

Financial and Non-financial Highlights

Financial Items												
Fiscal Year		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Business Performance												
Sales	(Million yen)	7,214	10,547	12,227	14,778	19,069	24,625	28,463	32,009	34,795	40,401	41,315
M&A sales	(Million yen)	7,064	10,361	12,009	14,542	18,800	24,321	27,965	31,191	33,743	38,807	39,785
Other sales	(Million yen)	150	186	218	235	269	304	497	818	1,051	1,593	1,530
Operating profit	(Million yen)	3,405	5,448	6,098	7,002	9,046	11,605	12,533	14,247	15,336	16,430	15,298
Ordinary profit	(Million yen)	3,437	5,496	6,310	7,116	9,070	11,670	12,533	14,467	15,468	16,864	15,472
Profit before income taxes	(Million yen)	3,432	5,474	6,311	7,116	9,070	11,670	12,515	14,681	15,616	16,661	15,472
Profit attributable to parent company	(Million yen)	2,074	3,344	3,950	4,840	6,174	8,146	8,867	10,273	10,678	11,437	9,842
Financial positions												
Total assets	(Million yen)	10,564	13,977	16,750	20,141	24,956	31,737	35,638	44,296	54,110	58,919	65,765
Property, plant and equipment	(Million yen)	96	121	196	441	411	517	480	550	532	575	586
Capital	(Million yen)	8,363	10,902	13,465	16,741	16,059	21,995	27,143	35,858	44,451	50,743	54,431
Net assets	(Million yen)	8,364	10,903	13,465	16,763	16,080	22,043	27,264	35,943	44,690	51,026	54,720
Interest bearing liability (borrowings, bonds payable, etc.)	(Million yen)	100	100	100	100	4,500	3,500	2,500	1,500	500	—	—
Cash flows												
Cash flows from operating activities	(Million yen)	2,707	4,278	3,654	4,440	7,769	9,813	6,914	10,313	11,458	11,099	8,153
Cash flows from investing activities	(Million yen)	309	(1,020)	(6,269)	(5,210)	1,462	(8,102)	(605)	(5,801)	22,324	270	(3,999)
Free cash flows	(Million yen)	3,017	3,258	(2,615)	(770)	9,231	1,711	6,309	4,512	33,783	11,370	4,154
Cash flows from financing activities	(Million yen)	(666)	(799)	(1,440)	(1,498)	(2,555)	(3,418)	(4,549)	(2,327)	(3,095)	(5,943)	(6,093)
Stock-related information												
Basic earnings per share*2 *3	(yen)	155.60	83.63	98.78	121.04	77.21	50.82	55.13	63.30	32.46	34.60	29.76
Net assets per share	(yen)	627.47	272.65	336.72	418.66	202.21	136.78	168.75	219.91	134.49	153.51	164.48
Dividends	(yen)	55	90	35	49	44.5	41	23	26	28	18	23
Payout ratio	(%)	35.3	35.9	35.4	40.5	40.2	40.3	41.7	41.1	43.1	52.0	77.3
Financial indicators												
ROE (return on equity)	(%)	27.1	34.7	32.4	32.0	37.6	42.8	36.1	32.6	26.6	24.0	18.7
ROA (return on assets)	(%)	35.8	44.8	41.1	38.6	40.2	41.2	37.2	36.2	31.4	29.8	24.8
Capital adequacy ratio	(%)	79.2	78.0	80.4	83.1	64.3	69.3	76.2	81.0	82.1	86.1	82.8
Others												
Market capitalization	(Million yen)	55,251	110,529	165,953	261,926	292,928	599,512	496,481	490,722	1,007,254	581,233	331,543
Fiscal year-end share price*2 *3	(yen)	172.7	345.5	497.5	818.8	905.0	1,830.0	1,515.0	1,477.5	2,993.0	1,727.0	984.0
Transactions closed	(number of transactions)	207	256	338	420	524	649	770	885	886	996	1,050

Non-financial Items												
Fiscal Year		FY2018	FY2019	FY2020	FY2021	FY2022		FY2018	FY2019	FY2020	FY2021	FY2022
Environment												
GHG emissions volume*4 *5	(t-CO ₂)	187.7	205.9	120.9	0	129.1						
Scope 1*6	(t-CO ₂)	0	0	0	0	0						
Scope 2*6 *7 *8	(t-CO ₂)	187.7	205.9	120.9*9	0*9	129.1						
Scope 3*9	(t-CO ₂)	1,496.9	1,589.3	1,019.2	1,417.4	2,370.9						
Employment												
Number of employees	(persons)	—	582	810	972	1,083						
Number of M&A consultants	(persons)	—	390	473	568	622						
Rate of annually taking paid leave*1	(%)	—	35.80	35.40	40.00	46.6						
Average salary*1	(thousand yen)	—	13,533	12,434	12,022	11,140						
Rate of turnover*1	(%)	—	12.6	11.2	15.1	14.9						
Percentage of graduate entrants/mid-career hires	Graduate entrants (%)	—	7.9	8.5	10.1	19.6						
	Mid-career hires (%)	—	92.1	91.5	89.9	80.4						
Number of graduate entrants hired	(persons)	—	14	16	24	43						
Average age of employees	(age)	—	34.7	34.3	34.0	33.8						
Number of labor accidents	(cases)	—	3	0	2	0						
Diversity & inclusion												
Ratio of female managers	(%)	—	12.17	9.77	11.11	11.50						
Return-to-work rate after maternity/paternity leave	Male (%)	—	—	—	100.00	100.00						
	Female (%)	—	—	87.50	100.00	100.00						
Rate of taking maternity/paternity leave*10	Male (%)	—	0.00	0.00	10.00	30.20						
	Female (%)	—	100.00	100.00	100.00	100.00						
Health management												
Percentage of employees receiving health checkups*1	(%)	—	97.7	99.6	99.8	100.0						

*1 These are the figures for Nihon M&A Center Inc.

*2 As of April 1, 2014, the Company conducted a three-for-one share split of its common stock.

*3 As of October 1, 2016, April 1, 2018, and April 1, 2021, the Company conducted two-for-one share splits of its common stock respectively.

*4 Scope 1, 2, and 3 are defined by the GHG Protocol, an internationally recognized guideline.

Scope 1 is the direct GHG emissions from oil and fuels, etc. Scope 2 is the indirect GHG emissions from electricity use, etc.

*5 Since Scope 1 energy use is zero, total GHG emissions volume is assumed with Scope 2.

*6 Scope 1 and 2 cover the Tokyo head office until FY2021. The coverage has been expanded since FY2022. (Tokyo head office, Nishi-Nihon Branch, Chuubu Branch, Kyushu Sales Branch, Chuu-Shikoku Sales Branch, Hokkaido Sales Office, Okinawa Sales Office)

*7 Since January 2021, the TEKKO BUILDING which houses the Company, has been running on 100% renewable energy (biomass power generation). This is Japan's first for a large-scale mixed-use building (according to research by Tekko Building Co., Ltd.).

For this reason, the GHG emissions of Scope 2 were calculated using a CO₂ emission factor of 0 (zero) during the period from January to March 2021.

*8 In April 2022, since GHG emissions volumes were recalculated using more precise and detailed electricity consumption data, the disclosed figures for FY2018 and beyond have been updated.

*9 Scope 3 emissions are calculated based on emissions from aircrafts used in business trips at all locations (April 2016 - August 2017 domestic routes only).

*10 Special People Association co., Ltd is excluded from the calculation.

Consolidated Financial Statements

Consolidated Balance Sheets

(Unit: thousand yen)

	As of March 31, 2022	As of March 31, 2023		As of March 31, 2022	As of March 31, 2023
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	47,303,408	45,575,005	Accounts payable	560,867	878,918
Accounts receivable	1,460,003	2,998,881	Accrued expenses	1,976,488	1,734,574
Prepaid expenses	419,422	474,963	Income taxes payable	2,168,560	4,682,440
Other	792,951	3,958,614	Contract liabilities	433,610	297,975
Allowance for doubtful accounts	—	(8,490)	Deposits received	173,589	142,598
Total current assets	49,975,785	52,998,975	Provision for bonuses	307,284	306,649
Fixed assets			Other	1,910,766	2,634,965
Property, plant and equipment			Total current liabilities	7,531,166	10,678,121
Buildings	594,309	694,841	Long-term liabilities		
Accumulated depreciation	(279,569)	(326,241)	Long-term accounts payable - other	362,015	366,403
Buildings, net	314,740	368,599	Total long-term liabilities	362,015	366,403
Other	624,830	631,548	Total liabilities	7,893,181	11,044,524
Accumulated depreciation	(363,715)	(413,643)	Net assets		
Other, net	261,115	217,905	Shareholders' equity		
Total property, plant and equipment	575,855	586,505	Paid-in capital	3,785,441	4,045,552
Intangible assets	230,947	298,324	Capital surplus	3,648,519	3,908,630
Investments and other assets			Retained earnings	47,822,611	51,052,399
Investment securities	6,449,837	8,861,515	Treasury shares	(4,962,928)	(4,963,063)
Deferred tax assets	505,457	656,265	Total shareholders' equity	50,293,642	54,043,518
Long-term time deposits	7,264	7,866	Accumulated other comprehensive income		
Other	1,174,035	2,355,610	Valuation difference on available-for-sale securities	446,881	357,701
Total investments and other assets	8,136,595	11,881,257	Foreign currency translation adjustment	2,624	29,940
Total non-current assets	8,943,399	12,766,087	Total accumulated other comprehensive income	449,506	387,641
Total assets	58,919,184	65,765,062	Share acquisition rights	16,123	14,404
			Non-controlling interests	266,729	274,974
			Total net assets	51,026,002	54,720,538
			Total liabilities and net assets	58,919,184	65,765,062

Consolidated Statements of Income

(Unit: thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Sales	40,401,573	41,315,716
Cost of sales	16,258,217	17,803,776
Gross profit	24,143,355	23,511,939
Selling, general and administrative expenses	7,713,252	8,213,606
Operating profit	16,430,102	15,298,332
Non-operating income		
Compensation income	2,404	—
Interest income	9,623	12,928
Dividend income	28,000	35,016
Gain on investments in investment partnerships	226,986	25,310
Share of profit of entities accounted for using equity method	111,893	87,687
Foreign exchange gains	3,058	—
Subsidy income	48,862	—
Miscellaneous income	20,409	60,846
Other	7,254	971
Total non-operating income	458,493	222,760
Non-operating expenses		
Interest expenses	593	0
Foreign exchange losses	—	10,389
Miscellaneous losses	23,939	34,614
Other	—	3,200
Total non-operating expenses	24,532	48,203
Ordinary profit	16,864,064	15,472,889
Extraordinary income		
Gain on sale of non-current assets	2,355	—
Gain on sale of investment securities	399	—
Total extraordinary income	2,755	—
Extraordinary losses		
Expenses related to correction of prior period financial statements	205,494	—
Total extraordinary losses	205,494	—
Profit before income taxes	16,661,325	15,472,889
Income taxes - current	5,233,687	5,725,327
Income taxes - deferred	(60,712)	(103,627)
Total income taxes	5,172,974	5,621,700
Profit	11,488,350	9,851,188
Profit attributable to non-controlling interests	50,789	8,253
Profit attributable to owners of parent	11,437,560	9,842,935

Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	11,488,350	9,851,188
Other comprehensive income		
Valuation difference on available-for-sale securities	293,925	(89,180)
Foreign currency translation adjustment	4,315	27,306
Total other comprehensive income	298,241	(61,873)
Comprehensive income	11,786,591	9,789,315
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,735,285	9,781,070
Comprehensive income attributable to non-controlling interests	51,305	8,244

Consolidated Financial Statements

Consolidated Statements of Cash Flows

(Unit: thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,661,325	15,472,889
Depreciation	142,561	205,120
Amortization of goodwill	22,059	22,059
Increase (decrease) in allowance for doubtful accounts	—	8,490
Increase (decrease) in provision for bonuses	72,868	(634)
Increase (decrease) in provision for bonuses for directors (and other officers)	(371,000)	—
Interest and dividend income	(37,623)	(47,944)
Interest expenses	593	0
Loss (gain) on sale of non-current assets	(2,355)	—
Foreign exchange losses (gains)	(4,960)	(10,350)
Share of loss (profit) of entities accounted for using equity method	(111,893)	(87,687)
Loss (gain) on sale of investment securities	(399)	—
Expenses related to correction of prior period financial statements	205,494	—
Decrease (increase) in trade receivables	1,589,704	(1,538,414)
Decrease (increase) in prepaid expenses	(88,618)	(55,343)
Increase (decrease) in trade payables	8,895	314,347
Increase (decrease) in accrued expenses	(126,677)	(242,175)
Increase (decrease) in advances received	(171,920)	—
Increase (decrease) in contract liabilities	433,366	(136,178)
Increase (decrease) in deposits received	21,996	(31,086)
Increase (decrease) in long-term accounts payable - other	(29,492)	4,388
Decrease (increase) in leasehold and guarantee deposits	29,072	(178,329)
Decrease (increase) in consumption taxes refund receivable	(656,631)	(752,749)
Other	(202,309)	722,052
Subtotal	17,384,056	13,668,455
Interest and dividends received	89,401	99,651
Interest paid	(596)	(0)
Payment of expenses related to correction of prior period financial statements	(106,424)	—
Income taxes paid	(6,266,452)	(5,614,707)
Cash flows provided by (used in) operating activities	11,099,984	8,153,399
Cash flows from investing activities		
Purchase of property, plant and equipment	(165,390)	(178,693)
Purchase of intangible assets	(89,397)	(139,879)
Purchase of investment securities	(873,857)	(2,674,892)
Proceeds from sale of investment securities	400	—
Proceeds from share of profits on investments in capital	383,941	151,127
Payments into time deposits	(2,999)	(169,285)
Proceeds from withdrawal of time deposits	1,000,000	—
Other	17,785	(987,379)
Cash flows provided by (used in) investing activities	270,480	(3,999,003)
Cash flows from financing activities		
Proceeds from issuance of shares	10,820	518,994
Proceeds from issuance of share acquisition rights	—	480
Purchase of treasury shares	(664)	(135)
Repayments of long-term borrowings	(500,000)	—
Dividends paid	(5,453,956)	(6,613,147)
Cash flows provided by (used in) financing activities	(5,943,800)	(6,093,808)
Effect of exchange rate change on cash and cash equivalents	10,463	38,801
Net increase (decrease) in cash and cash equivalents	5,437,128	(1,900,610)
Cash and cash equivalents at beginning of period	41,863,754	47,300,883
Cash and cash equivalents at end of period	47,300,883	45,400,272

Corporate and Stock Information (As of March 31, 2023)

Company Information

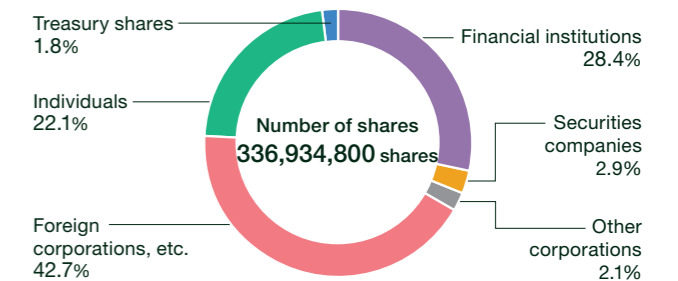
Company name	Nihon M&A Center Holdings Inc.
Paid-in capital	4,045 Million yen (Tokyo Stock Exchange Prime Market/ Stock code: 2127)
Established	April 25, 1991
Number of employees (consolidated)	1,111 (as of September 30, 2023)
Location	Tokyo head office 24F TEKKO BUILDING, 1-8-2, Marunouchi, Chiyoda-ku, Tokyo, Japan 100-0005
Major group companies	Nihon M&A Center Inc. Corporate Value Laboratory Inc. Japan PMI consulting Inc. Batonz Co., Ltd. ZUUM-A Co., Ltd. Special People Association co., Ltd Nihon M&A Center Vietnam co., LTD. Nihon M&A Center Singapore Pte. Ltd. Nihon M&A Center Malaysia Sdn. Bhd. Japan Private Equity Co., Ltd. Yano Research Institute Ltd. Next-Navi Inc. Japan Investment Fund Inc. Search Fund Japan, Inc.

Major Shareholders

Name	No. of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	59,925,000	18.11
Custody Bank of Japan, Ltd. (trust account)	22,807,300	6.89
Suguru Miyake	20,817,400	6.29
SSBTC CLIENT OMNIBUS ACCOUNT	10,760,242	3.25
Yasuhiro Wakebayashi	8,616,405	2.60
THE BANK OF NEW YORK MELLON 140044	5,508,900	1.66
STATE STREET BANK WEST CLIENT - TREATY 505234	5,205,800	1.57
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	4,521,918	1.37
RBC ISB S/A DUB NON RESIDENT/TREATY RATE UCITS-CLIENTS ACCOUNT-MIG	4,356,500	1.32
The Dai-ichi Life Insurance Company, Limited	3,981,200	1.20

*Shareholding ratio is calculated excluding 6,005,099 shares of treasury stock.

Distribution of Shares by Type of Shareholder

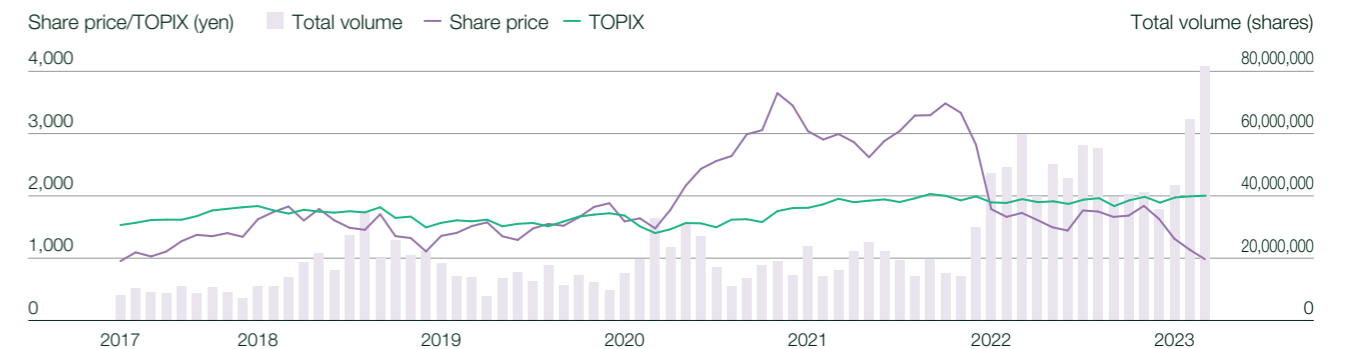


Stock Information

Total number of shares authorized	576,000,000 shares
Total number of shares outstanding	336,934,800 shares
Total number of shareholders	62,367

*Total number of shares outstanding includes 6,005,099 shares of treasury stock.

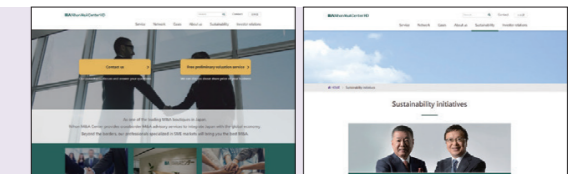
Share Price



*As of April 1, 2021 and April 1, 2018, the Company conducted two-for-one share splits of its common stock.



The Company's Website

<https://www.nihon-ma.co.jp/en/>

External Evaluations, Commitments, and Inclusion in the Index

Nihon M&A Center Group places great emphasis on promoting dialogue with stakeholders and is strengthening the way it conveys information on initiatives to increase long-term corporate value. We use evaluations provided by global ESG evaluation organizations as reference indicators for our initiatives and participate in global initiatives to help create shared value with society. Below are details of the main ESG indices that include our stock, evaluations by external organizations, and the international initiatives we support.

MSCI Japan Empowering Women Index (WIN)

Nihon M&A Center has been included in the MSCI Japan Empowering Women Index (WIN), a global index for ESG investment, for three consecutive years since 2021.

The index is made up of companies from individual industries with an excellent record in diversity-related initiatives. It has been selected as an ESG index for managing stocks by the Government Pension Investment Fund (GPIF).

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

TERMS AND CONDITIONS
<http://info.msci.com/1/36252/2017-06-27/kj5n9b>



FTSE4Good Index Series, FTSE Blossom Japan Series

We have been included in the FTSE4Good Index Series, a global index for ESG investment, and the FTSE Blossom Japan Index, a comprehensive ESG stock price index for Japanese companies, for three consecutive years since 2021. We were also included in the FTSE Blossom Japan Sector Relative Index (FTSE Blossom SR) which was newly established last year. The index is designed to reflect the performance of Japanese companies that demonstrate relatively excellent Environmental, Social and Governance (ESG) practices in their respective sectors.

FTSE Blossom Japan Index and FTSE Blossom SR have been selected as an ESG index for managing stocks by the Government Pension Investment Fund (GPIF).

*FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Nihon M&A Center Holdings, Inc. has qualified for inclusion in the FTSE4Good Global Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index as a result of independent investigation. These indexes were established and designed to measure the performance of companies that demonstrate excellent Environmental, Social and Governance (ESG) practices by FTSE Russell, a global index provider. The indexes are widely used to create and evaluate sustainable investment funds and other financial products.

S&P/JPX Carbon Efficient Index

We were included in the S&P/JPX Carbon Efficient Index, a stock price index with a focus on E (environment), which covers stocks listed on the Tokyo Stock Exchange Index (TOPIX) and determines the inclusion ratio of its constituent stocks based on the status of environmental information disclosure and the carbon efficiency level. The index was jointly developed and is calculated by the US-based S&P Dow Jones Indexes and the Japan Exchange Group. The index has been selected as an ESG index for managing stocks by the Government Pension Investment Fund (GPIF).



JPX-Nikkei Index 400

The JPX-Nikkei Index 400 is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The index is jointly calculated and published by JPX Market Innovation & Research and Nikkei.



JPX Prime 150 Index

We were included in the JPX Prime 150 Index, a new stock price index developed by JPX Market Innovation & Research, Inc., which is composed of stocks selected to represent companies that are estimated to create value based on two perspectives to measure value creation: return on capital and market valuation. The Company was selected based on equity spread criteria (return on capital).

GUINNESS WORLD RECORDS™ title

Guinness World Records recognized us as “Best-selling mergers and acquisitions advisory company” for three consecutive years in 2020 (783 cases), 2021 (1,013 cases), and 2022 (989 cases).

*Best-selling M&A financial advisory company
 Target period: 2020, 2021, 2022



UN Global Compact

In September 2022, we signed the UN Global Compact, the world's largest sustainability initiative designed to encourage the UN, corporations, and organizations to join forces to build a healthy global society.

