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Consolidated Financial Results for the Year Ended February 28, 2021 [Japanese GAAP]

April 14, 2021

Company name: SHIKIGAKU. Co.,Ltd.
Stock exchange listing: Tokyo
Code number: 7049
URL: https://corp.shikigaku.jp/
Representative: Koudai Ando President and Representative Director
Contact: Daisuke Sasaki Executive Officer
Phone: +813－6821－7560
Scheduled date of Annual General Meeting of Shareholders: May 26, 2021
Scheduled date of commencing dividend payments: -
Scheduled date of filing annual securities report: May 27, 2021
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2021 (March 01, 2020 to February 28, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2021	2,506	45.7	199	(38.3)	137	(51.5)	199	(29.3)	(41)	-
February 29, 2020	1,720	-	322	-	283	-	282	-	178	-

(Note) Comprehensive income: Fiscal year ended February 28, 2021: ¥ 0 million [(99.7) %]
Fiscal year ended February 29, 2020: ¥ 176 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2021	(5.60)	-	(4.5)	10.0	5.5
February 29, 2020	23.99	23.28	18.7	17.6	16.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2021: ¥ (12) million
Fiscal year ended February 29, 2020: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
February 28, 2021	2,392	1,138	37.5	120.05
February 29, 2020	1,602	988	59.6	127.69

(Reference) Equity: As of February 28, 2021: ¥ 897 million
As of February 29, 2020: ¥ 954 million

(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 period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
February 28, 2021	181	(297)	315	1,243
February 29, 2020	171	(458)	418	1,005

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 29, 2020	-	0.00	-	0.00	0.00	-	-	-
February 28, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending February 28, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended February 28, 2021 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022 (March 01, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,798	51.6	470	136.2	400	191.2	353	77.4	153	-	20.33

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 2 (Company name: Fukushima Sports Entertainment Co.,Ltd.
MAGES Lab. Inc.)

Exclusion: 1 (Company name: MAGES Lab. Inc.)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

As of February 28, 2021: 7,534,500 shares

As of February 29, 2020: 7,474,500 shares

2) Total number of treasury shares at the end of the period:

As of February 28, 2021: 59,632 shares

As of February 29, 2020: 108 shares

3) Average number of shares during the period:

Fiscal Year ended February 28, 2021: 7,424,400 shares

Fiscal Year ended February 29, 2020: 7,458,776 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2021 (March 01, 2020 to February 28, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2021	2,223	29.2	248	(15.4)	277	(9.1)	(7)	-
February 29, 2020	1,720	37.5	293	18.7	305	30.6	199	22.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2021	(0.94)	-
February 29, 2020	26.81	26.01

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
February 28, 2021	1,889	948	50.2	126.82
February 29, 2020	1,593	975	61.2	130.50

(Reference) Equity: As of February 28, 2021: ¥ 947 million
As of February 29, 2020: ¥ 975 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of February 29,2020	As of February 28,2021
Assets		
Current assets		
Cash and deposits	1,005,655	1,243,050
Accounts receivable - trade	87,687	288,919
Merchandise	-	18,933
Supplies	614	1,514
Other	65,390	121,847
Allowance for doubtful accounts	(7,230)	(6,671)
Total current assets	1,152,118	1,667,594
Non-current assets		
Property, plant and equipment		
Buildings	60,145	76,437
Accumulated depreciation	(2,359)	(7,621)
Buildings, net	57,786	68,816
Tools, furniture and fixtures	8,630	21,027
Accumulated depreciation	(2,186)	(8,935)
Tools, furniture and fixtures, net	6,444	12,091
Other	-	0
Other, net	-	0
Total property, plant and equipment	64,230	80,908
Intangible assets		
Goodwill	174,212	153,422
Other	28,029	40,678
Total intangible assets	202,241	194,100
Investments and other assets		
Investment securities	7,908	236,737
Deferred tax assets	95,848	84,517
Other	80,082	128,693
Allowance for doubtful accounts	(200)	(150)
Total investments and other assets	183,639	449,798
Total non-current assets	450,111	724,807
Total assets	1,602,229	2,392,402

(Thousand yen)

	As of February 29,2020	As of February 28,2021
Liabilities		
Current liabilities		
Accounts payable - trade	-	24,149
Short-term borrowings	50,000	100,000
Current portion of long-term borrowings	64,200	145,186
Accounts payable - other	49,178	127,330
Accrued expenses	83,466	130,139
Income taxes payable	55,103	47,775
Provision for bonuses	-	3,312
Advances received	84,642	189,152
Other	29,833	101,729
Total current liabilities	416,423	868,775
Non-current liabilities		
Long-term borrowings	197,450	384,834
Total non-current liabilities	197,450	384,834
Total liabilities	613,873	1,253,609
Net assets		
Shareholders' equity		
Share capital	265,458	267,978
Capital surplus	310,058	336,922
Retained earnings	379,079	337,498
Treasury shares	(203)	(45,041)
Total shareholders' equity	954,391	897,356
Share acquisition rights	-	600
Non-controlling interests	33,965	240,836
Total net assets	988,356	1,138,792
Total liabilities and net assets	1,602,229	2,392,402

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 29,2020	For the fiscal year ended February 28,2021
Net sales	1,720,447	2,506,000
Cost of sales	234,195	639,356
Gross profit	1,486,252	1,866,644
Selling, general and administrative expenses	1,203,030	1,729,172
Operating profit	283,221	137,471
Non-operating income		
Gain on sales of investment securities	-	71,502
Interest income	9	9
Dividend income	0	0
Subsidy income	1,759	7,307
Other	218	1,181
Total non-operating income	1,987	80,001
Non-operating expenses		
Interest expenses	1,436	3,590
Share of loss of entities accounted for using equity method	-	12,726
Loss on investments in investment partnerships	1,000	1,297
Share issuance costs	397	128
Organization expenses	240	-
Other	-	358
Total non-operating expenses	3,075	18,101
Ordinary profit	282,133	199,371
Impairment loss	-	109,058
Total extraordinary losses	-	109,058
Profit before income taxes	282,133	90,312
Income taxes - current	93,973	78,392
Income taxes - deferred	11,569	11,331
Total income taxes	105,542	89,723
Profit	176,591	589
Profit attributable to non-controlling interests	(2,334)	42,170
Profit (loss) attributable to owners of parent	178,925	(41,581)

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended February 29,2020	For the fiscal year ended February 28,2021
Profit	176,591	589
Comprehensive income	176,591	589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	178,925	(41,581)
Comprehensive income attributable to non-controlling interests	(2,334)	42,170

Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 29,2020

(Thousand yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	224,220	268,820	200,153	-	693,193	-	693,193
Changes during period							
Issuance of new shares	40,986	40,986			81,972		81,972
Issuance of new shares - exercise of share acquisition rights	252	252			504		504
Profit (loss) attributable to owners of parent			178,925		178,925		178,925
Purchase of treasury shares				(203)	(203)		(203)
Net changes in items other than shareholders' equity						33,965	33,965
Total changes during period	41,238	41,238	178,925	(203)	261,198	33,965	295,163
Balance at end of period	265,458	310,058	379,079	(203)	954,391	33,965	988,356

For the fiscal year ended February 28,2021

(Thousand yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	265,458	310,058	379,079	(203)	954,391	-	33,965	988,356
Changes during period								
Issuance of new shares - exercise of share acquisition rights	2,520	2,520			5,040			5,040
Profit (loss) attributable to owners of parent			(41,581)		(41,581)			(41,581)
Purchase of treasury shares				(75,442)	(75,442)			(75,442)
Disposal of treasury shares		19,394		30,604	49,999			49,999
Issuance of share acquisition rights					-	600		600
Change in ownership interest of parent due to transactions with non-controlling interests		4,949			4,949			4,949
Net changes in items other than shareholders' equity						-	206,870	206,870
Total changes during period	2,520	26,864	(41,581)	(44,837)	(57,034)	600	206,870	150,436
Balance at end of period	267,978	336,922	337,498	(45,041)	897,356	600	240,836	1,138,792

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 29,2020	For the fiscal year ended February 28,2021
Cash flows from operating activities		
Profit before income taxes	282,133	90,312
Impairment loss	-	109,058
Depreciation	11,874	15,451
Amortization of goodwill	30,743	43,235
Share issuance costs	397	30
Increase (decrease) in allowance for doubtful accounts	1,701	(608)
Interest and dividend income	(9)	(10)
Loss (gain) on sales of investment securities	-	(71,502)
Subsidy income	(1,759)	(7,307)
Interest expenses	1,436	3,590
Share of loss (profit) of entities accounted for using equity method	-	12,726
Loss (gain) on investments in investment partnerships	1,000	1,297
Decrease (increase) in trade receivables	(35,806)	(173,402)
Increase (decrease) in advances received	(29,306)	91,797
Other, net	7,204	148,650
Subtotal	269,610	263,319
Interest and dividends received	9	10
Proceeds from subsidy income	1,759	5,798
Interest paid	(1,436)	(3,590)
Income taxes paid	(98,176)	(84,313)
Net cash provided by (used in) operating activities	171,766	181,224
Cash flows from investing activities		
Purchase of property, plant and equipment	(66,938)	(24,065)
Purchase of intangible assets	(28,029)	(19,444)
Payments for acquisition of businesses	(297,948)	-
Purchase of investment securities	(9,000)	(272,812)
Proceeds from sales of investment securities	-	101,382
Payments of leasehold and guarantee deposits	(76,676)	(10,014)
Proceeds from refund of leasehold and guarantee deposits	19,641	309
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(69,457)
Other, net	-	(3,443)
Net cash provided by (used in) investing activities	(458,950)	(297,546)
Cash flows from financing activities		
Proceeds from short-term borrowings	50,000	200,000
Repayments of short-term borrowings	-	(150,000)
Proceeds from long-term borrowings	300,000	310,000
Repayments of long-term borrowings	(49,200)	(124,984)
Proceeds from issuance of shares	81,604	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	474	5,010
Purchase of treasury shares	(203)	(75,442)
Proceeds from issuance of share acquisition rights	-	600
Proceeds from share issuance to non-controlling shareholders	36,300	150,300
Net cash provided by (used in) financing activities	418,974	315,483
Net increase (decrease) in cash and cash equivalents	131,790	199,161
Cash and cash equivalents at beginning of period	873,865	1,005,655
Increase in cash and cash equivalents resulting from share exchange	-	38,233
Cash and cash equivalents at end of period	1,005,655	1,243,050