

**Translation**

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended July 31, 2023 (Based on Japanese GAAP)

September 12, 2023

Company name: GAKUJO Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2301 URL <https://company.gakujo.ne.jp>  
 Representative: President and CEO Taishi Nakai  
 Inquiries: Executive Officer Hidekazu Nakamura TEL 03-3593-1500  
 Scheduled date to file Quarterly Securities Report: September 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Non-consolidated financial results for the nine months ended July 31, 2023 (from November 1, 2022 to July 31, 2023)

## (1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended July 31, 2023	5,766	39.2	1,323	155.7	1,513	70.2	1,036	75.5
Nine months ended July 31, 2022	4,144	–	517	–	889	–	590	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended July 31, 2023	74.34		74.23	
Nine months ended July 31, 2022	41.87		41.77	

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2023	14,126	12,643	89.4	904.29
As of October 31, 2022	13,810	12,232	88.3	876.29

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2022	–	18.00	–	25.00	43.00
Year ending October 31, 2023	–	24.00	–		
Year ending October 31, 2023 (Forecast)				24.00	48.00

## 3. Forecast of non-consolidated financial results for the year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,450	24.8	2,210	36.3	2,420	18.7	1,640	17.4	117.64

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of July 31, 2023	15,560,000 shares	As of October 31, 2022	15,560,000 shares
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Number of treasury shares at the end of the period

As of July 31, 2023	1,598,027 shares	As of October 31, 2022	1,635,647 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2023	13,939,481 shares	Nine months ended July 31, 2022	14,100,401 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of October 31, 2022	As of July 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,463,363	4,760,329
Notes and accounts receivable - trade, and contract assets	1,572,409	888,612
Securities	100,010	400,496
Work in process	8,850	36,249
Prepaid expenses	47,519	108,220
Other	25,746	35,346
Allowance for doubtful accounts	(501)	(283)
Total current assets	6,217,398	6,228,971
Non-current assets		
Property, plant and equipment		
Buildings	667,675	678,338
Accumulated depreciation	(376,972)	(389,656)
Buildings, net	290,703	288,681
Structures	6,159	6,159
Accumulated depreciation	(5,851)	(5,898)
Structures, net	307	261
Machinery and equipment	3,428	5,551
Accumulated depreciation	(3,256)	(3,499)
Machinery and equipment, net	171	2,051
Tools, furniture and fixtures	45,940	51,790
Accumulated depreciation	(23,600)	(23,951)
Tools, furniture and fixtures, net	22,340	27,838
Land	526,457	526,457
Total property, plant and equipment	839,980	845,291
Intangible assets		
Software	307,624	354,304
Telephone subscription right	6,505	6,505
Total intangible assets	314,129	360,810
Investments and other assets		
Investment securities	5,901,825	6,243,447
Long-term prepaid expenses	15,216	30,594
Deferred tax assets	252,790	199,591
Guarantee deposits	86,360	80,061
Insurance funds	183,217	137,455
Other	6,500	6,500
Allowance for doubtful accounts	(6,500)	(6,500)
Total investments and other assets	6,439,410	6,691,150
Total non-current assets	7,593,520	7,897,252
Total assets	13,810,919	14,126,223

(Thousands of yen)

	As of October 31, 2022	As of July 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	322,664	287,597
Accounts payable - other	143,553	192,804
Income taxes payable	339,438	119,043
Contract liabilities	174,244	356,272
Provision for bonuses	235,000	126,900
Other	127,206	163,496
<b>Total current liabilities</b>	<b>1,342,107</b>	<b>1,246,114</b>
<b>Non-current liabilities</b>		
Long-term accounts payable - other	217,800	217,800
Long-term guarantee deposits	18,541	18,586
<b>Total non-current liabilities</b>	<b>236,341</b>	<b>236,386</b>
<b>Total liabilities</b>	<b>1,578,449</b>	<b>1,482,500</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,500,000	1,500,000
Capital surplus	3,352,325	3,362,656
Retained earnings	9,289,731	9,643,102
Treasury shares	(1,837,518)	(1,795,248)
<b>Total shareholders' equity</b>	<b>12,304,538</b>	<b>12,710,510</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(102,803)	(84,867)
<b>Total valuation and translation adjustments</b>	<b>(102,803)</b>	<b>(84,867)</b>
Share acquisition rights	30,736	18,080
<b>Total net assets</b>	<b>12,232,470</b>	<b>12,643,723</b>
<b>Total liabilities and net assets</b>	<b>13,810,919</b>	<b>14,126,223</b>

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended July 31, 2022	Nine months ended July 31, 2023
Net sales	4,144,100	5,766,880
Cost of sales	1,533,878	1,983,222
Gross profit	2,610,222	3,783,658
Selling, general and administrative expenses	2,092,492	2,460,054
Operating profit	517,730	1,323,603
Non-operating income		
Interest income	422	413
Interest on securities	72,296	108,699
Dividend income	5,547	14,623
Rental income from buildings	30,016	29,920
Gain on sale of investment securities	217,163	54,422
Other	58,386	5,254
Total non-operating income	383,832	213,334
Non-operating expenses		
Rental costs on real estate	6,689	5,773
Loss on cancellation of insurance policies	-	3,311
Loss on investments in investment partnerships	4,100	5,830
Loss on valuation of investment securities	-	1,677
Loss on sale of investment securities	-	5,370
Other	1,157	974
Total non-operating expenses	11,947	22,938
Ordinary profit	889,615	1,513,999
Extraordinary losses		
Loss on termination of retirement benefit plan	26,572	-
Total extraordinary losses	26,572	-
Profit before income taxes	863,042	1,513,999
Income taxes - current	222,078	432,516
Income taxes - deferred	50,548	45,290
Total income taxes	272,627	477,806
Profit	590,415	1,036,192