

Non-Consolidated Financial Results
For the Fiscal Year Ended September 30, 2021
[Japanese GAAP]



October 29, 2021

Company name: Strike Co., Ltd.
 Stock exchange listing: First Section, Tokyo Stock Exchange
 Code number: 6196
 URL: <https://www.strike.co.jp/>
 Representative: Kunihiro Arai, President and CEO
 Contact: Koichi Nakamura, Director, Executive Officer and CFO
 Phone: +81-3-6895-6196
 Scheduled date of Annual General Meeting of Shareholders: December 23, 2021
 Scheduled date of commencing dividend payments: December 24, 2021
 Scheduled date of filing annual securities report: December 23, 2021
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: No physical session planned
 (video of briefing session to be distributed)

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Fiscal Year Ended September 30, 2021 (September 1, 2020 to September 30, 2021)

(1) Operating Results

(Percentages indicate year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended September 30, 2021	9,034	—	3,451	—	3,475	—	2,395	—
August 31, 2020	6,916	36.2	2,981	58.0	2,983	57.9	2,202	64.1

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2021	125.33	124.68	29.6	34.7	38.2
August 31, 2020	115.29	114.72	36.0	38.6	43.1

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended September 30, 2021: ¥— million

Fiscal year ended August 31, 2020: ¥— million

(Note) Year-on-year percentage changes are not shown as the fiscal year ended September 30, 2021 was a 13-month accounting period due to a change in fiscal year-end.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	10,958	9,077	82.8	474.41
As of August 31, 2020	9,045	7,091	78.3	370.98

(Reference) Equity: As of September 30, 2021: ¥9,073 million

As of August 31, 2020: ¥7,087 million

(3) 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended September 30, 2021	1,500	(400)	(404)	8,567
August 31, 2020	2,888	(133)	(277)	7,871

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
August 31, 2020	—	0.00	—	24.00	24.00	458	20.8	7.5
September 30, 2021	—	0.00	—	32.00	32.00	612	25.5	7.6
Fiscal year ending								
September 30, 2022 (forecast)	—	0.00	—	36.00	36.00		25.2	

3. Earnings Forecasts for the Fiscal Year Ending September 30, 2022 (October 1, 2021 to September 30, 2022)

(Percentages indicate year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	5,625	—	2,138	—	2,138	—	1,391	—	72.73
Full year	11,208	—	4,210	—	4,211	—	2,729	—	142.70

Note: Year-on-year percentage changes are not shown as the fiscal year ended September 30, 2021 was a 13-month accounting period spanning from September 1, 2020 to September 30, 2021 due to a change in fiscal year-end.

Notes:

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of September 30, 2021: 19,354,200 shares

As of August 31, 2020: 19,354,200 shares

2) Total number of treasury shares at the end of the period:

As of September 30, 2021: 228,021 shares

As of August 31, 2020: 250,183 shares

3) Average number of shares outstanding during the period:

Fiscal year ended September 30, 2021: 19,115,608 shares

Fiscal year ended August 31, 2020: 19,104,095 shares

* The financial statements are outside the scope of audit procedures by a certified public accountant or auditing firm.

* Explanation of the proper use of earnings forecasts and other notes

(Caution on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please see "1. Overview of Business Results (4) Future Outlook" on page 7 of the Attached Materials.

(How to obtain an explanation of financial results)

To prevent the COVID-19 pandemic from spreading, we plan to distribute a financial results briefing video on our website (https://www.strike.co.jp/ir/index_en.html) instead of holding a physical financial results briefing session. Distribution is slated to commence on Tuesday, November 2, 2021 at 3:00 p.m.

Contents of Attached Materials

1. Overview of Business Results	4
(1) Overview of Business Results	4
(2) Overview of Financial Condition	5
(3) Overview of Cash Flows	6
(4) Future Outlook.....	7
2. Basic Policy Regarding Selection of Accounting Standards.....	7
3. Financial Statements and Primary Notes	8
(1) Balance Sheet	8
(2) Statement of Income	10
(3) Statement of Changes in Equity	11
(4) Statement of Cash Flows	13
(5) Notes to the Financial Statements.....	14
(Notes on going concern assumption).....	14
(Share of profit (loss) of entities accounted for using equity method).....	14
(Segment information).....	14
(Per share information)	14
(Significant subsequent events)	14

1. Overview of Business Results

(1) Overview of Business Results

Due to a change in fiscal year-end, the fiscal year under review was an irregular 13-month accounting period. As a result, we have not made comparisons with the previous fiscal year, but we have included the actual results for the 12-month period of the fiscal year ended August 31, 2020 as a reference.

During the fiscal year ended September 30, 2021, the Japanese economy faced a prolonged period of severe conditions due to the impact of the COVID-19 pandemic. Economic measures implemented by the Japanese government led to a temporary recovery, but the emergence of COVID-19 variants has resulted in the further spread of the virus, causing repeated state of emergency declarations. While there has been progress in vaccination as a measure to prevent the spread, the economic outlook remains uncertain.

The market for M&A involving small and medium-sized enterprises (SMEs), which is our area of business, is continuing to expand over the medium to long term in part thanks to the success of aggressive measures and promotion by the Japanese government to support SMEs struggling with the search for successors. According to the “2021 White Paper on Small and Medium Enterprises in Japan,” approximately 60% of the 49,000 companies that were shuttered or dissolved in 2020 had reported profits during their most recent financial years. This underlines the importance of facilitating a smooth passage of business into the hands of a subsequent generation of motivated managers to avoid squandering precious management resources for lack of appropriate successors. In April 2021, the Small and Medium Enterprise Agency formulated its “Promotion Plan for M&A among Small and Medium-sized Enterprises” to promote improved production through expansion in the scales of SMEs and encourage the establishment of businesses through the acquisition of third-party management resources. The formulation of this plan demonstrates that efforts to promote M&A among SMEs are underway in both the public and private sectors. Moving forward, M&A will likely play an increasingly prominent role as a solution for management issues facing SMEs.

Against this backdrop, while making effort to prevent the spread of COVID-19, we worked to attract new customers and close deals by hosting online seminars and making use of meetings via online conferencing systems. We also worked to uncover a wide range of M&A needs by carrying out industry-specific online advertising and proposal-based marketing.

As a result of these efforts, even under the state of emergency declaration, we were able to actively engage in sales activities. However, the COVID-19 pandemic’s prolonged spread has had an impact on the operating results of a growing number of SMEs. This trend has also had an effect on our M&A negotiations, causing an increase in the number of projects with prolonged negotiations on terms and conditions and protracted search for appropriate matches, especially among small projects. Additionally, we have experienced difficulties in selling businesses according to desired terms, primarily in cases of contracts that we acquired prior to the start of the pandemic. Consequently, we encountered more sale cancellations than we had initially expected. On the other hand, we have also achieved steady progress through many large M&A deals despite incurring impact on business performance, and have consequently seen a rise in sales generated per deal closed.

On the sales front, we strengthened our M&A support system through collaboration. We accepted personnel from partner financial institutions and trained them so that they would be able to execute M&A operations with greater effectiveness once they return to their respective companies.

In terms of recruitment, we actively strove to add new employees with the goal of expanding our business performance and successfully recruited 44 new M&A consultants during the fiscal year under review. With the increase in employees, we relocated our headquarters in May 2021.

As a result, during the fiscal year ended September 30, 2021, there were 151 deals closed ^(Note 1) (versus 134 during the fiscal year ended August 31, 2020), and 290 contracts closed ^(Note 2) (versus 262). We closed 17 large M&A deals (generating ¥100 million or more in sales per deal) (versus 16 in the previous fiscal year). Additionally, we accepted 518 new contracts ^(Note 3) (versus 340 in the previous fiscal year).

(Note 1) Number of deals closed:

Number of M&A transactions in which Strike provides brokerage or advisory services (i.e., number of deals).

(Note 2) Number of contracts closed:

Number of contracts on closed M&A deals in which Strike provides brokerage or advisory services (i.e., number of companies). In brokerage services, each deal counts as two contracts (one for the seller and one for the buyer), while in advisory services, each deal counts as one contract.

(Note 3) New contracts:

Number of new brokerage service contracts signed with sellers (or in the case of advisory services, contracts signed and services effectively commenced).

During the fiscal year ended September 30, 2021, net sales amounted to ¥9,034 million (versus ¥6,916 million in the previous fiscal year) thanks to an increase in sales generated per deal closed and higher number of contracts closed. Cost of sales came to ¥3,309 million (versus ¥2,398 million) due to the recording of ¥2,275 million in personnel expenses from incentives associated with sales and the addition of new M&A consultants, as well as ¥841 million in introduction fees paid in connection with new contracts. Meanwhile, SG&A expenses totaled ¥2,273 million (versus ¥1,536 million), reflecting ¥969 million in personnel expenses, including salaries for employees and remuneration for directors (and other officers) and ¥328 million in rent expenses on land and buildings. As a result, operating profit reached ¥3,451 million (versus ¥2,981 million) and ordinary profit came to ¥3,475 million (versus ¥2,983 million). In addition, we booked a ¥4 million gain on sale of investment securities as extraordinary income, which was offset by a ¥69 million loss on sale of investment securities recorded as an extraordinary loss. As a result, bottom-line profit amounted to ¥2,395 million (versus ¥2,202 million).

The number of deals closed, contracts closed, and new contracts recorded during the period under review are provided below, along with our initial targets.

	Fiscal year ended September 30, 2021 (actual)	Fiscal year ended September 30, 2021 (target)	Achievement of the full-year target
Number of deals closed	151	191	79.1%
Number of contracts closed	290	375	77.3%
Number of new contracts	518	482	107.5%
Net sales (Millions of yen)	9,034	8,368	108.0%

Business results by segment are omitted, as the Company includes only the single M&A brokerage business segment.

(2) Overview of Financial Condition

(Assets)

As of September 30, 2021, current assets stood at ¥9,981 million, up ¥1,770 million from August 31, 2020. This mainly reflected increases of ¥887 million in accounts receivable—trade and ¥695 million in cash and deposits.

Non-current assets amounted to ¥977 million, up ¥142 million from August 31, 2020. This was mainly the result of a ¥149 million increase in buildings and a ¥65 million rise in tools, furniture and fixtures, despite a ¥98 million decrease in leasehold deposits.

(Liabilities)

Current liabilities came to ¥1,881 million as of September 30, 2021, down ¥72 million from August 31, 2020. This was primarily attributable to a ¥152 million decrease in income taxes payable, which offset a ¥76 million increase in accounts payable—trade.

(Net assets)

As of September 30, 2021, net assets totaled ¥9,077 million, up ¥1,986 million from August 31, 2020. This primarily reflected a ¥2,395 million increase in profit, despite a ¥458 million decline in retained earnings due to the payment of dividends.

(3) Overview of Cash Flows

As of September 30, 2021, cash and cash equivalents stood at ¥8,567 million, up ¥695 million from August 31, 2020. Principal factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,500 million (compared to ¥2,888 million provided by these activities in the previous fiscal year). The main source of cash was ¥3,410 million in profit before income taxes, partially offset by ¥1,192 million in income taxes paid and a ¥887 million increase in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥400 million (compared to ¥133 million used in these activities in the previous fiscal year). This primarily reflected ¥278 million for the purchase of property, plant and equipment and ¥51 million in payments of leasehold and guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities came to ¥404 million (compared to ¥277 million used in these activities in the previous fiscal year). The main use of cash was dividends paid of ¥458 million, which offset ¥54 million in proceeds from disposal of treasury shares.

(4) Future Outlook

In the fiscal year ending September 30, 2022, the Company aims to further step up proposal activities and strengthen its organizational capabilities to handle new contracts. In October 2021, we restructured our M&A consultant organization and introduced a team-based system to respond systematically to new contracts, boost the number of deals closed, and improve project work efficiency. In addition to stepping up efforts to capture new contracts through active advertising and promotion activities as well as online seminars, we will expand our pre-marketing services where we search for potential sellers on behalf of potential buyers, to strengthen our relationships with potential buyers.

The Company will also continue to increase outstanding consultants with the aim of expanding its business, and strive to train human resources and close more deals by enhancing internal training, raising the technical knowledge of its employees, sharing information on laws and regulations and accounting systems, and sharing expertise required in securing contracts and closing deals.

July 2022 will mark the 25th anniversary of our founding. We will continue to invest aggressively for further growth going forward. We plan to strengthen our sales activities such as advertising and online seminars, while actively recruiting consultants.

For the fiscal year ending September 30, 2022, the Company forecasts net sales of ¥11,208 million, operating profit of ¥4,210 million, ordinary profit of ¥4,211 million, and bottom-line profit of ¥2,729 million.

We expect the impact of the COVID-19 pandemic on earnings to be limited in the upcoming fiscal year. We will continue monitoring the impact of the pandemic. If revisions to our performance forecasts become necessary, we will disclose this information promptly.

2. Basic Policy Regarding Selection of Accounting Standards

The Company applies the Japanese Generally Accepted Accounting Principles (J-GAAP) as its accounting standard to ensure comparability with other companies in the same industry in Japan. With regard to the application of International Financial Reporting Standards (IFRS), the Company's policy is to respond appropriately while considering factors such as shareholder composition and trends of other companies in the same industry in Japan.

3. Financial Statements and Primary Notes

(1) Balance Sheet

(Thousands of yen)

	As of August 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	7,871,870	8,567,428
Accounts receivable–trade	293,725	1,181,143
Prepaid expenses	47,640	88,094
Other	4,427	156,479
Allowance for doubtful accounts	(6,235)	(11,559)
Total current assets	8,211,428	9,981,586
Non-current assets		
Property, plant and equipment		
Buildings	108,219	253,956
Accumulated depreciation	(29,944)	(26,438)
Buildings, net	78,274	227,518
Tools, furniture and fixtures	72,707	148,799
Accumulated depreciation	(34,863)	(45,567)
Tools, furniture and fixtures, net	37,844	103,231
Construction in progress	—	4,541
Total property, plant and equipment	116,118	335,291
Intangible assets		
Software	5,184	4,229
Total intangible assets	5,184	4,229
Investments and other assets		
Investment securities	127,536	89,198
Long-term prepaid expenses	—	33,699
Deferred tax assets	100,547	128,629
Other	485,085	386,331
Total investments and other assets	713,168	637,858
Total non-current assets	834,471	977,379
Total assets	9,045,900	10,958,966

(Thousands of yen)

	As of August 31, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable—trade	110,882	186,890
Accounts payable—other	700,882	777,324
Accrued expenses	15,155	—
Income taxes payable	793,203	640,693
Deposits received	14,700	110,238
Other	320,045	166,784
Total current liabilities	1,954,870	1,881,930
Total liabilities	1,954,870	1,881,930
Net assets		
Shareholders' equity		
Share capital	823,741	823,741
Capital surplus		
Legal capital surplus	801,491	801,491
Other capital surplus	—	8,885
Total capital surpluses	801,491	810,377
Retained earnings		
Other retained earnings		
Retained earnings brought forward	5,974,078	7,911,295
Total retained earnings	5,974,078	7,911,295
Treasury shares	(519,312)	(473,397)
Total shareholders' equity	7,079,998	9,072,017
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,122	1,544
Total valuation and translation adjustments	7,122	1,544
Share acquisition rights	3,909	3,474
Total net assets	7,091,030	9,077,036
Total liabilities and net assets	9,045,900	10,958,966

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended August 31, 2020 (September 1, 2019 to August 31, 2020)	Fiscal year ended September 30, 2021 (September 1, 2020 to September 30, 2021)
Net sales	6,916,705	9,034,500
Cost of sales	2,398,648	3,309,298
Gross profit	4,518,056	5,725,201
Selling, general and administrative expenses	1,536,634	2,273,946
Operating profit	2,981,421	3,451,255
Non-operating income		
Interest income	168	3,397
Dividend income	1,870	400
Compensation for damage received	—	20,400
Other	33	185
Total non-operating income	2,072	24,383
Ordinary profit	2,983,494	3,475,638
Extraordinary income		
Gain on sale of investment securities	225,000	4,000
Gain on reversal of share acquisition rights	194	36
Total extraordinary income	225,194	4,036
Extraordinary losses		
Loss on valuation of investment securities	36,598	69,264
Total extraordinary losses	36,598	69,264
Profit before income taxes	3,172,090	3,410,409
Income taxes—current	1,025,720	1,040,315
Income taxes—deferred	(56,212)	(25,620)
Total income taxes	969,508	1,014,695
Profit	2,202,581	2,395,713

(3) Statement of Changes in Equity

Fiscal year ended August 31, 2020 (September 1, 2019 to August 31, 2020)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of period	823,741	801,491	—	801,491	4,048,506	4,048,506	(518,618)	5,155,122
Changes during period								
Dividends of surplus					(277,010)	(277,010)		(277,010)
Profit					2,202,581	2,202,581		2,202,581
Purchase of treasury shares							(694)	(694)
Disposal of treasury shares								—
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	1,925,571	1,925,571	(694)	1,924,876
Balance at end of period	823,741	801,491	—	801,491	5,974,078	5,974,078	(519,312)	7,079,998

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	2,955	2,955	4,104	5,162,181
Changes during period				
Dividends of surplus				(277,010)
Profit				2,202,581
Purchase of treasury shares				(694)
Disposal of treasury shares				—
Net changes in items other than shareholders' equity	4,166	4,166	(194)	3,972
Total changes during period	4,166	4,166	(194)	1,928,848
Balance at end of period	7,122	7,122	3,909	7,091,030

Fiscal year ended September 30, 2021 (September 1, 2020 to September 30, 2021)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholder's equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	823,741	801,491	—	801,491	5,974,078	5,974,078	(519,312)	7,079,998
Changes during period								
Dividends of surplus					(458,496)	(458,496)		(458,496)
Profit					2,395,713	2,395,713		2,395,713
Purchase of treasury shares							(165)	(165)
Disposal of treasury shares			8,885	8,885			46,081	54,967
Net changes in items other than shareholders' equity								
Total changes during period	—	—	8,885	8,885	1,937,217	1,937,217	45,915	1,992,019
Balance at end of period	823,741	801,491	8,885	810,377	7,911,295	7,911,295	(473,397)	9,072,017

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	7,122	7,122	3,909	7,091,030
Changes during period				
Dividends of surplus				(458,496)
Profit				2,395,713
Purchase of treasury shares				(165)
Disposal of treasury shares				54,967
Net changes in items other than shareholders' equity	(5,578)	(5,578)	(435)	(6,013)
Total changes during period	(5,578)	(5,578)	(435)	1,986,005
Balance at end of period	1,544	1,544	3,474	9,077,036

(4) Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended August 31, 2020 (September 1, 2019 to August 31, 2020)	Fiscal year ended September 30, 2021 (September 1, 2020 to September 30, 2021)
Cash flows from operating activities		
Profit before income taxes	3,172,090	3,410,409
Depreciation	34,956	63,416
Loss (gain) on valuation of investment securities	36,598	69,264
Loss (gain) on sale of investment securities	(225,000)	(4,000)
Increase (decrease) in allowance for doubtful accounts	3,219	5,324
Interest and dividend income	(2,038)	(3,797)
Compensation for damage received	—	(20,400)
Decrease (increase) in trade receivables	209,136	(887,417)
Increase (decrease) in trade payables	5,399	76,007
Increase (decrease) in accounts payable—other	114,046	73,723
Increase (decrease) in accrued consumption taxes	163,123	(119,048)
Other, net	(6,257)	8,071
Subtotal	3,505,273	2,671,554
Interest and dividends received	2,038	573
Compensation for damage received	—	20,400
Income taxes paid	(618,323)	(1,192,523)
Net cash provided by (used in) operating activities	2,888,988	1,500,003
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,911)	(278,313)
Purchase of intangible assets	(5,548)	(600)
Purchase of investment securities	—	(49,966)
Proceeds from sale of investment securities	230,000	15,000
Payments of leasehold and guarantee deposits	(301,725)	(51,877)
Proceeds from refund of leasehold and guarantee deposits	3,409	—
Other, net	(2,340)	(34,591)
Net cash provided by (used in) investing activities	(133,116)	(400,348)
Cash flows from financing activities		
Purchase of treasury shares	(694)	(165)
Proceeds from disposal of treasury shares	—	54,567
Dividends paid	(276,887)	(458,499)
Net cash provided by (used in) financing activities	(277,582)	(404,097)
Net increase (decrease) in cash and cash equivalents	2,478,290	695,557
Cash and cash equivalents at beginning of period	5,393,580	7,871,870
Cash and cash equivalents at end of period	7,871,870	8,567,428

(5) Notes to the Financial Statements
(Notes on going concern assumption)

There is no relevant information.

(Share of profit (loss) of entities accounted for using equity method)

There is no relevant information.

(Segment information)

(Segment information)

Business results by segment are omitted, as the Company includes only the single M&A brokerage business segment.

(Per share information)

	Fiscal year ended August 31, 2020 (September 1, 2019 to August 31, 2020)	Fiscal year ended September 30, 2021 (September 1, 2020 to September 30, 2021)
Net assets per share	¥370.98	¥474.41
Basic earnings per share	¥115.29	¥125.33
Diluted earnings per share	¥114.72	¥124.68

(Note) 1. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended August 31, 2020 (September 1, 2019 to August 31, 2020)	Fiscal year ended September 30, 2021 (September 1, 2020 to September 30, 2021)
Basic earnings per share		
Profit (Thousands of yen)	2,202,581	2,395,713
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit relating to common shares (Thousands of yen)	2,202,581	2,395,713
Average number of shares outstanding (common shares) during the period (Shares)	19,104,095	19,115,608
Diluted earnings per share		
Adjustment for profit (Thousands of yen)	—	—
Increase in the number of common shares (Shares)	94,924	98,816
(Share acquisition rights included in the above) (Shares)	(94,924)	(98,816)
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	—	—

(Significant subsequent events)

There is no relevant information.