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## Summary of Consolidated Financial Results for the Six Months Ended February 29, 2024 (Japanese GAAP)

April 11, 2024

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 12, 2024  
 Scheduled date to commencement dividend payment: May 8, 2024  
 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 29, 2024 (from September 1, 2023 to February 29, 2024)

(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 29, 2024	11,148	6.7	845	(3.5)	899	(10.0)	519	(21.0)
February 28, 2023	10,448	5.3	876	(30.8)	1,000	(24.6)	657	(46.4)

(Note) Comprehensive income: Six months ended February 29, 2024: ¥701 million [(5.3) %]  
 Six months ended February 28, 2023: ¥740 million [(42.4) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 29, 2024	20.62	-
February 28, 2023	26.20	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 29, 2024	16,372	11,557	70.6
August 31, 2023	15,811	11,203	70.9

(Reference) Equity: As of February 29, 2024: ¥11,557 million  
 As of August 31, 2023: ¥11,203 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, 2023	-	12.00	-	12.00	24.00
Fiscal year ending August 31, 2024	-	22.00			
Fiscal year ending August 31, 2024 (Forecast)			-	12.00	34.00

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

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
Full-year	22,000	5.4	1,200	12.7	1,250	0.6	820	1.4	32.53

(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: None
- 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 29, 2024	27,803,600 shares
As of August 31, 2023	27,803,600 shares

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

As of February 29, 2024	2,592,148 shares
As of August 31, 2023	2,599,108 shares

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

Six months ended February 29, 2024	25,207,437 shares
Six months ended February 28, 2023	25,106,488 shares

Note: Treasury stock for the six months ended February 29, 2024, 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, 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)

\* 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, 2023	Six months ended February 29, 2024		
Fiscal Period	From Sep. 1, 2022 to Feb. 28, 2023		From Sep. 1, 2023 to Feb. 29, 2024	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools	229	15	253	24
Number of Meiko Gijuku directly operated schools (MAXIS)	95	-	97	2
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	1	22	-
Number of Meiko Gijuku directly operated schools (Cooth)	16	1	20	4
Number of Meiko Gijuku directly operated schools	445	17	474	29
Number of Meiko Gijuku franchised schools	1,336	(14)	1,278	(58)
Total number of Meiko Gijuku schools	1,781	3	1,752	(29)
Number of registered students of Meiko Gijuku directly operated schools	15,896	1,079	16,997	1,101
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	6,609	(135)	6,365	(244)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,736	-	2,665	(71)
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	2,156	(12)	2,054	(102)
Number of registered students of Meiko Gijuku directly operated schools (One link)	909	10	927	18
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	1,169	92	1,210	41
Number of registered students of Meiko Gijuku directly operated schools	29,475	1,034	30,218	743
Number of registered students of Meiko Gijuku franchised Schools	67,355	(3,886)	63,197	(4,158)
Total number of registered students of Meiko Gijuku schools	96,830	(2,852)	93,415	(3,415)
Sales from Meiko Gijuku directly operated schools (Millions of yen)	6,407	272	6,730	322
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	2,123	(157)	2,077	(46)
Sales from Japanese language schools (Millions of yen)	539	209	667	127
Sales from others (Millions of yen)	1,378	197	1,674	295
Total Sales (Millions of yen)	10,448	521	11,148	699
Sales from Meiko Gijuku directly operated schools (Millions of yen)	6,407	272	6,730	322
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	12,008	(785)	11,562	(445)
Total system-wide sales from Meiko Gijuku schools *2 (Millions of yen)	18,415	(513)	18,292	(122)

\* 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, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,472	8,597
Accounts receivable - trade	1,038	1,016
Securities	100	100
Merchandise	123	134
Work in process	13	7
Supplies	10	16
Advance payments to suppliers	28	44
Prepaid expenses	357	382
Other	309	514
Allowance for doubtful accounts	(34)	(42)
Total current assets	10,421	10,772
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,416	1,487
Accumulated depreciation	(833)	(863)
Buildings and structures, net	582	623
Tools, furniture and fixtures	415	440
Accumulated depreciation	(359)	(367)
Tools, furniture and fixtures, net	55	73
Land	48	48
Leased assets	19	41
Accumulated depreciation	(13)	(14)
Leased assets, net	6	26
Total property, plant and equipment	693	772
Intangible assets		
Goodwill	292	257
Software	163	202
Software in progress	20	28
Telephone subscription right	4	4
Total intangible assets	482	492
Investments and other assets		
Investment securities	2,809	2,985
Long-term prepaid expenses	26	26
Deferred tax assets	98	127
Leasehold and guarantee deposits	1,022	1,048
Long-term time deposits	100	100
Other	158	47
Total investments and other assets	4,214	4,335
Total non-current assets	5,390	5,600
Total assets	15,811	16,372

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	157	276
Accounts payable - other	138	129
Accrued expenses	1,204	949
Income taxes payable	166	484
Accrued consumption taxes	231	273
Contract liabilities	1,218	1,050
Lease liabilities	2	2
Deposits received	132	153
Provision for bonuses	445	435
Other	62	88
<b>Total current liabilities</b>	<b>3,759</b>	<b>3,844</b>
Non-current liabilities		
Retirement benefit liability	135	134
Provision for share awards for directors (and other officers)	36	46
Long-term accounts payable-other to employees	79	79
Long-term accounts payable-other to officers	116	116
Deferred tax liabilities	67	140
Lease liabilities	4	27
Asset retirement obligations	406	424
Long-term guarantee deposits	1	1
<b>Total non-current liabilities</b>	<b>848</b>	<b>970</b>
<b>Total liabilities</b>	<b>4,607</b>	<b>4,815</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	11,184	11,348
Treasury shares	(2,707)	(2,700)
<b>Total shareholders' equity</b>	<b>10,358</b>	<b>10,530</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	815	996
Foreign currency translation adjustment	29	29
<b>Total accumulated other comprehensive income</b>	<b>844</b>	<b>1,026</b>
<b>Total net assets</b>	<b>11,203</b>	<b>11,557</b>
<b>Total liabilities and net assets</b>	<b>15,811</b>	<b>16,372</b>

**(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, 2023	Six months ended February 29, 2024
Net sales	10,448	11,148
Cost of sales	7,755	8,369
Gross profit	2,693	2,778
Selling, general and administrative expenses	1,816	1,932
Operating profit	876	845
Non-operating income		
Interest income	5	5
Dividend income	10	12
Share of profit of entities accounted for using equity method	51	7
Gain on investments in investment partnerships	-	0
Rental income	8	8
Reversal of allowance for doubtful accounts	5	4
Subsidy income	0	-
Penalty income	-	14
Other	50	9
Total non-operating income	131	61
Non-operating expenses		
Loss on investments in investment partnerships	5	-
Rental expenses	1	0
Interest expenses	-	0
Other	0	6
Total non-operating expenses	8	7
Ordinary profit	1,000	899
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	149	32
Gain on change in equity	-	5
Total extraordinary income	150	38
Extraordinary losses		
Loss on change in equity	9	-
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	0	9
Loss on store closings	-	4
Total extraordinary losses	10	14
Profit before income taxes	1,140	923
Income taxes - current	417	438
Income taxes - deferred	64	(34)
Total income taxes	482	404
Profit	657	519
Profit attributable to owners of parent	657	519

**Quarterly consolidated statements of comprehensive income**

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Profit	657	519
Other comprehensive income		
Valuation difference on available-for-sale securities	80	181
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	82	181
Comprehensive income	740	701
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	740	701

**(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 29, 2024 (from September 1, 2023 to February 29, 2024)

Not applicable.

**Segment Information****I Six months ended February 28, 2023 (from September 1, 2022 to February 28, 2023)**

## 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	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 contracts with customers	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
Inter-segment 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), Jiritsugausyu 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

Not applicable.



**II Six months ended February 29, 2024 (September 1, 2023 to February 29, 2024)**

## 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	357	755	-	1,113	1,114	2,227
Goods or services that are transferred over a fixed period of time	6,372	1,321	667	8,360	559	8,920
Revenue from a contract with a customer	6,730	2,077	667	9,474	1,674	11,148
Other income	-	-	-	-	-	-
Sales to external customers	6,730	2,077	667	9,474	1,674	11,148
Intersegment sales and transfers	-	468	-	468	192	660
Total	6,730	2,545	667	9,942	1,866	11,808
Segment profit (loss)	817	651	111	1,580	(52)	1,527

(Note)\* "Others" consists of the operating segments not included in reportable segments. It includes Kids business (Afterschool), Jiritsugakusyu 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	(52)
Corporate expenses*	(681)
Operating profit reported on quarterly statements of income	845

(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 related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Meiko Career Partners Co., Ltd. and Reverse Inc., which were non-consolidated subsidiaries until the previous fiscal year, were included in the scope of consolidation from the current fiscal year due to their increased importance.

As a result, the increase in goodwill in the "Other" segment was 29 million.