



Riso Kyoiku Co., Ltd.

Financial Results Briefing for the Fiscal Year Ending February 2023

April 12, 2023

Event Summary

[Company Name]	Riso Kyoiku Co., Ltd.	
[Company ID]	4714-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Fiscal Year Ending February 2023	
[Fiscal Period]	FY2023 Annual	
[Date]	April 12, 2023	
[Number of Pages]	36	
[Time]	15:30 – 16:22 (Total: 52 minutes, Presentation: 32 minutes, Q&A: 20 minutes)	
[Venue]	Kabutocho Heiwa Building 2F, 3-3 Kabutocho Nihonbashi, Chuo-ku, Tokyo 103-0026 (Hosted by The Securities Analysts Association of Japan)	
[Venue Size]	145 m ²	
[Participants]	33	
[Number of Speakers]	3	
	Masahiko Tenbo	President and CEO
	Masaaki Kume	Vice President and CFO
	Masaya Ueda	Representative Junior Managing Director

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North America 1.800.674.8375
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Presentation

Moderator: Now it is time. We will begin Riso Kyoiku Co., Ltd.'s financial results briefing for the fiscal year ended February 2023.

First, I would like to introduce three people from the Company.

Mr. Masahiko Tenbo, President and CEO.

Tenbo: Hello.

Moderator: Mr. Masaaki Kume, Vice President and CFO.

Kume: Hello.

Moderator: Mr. Masaya Ueda, Representative Junior Managing Director.

Ueda: Hello.

Moderator: Today, those three people I have just introduced will give their explanations. After their presentations, we will have a question-and-answer session. Please go ahead.

Tenbo: Hello, everyone. I am Tenbo of Riso Kyoiku, as I've just been introduced. Thank you for your attendance today.

During the period under review, we have been holding our financial results briefings online as a part of our infection prevention measures. However, since it was the main closing of accounts, and the regulation for wearing of masks has been eased since March, we decided to hold the briefing today in person.

This is the first time since 2018 that we hold the briefing here, at the Kabutocho Heiwa Building. It means that this is the first time in five years. Before the COVID-19 pandemic, we used to hold the briefing at the Johoku headquarters building in Ikebukuro for a while, together with the company tour, so some of you may be coming to our briefing for the first time as we hold the session here. I am happy to meet you all.

Now, since some of you may have come to our briefing for the first time, I would like to start with an overview of our company. I would like to explain in accordance with the materials at hand.

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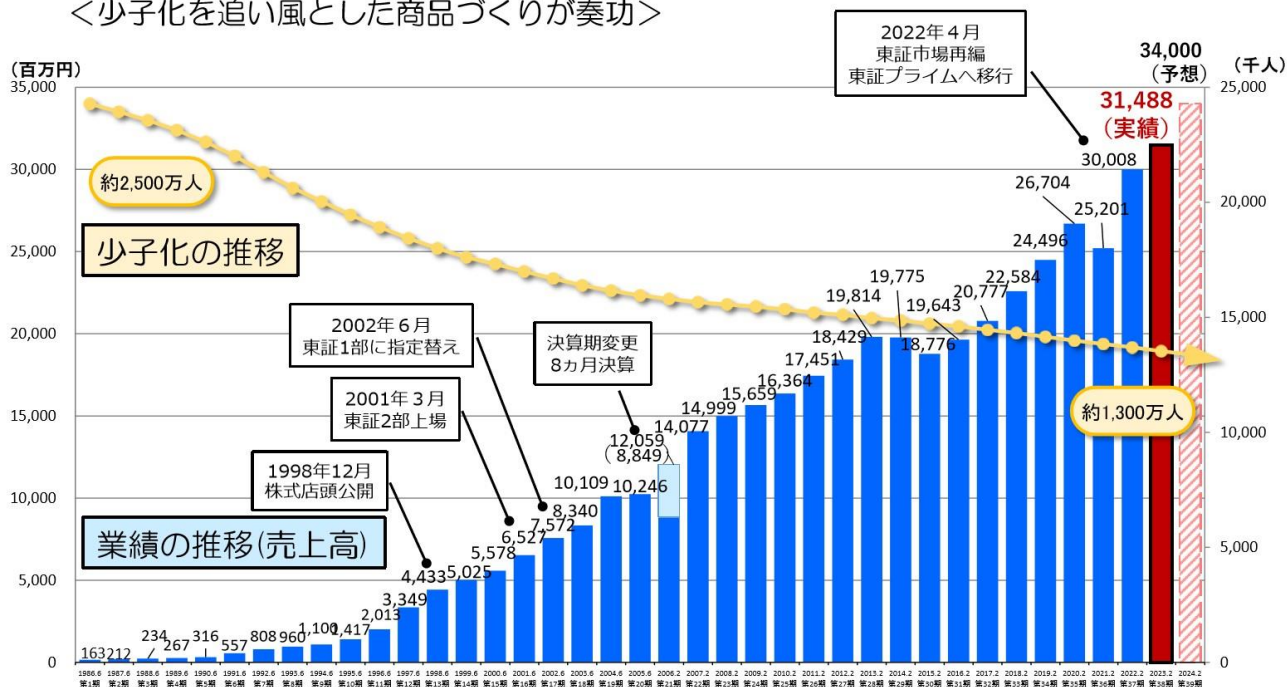
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－創業以来売上高推移－

＜少子化を追い風とした商品づくりが奏功＞



リソ-教育グループ 「すべては子どもたちの未来のために」

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First, please see page three, this graph is our company's growth trajectory since its inception.

Our business model is based on a declining birth rate, and since our founding in 1985, we have grown as if in inverse proportion to the times, despite the headwinds of the declining birth rate, and we continue to grow and expand today.

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Asia's Meetings, Globally

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リソ教育グループ 概要図

【学習塾事業】

株式会社リソー教育



【家庭教師派遣教育事業】

株式会社名門会



【幼児教育事業】

株式会社伸芽会



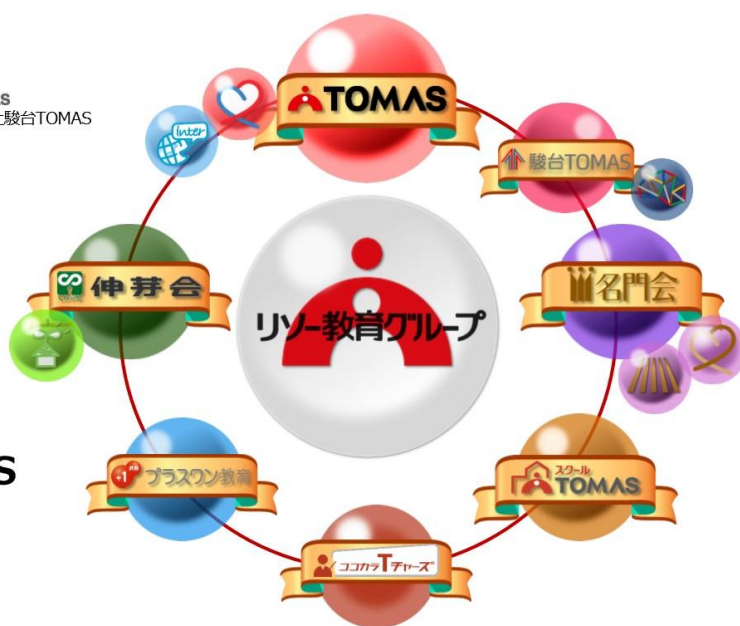
【学校内個別指導事業】


株式会社スクールTOMAS



【人格情操合宿教育事業】

株式会社プラスワン教育



 **リソ教育グループ** 「すべては子どもたちの未来のために」

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The seven companies of the Riso Kyoiku Group operate 13 brands, including TOMAS, a tutoring school business; Meimonkai, a private tutor dispatch education business; Shingakai, an early childhood education business; School TOMAS, an in-school individual tutoring business; and Plus One Education, a personality and emotion camp education business.

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リソ-教育グループ 概要図

学習塾事業



学校内 個別指導事業



家庭教師派遣 教育事業



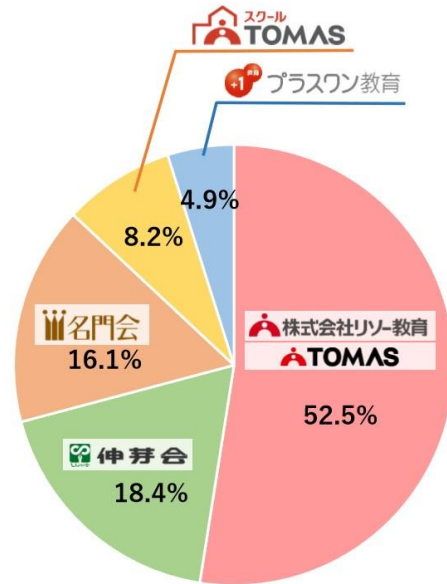
人格情操合宿 教育事業



幼児教育事業



その他



【2023年2月期 売上構成比】

※Spec.TOMASは株式会社駿台TOMASのブランドで、売上高、利益は学習塾事業セグメントに含まれております

「すべては子どもたちの未来のために」

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As for the composition of sales, TOMAS, a tutoring school business, accounted for 52.5%; Shingakai, an early childhood education business, 18.4%; and Meimonkai, a tutor dispatch education business, 16.1%, with these three businesses leading the Group as mainstays. School TOMAS, an in-school individual tutoring business, 8.2%; and Plus One Education, a personality and emotion camp education business, 4.9%.

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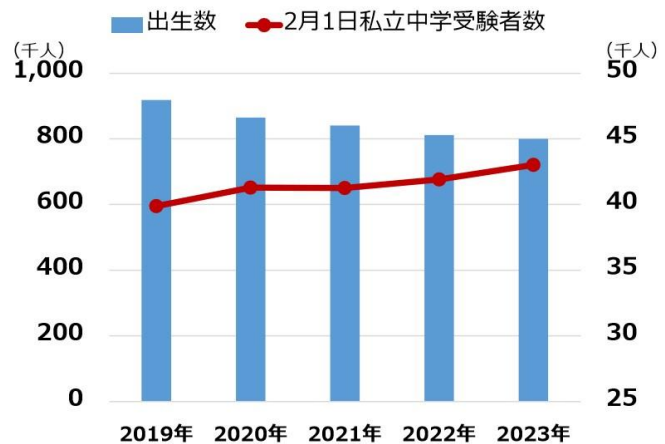
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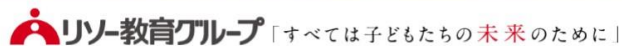


少子化で求められる教育の質

- 出生数が80万人を切る少子化時代
- 将来が不透明なか
子ども1人あたりの教育費が増加
- 大学入試改革の不透明感
→小学校・中学校受験が活発化
- 少子化 = 安心して確実なサービスが求められる時代



出典：以下2点の資料をもとに当社作成
 ・出生数：厚生労働省「人口動態統計」
 ・森上教育研究所「入試状況はどう変化したかー受験者数26年間の推移 2023.3.6暫定値」



As I explained earlier, we are continuing to grow despite the headwind of declining birth rates, but there were reports that the number of births nationwide fell below 800,000 in March of this year and that the concentration of the population in Tokyo is accelerating.

Looking at the current state of the education industry association in these times of declining birth rates, it doesn't mean children have disappeared. It means that educational expenditures per child are increasing.

We believe that, in the case of education, which cannot be redone, there is a demand for more secure and reliable education without regard to the cost.

Furthermore, as articles mentioned about the concentration of population in Tokyo, there is an influx of people with children in large cities. I would say that such families are those who are very interested in education.

In particular, children can go to junior high school without any concern before, but we are seeing an increase in the number of families applying to private, national, and public junior high schools, where they have to take entrance exams to be admitted.

This year, entrance examinations for private junior high schools in Tokyo and Kanagawa started on February 1, and the number of examinees who took the exams on February 1 increased by 2.7% from the previous year to 43,000. It means that the number of children taking entrance exams for junior high schools is steadily increasing.

I think this means that parents are more strongly motivated to provide their children with a better education for their future. We believe that this is a good representation of the current situation, where educational expenses per child are becoming higher.

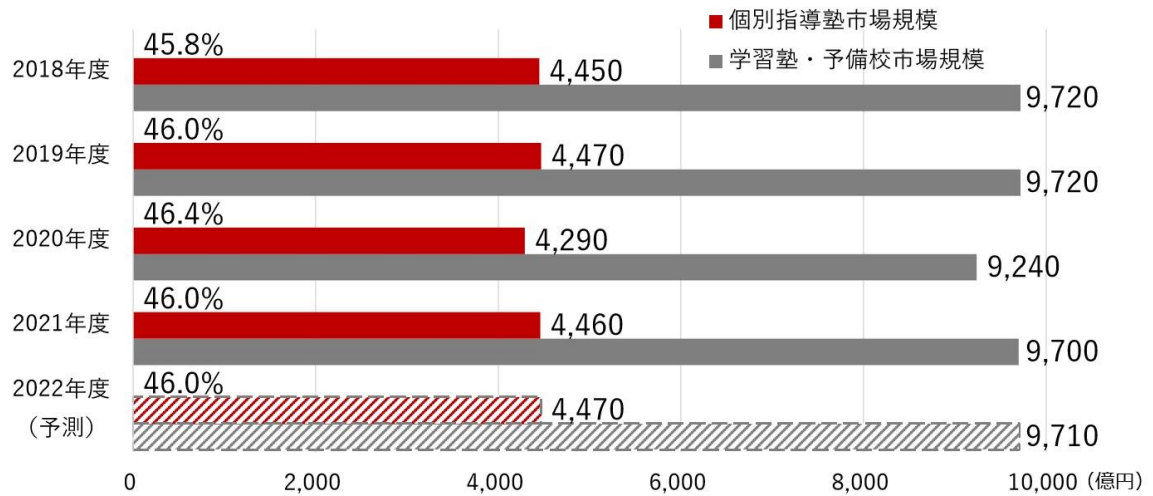
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- ・ 学習塾・予備校市場規模 約1兆円
- ・ 個別指導塾市場規模は約半数を占める



出典：矢野経済研究所「教育産業白書2022年版」をもとに当社作成
 注：事業者売上高ベース、2022年度は予測値（2022年10月現在）

The market size of tutoring and preparatory schools is also increasing, albeit at a slower pace. Individual tutoring accounts for about half of this total. The overall tutoring and preparatory school market has increased by 3.5% over the past decade, while the individual tutoring market has increased by 7.7%.

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○大学入試改革の不透明感
→小学校・中学校受験が活発化


○少子化 = 安心で確実なサービスが求められる時代
→特徴のない学習塾が淘汰され二極化が進む

リソ教育グループの強み

百人百様のカリキュラムで
完全1対1の進学個別指導

→1人1人に合わせたカリキュラムで柔軟に対応

「安心で確実なサービス」を提供することが可能

 リソ教育グループ「すべては子どもたちの未来のために」

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We believe that what we have explained so far is an expression of the parents' concern for their children's future. While the birth rate is declining, I believe that the government's policies on child rearing and education, such as the reform of university entrance examinations, are taking many twists and turns.

The desire to provide a better and more secure education for our own child's future has led to an increase in the number of children taking entrance exams for elementary and junior high schools.

The increasing cost of education per child means that there is an increasing demand for reliable and secure services, even if they are expensive.

The industry is becoming increasingly polarized, with uncharacteristic tutoring schools being weeded out. We are differentiated by our one-on-one individual tutoring, a business type that aims to provide safe and reliable services. We think must continue to be selected in this way.

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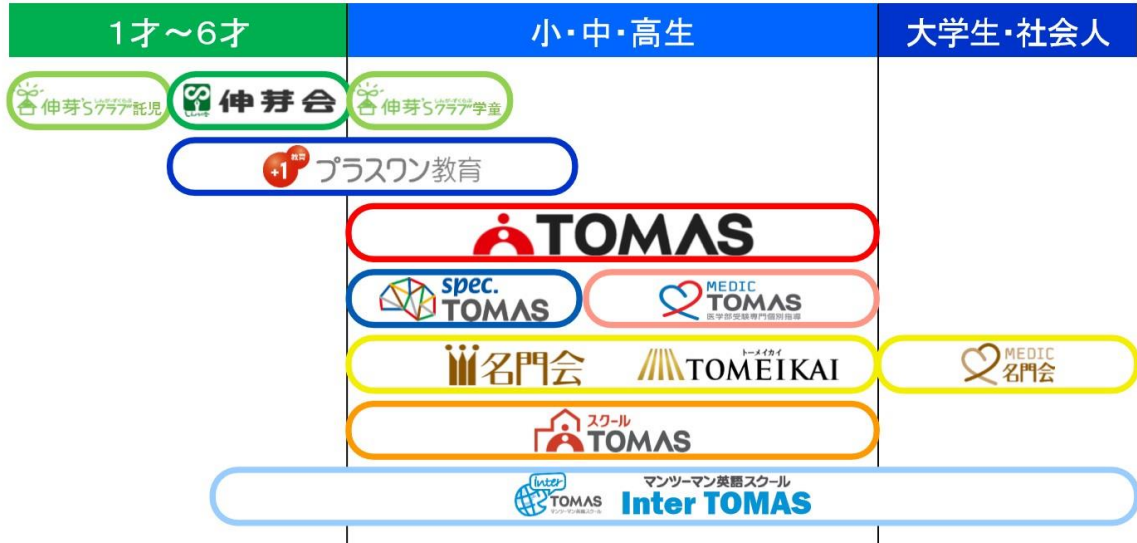
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～対象年齢軸の拡大～ 1歳から社会人までの「囲い込み戦略」

「伸芽'Sクラブ」により1才児からの囲い込み
 「インターTOMAS」で大学生、社会人へつなげ将来的には生涯教育へ



In addition, we are promoting a strategy to retain students who continue to attend our schools by taking advantage of the Group's economies of scale, starting with children as young as one year old at Shinga's Club daycare, which is operated by Shingakai, an early childhood education business, and continuing through to university students and adults, with Inter TOMAS English conversation school. We hope to continue to grow and expand our group as a whole.

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○ **完全 1 対 1 の進学個別指導塾**

※他の個別指導塾は1対2や1対3

○ **百人百様の個人別「合格逆算カリキュラム」**

⇒ **個別指導**で合格実績**No.1**

○ **個別指導で高い合格実績を実現**

御三家・最難関中学（開成・麻布・武蔵・桜蔭・女子学院・雙葉）

早慶・最難関附属高（慶應義塾・早稲田実業等）

難関大・医学部（東大・京大・慶應医学部等）

I will now give a brief overview and characteristics of each segment.

First, in the tutoring school business, we are developing TOMAS, a completely one-on-one individual tutoring school for higher education.

More than 30 years ago, when our company was founded, tutoring schools usually mean group tutoring schools that offered instruction at 1:20, 1:30, 1:50, or even 1:100, as teacher-to-students ratio. We believe that we were the first company in Japan which offered completely one-on-one individual tutoring for higher education.

Nowadays, we often see signs that say, "individual tutoring," but most of them are small-group instruction, such as 1:2 or 1:3. We believe that those individual tutoring schools are composed of supplementary tutoring schools for school students.

However, we believe that it is difficult to improve academic abilities, pass difficult entrance examinations, or take such examinations in such a format.

On the other hand, the group tutoring schools teach the same curriculum to all students that students who can study well may feel inadequate, while those who cannot keep up with their studies may end up disliking their studies, and so on. The solution to this problem is our complete one-on-one individual tutoring.

We provide instruction based on a curriculum that works backward from success at the school of one's choice, which is tailored to the individual personality and academic ability of each student.

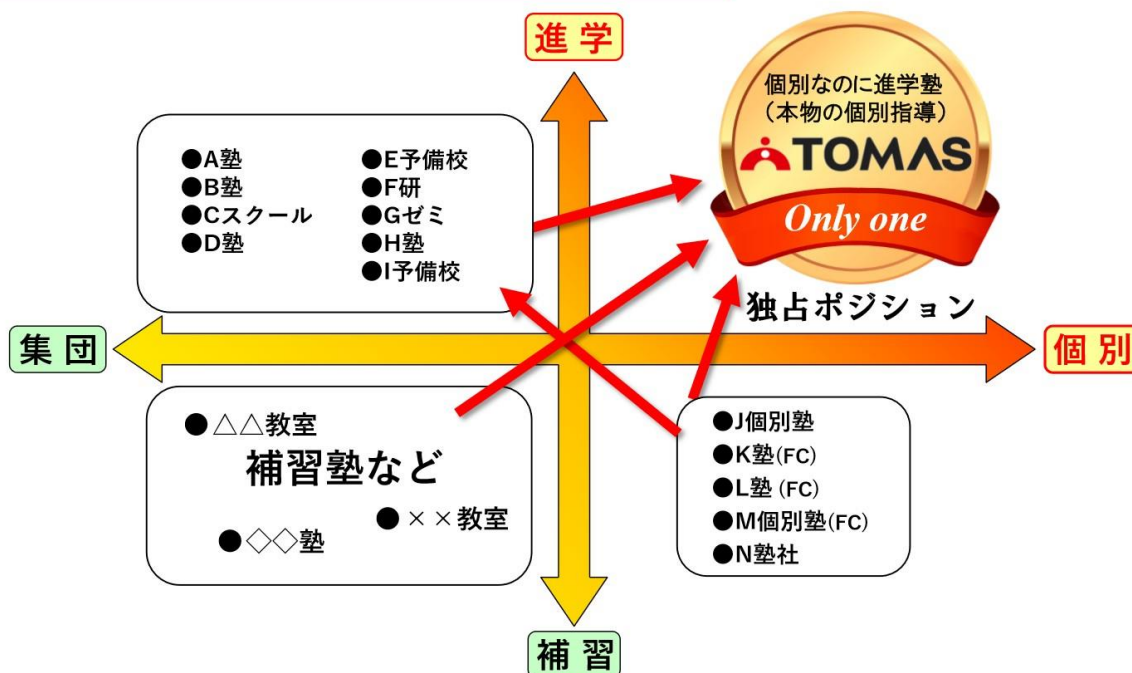
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Because we are able to prepare each student for the school of his or her choice based on his or her individual curriculum, many of our students are accepted into difficult junior high schools and difficult high schools, such as the top three schools, as well as medical schools and difficult universities.

マーケットにおける不動の地位を確立・独占



We divided the tutoring school business market into individual and group on the horizontal axis, and higher education and supplementary education on the vertical axis. As you can see, TOMAS belongs to the individual and higher education in these four matrices.

We believe that we take a position that is not easily found in the tutoring school business and that continuing to dominate this unique position is essential to our differentiation. We are proud to say that we currently have a unique monopoly here.

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- **100%プロ**の社会人講師が指導
- 高い**進学実績を公表できる****唯一**の家庭教師センター
- **毎年**多数合格者輩出
特に**医学部**の合格実績が高い
東大（理Ⅲ） ・ 京大（医） ・ 大阪大（医） ・ 慶應義塾（医） ・
東京慈恵会（医） ・ 順天堂（医） など

Next, I will now explain about Meimonkai.


Meimonkai, a private tutor dispatch education business, the most important feature of this business is that all instructors are working professionals. We are proud of our high academic achievements, particularly in medical schools, and our success in passing entrance examinations.

Almost no tutoring center publishes their success record, and we believe that Meimonkai is the only center that does it.

完全1対1個別指導の医学部受験専門予備校 MEDIC名門会

 名門会 全国の難関国公立大医学部に
高い合格実績




 MEDIC 名門会 強固な教務サポート体制で
医師を志す受験生を
全面的に・徹底的に
バックアップ

2022年3月 大阪本部校開校
2022年4月 神戸校開校

「鳥瞰カリキュラム」と「週間スケジュール」で四者共有



 リソ-教育グループ 「すべては子どもたちの未来のために」

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And Meimonkai has a strong success record as a preparatory school for medical schools started MEDIC Meimonkai, a preparatory school specializing in medical school entrance examinations, which offers complete one-on-one tutoring last year.

The Osaka home school opened last March and the Kobe school in April.



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【2023年2月期 開校・リニューアル】

	2022年4月	三宮駅前校	<u>リニューアル</u>
	2022年10月	御器所校	<u>開校</u>
		つくば駅前校	<u>リニューアル</u>
	2022年3月	大阪本部校	<u>開校</u>
	2022年4月	神戸校	<u>開校</u>



【2024年2月期 開校・リニューアル予定】

	2023年4月	京都駅前校 2号館	<u>開校</u>
		広島駅前校	<u>拡大リニューアル</u>
		西広島駅前校	→ 広島駅前校へ統合

We plan to develop more than 10 schools in the future.

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- 1956年創立 (2003年にM & A) の
名門幼稚園受験・小学校受験のパイオニア
- 生徒一人ひとりの発達に応じた個人別合格プログラム
- 「教え込む」のではなく「想像力を伸ばす」
 本物の幼児教育で名門校合格へ
- お受験業界において
トップクラスの合格実績
 慶應義塾幼稚舎・早稲田実業初等部など
 難関幼稚園、小学校へ多数合格者輩出



Next, I would like to explain about Shingakai.

Shingakai, an early childhood education business, provides guidance and instructions for entrance exams for prestigious elementary schools and kindergartens.

Founded in 1956, it is a well-established business with a history of more than 60 years. It is a pioneer in the field of entrance examinations for early childhood, and it became a member of our group in 2003. It is a preparatory school or cram school for early childhood education with such a tradition.

Every year, many of our students are accepted into difficult-to-enter elementary schools and kindergartens, such as Keio Kindergarten and Waseda Jitsugyo Elementary School, and we have earned a reputation as one of the top schools in the entrance exam industry.

As I explained earlier, the number of families taking entrance exams for elementary schools in the Tokyo metropolitan area in FY2022 is increasing steadily, up 6% from the previous year, and I believe that the business environment is favorable.



幼児教育のパイオニア  伸芽会 のノウハウで
 働くお母様の受験準備をお手伝い

- 「お受験」対応型 長時間託児
- 仕事と育児を両立させるお母さんへの支援

幼少期に必要な5つの力
 「見る」「聞く」「考える」「話す」「おこなう」力を育み
 学び続ける意欲と社会を生き抜く力の土台を築く

Shingakai also offers Shinga's Club daycare division, a long-hour gifted and talented daycare service for children aged one to three years old prior to their elementary school entrance examinations. This is very popular with mothers who wish to balance work and childcare.

Students who graduate from this daycare program at the age of three will then go on to attend Shingakai for elementary school entrance exams.

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独自の学習カリキュラムを取り入れ、
 高学年で伸びるための土台作り

- 「進学指導」付き 長時間学童保育
- 英才教育 + 長時間学童保育
- 計算・漢字などの基礎学力 + 先取り学習
- 中学受験で問われる思考力を育む



【ブライتكッズアカデミー（英語）】



【プログラミング講座】

After entering elementary school, students have another option of joining the Shinga's Club for school-age children's program, which provides training for higher education.

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【2022年2月末現在】

 伸芽'sクラブ 学童 (コナミスポーツ伸芽'Sアカデミー)

2022年4月 品川校 **開校**

 伸芽'sクラブ 託児 2022年8月 晴海トリトン校 **開校**

 伸芽'sクラブ 学童 2022年8月 晴海トリトン校 **開校**


 伸芽会
24教室


 伸芽'sクラブ
託児
8校

 伸芽'sクラブ
学童
18校



【2024年2月期予定】

 伸芽会 2023年3月 二子玉川教室 **リニューアル**

 伸芽'sクラブ 学童 2023年4月 二子玉川校 **開校**

コナミスポーツ
伸芽'Sアカデミー 2023年4月 品川校 **リニューアル**
西宮校 **開校**

Both the Shinga's Club daycare and school-age children's programs are in such high demand, that they are filled to capacity as soon as they are opened.

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○ 「学校（集団）」の中に**進学個別指導塾 TOMAS**を設置

○ 「TOMAS」の進学個別指導ノウハウを
稼働校数86校（2023年2月末現在）

○ 少子化で生き残りをかける学校の
経営支援と進学実績をサポート



Next, I would like to explain about School TOMAS. This is an in-school individual tutoring business. That's what we are doing in a nutshell, setting up TOMAS in the school.

The declining birth rate is affecting not only the tutoring school industry, but also schools, and schools are now struggling to survive as they too are being eliminated. Schools need to differentiate themselves, and I believe that one of the key points of differentiation is the school's academic results for higher education.

Our complete one-on-one individual college preparatory tutoring means that we can follow up with after-school learning instruction. This business was created in response to a request from a school. We are currently working in 86 schools, mainly private schools.

This is a brief overview of our four main companies in our group. We hope you will find further details in the materials at hand.

Mr. Ueda, Representative Junior Managing Director, will now explain the results for the fiscal year ended February 2023.

(1) 2023年2月期実績(2022年3月～2023年2月)

(単位：百万円)

	売上高		営業利益		経常利益		当期純利益	
		前期比		前期比		前期比		前期比減
2021年2月期	25,201	△5.6%	1,010	△62.8%	1,192	△56.6%	555	△71.6%
2022年2月期	30,008	+19.1%	3,030	+199.8%	3,048	+155.7%	2,431	+337.9%
2023年2月期	31,488	+4.9%	2,401	△20.8%	2,442	△19.9%	1,492	△38.6%

Ueda: My name is Ueda from Riso Kyoiku. Thank you.

First, I would like to explain the consolidated results for the fiscal year ended February 2023.

Net sales increased by 4.9% YoY to JPY31,488 million, operating profit decreased by 20.8% to JPY2,401 million, ordinary profit decreased by 19.9% to JPY2,442 million, and net profit decreased by 38.6% to JPY1,492 million.

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(2) 実績の背景について — 売上高・利益 —

(売上高)

- ・ 学習塾事業、学校内個別指導事業および人格情操合宿教育事業が前期を上回り、前年同期比4.9%増で推移

(利益)

- ・ 優秀な人材確保のための社員、従業員、講師の給与等、人件費の増加
- ・ 上期における採用広告等の広告宣伝費の増加
- ・ 世界的なエネルギー需要の高まりによる資源価格、原油価格の上昇や円安による光熱費等をはじめとした諸物価の高騰

⇒費用の増加により前年同期と比較して利益が減少

As for the background of the results for the fiscal year ended February 28, 2023, net sales increased by 4.9% YoY as the tutoring school business, TOMAS, the in-school individual tutoring business, School TOMAS, and the personality and emotion camp education business, Plus One Education, outperformed the previous fiscal year.

On the other hand, upfront investments to secure talented personnel and higher personnel costs, resulting from base salary increases for employees, staffs, and instructors, increase in advertising expenses for recruitment and other advertising in H1, in addition, higher resource and crude oil prices due to rising global demand for energy, and higher expenses due to the yen's depreciation, which drove up utility and other costs, resulted in a decrease in profits compared to the same period of last year.

As for improvement measures, as Tenbo will explain later, we plan to raise prices at TOMAS, Meimonkai and School TOMAS and to consolidate unprofitable schools at Meimonkai and Shingakai.

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(2) 実績の背景について — 主要3事業の在籍生徒数(2月末) —

	2023年2月末生徒数		
		2022年2月比	2021年2月比
 リソー教育グループ	27,127人	△1.1%	+3.2%

	前期比	要因	改善策
TOMAS	△0.7%	主力の小学生は増加しているものの、高校生の伸びが期中から鈍化。	営業強化により在籍数を確保。
名門会	△9.5%	名門会全体で生徒数が減少。	営業部門をリソー教育へ集約一元化し、在籍数を確保。
伸芽会	△1.9%	主に受験部門での在籍数が減少。	Kids Smile HDとの提携強化により顧客情報を相互活用 Kids社の会員へサービス紹介により会員を獲得。

As background on the results, I would like to explain one more point regarding the number of students enrolled. The number of students in the Riso Kyoiku Group decreased by 1.1% YoY and increased by 3.2% compared to 2021 before that.

By segment, TOMAS decreased by 0.7% YoY. The main reason is that enrollment of elementary school students preparing for junior high school entrance exams, the mainstay of the school, increased, but growth in the number of high school students slowed down from the beginning of the period. We intend to secure enrollment by strengthening our sales force.

Meimonkai decreased by 9.5% YoY. By consolidating and centralizing Riso Kyoiku's student recruitment sales department, which had been conducted independently by Meimonkai, we will be able to conduct efficient student recruitment and solicitation activities and secure enrollment.

Shingakai decreased by 1.9% YoY. Shinga's Club daycare increased by 0.7% and school-age children by 16.9%. However, the examination division decreased by 11.9%, which was the main reason of the overall decrease.

As we will explain later, we will mutually utilize customer information by strengthening our alliance with Kids Smile Holdings (hereafter call "Kids"), and we plan to acquire members by introducing the Group's services to Kids' members.

Next, Mr. Kume, Vice President and CFO, will explain our shareholder return policy.

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(3) 株主還元策

- ・株主の皆様に対する利益還元を経営の重要課題の一つ
- ・2023年2月期は2022年2月期の1株あたり16円を基準に配当

2019.2月期 (実)	11.0円
2020.2月期 (実)	12.0円
2021.2月期 (実)	9.5円
2022.2月期 (実)	16.0円
2023.2月期 (実)	16.0円

配当利回り※
4.78%

※2023年2月末時点

Kume: My name is Kume, and I am in charge of finance. Thank you.

This fiscal year, we revised our forecast downward in January due to an unexpected decrease in profits. This is because as we talked about earlier regarding profits, labor costs have increased more than we initially expected at the beginning of the term, fixed costs have increased, and as you all know, electricity rates have increased and water rates have increased.

Reason of labor costs is to compete with other companies, we had to raise the hourly rate of instructors. In addition, inflation has accelerated, and we have had to raise employee salaries and increase costs. Human resources are our asset, which are quite important for our future, so we had to increase the costs and revised our forecast downward.

However, Net sales itself increased, so the dividend for the current fiscal year is JPY16 per share. Dividend pay out ratio become over 160%, but it can be done within retained earnings. We have also determined that the equity ratio after dividends can be maintained at approximately 50% and have therefore decided to pay a dividend of JPY16 per share as originally planned.

In the meantime, we are putting out a statement that we are undecided about the current fiscal year. This is based on our review of the previous fiscal year, and since we revised profits downward in the middle of the fiscal year, we are also conservative in our sales and net profit forecasts for the current fiscal year.

In light of the current situation in the world, we believe that personnel expenses will probably have to increase considerably this fiscal year as well. As we mentioned earlier about the partnership with Kids, we believe that there will be a reorganization of the industry. We are preparing for such a trend. And we are also announcing at the same time that the “Kodomo Depart” will finally begin at full scale. We start to with opened two schools

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and we are planning to build 20 buildings in the next four to five years in cooperation with Hulic, so we have to be prepared for this.

We are considering preparations to increase the so-called "corporate value" of the Company and will make an announcement on the dividend for the current fiscal year. I would like to announce it at least by the end of Q1.

That is all.

2024年2月期 予想

(単位：百万円)

	売上高		営業利益		経常利益		当期純利益	
		前期比		前期比		前期比		前期比
2024年2月期 (予想)	34,000	+7.9%	3,000	+24.9%	3,000	+22.8%	2,060	+38.0%

利益改善策

- ・利益改善策として2023年3月からTOMAS、名門会、スクールTOMASで5～7%の値上げを実施
 - ・名門会、伸芽会の不採算校の統廃合実施
 - ・経費の見直し、削減
- ⇒ 利益構造の改善へ



Tenbo: I would like to continue by explaining our forecast for the fiscal year ending February 2024 and our medium- to long-term improvement measures.

First, I would like to explain our outlook for the fiscal year ending February 2024.

As announced on January 20 of this year, we forecast net sales of JPY34 billion, operating profit of JPY3 billion, ordinary profit of JPY3 billion, and net profit of JPY2.06 billion.

Based on the results for the fiscal year ended February 2023, in the fiscal year ending February 2024, as Ueda mentioned earlier, we intend to improve our profit structure by implementing various improvement measures.

First, tuition fees have been raised at TOMAS, Meimonkai, and School TOMAS since this March. In order to further improve the quality of our classes and to secure excellent instructors, we have raised tuition fees by 5% to 7% compared to the previous term.

Furthermore, we are considering the consolidation of unprofitable schools in Meimonkai and Shingakai.

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In addition, we are working to improve our profit structure by reviewing and reducing other overhead costs.

中長期の施策について

- 2024年2月期を初年度とする3ヵ年計画
(策定次第、適時開示にてお知らせ)
- 異業種との業務提携、提携関係強化による「囲い込み戦略」の推進
- 当社およびヒューリック(株)ならびにコナミスポーツ(株)の3社で開発する「こどもでぱーと」の開業により、より長く通っていただける環境を整備



As for the medium- to long-term outlook, we plan to formulate a new medium-term management plan with the fiscal year ending February 2024 as its first year.

In addition, as I will explain later, we will promote alliances with different industries and strategies to enclose customers by strengthening alliances. Furthermore, with the opening of Kodomo Depart, which is being developed through a partnership between our company, Hulic, and Konami Sports, we hope to create an environment that will encourage longer attendance.

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「 **こどもでば-と**」シリーズの展開

2025年春
開業予定

「(仮称) **こどもでば-と 中野**」

「(仮称) **こどもでば-と たまプラーザ**」

2026年
竣工予定

渋谷区再生ステップアッププロジェクト
「MITAKE Link Park (渋谷)」へ
 **こどもでば-と** を展開

その他

上記3件を含め、東京都城南エリアや
千葉エリアでの計6物件が具体化
2029年までに20棟まで広げる構想



ロゴ・CG制作：株式会社生活スタイル研究所

Let me explain a little more detail about Kodomo Depart.

It will be a one-stop location for services for children, which is being developed through a business alliance between our company, Hulic, and Konami Sports.

We assume one building for various services. Hulic will develop a medium-scale building or renovate an existing property for Kodomo Depart, and we will roll out our brands in that building.

We are also planning to create a place where children can go to a gymnasium school run by Konami Sports, a children's clinic, a café, and other tenants offering a variety of services for children, so that most of the needs for children will be met.

As announced on April 10, we have decided to develop Kodomo Depart Nakano, in front of Nakano Station in Tokyo, and Kodomo Depart Tama-Plaza, in front of Tama-Plaza Station in Yokohama. The opening is scheduled for spring 2025.

In addition, we have six properties already in process, including a Kodomo Depart in MITAKE Link Park in Shibuya Ward, which we announced last April and will be completed in 2026. We are planning to expand the number of Kodomo Depart to 20 by 2029.

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KIDS SMILE HOLDINGS との業務提携


キッズスマイル ホールディングス

○2022年3月より当社および伸芽会と
Kids Smile HDおよびKids Smile Projectの4社で業務提携

○2023年3月より **資本業務提携により提携関係を強化**

- ・顧客情報の相互活用・相互支援
 - ・伸芽会 ⇄ Kids Smile Projectで役員の相互派遣
 - ・オリジナル教育プログラム「KID'S PREP. PROGRAM」を
全国の保育園、認定こども園へ展開
 - ・優秀な人材確保のための採用制度確立
- ⇒ **コンテンツ力、ブランド力、集客力の強化を図り
囲い込み戦略を推進**



 **リソ教育グループ** 「すべては子どもたちの未来のために」

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Next, I would like to explain our business alliance with Kids Smile Holdings.

The main focus of this partnership is Shingakai. Since 2015, Shingakai has had a business alliance with Kids Smile Project, Inc. In order to form a more comprehensive alliance, we announced in March last year a four-company business alliance that includes Riso Kyoiku, the parent company of these two companies, and Kids Smile Holdings.

In order to effectively support each other's services, Shingakai and Kids Smile Project mutually dispatch directors to each other.

We have also held events to introduce our group's services to Kids Smile Project members, which have led to new enrollments in Shingakai, and we have sold our original educational program, KID'S PREP. PROGRAM, an original educational program jointly developed by Shingakai and the Kids Smile Project, to outside customers, and these activities gradually make fruit.

Furthermore, as announced on March 20 of this year, we have entered into a capital alliance, in addition to the business alliance. By facilitating the alliance and strengthening mutual support, we will strengthen our content, brand, and ability to attract customers, laying the foundation for our future growth strategy.

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伸芽'Sアカデミー 学童 × コナミスポーツクラブ

コナミスポーツ×伸芽'Sアカデミー

対象 小1
小2 小3


2022年4月 **品川校（第1号校）** をコナミスポーツ本店へ開校
満員のため2023年4月に増床

2023年4月 **西宮校（第2号校）** を
コナミスポーツ本店西宮アネックスへ開校
その他、大阪エリア1校、神戸エリア1校を開校予定

今後、上記4校を含め約20校を開校予定



コナミスポーツ伸芽'Sアカデミー品川校
(コナミスポーツクラブ本店)

 リソ教育グループ 「すべては子どもたちの未来のために」

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Shingakai also has a business alliance with Konami Sports and is developing a new brand, Konami Sports Shinga's Academy, to fulfill the dreams of parents who want their children to do well in both studies and sports.

On April 1 of last year, we opened our first school as the Shinagawa school in the Konami Sports main branch. This has been so well received, that we have expanded and added a new floor this month.

The second school, which followed, opened this very month at the Nishinomiya Annex, the main branch of Konami Sports, as the Nishinomiya school. In addition, we plan to open one more school in the Osaka area and one in the Kobe area. We plan to open approximately 20 schools in the future, including these four schools.

Last but not least, the number of students taking junior high school entrance examinations and private elementary school entrance examinations in the Tokyo metropolitan area this year has reached a record high, and we feel the enthusiasm for entrance examinations is increasing every year.

Due to the COVID-19 disaster, some people who had not previously considered taking the junior high school entrance exam are now participating, or due to the easing of restrictions, some parents are relieved to let their children go to school taking trains. We will continue to provide genuine education and services to meet the needs of such people and strive to enhance our corporate value.

Thank you very much for your kind attention.

Moderator: Thank you.

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Question & Answer

Moderator [M]: Now, let's move on to the question-and-answer session.

This financial results briefing will be transcribed and published in full, including the question-and-answer session. Therefore, if you give your name and company name when you ask a question, they will be made public. If you wish to remain anonymous, you may omit your name.

Please go ahead.

Participant [Q]: Thank you very much for your time today. First, it seems that you are expecting a 5% to 7% increase in tuition fees. As mentioned earlier by the Vice President, there is a higher-than-expected growth in labor costs and advertising expenses. One of my questions is whether 5% to 7% raise can cover the increased costs.

Second, I believe that the use of AI in the education field is now being discussed, but what is your company's approach? I would like to know if you have any specific measures using AI, for example, in selecting schools of interest.

Third, you are planning to consolidate unprofitable schools in Meimonkai and Shingakai, as well as other plans for school openings, et cetera, as mentioned on another page. If you have an image of areas you would like to focus on opening new schools or consolidating schools, I would like to know about the idea. That's all.

Tenbo [M]: Thank you for your question. We received three questions. The questions were that if the tuition increase will cover the various costs, what our approach to AI is, and if we have specific areas in mind for opening of new schools and consolidation due to unprofitability. Is this right?

May I start with the Vice President to see if the tuition increase can cover the increase in costs?

Kume [A]: I will answer. As you are all aware, many companies are raising their labor costs this fiscal year, and as we will also be raising the hourly wage of our instructors. For the future growth of our company, we have to increase the tuition for competition because human resources are our most important asset.

Therefore, I believe that these 5% to 7% could almost disappear into it. This means that if we don't do it, we will lose money, so we have to do it.

If it were 5% to 7% in the current environment, there would be no complaints from the parents at all so far. We believe we have convinced them about the tuition increase.

As I mentioned earlier, we are looking at a net profit of JPY2 billion, so this is a conservative estimate.

As you can see, the ordinary profit margin is also below 10% of sales. We are aiming for about 10%, but again, we are planning conservative here.

As we will take various measures to increase the number of students in this fiscal year, and we are aiming for a YoY increase in the number of students. That's all.

Tenbo [A]: I would like to continue by explaining our approach to AI. May I remain seated?

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AI, indeed, is being developed by a great many companies, and we have received a number of AI proposals. We have adopted some of the approaches at the School TOMAS, but the individual tutoring is still our strength, and when we really want to differentiate ourselves, the more analog we can be, the more we can differentiate ourselves. In this sense, we are still committed to the one-on-one face-to-face approach.

However, we know that AI is quite effective when used as supplementary training materials, so we hope to use AI as such supplementary materials. That's all for the question about AI.

And about the areas for school openings and consolidation. First, regarding Meimonkai, we have a division called TOMEIKAI. The TOMEIKAI, where the Meimonkai is responsible for expanding TOMAS to the rural areas. But there are some schools where the number of students is not growing as fast as expected due to the inevitably severe declining birth rate in the rural areas, we are reviewing.

In addition, Shingakai has three schools in the Kansai region, and the enrollment does not grow as expected there, so we must consider about them. From now on we are still under consideration of expanding the number of schools in the vicinity of major metropolitan areas where we have already opened schools. That is all. Is that okay?

Participant [M]: Thank you very much.

Moderator [M]: Thank you. Next question, please.

Sekine [Q]: Thank you very much for your explanation. I'm Sekine from Daiwa Securities. I have two questions.

First, Mr. Kume mentioned earlier that the profit plan is conservative. I think your company has rather been making upfront investments, but this time you are going to implement various cost reductions, so I understand that your main plan is to focus on profits this time and to achieve the profit plan first. The main focus of the plan is to achieve the profit plan first, while sales are, of course, the main focus though. Am I right?

Kume [A]: That is correct. As for cost reduction, as President Tenbo mentioned earlier, we are finally going to scrap unprofitable classrooms. Which Shingakai has never had to do so in the past. But there are areas in the Kansai region where results have not improved for the past 10 years, so we are going to scrap those areas.

Regarding TOMEIKAI, which the President mentioned earlier, we have developed TOMEIKAI, but we are planning to scrap some of those schools because it is difficult grow up so Birthrate declining in the rural areas.

For example, we have cancelled all of these that did not directly results in Net sales, such as the withdrawal from radio, KidZania, and the termination of the contract with an athlete Mutoh.

This will reduce costs by a little more than JPY100 million. As you mentioned, our plan for this fiscal year is to focus on profits.

Sekine [Q]: I understand. The second question is, I understand that the decrease in the number of Shingakai members this time is due to internal factors of your company rather than the market environment, what is being done to rebuild the current situation?

Also, you mentioned earlier that you are thinking about revising the figures in the mid-term plan in light of these factors. Please also tell us how soon you might be able to get them out. That's all.

Tenbo [M]: Will the Vice President answer this question, too?

Kume [A]: Regarding Shingakai, if you look at the data, there is an increase in the number of the school-age children's program. The number of members for the school-age children's program has increased. Then the

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number for the daycare program remains almost the same. The number for the entrance exams program has decreased.

The entrance exams program is the most profitable factor for Shingakai. While the overall number of students hasn't changed that much. That means, for example, the school-age programs generally cost JPY70,000 to JPY80,000 per child, while the monthly fee for the examination program is, at the peak, JPY200,000 per child. In total, the overall decreased. So we need to increase the number of enrollments for the exams programs.

As to why this has decreased, as you can see, the year before last, Shingakai number of students increase recorded the highest in its history. The number of students has increased due to the sense of urgency about the exam. The increase has led to a decline in service. Because we couldn't hire enough teachers. To decline in service, so number of students has decreased, we do increase staff and to bring it to the right level.

That is why we consider that last year was the bottom limit from its current staff. As for how we plan to lift this place up, one is the business partnership with Kids Smile that we mentioned earlier. They have actually about 5,000 students.

Kids runs mainly licensed nursery schools, but in essence, they also do non-licensed nursery schools at places like Azabu. Kids' recent strategy is to increase non-licensed nursery schools. It means we will make business alliance with non-licensed nursery schools at affluent families live area.

For example, in the previous fiscal year, when we were only affiliated with Kids, we received about four students a month or about 48 students a year through referrals from Kids. We expect to triple or quadruple this. One of our strategies focuses on this.

There are many companies that have stopped offering licensed nursery schools and kindergartens, in this partnership with Kids, we build scheme named "SK-Group" and trying to bring in that more and more of that nursery schools and kindergartens in our business.

The M&A strategy I talked about a bit earlier is just the same. To increase the number infants and for elementary school entrance exams students, and then link it to about TOMAS or Meimonkai. This is the strategy that we are going to roll out this year.

Therefore, we are coordinating with Kids on a variety of matters, including the briefing sessions for Kids, which will be very much more frequent. We are trying to increase the number of students by first increasing the number here and also by deepening cooperation between the sales force and the so-called teaching staff, in other words, the teaching staff at Shingakai.

We believe that the last year was the bottom of the sales of Shingakai. This is the kind of plan that we are trying to rebuild.

Sekine [Q]: What is the timing regarding the medium-term plan?

Kume [A]: The medium-term plan, will not take that long.

Sekine [Q]: The image of Q1.

Kume [A]: I think we can get it out by the end of Q1.

Sekine [M]: I understand. All right. Thank you very much.

Moderator [M]: Thank you. Next question, please.

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Participant [Q]: Excuse me. I would like to ask you a follow-up to what you just said about Shingakai. How did you deal with the fact that the number of students increased too much and the service decreased? Also, please tell me if the number of students increased fast again and if the same deterioration of the service happens, and if it won't be the same, what did you do this time that made it okay?

Kume [A]: Simply, we increased the number of teachers. At this point, we already have the right number of people, students, et cetera. This business also passed exam results is important but parents review is more important.

The parents review went down cause the number of students increased too much and the service decreased but now already at the appropriate staffing level and customer satisfaction increase.

In addition, Shingakai is not individual, it is a group education, so we still have a lot of capacity, and I believe that this will mean that it will not be like the previous year.

Participant [Q]: When you say that the quality of service has declined, do you mean that the number of children per teacher has increased so much that it's become a little bit out of control in one classroom?

Kume [A]: Well, that's right.

Participant [Q]: I understand. You said that the number of students for this fiscal year as a whole will recover. I was wondering if you could give me a rough estimate of how things are going for TOMAS, Meimonkai, and Shingakai, such as whether there will be a further decline at Meimonkai or if TOMAS will continue to do well. I would like to know if there is a general direction.

Tenbo [A]: You mean like the projected number of students for each company? I think that TOMAS is a solid increase. We believe that Meimonkai was bottomed out last year, so we do not think that it will decrease again. As for Shingakai, as we believe that last year was the bottom.

Participant [Q]: Does Meimonkai increase the number of students even as it reduces the number of school buildings?

Tenbo [A]: Yes.

Participant [M]: I understand. Thank you very much.

Moderator [M]: Thank you.

Participant [Q]: Thank you very much for your presentation. I have two points. The first is I would like to ask for numbers of classroom.

First question is, if possible, I would like to know how many new classrooms you expect to open and how many you expect to close in the current fiscal year ending February 2024.

Second question is, I would like to check something about Kodomo Depart. Am I correct that your company will only move in the building Hulic developed as a tenant? Basically, the tenants will include three or so of your Shingakai school for exams, a daycare program, and school-age children's program. Am I correct both for Nakano and Tama-Plaza? This is also confirmation. Thank you.

Tenbo [M]: Thank you. Is my understanding right that your question is about our schedule for new school opening and closure in this fiscal year?

Participant [Q]: Yes. Schedule for number of plans of Riso Kyoiku.

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Tenbo [A]: The total number of new schools open is about 10. I think it depends on the property, but that's about it.

Conversely, we are planning to close four to five schools, although there may be a bit of timing as to when this will happen.

Furthermore, as for the Kodomo Depart tenant, as you mentioned. In some cases, each TOMAS brand, such as MEDIC TOMAS and Spec. TOMAS could be housed there. Shingakai will probably be included without a doubt, but we have not yet reached that level of specifics, and we believe that a variety of brands could be included. That is all.

Participant [M]: Thank you very much.

Moderator [M]: Then the fourth from the front.

Participant [Q]: I would like to ask one question. I would like to ask you about the background of the increase in revenues of the tutoring school business and TOMAS in the period that ended.

On page 24, the number of students enrolled in TOMAS is down from the previous year. Could you please explain the factors, such as whether the average during the period was higher than the previous year, which grew due to the COVID-19 disaster, or whether the unit tuition per student increased? Thank you.

Tenbo [A]: Thank you for your question. I will answer the question.

As for TOMAS, the number of students has average slightly lower than the previous year. What it means is that the tuition per student has increased. That is how the revenue increased.

Participant [M]: Thank you.

Moderator [M]: Thank you. Please ask another question. There seems to be no further question. If you have anything to add from the Company side, please let us know. Is that okay? Okay.

This concludes the briefing for today. Thank you very much.

Tenbo [M]: Thank you.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
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Japan 050.5212.7790
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North America 1.800.674.8375
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