

April 8, 2026

Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (Under Japanese GAAP)

Company name: RISO KYOIKU GROUP CORPORATION.
 Listing: Tokyo Stock Exchange
 Securities code: 4714
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 Scheduled date of annual general meeting of shareholders: May 22, 2026
 Scheduled date to commence dividend payments: May 8, 2026
 Scheduled date to file annual securities report: May 21, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	34,240	2.5	2,704	(7.8)	2,732	(7.0)	1,615	(7.3)
February 28, 2025	33,394	3.7	2,933	11.6	2,938	10.7	1,743	4.9

Note: Comprehensive income For the fiscal year ended February 28, 2026: ¥1,883 million [11.3%]
 For the fiscal year ended February 28, 2025: ¥1,692 million [(1.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
February 28, 2026	9.49	9.48	13.4	12.2	7.9
February 28, 2025	10.48	10.46	17.1	14.6	8.8

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	22,667	12,265	53.8	71.58
February 28, 2025	22,109	12,034	54.1	70.31

Reference: Equity
 As of February 28, 2026: ¥12,190 million
 As of February 28, 2025: ¥11,958 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2026	2,000	(1,169)	(1,702)	8,081
February 28, 2025	2,450	(801)	1,842	8,952

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	0.00	0.00	0.00	10.00	10.00	1,700	95.4	16.1
Fiscal year ended February 28, 2026	0.00	0.00	0.00	10.00	10.00	1,703	105.4	14.1
Fiscal year ending February 28, 2027 (Forecast)	0.00	0.00	0.00	10.00	10.00		100.2	

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2027	35,640	4.1	2,875	6.3	2,800	2.5	1,700	5.2	9.98

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, see "3. Please refer to Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy).

- (3) Number of issued shares (common shares)

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

As of February 28, 2026	171,806,159 shares
As of February 28, 2025	171,806,159 shares

- (ii) Number of treasury shares at the end of the period

As of February 28, 2026	1,504,539 shares
As of February 28, 2025	1,722,779 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2026	170,222,728 shares
Fiscal year ended February 28, 2025	166,292,452 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	10,619	(39.8)	624	(44.2)	880	(74.9)	881	(68.7)
February 28, 2025	17,648	5.3	1,118	37.7	3,510	111.7	2,814	166.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2026	5.18	5.17
February 28, 2025	16.92	16.89

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	9,233	8,338	89.5	48.52
February 28, 2025	17,369	11,356	65.0	66.33

Reference: Equity

As of February 28, 2026: ¥8,263 million

As of February 28, 2025: ¥11,281 million

"Reasons for the difference between non-consolidated financial results and the financial results of the previous fiscal year"

In accordance with the transition to a holding company structure, the Company implemented a company split by absorption split method on September 1, 2025, and the Company's tutoring school business, English school business, and student recruitment and solicitation business were succeeded by TOMAS Co., Ltd., an absorption and split successor company (a 100% subsidiary of the Company). There is a discrepancy between the actual figures for the previous fiscal year and the actual figures for the current fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Please refer to "Summary of Business Results (4) Future Outlook".

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year

① General Overview of Business Operations

During the consolidated fiscal year under review, the Japanese economy continued on a gradual recovery path, supported by improvements in employment and income environments, widespread wage hikes, and a recovery in corporate earnings. On the other hand, the outlook remains uncertain due to rising global geopolitical risks, instability in international affairs, and concerns regarding U.S. trade policies and the monetary policy trends of various countries. Domestically, close attention must be paid to the impact of continued inflation—driven by stubbornly high raw material prices—and currency fluctuations on corporate activities and personal consumption.

In the cram school (juku) industry, business conditions have been pressured by these economic factors and the declining target population due to the falling birthrate. Furthermore, rising recruitment and personnel costs to secure instructors, coupled with soaring energy prices, have intensified the polarization and industry consolidation. Additionally, companies are required to respond swiftly to changes in the management environment, including adapting to the new curriculum entrance examinations starting in fiscal 2025, the further diversification of entrance exam formats such as "Comprehensive Selection" and "School Recommendation Selection," and the growing need for adaptive learning through digital technologies like Generative AI.

Under these circumstances, our Group, whose business model is predicated on the declining birthrate, maintains a basic management policy of providing high-quality, "authentic" educational services based on the philosophy of "Everything for the Future of Our Children." We aim to be a unique, representative Japanese company through a strategy of thorough differentiation.

In collaboration with our parent company, Hulic Co., Ltd., and Konami Sports Co., Ltd., we are developing "Kodomo Depart," a new hub for childcare and education. These buildings house TOMAS, Shingakai, and other educational content for children, alongside pediatric clinics and parent-child cafes. During the current fiscal year, we simultaneously opened "Kodomo Depart Nakano" (Tokyo) and "Kodomo Depart Tama-Plaza" (Kanagawa) in April 2025.

Furthermore, the Group transitioned to a holding company structure in September 2025 to flexibly respond to changes in the business environment and achieve sustainable growth. With this transition, we newly established the "Advertising & Marketing Department" and the "Real Estate Management Department." By centralizing operations previously conducted independently by Group companies, we are streamlining overlapping tasks, improving cost efficiency, and aiming for total optimization. Additionally, we established the "DX Promotion Department" to strengthen the Group's digital foundation, focusing on maximizing customer service, enhancing convenience, and improving operational efficiency.

Regarding the operating results for the current consolidated fiscal year, net sales fell short of the initial plan. Although student enrollment picked up in the second half of the year, it was unable to fully offset the fact that enrollment at the beginning of the period was below expectations.

Profits decreased compared to the previous fiscal year. While the transition to a holding company structure improved advertising efficiency, this was outweighed by the shortfall in net sales and an increase in fixed costs.

As a result, for the current consolidated fiscal year, Net Sales were ¥34,240 million (up 2.5% YoY), Operating Profit was ¥2,704 million (down 7.8% YoY), Ordinary Profit was ¥2,732 million (down 7.0% YoY), and Profit Attributable to Owners of Parent was ¥1,615 million (down 7.3% YoY).

② Overview by Segment

The operating results by segment are as follows:

(a) TOMAS [Cram School Business]

Providing high-quality educational services through 1-on-1 personalized instruction. Net sales were ¥17,855 million (up 1.0% YoY). Including intersegment sales, net sales were ¥17,899 million (up 0.9% YoY). We opened new schools in Shonandai, Sengawa, Shin-Kawasaki, and Unonoki, and renovated schools in Kunitachi, Monzen-Nakacho, Nakano, Matsudo, and Oizumi-Gakuen.

(b) Meimonkai [Tutor Dispatch Education Business]

Providing educational services using 100% professional instructors and expanding nationwide. Net sales were ¥5,160 million (up 4.6% YoY). We opened the MEDIC Meimonkai Kyoto Ekimae school and renovated the Meimonkai Hoshigaoka Ekimae school.

(c) Shingakai [Early Childhood Education Business]

Focusing on two brands: "Shingakai," which boasts top-tier placement results for prestigious kindergartens and elementary schools, and "Shinga'S Club," an exam-prep oriented extended-day childcare business. Net sales were ¥5,746 million (up 0.7% YoY). Including intersegment sales, net sales were ¥5,775 million (up 0.7% YoY). Several new locations were opened, primarily within the "Kodomo Depart" facilities.

(d) School TOMAS [In-School Individual Instruction Business]

Promoting the expansion of "School TOMAS" individual instruction within schools. Net sales were ¥3,744 million (up 8.9% YoY), including intersegment sales, net sales were 3,744million (up 8.9% YoY).

(e) Plus One Education [Character & Emotional Development Camp Business]

Providing diverse experiential learning services. Net sales were ¥1,712 million (up 5.4% YoY), including intersegment sales, net sales were 1,725million (up 5.3% YoY). The TOMAS Gymnastics School Meguro was renovated.

(f) Other Businesses

Net sales were ¥20 million (up 17.2% YoY). Including intersegment sales, net sales were ¥143 million (up 6.5% YoY).

(2) Overview of Financial Position

Total assets at the end of the current consolidated fiscal year increased by ¥557 million to ¥22,667 million (compared to ¥22,109 million at the end of the previous fiscal year). This was mainly due to an increase in accounts receivable-trade, other current assets (accrued consumption taxes, etc.), property, plant and equipment, intangible assets, deferred tax assets, and leasehold deposits, despite a decrease in cash and deposits.

Total liabilities increased by ¥325 million to ¥10,401 million (compared to ¥10,075 million at the end of the previous fiscal year). This was primarily due to increases in accounts payable-other, income taxes payable, asset retirement obligations, and deferred tax liabilities, which offset a decrease in retirement benefit liability.

Net assets increased by ¥231 million to ¥12,265 million (compared to ¥12,034 million at the end of the previous fiscal year). This was mainly due to an increase in retained earnings and remeasurements of defined benefit plans, partially offset by a decrease in treasury shares.

(3) Overview of Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year decreased by ¥871 million from the end of the previous fiscal year to ¥8,081 million.

Cash flows from operating activities: Net cash provided was ¥2,000 million. Major factors included profit before income taxes of ¥2,611 million and depreciation of ¥643 million, offset by income taxes paid of ¥984 million.

Cash flows from investing activities: Net cash used was ¥1,169 million. This was primarily due to purchase of property, plant and equipment of ¥855 million, sale of tangible fixed assets of 168 million and purchase of intangible assets of ¥345 million.

Cash flows from financing activities: Net cash used was ¥1,702 million. This was mainly due to dividends paid of ¥1,697 million.

(4) Future Outlook

The business environment surrounding the cram school industry is expected to remain challenging, characterized by the continuing trend of the declining birthrate, the diversification of entrance exam methods due to university entrance exam reforms, and rising personnel and fixed costs driven by inflation. Furthermore, ongoing economic risks and an uncertain outlook are expected to accelerate corporate restructuring and industry consolidation through polarization.

In this environment, the Group will continue to execute its differentiation strategy in existing business segments (TOMAS, Meimonkai, Shingakai) while further strengthening the profitability of "Shinga'S Club," "Inter TOMAS," "School TOMAS," and "Plus One Education."

Additionally, by opening "Kodomo Depart" and promoting alliances with other companies—such as the business partnership between Shingakai Co., Ltd. and Konami Sports Co., Ltd.—we will not only advance our "Customer Lock-in Strategy" but also leverage market superiority and mutual synergies in the education field to provide even better services "for the future of our children."

Regarding carbon neutral initiatives, since July 2023, we have switched the electricity used at our head office building to 100% virtually renewable energy with zero CO2 emissions. This is achieved by utilizing "FIT Non-fossil Certificates with Tracking" (Note) derived from solar power generation facilities owned by Hulic Co., Ltd.

We will continue to strengthen governance and enhance dialogue with investors, while striving for sustainable growth and increased corporate value by providing a safe learning environment and "authentic" educational services.

(Note) "FIT Non-fossil Certificates with Tracking" refer to certificates that represent the "environmental value" of electricity generated by FIT solar power plants (non-fossil power sources), rather than electricity from fossil fuels such as coal or oil.

2. Basic Policy Regarding Selection of Accounting Standards

The Group applies Japanese GAAP (Generally Accepted Accounting Principles in Japan) to ensure comparability with other companies in the same industry in Japan.

Consolidated balance sheet

(Thousands of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	8,952,594	8,081,131
Trade accounts receivable	2,904,137	3,104,221
Inventories	214,251	190,128
Prepaid expenses	595,273	624,921
Other	26,218	807,340
Allowance for doubtful accounts	(6,267)	(8,641)
Total current assets	12,686,208	12,799,102
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,161,628	4,599,122
Accumulated depreciation	(2,046,377)	(2,256,471)
Buildings and structures, net	2,115,250	2,342,650
Tools, furniture and fixtures	2,260,329	2,357,128
Accumulated depreciation	(1,095,264)	(1,229,818)
Tools, furniture and fixtures, net	1,165,065	1,127,310
Land	395,039	360,560
Construction in progress	32,667	50,735
Other	35,868	35,868
Accumulated depreciation	(11,853)	(19,800)
Other, net	24,014	16,067
Total property, plant and equipment	3,732,038	3,897,323
Intangible assets		
Other	478,048	593,419
Total intangible assets	478,048	593,419
Investments and other assets		
Investment securities	82,650	80,040
Deferred tax assets	1,666,192	1,764,668
Leasehold and guarantee deposits	3,168,566	3,227,131
Other	302,115	305,339
Allowance for doubtful accounts	(6,072)	-
Total investments and other assets	5,213,452	5,377,179
Total non-current assets	9,423,539	9,867,922
Total assets	22,109,747	22,667,024

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - other	1,251,226	1,296,963
Income taxes payable	596,743	856,950
Contract liabilities	2,558,048	2,551,686
Provision for bonuses	327,046	325,377
Asset retirement obligations	36,830	39,097
Other	1,095,172	1,103,059
Total current liabilities	5,865,068	6,173,135
Non-current liabilities		
Retirement benefit liability	2,907,317	2,733,349
Asset retirement obligations	1,295,019	1,357,968
Deferred tax liabilities	-	132,827
Other	8,268	3,954
Total non-current liabilities	4,210,605	4,228,099
Total liabilities	10,075,673	10,401,235
Net assets		
Shareholders' equity		
Share capital	4,590,415	4,590,415
Capital surplus	4,331,411	4,335,122
Retained earnings	3,530,585	3,445,604
Treasury shares	(355,814)	(310,638)
Total shareholders' equity	12,096,598	12,060,504
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,252	-
Remeasurements of defined benefit plans	(156,895)	130,166
Total accumulated other comprehensive income	(137,642)	130,166
Share acquisition rights	75,118	75,118
Total net assets	12,034,074	12,265,789
Total liabilities and net assets	22,109,747	22,667,024

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net sales	33,394,944	34,240,928
Cost of sales	24,348,501	25,188,079
Gross profit	9,046,442	9,052,849
Selling, general and administrative expenses	6,112,695	6,348,660
Operating profit	2,933,747	2,704,189
Non-operating income		
Interest income	1,996	10,487
Dividend income	2,819	4,751
Insurance claim income	2,967	-
Gain on forfeiture of unclaimed dividends	3,354	4,992
Subsidy income	3,820	1,839
Photo sales profit	4,883	-
Return gains of deposit	-	3,636
Other	8,171	8,276
Total non-operating income	28,012	33,984
Non-operating expenses		
Interest expenses	69	-
Share issuance costs	16,017	-
Commission expenses	4,333	4,503
Other	2,441	723
Total non-operating expenses	22,861	5,226
Ordinary profit	2,938,898	2,732,947
Extraordinary income		
Gain on sale of non-current assets	61,111	82,401
Gain on sale of investment securities	-	43,100
Gain on sales of parent company's stocks	44,409	-
Other	-	1,100
Total extraordinary income	105,521	126,601
Extraordinary losses		
Loss on retirement of non-current assets	46,010	8,399
Impairment losses	311,787	224,937
Relocation expenses	4,844	14,703
Tender offer related expenses	96,607	-
Other	2,813	-
Total extraordinary losses	462,063	248,040
Profit before income taxes	2,582,355	2,611,508
Income taxes - current	981,239	1,090,899
Income taxes - deferred	(141,953)	(95,243)
Total income taxes	839,286	995,655
Profit	1,743,069	1,615,853
Profit attributable to owners of parent	1,743,069	1,615,853

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Profit	1,743,069	1,615,853
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,681)	(19,252)
Remeasurements of defined benefit plans, net of tax	(41,458)	287,062
Total other comprehensive income	(50,140)	267,809
Comprehensive income	1,692,929	1,883,662
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,692,929	1,883,662
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended February 28, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,890,415	2,622,691	3,331,151	(381,348)	8,462,910	27,934	(115,436)	(87,502)
Changes during period								
Issuance of new shares (third-party allocation of new shares)	1,699,999	1,699,999			3,399,999			
Profit attributable to owners of parent			1,743,069		1,743,069			
Dividends of surplus			(1,543,635)		(1,543,635)			
Purchase of treasury shares				(115)	(115)			
Disposal of treasury shares		8,719		25,649	34,369			
Restricted stock payment								
Net changes in items other than shareholders' equity						(8,681)	(41,458)	(50,140)
Total changes during period	1,699,999	1,708,719	199,433	25,534	3,633,687	(8,681)	(41,458)	(50,140)
Balance at end of period	4,590,415	4,331,411	3,530,585	(355,814)	12,096,598	19,252	(156,895)	(137,642)

	Share acquisition rights	Total net assets
Balance at beginning of period	109,347	8,484,755
Changes during period		
Issuance of new shares (third-party allocation of new shares)		3,399,999
Profit attributable to owners of parent		1,743,069
Dividends of surplus		(1,543,635)
Purchase of treasury shares		(115)
Disposal of treasury shares		34,369
Restricted stock payment		
Net changes in items other than shareholders' equity	(34,228)	(84,369)
Total changes during period	(34,228)	3,549,318
Balance at end of period	75,118	12,034,074

Consolidated statement of changes in equity

Fiscal year ended February 28, 2026

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	4,590,415	4,331,411	3,530,585	(355,814)	12,096,598	19,252	(156,895)	(137,642)
Changes during period								
Issuance of new shares (third-party allocation of new shares)								
Profit attributable to owners of parent			1,615,853		1,615,853			
Dividends of surplus			(1,700,833)		(1,700,833)			
Purchase of treasury shares				(23)	(23)			
Disposal of treasury shares				10	10			
Restricted stock payment		3,711		45,188	48,899			
Net changes in items other than shareholders' equity						(19,252)	287,062	267,809
Total changes during period	-	3,711	(84,980)	45,175	(36,093)	(19,252)	287,062	267,809
Balance at end of period	4,590,415	4,335,122	3,445,604	(310,638)	12,060,504	-	130,166	130,166

	Share acquisition rights	Total net assets
Balance at beginning of period	75,118	12,034,074
Changes during period		
Issuance of new shares (third-party allocation of new shares)		
Profit attributable to owners of parent		1,615,853
Dividends of surplus		(1,700,833)
Purchase of treasury shares		(23)
Disposal of treasury shares		10
Restricted stock payment		48,899
Net changes in items other than shareholders' equity	-	267,809
Total changes during period	-	231,715
Balance at end of period	75,118	12,265,789

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	2,582,355	2,611,508
Depreciation	507,498	643,905
Impairment losses	311,787	224,937
Increase (decrease) in allowance for doubtful accounts	765	(3,697)
Increase (decrease) in provision for bonuses	(27,018)	(1,668)
Increase (decrease) in retirement benefit liability	306,599	(173,968)
Increase (decrease) in remeasurements of defined benefit plans	(41,458)	287,062
Interest and dividend income	(4,815)	(15,239)
Interest expenses	69	-
Subsidy income	(3,820)	(1,839)
Share issuance costs	16,017	-
Loss (gain) on sale of investment securities	-	(43,100)
Gain on sales of parent company's stocks -OpeCF	(44,409)	-
Gain on sale of non-current assets	(61,111)	(82,401)
Loss on retirement of non-current assets	46,010	8,399
Tender offer-related expenses	96,607	-
Decrease (increase) in trade receivables	(119,216)	(200,084)
Decrease (increase) in inventories	(42,423)	24,123
Decrease (increase) in prepaid expenses	(108,110)	(29,648)
Increase (decrease) in accounts payable - other	(17,437)	128,642
Increase (decrease) in contract liabilities	147,545	(6,361)
Other, net	105,113	(403,597)
Subtotal	3,650,546	2,966,972
Interest and dividends received	4,815	15,239
Interest paid	(69)	-
Subsidies received	3,820	1,839
Tender Offer-Related Expenses paid	(96,607)	-
Income taxes paid	(1,111,685)	(984,364)
Income taxes refund	61	506
Net cash provided by (used in) operating activities	2,450,882	2,000,193

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(631,388)	(855,182)
Proceeds from sale of property, plant and equipment	114,925	168,442
Purchase of intangible assets	(182,731)	(345,570)
Purchase of investment securities	-	(80,040)
Proceeds from sale of investment securities	-	98,000
Proceeds from sale of shares of parent	149,266	-
Payments of leasehold and guarantee deposits	(235,769)	(127,410)
Proceeds from refund of leasehold and guarantee deposits	40,958	54,963
Other, net	(56,562)	(82,401)
Net cash provided by (used in) investing activities	(801,301)	(1,169,198)
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	-
Repayments of short-term borrowings	(500,000)	-
Repayments of lease liabilities	-	(4,673)
Proceeds from issuance of shares	3,383,982	-
Dividends paid	(1,541,982)	(1,697,770)
Proceeds from exercise of employee share options	123	-
Purchase of treasury shares	(115)	(23)
Proceeds from disposal of treasury shares	17	10
Net cash provided by (used in) financing activities	1,842,024	(1,702,456)
Net increase (decrease) in cash and cash equivalents	3,491,605	(871,462)
Cash and cash equivalents at beginning of period	5,460,988	8,952,594
Cash and cash equivalents at end of period	8,952,594	8,081,131

(Notes on segment information, etc.)

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

Based on the following businesses, the Group operates "Tutoring school business", "Private Tutoring Business", "Early childhood education business", "In-school individual tutoring business", and "Personality enrichment" Camp Education Business" is the reporting segment.

"Tutoring school business" provides learning and academic guidance for all grades through an individualized guidance system.

"Private Tutoring Business" provides tutoring and academic guidance for all grades.

"Early childhood education business" provides entrance examination guidance for prestigious kindergartens and elementary schools.

The "In-school individual tutoring business" has set up a tutoring booth in the school to provide guidance for learning and going on to higher education.

"Personality enrichment camp education business" provides personality and emotional education guidance that cannot be filled by knowledge education.

2. Method of calculating the amount of sales, profits or losses, assets and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

Internal sales and transfers between segments are based on prevailing market prices.

(Change in Measurement Method of Segment Profit or Loss)

From the current fiscal year, in accordance with the transition to a holding company structure, expenses related to group operations, which were previously included in the "Tutoring school business," were recorded as company-wide expenses in the adjustment amount of segment profits or losses.

In addition, we receive management fees from each reporting segment commensurate with the Group organizational structure after the holding company structure. Management fees are recorded as expenses in each reporting segment and are recorded as company-wide income in the adjusted amount of segment profit or loss.

Segment information for the previous fiscal year was calculated prior to the transition to the holding company structure because it was difficult to accurately calculate business management fees and other fees in accordance with the group organizational structure after the holding company structure.

3. Information on the amount of sales, profits or losses, assets and other items for each reported segment, and information on the breakdown of revenues

The previous fiscal year (March 1, 2024 to February 28, 2025)

(Thousands of yen)

	Reportable segments						Other Note1	Total	Adjustment amount (Note)2	Amount recorded in consolidated financial statements (Note)3
	The enterprise for an individual juku school	The enterprise tutoring professional tutors	The enterprise which educates a small child	In-school private education services	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	776	-	253,556	-	593	254,926	17,725	272,652	-	272,652
Goods or services that are transferred over a period of time	17,670,609	4,932,147	5,455,433	3,438,886	1,625,215	33,122,292	-	33,122,292	-	33,122,292
Revenue generated from customer contracts	17,671,386	4,932,147	5,708,989	3,438,886	1,625,808	33,377,218	17,725	33,394,944	-	33,394,944
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	17,671,386	4,932,147	5,708,989	3,438,886	1,625,808	33,377,218	17,725	33,394,944	-	33,394,944
Transactions with other segments	60,480	-	28,913	375	12,163	101,932	116,627	218,560	(218,560)	-
Total	17,731,866	4,932,147	5,737,902	3,439,262	1,637,971	33,479,151	134,353	33,613,504	(218,560)	33,394,944
Segment Profit	1,163,643	355,658	454,066	488,374	47,122	2,508,865	15,323	2,524,189	409,557	2,933,747
Segment Assets	17,295,624	2,365,606	3,360,409	1,625,763	647,063	25,294,468	126,854	25,421,322	(3,311,574)	22,109,747
Other items										
Depreciation and amortization (Note)4	328,649	52,866	105,651	4,894	14,110	506,172	1,326	507,498	-	507,498
Increase in property, plant and equipment and intangible assets (Note)5	752,318	61,049	73,540	25,949	23,093	935,952	-	935,952	-	935,952

Note: 1. The "Other" category is for business segments that are not included in the reporting segments.

2. The adjustment amount is due to the elimination of inter-segment transactions.

3. Segment profit is adjusted to operating income in consolidated financial statements.

4. Depreciation includes amortization of long-term prepaid expenses.

5. The increase in property, plant and equipment and intangible assets includes an increase in long-term upfront expenses.

The current fiscal year (March 1, 2025 to February 28, 2026)

(Thousands of yen)

	Reportable segments						Other Note1	Total	Adjustment amount (Note)2	Amount recorded in consolidated financial statements (Note)3
	The enterprise for an individual juku school	The enterprise tutoring professional tutors	The enterprise which educates a small child	In-school private education services	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	4,619	-	248,592	-	476	253,688	20,775	274,464	-	274,464
Goods or services that are transferred over a period of time	17,850,928	5,160,192	5,498,264	3,744,557	1,712,521	33,966,464	-	33,966,464	-	33,966,464
Revenue generated from customer contracts	17,855,547	5,160,192	5,746,856	3,744,557	1,712,998	34,220,152	20,775	34,240,928	-	34,240,928
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	17,855,547	5,160,192	5,746,856	3,744,557	1,712,998	34,220,152	20,775	34,240,928	-	34,240,928
Transactions with other segments	44,317	-	29,120	272	12,003	85,714	122,312	208,026	(208,026)	-
Total	17,899,865	5,160,192	5,775,977	3,744,830	1,725,001	34,305,867	143,087	34,448,955	(208,026)	34,240,928
Segment Profit	1,372,311	397,630	148,192	388,119	68,219	2,374,472	13,812	2,388,285	315,904	2,704,189
Segment Assets	9,477,729	2,328,614	3,027,861	1,481,842	625,341	16,941,389	137,382	17,078,772	5,588,252	22,667,024
Other items										
Depreciation and amortization (Note)4	377,614	61,973	123,264	6,531	16,630	586,015	1,361	587,377	56,528	643,905
Increase in property, plant and equipment and intangible assets (Note)5	528,467	141,426	307,432	10,724	34,772	1,022,823	2,058	1,024,882	102,977	1,127,859

Note: 1. The "Other" category is for business segments that are not included in the reporting segments.

2. The amount of adjustment is as follows:

- (1) Adjustments to segment profit are the elimination of inter-segment transactions, company-wide revenue, and company-wide expenses. Company-wide revenue is a management fee from group companies, and company-wide expenses are mainly expenses related to the operation of the holding company that are not attributable to the reporting segment.
 - (2) Adjustments to segment assets are Company-wide assets of the Company that have not been eliminated from inter-segment transactions and allocated to each reporting segment.
 - (3) The amount of depreciation and amortization adjustment is the Company's depreciation expense after the holding company structure that is not attributable to each reporting segment.
 - (4) The adjustment for the increase in property, plant and equipment and intangible assets is the Company's company-wide assets after the holding company structure that is not attributable to each reporting segment.
3. Segment profit is adjusted to operating income in consolidated financial statements.
4. Depreciation includes amortization of long-term prepaid expenses.
5. The increase in property, plant and equipment and intangible assets includes an increase in long-term upfront expenses.