

**Translation**

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## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 11, 2020

Company name: MATCHING SERVICE JAPAN CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6539 URL <https://company.jmsc.co.jp/>  
 Representative: CEO Takahiro Arimoto  
 Director  
 Inquiries: Business Administration Headquarter Taku Yamamoto TEL 03-3239-7373  
 General Manager  
 Scheduled date to file Quarterly Securities Report: November 13, 2020  
 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. Non-consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

## (1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

|                                     | Net sales       |        | Operating profit |        | Ordinary profit |        | Profit          |        |
|-------------------------------------|-----------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
|                                     | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      |
| Six months ended September 30, 2020 | 1,637           | (19.9) | 596              | (27.4) | 609             | (37.0) | 413             | (37.3) |
| Six months ended September 30, 2019 | 2,043           | 12.8   | 821              | 2.9    | 967             | 16.9   | 659             | 16.3   |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Six months ended September 30, 2020 | 16.58              |  | 16.55                      |  |
| Six months ended September 30, 2019 | 26.48              |  | 26.38                      |  |

## (2) Non-consolidated financial position

|                          | Total assets    |  | Net assets      |  | Equity ratio |  |
|--------------------------|-----------------|--|-----------------|--|--------------|--|
|                          | Millions of yen |  | Millions of yen |  | %            |  |
| As of September 30, 2020 | 9,811           |  | 8,983           |  | 91.6         |  |
| As of March 31, 2020     | 8,806           |  | 7,961           |  | 90.4         |  |

## 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, 2020             | –                          | 0.00            | –               | 15.00           | 15.00 |
| Year ending March 31, 2021            | –                          | 0.00            | –               | –               | –     |
| Year ending March 31, 2021 (Forecast) | –                          | –               | –               | –               | –     |

3. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: 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: No

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 September 30, 2020 | 24,946,400 shares | As of March 31, 2020 | 24,945,600 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                          |            |                      |            |
|--------------------------|------------|----------------------|------------|
| As of September 30, 2020 | 377 shares | As of March 31, 2020 | 377 shares |
|--------------------------|------------|----------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2020 | 24,945,909 shares | Six months ended September 30, 2019 | 24,908,068 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

|   | As of March 31, 2020 | As of September 30, 2020 |
|---|----------------------|--------------------------|
| Assets  |                      |                          |
| Current assets  |                      |                          |
| Cash and deposits                                     | 6,371,678            | 6,038,608                |
| Accounts receivable - trade                           | 164,429              | 136,563                  |
| Securities  | 518,298              | 500,000                  |
| Other   | 33,756               | 42,534                   |
| Total current assets                                  | 7,088,162            | 6,717,706                |
| Non-current assets                                    |                      |                          |
| Property, plant and equipment                         | 67,653               | 71,976                   |
| Intangible assets                                     | 220,459              | 210,064                  |
| Investments and other assets                          |                      |                          |
| Investment securities                                 | 1,202,125            | 2,671,807                |
| Other   | 242,587              | 154,581                  |
| Allowance for doubtful accounts                       | (14,596)             | (14,596)                 |
| Total investments and other assets                    | 1,430,117            | 2,811,792                |
| Total non-current assets                              | 1,718,230            | 3,093,833                |
| Total assets  | 8,806,393            | 9,811,540                |
| Liabilities   |                      |                          |
| Current liabilities                                   |                      |                          |
| Income taxes payable                                  | 387,469              | 184,462                  |
| Provision for repayment                               | 4,266                | 4,977                    |
| Provision for bonuses                                 | 115,430              | 66,616                   |
| Other   | 337,535              | 194,136                  |
| Total current liabilities                             | 844,702              | 450,192                  |
| Non-current liabilities                               |                      |                          |
| Deferred tax liabilities                              | –                    | 377,353                  |
| Total non-current liabilities                         | –                    | 377,353                  |
| Total liabilities                                     | 844,702              | 827,546                  |
| Net assets  |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 583,378              | 583,438                  |
| Capital surplus                                       | 1,229,316            | 1,229,376                |
| Retained earnings                                     | 6,117,495            | 6,156,918                |
| Treasury shares                                       | (503)                | (503)                    |
| Total shareholders' equity                            | 7,929,686            | 7,969,230                |
| Valuation and translation adjustments                 |                      |                          |
| Valuation difference on available-for-sale securities | 32,004               | 1,014,763                |
| Total valuation and translation adjustments           | 32,004               | 1,014,763                |
| Total net assets                                      | 7,961,691            | 8,983,993                |
| Total liabilities and net assets                      | 8,806,393            | 9,811,540                |

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

|  | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|--|--|--|
| Net sales                                      | 2,043,094                              | 1,637,142                              |
| Cost of sales                                  | 742                                    | 182                                    |
| Gross profit                                   | 2,042,352                              | 1,636,960                              |
| Selling, general and administrative expenses   | 1,220,897                              | 1,040,444                              |
| Operating profit                               | 821,454                                | 596,515                                |
| Non-operating income                           |  |  |
| Interest and dividend income                   | 68,017                                 | 22,236                                 |
| Gain on sales of securities                    | 94,906                                 | –                                      |
| Other  | 710                                    | 933                                    |
| Total non-operating income                     | 163,633                                | 23,169                                 |
| Non-operating expenses                         |  |  |
| Commission expenses                            | 4,854                                  | 1,060                                  |
| Loss on redemption of securities               | 9,919                                  | –                                      |
| Loss on investments in investment partnerships | 2,468                                  | 8,806                                  |
| Other  | 422                                    | 529                                    |
| Total non-operating expenses                   | 17,665                                 | 10,396                                 |
| Ordinary profit                                | 967,423                                | 609,288                                |
| Extraordinary losses                           |  |  |
| Loss on retirement of non-current assets       | –                                      | 852                                    |
| Total extraordinary losses                     | –                                      | 852                                    |
| Profit before income taxes                     | 967,423                                | 608,435                                |
| Income taxes - current                         | 302,710                                | 168,116                                |
| Income taxes - deferred                        | 5,202                                  | 26,717                                 |
| Total income taxes                             | 307,913                                | 194,833                                |
| Profit   | 659,509                                | 413,601                                |

## Non-consolidated statements of cash flows

(Thousands of yen)

|   | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|---|--|--|
| Cash flows from operating activities                        |  |  |
| Profit before income taxes                                  | 967,423                                | 608,435                                |
| Depreciation  | 29,594                                 | 39,263                                 |
| Increase (decrease) in provision for repayment              | (2,083)                                | 710                                    |
| Increase (decrease) in provision for bonuses                | (5,212)                                | (48,813)                               |
| Interest and dividend income                                | (68,017)                               | (22,236)                               |
| Loss (gain) on sales of securities                          | (94,906)                               | –                                      |
| Loss (gain) on redemption of securities                     | 9,919                                  | –                                      |
| Loss (gain) on investments in investment partnerships       | 2,468                                  | 8,806                                  |
| Loss on retirement of non-current assets                    | –                                      | 656                                    |
| Decrease (increase) in trade receivables                    | (32,668)                               | 27,866                                 |
| Other, net  | (1,019)                                | (136,717)                              |
| Subtotal  | 805,498                                | 477,971                                |
| Interest and dividends received                             | 28,201                                 | 14,978                                 |
| Income taxes paid   | (390,113)                              | (363,843)                              |
| Net cash provided by (used in) operating activities         | 443,587                                | 129,106                                |
| Cash flows from investing activities                        |  |  |
| Purchase of investment securities                           | (1,661,033)                            | (554,182)                              |
| Proceeds from sales and redemption of investment securities | 2,192,038                              | 500,000                                |
| Purchase of property, plant and equipment                   | (319)                                  | (19,117)                               |
| Purchase of intangible assets                               | (18,154)                               | (32,561)                               |
| Purchase of long-term prepaid expenses                      | (5,184)                                | –                                      |
| Proceeds from distributions from investment partnerships    | 1,570                                  | 10,480                                 |
| Payments of guarantee deposits                              | (4,656)                                | –                                      |
| Proceeds from refund of guarantee deposits                  | –                                      | 7,263                                  |
| Net cash provided by (used in) investing activities         | 504,260                                | (88,118)                               |
| Cash flows from financing activities                        |  |  |
| Proceeds from issuance of shares                            | –                                      | 120                                    |
| Dividends paid  | (373,621)                              | (374,178)                              |
| Net cash provided by (used in) financing activities         | (373,621)                              | (374,058)                              |
| Net increase (decrease) in cash and cash equivalents        | 574,226                                | (333,070)                              |
| Cash and cash equivalents at beginning of period            | 2,868,746                              | 6,371,678                              |
| Cash and cash equivalents at end of period                  | 3,442,973                              | 6,038,608                              |