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April 30, 2025

Consolidated Financial Results for the Six Months Ended March 31, 2025 (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
Inquires: Hikaru Ogino, Director and CFO Telephone: +81-3-6665-7590
Scheduled date to file quarterly securities report: May 12, 2025 Scheduled date to commence dividend payments: —
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly 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 six months ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes of the interim period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim FY2025	7,658	-10.2	2,480	-49.8	2,489	-49.6	1,568	-50.6
Interim FY2024	8,526	120.1	4,938	115.9	4,937	116.1	3,173	102.5

Note: Quarterly comprehensive income: Interim FY2025: ¥1,568 million (-50.6 %) Interim FY2024: ¥3,173 million (102.5 %)

	Net income per share	Diluted earnings per share
	Yen	Yen
Interim FY2025	26.81	24.92
Interim FY2024	54.26	49.49

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Interim FY2025	12,930	10,623	82.0
FY2024	11,999	9,019	75.1

Reference: Equity: Interim FY2025: ¥10,597 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	—	0.00			
FY2025 (forecast)			—	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 company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	17,950	8.5	5,732	-31.8	5,740	-31.7	3,960	-31.6	67.45

Note: 1. Revisions to the earnings forecast most recently announced: None
Please refer to the “Notice Regarding Revision of Full-Year Consolidated Earnings Forecast” released today (April 30, 2025) for the revisions to the earnings forecast.
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 March 31, 2025 (excluding treasury stock).

* Notes

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

Newly included: 2 companies (Company names): M&A Research Institute Singapore Pte. Ltd., Soken Lease Co., Ltd. , Excluded: － companies (Company names): －

Note: For details, see "2. Interim Financial Statements and Notes Thereto (4) Notes to Interim Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of Interim consolidated financial statements)" on page 10 of the attached material.

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

Note: For details, see "2. Interim Financial Statements and Notes Thereto (4) Notes to Interim Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of interim consolidated financial statements)" on page 8 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 other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	Interim FY2025 59,312,793 shares	FY2024	59,312,793 shares
(ii) Number of treasury shares at the end of the period	Interim FY2025 777,417 shares	FY2024	938,631 shares
(iii) Average number of shares outstanding during the period (Interim)	Interim FY2025 58,510,774 shares	Interim FY2024	58,485,809 shares

* Second quarter (interim) financial results are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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 and Others" on page 3 of the attached material.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results in This Interim Period

During the six months under review, the Japanese economy showed a gradual recovery, supported by improvements in employment and income conditions as well as increased inbound demand. However, the outlook remains uncertain due to factors such as unstable international conditions, the depreciation of the yen, rising prices, and the impact of monetary policy.

The M&A market for small- and medium-sized enterprises in Japan, the Group Company's major 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 the consolidated fiscal year 2023, establishing three new subsidiaries in the previous consolidated cumulative period. One of these companies aims to launch a new consulting business thereby expanding our business beyond the M&A brokerage business.

During this interim consolidated cumulative accounting period, to acquire overseas M&A brokerage deals, we established a local subsidiary in Singapore. Furthermore, diversifying our customer base and expanding revenue opportunities, we established a new subsidiary to promote an operating lease business.

In this business environment, the Group made steady progress with M&A advisory deals, resulting in a total of 114 completed deals.

In the consulting business, the number of consultants increased to 72.

Consequently, net sales for the six months under review amounted to ¥7,658,882 thousand (down 10.2% YoY), with an operating profit of ¥2,480,537 thousand (down 49.8% YoY), ordinary profit of ¥2,489,284 thousand (down 49.6% YoY), and profit attributable to owners of the parent company was ¥1,568,704 thousand (down 50.6% YoY).

The segment performance is as follows:

(M&A Brokerage)

During the current consolidated cumulative accounting period, M&A advisory deals progressed steadily, resulting in a total of 114 completed deals.

As a result, net profits amounted to ¥7,095,263 thousand (down 16.4% YoY), and segment profit was ¥2,682,461 thousand (down 46.9% YoY).

(Other)

The "Other" segment includes the consulting business, asset management consulting business, and the operating lease business. In the consulting business, the number of consultants increased to 72.

As a result, net profits amounted to ¥563,619 thousand (compared to ¥42,990 thousand in the same period of the previous year), and the segment loss was ¥166,993 thousand (compared to a segment loss of ¥104,846 thousand in the same period of the previous year).

(2) Overview of Financial Position in This Interim Period

(i) Assets, Liabilities and Net Assets

(Assets)

Total assets increased by ¥930,355 thousand compared to the end of the previous consolidated fiscal year to ¥12,930,231 thousand. This was mainly due to an increase of ¥858,583 thousand in cash and deposits, and an increase of ¥198,401 thousand in accounts receivable.

(Liabilities)

Total liabilities decreased by ¥673,874 thousand compared to the end of the previous consolidated fiscal year, to ¥2,306,852 thousand. This was mainly due to a decrease of ¥516,568 thousand in consumption taxes payable and a decrease of ¥434,615 thousand in income taxes payable, despite increases of ¥202,031 thousand in accrued expenses included under "Other" and ¥164,242 thousand in accrued liabilities.

(Net assets)

Net assets increased by ¥1,604,230 thousand compared to the end of the previous consolidated fiscal year, to ¥10,623,379 thousand. This was mainly due to the recording of ¥1,568,704 thousand in interim net income attributable to the owners of parent.

(ii) Cash Flows

Cash and cash equivalents (hereinafter referred to as "Cash") at the end of the six months under review amounted to ¥11,033,257 thousand, an increase of ¥858,583 thousand from the end of the previous consolidated fiscal year.

The status of each cash flow and the factors therefore during the six months under review are as follows.

(Cash flows from operating activities)

Cash obtained as a result of operating activities amounted to ¥991,887 thousand (compared to ¥3,445,208 thousand in the same period of the previous year). This was mainly due to net income before income taxes of ¥2,489,284 thousand, while income taxes paid totaled ¥1,183,924 thousand and a decrease of ¥516,568 thousand in consumption taxes payable.

(Cash flows from investing activities)

Cash used in investing activities amounted to ¥125,180 thousand (compared to ¥116,114 thousand used in the same period of the previous year). This was mainly due to income of ¥237,889 thousand from the return of lease and guarantee deposits, offset by expenditures of ¥325,321 thousand for new lease and guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥7,738 thousand (compared to ¥43,444 thousand provided in the same period of the previous year). This was mainly due to income of ¥14,782 thousand from the issuance of shares through the exercise of share acquisition rights, offset by expenditures of ¥20,970 thousand for the repayment of long-term borrowings.

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

Please refer to the "Notice Regarding Revision of Full-Year Consolidated Earnings Forecast" released today (April 30, 2025) for the current forecasts for the fiscal year ending September 30, 2025.

2. Interim Financial Statements and Notes Thereto

(1) Interim Consolidated Balance Sheet

(Thousands of yen)

	Previous consolidated fiscal year (September 30, 2024)	Current interim consolidated period (March 31, 2025)
Assets		
Current assets		
Cash and deposits	10,174,674	11,033,257
Accounts receivable	371,457	569,859
Other	483,756	228,136
Total current assets	11,029,888	11,831,252
Non-current assets		
Property, plant and equipment	169,173	164,120
Intangible assets	9,079	10,693
Investments and other assets	791,734	924,164
Total non-current assets	969,987	1,098,978
Total assets	11,999,875	12,930,231
Liabilities		
Current liabilities		
Current portion of long-term borrowings	33,880	17,500
Accrued income taxes	1,354,227	919,612
Accrued consumption taxes	628,926	112,358
Other	942,185	1,239,304
Total current liabilities	2,959,219	2,288,775
Non-current liabilities		
Long-term borrowings	14,535	9,945
Lease liabilities	6,972	8,131
Total non-current liabilities	21,507	18,076
Total liabilities	2,980,726	2,306,852
Net assets		
Shareholders' equity		
Share capital	80,569	50,000
Capital surplus	1,305,572	921,292
Retained earnings	10,128,781	11,697,484
Treasury shares	-2,500,967	-2,071,379
Total shareholders' equity	9,013,955	10,597,397
Accumulated other comprehensive income		
Foreign currency translation adjustment	-	-385
Total accumulated other comprehensive income	-	-385
Share acquisition rights	5,193	26,367
Total net assets	9,019,149	10,623,379
Total liabilities and net assets	11,999,875	12,930,231

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

Interim Consolidated Statement of Income

(Thousands of yen)

	Previous interim consolidated period (From October 1, 2023 to March 31, 2024)	Current interim consolidated period (From October 1, 2024 to March 31, 2025)
Net sales	8,526,493	7,658,882
Cost of sales	1,969,641	2,888,950
Gross profit	6,556,851	4,769,932
Selling, general and administrative expenses	1,618,658	2,289,394
Operating profit	4,938,193	2,480,537
Non-operating income		
Interest income	41	5,067
Miscellaneous income	3,894	6,568
Total non-operating income	3,936	11,636
Non-operating expenses		
Interest expenses	557	371
Incorporation expenses	134	1,563
Other	3,922	954
Total non-operating expenses	4,614	2,889
Ordinary profit	4,937,515	2,489,284
Extraordinary loss		
Loss on disposal of non-current assets	0	-
Total extraordinary loss	0	-
Net income before income taxes	4,937,515	2,489,284
Income taxes	1,764,214	920,580
Interim net income	3,173,301	1,568,704
Profit attributable to owners of parent	3,173,301	1,568,704

Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous interim consolidated period (From October 1, 2023 to March 31, 2024)	Current interim consolidated period (From October 1, 2024 to March 31, 2025)
Interim net income	3,173,301	1,568,704
Other comprehensive income		
Foreign currency translation adjustment	-	-385
Total other comprehensive income	-	-385
Interim comprehensive income	3,173,301	1,568,318
(Breakdown)		
Interim comprehensive income attributable to owners of parent	3,173,301	1,568,318
Interim comprehensive income attributable to noncontrolling shareholders	-	-

(3) Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous interim consolidated period (From October 1, 2023 to March 31, 2024)	Current interim consolidated period (From October 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Net income before income taxes	4,937,515	2,489,284
Depreciation and amortization	20,787	31,812
Interest income	-41	-5,067
Interest expenses	557	371
Decrease (increase) in trade receivables (minus indicates increase)	-131,930	-198,401
Increase (decrease) in accrued consumption taxes (minus indicates decrease)	-19,898	-516,568
Other	195,786	369,666
Subtotal	5,002,775	2,171,096
Interest income received	41	5,067
Interest payments	-581	-352
Income taxes paid	-1,557,027	-1,183,924
Cash flows from operating activities	3,445,208	991,887
Cash flows from investing activities		
Purchases of property, plant and equipment	-92,116	-16,112
Payment for lease and guarantee deposits	-24,823	-325,321
Proceeds from refund of lease and guarantee deposits	960	237,889
Other	-134	-21,636
Cash flows from investing activities	-116,114	-125,180
Cash flows from financing activities		
Repayment of long-term borrowings	-20,970	-20,970
Payments for purchase of treasury shares	-306	-43
Proceeds from issuance of shares resulting from exercise of share acquisition rights	65,656	14,782
Repayment of lease liabilities	-934	-1,506
Cash flows from financing activities	43,444	-7,738
Translation Adjustments for Cash and Cash Equivalents	-	-385
Net increase (decrease) in cash and cash equivalents (minus indicates decrease)	3,372,539	858,583
Cash and cash equivalents at beginning of fiscal year	7,430,428	10,174,674
Cash and cash equivalents at end of interim	10,802,967	11,033,257

(4) Notes to Interim Consolidated Financial Statements

(Adoption of accounting treatment specific to the preparation of interim 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 current interim consolidated period, and multiplying the interim profit before income taxes by such estimated effective tax rate.

(Changes in accounting policies)

(Application of "Accounting Standard for Income Taxes, Inhabitants Taxes and Enterprise Taxes", etc.)

The “Accounting Standard for Income Taxes, Inhabitants Taxes and Enterprise Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”), etc., have been applied from the beginning of the current interim consolidated period.

Regarding the revision related to the classification of income taxes, etc., (taxation on other comprehensive income), transitional treatments stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and Paragraph 65-2(2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”) have been followed. These changes have no impact on the interim consolidated financial statements.

Additionally, with respect to revisions related to the treatment in consolidated financial statements of deferred gains or losses arising from the sale of shares of subsidiaries among consolidated companies for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the current interim consolidated period. This change in accounting policy has been applied retrospectively, and the interim consolidated financial statements for the previous interim and the consolidated financial statements for the previous fiscal year have been restated accordingly. However, the impact on these financial statements is immaterial.

(Notes on Segment Information, etc.)

[Segment Information]

Previous interim consolidated period (From October 1, 2023 to March 31, 2024)

1. Information on net sales and profit or loss by reportable segment and revenue breakdown

(Thousands of yen)

	Reportable Segment		Other (Note 1)	Total	Adjustment (Note 2)	Amount Recorded in Quarterly Consolidated Statement of Income (Note 3)
	M&A brokerage	Total				
Net sales						
Revenue from contracts with customers	8,483,503	8,483,503	42,990	8,526,493	—	8,526,493
Sales to external customers	8,483,503	8,483,503	42,990	8,526,493	—	8,526,493
Intersegment sales or transfers	—	—	—	—	—	—
Total	8,483,503	8,483,503	42,990	8,526,493	—	8,526,493
Segment profit or loss (minus indicates loss)	5,047,120	5,047,120	-104,846	4,942,274	-4,080	4,938,193

Note: 1. The "Others" category represents business segments not included in the reportable segment, and includes consulting services and asset management consulting businesses.

2. The adjustment amount of -¥4,080 thousand for segment profit or loss includes elimination of intersegment transactions and corporate income and expenses not allocated to any reportable segment. Corporate income mainly consists of management fees from reportable segments, and corporate expenses mainly consist of general administrative expenses not attributable to any reportable segment.

3. The total amount of segment profit or loss agrees with operating profit in the Interim Consolidated Statement of Income.

Current interim consolidated period (From October 1, 2024 to March 31, 2025)

1. Information on net sales and profit or loss by reportable segment and revenue breakdown

(Thousands of yen)

	Reportable Segment		Other (Note 1)	Total	Adjustment (Note 2)	Amount Recorded in Quarterly Consolidated Statement of Income (Note 3)
	M&A brokerage	Total				
Net sales						
Revenue from contracts with customers	7,095,263	7,095,263	563,619	7,658,882	—	7,658,882
Sales to external customers	7,095,263	7,095,263	563,619	7,658,882	—	7,658,882
Intersegment sales or transfers	—	—	—	—	—	—
Total	7,095,263	7,095,263	563,619	7,658,882	—	7,658,882
Segment profit or loss (minus indicates loss)	2,682,461	2,682,461	-166,993	2,515,468	-34,930	2,480,537

Note: 1. The "Others" category represents business segments not included in the reportable segment, and includes consulting services, asset management consulting businesses, and operating lease business.

2. The adjustment amount of -¥34,930 thousand for segment profit or loss includes elimination of intersegment transactions and corporate income and expenses not allocated to any reportable segment. Corporate income mainly consists of management fees from reportable segments, and corporate expenses mainly consist of general administrative expenses not attributable to any reportable segment.

3. The total amount of segment profit or loss agrees with operating profit in the Interim Consolidated Statement of Income.

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

During the current interim consolidated accounting period, the disposal of 161,244 shares of treasury stock upon the exercise of stock options resulted in a decrease of ¥429,632 thousand in treasury stock and a decrease of ¥414,849 thousand in other capital surplus.

Furthermore, based on the resolution of the Ordinary General Meeting of Shareholders held on December 20, 2024, the capital reduction became effective on January 31, 2025. As a result, capital stock decreased by ¥30,569 thousand, and the entire amount was transferred to other capital surplus.

Consequently, including the repurchase of fractional shares, as of the end of the current interim consolidated accounting period, capital stock amounted to ¥50,000 thousand, capital surplus to ¥921,292 thousand, and treasury stock to ¥2,071,379 thousand.

(Notes on assumptions for going concern)

Not applicable.

(Notes on changes in scope of consolidation or application of the equity method)

From the current interim consolidated accounting period, due to the establishment of M&A Research Institute Singapore Pte. Ltd. and Soken Lease Co., Ltd., these entities have been included in the scope of consolidation.

(Significant subsequent events)

(Acquisition of Own Shares)

At a meeting of the Board of Directors held on April 30, 2025, the matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act. The details are described below.

1. Reason for acquisition of own shares

We are considering the allocation of our shares to be granted upon the exercise of stock options for our officers and employees, as well as enabling the implementation of a flexible capital policy in response to the business environment. Additionally, we recognize that the current stock price does not fully reflect future profitability. Taking into account the recent stock market trends and the movement of our stock price, we have decided to repurchase our own shares.

2. Details of the Share Repurchase

1. Class of shares to be acquired	Common shares of M&A Research Institute Holdings Inc.
2. Total number of shares to be acquired	7,500,000 shares (maximum) (12.81% of total number of issued shares (excluding treasury shares))
3. Total amount of share acquisition costs	7.5 billion yen (maximum)
4. Acquisition period	From May 1,2025 to September 30,2025