

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

Company name: GAKKYUSHA CO.,LTD.

Stock exchange listing: Tokyo

Code number: 9769

URL: <http://www.gakkyusha.com/>

Representative: Shinichi Kawabata

Chairman of the Board, President, and Representative
Executive Officer

Contact: Yuji Sashikata

Senior Managing Executive Officer, General Manager of
Administrative Headquarters

Phone: 03-6300-5311

Scheduled date of filing quarterly securities report: August 12, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	2,427	7.5	24	-	(19)	-	(41)	-
June 30, 2021	2,257	10.7	(38)	-	(85)	-	(141)	-

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ (19) million [-%]
Three months ended June 30, 2021: ¥ (127) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(3.79)	-
June 30, 2021	(12.92)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	9,042	4,374	48.4
March 31, 2022	9,890	4,935	49.9

(Reference) Equity: As of June 30, 2022: ¥ 4,374 million
As of March 31, 2022: ¥ 4,935 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	40.00	-	35.00	75.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		40.00	-	40.00	80.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,500	9.1	2,480	6.6	2,529	5.1	1,580	4.6	144.05

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

June 30, 2022: 10,968,356 shares

March 31, 2022: 10,968,356 shares

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

June 30, 2022: - shares

March 31, 2022: - shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 10,968,356 shares

Three months ended June 30, 2021: 10,968,356 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	1,981,511	869,904
Accounts receivable - trade	69,286	80,188
Merchandise	58,206	59,113
Supplies	5,167	6,160
Other	228,283	240,907
Allowance for doubtful accounts	(344)	(353)
Total current assets	2,342,110	1,255,919
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,397,729	5,438,094
Accumulated depreciation	(1,645,333)	(1,684,979)
Buildings and structures, net	3,752,395	3,753,115
Tools, furniture and fixtures	992,599	1,000,494
Accumulated depreciation	(832,185)	(840,199)
Tools, furniture and fixtures, net	160,413	160,295
Land	1,401,936	1,401,936
Other	59,058	624,580
Accumulated depreciation	(43,416)	(284,945)
Other, net	15,641	339,634
Total property, plant and equipment	5,330,387	5,654,981
Intangible assets		
Goodwill	66,506	58,944
Other	47,709	49,640
Total intangible assets	114,216	108,584
Investments and other assets	2,104,277	2,022,969
Total non-current assets	7,548,880	7,786,536
Total assets	9,890,991	9,042,456

(Thousand yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	25,156	4,860
Short-term borrowings	500,000	200,000
Current portion of long-term borrowings	260,335	260,335
Accounts payable - other	409,729	747,446
Income taxes payable	476,805	33,896
Advances received	1,264,288	962,144
Provision for bonuses	37,254	32,006
Other	175,351	370,619
Total current liabilities	3,148,920	2,611,308
Non-current liabilities		
Long-term borrowings	1,672,948	1,607,864
Retirement benefit liability	113,169	113,711
Other	20,032	335,422
Total non-current liabilities	1,806,150	2,056,998
Total liabilities	4,955,071	4,668,307
Net assets		
Shareholders' equity		
Share capital	1,216,356	1,216,356
Capital surplus	410,842	410,842
Retained earnings	3,311,771	2,728,401
Total shareholders' equity	4,938,969	4,355,599
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,895	14,483
Deferred gains or losses on hedges	(1,727)	(2,754)
Foreign currency translation adjustment	(36,314)	(15,010)
Remeasurements of defined benefit plans	21,097	21,831
Total accumulated other comprehensive income	(3,050)	18,549
Total net assets	4,935,919	4,374,148
Total liabilities and net assets	9,890,991	9,042,456

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	2,257,919	2,427,518
Cost of sales	1,798,445	1,828,612
Gross profit	459,473	598,906
Selling, general and administrative expenses	498,170	574,266
Operating profit (loss)	(38,696)	24,639
Non-operating income		
Interest income	325	7
Rental income from buildings	-	2,653
Gain on forfeiture of unclaimed dividends	1,192	1,420
Other	2,663	2,743
Total non-operating income	4,182	6,823
Non-operating expenses		
Interest expenses	1,724	3,782
Share of loss of entities accounted for using equity method	47,773	45,646
Other	1,193	1,552
Total non-operating expenses	50,691	50,981
Ordinary loss	(85,206)	(19,518)
Extraordinary losses		
Impairment losses	35,380	1,414
Loss on retirement of non-current assets	772	4,833
Loss on sale of shares of subsidiaries and associates	8,639	-
Loss on cancellation of rental contracts	5,588	739
Total extraordinary losses	50,381	6,987
Loss before income taxes	(135,587)	(26,505)
Income taxes	6,146	15,011
Loss	(141,734)	(41,517)
Loss attributable to owners of parent	(141,734)	(41,517)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousand yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Loss	(141,734)	(41,517)
Other comprehensive income		
Foreign currency translation adjustment	9,517	21,913
Share of other comprehensive income of entities accounted for using equity method	4,856	(314)
Total other comprehensive income	14,374	21,599
Comprehensive income	(127,360)	(19,918)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(127,360)	(19,918)