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Company Information

SEC Registration No.: PW00000538
Company Name: FAR EASTERN UNIVERSITY, INCORPORATED DOING BUSINESS UNDER THE NAME AND STYLE OF FAR EASTERN UNIVERSITY
Industry Classification: M81490
Company Type: Stock Corporation

Document Information

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended

   Nov 30, 2025

2. SEC Identification Number

   PW538

3. BIR Tax Identification No.

   000-225-442

4. Exact name of issuer as specified in its charter

   FAR EASTERN UNIVERSITY, INC.

5. Province, country or other jurisdiction of incorporation or organization

   Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   Nicanor Reyes Street, Sampaloc, Manila

   Postal Code

   1015

8. Issuer's telephone number, including area code

   0288494000

9. Former name or former address, and former fiscal year, if changed since last report

   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	24,055,763

11. Are any or all of registrant's securities listed on a Stock Exchange?

   ☑ Yes ☐ No

   If yes, state the name of such stock exchange and the classes of securities listed therein:

   Philippine Stock Exchange, Inc.

12. Indicate by check mark whether the registrant:

   (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☑ Yes ☐ No

(b) has been subject to such filing requirements for the past ninety (90) days

☑ Yes ☐ No

Far Eastern University, Incorporated
FEU

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Nov 30, 2025
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Nov 30, 2025	May 31, 2025
Current Assets	7,313,558,167	6,273,602,554
Total Assets	20,799,441,168	19,284,137,714
Current Liabilities	3,635,386,688	2,574,900,925
Total Liabilities	4,226,037,970	3,291,408,247
Retained Earnings/(Deficit)	10,992,533,657	10,762,782,561
Stockholders' Equity	16,573,403,198	15,992,729,467
Stockholders' Equity - Parent	13,282,775,362	13,009,567,470
Book Value per Share	555.77	540.81

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,848,795,431	1,721,756,852	2,519,185,597	2,337,859,210
Gross Expense	1,156,461,214	1,025,847,056	1,981,221,901	1,779,391,677
Non-Operating Income	119,389,569	124,067,605	205,929,461	250,958,125
Non-Operating Expense	19,449,992	1,751,033	36,369,810	69,993,717
Income/(Loss) Before Tax	792,273,794	818,226,368	707,523,347	739,431,941
Income Tax Expense	67,261,595	69,387,156	72,488,241	88,045,213
Net Income/(Loss) After Tax	725,012,199	748,839,212	635,035,106	651,386,728
Net Income Attributable to Parent Equity Holder	701,569,416	729,584,112	614,643,304	629,823,339
Earnings/(Loss) Per Share (Basic)	29.35	30.52	25.72	26.35
Earnings/(Loss) Per Share (Diluted)	29.35	30.52	25.72	26.35

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	85.31	82.77
Earnings/(Loss) Per Share (Diluted)	85.31	82.77

Other Relevant Information
Please see attached FEU Quarterly Report for 2nd quarter ending 30 November 2025.

Filed on behalf by:

Name	Anthony Raymond Goquingco
Designation	Corporate Secretary and Compliance Officer

COVER SHEET

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S.E.C. Registration Number

F A R E A S T E R N U N I V E R S I T Y ,

I N C O R P O R A T E D

(Company's Full Name)

N I C A N O R R E Y E S S T R E E T

S A M P A L O C , M A N I L A

(Bussiness Address : No. Street City / Town / Province)

Atty. Anthony Raymond A. Goquingco

Contact Person

8 849-4000

Company Telephone Number

SEC Form 17- Q Quarterly Report

Ending November 30, 2025

FORM TYPE

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Month	Day

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Month	Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended articles Number/Section

Total Number of Barrowings

1,535

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personel concerned

File Number

L C U

Dicument I. D.

Cashier

S T A M P S

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FAR EASTERN UNIVERSITY

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SEC RULE 17 (2) (b) THEREUNDER

1.	For the Quarter period ended	**November 30, 2025**
2.	SEC Identification Number	**538**
3.	PSE Code	
4.	BIR Tax Identification No.	**000-225-442**
5.	Exact Name of Registrant as specified in its charter	**Far Eastern University, Incorporated**
6.	Province, Country or other jurisdiction of Incorporation or organization	**Philippines**
7.		(SEC use only)
8.	Address of Principal Office	**Nicanor Reyes Street, Sampaloc, Manila**
	Postal Code	**1015**
9.	Registrant's Telephone Number including Area Code	**(632) 8-849-4000**

10. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱100.00 par value	**24,055,763**
Bond with Non-Detachable Warrant, ₱1.00 per unit	**Not Applicable**

12. All of these common securities are listed with the Philippine Stock Exchange, Inc.

13. Has filed all reports required during the preceding 12 months (or for such shorter period required to file such reports):

    a) Sections 17 of the Code and SRC Rule 17

    Yes [x] No [ ]

    b) Sections 26 and 141 of the Corporation Code of the Philippines

    Yes [x] No [ ]

Financial Information

Item 1. Quarterly Financial Statements attached.

FAR EASTERN UNIVERSITY, INCORPORATED

Rosanna E. Salcedo

ROSANNA E. SALCEDO
Chief Finance Officer
and Treasurer

Manila
13 January 2026

Management's Discussion and Analysis

Far Eastern University, Incorporated (FEU) and its subsidiaries (the Group, or FEU Group of Schools) reported a slight decline in operating income and net income for the six-month results for the school year (SY) 2025-2026.

Revenue grew by 8% on account of strong new student intake and good retention levels in the upper years. This attests to the sustained interest for the University's academic programs across its campuses and affiliate schools. This increase in student population contributed to higher consolidated revenues for the period, with tuition and other school fees remaining the primary sources of growth.

Operating expenses increased over the reported comparative period as FEU strongly supported its strategic targets of personnel development, investments in data analysis, expansion of key existing and new programs and support of new sites which are all expected redound in greater student interest in FEU.

The University also continued to benefit from its ancillary services and other income streams, which performed within expected levels. Overall, the Group maintained a sound financial position, supported by prudent cost management and disciplined execution of academic and operational initiatives.

The succeeding sections provide detailed discussions on revenue performance, operating expenses, financial condition, liquidity, and significant developments affecting the University's operations for the period.

Consolidated Financial Position

As of November 30, 2025, the Group maintained a solid and stable consolidated financial position, supported by prudent expense management, efficient resource utilization, and consistent revenue contributions from its affiliated schools and subsidiaries, while continuing to pursue strategic expansion opportunities.

Over the years, the Group has consistently demonstrated growth in total assets, supported by responsible management of liabilities. This approach has led to a steady increase in stockholders' equity, reinforcing the Group's ability to deliver long-term value to its shareholders.

(Amounts in millions)	**November 30, 2025**	**May 31, 2025**	**Increase/ (Decrease)**	**Variance (%)**
Total Assets	₱ 20,799.4	₱ 19,284.1	₱ 1,515.3	7%
Total Liabilities	4,226.0	3,291.4	934.6	28%
Equity	16,573.4	15,992.7	580.7	3%

As of November 30, 2025, the Group's consolidated total assets increased by P1,515.3 million or 7%, reaching P20,799.4 million, compared to P19,284.1 million as of May 31, 2025. This growth was primarily driven by a significant increase in current assets, particularly student receivables and short-term placements, in line with the enrollment cycle for the first semester of academic year 2025–2026.

Consolidated total liabilities rose by P934.6 million or 28%, amounting to P4,226.0 million from P3,291.4 million. The increase in total current liabilities of 41% amounting to P3,635.4 million from P2,574.9 million is primarily attributable to deferred tuition revenues, while non-current liabilities were reduced by P125.8 million or 18% amounting from P716.5 million to P590.6 million as a result of the repayment of loan obligations.

The increase in consolidated total assets was primarily attributable to higher student receivables arising from the normal cycle of student enrollments. Correspondingly, consolidated total liabilities increased mainly due to deferred tuition revenue associated with the same enrollment cycle. Both student receivables and deferred tuition revenue are expected to decrease by the end of the current semester as tuition payments are collected and instructional services are delivered.

Consolidated total equity grew by P580.7 million or 3%, reaching P16,573.4 million from P15,992.7 million. The increase was primarily due to the consolidation of Higher Academia Inc. (*doing business under the name and style of FEU Pampanga*), as a subsidiary, previously accounted for as an investment in associates. This reflects the Group's continued expansion and investment in affiliated educational institutions.

During the period, the Board of Directors declared a cash dividend of P16 per share totaling P384.9 million, which was paid on October 16, 2025 to shareholders of record as of September 30, 2025. The dividend was funded from operating cash flows and reflects the Company's strong liquidity position and stable financial performance. Management believes the dividend is appropriate and consistent with the Company's capital management strategy.

Overall, the Group's financial position remains stable and adequately capitalized, supported by regular increases in receivables and cash flows from student enrollments, along with continued efforts toward steady growth.

Significant changes in real accounts as of November 30, 2025 compared to May 31, 2025 are described below.

Cash and Cash Equivalents decreased, mainly because of dividend payments to shareholders and placements of additional investments, partially offset by cash generated from operating activities.

Trade and Other Receivables rose in line with tuition fee assessments from student enrollments for the first semester of SY 2025–2026.

Other Current Assets expanded due to additional short-term investment placements made during the period.

Deferred revenues represent the assessed tuition fees which will be realized as income over the course of the school year. The balance as of May 31, 2025 consists of the advance payments by incoming freshmen who enrolled early or paid in full, for the incoming 1st term, SY 2025-2026.

Trade and Other Payables decreased due to the usual timing of accruals and payments to suppliers and service providers.

Interest-Bearing Loans declined following scheduled repayments of principal obligations.

The growth in student population translated to higher revenues from tuition, coupled with disciplined cost management and continued implementation of efficiency measures, the Group achieved a stable financial position during the period.

Consolidated Results of Operation

(Amounts in millions)	November 30, 2025	November 30, 2024	Increase/ (Decrease)	Change (%)
Revenues	₱ 2,519.2	₱ 2,337.9	₱ 181.3	8%
Operating expenses	1,981.2	1,779.4	201.8	11%
Operating income	538.0	558.5	(20.5)	(4%)
Other income	169.6	181.0	(11.4)	(6%)
Income before tax	707.5	739.4	(31.9)	(4%)
Net income	635.0	651.4	(16.4)	(3%)

For the six months period ended November 30, 2025, the Group recorded revenues of P2,519.2 million, representing an increase of P181.3 million or 8% compared with P2,337.9 million in the prior year. The increase in revenues was primarily attributable to the higher number of enrolled students. The improvement was consistent across major subsidiaries, with FEU Institute of Technology, FEU Cavite, and FEU Roosevelt contributing the most to the consolidated revenue growth.

Despite the growth in revenues, operating expenses increased by P201.8 million or 11%, rising from P1,779.4 million in 2024 to P1,981.2 million in 2025. The faster growth in operating expenses relative to revenues was mainly due to higher operating costs, which resulted in a decline in operating income by P20.5 million or 4%, from P558.5 million to P538.0 million.

Other income decreased by ₱11.4 million or 6%, further impacting overall profitability. Consequently, income before tax declined by ₱31.9 million or 4%, from ₱739.4 million in 2024 to ₱707.5 million in 2025.

After accounting for taxes, net income decreased by ₱16.4 million or 3%, from ₱651.4 million in the prior year to ₱635.0 million in 2025. While the FEU Group achieved revenue growth during the year, the increase in operating expenses and the decline in other income resulted in lower net earnings. Management continues to focus on cost management initiatives and operational efficiencies to improve profitability in future periods.

Below are the main operating expenses with significant changes during the three months ending November 30, 2025 and 2024.

Salaries and Employee Benefits increased due to a rise in the number of teaching and non-teaching personnel to support growing enrollment, along with wage adjustments both mandated by statutory wage orders and merit increases and performance appraisal adjustments.

Depreciation and Amortization recorded a higher depreciation expense resulting from the completion and capitalization of new buildings and facilities, which include recent renovations and infrastructure upgrades across campuses.

Licenses and Subscriptions costs rose due to the acquisition of new learning and administrative platforms such as Canvas, Edusuite, Envoy, and IDP's new English proficiency test. These investments help the Group improve its digital tools and support its goal of providing better service to students.

Repairs and Maintenance increase was driven by maintenance and improvement works undertaken across various school buildings on all campuses.

Others – included here is the donation to the FEU Public Policy Center Foundation, Inc., reflecting the University's commitment to strengthening its research arm.

The period was marked by strategic investments in digital learning infrastructure, faculty development, and initiatives to enhance student experience, aligned with FEU's long-term objective of developing globally competitive graduates. While these investments, together with a decline in other income, contributed to higher operating expenses and a modest decrease in net income, the University achieved sustained enrollment growth and maintained a strong financial position. Despite an increasingly competitive higher education environment, FEU remained financially stable and continued to reinforce its position as a leading institution in Philippine tertiary education.

Key Performance Indicators (KPIs)

Financial Indicators

Shown below and on the next page are the top financial KPIs after only six months of operation and used to measure the operating performance of the Group:

Indicators	Formula	November 30, 2025 *(Six Months)*	May 31, 2025 *(One Year)*	May 31, 2024 *(One Year)*
PROFITABILITY RATIOS				
Return on assets	Net Income / Average Total Assets	3.17%	11%	11%
Return on equity	Net Income / Average Total Equity	3.9%	13%	14%
Earnings per share	Net Income / Average Outstanding Shares	₱ 25.72	₱ 85.94	₱ 81.13
LIQUIDITY RATIOS				
Current ratio or Working capital ratio	Total Current Assets / Total Current Liabilities	2.01 : 1	2.44 : 1	1.88 : 1
Acid test ratio or Quick ratio	Cash and cash equivalents + Trade and Other Receivables + Investments in Financial Assets (Current) / Total Current Liabilities	1.62 : 1	2.28 : 1	1.79 : 1
SOLVENCY/FINANCIAL LEVERAGE RATIOS				
Debt-to-asset ratio	Total Liabilities / Total Assets	20%	17%	21%
Equity-to-asset ratio	Total Stockholders' Equity / Total Assets	80%	83%	79%
Debt-to-equity ratio	Total Liabilities / Total Stockholders' Equity	26%	21%	26%
Asset-to-equity ratio	Total Assets / Total Stockholders' Equity	126%	121%	126%
Interest coverage ratio	Earnings Before Interest and Taxes (EBIT) / Interest Charges	21.53	27.90	21.04

Non-Financial Indicators

The Group also looks at certain non-financial KPIs to measure its performance:

Service Standards

In the area of quality assurance, the FEU Group of Schools remains steadfast in its commitment to academic excellence. The Group continues to strengthen the competitiveness and industry relevance of its academic programs by securing appropriate program accreditations from government regulators as well as from reputable local and international accrediting organizations.

While the Group's principal mission is to broaden access to quality education, FEU also places significant emphasis on the research contributions of its faculty members. These scholarly outputs not only reflect the depth of expertise and breadth of interests of the teaching staff but also enrich the academic environment, ensuring that knowledge generated is effectively shared with and benefits the student community.

FEU Manila and FEU Tech sustained their strong academic and institutional standing in 2025, underscored by continued recognition in the QS Asia University Rankings and the retention of AUN Institutional Accreditation for both campuses. These distinctions reflect FEU's consistent delivery of quality education and its growing international competitiveness.

Academic excellence remained a key performance driver. FEU achieved an exceptional 99.14% passing rate in the November 2025 Nurses Licensure Examination and a 95.03% passing rate in the September 2025 Board Licensure Examination for Psychometricians, significantly exceeding national averages and reinforcing the University's effectiveness in outcomes-based education.

FEU Tech further strengthened its global academic credibility after being recognized as a Tier 1 Engineering Institution by the Philippine Technological Council – Accreditation and Certification Board for Engineering and Technology (PTC-ACBET), a full signatory to the Washington Accord. This recognition grants international degree equivalency to five engineering programs, enhancing graduate mobility and employability worldwide.

Beyond academics, FEU demonstrated excellence in athletics. Tamaraw student-athletes secured three UAAP Season 88 championships to date, winning titles in Women's Athletics (Track and Field), Women's Table Tennis, and Women's Football, showcasing the University's holistic approach to student development.

Institutional performance was further affirmed through external recognitions. FEU was named among the Philippines' Best Employers for 2026 by the *Philippine Daily Inquirer–Statista*, reflecting a strong, people-centered workplace culture. The University also received the Golden Arrow Award anew, reinforcing its commitment to responsible, transparent, and ethical corporate governance.

In terms of social impact, last October 2025, FEU was selected as one of the national winners of the PMAP People Program of the Year Award for its Bread of HOPE initiative, which empowers women persons deprived of liberty (PDLs) by restoring their dignity through bakery skills training and livelihood opportunities. This recognition highlights FEU's sustained commitment to inclusive growth, social responsibility, and meaningful community engagement.

Market Acceptability

The number of students under the management of the FEU Group of schools continues to grow, reflecting good market acceptability and its performance and organic growth and partnerships.

Enrollment growth has been supported by a number of strategic initiatives. The FEU Group now offers over 150 varied academic programs, including recently introduced courses or specializations in healthcare, business and artificial intelligence, which are aligned with emerging industry demands. Continuous enhancement of the University's curriculum to address the skills gap in the Philippine workforce will ensure that FEU graduates remain competitive in a rapidly evolving labor market. Accessibility and affordability are part of FEU's mission and hence, for SY 2025 – 2026 no tuition fee increase was implemented.

A Look At What Lies Ahead

The Philippine economy is forecasted to deliver resilient growth in 2026, with gross domestic product (GDP) expansion forecasted between 5.6% to 5.7%, supported by low interest rates on account of controlled inflation. External risks however abound, such as global trade slowdowns, and locally, the ongoing corruption investigations both of which are resulting in social and political polarization.

Government support for education remained robust, as reflected in the over ₱1 trillion allocation for the sector in the 2026 national budget, underscoring education's continued priority in national development. Despite this significant funding commitment, early indicators point to sector-wide challenges, particularly in basic education.

National enrollment in basic education declined by 7.8%, falling from approximately 27.0 million learners to 24.9 million in 2025, reflecting the impact of economic pressures on households, shifting demographic patterns, and affordability concerns across the sector.

In contrast, FEU's basic education segment demonstrated notable resilience, posting a 4% increase in enrollment. This outperformance relative to the national trend highlights sustained parental confidence in FEU's academic quality, learning continuity, and student support systems, reinforcing the strength of the FEU brand in the basic education market.

Looking ahead, the education landscape continues to evolve. The Strengthened Senior High School (SHS) Curriculum, scheduled for pilot implementation in School Year 2025–2026, represents a major reform initiative aimed at streamlining and modernizing the SHS program to better prepare graduates for higher education, employment, and entrepreneurship.

FEU Roosevelt and FEU Pampanga were selected as pilot institutions for the implementation of the new SHS curriculum. Both campuses are fully prepared to operationalize the revised framework, supported by curriculum alignment initiatives, faculty readiness programs, and learning resource enhancements. Participation in this pilot positions FEU at the forefront of curriculum innovation and reinforces its role as a trusted partner in national education reform.

The higher education landscape continues to be reshaped by rapid digitalization, supported by government initiatives and private sector investments that have improved connectivity and digital infrastructure nationwide. Expanded access to virtual classrooms and online learning platforms has enabled greater participation, including from remote areas, while growing demand from working professionals and adult learners underscores the need for flexible, technology-enabled education. With the Philippine online education market expected to grow significantly, these trends present both challenges and opportunities for institutions that can effectively adapt and innovate.

Far Eastern University enters fiscal year 2026 with a strong position built on its reputation for academic excellence, prudent financial management, and continued investments in innovation. The University is well-prepared to respond to sector-wide challenges and to take advantage of new opportunities through the following strengths:

- **Established Brand and Academic Reputation -** For nearly a century, FEU has been recognized for delivering quality education that balances academic rigor with industry relevance. This reputation continues to attract students and strengthen the University's standing as one of the country's leading private institutions.

- **Strong Enrollment Base and Network of Campuses** - FEU's diverse network of campuses across Metro Manila and the Luzon region ensures accessibility and growth opportunities, supporting a stable enrollment base even amid a competitive environment.

- **Strategic Investment in Digital and Blended Learning -** FEU has steadily expanded its digital platforms and is prepared to scale further in response to the rapid growth of online education. This positions the University to reach new student segments, including working professionals and learners outside traditional urban centers.

- **Financial Stability and Operational Resilience** - Through disciplined financial management, FEU maintains a solid financial position and sustainable revenue streams. This financial resilience provides the capacity to fund infrastructure development, support academic innovations, and strengthen institutional capabilities.

As FEU approaches its centennial, it expects to operate in an environment of modest but steady economic growth, with continued government support for education and accelerated digital transformation in the sector. While challenges remain, FEU's strong reputation, financial stability, and forward-looking strategy position it well for sustained growth.

The University continues to invest in campus modernization, student services, and faculty development to deliver a holistic student experience and develop graduates with competence, integrity, and leadership. By building on its core strengths and pursuing innovation in curriculum, delivery, and partnerships, FEU is well-positioned to reinforce its role as a leading higher education institution in the Philippines.

Other Items

1. There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons which are created during the reporting period.

2. There are no known events that would result in any default or acceleration of an obligation.

3. Other than those disclosed in the financial statements, there are no other known events that will trigger direct or contingent financial obligation that may be material to the Group.

4. The Group does not foresee any cash flow or liquidity problem in the next 12 months immediately following the report date. The Group and each of the component entities can easily meet all its commitments with its present reserves and expected earnings.

5. There are no significant elements of income or loss from continuing operations, and there are no sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction, other than those disclosed in the financial statements.

6. Seasonal aspects that have material effect on the financial statements:

   For the University, and the tertiary levels of FEU Cavite, and FEU Roosevelt, there are three school terms within a fiscal year: Midyear Term (June to July), First Semester

(August to December) and Second Semester (January to May).

The first semester has the highest number of students enrolled. For the second semester, the enrollment is approximately 90% of the first semester's enrollment, while the midyear term is the lowest at an approximate of 33%.

For the tertiary levels of FEU Tech and FEU Alabang, there are three regular terms in a fiscal year: First Term (August to November), Second Term (November to March) and Third Term (March to June).

7. The Group's segment information is disclosed in Note 4 of the Consolidated Notes to Financial Statements

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2025 AND MAY 31, 2025
(Amounts in Philippine Pesos)

		November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	P	**1,593,383,959**	2,457,067,903
Trade and other receivables		**1,991,807,499**	1,048,376,426
Financial assets at fair value through profit or loss		**1,547,976,766**	1,656,817,152
Financial assets at fair value through other comprehensive income		**698,209,396**	654,696,399
Investment securities at amortized cost		**64,274,566**	17,145,386
Other current assets		**1,417,905,981**	439,499,288
Total Current Assets		**7,313,558,167**	6,273,602,554
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income		**2,330,464,750**	2,177,793,892
Investment securities at amortized cost		**351,217,006**	401,026,124
Investment in associates and joint venture		**147,160,128**	440,794,645
Property and equipment		**9,649,682,994**	9,065,930,751
Investment properties		**223,195,997**	225,197,892
Goodwill		**186,487,019**	186,487,019
Deferred tax assets - net		**24,440,157**	18,172,441
Other non-current assets		**573,234,950**	495,132,396
Total Non-current Assets		**13,485,883,001**	13,010,535,160
TOTAL ASSETS	**P**	**20,799,441,168**	19,284,137,714

Forward

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2025 AND MAY 31, 2025
(Amounts in Philippine Pesos)

		November 30, 2025 (Unaudited)		May 31, 2025 (Audited)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	P	**1,749,478,996**		1,825,819,197
Interest-bearing loans		**526,258,503**		526,258,503
Deferred revenues		**1,276,761,346**		131,258,176
Provisions		**23,533,738**		23,533,738
Income tax payable		**59,354,105**		68,031,311
Total Current Liabilities		**3,635,386,688**		2,574,900,925
NON-CURRENT LIABILITIES				
Lease liabilities		**12,297,718**		12,297,718
Interest-bearing loans		**489,693,877**		632,823,129
Post-employment benefit obligation		**62,544,676**		62,544,676
Deferred tax liabilities - net		**-**		71,883
Other non-current liabilities		**26,115,011**		8,769,916
Total Non-current Liabilities		**590,651,282**		716,507,322
Total Liabilities		**4,226,037,970**		3,291,408,247
EQUITY				
Equity attributable to owners of the parent company				
Capital stock		**2,406,799,300**		2,406,799,300
Treasury shares, including shares held by a subsidiary	(	**118,436,720)**	(	117,623,662)
Revaluation reserves		**59,664,577**		15,394,723
Other reserves	(	**57,785,452)**	(	57,785,452)
Retained earnings				
Appropriated		**1,187,733,100**		1,187,733,100
Unappropriated		**9,804,800,557**		9,575,049,461
Total equity attributable to owners of parent company		**13,282,775,362**		13,009,567,470
Non-controlling interests		**3,290,627,836**		2,983,161,997
Total Equity		**16,573,403,198**		15,992,729,467
TOTAL LIABILITIES AND EQUITY	P	**20,799,441,168**		19,284,137,714

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	For the Quarter		Year-to-Date	
	September 1, 2025 - November 30, 2025	September 1, 2024 - November 30, 2024	**June 1, 2025 - November 30, 2025**	June 1, 2024 - November 30, 2024
REVENUES				
Educational				
Tuition fees - net	**P 1,746,920,899**	P 1,649,024,235	**P 2,367,121,138**	P 2,219,736,031
Other school fees	**78,304,674**	44,804,060	**112,299,544**	79,280,212
	1,825,225,573	1,693,828,295	**2,479,420,682**	2,299,016,243
Rental	**10,820,749**	24,795,049	**21,945,856**	28,001,072
	1,836,046,322	1,718,623,344	**2,501,366,538**	2,327,017,315
IMPAIRMENT LOSS ON FINANCIAL ASSETS	**(15,255,764)**	(16,608,102)	**(16,769,793)**	(18,484,104)
OPERATING EXPENSES	**(1,141,205,450)**	(1,009,238,954)	**(1,964,452,108)**	(1,760,907,573)
OTHER OPERATING INCOME	**12,749,109**	3,133,508	**17,819,059**	10,841,895
OPERATING INCOME	**692,334,217**	695,909,796	**537,963,696**	558,467,533
FINANCE INCOME	**102,472,176**	112,371,229	**190,034,432**	223,043,864
FINANCE COSTS	**(19,449,992)**	(1,751,033)	**(36,369,810)**	(69,993,717)
OTHER INCOME	**16,917,393**	11,696,376	**15,895,029**	27,914,261
INCOME BEFORE TAX	**792,273,794**	818,226,368	**707,523,347**	739,431,941
TAX EXPENSE	**(67,261,595)**	(69,387,156)	**(72,488,241)**	(88,045,213)
NET INCOME	**P 725,012,199**	P 748,839,212	**P 635,035,106**	P 651,386,728
Net Income Attributable to:				
Owners of the parent company	**P 701,569,416**	P 729,584,112	**P 614,643,304**	P 629,823,339
Non-controlling interests	**23,442,783**	19,255,100	**20,391,802**	21,563,389
	725,012,199	748,839,212	**635,035,106**	P 651,386,728
Earnings Per Share				
Basic and Diluted	**P 29.35**	P 30.52	**P 25.72**	P 26.35

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MAY 31, 2025
(With Comparative Figures for the Years Ended May 31, 2024 and 2023)
(Amounts in Philippine Pesos)

	For the Quarter		Year-to-Date	
	September 1, 2025 - November 30, 2025	September 1, 2024 - November 30, 2024	**June 1, 2025 - November 30, 2025**	June 1, 2024 - November 30, 2024
NET INCOME	**P 725,012,199**	P 748,839,212	**P 635,035,106**	P 651,386,728
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net fair value losses (gains) reclassified to profit or loss on debt securities classified as financial assets at fair value through other comprehensive income	**24,165,497**	6,587,091	**41,944,561**	49,750,060
	24,165,497	6,587,091	**41,944,561**	49,750,060
Item that will not be reclassified subsequently to profit or loss				
Net fair value gains (losses) on equity securities classified as financial assets at fair value through other comprehensive income	**(6,635,389)**	4,905,207	**2,325,293**	4,091,482
Gain (loss) on remeasurement of post-employment benefit plan	**-**	(417,264)	**-**	(417,264)
	(6,635,389)	4,487,943	**2,325,293**	3,674,218
Other Comprehensive Income (Loss) - net of tax	**17,530,108**	11,075,034	**44,269,854**	53,424,278
TOTAL COMPREHENSIVE INCOME	**P 742,542,307**	P 759,914,246	**P 679,304,960**	P 704,811,006
Total Comprehensive Income Attributable to:				
Owners of the parent company	**P 719,099,524**	P 735,152,079	**P 658,913,158**	P 677,740,550
Non-controlling interests	**23,442,783**	24,762,167	**20,391,802**	27,070,456
	P 742,542,307	P 759,914,246	**P 679,304,960**	P 704,811,006

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company									
					Retained Earnings					
	Capital Stock	Treasury Shares, including shares held by a subsidiary	Revaluation Reserves	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interests	Total Equity
Balance at June 1, 2025	P 2,406,799,300	(P 117,623,662)	P 15,394,723	(P 57,785,452)	P 1,187,733,100	P 9,575,049,461	P 10,762,782,561	P 13,009,567,470	P 2,983,161,997	P 15,992,729,467
Transactions with owners										
Investment of non-controlling interest in a new subsidiary	-	-	-	-	-	-	-	-	287,074,037	287,074,037
Acquisition of treasury stock	-	(813,058)	-	-	-	-	-	(813,058)	-	(813,058)
Cash dividends	-	-	-	-	-	(384,892,208)	(384,892,208)	(384,892,208)	-	(384,892,208)
	-	(813,058)	-	-	-	(384,892,208)	(384,892,208)	(385,705,266)	287,074,037	(98,631,229)
Appropriations of retained earnings										
Appropriation during the year	-	-	-	-	-	-	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total comprehensive income										
Net income for the year	-	-	-	-	-	614,643,304	614,643,304	614,643,304	20,391,802	635,035,106
Other comprehensive income	-	-	44,269,854	-	-	-	-	44,269,854	-	44,269,854
	-	-	44,269,854	-	-	614,643,304	614,643,304	658,913,158	20,391,802	679,304,960
Balance at November 30, 2025	**P 2,406,799,300**	**(P 118,436,720)**	**P 59,664,577**	**(P 57,785,452)**	**P 1,187,733,100**	**P 9,804,800,557**	**P 10,992,533,657**	**P 13,282,775,362**	**P 3,290,627,836**	**P 16,573,403,198**
	-	-	-	-	-	-			-	
Balance at June 1, 2024	P 2,406,799,300	(P 111,711,721)	P 5,228,665	(P 57,785,452)	P 2,172,733,100	P 7,300,650,896	P 9,473,383,996	P 11,715,914,788	P 2,965,442,175	P 14,681,356,963
Transactions with owners										
Acquisition of treasury stock	-	(3,505,100)	-	-	-	-	-	(3,505,100)	-	(3,505,100)
Cash Dividends	-	-	-	-	-	(384,892,208)	(384,892,208)	(384,892,208)	-	(384,892,208)
	-	(3,505,100)	-	-	-	(384,892,208)	(384,892,208)	(388,397,308)	-	(388,397,308)
Total comprehensive income										
Net income for the year	-	-	-	-	-	629,823,339	629,823,339	629,823,339	21,563,389	651,386,728
Other comprehensive income	-	-	47,917,211	-	-	-	-	47,917,211	5,507,067	53,424,278
	-	-	47,917,211	-	-	629,823,339	629,823,339	677,740,550	27,070,456	704,811,006
Balance at November 30, 2024	**P 2,406,799,300**	**(P 115,216,821)**	**P 53,145,876**	**(P 57,785,452)**	**P 2,172,733,100**	**P 7,545,582,027**	**P 9,718,315,127**	**P 12,005,258,030**	**P 2,992,512,631**	**P 14,997,770,661**

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	P 707,523,347	P 739,431,941
Adjustments for:		
Depreciation and amortization	308,795,362	280,309,622
Interest income	(106,738,379)	(114,342,140)
Interest expense	84,946,527	58,443,760
Other investment income from financial assets at fair value through profit or loss (FVTPL) and other comprehensive income (FVOCI) - net	(24,093,919)	(57,203,247)
Impairment loss on receivables	16,769,793	18,484,104
Fair value loss from financial assets at FVTPL	(6,240,819)	(51,498,477)
Unrealized foreign exchange (gains) losses - net	(52,961,315)	11,549,957
Share in net loss of associates and joint venture	15,521,162	35,609,947
Operating income before working capital changes	943,521,759	920,785,467
Increase in trade and other receivables	(1,074,533,557)	(1,103,344,245)
Decrease (increase) in other assets	(985,196,060)	15,822,402
Decrease in trade and other payables	(80,039,997)	(228,481,416)
Increase in deferred revenues	1,145,503,170	1,275,926,855
Increase in post-employment benefit obligation	-	(14,177,605)
Increase (decrease) in other non-current liabilities	17,345,095	(3,083,370)
Cash generated from operations	(33,399,590)	863,448,088
Income taxes paid	(81,165,447)	(91,048,531)
Net Cash From Operating Activities	(114,565,037)	772,399,557
CASH FLOWS FROM INVESTING ACTIVITIES		
Net disposal (acquisition) of financial assets at FVTPL	160,111,808	(77,821,202)
Net disposal (acquisition) of financial assets at FVOCI	(90,301,757)	(3,604,458)
Proceeds from maturity of investment securities at amortized cost	2,679,938	16,809,000
Acquisition of property and equipment	(845,071,158)	(331,253,143)
Interest received	130,832,299	171,545,387
Increase in advances to suppliers and developers	(77,652,786)	(387,993)
Acquisition of investment properties	(45,474,552)	(3,630,696)
Decrease (increase) in advances to related parties	7,689,844	(9,212,472)
Investment in associates and joint venture	278,113,355	-
Net Cash Used in Investing Activities	(479,073,009)	(237,555,577)
Balance carried forward	(P 593,638,046)	P 534,843,980

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	2025	2024
Balance brought forward	(P 593,638,046)	P 534,843,980
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(384,892,208)	(372,488,546)
Repayments of interest-bearing loans	(143,129,252)	(14,208,539)
Interest paid	(81,246,731)	(37,790,682)
Acquisition of treasury shares	(813,058)	(3,505,100)
Net Cash Used in Financing Activities	(610,081,249)	(427,992,867)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	52,961,314	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,150,757,981)	106,851,113
NET INCREASE IN CASH DUE TO CONSOLIDATION OF A NEW SUBSIARY	287,074,037	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,457,067,903	1,713,413,164
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 1,593,383,959	P 1,820,264,277

See Notes to Condensed Consolidated Financial Statements.

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF AGING OF NON-TRADE RECEIVABLES
NOVEMBER 30, 2025
(Amounts in Philippine Pesos)
(UNAUDITED)

	Current				
	One to Six Months	**Seven Months to One Year**	**More than One Year**	**Past Due**	**Total**
Advances to Employees - Official and Personal	P 79,890,749	P -	P -	P -	P 79,890,749
Accrued interest income	8,155,471	-	-	-	8,155,471
Receivables from:					
FEU Public Policy Center Foundation	-	773,951	36,041,029	-	36,814,980
Nicanor Reyes Memorial Foundation	45,210	29,311	3,708,800	-	3,783,321
FEU Health, Welfare and Retirement Fund Plan	1,216,364	317,270	329,555	-	1,863,189
Nicanor Reyes Educational Foundation, Inc.	1,634,472	-	-	-	1,634,472
Others	15,882,300	-	-	-	15,882,300
TOTALS	**P 106,824,566**	**P 1,120,532**	**P 40,079,384**	**P -**	**P 148,024,482**

FAR EASTERN UNIVERSITY, INCORPORATED
AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2025
(With Comparative Figures as of May 31, 2025)
(Amounts in Philippine Pesos)
(UNAUDITED)

1. CORPORATE INFORMATION

The Far Eastern University, Incorporated (the University or FEU or Parent Company) is a 97-year-old Philippine-based proprietary educational institution founded in June 1928. FEU registered with the Securities and Exchange Commission (SEC) on October 27, 1933 and became a publicly-listed corporation with the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a nonsectarian institution of learning, embracing equal opportunity, inclusivity and diversity. FEU is comprised of seven institutes as follows, each handling distinct courses and programs of study:

- Institute of Accounts, Business and Finance;
- Institute of Architecture and Fine Arts;
- Institute of Arts and Sciences;
- Institute of Education;
- Institute of Heath Sciences and Nursing;
- Institute of Law; and,
- Institute of Tourism and Hotel Management

FEU has been designated an Autonomous Status by the Commission on Higher Education (CHED) on July 25, 2012. In September 2024 the CHED confirmed that the University has retained its Autonomous Status for the years 2024 to 2027. Among the University’s flagship programs are the Teacher Education and Business Administration which are recognized by the CHED as Center of Excellence and Center of Development, respectively.

On top of existing highly accredited programs of local accreditors, such as the Philippine Association of Colleges and Universities Commission on Accreditation and the Philippine Accrediting Association of Schools, Colleges and Universities, FEU has also earned institutional certification from the ASEAN University Network – Quality Assurance, alongside parallel international certifications granted for 18 programs of FEU.

As at November 30 and May 31, 2025, the University holds interest in subsidiaries, associates and a joint venture presented below.

Company Name	Percentage of Effective Ownership November 30, 2025	Percentage of Effective Ownership May 31, 2025
Subsidiaries:		
East Asia Computer Center, Inc. (EACCI)	**100.00%**	100.00%
Far Eastern College – Silang, Inc. (FECSI)	**100.00%**	100.00%
FEU Alabang, Inc. (FEUAI)*	**100.00%**	100.00%
FEU High School, Inc. (FEU High)	**100.00%**	100.00%
Roosevelt College, Inc. (RCI)	**97.70%**	97.70%
Roosevelt College Educational Enterprises (RCEE)**	**97.70%**	97.70%
Edustria, Inc. (Edustria)	**51.00%**	51.00%
Fern Realty Corporation (FRC)	**38.20%**	38.20%
Joint Venture – Higher Academia, Inc. (HAI)***	**51.00%**	50.00%
Associates:		
JPMC College of Health Sciences SDN BHD (JCHS)	**40.00%**	40.00%
Good Samaritan Colleges, Inc. (GSC)	**34.00%**	34.00%

**In 2024 and 2023, the University held 100% ownership of FEUAI. In 2025, EACCI acquired shares in FEUAI representing 50% of FEUAI's total shares. The University retains control over FEUAI through its 50% direct ownership and 50% indirect ownership via its interest in EACCI. As of May 31, 2025, the University's effective ownership in FEUAI remains at 100%.*
*** Indirectly through the University's ownership of RCI which holds 100% ownership interest in RCEE*
**** On June 17, 2025, the University's BOT approved an additional equity investment that resulted to total ownership of 51%*

All the subsidiaries and GSC were incorporated and are operating in the Philippines, while JCHS was incorporated and is operating in Brunei Darussalam.

The Parent Company and its subsidiaries are collectively referred to herein as the Group.

Except FRC, which is a real estate company leasing most of its investment properties to the University and other related parties, all other directly owned subsidiaries, associates and joint venture are operating as educational institutions offering basic education, senior high school and/or tertiary and postgraduate courses of study. RCEE, prior to the cessation of its operations in 2017, was engaged in selling educational school supplies and food items in campuses of RCI.

2. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These Condensed Consolidated Financial Statements (CCFS) have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS) and should be read in conjunction with the Group's audited consolidated financial statements (ACFS) as of and for the fiscal year ended May 31, 2025.

The CCFS has been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense.

3. CHANGES TO ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments and improvements to existing standards effective in fiscal year 2026 that are relevant to the Group. The Group has not adopted early any standards, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new pronouncements did not have any significant impact on the Group's financial performance or position.

3.1 Effective in Fiscal Year 2026 that are Relevant to the Group

The Group adopted the following amendments and improvements to existing standards, which are mandatorily effective for annual periods beginning on or after June 1, 2025:

PAS 1 (Amendments)	: Presentation of Financial Statements, Classification of Liabilities as Current or Non-current
PFRS 16 (Amendments)	: Leases, Lease Liability in a Sale and Leaseback
PAS 7 and PFRS 7 (Amendments)	: Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements

3.2 Effective Subsequent to Fiscal Year 2026 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions.

(i) PAS 21 (Amendments), The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments (effective from January 1, 2026)

(iii) PFRS 18, Presentation and Disclosure in Financial Statements (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 10 and PAS 28 (Amendments), Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)

None of these are expected to have a significant impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

4.1. Business Segments

The Group is organized into different business units based on separate entities' operational significance and timing of academic operations for purposes of management assessment of each segment. In identifying its operating segments, management generally assesses each FEU school's contribution to the Group's operations, and groups these entities. The Group's main reportable operating segments are as follows:

(a) *FEU Main* – principally refers to the academic operations of the Parent Company, being the largest semestral entity;

(b) *Trimestral Schools* – subsidiary schools that primarily offer engineering and information technology programs, and which operate on a trimestral academic calendar. This includes EACCI and FEUAI; and,

(c) *Other Schools* – subsidiary schools with significant operations in senior high school and basic education programs, which is composed of FECSI, FEU High, RCI, Edustria and HAI.

This is the basis of the Group in its decision-making as reported to its strategic steering committee.

The Group also reports on geographical segments, based on two major geographical areas where FEU schools are located, i.e., within the National Capital Region (NCR) and Outside NCR.

4.2. Segment Assets and Liabilities

Segment assets are allocated based on their direct association with a specific segment.

Segment liabilities include all operating liabilities as presented in the consolidated statements of financial position.

4.3. Intersegment Transactions

Segment revenues, expenses and performance include revenues and purchases between business and geographic segments. Such services and purchases are eliminated in consolidation.

4.4. Analysis of Segment Information

The Group's business segments analyzed based on operational significance and timing of academic operations, for the six months ended November 30, 2025 and 2024, and as of November 30 and May 31, 2025 are presented in the following page (in thousands).

	FEU Main	Trimestral Schools	Other Schools	Total
November 30, 2025 (Unaudited)				
Segment revenues				
From external customers	P 1,310,548	P 680,824	P 509,126	P 2,500,498
Intersegment revenues	23,324	-	-	23,324
Total revenues	1,333,872	680,824	509,126	2,523,822
Operating expenses excluding depreciation and amortization, and impairment loss	(993,336)	(369,027)	(362,983)	(1,725,346)
	340,536	311,797	146,143	798,47
Depreciation and amortization	(136,063)	(89,232)	(71,961)	(297,256)
Impairment loss	-	(5,994)	(10,776)	(16,770)
Finance income	117,931	51,979	7,350	177,260
Finance cost	(24,651)	(344)	(11,369)	(36,364)
Other income (charges)– net	(11,042)	25,083	342	14,38
Income before tax	286,711	293,289	59,729	639,729
Tax expense	(23,260)	(27,574)	(10,895)	(61,729)
Segment net income	**P 263,451**	**P 265,715**	**P 48,834**	**P 578,000**
Segment assets	**P 10,018,141**	**P 9,633,715**	**P 5,122,855**	**P 24,774,711**
Segment liabilities	**P 2,741,505**	**P 1,653,765**	**P 1,564,920**	**P 5,960,190**

	FEU Main	Trimestral Schools	Other Schools	Total
November 30, 2024 (Unaudited)				
Segment revenues				
From external customers	P 1,325,544	P 604,456	P 394,244	P 2,324,244
Intersegment revenues	20,671	-	-	20,671
Total revenues	1,346,215	604,456	604,456	604,456
Operating expenses excluding depreciation and amortization, and impairment loss	(930,679)	(316,526)	(311,019)	(1,558,224)
	415,536	(287,930)	83,225	786,691
Depreciation and amortization	(131,885)	(86,960)	(51,142)	(269,987)
Impairment loss	(3,564)	(6,601)	(8,319)	(18,484)
Finance income	112,878	98,967	3,114	214,959
Finance cost	(42,124)	(16,262)	(11,606)	(69,992)
Other income – net	62,746	184	12,370	75,300
Income before tax	413,587	277,258	27,642	718,487
Tax expense	(44,879)	(23,863)	(5,801)	(74,543)

Segment net income	P 368,708	P 253,395	P 21,841	P 643,944
Segment assets	P 11,100,141	P 7,720,139	P 4,790,493	P 23,610,773
Segment liabilities	P 3,895,392	P 1,169,850	P 1,913,362	P 6,978,604
May 31, 2025 (Audited)				
Segment assets	P 9,996,742	P 8,425,956	P 4,040,826	P 22,463,524
Segment liabilities	P 2,604,689	P 1,493,876	P 1,076,789	P 5,175,354

The Group's geographical segment, which is based on the location of all the Group's school campuses, for the six months ended November 30, 2025 and 2024, and as of November 30 and May 31, 2025 follows (in thousands):

	NCR	Outside NCR	Total
November 30, 2025 (Unaudited)			
Segment revenues			
From external customers	P 2,076,032	P 424,466	P 2,500,498
Intersegment revenues	23,324	-	23,324
Total revenues	2,099,356	424,466	2,523,822
Operating expenses excluding depreciation and amortization, and impairment loss	(1,450,717)	(274,629)	(1,725,346)
	648,639	149,837	798,476
Depreciation and amortization	(230,894)	(66,362)	(297,256)
Impairment loss	(7,456)	(9,314)	(16,770)
Finance income	177,070	190	177,260
Finance cost	(25,001)	(11,363)	(36,364)
Other income – net	14,041	342	14,383
Income before tax	576,399	63,330	639,729
Tax expense	(51,462)	(10,267)	(61,729)
Segment net income	**P 524,937**	**P 53,063**	**P 578,000**
Segment assets	**P 20,098,833**	**P 4,675,878**	**P 24,774,711**
Segment liabilities	**P 4,610,869**	**P 1,349,321**	**P 5,960,190**

	NCR	Outside NCR	Total
November 30, 2024 (Unaudited)			
Segment revenues			
From external customers	P 2,030,356	P 293,888	P 2,324,244
Intersegment revenues	20,671	-	20,671
Total revenues	2,051,027	293,888	2,344,915
Operating expenses excluding depreciation and amortization, and impairment loss	(1,343,289)	(214,935)	(1,558,224)
	707,738	78,953	786,691
Depreciation and amortization	(223,703)	(46,284)	(269,987)
Impairment loss	(11,654)	(6,830)	(18,484)
Finance income	214,901	58	214,959
Finance cost	(58,392)	(11,600)	(69,992)
Other income – net	68,545	6,755	75,300
Income before tax	697,435	21,052	718,487
Tax expense	(68,742)	(5,801)	(74,543)
Segment net income	P 628,693	P 15,251	P 643,944
Segment assets	P 19,314,724	P 4,296,049	P 23,610,773
Segment liabilities	P 5,346,425	P 1,632,179	P 6,978,604
May 31, 2025 (Audited)			
Segment assets	P 18,749,032	P 3,714,492	P 22,463,524
Segment liabilities	P 4,182,281	P 993,073	P 5,175,354

4.5. Reconciliation

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its CCFS (in thousands).

	November 30, 2025 (Unaudited)	November 30, 2024 (Unaudited)
Revenues		
Segment revenues	**P 2,523,822**	P 2,344,915
Elimination of intersegment revenues	**(23,324)**	(20,671)
Unallocated corporate revenues	**18,688**	13,615
Revenues as reported in condensed consolidated statements of profit or loss	**P 2,519,186**	P 2,337,859
Profit or loss		
Segment net income	**P 578,000**	P 643,944
Unallocated corporate net income	**46,71**	47,398
Elimination of intersegment transactions	**10,318**	(39,955)
Net income as reported in condensed consolidated statements of profit or loss	**P 635,035**	P 651,387

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Assets		
Segment assets	**P 24,774,711**	P 22,463,524
Elimination of intercompany accounts	**(6,167,493)**	(5,191,532)
Unallocated corporate assets	**1,877,386**	1,825,659
Goodwill	**186,487**	186,487
Total assets reported in condensed consolidated statements of financial position	**P 20,671,091**	P 19,284,138
Liabilities		
Segment liabilities	**P 5,960,190**	P 5,175,354
Elimination of intercompany accounts	**(1,880,794)**	(2,001,255)
Unallocated corporate accounts	**146,642**	117,309
Total liabilities reported in condensed consolidated statements of financial position	**P 4,226,038**	P 3,291,408

5. FINANCIAL ASSETS AND LIABILITIES

5.1. Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below.

	November 30, 2025 (Unaudited)		May 31, 2025 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
At FVOCI –				
Debt and equity securities	**P 3,028,674,146**	**P 3,028,674,146**	P 2,832,490,291	P 2,832,490,291
At FVTPL –				
Equity securities and UITF	**1,547,976,766**	**1,547,976,766**	1,656,817,152	1,656,817,152
At amortized cost –				
Debt securities	**415,491,572**	**419,657,155**	418,171,510	464,898,784
	P 4,992,142,484	**P 4,996,308,067**	P 4,907,478,953	P 4,954,206,227
Financial liabilities				
At amortized cost –				
Interest-bearing loans	**P 1,015,952,380**	**P 906,359,251**	P 1,159,081,632	P 1,166,537,860

Except for the financial assets and financial liabilities presented above, cash and cash equivalents, short-term investments, long-term investments, trade and other payables and refundable deposit, the Group has no other financial assets and/or financial liabilities that are carried at fair value or that are not carried at fair value but are required to be disclosed at fair value (see Note 5.3).

Management has determined that the carrying amounts of the other financial instruments are equal to or approximate their fair values; hence, no further comparison between their carrying amounts and fair values is presented.

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 10.

5.2. Financial Instruments Measurement at Fair Value

The foregoing tables show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of:

	Level 1	Level 2	Level 3	Total
November 30, 2025 (Unaudited)				
Financial assets at FVOCI –				
Debt and equity securities	P3,024,974,146	P 3,700,000	P -	P 3,028,674,146
Financial assets at FVTPL –				
Equity securities and UITF	846,019,661	701,957,105	-	1,547,976,766
Investment securities at				
amortized cost –				
Debt securities	419,657,155	-	-	419,657,155
	P4,290,650,962	**P 705,657,105**	**P -**	**P 4,996,308,067**

	Level 1	Level 2	Level 3	Total
May 31, 2025 (Audited)				
Financial assets at FVOCI –				
Debt and equity securities	P2,828,790,291	P 3,700,000	P -	P 2,832,490,291
Financial assets at FVTPL –				
Equity securities and UITF	822,557,664	834,259,488	-	1,656,817,152
Investment securities at				
amortized cost –				
Debt securities	418,171,510	-	-	418,171,510
	P2,828,790,291	P 837,959,488	P -	P 4,907,478,953

There were neither transfers between levels nor changes in levels of classification of instruments in all the periods presented.

5.3. Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of November 30 and May 31, 2025, the fair value of debt securities categorized as investments at amortized cost amounted to P419.7 million and P418.2 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 5.2).

For interest-bearing loans with more than one year of maturity, its estimated fair value represents the discounted amount of the future cash flows expected to be paid which are discounted at current market rates. The fair values of the Group's interest-bearing loans are classified under Level 3 of the fair value hierarchy.

Other than the investment securities at amortized cost and interest-bearing loans, management has determined that due to the short-term duration of the other financial assets and financial liabilities measured at amortized costs of the Group, their fair values as at November 30 and May 31, 2025, equal or approximate their carrying amounts. Accordingly, the Group did not present a comparison of their fair values with their carrying amounts and correspondingly, their level in the fair value hierarchy.

Nevertheless, if presented in the hierarchy, only cash and cash equivalents and short-term investments would fall under Level 1 and the rest would be under Level 3.

6. INVESTMENT PROPERTIES

The Group's investment property includes a parcel of land, and buildings and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation and amortization of investment property as of November 30 and May 31, 2025, are shown below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Cost	**P 709,698,660**	P 664,224,108
Accumulated depreciation and amortization	**(486,502,663)**	(439,026,216)
Net carrying amount	**P 223,195,997**	P 225,197,892

A reconciliation of the carrying amounts of investment property at the beginning and end of six months ended November 30, 2025 and the year ended May 31, 2025 is shown below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Balance at beginning of period net of accumulated depreciation and amortization	**P 225,197,892**	P 245,492,935
Additions	**45,474,552**	6,700,600
Disposals	**-**	(1,665,002)
Reclassifications	-	17,188,815
Depreciation and amortization charges for the period	**(47,476,447)**	(42,519,456)
Balance at end of period net of accumulated depreciation and amortization	**P 223,195,997**	P 225,197,892

6.1 Related Income and Direct Expenses

The total rental income earned by the Group from its investment properties amounted to P21.9 million and P28.0 million for the six months ended November 30, 2025 and 2024, respectively. The direct operating expenses, which include depreciation and amortization, insurance and real property taxes incurred by the Group relating to investment properties, are presented as part of Depreciation and amortization, Property insurance, and Taxes and licenses under Costs and Operating Expenses in the consolidated statements of profit or loss.

6.2 Fair Value Measurement of Investment Properties

The fair values (which is at Level 3) of the Group's investment properties presented below are determined on the basis of the latest appraisals performed by an independent appraiser in July 2024 and cover the period ended November 30, 2025 and the year ended May 31, 2025.

The valuation process was conducted by the appraiser, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations, to some extent in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location with an average of 5% to 10% adjustment.

	November 30, 2025	May 31, 2025
Land	**P 641,350,220**	P 604,611,170
Building and improvements	**152,494,862**	143,759,360
	P 793,845,082	P 748,370,530

There were no known events that may have devalued the properties from its most recent appraisal.

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment as of November 30 and May 31, 2025, are shown below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Cost	**P 15,395,932,598**	P 14,550,861,440
Impairment loss	**(2,804,402)**	(2,804,402)
Accumulated depreciation and amortization	**(5,743,445,202)**	(5,482,126,287)
Net carrying amount	**P 9,649,682,994**	P 9,065,930,751

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the six months ended November 30, 2025 and the year ended May 31, 2025 is shown below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Balance at beginning of period net of accumulated depreciation and amortization	**P 9,065,930,751**	P 9,029,081,852
Additions	**845,071,158**	1,054,030,678
Disposals	-	(4,267,340)
Reclassifications	-	(459,215,208)
Depreciation and amortization charges for the period	**(261,318,915)**	(553,699,231)
Balance at end of period net of accumulated depreciation and amortization	**P 9,649,682,994**	P 9,065,930,751

8. LEASES

The Group has leases for certain school buildings, transportation equipment and event venues.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantial termination fee. Some leases contain an extension of the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leased offices, the Group must keep those properties in a good state of repair and return the properties in good condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The remaining current portion of lease liabilities is presented in the consolidated statement of financial position as part of Trade and other payables amounting to P12.3 million as of November 30 and May 31, 2025.

9. INTEREST-BEARING LOANS

The composition of the Group's outstanding loans is shown below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Current	**P 526,258,503**	P 526,258,503
Non-current	**489,639,877**	632,823,129
	P 1,015,925,380	P 1,159,081,632

The movement of the Group's outstanding loans are shown below.

	November 31, 2025 (Unaudited)	May 31, 2025 (Audited)
Balance at beginning of period	**P 1,159,081,632**	P 1,385,340,136
Payments	**(143,129,252)**	(P 226,258,504)
Balance at end of period	**P 1,015,925,380**	P 1,159,081,632

The total interest incurred by the Group on all of these loans, amounting to P31.4 million and P25.1 million for the six months ended November 30 and May 31, 2025, respectively, are presented as part of Finance Costs in the condensed consolidated statements of profit or loss, while any outstanding interest payable is recognized as part of Trade and Other Payables in the condensed consolidated statements of financial position.

As of November 30 and May 31, 2025, there are no assets used and/or required as collaterals for the Group's interest-bearing loans and borrowings.

Loans obtained from a local commercial bank are subject to loan covenants effective for the periods ended November 30 and May 31, 2025, which require the Group to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1. As of November 30 and May 31, 2025, the Group has complied with its loan covenants.

10. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has overall responsibility for the establishment and oversight of the Group's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the Group's policies, which address risk management areas.

Management is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Group.

The Group does not engage in trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed to are described below and in the succeeding pages.

10.1 Market Risk

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, financial assets at FVOCI and investment securities at amortized cost which are denominated in United States dollars (USD).

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored and kept at a reasonable level to needs.

(b) Interest Rate Risk

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures arising from interest-bearing financial instruments which are subject to variable interest rates. These include a portion of the cash and cash equivalents, financial assets at FVOCI, short-term investments, long-term investments and interest-bearing loans.

All other financial assets and financial liabilities have fixed interest rates.

The Group manages its interest risk by leveraging the fixed interest rate financial instruments over the floating interest rate financial instruments.

(c) Other Price Risk

The Group's exposure to price risk arises from its investments in equity securities, which are classified as part of the Financial Assets at FVTPL and Financial Assets at FVOCI accounts in the consolidated statements of financial position. These consist of publicly listed equity securities which are carried at fair value.

The Group manages exposures to price risk by monitoring the changes in the market price of the investments and to some extent, diversifying the investment portfolio in accordance with the limit set by management.

Except for those that are held for trading and managed by trustee-banks, the investments in listed equity securities are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored; to ensure that returns of these equity instruments are timely utilized or reinvested and voting rights arising from these equity instruments are in the Group's favor.

10.2 Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty failed to perform its contractual obligations. The credit risk for cash and cash equivalents, short-term investments (presented as part of Other Current Assets), financial assets at FVOCI and investment securities at amortized cost is considered negligible, since the counterparties are reputable financial institutions and private companies with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements.

The Group's exposure to credit risk on its receivables is related primarily to the inability of the debtors, majority of which are students, to fully settle the unpaid balance of tuition fees and other charges which are owed to the Group based on installment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. Moreover, the Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

The Group has no significant exposure to any individual counterparty, nor does it have any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. Also, none of the Group's financial assets are secured by collateral or other credit enhancements.

With respect to credit risk arising from its financial assets, the Group's maximum exposure is equal to the carrying amount of these instruments. Other than the exposure to credit risk on the Group's receivables from students, the risk is minimal as these financial assets and investments are with reputable corporations, financial institutions and/or with related parties.

The Group has no past due but unimpaired financial assets at end of each period.

The Group's management considers that all its financial assets are not impaired and of good credit quality, except those provided with allowance for impairment at the end of the reporting periods.

10.3 Liquidity Risk

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in short-term placements when excess cash is obtained from operations.

11. EQUITY

11.1 Capital Stock

The University's authorized capital stock was 50,000,000 shares as of November 30 and May 31, 2025, of which 23,899,764 were issued and with par value of P100 per share.

Below is the ownership structure of the University's outstanding shares as of November 30 and May 31, 2025.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Number of shares held by related parties	**15,089,348**	15,243,974
Number of shares held by the public	**8,810,416**	8,811,789
Total shares issued and outstanding	**23,899,764**	24,055,763

As of November 30 and May 31, 2025, the public owns 36.86% and 36.63% respectively, of the University's listed shares.

As of November 30 and May 31, 2025, there are 1,459 and 1,455 holders, respectively, of the listed common shares owning at least one board lot.

All shares of the University are listed on the PSE. There had been no follow-on listing since the initial listing in 1986 at an offer price of P100. The closing price of the University's listed shares was P800.0 and P840.0 per share as of November 30 and May 31, 2025, respectively.

11.2 Treasury Stock

This account includes the University's common shares acquired by FRC on various dates and held as of November 30 and May 31, 2025. The changes in the market values of these shares, which are recognized as fair value gains or losses by FRC, were eliminated in full and not recognized in the consolidated financial statements. The Group's treasury stocks amounted to P118.4 million and P117.6 million as of November 30 and May 31, 2025, respectively.

A portion of the University's retained earnings is restricted from dividend declaration up to the cost of treasury stocks, excluding the amount acquired and held by FRC as this is considered as a crossholding as of the end of the reporting period.

11.3 Retained Earnings

Significant transactions affecting Retained Earnings, which is also legally restricted at an amount equivalent to the cost of the University's treasury stock of P3.7 million, are presented below.

(a) Appropriation of Retained Earnings

As of November 30 and May 31, 2025, the University's Appropriated Retained Earnings consists of appropriations for:

Property and investment acquisition	P	740,000,000
Purchase of equipment and improvements		354,000,000
Contingencies		90,000,000
Treasury shares		3,733,100
	P	1,187,733,100

As projects and capital expenditures are annually revisited and would involve several projects, timeline with level of exactness is not defined, instead are recalibrated year on year. No appropriation or reversal of appropriation has been made for the period ended November 30, 2025.

(b) Dividend Declaration

During the year ended May 31, 2025, the BOT approved cash dividend declarations with a total amount of P764.9 million. During the period ended November 30, 2025, the BOT approved a cash dividend declaration of P16 per share, or a total amount of P384.9 million.

11.4 Subsidiaries with Material Non-controlling Interest

(a) FRC

Management considers that the University has de facto control over FRC even though it holds less than 50% of the voting shares of stock of FRC, because it is exposed or has right to variable returns through its power over FRC.

(b) EACCI and FEUAI

Both non-controlling interests in EACCI and FEUAI relate to non-voting preferred shares. As of November 30 and May 31, 2025, the total cost of preferred shares issued and outstanding of EACCI and FEUAI amounts to P1.2 billion and P750.0 million, respectively.

(c) Edustria Incorporated

Upon incorporation of Edustria, the Parent Company subscribed to 255.0 million shares at P1.0 par value, representing 51% of the 500.0 million total issued and outstanding shares of Edustria, of which 70% was settled. In 2023, the remaining 30% of the total subscribed shares of Edustria, amounting to P150.0 million, was paid by the Parent Company and NCI, according to their respective percentage shares.

The NCI of Edustria amounting to P107.8 million is presented as part of Non-controlling Interest account in the condensed consolidated statements of financial position.

(d) Higher Academia Inc.

The parent company owns 51% of Higher Academia, Inc. (HAI), which has been established with Unilab Education to operate a basic education and tertiary facility in San Fernando, Pampanga.

The NCI of HAI amounting to P284.8 million is presented as part of Non-controlling Interest account in the condensed consolidated statements of financial position.

12. EARNINGS PER SHARE

Earnings per share amounts for the six months ended November 30, 2025 and 2024 were computed as follows:

	November 30, 2025 (Unaudited)	November 30, 2024 (Unaudited)
Net income attributable to owners of the parent company	**P 614,643,304**	P 629,823,339
Divided by weighted average number of shares outstanding, net of treasury stock	**23,902,062**	23,906,409
Basic and diluted loss per share	**P 25.72**	P 26.35

The University has no dilutive potential common shares as of November 30, 2025 and 2024; the diluted earnings per share and the basic earnings per share is the same.

13. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group aims to provide returns on equity to shareholders while managing operational and strategic objectives. The Group manages its capital structure and adjusts it, in consonance with changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain debt financing.

The Group defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for the monitoring of capital in proportion to risks.

The Group monitors capital based on debt-to-equity ratio, which is calculated as total adjusted liabilities i.e., excluding deferred revenues divided by total adjusted equity (comprised of capital stock, stock dividends distributable and retained earnings) attributable to owners of the parent company. Capital for the reporting periods is summarized below.

	November 30, 2025 (Unaudited)	May 31, 2025 (Audited)
Total adjusted liabilities	**P 2,949,276,624**	P 3,160,150,071
Total adjusted equity attributable to owners of the parent company	**13,399,332,957**	13,169,581,862
Debt-to-equity ratio	**0.22 : 1.00**	0.24 : 1.00

The Group's goal in capital management is to maintain a lower liability compared with its adjusted equity or debt-to-equity structure ratio of not more than 1.00 : 1.00. This is in line with the Group's bank covenants related to its borrowings, which require the Group to maintain debt-to-equity ratio of not more than 2.00: 1.00 and debt service coverage ratio of at least 1.2x.

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio and debt service coverage ratio for all the periods presented.

There was no significant change in the Group's approach to capital management during the most recent period presented.

14. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies and methods of computation used in the preparation of these CCFS are consistent with those applied in the ACFS as of and for the fiscal year, unless otherwise stated.

14.1. Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the University and its subsidiaries as enumerated in Note 1.1, after the elimination of intercompany transactions.

The presentation of the CCFS is consistent with the most recent ACFS presentation. Regrouping certain accounts in the comparative prior period presented was made to conform to the current period's presentation so that comparability is not impaired.

The Group presents the consolidated statement of comprehensive income separately from the consolidated statement of profit or loss in its annual financial statements. It also uses this format for this CCFS.

The following subsidiaries prepare their financial statements for their respective reporting periods using consistent accounting principles as that of the University:

Subsidiaries:	Reporting Period*
FRC	March 31, 2025
RCEE	March 31, 2025
FECSI	May 31, 2025
FEU High	May 31, 2025
RCI	May 31, 2025
HAI	May 31, 2025
Edustria	May 31, 2025
EACCI	June 30, 2025*
FEUAI	June 30, 2025*

**included in the Group's May 31, 2025 consolidated balances*

These subsidiaries follow their respective school years (i.e., trimestral and semestral), hence, the use of different reporting dates (non-coterminous year-ends) as compared with that of the University.

These CCFS are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the CCFS are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

14.2. Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

The University recognized goodwill arising from the acquisition of RCI in May 2016. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition, except for lease liabilities which are measured based on the present value of the remaining lease payments as if the acquired lease were a new lease at acquisition date and right-of-use assets which are measured at an amount equal to the recognized lease liability, adjusted to reflect favorable or unfavorable lease terms compared with market terms. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

14.3. Segment Reporting

In identifying its operating segments, management generally follows the Group's service lines as disclosed in Note 4, which represents the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

14.4. Financial Instruments

(a) Financial Assets

(i) Classification, Measurement and Reclassification of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (SPPI). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 15.1(e)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

Financial Assets at FVTPL

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

(ii) Impairment of Financial Assets

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all tuition and other school fee receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets.

For debt instruments measured at FVOCI and at amortized cost, the allowance for credit losses is based on the ECL associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since the origination of the financial asset. In such case, a lifetime ECL for a Purchased or Originated Credit Impaired (POCI) asset is recognized, and the allowance for credit losses is based on the change in the ECL over the life of the asset. The Group recognized a loss allowance for such losses at each reporting date.

The Group's definition of credit risk and information on how credit risk is mitigated by the Group are disclosed in.

(b) Financial Liabilities

Financial liabilities, which includes interest-bearing loans, trade and other payables (except tax-related liabilities, Deposits payable and NSTP trust fund), and Refundable deposits (presented under Other Non-current Liabilities) are recognized when the Group becomes a party to the contractual terms of the instrument.

15. USE OF ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the CCFS in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

There were no changes in estimates of amounts reported in prior financial periods that had a material effect in the current interim period.

16. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

16.1. *Capital Commitments*

As of November 30, and May 31, 2025, FRC has commitments of about P445.1 million for the condominium units acquired at pre-selling stage that are currently under construction.

16.2. *Operating Lease Commitments*

(a) Group as Lessor

FRC is a lessor under various operating lease agreements with several non-related parties for a period of one to 30 years. FRC also receives customer and security deposits relevant to its leasing activities as a lessor which is recognized under Other Non-current Liabilities in the consolidated statements of financial position.

Future minimum rental receivables which are collectible within one year, excluding contingent rental, under these operating leases amounts to P46.0 million, as of November 30 and May 31, 2025, respectively.

(b) Group as Lessee

The Group is a lessee under operating lease agreements covering rentals of event venues, transportation vehicles and small items of equipment used for various students' and employees' activities. The terms of the lease vary but do not exceed one year.

16.3. *Construction Commitments*

The Group enters into commitments for its ongoing construction of certain school buildings and other facilities. As of November 30, and May 31, 2025, the unfulfilled portion of these commitments amounted to P570.1 million.

16.4. *Others*

As of November 30, 2025, the Group has no record of any litigation not being contested or any that the Group has accepted any liability in relation to labor cases and other civil cases.

There are other contingencies that arise in the normal course of business that are not recognized in the Group's consolidated financial statements. Though Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, the University opted to appropriate portion of its retained earnings to cover for such contingencies.

The Group has entered into transactions which resulted to obligations that will probably result to an outflow of economic resources. Accordingly, the management has recognized the probable losses as Provisions in its consolidated statements of financial position. However, as allowed by relevant Accounting Standards, the Group did not disclose the nature and details of its provisions because it may prejudice the interest and position currently being taken by the Group.

17. SEASONALITY OF OPERATIONS

Tuition fee revenue is subject to seasonal fluctuations. Revenue for a particular school year (SY) is earned only starting in August, based on the current academic calendar.

For the University and FECSI (FEU Cavite), there are three school terms within a fiscal year: Midyear term (June to July); First semester (August to December); and Second semester (January to May).

The first semester has the highest number of students enrolled. The second semester enrollment is approximately at least 90% of the first semester's enrollment, while the midyear term is the lowest at an approximate at least of 30%. The maximum load, in terms of subject units, of a student during the midyear term is only nine units compared to the 21 to 24 units during the first and second semesters.

For EACCI (FEU Tech) and FEUAI (FEU Alabang), there are three regular terms in a fiscal year: First term (August to November), Second term (December to March) and Third term (April to June).

The tuition fee increase, if any, usually takes effect during the first semester/trimester of a particular SY. Thus, old rates are followed during the midyear term/third trimester of the previous SY, while new rates are applied during the first semester/trimester and succeeding terms of the current SY.

18. APPROVAL FOR THE ISSUANCE OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The CCFS of the Group for the six months ended November 30, 2025 (including the comparatives for the six months ended November 30, 2024) were authorized for issue by the Audit Committee of the BOT on January 12, 2026.