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Notice Concerning the Formulation of the Medium-Term Management Plan

Guided by its educational philosophy of “*Honki de Yaruko wo Sodateru*” (fostering students who always give their all), WASEDA ACADEMY CO., LTD. (the “Company”) and its subsidiaries (collectively, the “Group”) have strived to provide high-quality educational services by balancing two key pillars: the “intrinsic value” of a tutoring school, which focuses on improving academic performance and helping students gain admission to their schools of choice, and our unique “*Wase Kachi*” (Waseda Academy essential value – the skills and mindsets to build an enriched and fulfilling life).

With a view to transitioning to a new stage of growth, the Group hereby announces that it has formulated a three-year medium-term management plan covering the fiscal years ending March 31, 2027 through March 31, 2029. The details are described below.

1. Overview of the medium-term management plan

We have set a long-term vision of becoming “Japan’s leading private education company,” and aim to first achieve our goal of becoming “Japan’s top tutoring school.”

Building on the “Admissions-Results-Driven Strategy,” which is our core strategy, we will implement the following initiatives.

[Business Strategy (Three Pillars)]

- (i) Further expansion of regular courses (offering classroom teaching for junior high and high school entrance exams)
- (ii) Strengthening the university entrance exam preparation and private tutoring divisions (maximizing LTV)
- (iii) Promoting the expansion of the inorganic sector

[Strategies by Function]

- (i) Human capital strategy
- (ii) DX strategy
- (iii) Financial strategy

2. Business Strategy

- (i) Further expansion of regular courses (offering classroom teaching for junior high and high school entrance exams)

In addition to our proven track record of helping students gain admission to the highly selective high schools in the Tokyo metropolitan area, we are focusing our efforts on making “WASEDA ACADEMY the first choice” for students preparing for selective junior high school entrance exams in the region, with the goal of further expanding our market share.

- (ii) Strengthening the university entrance exam preparation and private tutoring divisions (maximizing LTV)

In the “University Entrance Exam Department” and “Private Tutoring Division,” areas with significant room for growth in terms of revenue share, we will implement a “reverse L-shaped growth strategy” to strengthen “connection with students taking our standard courses,” thereby focusing on the improvement of service quality and accelerating their growth.

- (iii) Promoting the expansion of the inorganic sector

To realize our medium- to long-term vision, we will proactively explore M&A and alliances from three key perspectives:

- Expanding our business scope through complementary partnerships with cram schools that offer potential synergies
- Increasing LTV by developing services tailored to every life stage, from early childhood through to adulthood
- Implementing growth initiatives through the expansion of digital transformation

Through these efforts, we will accelerate our growth investments.

3. Strategies by Function

- (i) Human capital strategy

Through strategic investment in human capital, including improved employee benefits and expanded training and development programs, we will enhance our ability to deliver value. In addition, by establishing a robust alumni network, particularly among our graduates, we will strengthen our framework for securing top talent.

- (ii) DX strategy

We will expand our ICT infrastructure and promote the use of AI to facilitate a gradual transition from “IT for improvement” to “IT for transformation,” striving to maximize value creation through both the customer experience and our productivity.

- (iii) Financial strategy

We will utilize the operating cash flow and our cash and cash equivalents to proactively explore growth investments, including investments in existing businesses, the establishment of foundations for our human capital and DX strategies, and inorganic growth strategies such as M&A. Regarding shareholder returns, while maintaining stable dividends as our fundamental policy, we aim for a dividend payout ratio of 50% or higher and will consider raising the dividend level in accordance with our earnings performance.

4. Consolidated Financial Targets

	Fiscal year ending March 31, 2027	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029
Net sales	¥40.52 billion	¥43.00 billion	¥46.00 billion
Ordinary profit	¥4.27 billion	¥4.50 billion	¥4.70 billion
Ordinary profit to net sales ratio (%)	10.5%	10.5%	10.2%
ROE (%)	15.9%	16.2%	15.6%

Note: The performance targets and other information set forth above are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these targets will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Through the steady implementation of this medium-term management plan, we will strive to achieve sustained business growth and enhance corporate value.

* For details on the medium-term management plan (in Japanese), please refer to the link below.

https://ssl4.eir-parts.net/doc/4718/ir_material2/99990/00.pdf