

(Translation)



CONSOLIDATED FINANCIAL REPORT
FISCAL 2023 (Japanese GAAP)
(November 1, 2022 to October 31, 2023)

December 14, 2023

Company name: Management Solutions co., Ltd.

Listing: Tokyo Stock Exchange Prime
Market

Securities code: 7033

URL: <https://www.msols.com>

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Annual General Meeting of Shareholders date (planned):

January 30, 2024

Fiscal 2023 Securities Report filing date (planned):

January 31, 2024

Dividend payment commencement date (planned):

January 10, 2024

Supplemental materials prepared for financial results:

Yes

Holding of financial results meeting:

Yes

(for analysts and institutional investors)

(Millions of yen rounded down)

1. Consolidated Operating Results for Fiscal 2023 (November 1, 2022 to October 31, 2023)

(1) Consolidated Business Results

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2023	16,931	41.1	2,207	200.6	2,246	201.3	1,620	213.3
FY 2022	12,000	63.1	734	(20.4)	745	(20.0)	517	(23.7)

(Note) Comprehensive income:

FY 2023

1,636 million yen (193.5%)

FY 2022

557 million yen (-19.9%)

	Net Income Per Share	Net Income Per Share (Diluted)	ROE	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY 2023	97.74	97.70	47.7	34.3	13.0
FY 2022	31.09	31.04	21.3	15.1	6.1

(Reference) Equity in earnings of affiliated companies accounted for by the equity method:

FY 2023

- million yen

FY 2022

- million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets Per Share of Common Stock
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2023	7,032	4,302	59.8	253.55
As of October 31, 2022	6,057	2,678	42.7	155.93

(Reference) Shareholders' equity:

As of October 31, 2023

4,206 million yen

As of October 31, 2022

2,583 million yen

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2023	2,334	(444)	(1,435)	2,640
FY 2022	150	(612)	807	2,185

2. Dividends

	Cash Dividends Per Share of Common Stock					Cash Dividends Paid (Annual)	Dividend Payout Ratio (Consolidated)	Cash Dividends to Net Assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2022	-	0.00	-	2.00	2.00	33	6.4	1.4
FY 2023	-	0.00	-	12.00	18.00	199	12.3	5.9
FY 2024 (planned)	-	0.00	-	12.00	18.00		10.0	

3. Forecast of Consolidated Results for FY 2024 (November 1, 2023 to December 31, 2024)

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Fiscal Year	20,000	100.0	2,000	100.0	2,000	100.0	1,000	100.0	100.00

Note: Conditional on obtaining approval for “Partial Amendments to the Articles of Incorporation” at the 19th Annual General Meeting of Shareholders scheduled to be held on January 30, 2024, the Company plans to change the date of its fiscal year-end from October 31 to December 31, beginning with next fiscal year. Due to the change in the fiscal year-end, the fiscal year ending December 31, 2024 is a transitional period of 14 months running from November 1, 2023 to December 31, 2024, and so year-on-year changes are not provided. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” in the Appendix Page3 for further information on results forecasts for the 12 months from November 1, 2023, to October 31, 2024.

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: - companies

Excluded: - companies

(2) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(Note) Please refer to “3. Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements” in the Appendix page 12 for further information.

(3) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury stock)

As of October 31, 2023 16,816,800 shares

As of October 31, 2022 16,790,500 shares

(ii) Number of treasury stock at the end of the period

As of October 31, 2023 226,541 shares

As of October 31, 2022 220,171 shares

(iii) Average number of shares during the period

Fiscal year ended October 31, 2023
Fiscal year ended October 31, 2022

16,583,416 shares
16,639,417 shares

(Reference) Overview of Non-Consolidated Performance

1. Non-Consolidated Performance for FY 2023

(November 1, 2022 to October 31, 2023)

(1) Non-Consolidated Business Results

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2023	16,060	42.6	2,172	211.1	2,278	210.7	1,692	214.7
FY 2022	11,260	55.1	698	(21.0)	733	(17.9)	537	(16.9)

	Net Income Per Share	Net Income Per Share (Diluted)
	Yen	Yen
FY 2023	102.07	102.04
FY 2022	32.32	32.27

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets Per Share of Common Stock
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2023	6,662	4,230	63.5	255.01
As of October 31, 2022	5,501	2,536	46.1	153.09

(Reference) Shareholders' equity: As of October 31, 2023: ¥4,230 million
As of October 31, 2022: ¥2,536 million

* The financial statement summary is not subject to auditing by certified public accountants or audit firms.

* Explanation concerning the Proper Use of Operating Results Forecasts and Other Relevant Specific Items
(Note on the forecasts for the consolidated financial results)

The forecasts of operating results and other items concerning the future contained in this document are based on management's assumptions and beliefs that are determined to be reasonable in light of currently available information, and are not intended as a guarantee that these targets will be achieved. Actual results may differ significantly from forecasts due to a variety of factors. For the assumptions on which the earnings forecasts were based and the notes for use of the forecasts, please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" in the Appendix page3.

(Supplementary information for the financial results and briefing on the financial results)

The Company plans to hold a financial results briefing on December 14, 2023 (Thursday). A report on the briefing and explanations provided (audio), together with the presentation materials used that day, will be made available on the Company's website promptly after the meeting.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the fiscal year under review, the resolution of the COVID-19 pandemic led to a moderate recovery in various industries, and companies remained willing to invest. There are concerns about worsening business conditions caused by the impact of the depreciating yen, progressive inflation, supply constraints, and other factors, but on the other hand Japanese companies are expected to continue to engage actively in initiatives to add value and create business opportunities.

In the Group's sphere of business of project management there is a rising need for value-added support, including support for organizational transformation in areas such as DX (Digital Transformation) that continue to be characterized by healthy demand. The level of inquiries about project management support is projected to remain high over the medium to long term.

The Company is pursuing a vision of becoming a platform for management in society, encouraging organizational transformation and the autonomous development of the individual. By introducing and creating proposals based on the its project management techniques, the Company has steadily acquired new clients in a variety of industries and business categories.

In terms of initiatives to expand its area of business and continuously generate profit, the Company has also actively recruited human resources and put in place an educational system to secure a steady supply of consultants, and has promoted the development of account managers by strengthening its risk management.

As a result, net sales for the fiscal year under review increased by 41.1% year on year to 16,931,288 thousand yen, operating income increased by 200.6% to 2,207,590 thousand yen, ordinary income increased by 201.3% to 2,246,703 thousand yen, and profit attributable to owners of parent increased by 213.3% to 1,620,788 thousand yen.

Because the Group only has the single segment of the consulting business, it has omitted the presentation of results by segment.

(2) Overview of Financial Position

(Current assets)

Current assets as of the end of the fiscal year under review amounted to 4,976,689 thousand yen, an increase of 693,912 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to increases in cash and deposits of 334,389 thousand yen, and in accounts receivable - trade of 336,166 thousand yen.

(Noncurrent assets)

Noncurrent assets as of the end of the fiscal year under review amounted to 2,056,041 thousand yen, an increase of 281,610 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to a decrease in software in progress of 196,181 thousand yen, which was outweighed by increases in buildings, net of 280,284 thousand yen, and in software of 166,140 thousand yen.

(Current liabilities)

Current liabilities as of the end of the fiscal year under review amounted to 2,061,676 thousand yen, an increase of 394,911 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to a decrease in the current portion of long-term loans payable of 300,952 thousand yen, which was outweighed by an increase in income taxes payable of 404,216 thousand yen, and an increase in accrued consumption taxes of 207,690 thousand yen.

(Noncurrent liabilities)

Noncurrent liabilities as of the end of the fiscal year under review amounted to 668,782 thousand yen, a decrease of 1,042,968 thousand yen from the end of the previous fiscal year. This was due mainly to a decrease in long-term loans payable of 1,042,285 thousand yen.

(Net assets)

Total net assets at the end of the fiscal year under review amounted to 4,302,272 thousand yen, an increase of 1,623,578 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to an increase in retained earnings of 1,587,648 thousand yen.

(3) Overview of Cash Flows

In the fiscal year under review, net cash provided by operating activities was 2,334,284 thousand yen, net cash used in investing activities was 444,079 thousand yen, and net cash used in financing activities was 1,435,758 thousand yen, resulting in cash and cash equivalents increasing by 455,234 thousand yen from the end of the previous fiscal year, to 2,640,389 thousand yen.

The status of cash flows for the fiscal year under review and factors behind them are provided below.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,334,284 thousand yen for the fiscal year under review, an increase of 1,447.9%, as compared to the previous fiscal year. This was due mainly to income before income taxes of 2,246,703 thousand yen, depreciation and amortization of 225,270 thousand yen, an increase in notes and accounts receivable - trade of 335,872 thousand yen, an increase in accrued consumption taxes of 207,684 thousand yen, and income taxes paid of 246,674 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities was 444,079 thousand yen for the fiscal year under review, a decrease of 27.5%, as compared to the previous fiscal year. This was due mainly to payments into time deposits of 146,884 thousand yen, proceeds from withdrawal of time deposits of 267,913 thousand yen, purchase of property, plant and equipment of 430,490 thousand yen, purchase of intangible assets of 73,795 thousand yen, and payments for lease deposits and guarantee deposits of 80,170 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,435,758 thousand yen for the fiscal year under review (net cash provided by financing activities was 807,103 thousand yen for the previous fiscal year). This was due mainly to repayment of long-term loans payable of 1,343,237 thousand yen, and redemption of bonds of 60,000 thousand yen.

(4) Future Outlook

With regard to the outlook going forward, reports from a major market research organization suggest that the potential market for PMO services is likely to reach ¥1 trillion by 2030, and we expect the trend of companies of all kinds introducing project management or considering the introduction of project management to remain firm. In such an environment, we will expand our area of business, actively work to acquire new clients, and continue to broaden the scope of our operations. For that reason, in addition to actively recruiting new employees we are working to prevent mid-career resignations and to enhance internal training with the objective of securing human resources who are capable of executing project management services.

For next fiscal year (the fiscal year ending December 31, 2024), the Group is forecasting net sales of ●● thousand yen, operating income of ●● thousand yen, ordinary income of ●● thousand yen, and profit attributable to owners of parent of ●● thousand yen.

For the fiscal year ending October 31, 2024, the Group is forecasting net sales of ●● thousand yen (+●.●% year on year), operating income of ●● thousand yen (+●.●% year on year), ordinary income of ●● thousand yen (+●.●% year on year), and profit attributable to owners of parent of ●● thousand yen (+●.●% year on year).

Furthermore, the above forecasts were created based on information available on the date on which these materials were released, and actual results going forward may differ from forecasts due to a variety of factors.

2. Basic Approach to Selection of Accounting Standards

Having taken into consideration the comparability of consolidated financial periods over different periods and between different companies, the Group has elected to base the creation of its consolidated financial statements on Japanese standards.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Group's policy is to respond as appropriate after considering various circumstances both in Japan and overseas.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	Fiscal Year 2022 (As of October 31, 2022)	Fiscal Year 2023 (As of October 31, 2023)
Assets		
Current assets		
Cash and deposits	2,306,000	2,640,389
Accounts receivable - trade	1,853,164	2,189,331
Other	123,611	146,967
Total current assets	4,282,776	4,976,689
Noncurrent assets		
Property, plant and equipment		
Buildings, net	201,296	481,580
Vehicles, net	2,990	1,977
Tools, furniture and fixtures, net	62,225	131,357
Total property, plant and equipment	266,512	614,915
Intangible assets		
Goodwill	398,812	334,140
Customer-related intangible assets	195,901	185,680
Software	82,505	248,646
Software in progress	199,723	3,541
Total intangible assets	876,943	772,008
Investments and other assets		
Investment securities	7,400	7,400
Long-term prepaid expenses	53,098	39,582
Deferred tax assets	67,251	63,238
Lease deposits and guarantee deposits	423,107	472,230
Other	80,118	86,665
Total investments and other assets	630,975	669,117
Total noncurrent assets	1,774,431	2,056,041
Total assets	6,057,208	7,032,730

	Fiscal Year 2022 (As of October 31, 2022)	Fiscal Year 2023 (As of October 31, 2023)
Liabilities		
Current liabilities		
Accounts payable	236,220	292,392
Current portion of bonds	60,000	-
Current portion of long-term loans payable	339,774	38,822
Accounts payable - other	143,322	205,613
Accrued expenses	351,776	328,194
Income taxes payable	154,879	559,095
Accrued consumption taxes	297,531	505,222
Provision for shareholder benefit program	2,143	-
Other	81,116	132,336
Total current liabilities	<u>1,666,764</u>	<u>2,061,676</u>
Noncurrent liabilities		
Long-term loans payable	1,654,212	611,927
Deferred tax liabilities	57,538	56,855
Total noncurrent liabilities	<u>1,711,750</u>	<u>668,782</u>
Total liabilities	<u>3,378,515</u>	<u>2,730,458</u>
Net assets		
Shareholders' equity		
Capital stock	651,395	668,592
Capital surplus	532,373	549,570
Retained earnings	1,762,474	3,350,123
Treasury stock	(390,244)	(390,318)
Total shareholders' equity	<u>2,555,999</u>	<u>4,177,967</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	27,789	28,570
Total accumulated other comprehensive income	<u>27,789</u>	<u>28,570</u>
Non-controlling interests	<u>94,904</u>	<u>95,734</u>
Total net assets	<u>2,678,693</u>	<u>4,302,272</u>
Total liabilities and net assets	<u>6,057,208</u>	<u>7,032,730</u>

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Net sales	12,000,073	16,931,288
Cost of sales	7,770,756	10,593,553
Gross profit	4,229,316	6,337,734
Selling, general and administrative expenses	3,494,871	4,130,143
Operating income	734,445	2,207,590
Non-operating income		
Interest income	1,416	1,188
Dividend income	80	112
Foreign exchange gains	4,234	-
Gain on sale of investment securities	53	14,999
Rental income	11,018	1,960
Compensation income	-	12,587
Subsidy income	3,808	5,006
Surrender value of insurance policies	113	10,808
Other	1,917	2,618
Total non-operating income	22,642	49,282
Non-operating expenses		
Interest expenses	8,659	8,783
Foreign exchange losses	-	1,316
Office relocation expenses	2,151	-
Other	607	70
Total non-operating expenses	11,418	10,169
Ordinary income	745,668	2,246,703
Income before income taxes	745,668	2,246,703
Income taxes - current	240,637	607,773
Income taxes - deferred	(27,714)	3,329
Total income taxes	212,923	611,102
Profit	532,745	1,635,600
Profit attributable to non-controlling interests	15,425	14,811
Profit attributable to owners of parent	517,319	1,620,788

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Net income	532,745	1,635,600
Other comprehensive income (loss)		
Foreign currency translation adjustment	24,881	798
Total other comprehensive income (loss)	24,881	798
Comprehensive income	557,627	1,636,399
Total comprehensive income attributable to:		
Owners of parent	538,888	1,621,569
Non-controlling interests	18,738	14,829

(3) Consolidated Statement of Changes in Equity
Fiscal Year 2022 (November 1, 2021 to October 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	621,130	502,109	1,245,155	(90,036)	2,278,358
Changes during the year					
Issuance of new shares - exercise of share acquisition rights	30,264	30,264			60,528
Profit attributable to owners of parent			517,319		517,319
Purchase of treasury stock				(300,208)	(300,208)
Net changes during the year of items other than shareholders' equity					
Total changes during the year	30,264	30,264	517,319	(300,208)	277,640
Balance at the end of the year	651,395	532,373	1,762,474	(390,244)	2,555,999

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the year	6,220	6,220	19,342	2,303,922
Changes during the year				
Issuance of new shares - exercise of share acquisition rights				60,528
Profit attributable to owners of parent				517,319
Purchase of treasury stock				(300,208)
Net changes during the year of items other than shareholders' equity	21,568	21,568	75,561	97,130
Total changes during the year	21,568	21,568	75,561	374,770
Balance at the end of the year	27,789	27,789	94,904	2,678,693

Fiscal Year 2023 (November 1, 2022 to October 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	651,395	532,373	1,762,474	(390,244)	2,555,999
Changes during the year					
Issuance of new shares - exercise of share acquisition rights	17,197	17,197			34,394
Dividends of surplus			(33,140)		(33,140)
Profit attributable to owners of parent			1,620,788		1,620,788
Purchase of treasury stock				(74)	(74)
Net changes during the year of items other than shareholders' equity					
Total changes during the year	17,197	17,197	1,587,648	(74)	1,621,968
Balance at the end of the year	668,592	549,570	3,350,123	(390,318)	4,177,967

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the year	27,789	27,789	94,904	2,678,693
Changes during the year				
Issuance of new shares - exercise of share acquisition rights				34,394
Dividends of surplus				(33,140)
Profit attributable to owners of parent				1,620,788
Purchase of treasury stock				(74)
Net changes during the year of items other than shareholders' equity	780	780	829	1,610
Total changes during the year	780	780	829	1,623,578
Balance at the end of the year	28,570	28,570	95,734	4,302,272

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Cash flows from operating activities		
Income before income taxes	745,668	2,246,703
Depreciation and amortization	151,360	225,270
Amortization of goodwill	53,893	64,672
Amortization of lease deposits and guarantee deposits	20,444	30,772
Increase (decrease) in allowance for doubtful accounts	(506)	-
Increase (decrease) in provision for shareholder benefit program	(33,068)	(2,143)
Interest and dividend income	(1,497)	(1,300)
Interest expenses	8,659	8,783
Foreign exchange losses (gains)	(8,849)	167
Loss (gain) on sale of investment securities	53	(14,999)
Decrease (increase) in trade receivables	(694,476)	(335,872)
Decrease (increase) in other current assets	9,767	(24,474)
Increase (decrease) in trade payables	64,149	56,171
Increase (decrease) in accounts payable - other	1,970	18,269
Increase (decrease) in accrued expenses	132,248	(23,476)
Increase (decrease) in accrued consumption taxes	37,263	207,684
Increase (decrease) in other current liabilities	24,516	51,434
Other, net	16,215	80,597
Subtotal	527,707	2,588,259
Interest and dividends received	1,493	1,297
Interest paid	(8,619)	(8,598)
Income taxes paid	(369,981)	(246,674)
Income taxes refund	198	-
Net cash provided by (used in) operating activities	150,798	2,334,284
Cash flows from investing activities		
Payments into time deposits	(88,646)	(146,884)
Proceeds from withdrawal of time deposits	74,958	267,913
Purchase of investment securities	(7,400)	-
Proceeds from sale of investment securities	1,094	15,000
Proceeds from sale of investments in capital	50	100
Purchase of property, plant and equipment	(88,053)	(430,490)
Purchase of intangible assets	(193,420)	(73,795)
Payments of lease deposits and guarantee deposits	(209,105)	(80,170)
Proceeds from collection of lease deposits and guarantee deposits	10,247	297
Proceeds from cancellation of insurance funds	-	22,221
Decrease (increase) in investments and other assets	(29,589)	(18,272)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(77,555)	-
Other, net	(4,998)	-
Net cash provided by (used in) investing activities	(612,417)	(444,079)

(Thousands of yen)

	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,600,000	-
Repayments of long-term loans payable	(445,867)	(1,343,237)
Redemption of bonds	(48,000)	(60,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,419	907
Purchase of treasury shares	(300,807)	(74)
Dividends paid	-	(33,140)
Other, net	(640)	(213)
Net cash provided by (used in) financing activities	807,103	(1,435,758)
Effect of exchange rate change on cash and cash equivalents	11,864	788
Net increase (decrease) in cash and cash equivalents	357,348	455,234
Cash and cash equivalents at the beginning of the period	1,827,806	2,185,154
Cash and cash equivalents at the end of the period	2,185,154	2,640,389

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Changes in Accounting Policies)

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

The Company applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Implementation Guidance”) at the beginning of the fiscal year under review, and the new accounting policies stipulated in the Fair Value Measurement Implementation Guidance are applied into the future in accordance with the transitional measures set out in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance. This has no impact on the consolidated financial statements.

(Segment Information, etc.)

[Segment Information]

Because the Group is engaged in only the single segment of the consulting business, segment information is of little importance and has been omitted.

(Per Share Information)

	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Net assets per share of common stock	155.93 yen	253.55 yen
Net income per share	31.09 yen	97.74 yen
Diluted net income per share	31.04 yen	97.70 yen

Note: The foundation for calculating net income per share and diluted net income per share is as follows.

Item	Fiscal Year 2022 (November 1, 2021 to October 31, 2022)	Fiscal Year 2023 (November 1, 2022 to October 31, 2023)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	517,319	1,620,788
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit attributable to owners of parent pertaining to common stock (thousands of yen)	517,319	1,620,788
Average number of common stock during the period (shares)	16,639,417	16,583,416
Diluted net income per share		
Adjustment to profit attributable to owners of parent (thousands of yen)	-	-
Increase in the number of common shares (shares)	24,775	6,398
Of which share acquisition rights (shares)	(24,775)	(6,398)
Overview of dilutive shares that are not included in the calculation of diluted net income per share as they have no dilutive effects	-	-

(Significant Subsequent Events)

Not applicable.