

II Nine months ended May 31, 2022 (September 1, 2021 to May 31, 2022)

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	550	1,226	—	1,776	941	2,718
Goods or services that are transferred over a fixed period of time	7,936	2,004	552	10,492	673	11,166
Revenue from a contract with a customer	8,486	3,230	552	12,268	1,615	13,884
Other income	—	—	—	—	—	—
Sales to external customers	8,486	3,230	552	12,268	1,615	13,884
Intersegment sales and transfers	—	655	—	655	4	659
Total	8,486	3,885	552	12,924	1,619	14,543
Segment profit (loss)	606	1,233	(172)	1,667	(132)	1,534

(Note)* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Waseda Academy Kobetsu Schools, Meiko Kids e Business, Jiritsugakusyu RED, HR solution Business and other businesses of consolidated subsidiaries Koto & Company.

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	1,667
Profit (loss) for “Others” category	(132)
Corporate expenses*	(887)
Operating profit reported on quarterly statements of income	647

(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. (Significant changes in the amount of goodwill)

Effective from the third quarter of the current fiscal year, the Company acquired all of the outstanding shares of Simple Co. Ltd. was included in the scope of consolidation.

As a result, goodwill increased by 287 million yen in the "Other" segment.

4. Matters related to changes in reportable segments

As described in "Changes in accounting policies," the Company has applied the Accounting Standard for Revenue Recognition from the beginning of the first quarter of the current fiscal year. The method of calculating profit or loss for business segments has been changed as well.

As a result of this change, net sales and segment income of the Meiko Gijuku franchised school business for the third quarter of the fiscal year under review were 5 million yen higher than they would have been under the previous method. Net sales and segment income of "Other" increased by 12 million yen each.