

Translation

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

February 14, 2023

Company name: m-up holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3661 URL <http://www.m-upholdings.co.jp>
 Representative: CEO Mito Koichiro
 Inquiries: CFO Fujiike Toshiki TEL 03-5467-7125
 Scheduled date to file Quarterly Securities Report: February 14, 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 | 11,860 | 18.4 | 1,713 | 24.2 | 1,729 | 18.6 | 915 | 8.4 |
| Nine months ended December 31, 2021 | 10,019 | 9.1 | 1,379 | 51.2 | 1,458 | 52.5 | 844 | 50.1 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2022 | 25.32 | | 25.08 | |
| Nine months ended December 31, 2021 | 23.37 | | 23.21 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 14,694 | 6,422 | 40.6 |
| As of March 31, 2022 | 14,185 | 5,396 | 35.9 |

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 | – | 0.00 | – | 7.00 | 7.00 |
| Year ending March 31, 2023 | – | 0.00 | – | | |
| Year ending March 31, 2023 (Forecast) | | | | 7.00 | 7.00 |

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 | 15,000 | 10.5 | 2,200 | 31.0 | 2,200 | 28.1 | 1,350 | 38.3 | 37.34 |

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): 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: 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 | 36,496,388 shares | As of March 31, 2022 | 36,496,388 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|----------------|----------------------|----------------|
| As of December 31, 2022 | 339,345 shares | As of March 31, 2022 | 343,345 shares |
|-------------------------|----------------|----------------------|----------------|

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

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2022 | 36,154,861 shares | Nine months ended December 31, 2021 | 36,126,816 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

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 | 6,732 | 4,683 |
| Accounts receivable - trade | 1,950 | 2,876 |
| Securities | 10 | – |
| Merchandise | 11 | 12 |
| Work in process | 1 | 1 |
| Supplies | 6 | 19 |
| Advance payments | – | 1,005 |
| Cryptocurrency | – | 2 |
| Other | 1,362 | 1,547 |
| Allowance for doubtful accounts | (10) | (10) |
| Total current assets | 10,063 | 10,139 |
| Non-current assets | | |
| Property, plant and equipment | 1,078 | 1,016 |
| Intangible assets | | |
| Goodwill | 546 | 382 |
| Customer related assets | 282 | 244 |
| Other | 173 | 657 |
| Total intangible assets | 1,002 | 1,284 |
| Investments and other assets | | |
| Investment securities | 1,410 | 1,675 |
| Other | 703 | 643 |
| Allowance for doubtful accounts | (72) | (66) |
| Total investments and other assets | 2,041 | 2,253 |
| Total non-current assets | 4,122 | 4,555 |
| Total assets | 14,185 | 14,694 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 4,407 | 4,243 |
| Accounts payable - other | 390 | 640 |
| Income taxes payable | 387 | 280 |
| Deposits received | 242 | 27 |
| Contract liabilities | 2,859 | 2,661 |
| Provision for bonuses | 44 | 33 |
| Provision for bonuses for directors (and other officers) | 151 | 96 |
| Other | 157 | 165 |
| Total current liabilities | 8,642 | 8,148 |
| Non-current liabilities | | |
| Asset retirement obligations | 39 | 39 |
| Deferred tax liabilities | 98 | 74 |
| Other | 9 | 9 |
| Total non-current liabilities | 147 | 123 |
| Total liabilities | 8,789 | 8,272 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 317 | 317 |
| Capital surplus | 3,709 | 3,816 |
| Retained earnings | 1,816 | 2,478 |
| Treasury shares | (202) | (200) |
| Total shareholders' equity | 5,640 | 6,411 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (542) | (449) |
| Total accumulated other comprehensive income | (542) | (449) |
| Share acquisition rights | 33 | 30 |
| Non-controlling interests | 264 | 429 |
| Total net assets | 5,396 | 6,422 |
| Total liabilities and net assets | 14,185 | 14,694 |

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 | 10,019 | 11,860 |
| Cost of sales | 6,663 | 8,017 |
| Gross profit | 3,355 | 3,843 |
| Selling, general and administrative expenses | 1,976 | 2,130 |
| Operating profit | 1,379 | 1,713 |
| Non-operating income | | |
| Gain on sales of investment securities | 69 | 7 |
| Rental income | 1 | 3 |
| Commission income | 10 | 11 |
| Foreign exchange gains | 1 | – |
| Other | 0 | 1 |
| Total non-operating income | 83 | 23 |
| Non-operating expenses | | |
| Foreign exchange losses | – | 0 |
| Loss on sale of electronically recorded monetary claims | – | 0 |
| Commission expenses | 4 | 5 |
| Other | – | 0 |
| Total non-operating expenses | 4 | 6 |
| Ordinary profit | 1,458 | 1,729 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 6 | – |
| Total extraordinary losses | 6 | – |
| Profit before income taxes | 1,451 | 1,729 |
| Income taxes - current | 497 | 617 |
| Income taxes - deferred | 5 | 31 |
| Total income taxes | 502 | 649 |
| Profit | 949 | 1,079 |
| Profit attributable to non-controlling interests | 104 | 164 |
| Profit attributable to owners of parent | 844 | 915 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--|--|--|
| Profit | 949 | 1,079 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 190 | 92 |
| Total other comprehensive income | 190 | 92 |
| Comprehensive income | 1,140 | 1,172 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,035 | 1,008 |
| Comprehensive income attributable to non-controlling interests | 104 | 164 |