

Results of Operations  
for the Fiscal Year Ended March 31, 2020  
(FY3/20)



Stock code: 2179

June 2020



# Results of Operations

## FY3/20 Results

- Sales increased as the number of students increased in the individual tutoring, the nursery school categories, and Japanese language schools
- Earnings decreased because of higher personnel expenses due to the growth of business, strengthening of advertising activities to attract entrance exam preparation students, increased royalties resulting from the introduction of new educational content, and expenses incurred for launching businesses overseas
- Classes in early March and study camp sessions planned for the spring vacation were canceled to prevent the spread of the COVID-19 pandemic

## FY3/21 Forecasts

- No forecasts for the next fiscal year as it is difficult to estimate the impact of the COVID-19 pandemic
- An announcement will be made promptly when it becomes possible to determine it

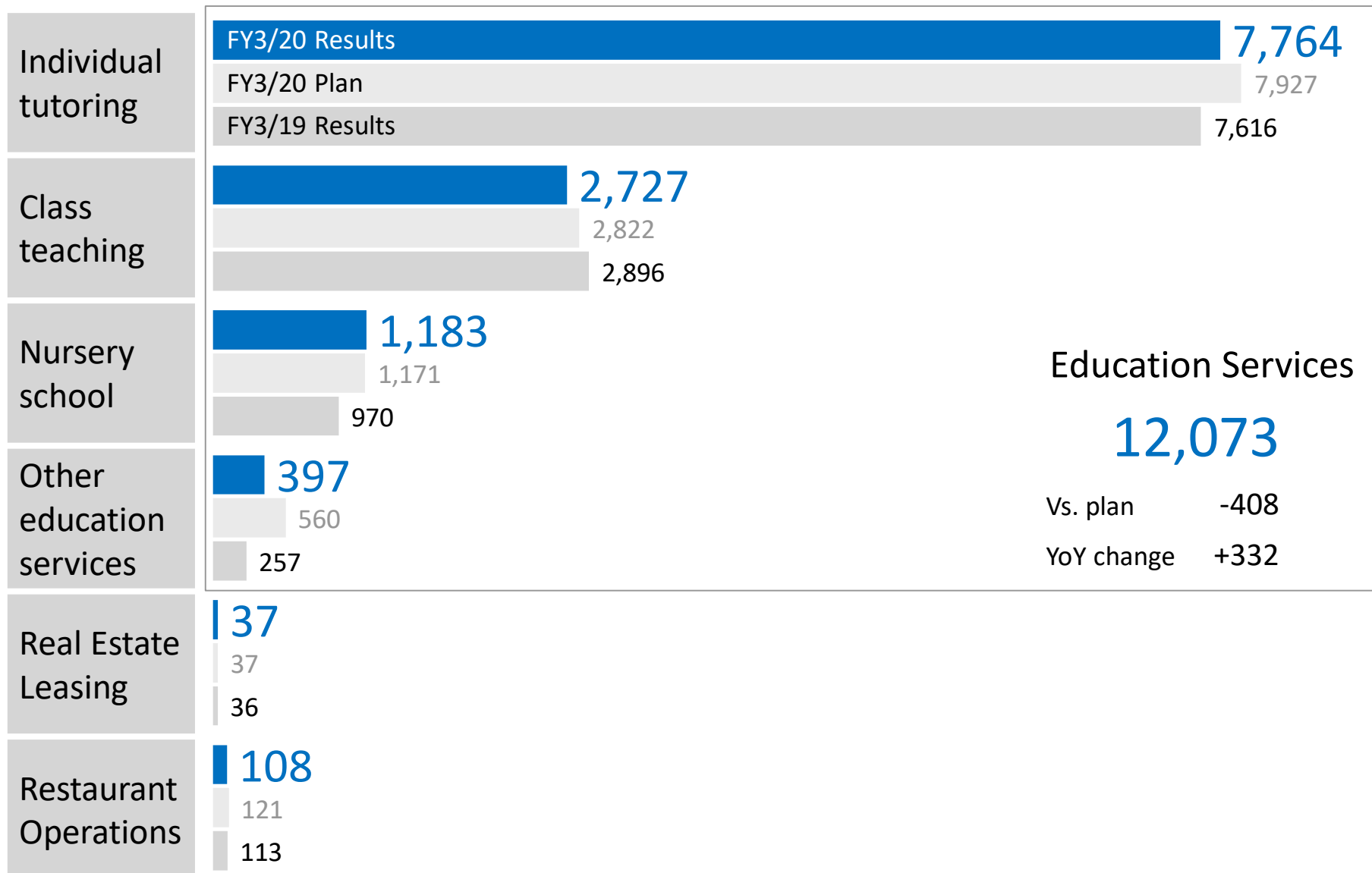
## Statement of Income

(Millions of yen, %)

	FY3/19 Results	FY3/20 Plan	FY3/20 Results	YoY change	YoY (%)	Vs. plan	% achieved
Net sales	11,890	12,641	12,220	+329	+2.8	-421	96.7
Education Services	11,741	12,482	12,073	+332	+2.8	-408	96.7
Real Estate Leasing	36	37	37	+1	+3.3	+0	102.0
Restaurant Operations	113	121	108	-4	-3.7	-13	89.3
Operating profit	384	223	272	-111	-29.1	+49	122.0
Operating margin	3.2	1.8	2.2	-1.0	-	+0.5	-
Ordinary profit	679	189	251	-428	-63.0	+62	133.0
Ordinary margin	5.7	1.5	2.1	-3.7	-	+0.6	-
Profit	396	13	33	-363	-91.6	+19	240.0
Profit margin	3.3	0.1	0.3	-3.1	-	+0.2	-

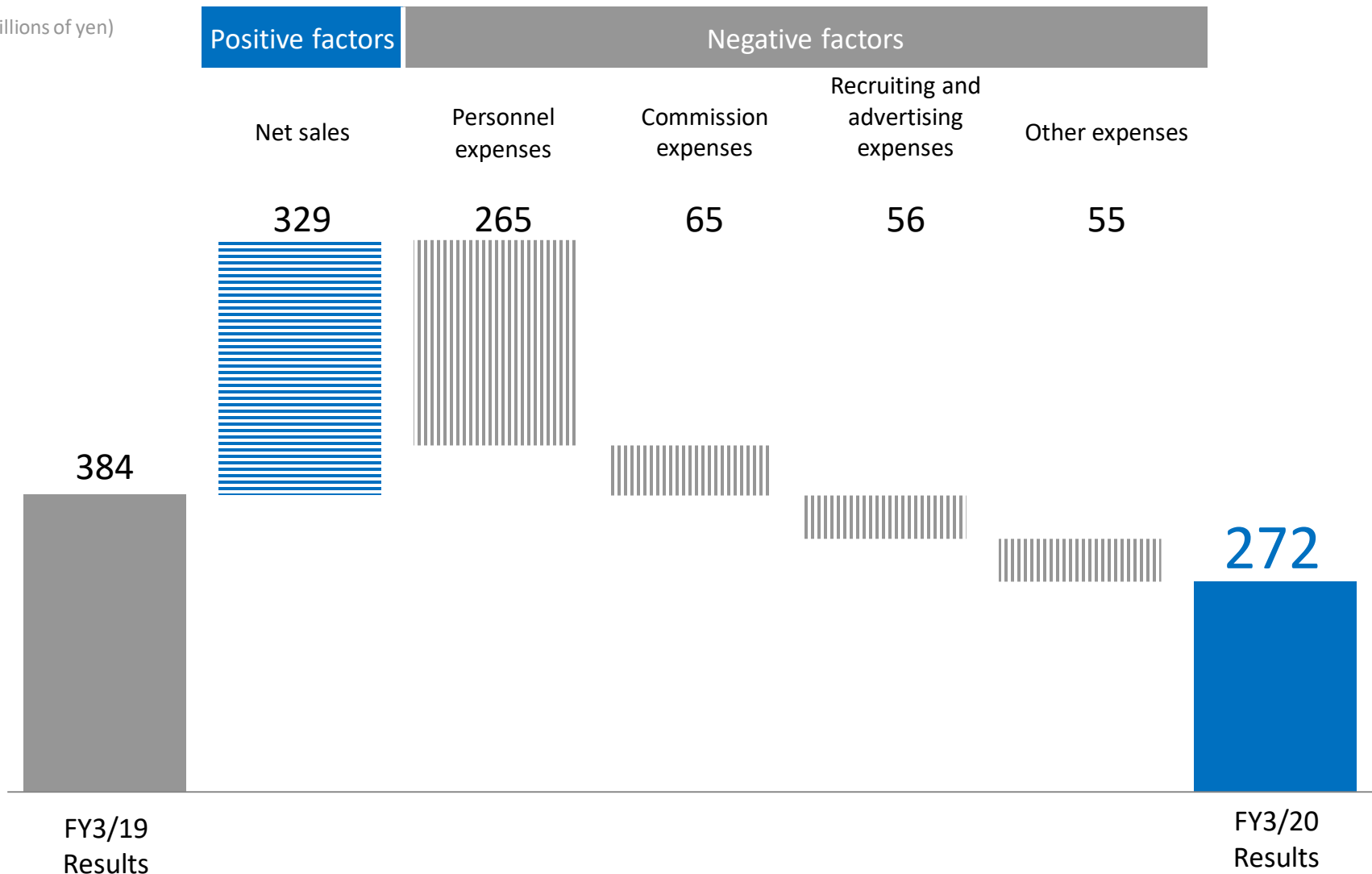
# Business Segment Sales

(Millions of yen)



# Change in Operating Profit/Loss

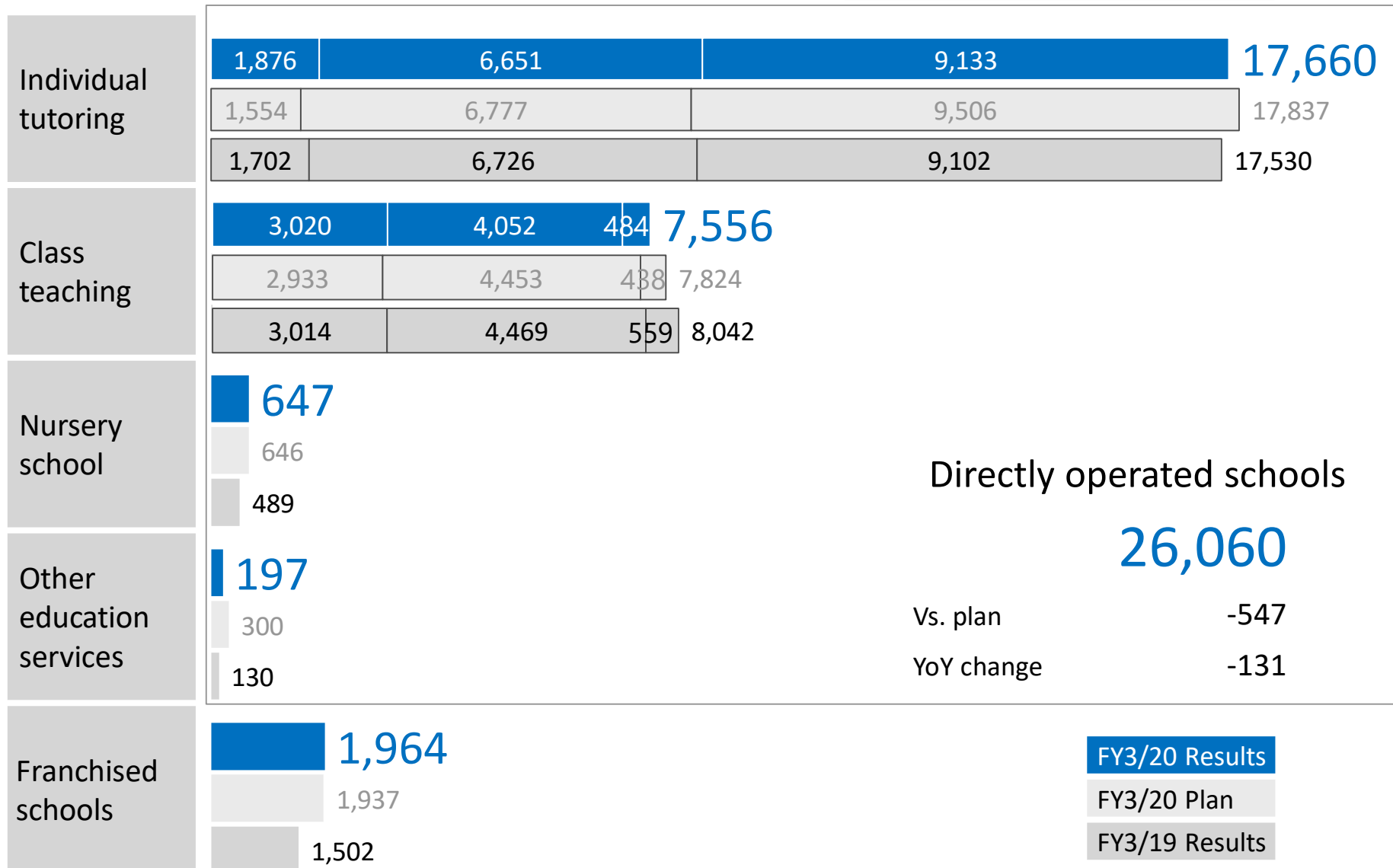
(Millions of yen)



Commission expenses were a negative factor mainly because of royalties due to the use of new educational content and one-time expenses for a cost-cutting project

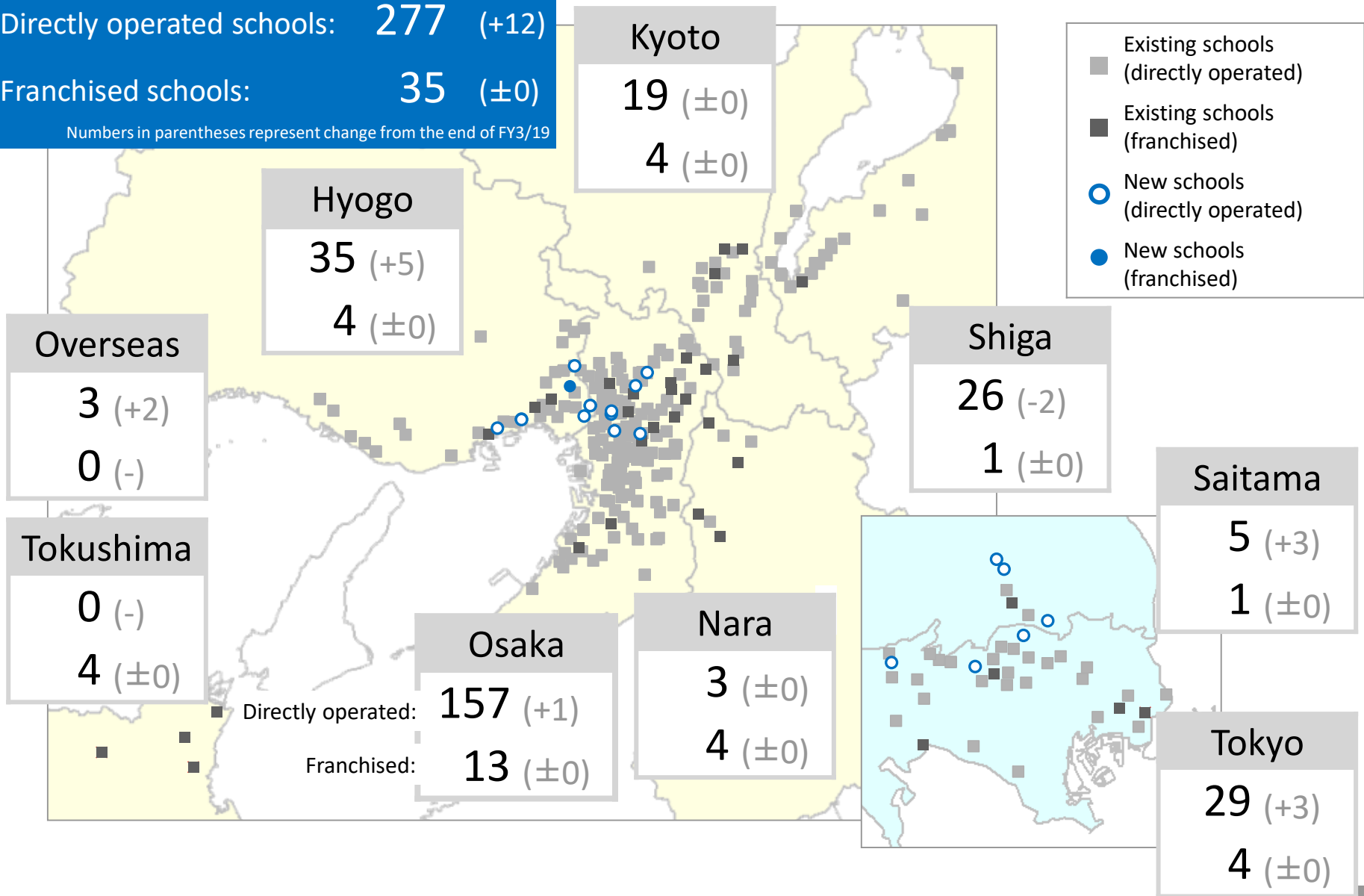
# Number of Students at SEIGAKUSHA Group Schools (As of Nov. 30, 2019)

Elementary school students	Junior high school students	High school students	(Number of students)
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# Number of Schools

Directly operated schools: **277** (+12)  
 Franchised schools: **35** (±0)  
Numbers in parentheses represent change from the end of FY3/19





# Number of Directly Operated Schools

## Individual tutoring

217

Opened 12

Closed 2

FreeStep Individual Tutoring Institute schools / Yozemi Sateline Exam Preparation School classes  
(Hyogo) JR Amagasaki, Rokkomichi, Sonoda, Konan Yamate  
(Tokyo) Shakujii Koen, Kumegawa, Hasune  
(Saitama) Yono, Kawaguchi, Kita-Urawa  
Class Benesse  
(Osaka) Imafuku-Tsurumi, Hankyu Ibaraki

## Class teaching

96

Opened 4

Closed 8

Kaisei Education Seminar  
(Osaka) Umeda Head Office, Higashi-Mikuni  
(Hyogo) Sonoda  
Yell Exam Preparation School  
(Osaka) Senrioka

## Nursery school

17

Opened 2

Closed 0

Kaisei Nursery School  
(Osaka) Higashi-Mikuni  
Aiterasu Nursery School  
(Hyogo) Konan Yamate

## Other

7

Opened 3

Closed 0

Kaisei Academy Japanese Language School  
(Hyogo) Hyogo-Kawanishi school  
Gangnam Japanese Language School (South Korea)  
Kindergarten (Vietnam)



Shakujii Koen School (Nerima-ku, Tokyo)



Yono School (Chuo-ku, Saitama City)



Higashi-Mikuni school (Yodogawa-ku, Osaka City)

Note: The total number of directly operated schools does not match the total for categories because some schools operate in two or more categories.

## Balance Sheet and Cash Flow Statement

(Millions of yen)

	Mar. 31, 2020	Mar. 31, 2019	Change
Current assets	3,204	3,247	-43
Non-current assets	5,573	5,610	-36
<b>Total assets</b>	<b>8,778</b>	<b>8,858</b>	<b>-79</b>
Current liabilities	3,362	3,606	-243
Non-current liabilities	2,753	2,582	+171
<b>Total liabilities</b>	<b>6,116</b>	<b>6,188</b>	<b>-72</b>
Shareholders' equity	2,665	2,665	+0
Accumulated other comprehensive income	-3	3	-7
<b>Total net assets</b>	<b>2,661</b>	<b>2,669</b>	<b>-7</b>
<b>Total liabilities and net assets</b>	<b>8,778</b>	<b>8,858</b>	<b>-79</b>

	FY3/20	FY3/19
Cash flows from operating activities	324	817
Cash flows from investing activities	-292	-606
Cash flows from financing activities	22	228
Effect of exchange rate change on cash and cash equivalents	-5	-2
Net increase (decrease) in cash and cash equivalents	48	437
Cash and cash equivalents at beginning of period	1,319	882
Cash and cash equivalents at end of period	1,368	1,319

# Response to the COVID-19 Pandemic

## Entrance exam preparation schools

Mar. 3 to 14	Closed
Mar. 16 to Apr. 7	Held standard classes but canceled study camps and other events
Apr. 8	(Individual tutoring) Shifted face-to-face lessons to interactive online lessons (where there is a state of emergency)* <sup>1</sup> * <sup>2</sup> * <sup>3</sup>
14	(Class teaching) Shifted face-to-face lessons to interactive online lessons (where there is a state of emergency)* <sup>1</sup>
17	(Individual tutoring) Shifted face-to-face lessons to interactive online lessons (all areas)
20	(Class teaching) Shifted face-to-face lessons to interactive online lessons (all areas)
May 11	(Individual tutoring) Started online self-study program
18	Slowly restarted face-to-face lessons in accordance with the lifting of the state of emergency and other restrictions (face-to-face and online lessons)

\*<sup>1</sup> Continued face-to-face lessons in other areas \*<sup>2</sup> Yozemi Sateline Exam Preparation Schools used "Mobile Sateline" for classes \*<sup>3</sup> Class Benesse stopped operating on April 8

## Nursery schools

Nursery schools are open and the number of children has decreased due to the decisions of parents and guardians

## Japanese language schools

Schools closed after completing the annual curriculum one week early; schools were closed in April and started online lessons in May

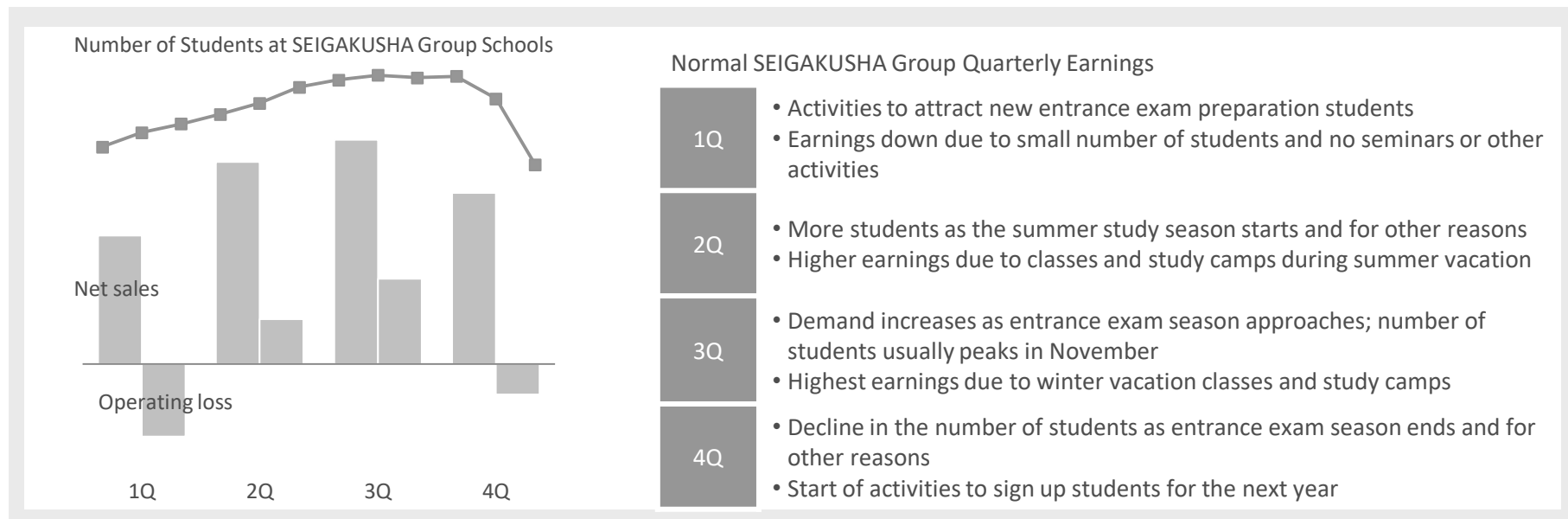
## Others

After-school day care operations have been closed since early April, kindergarten was closed from February to early May, and restaurants have reduced operating hours

# Earnings Forecasts

There are no forecasts for FY3/21 as it is difficult to estimate the impact of COVID-19

- The number of students at the beginning of FY3/21 was smaller than one year earlier as the number of new students declined
- Entrance exam preparation and Japanese language schools are using both face-to-face and online classes depending on the current situation
- Profitability may decrease because schools are shortening vacation periods, postponing entrance exams and for other reasons
- Expect an upturn in demand in the summer as students return to make up for time lost during the shutdown
- Expanding FreeStep online lessons to all eligible students nationwide

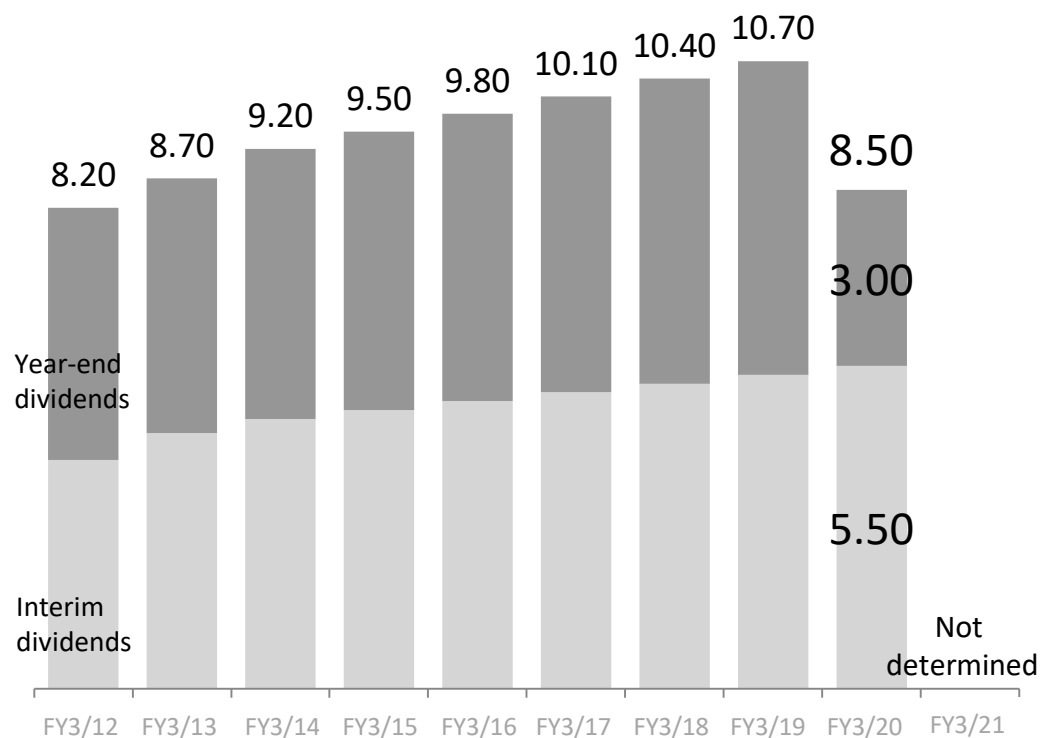


# Shareholder Distributions

## Dividends

Pay a consistent and stable dividend while building a strong foundation that can support business operations for many years

Dividend per share (Yen)



Note: Figures for FY3/12 are adjusted to reflect the stock split.

## Shareholder benefits

Use benefits to increase the number of shareholders by making SEIGAKUSHA stock an even more attractive investment

- Eligible shareholders  
Shareholders who hold at least one trading unit as of each record date
- Record dates  
Mar. 31 and Sep. 30  
(Twice each year)
- Benefits  
All shareholders who hold at least one trading unit receive a 1,000 yen QUO card

# Medium-term Growth Strategy

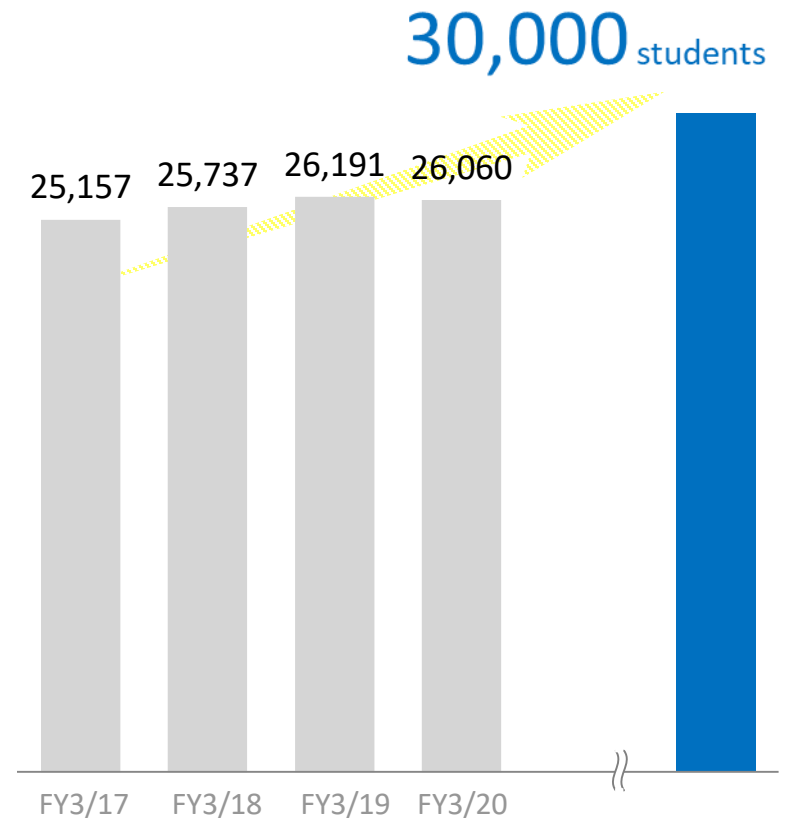
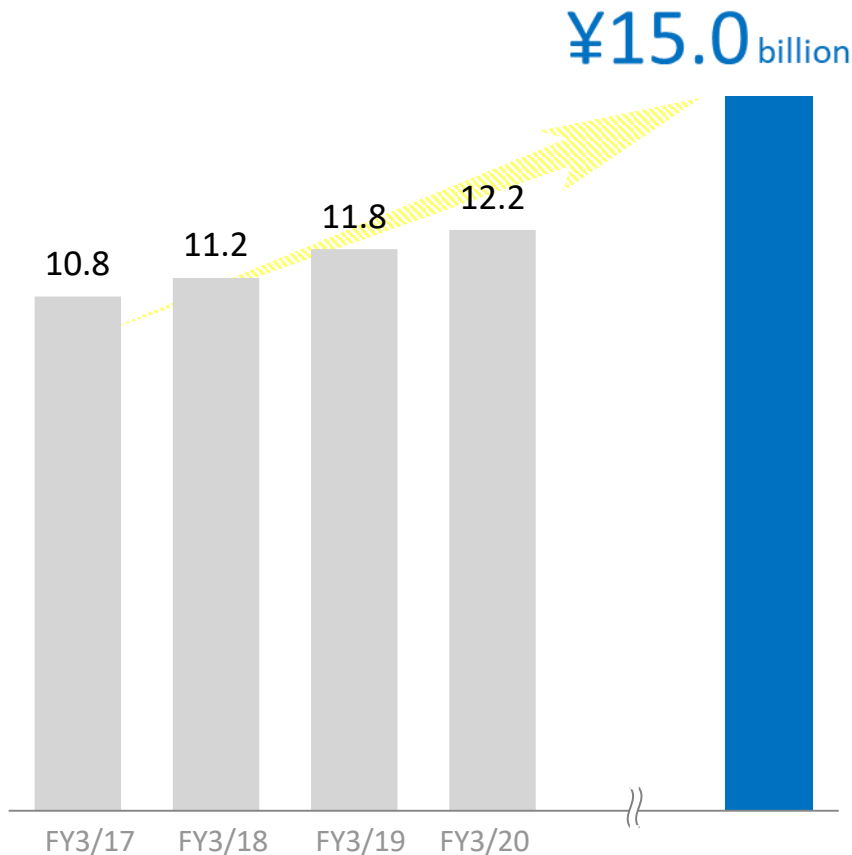
Consolidated net sales: 15 billion yen

Growth in entrance exam preparation as well as all other business sectors involving education

Number of students at SEIGAKUSHA Group schools: 30,000

Use existing brands for growth and target more customer segments

As of November, students of directly operated schools only



# The High Success Rate of FreeStep Individual Tutoring Institute

## Number of FreeStep students who passed entrance exams

	2019	2020	YoY	Change
National/public universities	228	265	+37	+16.2%
Tokyo Big Four* <sup>1</sup>	7	27	+20	+285.7%
GMARCH* <sup>2</sup>	20	51	+31	+155.0%
Kansai Big Four* <sup>3</sup>	745	922	+177	+23.8%

\*<sup>1</sup> Waseda, Keio, Sophia, Tokyo University of Science \*<sup>2</sup> Gakushuin, Meiji, Aoyama, Rikkyo, Chuo, Hosei \*<sup>3</sup> Kansai, Kwansei Gakuin, Doshisha, Ritsumeikan

### 2019 IID Award

(for entrance exam results and instructor/class quality)

**2年連続受賞**

**全国 No.1**

**ResMom イード・アワード**  
2019 全国 部門賞

イード・アワード2019 中学生/個別指導部門  
「受験・進学情報充実の塾」

イード・アワード2018 中学生/個別指導部門  
「受験・進学情報充実の塾」

イード・アワード2016 高校生・大学受験生/個別指導部門  
「講師が良い塾」  
「授業がわかりやすい塾」

株式会社イード <http://www.iid.co.jp>

### 2019 Oricon Customer Satisfaction Survey

**塾生満足度の高い個別指導塾**

塾生の **90.6%** が  
**お薦めしたい塾** と回答

2019年 オリコン顧客満足度<sup>®</sup> 調査  
「大学受験 個別指導塾 現役 近畿」 推奨意向 90.6%\*

※記載のデータは、オリコン顧客満足度<sup>®</sup> 調査が2019年「大学受験 個別指導塾 現役 近畿」調査による「Q.友人・知人に対し対象企業をどの程度薦めたいか」の設問に対し、「①とても薦めたい、②まあ薦めたい、③あまり薦めたくない、④全く薦めたくない」の4段階評価の結果[(①+②)/(①+②+③+④)]から算出したデータです。この認定ラベルはオリコン顧客満足度<sup>®</sup> 調査が公式表示したことを承認しています。

**オリコン 顧客満足度 2019**

# Precautions

Forecasts of future performance in this report incorporate risks and uncertainties because these statements are based on assumptions judged to be valid and information available to the SEIGAKUSHA's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons.

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