

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended November 30, 2019
(Based on Japanese GAAP)**

January 8, 2020

Company name: Riso Kyoiku Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4714 URL <http://www.tomas.co.jp/>
 Representative: President and CEO Shigenori Hirano
 Inquiries: Vice president and CFO Masaaki Kume TEL 03-5996-3701
 Scheduled date to file Quarterly Securities Report: January 9, 2020
 Scheduled date to commence dividend payments: February 13, 2020
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2019 (from March 1, 2019 to November 30, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2019	19,396	9.3	1,671	8.5	1,679	8.2	1,057	17.6
Nine months ended November 30, 2018	17,747	9.5	1,540	33.5	1,552	35.4	899	27.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2019	7.16		7.16	
Nine months ended November 30, 2018	6.09		6.09	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2019	13,566	6,005	43.6	40.05
As of February 28, 2019	12,510	6,263	49.9	42.28

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2019	7.50	7.50	7.50	3.50	26.00
Year ending February 29, 2020	3.00	3.00	3.00		
Year ending February 29, 2020 (Forecast)				3.00	12.00

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,000	10.2	3,010	19.0	3,000	18.1	1,800	14.2	12.19

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2019	156,209,829 shares	As of February 28, 2019	156,209,829 shares
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Number of treasury shares at the end of the period

As of November 30, 2019	8,586,850 shares	As of February 28, 2019	8,586,160 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2019	147,623,212 shares	Nine months ended November 30, 2018	147,626,741 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	4,716,148	5,103,287
Operating accounts receivable	924,243	1,331,483
Inventories	102,746	112,581
Income taxes receivable	145,734	96,588
Other	441,968	519,094
Allowance for doubtful accounts	(12,816)	(18,965)
Total current assets	6,318,025	7,144,070
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,507,978	2,705,020
Accumulated depreciation	(1,147,080)	(1,236,603)
Buildings and structures, net	1,360,897	1,468,416
Tools, furniture and fixtures	1,656,340	1,776,244
Accumulated depreciation	(557,721)	(607,091)
Tools, furniture and fixtures, net	1,098,619	1,169,153
Land	417,963	417,963
Other	13,668	13,668
Accumulated depreciation	(13,668)	(13,668)
Other, net	0	0
Total property, plant and equipment	2,877,480	3,055,533
Intangible assets		
Other	153,609	141,912
Total intangible assets	153,609	141,912
Investments and other assets		
Deferred tax assets	637,347	563,168
Lease and guarantee deposits	2,236,021	2,367,232
Other	239,660	258,141
Allowance for doubtful accounts	(6,072)	(6,072)
Total investments and other assets	3,106,956	3,182,470
Total non-current assets	6,138,047	6,379,916
Deferred assets		
Deferred organization expenses	333	254
Business commencement expenses	54,510	41,988
Total deferred assets	54,844	42,242
Total assets	12,510,917	13,566,230

(Thousands of yen)

	As of February 28, 2019	As of November 30, 2019
Liabilities		
Current liabilities		
Accounts payable - other	1,222,619	1,337,494
Income taxes payable	400,616	358,354
Advances received	1,169,407	2,205,999
Provision for sales returns	3,626	3,196
Provision for bonuses	219,110	61,503
Asset retirement obligations	2,127	–
Other	843,958	1,061,760
Total current liabilities	3,861,464	5,028,309
Non-current liabilities		
Lease obligations	8,264	6,636
Net defined benefit liability	1,383,449	1,488,389
Asset retirement obligations	994,196	1,037,647
Total non-current liabilities	2,385,910	2,532,673
Total liabilities	6,247,375	7,560,983
Net assets		
Shareholders' equity		
Capital stock	2,890,415	2,890,415
Capital surplus	822,859	822,859
Retained earnings	4,099,827	3,755,083
Treasury shares	(1,397,924)	(1,398,267)
Total shareholders' equity	6,415,178	6,070,091
Accumulated other comprehensive income		
Foreign currency translation adjustment	664	761
Remeasurements of defined benefit plans	(174,637)	(159,200)
Total accumulated other comprehensive income	(173,972)	(158,438)
Share acquisition rights	22,337	48,364
Non-controlling interests	–	45,230
Total net assets	6,263,542	6,005,247
Total liabilities and net assets	12,510,917	13,566,230

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2018	Nine months ended November 30, 2019
Net sales	17,747,462	19,396,796
Cost of sales	12,815,938	13,976,636
Gross profit	4,931,524	5,420,159
Selling, general and administrative expenses	3,391,490	3,748,864
Operating profit	1,540,033	1,671,295
Non-operating income		
Interest income	10	10
Dividend income	26	0
Gain on forfeiture of unclaimed dividends	–	3,557
Gain on bad debts recovered	1,945	1,979
Miscellaneous income	1,631	1,051
Foreign exchange gains	6,637	147
Other	2,028	1,897
Total non-operating income	12,280	8,644
Non-operating expenses		
Interest expenses	0	73
Loss on cancellation of leases	–	199
Other	20	2
Total non-operating expenses	20	276
Ordinary profit	1,552,293	1,679,663
Extraordinary income		
Reversal of allowance for provision for cancelation refunds	358	–
Insurance income	27,970	–
Compensation income	34,918	–
Total extraordinary income	63,247	–
Extraordinary losses		
Loss on retirement of non-current assets	39,090	2,028
Impairment loss	10,420	–
Litigation expenses	32,621	–
Relocation expenses	4,035	–
Loss on insurance cancellation	10,726	–
Total extraordinary losses	96,894	2,028
Profit before income taxes	1,518,645	1,677,635
Income taxes	618,904	623,726
Profit	899,741	1,053,908
Loss attributable to non-controlling interests	–	(3,769)
Profit attributable to owners of parent	899,741	1,057,678

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2018	Nine months ended November 30, 2019
Profit	899,741	1,053,908
Other comprehensive income		
Valuation difference on available-for-sale securities	(250)	—
Foreign currency translation adjustment	156	97
Remeasurements of defined benefit plans, net of tax	(8,436)	15,436
Total other comprehensive income	(8,530)	15,534
Comprehensive income	891,211	1,069,443
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	891,211	1,069,443
Comprehensive income attributable to non-controlling interests	—	—