



January 15, 2024

Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2023 (Under Japanese GAAP)

Company name: JASTEC Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9717
 URL: <https://www.jastec.co.jp/eng/>
 Representative: Hidetoshi Muranaka, President and Chief Executive Officer
 Inquiries: Toru Otani, General Manager, Accounting Department
 Telephone: +81-3-3446-0295
 Scheduled date of annual general meeting of shareholders: February 27, 2024
 Scheduled date to commence dividend payments: February 28, 2024
 Scheduled date to file annual securities report: February 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts, and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended November 30, 2023 (from December 1, 2022 to November 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
November 30, 2023	20,762	9.0	3,063	6.0	3,150	6.3	2,213	8.3
November 30, 2022	19,053	4.8	2,889	39.2	2,964	35.1	2,044	34.9

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
November 30, 2023	129.38	128.78	11.0	13.0	14.8
November 30, 2022	120.53	120.17	10.9	13.1	15.2

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

For the fiscal year ended November 30, 2023: ¥— million

For the fiscal year ended November 30, 2022: ¥— million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
November 30, 2023	24,776	21,039	84.5	1,217.61
November 30, 2022	23,505	19,505	82.4	1,136.19

Reference: Equity

As of November 30, 2023: ¥20,932 million

As of November 30, 2022: ¥19,364 million

(3) Non-consolidated 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
November 30, 2023	1,709	1,070	(848)	12,937
November 30, 2022	2,181	(565)	(860)	11,005

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended November 30, 2022	—	0.00	—	50.00	50.00	852	41.5	4.5
Fiscal year ended November 30, 2023	—	0.00	—	50.00	50.00	859	38.6	4.2
Fiscal year ending November 30, 2024 (Forecast)	—	0.00	—	50.00	50.00		—	

3. Forecast of non-consolidated financial results for the fiscal year ending November 30, 2024 (December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May31, 2024	10,850	5.3	1,195	(18.4)	1,225	(20.0)	856	(19.8)	50.06
Fiscal year ending November 30, 2024	22,050	6.2	2,605	(15.0)	2,665	(15.4)	1,861	(15.9)	108.81

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2023	18,287,000 shares
As of November 30, 2022	18,287,000 shares

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

As of November 30, 2023	1,095,556 shares
As of November 30, 2022	1,243,879 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended November 30, 2023	17,106,506 shares
Fiscal year ended November 30, 2022	16,960,019 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

- The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual performance and other results may differ from these statements due to various factors. For conditions underlying the assumptions for the earnings forecasts and cautionary notes on the use of the earnings forecasts, please refer to “1. Overview of Operating Results (4) Future Outlook” on page 5 of the attached materials.
- The Company will hold a financial results briefing for institutional investors and analysts on Monday, January 15, 2024. The video recording of this briefing and other information will be made available on the Company’s website by Monday, January 22, 2024.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the global economy continued to recover despite signs of weakness in some regions. Looking ahead, although the recovery is expected to continue, the economy has been negatively affected by downside risks due to worldwide monetary tightening, the impact of stagnation in China's real estate market, price hikes and other factors, as well as the situation in the Middle East and fluctuations in financial and capital markets.

In this global situation, the Japanese economy also has picked up gradually, as inbound demand has trended toward recovery following the lifting of COVID-19 travel restrictions; nevertheless, there have been concerns about the negative impact on corporate earnings caused by rising prices and the downturn in the world economy.

The IT market continues to be on an upward trend due to demand for rebuilding existing systems and adding functionality using new IT technologies (i.e., generative AI, 5G, and cloud services) to solve the 2025 Problem, as well as to improve business efficiency against a backdrop of labor shortages. Moreover, as economic and social activities continue to return to normal in the post-pandemic period, the pace of recovery has picked up even further.

2025 Problem:

"Digital Transformation Report" (Study Group for Digital Transformation), which was released by the Ministry of Economy, Trade and Industry in September 2018, identified the "2025 Digital Cliff" as a potential economic loss of up to ¥12 trillion per year after 2025 resulting from the failure to overcome maintenance issues with existing legacy systems.

Generative AI:

Generative AI refers to the technology that learns patterns and relationships in data and generates various types of content, including text, images, and audio.

5G:

5G is the fifth generation of mobile communications systems, a fundamental technology that enables mobile communications with ultra-high speed, ultra-high capacity, ultra-mass connectivity, and ultra-low latency compared to the "fourth generation (4G) mobile communications systems."

Cloud services:

Cloud services are services that provide server and application functionality via the Internet.

In such an environment, the Company has made efforts to win orders from a broad range of industries, while expanding orders mainly in the building materials and construction industry as well as the electric power and transportation industry. At the same time, the Company has worked to improve the productivity of development projects by enhancing project management, expanding expertise, and implementing other measures. As a result, in the fiscal year under review, net sales, operating profit, ordinary profit, and profit all exceeded our earnings forecasts and those for the previous fiscal year results.

In addition, the unprofitable projects that occurred during the period have been brought under control, and we will further enhance project risk management to prevent their recurrence, thereby improving business performance.

Net sales and profits compared with the forecast and the previous fiscal year results are as follows.

	Amount (Million yen)	Net sales rate (%)	Changes from the forecast			Year-on-year changes		
			Forecast (Million yen)	Increase (Million yen)	Increase rate (%)	Previous FY results (Million yen)	Increase (Million yen)	Increase rate (%)
Net sales	20,762	100.0	20,292	470	2.3	19,053	1,709	9.0
Operating profit	3,063	14.8	2,920	143	4.9	2,889	173	6.0
Ordinary profit	3,150	15.2	2,975	174	5.9	2,964	185	6.3
Profit	2,213	10.7	2,068	145	7.0	2,044	168	8.3

Net sales by market segment are as follows.

Market segment	Net sales (Million yen)	Composition ratio (%)	Rate of changes from the forecast (%)	Rate of changes from the previous FY results (%)
Building materials and construction	1,981	9.5	5.6	25.6
Manufacturing	4,001	19.3	1.2	4.8
Finance and insurance	8,088	39.0	3.3	7.0
Electric power and transportation	4,130	19.9	0.8	24.7
Information and communications technology	2,350	11.3	0.1	(11.3)
Distribution and services	201	1.0	12.8	58.0
Public facilities and services	8	0.0	66.3	(22.9)
Total	20,762	100.0	2.3	9.0

Analysis of increase/decrease in operating profit from the forecast and from the previous fiscal year results is as follows.

Classification of increase/decrease analysis	Increase/decrease rate from the forecast		Increase/decrease rate from the previous FY results	
	Amount (Million yen)	Net sales rate (%)	Amount (Million yen)	Net sales rate (%)
Increase/decrease due to changes in net sales	110	0.5	407	2.0
Increase/decrease due to changes in outsourcing ratio	(33)	(0.2)	(66)	(0.3)
Increase/decrease due to changes in cost ratio of in-house development	135	0.7	(40)	(0.2)
Increase/decrease due to changes in cost ratio of outsourcing	(237)	(1.1)	(104)	(0.5)
Increase/decrease due to changes in selling, general and administrative expenses	168	0.8	(22)	(0.1)
Total increase/decrease in operating profit	143	0.7	173	0.8

(2) Overview of Financial Position in the Fiscal Year under Review

Total assets at the end of the fiscal year under review amounted to ¥24,776 million, up ¥1,271 million from the end of the previous fiscal year. Current assets were ¥17,292 million, up ¥2,395 million from the end of the previous fiscal year. This was due primarily to an increase in cash and deposits as a result of insurance cancellations. Non-current assets amounted to ¥7,484 million, down ¥1,124 million from the end of the previous fiscal year. This was due mainly to a decrease in insurance funds due to insurance cancellations upon the retirement of directors and other officers.

Total liabilities at the end of the fiscal year under review amounted to ¥3,737 million, down ¥262 million from the end of the previous fiscal year. Current liabilities were ¥2,832 million, down ¥256 million from the end of the previous fiscal year. This was mainly attributable to a decrease in income taxes payable due to the payment of income taxes in the previous fiscal year. Non-current liabilities were ¥905 million, down ¥5 million from the end of the previous fiscal year. This was mainly because of a decrease in the provision for retirement benefits for retiring directors (and other officers) due to lower payments of retirement benefits for retiring directors and other officers, as well as a decrease in lease liabilities, although asset retirement obligations increased as a result of changes in the estimation of asset retirement obligations.

Net assets at the end of the fiscal year under review amounted to ¥21,039 million, up ¥1,533 million from the end of the previous fiscal year. This was due mainly to an increase in retained earnings brought forward.

Equity ratio was 84.5%, an increase of 2.1 points from the end of the previous fiscal year.

(3) Overview of Cash Flows in the Fiscal Year under Review

Cash and cash equivalents (“funds”) for the fiscal year under review increased by ¥1,931 million, and the funds balance at the end of the fiscal year under review amounted to ¥11,005 million, reflecting ¥12,937 million in the funds balance at the end of the previous fiscal year.

(Cash flows from operating activities)

Operating activities resulted in an increase in funds of ¥1,709 million, compared with an increase of ¥2,181 million in the previous fiscal year. This increase was attributable mainly to the fact that funds-increasing factors, such as the recording of profit before income taxes, exceeded cash-decreasing factors, such as income taxes paid.

(Cash flows from investing activities)

Investing activities resulted in an increase in funds of ¥1,070 million, compared with a decrease of ¥565 million in the previous fiscal year. This increase was mainly due to proceeds from cancellation of insurance funds.

(Cash flows from financing activities)

Financing activities resulted in a decrease in funds of ¥848 million, compared with a decrease of ¥860 million in the previous fiscal year. This decrease was largely due to dividends paid.

(4) Future Outlook

For the fiscal year ending November 30, 2024, the Company expects net sales to continue to increase as in the fiscal year ended November 30, 2023. Our forecast predicts lower profit than the fiscal year ended November 30, 2023, as we have factored in costs for future investments in human resources, including improving compensation of existing employees and strengthening mid-career recruitment activities, and for securing development resources through new partner development and expanded business transactions, in response to intensifying recruitment competition amid the recent IT talent shortage.

Given the external environment, such as global monetary tightening, the effects of stagnation in China's real estate market, the situation in the Middle East, and price hikes, we see that there still remains a risk of continued weakness in capital investment.

	Six months ended November 30, 2023			Full year		
	Amount (Million yen)	Net sales rate (%)	Year-on-year rate of changes (%)	Amount (Million yen)	Net sales rate (%)	Year-on-year rate of changes (%)
Net sales	10,850	100.0	5.3	22,050	100.0	6.2
Operating profit	1,195	11.0	(18.4)	2,605	11.8	(15.0)
Ordinary profit	1,225	11.3	(20.0)	2,665	12.1	(15.4)
Profit	856	7.9	(19.8)	1,861	8.4	(15.9)

The Company has established the following corporate priority measures and key indicators for the next three years, and all employees will unite in a concerted effort to achieve them.

1. Corporate priority measures

- (1) Expansion of business scale by entering into the upstream business, including concept planning, and by capitalizing our expertise
- (2) Deepening customer relationships and building a solid revenue base
- (3) Reform to aggressive procurement and placing orders based on fair and impartial evaluations
- (4) Overhaul of the product quality and business process quality
- (5) Fostering employees' willingness to take on new challenges and promoting diverse human resources
- (6) Reinforcement of business soundness through legal compliance and internal controls
- (7) Personal information protection and effective operation of information security controls
- (8) Reduction of environmental impact through business operations and contribution to the environment with products

2. Key indicators

Key indicator		54th term (ending November 30, 2024)	55th term (ending November 30, 2025)	56th term (ending November 30, 2026)
Business expansion	Net sales (year-on-year change)	22,050 million yen (up 6.2%)	23,515 million yen (up 6.6%)	25,394 million yen (up 8.0%)
	Ordinary profit rate	12.1%	11.7%	12.0%
Expansion of development system	Number of development personnel (year-on-year change)	1,337 (up 24)	1,390 (up 53)	1,461 (up 71)

(Notes) 1. The figures in the above table are targets and there is a possibility that the Company may not achieve these targets due to changes in the external environment or other factors. There is also a possibility that the Company may revise the details for the 55th and 56th fiscal years at the time the medium- to long-term business plan for the following fiscal year is formulated, subject to changes in the Company's business environment.

2. The number of development personnel represents the number of our employees engaged in software development as of the end of the fiscal year.

2. Basic Approach Concerning Selection of Accounting Standards

In view of the comparability of financial statements from period to period and between companies, our policy for the time being is to prepare financial statements in accordance with Japanese GAAP.

Going forward, the Company intends to further consider the application of International Financial Reporting Standards (IFRS), taking into account trends in the application of IFRS by other companies in Japan and other factors.

3. Non-consolidated Financial Statements and Notes

(1) Non-consolidated balance sheets

(Thousand yen)

	As of November 30, 2022	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	11,005,927	12,937,354
Accounts receivable - trade	1,577,148	1,850,277
Contract assets	2,176,490	2,349,450
Work in process	7,349	8,717
Prepaid expenses	129,349	143,601
Other	11,331	15,392
Allowance for doubtful accounts	(11,291)	(12,618)
Total current assets	14,896,306	17,292,175
Non-current assets		
Property, plant and equipment		
Buildings, net	96,129	250,009
Vehicles, net	669	0
Tools, furniture and fixtures, net	8,625	22,586
Leased assets, net	222,949	181,232
Total property, plant and equipment	328,373	453,828
Intangible assets		
Software	504,147	482,069
Other	7,119	7,119
Total intangible assets	511,266	489,189
Investments and other assets		
Investment securities	3,339,003	3,260,136
Shares of subsidiaries and associates	10,000	10,000
Leasehold deposits	378,075	373,877
Insurance funds	3,234,907	2,131,035
Deferred tax assets	741,595	703,568
Other	66,743	63,181
Allowance for doubtful accounts	(1,005)	(670)
Total investments and other assets	7,769,320	6,541,129
Total non-current assets	8,608,960	7,484,146
Total assets	23,505,267	24,776,322

(Thousand yen)

	As of November 30, 2022	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	597,352	664,609
Lease liabilities	98,884	83,793
Accounts payable - other	1,575,634	1,525,243
Income taxes payable	757,979	480,267
Deposits received	36,918	36,852
Provision for program warranties	7,814	11,502
Provision for loss on orders received	—	12,165
Other	14,366	17,640
Total current liabilities	3,088,949	2,832,073
Non-current liabilities		
Lease liabilities	125,968	99,162
Provision for retirement benefits	69,511	67,575
Provision for retirement benefits for directors (and other officers)	641,671	553,590
Asset retirement obligations	73,230	184,798
Total non-current liabilities	910,381	905,125
Total liabilities	3,999,330	3,737,199
Net assets		
Shareholders' equity		
Share capital	2,238,688	2,238,688
Capital surplus		
Legal capital surplus	2,118,332	2,118,332
Other capital surplus	58,556	111,407
Total capital surplus	2,176,889	2,229,740
Retained earnings		
Legal retained earnings	123,065	123,065
Other retained earnings		
General reserve	9,309,300	9,309,300
Retained earnings brought forward	6,849,578	8,210,698
Total retained earnings	16,281,944	17,643,063
Treasury shares	(1,127,853)	(987,415)
Total shareholders' equity	19,569,668	21,124,076
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(205,450)	(191,550)
Total valuation and translation adjustments	(205,450)	(191,550)
Share acquisition rights	141,718	106,597
Total net assets	19,505,936	21,039,122
Total liabilities and net assets	23,505,267	24,776,322

(2) Non-consolidated statements of income

(Thousand yen)

	For the fiscal year ended November 30, 2022	For the fiscal year ended November 30, 2023
Net sales	19,053,203	20,762,220
Cost of sales	14,507,881	16,021,053
Gross profit	4,545,321	4,741,166
Selling, general and administrative expenses	1,655,527	1,677,567
Operating profit	2,889,793	3,063,599
Non-operating income		
Interest income	119	127
Dividend income	382	392
Interest on securities	34,640	8,414
Gain on cancellation of insurance policies	6,031	75,716
Dividend income of insurance	26,099	28,598
Commission for insurance office work	11,731	13,528
Other	3,930	1,247
Total non-operating income	82,935	128,025
Non-operating expenses		
Interest expenses	2,810	2,922
Loss on cancellation of insurance policies	3,825	37,229
Share issuance costs	1,633	1,374
Other	69	87
Total non-operating expenses	8,339	41,614
Ordinary profit	2,964,389	3,150,010
Extraordinary income		
Gain on sale of property, plant and equipment	—	1,620
Gain on reversal of share acquisition rights	6,459	17,759
Other	—	1,217
Total extraordinary income	6,459	20,597
Extraordinary losses		
Loss on sale and retirement of non-current assets	—	6,328
Total extraordinary losses	—	6,328
Profit before income taxes	2,970,848	3,164,280
Income taxes - current	1,030,390	919,123
Income taxes - deferred	(103,810)	31,900
Total income taxes	926,579	951,024
Profit	2,044,268	2,213,256

(3) Non-consolidated statements of changes in equity

Fiscal year ended November 30, 2022 (December 1, 2021– November 30, 2022)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of period	2,238,688	2,118,332	35,192	2,153,524	123,065	9,309,300	5,582,436	15,014,802
Cumulative effects of changes in accounting policies							67,573	67,573
Restated balance	2,238,688	2,118,332	35,192	2,153,524	123,065	9,309,300	5,650,010	15,082,375
Changes during period								
Dividends of surplus							(844,700)	(844,700)
Profit							2,044,268	2,044,268
Purchase of treasury shares								
Disposal of treasury shares			23,364	23,364				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	23,364	23,364	—	—	1,199,568	1,199,568
Balance at end of period	2,238,688	2,118,332	58,556	2,176,889	123,065	9,309,300	6,849,578	16,281,944

	Shareholders' equity		Valuation and translation adjustments	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at beginning of period	(1,264,700)	18,142,314	24,664	159,907	18,326,886
Cumulative effects of changes in accounting policies		67,573			67,573
Restated balance	(1,264,700)	18,209,887	24,664	159,907	18,394,459
Changes during period					
Dividends of surplus		(844,700)			(844,700)
Profit		2,044,268			2,044,268
Purchase of treasury shares	(99)	(99)			(99)
Disposal of treasury shares	136,946	160,311			160,311
Net changes in items other than shareholders' equity			(230,114)	(18,189)	(248,303)
Total changes during period	136,847	1,359,780	(230,114)	(18,189)	1,111,476
Balance at end of period	(1,127,853)	19,569,668	(205,450)	141,718	19,505,936

Fiscal year ended November 30, 2023 (December 1, 2022– November 30, 2023)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of period	2,238,688	2,118,332	58,556	2,176,889	123,065	9,309,300	6,849,578	16,281,944
Changes during period								
Dividends of surplus							(852,156)	(852,156)
Profit							2,213,256	2,213,256
Purchase of treasury shares								
Disposal of treasury shares			52,851	52,851				
Other							19	19
Net changes in items other than shareholders' equity								
Total changes during period	—	—	52,851	52,851	—	—	1,361,119	1,361,119
Balance at end of period	2,238,688	2,118,332	111,407	2,229,740	123,065	9,309,300	8,210,698	17,643,063

	Shareholders' equity		Valuation and translation adjustments	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at beginning of period	(1,127,853)	19,569,668	(205,450)	141,718	19,505,936
Changes during period					
Dividends of surplus		(852,156)			(852,156)
Profit		2,213,256			2,213,256
Purchase of treasury shares	(103)	(103)			(103)
Disposal of treasury shares	140,541	193,392			193,392
Other		19			19
Net changes in items other than shareholders' equity			13,899	(35,121)	(21,221)
Total changes during period	140,438	1,554,408	13,899	(35,121)	1,533,186
Balance at end of period	(987,415)	21,124,076	(191,550)	106,597	21,039,122

(4) Non-consolidated statements of cash flows

(Thousand yen)

	For the fiscal year ended November 30, 2022	For the fiscal year ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,970,848	3,164,280
Depreciation	271,990	271,777
Share-based payment expenses	66,486	62,199
Increase (decrease) in provision for loss on orders received	(727)	12,165
Increase (decrease) in provision for retirement benefits	4,430	(1,935)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	7,125	(88,081)
Interest and dividend income	(61,241)	(37,533)
Gain on cancellation of insurance policies	—	(75,716)
Loss on cancellation of insurance policies	—	37,229
Decrease (increase) in trade receivables	765,639	(268,529)
Decrease (increase) in contract assets	(1,540,906)	(172,959)
Decrease (increase) in inventories	25,689	(1,368)
Increase (decrease) in trade payables	106,351	67,256
Increase (decrease) in accounts payable - bonuses	30,718	28,873
Decrease (increase) in other assets	(9,118)	(11,990)
Increase (decrease) in other liabilities	4,461	(103,956)
Other, net	9,204	(12,189)
Subtotal	2,650,951	2,869,522
Interest and dividends received	55,314	31,028
Interest paid	(2,810)	(2,922)
Income taxes refund (paid)	(522,110)	(1,188,501)
Net cash provided by (used in) operating activities	2,181,344	1,709,127
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	10,000	—
Proceeds from redemption of securities	400,000	—
Purchase of property, plant and equipment	(19,315)	(56,582)
Proceeds from sale of property, plant and equipment	—	2,233
Purchase of intangible assets	(128,730)	(128,720)
Purchase of investment securities	(400,000)	—
Payments of leasehold deposits	(72,815)	—
Proceeds from refund of leasehold deposits	3,071	4,198
Purchase of insurance funds	(569,609)	(612,659)
Proceeds from cancellation of insurance funds	136,341	1,761,522
Other, net	75,492	100,918
Net cash provided by (used in) investing activities	(565,566)	1,070,909
Cash flows from financing activities		
Proceeds from short-term borrowings	460,000	460,000
Repayments of short-term borrowings	(460,000)	(460,000)
Purchase of treasury shares	(99)	(103)
Proceeds from exercise of employee share options	86,585	111,563
Repayments of finance lease liabilities	(107,057)	(108,211)
Dividends paid	(839,930)	(851,860)
Net cash provided by (used in) financing activities	(860,502)	(848,610)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	755,275	1,931,426
Cash and cash equivalents at beginning of period	10,250,651	11,005,927
Cash and cash equivalents at end of period	11,005,927	12,937,354

(5) Notes to non-consolidated financial statements

(Notes on premise of going concern)

No relevant items.

(Changes in accounting policies)

(Application of accounting standard for fair value measurement, etc.)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Implementation Guidance”) from the beginning of the fiscal year ending November 30, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Group has decided to apply the new accounting policies set forth by the Fair Value Measurement Implementation Guidance going forward. This will have no impact on the consolidated financial statements.

(Changes in accounting estimate)

(Changes in estimation of asset retirement obligations)

Regarding asset retirement obligations recorded as restoration obligations under real estate lease contracts for the head office and offices, the Company has changed its estimation of the restoration costs required to vacate the premises, reflecting newly obtained information on such restoration and other costs. An increase of ¥91,356 thousand resulting from these changes in estimation was added to the balance of asset retirement obligations before the changes.

As a result of the changes in estimation, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review decreased by ¥131 thousand, respectively.

(Equity in earnings, etc.)

The affiliated companies held by the Company are insignificant unconsolidated subsidiaries in terms of the profit and retained earnings criteria, and therefore information on the equity in earnings has been omitted.

(Segment information, etc.)

(Segment information)

The Company has a single reportable segment, software development, and therefore segment information has been omitted.

(Per share information)

	For the fiscal year ended November 30, 2022	For the fiscal year ended November 30, 2023
Net assets per share	¥1,136.19	¥1,217.61
Profit per share	¥120.53	¥129.38
Diluted earnings per share	¥120.17	¥128.78

Notes: The basis for calculation of profit per share and diluted earnings per share is as follows.

	For the fiscal year ended November 30, 2022	For the fiscal year ended November 30, 2023
Profit per share	120.53	129.38
Profit (thousand yen)	2,044,268	2,213,256
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to common shareholders (thousand yen)	2,044,268	2,213,256
Average number of shares of common shares during the period	16,960,019	17,106,506
Diluted earnings per share	120.17	128.78
Profit adjustments (thousand yen)	—	—
Increase in number of common shares (shares)	50,985	79,196
[Stock acquisition rights of the above (shares)]	(50,985)	(79,196)
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	Resolution of the Ordinary General Meeting of Shareholders held on February 23, 2017: Stock options (stock acquisition rights) 211,500 common shares Resolution of the Ordinary General Meeting of Shareholders held on February 22, 2018: Stock options (stock acquisition rights) 185,300 common shares	—

(Significant subsequent events)

No relevant items.

4. Others

(1) Orders

Orders are classified by the market to which the customer belongs.

The orders received for the fiscal year under review are as follows.

Name of market segment	Amount of orders received (Thousand yen)	Year-on-year rate of changes (%)	Amount of unfilled orders (Thousand yen)	Year-on-year rate of changes (%)
Building materials and construction	2,046,239	30.4	318,373	25.8
Manufacturing	3,838,940	0.2	564,914	(22.4)
Finance and insurance	8,693,088	13.2	2,334,799	35.0
Electric power and transportation	3,935,342	14.5	722,328	(21.3)
Information and communications technology	2,224,444	(14.9)	253,817	(33.2)
Distribution and services	142,316	(28.4)	19,964	(74.9)
Public facilities and services	7,602	(27.1)	425	(51.1)
Total	20,887,974	8.0	4,214,623	3.1

Notes: 1. Amounts are based on sales prices.

2. The above amounts do not include consumption taxes.

3. The information reflects our partial review of market segments for customers, and also to those of the previous fiscal year.