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Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2023 (Japanese GAAP)

October 12, 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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 Telephone: +81-3-5860-2111
 Scheduled date of annual general meeting of shareholders: November 17, 2023
 Scheduled date to file quarterly securities report: November 20, 2023
 Scheduled date to commencement dividend payment: November 20, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investor)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended August 31, 2023 (From September 1, 2022 to August 31, 2023)

(1) Consolidated operating results (% 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	%
Fiscal year ended August 31, 2023	20,871	6.1	1,064	(8.9)	1,243	(3.6)	809	(17.0)
August 31, 2022	19,674	3.3	1,168	20.6	1,289	15.8	974	(14.5)

Note: Comprehensive income: For the fiscal year ended August 31, 2023: ¥1,110 million [(1.4) %]
 For the fiscal year ended August 31, 2022: ¥1,125 million [(4.5) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2023	32.17	-	7.4	8.0	5.1
August 31, 2022	38.86	-	9.4	8.6	5.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended August 31, 2023: ¥58 million

For the fiscal year ended August 31, 2022: ¥36 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of August 31, 2023	15,811	11,203	70.9	444.51
August 31, 2022	15,439	10,606	68.7	422.84

Reference: Equity As of August 31, 2023: ¥11,203 million
 As of August 31, 2022: ¥10,606 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2023	608	(307)	(588)	8,285
August 31, 2022	489	150	(653)	8,563

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
August 31, 2022	-	11.00	-	11.00	22.00	557	56.6	5.3
August 31, 2023	-	12.00	-	12.00	24.00	608	74.6	5.5
Fiscal year ending August 31, 2024 (Forecast)	-	22.00	-	12.00	34.00		104.5	

Note: Details of the dividend at the end of the second quarter of the fiscal year ending August 31, 2024
 Ordinary dividend: 12.00 yen Special dividend: 10.00 yen (40th Anniversary Commemorative Dividend)

3. Consolidated Financial Results Forecast for fiscal year ending August 31, 2024
 (From September 1, 2023 to August 31, 2024)

(% 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
Second quarter (cumulative)	10,930	4.6	740	(15.6)	760	(24.0)	480	(27.0)	19.04
Full-year	22,000	5.4	1,200	12.7	1,250	0.6	820	1.4	32.53

Notes:

(1) Changes in significant subsidiaries during the period. (changes in specified subsidiaries resulting in the change in the scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

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

As of August 31, 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 August 31, 2023	2,599,108 shares
As of August 31, 2022	2,720,058 shares

(iii) Average number of shares outstanding during the period.

Fiscal year ended August 31, 2023	25,151,283 shares
Fiscal year ended August 31, 2022	25,083,542 shares

Note: Treasury stock for the fiscal year ended August 31, 2023 includes the Company's shares held by the "Stock Granting Trust for Officers." (141,000 shares of treasury stock at the end of the fiscal year) Treasury stock for the fiscal year ended August 31, 2022 includes the Company's shares held by the "Stock Granting Trust for Officers" and the "Stock Granting Trust for Employees" (141,000 and 121,000 shares of treasury stock at the end of the fiscal year)

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended August 31, 2023

(From September 1, 2022 to August 31, 2023)

(1) Non-consolidated operating results

(Percentages represent increases or decreases from the previous year)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2023	13,426	2.5	471	(35.7)	535	(31.8)	395	(48.8)
August 31, 2022	13,100	2.6	733	20.0	784	13.5	772	(16.3)

Fiscal year ended	Net income per share	Fully diluted net income per share
	yen	yen
August 31, 2023	15.72	-
August 31, 2022	30.78	-

(2) Non-consolidated financial situation

Fiscal year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
August 31, 2023	13,015	10,668	82.0	423.30
August 31, 2022	13,052	10,491	80.4	418.26

(Reference) Shareholders' equity: Fiscal year ended August 31, 2023: ¥10,668 million
Fiscal year ended August 31, 2022: ¥10,491 million

* The financial statements are not subject to audit by a certified public accountant or auditing firm.

* 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 a variety of different factors.

How to obtain presentation materials and the contents of the financial results briefing.

The Company plans to hold a financial results briefing for institutional investors and analysts on October 12, 2023.

The presentation materials and audio will be posted on the Company's website promptly after the meeting.

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

Term	Fiscal year ended August 31, 2022		Fiscal year ended August 31, 2023	
	From Sep. 1, 2021 to Aug. 31, 2022		From Sep. 1, 2022 to Aug. 31, 2023	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools (MNJ)	220	15	239	19
Number of Meiko Gijuku directly operated schools (MAXIS)	95	2	98	3
Number of Meiko Gijuku directly operated schools (KLINE)	41	-	40	(1)
Number of Meiko Gijuku directly operated schools (TOMONI)	42	-	42	-
Number of Meiko Gijuku directly operated schools (One link)	22	2	21	(1)
Number of Meiko Gijuku directly operated schools (Cooth)	16	16	18	2
Subtotal number of Meiko Gijuku directly operated schools	436	35	458	22
Number of Meiko Gijuku franchised schools	1,339	(27)	1,296	(43)
Total number of Meiko Gijuku schools	1,775	8	1,754	(21)
Number of registered students of Meiko Gijuku directly operated schools (MNJ)	15,902	900	16,992	1,090
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	6,634	(373)	6,539	(95)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,879	(73)	2,830	(49)
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	2,265	37	2,140	(125)
Number of registered students of Meiko Gijuku directly operated schools (One link)	947	62	871	(76)
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	1,168	1,168	1,183	15
Subtotal number of registered students of Meiko Gijuku directly operated schools	29,795	1,721	30,555	760
Number of registered students of Meiko Gijuku franchised Schools	69,236	(5,141)	65,176	(4,060)
Total number of registered students of Meiko Gijuku schools	99,031	(3,420)	95,731	(3,300)
Sales from Meiko Gijuku directly operated schools (Millions of yen)	12,186	629	12,680	493
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	4,525	20	4,266	(259)
Sales from Japanese language schools (Millions of yen)	815	(25)	1,120	305
Sales from others (Millions of yen)	2,147	11	2,803	656
Total Sales (Millions of yen)	19,674	635	20,871	1,196
Sales from Meiko Gijuku directly operated schools (Millions of yen)	12,186	629	12,680	493
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	24,332	(1,644)	23,096	(1,235)
Total system-wide sales from Meiko Gijuku schools*2 (Millions of yen)	36,519	(1,015)	35,777	(741)

* 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.

Consolidated Financial Statements and Major Notes**(1) Consolidated statement of Balance Sheets**

(Millions of yen)

	Fiscal year ended August 31, 2022 (As of August 31,2022)	Fiscal year ended August 31, 2023 (As of August 31,2023)
Assets		
Current assets		
Cash and deposits	8,755	8,472
Accounts receivable - trade	977	1,038
Securities	-	100
Merchandise	95	123
Work in process	13	13
Supplies	7	10
Advance payments to suppliers	16	28
Prepaid expenses	329	357
Other	243	309
Allowance for doubtful accounts	(33)	(34)
Total current assets	10,405	10,421
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,290	1,416
Accumulated depreciation	(780)	(833)
Buildings and structures, net	509	582
Tools, furniture and fixtures	394	415
Accumulated depreciation	(340)	(359)
Tools, furniture and fixtures, net	53	55
Land	49	48
Leased assets	35	19
Accumulated depreciation	(23)	(13)
Leased assets, net	11	6
Total property, plant and equipment	624	693
Intangible assets		
Goodwill	422	292
Software	180	163
Software in progress	-	20
Telephone subscription right	4	4
Total intangible assets	607	482
Investments and other assets		
Investment securities	2,452	2,809
Long-term prepaid expenses	22	26
Deferred tax assets	233	98
Leasehold and guarantee deposits	949	1,022
Long-term time deposits	100	100
Other	44	158
Total investments and other assets	3,801	4,214
Total non-current assets	5,033	5,390
Total assets	15,439	15,811

(Millions of yen)

	Fiscal year ended August 31, 2022 (As of August 31,2022)	Fiscal year ended August 31, 2023 (As of August 31,2023)
Liabilities		
Current liabilities		
Accounts payable - trade	128	157
Accounts payable - other	231	138
Accrued expenses	1,179	1,204
Income taxes payable	570	166
Accrued consumption taxes	195	231
Contract liabilities	1,148	1,218
Lease liabilities	1	2
Deposits received	85	132
Provision for bonuses	434	445
Other	44	62
Total current liabilities	4,019	3,759
Non-current liabilities		
Retirement benefit liability	121	135
Provision for share awards for directors (and other officers)	26	36
Provision for share awards	62	-
Long-term accounts payable-other to employees	84	79
Long-term accounts payable-other to officers	117	116
Deferred tax liabilities	9	67
Lease liabilities	10	4
Asset retirement obligations	380	406
Long-term guarantee deposits	1	1
Total non-current liabilities	813	848
Total liabilities	4,833	4,607
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	10,959	11,184
Treasury shares	(2,779)	(2,707)
Total shareholders' equity	10,062	10,358
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	521	815
Foreign currency translation adjustment	21	29
Total accumulated other comprehensive income	543	844
Total net assets	10,606	11,203
Total liabilities and net assets	15,439	15,811

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

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
Net sales	19,674	20,871
Cost of sales	14,627	15,819
Gross profit	5,047	5,051
Selling, general and administrative expenses		
Advertising expenses	524	437
Promotion expenses	1,049	981
Provision of allowance for doubtful accounts	10	18
Remuneration for directors (and other officers)	294	317
Salaries and allowances	384	464
Bonuses	67	34
Provision for bonuses	44	52
Retirement benefit expenses	10	7
Provision for share awards for directors (and other officers)	14	10
Provision for share awards	4	3
Commission expenses	340	305
Depreciation	33	46
Rent expenses	266	291
Amortization of goodwill	91	129
Other	742	884
Total selling, general and administrative expenses	3,878	3,987
Operating profit	1,168	1,064
Non-operating income		
Interest income	10	11
Dividend income	27	30
Share of profit of entities accounted for using equity method	36	58
Rental income	14	25
Reversal of allowance for doubtful accounts	3	14
Subsidy income	12	0
Penalty income	-	21
Other	27	39
Total non-operating income	132	201
Non-operating expenses		
Interest expenses	0	-
Loss on investments in investment partnerships	-	7
Commission expenses	6	-
Rental expenses	1	11
Other	3	3
Total non-operating expenses	11	22
Ordinary profit	1,289	1,243

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
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	-	1
Loss on retirement of property, plant and equipment	0	2
Extra retirement payments	24	-
Loss on store closings	15	-
Impairment losses	99	26
Other	3	2
Total extraordinary losses	143	42
Profit before income taxes	1,769	1,350
Income taxes - current	858	478
Income taxes - deferred	(63)	63
Total income taxes	794	541
Profit	974	809
Profit attributable to owners of parent	974	809

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
Profit	974	809
Other comprehensive income		
Valuation difference on available-for-sale securities	144	293
Share of other comprehensive income of entities accounted for using equity method	6	7
Total other comprehensive income	151	301
Comprehensive income	1,125	1,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,125	1,110

(3) Consolidated statement of change in shareholder's equity

Previous consolidated fiscal year (From September 1, 2021 to August 31, 2022)

(Millions of yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,529	(2,779)	9,632
Cumulative effects of changes in accounting policies			(12)		(12)
Balance at beginning of current period reflecting change in accounting policy	972	909	10,517	(2,779)	9,620
Changes during period					
Dividends of surplus			(532)		(532)
Profit attributable to owners of parent			974		974
Purchase of treasury shares					-
Disposal of treasury shares					-
Change of scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	442	-	442
Balance at end of period	972	909	10,959	(2,779)	10,062

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	377	15	392	10,025
Cumulative effects of changes in accounting policies				(12)
Balance at beginning of current period reflecting change in accounting policy	377	15	392	10,012
Changes during period				
Dividends of surplus				(532)
Profit attributable to owners of parent				974
Purchase of treasury shares				-
Disposal of treasury shares				-
Change of scope of consolidation				-
Net changes in items other than shareholders' equity	144	6	151	151
Total changes during period	144	6	151	593
Balance at end of period	521	21	543	10,606

Current consolidated fiscal year (From September 1, 2022 to August 31, 2023)

(Millions of yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,959	(2,779)	10,062
Changes during period					
Dividends of surplus			(582)		(582)
Profit attributable to owners of parent			809		809
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				71	71
Change of scope of consolidation			(1)		(1)
Net changes in items other than shareholders' equity			-		-
Total changes during period	-	-	224	71	296
Balance at end of period	972	909	11,184	(2,707)	10,358

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	521	21	543	10,606
Changes during period				
Dividends of surplus				(582)
Profit attributable to owners of parent				809
Purchase of treasury shares				(0)
Disposal of treasury shares				71
Change of scope of consolidation				(1)
Net changes in items other than shareholders' equity	293	7	301	301
Total changes during period	293	7	301	597
Balance at end of period	815	29	844	11,203

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,769	1,350
Depreciation	160	173
Impairment losses	99	26
Amortization of intangible assets	3	20
Amortization of goodwill	91	129
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	28	11
Increase (decrease) in retirement benefit liability	6	14
Increase (decrease) in provision for share awards for directors (and other officers)	14	10
Increase (decrease) in provision for share awards	27	9
Loss (gain) on sale of investment securities	-	(149)
Loss (gain) on sale of shares of subsidiaries and associates	(623)	-
Interest and dividend income	(38)	(42)
Subsidy income	(12)	(0)
Penalty income	-	(21)
Interest expenses	0	-
Share of loss (profit) of entities accounted for using equity method	(36)	(58)
Loss (gain) on change in equity	-	9
Loss (gain) on investments in investment partnerships	-	7
Rental income	(14)	(25)
Rent expenses	1	11
Loss (gain) on sale of property, plant and equipment	-	0
Loss on retirement of property, plant and equipment	0	2
Extra retirement payments	24	-
Loss on store closings	15	-
Decrease (increase) in trade receivables	(193)	(51)
Decrease (increase) in inventories	13	(31)
Increase (decrease) in trade payables	10	26
Increase (decrease) in accrued consumption taxes	(147)	35
Increase (decrease) in accrued expenses	17	11
Decrease (increase) in other assets	81	35
Increase (decrease) in other liabilities	(144)	(7)
Subtotal	1,156	1,502
Interest and dividends received	37	44
Interest paid	(0)	-
Income taxes paid	(716)	(959)
Subsidies received	12	0
Penalty income received	-	21
Net cash provided by (used in) operating activities	489	608

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
Cash flows from investing activities		
Proceeds from redemption of securities	100	-
Purchase of property, plant and equipment	(112)	(145)
Proceeds from sale of property, plant and equipment	-	2
Purchase of intangible assets	(92)	(107)
Purchase of investment securities	(158)	(113)
Proceeds from sale of investment securities	727	150
Proceeds from redemption of investment securities	100	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(233)	-
Payments of guarantee deposits	(37)	(109)
Proceeds from refund of guarantee deposits	4	22
Decrease (increase) in time deposits	(105)	4
Other, net	(42)	(111)
Net cash provided by (used in) investing activities	150	(307)
Cash flows from financing activities		
Repayments of borrowings	(116)	-
Purchase of treasury shares	-	(0)
Dividends paid	(532)	(582)
Repayments of lease liabilities	(4)	(5)
Net cash provided by (used in) financing activities	(653)	(588)
Net increase (decrease) in cash and cash equivalents	(13)	(287)
Cash and cash equivalents at beginning of period	8,577	8,563
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	9
Cash and cash equivalents at end of period	8,563	8,285

(5) Notes on Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable

(Change in Accounting Policies)**Application of Accounting Standard for Fair Value Measurement Guidelines**

We applied the "Accounting Standard for Fair Value Measurement Guidelines" from the beginning of the current consolidated fiscal year. We have decided to apply the new accounting policy set forth by the Fair Value Measurement Accounting Standard Guidelines for future periods, following the transitional treatment as stipulated in Section 27-2 of the Fair Value Measurement Accounting Standard Guidelines.

It should be noted that this change will not have an impact on the consolidated financial statements.

Segment Information

1. Information related to net sales, profit or loss for each reportable segment Previous consolidated fiscal year (From September 1, 2021 to August 31, 2022)

(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 transferred at a point in time	731	1,743	-	2,474	1,232	3,706
Goods or services transferred over a period of time	11,455	2,782	815	15,053	914	15,967
Revenue from contracts with customers	12,186	4,525	815	17,527	2,147	19,674
Other income	-	-	-	-	-	-
Sales to external customers	12,186	4,525	815	17,527	2,147	19,674
Intersegment sales and transfers	-	947	-	947	4	951
Total	12,186	5,472	815	18,475	2,151	20,626
Segment profit (loss)	1,296	1,703	(187)	2,811	(306)	2,505
Other items						
Depreciation	55	57	16	129	23	152
Amortization of goodwill	5	-	-	5	85	91

Notes: 1. "Others" consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Waseda Academy Kobetsu Schools, Jiritsugausyu RED, MEIKO Kids e business, HR solution business, and other businesses of consolidated subsidiaries Koto & Company and Simple Inc.
2. Information on assets and liabilities is not disclosed because the Company does not treat such information as central to the allocation of management resources and the evaluation of business performance.

Current consolidated fiscal year (From September 1, 2022 to August 31, 2023)

(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 transferred at a point in time	694	1,627	-	2,322	1,865	4,188
Goods or services transferred over a period of time	11,985	2,638	1,120	15,745	938	16,683
Revenue from contracts with customers	12,680	4,266	1,120	18,067	2,803	20,871
Other income	-	-	-	-	-	-
Sales to external customers	12,680	4,266	1,120	18,067	2,803	20,871
Intersegment sales and transfers	-	969	0	969	461	1,431
Total	12,680	5,235	1,120	19,037	3,265	22,302
Segment income (loss)	1,171	1,298	20	2,489	(59)	2,430
Other items						
Depreciation	61	59	23	144	17	162
Amortization of goodwill	7	-	-	7	121	129

- Notes: 1. "Others" consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Jiritsugausyu RED, MEIKO Kids e business, HR solution business, and other businesses of consolidated subsidiaries Koto & Company and Simple Inc.
2. Information on assets and liabilities are not disclosed because the Company does not treat such information as central to the allocation of management resources and the evaluation of business performance.

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)

Net sales	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Reportable segment total	18,475	19,037
Profit (Loss) for "Others" category	2,151	3,265
Intersegment eliminations	(951)	(1,431)
Net sales in consolidated financial statements	19,674	20,871

(Millions of yen)

Profit (Loss)	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Reportable segment total	2,811	2,489
Profit (Loss) for "Others" category	(306)	(59)
Corporate expenses	(1,336)	(1,365)
Operating income in consolidated financial statements	1,168	1,064

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.

(Millions of yen)

Other items	Reportable segment total		Others		Adjustment*		Amount recorded in consolidated statements of operations	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
Depreciation	129	144	23	17	8	11	160	173

Note: Adjustment of depreciation and amortization mainly represents depreciation and amortization of assets related to the General Affairs section of the parent company, which are not attributable to any reportable segment.

Per share information

Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)		Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	
Net assets per share	422.84 yen	Net assets per share	444.51 yen
Net income (loss) per share	38.86 yen	Earnings per share	32.17 yen

- Notes: 1. Diluted net income per share is not shown in the above table, as there are no residual shares.
2. Basis for calculation of net income per share

(Millions of yen)

	Fiscal year ended August 31, 2022 (from Sep. 1, 2021 to Aug. 31, 2022)	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)
Net income per share		
Profit attributable to owners of parent	974	809
Amount not attributable to ordinary shareholders	-	-
Profit attributable to owners of parent of ordinary shareholders	974	809
Average number of shares during the period	25,083,542	25,151,283

3. In the calculation of "Net Asset Value per Share," we deduct the shares held in one's own name from the total number of common shares at the year-end. These treasury shares include the company's shares owned by "Stock Granting Trust for Officers" and "Stock Granting Trust for Employees."

In the previous consolidated fiscal year "Stock Granting Trust for Officers" held 141,000 shares, and "Stock Granting Trust for Employees" held 121,000 shares. In the current consolidated fiscal year, "Stock Granting Trust for Officers" also held 141,000 shares.

4. In the calculation of "Earnings Per Share," we deduct the shares held in one's own name from the total number of common shares during the period. These treasury shares include the company's shares owned by "Stock Granting Trust for Officers" and "Stock Granting Trust for Employees."

In the previous consolidated fiscal year "Stock Granting Trust for Officers" held 141,000 shares, and "Stock Granting Trust for Employees" held 121,000 shares. In the current consolidated fiscal year, "Stock Granting Trust for Officers" also held 141,000 shares.

(Significant Subsequent Events)

Not applicable