



## Consolidated Financial Summary for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]

May 12, 2023

Company name: **With us Corporation**

Stock listed on TSE

Stock code: 9696

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

Representative: Tomio Ikoma, President

Contact: Takushi Akagawa, Director, Administration Coordination Headquarters

Scheduled date of General Meeting of Shareholders: June 28, 2023

Scheduled date of filing of Annual Securities Report: June 28, 2023

Scheduled date of dividend payment: June 14, 2023

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None (The recorded video presentation for the financial results will be available on the Company's website on May 18, 2023.)

Note: The original disclosure in Japanese was released on May 12, 2023 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, 2023 (April 1, 2022 - March 31, 2023)

(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, 2023	19,856	12.6	2,122	(0.2)	2,155	(4.0)	589	(54.1)
Fiscal year ended Mar. 31, 2022	17,635	8.3	2,127	91.6	2,245	68.6	1,284	122.7

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2023: 530 (down 65.8%)

Fiscal year ended Mar. 31, 2022: 1,550 (up 118.4%)

	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, 2023	64.24	63.62	10.5	11.3	10.7
Fiscal year ended Mar. 31, 2022	135.74	134.43	24.0	13.4	12.1

Reference: Equity method income (million yen) Fiscal year ended Mar. 31, 2023: (28) Fiscal year ended Mar. 31, 2022: 11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	19,515	5,990	28.9	627.10
As of Mar. 31, 2022	18,773	5,888	29.8	604.07

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 5,637 As of Mar. 31, 2022: 5,597

(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, 2023	2,875	(1,751)	(793)	10,042
Fiscal year ended Mar. 31, 2022	3,219	(1,301)	721	9,712

### 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, 2022	–	6.00	–	12.00	18.00	168	13.3	3.2
Fiscal year ended Mar. 31, 2023	–	10.00	–	20.00	30.00	272	46.7	4.9
Fiscal year ending Mar. 31, 2024 (forecast)	–	10.00	–	20.00	30.00		24.5	

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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	20,900	5.3	2,300	8.4	2,200	2.1	1,100	86.5	122.36

**\* 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: Yes  
 2) Changes in accounting policies other than 1) above: None  
 3) Changes in accounting-based estimates: None  
 4) Restatements: None

Note: Please refer to the section “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 15 of the attachments for further information.

(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, 2023: 10,140,000 shares As of Mar. 31, 2022: 10,440,000 shares

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

As of Mar. 31, 2023: 1,150,097 shares As of Mar. 31, 2022: 1,173,250 shares

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2023: 9,180,272 shares Fiscal year ended Mar. 31, 2022: 9,461,731 shares

**Reference: Summary of Unconsolidated Financial Results**

**1. Unconsolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)**

(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, 2023	13,650	3.2	1,683	(17.7)	1,693	(19.9)	354	(68.2)
Fiscal year ended Mar. 31, 2022	13,229	9.7	2,045	88.1	2,113	86.6	1,113	161.8

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2023	38.62		38.25	
Fiscal year ended Mar. 31, 2022	117.69		116.54	

(2) Unconsolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Mar. 31, 2023	16,063		4,526		28.0		500.59	
As of Mar. 31, 2022	15,814		4,733		29.8		507.74	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 4,500 As of Mar. 31, 2022: 4,705

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

Cautionary statement with respect to 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.

How to obtain supplementary materials and the details of the financial results meeting

Supplementary materials for the financial results will be available on the Company's website on May 12, 2023.

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## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year ended March 31, 2023 (hereinafter “the period under review”), Japanese economic situation is continually affecting individual consumption in the face of the price rises due to higher raw material prices and the sharp yen depreciation, while COVID-19 related movement restrictions and border measures are further eased.

In the education services sector, ways of learning are drastically changing. The drivers of change include the reform of college entrance examinations, the revision of the curriculum guidelines, the acceleration of digitalized or online education represented by “Global and Innovative Gateway for All (GIGA)” School Concept, and the rapidly spreading conversational and generative AI systems. Moreover, the birth rate is declining at a faster pace than expected; Japan has become a country where people live many years, even to the age of 100; the value of foreign, senior, and female workers is increasing as the working age population shrinks. The result of these is an increasing need for diverse education services that allow people to learn new skills during their entire lives.

In this business environment, With us Corporation (hereinafter “the Company”) and its subsidiaries and associates (hereinafter collectively “the Group”) have set the following five targets as the core of the Group’s management policy: 1) Enhancing customer satisfaction, 2) Strengthening service quality, 3) Expanding the scope of our support activities in response to the trend in lifelong learning, 4) Enhancing our value proposition by enabling the interaction of people in both online and offline environment, 5) Expanding global business, and 6) Maximizing the intra-Group synergies through M&A and alliances. 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 aims to promptly respond to changes in its business surroundings and increase its corporate value.

As for the business operation, the Group offers diverse opportunities for learning for all generations. Some of them include Gakushu juku services through Dai-ichi Seminar and other schools to help students to prepare for entrance exam and our credit-based correspondence high school to provide wide supports for the growth of junior and senior high school students by running Dai-ichi Gakuin High School,. Others are Japanese language education services to foreigners who study or work in Japan, and training and online education services to working adults. Currently, as the pandemic continues, the highest priority of business activities remains the safety of students and employees. In addition to implementing many safety measures, we take advantage of ICT for the development of programs that can further increase the value of what students learn in our classes. In part due to the success of these activities, the number of students increased, primarily for correspondence high schools. Additionally, we had the contribution from Blue Sky FC Co., Ltd., an operator of Gakushu juku, which joined in the Group in February last year, and the growth in Japanese education service due to the recovery in the number of arrivals of foreign students.

Moreover, the Company has taken on new initiatives including the opening of managara BASE, a learning community space for different generations to gather, and the launch of the online Japanese language and skill education program in Indonesia.

On the expense front, the Company experienced an increase in expenses in the areas such as operating costs for face-to-face events at the correspondence high school as a result of mitigated impact of the COVID-19 crisis, outsourcing costs associated with the promotion of operational efficiency in the administration division in the Company headquarters, and consulting fees for the realization of DX in the educational field. Furthermore, as announced on May 8, 2023, the Company incurred an extraordinary loss of 828 million yen mainly due to impairment of non-current assets related to the Gakushu-juku business.

As a result of the above, net sales for the period under review amounted to 19,856 million yen (up 12.6% year-on-year) with operating profit of 2,122 million yen (down 0.2% year-on-year), ordinary profit of 2,155 million yen (down 4.0% year-on-year), and profit attributable to owners of parent of 589 million yen (down 54.1% year-on-year) on a consolidated basis.

Segment performance is described as below.

### **1) Gakushu-juku Business**

In the Gakushu-juku business segment, the key concept is to increase self-motivation through our unique educational method (“plus-cycle learning method”) based on findings from latest brain science research. This business designs educational programs that give students the skill to learn on their own. The goal for students of this business is to instill the confidence and motivation to willingly take on challenges at any time and for any reason. Another unique educational method is the independent leaning system optimized for individual students, branded as Positive Learning System or PLS. In this method, students develop habits to think on their own initiative by learning effectively with state-of-the-art ICT and clarifying their problems. Accordingly, we have started program development and drastic reform of the school operations.

For expansion of the school network, we opened a new school of Individual Learning Manabi operated by the Blue Sky FC Co., Ltd., while integrating and abolishing the existing schools according to the changing needs of the local community. By implementing these measures, we are striving to optimize our product mix in terms of scale of school, facility, and business format.

As a result of the foregoing, net sales of the segment amounted to 7,413 million yen (up 8.4% year-on-year).

### **2) High School and Careers Support Business**

In the High School and Careers Support business segment, we are primarily engaged in operating correspondence high schools and offering Japanese language education to foreigners.

With more students choosing to study via correspondence against a backdrop of diversification of forms of learning, 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.

Dai-ichi Gakuin has an integrated education system for up to 10 years starting from junior high school, offering various options. The goal is to help each student to choose their own path and become independent in the society. We offer systematic education services in accordance with each student’s interests and concerns. Dai-ichi Gakuin Junior High School offers early supports to students unwilling to go to school, whose number is rising in recent years. Dai-ichi Gakuin High School has a wide range of courses to accommodate students with various learning needs. We also have ties to an Internet university (“managara”), which is the correspondence college course of Niigata Sangyo University, run by Hakusen Gakuin, a business partner of ours. We will continue to promote the “one-over-one education,” or the education tailored to each student, by providing them with opportunities for their further growth.

In addition, Japanese language education services also maintains strong performance as the number of foreign students coming to Japan is bouncing back.

As a result of the foregoing, net sales of the segment amounted to 9,068 million yen (up 17.3% year-on-year).

### **3) Other businesses**

The “Other” businesses segment consists of the following businesses: advertising, ICT education and skill development, language services, corporate training portal site, English education for infants and school children, healthcare, and anger management instructor development and training business.

Kikko Corporation, a provider of language services including interpretation and translation and a dispatching service of quality bilingual staff, achieved strong performance mainly via interpretation and translation services. This is attributed to increase in business opportunities in the events such as the U.S. mid-term election, summit meetings, World Cup soccer-related projects, and the growth of demand associated with foreign tourists in Japan due to the relaxed restrictions on entry into Japan as well as the development of international economy and situation.

SRJ Co., Ltd. provides services including the ability development primarily by means of speed reading and the planning and development of English learning programs. It also maintains strong performance in sales for the Gakushu-juku market and the school children’s market, contributing to the company’s performance. In October last year, SRJ released “Shin-Kokugo Koza,” or the New Japanese Language Course, which provides reading comprehension training from the perspectives of three abilities of vocabulary, grammar, and logical thinking, and intends to further enrich the content of the course.

As a result of the foregoing, net sales of the segment amounted to 3,374 million yen (up 10.1% year-on-year).

## (2) Financial Position

Total assets increased 742 million yen from the end of the previous fiscal year to 19,515 million yen at the end of the period under review. This was attributable mainly to an increase of 1,387 million yen in investment securities which was partially offset by a decrease of 576 million yen in buildings and structures, net.

Total liabilities increased 640 million yen from the end of the previous fiscal year to 13,525 million yen. This was attributable mainly to increases of 788 million yen in contract liabilities and 139 million yen in income taxes payable, which was partially offset by a decrease of 294 million yen in long-term borrowings.

Total net assets increased 101 million yen from the end of the previous fiscal year to 5,990 million yen. This was due mainly to an increase of 228 million yen in retained earnings, which was partially offset by a decrease of 111 million yen in valuation difference on available-for-sale securities.

## (3) Cash Flows

The balance of cash and cash equivalents (hereinafter “net cash”) in the period under review increased 330 million yen year-on-year to 10,042 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 2,875 million yen in the period under review (compared with 3,219 million yen provided in the previous fiscal year). The result was attributable mainly to the recording of profit before income taxes of 1,358 million yen and an increase of 788 million yen in contract liabilities.

### Cash flows from investing activities

Net cash used in investing activities was 1,751 million yen in the period under review (compared with 1,301 million yen used in the previous fiscal year). The result was attributable mainly to purchase of investment securities of 1,315 million yen and purchase of shares of subsidiaries and associates of 399 million yen.

### Cash flows from financing activities

Net cash used in financing activities was 793 million yen in the period under review (compared with 721 million yen provided in the previous fiscal year). The result was attributable mainly to repayments of long-term borrowings of 334 million yen, purchase of treasury shares of 258 million yen, and dividends paid of 203 million yen.

### Reference: Cash flow indicators

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Ratio of shareholders' equity to total assets (%)	33.6	31.6	34.6	29.8	28.9
Ratio of shareholders' equity to total assets (market value basis) (%)	28.2	32.6	33.8	38.8	38.6
Cash flows to debt ratio (%)	25.2	78.9	26.4	52.7	46.6
Interest coverage ratio (times)	257.2	242.0	172.3	393.4	293.4

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 paid” on the consolidated statement of cash flows.

#### (4) Outlook

Economic activities in Japan are expected to pick up gradually along with the status of COVID-19 shifted to Category V Infectious Disease in Japan, the same category as common infectious diseases such as seasonal influenza. However, the outlook for the economy in Japan and overseas remains uncertain because factors such as the prolonged Ukraine crisis, surging resources and raw material costs due to the weakened yen, ongoing yen depreciation, and higher commodity prices still have severe negative effects.

The Group is determined to enhance our corporate value by providing people in wide range of generations with various learning opportunities, under its corporate vision, “to become an outstanding educational institution capable of fostering people who will be successful in their career.” From April 1, 2023, the Company and our subsidiaries will introduce an internal company system to “strengthen the Group management and governance,” “promote flexible decision-making,” and “establish a structure to embody portfolio management.”

According to this reform, we will restructure the reportable segments from the earnings release for the first quarter of the fiscal year ending March 31, 2024.

In the High School and Careers Support business segment, we will further promote our efforts to support individual students in discovering new possibilities and opportunities and in developing their careers primarily in Dai-ichi Gakuin High School. Furthermore, we will continue to operate our initiatives including learning activities combining on-line and off-line methods, career education programs (joint community advancement) that utilize entire regions as a school, and managara BASE, the learning community space for different generations to meet. These activities will continue to support the increasingly diverse ways that people want to learn.

In the Gakushu-juku business segment, we will continue to strengthen our unique plus-cycle learning method to foster the skill for students to learn on their own initiative, which will be more required in the future society. This will be approached through promoting independent learning process utilizing EdTech and by individually optimized learning opportunities. Accordingly, we take on developing new classes and courses to support this activity and opening new schools of Individual Learning Manabi operated by Blue Sky FC Co., Ltd. On the other hand, we will promote optimization of business development in response to changes in the environment and local needs, such as optimizing the scale, facility, and business format of our schools as well as reconstruction of the foundation for business growth, while consolidating and abolishing the existing schools and undertaking drastic operation reforms in parallel.

In the global business, we are engaged in dispatching interpreters and translators, Japanese language education service business, and language services business in Japan, while offering Japanese language education programs in Vietnam and online Japanese language and skills education programs in Indonesia. We will strive to develop our domestic business in response to increasing demand associated with foreign tourists, contribute to raising the level of education mainly in Vietnam and Indonesia, and provide work opportunities in these countries

In the skill development and career support business, we operate skill development programs for the markets of Gakushu-juku and school children, e-learning educational services for working adults, and anger management instructor development and training business, respectively. To support lifelong learning, we develop content and collaborate among various programs.

In addition, we aim to expand our support areas including programming classes, employment transition support, and health care such as prevention of nursing care.

In the next fiscal year ending March 31, 2024, we expect net sales of 20,900 million yen (up 5.3% year-on-year), operating profit of 2,300 million yen (up 8.4%), ordinary profit of 2,200 million yen (up 2.1%), and profit attributable to owners of parent of 1,100 million yen (up 86.5%) 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 pay consistent and stable dividend in line with business performance, targeting a consolidated payout ratio of 20% as a specific indicator. 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 20 yen per share for the fiscal year ended March 31, 2023. With the interim dividend of 10 yen per share that was paid on December 2, 2022, this will result in a total dividend of 30 yen per share applicable to the fiscal year ended on March 31, 2023.

For the fiscal year ending March 31, 2024, we forecast to achieve year-on-year increases in both sales and profit. This is based on the strong performance in the correspondence schools, the upturn of business environment in the global business, and the elimination of concerns over one-time expenses as a result of the recording of an impairment loss on non-current assets at the end of the previous fiscal year.

In such a circumstance, we are planning to pay an annual ordinary dividend of 30 yen per share, same as the previous fiscal year, comprising the interim dividend of 10 yen per share and the year-end dividend of 20 yen per share.

(Unit: yen)

Record date	Dividend per share		
	2Q-end	Year-end	Total
Forecast for fiscal year ending March 31, 2024	10	20	30
(Reference)			
Forecast for fiscal year ended March 31, 2023	–	20	30
Results for fiscal year ended March 31, 2023	10	–	

**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, 2022	As of Mar. 31, 2023
Assets		
Current assets		
Cash and deposits	9,836,128	10,166,741
Accounts receivable - trade	304,534	321,089
Accounts receivable-school fees	153,157	152,577
Merchandise and finished goods	46,280	46,785
Teaching material	37,527	29,738
Raw materials and supplies	18,913	17,708
Other	545,274	602,237
Allowance for doubtful accounts	(8,943)	(3,947)
Total current assets	10,932,873	11,332,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,841,066	4,305,323
Accumulated depreciation	(3,410,544)	(3,451,518)
Buildings and structures, net	1,430,521	853,805
Land	348,310	312,497
Leased assets	101,081	92,667
Accumulated depreciation	(47,908)	(59,900)
Leased assets, net	53,172	32,767
Construction in progress	23,828	792
Other	1,117,994	1,120,793
Accumulated depreciation	(998,137)	(1,007,758)
Other, net	119,857	113,035
Total property, plant and equipment	1,975,691	1,312,897
Intangible assets		
Goodwill	792,918	662,430
Software	465,891	400,513
Other	283,863	298,076
Total intangible assets	1,542,673	1,361,019
Investments and other assets		
Investment securities	1,184,883	2,572,582
Long-term loans receivable	44,319	14,278
Leasing and guarantee deposits	1,212,007	1,189,921
Insurance funds	1,284,411	1,005,928
Retirement benefit asset	241	241
Deferred tax assets	490,293	639,198
Other	135,891	116,739
Allowance for doubtful accounts	(29,945)	(29,869)
Total investments and other assets	4,322,103	5,509,020
Total non-current assets	7,840,467	8,182,938
Total assets	18,773,341	19,515,870

	(Unit: thousand yen)	
	As of Mar. 31, 2022	As of Mar. 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	263,239	272,956
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	334,588	294,639
Lease liabilities	22,107	22,092
Accounts payable-other	874,288	829,529
Income taxes payable	417,150	557,088
Accrued consumption taxes	116,718	198,702
Contract liabilities	7,023,600	7,812,191
Provision for bonuses	190,115	203,833
Asset retirement obligations	6,344	24,589
Other	309,462	346,987
<b>Total current liabilities</b>	<b>9,657,616</b>	<b>10,662,610</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,162,451	867,812
Lease liabilities	75,834	56,052
Provision for retirement benefits for directors (and other officers)	56,929	58,759
Retirement benefit liability	1,040,318	1,023,571
Asset retirement obligations	787,481	770,865
Other	104,404	85,917
<b>Total non-current liabilities</b>	<b>3,227,420</b>	<b>2,862,979</b>
<b>Total liabilities</b>	<b>12,885,037</b>	<b>13,525,590</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,299,375	1,299,375
Capital surplus	1,465,632	1,467,724
Retained earnings	3,203,462	3,432,326
Treasury shares	(567,497)	(646,566)
<b>Total shareholders' equity</b>	<b>5,400,971</b>	<b>5,552,858</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	270,119	158,209
Revaluation reserve for land	(73,101)	(73,101)
Foreign currency translation adjustment	(270)	(382)
<b>Total accumulated other comprehensive income</b>	<b>196,747</b>	<b>84,725</b>
Share acquisition rights	28,409	26,362
Non-controlling interests	262,175	326,333
<b>Total net assets</b>	<b>5,888,303</b>	<b>5,990,280</b>
<b>Total liabilities and net assets</b>	<b>18,773,341</b>	<b>19,515,870</b>

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

(Unit: thousand yen)

	Apr. 1, 2021 - Mar. 31, 2022	Apr. 1, 2022 - Mar. 31, 2023
Net sales	17,635,038	19,856,970
Cost of sales	11,101,836	12,876,350
Gross profit	6,533,201	6,980,619
Selling, general and administrative expenses	4,405,835	4,857,911
Operating profit	2,127,366	2,122,707
Non-operating income		
Interest income	10,230	14,026
Dividend income	11,547	11,729
Share of profit of entities accounted for using equity method	11,148	–
Subsidy income	58,899	11,127
Dividend income of insurance	4,810	11,588
Other	30,455	27,308
Total non-operating income	127,091	75,779
Non-operating expenses		
Interest expenses	7,997	9,806
Share of loss of entities accounted for using equity method	–	28,958
Other	514	3,978
Total non-operating expenses	8,511	42,743
Ordinary profit	2,245,946	2,155,744
Extraordinary income		
Gain on sale of non-current assets	36,032	99,331
Surrender value of insurance policies	880	28,674
Settlement income	16,000	–
Total extraordinary income	52,912	128,006
Extraordinary losses		
Loss on retirement of non-current assets	20,334	5,404
Impairment losses	51,713	828,889
Loss on sale of investment securities	40,276	4,005
Other	16,310	86,530
Total extraordinary losses	128,635	924,829
Profit before income taxes	2,170,222	1,358,921
Income taxes-current	585,077	826,617
Income taxes-deferred	253,832	(110,205)
Total income taxes	838,910	716,411
Profit	1,331,312	642,509
Profit attributable to non-controlling interests	46,943	52,799
Profit attributable to owners of parent	1,284,369	589,709

**Consolidated Statement of Comprehensive Income**

(Unit: thousand yen)

	Apr. 1, 2021 - Mar. 31, 2022	Apr. 1, 2022 - Mar. 31, 2023
Profit	1,331,312	642,509
Other comprehensive income		
Valuation difference on available-for-sale securities	219,233	(111,910)
Share of other comprehensive income of entities accounted for using equity method	(187)	(111)
Total other comprehensive income	219,046	(112,022)
Comprehensive income	1,550,358	530,486
Comprehensive income attributable to:		
Owners of parent	1,503,415	477,687
Non-controlling interests	46,943	52,799

**(3) Consolidated Statement of Changes in Equity**

FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,375	1,462,047	2,714,826	(354,663)	5,121,585
Cumulative effects of changes in accounting policies			(642,866)		(642,866)
Restated balance	1,299,375	1,462,047	2,071,959	(354,663)	4,478,718
Changes during period					
Dividends of surplus			(152,867)		(152,867)
Profit attributable to owners of parent			1,284,369		1,284,369
Purchase of treasury shares				(220,814)	(220,814)
Disposal of treasury shares		3,798		7,979	11,778
Purchase of shares of consolidated subsidiaries		(213)			(213)
Net changes in items other than shareholders' equity					
Total changes during period	–	3,585	1,131,502	(212,834)	922,253
Balance at end of period	1,299,375	1,465,632	3,203,462	(567,497)	5,400,971

	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	50,886	(73,101)	(83)	(22,298)	28,409	220,459	5,348,155
Cumulative effects of changes in accounting policies							(642,866)
Restated balance	50,886	(73,101)	(83)	(22,298)	28,409	220,459	4,705,288
Changes during period							
Dividends of surplus							(152,867)
Profit attributable to owners of parent							1,284,369
Purchase of treasury shares							(220,814)
Disposal of treasury shares							11,778
Purchase of shares of consolidated subsidiaries							(213)
Net changes in items other than shareholders' equity	219,233	–	(187)	219,046	–	41,716	260,762
Total changes during period	219,233	–	(187)	219,046	–	41,716	1,183,015
Balance at end of period	270,119	(73,101)	(270)	196,747	28,409	262,175	5,888,303

FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,375	1,465,632	3,203,462	(567,497)	5,400,971
Changes during period					
Dividends of surplus			(204,100)		(204,100)
Profit attributable to owners of parent			589,709		589,709
Purchase of treasury shares				(258,941)	(258,941)
Cancellation of treasury shares		(168,651)		168,651	-
Disposal of treasury shares		4,179		11,221	15,401
Transfer from retained earnings to capital surplus		156,745	(156,745)		-
Sale of shares of consolidated subsidiaries		9,818			9,818
Net changes in items other than shareholders' equity					
Total changes during period	-	2,091	228,864	(79,068)	151,887
Balance at end of period	1,299,375	1,467,724	3,432,326	(646,566)	5,552,858

	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	270,119	(73,101)	(270)	196,747	28,409	262,175	5,888,303
Changes during period							
Dividends of surplus							(204,100)
Profit attributable to owners of parent							589,709
Purchase of treasury shares							(258,941)
Cancellation of treasury shares							-
Disposal of treasury shares							15,401
Transfer from retained earnings to capital surplus							-
Sale of shares of consolidated subsidiaries							9,818
Net changes in items other than shareholders' equity	(111,910)	-	(111)	(112,022)	(2,046)	64,158	(49,910)
Total changes during period	(111,910)	-	(111)	(112,022)	(2,046)	64,158	101,976
Balance at end of period	158,209	(73,101)	(382)	84,725	26,362	326,333	5,990,280

**(4) Consolidated Statement of Cash Flows**

(Unit: thousand yen)

	Apr. 1, 2021 - Mar. 31, 2022	Apr. 1, 2022 - Mar. 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,170,222	1,358,921
Depreciation	421,575	453,128
Impairment losses	51,713	828,889
Amortization of goodwill	26,114	155,144
Share-based payment expenses	11,969	12,956
Increase (decrease) in allowance for doubtful accounts	(10,791)	(5,109)
Increase (decrease) in provision for bonuses	3,754	13,717
Increase (decrease) in retirement benefit liability	7,912	(16,747)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1,829	1,829
Interest and dividend income	(21,778)	(25,756)
Interest expenses	7,997	9,806
Share of loss (profit) of entities accounted for using equity method	(11,148)	28,958
Loss (gain) on sale of investment securities	40,276	4,005
Loss (gain) on sale of non-current assets	(36,032)	(99,331)
Loss on retirement of non-current assets	20,334	5,404
Surrender value of insurance policies	(880)	(28,674)
Decrease (increase) in trade receivables	(35,787)	(13,054)
Decrease (increase) in inventories	(13,584)	12,343
Increase (decrease) in trade payables	(2,979)	9,716
Increase (decrease) in contract liabilities	806,563	788,590
Decrease (increase) in other assets	17,748	(38,248)
Increase (decrease) in other liabilities	217,595	26,367
Other, net	12,047	67,885
Subtotal	3,684,675	3,550,743
Interest and dividends received	22,607	27,391
Interest paid	(8,183)	(9,802)
Income taxes refund (paid)	(480,064)	(692,578)
Net cash provided by (used in) operating activities	3,219,035	2,875,754

(Unit: thousand yen)

	Apr. 1, 2021 - Mar. 31, 2022	Apr. 1, 2022 - Mar. 31, 2023
Cash flows from investing activities		
Payments into time deposits	(50,414)	(50,414)
Proceeds from withdrawal of time deposits	50,414	50,414
Purchase of property, plant and equipment	(237,417)	(384,488)
Proceeds from sale of non-current assets	73,820	103,857
Purchase of intangible assets	(152,331)	(111,353)
Purchase of investment securities	(101,260)	(1,315,628)
Purchase of shares of subsidiaries and associates	–	(399,999)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(817,124)	(15,403)
Payments for asset retirement obligations	(5,009)	(11,739)
Decrease (increase) in leasehold and guarantee deposits	(13,759)	605
Purchase of insurance funds	(252,181)	(323,192)
Proceeds from cancellation of insurance funds	123,833	576,119
Other investment payments	(12,069)	(19,118)
Other investment proceeds	91,878	148,506
Net cash provided by (used in) investing activities	(1,301,621)	(1,751,835)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000,000	600,000
Repayments of short-term borrowings	(1,000,000)	(600,000)
Proceeds from long-term borrowings	1,300,000	–
Repayments of long-term borrowings	(176,220)	(334,588)
Repayments of lease liabilities	(20,148)	(22,105)
Payments for long-term accounts payable-other	(2,764)	–
Purchase of treasury shares	(220,814)	(258,941)
Dividends paid	(152,694)	(203,177)
Dividends paid to non-controlling interests	(4,440)	(4,494)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,000)	–
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	30,000
Net cash provided by (used in) financing activities	721,918	(793,306)
Net increase (decrease) in cash and cash equivalents	2,639,332	330,612
Cash and cash equivalents at beginning of period	7,072,840	9,712,172
Cash and cash equivalents at end of period	9,712,172	10,042,785



## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Changes in Accounting Policies**

#### Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company started to apply the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021; hereinafter the “Implementation Guidance on Fair Value Measurement Accounting Standard”) from the beginning of the fiscal year ended March 31, 2023. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard, we have decided to prospectively apply the new accounting policy prescribed in the Implementation Guidance on Fair Value Measurement Accounting Standard. There is no effect of the application of these standards on the consolidated financial statements.

### **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 credit-based 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 complying with the methods adopted to prepare 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

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(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	6,838,857	7,730,852	14,569,710	3,065,328	17,635,038	–	17,635,038
Inter-segment sales and transfers	–	16,783	16,783	738,336	755,119	(755,119)	–
Total	6,838,857	7,747,635	14,586,493	3,803,665	18,390,158	(755,119)	17,635,038
Segment profit	896,043	2,918,058	3,814,102	9,392	3,823,494	(1,696,127)	2,127,366
Segment assets	4,234,816	1,305,746	5,540,562	3,513,314	9,053,877	9,719,463	18,773,341
Other items							
Depreciation	97,574	86,418	183,992	205,722	389,715	31,860	421,575
Amortization of goodwill	6,052	–	6,052	20,061	26,114	–	26,114
Increases in property, plant and equipment and intangible assets (Note 4)	150,414	105,236	255,650	135,304	390,955	68,726	459,681

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 corporate training portal site business, the English education business for infants and school children, healthcare business, and anger management instructor development and training business.

2. Adjustments are as follows:

- (1) The minus 1,696,127 thousand yen adjustment to segment profit includes 275 thousand yen in elimination for inter-segment transactions and minus 1,696,402 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 9,719,463 thousand yen adjustment to segment assets includes minus 130,016 thousand yen in elimination for inter-segment transactions and 9,849,479 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 31,860 thousand yen adjustment to depreciation includes corporate assets that cannot be allocated to reportable segments.
- (4) The 68,726 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 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.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(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	7,413,253	9,068,818	16,482,072	3,374,897	19,856,970	–	19,856,970
Inter-segment sales and transfers	–	13,785	13,785	758,703	772,489	(772,489)	–
Total	7,413,253	9,082,603	16,495,857	4,133,601	20,629,459	(772,489)	19,856,970
Segment profit	517,216	3,546,597	4,063,814	76,308	4,140,122	(2,017,414)	2,122,707
Segment assets	3,305,293	1,676,914	4,982,207	3,908,897	8,891,104	10,624,765	19,515,870
Other items							
Depreciation	108,703	78,307	187,011	227,132	414,143	38,985	453,128
Amortization of goodwill	123,291	–	123,291	31,853	155,144	–	155,144
Increases in property, plant and equipment and intangible assets (Note 4)	163,804	161,235	325,039	108,063	433,103	103,101	536,204

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 corporate training portal site business, the English education business for infants and school children, the healthcare business, healthcare business, and anger management instructor development and training business.

2. Adjustments are as follows:

- (1) The minus 2,017,414 thousand yen adjustment to segment profit includes 112 thousand yen in elimination for inter-segment transactions and minus 2,017,527 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 10,624,765 thousand yen adjustment to segment assets includes minus 107,643 thousand yen in elimination for inter-segment transactions and 10,732,409 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 38,985 thousand yen adjustment to depreciation includes corporate assets that cannot be allocated to reportable segments.
- (4) The 103,101 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 updating the enterprise system, etc.

3. Segment profit 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)

	FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)
Net assets per share	604.07	627.10
Net income per share	135.74	64.24
Diluted net income per share	134.43	63.62

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

	FY3/22 (Apr. 1, 2021 - Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	1,284,369	589,709
Amount not attributed to common shareholders (thousands of yen)	–	–
Profit attributable to common shareholders of parent (thousands of yen)	1,284,369	589,709
Average number of common shares during the period (thousand shares)	9,461	9,180
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)	92	88
(Of which, share acquisition rights (thousand shares))	( 92)	( 88)
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.*