

FY2024 1Q
Consolidated Financial Results
(October 1, 2023 to December 31, 2023)

February 14, 2024

SPRIX SPRIX Inc.

(TSE Standard/Securities code: 7030)

1. Corporate Overview
2. FY2024 1Q Operating Results
3. Reference

1

Corporate Overview

MISSION

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

VISION

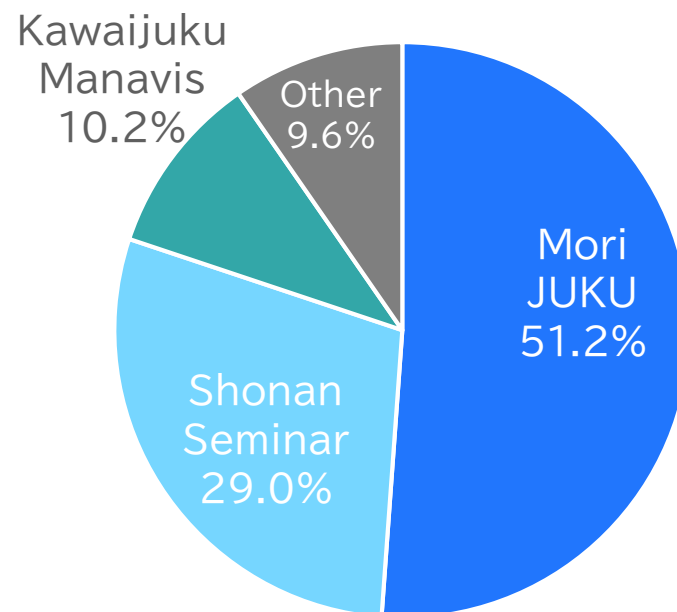
Be the No. 1 in education

Company Profile

Company name	SPRIX Inc.
Established	January 1997
Representative	Hiroyuki Tsuneishi, Representative Director and President
Office	Tokyo Headquarters 1-11-1 Nishi-Ikebukuro, Toshima-ku, Tokyo Nagaoka Head Office 2-2-1 Higashisakanouemachi, Nagaoka-shi, Niigata
Capital	1,438 million yen
Business	JUKU (tutoring) school and other educational businesses
Number of employees (consolidated)	1,394 (as of September 30, 2023)
Listed market	TSE Standard
Financial year end	September

% of net sales

(Fiscal year ended September 30, 2023)



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.



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.



Kawaijuku Manavis

Operates college preparatory schools that combine video lessons with in-person support for current high school students. Operates as a franchisee.



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.



Sora JUKU

Operates individual JUKU tutoring schools online for elementary, junior high, and high school students, where one teacher teaches up to two students.



Textbook sales, etc.

Sale of the Foresta series and the Foresta Database.



Tokyo Dance Village

Operates dance schools for working adults.



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.

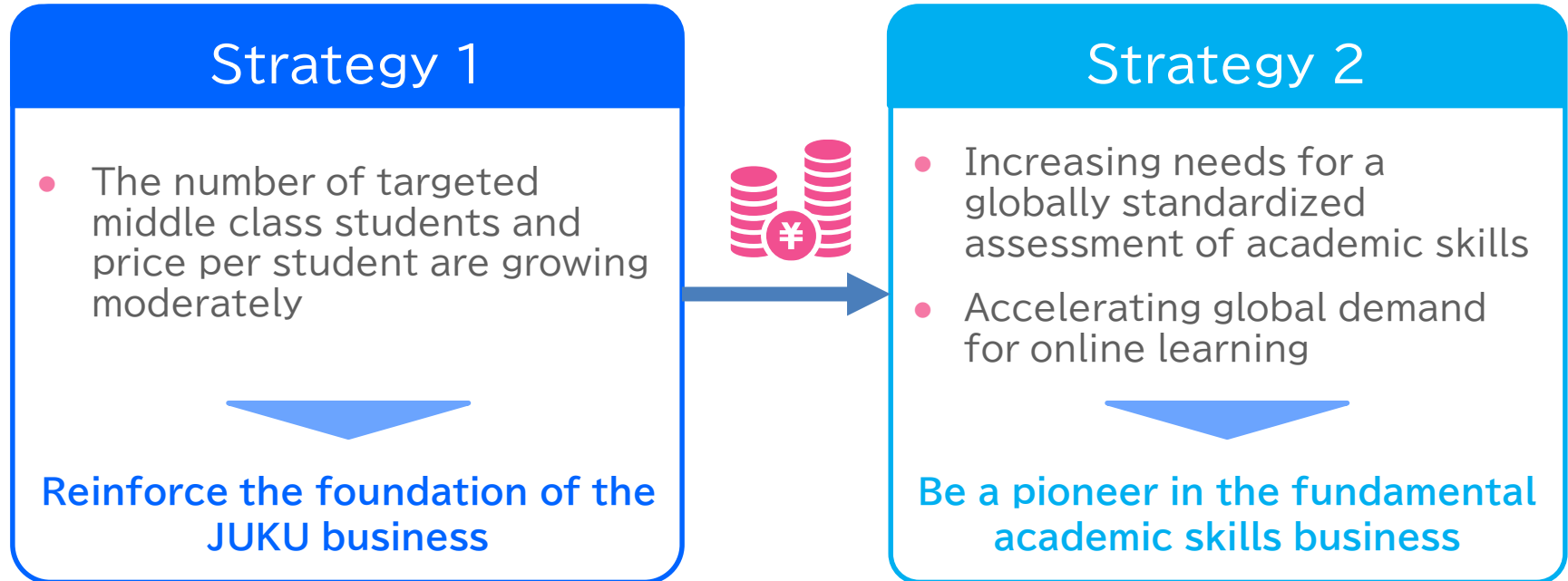


Other

Development and sale of the QUREO programming teaching service, and development, operation, and sale of the Programming Proficiency Test, etc.



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



Intensive investment in the fundamental academic skills business
in FY2023-2025

FY2024 1Q Operating Results

FY2024 1Q (October 2023 to December 2023) — Operating Results

- Mori JUKU delivered stable results driven by the increase in tuition per student since last spring, in addition to the healthy trends in new school openings and the number of newly enrolled students.
- Net sales increased on a consolidated basis primarily driven by the strong results of Mori JUKU, but also because other businesses and Shonan Seminar remained firm.
- Operating profit remained firm in 1Q due to strong sales and the decrease in advertising expenses associated with the discontinuation of TV commercials by Mori JUKU.

(Million yen)	FY2023 1Q (Results)	FY2024 1Q (Results)	Change (%)	Factors
Net sales	7,718	8,183	+465 (+6.0%)	<ul style="list-style-type: none"> • Net sales of SPRIX (non-consolidated) increased as new openings of Mori JUKU schools and the number of newly enrolled students remained healthy. • Advertising expenses decreased with the discontinuation of TV commercials by Mori JUKU. • As net sales increased and advertising expenses decreased, the operating profit of SPRIX (non-consolidated) also increased. • Sales of Shonan Seminar remained firm as the decrease in the number of students was compensated for by the increase in tuition per student.
Operating profit (margin, %)	750 (9.7%)	1,061 (13.0%)	+310 (+41.5%)	
EBITDA (margin, %)	1,043 (13.5%)	1,362 (16.6%)	+318 (+30.5%)	
Profit attributable to owners of parent (margin, %)	454 (5.9%)	652 (8.0%)	+198 (+43.7%)	

FY2024 1Q — Status Compared to Initial Forecast

- The achievement status is as planned for all indicators.
- In the previous fiscal year, advertising expenses were skewed higher in 1Q, in which we ran TV commercials for Mori JUKU. We do not plan to run TV commercials in this fiscal year, but plan to spend advertising expenses throughout the year. Therefore, advertising expenses are expected to increase in 2Q through 4Q year on year. We also expect increases in expenses in 2H due to the relocation of the headquarters. For these reasons, although 1Q operating profit was above the full-year forecast, we have not revised the full-year forecast at this point.

(Million yen)	FY2024 (Forecast)	FY2024 1Q (Results)	Achievement rate (%)
Net sales	32,050	8,183	25.5%
Operating profit (margin, %)	1,050 (3.3%)	1,061 (13.0%)	101.1%
EBITDA (margin, %)	2,350 (7.3%)	1,362 (16.6%)	58.0%
Profit attributable to owners of parent (margin, %)	450 (1.4%)	652 (8.0%)	145.0%

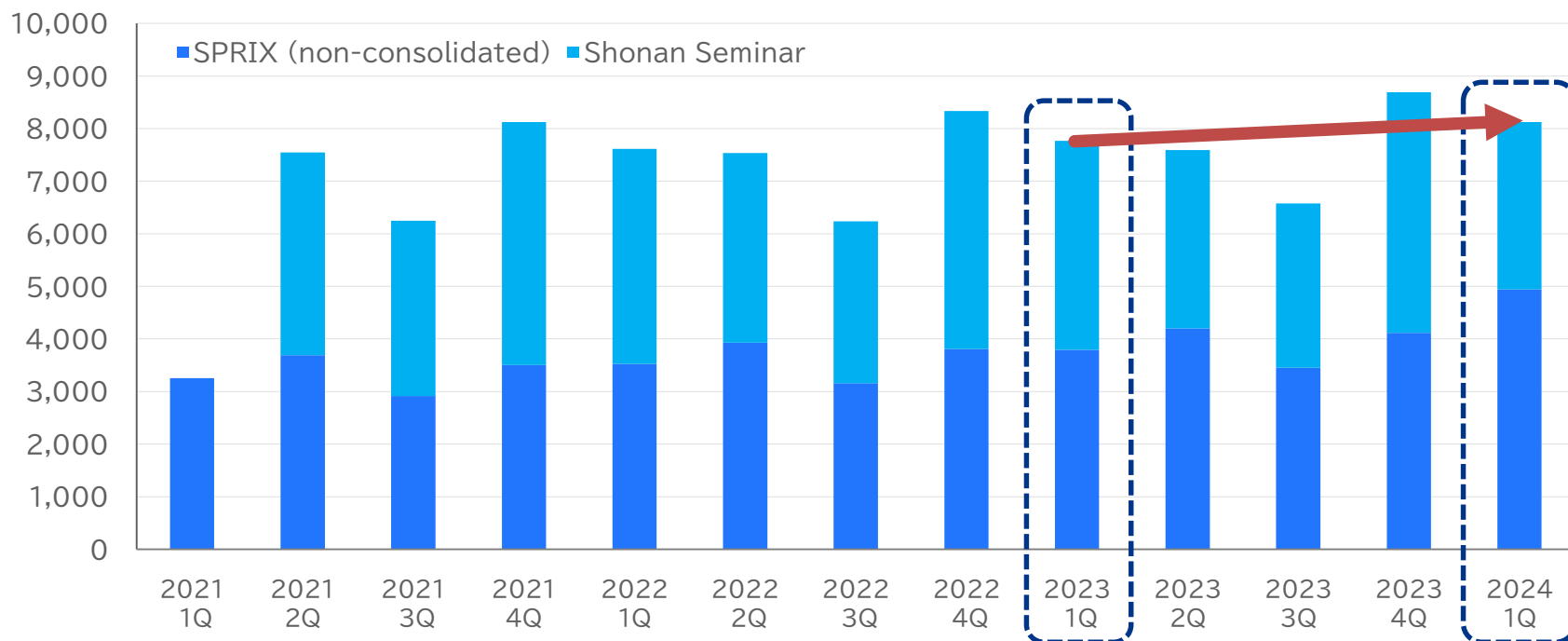
* The consolidated forecast is the one disclosed on November 10, 2023.

FY2024 1Q — Quarterly Net Sales

- 1Q net sales increased on a consolidated basis driven by healthy trends in new openings of Mori JUKU schools and the number of newly enrolled students, as well as the increase in tuition.
- 1Q results of Shonan Seminar Co., Ltd. were affected by the decrease in the number of students at both Shonan Seminar and Kawaijuku Manavis schools, which was compensated for by the increase in tuition per student for Shonan Seminar. As a result, net sales increased after adjusting for the impact of the transfer to SPRIX for Mori JUKU schools run by Shonan Seminar.

(Million yen)

Quarterly Net Sales

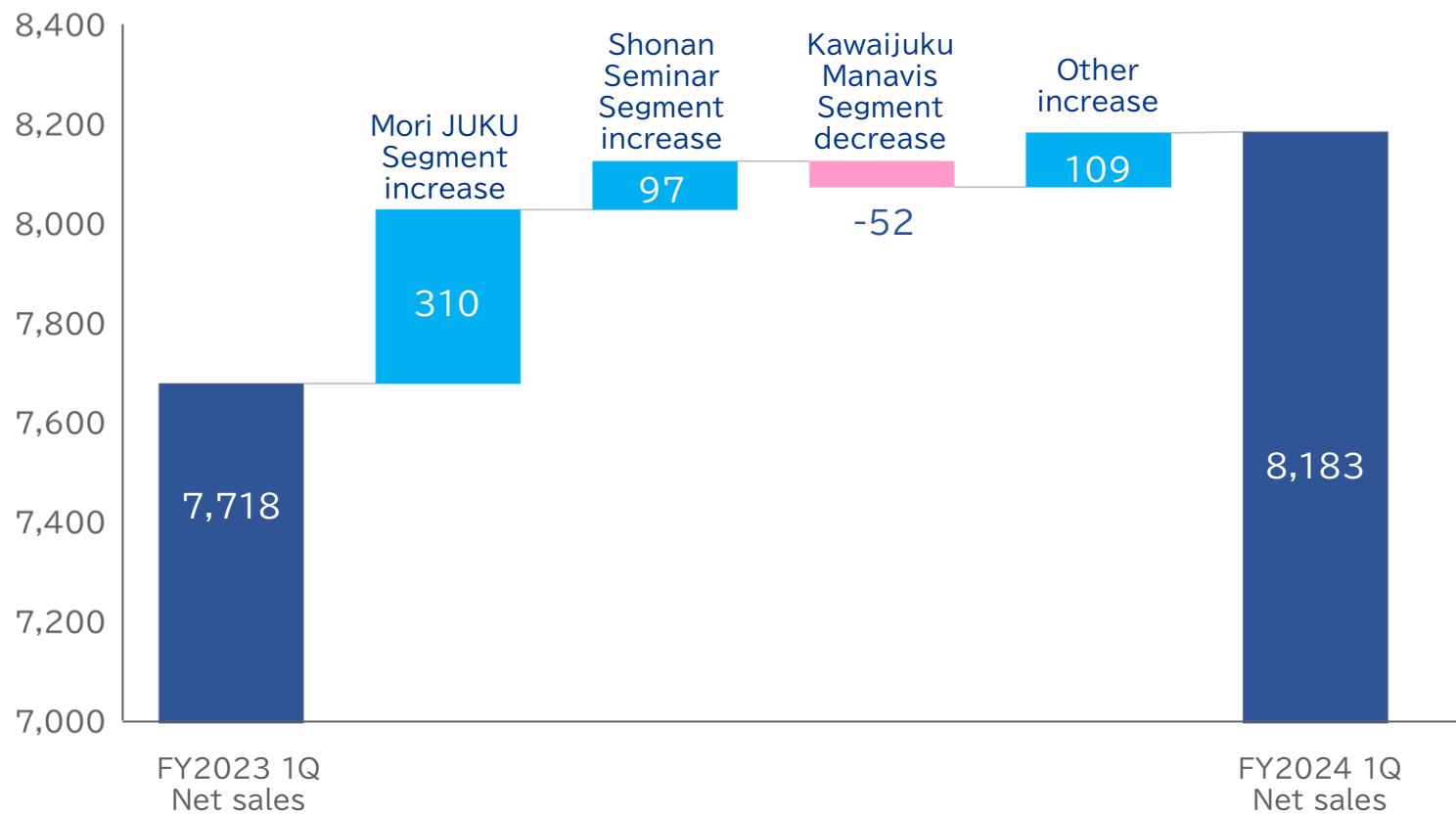


- Notes:
- The figures above represent the operating results of SPRIX (non-consolidated) and Shonan Seminar Co., Ltd. before elimination of intercompany transactions between them. Therefore, their total does not agree with the consolidated net sales.
 - Shonan Seminar Co., Ltd. has been included in the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

FY2024 1Q — Net Sales Variance Analysis (Year on Year)

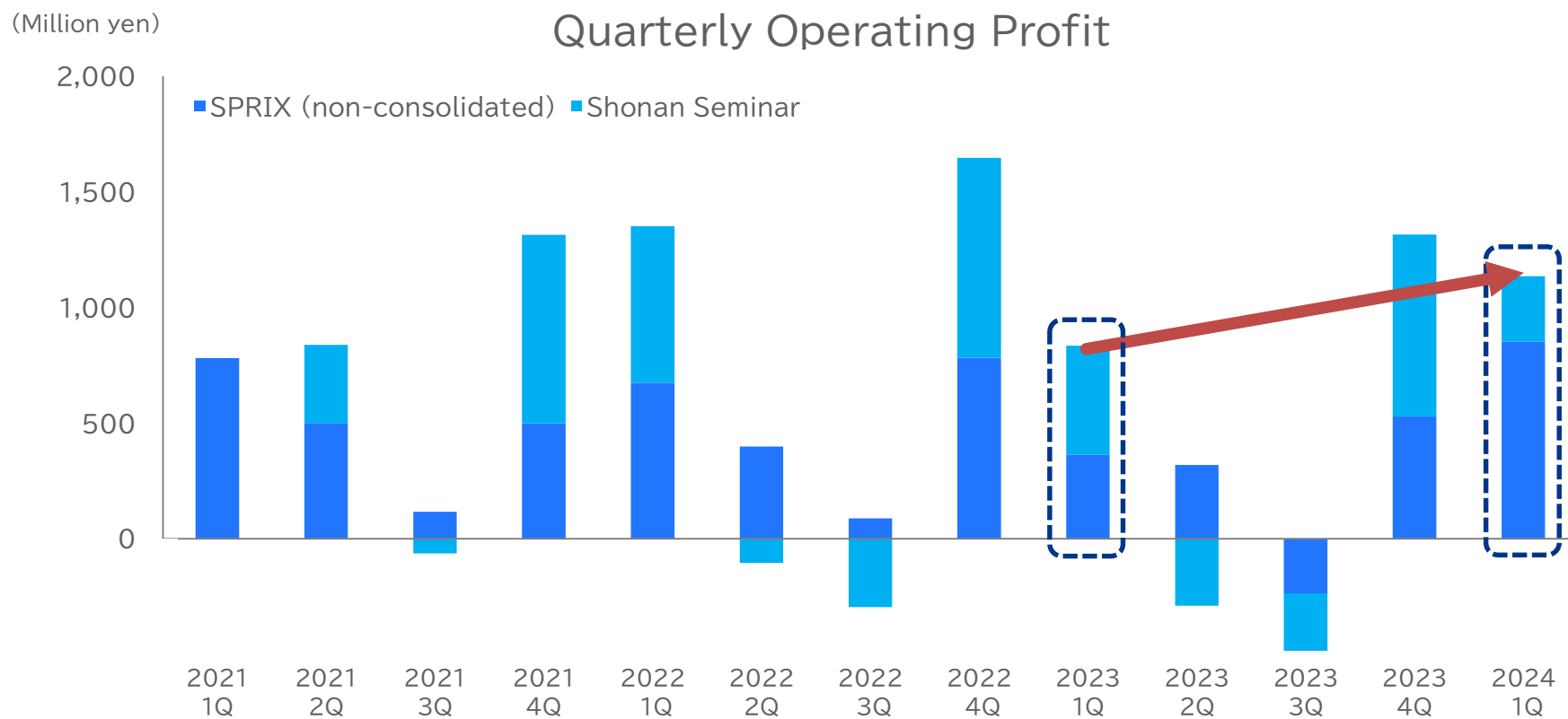
- The Mori JUKU segment achieved sales growth as the number of students remained stable due to healthy trends in new school openings and new enrollments.
- In the Kawaijuku Manavis segment, sales decreased as the number of students decreased.

(Million yen)



FY2024 1Q — Quarterly Operating Profit

- SPRIX (non-consolidated) achieved growth in operating profit driven by the increase in net sales (the increase in operating profit includes the impact of the transfer of the Mori JUKU business from Shonan Seminar Co., Ltd.).
- Operating profit of Shonan Seminar Co., Ltd. decreased even after adjusting for the impact of the transfer of the Mori JUKU business to SPRIX due to the decrease in the number of students at Kawaijuku Manavis.

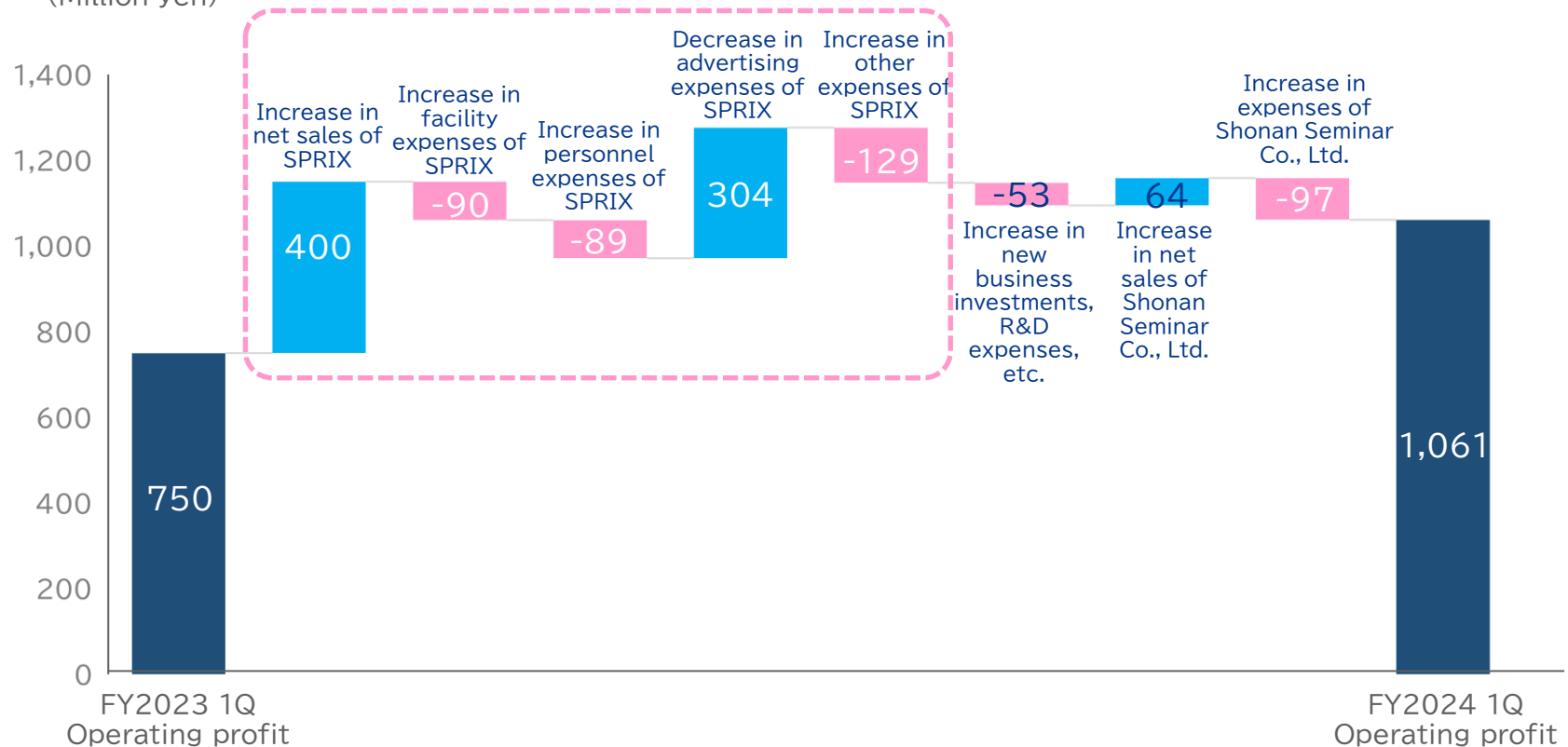


Note: · Shonan Seminar Co., Ltd. has been included in the scope of consolidation since FY2021 2Q.
 · Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in FY2024 1Q.

FY2024 1Q — Operating Profit Variance Analysis (Year on Year)

- SPRIX (non-consolidated) performed well on the back of steady new openings of Mori JUKU schools.
- Advertising expenses decreased in 1Q because we did not run TV commercials (to advertise Mori JUKU) in the current fiscal year, whereas we ran such commercials in the previous fiscal year.
- Continuing from the previous fiscal year, we invested aggressively in new businesses and research and development (TOFAS, etc.).

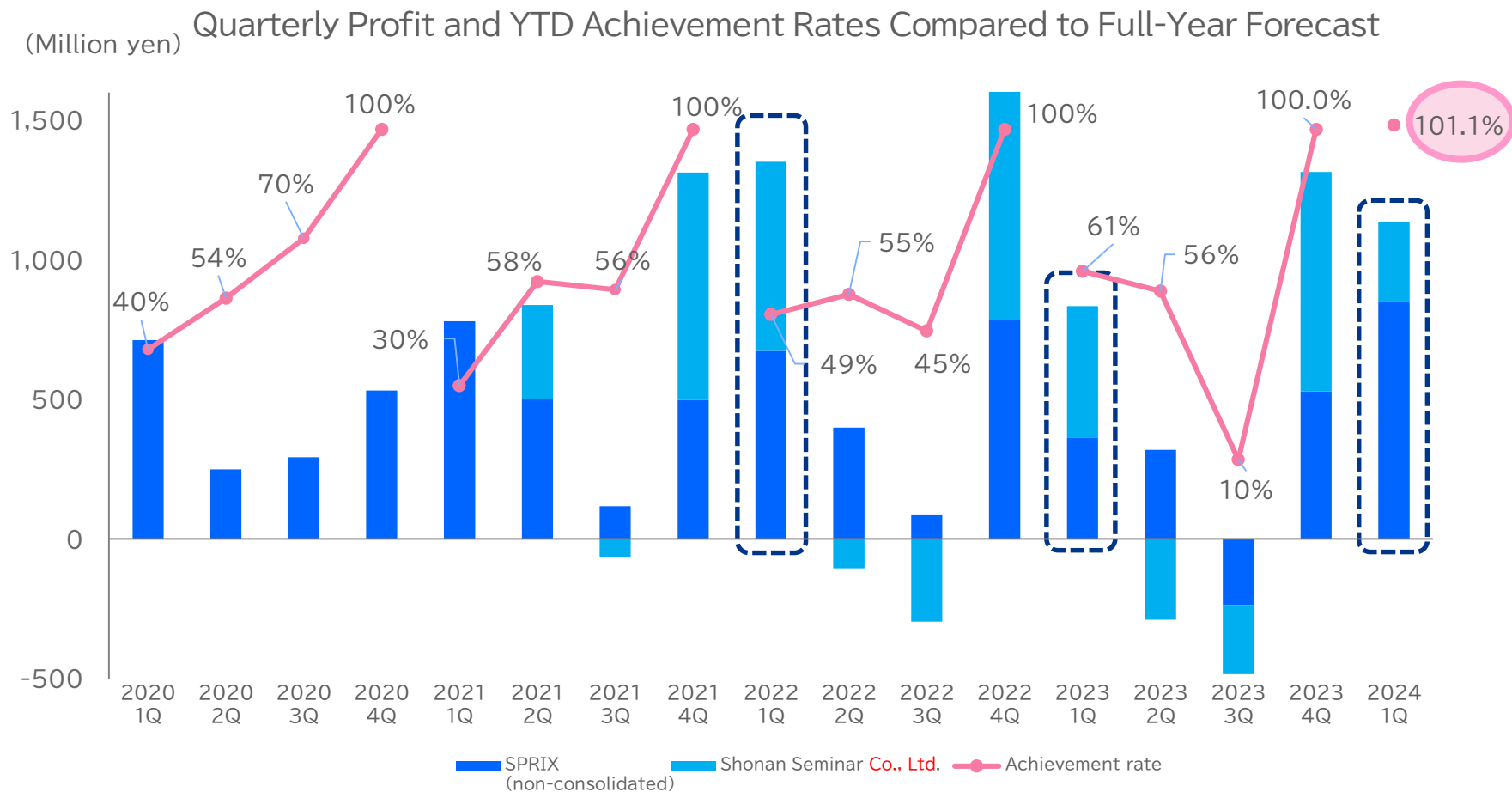
(Million yen)



Note: Sales and expenses of Mori JUKU schools run by Shonan Seminar Co., Ltd. for FY2023 1Q were aggregated into SPRIX.

FY2024 1Q — Operating Profit (Seasonality of Achievement Rate)

- Due to the nature of the JUKU business, profit of the Company tends to be skewed higher in 1Q and 4Q.



- Notes:
- Operating profit figures of SPRIX (non-consolidated) and Shonan Seminar Co., Ltd. above represent figures before consolidation elimination. YTD achievement rates shown above are based on consolidated operating profit.
 - 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 1Q YTD Results by Segment

(Million yen)

Segment	Net sales	YoY change	Operating profit	YoY change	Major factors and topics
Mori JUKU	4,335	+310 (+7.7%)	1,496	+470 (+45.9%)	<ul style="list-style-type: none"> Strong performance due to healthy trends in new school openings and enrollments, and the increase in tuition per student since last spring. Mori JUKU schools run by Shonan Seminar Co., Ltd. were integrated into SPRIX Inc. through a company split effective October 1, 2023 in order to improve the asset efficiency of the entire Group. Advertising expenses decreased in 1Q because we did not run TV commercials (to advertise Mori JUKU) in the current fiscal year, whereas we ran such commercials in the previous fiscal year.
Shonan Seminar	2,460	+97 (+4.1%)	458	-10 (-2.3%)	<ul style="list-style-type: none"> Sales increased partly due to the increase in tuition per student since last spring. While the number of students has decreased slightly, we will work to recover over the medium term through marketing activities by leveraging the improved exam pass results from last spring.
Kawaijuku Manavis	721	-52 (-6.8%)	26	-51 (-65.7%)	<ul style="list-style-type: none"> Restricting new school openings while the foundation for growth is being fortified. The number of third-year high school students remains an issue due to the growth of recommendation-based entrance examinations for university entrance exams.
Other	665	+109 (+19.8%)	-248	+26 (-%)	<ul style="list-style-type: none"> TOFAS tests have been taken by more than 3.5 million examinees on a cumulative basis in more than 40 countries. Aggressive research and development and investment were undertaken. Programming Proficiency Tests (PROKEN) were taken in 3,194 testing sites nationwide, with the highest number of examinees in Japan.*

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

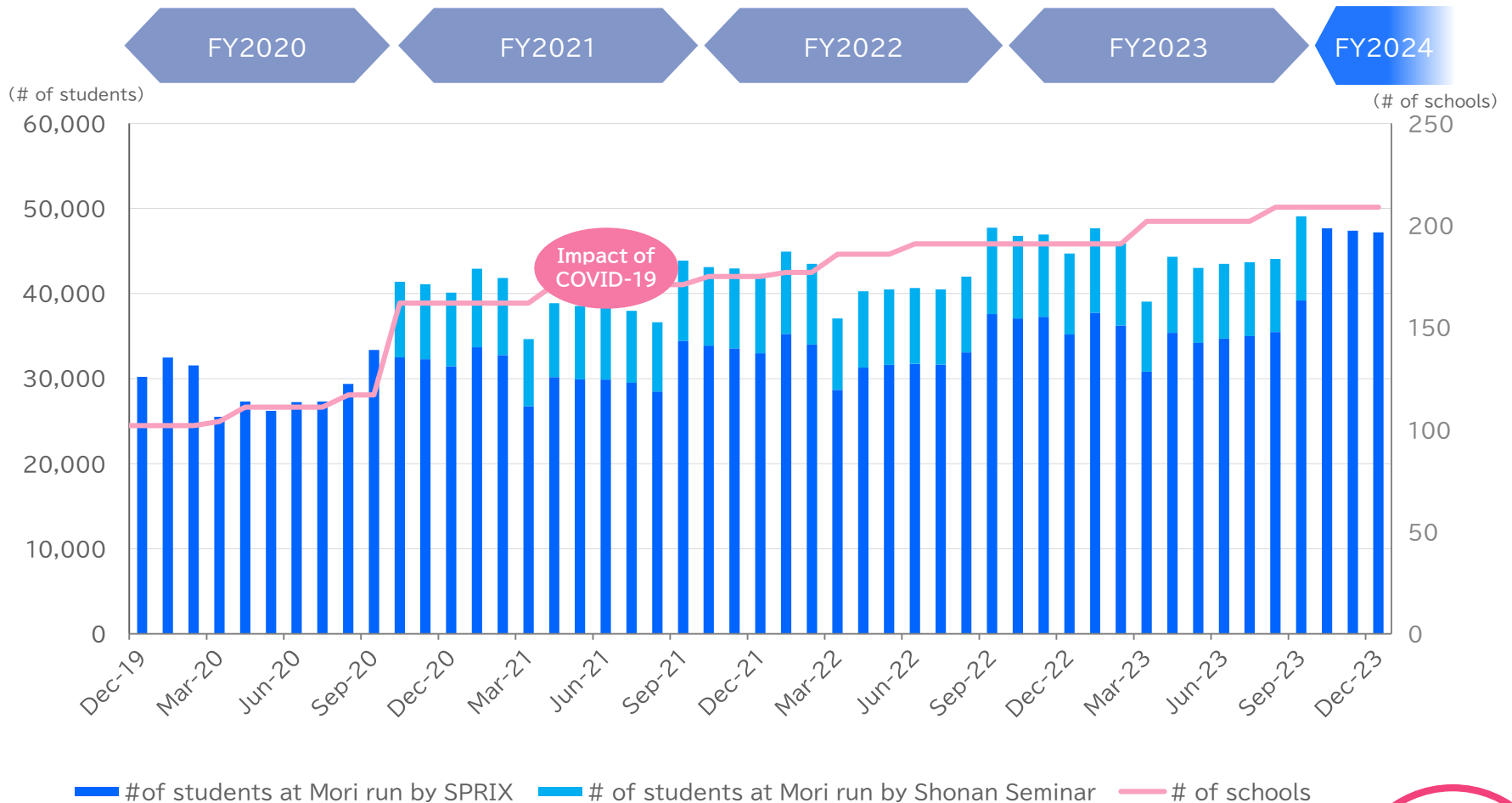
YoY Changes in the Number of Students and Number of Schools by Segment

Segment		FY2023 1Q	FY2024 1Q	Change	% change
Mori JUKU	Number of students	44,721	47,193	+2,472	+5.5%
	Number of schools	191	209	+18	+9.4%
Shonan Seminar	Number of students	20,595	19,884	-711	-3.4%
	Number of schools	182	196	+14	+7.7%
Kawaijuku Manavis	Number of students	5,200	4,959	-241	-4.6%
	Number of schools	49	50	+1	+2.0%

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

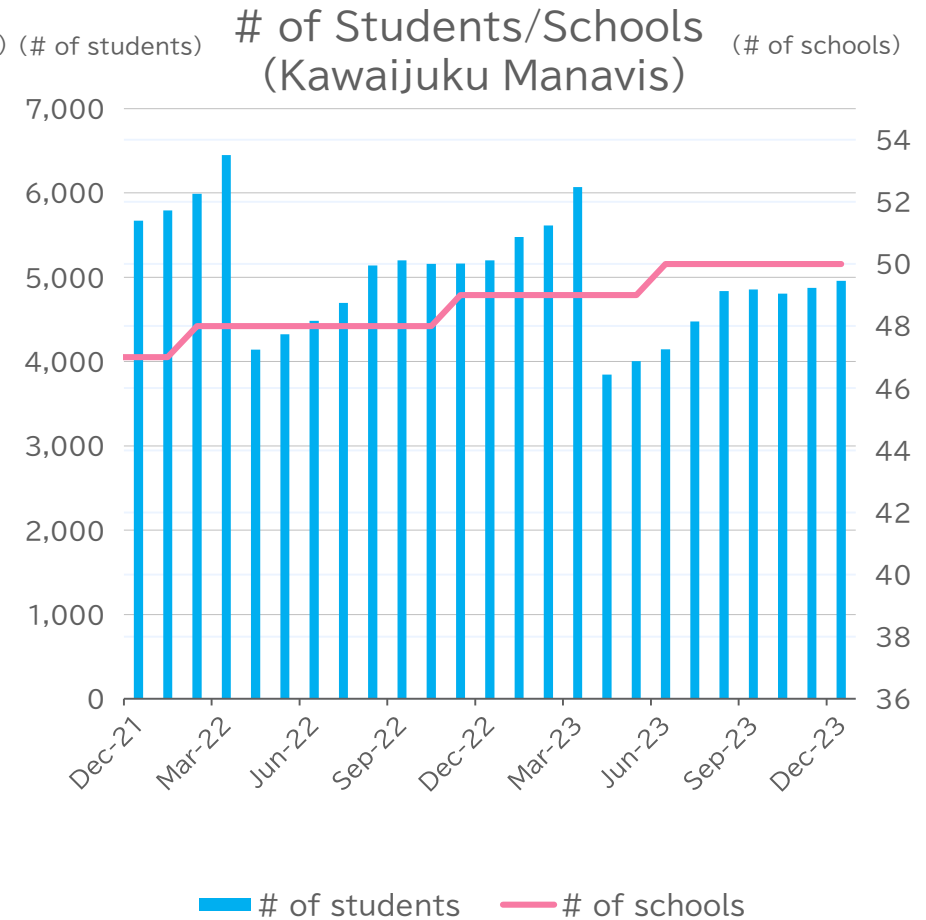
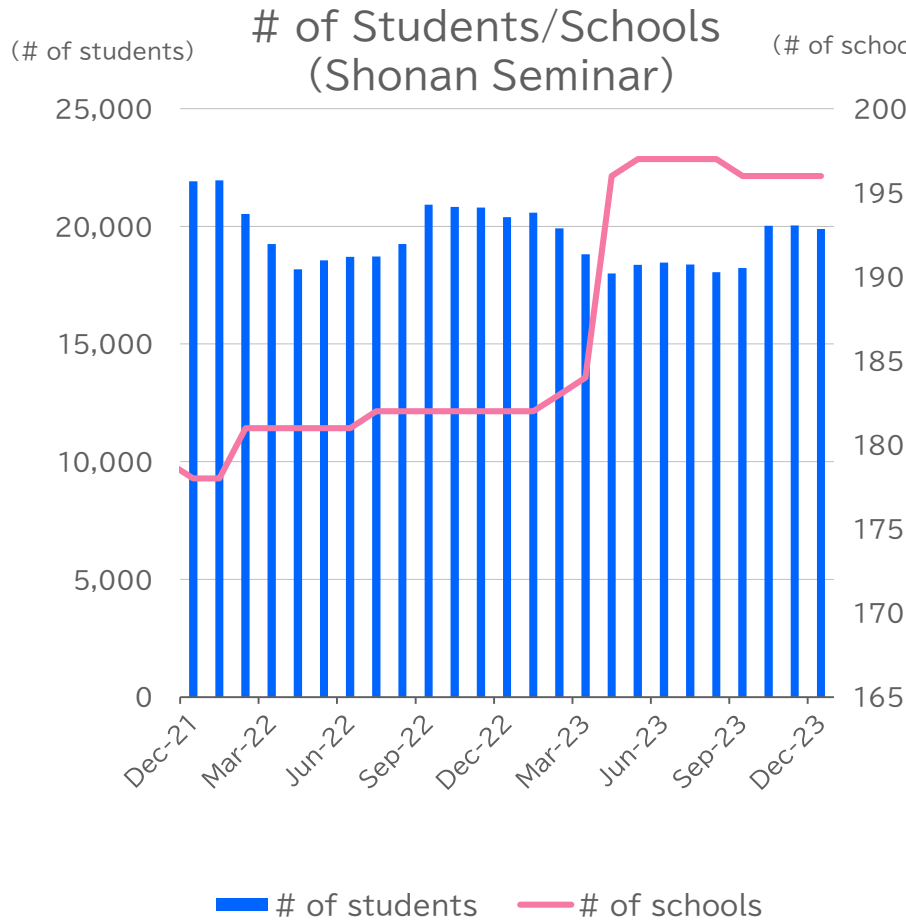
- There are 209 Mori JUKU schools, with 47,193 students (as of December 31, 2023).
- Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in October 2023.

of Students/Schools (Mori JUKU)



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

- In 2023, Shonan Seminar shifted its marketing focus from students for summer enrollment to students for fall enrollment.



Plan for the Current Fiscal Year (FY2024) and YTD Progress

Mori JUKU

Will open 12 new schools in March 2024 (4 in Tokyo, 1 in Kanagawa, and 7 in Osaka) to start a full-scale entry into the Kansai area. **New!**

In FY2024, 20 new schools are scheduled to open.



Shonan Seminar

The following new schools have been opened in January 2024:
One "Yokohama-Suiran V Course"
One "Gosanke V Course" **New!**



Kawaijuku Manavis

One new school is scheduled to open in FY2024.



Other (educational services)

Independent learning RED

With the openings of five new schools in winter 2023, the number of schools increased to 204. **New!**



Sora JUKU

The number of students enrolled is expected to increase further driven by its visibility as No. 1^(*) online individual JUKU tutoring school in terms of the number of students enrolled.



Textbook sales, etc.

Developing educational materials for high school students in collaboration with Kawaijuku.



Tokyo Dance Village

Opened the Shibuya School in September 2023.



Fundamental academic skills business

As of September 30, 2023, the number of TOFAS examinees exceeded 3.5 million on a cumulative basis. In February 2024, the 12th TOFAS test is planned. **New!** A memorandum of understanding has been concluded with the Lamongan Regency Government and the Lamongan Regency Education Office in the Republic of Indonesia. **New!**



Other

Programming Proficiency Test (PROKEN) was ranked No. 1 in terms of the number of examinees^(*).



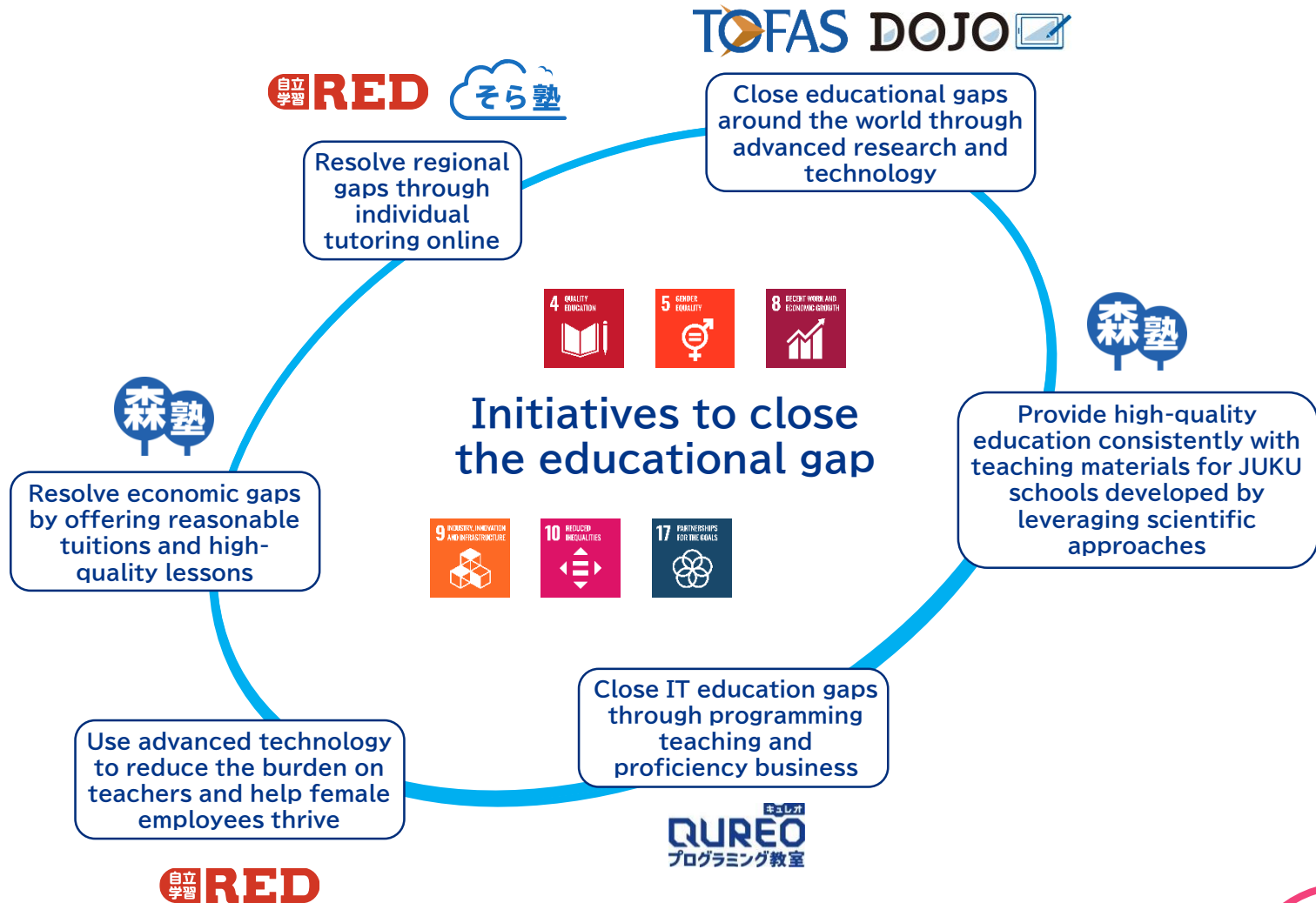
*1 According to the Japan Marketing Research Organization (January 2022)

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

3

Reference

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 1Q (Consolidated)
Net sales	11,410	11,843	25,901	29,352	30,363	8,183
Operating profit	2,741	1,787	2,437	2,778	1,318	1,061
EBITDA	2,851	1,937	3,385	3,938	2,521	1,362
Total assets	10,861	11,485	19,277	19,574	20,143	20,609
Net assets	7,642	8,091	8,864	9,774	9,706	10,045
Cash and cash equivalents at end of period	6,819	7,308	6,163	5,935	6,007	6,313
Equity ratio (%)	70.4	70.2	45.9	49.8	48.0	48.5
Operating profit margin (%)	24.0	15.0	9.4	9.5	4.3	13.0
EBITDA margin (%)	24.9	16.3	13.0	13.4	8.3	16.6

(Reference) Overview of Group Companies



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



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



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



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



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