(Translation)

CONSOLIDATED FINANCIAL REPORT (Japanese GAAP)
12-MONTH PERIOD OF THE FISCAL YEAR ENDING December 31, 2024
(November 1, 2023 to October 31, 2024)

December 13, 2024

Company name: Management Solutions co., ltd.
Listing: Tokyo Stock Exchange Prime Market
Securities code: 7033
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes
(for analysts and institutional investors)

(Millions of yen rounded down)

1. Consolidated Operating Results for the 12-Month Period of Fiscal 2024 (November 1, 2023 to October 31, 2024)

(1) Consolidated Operating 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 2024 12-Month	19,527	―	2,357	―	2,369	―	1,705	―
FY 2023	16,931	41.1	2,207	200.6	2,246	201.3	1,620	213.3

(Note) Comprehensive income:
FY 2024 12-month 1,723 million yen (―%)
FY 2023 1,636 million yen (193.5%)

	Net Income Per Share	Net Income Per Share (Diluted)
	Yen	Yen
FY 2024 12-Month	102.96	―
FY 2023	97.74	97.70

(Note) 1. 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, so year-on-year changes are not provided.
2. Figures for the fiscal year ended October 31, 2023 are for the standard 12-month period prior to the change to fiscal year-end.
3. Diluted net income per share for the 12-month period 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 October 31, 2024	8,193	5,240	62.7
As of October 31, 2023	7,032	4,302	59.8

(Reference) Shareholders' equity:
As of October 31, 2024 5,134 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	Total
	Yen	Yen	Yen	Yen	Yen	Yen
FY 2023	—	0.00	—	—	18.00	18.00
FY 2024	—	0.00	—	—		
FY 2024 (planned)			—	—	30.00	30.00

(Note) Revision to the most recently announced cash dividend forecast: None

3. Forecast of Consolidated Operating 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	22,600	—	2,700	—	2,710	—	1,940	—	116.90

(Notes) 1. Revision to the most recently announced operating results forecast: None
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, so year-on-year changes are not provided.

* Notes

(1) Significant changes in scope of consolidation during the period: 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 October 31, 2024	16,822,700 shares
As of October 31, 2023	16,816,800 shares

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

As of October 31, 2024	526,167 shares
As of October 31, 2023	226,541 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

12 months ended October 31, 2024	16,560,255 shares
Fiscal year ended October 31, 2023	16,583,416 shares

* Review of attached quarterly financial statements by a certified public accountant or an audit firm: None

* 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 "1. Overview of Operating Results and Financial Position" on page 2 of the Appendix.

Of note, the sales of consultants newly hired during the period will contribute to the Company's overall net sales and earnings in the second half of the fiscal year under review and in following fiscal years, as consultants' sales accrue with their tenure.

* In case of any inconsistency between the English version and the Japanese version, the Japanese version shall prevail.

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1. Overview of Operating Results and Financial Position.

Overview of Operating Results and Financial Position.

As a result of the change to the Group's fiscal year-end, the current fiscal year is irregular, covering the 14-month period from November 1, 2023 through December 31, 2024. As a result, the statements do not include year-on-year comparisons.

(1) Overview of Operating Results

In the first 12 months of the fiscal year ending December 31, 2024, Japan's economy continued to demonstrate a moderate recovery tone, supported by improvements in employment and the income environment.

There is a risk, however, that downturns in economies outside Japan will put downward pressure on the domestic economy. Factors outside Japan requiring monitoring include rising prices and volatility in financial markets.

In this environment, 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 12 months of the fiscal year totaled 19,527,415 thousand yen, operating income totaled 2,357,028 thousand yen, ordinary income totaled 2,369,584 thousand yen, and profit attributable to owners of parent totaled 1,705,006 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

(i) Current assets

Current assets at the end of the fourth quarter of the fiscal year amounted to 6,380,180 thousand yen, an increase of 1,403,491 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to increases in cash and deposits of 1,032,945 thousand yen, and in notes and accounts receivable - trade of 353,673 thousand yen. As of the end of the fourth quarter of the current fiscal year, the ratio of current assets to total assets stood at 77.9%, attesting to the Company's high level of liquidity.

(ii) Noncurrent assets

Noncurrent assets at the end of the fourth quarter of the fiscal year amounted to 1,812,907 thousand yen, a decrease of 243,133 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to decreases in goodwill, classified under intangible assets, of 64,672 thousand yen, in lease deposits and guarantee deposits, classified under investments and other assets, of 45,431 thousand yen, and in the "other" item of investments and other assets of 64,517 thousand yen.

(iii) Current liabilities

Current liabilities at the end of the fourth quarter of the fiscal year amounted to 2,817,131 thousand yen, an increase of 755,455 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to increases in short-term borrowings of 400,000 thousand yen and the current portion of long-term loans payable of 490,481 thousand yen, while income tax payable decreased by 145,255 thousand yen. The increase in borrowings was due to the increase in working capital required to support sales growth.

(iv) Noncurrent liabilities

Noncurrent liabilities at the end of the fourth quarter of the fiscal year amounted to 134,996 thousand yen, a decrease of 533,785 thousand yen from the end of the previous fiscal year. This was due mainly to a decrease in long-term loans payable of 529,303 thousand yen.

(v) Net assets

Total net assets at the end of the fourth quarter of the fiscal year amounted to 5,240,960 thousand yen, an increase of 938,687 thousand yen from the balance at the end of the previous fiscal year. This was due mainly to an increase of 499,911 thousand yen in treasury stock and an increase in retained earnings of 1,406,382 thousand yen.

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

There has been no change to the full-year figures announced in "Consolidated Financial Report First Half of the Fiscal Year Ending December 31, 2024," dated June 14, 2024.

Of note, the sales of consultants newly hired during the period will contribute to the Company's overall net sales and earnings in the second half of the fiscal year under review and in following fiscal years, as consultants' sales accrue with their tenure.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	Fiscal Year 2023 (As of October 31, 2023)	First 12 months of Fiscal Year 2024 (As of October 31, 2024)
Assets		
Current assets		
Cash and deposits	2,640,389	3,673,335
Notes and accounts receivable - trade	2,189,331	2,543,005
Other	146,967	163,839
Total current assets	4,976,689	6,380,180
Noncurrent assets		
Property, plant and equipment	614,915	578,731
Intangible assets		
Goodwill	334,140	269,468
Other	437,868	405,539
Total intangible assets	772,008	675,007
Investments and other assets		
Lease deposits and guarantee deposits	472,230	426,799
Other	196,886	132,369
Total investments and other assets	669,117	559,168
Total noncurrent assets	2,056,041	1,812,907
Total assets	7,032,730	8,193,088
Liabilities		
Current liabilities		
Accounts payable	292,392	255,660
Short-term borrowings	-	400,000
Current portion of long-term loans payable	38,822	529,303
Income taxes payable	559,095	413,839
Other	1,171,366	1,218,328
Total current liabilities	2,061,676	2,817,131
Noncurrent liabilities		
Long-term loans payable	611,927	82,624
Other	56,855	52,372
Total noncurrent liabilities	668,782	134,996
Total liabilities	2,730,458	2,952,128
Net assets		
Shareholders' equity		
Capital stock	668,592	676,059
Capital surplus	549,570	557,037
Retained earnings	3,350,123	4,756,505
Treasury stock	(390,318)	(890,230)
Total shareholders' equity	4,177,967	5,099,372
Accumulated other comprehensive income		
Foreign currency translation adjustment	28,570	35,332
Total accumulated other comprehensive income	28,570	35,332
Non-controlling interests	95,734	106,255
Total net assets	4,302,272	5,240,960
Total liabilities and net assets	7,032,730	8,193,088

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statement of Income)

(For the 12-month period)

(Thousands of yen)

	12 months ended October 31, 2024 (November 1, 2023 to October 31, 2024)
Net sales	19,527,415
Cost of sales	11,434,591
Gross profit	8,092,824
Selling, general and administrative expenses	5,735,796
Operating income	2,357,028
Non-operating income	
Interest income	2,396
Dividend income	75
Subsidy income	8,644
Surrender value of insurance policies	11,589
Other	3,292
Total non-operating income	25,998
Non-operating expenses	
Interest expenses	8,791
Foreign exchange losses	1,584
Settlement payments	2,000
Other	1,065
Total non-operating expenses	13,441
Ordinary income	2,369,584
Income before income taxes	2,369,584
Income taxes - current	650,997
Income taxes - deferred	2,865
Total income taxes	653,862
Profit	1,715,722
Profit attributable to non-controlling interests	10,715
Profit attributable to owners of parent	1,705,006

(Quarterly Consolidated Statement of Comprehensive Income)

(For the 12-month period)

(Thousands of yen)

	12 months ended October 31, 2024 (November 1, 2023 to October 31, 2024)
Net income	1,715,722
Other comprehensive income (loss)	
Foreign currency translation adjustment	7,575
Total other comprehensive income (loss)	7,575
Comprehensive income	1,723,298
Total comprehensive income attributable to:	
Owners of parent	1,711,768
Non-controlling interests	11,529

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information, etc.)

[Segment Information]

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

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

Based on a resolution passed at a Board of Directors meeting held September 13, 2024, the Company is repurchasing 297,300 shares. As a result, the balance of treasury stock during the first 12 months of the fiscal year ending December 31, 2024 increased by 499,864 thousand yen, and at the end of end of the fourth quarter of the fiscal year, the balance was 890,230 thousand yen.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

The Company has not compiled quarterly consolidated statements of cash flows for the first 12 months of the fiscal year ending December 31, 2024. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first 12 months of the fiscal year ending December 31, 2024 are as follows.

(Thousands of yen)

	12 months ended October 31, 2024 (November 1, 2023 to October 31, 2024)
Depreciation and amortization	245,537
Amortization of goodwill	64,672