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Consolidated Financial Results for the Fiscal Year Ended May 31, 2024 [Japanese GAAP]

July 11, 2024

Company name: Bewith, Inc.
Stock exchange listing: Tokyo Stock Exchange
Securities code: 9216
URL: https://www.bewith.net/
Representative: Koichi Morimoto, President and CEO
Contact: Kenji Iijima, Executive Vice President and Member of the Board
Phone: +81-3-6631-6005
Scheduled date of general shareholders' meeting: August 28, 2024
Scheduled date of commencing dividend payments: August 13, 2024
Scheduled date of filing annual securities report: August 29, 2024
Availability of supplementary explanatory materials on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2024	38,253	8.8	2,543	14.3	2,527	11.4	1,833	9.2
May 31, 2023	35,158	8.5	2,225	(13.3)	2,269	(12.4)	1,678	(5.6)

(Note) Comprehensive income: Fiscal year ended May 31, 2024: ¥1,833 million [9.2%]
Fiscal year ended May 31, 2023: ¥1,678 million [(5.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2024	131.15	127.46	21.5	19.2	6.6
May 31, 2023	122.14	119.69	23.2	20.0	6.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 31, 2024: ¥(30) million
Fiscal year ended May 31, 2023: ¥– million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2024	14,096	9,192	65.2	652.58
As of May 31, 2023	12,207	7,841	64.2	564.24

(Reference) Equity: As of May 31, 2024: ¥9,190 million
As of May 31, 2023: ¥7,839 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	Million yen	Million yen	Million yen	Million yen
May 31, 2024	2,569	(894)	(492)	6,095
May 31, 2023	1,533	(611)	(438)	4,913

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
May 31, 2023	-	0.00	-	49.00	49.00	680	40.1	9.4
Fiscal year ended May 31, 2024	-	0.00	-	53.00	53.00	746	40.4	8.7
Fiscal year ending May 31, 2025 (Forecast)	-	0.00	-	77.00	77.00		49.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2025 (June 1, 2024 to May 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	19,900	2.9	1,380	(1.7)	1,370	(1.8)	930	(2.9)	66.04
Full year	42,000	9.8	3,200	25.8	3,180	25.8	2,180	18.9	154.79

*** Notes:**

(1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: – ( ), Excluded: – ( )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards and other regulations: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
As of May 31, 2024: 14,083,200 shares
As of May 31, 2023: 13,893,200 shares

2) Total number of treasury shares at the end of the period:
As of May 31, 2024: 25 shares
As of May 31, 2023: 25 shares

3) Average number of shares outstanding during the period:
Fiscal year ended May 31, 2024: 13,978,237 shares
Fiscal year ended May 31, 2023: 13,739,577 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2024	38,191	8.7	2,572	20.7	2,588	17.6	1,866	13.4
May 31, 2023	35,129	8.5	2,132	(14.2)	2,201	(13.1)	1,645	(5.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
May 31, 2024	133.54	129.79
May 31, 2023	119.76	117.36

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2024	13,945	9,131	65.5	648.26
As of May 31, 2023	11,999	7,747	64.5	557.44

(Reference) Equity: As of May 31, 2024: ¥9,129 million
As of May 31, 2023: ¥7,744 million

*These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements contained in this document, including financial results forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Actual financial results, etc. may differ significantly from them due to wide-ranging factors. For the assumptions that form the basis for financial results forecasts, etc., please refer to “Future Outlook” on page 4 of the Attachments.

(How to obtain supplementary explanatory materials on annual financial results)

Supplementary explanatory materials on annual financial results will be disclosed on the Company’s website (https://www.bewith.net/ir/). We also plan to hold an annual financial results briefing session (for analysts and institutional investors) on Friday, July 12, 2024.

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1. Overview of Operating Results, etc.

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

During the fiscal year ended May 31, 2024, the Japanese economy was on a gradual recovery path due in part to the progress of implementation of wage increases, despite sluggish consumption due to the accelerating depreciation of the yen and rising prices, among others. However, the outlook remained uncertain due to factors such as global monetary tightening, elections in various countries, and geopolitical risks related to Ukraine and Israel.

The contact center and business process outsourcing (BPO) industry to which the Group belongs continues to enjoy robust demand and steady growth against a backdrop of reshoring of BPO triggered by China risks and increasing demand for non-face-to-face customer service.

Under such business conditions, in its Medium-Term Management Plan 2025, which covers the period until the fiscal year ending May 31, 2026, the Group has established a vision of "a company that continues to grow healthily from roots to buds" and declared its aim of achieving growth from both its existing business (the roots) of "contact centers and BPO services" and its new businesses (the buds) of "development and sale of the Cloud PBX*, Omnia LINK, and other systems."

* PBX: Private Branch eXchange

- Contact centers and BPO services

Regarding contact centers and BPO services, we proposed a new state of contact centers and continued to expand our business in the financial industry, which is one of our priority strategic groups, while benefiting from changes in the market environment, such as the acquisition of projects due to a shift from the Nippon Individual Savings Account (NISA) to its new version (new NISA) and the consolidation of customer service to contact centers due to the consolidation and closure of stores.

To cope with the increasing volume of business, in September 2023, we opened the Sapporo 4th Center. In addition, we expanded the Fukuoka 2nd Center. As of May 31, 2024, the number of operation booths reached 7,024 in 17 locations nationwide. The share of Omnia LINK for contact centers and BPO services reached 73.1% (Omnia LINK's share, as a percentage of PBX used in contact centers and BPO services).

The Group has been traditionally working on initiatives for digital transformation (DX) including the shift to cloud PBX and its efforts have been highly recognized, resulting in its selection as one of the "Noteworthy DX Companies 2024," jointly selected by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan.

The selection was based on the comprehensive assessment of the following points.

1. In-house development and the use of the cloud PBX

The Group internally developed the cloud PBX, Omnia LINK and used it internally in contact centers and BPO business. Furthermore, its business model of selling only the system to outside customers is clear.

2. Implementation of work-from-home contact center services

The Group immediately started the operation of work-from-home contact centers during the COVID-19 pandemic through the use of cloud-based PBX. Furthermore, working from home has enhanced the efficiency of recruitment and employee retention rates, and is expected to create a virtuous cycle that improves the quality of services by making it easy to attract more talented human resources.

3. Solving social issues and developing new markets with contact centers

Noting signs of the consolidation and closure of stores for consumers triggered by the COVID-19 pandemic, the Group developed UnisonConnect, a system to consolidate in-store customer service into a contact center. This initiative is highly distinctive in that it solves social issues by consolidating the business of companies that are reducing their face-to-face counter services into contact centers, while at the same time developing a new customer base and expanding its business. The initiative is timely and has the potential as an ideal image of DX.

- Development and sale of the cloud PBX, Omnia LINK, and other systems

During the fiscal year ended May 31, 2024, inquiries on the cloud PBX, Omnia LINK continued to be steady against a backdrop of market penetration of speech recognition at contact centers. However, as the number of licenses per company showed a declining trend along with the penetration of the cloud PBX, we drastically changed our sales strategies in the second quarter. Specifically, we renewed our focus on large projects with the target of using over 100 licenses per company, and implemented measures such as improving functionality, sales employee training and restructuring the role assignments of sales personnel, which are necessary for large projects. As a result, while the number of licenses sold as of May 31, 2024 was below the target set at the beginning of the fiscal year under review, it amounted to 3,248 licenses, approximately 1.4 times year-on-year. Average Revenue Per User (ARPU) was higher than the initial projection, amounting to approximately ¥20 thousand, due to the favorable speech recognition market. In line with the above, Annual Recurring Revenue (ARR: calculated by multiplying monthly recurring revenue by 12 months) from the sale of Omnia LINK to outside customers reached ¥790 million, up 30.5% year-on-year.

In April 2024, we started the sales of Omnia LINK ANYPUT, which is based on Omnia LINK technology and can be used on a smartphone. We will strive to acquire customers of Omnia LINK ANYPUT as a new collaboration tool for business that connects contact centers and field services such as logistics.

As a result of the above initiatives, for the fiscal year ended May 31, 2024, net sales were ¥38,253 million (up 8.8% year-on-year), marking an all-time high as was the case last year, operating profit was ¥2,543million (up 14.3% year-on-year), ordinary profit was ¥2,527 million (up 11.4% year-on-year), and profit attributable to owners of parent was ¥1,833 million (up 9.2% year-on-year).

Segment information is omitted as the contact center and BPO business is the Group's sole segment.

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

(Assets)

Total assets as of May 31, 2024 amounted to ¥14,096 million, an increase of ¥1,889 million compared with the end of the previous fiscal year. This was mainly due to a ¥1,186 million increase in cash and deposits, a ¥123 million increase in accounts receivable – trade, and a ¥216 million increase in software.

(Liabilities)

Total liabilities as of May 31, 2024 amounted to ¥4,903 million, an increase of ¥538 million compared with the end of the previous fiscal year. This was mainly due to a ¥200 million increase in accrued expenses and a ¥263 million increase in accrued consumption taxes.

(Net assets)

Total net assets as of May 31, 2024 amounted to ¥9,192 million, an increase of ¥1,351 million compared with the end of the previous fiscal year. This was mainly due to a decrease in retained earnings resulting from the payment of ¥680 million in dividends of surplus, despite the recording of ¥1,833 million in profit attributable to owners of parent.

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

(Cash flows from operating activities)

Net cash provided by operating activities was ¥2,569 million (¥1,533 million provided in the same period of the previous fiscal year). The main component was profit before income taxes of ¥2,537 million (¥2,268 million in the same period of the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities was ¥894 million (¥611 million used in the same period of the previous fiscal year). The main components were purchase of property, plant and equipment of ¥360 million (¥218 million in the

same period of the previous fiscal year) due to the establishment of new contact centers and expansion of existing centers, purchase of intangible assets of ¥305 million (¥218 million in the same period of the previous fiscal year), and payments of leasehold and guarantee deposits of ¥126 million (¥12 million in the same period of the previous fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities was ¥492 million (¥438 million used in the same period of the previous fiscal year). The main components were ¥198 million in proceeds from issuance of shares resulting from exercise of share acquisition rights (¥201 million in the same period of the previous fiscal year), partly offset by dividends paid of ¥680 million (¥643 million in the same period of the previous fiscal year).

(4) Future Outlook

The fiscal year ending May 2025 will be the second year of our current medium-term management plan. We will continue to steadily implement each of our measures to achieve the goals in the medium-term plan. In contact centers and BPO services, we will maximize Omnia LINK's strengths, and by continuing to formulate and implement sales strategies and pursue expertise in each target industry and sector, we will aim to increase the contract expansion of existing customers, which are particularly likely to lead to stable earnings. With regard to the sale of Omnia LINK to outside customers, we will establish a sales structure aimed at the acquisition of large projects with the target of more than 100 licenses per company and implement the strategy including the development of its functionality.

To improve profitability, we will work to reduce the turnover rate and lower hiring costs through initiatives to create a comfortable working environment, such as expanding work-from-home contact centers and strengthening the human resource development. In addition, we will aim to improve productivity by combining multiple measures, such as proposing high value-added proposals that leverage the functionality of Omnia LINK, promoting further in-house Omnia LINK utilization, and increasing efficiency through digitalization.

At the same time, we will continue to invest in growth. Regarding contact centers and BPO services, we will establish new locations. In system development and sales services, we will enhance the functionality of existing products and release the new functionality of Omnia LINK by utilizing generative AI. We will continue to strengthen the development of products with these initiatives, among others.

Through the efforts mentioned above, we forecast net sales of ¥42,000 million (up 9.8% year-on-year), operating profit of ¥3,200 million (up 25.8% year-on-year), ordinary profit of ¥3,180 million (up 25.8% year-on-year), and profit attributable to owners of parent of ¥2,180 million (up 18.9% year-on-year) for the fiscal year ending May 31, 2025.

2. Basic Policy on Selection of Accounting Standards

The Group has adopted the Generally Accepted Accounting Principles in Japan (Japanese GAAP), in consideration of the comparability of the consolidated financial statements between terms, as well as between companies. With respect to the timing of application of International Financial Reporting Standards (IFRS), our policy is to conduct careful consideration in light of various domestic and overseas circumstances.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	4,913,708	6,099,713
Accounts receivable - trade	4,050,458	4,174,273
Electronically recorded monetary claims - operating	30,413	-
Merchandise	30,384	5,936
Work in process	1,166	1,303
Supplies	3,903	1,803
Other	340,816	370,215
Total current assets	9,370,848	10,653,243
Non-current assets		
Property, plant and equipment		
Buildings	1,383,768	1,524,928
Accumulated depreciation	(735,610)	(808,622)
Buildings, net	648,158	716,306
Tools, furniture and fixtures	1,045,724	1,033,521
Accumulated depreciation	(806,058)	(650,952)
Tools, furniture and fixtures, net	239,666	382,569
Construction in progress	11,769	257
Other	-	5,859
Accumulated depreciation	-	(792)
Other, net	-	5,067
Total property, plant and equipment	899,593	1,104,199
Intangible assets		
Goodwill	14,015	13,171
Software	190,667	407,117
Software in progress	112,553	106,921
Other	6,495	6,404
Total intangible assets	323,730	533,613
Investments and other assets		
Investment securities	168,000	253,330
Leasehold and guarantee deposits	1,052,467	1,175,756
Deferred tax assets	348,066	341,241
Other	44,340	35,469
Total investments and other assets	1,612,873	1,805,796
Total non-current assets	2,836,196	3,443,608
Total assets	12,207,044	14,096,851

(Thousand yen)

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	5,000	-
Current portion of long-term borrowings	4,776	3,911
Accounts payable - other	843,424	641,630
Accrued expenses	1,623,176	1,823,435
Income taxes payable	368,251	492,054
Accrued consumption taxes	519,397	782,411
Contract liabilities	33,452	36,270
Provision for bonuses	304,566	328,412
Provision for shareholder benefit program	-	74,625
Other	281,178	306,720
Total current liabilities	3,983,220	4,489,468
Non-current liabilities		
Long-term borrowings	25,511	21,600
Retirement benefit liability	5,248	5,871
Asset retirement obligations	351,171	382,539
Other	-	4,469
Total non-current liabilities	381,930	414,479
Total liabilities	4,365,150	4,903,947
Net assets		
Shareholders' equity		
Share capital	794,133	893,598
Capital surplus	897,315	996,780
Retained earnings	6,147,671	7,300,131
Treasury shares	(53)	(53)
Total shareholders' equity	7,839,066	9,190,456
Share acquisition rights	2,828	2,448
Total net assets	7,841,894	9,192,904
Total liabilities and net assets	12,207,044	14,096,851

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Net sales	35,158,816	38,253,042
Cost of sales	29,763,041	32,186,055
Gross profit	5,395,775	6,066,987
Selling, general and administrative expenses	3,170,649	3,523,948
Operating profit	2,225,126	2,543,039
Non-operating income		
Interest income	2	2
Dividend income	-	1
Insurance claim income	-	2,144
Subsidy income	42,684	11,167
Compensation received	17,136	-
Other	2,010	2,722
Total non-operating income	61,832	16,036
Non-operating expenses		
Interest expenses	240	366
Share of loss of entities accounted for using equity method	-	30,978
Loss on cancellation of leases	17,136	-
Other	256	307
Total non-operating expenses	17,632	31,651
Ordinary profit	2,269,326	2,527,424
Extraordinary income		
Gain on change in equity	-	13,671
Total extraordinary income	-	13,671
Extraordinary losses		
Loss on retirement of non-current assets	433	3,662
Total extraordinary losses	433	3,662
Profit before income taxes	2,268,893	2,537,433
Income taxes - current	673,206	697,381
Income taxes - deferred	(82,493)	6,825
Total income taxes	590,713	704,206
Profit	1,678,180	1,833,227
Profit attributable to owners of parent	1,678,180	1,833,227

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Profit	1,678,180	1,833,227
Comprehensive income	1,678,180	1,833,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,678,180	1,833,227

(3) Consolidated Statements of Changes in Equity

Fiscal year ended May 31, 2023

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at beginning of period	692,200	795,382	5,113,392	-
Changes during period				
Issuance of new shares - exercise of share acquisition rights	101,933	101,933		
Dividends of surplus			(643,900)	
Profit attributable to owners of parent			1,678,180	
Purchase of treasury shares				(53)
Net changes in items other than shareholders' equity				
Total changes during period	101,933	101,933	1,034,280	(53)
Balance at end of period	794,133	897,315	6,147,671	(53)

	Shareholders' equity	Share acquisition rights	Total net assets
	Total shareholders' equity		
Balance at beginning of period	6,600,974	4,800	6,605,774
Changes during period			
Issuance of new shares - exercise of share acquisition rights	203,866		203,866
Dividends of surplus	(643,900)		(643,900)
Profit attributable to owners of parent	1,678,180		1,678,180
Purchase of treasury shares	(53)		(53)
Net changes in items other than shareholders' equity		(1,972)	(1,972)
Total changes during period	1,238,093	(1,972)	1,236,121
Balance at end of period	7,839,066	2,828	7,841,894

Fiscal year ended May 31, 2024

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at beginning of period	794,133	897,315	6,147,671	(53)
Changes during period				
Issuance of new shares - exercise of share acquisition rights	99,465	99,465		
Dividends of surplus			(680,765)	
Profit attributable to owners of parent			1,833,227	
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	99,465	99,465	1,152,462	-
Balance at end of period	893,598	996,780	7,300,131	(53)

	Shareholders' equity	Share acquisition rights	Total net assets
	Total shareholders' equity		
Balance at beginning of period	7,839,066	2,828	7,841,894
Changes during period			
Issuance of new shares - exercise of share acquisition rights	198,930		198,930
Dividends of surplus	(680,765)		(680,765)
Profit attributable to owners of parent	1,833,227		1,833,227
Purchase of treasury shares	-		-
Net changes in items other than shareholders' equity		(380)	(380)
Total changes during period	1,351,392	(380)	1,351,012
Balance at end of period	9,190,456	2,448	9,192,904

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,268,893	2,537,433
Depreciation	223,665	296,356
Amortization of goodwill	8,169	12,060
Increase (decrease) in provision for bonuses	(48,613)	23,846
Increase (decrease) in provision for shareholder benefit program	-	74,625
Interest and dividend income	(2)	(3)
Insurance claim income	-	(2,144)
Subsidy income	(42,684)	(11,167)
Compensation received	(17,136)	-
Loss on cancellation of leases	17,136	-
Interest expenses	240	366
Share of loss (profit) of entities accounted for using equity method	-	30,978
Loss (gain) on change in equity	-	(13,671)
Loss (gain) on sale and retirement of non-current assets	433	3,662
Decrease (increase) in trade receivables	(629,905)	(93,402)
Decrease (increase) in inventories	(27,628)	26,411
Increase (decrease) in retirement benefit liability	(307)	623
Decrease (increase) in other assets	(57,415)	(15,344)
Increase (decrease) in trade payables	332,456	(22,342)
Increase (decrease) in accrued consumption taxes	(50,501)	266,105
Increase (decrease) in other liabilities	124,479	23,354
Other, net	(571)	(9,332)
Subtotal	2,100,709	3,128,412
Interest and dividends received	2	3
Interest paid	(240)	(366)
Loss on cancellation of leases paid	(17,136)	-
Proceeds from insurance income	-	2,144
Subsidies received	57,009	24,981
Income of loss compensation	17,136	-
Income taxes paid	(623,983)	(585,701)
Net cash provided by (used in) operating activities	1,533,497	2,569,473

(Thousand yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(218,757)	(360,748)
Purchase of intangible assets	(218,710)	(305,755)
Purchase of investment securities	(168,000)	(99,999)
Decrease (increase) in time deposits	-	(3,600)
Payments of leasehold and guarantee deposits	(12,833)	(126,666)
Proceeds from refund of leasehold and guarantee deposits	1,293	3,377
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	6,534	-
Other, net	(1,526)	(824)
Net cash provided by (used in) investing activities	(611,999)	(894,215)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,000	(5,000)
Proceeds from long-term borrowings	27,000	-
Repayments of long-term borrowings	(28,888)	(4,776)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	201,894	198,550
Purchase of treasury shares	(53)	-
Dividends paid	(643,077)	(680,647)
Other, net	(81)	(980)
Net cash provided by (used in) financing activities	(438,205)	(492,853)
Net increase (decrease) in cash and cash equivalents	483,293	1,182,405
Cash and cash equivalents at beginning of period	4,429,714	4,913,008
Cash and cash equivalents at end of period	4,913,008	6,095,412

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

Segment information is omitted as the contact center and BPO business is the Group's sole segment, and thus such information is immaterial.

(Per share information)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Net assets per share (Yen)	564.24	652.58
Basic earnings per share (Yen)	122.14	131.15
Diluted earnings per share (Yen)	119.69	127.46

(Note) 1. The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	1,678,180	1,833,227
Amount not attributable to common shareholders (Thousand yen)	–	–
Profit attributable to owners of parent related to common shares (Thousand yen)	1,678,180	1,833,227
Average number of common shares outstanding during the period (Shares)	13,739,577	13,978,237
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Thousand yen)	–	–
Increase in number of common shares (Shares)	281,530	404,467
(Of which, share acquisition rights (Shares))	(281,530)	(404,467)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to their non-dilutive effect		–

2. The basis for calculation of net assets per share is as follows.

	As of May 31, 2023	As of May 31, 2024
Total amount in net assets (Thousand yen)	7,841,894	9,192,904
Amount deducted from total amount in net assets (Thousand yen)	2,828	2,448
(Of which, share acquisition rights (Thousand yen))	(2,828)	(2,448)
Net assets at the end of the period related to common shares (Thousand yen)	7,839,066	9,190,456
Number of common shares at the end of the period used for calculation of net assets per share (Shares)	13,893,175	14,083,175

(Significant subsequent events)

Not applicable.