

December 20, 2024

Listed Company Name: Riso Kyoiku Co., Ltd.

President and Representative Director: Masahiko Tenbo

(Listing Code: 4714 Prime Market of the TSE)

For Inquiries: Executive Vice President (CFO) Masaaki Kume

(TEL +81-03-5996-3701)

Notice of Business Alliance between Our Subsidiary Shingakai Co.Ltd. and HugCome Inc.

At the Board of Directors meeting held on December 20, 2024, a resolution was passed to enter into a capital and business alliance agreement between our company and our subsidiaries, Shingakai Co., Ltd. (hereinafter referred to as "Shingakai") and HugCome, Inc. (hereinafter referred to as "HugCome"), as outlined below.

1. Overview of This Strategic Partnership

Shingakai, established in 1956, is a pioneer in entrance exam preparation for prestigious elementary schools and kindergartens. Leveraging its wealth of admission information and expertise accumulated since its inception, Shingakai has consistently produced successful candidates for elite schools such as Keio Yochisha Elementary School and Waseda Jitsugyo Elementary School, playing a foundational role in Japan's private early childhood education.

HugCome, driven by the vision of believing in children's "power of passion," operates the online English conversation school "GLOBAL CROWN," which offers one-on-one lessons for children aged 3 to 15 using its unique "Passion Methodology. ®"

Through this partnership, Shingakai and HugCome will collaborate to mutually support, enhance, and expand the services they provide to their respective customers. By strengthening their content and brand capabilities, they aim to establish a solid foundation for future growth strategies. Additionally, the two companies also jointly develop and improve our services and expand our business through nationwide online expansion.

2. Details of This Capital and Business Alliance

(1) Details of the Business Alliance

① Efforts to Enhance the Value of Existing Services Provided to Customers

Mutual support for services offered to each other's customers to acquire new customers, improve customer motivation, and enhance lifetime value (LTV).

② Joint Development for Business Creation

To drive business creation and explore new business models aimed at mutual business growth, both parties will share management resources, including instructors, curricula, systems, and operations, as needed.

(2)Future Capital Alliance

Our company agreed on December 20, 2024, to acquire a 16.1% stake in HugCome shares. The acquisition is planned to be carried out upon consultation.

3.Overview of the Target Company

(1)Company Name	HugCome, Inc.	
(2) Address	18-4 Sakuragaokacho, Shibuya-ku, Tokyo	
(3) Name and title of representative	Representative Director Yayoi Michimura	
(4) Primary business lines	Educational services, online school business for children	
(5) Date of Establishment	September 2015	
(6) Relationship between the Tender Offeror and the Target Company	Capital Relationship	None
	Personnel Relationship	None
	Business Transactions	None
	Related Parties	None

4. Tender Offer period as of filing date

- (1) Date of Board Resolution December 20,2024
(2) Date of Contract Conclusion December 20,2024

5. Future Prospects

The impact of this business alliance on the consolidated results for the fiscal year ending February 2025 is currently under calculation.

If it becomes necessary to revise the earnings forecast or announce any material facts, we will promptly provide an update.

End.

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