

Results of Operations
for the Fiscal Year Ended March 31, 2022
(FY3/22)



Stock code: 2179

June 9, 2022

The Businesses of the SEIGAKUSHA Group

Education Services

An education company centered on education and child care services extending from pre-school children to adults

Entrance exam preparation schools

Individual tutoring



Mainly one instructor for every two students



Video classes for university entrance exams



Other individual tutoring brands



Class teaching



Goal-centered classes that give students confidence when goals are exceeded



Nursery school



Certified nursery schools



Other

Japanese language classes for foreign students in Japan



The FreeStep online individual tutoring service at schools



English Language School with after-school care



Teacher staffing service for schools, operation of employee training centers, planning and production of digital and e-learning materials, consulting services for students who want to work at a Japanese company (South Korea) and consulting services for kindergarten operations (Vietnam), in addition to operations of the above brands

Real Estate Leasing

Leasing of unused space

Restaurant Operations

One restaurants in the city of Osaka, provision of school lunch

Statement of Income

(Millions of yen, %)

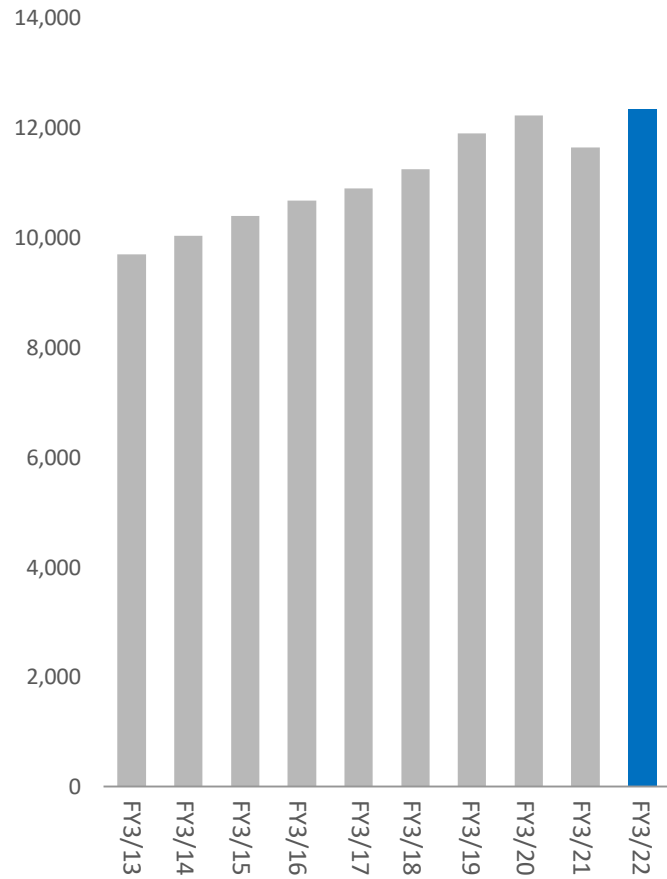
	FY3/21 Results	FY3/22 Plan ^{note}	FY3/22 Results	YoY change	YoY (%)	Vs. plan	% achieved
Net sales	11,641	12,388	12,333	+691	+5.9	-54	99.6
Education Services	11,541	12,307	12,253	+711	+6.2	-54	99.6
Real Estate Leasing	41	42	42	+1	+2.6	+0	100.0
Restaurant Operations	58	37	36	-21	-36.4	+0	97.8
Operating profit	25	587	640	+615	-	+52	109.0
Operating margin	0.2	4.7	5.2	+5.0	-	+0.4	-
Ordinary profit	48	591	655	+607	-	+64	110.9
Ordinary margin	0.4	4.8	5.3	+4.9	-	+0.5	-
Profit	-106	283	331	+438	-	+48	117.1
Profit margin	-0.9	2.3	2.7	+3.6	-	+0.4	-

Note: SEIGAKUSHA has reviewed current trends in its performance and revised its consolidated forecast on February 10, 2022.

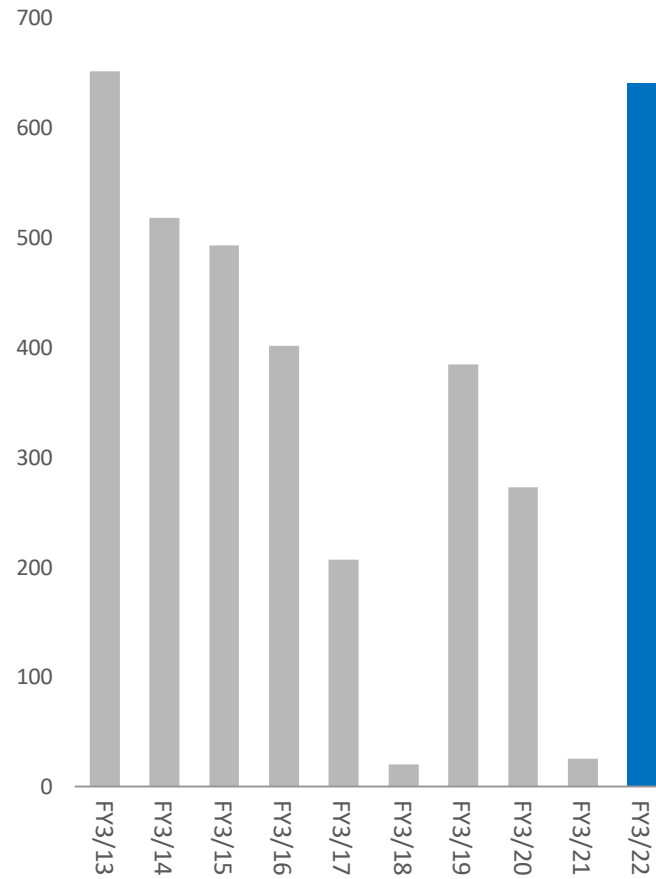
Financial Performance

(Millions of yen)

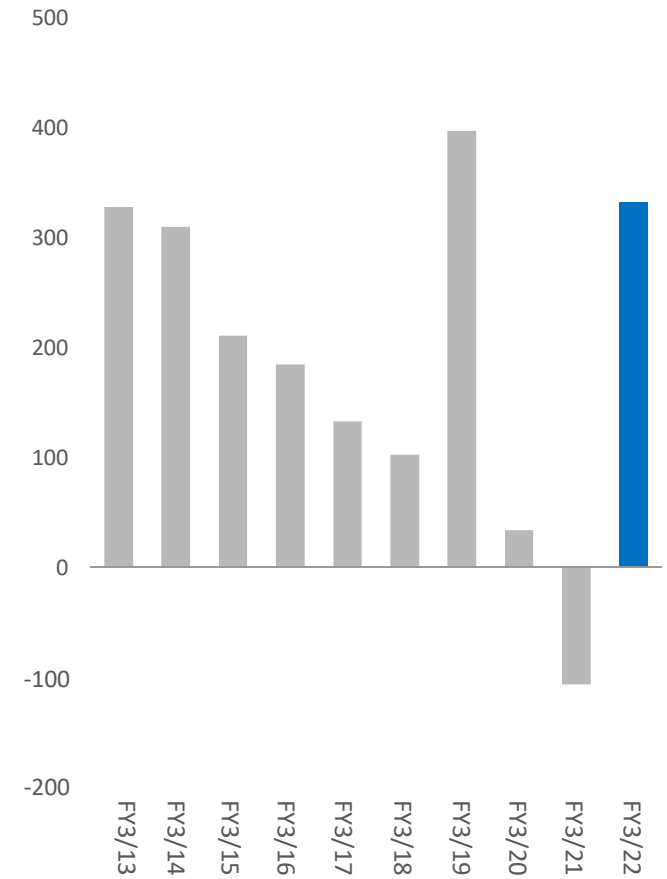
Net sales



Operating profit



Profit



Results of Operations

FY3/22 Results

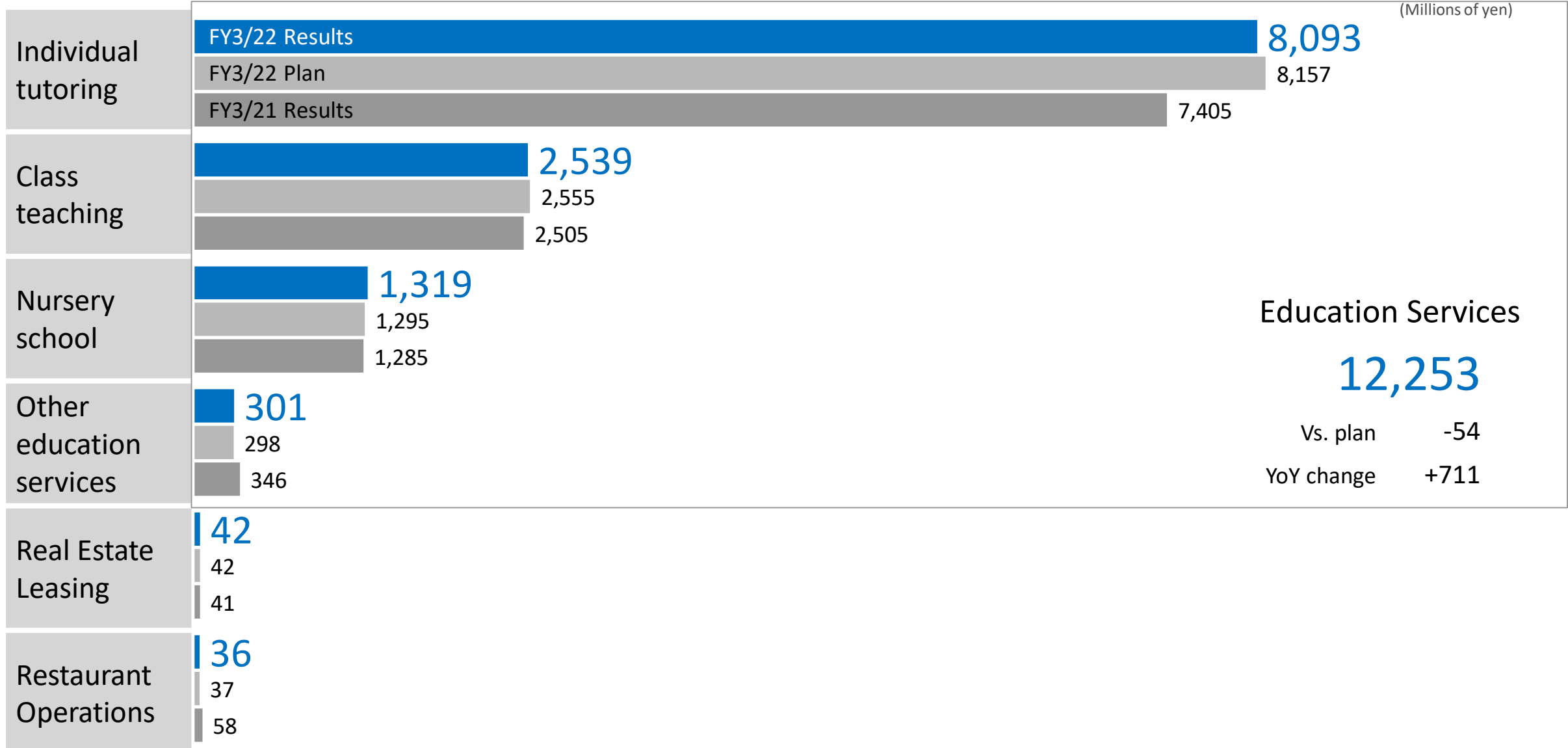
- Continuously emphasized “the ability to raise students’ university entrance exam scores,” which is a key strength of FreeStep. Increased the number of students by service improvements that included upgrades to the website for members.
- Big improvement in earnings as sales growth offset the increase in expenses.

FY3/23 Forecasts

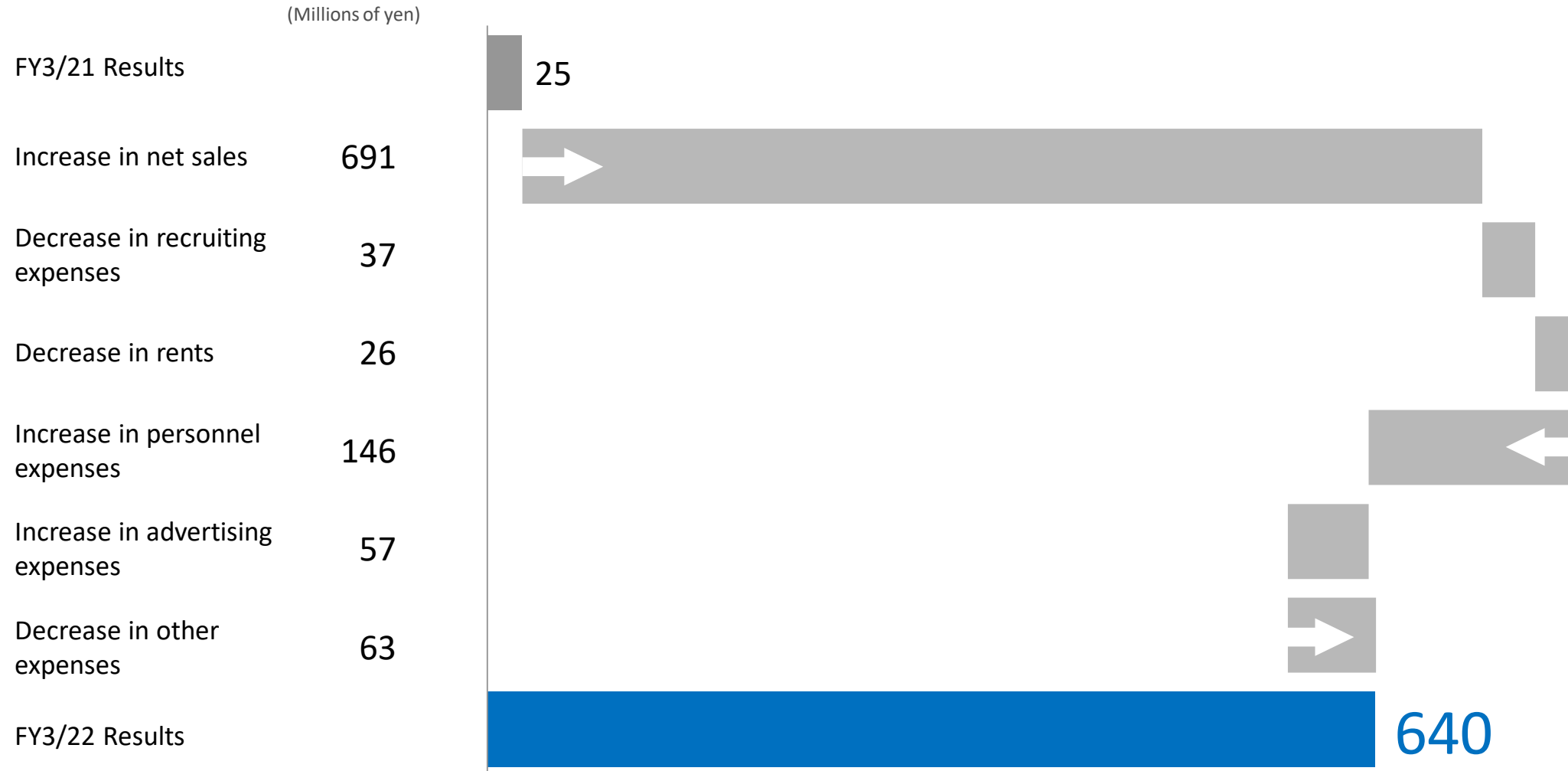
- The number of students continues to increase after recovering to the pre-pandemic level.
- Accelerated openings of FreeStep schools in the Tokyo Metropolitan area. Kept in close contact with parents to improve customer satisfaction.
- Kaisei Academy Japanese Language School started an online course to meet the diversifying needs of international students such as for advancing to higher education.

Business Segment Sales

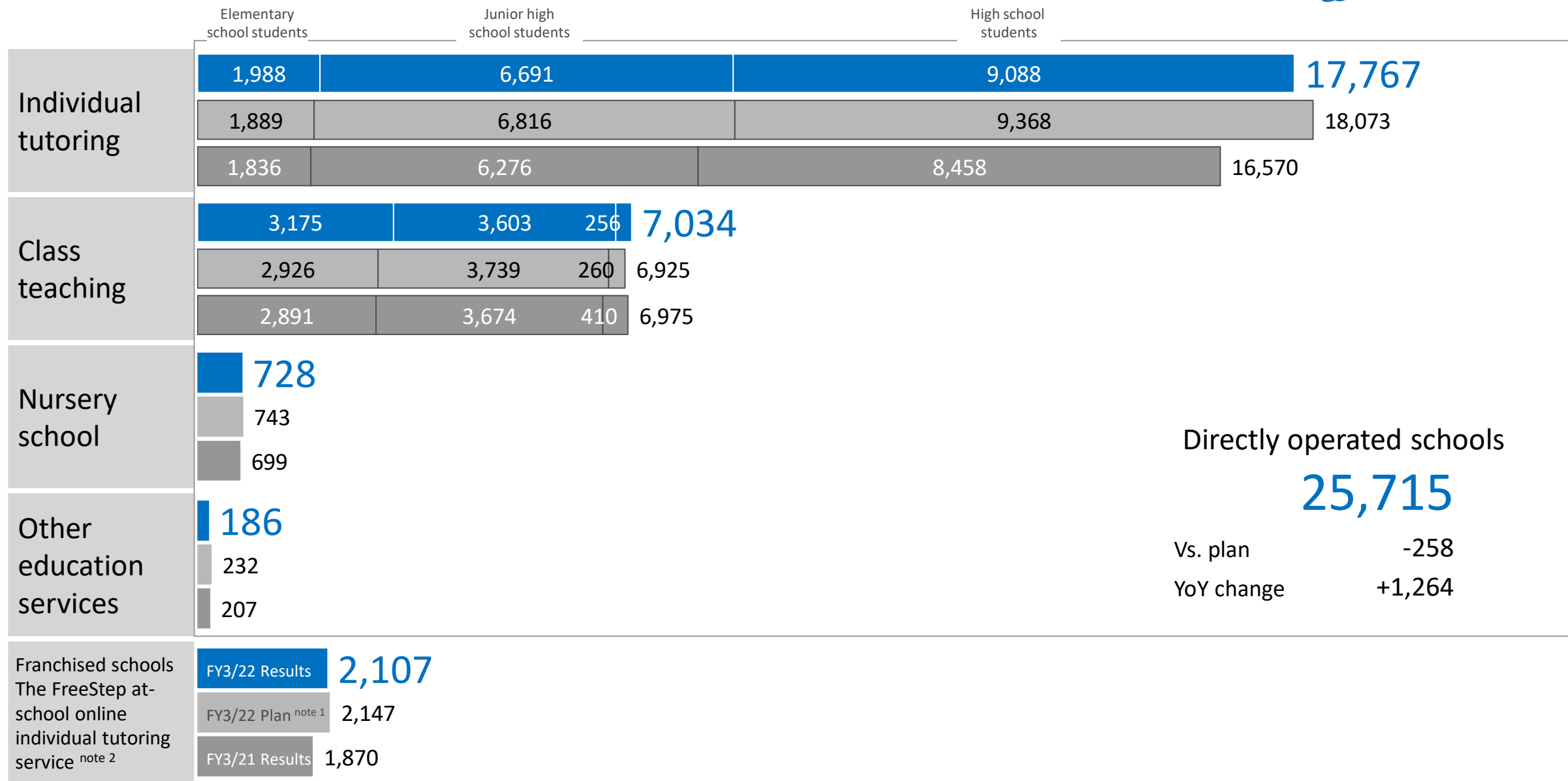
(Millions of yen)



Change in Operating Profit/Loss



Number of Students at SEIGAKUSHA Group Schools (As of Nov. 30, 2021)



Notes: 1. Based on initial forecasts announced on May 14, 2021. (The forecasts are revised on February 10, 2022)

2. The FreeStep at-school online individual tutoring service will no longer be categorized as a directly operated school beginning from FY3/22. The number of students in FY3/21 has been adjusted for consistency with this change.

Number of Schools

Directly operated schools:

284

(+7 Vs. end of FY3/21)

Franchised schools:

36

(+1 Vs. end of FY3/21)

	Directly operated schools	Number of directly operated schools for categories				Franchised schools
		Individual tutoring	Class teaching	Nursery school	Other education services	
Osaka	157	116	62	15	2	11
Tokyo	33	31	2	0	2	4
Hyogo	36	31	4	2	1	4
Kyoto	17	17	0	0	0	5
Shiga	25	19	15	0	0	1
Saitama	9	9	0	0	0	2
Nara	4	4	0	0	0	3
Chiba	2	2	0	0	0	1
Tokushima	0	0	0	0	0	5
Overseas	1	0	0	0	1	0
Total	284	229	83	17	6	36
Vs. end of FY3/21	+7	+6	-2	±0	+2	+1

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, 2022	Mar. 31, 2021	Change
Current assets	3,258	3,311	-53
Non-current assets	5,229	5,378	-148
Total assets	8,488	8,689	-201
Current liabilities	3,132	3,688	-555
Non-current liabilities	2,540	2,482	+57
Total liabilities	5,673	6,170	-497
Shareholders' equity	2,829	2,525	+303
Accumulated other comprehensive income	-13	-6	-7
Total net assets	2,815	2,519	+296
Total liabilities and net assets	8,488	8,689	-201

	FY3/22	FY3/21
Cash flows from operating activities	1,042	260
Cash flows from investing activities	-190	-380
Cash flows from financing activities	-748	126
Effect of exchange rate change on cash and cash equivalents	-5	-5
Net increase (decrease) in cash and cash equivalents	97	0
Cash and cash equivalents at beginning of period	1,368	1,368
Cash and cash equivalents at end of period	1,466	1,368

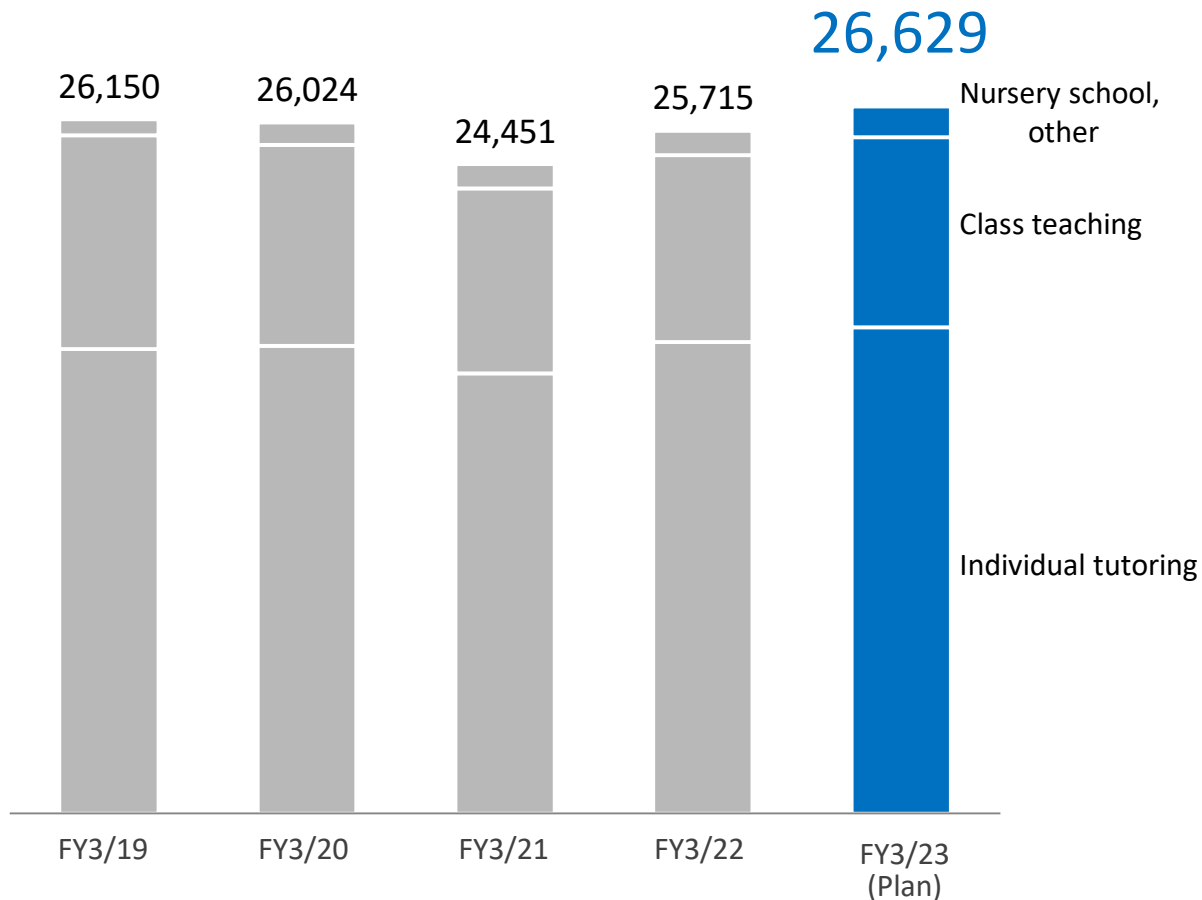
Earnings Forecasts

	1H				Full year			
	FY3/22 Results	FY3/23 Plan	YoY change	YoY (%)	FY3/22 Results	FY3/23 Plan	YoY change	YoY (%)
Net sales	5,764	5,902	+138	+2.4	12,333	12,756	+423	+3.4
Education Services	5,726	5,859	+132	+2.3	12,253	12,667	+413	+3.4
Individual tutoring	3,787	3,813	+25	+0.7	8,093	8,336	+243	+3.0
Class teaching	1,174	1,169	-4	-0.4	2,539	2,559	+20	+0.8
Nursery school	598	669	+71	+11.9	1,319	1,344	+24	+1.9
Other education services	166	206	+39	+23.9	301	426	+125	+41.6
Real Estate Leasing	21	19	-2	-9.4	42	38	-4	-9.4
Restaurant Operations	15	23	+7	+49.1	36	50	+13	+37.4
Operating profit	96	75	-21	-22.2	640	646	+5	+0.9
Operating margin	1.7	1.3	-0.4	-	5.2	5.1	-0.1	-
Ordinary profit	118	65	-52	-44.3	655	626	-29	-4.4
Ordinary margin	2.1	1.1	-0.9	-	5.3	4.9	-0.4	-
Profit	76	33	-42	-55.8	331	367	+35	+10.7
Profit margin	1.3	0.6	-0.8	-	2.7	2.9	+0.2	-

Earnings Forecasts

Number of students at the Group's directly operated schools

(As of November, which is normally when the number of students is highest)



Note: The directly operated schools are reclassified from FY3/22. The number of students in prior years has been adjusted for consistency with this change.

Number of schools at the end of FY3/23

(Numbers in parentheses represent the number of schools as of March 31, 2022)

Directly operated schools	289	(284)
Individual tutoring	235	(229)
Class teaching	81	(83)
Nursery school	17	(17)
Other education services	7	(6)
Franchised schools	44	(36)

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

Shareholder Distributions

Dividends

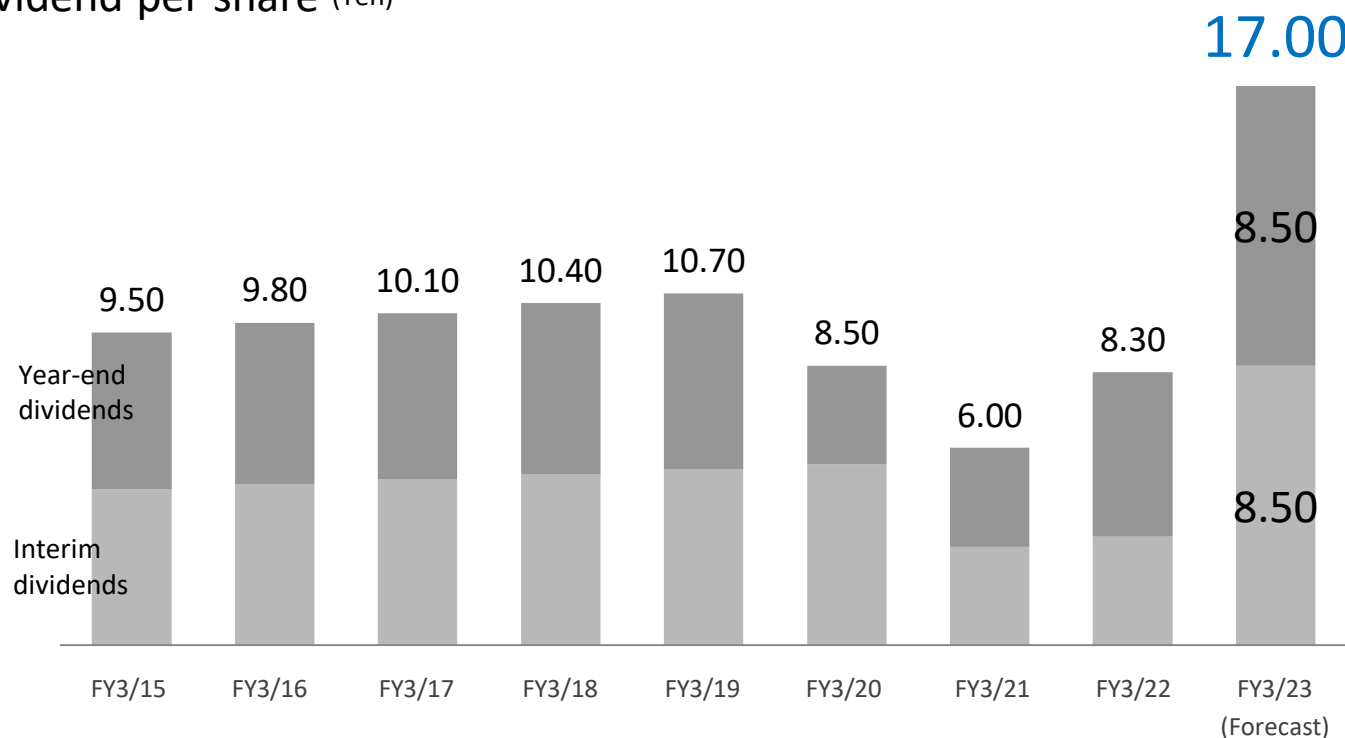
Pay a consistent and stable dividend while building a strong foundation that can support business operations for many years.

The policy is to increase the dividend while determining a payout ratio that reflects earnings.

Shareholder benefits

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

Dividend per share (Yen)



■ Eligible shareholders

Shareholders who hold at least one trading unit as of each record date

■ Record date

March 31

■ Benefits

All shareholders who hold at least one trading unit receive a 1,000 yen QUO card

Number of FreeStep Students Who Passed Entrance Exams



	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
National/public universities	174	206	228	265	279	310
Tokyo Big Four	4	11	7	27	23	38
GMARCH	10	31	20	51	106	72
Kansai Big Four	791	758	745	922	1,179	1,367

University acceptances demonstrate the effectiveness of FreeStep alone

- Normally, individual tutoring is for low scored students, resulting in a low pct. of passed exams.
- Most entrance exam preparation companies disclose entrance exam passing rates for the total of class teaching and individual tutoring.

Instructors are university students who know FreeStep's distinctive strengths

- University student instructors who themselves used FreeStep have a thorough understanding of the FreeStep unique tutoring system and teaching materials.
- Hiring former exam prep students makes it easy to give students and their parents an understanding of the advantages of FreeStep.

Increased the Pass Rate of Students Taking the W course at
FreeStep Individual Tutoring Institute Schools and Yozemi Satellite Exam Preparation School

Deviation score/Class	FreeStep only	Yozemi Satellite Exam Preparation School (W course)	Difference
Entrance exam pass rate - National/public universities			
S (ss 60.0+)	59.1%	60.0%	+0.9%
A (ss 57.5-59.9)	37.5%	61.8%	+24.3%
B (ss 55.0-57.4)	47.6%	68.3%	+20.7%
Entrance exam pass rate – Kansai Big Four universities			
S (ss 60.0+)	80.0%	87.2%	+7.2%
A (ss 57.5-59.9)	77.8%	83.7%	+5.9%
B (ss 55.0-57.4)	75.5%	76.3%	+1.2%

Use of Smartphones to Share Information about Lessons with Parents and Guardians

Note: April 2021 – Introduced My Step Log to all schools



My Step Log (詳細)

[学習内容]
1.2 通常

[科目・単元・学習範囲]

中学英語 関連教材 (1) ~ (3)

(1) Lodestar 中3 英語 東書(テキスト・ドリル・テスト)

単元 (1)
 名詞を修飾する文(関係代名詞の省略)

(1) P.94 ~ P.97

[配布物]
保護者面談 冬期講習前テスト

[遅刻 / 早退]
0分 / 0分

[宿題]
 winpass (P.100 ~ P.105)
単語テスト (P.281 ~ P.330)

[前回の宿題]
全てできた

[次回の単元]

次回の単元 (1)
 関係代名詞 (主格who)

(1) P.98 ~ P.101

[講師名]

[LAPテスト・確認テスト]

[名詞を修飾する文(関係代名詞の省略)]

LAPテスト				
設問	実施	正誤	部分点	配点
1①	済	○	0	2
1②	済	○	0	2
1③	済	○	0	2
2	済	○	0	2
3①	済	○	0	2
3②	済	○	0	2
合計 (点/配点)			12点	12点

My Step Log (詳細)

[学習内容]
1.2 通常

[科目・単元・学習範囲]

中学数学 関連教材 (1) ~ (2)

(1) Lodestar 数学 中2 (テキスト・プラス・ドリル)

(2) Winpass 数学 中2

単元 (1)
 1次関数のグラフ

(1) P.80 ~ P.83

(2) P.68 ~ P.71

[配布物]
学力テストのお知らせ

[遅刻 / 早退]
0分 / 0分

[宿題]
 Lodestar 数学 中2 (テキスト・プラス・ドリル) (P.84 ~ P.90)

[前回の宿題]
全てできた

[次回の単元]

次回の単元 (1)
 1次関数の式の求め方

(1) P.91 ~ P.95

(2) P.72 ~ P.77

[講師名]
成学 一郎

[Lapテスト・確認テスト]

[1次関数のグラフ]

Lapテスト

Lodestar 数学 中2 (テキスト・プラス・ドリル)

Winpass 数学 中2

設問	実施	正誤	部分点	配点
1①	済	○	0	1
1②	済	○	0	1
1③	済	○	0	1
2①	済	○	0	1
2②	済	○	0	1
2③	済	○	0	1
合計 (点/配点)			6点	6点

[講師コメント]
集中し授業に取り組んでいます。発展問題にも取り組みました。
間違ってしまった問題は、デジタルLapテストを使い復習しましょう。

閉じる

Kaisei Academy Japanese Language School Produced Successful Applicants to Elite Universities

Student E from Indonesia
 Admitted to Tokyo Institute of Technology,
 Dept. of Systems and Control Engineering
 Admitted to Kyoto Institute of Technology, Dept.
 of Materials Science
 (March 2022)

As many students in Indonesia study Japanese there is a certain level of demand from foreign students to study for advanced degrees in Japan.

Kaisei Academy Japanese Language School will continue to admit students wanting to study at institutions of higher learning in Japan.

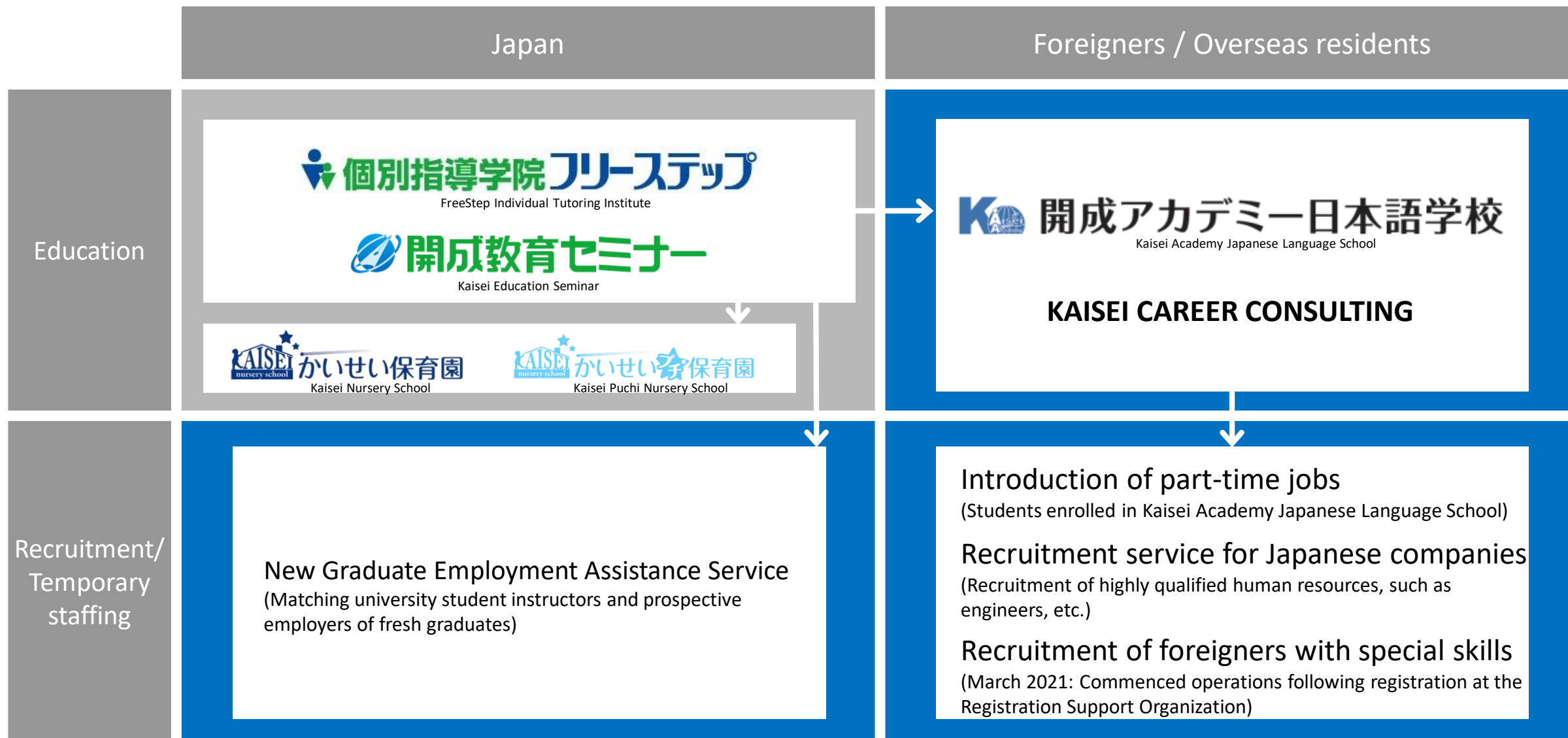
- 2002 Born in Pontianak, West Kalimantan
- 2019 Participated in the Indonesian National Science Olympiad, High School Mathematics Department, representing West Kalimantan and won the silver medal
- Jun. 2020 Graduated from Kristen Immanuel High School
- Oct. 2020 Arrived in Japan and joined the Kaisei Academy Japanese Language School, Osaka Umeda Branch
- Nov. 2021 Enrolled in the FreeStep class (Mathematics and Physics)

Number of students learning Japanese by country and region

2018 Rank	2015 Rank	Country	Number of students
1	1	China	1,004,625
2	2	Indonesia	709,479
3	3	South Korea	531,511
4	4	Australia	405,175
5	6	Thailand	184,962

Source: The Japan Foundation “Survey on Japanese-Language Education Abroad 2018”

Expand Business by Leveraging the Experience Gained in the Operation of Entrance Exam Preparation Schools



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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