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**Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2023
(Japanese GAAP)**

July 13, 2023

Company name: MEIKO NETWORK JAPAN CO., LTD.
 Listing: Tokyo
 Securities code: 4668 (URL: <https://www.meikonet.co.jp>)
 Representative: Kazuhito Yamashita, President & Representative Director
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 Telephone: +81-3-5860-2111
 Scheduled date to file quarterly securities report: July 14, 2023
 Scheduled date to commencement dividend payment: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the Nine months ended May 31, 2023 (from September 1, 2022 to May 31, 2023)

(1) Consolidated operating results (cumulative) (% 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	%
Nine months ended								
May 31, 2023	14,924	7.5	352	(45.5)	491	(31.8)	350	(53.4)
May 31, 2022	13,884	2.8	647	140.0	721	94.8	753	12.1

(Note) Comprehensive income: Nine months ended May 31, 2023: ¥524 million [(41.0) %]

Nine months ended May 31, 2022: ¥888 million [32.6 %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
May 31, 2023	13.96	-
May 31, 2022	30.04	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2023	14,672	10,617	72.4
August 31, 2022	15,439	10,606	68.7

(Reference) Equity: As of May 31, 2023: ¥10,617 million

As of August 31, 2022: ¥10,606 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2022	-	11.00	-	11.00	22.00
Fiscal year ending August 31, 2023	-	12.00	-		
Fiscal year ending August 31, 2023 (Forecast)				12.00	24.00

(Note) Revision of dividend forecast in the current quarter: None

3. Consolidated Financial Results Forecast for Fiscal Year Ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

(% 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
Full-year	21,000	6.7	1,300	11.2	1,350	4.7	800	(17.9)	31.89

(Note) Revision to the financial results forecast announced most recently: None

***Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in the scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies caused by revision of accounting standards: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

As of May 31, 2023	27,803,600 shares
As of August 31, 2022	27,803,600 shares

(ii) Number of treasury shares at the end of the period

As of May 31, 2023	2,599,058 shares
As of August 31, 2022	2,720,058 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2023	25,133,347 shares
Nine months ended May 31, 2022	25,083,542 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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 variety of different factors.

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

Term	Nine months ended May 31, 2022		Nine months ended May 31, 2023	
	From Sep. 1, 2021 to May 31, 2022		From Sep. 1, 2022 to May 31, 2023	
	Operating results	YOY comparison	Operating results	YOY comparison
Number of Meiko Gijuku directly operated schools	217	11	233	16
Number of Meiko Gijuku directly operated schools (MAXIS)	95	2	97	2
Number of Meiko Gijuku directly operated schools (KLINE)	41	-	41	-
Number of Meiko Gijuku directly operated schools (TOMONI)	42	-	42	-
Number of Meiko Gijuku directly operated schools (One link)	21	1	21	-
Number of Meiko Gijuku directly operated schools (Cooth)	15	15	18	3
Number of Meiko Gijuku directly operated schools	431	29	452	21
Number of Meiko Gijuku franchised schools	1,336	(34)	1,304	(32)
Total number of Meiko Gijuku schools	1,767	(5)	1,756	(11)
Number of registered students of Meiko Gijuku directly operated schools	13,765	656	14,703	938
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	5,797	(263)	5,778	(19)
Number of registered students of Meiko Gijuku directly operated schools (KLINE)	2,591	30	2,585	(6)
Number of registered students of Meiko Gijuku directly operated schools (TOMONI)	1,955	55	1,831	(124)
Number of registered students of Meiko Gijuku directly operated schools (One link)	811	52	776	(35)
Number of registered students of Meiko Gijuku directly operated schools (Cooth)	955	955	966	11
Number of registered students of Meiko Gijuku directly operated schools	25,874	1,485	26,639	765
Number of registered students of Meiko Gijuku franchised Schools	60,655	(4,089)	57,045	(3,610)
Total number of registered students of Meiko Gijuku schools	86,529	(2,604)	83,684	(2,845)
Sales from Meiko Gijuku directly operated schools (Millions of yen)	8,486	445	8,852	366
Sales from Meiko Gijuku franchised schools *1 (Millions of yen)	3,230	67	3,055	(174)
Sales from Japanese language schools (Millions of yen)	552	(113)	816	264
Sales from others (Millions of yen)	1,615	(20)	2,199	584
Total Sales (Millions of yen)	13,884	378	14,924	1,040
Sales from Meiko Gijuku directly operated schools (Millions of yen)	8,486	445	8,852	366
System-wide sales from Meiko Gijuku franchised schools (Millions of yen)	17,373	(1,135)	16,378	(995)
Total system-wide sales from Meiko Gijuku schools *2 (Millions of yen)	25,860	(690)	25,231	(628)

* 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.

Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated statement of Balance Sheets

(Millions of yen)

	As of August 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	8,755	7,589
Accounts receivable - trade	977	672
Securities	-	100
Merchandise	95	118
Work in process	13	3
Supplies	7	11
Advance payments to suppliers	16	4
Prepaid expenses	329	396
Other	243	438
Allowance for doubtful accounts	(33)	(42)
Total current assets	10,405	9,293
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,290	1,401
Accumulated depreciation	(780)	(817)
Buildings and structures, net	509	583
Tools, furniture and fixtures	394	411
Accumulated depreciation	(340)	(353)
Tools, furniture and fixtures, net	53	58
Land	49	49
Leased assets	35	19
Accumulated depreciation	(23)	(12)
Leased assets, net	11	7
Total property, plant and equipment	624	698
Intangible assets		
Goodwill	422	325
Software	180	183
Software in progress	-	14
Telephone subscription right	4	4
Total intangible assets	607	527
Investments and other assets		
Investment securities	2,452	2,729
Long-term prepaid expenses	22	31
Deferred tax assets	233	113
Leasehold and guarantee deposits	949	1,019
Long-term time deposits	100	100
Other	44	158
Total investments and other assets	3,801	4,153
Total non-current assets	5,033	5,378
Total assets	15,439	14,672

(Millions of yen)

	As of August 31, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	128	168
Accounts payable - other	231	170
Accrued expenses	1,179	837
Income taxes payable	570	86
Accrued consumption taxes	195	147
Contract liabilities	1,148	1,119
Lease liabilities	1	1
Deposits received	85	124
Provision for bonuses	434	541
Other	44	79
Total current liabilities	4,019	3,277
Non-current liabilities		
Retirement benefit liability	121	135
Provision for share awards for directors (and other officers)	26	39
Provision for share awards	62	-
Long-term accounts payable-other to employees	84	79
Long-term accounts payable-other to officers	117	116
Deferred tax liabilities	9	9
Lease liabilities	10	4
Asset retirement obligations	380	390
Long-term guarantee deposits	1	1
Total non-current liabilities	813	777
Total liabilities	4,833	4,054
Net assets		
Shareholders' equity		
Share capital	972	972
Capital surplus	909	909
Retained earnings	10,959	10,726
Treasury shares	(2,779)	(2,707)
Total shareholders' equity	10,062	9,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	521	696
Foreign currency translation adjustment	21	20
Total accumulated other comprehensive income	543	716
Total net assets	10,606	10,617
Total liabilities and net assets	15,439	14,672

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

(Millions of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Net sales	13,884	14,924
Cost of sales	10,631	11,708
Gross profit	3,252	3,215
Selling, general and administrative expenses	2,605	2,863
Operating profit	647	352
Non-operating income		
Interest income	7	7
Dividend income	10	10
Share of profit of entities accounted for using equity method	18	51
Rental income	10	15
Reversal of allowance for doubtful accounts	3	6
Subsidy income	9	0
Other	22	57
Total non-operating income	82	149
Non-operating expenses		
Interest expenses	0	-
Loss on investments in investment partnerships	-	5
Commission expenses	6	-
Rental expenses	1	4
Other	1	0
Total non-operating expenses	9	11
Ordinary profit	721	491
Extraordinary income		
Gain on sale of property, plant and equipment	-	0
Gain on sale of investment securities	-	149
Gain on sale of shares of subsidiaries and associates	623	-
Total extraordinary income	623	150
Extraordinary losses		
Loss on change in equity	-	9
Loss on sale of non-current assets	-	0
Loss on retirement of property, plant and equipment	0	2
Extra retirement payments	24	-
Other	3	-
Total extraordinary losses	28	11
Profit before income taxes	1,315	629
Income taxes - current	567	237
Income taxes - deferred	(4)	41
Total income taxes	562	278
Profit	753	350
Profit attributable to owners of parent	753	350

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Profit	753	350
Other comprehensive income		
Valuation difference on available-for-sale securities	132	174
Share of other comprehensive income of entities accounted for using equity method	2	(1)
Total other comprehensive income	135	173
Comprehensive income	888	524
(breakdown)		
Comprehensive income attributable to owners of parent	888	524

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Nine months ended May 31, 2023 (from September 1, 2022 to May 31, 2023)

Not applicable.

(Change in accounting policy)

(Application of Accounting Standard for Measurement of Fair Value)

In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value, the new accounting policy prescribed by the Guidance on Accounting Standard for Measurement of Fair Value is to be applied prospectively. There is no impact on the quarterly consolidated financial statements.

Segment Information

I Nine months ended May 31, 2022 (from September 1, 2021 to May 31, 2022)

1. Information related to net sales, profit or loss for each reportable segment.

(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 that are transferred at a point in time	550	1,226	-	1,776	941	2,718
Goods or services that are transferred over a fixed period of time	7,936	2,004	552	10,492	673	11,166
Revenue from contracts with customers	8,486	3,230	552	12,268	1,615	13,884
Other income	-	-	-	-	-	-
Sales to external customers	8,486	3,230	552	12,268	1,615	13,884
Inter-segment sales and transfers	-	655	-	655	4	659
Total	8,486	3,885	552	12,924	1,619	14,543
Segment profit (loss)	606	1,233	(172)	1,667	(132)	1,534

(Note)* "Others" consists of the operating segments not included in reportable segments. It includes Kids Business (Afterschool), Waseda Academy Kobetsu Schools, MEIKO Kids e business, Jiritsugausyu RED, HR solution business and consolidated subsidiaries Koto & Company.

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)

(Millions of yen)

Profit (Loss)	Amount
Reportable segment total	1,667
Profit (Loss) for "Others" category	(132)
Corporate expenses*	(887)
Operating profit reported on quarterly statements of income	647

(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.

3. Information on impairment loss on fixed assets and goodwill by reportable Segment (Significant changes in the amount of goodwill)

From the third quarter of the current fiscal year, the Company acquired all outstanding shares of Simple Inc., which is now included in the scope of consolidation.

As a result, the amount of increase in goodwill in the "Others" segment was 287 million yen.

II Nine months ended May 31, 2023 (September 1, 2022 to May 31, 2023)

1. Information about Segment Sales and Income (Loss)

(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 that are transferred at a point in time	515	1,165	-	1,681	1,526	3,207
Goods or services that are transferred over a fixed period of time	8,336	1,890	816	11,043	673	11,717
Revenue from a contract with a customer	8,852	3,055	816	12,724	2,199	14,924
Other income	-	-	-	-	-	-
Sales to external customers	8,852	3,055	816	12,724	2,199	14,924
Intersegment sales and transfers	-	683	0	683	297	981
Total	8,852	3,739	816	13,408	2,497	15,906
Segment profit (loss)	403	877	18	1,300	13	1,313

(Note)* “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 consolidated subsidiaries Koto & Company and Simple Inc.

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)

(Millions of Yen)

Profit (Loss)	Amount
Reportable segment total	1,300
Profit (loss) for “Others” category	13
Corporate expenses*	(960)
Operating profit reported on quarterly statements of income	352

(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.

3. Information on impairment loss on fixed assets and goodwill by reportable Segment (Significant changes in the amount of goodwill)

Not applicable.