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February 14, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
 Securities code: 6564
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	8,083	17.2	3,282	33.9	3,206	33.6	2,040	63.0
December 31, 2023	6,895	19.8	2,451	26.4	2,399	26.6	1,251	9.3

Note: Comprehensive income For the nine months ended December 31, 2024: ¥2,040 million [63.0%]
 For the nine months ended December 31, 2023: ¥1,252 million [9.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	73.77	73.77
December 31, 2023	45.29	45.29

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	27,436	14,626	53.2
March 31, 2024	26,901	12,789	47.4

Reference: Equity
 As of December 31, 2024: ¥14,589 million
 As of March 31, 2024: ¥12,759 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	8.00	8.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				14.00	14.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

As for revisions to the forecast of cash dividends, please refer to “Notice concerning revisions to the consolidated earnings forecasts and the forecast of cash dividends” (in Japanese only) which has been released today (February 14, 2025).

3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	10,690	12.0	4,415	24.8	4,323	28.0	2,777	45.6	100.41

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of December 31, 2024	27,773,500 shares
As of March 31, 2024	27,773,500 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	115,322 shares
As of March 31, 2024	115,302 shares

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

Nine months ended December 31, 2024	27,658,178 shares
Nine months ended December 31, 2023	27,633,591 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements including business results forecasts in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. For the suppositions that form the assumptions for earnings forecasts and points to note concerning the use thereof, please refer to “1. Qualitative information regarding financial results for the nine months ended December 31, 2024 (3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” on page 3 of the attached materials.

Accompanying Materials – Contents

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1. Qualitative information regarding financial results for the nine months ended December 31, 2024

(1) Explanation regarding operating results

In the nine months ended December 31, 2024, the Japanese economy showed signs of gradual recovery, as the employment and income environment improved and socioeconomic activities normalized. On the other hand, the outlook remains uncertain due to the protracted situation in Russia and Ukraine, as well as the growing tensions in the Middle East and chronic price hikes.

Under these circumstances, the MIDAC HOLDINGS Group (the “Group”) has been promoting measures to strengthen the profitability of existing businesses to “build a foundation for accelerated growth” in accordance with the first phase of the medium-term management plan. In particular, the contracted waste volume increased significantly due to the acceptance of new large-scale projects and the expansion of transaction volume with existing clients, since the Group has focused on increasing its contracted waste volume, primarily at the controlled landfill site.

In addition, ENSHU CRUSHED STONE CO., LTD. and FRIEND SANITARY CO., LTD., whose results have been reflected in the business results since the third quarter of the previous fiscal year, likewise performed well against the backdrop of a stable business environment.

As a result of the above, for the nine months ended December 31, 2024, net sales amounted to 8,083 million yen (+17.2% year-on-year), operating profit amounted to 3,282 million yen (+33.9%), ordinary profit amounted to 3,206 million yen (+33.6%), and profit attributable to owners of parent amounted to 2,040 million yen (+63.0%), meaning that both sales and profits increased, and the Group achieved its highest ever net sales and profit at each stage of profit for the third quarter.

Business performance by segment was as follows.

(i) Waste treatment business

In the landfill site, the contracted waste volume increased significantly due to the strong demand for landfill, and we were able to contract for large projects, mainly from the construction industry. In addition, at intermediate treatment facilities, the volume of contracts from existing clients remained stable. As a result of the above, net sales amounted to 6,325 million yen (+6.2%) and segment profit amounted to 3,597 million yen (+11.8%).

(ii) Collection and transportation business

In the industrial waste business, although cost pass-through to large-scale customers was successful, the volume of contracts decreased from the previous fiscal year due to factors such as a decrease in the number of spot projects including handling of disaster waste associated with torrential rain, etc. In the area of general waste, the volume of contracts increased from the previous fiscal year since the performance of FRIEND SANITARY CO., LTD. is making full-year contribution from the current fiscal year. As a result of the above, net sales amounted to 1,464 million yen (+76.1%) and segment profit amounted to 370 million yen (+161.2%).

(iii) Intermediary management business

Intermediary services for partner companies remained strong as we stepped up sales activities with an eye to improving delivery efficiency and profitability, and also focused on acquiring regular projects. As a result of the above, net sales amounted to 94 million yen (+3.8%) and segment profit amounted to 67 million yen (+6.6%).

(2) Explanation regarding financial position

(Assets)

Current assets as of December 31, 2024 amounted to 9,881 million yen, a decrease of 554 million yen from the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits of 472 million yen. In addition, non-current assets amounted to 17,554 million yen, an increase of 1,089 million yen from the end of the previous fiscal year. This was mainly due to a 1,282 million yen

increase in property, plant and equipment including land, and a 178 million yen decrease in intangible assets including goodwill.

As a result, total assets amounted to 27,436 million yen, an increase of 535 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of December 31, 2024 amounted to 3,550 million yen, a decrease of 3,261 million yen from the end of the previous fiscal year. This was mainly due to a decrease in short-term borrowings of 2,800 million yen. In addition, non-current liabilities amounted to 9,259 million yen, an increase of 1,960 million yen from the end of the previous fiscal year. This was mainly due to an increase in long-term borrowings of 1,894 million yen.

As a result, total liabilities amounted to 12,810 million yen, a decrease of 1,301 million yen from the end of the previous fiscal year.

(Net assets)

Total net assets as of December 31, 2024 amounted to 14,626 million yen, an increase of 1,836 million yen from the end of the previous fiscal year. This was mainly due to factors such as an increase in retained earnings of 1,819 million yen as a result of the recording of profit attributable to owners of parent of 2,040 million yen, etc.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts have been revised from the forecasts announced on May 15, 2024. For details, please refer to “Notice concerning revisions to the consolidated earnings forecasts and the forecast of cash dividends” (in Japanese only) announced today (February 14, 2025).

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,787,716	8,315,678
Notes and accounts receivable - trade	1,303,777	1,224,980
Inventories	73,837	79,612
Other	273,183	263,648
Allowance for doubtful accounts	(2,481)	(2,193)
Total current assets	10,436,032	9,881,724
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,005,784	1,003,322
Machinery, equipment and vehicles, net	726,225	794,226
Landfill site, net	4,870,675	4,665,510
Land	4,577,814	5,032,434
Construction in progress	2,150,167	3,120,051
Other, net	66,759	64,711
Total property, plant and equipment	13,397,426	14,680,257
Intangible assets		
Goodwill	1,220,669	1,019,685
Facility installation right	80,200	50,125
Other	65,856	118,591
Total intangible assets	1,366,725	1,188,402
Investments and other assets		
Investment securities	257,193	257,862
Deferred tax assets	669,058	670,095
Other	774,663	757,879
Total investments and other assets	1,700,916	1,685,837
Total non-current assets	16,465,068	17,554,497
Total assets	26,901,101	27,436,222

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	55,334	64,351
Short-term borrowings	4,090,000	1,290,000
Current portion of long-term borrowings	983,224	1,053,664
Income taxes payable	752,529	278,027
Accounts payable - other	334,245	332,118
Provision for bonuses	126,483	72,972
Other	469,864	458,975
Total current liabilities	6,811,681	3,550,108
Non-current liabilities		
Bonds payable	200,000	200,000
Long-term borrowings	5,184,421	7,079,273
Deferred tax liabilities	82,502	85,627
Retirement benefit liability	34,222	50,674
Provision for retirement benefits for directors (and other officers)	758,000	758,000
Provision for maintenance of landfill site	881,533	936,665
Asset retirement obligations	112,538	112,563
Other	46,410	37,159
Total non-current liabilities	7,299,628	9,259,962
Total liabilities	14,111,309	12,810,071
Net assets		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	4,909,038	4,919,609
Retained earnings	7,862,738	9,681,785
Treasury shares	(103,542)	(103,572)
Total shareholders' equity	12,758,234	14,587,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,307	1,412
Total accumulated other comprehensive income	1,307	1,412
Share acquisition rights	30,249	36,916
Total net assets	12,789,791	14,626,150
Total liabilities and net assets	26,901,101	27,436,222

(2) Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative)**Consolidated statement of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	6,895,404	8,083,859
Cost of sales	2,709,404	3,076,587
Gross profit	4,185,999	5,007,271
Selling, general and administrative expenses	1,734,780	1,724,478
Operating profit	2,451,219	3,282,793
Non-operating income		
Interest income	315	1,716
Rental income from real estate	11,012	6,295
Gain on sale of non-current assets	6,021	7,910
Other	6,663	10,176
Total non-operating income	24,013	26,098
Non-operating expenses		
Interest expenses	63,602	84,010
Other	12,027	17,901
Total non-operating expenses	75,629	101,911
Ordinary profit	2,399,602	3,206,980
Profit before income taxes	2,399,602	3,206,980
Income taxes	1,147,940	1,166,667
Profit	1,251,662	2,040,312
Profit attributable to owners of parent	1,251,662	2,040,312

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,251,662	2,040,312
Other comprehensive income		
Valuation difference on available-for-sale securities	457	105
Total other comprehensive income	457	105
Comprehensive income	1,252,119	2,040,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,252,119	2,040,417

(3) Notes to quarterly consolidated financial statements**(Notes on changes in accounting policies)**

(Application of Accounting Standard for Current Income Taxes and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Implementation Guidance of 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities between consolidated companies, the Company has applied the Revised Implementation Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as follows:

	(Thousands of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	489,595	525,653
Amortization of goodwill	187,468	200,983

(Notes on segment information)**Segment information**

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Other Note: 1	Adjustments Note: 2	Amount recorded on quarterly consolidated statement of income Note: 3
	Waste treatment	Collection and transportation	Intermediary management	Total			
Net sales							
Revenue from contracts with customers	5,958,723	831,443	91,476	6,881,642	13,761	—	6,895,404
Sales to external customers	5,958,723	831,443	91,476	6,881,642	13,761	—	6,895,404
Intersegment sales or transfers	266,118	7,089	11,923	285,132	103	(285,235)	—
Total	6,224,841	838,532	103,400	7,166,774	13,865	(285,235)	6,895,404
Segment profit	3,217,833	141,642	63,311	3,422,786	(10,334)	(961,232)	2,451,219

- Notes: 1. The “Other” category is a business segment that is not included in the reportable segment.
2. The adjustments to segment profit of (961,232) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.

II Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Other Note: 1	Adjustments Note: 2	Amount recorded on quarterly consolidated statement of income Note: 3
	Waste treatment	Collection and transportation	Intermediary management	Total			
Net sales							
Revenue from contracts with customers	6,325,727	1,464,547	94,966	7,885,242	198,617	—	8,083,859
Sales to external customers	6,325,727	1,464,547	94,966	7,885,242	198,617	—	8,083,859
Intersegment sales or transfers	261,174	7,226	23,942	292,343	444	(292,788)	—
Total	6,586,902	1,471,774	118,909	8,177,585	199,062	(292,788)	8,083,859
Segment profit	3,597,745	370,014	67,490	4,035,249	96,830	(849,286)	3,282,793

- Notes: 1. The “Other” category is a business segment that is not included in the reportable segment.
2. The adjustments to segment profit of (849,286) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.