

April 10, 2020

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## Notice of a Difference between the Consolidated Earnings Forecast and the Actual Results for the Second Quarter and a Revision to the Full-year Earnings Forecast

Meiko Network Japan Co., Ltd. (the “Company”) hereby announces that a difference has arisen between the consolidated earnings forecast for the second quarter of the fiscal year ending August 31, 2020 announced on October 10, 2019 and the actual consolidated results for the same second quarter announced today.

Together with this, the Company hereby announces that, at the meeting of its Board of Directors held on April 10, 2020, it has revised the full-year consolidated earnings forecast for the fiscal year ending August 31, 2020 announced on October 10, 2019.

### 1. Difference between the Consolidated Earnings Forecast and the Actual Results for the Second Quarter of the Fiscal Year Ending August 31, 2020 (September 1, 2019 to February 29, 2020)

#### (1) Difference between the Figures in the Consolidated Earnings Forecast and the Figures in the Actual Results

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income Per Share
Previously announced forecast (A)	¥10,600 million	¥1,070 million	¥1,130 million	590 million	¥22.22
Actual results (B)	¥10,422 million	¥1,280 million	¥1,384 million	¥791 million	¥29.81
Change (B – A)	(¥177 million)	¥210 million	¥254 million	¥201 million	-
Percentage change (%)	(1.7)	19.7	22.5	34.2	-
Reference: (Cumulative) consolidated results for the previous second quarter (Second quarter of the fiscal year ended August 31, 2019)	¥10,092 million	¥1,547 million	¥1,608 million	¥971 million	¥36.58

#### (2) Reason for the Difference

Net sales decreased slightly from the previous announcement in the (cumulative) consolidated results for the second quarter of the fiscal year ending August 31, 2020. This was due to a reduction in the number of classrooms and students at Meiko Gijuku. However, the Company strived to control overall expenses including

personnel expenses and sales promotion expenses. Through these efforts, operating income increased 19.7% or 210 million yen to 1,280 million yen and net income attributable to the owners of the parent increased 34.2% or 201 million yen to 791 million yen compared to the previously announced forecast.

2. Revision to the Full-year Earnings Forecast for the Fiscal Year Ending August 31, 2020 (September 1, 2019 to August 31, 2020)

(1) Revision to the Consolidated Earnings Forecast

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income Per Share
Forecast previously announced on October 10, 2019 (A)	¥21,000 million	¥1,570 million	¥1,690 million	¥840 million	¥31.63
Revised forecast (B)	Pending	Pending	Pending	Pending	Pending
Change (B – A)	—	—	—	—	—
Percentage change (%)	—	—	—	—	—
Reference: Consolidated results for the previous fiscal year	¥19,967 million	¥1,775 million	¥1,907 million	¥958 million	¥36.08

(2) Reason for the Revision

The spread of Covid-19 infections from March onward led to class cancellations from March 2 to March 15 (all classrooms), class cancellations from April 8 to May 6 due to emergency declarations (791 classrooms in the affected areas) and changes in customer behavior in the Company's core business of Meiko Gijiuku. The impact from this can be seen on leave of absences by existing students and enrollments by new students. In addition, the Company's Japanese language school business has been affected. For example, over 500 foreign students (total of two schools) scheduled to enroll in April have shifted their enrollment to July due to restrictions on entering Japan. It is not possible to foresee when the spread of Covid-19 infections will be brought under control at the current time. This means it is difficult to accurately understand the impact on the Company's results in terms of the monetary amount. Therefore, the Company has set the full-year earnings forecast to "pending." The Company will promptly make an announcement once it becomes possible to reasonably predict an earnings forecast that takes into account the impact of Covid-19 infections.

(3) Dividends

The Company announced on October 10, 2019 a forecast of a dividend of 30 yen for the fiscal year ending August 31, 2020. The Company paid a dividend of 15 yen at the end of the second quarter and expects to pay a year-end dividend of 15 yen. However, the Company will promptly make an announcement if we decided to change the amount of year-end dividend, once it becomes possible to reasonably predict an earnings forecast that takes into account the impact of Covid-19 infections.