



Consolidated Financial Summary for the Second Quarter of Fiscal Year Ending March 31, 2024 (Six Months Ended September 30, 2023)

[Japanese GAAP]

November 14, 2023

Company name: **With us Corporation**

Stock code: 9696

Representative: Tomio Ikoma, President

Contact: Takushi Akagawa, Director, Administration Coordination Headquarters

Scheduled date of filing of Quarterly Report: November 14, 2023

Scheduled date of payment of dividend: December 4, 2023

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None (The recorded video presentation for the financial results will be available on the Company's website on November 21, 2023.)

Note: The original disclosure in Japanese was released on November 14, 2023 at 15:10 (GMT +9).

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

1. Consolidated financial results for the six months ended September 30, 2023

(April 1, 2023–September 30, 2023)

(1) Consolidated business results

(The percentages 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	%
Six months ended Sep. 30, 2023	9,715	4.5	671	(16.9)	671	(20.9)	362	(16.6)
Six months ended Sep. 30, 2022	9,296	13.0	807	6.8	848	2.3	435	(10.7)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2023: 433 (up 23.6%)
Six months ended Sep. 30, 2022: 350 (down 31.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2023	40.35	39.97
Six months ended Sep. 30, 2022	46.94	46.48

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2023	17,135	6,247	34.3
As of Mar. 31, 2023	19,515	5,990	28.9

Reference: Shareholders' equity (million yen) As of Sep. 30, 2023: 5,880 As of Mar. 31, 2023: 5,637

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	–	10.00	–	20.00	30.00
Fiscal year ending Mar. 31, 2024	–	10.00	–	–	–
Fiscal year ending Mar. 31, 2024 (forecast)	–	–	–	20.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

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

Note: Revisions to the most recently announced consolidated earnings forecast: None

Notes

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

Newly added: –

Excluded: –

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) 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

(4) Number of shares issued (common shares)

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

As of Sep. 30, 2023:	10,140,000 shares	As of Mar. 31, 2023:	10,140,000 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2023:	1,140,597 shares	As of Mar. 31, 2023:	1,150,097 shares
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3) Average number of shares during the period

Six months ended Sep. 30, 2023:	8,994,653 shares	Six months ended Sep. 30, 2022:	9,270,617 shares
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Note 1: The current quarterly summary report is not subject to quarterly review 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements” 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 quarterly financial results meeting

Supplementary materials and the recorded video presentation for the quarterly financial results will be available on the Company’s website on November 14, 2023 and November 21, 2023, respectively.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Business Results

The With us Group, consisting of With us Corporation (“the Company”) and its subsidiaries and associates, aims to increase its corporate value by promptly responding to changes in its business environment. In doing so, the Group have set the following five targets as the core of its management policy based on its corporate vision “To become an outstanding educational institution capable of fostering people who will be successful in their career.”

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 the global business
- (6) Maximizing the intra-Group synergies through M&A and alliances

The following is a summary of consolidated operating results for the first half of the fiscal year ending March 31, 2024 (the “period under review”).

	First half of FY3/24 (Apr. 1, 2023–Sep. 30, 2023)	Year on year change (%)
Net sales	9,715	Up 4.5%
Operating profit	671	Down 16.9%
Ordinary profit	671	Down 20.9%
Profit attributable to owners of parent	362	Down 16.6%

The year-on-year increase in net sales was mainly due to an increase in the number of students enrolled in Dai-Ichi Gakuin High School, a correspondence high school; an increase in the demand from inbound tourism following the removal of COVID-19 related border control measures; and an increase in the number of foreign students entering Japan.

The year-on-year decrease in operating profit for the period under review was due to a year-on-year decrease suffered by the Gakushu-juku business and the Skill Development and Careers Support business as well as increases in advertising expenses and BPO expenses to improve operational efficiency of the administration division, despite a year-on-year increase achieved primarily by the High School and University business and the Global business.

In April 2023, the Company implemented an organizational reform within the Group and introduced an internal company system. 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.

To respond promptly to these changes in the business environment, the Company will promote the internal company system to (1) strengthen the Group management and governance, (2) promote flexible decision-making, and (3) establish a structure to embody portfolio management.

In line with the Group’s organizational reform centering on the introduction of an internal company system, the Company has changed its reportable segments effective from the first quarter of the fiscal year ending March 31,

2024. (For details, please refer to “Notice of the Group’s Organizational Reform and Change in Reportable Segments” released on March 31, 2023.

Operating results by segment under the new segment structure for the period under review are as follows.

The following year-on-year comparisons are based on figures that have been reclassified into the segments under the new segment structure.

		(Unit: Million Yen)
	External net sales	Year on year change (%)
High School and University business	4,057	Up 10.4%
Gakushu-juku business	3,616	Down 4.8%
Global business	1,057	Up 34.8%
Skill Development and Careers Support business	841	Down 7.2%
Other businesses	141	Up 7.5%

1) High School and University Business (High School and University Business Company)

In the High School and University business segment, we provide a wide range of growth support for high school students through the operation of correspondence high school Dai-Ichi Gakuin High School, as well as learning opportunities for junior high school students, and services for university students and adults to acquire various qualifications and skills. In addition, through cooperation with Niigata Sangyo University, run by Hakusen Gakuin, a business partner of ours, we have established a system that provides consistent education from junior high school to university for up to 10 years.

According to a survey by the Ministry of Education, Culture, Sports, Science and Technology, the number of pupils and students who are not attending school has increased further, marking a record high. Under such a circumstance, students’ educational needs are diversifying, and an increasing number of students are choosing correspondence high schools. As a result, enrollment in Dai-Ichi Gakuin High School, which offers unique ICT education and specialist training courses, remained steady.

In April this year, we opened “managara BASE” in Ikebukuro, Tokyo, a community space for learning where people of different ages can gather, in an effort to meet the increasingly diversified needs for learning.

We will continue to promote our educational philosophy of “one-over-one education” by systematically providing students with learning that is tailored to their individual circumstances and interests, and by providing them with a greater sense of growth.

2) Gakushu-juku Business (Gakushu-juku Business Company)

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 brain science research. In addition to the conventional group and individual tutoring services, we offer a new type of learning that meets the needs of each student, such as PLS (Positive Learning System), an independent learning system optimized for individual students, individualized success strategy courses, and online group and individual tutoring, so that students can improve grades and pass the entrance exam of schools of their choice.

In the area of English language instruction, where there is a growing need to improve “listening” and “speaking” skills, we have introduced online instruction by professional interpreters and foreign instructors from Kikko Corporation, a group company, starting with elementary school English classes. By exposing students to the culture, history, and lifestyle of English-speaking countries, we are promoting a “practical English instruction” that will not only be useful in preparing for entrance exams but will also be useful in their future life.

We saw a continued steady increase in the number of students enrolled at Individual Learning Manabi operated by Blue Sky FC Co., Ltd. and openings of four new schools during the period under review.

3) Global Business (Global Business Company)

The Global business segment provides Japanese language education for international students and foreigners working in Japan, training of Japanese language teachers, interpretation & translation and dispatch of highly

skilled language professionals, services covering recruitment of foreign nationals and support for finding jobs and living in Japan.

Global With us Co., Ltd., an operator of Japanese language schools, has been steadily accepting foreign students, and its business performance has significantly recovered from the same period of the previous year, when it was affected by the entry restrictions due to the COVID-19 pandemic.

Kikko Corporation, a provider of language services including interpretation and translation and a dispatching service of quality bilingual staff, has seen a steady increase in temporary staffing projects driven by the recovery of the inbound tourism market.

In September this year, we participated in the IT Engineer Training Project for students of the Vietnam-Korea University of Information and Communication Technology (VKU), the University of Da Nang) to improve the Japanese language skills of IT professionals in Southeast Asia and to provide opportunities to work for Japanese companies. The goal of this project is to develop the mindset and skills required to work for Japanese companies and to foster human resources who are ready to work hard, thereby helping alleviate the shortage of IT human resources.

4) Skill Development and Careers Support Business (Skill Development and Careers Support Business Company)

The Skill Development and Careers Support business is also responsible for the marketing function across the Group. Therefore, we provide a variety of educational solutions aimed at nurturing people who can play an active role in society by, for example, supporting the creation of a learning environment that is not limited to this particular Business Company. We provide ICT education solutions and skill development content for from preschoolers to adults, including speed reading comprehension (SPC) courses and SPC Biz as well as corporate training and train-the-trainer programs for anger management.

With all the attention paid to human capital through “investment in people” promoted by the government, REVIC Global Co., Ltd., a provider of corporate training services, has been performing well.

5) Other Businesses (Other Services)

Other services include nursing care prevention, labor transition support, operation of programming classes and development of relevant educational materials, and advertising. We also provide daycare services to improve and maintain the functions of daily life and to prevent nursing care for seniors and also provide training, employment support, and post-employment support for people with disabilities who wish to work.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Assets

Current assets decreased 25.2% from the end of the previous fiscal year to 8,473 million yen. This was due mainly to a decrease of 2,846 million yen in cash and deposits.

Non-current assets increased 5.9% from the end of the previous fiscal year to 8,662 million yen. This was mainly due mainly to increases of 182 million yen in buildings and structures, 126 million yen in investment securities, and 132 million yen in other under investments and other assets, which were partially offset by a decrease of 76 million yen in goodwill.

As a result, total assets decreased 12.2% from the end of the previous fiscal year to 17,135 million yen.

Liabilities

Current liabilities decreased 23.5% from the end of the previous fiscal year to 8,154 million yen. This was due mainly to decreases of 2,682 million yen in contract liabilities and 301 million yen in income taxes payable, which were partially offset by an increase of 400 million yen in short-term borrowings.

Non-current liabilities decreased 4.5% from the end of the previous fiscal year to 2,734 million yen. This was due mainly to a decrease of 132 million yen in long-term borrowings.

As a result, total liabilities decreased 19.5% from the end of the previous fiscal year to 10,888 million yen.

Net assets

Net assets increased 4.3 % from the end of the previous fiscal year to 6,247 million yen. This was due mainly to increases of 183 million yen in retained earnings and 52 million yen in valuation difference on available-for-sale securities.

2) Cash Flows

The balance of cash and cash equivalents (hereinafter “net cash”) as of the end of the period under review decreased 458 million yen year-on-year to 7,195 million yen as a result of below mentioned cash flows.

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

Cash flows from operating activities

Net cash used in operating activities was 1,965 million yen in the period under review (compared with 1,256 million yen used in the same period of the previous fiscal year). The result was attributable mainly to a decrease of 2,682 million yen in contract liabilities, which was partially offset by the recording of profit before income taxes of 650 million yen.

Cash flows from investing activities

Net cash used in investing activities was 942 million yen in the period under review (compared with 695 million yen used in the same period of the previous fiscal year). The result was attributable mainly to purchase of property, plant and equipment of 281 million yen, purchase of intangible assets of 274 million yen, purchase of insurance funds of 217 million yen, and purchase of investment securities of 104 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 61 million yen in the period under review (compared with 105 million yen used in the same period of the previous fiscal year). The result was attributable mainly to proceeds from short-term borrowings of 800 million yen, which was partially offset by repayments of short-term borrowings of 400 million yen, repayments of long-term borrowings of 150 million yen and dividends paid of 179 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

We will not make any revisions to the full-year consolidated earnings forecast for the fiscal year ending on March 31, 2024, which was announced on May 12, 2023.

The forecasts are made by the Company based on information available at the time of release of this summary report. Actual results may differ significantly from these forecasts due to various factors.

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

(Unit: thousand yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
Assets		
Current assets		
Cash and deposits	10,166,741	7,319,894
Notes and accounts receivable - trade, and contract assets	321,089	364,090
Accounts receivable-school fees	152,577	37,773
Merchandise and finished goods	46,785	46,823
Teaching material	29,738	35,594
Raw materials and supplies	17,708	7,217
Other	602,237	665,562
Allowance for doubtful accounts	(3,947)	(3,387)
Total current assets	11,332,932	8,473,569
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	853,805	1,036,199
Other, net	459,092	467,344
Total property, plant and equipment	1,312,897	1,503,543
Intangible assets		
Goodwill	662,430	585,742
Other	698,589	766,202
Total intangible assets	1,361,019	1,351,944
Investments and other assets		
Investment securities	2,572,582	2,699,047
Leasehold and guarantee deposits	1,189,921	1,217,214
Other	1,776,386	1,908,612
Allowance for doubtful accounts	(29,869)	(18,359)
Total investments and other assets	5,509,020	5,806,514
Total non-current assets	8,182,938	8,662,003
Total assets	19,515,870	17,135,573

	(Unit: thousand yen)	
	As of Mar. 31, 2023	As of Sep. 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	272,956	148,291
Short-term borrowings	100,000	500,000
Current portion of long-term borrowings	294,639	286,262
Income taxes payable	557,088	255,387
Contract liabilities	7,812,191	5,129,807
Provision for bonuses	203,833	235,424
Other	1,421,901	1,599,060
Total current liabilities	10,662,610	8,154,232
Non-current liabilities		
Long-term borrowings	867,812	735,788
Provision for retirement benefits for directors (and other officers)	58,759	59,674
Retirement benefit liability	1,023,571	1,002,317
Asset retirement obligations	770,865	805,320
Other	141,970	131,037
Total non-current liabilities	2,862,979	2,734,138
Total liabilities	13,525,590	10,888,371
Net assets		
Shareholders' equity		
Share capital	1,299,375	1,299,375
Capital surplus	1,467,724	1,470,584
Retained earnings	3,432,326	3,615,443
Treasury shares	(646,566)	(641,226)
Total shareholders' equity	5,552,858	5,744,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,209	210,312
Revaluation reserve for land	(73,101)	(73,101)
Foreign currency translation adjustment	(382)	(1,040)
Total accumulated other comprehensive income	84,725	136,170
Share acquisition rights	26,362	26,362
Non-controlling interests	326,333	340,491
Total net assets	5,990,280	6,247,201
Total liabilities and net assets	19,515,870	17,135,573

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income
(For the Six-month Period)**

(Unit: thousand yen)

	Apr. 1, 2022–Sep. 30, 2022	Apr. 1, 2023–Sep. 30, 2023
Net sales	9,296,611	9,715,556
Cost of sales	6,170,195	6,464,106
Gross profit	3,126,416	3,251,450
Selling, general and administrative expenses	2,319,160	2,580,370
Operating profit	807,255	671,079
Non-operating income		
Interest income	5,721	11,001
Dividend income	8,147	10,169
Share of profit of entities accounted for using equity method	6,831	–
Other	26,638	33,265
Total non-operating income	47,338	54,437
Non-operating expenses		
Interest expenses	4,920	4,075
Share of loss of entities accounted for using equity method	–	42,351
Other	717	7,454
Total non-operating expenses	5,638	53,881
Ordinary profit	848,956	671,635
Extraordinary income		
Surrender value of insurance policies	23,861	–
Total extraordinary income	23,861	–
Extraordinary losses		
Loss on valuation of investment securities	33,084	–
Impairment losses	–	19,454
Loss on cancellation of insurance policies	37,057	–
Other	9,538	2,099
Total extraordinary losses	79,680	21,554
Profit before income taxes	793,137	650,080
Income taxes-current	318,829	219,780
Income taxes-deferred	13,451	48,480
Total income taxes	332,280	268,261
Profit	460,856	381,819
Profit attributable to non-controlling interests	25,683	18,903
Profit attributable to owners of parent	435,173	362,915

Consolidated Statement of Comprehensive Income
(For the Six-month Period)

(Unit: thousand yen)

	Apr. 1, 2022–Sep. 30, 2022	Apr. 1, 2023–Sep. 30, 2023
Profit	460,856	381,819
Other comprehensive income		
Valuation difference on available-for-sale securities	(110,179)	52,103
Share of other comprehensive income of entities accounted for using equity method	(278)	(657)
Total other comprehensive income	(110,457)	51,445
Comprehensive income	350,398	433,264
Comprehensive income attributable to:		
Owners of parent	324,715	414,360
Non-controlling interests	25,683	18,903

(3) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Apr. 1, 2022–Sep. 30, 2022	Apr. 1, 2023–Sep. 30, 2023
Cash flows from operating activities		
Profit before income taxes	793,137	650,080
Depreciation	224,901	225,865
Impairment losses	–	19,454
Surrender value of insurance policies	(23,861)	–
Loss on cancellation of insurance policies	37,057	–
Amortization of goodwill	77,952	76,687
Share-based payment expenses	6,281	6,137
Increase (decrease) in allowance for doubtful accounts	(4,407)	(12,069)
Increase (decrease) in provision for bonuses	36,541	31,591
Increase (decrease) in retirement benefit liability	(5,859)	(21,253)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	914	914
Interest and dividend income	(13,868)	(21,171)
Interest expenses	4,920	4,075
Share of loss (profit) of entities accounted for using equity method	(6,831)	42,351
Decrease (increase) in trade receivables	89,722	71,804
Decrease (increase) in inventories	14,061	2,670
Increase (decrease) in trade payables	(141,460)	(124,664)
Increase (decrease) in contract liabilities	(2,302,114)	(2,682,383)
Decrease (increase) in other assets	60,471	(48,605)
Increase (decrease) in other liabilities	214,201	292,905
Other	33,078	625
Subtotal	(905,162)	(1,484,982)
Interest and dividends received	15,735	24,004
Interest paid	(5,150)	(4,347)
Income taxes paid	(361,499)	(500,540)
Net cash provided by (used in) operating activities	(1,256,076)	(1,965,865)
Cash flows from investing activities		
Payments into time deposits	(50,414)	(52,588)
Proceeds from withdrawal of time deposits	50,414	52,588
Purchase of property, plant and equipment	(254,999)	(281,308)
Purchase of intangible assets	(59,360)	(274,534)
Purchase of investment securities	(349,238)	(104,338)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15,403)	–
Payments for asset retirement obligations	(11,739)	(37,843)
Decrease (increase) in leasehold and guarantee deposits	(14,854)	(27,253)
Purchase of insurance funds	(187,809)	(217,353)
Proceeds from cancellation of insurance funds	161,067	9,221
Other, net	36,654	(9,356)
Net cash provided by (used in) investing activities	(695,684)	(942,767)

(Unit: thousand yen)

	Apr. 1, 2022–Sep. 30, 2022	Apr. 1, 2023–Sep. 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	300,000	800,000
Repayments of short-term borrowings	(100,000)	(400,000)
Proceeds from long-term borrowings	–	10,000
Repayments of long-term borrowings	(179,373)	(150,401)
Repayments of lease obligations	(11,053)	(11,043)
Dividends paid	(110,764)	(179,022)
Dividends paid to non-controlling interests	(4,494)	(4,746)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(3,000)
Net cash provided by (used in) financing activities	(105,686)	61,786
Net increase (decrease) in cash and cash equivalents	(2,057,446)	(2,846,847)
Cash and cash equivalents at beginning of period	9,712,172	10,042,785
Cash and cash equivalents at end of period	7,654,725	7,195,938

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. Apr. 1, 2022–Sep. 30, 2022

1. Information related to net sales and profit for each reportable segment (Unit: thousand yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated statement of income (Note 3)
	High School and University	Gakushu-juku	Global	Skill Development and Careers Support	Subtotal				
Net sales									
External sales	3,674,488	3,798,823	784,807	906,738	9,164,858	131,753	9,296,611	–	9,296,611
Inter-segment sales and transfers	–	–	12,675	57,565	70,240	239,536	309,776	(309,776)	–
Total	3,674,488	3,798,823	797,482	964,303	9,235,098	371,289	9,606,388	(309,776)	9,296,611
Segment profit (loss)	1,339,085	272,099	(53,355)	214,375	1,772,204	(91,766)	1,680,438	(873,182)	807,255

- Notes: 1. The “Other” businesses segment includes the following businesses that are not included in any of the reportable segments: the advertising business and the healthcare business.
2. The minus 873,182 thousand yen adjustment to segment profit (loss) includes 197 thousand yen in elimination for inter-segment transactions and minus 873,379 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.
3. Segment profit (loss) is adjusted to be consistent with operating profit on the quarterly consolidated statement of income.

II. Apr. 1, 2023–Sep. 30, 2023

1. Information related to net sales and profit for each reportable segment (Unit: thousand yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated statement of income (Note 3)
	High School and University	Gakushu-juku	Global	Skill Development and Careers Support	Subtotal				
Net sales									
External sales	4,057,990	3,616,833	1,057,662	841,464	9,573,950	141,606	9,715,556	–	9,715,556
Inter-segment sales and transfers	–	–	37,241	48,282	85,523	242,379	327,902	(327,902)	–
Total	4,057,990	3,616,833	1,094,903	889,746	9,659,474	383,985	10,043,459	(327,902)	9,715,556
Segment profit (loss)	1,582,456	104,836	(1,957)	109,870	1,795,206	(83,707)	1,711,498	(1,040,418)	671,079

- Notes: 1. The “Other” businesses segment includes the following businesses that are not included in any of the reportable segments: the advertising business and the healthcare business.
2. The minus 1,040,418 thousand yen adjustment to segment profit (loss) includes minus 20 thousand yen in elimination for inter-segment transactions and minus 1,040,398 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.
3. Segment profit (loss) is adjusted to be consistent with operating profit on the quarterly consolidated statement of income.

2. Changes in reportable segments

Due to the change in performance management categories following the reorganization within the Group effective April 1, 2023, the Company changed its segment structure from the first quarter of the fiscal year ending March 31, 2024 from the previous three-segment structure of “Gakushu-juku business,” “High School and Careers Support business,” and “Other” to the five-segment structure of “High School and University business,” “Gakushu-juku business,” “Global business,” “Skill Development and Careers Support business,” and “Other.”

The segment information for the first half of the previous fiscal year is disclosed based on the new reportable segments.

** 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.*