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

January 12, 2024

Company name: Phil Company, Inc.
Listing: Tokyo Stock Exchange
Securities code: 3267
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Scheduled date of annual general meeting of shareholders: February 21, 2024
Scheduled date to commence dividend payments: February 22, 2024
Scheduled date to file annual securities report: February 21, 2024
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Fiscal year ended November 30, 2023	5,963	36.2	214	26.5	135	(32.1)	38	(73.2)
November 30, 2022	4,378	(19.4)	169	(76.6)	200	(71.9)	142	(65.1)

Note: Comprehensive income For the fiscal year ended November 30, 2023: ¥37 million (-73.3%)
For the fiscal year ended November 30, 2022: ¥142 million (-65.1%)

	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
Fiscal year ended November 30, 2023	Yen 7.16	Yen -	% 1.5	% 2.7	% 3.6
November 30, 2022	27.22	-	5.5	3.9	3.9

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

For the fiscal year ended November 30, 2023: (¥4 million)
For the fiscal year ended November 30, 2022: ¥47 million

Information on diluted earnings per share is omitted because there were no dilutive potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended November 30, 2023	5,450	2,730	50.0%	Yen 507.74
November 30, 2022	4,750	2,443	51.3%	474.30

Reference: Equity

As of November 30, 2023: ¥2,726 million

As of November 30, 2022: ¥2,438 million

(3) 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 November 30, 2023	(541)	(498)	938	2,149
November 30, 2022	(1,663)	23	(302)	2,250

2. Cash dividends

	Annual dividends per share					Dividends paid (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended November 30, 2022	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	-	% -	% -
November 30, 2023	-	0.00	-	5.00	5.00	27	69.8	1.0
Fiscal year ending November 30, 2024 (Forecast)	-	0.00	-	5.00	5.00		14.1	

Note: The breakdown of the year-end dividend for the fiscal year ending November 2023: Ordinary Dividend : ¥5.00

3. Forecasts for the fiscal year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

(Percentages indicate full-year are year-on-year, quarter are year-over-year quarter changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Six months ending May 31, 2024	3,000	61.7	50	-	40	-	30	-	5.59
Fiscal year ending November 30, 2024	7,500	25.8	300	39.7	280	106.2	190	399.5	35.38

Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in consolidation scope): None

Newly included: None

Excluded: None

(2) 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: None

(iv) Restatement: None

(3) 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	5,778,000	As of November 30, 2022	5,778,000
(ii) Number of treasury shares at the end of the period	As of November 30, 2023	408,180	As of November 30, 2022	635,980
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Fiscal year ended November 30, 2023	5,309,281	Fiscal year ended November 30, 2022	5,220,045

Note: The number of treasury shares at the end of the period includes the Company's shares (35,500 shares as of November 30, 2023 and 35,500 shares as of November 30, 2022) held by Custody Bank of Japan, Ltd. as trust assets for the Stock Benefit Trust for Directors and Stock Benefit Trust for Employees. The Company's shares held by Custody Bank of Japan, Ltd. as trust assets of the Stock Benefit Trust for Directors and Stock Benefit Trust for Employees are included in the number of treasury shares deducted in calculating the average number of shares during the period (35,500 shares in the year ended November 30, 2023 and 39,562 shares in the third quarter of the year ended November 30, 2022).

(Reference) Overview of non-consolidated financial results

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	
Fiscal year ended		%		%		%		%
November 30, 2023	3,290	168.0	(110)	-	399	-	245	454.2
November 30, 2022	1,228	(66.7)	(389)	-	12	(98.3)	44	(90.7)
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
November 30, 2023	46.23		-					
November 30, 2022	8.48		-					

Note: 1. In the non-consolidated financial statements, the Company reports administrative and operating expenses of subsidiaries as SG&A expenses, and the portion borne by the subsidiaries is included in non-operating income as consulting fee income.

2. Information on diluted earnings per share is omitted because there were no dilutive potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended			%	Yen
November 30, 2023	4,641	2,807	60.4	522.05
November 30, 2022	3,382	2,311	68.2	448.85

Reference: Equity

As of November 30, 2023: ¥2,803 million

As of November 30, 2022: ¥2,307 million

- 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 in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual operating results may differ significantly due to various factors. For more information on the assumptions used in forecasting business results and precautions regarding their use, please refer to this document, page 10, “(4) Future Outlook.”

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1. Overview of Operating Results

(1) Overview of Operating Results for the fiscal year

Highlights for the fiscal year ended November 30, 2023

In the contracted orders scheme, amount of orders received has increased by approximately 1.5x compared to the previous period, reaching the highest level on record.

Overview

In the consolidated fiscal year (from December 1, 2022, to November 30, 2023), the domestic economy experienced a gradual recovery as societal activities and consumer behavior became more active due to the relaxation of various restrictions associated with the transition to the fifth phase of the COVID-19 pandemic. On the other hand, the outlook for the economy remains uncertain, with the prolonged Russia-Ukraine situation leading to soaring prices of resources, energy, and raw materials, as well as a global tightening of finances in anticipation of inflation control. Additionally, the continued depreciation of the yen is contributing to the ongoing economic ambiguity.

Under these conditions, the Phil Company Group provides solutions in two ways: Contracted Orders, in which we provide landowners with proposals, and Development and Sales for real estate investors, in which our company performs all work from buying land to development and sales. In both, we have two brands: the Phil Park aerial shop brand, which aims to benefit all three parties involved – the landowner, tenant, and the community – and the Premium Garage House brand for rental housing that includes a garage. These brands are based on our purpose of "filling the 'Sukima' in the town with 'creation'".

Operating results

In the fiscal year ended November 30, 2023, the Phil Company Group recorded net sales of ¥5,963,519 thousand (up 36.2% year on year), a gross profit of ¥1,436,662 thousand (up 39.7% year on year), an operating profit of ¥214,815 thousand (up 26.5% year on year), an ordinary profit of ¥135,816 thousand (down 32.1% year on year), and profit attributable to owners of parent of ¥38,035 thousand (down 73.2% year on year).

Sales, sales breakdown, cost of sales, gross profit, and gross profit margin of the fiscal year under review are as follows.

(Unit: Thousand yen)

Fiscal Year Ended November 30, 2023						
		1Q	2Q	3Q	4Q	Total
Sales		733,051	1,122,189	1,181,225	2,927,053	5,963,519
Sales Break- down	Contracted Orders	623,800	770,911	693,519	822,673	2,910,905
	Development and Sales	-	209,902	361,997	1,985,625	2,557,525
	Others	109,250	141,374	125,708	118,754	495,088
Cost of sales		544,422	885,530	892,130	2,204,773	4,526,857
Gross profit on sales		188,628	236,658	289,094	722,280	1,436,662
Gross profit margin		25.7%	21.1%	24.5%	24.7%	24.1%

Fiscal Year Ended November 30, 2022						
		1Q	2Q	3Q	4Q	Total
Sales		545,785	853,350	1,065,556	1,913,901	4,378,593
Sales Break- down	Contracted Orders	450,736	757,031	956,666	1,079,680	3,244,115
	Development and Sales	-	-	-	717,781	717,781
	Others	95,049	96,318	108,889	116,439	416,696

Cost of sales	431,980	661,241	810,556	1,446,725	3,350,502
Gross profit on sales	113,804	192,110	255,000	467,176	1,028,090
Gross profit margin	20.9%	22.5%	23.9%	24.4%	23.4%

• In the “Contracted Order Scheme”, the order amount increased approximately 1.5x compared to the previous period, reaching the highest level ever record.

During the consolidated fiscal year under review, the number of orders received under the “Contracted Order Scheme” was 29, and the amount of orders received was ¥4,023,232 thousand (¥2,734,241 thousand in the previous fiscal year). The breakdown is as follows: 11 orders for the Phil Park aerial shop business, received totaling ¥2,872,141 thousand (¥1,632,649 thousand in the previous fiscal year), and 18 orders for the Premium Garage House business, totaling ¥1,151,091 thousand (¥1,101,591 thousand in the previous fiscal year).

Although the number of contracted orders remained relatively stable compared to the previous period, the order value increased by approximately 1.5x from the previous period, reaching a level of 4 billion yen. This marks the high standard performance since the November 2019 period before the impact of the COVID-19 pandemic. Particularly in the latter half, during the third and fourth quarters, the order value exceeded 1 billion yen in each quarter, setting record highs for both quarters. In both Phil Park aerial shop and Premium Garage House saw increases in order value and the number of orders in the latter half compared to the first half, indicating a steady recovery in the order situation.

The recovery in order situations can be attributed to the reevaluation of the sales processes and organizational structure in the Contracted Order scheme, allowing for a more stable accumulation of orders than before. Additionally, key sales performance indicators (such as the number of inquiries and proposals) have consistently increased, and we will continue to aim for stable order acquisition by further strengthening our organizational structure.

Moreover, in the consolidated fiscal year, the sales and delivery count for the "Development and Sales Scheme" was 7, and the number of contracts for acquiring development land was 5. As a result, the remaining number of development projects at the end of the consolidated fiscal year is 4, and the total expected amount of development project balances, representing future cost of sales, is 2,903,515 thousand yen (up 169.7% year on year).

We will continue to actively acquire development land while also striving to mitigate the volatility of sales revenue in development and sales by consistently implementing sales activities throughout the year, even in situations where sales tend to be more concentrated in the latter half.

Status of Business

Fiscal Year Ended November 30, 2023							
		Unit	1Q	2Q	3Q	4Q	Total
Contracted Orders	Amount of orders received ¹ (No. of orders received)	thousand yen (orders)	677,786 (3)	366,085 (4)	1,117,648 (9)	1,861,712 (13)	4,023,232 (29)
	Phil Park aerial shop	thousand yen (orders)	613,386 (2)	249,548 (2)	758,754 (3)	1,250,451 (4)	2,872,141 (11)
	Premium Garage House ²	thousand yen (orders)	64,400 (1)	116,536 (2)	358,894 (6)	611,260 (9)	1,151,091 (18)
	Balance of orders received as of the end of period ³ (No. of projects underway as of the end of period) ⁴	thousand yen (orders)	1,902,467 (19)	1,460,282 (15)	1,830,054 (19)	2,863,962 (26)	—

Development and Sales	No. of units sold and delivered	orders	0	1	1	5	7
	No. of contracts to acquire land for development ⁵	orders	1	1	2	1	5
	Balance of development projects ⁶ (Remaining no. of development projects)	thousand yen (orders)	1,953,496 (8)	3,139,478 (8)	4,504,548 (8)	2,903,515 (4)	—

Fiscal Year Ended November 30, 2022							
		Unit	1Q	2Q	3Q	4Q	Total
Contracted Orders	Amount of orders received ¹ (No. of orders received)	thousand yen (orders)	513,669 (5)	821,087 (10)	602,125 (5)	797,359 (9)	2,734,241 (29)
	Phil Park aerial shop	thousand yen (orders)	320,159 (3)	346,374 (2)	443,234 (3)	522,881 (5)	1,632,649 (13)
	Premium Garage House ²	thousand yen (orders)	193,510 (2)	474,713 (8)	158,890 (2)	274,477 (4)	1,101,591 (16)
	Balance of orders received as of the end of period ³ (No. of projects underway as of the end of period) ⁴	thousand yen (orders)	2,400,320 (21)	2,467,324 (27)	2,113,663 (24)	1,884,005 (24)	—
Development and Sales	No. of units sold and delivered	orders	0	0	0	4	4
	No. of contracts to acquire land for development ⁵	orders	5	1	1	1	8
	Balance of development projects ⁶ (Remaining no. of development projects)	thousand yen (orders)	2,073,595 (8)	1,883,301 (9)	2,183,285 (10)	1,711,451 (7)	—

1. The amount of orders received is the total amount (based on sales) of new orders for construction or projects received during the period.
2. The amount of orders received for the Premium Garage House business includes the number of orders received by partner companies.
3. The balance of orders received as of the end of period is the total remaining amount of orders received for construction and projects that have not yet been recorded as sales by the end of the period, and is the expected amount of sales.
4. The number of projects underway as of the end of period is the number of projects in Contracted Orders underway as of the end of the period.
5. The number of contracts to acquire land for development is counted as one when the contract for the acquisition of the relevant land has been concluded and the deposit has been paid.
6. The balance of development projects is, with respect to projects to better use land which started after the conclusion of a contract to acquire the concerned land, the total estimated amount to be expended on land and buildings until their completion as of the end of the period, and is the expected cost of sales.

Number of employees				
	1Q	2Q	3Q	4Q
Fiscal year ended Nov. 30, 2023	54	67	67	69
Fiscal year ended Nov. 30, 2022	48	59	57	52

*This is the number of employees on the consolidated basis at the end of the period.

(2) Overview of Financial Position for the fiscal year

Assets

Total assets at the end of the fiscal year increased by ¥700,727 thousand from the end of the previous fiscal year, totaling ¥5,450,775 thousand. This is primarily due to an increase of ¥205,726 thousand in cash and deposits, ¥185,189 thousand in real estate for sale in progress, ¥219,679 thousand in real estate for sale, and ¥203,170 thousand in property, plant, and equipment.

Liabilities

Liabilities at the end of the fiscal year increased by ¥413,996 thousand from the end of the previous fiscal year, totaling ¥2,720,309 thousand. This increase was primarily due to a decrease of ¥245,860 thousand in advance received, and increases of ¥437,500 thousand in short-term borrowings and ¥244,766 thousand in long-term borrowings.

Net assets

Net assets at the end of the fiscal year increased by ¥286,730 thousand from the end of the previous fiscal year, totaling ¥2,730,465 thousand. This increase was primarily due to the disposal of treasury stock through third-party allocations, resulting in a decrease of ¥375,391 thousand in treasury stock and a decrease of ¥125,654 thousand in retained earnings. Additionally, there was an increase of ¥38,035 thousand in retained earnings attributable to the current net profit belonging to the parent company's shareholders.

(3) Overview of Cash Flows for the fiscal year

The balance of cash and cash equivalents (hereafter, “capital”) at the end of the fiscal year totaled ¥2,149,383 thousand, a decrease of ¥101,273 thousand from the end of the previous fiscal year.

The status of each cash flow and relevant factors during the fiscal year are as follows.

Cash flows from operating activities

Capital used in operating activities during the fiscal year totaled ¥541,350 thousand (¥1,663,383 thousand spent in the previous fiscal year). This was mainly due to an increase of ¥490,391 thousand in inventories, a decrease of ¥245,860 thousand in advances received.

Cash flows from investing activities

Capital used in investing activities during the fiscal year totaled ¥498,142 thousand (¥23,591 thousand gained in the previous fiscal year). This was mainly due to expenditures of ¥307,000 thousand for time deposits and ¥100,330 thousand for the acquisition of tangible fixed assets.

Cash flows from financing activities

Capital gained from financing activities during the fiscal year totaled ¥938,218 thousand (¥302,881 thousand spent in the previous fiscal year). This was mainly due to income of ¥1,145,800 thousand from long-term borrowings.

(4) Future Outlook

Our company group has recently formulated a new medium-term management plan with the fiscal year ending November 2026 as the final year, replacing the previous medium-term management plan.

In the new medium-term management plan, we position it as the "third founding period" to achieve sustainable growth over the medium to long term. We will implement management reforms to build a foundation for further leaps. Specifically, by undertaking three reforms, we aim to scale up existing businesses and lay the groundwork for the next phase of growth, striving to achieve a 2.5-fold increase in sales over the next three years.

For details on the new medium-term management plan, please refer to the "Announcement Regarding Formulation of the Medium-Term Management Plan" released on January 12, 2024.

For the fiscal year ending November 30, 2024, the Company forecasts net sales of ¥7,500 million (up 25.8% year on year), operating profit of ¥300 million (up 39.7%), ordinary profit of ¥280 million (up 106.2%), and profit attributable to owners of parent of ¥190 million (up 399.5%).

2. Basic Policy regarding Selection of an Accounting Standard

In order to ensure comparability with other domestic companies in the same industry, the Phil Company Group has adopted Japanese GAAP for its accounting standard.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Assets		
Current assets		
Cash and deposits	2,250,657	2,456,383
Accounts receivable - trade	43,826	65,461
Real estate for sale	616,347	836,026
Real estate for sale in progress	740,674	925,864
Costs on service contracts in progress	14,562	20,612
Short-term loans receivable	—	58,500
Income taxes refund receivable	132,382	49,269
Allowance for doubtful accounts	—	(60,900)
Other	88,245	82,458
Total current assets	3,886,695	4,433,676
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	195,899	347,123
Tools, furniture and fixtures, net	3,203	13,641
Land	—	48,490
Leased assets, net	102,373	95,393
Total property, plant and equipment	301,477	504,647
Intangible assets		
Goodwill	135,247	109,070
Software	9,137	32,811
Total intangible assets	144,384	141,881
Investments and other assets		
Investment securities	103,141	105,869
Long-term loans receivable	28,042	21,542
Guarantee deposits	138,895	133,349
Distressed receivables	23,658	23,658
Deferred tax assets	140,363	103,577
Other	12,090	11,273
Allowance for doubtful accounts	(28,701)	(28,701)
Total investments and other assets	417,490	370,569
Total non-current assets	863,352	1,017,098
Total assets	4,750,048	5,450,775

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	458,167	389,720
Short-term borrowings	—	437,500
Current portion of long-term borrowings	70,236	83,092
Lease liabilities	5,670	5,987
Income taxes payable	94,650	29,758
Advances received	728,864	483,003
Deposits received	18,967	21,104
Other	152,164	170,896
Total current liabilities	1,528,719	1,621,062
Non-current liabilities		
Long-term borrowings	439,220	683,986
Lease liabilities	117,196	111,209
Asset retirement obligations	50,050	112,330
Long-term unearned revenue	29,037	27,422
Long-term guarantee deposits	140,753	163,722
Other	1,335	576
Total non-current liabilities	777,593	1,099,247
Total liabilities	2,306,313	2,720,309
Net assets		
Shareholders' equity		
Share capital	789,647	789,647
Capital surplus	789,647	789,647
Retained earnings	1,936,076	1,848,148
Treasury shares	(1,076,502)	(700,951)
Total shareholders' equity	2,438,868	2,726,491
Share acquisition rights	3,974	3,974
Non-controlling interests	892	—
Total net assets	2,443,735	2,730,465
Total liabilities and net assets	4,750,048	5,450,775

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

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net sales	4,378,593	5,963,519
Cost of sales	3,350,502	4,526,857
Gross profit	1,028,090	1,436,662
Selling, general and administrative expenses	858,250	1,221,847
Operating profit	169,840	214,815
Non-operating income		
Interest income	542	2,861
Dividend income	90	90
Interest on tax refund	—	678
Share of profit of entities accounted for using equity method	47,764	—
Subsidy income	2,500	—
Other	1,194	179
Total non-operating income	52,092	3,808
Non-operating expenses		
Interest paid	9,273	12,193
Share of loss of entities accounted for using equity method	—	4,452
Share acquisition rights issuance costs	11,307	—
Provision of allowance for doubtful accounts	—	60,900
Commission expenses	1,249	—
Other	—	5,261
Total non-operating expenses	21,831	82,807
Ordinary profit	200,100	135,816
Extraordinary income		
Gain on sale of investment securities	18,953	—
Gain on reversal of asset retirement obligations	2,571	—
Total extraordinary income	21,525	—
Profit before income taxes	221,626	135,816
Income taxes - current	116,940	61,091
Income taxes - deferred	(37,333)	36,785
Total income taxes	79,607	97,876
Profit	142,019	37,940
Loss attributable to non-controlling interests	(84)	(94)
Profit attributable to owners of parent	142,103	38,035

Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Profit	142,019	37,940
Comprehensive income	142,019	37,940
(Breakdown)		
Comprehensive income attributable to owners of parent	142,103	38,035
Comprehensive income attributable to non- controlling interests	(84)	(94)

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended November 30, 2022

(Unit: thousand yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	789,647	789,647	1,801,442	(609,747)	2,770,989	2,148	977	2,774,114
Cumulative effects of changes in accounting policies			48,657		48,657			48,657
Restated balance	789,647	789,647	1,850,100	(609,747)	2,819,646	2,148	977	2,822,772
Changes during period								
Dividends of surplus			(56,127)		(56,127)			(56,127)
Profit attributable to owners of parent			142,103		142,103			142,103
Purchase of treasury shares				(499,879)	(499,879)			(499,879)
Disposal of treasury shares				33,124	33,124			33,124
Change in equity of purchase of shares of consolidated subsidiaries					—			—
Imputation of missing values					—			—
Net changes in items other than shareholders' equity						1,826	(84)	1,741
Total changes during period	—	—	85,976	(466,755)	(380,778)	1,826	(84)	(379,036)
Balance at end of period	789,647	789,647	1,936,076	(1,076,502)	2,438,868	3,974	892	2,443,735

For the fiscal year ended November 30, 2023

(Unit: thousand yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	789,647	789,647	1,936,076	(1,076,502)	2,438,868	3,974	892	2,443,735
Cumulative effects of changes in accounting policies					—			—
Restated balance	789,647	789,647	1,936,076	(1,076,502)	2,438,868	3,974	892	2,443,735
Changes during period								
Dividends of surplus					—			—
Profit attributable to owners of parent			38,035		38,035			38,035
Purchase of treasury shares					—			—
Disposal of treasury shares		(125,654)		375,551	249,896			249,896
Change in equity of purchase of shares of consolidated subsidiaries		(308)			(308)			(308)
Imputation of missing values		125,963	(125,963)		—			—

(Unit: thousand yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Net changes in items other than shareholders' equity						—	(892)	(892)
Total changes during period	—	—	(87,927)	375,551	287,623	—	(892)	286,730
Balance at end of period	789,647	789,647	1,848,148	(700,951)	2,726,491	3,974	—	2,730,465

(4) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	221,626	135,816
Depreciation	34,642	45,376
Amortization of goodwill	26,176	26,176
Increase (decrease) in allowance for doubtful accounts	—	60,900
Interest and dividend income	(632)	(2,951)
Interest paid	9,273	12,193
Subsidy income	(2,500)	—
Share of loss (profit) of entities accounted for using equity method	(47,764)	4,452
Loss (gain) on sale of short-term and long-term investment securities	(18,953)	—
Gain on reversal of asset retirement obligations	(2,571)	—
Share acquisition rights issuance costs	11,307	—
Decrease (increase) in trade receivables	(38,698)	(21,635)
Decrease (increase) in inventories	(1,069,856)	(490,391)
Increase (decrease) in trade payables	289,962	(68,447)
Increase (decrease) in advances received	(523,692)	(245,860)
Increase (decrease) in deposits received	3,259	2,137
Decrease (increase) in guarantee deposits	4,182	5,546
Increase (decrease) in long-term guarantee deposits received	4,510	22,968
Other, net	(157,933)	44,905
Subtotal	(1,257,661)	(468,812)
Interest and dividends received	128	109
Interest paid	(9,389)	(13,855)
Subsidies received	2,500	—
Income taxes refund (paid)	(398,961)	(58,791)
Net cash provided by (used in) operating activities	(1,663,383)	(541,350)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,596)	(100,330)
Purchase of investment securities	(0)	(7,180)
Purchase of intangible assets	(5,607)	(31,631)
Long-term loan advances	(23,000)	(22,000)
Short-term loan advances	—	(30,000)
Proceeds from sale of investment securities	53,795	—
Deposit into a fixed-term deposit	—	(307,000)
Net cash provided by (used in) investing activities	23,591	(498,142)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	437,500
Proceeds from long-term borrowings	340,000	1,145,800
Repayments of long-term borrowings	(70,616)	(888,178)
Share acquisition rights issuance costs	(9,481)	—
Purchase of treasury shares	(501,129)	—
Dividends paid	(56,284)	(23)
Repayments of lease liabilities	(5,369)	(5,670)
Proceeds from sale of treasury shares	—	249,896
Purchase of subsidiary shares without changes to the scope of consolidation.	—	(1,106)

(Unit: thousand yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net cash provided by (used in) financing activities	(302,881)	938,218
Net increase (decrease) in cash and cash equivalents	(1,942,673)	(101,273)
Cash and cash equivalents at beginning of period	4,193,330	2,250,657
Cash and cash equivalents at end of period	2,250,657	2,149,383

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable

Changes in Accounting Policies

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

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as "Fair Value Measurement Accounting Standard Implementation Guidance") has been applied from the beginning of the first quarter of the current fiscal year, and the new accounting policy prescribed by the Guidance will be applied prospectively in accordance with the transitional treatment prescribed in Section 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance. There was no impact on the quarterly consolidated financial statements.

Segment Information

(Segment Information)

This information is omitted because the Phil Company Group operates a single segment, the Space Solutions business, which includes Phil Park and other businesses.

Per Share Information

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net assets per share	474.30 yen	507.74 yen
Basic earnings per share	27.22 yen	7.16 yen
Diluted earnings per share	— yen	— yen

Notes: 1. Information on diluted earnings per share for the current net income per share adjusted for potential dilution, as there were no potential dilutive securities with a dilutive effect.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	142,103	38,035
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common stock (thousand yen)	142,103	38,035
Average number of shares of common stock during the period (shares)	5,220,045	5,309,281
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	Type of stock acquisition rights: 4 (Number of stock acquisition rights: 7,580)	Type of stock acquisition rights: 4 (Number of stock acquisition rights: 7,580)

3. The Company's shares remaining in the Stock Benefit Trust for Directors and Stock Benefit Trust for Employees, which are recorded as treasury stock under shareholders' equity, are included in treasury shares, which is deducted from the number of shares outstanding at the end of the period for the calculation of net assets per share. The number of treasury shares deducted from the calculation of net assets per share at the end of the period was 49,000 shares for the previous fiscal year and 35,500 shares for the fiscal year under review. In the calculation of basic earnings per share and diluted earnings per share, they are included in treasury shares, which is deducted in the calculation of the average number of shares outstanding during the period. The average number of treasury shares deducted from the calculation of basic earnings per share and diluted earnings per share was 49,000 shares for the previous fiscal year and 39,562 shares for the fiscal year under review.

Significant Subsequent Events

Not applicable