Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended January 31, 2025 (Based on Japanese GAAP)

March 10, 2025

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 three months ended January 31, 2025 (from November 1, 2024 to January 31, 2025)

(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	%
Three months ended January 31, 2025	1,448	(2.2)	(402)	–	(280)	–	(182)	–
Three months ended January 31, 2024	1,481	32.1	(57)	–	23	–	68	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2025	(13.36)	–
Three months ended January 31, 2024	4.88	4.88

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2025	14,979	13,700	91.3
As of October 31, 2024	16,739	14,477	86.4

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, 2024	–	26.00	–	39.00	65.00
Year ending October 31, 2025	–				
Year ending October 31, 2025 (Forecast)		33.00	–	34.00	67.00

3. Forecast of non-consolidated financial results for the year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

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
Six months ending April 30, 2025	4,732	17.6	647	5.3	762	(14.0)	547	(17.6)	39.44
Full year	12,300	14.6	3,000	12.9	3,200	4.8	2,300	3.1	165.83

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 January 31, 2025	15,560,000 shares	As of October 31, 2024	15,560,000 shares

Number of treasury shares at the end of the period

As of January 31, 2025	1,874,327 shares	As of October 31, 2024	1,874,127 shares

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

Three months ended January 31, 2025	13,685,745 shares	Three months ended January 31, 2024	13,961,973 shares

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of October 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	4,929,331	4,327,484
Notes and accounts receivable - trade, and contract assets	2,264,462	1,560,719
Securities	1,116,903	803,903
Work in process	12,752	28,829
Prepaid expenses	149,033	158,953
Income taxes refund receivable	–	20,657
Other	62,673	59,416
Allowance for doubtful accounts	(738)	(509)
Total current assets	8,534,419	6,959,454
Non-current assets		
Property, plant and equipment		
Buildings	856,545	856,545
Accumulated depreciation	(409,969)	(417,294)
Buildings, net	446,576	439,251
Structures	6,159	6,159
Accumulated depreciation	(5,975)	(5,990)
Structures, net	184	169
Machinery and equipment	5,551	5,551
Accumulated depreciation	(3,985)	(4,063)
Machinery and equipment, net	1,565	1,488
Tools, furniture and fixtures	117,058	118,641
Accumulated depreciation	(41,229)	(46,085)
Tools, furniture and fixtures, net	75,829	72,556
Land	526,457	526,457
Total property, plant and equipment	1,050,613	1,039,922
Intangible assets		
Software	580,173	699,829
Software in progress	125,874	–
Telephone subscription right	6,505	6,505
Total intangible assets	712,553	706,334
Investments and other assets		
Long-term time deposits	1,000,000	1,000,000
Investment securities	4,789,717	4,524,784
Long-term prepaid expenses	32,056	26,958
Deferred tax assets	267,155	372,668
Guarantee deposits	213,041	208,304
Insurance funds	140,204	140,835
Other	6,500	6,500
Allowance for doubtful accounts	(6,500)	(6,500)
Total investments and other assets	6,442,175	6,273,551
Total non-current assets	8,205,341	8,019,808
Total assets	16,739,761	14,979,262

(Thousands of yen)

	As of October 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	415,368	293,774
Accounts payable - other	180,680	170,252
Income taxes payable	545,056	5,417
Contract liabilities	227,836	312,208
Provision for bonuses	374,000	88,500
Provision for bonuses for directors (and other officers)	36,000	–
Other	250,683	125,671
Total current liabilities	2,029,626	995,824
Non-current liabilities		
Long-term accounts payable - other	217,800	217,800
Long-term Unpaid Expenses	–	50,652
Long-term guarantee deposits	14,382	14,382
Total non-current liabilities	232,182	282,835
Total liabilities	2,261,809	1,278,659
Net assets		
Shareholders' equity		
Share capital	1,500,000	1,500,000
Capital surplus	3,378,755	3,378,755
Retained earnings	11,853,752	11,137,107
Treasury shares	(2,293,979)	(2,293,979)
Total shareholders' equity	14,438,528	13,721,883
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21,343	(39,359)
Total valuation and translation adjustments	21,343	(39,359)
Share acquisition rights	18,080	18,080
Total net assets	14,477,952	13,700,603
Total liabilities and net assets	16,739,761	14,979,262

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended January 31, 2024	Three months ended January 31, 2025
Net sales	1,481,372	1,448,856
Cost of sales	580,548	729,957
Gross profit	900,824	718,898
Selling, general and administrative expenses	958,047	1,120,971
Operating loss	(57,223)	(402,073)
Non-operating income		
Interest income	2,087	2,087
Interest on securities	38,896	32,022
Dividend income	1,508	1,130
Gain on sale of investment securities	29,780	80,149
Rental income from buildings	9,512	7,014
Other	598	909
Total non-operating income	82,383	123,313
Non-operating expenses		
Rental costs on real estate	1,978	1,425
Other	–	285
Total non-operating expenses	1,978	1,710
Ordinary profit (loss)	23,182	(280,470)
Profit (loss) before income taxes	23,182	(280,470)
Income taxes - current	(57,357)	(18,826)
Income taxes - deferred	12,338	(78,747)
Total income taxes	(45,018)	(97,574)
Profit (loss)	68,201	(182,896)