBC	—

Consulting Business in Thailand (1/2)

- Since the establishment of the Thai subsidiary (Mercuria (Thailand) Co., Ltd. (MTC)) in 2018, it has established a consulting business to support Japanese companies in their overseas expansion by leveraging local professionals and PE investment management expertise. In order to expand this business model, we established a new subsidiary in Vietnam.

Provide our clients with comprehensive “one-stop services,” ranging from Pre-entry marketing research to Post-entry operation & management for successful cross-border investment.



Consulting Business in Thailand (2/2)

Main Service Area

Mezzanine financing
Principal investment

Joint Venture Consultation

Marketing Reachrch

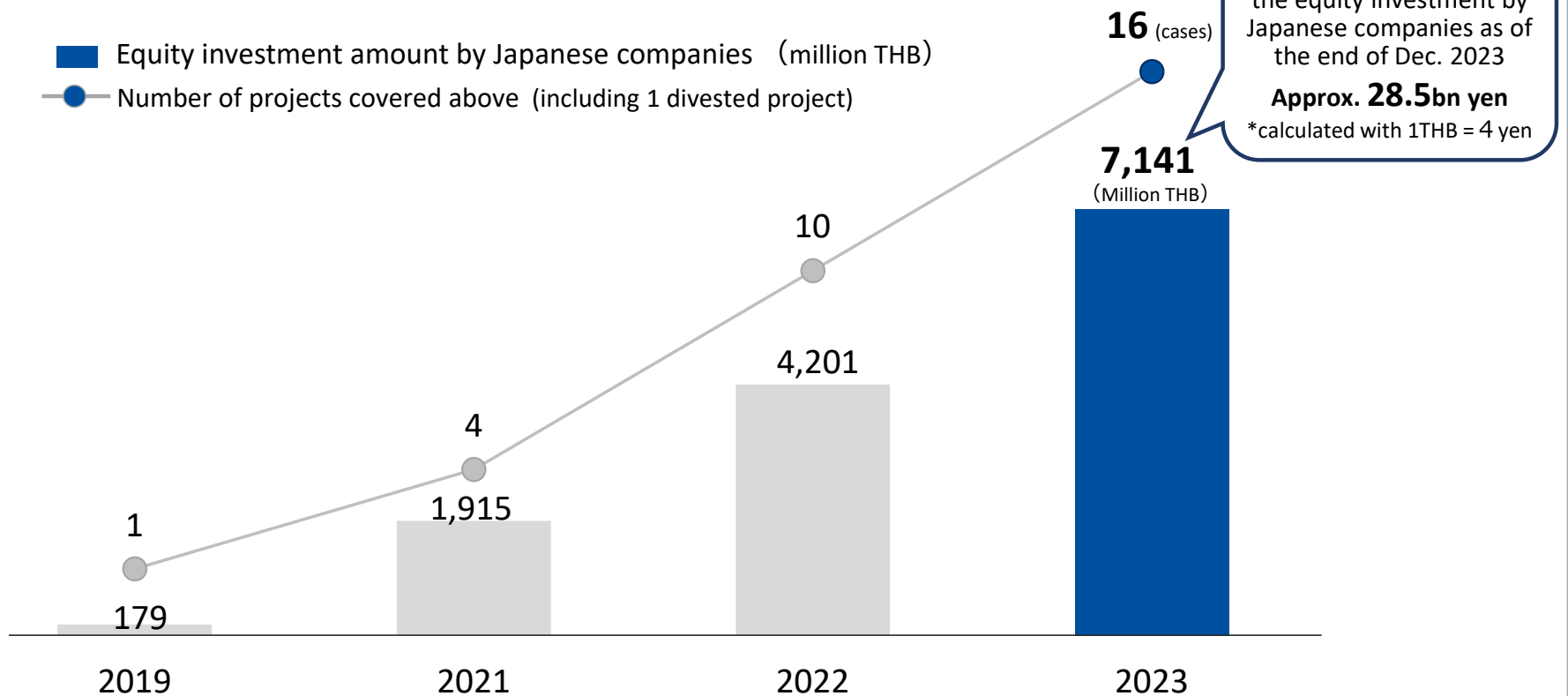
Financial Advisory

Legal Documentation
Support

Administrative
Management Services

Equity investment amount by Japanese companies (cumulative) and number of the projects*

*Not included in MHD's AUM



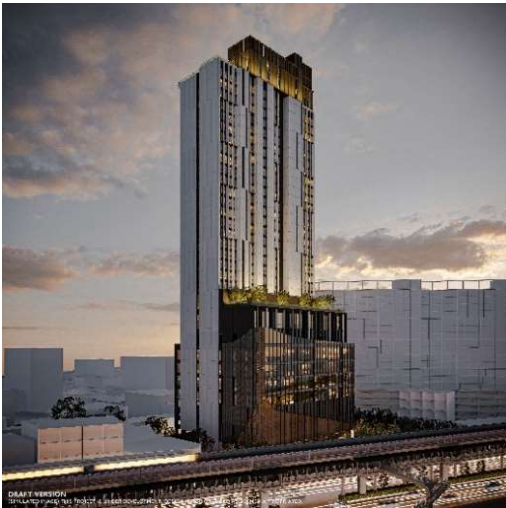
(Reference) Images after Project Completion



The Stage Mindscape Ratchada Huai Khwang (High-rise Condominium)



The Origin Pahol 57 (Low-rise Condominium)



One Sukhumvit 68 (Hotel)



Vivaldi (Housing)



The Origin Pahol 57 (Low-rise Condominium)



Kave Coco (Low-rise Condominium)



Vivaldi (Housing)

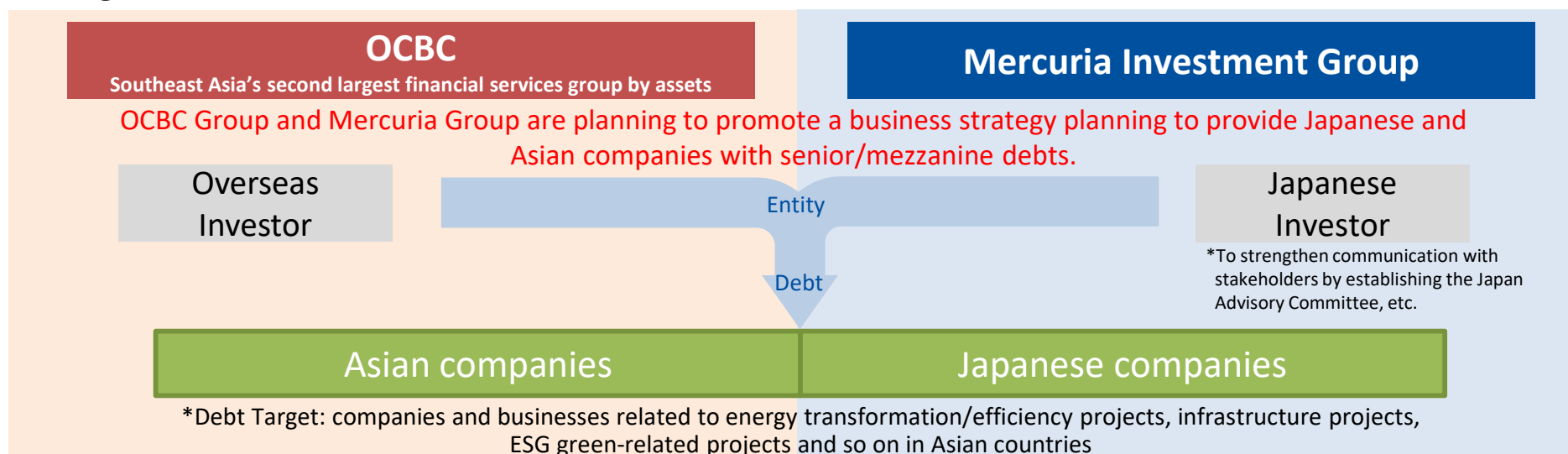


Alpha Phanthong (Warehouse)

Business Partnership with OCBC with the Theme of ASEAN Sustainability

- Signed Memorandum of Understanding (MOU) with OVERSEA-CHINESE BANKING CORPORATION LIMITED (OCBC) to create a credit fund with the theme of ASEAN sustainability.
- Launched initiatives to provide support for projects conducted by Japanese companies and local Asian companies from the perspective of strengthening financial and cross-border relationships.

Image of the Business



Participated in the MOU signing ceremony of AZEC Summit

The activities undertaken through the business partnership with OCBC are expected to be in line with the Asia Zero Emission Community (AZEC) concept advocated by the Japanese government. With such a background, OCBC and Mercuria attended the MOU signing event in the AZEC Summit meeting on December 16, 2023 with the MOU signed between OCBC and Mercuria. As business and technological alliances that lead to the AZEC concept are being formed among a number of companies, OCBC and Mercuria aim to provide financial support through our fund business to improve sustainability in the ASEAN region, including the realization of carbon neutrality.

Picture: MOU signing ceremony at the AZEC Summit (provided by METI)

From the left: Daniel Kwan, Head of Mezzanine Capital Unit, Global Investment Banking, OCBC, Saito Ken, Minister of Economy, Trade and Industry, Toyoshima Toshihiro, Representative Director, CEO, Mercuria Holdings Co., Ltd.



5. Financial Highlights

FY2023 Highlights ~ Steady Growth in Management Fees, YoY Decrease in Revenue

Consolidated Financial Result

- ❑ **Management fees have increased steadily:**
 - Asset under management has increased with the fundraising of Buyout Fund II (the total fund amount of approx. ¥44 bn). The Management fees have steadily increased.
- ❑ **Realization of performance fees will be in FY2024:**
 - Fund management is steady; the partial realization of performance fees, which was originally planned in 2023, will be in 2024
- ❑ **YoY decrease in revenue in FY2023:**
 - Although the management fees increased steadily, YoY in revenue decreased due to the absence of principal investment income from the fund exits, as well as appraisal loss from change of holding scheme of Spring REIT
 - The results exceeded the revised forecasts
- ❑ **Aim for the record-high profit in FY2024:**
 - Aim for record-high operating gross profit of ¥6.7 billion (166% vs. 2023)/ordinary profit of ¥3.0 billion (197% vs. 2023)

- Mid-Term Profit Plan
- Compliance with TSE Prime Market Listing Standards

- ❑ **Medium-term Profit Plan:**
 - Medium-term profit plan remains unchanged. Targeting 5-year average net income of ¥2.0 billion in FY2025 and ROE level of 10%~15%
- ❑ **Compliance with TSE Prime Market Listing Standards:**
 - The total market capitalization of tradable shares is approx. ¥8.66 billion. Continue to strive to meet the TSE Prime Market Listing Standards (¥10 billion in total market capitalization of tradable shares).

Consolidated Financial Results (vs. Earnings Forecasts and Progress Rate)

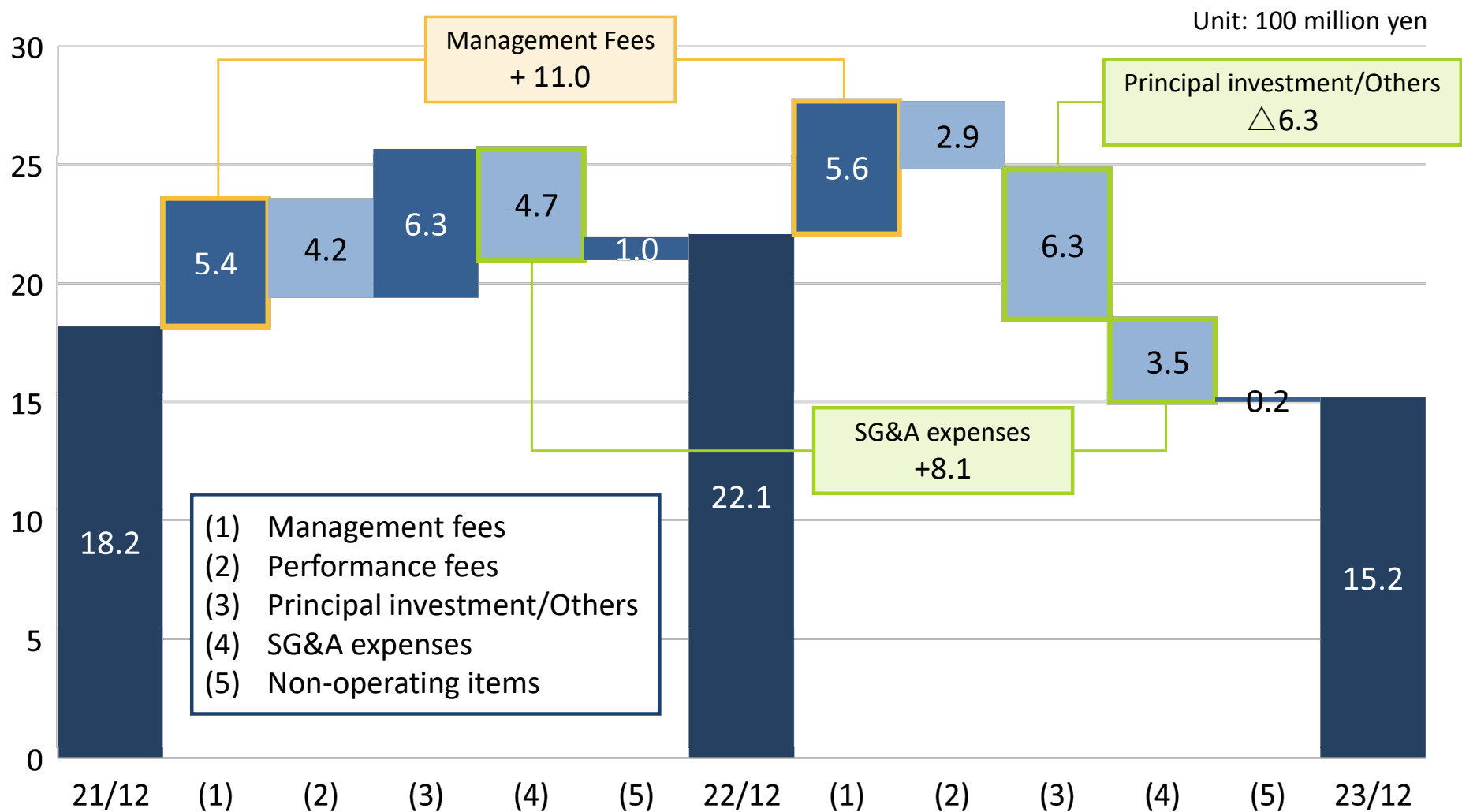
- The management fees have been steady; YoY decrease is due to the absence of principal investment income from the fund exits, as well as appraisal loss from change of holding scheme of Spring REIT.
- Although the forecasts for FY2023 were revised, the results exceeded the revised forecasts due to improving the unit price of Spring REIT.

Unit: 100 million yen

		(1) 2021 Results	(2) 2022 Results	(3) 2023 Results	(4) Forecasts for FY2023 <small>(the forecasts before revised)</small>	(5) Progress Rate to forecasts
Operating revenue		41.7	46.0	58.4	58 (67)	101%
Operating costs		△5.3	△2.0	△18.1	△22 (△16)	82%
Operating gross profit	Fund management (management fees)	18.9	24.4	30.0	36 (51)	112%
	Fund management (performance fees)	7.3	3.1	0.2		
	Principal investments/ Others	10.1	16.5	10.1		
	Total	36.4	43.9	40.3		
SG&A expenses		△18.8	△23.4	△26.9	△26 (△26.5)	103%
Operating profit		17.6	20.5	13.4	10 (24.5)	134%
Ordinary profit		18.2	22.1	15.2	12 (24.5)	127%
Profit attributable to owners of parent		13.0	15.6	10.6	8 (17)	132%

Consolidated Financial Results (YoY in Ordinary Profit from Previous Period)

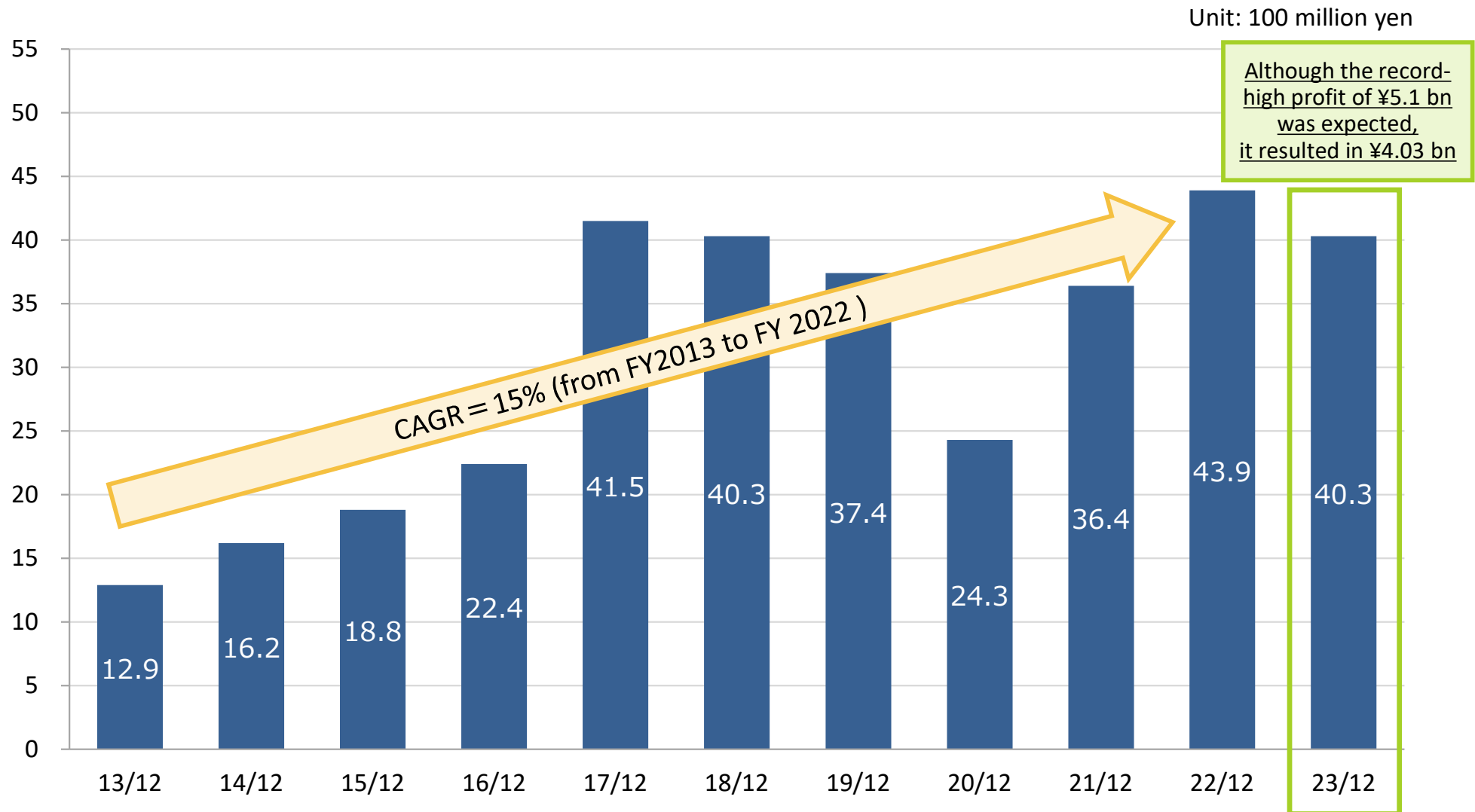
- Management fees (1) : increased by ¥1.10 billion with steady fundraising led by Buyout Fund II.
- Principal investment/Others (3) : decreased by ¥0.63 billion due to the absence of principal investment income from the fund exits, as well as appraisal loss from restructuring of Spring REIT.
- SG&A expenses(4) : increased by ¥0.81 billion due to strengthening the system by increasing the workforce.



Consolidated Financial Results

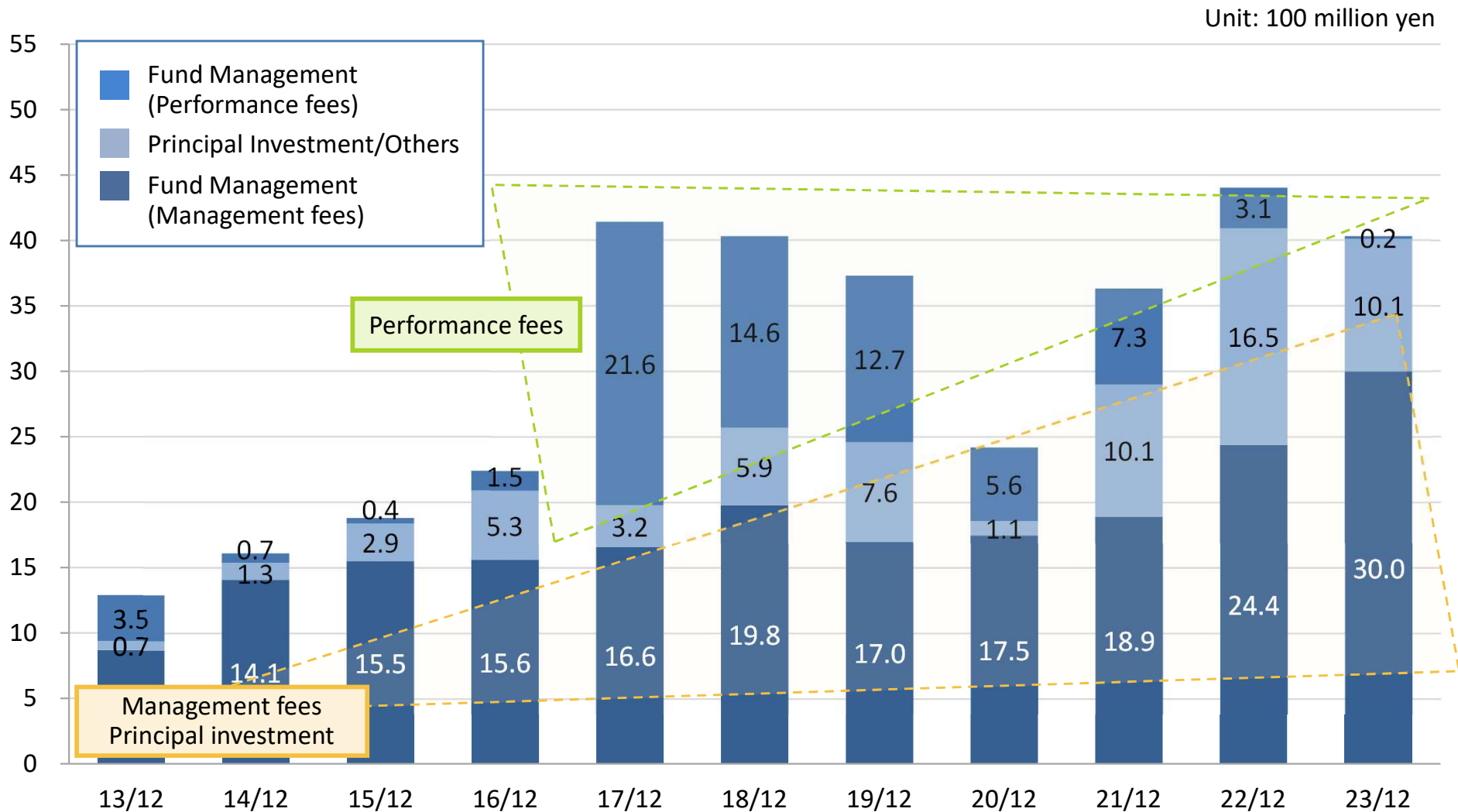
(Operating gross profit from a long-term perspective)

- Although operating gross profits have temporarily declined since FY2017, operating gross profit of 2022 reached a record high of ¥4.4 billion.
- The average annual growth rate from FY2013 to FY 2022 (past 10 years) was at the 15% level.
- Although the record-high operating gross profit of ¥5.1 billion was expected, it resulted in ¥4.03 billion in FY2023.



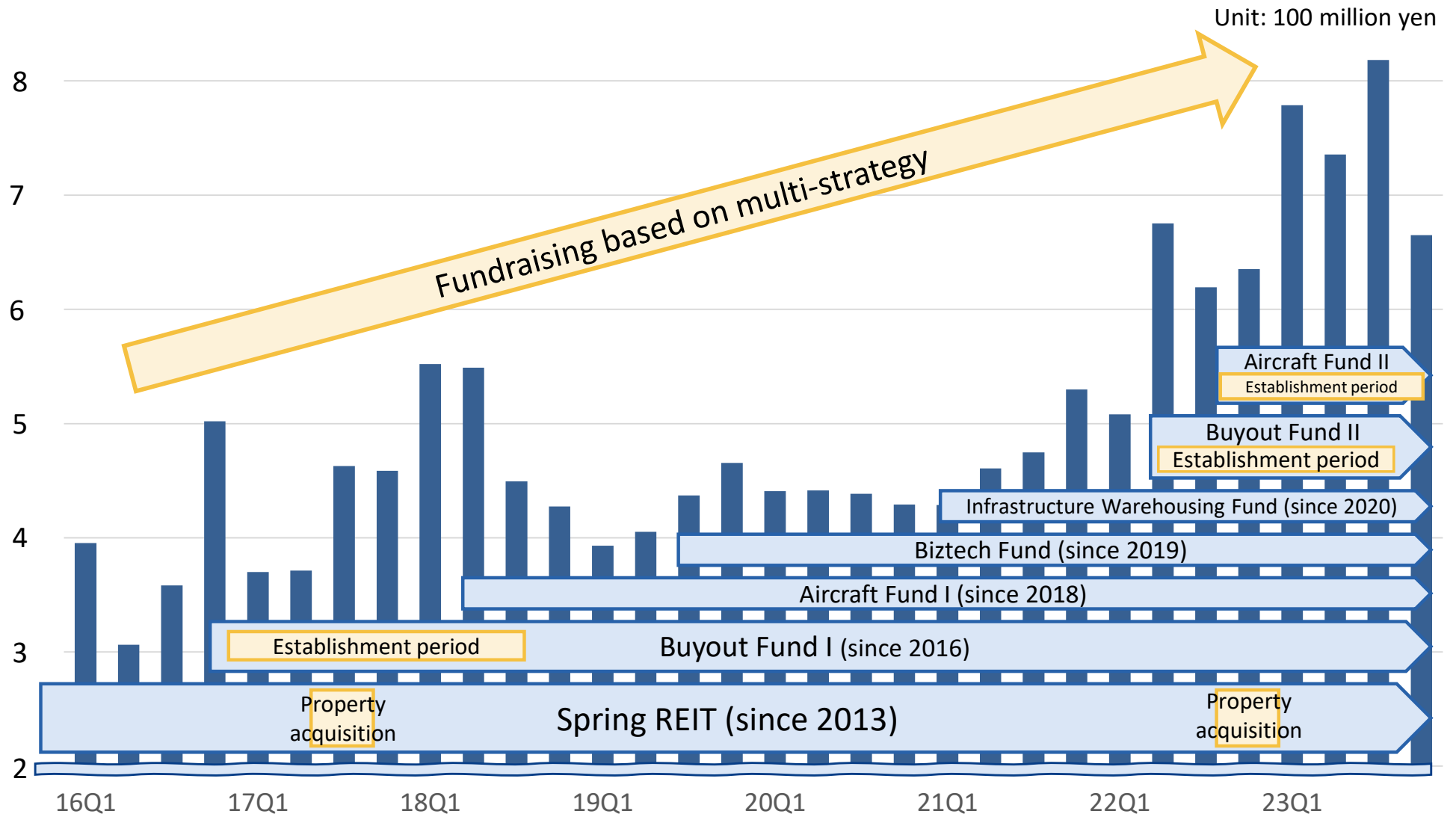
Consolidated Financial Results (Operating Gross Profit By Revenue Categories)

- Performance fees between 2017 and 2023 were ¥6.5 billion, including ¥3.7 billion in the Growth Fund I and ¥1.7 billion in the value investment fund, which was established during the global financial crisis.
- Principal investments have become a major source of revenue along with fund management fees and performance fees because of consistent dividend income from Spring REIT and the strong performances of Buyout Fund I, established in 2016, and other funds.



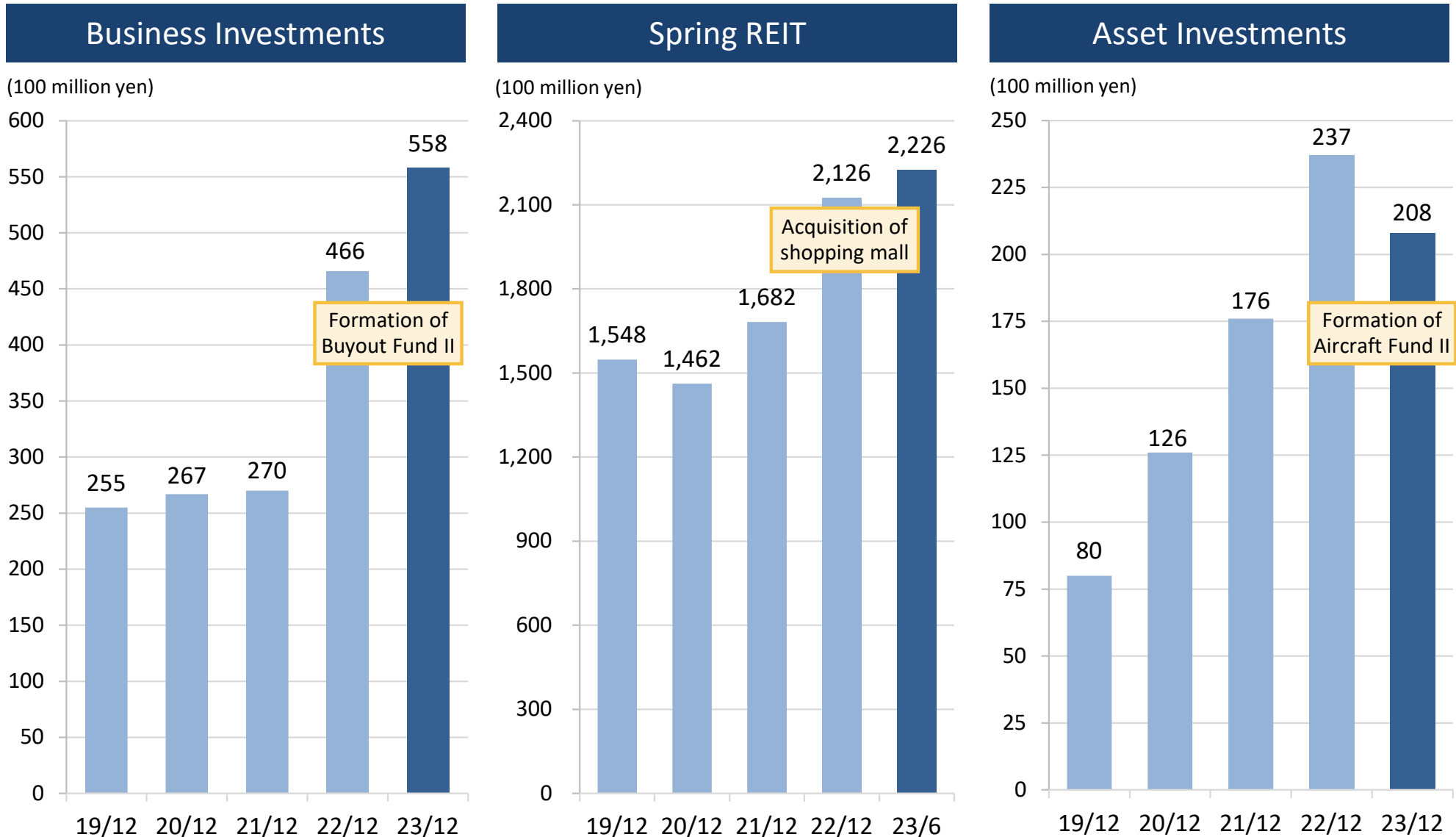
Consolidated Financial Results (Quarterly Management Fees)

- Since listing in 2016, management fees have increased significantly with the establishment of funds based multi-strategy.
- Completed the establishment of Buyout Fund II in September 2023. Aim for further increase management fees with the establishment of new funds in the future.



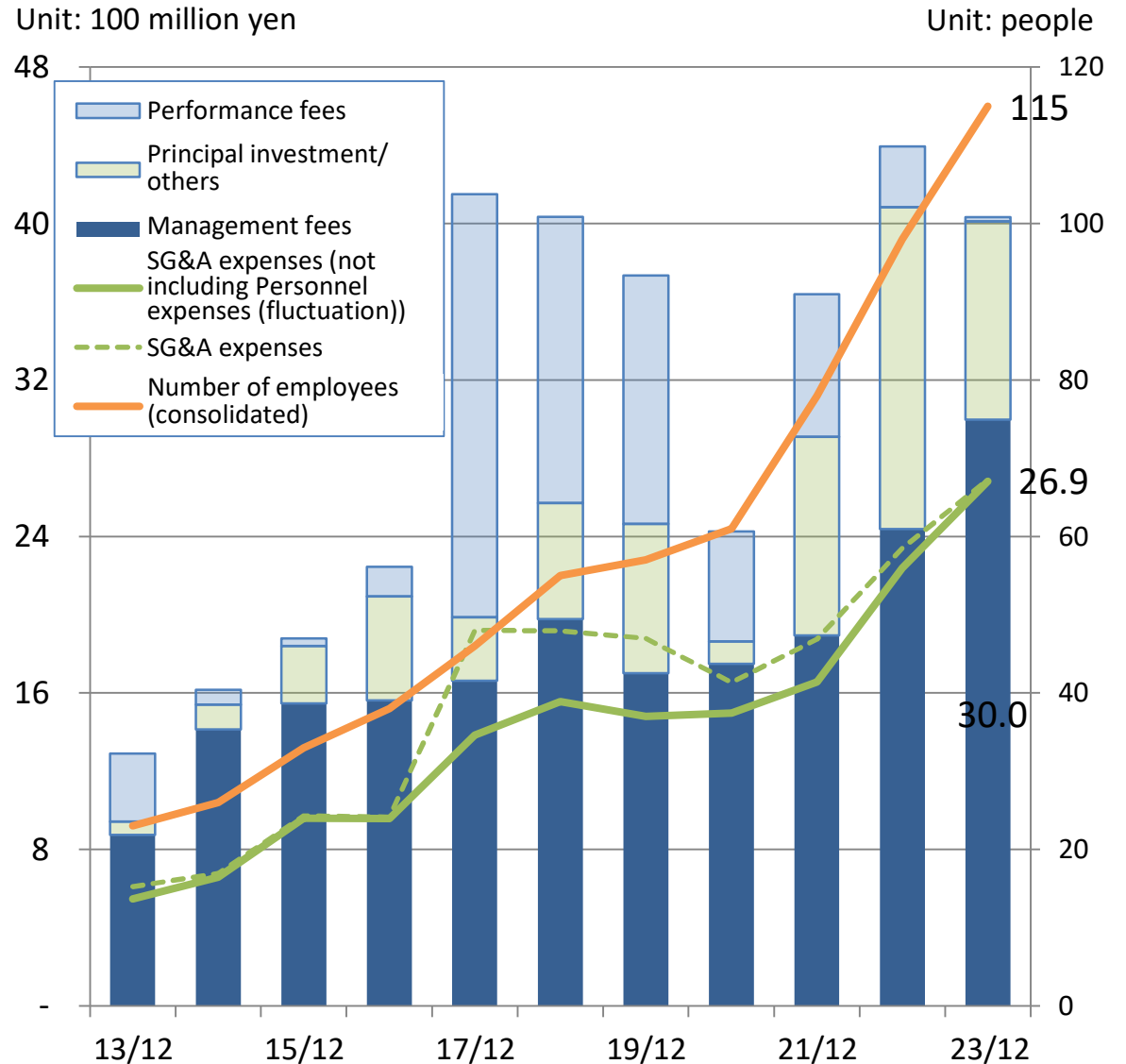
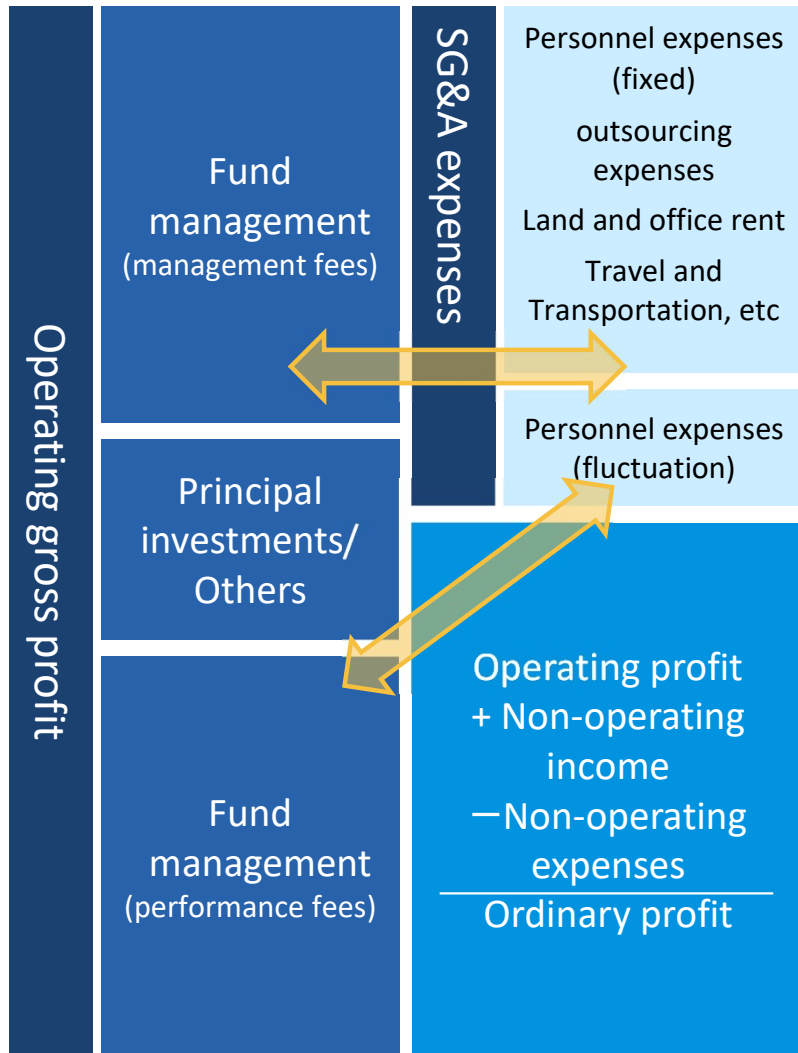
Consolidated Financial Results (Trend of AUM as a basis for management fees)

- The establishment of Buyout Fund II (Business Investments), as well as the inclusion of new assets in Spring REIT in 2022, resulted in a marked increase in the AUM as a basis for management fees.
- Although there was a fundraising for Aircraft Fund II, as the investment period for the Renewable Energy Fund (Asset Investments) expired, the AUM and the management fee decreased accordingly.



Consolidated Financial Results (Structure of Earnings)

- Profit and Loss Structure: Fixed costs are covered by management fees, which are stable revenues, and aim for upside from performance fees and principal investment income.
- Management fees increased due to the fundraising, accordingly, increased the workforce to strengthen the system.



Consolidated Financial Results (Asset-Liability Structure)

- Assets side consists of Operational investment securities/Operating loans (principal investment) which is ¥14.4 billion and Cash and deposits of ¥3.0 billion.
- No borrowings are on balance, ¥17.1 billion in equity capital against ¥1.4 billion in liabilities.

Unit: 100 Million yen

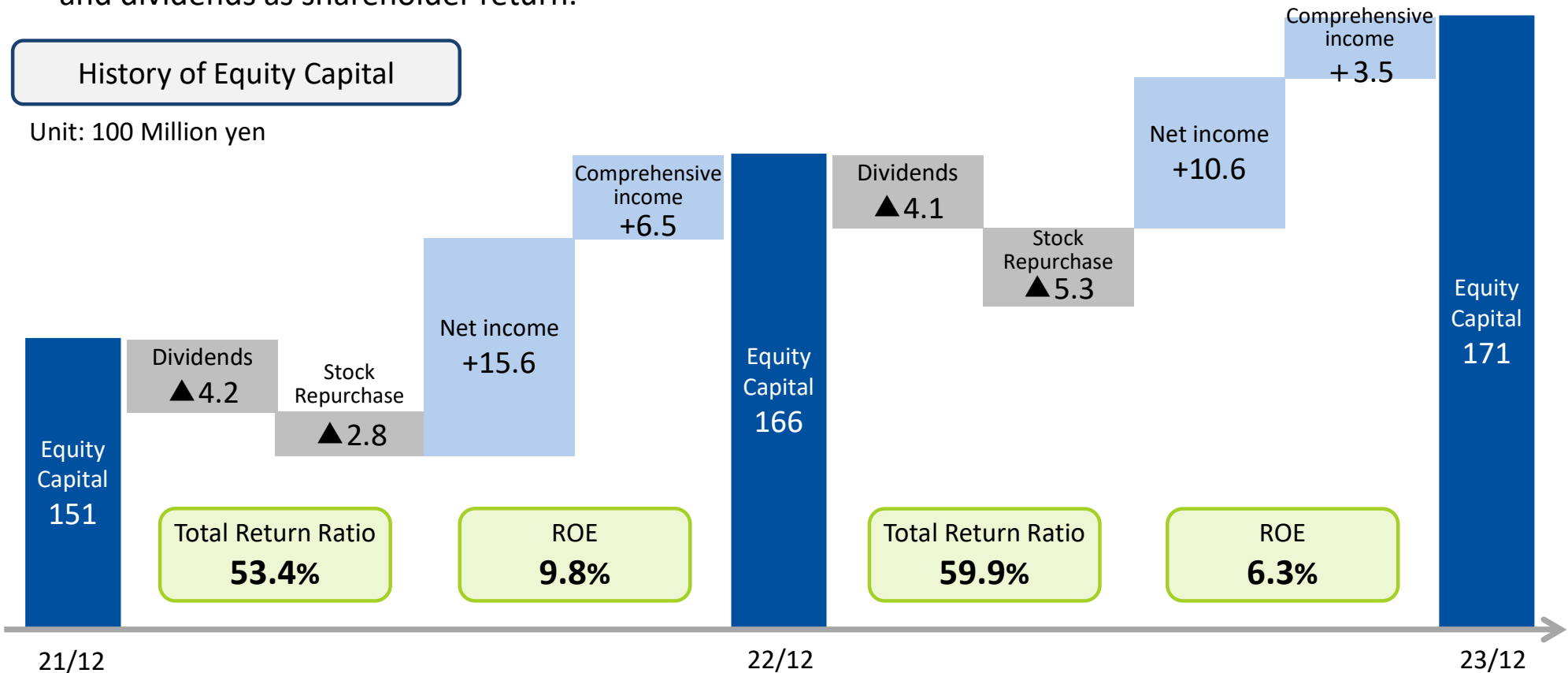
B/S (as of the end of December 2023)				
Current assets	Cash and deposits	30 15%	Liabilities	
	Trade accounts receivable	7		
	Operational investment securities/ Operating loans	144 73%		
	Other current assets	7		
Non-current assets		9	Net assets	
Total		197		
			Borrowings	-
			Other current liabilities	8
			Other non-current liabilities	7
			Equity capital	171 87%
			Non-controlling interests	11
Total		197	Total	197

Composition of Equity Capital		
Business Investments	35	
Same-boat investment for buyout funds and growth funds		
Spring REIT	64	
Same-boat investment in a fund to invest in Spring REIT Using borrowings		
Asset Investments	44	
Same-boat investment for aircraft funds and renewable energy funds, Principal investment in the development of solar power generation facilities in Taiwan, etc.		
AUM		3,000 over

Consolidated Financial Results

(History of Equity Capital (ROE and Total Return Ratio))

- ROE for FY2023 was 6.3% due to the decrease in profit. Aiming for ROE level of 10-15%.
- The level of the total return ratio for the past two fiscal years was over 50% by conducting stock repurchase and dividends as shareholder return.



22/12				23/12			
Total Return Ratio	53.4%	ROE	9.8%	Total Return Ratio	59.9%	ROE	6.3%
Dividends	32.1%	Average of Equity Capital (100 Million yen)	159	Dividends	26.2%	Average of Equity Capital (100 Million yen)	169
Stock Repurchase	21.4%	Net income (100 Million yen)	15.6	Stock Repurchase	33.7%	Net income (100 Million yen)	10.6

Dividends

- In accordance with the dividend policy, MHD plans to pay a dividend of ¥21 for 2023, which will result in an average payout ratio of 36.5% of net income during the past five years.

Dividend policy	<ul style="list-style-type: none"> • Dividends are the primary way to distribute earnings to shareholders and the priority is dividend stability. • The current payout ratio guideline is about 30%. As performance fees and other one-time revenue has a big effect on earnings, the guideline is to use average net income for five years as the basis. Using this average reduces the effects of earnings swings from year to year and increases the stability of dividends. • The goal is to raise the dividend along with growth of the five-year average of net income.
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Unit: Million yen	2019 Results	2020 Results	2021 Results	2022 Results	2023 Results
(1) Profit attributable to owners of parent	1,245	525	1,304	1,563	1,055
(2) Five-year average of net income	1,124	1,105	1,195	1,210	1,138
(3) Dividend per share	¥19	¥20	¥20	¥20	¥21
(4) Total number of ^(Note) outstanding shares (after deduction of treasury shares)	17,606,389 Shares	17,113,389 Shares	20,911,579 Shares	20,500,979 Shares	19,793,579 Shares
(5) Total dividends (3) × (4)	335	342	418	410	416
(6) Dividend payout ratio (5) / (2)	29.8%	31.0%	35.0%	33.9%	36.5%

(Note) The number of shares in the 2023 forecast is as of June 30, 2023.

Consolidated Financial Forecasts for FY2024

- Aim for record-high operating gross profit of ¥6.7 billion (166% vs. 2023)/ordinary profit of ¥3.0 billion (197% vs. 2023)
- Dividend is expected to be ¥22 per share (up 1 yen) based on the dividend policy

Unit: 100 million yen

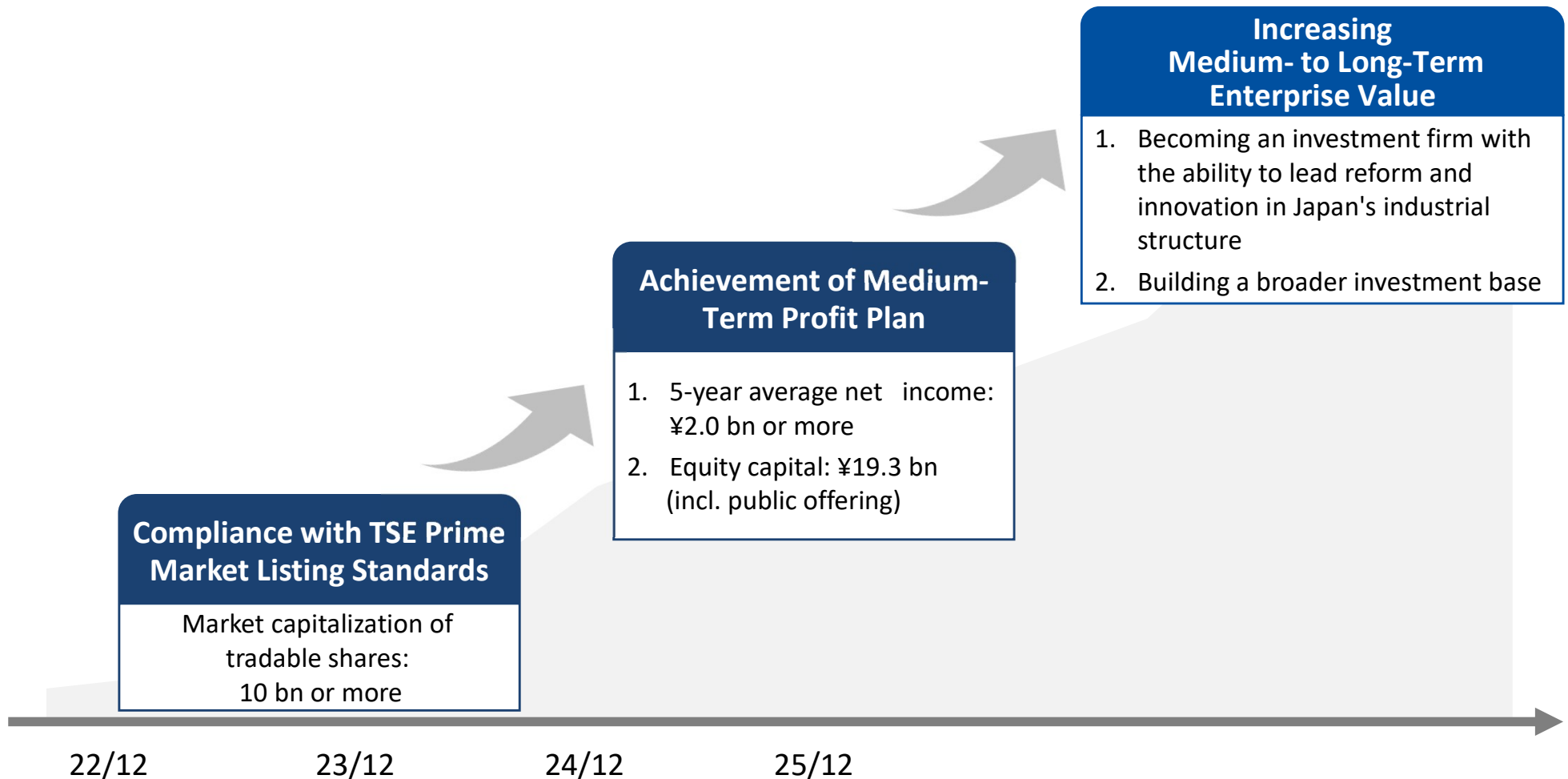
		(1) 2021 Results	(2) 2022 Results	(3) 2023 Results	(4) 2024 forecasts	YoY
Operating revenue		41.7	46.0	58.4	68	116%
Operating gross profit	Fund management (management fees)	18.9	24.4	30.0	67	166%
	Fund management (performance fees)	7.3	3.1	0.2		
	Principal investments/ Others	10.1	16.5	10.1		
	Total	36.4	43.9	40.3		
Operating profit		17.6	20.5	13.4	30	223%
Ordinary profit		18.2	22.1	15.2	30	197%
Profit attributable to owners of parent		13.0	15.6	10.6	20	190%
Equity capital		151	166	171		
Dividend per share		¥20	¥20	¥21(planned)	¥22	105%

Consolidated Financial Forecast

Medium-Term Profit Plan / Compliance with TSE Prime Market Listing Standards

- As a listed company, we aim to achieve the following interim goals to increase MHD's medium- to long-term market cap and become an investment firm with the ability to lead reform and innovation in Japan's industrial structure: 1) Compliance with TSE Prime Market Listing Standards; 2) Achievement of Medium-Term Profit Plan

Roadmap for Increasing Medium- to Long-Term Corporate Value

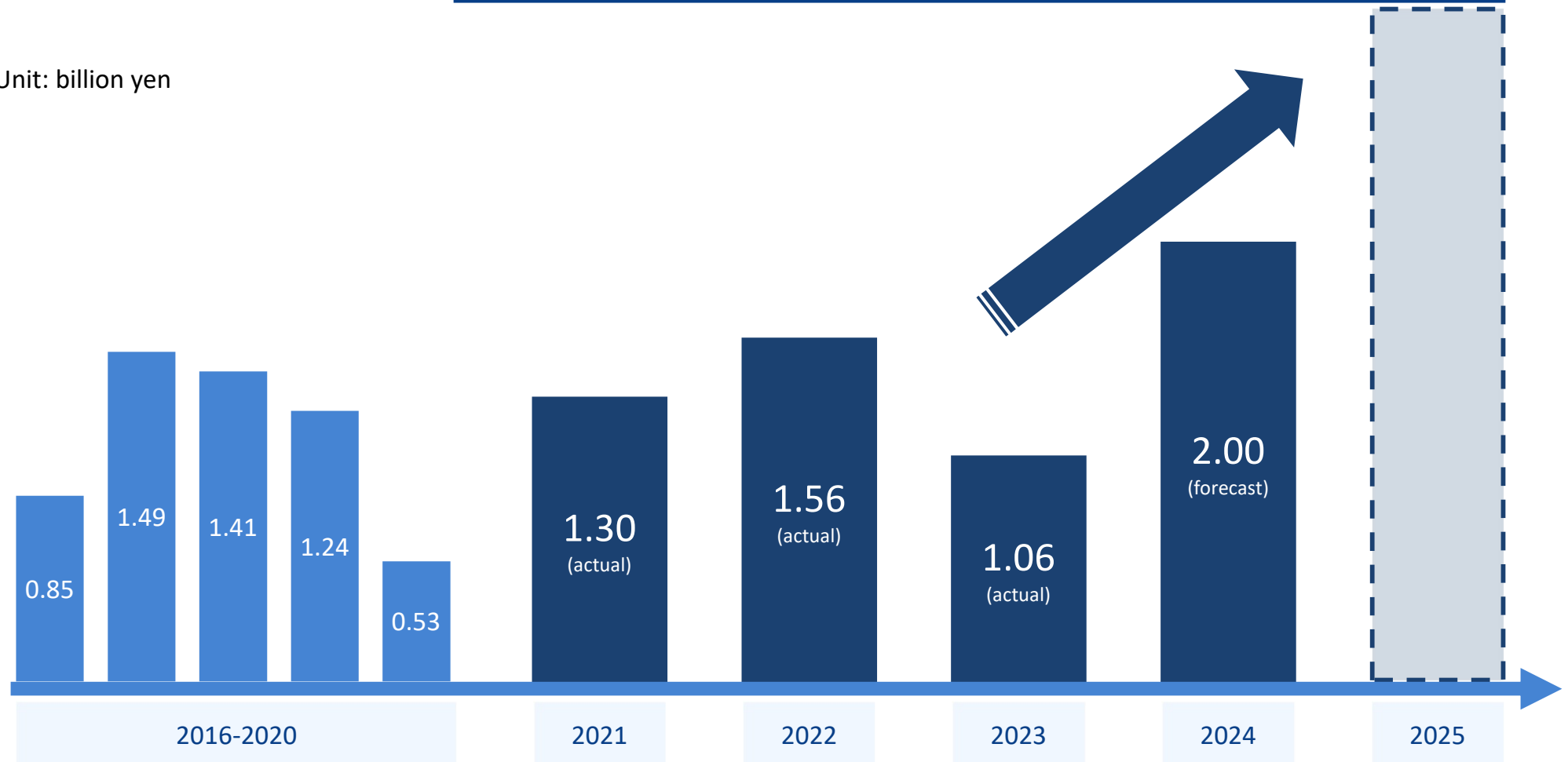


Progress of Medium-term Profit Plan (Five-year Average of Net Income)

- Results from 2021 to 2023: Net income of ¥1.30 billion, ¥1.56 billion and ¥1.06 billion respectively as the funds formed before listing coming to the end of generating performance fee stage.
- 2024 onward: Aiming for the five-year average of net income of ¥2.0 billion in 2025 by accumulating management fees from newly established Buyout Fund II and performance fees from Buyout Fund I.

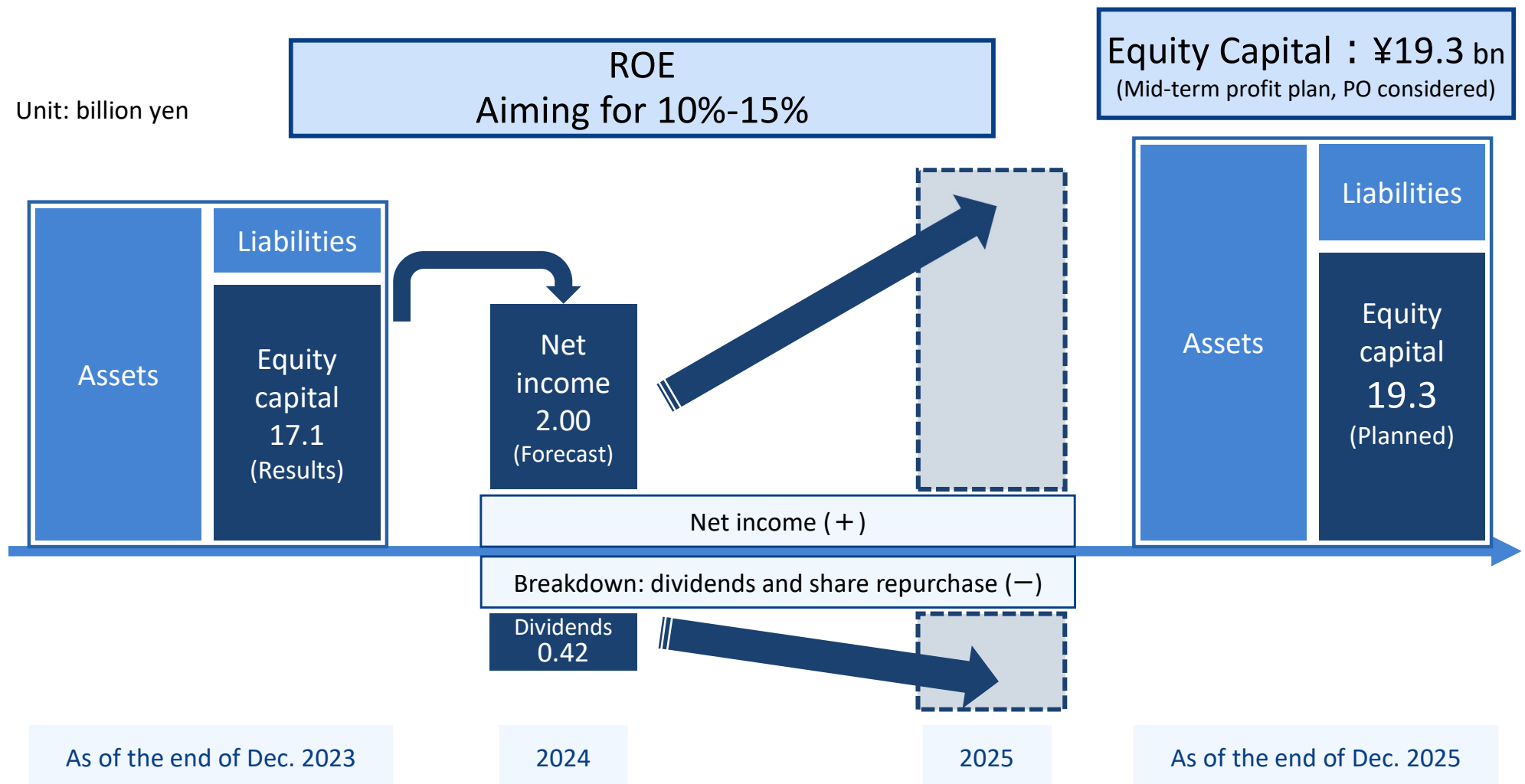
Five-year Average of Net Income : ¥2.0 bn (Mid-term goal)

Unit: billion yen



Progress of Medium-term Profit Plan (Equity Capital and ROE)

- By the end of Dec 2025, the last year of Medium-term profit plan, Mercuria Holdings plans to increase its equity capital to ¥19.3 billion, ¥2.0 billion procured by public offering added to the initial plan of ¥17.3 billion.
- Targeting ROE level of 10-15% by solidly accumulating profit based on the medium-term plan and other capitalization strategies such as dividends and share repurchase.



Updated status with TSE Prime Market Listing Maintenance Criteria

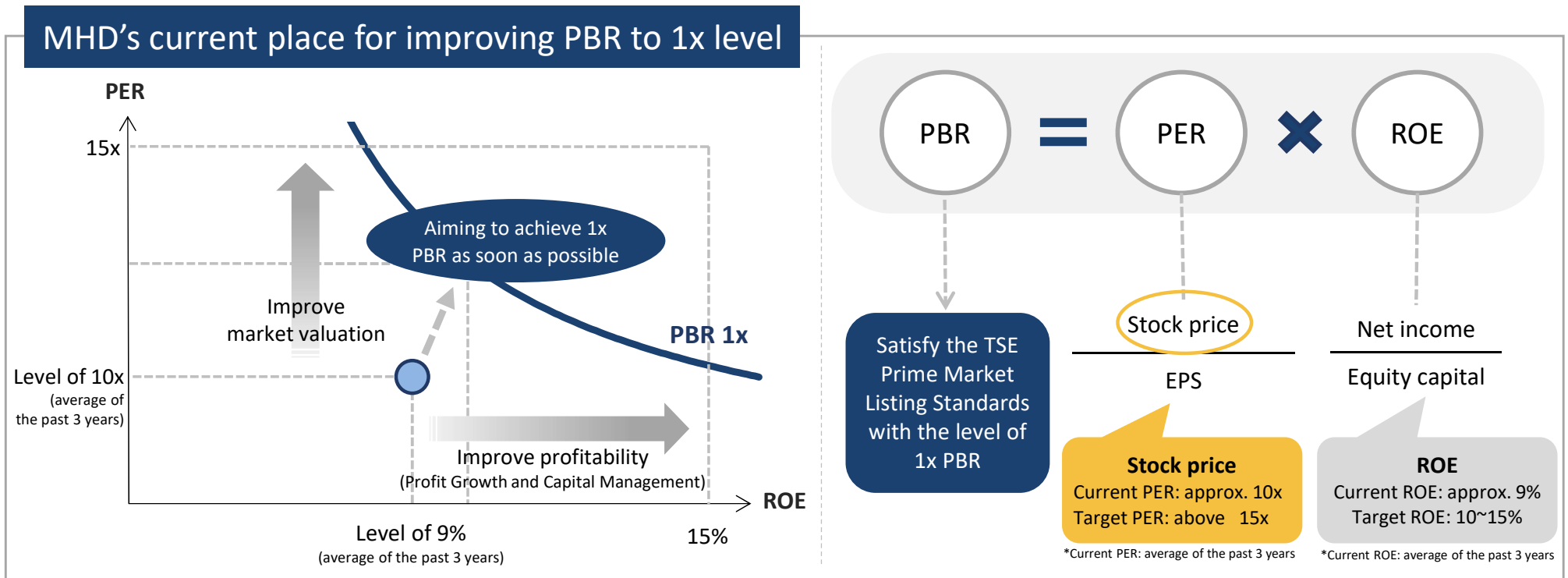
- MHD's market cap of tradable shares at the end of December 2023 is ¥8.66 billion (average share price is ¥750.3 from October to December 2023), compared to the market cap of ¥10 billion or more required under the criteria for maintaining its listing on TSE prime market.
- The stock price to satisfy the criteria for maintaining its listing on TSE prime market is 1x PBR, ¥870 in case of MHD.

		Reference period Ave. of Oct-Dec 2022	Reference period Ave. of Oct-Dec 2023	Prime Market	Prime Market Listing Maintenance Criteria
Total market capitalization of the tradable shares		¥7.39 bn	¥8.66 bn		¥10 bn
Stock price		¥604.9	¥750.3		¥870
PBR	BPS: ¥883.56 (Result of FY2023)	0.73 (BPS: ¥829.2-Result of FY2022)	0.85		0.98
PER	EPS: ¥103.38 (FY2024 forecast)	7.3 (BPS: ¥83.21- FY2023 forecast)	7.3		8.4

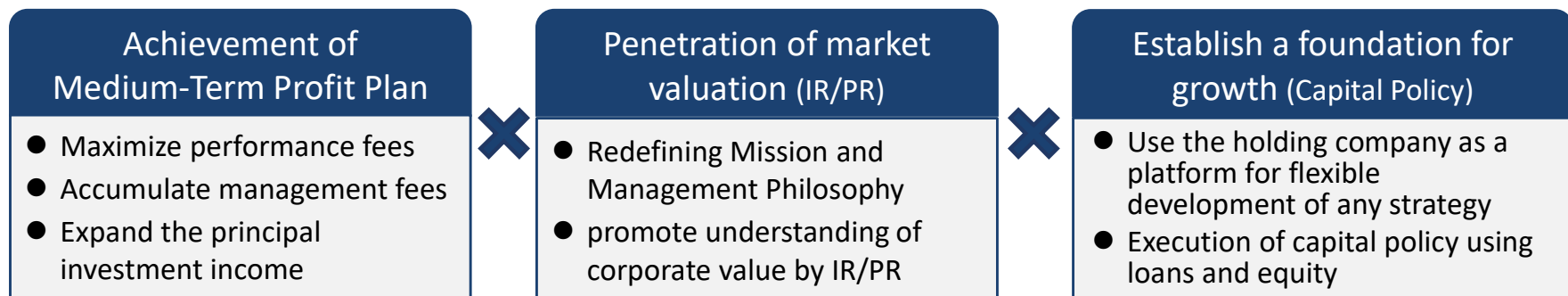
Criteria	FY2022	FY2023	TSE Prime Market Listing Maintenance Criteria	Status
Number of share holders	4,230	3,599	800 or more	○
Number of tradable shares	122,169 units	115,359 units	20,000 unites of more	○
Market capitalization of tradable shares	¥7.39 bn	¥8.66 bn	¥10 bn or more	×
Ratio of tradable shares	56.86%	53.65%	35% or more	○
Daily average trading volumes	¥35 mn	¥37 mn	¥20 mn or more	○

Compliance with TSE Prime Market Listing Standards and PBR Improvement (1/2)

- The stock price of 1xPBR level is required to satisfy the TSE Prime Market Listing Standards (870 yen level)
- To achieve the stock price of 1xPBR level, improving profitability through profit growth based on the medium-term profit plan (ROE) and market valuation by enhancing IR/PR (PER) are required.



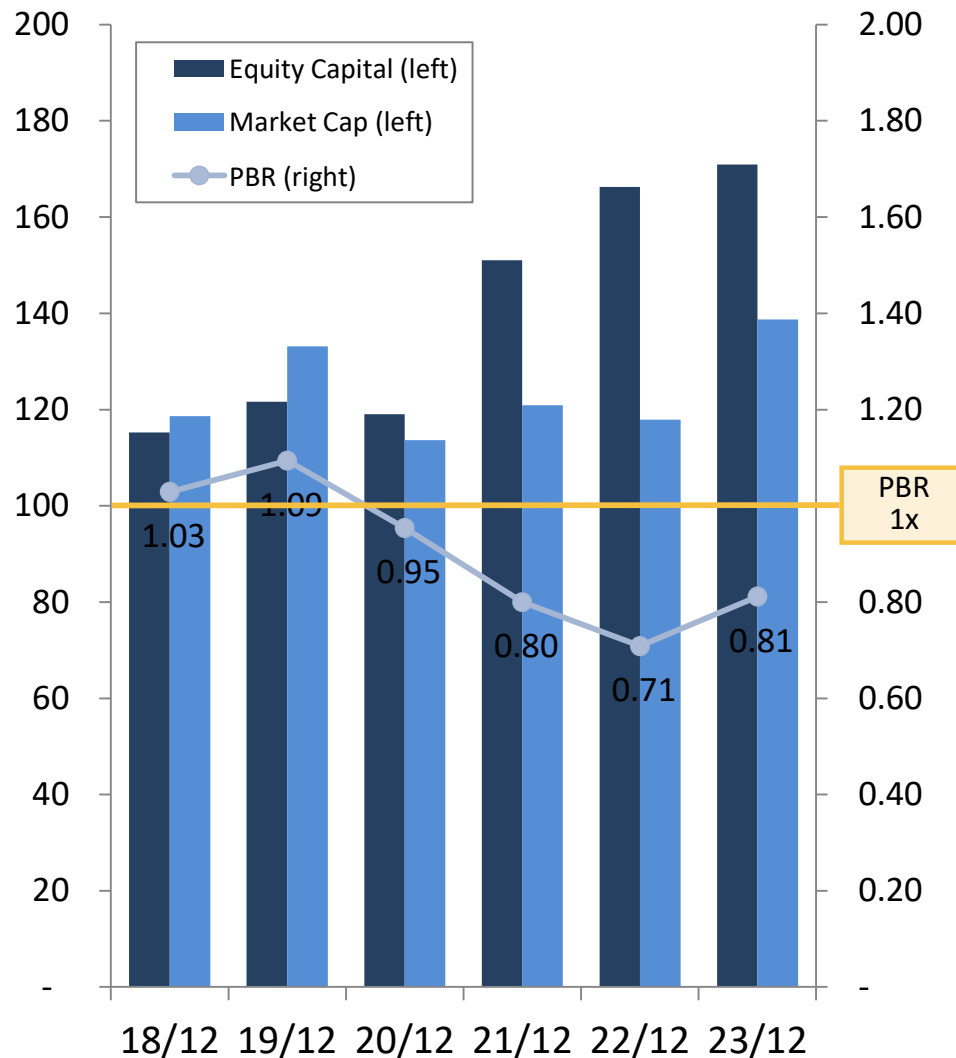
Initiatives for improving PBR



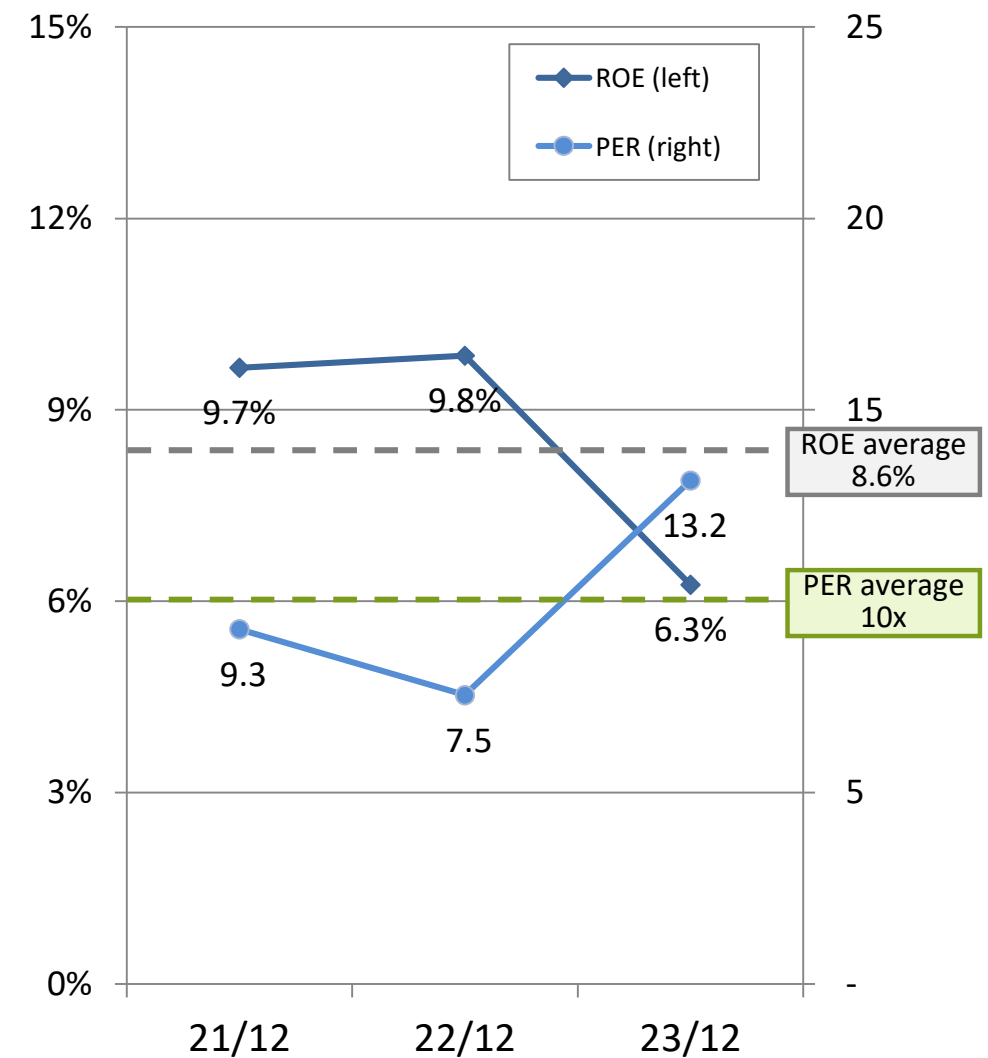
Compliance with TSE Prime Market Listing Standards and PBR Improvement (2/2)

- PBR: after the public offering in FY21/12, PBR has remained below 1x.
- ROE: declined to 6.3% due to the YoY decrease in profit. Aim for ROE level of 10-15% by realizing the performance fees and principal investment income from the Buyout Fund I exits.

Trend of PBR



Trend of ROE and PER



Structure of Earnings and Corporate Value

- MHD's view of the value of its stock is based on following components: (1) business value (management fees); (2) net asset value (principal investments); and (3) upside value (performance fees).
- Market cap was ¥15.0 billion as of February 20, 2024. Our goal is to realize the hidden value of MHD that we believe exists.

Value of stock		Market cap
Components of assumed stock value	Upside value (performance fees)	Expectation for performance fees
	Business value (management fees)	Business value with a sound base for management fees based on long-term contract
	Net asset value (principal investments)	Equity capital ¥17.1 bn + Unrealized capital gain asset value
		<div style="border: 1px dashed black; padding: 5px;">Hidden value that MHD believes exists</div>
		¥15.0 bn (¥758/share)

(Reference) Initiative for ESG and SDGs

- Not only conducting sustainable management and business operations as a listed company, but also supporting various ESG-related initiatives at investee companies as a qualified institutional investor.
- Build trusted relationships with a wide range of stakeholders and aim to contribute to the business growth of investee companies over the medium to long term, taking into account ESG and SDGs.

Mercuria's ESG Initiatives

E Environment

- **Clean energy**
 - ✓ Co-sponsor of the Enex Infrastructure Investment Corporation, which invests in renewable energy.
- **Waste reduction, energy efficiency, and efficient use of resources**
 - ✓ Environmental countermeasures taken at office buildings owned by Spring REIT and managed by our subsidiary SAML
 - ✓ Investment in Loft Orbital Solutions, Inc, a developer of ride-share business for satellites

S Social

- **Economic growth, employment security, industrial and technological innovation, and regional revitalization**
 - ✓ Management of funds for supporting smooth succession and growth of SMEs
 - ✓ Management of funds for supporting innovation in the real-estate and logistics industries
 - ✓ Management of the platform for solving business-related problems run by our subsidiary, Bizma
- **Financial inclusion to eliminate poverty, and improve the usability of financial services**
 - ✓ Management of funds targeted at investments in Zhongguancun Kejin Tecnnology Co., Ltd. (北京中関村科金技術有限公司), a fintech company in China

G Governance

- **Contribution to enhancement of governance functions**
 - ✓ Management of funds for supporting smooth succession and growth of SMEs

Realization of SDGs





Mercuria Investment Group

The above is an English translation of provided for information purpose only. The original Japanese version was released through our website (<https://www.mercuria.jp>). If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.