

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2026
(Six Months Ended September 30, 2025)

[Japanese GAAP]

Company name: SEIGAKUSHA CO., LTD. Listing: Tokyo Stock Exchange
 Stock code: 2179 URL: <https://www.kaisei-group.co.jp/>
 Representative: Hiroshi Nagai, Representative Director and President
 Contact: Kazuyuki Yamamoto, Director, General Manager of Corporate Planning Department
 Tel: +81-6-6373-1571

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Scheduled date of payment of dividends: December 5, 2025

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025

(April 1, 2025– September 30, 2025)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2025	7,066	8.1	167	41.8	159	47.3	72	(2.3)
Six months ended Sep. 30, 2024	6,539	8.4	118	20.1	108	10.0	74	76.5

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2025: 70 (down 13.3%)

Six months ended Sep. 30, 2024: 81 (up 91.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2025	13.09	—
Six months ended Sep. 30, 2024	13.40	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2025	9,367	3,877	41.4
As of Mar. 31, 2025	9,472	3,859	40.7

Reference: Equity (million yen) As of Sep. 30, 2025: 3,877 As of Mar. 31, 2025: 3,859

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	—	9.50	—	9.50	19.00
Fiscal year ending Mar. 31, 2026	—	11.00			
Fiscal year ending Mar. 31, 2026 (forecast)			—	11.00	22.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	15,200	6.4	826	6.2	805	6.1	429	(6.9)	77.44

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly added: – Excluded: –

(2) Application of special accounting methods for presenting semi-annual consolidated financial statements:
None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of shares issued at the end of period (including treasury shares)

As of Sep. 30, 2025:	5,876,000 shares	As of Mar. 31, 2025:	5,876,000 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2025:	328,102 shares	As of Mar. 31, 2025:	328,102 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2025:	5,547,898 shares	Six months ended Sep. 30, 2024:	5,547,898 shares
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* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the SEIGAKUSHA's management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, Etc., (3) Consolidated Forecast and Other Forward-looking Statements" on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations, Etc.

(1) Results of Operations

The SEIGAKUSHA Group meets a broad array of education and childcare needs as an education organization centered on education and childcare services extending from pre-school children to adults. In addition to the FreeStep Individual Tutoring Institute, which is our major branded tutoring school, the Group operates Kaisei Education Seminar entrance exam preparation schools that provide class teaching, Kaisei Nursery School certified nursery schools, and Kaisei Academy Japanese Language School for foreign students in Japan.

Consolidated net sales for the first half were 7,066 million yen, 8.1% higher than for the same period of the previous fiscal year. Operating profit was 167 million yen, 41.8% higher than for the same period of the previous fiscal year, ordinary profit was 159 million yen, 47.3% higher than for the same period of the previous fiscal year, and profit attributable to owners of parent was 72 million yen, 2.3% lower than for the same period of the previous fiscal year due to impairment losses of 26 million yen recognized as extraordinary losses.

Business segment performance was as follows.

1) Education services

Number of Students at SEIGAKUSHA Group Schools (Note)

Category	September 30, 2024	September 30, 2025	Change
Individual tutoring	18,905	19,872	Up 5.1%
Class teaching	6,345	5,990	Down 5.6%
Nursery schools	737	743	Up 0.8%
Other education services	423	551	Up 30.3%
Total	26,410	27,156	Up 2.8%

Note: The number of students is only for examination preparation schools and other education services locations operated by the SEIGAKUSHA Group and does not include students at franchised schools.

In the individual tutoring category, the number of students increased. The major reason was continuous marketing activities emphasizing the ability to raise scores and pass university entrance exams, which is a key strength of FreeStep Individual Tutoring Institute, the primary brand in this category, which helped make a difference from competitors. The increasing number of students was also attributable to the strengthening of web advertising activities to increase the number of students. In the class teaching category, the number of students decreased due to the low enrollment for Summer Classes. In the other education services category, the number of students increased due to the strong enrollment of new students at the Japanese Language School.

Number of Schools

Category	March 31, 2025	Increase	Decrease	September 30, 2025
Individual tutoring	230	2	4	228
Class teaching	70	0	0	70
Nursery schools	17	0	0	17
Other education services	5	0	0	5
Directly operated schools	277	2	2	277
Franchised schools	50	2	1	51

Note: The total number of schools in each category does not match the number of directly operated schools because some schools provide two or more categories of education services.

During the first half, the number of directly operated schools increased by one newly opened directly operated school in Tokyo and one school in Osaka that was converted to a directly operated school, and decreased by two schools in Tokyo that were converted to franchised schools.

In the franchised school category, the number of franchised schools increased by two schools that were converted to franchise operations and decreased by one school that was converted to a directly operated school.

Segment sales and earnings

Sales in the entrance exam preparation schools category increased year on year mainly thanks to an increase in the number of students as well as strong enrollments in Summer Classes in the individual tutoring category, and contribution of Ichie-Juku Co., Ltd., which became a consolidated subsidiary, as well as strong enrollments in optional classes in the class teaching category. In the nursery school category, sales increased due to the increased benefits associated with the revision of official prices. In the other education service category, sales increased mainly due to the increased number of students at Kaisei Academy Japanese Language School, as well as strong advertising-related orders taken by a subsidiary.

Expenses in this segment increased mainly because of higher personnel expenses resulting from the improved compensation for employees and the increase in the number of staff to accommodate increased students, as well as higher advertising and marketing expenses resulting from the implementation of advertising to increase student enrollment ahead of last year's schedule.

Consequently, segment sales increased by 8.1% from one year earlier to 7,015 million yen, with the sales growth offsetting the increase in expenses. As a result, segment profit (operating profit) increased 30.5% from one year earlier to 185 million yen.

2) Real estate leasing

Due to a decrease in the number of tenants, segment sales decreased 4.3% from one year earlier to 20 million yen, while segment profit (operating profit) decreased by 1.9% to 11 million yen.

3) Restaurant operations

Mainly due to price revisions, segment sales increased by 1.5% from one year earlier to 31 million yen, and segment loss (operating loss) was 3 million yen, compared with segment loss (operating loss) of 3 million yen for the same period of the previous fiscal year.

(2) Financial Position

1) Assets, Liabilities and Net assets

Total assets at the end of the second quarter of the current fiscal year decreased by 104 million yen, or 1.1%, from the end of the previous fiscal year to 9,367 million yen. Current assets decreased by 75 million yen, or 2.0%, from the end of the previous fiscal year to 3,772 million yen. This was attributable mainly to decreases of 168 million yen in accounts receivable and contract assets and 50 million yen in accounts receivable-other included in other under current assets, which were partly offset by an increase of 148 million yen in cash and deposits. Non-current assets decreased by 29 million yen, or 0.5%, from the end of the previous fiscal year to 5,594 million yen. This was attributable mainly to decreases of 18 million yen in deferred tax assets included in other under non-current assets and 11 million yen in goodwill.

Total liabilities decreased by 122 million yen, or 2.2%, from the end of the previous fiscal year to 5,490 million yen. Current liabilities decreased by 402 million yen, or 11.6%, from the end of the previous fiscal year to 3,076 million yen. This was attributable mainly to decreases of 468 million yen in accounts payable – other included in other under current liabilities and 62 million yen in accounts payable – trade, which were partly offset by an increase of 141 million yen in advances received. Non-current liabilities increased by 279 million yen, or 13.1%, from the end of the previous fiscal year to 2,414 million yen. This was attributable mainly to an increase of 278 million yen in long-term borrowings.

Net assets increased by 18 million yen, or 0.5%, from the end of the previous fiscal year to 3,877 million yen. This was attributable mainly to an increase of 19 million yen in retained earnings.

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the first half increased by 148 million yen from the end of the previous fiscal year to 2,316 million yen.

The cash flow components during the first half are described as follows.

Cash flows from operating activities

Net cash provided by operating activities was 29 million yen (a decrease of 75 million yen compared with the same period of the previous fiscal year). Major positive factors include depreciation of 194 million yen, profit before income taxes of 142 million yen, an increase of 142 million yen in advances received, and a decrease of 121 million yen in trade receivables. Major negative factors include a decrease of 493 million yen in accounts payable – other.

Cash flows from investing activities

Net cash used in investing activities was 175 million yen (an increase of 32 million yen compared with the same period of the previous fiscal year). Major negative factors include purchase of property, plant and equipment of 158 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 296 million yen (a decrease of 32 million yen compared with the same period of the previous fiscal year). Major positive factors include proceeds from long-term borrowings of 800 million yen. Major negative factors include repayments of long-term borrowings of 446 million yen.

(3) Consolidated Forecast and Other Forward-looking Statements

At this point, we leave unchanged the full-year consolidated forecasts for the fiscal year ending March 31, 2026 that we announced on May 15, 2025.

The forecasts are based on all the information currently available to us, and actual results may differ due to various factors.

2. Semi-annual Consolidated Financial Statements and Notes**(1) Semi-annual Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/25 (As of Mar. 31, 2025)	Second quarter of FY3/26 (As of Sep. 30, 2025)
Assets		
Current assets		
Cash and deposits	2,177,739	2,326,430
Accounts receivable and contract assets	1,239,750	1,071,580
Merchandise	48,638	34,817
Work in process	—	776
Supplies	8,465	9,946
Other	380,991	338,345
Allowance for doubtful accounts	(7,527)	(9,063)
Total current assets	3,848,057	3,772,834
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,787,171	4,873,855
Accumulated depreciation	(2,158,769)	(2,233,838)
Buildings and structures, net	2,628,402	2,640,017
Land	1,107,259	1,107,259
Other	1,018,015	1,022,674
Accumulated depreciation	(763,684)	(773,174)
Other, net	254,330	249,499
Total property, plant and equipment	3,989,991	3,996,776
Intangible assets		
Goodwill	148,405	136,547
Other	171,439	170,537
Total intangible assets	319,844	307,085
Investments and other assets		
Guarantee deposits	973,450	969,824
Other	341,158	321,284
Total investments and other assets	1,314,609	1,291,109
Total non-current assets	5,624,445	5,594,970
Total assets	9,472,503	9,367,805

	(Thousands of yen)	
	FY3/25 (As of Mar. 31, 2025)	Second quarter of FY3/26 (As of Sep. 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	141,794	79,356
Current portion of long-term borrowings	808,508	882,961
Income taxes payable	85,511	52,669
Advances received	857,710	999,331
Provision for bonuses	206,154	245,357
Other	1,378,872	816,850
Total current liabilities	3,478,552	3,076,525
Non-current liabilities		
Long-term borrowings	1,470,359	1,748,953
Retirement benefit liability	9,408	9,374
Asset retirement obligations	542,308	542,386
Other	112,825	113,503
Total non-current liabilities	2,134,901	2,414,217
Total liabilities	5,613,454	5,490,743
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	313,457	313,457
Retained earnings	3,723,413	3,743,341
Treasury shares	(265,687)	(265,687)
Total shareholders' equity	3,871,183	3,891,111
Accumulated other comprehensive income		
Foreign currency translation adjustment	(12,134)	(14,049)
Total accumulated other comprehensive income	(12,134)	(14,049)
Total net assets	3,859,048	3,877,061
Total liabilities and net assets	9,472,503	9,367,805

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income**Semi-annual Consolidated Statement of Income**

(Thousands of yen)

	First six months of FY3/25 (Apr. 1, 2024–Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)
Net sales	6,539,821	7,066,947
Cost of sales	5,319,854	5,679,344
Gross profit	1,219,967	1,387,603
Selling, general and administrative expenses	1,101,804	1,220,080
Operating profit	118,162	167,522
Non-operating income		
Interest income	254	689
Commission income	4,278	4,181
Other	7,387	3,719
Total non-operating income	11,920	8,590
Non-operating expenses		
Interest expenses	12,642	12,678
Other	8,913	3,534
Total non-operating expenses	21,556	16,212
Ordinary profit	108,527	159,900
Extraordinary income		
Gain on sale of non-current assets	149	–
Gain on sale of golf club membership	161	–
Gain on sale of businesses	2,363	8,909
Total extraordinary income	2,675	8,909
Extraordinary losses		
Impairment losses	2,517	26,417
Total extraordinary losses	2,517	26,417
Profit before income taxes	108,684	142,391
Income taxes-current	22,103	52,637
Income taxes-deferred	12,259	17,121
Total income taxes	34,362	69,758
Profit	74,322	72,632
Profit attributable to owners of parent	74,322	72,632

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	First six months of FY3/25 (Apr. 1, 2024–Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)
Profit	74,322	72,632
Other comprehensive income		
Foreign currency translation adjustment	7,239	(1,914)
Total other comprehensive income	7,239	(1,914)
Comprehensive income	81,561	70,718
Comprehensive income attributable to:		
Owners of parent	81,561	70,718
Non-controlling interests	—	—

(3) Semi-annual Consolidated Statement of Cash Flows

	(Thousands of yen)	
	First six months of FY3/25 (Apr. 1, 2024–Sep. 30, 2024)	First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)
Cash flows from operating activities		
Profit before income taxes	108,684	142,391
Depreciation	177,764	194,788
Impairment losses	2,517	26,417
Amortization of goodwill	9,395	13,932
Increase (decrease) in allowance for doubtful accounts	1,131	1,653
Increase (decrease) in provision for bonuses	33,504	39,202
Interest expenses	12,642	12,678
Decrease (increase) in trade receivables	209,845	121,690
Increase (decrease) in trade payables	(75,085)	(62,345)
Increase (decrease) in advances received	163,959	142,060
Increase (decrease) in accounts payable-other	(323,827)	(493,716)
Other, net	(83,174)	(18,267)
Subtotal	237,358	120,486
Interest paid	(12,885)	(12,713)
Income taxes paid	(119,523)	(87,683)
Other, net	8	9,284
Net cash provided by (used in) operating activities	104,957	29,374
Cash flows from investing activities		
Payments into time deposits	(14,533)	–
Proceeds from withdrawal of time deposits	150,032	–
Purchase of property, plant and equipment	(173,266)	(158,720)
Purchase of intangible assets	(20,508)	(25,449)
Payments for asset retirement obligations	(21,495)	(7,688)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(65,672)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	2,499	–
Payments for acquisition of businesses	(2,863)	(2,075)
Proceeds from sale of businesses	2,513	13,084
Payments of guarantee deposits	(19,681)	(14,311)
Proceeds from refund of guarantee deposits	16,658	17,517
Other, net	3,155	1,840
Net cash provided by (used in) investing activities	(143,162)	(175,802)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,008,000	800,000
Repayments of long-term borrowings	(627,584)	(446,952)
Dividends paid	(49,791)	(52,589)
Other payments	(2,213)	(4,123)
Net cash provided by (used in) financing activities	328,410	296,333
Effect of exchange rate change on cash and cash equivalents	6,044	(1,214)
Net increase (decrease) in cash and cash equivalents	296,250	148,691
Cash and cash equivalents at beginning of period	1,656,550	2,167,403
Cash and cash equivalents at end of period	1,952,800	2,316,094

(4) Notes to Semi-annual Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. First six months of FY3/25 (Apr. 1, 2024–Sep. 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in semi-annual consolidated statement of income (Note 2)
	Education Services	Real Estate Leasing	Restaurant Operations	Total		
Net sales						
Entrance exam preparation schools	5,513,261	—	—	5,513,261	—	5,513,261
Nursery schools	673,131	—	—	673,131	—	673,131
Other education services	301,608	—	—	301,608	—	301,608
Restaurant	—	—	30,885	30,885	—	30,885
Revenue from contracts with customers	6,488,001	—	30,885	6,518,886	—	6,518,886
Other revenue	—	20,935	—	20,935	—	20,935
External sales	6,488,001	20,935	30,885	6,539,821	—	6,539,821
Inter-segment sales and transfers	1,234	10,391	—	11,625	(11,625)	—
Total	6,489,235	31,326	30,885	6,551,446	(11,625)	6,539,821
Segment profit (loss)	141,779	11,465	(3,531)	149,713	(31,550)	118,162

Notes: 1. The minus 31,550 thousand yen adjustment to segment profit (loss) is corporate expenses that cannot be allocated to any of the reportable segments. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.

2. Segment profit (loss) is adjusted with operating profit on the semi-annual consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses on non-current assets

An impairment loss was recognized in the Education Services segment. The amount of this loss in the first six months of FY3/25 was 2,517 thousand yen.

Significant changes in the amount of goodwill

Ichie-Juku Co.,Ltd. was included in the scope of consolidation from the first six months of FY3/25, as we acquired shares in the company and incorporated it into our Education Services segment.

In addition, PYGMALION ACADEMIA Co., Ltd. was included in the scope of consolidation from the first six months of FY3/25 as Ichie-Juku Co.,Ltd., our consolidated subsidiary, acquired shares in this company and incorporated it into our Education Services segment.

The goodwill amount increased by 159,021 thousand yen in the first six months of FY3/25 as a result of acquiring shares.

II. First six months of FY3/26 (Apr. 1, 2025–Sep. 30, 2025)

1. Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in semi-annual consolidated statement of income (Note 2)
	Education Services	Real Estate Leasing	Restaurant Operations	Total		
Net sales						
Entrance exam preparation schools	5,896,274	–	–	5,896,274	–	5,896,274
Nursery schools	742,142	–	–	742,142	–	742,142
Other education services	377,150	–	–	377,150	–	377,150
Restaurant	–	–	31,334	31,334	–	31,334
Revenue from contracts with customers	7,015,567	–	31,334	7,046,902	–	7,046,902
Other revenue	–	20,045	–	20,045	–	20,045
External sales	7,015,567	20,045	31,334	7,066,947	–	7,066,947
Inter-segment sales and transfers	–	10,320	–	10,320	(10,320)	–
Total	7,015,567	30,366	31,334	7,077,268	(10,320)	7,066,947
Segment profit (loss)	185,083	11,244	(3,413)	192,915	(25,392)	167,522

Notes: 1. The minus 25,392 thousand yen adjustment to segment profit (loss) is corporate expenses that cannot be allocated to any of the reportable segments. These corporate expenses mainly include general and administration expenses that cannot be attributed to any of the reportable segments.

2. Segment profit (loss) is adjusted with operating profit on the semi-annual consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

An impairment loss was recognized in the Education Services segment. The amount of this loss in the first six months of FY3/26 was 26,417 thousand yen.

This financial report is solely a translation of SEIGAKUSHA's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.