



## Financial Results for the Year Ended October 31, 2020 (J-GAAP)

December 15, 2020

Name of listed company: Prored Partners CO., LTD.

Stock Exchange Listing: TSE Mothers

Securities code: 7034

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Date of ordinary general shareholders' meeting: January 26, 2021

Annual securities report filing date: January 27, 2021

Dividend payable date (as planned): -

Supplemental material of financial results: Yes

Convening briefing of financial results: Yes (for institutional investors and analysts)

(Rounded down to nearest million yen)

### 1. Consolidated financial results for the year ended October 31, 2020 (November 1, 2019 - October 31, 2020)

#### (1) Consolidated operating results

(% indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended October 31, 2020	-	-	-	-	-	-	-	-
Year ended October 31, 2019	-	-	-	-	-	-	-	-

(Note) Comprehensive income Year ended October 31, 2020: - million yen (- %)

Year ended October 31, 2019: - million yen (- %)

	Net income per share	Diluted net income per share	ROE	ROA	Operating income margin
	Yen	Yen	%	%	%
Year ended October 31, 2020	-	-	-	-	-
Year ended October 31, 2019	-	-	-	-	-

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

Year ended October 31, 2020: - million yen

Year ended October 31, 2019: - million yen

(Note) The consolidated fiscal year under review is the first year consolidated financial results have been prepared, and consolidated operating results have been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended October 31, 2020	7,522	6,266	83.3	561.06
Year ended October 31, 2019	-	-	-	-

(Reference) Capital stock Year ended October 31, 2020: 6,266 million yen

Year ended October 31, 2019: - million yen

#### (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
	Million yen	Million yen	Million yen	Million yen
Year ended October 31, 2020	-	-	-	-
Year ended October 31, 2019	-	-	-	-

(Note) The consolidated fiscal year under review is the first year consolidated financial results have been prepared, and consolidated cash flows have been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

## 2. Dividends

	Annual dividend					Total dividends	Dividends payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended October 31, 2019	-	0.00	-	0.00	0.00	0.00	0.00	0.00
Year ended October 31, 2020	-	0.00	-	0.00	0.00	0.00	0.00	0.00
Year ending October 31, 2021 (forecast)	-	0.00	-	0.00	0.00		0.00	

## 3. Consolidated financial forecasts for the year ending October 31, 2021 (November 1, 2020 - October 31, 2021)

(% indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	4,349	-	1,264	-	1,261	-	895	-	80.21

(Notes) 1. No consolidated financial forecasts have been made for the six months ending April 30, 2021.

2. The consolidated fiscal year ended October 31, 2020 is the first year consolidated financial results have been prepared, and year-on-year changes have been omitted because only the balance sheet has been consolidated during the consolidated fiscal year ended October 31, 2020 due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): Yes

1 new company (Company name) Knowledge Management Research & Institute

(2) Changes in accounting policies, and changes and restatements in accounting estimates

1) Changes in accounting policies associated with accounting standards, etc.: None

2) Changes in accounting policies other than those in 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of issued and outstanding shares (common shares)

1) Number of issued and outstanding shares (including treasury shares)	As of October 31, 2020	11,169,600 shares	As of October 31, 2019	10,389,200 shares
2) Number of treasury shares at the end of period	As of October 31, 2020	169 shares	As of October 31, 2019	136 shares
3) Average number of shares during the period	Year ended October 31, 2020	10,907,048 shares	Year ended October 31, 2019	10,291,821 shares

(Note) The Company performed share splits at the ratio of two shares per common share on June 12, 2019 and two shares per common share on January 11, 2020. The "number of issued and outstanding shares," the "number of treasury shares at the end of period," and the "average number of shares during the period" are calculated based on the assumption that the share splits took place at the start of the previous consolidated fiscal year.

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended October 31, 2020 (November 1, 2019 - October 31, 2020)

(1) Non-consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended October 31, 2020	3,270	23.8	1,216	14.1	1,189	13.6	869	27.3
Year ended October 31, 2019	2,641	60.0	1,065	73.2	1,046	76.8	682	79.2

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended October 31, 2020	79.69	78.19
Year ended October 31, 2019	66.33	63.78

(Note) The Company performed share splits at the ratio of two shares per common share on June 12, 2019 and two shares per common share on January 11, 2020. Net income per share and diluted net income per share are calculated based on the assumption that the share splits took place at the start of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended October 31, 2020	7,506	6,308	84.0	564.82
Year ended October 31, 2019	4,718	3,670	77.8	353.28

(Reference) Capital stock Year ended March 31, 2020: 6,308 million yen

Year ended March 31, 2019: 3,670 million yen

(Note) The Company performed share splits at the ratio of two shares per common share on June 12, 2019 and two shares per common share on January 11, 2020. Net assets per share are calculated based on the assumption that the share splits took place at the start of the previous fiscal year.

\* These financial results do not fall within the scope of review procedures by certified public accountants or an auditing firm.

\* Explanation regarding the appropriate use of financial forecast and other special remarks

(Note concerning forward-looking statements, etc.)

Any information contained in this document pertaining to future financial performance etc. is based on the information currently available to the Company and certain other assumptions judged to be reasonable, and the Company does not promise the achievement of this performance. Actual financial performance may vary significantly from the forecasts contained herein. Please refer to "1. Overview of Operating Results (4) Forecast" on page 3 of the attached materials for the assumptions on which the financial forecast is based and precautionary statements concerning their use.

(How to obtain the supplemental material of financial results and the content of the briefing of financial results)

The Company intends to hold an online results briefing for institutional investors and analysts using a web conferencing system on Thursday, December 17, 2020. The content of the briefing will be made available on the Company's website shortly after the briefing is held.

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## 1. Overview of Operating Results

The consolidated fiscal year under review is the first consolidated fiscal year, and the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows have been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year. For this reason, (1) Overview of operating results and (3) Overview of cash flows indicate the figures pertaining to the non-consolidated financial statements.

### (1) Overview of operating results

During the year ended October 31, 2020, the Japanese economy was recovering due to factors such as the expansion of capital investment by companies and an increase in inbound demand, but the economy rapidly deteriorated due to restrictions on economic activity resulting from the spread of COVID-19. Although economic activity is gradually resuming, the impact on economic recovery is limited, and difficult conditions continue.

Under such conditions, the consulting service market in which the Company does business underwent growth of 7.3% year-on-year to 821.7 billion yen in 2019. Furthermore, within the consulting service market, the business consulting market achieved higher growth of 8.7% year-on-year. The backdrop to this is that there has been an increase in large-scale transformation cases related to entire companies engaged in digital transformation (DX) in order to enable companies to respond to changes in the social environment. From 2021, such cases are expected to increase, and the domestic consulting service market is forecast to have a compound annual growth rate (CAGR) of 4.0% from 2019 to 2024, reaching a market size of 1,000.4 billion yen in 2024 as a result (Note).

In this management environment, the Company has continued to conduct business activities through negotiations and provision of consulting services via the Web and the promotion of working from home according to changes to social conditions, but net sales have decreased compared to initial estimates due to factors such as the extension of project periods on certain projects. However, in sales activities, the Company has continued to conclude agreements through the expansion of sales partners and strengthening of relations. In consulting services, the Company has implemented expansion into additional business areas such as sales growth in addition to a wide range of cost management spanning from BPO to BPR. Furthermore, the Company has implemented initiatives aimed at further growth such as establishing subsidiaries for the purpose of business investment and hands-on management support and making Knowledge Management Research & Institute a subsidiary for the purpose of expanding consulting services in the areas of the environment and risk management that are expected to grow in future in order to take the know-how developed in the performance-based management consulting business and utilize it in the area of "improvement of corporate value".

As a result, during the year ended October 31, 2020, net sales totaled 3,270 million yen (up 23.8% year-on-year), operating income was 1,216 million yen (up 14.1% year-on-year), ordinary income was 1,189 million yen (up 13.6% year-on-year) and net income was 869 million yen (up 27.3% year-on-year).

Segment information is not shown because the Company's operations are limited to the single segment of consulting business.

(Note) Based on the forecast for the "domestic consulting service market" announced by International Data Corporation Japan on June 15, 2020.

### (2) Overview of financial position

#### (Assets)

Current assets stood at 6,674 million yen as of the end of the current consolidated fiscal year. This was mainly attributable to 5,952 million yen in cash and deposits and 629 million yen in accounts receivable - trade.

Non-current assets stood at 848 million yen. This was mainly attributable to 44 million yen in property, plant and equipment, 416 million yen in intangible assets and 386 million yen in investments and other assets.

As a result of the above, total assets stood at 7,522 million yen as of the end of the current consolidated fiscal year.

#### (Liabilities)

Current liabilities stood at 912 million yen as of the end of the current consolidated fiscal year. This was mainly attributable to 212 million yen in accrued expenses and 193 million yen in income taxes payable.

Non-current liabilities stood at 343 million yen. This was mainly attributable to 240 million yen in bonds payable and 50 million yen in long-term borrowings.

As a result of the above, liabilities stood at 1,255 million yen as of the end of the current consolidated fiscal year.

#### (Net assets)

Net assets stood at 6,266 million yen as the end of the current fiscal year. This was mainly attributable to 2,025 million yen in share capital, 2,015 million yen in capital surplus and 2,227 million yen in retained earnings.

These figures have not been compared with the figures for the previous fiscal year because the consolidated fiscal year under review is the first consolidated fiscal year, and the Group has not prepared consolidated financial statements for the previous fiscal year.

### (3) Overview of cash flows

Cash and cash equivalents (net cash) during the year ended October 31, 2020, increased by 1,691 million yen from the end of the previous fiscal year to 5,846 million yen due to 1,189 million yen in profit before income taxes (up 13.6% year-on-year).

Cash flows and the factors contributing thereto during the year ended October 31, 2020 were as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities was 601 million yen (747 million yen provided during the same period of the previous year). This was mainly attributable to 1,189 million yen in profit before income taxes, partially offset by 419 million yen in income taxes paid.

#### (Cash flows from investing activities)

Net cash used in financing activities was 765 million yen (297 million yen provided during the same period of the previous year). This was mainly attributable to 451 million yen in purchase of shares of subsidiaries and 197 million yen spent on the purchase of investment securities.

#### (Cash flows from financing activities)

Net cash provided by financing activities was 1,855 million yen (387 million yen provided during the same period of the previous year). This was mainly attributable to 1,759 million yen in proceeds from issuance of shares resulting from exercise of share acquisition rights.

### (4) Forecast

Looking ahead, it is expected that the spread of COVID-19 will have a significant impact on the Japanese economy, and the outlook for the Japanese economy remains unclear, but it is expected to undergo a gradual recovery.

Under such economic conditions, we believe needs will gradually increase in the Japanese business consulting market.

Based on the above information, the forecast for the year ending October 31, 2021 is for net sales of 4,349 million yen, operating income of 1,264 million yen, ordinary income of 1,261 million yen and net income of 895 million yen.

Furthermore, the above earnings forecast was prepared using information available as of the date of the publication of these materials, and actual performance may differ from the forecast figures due to a variety of factors.

## 2. Basic Stance Regarding the Selection of Accounting Policies

The Group's policy for the present time is to prepare consolidated financial statements under Japanese standards considering comparability between periods of consolidated financial statements and comparability between companies.

The policy on application of International Financial Reporting Standards (IFRS) is to appropriately respond based on consideration of conditions in Japan and abroad.

### 3. Consolidated Financial Statements and Significant Notes

#### (1) Consolidated balance sheet

(thousand yen)

As of October 31, 2020	
<b>Assets</b>	
Current assets	
Cash and deposits	5,952,812
Accounts receivable - trade	629,078
Work in process	43,279
Supplies	386
Other	49,103
Total current assets	6,674,660
Non-current assets	
Property, plant and equipment	
Facilities attached to buildings	67,157
Accumulated depreciation	(25,973)
Facilities attached to buildings, net	41,184
Tools, furniture and fixtures	9,497
Accumulated depreciation	(5,928)
Tools, furniture and fixtures, net	3,568
Total property, plant and equipment	44,753
Intangible assets	
Software	47,767
Goodwill	369,054
Other	26
Total intangible assets	416,848
Investments and other assets	
Investment securities	262,974
Investments in capital	40
Long-term prepaid expenses	189
Deferred tax assets	47,615
Leasehold and guarantee deposits	75,631
Total investments and other assets	386,451
Total non-current assets	848,053
Total assets	7,522,713
<b>Liabilities</b>	
Current liabilities	
Accounts payable - trade	28,314
Current portion of bonds	80,000
Short-term borrowings	100,000
Current portion of long-term borrowings	25,200
Accounts payable - other	147,427
Accrued expenses	212,763
Advances received	3,525
Accrued consumption taxes	92,741
Income taxes payable	193,428
Deposits received	18,660
Provision for bonuses	10,368
Other	265
Total current liabilities	912,695
Non-current liabilities	
Bonds payable	240,000
Long-term borrowings	50,800
Provision for retirement benefits	13,539
Asset retirement obligations	38,928
Total non-current liabilities	343,268
Total liabilities	1,255,963



(thousand yen)

As of October 31, 2020

Net assets	
Shareholders' equity	
Share capital	2,025,041
Capital surplus	2,015,041
Retained earnings	2,227,213
Treasury shares	(546)
Total shareholders' equity	6,266,750
Total net assets	6,266,750
Total liabilities and net assets	7,522,713

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

The consolidated fiscal year under review is the first year consolidated financial statements have been prepared, and the consolidated statement of income has been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

(Consolidated statement of comprehensive income)

The consolidated fiscal year under review is the first year consolidated financial statements have been prepared, and the consolidated statement of comprehensive income has been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

(3) Consolidated statement of changes in equity

The consolidated fiscal year under review is the first year consolidated financial statements have been prepared, and the consolidated statement of changes in equity has been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

(4) Consolidated statement of cash flows

The consolidated fiscal year under review is the first year consolidated financial statements have been prepared, and the consolidated statement of cash flows has been omitted because only the balance sheet has been consolidated during the consolidated fiscal year under review due to the deemed date of acquisition of consolidated subsidiaries being the final day of the consolidated fiscal year.

(5) Notes to consolidated financial statements

(Notes on ongoing concern)

Not applicable.

(Segment information, etc.)

This information has been omitted because the Group's operations are limited to the single segment of consulting business.

(Per-share information)

	Consolidated fiscal year ended October 31, 2020 (November 1, 2019 - October 31, 2020)
Net assets per share	561.06 yen

(Notes) 1. Net income per share and diluted net income per share are not stated because a consolidated statement of income has not been prepared for the consolidated fiscal year under review.

(Significant subsequent events)

Not applicable.

#### 4. Non-consolidated Financial Statements

##### (1) Balance sheet

(thousand yen)

	As of October 31, 2019	As of October 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	4,154,725	5,846,141
Accounts receivable - trade	277,804	612,780
Work in process	1,683	976
Supplies	321	304
Prepaid expenses	33,923	27,468
Short-term loans receivable	-	100,000
Other	3,004	5,178
Total current assets	4,471,462	6,592,849
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	67,157	67,157
Accumulated depreciation	(21,806)	(25,973)
Facilities attached to buildings, net	45,351	41,184
Tools, furniture and fixtures	8,073	8,391
Accumulated depreciation	(3,194)	(4,840)
Tools, furniture and fixtures, net	4,879	3,551
Total property, plant and equipment	50,230	44,736
Intangible assets		
Software	5,722	47,767
Total intangible assets	5,722	47,767
Investments and other assets		
Investment securities	94,627	262,974
Shares of subsidiaries and associates	-	451,963
Investments in capital	30	30
Long-term prepaid expenses	75	55
Deferred tax assets	24,173	31,209
Leasehold and guarantee deposits	72,436	74,492
Total investments and other assets	191,343	820,724
Total non-current assets	247,296	913,228
Total assets	4,718,758	7,506,078

(thousand yen)

	As of October 31, 2019	As of October 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	17,722	24,962
Current portion of bonds	80,000	80,000
Short-term borrowings	-	100,000
Current portion of long-term borrowings	-	25,200
Accounts payable - other	58,692	126,537
Accrued expenses	163,559	207,416
Income taxes payable	285,215	193,292
Accrued consumption taxes	74,262	92,741
Advances received	4,672	360
Deposits received	5,329	16,859
Other	24	265
Total current liabilities	689,479	867,636
Non-current liabilities		
Bonds payable	320,000	240,000
Long-term borrowings	-	50,800
Asset retirement obligations	38,646	38,928
Total non-current liabilities	358,646	329,728
Total liabilities	1,048,125	1,197,365
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,140,333	2,025,041
Capital surplus		
Legal capital surplus	1,130,333	2,015,041
Total capital surplus	1,130,333	2,015,041
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,399,968	2,269,177
Total retained earnings	1,399,968	2,269,177
Treasury shares	(380)	(546)
Total shareholders' equity	3,670,255	6,308,713
Share acquisition rights	378	-
Total net assets	3,670,633	6,308,713
Total liabilities and net assets	4,718,758	7,506,078

## (2) Statement of income

(thousand yen)

	Year ended October 31, 2019 (November 1, 2018 - October 31, 2019)	Year ended October 31, 2020 (November 1, 2019 - October 31, 2020)
Net sales	2,641,817	3,270,821
Cost of sales	595,678	924,372
Gross profit	2,046,139	2,346,449
Selling, general and administrative expenses	980,811	1,130,388
Operating income	1,065,327	1,216,061
Non-operating income		
Interest income	409	85
Subsidy income	1,440	2,325
Writing and speaking fees	140	-
Gain on investments in investment partnerships	-	2,171
Other	-	83
Total non-operating income	1,990	4,666
Non-operating expenses		
Interest expenses	15	380
Bond issuance cost	4,532	-
Share issuance cost	-	9,609
Listing expenses	-	21,166
Loss on investments in investment partnerships	16,108	-
Other	14	70
Total non-operating expenses	20,670	31,225
Ordinary income	1,046,647	1,189,501
Profit before income taxes	1,046,647	1,189,501
Income taxes - current	371,280	327,329
Income taxes - deferred	(7,306)	(7,035)
Total income taxes	363,973	320,293
Net income	682,674	869,208

## (3) Statement of changes in equity

Year ended October 31, 2019 (November 1, 2018 - October 31, 2019)

(thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of current period	1,134,890	1,124,890	1,124,890	717,294	717,294	-	2,977,074
Changes in items during period							
Issuance of new shares - exercise of share acquisition rights	5,443	5,443	5,443				10,886
Purchase of treasury shares						(380)	(380)
Net income				682,674	682,674		682,674
Net changes in items other than shareholders' equity							
Total changes in items during period	5,443	5,443	5,443	682,674	682,674	(380)	693,180
Balance at end of current period	1,140,333	1,130,333	1,130,333	1,399,968	1,399,968	(380)	3,670,255

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(194)	(194)	664	2,977,544
Changes in items during period				
Issuance of new shares - exercise of share acquisition rights				10,886
Purchase of treasury shares				(380)
Net income				682,674
Net changes in items other than shareholders' equity	194	194	(286)	(91)
Total changes in items during period	194	194	(286)	693,088
Balance at end of current period	-	-	378	3,670,633

Year ended October 31, 2020 (November 1, 2019 - October 31, 2020)

(thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of current period	1,140,333	1,130,333	1,130,333	1,399,968	1,399,968	(380)	3,670,255
Changes in items during period							
Issuance of new shares - exercise of share acquisition rights	884,708	884,708	884,708				1,769,416
Purchase of treasury shares						(165)	(165)
Net income				869,208	869,208		869,208
Net changes in items other than shareholders' equity							
Total changes in items during period	884,708	884,708	884,708	869,208	869,208	(165)	2,638,458
Balance at end of current period	2,025,041	2,015,041	2,015,041	2,269,177	2,269,177	(546)	6,308,713

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	-	-	378	3,670,633
Changes in items during period				
Issuance of new shares - exercise of share acquisition rights				1,769,416
Purchase of treasury shares				(165)
Net income				869,208
Net changes in items other than shareholders' equity			(378)	(378)
Total changes in items during period	-	-	(378)	2,638,080
Balance at end of current period	-	-	-	6,308,713



## (4) Statement of cash flows

(thousand yen)

	Year ended October 31, 2019 (November 1, 2018 - October 31, 2019)	Year ended October 31, 2020 (November 1, 2019 - October 31, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,046,647	1,189,501
Depreciation	7,496	7,877
Interest income	(409)	(85)
Interest expenses	15	380
Bond issuance cost	4,532	-
Loss (gain) on investments in investment partnerships	16,108	(2,171)
Share issuance cost	-	9,609
Decrease (increase) in trade receivables	(164,245)	(334,976)
Decrease (increase) in inventories	5,336	723
Decrease (increase) in prepaid expenses	(7,674)	7,934
Increase (decrease) in accounts payable - trade	13,604	7,239
Increase (decrease) in accounts payable - other	26,324	63,566
Increase (decrease) in accrued expenses	54,081	43,856
Increase (decrease) in accrued consumption taxes	21,834	18,920
Other	(4,537)	4,108
Subtotal	1,019,114	1,016,485
Interest received	449	85
Interest paid	(15)	(380)
Income taxes paid	(272,513)	(419,251)
Net cash provided by (used in) operating activities	747,034	596,939
<b>Cash flows from investing activities</b>		
Proceeds from redemption of securities	400,000	-
Purchase of property, plant and equipment	(14,431)	-
Purchase of intangible assets	(1,900)	(40,150)
Purchase of shares of subsidiaries	-	(451,963)
Purchase of investment securities	(118,522)	(197,940)
Proceeds from withdrawal of investment securities	33,271	31,323
Loan advances	-	(100,000)
Payments of leasehold deposits	(1,352)	(2,056)
Net cash provided by (used in) investing activities	297,065	(760,786)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds	395,467	-
Redemption of bonds	(18,000)	(80,000)
Proceeds from short-term borrowings	-	100,000
Proceeds from long-term borrowings	-	76,000
Proceeds from issuance of shares resulting from exercise of share acquisition rights	10,600	1,759,429
Purchase of treasury shares	(380)	(165)
Net cash provided by (used in) financing activities	387,687	1,855,263
Net increase (decrease) in cash and cash equivalents	1,431,787	1,691,416
Cash and cash equivalents at beginning of period	2,722,937	4,154,725
Cash and cash equivalents at end of period	4,154,725	5,846,141

(5) Notes to non-consolidated financial statements

(Notes on ongoing concern)

Not applicable.

(Segment information, etc.)

This information has been omitted because the Company's operations are limited to the single segment of consulting business.

(Profit or loss under equity method)

Not applicable.

(Per-share information)

	Year ended October 31, 2019 (November 1, 2018 - October 31, 2019)	Year ended October 31, 2020 (November 1, 2019 - October 31, 2020)
Net assets per share	353.28 yen	564.82 yen
Net income per share	66.33 yen	79.69 yen
Diluted net income per share	63.78 yen	78.19 yen

(Notes) 1. The Company performed share splits at the ratio of two shares per common share on June 12, 2019, and two shares per common share on January 11, 2020. Net assets per share, net income per share and diluted net income per share are calculated based on the assumption that the share splits took place at the start of the previous fiscal year.

2. The basis for calculation of net income per share and diluted net income per share is as follows.

	Year ended October 31, 2019 (November 1, 2018 - October 31, 2019)	Year ended October 31, 2020 (November 1, 2019 - October 31, 2020)
Net income per share		
Net income (thousands of yen)	682,674	869,208
Amount not attributable to common shareholders (thousands of yen)	-	-
Net income pertaining to common shares (thousands of yen)	682,674	869,208
Average number of shares during the period (shares)	10,291,821	10,907,048
Diluted net income per share		
Net income adjustment (thousands of yen)	-	-
Increase in the number of common shares (shares)	411,974	210,099
(Share acquisition rights (shares))	(411,974)	(210,099)
Overview of potential shares not included in the calculation of diluted net income per share due to having little dilutive effect	-	-

(Significant subsequent events)

Not applicable.