



# BORDERLESS IR CO., LTD. ANNOUNCES NEWSLETTER

**SHIKIGAKU CO., LTD. (7049, TSE MOTHERS)  
PERFORMANCE FOR THE NINE MONTHS  
ENDED NOVEMBER 30, 2021**

February 4, 2022—Tokyo

**Bolstered by substantial growth in SHIKIGAKU Basic Services, the Company maintained significant increases in sales and profit in the nine months ended November 30, 2021.**

## **Summary of results**

During the nine months ended November 30, 2021, the Japanese economic outlook remained opaque due to the ongoing impact of the COVID-19 pandemic. However, the market is demonstrating a strong need for improvement in organizational productivity achieved through such means as results-based employee management and rule-oriented organizational management that generates results regardless of the workplace being utilized. Accordingly, demand for the Company's services remains robust.

Under its corporate philosophy of "Disseminate Shikigaku and maximize people's potential," in its Organization Consulting business the Shikigaku Group provides services that facilitate the permeation of its "Shikigaku" organizational management theory within client organizations. To do so, the Group actively recruits and trains instructors to thoroughly manage the quality of its instructors. In the Sports Entertainment business, the B.LEAGUE professional basketball season commenced, and the Company has engaged in marketing and actively conducted sales activities.

In the VC Fund business, Aidma Holdings, Inc., the first company in which SHIKIGAKU No. 1 Investment Limited Partnership invested, successfully listed shares on the TSE Mothers Index. With this listing, two investee companies of SHIKIGAKU No. 1 Investment Limited Partnership have conducted IPOs within the year and a half since its establishment. The Company considers these results to be proof that the Shikigaku method supports organizational management aimed at achieving public listings.

For the nine months ended November 30, 2021, the Company reported net sales of JPY2,808,198,000 (+65.6% YoY), EBITDA (operating profit + depreciation + amortization of goodwill + amortization of leasehold deposits) of JPY330,080,000 (+305.4% YoY), operating profit of JPY277,565,000 (+657.7% YoY), ordinary profit of JPY263,158,000 (+134.1% YoY), and JPY141,569,000 in net income attributable to owners of parent (versus JPY79,240,000 in net loss for the nine months ended November 30, 2020).

Through its Organization Consulting business, the Company provides management consulting services and platform services.

During the nine months ended November 30, 2021, the Company continued to conduct investment supported by vigorous marketing activities to facilitate active recruitment of consultants and expansion in its customer base. Consequently, its consultant count increased to 69, up 15 from February 28, 2021. As of November 30, 2021, the Company reported that it had formed management consulting service contracts with a cumulative total of 2,735 companies, up from 2,187 companies as of February 28, 2021. Its management consulting services generated JPY1,645,370,000 in sales over the nine months ended November 30, 2021 (+27.0% YoY).

During the period under review, in the category of platform services, the Company focused on expanding sales of its SHIKIGAKU Basic Services, which provide ongoing operational support until organizational management grounded in its Shikigaku theory (corresponding service launched in September 2020) take hold. The diagnoses that accompany these services clarify organizational issues and enable support for their eventual resolution. Accordingly, the Company has been striving to improve customer satisfaction. As of November 30, 2021, the Company had SHIKIGAKU Basic Service agreements in place with 468 companies (versus 167 as of February 28, 2021) while also reporting 134 SHIKIGAKU Cloud agreements (versus 229 as of February 28, 2021) and 289 Shikigaku Member clients (versus 479 as of February 28, 2021). Platform services generated JPY803,216,000 in sales over the nine months ended November 30, 2021 (+181.9% YoY). As a result of these factors, sales in the Organization Consulting business amounted to JPY2,448,586,000 (+54.9% YoY) while operating profit came to JPY456,308,000 (+312.8% YoY).

In the Sports Entertainment business, the Company fulfilled its function as a community-based club by conducting initiatives aimed at stimulating and expanding interest in local sports while also striving to facilitate team strengthening in pursuit of promotion to the B1 League level. During the nine months ended November 30, 2021, the Company expanded sales activities aimed at acquiring sponsors, increased the scope of its sales personnel recruitment, and strengthened its collaboration with local governments to raise tax payments made under the corporate version of Japan's hometown tax system, which has become a new revenue base. Due in part to these efforts, sponsorship orders were strong, increasing to JPY137,395,000 (+66.7% YoY). However, costs took precedent over profit during the period under review as the Company continued to invest in operations aimed at strengthening the team. Consequently, sales generated through the Sports Entertainment business amounted to JPY164,066,000 while operating loss in the business came to JPY135,744,000.

In the Contract Development business, the Company leveraged its expertise and engineer sources cultivated while developing the platform services of its own corporate group and contracted development related to e-learning systems linked to certification courses. In March 2021, the Company released Work Experience DX, a recruitment matching service that allows users to simulate the experience of joining participating companies, thereby gaining knowledge of the work they do and an understanding of how compatible they are with these companies. In October 2021, the Company launched "Digital Interview," a service that digitizes corporate presentations. As a result of these factors, sales generated through the Contract Development business amounted to JPY195,545,000, while the corresponding operating loss came to JPY3,246,000.

In the VC Fund business, the Company conducted investment focused on establishing and expanding organizational power and becoming a growth-generating organization.

Meanwhile, it also operated venture capital funds that support growth by facilitating organizational improvements at companies in which they invest by implementing the Company's Shikigaku theory. In June 2021, the Company established the SHIKIGAKU No. 2 Investment Limited Partnership, converted it into a subsidiary, and began including its performance in consolidated financial results. In October 2021, the Company sold a portion of the shares held by SHIKIGAKU No. 1 Investment Limited Partnership and booked a JPY49 million gain on sales of investment securities, categorizing this gain as extraordinary income because it was generated by investment conducted on or prior to June 29, 2021. Consequently, operating loss in the VC Fund business amounted to JPY28,928,000.

In the Hands-On Support Fund business, the Company operated hands-on support funds that provide organizational improvement and finance support and draw income from capital gains generated through investment exits (IPO, M&A, etc.). In June 2021, the Company established Shinsei Shikigaku Growth Support I Investment Limited Partnership and converted it into an equity-method affiliate. The goal of this fund is to invest in companies that are expected to grow, provide hands-on support aimed at improving their financial performance and facilitating this growth, and raise investment capital through their subsequent sale. As a result of spending associated with these efforts, the Hands-On Support Fund business generated an operating loss of JPY2,716,000.

Shikigaku Co., Ltd. (7049, TSE Mothers) <https://ir.shikigaku.jp/en/>

Please visit the following URL for a summary of consolidated financial results for the nine months ended November 30, 2021.

→ <https://global-assets.irdirect.jp/pdf/tdnet/batch/140120211227562063.pdf>

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