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Consolidated Financial Results for the Year Ended February 28, 2022 [Japanese GAAP]

April 14, 2022

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
 Phone: 03-6821-7560
 Scheduled date of Annual General Meeting of Shareholders: May 27, 2022
 Scheduled date of commencing dividend payments: -
 Scheduled date of filing annual securities report: May 30, 2022
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 01, 2021 to February 28, 2022)

(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	%
Fiscal year ended February 28, 2022	3,823	52.6	429	115.9	359	161.8	346	74.0	224	-
February 28, 2021	2,506	45.7	199	(38.3)	137	(51.5)	199	(29.3)	(41)	-

(Note) Comprehensive income: Fiscal year ended February 28, 2022: ¥ 396 million [-%]
 Fiscal year ended February 28, 2021: ¥ 0 million [(99.7)%]

	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 February 28, 2022	Yen 29.06	Yen 27.88	% 13.8	% 10.7	% 9.4
February 28, 2021	(5.60)	-	(4.5)	10.0	5.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2022: ¥ (21) million
 Fiscal year ended February 28, 2021: ¥ (12) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 28, 2022	Million yen 4,089	Million yen 2,731	% 57.8	Yen 290.33
February 28, 2021	2,392	1,138	37.5	120.05

(Reference) Equity: As of February 28, 2022: ¥ 2,363 million
 As of February 28, 2021: ¥ 897 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 the end of period
Fiscal year ended February 28, 2022	Million yen 469	Million yen (69)	Million yen 982	Million yen 2,625
February 28, 2021	181	(297)	315	1,243

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	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	%	%
February 28, 2021	-	0.00	-	0.00	0.00	-	-	-
February 28, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending February 28, 2023 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended February 28, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 01, 2022 to February 28, 2023)

(% 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	4,962	29.8	474	10.4	400	11.3	382	10.4	204	(9.1)	Yen 24.94

* Notes:

(1) Changes in significant subsidiaries during the period under review (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) 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

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

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

February 28, 2022:	8,196,900 shares
February 28, 2021:	7,534,500 shares

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

February 28, 2022:	55,215 shares
February 28, 2021:	59,632 shares

3) Average number of shares during the period:

Fiscal Year ended February 28, 2022:	7,738,630 shares
Fiscal Year ended February 28, 2021:	7,424,400 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 01, 2021 to February 28, 2022)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2022	3,319	49.3	506	103.9	640	131.0	283	-
February 28, 2021	2,223	29.2	248	(15.4)	277	(9.1)	(7)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2022	36.70	35.19
February 28, 2021	(0.94)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
February 28, 2022	3,531	2,442	69.2	299.97
February 28, 2021	1,889	948	50.2	126.82

(Reference) Equity: As of February 28, 2022: ¥ 2,442 million
As of February 28, 2021: ¥ 947 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of February 28,2021	As of February 28,2022
Assets		
Current assets		
Cash and deposits	1,243,050	2,625,498
Accounts receivable - trade	288,919	306,926
Operational investment securities	-	118,400
Merchandise	18,933	17,565
Supplies	1,514	1,493
Other	121,847	181,993
Allowance for doubtful accounts	(6,671)	(5,719)
Total current assets	1,667,594	3,246,158
Non-current assets		
Property, plant and equipment		
Buildings	76,437	104,340
Accumulated depreciation	(7,621)	(15,571)
Buildings, net	68,816	88,769
Tools, furniture and fixtures	21,027	24,288
Accumulated depreciation	(8,935)	(15,021)
Tools, furniture and fixtures, net	12,091	9,267
Total property, plant and equipment	80,908	98,036
Intangible assets		
Goodwill	153,422	92,229
Other	40,678	128,136
Total intangible assets	194,100	220,366
Investments and other assets		
Investment securities	236,737	270,487
Deferred tax assets	84,517	85,493
Other	128,693	169,171
Allowance for doubtful accounts	(150)	(200)
Total investments and other assets	449,798	524,951
Total non-current assets	724,807	843,355
Total assets	2,392,402	4,089,513

(Thousand yen)

	As of February 28,2021	As of February 28,2022
Liabilities		
Current liabilities		
Accounts payable - trade	24,149	19,677
Short-term borrowings	100,000	-
Current portion of long-term borrowings	145,186	146,484
Accounts payable - other	127,330	156,969
Accrued expenses	130,139	179,468
Income taxes payable	47,775	161,410
Provision for bonuses	3,312	3,910
Advances received	189,152	252,364
Other	101,729	191,843
Total current liabilities	868,775	1,112,126
Non-current liabilities		
Long-term borrowings	384,834	238,350
Deferred tax liabilities	-	7,082
Total non-current liabilities	384,834	245,432
Total liabilities	1,253,609	1,357,559
Net assets		
Shareholders' equity		
Share capital	267,978	866,284
Capital surplus	336,922	936,859
Retained earnings	337,498	591,311
Treasury shares	(45,041)	(41,754)
Total shareholders' equity	897,356	2,352,700
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	11,075
Total accumulated other comprehensive income	-	11,075
Share acquisition rights	600	600
Non-controlling interests	240,836	367,577
Total net assets	1,138,792	2,731,954
Total liabilities and net assets	2,392,402	4,089,513

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 28,2021	For the fiscal year ended February 28,2022
Net sales	2,506,000	3,823,773
Cost of sales	639,356	1,058,091
Gross profit	1,866,644	2,765,682
Selling, general and administrative expenses	1,729,172	2,405,764
Operating profit	137,471	359,917
Non-operating income		
Gain on investments in investment partnerships	-	6,406
Interest income	9	17
Dividend income	0	-
Gain on sale of investment securities	71,502	-
Commission income	-	721
Subsidy income	7,307	7,993
Other	1,181	3,334
Total non-operating income	80,001	18,472
Non-operating expenses		
Interest expenses	3,590	4,595
Share of loss of entities accounted for using equity method	12,726	21,246
Loss on investments in investment partnerships	1,297	-
Share issuance costs	128	4,420
Other	358	1,139
Total non-operating expenses	18,101	31,401
Ordinary profit	199,371	346,988
Extraordinary income		
Gain on sale of investment securities	-	217,321
Gain on sale of shares of subsidiaries and associates	-	8,921
Total extraordinary income	-	226,242
Extraordinary losses		
Impairment losses	109,058	22,704
Total extraordinary losses	109,058	22,704
Profit before income taxes	90,312	550,526
Income taxes - current	78,392	183,231
Income taxes - deferred	11,331	(4,825)
Total income taxes	89,723	178,406
Profit	589	372,120
Profit attributable to non-controlling interests	42,170	147,208
Profit (loss) attributable to owners of parent	(41,581)	224,911

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended February 28,2021	For the fiscal year ended February 28,2022
Profit	589	372,120
Other comprehensive income		
Valuation difference on available-for-sale securities	-	24,769
Total other comprehensive income	-	24,769
Comprehensive income	589	396,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(41,581)	235,987
Comprehensive income attributable to non-controlling interests	42,170	160,902

Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 28,2021

(Thousand yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	265,458	310,058	379,079	(203)	954,391	-	33,965	988,356
Changes during period								
Issuance of new shares - exercise of share acquisition rights	2,520	2,520			5,040			5,040
Profit (loss) attributable to owners of parent			(41,581)		(41,581)			(41,581)
Purchase of treasury shares				(75,442)	(75,442)			(75,442)
Disposal of treasury shares		19,394		30,604	49,999			49,999
Issuance of share acquisition rights					-	600		600
Change in ownership interest of parent due to transactions with non-controlling interests		4,949			4,949			4,949
Net changes in items other than shareholders' equity							206,870	206,870
Total changes during period	2,520	26,864	(41,581)	(44,837)	(57,034)	600	206,870	150,436
Balance at end of period	267,978	336,922	337,498	(45,041)	897,356	600	240,836	1,138,792

For the fiscal year ended February 28,2022

(Thousand yen)

	Shareholders' equity					Accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders equity	Valuation difference on available-for-sale securities			
Balance at beginning of period	267,978	336,922	337,498	(45,041)	897,356	-	600	240,836	1,138,792
Changes during period									
Issuance of new shares - exercise of share acquisition rights	598,306	598,306			1,196,613		(5,745)		1,190,868
Profit (loss) attributable to owners of parent			224,911		224,911				224,911
Purchase of treasury shares				(82)	(82)				(82)
Disposal of treasury shares		1,629		3,369	4,999				4,999
Issuance of share acquisition rights					-		7,770		7,770
Acquisition and cancellation of stock acquisition rights					-		(2,024)		(2,024)
Net changes in items other than shareholders' equity			28,901		28,901	11,075		126,741	166,718
Total changes during period	598,306	599,936	253,813	3,287	1,455,344	11,075	-	126,741	1,593,161
Balance at end of period	866,284	936,859	591,311	(41,754)	2,352,700	11,075	600	367,577	2,731,954

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 28,2021	For the fiscal year ended February 28,2022
Cash flows from operating activities		
Profit before income taxes	90,312	550,526
Impairment losses	109,058	22,704
Depreciation	15,451	22,399
Amortization of goodwill	43,235	45,480
Share issuance costs	30	4,420
Increase (decrease) in allowance for doubtful accounts	(608)	(901)
Interest and dividend income	(10)	(6)
Loss (gain) on sale of investment securities	(71,502)	(217,321)
Subsidy income	(7,307)	(7,993)
Interest expenses	3,590	4,595
Share of loss (profit) of entities accounted for using equity method	12,726	21,246
Loss (gain) on investments in investment partnerships	1,297	(6,406)
Decrease (increase) in trade receivables	(173,402)	(18,006)
Increase (decrease) in advances received	91,797	63,211
Other, net	148,650	56,198
Subtotal	263,319	540,148
Interest and dividends received	10	6
Subsidies received	5,798	7,993
Interest paid	(3,590)	(4,595)
Income taxes paid	(84,313)	(73,990)
Net cash provided by (used in) operating activities	181,224	469,562
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,065)	(38,157)
Purchase of intangible assets	(19,444)	(95,821)
Purchase of investment securities	(272,812)	(174,193)
Proceeds from sale of investment securities	101,382	286,588
Payments of leasehold and guarantee deposits	(10,014)	(38,299)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(69,457)	-
Other, net	(3,134)	(9,993)
Net cash provided by (used in) investing activities	(297,546)	(69,877)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	50,000	(100,000)
Proceeds from long-term borrowings	310,000	-
Repayments of long-term borrowings	(124,984)	(145,186)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	5,010	1,186,447
Purchase of treasury shares	(75,442)	(82)
Proceeds from issuance of share acquisition rights	600	7,770
Purchase of issuance of share acquisition rights	-	(2,024)
Proceeds from share issuance to non-controlling shareholders	150,300	333,700
The amount of payment of the dividend to non-controlling shareholders	-	(297,861)
Net cash provided by (used in) financing activities	315,483	982,763
Net increase (decrease) in cash and cash equivalents	199,161	1,382,448
Cash and cash equivalents at beginning of period	1,005,655	1,243,050
Increase in cash and cash equivalents resulting from share exchange	38,233	-
Cash and cash equivalents at end of period	1,243,050	2,625,498