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Consolidated Financial Results for the Nine Months Ended November 30, 2023 [Japanese GAAP]

January 11, 2024

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: Ryosuke Ikeura Executive Officer

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Scheduled date of filing quarterly securities report: January 11, 2024

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 Nine Months Ended November 30, 2023 (March 1, 2023 to November 30, 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	%
Nine months ended November 30, 2023	3,548	7.4	(81)	-	(144)	-	(143)	-	(114)	-
Nine months ended November 30, 2022	3,303	17.7	(35)	(110.7)	(97)	-	(115)	-	(117)	-

(Note) Comprehensive income: Nine months ended November 30, 2023: ¥ (151) million [-%]

Nine months ended November 30, 2022: ¥ (176) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2023	(13.01)	-
November 30, 2022	(14.57)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
November 30, 2023	4,566	3,077	48.7
February 28, 2023	4,724	2,962	49.6

(Reference) Equity: As of November 30, 2023: ¥ 2,221 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	-	0.00	-		
Fiscal year ending February 29, 2024 (Forecast)				0.00	0.00

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

(Note) Breakdown of the 3rd 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	4,831	8.4	(34)	-	(119)	-	(121)	-	(82)	-	(9.34)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: Shinshinkiei, a start-up investment vehicle)

Exclusion: - (Company name: -)

(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):

November 30, 2023: 9,132,996 shares

February 28, 2023: 9,136,600 shares

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

November 30, 2023: 349,101 shares

February 28, 2023: 349,101 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2023: 8,785,061 shares

Nine months ended November 30, 2022: 8,063,627 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	2,637,895	2,441,863
Accounts receivable - trade	425,428	450,261
Operational investment securities	576,715	653,183
Merchandise	6,242	4,169
Supplies	2,349	1,741
Prepaid expenses	323,512	192,114
Other	57,392	39,530
Allowance for doubtful accounts	(6,115)	(19,289)
Total current assets	4,023,419	3,763,575
Non-current assets		
Property, plant and equipment	149,669	140,923
Intangible assets		
Goodwill	54,797	-
Other	122,556	98,113
Total intangible assets	177,354	98,113
Investments and other assets		
Investment securities	101,820	89,368
Deferred tax assets	61,743	78,549
Other	211,160	396,584
Allowance for doubtful accounts	(200)	(200)
Total investments and other assets	374,524	564,301
Total non-current assets	701,548	803,339
Total assets	4,724,968	4,566,914
Liabilities		
Current liabilities		
Current portion of long-term borrowings	365,476	365,476
Accounts payable - other	128,005	159,511
Accrued expenses	232,754	157,855
Provision for bonuses	-	24,600
Advances received	313,492	337,524
Provision for bonuses for directors (and other officers)	-	5,240
Other	73,197	74,153
Total current liabilities	1,112,926	1,124,362
Non-current liabilities		
Long-term borrowings	640,615	360,258
Deferred tax liabilities	9,161	5,154
Total non-current liabilities	649,776	365,412
Total liabilities	1,762,703	1,489,774
Net assets		
Shareholders' equity		
Share capital	265,159	10,000
Capital surplus	2,032,394	2,287,553
Retained earnings	322,467	208,189
Treasury shares	(290,245)	(290,245)
Total shareholders' equity	2,329,775	2,215,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,033	6,314
Total accumulated other comprehensive income	12,033	6,314
Share acquisition rights	51,778	42,649
Non-controlling interests	568,677	812,679
Total net assets	2,962,264	3,077,140
Total liabilities and net assets	4,724,968	4,566,914

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Net sales	3,303,913	3,548,757
Cost of sales	737,681	991,449
Gross profit	2,566,231	2,557,307
Selling, general and administrative expenses	2,663,716	2,701,619
Operating loss	(97,485)	(144,311)
Non-operating income		
Interest income	11	14
Subsidy income	1,140	2,856
Surrender value of insurance policies	2,919	12
Gain on investments in investment partnerships	918	1,751
Other	1,998	5,424
Total non-operating income	6,987	10,060
Non-operating expenses		
Interest expenses	2,384	4,047
Share issuance costs	2,594	210
Share of loss of entities accounted for using equity method	4,447	2,266
Amortization of restricted stock remuneration	14,497	2,499
Other	973	377
Total non-operating expenses	24,896	9,401
Ordinary loss	(115,394)	(143,652)
Extraordinary income		
Gain on sale of non-current assets	20	-
Gain on reversal of share acquisition rights	-	35,947
Total extraordinary income	20	35,947
Extraordinary losses		
Impairment losses	225	34,022
Loss on valuation of investment securities	35,755	-
Cancellation penalty	30,400	-
Total extraordinary losses	66,380	34,022
Loss before income taxes	(181,754)	(141,727)
Income taxes	(5,550)	(5,141)
Loss	(176,203)	(136,586)
Loss attributable to non-controlling interests	(58,756)	(22,308)
Loss attributable to owners of parent	(117,447)	(114,277)

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

(Thousands of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Loss	(176,203)	(136,586)
Other comprehensive income		
Valuation difference on available-for-sale securities	(490)	(15,116)
Total other comprehensive income	(490)	(15,116)
Comprehensive income	(176,694)	(151,703)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(119,095)	(119,997)
Comprehensive income attributable to non-controlling interests	(57,599)	(31,705)