

Financial Results Presentation for Q2, Fiscal Year Ending December 2023

August 2023

KIYO Learning Co., Ltd.

Growth (Tokyo Stock Exchange): 7353

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- **[Revisited] FY2023 Performance Forecast, Business Environment, and Key Topics**

Financial Results Presentation for Q2, Fiscal Year Ending December 2023

FY2023 Q2 Performance Highlights

- **Net sales increased 36.0% year-on-year**

Sales of 1,703 million yen (up 451 million yen year on year), showing continued high growth

- **The operating loss significantly improved by 276 million yen compared to the same period last year**

Profits at each stage improved significantly due to sales growth and cost controls, including more efficient advertising

We disclosed the differences between forecasts and results for Q2

- **The Studying Business drove business expansion, with sales growing by +33.4% year-on-year**

Net cash-based sales continued to grow at a high rate, increasing +27.2% year on year to 683 million yen

We released the AI Master Teacher function, which answers students questions through generative AI

- **Corporate Education Business sales grew significantly at 66.3% year on year.**

Companies contracted with AirCourse increased by +164 versus the end of the previous fiscal year, leading to an increase in sales from recurring billing

We newly released AirCourse Knowledge, a knowledge management system

FY2023 Q2 Cumulative Results

Net sales continued to grow at a high rate, as in Q1, increasing +36.0% year on year to 1,703 million yen

The operating loss significantly improved by 276 million yen compared to the same period last year

(Millions of yen)

Category	FY2022 Q2 (Results)	FY2023 Q2 (Results)	FY2023 (Forecast)	Year-on- year change	Progress (%)
Revenues	1,252	1,703	3,707	36.0%	46.0%
Studying Business	1,151	1,535	3,361	33.4%	45.7%
Corporate Education Business	101	168	346	66.3%	48.6%
Cost of sales	199	246	568	23.6%	43.4%
Gross profit	1,053	1,456	3,140	38.4%	46.4%
SG&A	1,455	1,583	3,038	8.8%	52.1%
Operating profit (loss)	-402	-126	102	-	-
Ordinary profit (loss)	-405	-131	102	-	-
Net profit (loss)	-440	-132	80	-	-

Sales by Business (Q2 Cumulative)

Sales in the Studying Business increased +33.4% year on year and continued to grow due to the success of marketing initiatives, strengthening product appeal, etc.

Corporate Education Business rose +66.3% year on year, experiencing accelerated growth

(Millions of yen)

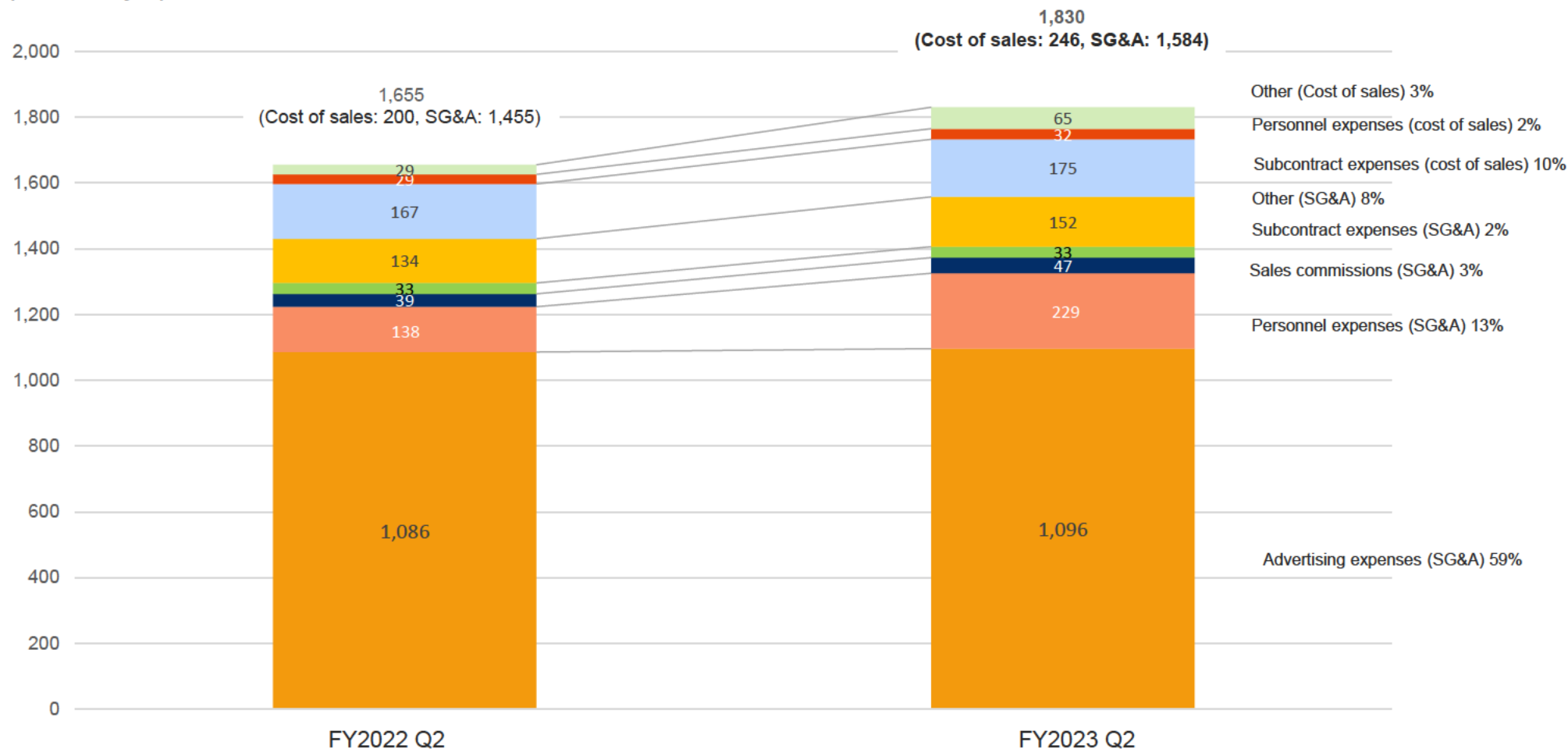
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Cost Structure (Q2 Cumulative)

Personnel expenses increased due to steady recruitment of human resources

Achieved higher sales while saving on advertising expenses through improved marketing efficiency

(Millions of yen)



Q2 (April-June) Results

Q2 (April-June) net sales increased +35.8% year-on-year to 902 million yen

The Studying Business increased +32.8% year on year to 810 million yen, while the Corporate Education Business saw accelerated growth and rose 71.6% year on year to 91 million yen

Operating profit expanded in positive territory at 137.1% to 147 million

(Millions of yen)

Category	FY2022 Q2 (Apr-Jun Results)	FY2023 Q2 (Apr-Jun Results)	Year-on- year change
Revenues	664	902	35.8%
Studying Business	610	810	32.8%
Corporate Education Business	53	91	71.6%
Cost of sales	101	117	15.8%
Gross profit	562	784	39.5%
SG&A	499	636	27.5%
Operating profit (loss)	62	147	137.1%
Ordinary profit (loss)	61	146	139.3%

Employee Retention

Since entering the market in July 2020, the number of personnel has doubled through steady recruitment

We establish the foundation for further growth through building organizational strength

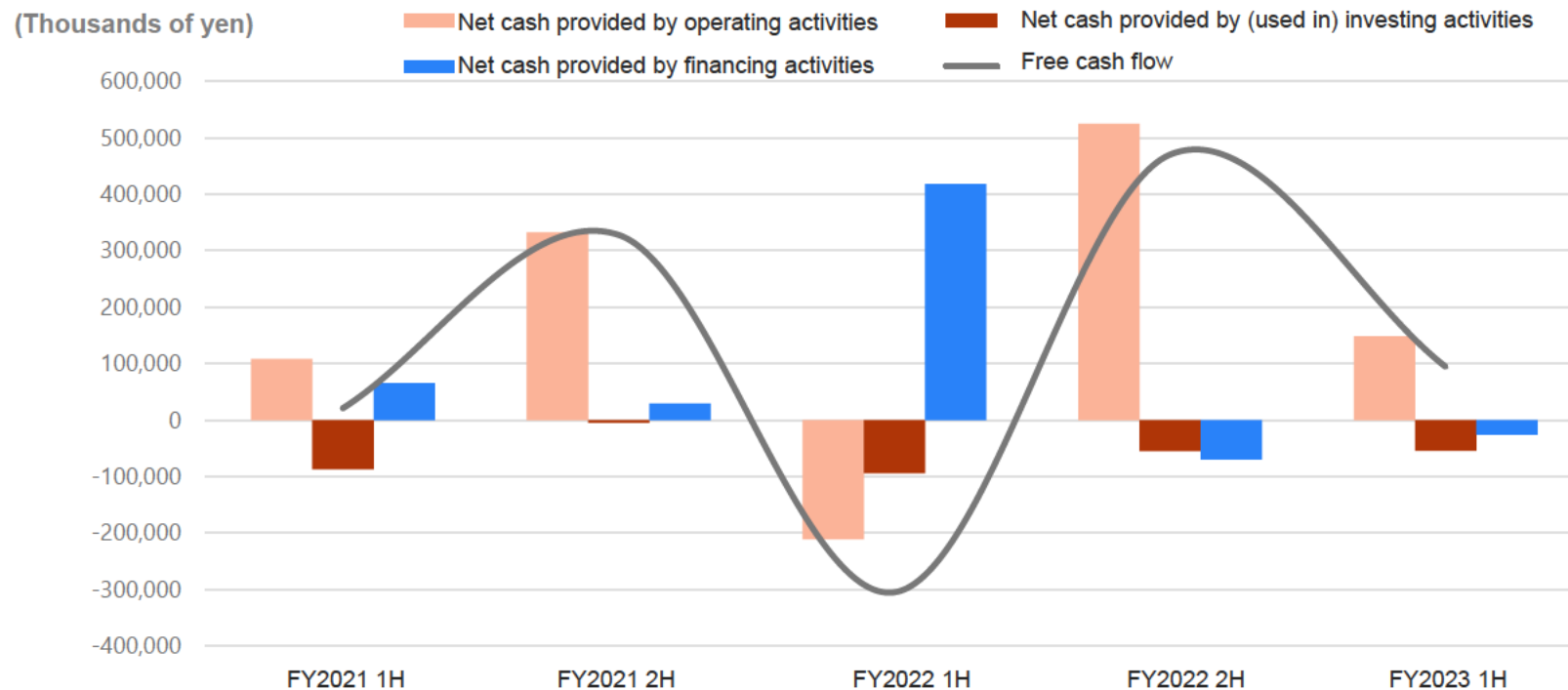


*Personnel: Total number of direct hires as of December (Full-time, contract, and part-time employees)

First and Second Half Cash Flows

Through investments in TV commercials, we secured positive operating cash flows and free cash flows during the first half of 2023. Cash generation improved from the previous year

Cash Flows



	FY2021 1H	FY2021 2H	FY2022 1H	FY2022 2H	FY2023 1H
Net cash provided by operating activities	108,273	332,136	-210,721	524,326	148,280
Net cash provided by (used in) investing activities	-87,181	-4,518	-94,080	-54,456	-54,226
Free cash flow	21,092	327,618	-304,801	469,870	94,054
Net cash provided by financing activities	65,479	29,174	418,079	-69,371	-26,111
Cash and cash equivalents, end of period	1,916,763	2,273,554	2,386,832	2,787,332	2,855,275

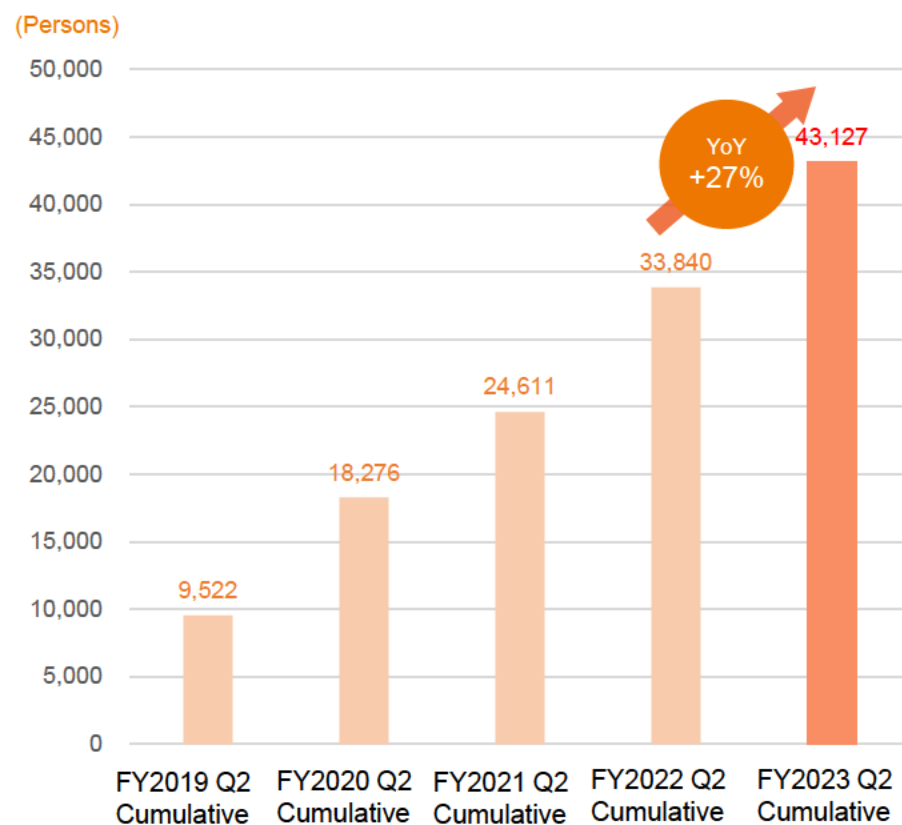
KPIs and Topics by Business

Studying Business: KPIs (Q2 Cumulative Comparison)

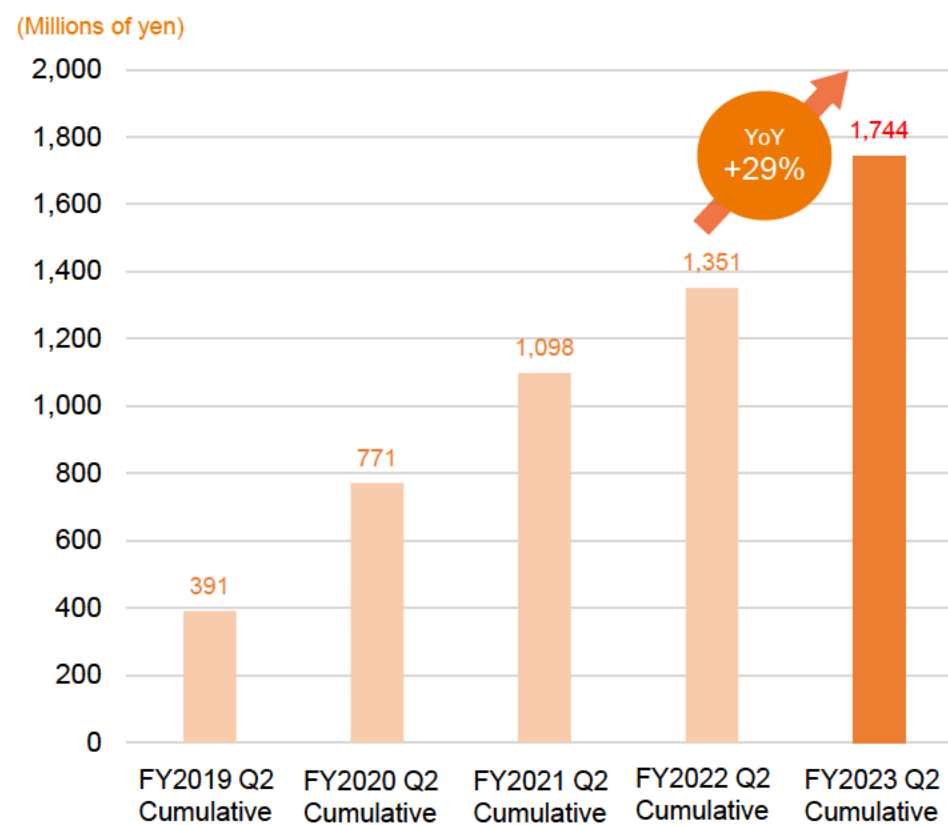
New paid members¹ were up significantly, +27% year on year and increased due to the success of marketing initiatives

Net cash-based sales² maintained high growth, up +29% year on year

Number of New Paid Members



Net Cash-Based Sales



¹ The number of new paid members refers to the number of (unique) paid members newly acquired during the period

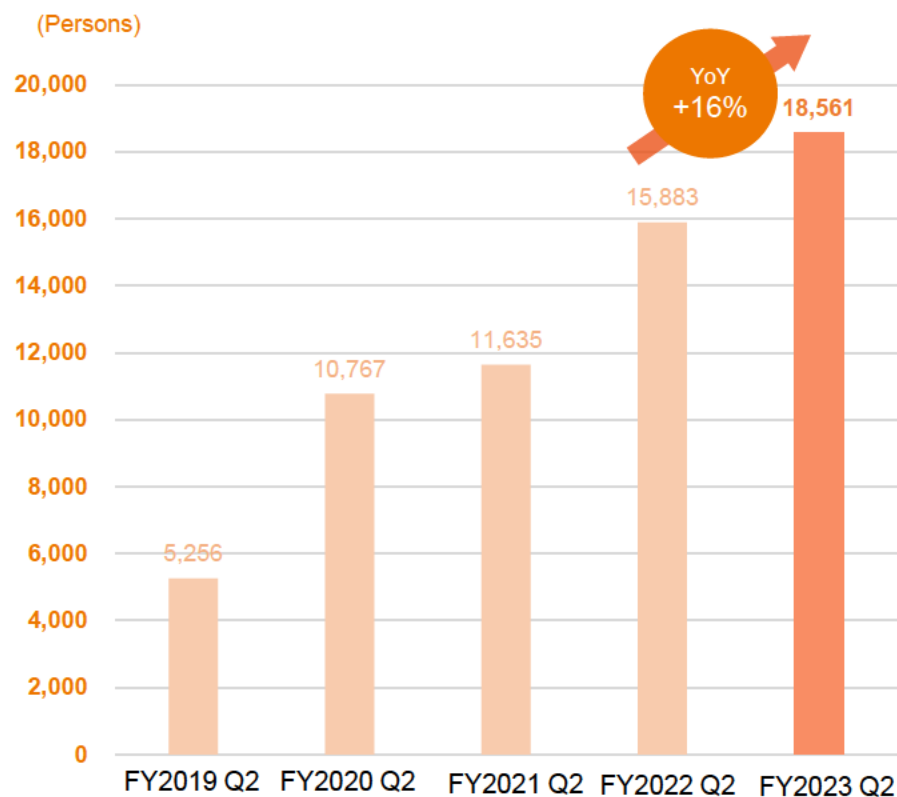
² Net cash-based sales refers to the amount of orders received during the period (net sales are apportioned across periods over the periods of the corresponding courses taken)

Studying Business: KPIs (Q2: Apr-Jun Comparison)

New paid members¹ increased (up +16.7% year-on-year in FY2023 Q2)

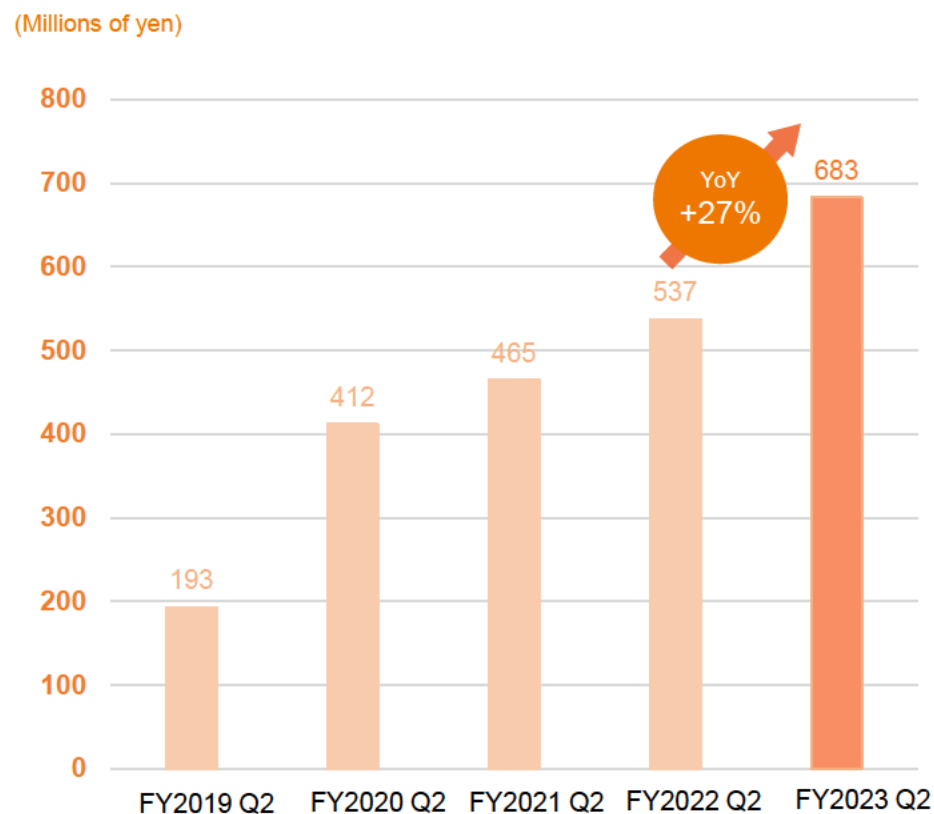
Net cash-based sales² also grew (up +27.2% year-on-year in FY2023 Q2)

Number of New Paid Members



*Includes those via corporate services

Net Cash-Based Sales



*Includes those via corporate services

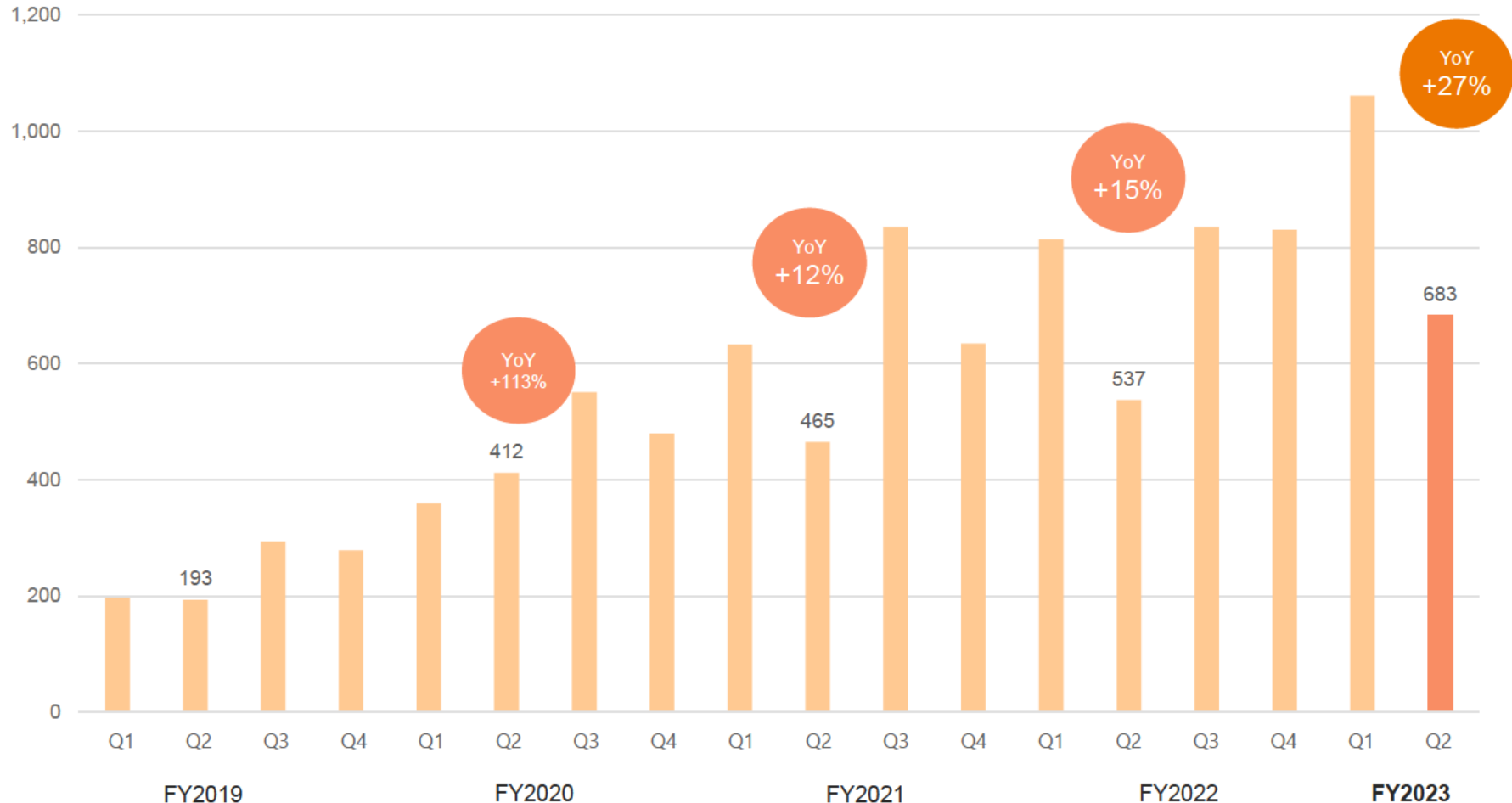
¹ The number of new paid members refers to the number of (unique) paid members newly acquired during the period

² Net cash-based sales refers to the amount of orders received during the period (net sales are apportioned across periods over the periods of the corresponding courses taken)

Studying Business: Quarterly Net Cash-Based Sales Over Time

Net cash-based sales maintain strong growth in Q2, up +27% year on year and recovered from the sluggishness in Q2 of last year

(Millions of yen)



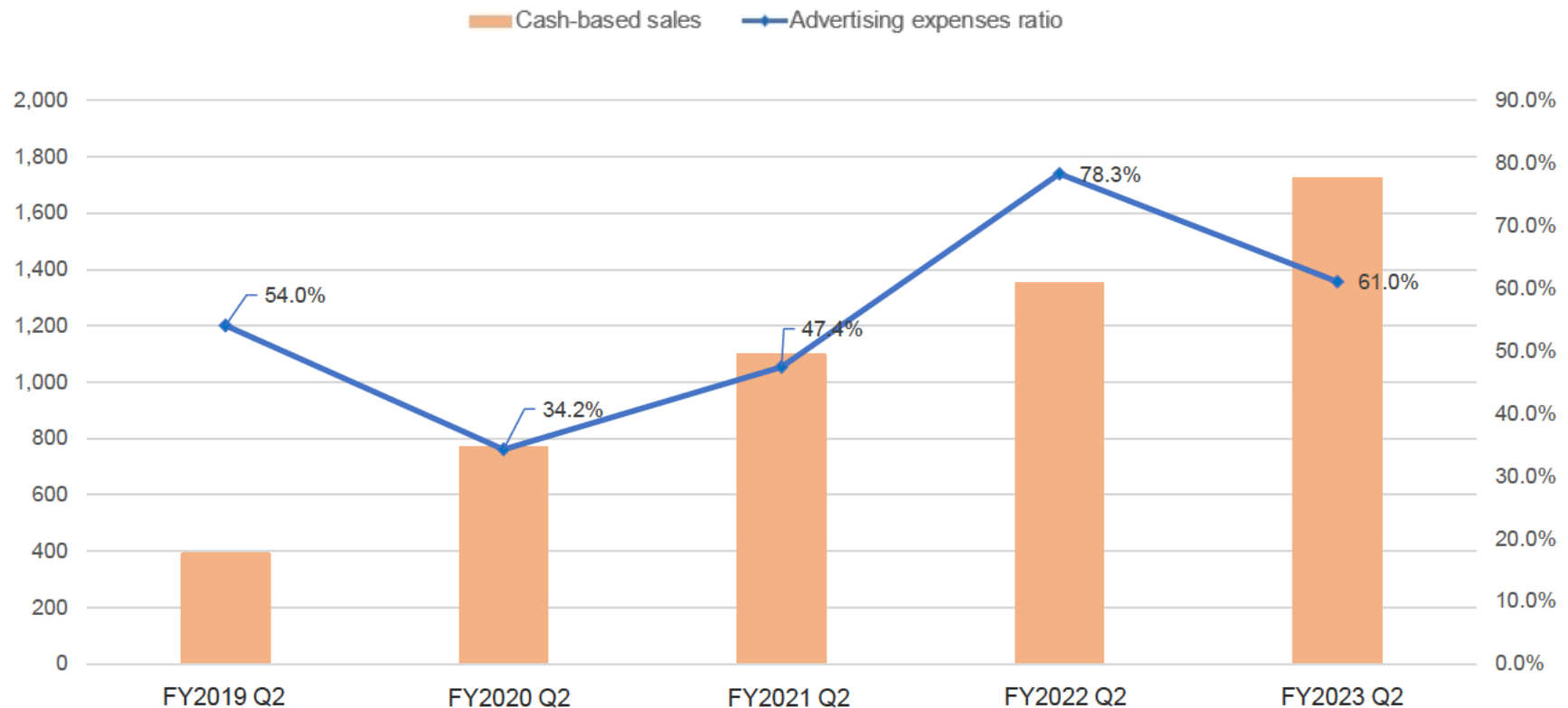
¹ Percentage notations show growth rates compared to quarterly net cash-based sales for each fiscal year (including those via corporate services)

Studying Business: Advertising Expenses Ratio* (Q2 Cumulative Comparison)

Advertising expenses ratio significantly improved (down 17.3 points) from the previous year
Increased efficiency achieved by attracting customers through a combination of TV commercials and web advertising

(Millions of yen)

Net Cash-Based Sales and Advertising Expenses Ratio Over Time



*Advertising expenses ratio = (Advertising expenses incurred in the Studying Business) ÷ (Cash-based sales)

Studying Business: Growing Recognition Through TV Commercials

Based on impact analysis of our 2022 TV commercials, we will utilize Haruna Kawaguchi as the main character in a TV commercial starting January 2023

Aiming for medium- to long-term growth by permeating a brand image and raising recognition as a certification success partner, capturing majority segments



*Reference: 30 second commercial for our 2023 certification success partner *Studying*
15 second commercial for our 2023 certification success partner *Studying*

<https://www.youtube.com/watch?v=oHsGw555-Q>
<https://www.youtube.com/watch?v=Pro3zuE2wRw>

Studying Business: Utilizing Generative AI in AI Master Teacher

We released the AI Explanation function (beta) in July, which answers questions as the AI Master Teacher

This function provides reliable and detailed answers based on the contents of the Studying business with the added knowledge of generative AI (GPT model), eliminating learners' concerns and facilitating smooth learning

生成AIを使って資格合格を支援する
「AIマスター先生」をリリース

ユーザーのご質問に
回答します！

AIマスター先生

資格合格パートナー STUdYing

イノベーションのジレンマ

検索

全て 講義 動画 音声 問題 設問 冊子 WEBテキスト メモ Q&A マイノート

AI検索 AI説明(ベータ版) NEW 完全一致検索

AIマスター先生

スタディングをもとにして説明します！

イノベーションのジレンマとは、前の世代のリーダー企業が、次の世代の破壊的イノベーションに対応できないという現象を指します。破壊的イノベーションは、全く新しい価値を提供するような革新的なイノベーションであり、安くて単純な技術により、主流の市場以外の別の市場に根付き、やがて、主流の市場を飲み込んでいくものを含みます。前の世代のリーダー企業は、当時は自らが破壊的イノベーターとして市場を作ってきました。しかし、既存の主流顧客の要望に応える改良、すなわち持続的イノベーションを重ねていくうちに、新しい技術に対応できず、破壊的イノベーターに足をすくわれてしまうのです。

参照元

- スマート問題集：1-4 現代の戦略 問題 2 イノベーションのマネジメント
- 令和4年度-1次試験過去問題-企業経営理論 問題 9 イノベーションのジレンマ

スタディング以外も調べて説明します！

イノベーションのジレンマとは、米国ハーバード・ビジネス・スクールのC.クリステンセン教授が、1997年、その著書『イノベーションのジレンマ-技術革新が巨大企業を滅ぼすとき』で呼称したものです。同書では、過去の優良企業が没落した理由が研究されています。イノベーションのジレンマを回避する方法の一つとして、例えば、WikipediaやLinuxなどのように、オープンイノベーションの考え方を採用し、社内のみならず社外や研究者コミュニティからも広く意見や技術を取り入れることにより、視野を広げイノベーションを実現するという方法があります。イノベーションは、単に新しい技術を発明したり、新製品を開発したりするだけでなく、それが顧客や社会に新しい価値を提供するということまで含めた考え方です。

Studying Business: Individual Optimization of Learning Through AI

Began using the AI competency score function for First Class Registered Architect courses (May)
Identifies current strengths and weaknesses in real time, enabling efficient learning

AI Competency Score (Patent No. 7021758)*

AI analyzes a vast amount of study history data which is used by AI to predict current exam score if the exam were to be taken at that moment
Scores increase the more a user studies, improving their motivation, time spent studying, and retention rates



*We have already introduced AI competency scores in the following courses, and we plan to extend use gradually to other courses going forward.

- Small and Medium Enterprise Management Consultant
- Real Estate Broker
- Labor and Social Security Attorney
- IT Passport
- Applied Information Technology Specialist
- Basic Information Technology Specialist
- Bar Examinations and Preliminary Examinations
- Japan Business Law Examination
- First Class Registered Architect

Studying Business: Individual Optimization of Learning Through AI

AI Study Plan function launched for Real Estate Broker (May) and First Class Registered Architect courses (July)

AI creates a study schedule for each student that results in the highest predicted exam scores

• AI Study Plan (Patent No. 6661139)

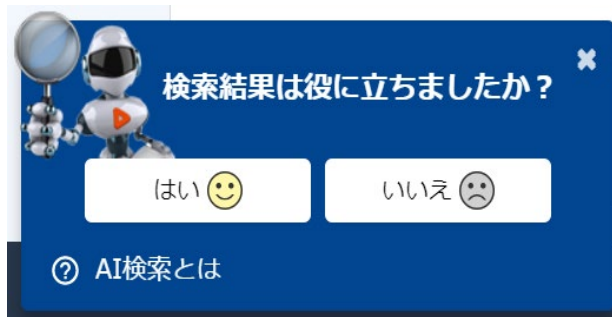


■ AI creates a study plan, facilitating sufficient study to pass exams

In conventional certification courses, the decision of when, what, and how long to study is left to the student. This method requires the student to think about their study schedule and manage progress on a daily basis. The AI Study Plan creates a plan expected to result in the highest predicted exam score for each individual student.

Students are provided with daily study topics based on the study plan, which help them to study efficiently.

• AI Search



■ Cross-display of optimal content for questions during study

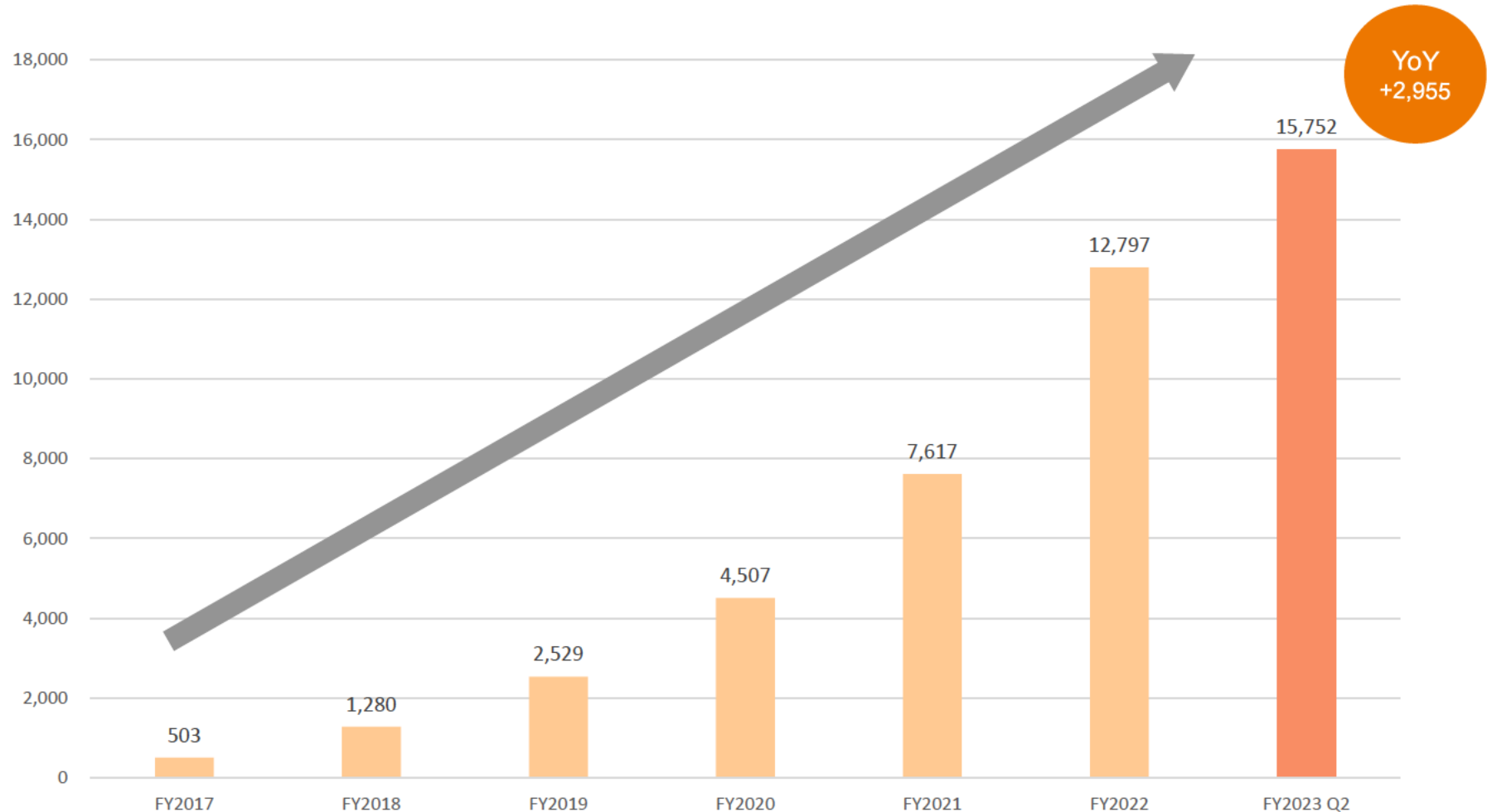
The AI search function searches for and displays the most appropriate study content when the student enters the keywords he or she wants to look up. Instead of simply searching for search keywords as with conventional search functions, AI is used to score each page based on the relevance of the search keyword and the student's evaluation. Content most appropriate to the individual student's search is displayed at the top of the list.

This method allows students to check questions they do not understand quickly and more precisely, improving learning efficiency further.

Studying Business: Feedback From Successful Students (Cumulative)

Feedback from successful students* increased by +2,955 people compared to the end of last year, reaching 15,700 (as of the end of June)

An increase in the number of successful students leads to a sense of security and increased name recognition. This in turn leads to a virtuous cycle of more students and more successful students.



*Total number of feedback from successful students as listed in post-test questionnaires

Feedback from Successful Students: <https://studying.jp/monitors.html> (Japanese Text Only)

Studying Business: Expanded course lineup

With a lineup of 31 courses, we offer a wide range of certifications, from easy to difficult



Business and Management

- Small and Medium Enterprise Management Consultant
- Professional Engineer
- Sales Professional
- Hazardous Materials Engineer
- Mental Health Management® Certification



IT

- IT Passport
- Basic Information Technology Specialist
- Applied Information Technology Specialist
- IT Strategist



Law

- Bar Examinations and Preliminary Examinations
- Judicial Scrivener
- Administrative Scrivener
- Labor and Social Security Attorney
- Patent Attorney
- Japan Business Law Examination®
- Intellectual Property Management Skills Test®
- Personal Information Protection Officer



Medical

- National Nurse Examination
- Registered Distributor



Accounting and Finance

- Certified Public Tax Accountant
- Bookkeeper
- FP
- Securities Broker Representative
- Loan Officer



Business Skills

- Consultant Training Course



Real Estate

- Real Estate Broker
- Registered Architect
- Licensed Strata Management Consultant/ Building Manager
- Certified Property Manager



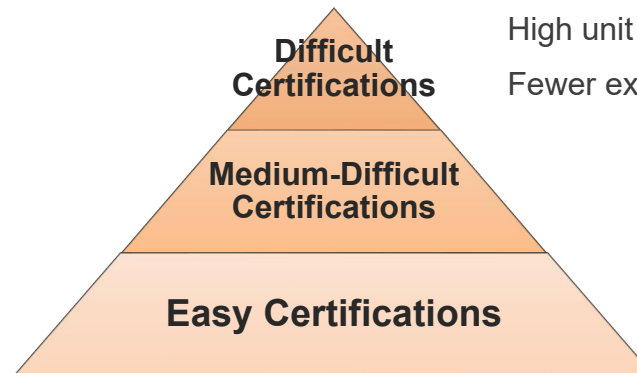
Civil Servant

- Civil Servant



Languages

- TOEIC® TEST Preparation



High unit price: High revenue per course

Fewer examinees



Step up from easy qualifications

Low unit price, small revenue per course

More examinees

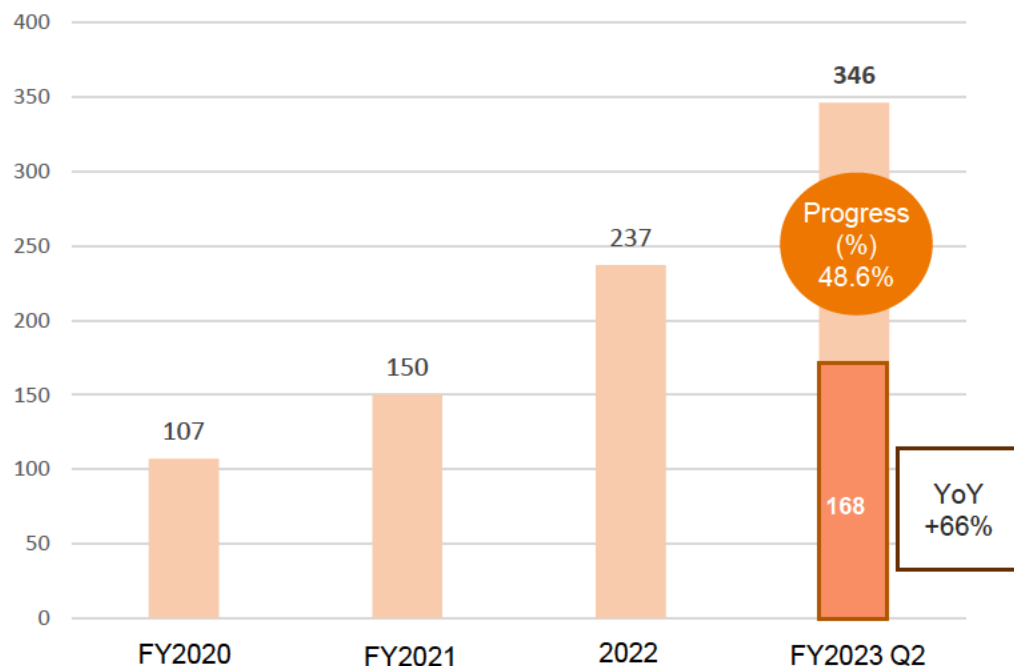
Corporate Education Business: KPIs (Q2 Cumulative)

Revenue in the Corporate Education Business grew significantly in the first half of the year, up +66.3% year on year to 168 million yen

Contracted companies with AirCourse increased by +164 versus the end of the previous fiscal year

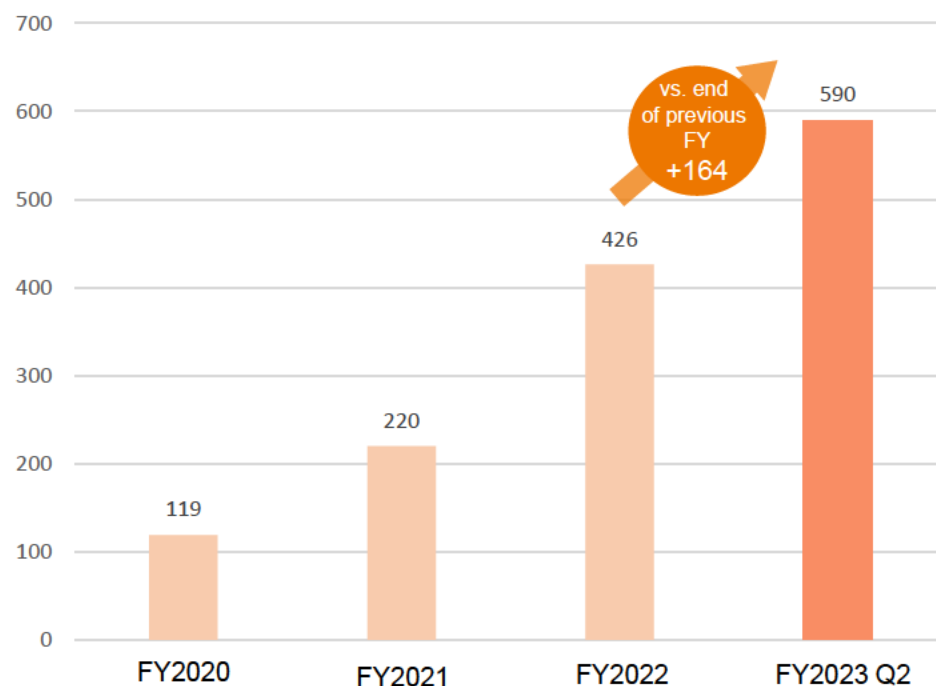
Corporate Education Business Sales

(Millions of yen)



AirCourse Contracted Companies

(No. of companies)



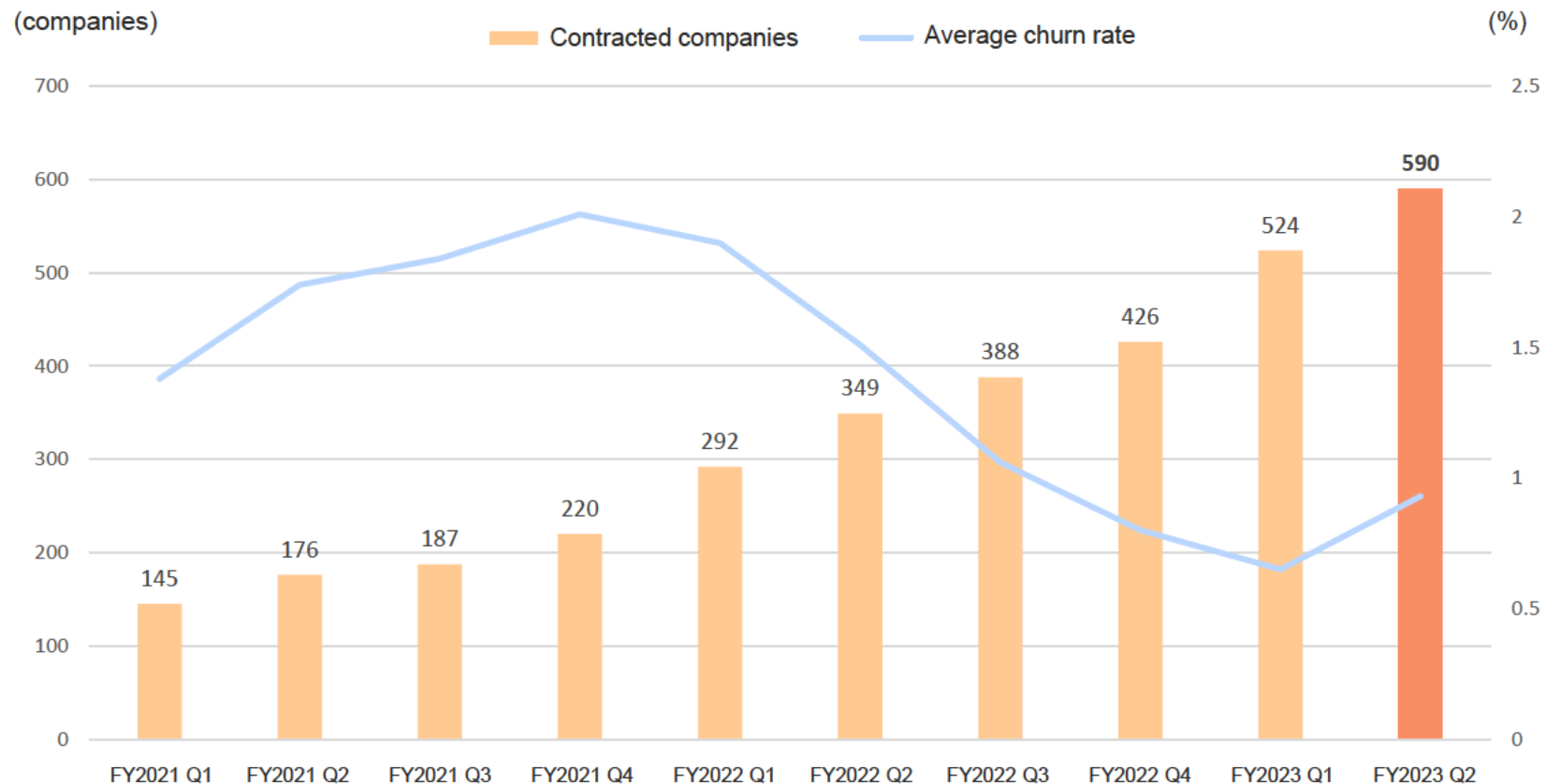
Corporate Education Business:

Quarterly Trend in Contracted Companies/Average Churn Rate

Contracted companies with AirCourse increased by +164 compared to the previous term to 590

Average churn rate for AirCourse* in Q2 increased from Q1 to 0.93% due to seasonal factors, etc.

We plan to enhance customer success to increase retention rates and promote upselling



*The average churn rate is calculated by taking the monthly stock sales for AirCourse (monthly sales minus spot sales) and determining the rate of decrease from the previous month to the current month due to churn (= monthly termination rate), and averaging these numbers over a full year

Corporate Education Business: Accelerating Growth Driven by Gains in Large-Scale Customers

Increase in orders from large companies and increased use of the system after adoption. Wide range of industries

Increase in expertise in employee training through successful customer case studies, and increase in impact of case study-based sales activities

AirCourse User Companies (in no particular order)



Centralized management of training information through e-learning, drastically reducing labor hours required for administration!
Gurunavi, Inc.



e-learning covers all aspects of "onboarding for mid-career hires," "preparation for qualification exams," and "employee benefits"
Nichii Carepalace Company



Customer building an environment where each department voluntarily uses e-learning to improve educational efficiency and effectiveness
Tokyo Tama Intercity Monorail Co., LTD.



We have an in-house qualification test system that has evolved into a movement, achieving a 15.2% increase in order unit price
SHIFT Inc.



AirCourse enables young employees to be active, revitalizes of internal communication, and restructures the education system
HOKUETSU METAL Co., Ltd.



AirCourse enables us to pass on skills to younger employees, revitalize internal communication, and recruit more new graduates
AIHARA Electrical Engineering Co., Ltd.



Using e-learning to develop human resources who will create the future
Kanatsu Engineering Constructor



Rich support for developing the ideal career
PERSOL TEMPSTAFF CO., LTD.



Full utilization from various training to promotion of understanding of company policies in combination with in-house content
FMG & MISSION CO., Ltd.



E-learning across a wide range of topics supports career development for our employees
Serio Inc.



E-learning offers a win-win educational environment for students and instructors
FUJI SANGYO CO., LTD.

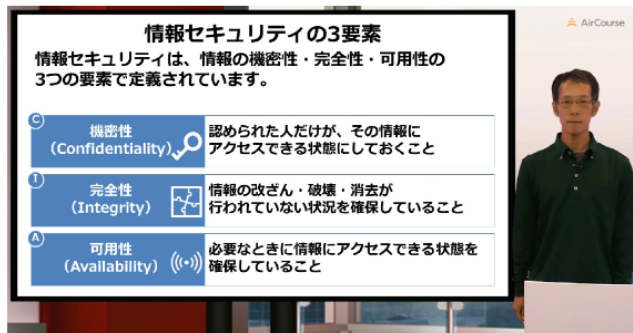


AirCourse provides educational opportunities for all employees, even when not every employee has their own PC
FRESTA Co., Ltd

Corporate Education Business: Major expansion of standard courses

Significantly expanded the number of all-you-can-learn courses offered by +102 compared with the previous term to 750 at the end of June 2023

Captured reskilling demand and positioned the series as an e-learning program for the development of DX human resources



■ AirCourse DX Series: Information Security (27 Courses)

Features original AirCourse content on DX human resource development based on the *Digital Literacy Standards* recommended by the Ministry of Economy, Trade and Industry and Information-technology Promotion Agency (IPA)

Introduction to Information Security

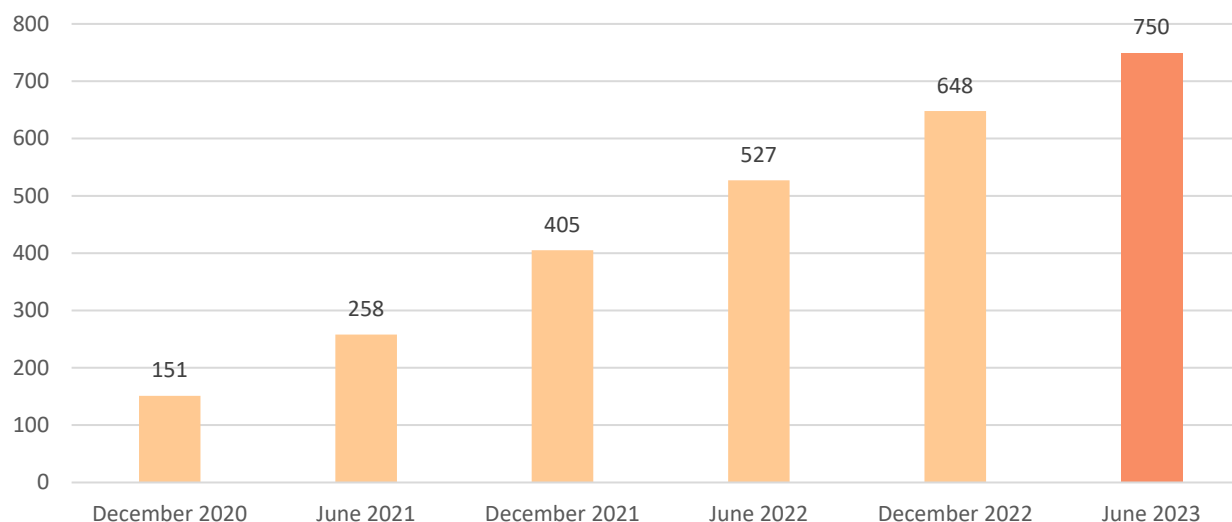
Information Security Trends

Procedures for Information Security Measures

Information Security to Protect as an Employee

Trends in AirCourse Standard Courses

(Courses)



- The number of courses increased fivefold in three years
- Abundant line-up of content including IT, management, and MBA series

Corporate Education Business: The New *AirCourse Knowledge* Service

We newly released the knowledge management service *AirCourse Knowledge* in May

This easy to operate service enables knowledge-sharing within the company

It also provides a foundation for human capital management by combining e-learning with knowledge-sharing

The screenshot displays the AirCourse Knowledge Service interface for KIIYOラーニング株式会社. The left sidebar shows a folder structure with '200_マニュアル' selected. The main content area lists three documents: '200_マニュアル' (2023年5月17日), '200_マニュアル' (2023年5月17日), and '200_マニュアル / 201_業務関連' (2023年5月9日). Each document entry includes a title, a brief description, a date, and statistics for views and likes. The right sidebar shows filters for 'カテゴリ' (Category) and 'テーマ' (Theme), along with a 'タグ' (Tag) section.

Example of Applications

- Share manuals, regulations, etc.
- Share proposals and business expertise
- Share the latest information and product information
- Share expertise on technology and IT usage (reskilling)
- Share FAQ Support

Corporate Education Business: Subtitle Function enables the Automatic Generation of Subtitles through AI

We provide a subtitle function that automatically generates subtitles using AI for videos uploaded by users (April)

Subtitles enable viewing for those with hearing impairments or those in environments where audio is difficult to hear, such as on trains or in offices

Subtitle Generation



- Easily add subtitles to videos
- Subtitles can be generated automatically by AI, or entered and edited manually.
- If there are existing subtitle files, subtitles can be imported in batches.

Subtitle Display



- Subtitles are displayed in the video player when videos are played during the course.
- Subtitles can be toggled on and off.
- Subtitle text is displayed separately. Clicking on the text allows you to specify the playback position of the video, useful for review and other purposes.

Differences Between Forecasts and Results for the First Half of the Fiscal Year Ending December 2023

Differences Between Forecasts and Results for FY2023 Q2 (Cumulative)

Net sales and profits at each state outperformed initial results forecasts in Q2 (cumulative)

Results exceeded expectations by more than 30%. For more details on profits at each stage, We inform the *Difference Between Q2 Performance Forecasts and Results*

Difference Between Forecasts and Results for the Cumulative Consolidated Second Quarter (January 1, 2023 to June 30, 2023)

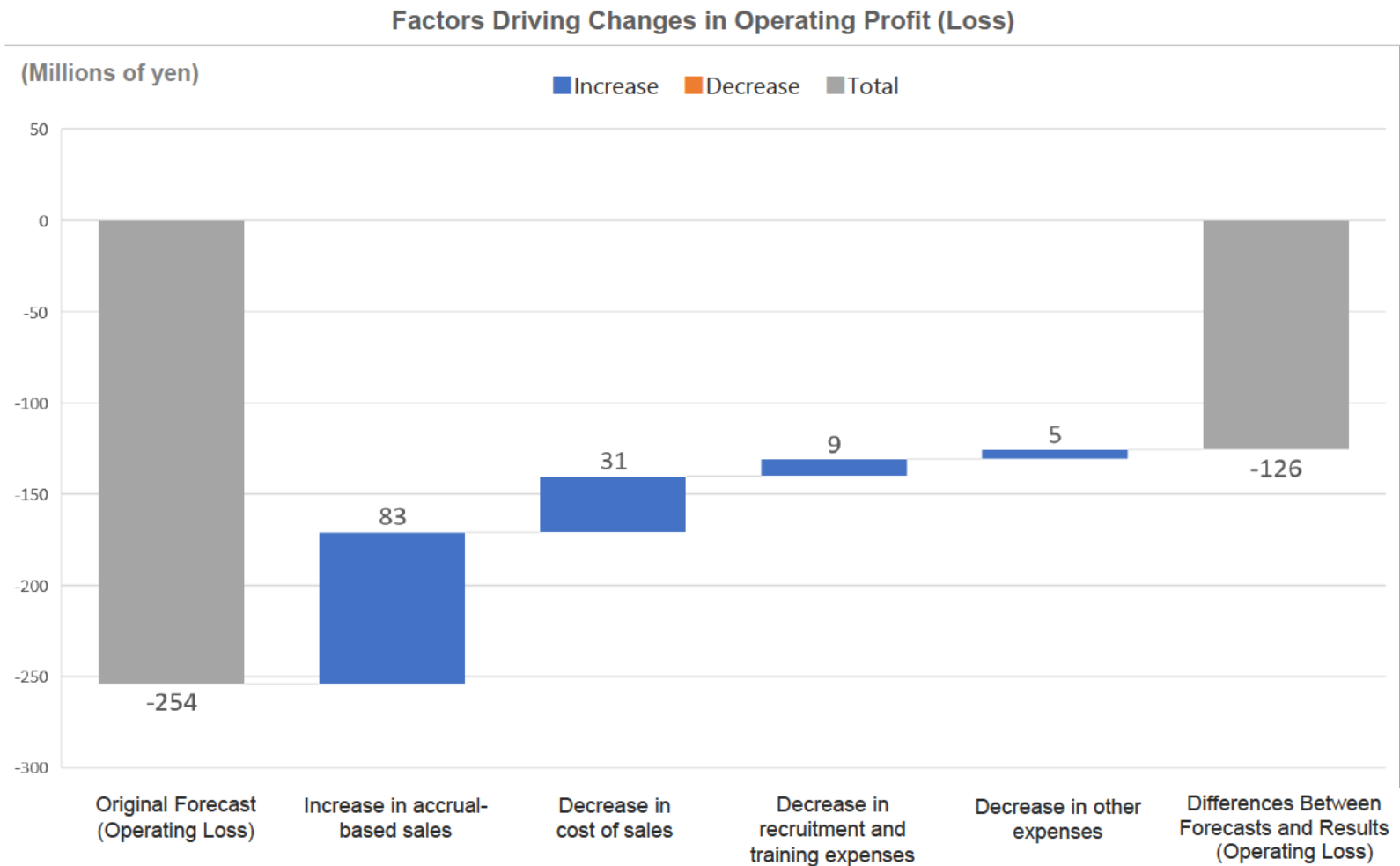
(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous Forecast (A) (Announced February 14, 2023)	1,620	-254	-256	-257	-37.98
Results (B)	1,703	-126	-131	-132	-19.47
Increase/Decrease (B-A)	83	128	125	126	—
Change (%)	5.1	—	—	—	—
(Reference) Prior-Year Q2 Results (FY 2022 Q2)	1,252	-402	-405	-440	-65.26

Source of Differences Between Forecasts and Results for FY2023 Q2 (Cumulative)

The main factors behind our performance forecast (operating profit) include an increase in net cash-based sales (+83 million yen), a decrease in cost of sales (+31 million yen), and a decrease in recruiting and training expenses (+9 million yen).

These factors were positive compared to the forecast, resulting in a +128 million yen increase in operating income to -126 million yen.



Analysis of Factors Behind Performance Forecast Revision (1)

Increase in Accrual-based Sales (Impact +83 Million Yen)

We expect the following three factors were the main factors behind accrual-based sales outperforming performance forecasts.

1. Studying Business: Increase in Net Cash-Based Sales

- Factors such as stronger marketing initiatives and organization led cash-based sales in the Studying Business to be better than expected in Q2 (cumulative).

2. Studying Business: Increase in Contribution Ratio of Net Cash-based Sales

- Of Studying Business cash-based sales in Q2 (cumulative), the percentage of accrual-based sales recorded (contribution ratio) was higher than expected.
- The main factor for this was that the balance of the types of products purchased differed from our initial expectation, resulting in accrual-based sales being recorded over a shorter period of time.
 - While we post cash-based sales at the time of purchase by the user, accrual-based sales are posted at different times depending on the type of product purchased. We record sales for courses in equal month installments in line with course durations, whereas we record sales for printed booklets at the time of delivery.
 - As such, we may record accrual-base sales over a shorter period of time in cases where we experience high sale volumes of courses with short durations, or if high volumes of printed editions are delivered in a short period of time.

3. Increase in Corporate Business Sales

- Corporate business sales increased more than expected due to firm corporate sales of AirCourse.

Analysis of Factors Behind Performance Forecast Revision (2)

Decrease in Cost of Sales (Impact +31 Million Yen)

- Cost of sales fell short of the forecast due to streamlined course development.

Decrease in Recruitment and Training Expenses (Impact +9 Million Yen)

- Recruitment costs fell short of the forecast due to revised recruitment methods and postponed expenses to the second half of the year at the time of hire.

Decrease in Other Expenses (Impact +5 Million Yen)

- We reduced expenses through refining cost control, cost reduction initiatives, and other measures.

Full Year Performance Forecast

- There are no current revisions to our performance forecasts for FY2023 as of the February 14, 2023 disclosure*.
- Our reasons for not revising the full-year performance forecast at this time are as follows.
 - Q3 is a period of significant sales and we must assess the progress of our business plan.
 - Sales may fluctuate due to changes in the contribution ratio of accrual-based sales in the Studying Business.
 - We may prepare for and invest in further growth from the next fiscal year.

*The Company will disclose matters regarding our business performance if such matters are determined necessary to disclose going forward.

*Forward-looking statements such as full-year performance forecasts are based on information currently available to the company and certain assumptions determined to be reasonable. We do not guarantee to achieve these forecasts. Actual results may change due to various factors.

About Shareholder Benefits

About Shareholder Benefits

1. Shareholder Benefit Program Details

(1) Scope

Shareholders holding at least five units (500 shares) of the Company's stock listed in the shareholders' register as of June 30 and December 31 of each year

(2) Benefits

Coupons that can be used for the purchase of products in the Studying Business lineup

Shares held	Benefits
500 shares (5 units) to 999 shares	10,000 yen discount coupon
1,000 shares (10 units) or more	20,000 yen discount coupon

2. Benefit Period

Coupons are to be sent in August for shareholders on the register as of June 30, and in March for shareholders on the register as of December 31

3. How to Use

For details on how to use shareholder benefits, please read the sections titled Exchanging Benefits and How to Use Shareholder Benefit Coupons located in the Shareholder Benefits Guide enclosed with your shareholder benefit package, or click on the URL below.

Shareholder Benefits

<https://studying.jp/yutai/> (Japanese Text Only)

About Shareholder Benefits

Shareholder Benefit Coupon



クーポン引換券

STUDYing ¥10,000 OFF

クーポン番号

有効期限：2023年12月31日



〈クーポン使用方法〉
PC・スマートフォンにて、右記のQRコード・下記のURLよりアクセスしていただき、左記のクーポン番号を入力いただくと利用可能です。

URL <https://studying.jp/yutai/>

※株主優待クーポンの発行には、スタディングサイトでのお手続きが必要です。
※スタディングサイトで、ご購入いただけるすべての商品でご利用いただけます。
※株主優待クーポンは、ご購入1回につき1つのみご利用いただけます。
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※券面に記載の有効期限を過ぎた場合は、ご利用いただけません。

※QRコードは関デンスーウェブの登録商標です。

KIYOラーニング株式会社

Scratch off the silver area with a coin and enter the coupon number on the dedicated website.



クーポン引換券

STUDYing ¥20,000 OFF

クーポン番号

有効期限：2023年12月31日



〈クーポン使用方法〉
PC・スマートフォンにて、右記のQRコード・下記のURLよりアクセスしていただき、左記のクーポン番号を入力いただくと利用可能です。

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KIYOラーニング株式会社

[Revisited] FY2023 Performance Forecast, Business Environment, and Key Topics

FY2023 Performance Forecast

Net sales increase 30.2% year on year to 3,707 million yen. Aiming to achieve steady revenue

Turning an operating profit while maintaining balance with investments for future growth

(Millions of yen)

Category	FY2022 (Results)	FY2023 (Forecast)	Year-on- year change
Net sales	2,848	3,707	30.2%
Studying Business	2,611	3,361	28.7%
Corporate Education Business	237	346	45.9%
Cost of sales	422	568	34.7%
Gross profit	2,426	3,139	29.4%
SG&A	2,609	3,038	16.4%
Operating profit (loss)	-183	102	-
Ordinary profit (loss)	-183	102	-
Net profit (loss)	-220	80	-

FY2023 Sales Forecast by Business

In the Studying Business, we expect 28.7% revenue growth year on year
Strengthening sales by combining TV commercials and web ads, and strengthening product appeal through the use of AI

In the Corporate Education Business, we expect 45.9% revenue growth year on year
We expect revenue growth from strengthening the sales organization, customer success, and our products

Category	FY2022 (Results)	FY2023 (Forecast)	Year-on- year change
Net sales	2,848	3,707	30.2%
Studying Business	2,611	3,361	28.7%
Corporate Education Business	237	346	45.9%

FY2023 Full-Year Performance Forecast by Half Year






As in previous years, the first half (Q1 and Q2) are expected to experience low revenue and operating income due to smaller numbers in connection with the shift from cash-based to accrual-based sales

The second half (Q3 and Q4) are expected to experience higher revenue and operating income due to larger numbers in connection with the shift from cash-based to accrual-based sales

(Millions of yen)	FY2023 (Forecast)				
	January-June	Year-on-year change	July-December	Year-on-year change	Full Year
Net sales	1,620	+29.1%	2,088	+30.9%	3,707
Operating income	-254	-	356	+62.6%	102

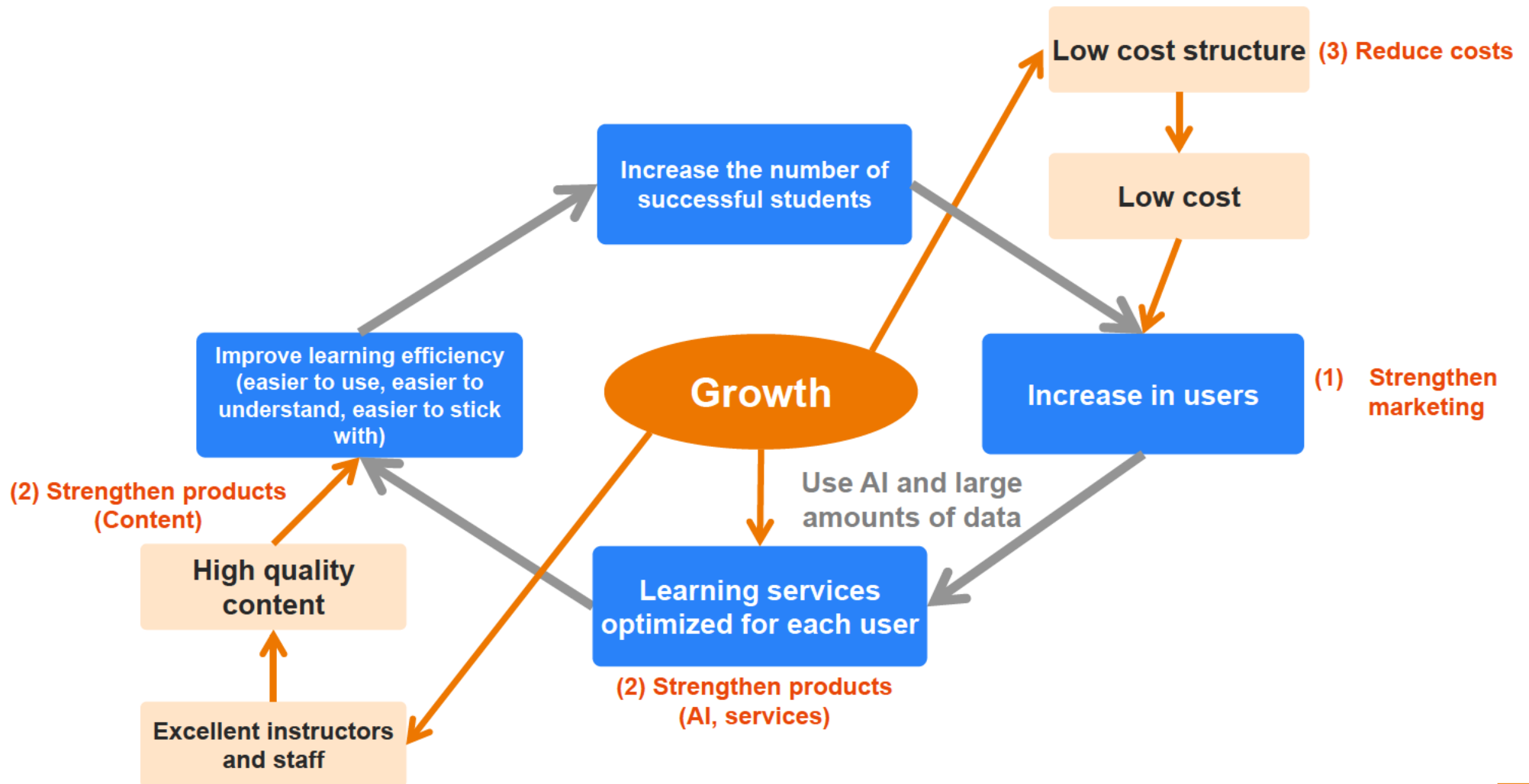
Changes in Our Business Environment

Increased demand for skill development for reskilling and human capital management, etc., leading to expanded market opportunities for our online business

	<u>Changes in the Environment</u>	<u>Changes in Human Resources Development</u>
COVID-19 Pandemic	<ul style="list-style-type: none">• Accelerated shift to telework in response to COVID-19	 <ul style="list-style-type: none">• Accelerated shift from group training to online education
Changes in Work Styles	<ul style="list-style-type: none">• Individualization of work hours, work locations, etc.	 <ul style="list-style-type: none">• Development measures independent from time or location• Individualization (personalization) of development
DX, Reskilling	<ul style="list-style-type: none">• Transformation caused by technological innovations and changes in the competitive environment (Digital Transformation)	 <ul style="list-style-type: none">• Employees must change skills and relearn to achieve DX
Human Capital Management, Investment in Human Capital	<ul style="list-style-type: none">• Intensifying global competition• Decline in working population in Japan	 <ul style="list-style-type: none">• Investing in development of employee skills and abilities to increase productivity
Evolution of IT, AI and Other Technologies	<ul style="list-style-type: none">• Evolution and practical application of IT and AI technologies	 <ul style="list-style-type: none">• Change to individually optimized training and education using IT and AI technology

Studying Business Basic Strategy

We expect to increase sales and profits by implementing three measures:
(1) Strengthen marketing; (2) Strengthen products; and (3) Reduce costs.



Key Topics for FY2023: Studying Business

1. Establishing a Brand and Strengthening Customer Attraction

- Becoming a certification success partner for busy people
- Strengthening branding and attracting customers through a combination of TV commercials, web ads, social media, etc.

2. Individual Learning Optimization via AI and System Strengthening

- AI functions and enhanced learning systems enable personalized learning services
- Improving ease of use, ease of understanding, ease of sticking with it

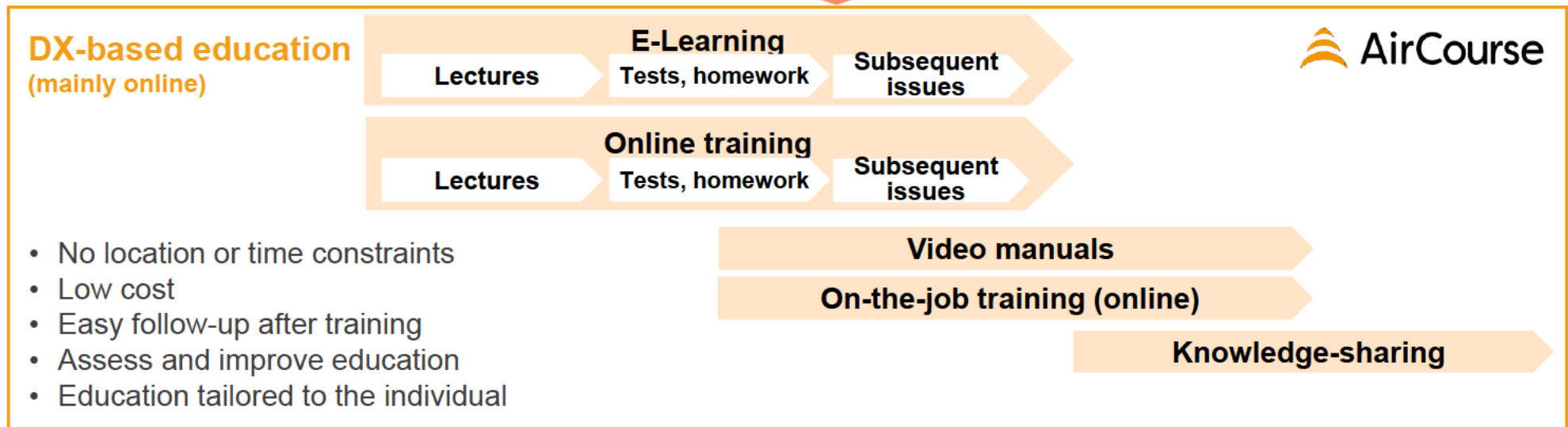
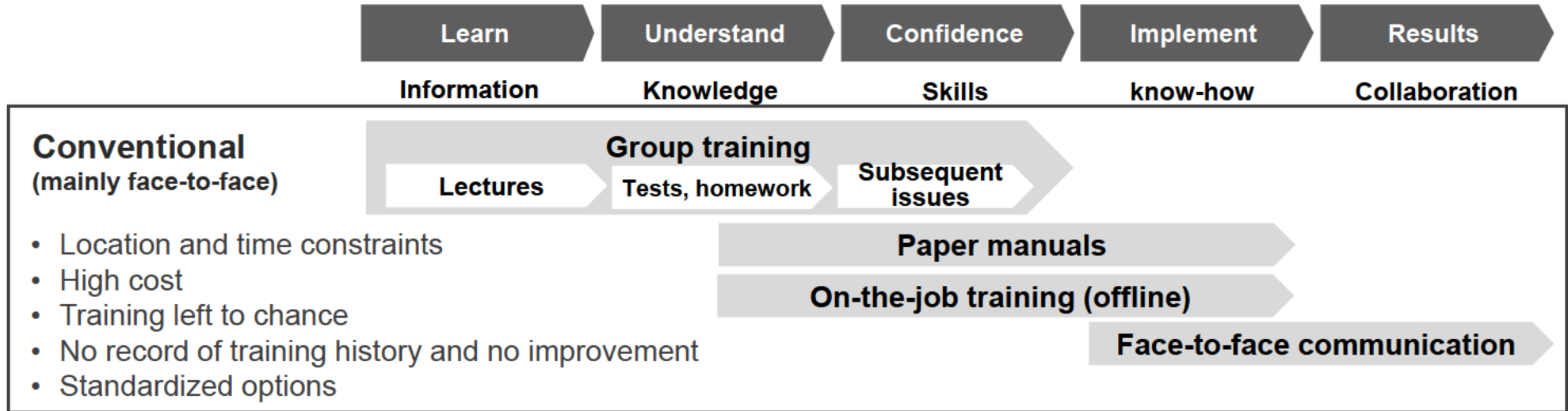
3. Enhancing Course Content and Support Capabilities

- Engaging in improvement activities to increase course pass rates
- Strengthening support capabilities such as QA services and coaching

➔ **Systematically implementing the above topics, aiming to be No.1 in successful students**

Corporate Education Business Basic Strategy

Demand for online human resource development and reskilling is increasing among corporations, and we aim to achieve high growth by enhancing our sales, system, content, and organizational capabilities



Key Topics for FY2023: Corporate Education Business

1. Strengthening Marketing and Sales Capability

- Strengthening sales and marketing structures to increase corporate orders
- Strengthening web advertising and partner channels to increase the number of potential customers

2. Enhancing Courses and Capturing Reskilling Demand

- Enhancing IT courses to capture reskilling demand
- Strengthening studying sales for corporations

3. Expanding Sales Opportunities by Strengthening Systems

- Enhancing competitiveness through extended system functionality for large companies
- Investing in system functions to capture demand for human resource development from reskilling and companies promoting DX

➔ **Systematically implementing the above topics, aiming to be No.1 in SaaS-based e-learning**

Disclaimer

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A variety of risks and uncertainties is inherent in these forward-looking statements. Risks, uncertainties, and other factors that are already known or not yet known may lead to results differing from those found in these forward-looking statements.

The Company's actual business lines and performance may differ in the future versus content of forward-looking statements in this document.

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