

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2024 (Based on Japanese GAAP)

January 10, 2025

Company name: Riso Kyoiku Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4714 URL <https://www.riso-kyoikugroup.com/>
 Representative: President and CEO Masahiko Tenbo
 Inquiries: Vice president and CFO Masaaki Kume TEL 03-5996-3701
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from March 1, 2024 to November 30, 2024)

(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, 2024	24,730	4.0	2,128	26.2	2,128	24.6	1,345	12.6
Nine months ended November 30, 2023	23,771	2.3	1,686	2.9	1,707	1.9	1,195	15.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2024	8.15		8.14	
Nine months ended November 30, 2023	7.74		7.73	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	22,222	11,666	52.2
As of February 29, 2024	18,096	8,484	46.3

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 29, 2024	0.00	0.00	0.00	10.00	10.00
Year ending February 28, 2025	0.00	0.00	0.00		
Year ending February 28, 2025 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

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	33,960	5.4	2,670	1.6	2,670	0.5	1,710	2.9	10.28

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended November 30, 2024: 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, 2024	171,806,159 shares	As of February 29, 2024	156,209,829 shares
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Number of treasury shares at the end of the period

As of November 30, 2024	1,722,719 shares	As of February 29, 2024	1,846,230 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, 2024	165,051,782 shares	Nine months ended November 30, 2023	154,363,799 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	5,460,988	8,356,621
Trade accounts receivable	2,784,920	3,820,301
Inventories	171,828	216,075
Other	542,739	614,644
Allowance for doubtful accounts	(5,502)	(5,622)
Total current assets	8,954,974	13,002,020
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,950,105	4,193,984
Accumulated depreciation	(1,876,983)	(1,983,875)
Buildings and structures, net	2,073,122	2,210,109
Tools, furniture and fixtures	2,321,998	2,457,295
Accumulated depreciation	(977,509)	(1,058,166)
Tools, furniture and fixtures, net	1,344,489	1,399,129
Land	417,963	395,039
Construction in progress	3,495	3,495
Other	23,541	23,541
Accumulated depreciation	(7,587)	(10,536)
Other, net	15,953	13,005
Total property, plant and equipment	3,855,023	4,020,778
Intangible assets		
Other	310,555	374,540
Total intangible assets	310,555	374,540
Investments and other assets		
Investment securities	200,019	39,000
Deferred tax assets	1,502,592	1,390,195
Leasehold and guarantee deposits	2,974,002	3,113,112
Other	305,576	288,982
Allowance for doubtful accounts	(6,072)	(6,072)
Total investments and other assets	4,976,118	4,825,218
Total non-current assets	9,141,697	9,220,537
Total assets	18,096,672	22,222,557

(Thousands of yen)

	As of February 29, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - other	1,196,199	1,698,882
Income taxes payable	707,892	220,077
Contract liabilities	2,410,503	3,306,718
Provision for bonuses	354,064	69,982
Asset retirement obligations	36,830	27,277
Other	1,025,788	1,190,120
Total current liabilities	5,731,279	6,513,058
Non-current liabilities		
Retirement benefit liability	2,600,717	2,741,530
Asset retirement obligations	1,276,985	1,297,233
Deferred tax liabilities	2,933	4,279
Total non-current liabilities	3,880,637	4,043,043
Total liabilities	9,611,916	10,556,101
Net assets		
Shareholders' equity		
Share capital	2,890,415	4,590,415
Capital surplus	2,622,691	4,331,411
Retained earnings	3,331,151	3,133,105
Treasury shares	(381,348)	(355,796)
Total shareholders' equity	8,462,910	11,699,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,934	(11,031)
Remeasurements of defined benefit plans	(115,436)	(96,767)
Total accumulated other comprehensive income	(87,502)	(107,799)
Share acquisition rights	109,347	75,118
Total net assets	8,484,755	11,666,455
Total liabilities and net assets	18,096,672	22,222,557

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, 2023	Nine months ended November 30, 2024
Net sales	23,771,103	24,730,255
Cost of sales	17,557,826	17,988,225
Gross profit	6,213,277	6,742,029
Selling, general and administrative expenses	4,527,121	4,613,665
Operating profit	1,686,155	2,128,363
Non-operating income		
Interest income	11	231
Dividend income	4,698	2,819
Gain on forfeiture of unclaimed dividends	2,545	3,354
Subsidy income	2,357	2,867
Photo sales profit	3,801	3,226
Other	9,051	9,494
Total non-operating income	22,464	21,994
Non-operating expenses		
Interest expenses	555	69
Share issuance costs	–	16,017
Foreign exchange losses	33	–
Commission expenses	–	4,283
Other	286	1,669
Total non-operating expenses	874	22,039
Ordinary profit	1,707,745	2,128,317
Extraordinary income		
Gain on sale of non-current assets	–	61,111
Gain on sales of parent company's stocks	–	44,409
Reversal of provision for loss on liquidation of subsidiaries and associates	1,096	–
Total extraordinary income	1,096	105,521
Extraordinary losses		
Loss on retirement of non-current assets	26,103	45,187
Impairment losses	4,997	3,458
Relocation expenses	5,147	5,122
Tender offer related expenses	–	96,607
Other	882	4,267
Total extraordinary losses	37,129	154,643
Profit before income taxes	1,671,711	2,079,195
Income taxes	476,219	733,605
Profit	1,195,492	1,345,589
Loss attributable to non-controlling interests	(0)	–
Profit attributable to owners of parent	1,195,492	1,345,589

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Profit	1,195,492	1,345,589
Other comprehensive income		
Valuation difference on available-for-sale securities	20,494	(38,965)
Foreign currency translation adjustment	716	–
Remeasurements of defined benefit plans, net of tax	41,207	18,668
Total other comprehensive income	62,419	(20,296)
Comprehensive income	1,257,911	1,325,292
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,257,911	1,325,292
Comprehensive income attributable to non-controlling interests	(0)	–