

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

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 Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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 | % |
| Six months ended September 30, 2024 | 12,266 | 38.4 | 1,957 | 34.3 | 1,980 | 34.5 | 834 | 4.8 |
| Six months ended September 30, 2023 | 8,865 | 14.2 | 1,457 | 22.7 | 1,472 | 22.7 | 795 | 24.5 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2024 | 23.30 | | 22.95 | |
| Six months ended September 30, 2023 | 22.02 | | 21.78 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2024 | 21,230 | 7,157 | 29.6 |
| As of March 31, 2024 | 19,549 | 7,141 | 32.5 |

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, 2024 | – | 0.00 | – | 13.50 | 13.50 |
| Year ending March 31, 2025 | – | 0.00 | | | |
| Year ending March 31, 2025 (Forecast) | | | – | 16.50 | 16.50 |

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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 | 24,000 | 29.2 | 3,900 | 38.1 | 3,900 | 36.0 | 2,000 | 35.0 | 55.86 |

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: Yes

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024 | 36,496,388 shares | As of March 31, 2024 | 36,496,388 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|----------------|----------------------|----------------|
| As of September 30, 2024 | 833,131 shares | As of March 31, 2024 | 537,272 shares |
|--------------------------|----------------|----------------------|----------------|

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

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2024 | 35,806,489 shares | Six months ended September 30, 2023 | 36,131,888 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,780 | 9,502 |
| Accounts receivable - trade | 2,561 | 2,117 |
| Merchandise | 21 | 218 |
| Work in process | 1 | 1 |
| Supplies | 19 | 60 |
| Advance payments | 1,755 | 2,172 |
| Other | 1,723 | 2,612 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current assets | 14,861 | 16,685 |
| Non-current assets | | |
| Property, plant and equipment | 1,204 | 1,142 |
| Intangible assets | | |
| Goodwill | 109 | – |
| Customer related assets | 180 | 154 |
| Other | 409 | 392 |
| Total intangible assets | 699 | 547 |
| Investments and other assets | | |
| Investment securities | 1,846 | 1,714 |
| Other | 999 | 1,195 |
| Allowance for doubtful accounts | (61) | (56) |
| Total investments and other assets | 2,783 | 2,854 |
| Total non-current assets | 4,687 | 4,545 |
| Total assets | 19,549 | 21,230 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 4,853 | 5,560 |
| Accounts payable - other | 1,785 | 1,559 |
| Income taxes payable | 659 | 869 |
| Deposits received | 243 | 388 |
| Contract liabilities | 4,177 | 4,849 |
| Provision for bonuses | 54 | 31 |
| Provision for bonuses for directors (and other officers) | 179 | 128 |
| Other | 243 | 479 |
| Total current liabilities | 12,196 | 13,868 |
| Non-current liabilities | | |
| Asset retirement obligations | 124 | 124 |
| Deferred tax liabilities | 77 | 70 |
| Other | 9 | 9 |
| Total non-current liabilities | 211 | 204 |
| Total liabilities | 12,407 | 14,073 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 317 | 317 |
| Capital surplus | 3,815 | 3,862 |
| Retained earnings | 3,776 | 4,125 |
| Treasury shares | (440) | (791) |
| Total shareholders' equity | 7,468 | 7,513 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,118) | (1,235) |
| Total accumulated other comprehensive income | (1,118) | (1,235) |
| Share acquisition rights | 30 | 30 |
| Non-controlling interests | 760 | 848 |
| Total net assets | 7,141 | 7,157 |
| Total liabilities and net assets | 19,549 | 21,230 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Net sales | 8,865 | 12,266 |
| Cost of sales | 5,863 | 8,443 |
| Gross profit | 3,001 | 3,823 |
| Selling, general and administrative expenses | 1,544 | 1,865 |
| Operating profit | 1,457 | 1,957 |
| Non-operating income | | |
| Gain on sale of investment securities | 1 | 0 |
| Rental income | 3 | 14 |
| Commission income | 5 | 3 |
| Foreign exchange gains | 0 | 0 |
| Reversal of allowance for doubtful accounts | 5 | 4 |
| Other | 2 | 1 |
| Total non-operating income | 17 | 24 |
| Non-operating expenses | | |
| Commission expenses | 2 | 1 |
| Other | 0 | 0 |
| Total non-operating expenses | 2 | 1 |
| Ordinary profit | 1,472 | 1,980 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 4 |
| Total extraordinary income | – | 4 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | – | 239 |
| Total extraordinary losses | – | 239 |
| Profit before income taxes | 1,472 | 1,745 |
| Income taxes - current | 510 | 849 |
| Income taxes - deferred | 42 | (117) |
| Total income taxes | 552 | 731 |
| Profit | 920 | 1,013 |
| Profit attributable to non-controlling interests | 124 | 179 |
| Profit attributable to owners of parent | 795 | 834 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Profit | 920 | 1,013 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (305) | (117) |
| Total other comprehensive income | (305) | (117) |
| Comprehensive income | 615 | 896 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 490 | 716 |
| Comprehensive income attributable to non-controlling interests | 124 | 179 |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,472 | 1,745 |
| Depreciation | 143 | 121 |
| Amortization of goodwill | 109 | 109 |
| Increase (decrease) in allowance for doubtful accounts | (5) | (4) |
| Increase (decrease) in provision for bonuses | (34) | (22) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (97) | (51) |
| Loss (gain) on sale of investment securities | (1) | (0) |
| Gain on sale of non-current assets | – | (4) |
| Loss (gain) on valuation of investment securities | – | 239 |
| Decrease (increase) in trade receivables | (586) | 444 |
| Decrease (increase) in advance payments to suppliers | 150 | (417) |
| Decrease (increase) in accounts receivable - other | 208 | (133) |
| Decrease (increase) in prepaid expenses | (626) | (813) |
| Increase (decrease) in trade payables | (394) | 706 |
| Increase (decrease) in accounts payable - other | 397 | (155) |
| Increase (decrease) in deposits received | (76) | 145 |
| Increase (decrease) in Contract liabilities | 28 | 672 |
| Other, net | (44) | 63 |
| Subtotal | 642 | 2,643 |
| Interest received | 0 | 0 |
| Income taxes paid | (571) | (759) |
| Income taxes refund | 60 | 1 |
| Net cash provided by (used in) operating activities | 131 | 1,887 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (83) | (9) |
| Proceeds from sale of property, plant and equipment | – | 47 |
| Purchase of intangible assets | (1) | (31) |
| Purchase of investment securities | (354) | (349) |
| Proceeds from sale of investment securities | 99 | 38 |
| Proceeds from collection of loans receivable | 7 | 6 |
| Loan advances | (2) | – |
| Payments of leasehold deposits | (136) | – |
| Other, net | 3 | 14 |
| Net cash provided by (used in) investing activities | (468) | (283) |
| Cash flows from financing activities | | |
| Proceeds from share issuance to non-controlling shareholders | 24 | – |
| Purchase of treasury shares | (139) | (351) |
| Dividends paid | (360) | (485) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (9) | (44) |
| Net cash provided by (used in) financing activities | (485) | (881) |
| Effect of exchange rate change on cash and cash equivalents | 0 | 0 |
| Net increase (decrease) in cash and cash equivalents | (822) | 721 |
| Cash and cash equivalents at beginning of period | 6,978 | 8,780 |
| Cash and cash equivalents at end of period | 6,156 | 9,502 |