



Riso Kyoiku Group Corporation

Q2 Financial Results Briefing for the Fiscal Year Ending February 2026

October 16, 2025

Event Summary

[Company Name]	Riso Kyoiku Group Corporation	
[Company ID]	4714-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending February 2026	
[Fiscal Period]	FY2026 Q2	
[Date]	October 16, 2025	
[Number of Pages]	23	
[Time]	13:30 – 14:08 (Total: 38 minutes, Presentation: 23 minutes, Q&A: 15 minutes)	
[Venue]	Kabutocho Heiwa Building 2F, 3-3 Kabutocho Nihonbashi, Chuo-ku, Tokyo 103-0026 (Hosted by The Securities Analysts Association of Japan)	
[Venue Size]	145 m ²	
[Participants]	20	
[Number of Speakers]	3	
	Masahiko Tenbo	President, Representative Director and CEO
	Masaaki Kume	Vice President and CFO
	Masaya Ueda	Senior Managing Director

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Presentation

Moderator: Good afternoon, everyone. It is now the scheduled time, so we would like to begin the IR meeting of Riso Kyoiku Group Corporation.

First, let me introduce the representatives from the Company.

President and CEO, Masahiko Tenbo.

Tenbo: Thank you very much.

Moderator: Vice President and CFO, Masaaki Kume.

Kume: Thank you.

Moderator: Senior Managing Director, Masaya Ueda.

Ueda: Thank you.

Moderator: Today, we will first hear from President Tenbo. After the Company's presentation, we will move on to the Q&A session.

Now, Mr. Tenbo, the floor is yours.

Tenbo: Once again, good afternoon, everyone. I'm Tenbo from Riso Kyoiku Group.

Thank you very much for taking the time out of your busy schedules to attend today's briefing.

I would like to take this opportunity to carefully walk you through our results as much as time permits. Thank you for your kind attention.

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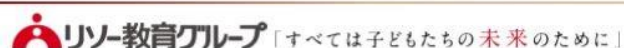
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2026年2月期中間期実績（連結）サマリー

（単位：百万円）

	売上高		営業利益		経常利益		親会社に帰属する 中間純利益	
		前期比較		前期比較		前期比較		前期比較
2026年2月期 中間期	16,762	+174	779	△679	800	△656	552	△341
2025年2月期 中間期	16,587	+647	1,458	+415	1,456	+398	893	+82



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Now, without further ado, I will report the consolidated results for H1 of FY2026, which we announced on Thursday, October 9.

For the six-month period under review, net sales increased by JPY174 million YoY to JPY16.76 billion.

Operating income decreased by JPY679 million YoY to JPY779 million.

Ordinary income decreased by JPY656 million YoY to JPY800 million, and profit attributable to owners of the parent decreased by JPY341 million YoY to JPY552 million.

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2026年2月期中間期決算ハイライト

(売上高)

- ・連結売上高は前中間連結会計期間を上回ったものの微増にとどまった
- ・セグメント別ではT O M A Sで目標の在籍生徒数に届かず成長が鈍化
伸芽会では託児事業、学童事業の生徒数は順調に推移したものの
利益率の高い受験局での生徒数が前期を割り込んで減少したことにより減収
名門会、スクールT O M A Sは増収

(利 益)

- ・既存校の賃料の上昇および新校開校に伴う出店コストの増加
- ・優秀な人材の採用・定着のためのベースアップをおこなったことによる
人件費、採用コストの増加
→連結の利益が減少



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Although consolidated net sales exceeded the previous year's level, the increase was modest.

By segment, TOMAS fell short of its target number of enrolled students, resulting in slower growth.

At Shingakai, the number of students in the exam preparation division declined compared to the previous fiscal year, leading to lower revenue.

On the other hand, both Meimonkai and School TOMAS recorded higher sales than the previous year, resulting in a slight overall increase in consolidated net sales.

As for profits, they declined mainly due to a rise in rent at existing schools, an increase in Rent expense associated with newly opened schools, and higher personnel and recruitment costs resulting from base salary increases to attract and retain talented staff.

As a result, expenses increased by approximately JPY600 million YoY, leading to lower consolidated profit.

We view these expenditures as strategic investments that form the foundation for sustainable business growth and improved service quality in the future.

Currently, we are implementing measures to realize the effects of these upfront investments as early as possible and accelerate sales growth again.

We are also striving to improve productivity to match the higher rent levels and enhance overall cost efficiency, aiming to restore and strengthen profitability.

There are no changes to our full-year earnings forecast announced on April 8.

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Next, our Senior Managing Director, Mr. Ueda, will explain the situation of each business segment.

Mr. Ueda, please go ahead.

学習塾事業 2026年2月期中間期実績

		前期増減
売上高	84.00億円	+0.1億円
営業利益	△1.17億円	△4.45億円
(主な増加費用) 人件費 +6.8%、地代家賃 +4.1%		



【開校・リニューアル等】

新規開校 (TOMAS 4校)

2025年3月 湘南台校・仙川校

5月 新川崎校

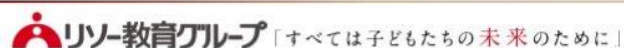
6月 鵜の木校

リニューアル (TOMAS 4校)

2025年3月 国立校

4月 中野校・大泉学園校・松戸校

2025年4月 こどもでぱーとに拡大移転開校した中野校が好調
(生徒数 前期比15.7%増加)



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Ueda: I will now explain the performance of each segment.

First, regarding our core business, TOMAS, for H1 of FY2026, net sales increased by JPY10 million YoY to JPY8.4 billion, while operating loss was JPY117 million, a JPY445 million YoY decrease in profit.

The main cost increases were in personnel expenses, up 6.8% YoY, and Rent expense, up 4.1% YoY.

During the period, we opened TOMAS Shonandai and TOMAS Sengawa in March, renovated TOMAS Kunitachi in March, renovated TOMAS Nakano, Oizumigakuen, and Matsudo in April, opened TOMAS Shinkawasaki in May, and opened TOMAS Unoki in June.

As of the end of August, TOMAS operated 104 schools, 4 Medic TOMAS schools, 1 Spec. TOMAS school, and 12 Inter TOMAS schools.

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家庭教師派遣教育事業 2026年2月期中間期実績

		前期増減
売上高	23.70億円	+0.99億円
営業利益	1.15億円	+0.68億円



【校舎再編】

不採算校のスクラップや校舎集約の効果で利益改善

【開校・リニューアル等】

開校（メディック名門会 1校）

2025年5月 メディック名門会 京都校

リニューアル（名門会 2校、TOMEIKAI 1校）

2025年3月 名門会 星ヶ丘駅前校

5月 名門会 京都駅前校2号館※

TOMEIKAI 四条烏丸校※

※メディック名門会 京都校へ統合



Next, regarding the Meimonkai home tutor dispatch business, for the same period, net sales increased by JPY99 million YoY to JPY2.37 billion, and operating income grew by JPY68 million YoY to JPY115 million.

At Meimonkai, profitability improved thanks to the effect of closing unprofitable schools and consolidating locations.

During the period, we renovated Meimonkai Hoshigaoka Ekimae in March and opened Medic Meimonkai Kyoto in May, integrating Meimonkai Kyoto Ekimae No.2 and TOMEIKAI Shijo Karasuma into Medic Meimonkai Kyoto.

As of the end of August, there were 35 Meimonkai schools, 7 TOMEIKAI schools, and 3 Medic Meimonkai schools.

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幼児教育事業 2026年2月期中間期実績

		前期増減
売上高	30.95億円	△0.24億円
営業利益	2.32億円	△2.64億円
(主な増加費用) 人件費 +11.6%、地代家賃 +14.5%		



【開校・リニューアル等】

新規開校

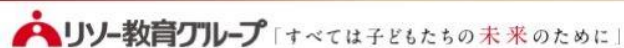
2025年4月 こどもでばーと たまプラーザ
(伸芽会・伸芽'Sクラブ託児・伸芽'Sクラブ学童)
こどもでばーと 中野 (伸芽'Sクラブ学童)

リニューアル

2025年6月 伸芽'Sクラブ学童 千葉校

閉校

2025年3月 伸芽会 千葉教室
伸芽'Sクラブ託児 荻窪校



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Next, regarding the Shingakai early childhood education business, net sales decreased by JPY24 million YoY to JPY3.095 billion, and operating income decreased by JPY264 million YoY to JPY232 million.

The main cost increases were in personnel expenses, up 11.6% YoY, and Rent expense, up 14.5% YoY. During the period, we closed Shingakai Chiba and Shinga's Club Nursery Ogikubo in March.

In April, we opened new facilities at "Kodomo-Depart Tama Plaza", including Shingakai, Shinga's Club Nursery, and Shinga's Club Afterschool, and at "Kodomo-Depart Nakano", we opened Shinga's Club Afterschool.

In June, we renovated Shinga's Club Afterschool Chiba.

As of the end of August, there were 22 Shingakai classrooms, 9 Shinga's Club Nursery schools, and 24 Shinga's Club Afterschools.

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学校内個別指導事業 2026年2月期中間期実績

		前期増減
売上高	18.39億円	+1.34億円
営業利益	2.46億円	△0.17億円
(主な増加費用) 人件費 +8.4%		

【トピックス】

稼働校数 91校 (前期増減+5校)
 オンライン個別指導の拡充により
 個別指導の受講者数が増加
 (前年同期比+13.1%)

オンライン個別指導とは

➤ 地方の学校でも自宅でも優秀な講師の指導が
 オンラインで受けられる個別指導



Next, regarding School TOMAS that provides one-on-one instruction within schools, net sales increased by JPY134 million YoY to JPY1.839 billion, while operating income decreased by JPY17 million YoY to JPY246 million.

The main cost increase was in personnel expenses, up 8.4% YoY, reflecting continued recruitment efforts to meet growing demand from an expanding number of contracted schools.

The number of operating schools for FY2026 increased by five YoY to 91 schools.

At School TOMAS, the expansion of online one-on-one tutoring led to a 13.1% YoY increase in the number of students taking individual lessons.

2026年2月期下期に向けた取り組み

TOMAS

顧客サービス※を徹底し、生徒数は7月以降回復基調

※学習の進捗、課題の共有など保護者とのコミュニケーション

冬休みに先駆けた「プレ冬期講習」の実施

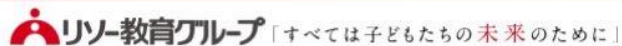
→授業実施数を増やす（未実施授業を減らす）

伸芽会

顧客ニーズに沿った“新時間割改革”

志望校別コースの設置

→受験学齢（新年長）の生徒数増へ



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Next, I will explain our initiatives for H2 of FY2026.

At TOMAS, we are thoroughly reinforcing detailed customer services such as sharing students' learning progress and challenges. As a result, the number of students has been on a recovery trend since July.

Furthermore, we have implemented a pre-winter intensive course ahead of the winter break to increase the number of lessons conducted and reduce the number of contracted but uncompleted lessons.

At Shingakai, we have introduced a new class schedule that accommodates the needs of working parents and launched school-specific preparatory courses.

As a result, the number of new senior kindergarten students for the next school year (starting in November) is expected to increase.

Next, our Executive Vice President CEO, Mr. Kume, will explain our shareholder return policy.

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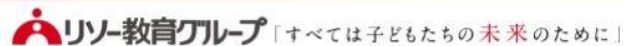


株主還元策

- ・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）

	2024年2月期 (実績)	2025年2月期 (実績)	2026年2月期 (予想)
配当額	10円	10円	10円
配当性向	92.9%	95.4%	85.0%
ROE	19.0%	17.1%	※16.7%

※2026年2月期の予想ROEは当期純利益（予想）÷2025年2月期自己資本×100



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Kume: Good afternoon, everyone. I would like to provide an update on our shareholder return policy and dividend.

Although our results for the previous fiscal year showed a slight increase in sales but lower profits YoY, on a full-year basis, we currently expect net income to be equal to or higher than the previous year.

Therefore, the Company plans to maintain the dividend at JPY10 per share for now.

We are committed to keeping a dividend payout ratio of at least 50%, and our policy of maintaining the dividend amount in double digits remains unchanged.

Next, President Tenbo will comment on the Company's future growth strategies, including the expansion of the "Kodomo-Depart".

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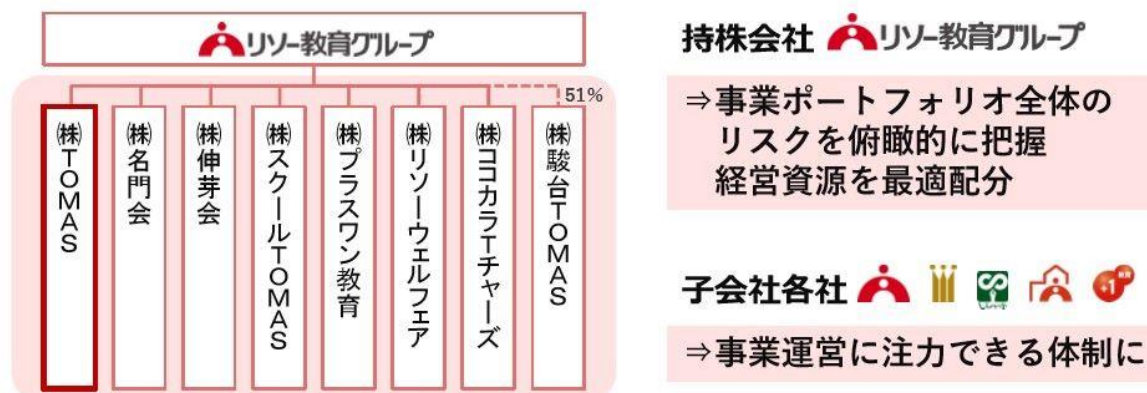
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持株会社体制への移行（ホールディングス化）について

2025年9月1日

「(株)リソー教育」は「(株)リソー教育グループ」に
学習塾事業・英語スクール事業・生徒募集勧誘事業は
「(株)TOMAS」へ承継



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」

14

Tenbo: Please allow me to begin by explaining our transition to a holding company structure.

As previously announced, we completed the transition to a holding company structure on September 1.

Accordingly, our company name has been changed from Riso Kyoiku Co., Ltd. to Riso Kyoiku Group Co., Ltd.

At the same time, we transferred our tutoring school business, English school business, and student recruitment business to our wholly owned subsidiary, TOMAS Co., Ltd.

With this shift to a holding company structure, we are now able to comprehensively manage risks across the entire business portfolio and optimize the allocation of management resources.

Each operating company can now focus more effectively on its business operations, allowing us to restructure the organization for greater management efficiency across the group.

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持株会社体制への移行（ホールディングス化）の背景

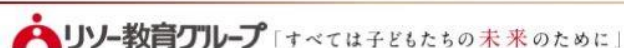
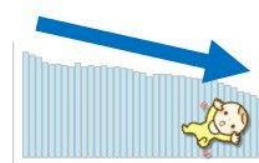
学習塾業界 — 現状 —



大学入試制度改革や教育環境のデジタル化など
教育を取り巻く環境が刻々と変化
教育ニーズはより個別化・多様化が求められる傾向
個別のニーズに対応する質の高い教育サービスの提供が一層重要に

学習塾業界 — 今後の見込み —

さらなる少子化の進行や価値観の多様化、
社会環境の変化などによる業界再編、淘汰が顕著
生徒に寄り添ったきめ細やかなサポートなど
総合的な教育サービスが求められる



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The background of this change lies in the rapidly changing environment surrounding the education industry.

Factors include the diversification of university entrance exams, various initiatives promoted by the Ministry of Education, such as the GIGA School Program and transition to NEXT GIGA, as well as the rapid advancement of AI-based learning materials.

The environment is “evolving on a daily basis.”

Meanwhile, the industry is also being impacted by further declines in the birthrate, diversifying values, and changes in the social environment, which have led to increasing consolidation and restructuring across the education sector.

Through this transition to a holding company structure, our goal is to build an organization capable of flexibly adapting to changes in the business environment and achieving sustainable growth going forward.

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持株会社体制への移行（ホールディングス化）について

移行後のリソー教育グループ

「広告・マーケティング部」

「不動産管理部」

⇒各社で重複していた業務を一元化
(業務の効率化・費用の効率化)

「DX推進部」

⇒専属メンバーを配置

当社グループ全体のデジタル基盤の強化

顧客サービスの最大化

利便性向上・業務効率向上

「グループ管理本部」

⇒全社の人事、経理、財務、総務、法務などを管轄
グループシナジーを最大化



Let me now explain the key points following the transition to a holding company structure.

With this shift, we have established two new departments: the advertising/marketing department and the property management department.

Previously, each group company handled its own advertising and marketing initiatives as well as classroom openings and development. By centralizing these functions within the group, we aim to eliminate duplicated operations, improve cost efficiency, and formulate strategies that optimize performance across the entire organization.

In addition, the DX Strategy Promotion Committee, which was a cross-functional body composed of members from various group companies and met regularly, has been restructured into the DX promotion department within the holding company.

By assigning dedicated staff, this department is now driving efforts to strengthen the Group's digital infrastructure, with a focus on maximizing customer service quality, enhancing convenience, and improving operational efficiency.

This was one of the areas that had been lagging behind, but progress is now well underway.

Furthermore, functions such as human resources, accounting, finance, general affairs, and legal affairs administration across all group companies have been consolidated under the group administration division, which is now responsible for managing operations that maximize group synergy.

Under this new framework, Riso Kyoiku Group aims to achieve sustainable growth and maximize corporate value in the rapidly changing education industry.

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「こどもでば-と」シリーズの展開

2025年4月開業

こどもでば-と 中野

5・6階に **TOMAS**

3階に **伸芽クラブ学童** が入居

そのほかコナミスポーツや
子どもクリニックなど
子ども向けの習い事などが入居

コンシェルジュも配置し
「安心」「安全」にも配慮



中野駅南口から徒歩2分

9階	こどもでば-と Studio (スタジオ)	習い事・親子向けプログラムを幅広く実施
7-8階	英会話教室、塾、幼児教室	
5-6階	TOMAS	進学個別指導塾
4階	KONAMI SPORTS CLUB	運動教室 女性専用ビラティススタジオ
3階	伸芽クラブ学童	進学指導付き学童
2階	小児科・病児保育	
1階	カフェ	

生徒数が順調に推移

TOMAS → 前年同月比+15.7%

伸芽クラブ学童 → 定員達成 (今後定員枠を増やす予定)



Next, I will discuss our future development and outlook, beginning with the “Kodomo-Depart”.

The “Kodomo-Depart” is a child education facility initiative developed by our parent company, Hulic Co., Ltd.

Two facilities—“Kodomo-Depart Nakano” and “Kodomo-Depart Tama Plaza”—opened simultaneously in April 2025, marking the first launch of this project.

First, regarding “Kodomo-Depart Nakano”: Located just a two-minute walk from JR Nakano Station South Exit, a new nine-story building was constructed.

TOMAS Nakano opened on the fifth and sixth floors, and Shinga’s Club Afterschool opened on the third floor.

TOMAS relocated and renovated its former Nakano School, while Shinga’s Club Afterschool newly opened in Nakano for the first time.

The facility also includes a Konami Sports Club, with which we have a business partnership. Together with Shinga’s Club Afterschool, they offer exam-oriented gymnastics lessons for elementary school entrance exams.

Other tenants include facilities operated under different company brands, such as a children’s clinic, a family-friendly café, and a multipurpose hall for various events. This building allows parents and children to handle study, sports, and extracurricular activities all in one place, helping to alleviate common child-rearing concerns.

Additionally, concierges are stationed at the entrance to monitor children’s safety, provide childcare consultation services. In addition, pick-up and drop-off services between home and school are also available, thereby reducing the burden on parents.

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Thanks to these conveniences, the facility has been very well received since its opening.

At TOMAS Nakano, the number of students as of the end of August increased by 15.7% YoY, indicating strong performance.

Shinga's Club Afterschool has also reached full enrollment capacity.



「 **こどもでば-と**」シリーズの展開

Kodomo Depart

2025年4月開業



こどもでば-と たまプラーザ

 **伸芽会**  **伸芽のびのび 託児**  **伸芽のびのび 学童**

伸芽会の全ブランドが新規開校
開業以来生徒数が好調に推移

コンセプトは **子育て総合コンシェルジュ**



たまプラーザ駅
南口から徒歩2分

3階	 伸芽会	幼児教室
2階	 伸芽のびのび	託児施設・知育教室
1階	 伸芽のびのび	進学指導付き学童
 TOMAS		習い事・親子向け
 Studio DEE		プログラムを幅広く実施

仕事と
育児の
両立

お預かりも
習い事も
受験準備も

兄弟で
効率的に
習い事

子どもの
才能を
伸ばしたい

今後の
 **こどもでば-と**
Kodomo Depart

中野、たまプラーザの
2棟を含め20棟までの
開業を予定

お子さまの知的好奇心を育む“ディスカバリーコース”など
新しいコースで受験前から囲い込み
➤1歳から小学生まで**幼小一環教育**を実現

 **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」

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Next, regarding Tama Plaza: “Kodomo-Depart Tama Plaza” is located just a two-minute walk from the south exit of Tokyu Den-en-toshi Line’s Tama Plaza Station, and it houses all three Shingakai brands—the exam preparation division of Shingakai, Shinga’s Club Nursery, and Shinga’s Club Afterschool—all of which are newly opened at this location. While Shingakai previously operated an exam division in Tama Plaza, it was few years ago and has now reopened in this new facility.

The “Kodomo-Depart Tama Plaza” is built around the concept of a “Childcare Concierge”—an ideal environment for parents seeking to balance work and parenting.

In addition to childcare services, it offers extracurricular lessons, exam preparation, and integrated programs for siblings, supporting parents who wish to nurture their children’s potential.

As a Tama Plaza exclusive program, the facility offers a “discovery course” designed to stimulate intellectual curiosity, providing continuous education from age one through elementary school.

Since opening in April, all divisions—Shingakai, Shinga’s Club Nursery, and Shinga’s Club Afterschool—have shown steady growth in student numbers, and we expect further expansion going forward.

Looking ahead, in addition to Nakano and Tama Plaza, Hulic plans to open around 20 Kodomo-Depart facilities, including those already confirmed for Shibuya, Motoyawata, Azabu, and Jiyugaoka.

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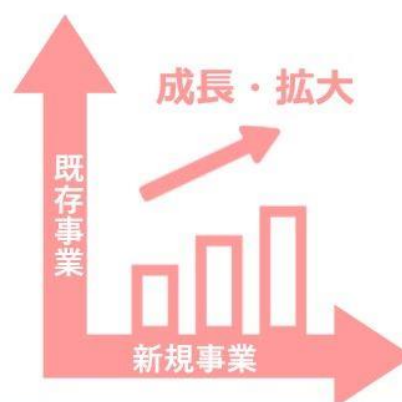
今後の展望

既存事業（当社本来の事業）の成長

新規事業（異業種との提携等）による成長

加えて

持株会社化
DX施策推進により
経営環境の変化に対応し
継続的な成長・拡大へ



リソ-教育グループ「すべては子どもたちの未来のために」

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Now, let me conclude with our outlook for the future.

As I have mentioned earlier, the education industry continues to face the unavoidable challenge of a declining birthrate, and the pace of this decline is accelerating.

At the same time, educational needs are becoming increasingly diversified.

There is growing demand for personalized instruction, ICT utilization, and in the field of junior high school entrance exams, increasingly tailored programs by target school.

The environment now demands high-quality, hands-on educational services, without which it is difficult to stay competitive.

In this environment, in addition to driving growth in our existing businesses through our fully one-on-one individualized instruction model, which differentiates us from competitors, we aim to expand new businesses such as “Kodomo-Depart” and partnerships with companies from other industries.

At the same time, through enhanced management efficiency made possible by the transition to a holding company structure and the promotion of our DX strategy, we will build an organization that can respond flexibly to changes in the business environment, pursuing continuous growth and expansion.

Lastly, as the education industry continues to diversify, society is questioning the future role and form of education itself.

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Under our new structure launched in September, we are determined to make full use of our management foundation and efficient operational framework to deliver high-quality educational services swiftly, providing value that exceeds our customers' expectations.

Guided by our corporate code of ethics, which states that "Everything we do is for the future of children," all our employees will continue to see this period of change as an opportunity for growth, strive to contribute to society through education, and work diligently to enhance corporate value.

We sincerely appreciate your continued support and encouragement.

That concludes my presentation. Thank you very much for your kind attention.

Moderator: Thank you for the explanation.

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Question & Answer

Moderator [M]: We will now begin the Q&A session. Please note that this IR meeting, including the Q&A portion, will be fully transcribed and made public.

Therefore, if you state your company name and personal name when asking a question, it will appear as is in the published transcript. We kindly ask for your understanding. Those who wish to ask questions, please raise your hand, and a staff member will bring you a microphone.

Participant [Q]: Thank you very much for your presentation today. I have two questions.

The first relates to page four, the financial highlights, specifically regarding Rent expense. We are seeing rental costs rise in urban areas. While figures are provided for each segment, could you share your thoughts on how these increases are impacting profitability and what your outlook is going forward? Also, how might these trends affect your future plans for opening new schools?

My second question is about your M&A strategy. If you are considering pursuing M&A in the future, in what fields and at what scale would you plan to invest? That's all from me.

Tenbo [A]: Thank you. You have asked two questions—one regarding Rent expense, and the other regarding M&A.

As for rent, it is true that rental costs have risen significantly, particularly in urban areas, and there is currently no indication that they will decline. Therefore, as reflected in this quarter's results as well, rising rents have had a tangible impact on our profitability.

Going forward, we are addressing this by ensuring steady student enrollment at each school, while carefully assessing the business performance of each location. This also involves appropriate staff allocation, and we intend to continue taking a school-by-school approach in managing this situation. Regarding future openings, we will proceed cautiously and strategically, taking these cost trends fully into consideration. Perhaps our executive vice president could add to that point.

Kume [A]: As mentioned in the financial results explanation earlier, the decline in profit this fiscal year mainly stems from two factors: the increase in personnel expenses and the rise in rent. Last December, we implemented a company-wide base salary increase (base up) to secure highly skilled personnel and address rising prices, which has significantly raised our personnel costs.

At the same time, rent continued to rise, especially in urban areas. If it were not for these two factors, we likely would have achieved profit levels equal to or higher than last year, given that sales increased slightly YoY. These cost pressures are expected to continue. Personnel expenses, including instructor compensation, are rising across the tutoring school industry, which essentially faces an ongoing battle against fixed costs—namely, personnel expenses and rent.

The challenge is how to offset these costs effectively. As outlined in our initial plan, some segments—such as Meimonkai, School TOMAS, and others—have been able to absorb these increases and still deliver profits as planned. However, Shingakai and TOMAS faced difficulties. In the case of TOMAS, student enrollment in the H1 fell short of expectations, while at Shingakai, the number of senior kindergarten students, which is the key exam year, declined, resulting in slower growth. We are now taking countermeasures to address this and plan to offset the impact through revenue growth, rather than through tuition hikes, which we believe have already reached their limit.

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To compensate, as the president explained earlier, we are focusing on new partnerships, such as the “Kodomo-Depart” initiative with Hulic. This collaboration has already produced positive results as student numbers at Nakano TOMAS have increased, while senior kindergarten enrollment at Tama Plaza Shingakai is also strong. Thanks to Hulic’s provision of modern, well-equipped buildings at relatively moderate rents school openings are progressing smoothly. Going forward, we plan to open up to 20 Kodomo-Depart facilities. We are highly optimistic about the growth that this expansion will generate.

The other key initiative involves DX transformation and the holding company structure. By transitioning to a holding company, we consolidated functions that had previously been handled separately by each group company—such as advertising and publicity, lease negotiations for land and property, and interior and exterior changes, which are particularly costly. All of these responsibilities have now been centralized under the holding company. This centralization has enabled us to reduce costs. Regarding advertising and publicity, each company using various vendors, which resulted in expenses reaching approximately JPY1.4 billion last year, While this represents over 3% of sales, and we are now working to reduce this to around 2.5%. The largest component is web advertising, so we are narrowing down our list of vendors, negotiating prices and tightening control while simultaneously promoting efficiency.

This is a two-pronged strategy: to the extent possible, even with increased volume, while simultaneously boosting revenue through increased student enrollment.

Initiatives such as the increase in the number of TOMAS students and changes to Shingakai’s course offerings will be driven by the holding company.

Tenbo [M]: Thank you. That addresses the first question.

Participant [Q]: What scale of investment are you envisioning?

Tenbo [A]: Regarding scale, we receive various M&A inquiries from both within and outside the education industry. However, when considering such opportunities, the key is whether we can truly create synergy with the other party. As you know, in the education industry, factors such as organizational culture make integration particularly challenging. Therefore, if we can find a mutually beneficial, synergistic relationship, we are open to considering opportunities regardless of size. We also believe that such collaborations often depend on the right connections, so whether opportunities come to us or we proactively propose them, we will always prioritize strategic and synergistic partnerships.

Kume [A]: Regarding M&A, we are working together with Hulic. Actually, Hulic has long expressed a desire to build a substantial education business, as reflected on their corporate website and at their shareholder meetings, where they have emphasized making education a key business pillar. Our M&A efforts are part of that broader initiative.

While M&A often implies acquisitions involving capital investment, our current approach is to focus primarily on business alliances rather than large-scale acquisitions. So far, we have made only one cash-based acquisition, purchasing HugCome Co., Ltd.

In terms of budget, we are considering around JPY500 million to JPY600 million for potential deals of this nature. For larger-scale acquisitions, we expect Hulic to take the lead, and we plan to work collaboratively with them. As the president mentioned, our strategy centers on individualized education, so if we can bring in a reputable group-type tutoring school under our umbrella, it would generate significant synergy for us. That would be the most beneficial type of partnership.

Essentially, we focus primarily on tutoring schools and junior high entrance exam preparation, but education also includes areas such as food education and physical education. Together with Hulic, we are forming a

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comprehensive group of businesses related to education as a whole. This may eventually expand to include vocational schools or Japanese language schools, which we view as potential opportunities. However, we have no plans to enter fields like nursing care.

Our top priority is always synergy within the education domain, particularly those related to individualized instruction. Therefore, the type of company we would most like to engage in M&A with is a high-quality, well-established group-type tutoring school.

Participant [M]: Thank you very much.

Moderator [M]: Are there any other questions?

Participant [Q]: Thank you for the detailed explanation. Based on what you've mentioned—that rent costs will likely remain high for the time being, and that student numbers at TOMAS and profitability at Shingakai were weaker than initially expected—it seems that, given the profit progress in Q2, achieving full-year profit growth YoY could be quite challenging.

Could you please share the reason for maintaining your current full-year forecast despite this and elaborate on the factors behind the expected recovery in H2?

Tenbo [A]: Thank you. Indeed, the situation during Q2 was rather tough. However, as I mentioned earlier, we are beginning to see signs of recovery at both TOMAS and Shingakai as the effects of our measures start to show. Therefore, at this stage, we believe it is appropriate to maintain our current full-year forecast without any revisions.

Of course, depending on how the situation at TOMAS and Shingakai evolves, we may need to reassess later, but at present, we do not see any indication that would require such action. Hence, we have decided to keep the forecast unchanged for now.

Kume [A]: There are two main points here. First, School TOMAS still has upside potential. Although it is already showing a YoY increase, we believe there is room for further growth. Second, Meimonkai has been recovering significantly compared with the previous fiscal year.

These two segments have clear growth potential. As for TOMAS and Shingakai, as you can see from the results, they were the main factors that dragged down the overall group performance last fiscal year.

We began implementing turnaround measures around July, including actions related to student enrollment and course restructuring. In particular, for Shingakai, the peak exam season for senior kindergarten students comes in November. Ordinarily, revenue starts to decline after November, but we are taking steps to avoid this drop-off this year. As for TOMAS, the winter intensive courses in H2 represent another key peak period. Normally, these courses begin around November, but this year, we have started them earlier, from this month, and are conducting with these proactive measures in place, we determined that the situation does not warrant a revision to our earnings forecast, and therefore, we are maintaining it as is.

Participant [Q]: Thank you. As a follow-up, regarding TOMAS, what do you believe caused the student numbers to fall short of the initial plan? Also, since the Company does not disclose a first-half profit forecast, should we understand that the actual H1 profit came in below your internal expectations?

Tenbo [A]: Regarding the second point, yes, your understanding is correct. As for the decline in TOMAS enrollment, last fiscal year we saw a steady recovery and growth trend, and we expected that momentum to continue. However, during the transition period between February and March, the number of student withdrawals was higher than anticipated, which we failed to fully account for in our projections.

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That was the main factor behind the shortfall. The good news is that enrollment has since started to recover, and we are now focusing on regaining momentum in H2.

Kume [A]: To add to that, the number of new enrollments itself did not decrease. The issue was that more students left than we expected, such that attrition, rather than lower intake, was the main reason.

Participant [M]: Thank you very much.

Moderator [M]: Any further questions? No more? If there are no additional questions, we would like to conclude the IR meeting of Riso Kyoiku Group.

Thank you very much, Mr. Tenbo, Mr. Kume, and Mr. Ueda.

Tenbo [M]: Thank you very much.

Kume [M]: Thank you very much.

Ueda [M]: Thank you very much.

Moderator [M]: And to all participants, thank you very much for joining us today.

[END]

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