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**Summary of Consolidated Financial Results for the Six Months Ended February 28, 2023
(Japanese GAAP)**

April 13, 2023

Company name: MEIKO NETWORK JAPAN CO., LTD.
 Listing: Tokyo
 Securities code: 4668 (URL: <https://www.meikonet.co.jp>)
 Representative: Kazuhito Yamashita, President & Representative Director
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 Scheduled date to file quarterly securities report: April 14, 2023
 Scheduled date to commencement dividend payment: May 9, 2023
 Preparation of supplementary material on quarterly financial results: Available
 Holding of quarterly financial results briefing: Scheduled (for analysts and institutional investors)

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

1. Consolidated financial results for the Six months ended February 28, 2023 (from September 1, 2022 to February 28, 2023)

(1) Consolidated operating results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended February 28, 2023	10,448	5.3	876	(30.8)	1,000	(24.6)	657	(46.4)
February 28, 2022	9,927	1.9	1,265	36.1	1,326	30.6	1,227	84.2

(Note) Comprehensive income: Six months ended February 28, 2023: ¥740 million [(42.4) %]
 Six months ended February 28, 2022: ¥1,285 million [83.5 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 28, 2023	26.20	-
February 28, 2022	48.94	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2023	15,275	11,125	72.8
August 31, 2022	15,439	10,606	68.7

(Reference) Equity: As of February 28, 2023: ¥11,125 million
 As of August 31, 2022: ¥10,606 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2022	-	11.00	-	11.00	22.00
Fiscal year ending August 31, 2023	-	12.00			
Fiscal year ending August 31, 2023 (Forecast)			-	12.00	24.00

(Note) Revision of dividend forecast in the current quarter: None

3. Consolidated Financial Results Forecast for Fiscal Year Ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full-year	21,000	6.7	1,300	11.2	1,350	4.7	800	(17.9)	31.89

(Note) Revision to the financial results forecast announced most recently: None

***Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies caused by revision of accounting standards: Yes
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None

(4) Number of issued shares (common shares)

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

As of February 28, 2023	27,803,600 shares
As of August 31, 2022	27,803,600 shares

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

As of February 28, 2023	2,620,858 shares
As of August 31, 2022	2,720,058 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2023	25,106,488 shares
Six months ended February 28, 2022	25,083,542 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in the document, such as earnings forecasts, are based on the information currently available and certain assumptions that the company thinks reasonable. Actual results may differ remarkably from the statements due to variety of different factors.

(Reference) Trend of numbers of Meiko Gijuku schools and registered students and system-wide sales

Term	Six months ended February 28, 2022		Six months ended February 28, 2023	
	From Sep. 1, 2021 to Feb. 28, 2022		From Sep. 1, 2022 to Feb. 28, 2023	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools	214	6	229	15
Number of Meiko Gijuku directly operated schools (MAXIS)	95	2	95	-
Number of Meiko Gijuku directly operated schools (KLINE)	41	-	41	-
Number of Meiko Gijuku directly operated schools (TOMONI)	42	-	42	-
Number of Meiko Gijuku directly operated schools (One link)	21	-	22	1
Number of Meiko Gijuku directly operated schools (Cooth)	15	15	16	1
Number of Meiko Gijuku directly operated schools	428	23	445	17
Number of Meiko Gijuku franchised schools	1,350	(54)	1,336	(14)
Total number of Meiko Gijuku schools	1,778	(31)	1,781	3
Number of registered students of Meiko Gijuku directly operated schools	14,817	502	15,896	1,079
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	6,744	(80)	6,609	(135)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,736	42	2,736	-
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	2,168	9	2,156	(12)
Number of registered students of Meiko Gijuku directly operated schools (One link)	899	67	909	10
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	1,077	1,077	1,169	92
Number of registered students of Meiko Gijuku directly operated schools	28,441	1,617	29,475	1,034
Number of registered students of Meiko Gijuku franchised Schools	71,241	(4,694)	67,355	(3,886)
Total number of registered students of Meiko Gijuku schools	99,682	(3,077)	96,830	(2,852)
Sales from Meiko Gijuku directly operated schools (Millions of yen)	6,134	257	6,407	272
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	2,281	121	2,123	(157)
Sales from Japanese language schools (Millions of yen)	330	(144)	539	209
Sales from others (Millions of yen)	1,180	(51)	1,378	197
Total Sales (Millions of yen)	9,927	182	10,448	521
Sales from Meiko Gijuku directly operated schools (Millions of yen)	6,134	257	6,407	272
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	12,793	(630)	12,008	(785)
Total system-wide sales from Meiko Gijuku schools *2 (Millions of yen)	18,928	(373)	18,415	(513)

* 1 Sales from Meiko Gijuku franchised schools represent royalty revenues and sales of products.

2 Total system-wide sales from Meiko Gijuku schools represent the sum of total sales of Meiko Gijuku directly operated schools, including tuition, materials fees, and examination fees, and the total sales of Meiko Gijuku franchised schools, including tuition. Materials fees and examination fees of franchised schools are excluded.

Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated statement of Balance Sheets

(Millions of yen)

	As of August 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	8,755	8,331
Accounts receivable - trade	977	979
Merchandise	95	114
Work in process	13	7
Supplies	7	13
Advance payments to suppliers	16	16
Prepaid expenses	329	302
Other	243	162
Allowance for doubtful accounts	(33)	(38)
Total current assets	10,405	9,890
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,290	1,375
Accumulated depreciation	(780)	(807)
Buildings and structures, net	509	568
Tools, furniture and fixtures	394	406
Accumulated depreciation	(340)	(347)
Tools, furniture and fixtures, net	53	58
Land	49	49
Leased assets	35	19
Accumulated depreciation	(23)	(11)
Leased assets, net	11	7
Total property, plant and equipment	624	683
Intangible assets		
Goodwill	422	357
Software	180	198
Telephone subscription right	4	4
Total intangible assets	607	560
Investments and other assets		
Investment securities	2,452	2,698
Long-term prepaid expenses	22	31
Deferred tax assets	233	132
Leasehold and guarantee deposits	949	1,019
Long-term time deposits	100	100
Other	44	159
Total investments and other assets	3,801	4,141
Total non-current assets	5,033	5,385
Total assets	15,439	15,275

(Millions of yen)

	As of August 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	128	238
Accounts payable - other	231	198
Accrued expenses	1,179	961
Income taxes payable	570	458
Accrued consumption taxes	195	233
Contract liabilities	1,148	713
Lease liabilities	1	1
Deposits received	85	137
Provision for bonuses	434	397
Other	44	22
Total current liabilities	4,019	3,363
Non-current liabilities		
Retirement benefit liability	121	127
Provision for share awards for directors (and other officers)	26	35
Provision for share awards	62	12
Long-term accounts payable-other to employees	84	79
Long-term accounts payable-other to officers	117	116
Deferred tax liabilities	9	8
Lease liabilities	10	5
Asset retirement obligations	380	400
Long-term guarantee deposits	1	1
Total non-current liabilities	813	787
Total liabilities	4,833	4,150
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	10,959	11,337
Treasury shares	(2,779)	(2,720)
Total shareholders' equity	10,062	10,498
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	521	602
Foreign currency translation adjustment	21	24
Total accumulated other comprehensive income	543	626
Total net assets	10,606	11,125
Total liabilities and net assets	15,439	15,275

(2) Quarterly Consolidated statements of profit or loss and comprehensive income
Quarterly Consolidated statements of profit or loss

(Millions of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Net sales	9,927	10,448
Cost of sales	7,033	7,755
Gross profit	2,894	2,693
Selling, general and administrative expenses	1,628	1,816
Operating profit	1,265	876
Non-operating income		
Interest income	5	5
Dividend income	10	10
Share of profit of entities accounted for using equity method	18	51
Rental income	7	8
Reversal of allowance for doubtful accounts	2	5
Subsidy income	5	0
Other	12	50
Total non-operating income	62	131
Non-operating expenses		
Interest expenses	0	-
Loss on investments in investment partnerships	-	5
Rental expenses	0	1
Other	0	0
Total non-operating expenses	1	8
Ordinary profit	1,326	1,000
Extraordinary income		
Gain on sale of property, plant and equipment	-	0
Gain on sale of investment securities	-	149
Gain on sale of shares of subsidiaries and associates	623	-
Total extraordinary income	623	150
Extraordinary losses		
Loss on change in equity	-	9
Loss on sale of non-current assets	-	0
Loss on retirement of property, plant and equipment	0	0
Extra retirement payments	24	-
Other	3	-
Total extraordinary losses	28	10
Profit before income taxes	1,921	1,140
Income taxes - current	675	417
Income taxes - deferred	18	64
Total income taxes	694	482
Profit	1,227	657
Profit attributable to owners of parent	1,227	657

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Profit	1,227	657
Other comprehensive income		
Valuation difference on available-for-sale securities	58	80
Share of other comprehensive income of entities accounted for using equity method	(0)	2
Total other comprehensive income	58	82
Comprehensive income	1,285	740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,285	740

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Six months ended February 28, 2023 (from September 1, 2022 to February 28, 2023)

Not applicable.

(Change in accounting policy)

(Application of Accounting Standard for Measurement of Fair Value)

In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value, the new accounting policy prescribed by the Guidance on Accounting Standard for Measurement of Fair Value is to be applied prospectively. There is no impact on the quarterly consolidated financial statements.

Segment Information

I Six months ended February 28, 2022 (from September 1, 2021 to February 28, 2022)

1. Information related to net sales, profit or loss for each reportable segment.

(Millions of yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Goods or services that are transferred at a point in time	364	812	-	1,177	707	1,884
Goods or services that are transferred over a fixed period of time	5,770	1,468	330	7,569	473	8,042
Revenue from contracts with customers	6,134	2,281	330	8,746	1,180	9,927
Other income	-	-	-	-	-	-
Sales to external customers	6,134	2,281	330	8,746	1,180	9,927
Inter-segment sales and transfers	-	454	-	454	4	459
Total	6,134	2,736	330	9,201	1,184	10,386
Segment profit (loss)	861	1,042	(105)	1,798	61	1,859

(Note)* "Others" consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Waseda Academy Kobetsu Schools, MEIKO Kids e business, Jiritsugausyu RED, HR solution business and consolidated subsidiaries Koto & Company.

2. Difference between the total of the reportable segments' measures of profit or loss and income according to consolidated quarterly statements of income, and the main components of the difference. (Matters related to adjustment of difference)

(Millions of yen)

Profit (Loss)	Amount
Reportable segment total	1,798
Profit (Loss) for "Others" category	61
Corporate expenses*	(593)
Operating profit reported on quarterly statements of income	1,265

(Note)* Corporate expenses are mainly expenses that relate to the General Affairs section of the parent company that are not attributable to the reportable segment.

3. Information on impairment loss on fixed assets and goodwill by reportable Segment (Significant changes in the amount of goodwill)

From the second quarter of the current fiscal year, the Company acquired all outstanding shares of Cooth Corporation Co., Ltd, which is now included in the scope of consolidation.

As a result, the amount of increase in goodwill in the "Meiko Gijuku directly operated schools" segment was 23 million yen.

II Six months ended February 28, 2023 (September 1, 2022 to February 28, 2023)

1. Information about Segment Sales and Income (Loss)

(Millions of yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Goods or services that are transferred at a point in time	328	744	-	1,072	929	2,002
Goods or services that are transferred over a fixed period of time	6,078	1,379	539	7,997	448	8,446
Revenue from a contract with a customer	6,407	2,123	539	9,070	1,378	10,448
Other income	-	-	-	-	-	-
Sales to external customers	6,407	2,123	539	9,070	1,378	10,448
Intersegment sales and transfers	-	463	-	463	149	612
Total	6,407	2,586	539	9,533	1,527	11,061
Segment profit (loss)	754	773	53	1,580	(87)	1,492

(Note)* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Jiritsugakusyuu RED, Meiko Kids e Business, HR solution Business and consolidated subsidiaries Koto & Company and Simple Inc.

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income according to Consolidated Quarterly Statements of Income, and the Main Components of the Difference (Matters related to adjustment of difference)

(Millions of Yen)

Profit (Loss)	Amount
Reportable segment total	1,580
Profit (loss) for “Others” category	(87)
Corporate expenses*	(616)
Operating profit reported on quarterly statements of income	876

(Note)* Corporate expenses are mainly expenses that relate to the General Affairs section of the parent company that are not attributable to the reportable segment.

3. Information on impairment loss on fixed assets and goodwill by reportable Segment (Significant changes in the amount of goodwill)

Not applicable.