

(2) Consolidated statements of income and comprehensive income
Consolidated statements of income

(Million yen)

	First quarter of the previous consolidated term (September 1, 2018 - November 30, 2018)	First quarter of the consolidated term (September 1, 2019 - November 30, 2019)
Net sales	4,591	4,743
Cost of sales	3,227	3,482
Gross profit	1,364	1,260
Selling, general and administrative expenses	933	932
Operating profit	430	327
Non-operating income		
Interest income	3	2
Dividend income	—	6
Rental income	4	5
Reversal of allowance for doubtful accounts	10	55
Other	5	3
Total non-operating income	24	73
Non-operating expenses		
Interest expenses	0	0
Rental expenses	1	1
Other	0	0
Total non-operating expenses	1	2
Ordinary profit	453	398
Profit before income taxes	453	398
Income taxes - current	256	246
Income taxes - deferred	(58)	(39)
Total income taxes	198	206
Profit	254	191
Loss attributable to non-controlling interests	(6)	(3)
Profit attributable to owners of parent	261	195

Consolidated statements of comprehensive income

	(Million yen)	
	First quarter of the previous consolidated term (September 1, 2018 - November 30, 2018)	First quarter of the consolidated term (September 1, 2019 - November 30, 2019))
Profit	254	191
Other comprehensive income		
Valuation difference on available-for-sale securities	101	517
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	101	516
Comprehensive income	356	708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	363	711
Comprehensive income attributable to non-controlling interests	(6)	(3)

Segment Information

I Three months ended November 30, 2018(From September 1, 2018 to November 30, 2018)

1. Information about Segment Sales and Income (Loss)

(Million of Yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Sales to third party	2,215	1,192	343	3,751	839	4,591
Intersegment sales	—	150	—	150	37	187
Total	2,215	1,342	343	3,901	877	4,778
Segment income(loss)	(7)	561	28	582	123	706

(Note)* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Sports Business (Meiko Soccer School), Waseda Academy Kobetsu Schools and other businesses of consolidated subsidiaries.

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)

(Million of Yen)

Income(Loss)	Amount
Reportable segment total	582
Income(Loss) for “Others”category	123
Corporate expenses*	(275)
Operating income reported on quarterly statements of income	430

(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.

II Three months ended November 30, 2019 (From September 1, 2019 to November 30, 2019)

1. Information about Segment Sales and Income (Loss)

(Million of Yen)

	Reportable segment				Others*	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Japanese language schools	Total		
Net sales						
Sales to third party	2,392	1,101	381	3,875	867	4,743
Intersegment sales	—	188	—	188	27	216
Total	2,392	1,290	381	4,064	895	4,959
Segment income(loss)	(30)	498	43	511	117	629

(Note)* “Others” consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Sports Business (Meiko Soccer School), Waseda Academy Kobetsu Schools and other businesses of consolidated subsidiaries.

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)

(Million of Yen)

Income(Loss)	Amount
Reportable segment total	511
Income(Loss) for "Others"category	117
Corporate expenses*	(301)
Operating income reported on quarterly statements of income	327

(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.

*Matters related to changes in presentation of reportable segment

From first quarter of the fiscal year ending August 2020, in order to represent appropriate reportable segment based on real business segment and activity, and considering the importance of Japanese language schools business (consolidated subsidiaries Waseda EDU and Kokusai Jinzai Kaihatsu) which have been classified to "Others" so far, we have changed the presentation segment of Japanese language schools business as "Reportable segment", and along with considering the decline of quantitative importance of Supplemental education business, we have included this as "Others".

Also the segment information of the first quarter of the previous fiscal year ended 2019 has been presented as the new classification.