

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Year Ended February 29, 2024 [Japanese GAAP]

April 12, 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
 Phone: +81-3-6821-7560
 Scheduled date of Annual General Meeting of Shareholders: May 29, 2024
 Scheduled date of commencing dividend payments: -
 Scheduled date of filing annual securities report: May 30, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(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 29, 2024	4,829	8.3	(30)	-	(113)	-	(111)	-	(97)	-
February 28, 2023	4,458	16.6	28	(93.3)	(57)	-	(73)	-	(252)	-

(Note) Comprehensive income: Fiscal year ended February 29, 2024: ¥ (148) million [-%]
 Fiscal year ended February 28, 2023: ¥ (353) 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 29, 2024	Yen (11.13)	Yen -	% (4.3)	% (2.4)	% (2.3)
February 28, 2023	(31.18)	-	(10.7)	(1.7)	(1.3)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 29, 2024: ¥ (2) million
 Fiscal year ended February 28, 2023: ¥ (4) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 29, 2024	Millions of yen 4,560	Millions of yen 3,085	% 49.0	Yen 254.58
February 28, 2023	4,724	2,962	49.6	266.49

(Reference) Equity: As of February 29, 2024: ¥ 2,236 million
 As of February 28, 2023: ¥ 2,341 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 29, 2024	Millions of yen (171)	Millions of yen (22)	Millions of yen (90)	Millions of yen 2,353
February 28, 2023	(939)	(148)	1,100	2,637

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, 2023	-	0.00	-	0.00	0.00	-	-	-
February 29, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending February 28, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended February 29, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(% indicates changes from the previous corresponding period.)

	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	5,245	8.6	168	-	166	-	37	-	4.21

* Notes:

(1) Changes in significant subsidiaries during the period under review (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) 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 29, 2024: 9,132,996 shares

February 28, 2023: 9,136,600 shares

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

February 29, 2024: 349,101 shares

February 28, 2023: 349,101 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended February 29, 2024: 8,784,771 shares

Fiscal Year ended February 28, 2023: 8,084,161 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(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 29, 2024	4,248	5.6	(49)	-	14	(89.2)	0	-
February 28, 2023	4,024	21.2	85	(83.1)	134	(79.0)	(274)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 29, 2024	0.05	0.05
February 28, 2023	(33.90)	-

(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 29, 2024	3,794	2,460	63.6	274.81
February 28, 2023	4,059	2,471	59.6	275.31

(Reference) Equity: As of February 29, 2024: ¥ 2,413 million
As of February 28, 2023: ¥ 2,419 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	2,637,895	2,353,453
Accounts receivable - trade	425,428	536,320
Operational investment securities	576,715	643,497
Merchandise	6,242	4,028
Supplies	2,349	1,629
Prepaid expenses	323,512	243,603
Other	57,392	30,597
Allowance for doubtful accounts	(6,115)	(10,523)
Total current assets	4,023,419	3,802,606
Non-current assets		
Property, plant and equipment		
Buildings	141,836	143,534
Accumulated depreciation	(25,772)	(31,658)
Buildings, net	116,064	111,875
Tools, furniture and fixtures	36,607	39,986
Accumulated depreciation	(19,722)	(35,833)
Tools, furniture and fixtures, net	16,884	4,153
Construction in progress	16,720	16,720
Total property, plant and equipment	149,669	132,749
Intangible assets		
Goodwill	54,797	-
Other	122,556	89,965
Total intangible assets	177,354	89,965
Investments and other assets		
Investment securities	101,820	83,157
Deferred tax assets	61,743	54,395
Other	211,160	397,353
Allowance for doubtful accounts	(200)	(200)
Total investments and other assets	374,524	534,706
Total non-current assets	701,548	757,421
Total assets	4,724,968	4,560,027

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Current portion of long-term borrowings	365,476	295,476
Accounts payable - other	128,005	233,715
Accrued expenses	232,754	234,843
Advances received	313,492	292,854
Other	73,197	68,873
Total current liabilities	1,112,926	1,125,762
Non-current liabilities		
Long-term borrowings	640,615	345,139
Deferred tax liabilities	9,161	3,965
Total non-current liabilities	649,776	349,104
Total liabilities	1,762,703	1,474,867
Net assets		
Shareholders' equity		
Share capital	265,159	10,000
Capital surplus	2,032,394	2,287,553
Retained earnings	322,467	224,707
Treasury shares	(290,245)	(290,245)
Total shareholders' equity	2,329,775	2,232,015
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,033	4,201
Total accumulated other comprehensive income	12,033	4,201
Share acquisition rights	51,778	46,996
Non-controlling interests	568,677	801,948
Total net assets	2,962,264	3,085,160
Total liabilities and net assets	4,724,968	4,560,027

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	4,458,325	4,829,829
Cost of sales	1,020,677	1,395,379
Gross profit	3,437,648	3,434,450
Selling, general and administrative expenses	3,495,107	3,547,676
Operating loss	(57,459)	(113,225)
Non-operating income		
Gain on investments in investment partnerships	1,466	660
Interest income	20	26
Subsidy income	1,140	2,856
Surrender value of insurance policies	2,922	12
Miscellaneous income	6,836	8,041
Other	732	1,575
Total non-operating income	13,118	13,173
Non-operating expenses		
Interest expenses	3,742	5,162
Share of loss of entities accounted for using equity method	4,894	2,818
Share issuance costs	4,249	274
Amortization of restricted stock remuneration	14,497	2,499
Other	1,370	383
Total non-operating expenses	28,754	11,138
Ordinary loss	(73,095)	(111,191)
Extraordinary income		
Gain on reversal of share acquisition rights	-	35,947
Total extraordinary income	-	35,947
Extraordinary losses		
Impairment losses	225	34,022
Loss on valuation of investment securities	194,356	-
Cancellation penalty	30,400	-
Total extraordinary losses	224,981	34,022
Loss before income taxes	(298,076)	(109,266)
Income taxes - current	36,716	9,939
Income taxes - deferred	23,631	9,676
Total income taxes	60,348	19,616
Loss	(358,424)	(128,882)
Loss attributable to non-controlling interests	(106,320)	(31,121)
Loss attributable to owners of parent	(252,103)	(97,760)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Loss	(358,424)	(128,882)
Other comprehensive income		
Valuation difference on available-for-sale securities	4,978	(19,147)
Total other comprehensive income	4,978	(19,147)
Comprehensive income	(353,446)	(148,029)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(251,145)	(105,593)
Comprehensive income attributable to non-controlling interests	(102,300)	(42,436)

Consolidated Statements of Changes in Equity

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			-				-
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

For the fiscal year ended February 29, 2024

(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	265,159	2,032,394	322,467	(290,245)	2,329,775	12,033	51,778	568,677	2,962,264
Changes during period									
Issuance of new shares					-				-
Issuance of new shares - exercise of share acquisition rights					-				-
Capital reduction	(255,159)	255,159			-				-
Loss attributable to owners of parent			(97,760)		(97,760)				(97,760)
Purchase of treasury shares					-				-
Disposal of treasury shares					-				-
Issuance of share acquisition rights					-		31,165		31,165
Acquisition and cancellation of stock acquisition rights					-		(35,947)		(35,947)
Change in ownership interest of parent due to transactions with non-controlling interests					-				-
Net changes in items other than shareholders' equity						(7,832)	-	233,271	225,438
Total changes during period	(255,159)	255,159	(97,760)	-	(97,760)	(7,832)	(4,782)	233,271	122,895
Balance at end of period	10,000	2,287,553	224,707	(290,245)	2,232,015	4,201	46,996	801,948	3,085,160

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from operating activities		
Loss before income taxes	(298,076)	(109,266)
Depreciation	40,428	54,587
Impairment losses	225	34,022
Amortization of goodwill	41,619	20,774
Increase (decrease) in allowance for doubtful accounts	396	4,407
Increase (decrease) in provision for bonuses	(3,910)	-
Interest and dividend income	(20)	(26)
Subsidy income	(1,140)	(2,856)
Interest expenses	3,742	5,162
Loss (gain) on investments in investment partnerships	(1,466)	(660)
Share issuance costs	4,249	274
Gain on reversal of share acquisition rights	-	(35,947)
Share of loss (profit) of entities accounted for using equity method	4,894	2,818
Amortization of restricted stock remuneration	14,497	2,499
Loss (gain) on valuation of investment securities	194,356	-
Decrease (increase) in trade receivables	(118,502)	(110,891)
Decrease (increase) in prepaid expenses	(143,089)	79,908
Decrease (increase) in operational investment securities	(458,315)	(66,781)
Increase (decrease) in advances received	61,128	(20,638)
Increase (decrease) in accrued expenses	53,286	2,088
Increase (decrease) in accrued consumption taxes	(93,341)	37,192
Other, net	26,513	(75,187)
Subtotal	(672,525)	(178,518)
Interest and dividends received	20	26
Subsidies received	1,140	2,856
Interest paid	(3,742)	(5,162)
Income taxes paid	(264,618)	(37,896)
Income taxes refund	-	47,129
Net cash provided by (used in) operating activities	(939,726)	(171,564)
Cash flows from investing activities		
Purchase of property, plant and equipment	(66,760)	(5,076)
Purchase of intangible assets	(24,132)	-
Purchase of investment securities	(18,500)	(6,000)
Payments of leasehold and guarantee deposits	(37,454)	(7,942)
Other, net	(1,297)	(3,815)
Net cash provided by (used in) investing activities	(148,145)	(22,834)

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	950,000	-
Repayments of long-term borrowings	(328,743)	(365,476)
Proceeds from issuance of shares	496,808	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	10,368	-
Purchase of issuance of share acquisition rights	(1,706)	(274)
Purchase of treasury shares	(294,246)	-
Proceeds from share issuance to non-controlling shareholders	277,900	303,600
The amount of payment of the dividend to non-controlling shareholders	-	(27,892)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,112)	-
Net cash provided by (used in) financing activities	1,100,268	(90,043)
Net increase (decrease) in cash and cash equivalents	12,396	(284,441)
Cash and cash equivalents at beginning of period	2,625,498	2,637,895
Cash and cash equivalents at end of period	2,637,895	2,353,453