

To whom it may concern

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Announcement regarding submission of the report on restatements and the impact of restatements on published financial accounts

On December 20, 2021, Nihon M&A Center Holdings Inc. (the “Company”) issued a statement “Announcement of Investigation on Attribution Period of Sales at its Subsidiary” concerning the discovery of some erroneous apportionment of sales to accounting periods at its subsidiary Nihon M&A Center Inc., since when the Company has been investigating what actually occurred.

Consequently on February 14, 2022, the Company is issuing a statement “Announcement regarding receipt of the Research Committee Investigation Report and publication of its findings” which outlines the decision to issue restatements of prior year published financial reports, which are summarised below along with the consequent revisions to its prior year financial statements.

The Company again profusely apologises for the huge trouble and concern this has caused its shareholders, the investment community and related parties.

Details

1. Revision Announcement to be released today concerning prior year reported financial statements

- (1) Revision Announcement concerning prior year reported financial securities report
 Period 30 Year end March 2021 Financial Securities Report (April 1, 2020 – March 31, 2021)
- (2) Revision Announcement concerning prior year quarterly securities reports
 Period 31 Year end March 2022 Q2 Securities Report (July 1, 2021 – September 30, 2021)
 Period 31 Year end March 2022 Q1 Securities Report (April 1, 2021 – June 30, 2021)
 Period 30 Year end March 2021 Q3 Securities Report (October 1, 2020 – December 30, 2020)
 Period 30 Year end March 2021 Q2 Securities Report (July 1, 2020 – September 30, 2020)
 Period 30 Year end March 2021 Q1 Securities Report (April 1, 2020 – June 30, 2020)
- (3) Announcement of prior year internal control report revision
 Period 30 Year end March 2021 Internal Control Report (April 1, 2020 – March 31, 2021)

2. Reasons for restatements

In the process of accounting for its sales it became apparent that there had been inaccurate internal reporting in prior years and an internal investigation was carried out, as a result of which it was discovered that there had been a suspected breach of internal compliance rules with inappropriate behaviour by certain employees. Consequently the Company formed a Research Committee including external legal and accounting experts for further investigation.

The consequent report received from the Research Committee on February 14, 2022 showed that among the debtors recorded since April 2016 there were xx cases of inaccurate apportionment to sales having occurred since April 2018.

Accordingly the Company elected to revise the relevant sections of the previously reported financial statements

showing consolidated and non-consolidated financial information, along with the quarterly financial reports.

These revisions necessitate the need to adjust figures, starting with those released on November 12, 2021 for Q2 of Period 31 (July1, 2021 to September 30, 2021), deemed to be material according to Article 24 section 4-7-4 of the Financial Instruments and Exchange Act and thereby triggering publications of revisions to quarterly reports.

3. The financial impact of revisions to prior year results

The principal component of the revision is inaccurate apportionment of sales, which necessitates quarterly restatements of all related items. The table below specifies the financial impact on its prior year results.

【Consolidated financial statements】		(JPYm)			
Period	Item	Reported (A)	Restated (B)	Adjustment (B-A)	Change (%)
Period 31 (Year to March 2022) 9 months to December (※ Announced today)	Sales	32,938	34,273	1,335	4.1%
	Operating profit	14,459	15,541	1,082	7.5%
	Ordinary profit	14,560	15,643	1,082	7.4%
	Net profit attributable to shareholders in the period	9,750	10,502	751	7.7%
	Total assets	58,146	58,130	△16	△0.0%
	Net assets	50,251	50,266	14	0.0%
Period 31 (Year to March 2022) 6 months to September	Sales	23,634	23,420	△214	△0.9%
	Operating profit	11,800	11,548	△251	△2.1%
	Ordinary profit	11,793	11,541	△251	△2.1%
	Net profit attributable to shareholders in the period	7,996	7,821	△174	△2.2%
	Total assets	60,239	58,518	△1,721	△2.9%
	Net assets	51,199	50,287	△911	△1.8%
Period 31 (Year to March 2022) 3 months to June	Sales	11,613	11,727	114	1.0%
	Operating profit	5,854	5,806	△47	△0.8%
	Ordinary profit	5,807	5,760	△47	△0.8%
	Net profit attributable to shareholders in the period	3,928	3,895	△32	△0.8%
	Total assets	54,425	53,065	△1,359	△2.5%
	Net assets	46,964	46,194	△769	△1.6%
Period 30 (Year to March 2021) Full year	Sales	36,130	34,795	△1,335	△3.7%
	Operating profit	16,408	15,336	△1,072	△6.5%
	Ordinary profit	16,540	15,468	△1,072	△6.5%
	Net profit attributable to shareholders in the period	11,415	10,678	△736	△6.5%
	Total assets	55,558	54,110	△1,448	△2.6%
	Net assets	45,427	44,690	△736	△1.6%
Period 30 (Year to March 2021) 9 months to December	Sales	28,424	27,832	△592	△2.1%
	Operating profit	14,170	13,637	△533	△3.8%
	Ordinary profit	14,188	13,655	△533	△3.8%
	Net profit attributable to shareholders in the period	9,798	9,428	△369	△3.8%
	Total assets	52,782	52,131	△651	△1.2%
	Net assets	43,728	43,359	△369	△0.8%
Period 30	Sales	18,781	18,363	△418	△2.2%

(Year to March 2021) 6 months to September	Operating profit	9,775	9,430	△345	△3.5%
	Ordinary profit	9,768	9,423	△345	△3.5%
	Net profit attributable to shareholders in the period	6,763	6,524	△239	△3.5%
	Total assets	52,557	52,097	△460	△0.9%
	Net assets	42,873	42,633	△239	△0.6%
Period 30 (Year to March 2021) 3 months to June	Sales	9,089	8,868	△221	△2.4%
	Operating profit	4,887	4,713	△173	△3.6%
	Ordinary profit	4,876	4,703	△173	△3.6%
	Net profit attributable to shareholders in the period	3,345	3,225	△120	△3.6%
	Total assets	44,071	43,828	△243	△0.6%
	Net assets	37,013	36,892	△120	△0.3%

※ Revised figures for the nine months to December 2022 take into account the findings of the investigation and are as reported today in the financial report for the third quarter of the year to March 2022.