

(English Translation)

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

April 28, 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	
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Scheduled date of filing of quarterly report:	May 15, 2023
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, 2023 (From October 1, 2022 to March 31, 2023)**

(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, 2023	¥13,003 million (44.9%)	¥5,471 million (28.2%)	¥5,474 million (27.3%)	¥3,053 million (5.8%)
Second quarter of fiscal year ended September 30, 2022	¥8,972 million (17.8%)	¥4,266 million (25.1%)	¥4,299 million (25.8%)	¥2,887 million (27.3%)

(Note)

*Comprehensive income:*

*Second quarter of fiscal year ending September 30, 2023: 3,052 million yen (5.7%)*

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

	Profit per share	Profit (fully diluted) per share
Second quarter of fiscal year ending September 30, 2023	¥96.25	¥94.02
Second quarter of fiscal year ended September 30, 2022	¥91.05	¥88.57

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Second quarter of fiscal year ending September 30, 2023	¥44,044 million	¥35,934 million	80.3%
Fiscal year ended September 30, 2022	¥39,913 million	¥32,598 million	81.0%

*(Reference)*

*Equity:*

*Second quarter of fiscal year ending September 30, 2023: 35,372 million 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	-	¥0.00			
Fiscal year ending September 30, 2023 (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, 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 March 31, 2023 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 March 31, 2023 398 shares
    - As of September 30, 2022 398 shares
  - (iii) Average number of shares during the period (cumulative):
    - Second quarter of fiscal year ending September 30, 2023 31,728,602 shares
    - Second 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 statistical data collected and published by MACP 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%. This was a record high, but for January to March 2023 this switched to a decrease, falling 18.0% year on year to 929 deals.

The statistics are an indicator that incorporates M&A in the broad meaning of the word, which includes investments and so on, so we cannot determine whether a business succession deals for non-listed companies have declined in the same way, but it is possible that the results reflect concerns about the uncertain outlook for the economic environment.

On the other hand, according to the “8th Review Committee on the Concentration of Management Resources, etc. of Small and Medium Enterprises” published on March 16, 2023, by the Small and Medium Enterprise Agency, and materials entitled “Report, etc. on Results of Establishing the M&A Support Institution Registration System,” 3,403 M&A deals were closed among small and medium enterprises in FY2021 (April 2021 to March 2022), enabling confirmation of the number of business succession M&A deals, which had hitherto been unclear.

The statistics suggest that there are a considerable number of small and medium M&A deals, which are not disclosed to the general public. Moreover, we also note that compared to the past there were a number of large (on a value basis) M&A deals involving unlisted companies, from which we conclude that the market for M&A among small and medium enterprises remains strong, against the background of the need for business succession.

In this environment, we continued to expand the structure of the Group in order to enable us to respond to a wide range of deals and provide a high-quality M&A advisory service.

By strengthening employee education and the training system, we are working to put in place an information platform to enable the systematic use of internal know-how, leading to improvements in service quality. By working together as a group on deal matching, and by operating (in cooperation with finance institutions alliance partners) a matching service for transferee companies, we sought to raise the probability of closing deals, and also focused on enhancing security by strengthening IT infrastructure, and on improving operational efficiency.

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 that we have accumulated as a specialist in corporate M&A, continue to improve our service, and 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 ¥4,030 million (44.9%) year on year to ¥13,003 million. This was largely due to the effects of a shift to larger deals that pushed up sales, despite a year-on-year decrease in the number of deals closed.

The cost of sales rose ¥374 million (11.9%) year on year to ¥3,530 million, due

mainly to an increase in salaries and allowances as a result of the rise in the number of consultants, an increase in incentives, including provision for bonuses, resulting from the rise in net sales, and an increase in subcontractor expenses.

Selling, general and administrative expenses rose by ¥2,450 million (158.0%) year on year to ¥4,000 million, driven mainly by increases in advertising expenses, directors' compensation, provision for bonuses for directors, rents, and commissions paid.

As a result, operating income increased by ¥1,204 million (28.2%) year on year to ¥5,471 million, ordinary income increased by ¥1,175 million (27.3%) year on year to ¥5,474 million, and profit attributable to owners of parent increased by ¥166 million (5.8%) year on year to ¥3,053 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, 2022 (From October 1, 2021 to March 31, 2022)	Cumulative second quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to March 31, 2023)	Year-on-year change	
Whole Group	M&A deals closed		(number of deals)	87	79	-8
	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)	22	17	-5
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	65	62	-3

### Number of deals (non-consolidated)

Name of type			Cumulative second quarter of fiscal year ended September 30, 2022 (From October 1, 2021 to March 31, 2022)	Cumulative second quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to March 31, 2023)	Year-on-year change	
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	79	72	-7
	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)	21	17	-4
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	58	55	-3

Name of type			Cumulative second quarter of fiscal year ended September 30, 2022 (From October 1, 2021 to March 31, 2022)	Cumulative second quarter of fiscal year ending September 30, 2023 (From October 1, 2022 to March 31, 2023)	Year-on- year change	
RECOF Corporation	M&A deals closed		(number of deals)	8	7	-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)	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)	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 ¥39,852 million, an increase of ¥3,135 million (8.5%) from the end of the previous fiscal year. This was primarily due to a ¥3,554 million increase in cash and deposits.

#### (Non-current assets)

Non-current assets amounted to ¥4,191 million, an increase of ¥995 million (31.1%) from the end of the previous fiscal year. This was due mainly to the impact of non-current assets acquired as a result of the relocation of offices, which led to facilities attached to buildings increasing by ¥942 million.

#### (Current liabilities)

Current liabilities amounted to ¥6,730 million, an increase of ¥307 million (4.8%) from the end of the previous fiscal year. This was due mainly to provision for bonuses increasing by ¥318 million.

#### (Non-current liabilities)

Non-current liabilities amounted to ¥1,379 million, an increase of ¥487 million (54.6%) from the end of the previous fiscal year. This was due mainly to provision for bonuses increasing by ¥189 million, and provision for directors' bonuses increasing by ¥363 million.

(Net assets)

Net assets amounted to ¥35,934 million, an increase of ¥3,336 million (10.2%) from the end of the previous fiscal year. This was primarily due to a ¥3,053 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 ¥35,222 million, an increase of ¥3,554 million (11.2%) 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 ¥4,791 million, an increase of ¥2,140 million year on year. This was due mainly to the recording of ¥5,474 million in income before income taxes, a decrease in notes and accounts receivable - trade of ¥513 million, an increase in provision for bonuses of ¥508 million, and income taxes paid of ¥2,238 million.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥1,359 million, compared to ¥57 million used in the same period of the previous year. This was mainly attributable to purchase of property, plant and equipment of ¥1,244 million.

(Cash flows from financing activities)

Funds provided in financing activities came to ¥124 million, compared to ¥30 million used in the same period of the previous year. This consisted of proceeds from issuance of subscription rights to shares.

(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)	Second quarter of fiscal year ending September 30, 2023 (as of March 31, 2023)
Assets		
Current assets		
Cash and deposits	35,668,284	39,222,303
Accounts receivable - trade	807,061	293,377
Other	241,979	337,174
Total current assets	<u>36,717,324</u>	<u>39,852,855</u>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	92,167	1,034,953
Other	77,112	231,295
Total property, plant and equipment	<u>169,280</u>	<u>1,266,249</u>
Intangible assets		
Trademark right	132,236	115,722
Goodwill	773,840	677,110
Other	62,295	102,926
Total intangible assets	<u>968,372</u>	<u>895,758</u>
Investments and other assets, gross		
Lease and guarantee deposits	1,073,956	1,039,688
Deferred tax assets	969,799	967,003
Other	21,905	30,182
Allowance for doubtful accounts	(7,000)	(7,000)
Total investments and other assets	<u>2,058,660</u>	<u>2,029,873</u>
Total non-current assets	<u>3,196,313</u>	<u>4,191,881</u>
Total assets	<u>39,913,638</u>	<u>44,044,737</u>
Liabilities		
Current liabilities		
Contract liabilities	861,784	686,799
Provision for bonuses	31,568	349,988
Provision for directors' bonuses	13,691	55,626
Accounts payable - other	2,298,823	2,429,940
Income taxes payable	2,358,074	2,553,732
Accrued consumption taxes	645,676	418,717
Other	212,601	235,229
Total current liabilities	<u>6,422,220</u>	<u>6,730,034</u>
Non-current liabilities		
Net defined benefit liability	128,750	131,116
Provision for bonuses	562,306	752,000
Provision for directors' bonuses	91,407	454,755
Other	110,294	41,954
Total non-current liabilities	<u>892,758</u>	<u>1,379,826</u>
Total liabilities	<u>7,314,978</u>	<u>8,109,860</u>

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2022)	Second quarter of fiscal year ending September 30, 2023 (as of March 31, 2023)
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	29,593,575
Treasury shares	(353)	(353)
Total shareholders' equity	32,316,393	35,370,260
Other comprehensive income		
Foreign currency translation adjustment	4,424	2,639
Total other comprehensive income	4,424	2,639
Subscription rights to shares	277,842	561,976
Total net assets	32,598,659	35,934,876
Total liabilities and net assets	39,913,638	44,044,737

(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, 2021 to March 31, 2022)	Cumulative second quarter of current fiscal year (From October 1, 2022 to March 31, 2023)
Net sales	8,972,963	13,003,040
Cost of sales	3,155,837	3,530,509
Gross profit	5,817,125	9,472,531
Selling, general and administrative expenses	1,550,489	4,000,973
Operating income	4,266,636	5,471,557
Non-operating income		
Interest income	1,122	1,160
Gain on reversal of share acquisition rights	38,040	6,720
Miscellaneous income	2,373	342
Total non-operating income	41,535	8,222
Non-operating expenses		
Interest expenses	83	-
Loss on retirement of non-current assets	8,641	2,091
Loss on sale of non-current assets	-	2,179
Miscellaneous loss	19	1,004
Total non-operating expenses	8,744	5,276
Ordinary income	4,299,426	5,474,503
Income before income taxes	4,299,426	5,474,503
Income taxes - current	1,456,565	2,417,840
Income taxes - deferred	(44,804)	2,795
Total income taxes	1,411,760	2,420,635
Profit	2,887,666	3,053,867
Profit attributable to owners of parent	2,887,666	3,053,867

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

	(Unit: thousand yen)	
	Cumulative second quarter of previous fiscal year (From October 1, 2021 to March 31, 2022)	Cumulative second quarter of current fiscal year (From October 1, 2022 to March 31, 2023)
Profit	2,887,666	3,053,867
Other comprehensive income		
Foreign currency translation adjustment	834	(1,784)
Total other comprehensive income	834	(1,784)
Comprehensive income	2,888,501	3,052,082
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	2,888,501	3,052,082

## (3) Quarterly Consolidated Statement of Cash Flows

	(Unit: thousand yen)	
	Cumulative second quarter of previous fiscal year (From October 1, 2021 to March 31, 2022)	Cumulative second quarter of current fiscal year (From October 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Income before income taxes	4,299,426	5,474,503
Depreciation	60,279	127,781
Amortization of goodwill	105,666	96,730
Increase (decrease) in allowance for doubtful accounts	(16,200)	-
Depreciation and amortization on other	16,514	16,514
Loss on retirement of non-current assets	8,641	2,091
Loss (gain) on sale of non-current assets	-	2,179
Interest income	(1,122)	(1,160)
Interest expenses	83	-
Decrease (increase) in notes and accounts receivable - trade	(340,528)	513,683
Increase (decrease) in accounts payable - other	84,247	157,325
Increase (decrease) in provision for bonuses	(5,652)	508,114
Increase (decrease) in provision for directors' bonuses	(3,877)	405,283
Increase (decrease) in net defined benefit liability	(3,836)	2,366
Increase (decrease) in contract liabilities	118,300	(174,985)
Decrease/increase in consumption taxes receivable/payable	(101,788)	(303,572)
Other	(51,534)	202,285
Subtotal	4,168,621	7,029,141
Interest income received	1,122	1,160
Interest expenses paid	(83)	-
Income taxes paid	(1,518,675)	(2,238,451)
Net cash provided by (used in) operating activities	2,650,985	4,791,850
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,274)	(1,244,982)
Proceeds from sale of property, plant and equipment	-	2,181
Purchase of intangible assets	(27,360)	(32,200)
Payments for asset retirement obligations	-	(84,200)
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	(310)	(289,893)
Proceeds from collection of lease and guarantee deposits	1,918	289,716
Other	(10,000)	(500)
Net cash provided by (used in) investing activities	(57,714)	(1,359,877)
Cash flows from financing activities		
Repayments of short-term borrowings	(30,000)	-
Proceeds from issuance of subscription rights to shares	-	124,163
Net cash provided by (used in) financing activities	(30,000)	124,163
Effect of exchange rate change on cash and cash equivalents	1,184	(2,116)
Increase (decrease) in cash and cash equivalents	2,564,455	3,554,019
Cash and cash equivalents at beginning of period	23,261,477	31,668,284
Cash and cash equivalents at end of period	25,825,932	35,222,303

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.