

(Unofficial Translation)
Consolidated Financial Summary under Japanese GAAP
for the Fiscal Year Ended September 30, 2021

November 11, 2021

Company Name: Amvis Holdings, Inc. Stock Exchange Listing: Tokyo
 Code Number: 7071 URL: <https://www.amvis.com/en/>
 Representative: Keiichi Shibahara, Representative Director and CEO
 For Inquiry: Tetsuya Nakagawa, Director and CFO TEL: +81-3-6262-5105
 General Meeting of Shareholders Date: December 24, 2021 Dividend Payment Date: December 27, 2021
 Securities Report Issue Date: December 28, 2021
 Supplementary Information for Financial Statements: Available
 Explanatory Meeting to Be Held: Yes

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2021

(1) Consolidated Operating Results (% represents the change from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year Ended September 30, 2021	15,334	67.1	3,784	101.7	3,779	112.4	2,627	112.0
September 30, 2020	9,174	70.9	1,876	106.3	1,779	105.7	1,239	105.6

Notes Comprehensive Income:
 Fiscal year ended September 30, 2021: 2,627 million yen / 112.0%
 Fiscal year ended September 30, 2020: 1,239 million yen / 105.6%

	Earnings per Share	Diluted Earnings per Share	Return on Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Net Sales
Fiscal Year Ended September 30, 2021	yen 112.31	yen 110.03	% 24.3	% 15.6	% 24.7
September 30, 2020	55.33	53.83	39.2	15.1	20.5

Reference: Profit or loss on equity method investments:
 Fiscal year ended September 30, 2021: - million yen
 Fiscal year ended September 30, 2020: - million yen

Notes
 The Company implemented a 2-for-1 stock split on April 1, 2020. Earnings per Share and Diluted Earnings per Share are calculated as if the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Net Assets per Share
As of	million yen	million yen	%	yen
September 30, 2021	31,922	16,341	51.2	673.04
September 30, 2020	16,519	5,255	31.8	233.36

Reference: Shareholders' equity:
 As of September 30, 2021: 16,341 million yen
 As of September 30, 2020: 5,255 million yen

Notes
 The Company implemented a 2-for-1 stock split on April 1, 2020. Net Assets per Share is calculated as if the stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated Cash Flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of period
Fiscal Year ended	million yen	million yen	million yen	million yen
September 30, 2021	2,584	(5,780)	11,052	11,192
September 30, 2020	1,165	(5,304)	7,021	3,335

2. Dividends on Common Stock

	Dividends per Share					Total Dividends (annual)	Payout Ratio (consolidated)	Dividends to Net Assets (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Annual			
Fiscal Year Ended	yen	yen	yen	yen	yen	million yen	%	%
September 30, 2020	—	0.00	—	6.00	6.00	135.13	10.8	4.18
September 30, 2021	—	0.00	—	9.00	9.00	218.51	8.0	1.99
Fiscal Year Ending September 30, 2022	—	0.00	—	6.00	6.00		8.8	

Notes

- The Company implemented a 2-for-1 stock split on April 1, 2020.
- The Company plans to implement a 2-for-1 stock split, effective January 1, 2022. Please refer to [Notification Regarding Stock Split and Partial Amendment to the Articles of Incorporation] released on November 11, 2021 for further information. Dividends per share for the fiscal year ending September 30, 2022 is calculated taking into account the stock split. If the stock split is not taken into account, dividends per share for the fiscal year ending September 30, 2022 will be 12.00 yen, which is practically an increase of 3.00 yen.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2022

(% represents the change from the previous fiscal year)

	Net Sales		Operating Profit		Profit Attributable to Owners of Parent		Earnings per Share
	million yen	%	million yen	%	million yen	%	yen
Fiscal Year Ending September 30, 2022	21,682	41.4	4,965	31.2	3,301	25.7	68.00

Notes

The Company plans to implement a 2-for-1 stock split, effective January 1, 2022. Please refer to [Notification Regarding Stock Split and Partial Amendment to the Articles of Incorporation] released on November 11, 2021 for further information. Earnings per share for the fiscal year ending September 30, 2022 is calculated taking into account the stock split. If the stock split is not taken into account, earnings per share for the fiscal year ending September 30, 2022 will be 135.99 yen.

Notes

- Changes in significant subsidiaries during the period: No
- Changes in accounting policies, accounting estimates and restatement of correction
 - Changes in accounting policies due to revision of accounting standards: No
 - Other changes in accounting policies: Yes
 - Changes in accounting estimates: No
 - Restatement of corrections: No

3. Number of shares outstanding (common shares)

(A) Total shares issued including treasury shares

As of September 30, 2021	24,280,000 shares
As of September 30, 2020	22,522,000 shares

(B) Treasury shares

As of September 30, 2021	228 shares
As of September 30, 2020	120 shares

(C) Average outstanding shares

Fiscal Year Ended September 30, 2021	23,395,019 shares
Fiscal Year Ended September 30, 2020	22,397,003 shares

Notes

The Company implemented a 2-for-1 stock split on April 1, 2020. Total shares issued including treasury shares, treasury shares, and average outstanding shares are calculated as if the stock split had taken place at the beginning of the previous fiscal year.

Reference: Summary of the Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2021

(1) Non-consolidated Operating Results (% represents the change from the previous fiscal year)

Fiscal Year Ended	Operating Revenue		Operating Profit		Ordinary Profit		Net Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2021	1,884	68.2	482	43.5	446	38.1	479	76.8
September 30, 2020	1,120	99.1	336	—	323	—	270	—

Fiscal Year Ended	Earnings per Share	Diluted Earnings per Share
September 30, 2021	yen 20.48	yen 20.06
September 30, 2020	12.10	11.77

Notes

The Company implemented a 2-for-1 stock split on April 1, 2020. Earnings per Share and Diluted Earnings per Share are calculated as if the stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

As of	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Net Assets per Share
September 30, 2021	million yen 21,610	million yen 12,303	% 56.9	yen 506.73
September 30, 2020	9,400	3,365	35.8	149.44

Reference: Shareholders' equity:

As of September 30, 2021: 12,303 million yen

As of September 30, 2020: 3,365 million yen

Notes

The Company implemented a 2-for-1 stock split on April 1, 2020. Net Assets per Share are calculated as if the stock split had taken place at the beginning of the previous fiscal year.

This report is exempt from the audit procedures by CPAs or Audit firms.

Notes regarding appropriate use of earnings forecasts in this report and others

1. Disclaimer regarding forward-looking statements

This report contains forward-looking statements, such as earnings forecasts, regarding the intent, beliefs, and current expectations of the Company and its management with respect to the expected financial position and results of operations of the Company. Actual performance and results may differ from those forecasts due to various factors.

2. Notes on change in presentation unit of monetary amounts

Figures in the Company's Consolidated Financial Statements and other items, which were previously indicated in units of thousands of yen, are indicated in units of millions of yen from the fiscal year ended September 30, 2021. In order to ensure comparability, the figures of the previous fiscal year are also indicated in units of millions of yen.

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1. Consolidated Operating Results

(1) Overview of Consolidated Operating Results

During the fiscal year ended September 30, 2021, the Japanese economy was greatly affected by the repeated spread of COVID-19 and the declaration of a state of emergency by the government. As a result, the real GDP growth rate was unstable, fluctuating between positive and negative every quarter.

The service industry, especially the restaurant industry, faced strong headwinds as the government recommended avoiding the “Three Cs,” which stand for “crowded places,” “close-contact settings,” and “confined and enclosed spaces.” The nursing care industry was also placed in a difficult situation, with many elderly people refraining from using nursing care services in order to avoid the risk of infection through conversation and contact with others. In addition, in terms of business operations, the burden on front-line staff increased due to infection control measures, and more and more nursing care providers struggled to manage their businesses.

In this environment, the Group strengthened its operations despite COVID-19, and we view this as a year in which we solidified our position as a pioneer in the hospice business. Thanks to precise infection control measures and a headquarters-focused management system, we opened 13 new facilities, exceeding our initial plan, and many people used the Ishinkan facilities.

During the current fiscal year, we opened 13 new facilities, and the number of Ishinkan facilities reached 42 with capacity of 1,977 beds as of the end of September 2021. Regarding existing facilities, the utilization rate reached a record high. As a result, the Group's operating results for the current fiscal year were as follows: net sales of 15,334 million yen (+ 67.1% from the previous fiscal year), operating profit of 3,784 million yen (+ 101.7%), ordinary profit of 3,779 million yen (+ 112.4%), and profit attributable to owners of parent of 2,627 million yen (+ 112.0%).

Segment information is omitted because the Group operates in a single business segment, the Ishinkan Business.

(2) Overview of Financial Position

(Assets)

Total assets as of September 30, 2021 were 31,922 million yen, an increase of 15,402 million yen from September 30, 2020. This is attributable mainly to increases of 7,856 million yen in cash and deposits as a result of a capital increase through issuance of new shares, 1,293 million yen in accounts receivable due to the increase in revenue, and 5,476 million yen in property, plant and equipment resulting from the purchase of buildings and structures, land, and leased assets in conjunction with the opening of new facilities.

(Liabilities)

Total liabilities as of September 30, 2021 were 15,580 million yen, an increase of 4,316 million yen from September 30, 2020. This is attributable mainly to increases of 596 million yen in income taxes payable due to the increase in income, 2,717 million yen in borrowings and 482 million yen in lease obligations in line with opening new facilities.

(Net assets)

Net assets as of September 30, 2021 were 16,341 million yen, an increase of 11,085 million yen from September 30, 2020. This is attributable mainly to increases of 4,297 million yen in share capital and capital surplus, respectively, as a result of the issuance of new shares through a public offering and an increase of 2,627 million yen in retained earnings reflecting profit attributable to owners of parent despite a decrease of 135 million yen in retained earnings due to the payment of dividends.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter, "cash") as of September 30, 2021 stood at 11,192 million yen, an increase of 7,856 million yen from September 30, 2020. Cash flows for the period and the factors contributing to increases or decreases in cash flows are described below.

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year ended September 30, 2021 was 2,584 million yen, versus 1,165 million yen for the fiscal year ended September 30, 2020. This is attributable mainly to profit before income taxes of 3,779 million yen, depreciation of 531 million yen, and increase in accounts payable - other and accrued expenses of 270 million yen, despite an increase in accounts receivable of 1,293 million yen and income taxes paid of 823 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year ended September 30, 2021 was 5,780 million yen, versus 5,304 million yen for the fiscal year ended September 30, 2020. This reflected mainly purchase of property, plant and equipment of 5,362 million yen and payments of leasehold and guarantee deposits of 411 million yen in conjunction with the opening of new facilities.

(Cash flows from financing activities)

Net cash provided by financing activities for the fiscal year ended September 30, 2021 was 11,052 million yen, versus 7,021 million yen for the fiscal year ended September 30, 2020. This is attributable mainly to proceeds from issuance of shares of 8,548 million yen, proceeds from long-term borrowings of 4,890 million yen in conjunction with the opening of new facilities, despite repayments of long-term borrowings of 2,200 million yen.

(4) Forecast

The Group's policy is to aim for long-term and sustainable growth by aggressively opening new facilities based on a detailed marketing and opening strategy to further expand the Ishinkan business, and by vigorously conducting sales activities to medical institutions and others. In the next fiscal year, the Group will open 15 new facilities (Q1: 6 facilities, Q2: 2 facilities, Q3: 5 facilities, Q4: 2 facilities), which will bring the total number of facilities to 57 (with 2,764 beds) as of the end of September 2022. Based on this premise, the Group expects net sales of 21,682 million yen, operating profit of 4,965 million yen, and profit attributable to owners of parent of 3,301 million yen for the next fiscal year.

The above forecasts are based on information available at the time of publication and are subject to uncertainties. Actual results may differ from these forecasts due to changes in business conditions and other factors.

2. Basic Concept Regarding the Selection of Accounting Standards

In consideration of comparability with other companies in the same industry in Japan, the Group has adopted Japanese GAAP for accounting standards.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of September 30, 2020	As of September 30, 2021
Assets		
Current Assets		
Cash and Deposits	3,335	11,192
Accounts Receivable	1,978	3,271
Inventories	4	7
Other	455	504
Allowance for Doubtful Accounts	(19)	(39)
Total Current Assets	5,754	14,937
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, Net	3,548	8,963
Machinery, Equipment and Vehicles, Net	5	4
Tools, Furniture and Fixtures, Net	70	107
Leased Assets, Net	3,213	3,646
Land	853	1,301
Construction in Progress	2,065	1,211
Total Property, Plant and Equipment	9,757	15,234
Intangible Assets		
Goodwill	23	6
Other	9	21
Total Intangible Assets	33	28
Investments and Other Assets		
Leasehold and Guarantee Deposits	718	1,055
Deferred Tax Assets	160	292
Other	109	332
Allowance for Doubtful Accounts	(24)	—
Total Investments and Other Assets	963	1,679
Total Non-Current Assets	10,754	16,942
Deferred Assets		
Share Issuance Cost	11	42
Total Deferred Assets	11	42
Total Assets	16,519	31,922

(Unit: million yen)

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current Liabilities		
Accounts Payable	27	42
Short-Term Borrowings	1,345	1,373
Current Portion of Long-Term Borrowings	597	998
Lease Obligations	76	80
Accounts Payable - Other and Accrued Expenses	686	979
Income Taxes Payable	472	1,069
Provision for Bonuses	235	368
Other	144	159
Total Current Liabilities	3,585	5,072
Non-Current Liabilities		
Long-Term Borrowings	4,307	6,596
Lease Obligations	3,223	3,701
Deferred Tax Liabilities	23	—
Asset Retirement Obligations	109	181
Net Defined Benefit Liability	2	5
Other	11	23
Total Non-Current Liabilities	7,679	10,508
Total Liabilities	11,264	15,580
Net Assets		
Shareholders' Equity		
Share Capital	1,540	5,838
Capital Surplus	1,510	5,808
Retained Earnings	2,204	4,696
Treasury Shares	(0)	(1)
Total Shareholders' Equity	5,255	16,341
Accumulated Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	—	(0)
Total Accumulated Other Comprehensive Income	—	(0)
Total Net Assets	5,255	16,341
Total Liabilities and Net Assets	16,519	31,922

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

(Unit: million yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net Sales	9,174	15,334
Cost of Sales	5,424	9,029
Gross Profit	3,750	6,304
Selling, General and Administrative Expenses	1,873	2,519
Operating Profit	1,876	3,784
Non-Operating Income		
Subsidy Income	6	134
Gain on Bad Debts Recovered	6	5
Penalty Income	15	10
Miscellaneous Income	5	14
Total Non-Operating Income	33	164
Non-Operating Expenses		
Interest Expenses	116	151
Amortization of Share Issuance Cost	5	14
Miscellaneous Loss	9	4
Total Non-Operating Expenses	131	170
Ordinary Profit	1,779	3,779
Extraordinary Losses		
Loss on Retirement of Non-Current Assets	1	—
Total Extraordinary Losses	1	—
Profit before Income Taxes	1,777	3,779
Income Taxes	615	1,306
Income Taxes-Deferred	(76)	(155)
Total Income Taxes	538	1,151
Profit	1,239	2,627
Profit Attributable to Non-Controlling Interests	—	—
Profit Attributable to Owners of Parent	1,239	2,627

[Consolidated Statements of Comprehensive Income]

(Unit: million yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Profit	1,239	2,627
Other Comprehensive Income		
Remeasurements of Defined Benefit Plans	—	(0)
Total Other Comprehensive Income	—	(0)
Comprehensive Income	1,239	2,627
(Details)		
Attributable to Owners of Parent	1,239	2,627
Attributable to Non-Controlling Interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended September 30, 2020

(Unit: million yen)

	Shareholder's Equity					Accumulated Other Comprehensive Income		Total Net Assets
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	
Balance at the beginning of current period	40	10	1,020	—	1,070	—	—	1,070
Cumulative effects of changes in accounting policies			4		4		—	4
Balance at the beginning of current period reflecting changes in accounting policies	40	10	1,024	—	1,074	—	—	1,074
Changes during the period								
Dividends from surplus			(60)		(60)			(60)
Issuance of new shares	1,500	1,500			3,001			3,001
Profit attributable to owners of parent			1,239		1,239			1,239
Acquisition of treasury shares				(0)	(0)			(0)
Net changes of items other than shareholders' equity						—	—	—
Total changes during the period	1,500	1,500	1,179	(0)	4,180	—	—	4,180
Balance at the end of current period	1,540	1,510	2,204	(0)	5,255	—	—	5,255

	Shareholder's Equity					Accumulated Other Comprehensive Income		Total Net Assets
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	
Balance at the beginning of current period	1,540	1,510	2,204	(0)	5,255	—	—	5,255
Cumulative effects of changes in accounting policies					—		—	—
Balance at the beginning of current period reflecting changes in accounting policies	1,540	1,510	2,204	(0)	5,255	—	—	5,255
Changes during the period								
Dividends from surplus			(135)		(135)			(135)
Issuance of new shares	4,297	4,297			8,594			8,594
Profit attributable to owners of parent			2,627		2,627			2,627
Acquisition of treasury shares				(0)	(0)			(0)
Net changes of items other than shareholders' equity						(0)	(0)	(0)
Total changes during the period	4,297	4,297	2,492	(0)	11,085	(0)	(0)	11,085
Balance at the end of current period	5,838	5,808	4,696	(1)	16,341	(0)	(0)	16,341

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from operating activities		
Profit before Income Taxes	1,777	3,779
Depreciation	265	531
Amortization of Goodwill	16	16
Increase (decrease) in Provision for Bonuses	112	132
Increase (decrease) in Allowance for Doubtful Accounts	19	(4)
Interest Income	(0)	(0)
Interest Expenses	116	151
Subsidy Income	(6)	(134)
Amortization of Share Issuance Cost	5	14
Loss on Retirement of Non-Current Assets	1	0
Decrease (increase) in Accounts Receivable	(741)	(1,293)
Decrease (increase) in Inventories	(1)	(2)
Decrease (increase) in Other Assets	(354)	(108)
Increase (decrease) in Accounts Payable	10	15
Increase (decrease) in Accounts Payable - Other and Accrued Expenses	319	270
Increase (decrease) in Other Liabilities	78	51
Other, Net	(0)	—
Subtotal	1,617	3,418
Interest and Dividends received	0	0
Interest paid	(117)	(145)
Proceeds from Subsidy	6	134
Income Taxes paid	(340)	(823)
Net cash provided by (used in) operating activities	1,165	2,584
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(4,947)	(5,362)
Proceeds from Sales of Property, Plant and Equipment	0	—
Purchase of Intangible Assets	—	(14)
Payments of Leasehold and Guarantee Deposits	(399)	(411)
Proceeds from Refund of Leasehold and Guarantee Deposits	30	36
Other, Net	10	(29)
Net cash provided by (used in) investing activities	(5,304)	(5,780)
Cash flows from financing activities		
Net increase (decrease) in Short-Term Borrowings	1,145	28
Proceeds from Long-Term Borrowings	3,278	4,890
Repayments of Long-Term Borrowings	(253)	(2,200)
Repayments of Lease Obligations	(74)	(77)
Proceeds from Issuance of Shares	2,987	8,548
Dividends paid	(60)	(135)
Other, Net	(0)	(0)
Net cash provided by (used in) financing activities	7,021	11,052
Net increase (decrease) in Cash and Cash Equivalents	2,882	7,856
Cash and Cash Equivalents at the beginning of period	452	3,335
Cash and Cash Equivalents at the end of period	3,335	11,192

(5) Notes Regarding Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

Previously, the Company treated non-deductible consumption taxes on Property, Plant and Equipment (PP&E) as expenses at the time of acquisition of the PP&E. However, such items are now included as part of the PP&E value, in order to record such items as expenses over the useful life of the PP&E in the interests of matching of cost and revenue.

The change in policy has been applied retrospectively to the Consolidated Financial Statements. Compared with the accounting policy prior to retrospective application, PP&E and Non-Current Liabilities stated in the Consolidated Balance Sheets in the previous fiscal year increased 57 million yen and 16 million yen, respectively, while Investments and Other Assets decreased 1 million yen.

Also, Cost of Sales stated in the Consolidated Statements of Income in the previous fiscal year increased 1 million yen, while Selling, General and Administrative Expenses decreased 51 million yen. Therefore, Operating Profit, Ordinary Profit and Profit before Income Taxes increased 50 million yen and Profit Attributable to Owners of Parent increased 34 million yen.

Reflecting the cumulative impact on Net Assets at the beginning of the previous fiscal year, Retained Earnings for that year increased 4 million yen as a result of the change in accounting policy.

Net Assets per Share, Earnings per Share, and Diluted Earnings per Share for the previous fiscal year increased by 1.76 yen, 1.56 yen, and 1.52 yen, respectively.

(Segment Information)

(Segment Information)

Segment information is omitted because the Group operates in a single business segment, the Ishinkan Business.

(Per Share Information)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net Assets per Share	233.36 yen	673.04 yen
Earnings per Share	55.33 yen	112.31 yen
Diluted Earnings per Share	53.83 yen	110.03 yen

Notes

- The Company implemented a 2-for-1 stock split on April 1, 2020. Net Assets per Share, Earnings per Share and Diluted Earnings per Share are calculated as if the stock split had taken place at the beginning of the previous fiscal year.
- The basis for calculating Earnings per Share and Diluted Earnings per Share is as below.

Item	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Earnings per Share		
Profit Attributable to Owners of Parent (million yen)	1,239	2,627
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent attributable to common shareholders (million yen)	1,239	2,627
Average number of common shares outstanding during the period (shares)	22,397,003	23,395,019
Diluted Earnings per Share		
Adjustment to Profit Attributable to Owners of Parent (million yen)	—	—
Increase in number of common shares (shares)	626,854	484,184
(Number of stock acquisition rights included in the increase) (shares)	(626,854)	(484,184)
Outline of latent shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect	—	—

- The basis for calculating Net Assets per Share is shown below.

Item	As of September 30, 2020	As of September 30, 2021
Total Net Assets (million yen)	5,255	16,341
Amount to be deducted from total net assets (million yen)	—	—
Net assets pertaining to common stock at the end of the period (million yen)	5,255	16,341
Number of shares of common stock used for the calculation of net assets per share at the end of the period (shares)	22,521,880	24,279,772

(Significant Subsequent Events)

Common stock split

The Company has resolved at a Board of Directors meeting held on November 11, 2021, to implement a stock split and partially amend the Articles of Incorporation.

(1) Purpose of the Stock Split

The purpose of the stock split is to improve the liquidity of the Company's stock and expand its investor base by reducing the stock price per investment unit.

(2) Method of the Stock Split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of December 31, 2021 will be split into two shares.

(3) Increase in Shares Due to the Stock Split

Total number of issued shares prior to the stock split:	24,280,000 shares
Increase in shares due to the stock split:	24,280,000 shares
Total number of issued shares following the stock split:	48,560,000 shares
Total number of authorized shares following the stock split:	160,000,000 shares

Note:

The above-indicated figures for the total number of issued shares and the increase in shares may rise due to the exercise of stock acquisition rights.

(4) Schedule of the Stock Split

Public notice of record date:	December 9, 2021
Record date:	December 31, 2021
Effective date:	January 1, 2022

(5) Impact on Per Share Information

Per share information assuming that the stock split was performed at the beginning of the previous consolidated fiscal year is as follows respectively.

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net Assets per Share	116.68 yen	336.52 yen
Earnings per Share	27.67 yen	56.15 yen
Diluted Earnings per Share	26.92 yen	55.02 yen

(6) Partial Amendment to the Articles of Incorporation Relating to the Stock Split

(a) Reason for the amendment

In conjunction with the stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, by resolution of the Board of Directors on November 11, 2021, the Company will amend Article 6 (Total Number of Authorized Shares) of its Articles of Incorporation, effective January 1, 2022.

(b) Details of the amendment

The details of the amendment are as follows.

(Amendment is underlined)

Current Articles of Incorporation	Articles of Incorporation after Amendment
Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>80,000,000</u> shares.	Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>160,000,000</u> shares.

(c) Schedule of the amendment

Effective date: January 1, 2022