

Non-Consolidated Financial Results
For the Fiscal Year Ended September 30, 2023
[Japanese GAAP]



October 30, 2023

Company name: Strike Co., Ltd.
 Stock exchange listing: Prime Market, Tokyo Stock Exchange
 Code number: 6196
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 Scheduled date of Annual General Meeting of Shareholders: December 26, 2023
 Scheduled date of commencing dividend payments: December 27, 2023
 Scheduled date of filing annual securities report: December 26, 2023
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Financial Results for the Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(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, 2023	13,826	28.9	5,202	23.1	5,211	23.3	3,866	30.5
September 30, 2022	10,727	—	4,224	—	4,226	—	2,962	—

	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, 2023	201.46	—	30.0	33.5	37.6
September 30, 2022	155.23	154.65	29.2	35.6	39.4

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

Fiscal year ended September 30, 2023: ¥— million

Fiscal year ended September 30, 2022: ¥— million

(Notes) 1. Year-on-year percentage changes are not shown for the fiscal year ended September 30, 2022 as the fiscal year ended September 30, 2021 was a 13-month accounting period (September 1, 2020 to September 30, 2021) due to a change in fiscal year-end.

2. Diluted earnings per share for the fiscal year ended September 30, 2023 have not been provided due to an absence of dilutive shares.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	18,285	14,503	79.3	755.26
As of September 30, 2022	12,809	11,248	87.8	587.62

(Reference) Equity: As of September 30, 2023: ¥14,503 million

As of September 30, 2022: ¥11,247 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, 2023	6,809	(636)	(612)	14,102
September 30, 2022	1,702	(936)	(791)	8,542

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividend on equity
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2022	—	0.00	—	40.00	40.00	765	25.8	7.5
September 30, 2023	—	0.00	—	51.00	51.00	979	25.3	7.6
Fiscal year ending September 30, 2024 (forecast)	—	0.00	—	62.00	62.00		25.5	

3. Earnings Forecasts for the Fiscal Year Ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(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	8,199	34.8	2,928	44.5	2,924	43.7	1,943	42.1	101.22
Full year	18,218	31.8	7,037	35.3	7,030	34.9	4,677	21.0	243.57

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: Yes

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, 2023: 19,354,200 shares

As of September 30, 2022: 19,354,200 shares

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

As of September 30, 2023: 151,339 shares

As of September 30, 2022: 213,459 shares

3) Average number of shares outstanding during the period:

Fiscal year ended September 30, 2023: 19,194,040 shares

Fiscal year ended September 30, 2022: 19,083,899 shares

* The financial statements are outside the scope of audit by a certified public accountant or an audit 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 4 of the Attached Materials.

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1. Performance Overview

(1) Overview of Business Results

During the fiscal year ended September 30, 2023, the Japanese economy showed signs that socioeconomic activity was normalizing with the reclassification of Covid-19 as a Category V infectious disease. On the other hand, the economic outlook remains uncertain due to factors such as soaring resource and energy prices caused by protracted conflict in Ukraine and sharp exchange rate fluctuations stemming from monetary tightening in various countries to guard against inflation.

The market for mergers and acquisitions of small and medium-sized enterprises (SMEs), in which the Company's main M&A brokerage business operates, has been on a medium- to long-term growth trend, on the back of the continued aging of SME business owners and the associated rise in the percentage of SMEs without successors passing on their business to third parties through M&A. Facilitating the transfer of these businesses to a new generation of ambitious management teams is important for preventing valuable operational resources from being wasted and supporting sustainable growth of the Japanese economy, highlighted by the fact that over half of approximately 50,000 companies that were shuttered or dissolved in 2022 had reported profits during their most recent fiscal years (according to the "2023 White Paper on Small and Medium Enterprises in Japan" issued by the Small and Medium Enterprise Agency of the Ministry of Economy, Trade and Industry). In addition, in recent years, M&A has started to become a popular option for SMEs not only for the purpose of business succession, but also as a means to diversify their business and execute growth strategies, such as innovation-type M&A aimed at new business creation and transformation of companies. Meanwhile, the government has identified "facilitating business succession, including through restructuring and M&A" as one of the three key strategies for stimulating the growth of medium-sized enterprises, while the Small and Medium Enterprise Agency has presented a draft direction for strengthening policy support for M&A in its "Interim Report by the Study Group for the Realization of Growth Management of SMEs" in June 2023. Furthermore, in September 2023, the "M&A Guidelines for SMEs" were revised to specify measures that should be taken by M&A business operators to ensure and improve the quality of M&A services. Initiatives are therefore underway by the public and private sectors to promote M&A among SMEs.

Within this environment, the Company undertook a variety of sales-related initiatives, aiming to acquire new clients and close deals through hybrid seminars held in person and online, as well as through consultations conducted using a web-based conferencing system. Meanwhile, the Company also strove to identify a wide range of M&A needs by rolling out industry-specific online advertisements and proposal-based sales activities. Furthermore, we focused on cultivating new opportunities for startup companies in M&A markets by holding monthly networking events through "S venture Lab.," a members-only service designed to promote partnerships between startups and operating companies.

Regarding collaborative efforts involving its business partners, the Company has launched a business alliance with Northern Kyushu Tax Accountant Cooperatives, Hyogo West Certified Public Tax Accountants' Association, and Okinawa Certified Public Tax Accountant's Association, thereby expanding its network of alliances with tax accountant cooperatives to include 16 organizations with more than 60,000 members nationwide. In addition, by accepting personnel from partner financial institutions, we have taken on the responsibility of developing M&A personnel within the partner financial institutions and enhanced our M&A support system through collaboration.

In terms of recruitment, we actively worked to add new employees with the goal of expanding our business performance and successfully recruited 49 new M&A consultants during the fiscal year ended September 30, 2023.

As a result of these efforts, during the fiscal year ended September 30, 2023, we closed 207 deals ^(Note 1), compared with 195 deals in the previous fiscal year, and 408 contracts ^(Note 2), versus 379 contracts a year earlier. Additionally, we closed 34 large M&A deals (generating ¥100 million or more in sales per deal) in the fiscal year ended September 30, 2023, versus 19 large deals in the previous fiscal year. As of September 30, 2023, our new contract count ^(Note 3) was 712, versus 661 as of September 30, 2022.

(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).

Consequently, net sales in the fiscal year ended September 30, 2023 rose to ¥13,826 million (up 28.9% year on year), reflecting year-on-year growth in the number of deals closed as well as an increase of 15 large deals year on year. Cost of sales totaled ¥4,578 million (up 28.2% year on year), owing to higher incentive bonuses paid in line with increased sales and higher personnel expenses associated with the rise in the number of M&A consultants. SG&A expenses amounted to ¥4,045 million (up 37.9% year on year) on increased advertising expenses to strengthen sales activities, including TV commercial airings, and higher rent expenses on land and buildings resulting from head office expansion. As a result, operating profit came to ¥5,202 million (up 23.1% year on year). Ordinary profit totaled ¥5,211 million (up 23.3% year on year), with bottom-line profit coming in at ¥3,866 million (up 30.5% year on year) as a result of a ¥15 million loss on valuation of investment securities recorded as an extraordinary loss.

The number of deals closed, contracts closed, new contracts, and net sales recorded during the fiscal year ended September 30, 2023, as well as the corresponding targets we plan to achieve for the full year, are provided below.

	Fiscal year ended September 30, 2023 (actual)	Fiscal year ended September 30, 2023 (target)	Achievement of the full-year target
Number of deals closed	207	277	74.7%
Number of contracts closed	408	540	75.6%
Number of new contracts	712	756	94.2%
Net sales (millions of yen)	13,826	15,266	90.6%

Business results by segment are omitted as the Company operates in a single operating segment of the M&A brokerage business.

(2) Explanation of Financial Condition

(Assets)

As of September 30, 2023, current assets stood at ¥15,224 million, up ¥4,367 million from September 30, 2022. This mainly reflected increases of ¥5,560 million in cash and deposits and ¥560 million in accounts receivable-trade, despite decreases of ¥942 million in income taxes refund receivable and ¥863 million in consumption taxes refund receivable.

Non-current assets amounted to ¥3,060 million, up ¥1,108 million from September 30, 2022. This mainly reflected increases of ¥471 million in buildings and ¥227 million in tools, furniture and fixtures due to head office expansion, as well as increases of ¥127 million in investment securities and ¥100 million in shares of subsidiaries and associates.

(Liabilities)

Current liabilities came to ¥3,591 million as of September 30, 2023, up ¥2,030 million from September 30, 2022. This was primarily attributable to increases of ¥800 million in accounts payable-other and ¥970 million in income taxes payable.

Non-current liabilities as of September 30, 2023 stood at ¥190 million, up ¥190 million from September 30, 2022.

(Net assets)

As of September 30, 2023, net assets totaled ¥14,503 million, up ¥3,254 million from September 30, 2022. This primarily reflected a ¥3,866 million increase in profit, despite a ¥765 million decline in retained earnings due to the payment of dividends.

(3) Overview of Cash Flows

As of September 30, 2023, cash and cash equivalents stood at ¥14,102 million, up ¥5,560 million from September 30, 2022. Principal factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥6,809 million (compared to ¥1,702 million provided by these activities in the previous fiscal year). The main source of cash was ¥5,196 million in profit before income taxes, and ¥1,094 million in increase/decrease in consumption taxes payable/consumption taxes refund receivable.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥636 million (compared to ¥936 million used in these activities in the previous fiscal year). This primarily reflected ¥376 million in purchase of property, plant and equipment, ¥150 million in purchase of investment securities, and ¥100 million in purchase of shares of subsidiaries and associates.

(Cash flows from financing activities)

Net cash used in financing activities came to ¥612 million (compared to ¥791 million used in these activities in the previous fiscal year). The main use of cash was dividends paid of ¥765 million, which offset ¥152 million in proceeds from disposal of treasury shares.

(4) Future Outlook

In the fiscal year ending September 30, 2024, we aim to further step up our proposal activities and strengthen our organizational capabilities to handle new contracts. For contracts acquired through the direct channel, in addition to working to raise the average sales per deal closed, we plan to increase new contract acquisitions through active advertising and promotion activities as well as online seminars. We will also continue working to raise the number of contracts referred by our partner organizations by strengthening relationships with them. In terms of the new contracts acquired, we will further our organizational efforts through a team-based system for M&A consultants to boost the number of deals closed and the efficiency of deal closings. We will also capitalize on our pre-marketing service in which we search for potential buyers on behalf of potential buyers, to strengthen our relationships with potential buyers.

We will also continue to increase the headcount of outstanding consultants to expand our business, while at the same time developing human resources and closing more deals by enhancing internal training programs, raising the technical knowledge of our employees, sharing information on laws and regulations as well as accounting systems, and sharing expertise required in securing contracts and closing deals.

We will continue to invest aggressively for further growth. We plan to strengthen our sales activities including advertising and online seminars, while actively recruiting consultants.

For the fiscal year ending September 30, 2024, the Company forecasts net sales of ¥18,218 million, operating profit of ¥7,037 million, ordinary profit of ¥7,030 million, and bottom-line profit of ¥4,677 million.

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 September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	8,542,139	14,102,865
Accounts receivable–trade	405,227	966,029
Prepaid expenses	98,254	165,945
Consumption taxes refund receivable	863,178	—
Income taxes refund receivable	942,038	—
Other	8,433	15,589
Allowance for doubtful accounts	(2,431)	(26,013)
Total current assets	10,856,840	15,224,417
Non-current assets		
Property, plant and equipment		
Buildings	302,497	814,205
Accumulated depreciation	(41,974)	(82,297)
Buildings, net	260,522	731,908
Tools, furniture and fixtures	189,306	468,109
Accumulated depreciation	(77,104)	(128,197)
Tools, furniture and fixtures, net	112,201	339,912
Land	990	990
Construction in progress	—	9,834
Total property, plant and equipment	373,714	1,082,645
Intangible assets		
Software	5,729	12,476
Total intangible assets	5,729	12,476
Investments and other assets		
Investment securities	328,844	456,097
Shares of subsidiaries and associates	103,160	203,160
Investments in capital	10,000	10,000
Deferred tax assets	109,621	300,638
Leasehold deposits	985,134	972,211
Other	53,508	65,508
Allowance for doubtful accounts	(17,150)	(41,800)
Total investments and other assets	1,573,119	1,965,816
Total non-current assets	1,952,564	3,060,938
Total assets	12,809,404	18,285,355

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable—trade	138,807	160,070
Accounts payable—other	1,371,225	2,171,429
Income taxes payable	—	970,078
Contract liabilities	13,038	10,848
Deposits received	37,783	47,878
Other	—	231,420
Total current liabilities	1,560,854	3,591,726
Non-current liabilities		
Other	—	190,539
Total non-current liabilities	—	190,539
Total liabilities	1,560,854	3,782,266
Net assets		
Shareholders' equity		
Share capital	823,741	823,741
Capital surplus		
Legal capital surplus	801,491	801,491
Total capital surplus	801,491	801,491
Retained earnings		
Other retained earnings		
Reserve for open innovation promotion	17,587	17,587
Retained earnings brought forward	10,215,645	13,292,438
Total retained earnings	10,233,233	13,310,026
Treasury shares	(612,334)	(434,210)
Total shareholders' equity	11,246,131	14,501,049
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,298	2,039
Total valuation and translation adjustments	1,298	2,039
Share acquisition rights	1,119	—
Total net assets	11,248,550	14,503,089
Total liabilities and net assets	12,809,404	18,285,355

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)	Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)
Net sales	10,727,244	13,826,298
Cost of sales	3,570,159	4,578,587
Gross profit	7,157,085	9,247,710
Selling, general and administrative expenses	2,932,686	4,045,443
Operating profit	4,224,398	5,202,266
Non-operating income		
Interest income	176	202
Dividend income	340	2,015
Compensation for damage received	2,400	6,430
Interest on tax refund	—	8,551
Other	215	297
Total non-operating income	3,132	17,496
Non-operating expenses		
Loss on investments in investment partnerships	—	8,356
Commission for purchase of treasury shares	999	—
Total non-operating expenses	999	8,356
Ordinary profit	4,226,531	5,211,406
Extraordinary losses		
Loss on valuation of investment securities	—	15,400
Total extraordinary losses	—	15,400
Profit before income taxes	4,226,531	5,196,005
Income taxes—current	1,245,010	1,520,504
Income taxes—deferred	19,115	(191,343)
Total income taxes	1,264,126	1,329,161
Profit	2,962,404	3,866,844

(3) Statement of Changes in Equity

Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)

(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		
					Reserve for open innovation promotion	Retained earnings brought forward			
Balance at beginning of period	823,741	801,491	8,885	810,377	—	7,911,295	7,911,295	(473,397)	9,072,017
Changes during period									
Dividends of surplus						(612,037)	(612,037)		(612,037)
Profit						2,962,404	2,962,404		2,962,404
Purchase of treasury shares								(500,114)	(500,114)
Disposal of treasury shares			(37,315)	(37,315)				361,176	323,860
Transfer from retained earnings to capital surplus			28,429	28,429		(28,429)	(28,429)		—
Provision of reserve for open innovation promotion					17,587	(17,587)	—		—
Net changes in items other than shareholders' equity									
Total changes during period	—	—	(8,885)	(8,885)	17,587	2,304,349	2,321,937	(138,937)	2,174,113
Balance at end of period	823,741	801,491	—	801,491	17,587	10,215,645	10,233,233	(612,334)	11,246,131

	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	1,544	1,544	3,474	9,077,036
Changes during period				
Dividends of surplus				(612,037)
Profit				2,962,404
Purchase of treasury shares				(500,114)
Disposal of treasury shares				323,860
Transfer from retained earnings to capital surplus				—
Provision of reserve for open innovation promotion				—
Net changes in items other than shareholders' equity	(245)	(245)	(2,354)	(2,599)
Total changes during period	(245)	(245)	(2,354)	2,171,514
Balance at end of period	1,298	1,298	1,119	11,248,550

Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(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		
					Reserve for open innovation promotion	Retained earnings brought forward			
Balance at beginning of period	823,741	801,491	—	801,491	17,587	10,215,645	10,233,233	(612,334)	11,246,131
Changes during period									
Dividends of surplus						(765,629)	(765,629)		(765,629)
Profit						3,866,844	3,866,844		3,866,844
Purchase of treasury shares								(304)	(304)
Disposal of treasury shares			(24,421)	(24,421)				178,428	154,007
Transfer from retained earnings to capital surplus			24,421	24,421		(24,421)	(24,421)		—
Provision of reserve for open innovation promotion									—
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	3,076,793	3,076,793	178,124	3,254,918
Balance at end of period	823,741	801,491	—	801,491	17,587	13,292,438	13,310,026	(434,210)	14,501,049

	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	1,298	1,298	1,119	11,248,550
Changes during period				
Dividends of surplus				(765,629)
Profit				3,866,844
Purchase of treasury shares				(304)
Disposal of treasury shares				154,007
Transfer from retained earnings to capital surplus				—
Provision of reserve for open innovation promotion				—
Net changes in items other than shareholders' equity	740	740	(1,119)	(379)
Total changes during period	740	740	(1,119)	3,254,538
Balance at end of period	2,039	2,039	—	14,503,089

(4) Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)	Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	4,226,531	5,196,005
Depreciation	62,151	98,537
Loss (gain) on valuation of investment securities	—	15,400
Increase (decrease) in allowance for doubtful accounts	8,022	48,232
Interest and dividend income	(516)	(2,217)
Decrease (increase) in trade receivables	746,116	(572,802)
Increase (decrease) in trade payables	(48,082)	21,263
Increase (decrease) in accounts payable—other	590,948	372,179
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,029,963)	1,094,599
Other, net	(94,383)	240,351
Subtotal	4,460,822	6,511,549
Interest and dividends received	516	2,217
Income taxes paid	(2,759,276)	(621,869)
Income taxes refund	—	917,770
Net cash provided by (used in) operating activities	1,702,063	6,809,667
Cash flows from investing activities		
Purchase of property, plant and equipment	(96,418)	(376,258)
Purchase of intangible assets	(3,600)	(9,382)
Purchase of investment securities	(240,000)	(150,575)
Purchase of shares of subsidiaries and associates	(103,160)	(100,000)
Payments for investments in capital	(10,000)	—
Payments of leasehold and guarantee deposits	(637,303)	(245)
Proceeds from refund of leasehold and guarantee deposits	172,521	223
Other, net	(18,044)	—
Net cash provided by (used in) investing activities	(936,004)	(636,239)
Cash flows from financing activities		
Purchase of treasury shares	(501,113)	(304)
Proceeds from disposal of treasury shares	321,506	152,887
Dividends paid	(611,740)	(765,285)
Net cash provided by (used in) financing activities	(791,348)	(612,701)
Net increase (decrease) in cash and cash equivalents	(25,288)	5,560,725
Cash and cash equivalents at beginning of period	8,567,428	8,542,139
Cash and cash equivalents at end of period	8,542,139	14,102,865

(5) Notes to the Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan [ASBJ] Guidance No. 31; June 17, 2021) from the beginning of the fiscal year ended September 30, 2023. In accordance with the transitional procedures prescribed in Paragraph 27-2 of the guidance, the Company has prospectively applied the new accounting policies set forth therein.

This change has no impact on the financial statements for the fiscal year under review.

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

Information on the Company's affiliate has been omitted as it is not material in terms of profit and retained earnings standards.

(Segment information)

(Segment information)

Business results by segment are omitted as the Company operates in a single operating segment of the M&A brokerage business.

(Per share information)

	Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)	Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)
Net assets per share	¥587.62	¥755.26
Basic earnings per share	¥155.23	¥201.46
Diluted earnings per share	¥154.65	—

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

	Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)	Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)
Basic earnings per share		
Profit (Thousands of yen)	2,962,404	3,866,844
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit relating to common shares (Thousands of yen)	2,962,404	3,866,844
Average number of shares outstanding (common shares) during period (Shares)	19,083,899	19,194,040
Diluted earnings per share		
Adjustment for profit (Thousands of yen)	—	—
Increase in number of common shares (Shares)	71,883	—
[Of which, share acquisition rights] (Shares)	[71,883]	—
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	—	—

(Note) Diluted earnings per share for the fiscal year under review have not been provided due to an absence of dilutive shares.

(Significant subsequent events)

There is no relevant information.