



## Consolidated Financial Summary for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

May 13, 2024

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, Managing Director, Chief Senior Director of Support

Scheduled date of General Meeting of Shareholders: June 27, 2024

Scheduled date of filing of Annual Securities Report: June 28, 2024

Scheduled date of dividend payment: June 28, 2024

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 17, 2024.)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(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, 2024	20,690	4.2	1,969	(7.2)	1,952	(9.4)	904	53.4
Fiscal year ended Mar. 31, 2023	19,856	12.6	2,122	(0.2)	2,155	(4.0)	589	(54.1)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 1,010 (up 90.5%)

Fiscal year ended Mar. 31, 2023: 530 (down 65.8%)

	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, 2024	100.37	99.42	15.3	10.3	9.5
Fiscal year ended Mar. 31, 2023	64.24	63.62	10.5	11.3	10.7

Reference: Equity method income (million yen) Fiscal year ended Mar. 31, 2024: (74) Fiscal year ended Mar. 31, 2023: (28)

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	18,315	6,212	33.8	684.33
As of Mar. 31, 2023	19,515	5,990	28.9	627.10

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 6,186 As of Mar. 31, 2023: 5,637

### (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, 2024	982	(1,912)	(1,171)	7,948
Fiscal year ended Mar. 31, 2023	2,875	(1,751)	(793)	10,042

## 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, 2023	–	10.00	–	20.00	30.00	272	46.7	4.9
Fiscal year ended Mar. 31, 2024	–	10.00	–	50.00	60.00	541	59.8	9.2
Fiscal year ending Mar. 31, 2025 (forecast)	–	20.00	–	40.00	60.00		45.2	

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (April 1, 2024–March 31, 2025)

(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	21,300	2.9	2,100	6.6	2,200	12.7	1,200	32.6	132.75

## 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, 2024: 10,140,000 shares As of Mar. 31, 2023: 10,140,000 shares

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

As of Mar. 31, 2024: 1,100,258 shares As of Mar. 31, 2023: 1,150,097 shares

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2024: 9,013,873 shares Fiscal year ended Mar. 31, 2023: 9,180,272 shares

## Reference: Summary of Unconsolidated Financial Results

### 1. Unconsolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(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, 2024	13,900	1.8	1,474	(12.4)	1,591	(6.0)	983	177.4
Fiscal year ended Mar. 31, 2023	13,650	3.2	1,683	(17.7)	1,693	(19.9)	354	(68.2)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2024	109.12		108.09	
Fiscal year ended Mar. 31, 2023	38.62		38.25	

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	15,427	5,388	34.8	593.23
As of Mar. 31, 2023	16,063	4,526	28.0	500.59

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 5,362 As of Mar. 31, 2023: 4,500

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 6 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 13, 2024.

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## 1. Overview of Results of Operations

### (1) Results of Operations

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 six 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 fiscal year ended March 31, 2024 (the “period under review”).

	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	Year on year change (%)
Net sales	20,690	Up 4.2%
Operating profit	1,969	Down 7.2%
Ordinary profit	1,952	Down 9.4%
Profit attributable to owners of parent	904	Up 53.4%

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 decrease in operating profit and ordinary profit was due to lower profit in the Gakushu-juku business and Skill Development and Careers Support business and higher development costs of systems and BPO expenses to establish an efficient function-based business management system, while higher profit was achieved in the High School and University business.

In the period under review, the Company posted extraordinary losses again, due to ensuring a better learning environment at Gakushu-juku and integrating and abolishing the existing schools to improve services. Yet, because the scale of the losses was reduced from the previous fiscal year, profit attributable to owners of the parent increased.

Currently, the environment surrounding learning is in the process of unprecedented change. Digitization and online services have received further attention with the COVID-19 crisis. Moreover, the rapid spread of generative AI, as seen in the country’s Global and Innovation Gateway for All initiative and Large Language Models or LLM is further expanding the way we learn. In addition, given the fact that the revision of the current curriculum guidelines requires schools “to ensure that knowledge and skills are acquired”, “to develop students’ abilities to think, make judgements, and express themselves,” and “to cultivate the motivation to learn and humanity,” the number of questions that test these abilities is increasing in high school and university entrance examinations, and selection methods are becoming more diverse.

At the same time, the government is also making a generous “investment in people” in order to provide more opportunities for each individual to learn in this 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.

Furthermore, the “diversification of forms of learning” is expected to accelerate and continue throughout one’s

life, due in part to greater than anticipated current statuses of a declining birthrate, an aging population, and diversification of needs.

Under these circumstances, in April 2023, the Company implemented an organizational reform within the Group and introduced an internal company system. To respond promptly to these changes in the business environment, the Company will contribute to solving various social issues associated with the “diversification of forms of learning” by aiming to realize (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 period under review. (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	9,148	Up 9.4%
Gakushu-juku business	7,419	Down 4.0%
Global business	2,139	Up 26.0%
Skill Development and Careers Support business	1,685	Down 6.8%
Other businesses	297	Up 14.5%

### 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 unwilling to go to school, 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 our junior high school to high school and university for up to 10 years, offering systematic learning tailored to each student’s situation, interests, and needs.

Along with the diversification of students’ educational needs, the number of their choosing correspondence high schools is steadily increasing. As a result, enrollment in Dai-ichi Gakuin High School, which offers unique ICT education, schooling to provide students with a greater sense of growth, and various specialist training courses, remained steady.

In April 2023, we opened “managara BASE,” a community space in Ikebukuro, Tokyo, and in October 2023 in Umeda, Osaka, where people of different ages from high school, university, and the workforce can gather to support each individual’s growth centering on respective perspective through various learning opportunities including collaboration with the community. In this way, we are promoting initiatives to meet the increasingly diverse needs of our customers.

We will continue to promote our educational philosophy of “one-over-one education” by providing students with learning that is in line with the times and an even greater sense of growth.

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

In the Gakushu-juku business segment, in addition to the conventional group and individual tutoring services, we offer the Positive Learning System or PLS, which is an independent learning system optimized for individual students; the “Individual Success Strategy Course,” which leads students to pass high school and junior high school entrance examinations according to their academic performance; the “Exciting English Course,” which is an online English instruction program by professional interpreters and foreign instructors from Kikko

Corporation, a group company, and this is to deal with English classes which are now mandatory at elementary schools to improve students' global communication skills; and the "Highest Level + (Plus) Course," which provides high-achieving students in group courses with live online classes. We offer new forms of learning to meet diverse student needs, helping them to improve their grades and get into schools of their choice. In all of these areas, the key concept is to increase self motivation through our unique educational method, "plus-cycle learning method", based on findings from brain science research, which has improved customer satisfaction through the synergistic effects of various initiatives, and has reduced dropouts and increased enrollment periods.

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 ten 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. We absorbed and merged With us Global Solutions Co., Ltd., an operator of Japanese language teacher training courses, as of October 1, to provide a full range of Japanese language education services in an integrated manner. 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.

Furthermore, in the area of fostering IT engineers in Southeast Asia, in collaboration with NIX EDUCATION JOINT STOCK COMPANY, we concluded MOAs with Vietnam-Korea University of Information and Communication Technology (VKU), a member university of the University of Da Nang, in September, Phuong Dong University (PDU) in December, and Hoa Sen University in February. In addition to Japanese language education, we will create internship opportunities in Japan and support students who wish to work in Japan to realize their desired career path, thereby contributing to the development of human resources in Southeast Asia and the elimination of the IT human resource shortage in Japanese companies.

### **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 expand business such as providing ICT educational solutions and ability development content to improve reading comprehension, including "Soku Dokkaiyoku Koza," or Speed-reading Comprehension Course, Sokudokucho Eigo Koza," or Speed-reading Listening English Courses, and "Shin-Kokugo Koza," or the New Japanese Language Course, mainly at Gakushu-juku, learning portal services for companies for reskilling and relearning, e-learning content, Learning Management System or LMS implementation, as well as instructor training and corporate training 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 study portal service for entities, has been performing well. We absorbed and merged Anger Management Co., Ltd., the management company of the Japan Anger Management Association, in January. This enabled us to take steps to further contribute to solving the recent human resource development issues of companies and public institutions through various synergies with the Human Resource Technology that we provide.

### **5) Other Businesses (Other Services)**

Other businesses include fitness for healthy aging and advertising.

In the area of fitness for healthy aging, we are developing daycare services to help seniors prevent frailty by improving and maintaining the functions of daily living. The employment transition support business and programming classes were transferred during the period under review in consideration of their profitability.

## **(2) Financial Position**

### **Assets**

Current assets decreased 17.4% from the end of the previous fiscal year to 9,365 million yen. This was due mainly to an increase of 77 million yen in other under current asset and a decrease of 2,099 million yen in cash and deposits.

Non-current assets increased 9.4% from the end of the previous fiscal year to 8,950 million yen. This was due mainly to increases of 467 million yen in investment securities, 282 million yen in other under intangible assets, and 269 million yen in insurance funds, which were partially offset by a decrease of 303 million yen in goodwill.

As a result, total assets decreased 6.1% from the end of the previous fiscal year to 18,315 million yen.

### **Liabilities**

Current liabilities decreased 9.9% from the end of the previous fiscal year to 9,604 million yen. This was due mainly to decreases of 758 million yen in contract liabilities and 337 million in income taxes payable, which were partially offset by an increase of 68 million yen in accounts payable-other.

Non-current liabilities decreased 12.7% from the end of the previous fiscal year to 2,498 million yen. This was due mainly to a decrease of 288 million yen in long-term borrowings.

As a result, total liabilities decreased 10.5% from the end of the previous fiscal year to 12,103 million yen.

### **Net Assets**

Net assets increased 3.7% from the end of the previous fiscal year to 6,212 million yen. This was due mainly to increases of 637 million yen in retained earnings and 83 million yen in valuation difference on available-for-sale securities, which were partially offset by decreases of 326 million yen in non-controlling interests and 199 million yen in capital surplus.

## **(3) Cash Flows**

The balance of cash and cash equivalents (hereinafter “net cash”) for the period under review decreased 2,094 million yen year-on-year to 7,948 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 982 million yen for the period under review (compared with 2,875 million yen provided for the previous fiscal year). The result was attributable mainly to the recording of profit before income taxes of 1,559 million yen and a payment of 902 million yen in income taxes.

### **Cash flows from investing activities**

Net cash used in investing activities was 1,912 million yen for the period under review (compared with 1,751 million yen used for the previous fiscal year). The result was attributable mainly to purchase of intangible assets of 637 million yen, purchase of investment securities of 475 million yen, and purchase of property, plant and equipment of 363 million yen.

### **Cash flows from financing activities**

Net cash used in financing activities was 1,171 million yen for the period under review (compared with 793 million yen used for the previous fiscal year). The result was attributable mainly to purchase of shares of subsidiaries not resulting in change in scope of consolidation of 583 million yen, repayments of long-term borrowings of 302 million yen, and dividends paid of 268 million yen.

## Reference: Cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Ratio of shareholders' equity to total assets (%)	31.6	34.6	29.8	28.9	33.8
Ratio of shareholders' equity to total assets (market value basis) (%)	32.6	33.8	38.8	38.6	83.6
Cash flows to debt ratio (%)	78.9	26.4	52.7	46.6	104.2
Interest coverage ratio (times)	242.0	172.3	393.4	293.4	95.6

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 moving toward normalization with the easing of restrictions caused by COVID-19. However, the outlook remains uncertain due to the unstable global situation, which has had a significant impact on surging resources and raw material costs, ongoing yen depreciation, and higher commodity prices. In addition, the environment surrounding "learning" is expected to become even more diverse and individually optimized with the shift to lifelong learning.

Under such circumstances, the Group is determined to enhance our corporate value by providing people in wide range of generation with various learning opportunities, accompanying their growth throughout their lives, and developing human resources who can contribute to solving various social issues, under its corporate vision, "to become an outstanding educational institution capable of fostering people who will be successful in their career." In the High School and Career 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 the wide-area credit-based correspondence high school "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 a new service model, "managara BASE," the learning community space for different generations from high school and university to meet. These activities will continue to support the increasingly diverse and individualized ways that people want to learn. In order to further expand the spread of support nationwide, we are planning to open new schools in areas where we have not yet served.

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 leaning process utilizing EdTech and by individually optimized learning opportunities. In order to enhance the curriculum to develop not only knowledge and skills, but also the ability to use what they have learned and how to learn, we will continue to expand the number of schools that offer the Positive Learning System or PLS for independent and individually optimized learning, Individual Success Strategy Course for each student, and online live classes Highest Level + Plus Course for high-achieving students in the group courses. We will take on 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 will strive to dispatch interpreters and translators and develop Japanese language education service business and language services business in Japan, while will make efforts to offer Japanese language and skills education programs in Vietnam and Indonesia, develop 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 language service business, we will support the globalization of society and the development of people who can play an active role in the world, while will provide hospitality support and continuous business development for those involved in international events, centered on interpretation and translation. In addition, we will expand business at EXPO 2025 OSAKA, KANSAI, JAPAN to be held next year.

In Skill Development and Careers Support business, the Group supports lifelong learning by operating skill development programs for the markets of Gakushu-juku and school children, learning portals for companies, e-learning educational services, and anger management instructor development and training business. Through the development of content and the coordination of various programs, we will continue to create more opportunities for people to grow in a society in which people live for 100 years.

In addition, we will strive to broaden and deepen the age groups and areas where we can provide support, such as health care in fitness programs for healthy aging.

In the next fiscal year ending March 31, 2025, we expect net sales of 21,300 million yen (up 2.9% year-on-year), operating profit of 2,100 million yen (up 6.6%), ordinary profit of 2,200 million yen (up 12.7%), and profit attributable to owners of parent of 1,200 million yen (up 32.6%) on a consolidated basis.

The fiscal year ending March 31, 2026 will mark the 50th anniversary of the Company's founding. In order to achieve further and more permanent business growth, we have begun considering a medium-term management plan with the first term ending March 31, 2026. In formulating our mid- and long-term business strategy, we put capital allocation and corporate governance as important agenda, and we will seek input from outside advisors to improve the accuracy and effectiveness in analyzing economic conditions and working on our plans. We intend to provide our shareholders with details of the plan by timely disclosure as and when they arise.

**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**

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.

As for the year-end dividend for the fiscal year ending March 31, 2024, we have resolved to pay a year-end dividend of 50 yen per share, an increase of 30 yen compared to the year-end dividend of 20 yen per share in the previous fiscal year, in order to further clarify our stance on shareholder returns, taking into consideration our full-year business performance and our compliance with the Corporate Governance Code. As a result, the annual dividend is 60 yen per share, including the interim dividend of 10 yen per share already paid.

We will continue to conduct sufficient deliberations with emphasis on the perspective of realizing enhanced shareholder returns while improving corporate value over the medium to long term. We will strive to improve our corporate value and realize the common interests of our shareholders by striking a balance between the two.

## **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, 2023	As of Mar. 31, 2024
Assets		
Current assets		
Cash and deposits	10,166,741	8,067,632
Accounts receivable - trade	321,089	356,873
Accounts receivable-school fees	152,577	129,363
Merchandise and finished goods	46,785	49,366
Teaching material	29,738	79,176
Raw materials and supplies	17,708	7,137
Other	602,237	679,639
Allowance for doubtful accounts	(3,947)	(4,014)
Total current assets	11,332,932	9,365,175
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,305,323	4,289,903
Accumulated depreciation	(3,451,518)	(3,400,063)
Buildings and structures, net	853,805	889,840
Land	312,497	312,497
Leased assets	92,667	94,734
Accumulated depreciation	(59,900)	(70,427)
Leased assets, net	32,767	24,307
Construction in progress	792	1,127
Other	1,120,793	1,072,518
Accumulated depreciation	(1,007,758)	(950,098)
Other, net	113,035	122,419
Total property, plant and equipment	1,312,897	1,350,193
Intangible assets		
Goodwill	662,430	359,282
Software	400,513	473,971
Other	298,076	580,233
Total intangible assets	1,361,019	1,413,486
Investments and other assets		
Investment securities	2,572,582	3,040,034
Long-term loans receivable	14,278	23,783
Leasing and guarantee deposits	1,189,921	1,215,127
Insurance funds	1,005,928	1,275,680
Retirement benefit asset	241	323
Deferred tax assets	639,198	532,438
Other	116,739	115,672
Allowance for doubtful accounts	(29,869)	(16,184)
Total investments and other assets	5,509,020	6,186,874
Total non-current assets	8,182,938	8,950,554
Total assets	19,515,870	18,315,729

	(Unit: thousand yen)	
	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	272,956	257,335
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	294,639	286,378
Lease liabilities	22,092	22,084
Accounts payable-other	829,529	898,118
Income taxes payable	557,088	220,032
Accrued consumption taxes	198,702	125,711
Contract liabilities	7,812,191	7,053,429
Provision for bonuses	203,833	230,332
Asset retirement obligations	24,589	23,770
Other	346,987	387,215
Total current liabilities	10,662,610	9,604,409
Non-current liabilities		
Long-term borrowings	867,812	579,461
Lease liabilities	56,052	36,290
Provision for retirement benefits for directors (and other officers)	58,759	60,589
Retirement benefit liability	1,023,571	991,665
Asset retirement obligations	770,865	767,754
Other	85,917	63,002
Total non-current liabilities	2,862,979	2,498,763
Total liabilities	13,525,590	12,103,173
Net assets		
Shareholders' equity		
Share capital	1,299,375	1,299,375
Capital surplus	1,467,724	1,267,872
Retained earnings	3,432,326	4,069,768
Treasury shares	(646,566)	(618,553)
Total shareholders' equity	5,552,858	6,018,462
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	158,209	241,737
Revaluation reserve for land	(73,101)	(73,101)
Foreign currency translation adjustment	(382)	(905)
Total accumulated other comprehensive income	84,725	167,731
Share acquisition rights	26,362	26,362
Non-controlling interests	326,333	—
Total net assets	5,990,280	6,212,556
Total liabilities and net assets	19,515,870	18,315,729

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

(Unit: thousand yen)

	Apr. 1, 2022–Mar. 31, 2023	Apr. 1, 2023–Mar. 31, 2024
Net sales	19,856,970	20,690,427
Cost of sales	12,876,350	13,403,295
Gross profit	6,980,619	7,287,131
Selling, general and administrative expenses	4,857,911	5,317,617
Operating profit	2,122,707	1,969,513
Non-operating income		
Interest income	14,026	23,101
Dividend income	11,729	14,105
Subsidy income	11,127	10,144
Other	38,896	44,652
Total non-operating income	75,779	92,004
Non-operating expenses		
Interest expenses	9,806	10,656
Loss on investments in investment partnerships	–	14,300
Share of loss of entities accounted for using equity method	28,958	74,861
Other	3,978	8,956
Total non-operating expenses	42,743	108,774
Ordinary profit	2,155,744	1,952,743
Extraordinary income		
Gain on sale of non-current assets	99,331	–
Surrender value of insurance policies	28,674	–
Gain on sale of shares of subsidiaries and associates	–	673
Total extraordinary income	128,006	673
Extraordinary losses		
Loss on retirement of non-current assets	5,404	9,811
Impairment losses	828,889	312,867
Loss on sale of investment securities	4,005	–
Loss on sale of shares of subsidiaries and associates	–	38,366
Other	86,530	32,918
Total extraordinary losses	924,829	393,964
Profit before income taxes	1,358,921	1,559,452
Income taxes-current	826,617	579,798
Income taxes-deferred	(110,205)	52,293
Total income taxes	716,411	632,092
Profit	642,509	927,360
Profit attributable to non-controlling interests	52,799	22,664
Profit attributable to owners of parent	589,709	904,696

**Consolidated Statement of Comprehensive Income**

(Unit: thousand yen)

	Apr. 1, 2022–Mar. 31, 2023	Apr. 1, 2023–Mar. 31, 2024
Profit	642,509	927,360
Other comprehensive income		
Valuation difference on available-for-sale securities	(111,910)	83,528
Share of other comprehensive income of entities accounted for using equity method	(111)	(522)
Total other comprehensive income	(112,022)	83,006
Comprehensive income	530,486	1,010,366
Comprehensive income attributable to:		
Owners of parent	477,687	987,702
Non-controlling interests	52,799	22,664

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

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

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,299,375	1,467,724	3,432,326	(646,566)	5,552,858
Changes during period					
Dividends of surplus			(269,792)		(269,792)
Profit attributable to owners of parent			904,696		904,696
Purchase of treasury shares				(96)	(96)
Disposal of treasury shares		39,264		28,109	67,374
Purchase of shares of consolidated subsidiaries		(239,115)			(239,115)
Increase by merger			2,537		2,537
Net changes in items other than shareholders' equity					
Total changes during period	–	(199,851)	637,441	28,013	465,603
Balance at end of period	1,299,375	1,267,872	4,069,768	(618,553)	6,018,462

	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	158,209	(73,101)	(382)	84,725	26,362	326,333	5,990,280
Changes during period							
Dividends of surplus							(269,792)
Profit attributable to owners of parent							904,696
Purchase of treasury shares							(96)
Disposal of treasury shares							67,374
Purchase of shares of consolidated subsidiaries						(344,252)	(583,368)
Increase by merger							2,537
Net changes in items other than shareholders' equity	83,528	–	(522)	83,006	–	17,918	100,924
Total changes during period	83,528	–	(522)	83,006	–	(326,333)	222,275
Balance at end of period	241,737	(73,101)	(905)	167,731	26,362	–	6,212,556

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

(Unit: thousand yen)

	Apr. 1, 2022–Mar. 31, 2023	Apr. 1, 2023–Mar. 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,358,921	1,559,452
Depreciation	453,128	437,975
Impairment losses	828,889	312,867
Amortization of goodwill	155,144	152,494
Share-based payment expenses	12,956	11,737
Increase (decrease) in allowance for doubtful accounts	(5,109)	(13,609)
Increase (decrease) in provision for bonuses	13,717	26,499
Increase (decrease) in retirement benefit liability	(16,747)	(31,987)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1,829	1,829
Interest and dividend income	(25,756)	(37,207)
Interest expenses	9,806	10,656
Share of loss (profit) of entities accounted for using equity method	28,958	74,861
Loss (gain) on sale of investment securities	4,005	–
Loss (gain) on sale of shares of subsidiaries and associates	–	37,693
Loss (gain) on sale of non-current assets	(99,331)	0
Loss on retirement of non-current assets	5,404	9,811
Surrender value of insurance policies	(28,674)	(728)
Decrease (increase) in trade receivables	(13,054)	(14,785)
Decrease (increase) in inventories	12,343	(41,652)
Increase (decrease) in trade payables	9,716	(15,620)
Increase (decrease) in contract liabilities	788,590	(758,761)
Decrease (increase) in other assets	(38,248)	21,246
Increase (decrease) in other liabilities	26,367	77,111
Other, net	67,885	36,026
Subtotal	3,550,743	1,855,910
Interest and dividends received	27,391	39,558
Interest paid	(9,802)	(10,277)
Income taxes refund (paid)	(692,578)	(902,286)
Net cash provided by (used in) operating activities	2,875,754	982,905



(Unit: thousand yen)

	Apr. 1, 2022–Mar. 31, 2023	Apr. 1, 2023–Mar. 31, 2024
Cash flows from investing activities		
Payments into time deposits	(50,414)	(55,651)
Proceeds from withdrawal of time deposits	50,414	60,653
Purchase of property, plant and equipment	(384,488)	(363,517)
Proceeds from sale of non-current assets	103,857	–
Purchase of intangible assets	(111,353)	(637,132)
Purchase of investment securities	(1,315,628)	(475,881)
Purchase of shares of subsidiaries and associates	(399,999)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15,403)	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(34,317)
Payments for asset retirement obligations	(11,739)	(48,910)
Decrease (increase) in leasehold and guarantee deposits	605	(61,006)
Purchase of insurance funds	(323,192)	(380,502)
Proceeds from cancellation of insurance funds	576,119	97,759
Other investment payments	(19,118)	(25,037)
Other investment proceeds	148,506	10,553
Net cash provided by (used in) investing activities	(1,751,835)	(1,912,991)
Cash flows from financing activities		
Proceeds from short-term borrowings	600,000	2,400,000
Repayments of short-term borrowings	(600,000)	(2,400,000)
Proceeds from long-term borrowings	–	10,000
Repayments of long-term borrowings	(334,588)	(302,430)
Repayments of lease liabilities	(22,105)	(22,086)
Purchase of treasury shares	(258,941)	(96)
Dividends paid	(203,177)	(268,936)
Dividends paid to non-controlling interests	(4,494)	(4,746)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(583,368)
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	(793,306)	(1,171,664)
Net increase (decrease) in cash and cash equivalents	330,612	(2,101,749)
Cash and cash equivalents at beginning of period	9,712,172	10,042,785
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	7,641
Cash and cash equivalents at end of period	10,042,785	7,948,677

## **(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 credit-based correspondence high schools, preparation for exams to help acquire various qualifications, and Japanese language education services.

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

##### 2. Matters related to changes in reportable segments

Due to the change in performance management categories following the reorganization within the Group implemented on April 1, 2023, the Company changed its segment classifications from the previous three segments of "Gakushu-juku Business," "High School and Careers Support Business," and "Other businesses" to five segments of "High School and University Business," "Gakushu-juku Business," "Global Business," "Skill Development and Careers Support Business," and "Other Businesses" effective from this period under review.

The segment information for the previous fiscal year is disclosed based on the reporting segment classification after the change.

##### 3. 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.

## 4. Information on net sales, profit or loss, assets, and other items for each reportable segment

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

(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	8,365,561	7,725,226	1,697,828	1,808,756	19,597,372	259,597	19,856,970	–	19,856,970
Inter-segment sales and transfers	–	–	36,409	109,440	145,849	631,737	777,587	(777,587)	–
Total	8,365,561	7,725,226	1,734,237	1,918,196	19,743,222	891,335	20,634,557	(777,587)	19,856,970
Segment profit (loss)	3,505,405	494,563	(67,458)	376,143	4,308,653	(168,530)	4,140,122	(2,017,414)	2,122,707
Segment assets	963,957	3,312,991	1,435,900	2,579,892	8,292,741	606,528	8,899,270	10,616,600	19,515,870
Other items									
Depreciation	70,636	107,884	30,424	196,382	405,327	8,815	414,143	38,985	453,128
Amortization of goodwill	–	123,291	1,761	30,092	155,144	–	155,144	–	155,144
Increases in property, plant and equipment and intangible assets (Note 4)	161,235	164,654	16,028	74,909	416,827	16,275	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 and the healthcare business.

2. Adjustments are as follows:

- (1) The minus 2,017,414 thousand yen adjustment to segment profit (loss) 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 10,616,600 thousand yen adjustment to segment assets includes minus 115,809 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 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.

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(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	9,148,685	7,419,326	2,139,550	1,685,645	20,393,208	297,218	20,690,427	–	20,690,427
Inter-segment sales and transfers	–	–	74,328	98,063	172,392	551,460	723,852	(723,852)	–
Total	9,148,685	7,419,326	2,213,879	1,783,709	20,565,600	848,678	21,414,279	(723,852)	20,690,427
Segment profit (loss)	3,871,541	231,293	(12,492)	255,305	4,345,648	(137,663)	4,207,984	(2,238,470)	1,969,513
Segment assets	1,138,708	3,354,842	1,539,075	2,598,324	8,630,950	706,104	9,337,055	8,978,674	18,315,729
Other items									
Depreciation	77,680	57,960	28,659	218,665	382,966	2,666	385,633	52,342	437,975
Amortization of goodwill	–	119,760	2,641	30,092	152,494	–	152,494	–	152,494
Increases in property, plant and equipment and intangible assets (Note 4)	135,849	193,666	20,495	207,537	557,548	4,888	562,436	84,990	647,427

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. Adjustments are as follows:

- (1) The minus 2,238,470 thousand yen adjustment to segment profit (loss) includes 214 thousand yen in elimination for inter-segment transactions and minus 2,238,685 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 8,978,674 thousand yen adjustment to segment assets includes minus 83,492 thousand yen in elimination for inter-segment transactions and 9,062,167 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 52,342 thousand yen adjustment to depreciation includes corporate assets that cannot be allocated to reportable segments.
  - (4) The 84,990 thousand yen adjustment to increase in property, plant and equipment and intangible assets includes costs associated with the migration of the Company’s mail servers and the interior work at the head office, etc.
3. Segment profit (loss) is adjusted to be consistent with operating profit on the consolidated statement of income.

**Per-share Information**

(Unit: yen)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Net assets per share	627.10	684.33
Net income per share	64.24	100.37
Diluted net income per share	63.62	99.42

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

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	589,709	904,696
Amount not attributed to common shareholders (thousands of yen)	–	–
Profit attributable to common shareholders of parent (thousands of yen)	589,709	904,696
Average number of common shares during the period (thousand shares)	9,180	9,013
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)	88	86
(Of which, share acquisition rights (thousand shares))	( 88)	( 86)
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.*