

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 7, 2024

Company name: MIGALO HOLDINGS Inc.
 Stock exchange listing: Tokyo
 Stock code: 5535 URL: <https://www.migalo.co.jp/>
 Representative: CEO Sei Nakanishi
 Inquiries: CFO Koji Iwase TEL 03-6302-3627
 Scheduled date to file Quarterly Securities Report: February 7, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	32,512	–	2,443	–	2,132	–	1,404	–
Nine months ended December 31, 2022	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	193.17	192.36
Nine months ended December 31, 2022	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	45,270	10,719	23.4
As of March 31, 2023	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	–	–	–	–
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	42,000	–	2,500	–	2,120	–	1,310	–	180.20

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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, 2023	7,315,800 shares	As of March 31, 2023	– shares
-------------------------	------------------	----------------------	----------

Number of treasury shares at the end of the period

As of December 31, 2023	41,277 shares	As of March 31, 2023	– shares
-------------------------	---------------	----------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	7,272,562 shares	Nine months ended December 31, 2022	– shares
-------------------------------------	------------------	-------------------------------------	----------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of December 31, 2023

Assets	
Current assets	
Cash and deposits	8,058,638
Accounts receivable - trade	428,740
Inventories	34,586,907
Other	507,064
Allowance for doubtful accounts	(2,694)
Total current assets	43,578,655
Non-current assets	
Property, plant and equipment	157,271
Intangible assets	472,139
Investments and other assets	
Other	1,201,972
Allowance for doubtful accounts	(139,125)
Total investments and other assets	1,062,846
Total non-current assets	1,692,257
Total assets	45,270,913
Liabilities	
Current liabilities	
Accounts payable - trade	2,113,234
Short-term borrowings	8,089,758
Current portion of bonds payable	68,000
Current portion of long-term borrowings	5,877,718
Income taxes payable	247,543
Provision for bonuses	15,108
Provision for costs after sales	117,224
Other	2,606,395
Total current liabilities	19,134,982
Non-current liabilities	
Bonds payable	748,000
Long-term borrowings	14,443,769
Other	224,256
Total non-current liabilities	15,416,025
Total liabilities	34,551,007
Net assets	
Shareholders' equity	
Share capital	70,000
Capital surplus	1,086,147
Retained earnings	9,381,024
Treasury shares	(48,732)
Total shareholders' equity	10,488,439
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	118,193
Total accumulated other comprehensive income	118,193
Share acquisition rights	6,441
Non-controlling interests	106,830
Total net assets	10,719,905
Total liabilities and net assets	45,270,913

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

(Thousands of yen)

Nine months ended
December 31, 2023

Net sales	32,512,916
Cost of sales	26,812,110
Gross profit	5,700,805
Selling, general and administrative expenses	3,257,691
Operating profit	2,443,114
Non-operating income	
Interest income	77
Dividend income	5,604
Other	9,860
Total non-operating income	15,541
Non-operating expenses	
Interest expenses	235,541
Commission expenses	81,421
Other	9,468
Total non-operating expenses	326,430
Ordinary profit	2,132,225
Profit before income taxes	2,132,225
Income taxes - current	724,243
Income taxes - deferred	(1,187)
Total income taxes	723,055
Profit	1,409,169
Profit attributable to non-controlling interests	4,320
Profit attributable to owners of parent	1,404,849

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

Nine months ended
December 31, 2023

Profit	1,409,169
Other comprehensive income	
Valuation difference on available-for-sale securities	38,440
Total other comprehensive income	38,440
Comprehensive income	1,447,610
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,443,290
Comprehensive income attributable to non-controlling interests	4,320