

(English Translation)

Financial Results for the First Quarter
of the Fiscal Year Ending September 30, 2021 (under Japan GAAP) (Consolidated)

January 29, 2021

Company name: M&A Capital Partners Co., Ltd.	Stock exchange listings: Tokyo Stock Exchange (URL: https://www.ma-cp.com)
Securities code: 6080	
Representative: Satoru Nakamura President and Representative Director	
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Scheduled date of filing of quarterly report:	February 12, 2021
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, 2021 (From October 1, 2020 to December 31, 2020)

(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, 2021	¥3,972 million (206.7%)	¥1,807 million (- %)	¥1,810 million (- %)	¥1,117million (- %)
First quarter of fiscal year ended September 30, 2020	¥1,295 million (-66.7%)	¥114 million (-94.2%)	¥115 million (-94.1%)	¥13 million (-99.0%)

(Note)

Comprehensive income:

First quarter of fiscal year ending September 30, 2021: 1,117 million yen (- %)

First quarter of fiscal year ended September 30, 2020: 13 million yen (-99.0 %)

	Profit per share	Profit (fully diluted) per share
First quarter of fiscal year ending September 30, 2021	¥35.73	¥34.28
First quarter of fiscal year ending September 30, 2020	¥0.45	¥0.44

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
First quarter of fiscal year ending September 30, 2021	¥25,409 million	¥22,433 million	87.1%
Fiscal year ended September 30, 2020	¥24,060 million	¥20,632 million	85.0%

(Reference)

Equity:

First quarter of fiscal year ending September 30, 2021: 22,139 million yen

Fiscal year ended September 30, 2020: 20,445 million yen

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
Fiscal year ended September 30, 2020	-	¥0.00	-	¥0.00	¥0.00
Fiscal year ending September 30, 2021	-				
Fiscal year ending September 30, 2021 (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, 2021 (From October 1, 2020 to September 30, 2021)

(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	¥14,030 million (18.2%)	¥6,211 million (23.0%)	¥6,210 million (23.0%)	¥4,173 million (22.5%)	¥133.73

(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, 2020 31,587,000 shares
 - As of September 30, 2020 31,210,000 shares
 - (ii) Number of treasury shares as of the end of the period:
 - As of December 31, 2020 398 shares
 - As of September 30, 2020 398 shares
 - (iii) Average number of shares during the period (cumulative):
 - First quarter of fiscal year ending September 30, 2021 31,275,167 shares
 - First quarter of fiscal year ended September 30, 2020 31,209,602 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 3,730 for January to December 2020, a year-on-year decline of 8.8%, with the impact of novel coronavirus causing a fall in the January-December period for the first time in nine years.

We judge that the overall M&A trend in relation to Japanese companies continues to be one of stagnation, but the number of M&A deals between Japanese companies, which is the main market of the Group, is recovering, having fallen by 1.9% for the January to December period in contrast to a decline of 5.0% in the January to September period.

There has been a focus on the small and medium business M&A market as a means of dealing with the social problem of a lack of successors, and many business owners in Japan are beginning to recognize that M&A is an important option for growth strategies, which we believe will result in continued expansion in demand for M&A intended to generate synergies.

Under these circumstances, although there have been new entries from major financial institutions, regional banks and other industries, by leveraging the know-how we have built up in the Japanese market through our expertise and track record as an M&A specialist, we will create high-quality M&A deals that contribute to the further growth of our clients.

b. Condition of the Group

With regard to the operating results for the Group, while making efforts to prevent the spread of COVID-19, we moved forward steadily with deals, leading to net sales rising by ¥2,677.020 million (206.7%) to ¥3,972.353 million. This was mainly attributable to an increase in the number of deals closed compared to the same quarter of the previous fiscal year, and especially the number of large deals closed increasing from one to eight.

Cost of sales increased by ¥704.607 million (121.5%) year on year to ¥1,284.707 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 rose by ¥279.543 million (46.5%) year on year to ¥880.450 million, due mainly to an increase in the provision for directors' bonuses, higher taxes and dues resulting from the increase in net sales, higher ground rents caused by an increase in head office space, and a rise in commissions paid.

As a result, operating income increased by ¥1,692.869 million (1480.7%) year on year to ¥1,807.195 million, ordinary income increased by ¥1,695.595 million (1473.3%) year on year to ¥1,810.683 million, and profit attributable to owners of parent increased by ¥1,103.678 million (7923.5%) year on year to ¥1,117.607 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, 2020 (From October 1, 2019 to December 31, 2019)	First quarter of fiscal year ending September 30, 2021 (From October 1, 2020 to December 31, 2020)	Year-on-year Change	
Whole Group	M&A deals closed		(number of deals)	23	34	+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)	1	8	+7
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	22	26	+4

Number of deals (non-consolidated)

Name of type			First quarter of fiscal year ended September 30, 2020 (From October 1, 2019 to December 31, 2019)	First quarter of fiscal year ending September 30, 2021 (From October 1, 2020 to December 31, 2020)	Year-on-year Change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	19	32	+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)	1	8	+7
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	18	24	+6

Name of type			First quarter of fiscal year ended September 30, 2020 (From October 1, 2019 to December 31, 2019)	First quarter of fiscal year ending September 30, 2021 (From October 1, 2020 to December 31, 2020)	Year-on-year Change	
RECOF Corporation	M&A deals closed		(number of deals)	4	2	-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)	0	0	±0
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	4	2	-2

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 ¥23,224.598 million, an increase of ¥1,551.131 million (7.2%) year on year. This was primarily due to a ¥1,067.579 million increase in cash and deposits, and a ¥479.368 million increase in accounts receivable - trade.

(Non-current assets)

Non-current assets amounted to ¥2,184.892 million, a decrease of ¥202.084 million (8.5%) year on year. This was primarily due to a decrease of ¥125.753 million in deferred tax assets and a decrease of ¥48.365 million in goodwill.

(Current liabilities)

Current liabilities amounted to ¥2,747.123 million, a decrease of ¥451.996 million (14.1%) year on year. This was due primarily to an increase of ¥395.123 million in provision for bonuses, and declines of ¥232.046 million in income taxes payable and ¥759.666 million in accounts payable - other, respectively.

(Non-current liabilities)

Non-current liabilities amounted to ¥228.678 million, a decrease of ¥0.595 million (0.3%) year on year. This was due mainly to a decrease of ¥1.343 million in net defined benefit liability.

(Net assets)

Net assets amounted to ¥22,433.688 million, an increase of ¥1,801.639 million (8.7%) year on year. This was primarily due to a ¥1,117.744 million increase in

retained earnings.

(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 31, 2020.

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

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2020)	First quarter of fiscal year ending September 30, 2021 (as of December 31, 2020)
Assets		
Current assets		
Cash and deposits	21,361,824	22,429,403
Accounts receivable - trade	145,538	624,906
Other	166,103	170,287
Total current assets	21,673,466	23,224,598
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	191,646	184,230
Other	70,857	66,857
Total property, plant and equipment	262,504	251,088
Intangible assets		
Trademark right	198,000	190,037
Goodwill	1,160,760	1,112,395
Other	63,355	61,437
Total intangible assets	1,422,116	1,363,870
Investments and other assets, gross		
Lease and guarantee deposits	263,571	258,279
Deferred tax assets	432,066	306,313
Allowance for doubtful accounts	(7,000)	(7,000)
Other	13,718	12,339
Total investments and other assets	702,356	569,933
Total non-current assets	2,386,976	2,184,892
Total assets	24,060,442	25,409,490
Liabilities		
Current liabilities		
Advances received	628,257	516,776
Provision for bonuses	19,834	414,958
Accounts payable - other	1,349,649	589,983
Income taxes payable	841,485	609,438
Accrued consumption taxes	236,581	333,797
Other	123,311	282,169
Total current liabilities	3,199,120	2,747,123
Non-current liabilities		
Net defined benefit liability	139,838	138,494
Other	89,435	90,183
Total non-current liabilities	229,274	228,678
Total liabilities	3,428,394	2,975,802

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2020)	First quarter of fiscal year ending September 30, 2021 (as of December 31, 2020)
Net assets		
Shareholders' equity		
Capital stock	2,503,615	2,786,931
Capital surplus	2,493,365	2,776,681
Retained earnings	15,459,649	16,577,393
Treasury shares	(353)	(353)
Total shareholders' equity	20,456,277	22,140,653
Other comprehensive income		
Foreign currency translation adjustment	(775)	(963)
Total other comprehensive income	(775)	(963)
Subscription rights to shares	176,546	293,998
Total net assets	20,632,048	22,433,688
Total liabilities and net assets	24,060,442	25,409,490

(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, 2019 to December 31, 2019)	First quarter of current fiscal year (From October 1, 2020 to December 31, 2020)
Net sales	1,295,332	3,972,353
Cost of sales	580,099	1,284,707
Gross profit	715,232	2,687,645
Selling, general and administrative expenses	600,906	880,450
Operating income	114,325	1,807,195
Non-operating income		
Interest income	800	803
Miscellaneous income	274	3,030
Total non-operating income	1,074	3,834
Non-operating expenses		
Loss on retirement of non-current assets	248	-
Miscellaneous loss	64	346
Total non-operating expenses	312	346
Ordinary income	115,087	1,810,683
Income before income taxes	115,087	1,810,683
Income taxes - current	1,859	567,322
Income taxes - deferred	99,299	125,753
Total income taxes	101,158	693,075
Profit	13,929	1,117,607
Profit attributable to owners of parent	13,929	1,117,607

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

	(Unit: thousand yen)	
	First quarter of previous fiscal year (From October 1, 2019 to December 31, 2019)	First quarter of current fiscal year (From October 1, 2020 to December 31, 2020)
Profit	13,929	1,117,607
Other comprehensive income		
Foreign currency translation adjustment	-	(188)
Total other comprehensive income	-	(188)
Comprehensive income	13,929	1,117,419
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	13,929	1,117,419

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(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").