

Results of Operations
for the First Half of the Fiscal Year Ending
March 31, 2023 (FY3/23)



Stock code: 2179

December 7, 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



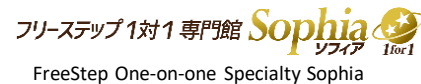
Mainly one instructor for every two students



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, %)

	1H FY3/22 Results	1H FY3/23 Plan	1H FY3/23 Results	YoY change	YoY (%)	Vs. plan	% achieved
Net sales	5,764	5,902	5,806	+41	+0.7	-96	98.4
Education Services	5,726	5,859	5,765	+38	+0.7	-93	98.4
Real Estate Leasing	21	19	19	-1	-7.3	+0	102.3
Restaurant Operations	15	23	20	+4	+30.8	-2	87.7
Operating profit	96	75	60	-35	-37.1	-14	80.8
Operating margin	1.7	1.3	1.0	-0.6	-	-0.2	-
Ordinary profit	118	65	56	-61	-51.9	-9	86.3
Ordinary margin	2.1	1.1	1.0	-1.1	-	-0.1	-
Profit	76	33	46	-30	-39.4	+12	136.9
Profit margin	1.3	0.6	0.8	-0.5	-	+0.2	-

1H FY3/23

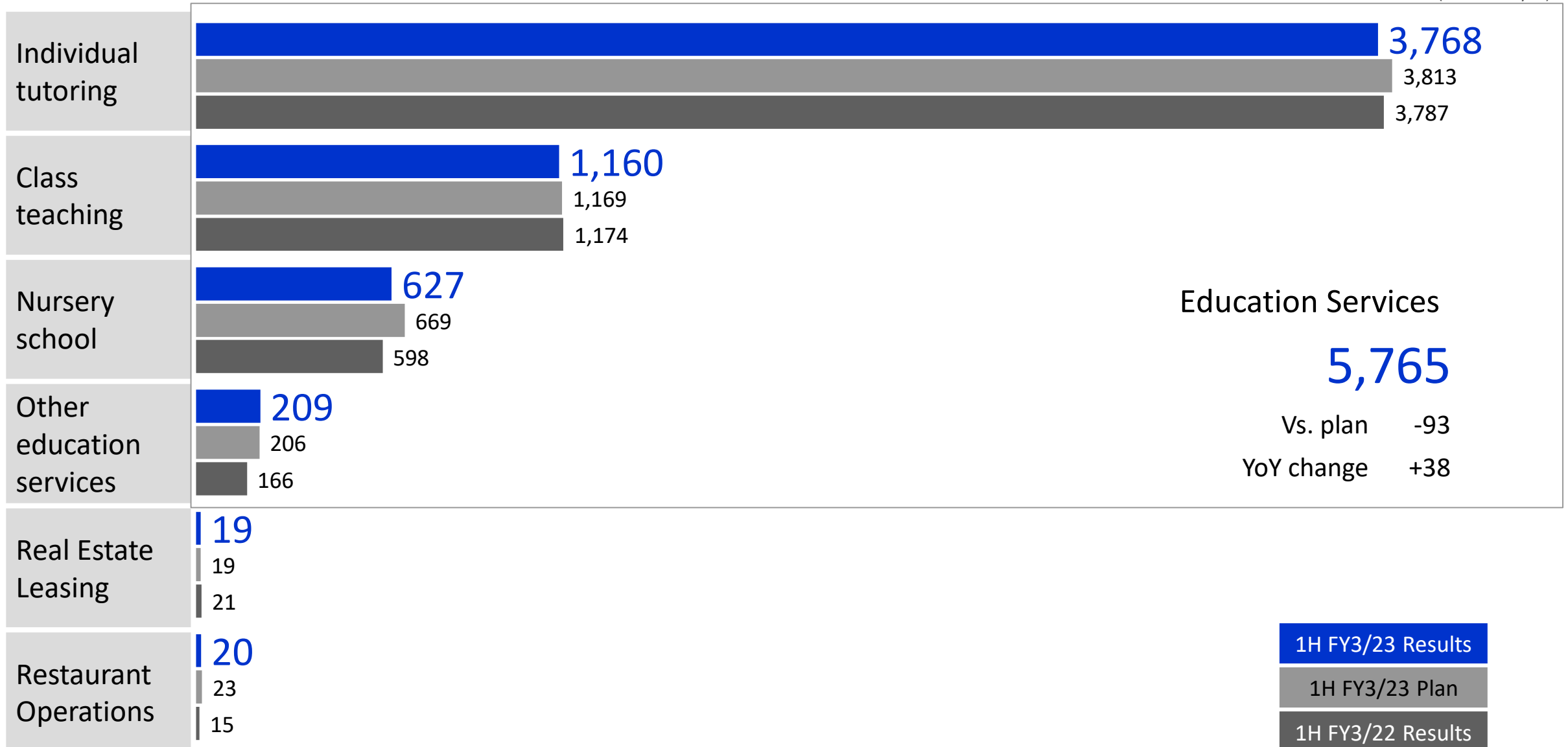
- The slow pace of student registrations brought down the contribution to sales of Yozemi Sateline Exam Preparation School.
- In the class teaching category, sales decreased because of lower summer training seminar sales and the seventh wave of the pandemic of COVID-19 .
- Sales in the nursery school and other categories were higher as subsidy income increased along with the number of nursery school students and the number of foreign students in Japan increased.
- Earnings were down because of higher expenses resulting from a large volume of advertising activity, the higher cost of electricity and other utilities, and other reasons.

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)



1H FY3/23 Results

1H FY3/23 Plan

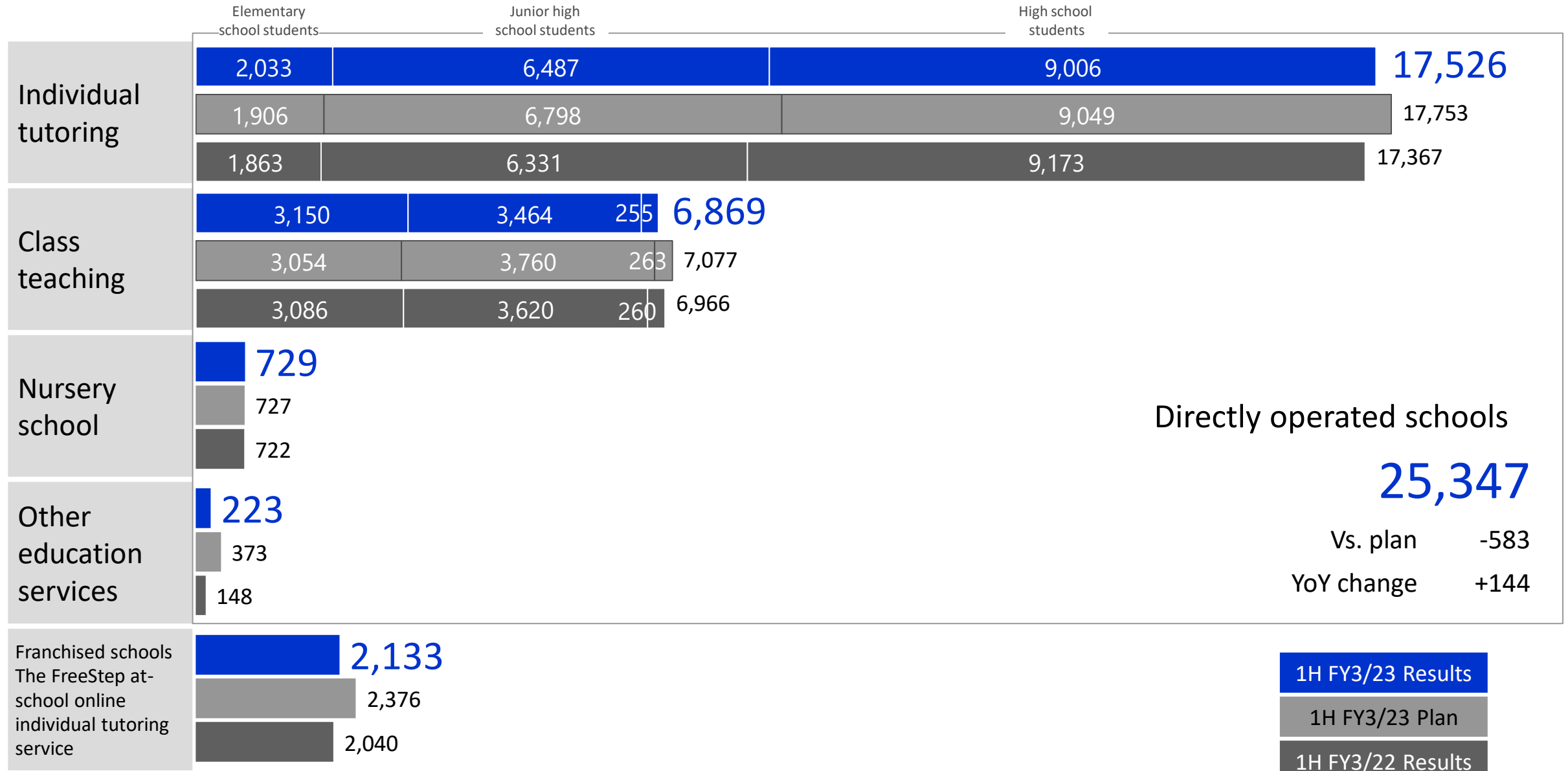
1H FY3/22 Results

Change in Operating Profit/Loss

(Millions of yen)



Number of Students at SEIGAKUSHA Group Schools (As of Sep. 30, 2022)



Number of Schools

Directly operated schools:

280

(-4 Vs. end of FY3/22)

Franchised schools:

40

(+4 Vs. end of FY3/22)

	Directly operated schools	Number of directly operated schools for categories				Franchised schools
		Individual tutoring	Class teaching	Nursery school	Other education services	
Osaka	153	114	62	15	2	13
Tokyo	33	31	2	0	2	5
Hyogo	36	31	4	2	1	4
Kyoto	16	16	0	0	0	6
Shiga	25	19	15	0	0	1
Saitama	10	10	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	280	227	83	17	6	40
Vs. end of FY3/22	-4	-2	±0	±0	±0	+4

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)

	Sep. 30, 2022	Mar. 31, 2022	Change
Current assets	2,813	3,258	-444
Non-current assets	5,274	5,229	+44
Total assets	8,088	8,488	-399
Current liabilities	2,689	3,132	-443
Non-current liabilities	2,558	2,540	+18
Total liabilities	5,248	5,673	-424
Shareholders' equity	2,847	2,829	+18
Accumulated other comprehensive income	-7	-13	+6
Total net assets	2,840	2,815	+24
Total liabilities and net assets	8,088	8,488	-399

	1H FY3/23	1H FY3/22
Cash flows from operating activities	-23	236
Cash flows from investing activities	-220	41
Cash flows from financing activities	52	-300
Effect of exchange rate change on cash and cash equivalents	3	0
Net increase (decrease) in cash and cash equivalents	-188	-23
Cash and cash equivalents at beginning of period	1,466	1,368
Cash and cash equivalents at end of period	1,278	1,345

Earnings Forecasts

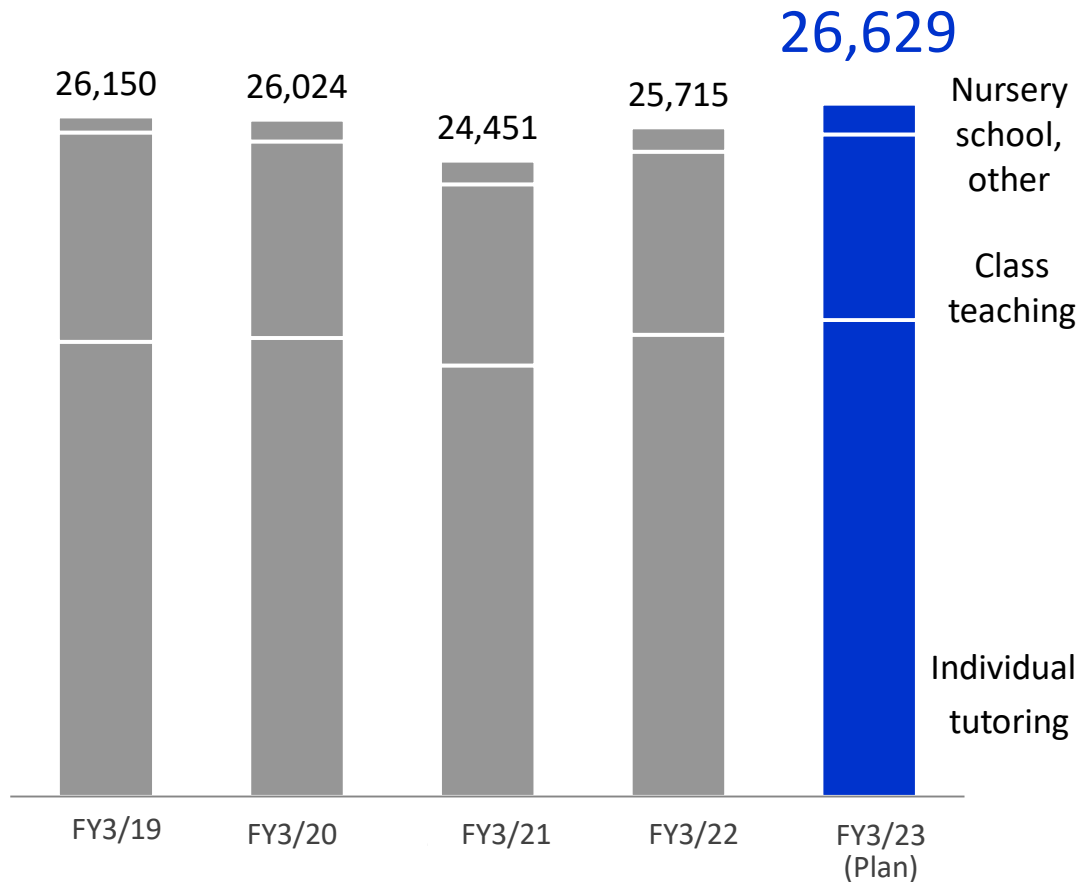
(Millions of yen, %)

	FY3/22 Results	FY3/23 Plan	YoY change	YoY (%)
Net sales	12,333	12,756	+423	+3.4
Education Services	12,253	12,667	+413	+3.4
Individual tutoring	8,093	8,336	+243	+3.0
Class teaching	2,539	2,559	+20	+0.8
Nursery school	1,319	1,344	+24	+1.9
Other education services	301	426	+125	+41.6
Real Estate Leasing	42	38	-4	-9.4
Restaurant Operations	36	50	+13	+37.4
Operating profit	640	646	+5	+0.9
Operating margin	5.2	5.1	-0.1	-
Ordinary profit	655	626	-29	-4.4
Ordinary margin	5.3	4.9	-0.4	-
Profit	331	367	+35	+10.7
Profit margin	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

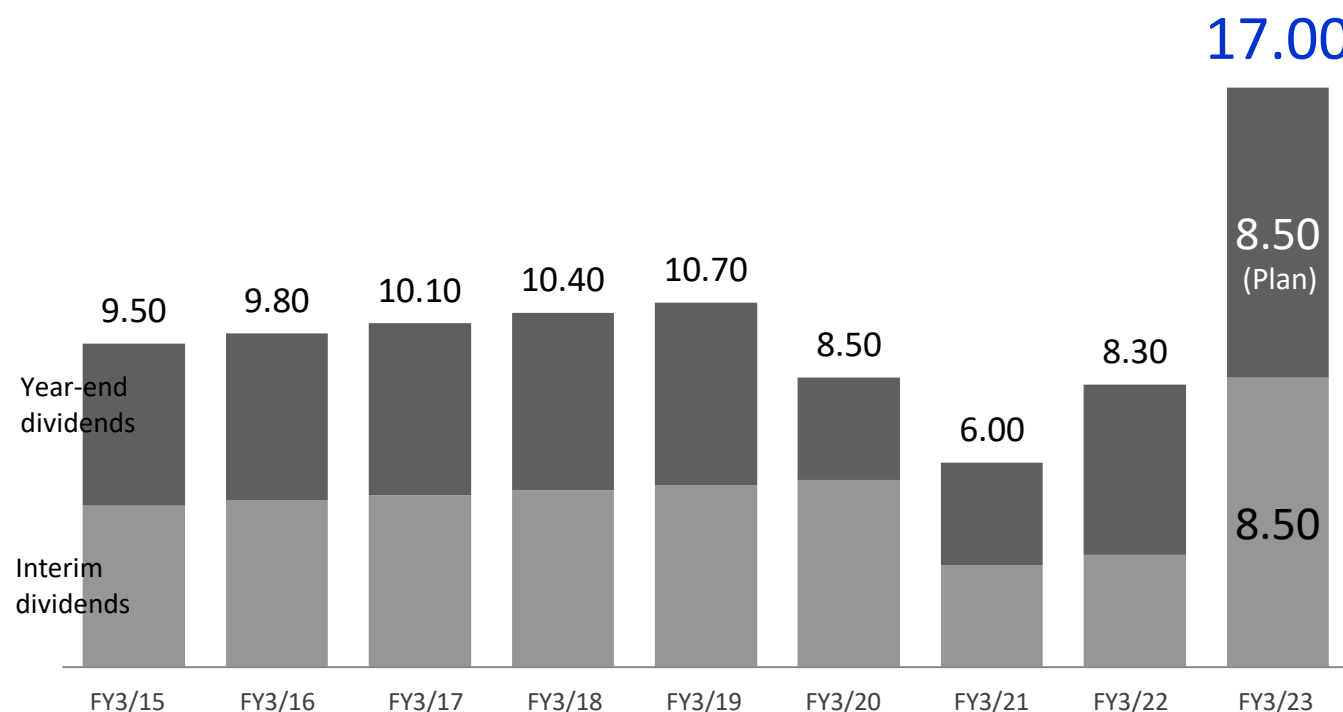
Pay a consistent and stable dividend while building a strong foundation that can support business operations for many years.

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

FreeStep's Outstanding Performance Earns "Juku" iid Award 2022



Awards are based on an entrance exam prep school customer satisfaction survey conducted by the Resemom education information website of IID, Inc. (October 19 to November 7, 2022). There were 6,988 valid responses via the internet from parents and guardians of elementary, junior high, high and graduates (university entrance exam) students.

FY2022	<p>Junior high school students/Individual tutoring Overall satisfaction: Grand Prize Category awards: Four categories Outstanding teaching materials, outstanding exam results, easy to understand lessons, outstanding information about entrance exams/advancement to higher education</p> <p>High school/university entrance exam students/Individual tutoring Overall satisfaction: Award for Excellence Category awards: two categories Outstanding student care, outstanding information about entrance exams/advancement to higher education</p>
Prior awards	<p>FY2016 High school/university entrance exams students/Individual tutoring Category awards: Outstanding instructors, easy to understand lessons</p> <p>FY2018 Junior high school students/Individual tutoring Category award: Outstanding information about entrance exams/advancement to higher education</p> <p>FY2019 Junior high school students/Individual tutoring Category award: Outstanding information about entrance exams/advancement to higher education</p> <p>FY2020 High school/university entrance exam students/Individual tutoring Category award: Outstanding information about entrance exams/advancement to higher education</p>

FreeStep's Outstanding Performance Earns "Juku" iid Award 2022

Junior high school students/Individual tutoring

High school/university entrance exam students/Individual tutoring

Grand Prize/Awarded in four categories

Award for Excellence/Awarded in two categories

中学生/個別指導

総合満足度

最優秀賞 個別指導学院フリーステップ

優秀賞 個別指導キャンパス

高校生・大学受験生/個別指導

総合満足度

最優秀賞 TOMAS

優秀賞 個別指導学院フリーステップ

部門賞

部門賞

- 👑 面倒見の良い塾 森塾
- 👑 講師が良い塾 明光義塾
- 👑 教材が良い塾 個別指導学院フリーステップ
- 👑 成績が上がる塾 個別指導学院フリーステップ
- 👑 授業がわかりやすい塾 個別指導学院フリーステップ
- 👑 子供が好きな塾 東京個別指導学院/関西個別指導学院
- 👑 授業料の満足度が高い塾 個別指導キャンパス
- 👑 受験・進学情報充実の塾 個別指導学院フリーステップ

- 👑 面倒見の良い塾 個別指導学院フリーステップ
- 👑 講師が良い塾 スクールIE
- 👑 教材が良い塾 スクールIE
- 👑 成績が上がる塾 スクールIE
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- 👑 受験・進学情報充実の塾 個別指導学院フリーステップ

FreeStep's Strong Performance in the University Entrance Exam Sector

Number of 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

Record-high
university
entrance exam
success

University acceptances demonstrate the effectiveness of FreeStep alone

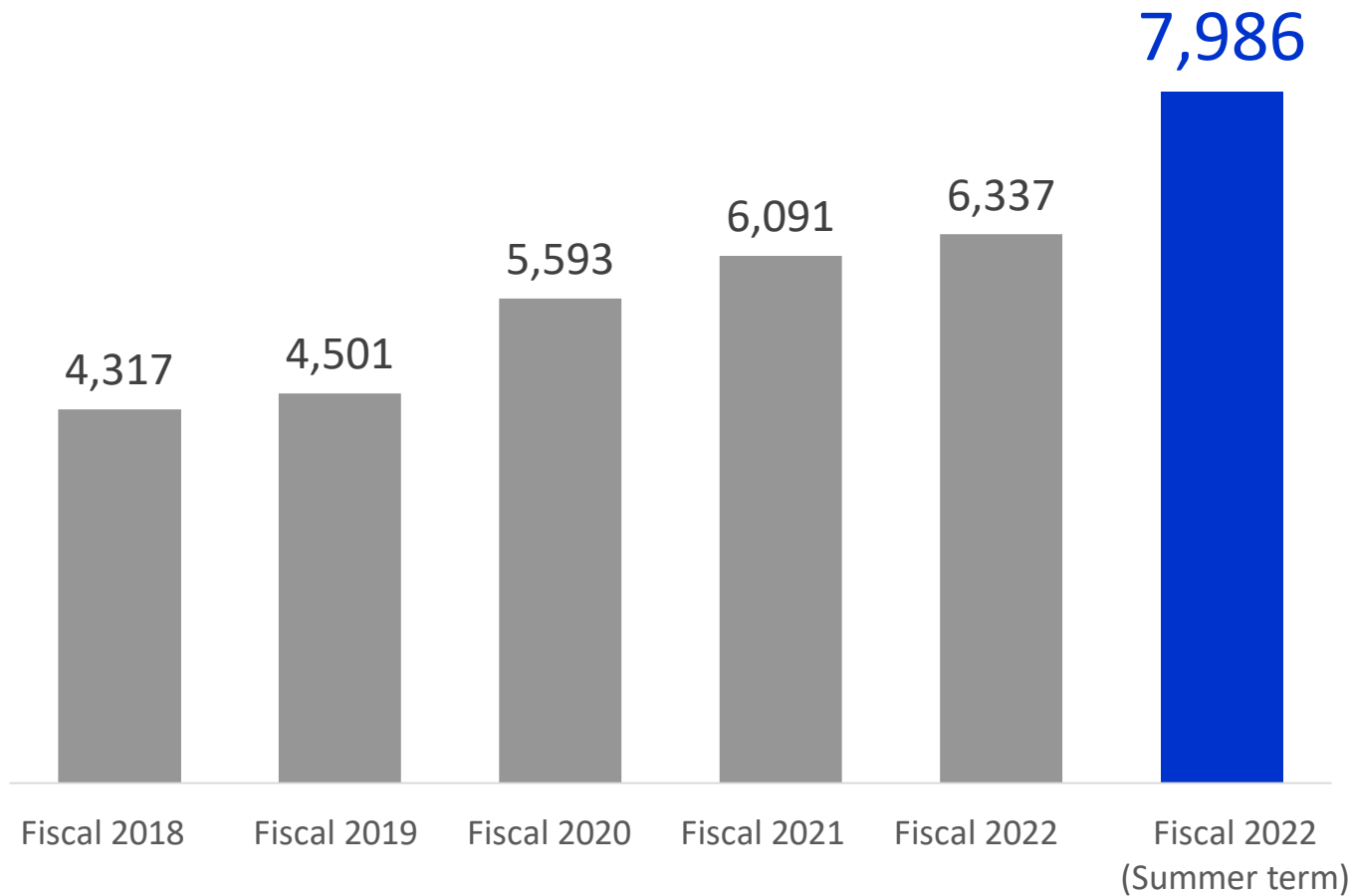
- Normally, individual tutoring is for low scored students, resulting in a low pct. of passed exams.
- Most entrance exam preparation companies disclose entrance exam passing rates for the total of class teaching and individual tutoring.

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.

FreeStep Improves Test Scores

Number of exam scores raising during FreeStep enrollment



FreeStep raised exam scores for a record-high number of students

FreeStep's Proven Ability to Raise Scores and Pass Entrance Exams

お近くの教室で好成績を残したみなさんです チラシ・HP掲載 点数アップ事例 **過去最多** 年間実績 **7,986** 件

2021年4月1日～2022年3月31日
15以上の点数上昇または80以上の得点を掲載の最低基準としています

<p>富田 奏成さん 豊中駅前教室 【豊中市立第十三中学校2年生】 教科:英語</p> <p>17点UP!</p> <p>2年 2学期期末 3年 3学期期末</p>	<p>湯本 大さん 三國駅前教室 【高槻1年生】 教科:数学I</p> <p>39点UP!</p> <p>1年 2学期期末 2年 2学期期末</p>	<p>出来田 深愛さん 庄内駅前教室 【大阪府立経高専学校1年生】 教科:数学I</p> <p>21点UP!</p> <p>1年 2学期期末 2年 2学期期末</p>	<p>鈴木 優奈さん 庄内駅前教室 【豊中市立第十二中学校2年生】 教科:数学I</p> <p>36点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>	<p>築瀬 瑛人さん 豊中駅前教室 【豊中市立第五中学校1年生】 教科:数学・英語</p> <p>高得点獲得!</p> <p>1年 2学期期末 1年 3学期期末 195点</p>	<p>浦彩乃さん 三國駅前教室 【大阪市立三國中学校3年生】 教科:数学</p> <p>17点UP!</p> <p>3年 2学期中程 2年 2学期期末</p>
<p>小島 咲也さん 三國駅前教室 【高槻2年生】 教科:数学B</p> <p>34点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>	<p>小林 幹大さん 庄内駅前教室 【大阪府立千早高等学校1年生】 教科:数学A</p> <p>34点UP!</p> <p>1年 2学期期末 2年 2学期期末</p>	<p>藤塚 睦希さん 三國駅前教室 【美咲学園高等学校2年生】 教科:3科目</p> <p>89点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>	<p>福石 朔太郎さん 桃山台教室 【大阪市立竹見台中学校1年生】 教科:数学・英語</p> <p>高得点獲得!</p> <p>3年 3学期中程 3年 3学期期末 181点</p>	<p>宮崎 陽生さん 庄内駅前教室 【大阪府立経高専学校1年生】 教科:数学A</p> <p>31点UP!</p> <p>1年 2学期中程 1年 3学期期末</p>	<p>佐竹 晏史さん 緑丘教室 【中学校2年生】 教科:英語</p> <p>15点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>
<p>木本 彩香さん 豊中駅前教室 【豊中市立第十八中学校2年生】 教科:理科</p> <p>26点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>	<p>村田 壮樹さん 庄内駅前教室 【豊中市立第七中学校2年生】 教科:数学</p> <p>17点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>	<p>前田 充輝さん 三國駅前教室 【中学校3年生】 教科:英語</p> <p>高得点獲得!</p> <p>3年 3学期中程 3年 3学期期末 85点</p>	<p>八木 香澄さん 庄内駅前教室 【大阪府立東淀川高等学校2年生】 教科:英語</p> <p>20点UP!</p> <p>2年 2学期中程 2年 3学期期末</p>	<p>清水 健斗さん 緑丘教室 【豊中市立第一中学校2年生】 教科:数学</p> <p>高得点獲得!</p> <p>2年 2学期中程 2年 3学期期末 88点</p>	<p>井野口 拓海さん 豊中駅前教室 【中学校3年生】 教科:数学</p> <p>82点</p> <p>3年 2学期中程 2年 2学期期末</p>
<p>山本 優心さん 緑丘教室 【大阪府立経高専学校2年生】 教科:英語表現II</p> <p>20点UP!</p> <p>2年 2学期中程 2年 3学期期末</p>	<p>佐海 陽菜さん 三國駅前教室 【中学校3年生】 教科:社会</p> <p>22点UP!</p> <p>3年 2学期中程 3年 3学期期末</p>	<p>立山 拓輝さん 三國駅前教室 【大阪市立三國中学校3年生】 教科:国語</p> <p>高得点獲得!</p> <p>3年 3学期中程 3年 3学期期末 83点</p>	<p>安川 和花さん 豊中駅前教室 【豊中市立第十八中学校3年生】 教科:社会</p> <p>高得点獲得!</p> <p>3年 3学期中程 3年 3学期期末 80点</p>	<p>福岡 真白さん 旭丘教室 【豊中市立第十七中学校1年生】 教科:数学</p> <p>24点UP!</p> <p>1年 2学期中程 1年 3学期期末</p>	<p>高濱 友那さん 緑丘教室 【豊中市立第二中学校2年生】 教科:数学</p> <p>22点UP!</p> <p>2年 2学期中程 2年 2学期期末</p>

実績! 結果に応じて各種有名私立校中!

3校のみの合格実績

67名

72名

138名

378名

立命館大学
中央大学
関西大学
近畿大学

A FreeStep advertisement that was distributed with newspapers in the Kansai area on July 4, 2022 featured messages from former FreeStep students.

お近くの教室で好成績を残したみなさんです

チラシ・HP掲載 点数アップ事例 過去最多 年間実績 7,986 件

関西同立大 1,367名

国公立大 310名

難関大 2,473名

関西8大学大研究 2022年7月10日

フリーステップの先輩からメッセージ

フリーステップは、大阪府立経高専学校に在学中に256名が合格

フリーステップ 0120-179-021

新聞掲載記事のスクリーンショット

フリーステップの先輩からメッセージ

フリーステップは、大阪府立経高専学校に在学中に256名が合格

フリーステップ 0120-179-021

FreeStep's Proven Ability to Raise Scores and Pass Entrance Exams



合格おめでとう! 個別指導塾単独でこの実績! 教室内にて合格者名簿公開中!

2022年度フリーステップ生のみ合格実績

6年連続増加中!
国公立大 310名

4年連続 過去最多を更新!
関関同立 1,367名

産近甲龍 2,473名

早慶上理 38名

GMARCH 72名

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A FreeStep advertisement that was distributed with newspapers in the Kansai area on July 4, 2022 featured messages from former FreeStep students.

フリーステップには一人ひとりに合った「最適が全部」揃っているから!

システム 授業情報 プランニング システム 品質管理 学習環境

フリーステップの先駆者からメッセージ

2022年7月10日

フリーステップは、大阪・兵庫・奈良・和歌山・徳島・香川・岡山・広島に256校あり

フリーステップ ☎0120-179-021

"My Step Log" - Use of Smartphones to Share Information about Lessons with Parents and Guardians



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

よたいへん
まじりました

[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。

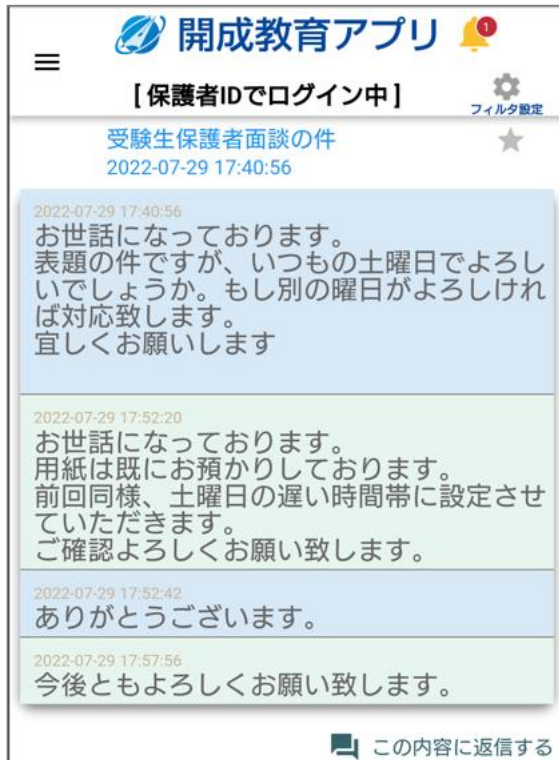
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Stronger Lines of Communication Between Schools and Parents

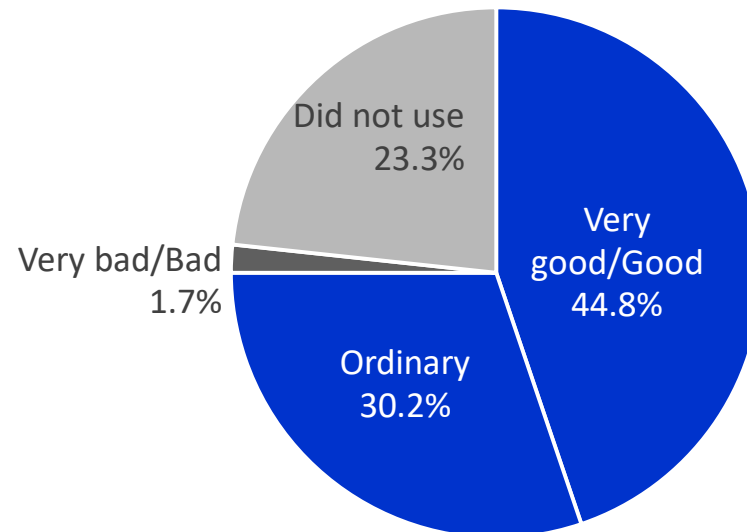


A new app for communications between schools and parents/guardians

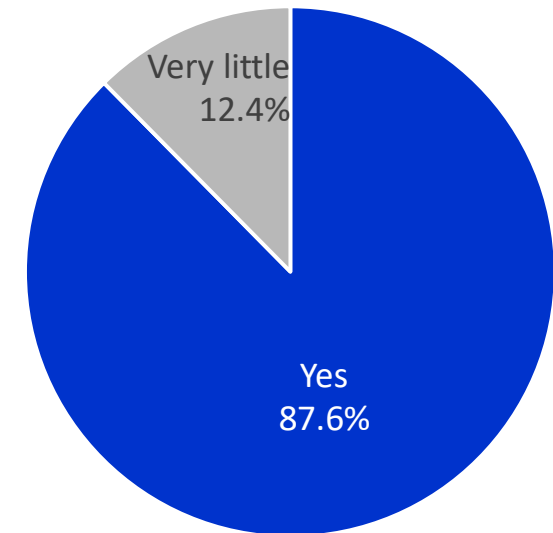
- Used for discussions about late or absent students
- Easier communications with parents difficult to contact by phone



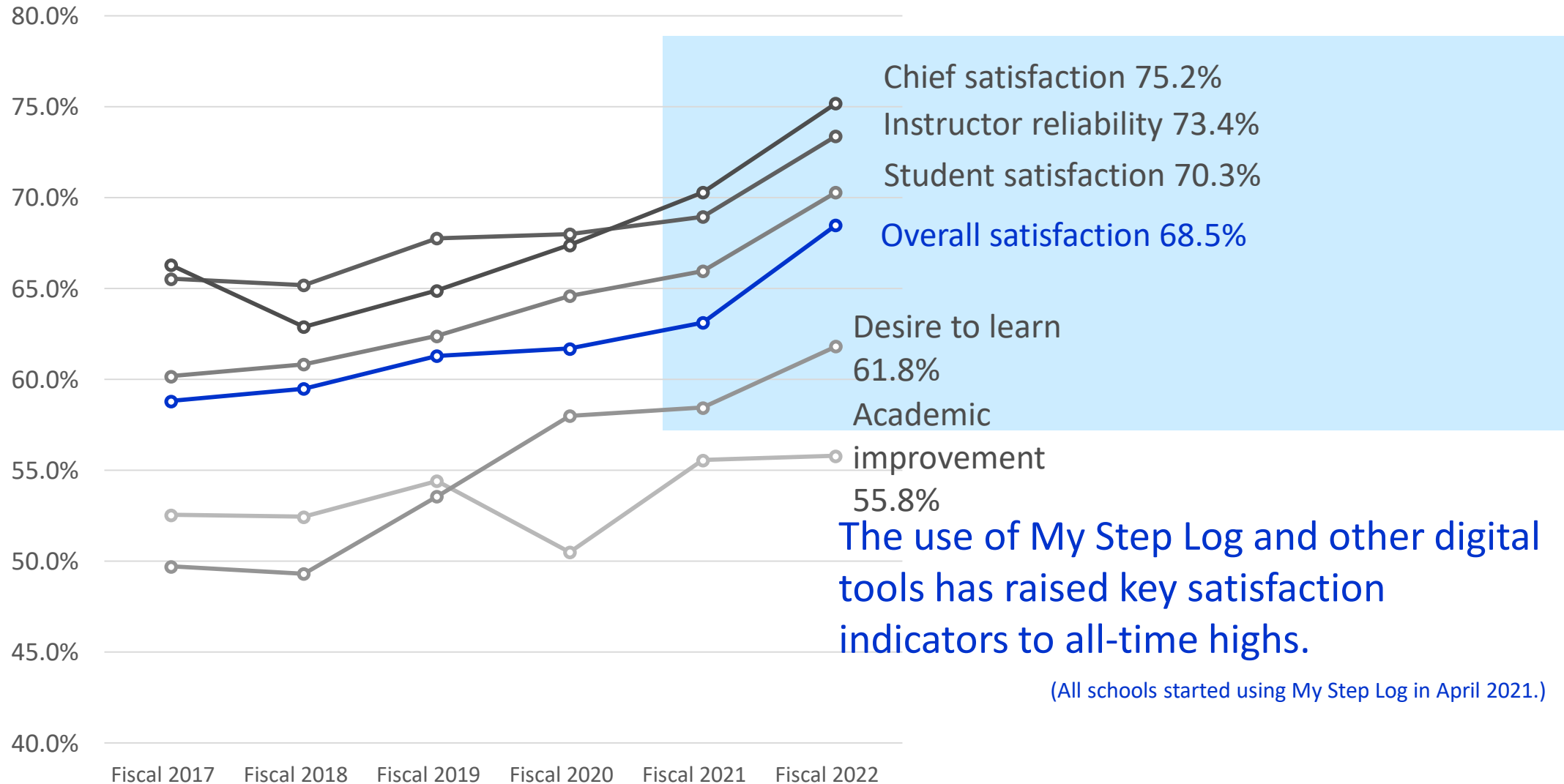
Parents
Impression of Renraku



Schools
Utilization of Renraku



Record-high Parent Satisfaction Thanks to the Use of Digital Tools



Results of Fiscal 2022 FreeStep survey of parents (June 21-Aug. 31, 2022); 3,484 replies (22.4% response rate)

A certification test started in April 2022 as part of the expert instructor program

Qualifications of FreeStep expert instructors

Expert instructors require outstanding capabilities in the classroom along with sound character and skills regarding business manners and communication with others as a member of society.

To receive the expert designation, instructors must pass our own certification test that confirms their skills and other characteristics.

Roles

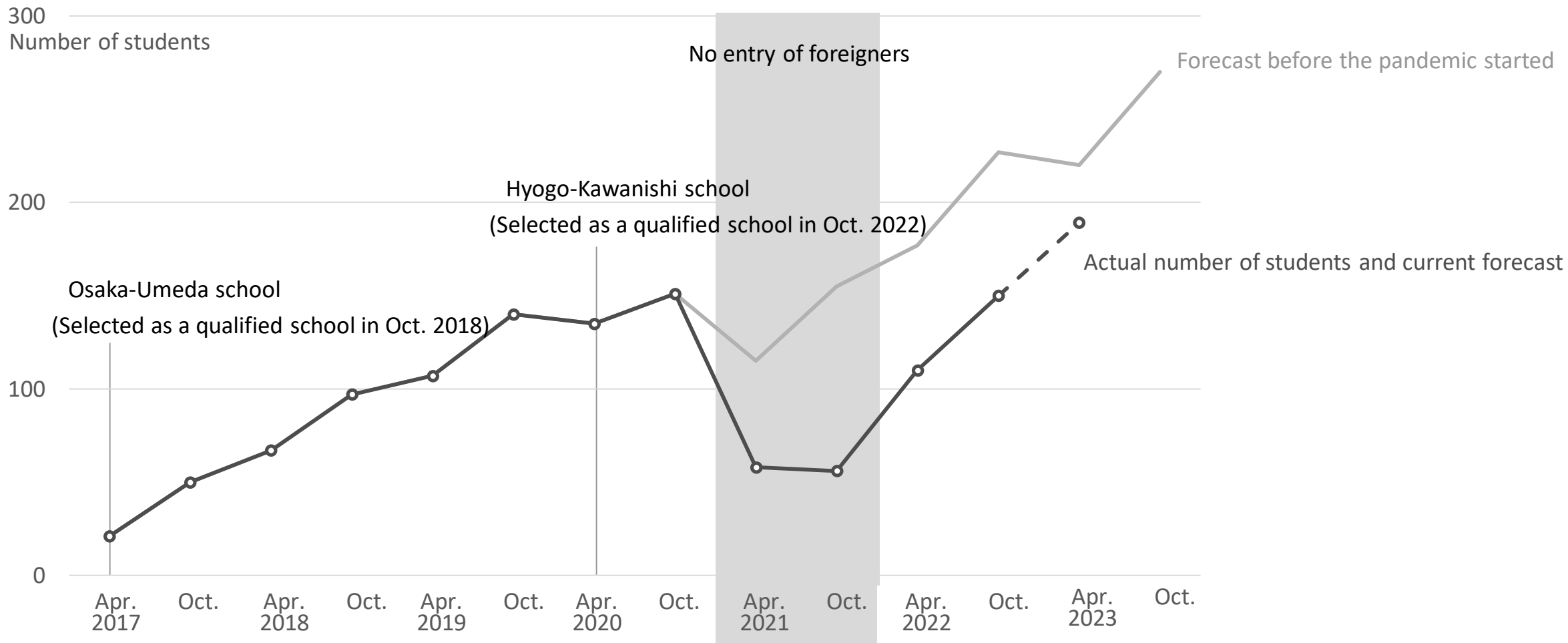
Attendance at meetings with parents

Assistance for new and less experienced instructors

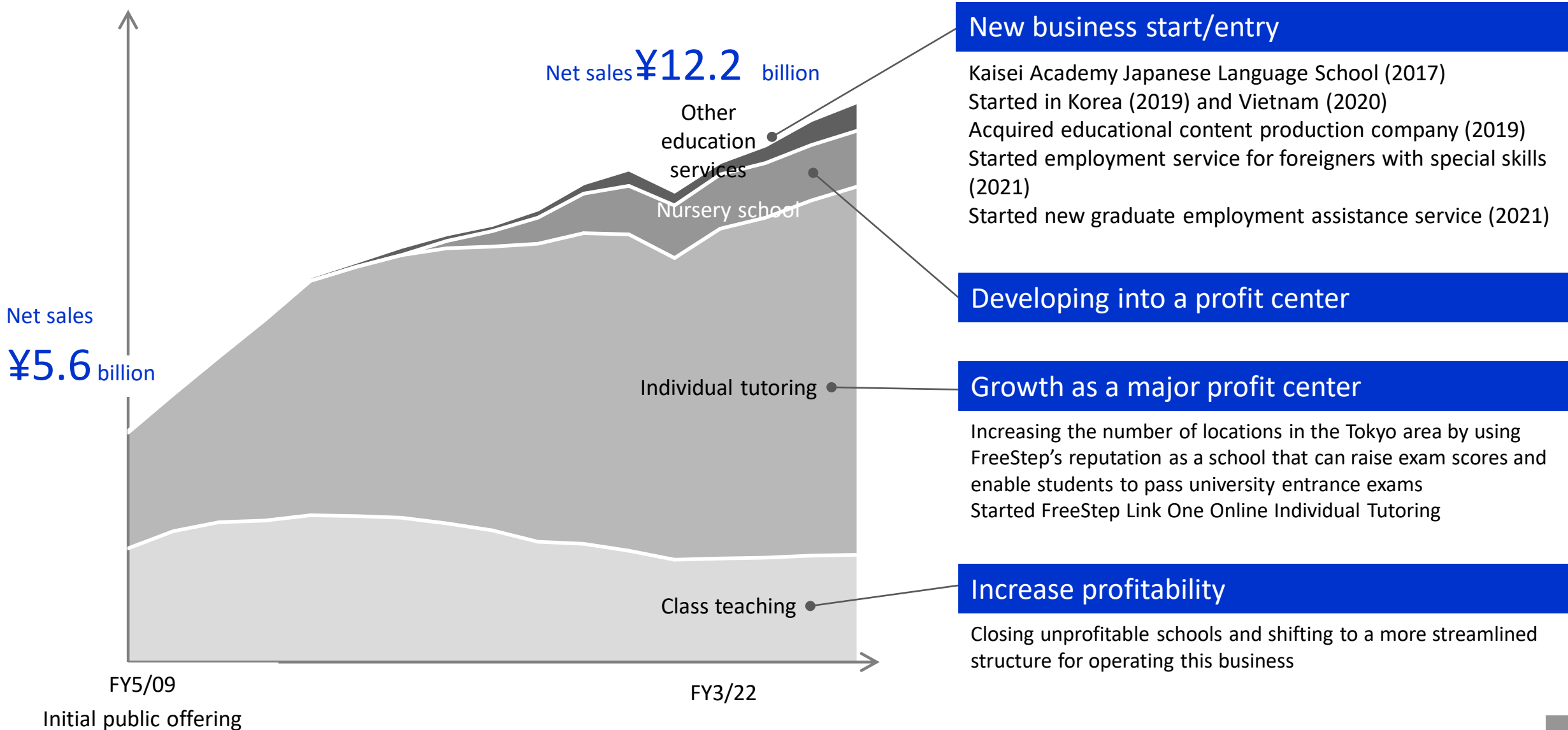
FreeStep Link One Online Individual Tutoring

	Request for online lessons	Only online lessons FreeStep Link One Online Individual Tutoring	Online/Face-to-face lessons FreeStep 2-Way
Instructor	Request for graduate of elite university	<ul style="list-style-type: none"> • Graduate of elite university • Mainly national-public university/Waseda-Keio 	<ul style="list-style-type: none"> • Mainly national-public university/Kansai Big Four
Format	Request for one-to-one	<ul style="list-style-type: none"> • 1:1 	<ul style="list-style-type: none"> • 1:1 or 1:2
Time	Not too long	<ul style="list-style-type: none"> • 40 minutes 	<ul style="list-style-type: none"> • 80 minutes
Frequency	Request for short time	<ul style="list-style-type: none"> • Monthly tuition (one course/once each week) • No. of lessons (one course/4 times during period) 	<ul style="list-style-type: none"> • One course/once each week • Seasonal classes also available
Instructor meetings	Worried about insufficient communication	<ul style="list-style-type: none"> • Monthly feedback meeting with instructor 	<ul style="list-style-type: none"> • Any time during a face-to-face lesson (No need to determine a specific time)
Tutoring materials	Request for online materials	<ul style="list-style-type: none"> • Electronic textbook, etc. 	<ul style="list-style-type: none"> • Paper textbook, etc.

A slow recovery as Japan reduces restrictions on the entry of foreigners



Growth Backed By Exam Prep School Expertise



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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