

February 24, 2021

Company name: Meiko Network Japan Co., Ltd.

Representative: Kazuhito Yamashita,
President & Representative Director

Stock code: 4668 (TSE First Section)

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Notice of the Dissolution of a Consolidated Subsidiary

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that, at the meeting of its Board of Directors held on February 24, 2021, the Company resolved as follows to dissolve a subsidiary of its called Tokyo Ishin Gakuin Co., Ltd. (“Tokyo Ishin Gakuin”).

1. Reason for the Dissolution

This subsidiary operates medical preparatory schools with students attending while living in dormitories or with students commuting to school from their own homes. It has trained many examinees into medical professionals through guidance that thoroughly faces each individual. Nevertheless, there has been a great impact from the intensifying competition among medical preparatory schools. Therefore, student numbers have stagnated for a long time. In addition, consumer needs and values are changing due to the impact of the spread of COVID-19. Accordingly, the Company has decided to dissolve this subsidiary as a result of carefully considering ways to improve the management efficiency of the Group.

2. Overview of the Subsidiary to Be Dissolved

(1) Name of company	Tokyo Ishin Gakuin Co., Ltd.		
(2) Address	11-1 Ichigayahachiman-cho, Shinjuku-ku, Tokyo		
(3) Name and title of representative	Keita Suga, President		
(4) Business description	Operation of medical preparatory schools		
(5) Capital	77,500,000 yen		
(6) Date of establishment	August 1, 1979		
(7) Major shareholders and shareholding ratio	The Company: 100%		
(8) The Company's relationship with Tokyo Ishin Gakuin	Capital relationship	Wholly owned by the Company	
	Personnel relationship	The Company has dispatched (concurrently) one person as director and one person as corporate auditor to Tokyo Ishin Gakuin	
	Transactional relationship	Dormitory rental and funding loan	
	Status of applicability to the related parties	It is a consolidated subsidiary of the Company	
(9) Business performance and financial position in Tokyo Ishin Gakuin in the last three years			
Accounting Period	Fiscal Year Ended August 31, 2018	Fiscal Year Ended August 31, 2019	Fiscal Year Ended August 31, 2020
Net assets	¥293 mn	¥248 mn	¥201 mn
Total assets	¥622 mn	¥515 mn	¥472 mn
Net sales	¥443 mn	¥371 mn	¥304 mn
Operating income	(¥42 mn)	(¥49 mn)	(¥49 mn)
Ordinary income	(¥40 mn)	(¥43 mn)	(¥46 mn)
Net income	(¥54 mn)	(¥44 mn)	(¥47 mn)

3. Schedule of the Dissolution

March 31, 2021: Resolution to dissolve at an extraordinary meeting of shareholders of this consolidated subsidiary (Planned)

June 30, 2021: Completion of liquidation (Planned)

4. Future Outlook

The impact on non-consolidated and consolidated business results for the fiscal year ending August 31, 2021 due to the dissolution of this subsidiary will be minimal. However, the Company will make a prompt announcement if matters that need to be disclosed arise in the future.