

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: MATCHING SERVICE JAPAN CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6539 URL <https://company.jmsc.com.jp/>  
 Representative: CEO Takahiro Arimoto  
 Inquiries: CFO Taku Yamamoto TEL 03-3239-7373  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 28, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 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	%
Year ended March 31, 2023	4,293	14.2	1,789	13.5	1,785	15.8	1,223	18.4
Year ended March 31, 2022	3,758	11.5	1,576	27.1	1,541	(4.4)	1,032	(4.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	48.95	48.93	12.2	16.5	41.7
Year ended March 31, 2022	41.34	41.32	10.9	15.0	41.9

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	11,274	10,507	93.0	419.65
As of March 31, 2022	10,412	9,596	92.0	383.34

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	1,452	223	(373)	8,728
Year ended March 31, 2022	1,173	245	(374)	7,424

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	0.00	—	15.00	15.00	374	36.3	4.0
Year ended March 31, 2023	—	0.00	—	49.00	49.00	1,224	100.1	12.2
Year ending March 31, 2024 (Forecast)	—	0.00	—	56.00	56.00		100.1	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	2,518	18.5	1,010	12.4	993	(3.5)	670	(3.8)	26.81
Full year	5,190	20.9	2,099	17.3	2,073	16.1	1,398	14.3	55.94

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2023	24,996,600 shares	As of March 31, 2022	24,985,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	541 shares	As of March 31, 2022	449 shares
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Average number of shares during the period

Year ended March 31, 2023	24,986,931 shares	Year ended March 31, 2022	24,985,013 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	7,424,926	8,728,240
Accounts receivable - trade	152,333	160,961
Securities	500,000	–
Prepaid expenses	37,888	59,602
Other	30,516	7,536
Total current assets	8,145,664	8,956,340
Non-current assets		
Property, plant and equipment		
Buildings, net	26,148	21,379
Vehicles, net	5,003	3,337
Tools, furniture and fixtures, net	4,670	7,812
Land	8,480	8,480
Total property, plant and equipment	44,301	41,009
Intangible assets		
Software	159,929	222,596
Other	67,738	2,939
Total intangible assets	227,667	225,535
Investments and other assets		
Investment securities	1,863,517	1,892,735
Guarantee deposits	117,704	110,930
Long-term prepaid expenses	4,536	4,276
Deferred tax assets	1,226	35,640
Other	8,302	8,378
Total investments and other assets	1,995,286	2,051,960
Total non-current assets	2,267,255	2,318,505
Total assets	10,412,920	11,274,846

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - other	163,605	155,221
Accrued expenses	45,426	59,196
Income taxes payable	270,990	361,731
Accrued consumption taxes	66,672	70,663
Refund liability	5,794	3,731
Contract liabilities	8,562	6,499
Provision for bonuses	102,474	101,446
Other	152,442	8,841
<b>Total current liabilities</b>	<b>815,969</b>	<b>767,329</b>
<b>Total liabilities</b>	<b>815,969</b>	<b>767,329</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	586,393	587,203
Capital surplus	1,232,331	1,233,141
Retained earnings	7,483,610	8,331,842
Treasury shares	(579)	(629)
<b>Total shareholders' equity</b>	<b>9,301,756</b>	<b>10,151,558</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	276,141	338,025
<b>Total accumulated other comprehensive income</b>	<b>276,141</b>	<b>338,025</b>
<b>Non-controlling interests</b>	<b>19,053</b>	<b>17,932</b>
<b>Total net assets</b>	<b>9,596,951</b>	<b>10,507,516</b>
<b>Total liabilities and net assets</b>	<b>10,412,920</b>	<b>11,274,846</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	3,758,864	4,293,413
Cost of sales	350	772
Gross profit	3,758,514	4,292,641
Selling, general and administrative expenses	2,182,368	2,503,001
Operating profit	1,576,145	1,789,639
Non-operating income		
Interest and dividend income	66	70
Interest on securities	81,009	91,079
Gain on sale of securities	–	43,595
Rental income	260	–
Other	205	351
Total non-operating income	81,541	135,096
Non-operating expenses		
Commission expenses	51,480	36,059
Provision of allowance for doubtful accounts	–	–
Loss on redemption of securities	1,603	–
Loss on valuation of investment securities	19,059	78,340
Loss on investments in investment partnerships	44,203	25,076
Rental expenses	144	–
Other	6	3
Total non-operating expenses	116,498	139,480
Ordinary profit	1,541,188	1,785,255
Extraordinary income		
Gain on sale of non-current assets	3,189	–
Surrender value of insurance policies	3,582	–
Total extraordinary income	6,772	–
Extraordinary losses		
Loss on sale of non-current assets	3,461	–
Loss on retirement of non-current assets	9,163	16,252
Loss on sale of shares of subsidiaries and associates	1,438	–
Total extraordinary losses	14,064	16,252
Profit before income taxes	1,533,896	1,769,003
Income taxes - current	521,323	608,837
Income taxes - deferred	(19,872)	(61,725)
Total income taxes	501,450	547,111
Profit	1,032,446	1,221,891
Loss attributable to non-controlling interests	(457)	(1,120)
Profit attributable to owners of parent	1,032,903	1,223,012

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,032,446	1,221,891
Other comprehensive income		
Valuation difference on available-for-sale securities	(440,922)	123,768
Total other comprehensive income	(440,922)	123,768
Comprehensive income	591,524	1,345,659
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	591,985	1,346,776
Comprehensive income attributable to non-controlling interests	(461)	(1,116)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	586,333	1,232,271	6,825,474	(579)	8,643,500
Changes during period					
Issuance of new shares	60	60			120
Dividends of surplus			(374,768)		(374,768)
Profit attributable to owners of parent			1,032,903		1,032,903
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	60	60	658,135	-	658,255
Balance at end of period	586,393	1,232,331	7,483,610	(579)	9,301,756

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	717,063	717,063	19,511	9,380,075
Changes during period				
Issuance of new shares				120
Dividends of surplus				(374,768)
Profit attributable to owners of parent				1,032,903
Purchase of treasury shares				-
Net changes in items other than shareholders' equity	(440,922)	(440,922)	(457)	(441,379)
Total changes during period	(440,922)	(440,922)	(457)	216,875
Balance at end of period	276,141	276,141	19,053	9,596,951

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	586,393	1,232,331	7,483,610	(579)	9,301,756
Changes during period					
Issuance of new shares	810	810			1,620
Dividends of surplus			(374,780)		(374,780)
Profit attributable to owners of parent			1,223,012		1,223,012
Purchase of treasury shares				(50)	(50)
Net changes in items other than shareholders' equity					-
Total changes during period	810	810	848,231	(50)	849,801
Balance at end of period	587,203	1,233,141	8,331,842	(629)	10,151,558

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	276,141	276,141	19,053	9,596,951
Changes during period				
Issuance of new shares				1,620
Dividends of surplus				(374,780)
Profit attributable to owners of parent				1,223,012
Purchase of treasury shares				(50)
Net changes in items other than shareholders' equity	61,884	61,884	(1,120)	60,763
Total changes during period	61,884	61,884	(1,120)	910,565
Balance at end of period	338,025	338,025	17,932	10,507,516



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,533,896	1,769,003
Depreciation	82,729	74,431
Increase (decrease) in allowance for doubtful accounts	(15,601)	–
Increase (decrease) in refund liability	335	(2,063)
Increase (decrease) in provision for bonuses	19,805	(1,028)
Interest and dividend income	(81,076)	(91,149)
Loss (gain) on redemption of securities	1,603	–
Loss (gain) on sale of securities	–	(43,595)
Loss (gain) on valuation of securities	19,059	78,340
Loss (gain) on investments in investment partnerships	44,203	25,076
Gain on sale of non-current assets	(3,189)	–
Surrender value of insurance policies	(3,582)	–
Loss on sale of non-current assets	3,461	–
Loss (gain) on sale of shares of subsidiaries and associates	1,438	–
Loss on retirement of non-current assets	9,163	16,252
Decrease (increase) in trade receivables	(14,665)	(8,627)
Decrease (increase) in prepaid expenses	(8,244)	(21,713)
Increase (decrease) in accounts payable - other	(14,318)	40,112
Increase (decrease) in accrued expenses	1,254	13,769
Increase (decrease) in accrued consumption taxes	50,551	3,990
Other, net	(5,686)	11,228
Subtotal	1,621,139	1,864,028
Interest and dividends received	60,888	111,337
Income taxes paid	(508,518)	(522,738)
Net cash provided by (used in) operating activities	1,173,509	1,452,627
Cash flows from investing activities		
Purchase of investment securities	(979,081)	(706,897)
Proceeds from sale and redemption of investment securities	1,106,871	1,049,186
Purchase of property, plant and equipment	(6,901)	–
Proceeds from sale of property, plant and equipment	5,281	–
Purchase of intangible assets	(50,929)	(133,756)
Proceeds from distributions from investment partnerships	166,882	15,440
Payments of guarantee deposits	(545)	–
Proceeds from refund of guarantee deposits	94	–
Purchase of insurance funds	(75)	(75)
Proceeds from cancellation of insurance funds	3,582	–
Net cash provided by (used in) investing activities	245,177	223,897
Cash flows from financing activities		
Proceeds from issuance of shares	120	1,620
Dividends paid	(374,768)	(374,780)
Purchase of treasury shares	–	(50)
Net cash provided by (used in) financing activities	(374,648)	(373,210)
Net increase (decrease) in cash and cash equivalents	1,044,038	1,303,314
Cash and cash equivalents at beginning of period	6,380,887	7,424,926
Cash and cash equivalents at end of period	7,424,926	8,728,240