

Consolidated Financial Results

FY2024 - 2Q

(October 1, 2023 to March 31, 2024)



May 14, 2024

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

FY 2024 2Q Consolidated Financial Results

SPRIX

Contents

1. Corporate Overview
2. FY2024 2Q Operating Results
3. Progress/Topics in Current Fiscal Year
4. Reference

1. Corporate Overview

SPRIX

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 1-11-1 Nishi-Ikebukuro, Toshima-ku, Tokyo From June 2024: 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)	1,336 (as of March 31, 2024)
Listed market	TSE Standard
Financial year end	September



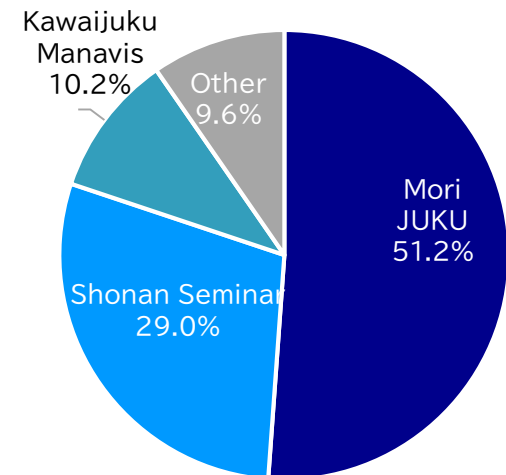
Business Overview (Operating Segments)

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.	
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)

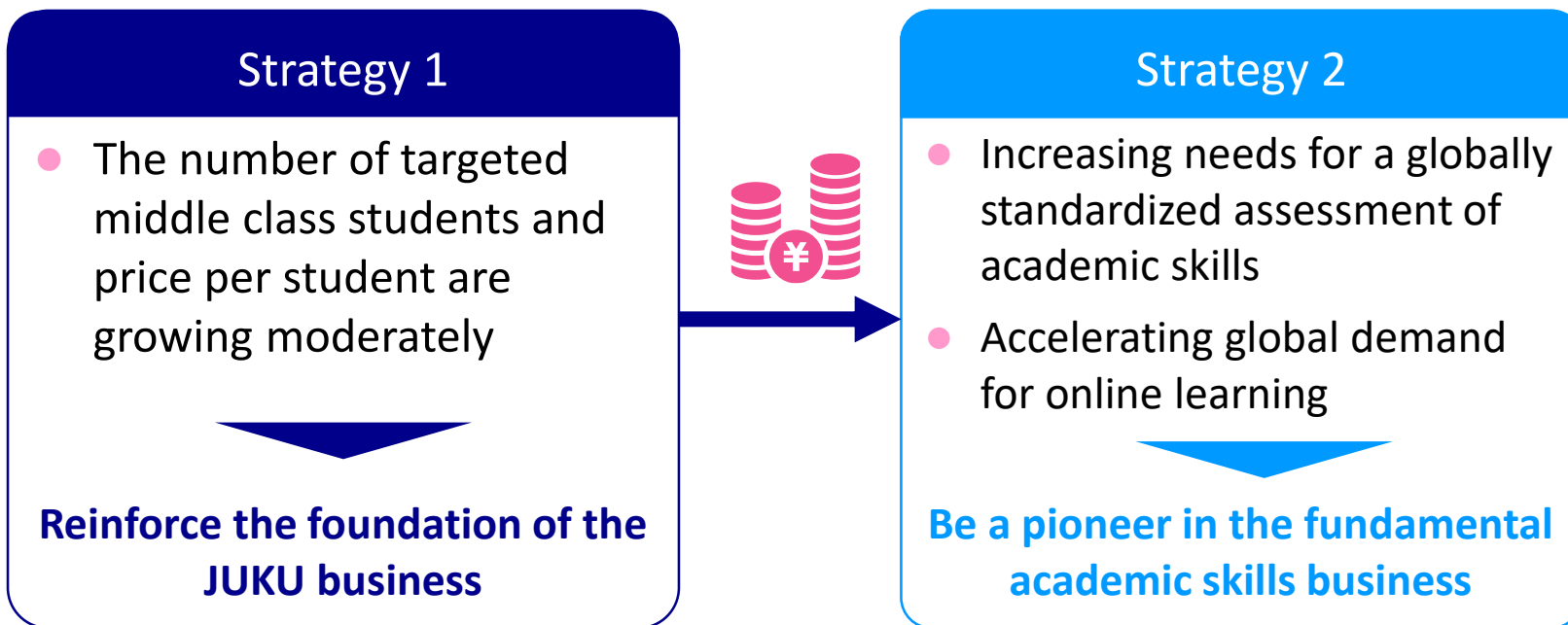
Independent learning RED	Offers learning programs for elementary, junior high, and high school students, best suited to each student's progress status by utilizing educational IT.	
Sora JUKU	Operates individual JUKU tutoring schools online for elementary, junior high, and high school students, where 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.	 

% 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



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

2. FY2024 2Q Operating Results

SPRIX

FY2024 1-2Q (October 2023 to March 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 1-2Q (Results)	FY2024 1-2Q (Results)	Change (%)	Factors
Net sales	15,221	16,057	+835 (+5.5%)	<ul style="list-style-type: none"> • Net sales of SPRIX (non-consolidated) increased, driven by healthy trends in the number of students at Mori JUKU schools, including the opening of 18 new schools in FY2023, as well as an increase in tuition per student.
Operating profit (margin, %)	684 (4.5%)	990 (6.2%)	+305 (+44.7%)	<ul style="list-style-type: none"> • Operating profit for SPRIX (non-consolidated) increased due to factors such as an increase in net sales and decrease in advertising expenses.
EBITDA (margin, %)	1,269 (8.3%)	1,596 (9.9%)	+327 (+25.8%)	<ul style="list-style-type: none"> • 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 (excluding the impact of the transfer of Mori JUKU business).
Profit attributable to owners of parent (margin, %)	381 (2.5%)	591 (3.7%)	+209 (+54.7%)	<ul style="list-style-type: none"> • As a result, the profit margin improved by 1.7 percentage points on a consolidated basis.

FY2024 1-2Q - Status Compared to Initial Forecast

- The achievement status is as planned for all indicators.
- In the previous fiscal year, advertising expenses were emphasized due to Mori JUKU TV commercials run in 1Q, but in the current fiscal year, no TV commercials have been run and the profit margin rose (+2.9 percentage points compared to forecast for current fiscal year). However, throughout the year, we plan to adjust advertising spending from 3Q onward while viewing advertising expenses as a proportion of net sales.
- There is seasonality in the Group's performance, with sales profit skewing higher in 1Q and 4Q but relatively weak in 2Q and 3Q. Furthermore, in 2H of the current fiscal year, we expect expenses to increase to a certain extent due to the relocation of the headquarters, so although the profit margin was progressing above the full-year forecast in 2Q, we have not revised the full-year forecast at this point.

(Million yen)	FY2024 (Forecast)	FY2024 1-2Q (Results)	Achievement rate (%)
Net sales	32,050	16,057	50.1%
Operating profit (margin, %)	1,050 (3.3%)	990 (6.2%)	94.3%
EBITDA (margin, %)	2,350 (7.3%)	1,596 (9.9%)	67.9%
Profit attributable to owners of parent (margin, %)	450 (1.4%)	591 (3.7%)	131.3%

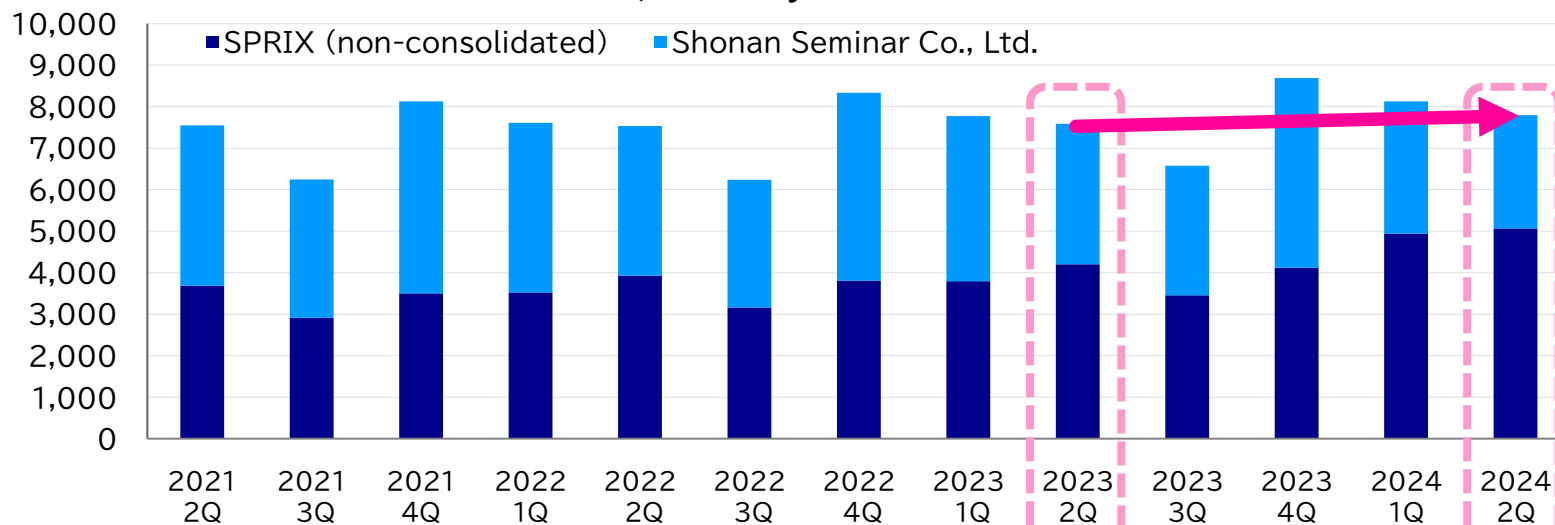
* The consolidated forecast is the one disclosed on November 10, 2023.

FY2024 2Q - Quarterly Net Sales

- 2Q net sales increased compared to the same period in the previous year, driven by openings of new Mori JUKU schools and healthy trends in the number of students, as well as an increase in tuition per student.
- For Shonan Seminar Co., Ltd., the number of students decreased slightly at both Shonan Seminar and Kawaijuku Manavis schools, but this was compensated for by the increase in tuition per student and improved seasonal courses attendance rate for Shonan Seminar schools. As a result, net sales increased (excluding the impact of the transfer of Mori JUKU schools run by Shonan Seminar to SPRIX).

(Million yen)

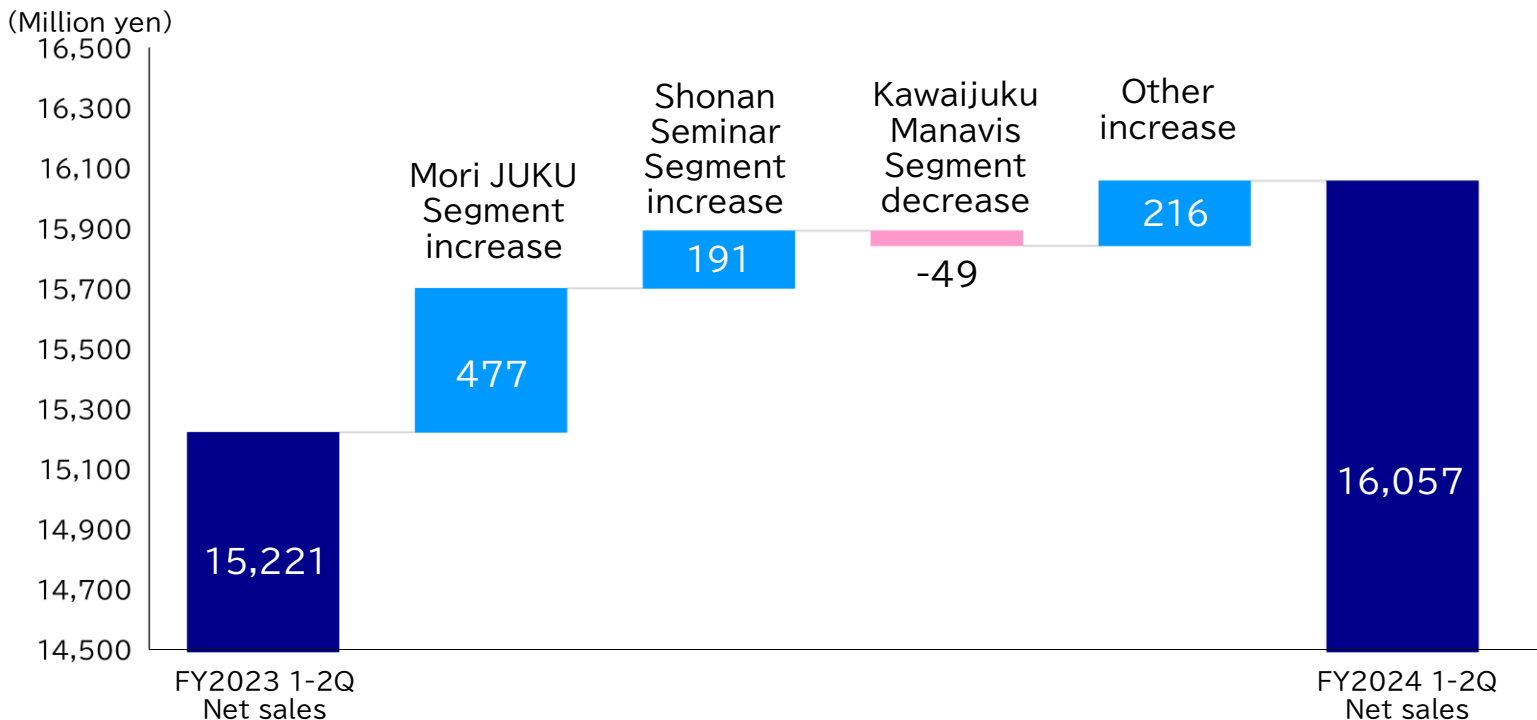
Quarterly Net Sales



(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.

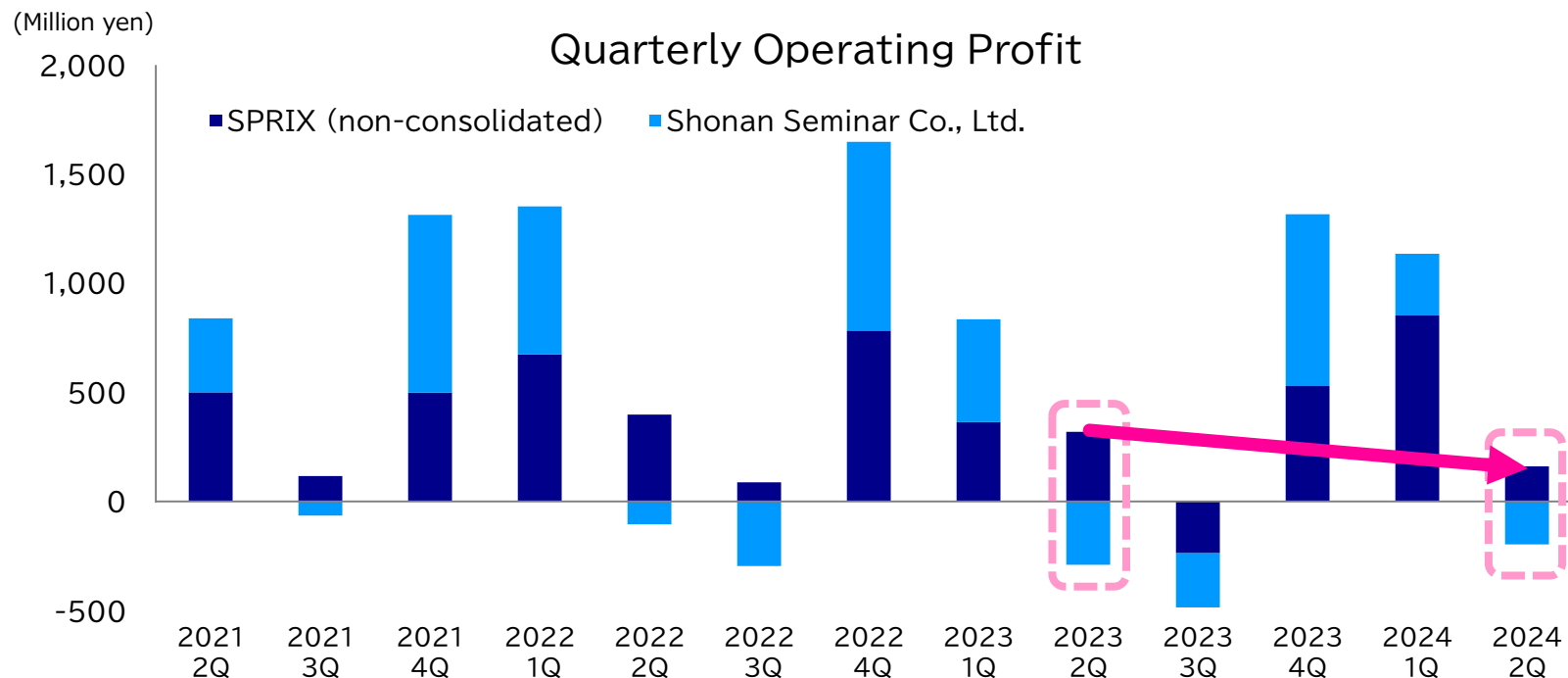
FY2024 1-2Q - Net Sales Variance Analysis (Year on Year)

- In the Mori JUKU segment, net sales increased, driven by openings of new schools and healthy trends in the number of students, as well as an increase in tuition per student.
- In the Shonan Seminar segment, net sales increased due to factors such as increased tuition per student and improved seasonal courses attendance rate.
- In the Kawaijuku Manavis segment, the number of third-year high school students decreased, mainly due to a decrease in the taking of general exams in university admission exams, leading to a decrease in net sales.



FY2024 2Q - Quarterly Operating Profit

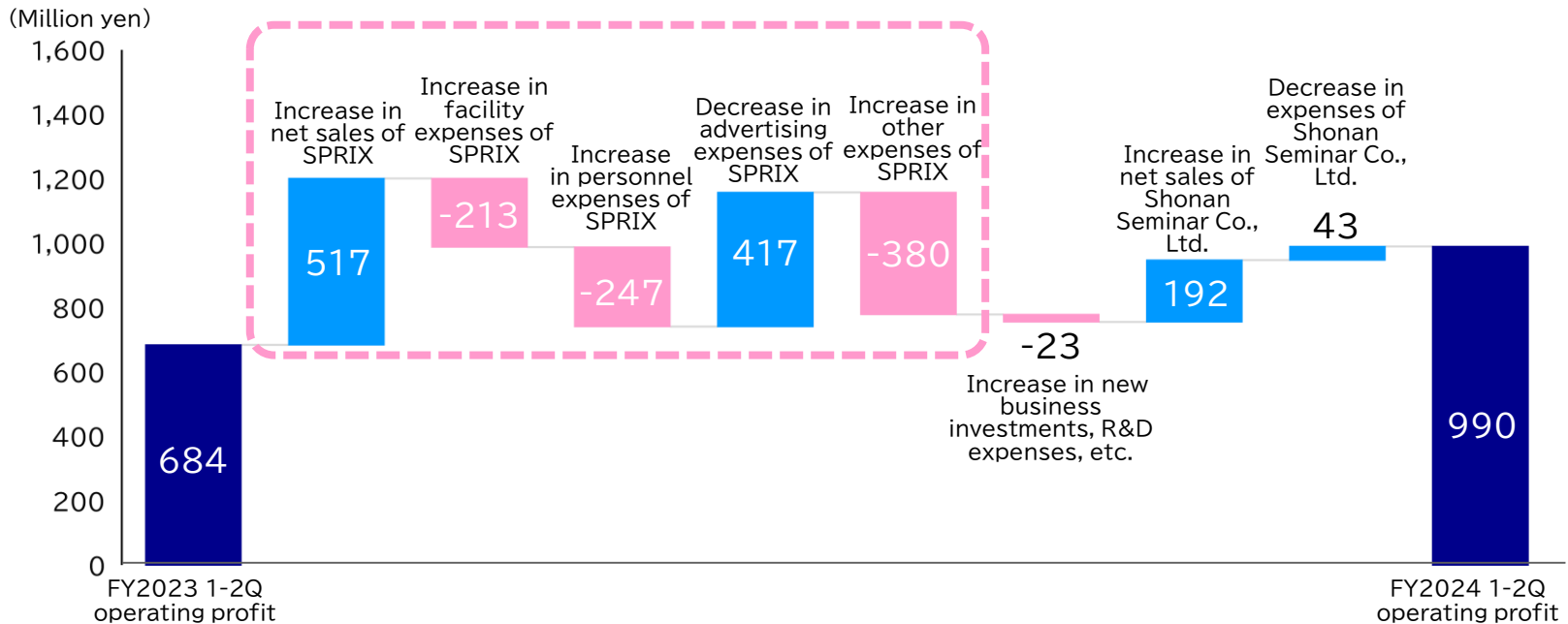
- Operating profit for SPRIX (non-consolidated) decreased due to factors such as an increase in personnel expenses.
- For Shonan Seminar Co., Ltd., operating loss decreased, due to an increase in tuition per student and improved seasonal courses attendance rate, which compensated for a slight decrease in the number of students.



(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 1-2Q - Operating Profit Variance Analysis (Year on Year)

- Operating profit for SPRIX (non-consolidated) increased due to factors such as an increase in net sales and decrease in advertising expenses.
- For Shonan Seminar Co., Ltd., operating profit increased due to an increase in tuition per student and improved class attendance rate, which compensated for a slight decrease in the number of students.
- 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.).

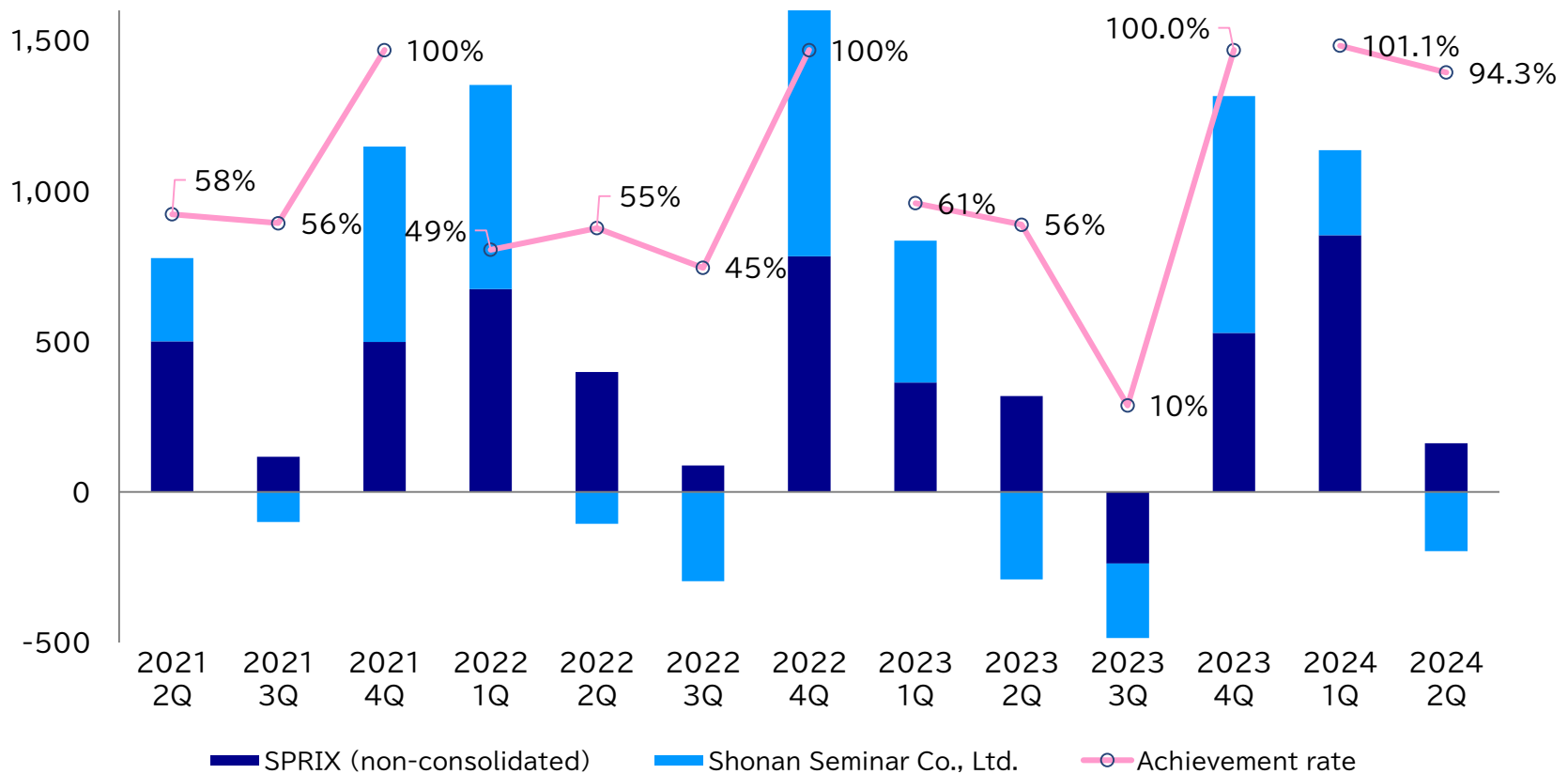


(Note) Sales and expenses of Mori JUKU schools run by Shonan Seminar Co., Ltd. for FY2023 were aggregated into SPRIX.

FY2024 2Q - 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 1-2Q - Results by Segment

(Million yen)

Segment	Net sales	YoY change	Operating profit	YoY change	Major factors and topics
Mori JUKU	8,331	+477 (+6.1%)	2,236	+631 (+39.4%)	<ul style="list-style-type: none"> 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 TV commercials for Mori JUKU run in 1Q of the previous fiscal year have not been run this fiscal year, and advertising expenses decreased year on year. Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX via a company split. Going forward, we expect to improve cost effectiveness and profit margin through efficient marketing and increase the number of enrolled students through improved teaching capabilities.
Shonan Seminar	4,678	+191 (+4.3%)	552	+84 (+18.1%)	<ul style="list-style-type: none"> Both net sales and operating profit increased due to factors such as increased tuition per student and improved seasonal courses attendance rate. Aiming for a medium-term recovery through expanding content for elementary school students and enhancing marketing.
Kawaijuku Manavis	1,232	-49 (-3.9%)	-114	-65 (-%)	<ul style="list-style-type: none"> Controlling new school openings while the foundation for growth is being fortified. The number of third-year high school students decreased, mainly due to a decrease in the taking of general exams in university entrance exams, and the overall number of students decreased slightly. On the other hand, the number of students in the second year of high school or below increased year on year.
Other	1,815	+216 (+13.5%)	-537	-313 (-%)	<ul style="list-style-type: none"> TOFAS tests have been taken in 50 countries worldwide. The cumulative number of examinees exceeds 5 million. Aggressive research and development and investment were undertaken. The popular Java language was introduced for Programming Proficiency Tests, with proficiency tests starting at all levels in February.

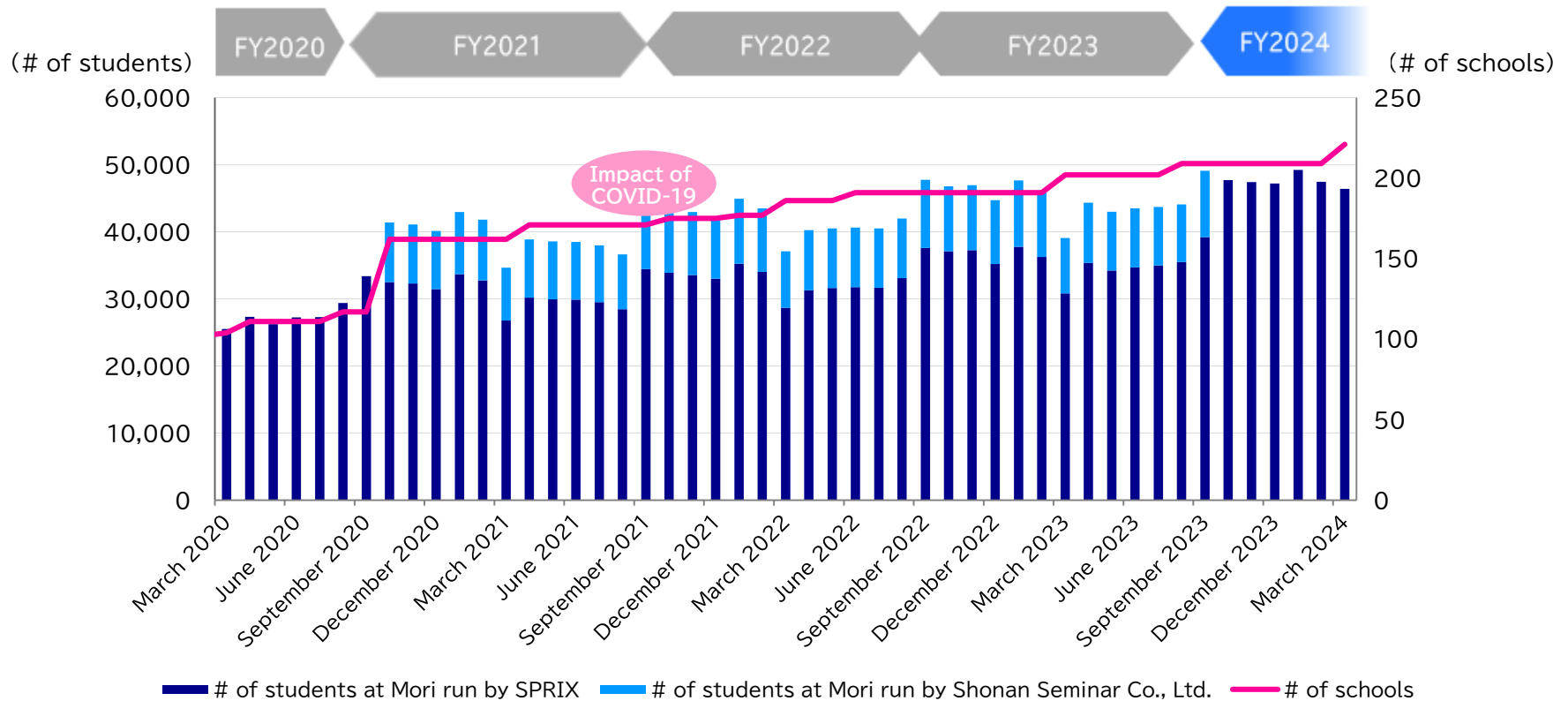
YoY Changes in the Number of Students and Number of Schools by Segment

Segment		FY2023 2Q	FY2024 2Q	Change	% change
Mori JUKU	Number of students	39,066	40,389	+1,323	+3.4%
	Number of schools	202	221	+19	+9.4%
Shonan Seminar	Number of students	18,811	18,466	-345	-1.8%
	Number of schools	184	200	+16	+8.7%
Kawaijuku Manavis	Number of students	6,070	5,963	-107	-1.8%
	Number of schools	49	51	+2	+4.1%

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

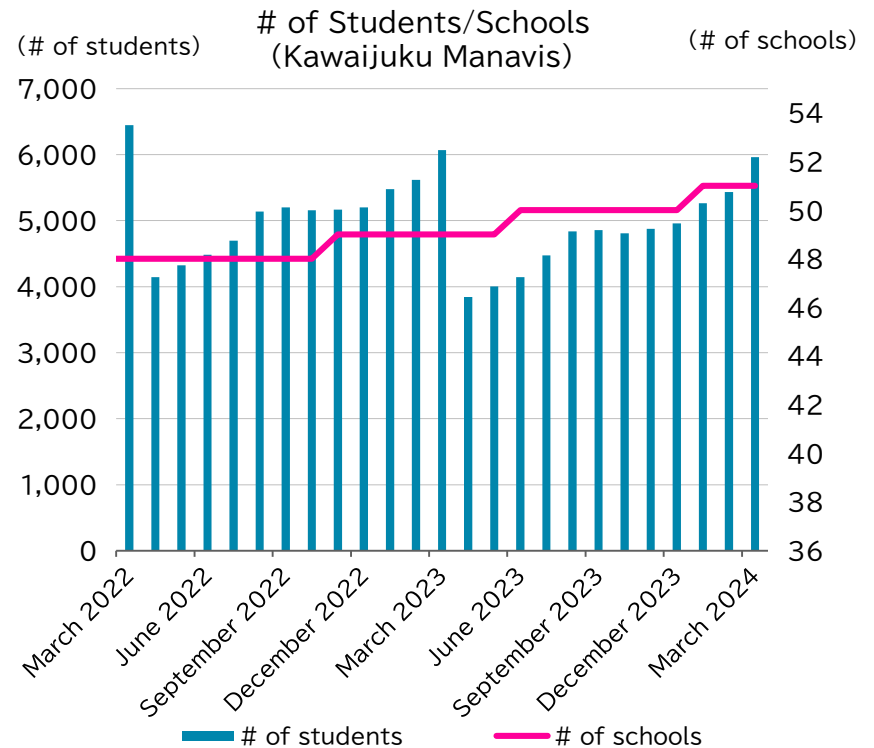
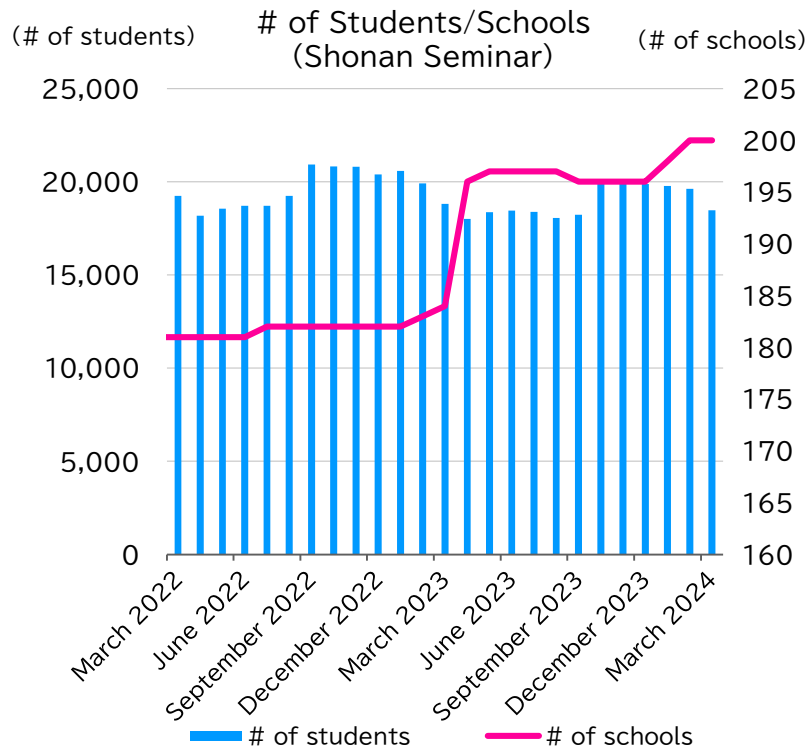
- There are 221 Mori JUKU schools, with 40,389 students (as of March 31, 2024).
- Mori JUKU schools run by Shonan Seminar Co., Ltd. were transferred to SPRIX in October 2023.

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.
- The overall number of students at Kawaijuku Manavis schools decreased slightly, mainly due to a decrease in third-year high school students. On the other hand, the number of students in the second year of high school or below increased year on year.



FY2024 2Q - Topics by Segment

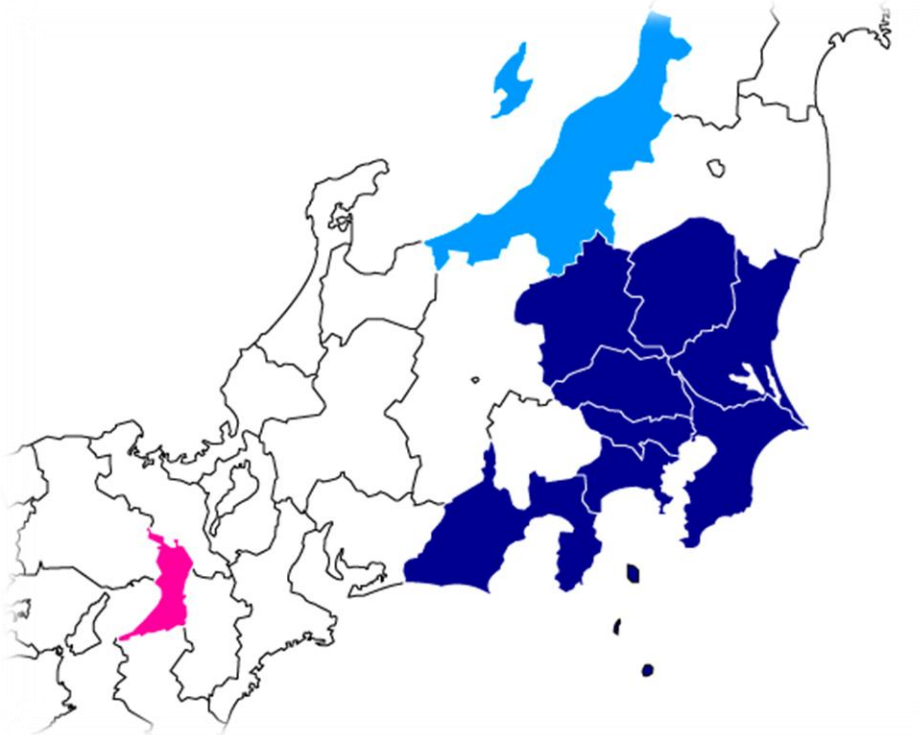
	Mori JUKU	Opened 12 new schools in March 2024 (4 in Tokyo, 1 in Kanagawa, and 7 in Osaka). Full-scale entry into the Kansai area. New! In FY2024, 20 new schools are scheduled to open.	
	Shonan Seminar	Opened 7 schools (3 in Kanagawa, 4 in Saitama) in FY2024. New!	
	Kawaijuku Manavis	Opened 1 school (Chiba) in FY2024. New!	
	Independent learning RED	As of March 31, 2024, the number of schools is 210 New!	
	Sora JUKU	Needs for online JUKU classes are increasing due to the impact of factors such as inflation.* The number of students is increasing strongly. New! *Survey by Sora JUKU, which provides online individual tutoring	
	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. Publishing 2024 edition sample texts.	
(Educational services)	Other		
	Tokyo Dance Village	Opened Shibuya school in September 2023.	
	Fundamental academic skills business	As of March 31, 2024, the cumulative number of TOFAS examinees exceeded 5 million. In February 2024, the 12th TOFAS test was conducted. A memorandum of understanding has been concluded with the Republic of Uganda Ministry of Education and Sports. New!	  
	Other	The popular Java language was introduced for Programming Proficiency Tests, with proficiency tests starting at all levels in February. New! Shenzhen University Tokyo College was formally designated as a "Japanese campus of a foreign university" in January by the Minister of Education, Culture, Sports, Science and Technology of Japan. New!	 

3. Progress/Topics in Current Fiscal Year

SPRIX

Mori JUKU's Expansion into Kansai (1)

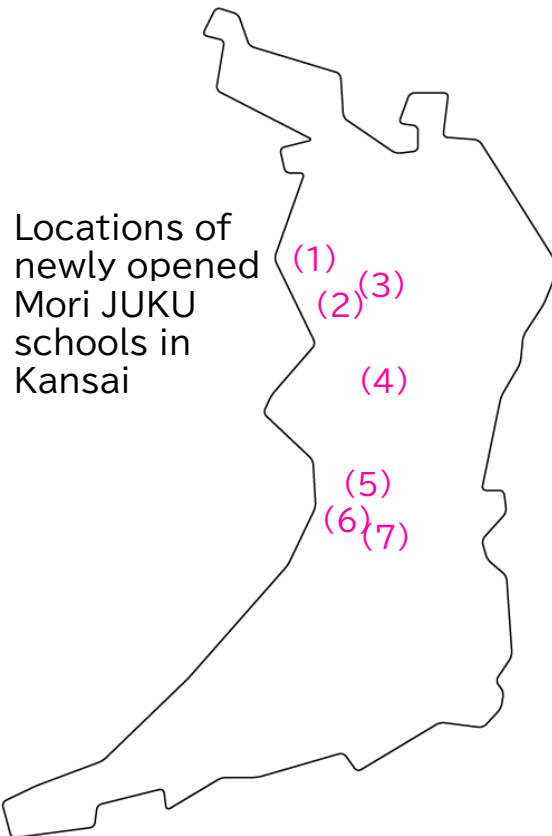
- In March 2024, we opened 7 schools in Osaka Prefecture.
- As a result, the Mori JUKU network has expanded to 221 schools across 10 prefectures.
- Since Mori JUKU develops and operates its own educational materials based on textbooks, it is able to expand nationally without depending on the region (or universities for which students will take entrance exams).



1997	Founded in Nagaoka
2004	Saitama
2007	Kanagawa
2007	Chiba
2009	Tokyo
2014	Ibaraki
2019	Shizuoka
2021	Gunma
2022	Tochigi
2024	Osaka

Mori JUKU's Expansion into Kansai (2)

- We have successfully launched 7 schools in Osaka Prefecture. Hiring of teachers in the Kansai area has also progressed well. We are devoting effort to increasing the number of enrolled students.
- We are currently planning to open more new schools in the Kansai area in the future.



- (1) **Mori JUKU Ishibashi Handai-mae School:**
3-minute walk from Ishibashi Handai-mae Station (Hankyu Takarazuka Main Line, Hankyu Mino Line)
Ishibashi Riverside Building 2F, 2-1-1 Ishibashi, Ikeda-shi, Osaka
- (2) **Mori JUKU Toyonaka Station:**
1-minute walk from Toyonaka Station (Hankyu Takarazuka Main Line)
ETRE Toyonaka 4F, 1-1-1 Tamaicho, Toyonaka-shi, Osaka
- (3) **Mori JUKU Esaka School:**
1-minute walk from Esaka Station (Midosuji Line, Kita-Osaka Kyuko Railway Namboku Line)
Sere Esaka 8F, 1-39 Enokicho, Suita-shi, Osaka
- (4) **Mori JUKU Miyakojima School:**
1-minute from Miyakojima Station (Tanimachi Line)
Miyakojima Nampu Building 3F, 1-7-19, Miyakojima Hondori, Miyakojima-ku, Osaka-shi, Osaka
- (5) **Mori JUKU Abiko-ekimae School:**
1-minute walk from Abiko Station (Midosuji Line)
Fraicheur Abiko 2F, 2-7-4 Abiko-higashi, Sumiyoshi-ku, Osaka-shi, Osaka
- (6) **Mori JUKU Sakaihigashi School:**
1-minute walk from Sakaihigashi Station (Nankai-Koya Line)
Sakaihigashi EH Building 2F, 2-4-13 Kitakawaramachi, Sakai-ku, Sakai-shi, Osaka
- (7) **Mori JUKU Nakamozu School:**
2-minute walk from Nakamozu Station (Midosuji Line, Nankai-Koya Line, Semboku Rapid Railway)
Ritz Ramses Building II 1F, 51 Nagasonecho, Kita-ku, Sakai-shi, Osaka

Logo Change

- We brought in Kashiwa Sato, who has an extensive track record in global branding for Japanese companies, as our brand creative director.
- We are actively developing our overseas business, such as releasing TOFAS internationally, and since we will pursue further global expansion going forward, we updated the SPRIX brand logo and service logo for overseas business such as TOFAS in April 2024 and also plan to partially revise our services.



For the purpose of integrating the brand image of DOJO, a training system that develops fundamental academic skills, we will change the name to SPRIX LEARNING so that it bears the name of the SPRIX brand.

We will revise our services to improve the user-friendliness of learning screens and so forth.

* The DOJO system developed in Japan will change its name to SPRIX LEARNING in the public education field, the same as overseas, but in the private education field, the name will remain DOJO for the time being.

Progress of TOFAS

- Continuing from FY2023, the number of TOFAS examinees has grown in South America, Africa, and Southeast Asia.
- Along with updating the logo, we will revise our services, including improving the user-friendliness of TOFAS test screens.

An MOU has been concluded with the Republic of Uganda Ministry of Education and Sports.



A memorandum of understanding has been concluded with the Lamongan Regency Government and the Lamongan Regency Education Office in the Republic of Indonesia.



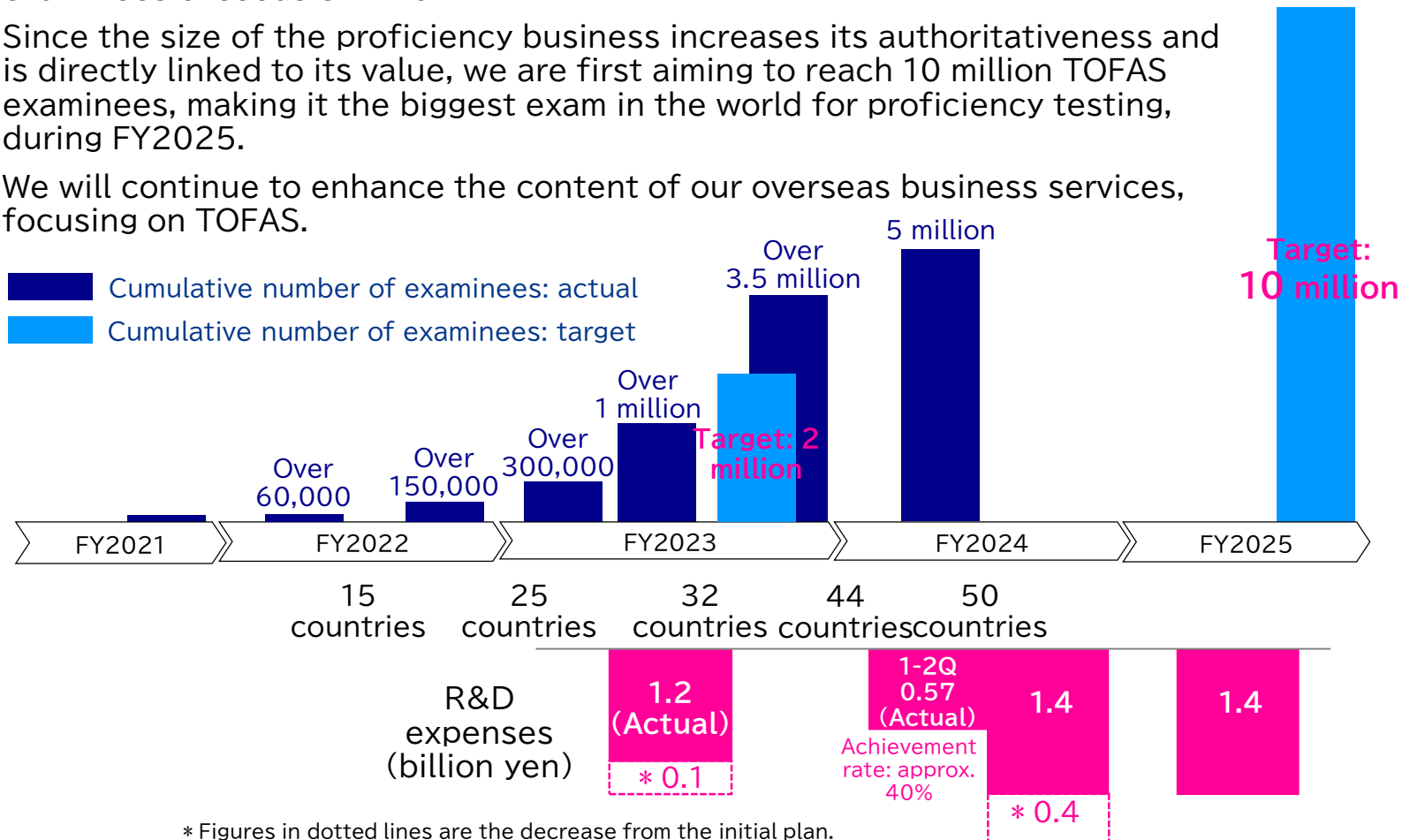
TOFAS - Overview of International Fundamental Academic Skills Test

- 3 subjects: arithmetic, English, and kanji/vocabulary
 - Exams are taken by accessing a website from a computer, tablet, or smartphone.
 - 6 levels are available, targeting early elementary school grades to junior high school.
1. “Assessing” academic skills with a focus on the fundamentals
 2. Understanding “potential,” which is necessary to instill fundamental academic skills
 3. Enabling “comparison” of fundamental academic skills at the global level



Cumulative Number of TOFAS Examinees

- Implemented in 50 countries as of March 31, 2024. The cumulative number of examinees exceeds 5 million.
- Since the size of the proficiency business increases its authoritativeness and is directly linked to its value, we are first aiming to reach 10 million TOFAS examinees, making it the biggest exam in the world for proficiency testing, during FY2025.
- We will continue to enhance the content of our overseas business services, focusing on TOFAS.



Relocation of Headquarters to Shibuya

- To accommodate the growth in personnel at headquarters due to the expansion of the business, in June 2024, the Company's Tokyo headquarters will be relocated from Ikebukuro to a new landmark in Shibuya, Shibuya Sakura Stage.
- The head office of the Group company Shonan Seminar Co., Ltd. will also relocate to the same building in Shibuya, which will enhance collaboration, especially in terms of marketing and teaching. We are aiming to improve operational efficiency and recruiting.



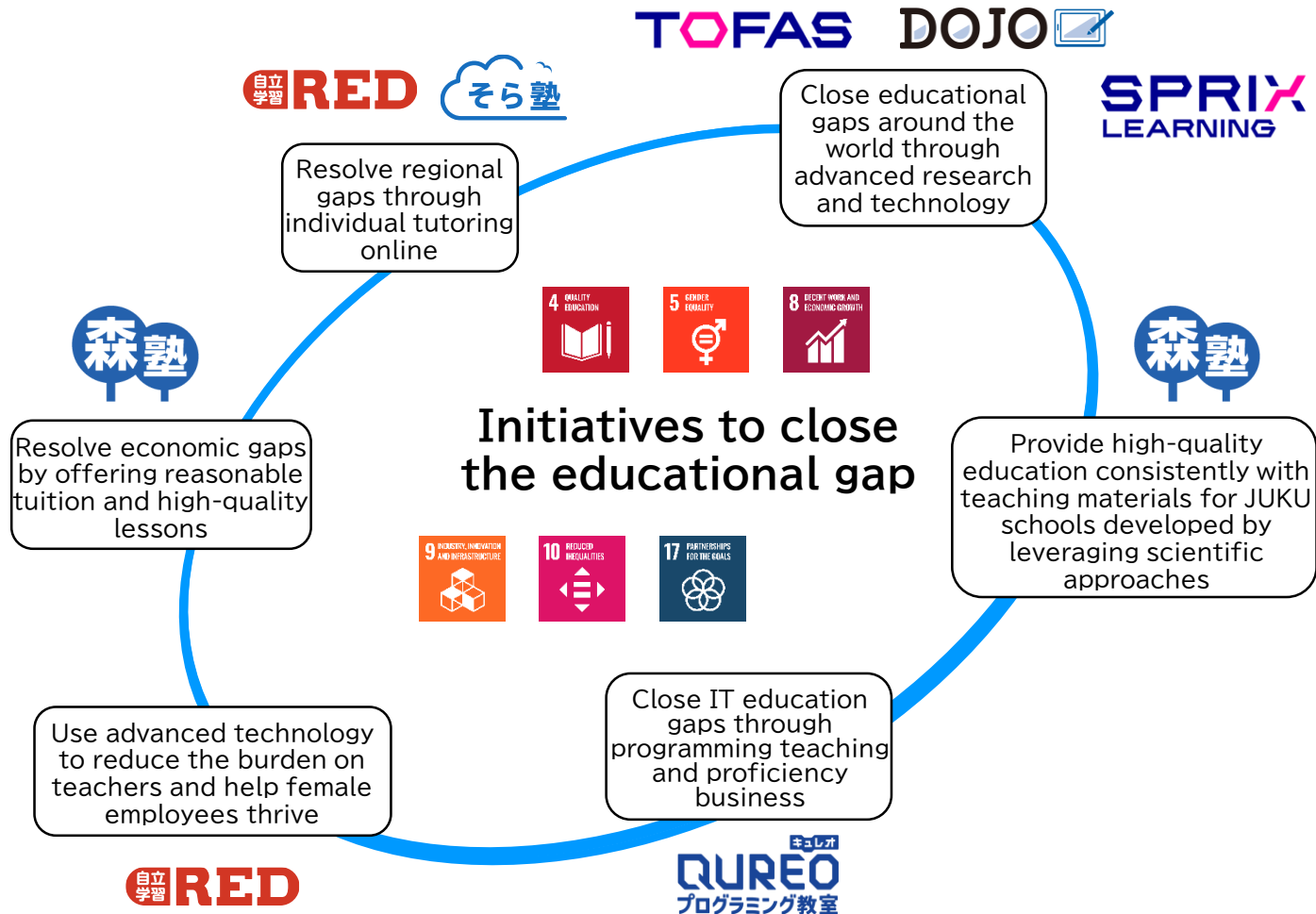
New headquarters address : Shibuya Sakura Stage SHIBUYA TOWER 22F,
1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
Scheduled relocation date: Monday, June 10, 2024

4. Reference

SPRIX

(Reference) SPRIX's Sustainability Initiatives (1)

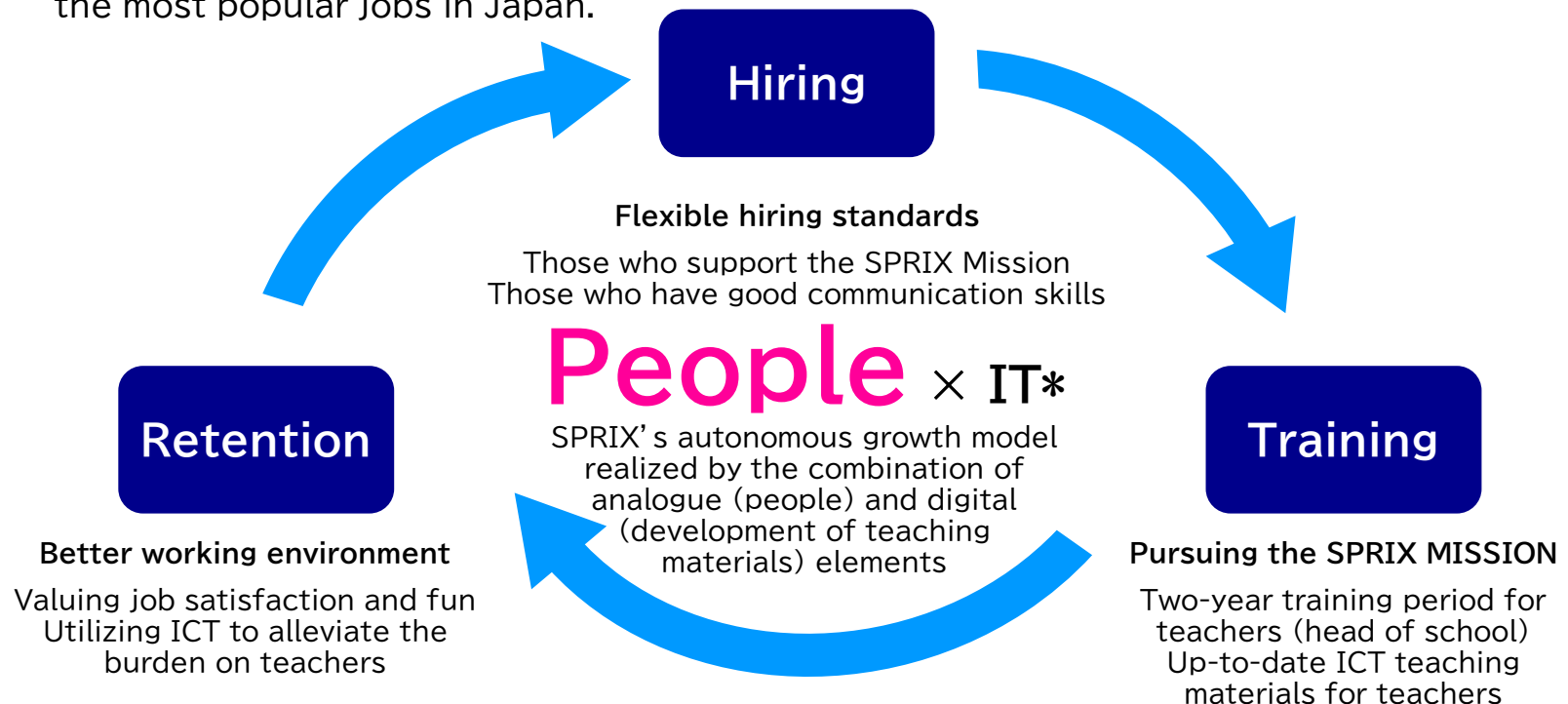
SPRIX pursues SDGs by tackling social issues



(Reference) SPRIX's Sustainability Initiatives (2)

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 1-2Q (Consolidated)
Net sales	11,410	11,843	25,901	29,352	30,363	16,057
Operating profit	2,741	1,787	2,437	2,778	1,318	990
EBITDA	2,851	1,937	3,385	3,938	2,521	1,596
Total assets	10,861	11,485	19,277	19,574	20,143	20,698
Net assets	7,642	8,091	8,864	9,774	9,706	9,984
Cash and cash equivalents at end of period	6,819	7,308	6,163	5,935	6,007	6,128
Equity ratio (%)	70.4	70.2	45.9	49.8	48.0	48.0
Operating profit margin (%)	24.0	15.0	9.4	9.5	4.3	6.2
EBITDA margin (%)	24.9	16.3	13.0	13.4	8.3	9.9

(Reference) Overview of Group Companies



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



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



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