GCA

FY2021 Upward Revised Earnings Forecast

Tokyo, Japan, September 9, 2021 – Based on the current business performance and outlook for the remainder of the fiscal year, the Board of Directors of GCA ("we" or the "Company") has decided to revise upward the FY2021 consolidated earnings forecast as follows.

1. FY2021 Consolidated Earnings Forecast

1) Non-GAAP (unit: Million JPY)

	Revenue	Operating income	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Current forecast (As of Aug 3, 2021) (A)	39,000	5,500	5,400	3,800	3,750	83.78
Revised forecast (B)	**47,500**	**6,900**	**6,800**	**4,700**	**4,650**	**103.75**
Increase (B)-(A)	8,500	1,400	1,400	900	900	
Change (%)	21.8%	25.5%	25.9%	23.7%	24.0%	
FY2020 results	21,763	2,698	2,661	1,881	1,728	40.28

2) IFRS (unit: Million JPY)

	Revenue	Operating income	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Current forecast (As of Aug 3, 2021) (C)	38,500	4,600	4,500	3,500	3,450	77.08
Revised forecast (D)	**47,000**	**6,000**	**5,900**	**4,450**	**4,400**	**98.17**
Increase (D)-(C)	8,500	1,400	1,400	950	950	
Change (%)	22.1%	30.4%	31.1%	27.1%	27.5%	
FY2020 results	21,901	1,760	1,796	1,016	864	20.14

Note)
1) Non-yen denominated items were converted into Japanese yen from their respective currencies using exchange rates of 108.77 yen/USD and 151.02 yen/GBP for FY2021 and 106.83 yen/USD and 137.09 yen/GDP for FY2020, respectively.
2) Adjustments from Non-GAAP forecast to IFRS include non-recurring and extraordinary items.
3) Basic earnings per share is calculated based on the total number of issued shares, excluding treasury shares, as of August 31, 2021(44,816,071 shares).

3) Adjustments between Non-GAAP and IFRS

Acquisition consideration regarding the acquisition of Stella EOC in April 2020 is treated as compensation under IFRS, and such non-cash expenses are adjusted from Non-GAAP financials. On April 28, 2021, GCA completed the divestiture of MCo to its management team. The profit on the sale of MCo shares is treated as an extraordinary item and excluded in Non-GAAP. Conversely revenues and profits during the consolidation period are regarded as a part of core business and included in Non-GAAP.

2. Background and reasons for Earnings Forecast revision

In the current fiscal year, we are seeing continued strong momentum around technology/digital-related M&A transactions especially in US and European regions. Our earnings forecasts have been prepared based on the best estimate of probability of success for the on-going mandated transactions at the time. We announced the upward revision of our earnings forecast on June 2, 2021, as well as on August 3, 2021 and since August 3, 2021, a number of material fee transactions (both in Europe and the US) that were best estimated as low probability of success have progressed positively and reached to signing and/or closing in a short timetable. Our pace of new assignments, in contrast, has been in line with the management expectations and much lower than the current revenue trend. We are seeing increasing uncertainties around global economy and M&A activities in 2022 and beyond. Taking these into consideration, we are revising the earnings forecast for the fiscal year ending December 2021, however we maintain our view for the performance in 2022 and beyond. Please note that the above forecast was prepared based on the information available as of the date of the announcement, and the actual business results may differ from the above forecast due to various factors in the future.

About GCA

GCA is a global investment bank that provides strategic M&A and capital markets advisory services to growth companies and market leaders. The firm offers worldwide coverage with over 450 professionals in 24 offices across America, Asia and Europe. Built by the people that run the business, GCA is a firm of experts who focus on deals that require commitment, original perspective, skill and exceptional networks.

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Investor Contact: Masaya Kato, Leader, IR Office +81 3-6212-7140