April 11, 2025

Company name: Meiko Network Japan Co., Ltd.
Representative: Kotaro Okamoto, President & Representative Director
Stock code: 4668 (TSE Prime)
Contact: Kouyuki Sakamoto, Director, General Manager of Corporate Planning Department
Tel. +81-3-5860-2111

Notice of Difference Between Consolidated Financial Results Forecast for the Second Quarter and Actual Results and Upward Revision of Consolidated Financial Results Forecast for the Full Year

Meiko Network Japan Co., Ltd. (the "Company") hereby announces that at the Board of Directors' meeting held on April 11, 2025, it was resolved that there was a difference between the consolidated financial results forecast for the second quarter of the fiscal year ending August 31, 2025, which was announced on October 10, 2024, and the actual consolidated financial results for the second quarter of the fiscal year ending August 31, 2025, which was announced today, and that the consolidated financial results forecast for the full year will be revised upward.

1. Difference Between Consolidated Financial Results Forecast for the Second Quarter and Actual Results

(1) Differences Between Consolidated Earnings Forecasts and Actual Results

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Interim net income per share
Previous forecast (A)	Million yen 11,380	Million yen 680	Million yen 710	Million yen 390	Yen 15.47
Actual results (B)	**12,232**	**1,473**	**1,540**	**1,009**	**40.03**
Difference (B-A)	+852	+793	+830	+619	
Difference (%)	+7.5%	+116.7%	+113.7%	+158.9%	
(Reference) Actual consolidated results for the second quarter of the previous fiscal year (Second quarter of the fiscal year ended August 31, 2024)	11,148	845	899	519	20.62

(2) Reason for the Difference

To improve the issue of earning capacity, the Company has launched the three-year Mid-Term Management Plan "MEIKO Transition" starting from the fiscal year ending August 31, 2025, and is implementing two transitions, "Business Transition" and "Human Transition," from the perspectives of both investment to generate future profits and improvement of current earning capacity.

The main reasons for the second quarter consolidated results exceeding the initial forecast are as follows.

i. Improved Earnings in Meiko Gijuku Directly Operated Schools

In Meiko Gijuku business, our core business, the number of inquiries remained at a high level. As a result, the number of enrolled students increased at a faster pace than expected, contributing to the

improvement of net sales. In Meiko Gijuku directly operated schools in particular, under the internal company system, strategic units were organized in accordance with the characteristics of each area, and thorough selection and concentration of strategies were implemented. At the same time, the profit management of each strategic unit was made more visible. As a result, the number of enrolled students increased significantly, and earnings improved. Furthermore, the increase in net sales became marginal profits, which greatly contributed to the improvement of operating profit.

ii. Growth in Japanese Language School Business and Other Businesses

In Japanese language school business, the number of students increased on the back of growing demand, and earnings improved. Our other businesses have also grown steadily, further strengthening the foundation for generating profits for the Group as a whole.

iii. Thorough Cost Reduction and Review of Resource Allocation

The Company postponed the implementation of some strategic investments scheduled for the first half of the fiscal year, such as the development of new businesses, in order to achieve thorough cost reductions and efficient resource allocation.

2. Revision of Consolidated Financial Results Forecast for Fiscal Year Ending August 31, 2025

(1) Revision of Consolidated Financial Results Forecast for the Full Year

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	Million yen 23,000	Million yen 1,100	Million yen 1,170	Million yen 650	Yen 25.78
Revised forecast (B)	**24,500**	**1,500**	**1,570**	**850**	**33.68**
Difference (B-A)	+1,500	+400	+400	+200	
Difference (%)	+6.5%	+36.4%	+34.2%	+30.8%	
(Reference) Consolidated results for the previous fiscal year (Fiscal year ended August 31, 2024)	22,579	1,010	1,163	489	19.41

(2) Reason for the Revision

In our core education businesses such as Meiko Gijuku business and Japanese language school business, there is a seasonal variable factor that results in temporary decline during the total period of the third quarterly consolidated accounting period (March to May) due to a combination of a decrease in the number of enrolled students as a result of graduation and an increase in costs associated with the recruitment of students for the new fiscal year. In addition, the timing of some strategic investments scheduled for the first half of the fiscal year has been changed to the second half.

In the second half of the fiscal year, the Company will take advantage of the favorable momentum in the first half of the fiscal year to further strengthen the foundation for profit generation that supports sustainable growth by implementing the following additional priority measures.

i. Strengthening Human Capital Management

Raise employee satisfaction through salary revisions, including base salary increases.

ii. Environmental Investment to Improve Customer Satisfaction

The Company aims to improve customer satisfaction by promoting environmental improvement and digitalization.

iii. Strategic Investment in Growth Areas

The Company will use M&A to make strategic investments in growth areas and promote the development of new businesses scheduled for the first half of the fiscal year in order to advance our

business portfolio.

The Company has revised its full-year consolidated earnings forecast upwards for the fiscal year ending August 31, 2025, in consideration of a temporary decline in business performance due to seasonal factors, a partial change in strategic investments to the second half of the fiscal year, as well as the costs of strengthening human capital management with an eye to generating future profits, and actively promoting environmental and strategic investments.

In the second half of the fiscal year, the Company will promote measures that will lead to medium-to long-term earnings growth while increasing short-term costs.

(Note) The above forecasts are based on information currently available to the Company. Actual results may differ from those forecast figures due to various factors.