



Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (Under Japanese GAAP)

October 29, 2026

Company name: STEP Co.,Ltd.

Listing: Tokyo Stock Exchange

Securities code: 9795

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Scheduled date of annual general meeting of shareholders: December 12, 2026

Scheduled date to commence dividend payments: December 15, 2026

Scheduled date to file annual securities report: December 9, 2026

Preparation of supplementary material on financial results: Yes

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

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

1. Non-consolidated financial results for the fiscal year ended September 30, 2026 (from October 1, 2025 to September 30, 2026)

(1) Non-consolidated operating results

(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	%
Fiscal year ended September 30, 2026	16,421	3.6	4,049	7.1	4,171	7.9	2,837	5.5
September 30, 2025	15,846	5.0	3,780	7.7	3,865	8.5	2,689	7.2

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2026	182.30	—	10.2	13.5	24.7
September 30, 2025	170.35	—	10.0	12.9	23.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended September 30, 2026: ¥ -million

For the fiscal year ended September 30, 2025: ¥ -million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2026	31,408	28,188	89.7	1,819.32
September 30, 2025	30,571	27,422	89.7	1,738.76

Reference: Equity As of September 30, 2026 ¥ 28,188million

As of September 30, 2025 ¥ 27,422million

(3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended September 30, 2026	3,391	(5,196)	(1,928)	3,846
September 30, 2025	3,382	(3,193)	(2,020)	7,579

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2025	—	40.00	—	45.00	85.00	1,342	49.9	4.9
Fiscal year ended September 30, 2026	—	44.00	—	47.00	91.00	1,410	49.9	5.0
Fiscal year ending September 30, 2027 (Forecast)	—	47.00	—	47.00	94.00		49.9	

3. Non-consolidated financial results forecast for the fiscal year ending September 30, 2027(October 1, 2026 to September 30, 2027)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	8,674	3.8	2,450	2.9	2,513	3.6	1,721	1.4	111.07
Full year	17,115	4.2	4,174	3.1	4,301	3.1	2,917	2.8	188.26

* Notes:

(1) 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

(2) Number of issued shares (common shares)

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

As of September 30, 2026	16,670,000 shares
As of September 30, 2025	16,670,000 shares

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

As of September 30, 2026	1,175,772 shares
As of September 30, 2025	898,671 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2026	15,565,113 shares
Fiscal year ended September 30, 2025	15,789,185 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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 “1. Overview of Operating Results, etc. (4) Future outlook” on page 6 of this report.

Annual financial results briefing sessions for institutional investors and analysts is planned to be held on November 11 2026.

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1. Overview of Operating Results, etc.

(1) Summary of operating results for the current fiscal year

In this term, too, the number of students kept increasing and reached 38,120 at the end of September 2026, hitting a record high. The average number of students this term increased by 1,017, or 2.9% year on year, to 36,143, surpassing 36,000 for the first time. Moreover, the fourth quarter (July to September) coincided with the summer courses (late July to late August). Many students joined in September after the summer courses. So, the number of students as of the end of September increased by 1,855 (5.1%) compared with June at the end of the third quarter.

Looking at the average number of students by grade, the number of 1st- through 4th-grade elementary school students in the after-school care course increased by 14.2% from the previous term and that of 5th- and 6th-grade elementary school students by 10.4% from the previous term, respectively, showing a favorable trend. The trend toward early enrollment continues, with students in the upper grades of elementary school beginning to attend classes in preparation for high school entrance exams. Enrollment trends among junior high school students vary among regions. In the Yokohama-Kawasaki region, the number of students is increasing steadily, but in the western and central regions of the prefecture, where birth rate is declining rapidly, we face difficulty in student enrollment. Enrollment for the summer courses has shown some improvement, and we are making efforts to further increase enrollment. The university entrance examination course (for high school students) continued to perform well, with enrollment increasing by 4.2% from the previous term. In particular, growth among 1st- and 2nd-year high school students was strong, which makes us confident that enrollment will remain solid from spring 2027, as students advance to the next grade.

We positioned the current fiscal year as a period for opening only a limited number of new schools and enhancing our teaching, as we did in the previous fiscal year, and opened only 2 schools for the high school entrance examination course. However, the average number of students increased by more than 1,000 during the period.

The results of entrance exams this spring were favorable.

In the high school entrance examination course, 1,404 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 37 students from 1,367 students in the previous fiscal year), and the number of STEP students who passed the entrance exam was the largest for the first time for the 8 schools among all the tutoring schools. STEP students accounted for 53.3% (over half) of all of the students (2,633) who passed the entrance exams for the above 8 preparatory schools.

At Tama Senior 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, the same number of the previous year, making us the top-ranked tutoring school for two consecutive years in terms of the number of successful applicants. Kawasaki City is an area where we have been actively opening new schools in recent years, and while we are still in the process of developing a school network, achieving the highest number of students who passed the entrance exam for two consecutive years so soon is expected to further accelerate STEP's growth and presence in the region.

Regarding private high schools, the number of STEP students who passed the entrance exam of Keio Senior High School, which is the most difficult for junior high school students to enter among high schools in Kanagawa Prefecture, reached 71, hitting a record high. In addition, a total of 431 STEP students have passed the challenging entrance exam of Hosei University Daini Senior High School, Hosei University Kokusai High School, or Chuo University Yokohama Senior High School in Kanagawa Prefecture, achieving the highest number of successful applicants among all tutoring schools.

As for the national high school entrance exam, the record-high number of 235 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), making us the top tutoring school among all tutoring schools for 18 consecutive years. 190 passers, excluding waitlisted applicants, account for 46.8% of a total of 406 students who passed the exam, meaning that

STEP accounts for almost half of students who passed the school.

The university entrance examination course (for high school students) was successful also this spring. We were able to pass 14 high school students for the University of Tokyo, 4 for Kyoto University, 19 for Hitotsubashi University, and 32 for Institute of Science Tokyo. The total number of students who passed any of these 4 universities reached 69, hitting a record high. In addition, 6 high school 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 383. In terms of private universities, the number of students who passed the entrance exams at Waseda University, Keio University and Sophia University was 787, hitting a record high, and the number for the so-called Ridai MARCH (Tokyo University of Science, Meiji, Aoyama Gakuin, Rikkyo, Chuo, and Hosei) was 2,220.

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. 62 out of 69 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, our results have clearly demonstrated that, by establishing a solid study system and structure for entrance exams, we can greatly increase the number of public high school students admitted to their first-choice universities. We believe this is highly significant.

In the after-school care course, the enrollment of students for each classroom has been progressing in a healthy manner. STEP Kids Shonandai School opened in the spring of 2025 welcomes its second year, and now accepts first to third graders. In 2027, they will accept applications from fourth graders, covering all grades targeted by STEP Kids.

In late March of 2027, we plan to open STEP Kids Tsujido Station South Exit School (Tsujido Station on the JR Line), to serve students from many elementary schools in the Tsujido area, where the number of elementary school students is increasing, complementing the existing Tsujido School, which is located to the north of the station.

While refining our 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 Kawasaki School (Kawasaki Station on the JR Line) in March and opened Tomioka School (Keikyu Tomioka Station on the Keikyu Line) in July for the high school entrance examination course.

Kawasaki School was the first school in Kawasaki Ward, Kawasaki City, located just a one-minute walk from Kawasaki Station. Following Hi-STEP Kawasaki School, this was the second school in the Kawasaki Station area.

Tomioka School, which opened in July before the summer course began, is the second school in Kanazawa Ward, Yokohama City, following Hi-STEP Kanazawa Bunko School. Also in March, we expanded Hashimoto School for the high school entrance examination course in Sagami City. Hashimoto School had consistently been operating at full capacity, but with this expansion, we are now able to accommodate even more students.

In March, we relocated the Step Center Minami School for the university entrance exam course, located in Tsuzuki Ward, Yokohama City, to a nearby location. The former school building housed both the high school entrance examination course and Hi-STEP programs. However, due to the increasing number of students advancing from the high school entrance examination course to the university entrance examination course, the Step Center Minami School had been at full capacity for an extended period, preventing us from accepting new applicants. This relocation will allow us to increase enrollment for the university entrance examination course, resolving the full capacity issue. Additionally, we can spare more space for the high school entrance examination course and Hi-STEP programs, enhancing the overall learning environment.

For the next fiscal year, we are making preparations to open Minamikase School for the high school entrance

examination course in Saiwai Ward, Kawasaki City, and Yokohama School for the high school entrance examination course in Kanagawa Ward, Yokohama City in March. Including these schools, we will continue to advance the opening of new schools in the Kawasaki area and the eastern and southern parts of Yokohama, where significant potential for new school openings exists. In the spring of 2027, we will also open STEP Mizonokuchi School for the university entrance examination course (Musashi-mizonokuchi Station on the JR Line and Mizonokuchi Station on the Tokyu Line). The opening of a new Step school for the university entrance examination course will be our first new school opening in eight years, since the opening of Yokosuka School in 2019. It will also be our first school targeting high school students in Kawasaki City, and we expect it to become an important school for students from Tama Senior High School and Shinjo Senior High School, where the number of successful Step students has increased significantly in recent years. In the after-school care course, we plan to open STEP Kids Tsujido Station South Exit School in late March 2027, as described above.

In September, we purchased a nine-story building in a prime location on the west side of Yokohama Station, just a six-minute walk from JR Yokohama Station. For floors currently occupied by tenants, we will generate rental income and convert them to our use as they become vacant. In the medium to long term, we are considering housing and expanding our Yokohama School for the university entrance examination course at the building. For floors that are currently vacant, we plan to house our Hi-STEP Yokohama School there next spring. With a view to future growth, we plan to continue making proactive investments whenever we find properties that meet our requirements.

Starting in spring 2026, tuition-free private high school education was introduced nationwide. In Kanagawa Prefecture, the number of graduates from public junior high schools in the spring of 2026 was 66,387, or up 40 year on year, roughly unchanged from the previous year. In contrast, the number of students entering full-time public high schools in the prefecture decreased by 683 from the previous year, while the number of those entering full-time private high schools increased by 813, including 169 students attending private high schools within the prefecture and 644 attending private high schools outside the prefecture. At Step, the number of students who secured admission to private high schools through recommendation-based admissions or single-choice admissions—where students designate a private high school as their first choice and effectively secure admission through a process similar to recommendation-based admission—and subsequently withdrew early after completing their entrance exams by the end of the year increased by approximately 350 from the previous year. This resulted in a decline in revenue of approximately 56 million yen in total. We expect the number of Step students who aspire to attend private high schools to increase to some extent this fiscal year, which will have an impact. However, in Kanagawa Prefecture, private high schools have a fixed total enrollment capacity, so we expect the balance between public and private high school enrollment to gradually stabilize.

We recorded net sales of 16,421 million yen (up 3.6% year on year), operating profit of 4,049 million yen (up 7.1% year on year), ordinary profit of 4,171 million yen (up 7.9% year on year), and net profit of 2,837 million yen (up 5.5% year on year).

The number of students and net sales by business segment are as follows.

(High school entrance examination course)

The average number of students during the period was 29,536 (up 2.6% year on year) and net sales were 12,897 million yen (up 3.0% year on year).

(University entrance examination course)

The average number of students during the period was 6,607 (up 4.2% year on year) and net sales were 3,524 million yen (up 6.0% year on year).

(2) Summary of financial condition in the current fiscal year

(Assets)

Total assets at the end of the fiscal year under review stood at 31,408 million yen, an increase of 837 million yen from the end of the previous fiscal year.

Current assets decreased 1,565 million yen from the end of the previous fiscal year to 7,023 million yen because of a decrease in cash and deposits, despite an increase in securities.

Non-current assets increased 2,403 million yen from the end of the previous fiscal year to 24,385 million yen, mainly due to an increase in land and buildings.

(Liabilities)

Liabilities at the end of the fiscal year under review amounted to 3,220 million yen, an increase of 71 million yen from the end of the previous fiscal year.

Current liabilities decreased 35 million yen from the end of the previous fiscal year to 2,334 million yen, mainly due to a decrease in accrued consumption taxes and deposits received, despite an increase in income taxes payable.

Non-Current liabilities increased 107 million yen from the end of the previous fiscal year to 885 million yen, mainly due to an increase in asset retirement obligations.

(Net assets)

Net assets at the end of the fiscal year under review increased 766 million yen from the end of the previous fiscal year to 28,188 million yen, mainly due to the recording of net profit despite the payment of dividends.

As a result, the equity ratio was at 89.7%, unchanged from the end of the previous fiscal year.

(3) Summary of cash flow in the current fiscal year

The status of cash flows and their factors for the current fiscal year are as follows.

Cash and cash equivalents (hereinafter referred to as "cash") were 3,846 million yen, a decrease of 3,733 million yen (down 49.3% year on year).

(Cash flows from operating activities)

Net cash provided by operating activities was 3,391 million yen (up 0.3% year on year).

This was mainly attributable to income before income taxes of 4,100 million yen, depreciation and amortization of 547 million yen, which were offset by income taxes paid of 1,229 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 5,196 million yen (up 62.7% year on year).

This was mainly due to the purchase of property, plant and equipment of 3,691 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,928 million yen (down 4.6% year on year).

This was mainly attributable to purchase of treasury shares of 671 million yen and cash dividends paid of 1,391 million yen.

(Reference) Trends in cash flow indicators

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Equity ratio (%)	89.9	90.6	89.7	89.7	89.7
Market value equity ratio (%)	107.0	98.8	105.0	129.1	108.8
Cash flow to interest-bearing liabilities ratio (years)	0.1	0.1	0.1	0.0	0.0
Interest coverage ratio (times)	3,700.5	5,285.8	7,916.3	4,355.5	8,521.5

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Cash flow to interest-bearing liabilities ratio: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / interest expenses paid

(Notes 1) Market capitalization is calculated based on the number of shares issued excluding treasury stock.

(Notes 2) Cash flow from operating activities is used for cash flow.

(Notes 3) Interest-bearing debt includes all debt reported on the non-consolidated balance sheets on which interest is paid.

(4) Future outlook

For two consecutive fiscal years, beginning with the fiscal year ended September 30, 2025, we have limited new school openings and focused on strengthening our internal capabilities. At the same time, we have increased enrollment by filling a higher proportion of available student seats, achieving solid results in terms of both student enrollment and operating profit. In the tutoring-school industry, expanding operations without a corresponding improvement in staff capabilities risks compromising the quality of teaching and school operations. Given this context, the growth STEP has achieved by building on improvements in its educational results and reputation while increasing enrollment capacity utilization at existing schools, rather than relying excessively on new school openings, has been highly significant.

Going forward, we intend to alternate between periods focused on operational expansion—including through new school openings—and periods devoted to strengthening existing operations. By combining these approaches, we aim to achieve continued growth while maintaining the quality of teaching and school operations. We are confident regularly repeating this cycle will enable us to establish a path of steady growth despite Japan's declining birthrate.

With an eye toward the business environment of the 2030s, STEP has designated the next five years as a period of transformation for its management and operational foundations and for facilitating the achievement of sustainable growth despite the declining birthrate. During this period, we will focus on improving the quality of instruction and student guidance, consolidating selected schools included within the high school entrance examination course, expanding school capacity in the university entrance examination course, overhauling our core internal systems, and strengthening our organizational structure, among other initiatives (collectively, the "Management Plan").

For the five years covered by the Management Plan, we have decided to introduce a progressive dividend policy. While retaining our existing dividend payout ratio target of approximately 50%, we will not, in principle, reduce the annual dividend per share from the previous fiscal year's level, and will instead either maintain or increase it.

*For details, please refer to the "Notice Concerning Dividends of Surplus and Change in Dividend Policy (Introduction of Progressive Dividends)" released on the date of this notice.

Priority Initiatives for the Management Plan (Fiscal Year Ending September 2027 Through Fiscal Year Ending September 2031)

The priority initiatives we will pursue over the Management Plan's five years are outlined below.

1. High School Entrance Examination Course (Elementary and Junior High School Students)

Over the past decade, we have opened 30 new schools under our high school entrance examination course, primarily in the Kawasaki and Yokohama areas, including 14 in Kawasaki City and 12 in Yokohama City. While these openings have enabled us to steadily expand our operations, we continue to recognize considerable scope for improving the quality of our instruction and student guidance. We believe further improving the quality of instruction provided to each student is essential to STEP's continued growth throughout the 2030s. Accordingly, during the Management Plan period, we will continue to take a restrained approach toward opening new schools and instead focus on further improving the quality of teaching, student guidance, and operations at our existing schools, thereby strengthening our foundations for future growth.

We project the Management Plan will accompany further decline in the birthrate within Kanagawa Prefecture, the

population of 15-year-olds—who are in their third year of junior high school—is projected to decline by about 6 percent over the next five years.

In response to these demographic changes, we will optimize the distribution of our schools in areas particularly affected by the declining birthrate, including western and central Kanagawa Prefecture and the Yokosuka area. Meanwhile, we will carefully assess student enrollment in each area while analyzing projected demographic trends.

In support of these efforts, we plan to consolidate selected schools into larger regional hub schools. By maintaining sufficient student enrollment and appropriate staffing levels at these hubs, we aim to preserve and further improve the quality of instruction we provide in each area.

We will also redeploy personnel made available through reorganization of our school network, redistributing them primarily to the Yokohama and Kawasaki areas, where an increasing number of grades and classes are reaching full capacity. This strategy will enable us to further strengthen our teaching capacity in areas with growth potential.

2. University Entrance Examination Course (High School Students)

With regard to our university entrance examination course, we have not opened any new schools over the past eight years, focusing instead on enhancing the teaching and operational capabilities of our existing schools. We aim to fully leverage the personnel, teaching expertise, and operational know-how built up over these eight years at Mizonokuchi School in Kawasaki City, the course's first new school in eight years. At the same time, we will actively expand facilities and adjust the capacity of existing schools to accommodate the growing number of grade levels and classes reaching full capacity.

During the fiscal year ended September 30, 2026, we relocated and expanded our Center Minami School. Going forward, we plan to effectively leverage a nine-story building we secured near Yokohama Station in September to upgrade and expand our Yokohama School, which has been operating at full capacity.

Over the longer term, we are also considering this building's potential use as a regional headquarters for our operations in the Yokohama and Kawasaki areas.

3. After-School Care Course (STEP Kids)

Over the past decade, we have largely established the organizational and operational framework needed to support STEP Kids, our after-school care program. Going forward, we will continue to improve operations at existing centers while also opening new centers selectively, based on careful assessments of local demand.

Looking Ahead to the 2030s

By steadily executing the initiatives above, we will use the next five years to strengthen our business foundation and organizational structure so we can achieve sustainable growth and sound management even in the 2030s, when the declining birthrate is expected to become an even greater challenge.

During the Management Plan period, structural reforms and investments in growth may result in some fluctuations in annual net sales and profit. By introducing a progressive dividend policy during this period of transformation, we will continue to provide stable returns to shareholders while steadily transitioning toward a tutoring-school business model built for the 2030s. We will pursue this transition from a medium- to long-term perspective, avoiding undue influence from fluctuations in any single year's financial performance.

We humbly ask our shareholders for their continued understanding and support as we pursue these medium- to long-term growth initiatives.

2. Basic Policies regarding the Selection of Accounting Standards

We prepare our financial statements in accordance with Japanese GAAP because we do not engage in overseas business development or procurement of funds.

3. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	7,844,335	4,111,950
Accounts receivable-trade	95,400	100,112
Securities	—	2,331,100
Inventories	37,657	52,735
Prepaid expenses	322,641	324,879
Other	288,965	103,158
Allowance for doubtful accounts	(352)	(400)
Total current assets	8,588,647	7,023,537
Non-current assets		
Property, plant and equipment		
Buildings	14,807,880	15,958,220
Accumulated depreciation and impairment loss	(7,601,712)	(8,030,259)
Buildings, net	7,206,168	7,927,960
Structures	339,758	339,551
Accumulated depreciation and impairment loss	(273,613)	(281,427)
Structures, net	66,144	58,123
Machinery and equipment	180,176	186,076
Accumulated depreciation	(139,247)	(143,893)
Machinery and equipment, net	40,929	42,183
Vehicles	24,254	28,572
Accumulated depreciation	(23,081)	(26,058)
Vehicles, net	1,172	2,513
Tools, furniture and fixtures	341,291	404,057
Accumulated depreciation and impairment loss	(279,818)	(310,795)
Tools, furniture and fixtures, net	61,472	93,262
Land	8,616,896	10,965,594
Total property, plant and equipment	15,992,784	19,089,638
Intangible assets		
Telephone subscription right	72	72
Other	123,170	201,119
Total intangible assets	123,243	201,192
Investments and other assets		
Investment securities	4,700,119	3,941,277
Long-term loans receivable	3,139	6,804
Long-term prepaid expenses	223,410	86,753
Deferred tax assets	277,066	355,737
Guarantee deposits	662,208	703,571
Other	450	450
Total investments and other assets	5,866,395	5,094,594
Total non-current assets	21,982,422	24,385,424
Total assets	30,571,070	31,408,961

(Thousands of yen)

	As of September 30, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Current portion of long-term borrowings	70,836	33,328
Lease obligations	17,462	19,213
Accounts payable-other	181,664	184,576
Accrued expenses	340,460	321,595
Income taxes payable	715,129	842,746
Accrued consumption taxes	258,278	161,841
Advances received	388,550	383,377
Deposits received	272,681	228,439
Unearned revenue	3,259	13,940
Provision for bonuses	105,239	106,666
Other	16,398	38,506
Total current liabilities	2,369,961	2,334,232
Non-current liabilities		
Long-term borrowings	33,328	—
Lease obligations	20,621	44,049
Provision for retirement benefits for directors	129,800	129,800
Asset retirement obligations	580,972	624,061
Other	13,753	87,921
Total non-current liabilities	778,475	885,832
Total liabilities	3,148,436	3,220,064
Net assets		
Shareholders' equity		
Share capital	1,778,330	1,778,330
Capital surplus		
Legal capital surplus	1,851,330	1,851,330
Other capital surplus	323,082	319,620
Total capital surplus	2,174,412	2,170,950
Retained earnings		
Legal retained earnings	137,027	137,027
Other retained earnings		
General reserve	97,800	97,800
Retained earnings brought forward	24,937,235	26,383,172
Total retained earnings	25,172,062	26,617,999
Treasury shares	(1,716,500)	(2,408,882)
Total shareholders' equity	27,408,304	28,158,397
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,329	30,499
Total valuation and translation adjustments	14,329	30,499
Total net assets	27,422,634	28,188,897
Total liabilities and net assets	30,571,070	31,408,961

(2) Non-consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Net sales	15,846,886	16,421,784
Cost of sales	11,145,428	11,392,628
Gross profit	4,701,458	5,029,155
Selling, general and administrative expenses		
Advertising expenses	96,111	85,098
Provision of allowance for doubtful accounts	382	427
Remuneration for directors	121,576	128,727
Salaries and allowances	163,641	180,685
Bonuses	38,937	41,548
Provision for bonuses	2,738	2,905
Retirement benefit expenses	4,635	5,079
Welfare expenses	41,600	44,054
Depreciation	13,919	12,560
Commission expenses	113,895	118,886
Taxes and dues	157,718	171,003
Other	166,178	188,189
Total selling, general and administrative expenses	921,337	979,167
Operating profit	3,780,121	4,049,988
Non-operating income		
Interest income	4,014	10,901
Interest on securities	19,197	54,598
Gain on investments in investment partnerships	17,936	28,903
Rental income from buildings	105,629	109,971
Subsidy income	22,092	9,861
Other	20,939	8,520
Total non-operating income	189,811	222,756
Non-operating expenses		
Interest expenses	811	428
Rental expenses	96,665	95,138
Other	6,559	6,024
Total non-operating expenses	104,037	101,591
Ordinary profit	3,865,894	4,171,153
Extraordinary Income		
Gain on sale of non-current assets	—	30,707
Total extraordinary Income	—	30,707
Extraordinary losses		
Impairment losses	—	100,884
Total extraordinary losses	—	100,884
Profit before income taxes	3,865,894	4,100,977
Income taxes-current	1,176,930	1,349,495
Income taxes-deferred	(714)	(86,096)
Total income taxes	1,176,215	1,263,399
Profit	2,689,679	2,837,578

Schedule of cost of sales

		Fiscal year ended September 30, 2025			Fiscal year ended September 30, 2026		
Class	Note no.	Amount (Thousands of yen)		Composition (%)	Amount (Thousands of yen)		Composition (%)
I .Labor cost							
1. Salaries and allowances		5,074,521			5,275,401		
2. Bonuses		1,275,926			1,250,330		
3. Provision for bonuses		100,185			101,232		
4. Retirement benefit expenses		121,246			122,848		
5. Other		1,334,810	7,906,690	70.9	1,334,677	8,084,489	71.0
II .Cost of teaching materials			632,338	5.7		657,285	5.8
III .Expenses							
1. Supplies expenses		137,107			111,823		
2. Depreciation		443,115			475,823		
3. Rental expenses		1,247,025			1,305,968		
4. Other		779,151	2,606,399	23.4	757,237	2,650,853	23.3
Cost of sales			11,145,428	100.0		11,392,628	100.0

Notes

Cost of sales are expenses for operating schools.

(3) Non-consolidated Statements of Changes in Equity
Previous fiscal year (from October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	1,778,330	1,851,330	287,136	2,138,466	137,027	97,800	23,515,880	23,750,707
Changes during period								
Dividends of surplus							(1,268,324)	(1,268,324)
Profit							2,689,679	2,689,679
Purchase of treasury shares								
Disposal of treasury shares			35,946	35,946				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	35,946	35,946	—	—	1,421,354	1,421,354
Balance at end of period	1,778,330	1,851,330	323,082	2,174,412	137,027	97,800	24,937,235	25,172,062

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,438,020)	26,229,483	7,330	7,330	26,236,814
Changes during period					
Dividends of surplus		(1,268,324)			(1,268,324)
Profit		2,689,679			2,689,679
Purchase of treasury shares	(465,545)	(465,545)			(465,545)
Disposal of treasury shares	187,065	223,012			223,012
Net changes in items other than shareholders' equity			6,998	6,998	6,998
Total changes during period	(278,479)	1,178,820	6,998	6,998	1,185,819
Balance at end of period	(1,716,500)	27,408,304	14,329	14,329	27,422,634

Current fiscal year (from October 1, 2025 to September 30, 2026)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	1,778,330	1,851,330	323,082	2,174,412	137,027	97,800	24,937,235	25,172,062
Changes during period								
Dividends of surplus							(1,391,640)	(1,391,640)
Profit							2,837,578	2,837,578
Purchase of treasury shares			(3,461)	(3,461)				
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	(3,461)	(3,461)	—	—	1,445,937	1,445,937
Balance at end of period	1,778,330	1,851,330	319,620	2,170,950	137,027	97,800	26,383,172	26,617,999

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,716,500)	27,408,304	14,329	14,329	27,422,634
Changes during period					
Dividends of surplus		(1,391,640)			(1,391,640)
Profit		2,837,578			2,837,578
Purchase of treasury shares	(692,382)	(695,844)			(695,844)
Disposal of treasury shares					
Net changes in items other than shareholders' equity			16,169	16,169	16,169
Total changes during period	(692,382)	750,093	16,169	16,169	766,262
Balance at end of period	(2,408,882)	28,158,397	30,499	30,499	28,188,897

(4) Non-consolidated Statements of Cash Flows

	(Thousands of yen)	
	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,865,894	4,100,977
Depreciation	518,342	547,466
Impairment losses	—	100,884
Increase(decrease) in allowance for doubtful accounts	(28)	47
Increase(decrease) in provision for bonuses	573	1,427
Share-based payment expenses	129,063	114,756
Interest and dividends income	(33,202)	(66,640)
Interest expenses	811	428
Gain on sale of non-current assets	—	(30,707)
Subsidy income	(22,092)	(9,861)
Decrease(increase) in trade receivables	(289)	(2,597)
Decrease(increase) in inventories	(953)	(15,078)
Increase(decrease) in accounts payable- other	1,868	(93,826)
Increase(decrease) in advances received	15,212	2,826
Increase(decrease) in accrued expenses	9,114	(18,864)
Other, net	14,395	(83,581)
Subtotal	4,498,711	4,547,655
Interest and dividends received	29,977	60,869
Interest paid	(776)	(397)
Subsidies received	22,849	13,211
Income taxes paid	(1,167,782)	(1,229,856)
Net cash provided by (used in) operating activities	3,382,978	3,391,483
Cash flows from investing activities		
Payments into time deposits	(257,256)	(1,257,855)
Proceeds from withdrawal of time deposits	257,201	1,257,256
Proceeds from redemption of securities	—	200,000
Purchase of property, plant and equipment	(274,219)	(3,691,225)
Proceeds from sale of property, plant and equipment	—	72,127
Purchase of intangible assets	(12,249)	(82,500)
Purchase of investment securities	(2,907,970)	(1,726,700)
Proceeds from collection of loans receivable	1,653	3,335
Payments for leasehold and guarantee deposits	(13,480)	(44,153)
Proceeds from refund of leasehold and guarantee deposits	13,037	1,998
Proceeds from lease and guarantee deposits received	—	73,507
Other, net	(24)	(2,503)
Net cash provided by (used in) investing activities	(3,193,306)	(5,196,713)
Cash flows from financing activities		
Repayments of long-term borrowings	(136,436)	(70,836)
Repayments of finance lease obligations	(19,230)	(19,014)
Purchase of treasury shares	(465,545)	(671,916)
Decrease(increase) in deposit for acquisition of treasury shares	(131,761)	225,051
Dividends paid	(1,267,515)	(1,391,339)
Net cash provided by(used in) financing activities	(2,020,489)	(1,928,055)
Net increase(decrease) in cash and cash equivalents	(1,830,816)	(3,733,284)
Cash and cash equivalents at beginning of period	9,410,457	7,579,640
Cash and cash equivalents at end of period	7,579,640	3,846,355

(5) Notes to Non-consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on changes in presentation)

(Non-consolidated Statements of Income)

Gain on investments in investment partnerships, which was included in “other” under non-operating income in the previous non-consolidated fiscal year, is separately stated from the non-consolidated fiscal year under review because it exceeded 10% of the total amount of non-operating income. To reflect this change in the presentation method, the non-consolidated financial statements for the previous fiscal year have been reclassified. As a result, 38,875 thousand yen presented as “other” under non-operating income in the non-consolidated statements of income for the previous fiscal year has been reclassified as gain on investments in investment partnerships of 17,936 thousand yen, “other” of 20,939 thousand yen.

(Segment information, etc.)

【Segment information】

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

(Equity in earnings of affiliated companies, etc.)

There is no relevant information.

(Per share information)

(Yen)

	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Net assets per share	1,738.76	1,819.32
Basic earnings per share	170.35	182.30

Notes:1. Fully diluted profit per share is not stated since the Company does not have residual securities.

2. The basis for calculation

1. The basis for calculation of net assets per share is as follows:

Item	As of September 30, 2025	As of September 30, 2026
Net assets per share		
Total net assets (Thousands of yen)	27,422,634	28,188,897
Amount deducted from the total net assets (Thousands of yen)	—	—
Amount of net assets related to common stock as of the end of the fiscal year (Thousands of yen)	27,422,634	28,188,897
Number of shares of common stock as of the end of the fiscal year (Shares)	15,771,329	15,494,228

2. The basis for calculation of profit per share is as follows:

Item	Fiscal year ended September 30, 2025	Fiscal year ended September 30, 2026
Basic earnings per share		
Profit (Thousands of yen)	2,689,679	2,837,578
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit available to common shares (Thousands of yen)	2,689,679	2,837,578
Average number of shares of common shares during the period (Shares)	15,789,185	15,565,113

(Significant subsequent events)

There is no relevant information.

4. Segment sales

Segment	Fiscal year ended September 30, 2025			Fiscal year ended September 30, 2026		
	Number of students	Net sales (Thousands of yen)	Composition (%)	Number of students	Net sales (Thousands of yen)	Composition (%)
Elementary and junior high school section	28,787	12,520,864	79.0	29,536	12,897,641	78.5
High school section	6,339	3,326,021	21.0	6,607	3,524,143	21.5
Total	35,126	15,846,886	100.0	36,143	16,421,784	100.0