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## Consolidated Financial Results for the Six Months Ended March 31, 2024 [Under Japanese GAAP]



May 10, 2024

Company name: Gakken Holdings Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 9470  
 URL: <https://www.gakken.co.jp/>  
 Representative: Hiroaki Miyahara, President, Representative Director  
 Contact: Takashi Sawada, Corporate Officer and General Manager of Financial Strategy Office  
 Phone: +81-3-6431-1050  
 Scheduled date of filing quarterly securities report: May 10, 2024  
 Scheduled date of commencing dividend payments: Jun 24, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended March 31, 2024 (October 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results(cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended March 31, 2024	93,505	15.2	5,141	59.4	5,154	57.8	1,772	43.1
March 31, 2023	81,174	1.9	3,224	(25.4)	3,266	(25.6)	1,238	(51.4)

(Note) Comprehensive income: Six months ended March 31, 2024: ¥2,120 million [0.0%]

Six months ended March 31, 2023: ¥2,120 million [(5.2)%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended March 31, 2024	41.19	40.87
March 31, 2023	28.15	27.90

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2024	139,358	54,694	37.5
As of September 30, 2023	136,328	55,034	38.7

(Reference) Equity: As of March 31, 2024: ¥52,264 million

As of September 30, 2023: ¥52,748 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 September 30, 2023	–	12.50	–	12.50	25.00
Fiscal year ending September 30, 2024	–	12.50			
Fiscal year ending September 30, 2024 (Forecast)			–	12.50	25.00

(Note) Revision of dividends forecast since the last announcement: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	185,000	12.7	6,400	3.7	6,600	1.9	2,700	(15.5)	62.72

(Note) Revision of financial results forecast since the last announcement: None

#### \* Notes:

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

Newly added: – (Name) – Excluded: – (Name) –

(2) Application of special accounting treatments in preparing 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: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 44,633,232 shares

September 30, 2023: 44,633,232 shares

2) Total number of treasury shares at the end of the period:

March 31, 2024: 2,420,712 shares

September 30, 2023: 525,839 shares

3) The average number of shares during the period:

Six months ended March 31, 2024: 43,045,470 shares

Six months ended March 31, 2023: 44,009,834 shares

The Company has a trust-type employee shareholding incentive plan in place. The average number of shares during the period is calculated with the number of treasury shares deducted; the number of treasury shares deducted includes the number of the Company's shares held under this plan by The Nomura Trust & Banking Co., Ltd. (the dedicated trust account for Gakken Employees' Shareholding Association): 9,514 shares at the end of the six months ended March 31, 2023.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Note on forward-looking statements, etc.)

Financial performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions it deems rational. The actual results may vary significantly due to various factors.

Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of September 30, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	20,836	23,769
Notes and accounts receivable - trade	21,919	28,855
Merchandise and finished goods	9,606	9,296
Real estate for sale	386	767
Work in process	2,429	2,407
Raw materials and supplies	211	157
Other	7,271	6,803
Allowance for doubtful accounts	(41)	(33)
Total current assets	62,620	72,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,064	13,041
Machinery, equipment and vehicles, net	56	130
Land	4,499	4,532
Construction in progress	10	2
Other, net	1,557	1,790
Total property, plant and equipment	19,189	19,496
Intangible assets		
Goodwill	7,754	10,256
Other	3,189	3,369
Total intangible assets	10,943	13,625
Investments and other assets		
Investment securities	27,640	18,419
Other	16,124	15,981
Allowance for doubtful accounts	(190)	(188)
Total investments and other assets	43,574	34,212
Total non-current assets	73,707	67,335
Total assets	136,328	139,358

(Million yen)

	As of September 30, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,834	8,413
Short-term borrowings	6,956	5,447
Current position of bonds payable	—	6,000
Current portion of long-term borrowings	10,245	9,943
Income taxes payable	1,347	1,885
Provision for bonuses	2,326	2,716
Other	16,840	17,361
Total current liabilities	44,550	51,767
Non-current liabilities		
Bonds payable	6,000	—
Long-term borrowings	19,052	21,107
Retirement benefit liability	4,684	4,629
Other	7,006	7,158
Total non-current liabilities	36,743	32,896
Total liabilities	81,294	84,663
Net assets		
Shareholders' equity		
Share capital	19,817	19,817
Capital surplus	12,370	12,368
Retained earnings	17,433	18,655
Treasury shares	(315)	(2,196)
Total shareholders' equity	49,306	48,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,857	2,221
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	271	199
Remeasurements of defined benefit plans	1,310	1,198
Total accumulated other comprehensive income	3,441	3,619
Share acquisition rights	229	208
Non-controlling interests	2,056	2,221
Total net assets	55,034	54,694
Total liabilities and net assets	136,328	139,358

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income

(Million yen)

	For the Six months ended March 31, 2023	For the Six months ended March 31, 2024
Net sales	81,174	93,505
Cost of sales	57,567	67,011
Gross profit	23,606	26,494
Selling, general and administrative expenses	20,381	21,353
Operating profit	3,224	5,141
Non-operating income		
Interest income	4	13
Dividend income	55	61
Share of profit of entities accounted for using equity method	180	90
Other	126	135
Total non-operating income	367	301
Non-operating expenses		
Interest expenses	91	156
Other	234	132
Total non-operating expenses	325	288
Ordinary profit	3,266	5,154
Extraordinary income		
Gain on sale of non-current assets	4	0
Gain on sale of investment securities	55	82
Other	8	8
Total extraordinary income	68	91
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	173
Impairment losses	1	75
Loss on sale of investment securities	—	1,085
Loss on valuation of investment securities	682	17
Other	58	60
Total extraordinary losses	743	1,412
Profit before income taxes	2,591	3,834
Income taxes	1,270	1,927
Profit	1,321	1,906
Profit attributable to non-controlling interests	82	133
Profit attributable to owners of parent	1,238	1,772

## Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the Six months ended March 31, 2023	For the Six months ended March 31, 2024
Profit	1,321	1,906
Other comprehensive income		
Valuation difference on available-for-sale securities	879	380
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	(20)	(22)
Remeasurements of defined benefit plans, net of tax	(61)	(83)
Share of other comprehensive income of entities accounted for using equity method	1	(60)
Total other comprehensive income	799	214
Comprehensive income	2,120	2,120
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,041	1,950
Comprehensive income attributable to non-controlling interests	79	169

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended March 31, 2023	For the six months ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,591	3,834
Depreciation	1,061	1,381
Impairment losses	1	75
Amortization of goodwill	378	566
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(3)	173
Loss (gain) on sale and valuation of investment securities	626	1,020
Increase (decrease) in provisions	139	298
Decrease (increase) in retirement benefit asset	(74)	(25)
Increase (decrease) in retirement benefit liability	(64)	(203)
Interest and dividend income	(59)	(74)
Interest expenses	91	156
Share of loss (profit) of entities accounted for using equity method	(180)	(90)
Decrease (increase) in trade receivables	(4,724)	(6,890)
Decrease (increase) in inventories	497	7
Increase (decrease) in trade payables	1,594	1,579
Other, net	(14)	(248)
Subtotal	1,860	1,560
Interest and dividends received	59	140
Interest paid	(90)	(152)
Income taxes paid	(1,997)	49
Net cash provided by (used in) operating activities	(167)	1,597
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1,145)	(1,641)
Proceeds from sale of property, plant and equipment and intangible assets	6	1
Purchase of investment securities	(431)	(379)
Proceeds from sale of investment securities	89	9,129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,329)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	7	11
Subsidies received	414	114
Other, net	(53)	(42)
Net cash provided by (used in) investing activities	(1,112)	3,864
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,100	(1,509)
Proceeds from long-term borrowings	4,939	4,599
Repayments of long-term borrowings	(2,035)	(2,869)
Proceeds from sale of treasury shares	41	–
Purchase of treasury shares	(0)	(2,012)
Dividends paid	(527)	(551)
Other, net	(77)	(138)
Net cash provided by (used in) financing activities	4,439	(2,481)
Effect of exchange rate change on cash and cash equivalents	(145)	(25)
Net increase (decrease) in cash and cash equivalents	3,014	3,014
Cash and cash equivalents at beginning of period	21,672	19,093
Cash and cash equivalents at end of period	24,687	22,049

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes When There Are Significant Changes in Amounts of Equity)

For the Six months ended March 31, 2024

There is no relevant information.

(Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the second quarter ended March 31, 2024, and multiplying the profit before income taxes by this estimated effective tax rate.