

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 2023

Company name: PROPERTY AGENT Inc.
 Stock exchange listing: –
 Stock code: – URL <https://www.propertyagent.co.jp>
 Representative: CEO Sei Nakanishi
 Inquiries: CFO Koji Iwase TEL 03-6302-3627
 Scheduled date to file Quarterly Securities Report: –
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes (Prepared and disclosed as MIGALO HOLDINGS Inc.)
 Holding of quarterly financial results meeting: Yes (Held as MIGALO HOLDINGS Inc.)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	24,330	34.1	2,292	16.8	2,067	13.9	1,352	16.0
Six months ended September 30, 2022	18,149	21.2	1,963	85.1	1,815	100.9	1,165	93.1

Note: Comprehensive income Six months ended September 30, 2023 ¥1,430 million [24.0%]
 Six months ended September 30, 2022 ¥1,153 million [78.8%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	185.94	185.17
Six months ended September 30, 2022	159.49	158.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	43,458	10,717	24.4
As of March 31, 2023	43,441	9,572	21.8

Reference: Equity As of September 30, 2023 ¥10,608 million
 As of March 31, 2023 ¥9,470 million

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	–	0.00	–	40.00	40.00
Year ending March 31, 2024	–	0.00			

Note: As PROPERTY AGENT Inc. (the “Company”) delisted its shares on September 28, 2023, the figure for “Year ending March 31, 2024 (Forecast)” is not presented. For the divided forecast of the Company’s wholly owning parent company, MIGALO HOLDINGS Inc., please refer to the “Notice Regarding the Forecast of Consolidated Financial Results and Dividend Forecast for the Year Ending March 31, 2024” released on October 2, 2023.

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

As the Company delisted its shares on September 28, 2023, the forecast of financial results is not presented. For the forecast of financial results of the Company’s wholly owning parent company, MIGALO HOLDINGS Inc., please refer to the “Notice Regarding the Forecast of Consolidated Financial Results and Dividend Forecast for the Year Ending March 31, 2024” released on October 2, 2023. (Japanese only)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2023	7,315,800 shares	As of March 31, 2023	7,311,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	41,277 shares	As of March 31, 2023	41,277 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	7,271,577 shares	Six months ended September 30, 2022	7,307,325 shares
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* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

As the Company delisted its shares on September 28, 2023, the forecast of financial results is not presented.

In addition, the Company's wholly owning parent company, MIGALO HOLDINGS Inc., was established on October 2, 2023 through a sole-share transfer and the Company became a wholly owned subsidiary of the said company.

For the forecast of financial results of the Company's wholly owning parent company, MIGALO HOLDINGS Inc., please refer to the "Notice Regarding the Forecast of Consolidated Financial Results and Dividend Forecast for the Year Ending March 31, 2024" released on October 2, 2023.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	6,819,005	7,917,334
Accounts receivable - trade	328,671	343,446
Merchandise	767	17,394
Real estate for sale	20,768,036	16,983,582
Real estate for sale in process	13,054,783	15,944,733
Work in process	5,201	7,204
Other	877,019	526,121
Allowance for doubtful accounts	(3,819)	(2,370)
Total current assets	41,849,666	41,737,445
Non-current assets		
Property, plant and equipment	174,350	163,136
Intangible assets	410,942	498,501
Investments and other assets		
Other	1,145,778	1,197,892
Allowance for doubtful accounts	(138,936)	(138,936)
Total investments and other assets	1,006,841	1,058,956
Total non-current assets	1,592,134	1,720,594
Total assets	43,441,800	43,458,040
Liabilities		
Current liabilities		
Accounts payable - trade	2,179,349	1,532,899
Short-term borrowings	9,833,550	7,330,310
Current portion of bonds payable	68,000	68,000
Current portion of long-term borrowings	7,777,099	6,197,710
Income taxes payable	666,979	775,192
Provision for bonuses	65,548	36,051
Provision for bonuses for directors (and other officers)	70,500	—
Provision for costs after sales	86,805	105,807
Other	1,847,807	2,703,916
Total current liabilities	22,595,639	18,749,887
Non-current liabilities		
Bonds payable	802,000	768,000
Long-term borrowings	10,324,565	13,058,321
Other	147,445	164,152
Total non-current liabilities	11,274,010	13,990,473
Total liabilities	33,869,650	32,740,360

	(Thousands of yen)	
	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	617,249	618,734
Capital surplus	535,927	537,412
Retained earnings	8,286,477	9,343,856
Treasury shares	(48,732)	(48,732)
Total shareholders' equity	9,390,922	10,451,272
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	79,752	157,059
Total accumulated other comprehensive income	79,752	157,059
Share acquisition rights	7,568	6,441
Non-controlling interests	93,906	102,906
Total net assets	9,572,150	10,717,680
Total liabilities and net assets	43,441,800	43,458,040

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	18,149,239	24,330,914
Cost of sales	14,343,125	19,815,581
Gross profit	3,806,114	4,515,332
Selling, general and administrative expenses	1,843,020	2,222,926
Operating profit	1,963,094	2,292,406
Non-operating income		
Interest income	63	68
Dividend income	4	2,356
Commission income	881	879
Penalty income	500	2,750
Subsidies for employment adjustment	11,487	—
Insurance claim income	—	2,364
Other	6,684	2,251
Total non-operating income	19,621	10,669
Non-operating expenses		
Interest expenses	125,589	154,030
Commission expenses	36,314	73,019
Other	5,099	8,047
Total non-operating expenses	167,003	235,096
Ordinary profit	1,815,711	2,067,979
Profit before income taxes	1,815,711	2,067,979
Income taxes - current	643,703	728,189
Income taxes - deferred	390	(13,359)
Total income taxes	644,094	714,829
Profit	1,171,617	1,353,150
Profit attributable to non-controlling interests	6,149	1,062
Profit attributable to owners of parent	1,165,467	1,352,087

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,171,617	1,353,150
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,978)	77,307
Total other comprehensive income	(17,978)	77,307
Comprehensive income	1,153,638	1,430,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,147,489	1,429,394
Comprehensive income attributable to non-controlling interests	6,149	1,062

Consolidated statements of cash flows

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,815,711	2,067,979
Depreciation	48,344	49,063
Share-based payment expenses	(147)	(637)
Amortization of lease deposits	2,925	3,363
Amortization of long-term prepaid expenses	3,289	3,032
Increase (decrease) in allowance for doubtful accounts	(1,077)	(1,449)
Increase (decrease) in provision for bonuses	(27,353)	(29,496)
Increase (decrease) in provision for bonuses for directors (and other officers)	(67,000)	(70,500)
Increase (decrease) in provision for costs after sales	14,038	19,001
Interest income	(63)	(68)
Interest expenses	125,589	154,030
Commission expenses	36,314	73,019
Decrease (increase) in trade receivables	(53,977)	8,597
Decrease (increase) in inventories	(3,336,445)	875,875
Decrease (increase) in advance payments to suppliers	127,355	(3,260)
Increase (decrease) in trade payables	(286,855)	(646,450)
Other, net	(109,836)	1,260,892
Subtotal	(1,709,186)	3,762,994
Interest received	63	68
Interest paid	(125,097)	(144,329)
Amount of payment of commission	(36,314)	(73,019)
Income taxes paid	(510,310)	(667,428)
Net cash provided by (used in) operating activities	(2,380,845)	2,878,285
Cash flows from investing activities		
Purchase of investment securities	(30,001)	—
Purchase of property, plant and equipment	—	(624)
Purchase of intangible assets	(29,226)	(17,407)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(49,000)	(38,533)
Other, net	4,249	7,790
Net cash provided by (used in) investing activities	(103,977)	(48,775)

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	228,147	(2,503,240)
Proceeds from long-term borrowings	4,798,700	7,476,830
Repayments of long-term borrowings	(2,695,439)	(6,382,463)
Redemption of bonds	(34,000)	(34,000)
Proceeds from issuance of shares	1,395	2,480
Purchase of treasury shares	(136)	—
Dividends paid	(197,286)	(290,788)
Other, net	855	—
Net cash provided by (used in) financing activities	2,102,236	(1,731,181)
Net increase (decrease) in cash and cash equivalents	(382,587)	1,098,328
Cash and cash equivalents at beginning of period	7,898,014	6,809,005
Cash and cash equivalents at end of period	7,515,426	7,907,334