



## Non-consolidated Financial Results for the Nine Months Ended June 30, 2025 (Under Japanese GAAP)

July 31, 2025

Company name: STEP CO.,LTD.  
Listing: Tokyo Stock Exchange  
Securities code: 9795  
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Scheduled date to commence dividend payments: —  
Preparation of supplementary material on financial results: None  
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Non-consolidated financial results for the nine months ended June 30, 2025 (from October 1, 2024 to June 30, 2025)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2025	11,798	5.5	2,848	4.3	2,894	4.3	1,989	4.4
June 30, 2024	11,182	4.5	2,729	17.6	2,774	18.9	1,905	17.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2025	125.81	—
June 30, 2024	117.66	—

### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	28,936	26,598	91.9
September 30, 2024	29,260	26,236	89.7

Reference: Equity

As of June 30, 2025: ¥ 26,598million

As of September 30, 2024: ¥ 26,236million

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	37.00	—	40.00	77.00
Fiscal year ending September 30, 2025	—	40.00	—		
Fiscal year ending September 30, 2025 (Forecast)				41.00	81.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated financial results forecast for the fiscal year ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,714	4.1	3,674	4.6	3,709	4.1	2,541	1.3	162.51

Note: Revisions from financial results forecasts announced most recently: None

\*Note

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	16,670,000 shares
As of September 30, 2024	16,670,000 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	951,448 shares
As of September 30, 2024	782,838 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2025	15,816,463 shares
Nine months ended June 30, 2024	16,196,341 shares

\* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that from the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “Qualitative Information on the Quarterly Financial Results (3) Explanation of forward-looking statements including business forecasts” on page 4 of this report.

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# 1. Qualitative Information on the Quarterly Financial Results

## (1) Explanation of Operating Results

Our company's third quarter (April to June) begins with the new school year enrollment period in April after receiving the results of the entrance examination in March. Recruitment for the new school year is healthy, and the number of students is growing. As of the end of June 2025, the total number of students increased 4.1% year on year. In addition, the average number of students during the third quarter was 34,794 (up 4.4% year on year).

As of the end of June, the group instruction program—which covers students from 5th grade in elementary school through 3rd grade in high school and accounts for the majority of our total enrollment—saw year-on-year increases across all grades. In particular, the number of 5th- and 6th-grade elementary school students rose by more than 11% year on year. One key factor behind the continued growth in the number of elementary school students since the previous fiscal year is that many tutoring schools are already fully booked for certain junior high school grades. This has led families in those areas to enroll their children earlier—while they are still in elementary school—in order to secure a spot in advance. In addition, in the background is the increasing need for learning with additional value to be gained after entering junior high school and the growing need for enhanced learning not limited to entrance exams in households planning to have their children enter public junior high schools amid intensifying competition with private junior high schools in the Tokyo metropolitan area.

The results of entrance exams this spring were favorable, which helped to increase student recruitment.

In the high school entrance examination course, 1,367 students passed the entrance exams for the 8 preparatory schools in Kanagawa that are particularly focused on improving academic performance (Yokohama-Suiran, Shonan, Hakuyo, Tama, Atsugi, Kawawa, Yokohama-Midorigaoka, and Odawara high schools) (up 47 students from 1,320 students in the previous fiscal year), and the number of STEP students who passed the entrance exam was the largest for 7 out of the 8 schools among all the tutoring schools. Furthermore, STEP students accounted for 52.7% (over half) of all of the students who passed the entrance exams for the above 8 preparatory schools.

Especially, at Tama High School in Kawasaki City—a school designated as a preparatory school that is particularly focused on improving academic performance—the number of STEP students who passed the entrance exam reached 113, making us the top-ranked tutoring school for the first time in terms of successful applicants. Kawasaki City is an area where we have been actively opening new schools in recent years, and while it is still a developing market for us, achieving the highest number of STEP students who passed the entrance exam at this stage is expected to further accelerate STEP's growth and presence in the region.

As for the national high school entrance exam, the record-high number of 223 students passed the exam at Tokyo Gakugei University Senior High School, which is a co-ed national high school and has the most difficult entrance exam among the schools within the school commuting area for our students (excluding returnees and internal admissions.) 192 passers, excluding waitlisted applicants, account for 50.8% of a total of 378 students who passed the exam. We have the largest number of students who passed the school among all tutoring schools for 17 consecutive years.

The university entrance examination course (for high school students) was successful also this spring. We were able to pass 21 students for the University of Tokyo, 3 students for Kyoto University, 14 students for Hitotsubashi University, and 29 students for Institute of Science Tokyo. In addition, 12 students also passed the Medical Faculty/Department of national and public universities, and the number of students passing the entrance exams for all national and public universities reached 410 (up 56 students from 354 students in the previous fiscal year), renewing a record high also this spring. Besides, in terms of private universities, the number of students who passed the entrance exams at Waseda University, Keio University and Sophia University was 668 (up 74 students from 594 students in the previous fiscal year) and the number for the so-called Ridai MARCH (Tokyo University of Science, Meiji, Aoyama Gakuin, Rikkyo, Chuo, and Hosei) was 2,352 (up 133 students from 2,219 students in the previous fiscal year). Those were both record highs again following the previous fiscal year.

Most of these pass results are achieved by public high school students in Kanagawa, which is one of our

characteristic aspects of successful university entrance exams. 63 out of 67 students admitted to the University of Tokyo, Kyoto University, Hitotsubashi University, and Institute of Science Tokyo were from public high schools. It is generally considered that public high schools tend to be inferior to private high schools in their pass results in the Tokyo metropolitan area. However, because we built a certain study system and structure for entrance exams, the number of public high school students who passed the first-choice universities was able to be increased. The successful results achieved every year can be proved to be very meaningful for us.

In the after-school care course, the recruitment of students for each classroom has been progressing in a healthy manner. As of the end of June, the number of students increased by 22.0% year on year. In particular, Shonan School and Tsujido School in Fujisawa City are at full capacity across many grades. In addition, we opened Shonandai School in March. This is our fifth STEP Kids school. It is currently accepting 1st and 2nd grade elementary school students only in its first year. Nevertheless, it is off to a good start.

While refining this rich and diverse content, each school will accumulate, share and standardize their operational know-how to build a foundation for future expansion of the after-school care course throughout the prefecture.

We opened Hi-STEP Hiratsuka School (Hiratsuka Station on the JR Line) in March for the high school entrance examination course. We already have five schools in Hiratsuka City. However, this was the first time we opened a Hi-STEP school for students aiming to attend elite national, public and private schools in this region. We will ensure this school is easy to commute to for students aiming to attend elite schools in the Hiratsuka district to Oiso and Ninomiya districts. We plan to further strengthen our prefectural combined junior and high school preparatory course for fifth and sixth grade elementary school students aiming to attend Kanagawa Prefectural Hiratsuka Secondary School by opening this Hi-STEP school.

Moreover in late March, we relocated Hi-STEP Yokohama Minami School (Gumyoji Station on the Yokohama Municipal Subway) to Kamiooka, the neighboring station. We renamed the school Hi-STEP Kamiooka School. We decided to relocate to Kamiooka, where it will be easy for current students to commute and where we can expect to recruit even more elementary and junior high school students, in light of the aging population of the area and the deteriorating facilities. Kamiooka School for the STEP high school entrance examination course is also doing well in Kamiooka. We can also expect a synergistic effect with the existing school by opening in the building two doors down.

In the after-school care course, we opened STEP Kids Shonandai School mentioned above (Shonandai Station on the Odakyu Line, Sotetsu Line and Yokohama Municipal Subway) in March. We plan to recruit first and second grade elementary school students in the initial year, third grade elementary school students in the second year and fourth grade elementary school students in the third year. This means classes for all four grades targeted by STEP Kids will be in place two years after opening.

All our tutoring courses continue to show steady growth in student numbers at existing schools, and we will strive to further strengthen our reputation in local communities and improve occupancy rates.

In the third quarter, we recorded net sales of 11,798 million yen (up 5.5% year on year), operating profit of 2,848 million yen (up 4.3% year on year), ordinary profit of 2,894 million yen (up 4.3% year on year), and profit of 1,989 million yen (up 4.4% year on year).

## (2) Explanation of Financial Condition

### (Assets)

Total assets at the end of the third quarter stood at 28,936 million yen, a decrease of 323 million yen from the end of the previous fiscal year.

Current assets decreased 707 million yen from the end of the previous fiscal year to 9,549 million yen because of a decrease in cash and deposits, despite an increase in accounts receivable-trade.

Non-current assets increased 383 million yen from the end of the previous fiscal year to 19,387 million yen because of an increase in investment securities, despite a decrease in buildings.

### (Liabilities)

Liabilities at the end of the third quarter decreased 684 million yen from the end of the previous fiscal year to 2,338 million yen.

Current liabilities decreased 632 million yen from the end of the previous fiscal year to 1,743 million yen because of a decrease in advances received, Income taxes payable, despite an increase provision for bonuses.

Non-current liabilities decreased 52 million yen from the end of the previous fiscal year to 595 million yen, mainly due to a decrease in long-term borrowings.

### (Net assets)

Net assets at the end of the third quarter increased 361 million yen from the end of the previous fiscal year to 26,598 million yen, mainly due to the recording of quarterly profit, despite the payment of dividends, purchase of treasury shares.

As a result, the equity ratio was 91.9%, up 2.2 percentage points from the end of the previous fiscal year.

## (3) Explanation of forward-looking statements including business forecasts

The forecasts for the fiscal year ending September 30, 2025 remains unchanged from that stated in the “Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (Under Japanese GAAP)” dated October 31, 2024.

We plan to open only the two new schools in the current fiscal year, and position the current fiscal year as a period in which we enhance our teaching. We will not be able to achieve our pillar of high-quality classes overnight. We can only achieve this by investing time and energy into teacher training. We will focus on strengthening our teaching so that we can continue to grow even in an increasingly competitive environment due to the declining birthrate by controlling the expansion of our school network. In the fiscal year ending September 30, 2025, we believe that we can surely increase the number of students by raising the rate of attendance for all grades and by offering additional classes for grades full to capacity at existing schools, in addition to the above two new schools.

In the mid-term, our challenge is to form a network in Kawasaki City, which has the most student-age population next to Yokohama City in Kanagawa Prefecture, and also a school network in the eastern, coastal, and southern areas in Yokohama City such as Tsurumi Ward, Naka Ward, Minami Ward, and Kanazawa Ward, where we have not been able to operate our business sufficiently.

To strategically focus on Kawasaki City and Yokohama City, where there is still much room for opening schools, and form a strong school network, we would like to further increase the number of students who passed the entrance exams for highly regarded public schools with excellent results of elite university entrance exams. That includes Yokohama-Suiran High School in the Yokohama area and Tama High School, for which we ranked number one for the first time this year in terms of the number of passers among all tutoring school, in the Kawasaki area. To achieve that, we will continue to strengthen our teaching to develop students' abilities. We will also continue to work hard to be even more strongly recognized as a top brand praised for improving academic performance and achieving good pass results.

## 2. Quarterly Financial Statements and Principal Notes

### (1) Quarterly Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	9,674,288	8,686,543
Accounts receivable-trade	95,339	205,602
Inventories	36,703	54,746
Other	450,833	603,070
Allowance for doubtful accounts	(381)	(411)
Total current assets	10,256,783	9,549,552
Non-current assets		
Property, plant and equipment		
Buildings, net	7,212,017	7,042,932
Land	8,616,896	8,616,896
Other, net	200,204	182,176
Total property, plant and equipment	16,029,118	15,842,005
Intangible assets	118,703	124,932
Investments and other assets		
Leasehold and guarantee deposits	661,570	660,448
Other	2,194,098	2,759,922
Total investments and other assets	2,855,668	3,420,370
Total non-current assets	19,003,489	19,387,308
Total assets	29,260,273	28,936,861
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	136,436	86,036
Lease obligations	18,905	18,543
Accounts payable-other	167,593	141,548
Income taxes payable	705,497	500,054
Provision for bonuses	104,665	344,719
Other	1,242,802	652,485
Total current liabilities	2,375,898	1,743,388
Non-current liabilities		
Long-term borrowings	104,164	51,037
Lease obligations	36,027	23,904
Provision for retirement benefits for directors	129,800	129,800
Asset retirement obligation	363,361	376,673
Other	14,207	14,014
Total non-current liabilities	647,560	595,429
Total liabilities	3,023,458	2,338,817

(Thousands of yen)

	As of September 30, 2024	As of June 30, 2025
Net assets		
Shareholders' equity		
Capital stock	1,778,330	1,778,330
Capital surplus	2,138,466	2,140,329
Retained earnings	23,750,707	24,472,251
Treasury shares	(1,438,020)	(1,803,222)
Total shareholders' equity	26,229,483	26,587,688
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,330	10,354
Total valuation and translation adjustments	7,330	10,354
Total net assets	26,236,814	26,598,043
Total liabilities and net assets	29,260,273	28,936,861



(2) Quarterly Statements of income  
Nine months Ended June 30

(Thousands of yen)

	For the nine months ended June. 30, 2024	For the nine months ended June. 30, 2025
Net sales	11,182,633	11,798,713
Cost of sales	7,784,091	8,245,901
Gross profit	3,398,541	3,552,812
Selling, general and administrative expenses	668,547	704,436
Operating profit	2,729,994	2,848,376
Non-operating income		
Interest income	54	1,521
Subsidy income	19,530	16,912
Rental income from buildings	80,590	79,817
Other	12,384	35,936
Total non-operating income	112,560	134,187
Non-operating expenses		
Interest expenses	300	646
Rental expenses	65,051	81,272
Other	3,161	6,074
Total non-operating expenses	68,513	87,993
Ordinary profit	2,774,041	2,894,570
Profit before income taxes	2,774,041	2,894,570
Income taxes-current	953,039	995,680
Income taxes-deferred	(84,681)	(90,978)
Total income taxes	868,358	904,702
Profit	1,905,683	1,989,868

### (3) Notes to Quarterly Financial Statements

(Significant matters that serve as the basis for the preparation of quarterly non-consolidated financial statements)

The quarterly non-consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements, and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan.

(Notes on going concern assumption)

There is no relevant information.

(Notes on significant changes in the amount of shareholders' equity)

There is no relevant information.

(Segment information, etc.)

Description is omitted because the Company operates in a single segment of tutoring schools.

(Notes to Statements of Cash Flows)

We have not produced the quarterly statement of cash flows for the third quarter under review. Depreciation in the third quarter under review (including depreciation related to intangible assets) is as described below.

	For the nine months ended June. 30, 2024 (Thousands of yen)	For the nine months ended June. 30, 2025 (Thousands of yen)
Depreciation	394,180	389,800

### 3. Supplementary Information

Status of production, orders and sales

(1) Results of production and orders received

Our business is conducting classes to students, so there are no relevant items regarding results of production and orders received.

(2) Sales results

As we have a single segment of the tutoring school business, we have no other segments subject to disclose. Sales results for the nine months of the fiscal year under review are shown below by business segment.

Segment	Nine months ended June 30, 2025 (Thousands of yen)	Year-on-year changes (%)
High school entrance examination course	9,281,101	104.8
University entrance examination course	2,517,612	108.2
Total	11,798,713	105.5