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Consolidated Financial Results
for the Three Months Ended December 31, 2024
[Under Japanese GAAP]

February 13, 2025

Company name:	SPRIX Inc.		
Listed exchange:	Tokyo		
Securities code:	7030	URL:	https://sprix.inc
Representative:	Hiroyuki Tsuneishi, Representative Director and President		
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Scheduled date for commencement of dividend payments:	—		
Preparation of supplementary materials for financial results:	Yes		
Holding of financial results presentation meeting:	No		

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

(1) Consolidated results of operations (YTD)

(Percentages denote year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	8,707	6.4	1,171	10.4	1,189	11.5	730	11.9
December 31, 2023	8,183	6.0	1,061	41.4	1,066	41.7	652	43.7

(Reference) Comprehensive income	Three months ended December 31, 2024	731 million yen	up 12.2%
	Three months ended December 31, 2023	651 million yen	up 44.2%

	Earnings per share	Diluted earnings per share
Three months ended:	Yen	Yen
December 31, 2024	41.58	41.42
December 31, 2023	37.48	37.04

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2024	21,280	9,977	46.7
September 30, 2024	20,448	9,562	46.5

(Reference) Shareholders' equity	December 31, 2024	9,931 million yen
	September 30, 2024	9,517 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	19.00	—	19.00	38.00
Fiscal year ending September 30, 2025	—				
Fiscal year ending September 30, 2025 (forecast)		19.00	—	19.00	38.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages denote year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	34,000	6.7	1,600	46.3	1,600	41.1	850	70.0	48.74

(Note) Revision to the forecast for financial results announced most recently: None

*** Notes**

(1) Significant changes in the scope of consolidation for the three months ended December 31, 2024: None

Newly included: None

Excluded: None

(2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions in accounting standards: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)	December 31, 2024	17,921,700 shares	September 30, 2024	17,778,150 shares
(ii) Number of treasury shares at the end of the period	December 31, 2024	334,085 shares	September 30, 2024	337,085 shares
(iii) Average number of shares during the period (YTD)	Three months ended December 31, 2024	17,558,300 shares	Three months ended December 31, 2023	17,408,474 shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or audit firm: None

* Explanation of the proper use of financial results forecasts and other notes

Any forward-looking statements, including the forecast of consolidated financial results included herein, were prepared based on information available to the Company at the time this release was prepared and on certain assumptions judged to be reasonable by the Company and shall not be construed as a promise by the Company as to their realization.

Actual results may differ significantly from forecasts due to various factors. For the assumptions underlying the financial results forecast and important notes concerning the use of the financial results forecast, please refer to Consolidated Financial Results for the Three Months Ended December 31, 2024 Attachment p. 5 “1. QUALITATIVE INFORMATION ON QUARTERLY FINANCIAL RESULTS (3) Explanation of consolidated financial results forecast and other forward-looking information.”

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1. QUALITATIVE INFORMATION ON QUARTERLY FINANCIAL RESULTS

Forward-looking matters in the text were judged on the final day of the reporting period.

(1) Explanation of operating results

During the three months ended December 31, 2024, the Japanese economy has been recovering moderately, although it remains at a standstill in some areas.

Looking ahead, we expect the steady recovery to continue as the employment and income environment improves and various policies take effect. Still, there is a risk that a downturn in overseas economies, such as the continued high interest rates in the United States and Europe and the effects of ongoing stagnation in China's real estate market, will put downward pressure on the Japanese economy. Because of this, we need to be fully vigilant about the impact of rising prices, future policy trends in the United States, the situation in the Middle East, fluctuations in financial and capital markets, and other factors.

The Japanese educational services industry, in which the Company and its group companies (the "Group") are engaged, is experiencing changes arising from the reform of Japanese public education systems on the back of declining birthrates. Furthermore, with many industries being compelled to transform their businesses from analog to digital and to reassess their service lines, the educational services industry is also required to meet increasing demand for educational and teaching services delivered in new formats utilizing information technology (IT).

Under the circumstances outlined above, for the first three months of the current fiscal year, the Group recorded net sales of 8,707 million yen (up 6.4% year on year), operating profit of 1,171 million yen (up 10.4% year on year), ordinary profit of 1,189 million yen (up 11.5% year on year), profit attributable to owners of parent of 730 million yen (up 11.9% year on year), and EBITDA (i.e., operating profit before interest expenses, amortization of goodwill, and depreciation) of 1,404 million yen (up 3.1% year on year).

Results by segment are as follows:

Mori JUKU

As of the end of the reporting period (December 31, 2024), Mori JUKU, the SPRIX Group's core business specialized in offering individual tutoring schools, was operating 229 schools (an increase of 20 schools from a year earlier).

As a result of the number of students remaining strong, the number of enrolled students at Mori JUKU schools as of the end of the reporting period was 52,839, an increase of 5,646 students from a year earlier.

	Three months ended December 31, 2023	Three months ended December 31, 2024	YoY change
Net sales (Note 1)	4,335 million yen	4,702 million yen	Up 8.5%
Segment profit (Notes 1, 2)	1,496 million yen	1,576 million yen	Up 5.3%
EBITDA (Note 3)	1,528 million yen	1,612 million yen	Up 5.5%
Number of schools	209	229	+20
Number of students	47,193	52,839	+5,646

Notes:

1. Net sales above represent net sales to external customers. Segment profit above represents figures before elimination of inter-segment transactions.
2. Segment profit above reflects amortization of intangible assets.
3. EBITDA represents operating profit before interest expenses, amortization of goodwill, and depreciation.

Shonan Seminar

As of the end of the reporting period (December 31, 2024), Shonan Seminar, which offers group tutoring classes, was operating 203 schools (an increase of seven schools from a year earlier). Exam pass rates in spring 2024 maintained the previous year's recovery. The number of elementary school students in the elementary and junior high school sections, including core comprehensive courses, increased year on year for three consecutive quarters due to expanded content and enhanced marketing for elementary school students. Meanwhile, the total number of students in the first and second year of junior high school, which directly affects the number of students in the next school year, increased year on year for two consecutive quarters. However, the number of students in the third year of junior high school decreased year on year. As a result, at the end of the reporting period, the number of enrolled students at Shonan Seminar was 19,719 (a decrease of 165 students from a year earlier).

	Three months ended December 31, 2023	Three months ended December 31, 2024	YoY change
Net sales	2,460 million yen	2,508 million yen	Up 2.0%
Segment profit	458 million yen	483 million yen	Up 5.4%
EBITDA	569 million yen	544 million yen	Down 4.4%
Number of schools	196	203	+7
Number of students	19,884	19,719	(165)

Kawaijuku Manavis

Kawaijuku Manavis specializes in preparing high school students for university entrance exams using video sessions and support tutors. As of the end of the reporting period (December 31, 2024), Shonan Seminar Co., Ltd. was operating 51 Kawaijuku Manavis schools (an increase of one school from a year earlier) as a franchisee.

As a result of a rise in the number of students in all grades year on year for three consecutive quarters, at the end of the reporting period the number of enrolled students at Kawaijuku Manavis schools was 5,380 (an increase of 421 students from a year earlier).

	Three months ended December 31, 2023	Three months ended December 31, 2024	YoY change
Net sales	721 million yen	769 million yen	Up 6.5%
Segment profit	26 million yen	37 million yen	Up 37.7%
EBITDA	82 million yen	90 million yen	Up 9.4%
Number of schools	50	51	+1
Number of students	4,959	5,380	+421

Other

For segment reporting purposes, the “Other” category represents operating segments that cannot be classified into reportable segments, including new businesses (including R&D expenses), Independent learning RED, Sora JUKU, and other educational services, such as the sale of Foresta Series textbooks and the operation of Tokyo Dance Village, WAYO Japanese Language School, and the Programming Proficiency Test.

Independent learning RED offers virtual tutoring schools utilizing educational IT. As of the end of the reporting period (December 31, 2024), there were six directly operated schools (no year-on-year change) and 214 franchised schools (an increase of 15 schools from a year earlier).

As for the educational services included in the “Other” category, existing businesses, including the Foresta Series, which offers teaching materials for individual tutoring, the Fun-Learning Series, which provides online video teaching materials using information and computer technology (ICT), and Jukukoshi japan, a job-search website for JUKU teachers, all performed well. In addition, some of the Group’s new businesses were on a steady growth path, including SPRIX LEARNING, DOJO, which offers AI-powered tablets to enhance fundamental academic skills, and QUREO Programing Schools and the Programming Proficiency Test, which are jointly operated with CyberAgent group.

(2) Explanation of financial position

(Assets)

Total assets as of the end of the reporting period (December 31, 2024) were 21,280 million yen, an increase of 832 million yen from the end of the previous fiscal year (September 30, 2024). This was mainly because cash and deposits increased by 728 million yen.

(Liabilities)

Total liabilities as of the end of the reporting period (December 31, 2024) were 11,303 million yen, an increase of 417 million yen from the end of the previous fiscal year (September 30, 2024). This was mainly attributable to an increase of 426 million yen in accounts payable - other.

(Net assets)

Net assets as of the end of the reporting period (December 31, 2024) were 9,977 million yen, an increase of 414 million yen from the end of the previous fiscal year (September 30, 2024). This was mainly attributable to the recognition of profit attributable to owners of parent of 730 million yen, less dividend payments of 331 million yen.

(3) Explanation of consolidated financial results forecast and other forward-looking information

No change has been made to the financial results forecast for the fiscal year ending September 30, 2025 disclosed in the Consolidated Financial Results for the Fiscal Year Ended September 30, 2024, which were issued on November 12, 2024.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AND MAIN NOTES

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	5,359	6,088
Accounts receivable - trade	374	338
Merchandise and finished goods	326	462
Work in process	66	129
Supplies	26	39
Accounts receivable - other	2,619	2,975
Other	1,082	813
Allowance for doubtful accounts	(48)	(51)
Total current assets	9,806	10,795
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,591	3,579
Land	489	489
Other, net	160	183
Total property, plant and equipment	4,240	4,252
Intangible assets		
Goodwill	2,183	2,106
Software	173	168
Other	746	772
Total intangible assets	3,103	3,047
Investments and other assets		
Investment securities	276	294
Deferred tax assets	727	697
Leasehold and guarantee deposits	2,045	2,090
Other	246	103
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,297	3,185
Total non-current assets	10,641	10,485
Total assets	20,448	21,280

	As of September 30, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	150	185
Accounts payable - other	1,468	1,895
Short-term borrowings	717	1,226
Current portion of long-term borrowings	363	363
Income taxes payable	418	456
Accrued consumption taxes	452	513
Advances received	4,590	4,035
Provision for bonuses	440	362
Other	618	671
Total current liabilities	9,221	9,709
Non-current liabilities		
Long-term borrowings	429	342
Provision for retirement benefits for directors (and other officers)	75	75
Retirement benefit liability	127	133
Asset retirement obligations	1,032	1,042
Total non-current liabilities	1,664	1,594
Total liabilities	10,886	11,303
Net assets		
Shareholders' equity		
Share capital	1,444	1,451
Capital surplus	1,434	1,441
Retained earnings	7,013	7,412
Treasury shares	(377)	(375)
Total shareholders' equity	9,516	9,930
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	1	1
Total accumulated other comprehensive income	1	1
Share acquisition rights	44	43
Non-controlling interests	—	1
Total net assets	9,562	9,977
Total liabilities and net assets	20,448	21,280

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statements of income)

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Net sales	8,183	8,707
Cost of sales	5,118	5,631
Gross profit	3,064	3,075
Selling, general and administrative expenses	2,003	1,904
Operating profit	1,061	1,171
Non-operating income		
Interest income	0	0
Share of profit of entities accounted for using equity method	—	17
Subsidy income	0	1
Other	9	2
Total non-operating income	9	21
Non-operating expenses		
Interest expenses	1	2
Commission expenses	—	0
Other	2	0
Total non-operating expenses	3	3
Ordinary profit	1,066	1,189
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on reversal of share acquisition rights	2	0
Total extraordinary income	2	0
Profit before income taxes	1,069	1,190
Income taxes - current	428	427
Income taxes - deferred	(11)	31
Total income taxes	416	458
Profit	652	732
Profit attributable to non-controlling interests	—	1
Profit attributable to owners of parent	652	730

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Profit	652	732
Other comprehensive income		
Remeasurements of defined benefit plans	(0)	(0)
Total other comprehensive income	(0)	(0)
Total comprehensive income	651	731
attributable to:		
Owners of parent	651	729
Non-controlling interests	—	1

(3) Notes to the quarterly consolidated financial statements

(Notes on the going-concern assumption)

Not applicable.

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

Not applicable.

(Notes on quarterly consolidated cash flow statements)

Consolidated cash flow statements for the current cumulative quarterly accounting period have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the current cumulative quarterly accounting period are as follows.

	Three months ended December 31, 2023	Three months ended December 31, 2024
Depreciation	191 million yen	147 million yen
Amortization of goodwill	102 million yen	78 million yen

(Notes on segment information)

I. Three months ended December 31, 2023

1. Information related to net sales and profit or loss and revenue breakdown by reportable segment

(Millions of yen)								
	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated financial statements (Note 3)
	Mori JUKU	Shonan Seminar	Kawaijuku Manavis	Total				
Net sales								
Revenue from contracts with customers	4,335	2,460	721	7,517	665	8,183	—	8,183
Other revenues	—	—	—	—	—	—	—	—
Sales to external customers	4,335	2,460	721	7,517	665	8,183	—	8,183
Inter-segment sales or transfers	—	—	—	—	0	0	(0)	—
Total	4,335	2,460	721	7,517	665	8,183	(0)	8,183
Segment profit (loss)	1,496	458	26	1,982	(248)	1,733	(672)	1,061

Notes:

1. For segment reporting purposes, the “Other” category represents operating segments that cannot be classified into reportable segments, including new businesses (including R&D expenses), Independent learning RED, Sora JUKU, and other educational services, such as the sale of Foresta Series textbooks and the operation of Tokyo Dance Village, WAYO Japanese Language School, and the Programming Proficiency Test.
2. The adjustment of (672) million yen to segment profit or loss includes amortization of goodwill of 4 million yen and corporate expenses that cannot be allocated to reportable segments of 667 million yen. These corporate expenses mainly represent selling, general and administrative expenses not attributable to reportable segments or the “Other” category.
3. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets, goodwill, etc., by reportable segment

Not applicable.

II. Three months ended December 31, 2024

1. Information related to net sales and profit or loss and revenue breakdown by reportable segment

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated financial statements (Note 3)
	Mori JUKU	Shonan Seminar	Kawaijuku Manavis	Total				
Net sales								
Revenue from contracts with customers	4,702	2,508	769	7,979	727	8,707	—	8,707
Other revenues	—	—	—	—	—	—	—	—
Sales to external customers	4,702	2,508	769	7,979	727	8,707	—	8,707
Inter-segment sales or transfers	—	—	—	—	3	3	(3)	—
Total	4,702	2,508	769	7,979	730	8,710	(3)	8,707
Segment profit (loss)	1,576	483	37	2,096	(363)	1,732	(561)	1,171

Notes:

1. For segment reporting purposes, the “Other” category represents operating segments that cannot be classified into reportable segments, including new businesses (including R&D expenses), Independent learning RED, Sora JUKU, and other educational services, such as the sale of Foresta Series textbooks and the operation of Tokyo Dance Village, WAYO Japanese Language School, and the Programming Proficiency Test.
2. The adjustment of (561) million yen to segment profit or loss is for corporate expenses that cannot be allocated to reportable segments. These corporate expenses mainly represent selling, general and administrative expenses not attributable to reportable segments or the “Other” category.
3. Segment profit (loss) has been reconciled with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets, goodwill, etc., by reportable segment

Not applicable.