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Summary of Business Results for the Fiscal Year Ended March 31, 2026 [Japan GAAP] (Consolidated)

May 13, 2026

Company **JP-HOLDINGS, INC.** Listed on the TSE Prime
 Stock Code 2749 URL: <https://www.jp-holdings.co.jp>
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 Expected date of annual shareholders' meeting: June 26, 2026 Expected starting date of dividend payment: June 29, 2026
 Expected date of filing of annual securities report: June 22, 2026
 Preparation of supplementary financial document: Yes
 Results briefing: Yes (for media members, institutional investors, analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended March 2026 (April 1, 2025 through March 31, 2026)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		EBITDA		Operating Profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 2026	43,325	5.3	7,230	10.6	6,533	12.5	6,617	13.0	4,284	9.3
Year ended Mar. 2025	41,147	8.7	6,537	22.8	5,809	26.7	5,858	29.5	3,920	33.9

(Note1) Comprehensive income:

Year ended March 2026: 4,385 million yen (10.5%)

Year ended March 2025: 3,969 million yen (34.6%)

(Note2) EBITDA (Operating profit + Depreciation + Amortization of goodwill)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended Mar. 2026	50.07	-	20.2	17.5	15.1
Year ended Mar. 2025	45.91	-	22.0	15.7	14.1

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar.31, 2026	38,209	22,935	60.0	267.77
As of Mar.31, 2025	37,622	19,508	51.9	228.06

(Reference) Shareholders' equity:

As of March 31, 2026: 22,931 million yen

As of March 31, 2025: 19,508 million yen

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Mar. 2026	6,268	49	-4,441	22,619
Year ended Mar. 2025	4,205	-162	-4,243	20,743

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Mar. 2025	-	0.00	-	12.00	12.00	1,026	26.1	5.8
Year ended Mar. 2026	-	0.00	-	12.50	12.50	1,070	25.0	5.0
Year ending Mar. 2027 (forecast)	-	0.00	-	13.50	13.50		26.6	

3. Forecast of consolidated business results for the fiscal year ending March 2027

(April 1, 2026 through March 31, 2027)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Mar. 2027	44,017	1.6	6,600	1.0	6,686	1.0	4,341	1.3	50.70

*Notes

(1) Changes in significant subsidiaries during the period: Yes

New: One (Company name: JP-Holdings Kyushu, Inc.)

Excluded: – (Company name: –)

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

① Changes in accounting policies associated with revision of accounting standards: : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of March 31, 2026 87,849,400 shares

As of March 31, 2025 87,849,400 shares

② Treasury stock at the end of period

As of March 31, 2026 2,210,923 shares

As of March 31, 2025 2,308,482 shares

③ Average number of shares during period

Year ended March 31, 2026 85,571,933 shares

Year ended March 31, 2025 85,396,567 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended March 2026

(April 1, 2025 through March 31, 2026)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 2026	4,230	6.6	2,276	0.3	2,443	1.3	2,070	-0.9
Year ended Mar. 2025	3,969	3.7	2,269	-5.3	2,411	-1.4	2,089	2.1

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Mar. 2026	24.20	-
Year ended Mar. 2025	24.46	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	17,573	11,049	62.9	129.03
As of Mar. 31, 2025	19,961	9,867	49.4	115.35

(Reference) Shareholders' equity:

As of March 31, 2026: 11,049 million yen

As of March 31, 2025: 9,867 million yen

* Financial summary is not subject to auditing procedures by certified public accountants or auditing firms.

* Explanation regarding appropriate use of business forecasts and other special instructions

• Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. For information regarding the business forecasts, etc., please refer to "1. Summary of Operating Results (4) Future outlook" (Page 5).

• On Friday, May 15, 2026, the Company plans to hold results briefing for media members, institutional investors and analysts via a webcast.

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1. Summary of Operating Results

(1) Summary of operating results for the current fiscal year

During the current consolidated fiscal year (April 1, 2025 to March 31, 2026), the Japanese economy continued to recover gradually against the backdrop of improvements in employment and income conditions. However, amid continued price increases, growth in real wages has lacked strength, and the consumer mindset remains highly defensive, leading to increasingly selective spending patterns. In addition, labor shortages have become chronic, and the outlook remains uncertain due to fluctuations in energy prices and instability in international geopolitics.

The environment surrounding the childcare support business, of which our Group is a part, continues to be severely affected by the accelerating decline in the birthrate, as the number of births in the preliminary figures (January to December 2025) of vital statistics published by the Ministry of Health, Labour and Welfare decreased by 2.1% year on year to 705,809, marking the 10th consecutive year of decline.

Under these circumstances, the government enacted the “Basic Act on Children’s Policy” in April 2023 and, in December of the same year, announced the “Children’s Future Strategy” to address declining birthrates and population decline based on the “General Principles for Child-Related Measures,” which aims to comprehensively promote children’s policies. The strategy outlines a three-year acceleration plan from fiscal 2024 to the end of fiscal 2026 as unprecedented measures against declining birthrate. Specifically, based on the “Children’s Future Strategy Policy,” the government sets the following goals and promotes measures for them: (i) Strengthening economic support for child-rearing across all life stages and initiatives to improve income for younger generations (including expanding child allowances, reducing the financial burden of childbirth, alleviating medical expenses, etc. through support for local government initiatives, reducing the burden of higher education costs by enhancing scholarship programs, providing direct support for individuals’ proactive reskilling, and strengthening housing support for households raising children), (ii) Expanding support for all children and all households raising children (including expanding seamless support from pregnancy, improving the quality of early childhood education and childcare, and establishing a system called “Universal Childcare System”), and (iii) Promoting dual-career families and shared parenting (including promoting the use of paternity leave, promoting flexible working arrangements throughout the child rearing period, and supporting the balance between diverse work styles and child-rearing). While various measures against the declining birthrate have been promoted, the problem of children waiting for childcare places has been significantly reduced through the expansion of childcare facilities. In light of this, the Children and Families Agency announced “New Directions for Childcare Policy” in December 2024, which outlined measures to shift the focus from “expanding the quantity of childcare” to “ensuring and enhancing the quality of childcare.” We believe that the size of the childcare support market will continue to expand in the future, as childcare facilities are required to further improve their quality and various measures are being promoted and strengthened to address the declining birthrate.

As a measure specific to a local government, the Tokyo Metropolitan Government eliminated childcare fees for first-born children aged 0 to 2 on September 1, 2025. As Tokyo’s unique measure against the declining birthrate, this covers all households using a licensed nursery school, etc. in Tokyo regardless of their income. Childcare fees for first-born children aged 3 to 5 are already eliminated by the national government’s system, and this new system makes childcare fees free for first-born children aged 0 to 2 as well, which means that childcare fees for children in Tokyo will be in effect zero. In addition, the number of children on waiting lists at school clubs continues to show no signs of declining, and the development of a childcare environment is becoming an issue. The Tokyo Metropolitan Government is taking steps to open new “Tokyo-certified school club,” and government and local governments are promoting the creation of an environment conducive to childcare. As such, the social role of childcare support services is expected to become increasingly important.

As described above, while the government and local governments are promoting various measures to improve childcare environments and eliminate waiting lists for children in school clubs as part of measures to cope with the declining birthrate, competition to acquire more children is intensifying in regions where the birthrate is declining at an accelerated pace. Under these circumstances, we believe it is necessary to implement structural reforms and develop new businesses and generate earnings as quickly as possible to achieve sustainable growth and further revenue expansion.

In view of the progress of various measures and changes in the external environment, our Group has reviewed the medium-term management plan using a rolling method. With regard to priority targets, we have continued to strengthen our efforts to attain the targets, “Achieve growth and establish a competitive advantage,” “Reform our profit structure,” and “Reform our management base” to gain a greater competitive advantage and reform and improve our management base.

Specifically, regarding “Achieve growth and establish a competitive advantage,” we are working on a medium- to long-term growth strategy, focusing on development of new businesses in collaboration with municipalities and expansion and promotion of overseas businesses. At the same time, as a new English-focused business, we are preparing for the ALT (Assistant Language Teacher) program and international schools (unlicensed nursery schools), and will commence operations in April 2026. In addition, through a dominant strategy in collaboration with nursery schools and school clubs and children’s houses to establish an integrated childcare support system for infants, early childhood, and child-rearing, we are striving to increase new contracts to double the current number of school clubs and children’s houses to 200 facilities, while also establishing Tokyo-certified school clubs from

April 2026. Through these initiatives, we are working to expand our existing businesses and business domains, actively promote M&As, enhance our learning programs as a competitive advantage, establish new business formats, and implement various differentiated strategies to address the concerns of parents, thereby promoting measures to resolve social issues surrounding childcare support.

In addition, we are implementing various support activities aimed at regional revitalization, such as concluding agreements with local governments in each region to improve childcare environments and donations utilizing the corporate version of the hometown tax payment system. As part of strengthening our regional coverage, we established a joint venture company, JP Holdings Kyushu, Inc., in June 2025, in collaboration with TV Kumamoto Co., Ltd., its group company TKU HUMAN Corporation, and its affiliates in the Kyushu region for the purpose of contributing to society through childcare support business and promoting regional revitalization efforts. We have worked to contribute to the community and revitalize the region through the operation of the ALT program and English-specialized childcare facilities by combining the know-how of the two companies and establishment and improvement of the childcare environment in collaboration with local governments.

Regarding “Reform our profit structure,” we are reassessing our business structure and are working to improve profitability by addressing redundant tasks and streamlining operations through ICT. We are also promoting further improvements in our operations through business process reforms and system implementations.

As for the “Reform our management base,” the key to our Group’s business is people, and we have worked to enhance our personnel education and training structure accordingly. At the same time, we have worked to secure and develop talented human resources and improve employee engagement to lead to a change in awareness. In this way, we are strengthening our human resource strategy and Group governance in order to support sustainable growth and superiority.

As part of our Group’s strategy for further growth, we have worked to develop new businesses rapidly and achieve profitability in these operations, promoted “creating facilities that would continue to be selected by customers” aimed at expanding existing businesses, and actively pursued M&As to further expand the scale of our business. In this way, we have striven to achieve sustainable growth and realize our Group management philosophy of “Through childcare support, we will contribute to creating smiles for everyone.”

Regarding the opening and contracts of new facilities, we, during the fiscal year ended March 2026, established 2 childcare centers converted from licensed nursery schools and 25 school clubs and children’s houses, and newly contracted 25 facilities excluding those converted to childcare centers. In addition, as part of our initiative to establish distinctive childcare centers, we transitioned 6 facilities from licensed nursery schools to bilingual nursery schools and 2 facilities to sports nursery schools.

As a result, the Group came to have 203 nursery schools, 6 childcare centers, 118 school clubs, 16 children’s houses, and 2 community centers, making a total of 345 childcare facilities as of March 31, 2026.

As a result, the Group’s consolidated net sales were 43,325 million yen (up 5.3% year on year), operating profit was 6,533 million yen (up 12.5%), ordinary profit was 6,617 million yen (up 13.0%), and profit attributable to owners of parent was 4,284 million yen (up 9.3%).

Net sales increased 5.3% year on year, hitting a record high. This was due to various factors including the operation of distinct nursery schools such as bilingual nursery schools, an increase in the number of enrolled children (infants) as a result of efforts to “create facilities that would continue to be selected by customers” by expanding the early childhood learning program, the contracts with new facilities, measures to maximize subsidies, and an increase in subsidies associated with improvements in the treatment of childcare workers, etc.

Operating profit increased by 12.5% year on year and ordinary profit increased by 13.0% year on year, hitting a record high, mainly due to an increase in profit resulting from an increase in the number of enrolled children (infants) as a result of efforts to “create facilities that would continue to be selected by customers,” as well as measures to maximize subsidies, although expenses increased year on year due to the recording of expenses for the semi-annual (September, March) shareholder benefit program introduced at the end of the previous fiscal year and rising food costs due to inflation.

Profit attributable to owners of parent increased by 9.3% year on year, hitting a record high. This was due to an increase in profit resulting mainly from the contracts with new facilities and an increase in the number of enrolled children (infants), despite the fact that the compensation of 201 million yen related to the transfer of the head office in line with the redevelopment of the area where the head office is located was recorded as an extraordinary income in the previous fiscal year.

(2) Summary of financial condition in the current fiscal year

As for the financial position at the end of the current fiscal year, the total assets amounted to 38,209 million yen (up 586 million yen from the end of the previous fiscal year).

Current assets totaled 27,963 million yen (up 1,100 million yen). This was mainly due to an increase of 1,875 million yen in cash and deposits, while there was a decrease of 715 million yen in accounts receivable.

Non-current assets totaled 10,245 million yen (down 514 million yen). This was mainly due to decreases of 341 million yen in buildings and structures and 258 million yen in long-term loans receivable, while there was an increase of 159 million yen in investment securities.

Total liabilities amounted to 15,273 million yen (down 2,840 million yen).

Current liabilities amounted to 10,814 million yen (down 361 million yen). This was mainly due to increases of 408 million yen in accounts payable and 138 million yen in other, while there was a decrease of 964 million yen in current portion of long-term borrowings.

Non-current liabilities totaled 4,458 million yen (down 2,479 million yen). This was mainly due to a decrease of 2,502 million yen in long-term borrowings.

Total net assets at the end of the current fiscal year totaled 22,935 million yen (up 3,427 million yen). This was mainly due to an increase of 3,258 million yen in retained earnings.

(3) Summary of cash flow in the current fiscal year

Cash and cash equivalents (hereinafter referred to as “the funds”) for the current consolidated fiscal year were 6,268 million yen from the funds obtained through operating activities; 49 million yen from the funds obtained through investing activities; and 4,441 million yen used in financing activities, totaling 22,619 million yen, up 1,875 million yen from the end of the previous fiscal year.

The cash flow situations and their reasons for the current consolidated fiscal year are as follows:

[Cash flows from operating activities]

Net cash provided by operating activities was 6,268 million yen (4,205 million yen was provided during the previous consolidated fiscal year).

This was mainly due to profit before income taxes of 6,598 million yen, a decrease in accounts receivable - other of 700 million yen, depreciation of 666 million yen, and an increase in accounts payable - other and accrued expenses of 451 million yen, offset by income taxes paid of 2,353 million yen, and interest income and dividend income of 105 million yen.

[Cash flows from investing activities]

Net cash provided by investing activities was 49 million yen (162 million yen was used during the previous fiscal year).

This was mainly due to proceeds from collection of long-term loans receivable of 308 million yen, despite the purchase of property, plant and equipment of 264 million yen.

[Cash flows from financing activities]

Net cash used in financing activities was 4,441 million yen (4,243 million yen was used during the previous fiscal year).

This was mainly due to repayments of long-term borrowings of 3,467 million yen, and dividends paid of 1,021 million yen.

The related index of our Group’s cash flow is as follows:

	FY3/24	FY3/25	FY3/26
Shareholders’ equity ratio (%)	43.7	51.9	60.0
Shareholders’ equity ratio against current price (%)	130.3	154.6	150.8
Cash flow to interest-bearing debts ratio (years)	2.2	2.1	0.8
Interest coverage ratio (x)	86.0	81.7	181.8

Notes: Shareholders’ equity ratio = shareholders’ equity/total assets

Shareholders’ equity ratio against current price = total current stock price/total assets

Cash flow to interest-bearing debts ratio = interest-bearing debts/cash flow

Interest coverage ratio = cash flow/interest payment

[Note 1] All calculated based on consolidated financial amounts.

[Note 2] Total current stock price calculated based on the total number of shares issued minus treasury shares.

[Note 3] Cash flow here signifies operating cash flow.

[Note 4] Interest-bearing debts here include all the debts that incur interests and are appropriated on the consolidated balance sheet.

(4) Future outlook

Looking ahead, while the number of children on waiting lists at nursery schools has been decreased, and competitive environment is intensifying in regions where the birthrate is declining at an accelerated pace, the number of children on waiting lists at school clubs is increasing among other factors, and the development of a childcare environment is an issue.

Meanwhile, the central government and respective municipalities are promoting a range of measures and policies aimed at improving the childcare environment. Against this backdrop, the societal role of childcare support providers is becoming even more important.

In light of this situation, the Group intends to prioritize qualitative improvements. Through further improving the quality of our childcare support, we need to create the “facilities that would continue to be selected by customers” that respond to changes in the social environment and the needs of parents. To achieve this, we will set management targets with a higher degree of certainty in line with changes in the social environment, while also working to achieve profitability of new businesses at an early stage as part of the business expansion plans laid out in our medium-term management plan. We will manage our business based on the approach outlined above.

With regard to the rolling targets of our Group’s medium-term management plan (from the fiscal year ended March 2026 to the fiscal year ending March 2028), we worked to achieve results in our respective measures, build an efficient management system, and maximize subsidies. As a result, in the fiscal year ended March 2026, we were able to achieve both higher sales and profits, with profit in particular reaching a record high, achieving the operating profit target for the fiscal year ending March 2028—the final year of our medium-term management plan—ahead of schedule.

In the environment that surrounds our childcare support business, the government and municipalities have been enhancing the childcare environment as a measure to tackle the declining birthrate. Meanwhile, the competition to acquire children is intensifying in regions where the declining birthrate is accelerating. Accordingly, there is a need for structural reforms for sustainable growth and further earnings expansion and the development and early monetization of new businesses both in Japan and overseas.

In view of the progress made in targets for the medium-term management plan (from the fiscal year ended March 2026 to the fiscal year ending March 2028), changes in the external environment, and other factors, we will review consolidated numerical targets using the rolling method. At the same time, with regard to the priority targets of the medium-term management plan, we have refined our existing policies of “Achieve growth and establish a competitive advantage,” “Reform our profit structure,” and “Reform our management base,” and newly added “Enhance human resource development and training.” Based on a business strategy of “diversification and specialization of businesses” and a “stable financial structure,” we will create sustainable and innovative services through new business ventures and growth initiatives.

[Priority Targets of the Medium-Term Management Plan]

Our medium-term management plan seeks to create new service value and establish a competitive advantage by aggressively developing new businesses for growth, promoting M&As, developing infrastructure through systematization, building a solid business foundation, and developing the human resources that support these initiatives, with the aim of achieving sustainable growth by resolving societal challenges through our business.

(1) Achieve growth and establish a competitive advantage

For medium- to long-term growth, we will promote the ALT (Assistant Language Teacher) business in collaboration with municipalities, strengthen global business beyond Japan, proactively promote M&As to expand existing businesses and new business domains, enrich our learning programs to ensure a competitive advantage, establish and undertake new business formats and facilities, and create new businesses to promote various differentiation strategies to solve problems faced by parents.

(2) Reform our profit structure

We will improve profitability by reviewing the business structure, eliminating wasteful operations, and improving management efficiency through the use of AI. We will also further streamline operations by reforming business processes and introducing systems.

(3) Reform our management base

We will aim to build a strong and sustainable corporate structure that is not affected by changes in the market environment or societal conditions. Rather than simply reducing costs, we will pursue fundamental structural reforms to maximize our corporate value through faster decision-making, optimal allocation of managerial resources, and stronger corporate governance.

(4) Enhance human resource development and training

Our people are the key to our business. Accordingly, we will work to enhance our personnel education and training structure, while securing and developing outstanding human resources and working to improve employee engagement in order to foster a change in awareness. Furthermore, by linking these efforts to our business strategy, we will work to accelerate our management processes.

For the fiscal year ending March 2027, the Group positions this period as a preparatory phase toward achieving the goals set out in our medium-term management plan (from the fiscal year ending March 2027 to the fiscal year ending March 2029) with a focus on strengthening investments aimed at future revenue growth and proactively promoting M&A, including with companies in the same industry, through the expansion of global business and the development of new initiatives in collaboration with municipalities throughout Japan. In our overseas business, we will work in cooperation with local educational institutions and municipalities both in Japan and overseas, including promotion of the ALT business, development and operation of local language schools, operation of childcare support facilities, and utilization of highly skilled foreign talent in coordination with these initiatives.

In our existing childcare support business, we will work to advance new business initiatives, including developing and expanding new business models at licensed nursery schools, expanding international schools outside the licensed system, and implementation of new educational programs unique to our Company in school clubs (inquiry-based learning and English programs by native instructors). At the same time, we will promote systemization to improve operational efficiency, strengthen our management framework, and enhance personnel training to accelerate our management processes.

For the above reasons, the Company forecasts net sales of 44,017 million yen (up 1.6% year on year), operating profit of 6,600 million yen (up 1.0%), ordinary profit of 6,686 million yen (up 1.0%), and profit attributable to owners of parent of 4,341 million yen (up 1.3%).

The following is a breakdown of the childcare support facilities and businesses newly entrusted by municipalities that the Group has planned for new operations and business model transformation during the fiscal year ended March 2026, and has started new operations on April 1, 2026.

(International School) Non-licensed nursery school

ASC International School Urawa Misono (Apr. 1, 2026)

(Childcare Center)

The Company changed licensed nursery schools to certified childcare centers.

Asc Miharashinooka Childcare Center (Apr. 1, 2026)

Asc Shiroishi Childcare Center (Apr. 1, 2026)

Asc Shinkotoni Childcare Center (Apr. 1, 2026)

Asc Ayashi Childcare Center (Apr. 1, 2026)

Asc Otsukyo Childcare Center (Apr. 1, 2026)

(School Club/Children's House)

Hyogo Elementary School Kirakira Kids (Apr. 1, 2026)

Takane Elementary School Kirakira Kids (Apr. 1, 2026)

Togo Elementary School Kirakira Kids (Apr. 1, 2026)

Otogai Elementary School Kirakira Kids (Apr. 1, 2026)

Morowa Elementary School Kirakira Kids (Apr. 1, 2026)

Harukidai Elementary School Kirakira Kids (Apr. 1, 2026)

Koto Kids Club Sandai (Apr. 1, 2026)

Nerima Municipal Kitamachi Children's Center School Club (Apr. 1, 2026)

Adachi Kurishima School Club (Apr. 1, 2026)

Mitaka Municipal Kitano School Club B Annex (Apr. 1, 2026)

Matsubara Children's Club No. 2 C (Apr. 1, 2026)

Nerima Municipal Kitamachi Children's Center (Apr. 1, 2026)

(Tokyo-Certified School Club)

The Company established new Tokyo-certified school clubs.

Asc School Club Ayase (Apr. 1, 2026)

Asc School Club Myogadani (Apr. 1, 2026)

(Tokyo-Certified School Club)

The Company changed publicly-established and privately-operated school clubs to Tokyo-certified school clubs.

Chofu Municipal Omachi School Club No. 1	(Apr. 1, 2026)
Chofu Municipal Omachi School Club No. 2	(Apr. 1, 2026)
Chofu Municipal Fujimidai School Club	(Apr. 1, 2026)
Chofu Municipal Takizaka School Club No. 1	(Apr. 1, 2026)
Chofu Municipal Takizaka School Club No. 2	(Apr. 1, 2026)
Chofu Municipal Shibasaki Park North School Club No. 1	(Apr. 1, 2026)
Chofu Municipal Shibasaki Park North School Club No. 2	(Apr. 1, 2026)
Meguro Takaban Elementary School School Club	(Apr. 1, 2026)
Adachi Takenotsuka School Club	(Apr. 1, 2026)
Kojimachi Children's Club	(Apr. 1, 2026)

(Bilingual Nursery School)

The Company changed licensed nursery schools to bilingual nursery schools, which are staffed by native English-speaking teachers.

Asc Bilingual Nursery School Yamashitacho (formerly Asc Yamashitacho Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Shinsugita (formerly Asc Shinsugita Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Yoshinocho (formerly Asc Yoshinocho Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Otakanomori (formerly Asc Otakanomori Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Kanadenomori No. 2 (formerly Asc Kanadenomori No. 2 Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Shakujiidai (formerly Asc Shakujiidai Nursery School)	(Apr. 1, 2026)
Asc Bilingual Nursery School Nagasaki 1-chome (formerly Asc Nagasaki 1-chome Nursery School)	(Apr. 1, 2026)

(Other)

Program coordination operations for morning supervision program	(Apr. 1, 2026)
Planning support operations for FY2026 Entrepreneurship Development Program	(Apr. 1, 2026)

*1: "Asc Miyamaedaira Ekimae Nursery School" was closed as of March 31, 2026. In addition, operation of the publicly-established and privately-operated "Kawaguchi Municipal Aoki Nursery School" and the school club "Preddy Nihonbashi" was discontinued from at the end of March 2026 due to the expiration of contract periods.

2. Basic Policies regarding the Selection of Accounting Standards

Our Group produces financial statements based on the Japanese standard, while taking into consideration the comparability of various financial statement terms as well as that of various companies. Incidentally, the application of international accounting standards will be appropriately enforced, in consideration of various situations inside and outside Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Assets		
Current assets		
Cash and deposits	20,743,470	22,619,318
Accounts receivable - trade	114,950	72,524
Inventories	45,627	55,637
Accounts receivable - other	5,204,206	4,489,134
Other	754,410	726,841
Allowance for doubtful accounts	-244	-147
Total current assets	26,862,421	27,963,309
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,195,727	12,359,074
Accumulated depreciation and impairment	-8,577,487	-9,082,398
Buildings and structures, net	3,618,240	3,276,675
Machinery, equipment and vehicles	203	203
Accumulated depreciation	-203	-203
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	1,590,858	1,674,399
Accumulated depreciation and impairment	-1,130,334	-1,278,600
Tools, furniture and fixtures, net	460,523	395,799
Land	129,529	184,621
Total property, plant and equipment	4,208,293	3,857,095
Intangible assets		
Goodwill	45,578	15,192
Other	21,868	12,400
Total intangible assets	67,447	27,593
Investments and other assets		
Investment securities	546,995	706,104
Long-term loans receivable	2,364,840	2,106,704
Guarantee deposits	1,804,979	1,809,245
Deferred tax assets	1,425,923	1,439,483
Other	345,306	300,043
Allowance for doubtful accounts	-3,689	-525
Total investments and other assets	6,484,356	6,361,056
Total non-current assets	10,760,097	10,245,745
Total assets	37,622,519	38,209,054

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	197,866	185,654
Current portion of long-term borrowings	3,460,864	2,496,050
Accounts payable - other	3,069,000	3,477,578
Income taxes payable	1,319,207	1,341,933
Accrued consumption taxes	75,418	95,390
Provision for bonuses	938,381	955,546
Asset retirement obligations	–	9,026
Other	2,115,178	2,253,673
Total current liabilities	11,175,916	10,814,854
Non-current liabilities		
Long-term borrowings	5,300,153	2,797,891
Deferred tax liabilities	2,688	–
Retirement benefit liability	1,031,437	1,041,906
Asset retirement obligations	603,809	606,640
Other	–	11,873
Total non-current liabilities	6,938,088	4,458,312
Total liabilities	18,114,004	15,273,166
Net assets		
Shareholders' equity		
Share capital	1,603,955	1,603,955
Capital surplus	1,542,826	1,577,681
Retained earnings	17,078,574	20,336,780
Treasury shares	-671,017	-642,659
Total shareholders' equity	19,554,338	22,875,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-73,726	3,143
Deferred gains or losses on hedges	2,129	432
Remeasurements of defined benefit plans	25,772	52,490
Total accumulated other comprehensive income	-45,823	56,065
Non-controlling interests	–	4,064
Total net assets	19,508,514	22,935,888
Total liabilities and net assets	37,622,519	38,209,054

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousand yen)

	Previous Fiscal Year (Apr. 1, 2024 - Mar. 31, 2025)	Current Fiscal Year (Apr. 1, 2025 - Mar. 31, 2026)
Net sales	41,147,032	43,325,923
Cost of sales	32,460,675	33,766,818
Gross profit	8,686,356	9,559,104
Selling, general and administrative expenses	2,877,354	3,025,209
Operating profit	5,809,002	6,533,894
Non-operating income		
Interest income	83,143	105,811
Other	29,215	24,717
Total non-operating income	112,358	130,528
Non-operating expenses		
Interest expenses	51,755	35,636
Commission expenses	9,449	9,451
Other	2,153	2,022
Total non-operating expenses	63,357	47,111
Ordinary profit	5,858,004	6,617,311
Extraordinary income		
Compensation for head office transfer	201,630	—
Gain on sale of businesses	15,590	—
Total extraordinary income	217,220	—
Extraordinary losses		
Loss on sale of non-current assets	300	—
Loss on retirement of non-current assets	5,235	620
Loss on impairment of preschool	336	18,339
Total extraordinary losses	5,873	18,959
Profit before income taxes	6,069,351	6,598,352
Income taxes - current	2,105,565	2,380,108
Income taxes - deferred	42,890	-65,518
Total income taxes	2,148,456	2,314,589
Profit	3,920,895	4,283,762
Loss attributable to non-controlling interests	—	-935
Profit attributable to owners of parent	3,920,895	4,284,697

Consolidated Statement of Comprehensive Income

(Thousand yen)

	Previous Fiscal Year (Apr. 1, 2024 - Mar. 31, 2025)	Current Fiscal Year (Apr. 1, 2025 – Mar. 31, 2026)
Profit	3,920,895	4,283,762
Other comprehensive income		
Valuation difference on available-for-sale securities	20,670	76,869
Deferred gains or losses on hedges	490	-1,697
Remeasurements of defined benefit plans, net of tax	27,699	26,717
Total other comprehensive income	48,860	101,889
Comprehensive income	3,969,756	4,385,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,969,756	4,386,587
Comprehensive income attributable to non-controlling interests	—	-935

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous Fiscal Year (April 1, 2024 – March 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,603,955	1,482,693	13,840,537	-724,381	16,202,804
Changes during period					
Dividends of surplus			-682,858		-682,858
Profit attributable to owners of parent			3,920,895		3,920,895
Disposal of treasury shares		50,589		41,501	92,091
Restricted stock payment		9,544		11,862	21,406
Net changes in items other than shareholders' equity					
Total changes during period	–	60,133	3,238,036	53,364	3,351,534
Balance at end of period	1,603,955	1,542,826	17,078,574	-671,017	19,554,338

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	-94,396	1,638	-1,926	-94,684	–	16,108,119
Changes during period						
Dividends of surplus						-682,858
Profit attributable to owners of parent						3,920,895
Disposal of treasury shares						92,091
Restricted stock payment						21,406
Net changes in items other than shareholders' equity	20,670	490	27,699	48,860	–	48,860
Total changes during period	20,670	490	27,699	48,860	–	3,400,395
Balance at end of period	-73,726	2,129	25,772	-45,823	–	19,508,514

Current Fiscal Year (April 1, 2025 – March 31, 2026)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,603,955	1,542,826	17,078,574	-671,017	19,554,338
Changes during period					
Dividends of surplus			-1,026,491		-1,026,491
Profit attributable to owners of parent			4,284,697		4,284,697
Disposal of treasury shares		24,948		17,253	42,201
Restricted stock payment		9,906		11,104	21,011
Net changes in items other than shareholders' equity					
Total changes during period	—	34,854	3,258,206	28,357	3,321,419
Balance at end of period	1,603,955	1,577,681	20,336,780	-642,659	22,875,758

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	-73,726	2,129	25,772	-45,823	—	19,508,514
Changes during period						
Dividends of surplus						-1,026,491
Profit attributable to owners of parent						4,284,697
Disposal of treasury shares						42,201
Restricted stock payment						21,011
Net changes in items other than shareholders' equity	76,869	-1,697	26,717	101,889	4,064	105,954
Total changes during period	76,869	-1,697	26,717	101,889	4,064	3,427,373
Balance at end of period	3,143	432	52,490	56,065	4,064	22,935,888

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	Previous Fiscal Year (Apr. 1, 2024 – Mar. 31, 2025)	Current Fiscal Year (Apr. 1, 2025 – Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	6,069,351	6,598,352
Depreciation	698,559	666,299
Impairment losses	336	18,339
Amortization of goodwill	30,385	30,385
Increase (decrease) in allowance for doubtful accounts	-2,988	-3,261
Increase (decrease) in provision for bonuses	47,081	17,165
Increase (decrease) in retirement benefit liability	63,375	51,889
Increase (decrease) in provision for director's performance-linked incentive compensation	—	11,873
Share-based payment expenses	25,174	16,946
Interest and dividend income	-83,143	-105,811
Interest expenses	51,755	35,636
Loss (gain) on sale of non-current assets	300	—
Loss on retirement of non-current assets	5,235	620
Compensation for head office transfer	-201,630	—
Gain on sale of businesses	-15,590	—
Decrease (increase) in trade receivables	2,424	42,426
Decrease (increase) in inventories	1,327	-10,009
Decrease (increase) in accounts receivable - other	-1,729,727	700,993
Decrease (increase) in consumption taxes refund receivable	60,202	5,894
Increase (decrease) in trade payables	1,187	-12,211
Increase (decrease) in accounts payable - other, and accrued expenses	726,859	451,431
Increase (decrease) in accrued consumption taxes	8,003	19,971
Increase (decrease) in advances received	-30,834	9,566
Decrease (increase) in other current assets	-12,915	16,712
Decrease (increase) in other non-current assets	29,588	27,393
Increase (decrease) in other current liabilities	188,755	30,495
Increase (decrease) in other non-current liabilities	25	2,831
Subtotal	5,933,100	8,623,930
Interest and dividends received	8,367	31,906
Interest paid	-51,478	-34,473
Income taxes refund (paid)	-1,885,760	-2,353,340
Proceeds from compensation for head office transfer	201,630	—
Net cash provided by (used in) operating activities	4,205,859	6,268,023

(Thousand yen)

	Previous Fiscal Year (Apr. 1, 2024 – Mar. 31, 2025)	Current Fiscal Year (Apr. 1, 2025 – Mar. 31, 2026)
Cash flows from investing activities		
Purchase of property, plant and equipment	-433,407	-264,438
Purchase of intangible assets	-3,366	-1,000
Proceeds from refund of guarantee deposits	23,342	20,944
Payments of guarantee deposits	-19,194	-35,092
Expense of premium	—	-4,481
Proceeds from collection of long-term loans receivable	275,886	308,435
Proceeds from cancellation of insurance funds	—	8,000
Purchase of insurance funds	-2,200	—
Payments for investments in capital	—	-250
Proceeds from sale of businesses	2,570	17,430
Other, net	-6,590	—
Net cash provided by (used in) investing activities	-162,958	49,547
Cash flows from financing activities		
Repayments of long-term borrowings	-3,657,330	-3,467,076
Proceeds from disposal of treasury shares	92,091	42,201
Dividends paid	-678,672	-1,021,848
Proceeds from share issuance to non-controlling shareholders	—	5,000
Net cash provided by (used in) financing activities	-4,243,911	-4,441,723
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	-201,010	1,875,847
Cash and cash equivalents at beginning of period	20,944,481	20,743,470
Cash and cash equivalents at end of period	20,743,470	22,619,318

(5) Notes on the Consolidated Financial Statements

(Notes on going concern assumption)

None applicable.

(Notes on segment information)

The Group's principal business is the nursery service. Information on other business segments is omitted as they are considered immaterial.

(Notes on per share information)

	Previous Fiscal Year (April 1, 2024 – March 31, 2025)	Current Fiscal Year (April 1, 2025 – March 31, 2026)
Net assets per share	¥228.06	¥267.77
Net income per share	¥45.91	¥50.07

(Notes) 1. Diluted net income per share is omitted as there are no dilutive shares.

2. The basis for calculating net income per share is as follows:

(Thousand yen)

	Previous Fiscal Year (April 1, 2024 – March 31, 2025)	Current Fiscal Year (April 1, 2025 – March 31, 2026)
Profit attributable to owners of parent	3,920,895	4,284,697
Amounts not available to common shareholders	—	—
Profit attributable to owners of parent available to common shares	3,920,895	4,284,697
Average number of common shares during the period (shares)	85,396,567	85,571,933

(Notes on significant subsequent events)

None applicable.