

(English Translation)

**Financial Results for the Second Quarter**  
**of the Fiscal Year Ending September 30, 2022 (under Japan GAAP)**  
**(Consolidated)**

April 28, 2022

Company name: M&A Capital Partners Co., Ltd.      Stock exchange listings:  
Tokyo Stock Exchange  
Securities code: 6080      (URL: <https://www.ma-cp.com>)  
Representative: Satoru Nakamura  
President and Representative Director  
Contact: Sou Shimoda      Tel: 03-6880-3803  
Director and Manager at the Planning Management Department  
Scheduled date of filing of quarterly report: May 13, 2022  
Scheduled date of commencement of dividend payment: -  
Presentation of supplementary materials on financial results: Yes  
Holding of quarterly financial presentation meeting: Yes (For institutional investors)

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

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year**  
**Ending September 30, 2022 (From October 1, 2021 to March 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
Second quarter of fiscal year ending September 30, 2022	¥8,972 million (17.8%)	¥4,266 million (25.1%)	¥4,299 million (25.8%)	¥2,887 million (27.3%)
Second quarter of fiscal year ended September 30, 2021	¥7,616 million (34.7%)	¥3,411 million (42.9%)	¥3,416 million (43.1%)	¥2,267 million (47.4%)

(Note)

Comprehensive income:

Second quarter of fiscal year ending September 30, 2022: 2,888 million yen (27.4%)

Second quarter of fiscal year ended September 30, 2021: 2,267 million yen (47.5%)

	Profit per share	Profit (fully diluted) per share
Second quarter of fiscal year ending September 30, 2022	¥91.05	¥88.57
Second quarter of fiscal year ended September 30, 2021	¥72.15	¥69.56

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Second quarter of fiscal year ending September 30, 2022	¥33,625 million	¥28,671 million	84.4%
Fiscal year ended September 30, 2021	¥30,796 million	¥25,841 million	82.9%

*(Reference)*

*Equity:*

*Second quarter of fiscal year ending September 30, 2022: 28,391 million yen*

*Fiscal year ended September 30, 2021: 25,529 million yen*

## 2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ended September 30, 2021	-	¥0.00	-	¥0.00	¥0.00
Fiscal year ending September 30, 2022	-	¥0.00			
Fiscal year ending September 30, 2022 (Forecast)			-	¥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, 2022 (From October 1, 2021 to September 30, 2022)

(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	¥16,220 million (7.0%)	¥6,819 million (3.8%)	¥6,823 million (3.6%)	¥4,539 million (5.3%)	¥143.13

(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:  | Yes               |
|     | (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 March 31, 2022  | 31,717,000 shares |
|     | As of September 30, 2021  | 31,717,000 shares |
|     | (ii) Number of treasury shares as of the end of the period:   |                   |
|     | As of March 31, 2022  | 398 shares        |
|     | As of September 30, 2021  | 398 shares        |
|     | (iii) Average number of shares during the period (cumulative):  |                   |
|     | Second quarter of fiscal year ending September 30, 2022   | 31,716,602 shares |
|     | Second quarter of fiscal year ended September 30, 2021  | 31,429,173 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 4,280 for 2021 (January to December), a year-on-year increase of 14.7%, and a record high despite the COVID-19 pandemic. The number of deals in the January-March period of 2022 remained on a rising trend, posting a year-on-year increase of 5.3% to 1,124.

With the M&A market expanding strongly, M&A has been attracting further attention as a means of resolving the social problem of business succession among small and medium enterprises, and is becoming widely perceived by many business owners to be an important option.

Coordination between the government and the private sector is being strengthened. In April 2021 the Small and Medium Enterprise Agency formulated a Small and Medium Enterprise M&A Promotion Plan, and a registration system for M&A institutions was launched in August 2021, to which many private-sector intermediary businesses have signed up.

The M&A Intermediaries Association was also established with the aim of encouraging the industry to work as one to contribute to society through sound M&A. The Association's directors are taken from the representatives of the five listed M&A intermediary companies: Nihon M&A Center Inc., Strike Co., Ltd., M&A Capital Partners, Co., Ltd., ONDECK Co., Ltd., and Meinan M&A Co., Ltd.

As the market expands we are seeing increased competition from major financial institutions, regional banks, and new entrants, but we will leverage the expertise and track record that we have accumulated as a specialist in the domestic M&A market 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 rose ¥1,356.730 million (17.8%) year on year to ¥8,972.963 million. This was attributable mainly to an increase in the number of large deals closed compared to the same period of the previous year.

Cost of sales increased by ¥615.855 million (24.2%) year on year to ¥3,155.837 million due mainly to a rise in incentives, including provision for bonuses, and subcontract expenses associated with the increase in net sales.

Selling, general and administrative expenses decreased ¥114.175 million (6.9%) year on year to ¥1,550.489 million, due mainly to a decline in directors' compensation.

As a result, operating income increased by ¥855.050 million (25.1%) year on year to ¥4,266.636 million, ordinary income increased by ¥882.787 million (25.8%) year on year to ¥4,299.426 million, and profit attributable to owners of parent increased by ¥620.103 million (27.3%) year on year to ¥2,887.666 million.

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

Name of type			Cumulative second quarter of fiscal year ended September 30, 2021 (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of fiscal year ending September 30, 2022 (From October 1, 2021 to March 31, 2022)	Year-on- year change	
Whole Group	M&A deals closed		(number of deals)	84	87	+3
	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)	17	22	+5
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	67	65	-2

Number of deals (non-consolidated)

Name of type			Cumulative second quarter of fiscal year ended September 30, 2021 (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of fiscal year ending September 30, 2022 (From October 1, 2021 to March 31, 2022)	Year-on- year change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	75	79	+4
	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)	15	21	+6
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	60	58	-2

Name of type			Cumulative second quarter of fiscal year ended September 30, 2021 (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of fiscal year ending September 30, 2022 (From October 1, 2021 to March 31, 2022)	Year-on- year change	
RECOF Corporation	M&A deals closed		(number of deals)	9	8	-1
	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)	2	1	-1
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	7	7	±0

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

## (2) Explanation of Financial Position

### (i) Assets, liabilities and net assets

#### (Current assets)

Current assets amounted to ¥30,647.580 million, an increase of ¥2,927.075 million (10.6%) from the end of the previous fiscal year. This was primarily due to a ¥2,564.455 million increase in cash and deposits.

#### (Non-current assets)

Non-current assets amounted to ¥2,978.111 million, a decrease of ¥98.021 million (3.2%) from the end of the previous fiscal year. This was due mainly to a decrease of ¥96.730 million in goodwill.

#### (Current liabilities)

Current liabilities amounted to ¥4,710.862 million, an increase of ¥20.634 million (0.4%) from the end of the previous fiscal year. This was attributable mainly to an increase of ¥155.390 million in contract liabilities ("advances received" in the previous fiscal year), and a decrease of ¥130.925 million in accrued consumption taxes.

#### (Non-current liabilities)

Non-current liabilities amounted to ¥242.872 million, a decrease of ¥21.629 million (8.2%) from the end of the previous fiscal year. This was due to a decline of ¥3.836 million in net defined benefit liability, and a ¥17.793 million decline in other non-current liabilities.

#### (Net assets)

Net assets amounted to ¥28,671.957 million, an increase of ¥2,830.048 million (11.0%)



from the end of the previous fiscal year. This was primarily due to a ¥2,861.136 million increase in retained earnings.

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the second quarter under review totaled ¥25,825.932 million, an increase of ¥2,564.455 million (11.0%) from the end of the previous fiscal year.

Each of the cash flows in the cumulative second quarter under review and their respective factors are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to ¥2,650.985 million, a decrease of ¥243.760 million year on year. This was primarily due to recording income before income taxes of ¥4,299.426 million, and income taxes paid of ¥1,518.675 million.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥57.714 million, compared to ¥90.522 million used in the same period of the previous year. This was mainly attributable to disbursements for purchase of property, plant and equipment of ¥12.274 million, for purchase of intangible assets of ¥27.360 million, and for purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥9.688 million, respectively.

(Cash flows from financing activities)

Funds used in financing activities came to ¥30.000 million, compared to ¥607.397 million provided in the same period of the previous year. This was due to repayments of short-term borrowings.

(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 29, 2021.

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

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2021)	Second quarter of fiscal year ending September 30, 2022 (as of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	27,261,477	29,825,932
Accounts receivable - trade	192,870	584,259
Other	266,157	237,388
Total current assets	<u>27,720,504</u>	<u>30,647,580</u>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	163,104	136,231
Other	67,621	62,148
Total property, plant and equipment	<u>230,726</u>	<u>198,379</u>
Intangible assets		
Trademark right	165,265	148,751
Goodwill	967,300	870,570
Other	51,037	62,087
Total intangible assets	<u>1,183,604</u>	<u>1,081,409</u>
Investments and other assets, gross		
Lease and guarantee deposits	1,091,133	1,087,015
Deferred tax assets	545,555	588,179
Allowance for doubtful accounts	(7,000)	(7,000)
Other	32,113	30,127
Total investments and other assets	<u>1,661,802</u>	<u>1,698,322</u>
Total non-current assets	<u>3,076,133</u>	<u>2,978,111</u>
Total assets	<u>30,796,638</u>	<u>33,625,692</u>
<b>Liabilities</b>		
Current liabilities		
Contract liabilities	-	992,980
Advances received	837,590	-
Provision for bonuses	26,458	20,805
Accounts payable - other	1,638,070	1,724,832
Income taxes payable	1,621,250	1,551,194
Accrued consumption taxes	440,612	309,686
Other	126,246	111,362
Total current liabilities	<u>4,690,227</u>	<u>4,710,862</u>
Non-current liabilities		
Net defined benefit liability	140,022	136,186
Other	124,480	106,686
Total non-current liabilities	<u>264,502</u>	<u>242,872</u>
Total liabilities	<u>4,954,730</u>	<u>4,953,734</u>

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2021)	Second quarter of fiscal year ending September 30, 2022 (as of March 31, 2022)
Net assets		
Shareholders' equity		
Capital stock	2,884,626	2,884,626
Capital surplus	2,874,376	2,874,376
Retained earnings	19,771,460	22,632,596
Treasury shares	(353)	(353)
Total shareholders' equity	25,530,109	28,391,246
Other comprehensive income		
Foreign currency translation adjustment	(656)	178
Total other comprehensive income	(656)	178
Subscription rights to shares	312,455	280,532
Total net assets	25,841,908	28,671,957
Total liabilities and net assets	30,796,638	33,625,692

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

Quarterly Consolidated Statement of Income  
For the Six-month Periods

	(Unit: thousand yen)	
	Cumulative second quarter of previous fiscal year (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of current fiscal year (From October 1, 2021 to March 31, 2022)
Net sales	7,616,232	8,972,963
Cost of sales	2,539,982	3,155,837
Gross profit	5,076,250	5,817,125
Selling, general and administrative expenses	1,664,664	1,550,489
Operating income	3,411,585	4,266,636
Non-operating income		
Interest income	893	1,122
Gain on reversal of share acquisition rights	2,790	38,040
Miscellaneous income	1,534	2,373
Total non-operating income	5,218	41,535
Non-operating expenses		
Interest expenses	-	83
Loss on retirement of non-current assets	-	8,641
Miscellaneous loss	164	19
Total non-operating expenses	164	8,744
Ordinary income	3,416,639	4,299,426
Income before income taxes	3,416,639	4,299,426
Income taxes - current	1,191,619	1,456,565
Income taxes - deferred	(42,543)	(44,804)
Total income taxes	1,149,076	1,411,760
Profit	2,267,562	2,887,666
Profit attributable to owners of parent	2,267,562	2,887,666

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

	(Unit: thousand yen)	
	Cumulative second quarter of previous fiscal year (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of current fiscal year (From October 1, 2021 to March 31, 2022)
Profit	2,267,562	2,887,666
Other comprehensive income		
Foreign currency translation adjustment	125	834
Total other comprehensive income	125	834
Comprehensive income	2,267,688	2,888,501
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	2,267,688	2,888,501

## (3) Quarterly Consolidated Statement of Cash Flows

	(Unit: thousand yen)	
	Cumulative second quarter of previous fiscal year (From October 1, 2020 to March 31, 2021)	Cumulative second quarter of current fiscal year (From October 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Income before income taxes	3,416,639	4,299,426
Depreciation	47,749	60,279
Amortization of goodwill	96,730	105,666
Increase (decrease) in allowance for doubtful accounts	-	(16,200)
Depreciation and amortization on other	16,509	16,514
Loss on retirement of non-current assets	-	8,641
Interest income	(893)	(1,122)
Interest expenses	-	83
Decrease (increase) in notes and accounts receivable - trade	(431,481)	(340,528)
Increase (decrease) in accounts payable - other	255,476	84,247
Increase (decrease) in provision for bonuses	16,986	(5,652)
Increase (decrease) in provision for directors' bonuses	(1,558)	(3,877)
Increase (decrease) in net defined benefit liability	4,733	(3,836)
Increase (decrease) in advances received	79,232	-
Increase (decrease) in contract liabilities	-	118,300
Decrease/increase in consumption taxes receivable/payable	73,720	(101,788)
Other	113,257	(51,534)
Subtotal	3,687,102	4,168,621
Interest income received	893	1,122
Interest expenses paid	-	(83)
Income taxes paid	(793,249)	(1,518,675)
Net cash provided by (used in) operating activities	2,894,745	2,650,985
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,543)	(12,274)
Purchase of intangible assets	(23,270)	(27,360)
Payments into time deposits	(4,000,000)	(4,000,000)
Proceeds from withdrawal of time deposits	4,000,000	4,000,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(9,688)
Payments for lease and guarantee deposits	(54,563)	(310)
Proceeds from collection of lease and guarantee deposits	1,854	1,918
Other	-	(10,000)
Net cash provided by (used in) investing activities	(90,522)	(57,714)
Cash flows from financing activities		
Repayments of short-term borrowings	-	(30,000)
Proceeds from issuance of common shares	553,436	-
Proceeds from issuance of subscription rights to shares	53,961	-
Net cash provided by (used in) financing activities	607,397	(30,000)
Effect of exchange rate change on cash and cash equivalents	329	1,184
Increase (decrease) in cash and cash equivalents	3,411,950	2,564,455
Cash and cash equivalents at beginning of period	17,361,824	23,261,477
Cash and cash equivalents at end of period	20,773,774	25,825,932

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of going concern)  
Not applicable.

(Notes on significant changes in shareholders' equity)  
Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company began applying the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter referred to as "Accounting Standard for Revenue Recognition"), etc. from the beginning of the three months ended December 31, 2021, based on which it recognizes revenue at the amount that it expects to receive in exchange for the good or service at the point in time that control of the promised good or service is transferred to the customer. As a result, with regard to the timing of revenue recognition for M&A intermediary and advisory services, whereas we had previously recognized some compensation as revenue partway through the deal process at consolidated subsidiaries, we have changed primarily to a method whereby revenue is recognized at the point at which the transfer of shares or a business comes into effect.

In terms of the application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment set out in the proviso to Paragraph 84 of the Standard, the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the three months ended December 31, 2021 has been added to or subtracted from retained earnings at the beginning of the three months ended December 31, 2021, and the new accounting policy has been applied to the opening balance at the start of this three-month period.

As a result, net sales in the six months ended March 31, 2022 decreased by ¥14.346 million, cost of sales decreased by ¥2.114 million, and operating income, ordinary income, and income before income taxes each decreased by ¥12.232 million. In addition, retained earnings at the beginning of the period under review decreased by ¥26.529 million.

Due to the application of the Accounting Standard for Revenue Recognition, etc., "Advances received" that were shown under "Current liabilities" in the consolidated balance sheet for the previous fiscal year are now included in "Contract liabilities," beginning with the three months ended December 31, 2021. Moreover, in accordance with the transitional treatment set out in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, the figures for the previous fiscal year have not been reclassified using the new method of presentation.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company began applying the Application of Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Accounting Standard for Fair Value Measurement"), etc. in the three months ended December 31, 2021, and will apply the new accounting policy set out in the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures set out in Paragraph 19 of the Accounting Standard for Fair Value Measurement, and in Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). Also, we will apply the new accounting policy set out in the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures set out in Paragraph 19 of the Accounting Standard for Fair Value Measurement, and in Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

(Additional information)

(Accounting estimates regarding the impact of the spread of novel coronavirus infection)

With regard to accounting estimate assumptions for the impact of the spread of COVID-19, there have been no material changes from the statements made in the “Additional information” section of the annual securities report (“Accounting estimates regarding the impact of the spread of novel coronavirus infection”).