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January 14, 2025

Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (Japanese GAAP)

Company name: Japaniace Co., Ltd. Listing: Tokyo Stock Exchange (Growth Market)
Securities code: 9558
URL: https://jna.co.jp/investors
Representative: Saburo Nishikawa, Representative Director, Chairman and President
Inquiries: Akihiro Nishikawa, Managing Director and Administration Division Manager
Telephone: +81-45-670-7240
Scheduled date of annual general meeting of shareholders: February 21, 2025
Scheduled date to commence dividend payments: February 25, 2025
Scheduled date to file annual securities report: February 25, 2025
Supplementary material on financial results: Yes
Financial results briefing: Yes (for institutional investors)

(Amounts are rounded down to the nearest million yen.)

1. Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 to November 30, 2024)

(1) Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	11,211	13.4	945	13.0	1,022	17.1	722	17.3
November 30, 2023	9,885	18.8	836	36.9	873	42.0	616	39.3

	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	Yen	Yen	%	%	%
November 30, 2024	181.51	179.45	24.7	21.4	8.4
November 30, 2023	155.52	152.55	23.2	20.5	8.5

(Reference) Equity in earnings of affiliates Fiscal year ended November 30, 2024: ― million
Fiscal year ended November 30, 2023: ― million

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2024	4,949	2,996	60.5	756.76
November 30, 2023	4,585	2,857	62.3	717.46

(Reference) Shareholders' equity As of November 30, 2024: ¥2,996 million
As of November 30, 2023: ¥2,857 million

(3) 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, 2024	938	(31)	(583)	2,999
November 30, 2023	566	(45)	(206)	2,676

2. Dividends

	Annual dividends per share					Total dividends	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, 2023	—	0.00	—	77.00	77.00	306	49.5	11.5
Fiscal year ended November 30, 2024	—	47.00	—	48.00	95.00	378	52.3	12.9
Fiscal year ending November 30, 2025 (Forecast)	—	49.00	—	50.00	99.00		49.3	

3. Forecast of Non-consolidated Earnings for the Fiscal Year Ending November 30, 2025 (December 1, 2024 to November 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	12,050	7.5	1,040	9.9	1,130	10.5	800	10.7	200.81

* 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: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(2) Number of issued shares (common stock)

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

As of November 30, 2024	4,009,200 shares
As of November 30, 2023	4,000,000 shares

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

As of November 30, 2024	49,001 shares
As of November 30, 2023	17,078 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended November 30, 2024	3,981,165 shares
Fiscal year ended November 30, 2023	3,961,619 shares

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

* Proper use of earnings forecasts, and other special matters

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts

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1. Overview of Financial Performance

(1) Operating Results

During the current fiscal year, the normalization of social and economic activities has led the Japanese economy to gradual recovery in consumer spending and employment. However, the future of the economy remains uncertain due to current global factors including protracted situation in Ukraine and growing tensions in the Middle East.

Under these circumstances, net sales and gross profit of our Advanced Engineering business increased, thanks to ongoing active investment in IT infrastructure development, DX (digital transformation), etc., with demand in both private and public sectors combined with chronic shortage of IT personnel. In addition, we also improved gross profit margin by working to increase the utilization rate and net sales per engineer. Selling, general and administrative expenses increased due to factors such as the strengthening of human resources for recruiting and training engineers, and the introduction of various systems. Non-operating income increased due to commissions received from customers as well as career development promotion subsidies received for onboarding training for those new to the industry.

As a result, the Company recorded net sales of ¥11,211,465 thousand (up 13.4% year-on-year), operating profit of ¥945,885 thousand (up 13.0% year-on-year), ordinary profit of ¥1,022,596 thousand (up 17.1% year-on-year) and profit of 722,607 thousand (up 17.3% year-on-year).

The Company does not provide segment information since it operates in a single reportable segment “Advanced Engineering”.

(2) Financial Position

(Assets)

Total assets at the end of the current fiscal year amounted to ¥4,949,572 thousand, up ¥364,109 thousand from the end of the previous fiscal year. The main factors were a ¥323,325 thousand increase in cash and deposits, a ¥129,179 thousand increase in accounts receivable and contract assets, and a ¥108,839 thousand decrease in electronically recorded monetary claims in current assets.

(Liabilities)

Total liabilities at the end of the current fiscal year amounted to ¥1,952,640 thousand, up ¥224,784 thousand from the end of the previous fiscal year. The main factors were a ¥134,279 thousand increase in accrued expenses and a ¥82,627 thousand increase in deposits received in current liabilities.

(Net assets)

Total net assets at the end of the current fiscal year amounted to ¥2,996,932 thousand, up ¥139,325 thousand from the end of the previous fiscal year. The main factors were profit of ¥722,607 thousand, dividends payment of ¥494,719 thousand, and purchase of treasury stock of ¥100,031 thousand.

As a result, the Company recorded a shareholders' equity ratio of 60.5% (62.3% at the end of the previous fiscal year).

(3) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) as of November 30, 2024 amounted to ¥2,999,564 thousand, up ¥323,325 thousand from the end of the previous year. The outline of the cash flows is described below.

(Cash flows from operating activities)

Net cash provided by operating activities in the current fiscal year was ¥938,165 thousand (¥566,883 thousand provided in the previous fiscal year). This was mainly due to the recording of ¥1,022,596 thousand in profit before income taxes, expenditures of ¥308,566 thousand for income taxes paid, and an increase of ¥134,279 thousand in accrued expenses.

(Cash flows from investing activities)

Net cash used in investing activities in the current fiscal year was ¥31,333 thousand (¥45,527 thousand used in the previous fiscal year). This was mainly due to expenditures of ¥15,258 thousand for the purchase of intangible assets and expenditures of ¥10,000 thousand for the purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities in the current fiscal year was ¥583,506 thousand (¥206,673 thousand used in the previous fiscal year). This was mainly due to expenditures of ¥494,574 thousand for dividend payments and expenditures of ¥100,031 thousand for the purchase of treasury stock.

(4) Outlook

Based on the corporate philosophy of “Providing new value to Japan's future through advanced technology,” the Company will continue to strive to expand our business by providing services to IT and telecommunications industries and manufacturing companies in Japan.

For the next fiscal year (ending November 2025), the Company forecasts net sales of ¥12,050 million (up 7.5% year-on-year), operating profit of ¥1,040 million (up 9.9% year-on-year), ordinary profit of ¥1,130 million (up 10.5% year-on-year), and profit of ¥800 million (up 10.7% increase).

The forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors.

2. Basic Concept on Selection of Accounting Standards

The Company’s policy is to prepare its financial statements in accordance with Japanese GAAP for the time being, taking into consideration comparability with its domestic peers. The Company will respond appropriately concerning the application of the International Financial Reporting Standards (IFRS) upon consideration of various factors in Japan and overseas.

3. Non-consolidated Financial Statements and Notes

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	2,676,239	2,999,564
Accounts receivable and contract assets	1,390,450	1,519,629
Electronically recorded monetary claims	108,839	—
Other	51,807	48,391
Allowance for doubtful accounts	(90)	—
Total current assets	4,227,246	4,567,585
Non-current assets		
Property, plant and equipment		
Buildings	13,107	13,107
Facilities attached to buildings	56,559	59,431
Vehicles	12,121	12,121
Tools, furniture and fixtures	36,764	39,344
Leased assets	7,079	4,104
Accumulated depreciation	(64,856)	(71,124)
Total property, plant and equipment	60,776	56,984
Intangible assets		
Software	5,394	15,306
Total intangible assets	5,394	15,306
Investments and other assets		
Investment securities	10,000	20,000
Long-term loans receivable	2,450	1,850
Deferred tax assets	172,580	182,445
Other	107,015	105,400
Total investments and other assets	292,046	309,695
Total non-current assets	358,216	381,986
Total assets	4,585,462	4,949,572

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable	13,178	14,250
Accounts payable - other	45,636	9,648
Accrued expenses	717,649	851,928
Income taxes payable	171,892	173,179
Accrued consumption taxes	252,389	269,947
Deposits received	133,747	216,374
Provision for bonuses	179,804	197,564
Provision for loss on orders received	765	5,285
Other	673	2,342
Total current liabilities	1,515,736	1,740,520
Non-current liabilities		
Long-term accounts payable – other	212,119	212,119
Total non-current liabilities	212,119	212,119
Total liabilities	1,727,855	1,952,640
Net assets		
Shareholders' equity		
Common stock	20,000	22,355
Capital surplus		
Legal capital surplus	—	2,355
Other capital surplus	85,313	85,227
Total capital surplus	85,313	87,583
Retained earnings		
Legal retained earnings	5,000	5,000
Other retained earnings		
General reserve	320,000	320,000
Retained earnings brought forward	2,436,099	2,663,988
Total retained earnings	2,761,099	2,988,988
Treasury stock	(8,806)	(101,993)
Total shareholders' equity	2,857,606	2,996,932
Total net assets	2,857,606	2,996,932
Total liabilities and net assets	4,585,462	4,949,572

(2) Non-consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Net sales	9,885,472	11,211,465
Cost of sales	7,342,152	8,312,666
Gross profit	2,543,319	2,898,798
Selling, general and administrative expenses	1,706,441	1,952,912
Operating profit	836,878	945,885
Non-operating income		
Interest income	27	283
Commission income	3,123	22,023
Subsidy income	30,387	52,106
Other	4,239	3,735
Total non-operating income	37,777	78,149
Non-operating expenses		
Commission for purchase of treasury stock	—	369
Consumption tax difference	1,169	1,069
Total non-operating expenses	1,169	1,438
Ordinary profit	873,485	1,022,596
Profit before income taxes	873,485	1,022,596
Income taxes – current	272,334	309,853
Income taxes – deferred	(14,962)	(9,865)
Total income taxes	257,371	299,988
Profit	616,113	722,607

(3) Non-consolidated Statements of Changes in Shareholders' Equity

Previous fiscal year (December 1, 2022 to November 30, 2023)

(Thousands of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	20,000	85,397	85,397	5,000	320,000	2,037,786	2,362,786
Changes							
Cash dividends						(217,800)	(217,800)
Profit						616,113	616,113
Purchase of treasury stock							
Disposal of treasury stock							
Gain(loss) on disposal of treasury stock		(83)	(83)				
Total changes	—	(83)	(83)	—	—	398,313	398,313
Balance at end of period	20,000	85,313	85,313	5,000	320,000	2,436,099	2,761,099

	Shareholders' equity		Total net assets
	Treasury stock	Total shareholders' equity	
Balance at beginning of period	(20,456)	2,447,726	2,447,726
Changes			
Cash dividends		(217,800)	(217,800)
Profit		616,113	616,113
Purchase of treasury stock	(209)	(209)	(209)
Disposal of treasury stock	11,859	11,859	11,859
Gain(loss) on disposal of treasury stock		(83)	(83)
Total changes	11,650	409,880	409,880
Balance at end of period	(8,806)	2,857,606	2,857,606

Current fiscal year (December 1, 2023 to November 30, 2024)

(Thousands of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	20,000	—	85,313	85,313	5,000	320,000	2,436,099	2,761,099
Changes								
Issuance of new shares	2,355	2,355		2,355				
Cash dividends							(494,719)	(494,719)
Profit							722,607	722,607
Purchase of treasury stock								
Disposal of treasury stock								
Gain(loss) on disposal of treasury stock			(85)	(85)				
Total changes	2,355	2,355	(85)	2,269	—	—	227,888	227,888
Balance at end of period	22,355	2,355	85,227	87,583	5,000	320,000	2,663,988	2,988,988

	Shareholders' equity		Total net assets
	Treasury stock	Total shareholders' equity	
Balance at beginning of period	(8,806)	2,857,606	2,857,606
Changes			
Issuance of new shares		4,710	4,710
Cash dividends		(494,719)	(494,719)
Profit		722,607	722,607
Purchase of treasury stock	(100,031)	(100,031)	(100,031)
Disposal of treasury stock	6,843	6,843	6,843
Gain(loss) on disposal of treasury stock		(85)	(85)
Total changes	(93,187)	139,325	139,325
Balance at end of period	(101,993)	2,996,932	2,996,932

(4) Non-consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	873,485	1,022,596
Depreciation and amortization	14,801	17,185
Increase (decrease) in allowance for doubtful accounts	(300)	(90)
Increase (decrease) in provision for retirement benefits for directors	(221,761)	—
Increase (decrease) in provision for bonuses	28,671	17,759
Increase (decrease) in provision for loss on orders received	(134)	4,520
Interest and dividend income	(27)	(283)
Commission for purchase of treasury stock	—	369
Decrease (increase) in trade receivables	(267,661)	(20,339)
Decrease (increase) in other current assets	(15,418)	3,659
Increase (decrease) in trade payables	1,446	1,071
Increase (decrease) in accrued expenses	117,003	134,279
Increase (decrease) in accrued consumption taxes	38,988	17,558
Increase (decrease) in other current liabilities	36,490	48,163
Increase (decrease) in long-term accounts payable - other	212,119	—
Subtotal	817,703	1,246,448
Interest and dividends received	27	283
Income taxes paid	(250,846)	(308,566)
Net cash provided by (used in) operating activities	566,883	938,165
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,191)	(5,452)
Purchase of intangible assets	(867)	(15,258)
Purchase of investment securities	(10,000)	(10,000)
Proceeds from collection of loans receivable	600	600
Other payments	(16,322)	(1,785)
Other proceeds	2,254	562
Net cash provided by (used in) investing activities	(45,527)	(31,333)
Cash flows from financing activities		
Dividends paid	(217,637)	(494,574)
Purchase of treasury stock	(209)	(100,031)
Repayments of lease liabilities	(602)	—
Proceeds from exercise of employee share options	11,776	11,468
Other	—	(369)
Net cash provided by (used in) financing activities	(206,673)	(583,506)
Net increase (decrease) in cash and cash equivalents	314,682	323,325
Cash and cash equivalents at beginning of period	2,361,556	2,676,239
Cash and cash equivalents at end of period	2,676,239	2,999,564

(5) Notes to Non-consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Changes in Shareholders' Equity)

Previous fiscal year (December 1, 2022 to November 30, 2023)

1. Dividends paid

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 24, 2023	Common stock	217,800	55.00	November 30, 2022	February 27, 2023	Retained earnings

2. Dividends for which the record date is during the fiscal year and the effective date is after the end of the fiscal year:

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 22, 2024	Common stock	306,592	77.00	November 30, 2023	February 26, 2024	Retained earnings

Current fiscal year (December 1, 2023 to November 30, 2024)

1. Dividends paid

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 22, 2024	Common stock	306,592	77.00	November 30, 2023	February 26, 2024	Retained earnings
Board of Directors meeting July 8, 2024	Common stock	188,126	47.00	May 31, 2024	August 2, 2024	Retained earnings

2. Dividends for which the record date is during the fiscal year and the effective date is after the end of the fiscal year:

Resolution	Class of shares	Total dividends (thousands of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
General Meeting of Shareholders February 21, 2025	Common stock	190,089	48.00	November 30, 2024	February 25, 2024	Retained earnings

3. Significant changes in shareholders' equity

The Company acquired 45,100 shares of treasury stock based on the resolution of the Board of Directors meeting held on July 8, 2024. As a result, treasury stock increased by ¥93,187 thousand during the current fiscal year and amounted to ¥101,993 thousand at the end of the period.

(Segment Information)

The Company does not provide segment information since it operates in a single reportable segment "Advanced Engineering".

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

Not applicable.

(Per share information)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Net assets per share (Yen)	717.46	756.76
Basic earnings per share (Yen)	155.52	181.51
Diluted earnings per share (Yen)	152.55	179.45

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

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Basic earnings per share		
Profit (thousands of yen)	616,113	722,607
Amount not attributable to common shareholders (thousands of yen)	—	—
Profit related to common stock (thousands of yen)	616,113	722,607
Average number of shares of common stock (shares)	3,961,619	3,981,165
Diluted earnings per share		
Profit adjustments (thousands of yen)	—	—
Increase in common shares (shares)	77,077	45,529
(Share acquisition rights (shares))	(77,077)	(45,529)
Details of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

(Significant subsequent events)

Not applicable.