



FCE
Future Created by Entrepreneurs

FY2024/9 3Q

Earnings Report

FCE Inc.

August 13, 2024

Tokyo Stock Exchange Standard

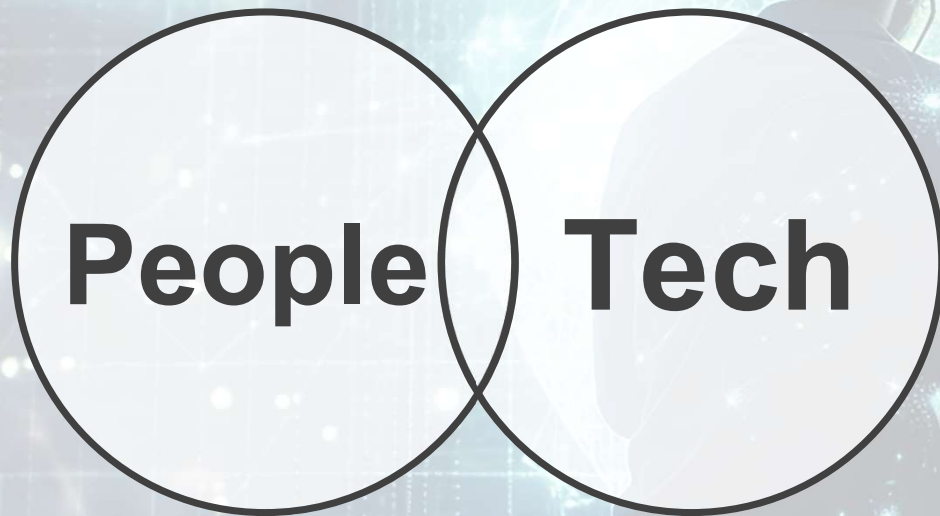
Securities Code: 9564

Purpose



To create a world in which everyone can approach and solve challenges with all their might

Mission



Maximize Human Capital



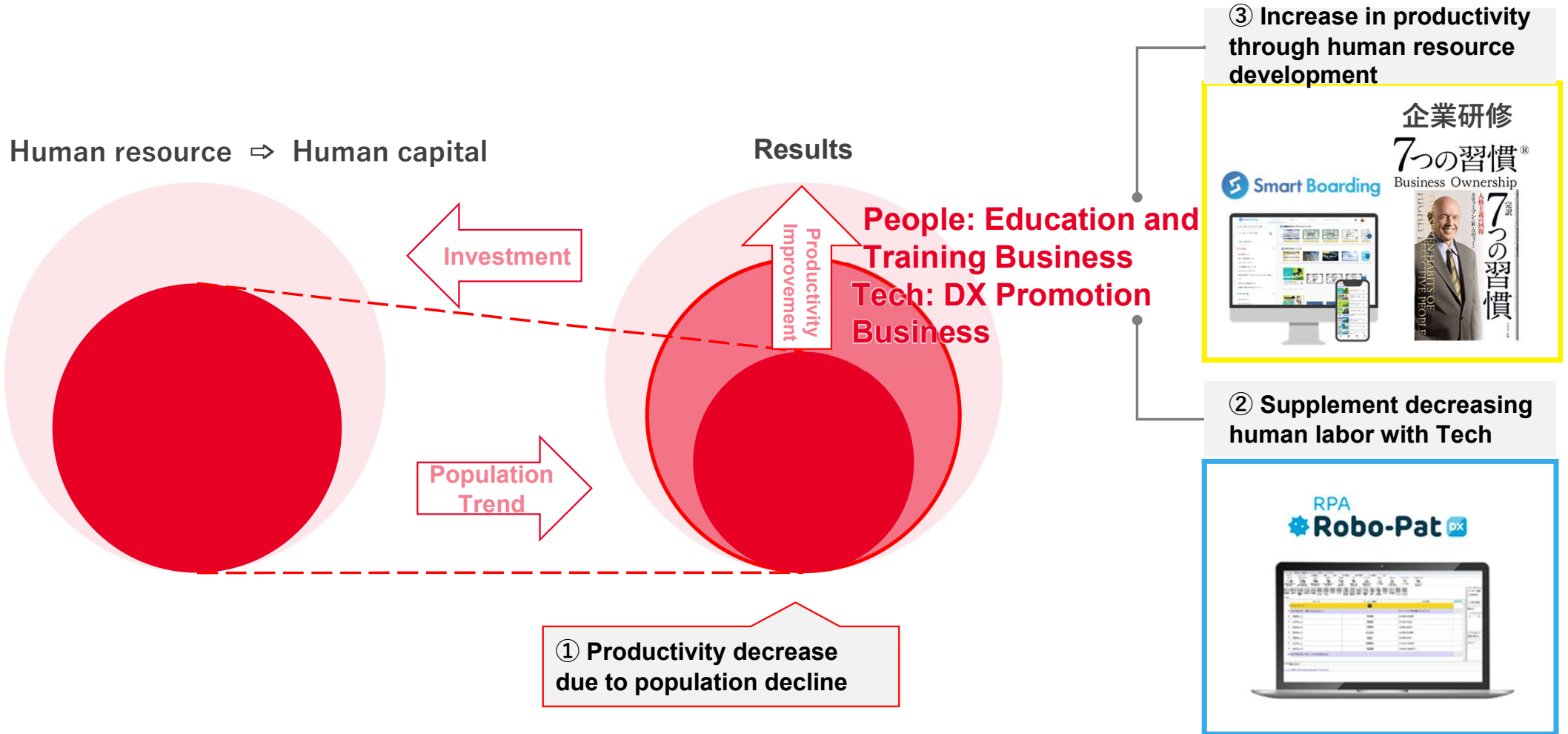
**DX
Promotion
Business**



**Education
and Training
Business**



Decrease in human resources ⇒ Contribute to the maximization of human capital through “People” x “Tech”



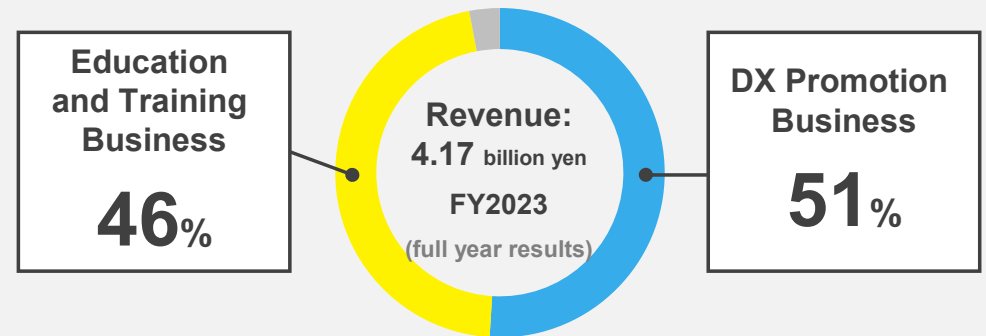


Company Overview

Company Name	FCE Inc.	Securities Code: 9564
Established	April 21, 2017	Group established February 19, 2004
NO. of employees	207 employees	with an additional 16 part time employees

*as of June 30, 2024

Business Portfolio



Main Business (Business segment)

Education and Training Business

Smart Boarding

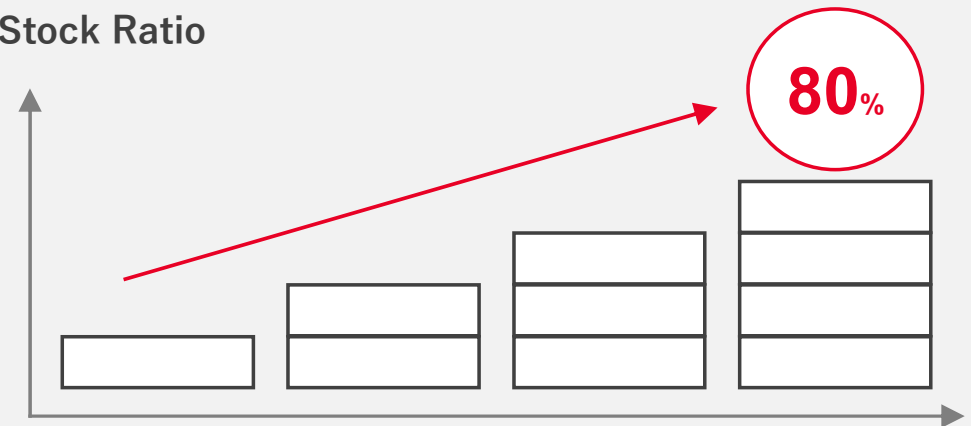
フォーサイト

DX Promotion Business

Robo-Pat

RPAの切り札

Stock Ratio





Executive Summary 1

FY2024/9 3Q Results

Revenue

3,680 million yen (+17.0% YoY)

Ordinary Income

735 million yen (+28.2% YoY)

Topics


- ▶Capital and business alliance with Link and Motivation (TSE Prime: 2170)
- ▶Investment into Sponsors Boost
- ▶Signed a partnership agreement with Creek & River (TSE: 4763) and formed a business alliance with Ryukyu Asteeda (TSE: 7364)
- ▶RPA Robo-Pat DX ranked No. 2 (out of approximately 10,000 products) as the "Most Powerful IT Tool"!
- ▶FCE awarded "Stress Free Company" for the 3rd consecutive year
- ▶Progress in dissolving the pure holding company system and synergies among businesses




Executive Summary 2

Revision of FY2024/9 full-year earnings forecast

Revenue

5,000 million yen $\left(+8.7\% \text{ vs. } 2/13 \text{ Forecast} \right)$ 

Net Income

500 million yen $\left(+10.1\% \text{ vs. } 2/13 \text{ Forecast} \right)$ 

Background to forecast revision

Revenue

▸ Net sales are revised to 5,000 million yen, exceeding the mid-cycle target for the next fiscal year ending September 30, 2025, mainly due to the progress of the RPA Robo-Pat DX and Smart Boarding SaaS-type businesses.

Net Income

▸ Net income is revised to 500 million yen due to the application of tax effect accounting.



KPI Summary

SaaS-type Business MRR*1

263 million yen
(+28.7% YoY)

RPA
Robo-Pat DX

224 million yen

Smart Boarding

39 million yen

No. of companies installed

RPA
Robo-Pat DX **1,364** companies
(Mi-term*3 progress rate 109.1%)

Smart Boarding **892** companies
(Mid-term*3 progress rate 133.1%)

ARPU*2

RPA
Robo-Pat DX **165** thousand yen
(+5% YoY)

Smart Boarding **44** thousand yen
(+2% YoY)

*1 : MRR (Monthly Recurring Revenue) Monthly recurring sales amount as of the end of the third quarter of the fiscal year ending September 30, 2024

*2 : ARPU (Average Revenue Per User) Average amount of sales per installed company as of the end of the third quarter of the fiscal year ending September 30, 2024

*3 : Refers to the plan for the number of companies installed as of the end of FY2024/9 in the "3-Year Business Strategy Summary and Key Performance Indicators (KPIs)" of the Medium-Term Management Plan disclosed on May 24, 2023.



Agenda

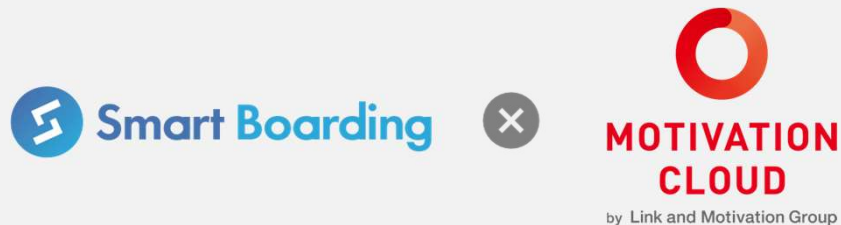
- 01 Topics from FY2024/9 3Q (April – June)**
- 02 Results for FY2024/9 3Q**
- 03 Revision of Earnings Forecast**
- 04 Business and Growth Strategy : DX Promotion Business**
- 05 Business and Growth Strategy : Education and Training Business**
- Appendix**



Business alliance with Link and Motivation*1 (TSE Prime: 2170)

The companies have entered into a business alliance agreement. Both companies will start selling each other's products. We will establish a cooperative framework for sales of our "RPA Robo-Pat DX" and "FCE Prompt Gate" to large companies, and for sales of LM's "Motivation Cloud"² Series" to small and medium-sized companies.

Sales of "Motivation Cloud Series" to small and medium-sized companies



Sales of "RPA Robo-Pat DX" and "FCE Prompt Gate" to large companies



Accelerate growth to realize our mission, "Contribute to the maximization of human capital through "People" x "Tech"

Note 1: Link and Motivation Inc. (Listed on the Tokyo Stock Exchange Prime Market, Securities Code: 2170)

This is a company that provides corporate transformation consulting and cloud services through motivation engineering, motivation management business (support for training, systems, and culture change), entry management business (recruitment support), and venture incubation.

Note 2: Motivation Cloud is a cloud service that helps improve employee engagement by diagnosing organizational conditions based on one of Japan's largest databases of over 4.22 million employees from a total of 11,890 companies.

Capital investment into Sponsors Boost

- Investment in "SPONSORS BOOST," a platform connecting university students and companies.
- We are committed to realizing our mission to "create a world in which everyone can approach and solve challenges with all their might" by supporting the growth of unlisted startup companies and students who are passionate about club activities.

Overview of Investment

(1) Details of investment

Paid-in amount: 15 million yen in total (paid-in on July 11, 2024)

(2) Overview of investment

Name: SponsorsBoost, Inc.

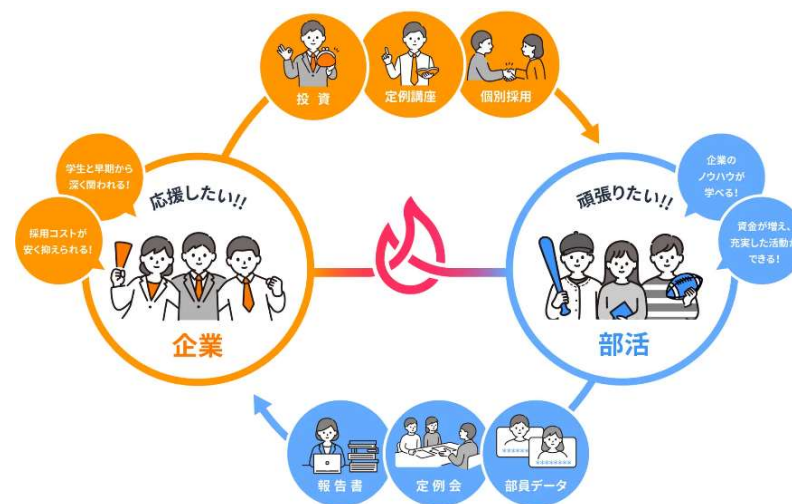
Business details: Development and sales of a platform that allows companies to make small sponsorship investments in university club activities

Status of universities and club activities (number of registered students): 50 universities, 80 club activities

(3) Details of business alliance

Financial support for university club activities through "SPONSORS BOOST," guidance and promotion of "7 Habits® presents "The First Habit Self-Coaching Certification Course for Athletes," participation in two joint information session events per year, advertising and promotional activities targeting students, and distribution of tie-ups on social networking services.

SPONSORS BOOST



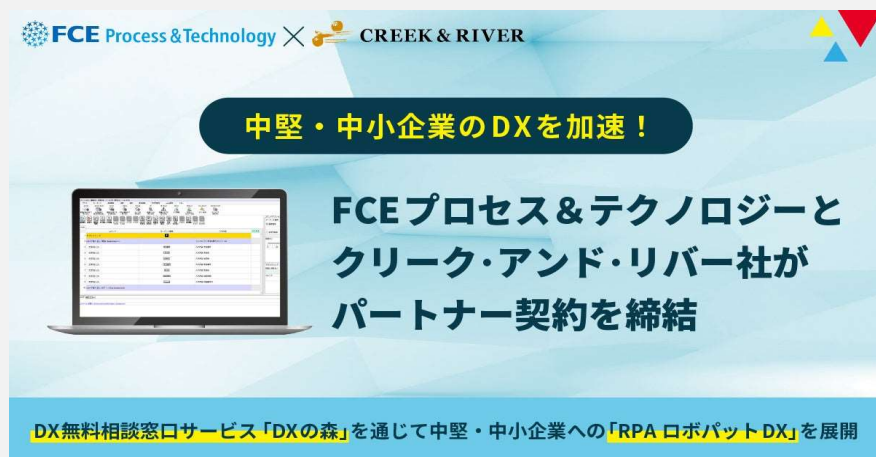
Through this alliance, we will accelerate our efforts to support students' challenges and strengthen the recruitment of new graduates.



Partnership agreement with Creek & River*1 / Business alliance with Ryukyu Asteeda*2

DX Promotion Business

Partnership Agreement



Through the free DX consultation service "DX no Mori", we will deploy "RPA Robo-Pat DX" to small and medium-size companies.

Press release: <https://prtimes.jp/main/html/rd/p/000000240.000029370.html>

Note 1: Creek & River Co. Ltd. (Listed on the Tokyo Stock Exchange Prime Market, Securities Code: 4763) is a company which operates a rights management business (planning, development and distribution of intellectual property), a production business (development and contracting), and an agency business (temporary staffing and placement).

DX Promotion Business / New Business

Business Alliance



Began offering "RPA Robo-Pat DX" and "FCE Prompt Gate" to a new customer base.

Accelerate business development by leveraging the strengths of both products.

Press release: <https://prtimes.jp/main/html/rd/p/000000238.000029370.html>

Note 2: RYUKYU ASTEEDA Sports Club Co., Ltd. (Tokyo Stock Exchange, Securities Code: 7364) is a company that provides marketing support to various companies under the theme of "Okinawa x Sports x ○○" as a comprehensive regional sports club, including the operation of a professional team that participates in the professional table tennis league "T-League," triathlon team management, sports bars, table tennis classes, and table tennis product EC website management, etc.



Ranked No. 2 as “Most Powerful IT Tool” / Won "No.1 Customer Satisfaction" in the RPA tool category

DX Promotion Business

Ranked in the top 5 for 3 consecutive years

RPA
Robo-Pat

RPAロボパットDXが『最強ITツール』として

2023年 **第1位**
(約7,300製品中)

2024年 **第2位**
(約10,000製品中)

ITreview
Best Software
in Japan 2024

★ TOP 50 ★

昨年の1位に続き、2位にランクイン
ITreview Best Software in Japan 2024
「ビジネスパーソンから最も支持を集めたツール」

Ranked 2nd out of approximately 10,000 products in "ITreview*1 Best Software in Japan 2024".

Press release: <https://prtimes.jp/main/html/rd/p/000000237.000029370.html>

Note 1: ITreview is a review platform for SaaS, software, and IT services for corporate users, where users can read real reviews posted by IT product users and compare products with high customer satisfaction that are adopted in the business world. It is one of the largest review platforms in Japan with over 10,000 reviews of products and services in over 810 categories such as information sharing, sales, marketing, accounting, IT infrastructure, development, and more.

DX Promotion Business

Awarded for 8 consecutive terms

RPA
Robo-Pat

8期連続受賞!

ITreview RPA カテゴリーレポート 2024 Spring にて

ロボパットDXがRPAツール部門で
顧客満足度 **No.1** を獲得!

満足度
No.1
RPAツール部門
ITreview

ITreview RPAツール
カテゴリーレポート 2024 Spring

The company received the highest satisfaction rating in the RPA tool category of the ITreview Category Report*2 and was ranked No. 1 in customer satisfaction for the eighth consecutive term.

press release: <https://prtimes.jp/main/html/rd/p/000000233.000029370.html>

Note 2: ITreview Category Report provides a detailed comparison and analysis of the products listed in each category from the perspective directly related to business, such as functionality, usability, price, and time required for introduction and implementation.



Smart Boarding "Good Service" award / Stress Free Company*1 award

Training Business

Awarded for 8 consecutive terms



Awarded "Good Service" in the e-Learning (System) category at the BOXIL SaaS AWARD*2 Summer 2024"

Press release: <https://prtimes.jp/main/html/rd/p/000000239.000029370.html>

Note 2: BOXIL SaaS AWARD: Smart Camp, which operates the SaaS comparison site "BOXIL SaaS," judges, selects, and awards outstanding SaaS. The "BOXIL SaaS AWARD Summer 2024" is judged based on approximately 18,000 new reviews posted on "BOXIL SaaS" during the year from April 1, 2023 to March 31, 2024.

FCE Group

Awarded for 3 consecutive years



The "Stress Free Company" award is given to companies that achieved an overall organization-wide "overall health risk" of 90 or less (FCE scored 73) out of approximately 7,000 companies.

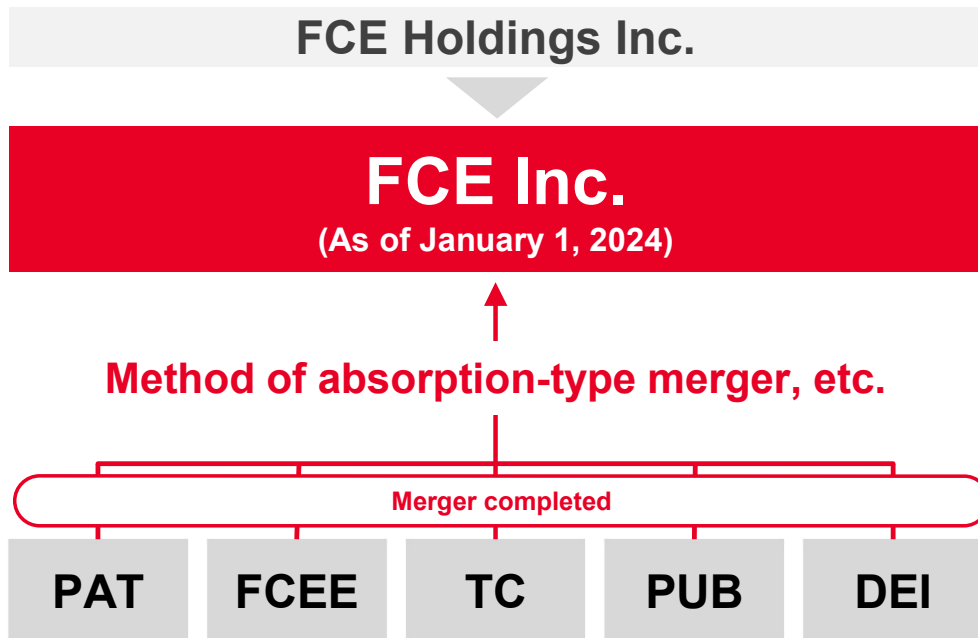
Press release: <https://prtimes.jp/main/html/rd/p/000000234.000029370.html>

Note 2: Stress-Free Company Award System: The Stress-Free Company Award Committee calculates "overall health risk" based on the results of stress checks using the "Brief Occupational Stress Questionnaire" established by the Ministry of Health, Labor and Welfare, and awards annual prizes to stress-free companies based on the results.

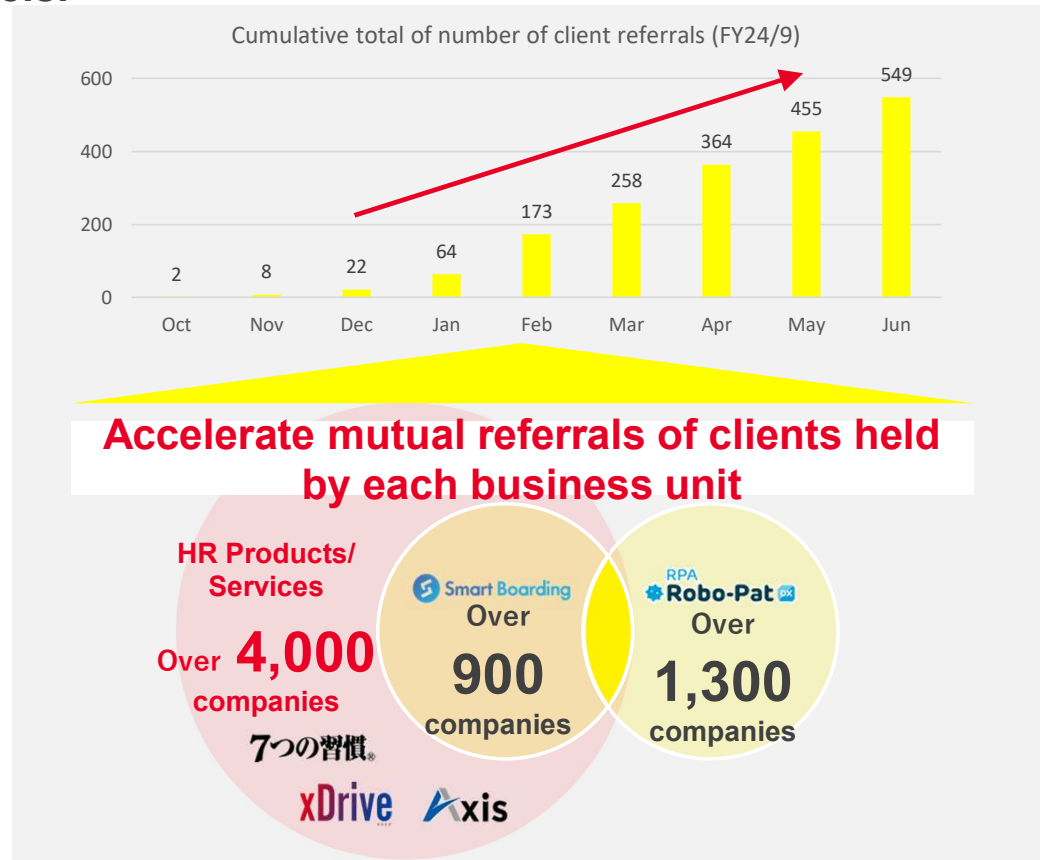


Progress in dissolving the pure holding company structure and fostering synergies among businesses

Completed the dissolution of the pure holding company system. Accelerate proactive efforts to introduce customers from other business units within the group (inter-group synergies) and promote business expansion by developing new lead channels.



* FCE Process & Technology Corporation (PAT), FCE Education Corporation (FCEE), FCE Training Company (TC), FCE Publishing Corporation (PUB), Dining Edge International (DEI)





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- 02 Results for FY2024/9 3Q
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FY2024/9 3Q | Earnings Overview

Revenue

3Q Revenue increased by 26.5% YoY, a 17.0% increase to date.

Ordinary Income

3Q Ordinary Income increased by 13.7% YoY, achieving a 28.2% increase to date.

Full Year Forecast

Expect to achieve full-year sales and profit forecasts due to higher sales and an increase in stock-type business buildup.

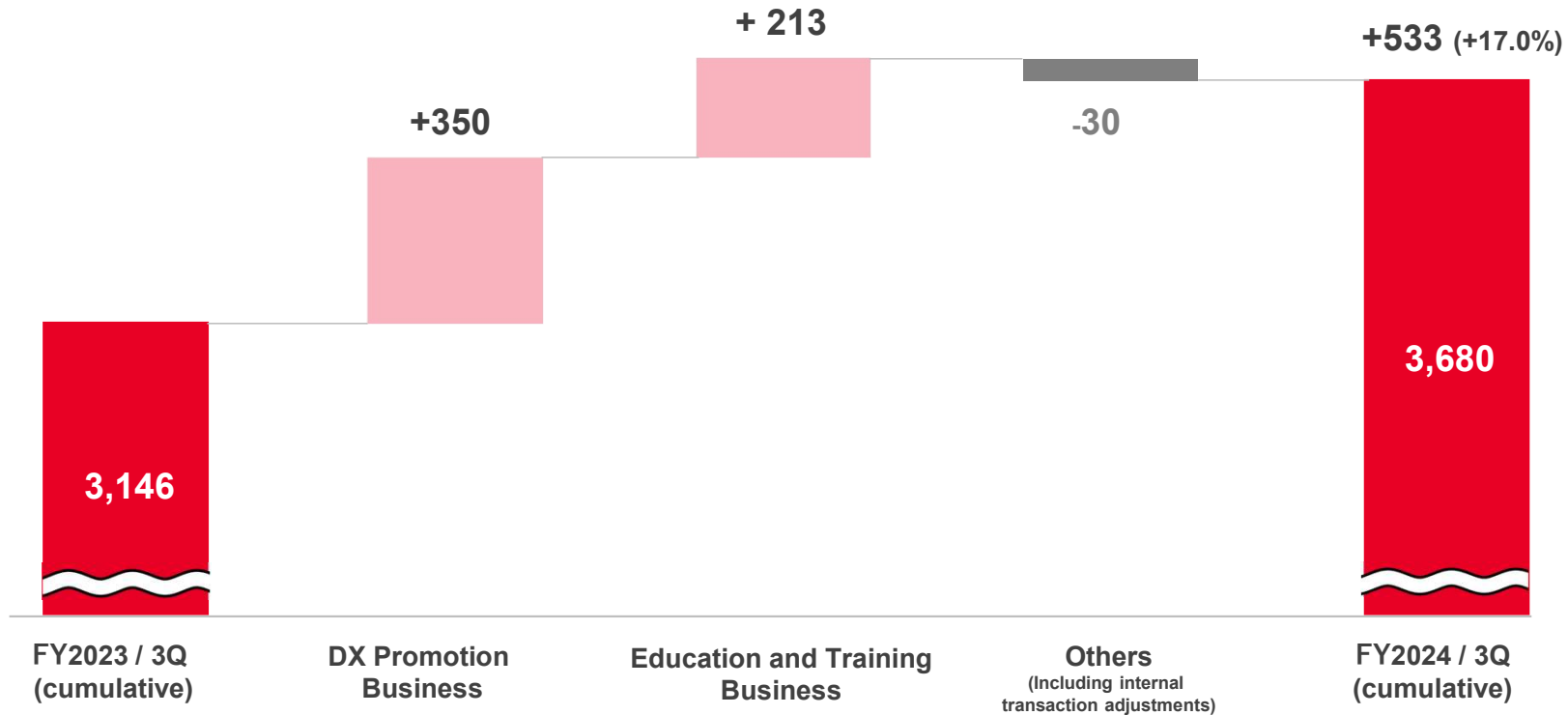
	FY2023/9		FY2024/9 3Q				FY2024/9 Full Year	
	3Q (Apr – Jun)	3Q (Cumulative)	3Q (Apr – Jun)	3Q (Cumulative)	YoY (3 months)	YoY (9 months)	Full Year Forecast (announced on 2024/8/13)	Progress rat
Revenue	1,021	3,146	1,292	3,680	+271 (+26.5%)	+533 (+17.0%)	5,000	73.6%
Operating Income	169	581	198	728	+28 (+17.0%)	+147 (+25.3%)	707	103.0%
Ordinary Income	176	573	200	735	+24 (+13.7%)	+161 (+28.2%)	705	104.3%
Net Income Attributable to Owners of the Parent	111	373	142	487	+30 (+27.5%)	+114 (+30.6%)	500	97.6%
EBITDA*	177	607	213	767	+36 (+20.5%)	+160 (+26.4%)	—	—
Ordinary Margin	17.2%	18.2%	15.5%	20.0%	▲1.8%pts	+1.8%pts	14.1%	—



FY2024/9 3Q | Revenue

Revenue increase in both DX Promotion Business and Education and Training Business
Strong performance from DX Promotion Business (RPA Robo-Pat DX) and Education and Training Business (Smart Boarding)

Unit: million yen

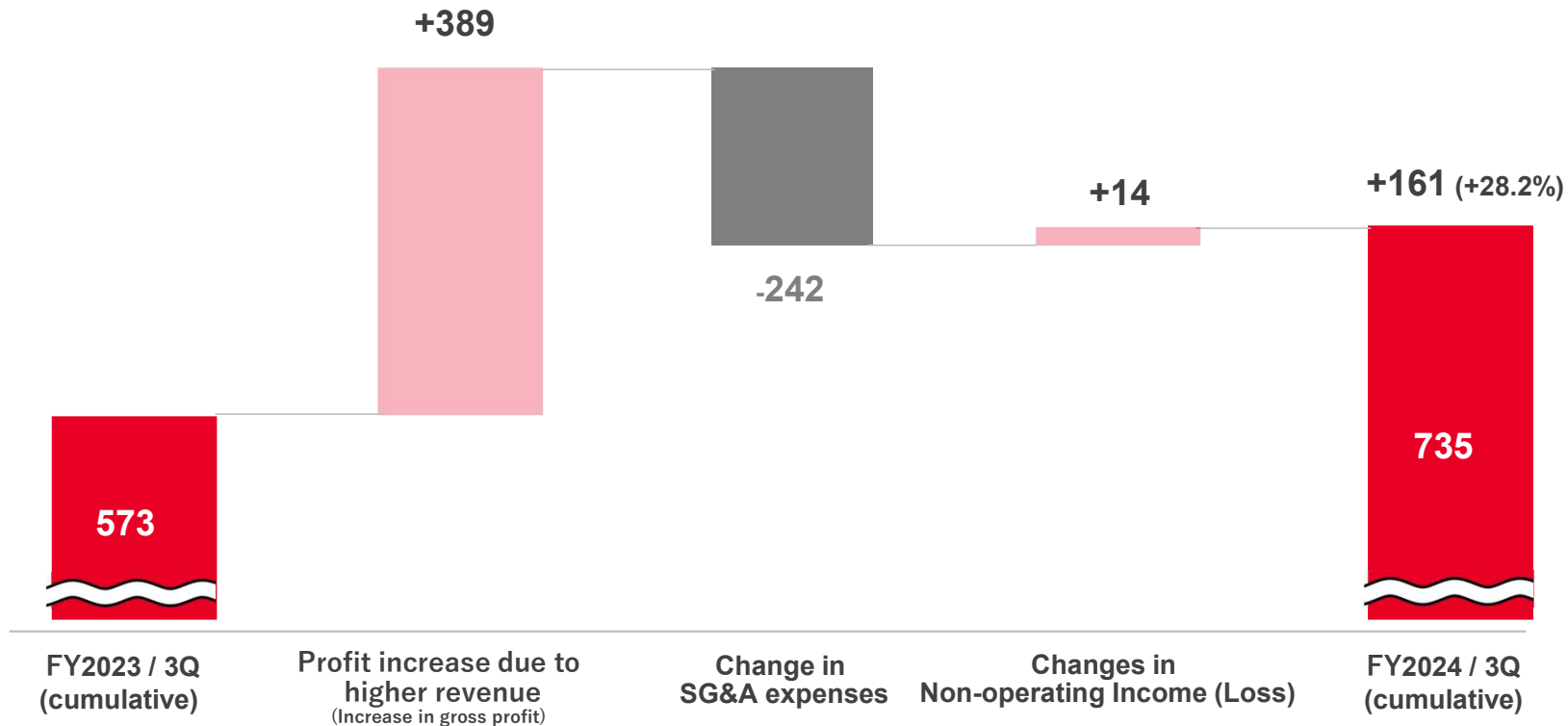




FY2024/9 3Q | Ordinary Income

Ordinary income increased mainly due to higher profits from increased revenues
Non-operating income increased due to the absence of one-time factors such as listing-related expenses incurred in the previous fiscal year

Unit: million yen





Balance Sheet Overview

Unit: Million yen	End of September 2023	End of December 2023	End of March 2024	End of June 2024	Change (YoY)
Cash and deposits	2,247	1,938	1,883	2,477	+229
Other current assets	635	640	955	847	+212
Total current assets	2,882	2,579	2,838	3,325	+442
Total fixed assets	415	429	539	546	+130
Total assets	3,298	3,008	3,378	3,871	+572
Total liabilities	1,593	1,195	1,324	1,666	+73
Shareholder's Equity	1,688	1,801	2,036	2,181	+492
Other net assets	15	11	17	23	+7
Net assets	1,704	1,812	2,054	2,204	+499
Total liabilities and net asset	3,298	3,008	3,378	3,871	+572
Equity ratio	51.6%	60.2%	60.8%	56.9%	+5.3% pts

Accounts receivable: +149 million yen

Accounts payable: +19 million yen
 Accrued expenses: +2 million yen
 Deferred income: +205 million yen
 Allowance for bonuses: -104 million yen
 Income taxes payable, etc. : - 49 million yen

Retained earnings: +487 million yen

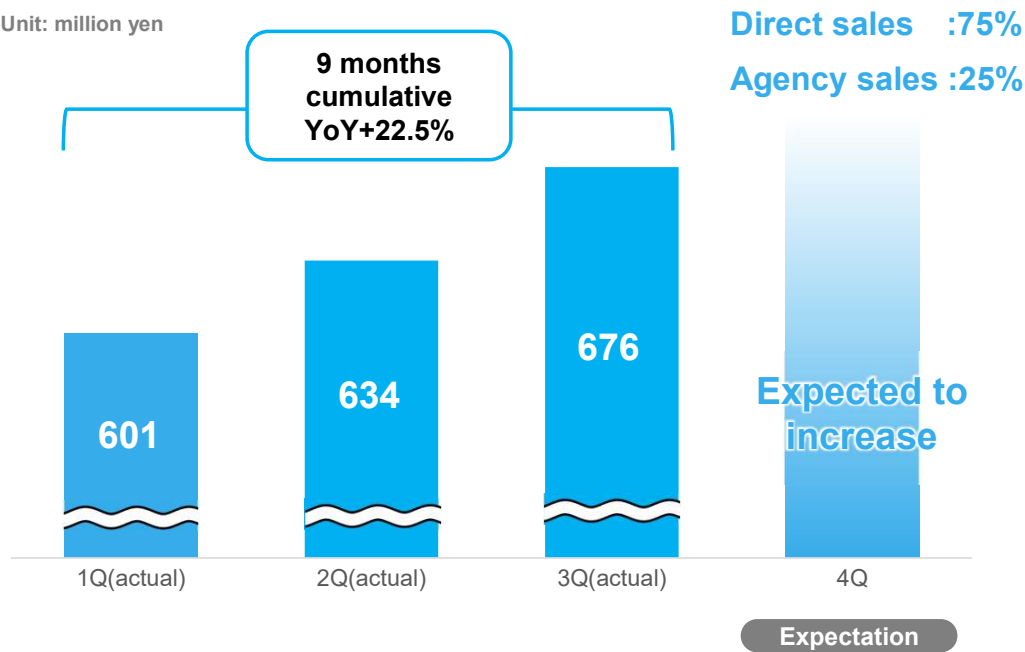


FY2024/9 3Q | DX Promotion Business Performance and Main KPI

- Revenue increased by +22.5% YoY
- Continuous revenue increase is expected due to the increase in the number of companies installing our system
- 1,364 companies have installed the RPA Robo-Pat DX as of June 30, 2024

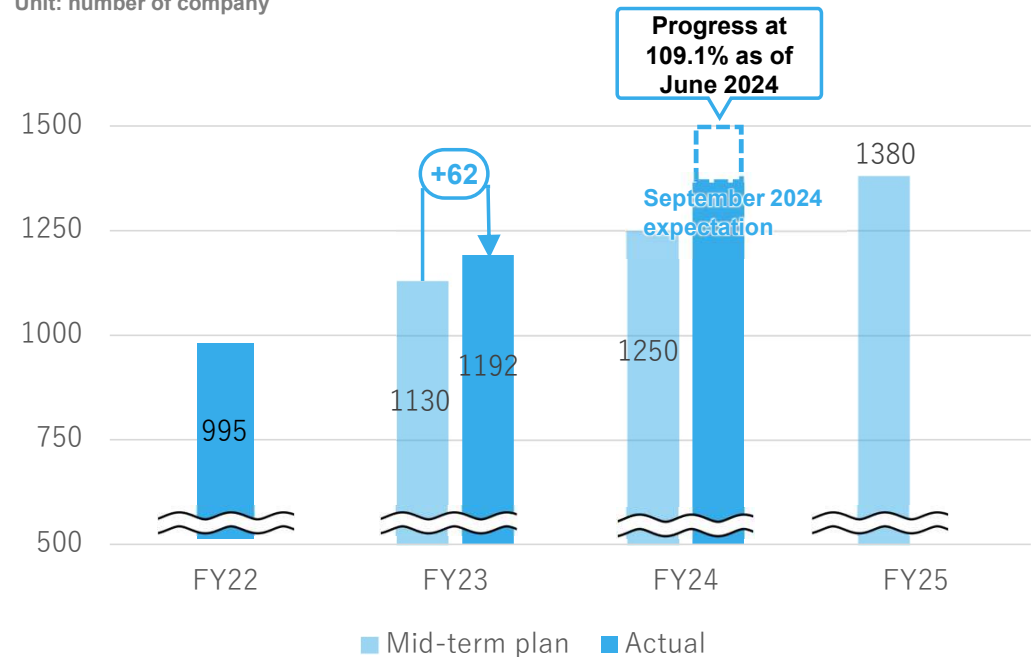
DX Promotion Business revenue (FY24/9)

Unit: million yen



Number of companies that installed RPA Robo-Pat DX (disclosed May 24, 2023; compared against mid-term management plan)

Unit: number of company





FY2024/9 3Q

Education and Training Business Performance and Main KPI

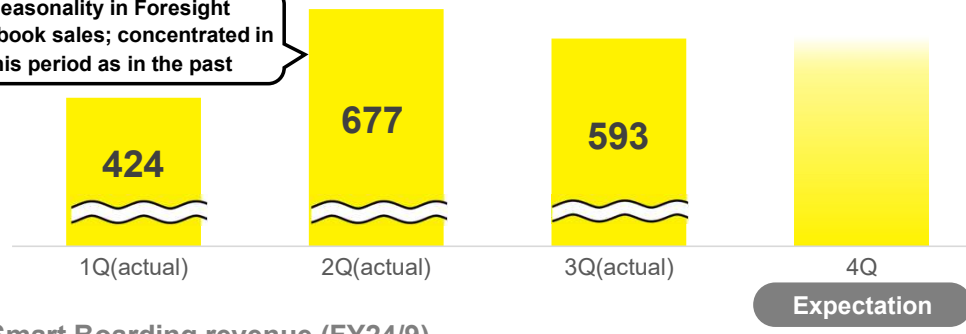
- Education and Training Business revenue increased by +14.4% YoY, mainly due to an increase in revenues from Smart Boarding
- Seasonality in Foresight Handbook for schools; revenue built in 2Q
- 900 companies have installed Smart Boarding as of July 31, 2023

Education and Training Business revenue (FY24/9)

Unit: million yen

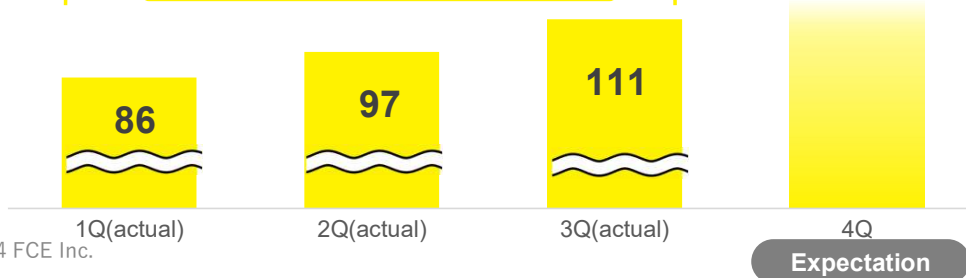
9 months cumulative YoY +14.4%

Seasonality in Foresight Handbook sales; concentrated in this period as in the past



Smart Boarding revenue (FY24/9)

9 months cumulative YoY +56.9%



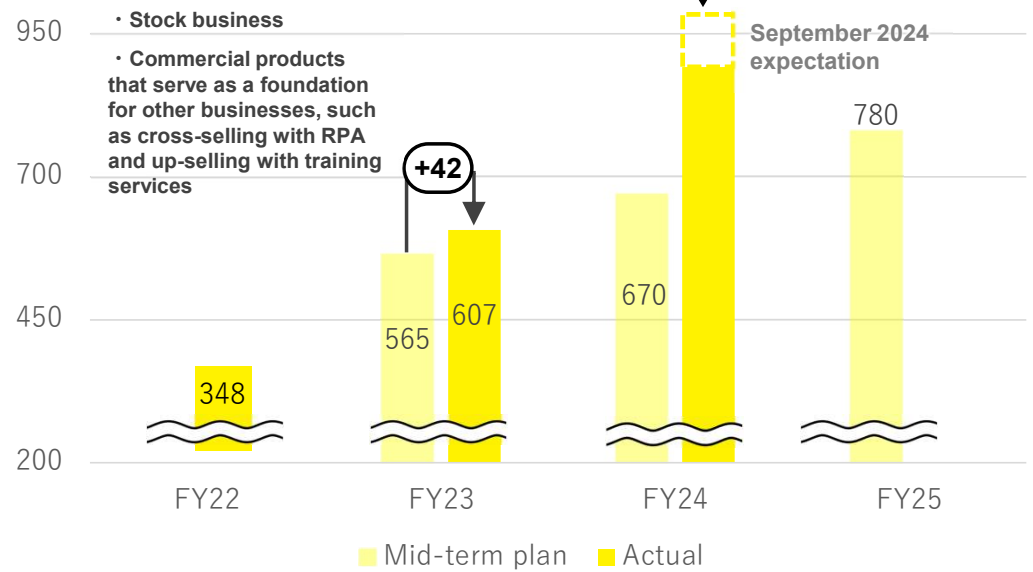
Number of companies that installed Smart Boarding (disclosed May 24, 2023; compared against mid-term management plan)

Unit: number of company

Background to why this is prioritized as KPI:

- Stock business
- Commercial products that serve as a foundation for other businesses, such as cross-selling with RPA and up-selling with training services

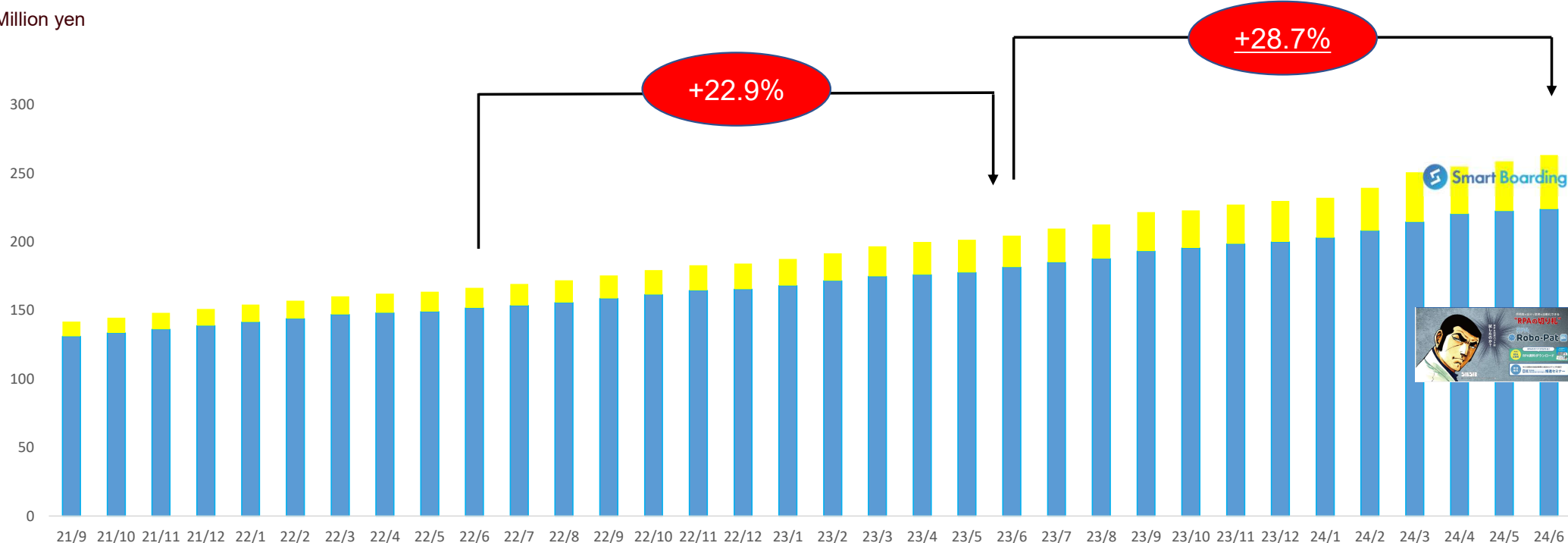
Progress at 133.1% as of FY24/6





MRR Trends and Recent ARR for SaaS-type Businesses

Million yen



- ▶ Continued growth of RPA Robo-Pat DX in addition to accelerated growth rate of Smart Boarding
- ▶ 28.7% MRR (Monthly Recurring Revenue) growth rate for June 2024 (YoY) (+1.2% growth since March 2024)
June 2023 growth rate (22.9%), June 2024 AAR (Annual Recurring Revenue) was 3.1 billion yen
- ▶ Although it is one part of our business, we recognize that it is at the level of the 40% rule*, which is one of the SaaS-type KPIs.



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FY2024/9 Revision of Earnings Forecast

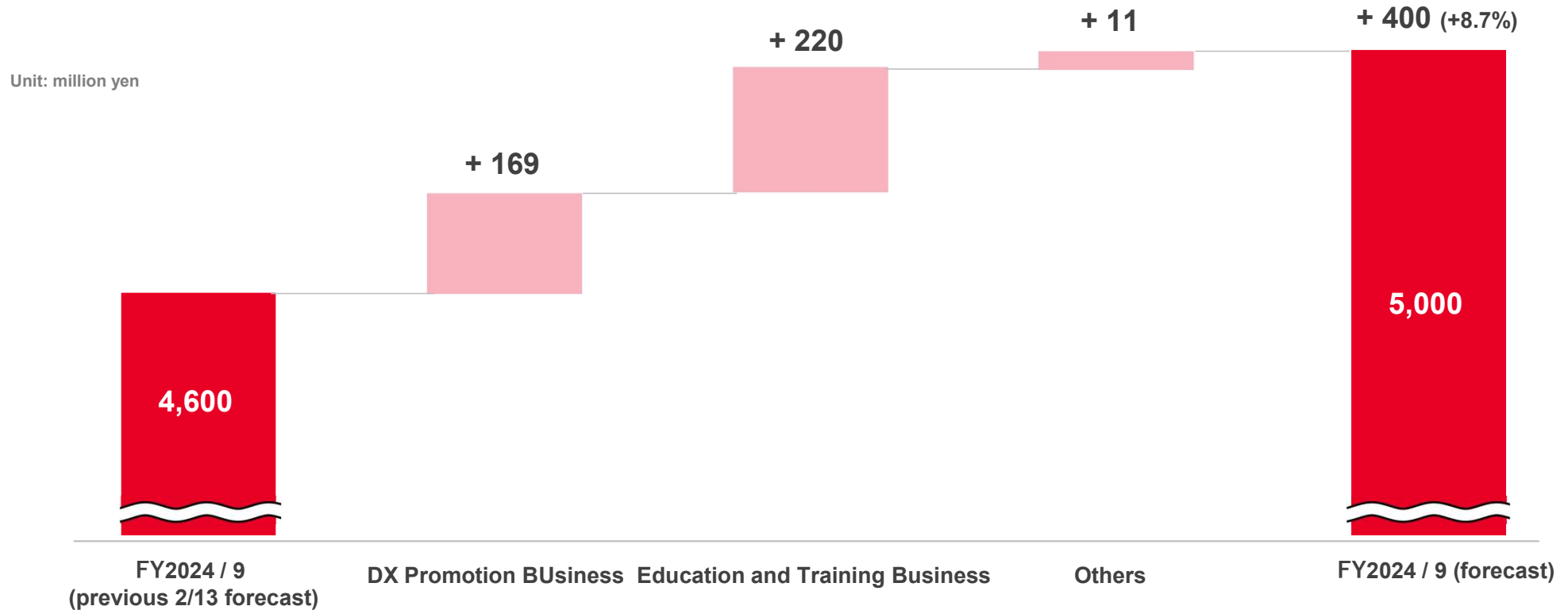
- Favorable performance from the DX promotion business (RPA Robo-Pat DX) and training business (Smart Boarding)
- Revised earnings forecast upward as both sales and profits are expected to exceed the initial plan.
- Net sales are expected to exceed the target for FY2025/9 by one term.

Unit: million yen	FY24/9 as announced on 2023/11/13	FY24/9 as previously announced (2024/2/13)	FY24/9 as announced this time (2024/8/13)	Comparison against previous announcement (2024/2/13)		(Reference) FY23/9	YoY	
	Forecast	Forecast	Forecast	Change	Percentage Change	Actual	Change	Percentage Change
Revenue	4,464	4,600	5,000	+400	+8.7%	4,174	+825	+19.8%
Operating Income	702	707	707	-	-	581	+125	+21.5%
Ordinary Income	700	705	705	-	-	575	+129	+22.5%
Net Income Attributable to Owners of the Parent	450	454	500	+46	+10.1%	318	+181	+56.8%
Net Income per Share (yen)*	48.11	48.54	53.46	+4.92	+10.1%	34.86	+18.60	+53.4%



FY2024/9 Factors of Changes in Revenue (vs. 2/13 Forecast)

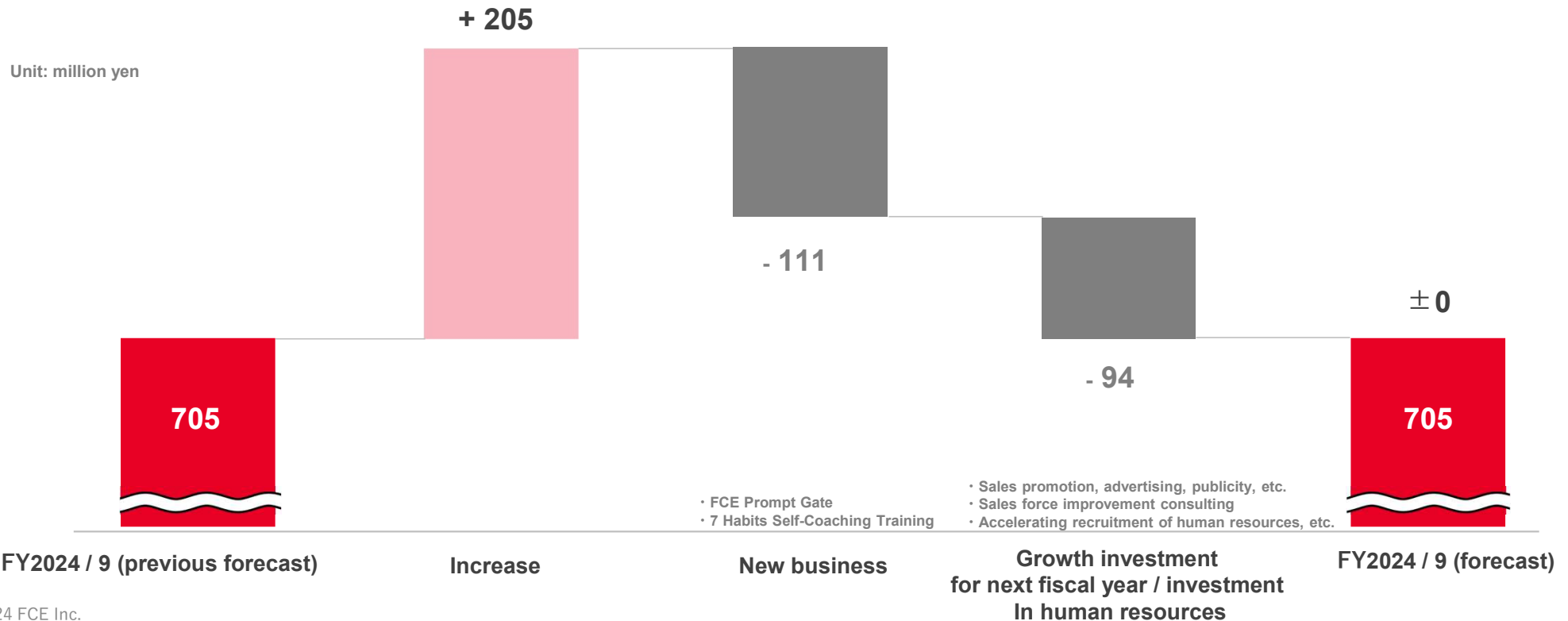
- DX Promotion Business (RPA Robo-Pat DX) is expected to increase by 169 million yen due to strong performance
- Expect +220 million yen in Education and Training business due to strong performance of Smart Boarding and the inclusion of sales of Cosmotopia Japan, which became a consolidated subsidiary.





FY2024/9 Factors of Changes in Ordinary Income (vs. 2/13 Forecast)

- Profits are increasing in both the DX Promotion Business and the Education and Training Business.
- Full-year forecasts remain unchanged as the company is accelerating investment in new businesses and growth for the next fiscal year and beyond, as well as investment in human resources.





Agenda

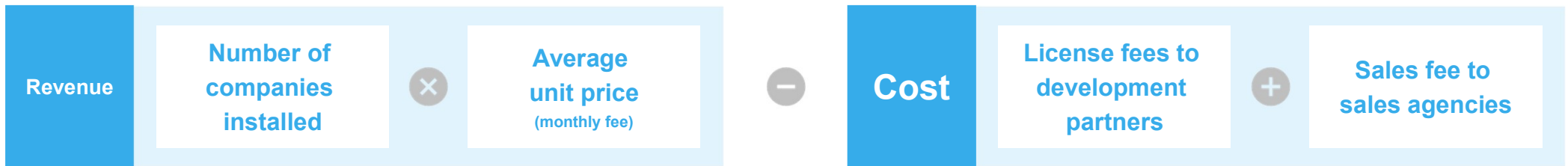
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RPA “Robo-Pat DX”

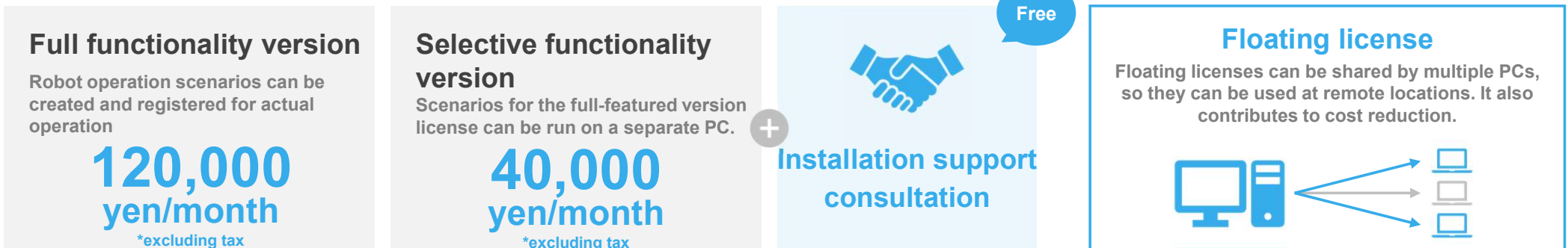
We will provide support for human resource development and organization building for RPA (Robotic Process Automation) and DX promotion

Profit structure of RPA Robo-Pat DX

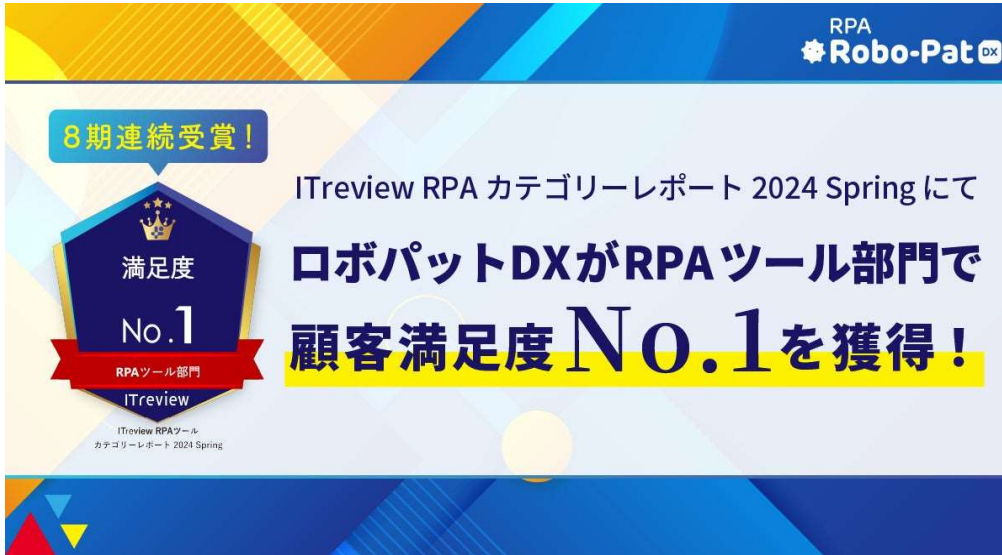


* Average unit price (monthly fee) = weighted average of full functionality version and selective functionality version

License types / fee structure



External evaluation of RPA “Robo-Pat DX”



SaaS Product Comparison and Analysis Report
Achieved the highest satisfaction level in the “ITreview RPA Category Report 2024 Spring” and won
No.1 customer satisfaction for 8 consecutive terms!

(Review site “ITreview” / June 6, 2024)



“BOXIL SaaS AWARD 2024”, an award which recognizes the most highly rated SaaS

No. 1 in BOXIL SaaS Section RPA Category
No. 1 in Case Study Section Medical and Pharmaceutical Industry Category

(SaaS comparison website “BOXIL SaaS” / March 5, 2024)

External evaluation of RPA “Robo-Pat DX”



RPA
Robo-Pat DX

RPAロボパットDXが『最強ITツール』として

2023年 **第1位**
(約7,300製品中)

2024年 **第2位**
(約10,000製品中)

を獲得!

ITreview
Best Software
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★ TOP 50 ★

昨年の1位に続き、2位にランクイン
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「ビジネスパーソンから最も支持を集めたツール」

ITreview Best Software in Japan 2024

Users' Choice Ranking of the “50 Most Powerful IT Tools”

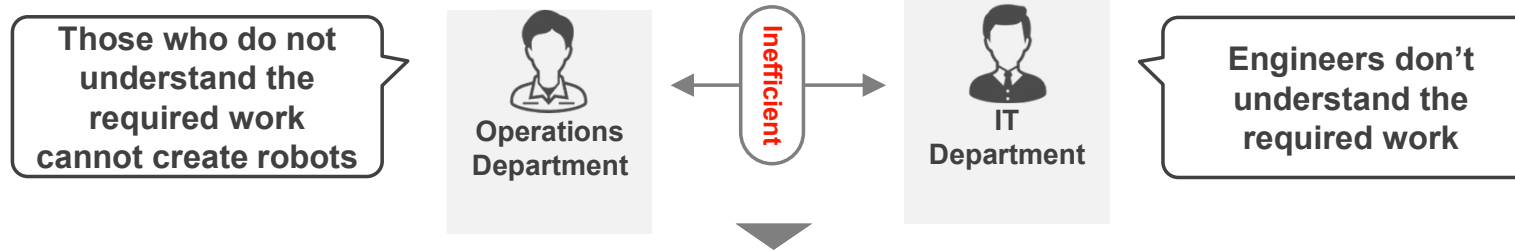
Ranked No. 2 out of approx. 10,000 products!



Personal RPA

【Challenges of traditional RPA】

Assumption that "engineers with high IT skills build robots."



RPA “Robo-Pat DX” is a “**Personal RPA**” that can be created by anyone who understands the required work

RPA “Robo-Pat DX”

- Can be used in each PC
- No need for programming knowledge
- Users can create their own robots
- Robots can be customized according to required work

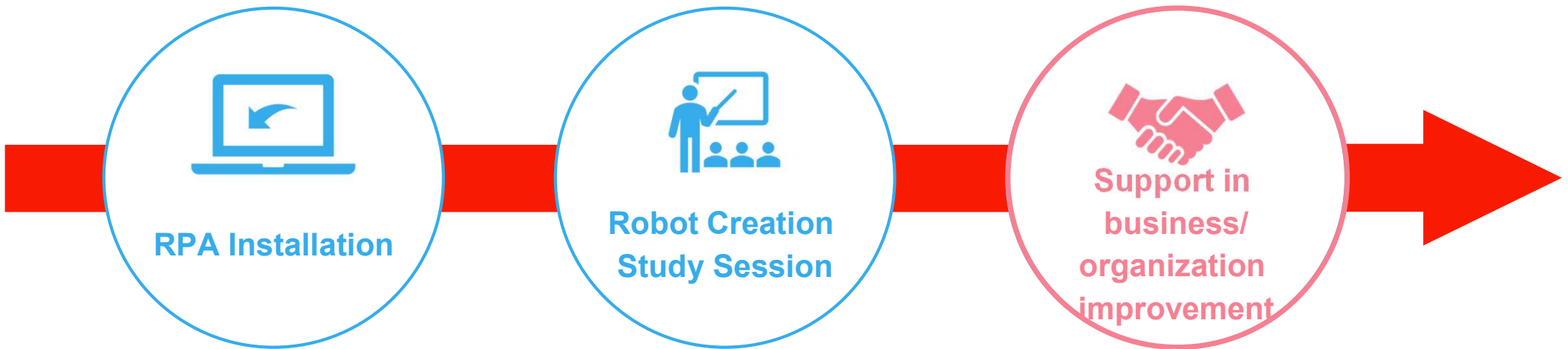
Traditional RPA

- Requires a specialized system environment, such as a server
- Requires programming knowledge
- IT department not involved in actual work creates the robot
- Inability to make timely corrections to changes in required work



One-stop service catered for RPA “Robo-Pat DX”

The RPA “Robo-Pat DX” is a one-stop service that provides support from RPA installation to robot creation study sessions through business and organizational improvements





Future DX Promotion Business Expansion Strategy



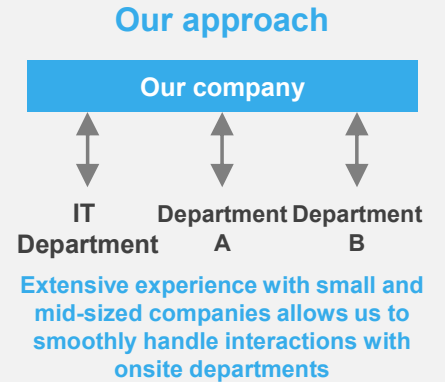
Increase in number of companies installed

Expansion of recognition in regional areas
Strengthen/build sales structure

×

Improvement of unit price

Scale out within customers' companies

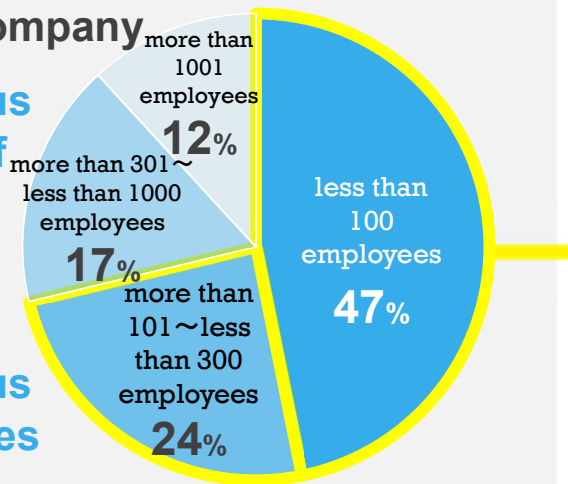


Percentage by size of company

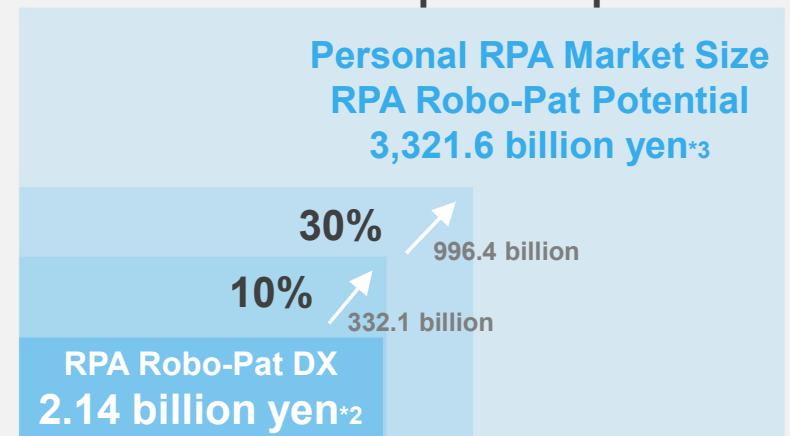
✓ Installed across various companies regardless of its size

(companies with less than 300 employees take up over 70%)

✓ Installed across various businesses and industries



RPA "Robo-Pat DX" expansion potential *1



*1: calculated by the Company according to below formula

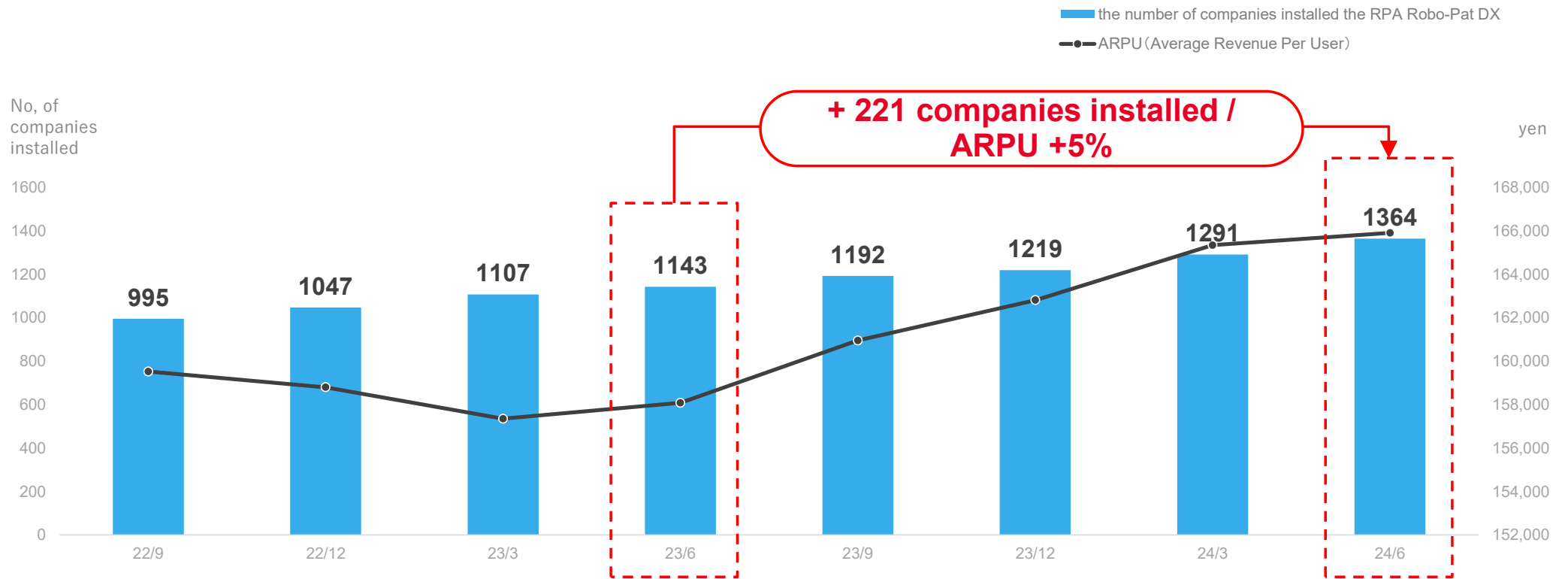
*2: DX Promotion Business Net Sales of the Company for the fiscal year ending September 30, 2023

*3: The "personal RPA market" is defined as domestic companies with less than 300 employees, and is calculated by multiplying approximately 1.73 million companies x RPA Robo-Pat DX average monthly unit price of 160,000 yen x 12 months.



Number of companies installing RPA Robo-Pat DX and ARPU trends

The number of companies installed the RPA Robo-Pat DX increased from 1,143 (as of the June 2023) to 1,364 (as of June 2024), representing a net increase of 221 companies (+19.3% YoY) and ARPU increased from 158 thousand yen (as of June 2023) to 165 thousand yen (as of June 2024) , a +5% YoY.











Progress of future DX Promotion Business expansion strategy

We will create new business expansion opportunities by expanding the referral partner program and introducing clients in the same industry.

**RPA
Robo-Pat DX**



Partnerships

	Creek & River (DX Promotion Consultation Window)
	Tax Accountant Office (professional sector)
	Yamada Denki (retail sector)
	Kintone (information and communication sector)
	WILLOF Work (temporary employment agency)
	Aomori Creation Partners (regional banking)
	Other Industry Co-sponsored Seminars

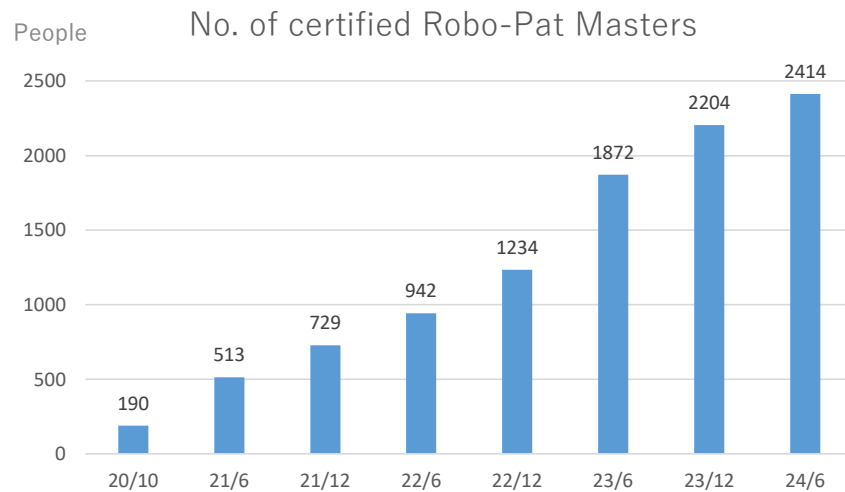
Distributing information on the RPA Robo-Pat DX through various channels



Establishment and DX promotion activities within installed companies

Churn rate around **1%**

- The Robo-Pat Master Certification Program increases the number of DX personnel who can create robots within installed companies.
- RPA use cases and DX promotion activities are shared at the Top Management Seminar (presentation of use cases for existing client companies)



The number of certified Robo-Pat Masters promoting "DX" within the companies that have adopted the system has reached 2,414, and the system is now firmly established in these organizations!



Top Management Seminar

Lecture by Group Leader, Production Control Dept., Company A

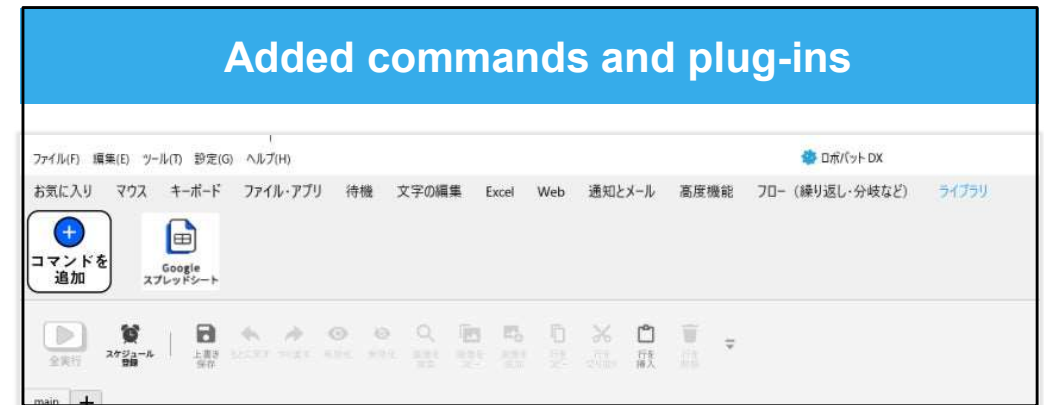
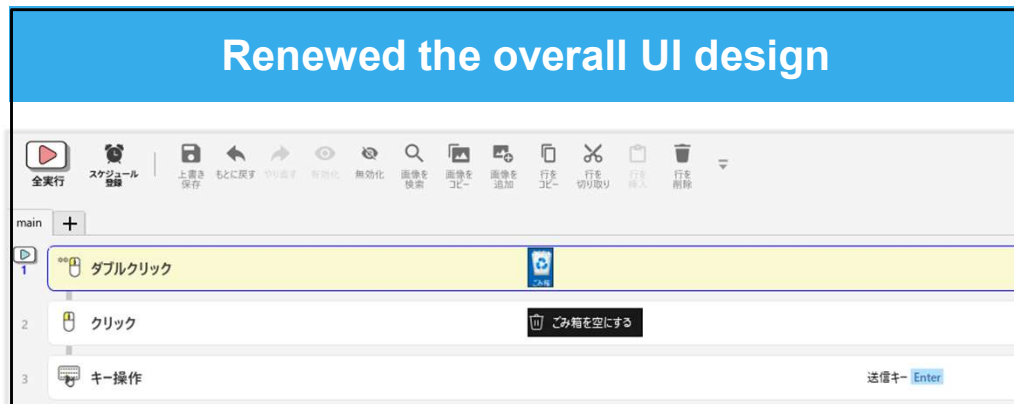
- Successfully converted 17,280 hours of work to RPA
- The point is not to save time, but to create time
- How to increase the number of people who want to be seriously involved in DX and how to accelerate the speed of DX promotion

Share the results of RPA utilization and the increase in DX promotion activities



Strengthening product capabilities of the RPA “Robo-Pat” DX

Released RPA “Robo-Pat DX” ver. 1.5 in October 2023



Major update to become more intuitive and easier to understand

Based on the results of more than 300 hours of testing by more than 100 user monitors, we have improved the user-friendliness and design of the system.

Implementation of the “library function” to select and add new functions

Following many requests, we have developed and released commands to operate Google Spreadsheets with more ease.



Agenda

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- **05 Business and Growth Strategy : Education and Training Business**
- **Appendix**



HR DX

Smart Boarding



Supported over **900** companies!
As of July 2024

Focusing on the differences in individual's growth rate

Job Seeker "Readiness" Platform

An onboarding DX system that is distinct from typical e-learning

Created an original educational program to nurture the "required human resources" to realize the company's vision for growth

Provide thorough support for "building an organization where each and every employee begins to learn on their own"

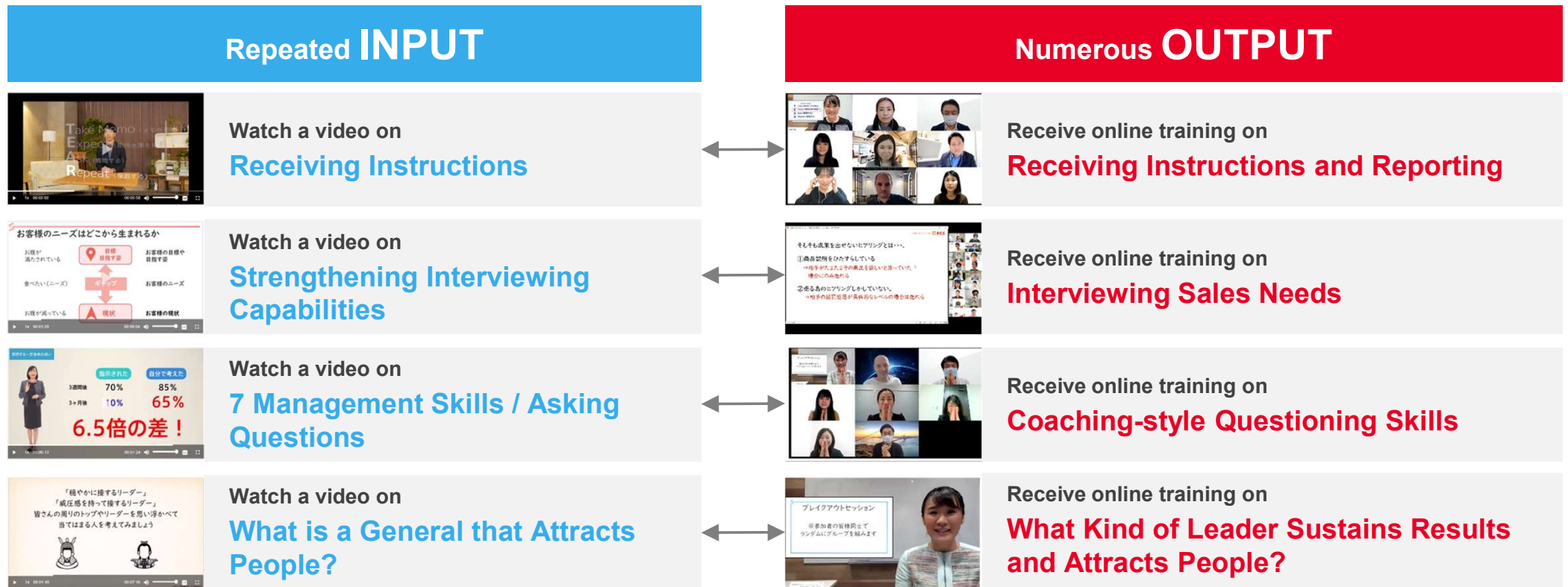
Optimized for a wide range of needs, from early-stage training to continuous learning, by combining online and face-to-face training



HR DX

Smart Boarding: an immediate asset

Smart Boarding is a live online training system paired with video, with more than 3,000 people per month participating at any given time.



External evaluation of Smart Boarding

Smart Boarding has won consecutive BOXIL SaaS AWARD awards on the review site “BOXIL SaaS”.

It has also won the “Good Service” award in Summer 2024.

Churn rate around **1%**



BOXIL SaaS AWARD 2021 Autumn

Human Resources and Payroll Awards

BOXIL SaaS AWARD 2021 Autumn

人事・給与 部門受賞

BOXIL SaaS AWARD 2022

BOXIL SaaS AWARD 2022

人事・給与 部門選出

BOXIL SaaS AWARD Autumn 2022

Received "Good Service" award
in the e-Learning category



BOXIL SaaS AWARD Winter 2023

Received "Good Service" award and
"No. 1 Customizability" award
in the e-Learning (System) category



BOXIL SaaS AWARD Spring 2024

Received "Good Service" and
"No.1 Customizability" awards
in the e-Learning (System) category



External evaluation of Smart Boarding



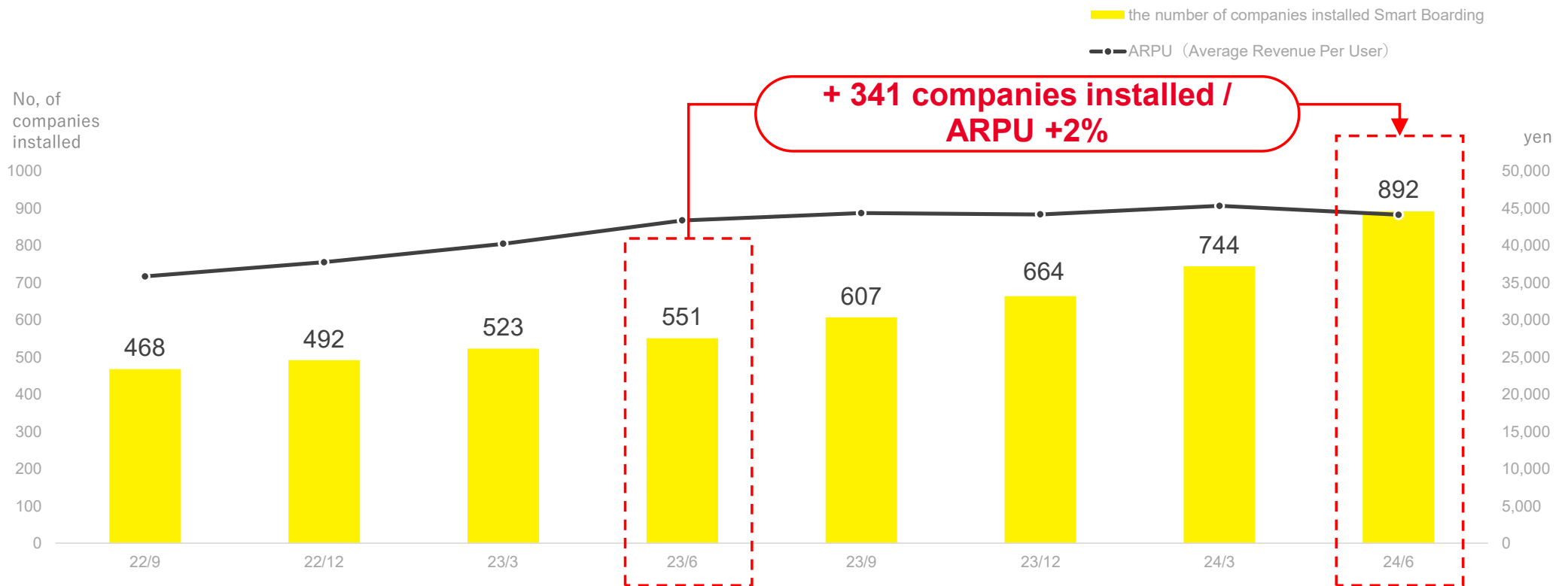
Received the "Leader" award

The highest award in the "ITreview Grid Award 2024 Summer" hosted by IT Cloud, Inc!
"Leader" refers to a product with high satisfaction and recognition based on the ITreview Grid, which maps collected review data. The product was evaluated as excellent in both satisfaction and recognition in the "LMS/e-Learning System" category.
(Review site "ITreview": <https://www.itreview.jp/categories/lms>)



Number of companies installing Smart Boarding and ARPU trends

The number of companies installed Smart Boarding increased from 551 (as of June 2023) to 892 (as of June 2024), representing a net increase of 341 companies (+61.9% YoY). ARPU increased from 43 thousand yen (as of June 2023) to 44 thousand yen, a +2% growth YoY.





Cosmotopia Company Overview

Became a wholly-owned subsidiary as of January 4, 2024

Company Overview



Established	1982
Headquarters	Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka
Annual Revenue	Approx. 200 million yen (fiscal year ending March 31, 2023)
No. of Employees	24 employees
Main Business	Planning/development/sales of software to support academic improvement

Main Products



Digital educational materials for elementary and junior high school students



Lifelong learning content for seniors

Number of schools (public and private schools)



Elementary and junior high schools
over **600** schools



Private tutoring schools
over **400** schools

Targets / Services



Elementary and Junior High Schools / Board of Education
Academic achievement support materials for elementary and junior high schools



Tutoring Schools
Comprehensive independent learning support system for major subjects for elementary, junior high and high school students



Other Classroom Businesses, etc.
Educational content for seniors using ICT materials



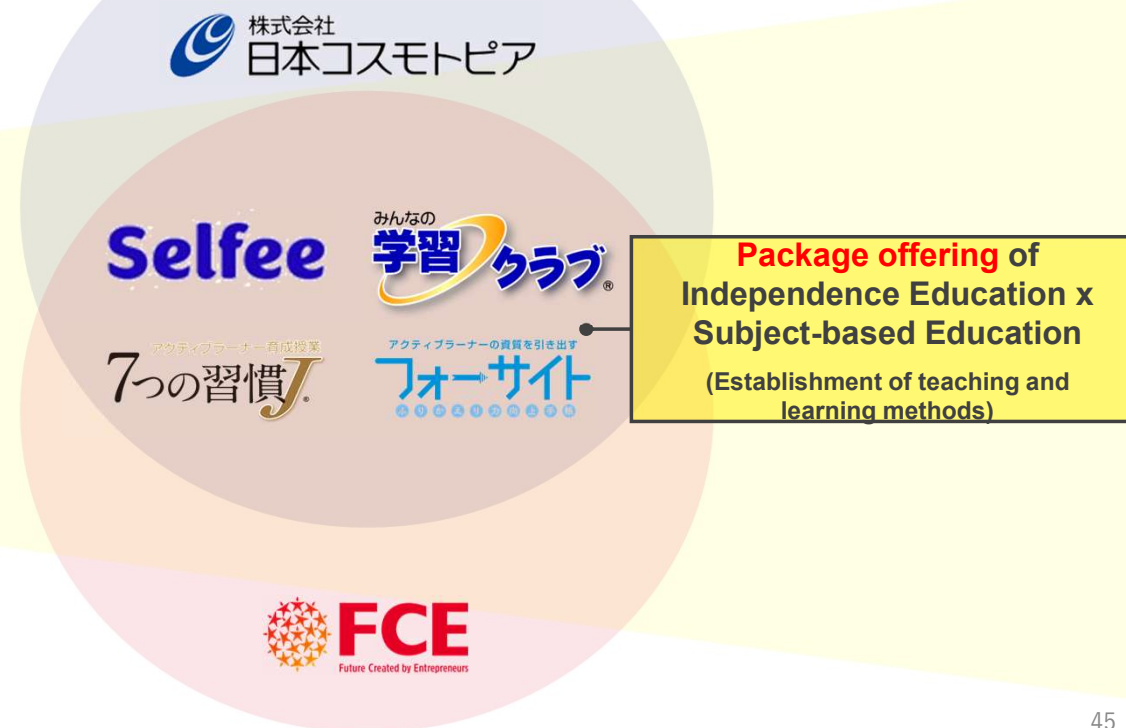
Synergy between Cosmotopia and FCE's markets

The development of mutual products between Cosmotopia and FCE will expand sales channels in the short term. In the medium term, we will lead to the establishment of an education and learning method that promotes independent learning through Everybody's Learning Club and Selfee, in a state of independence through the use of the 7 Habits J® and Foresight.

Short term synergy



Medium term synergy





Cosmotopia's Three Year Business and Synergy Development

First year: we aim to establish a stand-alone structure for Cosmotopia and plant seeds to create synergies

Second year: we will work with FCE to create synergies

Third year: we aim to establish a stable profit structure



First Year (2024.1~2024.9)

Structure Building Phase

- Begin cross-selling
- Investment to improve product competitiveness
- Promote efficiency through commonization of indirect departments and internal infrastructure, etc.



Second Year (2024.10~2025.9)

Synergy Manifestation Phase

- Steady development of new customers and acquisition of bids **contributing to increase in sales**
- Strengthening Cooperation with FCE
- Link between Foresight app and Cosmotopia products (joint development)

Third Year (2025.10~2026.9)

Business Expansion Phase

- Packaging of subjectivity education x subject education (establishment of teaching and learning methods)
- Establishment of a stable profitability structure



Status of synergy development with Cosmotopia

Cosmotopia became a wholly-owned subsidiary as of January 4, 2024, and we are promoting speedy integration and collaboration.



First Year (2024.1~2024.9)

Structure Building Phase

- Begin cross-selling
- Investment to improve product competitiveness
- Promote efficiency through commonization of indirect departments and internal infrastructure, etc.

Integration Status

- **Completed establishment of common internal infrastructure**
 - **Completed establishment of a consolidated accounting system**
 - **Conducting morning meetings to disseminate philosophy and values**
 - **Began sales collaboration**
 - **Cost reductions through office consolidations**
 - **Investment in system upgrades for Cosmotopia's products**
- etc.

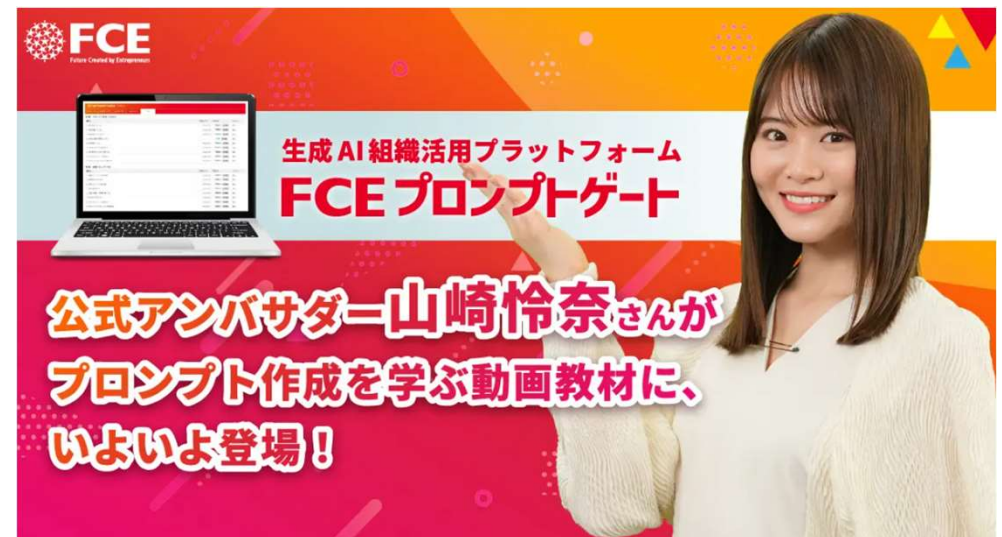


Generative AI prompt platform "FCE Prompt Gate"

The video content of the **"FCE Prompt Gate"**, a generative AI prompt platform, has been upgraded. Rena Yamazaki*, the image character, now appears and navigates you through the video material to learn how to create prompts.

8+1 Formula of AI Prompts

 **FCE PROMPT GATE**



* Born on May 21, 1997 in Edogawa-ku, Tokyo, graduated from Keio University, and graduated from Nogizaka46 in 2022. She is a radio personality on TOKYO FM's "Rena Yamazaki's Things I Wanted to Tell Someone, as is also known as a history buff and has appeared on numerous quiz shows and educational programs. She has been writing a series of essays since the publication of "Shishi no Jikan" (Gentosha).

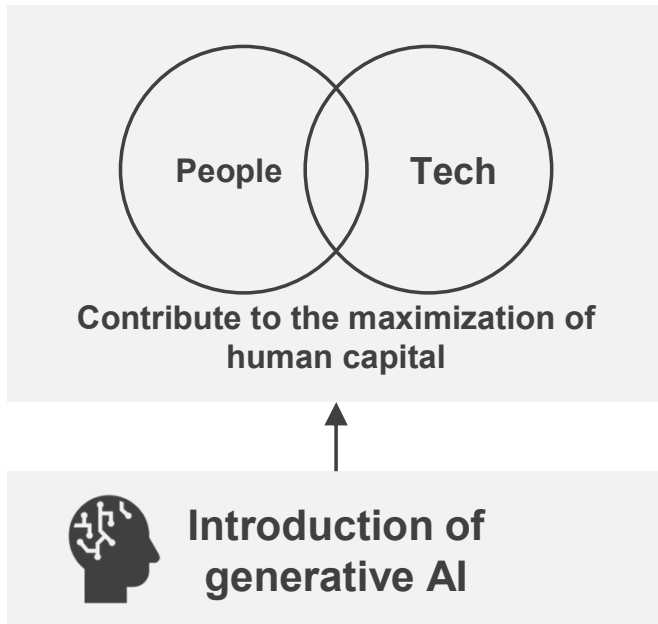
"FCE Prompt Gate" Business

FCE Prompt Gate is a service that provides a platform for training prompt engineers using generative AI for a fixed monthly fee.

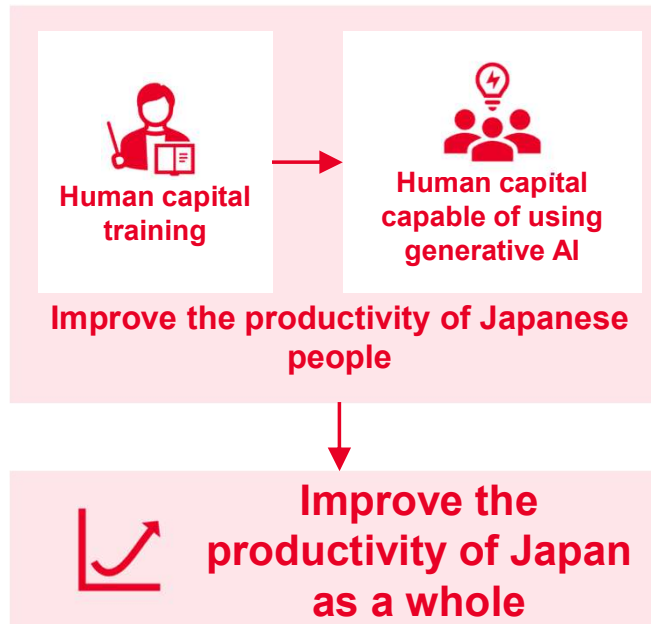
Supervision: Mr. Shunsuke Hayashi, who is well known for disseminating know-how on domestic prompts as "Shunsuke Method," and Mr. Yota Ishikawa of ChatGPT Research Institute

Maximizing Human Capital of the Future

Now



The future



What FCE Prompt Gate can achieve



Learn essential skills and earn certifications in an e-learning format



Be an auxiliary tool to create prompts



Prompts can be saved and shared



Templates for prompts can be used

Characteristics of the FCE Prompt Gate

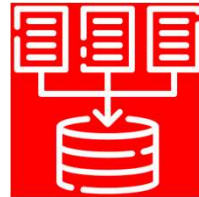
You can learn the basics of the "8+1 Formula for AI Prompts" through video, create prompts with the template feature, and manage and share them in a database.

Basic learning contents



- ▶ Incorporates content for learning basic formulas and usage of generative AI
- ▶ Can produce prompts that lead to precise outputs

Managing prompts



- ▶ Incorporates a database function that allows for the collective management and sharing of prompts created by individuals within the company
- ▶ Improvement of prompt creation skills throughout the company

Templates database



- ▶ Manage its own prompts
- ▶ More than 100 versatile prompt templates for "sales," "marketing," "text generation," "SNS," etc.

Use case of “FCE Prompt Gate Academic”

Introduced case studies of utilization at the “FCE Prompt Gate Academic” web seminar for the educational field. 240 elementary, junior high, and senior high schools participated in the seminar. Interest in the use of generative AI in education has been growing significantly.



Generative AI to Reform Teachers' Work Styles

【Examples of uses】

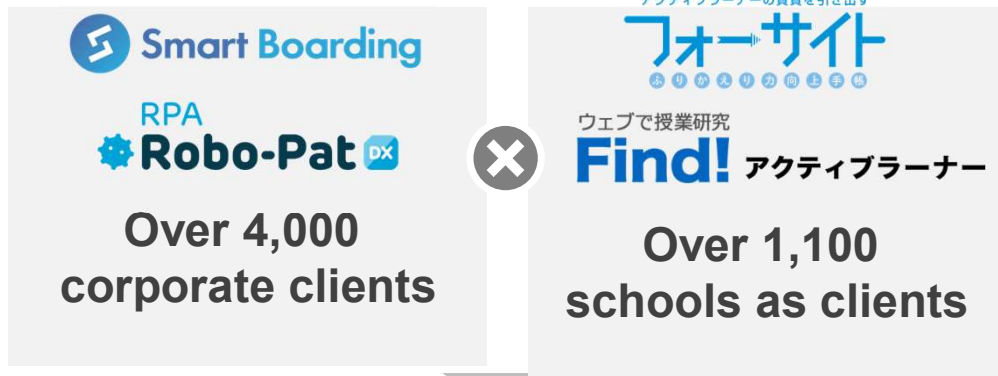
- Preparing speeches for morning assemblies and gatherings, etc.
- Create tests from class materials
- Advise students on appropriate departments and faculties of interest for college admissions.
- Checking and correcting typographical errors in texts
- Analyzing survey results, etc.

We will continue the introduction of FCE Prompt Gate Academic to approximately 1,100 schools nationwide. At the same time, we will start proposing FCE Prompt Gate Academic to boards of education and 35,000 elementary, junior high and high schools across Japan.

Expansion strategy for the FCE Prompt Gate

We will accelerate the expansion of FCE Prompt Gate by leveraging the Group's customer base and building a distributor network.

Leveraging our sales base



Already began direct sales. Early adoption is expected, as is the theme of productivity improvement.

Building a distributor network



We will build a distributor network in parallel with direct sales



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3 Year Plan Figures (FY23/9 – FY25/9) (Disclosed May 24, 2023)

Revenue

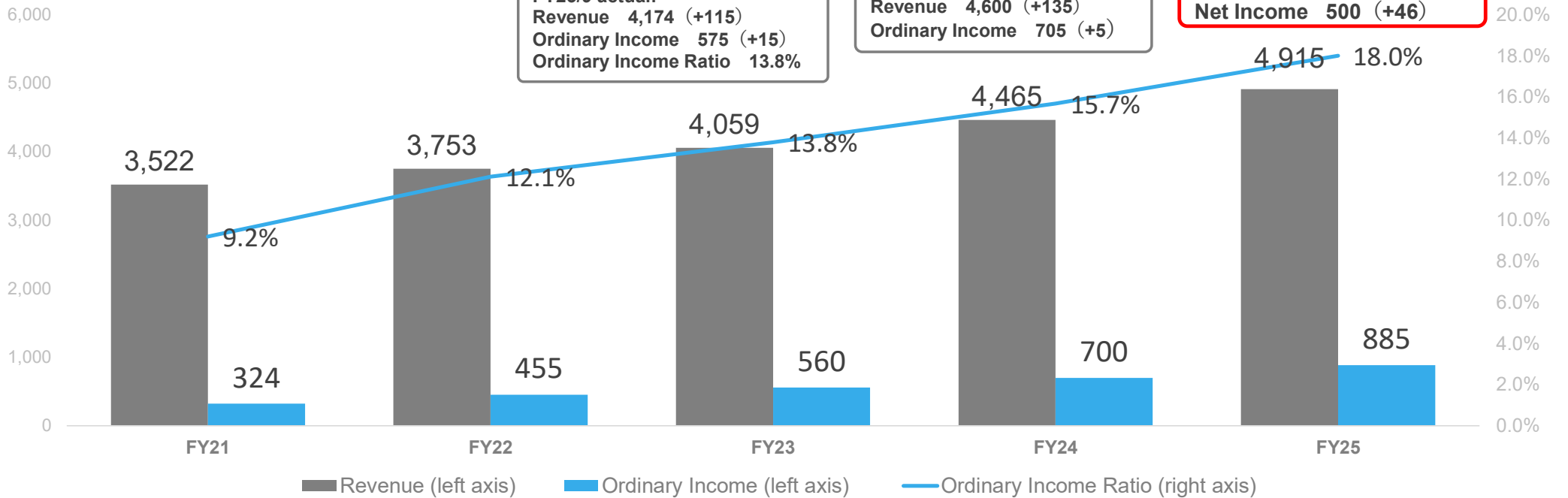
Achieve growth of 10% or more each fiscal year; projected to achieve more than 4.9 billion yen in FY25/9

Ordinary Income (Ratio)

Achieve growth of 25% or more each fiscal year; projected to achieve more than 880 million yen in FY25/9

Profit margin to steadily increase each fiscal year; projected to be 18% in FY25/9

Unit: million yen





Three-Year Business Plan Strategy Summary and Key KPIs (Disclosed on May 24, 2023)

Our three-year business strategy and key KPIs are identified by the number of companies with Robo-Pat DX, the number of companies with Smart Boarding, and the number of schools with the Foresight App.

	Short term – FY23/9 and FY24/9	Mid-term – FY25/9~
No. of companies with Robo-Pat DX installed	<p>Expansion of referral partner system Regional expansion and scale out within the customers' companies</p> <p>End of FY23/9: over 1,130 companies → end of FY24/9: over 1,250 companies</p>	<p>Expansion of clients through industry-specific cases Expand synergies(*) between BtoB businesses in the education and training area</p> <p>End of FY25/9: over 1,380 companies</p>
No. of companies with Smart Boarding installed	<p>Expansion of OEM partner contracts Consulting support for building a system for employee training</p> <p>End of FY23/9: over 565 companies → end of FY24/9: over 670 companies</p>	<p>System integration with cloud services in the HR domain synergies(*) between BtoB businesses in the DX area</p> <p>End of FY25/9: over 780 companies</p>
No. of schools with Foresight App installed	<p>Gain market share by rolling out the 'first year free of charge' offer for schools Promotion and product enhancement in collaboration with the Board of Education</p>	<p>Monetization of private school market (in partnership with POPER) Achieve 1,000 schools with our products due to our overwhelming share of the market</p>

(*) Cross-sell and up-sell, etc. to a customer base of more than 1,000 RPA "Robo-Pat DX" customers and more than 3,000 companies in the education and training business



IR information



If you have any comments or questions regarding this presentation or other IR information, please contact us via e-mail, IR inquiry form, or official IR Twitter.

ir@fce-hd.co.jp



The corporate website contains financial results presentation materials, Q&A sessions, analyst reports, and other information.

<https://fce-hd.co.jp/ir/>



Our official X (Twitter) account is used to disseminate information as appropriate.

https://twitter.com/fce_ir



Forward-Looking Statements

This document contains forward-looking statements regarding our Company and our Group, including forecasts, plans for the future, and management objectives.

These forward-looking statements are based on current assumptions about future events and trends, and there can be no assurance that such assumptions will prove accurate. A number of factors could cause actual results to differ materially from those discussed in this document.

Unless otherwise indicated, the financial data presented in this document are presented in accordance with accounting principles generally accepted in Japan.

The Company and its Group companies do not necessarily revise the forward-looking statements already made, whether as a result of future events or otherwise, except as required by disclosure rules.