

October 13, 2026

Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: RISO KYOIKU GROUP CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4714
 URL: <https://www.riso-kyoikugroup.com/>
 Representative: Masahiko Tenbo, President and Representative Director
 Inquiries: Masaaki Kume, Executive Vice President (CFO)
 Telephone: +81-3-5996-3701
 Scheduled date to file semi-annual securities report: October 14, 2026
 Scheduled date to commence dividend payments: -
 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 six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	17,583	4.9	1,663	113.4	1,682	110.3	911	65.1
August 31, 2025	16,762	1.1	779	(46.6)	800	(45.1)	552	(38.2)

Note: Comprehensive income For the six months ended August 31, 2026: ¥908 million [63.3%]
 For the six months ended August 31, 2025: ¥556 million [(35.8)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	5.35	5.34
August 31, 2025	3.24	3.24

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	22,626	11,516	50.6
February 28, 2026	22,667	12,265	53.8

Reference: Equity
 As of August 31, 2026: ¥11,441 million
 As of February 28, 2026: ¥12,190 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	0.00	0.00	0.00	10.00	10.00
Fiscal year ending February 28, 2027	0.00	0.00			
Fiscal year ending February 28, 2027 (Forecast)			0.00	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of August 31, 2026	171,806,159 shares
As of February 28, 2026	171,806,159 shares

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

As of August 31, 2026	1,270,719 shares
As of February 28, 2026	1,504,539 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2026	170,360,052 shares
Six months ended August 31, 2025	170,145,074 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts expressed in this material are based on information available at the time of publication, and are not intended to be a promise by the Company to achieve them. In addition, actual results may differ from forecasts due to changes in business conditions and other factors. For matters related to consolidated earnings forecasts, please refer to "1. Summary of Operating Results, etc. (4) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Quarter under Review

During the six-month period under review (the interim consolidated accounting period), the Japanese economy showed signs of a gradual recovery in personal consumption and corporate capital expenditure, supported by continuous wage hikes and improvements in employment and income environments. On the other hand, prolonged inflation squeezed real incomes, leading to persistent consumer thriftiness and cost-saving mindsets. Furthermore, the outlook for the economy remains uncertain due to international tensions, including the situation in the Middle East, as well as fluctuations in financial and capital markets, requiring continued close observation.

In the private tutoring school industry, the business environment remained challenging due to the declining school-age population caused by the low birthrate, as well as rising recruitment and labor costs associated with wage increases in other industries.

Conversely, driven by expanding demand for admissions to prestigious schools and preparation for Integrated Selection (formerly AO admissions), as well as policies such as tuition waivers for high schools, educational investment per child and a preference for "quality of education" and "proven track records" remained solid. In addition, there is growing demand for personalized learning using digital technologies such as AI, as well as diverse services tailored to changing entrance examination systems and educational policies, which is further accelerating the reorganization of the industry. Under these circumstances, the Group, operating on a business model designed for the declining birthrate, adheres to the basic management philosophy of providing high-quality, authentic educational services under the core policy of "Everything for the Future of Children," striving to become a unique, leading company in Japan through a strategy of thorough differentiation.

The Group worked to maximize the benefits of its holding company structure, optimizing the Group as a whole and accelerating its growth strategy. As part of initiatives for operational efficiency and cost reduction, the Group promoted the centralization of functions across Group companies, centered on the "Advertising and Marketing Department" and the "Real Estate Management Department," thereby optimizing advertising/promotional expenses and curbing location management costs to achieve thorough cost efficiency. Furthermore, the newly established "DX Promotion Department" actively utilized AI and other technologies to reduce administrative workload hours and maximize customer satisfaction. In addition, the Group proactively engaged in developing new businesses to build new revenue streams and expand sales. The Group worked to further accumulate overall Group net sales by offering new services that address diversifying customer needs, such as rolling out video lectures ("Sundai Diverse") across all branches of "TOMAS," offering online classes ("MOPS": Meimonkai Online Personal School) at "Meimonkai," and accelerating regional expansion and online transition in "School TOMAS".

Furthermore, for "Kodomo Department," a new childcare hub joint development with HULIC Co., Ltd. and Konami Sports Co., Ltd., "Kodomo Department Nakano" and "Kodomo Department Tama-Plaza," which opened in April 2025, operated smoothly. In addition, "Kodomo Department Jiyugaoka" opened in September 2026, and plans for future openings are progressing steadily. Regarding the operating results for the interim period under review, average enrollment during the period in "TOMAS," "Meimonkai," "Shingakai," and "Plus One Kyoiku," as well as the number of operating schools and individual tutoring students in "School TOMAS," increased compared to the same period of the previous fiscal year. In addition to these top-line gains, thorough cost efficiency measures, including advertising expenses, resulted in operating profit and ordinary profit more than doubling compared to the same period of the previous fiscal year, achieving record-high net sales and profits for an interim consolidated accounting period. As a result, net sales reached ¥17,583 million (up 4.9% year-on-year), operating profit was ¥1,663 million (up 113.4% year-on-year), ordinary profit was ¥1,682 million (up 110.3% year-on-year), and profit attributable to owners of parent was ¥911 million (up 65.1% year-on-year).

Operating results by segment are as follows:

①TOMAS [Tutoring School Business]

Providing high-quality educational services through completely one-on-one personalized advancement guidance, net sales were ¥8,671 million (up 3.2% year-on-year), and ¥8,729 million including intersegment sales (up 3.4% year-on-year).

During the interim period under review, Medic TOMAS Ikebukuro School (Tokyo) was newly opened, and TOMAS Omori School (Tokyo), TOMAS Kashiwa School (Chiba), and TOMAS Fujisawa School (Kanagawa) were renovated.

②Meimonkai [Private Tutor Dispatch Education Business]

In addition to providing educational instruction services by 100% professional adult tutors, the business expanded nationwide, recording net sales of ¥2,470 million (up 4.2% year-on-year).

During the interim period under review, Meimonkai Ichinomiya-Ekimae School (Aichi) and MOPS Minami-Kashiwa School (Chiba) were newly opened.

③Shingakai [Early Childhood Education Business]

The Group enhanced two brands: "Shingakai," an existing business boasting top-tier admission records in the prestigious kindergarten and elementary school exam preparation industry, and "Shinga's Club," an exam-oriented extended-hour gifted childcare business. Net sales were ¥3,187 million (up 3.0% year-on-year), and ¥3,201 million including intersegment sales (up 2.6% year-on-year).

④School TOMAS [In-School Individual Tutoring Business]

Through active sales expansion of the in-school individual tutoring school "School TOMAS," net sales reached ¥2,171 million (up 18.1% year-on-year).

⑤Plus One Kyoiku [Personality Enrichment Camp Education Business]

Providing a variety of hands-on learning services to foster emotional and character development, net sales were ¥1,068 million (up 2.3% year-on-year), and ¥1,074 million including intersegment sales (up 2.2% year-on-year).

During the interim period under review, TOMAS Gymnastics School Kichijoji School (Tokyo) was newly opened. ⑥ Other Businesses

Net sales were ¥12 million (up 12.6% year-on-year), and ¥76 million including intersegment sales (up 3.8% year-on-year).

(2) Overview of Financial Position for the Interim Period

Total assets as of the end of the interim consolidated accounting period decreased by ¥40 million compared to the end of the previous fiscal year to ¥22,626 million, mainly due to increases in accounts receivable - trade, property, plant and equipment, and leasehold and guarantee deposits, offset by decreases in cash and deposits, other current assets, and deferred tax assets.

Liabilities increased by ¥708 million compared to the end of the previous fiscal year to ¥11,109 million, mainly due to decreases in income taxes payable, other current liabilities, and deferred tax liabilities, offset by increases in accounts payable - other, contract liabilities, retirement benefit liability, and asset retirement obligations.

Net assets decreased by ¥749 million compared to the end of the previous fiscal year to ¥11,516 million, mainly due to a decrease in retained earnings.

(3) Overview of Cash Flows for the Interim Period

Cash and cash equivalents (hereinafter referred to as "funds") as of the end of the interim consolidated accounting period decreased by ¥1,791 million compared to the end of the previous fiscal year to ¥6,289 million (compared to ¥8,081 million at the end of the previous fiscal year).

The status of each cash flow and their factors during the interim consolidated accounting period are as follows: (Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥741 million (compared to ¥21 million provided in the same period of the previous fiscal year).

This was primarily due to profit before income taxes of ¥1,528 million, depreciation of ¥327 million, an increase in trade receivables of △¥1,106 million, an increase in accounts payable - other of ¥151 million, an increase in contract liabilities of ¥111 million, other items of ¥235 million, income taxes paid of △¥880 million, and income taxes refunded of ¥236 million. (Cash Flows from Investing Activities)

Net cash used in investing activities was ¥832 million (compared to ¥1,041 million used in the same period of the previous fiscal year).

This was primarily due to purchase of property, plant and equipment of △¥495 million and payments of leasehold and guarantee deposits of △¥224 million. (Cash Flows from Financing Activities)

Net cash used in financing activities was ¥1,700 million (compared to ¥1,707 million used in the same period of the previous fiscal year).

This was primarily due to dividends paid of △¥1,698 million.

(4) Explanation of Forward-Looking Information Such as Consolidated Financial Results Forecasts

As the financial results for the interim consolidated accounting period under review have been progressing largely as planned, there are no changes at present to the full-year consolidated financial results forecasts announced on April 8, 2026.

Note that the financial results forecasts are based on information currently available to the Company, and actual results may differ due to various factors.

Regarding the dividend forecast for the fiscal year ending February 28, 2027, taking into account that the tender offer for the Company's shares is to be commenced, the Board of Directors of the Company resolved at a meeting held today to revise the dividend forecast announced on April 8, 2026, and not to pay a fiscal year-end dividend. For details, please refer to the "Notice Concerning Dividends of Surplus (No Dividend Payment)" announced today.

For details of the Tender Offer, please refer to the "Notice Concerning Expression of Opinion in Favor of, and Recommendation to Tender in the Tender Offer for the Company Shares, Etc. by Hulic Co., Ltd., the Company's Parent Company" announced today. An outline of the Tender Offer is also described in "(4) Notes on Interim Consolidated Financial Statements (Significant Subsequent Events)" under "2. Interim Consolidated Financial Statements and Primary Notes" on page 11 of the attached materials.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	8,081,131	6,289,407
Trade accounts receivable	3,104,221	4,210,963
Inventories	190,128	186,819
Prepaid expenses	624,921	684,959
Other	807,340	154,279
Allowance for doubtful accounts	(8,641)	(10,325)
Total current assets	12,799,102	11,516,103
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,599,122	5,640,907
Accumulated depreciation	(2,256,471)	(2,372,882)
Buildings and structures, net	2,342,650	3,268,025
Tools, furniture and fixtures	2,357,128	2,425,665
Accumulated depreciation	(1,229,818)	(1,302,408)
Tools, furniture and fixtures, net	1,127,310	1,123,256
Land	360,560	360,560
Construction in progress	50,735	289,536
Other	35,868	35,868
Accumulated depreciation	(19,800)	(23,774)
Other, net	16,067	12,094
Total property, plant and equipment	3,897,323	5,053,471
Intangible assets		
Other	593,419	558,912
Total intangible assets	593,419	558,912
Investments and other assets		
Investment securities	80,040	80,040
Deferred tax assets	1,764,668	1,626,692
Leasehold and guarantee deposits	3,227,131	3,479,261
Other	305,339	311,808
Total investments and other assets	5,377,179	5,497,802
Total non-current assets	9,867,922	11,110,186
Total assets	22,667,024	22,626,290

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable - other	1,296,963	1,433,758
Income taxes payable	856,950	616,967
Contract liabilities	2,551,686	2,663,091
Provision for bonuses	325,377	326,263
Asset retirement obligations	39,097	126,842
Other	1,103,059	908,517
Total current liabilities	6,173,135	6,075,440
Non-current liabilities		
Retirement benefit liability	2,733,349	2,826,873
Asset retirement obligations	1,357,968	2,205,071
Deferred tax liabilities	132,827	586
Other	3,954	1,797
Total non-current liabilities	4,228,099	5,034,328
Total liabilities	10,401,235	11,109,768
Net assets		
Shareholders' equity		
Share capital	4,590,415	4,590,415
Capital surplus	4,335,122	4,331,614
Retained earnings	3,445,604	2,653,976
Treasury shares	(310,638)	(262,236)
Total shareholders' equity	12,060,504	11,313,769
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	130,166	127,632
Total accumulated other comprehensive income	130,166	127,632
Share acquisition rights	75,118	75,118
Total net assets	12,265,789	11,516,521
Total liabilities and net assets	22,667,024	22,626,290

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Net sales	16,762,522	17,583,562
Cost of sales	12,634,131	12,773,401
Gross profit	4,128,391	4,810,160
Selling, general and administrative expenses	3,349,173	3,147,135
Operating profit	779,218	1,663,025
Non-operating income		
Interest income	3,519	9,248
Dividend income	4,750	1
Gain on forfeiture of unclaimed dividends	4,992	5,333
Return gains of deposit	3,636	-
Other	4,969	6,873
Total non-operating income	21,868	21,456
Non-operating expenses		
Interest expenses	-	1,104
Commission expenses	324	-
Penalty loss	180	-
Other	392	501
Total non-operating expenses	896	1,605
Ordinary profit	800,190	1,682,875
Extraordinary income		
Gain on sale of non-current assets	175	18
Gain on sale of investment securities	43,100	-
Other	1,100	-
Total extraordinary income	44,375	18
Extraordinary losses		
Loss on retirement of non-current assets	8,188	396
Impairment losses	5,058	67,840
Relocation expenses	8,067	3,231
Tender offer related expenses	-	82,805
Total extraordinary losses	21,315	154,273
Profit before income taxes	823,250	1,528,620
Income taxes	271,152	617,232
Profit	552,097	911,388
Profit attributable to owners of parent	552,097	911,388

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Profit	552,097	911,388
Other comprehensive income		
Valuation difference on available-for-sale securities	(19,252)	-
Remeasurements of defined benefit plans, net of tax	23,766	(2,533)
Total other comprehensive income	4,513	(2,533)
Comprehensive income	556,610	908,854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	556,610	908,854
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	823,250	1,528,620
Depreciation	316,995	327,199
Impairment losses	5,058	67,840
Increase (decrease) in allowance for doubtful accounts	(2,316)	1,683
Increase (decrease) in provision for bonuses	31,532	885
Increase (decrease) in retirement benefit liability	76,127	93,523
Increase (decrease) in remeasurements of defined benefit plans	23,766	2,533
Interest and dividend income	(8,270)	(9,249)
Interest expenses	-	1,104
Loss (gain) on sale of investment securities	(43,100)	-
Gain on sale of non-current assets	(175)	(18)
Loss on retirement of non-current assets	8,188	396
Tender offer-related expenses	-	82,805
Decrease (increase) in trade receivables	(1,013,508)	(1,106,742)
Decrease (increase) in inventories	12,446	3,309
Decrease (increase) in prepaid expenses	(161,526)	(60,037)
Increase (decrease) in accounts payable - other	502,439	151,337
Increase (decrease) in contract liabilities	9,069	111,404
Other, net	(73,316)	235,289
Subtotal	506,661	1,431,887
Interest and dividends received	8,270	9,249
Interest paid	-	(1,104)
Tender Offer-Related Expenses paid	-	(54,669)
Income taxes paid	(493,708)	(880,428)
Income taxes refund	506	236,580
Net cash provided by (used in) operating activities	21,729	741,514
Cash flows from investing activities		
Purchase of property, plant and equipment	(756,708)	(495,386)
Proceeds from sale of property, plant and equipment	22,900	20
Purchase of intangible assets	(278,899)	(67,869)
Purchase of investment securities	(80,040)	-
Proceeds from sale of investment securities	97,698	-
Payments of leasehold and guarantee deposits	(80,813)	(224,215)
Proceeds from refund of leasehold and guarantee deposits	52,820	28,081
Other, net	(18,557)	(73,262)
Net cash provided by (used in) investing activities	(1,041,599)	(832,632)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	1,000,000
Repayments of short-term borrowings	-	(1,000,000)
Repayments of lease liabilities	(11,467)	(2,157)
Dividends paid	(1,695,845)	(1,698,434)
Purchase of treasury shares	(10)	(15)
Proceeds from disposal of treasury shares	10	-
Net cash provided by (used in) financing activities	(1,707,312)	(1,700,607)
Net increase (decrease) in cash and cash equivalents	(2,727,182)	(1,791,724)
Cash and cash equivalents at beginning of period	8,952,594	8,081,131
Cash and cash equivalents at end of period	6,225,412	6,289,407

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (from March 1, 2025 to August 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	Juku Buisiness	Private Tutor Dispatch Business	Early Childhood Education Business	Tutoring Business In School	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	2,146	-	127,836	-	124	130,107	11,549	141,657	-	141,657
Goods or services that are transferred over a period of time	8,397,946	2,370,962	2,967,281	1,839,366	1,045,309	16,620,865	-	16,620,865	-	16,620,865
Revenue generated from customer contracts	8,400,093	2,370,962	3,095,117	1,839,366	1,045,434	16,750,973	11,549	16,762,522	-	16,762,522
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	8,400,093	2,370,962	3,095,117	1,839,366	1,045,434	16,750,973	11,549	16,762,522	-	16,762,522
Transactions with other segments	44,465	-	24,467	-	6,003	74,935	62,560	137,496	(137,496)	-
Total	8,444,558	2,370,962	3,119,584	1,839,366	1,051,437	16,825,909	74,110	16,900,019	(137,496)	16,762,522
Segment profit	(117,087)	115,141	232,056	246,844	76,847	553,803	11,318	565,121	214,096	779,218

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 or loss (loss) is adjusted for operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

It is omitted because it is not important.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

II. Interim Consolidated Accounting Period (March 1, 2026 to August 31, 2026)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Thousands of yen)

	Reportable segments						Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	Juku Buisiness	Private Tutor Dispatch Business	Early Childhood Education Business	Tutoring Business In School	Personality enrichment camp education business	Total				
Sales										
Goods or services to be transferred at a single point in time	2,978	-	133,697	-	89	136,764	12,999	149,764	-	149,764
Goods or services that are transferred over a period of time	8,668,720	2,470,675	3,053,728	2,171,780	1,068,893	17,433,798	-	17,433,798	-	17,433,798
Revenue generated from customer contracts	8,671,698	2,470,675	3,187,425	2,171,780	1,068,982	17,570,562	12,999	17,583,562	-	17,583,562
Other Earnings	-	-	-	-	-	-	-	-	-	-
Revenues from external customers	8,671,698	2,470,675	3,187,425	2,171,780	1,068,982	17,570,562	12,999	17,583,562	-	17,583,562
Transactions with other segments	57,333	-	13,692	-	6,000	77,026	63,920	140,946	(140,946)	-
Total	8,729,032	2,470,675	3,201,117	2,171,780	1,074,982	17,647,589	76,920	17,724,509	(140,946)	17,583,562
Segment Profit	741,386	40,161	402,151	339,441	34,645	1,557,786	4,049	1,561,836	101,188	1,663,025

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 the interim consolidated statements of income.

2. Changes to Reporting Segments, etc.

(Change in Measurement Method of Segment Profit or Loss)

From the third quarter of the previous 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 interim consolidated accounting period was calculated using the calculation method before the transition to the holding company because it was before the transition to the holding company structure and it was difficult in practice to accurately calculate the management fees and other fees in accordance with the group organizational structure after the holding company structure.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

It is omitted because it is not important.
(Significant fluctuations in the amount of goodwill)
Not applicable.
(Significant Negative Goodwill Accrual)
Not applicable.

(Significant Subsequent Events)

(Expression of Opinion in Favor of the Tender Offer for the Company Shares, Etc., by Hulic Co., Ltd., the Parent Company of the Company)

At a meeting of the Board of Directors held on October 13, 2026, the Company resolved to express an opinion in favor of the tender offer (hereinafter referred to as the "Tender Offer") by Hulic Co., Ltd., the controlling shareholder (parent company) of the Company (hereinafter referred to as the "Tender Offeror") for common shares of the Company (hereinafter referred to as the "Company Shares") and the Stock Acquisition Rights, and to recommend that the shareholders of the Company and holders of the Stock Acquisition Rights tender in the Tender Offer.

Please note that the resolution of the Board of Directors of the Company mentioned above has been adopted on the premise that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures, and that the Company Shares are scheduled to be delisted.

1. Overview of the Tender Offeror

(1)	Name	Hulic Co., Ltd.																					
(2)	Location	7-3, Nihonbashi Odenmacho, Chuo-ku, Tokyo																					
(3)	Title and Name of Representative	Takaya Maeda President, Representative Director																					
(4)	Description of Business	Real estate holding, leasing, sales and brokerage																					
(5)	Share Capital	111,609 million yen (as of June 30, 2026)																					
(6)	Date of Establishment	March 26, 1957																					
(7)	Major Shareholders and Their Ownership Ratio (As of June 30, 2026) (Note 1)	<table><tr><td>The Master Trust Bank of Japan, Ltd. (Trust Account):</td><td>10.57%</td></tr><tr><td>Meiji Yasuda Life Insurance Company:</td><td>6.21%</td></tr><tr><td>Fuyo General Lease Co., Ltd.:</td><td>5.30%</td></tr><tr><td>Custody Bank of Japan, Ltd. (Trust Account):</td><td>4.75%</td></tr><tr><td>Yasuda Real Estate Co., Ltd.:</td><td>4.01%</td></tr><tr><td>Mizuho Capital Co., Ltd.:</td><td>3.33%</td></tr><tr><td>Yasuda Logistics Corporation:</td><td>3.17%</td></tr><tr><td>Tokyo Tatemono Co., Ltd.:</td><td>2.65%</td></tr><tr><td>TEIKOKU SEN-I CO., Ltd.:</td><td>2.21%</td></tr><tr><td>Oki Electric Industry Co., Ltd.:</td><td>1.64%</td></tr></table>		The Master Trust Bank of Japan, Ltd. (Trust Account):	10.57%	Meiji Yasuda Life Insurance Company:	6.21%	Fuyo General Lease Co., Ltd.:	5.30%	Custody Bank of Japan, Ltd. (Trust Account):	4.75%	Yasuda Real Estate Co., Ltd.:	4.01%	Mizuho Capital Co., Ltd.:	3.33%	Yasuda Logistics Corporation:	3.17%	Tokyo Tatemono Co., Ltd.:	2.65%	TEIKOKU SEN-I CO., Ltd.:	2.21%	Oki Electric Industry Co., Ltd.:	1.64%
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TEIKOKU SEN-I CO., Ltd.:	2.21%																						
Oki Electric Industry Co., Ltd.:	1.64%																						
(8)	Relationship between the Company and the Tender Offeror																						
	Capital Relationship	As of October 13, 2026, the Tender Offeror holds 86,885,599 shares of the Company Shares (shareholding ratio (Note 2): 50.87%), and has made the Company a consolidated subsidiary.																					
	Personnel Relationship	One Director of the Company concurrently serves as a director of the Tender Offeror.																					
	Business Relationship	The Tender Offeror has entered into a capital and business alliance agreement with the Company dated September 29, 2020, an amendment agreement to the capital and business alliance agreement dated October 27, 2021, and another amendment agreement to the capital and business alliance agreement dated April 8, 2024. In addition, the Company has entered into real estate lease agreements with the Tender Offeror and certain of its group companies (specifically, Nexray Co., Ltd. (formerly Raysum Co., Ltd.) and Hulic Building Management Co., Ltd.) for the purpose of using the Company Group’s offices and the business locations (school buildings and other facilities) of “Kodomo Depart,” which are education-specialized buildings.																					
	Applicability to Related Parties	The Tender Offeror is a parent company of the Company, and the Tender Offeror and the Company are mutually related parties.																					

(Notes)

- 1."Major Shareholders and Their Ownership Ratios (As of June 30, 2026)" is based on the "Status of Major Shareholders" section of the Semi-Annual Securities Report for the 97th fiscal period that the Tender Offeror filed on August 4, 2026.
- 2."Ownership Ratio" refers to the ratio (rounded to the second decimal place) of the number of shares held to the number of shares (170,815,350 shares) obtained by deducting the number of treasury shares owned by the Company as of August 31, 2026 (1,270,719 shares) from the aggregate of (a) the total number of issued Company Shares as of August 31, 2026 (171,806,159 shares), and (b) the number of Company Shares (279,910 shares) underlying the Stock Acquisition Rights of the Company (Note 3) that are outstanding as of the same date (26,057 rights) (Note 4).
- 3.Items (i) through (vi) are hereinafter collectively referred to as "Stock Acquisition Rights."
- (i) The first series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on October 9, 2018 ("First Stock Acquisition Rights") (exercise period: from November 20, 2018 through November 19, 2058)

- (ii) The second series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on August 23, 2019 (“Second Stock Acquisition Rights”) (exercise period: from September 25, 2019 through September 24, 2059)
- (iii) The third series of stock acquisition rights as stock-based compensation issued pursuant to the resolution of the Board of Directors meeting held on September 18, 2020 (“Third Stock Acquisition Rights”) (exercise period: from October 20, 2020 through October 19, 2060)
- (iv) The fourth series of stock acquisition rights as stock-based compensation issued based on the resolution of the Board of Directors meeting held on August 24, 2021 (“Fourth Stock Acquisition Rights”) (exercise period: from September 23, 2021 through September 22, 2061)
- (v) The fifth series of stock acquisition rights as stock-based compensation issued based on the resolution of the Board of Directors held on June 23, 2022 (“Fifth Stock Acquisition Rights”) (exercise period: from July 20, 2022 through July 19, 2062)
- (vi) The sixth series of stock acquisition rights as stock-based compensation issued based on the resolution of the Board of Directors meeting held on September 19, 2023 (“Sixth Stock Acquisition Rights”) (exercise period: from October 26, 2023 through October 25, 2063)

4. Breakdown of the Outstanding Stock Acquisition Rights as of August 31, 2026:

Name	Number of Stock Acquisition Rights (Units)	Number of Company Shares Underlying the Stock Acquisition Rights (Shares)
First Stock Acquisition Rights	967	29,010
Second Stock Acquisition Rights	2,408	24,080
Third Stock Acquisition Rights	6,173	61,730
Fourth Stock Acquisition Rights	2,037	20,370
Fifth Stock Acquisition Rights	9,857	98,570
Sixth Stock Acquisition Rights	4,615	46,150
Total	26,057	279,910

2. Overview of the Tender Offer, etc.

Purpose of Tender Offer	To make the Company a wholly-owned subsidiary of the Tender Offeror.
Period of Purchase, etc.	From October 14, 2026 to November 26, 2026 (30 business days)
Price of Purchase, etc.	295 yen per share of the common stock
	8,820 yen per First Stock Acquisition Right
	2,940 yen per Second Stock Acquisition Right
	2,940 yen per Third Stock Acquisition Right
	2,940 yen per Fourth Stock Acquisition Right
	2,940 yen per Fifth Stock Acquisition Right
	2,940 yen per Sixth Stock Acquisition Right
Maximum Number of Shares to be Purchased	— (shares)
Minimum Number of Shares to be Purchased	26,646,601 (shares) (Note)

(Note) Assuming that the Tender Offeror executes a purchase, etc. for the minimum number of shares to be purchased, the Tender Offeror’s share ownership ratio (which means the ownership ratio of share certificates, etc. as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the "Act"), and in cases where there are specially related parties prescribed in Paragraph 1, Item 1 of said Article (excluding those excluded from specially related parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Order on Disclosure of Tender Offer for Share Certificates, etc. by Non-issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended) in calculating the share ownership ratio in each item of Article 27-2, Paragraph 1 of the Act), including the share ownership ratio of such specially related parties) following such purchase, etc. will become 66.56% (rounded to two decimal places). In calculating the share ownership ratio, the denominator used is the number of voting rights (1,705,831 voting rights), which is calculated by adding the number of voting rights (2,799 voting rights) pertaining to the number of shares (279,910 shares) underlying the Stock Acquisition Rights remaining as of August 31, 2026 (26,057 rights) to the total number of voting rights of all shareholders, etc. as of August 31, 2026 (1,703,032 voting rights).