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Consolidated Financial Results for the Fiscal Year Ended September 30, 2026 [Japanese GAAP]

November 13, 2026

Company name: Gakken Holdings Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Securities code: 9470
URL: https://www.gakken.co.jp/
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Scheduled date of Ordinary General Meeting of Shareholders: December 25, 2026
Scheduled date of filing annual securities report: December 24, 2026
Scheduled date of commencing dividend payments: December 10, 2026
Availability of supplementary briefing material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net Sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	210,382	5.7	13,184	1.6	8,316	1.0	7,982	2.2	3,452	(3.5)
September 30, 2025	199,119	7.3	12,975	16.2	8,237	19.7	7,810	13.1	3,578	58.3

EBITDA : Operating profit + Depreciation + Amortization of goodwill

(Note) Comprehensive income: Fiscal year ended September 30, 2026: 5,662 million yen [70.1 %]
Fiscal year ended September 30, 2025: 3,328 million yen [39.9 %]

	Profit per share	Diluted profit per share	Rate of return on equity	Rate of return on total assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2026	81.79	81.38	6.3	5.5	4.0
September 30, 2025	86.02	85.49	7.0	5.8	4.1

(Reference) Equity in earnings of affiliated companies: Fiscal year ended September 30, 2026: (85) million yen
Fiscal year ended September 30, 2025: (104) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2026	149,957	65,791	39.0	1,310.28
As of September 30, 2025	139,194	59,471	36.9	1,241.65

(Reference) Equity: As of September 30, 2026: 58,417 million yen
As of September 30, 2025: 51,424 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
September 30, 2026	8,222	(5,803)	(1,458)	22,571
September 30, 2025	7,817	392	(5,604)	20,994

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
September 30, 2025	—	13.00	—	13.00	26.00	1,076	30.2	2.1
September 30, 2026	—	14.50	—	14.50	29.00	1,248	35.5	2.3
Fiscal year ending September 30, 2027 (Forecast)	—	16.50	—	16.50	33.00		31.3	

3. Consolidated Financial Forecasts for the Fiscal Year Ending September 30, 2027 (October 1, 2026 to September 30, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	225,000	6.9	14,500	10.0	9,500	14.2	9,200	15.3	4,700	36.1	105.42

*** Notes:**

(1) Significant Changes in the scope of consolidation during the period under review: Yes

Newly added: 2 (Name) PARA MEDICAL Co., Ltd. Excluded: – (Name) –

(Name) RareJob, Inc.

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2026: 44,633,232 shares

September 30, 2025: 44,633,232 shares

2) Total number of treasury shares at the end of the period:

September 30, 2026: 49,324 shares

September 30, 2025: 3,217,142 shares

3) The average number of shares during the period:

September 30, 2026: 42,208,511 shares

September 30, 2025: 41,600,036 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2026	7,625	(8.0)	1,685	(27.1)	1,109	(53.3)	1,220	(51.6)
September 30, 2025	8,288	6.0	2,313	(16.5)	2,376	(6.6)	2,523	26.8

	Profit per share	Diluted profit per share
Fiscal year ended	yen	yen
September 30, 2026	28.91	28.77
September 30, 2025	60.66	60.29

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of September 30, 2026	84,983	41,565	48.8	929.31
As of September 30, 2025	80,252	38,072	47.2	915.22

(Reference) Equity: As of September 30, 2026: 41,432 million yen
As of September 30, 2025: 37,904 million yen

*These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Notes on proper use of financial results forecasts and special matters

(Note on forward-looking statements, etc.)

Financial performance forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions it deems rational. The actual results may vary significantly due to various factors. With regard to the assumptions for the performance forecasts and the notes on the use of the performance forecasts, please refer to “1. Overview of Business Results, (4) Future Outlook” on page 7 of the Attachments.

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1. Overview of Business Results

(1) Overview of Business Results for the Current Fiscal Year

The domestic economy continued to show a moderate overall recovery. However, the environment surrounding households and businesses remained challenging due to rising prices and interest rates. In particular, higher personnel costs, raw material costs, energy prices, and logistics costs continued to weigh on profitability across a wide range of industries.

In the education market, the competitive environment remains challenging amid the declining birthrate. Meanwhile, as learning styles continue to diversify and the digitalization of educational environments advances, a wide range of initiatives to meet diverse learning needs is expanding across all stages of education. At the compulsory education level, learning support initiatives continue to expand in response to an increase in non-attending students and widening disparities in educational opportunities attributable to income and regional factors. At the high school level, institutional reforms are progressing, including the expansion of tuition support programs. In addition, discussions are under way regarding the screening of new textbooks, including digital textbooks. In university admissions, the diversification of selection methods is stimulating demand for new services. Demand for recurrent education and reskilling among working adults is also expected to remain steady, supported by continuing learning needs.

In the nursing care and medical services market, demand for long-term care services and senior housing continues to expand amid growth in the elderly population. Meanwhile, chronic staffing shortages and upward cost pressures, including higher food, utility, and construction costs, remain key operational challenges. Under these circumstances, an extraordinary revision of long-term care reimbursement was implemented in June 2026, further advancing initiatives to improve employee compensation and working conditions. In preparation for the next revision of long-term care reimbursement scheduled for fiscal 2027, the government presented basic perspectives (draft) in September 2026. Considerations are under way regarding responses to rising prices and wages; improvements in employee compensation and working conditions; the establishment of service delivery systems suited to changes in regional population structures and demand for long-term care services; productivity improvements and workforce recruitment in long-term care settings; and ensuring the sustainability of the long-term care insurance system. Close attention is being paid to the potential impact of future policy developments on the business environment and service delivery systems of long-term care service providers.

In light of the market conditions described above, the consolidated results for this fiscal year were net sales of 210,382 million yen (up 5.7% YoY), EBITDA of 13,184 million yen (up 1.6% YoY), operating profit of 8,316 million yen (up 1.0% YoY), ordinary profit of 7,982 million yen (up 2.2% YoY), and profit attributable to owners of parent of 3,452 million yen (down 3.5% YoY).

Net sales increased by 11,262 million yen YoY, driven by growth in the number of facilities and the maintenance of high occupancy rates in the Healthcare and Nursing Domain, as well as steady growth across the Classrooms and Learning Centers, Publishing and Content Services, Childcare and Early Childhood, and Global businesses in the Education Domain.

Operating profit increased by 78 million yen YoY on a consolidated basis. Higher profits in the Classrooms and Learning Centers, Publishing and Content Services, and Childcare and Early Childhood businesses, as well as in the Healthcare and Nursing Domain, partially offset the decline in profit in the Global Business.

Ordinary profit increased by 172 million yen YoY, driven by the increase in operating profit and an improvement in non-operating income and expenses.

Profit attributable to owners of parent decreased by 126 million yen YoY, mainly due to a reversal from the gain on sale of investment securities recorded in the previous fiscal year and an increase in impairment losses.

Results by segment are as follows:
* Effective from the current consolidated fiscal year, the Company has changed its reportable segments. Comparative information for the previous consolidated fiscal year has been prepared based on the revised segment classifications. For further details, please refer to "3. Consolidated Financial Statements and Primary Notes, (5) Notes to the Consolidated Financial Statements (Segment Information)."

(million yen)

	Fiscal year ended September 30, 2025		Fiscal year ended September 30, 2026		Change	
Reportable segments	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Education Domain	108,817	6,093	111,088	5,785	2,271	(307)
Healthcare and Nursing Domain	86,985	4,081	95,913	4,323	8,928	241
Other	3,317	256	3,379	304	62	47
Adjustment	—	(2,194)	—	(2,097)	—	96
Group total	199,119	8,237	210,382	8,316	11,262	78

Classification of the Group's products and services is as follows:

Reporting segment	Large classification	Medium classification	Individual business (small classification)
Education Domain	Classrooms and Learning Centers Business	Classrooms Business	Operation of classrooms for a range of children from preschoolers to junior high school students (mainly elementary school students)
		Learning Centers Business	Operation of learning centers for a range of children from elementary school students to senior high school students
			Publishing and sale of learning materials for learning centers, assessment, and other materials
	Publishing and Content Services Business	Publishing Services Business	Publishing and sale of publications through distributors and bookstores
			Planning, production, and sale of textbooks, instruction guides for teachers, supplemental, digital learning materials, special needs education materials, and short essay tutoring services
		Content Services Business	Operation of e-learning for training programs targeting nurses
			Operation of online English conversation services
			Operation of experience-based English learning facilities
			Sale of corporate training contents and services
	Childcare and Early Childhood Business	Childcare Business	Development, and operation of nursery schools, daycare centers, afterschool program, etc.
		Early Childhood Business	Procurement, planning, production, and sale of publications, child-care products, equipment, and playground equipment for kindergartens and nursery schools, as well as apparel items for teachers, Design of facilities and equipment
	Global Business		Promotion of the Group's overseas business
			Planning, contract work, and implementation of ODA business
Healthcare and Nursing Domain	Elderly Housing Business		Planning, development, and operation of bases for elderly care services, mainly serviced apartments for the elderly
	Group Homes for the Elderly with Dementia Business		Planning, development, and operation of bases for elderly care services, mainly group homes for the elderly with dementia
Other Business Domain			Logistics business, operation of relevant systems, undertaking of contract services, etc.
			Provision of services such as accounting, HR, IT systems for group companies
			Planning and development of digital products and support for Group DX

[Education Domain]

Net sales: 111,088 million yen (up 2.1% YoY) / Operating profit: 5,785 million yen (down 307 million yen YoY; down 5.1% YoY)

(million yen)

	Fiscal Year Ended September 30, 2025		Fiscal Year Ended September 30, 2026		Change	
Main businesses	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Classrooms and Learning Centers Business	53,438	1,990	53,669	2,593	230	603
Publishing and Content Services Business	33,780	2,937	34,220	3,021	439	83
Childcare and Early Childhood Business	16,275	224	17,243	376	967	151
Global Business	5,322	940	5,956	(205)	633	(1,146)
Segment total	108,817	6,093	111,088	5,785	2,271	(307)

(Classrooms and Learning Centers Business)

Net sales: 53,669 million yen (up 0.4% YoY) / Operating profit: 2,593 million yen (up 603 million yen YoY; up 30.3% YoY)

Net sales in the Classrooms Business declined due to a decrease in the number of members, despite the positive effects of the tuition fee revision implemented in April 2025 and an improvement in the multiple-course enrollment rate, or the proportion of members taking multiple courses. Meanwhile, net sales in the Learning Centers Business increased, reflecting, among other factors, the expansion of projects commissioned by local governments in the school education support business. As a result, net sales for the Classrooms and Learning Centers Business as a whole increased.

Operating profit in the Classrooms Business increased, reflecting the contribution of the tuition fee revision and the higher multiple-course enrollment rate. Operating profit in the Learning Centers Business also increased, supported by the expansion of local government-commissioned projects in the public education support business and the consolidation and closure of unprofitable locations. Consequently, operating profit for the Classrooms and Learning Centers Business as a whole increased.

(Publishing and Content Services Business)

Net sales: 34,220 million yen (up 1.3% YoY) / Operating profit: 3,021 million yen (up 83 million yen YoY; up 2.9% YoY)

In the Publishing Services Business, net sales decreased slightly, as steady sales of publications, including children's books, study guides, and practical guides, largely offset a rebound decline from sales of teachers' guides associated with revisions to junior high school textbooks recorded in the previous fiscal year. In the Content Services Business, net sales increased, mainly due to an increase in the number of hospitals under contract for e-learning services for nurses. Consequently, net sales for the Publishing and Content Services Business as a whole increased.

Operating profit in the Publishing Services Business increased, reflecting the effects of price revisions, mainly for new titles; strong sales of high-margin study guides and language-learning books; and continued improvement in the return rate. Higher net sales in the Content Services Business also contributed, resulting in an increase in operating profit for the Publishing and Content Services Business as a whole.

(Childcare and Early Childhood Business)

Net sales: 17,243 million yen (up 5.9% YoY) / Operating profit: 376 million yen (up 151 million yen YoY; up 67.5% YoY)

Net sales in the Childcare Business increased, reflecting the stable maintenance of a high enrollment rate at nursery schools and the expansion in the scale of contracts for publicly operated after-school childcare programs. Although the Early Childhood Business posted a slight decrease in net sales, net sales for the Childcare and Early Childhood Business as a whole increased.

Operating profit increased, mainly due to higher net sales.

(Global Business)

Net sales: 5,956 million yen (up 11.9% YoY) / Operating loss: 205 million yen (deteriorated by 1,146 million yen YoY)

Net sales increased, mainly because DTP's contribution to consolidated results expanded YoY following its inclusion in the scope of consolidation from the beginning of the fiscal year.

The business recorded an operating loss, due mainly to the significant impact of a contraction in the textbook sales business following changes in Vietnam's textbook adoption system, as well as the recognition of amortization of goodwill.

[Healthcare and Nursing Domain]

Net sales: 95,913 million yen (up 10.3% YoY) / Operating profit: 4,323 million yen (up 241 million yen YoY; up 5.9% YoY)

(million yen)

	Fiscal year ended September 30, 2025		Fiscal year ended September 30, 2026		Change	
Main businesses	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Elderly Housing Business	46,587	2,252	51,048	2,450	4,460	198
Group Homes for the Elderly with Dementia Business	40,397	1,829	44,865	1,873	4,468	43
Segment total	86,985	4,081	95,913	4,323	8,928	241

(Elderly Housing Business)

Net sales: 51,048 million yen (up 9.6% YoY) / Operating profit: 2,450 million yen (up 198 million yen YoY; up 8.8% YoY)

Net sales increased, driven by the expansion in the number of facilities through new openings, the maintenance of a high occupancy rate, and the effects of price revisions implemented in March 2025 and March 2026.

Operating profit increased. Although results were affected by rising utility costs, higher prices for food ingredients and consumable supplies, and increased personnel expenses, profit growth was driven by operational improvements and the contribution from the price revision introduced in March 2026.

(Group Homes for the Elderly with Dementia Business)

Net sales: 44,865 million yen (up 11.1% YoY) / Operating profit: 1,873 million yen (up 43 million yen YoY; up 2.4% YoY)

Net sales increased due to the expansion in the number of facilities, the maintenance of a high occupancy rate, growth in ancillary businesses, including the nursing care supplies business and the building management business, and the inclusion of PARA MEDICAL Co., Ltd. in consolidation.

Operating profit increased, mainly due to higher net sales.

(2) Overview of Financial Position for the Current Fiscal Year

The Company's consolidated financial position for the fiscal year under review is summarized below.

(million yen)

Item	Fiscal Year Ended September 30, 2025	Fiscal Year Ended September 30, 2026	Change
Current Assets	70,038	74,488	4,449
Cash and Deposits	22,916	24,213	1,296
Non-Current Assets	69,155	75,468	6,313
Total Assets	139,194	149,957	10,762
Current Liabilities	40,384	46,478	6,094
Non-Current Liabilities	39,338	37,687	(1,651)
Total Liabilities	79,722	84,165	4,443
Interest-Bearing Debt*1	36,652	38,436	1,784
Total Net Assets	59,471	65,791	6,319
Total Liabilities and Net Assets	139,194	149,957	10,762
Equity Ratio (%)*2	36.9	39.0	2.1
D/E Ratio (times)*3	0.71	0.66	(0.05)

*1: Interest-bearing debt = Borrowings + Bonds payable + Lease obligations

*2: Equity ratio = Equity / Total assets

*3: D/E ratio = Interest-bearing debt / Equity

At the end of the current consolidated fiscal year, total assets increased by 10,762 million yen compared with the end of the previous consolidated fiscal year, to 149,957 million yen. The main factors were an increase in cash and deposits of 1,296 million yen, an increase in accounts receivable of 1,998 million yen, an increase in merchandise and finished goods of 637 million yen, an increase in property, plant and equipment of 1,938 million yen, an increase in intangible assets of 2,803 million yen, and an increase in investment securities of 228 million yen, among other factors.

Total liabilities increased by 4,443 million yen compared with the end of the previous consolidated fiscal year, to 84,165 million yen. The main factors were an increase in short-term borrowings of 4,880 million yen, a decrease in the current portion of long-term borrowings of 1,269 million yen, an increase in contract liabilities of 2,356 million yen, and a decrease in long-term borrowings of 1,827 million yen, among other factors.

Total net assets increased by 6,319 million yen compared with the end of the previous consolidated fiscal year, to 65,791 million yen. The main factors were an increase in capital surplus of 543 million yen, an increase in retained earnings of 2,195 million yen, a decrease in treasury stock of 2,984 million yen, and a decrease in non-controlling interests of 639 million yen, among other factors.

(3) Overview of Cash Flows for the Current Fiscal Year

(million yen)

Item	Fiscal Year Ended September 30, 2025	Fiscal Year Ended September 30, 2026	Change
Net cash provided by (used in) operating activities	7,817	8,222	405
Net cash provided by (used in) investing activities	392	(5,803)	(6,195)
Free cash flow	8,209	2,418	(5,790)
Net cash provided by (used in) financing activities	(5,604)	(1,458)	4,145
Cash and cash equivalents at end of period	20,994	22,571	1,577

Cash and cash equivalents (hereinafter, "funds") as of the end of the current consolidated fiscal year increased by 1,577 million yen from the end of the previous consolidated fiscal year, to 22,571 million yen. The status of and factors affecting each cash flow are as follows.

Net cash provided by operating activities was 8,222 million yen, compared with net cash provided of 7,817 million yen in the previous consolidated fiscal year. Major factors included profit before income taxes of 7,089 million yen, depreciation of 3,650 million yen, amortization of goodwill of 1,217 million yen, and income taxes paid of 4,343 million yen.

Net cash used in investing activities was 5,803 million yen, compared with net cash provided of 392 million yen in the previous consolidated fiscal year. Major factors included payments for the purchase of property, plant and equipment and intangible assets of 3,857 million yen, payments for the purchase of investment securities of 2,862 million yen, proceeds from sales of investment securities of 1,265 million yen, and cash and cash equivalents acquired through the acquisition of shares of subsidiaries resulting in changes in the scope of consolidation of 2,246 million yen.

Net cash used in financing activities was 1,458 million yen, compared with net cash used of 5,604 million yen in the previous consolidated fiscal year. Major factors included a net increase in short-term borrowings of 4,880 million yen, proceeds from long-term borrowings of 3,550 million yen, repayments of long-term borrowings of 6,939 million yen, and dividends paid of 1,140 million yen.

(4) Future Outlook

For the fiscal year ending September 30, 2027, the Company expects higher sales and profits, driven by growth in the recurrent education and reskilling business in the Education Domain, transformation of the Global Business, and expansion of the medical and wellness business in the Healthcare and Nursing Domain.

Accordingly, the Company forecasts consolidated net sales of 225,000 million yen, EBITDA of 14,500 million yen, operating profit of 9,500 million yen, ordinary profit of 9,200 million yen, and profit attributable to owners of parent of 4,700 million yen.

	Fiscal Year Ended September 30, 2026	Fiscal Year Ending September 30, 2027 (Forecast)	Change (YoY)
Net Sales	210,382 million yen	225,000 million yen	+6.9 %
EBITDA	13,184 million yen	14,500 million yen	+10.0 %
Operating Profit	8,316 million yen	9,500 million yen	+14.2 %
Ordinary Profit	7,982 million yen	9,200 million yen	+15.3 %
Profit attributable to owners of parent	3,452 million yen	4,700 million yen	+36.1 %
Profit per share	81.79 yen	105.42 yen	+28.9 %

The above financial performance forecasts are determined based on information currently available to the Company and include

potential risks and uncertainties. Please note that actual performance may vary significantly due to various factors.

2. Basic Stance Concerning Choice of Accounting Standards

The Group will continue to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the comparability of its consolidated financial statements across reporting periods and with those of other companies.

With respect to the application of International Financial Reporting Standards (IFRS), the Group will respond appropriately, taking into consideration circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(million yen)

	As of September 30, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	22,916	24,213
Notes receivable - trade	306	284
Accounts receivable - trade	25,736	27,735
Merchandise and finished goods	10,355	10,992
Work in process	3,702	3,398
Raw materials and supplies	235	242
Other	6,859	7,717
Allowance for doubtful accounts	(73)	(96)
Total current assets	70,038	74,488
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,629	27,565
Accumulated depreciation	(13,363)	(16,275)
Buildings and structures, net	10,265	11,289
Machinery, equipment and vehicles	762	755
Accumulated depreciation	(653)	(641)
Machinery, equipment and vehicles, net	108	114
Land	4,835	5,495
Construction in progress	25	233
Other	8,754	9,619
Accumulated depreciation	(7,069)	(7,894)
Other, net	1,684	1,724
Total property, plant and equipment	16,918	18,857
Intangible assets		
Goodwill	9,628	12,352
Other	10,109	10,188
Total intangible assets	19,738	22,541
Investments and other assets		
Investment securities	15,410	15,639
Long-term loans receivable	835	1,752
Deferred tax assets	2,616	2,584
Retirement benefit asset	3,407	4,115
Guarantee deposits	8,230	8,258
Other	2,232	2,492
Allowance for doubtful accounts	(234)	(772)
Total investments and other assets	32,498	34,069
Total non-current assets	69,155	75,468
Total assets	139,194	149,957

(million yen)

	As of September 30, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,080	6,240
Short-term borrowings	2,750	7,630
Current portion of bonds payable	—	10
Current portion of long-term borrowings	6,828	5,558
Income taxes payable	2,757	2,083
Contract liabilities	3,280	5,637
Provision for bonuses	2,726	3,159
Other	14,960	16,157
Total current liabilities	40,384	46,478
Non-current liabilities		
Bonds payable	7,000	7,000
Long-term borrowings	19,050	17,223
Long-term accounts payable	161	189
Long-term deposits received	3,915	4,049
Retirement benefit liability	5,207	5,075
Deferred tax liabilities	972	1,007
Other	3,030	3,141
Total non-current liabilities	39,338	37,687
Total liabilities	79,722	84,165
Net assets		
Shareholders' equity		
Share capital	19,817	19,817
Capital surplus	11,357	11,900
Retained earnings	21,127	23,323
Treasury shares	(3,029)	(45)
Total shareholders' equity	49,273	54,996
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,581	1,793
Deferred gains or losses on hedges	1	5
Foreign currency translation adjustment	(342)	244
Remeasurements of defined benefit plans	911	1,377
Total accumulated other comprehensive income	2,150	3,421
Share acquisition rights	167	132
Non-controlling interests	7,880	7,240
Total net assets	59,471	65,791
Total liabilities and net assets	139,194	149,957

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(million yen)

	For the Fiscal Year Ended September 30, 2025	For the Fiscal Year Ended September 30, 2026
Net sales	199,119	210,382
Cost of sales	144,166	153,485
Gross profit	54,953	56,896
Selling, general and administrative expenses	46,715	48,579
Operating profit	8,237	8,316
Non-operating income		
Interest income	124	281
Dividend income	255	174
Other	202	331
Total non-operating income	582	787
Non-operating expenses		
Interest expenses	517	677
Share of loss of entities accounted for using equity method	104	85
Foreign exchange losses	99	31
Other	288	327
Total non-operating expenses	1,009	1,122
Ordinary profit	7,810	7,982
Extraordinary income		
Gain on sale of non-current assets	181	5
Gain on sale of investment securities	1,794	294
Gain on negative goodwill incurred	416	606
Gain on step acquisitions	480	115
Other	99	105
Total extraordinary income	2,971	1,126
Extraordinary losses		
Loss on sale and retirement of non-current assets	189	185
Impairment losses	254	1,136
Loss on sale of investment securities	117	61
Loss on valuation of investment securities	1,405	497
Other	30	138
Total extraordinary losses	1,997	2,019
Profit before income taxes	8,784	7,089
Income taxes – current	4,016	3,530
Income taxes – deferred	31	(197)
Total income taxes	4,047	3,333
Profit	4,736	3,756
Profit attributable to non-controlling interests	1,158	304
Profit attributable to owners of parent	3,578	3,452

Consolidated Statements of Comprehensive Income

(million yen)

	For the Fiscal Year Ended September 30, 2025	For the Fiscal Year Ended September 30, 2026
Profit	4,736	3,756
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	234
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	(1,167)	1,240
Remeasurements of defined benefit plans, net of tax	(207)	517
Share of other comprehensive income of entities accounted for using equity method	(20)	(87)
Total other comprehensive income	(1,407)	1,906
Comprehensive income	3,328	5,662
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,603	4,722
Comprehensive income attributable to non-controlling interests	725	940

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended September 30, 2025 (October 1, 2024 to September 30, 2025)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,817	12,102	18,615	(2,187)	48,348
Changes during period					
Dividends of surplus			(1,066)		(1,066)
Profit attributable to owners of parent			3,578		3,578
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		(7)		159	151
Change in ownership interest of parent due to transactions with non-controlling interests		(737)			(737)
Net changes in items other than shareholders' equity					
Total changes during period	—	(745)	2,512	(841)	925
Balance at end of period	19,817	11,357	21,127	(3,029)	49,273

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,624	(0)	385	1,115	3,125	199	1,980	53,653
Changes during period								
Dividends of surplus								(1,066)
Profit attributable to owners of parent								3,578
Purchase of treasury shares								(1,000)
Disposal of treasury shares								151
Change in ownership interest of parent due to transactions with non-controlling interests								(737)
Net changes in items other than shareholders' equity	(43)	1	(728)	(204)	(974)	(31)	5,899	4,893
Total changes during period	(43)	1	(728)	(204)	(974)	(31)	5,899	5,818
Balance at end of period	1,581	1	(342)	911	2,150	167	7,880	59,471

For the fiscal year ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,817	11,357	21,127	(3,029)	49,273
Changes during period					
Dividends of surplus			(1,140)		(1,140)
Profit attributable to owners of parent			3,452		3,452
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		249		2,985	3,234
Change in ownership interest of parent due to transactions with non-controlling interests		293			293
Changes in scope of consolidation			(115)		(115)
Net changes in items other than shareholders' equity					
Total changes during period	—	543	2,195	2,984	5,722
Balance at end of period	19,817	11,900	23,323	(45)	54,996

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,581	1	(342)	911	2,150	167	7,880	59,471
Changes during period								
Dividends of surplus								(1,140)
Profit attributable to owners of parent								3,452
Purchase of treasury shares								(1)
Disposal of treasury shares								3,234
Change in ownership interest of parent due to transactions with non-controlling interests								293
Changes in scope of consolidation								(115)
Net changes in items other than shareholders' equity	212	4	587	465	1,270	(34)	(639)	596
Total changes during period	212	4	587	465	1,270	(34)	(639)	6,319
Balance at end of period	1,793	5	244	1,377	3,421	132	7,240	65,791

(4) Consolidated Statements of Cash Flows

(million yen)

	For the Fiscal Year Ended September 30, 2025	For the Fiscal Year Ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,784	7,089
Depreciation	3,508	3,650
Impairment losses	254	1,136
Amortization of goodwill	1,228	1,217
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	8	180
Loss (gain) on sale and valuation of investment securities	(270)	264
Gain on negative goodwill incurred	(416)	(606)
Loss (gain) on step acquisitions	(480)	(115)
Increase (decrease) in provisions	250	926
Decrease (increase) in retirement benefit asset	(230)	(708)
Increase (decrease) in retirement benefit liability	37	502
Interest and dividend income	(380)	(455)
Interest expenses	517	677
Share of loss (profit) of entities accounted for using equity method	104	85
Decrease (increase) in trade receivables	(2,599)	(458)
Decrease (increase) in inventories	(1,344)	(85)
Increase (decrease) in trade payables	437	(1,673)
Increase (decrease) in accrued consumption taxes	179	(70)
Decrease (increase) in other assets	489	(16)
Increase (decrease) in other liabilities	313	1,178
Other	415	52
Subtotal	10,807	12,771
Interest and dividends received	483	469
Interest paid	(513)	(675)
Income taxes paid	(2,960)	(4,343)
Net cash provided by operating activities	7,817	8,222
Cash flows from investing activities		
Payments into time deposits	(186)	(234)
Proceeds from withdrawal of time deposits	83	412
Purchase of property, plant and equipment and intangible assets	(3,608)	(3,857)
Proceeds from sale of property, plant and equipment and intangible assets	4,171	278
Purchase of investment securities	(3,550)	(2,862)
Proceeds from sale of investment securities	2,581	1,265
Net decrease (increase) in short-term loans receivable	(302)	(506)
Long-term loan advances	(527)	(1,945)
Proceeds from collection of long-term loans receivable	39	100
Payments of guarantee deposits	(264)	(186)
Proceeds from refund of guarantee deposits	205	92
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	—	(556)
Proceeds from purchase of shares of subsidiaries resulting in changes in the scope of consolidation	2,546	2,246
Subsidies received	116	126
Other	(912)	(176)
Net cash provided by (used in) investing activities	392	(5,803)

(million yen)

	For the Fiscal Year Ended September 30, 2025	For the Fiscal Year Ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,697)	4,880
Proceeds from long-term borrowings	5,300	3,550
Repayments of long-term borrowings	(6,383)	(6,939)
Proceeds from issuance of bonds	6,957	—
Redemption of bonds	(6,000)	(30)
Purchase of treasury shares	(1,006)	(1)
Purchase of treasury shares of subsidiaries	—	(90)
Dividends paid	(1,066)	(1,140)
Dividends paid to non-controlling interests	(220)	(580)
Purchase of shares of subsidiaries without change in scope of consolidation	(1,199)	(788)
Other	(287)	(317)
Net cash provided by (used in) financing activities	(5,604)	(1,458)
Effect of exchange rate change on cash and cash equivalents	(379)	351
Net increase (decrease) in cash and cash equivalents	2,225	1,312
Cash and cash equivalents at beginning of period	18,768	20,994
Increase in cash and cash equivalents resulting from changes in scope of consolidation	—	243
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	21
Cash and cash equivalents at end of period	20,994	22,571

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Segment Information)

1. Description of reportable segments

(1) Determination of reportable segments

The Group's reportable segments are the Group's business units for which separate financial information can be obtained and which are subject to periodic reviews by the Board of Directors for deciding the allocation of management resources and evaluating business performance.

The Group has adopted a holding company structure. The Company, the holding company, formulates the Group's management strategies and manages the performance of its operating subsidiaries. The Company's operating subsidiaries formulate comprehensive strategies regarding their respective products and services and conduct business in and outside Japan.

Based on the business scale and importance for the Group's management strategy, the Group classifies its businesses into two reportable segments: Education Domain and Healthcare and Nursing Domain. These businesses are positioned as the Group's core businesses.

(2) Type of products and services belonging to each reportable segment

The Education Domain comprises the Classrooms and Learning Centers Business, which operates classrooms for children from preschool age through junior high school and cram schools; the Publishing and Content Services Business, which publishes and sells publications and provides online language-learning services; the Childcare and Early Childhood Business, which operates nursery schools and certified childcare centers and plans and produces publications and other products for nursery schools and kindergartens; and the Global Business, which promotes the Group's overseas businesses.

The Healthcare and Nursing Domain comprises the Elderly Housing Business, which plans, develops, and operates nursing care service facilities centered on serviced housing for the elderly; and the Group Homes for the Elderly with Dementia Business, which plans, develops, and operates nursing care service facilities centered on group homes for elderly persons with dementia.

(3) Matters Concerning Changes in Reportable Segments

Effective from the current consolidated fiscal year, for the purpose of strengthening collaboration among childcare and early childhood-related businesses and expanding and accelerating the development of overseas businesses, the Company has changed the reportable segment of Gakken Cocofump Nursery Co., Ltd. from the Healthcare and Nursing Domain to the Education Domain. In addition, the reportable segments of DTP Education Solutions JSC, Gakken (Hong Kong) Limited, and IC Net Co., Ltd. have been changed from Other to the Education Domain. There have been no changes to the reportable segments themselves.

Segment information for the previous consolidated fiscal year has been prepared based on the revised segment classification.

2. Method of Measurement for the Amounts of Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The accounting treatment methods used for the reported business segments are generally the same as those adopted for preparing the consolidated financial statements.

Profit by reportable segment is measured based on operating profit. Inter-segment internal sales and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit or loss, assets and liabilities, and other items by reportable segment

For the fiscal year ended September 30, 2025 (October 1, 2024 to September 30, 2025)

(million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2 and 3	Amount recorded in consolidated financial statements (Note) 4
	Education Domain	Healthcare and Nursing Domain	Total				
Net sales							
Net sales to external customers	108,817	86,985	195,802	3,317	199,119	—	199,119
Inter-segment internal sales or transfers	336	99	435	7,514	7,950	(7,950)	—
Total	109,153	87,084	196,237	10,832	207,069	(7,950)	199,119
Segment profit	6,093	4,081	10,175	256	10,432	(2,194)	8,237
Segment assets	78,392	37,279	115,671	3,892	119,564	19,630	139,194
Other items							
Depreciation	2,329	876	3,206	250	3,457	51	3,508
Amortization of goodwill	495	733	1,228	—	1,228	—	1,228
Impairment losses	252	—	252	1	254	—	254
Investment in entities accounted for using equity method	2,713	—	2,713	—	2,713	—	2,713
Increase in property, plant and equipment and intangible assets	8,684	983	9,667	735	10,402	31	10,433

(Notes)

1. “Other” includes logistics and other businesses that are not included in the reportable segments.
2. The adjustment of negative 2,194 million yen for “Segment profit” includes negative 2,184 million yen in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
3. The “adjustment” under “segment assets” includes corporate assets of 19,630 million yen. The corporate assets consist mainly of surplus funds for management (i.e., cash and deposits), long-term investments (i.e., investment securities), and assets related to administrative departments at the parent company.
4. Total amount of “Segment profit” is reconciled with operating profit reported in the consolidated statements of income.
5. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include long-term prepaid expenses.

For the fiscal year ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(million yen)

	Reportable segment			Other (Note) 1	Total	Adjustment (Notes) 2 and 3	Amount recorded in consolidated financial statements (Note) 4
	Education Domain	Healthcare and Nursing Domain	Total				
Net sales							
Net sales to external customers	111,088	95,913	207,002	3,379	210,382	—	210,382
Inter-segment net sales or transfers	358	102	460	6,216	6,677	(6,677)	—
Total	111,446	96,016	207,463	9,595	217,059	(6,677)	210,382
Segment profit	5,785	4,323	10,109	304	10,414	(2,097)	8,316
Segment assets	86,373	42,246	128,619	2,165	130,785	19,171	149,957
Other items							
Depreciation	2,557	722	3,279	322	3,602	48	3,650
Amortization of goodwill	445	772	1,217	—	1,217	—	1,217
Impairment losses	417	—	417	718	1,136	—	1,136
Investment in entities accounted for using equity method	1,978	—	1,978	—	1,978	—	1,978
Increase in property, plant and equipment and intangible assets	1,985	1,306	3,291	763	4,055	20	4,076

(Notes)

1. “Other” includes business segments that are not included in the reportable segments, such as the logistics business.
2. The adjustment of negative 2,097 million yen for “Segment profit” includes negative 2,099 million yen in company-wide expenses that were not allocated to specific reportable segments. Company-wide expenses are mainly general and administrative expenses that are not attributable to a reportable segment.
3. The “adjustment” under “Segment assets” includes corporate assets of 19,171 million yen. The corporate assets consist mainly of surplus funds for management (i.e., cash and deposits), long-term investments (i.e., investment securities), and assets related to administrative departments at the parent company.
4. The total amount of ‘Segment profit’ is reconciled with operating profit reported in the consolidated statements of income.
5. “Depreciation” and “increase in property, plant and equipment and intangible assets” include long-term prepaid expenses.

(Per Share Information)

For the fiscal year ended September 30, 2025		For the fiscal year ended September 30, 2026	
Net assets per share	1,241.65 Yen	Net assets per share	1,310.28 Yen
Profit per share	86.02Yen	Profit per share	81.79Yen
Diluted profit per share	85.49Yen	Diluted profit per share	81.38Yen

(Notes) 1. The basis for the calculation of net assets per share is as follows.

Item	As of September 30, 2025	As of September 30, 2026
Total net assets (million yen)	59,471	65,791
Deductions from total net assets (million yen)	8,047	7,373
(of which share acquisition rights) (million yen)	(167)	(132)
(of which non-controlling interests) (million yen)	(7,880)	(7,240)
Net assets applicable to common stock at end of period (million yen)	51,424	58,417
Number of shares of common stock at end of period used for the calculation of net assets per share (Thousand shares)	41,416	44,583

2. The basis for the calculation of profit per share and diluted profit per share is as follows.

Item	For the fiscal year ended September 30, 2025	For the fiscal year ended September 30, 2026
Profit per share		
Profit attributable to owners of parent (million yen)	3,578	3,452
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common stock (million yen)	3,578	3,452
Average number of shares of common stock during the period (Thousand shares)	41,600	42,208
Diluted profit per share		
Adjustment for profit attributable to owners of parent (million yen)	—	—
Increase in number of shares of common stock (Thousand shares)	256	210
(of which share acquisition rights) (Thousand shares)	(256)	(210)
Overview of residual shares not included in calculation of diluted profit per share due to lack of dilutive effect	—	—

(Significant Subsequent Events)

There is no relevant information.