

(English Translation)

Financial Results for the Fiscal Year Ended September 30, 2020
(under Japan GAAP) (Consolidated)

October 30, 2020

Company name: M&A Capital Partners Co., Ltd. Stock exchange listings:
Tokyo Stock Exchange

Securities code: 6080 (URL <https://www.ma-cp.com>)

Representative: Satoru Nakamura
President and Representative Director

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Director and Manager at the Planning Management Department

Scheduled date of annual shareholders' meeting: December 18, 2020

Scheduled date of commencement of dividend payment: —

Scheduled date of filing of annual securities report: December 21, 2020

Presentation of supplementary materials on financial results: Yes

Holding of financial presentation meeting: Yes (For institutional investors)

(Note that all amounts have been rounded down to the nearest one million yen)

1. Financial Results for the Fiscal Year Ended September 30, 2020 (From October 1, 2019 to September 30, 2020)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Fiscal year ended September 30, 2020	¥11,871 million (-5.7%)	¥5,051 million (-13.7%)	¥5,050 million (-13.7%)	¥3,407 million (-13.2%)
Fiscal year ended September 30, 2019	¥12,592 million (57.0%)	¥5,855 million (85.0%)	¥5,855 million (85.3%)	¥3,925 million (87.6%)

(Note)

Comprehensive income:

Fiscal year ended September 30, 2020: 3,406 million yen (-13.2 %)

Fiscal year ended September 30, 2019: 3,925 million yen (87.6 %)

	Profit per share	Profit (fully diluted) per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended September 30, 2020	¥109.18	¥105.02	18.2%	22.4%	42.6%
Fiscal year ended September 30, 2019	¥125.77	¥123.32	26.0%	32.3%	46.5%

(Reference)

Equity in profit of affiliates:

Fiscal Year Ended September 30, 2020: — million yen

Fiscal Year Ended September 30, 2019: — million yen

(Note) The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Profit per share and profit (fully diluted) per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended September 30, 2020	¥24,060 million	¥20,632 million	85.0%	¥655.45
Fiscal year ended September 30, 2019	¥21,131 million	¥17,205 million	80.7%	¥546.27

(Reference)

Equity:

Fiscal Year Ended September 30, 2020: 20,455 million yen

Fiscal Year Ended September 30, 2019: 17,048 million yen

(Note) The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Net assets per share is calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.

(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
Fiscal year ended September 30, 2020	¥3,481 million	- ¥71 million	—	¥17,361 million
Fiscal year ended September 30, 2019	¥5,822 million	- ¥147 million	¥51 million	¥13,953 million

2. Dividends

	Annual dividends per share					Total amount of cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
Fiscal year ended September 30, 2019	—	¥0.00	—	¥0.00	¥0.00	—	—	—
Fiscal year ended September 30, 2020	—	¥0.00	—	¥0.00	¥0.00	—	—	—
Fiscal year ending September 30, 2021 (Forecast)	—	¥0.00	—	¥0.00	¥0.00		—	

3. Forecast of Financial Results for the Fiscal Year Ending September 30, 2021 (From October 1, 2020 to September 30, 2021)

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
Annual	¥14,030 million (18.2%)	¥6,211 million (23.0%)	¥6,210 million (23.0%)	¥4,173 million (22.5%)	¥133.73

(Note) No forecast has been made for the consolidated financial results for the second quarter (cumulative).

*** Notes**

- (1) Significant changes in subsidiaries during the consolidated fiscal year under review: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatements of prior period financial statements after error corrections
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations, etc.: No
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatements of prior period financial statements after error corrections: No
- (3) Total number of issued shares (common shares)
- (i) Total number of issued shares as of the end of the period (including treasury shares):
- | | |
|---------------------------|-------------------|
| As of September 30, 2020: | 31,210,000 shares |
| As of September 30, 2019: | 31,210,000 shares |
- (ii) Number of treasury shares as of the end of the period:
- | | |
|---------------------------|------------|
| As of September 30, 2020: | 398 shares |
| As of September 30, 2019: | 398 shares |
- (iii) Average number of shares during the period:
- | | |
|---------------------------------------|-------------------|
| Fiscal year ended September 30, 2020: | 31,209,602 shares |
| Fiscal year ended September 30, 2019: | 31,209,602 shares |

(Note) The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Total number of issued shares is calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.

(Reference) Overview of Non-Consolidated Financial Results

1. Financial Results for the Fiscal Year Ended September 30, 2020 (From October 1, 2019 to September 30, 2020)

(1) Non-Consolidated Operating Results

(Percentage figures represent changes from the same period of the previous fiscal year)

	Net sales	Operating income	Ordinary income	Profit
Fiscal year ended September 30, 2020	¥10,191 million (-6.7%)	¥4,947 million (-15.1%)	¥4,957 million (-15.0%)	¥3,351 million (-15.4%)
Fiscal year ended September 30, 2019	¥10,918 million (69.0%)	¥5,825 million (83.7%)	¥5,831 million (83.6%)	¥3,962 million (83.1%)

	Profit per share	Profit (fully diluted) per share
Fiscal year ended September 30, 2020	¥107.38	¥103.29
Fiscal year ended September 30, 2019	¥126.98	¥124.51

(Note) The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Profit per share and profit (fully diluted) per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended September 30, 2020	¥23,344 million	¥20,482 million	87.0%	¥650.63
Fiscal year ended September 30, 2019	¥20,514 million	¥17,110 million	82.6%	¥543.24

(Reference)

Equity:

Fiscal Year Ended September 30, 2020: 20,305 million yen

Fiscal Year Ended September 30, 2019: 16,954 million yen

(Note) The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Net assets per share is calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.

*** Consolidated financial results are not subject to audit by certified public accountants or audit firms.**

*** Proper usage of the forecast of financial results, and other special matters**

Descriptions or statements concerning projected figures and future outlooks contained within these materials are based on the decisions and assumptions resulting from information currently obtainable by the Company. The possibility exists that due to the intrinsic uncertainty of those decisions and assumptions and/or changes in terms of business operations as well as situational changes occurring internally/externally, the actual results may substantially differ from the content of projections. These materials do not constitute a guarantee on the part of the Company as to the certainty of any and all content concerning forecasts for the future. For more details of the assumptions on which the financial results forecasts are based, and for matters to note in relation to these forecasts, please refer to “1. Overview of Operating Results (4) Forecast” on P.7 of the attachment.

Attachment – Contents

- 1. Overview of Operating Results 2
 - (1) Overview of Operating Results 2
 - (2) Overview of Financial Position 4
 - (3) Overview of Cash Flows 5
 - (4) Forecast..... 7
- 2. Basic Stance Regarding the Selection of Accounting Standards 7
- 3. Consolidated Financial Statements and Significant Notes Thereto 8
 - (1) Consolidated Balance Sheet 8
 - (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income 10
 - (3) Consolidated Statement of Changes in Equity 12
 - (4) Consolidated Statement of Cash Flows 13
 - (5) Notes to Consolidated Financial Statements 14
 - (Notes on premise of going concern) 14
 - (Additional information) 14
 - (Segment information) 14
 - (Per share information)..... 14
 - (Important events after the reporting period) 15

1. Overview of Operating Results

(1) Overview of Operating Results

a. Market conditions

According to the statistical data collected and published by group company RECOF DATA Corporation, the number of M&A deals publicly announced in relation to Japanese companies was 2,686 for January to September 2020, a year-on-year decline of 11.6%, with the impact of novel coronavirus causing a fall in the January-September period for the first time in nine years.

We judge that the overall M&A trend in relation to Japanese companies continues to be one of stagnation, but the number of M&A deals between Japanese companies, which is the main market of the Group, is recovering, having fallen by 5% for the January to September period in contrast to a decline of 7.4% in the January to June period.

There has been a focus on the small and medium business M&A market as a means of dealing with the social problem of a lack of successors, and many business owners in Japan are beginning to recognize that M&A is an important option for growth strategies, which we believe will result in continued expansion in demand for M&A intended to generate synergies.

In addition, although there have been new entries from major financial institutions, regional banks and other industries, by leveraging the know-how we have built up in the Japanese market through our expertise and track record as an M&A specialist, we will create high-quality M&A deals that contribute to the further growth of our clients.

b. Condition of the Group

With regard to the operating results for the Group, the impact of novel coronavirus resulted in delays in the progress of deals, and although we closed a record high of 49 deals in the fourth quarter of the fiscal year under review this did not go far enough to allow us to achieve the forecast figures. The result was lower revenue, with net sales declining by ¥721.075 million (5.7%) to ¥11,871.202 million.

Due mainly to a decrease in incentives following a decline in sales attributable to the sales department, the cost of sales fell by ¥247.593 million (6.0%) year on year to ¥3,903.065 million.

Selling, general and administrative expenses rose by ¥330.913 million (12.8%) to ¥2,916.592 million, due mainly to higher advertising expenses resulting from strengthened advertising activities, higher ground rents caused by an increase in head office space, and a rise in commissions paid.

As a result, operating income declined by ¥804.396 million (13.7%) year on year to ¥5,051.544 million, ordinary income declined by ¥804.992 million (13.7%) year on year to ¥5,050.808 million and profit attributable to owners of parent declined by ¥517.799 million (13.2%) year on year to ¥3,407.409 million.

The details of deals closed by the Group, the Company and RECOF are as follows.

Number of deals (consolidated)

Name of type				Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)	Year-on-year change
Whole Group	M&A deals closed		(number of deals)	144	139	-5
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	27	24	-3
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	117	115	-2

Number of deals (non-consolidated)

Name of type				Previous fiscal year (from October 1, 2018 to September 30, 2019)	Current fiscal year (from October 1, 2019 to September 30, 2020)	Year-on-year change
M&A Capital Partners Co., Ltd.	M&A deals closed		(number of deals)	125	118	-7
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	24	21	-3
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	101	97	-4

Name of type				Previous fiscal year (from October 1, 2018 to September 30, 2019)	Current fiscal year (from October 1, 2019 to September 30, 2020)	Year-on-year change
RECOF Corporation	M&A deals closed		(number of deals)	19	21	+2
	By amount of processing fees	Number of deals among those wherein amount of processing fees for the deal was JPY 100 million or more	(number of deals)	3	3	±0
		Number of deals among those wherein amount of processing fees for the deal was less than JPY 100 million	(number of deals)	16	18	+2

Segment information is omitted because our Group's reporting segment is only the M&A-related services business.

(2) Overview of Financial Position

(Current assets)

As of the end of the consolidated fiscal year under review, current assets amounted to ¥21,673.466 million, an increase of ¥3,046.165 million (16.4%) year on year. This was primarily due to a ¥3,408.348 million increase in cash and deposits.

(Non-current assets)

As of the end of the consolidated fiscal year under review, non-current assets amounted to ¥2,386.976 million, a decrease of ¥117.170 million (4.7%) year on year. This was primarily due to deferred tax assets indicating the value of future tax reductions increasing by ¥101.104 million, and amortization of goodwill and trademark right progressing by ¥226.460 million.

(Current liabilities)

Current liabilities amounted to ¥3,199.120 million, a decrease of ¥514.905 million (13.9%) year on year. This was primarily due to declines of ¥931.038 million in income taxes payable and ¥164.775 million in accrued consumption taxes, which more than offset an increase in advances received of ¥275.153 million arising from favorable conditions for deals handled, and an increase in accounts payable - other of ¥252.956 million.

(Non-current liabilities)

Non-current liabilities amounted to ¥229.274 million, an increase of ¥17.266 million (8.1%) year on year. This was primarily due to a ¥16.572 million increase in net defined benefit liability.

(Net assets)

Net assets amounted to ¥20,632.048 million, an increase of ¥3,426.633 million (19.9%) year on year. This was primarily due to a ¥3,407.409 million increase in retained earnings.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the consolidated fiscal year under review totaled ¥17,361.824 million, an increase of ¥3,408.348 million (24.43%) year on year.

Each of the cash flows in the consolidated fiscal year under review and their respective factors are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to ¥3,481.102 million, compared to ¥5,822.554 million provided in the same period of the previous fiscal year. This was driven mainly by the recording of income before income taxes of ¥5,050.808 million, a decrease in notes and accounts receivable - trade of ¥412.969 million, an increase in accounts payable - other of ¥234.938 million, an increase in advances received of ¥275.153 million, and income tax paid of ¥2,636.095 million.

(Cash flows from investing activities)

Funds used in investing activities amounted to ¥71.978 million, compared to ¥147.672 million used in the same period of the previous year. This was the result of ¥62.321 million disbursed for the purchase of property, plant and equipment and ¥9.958 million paid for the purchase of intangible assets.

(Cash flows from financing activities)

There were no cash flows from financing activities. For the same period of the previous year, cash provided by financing activities came to ¥51.620 million.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Equity ratio (%)	75.5	82.6	86.6	80.7	85.0
Equity ratio on market value basis (%)	531.4	636.1	707.1	478.5	636.9
Interest-bearing debt to cash flows ratio (years)	-	-	-	-	-
Interest coverage ratio (times)	-	-	-	-	-

Equity ratio: Equity / Total assets

Equity ratio on market value basis: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payment

(Notes)

1. Cash flow represents operating cash flow.
2. "Interest-bearing debt" includes all of those Liabilities reported on the balance sheet on which interest is paid.
3. Market capitalization is calculated by multiplying the year-end share price by the number of shares issued and outstanding at year-end.
4. We did not have interest-bearing debt in the years ended September 30, 2016 to the year ended September 30, 2020, so we have not provided the interest-bearing debt to cash flow ratio.
5. The indicators for the year ended September 30, 2016 are calculated using financial figures on a non-consolidated basis because there were no consolidated subsidiaries.

(4) Forecast

With regard to the operating environment going forward, there are concerns regarding the impact on economic activity of novel coronavirus running rampant at the global level, and we expect the current lack of certainty to continue, while anticipating a moderate recovery in the Japanese economy.

Under these economic conditions, we believe that demand for M&A aimed at reorganizing businesses and generating synergies among Japanese companies will increase further.

Based on the above, the forecast for the fiscal year ending September 30, 2021 is for net sales of ¥14,030 million, operating income of ¥6,211 million, ordinary income of ¥6,210 million and profit attributable to owners of parent of ¥4,173 million.

Furthermore, this forecast is based on the assumption that economic activity in Japan does not experience a significant stagnation as a result of a new wave of novel coronavirus infections.

2. Basic Stance Regarding the Selection of Accounting Standards

The Group employs Japanese standards considering comparability of consolidated financial statements between periods and comparability among companies.

The application of IFRS will be handled appropriately in consideration of various conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

	Previous consolidated fiscal year (as of September 30, 2019)	(Unit: thousand yen) Current consolidated fiscal year (as of September 30, 2020)
Assets		
Current assets		
Cash and deposits	17,953,475	21,361,824
Accounts receivable - trade	565,507	145,538
Allowance for doubtful accounts	(3,240)	-
Other	111,557	166,103
Total current assets	18,627,300	21,673,466
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	193,686	191,646
Other	60,373	70,857
Total property, plant and equipment	254,059	262,504
Intangible assets		
Trademark right	231,000	198,000
Goodwill	1,354,221	1,160,760
Other	56,521	63,355
Total intangible assets	1,641,742	1,422,116
Investments and other assets, gross		
Lease and guarantee deposits	277,347	263,571
Deferred tax assets	330,961	432,066
Allowance for doubtful accounts	-	(7,000)
Other	35	13,718
Total investments and other assets	608,344	702,356
Total non-current assets	2,504,147	2,386,976
Total assets	21,131,448	24,060,442

	(Unit: thousand yen)	
	Previous consolidated fiscal year (as of September 30, 2019)	Current consolidated fiscal year (as of September 30, 2020)
Liabilities		
Current liabilities		
Advances received	353,104	628,257
Provision for bonuses	17,814	19,834
Accounts payable - other	1,096,693	1,349,649
Income taxes payable	1,772,523	841,485
Accrued consumption taxes	401,356	236,581
Other	72,533	123,311
Total current liabilities	3,714,025	3,199,120
Non-current liabilities		
Net defined benefit liability	123,266	139,838
Other	88,741	89,435
Total non-current liabilities	212,007	229,274
Total liabilities	3,926,033	3,428,394
Net assets		
Shareholders' equity		
Capital stock	2,503,615	2,503,615
Capital surplus	2,493,365	2,493,365
Retained earnings	12,052,240	15,459,649
Treasury shares	(353)	(353)
Total shareholders' equity	17,048,868	20,456,277
Other comprehensive income		
Foreign currency translation adjustment	-	(775)
Total other comprehensive income	-	(775)
Subscription rights to shares	156,546	176,546
Total net assets	17,205,415	20,632,048
Total liabilities and net assets	21,131,448	24,060,442

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

	(Unit: thousand yen)	
	Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)
Net sales	12,592,278	11,871,202
Cost of sales	4,150,658	3,903,065
Gross profit	8,441,619	7,968,137
Selling, general and administrative expenses	2,585,678	2,916,592
Operating income	5,855,940	5,051,544
Non-operating income		
Interest income	912	948
Miscellaneous income	148	1,452
Total non-operating income	1,061	2,400
Non-operating expenses		
Loss on retirement of non-current assets	519	248
Miscellaneous loss	681	2,888
Total non-operating expenses	1,201	3,136
Ordinary income	5,855,801	5,050,808
Income before income taxes	5,855,801	5,050,808
Income taxes - current	2,204,148	1,746,753
Income taxes - deferred	(273,556)	(103,354)
Total income taxes	1,930,591	1,643,399
Profit	3,925,209	3,407,409
Profit attributable to owners of parent	3,925,209	3,407,409

Consolidated Statements of Comprehensive Income

	(Unit: thousand yen)	
	Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)
Profit	3,925,209	3,407,409
Other comprehensive income		
Foreign currency translation adjustment	-	(775)
Total other comprehensive income	-	(775)
Comprehensive income:	3,925,209	3,406,633
(Comprehensive income attributable to:)		
Comprehensive income attributable to owners of parent	3,925,209	3,406,633

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)

(Unit: thousand yen)

	Shareholders' equity					Other comprehensive income		Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total other comprehensive income		
Balance at the beginning of the year	2,503,615	2,493,365	8,127,030	(353)	13,123,659	-	-	51,068	13,174,727
Changes of items during period									
Profit attributable to owners of parent			3,925,209		3,925,209				3,925,209
Net changes in items other than shareholders' equity							-	105,478	105,478
Total changes of items during period	-	-	3,925,209	-	3,925,209	-	-	105,478	4,030,687
Balance at the end of the year	2,503,615	2,493,365	12,052,240	(353)	17,048,868	-	-	156,546	17,205,415

Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)

(Unit: thousand yen)

	Shareholders' equity					Other comprehensive income		Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total other comprehensive income		
Balance at the beginning of the year	2,503,615	2,493,365	12,052,240	(353)	17,048,868	-	-	156,546	17,205,415
Changes of items during period									
Profit attributable to owners of parent			3,407,409		3,407,409				3,407,409
Net changes in items other than shareholders' equity						(775)	(775)	19,999	19,223
Total changes of items during period	-	-	3,407,409	-	3,407,409	(775)	(775)	19,999	3,426,633
Balance at the end of the year	2,503,615	2,493,365	15,459,649	(353)	20,456,277	(775)	(775)	176,546	20,632,048

(4) Consolidated Statement of Cash Flows

	(Unit: thousand yen)	
	Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)
Cash flows from operating activities		
Income before income taxes	5,855,801	5,050,808
Depreciation	79,818	88,235
Amortization of goodwill	193,460	193,460
Increase (decrease) in allowance for doubtful accounts	3,240	3,759
Depreciation and amortization on other	33,000	33,000
Loss on retirement of non-current assets	519	248
Interest income	(912)	(948)
Decrease (increase) in notes and accounts receivable - trade	(181,194)	412,969
Increase (decrease) in accounts payable -other	465,860	234,938
Increase (decrease) in provision for bonuses	(14,353)	2,020
Increase (decrease) in provision for directors' bonuses	(704)	1,963
Increase (decrease) in net defined benefit liability	(1,099)	16,572
Increase (decrease) in advances received	(82,801)	275,153
Increase (decrease) in consumption taxes receivable/payable	354,004	(165,469)
Other	141,222	(30,461)
Subtotal	6,845,862	6,116,249
Interest income received	912	948
Income taxes paid	(1,024,220)	(2,636,095)
Net cash provided by (used in) operating activities	5,822,554	3,481,102
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,362)	(62,321)
Purchase of intangible assets	(33,841)	(9,958)
Payments into time deposits	(4,000,000)	(4,000,000)
Proceeds from withdrawal of time deposits	4,000,000	4,000,000
Payments for lease and guarantee deposits	(295,943)	(1,353)
Proceeds from collection of lease and guarantee deposits	212,474	1,655
Net cash provided by (used in) investing activities	(147,672)	(71,978)
Cash flows from financing activities		
Proceeds from issuance of subscription rights to shares	51,620	-
Net cash provided by (used in) financing activities	51,620	-
Effect of exchange rate change on cash and cash equivalents	-	(775)
Increase (decrease) in cash and cash equivalents	5,726,503	3,408,348
Cash and cash equivalents at beginning of period	8,226,972	13,953,475
Cash and cash equivalents at end of period	13,953,475	17,361,824

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)
Not applicable.

(Additional information)

(Accounting estimates regarding the impact of the spread of novel coronavirus infection)

The spread of novel coronavirus infection had a certain impact on the Group's results for the fiscal year under review, but we consider the effect to be limited.

At this point in time, given that economic activity is restarting while the spread of infections is being controlled, and that non-face-to-face sales activity is also increasing through the use of Internet-based interviews, etc., we assume that the impact on the Group's results will be slight, and we are investigating the evaluation of goodwill and the feasibility of recovering deferred tax assets.

Moreover, accounting estimates and judgments are based on information currently obtainable by the Group, but in the event that significant changes arise in the above-mentioned assumptions, the Group's financial position and operating results could be affected.

(Segment information)

Our business is comprised of a singular segment of M&A-related services and auxiliary businesses. Thus, segment information has been omitted.

(Per share information)

(yen)

	Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)
Net assets per share	546.27	655.45
Profit per share	125.77	109.18
Profit (fully diluted) per share	123.32	105.02

(Note)

- The Company conducted a two-for-one stock split of its common stock on December 1, 2019. Net assets per share, profit per share and profit (fully diluted) per share are calculated assuming that the stock split took place at the beginning of the fiscal year ended September 30, 2019.*
- The basis for calculation of the amount of profit per share and the amount of fully diluted profit per share are as shown below.*

	Previous consolidated fiscal year (from October 1, 2018 to September 30, 2019)	Current consolidated fiscal year (from October 1, 2019 to September 30, 2020)
Profit per share		
Profit attributable to owners of parent (thousand yen)	3,925,209	3,407,409
Amount not attributable to holders of common shares (thousand yen)	-	-
Profit attributable to owners of parent pertaining to common shares (thousand yen)	3,925,209	3,407,409

Average number of common shares during the period (shares)	31,210,000	31,210,000
Profit per share (fully diluted)		
Adjustment of profit attributable to owners of parent (thousand yen)	-	-
Number of increased common shares (shares)	618,923	1,235,174
(Of which subscription rights to shares (shares))	(618,923)	(1,235,174)
Outline of dilutive shares not included in the calculation of profit (fully diluted) per share due to having no dilutive effect	November 15, 2016 resolution of board of directors 10th subscription rights to shares (number of subscription rights to shares: 2,823) November 15, 2016 resolution of board of directors 11th subscription rights to shares (number of subscription rights to shares: 705) December 14, 2018 resolution of board of directors 12th subscription rights to shares (number of subscription rights to shares: 1,192)	-

3. *The basis for the calculation of net assets per share is as follows:*

	Previous consolidated fiscal year (as of September 30, 2019)	Current consolidated fiscal year (as of September 30, 2020)
Total net assets (thousand yen)	17,205,415	20,632,048
Amount deducted from total net assets (thousand yen)	156,546	176,546
(Of which subscription rights to shares (thousand yen))	(156,546)	(176,546)
Net assets attributable to common shares at the end of the period (thousand yen)	17,048,868	20,455,502
Number of common shares used for the calculation of net assets per share (shares)	31,209,602	31,209,602

(Important events after the reporting period)
Not applicable.