

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 13, 2023

Company name: MELCO HOLDINGS INC.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6676 URL <https://melco-hd.jp/>
 Representative: President and CEO Hiroyuki Maki
 Inquiries: General Manager, IR Division Yasukazu Kouketsu TEL 03-4213-1122
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	107,179	(0.6)	4,170	(58.1)	4,156	(59.8)	2,581	(64.0)
Nine months ended December 31, 2021	107,789	–	9,945	45.1	10,350	44.6	7,175	39.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	153.01		–	
Nine months ended December 31, 2021	456.95		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	96,066	61,704	64.2	3,655.58
As of March 31, 2022	95,798	63,123	65.9	3,739.64

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	50.00	–	60.00	110.00
Year ending March 31, 2023	–	60.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	142,000	(1.5)	3,500	(72.4)	3,500	(73.2)	2,100	(77.5)	124.46

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	17,937,873 shares	As of March 31, 2022	17,937,873 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,064,506 shares	As of March 31, 2022	1,064,359 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	16,873,456 shares	Nine months ended December 31, 2021	15,703,960 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	21,834	16,335
Notes and accounts receivable - trade, and contract assets	15,930	22,743
Securities	6,687	–
Merchandise and finished goods	15,848	16,882
Raw materials and supplies	5,963	8,084
Other	3,463	5,308
Allowance for doubtful accounts	(6)	(10)
Total current assets	69,722	69,344
Non-current assets		
Property, plant and equipment	11,033	11,024
Intangible assets	2,012	3,265
Investments and other assets		
Investment securities	10,662	10,317
Other	2,486	2,239
Allowance for doubtful accounts	(118)	(125)
Total investments and other assets	13,030	12,431
Total non-current assets	26,075	26,721
Total assets	95,798	96,066
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,466	17,847
Electronically recorded obligations - operating	807	941
Current portion of long-term borrowings	861	287
Income taxes payable	1,507	120
Accrued expenses	3,142	2,891
Accounts payable - other	3,820	3,407
Contract liabilities	4,078	4,339
Provision for bonuses for directors (and other officers)	26	24
Provision for product warranties	79	77
Other	1,826	1,446
Total current liabilities	29,618	31,383
Non-current liabilities		
Long-term borrowings	99	–
Retirement benefit liability	2,305	2,268
Provision for retirement benefits for directors (and other officers)	237	423
Provision for recycles	141	140
Other	271	145
Total non-current liabilities	3,056	2,978
Total liabilities	32,674	34,361

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	250	250
Retained earnings	64,898	63,892
Treasury shares	(3,486)	(3,486)
Total shareholders' equity	62,662	61,656
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	605	576
Deferred gains or losses on hedges	243	(286)
Foreign currency translation adjustment	(110)	(41)
Remeasurements of defined benefit plans	(299)	(222)
Total accumulated other comprehensive income	438	25
Share acquisition rights	22	22
Total net assets	63,123	61,704
Total liabilities and net assets	95,798	96,066

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	107,789	107,179
Cost of sales	75,083	79,743
Gross profit	32,706	27,436
Selling, general and administrative expenses	22,760	23,265
Operating profit	9,945	4,170
Non-operating income		
Interest income	0	0
Dividend income	200	105
Share of profit of entities accounted for using equity method	1	96
Royalty income	150	35
Subsidy income	140	–
Other	217	95
Total non-operating income	710	332
Non-operating expenses		
Interest expenses	5	2
Foreign exchange losses	147	284
Commission expenses	4	4
Provision of allowance for doubtful accounts	98	–
Other	49	55
Total non-operating expenses	305	346
Ordinary profit	10,350	4,156
Extraordinary losses		
Loss on retirement of non-current assets	33	23
Loss on valuation of investment securities	–	166
Loss on litigation	–	415
Total extraordinary losses	33	604
Profit before income taxes	10,317	3,551
Income taxes - current	2,944	616
Income taxes - deferred	197	352
Total income taxes	3,141	969
Profit	7,175	2,581
Profit attributable to owners of parent	7,175	2,581

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	7,175	2,581
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	(29)
Deferred gains or losses on hedges	(114)	(529)
Foreign currency translation adjustment	30	40
Remeasurements of defined benefit plans, net of tax	74	72
Share of other comprehensive income of entities accounted for using equity method	–	33
Total other comprehensive income	(88)	(413)
Comprehensive income	7,087	2,168
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,087	2,168