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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 9, 2023

Company name: GAKKYUSHA CO.,LTD.

Stock exchange listing: Tokyo

Code number: 9769

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

Representative: Atsushi Kurisaki

Director, Representative Executive Officer, President and
COO

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Senior Managing Executive Officer, General Manager of
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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 11, 2023

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	6,535	1.6	1,357	(0.8)	1,370	(3.4)	904	(5.8)
September 30, 2022	6,430	4.7	1,368	13.7	1,418	13.6	961	26.4

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 928 million [(4.6)%]
Six months ended September 30, 2022: ¥ 973 million [20.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	83.07	-
September 30, 2022	87.62	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	10,722	6,038	56.3
March 31, 2023	10,678	5,795	54.2

(Reference) Equity: As of September 30, 2023: ¥ 6,036 million
As of March 31, 2023: ¥ 5,792 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, 2023	-	45.00	-	42.00	87.00
Fiscal year ending March 31, 2024	-	45.00			
Fiscal year ending March 31, 2024 (Forecast)			-	42.00	87.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,000	15.5	2,950	6.8	3,000	7.6	2,030	7.9	186.78

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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: No

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):

September 30, 2023: 10,968,356 shares

March 31, 2023: 10,968,356 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 100,000 shares

March 31, 2023: - shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 10,892,946 shares

Six months ended September 30, 2022: 10,968,356 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,922,326	2,046,284
Accounts receivable - trade	57,312	83,136
Merchandise	69,210	73,857
Supplies	5,609	5,094
Other	256,156	254,284
Allowance for doubtful accounts	(575)	(571)
Total current assets	2,310,039	2,462,086
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,815,127	5,878,677
Accumulated depreciation	(1,806,263)	(1,912,490)
Buildings and structures, net	4,008,863	3,966,186
Tools, furniture and fixtures	1,083,857	1,092,854
Accumulated depreciation	(892,395)	(934,804)
Tools, furniture and fixtures, net	191,462	158,049
Land	1,603,633	1,603,633
Other	606,902	614,771
Accumulated depreciation	(290,280)	(346,171)
Other, net	316,621	268,600
Total property, plant and equipment	6,120,580	5,996,468
Intangible assets		
Goodwill	41,066	35,558
Other	60,026	64,904
Total intangible assets	101,092	100,463
Investments and other assets	2,147,197	2,163,475
Total non-current assets	8,368,870	8,260,407
Total assets	10,678,910	10,722,493

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	22,623	13,231
Current portion of long-term borrowings	213,845	158,009
Accounts payable - other	405,375	365,586
Income taxes payable	616,622	497,458
Advances received	1,235,699	1,419,943
Provision for bonuses	44,076	67,842
Other	506,241	445,008
Total current liabilities	3,044,483	2,967,079
Non-current liabilities		
Long-term borrowings	1,459,102	1,384,770
Retirement benefit liability	106,138	109,517
Other	273,263	222,577
Total non-current liabilities	1,838,504	1,716,865
Total liabilities	4,882,988	4,683,944
Net assets		
Shareholders' equity		
Share capital	1,216,356	1,216,356
Capital surplus	410,842	410,842
Retained earnings	4,157,566	4,601,807
Treasury shares	-	(225,700)
Total shareholders' equity	5,784,765	6,003,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,527	40,817
Deferred gains or losses on hedges	(1,002)	(416)
Foreign currency translation adjustment	(33,157)	(28,752)
Remeasurements of defined benefit plans	20,867	21,127
Total accumulated other comprehensive income	8,233	32,776
Non-controlling interests	2,922	2,466
Total net assets	5,795,921	6,038,548
Total liabilities and net assets	10,678,910	10,722,493

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	6,430,531	6,535,950
Cost of sales	3,991,327	4,169,798
Gross profit	2,439,203	2,366,151
Selling, general and administrative expenses	1,070,389	1,008,300
Operating profit	1,368,814	1,357,850
Non-operating income		
Interest income	23	62
Share of profit of entities accounted for using equity method	48,393	34,755
Other	12,933	12,081
Total non-operating income	61,350	46,899
Non-operating expenses		
Interest expenses	7,452	6,156
Litigation expenses	-	19,000
Other	3,821	9,351
Total non-operating expenses	11,273	34,508
Ordinary profit	1,418,890	1,370,242
Extraordinary income		
Gain on change in equity	52	883
Gain on sale of non-current assets	-	1,409
Total extraordinary income	52	2,293
Extraordinary losses		
Impairment losses	10,712	16,501
Loss on retirement of non-current assets	4,831	4,449
Loss on cancellation of rental contracts	819	1,508
Total extraordinary losses	16,364	22,459
Profit before income taxes	1,402,579	1,350,076
Income taxes	441,536	445,620
Profit	961,042	904,455
Loss attributable to non-controlling interests	-	(455)
Profit attributable to owners of parent	961,042	904,911

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	961,042	904,455
Other comprehensive income		
Foreign currency translation adjustment	6,153	4,873
Share of other comprehensive income of entities accounted for using equity method	6,315	19,668
Total other comprehensive income	12,468	24,542
Comprehensive income	973,511	928,998
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	973,511	929,453
Comprehensive income attributable to non-controlling interests	-	(455)