



# Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Nine Months Ended September 30, 2024)

[Japanese GAAP]

November 13, 2024

Company name: Mercuria Holdings Co., Ltd.

Stock code: 7347

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Listing: Tokyo Stock Exchange

URL: <https://www.mercuria.jp/en.html>

Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

(All amounts are rounded off to the nearest million yen)

## 1. Consolidated Financial Results for the First Nine Months of 2024 (January 1 to September 30, 2024)

### (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating gross profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 30, 2024	3,693	(25.5)	3,306	18.6	756	(10.8)	788	(25.1)	478	(33.5)
Nine months ended Sep. 30, 2023	4,959	33.7	2,788	(21.1)	848	(53.9)	1,051	(49.8)	719	(50.1)

Note: Comprehensive income (millions of yen)

Nine months ended Sep. 30, 2024: 257 (down 72.7%)

Nine months ended Sep. 30, 2023: 942 (down 68.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 30, 2024	24.71	24.63
Nine months ended Sep. 30, 2023	36.65	36.53

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2024	19,893	18,067	84.4
As of Dec. 31, 2023	19,655	18,241	87.0

Reference: Shareholders' equity (millions of yen)

As of Sep. 30, 2024: 16,790

As of Dec. 31, 2023: 17,093

## 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023	-	0.00	-	21.00	21.00
2024	-	0.00	-	-	-
2024 (forecast)	-	-	-	22.00	22.00

Note: Revisions to the most recently announced dividend forecast: None

## 3. Consolidated Forecast for 2024 (January 1 to December 31, 2024)

(Percentages represent year-on-year changes)

	Operating revenue		Operating gross profit		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,800	16.4	6,700	66.1	3,000	123.2	3,000	97.3	2,000	89.6	103.41

Note: Revisions to the most recently announced consolidated forecast: None

\* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly added: - Excluded: -

Note: Mercuria Holdings has invested in and newly established Cross-border Investment & Consulting Holding during the period, and this company has been included in the scope of consolidation. This change does not apply to significant changes in consolidated subsidiaries.

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Sep. 30, 2024:	21,500,100 shares	As of Dec. 31, 2023:	21,500,100 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2024:	2,201,777 shares	As of Dec. 31, 2023:	2,153,977 shares
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3) Average number of shares during the period

Nine months ended Sep. 30, 2024:	19,340,372 shares	Nine months ended Sep. 30, 2023:	19,611,850 shares
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\* Review of Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

\* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to Mercuria Holdings' management, but are not promises by Mercuria Holdings regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first nine months of 2024 (January 1, 2024 to September 30, 2024), the Japanese economy maintained a moderate recovery, primarily reflecting the normalization of economic and social activities, a recovery in consumer spending and inbound tourist demand, and a rise in real wages. Nonetheless, the outlook remains uncertain, given concerns about economic trends caused by continuously rising prices and sharp changes in foreign exchange rates arising from soaring resource prices driven mainly by the protracted conflict in Ukraine and the increasingly tense situation in the Middle East, as well as recent unprecedented fluctuations in the stock market.

Under this economic environment, the Mercuria Group sought to achieve growth on a medium- to long-term basis. In existing funds, Mercuria Japan Industrial Growth Fund Investment Limited Partnership (Buyout Fund I), formed mainly by Development Bank of Japan Inc. and Sumitomo Mitsui Trust Bank, Limited and managed and operated by Mercuria Investment Co., Ltd., a subsidiary of the Company, sold shares it owned to reach the performance fee stage. Accordingly, the Group posted a performance fee from the fund and return on the same boat investment in this fund by the equity method. In addition, Mercuria Japan Industrial Growth Fund II Investment Limited Partnership (Buyout fund II), similarly managed and operated by subsidiary Mercuria Investment Co., Ltd. with a focus on business succession at medium-sized companies and other enterprises in Japan, made new investments in operating companies.

In new funds, Mercuria Supply Chain Investment Limited Partnership was formed with the aim of providing support to start-up companies that seek to solve issues in the logistics and supply chain field in Japan. Through such efforts, the Group facilitated business planning based on investment strategies that match the macro business environment.

In the principal investment business, the Group invested in a company engaged in green ammonia development for the purposes of helping construct a green ammonia supply chain centering on Japan and Asia and creating investment opportunities in the green ammonia business for investors. However, the impact of the deterioration of the Chinese real estate market has spread to the Hong Kong REIT market as a whole, and the investment unit price of Spring REIT has fallen as a consequence, resulting in market price fluctuations being recorded in operating costs.

As a result, for the first nine months of 2024, the Group posted operating revenue of 3,693 million yen (down 25.5% year on year), operating profit of 756 million yen (down 10.8% year on year), ordinary profit of 787 million yen (down 25.1% year on year), and profit attributable to owners of parent of 477 million yen (down 33.5% year on year). In a year-on-year comparison, the decrease in operating revenue was mainly due to the posting of a large amount of operating revenue in the first nine months of the previous year as a result of the transfer of Spring REIT investment units in the restructuring process associated with refinancing in the principal investment business. The decreases in operating profit, ordinary profit and profit attributable to owners of parent are explained chiefly by a rise in personnel expenses associated with rising prices and a decrease in foreign exchange gains resulting from a temporary yen appreciation in unprecedented foreign exchange fluctuations.

There is no segment information because the Mercuria Group operates only in the investment operations business segment.

### (2) Explanation of Financial Position

#### Assets, Liabilities and Net Assets

Total assets at the end of the third quarter of 2024 increased by 237 million yen from the end of 2023 to 19,892 million yen. This chiefly reflected an increase in operational investment securities of 438 million yen, due mainly to the investment in the company developing green ammonia and to the effects of market value evaluation related to securities held, offsetting a decline of 151 million yen in advances paid.

Total liabilities increased by 411 million yen from the end of 2023 to 1,825 million yen. This was mainly due to increases of 322 million yen in unearned revenue and 422 million yen in provision for bonuses, which were partially offset by a decrease of 375 million yen in accrued expenses.

Net assets totaled 18,067 million yen, a decrease of 173 million yen from the end of 2023. This was largely due to a decrease of 378 million yen in valuation difference on available-for-sale securities, offsetting increases of 62 million yen in retained earnings and of 129 million yen in non-controlling interests.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

At this point, there are no revisions to the consolidated forecast for 2024, which was disclosed on February 13, 2024.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	2023 (As of Dec. 31, 2023)	Third quarter of 2024 (As of Sep. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	3,003,153	3,015,250
Trade accounts receivable	713,190	776,304
Operational investment securities	13,699,185	14,137,623
Operating loans	680,134	756,698
Advances paid	262,058	110,283
Other	393,547	89,893
Total current assets	18,751,265	18,886,051
Non-current assets		
Property, plant and equipment		
Buildings, net	168,939	127,702
Tools, furniture and fixtures, net	20,986	18,769
Total property, plant and equipment	189,926	146,472
Intangible assets		
Software	1,607	967
Total intangible assets	1,607	967
Investments and other assets		
Investment securities	243,084	260,396
Leasehold and guarantee deposits	98,831	93,549
Deferred tax assets	357,751	492,449
Other	12,887	12,944
Total investments and other assets	712,553	859,337
Total non-current assets	904,085	1,006,776
Total assets	19,655,351	19,892,828
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	50,754	6,219
Accrued expenses	478,985	103,723
Accrued consumption taxes	61,986	40,392
Income taxes payable	94,352	168,669
Unearned revenue	-	322,128
Provision for bonuses	-	422,658
Other	68,603	78,880
Total current liabilities	754,680	1,142,671
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	102,000	102,000
Provision for share-based remuneration for directors (and other officers)	197,794	210,919
Provision for share-based remuneration for employees	27,500	33,125
Retirement benefit liability	174,761	214,997
Long-term accounts payable-other	70,000	70,000
Long-term deposits received	25,050	25,110
Other	62,735	26,891
Total non-current liabilities	659,841	683,043
Total liabilities	1,414,522	1,825,714

	(Thousands of yen)	
	2023	Third quarter of 2024
	(As of Dec. 31, 2023)	(As of Sep. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	4,066,183	4,066,183
Capital surplus	4,519,452	4,519,452
Retained earnings	9,384,455	9,446,614
Treasury shares	(1,591,901)	(1,634,759)
Total shareholders' equity	16,378,188	16,397,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	426,288	48,134
Foreign currency translation adjustment	288,959	344,341
Total accumulated other comprehensive income	715,247	392,475
Share acquisition rights	72	72
Non-controlling interests	1,147,322	1,277,077
Total net assets	18,240,829	18,067,113
Total liabilities and net assets	19,655,351	19,892,828

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
**(Quarterly Consolidated Statement of Income)**  
**(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of 2023 (Jan. 1 - Sep. 30, 2023)	First nine months of 2024 (Jan. 1 - Sep. 30, 2024)
Operating revenue	4,959,436	3,693,182
Operating costs	2,171,566	386,970
Operating gross profit	2,787,870	3,306,213
Selling, general and administrative expenses	1,940,022	2,549,826
Operating profit	847,848	756,386
Non-operating income		
Interest income	25,132	11,152
Foreign exchange gains	140,821	5,698
Rent revenue	437	684
Share of profit of entities accounted for using equity method	58,486	17,312
Other	2,190	1,662
Total non-operating income	227,066	36,507
Non-operating expenses		
Interest expenses	5,804	3,771
Financing fees	13,500	-
Other	4,269	1,220
Total non-operating expenses	23,573	4,991
Ordinary profit	1,051,341	787,903
Profit before income taxes	1,051,341	787,903
Income taxes	277,709	229,246
Profit	773,632	558,657
Profit attributable to non-controlling interests	54,950	80,832
Profit attributable to owners of parent	718,682	477,824



**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of 2023 (Jan. 1 - Sep. 30, 2023)	First nine months of 2024 (Jan. 1 - Sep. 30, 2024)
Profit	773,632	558,657
Other comprehensive income		
Valuation difference on available-for-sale securities	(190,909)	(378,153)
Foreign currency translation adjustment	383,255	104,504
Share of other comprehensive income of entities accounted for using equity method	(23,887)	(27,799)
Total other comprehensive income	168,458	(301,449)
Comprehensive income	942,091	257,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	799,970	155,053
Comprehensive income attributable to non-controlling interests	142,121	102,155

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Significant Changes in the Scope of Consolidation**

Not applicable.

While not applicable to significant changes, Cross-border Investment & Consulting Holding has been included in the scope of consolidation because Mercuria Holdings has invested in and newly established this company in the first nine months of 2024.

**Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Tax expenses are calculated by first determining a reasonable estimate of the effective tax rate after the application of tax effect accounting for profit before income taxes for the fiscal year that includes the third quarter of 2024. Profit before income taxes are then multiplied by the estimated effective tax rate. However, statutory effective tax rate is used instead when the method using an estimated effective tax rate results in tax expenses that differ significantly from a reasonable amount.

Income taxes-deferred were included and displayed with income taxes.

**Quarterly Consolidated Statement of Cash Flows**

A quarterly consolidated statement of cash flows for the first nine months of 2024 has not been prepared. Depreciation (includes amortization expenses related to intangible assets) for the first nine months of each fiscal year is as follows.

	(Thousands of yen)	
	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)	First nine months of 2024 (Jan. 1 – Sep. 30, 2024)
Depreciation	54,201	55,664

## Segment and Other Information

### Segment Information

There is no segment information because the Mercuria Group operates only in the investment operations business segment.

### Revenue Recognition

The Mercuria Group operates only in the investment operations business segment. Information related to disaggregation of revenue from contracts with customers is presented as follows.

(Thousands of yen)

	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)				First nine months of 2024 (Jan. 1 – Sep. 30, 2024)			
	Fund Management Business	Principal Investment Business	Others	Total	Fund Management Business	Principal Investment Business	Others	Total
Management fees	2,332,012	-	-	2,332,012	2,097,425	-	-	2,097,425
Performance fees	22,551	-	-	22,551	416,556	-	-	416,556
Other (*1)	-	-	310,379	310,379	-	-	193,332	193,332
Revenue from contracts with customers	2,354,563	-	310,379	2,664,943	2,513,981	-	193,332	2,707,312
Other revenue (*2)	-	2,294,494	-	2,294,494	-	985,870	-	985,870
External operating revenue	2,354,563	2,294,494	310,379	4,959,436	2,513,981	985,870	193,332	3,693,182

(\*1) “Other” mainly consists of revenue from consulting services.

(\*2) “Other revenue” is revenue from sources outside the scope of the “Accounting Standard for Revenue Recognition.”

*The above is an English translation of “Kessan Tanshin” (in Japanese, including attachments) provided for information purposes only. The original Japanese version was released through our website (<https://www.mercuria.jp>). If any discrepancy is identified between this translation and the Japanese original, the Japanese original shall prevail.*