

(English Translation)

**Financial Results for the First Quarter  
of the Fiscal Year Ending September 30, 2023 (under Japan GAAP) (Consolidated)**

January 30, 2023

Company name: M&A Capital Partners Co., Ltd.	Stock exchange listings: Tokyo Stock Exchange (URL: <a href="https://www.ma-cp.com">https://www.ma-cp.com</a> )
Securities code: 6080	
Representative: Satoru Nakamura President and Representative Director	
Contact: Sou Shimoda Director and Manager at the Planning Management Department	Tel: 03-6770-4304
Scheduled date of filing of quarterly report:	February 14, 2023
Scheduled date of commencement of dividend payment:	-
Presentation of supplementary materials on financial results:	Yes
Holding of quarterly financial presentation meeting:	No

(Note that all amounts have been rounded down to the nearest one million yen)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2023 (From October 1, 2022 to December 31, 2022)**

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
First quarter of fiscal year ending September 30, 2023	¥3,100 million (-39.3%)	¥330 million (-87.2 %)	¥330 million (-87.1 %)	¥81million (-95.4%)
First quarter of fiscal year ended September 30, 2022	¥5,105 million (28.5%)	¥2,571 million (42.3%)	¥2,573 million (42.1%)	¥1,751million (56.7%)

(Note)

Comprehensive income:

*First quarter of fiscal year ending September 30, 2023: 79 million yen (-95.5%)*

*First quarter of fiscal year ended September 30, 2022: 1,750 million yen (56.6%)*

	Profit per share	Profit (fully diluted) per share
First quarter of fiscal year ending September 30, 2023	¥2.56	¥2.51
First quarter of fiscal year ended September 30, 2022	¥55.21	¥53.65

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
First quarter of fiscal year ending September 30, 2023	¥37,127 million	¥32,940 million	87.3%
Fiscal year ended September 30, 2022	¥39,913 million	¥32,598 million	81.0%

*(Reference)*

*Equity:*

*First quarter of fiscal year ending September 30, 2023: 32,400million yen*

*Fiscal year ended September 30, 2022: 32,320 million yen*

## 2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ended September 30, 2022	—	¥0.00	—	¥0.00	¥0.00
Fiscal year ending September 30, 2023	—				
Fiscal year ending September 30, 2023 (Forecast)		¥0.00	—	¥0.00	¥0.00

(Note) Revision of dividend forecast since the latest announcement: No

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending September 30, 2023 (From October 1, 2022 to September 30, 2023)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
Annual	¥22,641 million (9.3%)	¥9,031 million (-7.0%)	¥9,003 million (-7.8%)	¥5,980 million (-12.0%)	¥188.50

(Note) Revision of financial results forecast since the latest announcement: No

**\* Notes**

- |     |   |                   |
|-----|---|-------------------|
| (1) | Significant changes in subsidiaries during the consolidated cumulative quarter under review (Changes in specified subsidiaries affecting the scope of consolidation): | No                |
| (2) | Application of accounting treatment specific to preparation of quarterly consolidated financial statements:   | No                |
| (3) | Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections                         |                   |
|     | (i) Changes in accounting policies due to revisions to accounting standards and other regulations:  | No                |
|     | (ii) Changes in accounting policies due to reasons other than (i):  | No                |
|     | (iii) Changes in accounting estimates:  | No                |
|     | (iv) Restatement of prior period financial statements after error corrections:  | No                |
| (4) | Total number of issued shares (common shares)   |                   |
|     | (i) Total number of issued shares as of the end of the period (including treasury shares):  |                   |
|     | As of December 31, 2022   | 31,729,000 shares |
|     | As of September 30, 2022  | 31,729,000 shares |
|     | (ii) Number of treasury shares as of the end of the period:   |                   |
|     | As of December 31, 2022   | 398 shares        |
|     | As of September 30, 2022  | 398 shares        |
|     | (iii) Average number of shares during the period (cumulative):  |                   |
|     | First quarter of fiscal year ending September 30, 2023  | 31,728,602 shares |
|     | First quarter of fiscal year ended September 30, 2022   | 31,716,602 shares |

**\* The quarterly financial results are not subject to quarterly review by certified public accountants or an audit firm.**

**\* Proper usage of the forecast of financial results, and other special matters**

Descriptions or statements concerning projected figures and future outlooks contained within these materials are based on the decisions and assumptions resulting from information currently obtainable by the Company. The possibility exists that due to the intrinsic uncertainty of those decisions and assumptions and/or changes in terms of business operations as well as situational changes occurring internally/externally, the actual results may substantially differ from the content of projections. These materials do not constitute a guarantee on the part of the Company as to the certainty of any and all content concerning forecasts for the future.

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## 1. Qualitative Information on Financial Results for the Quarter under Review

### (1) Explanation of Operating Results

#### a. Market conditions

According to the statistical data collected and published by group company RECOF DATA Corporation, the number of M&A deals publicly announced in relation to Japanese companies was 4,304 for 2022 (January to December), a year-on-year increase of 0.6%, and a record high.

According to estimates by the Small and Medium Enterprise Agency, 600,000 businesses are at risk of having to close, despite being profitable, in the 10-year period to 2025. With the M&A market expanding strongly, M&A has been attracting further attention as a means of resolving the serious social problem of business succession among small and medium enterprises and is becoming widely perceived by many business owners to be an important option.

M&A is increasingly attracting interest among companies in Japan, regardless of industry or geographic region, and we have been expanding the structure of the Group to enable us to deal with a wide range of deals. We are also working on strengthening our deal matching capabilities, making continuous improvements to our service for registering deals online using the platform that we operate, and enabling our partner financial institutions to match them with transferee companies. It is against this background of market expansion that we are growing the number of alliance partners.

In response to this robust market expansion, we are seeing increased competition from major financial institutions, regional banks, and new entrants in the form of new M&A boutiques, but we will leverage the expertise and track record that we have accumulated as a specialist in Japanese corporate M&A to create high-quality M&A deals that contribute to the sustainability of the Japanese economy.

#### b. Condition of the Group

With regard to the operating results for the Group, net sales declined ¥2,004 million (39.3%) year on year to ¥3,100 million. This was mainly due to the number of deals closed declining in year-on-year terms, as well as a decrease in large deals as a proportion of deals closed, which resulted in an overall decline in the fee per deal.

Cost of sales decreased by ¥268 million (15.5%) year on year to ¥1,463 million due mainly to a decline in incentives, including provision for bonuses, associated with the decrease in net sales.

Selling, general and administrative expenses rose by ¥505 million (63.1%) year on year to ¥1,306 million, driven mainly by increases in advertising expenses, supplies expenses, rents, and commissions paid.

As a result, operating income decreased by ¥2,241 million (87.2%) year on year to ¥330 million, ordinary income decreased by ¥2,242 million (87.1%) year on year to ¥330 million, and profit attributable to owners of parent decreased by ¥1,669 million (95.4%) year on year to ¥81 million.

The details of deals closed by the Group, the Company, and RECOF are as follows:

Number of deals (consolidated)

Name of type			First quarter of fiscal year ended September 30, 2022 (From October 1, 2021 to December 31, 2021)	First quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to December 31, 2022)	Year-on-year Change	
Whole Group	M&A deals closed		(number of deals)	46	33	-13
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	10	5	-5
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	36	28	-8

Number of deals (non-consolidated)

Name of type			First quarter of fiscal year ended September 30, 2022 (From October 1, 2021 to December 31, 2021)	First quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to December 31, 2022)	Year-on-year Change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	41	30	-11
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	9	5	-4
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	32	25	-7

Name of type			First quarter of fiscal year ended September 30, 2022 (From October 1, 2021 to December 31, 2021)	First quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to December 31, 2022)	Year-on-year Change	
RECOF Corporation	M&A deals closed		(number of deals)	5	3	-2
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	1	0	-1
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	4	3	-1

Segment information is omitted because our Group's reporting segment is only the M&A-related services business.

## (2) Explanation of Financial Position

The state of the Group's financial position is as follows.

### (Current assets)

Current assets amounted to ¥32,878 million, a decrease of ¥3,838 million (10.5%) year on year. This was due to cash and deposits decreasing by ¥3,107 million, and accounts receivable - trade declining by ¥714 million.

### (Non-current assets)

Non-current assets amounted to ¥4,248 million, an increase of ¥1,052 million (32.9%) year on year. This was due mainly to an increase in facilities attached to buildings of ¥902 million.

### (Current liabilities)

Current liabilities amounted to ¥3,554 million, a decrease of ¥2,867 million (44.6%) year on year. This was due mainly to a decrease in income taxes payable of ¥2,334 million, and a decrease in accrued consumption taxes payable of ¥591 million.

### (Non-current liabilities)

Non-current liabilities amounted to ¥632 million, a decrease of ¥260 million (29.2%) year on year. This was due mainly to a decrease in provision for bonuses of ¥210 million.

### (Net assets)

Net assets amounted to ¥32,940 million, an increase of ¥342 million (1.0%) year on year. This was due mainly to an increase in retained earnings of ¥81 million and an increase in subscription rights to shares of ¥262 million.



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

No changes have been made to the forecast for consolidated financial results announced on October 28, 2022.

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

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2022)	First quarter of fiscal year ending September 30, 2023 (as of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	35,668,284	32,560,559
Accounts receivable - trade	807,061	92,106
Other	241,979	225,982
Total current assets	<u>36,717,324</u>	<u>32,878,647</u>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	92,167	994,639
Other	77,112	218,203
Total property, plant and equipment	<u>169,280</u>	<u>1,212,842</u>
Intangible assets		
Trademark right	132,236	123,979
Goodwill	773,840	725,475
Other	62,295	88,982
Total intangible assets	<u>968,372</u>	<u>938,437</u>
Investments and other assets, gross		
Lease and guarantee deposits	1,073,956	1,361,956
Deferred tax assets	969,799	721,827
Other	21,905	20,921
Allowance for doubtful accounts	(7,000)	(7,000)
Total investments and other assets	<u>2,058,660</u>	<u>2,097,705</u>
Total non-current assets	<u>3,196,313</u>	<u>4,248,985</u>
Total assets	<u>39,913,638</u>	<u>37,127,633</u>
<b>Liabilities</b>		
Current liabilities		
Contract liabilities	861,784	958,963
Provision for bonuses	31,568	504,623
Provision for directors' bonuses	13,691	66,416
Accounts payable - other	2,298,823	1,732,161
Income taxes payable	2,358,074	23,602
Accrued consumption taxes	645,676	53,778
Other	212,601	215,372
Total current liabilities	<u>6,422,220</u>	<u>3,554,918</u>
Non-current liabilities		
Net defined benefit liability	128,750	132,853
Provision for bonuses	562,306	351,912
Provision for directors' bonuses	91,407	42,491
Other	110,294	104,753
Total non-current liabilities	<u>892,758</u>	<u>632,010</u>
Total liabilities	<u>7,314,978</u>	<u>4,186,928</u>

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2022)	First quarter of fiscal year ending September 30, 2023 (as of December 31, 2022)
Net assets		
Shareholders' equity		
Capital stock	2,893,644	2,893,644
Capital surplus	2,883,394	2,883,394
Retained earnings	26,539,708	26,621,064
Treasury shares	(353)	(353)
Total shareholders' equity	32,316,393	32,397,749
Other comprehensive income		
Foreign currency translation adjustment	4,424	2,281
Total other comprehensive income	4,424	2,281
Subscription rights to shares	277,842	540,673
Total net assets	32,598,659	32,940,705
Total liabilities and net assets	39,913,638	37,127,633

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statements of Income  
For the Three-month Periods

	(Unit: thousand yen)	
	First quarter of previous fiscal year (From October 1, 2021 to December 31, 2021)	First quarter of current fiscal year (From October 1, 2022 to December 31, 2022)
Net sales	5,105,237	3,100,528
Cost of sales	1,732,675	1,463,894
Gross profit	3,372,562	1,636,634
Selling, general and administrative expenses	801,011	1,306,221
Operating income	2,571,551	330,412
Non-operating income		
Interest income	1,000	1,005
Gain on reversal of share acquisition rights	9,868	-
Miscellaneous income	483	267
Total non-operating income	11,352	1,273
Non-operating expenses		
Interest expenses	83	-
Loss on retirement of non-current assets	8,641	30
Miscellaneous loss	358	722
Total non-operating expenses	9,083	752
Ordinary income	2,573,820	330,932
Income before income taxes	2,573,820	330,932
Income taxes - current	703,124	1,605
Income taxes - deferred	119,469	247,971
Total income taxes	822,594	249,576
Profit	1,751,225	81,356
Profit attributable to owners of parent	1,751,225	81,356

Quarterly Consolidated Statement of Comprehensive Income  
For the Three-month Periods

	(Unit: thousand yen)	
	First quarter of previous fiscal year (From October 1, 2021 to December 31, 2021)	First quarter of current fiscal year (From October 1, 2022 to December 31, 2022)
Profit	1,751,225	81,356
Other comprehensive income		
Foreign currency translation adjustment	(813)	(2,142)
Total other comprehensive income	(813)	(2,142)
Comprehensive income	1,750,412	79,214
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	1,750,412	79,214

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.