



Consolidated Financial Summary for the Fiscal Year Ended March 31, 2021

[Japanese GAAP]

May 14, 2021

Company name: **With us Corporation**

Stock listed on TSE JASDAQ

Stock code: 9696

URL: <http://www.with-us.co.jp/>

Representative: Tomio Ikoma, President

Contact: Takushi Akagawa, Director, Administration Coordination Headquarters

Scheduled date of General Meeting of Shareholders: June 24, 2021

Scheduled date of filing of Annual Securities Report: June 24, 2021

Scheduled date of dividend payment: June 10, 2021

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 14, 2021 at 15:10 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Consolidated business results (The percentages for net sales and profits represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2021	16,277	(7.5)	1,110	(21.1)	1,331	(9.6)	576	77.3
Fiscal year ended Mar. 31, 2020	17,592	3.7	1,407	19.2	1,473	19.2	325	(43.4)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2021: 709 (up 133.2%)
Fiscal year ended Mar. 31, 2020: 304 (down 45.8%)

	Net income per share	Diluted net income per share	ROE	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2021	60.48	59.91	11.8	9.0	6.8
Fiscal year ended Mar. 31, 2020	34.23	33.88	7.0	10.4	8.0

Reference: Equity method income (million yen) Fiscal year ended Mar. 31, 2021: (4) Fiscal year ended Mar. 31, 2020: 16

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2021	14,742	5,348	34.6	534.14
As of Mar. 31, 2020	14,801	4,900	31.6	490.79

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 5,099 As of Mar. 31, 2020: 4,674

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2021	1,807	(348)	(1,166)	7,072
Fiscal year ended Mar. 31, 2020	1,862	(856)	475	6,780

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2020	-	6.00	-	10.00	16.00	151	46.8	3.3
Fiscal year ended Mar. 31, 2021	-	6.00	-	10.00	16.00	151	26.5	3.1
Fiscal year ending Mar. 31, 2022 (forecast)	-	6.00	-	12.00	18.00		25.4	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(The percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	17,700	8.7	1,500	35.1	1,600	20.2	600	4.2	62.91

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting-based estimates: None
 4) Restatements: None

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2021: 10,440,000 shares As of Mar. 31, 2020: 10,440,000 shares

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

As of Mar. 31, 2021: 893,328 shares As of Mar. 31, 2020: 915,028 shares

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2021: 9,537,630 shares Fiscal year ended Mar. 31, 2020: 9,506,922 shares

Reference: Summary of Unconsolidated Financial Results

1. Unconsolidated financial results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Unconsolidated business results

(The percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2021	12,062	(4.2)	1,087	(11.4)	1,132	(11.2)	487	54.0
Fiscal year ended Mar. 31, 2020	12,594	4.5	1,227	52.6	1,274	50.0	316	(0.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2021	51.07	50.60
Fiscal year ended Mar. 31, 2020	33.27	32.93

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2021	12,402	4,467	35.8	465.02
As of Mar. 31, 2020	12,700	4,132	32.3	430.84

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 4,439 As of Mar. 31, 2020: 4,103

Note 1: The current financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Explanation of appropriate use of forward-looking statements, and other special items

Forward-looking statements in this report are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 5 of the attachments for assumptions for forecasts and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2021 (hereinafter “the period under review”), the Japanese economy experienced significant restrictions in economic and social activities resulting from the global pandemic of the novel coronavirus disease (COVID-19). The level of economic activities remained low at home and abroad with another state of emergency declared in January 2021, and the outlook still remains uncertain.

Our industry is facing the commencement of major reforms of Japan’s educational system, including the shift to the new curriculum guidelines, the introduction of English as a mandatory subject in elementary schools, and the implementation of the Common Test for University Admissions. The COVID-19 pandemic has forced us to avoid contact with other people, we saw the rapidly growing need for online education. Consequently, elementary and junior high schools nationwide accelerated the distribution of devices to every single student, and digitalization in public education made progress. Furthermore, with the working population shrinking, active involvement of foreign, senior, and female workers has been valued, leading to an increased need to provide opportunities for lifelong learning and relearning opportunities in society of longevity in the age of a declining birthrate and aging population or the age of 100 years of life.

In this business environment, With us Corporation (hereinafter “the Company”) and its subsidiaries and associates (hereinafter collectively “the Group”) have set the following six targets as the core of the Group’s management policy: 1) enhancing customer satisfaction, 2) strengthening service quality, 3) redesigning lines of service and developing new business formats, 4) expanding the business domains, 5) developing human resources and strengthening management capability, and 6) rebuilding the intra-Group synergies. These are based on the Group’s corporate vision “To become an outstanding educational institution capable of fostering people who will be successful in their career.” By achieving these targets, the Group has aimed to promptly respond to changes in its business surroundings and increase its corporate value.

During the period under review, the declaration of state of emergency in early spring of 2020 significantly impacted student recruiting for the new academic year. However, in line with the reopening of schools, we resumed classes by taking all possible measures to prevent the COVID-19 infection, swiftly and proactively utilizing ICT, responding to the needs for face-to-face classes of parents, mainly those of elementary and junior high school students, and providing fully individualized support to students. Thanks to such efforts, the number of new students in the Gakushu-juku business has been on a recovery trend for the second quarter and onward during the period under review. The High School and Careers Support business segment saw a year-on-year increase in the number of students enrolled in the correspondence high schools for the second quarter of the period under review and onward during the period under review with the average enrollments setting the highest record. This was because the Company’s uniqueness was acknowledged, and correspondence high schools in general were increasingly gaining social recognition as a place for learning through EdTech, which combines education and technology. Meanwhile, the Japanese language education services and translation services were adversely impacted by declines in the number of new foreign students and demand for inbound tourism.

For expenses, the Company was able to reduce costs more than expected by working on proactive expense controls such as improving operational efficiency and optimizing expenses including rent and advertising expenses.

As a result of the above, net sales amounted to 16,277 million yen (down 7.5% year-on-year) with operating profit of 1,110 million yen (up 21.1% year-on-year), ordinary profit of 1,331 million yen (down 9.6% year-on-year), and profit attributable to owners of parent of 576 million yen (up 77.3% year-on-year).

Segment performance is described as below.

1) Gakushu-juku Business

In the Gakushu-juku business segment, the key concept is to arouse self-motivation through our unique educational program (“plus-cycle learning method”) based on findings from latest brain science research. We run programs designed for children to acquire language from early school ages with the aim of developing their

ability to think, judge, and express themselves, capabilities which will be increasingly required in a society of the future. In addition, we systematically design development programs to nurture the ability of self-directed learning.

In March 2021, we launched Individual strategy courses at the junior high school level by combining support for self-learning with five-subject individualized instruction to provide individually optimized learning opportunities. Furthermore, under the instructional concepts, “to develop globally competent human resources,” we started to carry out unique fusion-type instruction by offering English lessons with vocabulary, grammar, and English conversation combined. Such unique instruction aims to enable students to acquire practical English skills which will help students actively participate in university and society.

However, all these efforts were insufficient to offset the impact of shortfall in the number of new students enrolled at the beginning of the period, and net sales of the segment amounted to 6,546 million yen (down 12.1% year-on-year).

2) High School and Careers Support Business

In the High School and Careers Support business segment, we are primarily engaged in offering correspondence high school courses, career support courses for working adults, and Japanese language education services. We continued to see strong performance in terms of the number of students enrolled in our correspondence high school, which holds unique ICT education and course content for specialist training. Average number of students recorded during the period under review reached an all-time high.

Although we struggled to recruit new students at the beginning of the fiscal year due to the effects of the COVID-19, the number of inquiries received about the correspondence high school during the period under review increased year on year. This is mainly due to growing recognition of the correspondence course from society, coupled with enhanced awareness of our brand and its uniqueness. We intend to promote the Group’s corporate vision “to become an outstanding educational institution capable of fostering people who will be successful in their career” by providing students with opportunities for further growth and visualizing their sense of accomplishment and performance—enhancement of our unique “growth and self-accomplishment-based education.”

On the other hand, Japanese language education services are seriously affected because immigration restrictions are still ongoing and foreign students are not allowed to enter Japan. Entry restrictions were temporarily being eased, however, foreign students’ entry into Japan has still been delayed due to such factors as re-declaration of state of emergency.

As a result of the foregoing, net sales of the segment amounted to 6,875 million yen (down 1.5% year-on-year).

3) Other businesses

The “Other” businesses segment consists of the following businesses: advertising, ICT education and skill development, content development and sales for corporate training portal site, language services, healthcare, and English education for infants and school children to spend English-only time with native speaker instructors. SRJ Co., Ltd., which is engaged in ability development focused on speed reading and the planning and development of English learning programs, remained strong thanks in part to revitalization of the ICT education market during the pandemic.

In the English education business for infants and school children, although there was a decrease in sales due to the measures taken to close schools at the beginning of the period, the number of students enrolled in the period under review increased from the same period of the previous fiscal year due to steady student recruitment in the fourth quarter.

On the other hand, Kikko Corporation, engaged in language services including interpretation and translation services and specialists staffing services, was impacted by the effects of the COVID-19 pandemic. Its net sales is negatively affected by the postponement of the Tokyo 2020 Olympic and Paralympic Games and a decline in demand for inbound tourism.

As a result of the foregoing, net sales of the segment amounted to 2,855 million yen (down 9.9% year-on-year).

(2) Financial Position

Total assets decreased 58 million yen from the end of the previous fiscal year to 14,742 million yen at the end of the period under review. This was attributable mainly to decreases of 370 million yen in property, plant and equipment, 57 million yen in software and 46 million yen in investment securities, while there were increases of 292 million yen in cash and deposits and 166 million yen in insurance funds.

Total liabilities decreased 506 million yen to 9,394 million yen. This was attributable mainly to decreases of 1,000 million yen in short-term borrowings, 111 million yen in income taxes payable and 65 million yen in notes and accounts payable-trade, while there were increases of 667 million yen in advances received and 37 million yen in retirement benefit liability.

Total net assets increased 447 million yen to 5,348 million yen. This was attributable mainly to an increase of 305 million yen in retained earnings and reversal of revaluation reserve for land.

(3) Cash Flows

The balance of cash and cash equivalents (hereinafter “net cash”) as of the end of the period under review increased 292 million yen year-on-year to 7,072 million yen.

Cash flows during the period under review and major components were as follows:

Cash flows from operating activities

Net cash provided by operating activities was 1,807 million yen in the period under review (compared with 1,862 million yen provided in the previous fiscal year). The result was attributable mainly to recording of profit before income taxes of 1,078 million yen, an increase of 667 million yen in advances received and income taxes paid of 592 million yen.

Cash flows from investing activities

Net cash used in investing activities was 348 million yen in the period under review (compared with 856 million yen used in the previous fiscal year). The result was attributable mainly to proceeds from sales of non-current assets of 171 million yen, 336 million yen for purchase of insurance funds and payments of 196 million yen for purchase of intangible assets.

Cash flows from financing activities

Net cash used in financing activities was 1,166 million yen in the period under review (compared with 475 million yen provided in the previous fiscal year). The result was attributable mainly to proceeds from short-term borrowings of 2,200 million yen, which was partially offset by repayments of short-term borrowings of 3,200 million yen, dividends paid of 151 million yen, and repayments of long-term borrowings of 104 million yen.

Reference: Cash flow indicators

	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Ratio of shareholders' equity to total assets (%)	35.8	33.7	33.6	31.6	34.6
Ratio of shareholders' equity to total assets (market value basis) (%)	30.1	31.9	28.2	32.6	33.8
Cash flows to debt ratio (%)	113.8	85.1	25.2	78.9	26.4
Interest coverage ratio (times)	132.1	145.6	257.2	242.0	172.3

Notes: Indicators are calculated as follows:

- Ratio of shareholders' equity to total assets: Shareholders' equity / Total assets
- Ratio of shareholders' equity to total assets (market value basis): Market capitalization / Total assets
- Cash flows to debt ratio: Interest-bearing debt / Operating cash flow
- Interest coverage ratio: Operating cash flows / Interest payments

1. All indicators are calculated based on consolidated figures.
2. Market capitalization is calculated by multiplying the closing share price at the period end by the number of shares issued at the period end (less treasury shares).

3. The operating cash flows used in these calculations are net cash flow provided by operating activities stated in the consolidated statement of cash flows. Interest-bearing debt is the aggregate of those liabilities on the consolidated balance sheet that incur interests. Interest payments are that stated as “Interest expenses paid” on the consolidated statement of cash flows.

(4) Outlook

Although economic activities at home and abroad are expected to gradually recover from the effects of the spread of COVID-19 infection, the situation remains unpredictable as illustrated by the recent declaration of state of emergency. The continuing trend of declining birthrate in Japan causes parents to become even more selective. Accordingly, the environment surrounding the Japanese education services industry is expected to continue to face challenges.

Under these circumstances, we are determined to enhance our corporate value by swiftly responding to the changing environment based on the Group’s corporate vision, “to become an outstanding educational institution capable of fostering people who will be successful in their career.”

In the Gakushu-juku business segment, we intend to further deepen our unique educational method (“plus-cycle learning method”) to foster students’ attitude and ability toward proactive learning, which will be even more needed in a society of the future. Furthermore, by utilizing EdTech, we will push forward with “self-help or individually-optimized learning” to enhance support for growth and pursue customer satisfaction. In addition, based on an online distribution mechanism established before the COVID-19 pandemic, we offer high-quality classes beyond the boundaries of time and place and optimize group formation regardless of schools and classes to create a new Daiichi Seminar. Through our efforts, we are determined to further arouse students’ motivation and enhance their academic results.

In the High School and Careers Support business segment, we continued to see strong performance in terms of the number of students enrolled in the wide-area correspondence high school courses, Dai-ichi Gakuin High School, thanks to diversified education needs, increased awareness of online education’s educational effects, as well as our unique education methods, and we have received growing support for the courses. As priority items for instruction, we intend to deepen career education (community-involved education) under which the entire community is considered as school as well as utilize ICT through a nationwide network to support academic courses and operate various activities. In doing so, we aim to further improve educational effects and effectiveness and assist students to grow and help each of them prepare to realize their dreams. Furthermore, we intend to further enhance our education curriculum for regional economies and societies through university-high school cooperation with Hakusen Gakuin, our business partner. It is an incorporated educational institution that operates Niigata Sangyo University and the university’s correspondent courses called Online University “managara.” We offer online support services called Dai-ichi Gakuin Online College to students who has enrolled in managara, and we offer educational and career support, thereby creating new educational opportunities.

In the Japanese language education service business and the language service business are seriously affected by a decrease in foreign students caused by immigration restrictions due to the spread of the COVID-19 infection, a fall in demand for dispatching interpreters and translators in relation to decreased inbound tourism, and uncertainties as to whether or not to hold the Olympic Games. Although potential consequences of the COVID-19 for the future business environment are unclear, we intend to further enhance customer satisfaction by utilizing ICT and offering ICT-enabled services amid the pandemic.

In the next fiscal year ending March 31, 2022, we expect net sales of 17,700 million yen (up 8.7% year-on-year), operating profit of 1,500 million yen (up 35.1%), ordinary profit of 1,600 million yen (up 20.2%), and profit attributable to owners of parent of 600 million yen (up 4.2%) on a consolidated basis.

Cautionary statement with respect to forward-looking statements

Forward-looking statements in this report are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors.

(5) Fundamental Policy for Allocating Earnings and Dividends for the Current and Next Fiscal Years

The distribution of earnings to shareholders is one of the most important priorities involving the management of With us. Our fundamental policy is to distribute a substantial amount of earnings to shareholders by paying a consistent dividend. At the same time, we will retain sufficient earnings to fund investments for future growth and responses to changes in market conditions as well as to maintain a sound financial position.

Based on these policies, we plan to pay a year-end dividend of 10 yen per share for the fiscal year ended March 31, 2021. With the interim dividend of 6 yen per share that was paid on December 2, 2020, this will result in a total dividend of 16 yen per share applicable to the fiscal year ended on March 31, 2021.

With regard to the dividend per share for the fiscal year ending March 31, 2022, we plan to increase the amount by 2 yen per share as we expect our full year results to increase both in sales and profits and we reached a significant milestone in our 45th anniversary during the previous fiscal year. Accordingly, we are going to pay an annual ordinary dividend 18 yen per share, comprising the interim dividend of 6 yen per share and the year-end dividend of 12 yen per share.

(Unit: yen)

Record date	Dividend per share		
	2Q-end	Year-end	Total
Forecast for fiscal year ending March 31, 2022	6	12	18
(Reference)			
Forecast for fiscal year ended March 31, 2021	-	10	
Results for fiscal year ended March 31, 2021	6	-	16

2. Basic Stance on Selection of Accounting Standards

The accounting standard that the Group applies is Japanese GAAP. This is because its stakeholders consist predominantly of domestic shareholders, creditors, customers and suppliers, and there is little need to procure funds from overseas.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

(Unit: thousand yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Assets		
Current assets		
Cash and deposits	6,899,792	7,191,794
Notes and accounts receivable-trade	267,406	238,902
Accounts receivable-school fees	280,818	289,807
Merchandise and finished goods	30,521	27,669
Teaching material	34,613	36,272
Raw materials and supplies	15,881	16,812
Other	435,694	458,658
Allowance for doubtful accounts	(20,478)	(19,668)
Total current assets	7,944,249	8,240,249
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,071,058	4,710,949
Accumulated depreciation	(3,428,323)	(3,340,775)
Buildings and structures, net	1,642,734	1,370,174
Land	441,880	374,001
Leased assets	54,204	52,078
Accumulated depreciation	(36,942)	(45,222)
Leased assets, net	17,261	6,855
Construction in progress	1,549	1,549
Other	1,064,013	1,046,175
Accumulated depreciation	(957,257)	(959,241)
Other, net	106,755	86,934
Total property, plant and equipment	2,210,182	1,839,516
Intangible assets		
Goodwill	15,636	9,583
Software	580,624	523,080
Other	206,659	174,706
Total intangible assets	802,919	707,370
Investments and other assets		
Investment securities	941,464	894,491
Long-term loans receivable	74,402	54,807
Leasehold and guarantee deposits	1,185,328	1,185,284
Insurance funds	993,407	1,160,340
Retirement benefit asset	16,355	16,391
Deferred tax assets	553,776	560,009
Other	120,687	114,023
Allowance for doubtful accounts	(41,400)	(30,012)
Total investments and other assets	3,844,021	3,955,335
Total non-current assets	6,857,123	6,502,222
Total assets	14,801,373	14,742,471

	(Unit: thousand yen)	
	As of Mar. 31, 2020	As of Mar. 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	331,413	266,219
Short-term borrowings	1,100,000	100,000
Current portion of long-term borrowings	87,936	79,887
Lease obligations	17,706	15,093
Accounts payable-other	515,659	511,908
Income taxes payable	378,562	266,782
Accrued consumption taxes	157,992	108,424
Advances received	4,733,304	5,400,661
Provision for bonuses	186,698	186,361
Asset retirement obligations	15,835	7,212
Other	241,101	272,988
Total current liabilities	7,766,211	7,215,538
Non-current liabilities		
Long-term borrowings	209,053	240,765
Lease obligations	55,795	40,701
Provision for retirement benefits for directors (and other officers)	3,269	5,099
Retirement benefit liability	1,010,644	1,048,555
Asset retirement obligations	715,990	723,944
Other	139,924	119,710
Total non-current liabilities	2,134,678	2,178,777
Total liabilities	9,900,889	9,394,316
Net assets		
Shareholders' equity		
Share capital	1,299,375	1,299,375
Capital surplus	1,458,119	1,462,047
Retained earnings	2,409,283	2,714,826
Treasury shares	(363,278)	(354,663)
Total shareholders' equity	4,803,500	5,121,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63,193	50,886
Revaluation reserve for land	(191,835)	(73,101)
Foreign currency translation adjustment	(66)	(83)
Total accumulated other comprehensive income	(128,709)	(22,298)
Share acquisition rights	28,409	28,409
Non-controlling interests	197,283	220,459
Total net assets	4,900,483	5,348,155
Total liabilities and net assets	14,801,373	14,742,471

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Unit: thousand yen)

	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Net sales	17,592,341	16,277,688
Cost of sales	12,039,529	11,082,363
Gross profit	5,552,811	5,195,324
Selling, general and administrative expenses	4,145,015	4,085,094
Operating profit	1,407,796	1,110,229
Non-operating income		
Interest income	9,769	9,666
Dividend income	15,929	14,823
Share of profit of entities accounted for using equity method	16,494	-
Subsidy income	-	153,953
Gain on redemption of investment securities	-	23,583
Other	45,253	37,863
Total non-operating income	87,447	239,891
Non-operating expenses		
Interest expenses	6,903	9,679
Share of loss of entities accounted for using equity method	-	4,398
Loss on valuation of compound financial instruments	10,465	-
Other	4,727	4,248
Total non-operating expenses	22,095	18,327
Ordinary profit	1,473,148	1,331,794
Extraordinary income		
Gain on sale of non-current assets	3,374	59,407
Gain on sale of investment securities	4,590	10,869
Surrender value of insurance policies	19,191	-
Settlement received	-	13,000
Other	1,491	-
Total extraordinary income	28,648	83,276
Extraordinary losses		
Loss on sale of non-current assets	-	6,139
Loss on retirement of non-current assets	6,256	9,214
Impairment losses	526,185	291,869
Loss on valuation of investment securities	50,717	9,181
Loss on cancellation of insurance policies	16,152	14,586
Other	-	5,330
Total extraordinary losses	599,312	336,320
Profit before income taxes	902,484	1,078,750
Income taxes-current	550,338	496,543
Income taxes-deferred	(25,376)	(21,148)
Total income taxes	524,962	475,394
Profit	377,522	603,355
Profit attributable to non-controlling interests	52,130	26,548
Profit attributable to owners of parent	325,391	576,807

Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Profit	377,522	603,355
Other comprehensive income		
Valuation difference on available-for-sale securities	(67,004)	(12,307)
Revaluation reserve for land	-	118,734
Remeasurements of defined benefit plans, net of tax	(6,124)	-
Share of other comprehensive income of entities accounted for using equity method	(31)	(16)
Total other comprehensive income	(73,161)	106,410
Comprehensive income	304,360	709,766
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	252,230	683,217
Comprehensive income attributable to non-controlling interests	52,130	26,548

(3) Consolidated Statement of Changes in Equity

FY3/20 (Apr. 1, 2019 - Mar. 31, 2020)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,375	1,482,840	2,237,365	(384,002)	4,635,578
Changes during period					
Dividends of surplus			(151,877)		(151,877)
Profit attributable to owners of parent			325,391		325,391
Disposal of treasury shares		(1,681)		20,723	19,042
Transfer of loss on disposal of treasury shares		1,407	(1,407)		-
Change in equity due to acquisition of treasury stock by a consolidated subsidiary		1,518			1,518
Increase or decrease due to stock transfer		(3,272)			(3,272)
Change in equity due to acquisition of treasury stock by a consolidated subsidiary		(22,691)			(22,691)
Change in scope of consolidation			(189)		(189)
Net changes in items other than shareholders' equity					
Total changes during period	-	(24,720)	171,917	20,723	167,921
Balance at end of period	1,299,375	1,458,119	2,409,283	(363,278)	4,803,500

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	130,198	(191,835)	(34)	6,124	(55,548)	35,189	365,936	4,981,157
Changes during period								
Dividends of surplus								(151,877)
Profit attributable to owners of parent								325,391
Disposal of treasury shares								19,042
Transfer of loss on disposal of treasury shares								-
Change in equity due to acquisition of treasury stock by a consolidated subsidiary								1,518
Increase or decrease due to stock transfer								(3,272)
Change in equity due to acquisition of treasury stock by a consolidated subsidiary								(22,691)
Change in scope of consolidation								(189)
Net changes in items other than shareholders' equity	(67,004)	-	(31)	(6,124)	(73,161)	(6,780)	(168,653)	(248,595)
Total changes during period	(67,004)	-	(31)	(6,124)	(73,161)	(6,780)	(168,653)	(80,673)
Balance at end of period	63,193	(191,835)	(66)	-	(128,709)	28,409	197,283	4,900,483

FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,375	1,458,119	2,409,283	(363,278)	4,803,500
Changes during period					
Dividends of surplus			(152,529)		(152,529)
Profit attributable to owners of parent			576,807		576,807
Disposal of treasury shares		3,927		8,615	12,542
Reversal of revaluation reserve for land			(118,734)		(118,734)
Net changes in items other than shareholders' equity					
Total changes during period	-	3,927	305,542	8,615	318,085
Balance at end of period	1,299,375	1,462,047	2,714,826	(354,663)	5,121,585

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	63,193	(191,835)	(66)	(128,709)	28,409	197,283	4,900,483
Changes during period							
Dividends of surplus							(152,529)
Profit attributable to owners of parent							576,807
Disposal of treasury shares							12,542
Reversal of revaluation reserve for land							(118,734)
Net changes in items other than shareholders' equity	(12,307)	118,734	(16)	106,410	-	23,175	129,586
Total changes during period	(12,307)	118,734	(16)	106,410	-	23,175	447,672
Balance at end of period	50,886	(73,101)	(83)	(22,298)	28,409	220,459	5,348,155

(4) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Cash flows from operating activities		
Profit before income taxes	902,484	1,078,750
Depreciation	404,965	437,852
Impairment losses	526,185	291,869
Amortization of goodwill	95,105	10,066
Share-based payment expenses	12,245	12,466
Increase (decrease) in allowance for doubtful accounts	(3,795)	(12,199)
Increase (decrease) in provision for bonuses	16,045	(337)
Increase (decrease) in retirement benefit liability	(49,912)	37,875
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(21,503)	1,829
Interest and dividend income	(25,699)	(24,490)
Interest expenses	6,903	9,679
Share of loss (profit) of entities accounted for using equity method	(16,494)	4,398
Loss (gain) on sale of investment securities	(4,590)	(10,869)
Loss (gain) on valuation of investment securities	50,717	9,181
Loss (gain) on redemption of investment securities	-	(23,583)
Loss (gain) on valuation of compound financial instruments	10,465	-
Loss (gain) on sale of non-current assets	(3,374)	(53,268)
Loss on retirement of non-current assets	6,256	9,214
Surrender value of insurance policies	(19,191)	-
Loss on cancellation of insurance policies	16,152	14,586
Decrease (increase) in trade receivables	71,432	19,750
Decrease (increase) in inventories	(8,506)	(1,685)
Increase (decrease) in trade payables	503	(65,194)
Increase (decrease) in advances received	517,079	667,356
Decrease (increase) in other assets	(15,744)	3,749
Increase (decrease) in other liabilities	(118,999)	(30,925)
Other, net	(60)	(60)
Subtotal	2,348,669	2,386,012
Interest and dividends received	23,500	24,531
Interest paid	(7,695)	(10,488)
Income taxes refund (paid)	(501,794)	(592,538)
Net cash provided by (used in) operating activities	1,862,679	1,807,517

(Unit: thousand yen)

	Apr. 1, 2019 - Mar. 31, 2020	Apr. 1, 2020 - Mar. 31, 2021
Cash flows from investing activities		
Payments into time deposits	(130,233)	(70,414)
Proceeds from withdrawal of time deposits	30,282	70,489
Purchase of property, plant and equipment	(249,765)	(147,271)
Proceeds from sale of non-current assets	3,374	171,488
Purchase of intangible assets	(406,439)	(196,989)
Purchase of investment securities	(123,360)	(360)
Proceeds from sale of investment securities	-	-
Proceeds from redemption of investment securities	-	50,000
Purchase of shares of subsidiaries and associates	(16,500)	-
Proceeds from sale of shares of subsidiaries and associates	33,745	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,272)	(11,008)
Payments for asset retirement obligations	(37,845)	(28,048)
Decrease (increase) in leasehold and guarantee deposits	(9,988)	(8,483)
Purchase of insurance funds	(194,657)	(336,269)
Proceeds from cancellation of insurance funds	272,325	154,749
Other investment proceeds	(23,853)	(26,990)
Other investment payments	1,920	30,412
Net cash provided by (used in) investing activities	(856,267)	(348,695)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,150,000	2,200,000
Repayments of short-term borrowings	(1,150,000)	(3,200,000)
Proceeds from long-term borrowings	1,000	120,000
Repayments of long-term borrowings	(99,863)	(104,173)
Repayments of lease obligations	(19,804)	(17,706)
Payments for long-term accounts payable-other	(8,292)	(8,292)
Purchase of treasury shares of subsidiaries	(230,000)	-
Dividends paid	(151,247)	(151,566)
Dividends paid to non-controlling interests	(10,307)	(5,082)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5,575)	-
Net cash provided by (used in) financing activities	475,909	(1,166,820)
Net increase (decrease) in cash and cash equivalents	1,482,321	292,001
Cash and cash equivalents at beginning of period	5,298,518	6,780,839
Cash and cash equivalents at end of period	6,780,839	7,072,840

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

As a comprehensive education services company, the With us Group conducts a broad range of business activities. Major business operations are assistance with academic courses, preparation for entrance exam, and instructions for skill development for children ranging from infants to high school students, as well as the management of wide-area correspondence high schools, preparation for exams to help acquire various qualifications, and Japanese language education services.

Consequently, the Group has two reportable segments that are based on types of education and types of students: the Gakushu-juku Business and the High School and Careers Support Business.

2. Calculation method for net sales, profit or loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are generally the same as those listed in "Basis of Presenting Consolidated Financial Statements."

Profits for reportable segments are operating profit figures. Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, and other items for each reportable segment

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Unit: thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Gakushu-juku	High school and careers support	Subtotal				
Net sales							
External sales	7,445,696	6,977,384	14,423,081	3,169,259	17,592,341	-	17,592,341
Inter-segment sales and transfers	-	13,262	13,262	845,413	858,675	(858,675)	-
Total	7,445,696	6,990,646	14,436,343	4,014,673	18,451,016	(858,675)	17,592,341
Segment profit (loss)	889,569	2,036,656	2,926,225	(39,687)	2,886,538	(1,478,742)	1,407,796
Segment assets	3,554,765	1,383,969	4,938,734	2,392,792	7,331,527	7,469,846	14,801,373
Other items							
Depreciation	156,922	77,625	234,548	138,470	373,018	31,946	404,965
Amortization of goodwill	6,052	51,008	57,061	38,044	95,105	-	95,105
Increases in property, plant and equipment and intangible assets (Note 4)	138,628	54,183	192,812	441,282	634,094	17,966	652,061

Notes: 1. The "Other" businesses segment includes the following businesses that are not included in any of the reportable segments: the advertising business, the ICT education and skill development business, the language services business, the content development and sales business for corporate training portal site, the English education business for infants and school children, and the healthcare business.

2. Adjustments are as follows:

- (1) The minus 1,478,742 thousand yen adjustment to segment profit (loss) includes 825 thousand yen in elimination for inter-segment transactions and minus 1,479,567 thousand yen in corporate costs that cannot be allocated to any of the reportable segments. These corporate costs mainly include general and administration expenses of the Company that cannot be attributed to any reportable segment.
 - (2) The 7,469,846 thousand yen adjustment to segment assets includes minus 148,692 thousand yen in elimination for inter-segment transactions and 7,618,538 thousand yen in corporate assets that cannot be allocated to any of the reportable segments. These corporate assets consist mainly of cash and deposits, investment securities, non-current assets of the Company's administration division, deferred tax assets, etc. that cannot be attributed to any reportable segment.
 - (3) The 31,946 thousand yen adjustment to depreciation includes corporate assets that cannot be allocated to reportable segments.
 - (4) The 17,966 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes air conditioners replacement for the Company headquarters, mobile PCs, adoption cost for workflow system, etc.
3. Segment profit (loss) is adjusted to be consistent with operating profit on the consolidated statement of income.
4. The increases in property, plant and equipment, and intangible assets do not include increases from newly consolidated subsidiaries.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Unit: thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Gakushu-juku	High School and Careers Support	Subtotal				
Net sales							
External sales	6,546,561	6,875,865	13,422,427	2,855,260	16,277,688	-	16,277,688
Inter-segment sales and transfers	-	13,200	13,200	752,314	765,514	(765,514)	-
Total	6,546,561	6,889,065	13,435,627	3,607,575	17,043,202	(765,514)	16,277,688
Segment profit (loss)	462,034	2,230,871	2,692,906	(1,789)	2,691,117	(1,580,887)	1,110,229
Segment assets	3,328,666	1,314,242	4,642,909	2,456,125	7,099,035	7,643,436	14,742,471
Other items							
Depreciation	113,228	87,505	200,733	212,488	413,222	24,630	437,852
Amortization of goodwill	10,066	-	10,066	-	10,066	-	10,066
Increases in property, plant and equipment and intangible assets (Note 4)	89,229	34,218	123,448	91,983	215,432	25,473	240,906

- Notes: 1. The “Other” businesses segment includes the following businesses that are not included in any of the reportable segments: the advertising business, the ICT education and skill development business, the language services business, the content development and sales business for corporate training portal site, the English education business for infants and school children, and the healthcare business.
2. Adjustments are as follows:
- (1) The minus 1,580,887 thousand yen adjustment to segment profit (loss) includes 832 thousand yen in elimination for inter-segment transactions and minus 1,581,720 thousand yen in corporate costs that cannot be allocated to any of the reportable segments. These corporate costs mainly include general and administration expenses of the Company that cannot be attributed to any reportable segment.
 - (2) The 7,643,436 thousand yen adjustment to segment assets includes minus 110,259 thousand yen in elimination for inter-segment transactions and 7,753,695 thousand yen in corporate assets that cannot be allocated to any of the reportable segments. These corporate assets consist mainly of cash and deposits, investment securities, non-current assets of the Company’s administration division, deferred tax assets, etc. that cannot be attributed to any reportable segment.
 - (3) The 24,630 thousand yen adjustment to depreciation includes corporate assets that cannot be allocated to reportable segments.
 - (4) The 25,473 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes construction resulting from expanding floor areas of the Company headquarters in Tokyo and mobile PCs, etc.
3. Segment profit (loss) is adjusted to be consistent with operating profit on the consolidated statement of income.
4. The increases in property, plant and equipment, and intangible assets do not include increases from newly consolidated subsidiaries.

Per-share Information

(Unit: yen)

	FY3/20 (Apr. 1, 2019 - Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)
Net assets per share	490.79	534.14
Net income per share	34.23	60.48
Diluted net income per share	33.88	59.91

Note: Basis for calculating net income per share and diluted net income per share is as follows:

	FY3/20 (Apr. 1, 2019 - Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 - Mar. 31, 2021)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	325,391	576,807
Amount not attributed to common shareholders (thousands of yen)	-	-
Profit attributable to common shareholders of parent (thousands of yen)	325,391	576,807
Average number of common shares during the period (thousand shares)	9,506	9,537
Diluted net income per share		
Adjustment to profit attributable to owners of parent (thousands of yen)	-	-
Number of shares of common stock to be increased (thousand shares)	98	92
(Of which, share acquisition rights)	(98)	(92)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	-	-

Material Subsequent Events

Not applicable.

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.