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January 30, 2025

Consolidated Financial Results for the Three Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: M&A Research Institute Holdings Inc. Listing: Tokyo Stock Exchange
 Securities code: 9552 URL: <https://masouken.com/holdings>
 Representative: Shunsaku Sagami, Representative Director
 Inquiries: Hikaru Ogino, Director and CFO Telephone: +81-3-6665-7590
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Consolidated financial results for the three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

(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	%
Q1 FY2025	4,178	-14.7	1,684	-49.8	1,685	-49.7	1,092	-49.8
Q1 FY2024	4,900	—	3,353	—	3,352	—	2,175	—

Note: Comprehensive income for Q1 FY2025: ¥1,092 million (-49.8%) Q1 FY2024: ¥2,175 million (—%)

	Net income per share	Diluted earnings per share
	Yen	Yen
Q1 FY2025	18.68	17.35
Q1 FY2024	37.25	33.99

Note: As quarterly consolidated financial statements have been prepared since the second quarter of the fiscal year ended September 2023, the year-on-year percentage change for the first quarter of the fiscal year ending September 2024 is not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Q1 FY2025	12,330	10,131	82.1
FY2024	11,999	9,019	75.1

Reference: Equity Q1 FY2025: ¥10,121 million FY2024: 9,013 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	0.00	—	0.00	0.00
FY2025	—	—	—	—	—
FY2025 (forecast)	—	0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,200	40.2	10,400	23.7	10,398	23.7	6,759	16.8	115.47

Notes: 1. Revisions to the earnings forecast most recently announced: None

2. The average number of shares outstanding during the period, which is the basis for calculating net income per share, is the number of shares outstanding as of December 31, 2024 (excluding treasury stock).

* Notes

(1) Material changes in the scope of consolidation during this period: Yes

New 1 company (Company name) M&A Research institute Singapore Pte. Ltd. Excluded — company (Company name) —

Note: For details, see “2. Quarterly Financial Statements and Notes Thereto (3) Notes to Quarterly Consolidated Financial Statements (Changes in the scope of consolidation or application of equity method)” on page 9 of the attached material.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes

Note: For details, see “2. Quarterly Financial Statements and Notes Thereto (3) Notes to Quarterly Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 7 of the attached material.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions of accounting standards and other regulations : Yes
- (ii) Changes in accounting policies due to reasons other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

Note: For details, see “2. Quarterly Financial Statements and Notes Thereto (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)” on page 7 of the attached material.

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (quarterly total)

Q1 FY2025	59,312,793 shares	FY2024	59,312,793 shares
Q1 FY2025	777,387 shares	FY2024	938,631 shares
Q1 FY2025	58,486,693 shares	Q1 FY2024	58,406,803 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements made in this document, including the earnings forecasts, are based on information currently available to the Group Company and on certain assumptions deemed to be reasonable by the Group Company and are not intended to be a promise by the Group Company that they will be achieved. Actual performance and other results may differ materially owing to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to the section “(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements” of “1. Overview of Operating Results, etc.” on page 3 of the attached material.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the first quarter, while the Japanese economy saw a gradual recovery due to an improvement in employment and income conditions and an increase in inbound demand, the outlook remains uncertain owing to unstable international conditions, a weak yen and rising commodity prices, as well as the impact of monetary policy.

The M&A market for small- and medium-sized enterprises in Japan, the Group Company's main business domain, continues to expand, spurred by the aging of managers and the increase in the number of companies without successors, as well as government policies that promote business succession through M&As. In order to support the succession of as many companies as possible, the Group is striving to realize efficient M&A through two key initiatives: improving the accuracy of our AI matching algorithm and promoting digital transformation (DX) in business operations.

In addition, the Company shifted to a holdings structure in March 2023 and established three new subsidiaries in the previous consolidated fiscal year. One of these companies aims to launch a new consulting business, thereby expanding our operations beyond M&A brokerage business.

A local subsidiary was also established in Singapore in the current consolidated fiscal year in order to secure overseas M&A brokerage deals.

In this business environment, the Group made steady progress with projects, and the number of closed M&A brokerage deals remained strong at 65.

In addition, the number of consultants in the consulting business has increased to 43.

Consequently, net sales for the first quarter of the current consolidated cumulative period amounted to ¥4,178,270 thousand (down 14.7% year-on-year), with operating profit of ¥1,684,209 thousand (down 49.8% year-on-year), ordinary profit of ¥1,685,276 thousand (down 49.7% year-on-year), and profit attributable to owners of parent was ¥1,092,573 thousand (down 49.8% year-on-year).

The following is a breakdown of business results by segment.

(M&A brokerage)

In the current consolidated fiscal year, the Company made steady progress with M&A brokerage deals, closing a total of 65 deals.

Consequently, net sales amounted to ¥3,956,110 thousand (down 19.1% year-on-year) and segment income amounted to ¥1,740,641 thousand (down 47.2% year-on-year).

(Others)

Others include the consulting business and the asset management consulting business, and in the consulting business, the number of consultants has increased to 43.

Consequently, net sales amounted to ¥222,159 thousand (net sales of ¥7,500 thousand in the same period of the previous year) and segment income amounted to ¥37,270 thousand (segment loss of ¥12,321 thousand in the same period of the previous year).

(2) Explanation of Financial Position

(Assets)

Total assets increased by ¥330,550 thousand compared to the end of the previous consolidated fiscal year to ¥12,330,426 thousand. This was mainly due to a decrease of ¥79,911 thousand in accounts receivable, despite an increase of ¥270,823 thousand in cash and deposits and ¥134,226 thousand in prepaid expenses included in others.

(Liabilities)

Total liabilities decreased by ¥781,689 thousand compared to the end of the previous consolidated fiscal year to ¥2,199,036 thousand. This was mainly due to decreases of ¥767,658 thousand in accrued income taxes, ¥326,441 thousand in accrued consumption taxes, and ¥347,394 thousand in deposits received included in others, despite increases of ¥562,691 thousand in accrued expenses and ¥104,941 thousand in accounts payable-other included in others.

(Net assets)

Net assets increased by ¥1,112,240 thousand compared to the end of the previous consolidated fiscal year to ¥10,131,389 thousand. This was mainly due to the recording of profit attributable to owners of parent of ¥1,092,573 thousand.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There are no changes to the current forecasts for the fiscal year ending September 30, 2025.

The above earnings forecasts are based on information available as of today and certain assumptions deemed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Quarterly Financial Statements and Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Previous consolidated fiscal year (September 30, 2024)	Current first quarter under review (December 31, 2024)
Assets		
Current assets		
Cash and deposits	10,174,674	10,445,497
Accounts receivable	371,457	291,545
Other	483,756	611,206
Total current assets	11,029,888	11,348,250
Non-current assets		
Property, plant and equipment	169,173	161,530
Intangible assets	9,079	8,314
Investments and other assets	791,734	812,331
Total non-current assets	969,987	982,175
Total assets	11,999,875	12,330,426
Liabilities		
Current liabilities		
Current portion of long-term borrowings	33,880	33,880
Income taxes payable	1,354,227	586,569
Accrued consumption taxes	628,926	302,485
Other	942,185	1,262,437
Total current liabilities	2,959,219	2,185,371
Non-current liabilities		
Long-term borrowings	14,535	7,545
Lease liabilities	6,972	6,120
Total non-current liabilities	21,507	13,665
Total liabilities	2,980,726	2,199,036
Net assets		
Shareholders' equity		
Share capital	80,569	80,569
Capital surplus	1,305,572	890,722
Retained earnings	10,128,781	11,221,354
Treasury shares	-2,500,967	-2,071,335
Total shareholders' equity	9,013,955	10,121,311
Accumulated other comprehensive income		
Foreign currency translation adjustment	-	-49
Total accumulated other comprehensive income	-	-49
Share acquisition rights	5,193	10,127
Total net assets	9,019,149	10,131,389
Total liabilities and net assets	11,999,875	12,330,426

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Cumulative First Quarter

(Thousands of yen)

	Previous Cumulative First Quarter (From October 1, 2023 to December 31, 2023)	Current Cumulative First Quarter (From October 1, 2024 to December 31, 2024)
Net sales	4,900,395	4,178,270
Cost of sales	854,824	1,450,550
Gross profit	4,045,570	2,727,720
Selling, general and administrative expenses	692,327	1,043,511
Operating profit	3,353,242	1,684,209
Non-operating income		
Interest income	0	118
Miscellaneous income	2,634	1,466
Total non-operating income	2,635	1,585
Non-operating expenses		
Interest expenses	253	184
Foreign exchange losses	-	118
Organization expenses	134	213
Office relocation expenses	2,529	-
Other	-	0
Total non-operating expenses	2,917	517
Ordinary profit	3,352,960	1,685,276
Net income before income taxes	3,352,960	1,685,276
Income taxes	1,177,546	592,703
Quarterly net income	2,175,413	1,092,573
Profit attributable to owners of parent	2,175,413	1,092,573

Quarterly Consolidated Statement of Income
Cumulative First Quarter

(Thousands of yen)

	Previous Cumulative First Quarter (From October 1, 2023 to December 31, 2023)	Current Cumulative First Quarter (From October 1, 2024 to December 31, 2024)
Quarterly net income	2,175,413	1,092,573
Other comprehensive income		
Foreign currency translation adjustment	-	-49
Total other comprehensive income	-	-49
Quarterly comprehensive income	2,175,413	1,092,524
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	2,175,413	1,092,524
Quarterly comprehensive income attributable to non-controlling shareholders	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including the first quarter under review, and multiplying the quarterly profit before income taxes by such estimated effective tax rate.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”)

The “Accounting Standard for Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) is applied from the beginning of the first quarter of the current consolidated fiscal year.

The revision of the classification of income taxes (taxation on other comprehensive income) is in accordance with the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). This change has no impact on the quarterly consolidated financial statements.

In addition, for the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Company has adopted the Revised Guidance 2022 from the beginning of the first quarter of the current consolidated fiscal year. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year's first quarter and the previous fiscal year have been prepared on a retrospective basis. This change has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous consolidated fiscal year.

(Notes to segment information)

Segment information

Previous Cumulative First Quarter (From October 1, 2023 to December 31, 2023)

Information on sales and profit or loss by reportable segment and decomposition of income

(Thousands of yen)

	Reportable segment		Other *1	Total	Adjustment *2	Amount recorded in Quarterly Consolidated Statement of Income *3
	M&A Brokerage	Total				
Net sales						
Revenue from contracts with customers	4,892,895	4,892,895	7,500	4,900,395	—	4,900,395
Net sales to external customers	4,892,895	4,892,895	7,500	4,900,395	—	4,900,395
Internal sales or transfers between segments	—	—	—	—	—	—
Total	4,892,895	4,892,895	7,500	4,900,395	—	4,900,395
Segment income or loss	3,294,346	3,294,346	-12,321	3,282,024	71,218	3,353,242

Notes: 1. The “Other” category is a business segment not included in the reportable segments and consists of consulting business and asset management consulting business.

2. The ¥71,218 thousand adjustment to segment income or loss includes corporate income and expenses that are not allocated to each business segment. Corporate income consists mainly of management guidance fees from each business segment, while corporate expenses consist mainly of general and administrative expenses that do not belong to each business segment.

3. Total segment income or loss is the same as operating income in the quarterly consolidated statements of income.

Current Cumulative First Quarter (From October 1, 2024 to December 31, 2024)

Information on sales and profit or loss by reportable segment and decomposition of income

(Thousands of yen)

	Reportable segment		Other *1	Total	Adjustment *2	Amount recorded in Quarterly Consolidated Statement of Income *3
	M&A Brokerage	Total				
Net sales						
Revenue from contracts with customers	3,956,110	3,956,110	222,159	4,178,270	—	4,178,270
Net sales to external customers	3,956,110	3,956,110	222,159	4,178,270	—	4,178,270
Internal sales or transfers between segments	—	—	—	—	—	—
Total	3,956,110	3,956,110	222,159	4,178,270	—	4,178,270
Segment income or loss	1,740,641	1,740,641	-37,270	1,703,371	-19,162	1,684,209

Notes: 1. The “Other” category is a business segment not included in the reportable segments and consists of consulting business and asset management consulting business.

2. The -¥19,162 thousand adjustment to segment income or loss includes corporate income and expenses that are not allocated to each business segment. Corporate income consists mainly of dividend income and management guidance fees from each business segment, while corporate expenses consist mainly of general and administrative expenses that do not belong to each business segment.

3. Total segment income or loss is the same as operating income in the quarterly consolidated statements of income.

(Notes in case of significant changes in shareholders' equity)

Treasury stock decreased by ¥429,632 thousand and other capital surplus decreased by ¥414,849 thousand due to the disposal of 161,244 shares of treasury stock upon exercise of stock options during the first quarter of the current consolidated cumulative period.

As a result, capital surplus amounted to ¥890,722 thousand and treasury stock amounted to ¥2,071,335 thousand at the end of the first quarter under review.

(Notes on assumptions for going concern)

Not applicable.

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets) for the first quarter of the current fiscal year is as follows.

	Previous Cumulative First Quarter (From October 1, 2023 to December 31, 2023)	Current Cumulative First Quarter (From October 1, 2024 to December 31, 2024)
Depreciation and amortization	¥8,170thousand	¥16,291thousand

(Changes in the scope of consolidation or application of equity method)

M&A Research institute Singapore Pte. Ltd. was newly established and is therefore included in the scope of consolidation from the first quarter under review.

(Significant subsequent events)

(Reducing the amount of capital)

At the 6th Ordinary General Meeting of Shareholders held on December 20, 2024, the Group Company resolved to reduce the amount of capital as follows:

1. Purpose of reducing the amount of capital

To ensure the flexibility and maneuverability of future capital policies, the amount of capital will be reduced and transferred to other capital surplus based on the provisions of Article 447, Paragraph 1 of the Companies Act.

2. Procedures for reducing the amount of capital

(1) Amount of capital decrease

The capital amount of ¥80,569,630 as of November 18, 2024 will be reduced by ¥30,569,630 to ¥50,000,000. In the event that the stock options (share acquisition rights) issued by the Group Company are exercised by the effective date of the capital reduction, the amount of stated capital above, as well as the amount of stated capital after the reduction, will change.

(2) Method of reducing the amount of capital

The total number of issued shares will not change. Therefore, the entire amount of the decrease in capital stock of ¥30,569,630 will be transferred to other capital surplus.

3. Schedule for capital reduction

(1) Date of resolution at the Board of Directors	November 18, 2024
(2) Date of resolution at the Ordinary General Meeting of Shareholders	December 20, 2024
(3) Final date for creditor objections	January 27, 2025
(4) Effective date of capital reduction	January 31, 2025 (planned)

4. Future outlook

This capital reduction will not change the total number of shares issued, hence it will not affect the number of shares held by each shareholder. Additionally, there will be no change in the Group Company's net assets, hence no impact on the Group's financial results for the fiscal year ending September 2025.

(Establishment of subsidiaries)

At a meeting of the Board of Directors held on January 30, 2025, the Company resolved to establish a subsidiary in order to start a new business. The amount of capital of the subsidiary to be established is equal to or more than 10/100 of the amount of capital of the Company, and the subsidiary will be classified as a specified subsidiary of the Company.

1. Purpose of establishing a subsidiary

Since we were founded in October 2018, the Company has been engaged in the M&A brokerage business utilizing DX and AI technologies. Making good use of the extensive networks and insight we have developed through this business, we have decided to newly enter the operating lease business.

The operating lease business offers solutions that help companies optimize their tax strategies and asset efficiency, and is an attractive business model for building a stable revenue base. In addition, we have come to the decision that it is possible to develop this business by leveraging the networks that we have cultivated over the years.

Through this new subsidiary, we will push forward with this operating lease business in an effort to diversify our customer base and expand profit-earning opportunities, as well as to further bolster our corporate value.

2. Outline of subsidiary to be established

(1)	Name	Souken Leasing Inc.	
(2)	Location	Marunouchi Trust Tower North Building 18F, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Position and name of representative	CEO and Representative Director Shunsaku Sagami	
(4)	Business	Operating lease	
(5)	Capital stock	¥150,000 thousand	
(6)	Date of establishment	January 30, 2025	
(7)	Major Shareholders and Shareholding Ratio	M&A Research Institute Holdings Inc. 100%	
(8)	Accounting period	Fiscal year ending September 30	
(9)	Relationship between the Company and this subsidiary	Capital relationship	This subsidiary will be a wholly owned subsidiary of the Company.
		Personnel relationship	The Company's officers will serve concurrently.
		Business relationship	Not applicable as this subsidiary is a newly established company.

3. Future outlook

The impact on consolidated results for the fiscal year ending September 30, 2025 is expected to be negligible.