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## Consolidated Financial Results for the Six Months Ended March 31, 2025 [Under Japanese GAAP]



May 9, 2025

Company name: Gakken Holdings Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Securities code: 9470  
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 Scheduled date of filing quarterly securities report: May 9, 2025  
 Scheduled date of commencing dividend payments: Jun 5, 2025  
 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. Consolidated Financial Results for the Six Months Ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results(cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended March 31, 2025	98,841	5.7	4,541	(11.7)	4,212	(18.3)	2,424	36.8
March 31, 2024	93,505	15.2	5,141	59.4	5,154	57.8	1,772	43.1

(Note) Comprehensive income: Six months ended March 31, 2025: ¥2,937 million [38.5%]

Six months ended March 31, 2024: ¥2,120 million [(0.0)%]

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended March 31, 2025	58.06	57.68
March 31, 2024	41.19	40.87

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	141,882	56,858	36.7
As of September 30, 2024	130,714	53,653	39.4

(Reference) Equity: As of March 31, 2025: ¥52,074 million

As of September 30, 2024: ¥51,473 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	12.50	—	12.50	25.00
Fiscal year ending September 30, 2025	—	13.00			
Fiscal year ending September 30, 2025 (Forecast)			—	13.00	26.00

(Note) Revision of dividends forecast since the last announcement: None

### 3. 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 attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	200,000	7.8	7,000	1.7	7,200	4.3	3,500	54.8	83.82

(Note) Revision of financial results forecast since the last announcement:

None

#### \* Notes:

(1) Significant changes in scope of consolidation during the period: Yes

Newly added: 1 (Name) DTP Education Solutions JSC Excluded: – (Name) –

(2) Application of special accounting treatments in preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

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

March 31, 2025: 44,633,232 shares

September 30, 2024: 44,633,232 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 3,217,170 shares

September 30, 2024: 2,410,576 shares

3) The average number of shares during the period:

Six months ended March 31, 2025: 41,757,708 shares

Six months ended March 31, 2024: 43,045,470 shares

\* Quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Notes on proper use of financial results forecasts and special matters

(Note on forward-looking statements, etc.)

Financial performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions it deems rational. The actual results may vary significantly due to various factors. With regard to the assumptions for the performance forecasts and the notes on the use of the performance forecasts, please refer to “1. Qualitative Information on Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Forward-looking Statements” on page 7 of the Attachments.

## Table of Contents - Attachments

1. Qualitative Information on Financial Results for the Period under Review .....	2
(1) Explanation of Business Results .....	2
(2) Overview of Financial Position.....	6
(3) Consolidated Financial Results Forecast and Other Forward-looking Statements.....	7
2. Quarterly Consolidated Financial Statements and Primary Notes .....	8
(1) Quarterly Consolidated Balance Sheets .....	8
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	10
(3) Quarterly Consolidated Statements of Cash Flows .....	12
(4) Notes to the Quarterly Consolidated Financial Statements .....	14
(Notes on Going Concern Assumption) .....	14
(Notes on Change in Accounting Policy).....	14
(Notes on Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements) ....	14
(Notes on When There Are Significant Changes in Amounts of Equity).....	14
(Notes on Segment Information) .....	15

## 1. Qualitative Information on Financial Results for the Period under Review

### (1) Explanation of Business Results

In the domestic economy, prices of daily necessities such as food and utilities have continued to rise, further increasing the sense of burden on households. As a result, households have become more savings-oriented, and spending on education as a percentage of disposable income was restrained. In the education sector, a qualitative change in consumer behavior is underway in the area of recurrent education and reskilling, with a growing preference for courses that enable students to realize results in the short period of time and for services with clear outcomes. Contrary to overall trends in the sector, in specific areas such as junior high school entrance examinations in metropolitan areas, there is a trend toward stronger willingness to invest in education.

In the nursing care and medical services sector, price increases in various areas, including food and utilities, forced many service providers to raise service prices. This led to an upward trend in personal spending in this area.

Under the market conditions described above, consolidated results for the first six months of the current fiscal year were as follows: Net sales of ¥98,841 million (up 5.7% YoY), Operating profit of ¥4,541 million (down 11.7% YoY), Ordinary profit of ¥4,212 million (down 18.3% YoY), and profit attributable to owners of parent of ¥2,424 million (up 36.8% YoY).

Net sales increased ¥5,335 million YoY mainly due to acquisition of Kiriwara Shoten K.K. in the Education domain, increased sales of study-aid books, and an increase in the number of facilities in Healthcare and nursing domain.

Overall operating profit decreased by ¥600 million YoY. Operating profit increased in the Education domain due to an increase in sales in study-aid books and growth in the Workforce development and language learning business as well as multifaceted cost reductions in the Classroom and learning center business. However, operating profit decreased in the Healthcare and nursing domain mainly due to an increase in costs such as food and utilities.

Ordinary profit decreased by ¥941 million YoY due to a decline in operating profit and a deterioration in equity in earnings of affiliates.

Profit attributable to owners of parent increased by ¥651million YoY due to the absence of loss on sales of shares (which was recorded in the first six months of the previous fiscal year) and the gain on step acquisition resulting from the consolidation of DTP Education Solutions JSC.

Business performance by segment is summarized below.

(Million yen)

	Six months ended March 31, 2024		Six months ended March 31, 2025		Change	
Reportable segments	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Education domain	48,176	3,676	49,639	4,074	1,463	398
Healthcare and nursing domain	42,149	2,106	46,329	1,310	4,180	(796)
Other	3,180	282	2,872	253	(308)	(29)
Adjustment	—	(923)	—	(1,096)	—	(172)
Group total	93,505	5,141	98,841	4,541	5,335	(600)

Classification of the Group's products and services is as follows:

Reporting segment	Large classification	Medium classification	Individual business (small classification)
Education domain	Classroom and learning center business	Classroom business	Operation of classrooms for a range of children from preschoolers to junior high school students (mainly elementary school students)
		Learning center business	Operation of learning centers for a range of children from elementary school students to senior high school students
			Publishing and sale of learning materials for learning centers, assessment, and other materials
	Publishing and content business	Publishing business	Publishing and sale of publications through distributors and bookstores
		Workforce development and language learning business	Operation of e-learning for training programs targeting nurses
			Operation of online English conversation services
			Operation of experience-based English learning facilities
			Sale of corporate training contents and services
	Kindergarten and school business	Preschooler business	Procurement, planning, production, and sale of publications, child-care products, equipment, and playground equipment for kindergartens and nursery schools, as well as apparel items for teachers, Design of facilities and equipment
		School business	Planning, production, and sale of textbooks, instruction guides for teachers, supplemental, digital learning materials, special needs education materials, and short essay tutoring services
Healthcare and nursing domain	Elderly housing business		Planning, development, and operation of bases for elderly care services, mainly serviced apartments for the elderly
	Group homes for the elderly with dementia business		Planning, development, and operation of bases for elderly care services, mainly group homes for the elderly with dementia
	Child raising support business		Development, and operation of nursery schools, daycare centers, afterschool program, etc.
Other domain			Logistics business, operation of relevant systems, undertaking of contract work, etc.
			Planning, contract work, and implementation of ODA business, and promotion of the Group's overseas business
			Planning and development of digital products and support for Group DX

[Education domain]

Net sales: ¥49,639 million (up 3.0% YoY) / Operating profit: ¥4,074 million (up 10.8% YoY)

(Million yen)

	Six months ended March 31, 2024		Six months ended March 31, 2025		Change	
Main businesses	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Classroom and learning center business	27,238	1,507	27,256	1,638	17	130
Publishing and content business	13,054	1,244	13,574	1,578	519	333
Kindergarten and school business	7,882	1,136	8,808	1,063	925	(73)
Goodwill	—	(212)	—	(205)	—	7
Segment total	48,176	3,676	49,639	4,074	1,463	398

(Classroom and learning center business)

Net sales: ¥27,256 million (up 0.1% YoY) / Operating profit: ¥1,638 million (up 8.6% YoY)

Net sales increased in the Learning center business due to the growth of Ichishin Holdings Co., Ltd. mainly in the Tokyo metropolitan area, where demand was firm. Despite a decline in sales in the Classroom business, the number of U5 members continues to increase, and steadily expanding our customer base. Due in part to the revision of the monthly fee in the Classroom business, which was implemented in April 2025, Business results are expected to improve in the second half of the fiscal year and beyond.

Operating profit increased due to improved cost efficiency in the Classroom business, a decline in attrition rate across the entire learning center group, and successful measures taken to improve profitability of unprofitable classrooms and leaning centers.

(Publishing and content business)

Net sales: ¥ 13,574 million (up 4.0% YoY) / Operating profit: ¥1,578 million (up 26.8% YoY)

Strong growth was seen in Publishing and content business, with hit titles being created in high school study-aid books, language books, and practical books. Improvements in return rates also contributed to net sales growth. Furthermore, in the Workforce development and language learning business, sales increased driven by increase in the number of contracted hospitals for e-learning courses for nurses, and growth in the number of subscribers in the online English conversation service "Kimini".

Operating profit increased due to an improvement in the return rate and cost efficiency in the Publishing business, as well as the successful expansion of the digital content business, which has a high marginal profit ratio.

(Kindergarten and school business)

Net sales: ¥8,808 million (up 11.7% YoY) / Operating profit: ¥1,063 million (down 6.5% YoY)

Net sales continued to decline in the Preschooler business due to a decline in the number of kindergartens and nursery schools as well as the number of children and infants enrolled. However, acquisition of Kiriara Shoten K.K. contributed to overall growth of the business segment.

Operating profit in the Preschooler business returned to profit thanks to the success of ongoing efforts to reduce expenses. In the school business, profits declined compared to last fiscal year, although Kiriara Shoten K.K. contributed to a certain extent to cover for the profits in the previous fiscal year driven by publishing of textbooks in response to cyclical updates.

[Healthcare and nursing Domain domain]

Net sales: ¥46,329 million (up 9.9% YoY) / Operating profit: ¥1,310 million yen (down 37.8% YoY)

(Million yen)

	Six months ended March 31, 2024		Six months ended March 31, 2025		Change	
Main businesses	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Elderly housing business	20,062	1,093	22,385	599	2,323	(493)
Group homes for the elderly with dementia business	18,649	1,207	19,937	918	1,288	(288)
Child raising support business	3,437	83	4,006	113	569	29
Goodwill	—	(277)	—	(321)	—	(43)
Segment total	42,149	2,106	46,329	1,310	4,180	(796)

(Elderly housing business)

Net sales: ¥22,385 million (up 11.6% YoY) / Operating profit: ¥599 million (down 45.2% YoY)

Net sales continued to grow in the Elderly housing business. In addition to maintaining of high occupancy rates, initiatives taken to reduce impact from soaring construction costs – such as increasing the number of units per newly opened facilities – allowed for steady growth of opening of newly facilities.

Operating profit declined due to the impact of higher costs for utilities, as well as foodstuffs and consumables.

As a countermeasure, price revisions were made in March 2025. Furthermore, additional initiatives are being taken to reduce costs through operational improvements and quickly fill occupancy of tenants. As a result, operating profit is expected to significantly recover in the second half of the fiscal year.

(Group homes for the elderly with dementia business)

Net sales: ¥19,937 million (up 6.9% YoY) / Operating profit: ¥918 million (down 23.9% YoY)

Net sales continued to grow in Group homes for the elderly with dementia business. While rising construction costs makes it difficult to open new facilities, further expansion of facility base has been continued, including through business successions. High occupancy rate at over 97 % has also been maintained.

However, operating profit declined due to the impact of rising costs of utilities and foodstuffs. Since February 2025, a series of initiatives aimed at improving profits are underway, such as implementing price revisions to cover cost increases in stages, further improving occupancy rates, and implementing company-wide cost reductions. As a result, we expect operating profit to recover significantly in the second half of the fiscal year.

(Child raising support business)

Net sales: ¥4,006 million (up 16.6% YoY) / Operating profit: ¥113 million (up 36.0% YoY)

In Child raising support business, new facilities mainly in the Tokyo metropolitan areas have continued to be opened. Following on from the first quarter, we have focused our efforts in opening afterschool program facilities, to support families with dual income, and child development support centers, to support families in need of personalized or tailored support.

Net sales increased as a result of continued high occupancy rate at nursery schools and stable operation at our afterschool program facilities and child development support centers.

Operating profit also grew, driven mainly by stable operation of our afterschool program facilities and child development support centers, in addition to growth in number of preschool children attending our facilities.

[Other business domain]

Net sales: ¥2,872 million (down 9.7% YoY) / Operating profit: ¥253 million (down 10.4% YoY)

Although investment in Southeast Asian and Chinese markets have continued (where we see high potential for growth) as part of our global business, net sales decreased due to decline in orders received for ODA for emerging countries and in the overseas expansion support business for private companies.

Operating profit also decreased as spending related to workforce reinforcement and investment activities has increased.

## (2) Overview of Financial Position

The Company's consolidated financial position under review is summarized below.

(Million yen)

Item	As of September 30, 2024	As of March 31, 2025	Change
Current assets	63,112	76,609	13,496
Cash and deposits	20,385	24,375	3,989
Non-current assets	67,602	65,272	(2,329)
Total assets	130,714	141,882	11,167
Current liabilities	43,187	48,169	4,981
Non-current liabilities	33,873	36,854	2,980
Total liabilities	77,061	85,023	7,961
Interest-bearing debt* <sup>1</sup>	38,353	41,046	2,692
Total net assets	53,653	56,858	3,205
Total liabilities and net assets	130,714	141,882	11,167
Equity ratio (%) <sup>*2</sup>	39.4	36.7	(2.7)
D/E ratio (times) <sup>*3</sup>	0.75	0.79	0.04

\*1: Interest-bearing debt = Borrowings + Bonds payable + Lease obligations

\*2: Equity ratio = Equity / Total assets

\*3: D/E ratio = Interest-bearing debt / Equity

The total assets as of the second quarter of the fiscal year ending September 30, 2025 mounted to ¥141,882 million, increasing by ¥11,167 million from the end of the preceding fiscal year. The main changes were an increase of ¥3,989 million in cash and deposits, an increase of ¥7,199 million in notes and account receivable, an increase of ¥1,173 million in merchandise and finished goods, a decrease of ¥4,073 million in property, plant and equipment, an increase of ¥3,804 million in intangible assets, and a decrease of ¥2,069 million in investment securities.

The total liabilities amounted to ¥85,023 million, increasing by ¥7,961 million from the end of the preceding fiscal year. The main changes were an increase of ¥3,224 million in notes and accounts payable, an increase of ¥4,522 million in short-term borrowings, and a decrease of ¥3,988 million in long-term borrowings.

The total net assets amounted to ¥56,858 million, increasing by ¥3,205 million from the end of the preceding fiscal year. The main changes were a decrease of ¥747 million of in capital surplus, an increase of ¥1,896 million in retained earnings, and an increase of ¥2,635 million in non-controlling interests.

(Million yen)

Item	Six months ended March 31, 2024	Six months ended March 31, 2025	Change
Net cash provided by (used in) operating activities	1,597	1,249	(348)
Net cash provided by (used in) investing activities	3,864	2,846	(1,018)
Free cash flow	5,462	4,095	(1,367)
Net cash provided by (used in) financing activities	(2,481)	(166)	2,314
Cash and cash equivalents at end of period	22,049	22,676	626

Cash and cash equivalents (hereinafter, “CCE”) as of second quarter of the fiscal year increased by ¥3,908 million from the end of the preceding fiscal year to ¥22,676 million. The status and factors for each type of cash flows are as described below.

Cash flows from operating activities resulted in a net inflow of ¥1,249 million (a net inflow of ¥1,597 million was reported in the preceding fiscal year). Major changes included the recording of quarterly profit before income taxes of ¥4,390 million, the depreciation of ¥1,508 million, an increase in notes and accounts receivable-trade of ¥6,812 million, and an increase in notes and accounts payable-trade of ¥3,211 million.

Cash flows from investing activities resulted in a net inflow of ¥2,846 million (a net inflow of ¥3,864 million was reported in the preceding fiscal year). Major items included payments for purchase of property, plant and equipment and intangible assets of ¥1,365 million, proceeds from sale of property, plant and equipment and intangible assets of ¥4,146 million, purchase of investment securities of ¥1,333 million, and proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥1,969 million.

Cash flows from financing activities resulted in a net outflow of ¥166 million (a net outflow of ¥2,481 million was reported in the preceding fiscal year). The main changes were a net increase in short-term borrowings of ¥4,522 million, repayments of long-term borrowings of ¥3,674 million, proceeds from the issuance of bonds of ¥6,957, redemption of bonds of ¥6,000 million, and purchase of treasury shares of ¥1,006 million.

### (3) Consolidated Financial Results Forecast and Other Forward-looking Statements

There is no change from the consolidated earnings forecast announced on November 8, 2024.

	Consolidated Financial Results for the Fiscal year ended September 30, 2024		Consolidated Financial Results for the Fiscal year ended September 30, 2025		Change (YoY)
Net Sales	185,566	million yen	200,000	million yen	+ 7.8 %
Operating Profit	6,880	million yen	7,000	million yen	+ 1.7 %
Ordinary Profit	6,903	million yen	7,200	million yen	+ 4.3 %
Profit attributable to owners of parent	2,260	million yen	3,500	million yen	+ 54.8 %
Profit per share	52.99	yen	83.82	yen	+ 58.2 %

The above financial performance forecasts are determined based on information currently available to the Company and include potential risks and uncertainties. Please note that actual performance may vary significantly due to various factors.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of September 30, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	20,385	24,375
Notes and accounts receivable - trade	23,156	30,355
Merchandise and finished goods	9,245	10,418
Real estate for sale	837	929
Work in process	2,920	3,433
Raw materials and supplies	194	157
Other	6,405	7,011
Allowance for doubtful accounts	(32)	(72)
Total current assets	63,112	76,609
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,337	9,558
Machinery, equipment and vehicles, net	93	106
Land	4,975	4,581
Construction in progress	14	50
Other, net	1,532	1,582
Total property, plant and equipment	19,953	15,879
Intangible assets		
Goodwill	9,792	12,733
Other	3,522	4,386
Total intangible assets	13,314	17,119
Investments and other assets		
Investment securities	17,574	15,504
Other	16,945	17,031
Allowance for doubtful accounts	(185)	(262)
Total investments and other assets	34,334	32,273
Total non-current assets	67,602	65,272
Total assets	130,714	141,882

(Million yen)

	As of September 30, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,623	9,848
Short-term borrowings	4,447	8,969
Current portion of bonds payable	6,000	—
Current portion of long-term borrowings	5,291	6,532
Income taxes payable	1,542	2,155
Provision for bonuses	2,561	2,851
Other	16,720	17,811
Total current liabilities	43,187	48,169
Non-current liabilities		
Non-current portion of bonds payable	—	7,000
Long-term borrowings	21,644	17,655
Retirement benefit liability	5,130	5,140
Other	7,099	7,058
Total non-current liabilities	33,873	36,854
Total liabilities	77,061	85,023
<b>Net assets</b>		
Shareholders' equity		
Share capital	19,817	19,817
Capital surplus	12,102	11,354
Retained earnings	18,615	20,512
Treasury shares	(2,187)	(3,029)
Total shareholders' equity	48,348	48,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,624	2,030
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	385	351
Remeasurements of defined benefit plans	1,115	1,036
Total accumulated other comprehensive income	3,125	3,419
Share acquisition rights	199	168
Non-controlling interests	1,980	4,616
Total net assets	53,653	56,858
Total liabilities and net assets	130,714	141,882

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income

(Million yen)

	For the Six months ended March 31, 2024	For the Six months ended March 31, 2025
Net sales	93,505	98,841
Cost of sales	67,011	71,850
Gross profit	26,494	26,991
Selling, general and administrative expenses	21,353	22,449
Operating profit	5,141	4,541
Non-operating income		
Interest income	13	14
Dividend income	61	74
Share of profit of entities accounted for using equity method	90	—
Other	135	100
Total non-operating income	301	188
Non-operating expenses		
Interest expenses	156	206
Share of loss of entities accounted for using equity method	—	81
Other	132	229
Total non-operating expenses	288	517
Ordinary profit	5,154	4,212
Extraordinary income		
Gain on sale of non-current assets	0	177
Gain on sale of investment securities	82	—
Gain on step acquisitions	—	480
Other	8	55
Total extraordinary income	91	713
Extraordinary losses		
Loss on sale and retirement of non-current assets	173	123
Impairment losses	75	107
Loss on sale of investment securities	1,085	51
Loss on valuation of investment securities	17	244
Other	60	7
Total extraordinary losses	1,412	534
Profit before income taxes	3,834	4,390
Income taxes	1,927	1,847
Profit	1,906	2,542
Profit attributable to non-controlling interests	133	118
Profit attributable to owners of parent	1,772	2,424

# Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the Six months ended March 31, 2024	For the Six months ended March 31, 2025
Profit	1,906	2,542
Other comprehensive income		
Valuation difference on available-for-sale securities	380	509
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	(22)	(14)
Remeasurements of defined benefit plans, net of tax	(83)	(82)
Share of other comprehensive income of entities accounted for using equity method	(60)	(20)
Total other comprehensive income	214	394
Comprehensive income	2,120	2,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,950	2,718
Comprehensive income attributable to non-controlling interests	169	218

### (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,834	4,390
Depreciation	1,381	1,508
Impairment losses	75	107
Amortization of goodwill	566	603
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	173	(54)
Loss (gain) on sale and valuation of investment securities	1,020	296
Loss (gain) on step acquisition	—	(480)
Increase (decrease) in provisions	298	392
Decrease (increase) in retirement benefit asset	(25)	(20)
Increase (decrease) in retirement benefit liability	(203)	(94)
Interest and dividend income	(74)	(88)
Interest expenses	156	206
Share of loss (profit) of entities accounted for using equity method	(90)	81
Decrease (increase) in trade receivables	(6,890)	(6,812)
Decrease (increase) in inventories	7	(1,140)
Increase (decrease) in trade payables	1,579	3,211
Other, net	(248)	483
Subtotal	1,560	2,591
Interest and dividends received	140	181
Interest paid	(152)	(204)
Income taxes paid	49	(1,318)
Net cash provided by (used in) operating activities	1,597	1,249
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,641)	(1,365)
Proceeds from sale of property, plant and equipment and intangible assets	1	4,146
Purchase of investment securities	(379)	(1,333)
Proceeds from sale of investment securities	9,129	129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,329)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	11	1,969
Subsidies received	114	84
Other, net	(42)	(783)
Net cash provided by (used in) investing activities	3,864	2,846
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,509)	4,522
Proceeds from long-term borrowings	4,599	900
Repayments of long-term borrowings	(2,869)	(3,674)
Proceeds from issuance of bonds	—	6,957
Redemption of bonds	—	(6,000)
Purchase of treasury shares	(2,012)	(1,006)
Dividends paid	(551)	(527)
Purchase of shares of subsidiaries without change in scope of consolidation	—	(1,199)
Other, net	(138)	(138)
Net cash provided by (used in) financing activities	(2,481)	(166)
Effect of exchange rate change on cash and cash equivalents	(25)	(20)
Net increase (decrease) in cash and cash equivalents	2,956	3,908

	(Million yen)	
	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash and cash equivalents at beginning of period	19,093	18,768
Cash and cash equivalents at end of period	22,049	22,676

#### (4) Notes to the Quarterly Consolidated Financial Statements

##### (Notes on Going Concern Assumption)

There is no relevant information.

##### (Notes on Change in Accounting Policy)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard of 2022”) and related accounting guidance from the beginning of the Six months ended March 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the consolidated financial statements for the Six months ended March 31, 2025 under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the Six months ended March 31, 2025 under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first six months of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the first six months of the previous fiscal year or the entire previous fiscal year.

##### (Notes on Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements)

##### (Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the second quarter ended March 31, 2025, and multiplying the profit before income taxes by this estimated effective tax rate.

##### (Notes on When There Are Significant Changes in Amounts of Equity)

There is no relevant information.

## (Notes on Segment Information)

## I. For the Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

## 1. Information on the amounts of net sales, profit or loss, by reportable segment

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2	Amount recorded in consolidated financial statements (Note) 3
	Educational Domain	Healthcare and nursing Domain	Total				
Net sales							
Net sales to external customers	48,176	42,149	90,325	3,180	93,505	—	93,505
Inter-segment net sales or transfers	126	27	153	4,165	4,318	(4,318)	—
Total	48,302	42,176	90,478	7,345	97,824	(4,318)	93,505
Segment profit	3,676	2,106	5,782	282	6,065	(923)	5,141

(Notes)

1. "Other" includes logistics and other businesses that are not included in the reportable segments.
2. The adjustment of negative ¥923 million for "Segment profit" includes negative ¥926 million in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
3. Total amount of "segment profit" is adjusted based on operating profit reported in the consolidated statements of income.

## 2. Information concerning impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant changes in the amount of goodwill)

In the Healthcare and nursing domain, Grand UniLife Care Service Co., Ltd. is a consolidated subsidiary. The increase in goodwill due to this event was ¥2,902 million.

## II. For the Six months ended March 31, 2025 (October 1, 2024 to March 31, 2025)

## 1. Information on the amounts of net sales, profit or loss by reportable segment

(Million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2	Amount recorded in consolidated financial statements (Note) 3
	Educational Domain	Healthcare and nursing Domain	Total				
Net sales							
Net sales to external customers	49,639	46,329	95,969	2,872	98,841	—	98,841
Inter-segment net sales or transfers	139	45	184	3,893	4,078	(4,078)	—
Total	49,778	46,375	96,154	6,766	102,920	(4,078)	98,841
Segment profit	4,074	1,310	5,384	253	5,638	(1,096)	4,541

(Notes)

1. "Other" includes logistics and other businesses that are not included in the reportable segments.
2. The adjustment of negative ¥1,096 million for "Segment profit" includes negative ¥1,096 million in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
3. Total amount of "segment profit" is adjusted based on operating profit reported in the consolidated statements of income.

## 2. Information concerning impairment losses on non-current assets or goodwill, etc. by reportable segment (Significant changes in the amount of goodwill)

In the "Others" category, DTP Education Solutions JSC is a consolidated subsidiary. The amount of increase in goodwill due to this event was ¥3,252 million. The amount of goodwill is provisionally calculated because the allocation of acquisition costs has not been completed.