



October 27, 2023

Consolidated Financial Results for the Fiscal Year Ended September 2023 (Under Japanese GAAP)

Company name:	M&A Research Institute Holdings Inc.	
Listing:	Tokyo Stock Exchange	
Securities code:	9552	
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Scheduled date of ordinary general meeting of shareholders		December 22, 2023
Scheduled date to commence dividend payments:		—
Scheduled date to file annual securities report		December 22, 2023
Preparation of supplementary material on financial results:		Yes
Holding of financial results briefing:		Yes (for institutional investors, analysts, and individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended September 30, 2023	8,642	—	4,579	—	4,484	—	2,646	—
As of September 30, 2022	—	—	—	—	—	—	—	—

(Note)	Comprehensive income	
	Fiscal year ended September 30, 2023	¥2,646 million (-%)
	As of September 30, 2022	¥- million (-%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2023	45.89	41.29	47.3	53.9	53.0
As of September 30, 2022	—	—	—	—	—

Reference:	Share of profit (loss) of entities accounted for using equity method
	Fiscal year ended September 30, 2023 ¥- million
	As of September 30, 2022 ¥- million

- (Note) 1. As consolidated financial statements have been prepared since the fiscal year ended September 2023, the figures for the fiscal year ended September 2022 and the rate of change from the previous fiscal year are not presented. The return on equity and the ratio of ordinary profit to total assets for the fiscal year ended September 2023 are calculated based on the year-end equity and the year-end total assets, respectively, for the first year of the consolidated fiscal year.
2. The Company conducted split on a ratio of 3 shares per common share effective July 13, 2023. Basic earnings per share and diluted earnings per share were calculated on the assumption that such split trading was conducted at the beginning of the current fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended September 30, 2023	8,327	5,599	67.2	96.56
As of September 30, 2022	—	—	—	—

Reference: Equity
Fiscal year ended September 30, 2023 ¥5,598 million
As of September 30, 2022 ¥- million

(Note) As consolidated financial statements have been prepared since the fiscal year ended September 2023, the respective figures for the fiscal year ended September 2022 are not stated.

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year under review
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended September 30, 2023	3,959	-400	-110	7,430
As of September 30, 2022	—	—	—	—

(Note) As consolidated financial statements have been prepared since the fiscal year ended September 2023, the respective figures for the fiscal year ended September 2022 are not stated.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
As of September 30, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended September 30, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 30, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	15,300	77.0	7,200	57.2	7,196	60.5	4,677	76.7	80.67

*** Notes**

(1) Material changes in subsidiaries during this period: Yes

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Two new subsidiaries (Company Name) M&A Research Institute
Asset Management Consulting Inc.

Exclusions – No subsidiaries (Company Name) –

Note: For details, please refer to the section "(Additional information) (Significant matters that serve as the basis for preparation of consolidated financial statements)" on page 10 of the attached material.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions of accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

Fiscal year ended September 30, 2023	57,983,115 shares
As of September 30, 2022	57,461,700 shares

(ii) Number of treasury shares at the end of the period

Fiscal year ended September 30, 2023	264 shares
As of September 30, 2022	- shares

(iii) Average number of shares during the period

Fiscal year ended September 30, 2023	57,676,662 shares
As of September 30, 2022	55,823,024 shares

Notes to the number of issued shares

(Note) The Company conducted split on a ratio of 3 shares per common share effective July 13, 2023.

The number of shares is stated on the assumption that the split was conducted at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements made in this document, including the earnings forecasts, are based on information currently available to the Group Company and on certain assumptions deemed to be reasonable by the Group Company and are not intended to be a promise by the Group Company that they will be achieved.

Actual performance and other results may differ materially owing to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to the section "(4) Future Outlook" of "1. Overview of Operating Results, etc." on page 3 of the attached material.

(Method of Obtaining Details of Financial Results Briefings)

The Company will hold briefings for institutional investors and analysts on Friday, October 27, 2023, and for individual investors on Monday, October 30, 2023. The content of this briefing will be posted on the Company website as soon as possible after holding the briefing.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year under review, while the Japanese economy saw an easing of restrictions due to COVID-19 and a gradual recovery in socioeconomic activities, high costs associated with rising prices of various commodities and foreign exchange rate fluctuations continued, and the outlook remains uncertain.

The M&A market for small- and medium-sized enterprises in Japan, the Group Company's business domain, continues to expand, spurred by the aging of managers and the increase in the number of companies without successors, as well as government policies that promote business succession through M&As. In order to support the succession of as many companies as possible, the Group is striving to realize efficient M&A through two key initiatives: improving the accuracy of our AI matching algorithm and promoting digital transformation (DX) in business operations. We are also making good progress in hiring M&A advisors who are growth drivers for our business.

In addition, in anticipation of the launch of new businesses, the Company shifted to the Holdings structure in March 2023 to enable flexible business development in the future.

In this business environment, the Group made steady progress with projects, and the number of closed M&A deals remained strong at 136.

Meanwhile, we continue to actively recruit for future business expansion, having hired 107 new M&A advisors during the fiscal year under review.

Consequently, net sales for the fiscal year under review amounted to ¥8,642,517 thousand, with operating profit of ¥4,579,256 thousand, ordinary profit of ¥4,484,500 thousand, and profit was ¥2,646,864 thousand.

As the reportable segment of the Group Company has been changed to a single segment from the current fiscal year, descriptions by business segment are omitted.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets at the end of the fiscal year under review were ¥7,653,851 thousand. These were mainly cash and deposits of ¥7,430,428 thousand.

Non-current assets at the end of the fiscal year under review amounted to ¥673,610 thousand. These were mainly composed of Guarantee deposits of ¥437,788 thousand.

(Liabilities)

Current liabilities at the end of the fiscal year under review amounted to ¥2,672,622 thousand. These mainly consisted of income taxes payable of ¥1,572,255 thousand and accrued consumption taxes of ¥447,124 thousand.

Non-current liabilities at the end of the fiscal year under review amounted to ¥55,206 thousand. These were mainly composed of long-term borrowings of ¥48,415 thousand.

(Net assets)

Net assets at the end of the fiscal year under review were ¥5,599,632 thousand.

(3) Overview of Cash Flows for the Period under Review

The balance of cash and cash equivalent (hereinafter referred to as the "Net cash") at the end of the fiscal year under review was ¥7,430,428 thousand.

Status of individual cash flows and their factors as of the end of the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥3,866,912 thousand. This was mainly due to the recording of ¥4,484,500 thousand of profit before income taxes, despite ¥1,078,008,000 thousand in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥400,202 thousand. This was mainly due to the payments of

¥400,008 thousand for leasehold and guarantee deposits and ¥62,879 thousand for purchase of property, plant and equipment, despite proceeds of ¥70,507 thousand from refund of leasehold and guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥110,481 thousand. This was mainly due to expenditures for market change expenses of ¥92,878 thousand and repayments of long-term borrowings of ¥38,445 thousand despite proceeds from issuance of shares, resulting from exercise of share acquisition rights of ¥23,641 thousand.

(4) Future Outlook

Since its establishment in 2018, the Company has grown its business by improving service quality, improving productivity through the use of AI and the promotion of DX, and actively recruiting human resources. As a result, the Company was listed on the Tokyo Stock Exchange Growth Market in June 2022 and moved to the Tokyo Stock Exchange Prime Market in August 2023. In the future, we will actively promote the recruitment of human resources and support the business succession of as many companies as possible to expand our M&A brokerage business and launch new businesses.

For the next fiscal year, we forecast Net sales of ¥15,300 million, Operating profit of ¥7,200 million, Ordinary profit of ¥7,196 million, and Profit of ¥4,677 million.

2. Basic Policy regarding Selection of Accounting Standards

In order to ensure comparability with other domestic companies in the same industry, the Group has adopted Japanese GAAP. In the future, the Company will appropriately respond to the application of International Accounting Standards based on the composition of shareholders and trends of other companies in the same industry in Japan.

3. Consolidated Financial Statements and Notes Thereto

(1) Consolidated Balance Sheet

(Thousands of yen)

	Fiscal year under review (September 30, 2023)
Assets	
Current assets	
Cash and deposits	7,430,428
Accounts receivable - trade	143,188
Other	80,234
Total current assets	7,653,851
Non-current assets	
Property, plant and equipment	
Buildings	44,858
Accumulated depreciation	-18,799
Buildings, net	26,059
Tools, furniture, and fixtures	62,687
Accumulated depreciation	-20,995
Tools, furniture and fixtures, net	41,692
Total property, plant and equipment	67,751
Intangible assets	
Software	972
Leased assets	6,887
Total intangible assets	7,859
Investments and other assets	
Guarantee deposits	437,788
Deferred tax assets	160,211
Total investments and other assets	597,999
Total non-current assets	673,610
Total assets	8,327,462

(Thousands of yen)

	Fiscal year under review (September 30, 2023)
Liabilities	
Current liabilities	
Current portion of long-term borrowings	45,435
Lease liabilities	1,069
Income taxes payable	1,572,255
Accrued consumption taxes	447,124
Contract liabilities	27,500
Other	579,238
Total current liabilities	2,672,622
Non-current liabilities	
Long-term borrowings	48,415
Lease liabilities	6,791
Total non-current liabilities	55,206
Total liabilities	2,727,829
Net assets	
Shareholders' equity	
Share capital	629,678
Capital surplus	629,668
Retained earnings	4,340,136
Treasury shares	-774
Total shareholders' equity	5,598,708
Share acquisition rights	924
Total net assets	5,599,632
Total liabilities and net assets	8,327,462

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

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year under review (From October 1, 2022 to September 30, 2023)
Net sales	8,642,517
Cost of sales	2,025,123
Gross profit	6,617,393
Selling, general and administrative expenses	2,038,137
Operating profit	4,579,256
Non-operating income	
Interest income	48
Miscellaneous income	2,910
Total non-operating income	2,958
Non-operating expenses	
Interest expenses	483
Market change expenses	92,878
Other	4,353
Total non-operating expenses	97,715
Ordinary profit	4,484,500
Profit before income taxes	4,484,500
Income taxes - current	1,954,270
Income taxes - deferred	-116,635
Total income taxes	1,837,635
Profit	2,646,864
Profit attributable to owners of parent	2,646,864

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year under review (From October 1, 2022 to September 30, 2023)
Profit	2,646,864
Comprehensive income	2,646,864
(Breakdown)	
Comprehensive income attributable to owners of parent	2,646,864
Comprehensive income attributable to non-controlling interests	—

(3) Consolidated Statement of Changes in Equity

Fiscal year under review (From October 1, 2022 to September 30, 2023)

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period under review	617,857	617,847	1,693,271	–	2,928,977	924	2,929,901
Changes during period							
Issuance of new shares (exercise of share acquisition rights)	11,820	11,820			23,641		23,641
Profit attributable to owners of parent			2,646,864		2,646,864		2,646,864
Purchase of treasury shares				-774	-774		-774
Total changes during period	11,820	11,820	2,646,864	-774	2,669,731	–	2,669,731
Balance at end of period under review	629,678	629,668	4,340,136	-774	5,598,708	924	5,599,632

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year under review (From October 1, 2022 to September 30, 2023)
Cash flows from operating activities	
Profit before income taxes	4,484,500
Depreciation	25,974
Market change expenses	92,878
Interest income	-48
Interest expenses	483
Decrease (increase) in notes and accounts receivable- trade (minus indicates increase)	-133,271
Increase (decrease) in accrued consumption taxes (minus indicates decrease)	221,101
Others	346,615
Subtotal	5,038,234
Interest received	48
Interest paid	-483
Income	-1,078,008
Cash flows from operating activities	3,959,791
Cash flows from investing activities	
Purchase of property, plant and equipment	-62,879
Payments of leasehold and guarantee deposits	-400,008
Proceeds from refund of leasehold and guarantee deposits	70,507
Other payments	-7,821
Cash flows from investing activities	-400,202
Cash flows from financing activities	
Repayments of long-term borrowings	-38,445
Purchase of treasury shares	-774
Proceeds from issuance of shares resulting from exercise of share acquisition rights	23,641
Expenditures for market change expenses	-92,878
Repayments of lease liabilities	-2,024
Cash flows from financing activities	-110,481
Increase (decrease) in cash and cash equivalent (minus indicates decrease)	3,449,107
Cash and cash equivalent at beginning of quarter under review	3,981,320
Cash and cash equivalent at end of fiscal year under review	7,430,428

(5) Notes to Consolidated Financial Statements

(Notes on assumptions for going concern)

Not applicable.

(Additional information)

(Significant matters that serve as the basis for preparation of consolidated financial statements)

Consolidated financial statements have been prepared since the fiscal year ended September 2023. Significant matters that form the basis of preparation of consolidated financial statements are as follows:

1. Scope of Consolidation

Number of consolidated subsidiaries: 2

Name of Consolidated Subsidiaries: Asset Management Consulting Inc., M&A Research Institute

2. Application of the equity method

Not applicable.

3. Consolidated Subsidiaries' Business Years

The closing dates of consolidated subsidiaries coincide with the consolidated closing dates of the Company.

Consolidated financial statements are prepared using the financial statements of consolidated subsidiaries as of the balance sheet date. However, significant transactions that occurred between the consolidated closing dates were adjusted as necessary for consolidation.

(Business Combination, etc.)

(Transactions under Common Control)

Transition to a holding company structure through an incorporation-type company split

Based on the resolutions of the Board of Directors meeting held on January 13, 2023 and the extraordinary general meeting of shareholders held on March 14, 2023, the Company implemented a company split by the incorporation-type company split method with an effective date of March 17, 2023. As a result, the company name was changed to "M & A Research Institute Holdings, Inc." on the same date.

1. Outline of the Transactions

(1) The name of the target business and the content of the business

Name and description of business: M&A brokerage business

(2) Business Combination Date

March 17, 2023

(3) Statutory form of business combination

Incorporation-type company split in which the Company is the splitting company and through which M&A Research Institute, Inc. is the company newly incorporated

(4) Name of the combined entity

M&A Research Institute Inc. (a specified subsidiary of the Company)

(5) Other matters relating to the outline of the transactions

Based on the corporate philosophy of "Creating the M&A market of the future with M&A Tech," the Group aims to create a company that realizes "improvement of the speed of closing deals" and "controlling prices" through technological innovation of analog methods existing in M&A brokerage services, so that many companies can consider M&A options. The Group's management policy is to maximize corporate value through these efforts.

In light of such management policy, the Company determined that a transition to a holding company structure would be the most appropriate management structure for accelerating the Group's growth, expanding its business, and establishing a stronger management foundation.

Through the transition to the new structure, for the purpose of the Group's sustainable growth and increase of corporate value, the Company, as a holding company, will undertake initiatives for the Group's overall

business expansion and earnings improvement, including the formulation of business strategies, tax strategies and brand strategies; the enhancement of the Group's capital efficiency, risk management and human capital; and support and supervision of the management execution of individual subsidiaries of the Group.

In addition, each Group company will carry out initiatives aimed at increasing corporate value and capital efficiency, with the goal of independently implementing initiatives aimed at realizing business structure reforms and growth strategies under the responsibility of being an independent company.

2. Summary of accounting treatment conducted

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transactions are treated as transactions under common control.

(Segment information, etc.)

[Segment information]

Since the Group Company has a single segment of the “M&A brokerage business,” segment information is omitted.

(Matters concerning changes in reporting segments)

The Group's reportable segments were divided into “M&A brokerage” and “Other,” but they were changed to a single segment of “M&A brokerage” from the current fiscal year.

The reason for the change was that we concluded that disclosing the business as a single segment of the M&A brokerage business would more appropriately reflect the actual condition of the Company's management after terminating the web marketing support business conducted as other business in the previous fiscal year.

As a result of this change, the Group has a single segment of the M&A brokerage business and omits segment information.

(Per Share Information)

	Fiscal year under review (From October 1, 2022 to September 30, 2023)
Net assets per share	¥96.56
Basic earnings per share	¥45.89
Diluted earnings per share	¥41.29

(Note) 1. On July 13, 2023, the Company conducted split trading at a ratio of 3 shares per share. Basic earnings per share and Diluted earnings per share were calculated on the assumption that such split trading was conducted at the beginning of the previous fiscal year.

2. The basis for the calculation of Basic earnings per share and Diluted earnings per share is as follows.

Items	Fiscal year under review (From October 1, 2022 to September 30, 2023)
Basic earnings per share	
Profit (thousand yen)	2,646,864
Amount not attributable to common shareholders (thousand yen)	–
Profit attributable to common shareholders (thousand yen)	2,646,864
Average number of shares of common stock during the period	57,676,662
Diluted earnings per share	
Amount of profit adjustment (thousand yen)	–
Number of shares of common stock increased	6,429,564
(Stock acquisition rights included)	6,429,564
Summary of dilutive shares that were not included in the calculation of Diluted earnings per share because of the absence of a dilutive effect.	–

(Significant subsequent events)

Not applicable.