

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended February 29, 2024  
(Based on Japanese GAAP)**

April 8, 2024

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 of ordinary general meeting of shareholders: May 24, 2024  
 Scheduled date to file Securities Report: May 27, 2024  
 Scheduled date to commence dividend payments: May 10, 2024  
 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 year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Consolidated operating results

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	%
Year ended February 29, 2024	32,215	2.3	2,586	7.7	2,614	7.0	1,703	14.1
Year ended February 28, 2023	31,488	4.9	2,401	(20.8)	2,442	(19.9)	1,492	(38.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2024	11.04	11.01	19.1	14.3	8.0
Year ended February 28, 2023	9.67	9.65	15.2	13.1	7.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	18,257	8,653	46.8	55.35
As of February 28, 2023	18,252	9,351	50.7	59.96

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 29, 2024	1,653	(1,028)	(2,466)	5,460
Year ended February 28, 2023	2,779	(1,016)	(2,465)	7,308

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2023	0.00	0.00	0.00	16.00	16.00	2,469	165.5	25.1
Year ended February 29, 2024	0.00	0.00	0.00	10.00	10.00	1,543	90.6	17.3
Year ending February 28, 2025 (Forecast)	0.00	0.00	0.00	10.00	10.00		90.3	

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	3.2	2,670	2.1	1,710	0.4	11.08

4. Notes

- (1) Changes in significant subsidiaries during the year ended February 29, 2024  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

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

As of February 29, 2024	156,209,829 shares	As of February 28, 2023	156,209,829 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	1,846,230 shares	As of February 28, 2023	1,845,800 shares
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Average number of shares during the period

Year ended February 29, 2024	154,363,752 shares	Year ended February 28, 2023	154,331,116 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,308,410	5,460,988
Trade accounts receivable	1,670,857	2,784,920
Inventories	153,019	151,391
Other	535,365	542,739
Allowance for doubtful accounts	(7,490)	(5,502)
<b>Total current assets</b>	<b>9,660,161</b>	<b>8,934,537</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	3,785,962	4,185,938
Accumulated depreciation	(1,693,450)	(1,906,667)
Buildings and structures, net	2,092,512	2,279,270
Tools, furniture and fixtures	2,228,397	2,405,143
Accumulated depreciation	(882,061)	(998,552)
Tools, furniture and fixtures, net	1,346,336	1,406,591
Land	417,963	417,963
Construction in progress	–	3,495
Other	23,541	23,541
Accumulated depreciation	(3,656)	(7,587)
Other, net	19,885	15,953
<b>Total property, plant and equipment</b>	<b>3,876,697</b>	<b>4,123,273</b>
<b>Intangible assets</b>		
Other	244,900	310,555
<b>Total intangible assets</b>	<b>244,900</b>	<b>310,555</b>
<b>Investments and other assets</b>		
Investment securities	113,169	200,019
Deferred tax assets	1,179,252	1,415,865
Leasehold and guarantee deposits	2,881,535	2,974,002
Other	302,369	305,576
Allowance for doubtful accounts	(6,072)	(6,072)
<b>Total investments and other assets</b>	<b>4,470,255</b>	<b>4,889,391</b>
<b>Total non-current assets</b>	<b>8,591,853</b>	<b>9,323,221</b>
<b>Total assets</b>	<b>18,252,015</b>	<b>18,257,758</b>

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - other	1,171,630	1,196,199
Income taxes payable	364,127	700,113
Contract liabilities	2,414,309	2,410,503
Provision for bonuses	337,356	354,064
Provision for loss on liquidation of subsidiaries and associates	1,296	–
Asset retirement obligations	7,437	36,830
Other	1,070,438	1,025,788
<b>Total current liabilities</b>	<b>5,366,595</b>	<b>5,723,500</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,320,183	2,600,717
Asset retirement obligations	1,210,185	1,276,985
Deferred tax liabilities	3,396	2,933
<b>Total non-current liabilities</b>	<b>3,533,766</b>	<b>3,880,637</b>
<b>Total liabilities</b>	<b>8,900,361</b>	<b>9,604,137</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,890,415	2,890,415
Capital surplus	2,622,691	2,622,691
Retained earnings	4,274,941	3,500,017
Treasury shares	(381,226)	(381,348)
<b>Total shareholders' equity</b>	<b>9,406,822</b>	<b>8,631,776</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,767	27,934
Foreign currency translation adjustment	(716)	–
Remeasurements of defined benefit plans	(156,595)	(115,436)
<b>Total accumulated other comprehensive income</b>	<b>(151,544)</b>	<b>(87,502)</b>
Share acquisition rights	96,375	109,347
Non-controlling interests	0	–
<b>Total net assets</b>	<b>9,351,653</b>	<b>8,653,621</b>
<b>Total liabilities and net assets</b>	<b>18,252,015</b>	<b>18,257,758</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	31,488,432	32,215,052
Cost of sales	22,980,794	23,698,305
Gross profit	8,507,638	8,516,747
Selling, general and administrative expenses	6,106,269	5,929,817
Operating profit	2,401,369	2,586,929
Non-operating income		
Interest income	25	25
Dividend income	4,176	4,698
Gain on forfeiture of unclaimed dividends	4,859	2,545
Subsidy income	14,209	3,811
Compensation income for damage	5,465	–
Photo sales profit	4,640	5,632
Miscellaneous income	930	3,681
Other	8,958	10,705
Total non-operating income	43,265	31,100
Non-operating expenses		
Interest expenses	29	555
Foreign exchange losses	146	33
Penalty loss	888	–
Loss on cancellation of insurance policies	–	2,524
Other	953	374
Total non-operating expenses	2,017	3,488
Ordinary profit	2,442,617	2,614,542
Extraordinary income		
Gain on sale of non-current assets	571	–
Reversal of provision for loss on liquidation of subsidiaries and associates	–	1,096
Total extraordinary income	571	1,096
Extraordinary losses		
Loss on retirement of non-current assets	11,622	26,312
Impairment losses	88,441	87,464
Relocation expenses	13,575	5,147
Tender offer related expenses	–	53,768
Other	–	14,439
Total extraordinary losses	113,639	187,130
Profit before income taxes	2,329,549	2,428,507
Income taxes - current	850,151	980,130
Income taxes - deferred	(13,155)	(255,327)
Total income taxes	836,996	724,802
Profit	1,492,552	1,703,704
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	1,492,552	1,703,704

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	1,492,552	1,703,704
Other comprehensive income		
Valuation difference on available-for-sale securities	2,680	22,166
Foreign currency translation adjustment	885	716
Remeasurements of defined benefit plans, net of tax	(90,868)	41,159
Total other comprehensive income	(87,302)	64,042
Comprehensive income	1,405,250	1,767,747
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,405,250	1,767,747
Comprehensive income attributable to non-controlling interests	(0)	(0)

## Consolidated statements of changes in equity

Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,890,415	2,616,453	5,379,715	(391,760)	10,494,824
Cumulative effects of changes in accounting policies			(128,321)		(128,321)
Restated balance	2,890,415	2,616,453	5,251,394	(391,760)	10,366,502
Changes during period					
Profit attributable to owners of parent			1,492,552		1,492,552
Dividends of surplus			(2,469,004)		(2,469,004)
Purchase of treasury shares				(192)	(192)
Disposal of treasury shares		6,238		10,726	16,964
Net changes in items other than shareholders' equity					–
Total changes during period	–	6,238	(976,452)	10,533	(959,680)
Balance at end of period	2,890,415	2,622,691	4,274,941	(381,226)	9,406,822

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,087	(1,602)	(65,727)	(64,242)	83,111	0	10,513,693
Cumulative effects of changes in accounting policies							(128,321)
Restated balance	3,087	(1,602)	(65,727)	(64,242)	83,111	0	10,385,371
Changes during period							
Profit attributable to owners of parent							1,492,552
Dividends of surplus							(2,469,004)
Purchase of treasury shares							(192)
Disposal of treasury shares							16,964
Net changes in items other than shareholders' equity	2,680	885	(90,868)	(87,302)	13,264	(0)	(74,037)
Total changes during period	2,680	885	(90,868)	(87,302)	13,264	(0)	(1,033,718)
Balance at end of period	5,767	(716)	(156,595)	(151,544)	96,375	0	9,351,653

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,890,415	2,622,691	4,274,941	(381,226)	9,406,822
Changes during period					
Profit attributable to owners of parent			1,703,704		1,703,704
Decrease due to exclusion from consolidation			(8,805)		(8,805)
Dividends of surplus			(2,469,824)		(2,469,824)
Purchase of treasury shares				(121)	(121)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(774,924)	(121)	(775,046)
Balance at end of period	2,890,415	2,622,691	3,500,017	(381,348)	8,631,776

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,767	(716)	(156,595)	(151,544)	96,375	0	9,351,653
Changes during period							
Profit attributable to owners of parent							1,703,704
Decrease due to exclusion from consolidation							(8,805)
Dividends of surplus							(2,469,824)
Purchase of treasury shares							(121)
Net changes in items other than shareholders' equity	22,166	716	41,159	64,042	12,972	(0)	77,014
Total changes during period	22,166	716	41,159	64,042	12,972	(0)	(698,032)
Balance at end of period	27,934	-	(115,436)	(87,502)	109,347	-	8,653,621

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	2,329,549	2,428,507
Depreciation	432,191	517,719
Increase (decrease) in allowance for doubtful accounts	(2,080)	(1,988)
Increase (decrease) in provision for bonuses	47,539	16,708
Increase (decrease) in retirement benefit liability	407,281	280,534
Increase (decrease) in remeasurements of defined benefit plans	(90,868)	41,159
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(296)	(1,296)
Interest and dividend income	(4,202)	(4,724)
Interest expenses	29	555
Subsidy income	(14,209)	(3,811)
Compensation for damage income	(5,465)	–
Gain on sale of non-current assets	(571)	–
Loss on retirement of non-current assets	11,622	26,312
Impairment losses	88,441	87,464
Decrease (increase) in trade receivables	657,996	(1,114,063)
Decrease (increase) in inventories	(543)	1,628
Increase (decrease) in accounts payable - other	56,250	20,392
Increase (decrease) in contract liabilities	452,321	(3,805)
Other, net	(391,601)	(12,998)
Subtotal	3,973,383	2,278,291
Interest and dividends received	4,202	4,724
Interest paid	(29)	(555)
Subsidies received	14,209	3,811
Proceeds from compensation for damage	5,465	–
Income taxes paid	(1,217,858)	(637,091)
Income taxes refund	–	4,788
Net cash provided by (used in) operating activities	2,779,373	1,653,968
Cash flows from investing activities		
Purchase of property, plant and equipment	(647,707)	(661,396)
Proceeds from sale of property, plant and equipment	571	–
Purchase of intangible assets	(112,004)	(157,392)
Purchase of investment securities	–	(54,900)
Payments of leasehold and guarantee deposits	(225,034)	(156,862)
Proceeds from refund of leasehold and guarantee deposits	49,622	64,199
Other, net	(82,335)	(62,107)
Net cash provided by (used in) investing activities	(1,016,887)	(1,028,459)

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	–	1,000,000
Repayments of short-term borrowings	–	(1,000,000)
Repayments of lease liabilities	(2,217)	(1,678)
Dividends paid	(2,463,638)	(2,464,424)
Proceeds from exercise of employee share options	51	–
Purchase of treasury shares	(192)	(121)
Proceeds from disposal of treasury shares	3	–
Net cash provided by (used in) financing activities	(2,465,993)	(2,466,224)
Effect of exchange rate change on cash and cash equivalents	594	–
Net increase (decrease) in cash and cash equivalents	(702,912)	(1,840,715)
Cash and cash equivalents at beginning of period	8,011,322	7,308,410
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(6,706)
Cash and cash equivalents at end of period	7,308,410	5,460,988