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Consolidated Financial Results for the Six Months Ended August 31, 2021 [Japanese GAAP]

September 30, 2021

Company name: SHIKIGAKU Co., Ltd.

Stock exchange listing: Tokyo

Code number: 7049

URL: <https://corp.shikigaku.jp/>

Representative: Koudai Ando President and Representative Director

Contact: Daisuke Sasaki Director

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Scheduled date of filing quarterly securities report: October 14, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended August 31, 2021 (March 01, 2021 to August 31, 2021)

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

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 31, 2021	1,801	86.4	236	-	201	-	197	-	120	-
August 31, 2020	966	24.0	3	(97.9)	(24)	-	(25)	-	(105)	-

(Note) Comprehensive income: Six months ended August 31, 2021: ¥ 276 million [-%]
Six months ended August 31, 2020: ¥ (112) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended August 31, 2021	Yen 15.95	Yen 15.20
August 31, 2020	(14.22)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 31, 2021	Million yen 3,243	Million yen 1,624	37.4%
February 28, 2021	2,392	1,138	37.5%

(Reference) Equity: As of August 31, 2021: ¥ 1,211 million
As of February 28, 2021: ¥ 897 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2021	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2022	-	0.00			
Fiscal year ending February 28, 2022 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending February 28, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022(March 01, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	3,798	51.6	470	136.2	400	191.2	353	77.4	153	-	Yen 20.33

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended August 31, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: SHIKIGAKU No.2 Investment Partnership)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

August 31, 2021: 7,658,000 shares

February 28, 2021: 7,534,500 shares

2) Total number of treasury shares at the end of the period:

August 31, 2021: 59,632 shares

February 28, 2021: 59,632 shares

3) Average number of shares during the period:

Six months ended August 31, 2021: 7,544,208 shares

Six months ended August 31, 2020: 7,394,321 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of February 28,2021	As of August 31,2021
Assets		
Current assets		
Cash and deposits	1,243,050	1,957,891
Accounts receivable - trade	288,919	267,711
Merchandise	18,933	15,917
Supplies	1,514	4,156
Other	121,847	152,900
Allowance for doubtful accounts	(6,671)	(6,603)
Total current assets	1,667,594	2,391,973
Non-current assets		
Property, plant and equipment	80,908	110,535
Intangible assets		
Goodwill	153,422	130,681
Other	40,678	57,743
Total intangible assets	194,100	188,425
Investments and other assets		
Investment securities	236,737	299,735
Other	213,210	252,961
Allowance for doubtful accounts	(150)	(200)
Total investments and other assets	449,798	552,496
Total non-current assets	724,807	851,458
Total assets	2,392,402	3,243,431
Liabilities		
Current liabilities		
Accounts payable - trade	24,149	31,077
Short-term borrowings	100,000	400,000
Current portion of long-term borrowings	145,186	145,071
Income taxes payable	47,775	126,481
Provision for bonuses	3,312	5,649
Advances received	189,152	249,858
Other	359,199	337,013
Total current liabilities	868,775	1,295,151
Non-current liabilities		
Long-term borrowings	384,834	311,481
Other	-	12,534
Total non-current liabilities	384,834	324,015
Total liabilities	1,253,609	1,619,167
Net assets		
Shareholders' equity		
Share capital	267,978	359,941
Capital surplus	336,922	428,885
Retained earnings	337,498	457,831
Treasury shares	(45,041)	(45,041)
Total shareholders' equity	897,356	1,201,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	10,281
Total accumulated other comprehensive income	-	10,281
Share acquisition rights	600	7,354
Non-controlling interests	240,836	405,010
Total net assets	1,138,792	1,624,264
Total liabilities and net assets	2,392,402	3,243,431

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended August 31,2020	For the six months ended August 31,2021
Net sales	966,588	1,801,483
Cost of sales	187,504	484,421
Gross profit	779,084	1,317,061
Selling, general and administrative expenses	803,466	1,115,769
Operating profit (loss)	(24,381)	201,292
Non-operating income		
Interest income	4	6
Commission income	-	721
Subsidy income	304	7,633
Gain on investments in investment partnerships	-	614
Other	232	1,343
Total non-operating income	541	10,319
Non-operating expenses		
Interest expenses	1,521	2,525
Share issuance costs	92	830
Share of loss of entities accounted for using equity method	-	10,703
Loss on investments in investment partnerships	464	-
Other	-	282
Total non-operating expenses	2,078	14,341
Ordinary profit (loss)	(25,918)	197,270
Extraordinary income		
Gain on sales of investment securities	-	167,463
Total extraordinary income	-	167,463
Extraordinary losses		
Impairment loss	109,058	-
Total extraordinary losses	109,058	-
Profit (loss) before income taxes	(134,976)	364,734
Income taxes	(22,207)	116,487
Profit (loss)	(112,769)	248,246
Profit (loss) attributable to non-controlling interests	(7,636)	127,913
Profit (loss) attributable to owners of parent	(105,132)	120,333

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended August 31,2020	For the six months ended August 31,2021
Profit	(112,769)	248,246
Other comprehensive income		
Valuation difference on available-for-sale securities	-	28,401
Total other comprehensive income	-	28,401
Comprehensive income	(112,769)	276,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(105,132)	130,615
Comprehensive income attributable to non-controlling interests	(7,636)	146,033

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended August 31,2020	For the six months ended August 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(134,976)	364,734
Depreciation	6,027	10,648
Impairment loss	109,058	-
Amortization of goodwill	20,495	22,740
Increase (decrease) in allowance for doubtful accounts	(50)	(17)
Increase (decrease) in provision for bonuses	-	2,337
Interest and dividend income	(5)	(6)
Subsidy income	(304)	(7,633)
Interest expenses	1,521	2,525
Loss (gain) on investments in investment partnerships	464	(614)
Share issuance costs	92	830
Share of loss (profit) of entities accounted for using equity method	-	10,703
Loss (gain) on sales of investment securities	-	(167,463)
Decrease (increase) in trade receivables	(34,229)	21,208
Decrease (increase) in prepaid expenses	(36,258)	(37,231)
Increase (decrease) in advances received	94,004	60,706
Increase (decrease) in accrued expenses	17,990	38,653
Other, net	28,411	(32,573)
Subtotal	72,240	289,546
Interest and dividends received	5	6
Proceeds from subsidy income	304	1,633
Interest paid	(1,521)	(2,525)
Income taxes paid	(46,597)	(42,174)
Net cash provided by (used in) operating activities	24,431	246,487
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,344)	(36,094)
Purchase of intangible assets	(13,786)	(21,246)
Purchase of investment securities	(115,902)	(55,793)
Proceeds from sales of investment securities	-	195,764
Payments of leasehold and guarantee deposits	(974)	(37,822)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(69,457)	-
Other, net	(3,443)	(10,987)
Net cash provided by (used in) investing activities	(204,909)	33,819
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50,000)	300,000
Proceeds from long-term borrowings	150,000	-
Repayments of long-term borrowings	(33,786)	(73,468)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	182,080
Purchase of treasury shares	(75,442)	-
Proceeds from issuance of share acquisition rights	600	7,770
Proceeds from share issuance to non-controlling shareholders	123,300	104,400
Payment of dividends to non-controlling interests	-	(86,248)
Net cash provided by (used in) financing activities	114,671	434,534
Net increase (decrease) in cash and cash equivalents	(65,805)	714,840
Cash and cash equivalents at beginning of period	1,005,655	1,243,050
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	38,233	-
Cash and cash equivalents at end of period	978,083	1,957,891