

**Translation**

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## Summary of Non-Consolidated Financial Results for the Six Months Ended April 30, 2024 (Based on Japanese GAAP)

June 10, 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: Executive Officer Hidekazu Nakamura TEL 03-6775-4510  
 Scheduled date to file Quarterly Securities Report: June 14, 2024  
 Scheduled date to commence dividend payments: July 1, 2024  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the six months ended April 30, 2024 (from November 1, 2023 to April 30, 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	%
Six months ended April 30, 2024	4,024	25.1	615	35.2	885	54.2	664	71.2
Six months ended April 30, 2023	3,217	–	454	–	574	–	387	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2024	47.61		47.54	
Six months ended April 30, 2023	27.84		27.80	

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of April 30, 2024	15,084	13,457	89.1	972.03
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 April 30, 2024	15,560,000 shares	As of October 31, 2023	15,560,000 shares
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Number of treasury shares at the end of the period

As of April 30, 2024	1,733,927 shares	As of October 31, 2023	1,598,027 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended April 30, 2024	13,948,452 shares	Six months ended April 30, 2023	13,934,081 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of October 31, 2023	As of April 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,382,812	4,362,872
Notes and accounts receivable - trade, and contract assets	1,749,244	1,179,194
Securities	300,599	714,213
Work in process	15,413	25,745
Prepaid expenses	92,678	170,827
Other	86,543	69,211
Allowance for doubtful accounts	(557)	(376)
<b>Total current assets</b>	<b>6,626,734</b>	<b>6,521,690</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	688,898	852,891
Accumulated depreciation	(395,795)	(411,499)
Buildings, net	293,103	441,391
Structures	6,159	6,159
Accumulated depreciation	(5,913)	(5,944)
Structures, net	246	215
Machinery and equipment	5,551	5,551
Accumulated depreciation	(3,609)	(3,797)
Machinery and equipment, net	1,942	1,754
Tools, furniture and fixtures	51,737	95,331
Accumulated depreciation	(25,980)	(30,986)
Tools, furniture and fixtures, net	25,757	64,345
Land	526,457	526,457
<b>Total property, plant and equipment</b>	<b>847,505</b>	<b>1,034,163</b>
<b>Intangible assets</b>		
Software	456,252	466,515
Software in progress	23,606	102,120
Telephone subscription right	6,505	6,505
<b>Total intangible assets</b>	<b>486,364</b>	<b>575,141</b>
<b>Investments and other assets</b>		
Long-term time deposits	1,000,000	1,000,000
Investment securities	5,926,873	5,307,622
Long-term prepaid expenses	27,908	43,245
Deferred tax assets	326,239	216,076
Guarantee deposits	226,455	247,693
Insurance funds	137,734	138,814
Other	6,500	6,500
Allowance for doubtful accounts	(6,500)	(6,500)
<b>Total investments and other assets</b>	<b>7,645,210</b>	<b>6,953,452</b>
<b>Total non-current assets</b>	<b>8,979,080</b>	<b>8,562,758</b>
<b>Total assets</b>	<b>15,605,815</b>	<b>15,084,448</b>

(Thousands of yen)

	As of October 31, 2023	As of April 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	353,441	327,924
Accounts payable - other	416,491	147,864
Income taxes payable	556,065	246,063
Contract liabilities	242,271	389,469
Provision for bonuses	290,000	160,200
Provision for bonuses for directors (and other officers)	27,000	–
Other	218,876	123,356
<b>Total current liabilities</b>	<b>2,104,145</b>	<b>1,394,879</b>
<b>Non-current liabilities</b>		
Long-term accounts payable - other	217,800	217,800
Long-term guarantee deposits	18,586	14,382
<b>Total non-current liabilities</b>	<b>236,386</b>	<b>232,182</b>
<b>Total liabilities</b>	<b>2,340,531</b>	<b>1,627,061</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,500,000	1,500,000
Capital surplus	3,362,656	3,378,755
Retained earnings	10,360,309	10,647,427
Treasury shares	(1,795,248)	(2,052,177)
<b>Total shareholders' equity</b>	<b>13,427,717</b>	<b>13,474,006</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(180,513)	(34,699)
<b>Total valuation and translation adjustments</b>	<b>(180,513)</b>	<b>(34,699)</b>
Share acquisition rights	18,080	18,080
<b>Total net assets</b>	<b>13,265,283</b>	<b>13,457,386</b>
<b>Total liabilities and net assets</b>	<b>15,605,815</b>	<b>15,084,448</b>

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024
Net sales	3,217,390	4,024,025
Cost of sales	1,185,785	1,525,564
Gross profit	2,031,604	2,498,461
Selling, general and administrative expenses	1,576,759	1,883,340
Operating profit	454,845	615,120
Non-operating income		
Interest income	288	4,394
Interest on securities	68,313	74,517
Dividend income	8,290	2,407
Gain on sale of investment securities	33,378	181,763
Rental income from buildings	19,992	18,445
Other	5,126	2,536
Total non-operating income	135,390	284,064
Non-operating expenses		
Rental costs on real estate	3,822	4,125
Loss on cancellation of insurance policies	3,311	–
Loss on investments in investment partnerships	5,830	5,638
Loss on valuation of investment securities	1,677	–
Other	1,025	3,483
Total non-operating expenses	15,668	13,247
Ordinary profit	574,567	885,937
Profit before income taxes	574,567	885,937
Income taxes - current	140,871	175,975
Income taxes - deferred	45,756	45,869
Total income taxes	186,628	221,845
Profit	387,939	664,091

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024
Cash flows from operating activities		
Profit before income taxes	574,567	885,937
Depreciation	69,082	103,614
Loss (gain) on sale of investment securities	(33,378)	(181,763)
Loss (gain) on investments in investment partnerships	5,830	–
Loss (gain) on valuation of investment securities	1,677	–
Increase (decrease) in provision for bonuses for directors (and other officers)	(18,000)	(27,000)
Increase (decrease) in provision for bonuses	(114,200)	(129,800)
Interest and dividend income	(76,893)	(81,319)
Decrease (increase) in trade receivables	658,683	570,050
Increase (decrease) in trade payables	(86,377)	(25,516)
Increase (decrease) in contract liabilities	207,403	147,198
Increase (decrease) in accounts payable - other	(42,711)	(188,941)
Increase (decrease) in accrued consumption taxes	(25,732)	(129,900)
Other, net	(53,831)	(5,428)
Subtotal	1,066,120	937,130
Interest and dividends received	60,896	79,092
Income taxes refund (paid)	(320,655)	(475,886)
Net cash provided by (used in) operating activities	806,361	540,335
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,218)	(206,820)
Purchase of intangible assets	(36,696)	(254,472)
Purchase of investment securities	(1,021,611)	(309,016)
Proceeds from sale of investment securities	278,383	904,704
Proceeds from redemption of investment securities	100,000	–
Payments of guarantee deposits	(3,178)	(27,309)
Proceeds from cancellation of insurance funds	46,873	–
Other, net	45	(4,513)
Net cash provided by (used in) investing activities	(660,402)	102,572
Cash flows from financing activities		
Purchase of treasury shares	–	(285,802)
Dividends paid	(348,037)	(377,044)
Other, net	(13,255)	–
Net cash provided by (used in) financing activities	(361,293)	(662,847)
Net increase (decrease) in cash and cash equivalents	(215,333)	(19,939)
Cash and cash equivalents at beginning of period	2,463,363	3,382,812
Cash and cash equivalents at end of period	2,248,029	3,362,872