

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

[Japanese GAAP]

Company name: SEIGAKUSHA CO., LTD. Listing: Tokyo Stock Exchange  
 Stock code: 2179 URL: <https://www.kaisei-group.co.jp/>  
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2026

Scheduled date of payment of dividends: June 29, 2026

Scheduled date of filing of Annual Securities Report: June 24, 2026

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 Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)

(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	%
Fiscal year ended Mar. 31, 2026	15,156	6.1	978	25.8	965	27.2	583	26.5
Fiscal year ended Mar. 31, 2025	14,287	9.0	778	10.7	758	6.7	461	6.4

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2026: 584 (up 20.0%)

Fiscal year ended Mar. 31, 2025: 487 (up 16.0%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2026	105.23	–	14.3	10.0	6.5
Fiscal year ended Mar. 31, 2025	83.18	–	12.6	8.3	5.4

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2026: – Fiscal year ended Mar. 31, 2025: –

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	9,911	4,329	43.7	780.46
As of Mar. 31, 2025	9,472	3,859	40.7	695.59

Reference: Equity (million yen) As of Mar. 31, 2026: 4,329 As of Mar. 31, 2025: 3,859

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2026	1,041	(432)	(207)	2,573
Fiscal year ended Mar. 31, 2025	1,012	(338)	(166)	2,167

### 2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2025	–	9.50	–	9.50	19.00	105	22.8	2.9
Fiscal year ended Mar. 31, 2026	–	11.00	–	11.00	22.00	122	20.9	3.0
Fiscal year ending Mar. 31, 2027 (forecast)	–	16.50	–	16.50	33.00		30.0	

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(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
First half	7,605	7.6	211	26.0	196	22.7	109	51.1	19.79
Full year	16,223	7.0	1,064	8.7	1,031	6.8	609	4.4	109.84

**\* Notes**

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

Newly added: – Excluded: –

(2) 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

(3) Number of issued shares (common stock)

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

As of Mar. 31, 2026: 5,876,000 shares As of Mar. 31, 2025: 5,876,000 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2026: 328,102 shares As of Mar. 31, 2025: 328,102 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2026: 5,547,898 shares Fiscal year ended Mar. 31, 2025: 5,547,898 shares

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025–March 31, 2026)**

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	14,392	5.7	932	19.3	906	22.4	536	13.4
Fiscal year ended Mar. 31, 2025	13,618	7.7	781	9.6	740	9.6	473	19.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2026	96.68	–
Fiscal year ended Mar. 31, 2025	85.29	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	9,476	4,179	44.1	753.38
As of Mar. 31, 2025	9,055	3,760	41.5	677.85

Reference: Equity (million yen)

As of Mar. 31, 2026: 4,179

As of Mar. 31, 2025: 3,760

**2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027**

**(April 1, 2026–March 31, 2027)**

(Percentages represent year-on-year changes)

	Net sales		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	7,185	8.2	147	34.2	72	119.3	13.13
Full year	15,437	7.3	908	0.3	500	(6.7)	90.22

\* The consolidated financial results is not subject to audit conducted by certified public accountants or an audit firm.

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

(Notes on the use of forward-looking statements)

- 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., (4) Outlook" on page 5 for forecast assumptions and notes of caution for usage.

- SEIGAKUSHA plans to hold a financial results information meeting for institutional investors and securities analysts on June 3, 2026. The video of this meeting along with materials distributed at this event will be posted promptly on the SEIGAKUSHA website after this meeting.

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## 1. Overview of Results of Operations, Etc.

### (1) Results of Operations

During the fiscal year that ended on March 31, 2026 (hereinafter the “fiscal year under review”), the Japanese economy continued its moderate recovery, supported by improvements in corporate earnings and the employment environment. However, the outlook remains uncertain due to factors such as ongoing unstable international situation and persistent price increases.

In Japan’s education services industry, competition is increasingly intensifying due to the declining school-age population caused by a declining birthrate and the diversification of educational needs. In addition to conventional education services, the business environment surrounding the industry is undergoing major changes due to the university entrance exam system reforms, and the growing demand for ICT-based education services and childcare services including nursery schools and after-school day care centers.

Under such circumstances, 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, Kaisei Nursery School certified nursery schools, and Kaisei Academy Japanese Language School for foreign students in Japan.

As a result, consolidated net sales were 15,156 million yen, 6.1% higher than in the previous fiscal year. Operating profit was 978 million yen, 25.8% higher than in the previous fiscal year, ordinary profit was 965 million yen, 27.2% higher than in the previous fiscal year, and profit attributable to owners of parent was 583 million yen, 26.5% higher than in the previous fiscal year.

Business segment performance was as follows.

#### 1) Education services

##### Number of Students at SEIGAKUSHA Group Schools

Category	November 30, 2024	November 30, 2025	Change
Individual tutoring	19,739	20,590	Up 4.3%
Class teaching	6,412	6,038	Down 5.8%
Nursery schools	745	749	Up 0.5%
Other education services	542	633	Up 16.8%
Total	27,438	28,010	Up 2.1%

Notes: 1. Figures shown are as of the end of November, which is normally when the number of students is the highest.

2. The number of students is only for examination preparation schools and other education services 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 improve students’ test scores and prepare them for university entrance exams, which is a key strength of FreeStep Individual Tutoring Institute, the primary brand in this category. The increasing number of students enrolled was also attributable to the strengthening of web advertising activities. 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	March 31, 2026
Individual tutoring	230	6	6	230
Class teaching	70	–	4	66
Nursery schools	17	–	–	17
Other education services	5	–	–	5
Directly operated schools	277	7	7	277
Franchised schools	50	3	1	52

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.

The number of directly operated schools was unchanged as a result of openings of 5 directly operated schools (2 in Tokyo, 1 in Kanagawa, 1 in Chiba, and 1 in Saitama), conversion of 1 school (in Osaka) to direct operation, and separation through relocation of 1 school (in Osaka), which were fully offset by closures of 4 schools (3 in Osaka and 1 in Shiga), consolidation through relocation of 1 school (in Osaka), and conversion of 2 directly operated schools (both in Tokyo) to franchisees. As a result, the number of directly operated schools as of March 31, 2026 was 277.

The net increase of 2 franchised schools was a result of opening of 1 school (in Tokyo) and conversion of 2 schools to franchised schools as described above, which were partially offset by conversion of 1 school to direct operation as described above. As a result, the number of franchised schools as of March 31, 2026 was 52.

### Segment Sales and Earnings

Sales in the entrance exam preparation schools category increased thanks mainly to an increase in the number of students, a revision of tuition fees in response to rising prices, and strong seminar enrollment in the individual tutoring category, and the contribution of a consolidated subsidiary Ichie-Juku Co., Ltd. in the class teaching category despite the low enrollment in the category. In the nursery school category, sales increased mainly due to an increased subsidy associated with the revision of official prices and increased operating subsidy. In the other education services category, sales increased mainly due to the increased number of students at Kaisei Academy Japanese Language School.

Expenses increased mainly because of higher personnel expenses to improve compensation for employees, higher advertising and marketing expenses related to the proactive implementation of online advertising to increase student enrollment, and higher rent associated with the opening of new schools in the Tokyo area.

Consequently, segment sales increased 6.2% from one year earlier to 15,050 million yen and the sales growth absorbed expenses. As a result, segment profit (operating profit) increased 24.1% from one year earlier to 1,005 million yen.

#### 2) Real estate leasing

Due to a decrease in the number of tenants, segment sales decreased 5.5% from one year earlier to 39 million yen, while segment profit (operating profit) decreased 8.9% to 22 million yen.

#### 3) Restaurant operations

Although the average spending per customer increased, segment sales decreased 0.3% from one year earlier to 67 million yen due to factors such as a decline in foot traffic around the store resulting from the Umeda redevelopment, and segment loss (operating loss) was 4 million yen, compared with segment loss (operating loss) of 3 million yen for the previous fiscal year, due to factors such as increased recruitment advertising expenses associated with hiring new personnel.

## (2) Financial Position

### Assets, Liabilities and Net assets

#### 1) Assets

Current assets increased by 474 million yen, or 12.3%, from the end of the previous fiscal year to 4,322 million yen. This was attributable mainly to an increase of 406 million yen in cash and deposits and an increase of 89 million yen in accounts receivable and contract assets.

Non-current assets decreased by 35 million yen, or 0.6%, from the end of the previous fiscal year to 5,588 million yen. This was attributable mainly to a decrease of 45 million yen in buildings and structures, net.

As a result, total assets increased by 439 million yen, or 4.6%, from the end of the previous fiscal year to 9,911 million yen.

#### 2) Liabilities

Current liabilities increased by 5 million yen, or 0.2%, from the end of the previous fiscal year to 3,484 million

yen. This was attributable mainly to an increase of 131 million yen in income taxes payable, which was partly offset by a decrease of 150 million yen in accounts payable–other.

Non-current liabilities decreased by 37 million yen, or 1.8%, from the end of the previous fiscal year to 2,097 million yen. This was attributable mainly to a decrease of 57 million yen in long-term borrowings.

As a result, total liabilities decreased by 31 million yen, or 0.6%, from the end of the previous fiscal year to 5,581 million yen.

### 3) Net assets

Net assets increased by 470 million yen, or 12.2%, from the end of the previous fiscal year to 4,329 million yen. This was attributable mainly to an increase of 470 million yen in retained earnings.

## (3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review increased by 406 million yen from the end of the previous fiscal year to 2,573 million yen.

The cash flow components during the fiscal year under review and the main reasons for changes are described as follows.

### 1) Cash flows from operating activities

Net cash provided by operating activities was 1,041 million yen (an increase of 28 million yen compared with the previous fiscal year). Major positive factors include profit before income taxes of 870 million yen, depreciation of 402 million yen, and impairment losses of 104 million. Major negative factors include income taxes paid of 188 million yen and a decrease of 167 million yen in accounts payable – other.

### 2) Cash flows from investing activities

Net cash used in investing activities was 432 million yen (an increase of 93 million yen compared with the previous fiscal year). Major negative factors include purchase of property, plant and equipment of 342 million yen.

### 3) Cash flows from financing activities

Net cash used in financing activities was 207 million yen (an increase of 41 million yen compared with the previous fiscal year). Major cash outflows include repayments of long-term borrowings of 883 million yen and dividends paid of 113 million yen. Major cash inflows include proceeds from long-term borrowings of 800 million yen.

### Reference: Cash flow indicators

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio (%)	33.2	37.0	39.2	40.7	43.7
Equity ratio based on market value (%)	50.6	45.7	46.8	45.3	42.9
Interest-bearing debt to cash flow ratio (%)	272.6	308.9	227.0	231.3	218.3
Interest coverage ratio (times)	39.9	33.9	45.8	39.6	37.6

Notes: The above figures are calculated as follows.

- Equity ratio: (Shareholders' equity + Accumulated other comprehensive income) / Total asset
- Equity ratio based on market value: Market capitalization / Total assets  
Market capitalization is calculated by multiplying the closing share price at the period end by the number of shares issued at the period end (less treasury shares)
- Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows
- Interest coverage ratio: Operating cash flows / Interest payments  
All indicators are calculated based on consolidated figures.  
Operating cash flows are the figures for net cash provided by (used in) operating activities in the consolidated statement of cash flows. Interest-bearing debt comprises all debts on the consolidated balance sheet that incur interest. Interest payments use the amount of interest paid stated on the consolidated statement of cash flows.

#### **(4) Outlook**

In the next fiscal year, we expect the business environment to remain challenging due to macroeconomic factors such as geopolitical risks, rising prices, and fluctuations in financial and capital markets, as well as changes in entries in and leaves from schools caused by diversified entrance examination systems and other factors.

The SEIGAKUSHA Group is firmly committed to its mission of providing outstanding education services and will continue to conduct all activities in accordance with the central vision of “becoming one of Japan’s leading companies by conducting operations that contribute to the growth and development of people.” We will expand our businesses further, especially in the Tokyo area.

##### 1) Education services

In the education services segment, we plan to open 13 directly operated schools and to increase the number of students to 29,134 as of the peak in November 2026, a 4.0% increase compared to one year earlier.

In the individual tutoring category, we plan to open 13 directly operated schools and 5 franchised schools with a focus on expanding school locations in the Tokyo area. In addition, we will raise the percentage of prospective students who register for classes, improve customer satisfaction, and increase the number of students by operating a guarantee program for raising school exam scores, as well as developing and improving My Step Log, SEIGAKUSHA’s proprietary LMS (Learning Management System), and the member site. Also, by expanding Online Individual Tutoring FreeStep Link One, SEIGAKUSHA’s dedicated online brand, and increasing the number of successful university admissions, we aim to further strengthen the brand value of FreeStep as a provider of classes that are successful at enabling students to pass university entrance exams. In the class teaching category, we will focus on increasing enrollment of elementary school students across various courses—particularly the program for Osaka City Integrated Junior and Senior High School, which has a strong track record of high pass rates to recover the number of students. Also, we will close unprofitable locations to streamline the business. In the nursery school category, amid expected stable steady growth in the number of children in our nursery schools, we will assign staff members efficiently and continue to provide childcare services matching the needs of parents and guardians to improve qualities of childcare services and stabilize revenue of the nursery school business. In the other education services category, Kaisei Academy Japanese Language School will work to increase the number of students, establish an operational framework capable of accommodating maximum capacity, and strengthen its curriculum to meet the diversifying needs of international students.

##### 2) Real estate leasing

In the real estate leasing segment, activities will continue to focus on earning profits from leasing unused space at properties owned by group companies.

##### 3) Restaurant operations

Our goal is to focus on increasing profitability by operating restaurants more efficiently.

Based on this outlook, we forecast a 7.0% increase in net sales to 16,223 million yen, an 8.7% increase in operating profit to 1,064 million yen, a 6.8% increase in ordinary profit to 1,031 million yen, and a 4.4% increase in profit attributable to owners of parent to 609 million yen.

#### **(5) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years**

The basic policy is to pay a consistent and stable dividend while building a strong foundation that can support business operations for many years. The policy for the dividend is to increase the dividend while determining a payout ratio that reflects earnings. Retained earnings are used for increasing corporate value by funding capital expenditures, new businesses, M&A, and other activities for the growth of business operations.

In accordance with this policy, there was an interim dividend of 11.00 yen per share. As year-end dividends, we plan to submit a resolution at the shareholders meeting for a year-end dividend of 11.00 yen per share. If this resolution is approved, the total annual dividend will be 22.00 yen per share. For the fiscal year ending March 31, 2027, we plan to pay interim and year-end dividends of 16.50 yen per share each, resulting in the total annual

dividend of 33.00 yen per share.

In addition to receiving dividends, all shareholders who have at least 100 shares as of the record date of March 31 receive a 1,000 yen QUO card.

## **2. Basic Approach to the Selection of Accounting Standards**

We expect to employ Japanese accounting standards for the foreseeable future because almost all of our business operations are in Japan. However, we intend to consider the future adoption of IFRS Accounting Standards, depending on our percentage of foreign shareholders and the use of these standards by other companies in Japan.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

(Thousands of yen)

	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	2,177,739	2,584,118
Trade accounts receivable and contract assets	1,239,750	1,329,733
Merchandise	48,638	43,303
Work in process	–	7,923
Supplies	8,465	8,112
Other	380,991	358,508
Allowance for doubtful accounts	(7,527)	(9,150)
Total current assets	3,848,057	4,322,548
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,787,171	4,888,063
Accumulated depreciation	(2,158,769)	(2,305,557)
Buildings and structures, net	2,628,402	2,582,505
Land	1,107,259	1,107,259
Leased assets	105,723	130,242
Accumulated depreciation	(33,416)	(46,298)
Leased assets, net	72,306	83,944
Other	912,292	922,153
Accumulated depreciation	(730,268)	(756,855)
Other, net	182,024	165,298
Total property, plant and equipment	3,989,991	3,939,007
Intangible assets		
Goodwill	148,405	122,511
Other	171,439	172,821
Total intangible assets	319,844	295,332
Investments and other assets		
Investment securities	10,620	10,620
Long-term loans receivable	30,371	26,969
Deferred tax assets	221,041	248,631
Guarantee deposits	973,450	980,884
Other	79,125	87,525
Total investments and other assets	1,314,609	1,354,630
Total non-current assets	5,624,445	5,588,970
Total assets	9,472,503	9,911,519

	(Thousands of yen)	
	FY3/25	FY3/26
	(As of Mar. 31, 2025)	(As of Mar. 31, 2026)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	141,794	124,301
Current portion of long-term borrowings	808,508	782,433
Lease liabilities	9,414	14,828
Income taxes payable	85,511	216,659
Advances received	857,710	909,109
Provision for bonuses	206,154	213,327
Accounts payable-other	758,263	607,897
Asset retirement obligations	2,942	3,543
Other	608,252	612,039
<b>Total current liabilities</b>	<b>3,478,552</b>	<b>3,484,140</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,470,359	1,412,774
Lease liabilities	53,893	64,070
Retirement benefit liability	9,408	10,718
Deferred tax liabilities	35,197	32,118
Asset retirement obligations	542,308	554,296
Other	23,734	23,505
<b>Total non-current liabilities</b>	<b>2,134,901</b>	<b>2,097,483</b>
<b>Total liabilities</b>	<b>5,613,454</b>	<b>5,581,624</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	100,000	100,000
Capital surplus	313,457	313,457
Retained earnings	3,723,413	4,193,488
Treasury shares	(265,687)	(265,687)
<b>Total shareholders' equity</b>	<b>3,871,183</b>	<b>4,341,257</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	(12,134)	(11,362)
<b>Total accumulated other comprehensive income</b>	<b>(12,134)</b>	<b>(11,362)</b>
<b>Total net assets</b>	<b>3,859,048</b>	<b>4,329,894</b>
<b>Total liabilities and net assets</b>	<b>9,472,503</b>	<b>9,911,519</b>

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Thousands of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net sales	14,287,096	15,156,867
Cost of sales	11,157,104	11,633,486
Gross profit	3,129,992	3,523,381
Selling, general and administrative expenses	2,351,704	2,544,511
Operating profit	778,287	978,869
Non-operating income		
Interest income	152	1,588
Commission income	8,136	8,008
Penalty income	1,000	4,380
Other	10,139	7,351
Total non-operating income	19,428	21,329
Non-operating expenses		
Interest expenses	25,382	27,723
Foreign exchange losses	3,240	–
Other	10,534	7,270
Total non-operating expenses	39,158	34,993
Ordinary profit	758,557	965,205
Extraordinary income		
Gain on sale of non-current assets	149	311
Gain on sale of golf club membership	161	–
Gain on sale of businesses	2,363	8,909
Total extraordinary income	2,675	9,220
Extraordinary losses		
Impairment losses	77,496	104,166
Loss on foreign currency translation adjustment	22,319	–
Total extraordinary losses	99,815	104,166
Profit before income taxes	661,417	870,259
Income taxes-current	197,440	317,122
Income taxes-deferred	2,496	(30,668)
Total income taxes	199,937	286,453
Profit	461,479	583,806
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	461,479	583,806

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Profit	461,479	583,806
Other comprehensive income		
Foreign currency translation adjustment	25,746	771
Total other comprehensive income	25,746	771
Comprehensive income	487,226	584,577
Comprehensive income attributable to:		
Owners of parent	487,226	584,577
Non-controlling interests	–	–

**(3) Consolidated Statement of Changes in Equity**

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	235,108	178,349	3,364,570	(265,687)	3,512,339
Changes during period					
Dividends of surplus			(102,636)		(102,636)
Profit attributable to owners of parent			461,479		461,479
Capital reduction	(135,108)	135,108			–
Net changes in items other than shareholders' equity					
Total changes during period	(135,108)	135,108	358,843	–	358,843
Balance at end of period	100,000	313,457	3,723,413	(265,687)	3,871,183

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(37,881)	(37,881)	3,474,458
Changes during period			
Dividends of surplus			(102,636)
Profit attributable to owners of parent			461,479
Capital reduction			–
Net changes in items other than shareholders' equity	25,746	25,746	25,746
Total changes during period	25,746	25,746	384,590
Balance at end of period	(12,134)	(12,134)	3,859,048

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	313,457	3,723,413	(265,687)	3,871,183
Changes during period					
Dividends of surplus			(113,731)		(113,731)
Profit attributable to owners of parent			583,806		583,806
Capital reduction					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	470,074	–	470,074
Balance at end of period	100,000	313,457	4,193,488	(265,687)	4,341,257

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(12,134)	(12,134)	3,859,048
Changes during period			
Dividends of surplus			(113,731)
Profit attributable to owners of parent			583,806
Capital reduction			–
Net changes in items other than shareholders' equity	771	771	771
Total changes during period	771	771	470,846
Balance at end of period	(11,362)	(11,362)	4,329,894

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY3/25	FY3/26
	(Apr. 1, 2024–Mar. 31, 2025)	(Apr. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	661,417	870,259
Depreciation	375,725	402,976
Impairment losses	77,496	104,166
Amortization of goodwill	23,458	27,968
Increase (decrease) in allowance for doubtful accounts	2,086	1,661
Increase (decrease) in provision for bonuses	14,605	7,173
Interest expenses	25,382	27,723
Decrease (increase) in trade receivables	(91,006)	(47,034)
Increase (decrease) in trade payables	(24,901)	(17,463)
Increase (decrease) in advances received	(45,211)	51,838
Increase (decrease) in accounts payable-other	142,171	(167,518)
Other, net	114,372	(14,468)
Subtotal	1,275,596	1,247,282
Interest paid	(25,552)	(27,721)
Income taxes paid	(238,714)	(188,178)
Other, net	1,495	10,401
Net cash provided by (used in) operating activities	1,012,824	1,041,783
Cash flows from investing activities		
Payments into time deposits	(15,284)	(2)
Proceeds from withdrawal of time deposits	345,142	–
Purchase of property, plant and equipment	(480,610)	(342,187)
Purchase of intangible assets	(59,636)	(58,993)
Payments for asset retirement obligations	(27,577)	(16,136)
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	(56,605)	(52,988)
Proceeds from refund of guarantee deposits	18,015	26,998
Other, net	1,448	70
Net cash provided by (used in) investing activities	(338,631)	(432,229)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,008,000	800,000
Repayments of long-term borrowings	(1,065,743)	(883,659)
Dividends paid	(102,543)	(113,567)
Other payments	(5,800)	(10,508)
Net cash provided by (used in) financing activities	(166,088)	(207,735)
Effect of exchange rate change on cash and cash equivalents	2,747	4,558
Net increase (decrease) in cash and cash equivalents	510,852	406,376
Cash and cash equivalents at beginning of period	1,656,550	2,167,403
Cash and cash equivalents at end of period	2,167,403	2,573,779

**(5) Notes to Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Accounting Policies in the Preparation of Consolidated Financial Statements**

## 1. Scope of consolidation

All subsidiaries are included in the consolidation.

The number of consolidated subsidiaries: 6

Names of consolidated subsidiaries

APLIS Co., Ltd.

KAISEI CHILD CARE CO.,LTD

Knospear Inc.

Ichie-Juku Co., Ltd.

SEIGAKUSHA KOREA CO.,LTD.

SEIGAKUSHA VIETNAM COMPANY LIMITED

## 2. Closing date of consolidated subsidiaries

Of the consolidated subsidiaries, the fiscal year-end of SEIGAKUSHA KOREA and SEIGAKUSHA VIETNAM is December 31.

In preparing the consolidated financial statements, the financial statements of these subsidiaries as of December 31 are used; provided, however, that the necessary consolidation adjustments are made for all significant transactions that occurred between their fiscal year-end and the fiscal year-end for the consolidated financial statements.

**Reclassifications**

Consolidated statement of income

Penalty income included in other under non-operating income in the previous fiscal year is presented separately beginning with the fiscal year under review due to its increased materiality. In addition, gain on reversal of asset retirement obligations, which was previously presented separately under non-operating income in the previous fiscal year, is included in other beginning with the fiscal year under review due to its decreased materiality. To reflect these changes in presentation, we have restated the consolidated financial statements for the previous fiscal year.

As a result, the gain on reversal of asset retirement obligations of 2 million yen and other of 8 million yen, which were presented under non-operating income in the consolidated statement of income for the previous fiscal year, have been reclassified as penalty income of 1 million yen and other of 10 million yen, respectively.

## Segment and Other Information

### Segment information

#### 1. Overview of reportable segment

The reportable segments of the SEIGAKUSHA Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

Based on financial information for SEIGAKUSHA and each consolidated subsidiary, the SEIGAKUSHA Group conducts business activities by dividing these operations into business categories.

Consequently, there are three reportable business segments: Education Services, Real Estate Leasing, and Restaurant Operations.

#### 2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting policies for reportable business segments comply with those used for the preparation of the consolidated financial statements. Segment profit for reportable segments is based on operating profit.

Inter-segment sales are based on an arm's length price.

#### 3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment and breakdown of revenue

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in consolidated financial statements (Note 2)
	Education Services	Real Estate Leasing	Restaurant Operations	Total		
Net sales						
Entrance exam preparation schools	11,980,773	–	–	11,980,773	–	11,980,773
Nursery schools	1,609,508	–	–	1,609,508	–	1,609,508
Other education services	587,636	–	–	587,636	–	587,636
Restaurant	–	–	67,440	67,440	–	67,440
Revenue from contracts with customers	14,177,918	–	67,440	14,245,359	–	14,245,359
Other revenue	–	41,737	–	41,737	–	41,737
External sales	14,177,918	41,737	67,440	14,287,096	–	14,287,096
Inter-segment sales and transfers	4,498	20,742	–	25,240	(25,240)	–
Total	14,182,416	62,479	67,440	14,312,336	(25,240)	14,287,096
Segment profit (loss)	810,629	24,487	(3,900)	831,217	(52,930)	778,287
Segment assets	7,106,504	398,838	10,530	7,515,874	1,956,628	9,472,503
Other items						
Depreciation	337,941	5,782	763	344,487	31,238	375,725
Increase in property, plant and equipment and intangible assets	524,834	890	–	525,724	24,724	550,448

Notes: 1. Adjustments are as follows.

- (1) The minus 52,930 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) The 1,956,628 thousand yen adjustment to segment assets is corporate assets that are not allocated to reportable segments.
  - (3) The 24,724 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures associated with the head office.
2. Segment profit is adjusted with operating profit on the consolidated financial statements.

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts recorded in consolidated financial statements (Note 2)
	Education Services	Real Estate Leasing	Restaurant Operations	Total		
Net sales						
Entrance exam preparation schools	12,595,334	–	–	12,595,334	–	12,595,334
Nursery schools	1,752,820	–	–	1,752,820	–	1,752,820
Other education services	702,010	–	–	702,010	–	702,010
Restaurant	–	–	67,253	67,253	–	67,253
Revenue from contracts with customers	15,050,165	–	67,253	15,117,419	–	15,117,419
Other revenue	–	39,448	–	39,448	–	39,448
External sales	15,050,165	39,448	67,253	15,156,867	–	15,156,867
Inter-segment sales and transfers	50	20,671	–	20,721	(20,721)	–
Total	15,050,215	60,120	67,253	15,177,589	(20,721)	15,156,867
Segment profit (loss)	1,005,859	22,305	(4,715)	1,023,449	(44,580)	978,869
Segment assets	7,125,383	396,923	16,412	7,538,718	2,372,800	9,911,519
Other items						
Depreciation	369,002	5,709	893	375,605	27,371	402,976
Increase in property, plant and equipment and intangible assets	461,861	–	4,019	465,880	4,869	470,750

Notes: 1. Adjustments are as follows.

(1) The minus 44,580 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) The 2,372,800 thousand yen adjustment to segment assets is corporate assets that are not allocated to reportable segments.

(3) The 4,869 thousand yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures associated with the head office.

2. Segment profit is adjusted with operating profit on the consolidated financial statements.

Information related to impairment losses on non-current assets for each reportable segment

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Education Services	Real Estate Leasing	Restaurant Operations	Elimination or corporate	Total
Impairment loss	77,496	–	–	–	77,496

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Education Services	Real Estate Leasing	Restaurant Operations	Elimination or corporate	Total
Impairment loss	104,166	–	–	–	104,166

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/25 (Apr. 1, 2024–Mar. 31, 2025)

(Thousands of yen)

	Education Services	Real Estate Leasing	Restaurant Operations	Elimination or corporate	Total
Amortization for the period	23,458	–	–	–	23,458
Balance at end of period	148,405	–	–	–	148,405

FY3/26 (Apr. 1, 2025–Mar. 31, 2026)

(Thousands of yen)

	Education Services	Real Estate Leasing	Restaurant Operations	Elimination or corporate	Total
Amortization for the period	27,968	–	–	–	27,968
Balance at end of period	122,511	–	–	–	122,511

Information related to gain on bargain purchase for each reportable segment

Not applicable.

### Per Share Information

(Yen)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net assets per share	695.59	780.46
Net income per share	83.18	105.23

Notes: 1. Diluted net income per share is not stated because there are no dilutive shares.

2. The basis of calculating net income per share is as follows:

(Thousands of yen, unless otherwise noted)

	FY3/25 (Apr. 1, 2024–Mar. 31, 2025)	FY3/26 (Apr. 1, 2025–Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent	461,479	583,806
Amounts not available to common shareholders	–	–
Profit attributable to common shareholders of parent	461,479	583,806
Average number of common shares during the period (Shares)	5,547,898	5,547,898

### Subsequent Events

Not applicable.

*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.*