



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2025 (Three Months Ended March 31, 2025)

[Japanese GAAP]

May 14, 2025

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Stock code: 7347

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Listing: Tokyo Stock Exchange

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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 Three Months of 2025 (January 1 to March 31, 2025)

(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	%
Three months ended Mar. 31, 2025	852	(15.4)	712	24.0	(111)	-	(169)	-	(119)	-
Three months ended Mar. 31, 2024	1,007	(54.7)	574	39.8	(170)	-	(82)	-	(101)	-

Note: Comprehensive income (millions of yen)

Three months ended Mar. 31, 2025: (778) (-%)

Three months ended Mar. 31, 2024: (97) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2025	(6.17)	-
Three months ended Mar. 31, 2024	(5.24)	-

Note: Diluted net income per share for the three months ended Mar. 31, 2024 is not presented since the Company had outstanding dilutive securities, though posted a net loss per share. Diluted net income per share for the three months ended Mar. 31, 2025 is not presented since the Company did not have outstanding dilutive securities.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2025	19,726	17,635	82.8
As of Dec. 31, 2024	21,053	18,896	83.2

Reference: Shareholders' equity (millions of yen)

As of Mar. 31, 2025: 16,332

As of Dec. 31, 2024: 17,508

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2024	-	0.00	-	22.00	22.00
2025	-	-	-	-	-
2025 (forecast)	-	0.00	-	22.00	22.00

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

3. Consolidated Forecast for 2025 (January 1 to December 31, 2025)

(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	6,400	15.0	6,300	39.2	2,300	135.8	2,300	98.8	1,500	196.6	77.53
	-9,100	-63.5	-9,000	-98.8	-3,900	-299.9	-3,900	-237.2	-2,500	-394.3	-129.21

Note 1: Revisions to the most recently announced consolidated forecast: None

Note 2: It is difficult to accurately forecast performance fees and the principal investment business's investment income of the Group's business revenues. Accordingly, for the consolidated earnings forecasts for 2025, the forecast figures are presented as ranges.

* Notes

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

Newly added: - Excluded: -

(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: Yes

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 Mar. 31, 2025:	21,549,900 shares	As of Dec. 31, 2024:	21,549,900 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2025:	2,201,777 shares	As of Dec. 31, 2024:	2,201,777 shares
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3) Average number of shares during the period

Three months ended Mar. 31, 2025:	19,348,123 shares	Three months ended Mar. 31, 2024:	19,346,123 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 2 for forecast assumptions and notes of caution for usage.

Supplementary materials for financial results will be disclosed today on the Timely Disclosure network (TDnet), and will be available on the Mercuria Holdings' website immediately thereafter.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first three months of 2025 (January 1, 2025 to March 31, 2025), the Japanese economy maintained its moderate pace toward a recovery due to a rise in actual wages resulting from annual spring wage negotiations, and other factors, although there were concerns about a decline in consumer spending amid the continuous increase of prices. On the other hand, the global economic outlook continued to be uncertain, mainly reflecting soaring resource prices due partly to the protracted conflict in Ukraine and the increasingly tense situations in the Middle East, as well as concerns about economic trends linked to the Trump administration's implementation of tariff policies in the United States.

Under this economic environment, the Mercuria Group has continued to step up support for, and monitoring of, portfolio companies in existing funds in order to maximize performance fees by improving investment returns, aiming for medium- to long-term growth. In existing funds, the Group transferred a portfolio of 83 properties located in the U.K., which was a part of the real estate owned by Spring REIT, to the ITOCHU Group, a strategic partner. As a result, Spring Asset Management Limited, a subsidiary of the Group that engages in the management and operation of Spring REIT, recorded performance fees.

In addition, to push forward with a new strategy, the Group launched the new structured equity investment strategy to facilitate minority investments that are different from conventional buyout investments.

In the principal investment business, by acquiring the shares of Vietnam-based real estate developer Bcons Construction Investment Joint Stock Company through Group subsidiary Mercuria SPV Company Limited, the Group pushed forward with its first investment program in the real estate development project in Vietnam, and it concluded a joint venture agreement regarding investment in condominiums in Binh Duong Province, Vietnam.

As a result, in the first three months of 2025, the Group posted operating revenue of 852 million yen (down 15.4% year on year), an ordinary loss of 168 million yen (ordinary loss of 82 million yen in the same period of 2024), and a loss attributable to owners of parent of 119 million yen (loss attributable to owners of parent of 101 million yen in the same period of 2024). In terms of a year-on-year comparison, operating revenue declined. This was primarily due to dividends that the Group had received in the principal investment business in the first three months of the previous fiscal year from parties in which it had invested which were not received in the first three months under review. The recorded ordinary loss and loss attributable to owners of parent increased, chiefly reflecting an increase in selling, general and administration expenses, including personnel expenses, due to soaring prices and the posting of a large amount of foreign exchange losses as a result of the yen strengthening amid sharp fluctuations in foreign exchange rates.

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 first three months of 2025 decreased by 1,327 million yen from the end of 2024 to 19,725 million yen. This was primarily due to a 1,163 million yen decline in cash and deposits and a 127 million yen decrease in trade accounts receivable.

Total liabilities decreased by 65 million yen from the end of 2024 to 2,091 million yen. This was mainly due to decreases of 295 million yen in accounts payable-other, 401 million yen in accrued expenses and 319 million yen in income taxes payable, which was partly offset by increases of 590 million yen in short-term borrowings and 349 million yen in unearned revenue.

Net assets totaled 17,634 million yen, a decrease of 1,261 million yen from the end of 2024. This was largely due to decreases of 555 million yen in retained earnings, 348 million yen in valuation difference on available-for-sale securities and 271 million yen in foreign currency translation adjustment.

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

At this point, there are no revisions to the consolidated forecast for 2025, which was disclosed on February 13, 2025.

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

	(Thousands of yen)	
	2024 (As of Dec. 31, 2024)	First quarter of 2025 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	3,365,405	2,202,127
Trade accounts receivable	740,844	612,889
Operational investment securities	15,101,963	14,994,344
Operating loans	868,326	761,911
Short-term loans receivable from subsidiaries and associates	-	40,000
Advances paid	72,760	87,890
Other	100,867	49,694
Total current assets	20,250,164	18,748,855
Non-current assets		
Property, plant and equipment		
Buildings, net	118,501	97,097
Tools, furniture and fixtures, net	17,751	18,409
Total property, plant and equipment	136,252	115,506
Intangible assets		
Software	768	1,178
Total intangible assets	768	1,178
Investments and other assets		
Investment securities	272,461	275,869
Leasehold and guarantee deposits	96,477	93,162
Deferred tax assets	283,933	480,545
Other	13,322	10,563
Total investments and other assets	666,194	860,140
Total non-current assets	803,213	976,824
Total assets	21,053,377	19,725,678
Liabilities		
Current liabilities		
Short-term borrowings	-	590,000
Accounts payable-other	309,067	13,442
Accrued expenses	546,984	145,060
Accrued consumption taxes	102,813	19,948
Income taxes payable	355,620	36,090
Unearned revenue	4,016	353,459
Provision for bonuses	-	69,699
Other	91,509	155,532
Total current liabilities	1,410,010	1,383,231
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	102,000	99,000
Provision for share-based remuneration for directors (and other officers)	215,294	219,669
Provision for share-based remuneration for employees	35,000	36,875
Retirement benefit liability	216,227	255,604
Long-term accounts payable-other	70,000	70,000
Long-term deposits received	25,110	25,110
Deferred tax liabilities	81,701	-
Other	1,740	1,595
Total non-current liabilities	747,073	707,854
Total liabilities	2,157,083	2,091,085

	(Thousands of yen)	
	2024 (As of Dec. 31, 2024)	First quarter of 2025 (As of Mar. 31, 2025)
Net assets		
Shareholders' equity		
Share capital	4,073,650	4,073,650
Capital surplus	4,422,648	4,422,648
Retained earnings	9,474,510	8,918,647
Treasury shares	(1,634,759)	(1,634,759)
Total shareholders' equity	16,336,050	15,780,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	456,090	107,528
Foreign currency translation adjustment	715,476	444,410
Total accumulated other comprehensive income	1,171,566	551,938
Share acquisition rights	29	-
Non-controlling interests	1,388,651	1,302,470
Total net assets	18,896,295	17,634,594
Total liabilities and net assets	21,053,377	19,725,678

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

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 – Mar. 31, 2024)	First three months of 2025 (Jan. 1 – Mar. 31, 2025)
Operating revenue	1,007,311	852,229
Operating costs	433,295	140,191
Operating gross profit	574,016	712,039
Selling, general and administrative expenses	743,652	822,780
Operating loss	(169,636)	(110,741)
Non-operating income		
Interest income	3,836	4,184
Foreign exchange gains	80,940	-
Rent revenue	231	212
Share of profit of entities accounted for using equity method	4,142	3,408
Other	251	1,674
Total non-operating income	89,400	9,478
Non-operating expenses		
Interest expenses	1,805	1,000
Foreign exchange losses	-	66,301
Other	-	39
Total non-operating expenses	1,805	67,340
Ordinary loss	(82,042)	(168,603)
Extraordinary income		
Gain on reversal of share acquisition rights	-	29
Total extraordinary income	-	29
Profit (loss) before income taxes	(82,042)	(168,574)
Income taxes	36,952	(80,569)
Profit (loss)	(118,993)	(88,005)
Profit (loss) attributable to non-controlling interests	(17,595)	31,304
Profit (loss) attributable to owners of parent	(101,399)	(119,309)

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

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 - Mar. 31, 2024)	First three months of 2025 (Jan. 1 - Mar. 31, 2025)
Profit (loss)	(118,993)	(88,005)
Other comprehensive income		
Valuation difference on available-for-sale securities	(243,839)	(348,562)
Foreign currency translation adjustment	264,070	(319,358)
Share of other comprehensive income of entities accounted for using equity method	2,109	(21,580)
Total other comprehensive income	22,340	(689,500)
Comprehensive income	(96,654)	(777,505)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(140,617)	(738,937)
Comprehensive income attributable to non-controlling interests	43,964	(38,568)

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of the Accounting Standard for Current Income Taxes, etc.

The Company has applied Accounting Standard for Current Income Taxes, etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied since the beginning of the first quarter of the fiscal year under review. The change in accounting policy has no impact on the quarterly consolidated financial statements or consolidated financial statements for the previous fiscal year.

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 first quarter of 2025. Quarterly profit (loss) before income taxes is 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.

Notes to Quarterly Consolidated Statements of Cash Flows

The Company has prepared no consolidated quarterly statements of cash flows for the first three months of the fiscal year under review. Depreciation (including amortization of intangible assets) for the first three months of 2024 and 2025 is as follows.

	(Thousands of yen)	
	First three months of 2024 (Jan. 1 – Mar. 31, 2024)	First three months of 2025 (Jan. 1 – Mar. 31, 2025)
Depreciation	19,049	19,166

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 three months of 2024 (Jan. 1 – Mar. 31, 2024)				First three months of 2025 (Jan. 1 – Mar. 31, 2025)			
	Fund Management Business	Principal Investment Business	Other	Total	Fund Management Business	Principal Investment Business	Other	Total
Management fees	694,562	-	-	694,562	640,876	-	-	640,876
Performance fees	-	-	-	-	24,592	-	-	24,592
Other (*1)	-	-	67,059	67,059	-	-	83,263	83,263
Revenue from contracts with customers	694,562	-	67,059	761,622	665,469	-	83,263	748,732
Other revenue (*2)	-	245,689	-	245,689	-	103,497	-	103,497
Operating revenue from external customers	694,562	245,689	67,059	1,007,311	665,469	103,497	83,263	852,229

(*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.