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Consolidated Financial Results for the Three Months Ended May 31, 2023 [Japanese GAAP]

July 13, 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

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Scheduled date of filing quarterly securities report: July 13, 2023

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 Three Months Ended May 31, 2023 (March 1, 2023 to May 31, 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	%
Three months ended										
May 31, 2023	1,195	8.5	(121)	-	(146)	-	(147)	-	(81)	-
May 31, 2022	1,102	30.6	49	(43.7)	33	(52.9)	20	(65.2)	(26)	-

(Note) Comprehensive income: Three months ended May 31, 2023: ¥ (85) million [-%]
Three months ended May 31, 2022: ¥ (36) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 31, 2023	(9.30)	-
May 31, 2022	(3.24)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
May 31, 2023	4,629	3,052	48.8
February 28, 2023	4,724	2,962	49.6

(Reference) Equity: As of May 31, 2023: ¥ 2,260 million
As of February 28, 2023: ¥ 2,341 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, 2023	-	0.00	-	0.00	0.00
Fiscal year ending February 29, 2024	-				
Fiscal year ending February 29, 2024 (Forecast)		0.00	-	0.00	0.00

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending February 29, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

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	%	Yen
Full year	5,224	17.2	271	842.3	168	-	157	-	35	-	3.89

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(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: Yes

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):

May 31, 2023: 9,132,996 shares

February 28, 2023: 9,136,600 shares

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

May 31, 2023: 349,101 shares

February 28, 2023: 349,101 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2023: 8,787,381 shares

Three months ended May 31, 2022: 8,070,301 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of February 28, 2023	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	2,637,895	2,542,599
Accounts receivable - trade	425,428	394,874
Operational investment securities	576,715	582,465
Merchandise	6,242	4,111
Supplies	2,349	1,696
Prepaid expenses	323,512	340,163
Other	57,392	62,798
Allowance for doubtful accounts	(6,115)	(10,555)
Total current assets	4,023,419	3,918,154
Non-current assets		
Property, plant and equipment	149,669	148,241
Intangible assets		
Goodwill	54,797	44,340
Other	122,556	114,408
Total intangible assets	177,354	158,749
Investments and other assets		
Investment securities	101,820	107,498
Deferred tax assets	61,743	92,559
Other	211,160	204,737
Allowance for doubtful accounts	(200)	(200)
Total investments and other assets	374,524	404,595
Total non-current assets	701,548	711,586
Total assets	4,724,968	4,629,740
Liabilities		
Current liabilities		
Current portion of long-term borrowings	365,476	365,476
Accounts payable - other	128,005	160,287
Accrued expenses	232,754	181,676
Provision for bonuses	-	24,600
Advances received	313,492	214,459
Other	73,197	78,646
Total current liabilities	1,112,926	1,025,146
Non-current liabilities		
Long-term borrowings	640,615	542,996
Deferred tax liabilities	9,161	9,086
Total non-current liabilities	649,776	552,082
Total liabilities	1,762,703	1,577,228
Net assets		
Shareholders' equity		
Share capital	265,159	265,159
Capital surplus	2,032,394	2,032,394
Retained earnings	322,467	240,704
Treasury shares	(290,245)	(290,245)
Total shareholders' equity	2,329,775	2,248,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,033	12,008
Total accumulated other comprehensive income	12,033	12,008
Share acquisition rights	51,778	34,770
Non-controlling interests	568,677	757,720
Total net assets	2,962,264	3,052,511
Total liabilities and net assets	4,724,968	4,629,740

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Net sales	1,102,373	1,195,833
Cost of sales	240,034	340,330
Gross profit	862,338	855,502
Selling, general and administrative expenses	828,569	1,001,957
Operating profit (loss)	33,768	(146,454)
Non-operating income		
Interest income	1	1
Subsidy income	1,140	2,856
Surrender value of insurance policies	2,910	1
Gain on investments in investment partnerships	-	1,521
Other	1,231	584
Total non-operating income	5,284	4,964
Non-operating expenses		
Interest expenses	390	1,465
Share issuance costs	91	138
Share of loss of entities accounted for using equity method	3,193	1,534
Amortization of restricted stock remuneration	14,497	2,499
Other	310	445
Total non-operating expenses	18,483	6,083
Ordinary profit (loss)	20,569	(147,573)
Extraordinary income		
Gain on reversal of share acquisition rights	-	32,352
Total extraordinary income	-	32,352
Extraordinary losses		
Cancellation penalty	30,400	-
Total extraordinary losses	30,400	-
Loss before income taxes	(9,830)	(115,220)
Income taxes	26,374	(30,345)
Loss	(36,205)	(84,874)
Loss attributable to non-controlling interests	(10,059)	(3,110)
Loss attributable to owners of parent	(26,145)	(81,763)

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

(Thousands of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Loss	(36,205)	(84,874)
Other comprehensive income		
Valuation difference on available-for-sale securities	(56)	(170)
Total other comprehensive income	(56)	(170)
Comprehensive income	(36,261)	(85,044)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(26,154)	(81,788)
Comprehensive income attributable to non-controlling interests	(10,107)	(3,256)