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Notice of Recording of Extraordinary Loss and Difference between Full-year Consolidated Earnings Forecast and Actual Results

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that it has recorded an extraordinary loss in the fiscal year ended August 31, 2024 and that there is a difference between the full-year consolidated earnings forecast for the fiscal year ended August 31, 2024 announced on October 12, 2023 and the full-year consolidated earnings results for the fiscal year ended August 31, 2024 announced today.

1. Difference between the Full-year Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ended August 31, 2024 (September 1, 2023 to August 31, 2024)

(1) Differences between consolidated earnings forecasts and actual results

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income Per Share
Previously announced forecast (A)	¥22,000 million	¥1,200 million	¥1,250 million	¥820 million	¥32.53
Revision (B)	¥22,579 million	¥1,010 million	¥1,163 million	¥489 million	¥19.41
Change (B-A)	+¥579 million	(¥189 million)	(¥86 million)	(¥330 million)	
Percentage change (%)	+2.6%	(15.8%)	(6.9%)	(40.3%)	
Reference: Consolidated results for the previous term (the fiscal year ended August 31, 2023)	¥20,871 million	¥1,064 million	¥1,243 million	¥809 million	¥32.17

(2) Reason for the Revision

In the consolidated financial statements for the fiscal year ended August 2024, we recorded an impairment loss on goodwill amounting to 179 million yen as a special loss because our consolidated subsidiary, Simple Inc., did not achieve its business plan. Additionally, including other impairment losses, we recorded a total of 203 million yen as a special loss. As a result, the net income attributable to owners of the parent company amounted to 489 million yen.

Simple Inc. has developed “Simple Nursery,” a career change assistance service for nursery and kindergarten teachers, and “Simple Dietitian,” a career change assistance service for dietitians and has earned a strong reputation as a recruitment agency that places priority on job seekers, nursery schools, and kindergartens. An important business strategy of the Company is to create another pillar of revenue following on from its education business by strengthening initiatives in the Human Resources Business, which is a new business, and transform to a business portfolio resistant to changes in the social environment. As part of the implementation of this strategy, the Company has strengthened its recruitment consulting services in the childcare industry to resolve the social issue of a declining workforce and has accelerated its transformation into a business portfolio resistant to changes in the

social environment.

As part of this, Simple Inc. prioritized up-front investments in the environment and systems to accelerate growth. At the same time, the allocation of sales personnel resources was insufficient, and Simple Inc. was unable to achieve its business plan. Regarding the shares of Simple Inc., we recorded a valuation loss on shares of affiliated companies amounting to 518 million yen in our non-consolidated financial statements. However, this has no impact on our consolidated financial statements.

As announced on October 12, 2023, the annual dividend for the fiscal year ended August 31, 2024 will be 34 yen per share, consisting of a second quarter-end ordinary dividend of 12 yen and a commemorative dividend of 10 yen, and a year-end dividend of 12 yen per share.