

(Translation)



**CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)**  
**FIRST QUARTER OF THE FISCAL YEAR ENDING**  
**December 31, 2024**  
**(November 1, 2023 to January 31, 2024)**

March 14, 2024

Company name: Management Solutions co., ltd.

Securities code: 7033

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Quarterly Securities Report filing date (planned):

Dividend payment commencement date (planned):

Supplemental materials prepared for financial results:

Holding of financial results meeting:

Listing: Tokyo Stock Exchange Prime  
Market

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

March 14, 2024

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Yes

Yes

(for analysts and institutional investors)

(Millions of yen rounded down)

1. Consolidated Operating Results for the First Quarter of Fiscal 2024 (November 1, 2023 to January 31, 2024)

(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	%
1Q FY 2024	4,513	18.2	304	38.2	307	29.1	191	24.1
1Q FY 2023	3,817	60.2	220	16.6	238	23.2	154	21.9

(Note) Comprehensive income:

1Q FY 2024

192 million yen (46.7%)

1Q FY 2023

131 million yen (2.8%)

	Net Income Per Share	Net Income Per Share (Diluted)
	Yen	Yen
1Q FY 2024	11.55	—
1Q FY 2023	9.32	9.31

(Note) Diluted net income per share for the first quarter of the fiscal year ending December 31, 2024 is not provided because there are no dilutive shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets
	Millions of yen	Millions of yen	%
As of January 31, 2024	7,032	4,196	58.3
As of October 31, 2023	7,032	4,302	59.8

(Reference) Shareholders' equity:

As of January 31, 2024

4,098 million yen

As of October 31, 2023

4,206 million yen

## 2. Dividends

	Cash Dividends Per Share of Common Stock					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen	Yen
FY 2023	—	0.00	—	—	18.00	18.00
FY 2024	—					
FY 2024 (planned)		0.00	—	—	18.00	18.00

(Note) Revision to the most recently announced cash dividend forecast: No

## 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	25,000	—	3,500	—	3,500	—	2,430	—	146.42

(Notes) 1. Revision to the most recently announced operating results forecast: No

2. By a resolution of the 19th Annual General Meeting of Shareholders held on January 30, 2024, the Company changed its fiscal year-end from October 31 to December 31. The change in the fiscal year-end arising from this resolution will result in the fiscal year under review being a transitional period of 14 months running from November 1, 2023 to December 31, 2024, and so year-on-year changes are not provided.

\* Notes

- (1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None  
    Newly added: - companies  
    Excluded: - companies
- (2) Application of special accounting practices in the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatements  
(i) Changes in accounting policies due to revisions to accounting standards: None  
(ii) Changes in accounting policies due to other reasons: None  
(iii) Changes in accounting estimates: None  
(iv) Restatements: None
- (4) Number of shares issued (common stock)  
(i) Number of shares issued at the end of the period (including treasury stock)  
    As of January 31, 2024 16,816,800 shares  
    As of October 31, 2023 16,816,800 shares  
(ii) Number of treasury stock at the end of the period  
    As of January 31, 2024 226,741 shares  
    As of October 31, 2023 226,541 shares  
(iii) Average number of shares during the period  
    First quarter ending December 31, 2024 16,590,092 shares  
    First quarter ended October 31, 2023 16,572,474 shares

\* 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 assumptions underlying the operating results forecasts and notes on their use, please refer to "(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements in 1. Qualitative Information on Quarterly Results" on page 2 of the Appendix. Of note, the Company's net sales and earnings tend to be weighted toward the second half of the period because sales from consultants newly hired during the period are accrued along with their tenure at the Company.

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Operating Results

In the first quarter of the fiscal year ending December 31, 2024, the progressive normalization of economic activity continued in the wake of the resolution of the COVID-19 pandemic, leading to signs of a recovery in business conditions, but there are rising concerns about a global recession caused by demand being suppressed by monetary tightening and other factors, and the outlook remains uncertain.

On the other hand, 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 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 first quarter of the fiscal year increased by 18.2% year on year to 4,513,948 thousand yen, operating income increased by 38.2% to 304,873 thousand yen, ordinary income increased by 29.1% to 307,927 thousand yen, and profit attributable to owners of parent increased by 24.1% to 191,627 thousand yen.

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

### (2) Explanation of Financial Position

#### (i) Current assets

Current assets at the end of the first quarter of the fiscal year amounted to 5,088,056 thousand yen, an increase of 111,367 thousand yen compared to the end of the previous fiscal year. This was due mainly to increases in cash and deposits of 56,896 thousand yen, and in notes and accounts receivable - trade of 39,701 thousand yen.

#### (ii) Noncurrent assets

Noncurrent assets at the end of the first quarter of the fiscal year amounted to 1,944,505 thousand yen, a decrease of 111,536 thousand yen compared to the end of the previous fiscal year. This was due mainly to decreases in property, plant and equipment of 32,577 thousand yen, in goodwill of 16,168 thousand yen, and in the "other" item of investments and other assets of 42,255 thousand yen.

#### (iii) Current liabilities

Current liabilities at the end of the first quarter of the fiscal year amounted to 2,177,459 thousand yen, an increase of 115,782 thousand yen compared to the end of the previous fiscal year. This was due mainly to decreases in income tax payable of 456,768 thousand yen and in the "other" item of current assets of 242,300 thousand yen, while short-term borrowings increased by 800,000 thousand yen.

#### (iv) Noncurrent liabilities

Noncurrent liabilities at the end of the first quarter of the fiscal year amounted to 658,929 thousand yen, a decrease of 9,852 thousand yen compared to the end of the previous fiscal year. This was due mainly to a decrease in long-term loans payable of 8,562 thousand yen.

#### (v) Net assets

Total net assets at the end of the first quarter of the fiscal year amounted to 4,196,173 thousand yen, a decrease of 106,098 thousand yen compared to the end of the previous fiscal year. This was due mainly to a decline in retained earnings of 106,996 thousand yen resulting from the payment of dividends of surplus, which more than offset the recording of profit attributable to owners of parent.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

With regard to consolidated earnings forecasts, there has been no change to the full-year figures announced in “Consolidated Financial Report Fiscal 2023,” dated December 14, 2023.

Of note, the Company’s net sales and earnings tend to be weighted toward the second half of the fiscal year because sales from consultants newly hired during the year are accrued along with their tenure at the Company. Quarterly trends for the fiscal year ending December 31, 2024, are mentioned in “Financial Results Briefing Materials for the Fiscal Year Ended October 31, 2023,” dated December 14, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Fiscal Year 2023 (As of October 31, 2023)	First three months of Fiscal Year 2024 (As of January 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	2,640,389	2,697,286
Notes and accounts receivable - trade	2,189,331	2,229,033
Other	146,967	161,736
Total current assets	<u>4,976,689</u>	<u>5,088,056</u>
Noncurrent assets		
Property, plant and equipment	614,915	582,338
Intangible assets		
Goodwill	334,140	317,972
Other	437,868	426,913
Total intangible assets	<u>772,008</u>	<u>744,885</u>
Investments and other assets		
Lease deposits and guarantee deposits	472,230	462,650
Other	196,886	154,631
Total investments and other assets	<u>669,117</u>	<u>617,281</u>
Total noncurrent assets	<u>2,056,041</u>	<u>1,944,505</u>
Total assets	<u>7,032,730</u>	<u>7,032,562</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	292,392	309,205
Short-term borrowings	-	800,000
Current portion of long-term loans payable	38,822	36,860
Income taxes payable	559,095	102,326
Other	1,171,366	929,066
Total current liabilities	<u>2,061,676</u>	<u>2,177,459</u>
Noncurrent liabilities		
Long-term loans payable	611,927	603,365
Other	56,855	55,564
Total noncurrent liabilities	<u>668,782</u>	<u>658,929</u>
Total liabilities	<u>2,730,458</u>	<u>2,836,388</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	668,592	668,592
Capital surplus	549,570	549,570
Retained earnings	3,350,123	3,243,126
Treasury stock	(390,318)	(390,318)
Total shareholders' equity	<u>4,177,967</u>	<u>4,070,970</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	28,570	27,513
Total accumulated other comprehensive income	<u>28,570</u>	<u>27,513</u>
Non-controlling interests	95,734	97,689
Total net assets	<u>4,302,272</u>	<u>4,196,173</u>
Total liabilities and net assets	<u>7,032,730</u>	<u>7,032,562</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(For the three-month period)

(Thousands of yen)

	Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)	Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)
Net sales	3,817,578	4,513,948
Cost of sales	2,478,806	2,722,649
Gross profit	1,338,771	1,791,299
Selling, general and administrative expenses	1,118,160	1,486,425
Operating income	220,610	304,873
Non-operating income		
Interest income	137	287
Foreign exchange gains	5,033	304
Rental income	1,551	136
Surrender value of insurance policies	10,595	4,204
Other	3,213	359
Total non-operating income	20,532	5,292
Non-operating expenses		
Interest expenses	2,472	2,216
Other	67	22
Total non-operating expenses	2,540	2,238
Ordinary income	238,602	307,927
Income before income taxes	238,602	307,927
Income taxes - current	39,785	75,055
Income taxes - deferred	44,964	39,343
Total income taxes	84,749	114,399
Profit	153,852	193,527
Profit (loss) attributable to non-controlling interests	(537)	1,899
Profit attributable to owners of parent	154,390	191,627



(Quarterly Consolidated Statement of Comprehensive Income)  
(For the three-month period)

(Thousands of yen)

	Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)	Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)
Net income	153,852	193,527
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	-	-
Foreign currency translation adjustment	(22,575)	(1,001)
Total other comprehensive income (loss)	(22,575)	(1,001)
Comprehensive income	131,277	192,525
Total comprehensive income attributable to:		
Owners of parent	133,548	190,571
Non-controlling interests	(2,271)	1,954

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

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

Not applicable.