

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

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: Director Taku Yamamoto TEL 03-3239-7373
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 27, 2022
 Scheduled date to commence dividend payments: June 27, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	3,758	11.5	1,576	27.1	1,541	(4.4)	1,032	(4.6)
Year ended March 31, 2021	3,369	—	1,239	—	1,612	—	1,082	—

	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, 2022	41.34	41.32	10.9	15.0	41.9
Year ended March 31, 2021	43.37	43.35	11.6	15.9	36.8

(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, 2022	10,412	9,596	92.0	383.34
As of March 31, 2021	10,158	9,380	92.1	374.65

(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, 2022	1,173	245	(374)	7,424
Year ended March 31, 2021	531	(174)	(348)	6,380

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, 2021	—	0.00	—	15.00	15.00	374	34.6	4.0
Year ended March 31, 2022	—	0.00	—	15.00	15.00	374	36.3	4.0
Year ending March 31, 2023 (Forecast)	—	0.00	—	15.00	15.00		31.5	

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
Six months ending September 30, 2022	2,157	16.4	852	9.7	861	5.6	581	5.0	23.27
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 year ended March 31, 2022

(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, 2022	24,985,800 shares	As of March 31, 2021	24,985,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	449 shares	As of March 31, 2021	449 shares
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Average number of shares during the period

Year ended March 31, 2022	24,985,013 shares	Year ended March 31, 2021	24,949,435 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,380,887	7,424,926
Accounts receivable - trade	137,668	152,333
Securities	1,000,000	500,000
Prepaid expenses	29,643	37,888
Other	100,668	30,516
Total current assets	7,648,867	8,145,664
Non-current assets		
Property, plant and equipment		
Buildings, net	33,193	26,148
Vehicles, net	0	5,003
Tools, furniture and fixtures, net	5,367	4,670
Land	15,109	8,480
Total property, plant and equipment	53,671	44,301
Intangible assets		
Software	155,511	159,929
Other	50,737	67,738
Total intangible assets	206,249	227,667
Investments and other assets		
Investment securities	2,116,730	1,863,517
Guarantee deposits	119,689	117,704
Long-term prepaid expenses	4,795	4,536
Deferred tax assets	—	1,226
Other	24,426	8,302
Allowance for doubtful accounts	(15,601)	—
Total investments and other assets	2,250,039	1,995,286
Total non-current assets	2,509,959	2,267,255
Total assets	10,158,827	10,412,920

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - other	134,630	163,605
Accrued expenses	43,721	45,426
Income taxes payable	255,319	270,990
Accrued consumption taxes	16,121	66,672
Refund liability	5,458	5,794
Contract liabilities	16,119	8,562
Provision for bonuses	82,668	102,474
Other	11,470	152,442
Total current liabilities	565,510	815,969
Non-current liabilities		
Deferred tax liabilities	213,241	—
Total non-current liabilities	213,241	—
Total liabilities	778,752	815,969
Net assets		
Shareholders' equity		
Share capital	586,333	586,393
Capital surplus	1,232,271	1,232,331
Retained earnings	6,825,474	7,483,610
Treasury shares	(579)	(579)
Total shareholders' equity	8,643,500	9,301,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	717,063	276,141
Total accumulated other comprehensive income	717,063	276,141
Non-controlling interests	19,511	19,053
Total net assets	9,380,075	9,596,951
Total liabilities and net assets	10,158,827	10,412,920

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	3,369,685	3,758,864
Cost of sales	1,160	350
Gross profit	3,368,525	3,758,514
Selling, general and administrative expenses	2,128,573	2,182,368
Operating profit	1,239,951	1,576,145
Non-operating income		
Interest and dividend income	40	66
Interest on securities	42,789	81,009
Gain on sale of securities	455,759	—
Rental income	1,372	260
Other	345	205
Total non-operating income	500,307	81,541
Non-operating expenses		
Commission expenses	51,489	51,480
Provision of allowance for doubtful accounts	1,005	—
Loss on redemption of securities	143	1,603
Loss on valuation of investment securities	10,499	19,059
Loss on investments in investment partnerships	63,405	44,203
Rental expenses	1,133	144
Other	4	6
Total non-operating expenses	127,680	116,498
Ordinary profit	1,612,578	1,541,188
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	4,277	3,461
Loss on retirement of non-current assets	852	9,163
Loss on sale of shares of subsidiaries and associates	—	1,438
Total extraordinary losses	5,130	14,064
Profit before income taxes	1,607,448	1,533,896
Income taxes - current	531,787	521,323
Income taxes - deferred	(6,008)	(19,872)
Total income taxes	525,778	501,450
Profit	1,081,669	1,032,446
Loss attributable to non-controlling interests	(488)	(457)
Profit attributable to owners of parent	1,082,157	1,032,903

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,081,669	1,032,446
Other comprehensive income		
Valuation difference on available-for-sale securities	685,059	(440,922)
Total other comprehensive income	685,059	(440,922)
Comprehensive income	1,766,728	591,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,767,216	591,985
Comprehensive income attributable to non-controlling interests	(488)	(461)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	583,378	1,229,316	6,117,495	(503)	7,929,686
Cumulative effects of changes in accounting policies					—
Restated balance	583,378	1,229,316	6,117,495	(503)	7,929,686
Changes during period					
Issuance of new shares	2,955	2,955			5,910
Dividends of surplus			(374,178)		(374,178)
Profit attributable to owners of parent			1,082,157		1,082,157
Purchase of treasury shares				(75)	(75)
Net changes in items other than shareholders' equity					—
Total changes during period	2,955	2,955	707,979	(75)	713,813
Balance at end of period	586,333	1,232,271	6,825,474	(579)	8,643,500

	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	32,004	32,004	—	7,961,691
Cumulative effects of changes in accounting policies				—
Restated balance	32,004	32,004	—	7,961,691
Changes during period				
Issuance of new shares				5,910
Dividends of surplus				(374,178)
Profit attributable to owners of parent				1,082,157
Purchase of treasury shares				(75)
Net changes in items other than shareholders' equity	685,059	685,059	19,511	704,570
Total changes during period	685,059	685,059	19,511	1,418,384
Balance at end of period	717,063	717,063	19,511	9,380,075

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
Cumulative effects of changes in accounting policies					—
Restated balance	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
Cumulative effects of changes in accounting policies				—
Restated balance	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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,607,448	1,533,896
Depreciation	78,717	82,729
Increase (decrease) in allowance for doubtful accounts	1,005	(15,601)
Increase (decrease) in refund liability	1,191	335
Increase (decrease) in provision for bonuses	(32,761)	19,805
Interest and dividend income	(42,830)	(81,076)
Loss (gain) on sale of securities	(455,759)	—
Loss (gain) on redemption of securities	143	1,603
Loss (gain) on valuation of securities	10,499	19,059
Loss (gain) on investments in investment partnerships	63,405	44,203
Gain on sale of non-current assets	—	(3,189)
Surrender value of insurance policies	—	(3,582)
Loss on sale of non-current assets	4,277	3,461
Loss (gain) on sale of shares of subsidiaries and associates	—	1,438
Loss on retirement of non-current assets	852	9,163
Decrease (increase) in trade receivables	26,761	(14,665)
Decrease (increase) in prepaid expenses	924	(8,244)
Increase (decrease) in accounts payable - other	(15,764)	(14,318)
Increase (decrease) in accrued expenses	(1,450)	1,254
Increase (decrease) in accrued consumption taxes	(59,710)	50,551
Other, net	(44,442)	(5,686)
Subtotal	1,142,507	1,621,139
Interest and dividends received	46,006	60,888
Income taxes paid	(656,556)	(508,518)
Net cash provided by (used in) operating activities	531,957	1,173,509
Cash flows from investing activities		
Purchase of investment securities	(1,587,079)	(979,081)
Proceeds from sale and redemption of investment securities	1,436,574	1,106,871
Purchase of property, plant and equipment	(20,417)	(6,901)
Proceeds from sale of property, plant and equipment	10,256	5,281
Purchase of intangible assets	(48,429)	(50,929)
Proceeds from distributions from investment partnerships	23,700	166,882
Proceeds from collection of long-term loans receivable	3,802	—
Payments of guarantee deposits	—	(545)
Proceeds from refund of guarantee deposits	7,263	94
Purchase of insurance funds	(75)	(75)
Proceeds from cancellation of insurance funds	—	3,582
Net cash provided by (used in) investing activities	(174,405)	245,177
Cash flows from financing activities		
Proceeds from issuance of shares	5,910	120
Dividends paid	(374,178)	(374,768)
Purchase of treasury shares	(75)	—
Proceeds from share issuance to non-controlling shareholders	20,000	—
Net cash provided by (used in) financing activities	(348,344)	(374,648)
Net increase (decrease) in cash and cash equivalents	9,208	1,044,038
Cash and cash equivalents at beginning of period	6,371,678	6,380,887
Cash and cash equivalents at end of period	6,380,887	7,424,926