

Summary Report on Financial Results for Fiscal Year Ended August 2021

(Japanese Accounting Standards)

October 14, 2021

Company name: MEIKO NETWORK JAPAN CO., LTD.
 Stock exchange listing: The First Section of the Tokyo Stock Exchange
 Stock code: 4668 ([URL : https://www.meikonet.co.jp](https://www.meikonet.co.jp))
 Representative: Kazuhito Yamashita, President
 Contact: Kouyuki Sakamoto, Executive Officer, General Manager of Corporate Planning Department
 Tel: +81-3-5860-2111

Scheduled date for the ordinary general meeting of shareholders: November 19, 2021
 Scheduled date for commencement of dividend payment: November 22, 2021
 Scheduled date for filing the securities report: November 24, 2021
 Supplementary material development: Yes
 Financial results meeting: Yes (for analysts and institutional investor)

(Amounts less than one million yen are discarded)

1. Consolidated financial results for year ended August 2021 (September 1, 2020 through August 31, 2021)

(1) Consolidated operating results (Percentages represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended August 2021	19,039	4.5	969	351.2	1,113	146.5	1140	—
Year ended August 2020	18,218	(8.8)	214	(87.9)	451	(76.3)	(2,232)	—

(Note) Comprehensive income:

Year ended August 2021: 1,179 million yen (—%) Year ended August 2020: (2,728) million yen (—%)

	Net income per share	Fully diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended August 2021	45.47	—	11.7	7.8	5.1
Year ended August 2020	(85.21)	—	(18.7)	2.7	1.2

(Reference) Profit or loss on equity method investments:

Year ended August 2021: 8 million yen Year ended August 2020: 12 million yen

(2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity ratio
	million yen	million yen	%	yen
Year ended August 2021	14,649	10,025	68.4	399.67
Year ended August 2020	14,041	9,473	67.5	377.67

(Reference) Shareholders' equity:

Year ended August 2021: 10,025 million yen Year ended August 2020: 9,473 million yen

(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 the year
	million yen	million yen	million yen	million yen
Year ended August 2021	742	1,697	(628)	8,577
Year ended August 2020	140	1,243	(2,063)	6,765

2. Dividends

	Yearly Dividends per share					Total dividends (for the year) million yen	Payout ratio (consolidated) %	Ratio of dividends to net assets (consolidated) %
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	annual			
Year ended August 2021	yen —	yen 15.00	yen —	yen 15.00	yen 30.00	774	—	6.5
Year ended August 2020	—	10.00	—	10.00	20.00	504	44.0	5.1
Year ending August 2022 (estimate)	—	11.00	—	11.00	22.00		83.6	

3. Forecast of consolidated financial results for fiscal year ending August 2022 (September 1, 2021 through August 31, 2022)

(Percentages represent increases or decreases from the previous year for the full-year figures)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
second quarter (cumulative)	10,100	3.6	952	2.3	980	(3.6)	590	(11.5)	23.52
Full-year	19,800	4.0	1,040	7.3	1,100	(1.2)	660	(42.1)	26.31

(Notes)

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies caused by revision of accounting standards: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of outstanding issues (common stock)

(i) Number of outstanding shares at the end of the period (including treasury stock)

Year ended August 2021 : 27,803,600 shares

Year ended August 2020 : 27,803,600 shares

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

Year ended August 2021 : 2,720,058 shares

Year ended August 2020 : 2,719,974 shares

(iii) Average number of shares during the period (accumulated consolidated quarter)

Year ended August 2021 : 25,084,293 shares

Year ended August 2020 : 26,198,740 shares

* The number of treasury stock at the end of the fiscal year includes the Company's shares held by the "Stock Granting Trust for Officers" (141,000 shares for the fiscal year ended August 31, 2021) and the Company's shares held by the "Stock Granting Trust for Employees" (121,000 shares for the fiscal year ended August 31, 2021).

In addition, shares of the Company held by the "Stock Granting Trust for Directors" (70,693 shares in the fiscal year ended August 31, 2021) and shares of the Company held by the "Stock Granting Trust for Employees" (60,666 shares in the fiscal year ended August 31, 2021) are included in the treasury stock deducted in the calculation of the average number of shares outstanding during the fiscal year.

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended August 2021 (September 1, 2020 through August 31, 2021)

(1) Non-consolidated operating results (Percentages represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended August 2021	12,770	8.3	610	153.2	691	57.9	922	—
Year ended August 2020	11,796	(8.5)	241	(84.5)	438	(71.3)	(1,673)	—

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended August 2021	36.76	—
Year ended August 2020	(63.88)	—

(2) Non-consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity ratio
	million yen	million yen	%	yen
Year ended August 2021	12,451	10,119	81.3	403.43
Year ended August 2020	11,871	9,790	82.5	390.30

(Reference) Shareholders' equity:

Year ended August 2021: 10,119 million yen

Year ended August 2020:

9,790 million yen

※ This financial summary falls outside the scope of quarterly review procedures.

※ Explanation of the appropriate use of the forecasts of financial results, and other noteworthy 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	Year ended August 2020		Year ended August 2021	
	From September 1, 2019 to August 31, 2020		From September 1, 2020 to August 31, 2021	
	Operating results	Same period of the previous year	Operating results	Same period of the previous year
Fiscal Period				
Number of Meiko Gijuku directly operated schools	244	+23	205	(39)
Number of Meiko Gijuku directly operated schools (MAXIS)	94	+2	93	(1)
Number of Meiko Gijuku directly operated schools (KLINE)	41	—	41	—
Number of Meiko Gijuku directly operated schools ※3 (KMG)	42	(1)	42	—
Number of Meiko Gijuku directly operated schools (One link)	—	—	20	+20
Number of Meiko Gijuku directly operated schools	421	+24	401	(20)
Number of Meiko Gijuku franchised schools	1,441	(99)	1,366	(75)
Total number of Meiko Gijuku schools	1,862	(75)	1,767	(95)
Number of registered students of Meiko Gijuku directly operated schools	14,961	(611)	15,002	+41
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	6,613	(208)	7,007	+394
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,657	(77)	2,952	+295
Number of registered students of Meiko Gijuku directly operated schools (KMG) ※3	2,086	(217)	2,228	+142
Number of registered students of Meiko Gijuku directly operated schools (One link)	—	—	885	+885
Number of registered students of Meiko Gijuku directly operated schools	26,317	(1,113)	28,074	+1,757
Number of registered students of Meiko Gijuku franchised schools	74,956	(10,695)	74,377	(579)
Total number of registered students of Meiko Gijuku schools	101,273	(11,808)	102,451	+1,178
Sales from Meiko Gijuku directly operated schools (million yen)	10,297	(342)	11,557	+1,260
Sales from Meiko Gijuku franchised schools ※1 (million yen)	4,349	(685)	4,505	+155
Sales from Japanese language schools (million yen)	1,156	(205)	840	(315)
Sales from others (million yen)	2,414	(516)	2,135	(278)
Total Sales (million yen)	18,218	(1,749)	19,039	+821
Sales from Meiko Gijuku directly operated schools (million yen)	10,297	(342)	11,557	+1,260
System-wide sales from Meiko Gijuku franchised schools (million yen)	26,386	(3,384)	25,976	(409)
Total system-wide sales from Meiko Gijuku schools ※2 (million yen)	36,684	(3,726)	37,534	+850

※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.

※3 K.M.G Corporation Co., Ltd is called KMG for short. The company has changed its name to TOMONI Co., Ltd. as of September 1, 2021.

Summary of consolidated financial statements

(1) Consolidated balance sheets

(Million yen)

	Year ended August 31, 2020	Year ended August 31, 2021
Assets		
Current assets		
Cash and deposits	7,015	8,727
Accounts receivable - trade	845	767
Securities	300	200
Merchandise	137	114
Work in process	11	13
Supplies	7	7
Advance payments - trade	14	19
Prepaid expenses	279	303
Other	282	322
Allowance for doubtful accounts	(46)	(33)
Total current assets	8,848	10,441
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,508	1,145
Accumulated depreciation	(789)	(676)
Buildings and structures, net	719	469
Tools, furniture and fixtures	350	375
Accumulated depreciation	(321)	(322)
Tools, furniture and fixtures, net	28	52
Land	385	0
Leased assets	10	10
Accumulated depreciation	(0)	(1)
Leased assets, net	9	8
Total property, plant and equipment	1,142	531
Intangible assets		
Goodwill	277	203
Software	255	190
Software in progress	8	4
Telephone subscription right	4	4
Total intangible assets	545	402
Investments and other assets		
Investment securities	2,120	2,022
Long-term prepaid expenses	41	42
Deferred tax assets	198	226
Leasehold and guarantee deposits	1,006	942
Long-term time deposits	100	—
Other	37	40
Total investments and other assets	3,504	3,274
Total non-current assets	5,192	4,207
Total assets	14,041	14,649

(Million yen)

	Year ended August 31, 2020	Year ended August 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	119	119
Accounts payable - other	134	102
Accrued expenses	1,055	1,139
Income taxes payable	287	427
Accrued consumption taxes	198	331
Advances received	1,537	1,242
Lease obligations	1	1
Deposits received	45	54
Provision for bonuses	423	404
Other	43	51
Total current liabilities	<u>3,847</u>	<u>3,876</u>
Non-current liabilities		
Retirement benefit liability	104	111
Provision for share awards for directors (and other officers)	—	11
Provision for share awards	—	34
Long-term accounts payable-other to employees	108	104
Long-term accounts payable-other to officers	117	117
Deferred tax liabilities	32	18
Lease obligations	9	7
Asset retirement obligations	346	339
Long-term guarantee deposits	1	1
Total non-current liabilities	<u>720</u>	<u>747</u>
Total liabilities	<u>4,568</u>	<u>4,624</u>
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	10,140	10,529
Treasury shares	(2,903)	(2,779)
Total shareholders' equity	<u>9,119</u>	<u>9,632</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	342	377
Foreign currency translation adjustment	11	15
Total accumulated other comprehensive income	<u>354</u>	<u>392</u>
Total net assets	<u>9,473</u>	<u>10,025</u>
Total liabilities and net assets	<u>14,041</u>	<u>14,649</u>

(2) Consolidated statements of income and comprehensive income
Consolidated statements of income

	(Million yen)	
	From September 1, 2019 to August 31, 2020	From September 1, 2020 to August 31, 2021
Net sales	18,218	19,039
Cost of sales	13,816	13,912
Gross profit	4,401	5,126
Selling, general and administrative expenses		
Advertising expenses	405	473
Promotion expenses	1,108	1,505
Provision of allowance for doubtful accounts	19	7
Remuneration for directors (and other officers)	297	287
Salaries and allowances	415	377
Bonuses	37	25
Provision for bonuses	57	44
Retirement benefit expenses	10	7
Provision for share awards for directors (and other officers)	—	11
Provision for share awards	—	4
Commission expenses	270	320
Depreciation	30	29
Rent expenses	344	267
Amortization of goodwill	472	74
Other	718	721
Total selling, general and administrative expenses	4,187	4,157
Operating profit	214	969
Non-operating income		
Interest income	16	13
Dividend income	45	22
Share of profit of entities accounted for using equity method	12	8
Rental income	20	18
Reversal of allowance for doubtful accounts	74	17
Subsidy income	55	57
Other	24	19
Total non-operating income	249	157
Non-operating expenses		
Interest expenses	1	1
Commission for purchase of treasury shares	3	—
Rental expenses	6	4
Loss on cancellation of leases	—	5
Other	1	0
Total non-operating expenses	12	12
Ordinary profit	451	1,113

(Million yen)

	From September 1, 2019 to August 31,2020	From September 1, 2020 to August 31, 2021
Extraordinary income		
Gain on sale of property, plant and equipment	—	531
Gain on sale of investment securities	994	164
Total extraordinary income	994	696
Extraordinary losses		
Loss on change in equity	—	1
Loss on retirement of property, plant and equipment	8	11
Loss on valuation of investment securities	468	—
Loss on sale of shares of subsidiaries and associates	53	—
Loss on withdrawal from business	—	41
Impairment losses	2,453	11
Total extraordinary losses	2,983	65
Profit (loss) before income taxes	(1,537)	1,744
Income taxes - current	659	660
Income taxes - deferred	41	(56)
Total income taxes	701	604
Profit (loss)	(2,238)	1,140
Loss attributable to non-controlling interests	(6)	—
Profit (loss) attributable to owners of parent	(2,232)	1,140

Consolidated statements of comprehensive income

(Million yen)

	From September 1, 2019 to August 31, 2020	From September 1, 2020 to August 31, 2021
Profit	(2,238)	1,140
Other comprehensive income		
Valuation difference on available-for-sale securities	(488)	34
Share of other comprehensive income of entities accounted for using equity method	(1)	3
Total other comprehensive income	(489)	38
Comprehensive income	(2,728)	1,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,721)	1,179
Comprehensive income attributable to non- controlling interests	(7)	—

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

Previous consolidated fiscal year (From September 1, 2019 to August 31, 2020)

(million yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	13,317	(1,643)	13,556
Changes during period					
Dividends of surplus			(796)		(796)
Profit (loss) attributable to owners of parent			(2,232)		(2,232)
Purchase of treasury shares				(1,259)	(1,259)
Change in scope of consolidation			(148)		(148)
Disposal of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(3,177)	(1,259)	(4,436)
Balance at end of period	972	909	10,140	(2,903)	9,119

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	830	12	843	15	14,414
Changes during period					
Dividends of surplus					(796)
Profit (loss) attributable to owners of parent					(2,232)
Purchase of treasury shares					(1,259)
Change in scope of consolidation					(148)
Disposal of treasury shares					—
Net changes in items other than shareholders' equity	(488)	(1)	(489)	(15)	(504)
Total changes during period	(488)	(1)	(489)	(15)	(4,941)
Balance at end of period	342	11	354	—	9,473

Current consolidated fiscal year (From September 1, 2020 to August 31, 2021)

(million yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,140	(2,903)	9,119
Changes during period					
Dividends of surplus			(627)		(627)
Profit (loss) attributable to owners of parent			1,140		1,140
Purchase of treasury shares				(155)	(155)
Change in scope of consolidation					—
Disposal of treasury shares			(124)	279	155
Net changes in items other than shareholders' equity					
Total changes during period	—	—	389	124	513
Balance at end of period	972	909	10,529	(2,779)	9,632

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	342	11	354	—	9,473
Changes during period					
Dividends of surplus					(627)
Profit (loss) attributable to owners of parent					1,140
Purchase of treasury shares					(155)
Change in scope of consolidation					—
Disposal of treasury shares					155
Net changes in items other than shareholders' equity	34	3	38	—	38
Total changes during period	34	3	38	—	552
Balance at end of period	377	15	392	—	10,025

(4) Consolidated statements of cash flows

	(Million yen)	
	Year ended August 31, 2020	Year ended August 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(1,537)	1,744
Depreciation	195	162
Impairment losses	2,453	11
Amortization of intangible assets	64	5
Amortization of goodwill	472	74
Increase (decrease) in allowance for doubtful accounts	(74)	(12)
Increase (decrease) in provision for bonuses	75	(19)
Increase (decrease) in retirement benefit liability	10	6
Increase (decrease) in provision for share awards for directors (and other officers)	—	11
Increase (decrease) in provision for share awards	—	34
Loss (gain) on valuation of investment securities	468	—
Loss (gain) on sale of investment securities	(994)	(164)
Loss (gain) on sale of shares of subsidiaries and associates	53	—
Interest and dividend income	(62)	(36)
Subsidy income	(55)	(57)
Interest expenses	1	1
Share of loss (profit) of entities accounted for using equity metho	(12)	(8)
Loss (gain) on change in equity	—	1
Rental income	(20)	(18)
Rent expenses	6	4
Loss (gain) on sale of property, plant and equipment	—	(531)
Loss on retirement of property, plant and equipment	8	11
Decrease (increase) in trade receivables	241	78
Decrease (increase) in inventories	(8)	21
Increase (decrease) in trade payables	(37)	0
Increase (decrease) in accrued consumption taxes	26	133
Increase (decrease) in accrued expenses	(76)	86
Decrease (increase) in other assets	(99)	(91)
Increase (decrease) in other liabilities	(37)	(325)
Subtotal	1,060	1,126
Interest and dividends received	64	38
Interest paid	(1)	(1)
Income taxes paid	(1,038)	(477)
Subsidies received	55	57
Net cash provided by (used in) operating activities	140	742

	(Million yen)	
	Year ended August 31, 2020	Year ended August 31, 2021
Cash flows from investing activities		
Purchase of securities	(100)	(100)
Proceeds from redemption of securities	100	100
Purchase of property, plant and equipment	(151)	(165)
Proceeds from sale of property, plant and equipment	2	1,235
Purchase of intangible assets	(166)	(24)
Purchase of investment securities	(191)	—
Proceeds from sale of investment securities	1,674	221
Proceeds from redemption of investment securities	200	200
change	(66)	—
in scope of consolidation		
Loan advances	(1)	—
Proceeds from collection of loans receivable	80	—
Payments of guarantee deposits	(69)	(36)
Proceeds from refund of guarantee deposits	14	52
Decrease (increase) in time deposits	(100)	200
Other, net	17	15
Net cash provided by (used in) investing activities	1,243	1,697
Cash flows from financing activities		
Proceeds from borrowings	—	1,000
Repayments of borrowings	(6)	(1,000)
Purchase of treasury shares	(1,259)	—
Dividends paid	(797)	(626)
Repayments of lease obligations	(0)	(1)
Net cash provided by (used in) financing activities	(2,063)	(628)
Net increase (decrease) in cash and cash equivalents	(679)	1,811
Cash and cash equivalents at beginning of period	7,445	6,765
Cash and cash equivalents at end of period	6,765	8,577

Segment Information

1. Information about Segment Sales and Income (Loss)

Previous consolidated fiscal year (From September 1, 2019 to August 31, 2020)

(Million yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Sales to third party	10,297	4,349	1,156	15,803	2,414	18,218
Intersegment sales	4	743	—	748	68	816
Total	10,301	5,093	1,156	16,551	2,483	19,034
Segment income(loss)	294	1,428	54	1,778	(276)	1,501
Other items						
Depreciation	69	70	16	156	32	189
Amortization of goodwill	228	—	169	398	74	472

(Note)

* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Sports Business (Meiko Soccer School etc.), Waseda Academy Kobetsu Schools, RED Business, Meiko Kids e and other businesses of consolidated subsidiaries.

** Information about assets and liabilities are not disclosed because it is not treated as information that is central to the allocation of management resources and the evaluation of business performance.

*** The Company sold all of its shares in Youdec Co., Ltd. As a result, Youdec Co., Ltd. and its subsidiary, KOYO SHOBO Co. has been excluded from the scope of consolidation. In preparing the consolidated financial statements, the income statement up to the deemed sale date has been consolidated, assuming that the deemed sale date of Youdec Co., Ltd. shares is March 1, 2020.

Current consolidated fiscal year (From September 1, 2020 to August 31, 2021)

(Million yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Sales to third party	11,557	4,505	840	16,903	2,135	19,039
Intersegment sales	—	892	3	895	28	924
Total	11,557	5,397	844	17,799	2,164	19,963
Segment income(loss)	1,338	1,367	(176)	2,529	(269)	2,259
Other items						
Depreciation	40	59	15	115	37	153
Amortization of goodwill	—	—	—	—	74	74

(Note)

* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Sports Business (Meiko Soccer School etc.), Waseda Academy Kobetsu Schools, RED Business, Meiko Kids e and other businesses of consolidated subsidiaries.

** Information about assets and liabilities are not disclosed because it is not treated as information that is central to the allocation of management resources and the evaluation of business performance.

*** Tokyo Ishin Gakuin Co., Ltd. was excluded from the scope of consolidation due to the completion of liquidation on June 30, 2021. In the current consolidated fiscal year, only the profit and loss statement up to the time of completion of liquidation is consolidated.

2. Reconciliation of difference between reportable segment totals and consolidated financial statement totals
(Matters relating to reconciliation of differences)

(Million yen)

Sales	Year ended August 31, 2020	Year ended August 31, 2021
Reportable segment total	16,551	17,799
Sales for "Others" category	2,483	2,164
Intersegment eliminations	(816)	(924)
Net sales in financial statements	18,218	19,039

(Million yen)

Profit	Year ended August 31, 2020	Year ended August 31, 2021
Reportable segment total	1,778	2,529
Income(Loss) for "Others" category	(276)	(269)
Corporate expenses	(1,287)	(1,290)
Operating income in financial statements	214	969

(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.

Other Items	Reportable segment total		Others		Reconciliations		Amount in consolidated financial statements	
	Year ended August 31, 2020	Year ended August 31, 2021	Year ended August 31, 2020	Year ended August 31, 2021	Year ended August 31, 2020	Year ended August 31, 2021	Year ended August 31, 2020	Year ended August 31, 2021
Depreciation	156	115	32	37	5	9	195	162

(Note)

Adjustment of depreciation and amortization is mainly depreciation and amortization of assets related to administrative divisions such as the general affairs division of the parent company's head office that do not belong to any reportable segment.

Per share information

	Year ended August 31, 2020	Year ended August 31, 2021
Net assets per share	377.67 yen	Net assets per share 399.67 yen
Net income (loss) per share	(85.21) yen	Earnings per share 45.47 yen

(Note)

* As there is no potential shares, we do not disclose the diluted net income per share.

** Net income per share or basis for calculation of net income (loss) per share

(Million yen)

	Year ended August 31, 2020	Year ended August 31, 2021
Net income per share		
Profit attributable to owners of parent	(2,232)	1,140
Amount not attributable to ordinary shareholders	—	—
Profit attributable to owners of parent of ordinary shareholders	(2,232)	1,140
Average number of shares during the period	26,198,740	25,084,293

(Note)

*** In the calculation of net assets per share of shareholders' equity, the Company's shares held by the "Stock Granting Trust for Directors" and "Stock Granting Trust for Employee", which are recorded as treasury stock, are included in the shares deducted in the calculation of the number of common shares at the end of the fiscal year.

(141,000 shares in the "Stock Granting Trust for Directors" and 121,000 shares in the "Stock Granting Trust for Employees")

**** For the purpose of calculating net income per share, the Company's shares held by the the Company's shares held by the "Stock Granting Trust for Directors" and "Stock Granting Trust for Employee", which are recorded as treasury stock, are included in the treasury stock deducted in the calculation of the average number of shares outstanding during the period.

(70,693 shares in the "Stock Granting Trust for Directors" and 60,666 shares in the "Stock Granting Trust for Employees")