

# Summary of Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2021 [Japan Standards] (Consolidated)

February 12, 2021

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 Security code: 3900  
 Representative: Koichiro Yoshida, President and CEO  
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 Scheduled filing date of quarterly report: February 12, 2021  
 Supplementary materials for the quarterly financial results: Yes  
 Investor conference for the quarterly financial results: None

Stock listing: Tokyo Stock Exchange  
 URL: <https://crowdworks.co.jp>

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 Scheduled payment date of dividend: —

(Million yen, rounded down)

## 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2021 (From October 1, 2020 to December 31, 2020)

### (1) Consolidated Financial Performance (% figures show year-on-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY ending Sep. 30, 2021	1,818	(22.4)	107	-	117	-	91	-
Q1 FY ended Sep. 30, 2020	2,342	15.5	(21)	-	(4)	-	(13)	-

Note: Comprehensive income Q1 FY ending September 30, 2021: 78 million yen (-%)  
 Q1 FY ended September 30, 2020: (12) million yen (-%)

	Profit per share	Diluted profit per share
	Yen	Yen
Q1 FY ending Sep. 30, 2021	6.00	5.89
Q1 FY ended Sep. 30, 2020	(0.87)	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of Dec. 31, 2020	5,205	3,206	61.6
As of Sep. 30, 2020	5,108	3,127	61.2

Reference: Shareholders' equity As of December 31, 2020: 3,205 million yen  
 As of September 30, 2020: 3,126 million yen

## 2. Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Sep. 30, 2020	-	0.00	-	0.00	0.00
FY ending Sep. 30, 2021	-				
FY ending Sep. 30, 2021 (Forecast)		0.00	-	0.00	0.00

Note: Revision of most recently published dividend forecast: None

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending September 30, 2021 (From October 1, 2020, to September 30, 2021)

(% figures represent year-on-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half year (Total)	-	-	-	-	-	-	-	-	-
Full year	-	-	-	-	-	-	-	-	-

Note: Revision of most recently published financial forecast: Yes

In accordance with our policy of selection and concentration, we will merge our consolidated subsidiaries BizAsst., Inc. and graviee Inc. on January 1, 2021 to concentrate on the matching business, which is our core business, and further improve

productivity, and will shift to non-consolidated financial results from the second quarter of the fiscal year ending September 30, 2021. Please refer to the "Announcement of Non-Consolidated Financial Results Forecast and New Forecast of Operating Profit due to Transition to Non-Consolidated Financial Statements" released today for the non-consolidated financial results forecast for the fiscal year ending September 30, 2021.

## \* Notes

- (1) Changes in significant subsidiaries during the three-month period ended December 31, 2020 : None  
 (changes in specific subsidiaries affecting the scope of consolidation)  
 No. of new companies: . (Company name: ) No. of excluded companies: .. (Company name: )

- (2) Application of accounting procedures specific to preparing quarterly consolidated financial statements : Yes

- (3) Changes in accounting principles, changes in accounting estimates and restatements

- (i) Changes in accounting policies associated with revision of accounting standards : None  
 (ii) Changes in accounting policies other than the above (i) : Yes  
 (iii) Changes in accounting estimates : None  
 (iv) Restatements : None

- (4) Number of outstanding shares (common stock)

- (i) Number of shares outstanding at term-end (including treasury shares)

Dec. 31, 2020	15,225,160 shares	Sep. 30, 2020	15,225,160 shares
Dec. 31, 2020	86 shares	Sep. 30, 2020	86 shares
Dec. 31, 2020	15,225,074 shares	Dec. 31, 2019	15,210,112 shares

- (ii) Number of treasury shares at term-end

- (iii) Average number of shares outstanding during term (quarterly total)

- \* The summary of quarterly financial results is not subject to the quarterly review by certified public accountants or audit corporations.

- \* Explanation regarding appropriate use of the earnings forecast, and other noteworthy items

The forecast of financial results is based on the judgment of the Company based on the information currently available. The forecasts are subject to various uncertainties, and actual results may differ from these forecasts. We will review the forecast of future business performance as necessary and announce it in accordance with the disclosure rules.

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# 1. Qualitative Information Regarding the Quarterly (Cumulative) Accounts

## (1) Overview of Operating Results

With a vision of a “work-style revolution—to become the world’s biggest platform providing the largest amount of monetary rewards through the Internet” since its establishment, the CrowdWorks Group (hereinafter, “the Group”) has been promoting online human resources matching with crowdsourcing at its core, whereby individuals can earn rewards using the Internet. In recent years, the range of work-style choices beyond employment at an enterprise has widened, as job opportunities for the potential labor force, namely, women, the elderly and people with disabilities, are expanding, and given the trend to allow employees to pursue side jobs and businesses in accordance with “work-style reforms,” which is the primary theme of “Dynamic Engagement of All Citizens,” the slogan of the central government, and the diversification of values regarding individual work-styles toward more flexible ways to work. With work style reform laws gradually taking effect since April 2019, including legislation on equal pay for equal work in April 2020 and an extension of employment of older employees until age 70 effective by the revision of the Act on Stabilization of Employment of Elderly Persons in April 2021, the trend of reviewing the conventional employment system has spread widely.

Particularly, among enterprises, an increasing number of enterprises want to acquire human resources in forms that are free from the traditional style. These days, major companies representing Japan tend to move toward allowing their employees to have a side job or business, aiming to increase the incomes of their own employees, to improve motivation, and to secure and retain excellent human resources. In addition, in response to the recent spread of COVID-19, many companies of all sizes and across all industry sectors have introduced and utilized work-at-home or teleworking, and people have been gradually responding to new ways of working and lifestyles (referred to as the new normal). This tendency has become a tailwind for the market surrounding the Group, promoting a change in procurement methods of human resources, where enterprises employ external specialized talents (freelancers, double jobbers, etc.) and utilize crowd workers via online networks.

In such an environment, the Group has been working to increase profitability by improving growth rate and productivity, by means of concentrating our investment in the matching business, which is our core business, and of selling or withdrawing from the project contracting business, our non-core business. As a result, in the first quarter of the current consolidated cumulative period, the total contract value, which is the total amount of transactions through our services, and the gross profit, which is the source of profit, achieved growth of 20% or more compared with the same period of the previous year. At the same time, we achieved an operating profit of over 100 million yen in the first quarter of the current consolidated cumulative period. The Company expects continued growth in the matching business, as demand for human resources is high among companies with a continuous shortage of engineers, designers and other human resources, and the use of freelancers and home-based workers via online platforms is expected to increase in the future. In addition, during the ongoing COVID-19 pandemic, many companies have introduced telework and digitalized their business operations, leading to an increase in demand for online office assistants as well as steady growth in the matching business for high-priced, high-continuation and high-end human resources. In the SaaS business for businesses, the number of subscribers who introduce CrowdLog, a SaaS service that efficiently manages the operation of freelancers and in-house human resources, is steadily increasing, and the Company plans to continue upfront investment.

As a result of the foregoing, concerning the business results of the Group during the consolidated first quarter of the fiscal year, net sales were 1,818,033 thousand yen (year-on-year decrease of 22.4%), operating profit was 107,813 thousand yen (corresponding period of the previous year: operating loss of 21,020 thousand yen), ordinary profit was 117,573 thousand yen (corresponding period of the previous year: ordinary loss of 4,413 thousand yen), and profit attributable to owners of parent was 91,407 thousand yen (corresponding period of the previous year: loss attributable to owners of parent of 13,263 thousand yen).

Net sales decreased year on year due to the sale of the non-core business, a project contracting business, in the previous consolidated fiscal year.

Reportable segments have been changed starting from the first quarter of the current consolidated fiscal year, and the following figures for the previous year are compared based on the change in segment classification.

Financial results by segment are as follows:

### (i) Matching Business

In the matching business for the first quarter of the current consolidated cumulative period, the total contract value, net sales, and gross profit have been exceeding the same period of the previous fiscal year and the initial disclosure forecast owing to continued investment through selection and concentration and implementation of productivity improvement projects. As for selling, general and administrative expenses, in order to increase the number of clients and order volume, the Company invested 160 million yen in line with the plan for the current consolidated fiscal year by continuing to invest through WEB advertising while optimizing the advertising effect. Regarding expenses other than advertising expenses, the Company achieved operating profit by improving productivity, improving the top line growth rate and reducing expenses more than expected at the forecast disclosed at the beginning of the term. As a result, the total contract value, which indicates the total transaction amount, was 3,656,652 thousand yen (year-on-year increase of 20.1%), net sales were 1,795,317 thousand yen (year-on-year increase of 16.9%), gross profit was 798,292 thousand yen (year-on-year increase of 22.2%), and segment profit was 155,865 thousand yen (previous-year segment loss was 27,207 thousand yen).

### (ii) SaaS Business

In the SaaS business for the first quarter of the current consolidated cumulative period, the introduction of business management tools for enterprises reached a record high, and the number of customers is steadily expanding. Due to steady

growth owing to an increase in the number of new contractors, the Company has made upfront investment of 67,764 thousand yen for marketing and new functional development and service improvement for further growth expansion. As a result, net sales were 22,517 thousand yen (year-on-year increase of 38.9%) and segment loss was 48,234 thousand yen (previous-year segment loss was 6,762 thousand yen).

## (2) Overview of Financial Position

### (Assets)

Total assets at the end of the first quarter of this consolidated fiscal year stood at 5,205,811 thousand yen, up 96,895 thousand yen from the end of the previous consolidated fiscal year. The increase in total assets is due to an increase in current assets accompanying business expansion. Current assets stood at 4,852,812 thousand yen, and as its main components, cash and deposits, stood at 3,481,088 thousand yen, accounts receivable - trade stood at 617,870 thousand yen. Non-current assets stood at 352,998 thousand yen, and as its main components, property, plant and equipment, stood at 80,235 thousand yen, intangible assets stood at 48,446 thousand yen and investment securities stood at 78,349 thousand yen.

### (Liabilities)

Total liabilities at the end of the first quarter of this consolidated fiscal year stood at 1,999,674 thousand yen, up 17,984 thousand yen from the end of the previous consolidated fiscal year. The increase in liabilities is due to an increase in current liabilities due to business expansion. Current liabilities stood at 1,966,660 thousand yen, and as its main components, deposits received, stood at 1,102,938 thousand yen and accounts payable - other stood at 469,054 thousand yen. Non-current liabilities stood at 33,014 thousand yen.

### (Net assets)

Net assets at the end of the first quarter of this consolidated fiscal year stood at 3,206,136 thousand yen, up 78,910 thousand yen from the end of the previous consolidated fiscal year. The increase in net assets is due to an increase in retained earnings resulting from the posting of profit attributable to owners of parent.

## (3) Overview of Forecast of Operating Results Including Consolidated Financial Results

It can be assumed that the domestic online market for human resources matching will also continue to expand in the medium- to long-term future owing to manpower shortages at enterprises and the accelerated social trend toward seeking diversified work-styles. In the fiscal year ending September 2021, the Company will aim to make it profitable for the full fiscal year by continuing and focusing on investments in the matching business, while working on improving its productivity and reforming the business structure.

In the fiscal year ended September 30, 2020, the Company merged with Brain Partner Inc., a group company, and sold two subsidiaries in the project contracting business to withdraw from the project contracting business. Furthermore, in January 2021, we will shift to non-consolidated management through an absorption-type merger of BizAsst., Inc. and graviee Inc. As a result, consolidated financial results will be provided until the first quarter, and non-consolidated financial results will be provided from the second quarter onward. Therefore, the consolidated financial forecast announced on November 13, 2020 will be changed to a non-consolidated financial forecast.

The following is an explanation of the business forecast.

### (Explanation of the initial consolidated financial forecast)

In the first quarter of the current fiscal year, the Company achieved steady growth by concentrating its investment in the matching business and its efforts to improve productivity resulted in an operating surplus of over 100 million yen, and we have revised upward our operating income forecasts for the first half and the full year to over 100 million yen.

As a result of the above, the initial consolidated forecast for the fiscal year ending September 30, 2021, we expect the total contract value to be 13,481 to 14,050 million yen (decrease of 11.4–7.7%), net sales to be 7,003–7,507 million yen (decrease of 19.8–14.0%), gross profit to be 3,076–3,214 million yen (decrease of 7.5–3.3%) and operating profit to be more than 100 million yen.

With regard to business results by segment for the fiscal year ending September 30, 2021, we expect the total contract value of the matching business to be 13,410–13,980 million yen (increase of 5.0–10%), net sales to be 6,930–7,430 million yen (increase of 10.0–18.0%), gross profit to be 3,020–3,160 million yen (increase of 10.0–15.0%) and operating profit to be at least 300 million yen. In the fiscal year ending September 2021, we will continue to further improve productivity to maximize profits from the matching business, while reinvesting in new businesses within the scope of the profits generated, and promote the creation of a structure to achieve sustainable growth. In addition, we have a policy to actively develop the SaaS business and other new business as investments for future growth, and we will invest within the scope of full-year profits on the entire company. We expect total contract value and net sales to be 70 million yen, gross profit to be 50 million yen and operating loss to be 200 million yen.

### (Regarding the newly disclosed non-consolidated financial forecast)

As we will be shifting to non-consolidated financial results from the second quarter onward, we have announced our non-consolidated financial forecast as follows. As a result, the initial consolidated financial forecast will be integrated into the non-consolidated financial forecast from the second quarter, and the upward revision of operating income will be taken over by the non-consolidated financial forecast.

As a result of the absorption of BizAsst., Inc. and graviee Inc., which were consolidated subsidiaries until the first quarter, the Company expects to record the gain or loss on extinguishment of tie-in shares as an extraordinary gain or loss item from the second quarter onward.

(% figures represent year-on year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Net profit		Profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	%
First half year	2,965-3,119	9.5-15.2	100	-	-	-	-	-	-	-
Full year	6,704-7,208	22.8-32.1	100	-	-	-	-	-	-	-
Appendix FY2020 first half year	2,708	-	(99)	-	(50)	-	(88)	-	(5.8)	-
Appendix FY2020 full year	5,458	-	(364)	-	(331)	-	(105)	-	(6.9)	-

(Other)

With regard to the impact of the new coronavirus, a state of emergency was re-declared in January 2021, and the economic impact of the prolonged global outbreak and other uncertainties continue, but at this time there are no changes to our future policies and business forecasts.

The forecast of financial results is based on the judgment of the Company based on the information currently available. The forecasts are subject to various uncertainties, and actual results may differ from these forecasts. We will review the forecast of future business performance as necessary and announce it in accordance with the disclosure rules.

## 2. Quarterly (Cumulative) Consolidated Financial Statements and Main Noted Items

## (1) Quarterly (Cumulative) Consolidated Balance Sheet

	(Thousand yen)	
	Fiscal Year Ended September 30, 2020 (As of September 30, 2020)	Q1 Fiscal Year Ending September 30, 2021 (As of December 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	3,413,627	3,481,088
Accounts receivable - trade	669,371	617,870
Accounts receivable - other	562,159	657,623
Operational investment securities	51,148	33,210
Other	76,076	72,597
Allowance for doubtful accounts	(13,298)	(9,576)
Total current assets	4,759,085	4,852,812
Non-current assets		
Property, plant and equipment	73,070	80,235
Intangible assets	53,215	48,446
Investments and other assets		
Investment securities	50,991	78,349
Other	174,038	147,021
Allowance for doubtful accounts	(1,485)	(1,054)
Total investments and other assets	223,544	224,316
Total non-current assets	349,830	352,998
Total assets	5,108,916	5,205,811
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	648	314
Accounts payable - other	513,835	469,054
Deposits received	1,027,633	1,102,938
Other	306,565	294,353
Total current liabilities	1,948,682	1,966,660
Non-current liabilities		
Other	33,007	33,014
Total non-current liabilities	33,007	33,014
Total liabilities	1,981,690	1,999,674



	(Thousand yen)	
	Fiscal Year Ended September 30, 2020 (As of September 30, 2020)	Q1 Fiscal Year Ending September 30, 2021 (As of December 31, 2020)
Net assets		
Shareholders' equity		
Capital stock	2,688,567	2,688,567
Capital surplus	2,615,484	2,615,484
Retained earnings	(2,198,107)	(2,106,699)
Treasury shares	(120)	(120)
Total shareholders' equity	3,105,823	3,197,231
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,052	8,607
Total accumulated other comprehensive income	21,052	8,607
Subscription rights to shares	350	298
Total net assets	3,127,226	3,206,136
Total liabilities and net assets	5,108,916	5,205,811

## (2) Quarterly (Cumulative) Consolidated Statements of Income and Comprehensive Income

## Quarterly (Cumulative) Consolidated Statement of Income

## The First Quarter of Consolidated Fiscal Year

	(Thousand yen)	
	Q1 Fiscal Year Ended September 30, 2020 (Oct. 1, 2019 to Dec. 31, 2019)	Q1 Fiscal Year Ending September 30, 2021 (Oct. 1, 2020 to Dec. 31, 2020)
Net sales	2,342,411	1,818,033
Cost of sales	1,491,588	1,000,011
Gross profit	850,822	818,021
Selling, general and administrative expenses	871,843	710,207
Operating profit (loss)	(21,020)	107,813
Non-operating income		
Gain from lapsed deposits received	7,055	12,651
Other	12,239	3,137
Total non-operating income	19,295	15,788
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	3,835
Foreign exchange losses	-	1,975
Other	2,688	217
Total non-operating expenses	2,688	6,028
Ordinary profit (loss)	(4,413)	117,573
Profit (loss) before income taxes	(4,413)	117,573
Income taxes	8,156	26,165
Profit (loss)	(12,569)	91,407
Profit attributable to non-controlling interests	693	-
Profit (loss) attributable to owners of parent	(13,263)	91,407

## Quarterly Consolidated Statement of Comprehensive Income

The First Quarter of Consolidated Fiscal Year

	(Thousand yen)	
	Q1 Fiscal Year Ended September 30, 2020 (Oct. 1, 2019 to Dec. 31, 2019)	Q1 Fiscal Year Ending September 30, 2021 (Oct. 1, 2020 to Dec. 31, 2020)
Profit (loss)	(12,569)	91,407
Other comprehensive income		
Valuation difference on available-for-sale securities	81	(12,445)
Total other comprehensive income	81	(12,445)
Comprehensive income	(12,488)	78,962
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(13,182)	78,962
Comprehensive income attributable to non-controlling interests	693	-

### (3) Notes on Quarterly (Cumulative) Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Application of Accounting Procedures Specific to Preparing Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after tax effect accounting is applied to the pre-tax profit for the consolidated fiscal year, including the current first quarter consolidated fiscal year, and by multiplying this effective tax rate and the pre-tax profit.

(Changes in accounting policies)

(Changes in calculation of tax expenses)

Formerly, tax expenses for the Company and its consolidated subsidiaries were calculated using the principle method. However, to further improve the efficiency of quarterly settlement operations of the Company and its consolidated subsidiaries, tax expenses are changed to be calculated by reasonably estimating the effective tax rate after tax effect accounting is applied to the pre-tax profit for the consolidated fiscal year, including the current first quarter consolidated fiscal year, and by multiplying this effective tax rate and the pre-tax profit.

Since the impact of this change is minor, it is not applied retroactively.

(Additional information)

(Certain assumptions regarding the COVID-19 in accounting estimates)

With regard to the impact of COVID-19, it is difficult to accurately predict how the pandemic will spread and when it will end. At present, we consider that COVID-19 may have a certain impact on future cash flows and forecasts of the future business environment, but that such impact will be limited. We also believe that there will be no material impact on accounting estimates such as impairment loss of non-current assets and the recoverability of deferred tax assets.

However, depending on changes in the situation, it may have an impact on our consolidated financial statements for the following fiscal year and beyond.

(Segment information, etc.)

[Segment information]

Previous consolidated cumulative first quarter (October 1, 2019 to December 31, 2019)

## 1. Information of net sales and profit (loss) of each reportable segment

(Thousand yen)

	Reportable segments			Other (Note 1)	Adjusted amount (Note 2)	Amounts shown on quarterly (cumulative) consolidated statement of income
	Matching	SaaS	Total			
Net sales						
(1) Sales to external customers	1,535,858	16,214	1,552,073	790,338	-	2,342,411
(2) Internal sales or exchange between segments	14	45	59	-	(59)	-
Total	1,535,872	16,259	1,552,132	790,338	(59)	2,342,411
Segment profit (loss)	(27,207)	(6,762)	(33,969)	13,007	(59)	(21,020)

Note: 1. The category of "Other" indicates business segments that are not included in reportable segments, and includes Project contracting and Investment Development business, etc.

2. Segment profit (loss) has been adjusted with operating profit (loss) in the quarterly consolidated statement of income.

## 2. Information of impairment loss on non-current assets, of goodwill, etc. for each reportable segment

Not applicable.

Current consolidated cumulative first quarter (October 1, 2020 to December 31, 2020)

## 1. Information of net sales and profit (loss) of each reportable segment

(Thousand yen)

	Reportable segments			Other (Note 1)	Adjusted amoun	Amounts shown on quarterly (cumulative) consolidated statement of income
	Matching	SaaS	Total			
Net sales						
(1) Sales to external customers	1,795,317	22,517	1,817,834	198	-	1,818,033
(2) Internal sales or exchange between segments	-	-	-	-	-	-
Total	1,795,317	22,517	1,817,834	198	-	1,818,033
Segment profit (loss)	155,865	(48,234)	107,631	182	-	107,813

Note: The category of "Other" indicates business segments that are not included in reportable segments, and includes Investment Development business, etc.

## 2. Information of impairment loss on non-current assets, of goodwill, etc. for each reportable segment

Not applicable.

## 3. Changes to reportable segments

From the previous consolidated fiscal year, the "SaaS Business," which was previously included in "Other," has been redesignated to the reportable segment because it has increased quantitative importance.

In addition, since the first quarter of the current consolidated cumulative consolidated period, the "Project Contracting Business" has been included in "Other" because it has decreased quantitative importance.

Segment information for the previous first quarter of the fiscal year has been based on the new reportable segments. In the first quarter of the previous fiscal year, the amounts related to the contracted business within "Other" were (1) sales to outside customers of 766,935 thousand yen, (2) - thousand yen in internal sales or transfers between segments, total sales of 766,935 thousand yen, and segment income of 11,479 thousand yen.

## (Material subsequent events)

## (Merger of consolidated subsidiaries)

At the board of directors meeting on November 13, 2020, the Company resolved to absorb and merge its wholly owned subsidiaries, BizAsst., Inc. and graviee Inc., effective January 1, 2021. The merger was carried out on the same date.

## (1) Purpose of merger

Based on the management policy for the fiscal year ending September 2021, the Company decided to absorb and merge wholly owned subsidiaries of the Company, BizAsst., Inc. and graviee Inc., aiming to strengthen business synergies and improve management efficiency in order to concentrate on the growth of matching business, which is the core business.

## (2) Summary of merger

## (i) Date of merger

January 1, 2021

## (ii) Legal form of merger

Absorption-type merger method in which the Company is a company surviving an absorption-type merger, and BizAsst., Inc. and graviee Inc. are companies disappearing in an absorption-type merger.

## (iii) Details of the share allotment related to the merger

As this is an absorption-type merger of wholly owned subsidiaries of the Company, new shares will not be issued and money will not be delivered as a result of this merger.

## (iv) Handling of share acquisition rights and bonds with share acquisition rights associated with the merger

Not applicable.

## (3) Overview of the merged corporations (as of December 31, 2020)

Name	BizAsst., Inc.	graviee Inc.
Business content	Matching business for online assistants	Human resource business
Location	Ebisu Garden Place Tower 6th floor, 4-20-3 Ebisu, Shibuya-ku, Tokyo	Axis Gotanda Building No. 502, 8-7-11 Nishi-gotanda, Shinagawa-ku, Tokyo
Title and name of the representative	Representative Director Kiyoteru Okuno	Representative Director Koichi Ohrui
Share capital	100,000 thousand yen	7,000 thousand yen
Net assets	25,930 thousand yen	107,145 thousand yen
Total assets	150,272 thousand yen	156,032 thousand yen
Net sales	195,364 thousand yen	103,734 thousand yen
Profit	15,593 thousand yen	6,106 thousand yen

## (4) Status after the merger

After the merger, there is no change in our Company's name, location, title/name of the representative, business content, share capital, or fiscal year-end.

## (5) Outline of accounting procedures to be carried out

It will be treated as a transaction under common control, based on "Accounting Standards for Business Combinations" (Accounting Standards Board of Japan Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Guidance No. 10, January 16, 2019).

## (6) Other

Due to the above absorption-type merger, the Company plans to shift from the current consolidated financial statements to non-consolidated financial statements from the second quarter of the fiscal year ending September 2021. The Company expects to record a gain on extinguishment of tie-in shares of 15,593 thousand yen and a loss on extinguishment of tie-in shares of 22,011 thousand yen as a result of the shift to non-consolidated accounting.

### 3. Other

Material Events Related to Going Concern Assumptions, etc.

Not applicable.