

Consolidated Financial Results for the Three Months Ended December 31, 2024 [Japanese GAAP]



February 14, 2025

Company name: Gakken Holdings Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 9470
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 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended December 30, 2024 (October 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended December 31, 2024	45,941	7.5	647	(22.6)	528	(48.6)	813	
December 31, 2023	42,749	11.9	836	38.3	1,029	78.9	(38)	—

(Note) Comprehensive income: Three months ended December 31, 2024: ¥ 1,031million [—%]

Three months ended December 31, 2023: ¥ (77) million [—%]

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended December 31, 2024	19.35	19.22
December 31, 2023	(0.88)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	137,261	55,249	36.9
As of September 30, 2024	130,714	53,653	39.4

(Reference) Equity: As of December 31, 2024: ¥50,651million

As of September 30, 2024: ¥51,473 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
September 30, 2024	—	12.50	—	12.50	25.00
September 30, 2025	—				
Fiscal year ending September 30, 2025 (Forecast)		13.00	—	13.00	26.00

(Note) Revision of dividends forecast since the last announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	200,000	7.8	7,000	1.7	7,200	4.3	3,500	54.8	83.28

(Note) Revision of dividends forecast since the last announcement: None

*** Notes:**

- (1) Significant Changes in the scope of consolidation during the period under review: Yes
 Newly added: 1 (Name) DTP Education Solutions JSC Excluded: – (Name) –
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(3) Total number of issued shares (common stock)

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

December 31, 2024: 44,633,232 shares

September 30, 2024: 44,633,232 shares

- 2) Total number of treasury shares at the end of the period:

December 31, 2024: 2,977,144 shares

September 30, 2024: 2,410,576,shares

- 3) The average number of shares during the period:

Three Months ended December 31, 2024: 42,027,014 shares

Three Months ended December 31, 2023: 43,609,251 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements, etc.)

Financial performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions it deems rational. The actual results may vary significantly due to various factors. With regard to the assumptions for the performance forecasts and the notes on the use of the performance forecasts, please refer to “1.

Qualitative Information on Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Forward-looking Statements” on page 6 of the Attachments.

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1. Qualitative Information on Financial Results for the Period under Review

(1) Explanation of Business Results

In the domestic economy, although the actual income of working households continued to increase moderately in both real and nominal terms, soaring food prices and rising utilities costs, especially heating costs, have led to an increasing tendency toward thrift. In terms of household expenditures, spending on education was also sluggish, and spending on Healthcare and medical services tended to decline.

Under the market conditions described above, Consolidated results for the first quarter of the current fiscal year were as follows: Net sales of 45,941 million yen (up 7.5% YoY, Operating profit of 647 million yen (down 22.6% YoY), Ordinary profit of 528 million yen (down 48.6% YoY), and Net profit attributable to shareholders of the parent company of 813 million yen (up 851 million yen YoY).

Net sales increased 3,191 million YoY due to growth in the Workforce development and Language learning business in the Education domain and the new addition of Kirihara Shoten to the school business, as well as an increase in facilities in the Healthcare and nursing domain and the consolidation of Grand Uni Life Care Service Co, from the second quarter of the previous year.

Operating profit increased in the Education domain due to the review of unprofitable businesses and closure of unprofitable school buildings in the classroom and Learning center business and growth in the Workforce development and language learning business in the publishing content business, but decreased in the Healthcare and Nursing domain due to the impact of rising utilities costs and food price hikes. As a result, overall operating profit decreased by ¥188 million YoY.

Ordinary profit decreased by 500 million yen YoY due to a decline in operating profit and a deterioration in equity in earnings of affiliates.

Net profit attributable to shareholders of the parent company increased by ¥851 million YoY due to the absence of loss on sales of shares, which was recorded in the first quarter of the previous fiscal year and the gain on step acquisition resulting from the consolidation of DTP Education Solutions JSC.

Business performance by segment is summarized below.

(Million yen)

Reportable segments	Three months ended December 31, 2023		Three months ended December 31, 2024		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Education domain	20,671	89	21,506	310	835	220
Healthcare and nursing Domain	20,457	991	22,967	670	2,509	(321)
Other	1,620	143	1,467	207	(153)	63
Adjustment	—	(387)	—	(539)	—	(151)
Group total	42,749	836	45,941	647	3,191	(188)

Classification of the Group's products and services after incorporating the above changes is as follows:

Reporting segment	Large classification	Medium classification	Individual business (small classification)
Education domain	Classroom and learningcenter business	Classroom business	Operation of classrooms for a range of children from preschoolers to junior high school students (mainly elementary school students)
		Learning center business	Operation of learning centers for a range of children from elementary school students to senior high school students
			Publishing and sale of learning materials for learning centers, assessment, and other materials
	Publishing and content business	Publishing business	Publishing and sale of publications through distributors and bookstores
		Workforce development and language learning business	Operation of e-learning for training programs targeting nurses
			Operation of online English conversation services
			Operation of experience-based English learning facilities
	Kindergarten and school business	Sale of corporate training contents and services	
Preschooler business		Procurement, planning, production, and sale of publications, child-care products, equipment, and playground equipment for kindergartens and nursery schools, as well as apparel items for teachers, Design of facilities and equipment	
Healthcare and nursing Domain	School business	School business	Planning, production, and sale of textbooks, instruction guides for teachers, supplemental, digital learning materials, special needs education materials, and short essay tutoring services
		Elderly housing business	Planning, development, and operation of bases for elderly care services, mainly serviced apartments for the elderly
	Group homes for the elderly with dementia business	Group homes for the elderly with dementia business	Planning, development, and operation of bases for elderly care services, mainly group homes for the elderly with dementia
Other Domain	Child raising support business		Development, and operation of nursery schools, daycare centers, afterschool children's clubs, etc.
			Logistics business, operation of relevant systems, undertaking of contract work, etc.
			Planning, contract work, and implementation of ODA business, and promotion of the Group's overseas business
		Planning and development of digital products and support for Group DX	

[Education domain]

Net sales: ¥21,506 million (Up 4.0% YoY) / Operating profit: ¥310 million (Up ¥220 million or 247.3% YoY)

(Million yen)

Main businesses	Three months ended December 31, 2023		Three months ended December 31, 2024		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Classroom and learning center business	12,111	(15)	12,120	144	8	159
Publishing and content business	5,753	345	6,176	454	422	109
Kindergarten and school business	2,806	(134)	3,210	(185)	403	(51)
Goodwill	—	(106)	—	(102)	—	7
Segment total	20,671	89	21,506	310	835	220

(Classroom and learning center business)

Net sales: ¥12,120 million (Up 0.1% YoY) / Operating profit: ¥144 million (Up ¥159 million YoY)

Net sales increased in the Learning center business due to strengthened offerings of winter classes as well as growth of Ichishin Holdings, Inc. mainly in the Tokyo metropolitan area. In the Classroom business, the number of members is recovering, starting with young children, as a result of new openings at kindergartens, shopping malls, and other locations.

Operating profit returned to the black as a result of focusing on preventing school withdrawals, strengthening measures to deal with unprofitable schools, and reinforcing cost control in the Educational materials publishing business.

(Publishing and content business)

Net sales: ¥6,176 million (Up 7.3% YoY) / Operating profit: ¥454 million (Up ¥109 million or 31.7% YoY)

Net sales recovered due to favorable conditions in study aid books, hit titles in practical books, and an improvement in the return ratio through product delivery management, despite a decline in the number of bookstores and paper publications, as well as continued growth in the number of hospitals under contract for e-learning for nurses and in the number of students of the online English conversation service “Kimini in the Workforce development and Language learning business.

Operating profit increased due to higher revenue in the Publishing business and progress in the highly profitable Workforce development and Language learning business.

(Kindergarten and school business)

Net sales: ¥3,210 million (Up 14.4% YoY) / Operating profit: ¥ -185 million (down ¥51 million or 38.6% YoY)

In the Kindergarten business, Net sales continued to decline due to kindergartens and nursery schools and factors that led to a decrease in the number of preschool children, but in the School business, Net sales increased due to the inclusion of Kirihara Shoten KK, which handles English textbooks for high schools and other products, in our group.

In the Kindergarten business, the deficit narrowed as a result of cost reduction efforts along with organizational restructuring. In the School business, the loss increased due to seasonal factors at Kirihara Shoten KK.

[Healthcare and nursing Domain domain]

Net sales: ¥22,967 million (Up 12.3% YoY) / Operating profit: ¥670 million yen (Down ¥321million yen or 32.4% YoY)
(Million yen)

	Three months ended December 31, 2023		Three months ended December 31, 2024		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Main businesses						
Elderly housing business	9,593	390	11,096	293	1,503	(96)
Group homes for the elderly with dementia business	9,242	661	10,050	478	808	(182)
Child raising support business	1,621	56	1,820	58	198	2
Goodwill	—	(115)	—	(160)	—	(44)
Segment total	20,458	991	22,967	670	2,509	(321)

(Elderly housing business)

Net sales: ¥11,096 million (Up 15.7% YoY) / Operating profit: ¥293 million (Down ¥96 million or 24.7% YoY)

Although the environment for new openings continues to be difficult due to soaring construction costs, our sales activities in each area are steadily capturing the diverse needs for relocation from independence to nursing care.

Net sales have continued to increase, not only by opening new serviced elderly housing facilities and taking over the business, but also by increasing the number of units per newly opened facility.

Operating profit decreased in the first quarter due to the significant impact of price hikes, including higher prices for foods, consumables and labor costs, in addition to higher utilities costs. However, there is no impact on the full-year forecast, as the company plans to raise some of the prices from March 2025 onward.

(Group homes for the elderly with dementia business)

Net sales: ¥10,050 million yen (Up 8.7% YoY) / Operating profit: ¥478million (Down ¥182million or 27.6% YoY)

Despite it is difficult to open new stores due to rising construction costs, we have steadily expanded the number of facilities with the acquisition of six facilities in the first quarter of the current fiscal year.

Net sales increased due to the increase in the number of facilities and the existing occupancy rate, which remained at a high level at over 96%.

Operating profit decreased due to the initial acquisition costs of the aforementioned six-facilities business transfer, the impact of the sharp rise in food costs and the increase in utilities, despite the increase in Net sales.

(Child raising support business)

Net sales: ¥1,820million (Up 12.3% YoY) / Operating profit: ¥58 million (Up ¥2million or 4.0% YoY)

Although the problem of children waiting for admission to preschool has largely been eliminated outside of the Tokyo metropolitan area due to the decline in the number of births and the promotion of the development of licensed nursery schools, the need for school-age children has been increasing year by year as the “first grade barrier” has become a reality due to the increase in the number of households with dual incomes.

Net sales increased due to the continued high and stable fill rate of the nursery school capacity, at 96%, as well as the stabilization of operations of newly commissioned facilities for school-age children.

Operating profit also increased due to an increase in the number of preschool children.

[Other business domain]

Net sales: ¥1,467 million (Down 9.5% YoY) / Operating profit: ¥207 million (Up ¥63 million or 44.0% YoY)

The number of children in Southeast Asia is increasing and the demand for investment in education is rising in the Global Business.

Net sales decreased due to a decline in orders received for ODA for emerging countries and in the overseas expansion support business for private companies.

Operating profit increased due to entire cost control.

(2) Overview of Financial Position

The Company's consolidated financial position under review is summarized below.

(Million yen)

Item	As of September 30, 2024	As of December 31, 2024	Change
Current assets	63,112	71,835	8,723
Cash and deposits	20,385	24,579	4,193
Non-current assets	67,602	65,426	(2,176)
Total assets	130,714	137,261	6,546
Current liabilities	43,187	49,076	5,888
Non-current liabilities	33,873	32,935	(937)
Total liabilities	77,061	82,012	4,950
Interest-bearing debt*1	38,353	41,229	2,875
Total net assets	53,653	55,249	1,596
Total liabilities and net assets	130,714	137,261	6,546
Equity ratio (%)*2	39.4	36.9	(2.5)
D/E ratio (times)*3	0.75	0.81	0.07

*1: Interest-bearing debt = Borrowings + Bonds payable + Lease obligations

*2: Equity ratio = Equity / Total assets

*3: D/E ratio = Interest-bearing debt / Equity

The total assets as of the first quarter of the fiscal year ending September 30, 2025 mounted to ¥137,261 million, increasing by ¥6,546 million from the end of the preceding fiscal year. The main changes were an increase of ¥4,193 million in cash and deposits, an increase of ¥1,402 million in notes and account receivable, an increase of ¥1,543 million in merchandise and finished goods, a decrease of ¥4,018 million in property, plant and equipment, an increase of ¥3,915 million in intangible assets, and a decrease of ¥2,220 million in investment securities.

The total liabilities amounted to ¥82,012 million, increasing by ¥4,950 million from the end of the preceding fiscal year. The main changes were an increase of ¥1,476 million in notes and accounts payable, an increase of ¥4,028 million in short-term borrowings, a decrease of ¥576 million in income taxes payable, a decrease of ¥1,200 million in provision for bonuses, and a decrease of ¥971 million in long-term borrowings.

The total net assets amounted to ¥55,249 million, increasing by ¥1,596 million from the end of the preceding fiscal year. The main changes were an increase of ¥285 million in retained earnings and an increase of ¥578 million in treasury share.

(3) Consolidated Financial Results Forecast and Other Forward-looking Statements

There is no change from the consolidated earnings forecast announced on November 8, 2024.

	Consolidated Financial Results for the Fiscal year ended September 30, 2024	Consolidated Financial Results for the Fiscal year ended September 30, 2025	Change (YoY)
Net Sales	185,566 million yen	200,000 million yen	+7.8 %
Operating Profit	6,880 million yen	7,000 million yen	+1.7 %
Ordinary Profit	6,903 million yen	7,200 million yen	+4.3 %
Profit attributable to owners of parent	2,260 million yen	3,500 million yen	+54.8 %
Profit per share	52.99 yen	83.28 yen	+57.2 %

The above financial performance forecasts are determined based on information currently available to the Company and include potential risks and uncertainties. Please note that actual performance may vary significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of September 30, 2024	As of December 31 2024
Assets		
Current assets		
Cash and deposits	20,385	24,579
Notes and accounts receivable - trade	23,156	24,558
Merchandise and finished goods	9,245	10,789
Real estate for sale	837	880
Work in process	2,920	3,304
Raw materials and supplies	194	166
Other	6,405	7,613
Allowance for doubtful accounts	(32)	(57)
Total current assets	63,112	71,835
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,337	9,713
Machinery, equipment and vehicles, net	93	92
Land	4,975	4,580
Construction in progress	14	5
Other, net	1,532	1,543
Total property, plant and equipment	19,953	15,934
Intangible assets		
Goodwill	9,792	13,024
Other	3,522	4,206
Total intangible assets	13,314	17,230
Investments and other assets		
Investment securities	17,574	15,353
Other	16,945	17,087
Allowance for doubtful accounts	(185)	(180)
Total investments and other assets	34,334	32,261
Total non-current assets	67,602	65,426
Total assets	130,714	137,261

(Million yen)

	As of September 30, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,623	8,100
Short-term borrowings	4,447	8,475
Current portion of bonds payable	6,000	6,000
Current portion of long-term borrowings	5,291	5,159
Income taxes payable	1,542	966
Provision for bonuses	2,561	1,361
Other	16,720	19,014
Total current liabilities	43,187	49,076
Non-current liabilities		
Long-term borrowings	21,644	20,672
Retirement benefit liability	5,130	5,178
Other	7,099	7,085
Total non-current liabilities	33,873	32,935
Total liabilities	77,061	82,012
Net assets		
Shareholders' equity		
Share capital	19,817	19,817
Capital surplus	12,102	11,362
Retained earnings	18,615	18,901
Treasury shares	(2,187)	(2,765)
Total shareholders' equity	48,348	47,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,624	1,956
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	385	300
Remeasurements of defined benefit plans	1,115	1,078
Total accumulated other comprehensive income	3,125	3,335
Share acquisition rights	199	192
Non-controlling interests	1,980	4,405
Total net assets	55,653	55,249
Total liabilities and net assets	130,714	137,261

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

First Quarter Consolidated Cumulative Period

(Million yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Net sales	42,749	45,941
Cost of sales	31,690	34,296
Gross profit	11,059	11,645
Selling, general and administrative expenses	10,222	10,997
Operating profit	836	647
Non-operating income		
Interest income	5	3
Dividend income	49	64
Share of profit of entities accounted for using equity method	234	—
Other	54	56
Total non-operating income	343	124
Non-operating expenses		
Interest expenses	78	98
Share of loss of entities accounted for using equity method	—	65
Other	72	79
Total non-operating expenses	151	243
Ordinary profit	1,029	528
Extraordinary income		
Gain on sale of non-current assets	0	173
Gain on sale of investment securities	82	—
Gain on step acquisitions	—	480
Other	0	54
Total extraordinary income	82	708
Extraordinary losses		
Loss on sale and retirement of non-current assets	88	79
Impairment losses	15	7
Loss on valuation of investment securities	1,080	19
Other	5	7
Total extraordinary losses	1,189	113
Profit before income taxes	(77)	1,123
Income taxes	(32)	363
Profit	(45)	760
Profit (loss) attributable to non-controlling interests	(6)	(52)
Profit (loss) attributable to owners of parent	(38)	813

Quarterly Consolidated Statements of Comprehensive Income

First Quarter Consolidated Cumulative Period

(Million yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Profit (loss)	(45)	760
Other comprehensive income		
Valuation difference on available-for-sale securities	16	391
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	4	(65)
Remeasurements of defined benefit plans, net of tax	(54)	(35)
Share of other comprehensive income of entities accounted for using equity method	0	(20)
Total other comprehensive income	(32)	271
Comprehensive income	(77)	1,031
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(85)	1,023
Comprehensive income attributable to non-controlling interests	7	7

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes on Change in Accounting Policy)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard of 2022”) and related accounting guidance from the beginning of the three months ended December 31, 2024.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the consolidated financial statements for the first quarter under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the first quarter of the previous fiscal year or the entire previous fiscal year.

(Notes on Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the first quarter ended December 31, 2024, and multiplying the profit before income taxes by this estimated effective tax rate.

(Notes on When There Are Significant Changes in Amounts of Equity)

There is no relevant information.

(Notes on Quarterly Consolidated Statements of Cash Flows)

We have not prepared a quarterly consolidated statement of cash flows for the three months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and Amortization of goodwill for the three-month period are as follows.

	Former 1st Quarter Consolidated Cumulative Period (from Oct 1, 2023 to Dec 31, 2023)	Current 1st Quarter Consolidated Cumulative Period (from Oct 1, 2024 to Dec 31, 2024)
Depreciation	670 million yen	767 million yen
Amortization of goodwill	258 million yen	310 million yen

(Notes on Segment Information)

I. For the Three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

1. Information on the amounts of net sales, profit or loss, by reportable segment

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2 and 3	Amount recorded in consolidated financial statements (Note) 4
	Educational Domain	Healthcare and nursing Domain	Total				
Net sales							
Net sales to external customers	20,671	20,457	41,129	1,620	42,749	—	42,749
Inter-segment net sales or transfers	202	12	214	2,023	2,237	(2,237)	—
Total	20,873	20,469	41,343	3,643	44,987	(2,237)	42,749
Segment profit	89	991	1,080	143	1,224	(387)	836

(Notes)

- “Other” includes logistics and other businesses that are not included in the reportable segments.
- The adjustment of negative ¥387 million for “Segment profit” includes negative ¥390 million in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
- Total amount of “segment profit” is adjusted based on operating profit reported in the consolidated statements of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Healthcare and Nursing domain, Grand Uni Life Care Service Inc. became a consolidated subsidiary in the first quarter of the current fiscal year. The increase in goodwill due to this event was 3,016 million yen.

The amount of goodwill is tentatively calculated since the allocation of acquisition cost has not been completed as of the end of the first quarter of the current fiscal year.

II. For the Three months ended December 31, 2024 (October 1, 2024 to December 31, 2024)

1. Information on the amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2 and 3	Amount recorded in consolidated financial statements (Note) 4
	Educational Domain	Healthcare and nursing Domain	Total				
Net sales							
Net sales to external customers	21,506	22,967	44,474	1,467	45,941	—	45,941
Inter-segment net sales or transfers	63	20	83	1,982	2,085	(2,065)	—
Total	21,569	22,987	44,557	3,449	48,007	(2,065)	45,941
Segment profit	310	670	980	207	1,187	(539)	647

(Notes)

- “Other” includes logistics and other businesses that are not included in the reportable segments.
- The adjustment of negative ¥598 million for “Segment profit” includes negative ¥538 million in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
- Total amount of “segment profit” is adjusted based on operating profit reported in the consolidated statements of income.

2. Information concerning impairment losses on non-current assets or goodwill, etc. by reportable segment

There is no relevant information.