

Riso Kyoiku Co., Ltd.

Q3 Financial Results Briefing for the Fiscal Year Ending February 2025

January 16, 2025

Event Summary

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[Participants]

[Number of Speakers]

President, Representative Director and CEO Masahiko Tenbo

Masaaki Kume Vice President and CFO

Presentation

Tenbo: Hello, everyone. I am Tenbo from Riso Kyoiku Co., Ltd. Thank you.

Kume: This is Kume from Riso Kyoiku. Thank you.

Tenbo: We will now begin the presentation of the financial results for Q3 of the fiscal year ending February 28, 2025. Since this is Q3 of the fiscal year, we have decided to hold the financial results presentation online. We apologize for any inconvenience this may cause you and thank you for your understanding.

Kume: As always, based on the materials, I will first explain the results for Q3 of the fiscal year ending February 28, 2025, the medium-term management plan, and the shareholder return policy. Next, since I understand that many of you are attending this meeting for the first time, I will explain our business and each segment.

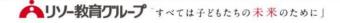
Finally, I will explain the developments and the future prospects for Kodomo Department Store business that will finally begin this year. Then, I will answer the questions that you have sent to us through the Q&A function. Feel free to send us your questions even during the explanation.

President Tenbo, please begin.

(1) 2025年2月期 第3四半期 実績(2024年3月~2024年11月)

(単位:百万円)





2024年2月期

2023年2月期

3

Tenbo: Thank you very much. Let me begin by explaining the results for Q3 of the current fiscal year ending February 28, 2025, which we announced on January 10.

2022年2月期

2025年2月期

2022年2月期

2023年2月期

2024年2月期

2025年2月期

Net sales increased 4% from the previous period to JPY24,730 million, operating income increased 26.2% to JPY2,128 million, ordinary income increased 24.6% to JPY2,128 million, and net income increased 12.6% to JPY1,345 million.

(2) 実績の背景について 一 売上高・利益 一

売上高 24,730百万円 前期比 +959百万円 (+4.0%)

・主に学習塾事業、学校内個別指導事業が好調に推移

学習塾事業 12,736百万円 (前期比 +5.7%)

学校内個別指導事業 2,587百万円 (前期比 +19.0%)

★TOMAS で生徒数が前年同月比+3.5%

☆スワールTOMASで個別指導の受講者数が前年同月比+16.3%

営業利益 2,128百万円 前期比 +442百万円 (+26.2%)

・売上高の増加に加え、広告宣伝費など費用の戦略的な見直しにより 前期を上回って推移

第3四半期において過去最高の売上高・営業利益に

ベリソー教育グリレープすべては子どもたちの未来のために」

4

I will then explain the background of the Q3 results. Net sales increased JPY959 million or 4.0% from the previous fiscal year, mainly due to a 3.5% increase in the number of students in the tutoring school business and a 16.3% increase in the number of students taking individual lessons in the in-school tutoring program.

Profit increased by JPY442 million, or 26.2%, from the previous year due to increased sales as well as a strategic review of expenses.

Net sales, operating income, ordinary income, and net income attributable to the parent company all reached record highs in Q3.

中期経営計画について

2024年4月8日発表

3カ年期経営計画 (2025年2月期 — 2027年2月期)

(単位:百万円)

	2024年2月期 (実績)	2025年2月期 (予算)	2026年2月期 (計画)	2027年2月期 (計画)
売上高	32,215	33,960	36,220	38,260
営業利益	2,586	2,670	3,120	3,360
経常利益	2,614	2,670	3,120	3,360
親会社に帰属する 当期純利益	1,703	1,710	1,850	2,000

^{※「}こどもでぱーと」は加味しておりません



5

Next, I will explain the new medium-term management plan announced in April last year, which covers the three-year period beginning the current fiscal year, as I did in the previous presentation.

The forecast for the first fiscal year projects net sales of JPY33,960 million and operating profit of JPY2,670 million. For the second fiscal year, plans indicate net sales of JPY36,220 million and operating profit of JPY3,120 million. Finally, for the last fiscal year ending February 2027, the plan anticipates net sales of JPY38,260 million and operating profit of JPY3,360 million.

This spring, we will open the Kodomo Department Store, which I will talk about later, but since the numbers are not yet readily available, we have not included it in this medium-term management plan.

中期経営計画について

- ・売上高増による年平均成長率5%を目指す
- ・優秀な講師、社員の確保、育成のための ベースアップ実施
- SCA

- ・広告宣伝費など費用の見直し、 最適化・効率化
- ・パンデミックや自然災害など非常時に備え 一定の自己資本を確保



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6

Under the current medium-term management plan, we aim to achieve an average annual growth rate of 5% through sales growth. Regarding costs, we will implement a base increase to secure and retain excellent instructors and employees. In addition, we will review, optimize, and improve the efficiency of advertising and other expenses.

We believe it is essential to secure a certain level of equity capital to prepare for significant risks that were previously unimaginable, such as COVID-19 or major earthquakes. At the same time, we aim to maintain an ROE level of 10% or higher.



中長期の見通しについて

- ・少子化の中、首都圏での小学校・中学校 受験者数、受験率は増加傾向
- ・しかし少子化は今後も続く見込み





囲い込み戦略による縦軸(既存事業)の成長に加え 異業種との提携等による横軸(新規事業)の拡大に

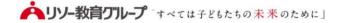
>こどもでぱーと

より継続的な成長を目指す

▶コナミスポーツ伸芽'Sアカデミー

▶ハグカムとの提携 など





7

When it comes to the education industry, the issue of declining birthrates is an unavoidable topic that is always brought up. With the announcement at the end of last year that the number of births was expected to fall below 700,000, it can be said that the trend has not only not been halted but has even been accelerated.

Although there is an increasing trend in the number of elementary and junior high school entrance exam takers in some areas, particularly in Tokyo and its three neighboring prefectures, the declining birthrate is expected to continue. Therefore, we must view this trend as an ongoing matter. Under these circumstances, in addition to the growth of our existing business with differentiated products based on the declining birthrate, we aim to achieve continuous growth by expanding new business through alliances with other industries.

Next, Mr. Kume, Vice President, will explain our shareholder return policy. Thank you.



(3) 株主還元策

- ・株主の皆様に対する利益還元は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(ROE10%以上の高水準は維持)

	配当額	配当性向	ROE
2024年2月期(実)	10円	90.6%	19.0%
2025年2月期(予)	10円	90.3%	13.5%

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8

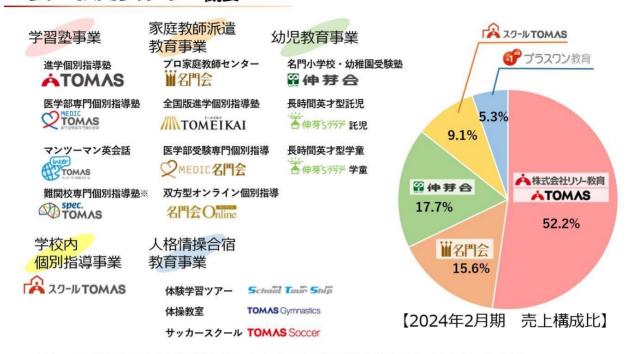
Kume: The dividend policy was announced at the beginning of the fiscal year we will maintain a dividend payout ratio of at least 50%. In addition we want to stick to a double-digit dividend, so we have decided to pay a dividend of JPY10 in this fiscal year, it's no change for now.

If we continue at this rate, the dividend payout ratio will be approximately 90.3% and ROE will be 13.5%. As the president mentioned earlier, we would like to maintain a ROE of 10% or higher. We will continue to consider measures to return profits to shareholders while monitoring operating results on a case-by-case basis, but we will stick to our policy of paying dividends of JPY10 or more.

Next, President Tenbo will explain our business and each segment. President, please.

Tenbo: As I mentioned earlier, I understand that there are several institutional investors participating for the first time. We have received a lot of interest in our business activities and business model in the preliminary questionnaire, so I would like to give a brief overview of our group, the environment surrounding the tutoring school industry, and each of our businesses, as well as an explanation of our Q3 results.

リソー教育グループ 概要



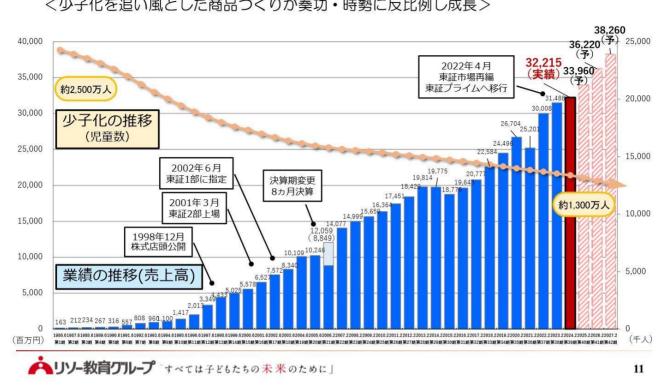
※Spec.TOMASは株式会社駿台TOMASのブランドで、売上高、利益は学習塾事業セグメントに含まれております

10

First, an overview of our group. Our company operates in various segments related to children's education, including tutoring school services, home tutoring services, early childhood education, In-school individual tutoring, and personality and character development camp programs.

- 創業以来売上高推移 -

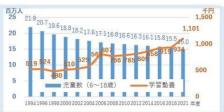
<少子化を追い風とした商品づくりが奏功・時勢に反比例し成長>



Since our founding in 1985, we have continued to grow with our differentiated product of complete one-onone tutoring for higher education, driven by the declining birthrate.

学習塾業界を取り巻く環境

出生数が70万人を切る 少子化の進行 ・子ども一人当たりの 教育費が増加



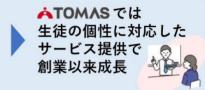
大学入試の難化 公教育への不安感 ・首都圏での受験の早期化

・私立小学校・中学校 受験が活発化



学習塾業界の競争激化 業界再編加速

- ・より安心で確実な 教育サービスが 求められる
 - ・差別化された商品が必要





12

As I mentioned earlier, the birthrate is declining, with fewer than 700,000 births. However, on the other hand, this also means that the amount of money spent on education for one child will increase.

In addition, the quality of questions on The Common Test for University Admissions has been changing, with an increase in questions that require longer sentences and more thinking, and parents are concerned about public education in terms of school facilities, quality of education, etc. This has led to a lowering of the age of entrance exams, and an increase in entrance exams for elementary school and junior high school entrance exams.

Traditional prep schools and tutoring schools specializing in university entrance exams are facing challenges due to factors such as these changes, the earlier timing of university admissions, and the increasing proportion of recommendation-based and comprehensive selection admissions. These trends result in students completing their exams earlier, leading to an earlier departure from these schools. As a result, many institutions are experiencing significant impacts on their management.

In this environment of the tutoring school industry, competition is intensifying, and industry restructuring is accelerating. In this context, the need for more secure and reliable educational services means that differentiated products are needed.

We believe that we offer a differentiated product through complete one-on-one tutoring for higher education that addresses each student's individual needs.

学習塾事業 一事業内容 -







【特徴】完全1対1の進学個別指導

- ・生徒の進度・個性に合わせた百人百様の合格逆算カリキュラムで 夢の志望校合格へ
- ・完全1対1の個別指導だから高い合格実績を実現

【特徴】それぞれのプロフェッショナル

(教務社員)保護者への学習進捗共有、学習のお悩み相談 講師との指導内容、進捗の共有 生徒の学習進捗確認、学習のお悩み相談

(講師) 学習塾・講師の使命についてや当社の理念など しっかりと研修を受けた講師が指導

(新規入会担当) 生徒募集業務を担当 教務社員は安心して保護者とのコミュニケーションに専念

・・リソー教育グループすべては子どもたちの未来のために」

13

Next, we will explain each segment. In the tutoring school services, the Company operates TOMAS, a one-on-one tutoring school for higher education, Medic TOMAS, a tutoring school specializing in medical school, and Inter TOMAS, a one-on-one English conversation school. This segment also includes Spec. TOMAS, which is operated by subsidiary, Sundai TOMAS.

The core feature of TOMAS lies in its customized reverse-calculation programs, tailored to each student's individual goals and personality. This approach guides students toward achieving their dream school admissions. We believe that one of the main features of this program is that it is completely one-on-one tutoring, which enables students to pass the entrance exam for schools that are considered difficult to enter.

What sets us apart from other cram schools and individual tutoring centers is not only the high-quality oneon-one instruction but also the presence of dedicated professionals in each area: academic advisors, instructors, and staff responsible for new enrollments. The division of labor is well-established, ensuring a comprehensive and specialized approach.

In so-called traditional tutoring schools, a single employee is usually responsible for teaching students, communicating with parents, and acquiring new students. In our company, the instructors do the teaching, and the employees in the classrooms can focus on communicating with parents, checking the progress of the instructors, consulting with students about their studies, and so on. We also believe that having a dedicated employee in charge of new memberships is a key feature.

学習塾事業 一第3四半期実績 一

(単位:百万円)

	2023年2月期		2024年2月期		2025年2月期	
	第3四半期	前期比較	第3四半期	前期比較	第3四半期	前期比較
売上高	11,829	+4.6%	12,049	+1.9%	12,736	+5.7%
営業利益	466	△48	219	△247	560	+340

【生徒数】

・TOMASの生徒数が 前年同月比 +3.5%と好調に推移

【その他】

・第2四半期までの講習会受講数が 順調に推移



14

In light of this, the tutoring business results for Q3 were as follows: net sales increased 5.7% YoY to JPY12,736 million, and operating income increased JPY34 million YoY to JPY560 million. As explained earlier, this was due to a steady 3.5% increase in the number of TOMAS students over the previous quarter, as well as steady growth in the number of students taking seminars through Q2.

学習塾事業 一 開校状況 一

ATOMAS リニューアル 1校(南浦和校)

Q2: ル 新規開校 1校(用賀校)

Q4: ル 新規開校 1校(市が尾校)











15

As of the end of Q3, the opening status is as follows: one new school opened under Medic TOMAS, one new school opened under TOMAS, and three schools underwent renovations. As for the total number of school buildings, there are a total of 104 schools for TOMAS, Medic TOMAS, and Spec. TOMAS tutoring schools, and 12 Inter TOMAS schools for English conversation.

家庭教師派遣教育事業 — 事業内容 — 灣都会 ♥️ ♥️ ● ▼ ТОМІЁТКА

【特徴】社会人プロ講師へのこだわり

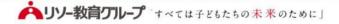
- ・名門会の講師は指導経験・実績が豊富なプロの社会人講師
- ・5,000人以上の登録講師で生徒の個性に合わせて指導
- ・定期的な研修、勉強会で指導の質を常に向上

【特徴】志望校合格から逆算した、個人別カリキュラム

- ・夢の志望校から逆算した「個人別カリキュラム」で指導
- ・進捗状況に合わせてカリキュラムを見直し志望校合格へ導く
- ・指導の結果=高い合格実績(特に医学部への合格実績が高い)

【特徴】教務担任が合格へのマネジメント

- ・教務担任が志望校合格へ総合マネジメント
- ・学習バランスやカリキュラムのチェック、保護者との情報共有など あらゆる支援を専門的におこなう



16

Next, I will explain the tutor dispatch education business. This segment includes Meimonkai, a tutor dispatching center, MEDIC Meimonkai, a tutoring school specializing in medical school, TOMEIKAI, a nationwide version of tutoring school for higher education, and Meimonkai Online, an interactive online tutoring service.

A unique feature of Meimonkai is that it is taught by professional working instructors with a wealth of teaching experience and achievements. As a result of our curriculum and guidance based on our experience, we have produced many students who have passed the entrance examinations for medical schools in particular.

家庭教師派遣教育事業 一第3四半期実績 一

(単位:百万円)

\$-	2023年2月期		2024年2月期		2025年2月期	
	第3四半期	前期比較	第3四半期	前期比較	第3四半期	前期比較
売上高	3,692	△18	3,664	△27	3,588	△76
営業利益	125	△18	248	+123	187	△61

【開校状況】 2025年2月期 開校なし











17

As for the results of the Meimonkai in Q3, net sales decreased JPY76 million from the previous period to JPY3,588 million, and operating income decreased JPY61 million from the previous period to JPY187 million.

家庭教師派遣教育事業 ― 実績の背景・

【要因】

- ・2024年2月期に名門会の不採算校を統廃合
- ・TOMEIKAI 2 校を閉鎖

【対応】

- 教務力の強化(退会抑制)
- ・今後、展開エリアを大都市圏へ集中
- ·名門会Online の生徒数が増加

前年同月比+9.3%

国内外で需要増加 → 拡大へ注力







名門会 Online の特徴

・日本中、世界中どこにいても

名門会の高品質な完全1対1

の個別指導を受けられる ・講師の板書と生徒の手元が見

・ご家庭への「指導報告」

期面談」でフォローアップ

→夢の志望校合格へ誘う

える双方向授業

ヘリソー教育グループ すべては子どもたちの未来のために」

18

As for the background to this performance, the number of students at Meimonkai decreased due to the consolidation of unprofitable schools and the closure of two schools at TOMEIKAI in the previous fiscal year ended February 2024.

The Company's response going forward will be to reduce the number of students dropping out of the program by strengthening its teaching capabilities, and to recover sales by concentrating future school openings in metropolitan areas.

In addition, Meimonkai Online, an interactive online tutoring service, has been gaining popularity for its detailed instruction by professional Meimonkai instructors using cameras that allow both parties to see not only each other's face but also the writing on the notes at hand, and inquiries from Japan and overseas are increasing.

The number of students increased by 9.3% over the previous quarter, and although still small, the school is performing well. We will focus on expanding Meimonkai Online, which will contribute to increased sales.

Email Support

幼児教育事業 — 事業内容 — 圖伸茅台 音伸表示示 音伸表示示 学童

【特徴】名門小学校・幼稚園受験のパイオニア

- ・1956年創立以来、日本における民間幼児教育の基盤を支える
- ・生徒一人ひとりの発達に応じた個人別合格プログラムで 名門小学校・幼稚園へ合格者を多数輩出



【特徴】蓄積されたノウハウ・入試情報

- ・創立以来蓄積されたノウハウ・入試情報で入試問題集や各種教材を出版
- ・精度の高さに定評

【特徴】受験者数 全国最大級のオープン模試

- ・過去の入試分析情報をもとに、最新の入試動向を予測して作成
- ・累積100万人以上が受験の全国最大級の「伸芽会オープン模試」を開催

☆リソー教育グリレープ すべては子どもたちの未来のために」

19

Next, I will explain our early childhood education business. In the early childhood education division, we focus on Shingakai, which specializes in entrance exam preparation for prestigious elementary schools and kindergartens. We also offer long-hour gifted child care through Shinga's Club Takuji for children as young as one year old, as well as after-school care with academic guidance through Shinga's Club Gakudo.

The core Shingakai, founded in 1956, has supported the foundation of private early childhood education in Japan as a pioneer in entrance exams for prestigious elementary schools and kindergartens. Since our founding, we have published a collection of entrance exam questions and various teaching materials based on our accumulated know-how and information on entrance examinations, and we have become a kind of bible for elementary school entrance examinations. We also hold Shingakai open mock examinations, which have a tradition of being taken by more than 1 million people cumulatively.

幼児教育事業 一第3四半期実績 一

(単位:百万円)

	2023年2月期		2024年2月期		2025年2月期	
£	第3四半期 前期比較		第3四半期	前期比較	第3四半期	前期比較
売上高	4,656	△209	4,581	△75	4,586	+5
営業利益	860	△373	691	△168	616	△74

【開校状況】

🏻 🛱 辞合 リニューアル 1 教室(吉祥寺教室)

蒼伸芽5万万学童 リニューアル 1校(吉祥寺校)

Q2: -









ベリソー教育グループすべては子どもたちの未来のために」

20

As for Shingakai's results for Q3, net sales increased JPY5 million from the previous period to JPY4,586 million, and o perating income decreased JPY74 million from the previous period to JPY616 million.

幼児教育事業 一 実績の背景 一

- ・伸芽会受験局の生徒数は減少したものの 伸芽'Sクラブ学童は好調
- ・伸芽会受験局での値上げ効果により売上高増加

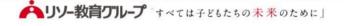
【対応】

- ・計画的な個別面談の徹底による退会防止
- ・営業力強化 <u>生徒数増加へ</u>
- ・2025年よりこどもでぱーとの展開教室数増により生徒数増へ
- ・株式会社ハグカムとの提携での ぞれぞれの顧客に提供するサービスの 相互支援により、顧客の新規獲得、 顧客のモチベーション向上、LTV向上へ









21

As for the background to these results, although the number of students in Shingakai's examination bureau declined, Shinga's Club Gakudo grew strongly, with a 10% increase in the number of students over the previous term.

As for future actions, we will continue to provide thorough customer service, including systematic individual interviews, strengthen our sales force, and aggressively expand the number of classrooms in Kodomo Department Store, which will open this year, in order to increase the number of students.

学校内個別指導事業 — 事業内容 — 🔏 ҳӯ-ル томѧѕ

学校からの要望で誕生

- ・少子化で生徒募集に苦慮する学校からの要望で誕生
- ・学校(集団指導)の中にTOMAS(個別指導)を開設



TOMASのノウハウで学校内で個別指導

- ・学校の中にTOMASと同じ個別指導ブースを設置
- ・「TOMAS」の進学個別指導ノウハウで学校の進学実績向上に貢献

学校の働き方改革へ貢献

- ・学校、保護者と連携して放課後学習を徹底フォロー
- ・学校の教師の長時間労働問題を解決する一つの手段として貢献

22

Next, I would like to talk about School TOMAS, our in-school tutoring business. The School TOMAS program was created at the request of schools that were facing a crisis in recruiting students due to the declining birthrate. The concept is to set up a TOMAS individual tutoring school within a school that provides group tutoring, and TOMAS' know-how contributes to improving the school's academic performance.

School TOMAS works with schools and parents to support after-school learning, a situation that is also attracting attention as one way to solve the problem of long working hours for school teachers.

学校内個別指導事業 一第3四半期実績 一

(単位:百万円)

	2023年2月期		2024年2月期		2025年2月期	
	第3四半期 前期比較		第3四半期	前期比較	第3四半期	前期比較
売上高	1,905	+28.6%	2,174	+14.1%	2,587	+19.0%
営業利益	△8	+12	205	+214	399	+193

【開校状況】

2024年11月末時点稼働校数 <u>88校</u> (前年同月比+7校)

【その他】

・個別指導受講者数が増加 (前年同月比+16.3%)



ベリソー教育グリレープすべては子どもたちの未来のために」

23

As for the results of School TOMAS for Q3, net sales increased 19% from the previous period to JPY2,587 million, and operating income increased JPY193 million from the previous period to JPY399 million. The number of schools in operation at the end of Q3 was 88, an increase of 7 schools from the same month last year. The number of students taking individual tutoring courses also increased, up 16.3% over the same month last year.

Next, I will explain our future development and outlook.



2025年4月 開業



9階建ての5・6階に ATOMAS

3階に 一伸芽5ヶヶ 学童 が入居

そのほかコナミスポーツや親子カフェ、こどもクリニック、 こども向けの習い事などが入居



♀こどもでぱ-とたまプラーザ

伸芽会の全ブランドが入居

1歳から (中井) 小学校受験で (中井会

音伸芽sデデ学童から ATOMASへ



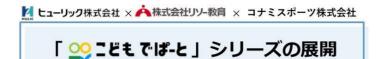


25

First, let me tell you about Kodomo Department Store Nakano and Kodomo Department Store Tama Plaza, which will finally open. In April of this year, we will simultaneously open a new location in Nakano, Tokyo, and Tama Plaza, Yokohama. Kodomo Department Store Nakano is a nine-story building that is a two-minute walk from the south exit of Nakano Station on the Chuo Line, with Shinga's Club Gakudo on the third floor and TOMAS on the fifth and sixth floors. Other floors will house a café, children's clinic, and various extracurricular activities for children.

Kodomo Department Store Tama Plaza is a three-story building that is only a two-minute walk from Tama Plaza Station on the Den-en-toshi Line. The building will house all Shingakai brands: Shingakai, Shinga's Club Takuji, and Shinga's Club Gakudo. Since the TOMAS Tama Plaza school has been located on the other side of the station for some time, we expect that will become an environment where students can continue attending for a long time.





2027年 開業 (予定)



▶ ヒューリック株式会社 が開発を進める「MITAKE Link Park」(仮称)へ

♀ こどもでぱ-と 渋谷を開設 (予定)

伸芽会の全ブランドが入居

1歳から 一伸芽5万円 託児、小学校受験で 4 伸 持 会

合伸芽sデデ学童からATOMASへ

【その他】 中野、たまプラーザ、渋谷と合わせて 計6物件が具体化(進行中)



・・・リソー教育グループすべては子どもたちの未来のために」

26

In addition to Kodomo Department Store Nakano and Tama Plaza, Kodomo Department Store Shibuya is scheduled to open in the near future. Hulic is developing the site where the Tokyo Metropolitan Government's children's center used to be in the form of MITAKE Link Park, where Kodomo Department Store Shibuya is scheduled to open. All Shingakai brands will be housed here as well.

A total of six Kodomo Department Store properties, including these three, are currently in the process of being materialized. That's all for Kodomo Department Store.

ハグカムとの資本業務提携を締結

3歳から始められるオンライン英会話スクール 「GLOBAL CROWN」を提供する株式会社ハグカムと 2024年12月20日に資本業務提携を締結 当社がハグカム株式の16.1%を保有することに合意

伸芽'Sクラブ学童の英会話(オプション)の補強 英会話の日に教室へ通えない生徒さんにも オンラインで英会話のサービスを提供

将来的に共同でサービスの開発、改善し、 オンラインによる伸芽会のオリジナルメソッドの 全国展開で事業拡大を図る



・・リソー教育グループ すべては子どもたちの未来のために」

27

Next, I would like to explain the capital and business alliance with HugCome. As announced last month in December, we have entered into a capital and business alliance with HugCome, which provides GLOBAL CROWN, an online English conversation school for children as young as three years old and have agreed that we will hold 16.1% of HugCome shares. The acquisition is expected to be implemented after consultation.

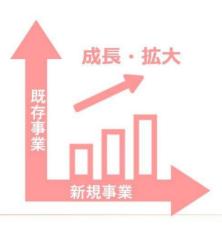
This partnership will first reinforce Shinga's Club Gakudo optional English conversation and provide online English conversation services for students who are unable to attend the in-person English conversation classes. In the future, we will also jointly develop and improve our services and expand our business by offering Shingakai's original online method nationwide.

今後の展望

既存事業(当社本来の事業)の成長

新規事業(異業種との提携)による成長

継続的な成長・拡大へ



・・・リソー教育グループすべては子どもたちの未来のために」

28

As I mentioned at the outset, the medium- to long-term outlook is such that the birthrate is declining. Under these circumstances, in addition to the growth of our existing business with differentiated products based on the declining birthrate, we intend to achieve continuous growth and expansion by expanding our new business through new alliances with different industries.

Last but not least, the Common Test for University Admissions is coming up this weekend. Private junior high school entrance exams have already started as early in Saitama. The students are just about to take their exams, and naturally, the awareness at the ground level is also increasing. We are committed to providing a strong service to our students so that they can welcome spring with a smile on their faces.

In addition, new developments such as Kodomo Department Store and others will be waiting for us from spring onward. We look forward to your continued support as we continue to enhance our corporate value and expand our growth.

This concludes my brief explanation. Thank you very much for your attention.

Kume: Thank you.

Question & Answer

Kume [M]: Next is the question-and-answer session.

Tenbo [M]: We have received a question.

Participant [Q]: Please tell us about the status of new enrollments in Shingakai.

Tenbo [A]: Status of new enrollment in Shingakai. Shingakai has three divisions: the examination instruction division, the infant child care division, and the after school care division.

The status of new membership in the examination instruction bureau, the membership itself has finally been increasing since the last quarter of the year. However, the examination instruction bureaus are still in a difficult situation right now. As for new membership, I think we have finally surpassed the previous period. Infant child care is flat. After school care is steadily increasing.

Kume [A]: About 10% each.

Tenbo [A]: I have responded to the question regarding the status of new Shingakai members. Continuing to the second question.

Participant [Q]: Although sales and profits were at record highs in Q3, the full-year forecast remains unchanged, with profits unchanged from the previous year. Do you expect to record any major expenses in Q4?

Kume [A]: We were thinking of increasing the figures for the forecast if things continue as they are, but in fact, there is a situation right now where the flu is quite prevalent, and December was affected by that. In January, we took a number of steps based on the December situation and made improvements, so I think things will continue to go as they are.

However, we have not fully read the situation through January and February, in light of this situation, we have decided to forgo the revision this time. No major expenses are expected to be recorded. That's all from me.

Tenbo [A]: Since individual tutoring, if the lessons are not held, the sales won't increase. As a result, we are currently in a situation where we are rescheduling lessons due to the flu.

Do you have any other questions? Is that all?

Since that is all the questions we received, we will now conclude the question-and answer session. Thank you very much for your attention.

Kume [M]: Thank you very much.

Tenbo [M]: Thank you very much.

[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.
- 4. This document has been translated by SCRIPTS Asia.

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