

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: MATCHING SERVICE JAPAN CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6539 URL <https://company.jmsc.co.jp/>
 Representative: CEO Takahiro Arimoto
 Inquiries: Director Taku Yamamoto TEL 03-3239-7373
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2022	2,124	14.6	899	15.8	1,029	26.1	696	25.9
Six months ended September 30, 2021	1,854	–	776	–	816	–	553	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	27.89		27.88	
Six months ended September 30, 2021	22.16		22.15	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	10,676	9,947	93.0
As of March 31, 2022	10,412	9,596	92.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	0.00	–	15.00	15.00
Year ending March 31, 2023	–	0.00			
Year ending March 31, 2023 (Forecast)			–	48.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Full year	4,412	17.4	1,789	13.5	1,764	14.5	1,190	15.3	47.65

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2022	24,985,800 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 September 30, 2022	449 shares	As of March 31, 2022	449 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	24,985,351 shares	Six months ended September 30, 2021	24,984,722 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,424,926	6,944,207
Accounts receivable - trade	152,333	235,361
Securities	500,000	1,000,000
Other	68,404	94,300
Total current assets	8,145,664	8,273,869
Non-current assets		
Property, plant and equipment	44,301	40,170
Intangible assets	227,667	242,084
Investments and other assets		
Investment securities	1,863,517	1,993,668
Other	130,542	127,026
Deferred tax assets	1,226	–
Total investments and other assets	1,995,286	2,120,694
Total non-current assets	2,267,255	2,402,948
Total assets	10,412,920	10,676,817
Liabilities		
Current liabilities		
Income taxes payable	270,990	353,625
Provision for bonuses	102,474	115,383
Other	442,504	257,167
Total current liabilities	815,969	726,176
Non-current liabilities		
Deferred tax liabilities	–	3,419
Total non-current liabilities	–	3,419
Total liabilities	815,969	729,596
Net assets		
Shareholders' equity		
Share capital	586,393	586,393
Capital surplus	1,232,331	1,232,331
Retained earnings	7,483,610	7,805,715
Treasury shares	(579)	(579)
Total shareholders' equity	9,301,756	9,623,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	276,141	304,526
Total accumulated other comprehensive income	276,141	304,526
Non-controlling interests	19,053	18,833
Total net assets	9,596,951	9,947,221
Total liabilities and net assets	10,412,920	10,676,817

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	1,854,069	2,124,109
Cost of sales	305	–
Gross profit	1,853,764	2,124,109
Selling, general and administrative expenses	1,077,005	1,224,823
Operating profit	776,759	899,286
Non-operating income		
Interest and dividend income	60,208	58,043
Gain on investments in investment partnerships	6,984	94,353
Other	438	350
Total non-operating income	67,630	152,747
Non-operating expenses		
Commission expenses	27,647	22,123
Other	135	3
Total non-operating expenses	27,783	22,126
Ordinary profit	816,606	1,029,907
Extraordinary income		
Gain on sale of non-current assets	3,189	–
Total extraordinary income	3,189	–
Extraordinary losses		
Loss on retirement of non-current assets	859	4,530
Total extraordinary losses	859	4,530
Profit before income taxes	818,937	1,025,376
Income taxes - current	270,979	336,591
Income taxes - deferred	(5,407)	(7,880)
Total income taxes	265,571	328,710
Profit	553,365	696,665
Loss attributable to non-controlling interests	(221)	(219)
Profit attributable to owners of parent	553,586	696,885

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	553,365	696,665
Other comprehensive income		
Valuation difference on available-for-sale securities	(428,688)	28,384
Total other comprehensive income	(428,688)	28,384
Comprehensive income	124,676	725,050
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	124,897	725,270
Comprehensive income attributable to non-controlling interests	(221)	(219)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	818,937	1,025,376
Depreciation	38,445	36,221
Increase (decrease) in provision for bonuses	16,914	12,909
Interest and dividend income	(60,208)	(58,043)
Loss (gain) on investments in investment partnerships	(6,984)	(94,353)
Gain on sale of non-current assets	(3,189)	–
Loss on retirement of non-current assets	859	4,530
Decrease (increase) in trade receivables	(35,350)	(83,028)
Decrease (increase) in prepaid expenses	(22,743)	(23,370)
Increase (decrease) in accounts payable - other	(32,880)	12,628
Increase (decrease) in accrued expenses	1,331	12,416
Increase (decrease) in accrued consumption taxes	38,827	(10,874)
Other, net	2,840	11,534
Subtotal	756,799	845,947
Interest and dividends received	60,853	52,143
Income taxes paid	(246,098)	(257,571)
Net cash provided by (used in) operating activities	571,554	640,519
Cash flows from investing activities		
Purchase of investment securities	(372,960)	(648,310)
Proceeds from sale and redemption of investment securities	1,099,610	–
Purchase of property, plant and equipment	(5,121)	–
Purchase of intangible assets	(46,191)	(109,227)
Proceeds from distributions from investment partnerships	159,025	11,080
Proceeds from refund of guarantee deposits	94	–
Net cash provided by (used in) investing activities	834,456	(746,457)
Cash flows from financing activities		
Dividends paid	(374,768)	(374,780)
Proceeds from issuance of shares	90	–
Net cash provided by (used in) financing activities	(374,678)	(374,780)
Net increase (decrease) in cash and cash equivalents	1,031,332	(480,718)
Cash and cash equivalents at beginning of period	6,380,887	7,424,926
Cash and cash equivalents at end of period	7,412,219	6,944,207