

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: MATCHING SERVICE JAPAN CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6539 URL <https://company.jmsc.co.jp/>
 Representative: Representative Director, Chairman and CEO Takahiro Arimoto
 Inquiries: Managing Director and CFO Taku Yamamoto TEL 03-3239-7373
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	4,574	6.6	1,623	(9.3)	1,664	(6.7)	1,134	(7.2)
Year ended March 31, 2023	4,293	14.2	1,789	13.5	1,785	15.8	1,223	18.4

	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, 2024	45.40	45.40	10.9	14.6	35.5
Year ended March 31, 2023	48.95	48.93	12.2	16.5	41.7

(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, 2024	11,503	10,333	89.0	409.61
As of March 31, 2023	11,274	10,507	93.0	419.65

(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, 2024	1,108	(3,941)	(1,224)	4,670
Year ended March 31, 2023	1,452	223	(373)	8,728

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, 2023	—	0.00	—	49.00	49.00	1,224	100.1	12.2
Year ended March 31, 2024	—	0.00	—	56.00	56.00	1,399	123.3	13.5
Year ending March 31, 2025 (Forecast)	—	0.00	—	56.00	56.00		112.9	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		EBITDA		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	%	Millions of yen	%	Yen
Full year	8,247	80.3	2,530	48.2	2,055	26.6	2,039	22.5	1,233	8.7	49.58

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(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 March 31, 2024	24,996,600 shares	As of March 31, 2023	24,996,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	520 shares	As of March 31, 2023	495 shares
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Average number of shares during the period

Year ended March 31, 2024	24,996,088 shares	Year ended March 31, 2023	24,986,949 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,728,240	4,670,468
Accounts receivable - trade	160,961	461,863
Securities	–	1,000,000
Prepaid expenses	59,602	55,404
Other	7,536	30,151
Total current assets	8,956,340	6,217,888
Non-current assets		
Property, plant and equipment		
Buildings, net	21,379	18,444
Vehicles, net	3,337	2,226
Tools, furniture and fixtures, net	7,812	8,875
Land	8,480	8,480
Leased assets, net	–	94,223
Total property, plant and equipment	41,009	132,249
Intangible assets		
Software	222,596	252,420
Goodwill	–	3,062,896
Other	2,939	11
Total intangible assets	225,535	3,315,328
Investments and other assets		
Investment securities	1,892,735	1,568,432
Guarantee deposits	110,930	104,729
Long-term prepaid expenses	4,276	4,017
Deferred tax assets	35,640	152,475
Other	8,378	8,463
Total investments and other assets	2,051,960	1,838,117
Total non-current assets	2,318,505	5,285,695
Total assets	11,274,846	11,503,583

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - other	155,221	165,255
Accrued expenses	59,196	72,486
Income taxes payable	361,731	301,371
Accrued consumption taxes	70,663	133,320
Refund liability	3,731	4,315
Contract liabilities	6,499	9,790
Lease liabilities	–	53,110
Provision for bonuses	101,446	166,810
Other	8,841	206,899
Total current liabilities	767,329	1,113,360
Non-current liabilities		
Lease liabilities	–	45,491
Other	–	11,291
Total non-current liabilities	–	56,783
Total liabilities	767,329	1,170,143
Net assets		
Shareholders' equity		
Share capital	587,203	587,203
Capital surplus	1,233,141	1,233,141
Retained earnings	8,331,842	8,241,847
Treasury shares	(629)	(658)
Total shareholders' equity	10,151,558	10,061,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	338,025	216,160
Foreign currency translation adjustment	–	(38,951)
Total accumulated other comprehensive income	338,025	177,208
Non-controlling interests	17,932	94,697
Total net assets	10,507,516	10,333,440
Total liabilities and net assets	11,274,846	11,503,583

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	4,293,413	4,574,698
Cost of sales	772	923
Gross profit	4,292,641	4,573,775
Selling, general and administrative expenses	2,503,001	2,950,156
Operating profit	1,789,639	1,623,619
Non-operating income		
Interest and dividend income	70	72
Interest on securities	91,079	114,932
Gain on sale of securities	43,595	118,528
Other	351	2,620
Total non-operating income	135,096	236,153
Non-operating expenses		
Commission expenses	36,059	32,160
Loss on valuation of investment securities	78,340	148,511
Loss on investments in investment partnerships	25,076	14,182
Other	3	–
Total non-operating expenses	139,480	194,853
Ordinary profit	1,785,255	1,664,919
Extraordinary losses		
Loss on retirement of non-current assets	16,252	2,381
Total extraordinary losses	16,252	2,381
Profit before income taxes	1,769,003	1,662,537
Income taxes - current	608,837	563,534
Income taxes - deferred	(61,725)	(34,269)
Total income taxes	547,111	529,265
Profit	1,221,891	1,133,272
Loss attributable to non-controlling interests	(1,120)	(1,541)
Profit attributable to owners of parent	1,223,012	1,134,814

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,221,891	1,133,272
Other comprehensive income		
Valuation difference on available-for-sale securities	61,884	(121,865)
Foreign currency translation adjustment	–	(38,951)
Total other comprehensive income	61,884	(160,816)
Comprehensive income	1,283,775	972,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,284,892	973,992
Comprehensive income attributable to non-controlling interests	(1,116)	(1,536)

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	587,203	1,233,141	8,331,842	(629)	10,151,558
Changes during period					
Issuance of new shares					–
Dividends of surplus			(1,224,809)		(1,224,809)
Profit attributable to owners of parent			1,134,814		1,134,814
Purchase of treasury shares				(28)	(28)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	(89,994)	(28)	(90,023)
Balance at end of period	587,203	1,233,141	8,241,847	(658)	10,061,534

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	338,025	–	338,025	17,932	10,507,516
Changes during period					
Issuance of new shares					–
Dividends of surplus					(1,224,809)
Profit attributable to owners of parent					1,134,814
Purchase of treasury shares					(28)
Net changes in items other than shareholders' equity	(121,865)	(38,951)	(160,816)	76,764	(84,052)
Total changes during period	(121,865)	(38,951)	(160,816)	76,764	(174,075)
Balance at end of period	216,160	(38,951)	177,208	94,697	10,333,440

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,769,003	1,662,537
Depreciation	74,431	83,742
Increase (decrease) in refund liability	(2,063)	584
Increase (decrease) in provision for bonuses	(1,028)	987
Interest and dividend income	(91,149)	(115,005)
Loss (gain) on sale of securities	(43,595)	(118,528)
Loss (gain) on valuation of securities	78,340	148,511
Loss (gain) on investments in investment partnerships	25,076	14,182
Loss on retirement of non-current assets	16,252	2,381
Decrease (increase) in trade receivables	(8,627)	(47,521)
Decrease (increase) in prepaid expenses	(21,713)	9,802
Increase (decrease) in accounts payable - other	40,112	5,457
Increase (decrease) in accrued expenses	13,769	5,909
Increase (decrease) in accrued consumption taxes	3,990	(11,283)
Other, net	11,228	21,858
Subtotal	1,864,028	1,663,615
Interest and dividends received	111,337	90,812
Income taxes paid	(522,738)	(645,433)
Net cash provided by (used in) operating activities	1,452,627	1,108,994
Cash flows from investing activities		
Purchase of investment securities	(706,897)	(2,567,893)
Proceeds from sale and redemption of investment securities	1,049,186	1,667,452
Purchase of property, plant and equipment	–	(11,344)
Purchase of intangible assets	(133,756)	(93,870)
Proceeds from distributions from investment partnerships	15,440	69,070
Payments of guarantee deposits	–	(572)
Purchase of insurance funds	(75)	(75)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,004,695)
Net cash provided by (used in) investing activities	223,897	(3,941,928)
Cash flows from financing activities		
Proceeds from issuance of shares	1,620	–
Dividends paid	(374,780)	(1,224,809)
Purchase of treasury shares	(50)	(28)
Net cash provided by (used in) financing activities	(373,210)	(1,224,837)
Net increase (decrease) in cash and cash equivalents	1,303,314	(4,057,771)
Cash and cash equivalents at beginning of period	7,424,926	8,728,240
Cash and cash equivalents at end of period	8,728,240	4,670,468