Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended July 31, 2024 (Based on Japanese GAAP)

September 9, 2024

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: Director Shinichiro Inui TEL 03-6775-4510
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of 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, 2024 (from November 1, 2023 to July 31, 2024)

(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, 2024	7,006	21.5	1,283	(3.0)	1,624	7.3	1,158	11.8
Nine months ended July 31, 2023	5,766	39.2	1,323	155.7	1,513	70.2	1,036	75.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2024	83.32	83.20
Nine months ended July 31, 2023	74.34	74.23

(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, 2024	15,313	13,593	88.7	982.57
As of October 31, 2023	15,605	13,265	84.9	948.81

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, 2023	–	24.00	–	27.00	51.00
Year ending October 31, 2024	–	26.00	–		
Year ending October 31, 2024 (Forecast)				26.00	52.00

3. Forecast of non-consolidated financial results for the year ending October 31, 2024 (from November 1, 2023 to October 31, 2024)

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	10,400	18.4	2,450	6.0	2,800	9.2	1,904	8.6	137.11

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:	No
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, 2024	15,560,000 shares	As of October 31, 2023	15,560,000 shares

Number of treasury shares at the end of the period

As of July 31, 2024	1,743,327 shares	As of October 31, 2023	1,598,027 shares

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

Nine months ended July 31, 2024	13,907,038 shares	Nine months ended July 31, 2023	13,939,481 shares

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of October 31, 2023	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	4,382,812	5,002,196
Notes and accounts receivable - trade, and contract assets	1,749,244	1,182,279
Securities	300,599	1,115,462
Work in process	15,413	36,389
Prepaid expenses	92,678	130,768
Other	86,543	37,903
Allowance for doubtful accounts	(557)	(377)
Total current assets	6,626,734	7,504,623
Non-current assets		
Property, plant and equipment		
Buildings	688,898	851,544
Accumulated depreciation	(395,795)	(419,975)
Buildings, net	293,103	431,568
Structures	6,159	6,159
Accumulated depreciation	(5,913)	(5,959)
Structures, net	246	200
Machinery and equipment	5,551	5,551
Accumulated depreciation	(3,609)	(3,891)
Machinery and equipment, net	1,942	1,660
Tools, furniture and fixtures	51,737	95,859
Accumulated depreciation	(25,980)	(35,636)
Tools, furniture and fixtures, net	25,757	60,222
Land	526,457	526,457
Total property, plant and equipment	847,505	1,020,109
Intangible assets		
Software	456,252	443,676
Software in progress	23,606	116,691
Telephone subscription right	6,505	6,505
Total intangible assets	486,364	566,873
Investments and other assets		
Long-term time deposits	1,000,000	1,000,000
Investment securities	5,926,873	4,621,845
Long-term prepaid expenses	27,908	38,074
Deferred tax assets	326,239	182,401
Guarantee deposits	226,455	240,040
Insurance funds	137,734	139,925
Other	6,500	6,500
Allowance for doubtful accounts	(6,500)	(6,500)
Total investments and other assets	7,645,210	6,222,286
Total non-current assets	8,979,080	7,809,268
Total assets	15,605,815	15,313,892

(Thousands of yen)

	As of October 31, 2023	As of July 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	353,441	412,408
Accounts payable - other	416,491	229,419
Income taxes payable	556,065	60,416
Contract liabilities	242,271	413,000
Provision for bonuses	290,000	180,000
Provision for bonuses for directors (and other officers)	27,000	–
Other	218,876	192,506
Total current liabilities	2,104,145	1,487,751
Non-current liabilities		
Long-term accounts payable - other	217,800	217,800
Long-term guarantee deposits	18,586	14,382
Total non-current liabilities	236,386	232,182
Total liabilities	2,340,531	1,719,934
Net assets		
Shareholders' equity		
Share capital	1,500,000	1,500,000
Capital surplus	3,362,656	3,378,755
Retained earnings	10,360,309	10,782,613
Treasury shares	(1,795,248)	(2,069,462)
Total shareholders' equity	13,427,717	13,591,906
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(180,513)	(16,028)
Total valuation and translation adjustments	(180,513)	(16,028)
Share acquisition rights	18,080	18,080
Total net assets	13,265,283	13,593,958
Total liabilities and net assets	15,605,815	15,313,892

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended July 31, 2023	Nine months ended July 31, 2024
Net sales	5,766,880	7,006,629
Cost of sales	1,983,222	2,537,507
Gross profit	3,783,658	4,469,122
Selling, general and administrative expenses	2,460,054	3,185,864
Operating profit	1,323,603	1,283,257
Non-operating income		
Interest income	413	6,482
Interest on securities	108,699	111,900
Dividend income	14,623	9,678
Rental income from buildings	29,920	25,460
Gain on sale of investment securities	54,422	201,348
Other	5,254	2,898
Total non-operating income	213,334	357,767
Non-operating expenses		
Rental costs on real estate	5,773	5,537
Loss on cancellation of insurance policies	3,311	–
Loss on retirement of non-current assets	138	3,839
Loss on investments in investment partnerships	5,830	5,638
Loss on valuation of investment securities	1,677	–
Loss on sale of investment securities	5,370	–
Other	836	1,427
Total non-operating expenses	22,938	16,442
Ordinary profit	1,513,999	1,624,582
Profit before income taxes	1,513,999	1,624,582
Income taxes - current	432,516	394,514
Income taxes - deferred	45,290	71,313
Total income taxes	477,806	465,827
Profit	1,036,192	1,158,755