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**Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2024
(Japanese GAAP)**

July 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: July 12, 2024
 Scheduled date to commencement dividend payment: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the Nine months ended May 31, 2024 (from September 1, 2023 to May 31, 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	%
Nine months ended								
May 31, 2024	15,920	6.7	200	(43.1)	274	(44.2)	63	(81.9)
May 31, 2023	14,924	7.5	352	(45.5)	491	(31.8)	350	(53.4)

(Note) Comprehensive income: Nine months ended May 31, 2024: ¥182 million [(65.1) %]
 Nine months ended May 31, 2023: ¥524 million [(41.0) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
May 31, 2024	2.52	-
May 31, 2023	13.96	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2024	15,167	10,480	69.1
August 31, 2023	15,811	11,203	70.9

(Reference) Equity: As of May 31, 2024: ¥10,480 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 May 31, 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 May 31, 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)

Nine months ended May 31, 2024	25,208,785 shares
Nine months ended May 31, 2023	25,133,347 shares

Note: Treasury stock for the nine months ended May 31, 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	Nine months ended May 31, 2023		Nine months ended May 31, 2024	
Fiscal Period	From Sep. 1, 2022 to May 31, 2023		From Sep. 1, 2023 to May 31, 2024	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools	233	16	270	37
Number of Meiko Gijuku directly operated schools (MAXIS)	97	2	94	(3)
Number of Meiko Gijuku directly operated schools (KLINE)	41	-	41	-
Number of Meiko Gijuku directly operated schools (TOMONI)	42	-	42	-
Number of Meiko Gijuku directly operated schools (One link)	21	-	20	(1)
Number of Meiko Gijuku directly operated schools (Cooth)	18	3	20	2
Subtotal number of Meiko Gijuku directly operated schools	452	21	487	35
Number of Meiko Gijuku franchised schools	1,304	(32)	1,227	(77)
Total number of Meiko Gijuku schools	1,756	(11)	1,714	(42)
Number of registered students of Meiko Gijuku directly operated schools	14,703	938	16,475	1,772
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	5,778	(19)	5,412	(366)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,585	(6)	2,532	(53)
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	1,831	(124)	1,862	31
Number of registered students of Meiko Gijuku directly operated schools (One link)	776	(35)	872	96
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	966	11	1,042	76
Subtotal number of registered students of Meiko Gijuku directly operated schools	26,639	765	28,195	1,556
Number of registered students of Meiko Gijuku franchised Schools	57,045	(3,610)	54,518	(2,527)
Total number of registered students of Meiko Gijuku schools	83,684	(2,845)	82,713	(971)
Sales from Meiko Gijuku directly operated schools (Millions of yen)	8,852	366	9,259	406
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	3,055	(174)	2,975	(80)
Sales from Japanese language schools (Millions of yen)	816	264	1,014	197
Sales from others (Millions of yen)	2,199	584	2,671	472
Total Sales (Millions of yen)	14,924	1,040	15,920	996
Sales from Meiko Gijuku directly operated schools (Millions of yen)	8,852	366	9,259	406
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	16,378	(995)	15,766	(612)
Total system-wide sales from Meiko Gijuku schools *2 (Millions of yen)	25,231	(628)	25,025	(205)

* 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 May 31, 2024
Assets		
Current assets		
Cash and deposits	8,472	7,286
Accounts receivable - trade	1,038	855
Securities	100	-
Merchandise	123	118
Work in process	13	3
Supplies	10	18
Advance payments to suppliers	28	106
Prepaid expenses	357	415
Other	309	514
Allowance for doubtful accounts	(34)	(41)
Total current assets	10,421	9,279
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,416	1,558
Accumulated depreciation	(833)	(900)
Buildings and structures, net	582	658
Tools, furniture and fixtures	415	437
Accumulated depreciation	(359)	(364)
Tools, furniture and fixtures, net	55	72
Land	48	48
Leased assets	19	41
Accumulated depreciation	(13)	(15)
Leased assets, net	6	25
Total property, plant and equipment	693	805
Intangible assets		
Goodwill	292	547
Software	163	219
Software in progress	20	9
Telephone subscription right	4	4
Total intangible assets	482	780
Investments and other assets		
Investment securities	2,809	2,902
Long-term prepaid expenses	26	29
Deferred tax assets	98	118
Leasehold and guarantee deposits	1,022	1,089
Long-term time deposits	100	100
Other	158	62
Total investments and other assets	4,214	4,302
Total non-current assets	5,390	5,888
Total assets	15,811	15,167

(Millions of yen)

	As of August 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	157	165
Accounts payable - other	138	132
Accrued expenses	1,204	956
Income taxes payable	166	129
Accrued consumption taxes	231	185
Contract liabilities	1,218	1,268
Lease liabilities	2	2
Deposits received	132	172
Provision for bonuses	445	623
Other	62	149
Total current liabilities	3,759	3,786
Non-current liabilities		
Retirement benefit liability	135	136
Provision for share awards for directors (and other officers)	36	51
Long-term accounts payable-other to employees	79	79
Long-term accounts payable-other to officers	116	116
Deferred tax liabilities	67	47
Lease liabilities	4	25
Asset retirement obligations	406	441
Long-term guarantee deposits	1	1
Total non-current liabilities	848	900
Total liabilities	4,607	4,687
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	11,184	10,334
Treasury shares	(2,707)	(2,700)
Total shareholders' equity	10,358	9,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	815	931
Foreign currency translation adjustment	29	32
Total accumulated other comprehensive income	844	963
Total net assets	11,203	10,480
Total liabilities and net assets	15,811	15,167

(2) Quarterly consolidated statements of profit or loss and comprehensive income
Quarterly consolidated statements of profit or loss

(Millions of yen)

	Nine months ended May 31, 2023	Nine months ended May 31, 2024
Net sales	14,924	15,920
Cost of sales	11,708	12,676
Gross profit	3,215	3,244
Selling, general and administrative expenses	2,863	3,043
Operating profit	352	200
Non-operating income		
Interest income	7	6
Dividend income	10	23
Share of profit of entities accounted for using equity method	51	7
Gain on investments in investment partnerships	-	0
Rental income	15	12
Reversal of allowance for doubtful accounts	6	5
Subsidy income	0	0
Penalty income	-	14
Other	57	12
Total non-operating income	149	82
Non-operating expenses		
Loss on investments in investment partnerships	5	-
Rental expenses	4	1
Other	0	7
Total non-operating expenses	11	9
Ordinary profit	491	274
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	1
Loss on retirement of non-current assets	2	24
Loss on store closings	-	4
Total extraordinary losses	11	31
Profit before income taxes	629	281
Income taxes - current	237	305
Income taxes - deferred	41	(87)
Total income taxes	278	217
Profit	350	63
Profit attributable to owners of parent	350	63

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended May 31, 2023	Nine months ended May 31, 2024
Profit	350	63
Other comprehensive income		
Valuation difference on available-for-sale securities	174	116
Share of other comprehensive income of entities accounted for using equity method	(1)	2
Total other comprehensive income	173	119
Comprehensive income	524	182
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	524	182

(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)

Nine months ended May 31, 2024 (from September 1, 2023 to May 31, 2024)

Not applicable.

Segment Information

I Nine months ended May 31, 2023 (from September 1, 2022 to May 31, 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	515	1,165	-	1,681	1,526	3,207
Goods or services that are transferred over a fixed period of time	8,336	1,890	816	11,043	673	11,717
Revenue from contracts with customers	8,852	3,055	816	12,724	2,199	14,924
Other income	-	-	-	-	-	-
Sales to external customers	8,852	3,055	816	12,724	2,199	14,924
Inter-segment sales and transfers	-	683	0	683	297	981
Total	8,852	3,739	816	13,408	2,497	15,906
Segment profit (loss)	403	877	18	1,300	13	1,313

(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	1,300
Profit (Loss) for “Others” category	13
Corporate expenses*	(960)
Operating profit reported on quarterly statements of income	352

(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 (Significant changes in the amount of goodwill)

Not applicable.

II Nine months ended May 31, 2024 (September 1, 2023 to May 31, 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	546	1,150	-	1,696	1,819	3,515
Goods or services that are transferred over a fixed period of time	8,712	1,824	1,014	11,552	852	12,404
Revenue from a contract with a customer	9,259	2,975	1,014	13,248	2,671	15,920
Other income	-	-	-	-	-	-
Sales to external customers	9,259	2,975	1,014	13,248	2,671	15,920
Intersegment sales and transfers	-	676	-	676	369	1,046
Total	9,259	3,652	1,014	13,925	3,041	16,966
Segment profit (loss)	443	747	64	1,254	7	1,262

(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	1,254
Profit (loss) for "Others" category	7
Corporate expenses*	(1,061)
Operating profit reported on quarterly statements of income	200

(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 (Significant changes in the amount of goodwill)

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.

Since we acquired all shares of Runwellness Co., Ltd. (renamed Meikowellness Co., Ltd. as of May 31, 2024), it has been included in the scope of consolidation from the third quarter of the current consolidated fiscal year.

As a result, the increase in goodwill in the "Other" segment was 355 million yen.