Consolidated Financial Results

FY2024 - 3Q
(October 1, 2023 to June 30, 2024)

August 9, 2024

SPRIX Inc.（TSE Standard/Securities code: 7030）

FY2024 3Q Consolidated Financial Results

SPRIX

Contents

1. Corporate Overview

2. FY2024 3Q Operating Results

3. Reference

1. Corporate Overview

MISSION and VISION

MISSION

Bring new life stage (SPRING) through education to people around the world

VISION

Be the No. 1 in education

Company Profile

Company name	SPRIX Inc.
Established	January 1997
Representative	Hiroyuki Tsuneishi, Representative Director and President
Office	Tokyo Headquarters Shibuya Sakura Stage SHIBUYA TOWER 22F, 1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo Nagaoka Head Office 2-2-1 Higashisakanouemachi, Nagaoka-shi, Niigata
Capital	1,438 million yen (as of September 30, 2023)
Business	JUKU (tutoring) school and other educational businesses
Number of employees (consolidated)	1,523 (as of June 30, 2024)
Listed market	TSE Standard
Financial year end	September

Business Overview (Operating Segments)

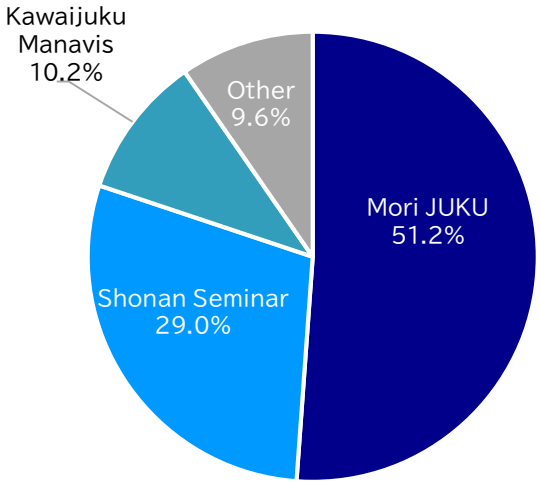
Mori JUKU	Operates individual JUKU tutoring schools for elementary, junior high, and high school students, where one teacher teaches up to two students. Has introduced a score guarantee system for junior high school students.	森塾
Shonan Seminar	Operates group JUKU tutoring schools for elementary, junior high, and high school students preparing for further education mainly in Kanagawa Prefecture, its place of origin.	湘南ゼミナール
Kawaijuku Manavis	Operates college preparatory schools that combine video lessons with in-person support for current high school students. Operates as a franchisee.	河合塾マナビス

Other (Educational services)

Independent learning RED	Offers learning programs for elementary, junior high, and high school students, best suited to each student's progress status by utilizing educational IT.	自立学習 RED
Sora JUKU	Operates individual JUKU tutoring schools online for elementary, junior high, and high school students, where one teacher teaches up to two students.	そら塾
Textbook sales, etc.	Sale of the Foresta series and the Foresta Database.	フォレスタ
Tokyo Dance Village	Operates dance schools for working adults.	東京ダンスヴィレッジ Village
Fundamental academic skills business	Development, operation, and sale of the TOFAS international fundamental academic skills test. Also operates DOJO, which offers AI-powered tablets to enhance fundamental academic skills.	TOFAS DOJO SPRIX LEARNING
Other	Development and sale of the QUREO programming teaching service, and development, operation, and sale of the Programming Proficiency Test, etc.	プロ検 プログラミング能力検定 QUREO プログラミング教室

% of Net Sales by Segment

(Fiscal year ended September 30, 2023 - consolidated)



Outline of Growth Strategies

Investing cash generated from the steadily growing JUKU business in the fast growing fundamental academic skills business

Strategy 1

- The number of targeted middle class students and price per student are growing moderately

Reinforce the foundation of the JUKU business



Strategy 2

- Increasing needs for a globally standardized assessment of academic skills
- Accelerating global demand for online learning

Be a pioneer in the fundamental academic skills business

Continue the intensive investment in the fundamental academic skills business in FY2023–2025

2. FY2024 3Q Operating Results

FY2024 1-3Q (October 2023 to June 2024) - Operating Results

- Net sales increased on a consolidated basis primarily driven by the strong results of Mori JUKU, but also because Shonan Seminar remained firm.
- Operating profit increased on a consolidated basis due to factors such as an increase in net sales and decrease in advertising expenses.

(Million yen)	FY2023 1-3Q (Results)	FY2024 1-3Q (Results)	Change (%)	Factors
Net sales	21,750	22,781	+1,030 (+4.7%)	• Net sales of SPRIX (non-consolidated) increased as the number of students of Mori JUKU schools remained healthy. • Operating profit for SPRIX (non-consolidated) decreased as planned due to factors such as an increase in head office relocation costs and system-related costs, as well as the effect of the proactive promotion of recruitment as planned. • For Shonan Seminar Co., Ltd., a slight decrease in the number of students was compensated for by an increase in tuition per student and improved class attendance rate at Shonan Seminar, and both net sales and operating profit increased.
Operating profit (margin, %)	119 (0.5%)	153 (0.7%)	+34 (+29.2%)	
EBITDA (margin, %)	1,000 (4.6%)	1,056 (4.6%)	+55 (+5.6%)	
Profit attributable to owners of parent (margin, %)	-16 (-%)	27 (0.1%)	+43 (-%)	

FY2024 1-3Q - Status Compared to Initial Forecast

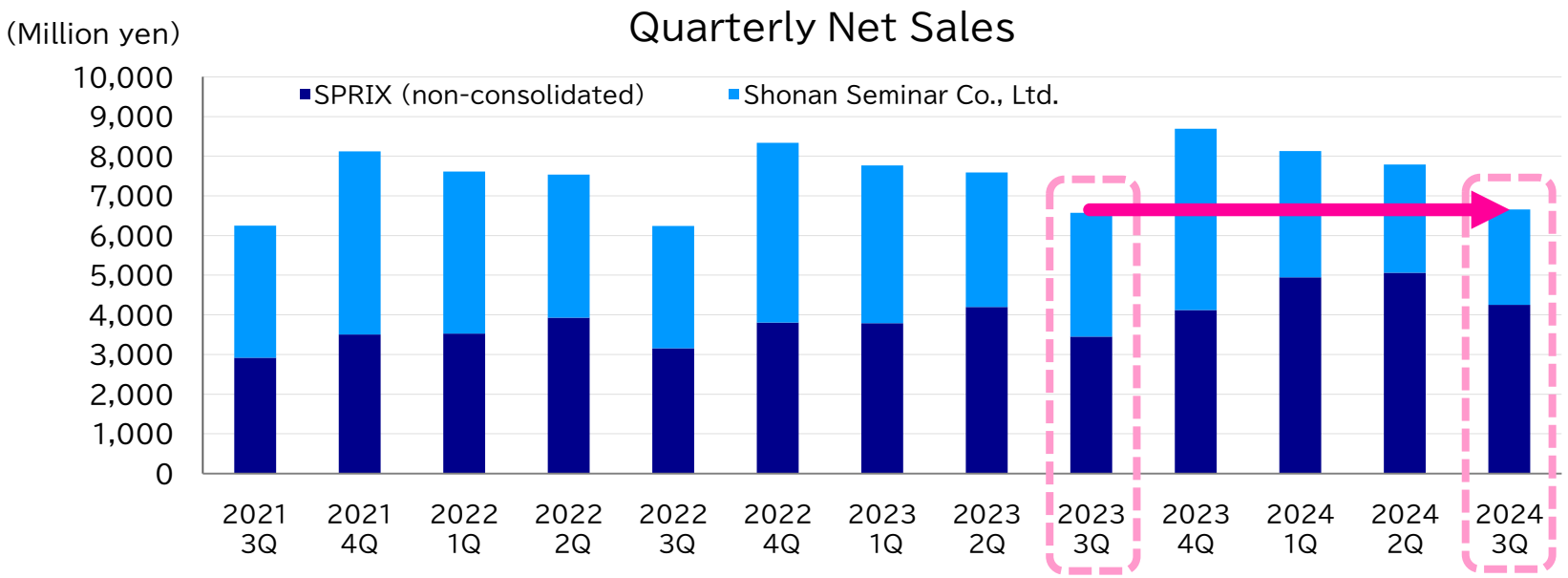
- The achievement status is as planned for all indicators.
- Although the 3Q operating profit margin is lower than the full-year forecast, the full-year forecast remains unchanged because the Group's business performance is seasonable, and sales profit is weighted heavily in 1Q and 4Q, and comparatively weak in 2Q and 3Q.

(Million yen)	FY2024 (Forecast)	FY2024 1-3Q (Results)	Achievement rate (%)
Net sales	32,050	22,781	71.1%
Operating profit (margin, %)	1,050 (3.3%)	153 (0.7%)	14.7%
EBITDA (margin, %)	2,350 (7.3%)	1,056 (4.6%)	44.9%
Profit attributable to owners of parent (margin, %)	450 (1.4%)	27 (0.1%)	6.1%

(Note) The consolidated forecast is the one disclosed on November 10, 2023.

FY2024 3Q - Quarterly Net Sales

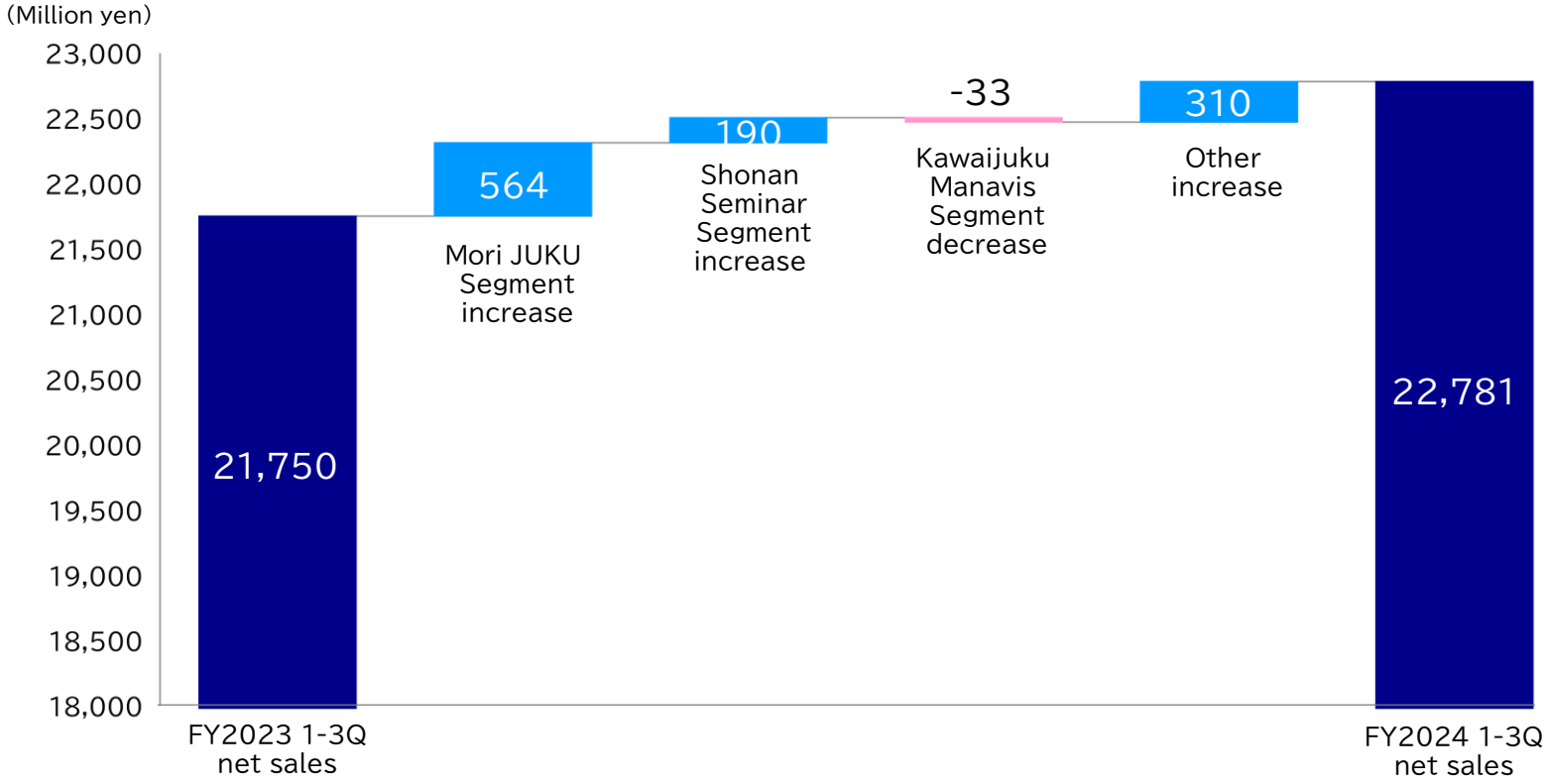
- Third quarter net sales of SPRIX (non-consolidated) increased due to the opening of new Mori JUKU schools and healthy trends in the number of students.
- For Shonan Seminar Co., Ltd., the number of students of Shonan Seminar decreased slightly, but the number of students of Kawaijuku Manavis schools increased. As a result, 3Q net sales increased slightly (excluding the impact of the transfer of Mori JUKU schools run by Shonan Seminar to SPRIX).



(Note) The figures above represent the operating results of SPRIX (non-consolidated) and Shonan Seminar Co., Ltd. before elimination of intercompany transactions between them. Therefore, their total does not agree with the consolidated net sales.
Shonan Seminar Co., Ltd. has been included in the scope of consolidation since FY2021 2Q.
Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in FY2024 1Q.

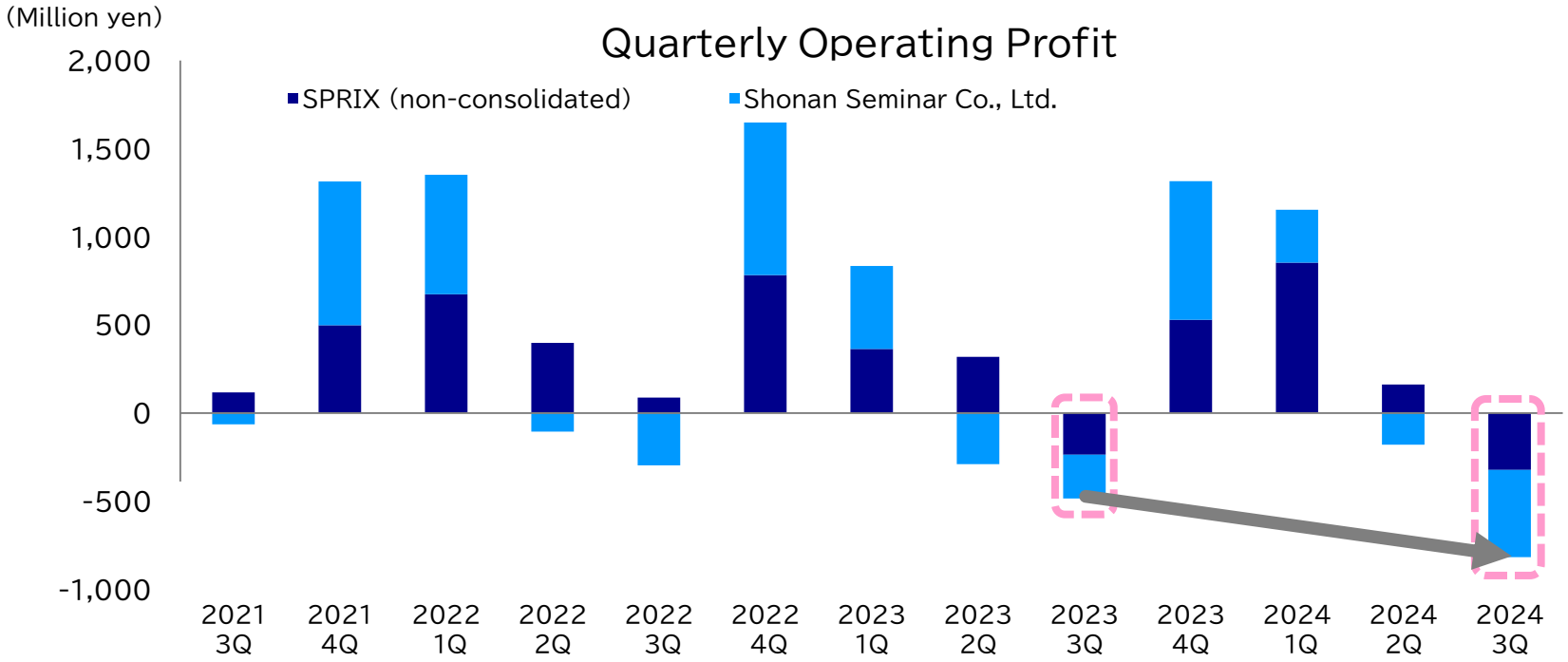
FY2024 1-3Q - Net Sales Variance Analysis (Year on Year)

- In the Mori JUKU segment, net sales increased, driven by openings of new schools and healthy trends in the number of students.
- For Shonan Seminar Co., Ltd., net sales increased due to an increase in tuition per student, etc., which compensated for a slight decrease in the number of students.
- In the Kawaijuku Manavis segment, some third-year high school students dropped out of the school early, mainly due to a decrease in the taking of general exams in university admission exams, leading to a decrease in net sales.



FY2024 3Q - Quarterly Operating Profit

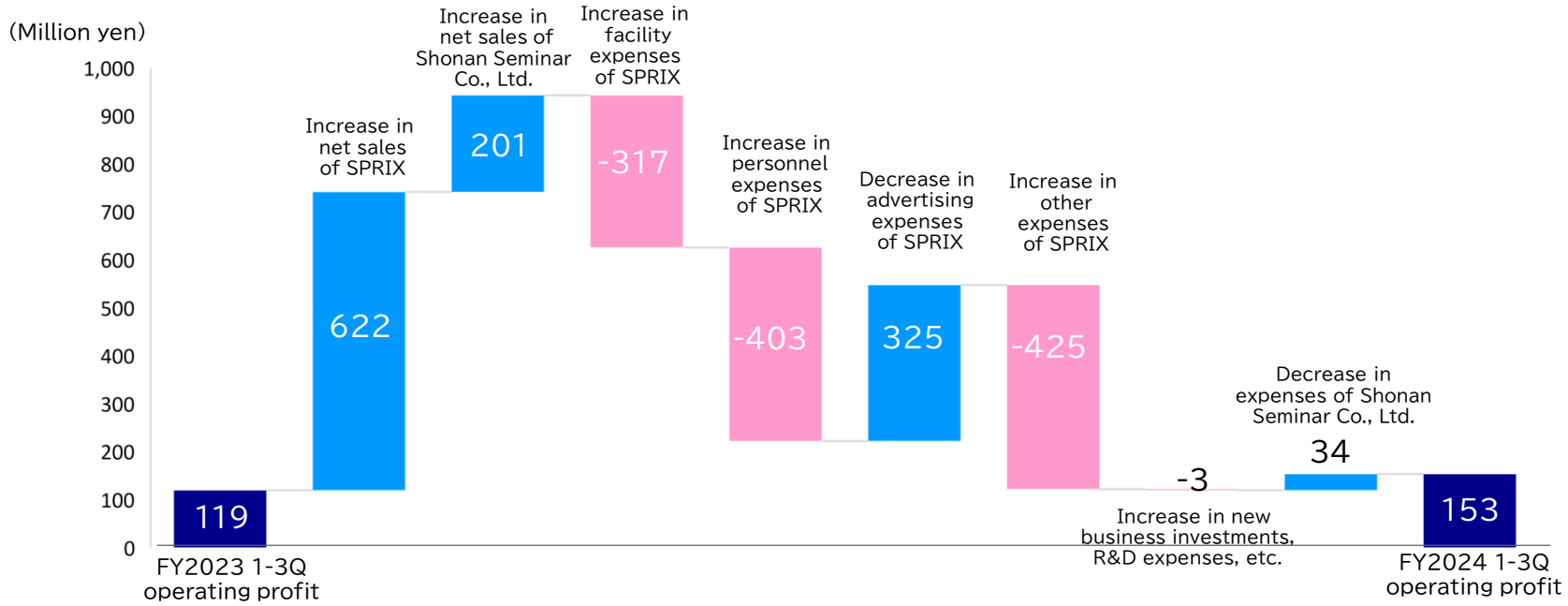
- Third quarter operating loss for SPRIX (non-consolidated) and Shonan Seminar Co., Ltd. increased as planned due to factors such as an increase in head office relocation costs and personnel expenses ratio.



(Note) Shonan Seminar Co., Ltd. has been included in the scope of consolidation since FY2021 2Q.
Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in FY2024 1Q.

FY2024 1-3Q - Operating Profit Variance Analysis (Year on Year)

- Operating profit for SPRIX (non-consolidated) decreased as planned due to factors such as an increase in head office relocation costs and system-related costs, as well as the effect of the proactive promotion of recruitment as planned.
- For Shonan Seminar Co., Ltd., operating profit increased due to an increase in net sales.
- TV commercials for Mori JUKU were run in 1Q of the previous fiscal year but have not been run this fiscal year, leading to a decrease in advertising expenses.
- Continuing from the previous fiscal year, we invested aggressively in new businesses and research and development (TOFAS, etc.).

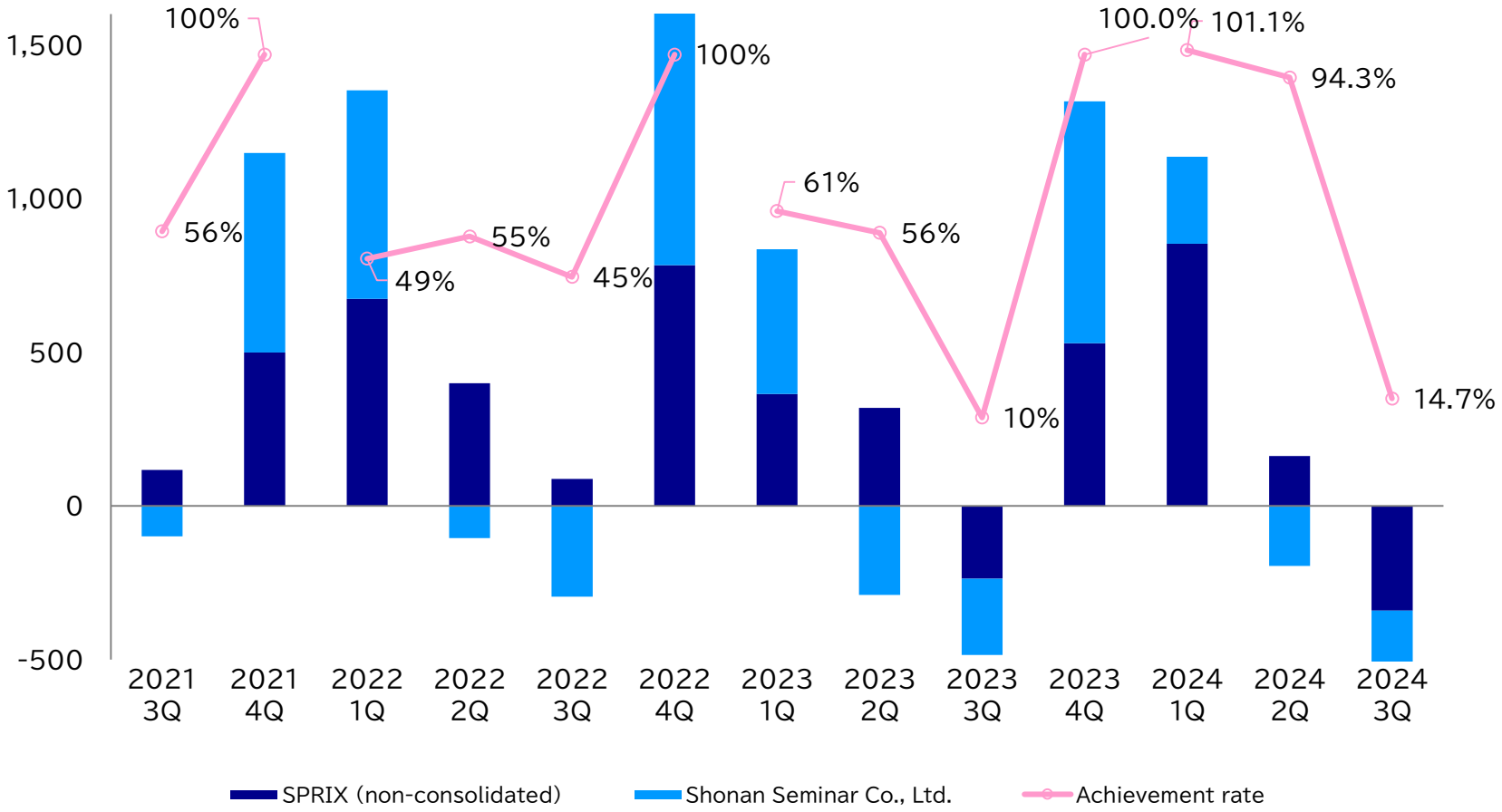


(Note) Net sales and expenses of Mori JUKU schools run by Shonan Seminar Co., Ltd. for FY2023 were aggregated into SPRIX.

FY2024 3Q - Operating Profit (Seasonality of Achievement Rate)

- Due to the nature of the JUKU business, the Company's profit tends to be skewed higher in 1Q (October–December) and 4Q (July–September).

Quarterly Profit and YTD Achievement Rates Compared to Full-Year Forecast



FY2024 1-3Q - Results by Segment

(Million yen)

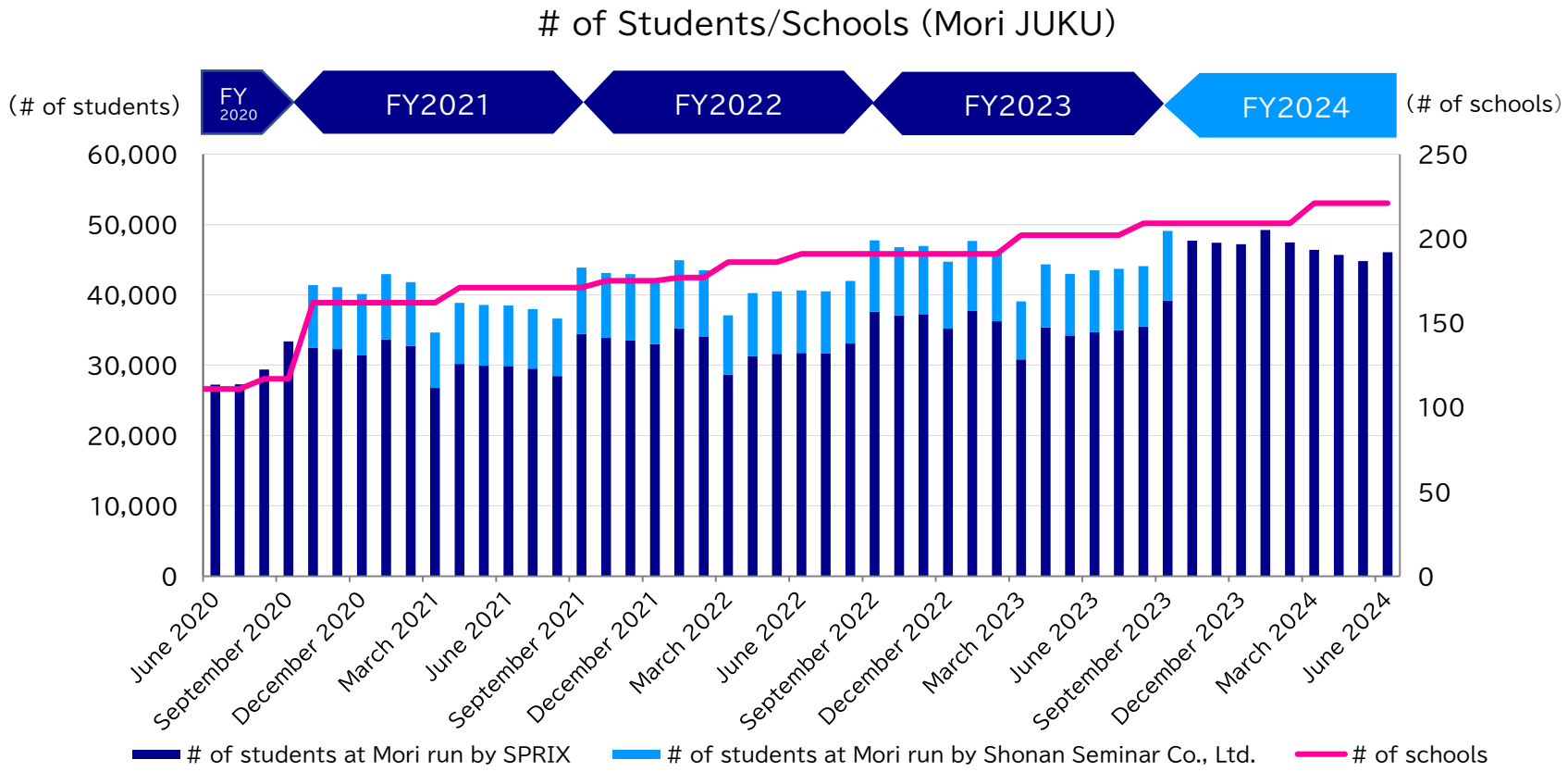
Segment	Net sales	YoY change	Operating profit	YoY change	Major factors and topics
Mori JUKU	11,920	+564 (+5.0%)	2,755	+416 (+17.8%)	• Strong performance due to opening of new schools and healthy trends in the number of students, as well as an increase in tuition per student. • The opening of schools in the Kansai region is also going smoothly, and it is expected that the business will continue to expand through planned new school openings.
Shonan Seminar	6,363	+190 (+3.1%)	277	-32 (-10.5%)	• Net sales increased due to factors such as increased tuition per student and improved class attendance rate. • Although the overall number of students decreased slightly, the number of elementary school students in the comprehensive courses increased due to the expansion of content for elementary school students and the strengthening of marketing.
Kawaijuku Manavis	1,953	-33 (-1.7%)	-96	-71 (-%)	• Controlling new school openings while the foundation for growth is being fortified. • KPI management has been re-enforced to improve the decline in the number of students, and the number of students in all grades increased, so performance is expected to improve in the future.
Other	2,543	+310 (+13.9%)	-898	-233 (-%)	• TOFAS tests have been taken in 51 countries worldwide. The cumulative number of examinees exceeds 7.5 million. • Aggressive research and development and investment were undertaken.

YoY Changes in the Number of Students and Number of Schools by Segment

Segment		FY2023 3Q	FY2024 3Q	Change	% change
Mori JUKU	Number of students	43,494	46,048	+2,554	+5.9%
	Number of schools	202	221	+19	+9.4%
Shonan Seminar	Number of students	18,456	18,023	-433	-2.3%
	Number of schools	197	203	+6	+3.0%
Kawaijuku Manavis	Number of students	4,144	4,365	+221	+5.3%
	Number of schools	50	51	+1	+2.0%

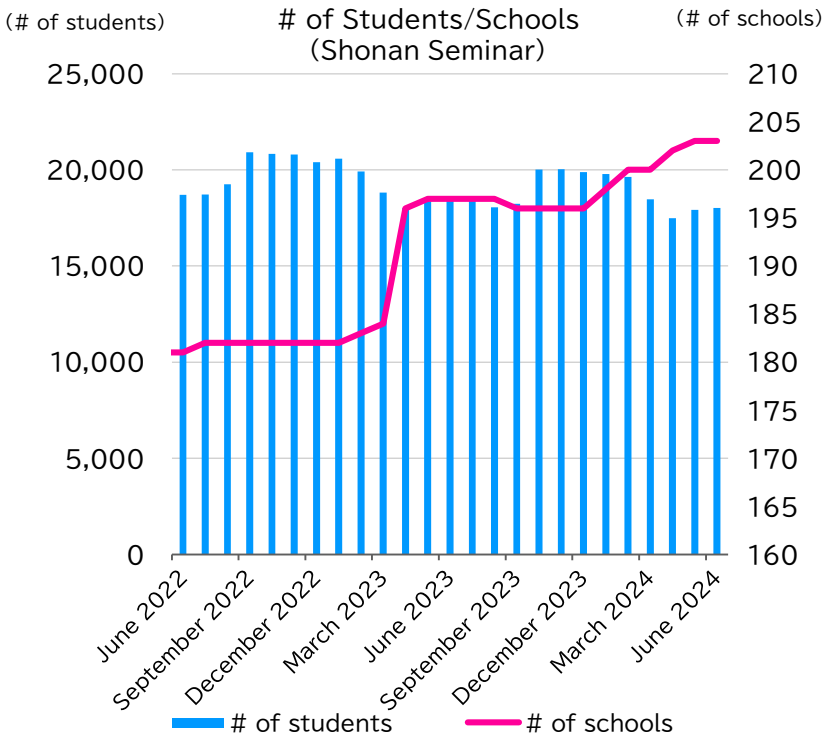
(Reference) Total Number of Students/Schools - Mori JUKU

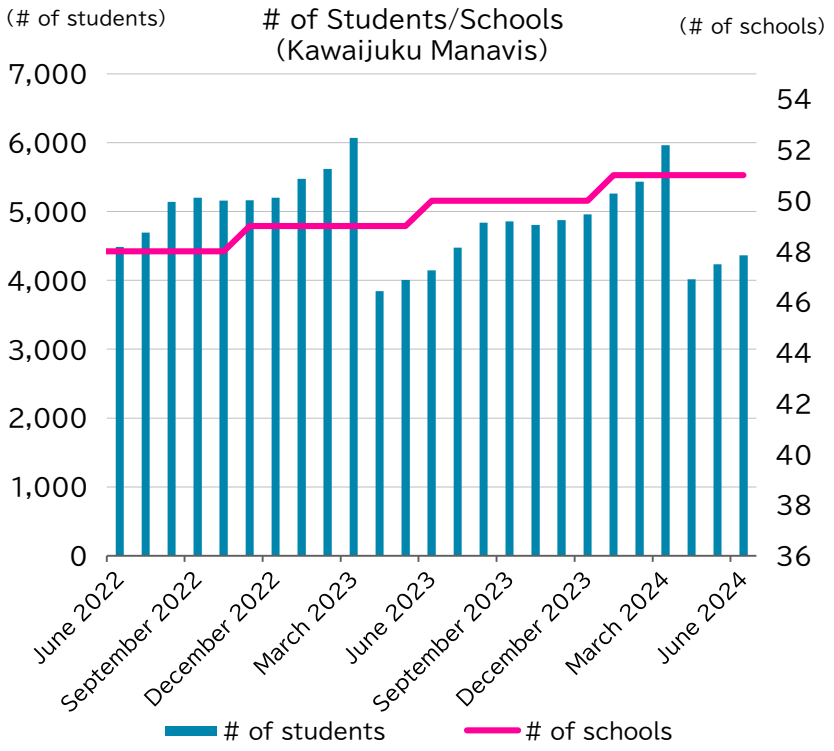
- There are 221 Mori JUKU schools, with 46,048 students (as of June 30, 2024).
- Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in October 2023.



(Reference) Number of Students/Schools - Shonan Seminar and Kawaijuku Manavis

- For Shonan Seminar, although the overall number of students decreased slightly, the number of elementary school students in the comprehensive courses increased due to the expansion of content for elementary school students and the strengthening of marketing.
- For Kawaijuku Manavis, KPI management was re-enforced in order to improve the decrease in the number of students, and the number of students in all grades increased.





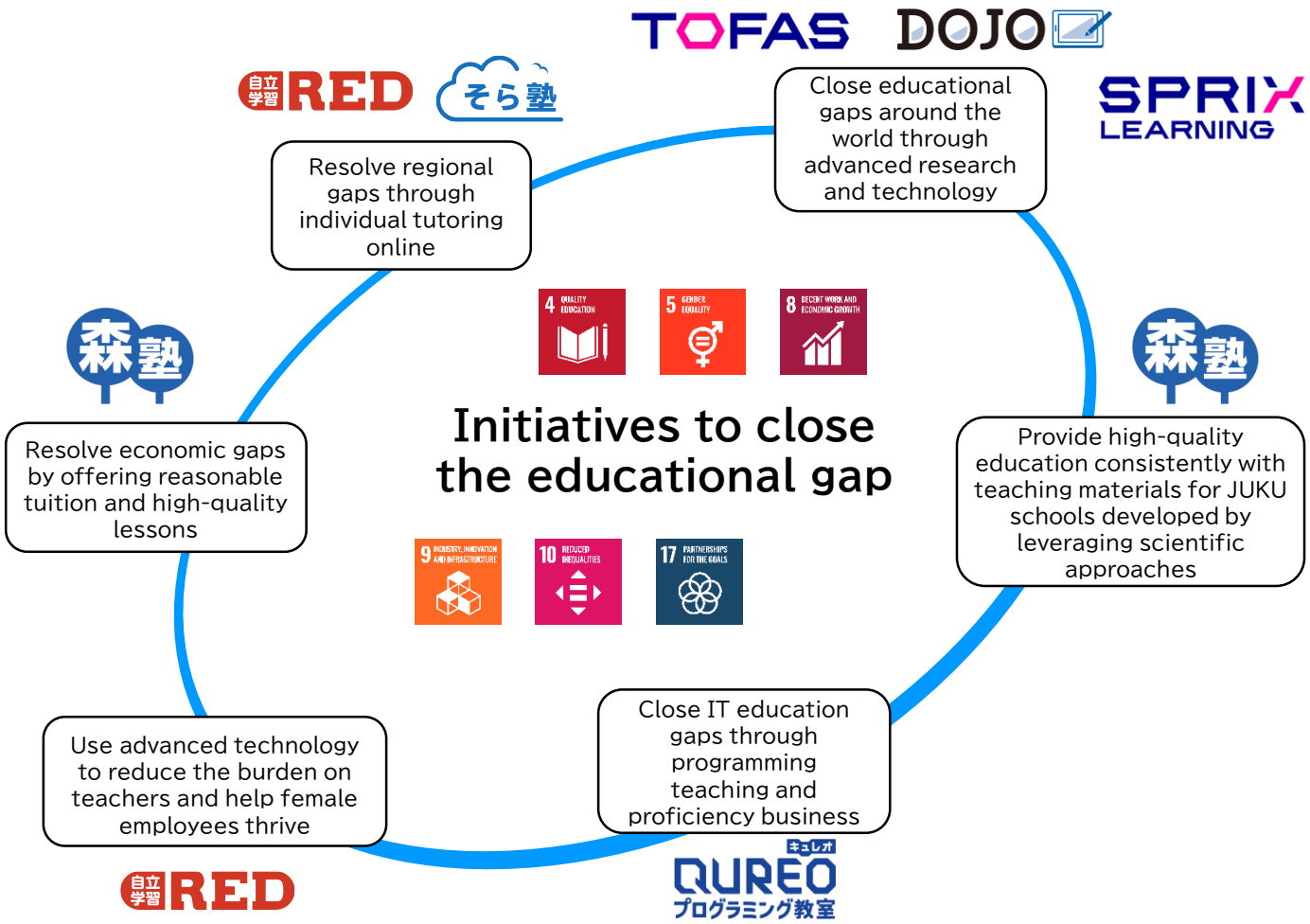
FY2024 3Q - Topics by Segment

Mori JUKU		Opened 12 new schools in March 2024 (4 in Tokyo, 1 in Kanagawa, and 7 in Osaka). Full-scale entry into the Kansai area. In FY2024, 20 new schools are scheduled to open.
Shonan Seminar		Opened 7 schools (3 in Kanagawa, 4 in Saitama) in FY2024.
Kawaijuku Manavis		Opened 1 school (Chiba) in FY2024.
Other (Educational services)	Independent learning RED	As of June 30, 2024, the number of schools is 216. New!
	Sora JUKU	A video from a popular video creator introduced the classes at Sora JUKU. New!
	Textbook sales, etc.	Continuing to develop educational materials for high school students in collaboration with Kawaijuku. Aligning with recommendation-based entrance exams and expanding lineup.
	Tokyo Dance Village	Opened Shibuya school in September 2023.
	Fundamental academic skills business	As of June 30, 2024, the cumulative number of TOFAS examinees exceeded 7.5 million. New! In June 2024, the 13th TOFAS test was conducted. New! Shizuoka City, Shizuoka Prefecture, introduced SPRIX CBT at the same time. New!
	Other	The number of QUREO programming schools exceeded 3,000 nationwide. New! Conducted a survey on Information I for the 2025 Common Test. New!

3. Reference

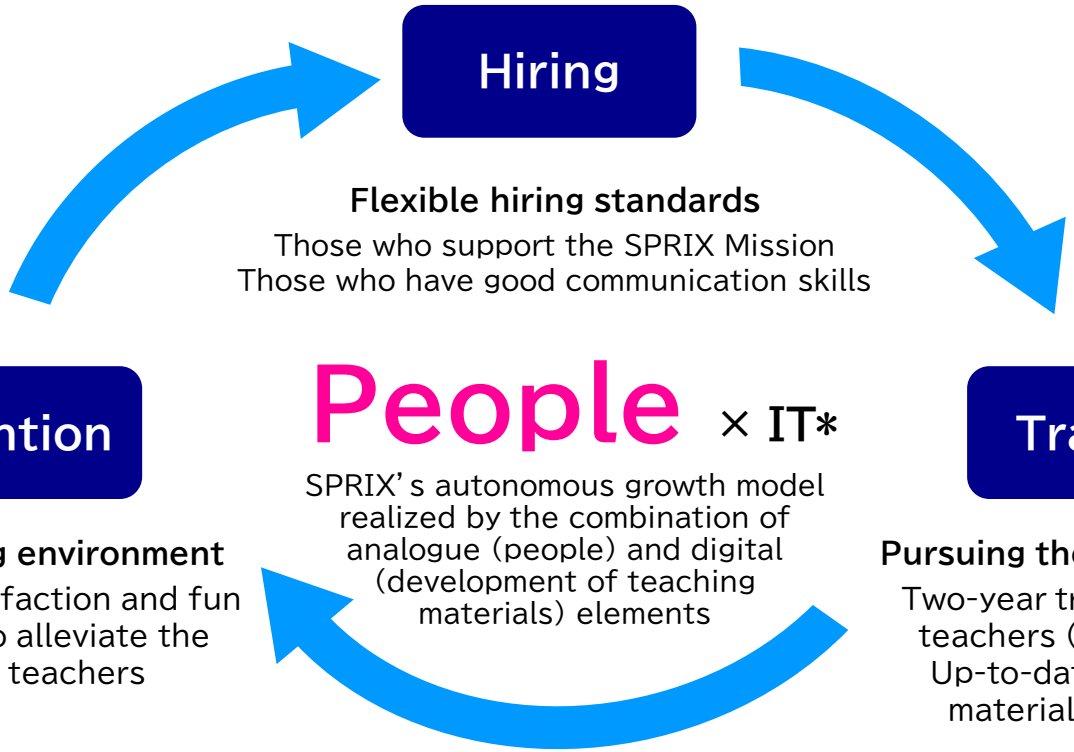
SPRIX

SPRIX pursues SDGs by tackling social issues



Investment in our people (human capital) is the key pillar of the SPRIX business model

- Manualizing our teachers' work alleviates the burden of hiring, training, and retention.
- Appealing to candidates' passion while focusing on communication skills helps broaden the applicant base for teachers.
- Making the job even more attractive for prospective candidates by becoming No. 1 in individual tutoring in terms of market share and turning the JUKU industry into one of the most popular jobs in Japan.



(Reference) SPRIX Data Sheet

(Million yen)	FY2019 (Non-consolidated)	FY2020 (Consolidated)	FY2021 (Consolidated)	FY2022 (Consolidated)	FY2023 (Consolidated)	FY2024 1-3Q (Consolidated)
Net sales	11,410	11,843	25,901	29,352	30,363	22,781
Operating profit	2,741	1,787	2,437	2,778	1,318	153
EBITDA	2,851	1,937	3,385	3,938	2,521	1,056
Total assets	10,861	11,485	19,277	19,574	20,143	18,976
Net assets	7,642	8,091	8,864	9,774	9,706	9,087
Cash and cash equivalents at end of period	6,819	7,308	6,163	5,935	6,007	4,935
Equity ratio (%)	70.4	70.2	45.9	49.8	48.0	47.7
Operating profit margin (%)	24.0	15.0	9.4	9.5	4.3	0.7
EBITDA margin (%)	24.9	16.3	13.0	13.4	8.3	4.6

(Reference) Overview of Group Companies

教育でNo.1へ SPRIX

SPRIX Inc.

Operation of individual JUKU tutoring schools, textbook sales, operation of the TOFAS fundamental academic skills test, etc.

- Individual JUKU tutoring schools for elementary, junior high, and high school students
- Operates more than 200 schools nationwide
- Offers the TOFAS fundamental academic skills test around the world

湘南ゼミナール

Shonan Seminar Co., Ltd.

Operation of Shonan Seminar and Kawaijuku Manavis schools that mainly offer group tutoring for students preparing for further education

- JUKU schools for elementary, junior high, and high school students preparing for further education
- Offers entrance exam preparation for junior high schools of public integrated junior and high schools, and universities
- Operates schools in the Tokyo metropolitan area, primarily focusing on Kanagawa Prefecture

プログラミング総合研究所

Programming Research Institute Co., Ltd.

A joint venture company established jointly with CyberAgent, Inc.

- One of the leading programming proficiency tests in Japan
- Development and operation of the Programming Proficiency Test
- Provision of evaluation indicators for programming education


キュレオ

QUREO, Inc.

A joint venture company established jointly with CA Tech Kids, Inc.

- For operators of JUKU schools and lessons all over Japan
- Provides programming teaching materials and class support
- Operates QUREO programming schools

和陽 WAYO JAPANESE LANGUAGE SCHOOL

WAYO Japanese Language School

A wholly owned subsidiary of SPRIX Inc.

- Acquired a Japanese language school business from HINOKIKAI
- For Chinese and other international students
- Provides Japanese language education and preparation for further education

ENGLISH SQUARE イングリッシュスクエア

ENGLISH SQUARE Co., Ltd.

A wholly owned subsidiary of Shonan Seminar Co., Ltd.

- English tutoring schools for elementary, junior high, and high school students
- Also offers English conversation courses for adults
- Over 30 years of English education tutoring experience