

Gakken

GAKKEN REPORT 2026

Gakken Group Integrated Report



The Gakken Group will celebrate its 80th anniversary in April 2026.



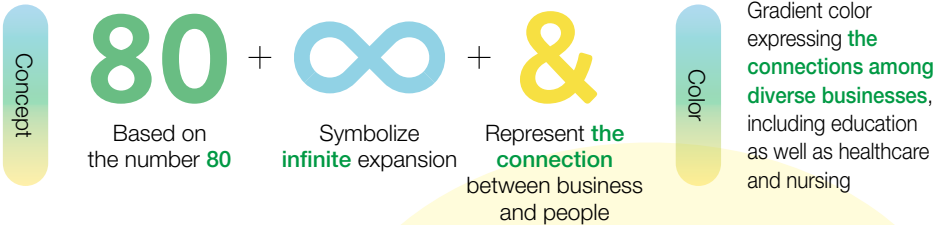
Together for 80 Years and Beyond

The Gakken Group will celebrate its 80th anniversary in 2026. We would like to express our heartfelt gratitude to all who have supported us thus far. Since our founding in 1946, we have consistently addressed social issues and continued to take on challenges. The belief that addressing social issues is our core mission still lives on in our DNA. As we move toward our 100th anniversary and beyond, we will continue to deepen our dialogue with you and create new value together.

80th anniversary logo reflecting employees' spirit

Four proposals were selected from employee submissions, and about 2,000 employees, including those at overseas bases, voted to determine the logo.

The spirit behind in the 80th anniversary logo



We are carrying out a variety of initiatives to commemorate our 80th anniversary.

We are working on various projects to commemorate our 80th anniversary, and some have already been launched. While reflecting on our 80-year history, we will successively launch initiatives that embody new challenges.

The latest information can be found on our 80th anniversary website.



New business creation program "Gakken New Business Contest"

We aim to gather ideas from both within and outside the company to create new business (Selection results will be announced in April 2026.)

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CORPORATE IDENTITY —Gakken Compass—

Group 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.

Gakken Initial Values

- G**rowth ————— Contribute to sustainable growth of humanity and society
- A**ction ————— Take actions to create new opportunities
- K**nowledge ————— Keep learning and take initiatives to leverage your knowledge
- K**indness ————— Be kind to customers and colleagues
- E**njoy ————— Enjoy your potential to help others discovering theirs
- N**ew Stage ————— Expand your opportunities globally with infinite potential

Aspiration

**Inspire
Unlimited Potential**

Message

Did you do your best today?

Gakken



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Gakken Report 2026 editorial policy

Five key questions to reconsider the present and future of the Gakken Group

- Q1: Why do we pursue human potential?

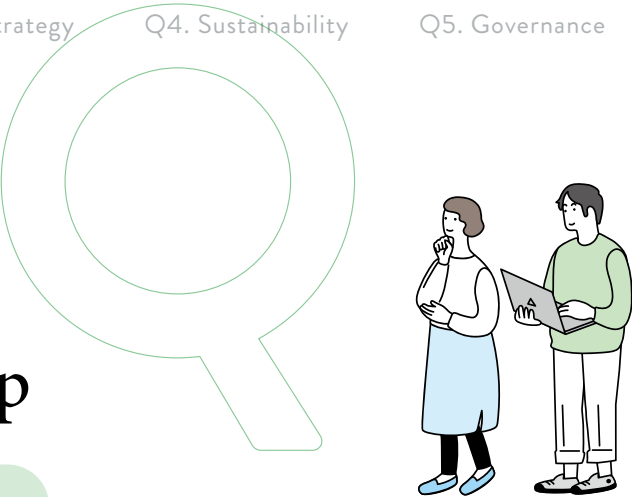
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- Q2: How do we realize a world where everyone can live a fulfilling life?

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- Q3: What kind of business strategy do we develop to achieve “Value UP”?

Strategy
- Q4: What is the sustainability strategy that supports the future?

Sustainability
- Q5: What kind of governance structure do we establish?

Governance



Key Points of the INTEGRATED REPORT 2026

This INTEGRATED REPORT 2026 was compiled from the perspective of reviewing the Gakken Group’s past and future as it marks the milestone of its 80th anniversary. The five key questions are at the core of this report. These questions are deeply tied to the raison d’être of our Group, and we would like to share their significance with our stakeholders.

We issue our INTEGRATED REPORT to communicate to a broad range of stakeholders how the Gakken Group’s management philosophy, management policies, and medium- to long-term management strategies are linked to the initiatives and business strategies of each Group company and how they generate social value. We hope that this report will share the Gakken Group’s vision, initiatives, and firm determination to achieve them, and serve as an opportunity for dialogue.

Reference Guidelines and Frameworks	• “International Integrated Reporting Framework,” International Integrated Reporting Council (IIRC) • Framework of “Guidance for the Collaborative Value Creation,” Ministry of Economy, Trade and Industry • TCFD guidelines, etc.
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Reporting Scope	Gakken Holdings Co., Ltd. (hereinafter referred to as the “Company”) and consolidated subsidiaries of the Company * However, information not covered by the period or information on matters other than consolidated subsidiaries may be included as necessary. Specific reporting periods and scopes are indicated in each section of the report. * The current plans, forecasts, and strategies presented in this report may contain uncertainties.

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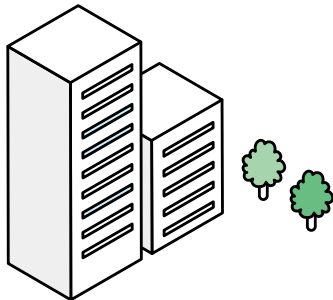
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Marking our 80th anniversary, we step into a new challenge of creating value.

Hiroaki Miyahara

President, Representative Director, Gakken Holdings Co., Ltd.



Thank you for reading the Gakken Group INTEGRATED REPORT 2026. In this issue, we focus on five key questions that review the Gakken Group's present and future, and clearly explain the value creation we are pursuing alongside our business strategies.

The Gakken Group will celebrate its 80th anniversary on April 1, 2026. The founder, Hideto Furuoka, established an educational publishing business in 1946, driven by his conviction that "There is nothing more important than education for post-war (World War II) reconstruction." The history of the Gakken Group overlaps with that of postwar Japan. Facing the challenges of a constantly changing social environment, we have developed a variety of businesses, including the publishing business represented by *Kagaku* (science) and *Gakushu* (learning) magazines, the classrooms and learning centers business centered on Gakken Classroom, and the healthcare and nursing business centered on elderly housing.

The 80th anniversary is only a milestone. While respecting the efforts of our predecessors, we must continue to take on challenges toward our 90th and 100th anniversaries.

In 10 to 20 years, the environment surrounding the Gakken Group will certainly have changed beyond our imagination. That is why we need to embrace bold challenges at this moment. Now is the time to build the foundation for the Gakken Group's future.

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TOP MESSAGE

Q1

Why do we pursue human potential?

A1

We cannot grow without pursuing human potential.

We will continue to be a company that helps you to rise higher and go further.

Corporate identity centered on “challenge” as a keyword

The Gakken Group established a new corporate identity in its previous medium-term management plan, “Gakken 2025 SHIFT.” It is called “Gakken Compass.” The slogan we set forth here was “Inspire Unlimited Potential.” At the core of this slogan is the keyword “challenge.” People grow through challenges and find hope for tomorrow.

Since its founding, the Gakken Group has upheld the spirit of contributing to the world and to people and creating something from nothing. We have embodied in this corporate identity our desire to bridge this unchanging spirit to the future, to create a society where all people can dream, and to continue to be a company that helps you to rise higher and go further.

About 50 employees, mainly in their 30s and 40s, took part in formulating our corporate identity and engaged in dialogue and discussion. When employees brought up the word “challenge” during the formulation, I felt as if I had found a light for the future.

In 2010, when I assumed the presidency, the Gakken Group was in a very difficult situation. Its net sales, which peaked in 1990, had continued declining thereafter. We have made an effort to transform our business structure so that we will never face the same difficulties again. To contribute to a sustainable society, we must be

a sustainable company that continues to take on challenges. This is my belief.

It will remain important to undertake active investment not only from a short-term perspective but also from a medium- to long-term perspective. People only grow when they take on such challenges. I am convinced that this also leads to company growth.



New Corporate Identity Project

Identity

Neither entering the healthcare and nursing domain nor expanding globally was an easy challenge

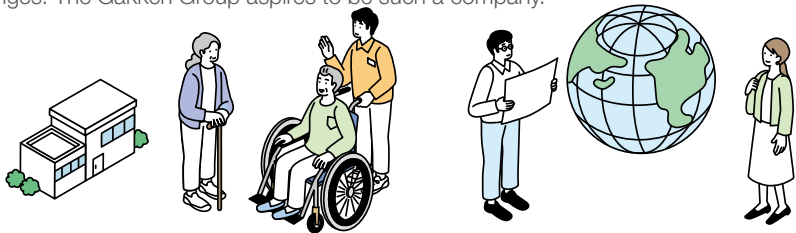
Although the Gakken Group was founded as a publishing company, it has expanded its business into classrooms as well as healthcare and nursing.

However, these challenges were not always easy. Although the healthcare and nursing domain seems to have expanded smoothly, the reality is that it faced a difficult situation for several years after its launch. It remained in the red, and at some point it almost lost its momentum. In hindsight, however, I am glad that we did not give up and continued our efforts.

The same applies to our global business. There is no cast-iron guarantee of success. When I went overseas to negotiate an alliance, I was asked by a local newspaper journalist, “There are few successful Japanese companies here. Why are you making such a large-scale investment?” I answered, “If you write an article with such a negative tone, there will be no Japanese companies willing to venture overseas.”

Even if there is no guarantee of success, you can achieve great results by facing challenges. I believe that there is no business that starts out successfully in today’s world. Struggling and pursuing higher goals is what leads us to success.

This is where pursuing human potential is once again required. I consider that focusing on the potential of our customers and each individual in society, identifying latent needs, and continuing to create new value will be the driving force behind sustainable growth. It is also people that are responsible for creating that value. We value the potential of employees who will shape the future of the Gakken Group, and warmly encourage and support them as they embrace bold challenges. The Gakken Group aspires to be such a company.



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TOP MESSAGE

Q2 How do we realize a world where everyone can live a fulfilling life?

A2 Starting from our employees' well-being, we aim to build a society where people can support each other in living.

People's well-being is the foundation of a world where everyone can live a fulfilling life

The Gakken Group is proud that its businesses help solve social issues. This is why employee well-being is essential to creating a world where everyone can live fulfilling lives. Our employees' well-being enables us to bring happiness to children attending the Gakken Group's classrooms and learning centers, as well as to elderly people living in our facilities and their families. This helps create a world where everyone can live a fulfilling life.

This idea also applies to community development. In an aging Japan, can we build a community that lasts for 100 years, where different generations interact with one another? There are nursery schools, after-school children's clubs, learning centers, and apartments for the elderly. Children and adults gather together spontaneously. The elderly also play active roles, and everyone lives as an irreplaceable member of society. We are envisioning a new kind of community that only the Gakken Group can realize.



Develop business together with companies that share our philosophy

The Gakken Group believes that there is one more thing it can do to realize a world where everyone can live a fulfilling life. It is to expand its network. This broadens the Gakken Group's resources. One of the means to achieve this is M&A.

The Gakken Group's M&A is not driven by numbers. It is a partnership that shares our philosophy and develops businesses together. The Gakken Group aims to be a company that contributes greatly to society. The idea of "for the world and for people" has become widely accepted as the norm, and many employees join the company because they relate to and are drawn to it. That is why it is also a culture we must value.

The launch of the healthcare and nursing business was triggered by the recognition of social issues through our publishing business. The creation of serviced apartments for the elderly and the addition to the Group of specialized companies with unique strengths in dementia care both stem from our commitment to addressing social issues.

Social issues continue to grow and diversify. In the education domain, the increasing number of children who refuse to attend school is attracting significant attention. Under these circumstances, high school correspondence courses are expanding. Nevertheless, it is not enough for children simply to graduate from correspondence high school. The three years in high school represent a period of innocence, sensitivity, and remarkable growth. Our mission is to create a genuinely meaningful learning environment for children. Companies that have joined the Gakken Group are undertaking new efforts.

FYE Sept./2025 Gakken Holdings IR News Topics

Oct./2024	Gakken Educational Co., Ltd. acquired the shares of the newly established company through an incorporation-type company split from Kodansha Pal Co., Ltd. (making it a wholly owned subsidiary)
Nov./2024	Capital and business alliance with RareJob Inc.
Jan./2025	Gakken Holdings was newly included as a constituent of the FTSE Blossom Japan Index, an ESG investment index.
Feb./2025	Capital and business alliance with a Chinese subsidiary of POPLAR Publishing Co., Ltd.
Feb./2025	Establishment of Asahi-Gakken ThinQuest Co., Ltd. (joint investment with The Asahi Shimbun Company)
Jun./2025	Approximately 100 Kodansha Children's Classroom nationwide were gradually rebranded as Gakken Classroom.

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Q3 What kind of business strategy do we develop to achieve “Value UP”?

A3 By 2035, the sales composition will be 50% domestic and 50% overseas.
We will accelerate our global expansion by forming alliances with local companies.

Formulation of the medium-term management plan was entrusted to young employees in their 30s and 40s

The medium-term management plan, “Gakken 2027,” under the theme of “Value UP,” was formulated to enhance business, financial, and organizational value with a view to achieving our 2030 vision. As in the previous medium-term management plan, it was formulated mainly by young employees in their 30s and 40s. This is because their perspectives and insight were believed to be the driving force for shaping the future.

The core theme of the plan is “Value UP.” This phrase carries multiple meanings. Improve the quality of our merchandise and services. Increase our shareholder value as a listed company. Build relationships with suppliers to mutually enhance value. Enhance mutual value through M&A. Increase employee engagement by having employees understand the company’s value. This phrase embodies our commitment to enhancing all forms of value.

A key to business development aimed at “Value UP” is global expansion. As Japan’s population declines, it is a natural choice to pursue corporate growth by seeking demand overseas.

The global business serves as a bridge between the education and health-care and nursing domains. Although the Gakken Group has been expanding its business with two pillars, the education and healthcare and nursing domains, it was considered difficult to establish synergies between the two. The global business has the potential to develop in both domains. It reinforces the connections among the Group’s businesses and further develops them. This enables three-pillar management.

Demand for healthcare and nursing services is growing, especially in Asia

What I focus on in considering medium- to long-term management is our vision for the business portfolio toward 2035. One vision for the future is a sales composition of 50% domestic and 50% overseas, with Japan at 60% in healthcare and nursing and 40% in education, and overseas at 30% in healthcare and nursing and 70% in education. We will optimize our long-term business portfolio from this perspective.

It was in 2013, my fourth year as president, that we first embarked on global business. After establishing representative offices in Singapore and Malaysia, we expanded our business to Myanmar, Indonesia, Thailand, and India. Nevertheless, many of these initiatives did not deliver results immediately. The turning point was our shift from establishing our own local subsidiaries to an M&A approach through capital alliances with companies with strong local foundations. Building on our success in Vietnam, we have expanded into Southeast Asia and the Middle East, and we are beginning to see results in Turkey and other countries. Companies with advanced initiatives and top talent have begun to join our Group.

In the healthcare and nursing domain, it is essential to take Japan’s demographic situation into careful consideration. As the population continues to decline, demand for businesses serving the elderly may change drastically. It will be important to build a foundation for increasing the overseas sales ratio. Initially, we envisioned building our brand around global expansion in education and then expanding into healthcare and nursing. However, the population is aging faster than expected, even overseas. Demand for healthcare and nursing services is growing, especially in Asia, where a prompter response is required. In Asia, for example, while economically successful people often live in Western countries, their parents prefer to live in their home countries. Financially well-off children are seeking reliable elderly care services for their parents. To meet these needs, we will accelerate our global healthcare and nursing business.

» Future sales composition

50% Domestic		50% Overseas	
60% in health-care and nursing	40% in Education	30% in health-care and nursing	70% in Education

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Q4 What is the sustainability strategy that supports the future?

A4 Our aim is to deliver value to society 100 years from now.
We will pass on the strengths of our leaders.

Sustain value creation through people, built on succession

Our top management commitment includes actively promoting the reduction of greenhouse gas emissions, supply chain management, diversity and inclusion, such as the active participation of women, and human capital initiatives, such as improving employee engagement. We will implement a wide range of sustainability measures in the areas of the environment, society, and human capital, and steadily promote them under our medium-term management plan “Gakken 2027.” In recent years, the theme of “succession” has become particularly important as we pursue these initiatives.

As president, I aspire to create value for society 100 years from now. While the situation surrounding Japan is becoming increasingly severe owing to the low birthrate and aging population, the Gakken Group must continue to develop its organizational strength so that it can sustain value creation in any situation. Leaders set an example first and pass it on firmly to the next generation. Leaders ensure that their accumulated experience is passed on to people in their 50s, 40s, 30s, and 20s. Field-based knowledge that has been cultivated in the workplace evolves into organizational knowledge that can be utilized throughout the organization. These will help us build an organization that can continuously respond to changes in social issues and deliver value on a sustainable basis. I believe that this is also the essence of sustainability driven by people.

» FYE Sept./2026 – FYE Sept./2027 Top Management Commitments

Evolution of
Corporate Sustainability
Pursue human potential
and realize Value UP
for customers and
society.

1. Promotion of **YORISOU CSV**^{*1} management for customers and society
2. Acceleration and popularization of diversity and inclusion
3. Transformation into an organization where autonomous individuals shine and take on challenges with a **MAENOMERI** spirit
4. Challenge of carbon neutrality by 2050

Address social issues through our education and healthcare and nursing businesses, enhancing both customer value and corporate value.

Cultivate an organizational culture that respects each person's style (**Your Style**) and equitably provides opportunities for employees to play an active role

Maximize the motivation and potential of each and every employee through transformation into an organization that enhances individual capabilities and encourages challenges.

With the aim of achieving carbon neutrality by 2050, we will systematically advance efforts toward the greenhouse gas reduction target for 2030 (promotion of **DECO** activities^{*2}) and ensure achievement of the targets.

^{*1} An acronym denoting Creating Shared Value. It refers to management in which a company achieves both social and economic value.
^{*2} A term that combines "deco" (decarbonization), which reduces carbon dioxide (CO₂), and "eco," which is good for the environment, with activities and lifestyles.

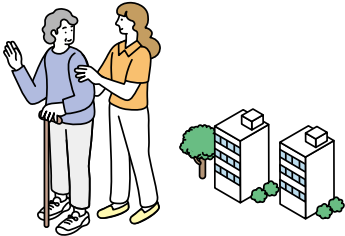
Aim for zero job losses due to elderly care: A key challenge for a company involved in healthcare and nursing

Meanwhile, as a prerequisite for succession, field-based knowledge must be constantly updated. As technological and societal changes accelerate, it is becoming increasingly difficult to address more diverse social issues by simply applying past experience. Even experienced employees must continue to learn new knowledge and enhance their field-based knowledge to create sustainable social value.

For this reason, the Gakken Group actively promotes cross-generational interaction and collaboration among employees with diverse backgrounds. By combining knowledge beyond gender, nationality, work style and other forms of diversity, the creativity of the entire organization will be enhanced, and the range of value that we can deliver to society will steadily expand. This is a crucial foundation supporting corporate sustainability.

Moreover, as a company engaged in the healthcare and nursing business, we intend to reduce the number of employees who leave their jobs to care for an elderly relative. We would like to realize a society where no one leaves their job to care for someone elderly. Even though systems, such as long-term care insurance and time-off for caregivers, are being put in place, there are still many people who are forced to leave their jobs to care for their family members because they are unaware of such information and systems. Realizing a society where people can care for their family members while working and sharing such information widely will not

only ensure employees' life choices, but also help people across society to continue working. We are committed to contributing to the creation of a system that enables everyone to continue working by providing society with the knowledge only the Gakken Group can deliver.



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Q5

What kind of governance structure do we establish?

A5

We have become a company with an audit and supervisory committee, and the executive composition has been drastically renewed. We now have a structure to promptly respond to changes.

We must have an executive composition that can promptly respond to the rapidly changing times

In December 2025, the Gakken Group transitioned from a company with a board of company auditors to a company with an audit and supervisory committee. This aims to enable faster decision-making, enhance management agility, strengthen the supervisory function of the Board of Directors, evolve toward a global standard structure, and improve management transparency.

One point I would like to emphasize is that we did not simply change the system. We also drastically changed the executive composition at the time of the transition. The number of executives was reduced by almost half. As we accelerate our global expansion now, we have determined that it is necessary to evolve toward a more agile and effective governance structure. There are inevitable risks involved in making a bold transition in a short period of time. That said, given the rapid changes in the business environment, making prompt decisions will increase the likelihood of success. If you think it is a good idea, you should do it now. The results will surely come quickly. An approach of acting before circumstances change to achieve early results is crucial for future management.

Another point I focused on was broadening the generational diversity of the management team to incorporate various perspectives and experiences. The internal directors consist of members in their 40s to 60s, including myself, with diverse careers and expertise. As I already mentioned, we entrusted the formulation of the medium-term management plan “Gakken 2027” to employees in their 30s and 40s, and this approach is also reflected in the composition of the Board of Directors. Against this backdrop, the pace of change has been faster than expected. In order to accurately perceive signs of change and make flexible decisions, it is essential to have discussions based on diverse experiences, free from constraints of age or tenure. By demonstrating my own commitment to transformation, I aim to instill this mindset across group companies and workplaces and to foster a new governance culture throughout the Gakken Group.

The Gakken Group comprises more than 120 companies. Its governance is conducted in a uniform manner, and the circumstances of each company are considered to ensure alignment. For instance, when foreign companies join the Group, we recognize that the concepts and maturity of accounting standards and business processes differ depending on the country or region.

While the application of uniform accounting policies is the principle, we place importance on sharing our future vision and gradually achieving alignment over a certain transition period.

We share the view that prompt action is required for matters directly linked to risks for the entire Group, and take appropriate measures. Meanwhile, we carefully address other matters, taking into account the circumstances of each company.

We place great importance on fully considering differences in countries, regions, and business environments, carefully assessing each situation, and gradually building the necessary alignment.

Through these efforts, we have steadily enhanced the overall level of governance while creating an environment in which each group company can focus on its business with confidence. We will continue to advance group management while maintaining a balance between control and workplace autonomy.

The Gakken Group is now undergoing a major transformation as its global business expands. Under its newly formulated medium-term management plan “Gakken 2027,” the Group is working as one to promote sustainability, create value centered on human capital, and evolve its governance structure. These initiatives build the foundation for a company that will continue to create new value for society 100 years from now by addressing various social issues across countries and regions. We will steadily lay a cornerstone for the future step by step through dialogue with a wide range of stakeholders.



Hiroaki Miyahara
PROFILE

Born in Kure City, Hiroshima, in 1959. Following graduation from the National Defense Academy of Japan, and a stint at a trading company, Hiroaki Miyahara joined Gakushu Kenkyusha (now Gakken Holdings Co., Ltd.) in 1986. Over the years, he held diverse roles within the company, including the esteemed positions of General Manager of the Gakken Classroom Business Division, Corporate Officer and Director. This trajectory culminated in his appointment as Director of Gakken Holdings in 2009. Concurrently, he took on the role of President and Representative Director of Gakken Juku Holdings Co., Ltd. (current Gakken Kyoiku Holdings Co.,Ltd.), Gakken Educational Co., Ltd., and Gakken Education Publishing Co., Ltd. (current Gakken Inc.), further solidifying his leadership position. In December 2010, he assumed the pivotal role of Chief Executive Officer and President. He spearheaded transformative business reforms centered around education, healthcare, and nursing. Under his stewardship, the company experienced a remarkable V-shaped recovery, with 15 consecutive terms of revenue growth. He currently serves as an outside director of Nippon Group Holdings, Inc., Chairman of the Board of Directors of the Furuoka Scholarship Foundation, and Chairman of the Japan Magazine Publishers Association. He is the author of *Gyakufu ni Mukau Shain ni Nare* (Being a challenger who can tackle the tough times) (Gakken Inc.), *The Theory of M&A Management — Strategic Principles for Business Model Reinvention* (Toyo Keizai Inc.), and *Gakken Kyoshitsu 5-tsu no Himitsu* (Five secrets of Gakken Classroom) (Gakken Educational Co., Ltd.).

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Q1 Identity

Why do we pursue human potential?

This chapter explains what kind of medium- to long-term strategy the Gakken Group envisions to realize its corporate philosophy. In addition to sharing the Gakken Group's approach of creating social value through products and services by effectively utilizing diverse forms of capital, we provide explanations on our management vision for 2030 and beyond, as well as the strategies to achieve it.



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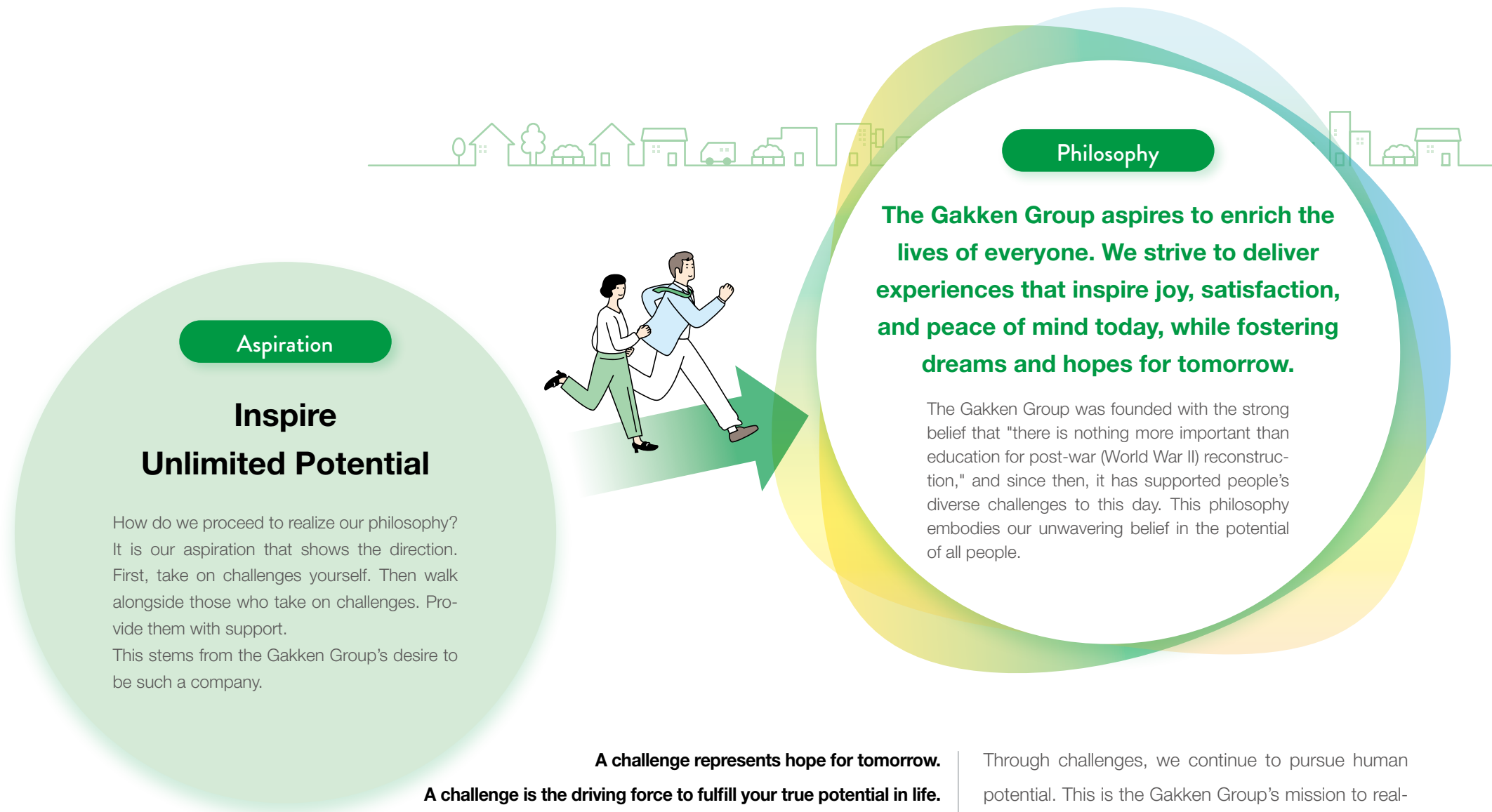
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From Aspiration to Philosophy

Why do we pursue human potential? It is because we believe that inspiring unlimited potential is precisely the path to realizing our corporate philosophy.



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Gakken Group History

Since its founding, the Gakken Group has continued to take on challenges across a wide range of businesses, including publishing, education and childcare, support for the elderly, and overseas expansion, while believing in the potential of each individual.

Business evolution



Supporting Japanese education through grade-specific magazines



Starting with *Shoto Gonen no Gakushu* (Learning for the Fifth Graders of Elementary School) and *Shoto Rokunen no Gakushu* (Learning for the Sixth Graders of Elementary School), the grade-specific magazines had grown by 1963 to cover all 18 school levels (20 magazines), from toddlers to high school seniors. The May 1979 issues of *Gakushu* (Learning) and *Kagaku* (Science) circulation reached a total of 6.7 million copies.

Becoming a comprehensive publisher in education



In the 1960s, the Company published encyclopedias, illustrated guides, and art books that applied its know-how in education. In the 1970s, in response to the newly growing demand for entrance examinations, it successively published a popular series of study-aid books. Additionally, the Secret Series and Manga Japanese History Series of cartoons for learning were first published in the 1970s.

From school to learning centers and classrooms



Since the late 1970s, families have increasingly sought out-of-school education, such as learning centers and classrooms. In 1980, Gakken launched Gakken Math and Japanese Classroom, the predecessor of today's Gakken Classroom. Later, it started diverse learning centers and classrooms tailored to market needs, including toddler classes, English classrooms, and computer-assisted instruction (CAI) schools.

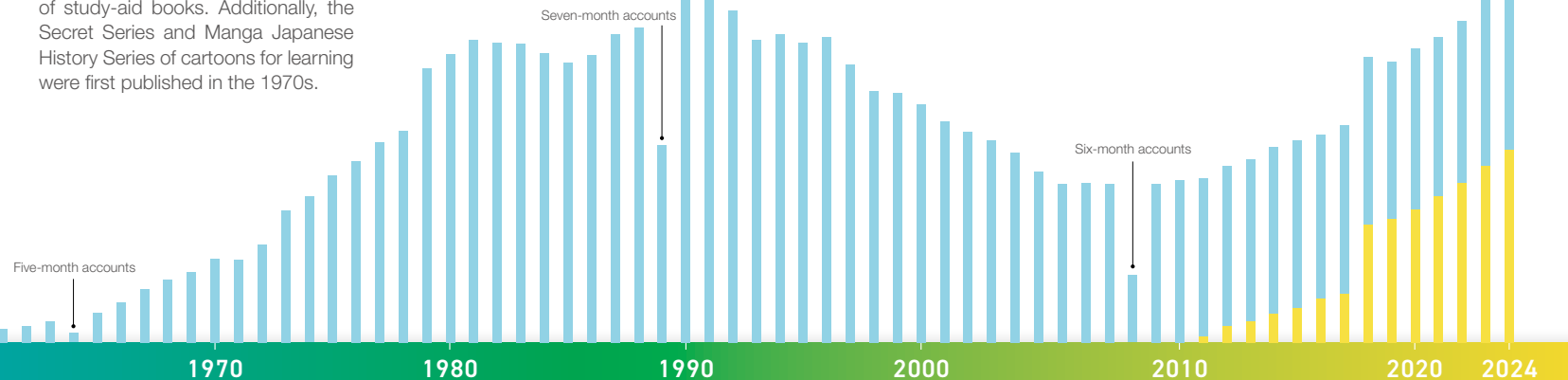
Full-scale entry into the healthcare and nursing business



Before the year 2000, Japan had entered an aging society. Gakken developed a housing model for serviced apartments for the elderly. It established itself as a pioneer in the new elderly housing business. It later expanded its Group Homes for the Elderly with Dementia Business. In an aging society, the Group will continue its challenge to provide an environment where people can live a fulfilling life without worry.

Group sales trends

■ Sales in education domain
■ Sales in healthcare and nursing domain



- 1946** Gakushu Kenkyusha was founded. The first issues of *Shoto Gonen no Gakushu* and *Shoto Rokunen no Gakushu* were published in the same year.
- 1947** Gakushu Kenkyusha was reorganized and incorporated as Gakken Co., Ltd.
- 1952** The first issue of the preschool magazine *Yoiko no Kuni* (the Land of Good Children) was published.
- 1957** The first issues of the Chugaku Ichi Nen Course (Course for Junior High School First Years) and Chugaku Ni Nen Course (Course for Junior High School Second Years) were published.

- 1967** The *Genshoku New Modern Encyclopedia* was published.
- 1970** A 360° Astorama image was exhibited at the Midori-kan Pavilion at Expo '70 in Osaka.
- 1977** The learning materials for junior high school students Gakken My Coach were launched.
- 1979** The circulation of *Gakushu* and *Kagaku* reached a total of 6.7 million copies.

- 1980** Gakken Math and Japanese Classroom opened.
- 1982** Gakken was listed on the second section of the Tokyo Stock Exchange.
- 1984** Gakken was transferred to the first section of the Tokyo Stock Exchange.
- 1986** Manabukun, a personal learning system using computer-assisted instruction, was launched.

- 2006** Rental housing for the elderly Cocofump Lake Hills opened.
- 2009** Gakushu Kenkyusha transitioned to a holding company structure. The Company changed its name to Gakken Holdings Co., Ltd.

- 2016** Cocofump Fujisawa SST opened in Fujisawa Sustainable Smart Town in Kanagawa.
- 2018** Medical Care Service Inc., an elderly care service provider, became a subsidiary through M&A.

* Net sales have been consolidated since 1990 and were calculated on a non-consolidated basis for Gakushu Kenkyusha prior to that. The year is shown as the year when the fiscal period began.

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History of Pursuing Potential

—Business Development—

Publishing and Content Services Business

In 1946, our publishing business began with *Shoto Gonen no Gakushu* and *Shoto Rokunen no Gakushu*. In addition to creating a variety of content, such as encyclopedias, illustrated guides, study-aid books, cartoons for learning, and magazines, we have supported the field of education through school materials, such as authorized textbooks and mock exams. In recent years, popular series, such as Chikyu no Arukikata (Globe-Trotter Travel Guidebooks) and Sai-Kyo-Oh Zukan (The Ultimate Battles), have expanded beyond publishing, and our content and services related to language learning and reskilling have also grown.



Shoto Rokunen no Gakushu



Study-aid book Hitotsu Hitotsu Wakariyasuku (Simply and Clearly, One by One) series



Sai-Kyo-Oh Zukan (The Ultimate Battles) series



Chikyu no Arukikata series



E-learning service for nurses Gakken Nursing Support

Childcare and Early Childhood Business

Through providing picture books, playing equipment, and services for childcare workers, we have promoted the creation of environments that support children's enriched development. In 2008, a nursery school Gakken Kodomoen (current Gakken Hoikuen) opened. We are making progress toward realizing childcare support that leaves no one behind, including nursery schools, after-school children's clubs, free schools, and developmental support.



Gakken Hoikuen



Gakken Tsunagaru Picture Book

Global Business

The Gakken Group, which has been committed to global expansion, recently added three Vietnamese companies to its group, further broadening its global network. It has been engaged in a variety of initiatives, including the Overseas Gakken Classroom business and ODA projects.



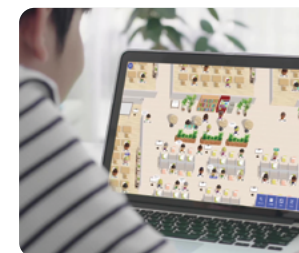
Business tie-up with KiddiHub (Vietnam)

Classrooms and Learning Centers Business

Since the launch of Gakken Math and Japanese Classroom in 1980, Gakken Classroom has expanded nationwide. In recent years, we have also contributed to enhancing the quality of community-based education by bringing learning centers across the country into our Group. In 2024, Gakken High School, a support school for high school correspondence courses, opened. We will continue to broaden the possibilities of diverse learning.



Gakken Classroom



Online learning platform "VISC"



Gakken High School

Elderly Housing Business

Amid the social challenges of the low birth-rate and aging population, we opened our first apartment for the elderly on the site of the founder's former residence in 2006. Serviced apartments for the elderly (referred to as Sakoju) have expanded nationwide, supporting environments where the elderly can live a fulfilling life without worry.



Gakken Cocofump's serviced apartments for the elderly

Group Homes for the Elderly with Dementia Business

In 2001, Medical Care Service Inc. opened its first group home for the elderly with dementia Aino Ie. In order to eliminate preconceptions and misunderstandings about dementia and create a society where everyone can embrace aging, we provide elderly care services, support for businesses, and wellness services.



Medical Care Service's Aino Ie

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Gakken NOW: Business Overview

The Gakken Group delivers value across a wide range of fields, mainly in education and healthcare and nursing. The following key indicators illustrate the breadth and current status of these activities.

Net sales

199.1
billion yen

YoY
7.3%UP ↗



EBITDA*

12.97
billion yen

YoY
16.2%UP ↗

* A combined total of operating profit, depreciation, and amortization of goodwill.

Operating profit

8.23
billion yen

YoY
19.7%UP ↗

Ordinary profit

7.81
billion yen

YoY
13.1%UP ↗



Profit attributable to owners of parent

3.57
billion yen

YoY
58.3%UP ↗

Number of classrooms

13,500 classrooms*1

Number of learning centers

914 centers



Number of new/revised publications per year

1,570+ publications

Number of Childcare Support Facilities

102 facilities*2

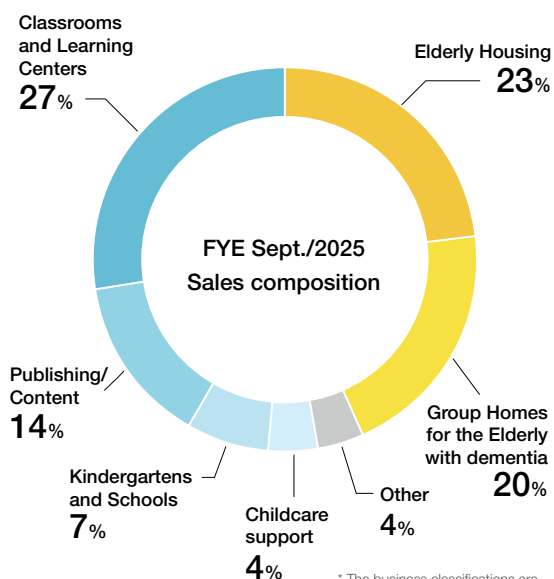


Global Business

Number of overseas bases **25** bases

Overseas activities **150+** countries

We have established global offices mainly in Asia to provide local customers with content services. We also provide official development assistance (ODA) and support for overseas expansion by private companies in developing countries.



* The business classifications are based on FYE Sept./2025. Figures are rounded down to whole numbers.

Number of locations of apartments for the elderly

248 locations*3
12,918 apartments



Number of locations of group homes for the elderly with dementia

388 locations*4
6,353 rooms*5



*1 A combined total of Gakken Classrooms, Gakken Squares, and Mebae Classes.

*2 A combined total of nursery schools, after-school children's clubs, child development support facilities, and free schools.

*3 Including overseas bases. Elderly care service bases operated by ICHISHIN HOLDINGS CO., LTD. are excluded. Including facilities in other categories, such as home-visit elderly care stations, in addition to serviced apartments for the elderly.

*4 Including facilities in other categories, such as specified facilities, as well as overseas bases, in addition to group homes for the elderly with dementia.

*5 The number of rooms covers group homes for dementia care only.



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Gakken NOW: Company Profile

Collaboration among diverse human resources and organizations, along with trust and recognition from society, supports the Gakken Group's challenges and serves as the driving force for pursuing human potential.

Number of employees

* Consolidated basis

 **30,546** persons

Male-female ratio

* All employment types



Average age of employees

 **AGE 43.6** years old

Group companies



124 companies

We will strategically make investments that contribute to the transformation and growth of the Group, including mergers and acquisitions (M&A), to expand the Group and provide additional value.

External evaluation



Recognition as one of Certified Health & Productivity Management Outstanding Organizations | 12 companies

Ten companies, including Gakken Holdings, were certified as 2025 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category), and two companies were certified as 2025 Certified Health & Productivity Management Outstanding Organizations (Small and Medium-Sized Enterprise Category). BUNRI was ranked in the Bright 500.



The Monisu certification | 1 company

Recognized for its dedication so far, Gakken Smileheartful Co., Ltd. was certified by the Ministry of Health, Labour and Welfare in July 2022 as an excellent employer under the Monisu certification system to certify small and medium-sized employers excelling in the employment of people with disabilities.



The Kurumin certification | 7 companies

Seven companies—Gakken Holdings Co., Ltd., Gakken Educational Co., Ltd., BUNRI Co., Ltd., Gakken Inc., Gakken Medical Support Co., Ltd., Gakken Logistics Co., Ltd., and Gakken Products Support Co., Ltd.—have been certified as childcare support companies.



The Eruboshi certification | 7 companies

This certification mark is awarded to companies that show outstanding performance in promoting women's participation. Gakken Holdings Co., Ltd., Gakken Educational Co., Ltd., Gakken Inc., Arukikata Co., Ltd., IC Net Limited, Gakken Logistics Co., Ltd., and Gakken Products Support Co., Ltd. have been certified.



FTSE

An index that reflects the performance of Japanese companies excellent in environmental, social, and governance (ESG) measures. The Government Pension Investment Fund (GPIF), the world's largest public pension fund, has also adopted this index as its ESG investment index in passive management. It is used as an important investment benchmark by investors around the world.



S&P/JPX Carbon Efficient Index

TOPIX, a leading stock index that reflects trends in the Japanese market, is used as a benchmark for determining the weight of constituent stocks, with a focus on the disclosure of environmental information and the level of carbon efficiency (carbon emissions per net sales).



CDP | B Score

The Gakken Group was awarded a B Score, the third-highest rating, in the CDP 2025 Climate Change Report.

This indicates that we are aware of our environmental risks and impacts and are taking action to address them. We will continue to strengthen our efforts to address environment-related issues and enhance disclosure.

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Pursuit of new possibilities

The Gakken Group is committed to creating diverse social value through its businesses. We present new initiatives in each business and share the current state of our pursuit of future possibilities.

Growth journeys for each student

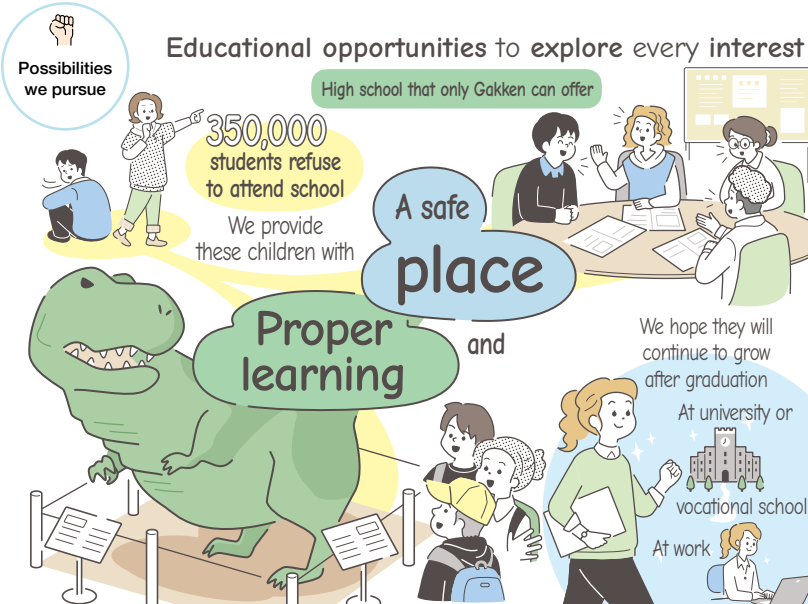
Gakken High School

Gakken High School is a support school for high school correspondence courses established by combining the strengths of the Gakken Group and CLARK Memorial International High School. Leveraging 80 years of educational know-how and experience in preparatory schools, our instructors strongly support children's learning and curiosity. They respect each student's personality and potential and foster individuals who can continue engaging in inspiring learning even after graduation. Explore every interest: Students explore not only scientific inquiry but also their own ways of learning so that they can develop independent learning skills. We respect each student's future dreams, concerns, and pace, and support their individual growth journeys.



Sho Ueda
Corporate Strategy Division,
Gakken Kyoiku Holdings Co., Ltd.

Classrooms and Learning Centers



Textbook for senior high school classes Heartening fosters power and growth

"Heartening English Communication"

Kirihara Shoten K.K. began with the founder's strong desire to create innovative learning materials that help students who struggle with English come to understand it, and this desire continues today. The English communication textbook series Heartening has established itself as a top brand, thanks to strong support from teachers across the country. We are working to develop learning materials so that students can reflect on a sustainable society through the textbook and achieve personal growth while improving their academic skills.



Ayako Matsuki
English Editorial Department,
Planning and Development
Bureau, Kirihara Shoten K.K.

Publishing and Content



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Pursuit of new possibilities

After-school activities where children shine, and a future fostered by schools, communities and local governments

Entrusted operation of public-funded, private-run after-school children's clubs

We have been entrusted with the operation of public-funded, private-run after-school children's clubs. Through cooperation and collaboration with local governments, we are making efforts to eliminate the waiting lists for children and improve the quality of after-school activities. Aiming to create after-school children's clubs that children want to attend every day, we provide after-school environments where children can take initiatives, encounter diverse people and experiences, and discover their own individuality and their interests. We create social value by providing places where children can learn and play, contributing to childcare support through high-quality services that parents can trust, and expanding the growth and potential of children in local communities.

Childcare and Early Childhood



Kyoji Ogura

Development Department,
Gakken Cocofump Nursery
Co., Ltd.



Possibilities
we pursue

After-school children's clubs that children want to attend every day

- Create a comfortable place
- Promote growth and development
- Support daily life

Support for families
raising children

Local base for
childcare support
activities



Contribute to the future of the Vietnamese people to grow together

Education business in Vietnam

Vietnam, having a rapidly growing economy, is a country enthusiastic about education, with a high proportion of household spending on education. When I stay in Vietnam, I can feel the enthusiasm of parents who work hard because they want their children to receive a quality education. Children also study cheerfully, dreaming of making the world their stage. In Vietnam, a land of possibilities where learning leads to a better future, we hope to contribute to people's future through our business and bring their vitality back to Japan so that we can grow together.

Global



Harue Sueda

Southeast Asia Business Office,
Global Business Division,
Gakken Holdings Co., Ltd.



Possibilities
we pursue

Bring enriching education to Vietnam together with partner companies!

Providing an online
learning system

Publishing
Vietnamese editions
of about 100
Japanese picture books

Scientific
experiments

Providing
Gakken's original
STEAM education for
kindergartens

Programming



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Game tournament connecting
200 elderly housing facilities nationwide

Cocofump Cup

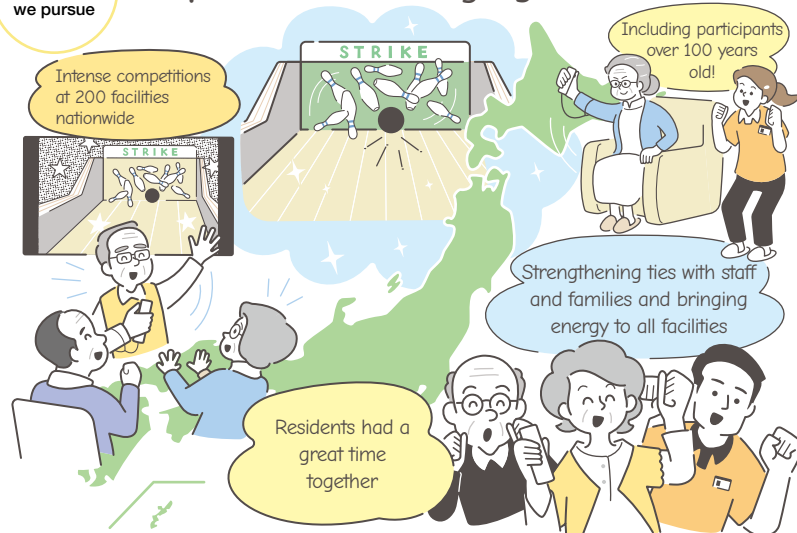
Gakken Cocofump Co., Ltd. is implementing recreational activities using Nintendo Switch™ at 200 elderly housing facilities nationwide to improve resident satisfaction. As part of this initiative, we held the Cocofump Cup, in which each facility was connected by online video calls and participants competed in a bowling game. Qualifiers were held in each region, followed by a final round featuring the winning teams. Some participants were over 100 years old, and they practiced hard to win, making the tournament lively and successful.



Hisatoyo Mochizuki
General Manager,
Public Relations Office,
Sales Planning Department,
Gakken Cocofump Co., Ltd.



Improve QOL through games!



Challenge of fostering
caregivers across borders

Fostering overseas human resources

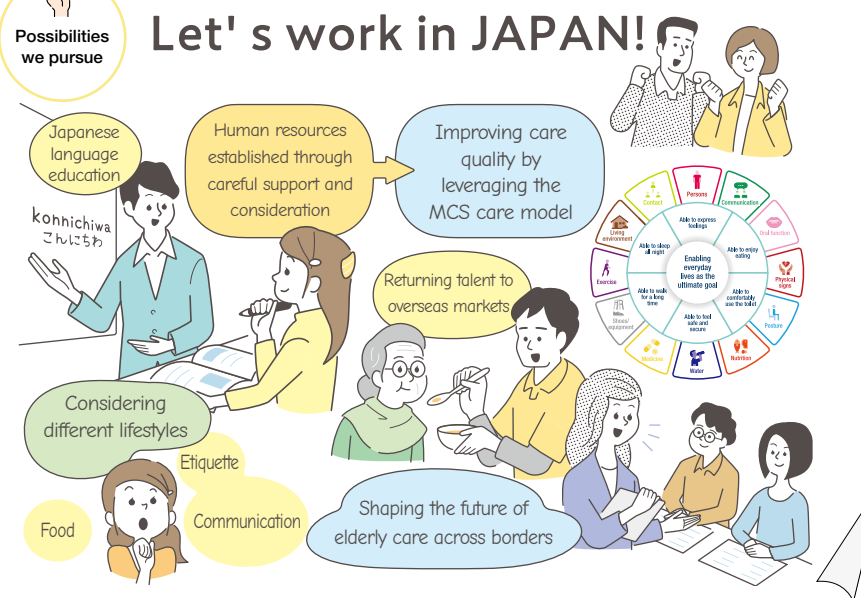
Medical Care Service Inc. has accepted 438 foreign nationals from 17 countries over the past five years. Mutual understanding through Japanese language education and consideration for different lifestyles has kept the turnover rate among Specified Skilled Workers at 5%, far below the industry standard. The pass rate for the certified care worker exam among our first Specified Skilled Workers has also reached 100%. Their positive attitude toward learning has brought energy to the workplace. Creating an environment where diverse human resources can play active roles not only improves the quality of care but also creates social value by fostering caregivers, thereby addressing global elderly care challenges.



Tomomi Yazawa
Assistant Manager,
Recruitment Planning Section,
Human Resources Development
Department, Medical Care
Service Inc.



Let' s work in JAPAN!



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Pursuit of new possibilities

Build the future of the Gakken Group through dialogue with employees

CROSS TALK MEETING

As part of our efforts to promote diversity and inclusion, we held a CROSS TALK MEETING, where the Vice President and employees engaged in direct dialogue. The management team listened carefully to candid employee voices, such as balancing work with childcare or elderly care, the challenges faced by those who support them, and uncertainties about career development, and has reflected them in organizational reforms. This is a new challenge to explore ways to create an organization in which diverse human resources can demonstrate their capabilities in their own ways and to present an inclusive way of working to society.

D&I



Misa Takahashi
General Manager,
Diversity & Inclusion Division,
Corporate Officer,
Gakken Holdings Co., Ltd.



Possibilities
we pursue

Find insights for the future through dialogue between the management team and employees!



Stop and pick up a book for enriched growth and learning

Michikusa Shorin

Michikusa Shorin is a new experimental space that fosters rich learning through encounters with books. The idea for this project came about when Dai Nippon Printing Co., Ltd.'s proposal-based bookstore Sokedachi Shoten collaborated with Gakken Education Research Institute's Manabi Map, leading to the idea of creating a one-tsubo (approx. 3.3 m²) bookstore in the Gakken Building. We propose an environment that inspires new interests and creativity and unlocks human potential by providing a space where visitors can freely encounter books. We will continue to contribute to creating a vibrant society through learning.

Education
Research



Natsuko Kawada
Principal researcher, Gakken
Education Research Institute



Possibilities
we pursue

A one-tsubo bookstore in the Gakken Building, inspiring new interests and creativity (pilot project)



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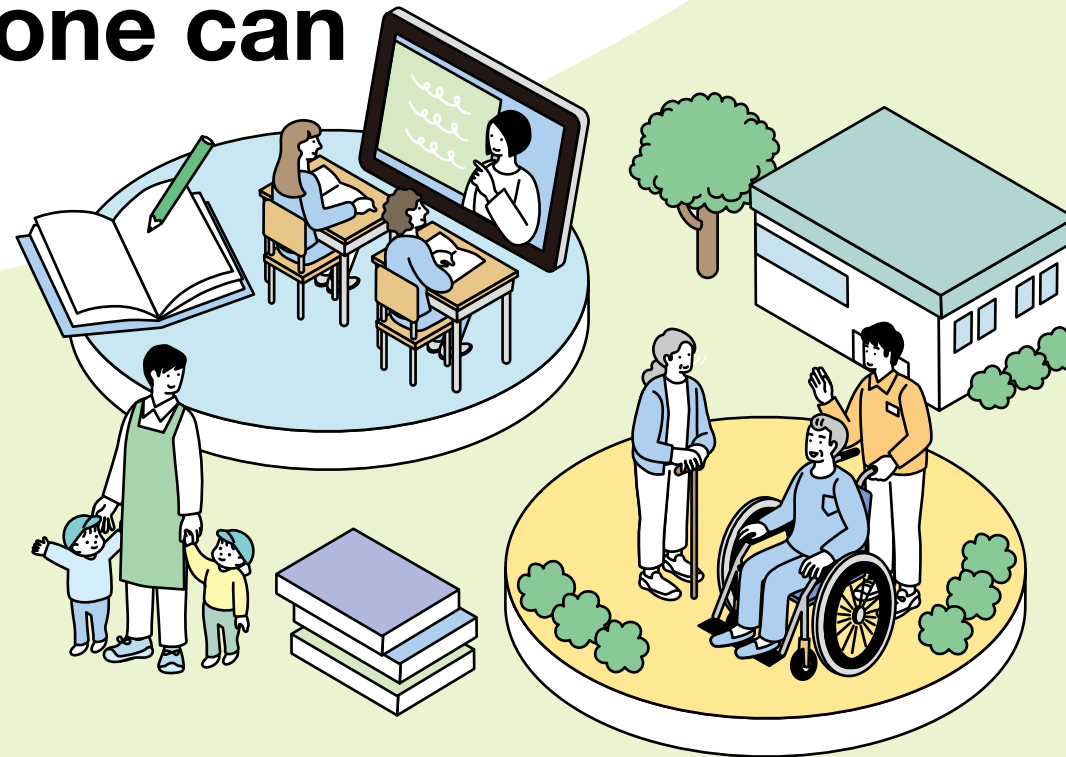
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Q2 Value Creation

How do we realize a world where everyone can live a fulfilling life?

What kind of value does the Gakken Group create to realize a world where everyone can live fulfilling lives? In this chapter, focusing on the value creation process and five priority challenges (materiality), we visualize the strategic utilization of six types of management capital and the social value we intend to create over the medium to long term. At the same time, we also explain our perspective on co-creation with stakeholders and the direction of our new medium-term management plan “Gakken 2027” to present an overall picture of our future strategies.



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Value Creation Process

The Gakken Group intends to realize a world where everyone can live fulfilling lives through the value creation process shown below. It shows that the generation of social value through our business activities leads to changes in our management capital.

|| 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.

Priority Challenges
the Gakken Group
must address
(materiality)



Development of globally active human capital and challenges toward new education



Contributing to the elimination of regional and economic disparities in education and healthcare and nursing services



Achieving wellbeing through lifelong growth



Improving the value of human capital throughout the industry



Building a sustainable supply chain

|| Aspiration ||

Inspire Unlimited Potential

Management Capital

Financial capital

Social capital

Human capital

Intellectual capital

Production capital

Natural capital

Business Activities



Medium-term management plan
“Gakken 2027”

Classrooms
and Learning
Centers

Publishing/
Content
Services

Elderly
Housing

Healthcare
and Nursing
Domain

Group homes
for the elderly
with dementia

Childcare
and Early
Childhood

Global

Promotion of Sustainability Management

Reinvestment in
Growth

Social value
we aspire to create in the
medium to long term



Opportunities for each
person to have a fulfilling
life

Local communities where
people accept diversity
and support each other
to live without worry

Social mechanisms
that transcend regional and
economic disparities

Human capital to conserve
the global environment and
realize a sustainable society

Earth

Changes in
Management Capital



Increasing
financial
capital



Deepening
social capital



Strengthening
human capital



Improving
intellectual
capital



Expanding
production
capital



Responding
to natural
capital

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Five Priority Challenges (materiality)

The Gakken Group reviews its value creation process and priority challenges as needed in response to changes in the business environment. In 2023, the Group redefined its priority challenges identified in 2019 and the value creation process chart.

Identification Process of Priority Challenges

1 Recognition of the demands of society and the direction of the Group

We added and reviewed new sustainability themes based on the list of issues identified in 2019. We analyzed and evaluated our issues from a corporate perspective, such as our vision, business strategy, and competitive advantage, as well as a social perspective, such as the demands and expectations of our stakeholders.

2 Assessment of importance from an internal perspective

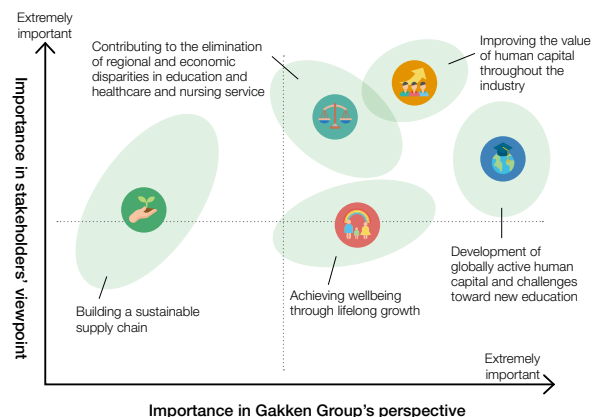
After narrowing down the list to 28 items through mapping, we conducted a questionnaire survey for the members of the medium-term management plan formulation project and the management team of each Group company.

3 Assessment of importance from an external perspective

With the help of advisor Kazuo Tase of SDG Partners, Inc., we evaluated external perspectives based on the level of interest of society and investors in each issue.

4 Confirmation of validity

We re-identified priority challenges through individual interviews with the management team and discussions at meetings. We grouped similar issues together to identify the Gakken Group's five priority challenges, which are shown in the figure below.



Priority Challenges	Major Initiatives on Challenges	Business Areas
 Development of globally active human capital and challenges toward new education	- Provision of learning as ESD and content that stimulates unfettered imagination and intellectual curiosity - Provision of the Gakken STEAM Program to countries around the world - New educational services at TOKYO GLOBAL GATEWAY	Education Global Publishing and Content Services
 Contributing to the elimination of regional and economic disparities in education and healthcare and nursing services	- Providing learning opportunities for children in communities in collaboration with local governments - Providing e-book content such as Gakken Library - Improvement of the efficiency of kindergarten operations with the childcare ICT system hugmo - Realization of a multi-generational society where everyone has a fulfilling life through Gakken's Community-based Integrated Care System	Classrooms and Learning Centers Publishing and Content Services Childcare and Early Childhood Elderly Housing
 Achieving wellbeing through lifelong growth	- Production and provision of recurrent education and reskilling content - Efforts to prevent, alleviate, and remedy dementia symptoms and provide support for independence - Provision of medical care, diverse learning opportunities, and places for children to stay at the child development support facility KLOCKA and a free school Mirai Gate	Publishing and Content Services Group homes for the elderly with dementia Childcare and Early Childhood
 Improving the value of human capital throughout the industry	- Contribution to professional development through e-learning services for nurses - Training for nursery school teachers and certified care workers at Gakken Academy - Visiting lectures on dementia - Training and certification system for learning center instructors	Publishing and Content Services Healthcare and Nursing Group homes for the elderly with dementia Classrooms and Learning Centers
 Building a sustainable supply chain	- Reduction of environmental impact through the achievement of ZEB (net zero energy building) Ready in the elderly housing business - Closed recycling of waste paper - Reduction of GHG emissions (Scopes 1 and 2) per net sales by 50% by the year 2030, in comparison to FYE 2022	Elderly Housing Publishing and Content Services All Group Companies

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"Gakken 2027" KPIs

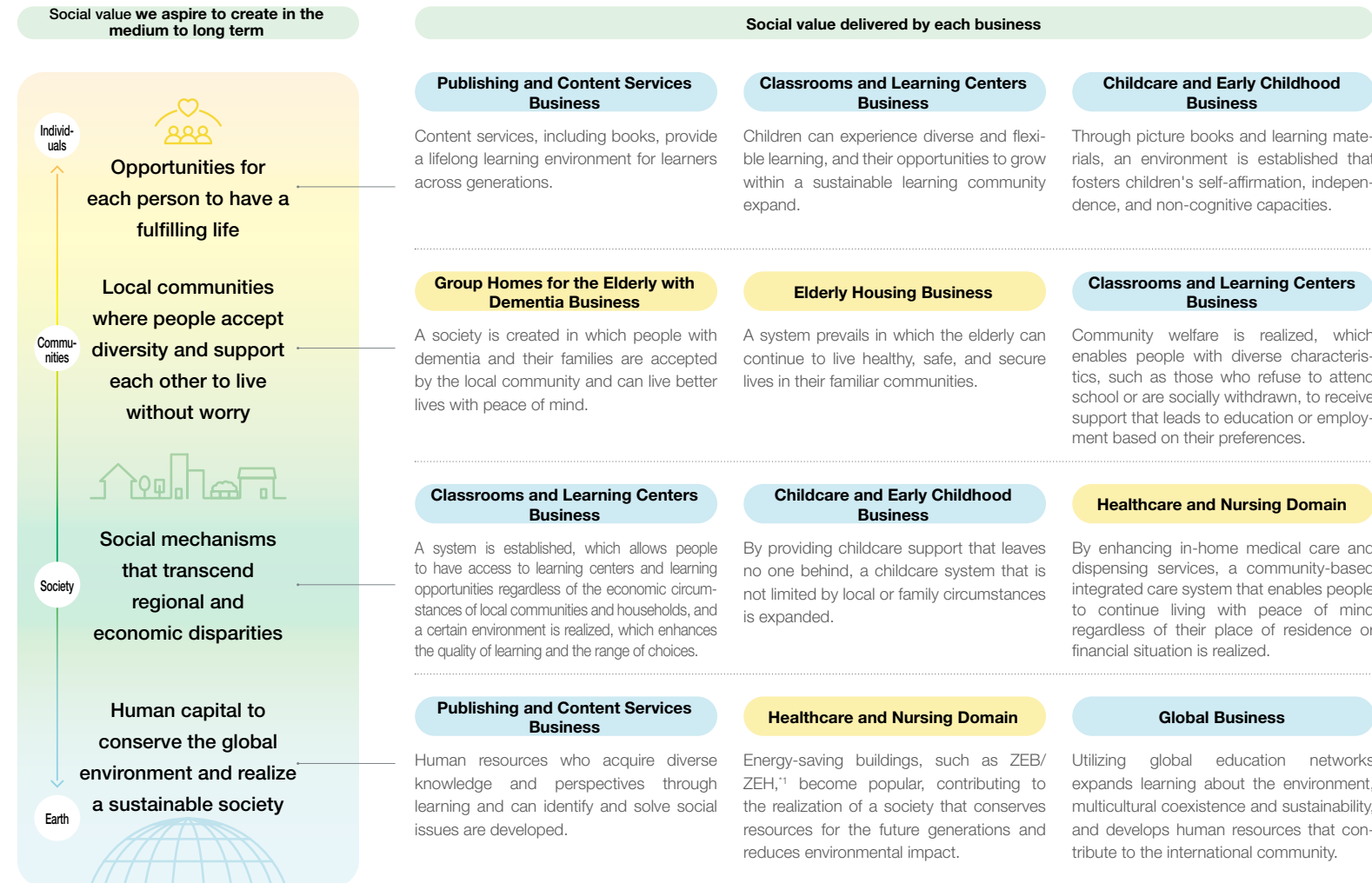
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Overall Picture of Social Value Creation



The Gakken Group operates in a wide range of fields, mainly in education and healthcare and nursing. Through these operations, we clarify the social value we aim to realize and work to create value by leveraging the Group's strengths.

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"The social value we intend to create over the medium to long term" represents what kind of social value the Gakken Group intends to create through its content and services. The four values are organized with an awareness of the continuity of value extending from individuals to communities, society, and ultimately the Earth, and reflect the future that the Gakken Group aims for and its determination. Each group company has introduced a system that organizes what kind of social value will be generated through daily business activities, using the CSV² Value Creation Logic Sheet. Consequently, the relationship between business direction and value creation is shared across the entire Group.

¹ A standard that meets the enhanced insulation standards for buildings and reduces primary energy consumption from the current energy conservation standard. ² An acronym denoting Creating Shared Value. It refers to management in which a company achieves both social and economic value.

Changes in Management Capital

The Gakken Group is continuously evolving its management capital to address changing social issues. The Group realizes sustainable value creation by integrating the strengths of people, knowledge, and organizations.

Changes in Management Capital

Gakken Group's Six Types of Management Capital

Qualitative and Quantitative Indicators



Increasing financial capital

A sound financial foundation to support sustainable growth

By maintaining a stable earnings base and a sound financial structure, we are building financial capital to support long-term business operations. A financial foundation that enables investment and business development with a view to sustainable growth is the foundation that supports value creation across diverse businesses. It also serves as the base for steadily advancing business into the future and for achieving both social and economic value.



Deepening social capital

Strong relationships of trust with a wide range of stakeholders

The Gakken Group has built relationships of trust with various stakeholders and sought to address social issues through its business activities involving a wide range of generations, from infants and toddlers to the elderly. By fostering collaborative relationships with customers, schools, local governments, and suppliers through providing a wide range of content, the Group utilizes its strong ties with society and aims to create sustainable value.



Strengthening human capital

Collaboration among people with diverse backgrounds and expertise

At the Gakken Group, people with diverse expertise work together. We place importance on the development of each employee's skills and career, and promote efforts to create a comfortable working environment, health and productivity management, and diverse working styles. Through these efforts, highly motivated and skilled talents are well established, and they play a role in sustainable value creation in the education and healthcare and nursing domains



Improving intellectual capital

Innovation generated by the Gakken brand

We have built unique methods for education and healthcare and nursing on the basis of the content creation capabilities fostered in our founding publishing business. By circulating accumulated knowledge and know-how within the organization, we further enhance the value of the Gakken brand and generate sustainable innovation.



Expanding production capital

A foundation that fosters high-quality services

In addition to the facilities and networks that support our diverse businesses, we have a wide range of online and digital service infrastructure. By utilizing these resources, we have built a system that enables stable and efficient provision of high-quality services.



Responding to natural capital

Business activities leveraging the connection with nature

We are committed to the reduction of environmental impact and the effective use of resources, as well as promoting environmental conservation awareness activities among stakeholders. Through efforts to reduce greenhouse gas emissions, such as energy-saving buildings and facilities and the use of recycled resources, we are conducting sustainable business activities while minimizing the impact on the natural environment.

- Net sales: 199.1 billion yen
- Operating profit: 8.23 billion yen
- EBITDA: 12.97 billion yen

- ROE 7.0%
- Equity ratio: 36.9%
- D/E ratio: 0.71

- No. of classroom members: 312,000^{*1}
- No. of online language learning members: 44,000
- No. of hospitals using e-learning programs for nurses: 3,245

- Gakken Cocofump SROI evaluation: 1.45
 - No. of organizations providing dementia education: 52
 - No. of companies that responded to the CSR survey: 238
- SROI evaluation P. 61**

- No. of employees: 30,546 (Including specialists such as learning center and classroom instructors, book editors, IT engineers, certified care workers, and nursery school teachers)
- Percentage of women in managerial positions: 35.6%
- Eruboshi certification: 7 companies, Kurumin certification: 7 companies, Monisu certification: 1 company, and Certified Health & Productivity Management Outstanding Organizations: 12 companies
- Engagement survey score (eNPS): -64.4
- Total no. of examinees for learning center instructor certifications: over 27,000

- No. of new/revised publications per year: over 1,570
- Unique methods for education and healthcare and nursing
- Planning and editing capabilities rooted in our founding publishing
- Enhancement of content IP
- Think Tank (Gakken Education Research Institute / Gakken Research Institute for Science and Creation)

- No. of classrooms: 13,500^{*1}
- No. of learning centers: 914
- No. of childcare support facilities: 102^{*2}
- No. of locations of apartments for the elderly: 248^{*3}
- No. of locations of group homes for the elderly with dementia: 388^{*4}
- No. of logistics business locations of Gakken Logistics Co., Ltd.: 9
- No. of Group Direct Touch Points in DX strategy: 1.305 million

- CDP 2025 Climate Change Score: B
- GHG emissions: 64,069 t-CO₂ (Scopes 1–2)
- Recovered amount in closed recycling of waste paper: 141 t
- No. of facilities achieving ZEB Ready standard for serviced apartments for the elderly: 6
- No. of participants in environmental awareness programs: 541 in total

^{*1} A combined total of Gakken Classrooms, Gakken Squares, and Mebae Classes. ^{*2} A combined total of nursery schools, after-school children's clubs, child development support facilities, and free schools. ^{*3} Including overseas bases. Elderly care service bases operated by ICHISHIN HOLDINGS CO., LTD. are excluded. Including facilities in other categories, such as home-visit elderly care stations, in addition to serviced apartments for the elderly. ^{*4} Including facilities in other categories, such as specified facilities, as well as overseas bases, in addition to group homes for the elderly with dementia.

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Co-creation with Stakeholders

By actively engaging in dialogue with all stakeholders and incorporating their feedback into its business, the Gakken Group will create social value and achieve growth.

Creating well-being together with our customers

We believe that we can make society a better place as the Gakken Group's publications, educational services, and healthcare and nursing services contribute to enriching our customers' lives. We sincerely listen to our customers and work to develop and provide better merchandise and services to help them build a life of well-being.

Building strong relationships of trust with shareholders and investors through providing accurate information

Our focus lies in building strong relationships of trust with all stakeholders, including shareholders and investors, by providing accurate management information equitably as well as opportunities for dialogue. We will proactively provide various communication opportunities, including online formats, with the General Meeting of Shareholders as a priority.

Achieving sustainable procurement with our suppliers

In order to realize a truly sustainable society, we will carry out procurement activities that take account of environmental conservation, safety, and human rights, with our suppliers. This is a social responsibility that both parties must fulfill. We will continue our dialogue to achieve better services and procurement together.



Co-creating a corporate culture where employees can actively take on challenges

If you cannot enjoy yourself, truly creative content will not be born, and if you cannot get involved wholeheartedly, you will not provide services that appeal to customers. The Gakken Group will collaborate with its employees to develop training systems that allow each employee to continually see their growth and create an environment where they can work without worries.

Creating an inclusive society with local communities and society

The Gakken Group contributes to local communities through collaborative projects with local governments and other organizations, as well as through CSR activities. These activities are not limited to Japan and are expanded globally to address challenges. The Group also collaborates with various foundations and research institutes to offer assistance and conduct research with respect to education. In the healthcare and nursing domain, Gakken's Community-based Integrated Care System unifies the Group's resources and promotes its unique community development with comprehensive lifestyle support in collaboration with the community.

Taking action for the future global environment

We are actively committed to environmental conservation and strive to reduce the impact of our business activities on natural resources. Additionally, we provide environmental education for children, who are our future, and bring our attention to nurturing children who can take voluntary action.

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Opening New Horizons by Steadily Realizing Value UP

Hitoshi Hosoya

Director and Managing Executive Officer,
Gakken Holdings Co., Ltd.
Chairman and Director, Gakken Inc.
Representative Director and CEO,
Gakken LEAP Co., Ltd.



Norio Yamamoto

Director and Managing Executive Officer,
Gakken Holdings Co., Ltd.
President and Representative Director,
Medical Care Service Inc.
Director, Gakken Cocofump Co., Ltd.

The Spirit Behind Value UP

Hosoya: The Gakken Group’s new medium-term management plan Gakken 2027, which started in October 2025, advocates “Value UP.” This phrase focuses on how to create the Gakken Group’s value itself.

Expanding the number of classrooms and facilities to increase sales, in other words, simply scaling up as we did in the past, is not sufficient to keep up with a rapidly changing society. We are now strongly conscious of this reality.

What is needed, then? The answer is to enhance the value itself and strengthen our ability to continue being chosen by customers. If the value is enhanced, our merchandise and services will be truly appreciated and will continue to be sup-

ported over the long term by both customers and employees of the Gakken Group. There are not many companies in today’s education and healthcare and nursing industries that can create such a virtuous cycle. However, the Gakken Group has a well-balanced portfolio and financial strength to withstand transformation. By leveraging this strength, we aim to create value by 2030 that competitors cannot easily imitate, even amid adverse conditions, such as inflation and rising interest rates. This is our determination behind Value UP.

Yamamoto: In the healthcare and nursing domain, costs continue to rise beyond expectations owing to soaring utilities and food expenses. While responding to short-lived changes, we need to incorporate responses to medium- to long-term changes in the business environment into our strategy. Simply

increasing the number of facilities, as we traditionally did, will not help us keep up with change. It is vital to reassess and strengthen the very structure of our business while making use of the scale we have built up. Enhance quality and create value that convinces customers that the price is justified. Value UP represents this.

Hosoya: I want to avoid any misunderstanding that Value UP means an across-the-board price increase. As income polarization progresses, we must provide services that meet new needs. The Gakken Group serves diverse customers, from infants and toddlers to the elderly, and operates across diverse domains, from the hardware domain, such as classrooms and facilities, to the software domain, such as content and services, both in Japan and globally. The Group covers a wide range of domains.

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Addressing diverse needs is a form of value. What matters is not whether the price is high or low, but whether the value is recognized and we are chosen. Taking this seriously will directly contribute to our growth as a company.

Yamamoto: The elderly market is expected to further expand toward 2030. While reliably providing services with our existing strengths, we will offer higher value-added services in a new price range. To proactively create new monetization opportunities, we have positioned Value UP not as a slogan but as a driving force for transformation.

● An awareness of the need for change fostered by “Gakken 2025 SHIFT”

Hosoya: Under the previous medium-term management plan “Gakken 2025 SHIFT,” repeated bold organizational restructuring led to a company-wide awareness of the need for change. In the kindergarten and school businesses, as the rapid decline in births during the pandemic had the earliest impact, the kindergarten (toddler) business was separated to be integrated into the childcare business. This approach, the approach of shifting the mindset from hardware to software, symbolized this attitude toward change.

Gakken Classroom began to expand its operations in shopping centers. In the learning center business, in addition to traditional entrance exam preparation, we launched Gakken High School, a support school for high school correspondence courses, as well as new services, such as basic academic support for university freshmen. Over these past two years, we actively took on challenges in new businesses across all domains, without being bound by the KPIs of existing businesses.

I also believe that this was a period when portfolio reforms to foster new businesses accelerated through the addition of ICHISHIN HOLDINGS CO., LTD. and DTP Education Solutions JSC to the Group.

Yamamoto: “Gakken 2025 SHIFT” cultivated a company-wide awareness of the need for change. Although some companies achieved results and others did not, it was a significant step

forward that we found an answer to what we should do. The shared concept of “SHIFT” also enabled us to respond quickly to changes in the business environment. Although a significant decline in profits was expected in the healthcare and nursing business, facilities and the headquarters worked together to achieve an increase in profits in the end through price revisions and cost reductions.

● Challenges carried over from “Gakken 2025 SHIFT”

Yamamoto: We consider that M&A delivered certain results in strengthening our portfolio. On the other hand, I am afraid that we did not achieve the level we had initially expected in developing new businesses or laying the foundation for the next medium-term management plan. To be honest, I wanted to make it more concrete. Having said that, we have already started moving as an organization. In the medium-term management plan “Gakken 2027,” we will make sure that it is fully realized.

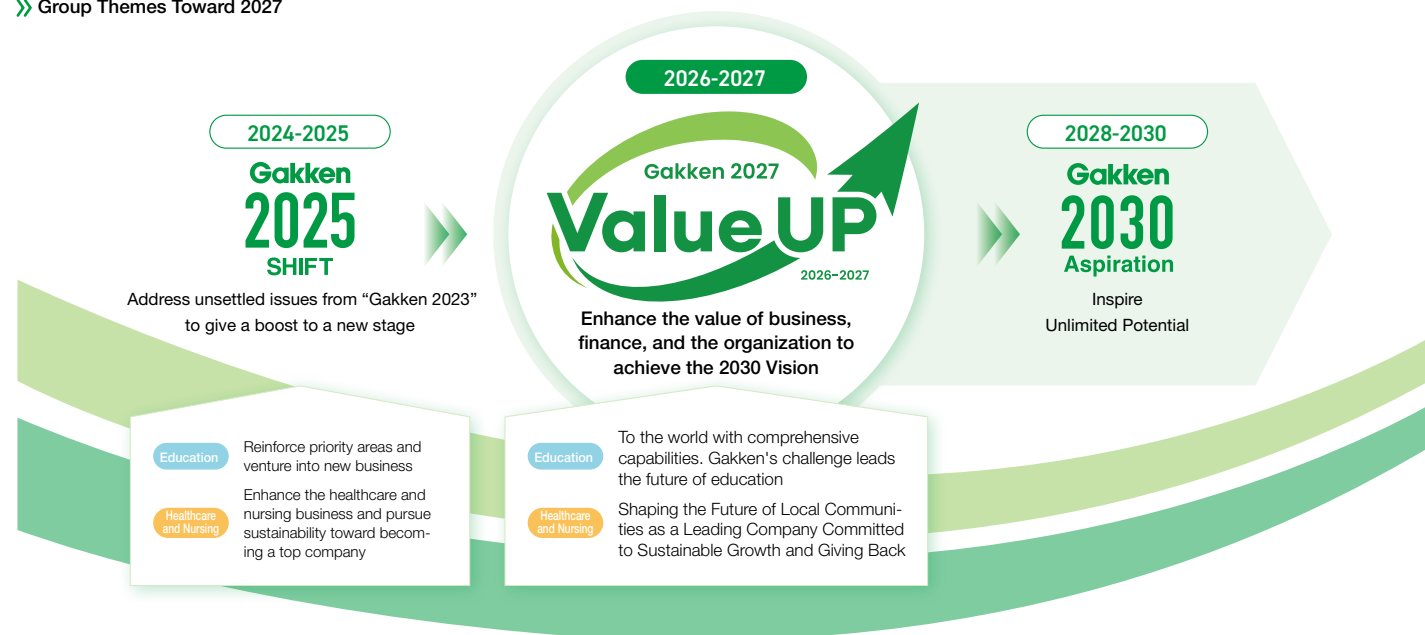
Hosoya: There are also some issues that we have not yet over-

come. Looking at the Group as a whole, existing businesses still account for a substantial proportion, with labor-intensive businesses representing a high proportion of approximately 200 billion yen in sales. These areas are susceptible to rising costs due to inflation, and I recognize that they are largely beyond our control.

Apart from insurance revenues, such as elderly care benefits, it has become clear that there are services for which we are unable to control the prices, bound by existing price ranges. Although we have responded through cost reductions so far, with inflation and wage growth accelerating beyond expectations, a new strategy is required to ensure business sustainability.

In the previous medium-term management plan, demographic trends were to some extent anticipated when the birth-rate began to decline during the pandemic, and the revision of elderly care benefits was within our forecasts. However, inflation and interest rate increases exceeded our expectations.

» Group Themes Toward 2027



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The impact of these two factors on our lives and business was greater than we had expected. The impact on labor-intensive businesses—namely, the areas of healthcare and nursing, as well as classrooms and learning centers—was particularly significant. While wages are rising, it is difficult to shift to a model that enables immediate price pass-through.

If prices and wages increase by a few percent each year toward 2030, simple price pass-through will not be sufficient. That is why we need to shift more boldly toward Value UP. This is a key backdrop to the formulation of the new medium-term management plan.

New Medium-Term Management Plan “Gakken 2027” Strategy Overview

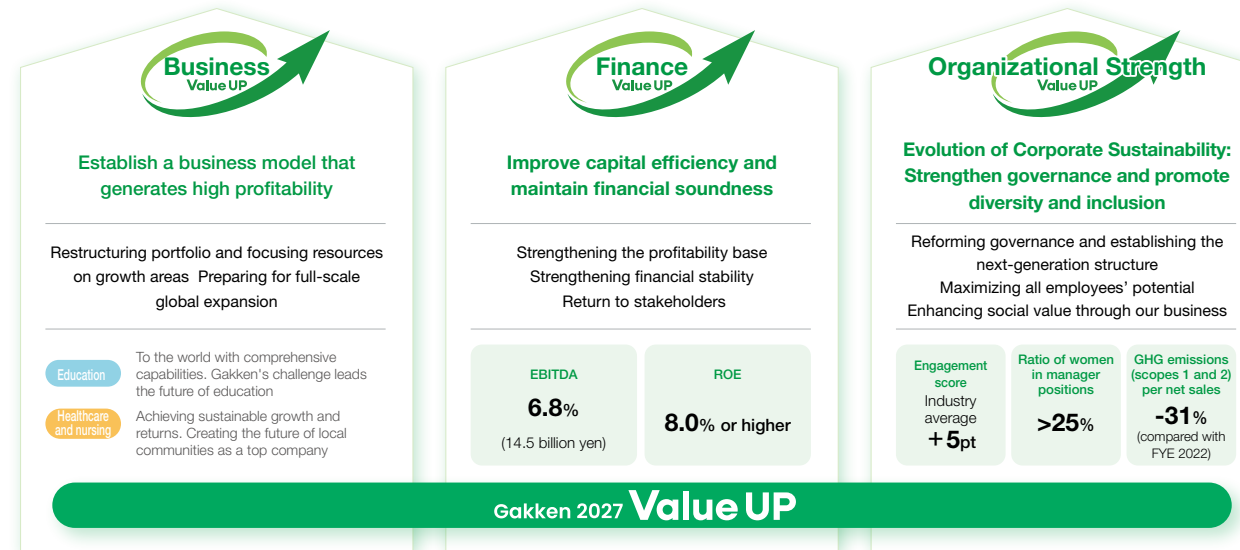
Yamamoto: The medium-term management plan “Gakken 2027” sets out three key themes: Business, Finance, and Organizational Strength. These three are not independent, and without any one of them, the overall goal cannot be achieved. In Business, we aim to enhance added value and pursue high profitability. In Finance, we seek to efficiently generate profits and reinvest them, while boldly advancing portfolio transformation. Ultimately, it is people and the organization that put these into practice. It is essential to have an organizational structure and operational capabilities that enable us to execute our plans as intended.

Hosoya: Exactly. The Gakken Group has about 30,000 employees, each a professional in their fields, including those responsible for on-site operations, those supporting management and finance, and those coordinating the organization. It is only when all of them work together that we can achieve Value UP as a group.

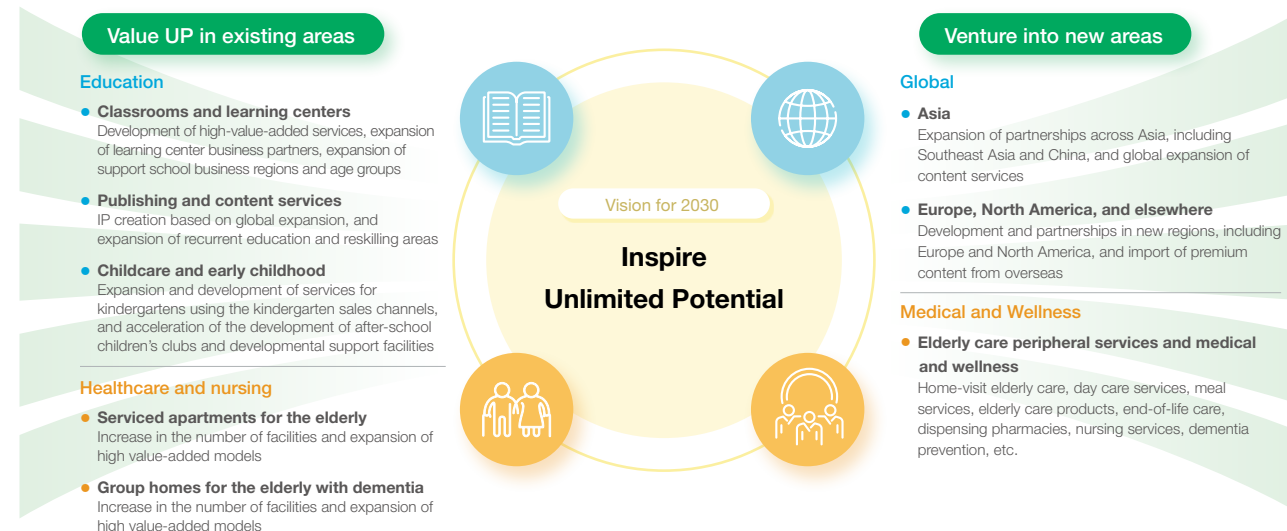
Business Strategy: Value UP in Existing Areas and Venture into New Areas

Hosoya: Among the three themes, Business is divided into Value UP in existing areas and venture into new areas. In our

» Three Value-UP Areas Targeted in “Gakken 2027”



» Group Business Area Vision for 2030



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existing areas, the fundamental question is whether we are delivering the value that is truly needed from the customer's perspective. It is crucial to strengthen essential initiatives, such as group-wide coordination and the integration of customer bases and services.

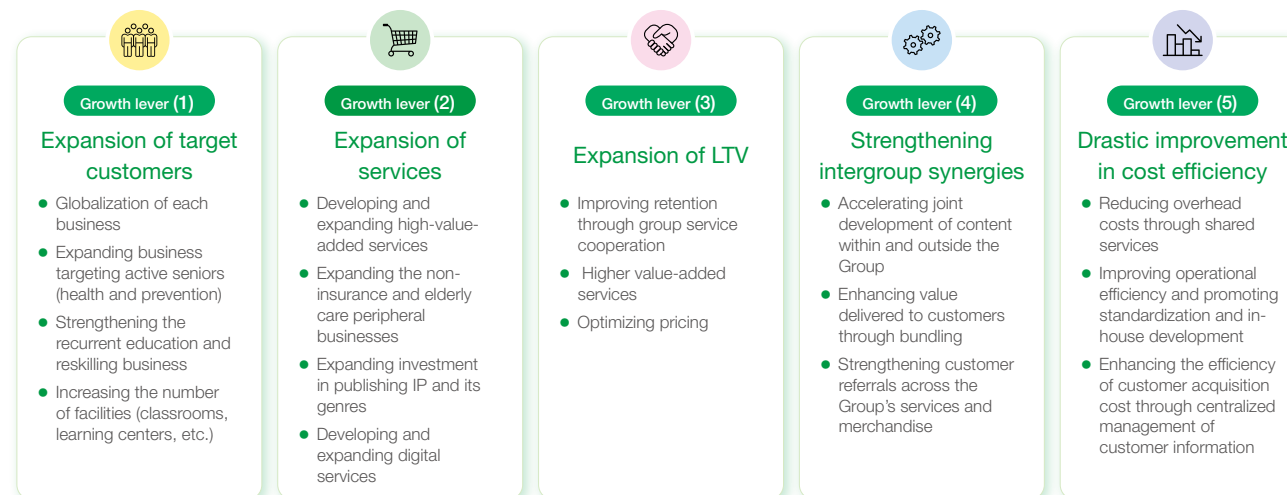
Yamamoto: We will continue expanding our existing businesses in healthcare and nursing as demand for facilities remains strong. Nevertheless, going forward, we will need to carefully develop facilities tailored to the characteristics of customers and regions, rather than simply increasing the number of facilities. We will also offer higher value-added models to customers who seek high-quality services. This embodies Value UP in existing areas.

Hosoya: Meanwhile, simply reinforcing our existing businesses will not be enough for us to be able to proudly call ourselves a company that continues to grow by 2030. There are still many areas that we intend to venture into. This is what we refer to as new areas. In our global business, we have achieved certain results in Asia, mainly in Vietnam, and we plan to expand further across Asia and into Europe and North America.

Yamamoto: In the new Medical and Wellness area, we aim to create a revenue stream outside the scope of elderly care insurance to balance the earning structure of the entire business. That said, this does not mean that anything is acceptable as long as it is outside the insurance framework. We intend to create new value through our existing customer base, facilities, and other touchpoints. This includes selling welfare equipment and ready-to-eat meals as well as providing end-of-life care.

Moreover, a reduction of 100,000 hospital beds by 2030 is

» Five Levers and Key Themes for Business Value UP



planned, and an increase in the elderly population is expected to make it difficult for hospitals to accommodate them. Amid such circumstances, more people will live in facilities or at home while receiving medical or elderly care. Therefore, the new business model we envision is to develop synergistic services that address the needs of the elderly by combining medical services, such as nursing and dispensing.

Five Levers to Accelerate Growth

Hosoya: In formulating our growth strategy in concrete terms, we have organized it around the concept of the “five levers for growth.” They are the following five:

- Growth lever (1) Expansion of target customers
 - Growth lever (2) Expansion of services
 - Growth lever (3) Expansion of LTV
 - Growth lever (4) Strengthening intergroup synergies
 - Growth lever (5) Drastic improvement in cost efficiency
- These are not new concepts; however, in order to expand LTV

(lifetime value) (3), expanding the target customers (1) and services (2) is essential in the first place. To achieve this, it is necessary to leverage the Group's strengths (4) and improve cost efficiency (5) to create investment capacity.

What matters is how far each business can go based on an understanding of this flow. Without a shared strategy, simply instructing the front lines to create synergies will not work. That is why we believe that it is crucial to carefully share the direction of the medium-term management plan “Gakken 2027” and create an environment in which the front lines can take proactive action.

Yamamoto: Each business views these five levers as a continuous process and incorporates them into its strategy. In healthcare and nursing, we first expand the number of facilities, consistently provide welfare equipment and dispensing services, and enhance nursing care to support severe cases. This extends the length of stay and increases LTV.

In other words, the five levers are presented to group companies as essential elements to be considered when formu-

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lating their business strategies. By utilizing this as a common framework, each company will be able to integrate individual measures, such as improving retention, increasing added value, and strengthening competitiveness, into a coherent business strategy.

Specific Measures to Create Synergies

Hosoya: Currently, as our customer segments are similar within our business scope, we are fostering an environment where synergies can be easily generated through sharing information and know-how and mutually providing services. For example, we offer a service that combines Kimini, an online English conversation lesson, with publishing content, and provide a discount on one service when a customer uses qualification support and Kimini together.

Further, we expect to expand into more far-reaching initiatives, such as the coordination of our customer bases and the provision of cross-segment services. Enhancing the sense of unity as a group makes it easier to generate synergies.

Yamamoto: Up until now, the customer bases in the education and healthcare and nursing domains have not been fully connected; however, with the expansion of recurrent education and reskilling, as well as services for adults, the points of connection are steadily increasing. In the medium-term management plan “Gakken 2027,” medical and wellness is a very important keyword. Medical care and health is common a theme for all people from 0 to 100 years of age and will eventually overlap with customers in the education domain.

Toward 2030, we aim to build the foundation for creating further synergies between education and healthcare and nursing through our broad service portfolio for all generations.

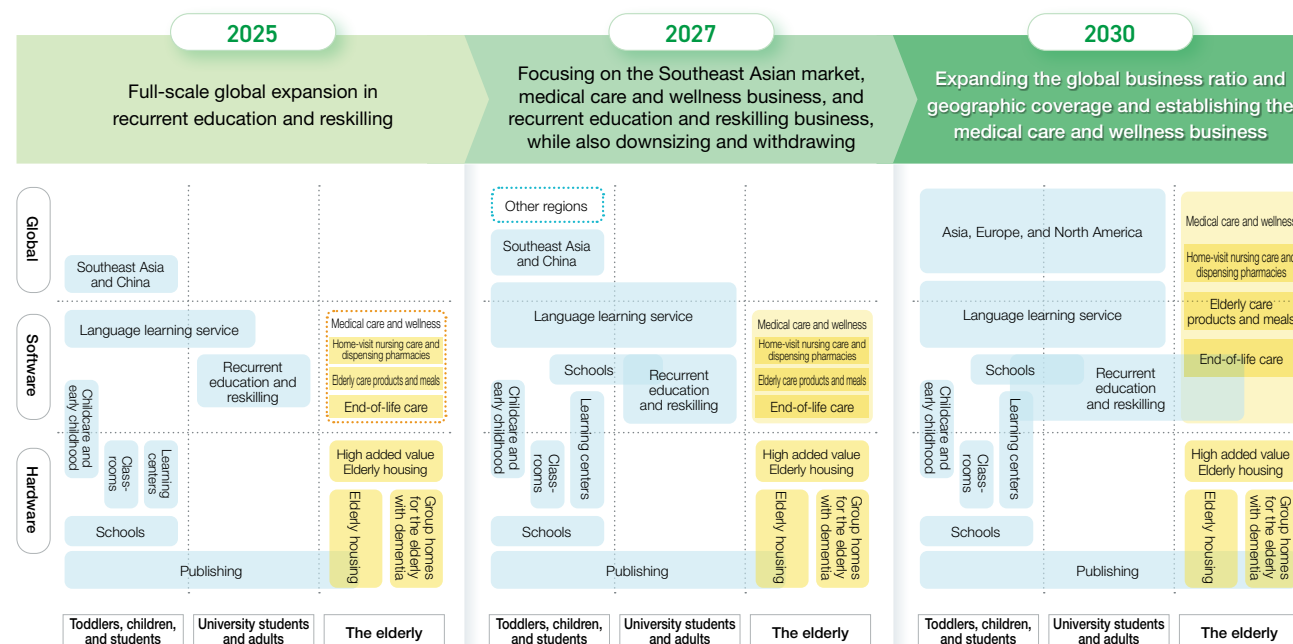
Reshaping of the Portfolio Toward 2030

Hosoya: Toward 2030, we aim to reshape our portfolio. I would like to talk about what we want to achieve by 2030 and how much we expect to accomplish by 2027. In 2023, we developed a portfolio matrix consisting of nine segments, with (1) Toddlers and Children, (2) University Students and Adults, and (3) the Elderly on the horizontal axis; and (4) Hardware, (5) Software, and (6) Global on the vertical axis. We develop our strategies based on this matrix.

The key point is that we pursue growth in all directions without imposing too many boundaries. For instance, our global expansion is not limited to the education domain, and we flexibly develop business in Asia, Europe, and North America.



» Path toward 2030 — Building a Portfolio



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Meanwhile, looking ahead to 2030, new concepts and areas have been added, such as end-of-life care and medical and wellness, and the matrix is becoming more segmented.

Although areas such as home-visit nursing care and dispensing pharmacies are still developing, they have promising growth potential. We expect to establish them as businesses by 2027 and to position them for global expansion by 2030. In particular, our global business in the healthcare and nursing domain has the potential to grow to be on par with our domestic business in the future.

I look forward to how things will change under the 2027 redefinition of the matrix — whether it will become further segmented or whether a new framework will be required.

Yamamoto: New businesses, such as nursing and dispensing, are steadily being developed into business models alongside our existing services. However, the revenue scale is still limited, accounting for less than 10% of sales in the healthcare and nursing domain.

Under the medium-term management plan “Gakken 2027,” we need to develop these focus areas to a state where they can contribute to profit. Moreover, the markets for welfare equipment sales and meal services in the elderly care peripheral services are also substantial, with transactions of approximately five billion yen within the Group. It is another important chal-

lenge to expand these non-insurance revenues.

Moving toward 2030, we envision steadily growing these business areas and expanding our services into the wellness market, including the working population.

Globalization is also important in the healthcare and nursing domain. First, we are focusing on the recruitment and development of foreign talent, including specified skilled workers. In the medium to long term, we expect them to play an active role as core human capital for our overseas expansion. Then, together with these efforts, we will also prepare for facility development in various countries, particularly in Southeast Asia.

It is critical to understand culture and religious beliefs for overseas business expansion. In some regions, there remains a strong reluctance to place family members in facilities. However, this attitude is not static and is also influenced by each country's economic conditions, such as a shift toward nuclear families along with urbanization. While developing human resources, we will assess the maturity of local markets and determine the timing of our expansion.

Hosoya: Localization is essential for the global expansion in education. The premise is to tailor our products and services to local cultures and needs, and key factors include finding reliable local partners and securing distribution networks.

We are now in Phase 1, following Phase 0 of our previ-

ous global business. We were blessed with a good partner in Vietnam. We will work with our partners on localization, regardless of whether the next target is Europe, North America, or Asia. At the same time, how much creative content and services we can generate in Japan is also important. Domestic creativity is the source of our competitiveness overseas.

● Positioning of the recurrent education and reskilling business

Hosoya: Our recurrent education and reskilling business started in 2020. It was an area in which the Gakken Group had little experience at the time. We entered the recurrent education and reskilling business from publishing, established a division mainly targeting adults, and developed a lineup of qualification exam books and how-to guides. Services combining Kimini, an online English conversation lesson; e-learning programs for nurses; and Shikaku Pass, an online qualification support, are also taking hold. Furthermore, the scale of our business has expanded through investments in RareJob Inc. and other efforts.

Currently, this business has not made a significant contribution to profits; however, if our self-developed services are successfully established by 2027, we expect the market to offer potential for differentiation from our existing businesses and for sales expansion. Our goal is to achieve sales of over 20 billion yen.



Gakken Cocofump's nursing and elderly care services



Home-visit pharmacy for the elderly



About 100 Japanese picture books were published in Vietnamese through collaboration with DTP



Gakken Classroom entered the Southeast Asian Market



Online English conversation lesson Kimini



Online qualification acquisition course Shikaku Pass

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Investment and Financial Strategy

Hosoya: Now, I would like to explain our views on investment and financial strategy. First, as the source of investment, we have allocated 15 billion yen in Operating Cash Flow and 10 billion yen in Other. We believe that we can secure 15 billion yen in operating cash flow, given our sales scale over the past few years. On the other hand, a key point of our financial strategy is securing over 10 billion yen in Other.

This includes a shift in our portfolio. We will proceed with sales and disposals after reviewing appropriate allocation and assessing growth potential. We intend to generate around 10 billion yen by improving asset efficiency.

This means that we will generate a total of 25 billion yen over the next two years, which is a considerable challenge for a company of our size. We will allocate these funds partly to shareholder returns and repayment of interest-bearing liabilities, and also to strategic investments to complete our portfolio. Notably, it is crucial to identify where to invest. M&A takes

time and is highly dependent on market circumstances. For this reason, we consider how far we can expand organic investment to be a critical theme in this medium-term management plan.

We place emphasis on EBITDA in our medium-term management plan “Gakken 2027.” This is because we would like you to have a perspective closer to the actual cash flow. We have a structure in which the evaluation of past investment decisions tends to influence profit as goodwill amortization and depreciation increase. As this gap has widened further over the past two years, we are convinced that operating cash flow and EBITDA are more suitable for a proper evaluation of our current business condition.

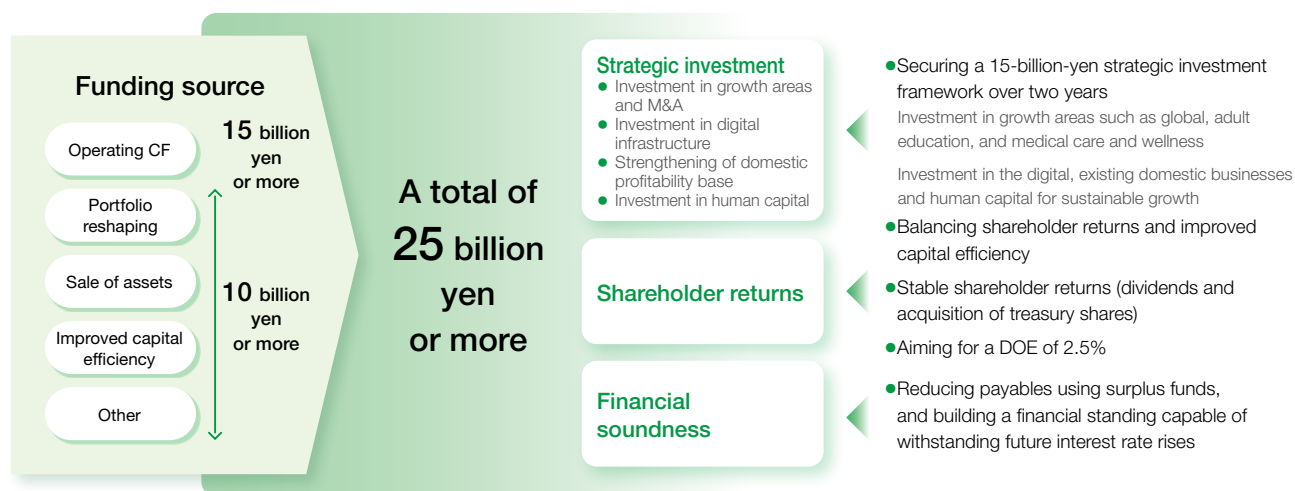
From a financial perspective, we have introduced Dividend on Equity (DOE). Although we had a dividend payout ratio of around 30%, profits fluctuate from year to year. In order to present a more stable shareholder return policy, we decided that using return on net assets as the standard would be easier to understand. Combining ROE and DOE makes it clearer to understand how invested capital is converted into profit and

how it is returned to shareholders.

Additionally, as interest rates are now rising, it is also important to reduce interest-bearing liabilities. I believe it is necessary to further strengthen financial discipline across the Group.

We also need to improve our financial strength in order to achieve a higher valuation of our current stock price. In this environment of rising interest rates and inflation, we would like to clearly communicate to investors our commitment to promoting Value UP as a strategy to strengthen our corporate structure to support investment.

» Investment Strategy and Capital Allocation



» Financial Strategy Policy

Shareholder returns	Achieve profit growth, improve capital efficiency, provide stable shareholder returns, and repurchase treasury shares. Aim for a DOE of 2.5% and an ROE of 8% or higher by 2027.
Measures for financial soundness and interest rate risk management	Establish a stable financial standing capable of withstanding future interest rate rises by using surplus funds for repayment, with the aim of halving payables by 2030.
Advancement of investment decision-making and monitoring	Strengthen the investment decision-making process to maximize investment effect (with an IRR of 7% or higher as a general standard).
Cash generation through optimizing assets, businesses, and costs	Optimize the business portfolio, reduce policy stockholdings, sell surplus assets, and reform the cost structure.
Stabilization of financial base	Maintain a D/E ratio of 1.0 or lower and an equity ratio of 30% or higher (before consideration of the new lease accounting standard) to ensure a stable financial base.

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Organizational Strengthening Strategy

Yamamoto: In order to enhance our organizational strength, we have established three pillars: Human capital and engagement; diversity and inclusion; and the environment and society. First, I am going to talk about how the strategies are connected to one another.

The Gakken Group is a corporate entity consisting of 30,000 employees and more than 120 companies. At its core is the creativity of people. As a company where people create value and generate sales, our greatest challenge is how to enhance the capabilities of individuals. We create an environment in which each individual can shine, growing together with the organization. We help all employees play an active role. While this may be self-evident, it is our fundamental principle.

What is it that we seek to change through the power of people? While generating sales and profits is naturally important, at the root of the Gakken Group's mission is addressing social issues and contributing to people's lives. We have always been close to people and have been committed to the “last one mile,” delivering services and merchandise to consumers to the very end. The Gakken Group is defined by individuals and the organization sincerely addressing social issues through its businesses and continuing to grow.

» Evolution of Corporate Sustainability: Pursue human potential and realize Value Up for customers and society

Human capital and engagement

- Maximize the potential of all employees by enhancing education and training opportunities and promotion systems in Japan and overseas.
- Establish an environment where versatile talent, who share the corporate identity and have a sense of social mission, can work together and take on challenges.

Engagement score

Industrial average +5 pt

Utilization rate of talent management

100%

Diversity and inclusion

- Expand the diversity of decision-making layers, centering on the continuous increase in the ratio of female managers.
- Promote full demonstration of all employees' abilities by supporting self-directed career development and providing fair opportunities regardless of individual attributes.
- Promote multicultural understanding and foster an inclusive culture.

Ratio of women in manager positions

> 25%

**Core domestic companies
Eruboshi and Kurumin
certifications**

Environment and society

- Further enhance social and economic value through our business.
- Strengthen the sustainable supply chain in collaboration with suppliers.
- Promote energy efficiency across all business locations.

Engagement rate with key suppliers

100%

GHG emissions (scopes 1 and 2) per net sales

31% reduction compared with FYE 2022

Our business is built on double materiality that generates both social and economic value based on this concept. The same applies to education, healthcare, and nursing. We intend to continue to hold these values as a foundation.

What matters is the extent to which the numerical targets set forth in this medium-term management plan are intentionally reached as meaningful targets in business operations. For instance, we aim for an engagement score of five points above the industry average. What happens when the score improves? In the healthcare and nursing fields, for example, lower recruitment costs through employee retention as well as reduced reliance on dispatch and employment agencies consistently deliver financial returns. Furthermore, the accumulation of skills and experience enables us to provide higher value-added services. Improvements in the score must be driven by creating such value across the organization. For this reason, it is critical to work with each group company to define what lies beyond engagement.

The same applies to diversity and inclusion. Women account for 60 to 70% of employees working on the front lines,

and thus it can be said that women's participation is already highly advanced across a wide range of services. That said, as the number of female leaders increases, work styles become more flexible, and values become more diverse, the organizational strength must be further enhanced. In the previous medium-term management plan, we also promoted various initiatives, including the establishment of the Diversity & Inclusion Division. Consequently, awareness has clearly changed, and initiatives within our group companies have steadily progressed. We intend to move forward together with our group companies with a strong awareness that we are a corporate entity where diversity creates value.

Environmental and social initiatives are also important. Specifically, as greenhouse gas emissions from healthcare and nursing facilities account for more than 80% in our Group, we are gradually upgrading these facilities to energy-saving buildings, including ZEB Ready. In addition, since utility expenses have been rising sharply in recent years, efforts in this area are a major management challenge.

In evolution of advancing corporate sustainability, it is

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important to play a role appropriate to the size of the company. The options available vary depending on the scale of sales and the organization. That is why it is vital for core group companies to play a central role in advancing the efforts.

With regard to diversity and inclusion as well as sustainability, President Miyahara himself has expressed his commitment to making the Group an organization where everyone can play an active role. We will further promote the efforts in line with his message.

Strengthening of Governance

Hosoya: We have also taken a bold approach to strengthen governance. As a major change, we transitioned from a company with a board of company auditors to a company with

an audit and supervisory committee. This is a significant change in institutional design. More than half of the companies in the Prime Market have made this transition, which also aligns with global standards.

As a result of this change, authority for certain business operations is delegated to enable appropriate and prompt decision-making and execution. Moreover, audit and supervisory committee members not only perform external checks but also participate in deliberations and resolutions within the Board of Directors with voting rights, reinforcing the supervisory function itself.

We determined that it would be best to transition to a new governance stage when we reach sales of 200 billion yen. In order to continue growing, it is essential to update our governance structure.

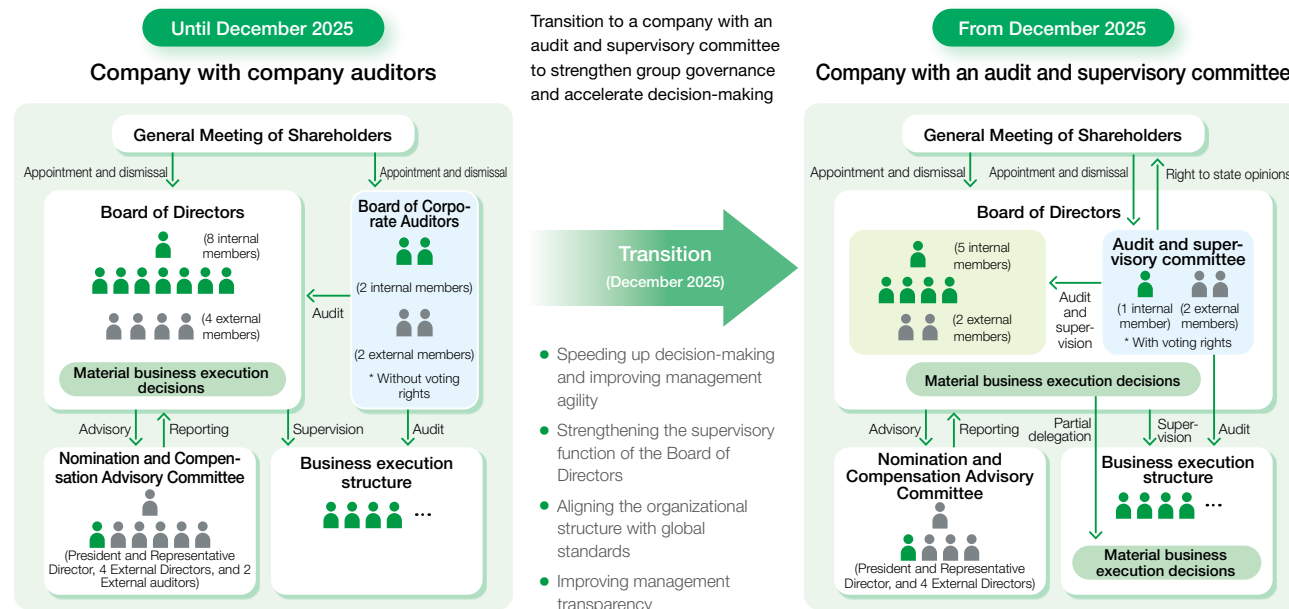
While streamlining management will increase each employee's responsibility and authority, it will certainly improve decision-making speed. We have established a structure that enables us to execute necessary business operations and make decisions and resolutions more promptly.

Key Points to Achieve Value UP in “Gakken 2027”

Yamamoto: While it is undoubtedly important to develop visions, strategies, and plans, it is actions that ultimately produce results. How far can we go as an organization and as individuals in realizing the vision we have set? Each employee's willingness to embrace goals and take action to make change is the driving force that advances Value UP in the medium-term management plan “Gakken 2027.” Without the actions of all employees, this plan cannot be realized. To drive the Group forward, we will take the lead and demonstrate our stance and actions.

Hosoya: The Gakken Group is a creative company that delivers new value to society at its core. The key to growth in the coming era is to once again restore the dynamism that serves as our starting point. All employees are expected to create unique products and services through creative and distinctive approaches. By accurately understanding changes in society today, considering how to incorporate them into our business, and utilizing our experience and sensibility to anticipate real needs, we can create unique value. When such value is created, the strategic range of pricing and delivery methods can also expand. Over the next two years, we will move forward with creativity and a spirit of challenge without compromise and further refine the value unique to the Gakken Group.

» Governance: Transition to a company with an audit and supervisory committee



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“Gakken 2027” KPIs

To achieve the medium-term management plan “Gakken 2027,” we have established various indicators. These indicators serve as guidelines for realizing sustainable value creation and enhancing corporate value. We will continuously monitor progress and work steadily toward achieving our targets.

		Sept./2025 Results	Sept./2026 Plan	Sept./2027 Plan	
Finance	Group Total	Net sales	199.1 billion yen	205.0 billion yen	215.0 billion yen
		Education	108.8 billion yen	111.0 billion yen	114.5 billion yen
		Healthcare and nursing	86.9 billion yen	92.0 billion yen	100.0 billion yen
		EBITDA	12.9 billion yen	13.5 billion yen	14.5 billion yen
		Education	8.7 billion yen	8.7 billion yen	9.6 billion yen
		Healthcare and nursing	5.3 billion yen	5.6 billion yen	6.4 billion yen
		EBITDA margin	6.5%	6.6%	6.8%
		Education	8.1%	7.8%	8.4%
		Healthcare and nursing	6.1%	6.1%	6.4%
		Operating profit	8.2 billion yen	8.5 billion yen	9.5 billion yen
		Operating profit margin	4.1%	4.1%	4.4%
		Net income ^{*1}	3.5 billion yen	4.0 billion yen	4.5 billion yen
		Net income margin	1.8%	2.0%	2.1%
		ROE	7.0%	7.5%	8.0%
		Equity ratio	36.9%	30% or higher	
		D/E ratio	0.71	1.0 or lower	
		Dividend on Equity (DOE) ratio	2.1%	2.3%	2.5%
Non-finance	S (Human capital)	Engagement score	—	—	Industry average + 5 pt
		Utilization rate of talent management	—	—	100%
		Ratio of women in manager positions	—	—	Over 25%
	S (Supply chain)	Engagement rate with key suppliers	—	—	100%
	E (Environment)	GHG emissions (scopes 1 and 2) per net sales	—	—	31% reduction compared with FYE 2022

*1 Net income attributable to owners of the parent.

		Sept./2025 Results	Sept./2027 Plan	
Business	Classrooms and Learning Centers	No. of members of Gakken Classroom	312,000	314,500
		No. of Gakken Classroom locations ^{*2}	13,500 classrooms	13,800 classrooms
		Membership duration at Gakken Classroom	2.67 years	2.80 years
		No. of prefectures with learning centers	17 prefectures	25 prefectures
		No. of Gakken High School locations (Group)	8 schools	25 schools
		No. of Gakken High School locations (Non-Group)	—	5 schools
		Annual sales of educational support business	—	200 million yen (20 orders)
	Publishing/ Content Services	POS sales of how-to guides and general books	—	105% vs. Sept./2025
		License sales	—	160% vs. Sept./2025
		No. of members of school digital services	—	+580 elementary and junior high schools/+52,000 senior high school students/+54 universities
		No. of online English conversation lesson members (Japan and overseas)	30,005	35,410
		No. of hospitals adopting e-learning programs for nurses	3,245 hospitals	3,520 hospitals
		No. of corporate training sessions provided	795 sessions	1,245 sessions
		No. of online qualification learning members	1,500	8,000
	Childcare and early childhood	No. of nursery schools, after-school children's clubs, and child development support facilities	102 facilities	120 facilities
		No. of kindergartens adopting ICT services ^{*3}	4,600 kindergartens	6,700 kindergartens
		Occupancy rate of kindergartens	96%	97%
	Global	Global Business share of Group operating profit	—	10% or higher
		No. of strategic alliance partners in Global Business	—	5 or more companies
		Cumulative number of partner schools in Vietnam	—	14,300 schools
	Elderly housing	No. of new buildings and rooms of elderly housing	—	+26 buildings/year +1,500 rooms/year
		Occupancy rate of elderly housing (excl. new facilities)	—	98.1% or higher
		Share of home-based services	—	15%
	Group homes for the elderly with dementia	No. of new buildings and rooms of group homes for the elderly with dementia	—	+5 to 10 buildings/year +90 to 180 rooms/year
		Occupancy rate of group homes for the elderly with dementia	—	97.5% or higher
		Sales share excluding elderly care business	—	Over 18%

*2 Gakken Classroom certification comprises two categories: (1) Math and Japanese; and (2) English. A classroom holding certification in both categories is tallied as 2. The number of classrooms is calculated based on the number of certifications obtained.

*3 Cumulative number of kindergartens adopting various services.

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Q3 Strategy

What kind of business strategy do we develop to achieve Value UP?

This chapter explains the direction in which each of the six businesses of the Gakken Group aims to grow. Taking into account the characteristics of each business and the business environment, we will summarize the priority initiatives for Value UP in the medium-term management plan “Gakken 2027” and also introduce the social value created through our business activities. We will illustrate how diverse businesses are interconnected and contribute to value creation for the entire Gakken Group.



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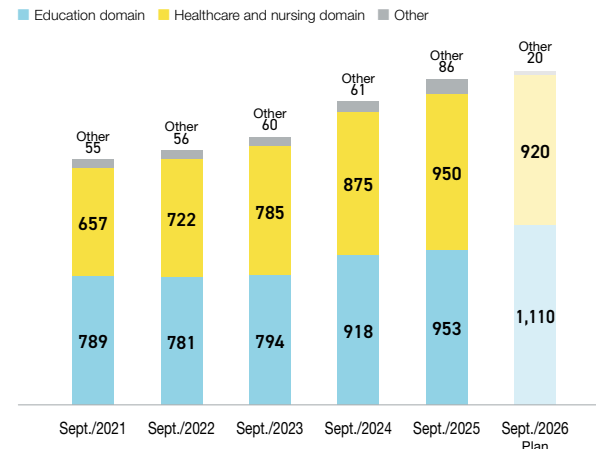
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* Figures are rounded down to the nearest unit.

Net Sales by Field

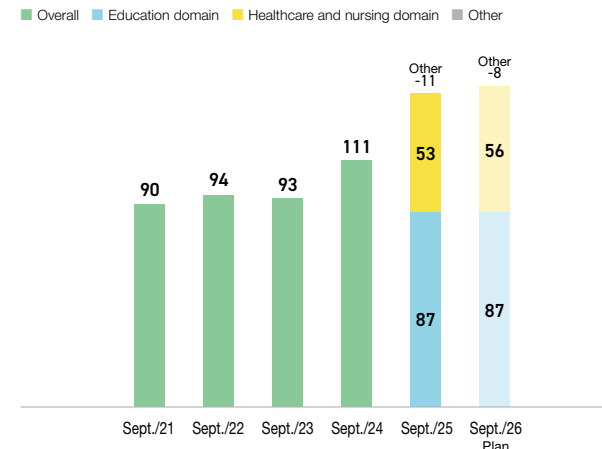
(unit: 100 mil. yen)



* Segments have been changed since FYE Sept./2026.

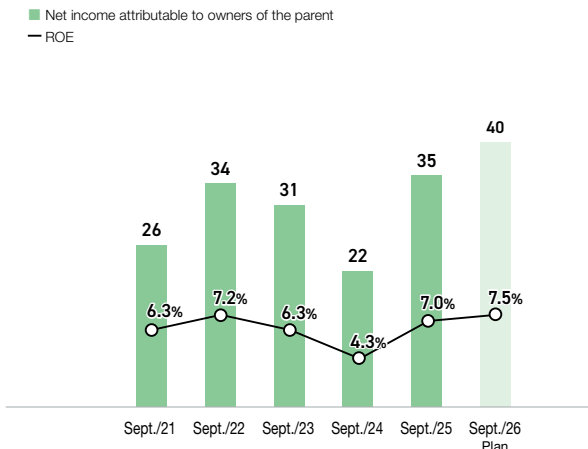
EBIDA

(unit: 100 mil. yen)



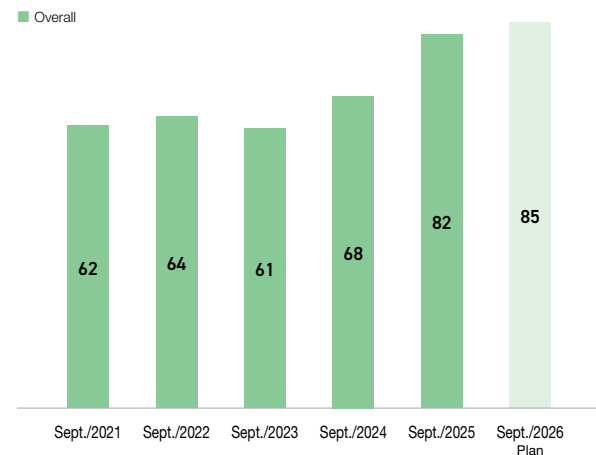
Net income and ROE

(unit: 100 mil. yen)



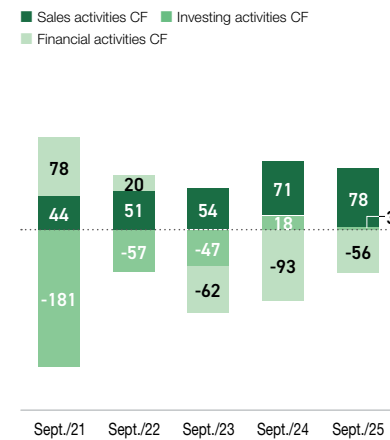
Operating profit

(unit: 100 mil. yen)



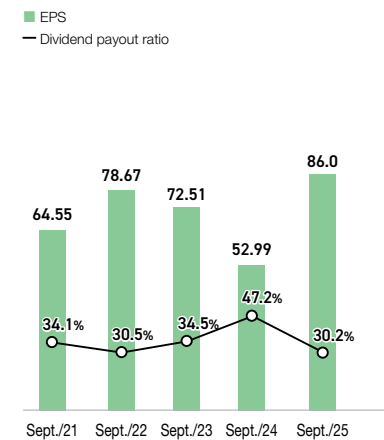
Cash flow

(unit: 100 mil. yen)



EPS and Dividend payout ratio

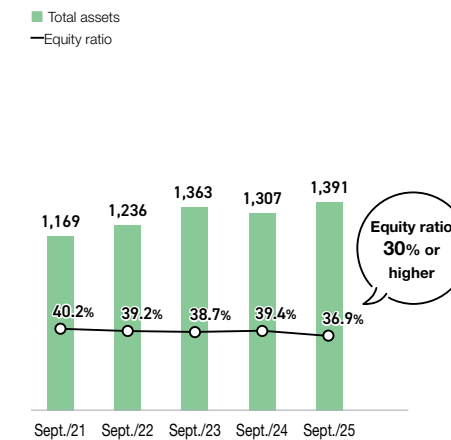
(unit: yen)



* One share was split into four shares on April 1, 2020.

Total assets and equity ratio

(unit: 100 mil. yen)



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Financial and Investment Strategies to Realize Value UP

Two Years Focused on Strategic Investment and Financial Soundness

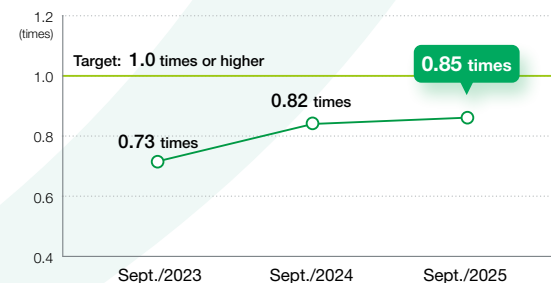


Takashi Sawada

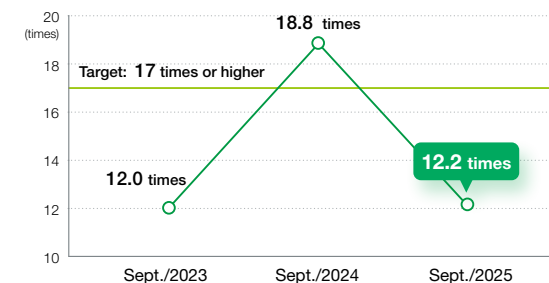
Managing Executive Officer,
Gakken Holdings Co., Ltd.

To realize the medium-term management plan “Gakken 2027,” the Gakken Group positions the balance between strategic investments for growth and the maintenance of financial discipline as the cornerstone of its financial and investment strategies. We will continue to strive for sustainable value creation by achieving an optimal balance of investment, efficiency, and returns.

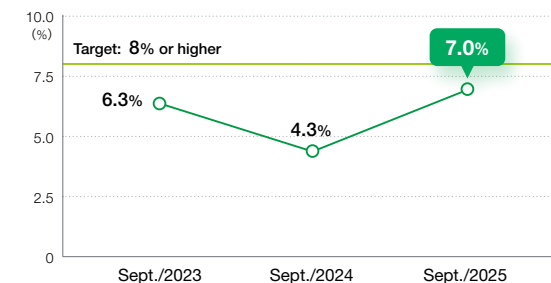
» PBR (results)



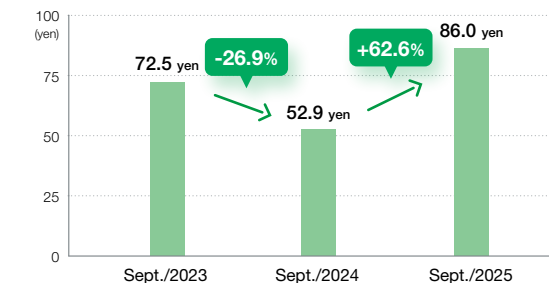
» PER (results)



» ROE



» EPS / EPS growth rate



Review of the previous medium-term management plan “Gakken 2025”

In the previous medium-term management plan, “Gakken 2025 SHIFT,” we strategically invested approximately 15 billion yen in growth funds to significantly expand our business portfolio. In particular, we enhanced the recurrent education and reskilling areas, as well as global expansion, and further allocated resources to the expansion of learning opportunities and adult-oriented businesses. More specifically, we realized the addition of multiple companies to the Group in both the education and healthcare and nursing domains, including

DTP Education Solutions JSC, a leading educational publishing company in Vietnam, ICHISHIN HOLDINGS CO., LTD., Grand Uni Life Care Service Co., Ltd., and Kiriara Shoten K.K. Moreover, we strengthened our educational service base in Japan and overseas by making Glats Inc. a wholly owned subsidiary, making RareJob Inc. an equity method affiliate, and entering into a capital and business alliance with a Chinese subsidiary of POPLAR Publishing Co., Ltd. In terms of shareholder returns, we repurchased treasury shares totaling three billion yen and increased dividends. On the other hand, while we are working to improve profitability, we recognize the need for further improvement in capital efficiency indicators.

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Financial and Investment Strategies to Realize Value UP

Positioning of Financial and Investment Strategies to Realize the 2030 Vision

The Gakken Group regards the two years from October 2025 to September 2027 as a period of making significant progress in building a future profit foundation. Because our Group has diverse business domains centered on education, healthcare, and nursing, a solid financial base and strategic investment decisions are all the more important. Over the next two years, we will comprehensively strengthen our financial and investment policies, which will serve as the foundation for securing future growth opportunities, while achieving Value UP in existing areas and venturing into new areas.

Our business environment is rapidly changing, including a declining population, diversifying educational needs, and advancing digitalization. In order for the Gakken Group to continue creating sustainable value in the medium to long term while responding to these changes, strategic capital allocation that balances strategic investment, financial soundness, and shareholder returns is essential.

What is particularly important is a portfolio-wide strategy. In addition to establishing a cycle in which existing businesses constantly generate cash for reinvestment in growth areas, it is important to strengthen the financial base in preparation for the risk of future interest rate increases. Through working on these two challenges concurrently, we will enhance sustainable corporate value.

Capital Allocation Policy Integrating Strategic Investment, Shareholder Returns, and Financial Soundness

Under the medium-term management plan “Gakken 2027,” our capital allocation policy is based on three pillars: strategic investment, shareholder returns, and financial soundness.

For strategic investment, we have set a strategic investment budget of 15 billion yen over the next two years. We will focus on initiatives that will enhance the Group’s overall growth and

competitiveness, such as M&A, digital infrastructure investment, strengthening the profitability base of domestic businesses, and human capital investment. This is not merely a capital allocation, but a clear expression of the Group’s vision for 2030.

Meanwhile, for shareholder returns, we will combine stable dividends with flexible acquisition of treasury shares to provide appropriate returns to shareholders and improve capital efficiency. The Gakken Group aims to achieve a Dividend on Equity (DOE) of 2.5% and an ROE of 8% or higher by 2027. We will strive to continuously enhance corporate value and achieve a fair valuation in the market, while improving capital efficiency and further strengthening returns to shareholders.

Lastly, we will focus on financial soundness. By systematically allocating surplus funds to debt repayment, we will establish a financial structure capable of withstanding future interest rate rises. As higher interest rates are becoming a real possibility, building a stable financial standing is essential for sustainable growth. We will maintain a debt-to-equity (D/E) ratio of 1.0 or lower and an equity ratio of 30% or higher (before consid-

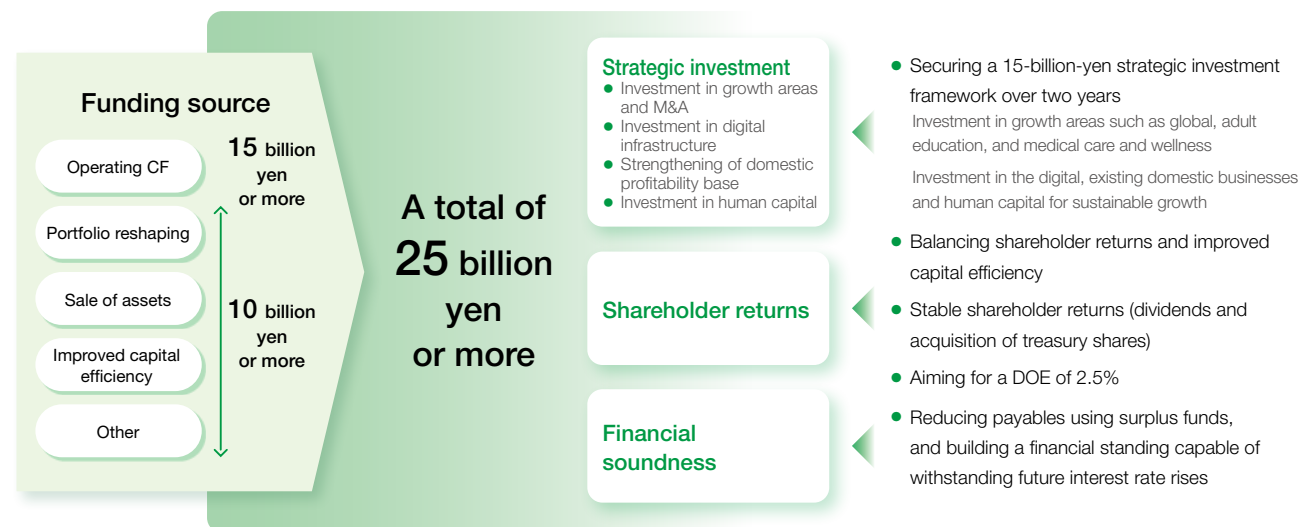
eration of the new lease accounting standard) with the aim of halving payables by 2030. By doing so, we will balance financial stability with the capacity for growth investment.

Concentrated Investment in Growth Areas: Global, Adult Education, and Medical Care and Wellness

The core of our strategic investment is concentrated investment in growth areas: Global, Adult Education, and Medical Care and Wellness. These are areas with high market growth potential, where the Gakken Group can leverage its strengths, and they are directly linked to the achievement of our vision for 2030. This will serve as a starting point for our Group to foster new growth drivers.

In the Global domain, we will establish a strong profit foundation in our children-oriented business in Vietnam, for which we made a prior investment. We will also further expand our businesses and profitability by leveraging the country’s broad cus-

» Investment Strategy and Capital Allocation



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Financial and Investment Strategies to Realize Value UP

tomers base. Additionally, we will accelerate our partnership strategy with domestic and international players to distribute globally competitive content. Overseas markets, where population continues to grow, are a key area that will drive future growth.

Needs for adult education are growing rapidly in Japan and overseas. In this area, against the backdrop of growing demand for reskilling to support career ownership, we will expand our services, including online education and qualification support. In an era of 100-year lifespans, providing an environment for continuous learning has significant social value.

In the medical care and wellness area, we will work to enhance the quality of healthcare and nursing services and strengthen elderly care peripheral services, in light of an aging

» “Gakken 2027” Financial Targets

	Sept./2025	Sept./2026 targets	Sept./2027 targets
Net sales	199.1 billion yen	205.0 billion yen	215.0 billion yen
EBITDA	12.9 billion yen	13.5 billion yen	14.5 billion yen
EBITDA margin	6.5%	6.6%	6.8%
Operating profit	8.2 billion yen	8.5 billion yen	9.5 billion yen
Operating profit margin	4.1%	4.1%	4.4%
Net income*	3.5 billion yen	4.0 billion yen	4.5 billion yen
Net income margin	1.8%	2.0%	2.1%
ROE	7.0%	7.5%	8.0% or higher
Equity ratio	36.9%	30% or higher	
D/E ratio	0.71	1.0 or lower	

* Net income attributable to owners of the parent

» Targets by segment (Sept./2027)

Education Domain	Healthcare and Nursing Domain
Net sales: 114.5 billion yen	Net sales: 100.0 billion yen
EBIDA: 9.6 billion yen (EBITDA margin: 8.4%)	EBIDA: 6.4 billion yen (EBITDA margin: 6.4%)
Operating profit: 6.6 billion yen (Operating profit margin: 5.8%)	Operating profit: 5.1 billion yen (Operating profit margin: 5.1%)

population. In addition to the operation of facilities for the elderly, we will accelerate the development of elderly care peripheral and wellness services, such as home-based care, dispensing, and rehabilitation, to establish a comprehensive service model that supports people's overall lives.

Realizing Sustainable Growth through Digital Infrastructure, Strengthening Profitability in Existing Domains, and Human Capital Investment

Alongside expanding our growth areas, we will also prioritize foundational investments that support the Group's sustainable growth.

First, we will proactively invest in digital infrastructure. As the digitalization of education accelerates, the Gakken Group will develop a foundation to improve the quality and efficiency of its educational services, centered on digital learning materials, the use of generative AI, and the analysis of learning data. Furthermore, as a group with diverse businesses, the Gakken Group will create cross-business synergies and maximize investment effect by developing group-wide systems and data infrastructure.

It is also important to strengthen the profitability base in existing areas. Even in areas where the market environment is drastically changing as a result of the declining birthrate in

Japan, we will secure stable profits and enhance the Group's cash generation capability by reviewing business models and improving cost structures. In order to establish a structure for generating sustainable profits, we will continue to strengthen customer touchpoints, refine our products, and improve operational efficiency.

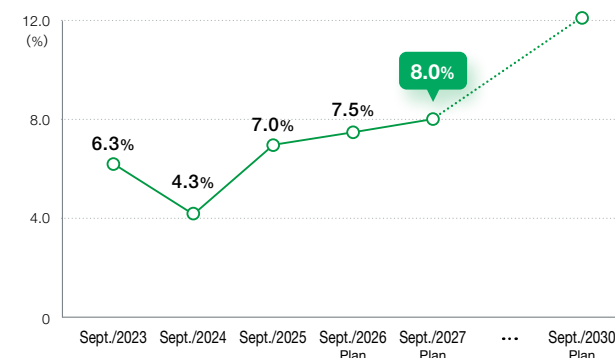
We will also strengthen investment in human capital. For a company focused on education and healthcare and nursing, it is essential for its growth to develop highly specialized employees and secure managerial talent. We will expand diverse learning opportunities by enhancing training programs and promoting cross-border personnel exchanges. The key to enhancing long-term corporate value is for each employee to acquire advanced skills and contribute to the Group's diverse businesses. Strategic investments that integrate these elements will serve to strengthen the profit foundation.

We position these foundational investments as prior investments to ensure sustainable competitiveness beyond 2030, rather than as short-term contributions to profit.

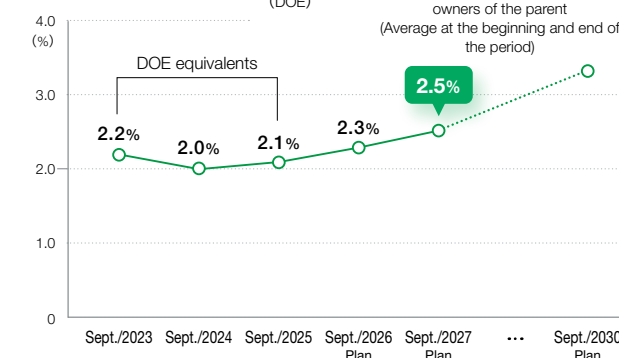
Financial Policy Prioritizing Capital Efficiency, Targeting ROE of 8% or Higher and DOE of 2.5%

The Gakken Group has established a financial policy

» ROE



» DOE



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Financial and Investment Strategies to Realize Value UP

to ensure the achievement of an ROE of 8% or higher and a DOE of 2.5% by 2027 through further strengthening management with capital costs in mind. These benchmarks indicate a well-balanced functioning of business profitability and capital efficiency, and they are also important indicators for achieving a fair valuation from investors. Rather than merely target values, they are positioned as an important mechanism for enhancing corporate value through improved capital efficiency.

First, with regard to profit growth, we will carefully select investment targets and focus on projects with high return potential in order to achieve stable cash generation from our businesses. In particular, we aim to achieve reliable profit growth by establishing investment criteria based on an IRR of 7% or higher. In areas of strategic investment, we will strengthen collaboration with business leaders and enhance transparency in performance progress to ensure that investment results are steadily converted into profit.

In order to improve capital efficiency, we will reduce total assets and review our business portfolio to make more efficient use of capital. By optimizing both assets and liabilities, we can build a more agile and stronger financial standing.

With regard to shareholder returns, we aim to enhance capital efficiency and shareholder value from a medium- to long-term perspective by balancing dividends and the acquisition of treasury shares. We seek to deliver attractive levels of shareholder returns by combining stable dividends with flexible acquisition of treasury shares in response to market circumstances.

Establishment of Strong Financial Base: Halving Payables by 2030 And Preparing for Interest Rate Risk

A solid financial base is essential for achieving sustainable growth over the medium to long term. The Gakken Group has set a target of halving payables by 2030 and is proceeding with planned repayment. Consequently, we will establish financial strength that enables stable business operations even in a

future rising interest rate environment.

We will maintain a D/E ratio of 1.0 or lower and an equity ratio of 30% or higher (before the impact of the new lease accounting standard) to balance financial stability with investment capacity. These indicators not only indicate financial soundness but also serve as a safeguard for sustaining growth investments.

Moreover, we will work to optimize funding costs and strengthen our financial risk monitoring system. In today's volatile economic environment, securing financial flexibility is critical for the Group's management.

» Future BS safety standards

	Sept./2023	Sept./2024	Sept./2025	Sept./2026 Plan
Equity ratio	38.7%	39.4%	36.9%	30% or more maintained
D/E ratio	0.82	0.75	0.71	1.0 or lower maintained

Advancing Investment Decision-Making Process and Strengthening Monitoring (IRR of 7% or higher as a general standard)

Stern investment decisions and thorough monitoring are essential for maximizing investment effect. For the Gakken Group, given its diverse businesses, the accuracy of investment decisions is a key factor in enhancing corporate value. Therefore, we have set an IRR of 7% or higher as a general rule and have established a decision-making framework that assesses investments from multiple perspectives as to whether they can reliably deliver results over the medium to long term. This enables us to focus our investments on projects with clear future profitability, contributing to the enhancement of corporate value.

We will also strengthen our post-investment monitoring

system and continuously assess whether invested projects are delivering results as planned. We clearly define the purpose of investments, profit structures, risk factors, KPIs, and other elements, and promptly address any deviations from the plan. We have built a system in which the invested funds steadily contribute to enhancing corporate value through corrective action taken as needed.

Cash Generation through Optimizing Assets, Businesses, and Costs, as well as Corporate Value Enhancement

Strengthening cash generation lies at the core of our financial strategy. The Gakken Group will thoroughly optimize its assets, businesses, and costs to ensure stable cash generation.

To optimize our business portfolio, we comprehensively assess market growth potential, profitability, and alignment with our strategy, and clearly identify businesses to strengthen, improve, or downsize. We will continue to reduce policy stockholdings and enhance appropriate disclosures to ensure optimal capital allocation.

In our cost structure reform, we will promote Group-wide efficiency and improve productivity through digital technologies. We will allocate the cash generated through these improvements to growth investments and shareholder returns, which leads to the creation of sustainable social value and the enhancement of corporate value.

Going forward, we will take a cross-sectional view of the Gakken Group's diverse businesses and accelerate value creation from the perspective of double materiality. The mutually complementary relationship between our education and healthcare and nursing domains is a key strength of the Gakken Group that is not found among competitors, and we intend to further enhance this strength through our financial and investment strategies.

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Education Domain Policies for 2027

To the World with Comprehensive Capabilities. Gakken's Challenge Leads the Future of Education.

In the Education Domain, we will create new high-value-added merchandise and services in Japan and overseas to meet diverse needs based on the expansion of our existing businesses.

Sept./2025 Results

Sept./2026 Plan

Sept./2027 Plan

Sales

108.8 billion yen → 111 billion yen → 114.5 billion yen

EBITDA

8.1% (8.7 billion yen) → 7.8% (8.7 billion yen) → 8.4% (9.6 billion yen)

“Value Up” of service development using assets

- Development of high-value-added services
- Expansion of learning center business partners, expansion of support school business regions and age groups



Trends for 2030 the Gakken Group is focusing on

• Diversification and fragmentation of educational needs

Diversification of exam styles, earlier preparation for exams, and expansion of needs for development support and support schools

• Polarized structure of the economy

Polarization of needs for high-value-added, low-cost services

• Expansion of needs for adult education services

Expansion of recurrent and reskilling needs (languages, qualifications, and training) due to increased mobility of human resources

• Evolution of AI technology

Increased efficiency of management and operations and increased competition by lowering entry barriers

• Acceleration of educational globalization

Increase in educational needs driven by economic growth



Enhance value provided to customers through package sales among Group services and mutual use of content

“Value UP” of content/IP development

- Increased added value of hard assets by sharing customer base and bundling
- Strengthening IP in anticipation of global expansion
- Strengthening recurrent and reskilling areas

Classrooms and Learning Centers

Promotion of Gakken Group's merchandise and services via the kindergarten sales channels

Domestic

Publishing/Content Services

Childcare and Early Childhood

Development of new content through group collaboration

Global

“Value Up” with global partners

- Expansion of cooperation with overseas partners
- Global expansion of content services cultivated in Japan
- Import of overseas content services

“Value Up” to be selected in the childcare/toddler area

- Expansion and development of services for kindergartens using the kindergarten sales channels
- Acceleration of the development of after-school children's clubs and child development support facilities

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Healthcare and Nursing Domain Policies for 2027

As the market continues to expand, we will create higher value-added services and build a new business foundation in the elderly care peripheral business and the medical and wellness field.

Achieving Sustainable Growth and Returns. Creating the Future of Local Communities as a Top Company

Sept./2025 Results

Sept./2026 Plan

Sept./2027 Plan

Sales

86.9 billion yen

92 billion yen

100 billion yen

EBITDA

6.1% (5.3 billion yen)

6.1% (5.6 billion yen)

6.4% (6.4 billion yen)

To meet the growing need for home-based (long-term) care, we will expand our service provision system and strengthen continuous support for elderly care rooted in the community.

Home-based

Medical Business

Elderly Care Peripheral Business

Nursing

Dispensing pharmacies

Medical support

Elderly care services

Group homes for the elderly with dementia

Serviced apartments for the elderly

High-value-added CCRC

Elderly care products

Meals

End-of-life care

Improving employee loyalty

Provision of community social infrastructure

Academia

Exercise

Joint research

Media

Other companies

Wellness Business

By strengthening collaboration with academia, we aim to enhance the sophistication of our medical support and wellness business and expand the scope of development, taking advantage of our research results.

We will leverage knowledge and resources mutually to advance our business and create sustainable value.

Trends for 2030 the Gakken Group is focusing on

- **Increase in the latter-stage elderly population**
From about 21.2 million in 2025 to about 22.6 million by 2030
- **Workforce shortage for elderly care**
It is estimated that there will be a shortage of about 250,000 elderly care workers, and new initiatives, such as the utilization of overseas human resources, are urgently needed.
- **Soaring prices and rising personnel expenses**
Upward cost pressures are increasing, which makes it more important to improve profitability, such as through efficiency.
- **Revision of elderly care fees**
Taking into account economic conditions, such as rising minimum wages, elderly care fees will be revised in 2027.
- **Acceleration of industry restructuring**
In FYE 2024, the number of bankruptcies of elderly care providers hit a record high.
Increased M&As amid severe business environment



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Strategy by Business Area (1)

Classrooms and Learning Centers Business

Vision for 2027



Classrooms

Business structure reform through more efficient business operations and development of area-specific course strategies and services in response to changes in the business environment

The environment surrounding children is changing greatly owing to social factors such as the declining birthrate, urban concentration, digitalization, and diversification of values. In light of the ever-changing business environment, we will work to optimize resource allocation by standardizing and digitizing business operations. In addition, we will improve the utilization rate by designing classrooms optimized for each classroom size and area, and extend the LTV of our customers by strengthening referrals of customers from Toddler Classes, Gakken Classrooms to Group Learning Centers and the bundling of services. By fostering both the cognitive and non-cognitive capacities of children, we will promote business structural reforms that support the future of children with a trinity of schools, families, and communities.

Learning centers

Establish a foundation for nationwide expansion as an educational institution that provides a variety of learning beyond entrance exam preparation

With the advent of the age when all students are admitted to public high schools, the motivation for students other than those with a high academic ability to attend learning centers has faded, and the number of students using remedial classrooms set up by local governments and run by the private sector is increasing. In addition, the desire to learn is becoming more diverse with the number of students in correspondence high schools having reached 300,000 for example. As the number of customers that cannot be accommodated by conventional learning centers is increasing, we have begun a support school business for correspondence high schools and school support business (learning guidance) in the learning center business. In the future, by providing a variety of learning opportunities throughout the entire group learning centers, we will play a solid role in further developing the abilities of high-achieving students and supporting and boosting students who are in the process of consolidating their academic foundation.

Gakken 2025 performance review

Expansion of the number of members (students) and classrooms (centers)

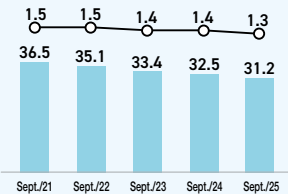
Classrooms

312,000 members
13,500 classrooms

■ No. of course members
(10,000 members)
— No. of classrooms
(10,000 classrooms)



» Gakken Classrooms: No. of Members and No. of Classrooms

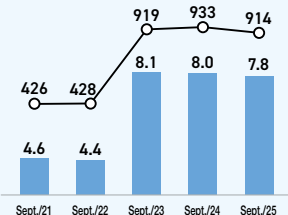


Learning centers

78,000 students
914 centers

■ No. of students
(10,000 students)
— No. of centers

» No. of learning center students and no. of centers



Expansion of group learning centers by promoting alliances

Company name	Deployment areas
学研スタディエ	Saitama and Miyagi
市進教育グループ	Tokyo, Kanagawa, Saitama, Chiba, Ibaraki, and Nagano
Gakken L Staffing	Tokyo, Kanagawa, Saitama, Aichi, Kyoto, Osaka, Hyogo, and Fukuoka
文理学院	Yamanashi and Shizuoka
NE HOLDINGS	Aichi
昇英塾	Mie
高等進学塾	Osaka and Hyogo
イイ	Osaka
創造学園	Hyogo
全教研	Fukuoka, Saga, Nagasaki, and Yamaguchi
ラズ	Oita
早稲田スクール	Kumamoto

The group learning centers consist of Gakken Kyoiku Holdings Co., Ltd. and ICHISHIN Education Group.

Social value created



Miwa Kanai

Director and General Manager, Sales Division, Gakken Educational Co., Ltd.

contribute to society as a place to foster children's abilities to open up the future.

I learned in a Gakken classroom then, so I am what I am now.

The Gakken Educational website introduces comments from Gakken graduates in order to convey how the skills they have cultivated in Gakken classrooms are utilized in their later lives. The phrase "I learned in the classroom then, so I am what I am now" encapsulates the value as a place of learning that has supported the growth of children. Gakken will continue to



Takayuki Aoki

Director and General Manager, Education Business Promotion Division, Gakken Kyoiku Holdings Co., Ltd.

Developing learning support business and after-school business nationwide in cooperation with local governments

For children in temporary shelters and children from needy households, we provide learning support according to their individual academic ability, in order to improve their motivation to learn and their basic academic ability. At elementary schools, we use school facilities

during after-school hours and on Saturdays to offer a service that supports independent-minded activities of children by providing them with learning that broadens their curiosity. Through cooperation between local governments and group learning centers, we support local learning and enhance the educational power of the whole community.



Unique curriculum to enhance non-cognitive capacity



Learning through the "Planning and Implementation of Children's Experience Activities in Nishinari Ward, Osaka"

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* No. of members and no. of classrooms are a combined total of Gakken Classroom, Gakken Squares, and Mebae Classes.

Strategy for 2027

Business environment

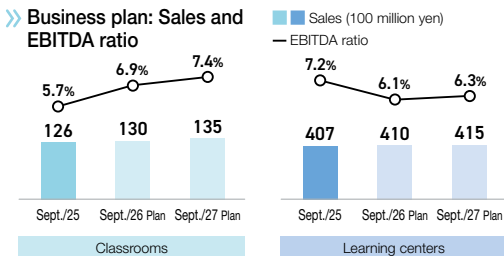
- Classrooms**
- Increase in educational investment per child due to an increase in public expenditure, and expansion of demand for entrance exams for public and private junior high schools
 - Expansion of needs for toddler education and demand for early entrance exam preparation
- Learning centers**
- Diversification of educational needs due to entrance exam reform, etc., and expansion of demand for junior high school entrance exams and support schools (English language learning, programming learning, integrated learning, career education, etc.)
 - Demand for entrance exams to top schools remained high
 - Rising number of non-attending students and the need to provide support for various ways of learning
 - Increased need for outsourcing due to work-style reforms of teachers

Indicators

» KPI (2025→2027)

No. of members of Gakken Classrooms ^{*1}	No. of classrooms of Gakken Classrooms ^{*2}	No. of years of membership of Gakken Classroom
312,000 people	13,500 classrooms	2.67 years
314,500 people	13,800 classrooms	2.80 years
No. of areas with learning centers	No. of facilities of Gakken High School	Annual sales of education support business
17 prefectures	Within group 8 schools	
25 prefectures	Outside the group 0 school	200 million yen (20 orders received)
	25 schools	
	5 schools	

» Business plan: Sales and EBITDA ratio

Gakken 2027
Five levers:Expansion of
target customersExpansion of
servicesExpansion of
LTVStrengthening
intergroup synergiesDrastic improvement
in cost efficiency

Priority initiatives – Classrooms

Increase in the number of classrooms and classes of Gakken Classrooms and Toddler Classrooms

- Strategy development by classroom size and area (activities for recognition, recruitment, and continuation)
- Acceleration of the opening of toddler classrooms through cooperation with the toddler merchandise business
- Expansion of courses to meet the growing and demand for earlier toddler education (Science and English) and increased share of kindergartens adopted

Development of high-value-added courses

- Development of exam preparation curricula and English language / English conversation courses in anticipation of growing demand for public and private junior high school entrance exams in the Tokyo metropolitan area
- Launch of high-value-added toddler classrooms at shopping centers and initiatives to increase classroom utilization rates

Strengthening continuity from toddler classes to elementary schools and from elementary schools to junior high schools, and enhancement of duration period through group service cooperation

- Strengthening the referral of customers from toddler classes to Gakken Classrooms, and from Gakken Classrooms to group learning centers (introduction of classes and improvement of enrollment flow and cooperation, etc.)
- Increase in the added value and duration of services through collaboration and bundling with the Gakken Group's various services

Operational reform and systematization

- A Drastic review of the entire classroom management process, including logistics and classroom operations, and the launch of streamlining and efficiency improvement
- Promotion of streamlining of operations, including the development of standard business processes, improvement of inefficient operations, and system consolidation
- Strengthening of profit-making structure and risk measures through IT governance

Priority initiatives – Learning centers

Promotion of nationwide expansion and development of new educational services

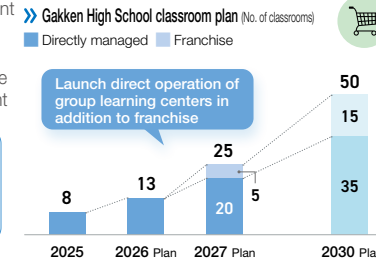
- Expansion of deployment areas and market share through M&As, capital and business alliances, etc.
- Collaboration with Gakken Classrooms and succession of the members
- Development of new businesses in response to educational system reforms, such as Eiken English Proficiency Test and holistic admission (AO admission) comprehensive selection
- New development of individual online businesses

Acceleration of the development of Gakken High School, a support school for high school correspondence courses, and the junior high school division

- Acceleration of group development in the support school business and establishment of the junior high school division
- Establishment of a scheme for external FC deployment

Future priority areas

Miyagi, Tokyo, Kanagawa, Saitama, Aichi, Gifu, Okayama, Hiroshima, Fukuoka

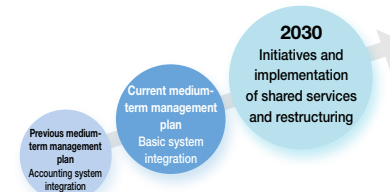


Strengthening school education support business and commercialization of first-year university education

- School support and public support business commissioned from local governments
- Entry into first-year university education
- Strengthening development by establishing a department in charge

Improve on-site operational efficiency and promote shared services

- System integration of all group learning centers
- Shared services for indirect operations, creation of an environment for regional integration, and start of initiatives for restructuring



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*1 No. of members and no. of classrooms are a combined total of Gakken Classroom, Gakken Squares, and Mebae Classes.

*2 Gakken Classroom has two types of classrooms: (1) Math and Japanese, and (2) English. If a classroom obtains approval for both classes, it will be counted as two classrooms. The number of classrooms is counted as the number of classroom approvals obtained.

Strategy by Business Area (2)

Publishing and Content Services Business

Vision for 2027



Publishing service

Restructuring from paper/domestic / children's books / study-aid books to a publishing and content / IP creation business that can be enjoyed by all generations and grow globally

We will continue to publish our mainstay genres, including books for toddlers and children; learning for preschool through elementary, junior high, and high school students, as well as adults; and practical lineups, such as cookbooks and *Chikyu no Arukikata* (Globe-Trotter Travel Guidebook). In addition, we will greatly expand our target readers by creating highly entertaining publications and content that can be enjoyed by all generations. With highly entertaining stories, comics, and characters, we will expand the scope of global development and IP development of publishing content and deliver them to the world.

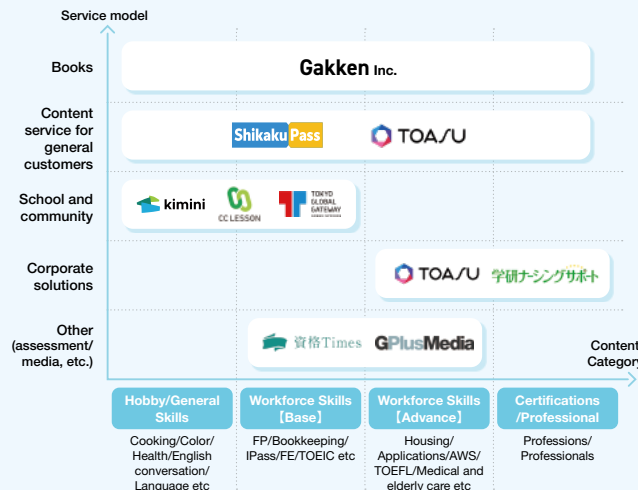
Content service

Value creator based on an AI-accelerated D2C platform that supports global learning, lifelong learning, and career challenges

With the spread of AI, demand for efficient learning methods, support for career development, relearning by adults, and reskilling is rapidly increasing worldwide. In the education domain, Gakken Group will provide AI content that enables the identification of and response to issues for each learner and workplace, and in the healthcare and nursing domain, we will support reskilling and upskilling so that not only Japanese but also foreign professionals can play an active role in their work. We aim to be a business that supports the growth of tomorrow by closely supporting each and every learner.

Gakken 2025 performance review

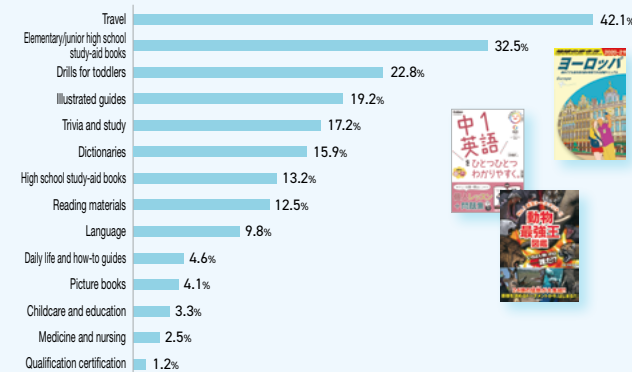
Expansion of recurrent and reskilling areas



- Expand the content of online learning services in areas such as qualification acquisition and language
- Reorganize existing training options for corporations and develop them into services to be chosen with LMS and other added values

▶ **Top position in the field of content for toddlers and elementary, junior high, and senior high school students, while advancing into the adult market.**

» Jul-Sept 2025 Retail POS Market Share (Study-aid books and language books include those of Bunri Co., Ltd. and Kirihara Shoten K.K.)



▶ **The school business concentrates on narrowing down of focused businesses and improving profits**

- Enhancement of GIGA peripheral content: MIM digital learning materials and digital physical fitness tests
- Expansion of short essay business in response to changes in circumstances of entrance exams

Social value created



Hideharu Kuromitsu
Corporate Officer,
Gakken Inc.

Efforts to produce small digital lots of publications

At present, Gakken's publications are produced by mass production for over a certain number of copies using offset printing, which is the mainstream of publication printing, and they are sold while holding stock. In addition to this, we will fully incorporate digital manufacturing technology that allows timely production of small quantities. We aim to extend the life cycle of publications, reduce stock shortages, create a system that enables long-term sales, and reduce distribution and environmental burdens.



Miki Kanehira
Video Production Section,
Production Department,
Gakken Medical Support
Co., Ltd.

Support nurses' learning and contribute to improving the quality of medical care

Our e-learning service for medical professionals was awarded "No. 1 in the cumulative number of hospitals adopting the system for two consecutive years*" by the survey of Japan Marketing Research Organization, Inc. By providing a system that enables learners to continue learning even at busy medical sites, we contribute to the improvement of the skills of individual nurses and other medical professionals and to the improvement of the quality of medical practice that supports people's health.

* Market research for e-learning services for nurses, FYE Jun./2025
Research organization: Japan Marketing Research Organization, Inc.



Lecture video with subtitles in five languages

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Strategy for 2027

Gakken 2027
Five levers:Expansion of
target customersExpansion of
servicesExpansion of
LTVStrengthening
intergroup synergiesDrastic improvement
in cost efficiency

Business environment

Publishing
service

- Drastic decrease in the number of bookstores, and shrink of the toddler and children's publishing market due to the decrease in the number of births
- Cost increase pressure due to soaring materials and logistics costs
- Rising university enrollment rates, diversification of entrance exams, and increased need for optimization of individual learning

Content service

- Continued demand for career development support and for relearning and reskilling among adults
- Promotion of the utilization of overseas human resources, especially in the healthcare and nursing field, due to the declining birthrate and aging population
- The rise of digital technology in online services driven by technological innovations, such as generative AI

Indicators

» KPI (2025→2027)

Strengthening of how-to guides and general books

Retail POS vs. Sept./2025
105%

Increasing license sales (in Japan and overseas)

Sales growth vs. Sept./2025
160%

No. of digital service members for schools

Elementary and junior high schools **+580** schools
High schools **+52,000** students
Universities **+54** schools

No. of online English conversation lesson members (in Japan and overseas)

30,005 members
35,410 members

No. of hospitals adopting e-learning programs for nurses

3,245 hospitals
3,520 hospitals

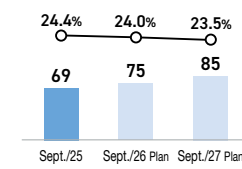
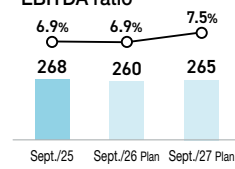
No. of corporate training sessions provided

795 sessions
1,245 sessions

No. of online qualification learning members

1,500 members
8,000 members

» Business plan: Sales and EBITDA ratio

■ Sales (100 million yen)
— EBITDA ratio

Priority initiatives – Publishing service

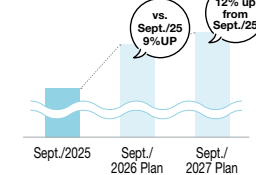
Strengthening of investment in publishing and IP for all ages and expand genres

- Strengthening of investment in publishing how-to guides, business, and general genres
- Sales of e-books, audiobooks, and other content, and expansion of e-comic merchandise
- IP development and acquisition with global expansion in mind

» Retail POS plan for how-to guides
(vs. Sept./2025)

Sept./2026	+3%
Sept./2027	+5%

» Sales plan for e-book publishing



Strengthening the line-up and market share of learning merchandise to meet diversified needs for university entrance exams and learning

- Increasing the market share of study-aid books for high school students and investing in content to achieve this
- Diversification of university entrance exams and response to the increasing demand for study-aid books for high school students at high schools and universities, with this background

Strengthening development of digital services for schools

- Expansion of educational digital services compatible with NEXT GIGA
- Expansion of high school English and teaching platform services
- Launch new CBT solution business for university entrance exams

Creation of synergies in content development and operational efficiency through integrated operations of publishing business

- Maximizing group synergies through integration and shared functions among Group publishing companies
- Improved efficiency of manufacturing and distribution processes through the use of digital manufacturing

Priority initiatives – Content service

Global expansion of the language business

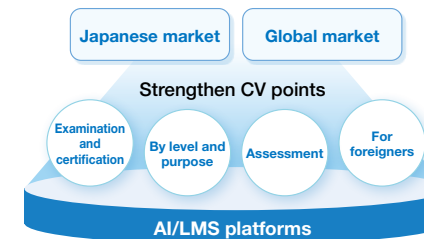
- Expansion of Kimini online English conversation lesson into Brazilian and Vietnamese markets

Strengthening competitiveness through business cooperation in qualification and career services and cross-service utilization by centralizing customer information

- Expansion of customer base centered on e-learning and online qualification learning for adults
- Promotion of the use of multiple services by centrally managing customer information
- Integration of a D2C perspective to a B2B platform to accelerate enterprise transformation

Expansion of content targeting the global market and enhancement of service value by strengthening AI and LMS platforms

- Expansion of conversion points by enhancing service variations by level, purpose, and scene
- Development and deployment of AI assessment content with not only the domestic but also the global market in mind



Acceleration of joint development and mutual deployment of content by utilizing group resources

- Strengthening development through collaboration of content and human resources across businesses and service boundaries
- Enhancing value provided to customers through package sales and mutual use of content

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Strategy by Business Area (3)

Childcare and Early Childhood Business

Vision for 2027



A leading company in childcare and toddler education, providing an educational environment that fosters the independence of children as well as high-quality services and experiences

As for the environment surrounding the childcare and early childhood business, local governments have been rapidly developing a childcare environment based on the General Principles for Child-Related Measures and the Children's Future Strategy, and measures against the declining birthrate have been expanded. It is imperative that we respond flexibly to these social changes and undertake business structural reforms and new business developments.

The children-related market grew 2.2% from the previous year to more than 10 trillion yen, maintaining solid business trends due to continued injection of public funds. Under the medium-term management plan "Gakken 2027," we will seize the change in the external environment as an opportunity to establish a business structure with a competitive edge by leveraging the strengths of Gakken Group's

services and on-site childcare support. In addition, demand for children's clubs for after-school activities is increasing year by year, and the market for child development support is also expected to expand. We aim to expand the number of service locations, e-learning for nursery school teachers, and the business for training instructors for after-school children's clubs and child development support. For kindergartens and nursery schools, we will provide a toddler education environment that fosters children's independence, high-quality services, play and learning experiences, and teaching materials that constitute the environment. In addition, we will expand our solution business to solve management issues at kindergartens and nursery schools, and services for toddlers and teachers. We will actively take on new challenges in anticipation of further global expansion.

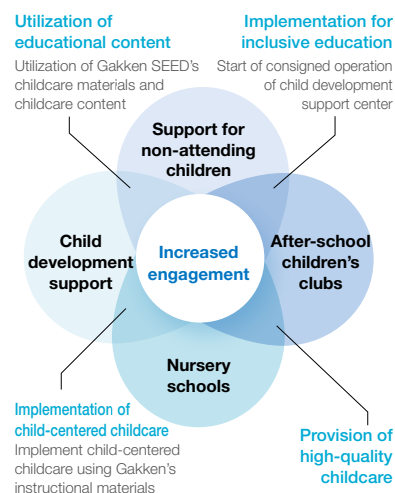
Gakken 2025 performance review

▶ **Create synergies between childcare support and toddler education**

Expansion of kindergartens adopting Gakken Classrooms as an extracurricular class and increase in the number of children using it. Adoption of E-co-labs (English course)

Cooperation with Gakken Group's sites

- Gakken Classroom
- Gakken WILL School
- Employment support
- Group homes

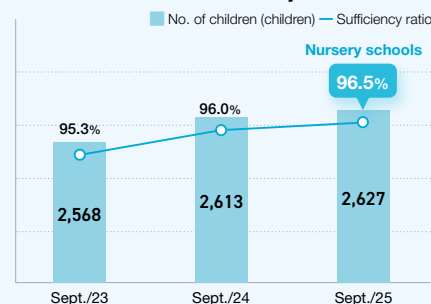


Utilization of kindergarten content and kindergarten merchandise within the Group Started an initiative to reflect the onsite opinions of kindergarten staff in the development of Gakken SEED merchandise

Contribute to content planning and improvement by accumulating responses from children and ways to utilize them

▶ **High-level stabilization of the sufficiency ratio**

▶ **No. of children and sufficiency ratio**



Total number of facilities 102 facilities

* Total of nursery schools, after-school children's clubs, child development support facilities, and free schools

Nursery school capacity 2,722 children

Social value created



Ken Ito
Manager,
Sales Department III,
Gakken SEED

Started in-kindergarten online training service to support childcare personnel

In order to secure and enhance high-quality childcare promoted by the Children and Families Agency and to resolve issues related to fostering childcare workers on site, the Gakken Group launched HOINQ, a training service that utilizes its know-how and content and contributes to improving the quality of childcare workers and team strength. The design of the course, which can be taken in as little as 15 minutes, and the new learning style, in which childcare workers can exchange opinions with one another, have been well received and are used by approximately 6,000 childcare workers.



Akane Mikuni
Department of Welfare
Services for Persons
with Disabilities, Gakken
Cocofump Nursery
Corporation

Promote development support business through expansion of child development support and operation of regional core facilities

KLOCKA, a child development support facility that provides order-made development support, has expanded to 14 facilities and is currently in the process of accelerating the opening of new facilities. In September 2025, we were selected as the designated administrator of Shinagawa City's Ohara Child Development Support Center and Children's Center in recognition of our comprehensive operation of childcare support facilities. We will return the knowledge we have cultivated so far to society through the operation of regional core facilities.



Training service HOINQ



KLOCKA, a child development support facility

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Strategy by Business Area (3) **Childcare and Early Childhood Business**

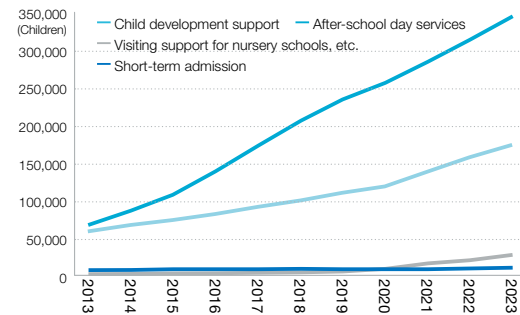
Strategy for 2027

Gakken 2027
Five levers:Expansion of
target customersExpansion of
servicesExpansion of
LTVStrengthening
intergroup synergiesDrastic improvement
in cost efficiency

Business environment

- Further acceleration of the declining birthrate
- Expansion and diversification of needs for child development support, etc.
- Promotion of DX by national and local governments and work style reform at childcare sites

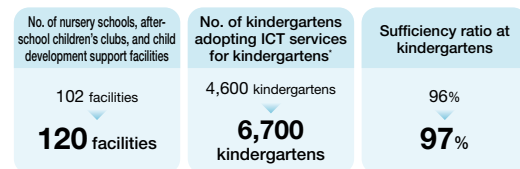
» Changes in the number of users by service type for children with disabilities



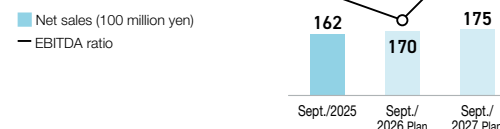
Source: "Support Policy for Children with Disabilities," Support for Children with Disabilities Division, Support Bureau, Children and Families Agency

Indicators

» KPI (2025→2027)



» Business plan: Sales and EBITDA ratio



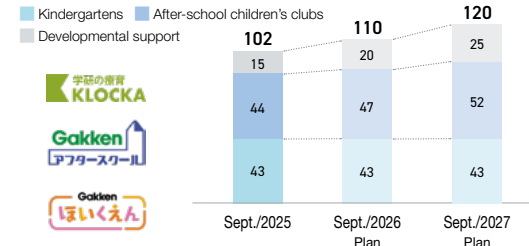
Priority initiatives – Childcare and early childhood

Consignment of public-funded after-school children's clubs and expansion of child development support facilities



- After-school children's clubs contribute to the elimination of children's waiting lists for childcare services mainly in the Tokyo metropolitan area
- Continued expansion of individualized optimal support in the field of child development support
- At existing facilities, we aim to improve the sufficiency ratio by providing a variety of learning and experience based on the Group's educational content.

» No. of facilities planned



Expand services for toddlers and teachers and content of individual optimization support business



- Expand services for kindergartens, staff, children, and parents (hugmo, HOINQ)
- Launch new qualification business and roll out e-learning for supporters
- Develop new development support services
- Promote and strengthen new content development through group collaboration

» No. of kindergartens adopting ICT services for kindergartens



» Launch of new business

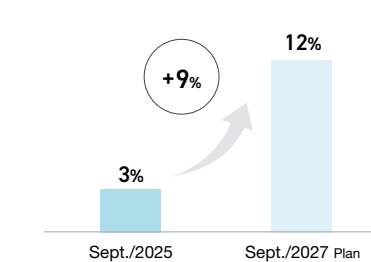
No. of qualification business participants	1,200 participants
No. of facilities adopting e-learning	300 facilities

Strengthen solution sales to kindergartens (Integration of goods and services)



- Contribute to the quality of kindergartens in terms of both goods and services
- Increase profits by expanding high-margin service sales

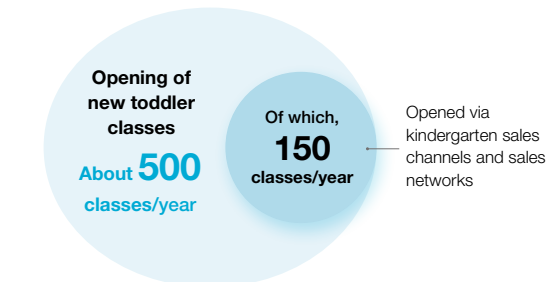
» Ratio of service sales to total revenue



Referral of Group merchandise and services using the kindergarten sales channels



- Support the establishment of toddler classes utilizing kindergarten sales channels and sales networks
- Promote book sales to kindergartens, focusing on Gakken publications



* Total number of kindergartens adopting various services

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Strategy by Business Area (4)

Global Business

Vision for 2027

Establish a business foundation for growth together with Asian partners and become a world-class educational trading company (producer organization for value creation)

Through collaboration with DTP, a major local educational publisher in Vietnam, an educational information system company, and KiddiHub, which has a platform for toddler education, we aim to secure revenue and utilize the customer base of our partners to expand our business in Asia.

We have also set forth the concept of a world-class educational trading company as our future direction for global business. Starting in Japan, Vietnam, and China, we plan, discover, and procure world-class content from publishers and educational service companies in each country to provide them to businesses around the world. We are also building a platform for this. As a producer of value creation,

the Gakken Group will work with our business partners to mobilize a variety of resources to create a society in which people around the world can realize their full potential.

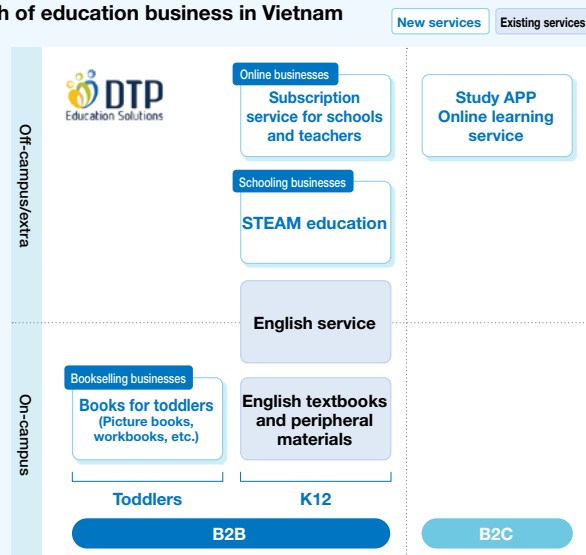


Gakken 2025 performance review

Expansion and growth of education business in Vietnam

Growth of new and existing businesses by strengthening cooperation with DTP

DTP joined the Group in FYE Sept./2025. Gakken Group merchandise and services will be supplied through DTP's network of bookstores and schools.



Stable growth of KiddiHub

KiddiHub, which has a network of kindergartens, teachers, and parents, is growing steadily and has begun kindergarten management. KiddiHub's network of kindergartens and parents is also attractive to Japanese companies trying to enter the Vietnamese toddler market. KiddiHub has also begun providing consulting services to support Japanese companies entering the market.



Investment in global talent acquisition and establishment of organization

In April 2025, Gakken Holdings established the Global Business Division. We are now able to develop our global business with greater speed and responsibility than ever before. Members with diverse backgrounds engage in the global business.

Social value created



Kana Okauchi
Content Team,
Global Business Division,
Gakken Holdings Co., Ltd.

Develop the thinking skills of children around the world through STEAM education

In the era of VUCA, what is needed is not just academic ability, but the ability to solve problems and the ability to live, such as the attitude and posture to tackle things. The Gakken Group is developing STEAM education in Vietnam, China, Turkey, and other countries that utilize Gakken Group's merchandise. In addition, we have developed Gakken Classroom that emphasizes non-cognitive skills in seven overseas countries and plan to expand to new countries in the future. By providing STEAM education, we will develop human resources that will support the future world.



Kei Hatanaka
Global South HR
Development Business,
Global Business Division,
Gakken Holdings Co., Ltd.

Matching human resources around the world through the development of industrial human resources

We use ODA funds and subsidies from ministries and agencies to train industrial human resources around the world. We plan to respond to the needs of the industry and to cater to all individuals so that they can demonstrate their abilities. Through training provided by the Gakken Group, we envision a human resource circulation that enables individuals to contribute to Japanese companies facing difficulties in securing human resources, while also allowing them to play active roles in their home countries and other countries.



A STEAM classroom training program in Vietnam

On-site training in Turkey

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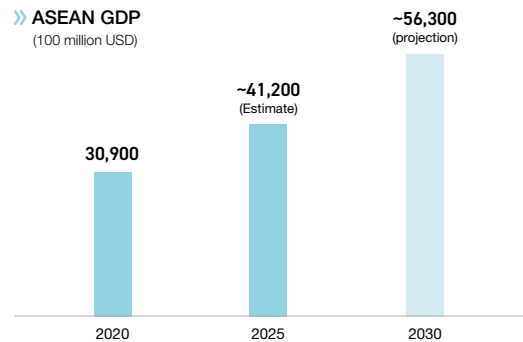
Q4. Sustainability

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Strategy by Business Area (4) **Global Business****Strategy for 2027****Business environment**

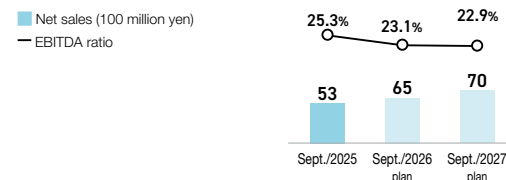
- Changing demographic and economic trends in emerging Asian and other countries that differ from those in Japan
- Political and economic policy changes in each country driven by accelerating globalization

» **ASEAN GDP**
(100 million USD)

Prepared based on the IMF's "World Economic Outlook Database"

Indicators» **KPI (2027)**

Share of operating profit within the Group	No. of strategic alliance partners	Total number of partner schools in Vietnam (Total number)
10 % or more	5 companies or more	14,300 schools

» **Business plan: Sales and EBITDA ratio**Gakken 2027
Five levers:Expansion of
target customersExpansion of
servicesExpansion of
LTVStrengthening
intergroup synergiesDrastic improvement
in cost efficiency**Priority initiatives - Global****Expand business and improve profitability in Southeast Asia centered on Vietnam**

- Establish a strong profit base in the children's business in which we invested in Vietnam, and further enhance our business and profitability by leveraging the country's broad customer base.

Vietnamese education market**Toddler market**

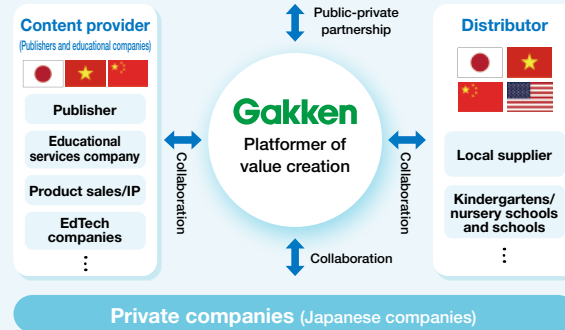
KiddiHub

Vietnam's top platform for
connecting the nation and parents**Support for Japanese
companies entering the
market****Elementary, junior high, and
high school market**DTP
Education SolutionsPublic education
System companyTop privately-run
English contentTop privately-run
educational
platform**Appeal to students,
parents, and teachers
online and offline****Accelerate publishing, product sales, and IP development in China and build a profit structure**

- We will further strengthen our cooperation with our bases in Shanghai and Hong Kong and promote the creation of a system that enables us to generate profits in the Chinese market. At the same time, we will work to create a path for expansion into other countries.
- Create synergies with Poplar Publishing's local subsidiary in China and expand sales channels by developing IP content

**Develop businesses in Asia through collaboration with domestic and overseas players with strong customer bases and content**

- Starting in Vietnam and China, we plan, discover, and procure content that is accepted worldwide, and connect them with distributors that have strong customer bases.

National government and administration (subsidies such as Edu-Port)**Company-wide transition to a global business structure that leverages the strengths and functions of Group companies**

- Begin consideration of digital platforms
- Build a digital platform that can expand in markets
- Strengthen the Group's global presence by promoting the understanding and implementation of global strategies throughout the Group

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Strategy by Business Area (5)

Elderly Housing Business

Vision for 2027

As a top company, we will take on the challenge and open up a new future for society, communities, and people.

We have taken on many challenges in the elderly care and health-care and nursing domains, and have become a leader in the industry. But now, society is facing a major turning point. The declining birthrate and aging population, soaring prices, shortage of human resources, diversification of regional needs, and accelerating digitalization. We cannot continue to be needed by society just by continuing to do things the way we have been doing. That is why we are taking on the changes. Rather than maintaining the status quo, we will adopt new ways of doing things without fear and present a business model ahead of society. These endeavors will pave the way for the future of the industry and become the driving force that will enrich the lives of communities and people. The words "society," "communities," and "people" in this slogan reflect our mission and thoughts.

- For "society," we will work to solve the problems of the aging society and create a sustainable system.
- For "communities," we will remain rooted in the land and needed by each customer.
- For "people," we will build a company in which each and every employee can grow, demonstrate his or her strengths, and have confidence and pride.

Achieving these three goals simultaneously is the way we should move forward as a top company. To open up a new future is to create the value that has yet to be seen. We believe that if all employees take on the challenge and grow together, we will be able to achieve this goal.



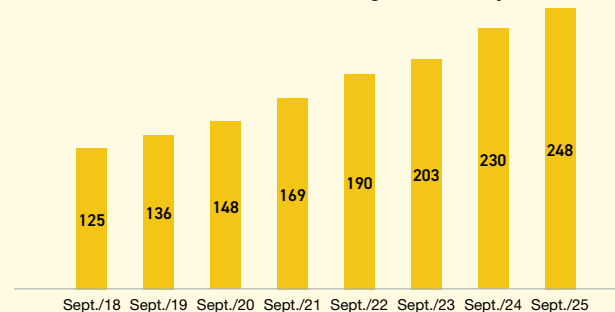
Gakken 2025 performance review

Expansion of the number of facilities

Total 248 facilities
12,918 rooms

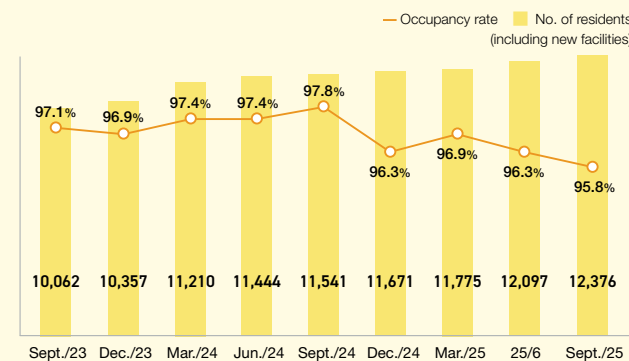
学研 Cocofump

Trend in no. of facilities such as housing for the elderly



High-level stabilization of the occupancy rate

Trends in no. of tenants and occupancy rate



* Including overseas bases. Elderly care service bases operated by ICHISHIN HOLDINGS CO., LTD. are excluded.
Including serviced apartments for the elderly as well as other types of facilities, such as home-visit elderly care stations.

Social value created



Ichiro Honda
Director of Cocofump
Yotsuya, Gakken
Cocofump Co., Ltd.

The social value of serviced apartments for the elderly was proven: SROI evaluation 1.45

SROI evaluation was conducted on a trial basis at two facilities. An SROI evaluation is a method used to measure social impact. It examines the costs and benefits in social, environmental, and economic terms. As a result, it became clear that the social value created was 1.45 times more than the cost.

By visualizing the social value generated by our business, we aim to further contribute to the development of communities where the elderly can live in their own way with peace of mind, thereby contributing to the sustainable development of local communities.

[SROI evaluation P. 61](#)



Shinpei Matsuyama
Manager, Design
Department II,
SYSCARE Co., Ltd.

Energy-efficient housing protects residents' comfortable living and environment

We realize energy efficiency and reductions of environmental impacts by establishing living environments where residents can live comfortably with peace of mind and achieving the ZEB Ready* standard level for buildings. We contribute to improving the quality of life and creating environmental value

for local communities through the creation of sustainable housing.

* A standard that meets enhanced thermal envelope standards for buildings and reduces primary energy consumption from the current energy conservation standard.



Cocofump Kawasaki Kase



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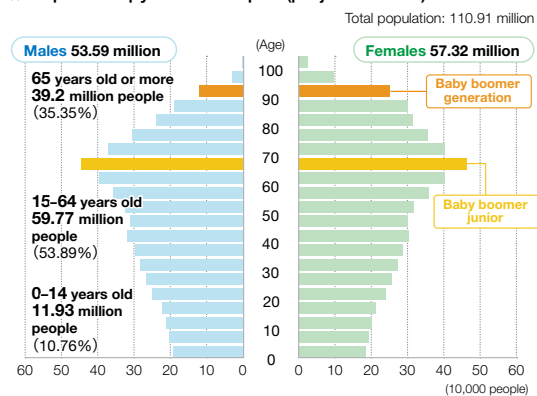
Strategy by Business Area (5) Elderly Housing Business

Strategy for 2027

Business environment

- The number of latter-stage elderly will reach 30% of the total population, peaking around 2040
- Expect continued increases in personnel expenses, prices, utility expenses, and building materials costs
- Securing and developing elderly care personnel will become increasingly difficult.

» Population pyramid of Japan (projected 2040)



Source: "Population Projections for Japan (2017 Estimate)" by The National Institute of Population and Social Security Research

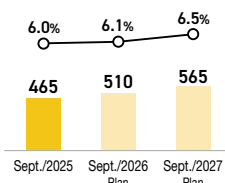
Indicators

» KPI (2027)

No. of new buildings and rooms	Occupancy rate (Excluding new facilities)	Ratio of home-based services
+26 buildings/year +1,500 rooms/year	98.1% or more	15%

» Business plan: Sales and EBITDA ratio

■ Net sales (100 million yen)
 — EBITDA ratio



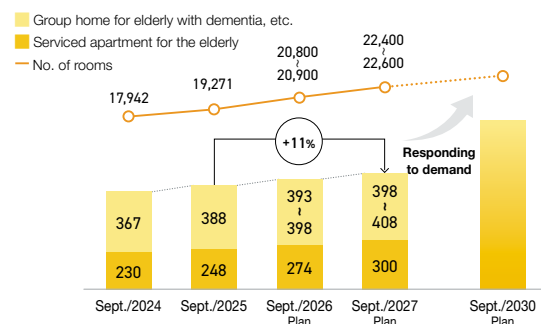
Priority initiatives – Housing for the elderly

Expansion of no. of facilities and high-level stabilization of occupancy rate

• Ensuring the number of facilities that can meet the needs of society

Against the background of the aging of the population and the growing need for elderly care, we continue to provide homes where the elderly can live safely and securely. We will continue to strive to create a living environment where people can live in their own way in the areas they are familiar with.

» Plans for no. of facilities and rooms



• Maintain a high occupancy rate

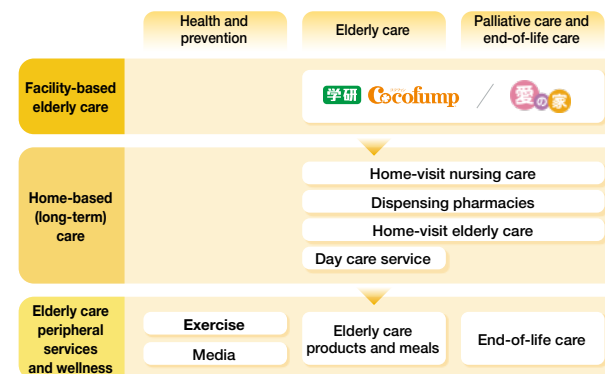
Aiming to realize Gakken's community-based integrated care, we provide services that closely support care residents and life in the community. We will continue to deepen our initiatives so that our facilities will continue to be relied upon and chosen by the community.

Expansion of high-value-added model (High-end, university-linked complex facility)

- To meet the diverse needs of our customers, we will promote the establishment of facilities that offer both high-quality services and convenient locations. In addition, through the development of complex facilities in cooperation with universities, we will work to develop a model that creates new value in the lives of the elderly.

Expansion of home-based care and elderly care peripheral business (Home-visit elderly care, day care services, home-visit nursing care, end-of-life care)

- In addition to in-facility elderly care services, we will expand home-based (long-term) care, such as home-visit nursing care and day care services for people living in the communities, to respond to requests from society and local communities. We will also expand peripheral services, such as end-of-life care services, to shift to a business structure that does not depend on the social security system.



Review of cost structure and improvement of operational efficiency

- We will continue to review our business structure and improve operational efficiency in the face of rising personnel expenses and soaring prices. We will also accelerate the use of evolving IT tools and generative AI to improve productivity and achieve sustainable growth.

Diversification of staff, improvement of staff treatment and quality improvement

- In order to continuously provide high-quality services despite the growing shortage of elderly care personnel, we will expand various recruitment channels, including overseas personnel, and strengthen human resource development and training systems. At the same time, efforts will be made to improve working conditions and create a comfortable working environment in order to improve employee retention.

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Strategy by Business Area (6)

Group Homes for the Elderly with Dementia Business

Vision for 2027

Reform our business structure and promote the creation of a company that continues to grow

With the declining birthrate and aging population accelerating, it is estimated that the number of people with dementia and those who are likely to suffer from dementia (MCI) exceeds 10 million. Demand for elderly care is expected to continue to grow, and the importance of elderly care for dementia is also increasing further. Given this situation, in FYE Sept./2025, we opened 12 new facilities, including M&As, and steadily expanded the number of facilities. Looking ahead to 2027, we will focus on business structure reform and portfolio transformation in order to adapt to changes in the external environment, such as soaring prices. Specifically, we will strengthen our non-insurance-covered elderly care peripheral businesses and the medical field to promote business structural transformation. By providing integrated services, such as sales of care products and meals for the elderly,

home-visit nursing care, and visit dispensing, we will strengthen our earnings base and contribute to local communities.

We will also further strengthen our human capital to support our business growth. While focusing on the retention of existing employees, we are promoting the stable securing of overseas human resources using the Specified Skilled Worker System. By accelerating DX and employing diverse human resources, we will build a business foundation that achieves qualitative improvement and sustainable growth.



Gakken 2025 performance review

▶ Expansion of the number of facilities

Occupancy rate **97.6%**
(* Group homes for the elderly with dementia only)

Total **388 facilities** (including overseas facilities)

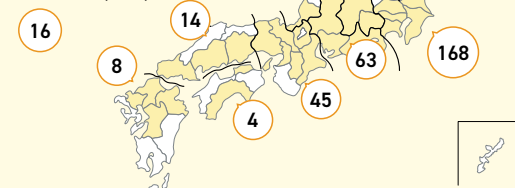
* Including other categories of facilities such as specified facilities and small-scale multifunctional in-home care facilities, in addition to group homes for the elderly with dementia

6,353 rooms

(*Group homes for the elderly with dementia only)

* Since there are establishments located within the same building, the numbers of facilities and operations are not the same.
(As of September 30, 2025)

Overseas (China)



▶ Enhancement of healthcare and nursing services

Expansion of elderly care peripheral business through a capital and business alliance with Nippon Life Insurance Company

Through the capital and business alliance between Gakken Holdings and Nippon Life Insurance Company, we will integrate the know-how of both companies and promote initiatives to improve the sustainability of the elderly care industry as a whole. First, we will contribute to operational efficiency by providing functions to other businesses in such areas as procurement and repair of elderly care products.

▶ Establishment of Gerok based on joint research with Kyoto University

Gerok was established for the social implementation of joint research with Kyoto University. Through collaboration with Specially Appointed Professor Yoichi Nabeshima, a leading researcher on aging, we will strive to create new options to help prevent and improve dementia.



Social value created



Ryo Takahashi
Assistant Manager,
Quality Assurance
Promotion Department,
Service Creation
Department, Medical
Care Service Inc.

Realization of the life of each individual based on his or her own values through the MCS Care Model

Based on scientific evidence, we have established the MCS Care Model, which systematizes care from its objectives to solutions. At present, we are further evolving the model by integrating the perspectives of "group home elderly care." By providing highly reproducible care, we improve the physical and mental condition of each user and create social value that supports the life of the user based on the value of his or her own.



Koji Sugimoto
Manager, Corporate
Communication
Department, Quality
Assurance Promotion
Department, and
Business Support
Department, Medical
Care Service Inc.

Understanding dementia for the next generation.
Fostering a symbiotic society through on-demand classes

We conduct on-demand classes for elementary, junior high, and high school students to view dementia as an issue of their own and to understand and act accordingly. We have given lessons at a total of more than 50 schools (groups) to approximately 5,300 students, contributing to the development of communities that support each other across generations. Since 2025, we have been expanding this initiative to include corporate customers, accelerating our efforts to realize a symbiotic society.



On-demand lecture for company



On-demand class at junior high school

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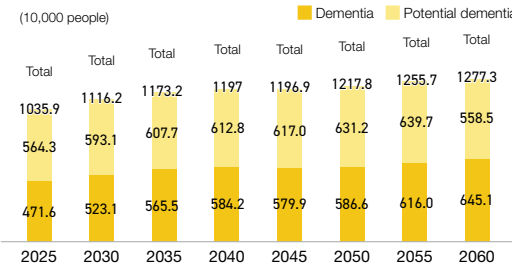
Data

Gakken 2027
Five levers:Expansion of
target customersExpansion of
servicesExpansion of
LTVStrengthening
intergroup synergiesDrastic improvement
in cost efficiency

Strategy for 2027

Business environment

- The number of the latter-stage elderly will peak in 2040, and people with dementia and potential dementia (MCI) are expected to exceed 10 million.
- In light of the economic environment, such as the increase in the minimum wage, elderly care fees will be revised in 2027.
- Securing and developing elderly care personnel will become increasingly difficult.

» Projections of number of patients with dementia and MCI
(10,000 people)


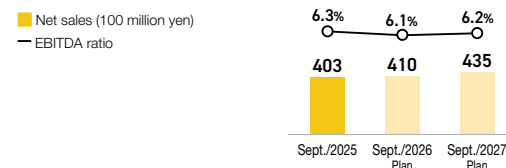
* Source: "Projection of the number and prevalence rate of patients with dementia and MCI in Japan" (prepared from the materials of the "Second Stakeholders Meeting on Promoting Dementia Policy" held on May 8, 2024). MCI refers to mild cognitive impairment. It is a state somewhere between a healthy person and a person with dementia.

Indicators

» KPI (2027)

No. of new buildings and rooms	Occupancy rate	Other than the elderly care business Sales ratio
+5-10 buildings/year +90-180 rooms/year	97.5% or more	> 18%

» Business plan: Sales and EBITDA ratio

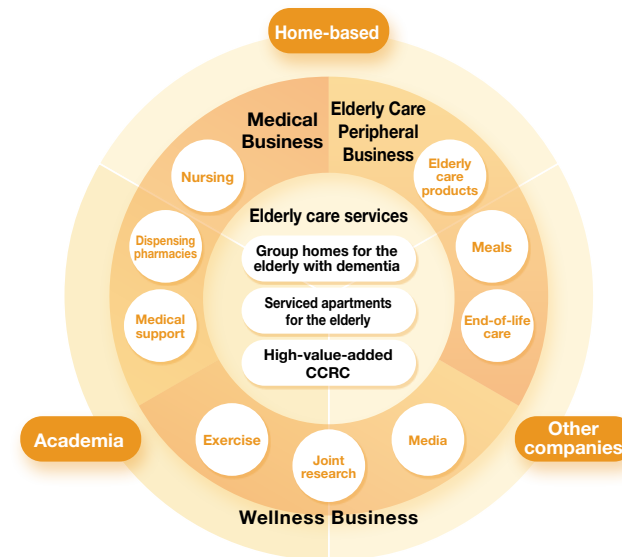


Priority initiatives - Group homes for the elderly with dementia

Increase earnings in the elderly care peripheral business

Accelerate the development of the elderly care peripheral field through Group companies in specialized fields. While transforming our business structure to one that does not rely on the long-term care insurance system, we are contributing to the creation of an environment where people can continue to live comfortably in communities they are familiar with.

- Expand sales channels of the meal business (Green Food Co., Ltd.)
- Expand sales channels for elderly care products business (Property Care Partners Co., Ltd., PARA MEDICAL)
- Development of new stores for visit dispensing pharmacies business (Gakken Medical Pharmacy Co., Ltd.)



Entering the medical business (strengthening the nursing care field)

We will strengthen the medical business to meet the growing need for home medical care. In February 2026, Aino le Mirai Home-Visit Nursing Care Station Omori was opened in Ota City in Tokyo. We plan to expand our facilities successively.



Business development of high-value-added facility models and services

In order to respond to diversifying needs, we are promoting the establishment of higher-value-added facility models. We will further deepen our brand by providing new value to communities through the establishment of multifunctional complex facilities in cooperation with universities.

Improve care quality and operational efficiency

We will promote the development of the MCS version of independent support care that is highly reproducible based on scientific evidence and the use of technology. We will establish a sustainable business foundation by simultaneously improving the quality of care and reducing the burdens.



Maximize human resource value (Utilize diverse career paths and global human capital)

- Enhance education and evaluation systems based on career paths (grading system) and actively promote support for the recruitment and retention of overseas human resources
- Create an environment where diverse human resources can maximize their capabilities and grow together

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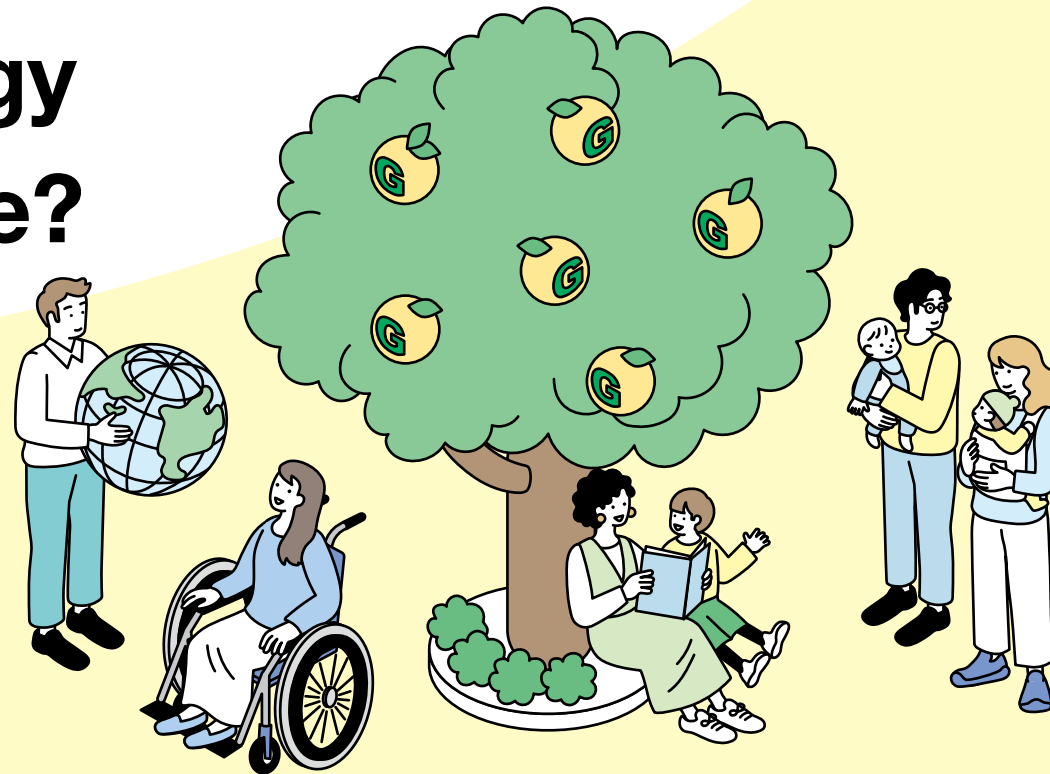
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Q4 Sustainability

What is the Sustainability Strategy to Support the Future?

The Gakken Group promotes sustainability management from the perspective of double materiality, emphasizing both the impact of corporate activities on society and the environment and the impact of society and the environment on business and management. By linking key themes, such as the environment, human resource development, diversity and inclusion, and human rights, with our business strategies, we will simultaneously pursue the creation of social and financial value. This chapter introduces the foundation that supports such value creation and specific initiatives.



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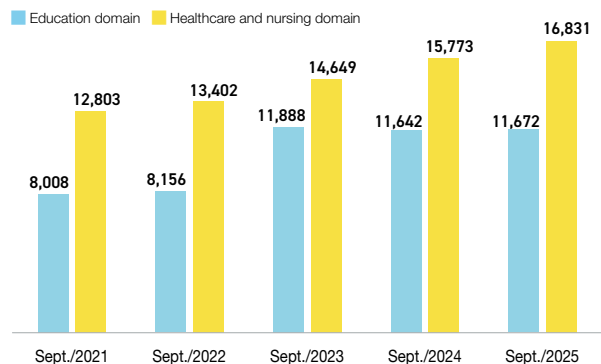
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Human capital

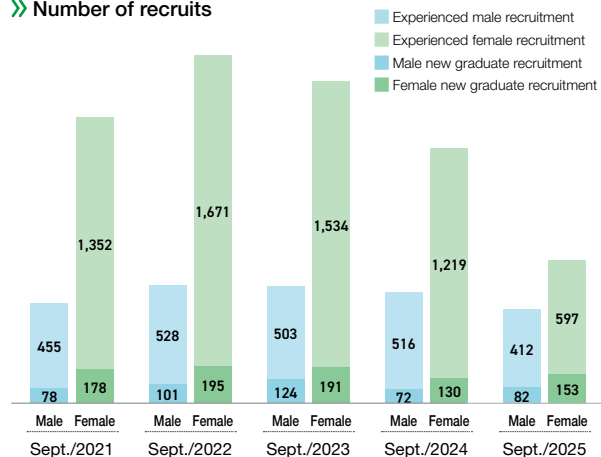
» Number of employees at consolidated companies



*1 Sum of the average number of full-time employees (excluding those transferred to outside our Group, including those transferred to our Group) and temporary and contract employees for the current consolidated fiscal year.

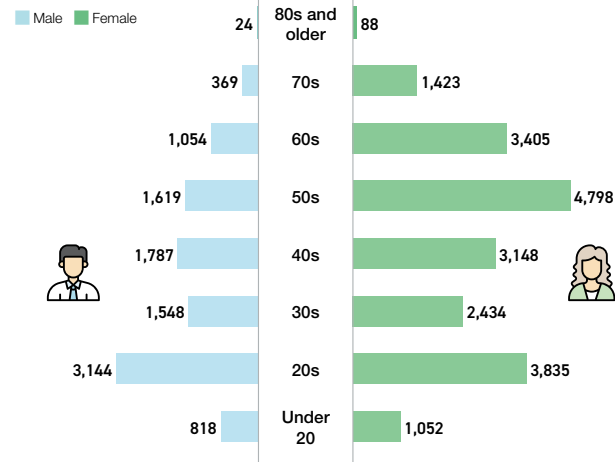
*2 The number of employees belonging to Others (companies that are not classified into either the education domain or the healthcare and nursing domain) was 449 in FYE 2021, 502 in FYE 2022, 594 in FYE 2023, 600 in FYE 2024, and 1,157 in FYE 2025.

» Number of recruits

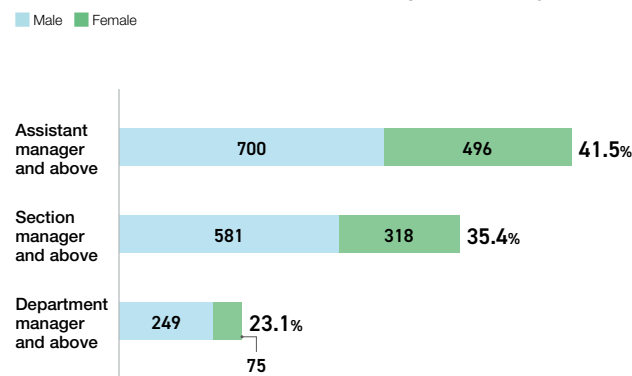


* Overseas subsidiaries are not included.

» Age structure



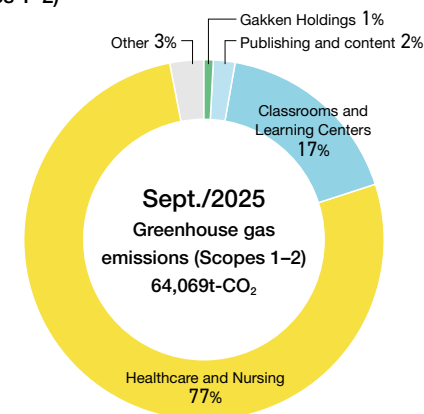
» Number of men and women and percentage of women by position



* All positions exceeded the 2025 targets for the percentage of women in each position (12% for positions equivalent to department manager, 18% for positions equivalent to section manager, and 30% for positions equivalent to assistant manager) that had been set in the trends of performance targets in the Fifth Basic Plan for Gender Equality.

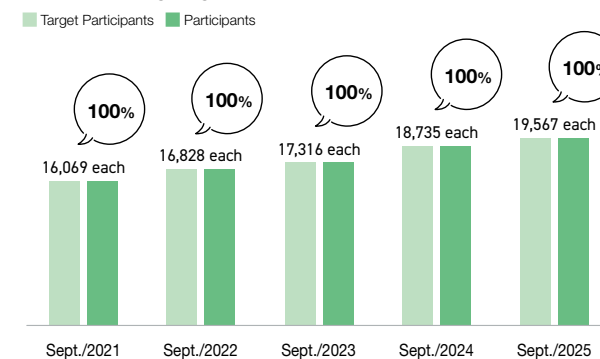
Environment

» Greenhouse gas emissions by business segment (Scopes 1–2)



Governance

» GRC training target participants and participation rates



* For all directors and employees of the Group: Officers and employees of the following companies are excluded from the total or partial count.

- Companies that conduct training approved by the Group by themselves
- Companies that provide information to foreign employees separately
- Companies that do not use e-learning systems (implemented in principle with offline learning materials)

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Talk | Sustainability as a Management Strategy

The Gakken Group is making steady progress in implementing sustainability management based on its Top Management Commitment. In this talk, the two people who are responsible for promoting this initiative talked about how they perceive management's intentions and how they are trying to connect them to the workplace.

Promote Sustainability Strategy to Support Value Creation

FYE Sept./2026-FYE Sept./2027 Top Management Commitments

Evolution of Corporate Sustainability

Pursue human potential and realize Value UP for customers and society.

1. Promotion of YORISOU CSV¹ management for customers and society

Address social issues through our education and healthcare and nursing businesses, enhancing both customer value and corporate value.

2. Accelerate and popularization of diversity and inclusion

Cultivate an organizational culture that respects each person's style (**Your Style**) and equitably provides opportunities for employees to play an active role

3. Transformation into an organization where autonomous individuals shine and take on challenges with a MAENOMERI spirit

Maximize the motivation and potential of each and every employee through transformation into an organization that enhances individual capabilities and encourages challenges.

4. Challenge of carbon neutrality by 2050

With the aim of achieving carbon neutrality by 2050, we will systematically advance efforts toward the greenhouse gas reduction target for 2030 (promotion of **DECO** activities²) and ensure achievement of the targets.

Hiroaki Miyahara

Chairperson of the Sustainability Committee of Gakken Group

¹ CSV: an acronym denoting Creating Shared Value. It refers to management in which a company achieves both social and economic value.

² A term that combines "deco" (decarbonization), which reduces carbon dioxide (CO₂), and "eco," which is good for the environment, with activities and lifestyles.

A message bridging vision and business strategy

— Please tell us the background and positioning of the new Top Management Commitment.

Takahashi: This Top Management Commitment is linked to the Gakken Group's aspiration, "Inspire Unlimited Potential," which was announced in 2023. In addition, "Value UP" is the theme of our medium-term management plan, "Gakken 2027."

It is based on the idea that all stakeholders, including employees, will thoroughly "inspire unlimited potential" shown

in the aspiration, and that the medium-term management plan will be achieved in the process.

In this sense, we see this Top Management Commitment as a bridge between the aspiration that overlaps the Group's long-term vision and the medium-term management plan.

Shirot: I think the clear demonstration of such an attitude is a major feature of this Top Management Commitment. In fact, this is a two-year commitment in step with our medium-term management plan "Gakken 2027." It is positioned such that the medium-term management plan will be implemented to realize

Misa Takahashi

General Manager,
Diversity & Inclusion Division,
Executive Officer,
Gakken Holdings Co., Ltd.



Yukie Shirot

General Manager,
Corporate Sustainability Division,
Gakken Holdings Co., Ltd.

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this commitment. I feel that it is significant that the top management is sending a message of placing sustainability at the core of the management strategy.

— **The commitment on human capital was newly added. What is your view on the purpose and background of this?**

Takahashi: For the Gakken Group, an education and healthcare and nursing company, people are the most important capital. We reaffirmed this idea and demonstrated our commitment to tackle human resource development and transformation into an organization that can take on challenges. In addition, diversity and inclusion was positioned as the second of four items. I understand that this is a strong message from the president and the management team that the company will strongly promote diversity and inclusion as the core of our Group management strategy.

Shirot: In terms of expression, one of the features of this commitment is the use of alphabetic keywords, such as “YORISOU (being close to and supporting someone)” and “MAENOMERI (leaning forward).” The aim is to make a stronger impression on people inside and outside the company.

Promotion of YORISOU CSV management

— **Please tell us again about the background and thoughts that led you to include the word "YORISOU" in the Top Management Commitment.**

Shirot: The Gakken Group was founded shortly after the end of World War II. Our business started with the founder's thought that "There is nothing more important than education for post-war (World War II) reconstruction." Education was a major social issue at that time, and children, who were the recipients of education, were overwhelmingly vulnerable in the harsh environment immediately after the war. We conduct business that is close to and supports people in socially difficult situations. This attitude has been at the core of the Gakken Group since

its foundation. Even today, there are various social issues, such as educational disparities, economic disparities, and regional disparities. The term "YORISOU" is used to describe our commitment to face such challenges and create businesses that are close to and support people in need.

Takahashi: "YORISOU" is exactly the Gakken Group's approach to CSV.

— **What are the specific measures to promote CSV?**

Shirot: "Utilization of logic sheets," "Sustainability awards," and "Trial of SROI evaluation" are major CSV. The first is a "logic sheet" that we ask Group companies to prepare as a guideline for implementing CSV. We aim to put CSV into practice by clarifying the goal of what kind of social value your company is trying to create and by conducting business activities in accordance with the goal.

Every business is inherently connected to solving some social issue, but it is not always true that each employee is fully aware of its social value. By verbalizing values through the logic sheets, I feel that employees' awareness has become clearer.

— **The Gakken Group Sustainability Award was held for the third time in FYE Sept./2025.**

Shirot: The Sustainability Award evaluates the activities of Group companies over the course of a year from the perspectives of CSV, double materiality, and medium- to long-term social value, and selects and awards the companies with

2025年度グループサステナビリティ賞選考委員会 選考するべきCSV、社会貢献活動									
2025年度グループサステナビリティ賞選考委員会 選考するべきCSV、社会貢献活動									
事業領域	事業内容	CSV	社会貢献活動	選考理由	得票数	順位	得票率	選考結果	備考
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	10	1	100%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	8	2	80%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	6	3	60%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	4	4	40%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	2	5	20%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	1	6	10%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	0	7	0%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	0	8	0%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	0	9	0%	受賞	
教育事業	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	幼児教育・小・中・高・大学・社会人教育	0	10	0%	受賞	

CSV value creation logic sheet

the best sustainability efforts. In the third year, Sozogakuen received the MSC (Most Sustainable Company) award for its consigned learning support business at the Kobe City Children and Family Center Temporary Shelter. The award was given in recognition of the establishment of new learning methods and the continuity as a business, in addition to contributing to social issues, such as the provision of learning opportunities and the correction of educational disparities.

Takahashi: We received a wide range of applications this year, and I strongly felt the expansion of the Group's business.

Shirot: Indeed. Even companies that have not always thought of sustainability as an integral part of their business have begun to reconsider what kind of social value their business creates. On the other hand, given the breadth of the Gakken Group's business fields, there are some fields in which the social value generated by each business is not fully visualized. We would like to continue using the awards as an opportunity to think about sustainability management as one's own, rather than just an award.

— **What is an SROI evaluation?**

Shirot: SROI is the abbreviation for “social return on investment,” which is an attempt to monetize the social value of our business. In FYE Sept./2025, this evaluation was implemented on a trial basis at some of Gakken Cocofump's serviced apartments business for the elderly. We identified Gakken Cocofump's four key social values: “serviced apartments for

» Third Gakken Group Sustainability Award winners



Most Sustainable Company

Grand prize |
Sozogakuen Co., Ltd.



Staff discussing the children's guidance policy

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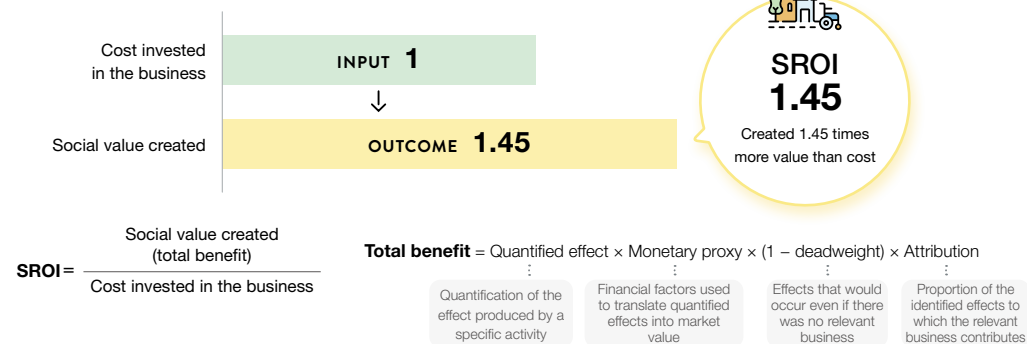
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Talk | Sustainability as a Management Strategy

the elderly that provide security and safety," "Realization of housing where people can live in their own way," "Cooperation between people and organizations that give consideration to the elderly," and "Pursuing sustainability in elderly care." And then, we conducted a survey of residents, their families, and employees, and confirmed that Gakken Cocofump created high social values in such areas as "reduction of anxiety," "maintenance and improvement of self-affirmation," and "teamwork within the workplace." We also tried to quantify the effects generated through the business and calculated SROI. The evaluation showed that the company created 1.45 times more social value than cost to the business. We plan to use the results to further improve our services and the working environment for our employees.

In addition, as part of the promotion of CSV, we implemented value-chain mapping at pilot Group companies. The purpose of this effort is to visualize the value chain from procurement to service provision and identify risks and opportunities to improve business. In FYE Sept./2026, we will further promote CSV also in our publishing business.

» Gakken Cocofump Group's serviced apartments for the elderly SROI evaluation



* Extract from materials prepared by the evaluation team based on Office of Services Sector, British Cabinet Office, 2009; Public Management and Social Strategy Institute Inc., 2018; 2020; Keio Research Institute at SFC, 2014.

Acceleration and popularization of diversity and inclusion

– We heard that in FYE Sept./2025, you put considerable effort into initiatives to deepen understanding of diversity and inclusion (hereafter, “D&I”).

Takahashi: We believe that D&I is an initiative to change the corporate culture of the entire organization. It is essential to change the mindset of all segments, not only employees but also managers and the management team. For this reason, over the course of a year and a half, we have held individual dialogues with D&I promotion directors and staff in charge at Group companies, carefully aligning our goals. We have sorted out the Group companies’ issues revealed there and steadily implemented measures tailored to each company’s situation.

Shirota: Among them, the promotion of active participation of women was a big theme.

Takahashi: Measures were implemented for the management team, managers, and general employees. At the management level, we worked to appoint two or more female executives at companies with 50 or more full-time employees and have almost achieved this goal. On the other hand, some said that

it is difficult for women to exert their power in male-dominated organizational structures. Accordingly, we have strengthened our system to encourage active participation of women by clarifying our mission and providing opportunities for interaction among female executives who tend to be isolated.

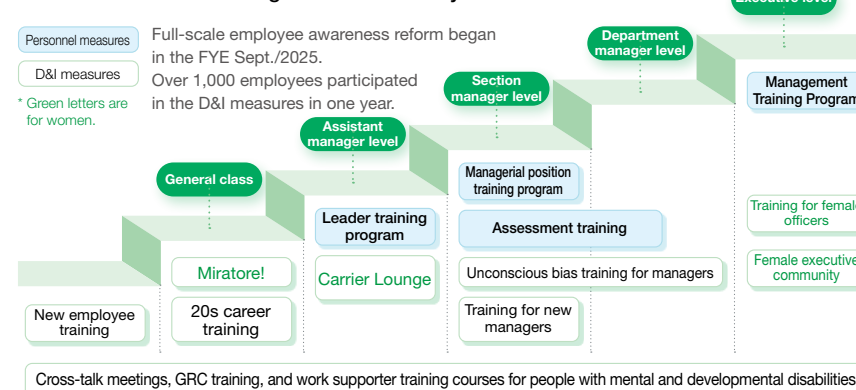
We have started diversity training for managers. Through specific work in the training, the participants learn how to utilize diverse members, including women.

For general employees, we provided training for women in their 20s to 30s to take inventory of their careers in preparation for changes in their life stages (“Miratore!” shown below), as well as career training specialized for women in leadership positions before becoming managers (“Career Lounge” shown below)

– Are there any initiatives that are unique to each of Group companies?

Takahashi: Yes. For example, some companies carry out their own measures after conducting their own questionnaires to identify issues specific to their companies and conducting interviews. In addition, there were moves to launch a project to promote women’s participation and make proposals to the management team by employees themselves. I see these

» Awareness reform through D&I measures by level



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moves as evidence that D&I is taking root on the site and not just a slogan.

– Please tell us about the CROSS TALK MEETING.

Takahashi: The CROSS TALK MEETING is an event for dialogue between the management team and employees as a cross-cutting initiative among the management team, managers, and general employees. A total of four meetings in town hall meeting format were held at three venues in Tokyo, Osaka, and Fukuoka, as well as online, in which the management team and general employees engaged in direct dialogue. With D&I as the main theme, a total of about 150 employees participated in the meetings and discussed the working styles of managers, balancing work with childcare or elderly care, and the challenges faced by those who support them.

It is not possible to get an answer on the spot, but I feel that the very experience of having a frank exchange of opinions between the management team and employees deepened mutual understanding and helped build a relationship of trust.

Shirotu: I have heard that many discoveries have been made not only in the relationship between the management team and employees, but also in the relationship between employees engaged in different businesses, such as lecturers at learning

centers and staff at elderly housing.

Takahashi: Yes. The Gakken Group is operating a wide range of businesses, from education to healthcare and nursing. There were many occasions in which employees, who normally have no contact with each other, gained new perspectives and unexpectedly found common ground while communicating with each other about their work and workplace environment.

Business diversity is a major strength of the Group. I hope to bring together the diverse experiences and perspectives that have been cultivated through the business process as the strength of our human resources to contribute to organizational growth and value creation.

CROSS TALK MEETING P.20

– What do you think are the most important points in promoting the measures?

Takahashi: The medium-term management plan “Gakken 2027” sets three priority themes. The first is to expand the diversity of decision-making layers, centering on the continuous increase in the ratio of female managers. In an increasingly complex business environment, more flexible and multifaceted decision-making is required. The base for that is diversity of the managerial or higher position.

The second is how to establish career autonomy for each employee. How can we increase the number of employees who can verbalize what they want to be and think proactively about what is missing and what needs to be done instead of doing what the company tells them to do? Here is a big point.

The third is the development of global human resources and the promotion of multicultural understanding. Our medium-term management plan “Gakken 2027” aims to expand global business throughout the Group. The number of people who develop business overseas and foreign employees working in Japan will increase further in the future. I believe that D&I also plays an important role in creating an organizational culture that understands different cultures and trans-

forms differences into strength.

Toward an organization that takes on challenges with a MAENOMERI spirit

– Can we say the third theme of the Top Management Commitment, “Transformation into an organization where autonomous individuals shine and take on challenges with a MAENOMERI spirit,” is also themed on career autonomy?

Takahashi: Yes! It's exactly that. D&I and human resource development are inextricably linked. Each employee works autonomously, and the company supports it. Then, both the employee and the company grow. We chose the expression “MAENOMERI” to describe this ideal organizational state.

If you are passionate about what you want to do, you will find yourself leaning forward naturally (*maenomeri*). The expression “MAENOMERI” reflects our desire to create an organization where such a mindset is the norm. The word “MAENOMERI” is also connected to the “Inspire Unlimited Potential” stated as the Group’s aspiration. Here we see that the new corporate identity, Top Management Commitment, and the medium-term management plan are all linked on one axis.

– How do you see the current situation in terms of organizational change?

Takahashi: Looking back on our previous medium-term management plan “Gakken 2025,” I feel that we have established a system that enables employees to embrace a MAENOMERI mindset to a certain extent. For example, we have introduced a system in which employees who wish to do so to pursue careers at other companies within the Group, as well as a long-term training program such as the “Management Training Program” to foster future management personnel and managers.

On the other hand, I feel that we are not fully utilizing the system. In the medium-term management plan “Gakken 2027,” I would like to improve the operational aspects so that



Direct dialogue between the management team and employees at a CROSS TALK MEETING

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the system runs smoothly.

– Please tell us about "Your Style Book."

Takahashi: As the ideal form of D&I, we have launched the slogan "Your Style, Our Future." The idea is that everyone should draw his or her own style and realize the future of the Group that lies ahead by bringing together each individual's style.

As a tool for supporting the practice, we have developed a written-style form called "Your Style BOOK." In this tool, the first step is to verbalize the values you hold dear. It is not limited to work, but it can be about your family or your hobbies. Next, you organize your strengths, potential, and goals, and come up with an action plan to achieve them. We want you to think about your career proactively and visualize the direction of your efforts to realize it. At the same time, we want you to use this as a tool to foster dialogue and deepen mutual understanding by sharing it with your superiors and people around you.



"Your Style BOOK". It consists of a sheet to organize "review of your life" and "your strengths and potential" so that you can draw your own personal career that includes your private life.

Your Style BOOK P.70

– We heard that the adoption of a talent management system will also start.

Takahashi: Yes. By visualizing the skills, experience, and abilities of each employee and multiplying them with "Your Style," we aim to achieve optimal employee placement.

By creating a situation in which the entire group can "see the faces of people," we can determine what kind of people we have and in which fields they can demonstrate their abilities. We believe that by establishing a system that allows such things to be seen naturally, the growth of individuals and organizations will be linked more deeply.

Efforts for decarbonization and monitoring

– How will you work toward carbon neutrality?

Shirota: In order to achieve carbon neutrality by 2050, the Gakken Group is systematically working to achieve the 2030 greenhouse gas emission reduction targets.

Group companies have set greenhouse gas emission reduction targets for 2027 and 2030 and have formulated an action plan to achieve them. In addition, we have developed a monitoring sheet to ascertain and consolidate the progress of each company. Specific measures include LED lights for lighting fixtures, standardization of ZEB Ready and ZEH-M* specifications for new housing for the elderly or group homes for the elderly with dementia, and installation of solar panels.

When looking at the Group as a whole, the healthcare and nursing domain accounts for a large proportion of greenhouse gas emissions, so we believe it is important to focus our measures on this sector. In any case, in decarbonization efforts, understanding and monitoring the overall current situation will lead to achieving the target. Therefore, we would like to steadily

proceed with this.

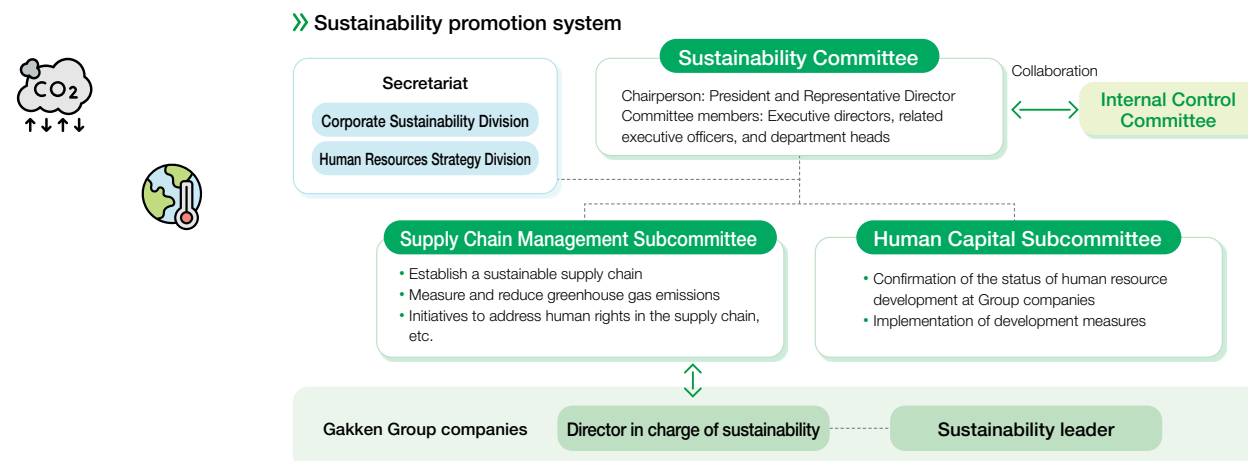
* ZEB Ready and ZEH-M: A standard that meets enhanced insulation standards and reduces primary energy consumption from the current energy conservation standard.

Strengthening the promotion system and toward the future

– Please tell us about the future sustainability management promotion system.

Takahashi: Through this Top Management Commitment and the medium-term management plan "Gakken 2027," our intention to place sustainability strategy at the core of our management was clearly indicated. Along with this, we are strengthening the promotion system.

The Sustainability Committee, headed by the President and Representative Director, is responsible for overall sustainability management, and two subcommittees have been established under it. They are the Supply Chain Management Subcommittee and the Human Capital Subcommittee. We have established a system for clarifying the themes to be dealt with by each subcommittee, and for proposing and reporting



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the results to the Sustainability Committee.

— **The aim is to shorten the distance from top management and speed up information sharing and decision-making, isn't it?**

Takahashi: That's right. In the past, the Sustainability Committee was mainly held once every six months, but from now on, we will have a system in which information can be frequently shared with the management team as a matter to be discussed at the weekly Management Strategy Meeting. I believe that this has also enabled swift management decisions regarding sustainability.

— **What is the current status of the sustainability management system (SMS)?**

Shirot: SMS is a system that was fully established two years ago. Under SMS, the directors in charge of sustainability and the sustainability leaders of Group companies monitor the KPIs set up by linking the Gakken Group's value creation process with each company's medium-term management plan.

Sustainability encompasses a wide range of fields that should be worked on, including the environment, D&I, human rights, and governance. This is why it is important to share information across the board, such as case study sharing of Group companies and progress checks. By systematically managing information, I hope to create a flow in which sustainability initiatives will spread throughout the Group.

SMS (Sustainability Management System)

The range of sustainability themes addressed by SMS. It is structured based on the company's efforts to obtain and maintain ISO 14001 certification for its Environmental Management System (EMS), which have been ongoing since FYE Sept./2004.

— **Lastly, please tell us your thoughts on promoting sustainability management in the future.**

Takahashi: In order for the Gakken Group to achieve sustainable growth toward 2030 and beyond, it is essential for each employee (you) to have "your style" of "how you want to do it," and for the organization to advance toward the goal together while supporting each employee.

The two years of our medium-term management plan "Gakken 2027" will be a period of being tested on how strong a relationship of trust we can build between the employees and the company organization. If this relationship becomes solid, challenges will be naturally created, and new possibilities will expand one after another.

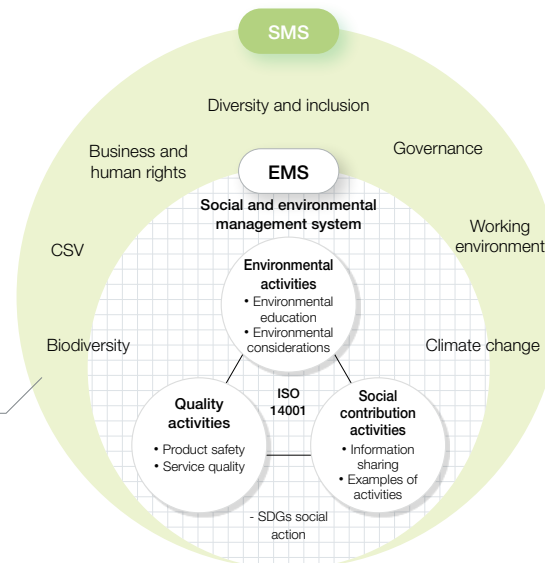
I want each and every employee to take the Top Management Commitment and the will embodied in "Gakken 2027" as his or her own and move forward as a company where

shining individuals gather.

Shirot: "Gakken 2027" strongly emphasizes "global." As we continue to expand our business globally, we will be asked more than ever how we are facing social issues. Since themes such as the environment and D&I will be argued from an international perspective, it is necessary for the Group as a whole to make serious efforts with a strong determination.

Of course, we will continue to be a company that can create social value while ensuring the sustainability of our business. We are very conscious of that.

Takahashi: Pursue human potential and realize Value UP for customers and society. We will continue to steadily deepen our corporate sustainability.



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Responding to Natural Capital Responding to Climate Change

Disclosure in line with TCFD frameworks

In August 2022, the Gakken Group endorsed the Task Force on Climate-related Financial Disclosures (TCFD). We are actively engaging in dialogue with shareholders, investors, and other stakeholders and disclosing information in line with the four items of the TCFD frameworks.



Scan this QR code for more information on disclosure. 

» Overview of climate change risks and opportunities

Type of risk	Period of manifestation	Risks of particular importance to the Gakken Group	Classrooms and Learning Centers	Publishing / kindergartens and schools	Healthcare and nursing
Transition risk	Policy and regulation	Short to medium term	Introduction of carbon taxes and other policies to curb greenhouse gas emissions; increased procurement and operating costs due to tighter regulations	◎	◎
	Reputation	Medium term	Change in reputation among customers due to lack of action	○	○
Physical risk	Chronic physical risk		Heat stroke and food poisoning due to higher average temperatures, mainly in the healthcare and nursing services. Decrease in employee productivity due to heat. Increase in operating costs as a countermeasure.	◎	-
	Acute physical risks	Short to medium term	Increased damage from flooding and other detrimental outcomes due to the severity of heavy rain and strong winds, losses due to the suspension of operations at healthcare and nursing facilities, increased costs for repairs, etc., and increased costs for advance countermeasures.	○	-
			Price hikes and instability in paper and other materials	-	◎
Type of opportunity	Period of manifestation	Opportunities of particular importance to Gakken Group	Relevant business / impact		
Opportunity	Product and service market	Short to medium term	Potential for increased demand for online learning services at home due to concerns about learning disruptions caused by extreme weather events, such as heavy rain disasters due to climate change	Classrooms and Learning Centers	○
			Increased demand for publishing content on SDGs and the natural environment due to growing environmental awareness among consumers as we transition to a decarbonized society	Publishing / kindergartens and schools	◎
			Securing competitive advantage through enhanced disaster response and increased number of users	Healthcare and nursing	△

◎: Heavy impact ○: Slightly significant impact △: Minor impact

The Gakken Group is striving to identify environmental risks and impacts, including climate change, and is strengthening its efforts. We will actively engage in environmental conservation and contribute to the realization of a sustainable society.

Governance

As the chief executive officer of the Sustainability Committee, the Representative Director is also responsible for the response to climate change, including the review and guidance of risk management policies and strategies related to climate change, the evaluation and supervision of countermeasures, and the final judgment of critical measures. Led by the Supply Chain Management Subcommittee, which is a subordinate organization of the Sustainability Committee, greenhouse gas emissions of the entire Group are being tracked, and action plans to reduce them are being formulated.

External evaluation

Gakken Group was awarded a B Score in the CDP 2025. This indicates that we are aware of our environmental risks and impacts and are taking action to address them. We will continue to strengthen our efforts to address environment-related countermeasures and enhance disclosure.

Scan this QR code for the Gakken Group Environmental Policy. 



Implementation of inundation risk assessment

We conducted an inundation risk assessment in FYE Sept./2025 in order to comprehend the flood risk associated with climate change. Using the Ministry of Land, Infrastructure, Transport and Tourism Hazard Map, we assumed a 100 year probability of heavy rain that is equal to or greater than the 2019 East Japan Typhoon (Typhoon No. 19), and based on the locations of our business sites nationwide, we identified the sites that are at risk of flooding and calculated the depth of flooding.

For the evaluation, the climate scenario SSP2-4.5 (Shared Socio-economic Pathways 2 and Medium-Range Warming Scenario) presented by the UN IPCC was used. This scenario is widely used as a future projection, assuming that the social structure will continue along the current line and that greenhouse gas emissions will continue at a moderate level. Based on the change in intensity of the heavy rain in the future by this scenario, we calculated the damage amount according to the inundation depth.

We recognize that an increase in heavy rainfall due to climate change poses a serious risk to our Group, as it could directly affect the living environment and safety of residents. This assessment visualizes the estimated damage rate and business impact of each location that may be flooded, and leads to the strengthening of medium- to long-term disaster prevention measures and business continuity systems. We will continue to assess risks based on scientific evidence and strengthen our efforts to protect the safety and security of our customers.

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Addressing Climate Change and Reducing Greenhouse Gases

Scenario analysis

● Physical risks and opportunities: Global warming scenario (4°C)

In the healthcare and nursing domain, we operate around 600 facilities nationwide, serving approximately 20,000 elderly individuals and dementia patients. According to the IPCC's Sixth Assessment Report, under the scenario of a 4°C increase in temperature, the number of extremely hot days is predicted to increase by approximately 9 times and that of heavy rainfall by approximately 2.7 times, compared with the pre-industrial period. Looking at current trends, natural disasters due to climate change tend to occur more frequently. Physical risks are also important issues to the Gakken Group. These risks include damage to facilities caused by heavy rains, floods, typhoons, etc., and operating losses due to suspension of operations, health damage to the elderly, and shortages of essential goods resulting from supply chain disruptions caused by damage to distribution networks. To address this issue, we conducted an inundation risk assessment as described on the previous page. In addition to constructing facilities on land with a low risk of inundation, we formulate development plans from a medium- to long-term perspective by setting standards, such as requiring the second floor or above for living space at sites with a high risk of inundation. In addition to countermeasures against inundation for power receiving and substation facilities, we take measures against damage and safety according to risks. We prepare countermeasures to maintain the functions to protect the lives, bodies, and health of residents and users as a priority, and take measures to cope with risks, such as stockpiling necessary items.

● Transition risks and opportunities: Decarbonization scenario (1.5°C)

In a scenario where the rise in global temperature is limited to 1.5°C, fuel and electricity costs for business operations are

We are analyzing the impact of climate change on our business and society to identify risks and opportunities. We have also set targets for reducing greenhouse gas emissions and are steadily implementing specific measures, such as the use of renewable energy and the promotion of energy conservation.

expected to increase by up to 840 million yen* by 2030. This increase may involve carbon taxes accompanying the transition to decarbonization, policies curtailing greenhouse gas emissions, and stricter regulations. To address this, the Gakken Group augmented its efforts in enhancing energy efficiency and introduced renewable energy at the Gakken Tokyo Head Office Building in October 2024. We are also strengthening measures to create clean energy through installation of solar power generation equipment in business locations.

If natural disasters become more frequent, manufacturing sites and distribution networks may be affected, and the current supply chain may not be maintainable. Therefore, we are diversifying our paper suppliers and distributors in order to diversify risks. In the short term, we make a paper procurement plan

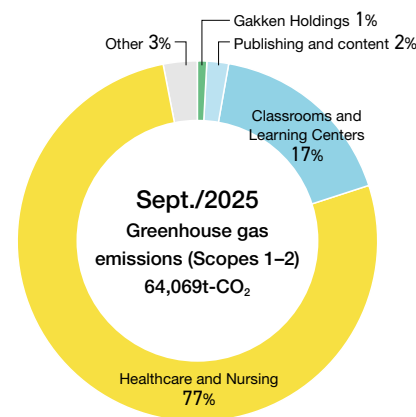
while assessing market demand fluctuations.

Reduction of greenhouse gases

● Indicators and targets

Regarding Scopes 1-2 emissions, the Gakken Group has established a target of reducing greenhouse gas (GHG) emissions per net sale by 50% by the year 2030, in comparison to FYE 2022. In addition to expanding countermeasures that each company has been working on throughout the Group, we have strengthened measures, such as the introduction of low-carbon buildings and the installation of solar power generation facilities. As a result, in FYE Sept./2024, we achieved a 27% reduction toward our target for 2030.

» Greenhouse gas emissions by business segment (Scopes 1-2)



* The estimate is based on the Gakken Group's actual emissions in FYE Sept./2023, along with projected carbon tax for FYE 2030 (\$90, 1\$=153.34 yen exchange rate on November 11, 2024), as per the NZE 2050 framework.

» Greenhouse gas emissions^{*1}

	Energy (Crude oil equivalent, L)	Greenhouse gas emissions (t-CO ₂)		
		Scope1,2	Scope3	Total
Sept./2021	20,864,403 ^{*2}	35,976	95,549	131,525
Sept./2022	27,137,543 ^{*3}	58,112	253,781	311,893
Sept./2023	27,504,174 ^{*3}	55,394	283,221	338,616
Sept./2024	31,189,300	58,934	247,148	306,082
Sept./2025	36,449,115	64,069	Being calculated	Being calculated

^{*1} Actual emissions [Aggregation Scope] (Scope 3 categories 8, 10, 11, and 15 are not relevant.)

FYE Sept./2021 includes companies at Gakken Building, healthcare and nursing sector companies, Gakken Kyoiku Holdings subsidiaries, and Gakken Logistics Company. Scopes 1 and 2 include electricity, city gas, LP gas, gasoline (including estimations derived from energy expenditure). Scope 3 includes Categories 1 to 3, 5 to 7.

FYE Sept./2022 and FYE Sept./2023 include consolidated companies, including overseas. Scopes 1 and 2 are calculated from electricity, city gas, LP gas, gasoline, diesel, and kerosene consumption at domestic facilities (overseas data were partly estimated). Scope 3 includes Categories 1 to 7, 9, 12, 13, and 14. [Control approach] Financial consolidation [Coverage] 100%

^{*2} Electricity and gas only

^{*3} The calculation method for FYE Sept./2022 and FYE Sept./2023 was reviewed and reassessed. The figures were changed based on the reassessment.

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Environmental Conservation Initiatives



Toward the conservation of biodiversity

● Support artisanal fisheries in Mozambique — Creating a fishery value chain that balances biodiversity and livelihoods

Under the Project for Development of Fish Value Chain for Artisanal Fisheries in Mozambique, commissioned by JICA, IC-Net has formulated technical development guidelines to promote the development of the value chain for artisanal fisheries and is working to balance conservation of biodiversity in coastal areas and improve the livelihoods of local residents.

Mozambique is located in southeastern Africa and has a long coastline facing the Indian Ocean. In coastal areas of the country, dragnet fishing has supported local livelihoods for many years. However, this fishing method disturbs the seabed in shallow waters and indiscriminately catches young fish, which poses a major problem from the perspective of biodiversity. Under these circumstances, the Mozambican government decided to ban dragnet fishing entirely in 2024 and has been promoting a shift to sustainable fishing methods.

In this project, a trial operation is being conducted in Nacala-a-Velha District to introduce small purse seine fishing as an alternative fishing method as it does not destroy the seabed environment and selectively catches adult fish. This initiative

Through various international cooperation activities, we are working to conserve biodiversity and pass on environmental awareness to future generations. In addition, from the perspective of forest conservation and environmental protection, we are committed to reusing used paper and procuring paper produced from properly managed forests.

aims to achieve both the conservation of young fish and the sustainable use of resources, which directly contribute to the conservation of biodiversity.

We are also making improvements at the processing and distribution stages after fishing. In the past, anchoveta (small fish) caught by fishing were spread directly on the ground and dried in the sun. However, we are creating a hygienic drying environment to improve the quality of anchoveta by preventing sand and flies from sticking to it. Through these process improvements, we aim to gain a higher market reputation.

Owing to limited government resources, the strict enforcement is currently difficult. Amid these circumstances, it is essential for fishermen to voluntarily switch to sustainable fishing methods. IC-Net will contribute to the creation of a sustainable society through the conservation of biodiversity by supporting proactive local initiatives to achieve a balance between the conservation of fishery resources and stable livelihoods.

Circulation of forest resources and sustainable use of paper

● Closed recycling of waste paper

Gakken has achieved closed recycling of waste paper to contribute to the sustainable use of forest resources. This is a system in which we carry our own publications collected from the market to specific paper manufacturers, and recycled paper is used again for our own publications. By loading waste paper onto trucks returning from the delivery of products, we manage to reduce CO₂ emissions

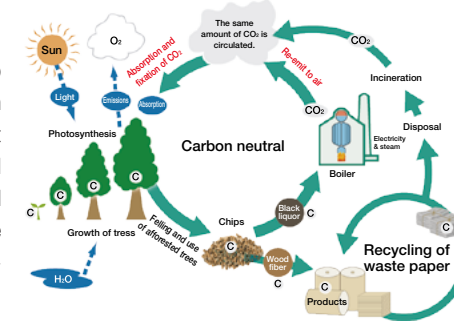


associated with transportation.

In FYE Sept./2025, we collected 141 tons of waste paper, part of which was for closed recycling. This system was realized in cooperation with our business partners, including waste paper dealers, paper trading companies, and paper manufacturers. In the future, we would like to expand the scope of our activities beyond our company to the whole industry.

● Use of controlled paper

The Gakken Group regards paper as an important management resource. Paper-based books and educational materials have unique value in terms of learning effects and functions, and we believe that they will remain to be of high importance even if we proceed with the development of digital content in the future. Gakken procures controlled paper to support the cycle of cut, use, plant, and grow in forests that produce wood, the raw material for paper. Controlled paper is paper made from sustainable forest resources, eliminating illegally logged wood, and using wood exclusively with a clear origin. Gakken works with its suppliers to ensure that all paper used in the production of books is procured on this controlled-paper basis. This Integrated Report is also made from paper produced by Nippon Paper Industries Co., Ltd., which uses raw materials made only from sustainable forest resources. We will continue to contribute to the realization of a sustainable society by balancing the cyclical use of forest resources with the development of our publishing business.



Source: "Carbon Neutral Conceptual Diagram" from *Is Paper Bad for the Environment? Six Truths to Clear up Misunderstandings* by Japan Paper Association

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Responding to Natural Capital Environmental Education to Foster the Future



"Save the Earth! 30 Missions"

What can we do for the Earth?
Students can enjoy learning about global warming, marine pollution, and forest protection.

"Extinct Animal: Japanese Wolf An Elementary School Student Pursues the True Identity of the Mysterious Stuffed Animal"

A true story based on an elementary school student's self-directed research. You can learn about the relationship between humans and animals and the importance of research.

Publications that foster interest in the environment

We provide opportunities to address global environmental issues through a wide range content, including illustrated guides, general books, and experiment kits. In the future, these publications will lead to nurturing a younger generation capable of taking actions required by ESD* (Education for Sustainable Development).

* ESD: Abbreviation for Education for Sustainable Development. Through the comprehensive study of various aspects of society and the world, ESD aims to raise children who can take action to change society.

Initiatives at learning centers

● Gakken Study et Co., Ltd.

We hold Food Drive every year in cooperation with local governments. In 2024, approximately 70 kg of food was donated to all school buildings. We decorated the collection boxes in each school building with the students and asked them to



To realize a sustainable global environment, we believe that enlightenment and education for children, who will lead the future, are of great social significance. The Gakken Group is actively engaged in education to develop human resources capable of thinking and acting on their own initiative regarding the environment.

participate in the program as something that concerns them. Parents were also actively involved, and it was a valuable experience for the students to deal with food waste issues with people close to them. The purpose of this program is to enable students to realize that they are connected to a society and that they contribute to solving problems through the experience of getting things moving through their own actions.

● ZENKYOKEN Co., Ltd.

Aiming to foster children's ability to think about and act on local communities and the global environment, we run a program called Yuen, where parents and children learn about nature and economic cycles. They think about preparing the soil, learn about composting and organic farming, and sell the vegetables they grew at local department stores, etc. In 2025, we worked on the initiative to learn about traditional Japanese culture through our activities. We learned when to drink Japanese tea, why are hawks good for agriculture, and other matters from experts. We aim to foster children who understand Japan deeply and are active in the world.



● Waseda School Co., Ltd. SDGs Karuta/Sugoroku tournament

The karuta (Japanese card game) reading cards and sugoroku (Japanese board game) squares contain information on SDGs. So, the children were able to experi-



ence the importance of learning while having fun.

Making eco-friendly bags

After learning about environmental issues through videos, children each drew their own pictures to make eco-friendly bags. By answering environmental quiz questions correctly, children could earn an applique for the parts used to decorate their bags. They not only enjoyed making eco bags but also worked on environmental quizzes enthusiastically.

Creating the future: SDGs writing contest

As one of the learning events of the summer workshops, the SDGs writing contest was held. Students researched themes close to them, such as recycling, energy conservation, gender equality, and marine environmental protection, and tried to connect these themes to their actions.

Supporting activities of Public Interest Incorporated Foundations

● Wild Bird Society of Japan

"Don't pick up chicks!" Campaign

We distribute campaign posters to various locations across Japan, including Gakken Classrooms, schools, public libraries, senior citizen facilities, and after-school children's clubs.

● Foundation for Promoting Children's Education The 17th Environmental Education Poster Competition

The contest is a poster competition that invites submission of artworks centered around the theme of the environment. In 2025, in recognition of their outstanding contributions, the Gakken Group presented the Gakken Prize to Shizuoka Salesio Elementary School and Osaka Municipal Yodo Junior High School as recipients of the group award.

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Strengthening Human Capital

Gakken Group's Human Capital Management

Gakken Group's approach to human capital management

● Transformation into an organization where autonomous individuals shine and take on challenges with a MAENOMERI spirit

In the education and healthcare and nursing domains, employees of Gakken Group are conducting daily activities for the realization of our Group 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.” This philosophy will be realized through the collective efforts of individuals with a sense of social mission.

In addition, the Gakken Group's Corporate Identity adopted the aspiration “Inspire Unlimited Potential.” As a driving force to achieve this, we have newly formulated the HR Aspiration “Inspire Unlimited Potential of Employees.” We believe that we cannot inspire people's potential without inspiring our own.

In order for the various companies within the Group to look in the same direction and inspire the unlimited potential of employees, we have formulated a specific HR Policy. In order to realize HR Aspiration, HR Policy clearly states the important elements in each field of human resource management and expresses them in five Chinese characters.

We will develop Group-wide human resource management in accordance with our HR Policy.

Challenges in the medium-term management plan “Gakken 2027”

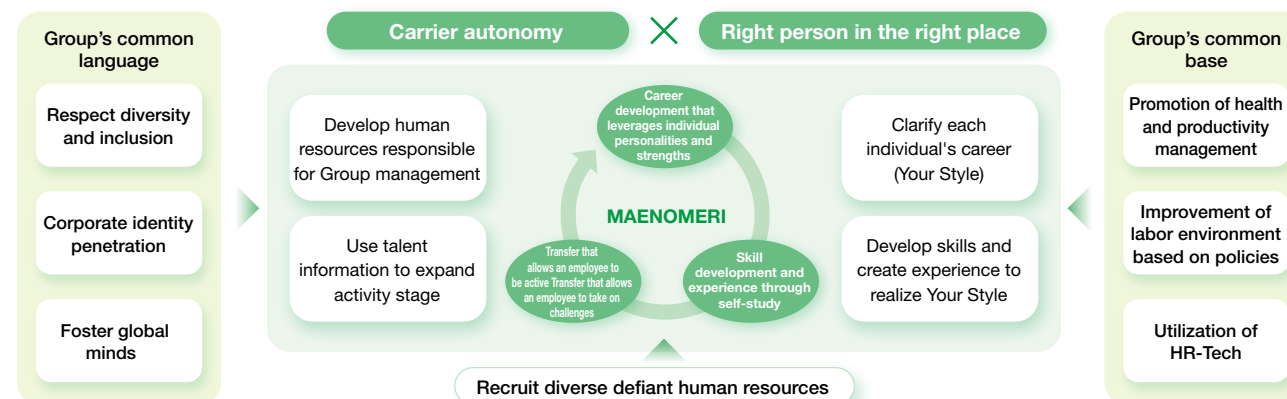
Under our new medium-term management plan “Gakken 2027,” which began in October 2025, we aim to realize our aspiration “Inspire Unlimited Potential” by 2030 and implement various measures under the theme of “Value UP.”

In order to inspire unlimited potential, we ourselves must also continue to explore our own potential. The Gakken Group will continue to inspire the unlimited potential of our employees.

All employees embody the Gakken Group's values in the aspect of organization and human resources and endeavor to become an organization with pride and a sense of unity. By doing so, we will evolve into an organization that takes on the challenges with a MAENOMERI (leaning forward) spirit and enhance our corporate value further.

Specifically, we will focus on maximizing the potential of all employees by expanding education and training opportunities and promotion systems for them in Japan and overseas, and creating an environment where diverse human resources, who share the Corporate Identity and have a sense of social mission, bring together and take on challenges.

HR Aspiration || Inspire Unlimited Potential of Employees



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Measures to Maximize the Potential of All Employees

Development of the Your Style BOOK

Gakken Group's employees are not only highly specialized but also have diverse strengths and personalities. In order to realize their full potential, it is important that each individual is aware of his or her own potential. Employees envisage their own way of living (Your Style) to expand their potential, and the Company supports them. In this way, both employees and the Company grow.

Based on this concept, we provide employees with the Your Style BOOK as a tool to visualize their own orientation and strengths.

The Your Style BOOK is a tool for each employee to verbalize his or her own values, strengths, and ways of living in the future. It is structured to write down the values you hold dear, your ideal image, and how to act for it. It encourages employees to take a proactive approach to growth by facing themselves and clarifying their future career direction.



「Your Style BOOK」. It consists of sheets to organize "review of your life" and "your strengths and potential."

Learn on your own at Job Academia

The Gakken Group emphasizes self-study and self-learning (self-directed study) and has established the Gakken Job Academia by soliciting applicants from Group companies. The Gakken Job Academia not only provides knowledge input from instructors but also promotes cross-divisional interaction through group work and provides opportunities for the participants to learn from each other. As a result, the participants are able to deepen their understanding of the various businesses and operations within the Group and also create opportunities for cross-company cooperation.

In FYE Sept./2025, we held lectures to improve the knowledge and skills of our employees, including a workshop to train employees' thinking skills and an easy-to-understand lecture on generative AI. We will continue to plan and implement attractive programs that encourage employees to learn on their own and support their growth.

We will make use of training provided by TOASU Co., Ltd., which is engaged in human resource development within the Gakken Group, and develop programs that are unique to the Gakken Group.

Expansion of the volunteer system

We actively utilize an internal recruitment system to enable employees to take on new challenges on their own volition. During the period of the previous medium-term management plan "Gakken 2025" (Oct./2023 to Sept./2025), a total of 20 employees were transferred through this system.

In the medium-term management plan "Gakken 2027," we plan to introduce a system that enables a Group company to recruit a person who meets its requirements from another company within the Group so that employees can experience the work of other Group companies as a side job in order to further assign the right person in the right place. We will also develop a system to introduce our employees to diverse businesses and operations within the Group. In this way, they can actively volunteer to participate in growing businesses, and the necessary human resources will be assigned in a timely manner.

Developing management human resources across the Group

The systematic development of human resources who will lead the future Gakken Group is an important issue for the sustainable growth of the Gakken Group. Since our previous medium-term management plan "Gakken 2025," we have divided next-generation leader candidates into three levels and have implemented a training program as a place where employees selected from each Group company learn and experience through friendly competition. At the program, employees not only learn management literacy, but also work on company management issues and new business concepts. We also provide opportunities for direct dialogue with current management.

In the medium-term management plan "Gakken 2027," we will continue to hold training programs to expand our management talent pool. In addition, ensuring diversity at decision-making levels is essential to improving the decision-making quality. The Gakken Group is working to foster female managerial candidates based on the ratio of women at the manager position level as a KPI and is also promoting the participation of female employees in the training programs.

Items of "Gakken 2027" execution plan	General position level	Supervisory position level	Managerial position level (section managers)	Management position level (Division Managers and Group Company Officers)
Penetration of Corporate Identity	Group joint training for new employees		Training for mid-career employees	CI penetration workshop
Fostering global minds			Training for fostering global minds	
Promotion of health and productivity management			Training for promotion of health and productivity management	
Clarification of each individual's career (Your Style)			Lecture on Your Style BOOK	
Develop skills and create experience to realize Your Style			Key skills utilization workshop	Use of generative AI
Develop human resources responsible for Group management		Leader training program	Managerial position training program	Management training program
		Assessment for managerial positions		

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Create an environment where diverse human resources with a sense of social mission can take on challenges

Toward improved engagement

Since 2021, we have conducted a total of four engagement surveys for the entire Group, using the eNPS* as an index to measure job satisfaction and ease of working, with the objectives of building a relationship of mutual trust through dialogue with employees and understanding the current status of employee awareness throughout the Group and identifying issues. According to the 4th survey conducted in 2025, the Gakken Group's eNPS was minus 64.4%, which was higher than the average of all Japanese companies in all industries. However, without being satisfied with the present level, we will repeat the surveys periodically and make improvements based on the results of the entire Group and each Group company. We will continue to create a workplace environment where each employee can continue to take on challenges after ensuring his or her psychological safety.

» eNPS trends

The 1st (2021)	The 2nd (2023)	The 3rd (2024)	The 4th (2025)
-60.2%	-63.6%	-64.1%	-64.4%

* eNPSSM is a service mark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc. eNPS score calculation method: Promoters (%) - Detractors (%)

Penetration of Corporate Identity

With the size of the Gakken Group expanding and diverse and talented persons coming together as colleagues, we have established a new Corporate Identity (CI) for the Gakken Group in 2023 to ensure that all employees move in the same direction and face customers with common values.

Through videos on CI, we promote understanding and empathy for the CI and hold workshops at each Group company as an opportunity to link CI with its own work. In addition, we provide time for mid-career hires to learn about the Group's

We are working to create an environment in which diverse human resources with a sense of social mission can take on challenges by demonstrating their strengths. By promoting engagement and health and productivity management, we aim to create an organization where employees can work with pride and a sense of unity.

Scan this QR

code for
the Gakken Group
Declaration of
Health and
Productivity
Management. 

CI during introductory training. Furthermore, twice a year, the Group MVP awards are given to individuals and teams who are active in exemplifying CI.

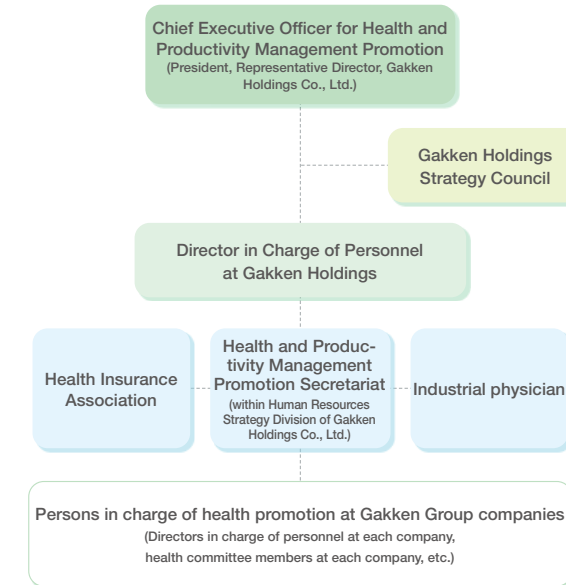
By confirming the overlap between the individual's desire to work and Gakken Group's CI, we will further enhance the joy and motivation from working at the Gakken Group.

Promotion of health and productivity management

In the Gakken Group, which is engaged in business centered on education and healthcare and nursing, the physical and mental health of employees is extremely important as the foundation for business continuity. In September 2020, we unveiled our "Declaration of Health and Productivity Management," signaling a commitment to advancing and sustaining the well-being of all employees and their families. The role of spearheading health and productivity management efforts has been entrusted to the Representative Director of Gakken Holdings, who bears the ultimate responsibility for championing these initiatives. This proactive approach to health and productivity management is tailored to address the requirements of the 100-year life era.

In March 2025, 12 Gakken Group companies were recognized as Outstanding Certified Health & Productivity Management Organizations. Ten companies, including Gakken Holdings, were certified as 2025 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category), and two Group companies were certified as 2025 Certified Health & Productivity Management Outstanding Organizations (Small and Medium-Sized Enterprise Category) for the fifth consecutive year. In the certification of the Medium-Sized Enterprise Category, BUNRI Co.,Ltd., received a Bright 500 rating. We will continue to expand the number of certified companies to promote health and productivity management throughout the Group.

» Promotion structure



Scan this QR code for the
Health and Productivity
Management Strategy Map. 



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Accelerate and Popularization of Diversity and Inclusion

Aiming to realize "Your Style, Our Future"

In order for everyone to see D&I as a matter of his or her own, and to transform the Company into the one ensuring the satisfaction and ease of working, we believe it is necessary to transform the organization through management commitment, to transform managers, and to transform employees. To this end, we are developing measures from three perspectives. In FYE Sept./2025, we held Cross Talk Meeting dialogue events between management and employees a total of four times to deepen understanding of D&I throughout the Group.

CROSS TALK MEETING P.20 

Eliminating the gender gap

The most pressing issue is the promotion of women's empowerment. The Gakken Group's ratio of women in permanent employment is 55.7%, which indicates that many women are playing an active role in the Group. On the other hand, the ratio of women in manager positions is still far from balanced, though the ratio has steadily risen to 23.1%. The Group has set a target of achieving a ratio of female officers at Gakken Holdings of 30% by 2030 and is developing measures for women in each managerial, leader, and general position.

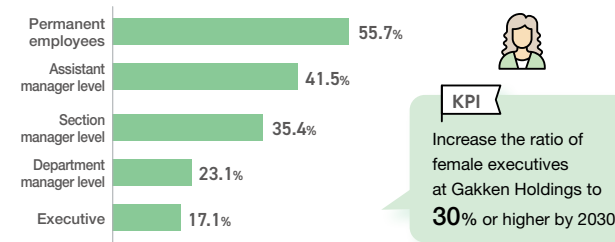
In the Miratore! training for women in their late 20s to early 30s, about 40 women, participating through self-recommendation and company recommendation, spent six months thinking about career development and diverse leadership styles in light of changes in their life stages. In addition, more than 400 managers per year participate in the Unconscious Bias Training, which is held for the managerial position responsible for fostering employees. Through videos and group work, they learn practical skills for communicating with employees appropriately and fostering employees to make good use of their diverse talents.

Under the medium-term management plan "Gakken 2027," we aim to expand diversity at the decision-making level by continuously

We promote D&I under the slogan of "Your Style, Our Future" based on the belief that each employee should envisage his or her own way of living (Your Style) and that leading his or her own life with confidence will be connected to the sustainable growth of the Group.

increasing the ratio of women in managerial positions, and we will work to further promote women's empowerment by adding the ratio of women in managerial positions to our KPI.

» Percentage of women by position

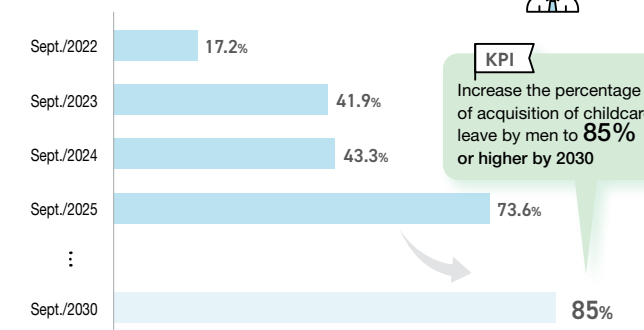


Support for balancing childcare/elderly care with work

As a company engaged in business centered on education and healthcare and nursing, we are actively promoting the creation of an environment where employees can balance work with childcare and elderly care, and work with peace of mind. With the timing of a revision of the law, we have decided to establish a new support system as a Group policy. By providing a system that exceeds the legal requirements, each Group company proceeded with initiatives full of originality. We are expanding measures tailored to the needs of individual companies, such as a system that gives priority to rehiring employees who quit their jobs owing to childcare or elderly care, and a system that provides employees with in-house education services free of charge.

The rate of male employees taking parental leave increased significantly from the previous year to 73.6%, but it is urgent that we further raise awareness of the system and promote understanding in the workplace toward the Group's 2030 target of 85%. In FYE Sept./2025, we plan to promote the taking of maternity and paternity leave for both men and women, and to develop a system that enables employees to play an active role after returning to work.

» Percentage of acquisition of childcare leave by men



Support for participation of people with disabilities

At Gakken Smile Heartful Co., Ltd., a special subsidiary, 76 employees with disabilities perform office support services, such as cleaning, collection and delivery of mails and parcels, and data preparation, with support from support staff. In FYE Sept./2025, we introduced the Work Challenge System to promote the employment of people with disabilities throughout the Gakken Group and to advance their careers. This system allows employees with disabilities to have step-by-step experience of the work at Group companies in order to proceed with a transfer or reassignment. Under this system, four persons are currently working at Gakken Group companies. We aim to create an organization where diverse human resources can work actively throughout the Group.



In July 2022, Gakken Smileheartful Co., Ltd. was certified as the first excellent enterprise in Shinagawa City under the system to certify small and medium-sized enterprises excelling in the employment of people with disabilities (the Monisu certification system) and has continued to be certified thereafter.

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Business and Human Rights

Initiatives for human rights

● Promotion of human rights awareness

We provide training on human rights themes in GRC training for all directors and employees of the Group. Additionally, in the sustainability training held twice a year, a theme on human rights is always included. In March 2025, we invited a lecturer from ACE, an accredited NPO, to give a basic lecture on the theme of "Business and Human Rights: The Gakken Group's Responsibility to Protect Children and the Elderly."

[GRC Training P.85](#)

● Human rights due diligence

We promote human rights due diligence in accordance with the Gakken Group Human Rights Policy. In July 2024, we conducted a human rights survey for Group employees.

Efforts are being made to instill Human Rights Policy so that each and every employee can deepen his or her understanding of human rights and perform his or her duties with a high level of awareness. At the same time, we will disseminate our Human Rights Policy to our suppliers and build a system to promote respect for human rights and reduce human rights risks together.

Gakken Group
Human Rights
Policy



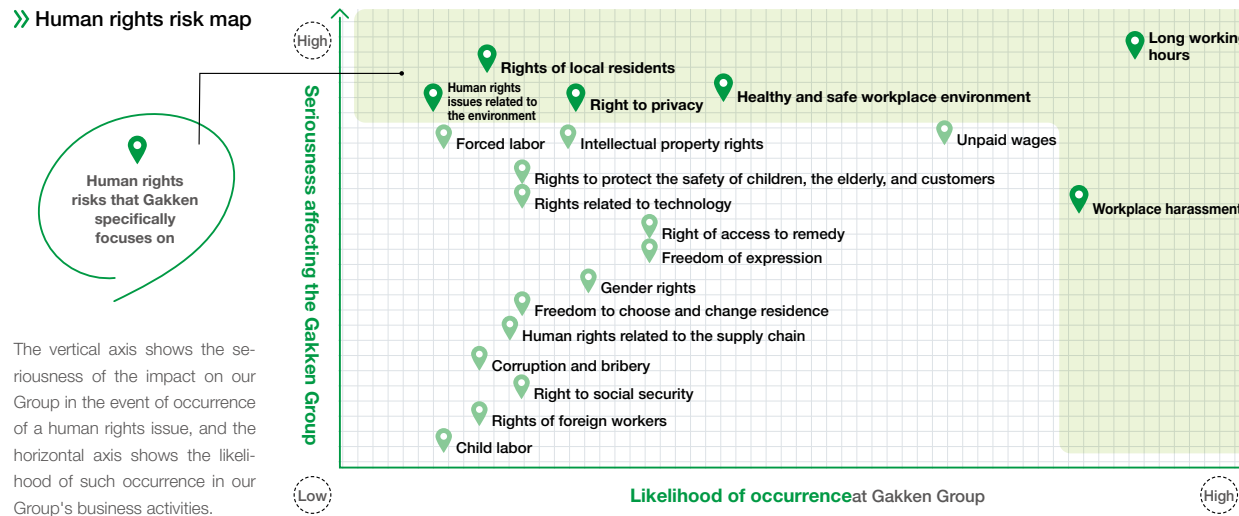
In order to ensure that respect for the human rights of our own employees does not lag behind, we first conducted in-house surveys prior to supplier surveys. This approach allowed us to identify human rights risks and address them promptly, while also considering the impact on our own human rights risks when those in the supply chain are identified. We received responses from 7,775 people, identified the issues anew, and calculated the likelihood of occurrence. In addition, the Internal Control Committee and the general managers of Gakken Holdings' departments related to human rights collaborated to assess and calculate the seriousness of human rights risks affecting the Gakken Group from the two perspectives of scale and irremediability, and scope. Based on these assessments, we created a human rights risk map. Some of the human rights risks identified here are already being addressed. We will continue to work with related departments to reduce risks.

Gakken Group Charter for the Children

In 2025, the Gakken Group reviewed the Gakken Group Charter for Children, which was established in 2003. Led by the Gakken Education Research Institute, we made a review based on the Convention on the Rights of the Child, the SDGs, the Basic Act on Children, and the General Principles for Child-Related Measures, etc. in accordance with the Gakken Group's Human Rights Policy and after fully understanding the intention of the conventional charter. As a result, we have reorganized the Charter into four axes that emphasize children's right to learn. We will continue to uphold the spirit of our founding, which seeks the growth of children with enriched minds, and renew our commitment to children under this Charter.

[Gakken Education Research Institute P.78](#)

» Human rights risk map



Gakken Group Charter for the Children

Gakken Group
Charter for
Children



We value children's autonomy and support their growth.



We value children's curiosity and support their learning.



We support children's participation in society.



We will build the future that children dream of, together with them.

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Appropriate Procurement and Provision of High-Quality Services

Supply chain management

Implementation of CSR assessment

In FYE Sept./2025, a CSR procurement assessment was conducted for Gakken Group companies and their important suppliers. This assessment, published by the United Nations Global Compact, evaluates nine areas from five perspectives. Out of the result of Group companies, the results of the Gakken Holdings survey are shown in the graph below. We aim to ascertain risks comprehensively and quantitatively through the surveys. In the future, we will contribute to promoting sustainability in society as a whole by appropriately responding to issues not only of our own but also of our suppliers, and building sound and sustainable relationships with them.

» CSR procurement assessment



The Gakken Group established the Procurement Policy in March 2023 and the Procurement Guideline in March 2024 to ensure the sustainability of our entire supply chain and to implement responsible procurement. We are promoting initiatives to share and comply with these rules.

Scan this QR code for the Gakken Group Procurement Policy. 

Conclusion of CSR clause

From FYE Sept./2026, we began signing memoranda of understanding with our suppliers that include the CSR clause, which obligates them to comply with the Gakken Group Procurement Policy, Procurement Guidelines, and Human Rights Policy when concluding contracts. The operation of this initiative has started at all Gakken Group companies, both in Japan and overseas, and it targets all business partners who conclude new contracts as well as those whose existing basic contracts are valid. We will continue to build sound and sustainable relationships with our suppliers.

Supplier engagement

As part of our supplier engagement program, Nippon Paper Industries Co., Ltd., provided training on Function and Value of Forests and Sustainable Procurement of Forest Resources. As a procurement partner, our Group companies support Nippon Paper's efforts to protect the environment and will continue to work together while building a foundation of trust.



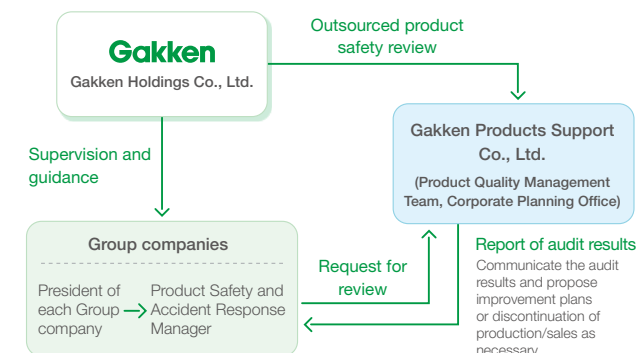
Training in collaboration with Nippon Paper Industries Co., Ltd.

Aiming for high-quality services

The Gakken Group's merchandise and services are often used by children and the elderly, and their safety must be carefully monitored. To facilitate this endeavor, we have formulated the "Safety and Quality of Provision of Products and Services" in the Gakken Compliance Code. In addition, the "Gakken Group Product Safety Management Regulations" stipulate as follows.

- » Gakken Holdings manages product safety and supervises and guides the Group companies.
- » The presidents of the Group companies shall be responsible for their own product safety management and shall take necessary measures to establish, maintain, and manage the product safety management system. For this purpose, the president of each Group company shall appoint a Product Safety and Accident Response Manager who is responsible for product safety management and responses to product accidents at the company and shall check the safety of products before providing them to the customers. At such time, those products that require review shall promptly undergo product safety review.

» Mechanism for checking product safety



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Communication with Shareholders and Investors

Dialogue with shareholders and investors

Gakken Holdings is committed to initiating open dialogues with shareholders and investors to ensure accurate assessments of the Group's present condition and strategies, fostering a foundation of trust. Through diverse channels of communication, we offer transparent and unbiased insights into both financial and non-financial facets of the Company. Furthermore, we also provide feedback to the Board of Directors based on the opinions received, thereby improving corporate activities.

Reporting at Board of Directors Meetings

IR activity report	Twice a year
SR engagement report	Once a year

» Implementation status for FYE Sept./2025

Dialogue Methods and Tools	Frequency and Response Rate
Ordinary General Meeting of Shareholders	Once a year
Briefing on financial results	Twice a year
IR meetings in Japan and overseas	Approx. 100 times/year
Small meetings / Business briefings	1–2 times/year
Shareholder newsletters	Once a year
Various reports (Annual Securities Report, Corporate Governance Report, Internal Control Report, Integrated Report)	Once a year

By continuing to disclose information in a fair, timely, and appropriate manner, we will strive to improve the transparency of management and the trust of society. Additionally, we will proactively engage with stakeholders' expectations, viewpoints, and input to garner accurate market assessments.

Scan this QR code for the Gakken Group Disclosure Policy



Major questions and our answers



What measures are being taken for the capital cost-conscious management?



We aim to achieve an ROE of 8% or more in FYE Sept./2027.

In addition to increasing net income by strengthening the selection and monitoring of investment targets while steadily increasing profits from business operations, we are working to reduce total assets more efficiently through debt repayment and other measures.



How do you evaluate non-financial indicators and sustainability management?



Regarding sustainability management and double materiality, we recognize that it is important to quantitatively communicate concrete results. By incorporating non-financial indicators into our IR activities, we will enhance the cohesive strength within the Group.

Information disclosure

We will disclose information in the following ways.

Statutory disclosure	- Disclosure pursuant to the Financial Instruments and Exchange Act (Annual Securities Report, Quarterly Report, Corporate Governance Report, Internal Control Report, etc.) - Disclosure pursuant to the Companies Act (Business Report, Financial Statements and Consolidated Financial Statements, etc.)
Disclosure required by the Tokyo Stock Exchange	Timely disclosure (facts determined and facts occurred, etc. for which timely disclosure is required)
Other information disclosure	IR-related disclosure materials, dialogue with analysts and institutional investors

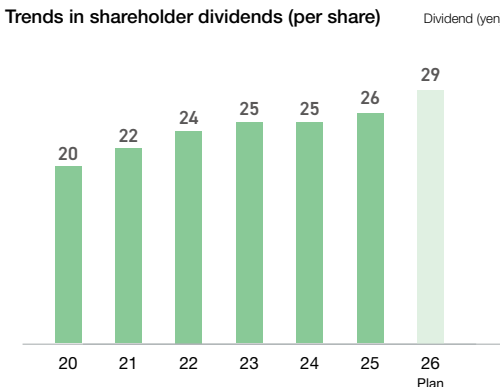
Approach to shareholder returns

The Gakken Group aims to achieve an ROE of 8% or more and a Dividend on Equity (DOE) of 2.5% in FYE Sept./2027. We will strive to achieve a fair valuation in the market by continuously enhancing corporate value, and actively return profits to shareholders.

Concerning dividend strategy, our dividend policy traditionally focused on the dividend payout ratio, but in order to avoid the impact of short-term fluctuations in business performance, we will change our policy to focus on DOE. The DOE determines the dividend amount based on equity capital, which increases the stability of dividend payments.

In order to encourage more people to hold our shares and shareholders to deepen their understanding of the Group's merchandise and services, we have implemented the shareholder special benefit plan. At the same time, to build medium- to long-term relationships with our shareholders, we have introduced a point system based on the holding period and the number of shares held.

» Trends in shareholder dividends (per share)



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Activities for Local Communities and Society

Major overseas support activities to date

2017–2018	Myanmar*	Supporting a vocational trainee project in Nyaung-U Town (Gakken Holdings Co., Ltd.)
2017	Thailand	Sponsoring a soccer clinic carried out by the Shimizu S-pulse Japanese soccer team for children at a children's home (Gakken Holdings Co., Ltd.)
2018–	China	Opened a facility specializing in dementia in Tianjin City, providing individualized care with an emphasis on supporting independence. In addition, the Company operates facilities in Nantong City, Guangzhou City, etc. (Medical Care Service Inc.)
2019–	East Timor	Supported the publication of educational magazines (Gakken Holdings Co., Ltd.)
2019	Bangladesh	Support for Rohingya Refugee host communities through Goat Bank (IC Net Limited)
2019	Philippines	Read the original story <i>Uwabaki Cook</i> aloud to kids in collaboration with JTB and Yomiuri TV, and held a special Japanese class (Gakken Inc.)
2021–	Bangladesh	Support for Rohingya refugees staying in Bangladesh using Japan's ODA budget (IC Net Limited)
2023	Turkey	Participated in a survey by the Japan International Cooperation Agency for an earthquake reconstruction project in Turkey (Gakken Turkey Innovative Education A.S.)
2024	Ukraine	Delivered electronic blackboards through the crowdfunding (Gakken Holdings Co., Ltd.)

For those marked with "*" above, a portion of the amount spent on the Gakken credit card is donated to organizations that make social contributions in the fields of education and medical care to help improve the environment in developing countries.



Bokura wa Senso wo Shiranai
(We Don't Know Wars:
Sekaiju no Fujiyori wo Nakusu Tameni
Kimi ga Dekiru Koto (What You Can Do
to Eliminate the Absurdity in the World)
Handy Version

Supervised by military critic Yu Koizumi, the book explains wars from the Pacific War and the invasion of Ukraine to the battles in Gaza with abundant illustrations in an easy-to-understand manner. The book also includes manga and interviews with war survivors.

Supporting refugees through books on peace

Bokura wa Senso wo Shiranai: Sekaiju no Fujiyori wo Nakusu Tameni Kimi ga Dekiru Koto (We Don't Know Wars: What You Can Do to Eliminate the Absurdity in the World) Handy Version is a book published by Gakken in the hope of giving young Japanese people an opportunity to think about peace in the midst of an extremely chaotic world situation. This book was printed in three print runs in about one month, and total circulation has exceeded 20,000 copies. A portion of the proceeds from the sale of this book, which has received a great response from both children and adults, has been donated to the Association for Aid and Relief, Japan (AAR Japan), an authorized NPO, to aid refugees around the world, including Ukraine.

Support for children's cafeterias

Donations were made to children's cafeterias nationwide through the NPO Musubie. We provided educational toys and aprons for cafeteria operators three times in the winter of 2024 and in the spring and summer of 2025 to a total of 271 locations. We received many responses with the maximum selection ratio at 14 times.



Activities connecting with local communities

Holding Gakken Group Thanks Day 2025

Gakken Group Thanks Day 2025 was held as a group appreciation event in the summer. Employees and their families were invited on the first day, and local residents and customers were invited on the second day. A total of 597 people participated over the two days. A science show to learn about SDGs, a picture book reading by Mr. Satoshi Iriyama and a public recording by Gakken TV were also held, which ended with great success. From Shinagawa City, with which we have signed a Comprehensive Partnership Agreement, we received cooperation from three organizations, including Shinagawa Aquarium, ECORU Togoshi, and the Shinagawa City Regional Support Section for the Elderly. At the event, we prepared many programs that local residents can learn and enjoy.



(Above) Children learning about the work of Shinagawa Aquarium
(Right) Experiencing the importance of elderly care at the elderly care experience booth

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Deepening Social Capital Co-Creation with the Foundations



Study abroad by the Furuoka Scholarship Foundation

Dover Bay Secondary School, where the participants studied. The principal and school staff highly praised the students for their diligent attitude and good manners.

The Furuoka Scholarship Foundation

Founded in 1980 by Hideto Furuoka, the founder of the Gakken Group, the Furuoka Scholarship Foundation originated from a personal donation of one billion yen. Its primary objective is to aid single-mother households undergoing economic difficulties, which are similar circumstances to those faced by Furuoka in his own childhood. The core focus of the foundation lies in offering scholarships without any repayment obligations to high school students from single-mother households. The number of students is limited to 370 per grade (nationwide). The monthly scholarship is 17,000 yen. In addition, 70,000 yen is provided as a congratulatory gift for entering the school. We will pay 50,000 yen as a school trip support fund in the 2nd grade and 50,000 yen as a graduation gift, totaling 782,000 yen for the three years. In addition to the Scholarship Program, we will also provide a short-term study abroad program (in Nanaimo, British Columbia, Canada for two weeks from the end of July in 2026) as part of the Global Human Resources Development Support Program, as well as an English training program in Japan (at Lake Kawaguchi at the foot of Mt. Fuji for one week from the end of March in spring 2026). For both programs, all costs are covered by the Foundation. Through the strict screening of the selection committee, several dozen students are chosen for both the study abroad and domestic programs.

In addition, we are giving both material and psychological support through the Home Study Support Program by providing Gakken Prime Seminars free of charge and holding scholarship students' gatherings, where scholarship students can interact with their peers (including former scholarship recipients). In 2026, a gathering for Kinki block (in Osaka) and a gathering for Chubu-Shikoku block (in Okayama) will be held.

In order to support the learning and growth of children who are responsible for the next generation, various foundations are working to improve the educational environment and provide learning opportunities. We will contribute to the realization of a sustainable society through various support activities.

Foundation of Research and Studies for Ability Development Education

It was established in 1967 following the dissolution of Gakushu Kenkyusha (currently Gakken Holding Co., Ltd.). With the aim of improving the quality of education and developing human resources, the Foundation is conducting various public service projects on a nationwide scale.

● National Children's Ability Development Contest

Its purpose is to cultivate the cultural and scientific talents of elementary school students. The competition welcomes submissions in two categories: drawing and science. (The contest was reorganized with the completion of the composition section in 2024.) It was established in 1963 and marked its 62nd anniversary in 2025. In 2025, a total of more than 12,000 submissions were received in two categories.

● Japan Montessori Education Research Institute

Since its establishment in 1976, the Japan Montessori Education Research Institute has been one of the leading teacher training institutions, supporting the spread and development of Montessori education in Japan. It has produced more than 5,000 experts through the operation of the Teacher Training Correspondence Course, etc. The institute also established the first teacher training course in Japan to gain official accreditation from both AMS (American Montessori Society) and MACTE (Montessori Accreditation Council for Teacher Education), two distinguished institutions in the realm of Montessori education globally. The course contributes to improving the quality of toddler education through a global-standard development of leaders. In addition, the institute is promoting the building of a better educational environment for the next generation by feeding back educational practice at the Children's House, an attached educational facility, on the research.

● Educational Engineering Research Council

The IMETS Forum, a seminar which has been held since 1973 to support teachers, marked its 51st year in 2025. The 2025 seminar

was themed "Realization of Deep Learning and Promotion of Work Style Reform through ICT," which covered the latest theories and practices of today based on national policies and educational issues, and included keynote lectures, the tripartite talks, case presentations, and workshops. At the same time, the Council supports teachers' learning through the online Teacher Training Program, which is tailored to the Ministry of Education, Culture, Sports, Science and Technology's nationwide teacher training platform Plant.

English Language Education Council (ELEC)

The English Language Education Council (ELEC) was established in 1956 after World War II with the combined efforts of the academic, business, and government sectors at home and abroad based on the recognition that the improvement of English proficiency was essential for Japanese to flourish in the world (the name at the time of establishment was the English Language Exploratory Committee (ELEC)). Over the past 70 years, ELEC has been working to improve the English communication skills of Japanese people through English teacher training, support for English education at universities and junior/senior high schools, corporate English training, and recording of educational audio materials. Its activities are highly appreciated in the English language education community. The Gakken Group has been closely associated with ELEC. Gakushu Kenkyusha was the publisher of ELEC publications from 1964 to 1969. ELEC made audio recordings of many of the Gakken Group's educational materials and books and recently collaborated on the project of establishing TOKYO GLOBAL GATEWAY.



English language education workshops in which about 30,000 teachers have participated to date.

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Deepening Social Capital Collaborating with the Research Institute

Gakken Education Research Institute

What the Gakken Education Research Institute is

The Institute looks at learning from a wide range of perspectives through the integration of the knowledge the Gakken Group has cultivated so far through direct dialogue with children, parents, and teachers who are active in school education, and through cooperation with research institutes, university teachers, the Ministry of Education, Culture, Sports, Science and Technology, and other ministries and agencies. Based on this foundation, the Institute is working to expand the possibilities of new learning by conducting research and disseminating information that supports learning in a variety of situations, from toddlers to adults.

White Paper Series

In order to enhance the White Paper Series, we conducted a survey of toddlers in addition to a survey of elementary, junior high, and senior high school students. In the case of the toddler survey, since the involvement of the guardians is inseparable, the content ended up being a parent-child survey of the toddler age group. By covering the toddler to elementary, junior high, and high school age, we are one step closer to a white paper that provides a comprehensive view of changes in their growth and learning entirely. In the white paper, the survey included questions designed to capture changes in awareness during life stages from elementary to high school, such as "the kind of adult you want to become" and "whether you think you can make your dreams come true." In the "kind of adult you want to become," the top answers were "treat people kindly" among elementary school students, "live freely in my own way" among junior high school students, and "enjoy my hobbies" among high school students, indicating that they are broadening their horizons and seeking relationships with society.

The Gakken Education Research Institute and the Gakken Research Institute for Science and Creation Think Tank conduct surveys and research as think tanks that look at changes in society and create new value.

Michikusa Shorin

Manabi (Learning) Map collaborated and participated in the theme exhibition of the new *Sukedachi Bookstore*, a place to encounter books proposed by Dai Nippon Printing Co., Ltd. (DNP). Bookshelves with selected books based on Manabi Map were displayed in the space, and a parent-child workshop was held. After that, the exhibition was moved to the Gakken Building and is currently being continued as *Michikusa Shorin*. We are continuing the proposal of new bookstore space while obtaining the cooperation of other companies.

[Michikusa Shorin P.20](#) 

Supporting high school students' inquiry activities

Since the introduction of Period for Inquiry-Based Cross-Disciplinary Study in the high school curriculum, opportunities for high school students to ask for direct advice have increased. In 2025, we gave advice to the free learning center Minna no Himitsukichi (Secret Base for Everyone) run by students of Chubu University Haruhigaoka High School. For Hokkaido Sapporo Tsukisamu High School, we proposed "Becoming a Storyteller of Science" as an inquiry theme for the first-year students and gave lectures and advice for them. 30 students participated.



Hokkaido Sapporo Tsukisamu High School's inquiry curriculum and online inquiry lessons

From the website of Tsukisamu High School

Gakken Research Institute for Science and Creation

The Gakken Research Institute for Science and Creation is dedicated to fostering and spreading scientific understanding, technology, and knowledge. Leveraging Gakken's wealth of scientific content, the Institute engages in a variety of initiatives under the slogan, "Experimenting is believing." In 2025, the Gakken *Kagaku to Gakushu* Furoku (Supplement) Exhibition was held at Space LABO Kitakyushu City Science Museum in Kitakyushu City, where our founder Hideto Furuoka took his first steps as an educator. It was an appropriate exhibition for our 80th anniversary.

In connection with the 150th anniversary of Shimadzu Corporation's founding, we were commissioned from Shimadzu Rika Corporation to arrange and produce *Otona no Kagaku* Magazine and a Wimshurst electrostatic generator.

For the Christmas tree installed on the first-floor lobby of the Gakken Building as an annual event held in December, we created ornaments filled with the spirit of science. The motif for the ornaments was Gakken's history and "80" under the theme of "80 years since the founding of the Gakken Group." Not only the children from Gakken Hoikuen, a nursery school operated by a Gakken Group company but also general visitors to the building enjoyed the Christmas tree ornaments.



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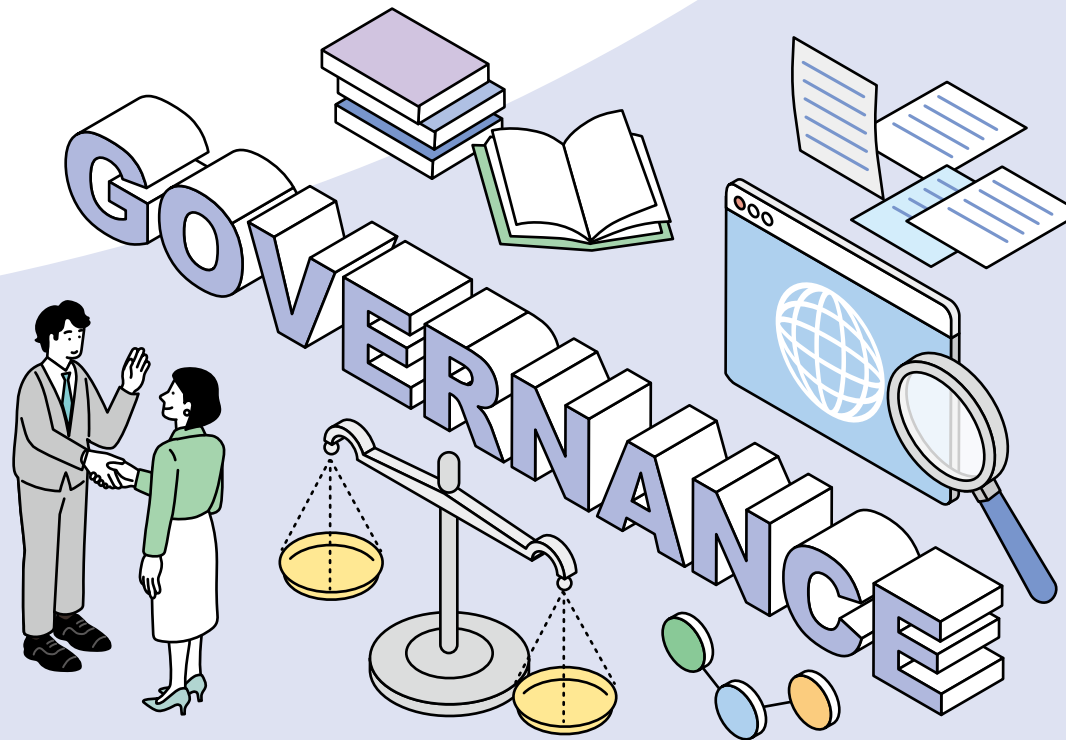
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Q5 Governance

What Kind of Governance Structure Do We Establish?

The Gakken Group has been building a new governance system through the transition to a company with an Audit and Supervisory Committee. We will strengthen the supervisory function of the Board of Directors and accelerate decision-making at the same time to implement highly transparent management that meets global standards. Based on an effective risk management and compliance system, we will work to earn the trust of all stakeholders and achieve sustainable Value UP.



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Building a Governance System to Support Value Up



Toru Kobayashi

Managing Executive Officer, Gakken Holdings Co., Ltd.

The Gakken Group transitioned to a company with an Audit and Supervisory Committee to enhance the effectiveness of the Board of Directors and the agility of decision-making. We will build a foundation that supports sustainable value creation through the evolution of governance.

Moving to a new stage under the transition to a company with an Audit and Supervisory Committee

In December 2025, the Gakken Group transitioned to a company with an Audit and Supervisory Committee. This is a major step toward achieving sustainable corporate value enhancement by strengthening group-wide governance and accelerating decision-making simultaneously.

This transition will further bolster the supervisory function of the Board of Directors. Having directors who are Audit and Supervisory Committee members as members of the Board of Directors enhances the monitoring function for business execution and enables highly transparent management. At the same time, we will have a system in which decisions on business execution can be broadly delegated to the executive side, greatly improving management agility. The greatest advantage of a company with an Audit and Supervisory Committee is the balance between strengthening supervision and speeding up execution, and this is our future vision.

Responsibilities to meet the expectations of all stakeholders

The Gakken Group is keenly aware of its responsibility to

meet the expectations of shareholders and all other stakeholders. In order to fulfill this responsibility, in the operation of the new governance system, we will conduct effective discussions and make appropriate decisions based on the high sense of ethics and mission of each and every Director.

At the Gakken Group, which has more than 120 Group companies as a whole, each and every employee is required to act in accordance with the Group's decisions with a high sense of ethics and mission. In order to continue embodying our 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"—we will work to further instill an organizational culture with a strong sense of governance, comply with laws and ethics, detect risks early, and respond appropriately.

As the foundation for realizing Value Up

As the foundation for realizing the Value UP promoted in the Gakken Group's medium-term management plan "Gakken 2027," we will powerfully promote the construction of a company-wide governance system and its appropriate operation. By further strengthening supervision and rapid decision-making, we will promote innovation and grow our business to maximize the value we provide to our stakeholders.

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List of Directors



Hiroaki Miyahara

President, Representative Director

1986 Joined the Company (formerly Gakushu Kenkyusha)
2003 General Manager of Gakken Classroom Business Division
2007 Executive Officer, General Manager of No. 4 Education Business Division
2009 Director of the Company
2010 President and Representative Director of the Company (present post)
2016 Representative Director of Furuoka Scholarship Foundation (present post)
2021 Outside Director of Nippan Group Holdings, Inc. (present post)
2024 President of Japan Magazine Publishers Association (present post)



Noriaki Yamada

Outside Director

1990 Joined Chuo Audit Corporation
1993 Registered as a certified public accountant
1997 Established Noriaki Yamada Office of Certified Public Accountant
2003 Representative Partner of Clifix Tax Corporation (present post)
2007 Outside Auditor of the Company
2010 Outside Director of the Company (present post)



Hitoshi Kobayakawa

Director and Senior Managing Executive Officer

1990 Joined the Company (formerly Gakushu Kenkyusha)
2009 President and Representative Director of Gakken Cocofump Holdings Co., Ltd.
2011 Executive Officer of the Company
2014 Director of the Company
2020 Managing Director of the Company
2021 Representative Director and CEO of Gakken Cocofump Co., Ltd. (present post)
2025 Director and Managing Executive Officer of the Company
2025 Director and Senior Managing Executive Officer of the Company (present post)



Miwako Iyoku

Outside Director

1987 Joined Nippon Telegraph and Telephone Corporation
2012 Transferred to NTT DoCoMo, Inc.
2015 President and Representative Director of Docomo gacco, Inc.
2017 Representative Director and Vice President of Tower Records Japan Inc.
2020 Director of TEPCO Life Service, Inc.
2020 Outside Director of the Company (present post)



Norio Yamamoto

Director and Managing Executive Officer

2004 Joined American Life Insurance Company Japan
2006 Joined Medical Care Service Inc.
2017 President and Representative Director of Medical Care Service Inc. (present post)
2018 Director of Gakken Cocofump Holdings Co., Ltd.
2020 Executive Officer of the Company
2020 Director of the Company
2021 Director of Gakken Cocofump Co., Ltd. (present post)
2024 Director and Senior Corporate Officer of the Company
2025 Director and Managing Executive Officer of the Company (present post)



Yoshinobu Adachi

Director (Audit and Supervisory Committee Member)

1990 Joined the Company (formerly Gakushu Kenkyusha)
2015 Executive Officer, General Manager of Financial Strategy Division of the Company
2020 Senior Executive Officer, General Manager of Financial Strategy Division of the Company
2020 Director of the Company
2021 President, Representative Director of Gakken Products Support Co., Ltd.
2024 Director and Senior Corporate Officer of the Company
2025 Director of the Company (Audit and Supervisory Committee Member) (present post)



Hitoshi Hosoya

Director and Managing Executive Officer

2008 Joined JPMorgan Securities Japan Co., Ltd.
2013 Joined McKinsey & Company
2020 Partner of McKinsey & Company
2021 Executive Officer of the Company
2021 Representative Director and CEO of Gakken LEAP Co., Ltd. (present post)
2022 Senior Executive Officer of the Company
2023 Director of Gakken Inc.
2023 Director of the Company
2024 Director and Senior Corporate Officer of the Company
2025 Chairperson of the Board of Gakken Inc. (present post)
2025 Director and Managing Executive Officer of the Company (present post)



Toshiaki Yamada

Outside Director (Audit and Supervisory Committee Member)

1988 Joined Ishii & Partners
1998 Partner of Ishii & Partners (present post)
2015 Outside Auditor of the Company
2016 Outside Director of MAC HOUSE CO., LTD.
2025 Outside Director of the Company (Audit and Supervisory Committee Member) (present post)



Kenji Momota

Director and Senior Executive Officer

2001 Joined Mitsubishi Research Institute, Inc.
2004 Joined IC Net Limited
2018 Vice President of IC Net Limited
2019 President and Representative Director of IC Net Limited (present post)
2020 Executive Officer of the Company
2020 Director of the Company
2024 Director and Senior Corporate Officer of the Company (present post)



Ryujin Matsuura

Outside Director (Audit and Supervisory Committee Member)

1996 Joined Deloitte Touche Tohmatsu (now Deloitte Touche Tohmatsu LLC)
2001 Joined the Financial Services Agency
2001 Registered as a certified public accountant
2012 Partner of Deloitte Touche Tohmatsu LLC
2020 Founded Kanade Partnership, Managing Partner (present post)
2022 Outside Auditor of the Company
2024 Outside Corporate Auditor of Tsunagu Co., Ltd. (present post)
2025 Outside Director of the Company (Audit and Supervisory Committee Member) (present post)

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Rethinking the use of AI

From 2023 to 2024, I spent 1–2 hours per week; in the first half of 2025, 4 hours per week; and currently (the second half of 2025), 10 hours per week. This is the average amount of time per week that I use AI in my work. From 2023 to 2024, it was a process of trial and error, wondering if AI could do such a thing. The effects of efficiency were limited and only partial.

On the other hand, for some professions, such as systems engineers, AI was already making a big impact on operational efficiency about a year ago. One could say the reason why my usage has increased so much is that AI has reached a stage of generating results in other professions as well. I feel that the progress of AI has now reached that level.

But when I use it, I realize it needs a little ingenuity. It is also a fact that it is necessary not only to learn the behavior of common prompts, but also to know how to use them according to the type of work and the purpose.

Some of you may have thought, "That's its limit?" once you used AI. However, today's AI has already passed that stage, and the quality differs greatly depending on the user. I think it is time for the Gakken Group as a whole to reconsider the use of AI with the aim of further development in the future.



Noriaki Yamada
Outside Director

The Possibility of value creation through cross-borders: A perspective to connect human capital to the next growth

Innovation and new businesses are born when individuals and organizations step beyond their familiar territory, rather than continuing on an extension of existing ones. Crossing borders, in which you put yourself in different environments, roles, and values, is an important opportunity to shake up your premise for thinking and create new connections. Studies both at home and abroad have shown that cross-border experiences enhance self-efficacy, motivation to learn, and creativity, as well as encourage cross-functional collaboration and new challenging behaviors.

In order to take advantage of this cross-border power in management, it will be easy to start by releasing middle and senior employees, who have accumulated experience and knowledge in the company, from their fixed roles and reconnect them with the internal and external new context. Re-editing of experience leads to the reuse of organizational knowledge.

There is also room for considering the perspective of creating new businesses through cross-border. For example, the diverse skills and daily life knowledge of local women, who tend to remain stuck in old values and role expectations, are not sufficiently linked to economic activities, and there are great untapped opportunities.

By exchanging and connecting people's knowledge with different positions and backgrounds, new relationships generated will be transformed into the value. I believe that such cross-border human capital utilization can be a major option for medium- to long-term value creation.



Miwako Iyoku
Outside Director

To make governance reform fruitful

It is often called a shift to offensive governance from defensive governance.

Offensive governance can be described as a governance system that supports management to take appropriate risks and make swift and decisive decisions. Of course, offense can only be possible with a strong defense. The same applies in both business and soccer. The balance between offense and defense is important.

At the Ordinary General Meeting of Shareholders held in December 2025, the Gakken Group transitioned from a company with an Audit & Supervisory Board to a company with Audit and Supervisory Committee. I understand that one of the objectives of this transition is to further promote offensive governance. The management of each Group company is expected to have more delegated authority, to make prompt decisions based on their own rational judgment as to whether the relevant risk-taking is appropriate, and to add more responsibilities accordingly.

Whether this governance reform will bear fruit or not depends not only on the holdings company but also on the changes in the consciousness of the executives and employees of Gakken Group as a whole and their actions. As an Audit and Supervisory Committee Member, I would like to work to the best of my abilities.



Toshiaki Yamada
Outside Director
(Audit and Supervisory
Committee Member)

Strengthening governance and accelerating decision making create an environment where challenges arise

Through discussions at the Board of Directors, I feel strongly that the Gakken Group is an organization that is seriously working in the frontline to solve social issues, mainly in education and healthcare and nursing domains. In addition, with the mission of standing by a fulfilling life for all and encouraging them to take on new challenges, we also must boldly take on our challenges. I believe that such attitudes will be the source of our sustainable growth. We then address the expectations of shareholders, customers, employees, and other stakeholders and respond to them through dialogue, which will lead to the accumulation of trust and enhancement of value.

On the other hand, many Group companies and their business are diverse, and many of them are still small. However, in each of the companies and their business, the seeds that will lead to future growth are growing steadily. In the future, it will be even more important to have a perspective of nurturing a big business and a stance of sharing the same priority as the Group beyond organizational boundaries. In these times of great change, it is important to embrace differences and convert diversity into value while expanding internal and external cooperation.

I believe that the transition to a company with an Audit and Supervisory Committee will enhance corporate value by strengthening the supervisory function through more active discussions at the Board of Directors and speeding up decision-making simultaneously, and by creating an environment in which business execution can be challenged more easily.



Ryujin Matsuura
Outside Director
(Audit and Supervisory
Committee Member)

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Approach to corporate governance

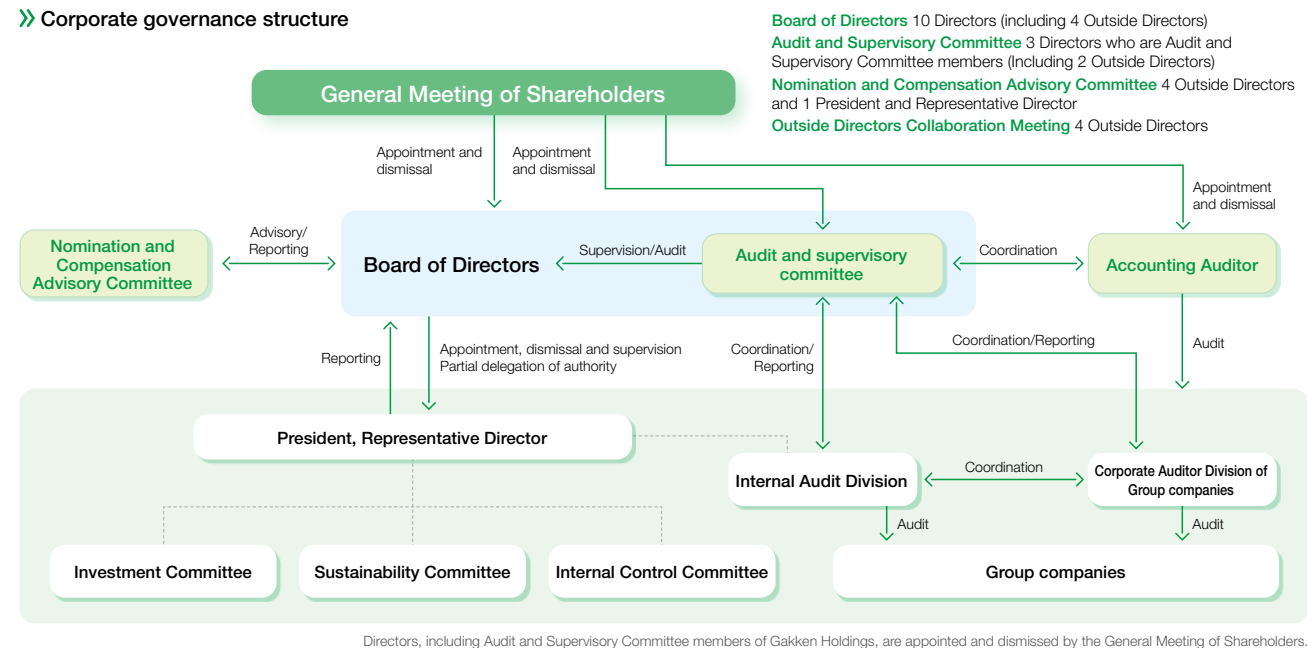
Based on the fiduciary responsibility and accountability to shareholders, it is the responsibility of the Board of Directors of Gakken Holdings to govern Group companies so as to maximize the legitimate interests of shareholders by increasing corporate value, with the aim of promoting sustainable growth of the Company and improving corporate value over the medium to long term, and improving profitability and capital efficiency. In addition, in order to improve the Group's corporate value from a medium- to long-term perspective, consideration for stakeholders other than shareholders is also essential, and we will work together with them appropriately. Fulfilling the social responsibilities required of a company from the environmental, social, and corporate governance aspects is also an important management issue. In the education domain and the healthcare and nursing domain, which are the Gakken Group's core businesses, the Company's mission is to solve various problems by sharing the objectives and values with customers and providing quality merchandise and services at a fair price. Through these initiatives, the Company will fulfill its social responsibility. In addition, in order to contribute to the sustainable growth of the Company and the improvement of its corporate value over the medium to long term, the Company will hold constructive dialogues with shareholders, including at the General Meeting of Shareholders, and ensure appropriate information disclosure and transparency that is the basis for such dialogues. Based on the resolution of the Ordinary General Meeting of Shareholders in December 2025, we transitioned to a company with an Audit and Supervisory Committee in order to strengthen the supervisory function of the Board of Directors and enhance corporate governance by making Audit and Supervisory Committee members who are responsible for auditing the Directors' execution of duties members of the Board of Directors.

● Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee holds the responsibility of maintaining objectivity and transparency in the nomination of potential candidates for Directors of Gakken Holdings (excluding Directors who are Audit and Supervisory Committee members) as well as in the compensation. Consisting of the President and Representative

We have established a basic policy for corporate governance with the aim of continuously enhancing corporate value and securing the trust of stakeholders. We will establish a decision-making system centered on the Board of Directors and a responsible management system to realize highly transparent and effective governance.

» Corporate governance structure



Director and Outside Directors, it deliberates on the appointment and dismissal of Directors, decisions on the compensation of Directors (excluding Directors who are Audit and Supervisory Committee members), plans for the succession of the President and Representative Director, and reports the results to the Board of Directors.

● Internal Control Committee

The Committee is responsible for deliberating and making decisions in accordance with the basic policy for developing the internal control system established by the Board of Directors. These encompass compliance, information security, risk management, financial reporting control, as well as global operations. Through these specialized units, the committee strives to ensure comprehensive and effective internal control practices across the organization.

● Sustainability Committee

This Committee has been instituted to drive the advancement of sustainability efforts. It operates through two main groups: the Supply Chain Management Subcommittee and the Human Capital Subcommittee. These subcommittees collectively focus on fulfilling objectives concerning critical sustainability matters, which encompass areas including climate change and D&I.

● Investment Committee

The Committee discusses and decides the direction of investment projects in our Group. Composed of executive directors, related executive officers, department heads, and secretariats, the Committee holds a regular meeting once every six months in principle.

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Evaluation of Board effectiveness

We recognize that our Board of Directors plays an active role in achieving sustainable growth and enhancing corporate value over the medium to long term. In FYE Sept./2025, a comprehensive questionnaire survey was administered to all directors and corporate auditors. For the questions over the Board of Directors as a whole, each question was scored from 1 to 5, and respondents were encouraged to provide comments and requests on the major categories. Subsequent evaluation and analysis were performed by an external entity. Based on the results, we formulated an action plan for FYE Sept./2026.

● Action plan 1: Discussion on Board succession

- Opportunity for discussions for clarifying the ideal vision of the Board of Directors and ensuring an optimal composition and balance to realize the vision
- Formulate a common understanding of the criteria for judgment, viewpoints of supervision, and risks in business execution in order to further enhance decision-making and supervisory functions

● Action plan 2: Deepen the discussion based on lessons learned from the past

- Comprehensive and multi-angled consideration of strategies that contribute to enhancing corporate value over the medium to long term
- Transform individual knowledge into organizational knowledge by sharing past initiatives, outcomes, and issues, and use it in discussions on strategy and decision making in the future

Attendance at the Board of Directors meetings / Board of Corporate Auditors meetings (FYE Sept./2025)

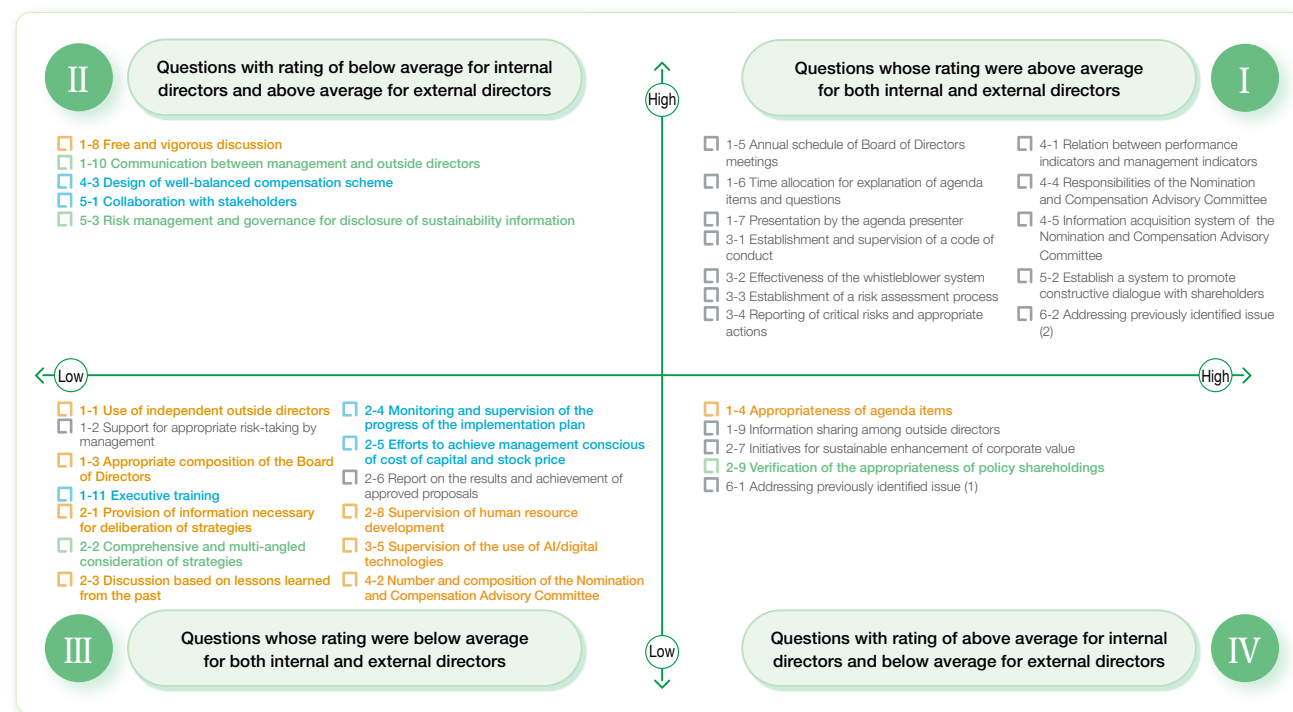
Position in the Company	Full name	Attendance at Board of Directors Meetings	Attendance at Board of Corporate Auditors Meetings
President, Representative Director	Hiroaki Miyahara	13/13	—
Executive Vice President	Kazuhiro Fukuzumi	13/13	—
Director and Managing Executive Officer	Hitoshi Kobayakawa	13/13	—
Director and Senior Corporate Officer	Yoshinobu Adachi	13/13	—
Director and Senior Corporate Officer	Toru Goromaru	13/13	—
Director and Senior Corporate Officer	Kenji Momota	13/13	—
Director and Senior Corporate Officer	Norio Yamamoto	13/13	—
Director and Senior Corporate Officer	Hitoshi Hosoya	13/13	—
Outside Director	Noriaki Yamada	13/13	—
Outside Director	Maako Kido	13/13	—
Outside Director	Miwako Iyoku	13/13	—
Outside Director	Caroline F. Benton	13/13	—
Full-time Corporate Auditor	Yoshiaki Kageyama	3/3	6/6 (100% attendance rate)
Full-time Corporate Auditor	Kotaro Oda	13/13	22/22 (100% attendance rate)
Full-time Corporate Auditor	Takuya Fujishima	10/10	16/16 (100% attendance rate)
Outside Auditor	Yoshiaki Yamada	13/13	22/22 (100% attendance rate)
Outside Auditor	Ryujin Matsuura	13/13	22/22 (100% attendance rate)

(Note) 1. Mr. Yoshiaki Kageyama has retired owing to the expiration of his term of office at the conclusion of the Ordinary General Meeting of Shareholders held on December 20, 2024. The status of his attendance at the Board of Directors meetings before his retirement is described. 2. The status of attendance of Mr. Takuya Fujishima at the Board of Directors meetings / the Board of Corporate Auditors meetings is described after he was elected and appointed at the Ordinary General Meeting of Shareholders held on December 20, 2024. 3. Positions in the company are as of September 30, 2025, except for Mr. Yoshiaki Kageyama, whose position is as of December 2024, when he retired.

Through the effectiveness evaluation in the operation of the Board of Directors, we analyze the quality of discussions to ascertain maturity as an organization. This clarifies future improvements and supports more effective decision-making. In order to ensure the appropriateness of operations and promote sustainable management, we have established, disclosed, and implemented basic policies for the establishment of internal control systems.

Evaluation classification by question in the questionnaire

The questionnaire consisted of 35 questions over the entire Board of Directors in categories (1) to (6). They are evaluated on a five-point scale. These were classified and analyzed in the following matrix table. From I to IV, I is the Company's strength, and III is the items that are recognized as issues by both internal and external officers. In addition, II and IV are items for which there is a gap in recognition between internal and external officers, and are issues to be identified.



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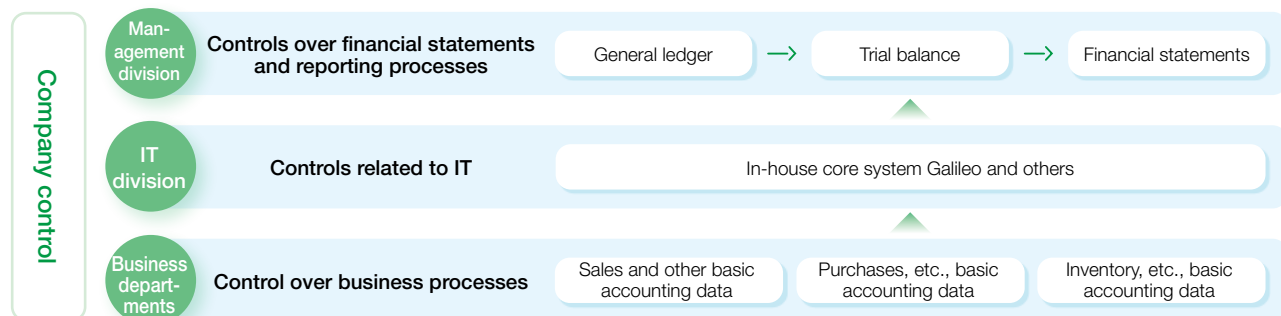
Members with diverse expertise are brought together to support strategic decision-making. In addition, we are working to improve the governance of the entire organization through the implementation of training for all officers and employees of the Group, as well as through the appropriate operation of the internal control system for financial reporting.

Director skill matrix

(As of December 19, 2025)

Full name	Position in the Company	Business management	Education business	Healthcare and nursing business	Innovation (DX-BX)	Global	Finance and accounting	Legal, compliance, and governance	Sustainability (environment and human rights)	Human resources, human resources development, and D&I
Hiroaki Miyahara	President, Representative Director	○	○	○	○				○	○
Hitoshi Kobayakawa	Director Senior Managing Executive Officer	○		○	○				○	○
Norio Yamamoto	Director Managing Executive Officer	○		○	○	○				○
Hitoshi Hosoya	Director Managing Executive Officer	○	○		○	○	○			
Kenji Momota	Director Senior Corporate Officer	○	○		○	○				○
Noriaki Yamada	Outside Director	○	○	○	○		○			
Miwako Iyoku	Outside Director		○	○	○				○	○
Yoshinobu Adachi	Director (Audit and Supervisory Committee Member)	○	○				○	○		○
Toshiaki Yamada	Outside Director (Audit and Supervisory Committee Member)		○	○		○		○	○	
Ryujin Matsuura	Outside Director (Audit and Supervisory Committee Member)	○	○	○			○			○

» Summary of assessment of internal control over financial reporting



GRC training for Group directors and employees

We conduct training on GRC* for all directors and employees of the Group. The content of the training is carried out by the Gakken Group as a preventive measure by identifying possible risks in its business.

* GRC: Abbreviation for Governance Risk management Compliance. Governance refers to a corporate guidance and management system; risk management refers to the establishment of a system to understand, assess, and respond to risks associated with corporate activities; and compliance refers to compliance with laws, regulations, and social norms. These are all necessary elements of corporate management.

» Number of participants in GRC training programs (For all directors and employees of the Group*)

	Number of target persons	Number of persons who have completed the course	Completion rate
FY Sept./2022	16,828	16,828	100%
FYE Sept./2023	17,316	17,316	100%
FYE Sept./2024	18,735	18,735	100%
FYE Sept./2025	19,567	19,567	100%

* For all directors and employees of the Group: Officers and employees of the following companies are excluded from the total or partial count.

- Companies that conduct training approved by the Group by themselves
- Companies that provide information to foreign employees separately
- Companies that do not use e-learning systems (implemented in principle with offline learning materials)

Internal control over financial reporting

Internal control over financial reporting signifies the proactive and self-directed efforts of all personnel, including officers and employees, to create a framework and mechanism that fosters the Group's responsible management. This is done with the objective of ensuring the appropriate execution of daily operations, enhancing operational efficacy, adhering to legal mandates, regulations, and standards, and producing accurate and trustworthy financial reports. Illustrated in the summary of internal control assessment on the left, the controls of each division interact under company-wide controls.

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Fair Compensation and Capital Adequacy

Compensation for executive directors is designed at an appropriate level in line with their business performance and results, and shareholdings are managed based on policies with an eye to enhancing corporate value over the medium to long term.

Compensation for directors

Compensation for executive directors consists of three types: base compensation, performance-linked compensation, and stock compensation. The ratio of performance-linked compensation will be increased by introducing performance-linked compensation and stock compensation. Details of each type are as follows.

● Base compensation

It is monthly compensation based on position. The level of base compensation is determined with reference to the levels of other companies, as well as the Company's employee salaries and executive officer compensation. When determining the amount of individual base compensation, the Company conducts an assessment every year, consults with the Nomination and Compensation Advisory Committee, and makes a decision respecting the results of the deliberation.

● Performance-linked compensation

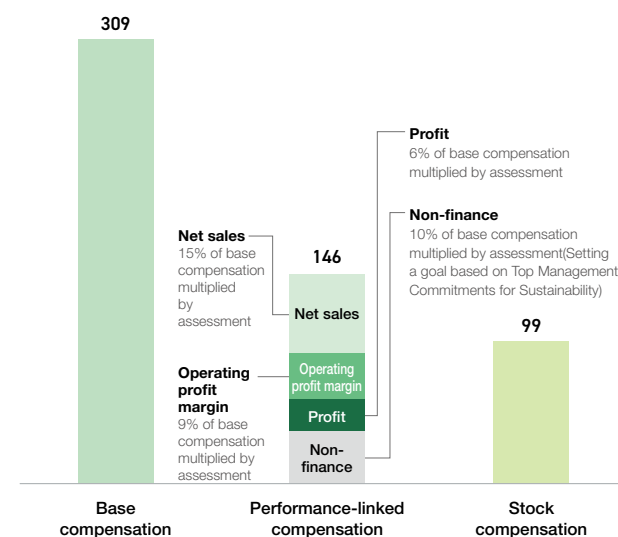
It is a system of setting a goal in advance and provides compensation based on achievement. Performance-linked compensation consists of assessments based on both financial and non-financial indices. When determining the amount of individual performance-linked compensation, the Company conducts an assessment, consults with the Nomination and Compensation Advisory Committee, and makes a decision respecting the results of the deliberation.

● Stock compensation

The content of restricted stock is resolved by the Board of Directors on each grant to the extent approved by the General Meeting of Shareholders, following procedures to ensure objectivity and transparency, such as consultation with the Nomination and Compensation Advisory Committee of the Company, while taking into consideration the business environment, business performance, stock price trends, and other circumstances so that it will appropriately function as an incentive to continuously enhance the Company's corporate value.

» Breakdown of compensation for executive directors (FYE Sept./2025)

Unit: Millions of yen



Policy stockholdings

The Board of Directors reviews the policy stockholdings once every six months, taking into account the progress of the business that has led to the purpose of the holdings and the effect on subsequent business, and comprehensively considering the benefits expected to be gained from the purpose of the holdings and the cost of capital. For stocks deemed "not necessarily meaningful" to hold, the Company takes measures, such as reducing these holdings, and discloses such information as appropriate. When exercising voting rights for shares held by the Company, the Com-

Compensation for outside directors (excluding directors who are Audit and Supervisory Committee members)

The compensation for outside directors (excluding directors who are Audit and Supervisory Committee members) shall be base compensation only, but shall be at the appropriate level to secure excellent human resources.

Compensation for directors who are Audit and Supervisory Committee members

The compensation for Audit and Supervisory Committee members, who are independent from the execution of business, consists only of base compensation, and is determined by consultation among Audit and Supervisory Committee members in accordance with the duties and responsibilities of each Audit and Supervisory Committee member within the limits resolved at the General Meeting of Shareholders.

pany assesses whether the proposed content will positively impact the enhancement of both its own corporate value and the value of its portfolio companies. In instances where deemed necessary, the Company initiates a dialogue with the relevant company to ascertain the intent behind the proposal. This approach ensures a well-informed and thoughtful decision-making process regarding the exercise of voting rights. Even if a company that holds Gakken Holding's shares as part of its strategic stockholdings expresses an intention to divest its shares, we will not impede its decision by, for instance, proposing a decrease in the transaction.

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Compliance Code

To fulfill the expectations of all stakeholders and maintain the trust of society, the Gakken Group has established various policies. We have also formulated the Gakken Compliance Code, serving as the comprehensive guideline for the entire Group. The Gakken Compliance Code elucidates the legal, regulatory, and social ethical standards by establishing specific guidelines for various stakeholders. Furthermore, we have instituted a dedicated Compliance Hotline, distinct from the regular reporting channels, to facilitate consultation and reporting concerning compliance-related matters.

Implementation of Compliance Code retention monitoring

We conduct a biennial survey on Retention of the Gakken Compliance Code. We will further promote the retention of this system.

» Number of respondents to the Gakken Compliance Code retention survey

	Number of employees responding	Response rate
FYE Sept./2019	3,137	85.8%
FYE Sept./2021	3,723	97.4%
FYE Sept./2023	11,086	60.1%
FYE Sept./2025	10,184	49.3%

* In FYE Sept./2025, we changed the response method to expand employees' opportunities to respond. The response rate has been temporarily affected following the change in the response environment. We will continue to strive to properly ascertain the retention status of the Compliance Code and promote retention.

System and mechanisms

● Creation of the Compliance Subcommittee within the Internal Control Committee

To reinforce and advance compliance measures across the Gakken Group, the Compliance Subcommittee has been instituted as a component of the Internal Control Committee. This subcommittee is tasked with deliberating on critical subjects aimed at ensuring that all corporate activities align with pertinent laws and regulations. Additionally, the Compliance Subcommittee has set up a specialized task force dedicated to addressing incidents of human rights infringement and diverse forms of harassment.

» Deliberation Items

- (1) Matters related to the dissemination and thoroughness of the Gakken Compliance Code
- (2) Matters related to the enactment, revision, or abolition of laws and regulations, and review of the Gakken Compliance Code based on changes in the social environment
- (3) Matters related to operation of the hotline for reporting compliance violations
- (4) Matters related to actions to be taken in the event of non-compliance
- (5) Matters related to the compliance operation system (the officer in charge and those in charge at each Group company)
- (6) Matters related to the implementation of monitoring regarding the dissemination and thoroughness of the Gakken Compliance Code
- (7) Other important compliance-related matters

The Gakken Group emphasizes honest business activities not only based on legal compliance but also a high sense of ethics. We are properly operating the compliance system and working to raise the awareness of each and every executive and employee by disseminating the Compliance Code.

Operation of the whistleblowing system

The Compliance Hotline acts as a centralized communication channel for employees. Apart from the internal reporting mechanism, external lawyers, independent of the Company, are also available as points of contact. The hotline not only handles cases of possible noncompliance, but also consults and reports on human rights violations and various forms of harassment. These internal reports can be submitted anonymously and are operated in accordance with (1) to (4) as follows.

Additionally, the act of whistleblowing and the subsequent responses are conveyed to the Group Strategy Council and the Board of Directors.

- (1) Whistleblowers are shielded from any detrimental consequences.
- (2) Retribution is strictly prohibited.
- (3) Designated individuals are obliged to keep the information of the whistleblower confidential.
- (4) Designated individuals must not participate in the handling of any reported case involving themselves.

» Status of Hotline Reporting

* There were zero serious violations for FYE Sept./2025.

	Number of reports
FYE Sept./2021	27 cases
FY Sept./2022	38 cases
FYE Sept./2023	31 cases
FYE Sept./2024	31 cases
FYE Sept./2025	47 cases

We recognize that the increase in the number of reports indicates that the Compliance Hotline is functioning to a certain extent as a contact point for consultation and reporting, raising awareness about the system and the improved environment for using the system. We will continue to identify issues at an early stage and take appropriate actions through this system.

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Approach to risk management

We have formulated the Gakken Group Basic Rules for Risk Management, which outline fundamental aspects concerning risk management and facilitate the Group's effective oversight of the diverse risks associated with its operations. Noteworthy risks within the Gakken Group's business landscape encompass legal and regulatory risks; vulnerabilities stemming from natural disasters and contagious ailments; concerns related to personal data management; potential ramifications of information system breakdowns; risks related to market trends in the publishing sector; and intricacies tied to elderly welfare services, childcare support, and educational endeavors, such as classes and learning centers. Moreover, risks associated with international business expansion and potential impairment losses on equity securities and goodwill are also recognized. The Group is committed to sustaining the seamless and secure advancement of its undertakings through meticulous management of these risks.

Information Security

The Gakken Group has implemented a comprehensive Information Security Policy aimed at effectively managing and safeguarding the information assets held within the organization, including entrusted personal information. This policy is rigorously adhered to by all employees and officers. In recent years, in response to the expansion of remote work and other changes in the way we work, we have established and operated strict rules, including rules for taking out information equipment, rules for connecting to wireless access points, and prohibited actions (connecting personal information devices to the company network or altering security function settings). In addition, we have assigned a person in charge of security at each Group company and are working to establish a system for autonomously maintaining and strengthening security in accordance with the business activities of each company.

System and mechanisms

The Gakken Group Basic Rules for Risk Management stipulates basic policies pertaining to risk management. Furthermore, the *Gakken Group Risk Management Manual* has been established to effectively address the diverse array of risks inherent in the Group's operational sphere. To oversee risk management comprehensively, the Risk Management Subcommittee operates under the purview of the Internal Control Committee. This body convenes biannually to provide reports to the directors. In addition, various risks are assessed and managed in cooperation with the director overseeing GRC and the individual responsible for risk management appointed by each Group company.

» The assessment and control of various risks are carried out in accordance with the *Gakken Group Risk Management Manual* as follows.

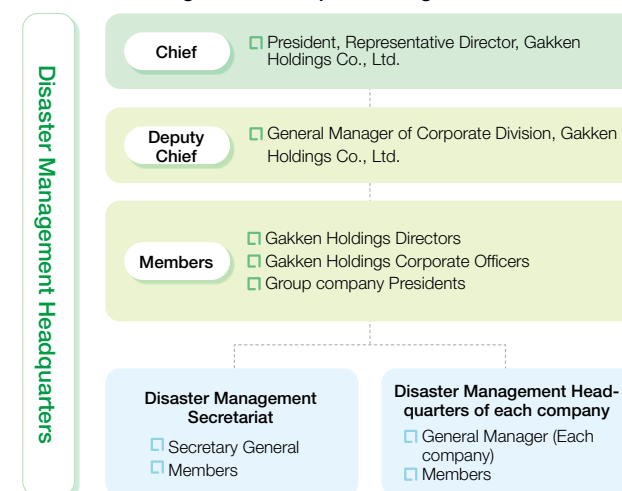
- Accurately recognize, assess, and analyze risks, taking measures to forestall their materialization and manage them suitably.
- The director overseeing GRC and the individual responsible for risk management compile a Risk Evaluation Sheet annually. The Risk Management Subcommittee within the Internal Control Committee then periodically monitors the establishment of risk management systems across each Group company, reviewing the status and considering potential enhancements.
- Concurrently, the Compliance Subcommittee and the Information Security Subcommittee, components of the Internal Control Committee within Gakken Holdings, undertake risk assessments and comprehensive management of compliance risks, information security risks, and personal data risks in collaboration with the Risk Management Subcommittee.

Disaster management

In the event of a disaster risk arising or looming, the Gakken Group promptly establishes a Disaster Management Headquarters, initiating a dedicated disaster response system. Simultaneously, the Risk Management Subcommittee Secretariat assumes the role of providing support and guidance grounded in the pre-established BCP*, which aligns with the Basic Business Continuity Policies. This initiative offers a comprehensive overview of the Gakken Group's strategies for business continuity. Moreover, it vigilantly oversees the progress of each company's BCP enhancements. This endeavor aims to transition to an all-encompassing BCP framework capable of addressing various disaster scenarios effectively. To further bolster disaster readiness, Gakken Building has prepared an operation manual for the Gakken Group Disaster Management Headquarters based on Ordinance on Measures for Those Who Have Difficulties Returning Home formulated by the Tokyo Metropolitan Government.

* BCP: Abbreviation for Business Continuity Plan.

» Disaster Management Headquarters Organization Chart



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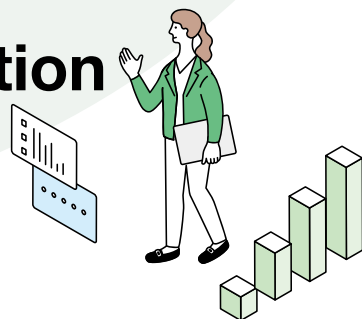
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Consolidated Balance Sheets (Assets)

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Assets					
Current assets					
Cash and deposits	19,772	22,520	20,836	20,385	22,916
Notes and accounts receivable - trade	19,895	—	—	—	—
Notes receivable - trade	—	437	354	266	306
Accounts receivable - trade	—	20,627	21,564	22,889	25,736
Merchandise and finished goods	8,437	9,929	9,606	9,245	10,355
Real estate for sale	—	—	386	837	—
Work in process	3,493	3,234	2,429	2,920	3,702
Raw materials and supplies	176	198	211	194	235
Other	4,826	4,764	7,271	6,405	6,859
Allowance for doubtful accounts	-47	-12	-41	-32	-73
Total current assets	56,554	61,700	62,620	63,112	70,038

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Non-current assets					
Property, plant and equipment					
Buildings and structures	18,994	21,718	25,737	26,873	23,629
Accumulated depreciation	-8,443	-8,705	-12,672	-13,536	-13,363
Buildings and structures, net	10,550	13,012	13,064	13,337	10,265
Machinery, equipment and vehicles	530	536	642	773	762
Accumulated depreciation	-492	-488	-585	-679	-653
Machinery, equipment and vehicles, net	38	47	56	93	108
Land	4,419	4,227	4,499	4,975	4,835
Construction in progress	1,458	197	10	14	25
Other	4,691	4,824	7,779	8,147	8,754
Accumulated depreciation	-3,846	-4,009	-6,221	-6,615	-7,069
Other, net	844	815	1,557	1,532	1,684
Total property, plant and equipment	17,312	18,300	19,189	19,953	16,918
Intangible assets					
Goodwill	6,806	6,185	7,754	9,792	9,628
Other	3,326	2,724	3,189	3,522	10,109
Total intangible fixed assets	10,132	8,910	10,943	13,314	19,738
Investments and other assets					
Investment securities	21,204	23,115	27,640	17,574	15,410
Long-term loans receivable	964	236	298	534	835
Deferred tax assets	1,631	2,102	2,266	2,814	2,616
Retirement benefit assets	1,931	2,072	3,303	3,383	3,407
Guarantee deposits	6,096	6,226	8,063	8,205	8,230
Other	1,219	1,185	2,192	2,007	2,232
Allowance for doubtful accounts	-146	-167	-190	-185	-234
Total investments and other assets	32,900	34,771	43,574	34,334	32,498
Total non-current assets	60,345	61,982	73,707	67,602	69,155
Total assets	116,900	123,682	136,328	130,714	139,194

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Consolidated Balance Sheets (Liabilities)

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Liabilities					
Current liabilities					
Notes and accounts payable - trade	7,392	7,103	6,834	6,623	7,080
Short-term borrowings	14,380	12,247	6,956	4,447	2,750
Current portion of bonds payable	—	—	—	6,000	—
Current portion of long-term borrowings	2,303	3,570	10,245	5,291	6,828
Income taxes payable	714	1,917	1,347	1,542	2,757
Contract liabilities	—	2,077	2,367	2,857	3,280
Provision for bonuses	2,149	2,006	2,326	2,561	2,726
Provision for sales returns	506	—	—	—	—
Provision for point card certificates	3	—	—	—	—
Other	11,728	10,916	14,473	13,863	14,960
Total current liabilities	39,177	39,838	44,550	43,187	40,384
Non-current liabilities					
Bonds payable	6,000	6,000	6,000	—	7,000
Long-term borrowings	15,721	19,548	19,052	21,644	19,050
Long-term accounts payable - other	267	456	330	233	161
Long-term guarantee deposits	2,971	3,314	3,448	3,743	3,915
Retirement benefit liabilities	3,284	3,370	4,684	5,130	5,207
Deferred tax liabilities	78	44	53	54	972
Other	1,984	2,221	3,173	3,068	3,030
Total non-current liabilities	30,309	34,955	36,743	33,873	39,338
Total liabilities	69,486	74,793	81,294	77,061	79,722

Consolidated Balance Sheets (Net Assets)

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Net assets					
Shareholders' equity					
Share capital	19,817	19,817	19,817	19,817	19,817
Capital surplus	12,308	12,333	12,370	12,102	11,357
Retained earnings	13,033	15,313	17,433	18,615	21,127
Treasury shares	-920	-439	-315	-2,187	-3,029
Total shareholders' equity	44,238	47,025	49,306	48,348	49,273
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	1,627	612	1,857	1,624	1,581
Deferred gains or losses on hedges	0	-1	1	-0	1
Foreign currency translation adjustment	8	156	271	385	-342
Re-measurements of defined benefit plans	1,087	646	1,310	1,115	911
Total accumulated other comprehensive income	2,723	1,413	3,441	3,125	2,150
Share acquisition rights	275	255	229	199	167
Non-controlling interests	176	193	2,056	1,980	7,880
Total net assets	47,413	48,888	55,034	53,653	59,471
Total liabilities and net assets	116,900	123,682	136,328	130,714	139,194

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Consolidated Statements of Income

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Net sales	150,288	156,032	164,116	185,566	199,119
Cost of sales	105,443	109,606	117,427	135,668	144,166
Gross profit	44,844	46,425	46,689	49,897	54,953
Reversal of provision for sales returns	316	—	—	—	—
Gross profit after deducting	45,161	46,425	—	—	—
Selling, general, and administrative expenses	38,922	39,998	40,519	43,017	46,715
Operating profit	6,239	6,427	6,170	6,880	8,237
Non-operating income					
Interest income	15	10	20	32	124
Dividend income	191	195	186	237	255
Share of profit of entities accounted for using equity method	—	304	347	171	—
Other	329	358	249	283	202
Total non-operating income	535	868	804	724	582
Non-operating expenses					
Interest expenses	179	179	225	326	517
Sales discounts	3	2	1	—	—
Share of loss of entities accounted for using equity method	347	—	—	—	104
Foreign exchange losses	—	—	69	63	99
Commission expenses	8	84	66	80	—
Other	109	99	135	232	288
Total non-operating expenses	648	366	498	702	1,009
Ordinary profit	6,126	6,929	6,477	6,903	7,810
Extraordinary income					
Gain on sale of non-current assets	1	18	447	0	181
Gain on sale of investment securities	285	320	333	924	1,794
Gain on bargain purchase	323	—	—	—	416
Gain on step acquisitions	—	—	741	—	480
Other	21	18	24	123	99
Total extraordinary income	632	358	1,546	1,048	2,971

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Extraordinary losses					
Loss on sale and retirement of non-current assets	207	67	36	236	189
Impairment losses	249	696	103	193	254
Loss on sale of investment securities	—	—	0	1,093	117
Loss on valuation of investment securities	69	18	954	713	1,405
Loss on liquidation of business	183	—	—	—	—
Other	38	60	224	80	30
Total extraordinary losses	748	842	1,318	2,317	1,997
Profit before income taxes	6,010	6,445	6,705	5,634	8,784
Income taxes-current	3,316	2,846	2,824	3,047	4,016
Income taxes-deferred	35	133	261	-118	31
Total income taxes	3,351	2,980	3,085	2,928	4,047
Profit	2,659	3,465	3,619	2,706	4,736
Profit attributable to non-controlling interests	42	24	425	445	1,158
Profit attributable to owners of parent	2,617	3,440	3,194	2,260	3,578

Consolidated statement of comprehensive income

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Profit	2,659	3,465	3,619	2,706	4,736
Other comprehensive income					
Valuation difference on available-for-sale securities	682	-1,043	1,296	-256	-14
Deferred gains or losses on hedges	—	—	1	2	2
Foreign currency translation adjustment	26	154	45	51	-1,167
Remeasurements of defined benefit plans, net of tax	535	-455	654	-164	-207
Share of other comprehensive income of entities accounted for using equity method	18	39	76	41	-20
Total other comprehensive income	1,264	-1,304	2,074	-327	-1,407
Comprehensive income	3,923	2,160	5,694	2,379	3,328
Comprehensive income attributable to owners of parent	3,882	2,130	5,222	1,944	2,603
Comprehensive income attributable to non-controlling interests	41	29	472	434	725

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Consolidated Statements of Cash Flows

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Cash flows from operating activities					
Profit before income taxes	6,010	6,445	6,705	5,634	8,784
Depreciation	1,988	2,140	2,333	3,073	3,508
Impairment losses	249	696	103	193	254
Amortization of goodwill	858	888	818	1,210	1,228
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	205	48	-411	235	8
Loss (gain) on sale and valuation of investment securities	-216	-280	620	882	-270
Gain on bargain purchase	-323	—	—	—	-416
Loss (gain) on step acquisitions	—	—	-741	—	-480
Increase (decrease) in provisions	-112	-676	-102	20	250
Decrease (increase) in retirement benefit asset	-561	-699	-289	-345	-230
Increase (decrease) in retirement benefit liability	53	28	74	14	37
Interest and dividend income	-206	-206	-207	-270	-380
Interest expenses	179	179	225	326	517
Commission expenses	8	84	66	80	—
Share of loss (profit) of entities accounted for using equity method	347	-304	-347	-171	104
Decrease (increase) in trade receivables	4	-1,119	295	-900	-2,599
Decrease (increase) in inventories	-290	-950	-41	-116	-1,344
Increase (decrease) in trade payables	36	-414	-399	-490	437
Increase (decrease) in accrued consumption taxes	-346	149	-32	-11	179
Decrease (increase) in other assets	-1,299	-633	-76	-291	489
Increase (decrease) in other liabilities	1,566	861	1,292	-354	313
Other	77	89	260	-50	415
Subtotal	8,227	6,327	10,146	8,667	10,807
Interest and dividends received	341	367	409	372	483
Interest paid	-181	-179	-225	-318	-513
Income taxes paid	-3,947	-1,347	-4,871	-1,562	-2,960
Cash flows from operating activities	4,441	5,167	5,459	7,158	7,817

Unit: Millions of yen

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Cash flows from investing activities					
Payments into time deposits	-306	-273	-196	-297	-186
Proceeds from withdrawal of time deposits	305	327	315	437	83
Purchase of property, plant and equipment and intangible assets	-4,722	-3,313	-2,197	-3,955	-3,608
Proceeds from sale of property, plant and equipment and intangible assets	33	318	2,532	69	4,171
Purchase of investment securities	-12,183	-3,598	-4,232	-1,427	-3,550
Proceeds from sale of investment securities	357	602	849	10,295	2,581
Net decrease (increase) in short-term loans receivable	-330	-80	-59	-105	-302
Long-term loan advances	-1,111	-100	-118	-109	-527
Proceeds from collection of long-term loans receivable	96	230	360	11	39
Payments of guarantee deposits	-231	-309	-159	-207	-264
Proceeds from refund of guarantee deposits	193	242	58	174	205
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-400	—	-1,591	-3,614	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	7	11	2,546
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	—	244	—	—
Subsidies received	—	354	598	607	116
Proceeds from maturity of insurance funds	203	—	—	—	—
Other	-16	-198	-1,172	-48	-912
Cash flows from investing activities	-18,112	-5,798	-4,760	1,842	392
Net cash provided by (used in) financing activities					
Net increase (decrease) in short-term borrowings	2,883	-2,133	-5,810	-2,519	-1,697
Proceeds from long-term borrowings	3,570	9,640	5,523	9,549	5,300
Repayments of long-term borrowings	-5,523	-4,658	-4,695	-11,982	-6,383
Proceeds from issuance of bonds	—	—	—	—	6,957
Redemption of bonds	—	—	—	—	-6,000
Proceeds from issuance of shares	2,889	—	—	—	—
Proceeds from sale of treasury shares	5,391	311	41	—	—
Purchase of treasury shares	-1	-1	-0	-2,012	-1,006
Purchase of treasury shares of subsidiaries	—	—	—	-890	—
Dividends paid	-858	-1,010	-1,079	-1,079	-1,066
Dividends paid to non-controlling interests	—	—	-6	-65	-220
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-526	—	—	-95	-1,199
Proceeds from purchase of shares of subsidiaries not resulting in change in scope of consolidation	100	—	—	—	—
Other	-117	-143	-177	-279	-287
Net cash provided by (used in) financing activities	7,806	2,004	-6,203	-9,375	-5,604
Effect of exchange rate change on cash and cash equivalents	7	77	28	28	-379
Net increase (decrease) in cash and cash equivalents	-5,857	1,450	-5,475	-346	2,225
Cash and cash equivalents at beginning of period	24,765	18,920	21,672	19,093	18,768
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-146	1,276	2,896	—	—
Increase (decrease) in cash and cash equivalents resulting from a change in fiscal year end of consolidated subsidiaries	158	—	—	—	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	24	—	20	—
Cash and cash equivalents at end of period	18,920	21,672	19,093	18,768	20,994

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Consolidated Management Indicators

	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Net sales (Millions of yen)	150,288	156,032	164,116	185,566	199,119
Ordinary profit (Millions of yen)	6,126	6,929	6,477	6,903	7,810
Profit attributable to owners of parent (Millions of yen)	2,617	3,440	3,194	2,260	3,578
Comprehensive income (Millions of yen)	3,923	2,160	5,694	2,379	3,328
Net assets (Millions of yen)	47,413	48,888	55,034	53,653	59,471
Total assets (Millions of yen)	116,900	123,682	136,328	130,714	139,194
Net assets per share (yen)	1,079.09	1,102.16	1,195.91	1,219.10	1,241.65
Profit per share (yen)	64.55	78.67	72.51	52.99	86.02
Diluted profit per share (yen)	63.87	77.95	71.90	52.60	85.49
Equity ratio (%)	40.2	39.2	38.7	39.4	36.9
Return on Equity Ratio (%)	6.3	7.2	6.3	4.3	7.0
Price-earnings ratio (times)	18.9	12.3	12.0	19.0	12.3
Net cash provided by (used in) operating activities (Millions of yen)	4,441	5,167	5,459	7,158	7,817
Net cash provided by (used in) investing activities (Millions of yen)	-18,112	-5,798	-4,760	1,842	392
Net cash provided by (used in) financing activities (Millions of yen)	7,806	2,004	-6,203	-9,375	-5,604
Cash and cash equivalents at end of period (Millions of yen)	18,920	21,672	19,093	18,768	20,994
Number of employees (average number of temporary employees) (persons)	7,995 (13,265)	8,341 (13,719)	9,490 (17,641)	9,593 (18,422)	10,120 (19,540)

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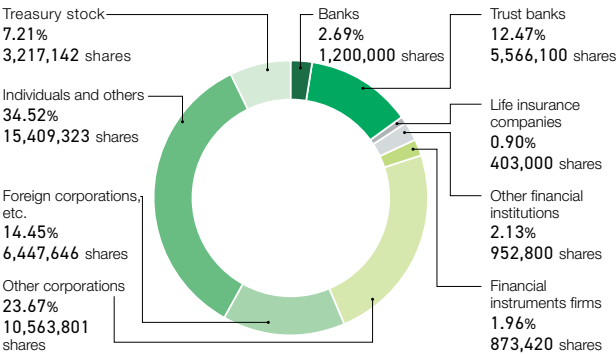
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Stock Information

Securities Code	9470
Stock Code	GAKKEN HOLDINGS CO., LTD.
Listed Exchange	Tokyo Stock Exchange Prime Market

Stock Details

As of September 30, 2025.



(1) Total number of shares authorized to be issued	159,665,600 shares
(2) Total number of shares issued (including 3,217,142 shares of treasury shares)	44,633,232 shares
(3) Number of shareholders	32,379 persons

(4) Major shareholders (top 10)

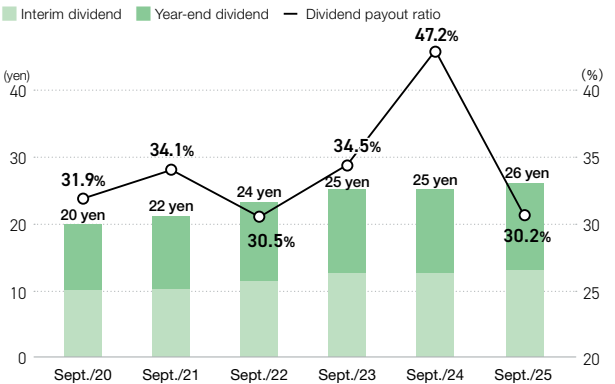
Name of shareholders	Number of shares held (hundred shares)	Shareholding ratio (%)
The Furuoka Scholarship Foundation	55,553	13.41
The Master Trust Bank of Japan, Ltd. (trust account)	45,508	10.98
Gakken Employee Shareholding Association	12,144	2.93
BNP PARIBAS LUXEMBOURG/2S/JASDEC/JANUS HENDERSON HORIZON FUND (Permanent Agent: HSBC Tokyo Branch)	12,023	2.90
Sumitomo Mitsui Banking Corporation	12,000	2.89
Kawai Musical Instruments Mfg.	9,940	2.40
Development Bank of Japan Inc.	9,480	2.28
Gakken Business Partners Shareholding Association	9,131	2.20
Custody Bank of Japan, Ltd. (trust account)	7,933	1.91
KOSAIDO Holdings Co., Ltd.	6,892	1.66

(Note) The above shareholding ratio is calculated by subtracting treasury shares from the total number of shares issued and rounded down to the second decimal place.

(5) Stock status delivered to Company's officers as consideration for execution of duties during the current fiscal year
The Company grants restricted stock to directors other than outside directors as consideration for the execution of their duties. For the policy, please refer to "[2] Status of Company Directors, (2) Matters related to Compensation for Company Directors, ii. Matters related to Determination Policy over the Content of Individual Compensation, etc. for Directors such as Compensation, etc. of Directors and Corporate Auditors."

	Number of shares	Number of recipients
Directors (excluding outside directors)	98,789 shares	8 persons

Shareholder Return Dividends



Outline of Share-Related Administration of the Company

Business year	From October 1 to September 30
Ordinary General Meeting of Shareholders	Within December
Record Date	September 30
The record date for dividends of surplus	March 31, September 30
Number of shares per unit	100 shares
Purchase of odd-lot shares	
Handling location	(Special account) Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation, 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Administrator of share-holders' register	(Special account) Mitsubishi UFJ Trust and Banking Corporation, 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	—
Purchase fee	The fee for requesting the purchase of shares constituting less than one unit shall be 85% of the amount calculated per unit based on a separately determined formula and prorated by the number of shares constituting less than one unit purchased.
Method of Public Notice	Electronic Public Notice

Benefits for Shareholders

At the end of each half year from September 30 of the previous year, among shareholders registered as holding 100 or more shares with the same shareholder number three times consecutively in the Company's shareholder registry, those who applied through the Company's Shareholder Benefit Web will receive shareholder benefit points according to the number of shares held. Those points can be used for books and various other goods and product sets listed in the shareholder special benefit catalog and for discount coupons for our Group's services, etc. * Additional bonus points will also be given to long-term shareholders.
* Scan this QR code or click here for our IR website.



<https://www.gakken.co.jp/ja/ir/individual/benefit.html>

(Note) 1: The Company's electronic public notices are posted on our official website at <https://www.gakken.co.jp>. If electronic public notices are not accessible due to unforeseen circumstances, they will be published in the Nihon Keizai Shimbun.

2: As per the Company's Articles of Incorporation, shareholders who hold less than one unit of shares do not possess rights beyond those listed in each item of Article 189, Paragraph 2 of the Companies Act. They retain the right to make requests in accordance with Article 166, Paragraph 1 of the Companies Act, as well as the right to receive an allotment of shares and offered share acquisition rights in proportion to their shareholding.

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Environment

Policy	Environmental Policy (Revised in March 2024)	Yes	https://www.gakken.co.jp/ja/about/philosophy/environment.html					
	Water Policy	Yes	Included in the Environmental Policy					
		Scope	Unit	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025
Climate change								
GHG emissions	GHG Scope1	Consolidated company-wide	t-CO ₂	5,456	13,564	13,461	13,542	13,965
	GHG Scope2	Consolidated company-wide	t-CO ₂	30,520	44,548	41,933	45,392	50,104
	GHG Scope3	Consolidated company-wide	t-CO ₂	95,549	253,781	283,221	247,148	Now totaling
	Total	Consolidated company-wide	t-CO ₂	131,525	311,893	338,616	306,082	Now totaling
GHG emissions per unit of consolidated sales		Scope1 +Scope2	Consolidated company-wide	tCO / million yen	—	0.37	0.34	0.32
CDP Climate Change Score		Group		—	B	B	B	B
Resources and waste								
Amount of waste		Head office building	Tons	210	171	301	207	240
Amount of waste for inventory disposal			Tons	3,068	2,042	2,481	2,152	2,353
Amount of printing paper procured			Tons	25,381	23,110	21,235	19,720	20,280
Water								
Water consumption		Head office building	m ³	29,324	30,179	29,559	30,398	34,236
Wastewater		Head office building	m ³	25,381	26,741	25,590	26,193	29,073

Society

Policy	Human Rights Policy (Revised in March 2023)	Yes	https://www.gakken.co.jp/ja/sustainability/society/human_rights.html					
	Child Labor Prevention Policy	Yes	Included in Human Rights Policy					
	Forced Labor Prevention Policy	Yes	Included in Human Rights Policy					
	Non-Discrimination Policy	Yes	Included in Human Rights Policy					
	Procurement Policy / Procurement Guidelines	Yes	https://www.gakken.co.jp/ja/sustainability/activity/partner.html					
Charter	Gakken Group Charter for the Children	Yes	https://www.gakken.co.jp/ja/about/philosophy/children.html					
		Unit	Sept./2022	Sept./2023	Sept./2024	Sept./2025		
Number of employees		Persons	22,060	28,161	29,184	30,546		
	Male	Persons	6,971	9,932	9,953	10,363		
	Female	Persons	15,089	18,229	19,231	20,183		
	Percentage of female employees	%	68.4	64.7	65.9	66.1		
Of which, permanent employees		Persons	8,341	9,437	9,583	10,150		
	Male	Persons	3,453	4,076	4,192	4,497		
	Female	Persons	4,888	5,361	5,391	5,653		
	Percentage of female permanent employees	%	58.6	56.8	56.3	55.7		
Age structure	Under 20	%	5.1	6.5	6.0	6.1		
	20s	%	23.2	25.8	23.5	22.8		
	30s	%	14.2	12.9	12.4	13.0		
	40s	%	18.2	16.8	18.0	16.2		
	50s	%	20.5	20.1	20.7	21.0		
	60s	%	13.0	12.5	13.6	14.6		
	70s	%	5.5	5.1	5.5	5.9		
	80s	%	0.3	0.3	0.3	0.4		
Average age		Years old	43.2	42.1	43.2	43.6		
	Male	Years old	39.0	37.8	38.7	39.1		
	Female	Years old	45.1	44.4	45.5	45.9		

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	Unit	Sept./2022	Sept./2023	Sept./2024	Sept./2025	Notes
Average years of service	Years	4.3	4.5	4.7	4.8	
	Male	Years	5.5	5.5	5.7	5.6
	Female	Years	3.8	3.9	4.2	4.4
Of which, permanent employees	Years	6.2	6.7	7.0	7.0	
	Male	Years	8.2	8.6	8.5	8.2
	Female	Years	4.9	5.3	5.8	6.0
Number of new graduates hired	Persons	296	315	202	235	Total is for regular employees only. Overseas subsidiaries are not included.
	Male	Persons	101	124	72	82
	Female	Persons	195	191	130	153
	Percentage of female new graduate recruitment	%	65.9	60.6	64.4	65.1
Number of experienced hires	Persons	2,199	2,039	1,735	1,009	Total is for regular employees only. Overseas subsidiaries are not included.
	Male	Persons	528	503	516	412
	Female	Persons	1,671	1,534	1,219	597
	Percentage of female experienced hires	%	76.0	75.2	70.3	59.2
Turnover rate	%	11.7	12.9	12.0	13.0	Total is for regular employees only. Overseas subsidiaries are not included. Excluding Great Learnings and Technologies (GLATS) Cebu, Inc. As of June 1 for each year • The FYE Sept./2022 and FYE Sept./2024 data include a total of 10 companies (including one special subsidiary), comprising Gakken Holdings Co., Ltd. and Group certified companies. • The FYE Sept./2023 and FYE Sept./2025 data include a total of 17 companies (including one special subsidiary), comprising Gakken Holdings Co., Ltd. and Group certified companies.
Percentage of employees with disabilities	%	2.42	2.56	2.75	2.87	The first (FYE 2021) engagement survey (eNPS) was –60.2%. An engagement survey was not conducted in FYE Sept./2022. In the case of directors holding concurrent positions in more than one company, the total number of directors is counted.
Engagement Survey	Engagement score (eNPS)	%	-63.6	-64.1	-64.4	
Number of executives	Persons	344	360	370	385	
	Male	Persons	291	311	317	319
	Female	Persons	53	49	53	66
	Percentage of female executives	%	15.4	13.6	14.3	17.1

	Unit	Sept./2022	Sept./2023	Sept./2024	Sept./2025	Notes
Number of managerial positions	Persons	1,201	1,443	1,586	1,581	
	Male	Persons	791	982	1,065	1,018
	Female	Persons	410	461	521	563
	Percentage of women in managerial positions	%	34.1	31.9	32.8	35.6
Number of persons by position/ Percentage of male and female	Department manager and above	Persons	199	202	237	324
	Male	%	84.4	85.1	81.9	76.9
	Female	%	15.6	14.9	18.1	23.1
	Section manager and above	Persons	573	698	755	899
	Male	%	64.7	67.0	66.4	64.6
	Female	%	35.3	33.0	33.6	35.4
	Assistant manager and above	Persons	817	853	909	1,196
	Male	%	63.0	61.5	60.9	58.5
	Female	%	37.0	38.5	39.1	41.5
Difference in wages between men and women	All employees	%	74.1	79.8	76.7	79.5
	Permanent employees	%	81.5	79.9	82.1	85.7
	Other than permanent employees	%	115.4	127.3	88.4	92.9
Employees taking childcare leave	Percentage of employees taking childcare leave					Overseas subsidiaries are not included.
	Male	%	17.2	41.9	43.3	73.6
	Female	%	87.0	84.6	91.7	104.1
	Average number of days of childcare leave taken					
	Male	Days	61.0	82.3	85.3	60.9
	Female	Days	290.0	311.8	319.8	351.8
Average overtime hours	Average overtime hours per month	Hours	10.5	5.6	7.8	6.5

* Unless otherwise noted, employees include permanent employees, fixed-term employees, contract employees, temporary employees, and part-time employees. Executives, temporary employees whose employment contracts are with companies outside the Gakken Group, and employees seconded from outside the Gakken Group are excluded. Employees seconded to outside the Gakken Group are included.
* ICHISHIN Group's personnel data is based on August 31, 2025.

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Policy	Anti-Corruption Policy	Yes	https://www.gakken.co.jp/ja/sustainability/management/policy/anti_corruption.html					
	Tax Policy	Yes	https://www.gakken.co.jp/ja/sustainability/management/policy/tax_policy.html					
	Compliance Code	Yes	Not disclosed (included in booklet for employees)					
	Information Security Policy	Yes	Not disclosed					
	Business Continuity Plan (BCP)	Yes	Not disclosed					
	Corporate Governance Guidelines	Yes	https://www.gakken.co.jp/ja/ir/management/governance/main/0/teaserItems1/00/linkList/0/link/20240510_CGGuideline.pdf					
		Period	Sept./2021	Sept./2022	Sept./2023	Sept./2024	Sept./2025	
Corporate Governance	Status of Hotline Reporting		27 cases	38 cases (0 serious violations)	31 cases (0 serious violations)	31 cases (0 serious violations)	47 cases (0 serious violations)	
	Trends in GRC Training Participants (For all directors and employees of the Group)*1	Number of target persons	16,069	16,828	17,316	18,735	19,567	
		Number of persons who have completed the course	16,069	16,828	17,316	18,735	19,567	
		Completion rate	100%	100%	100%	100%	100%	
	Number of respondents to the Gakken Compliance Code Retention Survey	Number of employees responding	3,723	—	11,086	—	10,189*2	
		Response rate	97.4%	—	60.1%	—	49.3%	
			Total (persons)		Male (%)		Female (%)	
	Number of Gakken Holdings Directors		10 persons		90%		10%	

*1. Number of participants in GRC training (for all directors and employees of the Group)
Officers and employees of the following companies are excluded from the total or partial count.
・ Companies that conduct training approved by the Group by themselves
・ Companies that provide information to foreign employees separately
・ Companies that do not use e-learning systems (implemented in principle with offline learning materials)

*2. Number of respondents to the Gakken Compliance Code Retention Survey for FYE Sept./2025 and the breakdown
(Number of respondents who used e-learning system) Target participants: 4,306 persons / Responded participants: 3,851 persons / Response rate: 89.4%
(Number of respondents who used the questionnaire form tool) Target participants: 16,331 persons / Responded participants: 6,333 persons / Response rate: 38.8%
Conducted from August 1, 2025 to October 20, 2025.
The questionnaire form tool users are employees who do not rent PCs or smartphones from each company.

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						* As of September 2025	
Company Name (Trade Name)	GAKKEN HOLDINGS CO., LTD.	Head office address	11-8, Nishi-Gotanda 2-chome, Shinagawa-ku, Tokyo 141-8510, Japan TEL : 03-6431-1001 (Switchboard)		Share capital	19,817,453,638 yen	
		Representative	Hiroaki Miyahara, President, Representative Director		Closing Date	September 30	
Established	March 31, 1947	Number of employees	30,546 persons		Home Page URL	https://www.gakken.co.jp	

List of Gakken Group Companies

GAKKEN HOLDINGS CO., LTD.

82 consolidated subsidiaries *25 non-consolidated subsidiaries As of September 2025

● Education Domain				● Others	
ICHISHIN HOLDINGS CO., LTD.		Gakken Educational Co., Ltd.		Gakken Logistics Co., Ltd.	
ICHISHIN CO., LTD.		Gakken Link Co., Ltd.		Gakken (Hong Kong) Co., Ltd.	
NPS NARITA YOBIKO CO., LTD.		Gakken Method Co., Ltd.		Gakken Products Support Co., Ltd.	
Ryoma Shingaku Kenkyukai Y.K.		Gakken L Staffing Co., Ltd.		IC Net Limited	
IGH CO., LTD.		Gakken Study et Co., Ltd.		Gakken Turkey Innovative Education A. S.※	
ICHISHIN TOKYO CO., LTD.		WASEDA SINGAPORE PTE.LTD.		Gakken LEAP Co., Ltd.	
KOGAKUSYA CO., LTD.		Gakken Bunkyo Co., Ltd.		Gakken Smile Heartful Co., Ltd. *	
IBASHIN HOLDINGS CO., LTD.		GAKKEN STUDY ET VIETNAM CO.,LTD.		Gakken Ace Education Co.,Ltd.※	
IBASHIN CO., LTD.		GAKKEN STUDY ET CALIFORNIA,INC.※		Gakken Asia Pacific Pte.Ltd. ※	
KEIAI CO., LTD.		Sozogakuen Co., Ltd.		Gakken Education Malaysia Sdn.Bhd.※	
LIVE CORE SUPPORT CO., LTD.		Do Quest Co., Ltd.*		GAKKEN EDUCATION	
ICHISHIN LABO CO., LTD.		Sozogakuenkobetu Co., Ltd.*		HONG KONG COMPANY LIMITED※	
WINGNET CO., LTD.		Waseda School Co., Ltd.		Gakken Shanghai Trading Co., Ltd.*	
JAPAN LIME CO., LTD.		ING Co., Ltd.		Bend Co., Ltd.*	
I WING TRAVEL CO., LTD.		ZENKYOKEN Co., Ltd.		Gakken CC Inc.*	
EDO CULTURAL CENTER CO., LTD.		Koto Shingakujuku Co., Ltd.		GPlusMedia Inc.*	
ICHISHIN WELFARE CO., LTD.		Bunri Gakuin Co., Ltd.		Dovetail Inc.*	
YUI CO., LTD.		syoei-juku Co.,LTD*		DTP Education Solutions JSC	
TOP CARE SCIENCE CO., LTD.		NE Holdings Co., Ltd.		Education Solutions Viet Nam Co.,Ltd.	
ICHISHIN WELFARE CHIBA CO., LTD.		GI Village Co., Ltd.*		Education Software Vietnam Co.,Ltd	
ICHISHIN ASSIST CO., LTD.		Rise CO.,LTD.*		EDPUB Pte.Ltd	
ICHISHIN CONSULTING CO., LTD.		BUNRI Co., Ltd.		DTP Education Technology Co.,Ltd.	
ICHISHIN INDIA CONSULTANT PRIVATE LIMITED		Beacon Co., Ltd.*			
HONG KONG ICHISHIN LIMITED		Gakken Inc.			
NEW FAME LIMITED		Arukikata Co., Ltd.			
ShiJinYingHua (Beijing) International Education Consulting Co., Ltd. *		Kirihara Shoten K.K.			
JUN-IE International Education Service (Shenzhen) Co., Ltd. *		Gakken LX Co., Ltd.			
		Asahi-Gakken ThinQuest Co.*			
		Gakken Medical Support Co., Ltd.			
Gakken Kyoiku Holdings Co., Ltd.		Gats Co., Ltd.			
		GREAT LEARNINGS AND TECHNOLOGIES (GLATS) CEBU,INC.			
		TOKYO GLOBAL GATEWAY Co., Ltd.			
		TOASU Co., Ltd.			
		Thanks-Partners Co., Ltd.			
		Gakken Advance Co., Ltd.			
		Gakken SEED Co., Ltd.			
		● Healthcare and Nursing Domain			
		Gakken Cocofump Co., Ltd.			
		Grand Uni Life Care Service Co., Ltd.			
		Gakken Cocofump Nursery Co., Ltd.			
		Gakken Intelligence Co., Ltd.			
		SYSCARE Co., Ltd.			
		Gakken Cocofump Nursing Co., Ltd.			
		Medical Care Service Inc.			
		Medical Care Service Hokkaido Inc.			
		Medical Care Service Tohoku Inc.			
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		Medical Care Service Tokai Inc.			
		Medical Care Service Kansai Inc.			
		Medical Care Service Shikoku Inc.			
		Medical Care Service Kyushu Inc.			
		Medical Care Service Mie Inc.			
		Medical Care Service Fukushima Inc.			
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		Property Care Partners Co., Ltd.			
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		Gerok Inc.*			

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