The background of the slide features a close-up, shallow depth-of-field photograph of a white spiral-bound notebook. The notebook is open, showing lined pages. Scattered across the pages are numerous light pink, petal-shaped confetti or dried flower petals. To the right of the notebook, there are several soft-focus, light pink and white flowers, possibly roses or peonies. A green pencil lies horizontally across the top left of the notebook. The overall lighting is bright and warm, creating a clean and professional aesthetic.

FY2023 2Q

Consolidated Financial Results

(October 1, 2022 to March 31, 2023)

May 11, 2023

SPRIX **SPRIX Inc.**

(Prime market of TSE/Securities code: 7030)

MISSION

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

VISION

Be the No.1 in education

1

Operating Results
FY2023 2Q (Oct 2022–Mar 2023)



Strong performance in Mori JUKU led to stable results even in a typically weak quarter

Investment in fundamental academic skills business progressed steadily

FY2023 2Q (Oct 2022–Mar 2023)—Operating results

- Stable performance thanks to steady enrollment at Mori JUKU
- Net sales :
Strong performance of Mori JUKU offset the weak results of Shonan Seminar and Kawaijuku Manavis. With other businesses enjoying similarly robust results, net sales increased on a consolidated basis.
- Operating profit :
SPRIX (non-consolidated) saw a decrease in profit due to earlier-than-usual spending on the TV commercials for Mori JUKU, aggressive investment in new businesses and R&D in the fundamental academic skills business as planned, along with weak results of Shonan Seminar and Kawaijuku Manavis.

(million yen)	FY2022 2Q (actual)	FY2023 2Q (actual)	Change (%)	Reasons
Net sales	14,954	15,221	+267 (+1.8%)	<ul style="list-style-type: none"> • SPRIX (non-consolidated) net sales increased, lead by a stable increase in student numbers at Mori JUKU • Operating profit declined as a result of advertising expenses being used earlier than the previous year, as well as an aggressive increase in R&D and other expenses, such as those for the fundamental academic skills business • Shonan Seminar saw decreases in net sales and operating profit due to lowered student numbers at Shonan Seminar and Kawaijuku Manavis schools
Operating profit (margin, %)	1,482 (9.9%)	684 (4.5 %)	-798 (-53.8%)	
EBITDA (margin, %)	2,042 (13.7%)	1,269 (8.3%)	-773 (-37.9%)	
Profit attributable to owners of parent (margin, %)	922 (6.2%)	381 (2.5%)	-540 (-58.6%)	

FY2023 2Q Progress to latest consolidated forecasts

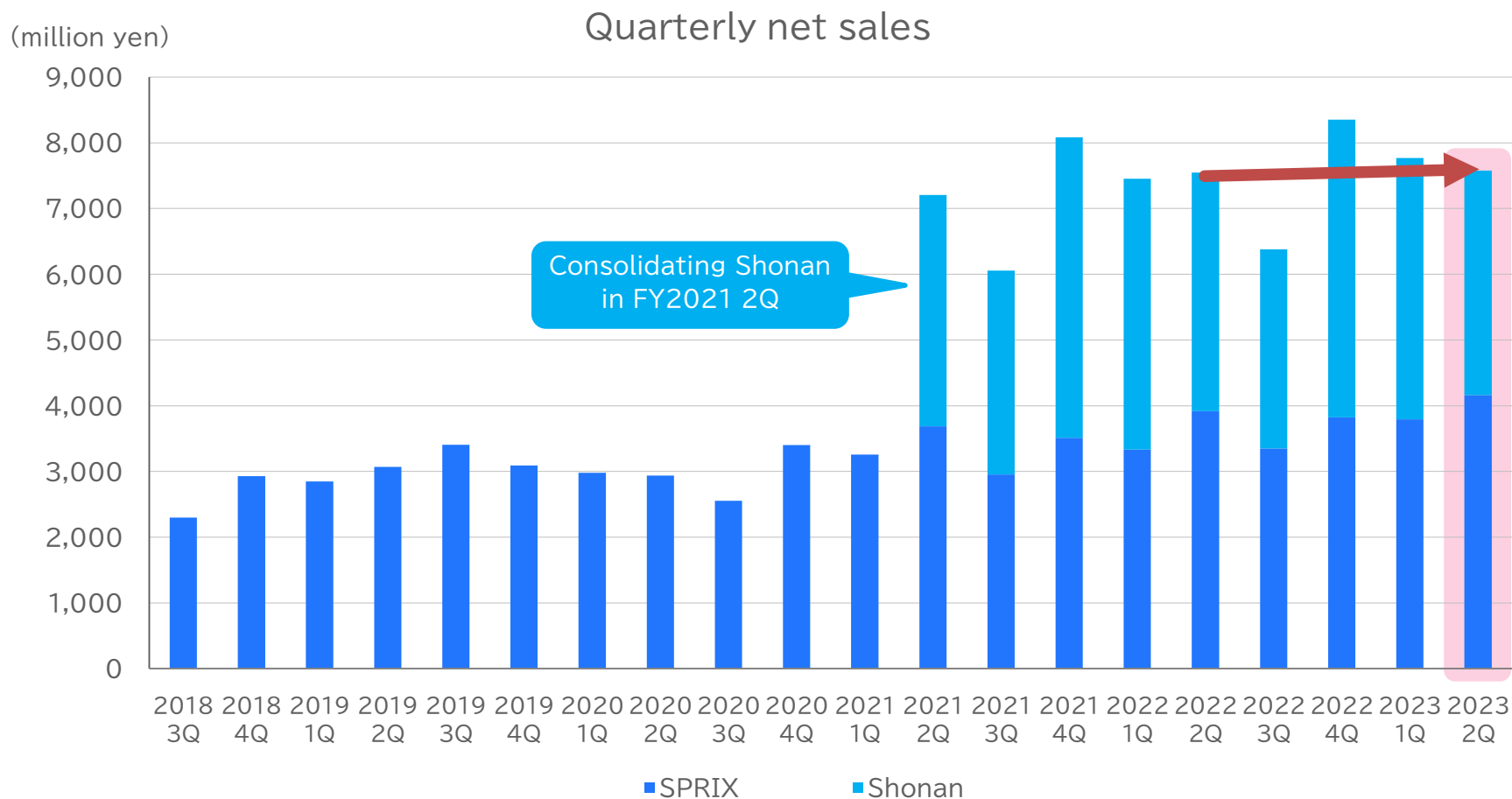
- Results of each business are proceeding strongly as planned.
- Due to Shonan Seminar's business structure, performance tends to be driven by 1Q and 4Q (July–December)

(million yen)	FY2023 (forecast)	FY2023 2Q (actual)	Progress to forecast (%)
Net sales	30,777	15,221	49.5%
Operating profit (margin, %)	1,226 (4.0%)	684 (4.5%)	55.8%
EBITDA (margin, %)	2,354 (7.6%)	1,269 (8.3%)	53.9%
Profit attributable to owners of parent (margin, %)	674 (2.2%)	381 (2.5%)	56.5%

* Consolidated forecasts were disclosed on November 11, 2022.

FY2023 2Q Quarterly net sales

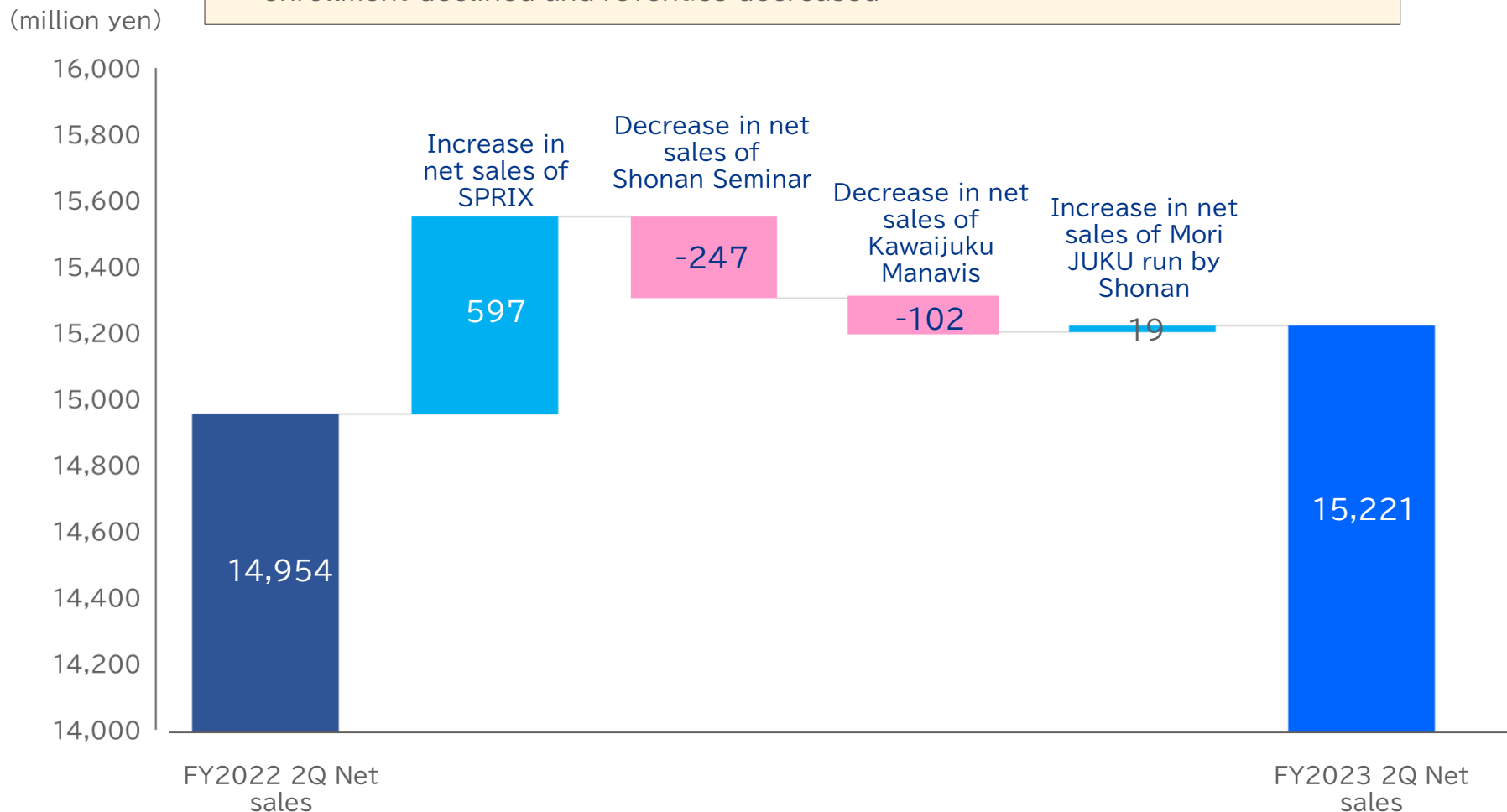
- Consolidated net sales increased due to stable student enrollment at Mori JUKU
- Shonan Seminar Co., Ltd. (non-consolidated) saw a decrease in net sales due to declining student numbers



(Note) Above figures represent the operating performance of SPRIX and Shonan before offsetting intercompany transactions for the same quarter period. Note that the aggregate amounts differ from the consolidated sales.

FY2023 2Q Quarterly net sales—Attribution analysis (Year-on-Year)

- SPRIX (non-consolidated): In addition to the increase in school buildings, saw increased net sales due to the stable increase in student numbers at Mori JUKU
- Shonan Seminar Co., Ltd.: Shonan Seminar and Kawaijuku Manavis student enrollment declined and revenues decreased



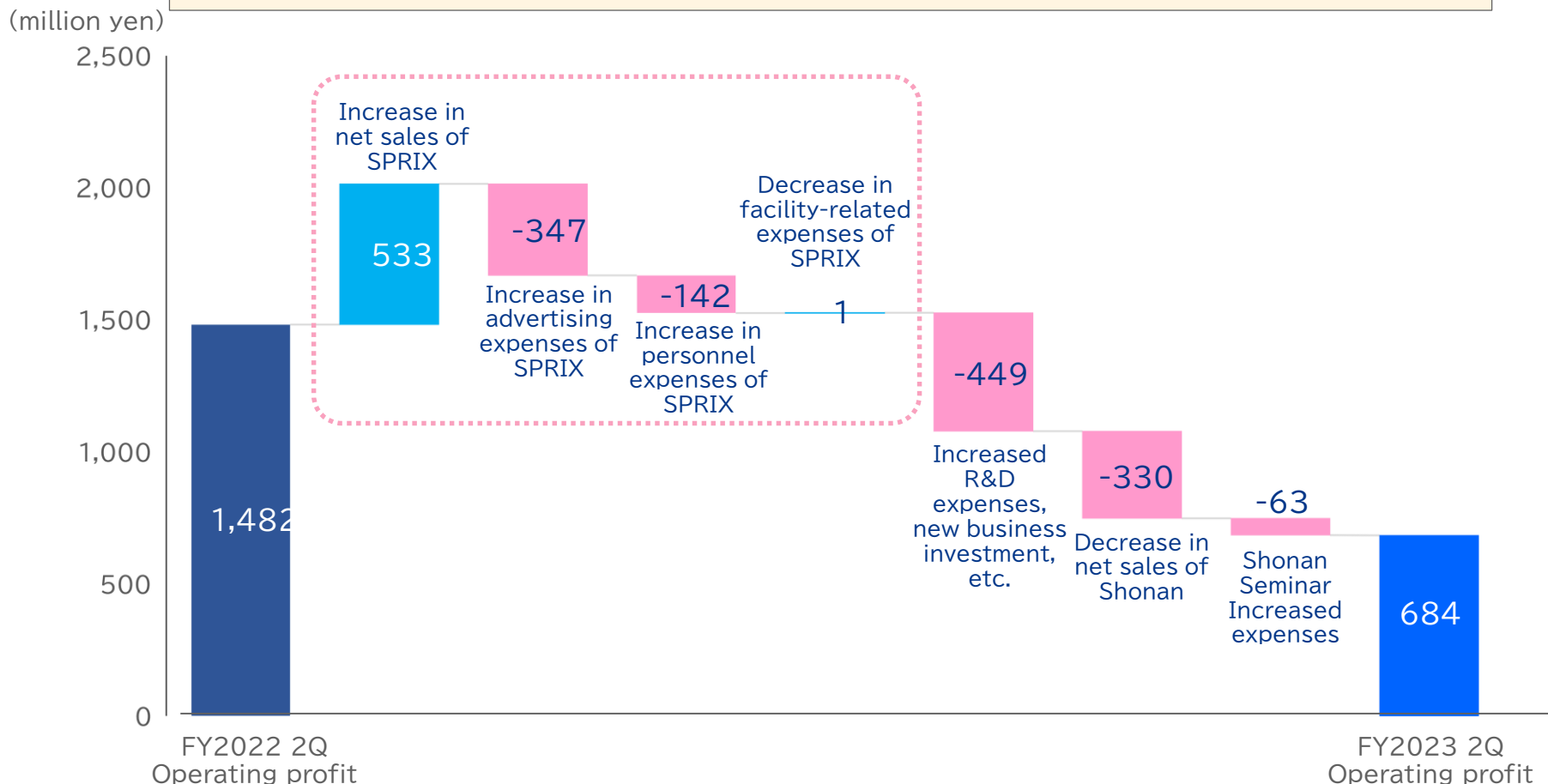
FY2023 2Q Quarterly operating profit

- SPRIX (non-consolidated) advanced spending on advertising, aggressive investment in new businesses and R&D in the fundamental academic skills business as planned
- Shonan Seminar Co., Ltd. results were weak due to lowered student numbers at Shonan Seminar and Kawaijuku Manavis schools



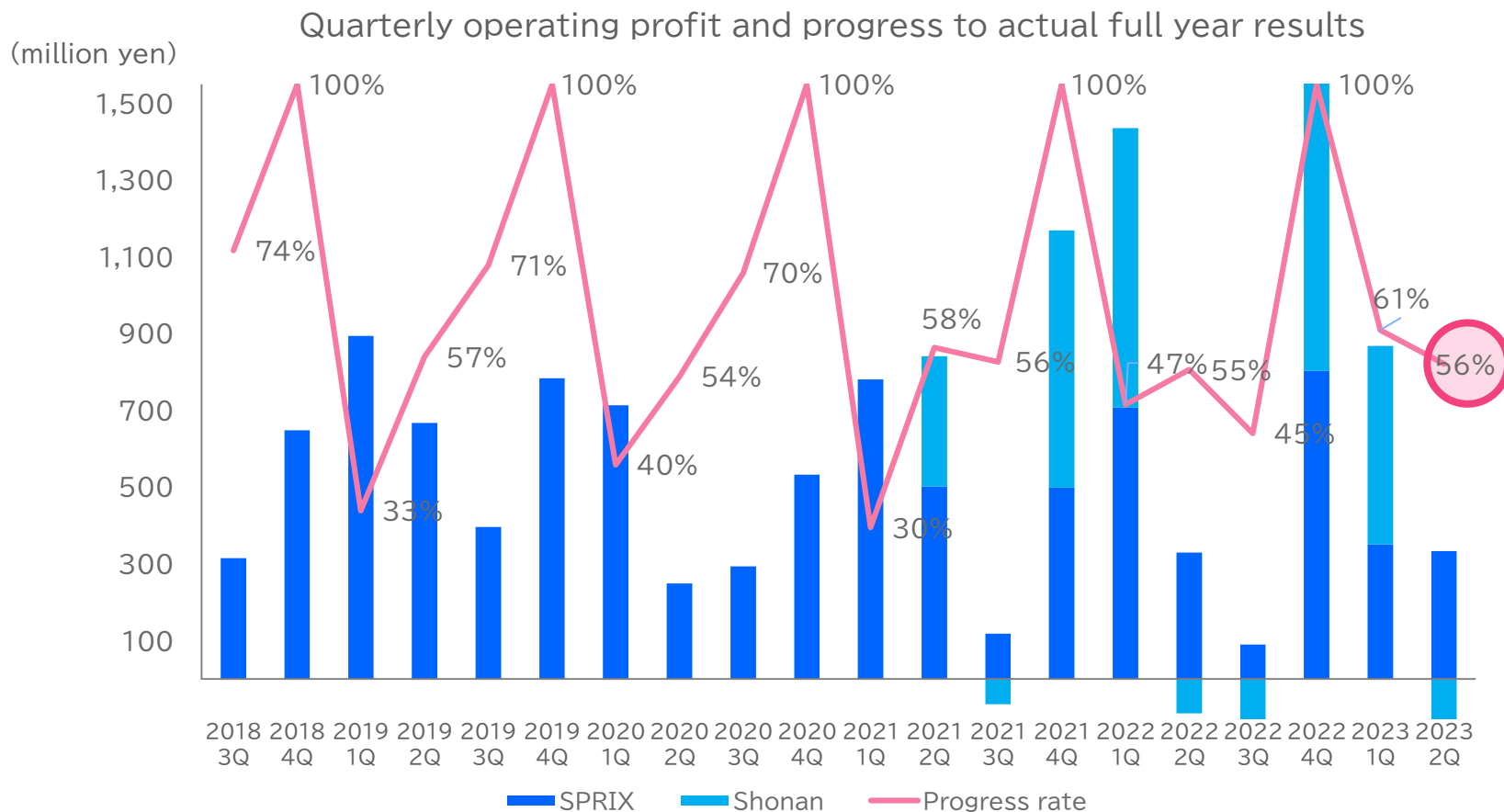
FY2023 2Q Quarterly operating profit—Attribution analysis (Year-on-Year)

- SPRIX (non-consolidated) performed well. Advertising expenses were invested earlier than the previous year.
- Increased aggressive investment in new businesses and R&D in the fundamental academic skills business (such as TOFAS) as planned
- Affected by lower sales due to decreased student numbers at Shonan Seminar and Kawaijuku Manavis schools











FY2023 2Q Operating profit—Seasonality trends

- Shonan Seminar earns the majority of its operating profit in 1Q (October–December) and 4Q (July–September)
- The progress rate was 56%, in line with plans. Operating profit for the full year is expected to be in line with forecasts










* Operating profit in the chart represents the amount before offsetting intercompany transaction. As a result, the aggregate amounts differ from the consolidated operating profit.

FY2023 2Q Segment information

(million yen)	Net sales	Compared to the same period of the previous fiscal year	Segment profit	Compared to the same period of the previous fiscal year	Major topics
	7,853	+417 (+5.6%)	1,604	-204 (-11.3%)	<ul style="list-style-type: none"> Results remain robust despite the widespread acceptance of the new normal with COVID-19 Profit increased in real terms when the decline attributable to earlier-than-usual spending on advertising is excluded; operating profit progressing as planned 18 schools scheduled to open this fiscal year
	4,487	-247 (-5.2%)	467	-296 (-38.8%)	<ul style="list-style-type: none"> Reducing new branch openings while the foundation for growth is being prepared Although student numbers are trending downward, aim to achieve medium-term recovery through marketing activities showcasing improved exam pass rates 4 schools scheduled to open this fiscal year
	1,282	-102 (-7.4%)	-49	-84 (-%)	<ul style="list-style-type: none"> Reducing new branch openings while the foundation for growth is being prepared Growing trend toward choosing college entrance exams under recommendations from high schools has led to early withdrawal from tutoring of high school seniors 3 schools scheduled to open this fiscal year
その他     	1,686	+205 (+13.9%)	-223	-171 (-%)	Fundamental academic skills business <ul style="list-style-type: none"> TOFAS has been taken by more than 1 million examinees in more than 30 countries worldwide “Programming Proficiency Test” (PROKEN) has the most examinees in Japan with 2,186 testing sites nationwide Other <ul style="list-style-type: none"> Aggressive investment in R&D, advertising, etc.

FY2023 Planned initiatives by segment

FY2023 (forecast)

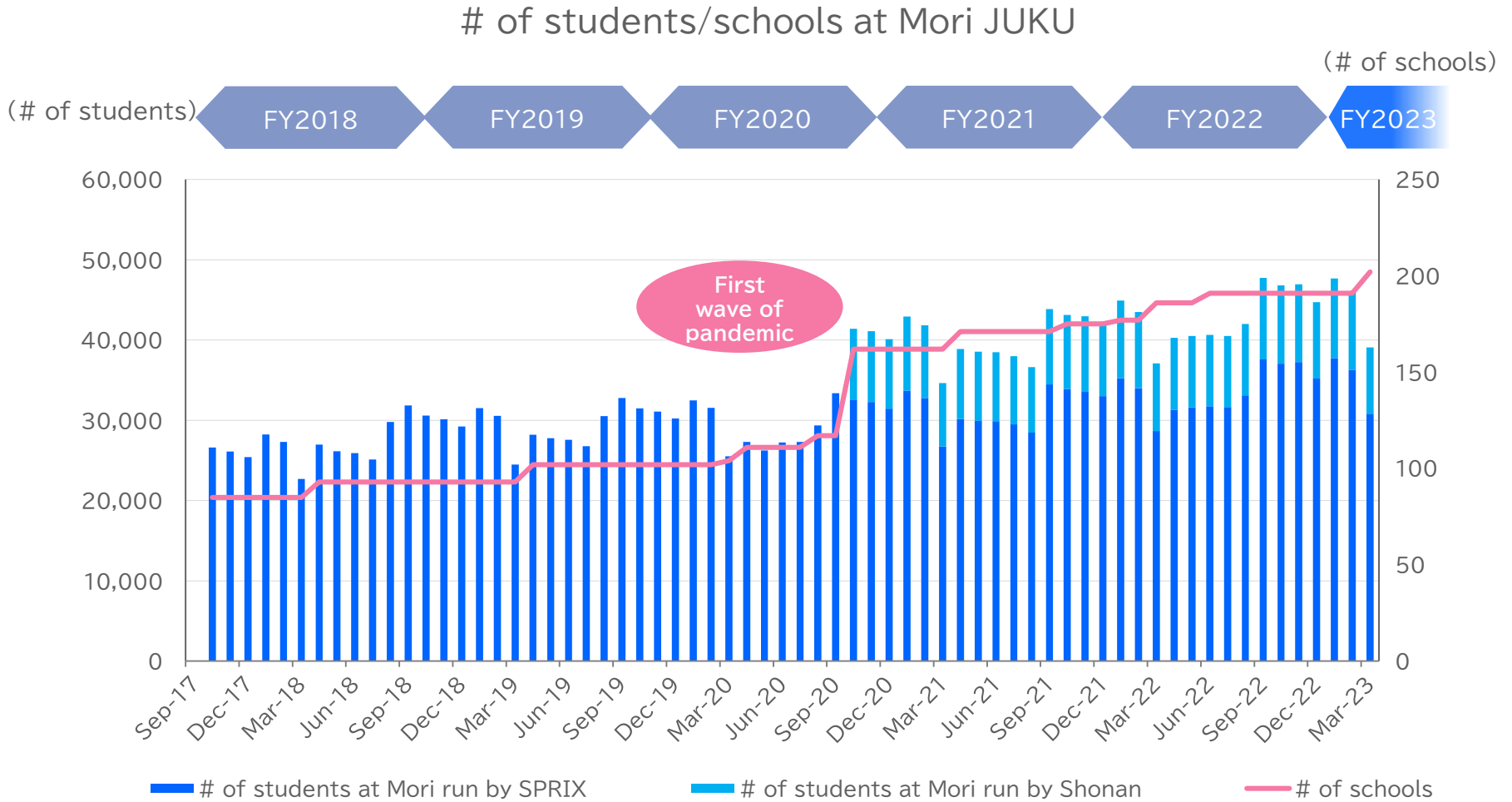
	<ul style="list-style-type: none"> Open 11 schools by end of March 2023; 18 schools scheduled to open in the Kanto area within the year New! Enrollment is expected to remain at pre-pandemic levels, and grow steadily with the opening of new schools 	
	<ul style="list-style-type: none"> Open 2 Shonan Seminar schools by end of March 2023; 4 schools scheduled to open within the year New! Focus on the Yokohama Suiran V Course has increased the number of students accepted into Yokohama Suiran High School (77 last spring, 84 this spring) New! 	
	<ul style="list-style-type: none"> Open 1 school by end of March 2023; 3 schools scheduled to open within the year New! 	
Others		<ul style="list-style-type: none"> Expect further increase in student enrollment by taking advantage of its recognition as No. 1 online individualized tutoring school in terms of number of students*1
		<ul style="list-style-type: none"> 8 schools scheduled to open in spring 2023 New! 40 franchised schools and 2 directly managed schools scheduled to open over the year (230 schools at the end of the fiscal year)
		<ul style="list-style-type: none"> Develop educational materials for high school students in collaboration with Kawajuku
		<ul style="list-style-type: none"> Signed a partnership agreement with Sakata City Board of Education and Sakai City Board of Education New! Signed MOU and business cooperation agreements overseas (Manila, Egypt, Indonesia) New! “Programming Proficiency Test” (PROKEN) takes number one spot in number of examinees*2

*1 According to Japan Marketing Research Organization (January 2022)

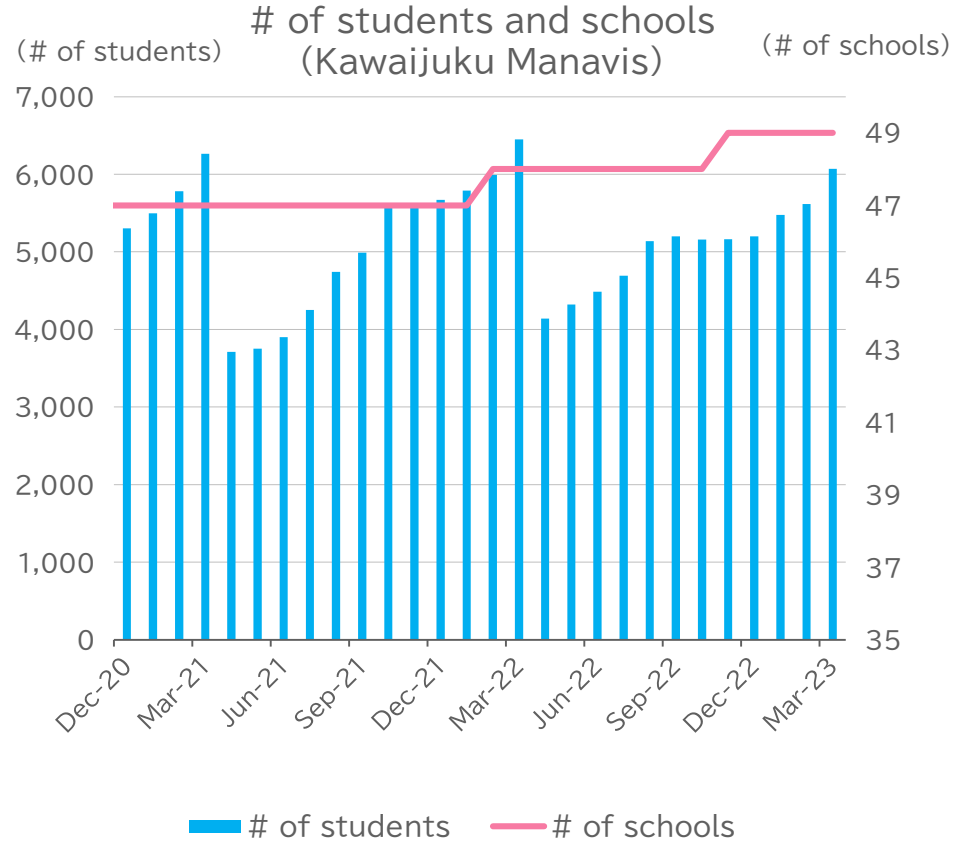
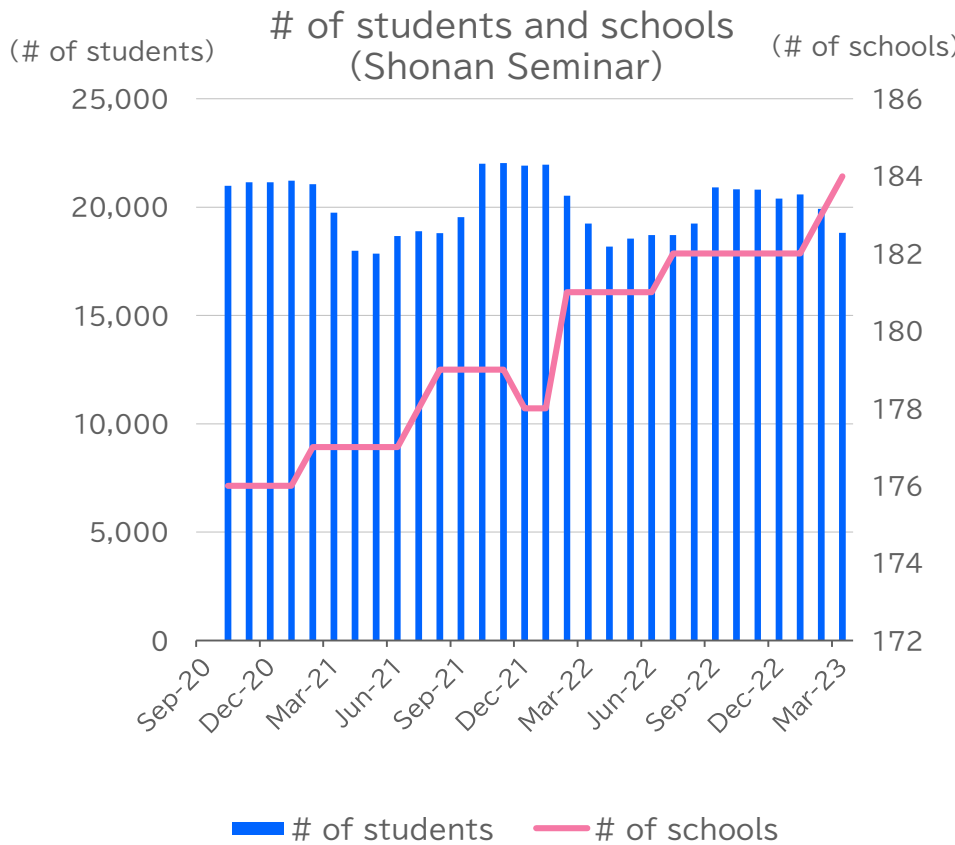
*2 According to Japan Marketing Research Organization (November 2022)

(Reference) Number of students/schools – Mori JUKU

- Total number of students stood at 39,066, while the total number of schools was 202 (as of March 31, 2023)



(Reference) Number of students/schools-Shonan Seminar and Kawaijuku Manavis



Progress in Business Strategies for FY2025

1. **Unchanged MISSION and VISION**
2. **Business strategies towards FY2025**
3. **Strategy 1: Reinforce JUKU business**
4. **Strategy 2: Be the pioneer in fundamental academic skills**
5. **(Reference) Cash allocation**

1. Unchanged MISSION and VISION

MISSION

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

VISION

Be the No.1 in education

Short-term goal

Pursue JUKU business

Improve school performance

+

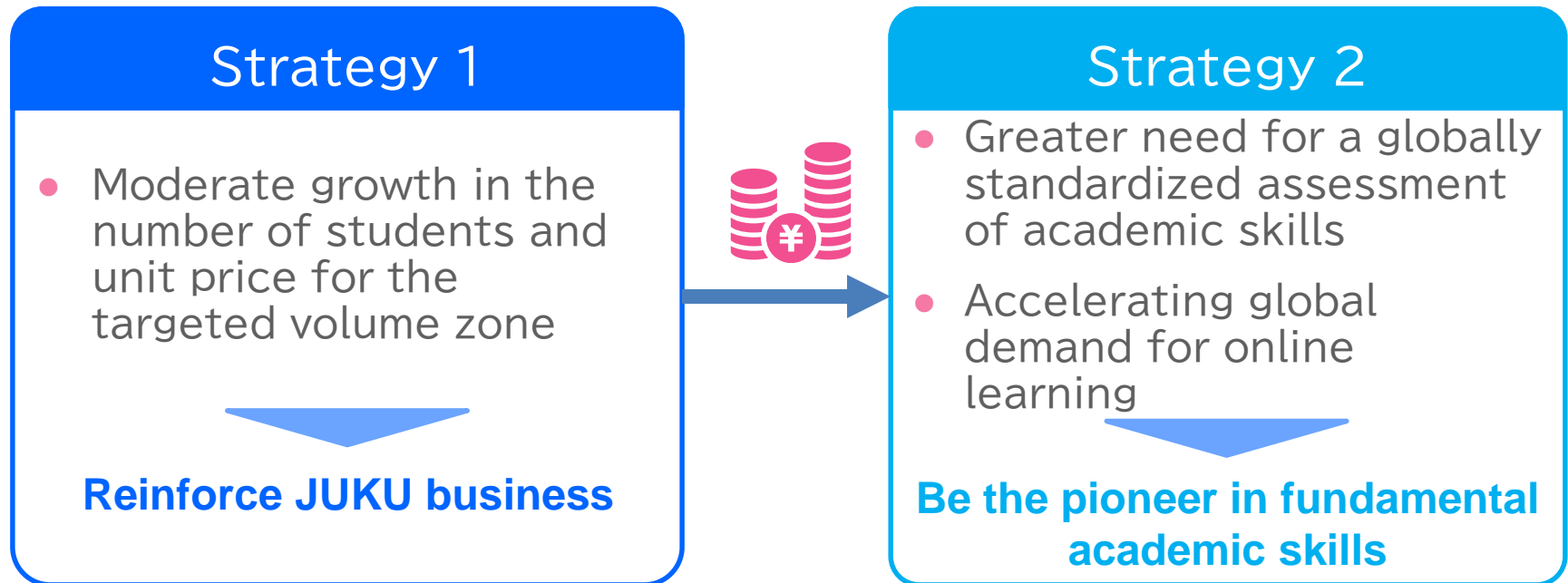
Long-term goal

Develop fundamental academic skills business

Expand options in life

Realizing a world where every child can move one step up in their life stage

Stable growth in JUKU business to rapidly expand academic foundation investment



Aggregate **¥4.5 billion** into the growing fundamental academic skills business

3. Strategy 1: Reinforce JUKU business and progress of Shonan Seminar

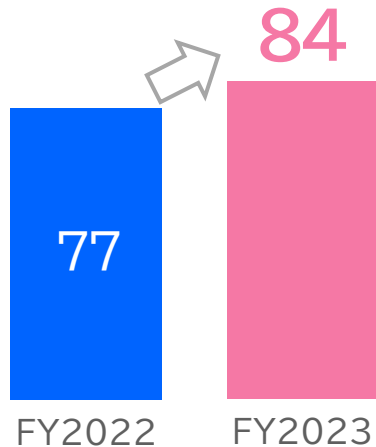


- **Consolidated Shonan in December 2020**, a tutoring school whose main business consists of group teaching-style classes for elementary, junior, and senior high school students
- **Introduction of the SPRIX method**, which integrates analog teaching methods with digital teaching material development
- **KPI for FY2025: Higher acceptance rate to top Kanagawa schools ⇒ Establish Yokohama Suiran V course**

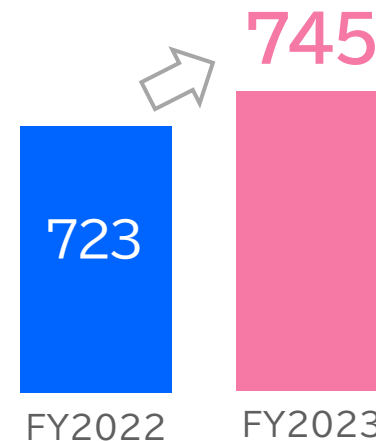
3. Strategy 1: Reinforce JUKU business and progress of Shonan Seminar



Yokohama Suiran High School
Admitted students



Top Kanagawa public schools
Total admitted students



Total admitted students to Kanagawa Suiran High School and other top Kanagawa public schools
⇒ **FY2023 results surpass the previous fiscal year**



- First global online exam to measure fundamental academic skills
- Available in 8 languages
- CBT (Computer Based Testing)
 - High scalability
 - Low cost and low risks associated with testing venue
- High interest from foreign education ministries



Signed a MOA with the **Manila Department of Education in the Philippines**

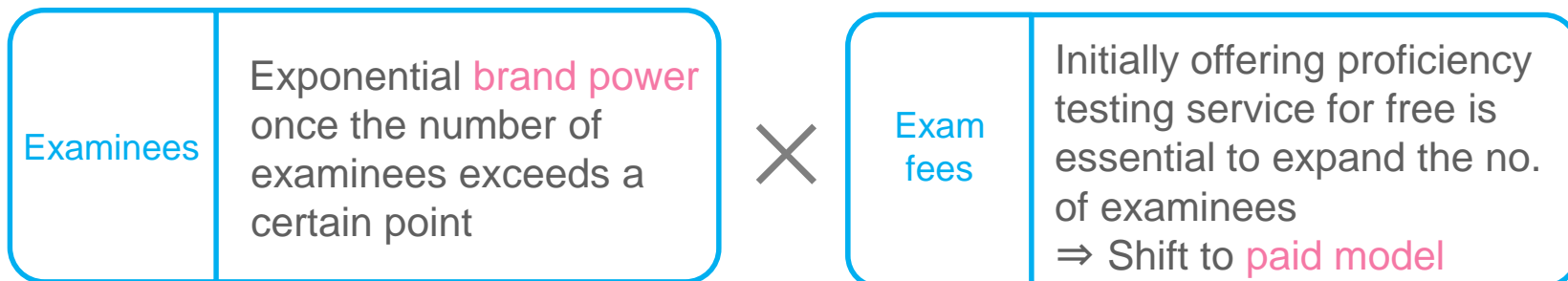


Signed a business cooperation agreement with the **South Tangerang Education and Culture Department in Indonesia**

4. Strategy 2: Be the pioneer in fundamental academic skills

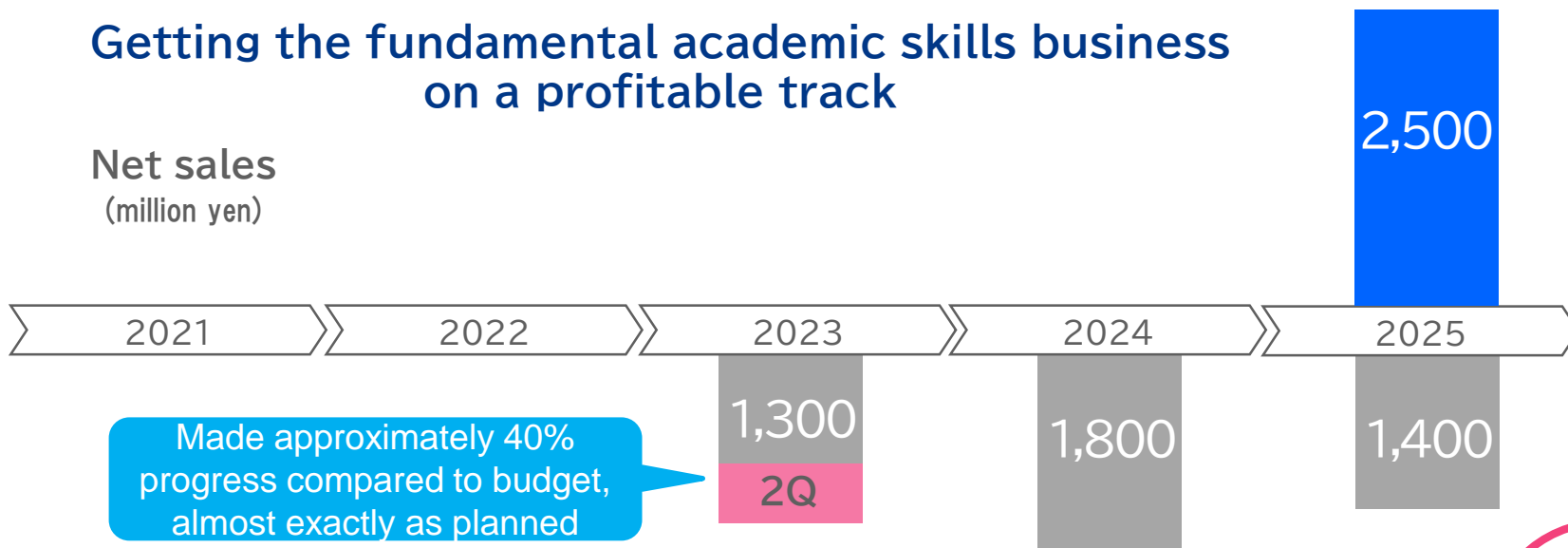
TOFAS

プロ検



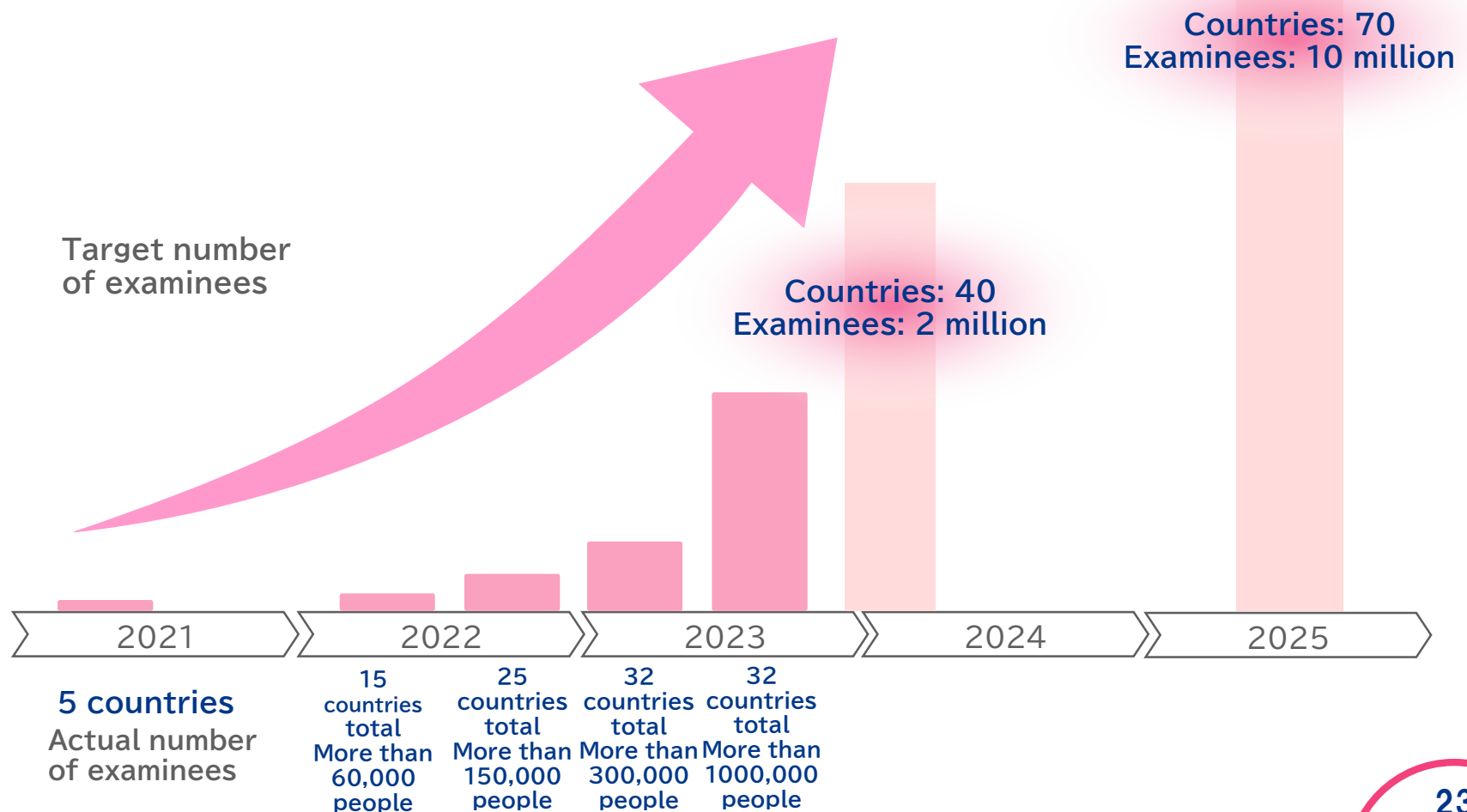
Getting the fundamental academic skills business on a profitable track

Net sales
(million yen)



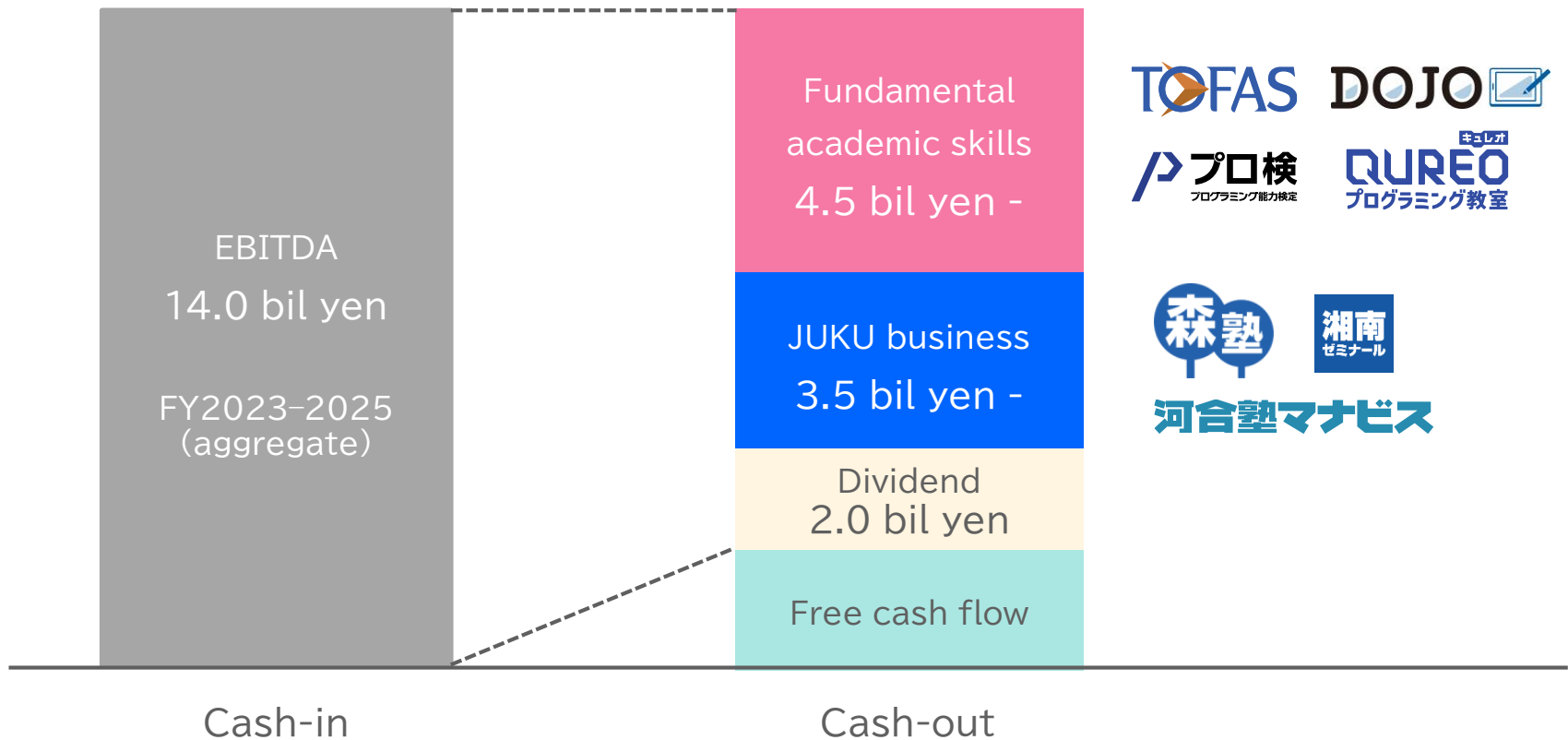
4. Strategy 2: Be the pioneer in fundamental academic skills

- TOFAS examinees increased to over one million as planned
- Progressing to reach the target of 2 million examinees in FY2023



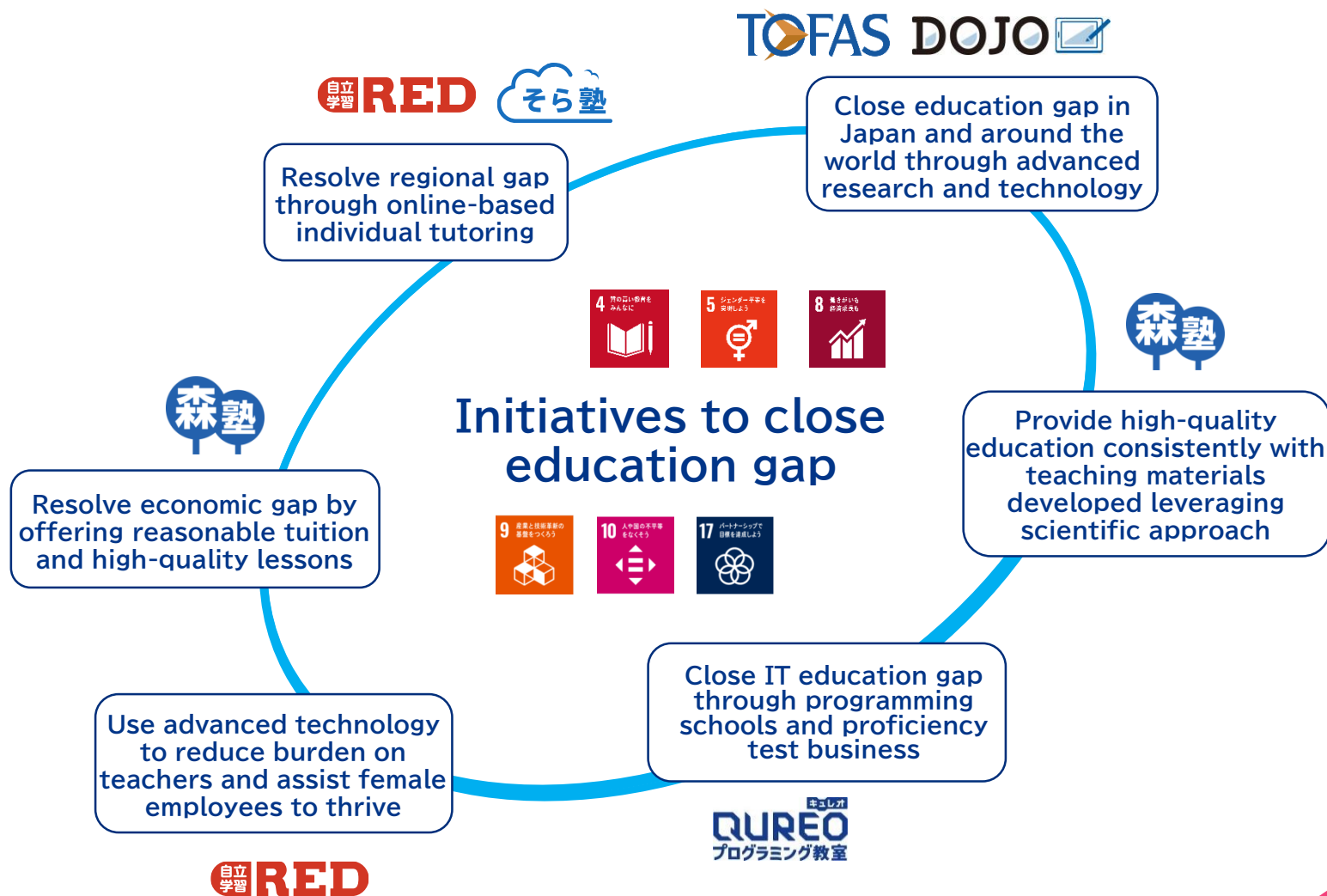
(Reference) Cash allocation—Plan for FY2023–2025 (aggregate)

- Investment in fundamental academic skills business and current JUKU business to be made within EBITDA
- Will maintain ¥38 annual dividend per share as EBITDA tentatively shrinks in FY2023 and FY2024



Reference

SPRIX pursues SDG Goals by tackling social issues



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

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



(Reference) At-a-glance fact sheet

(million yen)	FY2018 (non-consolidated)	FY2019 (non-consolidated)	FY2020 (consolidated)	FY2021 (consolidated)	FY2022 (consolidated)	FY2023-2Q (consolidated)
Net sales	10,451	11,410	11,843	25,901	29,352	15,221
Operating profit	2,467	2,741	1,787	2,437	2,778	684
EBITDA	2,569	2,851	1,937	3,385	3,938	1,269
Total assets	9,967	10,861	11,485	19,277	19,574	19,847
Net assets	6,469	7,642	8,091	8,864	9,774	9,855
Cash and cash equivalent at the end or the period	6,825	6,819	7,308	6,163	2,203	5,719
Equity ratio (%)	64.9	70.4	70.2	45.9	49.8	49.4
Operating profit margin (%)	23.6	24.0	15.0	9.4	9.5	4.5
EBITDA margin (%)	24.5	24.9	16.3	13.0	13.4	8.3