



Riso Kyoiku Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending February 2024

July 12, 2023

Event Summary

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Presentation

Tenbo: Hello everyone. I am Tenbo from Riso Kyoiku Co., Ltd. Thank you very much for your time.

Kume: I am Kume from Riso Kyoiku. Thank you very much for your time.

Tenbo: The time has arrived, and we will now begin the Q1 financial results briefing for the fiscal year ending February 2024. This is Q1 of the fiscal year, and we have decided to hold the financial results briefing online. We apologize for any inconvenience this may have caused and appreciate your understanding.

－ 目次 －

1 | 2024年2月期 第1四半期実績・株主還元策 (P 3 – P10)

(1) 2024年2月期 第1四半期実績

(2) 実績の背景

(3) 株主還元策

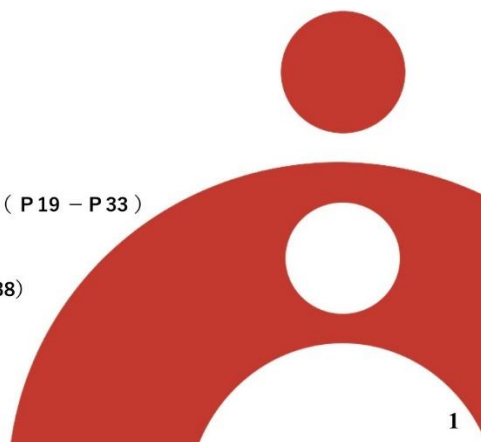
2 | 2024年2月期の見通し (P12 – P13)

3 | 今後の展望 (P15 – P17)

4 | (参考資料) リソー教育グループ概要 (P19 – P33)

5 | (参考資料) サステナビリティ (P35 – P38)

「すべては子どもたちの未来のために」
RISO Kyoiku Group



1

Kume: Today, as usual, we will explain the results for Q1 of the fiscal year ending February 2024, the background of the results, shareholder return policy, medium-term management plan, and future outlook, based on the materials, and then answer your questions. Thank you very much for your time.

First, Tenbo, President and CEO, will explain the results for Q1 of the fiscal year ending February 2024.

President Tenbo, please.

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(1) 2024年2月期 第1四半期実績 (2023年3月～5月)

(単位：百万円)

	売上高		営業利益		経常利益		当期純利益	
		前期増減		前期増減		前期増減		前期増減
2022年2月期 第1四半期	6,111	+1,946	△203	+1,113	△161	+1,157	△167	+869
2023年2月期 第1四半期	6,443	+332	△348	△145	△329	△168	△262	△95
2024年2月期 第1四半期	6,692	+249	△369	△20	△362	△33	△276	△14

Tenbo: I will explain the results for Q1 of the fiscal year ending February 2024.

YoY, net sales increased JPY249 million to JPY6,692 million, operating income decreased JPY20 million to minus JPY369 million, ordinary income decreased JPY33 million to minus JPY362 million, and net income decreased JPY14 million to minus JPY276 million.

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【2024年2月期  TOMAS 開校・リニューアル】

2023年4月	中目黒校	<u>開校</u>
5月	センター北校	<u>リニューアル</u>
	千葉校	<u>リニューアル</u>

6月	練馬校	<u>リニューアル</u>
	四ツ谷校	<u>リニューアル</u>



This is the status of each company's new school openings in Q1 of the current fiscal year.

In the TOMAS tutoring school business, the Nakameguro school was newly opened in April, and the Center Kita and Chiba schools were renovated in May.

As of May 31, 2023, there are 99 tutoring schools and 12 English conversation schools.

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【2024年2月期  開校・リニューアル】

2023年3月 千葉駅前校 閉校

4月 京都駅前校2号館 **開校**

6月 広島駅前校 **拡大リニューアル**

西広島駅前校 広島駅前校へ統合

2024年2月  TOMEIKAI 2校 閉校 (予定)



Meimonkai, a private tutor dispatch education business, closed its Chiba Ekimae School in March and opened its Kyoto Ekimae School No. 2 in April.


As of May 31, 2023, there are 36 Meimonkai schools, two MEDIC Meimonkai schools, and 12 TOMEIKAI schools.

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【2024年2月期 開校・リニューアル】

 **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**

 **伸芽会**
24教室

 **伸芽'sクラブ**
託児
8校

 **伸芽'sクラブ**
学童
19校



Shingakai, a childcare and education business, renewed Futako-tamagawa School of Shingakai in March, newly opened Shinga's Club After-School Care Futako-tamagawa School in April, renewed Konami Sports Shinga's Academy Shinagawa School, and newly opened Nishinomiya School.

As of the end of May 2023, there are 24 Shingakai schools, 8 Shinga's Club Childcare schools, and 19 Shinga's Club After-School Care schools.

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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80校（2023年5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



School TOMAS, the in-school private tutoring service, has 80 schools in operation at the end of May.

(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って推移

→ 売上高 前年同期比 249百万円 (3.9%) 増

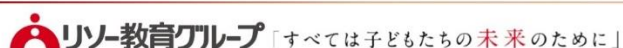
(営業利益)

- ・ 講師人件費が増加
- ・ 各種システムの利用料や保守に伴う支払手数料が増加

→ 営業利益 前年同期比 20百万円減

※季節変動要因

受験後の卒業等により生徒数が変動し、第1四半期連結会計期間が底となり講習会授業を実施する第2・第4四半期連結会計期間に大きく膨らむ



Next is the background of the results for Q1 of the fiscal year ending February 2024.

Net sales increased 3.9% YoY as the tutoring school business, the in-school private tutoring business, and the character-building camp education business increased from the previous year.

On the other hand, as for profit, operating income decreased by JPY20 million YoY due to an increase in personnel expenses for tutors, as well as an increase in fees paid for the use and maintenance of various systems.

Please note that there are seasonal factors for the tutoring school business. Q1 of the consolidated fiscal year, which is the start of the new school year, tends to be the bottom of the results, and Q2 and Q4 of the consolidated fiscal year, when large seminars are held during the summer and winter vacations, tend to see a large increase in business results. This is also the case for our company, and at present, profitability is lower in Q1 and Q3 of the consolidated fiscal year, compared to Q2 and Q4. We would appreciate your understanding on this point as well.

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(2) 実績の背景について — リソー教育グループの在籍生徒数（5月末） —

	2023年5月末生徒数		
		2022年2月比	2021年2月比
 リソー教育グループ	24,581人	△1.7%	+1.7%

在籍数確保の施策

TOMAS	<ul style="list-style-type: none"> ・重点校舎を選定し、営業を集中して展開。 ・顧客サービスの徹底により退会防止を図る。
名門会	<ul style="list-style-type: none"> ・営業部門をリソー教育へ集約・一元化し、営業力を強化。
伸芽会	<ul style="list-style-type: none"> ・営業部門のマンパワーアップ。 ・計画的な個別面談により退会防止を図る。

Next, I will explain the number of students.

The total number of students in the Riso Kyoiku Group decreased by 1.7% from the previous year. Compared to 2021, the number increased by 1.7%.

The following measures will be implemented in each segment to secure the number of students.

TOMAS will select priority schools and concentrate its sales department there. In addition, we will work to prevent withdrawal from membership by further enhancing customer service.

Meimonkai will strengthen its sales capabilities by consolidating and centralizing its independent student recruitment sales department into Riso Kyoiku, and will conduct efficient student recruitment and solicitation activities.

Shingakai will work to increase manpower in the sales department in order to increase new enrollments. In addition, it will prevent withdrawal from membership by thoroughly conducting planned individual interviews.

Next, 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
- ・内部留保の充実度合い、利益の状況および経営環境等を総合的に考慮し、配当性向50%以上を目途に配当

- ・2024年2月期は **1株あたり配当10円**を予定

配当性向
74.9%

配当利回り※
3.8%

※2023年7月11日時点

Kume: We have always regarded the return of profits to shareholders as an important issue. Therefore, as we disclosed on April 21, we have announced our basic policy of considering a dividend payout ratio of 50% or more, based on a comprehensive assessment of the degree of retained earnings, profit situation, and business environment for sustainable corporate growth and the creation of corporate value, while giving due consideration to stable profit returns.

The dividend forecast for the fiscal year ending February 2024 is JPY10 per share, The Company has announced a dividend payout ratio of more than 50%, and the dividend at JPY10 would be 74.9%. The dividend yield, based on the closing price yesterday, July 11, would be 3.8%.

We will continue our efforts to strengthen returns to shareholders and increase corporate value.

Next, Tenbo will explain the forecast for the fiscal year ending February 2024 and mid- to long-term improvement measures.

Mr. President, please.

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	+8.0%	3,000	+24.9%	3,000	+22.8%	2,060	+38.0%

利益改善策

- ・ 2023年3月からTOMASおよび名門会で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 now like to explain the outlook for the fiscal year ending February 2024.

As we announced on January 20 of this year, we have not changed our forecasts of net sales of JPY34,000 million, operating income of JPY3,000 million, ordinary income of JPY3,000 million, and net income of JPY2,060 million.

Based on our performance in the fiscal year ended February 2023, we hope to improve our profit structure in the fiscal year ending February 2024 by implementing the improvement measures I am about to discuss.

First of all, starting this March, TOMAS and Meimonkai implemented a revision of tuition fees and raised the prices. We have raised tuition by 5% to 7% compared to the previous term to secure excellent teachers by an increased hourly rate and provide more substantial classes.

Furthermore, Meimonkai and Shingakai are considering the consolidation of unprofitable schools, and have already begun the process. In addition, we will improve our profit structure by reviewing and reducing various expenses.

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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, I will explain later, we will promote a strategy of customer retention through alliances with different industries and strengthening of alliances, and we will create an environment where people can safely attend our schools for a longer period of time through the opening of Kodomo Depart, which is being developed through an alliance between the Company, Hulic, and Konami Sports.

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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

I have already explained Kodomo Depart in the past, but I would like to explain it again in detail.

It is a one-stop place for services for children, which is being developed through a business alliance between Riso Kyoiku, Hulic Co., Ltd., and Konami Sports Co., Ltd. Basically, it will be one building.

Hulic will develop a new mid-size building or renovate an existing property, and Kodomo Depart will operate in the building. We will operate our brands in Kodomo Depart. In the same building, there will be a children's gym by Konami Sports, a children's clinic, and various children's service tenants on each floor, creating a place for children where everything for children can be provided.

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, there are concrete plans for six buildings, including Kodomo Depart, that will operate at the MITAKE Link Park in Shibuya-ku, Tokyo, which was announced in April last year, and will be completed in 2026. We are planning to expand the number of buildings to 20 by 2029.

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伸芽'sクラブ 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」

16

Shingakai also has a business alliance with Konami Sports, and is operating a new brand, Konami Sports Shinga's Academy, to fulfill the dreams of parents who want their children to study as well as play sports.

In April last year, we opened our first school building, Shinagawa school, in the Konami Sports main branch. This has been so well received that we expanded and increased the floor space in April this year because we could not accommodate all of the students. The second school opened in April of this year as Nishinomiya school, at the Nishinomiya annex, the main branch of Konami Sports. In addition, we plan to open approximately 20 schools in the future, including these two schools in The Tokyo metropolitan and Kansai areas.

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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」

17

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

We have a business alliance with four companies: Our subsidiary Shingakai, Kids Smile Project, and the companies' parent companies. In order to enhance the relationship within the alliance, a capital alliance has also been implemented this year. Through this alliance, we will strengthen our content, brand, and ability to attract customers, and lay the foundation for our future growth strategy.

Last but not least, the summer course, which is the crucial point for students preparing for the entrance examinations, is about to begin at TOMAS, Meimonkai, and Shingakai.

Since the beginning of this week, we have already been experiencing very hot weather, with temperatures well above 30 degrees Celsius every day. August is also expected to be hotter than normal, and this will be a big challenge for students, teachers, and employees alike. We will continue to strive to provide high quality services so that we can help our students enter the schools they want while preventing heat stroke.

This concludes my brief explanation.

Thank you very much for your kind attention.

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Question & Answer

Kume [M]: We now have time for questions and answers. Thank you very much for your time.

We have received one question.

Participant [Q]: The question is about the number of students enrolled at the end of May, by TOMAS, Meimonkai, and Shingakai, compared to the same period last year. Is it correct to assume that TOMAS and Meimonkai were not affected by the price increase?

Tenbo [A]: As for TOMAS, the situation was flat at the end of May. As for Meimonkai, the number of students decreased by about 10%.

We see this as more of a matter of service than an effect of the price increase. We think that the price increase will not have that much of an impact so far. I think we need to keep an eye on this a little more. That's all for the answer.

Kume [A]: Also, Shingakai showed a slight decrease.

Tenbo [A]: Yes.

Kume [A]: As a side note, Meimonkai is down 10%, but we feel that the decline has stopped, and this state has been going on for some months now, so it's not spreading out.

As we mentioned earlier, from this fiscal year, Meimonkai started to integrate the sales department into Riso Kyoiku to achieve synergies. We are now in a situation where we expect to see the effects of this.

Tenbo [M]: If you have any other questions, please do not hesitate to ask. Okay? If you have any individual questions, please contact our corporate planning department or call us.

There seems to be no further questions, so the Q1 financial results briefing for the fiscal year ending February 2024 is now over.

Thank you very much for your time today.

[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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