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To whom it may concern:

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Announcement of Gakken Group's Management Plan "Gakken2027 ~Value UP~"

Gakken Holdings Co., Ltd. (the "Company") hereby announces the formulation of its management plan ("Gakken 2027"), which covers the two-year period from the fiscal year ending September 2026 to the fiscal year ending September 2027. Under "Gakken 2027," with the theme of "Value UP", we will further expand the key areas challenged in the previous management plan and invest in growth areas. Through these efforts, we aim to build a robust group foundation that responds to changes in the business environment and commit to maximizing corporate value.

■ Review of the Previous Medium-Term Plan Gakken 2025 SHIFT

The medium-term management plan "Gakken 2025 SHIFT," which has been implemented since the fiscal year ending September 2023, has successfully achieved its profit targets. This was accomplished by steadily expanding its portfolio through strengthening existing businesses and investing in growth areas, despite facing a challenging business environment characterized by a declining birthrate and aging population, rising costs of essential goods and talent acquisition, and increasing interest rates.

In the Education Domain, our publishing content business, which includes study-aid books, practical guides books, and online language courses, performed strongly and drove our results. Additionally, integrating ICHISHIN HOLDINGS CO., LTD. and Kiriara Shoten K.K. into our group further strengthened our existing business areas.

In the Healthcare and Nursing Domain, the number of facilities for serviced apartments for the elderly and group homes for the elderly with dementia have increased, maintaining a high occupancy rate. The integration of Grand Uni Life Care Service Co., Ltd. has established a framework for providing high-value and high-quality services. Additionally, a capital and business alliance with Nippon Life Insurance Company has accelerated collaboration and cooperation in the fields of nursing care, childcare, and education, aiming to expand services in the future.

As part of investments in growth areas, we integrated DTP Education Solutions JSC, a leading textbook company in Vietnam, into our group and formed a capital and business alliance with Poplar Publishing's local subsidiary in China thereby fully launching our global business. In the recurrent education and reskilling sector, we made RareJob, Inc. an equity-method affiliate.

■ Goals and Basic Policies of "Gakken 2027"

The company has set the theme of "Inspire Unlimited Potential" for 2030. By 2030, we aim to strengthen our existing

Education and Healthcare and Nursing Domain, as well as expand our global and medical/wellness businesses. To achieve this goal, "Gakken 2027" will focus on the core theme of "Value UP" promoting the enhancement of value in three areas: "Business," "Finance," and "Organization".

We will continue to consolidate resources and invest in growth areas such as recurrent education and reskilling and global business, which were addressed in "Gakken 2025," while accelerating the reorganization of our portfolio. In existing businesses, we will expand our target customers, services, and customer lifetime value (LTV), aiming to build a business portfolio that responds to changes in the business environment.

By advancing our plans based on these policies, we aim to achieve consolidated net sales of 215 billion yen, EBITDA of 14.5 billion yen, operating profit of 9.5 billion yen and attributable to shareholders of the parent company of 4.5 billion yen by the final fiscal year ending September 2027.

■ Three Pillars of "Value UP" in "Gakken 2027"

1. Business Value UP : Building Highly Profitable Business Model

(1) Education Domain - Bringing our integrated strengths to the world: Gakken's bold challenge to lead the future of education

- Classrooms and Learning Centers : Value UP through service expansion leveraging hard assets
 - Development of high value-added services
 - Expansion of partner network for learning center business, development of support school business, and expansion across regions and age groups
- Publications and Content Services : Value UP in content / IP development
 - Increase asset value through customer base sharing and bundling
 - Strengthen IP with an eye to global expansion
 - Reinforce recurrent education and reskilling areas
- Childcare and Early Childhood : Value UP to become the provider of choice in childcare and early childhood segments
 - Expand and enhance childcare services by leveraging preschool sales channels
 - Accelerate rollout of after-school and developmental support facilities
- Global : Value UP with global partners
 - Expansion of collaboration with overseas partners
 - Global expansion of content services made in Japan
 - Import of overseas content services

(2) Healthcare and Nursing Domain - Shaping the Future of Local Communities as a Leading Company Committed to Sustainable Growth and Giving Back

- Continue aggressive opening of new facilities driven by ongoing market expansion
 - Focus primarily on new openings while also strengthening expansion through business succession.
 - Expand high value-added models (high-end and university-affiliated complex facilities)
- Maintain high occupancy rates by increasing the number of facilities while ensuring consistent service quality
 - Establish a system to ensure stable staffing
 - Provide high-quality services to enhance competitiveness in the market
- Increase the ratio of non-facility-based elderly care businesses to strengthen resilience to changes in the external

environment and reinforce our revenue base

- Expand home-based care services (home care visits, adult day care)
- Expand ancillary care services (elderly care products and meals, end-of-life care)
- Enter medical/wellness business (dispensing pharmacies, nursing, University-affiliated CCRC (Continuing Care Retirement Community))
- Advance comprehensive initiatives to maintain and enhance service quality
 - Improve employee engagement
 - Actively hire foreign workers and improve the workplace environment
 - Standardization care quality
 - Improving efficiency through technology implementation

2. Financial Value UP : Enhancing Capital Efficiency and Maintaining Financial Health

(1) Financial Targets

By the fiscal year ending September 2027, we aim for consolidated sales of 215 billion yen, EBITDA of 14.5 billion yen, and operating profit of 9.5 billion yen. In terms of capital efficiency, we aim for a return on equity (ROE) of 8.0% or higher.

(Million yen)

	Fiscal Year Ending September 2025	Fiscal Year Ending September 2026	Fiscal Year Ending September 2027
	Actual	Plan	Plan
Net sales	199,119	205,000	215,000
EBITDA	12,975	13,500	14,500
EBITDA Margin	6.5%	6.6%	6.8%
Operating profit	8,237	8,500	9,500
Operating Profit Margin	4.1%	4.1%	4.4%
Net Profit	3,578	4,000	4,500
Net Profit Margin	1.8%	2.0%	2.1%
ROE	7.0%	7.5%	8.0%
DOE	2.1%	2.3%	2.5%

(*Net Profit: 「Net Profit Attributable to Shareholders of the Parent Company」)

(2) Cash Allocation

In addition to the expected operating cash flow of 15 billion yen over two years, we will use a total of 25 billion yen, generated through the reorganization of our business portfolio and asset sales during our balance sheet review, as a source of funds. This will be allocated towards strategic investments, shareholder returns, and financial soundness, ensuring a solid revenue base for achieving our 2030 vision.

(3) Stock Price Improvement Targets and Shareholder Return Policy

By the fiscal year ending September 2027, we aim for a return on equity (ROE) of 8% or higher and a dividend on

equity (DOE) of 2.5% or more. We will strive to enhance sustainable corporate value and obtain appropriate valuation from the market, while also actively implementing shareholder returns.

3. Organizational Financial Value UP : Advancing corporate sustainability: Pursuing human potential and achieving Value UP for customers and society

(1) Human Capital and Engagement

- Expand training opportunities and appointment/promotion systems both in Japan and overseas
- Create an environment where talented individuals who share our aspiration and social mission can gather and continue to take on challenges
 - Achieve a 100% utilization rate of talent management
 - Improve engagement scores by 5 points above the industry average

(2) Diversity and inclusion

- Broaden diversity in decision-making by continuously raising the ratio of women in management positions
- Promote employee potential by supporting independent career development and providing fair opportunities regardless of background
- Deepen multicultural understanding and cultivate an inclusive culture
 - Achieve a female representation rate of 25% or more in manager-level positions
 - Obtain "Eruboshi" and "Kurumin" certifications from major domestic group companies

(3) Environment and society

- Promote further integration of social and economic value in core businesses
- Strengthen sustainable supply chains through collaboration with suppliers
- Promote energy efficiency at all business locations
 - Achieve a 100% conduction rate of supplier engagement assessment with major suppliers
 - Reduce GHG emissions per net sales (Scope 1, 2) by 31% compared to Fiscal Year 2022

*This document contains statements regarding future performance plans. These statements are based on certain assumptions regarding the current economic environment and business policies, and include potential risks and uncertainties. Please be aware that actual performance may differ significantly from the business plans due to various factors.