

## Summary Report on Financial Results for Fiscal Year Ended August 2016 (Japanese Accounting Standards)

October 11, 2016

Company name: MEIKO NETWORK JAPAN CO., LTD.  
Stock exchange listing: The First Section of the Tokyo Stock Exchange  
Stock code: 4668 ( URL : <http://www.meikonet.co.jp> )  
Representative: Setsuro Tagami, President  
Contact: Osamu Ogita, General Manager, Corporate Planning Department  
Tel: +81-3-5860-2111  
Scheduled date for the ordinary general meeting of shareholders: November 18, 2016  
Scheduled date for commencement of dividend payment: November 21, 2016  
Scheduled date for filing the securities report: November 25, 2016  
Supplementary documents for financial results: Yes  
Financial results briefing: Yes (for analysts)

(Amounts less than one million yen are discarded)

### 1. Consolidated financial results for year ended August 2016 (September 1, 2015 through August 31, 2016)

(1) Consolidated operating results			(Percentages represent increases or decreases from the previous year)					
	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended August 2016	18,672	(0.5)	2,175	(38.8)	2,325	(38.8)	944	(60.2)
Year ended August 2015	18,768	20.6	3,555	4.1	3,803	7.5	2,369	7.7

(Note) Comprehensive income:

Year ended August 2016: 1,054 million yen, (55.1%)

Year ended August 2015: 2,348 million yen, 6.4%

	Net income per share	Fully diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
Year ended August 2016	35.25	—	6.8	13.0	11.7
Year ended August 2015	85.84	—	17.1	21.6	18.9

(Reference) Profit or loss on equity method investments:

Year ended August 2016: (11) million yen

Year ended August 2015: 5 million yen

### (2) Consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended August 2016	16,970	13,209	77.4	494.44
Year ended August 2015	18,680	14,628	78.0	527.81

(Reference) Shareholders' equity:

Year ended August 2016: 13,130 million yen

Year ended August 2015: 14,569 million yen

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	million yen	million yen
Year ended August 2016	937	115	(2,486)	4,189
Year ended August 2015	2,443	(1,460)	(922)	5,623

## 2. Dividends

	Dividends per share					Total dividends (for the year)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the term	annual			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended August 2015	—	17.00	—	17.00	34.00	938	39.6	6.8
Year ended August 2016	—	19.00	—	19.00	38.00	1,009	107.8	7.4
Year ending August 2017 (estimate)	—	20.00	—	20.00	40.00		70.3	

## 3. Forecast of consolidated financial results for fiscal year ending August 2017 (September 1, 2016 through August 31, 2017)

(Percentages represent increases or decreases from the previous year for the full-year figures, and from the second quarter of the previous year for the consolidated second quarter figures.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Second quarter (cumulative)	9,891	5.0	1,349	(13.0)	1,406	(10.9)	754	39.5	28.42
Full-year	20,041	7.3	2,560	17.7	2,650	13.9	1,510	59.9	56.86

## 4. Others

### (1) Changes of important subsidiaries during the year

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

Newly added: — (Name of company: — ) Excluded: — (Name of company: — )

### (2) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies caused by revision of accounting standards: Exist
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

### (3) Number of outstanding issues (common stock):

#### (i) Number of outstanding shares at the year-end (including treasury stock):

Year ended August 2016: 27,803,600 shares  
Year ended August 2015: 27,803,600 shares

#### (ii) Number of shares of treasury stock at the year-end:

Year ended August 2016: 1,246,507 shares  
Year ended August 2015: 200,127 shares

#### (iii) Average number of shares during the year:

Year ended August 2016: 26,782,591 shares  
Year ended August 2015: 27,603,473 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for fiscal year ended August 2016 (September 1, 2015 through August 31, 2016)

(1) Non-consolidated operating results (Percentages represent increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended August 2016	13,881	(2.4)	1,983	(37.4)	2,151	(37.1)	1,059	(50.0)
Year ended August 2015	14,223	0.9	3,166	(4.8)	3,421	(2.7)	2,117	0.5

	Net income per share	Fully diluted net income per share
	yen	yen
Year ended August 2016	39.56	—
Year ended August 2015	76.73	—

(2) Non-consolidated financial situation

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Year ended August 2016	14,752	12,871	87.3	484.69
Year ended August 2015	16,804	14,189	84.4	514.04

(Reference) Shareholders' equity:

Year ended August 2016: 12,871 million yen

Year ended August 2015: 14,189 million yen

2. Forecast of non-consolidated financial results for fiscal year ending August 2017 (September 1, 2016 through August 31, 2017)

(Percentages represent increases or decreases from the previous year.)

	Net sales		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	yen
Second quarter (cumulative)	6,976	(2.0)	1,227	(20.8)	713	(9.9)	26.86
Full-year	14,168	2.1	2,311	7.4	1,436	35.6	54.09

※ Statement Relating to the Execution Status for Audit Procedures

- This financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of said Act were not completed at the time this financial summary was disclosed.

※ Explanation about appropriate use of the forecasts of financial results, and other noteworthy matters

- Forward-looking statements in the document, such as earnings forecasts, are based on current information in the possession of the company and certain assumptions the company thinks reasonable. Actual results may differ remarkably from the statements due to a variety of different factors.

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

Term	31st term		32nd term	
Consolidated Fiscal Year	From September 1, 2014 to August 31, 2015		From September 1, 2015 to August 31, 2016	
	Operating results	Same period the previous year	Operating results	Same period the previous year
Number of Meiko Gijuku directly operated schools	222	+5	230	+8
Number of Meiko Gijuku directly operated schools ( MAXIS )	91	+91	93	+2
Number of Meiko Gijuku franchised schools	1,824	(96)	1,779	(45)
Total number of Meiko Gijuku schools	2,137	—	2,102	(35)
Number of registered students of Meiko Gijuku directly operated schools	18,173	+816	17,948	(225)
Number of registered students of Meiko Gijuku directly operated schools (MAXIS)	7,323	+7,323	6,838	(485)
Number of registered students of Meiko Gijuku franchised schools	111,394	(6,980)	105,473	(5,921)
Total number of registered students of Meiko Gijuku schools	136,890	+1,159	130,259	(6,631)
Sales from Meiko Gijuku directly operated schools (million yen)	10,321	+3,259	10,123	(198)
Sales from Meiko Gijuku franchised schools ※1 (million yen)	6,017	(547)	5,597	(420)
Sales from Supplemental education (million yen)	640	+47	689	+49
Sales from others (million yen)	1,788	+442	2,260	+472
Total Sales (million yen)	18,768	+3,202	18,672	(96)
Sales from Meiko Gijuku directly operated schools (million yen)	10,321	+3,259	10,123	(198)
System-wide sales from Meiko Gijuku franchised schools (million yen)	37,440	(3,575)	35,998	(1,441)
Total system-wide sales from Meiko Gijuku schools ※2 (million yen)	47,762	(315)	46,122	(1,640)

※ 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 entrance fees, tuition, materials fees, and examination fees, and the total sales of Meiko Gijuku franchised schools, including entrance fees and tuition. Materials fees, and examination fees of franchised schools are excluded.

## Consolidated financial statements

### (1) Consolidated balance sheets

	(Thousand yen)	
	Year ended August 31, 2015	Year ended August 31, 2016
Assets		
Current assets		
Cash and deposits	7,345,308	4,633,718
Accounts receivable - trade	1,300,723	1,270,738
Securities	399,960	200,000
Merchandise	308,453	323,364
Work in process	—	11,217
Supplies	17,178	7,226
Advance payments - trade	30,821	30,713
Prepaid expenses	195,431	219,463
Deferred tax assets	206,494	201,757
Other	117,378	83,820
Allowance for doubtful accounts	(93,208)	(116,733)
Total current assets	9,828,543	6,865,287
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,161,170	1,278,674
Accumulated depreciation	(557,051)	(625,220)
Buildings and structures, net	604,118	653,454
Tools, furniture and fixtures	311,578	330,139
Accumulated depreciation	(232,932)	(267,852)
Tools, furniture and fixtures, net	78,645	62,286
Land	446,059	446,059
Total property, plant and equipment	1,128,823	1,161,800
Intangible assets		
Goodwill	1,897,308	3,466,039
Software	339,894	296,100
Telephone subscription right	20,480	20,737
Total intangible assets	2,257,683	3,782,877
Investments and other assets		
Investment securities	3,157,886	3,083,115
Long-term loans receivable	57,200	—
Long-term prepaid expenses	21,764	28,013
Deferred tax assets	215,929	150,512
Lease and guarantee deposits	705,108	779,610
Real estate for investment	968,462	968,462
Accumulated depreciation	(227,359)	(247,346)
Real estate for investment, net	741,102	721,115
Long-term time deposits	500,000	328,000
Other	66,879	70,279
Total investments and other assets	5,465,870	5,160,646
Total non-current assets	8,852,378	10,105,324
Total assets	18,680,921	16,970,611

	Year ended August 31, 2015	Year ended August 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	194,664	150,293
Short-term loans payable	70,000	70,000
Current portion of long-term loans payable	13,386	4,416
Accounts payable - other	110,037	48,003
Accrued expenses	971,411	914,355
Income taxes payable	628,319	230,111
Accrued consumption taxes	287,410	99,425
Advances received	637,060	1,095,231
Deposits received	65,924	47,781
Provision for bonuses	337,659	350,716
Provision for sales returns	25,030	24,990
Other	16,585	24,369
Total current liabilities	3,357,489	3,059,694
Non-current liabilities		
Long-term loans payable	12,664	8,248
Net defined benefit liability	39,020	42,850
Long-term accounts payable-other to employees	165,107	155,995
Long-term accounts payable-other to officers	179,380	178,980
Deferred tax liabilities	26,755	17,735
Asset retirement obligations	191,351	215,567
Long-term guarantee deposited	67,422	75,087
Other	12,918	6,684
Total non-current liabilities	694,620	701,148
Total liabilities	4,052,110	3,760,842
Net assets		
Shareholders' equity		
Capital stock	972,512	972,512
Capital surplus	915,503	915,503
Retained earnings	12,770,002	12,740,222
Treasury shares	(143,612)	(1,643,708)
Total shareholders' equity	14,514,405	12,984,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38,994	135,328
Foreign currency translation adjustment	16,068	11,127
Total accumulated other comprehensive income	55,063	146,456
Non-controlling interests	59,342	78,783
Total net assets	14,628,811	13,209,769
Total liabilities and net assets	18,680,921	16,970,611

(2-1) Consolidated statements of income

	(Thousand yen)	
	Year ended August 31, 2015	Year ended August 31, 2016
Net sales	18,768,501	18,672,016
Cost of sales	11,792,574	12,165,110
Gross profit	6,975,926	6,506,906
Selling, general and administrative expenses		
Advertising expenses	649,770	565,374
Promotion expenses	785,442	1,574,608
Provision of allowance for doubtful accounts	34,333	61,192
Bad debts expenses	16,101	6
Directors' compensations	302,871	332,997
Salaries and allowances	282,552	318,662
Bonuses	37,589	42,179
Provision for bonuses	31,646	38,259
Retirement benefit expenses	3,362	3,311
Commission fee	192,162	326,785
Depreciation	26,850	24,444
Rent expenses	211,175	221,204
Amortization of goodwill	198,433	259,315
Other	647,790	562,807
Total selling, general and administrative expenses	3,420,084	4,331,149
Operating income	3,555,842	2,175,756
Non-operating income		
Interest income	51,151	31,153
Dividend income	31,423	33,389
Gain on sales of investment securities	21,479	—
Gain on reversal of loss on valuation of investment	67,680	—
Share of profit of entities accounted for using equity	5,134	—
Rent income	82,106	92,547
Penalty income	—	30,000
Other	36,591	38,611
Total non-operating income	295,566	225,700
Non-operating expenses		
Interest expenses	1,111	889
Share of loss of entities accounted for using equity method	—	11,115
Rent expenses	40,289	38,114
Other	6,903	25,376
Total non-operating expenses	48,304	75,496
Ordinary income	3,803,104	2,325,961
Extraordinary income		
Gain on change in equity	—	10,897
Gain on sales of investment securities	—	45,469
Surrender value of insurance	106,048	—
Gain on extinguishment of asset retirement obligations	8,976	2,282
Compensation for transfer	—	8,640
Total extraordinary income	115,024	67,289
Extraordinary losses		
Loss on retirement of property, plant and equipment	4,115	12,961
Loss on valuation of investment securities	—	50,212
Loss on valuation of golf club membership	15,513	—
Adjustment for tutors' salary	—	408,502
Loss on liquidation of subsidiaries and associates	—	104,321
Total extraordinary losses	19,628	575,998
Profit before income taxes	3,898,500	1,817,252
Income taxes - current	1,286,052	816,382
Income taxes - deferred	225,305	37,267
Total income taxes	1,511,357	853,650
Profit	2,387,142	963,602
Profit attributable to non-controlling interests	17,528	19,537
Profit attributable to owners of the parent	2,369,614	944,064

(2-2) Consolidated statements of comprehensive income

	(Thousand yen)	
	Year ended August 31, 2015	Year ended August 31, 2016
Profit	2,387,142	963,602
Other comprehensive income		
Valuation difference on available-for-sale securities	(41,125)	96,237
Share of other comprehensive income of entities accounted for using equity method	2,232	(4,940)
Total other comprehensive income	(38,892)	91,297
Comprehensive income	2,348,250	1,054,899
Comprehensive income attributable to		
Owners of the parent	2,330,641	1,035,458
Non-controlling interests	17,609	19,440



(3) Statements of changes in shareholders' equity

Year ended August 31, 2015

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earning	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	972,512	915,503	11,311,303	(143,612)	13,055,706
Changes of items during the period					
Dividends from surplus			(910,914)		(910,914)
Net income attributable to owners of the parent			2,369,614		2,369,614
Purchase of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	1,458,699	—	1,458,699
Balance at the end of current period	972,512	915,503	12,770,002	(143,612)	14,514,405

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	80,200	13,835	94,035	41,733	13,191,475
Changes of items during the period					
Dividends from surplus					(910,914)
Net income attributable to owners of the parent					2,369,614
Purchase of treasury stock					
Net changes of items other than shareholders' equity	(41,205)	2,232	(38,972)	17,609	(21,363)
Total changes of items during the period	(41,205)	2,232	(38,972)	17,609	1,437,335
Balance at the end of current period	38,994	16,068	55,063	59,342	14,628,811

Year ended August 31, 2016

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earning	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	972,512	915,503	12,770,002	(143,612)	14,514,405
Changes of items during the period					
Dividends from surplus			(973,845)		(973,845)
Net income attributable to owners of the parent			944,064		944,064
Purchase of treasury stock				(1,500,096)	(1,500,096)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(29,780)	(1,500,096)	(1,529,876)
Balance at the end of current period	972,512	915,503	12,740,222	(1,643,708)	12,984,528

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	38,994	16,068	55,063	59,342	14,628,811
Changes of items during the period					
Dividends from surplus					(973,845)
Net income attributable to owners of the parent					944,064
Purchase of treasury stock					(1,500,096)
Net changes of items other than shareholders' equity	96,334	(4,940)	91,393	19,440	110,834
Total changes of items during the period	96,334	(4,940)	91,393	19,440	(1,419,042)
Balance at the end of current period	135,328	11,127	146,456	78,783	13,209,769

(4) Consolidated statements of cash flows

	(Thousand yen)	
	Year ended August 31, 2015	Year ended August 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,898,500	1,817,252
Depreciation	199,107	217,715
Amortization of intangible assets	36,724	32,004
Amortization of goodwill	198,433	259,315
Increase (decrease) in allowance for doubtful accounts	13,113	21,995
Increase (decrease) in provision for bonuses	(3,369)	6,300
Increase (decrease) in provision for sales returns	6,850	(40)
Increase (decrease) in provision for directors' retirement	(260,000)	—
Increase (decrease) in net defined benefit liability	790	3,829
Interest and dividend income	(82,574)	(64,542)
Interest expenses	1,111	889
Share of (profit) loss of entities accounted for using equity	(5,134)	11,115
Rent income	(82,106)	(92,547)
Rent expenses	40,289	38,114
Surrender value of insurance	(106,048)	—
Adjustment for tutors' salary	—	408,502
Gain on extinguishment of asset retirement obligations	(8,976)	(2,282)
Loss on retirement of non-current assets	4,115	12,961
Loss (gain) on sales of investment securities	(21,479)	(45,469)
Loss (gain) on valuation of investment securities	(67,680)	50,212
Loss on valuation of golf club memberships	15,513	—
Loss on liquidation of subsidiaries and associates	—	104,321
Decrease (increase) in notes and accounts receivable - trade	(65,768)	38,859
Decrease (increase) in inventories	3,009	(15,419)
Increase (decrease) in notes and accounts payable - trade	(35,428)	(45,501)
Increase (decrease) in accrued consumption taxes	39,648	(192,925)
Increase (decrease) in accrued expenses	78,392	(82,258)
Decrease (increase) in other assets	20,470	(55,822)
Increase (decrease) in other liabilities	(144,393)	69,714
Subtotal	3,673,111	2,496,296
Interest and dividend income received	82,473	64,619
Interest expenses paid	(1,118)	(889)
Proceeds from insurance income	106,048	—
Adjustment for tutors' salary paid	—	(408,502)
Income taxes paid	(1,417,291)	(1,214,344)
Net cash provided by (used in) operating activities	2,443,223	937,179

	Year ended August 31, 2015	Year ended August 31, 2016
Cash flows from investing activities		
Purchase of securities	(400,000)	(200,000)
Proceeds from sales of securities	101,131	—
Proceeds from redemption of securities	400,000	300,000
Purchase of property, plant and equipment	(431,095)	(86,422)
Proceeds from sales of property, plant and equipment	1,957	380
Purchase of intangible assets	(131,920)	(172,802)
Proceeds from sales of intangible assets	72	—
Purchase of investment securities	(202,847)	(237,821)
Proceeds from sales of investment securities	185,908	140,000
Proceeds from redemption of investment securities	304,856	300,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,513,648)	(1,528,961)
Payments of loans receivable	(49,000)	(48,700)
Collection of loans receivable	57,904	63,732
Payments for guarantee deposits	(37,474)	(59,264)
Proceeds from collection of guarantee deposits	70,830	20,680
Decrease (increase) in time deposits	119,147	1,549,293
Other, net	63,712	75,262
Net cash provided by (used in) investing activities	(1,460,465)	115,377
Cash flows from financing activities		
Repayments of loans payable	(11,294)	(13,386)
Purchase of treasury shares	—	(1,500,096)
Cash dividends paid	(910,881)	(973,449)
Net cash provided by (used in) financing activities	(922,175)	(2,486,932)
Net increase (decrease) in cash and cash equivalents	60,583	(1,434,375)
Cash and cash equivalents at beginning of period	5,563,151	5,623,734
Cash and cash equivalents at end of period	5,623,734	4,189,359

## Segment Information

### 1. Information about Segment Sales and Income (Loss)

Year ended August 31, 2015

(Thousand of Yen)

	Reportable segment				Others * 1	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Supplemental education	Total		
Net sales						
Sales to third party	10,321,832	6,017,881	640,324	16,980,037	1,788,463	18,768,501
Intersegment sales	—	441,040	—	441,040	117,612	558,653
Total	10,321,832	6,458,921	640,324	17,421,078	1,906,076	19,327,154
Segment income(loss)	1,807,990	3,012,644	73,462	4,894,097	(90,608)	4,803,489
Other items						
Depreciation	57,903	53,178	10,963	122,045	59,885	181,931
Amortization of goodwill	143,835	—	—	143,835	34,436	178,271

(Note)

\* 1. "Others" consists of the operating segments not included in reportable segments. It includes Meiko Soccer Business, Waseda Academy Kobetsu Schools, Kids Business, and other businesses of consolidated subsidiaries.

Year ended August 31, 2016

(Thousand of Yen)

	Reportable segment				Others * 1	Total
	Meiko Gijuku directly operated schools	Meiko Gijuku franchised schools	Supplemental education	Total		
Net sales						
Sales to third party	10,123,645	5,597,810	689,604	16,411,060	2,260,956	18,672,016
Intersegment sales	—	546,375	—	546,375	144,296	690,671
Total	10,123,645	6,144,185	689,604	16,957,435	2,405,253	19,362,688
Segment income(loss)	1,331,165	2,147,777	113,416	3,592,358	(178,053)	3,414,304
Other items						
Depreciation	63,899	61,594	11,073	136,567	64,208	200,775
Amortization of goodwill	143,835	—	—	143,835	95,318	239,153

(Note)

\* 1. "Others" consists of the operating segments not included in reportable segments. It includes Meiko Soccer Business, Waseda Academy Kobetsu Schools, Kids Business, and other businesses of consolidated subsidiaries.

2. Reconciliation of Difference Between Reportable Segment Totals and Consolidated Financial Statement Totals  
(Matters relating to reconciliation of differences)

(Thousand of Yen)

Sales	Year ended August 31, 2015	Year ended August 31, 2016
Reportable segment total	17,421,078	16,957,435
Sales for “Others”category	1,906,076	2,405,253
Intersegment eliminations	(558,653)	(690,671)
Net sales in financial statements	18,768,501	18,672,016

(Thousand of Yen)

Income(Loss)	Year ended August 31, 2015	Year ended August 31, 2016
Reportable segment total	4,894,097	3,592,358
Income(Loss) for “Others”category	(90,608)	(178,053)
Amortization of goodwill	(20,161)	(20,161)
Reconciliation of fixed assets	3,433	3,418
Corporate expenses	(1,242,741)	(1,226,324)
Reconciliation of others	11,822	4,519
Operating income in financial statements	3,555,842	2,175,756

(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.

(Thousand of Yen)

Other Items	Reportable segment total		Others		Reconciliations		Amount in consolidated financial statements	
	Year ended August 31, 2015	Year ended August 31, 2016	Year ended August 31, 2015	Year ended August 31, 2016	Year ended August 31, 2015	Year ended August 31, 2016	Year ended August 31, 2015	Year ended August 31, 2016
Depreciation	122,045	140,505	59,885	64,349	17,176	12,860	199,107	217,715

(Note) The reconciliation for depreciation is mainly depreciation for assets that relate to the General Affairs section of the parent company that are not attributable to the reportable segment.