

**M&A advisory firm targeting mainly SMEs**

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**[9236 Japan M&A Solution Sector : Services]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Oct.2021	342	139.1	38	-	47	-	31	-	26.9	173.4	0.0
Oct.2022	434	27.0	60	58.3	61	28.3	43	35.4	36.2	209.5	0.0
Oct.2023 f	706	62.7	150	150.0	144	136.1	101	134.9	84.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending October 2023 is the company's forecasts.  
It conducted 1:2,000 stock split on January 1, 2022. Per share indices are adjusted retroactively.

**Providing M&A Advisory Services to SMEs**

Japan M&A Solution provides M&A advisory services mainly for small and medium-sized companies.

Major M&A advisors tend to target large-scale projects. However, Japan M&A Solution differentiates itself from the competition by building a structure that allows it to handle projects with minimum closing fees of around 5 million yen.

**A Focus on Intermediary Support**

Japan M&A Solution offers two types of advisory services: an intermediary service that provides agency and advice to both prospective sellers and buyers, as well as an FA service that contracts and supports either the prospective seller or buyer. A large part of net sales comes from its intermediary services.

**A Feature is Not Dedicating Extensive Time to Acquire Projects**

Many major M&A advisory firms spend a lot of time and effort to find sellers. In contrast, Japan M&A Solution is actively responding to small and medium-sized projects that are not handled by the major advisory firms, making it easier to acquire these projects with relatively moderate competition.

Many of its projects involve referrals from partner companies. At the time of its founding, most of its partners were professional specialists and businesses. Recently, however, an increasing number of its partners are financial institutions, and now a large proportion of new advisory contracts and deals are made through financial institutions. As of the end of July 2023, Japan M&A Solution has partnered with 61 financial institutions, accounting for only about 13% of overall partners. However, in the first three quarters of fiscal year ended October 2023, about 55% of new advisory contracts and 61% of deals have come through referrals from financial institutions.

Since referrals from partners constitute its main business, Japan M&A Solution's advisors do not need to make sales calls, which is a common practice for advisors at other firms to sell their services and acquire new contracts. This allows the company to focus its resources on its original M&A advisory business, which is one reason its advisors become proficient more quickly.

## Financial Statements

Statement of income	Fiscal Year	Oct.2021		Oct.2022		Oct months to Jul.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		342	100.0	434	100.0	528	100.0
Cost of sales		176	51.5	214	49.5	280	53.1
Gross profit		165	48.5	219	50.5	247	46.9
Selling, general and administrative expenses		127	37.2	158	36.5	123	23.3
Operating profit		38	11.2	60	14.0	124	23.6
Non-operating income		9	-	0	-	0	-
Non-operating expenses		-	-	-	-	2	-
Ordinary profit		47	14.0	61	14.1	122	23.3
Profit before income taxes		47	14.0	61	14.1	122	23.3
Net profit		31	9.3	43	10.0	80	15.2

Balance sheet	Fiscal Year	Oct.2021		Oct.2022		Jul.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		245	86.0	227	72.0	374	83.8
Cash and deposits		241	84.7	221	70.0	337	75.7
Accounts receivable-trade		3	1.1	0	0.3	29	6.6
Inventories		-	-	-	-	-	-
Non-current assets		39	14.0	88	28.0	72	16.2
Property, plant and equipment		1	0.5	12	4.1	11	2.7
Intangible assets		-	-	-	-	-	-
Investments and other assets		38	13.5	75	24.0	60	13.5
Total assets		285	100.0	316	100.0	446	100.0
Current liabilities		77	27.2	65	20.7	115	25.8
Accounts payable - trade		3	1.4	7	2.2	23	5.3
Non-current liabilities		-	-	-	-	-	-
Net assets		207	72.8	251	79.3	331	74.2
Owners' equity		207	72.8	251	79.3	331	74.2

Statement of cash flows	Fiscal Year	Oct.2021	Oct.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		79	31
Depreciation		1	1
Cash flows from investing activities		1	-51
Cash flows from financing activities		25	-
Dividends paid		-	-
Net increase in cash and cash equivalents		105	-19
Cash and cash equivalents		241	221

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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