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## Consolidated Financial Results for the Year Ended February 28, 2023 [Japanese GAAP]

April 14, 2023

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 Executive Officer  
 Phone: +81-3-6821-7560  
 Scheduled date of Annual General Meeting of Shareholders: May 26, 2023  
 Scheduled date of commencing dividend payments: -  
 Scheduled date of filing annual securities report: May 29, 2023  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

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

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2023	4,458	16.6	28	(93.3)	(57)	-	(73)	-	(252)	-
February 28, 2022	3,823	52.6	429	115.9	359	161.8	346	74.0	224	-

(Note) Comprehensive income: Fiscal year ended February 28, 2023: ¥ (353) million [-%]  
 Fiscal year ended February 28, 2022: ¥ 396 million [-%]

	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, 2023	Yen (31.18)	Yen -	% (10.7)	% (1.7)	% (1.3)
February 28, 2022	29.06	27.88	13.8	10.7	9.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2023: ¥ (4) million  
 Fiscal year ended February 28, 2022: ¥ (21) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 28, 2023	Millions of yen 4,724	Millions of yen 2,962	% 49.6	Yen 337.10
February 28, 2022	4,089	2,731	57.8	290.33

(Reference) Equity: As of February 28, 2023: ¥ 2,341 million  
 As of February 28, 2022: ¥ 2,363 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, 2023	Millions of yen (939)	Millions of yen (148)	Millions of yen 1,100	Millions of yen 2,637
February 28, 2022	469	(69)	982	2,625

## 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	Millions of yen	%	%
February 28, 2022	-	0.00	-	0.00	0.00	-	-	-
February 28, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending February 29, 2024 (Forecast)	-	0.00	-	0.00	0.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 to February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		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	%	Millions of yen	%	
Full year	5,224	17.2	271	842.3	168	-	157	-	35	-	Yen 3.89

### \* Notes:

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

New - (Company name: - )  
 Exclusion: 1 (Company name: SHIKI Lab Inc. )

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

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 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, 2023: 9,136,600 shares  
 February 28, 2022: 8,196,900 shares

2) Number of treasury shares at the end of the period:

February 28, 2023: 349,101 shares  
 February 28, 2022: 55,215 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended February 28, 2023: 8,084,161 shares  
 Fiscal Year ended February 28, 2022: 7,738,630 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2023 (March 1, 2022 to February 28, 2023)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2023	4,024	21.2	85	(83.1)	134	(79.0)	(274)	-
February 28, 2022	3,319	49.3	506	103.9	640	131.0	283	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2023	(33.90)	-
February 28, 2022	36.70	35.19

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2023	4,059	2,471	59.6	281.20
February 28, 2022	3,531	2,442	69.2	299.97

(Reference) Equity: As of February 28, 2023: ¥ 2,419 million  
As of February 28, 2022: ¥ 2,442 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of February 28, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,625,498	2,637,895
Accounts receivable - trade	306,926	425,428
Operational investment securities	118,400	576,715
Merchandise	17,565	6,242
Supplies	1,493	2,349
Prepaid expenses	167,923	323,512
Other	14,070	57,392
Allowance for doubtful accounts	(5,719)	(6,115)
<b>Total current assets</b>	<b>3,246,158</b>	<b>4,023,419</b>
Non-current assets		
Property, plant and equipment		
Buildings	104,340	141,836
Accumulated depreciation	(15,571)	(25,772)
Buildings, net	88,769	116,064
Tools, furniture and fixtures	24,288	36,607
Accumulated depreciation	(15,021)	(19,722)
Tools, furniture and fixtures, net	9,267	16,884
Construction in progress	-	16,720
<b>Total property, plant and equipment</b>	<b>98,036</b>	<b>149,669</b>
Intangible assets		
Goodwill	92,229	54,797
Other	128,136	122,556
<b>Total intangible assets</b>	<b>220,366</b>	<b>177,354</b>
Investments and other assets		
Investment securities	270,487	101,820
Deferred tax assets	85,493	61,743
Other	169,171	211,160
Allowance for doubtful accounts	(200)	(200)
<b>Total investments and other assets</b>	<b>524,951</b>	<b>374,524</b>
<b>Total non-current assets</b>	<b>843,355</b>	<b>701,548</b>
<b>Total assets</b>	<b>4,089,513</b>	<b>4,724,968</b>

(Thousands of yen)

	As of February 28, 2022	As of February 28, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	19,677	-
Current portion of long-term borrowings	146,484	365,476
Accounts payable - other	156,969	128,005
Accrued expenses	179,468	232,754
Income taxes payable	161,410	-
Provision for bonuses	3,910	-
Advances received	252,364	313,492
Other	191,843	73,197
Total current liabilities	1,112,126	1,112,926
Non-current liabilities		
Long-term borrowings	238,350	640,615
Deferred tax liabilities	7,082	9,161
Total non-current liabilities	245,432	649,776
Total liabilities	1,357,559	1,762,703
<b>Net assets</b>		
Shareholders' equity		
Share capital	866,284	265,159
Capital surplus	936,859	2,032,394
Retained earnings	591,311	322,467
Treasury shares	(41,754)	(290,245)
Total shareholders' equity	2,352,700	2,329,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,075	12,033
Total accumulated other comprehensive income	11,075	12,033
Share acquisition rights	600	51,778
Non-controlling interests	367,577	568,677
Total net assets	2,731,954	2,962,264
Total liabilities and net assets	4,089,513	4,724,968

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Net sales	3,823,773	4,458,325
Cost of sales	1,058,091	1,020,677
Gross profit	2,765,682	3,437,648
Selling, general and administrative expenses	2,405,764	3,495,107
Operating profit (loss)	359,917	(57,459)
Non-operating income		
Gain on investments in investment partnerships	6,406	1,466
Interest income	17	20
Commission income	721	-
Subsidy income	7,993	1,140
Surrender value of insurance policies	-	2,922
Miscellaneous income	3,274	6,836
Other	59	732
Total non-operating income	18,472	13,118
Non-operating expenses		
Interest expenses	4,595	3,742
Share of loss of entities accounted for using equity method	21,246	4,894
Share issuance costs	4,420	4,249
Amortization of restricted stock remuneration	-	14,497
Other	1,139	1,370
Total non-operating expenses	31,401	28,754
Ordinary profit (loss)	346,988	(73,095)
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	22,704	225
Loss on valuation of investment securities	-	194,356
Cancellation penalty	-	30,400
Total extraordinary losses	22,704	224,981
Profit (loss) before income taxes	550,526	(298,076)
Income taxes - current	183,231	36,716
Income taxes - deferred	(4,825)	23,631
Total income taxes	178,406	60,348
Profit (loss)	372,120	(358,424)
Profit (loss) attributable to non-controlling interests	147,208	(106,320)
Profit (loss) attributable to owners of parent	224,911	(252,103)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Profit (loss)	372,120	(358,424)
Other comprehensive income		
Valuation difference on available-for-sale securities	24,769	4,978
Total other comprehensive income	24,769	4,978
Comprehensive income	396,890	(353,446)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	235,987	(251,145)
Comprehensive income attributable to non-controlling interests	160,902	(102,300)

Consolidated Statements of Changes in Equity

For the fiscal year ended February 28, 2022

(Thousands of 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					-				-
Issuance of new shares - exercise of share acquisition rights	598,306	598,306			1,196,613		(5,745)		1,190,868
Capital reduction					-				-
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)
Change in ownership interest of parent due to transactions with non-controlling interests					-				-
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



For the fiscal year ended February 28, 2023

(Thousands of 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	866,284	936,859	591,311	(41,754)	2,352,700	11,075	600	367,577	2,731,954
Changes during period									
Issuance of new shares	249,975	249,975			499,950				499,950
Issuance of new shares - exercise of share acquisition rights	5,184	5,184			10,368				10,368
Capital reduction	(856,284)	856,284			-				-
Profit (loss) attributable to owners of parent			(252,103)		(252,103)				(252,103)
Purchase of treasury shares				(294,246)	(294,246)				(294,246)
Disposal of treasury shares		(10,959)		45,754	34,795				34,795
Issuance of share acquisition rights					-		51,778		51,778
Acquisition and cancellation of stock acquisition rights					-		(600)		(600)
Change in ownership interest of parent due to transactions with non-controlling interests		(4,949)	(34,308)		(39,258)				(39,258)
Net changes in items other than shareholders' equity			17,568		17,568	958	-	201,099	219,626
Total changes during period	(601,125)	1,095,535	(268,843)	(248,491)	(22,925)	958	51,178	201,099	230,310
Balance at end of period	265,159	2,032,394	322,467	(290,245)	2,329,775	12,033	51,778	568,677	2,962,264

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	550,526	(298,076)
Depreciation	22,399	40,428
Impairment losses	22,704	225
Amortization of goodwill	45,480	41,619
Increase (decrease) in allowance for doubtful accounts	(901)	396
Increase (decrease) in provision for bonuses	598	(3,910)
Interest and dividend income	(6)	(20)
Subsidy income	(7,993)	(1,140)
Interest expenses	4,595	3,742
Loss (gain) on investments in investment partnerships	(6,406)	(1,466)
Share issuance costs	4,420	4,249
Share of loss (profit) of entities accounted for using equity method	21,246	4,894
Amortization of restricted stock remuneration	-	14,497
Loss (gain) on sale of investment securities	(217,321)	-
Loss (gain) on valuation of investment securities	-	194,356
Decrease (increase) in trade receivables	(18,006)	(118,502)
Decrease (increase) in prepaid expenses	(65,483)	(143,089)
Decrease (increase) in investment securities for sale	-	(458,315)
Increase (decrease) in advances received	63,211	61,128
Increase (decrease) in accrued expenses	49,328	53,286
Increase (decrease) in accrued consumption taxes	29,971	(93,341)
Other, net	41,783	26,513
Subtotal	540,148	(672,525)
Interest and dividends received	6	20
Subsidies received	7,993	1,140
Interest paid	(4,595)	(3,742)
Income taxes paid	(73,990)	(264,618)
Net cash provided by (used in) operating activities	469,562	(939,726)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(38,157)	(66,760)
Purchase of intangible assets	(95,821)	(24,132)
Purchase of investment securities	(174,193)	(18,500)
Proceeds from sale of investment securities	286,588	-
Payments of leasehold and guarantee deposits	(38,299)	(37,454)
Other, net	(9,993)	(1,297)
Net cash provided by (used in) investing activities	(69,877)	(148,145)

(Thousands of yen)

	For the fiscal year ended February 28, 2022	For the fiscal year ended February 28, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100,000)	-
Proceeds from long-term borrowings	-	950,000
Repayments of long-term borrowings	(145,186)	(328,743)
Proceeds from issuance of shares	-	496,808
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,186,447	10,368
Proceeds from issuance of share acquisition rights	7,770	-
Purchase of issuance of share acquisition rights	(2,024)	(1,706)
Purchase of treasury shares	(82)	(294,246)
Proceeds from share issuance to non-controlling shareholders	333,700	277,900
The amount of payment of the dividend to non-controlling shareholders	(297,861)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(10,112)
Net cash provided by (used in) financing activities	982,763	1,100,268
Net increase (decrease) in cash and cash equivalents	1,382,448	12,396
Cash and cash equivalents at beginning of period	1,243,050	2,625,498
Cash and cash equivalents at end of period	2,625,498	2,637,895