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Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (Japanese GAAP)

October 10, 2024

Company name: MEIKO NETWORK JAPAN CO., LTD.
 Listing: Tokyo
 Securities code: 4668 (URL: <https://www.meiconet.co.jp>)
 Representative: Kazuhito Yamashita, President & Representative Director
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 Telephone: +81-3-5860-2111
 Scheduled date of annual general meeting of shareholders: November 15, 2024
 Scheduled date to file quarterly securities report: November 18, 2024
 Scheduled date to commencement dividend payment: November 18, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investor)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended August 31, 2024 (From September 1, 2023 to August 31, 2024)

(1) Consolidated operating results

(% 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	%
Fiscal year ended August 31, 2024	22,579	8.2	1,010	(5.1)	1,163	(6.4)	489	(39.5)
August 31, 2023	20,871	6.1	1,064	(8.9)	1,243	(3.6)	809	(17.0)

Note: Comprehensive income: For the fiscal year ended August 31, 2024: ¥597million [(46.1) %]
 For the fiscal year ended August 31, 2023: ¥1,110 million [(1.4) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended August 31, 2024	19.41	-	4.4	7.3	4.5
August 31, 2023	32.17	-	7.4	8.0	5.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended August 31, 2024: ¥44 million

For the fiscal year ended August 31, 2023: ¥58 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of August 31, 2024	16,240	10,884	67.0	431.75
August 31, 2023	15,811	11,203	70.9	444.51

Reference: Equity As of August 31, 2024: ¥10,884 million
 As of August 31, 2023: ¥11,203 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2024	742	(595)	(863)	7,677
August 31, 2023	608	(307)	(588)	8,285

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
August 31, 2023	-	12.00	-	12.00	24.00	608	74.6	5.5
August 31, 2024	-	22.00	-	12.00	34.00	861	175.2	7.8
Fiscal year ending August 31, 2025 (Forecast)	-	13.00	-	13.00	26.00		100.9	

Note: 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, 2025 (From September 1, 2024 to August 31, 2025)

(% 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
Second quarter (cumulative)	11,380	2.1	680	(19.6)	710	(21.1)	390	(25.0)	15.47
Full-year	23,000	1.9	1,100	8.9	1,170	0.6	650	32.8	25.78

Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 3 companies (Names: MEIKO Career Partners Co., Ltd., Reverse Inc., Meikowellness Co., Ltd.)
 Excluded: None (Names: None)
- (2) 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

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period. (including treasury shares)

As of August 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 August 31, 2024	2,592,148 shares
As of August 31, 2023	2,599,108 shares

- (iii) Average number of shares outstanding during the period.

Fiscal year ended August 31, 2024	25,209,456 shares
Fiscal year ended August 31, 2023	25,151,283 shares

Note: Treasury stock for the fiscal year ended August 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)

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended August 31, 2024

(From September 1, 2023 to August 31, 2024)

(1) Non-consolidated operating results

(Percentages represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
August 31, 2024	14,076	4.8	380	(19.1)	1,841	244.0	1,118	182.8
August 31, 2023	13,426	2.5	471	(35.7)	535	(31.8)	395	(48.8)

	Net income per share	Fully diluted net income per share
	yen	yen
Fiscal year ended		
August 31, 2024	44.36	-
August 31, 2023	15.72	-

(2) Non-consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
Fiscal year ended				
August 31, 2024	13,673	11,018	80.6	437.05
August 31, 2023	13,015	10,668	82.0	423.30

(Reference) Shareholders' equity: Fiscal year ended August 31, 2024: ¥11,018 million
Fiscal year ended August 31, 2023: ¥10,668 million

* The financial statements are not subject to audit by a certified public accountant or auditing firm.

* 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 a variety of different factors.

How to obtain presentation materials and the contents of the financial results briefing.

The Company plans to hold a financial results briefing for institutional investors and analysts on October 10, 2024.

The presentation materials and audio will be posted on the Company's website promptly after the meeting.

Reference: Trend of numbers of Meiko Gijuku schools and registered students and system-wide sales

Term	Fiscal year ended August 31, 2023		Fiscal year ended August 31, 2024	
	From Sep. 1, 2022 to Aug. 31, 2023		From Sep. 1, 2023 to Aug. 31, 2024	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools (MNJ)	239	19	274	35
Number of Meiko Gijuku directly operated schools (MAXIS)	98	3	91	(7)
Number of Meiko Gijuku directly operated schools (KLINE)	40	(1)	41	1
Number of Meiko Gijuku directly operated schools (TOMONI)	42	-	43	1
Number of Meiko Gijuku directly operated schools (One link)	21	(1)	20	(1)
Number of Meiko Gijuku directly operated schools (Cooth)	18	2	20	2
Sum number of Meiko Gijuku directly operated schools	458	22	489	31
Number of Meiko Gijuku franchised schools	1,296	(43)	1,216	(80)
Total number of Meiko Gijuku schools	1,754	(21)	1,705	(49)
Number of registered students of Meiko Gijuku directly operated schools (MNJ)	16,992	1,090	19,580	2,588
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	6,539	(95)	6,340	(199)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,830	(49)	2,919	89
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	2,140	(125)	2,274	134
Number of registered students of Meiko Gijuku directly operated schools (One link)	871	(76)	1,016	145
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	1,183	15	1,336	153
Subtotal number of registered students of Meiko Gijuku directly operated schools	30,555	760	33,465	2,910
Number of registered students of Meiko Gijuku franchised Schools	65,176	(4,060)	64,092	(1,084)
Total number of registered students of Meiko Gijuku schools	95,731	(3,300)	97,557	1,826
Sales from Meiko Gijuku directly operated schools (Millions of yen)	12,680	493	13,355	674
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	4,266	(259)	4,145	(120)
Sales from Japanese language schools (Millions of yen)	1,120	305	1,352	231
Sales from others (Millions of yen)	2,803	656	3,726	923
Total Sales (Millions of yen)	20,871	1,196	22,579	1,708
Sales from Meiko Gijuku directly operated schools (Millions of yen)	12,680	493	13,355	674
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	23,096	(1,235)	22,352	(744)
Total system-wide sales from Meiko Gijuku schools*2 (Millions of yen)	35,777	(741)	35,707	(69)

* 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.

Consolidated Financial Statements and Major Notes

(1) Consolidated statement of Balance Sheets

(Millions of yen)

	Fiscal year ended August 31, 2023 (As of August 31,2023)	Fiscal year ended August 31, 2024 (As of August 31,2024)
Assets		
Current assets		
Cash and deposits	8,472	7,871
Accounts receivable - trade	1,038	1,290
Securities	100	—
Merchandise	123	120
Work in process	13	15
Supplies	10	8
Advance payments to suppliers	28	106
Prepaid expenses	357	439
Other	309	725
Allowance for doubtful accounts	(34)	(41)
Total current assets	10,421	10,536
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,416	1,624
Accumulated depreciation	(833)	(910)
Buildings and structures, net	582	713
Tools, furniture and fixtures	415	441
Accumulated depreciation	(359)	(379)
Tools, furniture and fixtures, net	55	62
Land	48	48
Leased assets	19	36
Accumulated depreciation	(13)	(12)
Leased assets, net	6	24
Total property, plant and equipment	693	849
Intangible assets		
Goodwill	292	344
Software	163	204
Software in progress	20	7
Telephone subscription right	4	4
Total intangible assets	482	561
Investments and other assets		
Investment securities	2,809	2,891
Long-term prepaid expenses	26	25
Deferred tax assets	98	128
Leasehold and guarantee deposits	1,022	1,087
Long-term time deposits	100	100
Other	158	61
Total investments and other assets	4,214	4,293
Total non-current assets	5,390	5,704
Total assets	15,811	16,240

(Millions of yen)

	Fiscal year ended August 31, 2023 (As of August 31, 2023)	Fiscal year ended August 31, 2024 (As of August 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	157	174
Accounts payable - other	138	166
Accrued expenses	1,204	1,380
Income taxes payable	166	370
Accrued consumption taxes	231	277
Contract liabilities	1,218	1,379
Lease liabilities	2	5
Deposits received	132	190
Provision for bonuses	445	492
Other	62	43
Total current liabilities	3,759	4,480
Non-current liabilities		
Retirement benefit liability	135	133
Provision for share awards for directors (and other officers)	36	50
Long-term accounts payable-other to employees	79	79
Long-term accounts payable-other to officers	116	98
Deferred tax liabilities	67	48
Lease liabilities	4	21
Asset retirement obligations	406	442
Long-term guarantee deposits	1	1
Total non-current liabilities	848	875
Total liabilities	4,607	5,355
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	907
Retained earnings	11,184	10,752
Treasury shares	(2,707)	(2,700)
Total shareholders' equity	10,358	9,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	815	902
Foreign currency translation adjustment	29	51
Total accumulated other comprehensive income	844	953
Total net assets	11,203	10,884
Total liabilities and net assets	15,811	16,240

(2) Consolidated statements of profit or loss and comprehensive income**Consolidated statements of profit or loss**

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Net sales	20,871	22,579
Cost of sales	15,819	17,314
Gross profit	5,051	5,265
Selling, general and administrative expenses		
Advertising expenses	437	393
Promotion expenses	981	932
Provision of allowance for doubtful accounts	18	13
Remuneration for directors (and other officers)	317	352
Salaries and allowances	464	521
Bonuses	34	38
Provision for bonuses	52	56
Retirement benefit expenses	7	9
Provision for share awards for directors (and other officers)	10	13
Provision for share awards	3	—
Commission expenses	305	404
Depreciation	46	54
Rent expenses	291	343
Amortization of goodwill	129	124
Other	884	997
Total selling, general and administrative expenses	3,987	4,255
Operating profit	1,064	1,010
Non-operating income		
Interest income	11	10
Dividend income	30	54
Share of profit of entities accounted for using equity method	58	44
Rental income	25	16
Reversal of allowance for doubtful accounts	14	3
Subsidy income	0	0
Penalty income	21	14
Other	39	21
Total non-operating income	201	165
Non-operating expenses		
Loss on investments in investment partnerships	7	0
Rental expenses	11	1
Other	3	9
Total non-operating expenses	22	11
Ordinary profit	1,243	1,163

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	149	35
Gain on change in equity	—	5
Total extraordinary income	150	41
Extraordinary losses		
Loss on change in equity	9	—
Loss on sale of non-current assets	1	1
Loss on retirement of property, plant and equipment	2	24
Loss on store closings	—	4
Impairment losses	26	203
Other	2	—
Total extraordinary losses	42	234
Profit before income taxes	1,350	970
Income taxes - current	478	563
Income taxes - deferred	63	(82)
Total income taxes	541	480
Profit	809	489
Profit attributable to owners of parent	809	489

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Profit	809	489
Other comprehensive income		
Valuation difference on available-for-sale securities	293	86
Share of other comprehensive income of entities accounted for using equity method	7	21
Total other comprehensive income	301	108
Comprehensive income	1,110	597
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,110	597

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

Previous consolidated fiscal year (From September 1, 2022 to August 31, 2023)

(Millions of yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,959	(2,779)	10,062
Changes during period					
Dividends of surplus			(582)		(582)
Profit attributable to owners of parent			809		809
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				71	71
Change in scope of consolidation			(1)		(1)
Change in scope of equity method					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	224	71	296
Balance at end of period	972	909	11,184	(2,707)	10,358

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	521	21	543	10,606
Changes during period				
Dividends of surplus				(582)
Profit attributable to owners of parent				809
Purchase of treasury shares				(0)
Disposal of treasury shares				71
Change in scope of consolidation				(1)
Change in scope of equity method				-
Net changes in items other than shareholders' equity	293	7	301	301
Total changes during period	293	7	301	597
Balance at end of period	815	29	844	11,203

Current consolidated fiscal year (From September 1, 2023 to August 31, 2024)

(Millions of yen)

	Shareholder's equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	11,184	(2,707)	10,358
Changes during period					
Dividends of surplus			(861)		(861)
Profit attributable to owners of parent			489		489
Purchase of treasury shares					-
Disposal of treasury shares		(2)		7	4
Change in scope of consolidation			(48)		(48)
Change in scope of equity method			(11)		(11)
Net changes in items other than shareholders' equity					
Total changes during period	-	(2)	(432)	7	(427)
Balance at end of period	972	907	10,752	(2,700)	9,931

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	815	29	844	11,203
Changes during period				
Dividends of surplus				(861)
Profit attributable to owners of parent				489
Purchase of treasury shares				-
Disposal of treasury shares				4
Change of scope of consolidation				(48)
Change in scope of equity method				(11)
Net changes in items other than shareholders' equity	86	21	108	108
Total changes during period	86	21	108	(318)
Balance at end of period	902	51	953	10,884

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,350	970
Depreciation	173	199
Impairment losses	26	203
Amortization of intangible assets	20	53
Amortization of goodwill	129	124
Increase (decrease) in allowance for doubtful accounts	1	6
Increase (decrease) in provision for bonuses	11	21
Increase (decrease) in retirement benefit liability	14	(2)
Increase (decrease) in provision for share awards for directors (and other officers)	10	13
Increase (decrease) in provision for share awards	9	—
Loss (gain) on sale of investment securities	(149)	(35)
Interest and dividend income	(42)	(64)
Subsidy income	(0)	(0)
Penalty income	(21)	(14)
Share of loss (profit) of entities accounted for using equity method	(58)	(44)
Loss (gain) on change in equity	9	(5)
Loss (gain) on investments in investment partnerships	7	0
Rental income	(25)	(16)
Rent expenses	11	1
Loss (gain) on sale of non-current assets	0	1
Loss on retirement of non-current assets	2	24
Decrease (increase) in trade receivables	(51)	(124)
Decrease (increase) in inventories	(31)	3
Increase (decrease) in trade payables	26	14
Increase (decrease) in accrued consumption taxes	35	40
Increase (decrease) in accrued expenses	11	156
Decrease (increase) in other assets	35	(535)
Increase (decrease) in other liabilities	(7)	(78)
Subtotal	1,502	914
Interest and dividends received	44	66
Interest paid	—	0
Income taxes paid	(959)	(252)
Subsidies received	0	0
Penalty income received	21	14
Net cash provided by (used in) operating activities	608	742

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(145)	(222)
Proceeds from sale of property, plant and equipment	2	5
Purchase of intangible assets	(107)	(173)
Purchase of investment securities	(113)	(12)
Proceeds from sale of investment securities	150	36
Proceeds from redemption of investment securities	100	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(311)
Payments of guarantee deposits	(109)	(57)
Proceeds from refund of guarantee deposits	22	16
Decrease (increase) in time deposits	4	(7)
Other, net	(111)	29
Net cash provided by (used in) investing activities	(307)	(595)
Cash flows from financing activities		
Purchase of treasury shares	(0)	—
Dividends paid	(582)	(860)
Repayments of lease liabilities	(5)	(3)
Net cash provided by (used in) financing activities	(588)	(863)
Net increase (decrease) in cash and cash equivalents	(287)	(716)
Cash and cash equivalents at beginning of period	8,563	8,285
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	9	109
Cash and cash equivalents at end of period	8,285	7,677

(5) Notes on Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable

Segment Information

1. Information related to net sales, profit or loss for each reportable segment Previous consolidated fiscal year (From September 1, 2022 to August 31, 2023)

(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 transferred at a point in time	694	1,627	-	2,322	1,865	4,188
Goods or services transferred over a period of time	11,985	2,638	1,120	15,745	938	16,683
Revenue from contracts with customers	12,680	4,266	1,120	18,067	2,803	20,871
Other income	-	-	-	-	-	-
Sales to external customers	12,680	4,266	1,120	18,067	2,803	20,871
Intersegment sales and transfers	-	969	0	969	461	1,431
Total	12,680	5,235	1,120	19,037	3,265	22,302
Segment profit (loss)	1,171	1,298	20	2,489	(59)	2,430
Other items						
Depreciation	61	59	23	144	17	162
Amortization of goodwill	7	-	-	7	121	129

Notes: 1. "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 other businesses of consolidated subsidiaries Koto & Company and Simple Inc.

2. Information on assets and liabilities is not disclosed because the Company does not treat such information as central to the allocation of management resources and the evaluation of business performance.

Current consolidated fiscal year (From September 1, 2023 to August 31, 2024)

(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 transferred at a point in time	725	1,566	—	2,291	2,380	4,671
Goods or services transferred over a period of time	12,630	2,579	1,352	16,561	1,346	17,908
Revenue from contracts with customers	13,355	4,145	1,352	18,853	3,726	22,579
Other income	—	—	—	—	—	—
Sales to external customers	13,355	4,145	1,352	18,853	3,726	22,579
Intersegment sales and transfers	—	982	—	982	573	1,555
Total	13,355	5,128	1,352	19,835	4,300	24,135
Segment income (loss)	1,254	1,116	79	2,450	57	2,508
Other items						
Depreciation	71	65	19	155	32	188
Amortization of goodwill	7	—	—	7	116	124

Notes: 1. "Others" consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Jiritsugakusyū RED, MEIKO Kids e business, HR solution business, and other businesses of consolidated subsidiaries Koto & Company and Simple Inc.
2. Information on assets and liabilities are not disclosed because the Company does not treat such information as central to the allocation of management resources and the evaluation of business performance.

2. Difference between the Total of the Reportable Segments' Measures of Profit or Loss and Income according to Consolidated Statements of Income, and the Main Components of the Difference (Matters related to Adjustment of Difference)

(Millions of yen)

Net sales	Fiscal year ended August 31, 2023		Fiscal year ended August 31, 2024	
Reportable segment total		19,037		19,835
Profit (Loss) for "Others" category		3,265		4,300
Intersegment eliminations		(1,431)		(1,555)
Net sales in consolidated financial statements		20,871		22,579

(Millions of yen)

Profit (Loss)	Fiscal year ended August 31, 2023		Fiscal year ended August 31, 2024	
Reportable segment total		2,489		2,450
Profit (Loss) for "Others" category		(59)		57
Corporate expenses		(1,365)		(1,497)
Operating income in consolidated financial statements		1,064		1,010

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.

(Millions of yen)

Other items	Reportable segment total		Others		Adjustment*		Amount recorded in consolidated statements of operations	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
	Depreciation	144	155	17	32	11	11	173

Note: Adjustment of depreciation and amortization mainly represents depreciation and amortization of assets related to the General Affairs section of the parent company, which are not attributable to any reportable segment.

Per share information

Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)		Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)	
Net assets per share	444.51 yen	Net assets per share	431.75 yen
Net income (loss) per share	32.17 yen	Earnings per share	19.41 yen

- Notes:
1. Diluted net income per share is not shown in the above table, as there are no residual shares.
 2. Basis for calculation of net income per share

(Millions of yen)

	Fiscal year ended August 31, 2023 (from Sep. 1, 2022 to Aug. 31, 2023)	Fiscal year ended August 31, 2024 (from Sep. 1, 2023 to Aug. 31, 2024)
Net income per share		
Profit attributable to owners of parent	809	489
Amount not attributable to ordinary shareholders	-	-
Profit attributable to owners of parent of ordinary shareholders	809	489
Average number of shares during the period	25,151,283	25,209,456

3. In the calculation of "Net Asset Value per Share," we deduct the shares held in one's own name from the total number of common shares at the year-end. These treasury shares include the company's shares owned by "Stock Granting Trust for Officers."

In the previous consolidated fiscal year "Stock Granting Trust for Officers" held 141,000 shares. In the current consolidated fiscal year, "Stock Granting Trust for Officers" also held 141,000 shares.

4. In the calculation of "Earnings Per Share," we deduct the shares held in one's own name from the total number of common shares during the period. These treasury shares include the company's shares owned by "Stock Granting Trust for Officers."

In the previous consolidated fiscal year "Stock Granting Trust for Officers" held 141,000 shares. In the current consolidated fiscal year, "Stock Granting Trust for Officers" also held 141,000 shares.

(Significant Subsequent Events)

Not applicable