

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2021 (Based on Japanese GAAP)

July 8, 2021

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: July 9, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 three months ended May 31, 2021 (from March 1, 2021 to May 31, 2021)

(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	%
Three months ended May 31, 2021	6,111	46.7	(203)	–	(161)	–	(167)	–
Three months ended May 31, 2020	4,165	(21.2)	(1,316)	–	(1,318)	–	(1,036)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2021	(1.13)		–	
Three months ended May 31, 2020	(7.16)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2021	12,485	5,016	39.6	33.47
As of February 28, 2021	13,940	6,575	46.7	44.02

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2021	0.00	0.00	0.00	9.50	9.50
Year ending February 28, 2022	0.00				
Year ending February 28, 2022 (Forecast)		0.00	0.00	12.00	12.00

3. Forecast of consolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

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	29,000	15.1	2,510	148.4	2,500	109.7	1,700	206.2	11.61

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2021
 (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 May 31, 2021	156,209,829 shares	As of February 28, 2021	156,209,829 shares
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Number of treasury shares at the end of the period

As of May 31, 2021	8,396,250 shares	As of February 28, 2021	8,396,070 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2021	147,813,664 shares	Three months ended May 31, 2020	144,673,185 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2021	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	3,963,694	2,814,929
Trade accounts receivable	2,454,135	1,574,814
Inventories	135,497	151,193
Income taxes receivable	37,672	37,477
Other	438,892	480,735
Allowance for doubtful accounts	(11,588)	(12,978)
Total current assets	7,018,304	5,046,172
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,953,928	3,197,060
Accumulated depreciation	(1,413,589)	(1,449,965)
Buildings and structures, net	1,540,339	1,747,094
Tools, furniture and fixtures	1,858,972	1,981,870
Accumulated depreciation	(701,592)	(725,524)
Tools, furniture and fixtures, net	1,157,379	1,256,345
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	3,115,682	3,421,403
Intangible assets		
Other	177,485	199,336
Total intangible assets	177,485	199,336
Investments and other assets		
Investment securities	124,027	128,516
Deferred tax assets	678,891	779,716
Leasehold and guarantee deposits	2,558,477	2,645,216
Other	273,534	271,524
Allowance for doubtful accounts	(6,072)	(6,072)
Total investments and other assets	3,628,859	3,818,901
Total non-current assets	6,922,027	7,439,640
Total assets	13,940,332	12,485,813

(Thousands of yen)

	As of February 28, 2021	As of May 31, 2021
Liabilities		
Current liabilities		
Accounts payable - other	1,149,166	1,147,313
Income taxes payable	422,847	142,800
Advances received	1,701,720	1,844,642
Provision for sales returns	2,370	2,605
Provision for bonuses	265,202	472,489
Provision for loss on liquidation of subsidiaries and associates	40,529	9,902
Asset retirement obligations	12,565	10,559
Other	1,005,995	988,506
Total current liabilities	4,600,399	4,618,819
Non-current liabilities		
Lease obligations	3,895	3,343
Retirement benefit liability	1,681,000	1,733,120
Asset retirement obligations	1,073,012	1,107,799
Deferred tax liabilities	6,783	6,641
Total non-current liabilities	2,764,692	2,850,905
Total liabilities	7,365,091	7,469,725
Net assets		
Shareholders' equity		
Share capital	2,890,415	2,890,415
Capital surplus	1,105,307	1,075,953
Retained earnings	4,323,111	2,780,635
Treasury shares	(1,730,384)	(1,730,443)
Total shareholders' equity	6,588,450	5,016,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,300	16,415
Foreign currency translation adjustment	(401)	(3,160)
Remeasurements of defined benefit plans	(94,780)	(82,398)
Total accumulated other comprehensive income	(81,881)	(69,144)
Share acquisition rights	68,671	68,671
Non-controlling interests	–	–
Total net assets	6,575,240	5,016,088
Total liabilities and net assets	13,940,332	12,485,813

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Net sales	4,165,812	6,111,769
Cost of sales	4,188,946	4,907,778
Gross profit (loss)	(23,133)	1,203,991
Selling, general and administrative expenses	1,293,452	1,407,008
Operating loss	(1,316,586)	(203,016)
Non-operating income		
Dividend income	–	1,931
Foreign exchange gains	–	3,811
Gain on forfeiture of unclaimed dividends	1,055	1,706
Compensation income	–	6,370
Subsidy income	–	25,208
Recoveries of written off receivables	716	721
Interest on tax refund	888	20
Miscellaneous income	103	122
Other	308	2,845
Total non-operating income	3,073	42,738
Non-operating expenses		
Interest expenses	1,586	754
Foreign exchange losses	2,003	–
Commission expenses	1,470	–
Other	185	72
Total non-operating expenses	5,246	826
Ordinary loss	(1,318,759)	(161,104)
Extraordinary income		
Reversal of provision for loss on liquidation of subsidiaries and associates	–	1,572
Other	2,005	–
Total extraordinary income	2,005	1,572
Extraordinary losses		
Loss on retirement of non-current assets	–	262
Relocation expenses	–	1,507
Other	–	543
Total extraordinary losses	–	2,312
Loss before income taxes	(1,316,754)	(161,844)
Income taxes	(264,721)	5,754
Loss	(1,052,033)	(167,598)
Loss attributable to non-controlling interests	(15,574)	–
Loss attributable to owners of parent	(1,036,458)	(167,598)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Loss	(1,052,033)	(167,598)
Other comprehensive income		
Valuation difference on available-for-sale securities	–	3,114
Foreign currency translation adjustment	488	(2,759)
Remeasurements of defined benefit plans, net of tax	6,277	12,381
Total other comprehensive income	6,765	12,736
Comprehensive income	(1,045,267)	(154,861)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,045,267)	(154,861)
Comprehensive income attributable to non-controlling interests	–	–