
Gakken Group Business Overview

February 2024
Gakken Holdings Co., Ltd.



INDEX

• About Gakken Group	.....	P.03
• External Environment	.....	P.11
• Consolidated Performance Trends	.....	P.15
• Main Businesses	.....	P.21
• Education Business	.....	P.24
• Healthcare and Nursing Business	.....	P.34
• Gakken2025 Corporate Strategy	.....	P.43
• Sustainability Promotion	.....	P.51

About Gakken Group



The late Hideto Furuoka founded Gakken group in 1946 with the conviction that “There is nothing more important than education for post-war (World War II) reconstruction.”

Fully embracing the founding aim of contributing to solving social issues, the Group has been developing a wide range of businesses, currently focused on the Education domain and Healthcare and nursing domain.

Corporate Identity

Gakken Compass

Philosophy

The Gakken Group aspires to enrich the lives of everyone.
We strive to deliver experiences that inspire joy, satisfaction
and peace of mind today, while fostering dreams and hopes for tomorrow

Aspiration

Inspire Unlimited Potential

Gakken Initial Values

- Growth** Contribute to the sustainable growth of humanity and society
- Action** Take actions to create new opportunities
- Knowledge** Keep learning and take initiatives to leverage your knowledge
- Kindness** Be kind to customers and colleagues
- Enjoy** Enjoy your potential to help others discovering theirs
- New Stage** Expand your opportunities globally with infinite potential

Message

Did you do your best today?

Gakken

The Gakken Group by Numbers



Founding

1946

Address : 2-11-8 Nishigotanda, Shinagawa-ku, Tokyo

Group Companies



109

(Including affiliates)
*As of December 31, 2023

Number of employees (Consolidated)

28,162



Male-to-female ratio

35.3%



64.7%



Net Sales

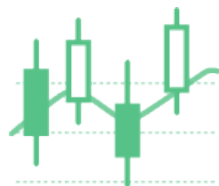
1,641

Hundred million yen

Operating Profit

61

Hundred million yen



Securities Code

9470

Tokyo Stock Exchange
Prime Market

Stock Price

871 yen

ROE

6.3%

PER

12.0x

PBR

0.73x

*Numbers without notes are as of September 30, 2023. Numbers are rounded to the nearest unit.

History of Gakken Group

1946 ~ 1969

Apr. 1946

The late Hideto Furuoka founds Gakushu Kenkyusha with the conviction that "There is nothing more important than education for post-war (World War II) reconstruction"



Jul. 1946

The first series of Roku Nen no Gakushu (Learning for Sixth Graders) is published



Mar. 1947

Gakushu Kenkyusha is reorganized and incorporated as Gakken Co., Ltd.

Apr. 1957

The first issues of Chugaku Ichi Nen Course (Course for Junior High School First Years) and Chugaku Ni Nen Course (Course for Junior High School Second Years)



Jun. 1967

The Genshoku New Modern Encyclopedia is published



1970 ~ 1999

Mar. 1970

A 360-degree astrorama image is exhibited in the Midori-kan Pavilion at Expo '70 in Osaka

Apr. 1977

Publication of My Coach home learning materials for junior high school students begins

May 1979

Education magazines: Gakushu (Learning) and Kagaku (Science) circulation reaches 6.7 million copies



Aug. 1982

Gakken Co., Ltd. is listed on the second section of the Tokyo Stock Exchange

Feb. 1984

Gakken Co., Ltd. is listed on the first section of the Tokyo Stock Exchange

Apr. 1980

Gakken Math and Japanese Language Classroom (now Gakken Classroom) opens



Oct. 1986

Manabukun, a personal learning system using computer-assisted instruction, is launched



2000 ~

Mar. 2006

Cocofump Lake Hills, Gakken group's first rental housing for the elderly, opens



Oct. 2009

Gakken Co., Ltd. is split up and the Group switches to a holding company system under Gakken Holdings Co., Ltd.



Sep. 2016

Cocofump Fujisawa SST opens in Fujisawa Sustainable Smart Town, Kanagawa prefecture

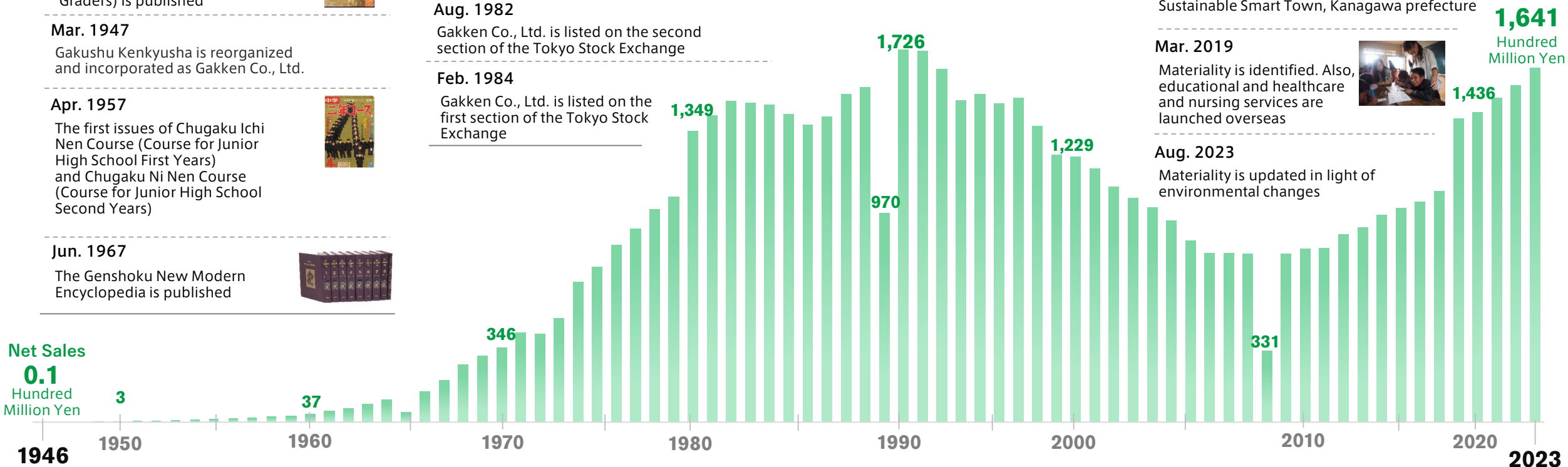
Mar. 2019

Materiality is identified. Also, educational and healthcare and nursing services are launched overseas



Aug. 2023

Materiality is updated in light of environmental changes



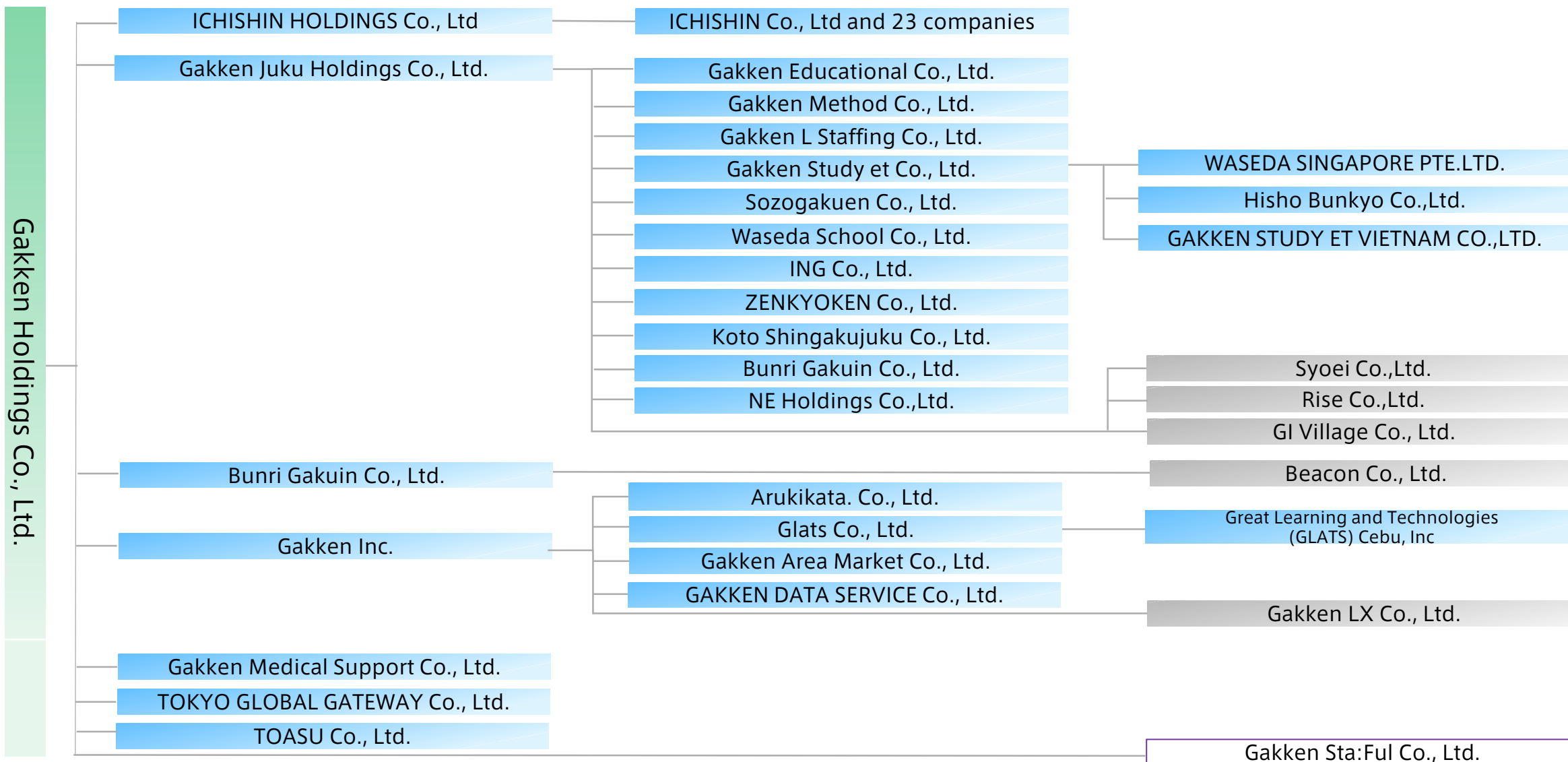
Organization Chart (Educational Domain)

Educational Domain

Consolidated subsidiaries : 50

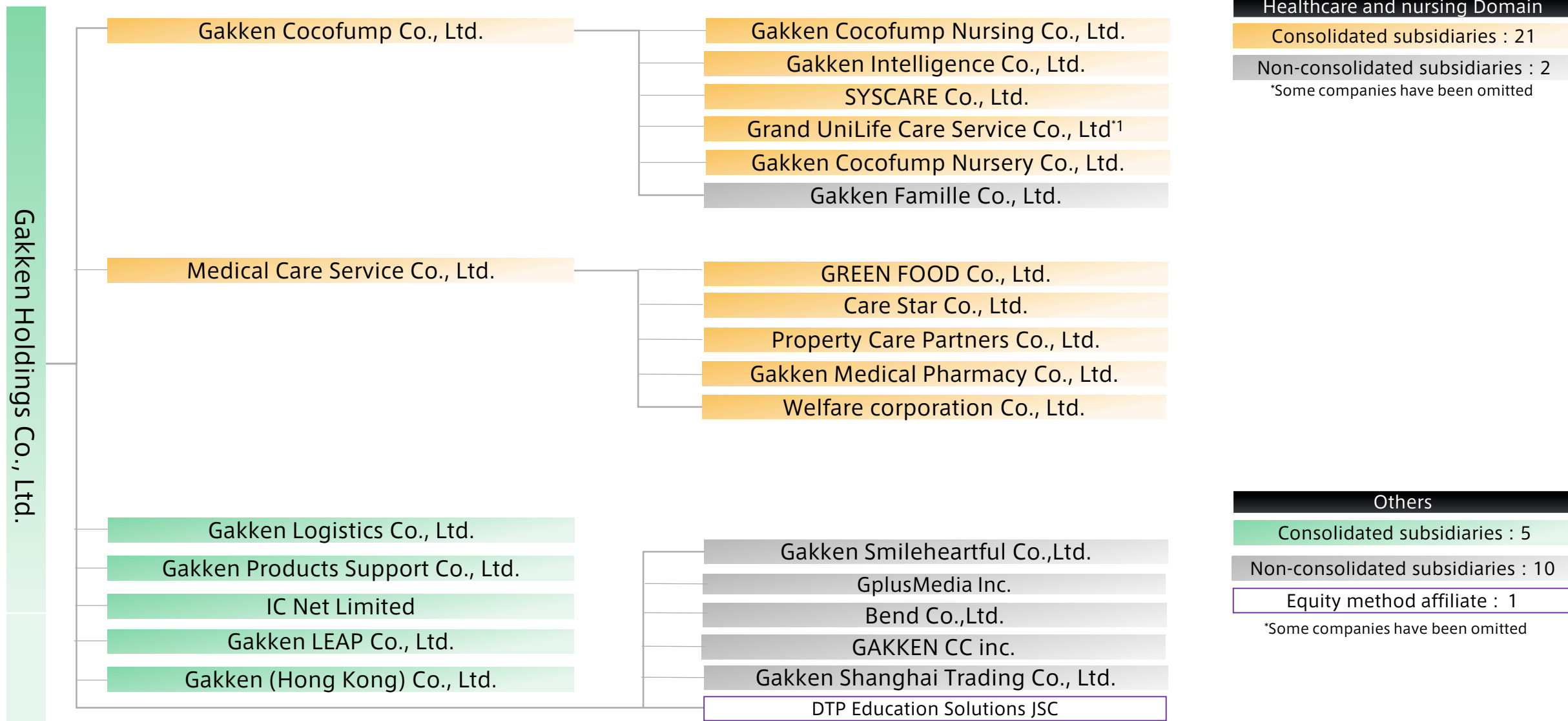
Non-consolidated subsidiaries : 8

Equity method affiliate : 1



*As of December 31, 2023
 *Some companies have been omitted

Organization Chart (Healthcare and Nursing Domain, Others)



* As of December 31, 2023

History

Date	Overview
Mar. 1947	Gakusyu Kenkyusha Co., Ltd. (now Gakken Holdings Co., Ltd.) was established
Sep. 1975	Shujunsha Co., Ltd. (now Gakken Inc., a consolidated subsidiary) was established
Aug. 1982	Gakusyu Kenkyusha Co., Ltd. was listed in the second section of the Tokyo Stock Exchange
Feb. 1984	Gakusyu Kenkyusha Co., Ltd. was listed in the first section of the Tokyo Stock Exchange
Mar. 1987	Gakken (Hong Kong) Co., Ltd. was established (now a consolidated subsidiary)
Oct. 1992	Gakken Logistics Co., Ltd. was established (now a consolidated subsidiary)
Apr. 1994	Gakken Toy Hobby Co., Ltd. (now Gakken Sta:Ful Co., Ltd., a equity method affiliate) was established
Jul. 2004	Cocofump Co., Ltd. (now Gakken Cocofump Co., Ltd., a consolidated subsidiary) was established
Feb. 2005	Gakken R&C Co., Ltd. (now GAKKEN DATA SERVICE Co., Ltd., a consolidated subsidiary) was established
Nov. 2005	Gakken Method Co., Ltd. was established (now a consolidated subsidiary)
Nov. 2006	Gakken Area Market Co., Ltd. was established (now a consolidated subsidiary)
Dec. 2006	Tohoku Best Study Co., Ltd. (now Gakken Study et Co., Ltd., a consolidated subsidiary) was acquired
Mar. 2007	Turtle Study Staff Co., Ltd. (now Gakken L Staffing Co., Ltd., a consolidated subsidiary) was acquired
Feb. 2008	Shubunsha Co., Ltd. (now Gakken Study et Co., Ltd., a consolidated subsidiary) and WASEDA SINGAPORE PTE.LTD. (now a consolidated subsidiary) were acquired

Date	Overview
May 2008	Gakken Cocofump Co., Ltd., Gakken Cocofump Nursery Co., Ltd., and Gakken Cocofump Staff Co., Ltd. (now Gakken Intelligence Co., Ltd.) were established (now consolidated subsidiaries)
Jan. 2009	Sozogakuen Co., Ltd. and Waseda School Co., Ltd. were acquired (now consolidated subsidiaries) Gakken E-mirai Co., Ltd. was established (now Gakken Inc., a consolidated subsidiary)
Oct. 2009	Gakken Co., Ltd. switched to a holding company system under Gakken Holdings Co., Ltd. (hereafter, GHD) GHD became a split company and was split into the following companies through incorporation-type company split and absorption-type company split (100% subsidiaries) Gakken Educational Co., Ltd. (now a consolidated subsidiary) Gakken Marketing Co., Ltd. (now Gakken Inc., a consolidated subsidiary) Gakken Shuppan Service Co., Ltd. (now Gakken Inc., a consolidated subsidiary) Gakken E-mirai Co., Ltd. (now Gakken Inc., a consolidated subsidiary) Gakken Medical Shujunsha Co., Ltd. (now Gakken Inc., a consolidated subsidiary) Gakken Products Support Co., Ltd. (now a consolidated subsidiary), and five other companies
Apr. 2010	Gakken Network Co., Ltd. changed its trade name to Gakken Juku Holdings Co., Ltd. (now a consolidated subsidiary) and succeeded the subsidiary management business of GHD and Gakken Educational Co., Ltd.
Apr. 2011	Gakken Nursing Support Co., Ltd. was established (now Gakken Medical Support Co., Ltd., a consolidated subsidiary)
Jun. 2012	Gakken Smileheartful Co., Ltd. was established (now a non-consolidated subsidiary)
Sep. 2012	You-Me-Care Co., Ltd. was acquired (now Gakken Cocofump Co., Ltd., a consolidated subsidiary)
Oct. 2012	Fukuoka Yoikono Gakushusha Co., Ltd. was acquired (now Gakken Area Market Co., Ltd., a consolidated subsidiary)
Jan. 2013	ING Co., Ltd. and National Medical Education Promotion Association Co., Ltd. were acquired (now ING Co., Ltd., a consolidated subsidiary)

History

Date	Overview
May 2013	GI Village Co., Ltd. was established (now a non-consolidated subsidiary)
Oct. 2014	SYSCARE Co., Ltd. and SPA Co., Ltd. were acquired (now SYSCARE Co., Ltd., a consolidated subsidiary)
Mar. 2015	BUNRI Co., Ltd. was acquired (now a consolidated subsidiary)
Oct. 2015	Gakken Marketing Co., Ltd. merged with two Group companies then changed its name to Gakken Plus Co., Ltd. (now Gakken Inc., a consolidated subsidiary) Gakken Cocofump Nursing Co., Ltd. was established (now a consolidated subsidiary)
Nov. 2016	Koto Shingakujuku Co., Ltd. and Koshinsha Co., Ltd. were acquired (now Koto Shingakujuku Co., Ltd., a consolidated subsidiary)
Feb. 2017	TOKYO GLOBAL GATEWAY Co., Ltd. was established (now a consolidated subsidiary)
May 2017	Acquired additional shares in Ichishin Holdings Co., Ltd. (now a consolidated subsidiary)
Nov. 2017	Bunri Gakuin Co., Ltd. was acquired (now a consolidated subsidiary) Beacon Co., Ltd. was established (now a non-consolidated subsidiary)
Feb. 2018	JTEX Management Center Co., Ltd. was acquired (now TOASU Co., Ltd., a consolidated subsidiary)
Sep. 2018	Medical Care Service Co., Ltd. was acquired (now a consolidated subsidiary)
Dec. 2018	Hisho Bunkyo Co., Ltd. was acquired (now a consolidated subsidiary)
Apr. 2019	GAKKEN STUDY ET VIETNAM CO., LTD. was established (now a consolidated subsidiary)
Sep. 2019	IC Net Co., Ltd. was acquired (now a consolidated subsidiary)

Date	Overview
Dec. 2020	Arukikata. Co., Ltd. was established (now a consolidated subsidiary)
Sep. 2021	YGC Co., Ltd. was established (now a non-consolidated subsidiary) Bend Co., Ltd. was acquired (now a non-consolidated subsidiary)
Oct. 2021	Dontokoi Inc. was acquired (now GAKKEN CC Inc. a non-consolidated subsidiary)
Dec. 2021	Gakken LEAP Co., Ltd. was established (now a consolidated subsidiary)
Mar. 2022	GPlusMedia Inc. was acquired (now a non-consolidated subsidiary) Gakken Shanghai Trading Co., Ltd. was established (now a non-consolidated subsidiary)
Apr. 2022	Transferred from first section of the Tokyo Stock Exchange to the Prime Market due to market restructuring Syoei Co., Ltd. was acquired (now a non-consolidated subsidiary)
Oct. 2022	Absorbed the four companies of Gakken E-mirai Co., Ltd., Gakken Plus Co., Ltd., Gakken Medical Shujunsha Co., Ltd., and Gakken Shuppan Service Co., Ltd., then changed its name to Gakken Inc. (now a consolidated subsidiary) Gakken Famille Co., Ltd. was established (now a non-consolidated subsidiary)
Apr. 2023	Acquired shares of DTP Education Solutions JSC (now an equity method affiliate)
May 2023	NE Holdings Co., Ltd. was acquired (now a consolidated subsidiary)
Jul. 2023	Turned Ichishin Holdings Co., Ltd. into a consolidated subsidiary Changed Gakken Sta:Ful Co., Ltd. to an equity method affiliate
Nov. 2023	Acquired all shares of Grand UniLife Care Service Co., Ltd.

External Environment

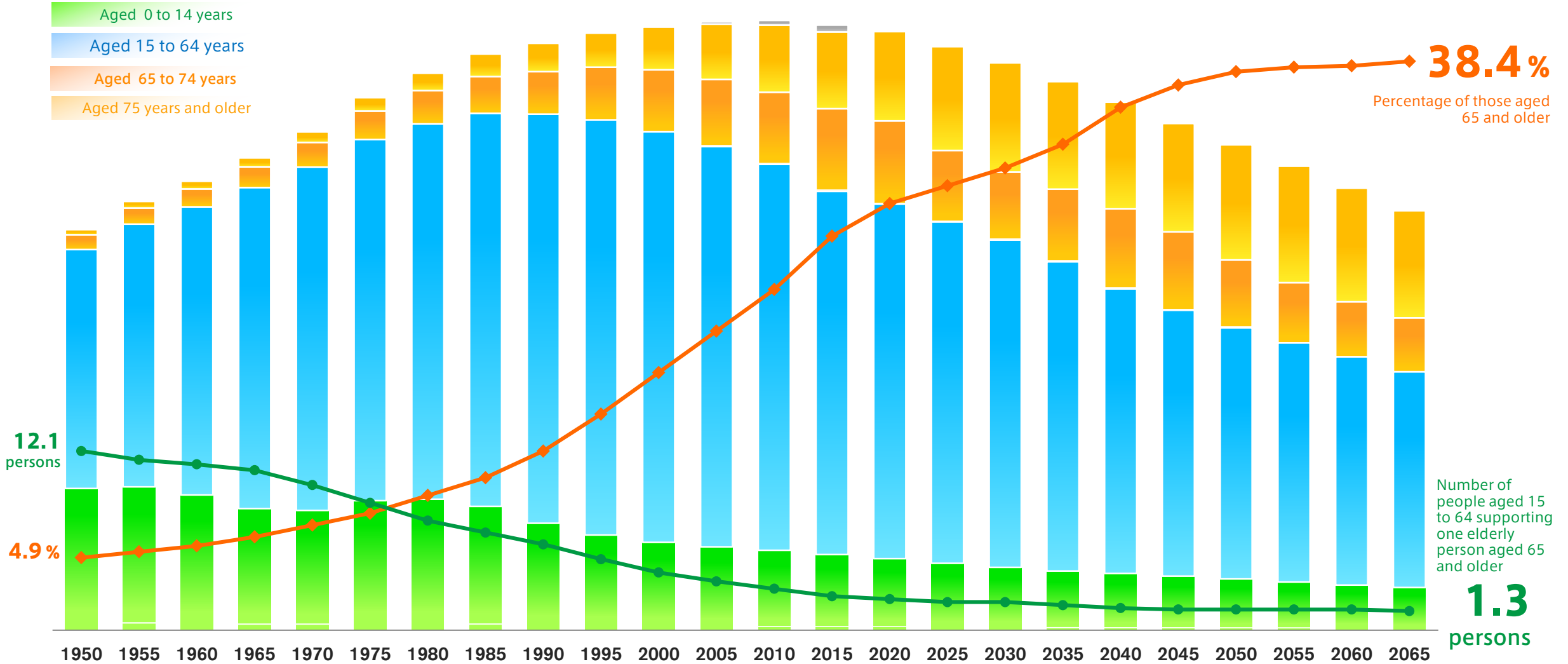


The decreasing birthrate in Japan is rapidly progressing, and the number of births for 2023 decreased 5.1% to around 758,000.

On the other hand, the aging population is rising steadily, with a diversification in the lifestyles and needs of the elderly. We introduce the external environment and business opportunities surrounding Gakken group.

Japan, Where the Birthrate is Declining and the Population is Aging

The number of elderly aged 65 and older, shown in orange, estimated to continue growing until 2042. The market for the elderly business is expected to continue expanding. On the other hand, the number of people aged 15 and under, shown in green, is rapidly decreasing.

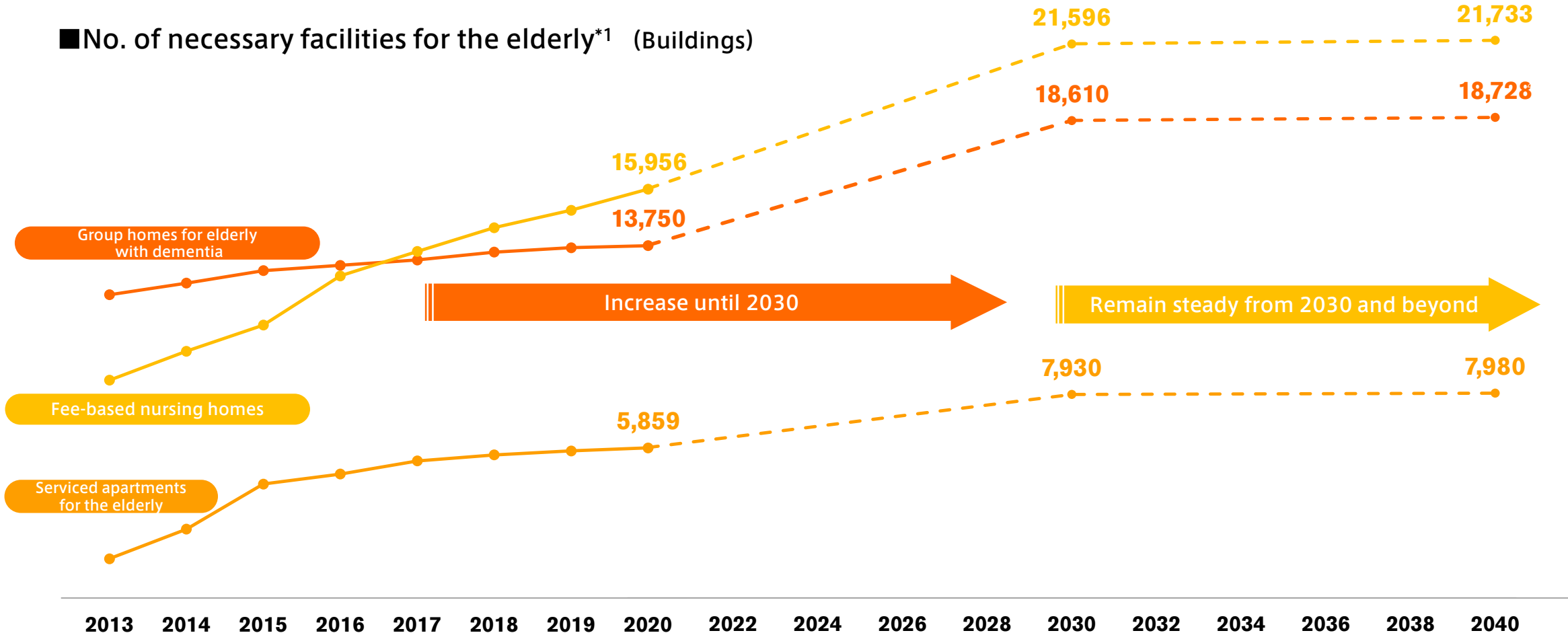


Source: 2022 Annual Report on the Ageing Society https://www8.cao.go.jp/kourei/whitepaper/w-2022/zenbun/pdf/1s1s_01.pdf (Japanese version only)

Demand for Facilities for the Elderly Expected to Increase Steadily Until 2030

Currently, the number of the elderly aged 65 or older has exceeded 35 million and is expected to peak in 2042. With this, demand for housing and facilities for the elderly is expected to increase steadily until 2030. Gakken group is proactively opening new facilities to respond to these needs.

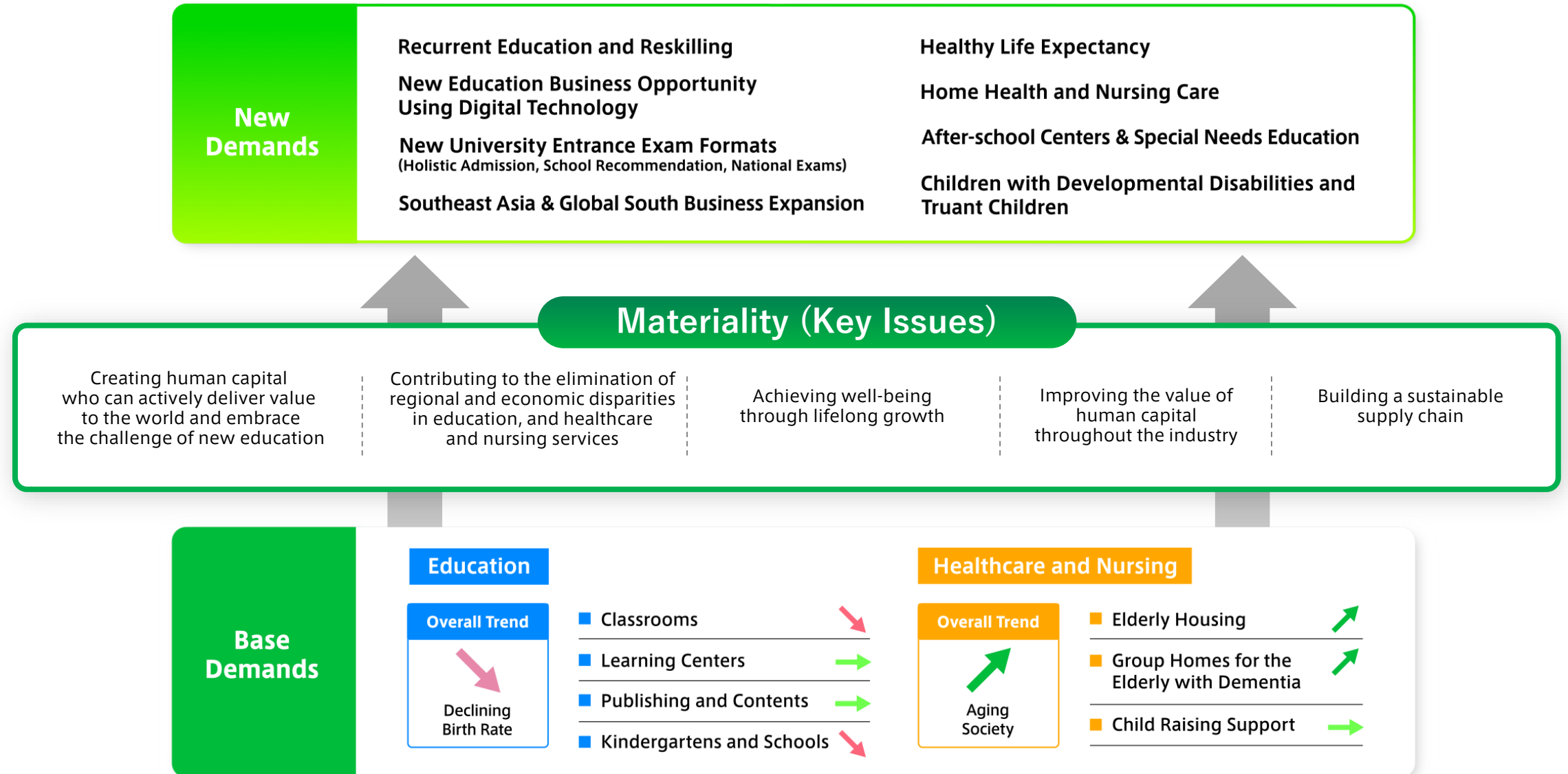
■ No. of necessary facilities for the elderly*1 (Buildings)



Source: 2022 Annual Report on the Ageing Society https://www8.cao.go.jp/kourei/whitepaper/w-2022/zenbun/pdf/1s1s_01.pdf (Japanese version only).
 Numbers are excerpted from the Survey of Social Welfare Institutions and Statistics of Long-term Care Benefit Expenditures by the Ministry of Health, Labour and Welfare.
 The year 2020 and beyond are estimated from demographics of the elderly from 2015 to 2020

Linkage between Projected Business Environment Under Gakken 2025 and Group Materiality

While securing base demand, we will capture new demand and meet customers' expectations through initiatives to address materiality.



Consolidated Performance Trends

Gakken group has continued to grow steadily after switching to a holding company system in 2009. In the fiscal year ended September 30, 2023, we achieved an increase in revenue for the 14th consecutive fiscal year.

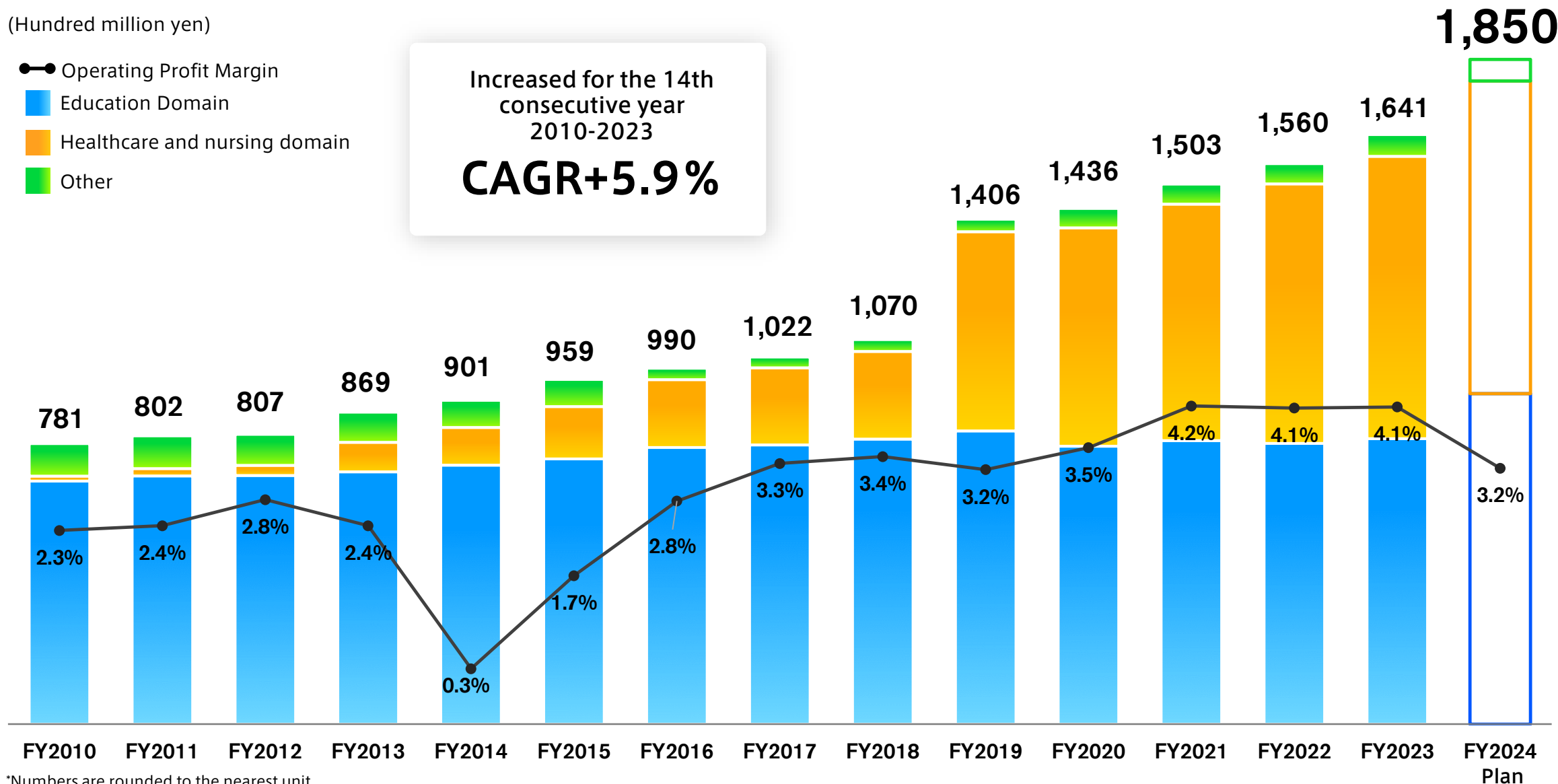
As for shareholder returns, we were able to increase dividends for the sixth consecutive fiscal year.

Full-year Trends in Consolidated Net Sales and Operating Profit Margin

(Hundred million yen)

- Operating Profit Margin
- Education Domain
- Healthcare and nursing domain
- Other

Increased for the 14th consecutive year
2010-2023
CAGR+5.9%



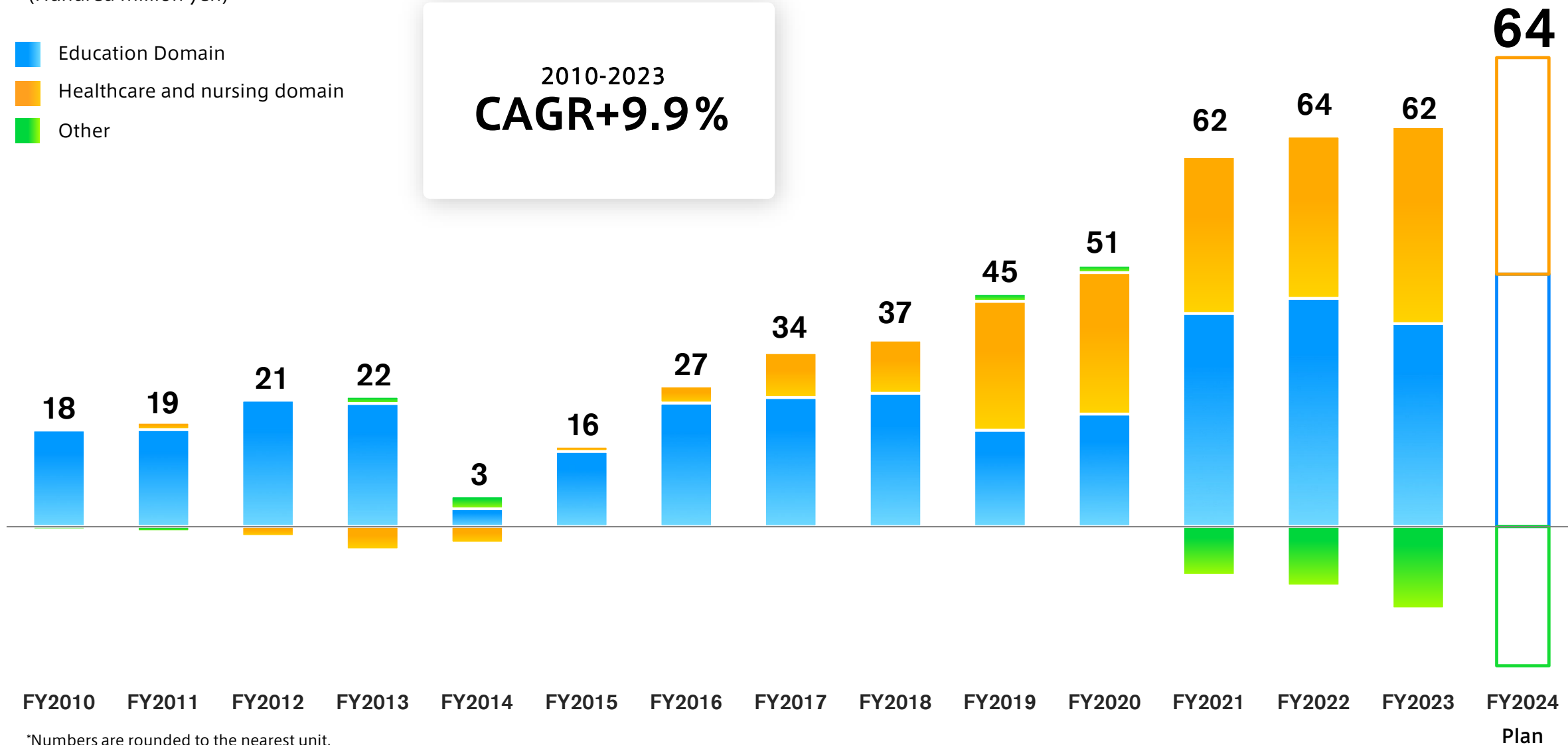
*Numbers are rounded to the nearest unit.

Full-year Trends in Consolidated Operating Profit

(Hundred million yen)

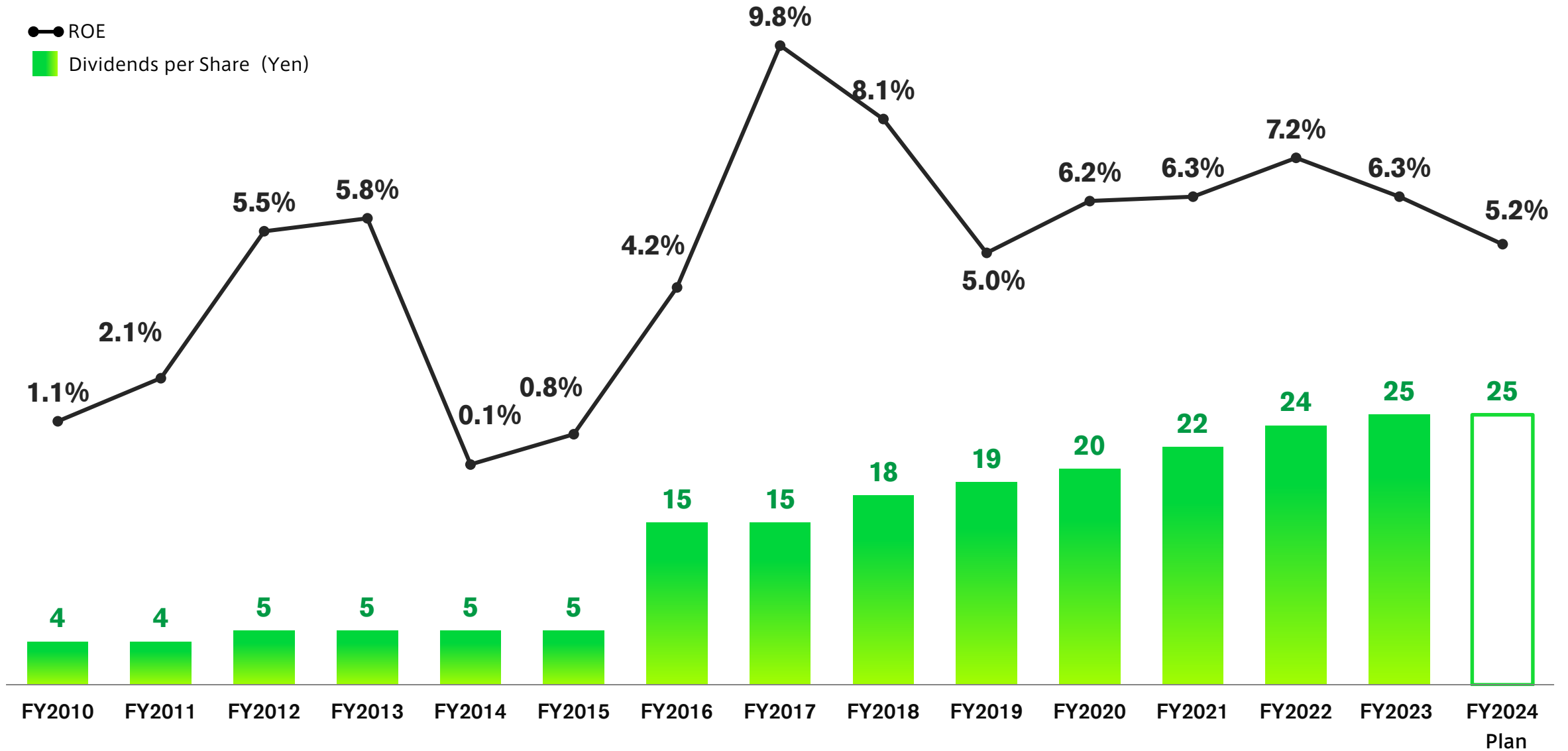
- Education Domain
- Healthcare and nursing domain
- Other

2010-2023
CAGR+9.9%



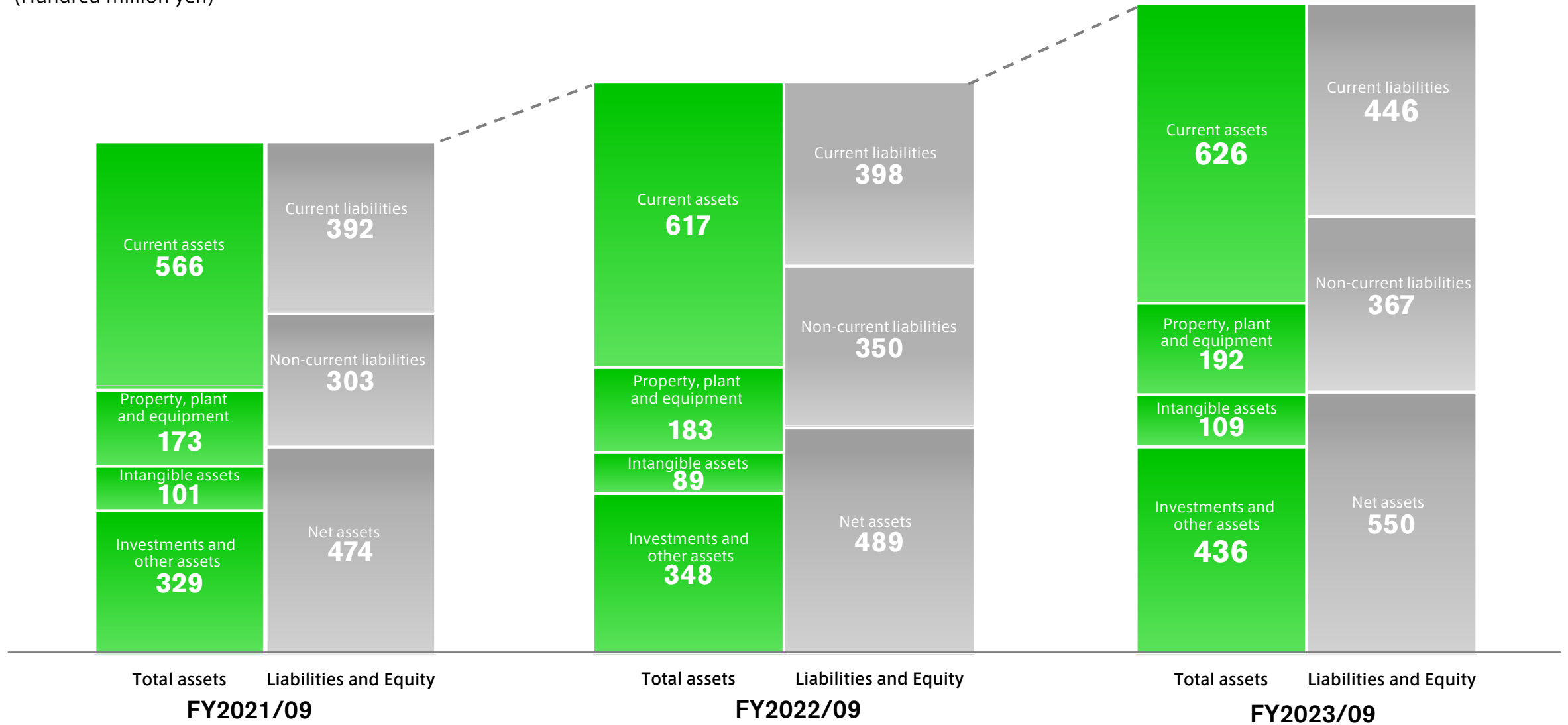
*Numbers are rounded to the nearest unit.

Trends in ROE and Dividends per Share



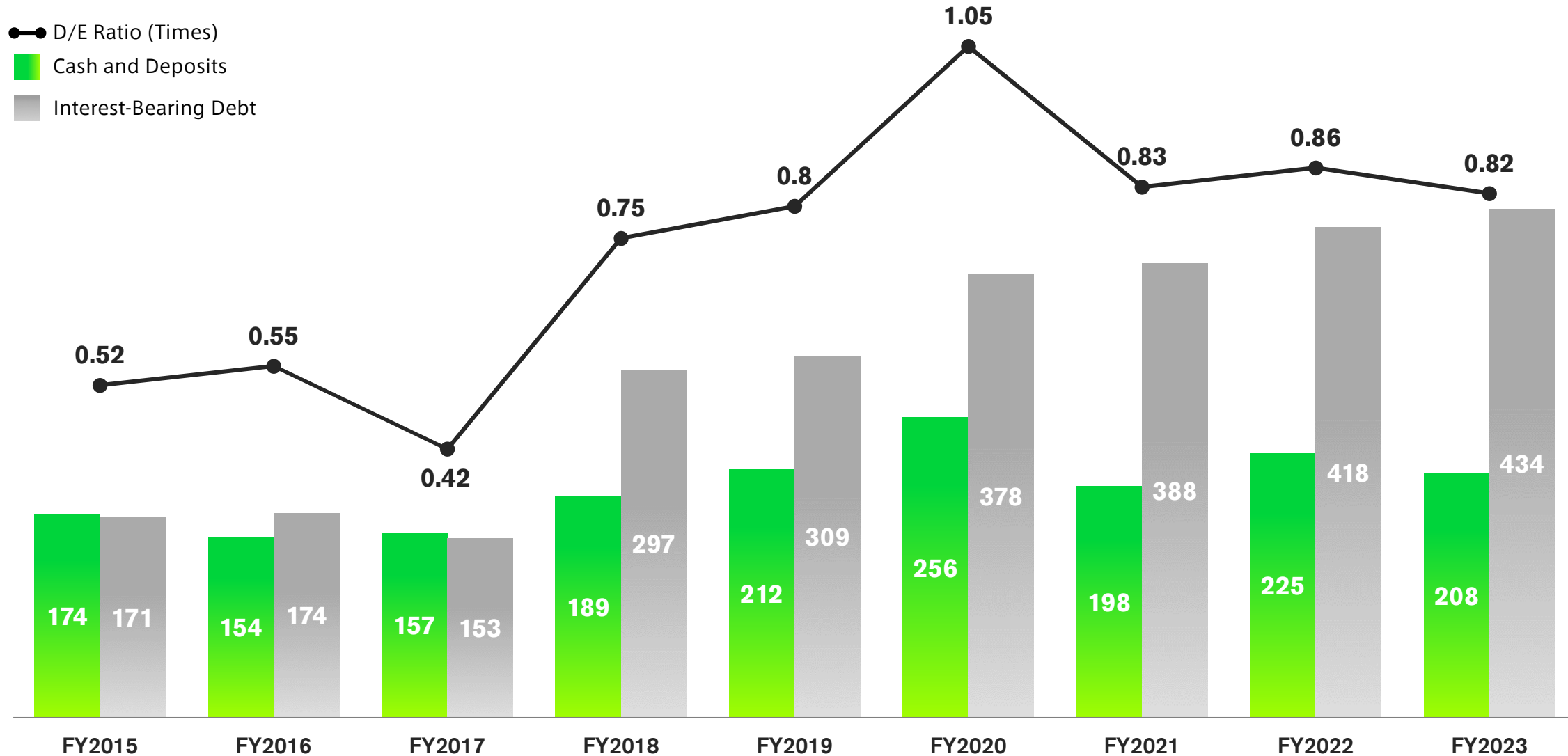
Consolidated Financial Position

(Hundred million yen)



Trends in Cash and Deposits and Interest-Bearing Debt

(Hundred million yen)



Main Businesses



Gakken group has developed diverse businesses in both domains of Education and Healthcare and nursing. We foster our customers' learning and lives with a full line-up of unique content, services, and even the operation of facilities.

With close coordination between each business, Gakken group is pressing ahead with portfolio management in order to create new value of its own.

Two Pillars of Business Domains

Education

Classroom and learning center

- Operations of preschooler classes and Gakken Classroom
- Operation of digital services for classrooms
- Operation of learning centers
- Operation of ViSC (Virtual Smart Campus)
- Publishing for learning centers

Publishing and content

- General publishing (children's books, study-aid books, guide books, specialized books, etc.)
- E-learning for nurses
- Operation of experience-based English learning facilities
- Online English conversation lesson
- Corporate training

Kindergarten and school

- Selling of goods to nursery schools and kindergarten
- Textbooks for elementary and junior high schools
- Short essay tutoring for senior high schools
- Various other services for schools

Digital
Resources
X
Global
Operations

Healthcare and Nursing

Elderly housing

Planning, development, and operation of serviced apartments for the elderly, bases for elderly care services, etc.

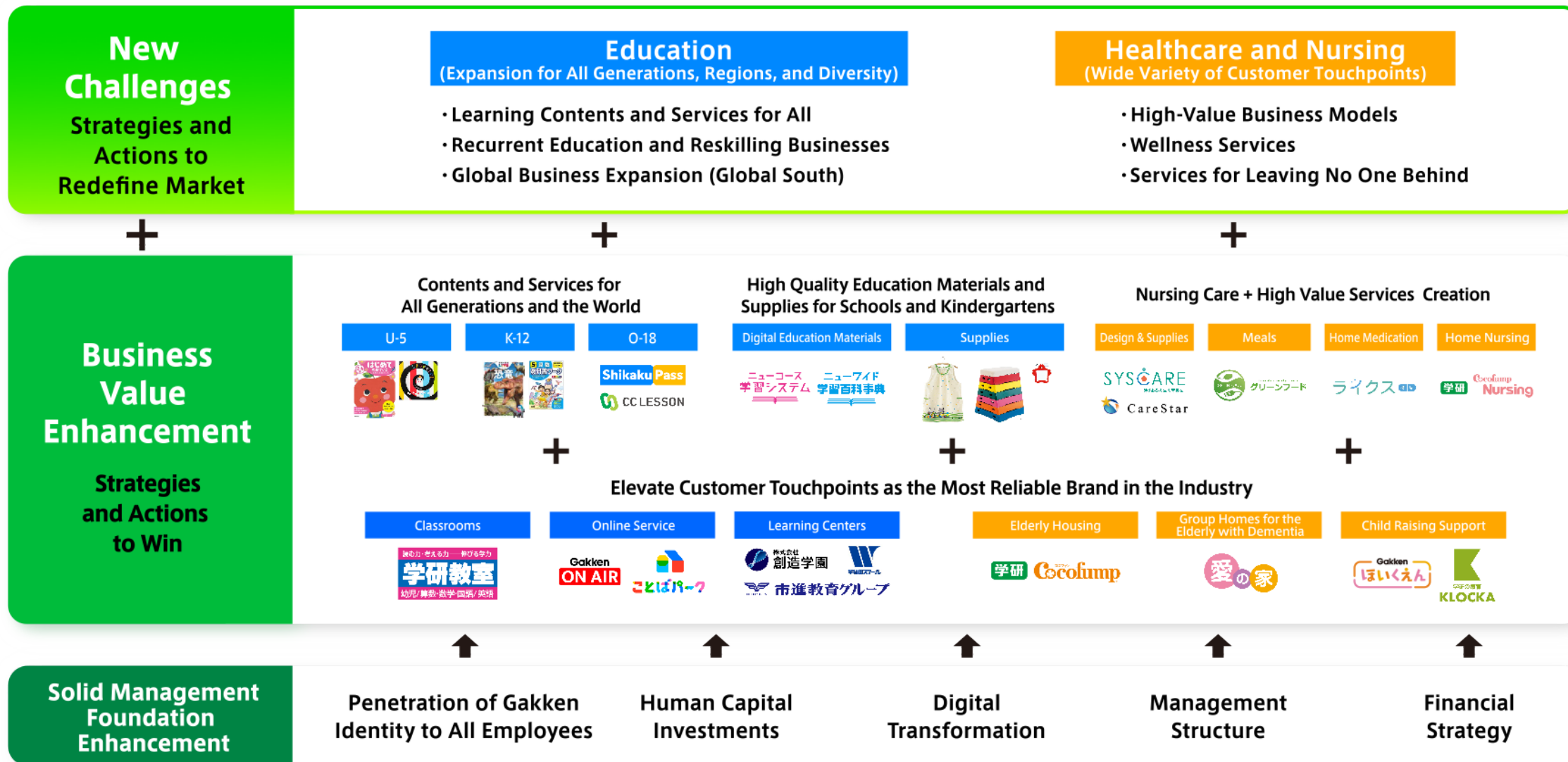
Group homes for the elderly with dementia

Operation of group homes and planning, development, and operation of related services

Child raising support

Planning, development, and operation of nursery schools, children's daycare centers, after-school children's clubs, etc.

Group Strategy Overview for Gakken 2025



Education Business

Focused on the following three businesses extensively supporting learning, with an expanded service menu for workforce development.

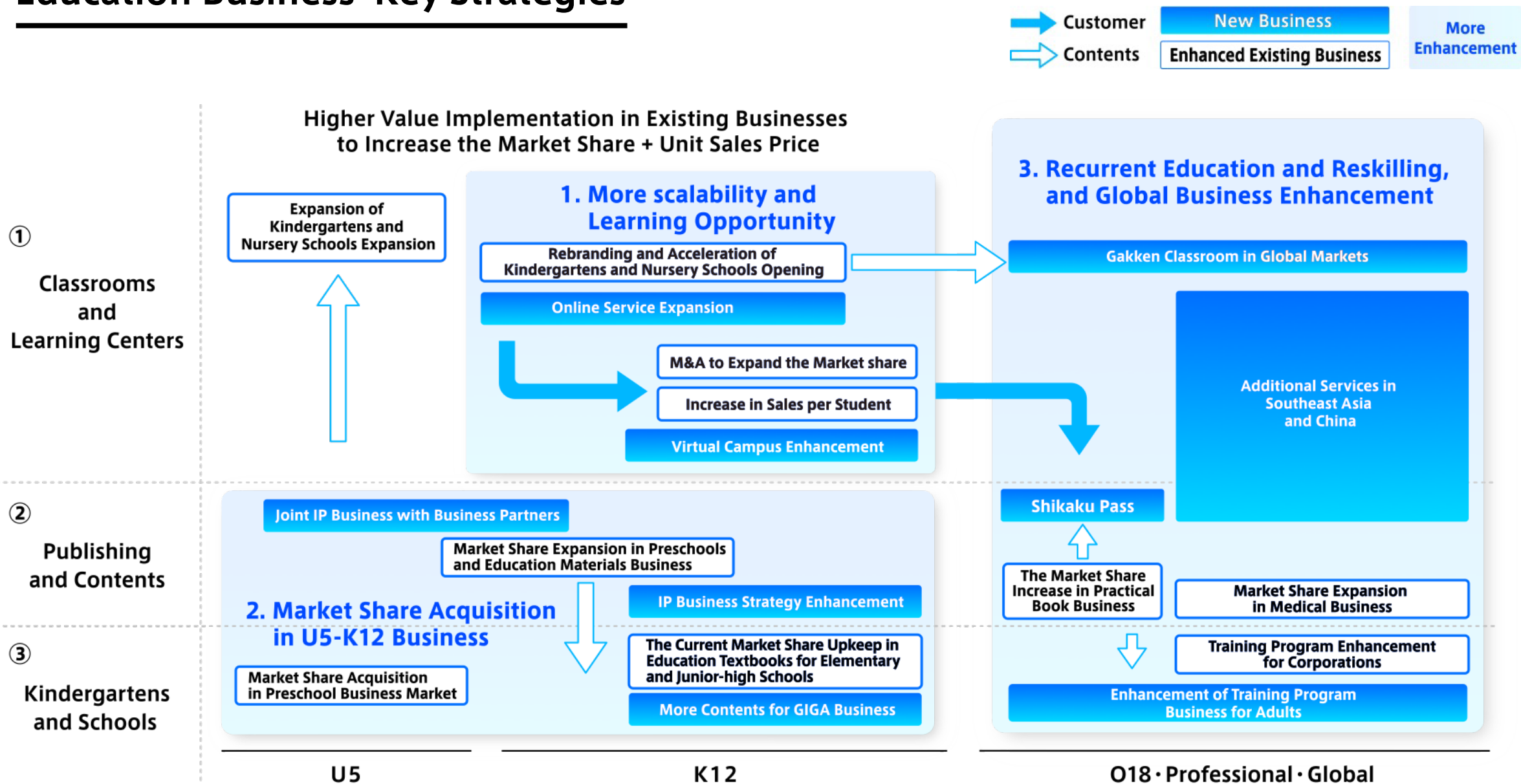
- 1) Classroom and learning center: Operation of preschooler classes and Gakken classrooms supporting learning in everyday life, and learning centers across Japan
- 2) Publishing and content: Production and sale of children's books, study-aid books, and other publications, as well as e-learning content
- 3) Kindergarten and school: Production and sale of goods for kindergartens and nursery schools, and provision of corporate training programs

Gakken2025 Education Business Key Strategies

	Key Strategies in Each Business Segments	Net Sales (100 million yen)	Operating Profit (100 million yen)												
① Classrooms and Learning Centers	<ul style="list-style-type: none"> — Classrooms — • Rebranding to Increase the number of classrooms up to 1,000 per Year and Expand Online Services • Administrative Function to Be Consolidated and Operation Optimization — Learning Centers — • Strategic M&A to Expand Learning Centers Network and Improve the Profitability of Each Learning Centers • Business Opportunity and Trade Area Expansion by Installing Virtual Smart Campus (ViSC) in Each Learning Centers to Fulfill Unmet Needs 	<table border="1"> <tr><th>Year</th><th>Net Sales (100 million yen)</th></tr> <tr><td>2023/9</td><td>397</td></tr> <tr><td>2025/9</td><td>537</td></tr> </table>	Year	Net Sales (100 million yen)	2023/9	397	2025/9	537	<table border="1"> <tr><th>Year</th><th>Operating Profit (100 million yen)</th></tr> <tr><td>2023/9</td><td>20</td></tr> <tr><td>2025/9</td><td>31</td></tr> </table>	Year	Operating Profit (100 million yen)	2023/9	20	2025/9	31
Year	Net Sales (100 million yen)														
2023/9	397														
2025/9	537														
Year	Operating Profit (100 million yen)														
2023/9	20														
2025/9	31														
② Publishing and Contents	<ul style="list-style-type: none"> • Market Share Expansion of Existing Business • Recurrent Education and Reskilling Contents for Adults and Elderly People • Education Contents and Services Expansion in China and Southeast Asia 	<table border="1"> <tr><th>Year</th><th>Net Sales (100 million yen)</th></tr> <tr><td>2023/9</td><td>271</td></tr> <tr><td>2025/9</td><td>276</td></tr> </table>	Year	Net Sales (100 million yen)	2023/9	271	2025/9	276	<table border="1"> <tr><th>Year</th><th>Operating Profit (100 million yen)</th></tr> <tr><td>2023/9</td><td>23</td></tr> <tr><td>2025/9</td><td>28</td></tr> </table>	Year	Operating Profit (100 million yen)	2023/9	23	2025/9	28
Year	Net Sales (100 million yen)														
2023/9	271														
2025/9	276														
Year	Operating Profit (100 million yen)														
2023/9	23														
2025/9	28														
③ Kindergartens and Schools	<ul style="list-style-type: none"> • Market Share Growth for Preschoolers Business • The Current Market Share Upkeep in Education Textbooks for Elementary and Junior-high Schools • The GIGA Related Business Market Recovering by Utilizing Education Data 	<table border="1"> <tr><th>Year</th><th>Net Sales (100 million yen)</th></tr> <tr><td>2023/9</td><td>127</td></tr> <tr><td>2025/9</td><td>134</td></tr> </table>	Year	Net Sales (100 million yen)	2023/9	127	2025/9	134	<table border="1"> <tr><th>Year</th><th>Operating Profit (100 million yen)</th></tr> <tr><td>2023/9</td><td>-1.5</td></tr> <tr><td>2025/9</td><td>3</td></tr> </table>	Year	Operating Profit (100 million yen)	2023/9	-1.5	2025/9	3
Year	Net Sales (100 million yen)														
2023/9	127														
2025/9	134														
Year	Operating Profit (100 million yen)														
2023/9	-1.5														
2025/9	3														

Note) From the fiscal year 2024, the business segments of consolidated subsidiaries will be changed. Major changes: BUNRI Co., Ltd. will change its business segments from Publishing & Contents to Classrooms & Learning Centers, and TOASU Co., Ltd. will change its business segments from Kindergartens and Schools to Publishing and Contents. Net sales and operating profit for the fiscal year 2023 under the old business segments (excluding goodwill depreciation): Classrooms & Learning Centers, sales of 35.1 billion yen and operating profit of 1.8 billion yen, Publishing and Contents, Net sales of 30.8 billion yen and operating profit of 2.4 billion yen, Kindergartens and Schools, Net sales of 13.6 billion yen and operating income of 0.2 billion yen.

Education Business Key Strategies



Classroom Business

Operated by Gakken Educational Co., Ltd.

We operate Gakken Classroom, which supports children's learning in everyday life and fosters their ability to learn independently, across Japan

We operate and franchise Gakken Classroom, intended for children from preschoolers to junior high school students. We provide many classrooms in shopping centers, kindergartens, and other places that are close and easy to access.

Domestic and Overseas

18,845 classrooms

No. of Members Approx.

367 thousand



* Numbers are rounded to the nearest unit, as of December 31, 2023,

読む力・考える力 — 伸びる学力
学研教室
幼児/算数・数学・国語/英語

1. Aim to establish basic academics
2. Each person is treated with care with the grade-less system
3. Develop a self-study attitude and ability
4. Emphasis on moral education in an enjoyable and lively manner

With Kotoba Park and Gakken Classroom Online, which allows students to receive instruction from home, our classrooms have continued to evolve to make it easier for students to learn and continue learning.



←Online Japanese language learning service that develops listening, speaking, and reading skills through 25 minutes of conversation



←Manamil, a dedicated app for connecting classrooms with parents, supports safety and security

→Gakken Classroom Online, which allows students to receive instruction from anywhere, eliminates regional differences and inconveniences

読む力・考える力 — 伸びる学力
学研教室
幼児/算数・数学・国語/英語
Gakken Classroom Online

Learning Center Business

Japan's largest network of learning centers that provide community-based guidance for high school and university entrance exams, taking the characteristics of each prefecture into consideration

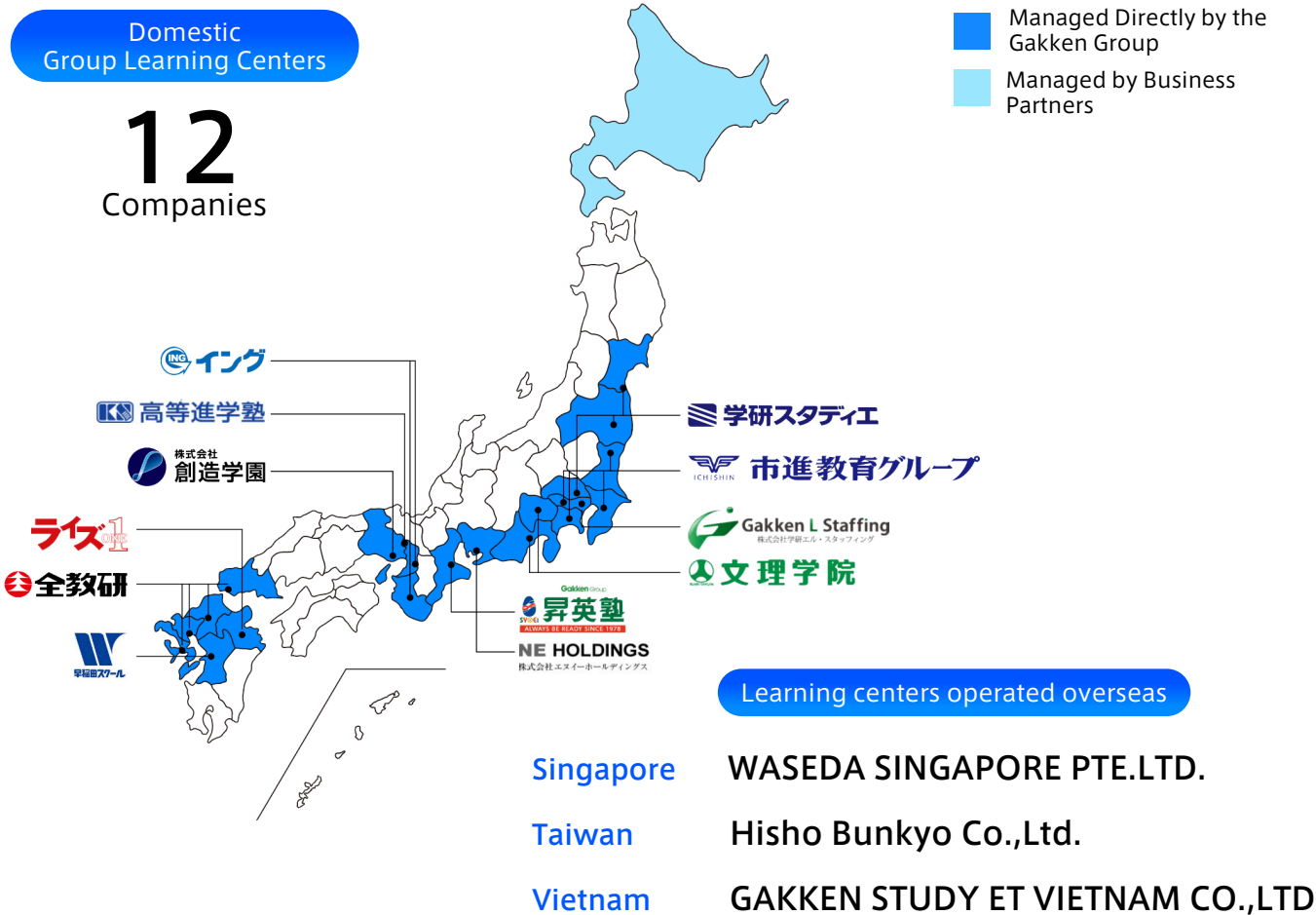
Domestic and Overseas **942** classrooms

No. of Members Approx. **84** thousand

* Numbers are rounded to the nearest unit, as of December 31, 2023,



↑ The number of users of ViSC (Virtual Smart Campus) has increased. It has found success because users can learn with enthusiasm while being inspired through communication with their surroundings.

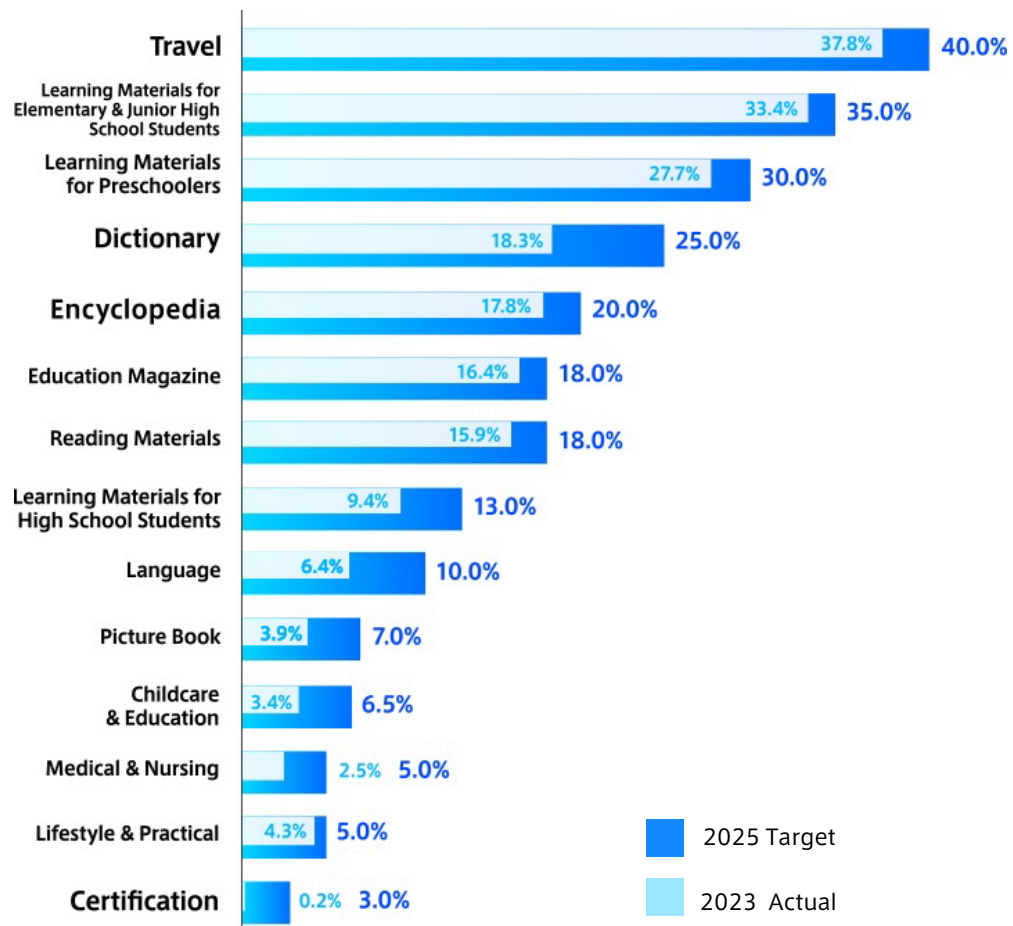


* FAMcampus is a registered trademark of FUJI SOFT INCORPORATED. (For illustrative purposes only)

Publishing and Content Business

We enrich life and learning with a variety of publications from picture books for babies to “Chikyu-no-Arukikata,” which is synonymous with travel guides.

Gakken Group's Market Shares (Actual vs Target)



*Based on POS data

Publications

Operated by Gakken Inc. and Arukikata. Co.,Ltd.

U-5

Children's books



Encyclopedia



Dictionary



K-12

Study-aid books



Books with science kits



0-18

How-to-guides and Travel guides



Medical and Nursing



Workforce Development and Language Learning

We are strengthening and expanding language education that develops globally competent human resources and workforce development business that meets demand for recurrent and reskilling education.

Experience-based English learning facility

Operated by TOKYO GLOBAL GATEWAY Co., Ltd.



Experience using English in 12 overseas living zones. 2 facilities in Tokyo.

Online language learning lessons

Operated by Glats Co., Ltd.



Besides Kimini, which provides high quality English lessons by connecting teachers in Cebu Island with schools and companies, CC LESSON, in which the student can learn Chinese conversation, is also popular.

Operated by GAKKEN CC inc.



Corporate training

Operated by TOASU Co., Ltd.

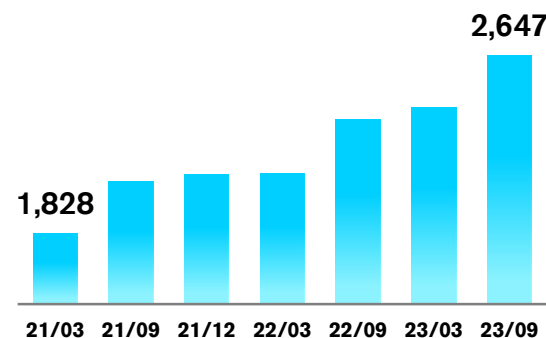


We offer training programs for listed companies that are investing in human capital. The programs can address reskilling needs with a wide selection of content.



E-learning for nurses

Operated by Gakken Medical Support Co., Ltd.



The number of contracted hospitals is growing. The content is popular for its user-friendliness, regardless of the scale of hospitals and situations.

Kindergarten and School Business

We offer a wide variety of products and services such as equipment for kindergartens and nursery schools, textbooks for elementary and junior high schools, digital learning materials, and short essay tutoring services for high school students.

Publications and equipment for kindergartens and nursery schools



The “Tsunagaru (Making Connections) Picture books ” series sold through kindergartens. Supporting growth in accordance with the development of children.



Specialized magazines for kindergartens



Various large-scale play equipment



“hugmo,” an ICT system that supports communication between kindergartens and guardians

Digital learning materials



School textbooks and short essay tutoring service ,etc.



Health education Textbook



Moral education Textbook



Short essay tutoring service



Magazine of special needs education

Global Business Development

Expanding Educational Business in Asia Together with Partner Companies

We have established business foundations in Asia and are rolling out the content services of Gakken group

Vietnam business

- Enhanced partnership with DTP
- Stable growth in KiddiHub



China business

- Business opportunity expansion in new first-class cities and the second-class cities
- 3 main businesses: learning center materials, product sales, and IP



Operated by Gakken Shanghai Trading Co., Ltd.

Overseas Gakken Classroom

- Southeast Asia business Expansion
- New global market entries (Africa and English-speaking countries)

Operated by Gakken Educational Co., Ltd.



↑ Promotion of preschooler classes in Vietnam in coordination with KiddiHub

← ↑ We formed a capital and business alliance with DTP Education Solutions, which holds more than 30% share of the English textbook market in Vietnam, and are operating a schooling business and an educational portal site.

ODA business (IC-Net)

- Middle east and Africa business based on Gakken Turkey (Human talents resources development project for the STEAM industry)
- Active investments in new businesses

Operated by IC-Net Limited

Consulting service for companies expanding overseas markets

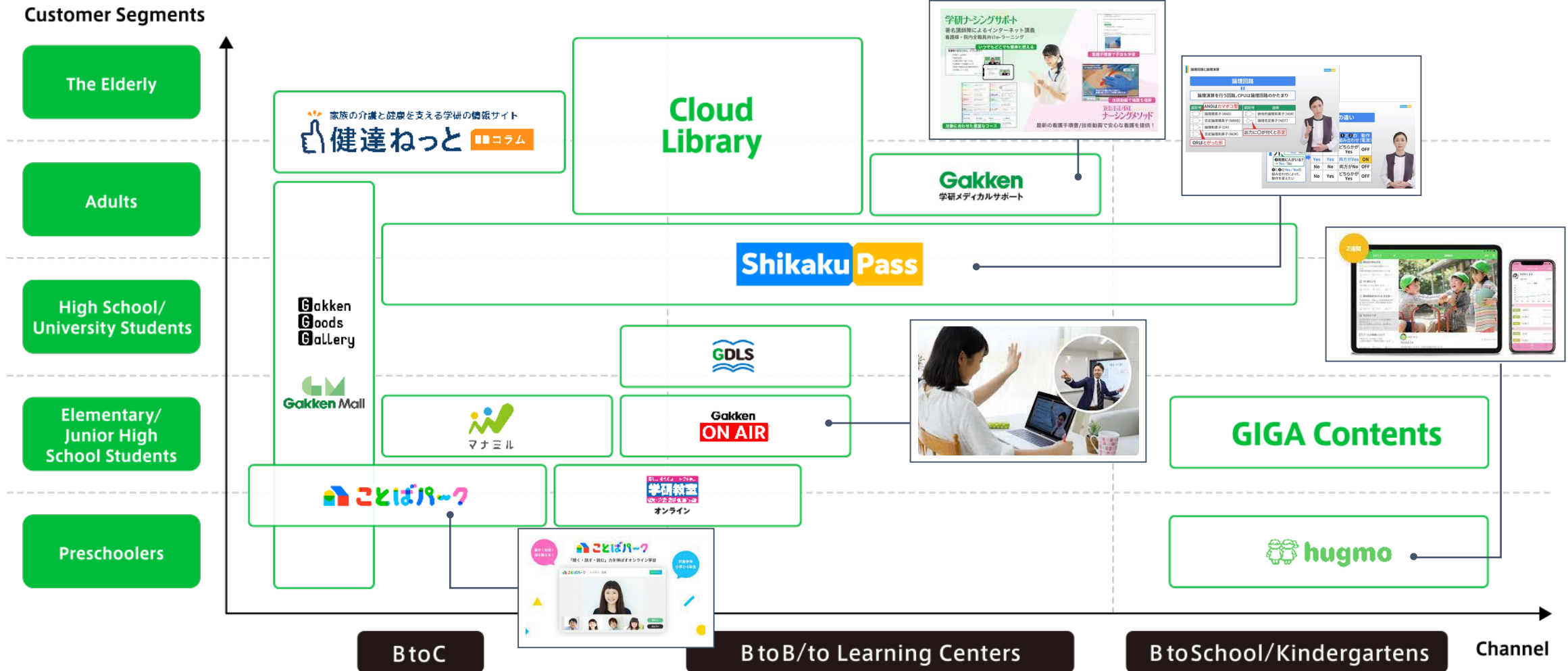
- Utilization of knowhow based on ODA business
- Business synergy creation with Gakken group

Operated by IC-Net Limited

Digital Business Development

Active Investments in Core Products and Services

Strategic resource allocations in high growth potential businesses for value creations



Healthcare and Nursing Business

Addressed the social issue of aging society with a declining birthrate to create a community where people of all generations can live with peace of mind in three businesses .

1)Elderly housing: Planning, development, and operation of serviced apartments for the elderly, bases for elderly care services, etc.

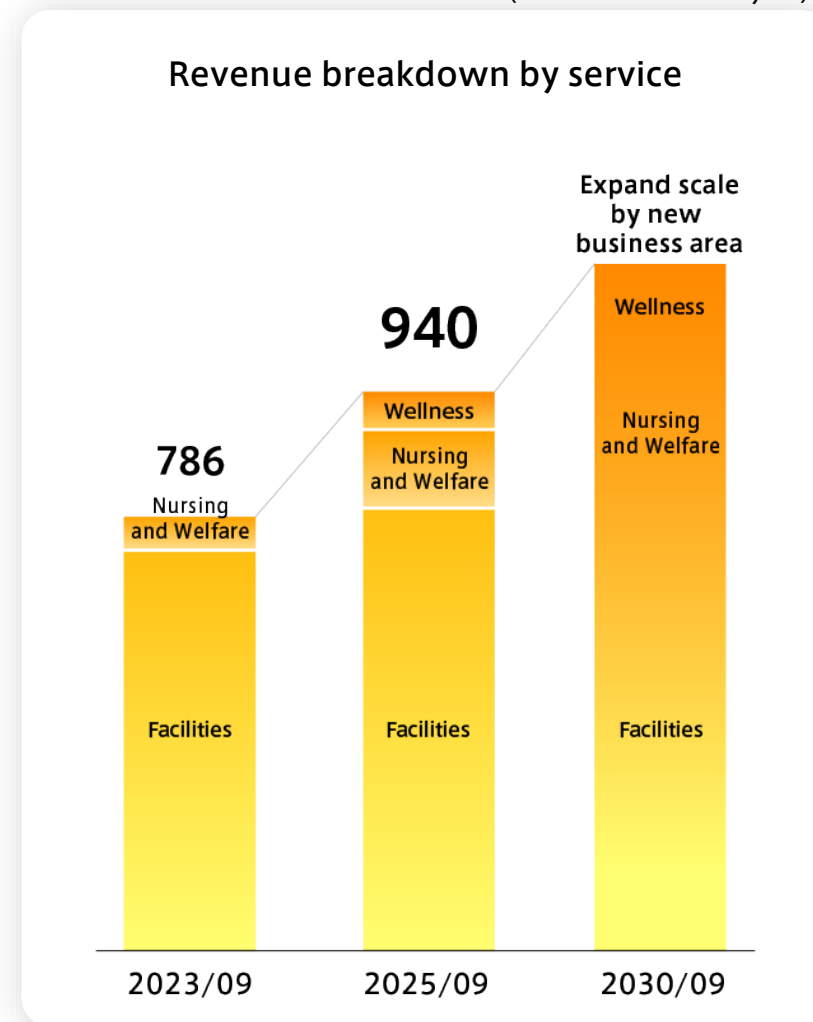
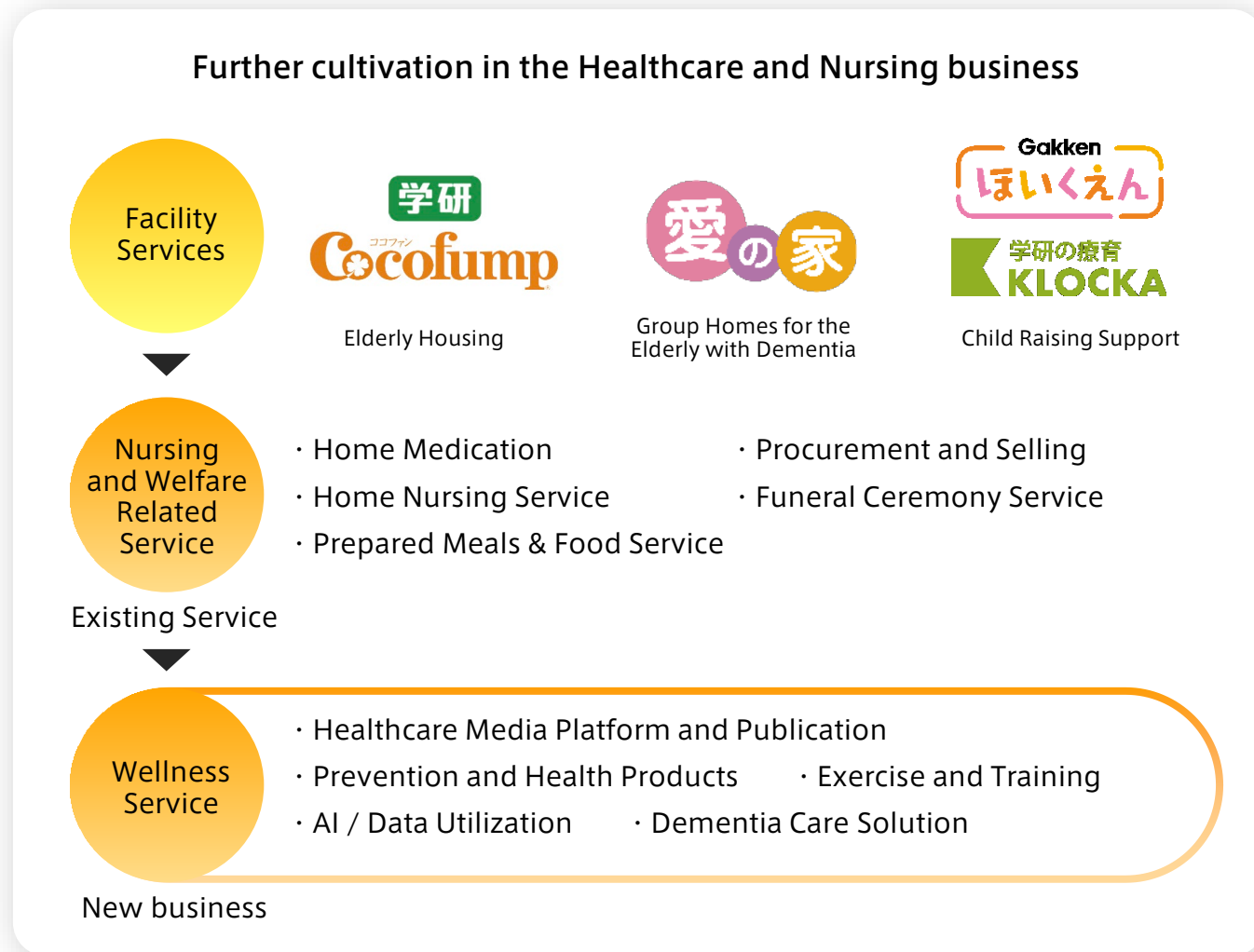
2)Group homes for the elderly with dementia: Operation of group homes and planning, development, and operation of related services

3)Child raising support: Planning, development, and operation of nursery schools, children's daycare centers, after-school children's clubs, etc.

Healthcare and Nursing Business Strategy

Further investments in related services and additional value creation to enhance business while cultivating as the leading company.

(Hundred million yen)



Healthcare and Nursing Business

Features of Facilities for the Elderly and Child Raising Support Facilities

The strong earning power derived from a synergy between our original management expertise and the Gakken brand drives the growth of the entire Group .



Mainly facilities with approximately 50 rooms

Serviced apartments for the elderly

Gakken's serviced apartments for the elderly are accessible apartments where medical staff are always on-site and required to confirm residents' safety and to consult residents' way of living. There is more freedom compared with fee-based nursing homes, with the feature of being able to live one's life as before. As our facilities do not require a lump sum payment, customers' initial costs are low.

Operated by Gakken Cocofump Co., Ltd.



Mainly develop facilities with a maximum of 18 people divided into two units

Group homes for the elderly with dementia

Group homes have five to nine elderly with dementia living in one group (unit), dividing tasks such as cooking and cleaning. Each group is supported by staff who has specialty knowledge of dementia and assistance skills. The “regionally based service” is in support of those with dementia who can continue to live in places they are comfortable.

Operated by Medical Care Service Co., Ltd.



Developed mainly in the Tokyo metropolitan area

Nursery schools, day-care centers, afterschool children's club

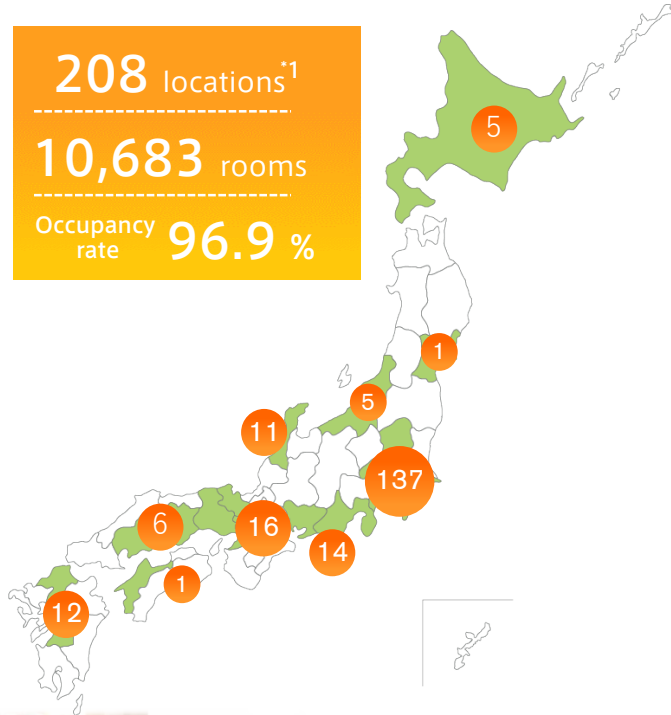
Respecting each child's personality and independence, our childcare brings out “the power of nurture,” which all children are born with. Our distinguishing feature is through Gakken content, we create experiences that foster children's identities while valuing household support, safety and security, and connecting with regional society.

Operated by Gakken Cocofump Nursery Co., Ltd.

Healthcare and Nursing Business Location Development Areas

Elderly housing

208 locations^{*1}
 10,683 rooms
 Occupancy rate 96.9 %

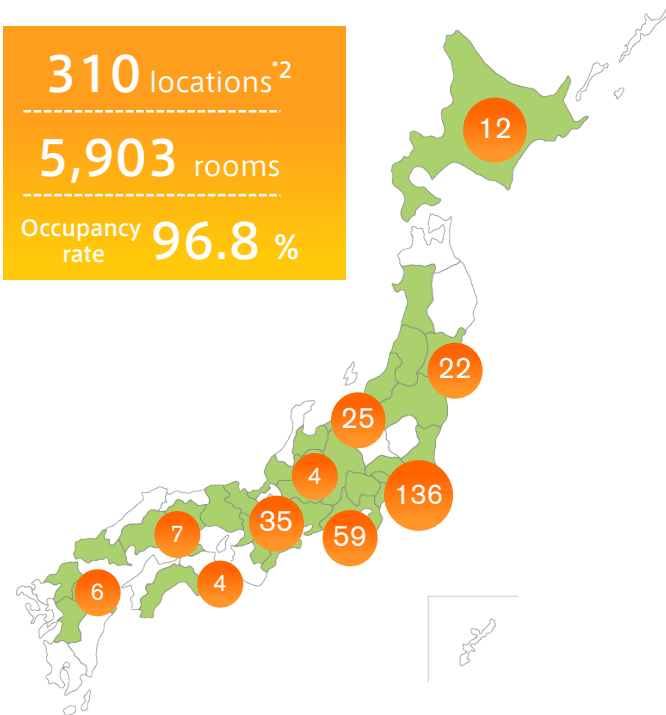


- Developed in 19 pref. Nationwide in Japan
- As of December,2023

*1 Includes two franchise locations

Group homes for the elderly with dementia

310 locations^{*2}
 5,903 rooms
 Occupancy rate 96.8 %

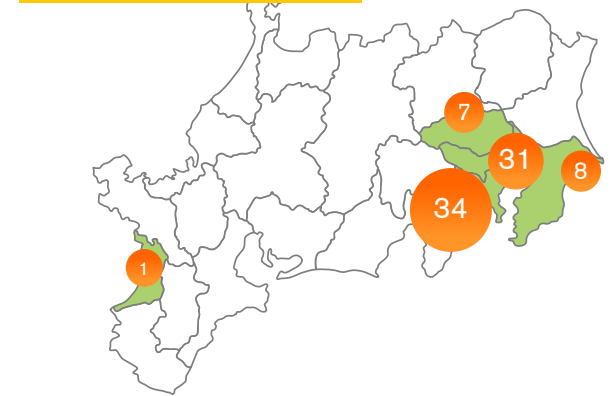


- Developed in 32 pref. nationwide in Japan
- Ranked first in the number of rooms^{*3}
- As of December,2023

*2 Group homes for the elderly with dementia only
 *3 Ranking source : Elderly Housing Newspaper

Child raising support facilities

81 locations^{*4}
 Maximum no. of children 2,695
 Utilization rate 95.9 %^{*5}



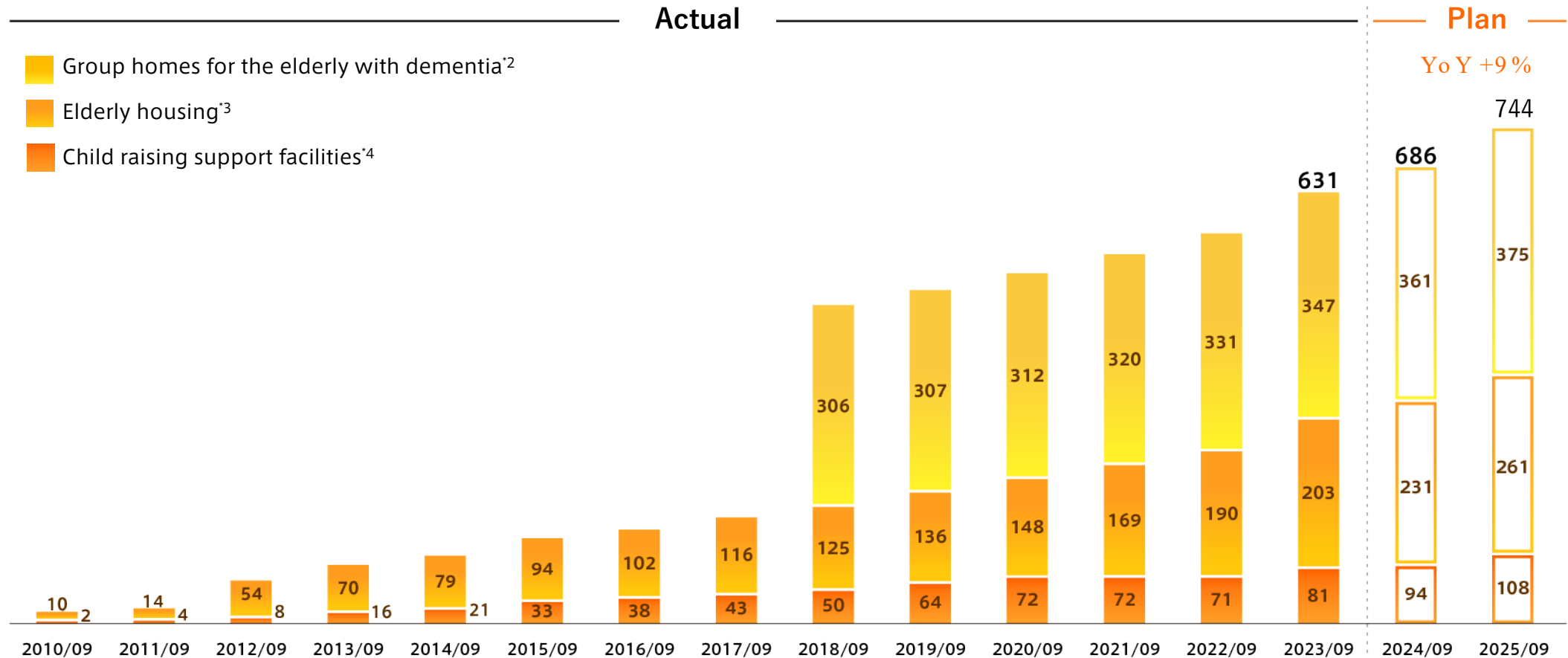
- Developed in five pref. nationwide in Japan
- As of December,2023

*4 Total of nursery school and others
 *5 nursery schools only

Healthcare and Nursing Domain

No. of Facilities and Plans of New Facility Openings*1

The number of elderly aged 65 or older in Japan has exceeded 35 million and the housing demand for the elderly continues to grow. On the other hand, facilities for supporting those of child-bearing age is currently insufficient. We will address the growing market and diversifying needs of customers by proactively opening new facilities.



*1 Numbers are net numbers of new openings which is deducted the number of closures. Numbers include overseas facilities.

*2 Includes facilities in other categories such as specified facilities and small-scale multifunctional in-home nursing care facilities besides group homes for the elderly with dementia.

*3 Includes facilities in other categories such as home-visit elderly care stations besides serviced apartments for the elderly.

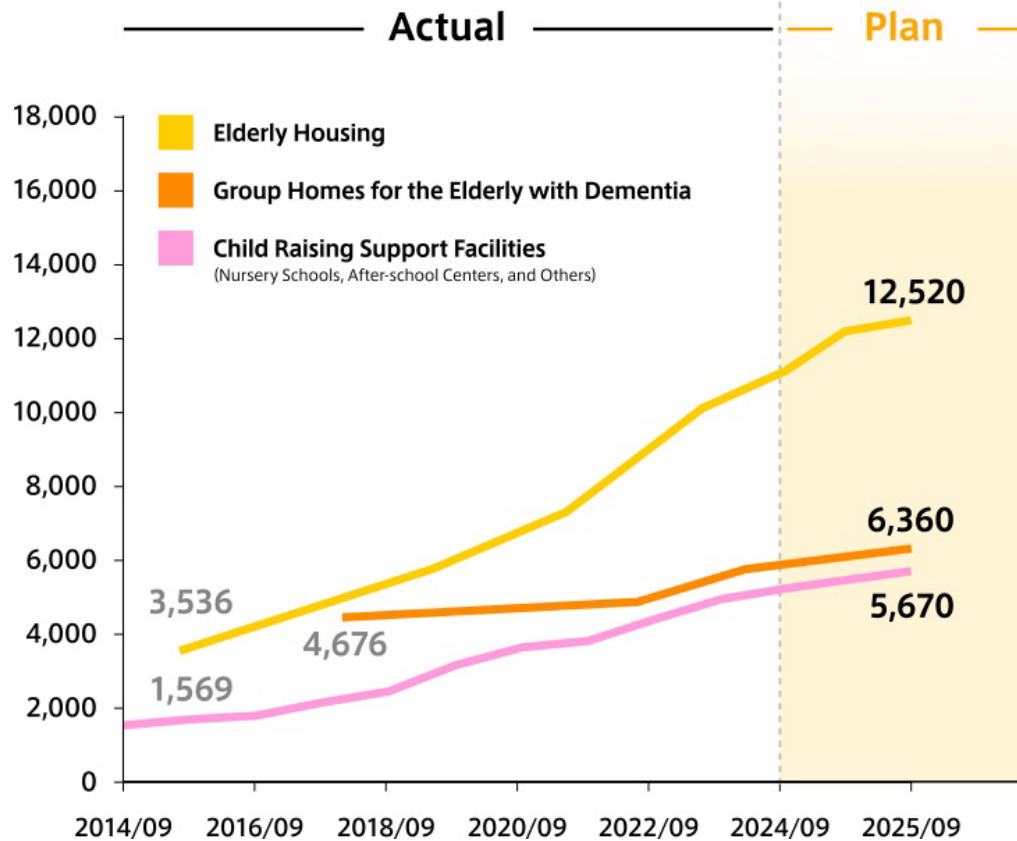
*4 Totals of nursery schools, afterschool children's clubs, child development support facilities, and learning support facilities.

Healthcare and Nursing Business

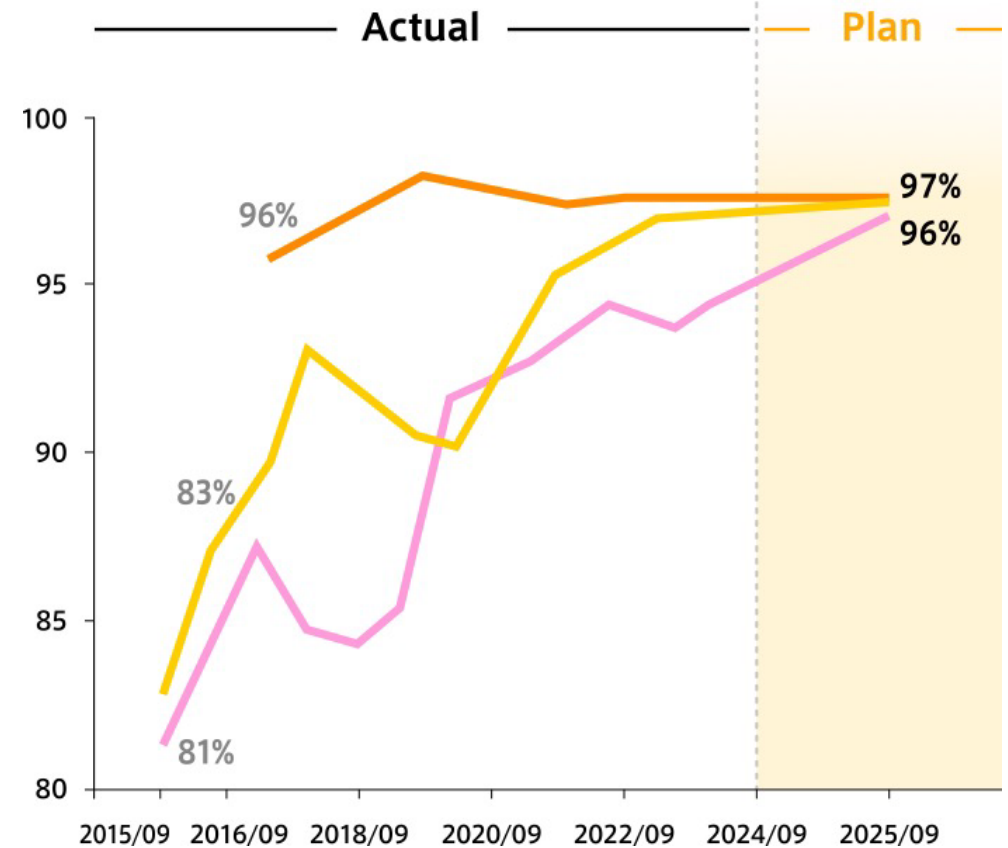
High Occupancy and Facility Usage Rates Stabilization

We upkeep higher occupancy rate and more tenants due to increase in the number of facilities.

Trend in total number of units and Maximum number of children

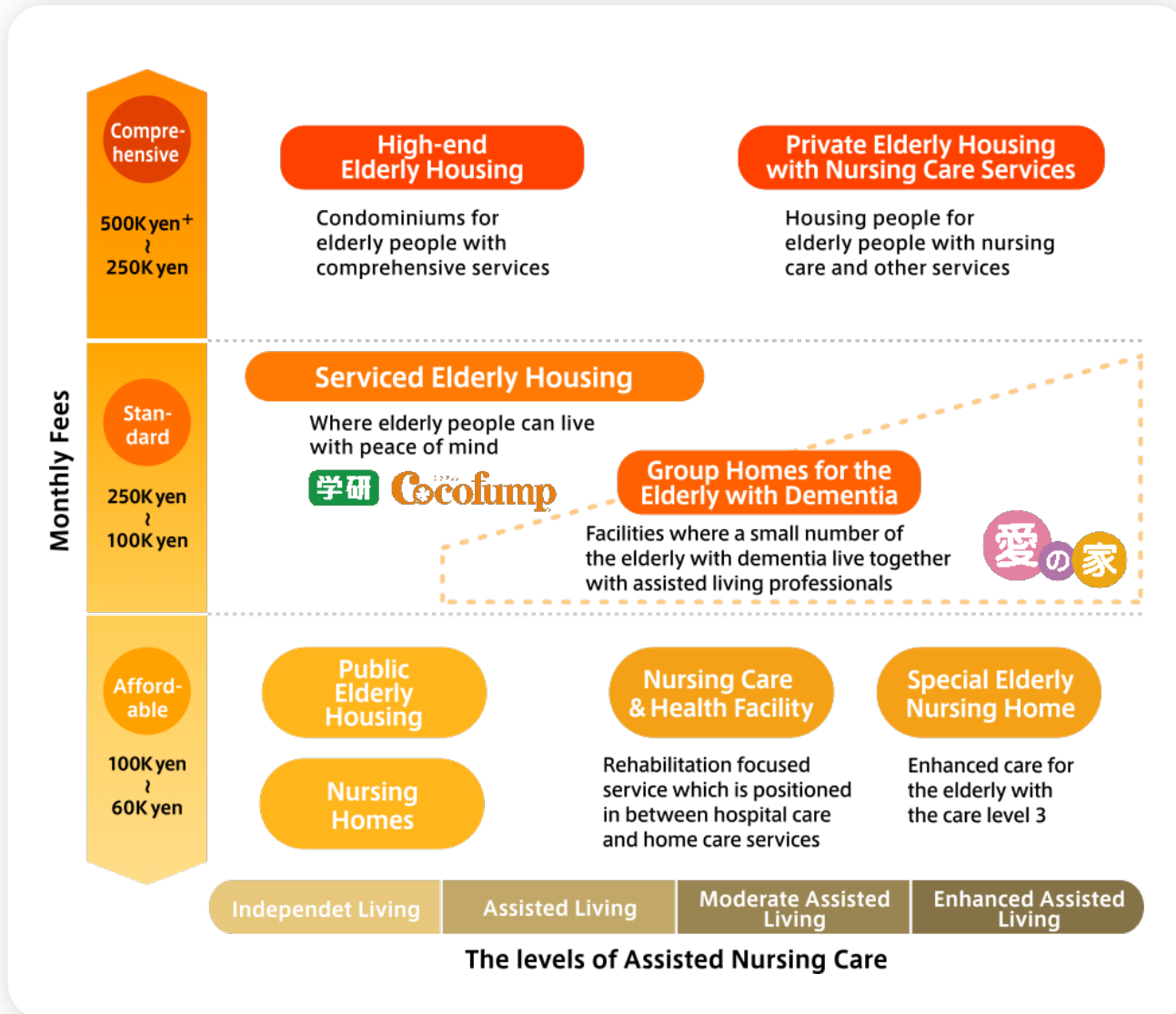


Occupancy rate and Usage rate



Healthcare and Nursing Business

Expanding the Lineup of High-Value Added Facility



Distinctive Facilities and Services

■ Intergenerational Interactive Facilities

- Where everyone can continue to live healthy lives and fulfill their potentials



Cocofump Kawasaki Takatsu



Cocofump Suita SST

■ High-Value added Facility (High functionality / high price)

- High quality services for more pleasant and safe living environments



■ University-affiliated CCRC

- Development of the independence for the elderly through lifelong learning and interactions with students at university

Functions and assets of university would open full potentials for elderly people

Medical Care, Welfare, and Nursing Care (Health and Safety)

Active Learning and Self-improvement (Intellectual Stimulation)

Intergenerational Interactions and Community Activities (Community Establishment)

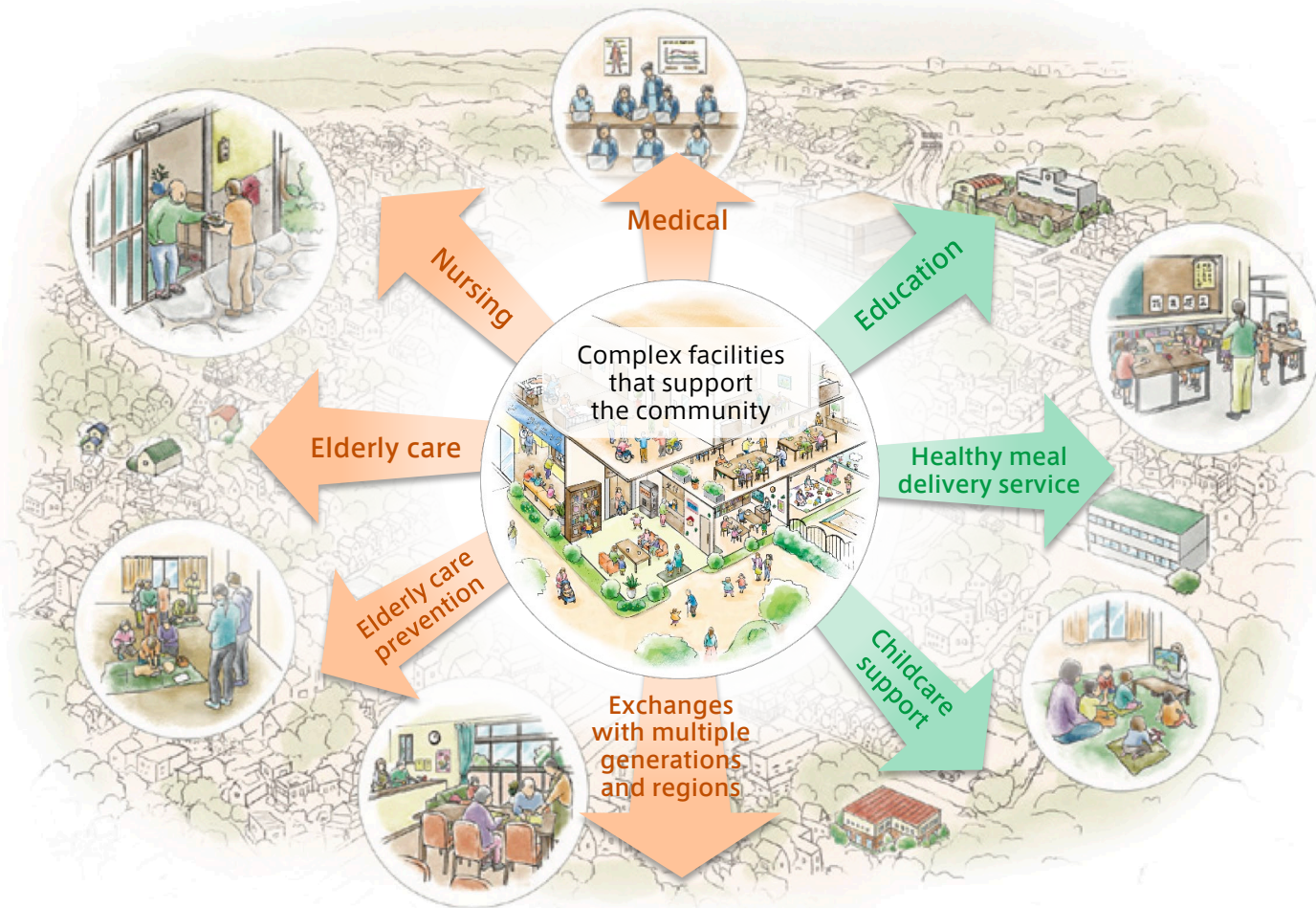
Culture・Residence (Comfortable Living)

University

Healthcare and Nursing Business × Education Business

Gakken's Community-based Integrated Care System

A town where people of multiple generations can live with peace of mind while supporting each other



Improving the value of the surrounding community

Gakken's Community-based Integrated Care System is an initiative to cooperate with regions to build towns providing integrated life support. Unifying Gakken group's resources such as housing for the elderly, elderly care, nursing, welfare for people with disabilities, childcare support, medical and nursing content, education services, and employee development based in serviced apartments for the elderly as hubs, we provide services where people at any stage of their lives from 0 to the elderly over 100 years old can realize their own way of living.





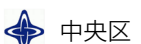
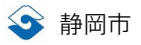



People can continue to live freely in regions where they are comfortable and through exchanges with multiple generations. These are the towns that Gakken group aims for.

Healthcare and Nursing Business × Education Business

Case Examples of Gakken's Community-based Integrated Care System

Proceeding to open complex facilities which will become hubs for Gakken's Community-based Integrated Care System centered on regional and multi-generational exchanges, while cooperating with local governments, universities, and private companies.

Gakken's Community-based Integrated Care System (Complex Facilities)

Cocofump Hiyoshi (81 serviced apartments, daycare center, home-visit care, short-stay center, learning center, clinic, etc.)	Opened January 2010	 × Gakken
Cocofump Kashiwa Toyoshikidai (105 serviced apartments, group homes for the elderly with dementia, small and multifunctional daycare center, etc.)	Opened May 2014	 × Gakken
Cocofump Yokohama Tsurumi (70 serviced apartments, 29 rental apartments, daycare center, home-visit care and nursing, etc.)	Opened April 2015	 × Gakken
Cocofump Fujisawa SST (70 serviced apartments, daycare center, home-visit care and nursing, short-stay center, nursery school, etc.)	Opened September 2015	 × Gakken
Cocofump Kachidoki (34 serviced apartments, daycare center, home-visit care, and small and multifunctional daycare center)	Opened March 2017	 × Gakken
Cocofump Shizuoka Minamiyahata (80 serviced apartments, 12 apartments for families, learning center, regional exchange space, etc.)	Opened August 2021	 × Gakken
Cocofump Hatsukaichi (71 serviced apartments, daycare center, home-visit care and nursing, short-stay center, learning center, etc.)	Opened March 2022	 × Gakken
Cocofump Suita SST (63 serviced apartments, group homes for the elderly with dementia, nursery school, learning center, etc.)	Opened March 2022	 × Gakken
Cocofump Kawasaki Takatsu (79 serviced apartments, group homes for the elderly with dementia, children's developmental support, learning center, etc.)	Opened August 2022	 × Gakken



Cocofump Shizuoka Minamiyahata, opened in August 2021



Recital held in an exchange hall

Gakken2025 Corporate Strategy

The theme of Gakken 2025, the new medium-term management plan announced in November 2023, is SHIFT. In it we declared our intention to continue embracing the challenge of being a company that “inspires unlimited potential” through 2025 and beyond that to 2030. This section introduces the Group’s management and investment policies, financial strategies, and other approaches that serve as the basis for the plan.

Gakken Toward to 2025 and to 2030

Gakken 2023

Building the Foundation for Continuous Growth

DX Acceleration and Global Business Expansion



Creations of New Learning and Diverse Learning Opportunities



Aiming to Become the Leading Company by Contributing to the Creation of Sustainable Societies

2021-2023



Gakken 2025 SHIFT

Shift Toward Gakken 2030 by Solving the Remaining Issues from Gakken 2023



Enhancement in the Prioritized Businesses and Challenge for New Businesses



Enhancement in Healthcare and Nursing Business and Pursue Sustainability to Become the Top Company

2024-2025



Gakken 2030 Aspiration

Inspire Unlimited Potential

2026-2030

80th Anniversary

SHIFT

Vector

Clear Changes
in Strategic
Directions

Resource

Active Resource
Allocation
in Growth Markets

Speed

Fast
Decision-making
and Action

Gakken2025 2-year plan

(Hundred million yen)

Consolidated	FY2023 (Actual)	FY2024 (Plan)	FY2025 (Plan)
Net Sales	1,641	1,850	2,000
Education	795	920	980
Healthcare and Nursing	786	870	940
Others	60	60	80
-----	-----	-----	-----
Operating Profit	62	64	70
Education	39	49	59
Healthcare and Nursing	38	42	46
Others (Including Adjustment)	-16	-27	-35
EBITDA	93	96	103
Ordinary Profit	65	66	72
Profit	32	27	35
ROE	6.3%	5.2%	6.6%

*Numbers are rounded to the nearest unit.

Gakken2025 Key Principles

1 Proactive Portfolio Managements



Optimize decision-making process to assess unprofitable businesses and allocate assets and resource effectively

2 Improve Competitiveness in Focused Businesses



Active investments to acquire more market shares in the industry with cost management optimization

3 Acceleration in New Business Creation and Innovation



Investments in global markets (Southeast Asia), recurrent education and reskilling services, and nursing care related businesses

4 Strategic M&A to Establish New Core Revenue Generating Businesses



Strategic M&A planning and execution to transform group for further growth

5 Cost Management Optimization



Organizational and operational optimizations by integrating shared & back-office tasks

6 Active Investments in Talent Aquisitions, Digital and Global Business Foundations



Invest in talent acquisitions, human capital, and human resource reallocation in focused businesses

Gakken2025 Investment Strategy

15 Billion yen For Growth Investments Over the Next 2 Years

Organic Growth

- Investments in Active Human Talents Acquisitions
- New Services Creation
- Development of Healthcare and Nursing Facilities



Inorganic Growth

- More M&A in Focused Business Areas
- Active Business Alliances
- Investments in Startups

Potential Targets

Education

- Competitive Learning Centers
- Various Education Contents Holders

Healthcare & Nursing

- New Services
- Service Enhancement in Nursing Care Related Business

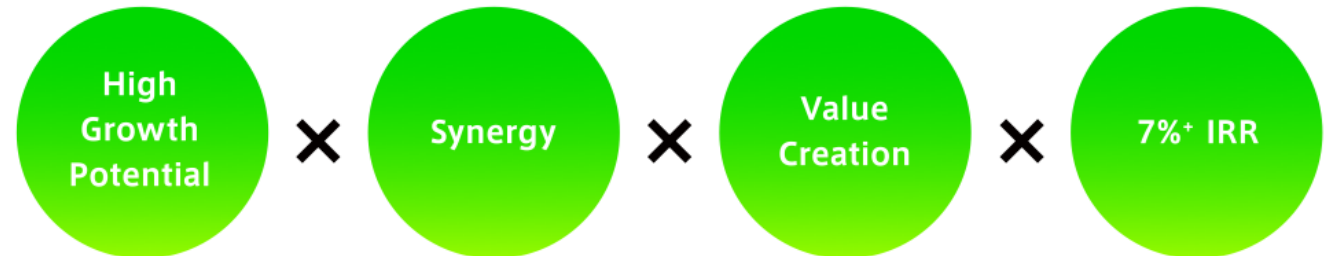
Global

- Southeast Asia Business Strategy Reinforcement

New Business

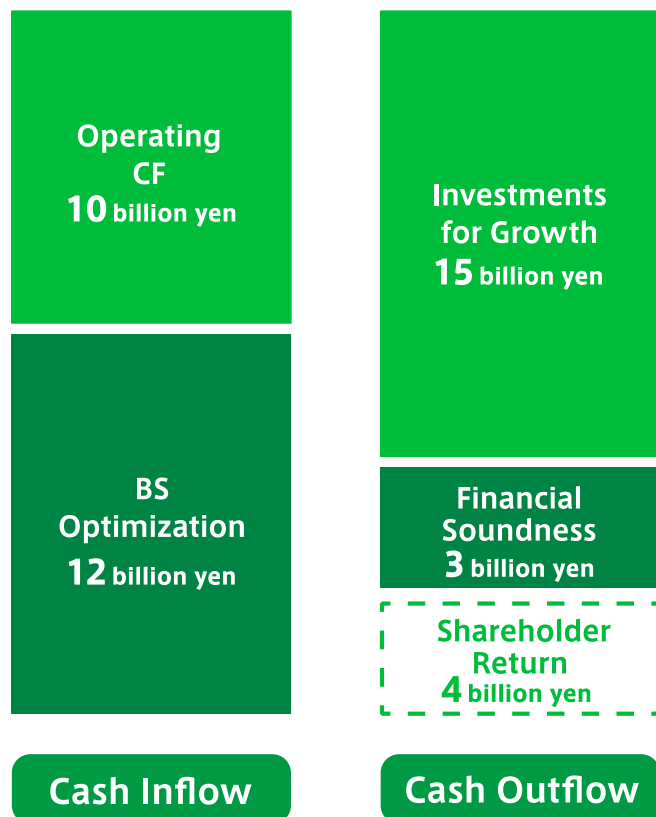
- Companies in Line with the Investment Strategy

M&A Strategy



Gakken2025 Investment Strategy

Capital allocation overview for the 2-year of Gakken 2025



Priority policies

Cash Inflow

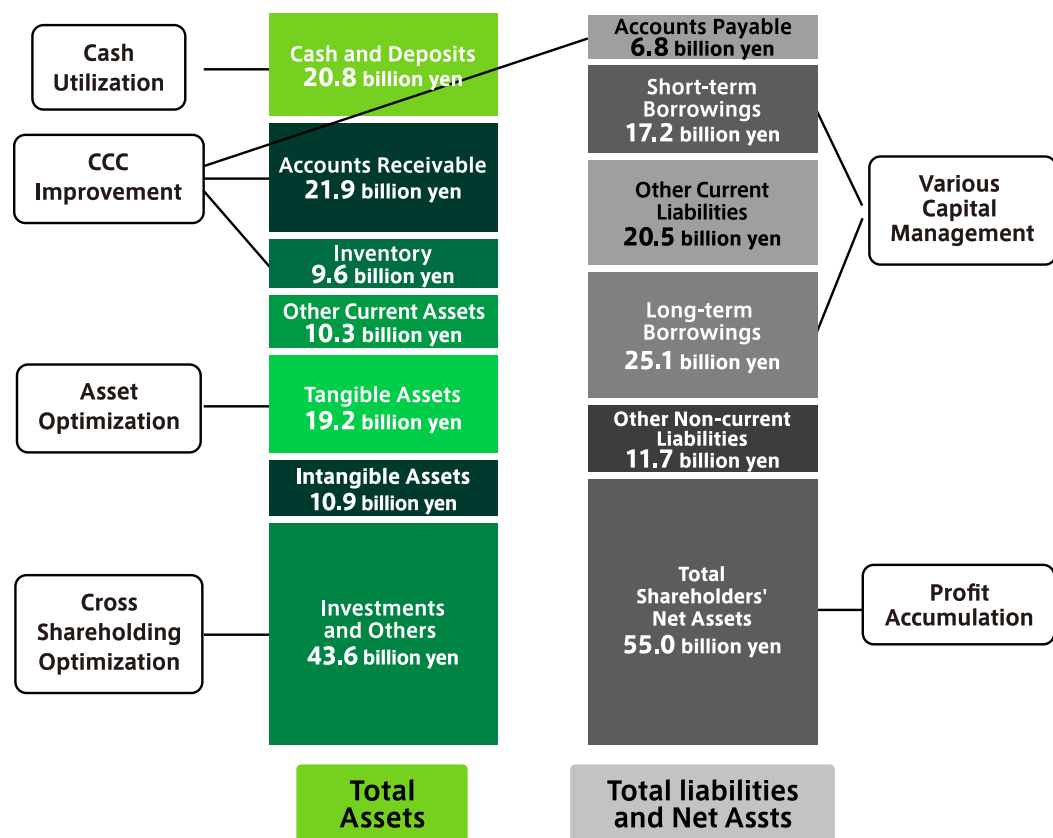
- **Operating CF**
Profitability Optimization in Each Businesses
- **BS Optimization**
Portfolio Optimization by Selling of Cross-shareholding and Working Capital Strategy

Cash Outflow

- **Investments for Growth**
Active M&A and Investments for Potential Targets
- **Financial Soundness**
More than 30% Equity Ratio by Reducing Liabilities
- **Shareholder Return**
Dividend Payout Ratio Over 30%
Acquisition of Treasury Stock in a Timely Manner

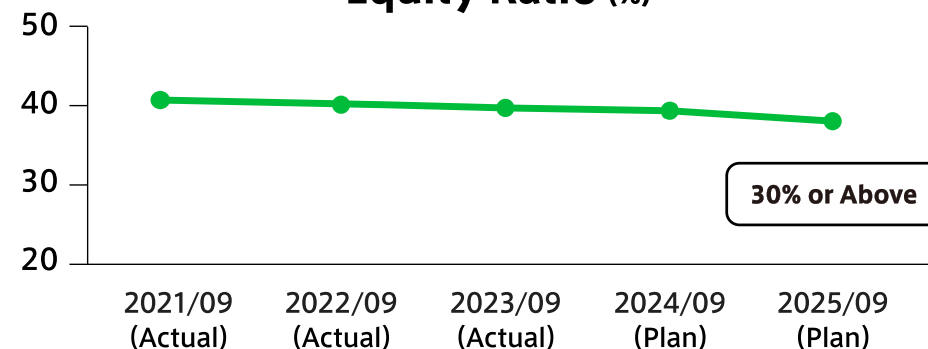
BS Optimization Policy for Active Investments

FY2023 Consolidated balance sheet and Corporate actions

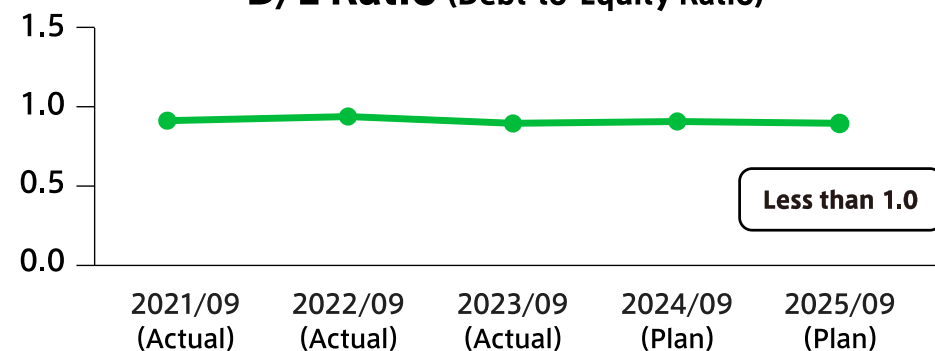


Balance sheet key ratio

Equity Ratio (%)



D/E Ratio (Debt-to-Equity Ratio)



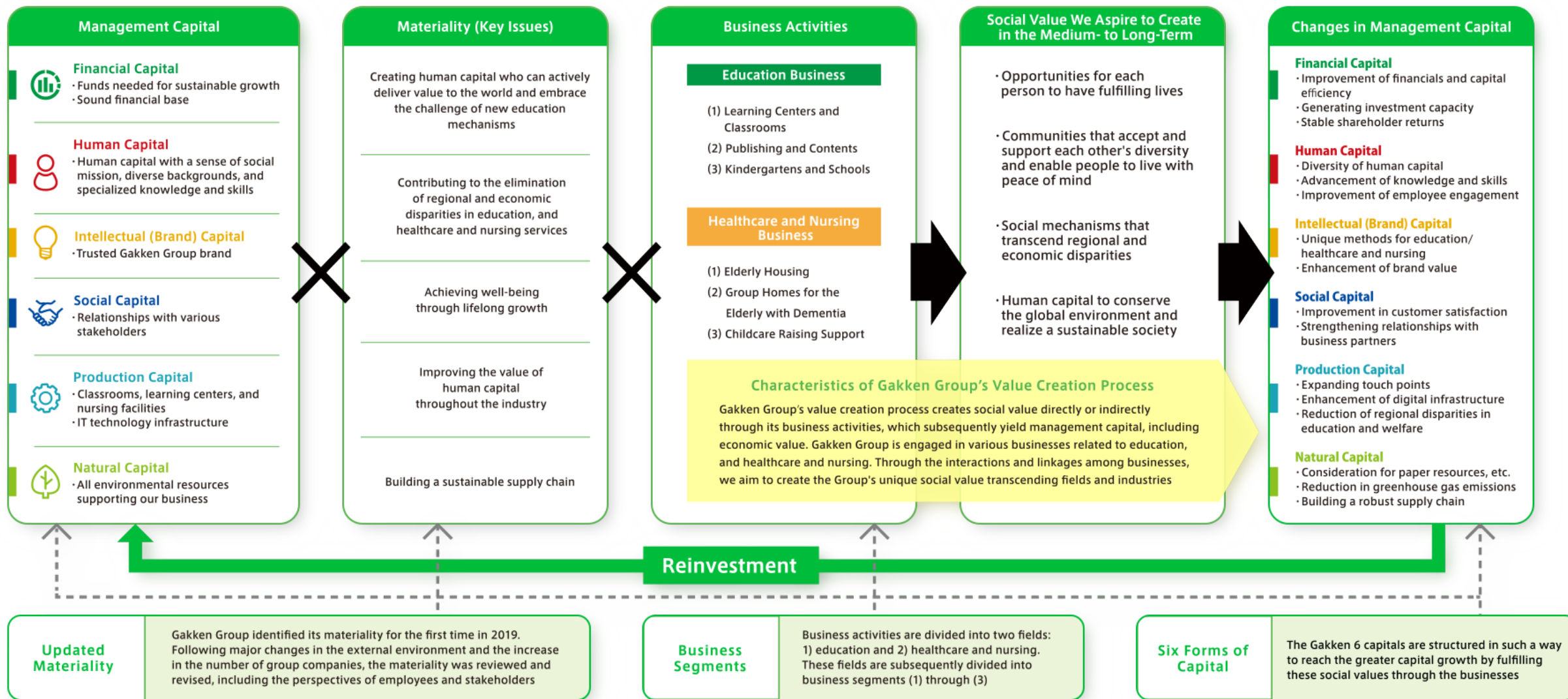
Sustainability Promotion



It is not an exaggeration for Gakken group, which has made positive efforts to solve social issues since its founding, to say that improving sustainability of society and our own company is an issue of the utmost importance.

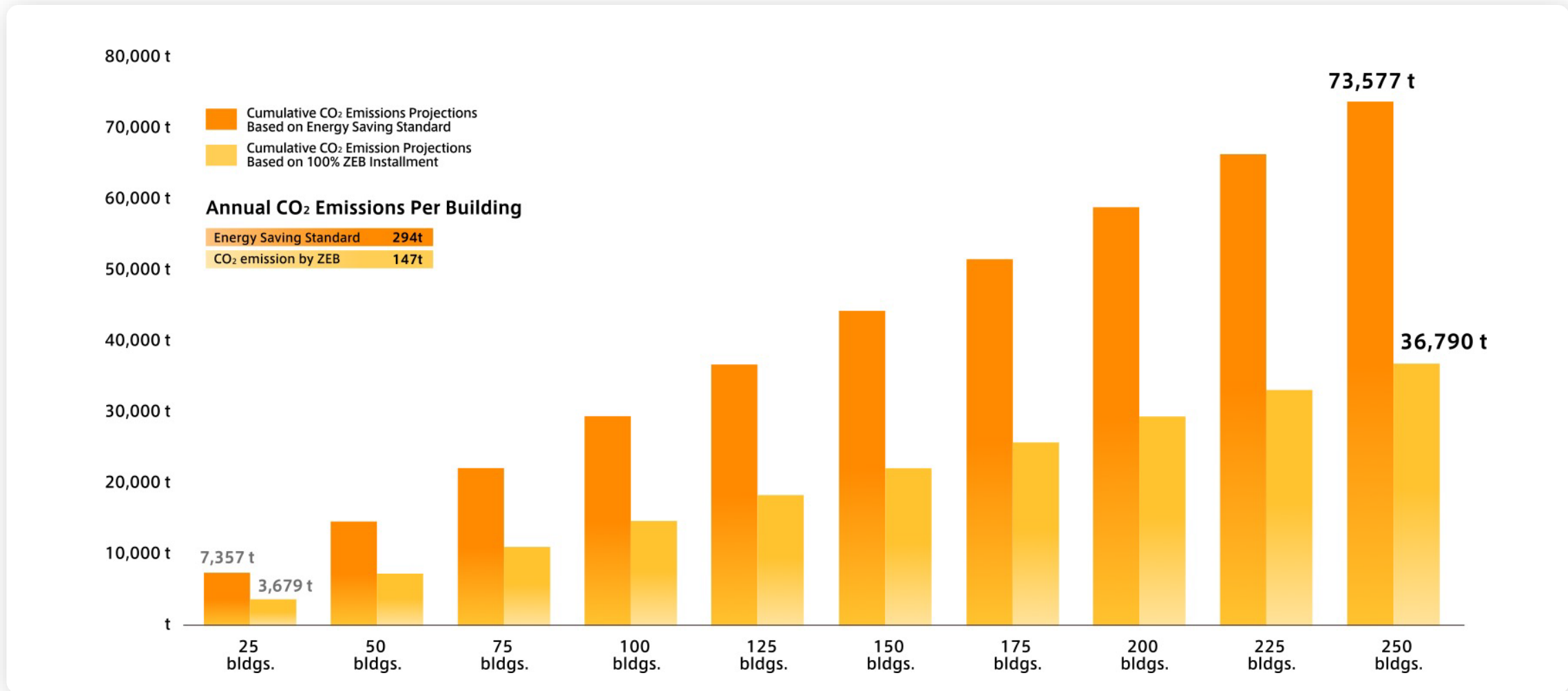
In 2023, we stepped up our efforts by updating our value creation process and promoting changes in facilities for the elderly to meet ZEB ready requirements.

Value Creation Map



Enhanced Sustainability Initiatives (Reduction in CO₂ Emissions)

We will open 25 ZEB ready certified facilities per year by Gakken Cocofump in order to achieved estimated CO₂ emission reduction effects.



*ZEB : Zero Emission Building

Did you do your best today?
Gakken

Gakken Holdings Co., Ltd.

This document contains statements regarding business plans. These statements were prepared based on certain assumptions such as the economic environment and business policies as of the date of preparation. Please be aware, therefore, that they involve risks and uncertainties that may cause actual results to differ from these business plans.