



Non-consolidated Financial Results for the Three Months Ended December 31, 2025 (Under Japanese GAAP)

January 29, 2026

Company name: STEP CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 9795

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

1. Non-consolidated financial results for the three months ended December 31, 2025 (from October 1, 2025 to December 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2025	4,549	0.8	1,634	(1.8)	1,657	(0.8)	1,168	1.3
December 31, 2024	4,513	9.6	1,665	14.5	1,670	13.2	1,152	13.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2025	74.40	—
December 31, 2024	72.68	—

(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 December 31, 2025	31,004	27,592	89.0	1,763.11
September 30, 2025	30,571	27,422	89.7	1,738.76

Reference: Equity

As of December 31, 2025: ¥ 27,592million

As of September 30, 2025: ¥ 27,422million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2025	—	40.00	—	45.00	85.00
Fiscal year ending September 30, 2026	—				
Fiscal year ending September 30, 2026 (Forecast)		44.00	—	44.00	88.00

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	8,396	2.9	2,400	2.0	2,444	1.9	1,694	2.5	108.07
Full year	16,494	4.1	3,942	4.3	4,022	4.0	2,754	2.4	176.51

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

*Note

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

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

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

(3) Number of issued shares (common shares)

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

As of December 31, 2025	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 December 31, 2025	1,020,271 shares
As of September 30, 2025	898,671 shares

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

Three months ended December 31, 2025	15,702,750 shares
Three months ended December 31, 2024	15,859,550 shares

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

* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that from the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Qualitative Information on the Quarterly Financial Results (3) Explanation of forward-looking statements including business forecasts” on page 4 of this report.

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1. Qualitative Information on the Quarterly Financial Results

(1) Explanation of Operating Results

In the first quarter (October to December) of the current fiscal year, we were in the second half of the academic year, and fluctuations in the number of students are relatively low. In the first quarter of the current fiscal year, the Company's total number of students in the high school entrance examination course (for elementary and junior high school students) and university entrance examination course (for high school students) combined was 36,425 students on average (up 3.1% from the same quarter of the previous fiscal year), indicating steady growth.

In February during the second quarter following the first quarter, entrance exams are held at public high schools in Kanagawa Prefecture and at private and national high schools in the Tokyo metropolitan area, and the announcements of its results will be held simultaneously. The passing results of STEP students in the results of these entrance exams have a significant impact on student recruitment over the next year. We will continue in this term again to ensure as many students as possible pass the entrance exams of their first-choice schools by improving our academic guidance and providing highly accurate career guidance based on in-depth data.

We do not unreasonably lead students to highly-ranking schools or make them apply for more high schools than necessary for the sake of results, but provide meticulous guidance according to the feelings and stances of respective students and their family members. Based on guidance with this kind of earnest approach, we gained trust from families and locals, which also encourages students to advance to the university entrance examination course and their younger siblings to join our school.

We have been monitoring the impact of Kanagawa Prefecture's new "private school tuition fee exemption" program, starting in the new academic year. While it has not created a major trend, there has been a growing trend of some students (and their families) actively choosing private high schools as expected. Among STEP students, those who have secured private high school admission through recommendations or single-choice applications (where the private school is their first choice, effectively securing admission in a manner similar to a recommendation) and completed their entrance exams by the end of the year increased by approximately 250 students from last year as of the end of December.

In the university entrance examination course (for high school students), the announcement of general selection exam results for various universities also continues to take place from February to early March. Recently, the expansion of designated school recommendations and open recommendation programs, the growing adoption of comprehensive selection (formerly AO entrance exams), and the increase in internal advancement from private university-affiliated high schools within the same group have led to a rise in students securing university admission within the same year. While we have solid results in the recommendation-based and comprehensive selection fields, our main focus remains on public high school students taking the general selection exams. Although the proportion of students taking general selection exams continues to decline, our university entrance examination course maintains strong competitiveness in this area. We will strengthen a system that can respond to the needs of high school students who wish to "pass the university exams while enjoying high school activities including club activities and school events." We will continue to further enhance our teaching content and strengthen our position as a cram school which supports public high school students by offering classes in a face-to-face manner.

In the after-school care course, we are continuously attracting students in each class in a healthy manner. Although we opened Shonandai School in the spring of 2025, the number of students at our four existing schools (excluding Shonandai) increased 11.5% year on year as of the end of December 2025. While Shonandai School is only accepting first and second grade elementary school students in its first year, it has made a smooth start, focusing primarily on first-grade students.

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. Furthermore, at STEP Kids Shonan School, our first school offering the after-school care course, the Fujisawa Station North Exit branch, previously operated as a subsidiary branch, will become an independent school starting this academic year due to increased enrollment. Consequently, as of April this year, the number of schools offering STEP Kids after-school care course will expand to six locations.

We will open Kawasaki School (Kawasaki Station on the JR Line) in March and Tomioka School (Keikyu Tomioka Station on the Keikyu Line) in July for the high school entrance examination course.

Kawasaki School will be the first school in Kawasaki Ward, Kawasaki City, opening in a building just a one-minute walk from Kawasaki Station. Following Hi-STEP Kawasaki School, this will be the second school in the Kawasaki Station area. With both the high school entrance examination course and Hi-STEP programs centered around Kawasaki Station, a comprehensive system capable of supporting a wide range of high school entrance exam needs will be realized.

Tomioka School, which will open from the summer course, will be the second school in Kanazawa Ward, Yokohama City, following Hi-STEP Kanazawa Bunko School, and the first school for the high school entrance examination course.

Including the two schools mentioned above, 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 March, we will relocate the Step Center Minami School for the university entrance exam course, located in Tsuzuki Ward, Yokohama City, to a nearby location. The current school building houses 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 has 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.

We opened only a few new schools in the previous fiscal year, and positioned it as a period in which we enhanced our teaching. We continue to adopt this policy also in this fiscal year. We will not be able to achieve our pillar of high-quality classes overnight. We can only achieve this by investing time and energy into teacher training. We will focus on strengthening our teaching so that we can continue to grow even in an increasingly competitive environment due to the declining birthrate by controlling the expansion of our school network, and we will further enhance teacher training.

As demonstrated by our results in the previous fiscal year, we can steadily increase the number of students by raising the rate of attendance for all grades and by offering additional classes for grades full to capacity at existing schools. Including the two new schools, we expect student enrollment to continue growing in this fiscal year.

Regarding the sales from winter courses held in the current fiscal year, the ratio of sales in December decreased from the previous fiscal year due to the number of course days in December and January (The sales from winter courses are divided into the sales in December and the sales in January on a pro rata basis according to the number of course days in each month). In the first quarter of the current fiscal year, sales dropped by 106 million yen year on year. The above amount will produce a positive effect on the sales in the second quarter.

As a result, net sales in the first quarter of the current fiscal year were 4,549 million yen (up 0.8% year-on-year), operating profit was 1,634 million yen (down 1.8% year-on-year), ordinary profit was 1,657 million yen (down 0.8% year-on-year), and profit was 1,168 million yen (up 1.3% year-on-year).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the first quarter of the current fiscal year were 31,004 million yen, up 433 million yen from the end of the previous fiscal year.

Current assets increased 636 million yen from the end of the previous fiscal year to 9,225 million yen, mainly owing to an increase in cash and deposits.

Non-current assets decreased 203 million yen from the end of the previous fiscal year to 21,778 million yen, mainly as a result of a decrease in buildings.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year were 3,412 million yen, up 263 million yen from the end of the previous fiscal year.

Current liabilities increased 253 million yen from the end of the previous fiscal year to 2,623 million yen because of an increase in provision for bonuses.

Non-current liabilities increased 9 million yen from the end of the previous fiscal year to 788 million yen, mainly owing to an increase in asset retirement obligation.

(Net assets)

Net assets at the end of the first quarter of the current fiscal year increased 169 million yen from the end of the previous fiscal year to 27,592 million yen, mainly due to the recording of profit, despite the payment of dividends.

The equity ratio decreased 0.7 points from the end of the previous fiscal year to 89.0%.

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

The forecasts for the fiscal year ending September 30, 2026 remains unchanged from that stated in the " Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2025(Under Japanese GAAP)" dated October 30, 2025.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheets

(Thousands of yen)

	As of September 30, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	7,844,335	8,171,995
Accounts receivable-trade	95,400	122,945
Inventories	37,657	60,072
Other	611,607	870,785
Allowance for doubtful accounts	(352)	(454)
Total current assets	8,588,647	9,225,344
Non-current assets		
Property, plant and equipment		
Buildings, net	7,206,168	7,089,426
Land	8,616,896	8,596,007
Other, net	169,719	212,969
Total property, plant and equipment	15,992,784	15,898,402
Intangible assets	123,243	121,615
Investments and other assets		
Investment securities	4,700,119	4,503,916
Leasehold and guarantee deposits	662,208	694,006
Other	504,067	560,835
Total investments and other assets	5,866,395	5,758,757
Total non-current assets	21,982,422	21,778,775
Total assets	30,571,070	31,004,119
Liabilities		
Current liabilities		
Current portion of long-term borrowings	70,836	61,461
Lease obligations	17,462	16,190
Accounts payable-other	181,664	174,209
Income taxes payable	715,129	658,666
Provision for bonuses	105,239	371,190
Other	1,279,629	1,342,104
Total current liabilities	2,369,961	2,623,822
Non-current liabilities		
Long-term borrowings	33,328	24,994
Lease obligations	20,621	20,922
Provision for retirement benefits for directors	129,800	129,800
Asset retirement obligation	580,972	598,792
Other	13,753	13,671
Total non-current liabilities	778,475	788,180
Total liabilities	3,148,436	3,412,003

(Thousands of yen)

	As of September 30, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Capital stock	1,778,330	1,778,330
Capital surplus	2,174,412	2,174,412
Retained earnings	25,172,062	25,630,561
Treasury shares	(1,716,500)	(2,008,735)
Total shareholders' equity	27,408,304	27,574,568
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,329	17,547
Total valuation and translation adjustments	14,329	17,547
Total net assets	27,422,634	27,592,115
Total liabilities and net assets	30,571,070	31,004,119

(2) Quarterly Statements of income
Three months Ended December 31

(Thousands of yen)

	For the three months ended December 31, 2024	For the three months ended December 31, 2025
Net sales	4,513,902	4,549,466
Cost of sales	2,616,620	2,659,380
Gross profit	1,897,282	1,890,085
Selling, general and administrative expenses	231,956	255,546
Operating profit	1,665,325	1,634,539
Non-operating income		
Interest income	130	477
Interest on securities	3,923	10,492
Subsidy income	6,044	5,120
Rental income from buildings	26,283	26,173
Other	4,012	2,235
Total non-operating income	40,393	44,500
Non-operating expenses		
Interest expenses	243	140
Rental expenses	34,347	17,265
Other	500	3,936
Total non-operating expenses	35,092	21,342
Ordinary profit	1,670,626	1,657,697
Extraordinary income		
Gain on sales of non-current assets	—	29,763
Total extraordinary income	—	29,763
Profit before income taxes	1,670,626	1,687,461
Income taxes-current	607,186	609,621
Income taxes-deferred	(89,226)	(90,369)
Total income taxes	517,960	519,251
Profit	1,152,665	1,168,209

(3) Notes to Quarterly Financial Statements

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

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

(Notes on going concern assumption)

There is no relevant information.

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

There is no relevant information.

(Segment information, etc.)

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

(Notes to Statements of Cash Flows)

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

	For the three months ended December 31, 2024 (Thousands of yen)	For the three months ended December 31, 2025 (Thousands of yen)
Depreciation	129,595	138,658

3. Supplementary Information

Status of production, orders and sales

(1) Results of production and orders received

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

(2) Sales results

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

Segment	Three months ended December 31, 2025 (Thousands of yen)	Year-on-year changes (%)
High school entrance examination course	3,559,511	100.1
University entrance examination course	989,954	103.3
Total	4,549,466	100.8