

Financial Results Presentation for Q1, Fiscal Year Ending December 2024

May 2024

KIYO Learning Co., Ltd.

Growth (Tokyo Stock Exchange): 7353

Contents

1. Financial Results Presentation for Q1, Fiscal Year Ending December 2024

2. KPIs and Topics by Business

(Revisited) Medium-Term Management Plan 2026

Financial Results Presentation for Q1, Fiscal Year Ending December 2024

FY2024 Q1 Performance Highlights

- **Revenues increased +15.3% year on year**
Revenues amounted to 923 million yen (up +122 million yen year on year), demonstrating continued growth
- **Operating profit decreased 75 million yen year on year**
Operating loss of 349 million yen, increase in personnel expenses and advertising expenses, etc., as projected initially
- **Studying Business net sales grew +10.3% year on year**
Studying Business net sales amounted to 799 million yen (up +75 million yen year on year)
cash-based sales declined -2.9% year on year to 1,031 million yen, but recovered more quickly than expected after the sales decline due to the Noto Peninsula earthquake in January, etc.
- **Corporate Education Business net sales grew significantly at +61.0% year on year**
Corporate Education Business net sales amounted to 122 million yen (up +46 million yen year on year), demonstrating continued high growth
We now offer more than 850 courses as we continue to expand our lineup

FY2024 Q1 Performance

Revenues continued to grow at a high rate, increasing +15.3% year on year to 923 million yen

Operating profit decreased 75 million yen year on year as the Company recorded an operating loss of 349 million yen; investments were as planned, including an increase in personnel expenses due to rising headcount and an increase in advertising expenses due to expanded marketing initiatives

Net loss narrowed 33 million yen year on year to 244 million yen due to the impact of tax effects

(Millions of yen)

Category	FY2023 Q1 (Results)	FY2024 Q1 (Results)	FY2024 (Forecast)	Year-on-year change	Progress (%)
Revenues	801	923	4,200	15.3%	22.0%
Cost of sales	128	133	590	3.9%	22.7%
Gross profit	672	789	3,610	17.5%	21.9%
SG&A	946	1,138	3,470	20.3%	32.8%
Operating profit (loss)	-274	-349	140	-	-
Ordinary profit (loss)	-277	-351	140	-	-
Net income	-277	-244	130	-	-

Sales by Business

Studying Business net sales continued to grow, up +10.3% year on year

Corporate Education Business net sales demonstrated ongoing high growth, up +61.0% year on year

(Millions of yen)

Category	FY2023 Q1 (Results)	FY2024 Q1 (Results)	FY2024 (Forecast)	Year-on-year change	Progress (%)
Revenues	801	923	4,200	15.3%	22.0%
Studying Business	724	799	3,680	10.3%	21.7%
Corporate Education Business	76	122	520	61.0%	23.6%

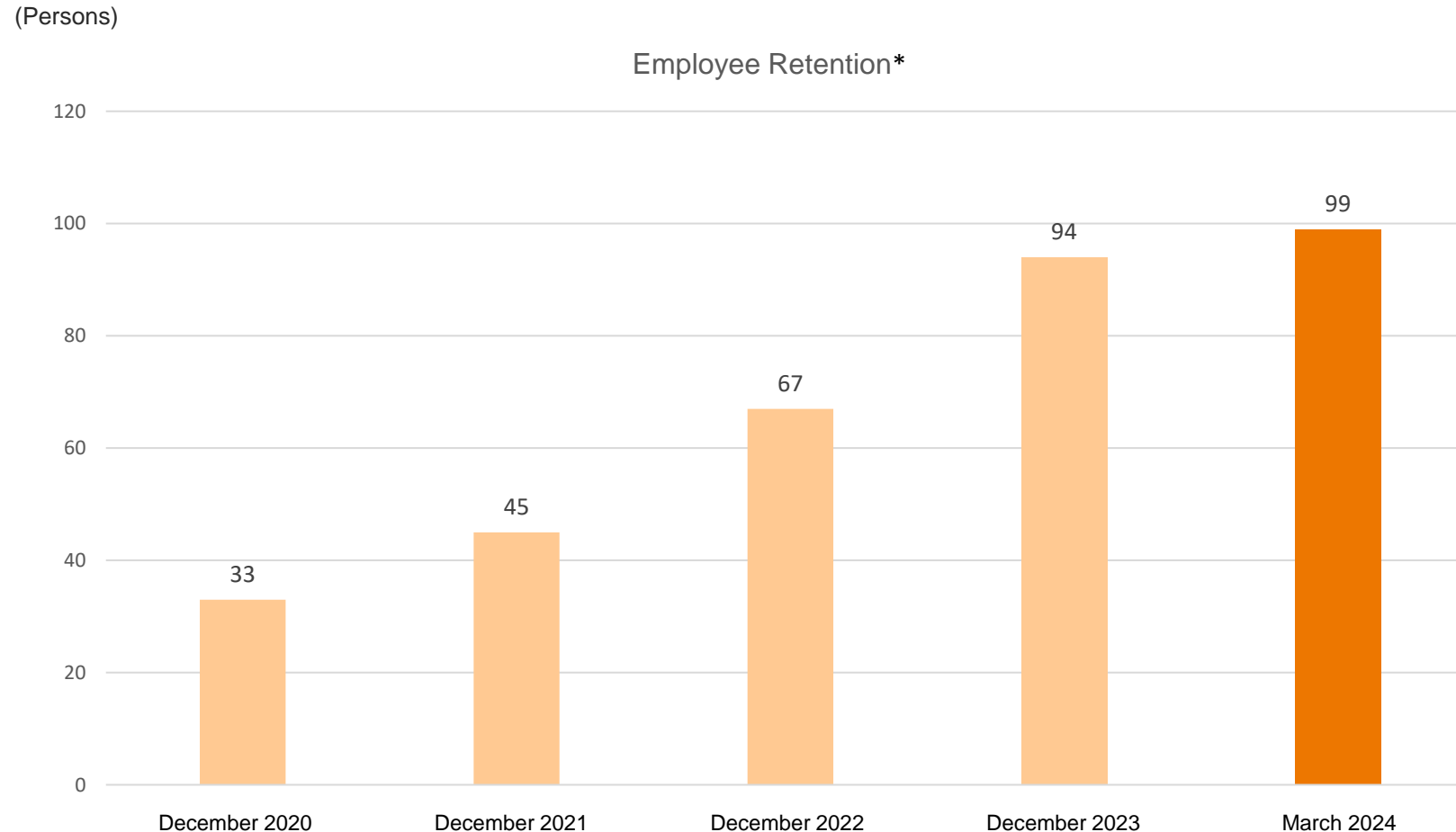
Cost Structure (Q1)

Increased personnel expenses due to increase in headcount in anticipation of future growth, increased advertising expenses due to expansion of marketing initiatives, and other investments



Employee Retention

We hired 5 employees* during the period, demonstrating favorable progress in our recruitment plan
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)

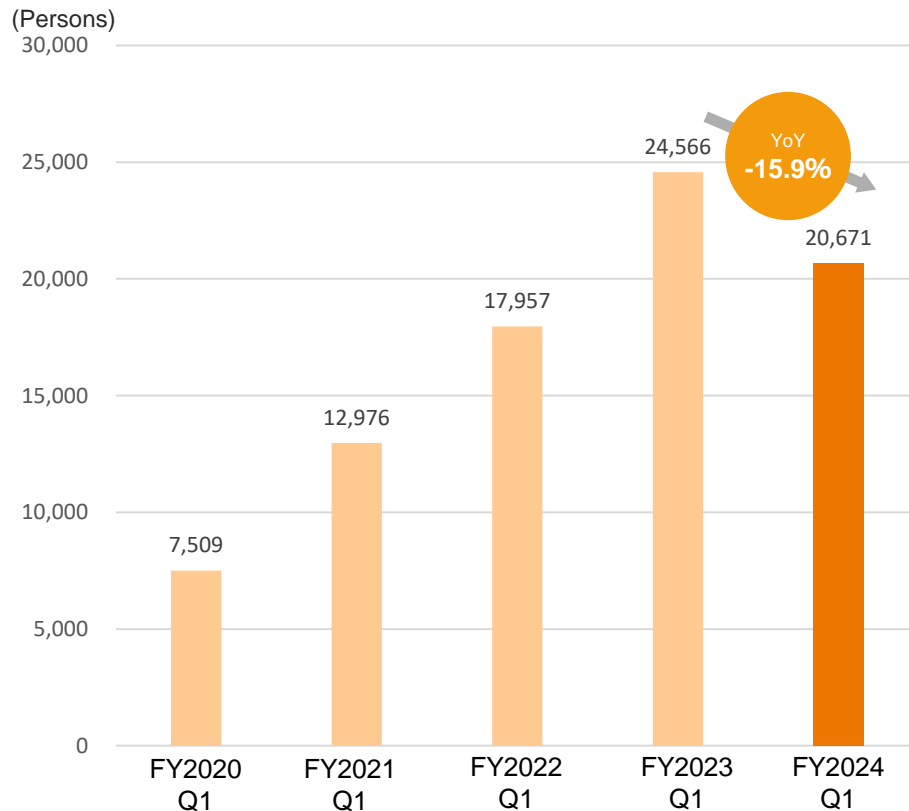
KPIs and Topics by Business

Studying Business: KPIs

The number of new paid members¹ and cash-based sales² fell below last year's levels due to a decline in the desire to obtain qualifications at the beginning of the year and a decrease in the effectiveness of TV commercials, both impacted by the Noto Peninsula earthquake in January. However, recently, these numbers have been recovering faster than expected.

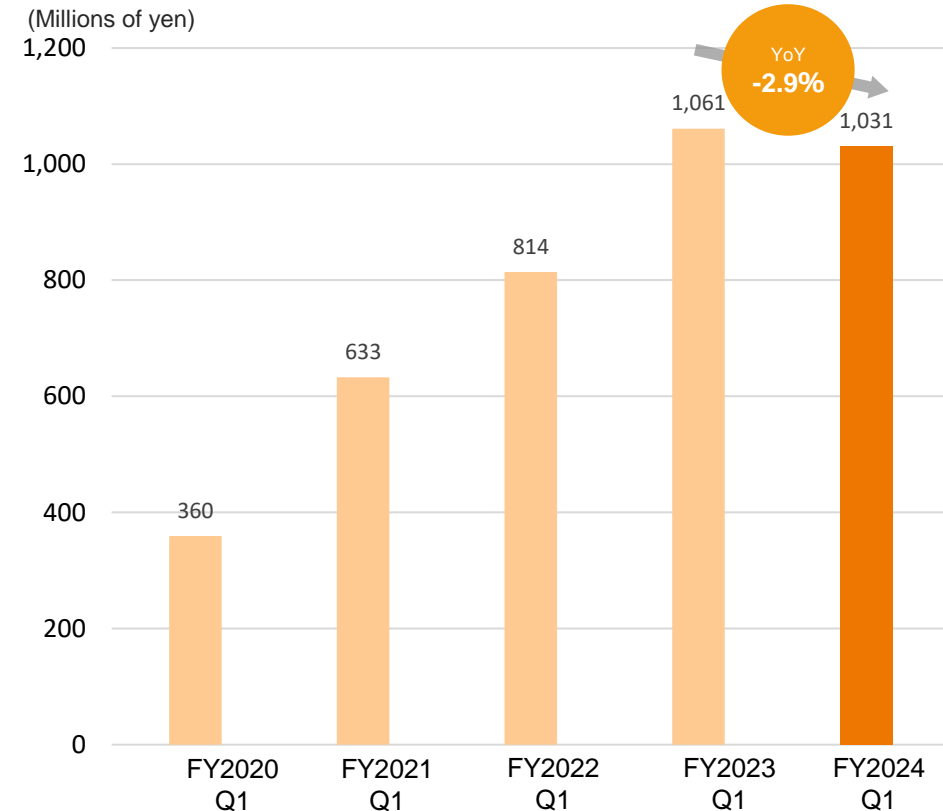
While the number of new paid members is lower than the previous year, in which we recorded numerous low-priced corporate orders, unit price per member is increasing

Number of New Paid Members



*Includes those via corporate services

Net Cash-Based Sales



*Includes those via corporate services

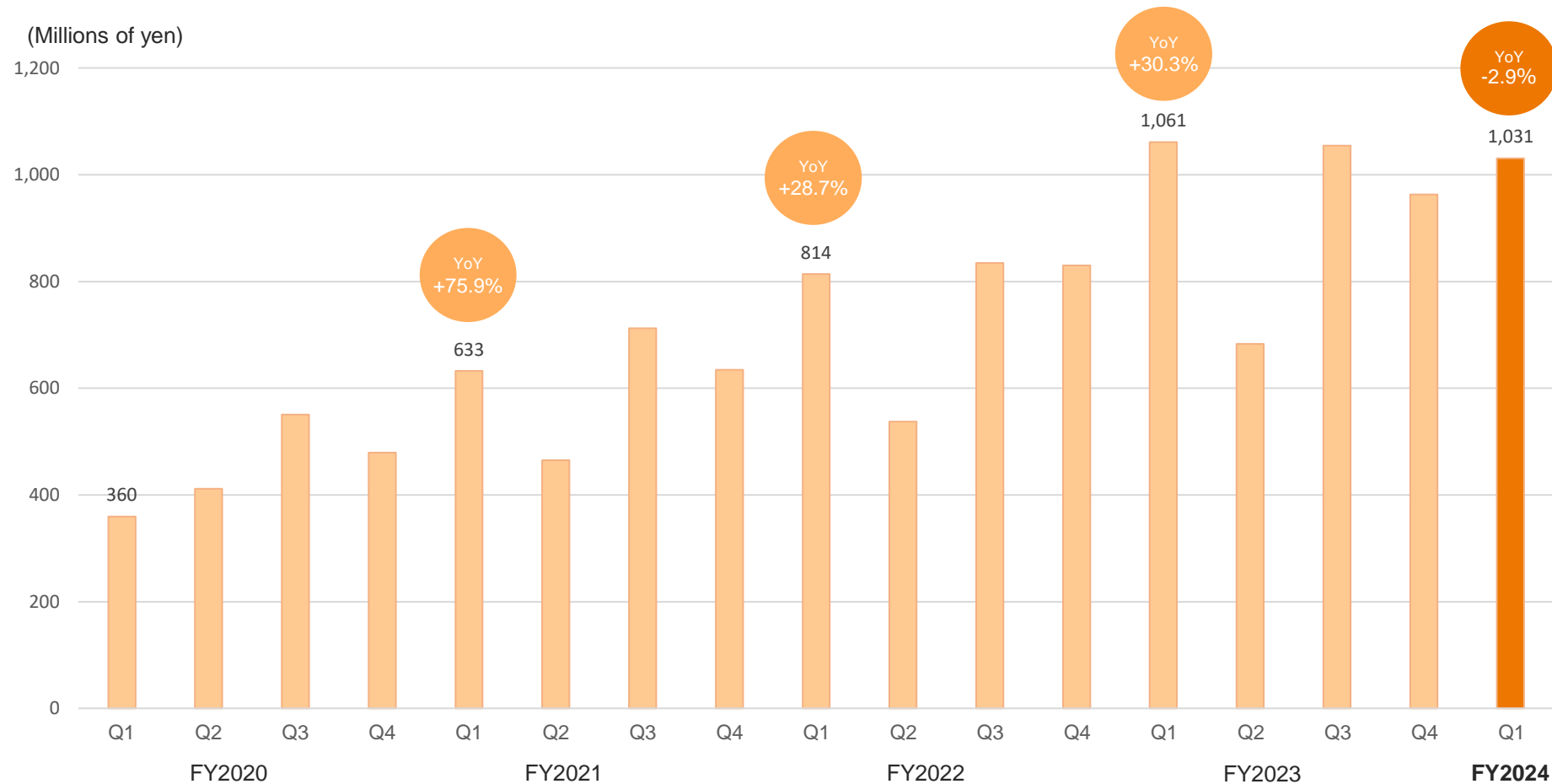
¹ The number of new paid members refers to the number of (unique) paid members newly acquired during the period

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

Cash-based sales in Q1 decreased -2.9% year on year to 1,031 million yen

Cash-based sales were lower year on year due to the desire to obtain qualifications at the beginning of the year and a decrease in the effectiveness of TV commercials, both impacted by the Noto Peninsula earthquake in January; however, recently, business performance has been recovering faster than expected; February and March cash-based sales were higher year on year



*Percentage notations show growth rates compared to Q4 net sales for each fiscal year (including those via corporate services)

Studying Business: Quarterly Trends in Sales and Profit

Quarterly trends in sales and profit for previous years are as described below

We post sales on a cash basis when courses are purchased

Net cash-based sales are divided evenly into accrued sales every month until the end of the course. In this way, the percentage of the sales accrual declines toward the second half of the fiscal year

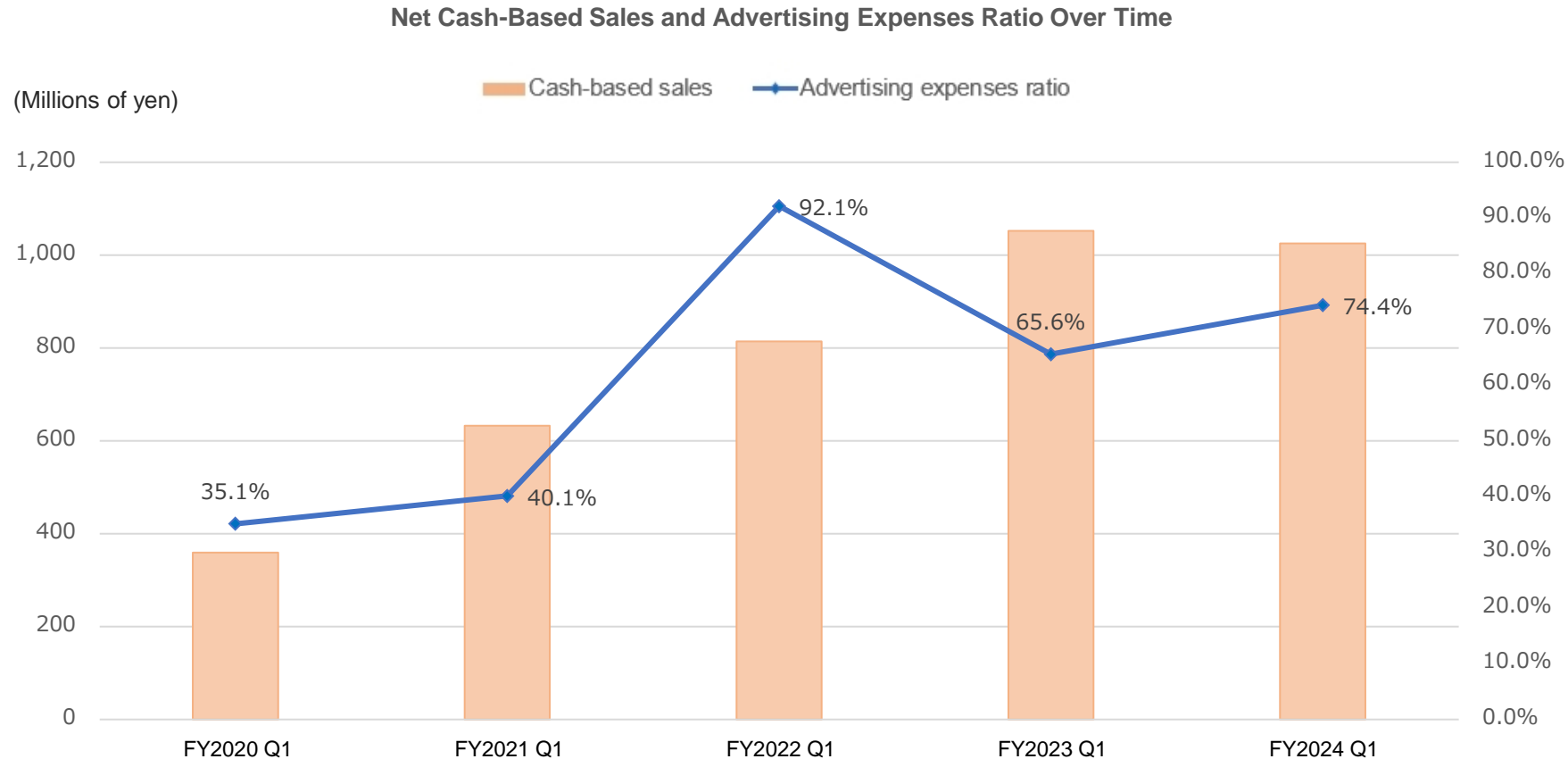
	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)
Trends for Company courses	Many people start learning with aim of acquiring qualifications	Few test days	Most frequent test days for difficult qualifications	Somewhat frequent test days
Cash-based sales	Sales high at the beginning of the year, trending slightly low after that	Trending slightly low due to being immediately before tests for difficult qualifications	Increase in new course purchases and renewal courses immediately post-test	High purchase demand for courses for the next year's tests
Accrual-based sales	Since cash-based sales are apportioned over the long term, contributions from accrual-based sales tends to be small	Cash-based sales are on a downward trend, but prorated accrual-based sales are trending up	Due to concentrated deadlines for major courses prorated accrual-based sales have growing contribution to the current period	Since most of cash-based sales are apportioned to the next period, the contribution of accrual-based sales to the current period is smaller
Profit trend	Poor	Middling	Great	Good
Ratio of cash-based sales (quarterly) to accrual-based sales (full year) (average range in previous years)	75% to 85%	70% to 80%	40% to 50%	15% to 25%

*The average range above is the average range of the previous fiscal year; there is no guarantee that the trend noted will be the same in future years.

Studying Business: Advertising Expenses Ratio (Q1 Comparison)

Aired TV commercials in addition to online ads in Q1

Advertising expense ratio* increased year on year due to fewer cash-based sales at the beginning of the year stemming from the impact of the Noto Peninsula earthquake, etc., mentioned above

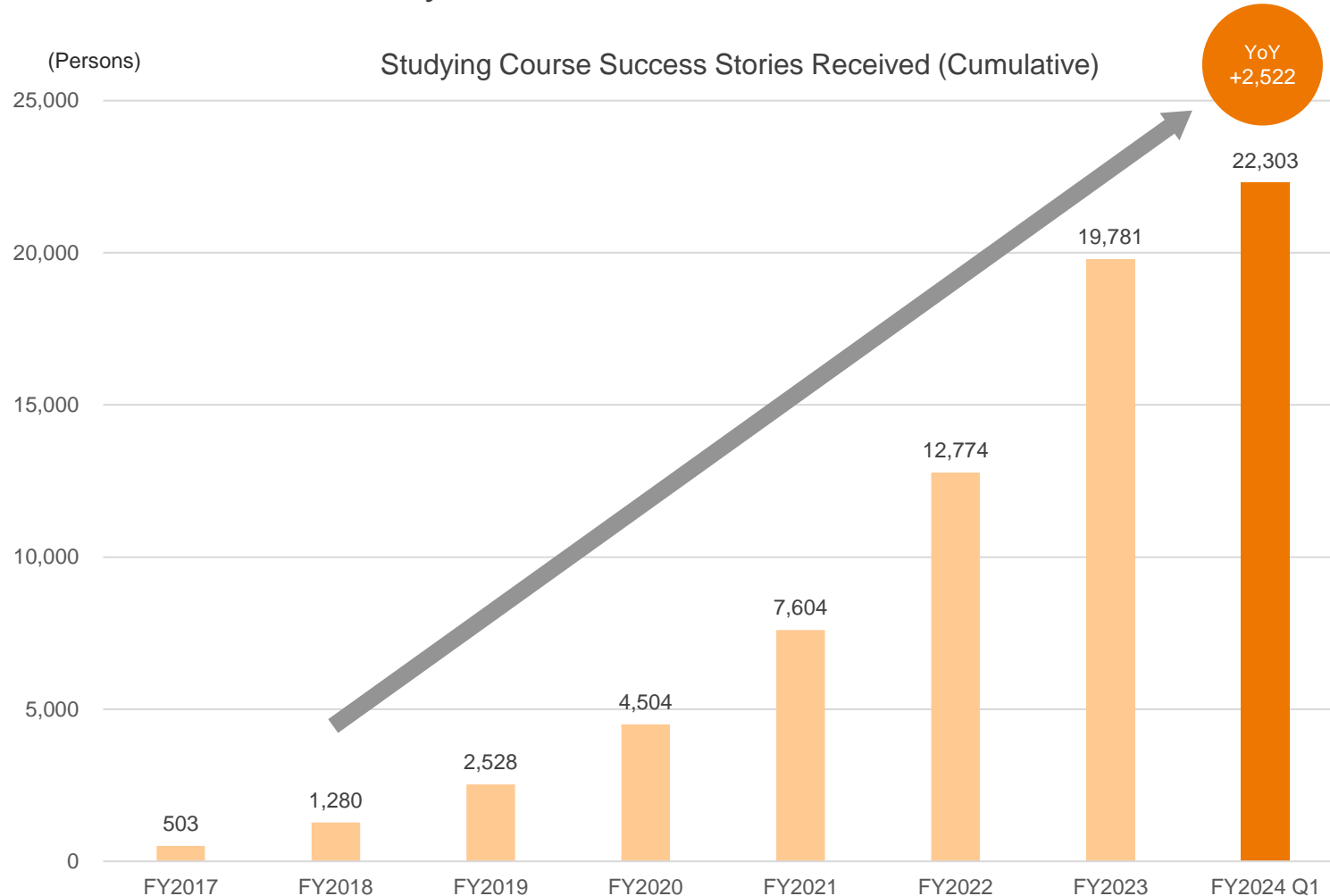


*Advertising expenses ratio = (Advertising expenses incurred in the Studying Business) ÷ (Cash-based sales)

Feedback From Successful Studying Business Students (Cumulative)

Feedback from successful students increased by +2,522 people compared to the end of last year, reaching 22,303 (as of the end of March)

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



*Total number of respondents to post-test questionnaires

Studying Business: Growing Recognition Through TV Commercials

In January 2023, we launched a TV commercial featuring Haruna Kawaguchi as the main character
Aiming for medium- to long-term growth by permeating a brand image and raising recognition as a certification success partner, capturing majority segments



*Reference: 2024 [Studying] *Built-In Success Assist*, 30-second TV commercial: <https://www.youtube.com/watch?v=z8MLp7RoECY>
2024 [Studying] *Built-In Success Assist*, 15-second TV commercial: <https://www.youtube.com/watch?v=VP28N8rKfAE>

Studying Business: Expanded Course Lineup

With a lineup of 30 courses, we offer a wide range of certifications, from easy to difficult
Plans to expand into IT courses and other certification courses in the future

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
- Information Security Management
- Database Specialist

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

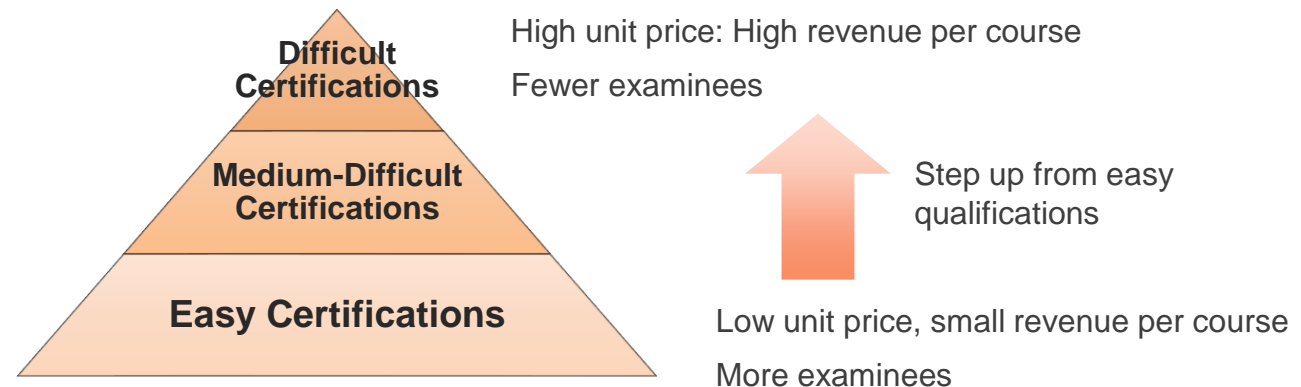
- Real Estate Broker
- Registered Architect
- Licensed Strata Management Consultant/ Building Manager
- Certified Property Manager

Civil Servant

- Civil Servant

Languages

- TOEIC® TEST Preparation



Studying Business: Utilizing Generative AI for AI Master Teacher

We released the official version of the AI Explanation function in December, answering 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



**「AIマスター先生」への質問を通して
個別指導を受けているような学習体験を実現**

特許と商標登録の違いがわかりません

AIマスター先生
はい、ご説明します！
特許は新規性や進歩性を有する
発明を保護する権利で…

資格合格パートナー **STUDYing**



特許と商標登録の違いがわかりません。どう違うのか教えてください。

×入力クリア 32/200文字

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

AI検索 AI説明 **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！

特許は新規性や進歩性を有する発明を保護する権利で、技術的なアイデアや方法に関するものです。一方、商標登録は、商品やサービスを識別するためのマークやロゴ、名称などを保護する権利です。特許は技術的な内容を、商標はブランドや企業のアイデンティティを保護する点で異なります。

参照元
過去問セレクト演習-6-2 意匠権と商標…<Q&A> セレクト問題9 不正競争防止法（令和元年…<Q&A>

スタディング以外も調べて説明します！

特許は新しい技術や発明を保護するためのもので、一定期間、他者がその技術を使用することを排除する権利を与えます。一方、商標登録は、商品やサービスの出所を示すマーク、ロゴ、名称などを保護するためのもので、他者が同一または類似の商標を使用することを防ぎます。特許は技術的な内容に関わり、商標はブランドやアイデンティティの識別に関わります。

Studying Business: Individual Optimization of Learning Through AI

We introduced the AI Competency Score function in April for Studying FP Level 3 and Level 2 courses, and we are rolling out this function to other courses as available

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
- Third/Second Class Bookkeeper
- Patent Attorney
- Judicial Scrivener

Studying Business: Individual Optimization of Learning Through AI

The AI study plan function uses AI to create a study schedule for each student that results in the highest predicted exam scores

The AI question review function uses AI to submit review questions at an optimal timing according to the individual's level of understanding

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 Question Review (Patent No. 7112694)



■ AI automatically sets the next review date for each question according to the individual's level of understanding

Questions that are answered incorrectly or questions that are answered correctly but found difficult are given at shorter intervals, as the level of student understanding is considered weak. Questions considered easy are given at longer intervals.

Spending less time on easy questions and more time on incorrect or difficult questions allows students to improve their skills efficiently in shorter periods of time.

Studying Business: Ongoing Support Through the Studying Challenge

Released Studying Challenge in November; a new feature for users to continue certification studies through gamification

Increased motivation to support continued certification studies over the long term



合計学習時間

チャレンジ期間中の学習時間の合計が、目標以上になることを目指すチャレンジ



連続学習日数

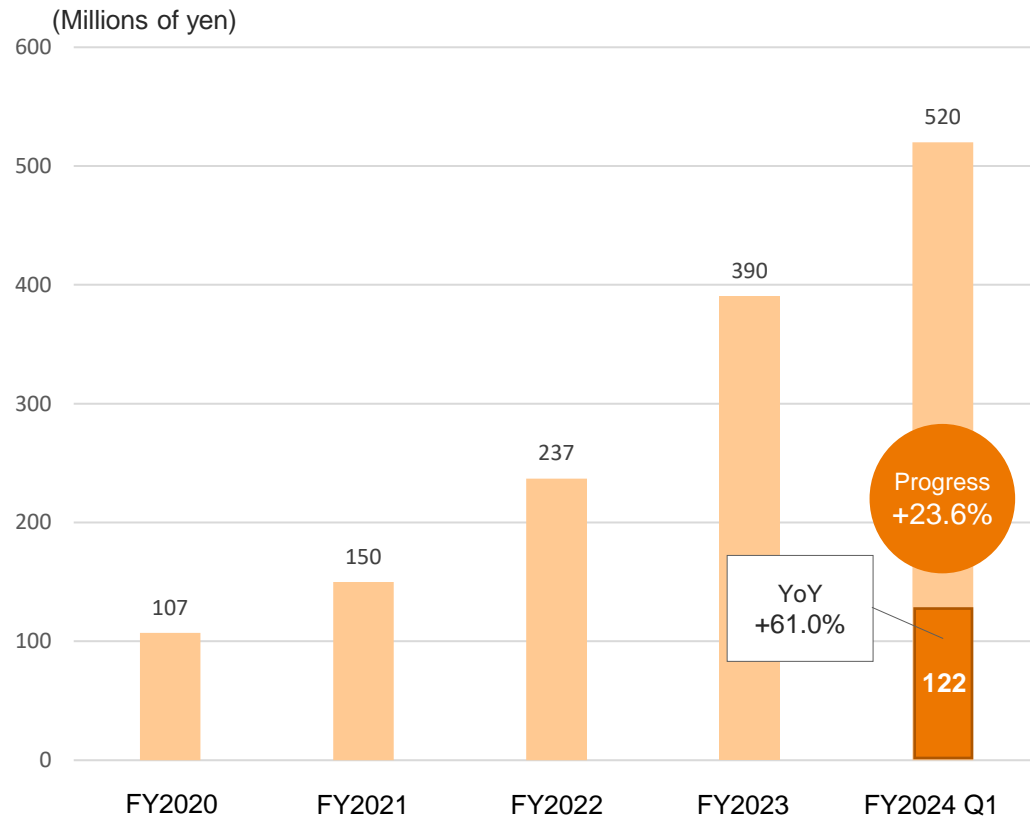
チャレンジ期間中毎日、1日あたりの学習時間合計が目標以上になることを目指すチャレンジ

Corporate Education Business: KPIs

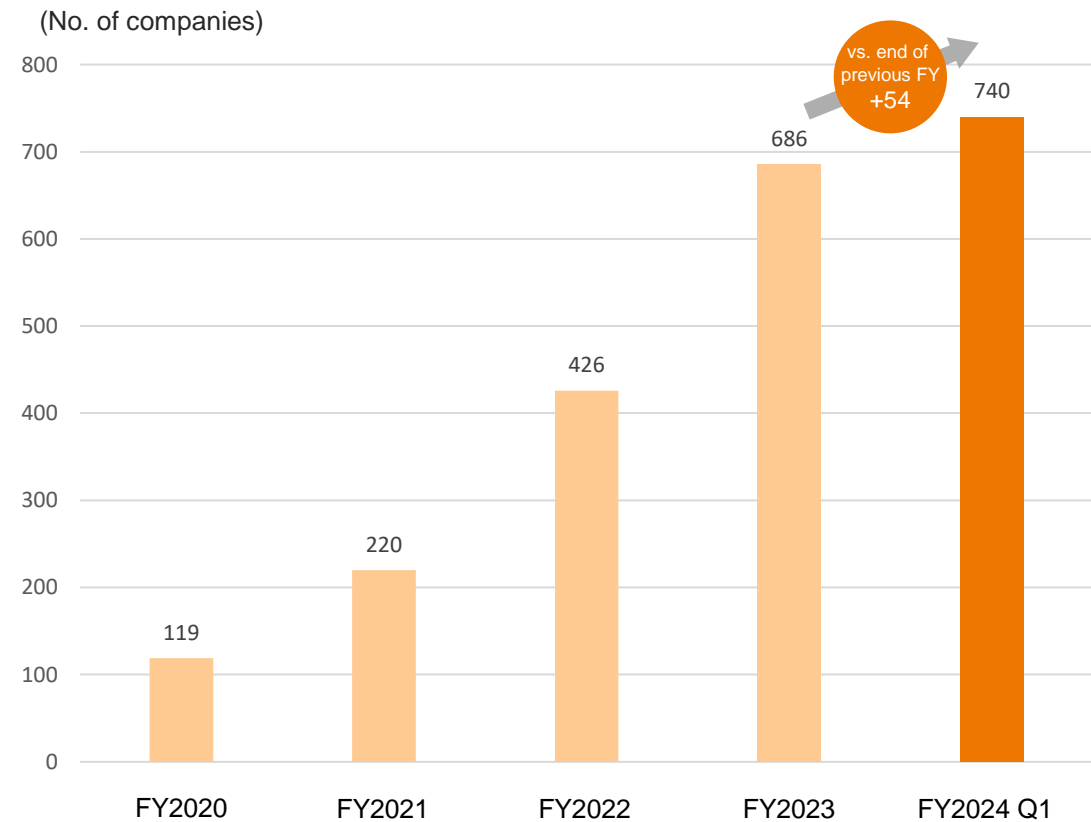
Corporate Education Business net sales demonstrated ongoing high growth, up +61.0% year on year to 122 million yen

AirCourse corporate contracts reached 740 clients, an increase of 54 companies compared with the end of the previous fiscal year

Corporate Education Business Sales



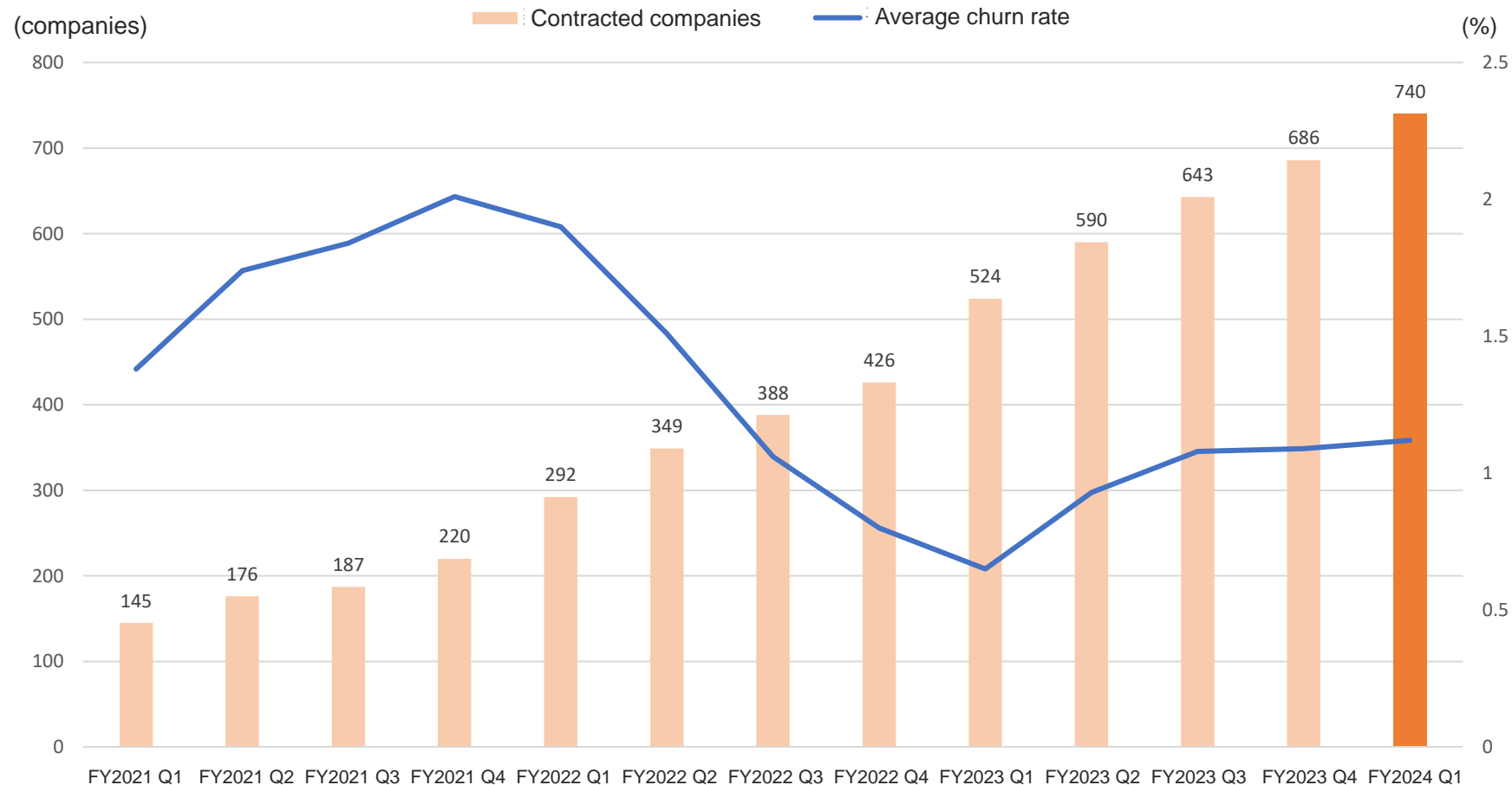
AirCourse Contracted Companies



Corporate Education Business: Quarterly Trend in Contracted Companies/Average Churn Rate

AirCourse corporate contracts reached 740 clients, an increase of 54 companies compared with the end of the previous fiscal year

AirCourse average churn rate* in FY2024 Q1 was 1.12%, nearly unchanged from the previous quarter; we intend to raise retention rates and pursue 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 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.

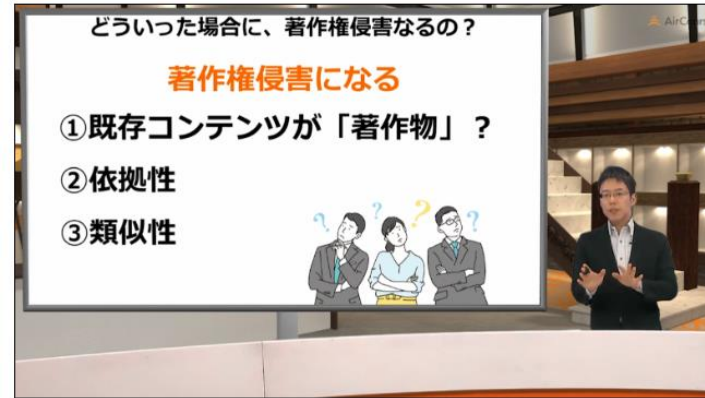
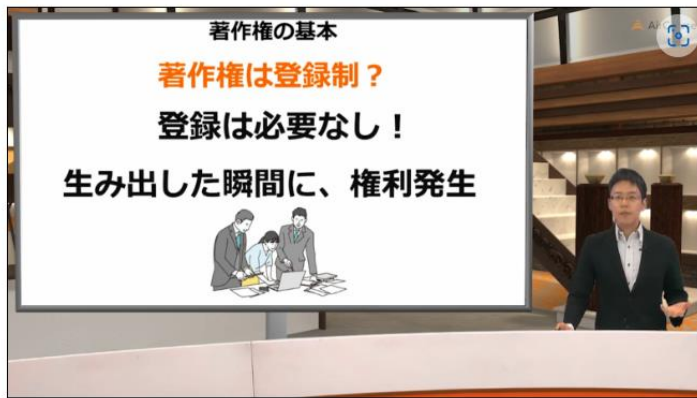


AirCourse provides educational opportunities for all employees, even when not every employee has their own PC

FRESTA Co., Ltd

Corporate Education Business: Major Expansion of Standard Courses

We intend to expand the number of all-you-can-learn courses offered by +181 year on year to 880 as of March 2024
A lineup that incorporates the latest information and meets corporate needs, including GPT utilization and DX-related

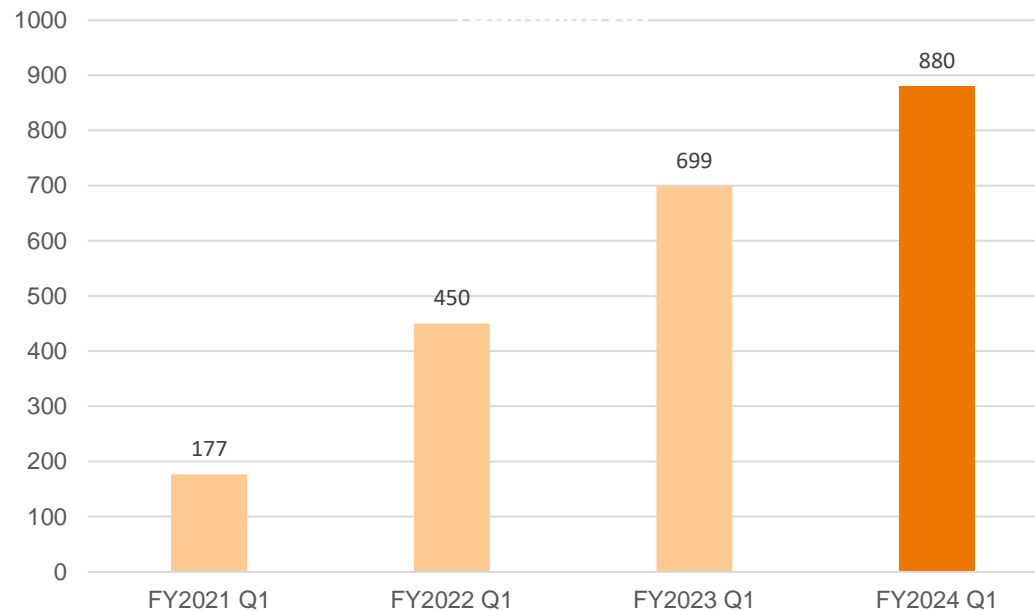


Being Unaware Is Not an Option Copyright (Four Courses in Total)

- (1) Copyright Basics
- (2) Quotations and Copyrights
- (3) Requirements for Transferring Copyrights
- (4) Cautions Regarding Image Citations

(No. of Courses)

Trends in AirCourse Standard Courses

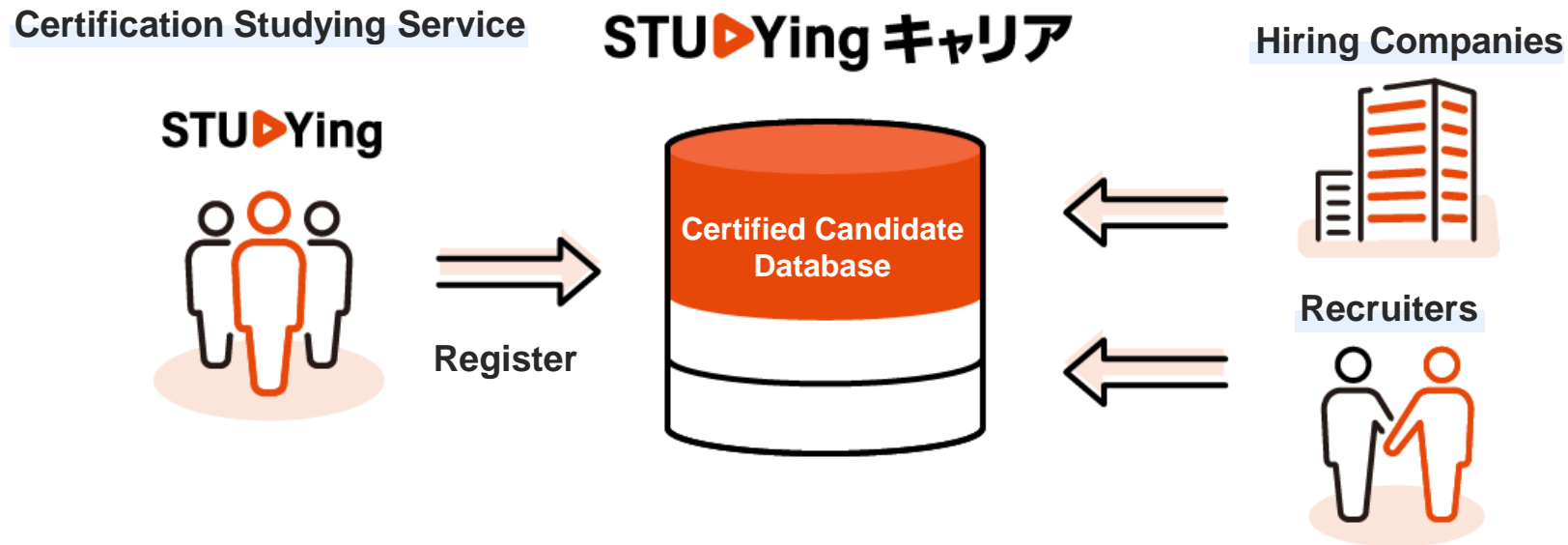


- A 5x increase in courses offered in three years
- Expanding content lineup to include IT, management, MBA series, DX-related, GPT, legal compliance, and more

New Business Development: Studying Career

Support lifelong careers through certifications and job search assistance

Providing matching services by leveraging a foundation of individual Studying members and Corporate Education Business members



<Benefits for Job Applicants>

- Candidates leverage certifications to change jobs
- Direct contact from recruiting companies and recruitment agents
- Video content answers questions about job-hunting activities

<Benefits for Employers>

- Only cost is the contingency fee at the time of hire
- A human resources database that attracts people with proven qualifications and a high motivation to learn
- Supported by Studying business with more than 280,000 learners

AirCourse AI Knowledge

Easy-to-use generative AI service for corporations

Organizational support for generative AI, which will become an important matter in advancing the use of corporate human capital



Four Features

Generative AI service designed for companies to adopt with confidence and facilitate use by employees

Knowledge sharing function that allows users to share the knowledge gained through the use of generated AI within the company



Safe and Secure

No in-house data used in AI training



Easy for Anyone

Over 100 prompt templates included



Knowledge Retention and Sharing

Share meeting minutes and other information summarized by generated AI within the company



Comprehensive Management Functions

Monitor usage of generative AI, etc.

(Revisited) Medium-Term Management Plan 2026

February 2024

KIYO Learning Co., Ltd.

Growth (Tokyo Stock Exchange): 7353

Contents

1. Medium-Term Management Plan 2023 Review

2. Medium-Term Management Plan 2026

- **Changes in Our Businesses and the Environment**
- **Basic Management Policies and Long-Term Strategies**
- **Medium-Term Management Plan 2026 Targets and Basic Strategy**

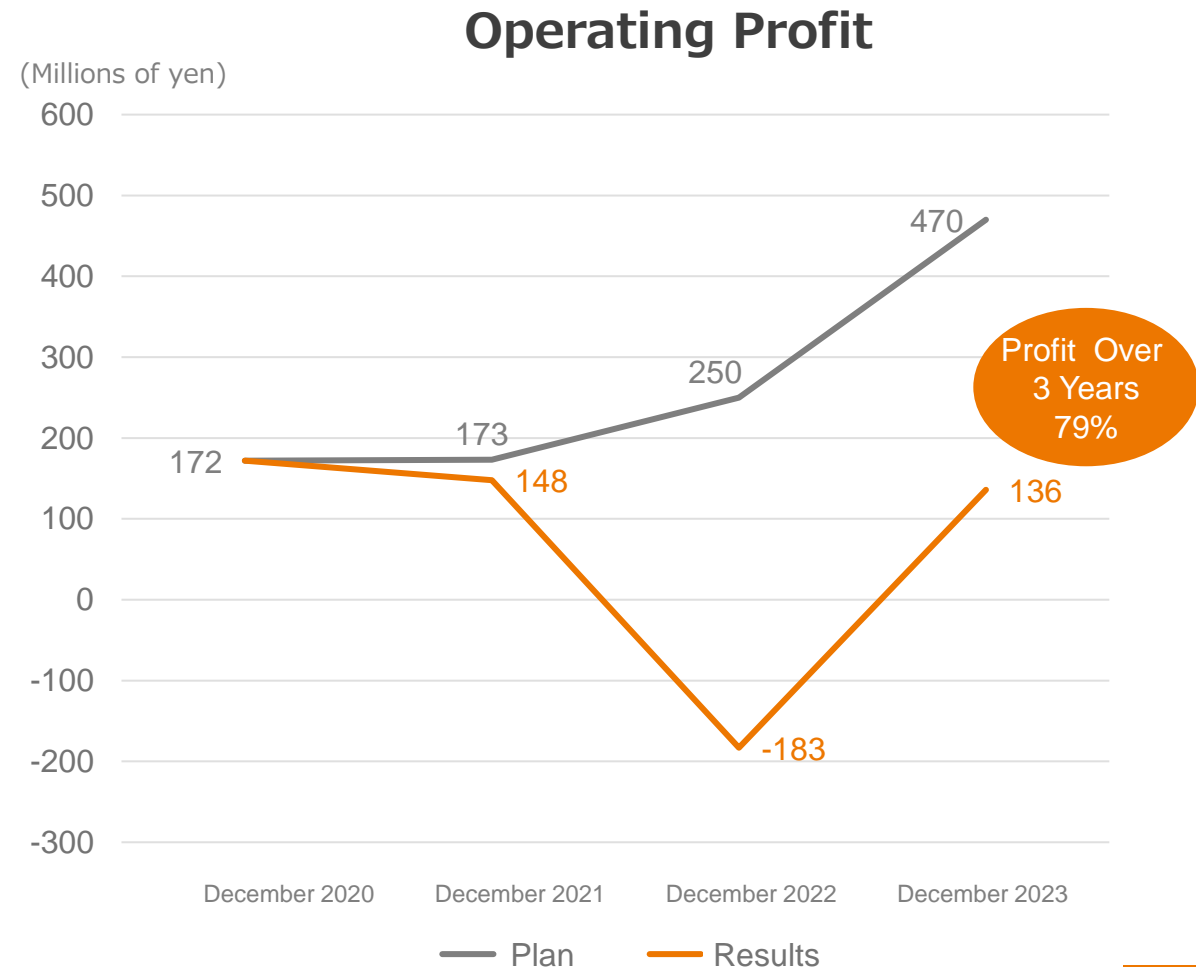
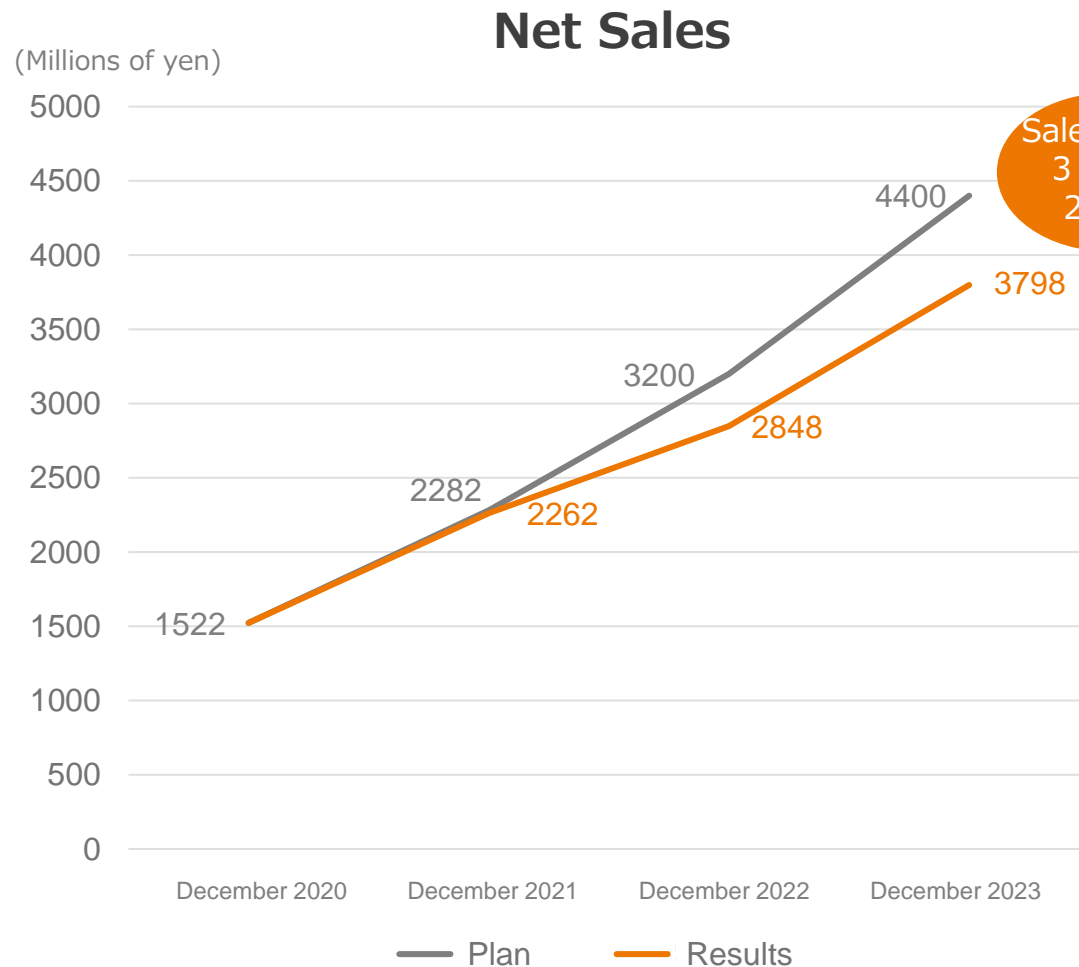
3. FY2024 Performance Forecast

Medium-Term Management Plan 2023 Review

Medium-Term Management Plan 2023 Review: Financial Results

While net sales fell short at 86% of original plan, our growth strategy has been successful in certain respects, increasing sales 249% over the past three years

We struggled to deliver profit growth, with operating profit at 28% of original plan for three years and 79% compared with the base year



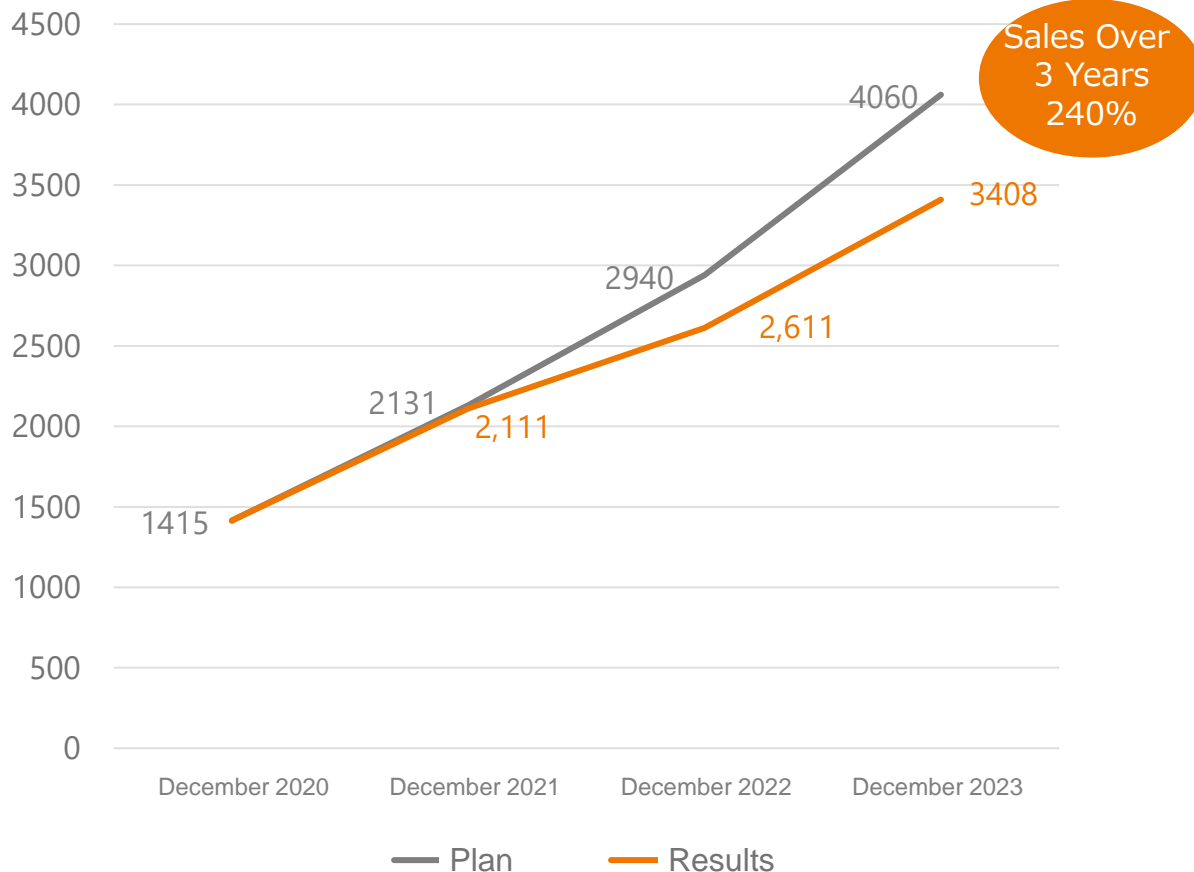
Medium-Term Management Plan 2023 Review: Sales by Business

While Studying Business sales fell short of original plan at 83%, our growth strategy has been successful in certain respects, increasing sales 240% over three years

Corporate Education Business sales were 114% of original plan and +364% over three years

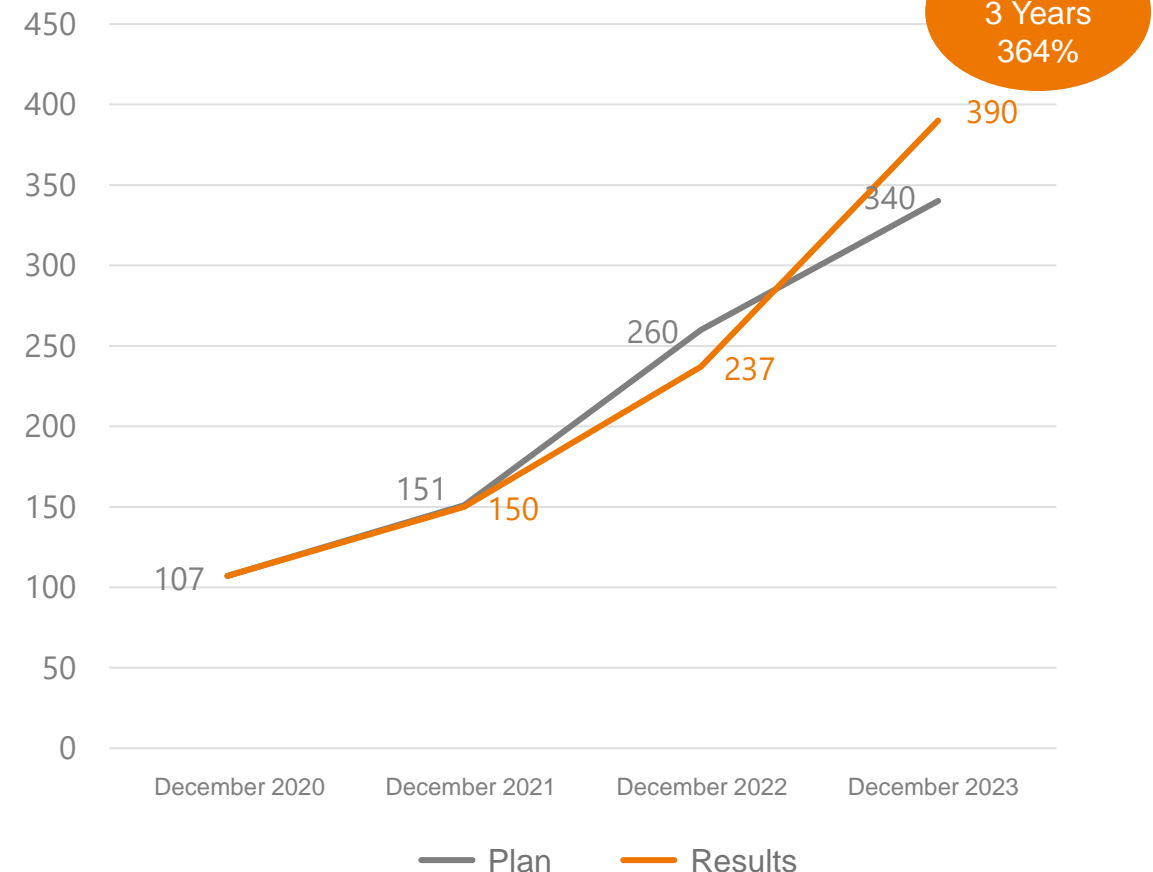
Studying Business Net Sales

(Millions of yen)



Corporate Education Business Net Sales

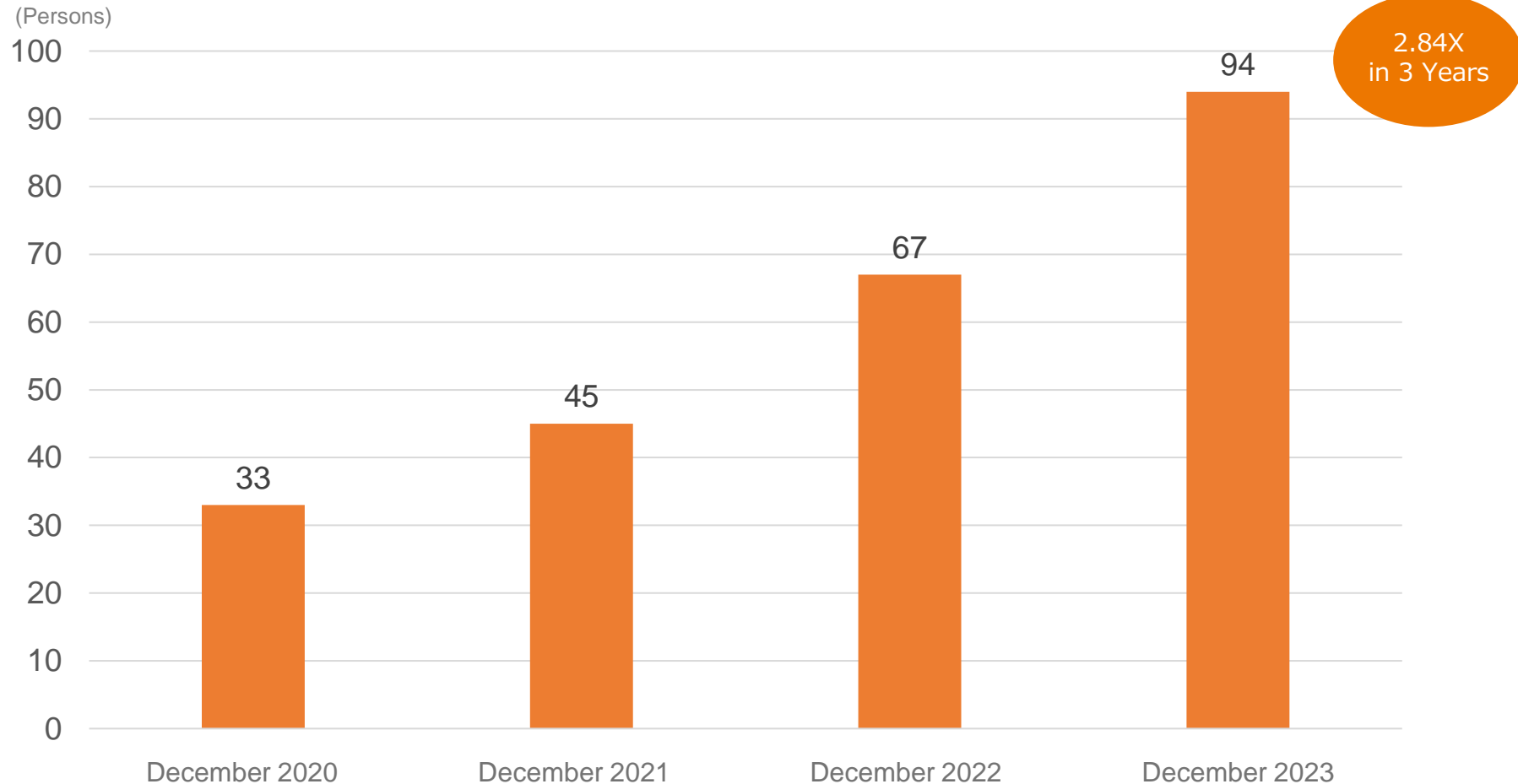
(Millions of yen)



Medium-Term Management Plan 2023 Review: Employees

We increased the number of employees 2.84 times to 94 employees over three years, achieving recruitment targets (between 90 and 110 employees) in line with plan

We are reinforcing organizational capacity to strengthen and grow existing businesses and develop new businesses

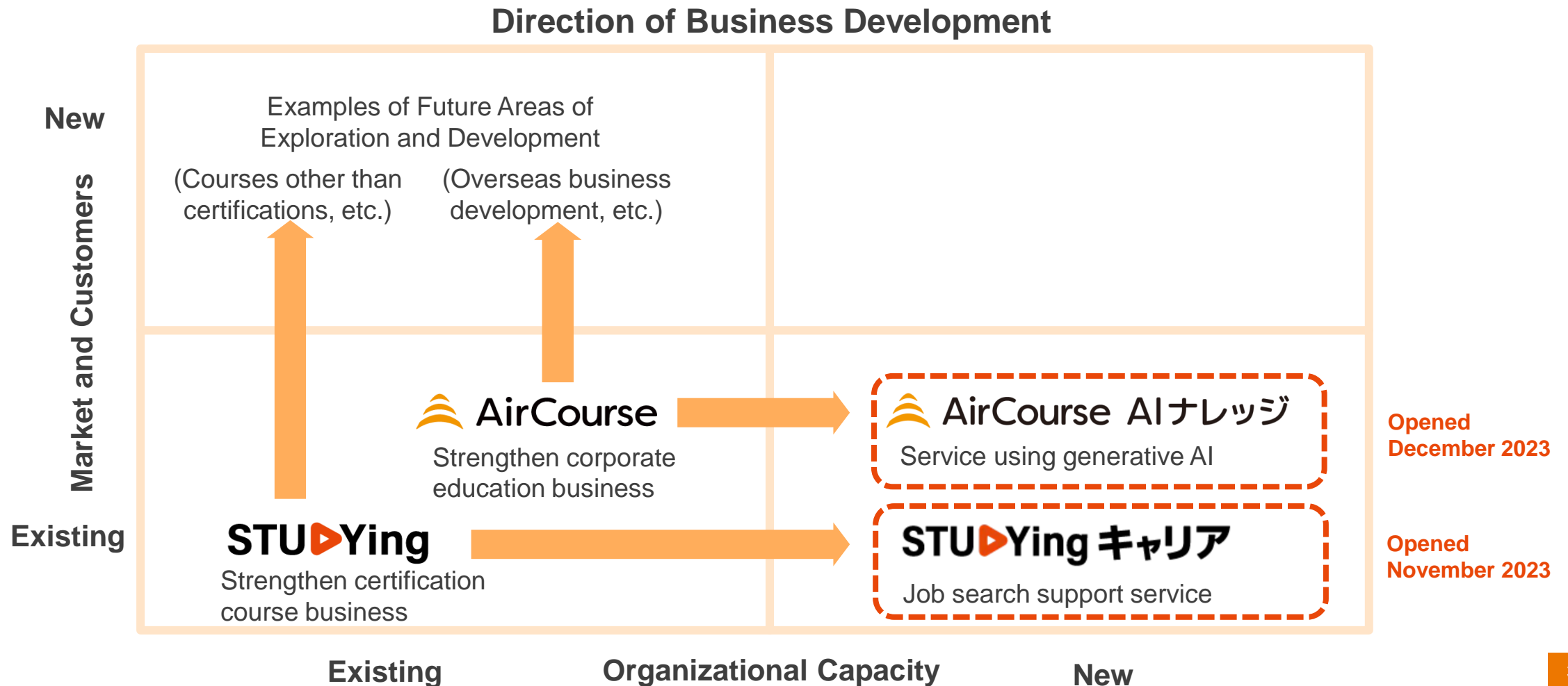


*Personnel: Total number of direct hires as of December (Full-time, contract, and part-time employees)

Medium-Term Management Plan 2023 Review: Expanding Our Business Portfolio

Explored and developed new business areas as stated in our long-term vision, launching two new services during fiscal 2023

We gained a foothold in two markets: (1) The job market for mid-career professionals (*Studying Career*) and (2) The market for corporate generative AI (*AirCourse AI Knowledge*)



Revisited: Initiatives Toward Our Long-Term Vision

We defined policy initiatives toward achieving our Long-Term Vision, executed investments, and engaged in business operations under our Medium-Term Management Plan 2023

Initiatives and Policies in Our Current Medium-Term Management Plan Toward Our Long-Term Vision

Under our current medium-term management plan, we have positioned the growth of existing businesses (Studying Business and Corporate Education Business) as the most important targets.

- As there is plenty of room for growth in existing businesses, we will place the highest priority on growth through investments in existing businesses and becoming, striving to carve a place as market leader.

As we pursue the measures above, we will acquire the organizational capabilities and management resources necessary to develop new businesses

- Strengthen existing organizational capabilities (learning systems, AI and data utilization, content development, marketing and sales, low-cost operations)
- Acquire business management systems and further expertise

Our search for new businesses will begin under the current medium-term management plan

- Search for and develop new business when promising opportunities are found
- According to the nature of the business in question, we will consider in-house development (organic growth), business alliances, equity tie-ups (investments), M&A, etc.
- We expect to begin the development of new businesses in earnest under the next medium-term management plan (2024-2026); however, we may begin during the current medium-term management plan depending on the nature of the business and the opportunities involved

Under the current medium-term management plan period, we will prioritize investment in growth over dividends

- As long as we maintain a high growth rate through investment, we will increase corporate value by investing in growth rather than emphasizing dividends

Medium-Term Management Plan 2023 Policy Initiatives

- Pursue growth in existing businesses as the highest priority
- Strengthen organizational capacity (systems, AI, content, marketing, operations)
- Explore and develop new businesses

Medium-Term Management Plan 2023 Review: Summary of Results and Issues

Most significant results

Results but also issues

Significant issues

Sales Growth (Highest Priority)	<ul style="list-style-type: none"> Did not meet sales targets, but achieved a certain degree of high growth (249% growth over three years)
Profit Growth	<ul style="list-style-type: none"> Did not achieve expected operating profit growth (79% decline over three years)
Human Capital	<ul style="list-style-type: none"> Recruitment has been steady; strengthened our organizational structure for growth (from 33 to 94 employees over three years)
Organizational Capacity, Technology	<ul style="list-style-type: none"> Strengthened our organizational capacity, including the use of AI (related patent acquisitions, etc.) and marketing capabilities
Studying Business	<ul style="list-style-type: none"> Did not achieve sales targets, but achieved a certain degree of high growth (240% growth over three years) Lower-than-expected profitability due to higher-than-forecast costs for new member acquisition Improved products through the greater use of AI functions, introduced generative AI-based tutoring Expanded course lineup from 26 to 33
Corporate Business	<ul style="list-style-type: none"> Achieved sales targets and delivered high growth (364% growth over three years) Designed an organization and hired the right people for a SaaS-type business, creating a foundation for further growth Improved products through enhanced management functions, knowledge-sharing functions, etc., for large companies Expanded the number of all-you-can-learn courses significantly from 151 to 856
New Business Development	<ul style="list-style-type: none"> Launched <i>Studying Career</i> to expand into the job search market Launched <i>AirCourse AI Knowledge</i>, a generative AI service for corporations

Changes in Our Businesses and the Environment

Overview of Business and Services

Career support platform and human capital utilization platforms

Two new services combine in a multi-product structure (multiple products to a single customer)

Career Support Platform

For Individuals/Corporations

STU▶Ying

Online certification courses that are easy to use,
easy to understand, and easy to stick with



For Individuals/Corporations

STU▶Ying キャリア

A direct experienced-hire recruiting service
highlighting an individual's professional qualifications



New!
Launched
November 2023

Human Capital Utilization Platform

For Corporations

AirCourse

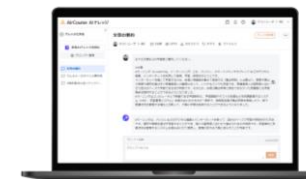
Cloud-based employee education e-learning that solves
problems related to human resources development



For Corporations

AirCourse AIナレッジ

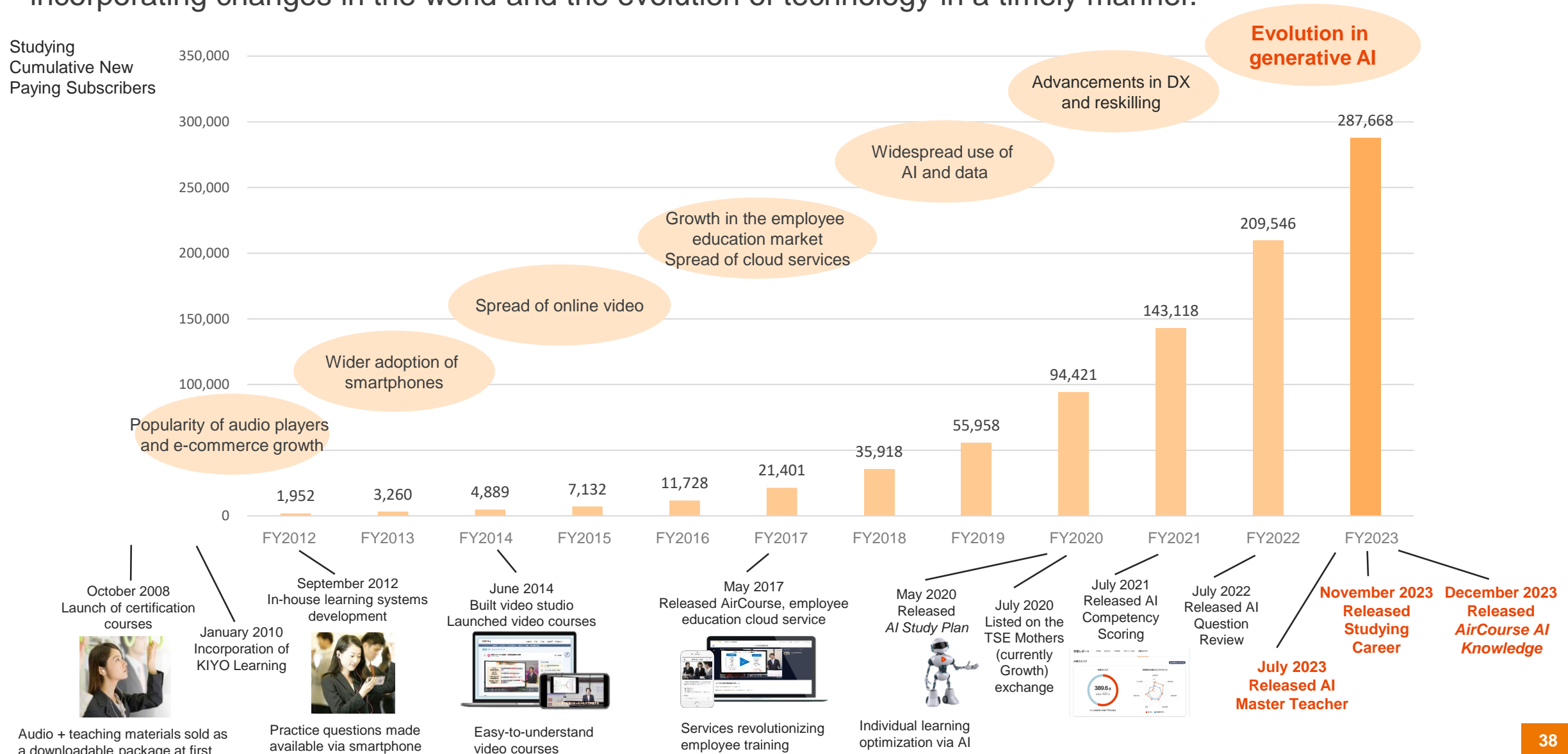
Generative AI knowledge-sharing service



New!
Launched
December 2023

History of Learning Innovation and Growth

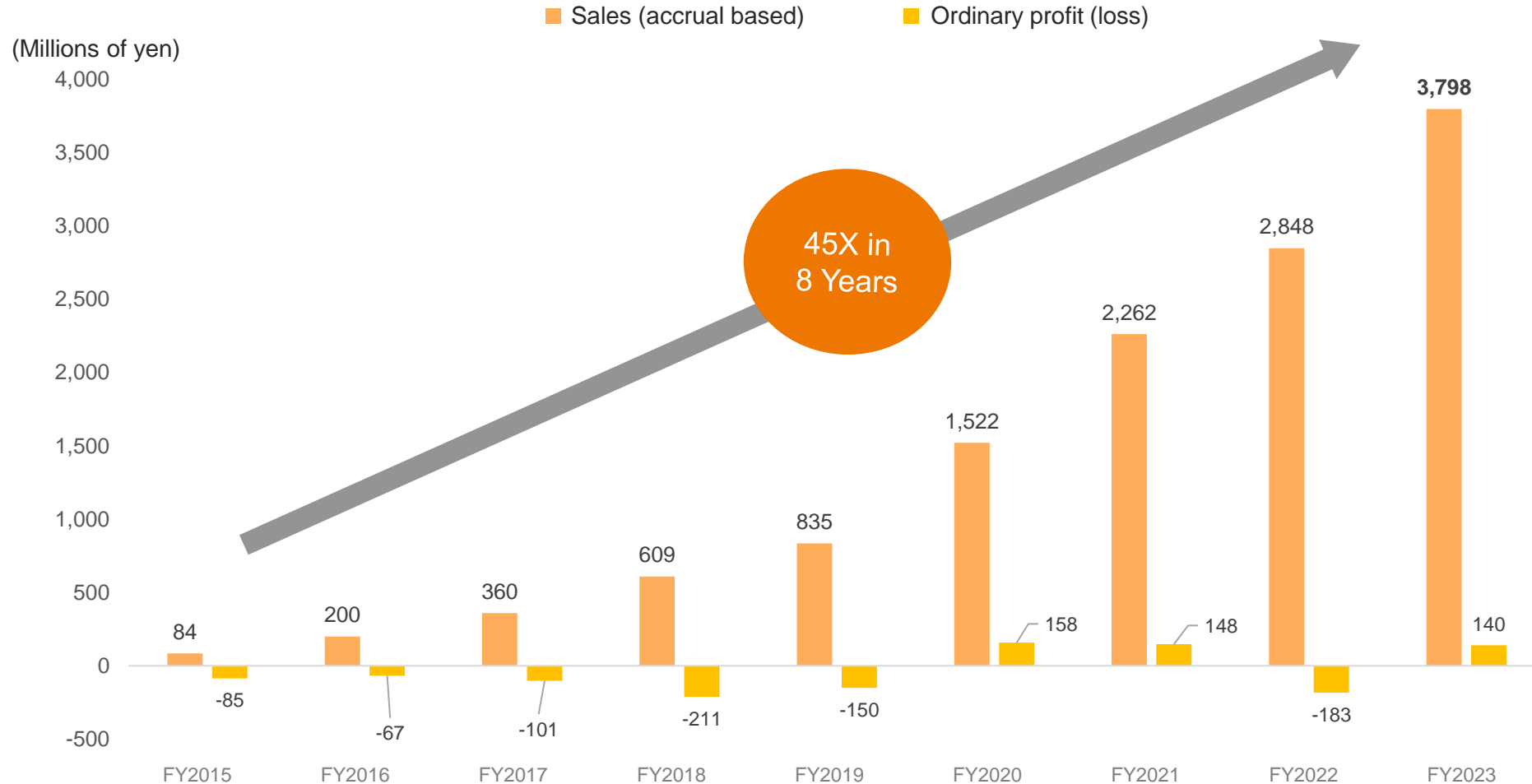
Since launching our business in 2008, we have achieved high growth through learning innovation, incorporating changes in the world and the evolution of technology in a timely manner.



Continuing High Growth

Forty-five-fold sales growth in the eight years since 2015

Achieved high growth through upfront investments in systems development, content development, marketing, etc.



*For the fiscal years ended December 2015 through December 2017, the Company did not engage audits under the provisions of Article 193-2(1) of the Financial Instruments and Exchange Act.

Changes in the Environment for Individuals and Changes in the Environment for Learning

The advent of **generative AI** will affect most professions and **replace teachers/coaches**

Needs will increase for **lifelong learning, skills acquisition**, and **career development accompanying job searches/career changes**

Changes in the Environment

Changes in Individual Learning

Evolution of AI, IT, and Other Technologies

- Evolution of AI and IT technologies
- Advancements in generative AI technologies and services



- Leverage IT and AI technologies to **optimize learning for the individual** (personalize)
- **AI to replace teachers/coaches** and cause other fundamental change

Reskilling

- Obsolescence of skills due to rapid changes in IT technologies, industries, and businesses



- **Continued lifelong learning** and **reskilling** will become important

Career Development

- Extended work life in an era of 100-year lifespans
- Human resources mobility, job changes, and side hustles becoming more common



- **Increased need for career development accompanying job search/career changes or side hustles**

Learning Environment

- Spread of smart devices
- Higher network speeds with 5G, etc.



- Widespread use of **smart devices for learning** (use of spare time)

Changes in the Corporate Environment and Changes in Human Resources Development

Increased demand for skills development toward **reskilling** and **human capital management**; significant changes in human resources development for tasks, skills, and productivity through **the use of generative AI**

Changes in the Environment

Evolution of AI, IT, and Other Technologies

- Evolution of AI and IT technologies
- Advancements in generative AI technologies and services

DX and Reskilling

- Business transformation and productivity improvements through technological innovations and changes in the competitive environment

Human Capital Management

- Intensifying global competition
- Decline in working population in Japan

Learning Environment

- Normalization of telework
- Diversification of work styles and pursuit of work-life balance

Changes in Individual Learning

- Leverage IT and AI technologies to **optimize learning for the individual** (personalize)
- **Generative AI used by employees** to learn tasks and necessary **skills** (inevitable changes in **human resources development**)
- Importance of **employee reskilling** to achieve DX
- Organizational **knowledge sharing** necessary for productivity improvements
- **Use of human capital (recruiting, training, and using outstanding human resources)** is an urgent corporate issue
- Important to visualize study history, skills, certifications, etc., of human capital
- Shift from group education-centered development to **digital education-centered development**

Basic Management Policies and Long-Term Strategies

Mission and Vision

Innovate human and organizational learning through technology.
We aim to be the best learning service in the world.

Mission

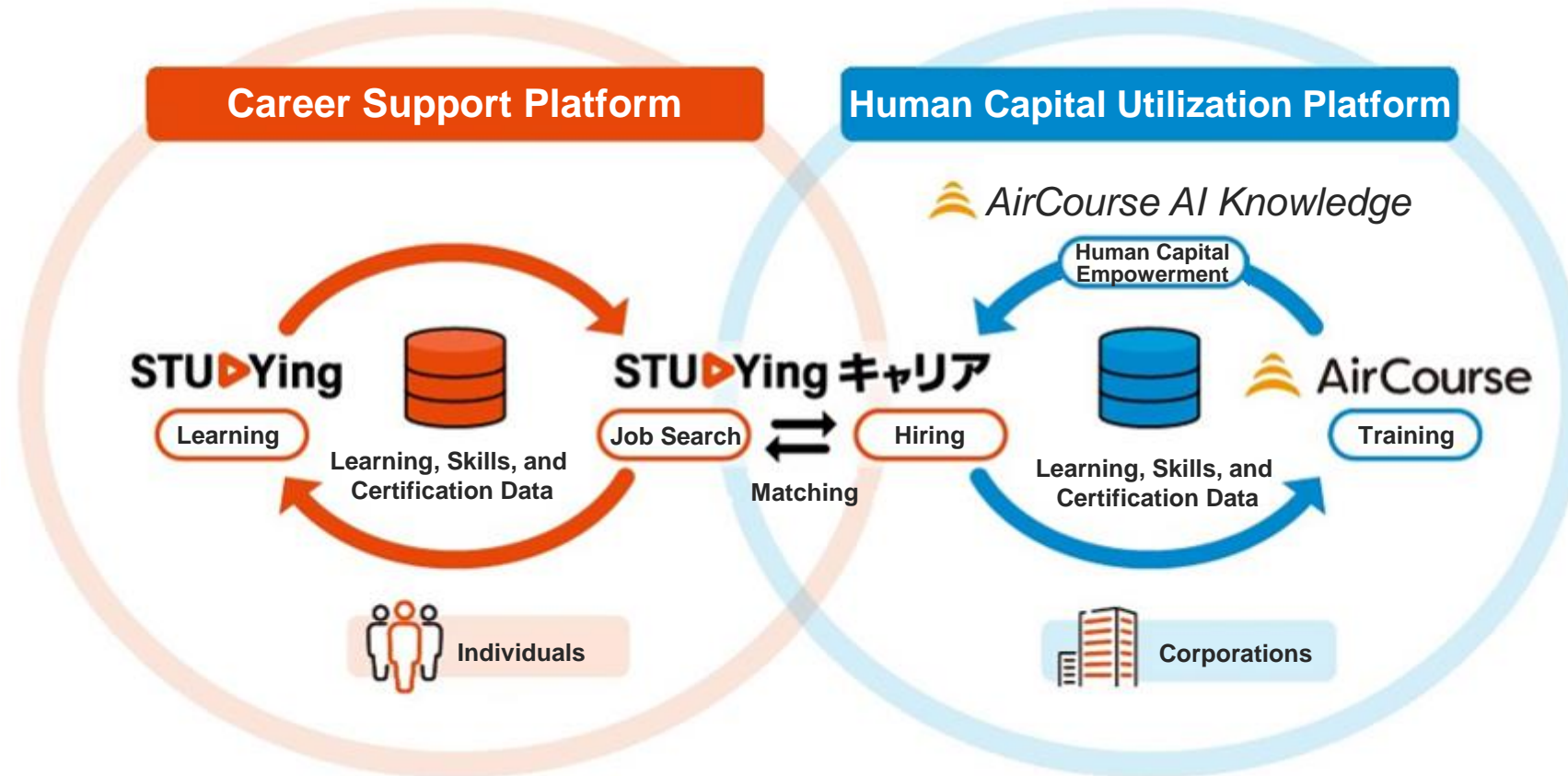
**Innovate Learning and
Unleash the Limitless Power in Every Person**

Vision

**No.1 in the World
Learning that is...
Easiest to Use, Easiest to Understand, Easiest to Stick With**

The KIYO Learning Platform Strategy

Development of businesses centered on a Career Support Platform for individuals and a Human Capital Utilization Platform for corporations



Supporting Careers Across All Stages

- Learning
- Job search
- Workplace use

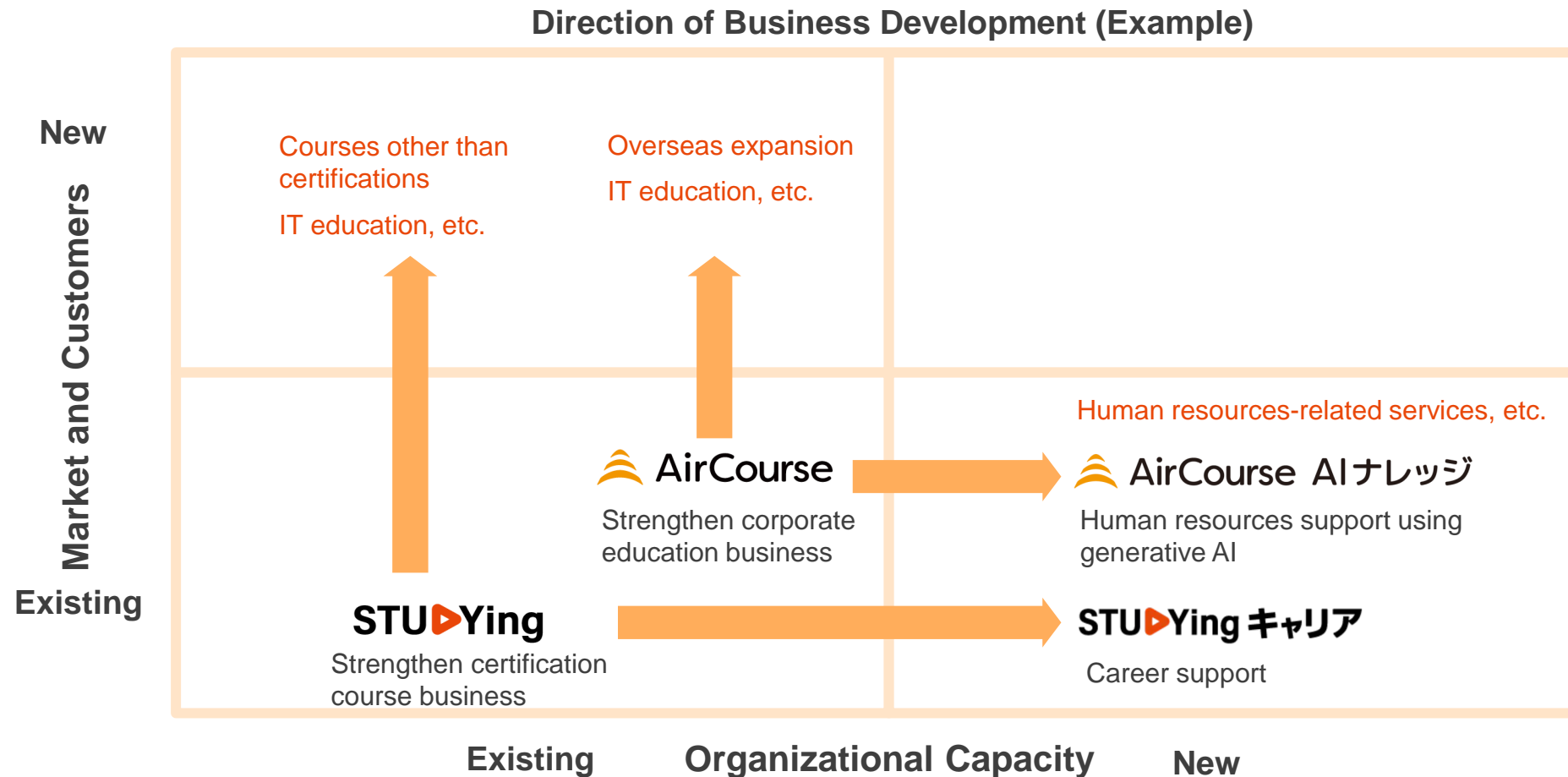
Supporting Corporate Human Capital Utilization

- Human resources development
- Hiring
- Human capital empowerment through generative AI

Business Portfolio Expansion

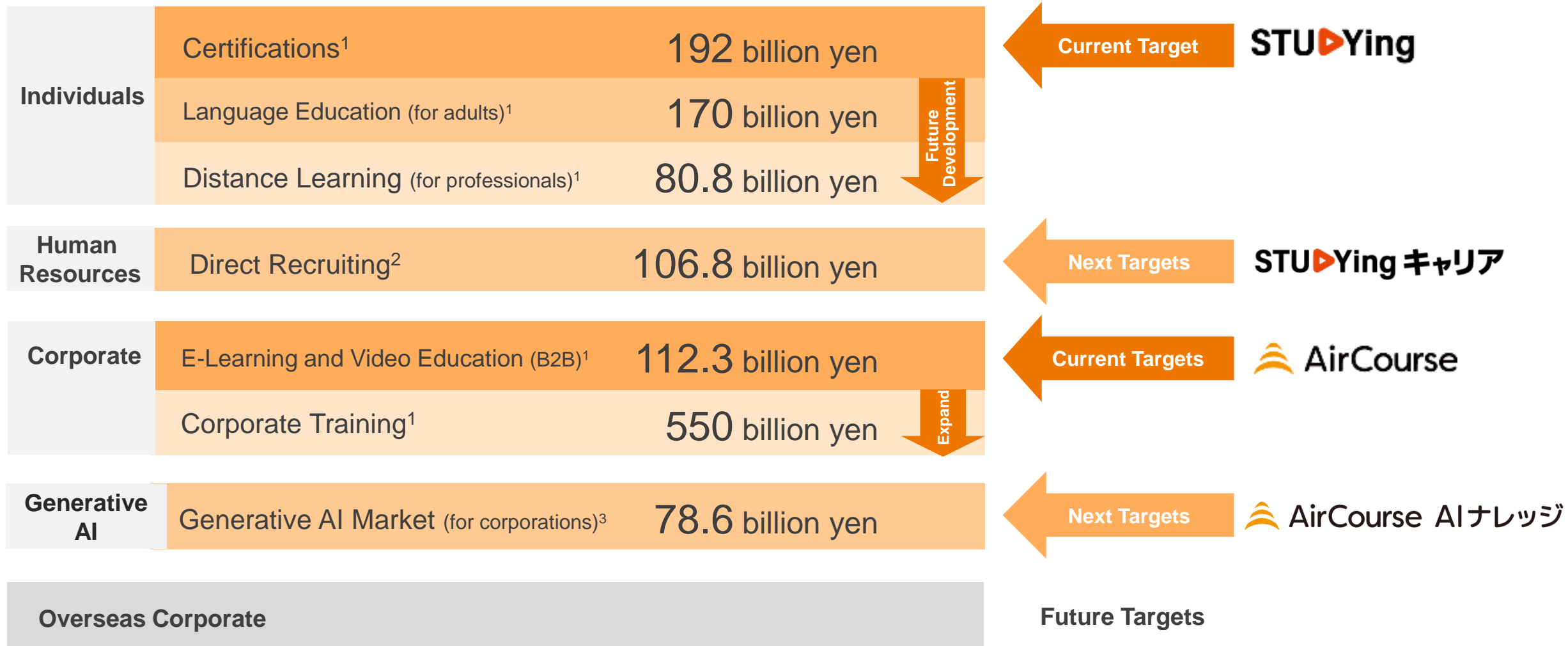
We intend to strengthen the existing certification course business and corporate education business as we grow our career and AI knowledge businesses.

In addition, we aim to develop businesses in growth markets that include IT education and other non-certification education markets, human resources-related services markets, and overseas markets. At the same time, we will leverage our organizational capabilities while pursuing M&A and other alliances.



Market Potential and Business Development

Pursue core businesses in the individual certification market and corporate e-learning market while expanding into peripheral markets (human resources and generative AI markets, etc.)



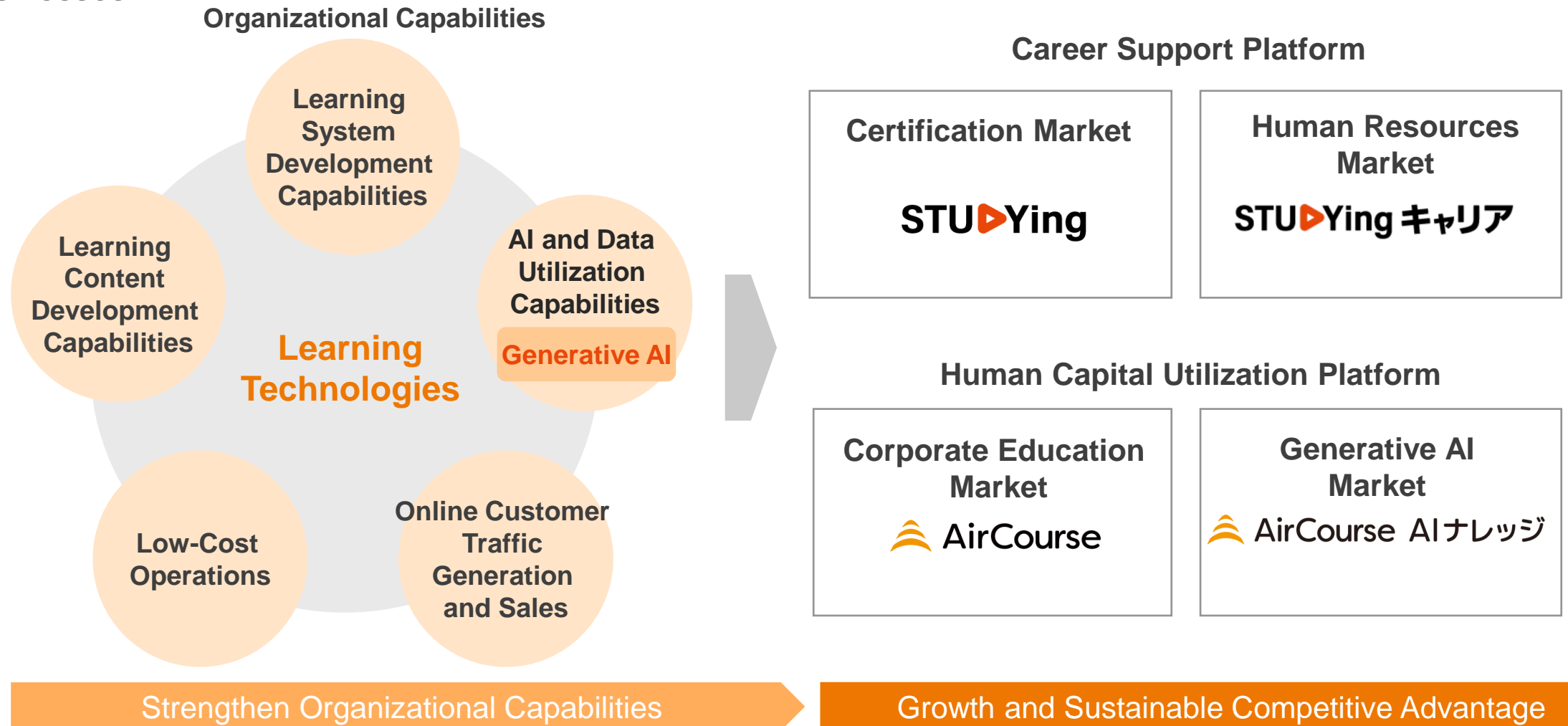
1: Figures are forecasts for fiscal 2023 based on *White Paper on the Education Industry, Fiscal 2023 Edition* by Yano Research Institute.

2: Figures are forecasts for fiscal 2023 based on *Direct Sourcing Service Market 2023* by Yano Research Institute.

3: Figures are forecasts for fiscal 2027 based on *AI Systems Market by Industry and Use Case*, by IDC Japan

Our Strengths (Organizational Capabilities) and Business Expansion

We are strengthening our organizational capabilities based on learning technologies that transforms the learning, development, and utilization of people and organizations. At the same time, we create growth and sustainable competitive advantage by strengthening existing businesses and expanding into new businesses.



Medium-Term Management Plan 2026 Targets and Basic Strategy

FY2026 Financial Targets

Aim for fiscal 2026 sales of 5,800 million yen to 6,400 million yen (152% to 168% of fiscal 2023)

Increase profitability and aim for fiscal 2026 operating profit of 350 million yen to 480 million yen (257% to 352% of fiscal 2023)

FY2023 Results

Net Sales

3,798 million yen



FY2026 Targets

5,800 million yen to 6,400 million yen
(152% to 168% of FY2023)

Operating profit

136 million yen

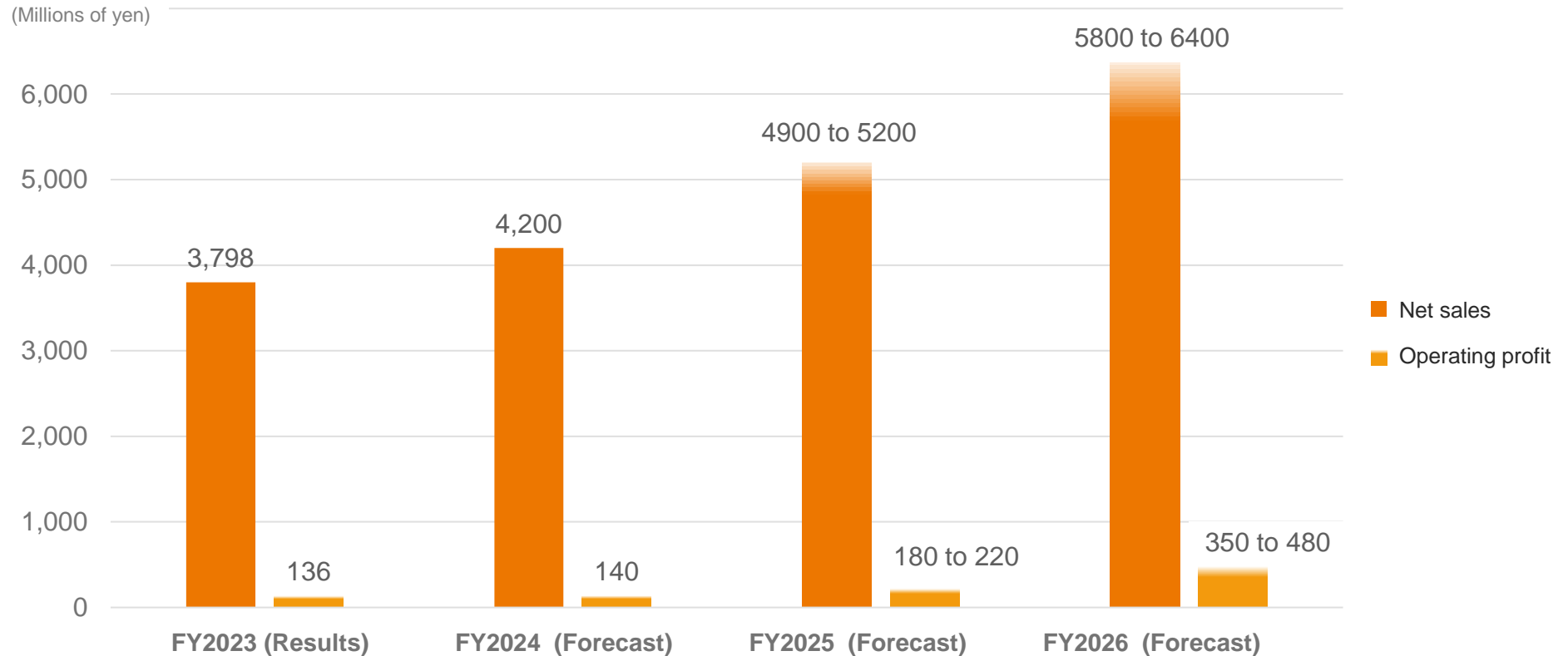


350 million yen to 480 million yen
(257% to 352% of FY2023)
(operating income margin: 6.0% to 7.5%)

Medium-Term Management Plan: Numerical Targets

Increase profits in stages while growing sales toward the fiscal 2026 target

Recruit and train employees to increase organizational capabilities and extend growth areas

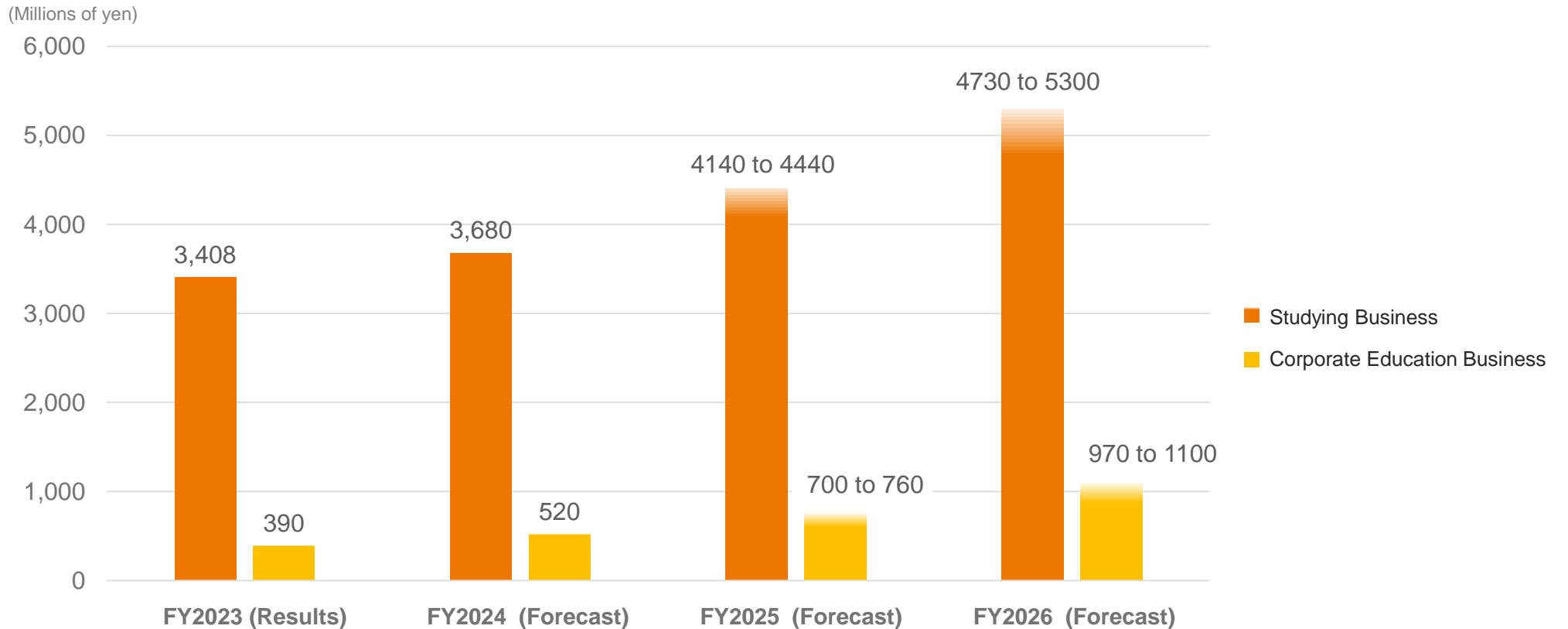


(Millions of yen)	FY2023 (Results)	FY2024 (Forecast)	FY2025 (Forecast)	FY2026 (Forecast)
Net sales	3,798	4,200	4,900 to 5,200	5,800 to 6,400
Operating profit	136	140	180 to 220	350 to 480
Employees	94	110 to 120	125 to 145	145 to 170

Medium-Term Management Plan: Targets by Business

Grow Studying Business sales and profits with improved customer acquisition efficiencies

Strengthen the Corporate Education Business and grow into a second pillar of business



(Millions of yen)	FY2023 (Results)	FY2024 (Forecast)	FY2025 (Forecast)	FY2026 (Forecast)
Studying Business	3,408	3,680	4,140 to 4,440	4,730 to 5,300
Corporate Education Business	390	520	700 to 760	970 to 1,100

Medium-Term Management Plan 2026 Basic Strategy



STUDYing

Online qualification courses that are easy to use, easy to understand, and easy to stick with



Qualification Study for Busy People

Study on smartphones, tablets, or PCs to take advantage of spare time during commutes, etc.

Efficient Learning Systems

We develop learning systems for anyone to reproduce the study methods of those who pass exams in a short period of time

Easy-to-Understand Content

Easy-to-understand video courses. All necessary questions are included for students to acquire the skills to pass qualification exams without difficulty.

Low cost

Low price point possible through an efficient IT-based business model

Basic Policy

- Leverage AI and IT, strengthen content, bolster marketing, etc., to achieve growth and deliver the highest pass rates in the industry
- Increase awareness and strengthen branding to win a majority of the market
- Increase customer acquisition efficiencies and improve profitability

Key Measures

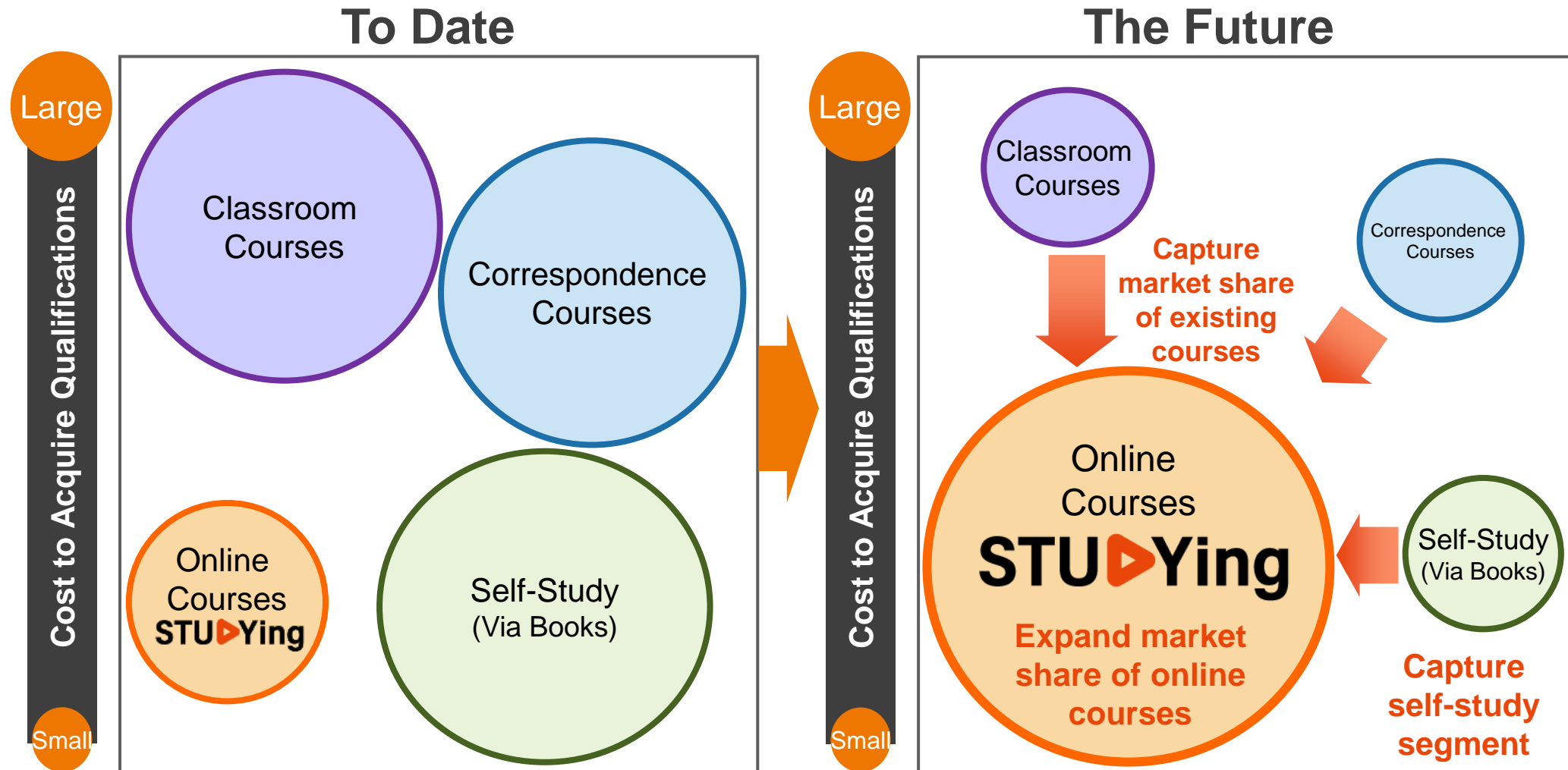
- 1. Strengthen services using AI**
 - Optimize learning for individuals using AI and attendance data
 - Improve ease of learning and easier retention by expanding learning system functions
- 2. Expand course and product lineup**
 - Expanded lineup serving high-demand certifications
 - Develop and bolster content, strengthen instruction to improve products
- 3. Strengthen customer acquisition and profitability**
 - Engage in awareness and branding activities to establish our brand position as the de facto place to study for certifications
 - Diversify customer acquisition channels and improve profitability through customer acquisition efficiencies
- 4. Increase the number of repeat users**
 - Strengthen sales to existing customers through product updates, optional products, networking opportunities, etc.
- 5. Coordinate with the career business for growth**
 - Grow our human resources business by offering career opportunities to newly certified individuals

Increase the number of successful applicants and secure the No. 1 share of successful applicants through the following virtuous cycle

Accelerate the virtuous circle through five key measures



Maximize certification course market share by capturing the majority of traditional students (live learning, correspondence courses, self-study, etc.)

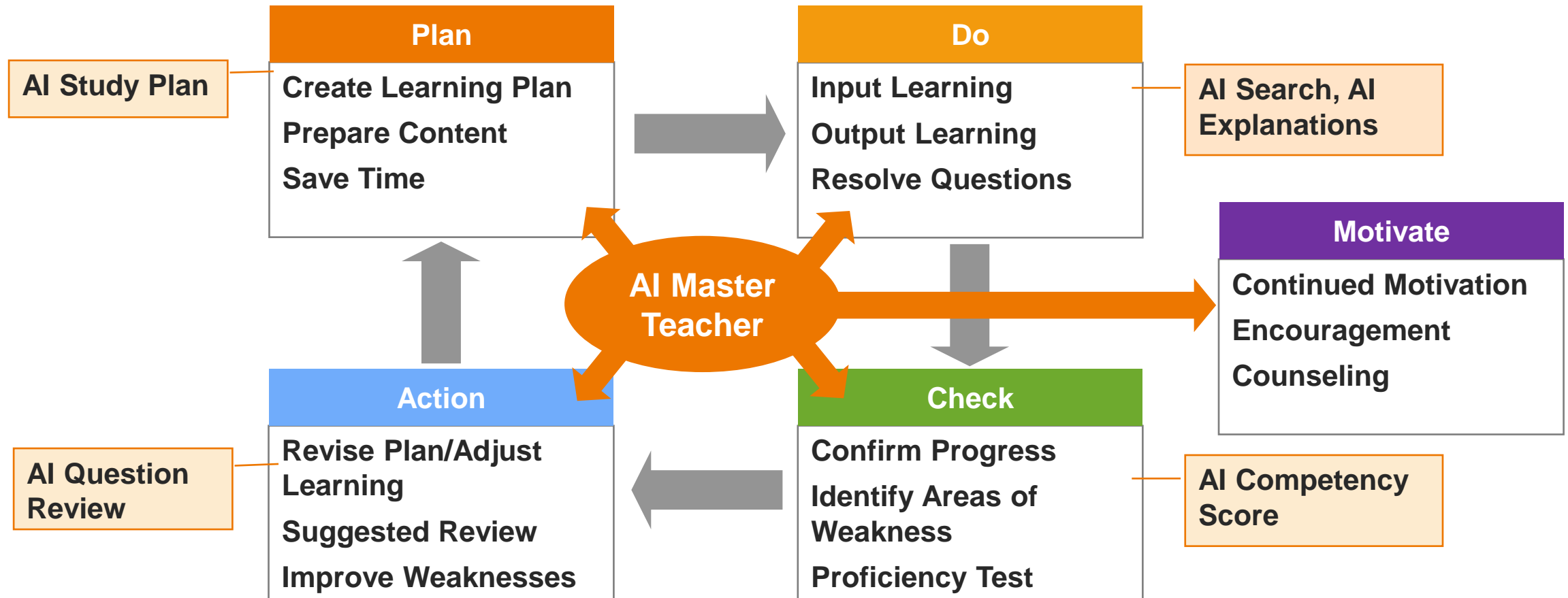


*The size of the circles in the figure represents the relative number of students.

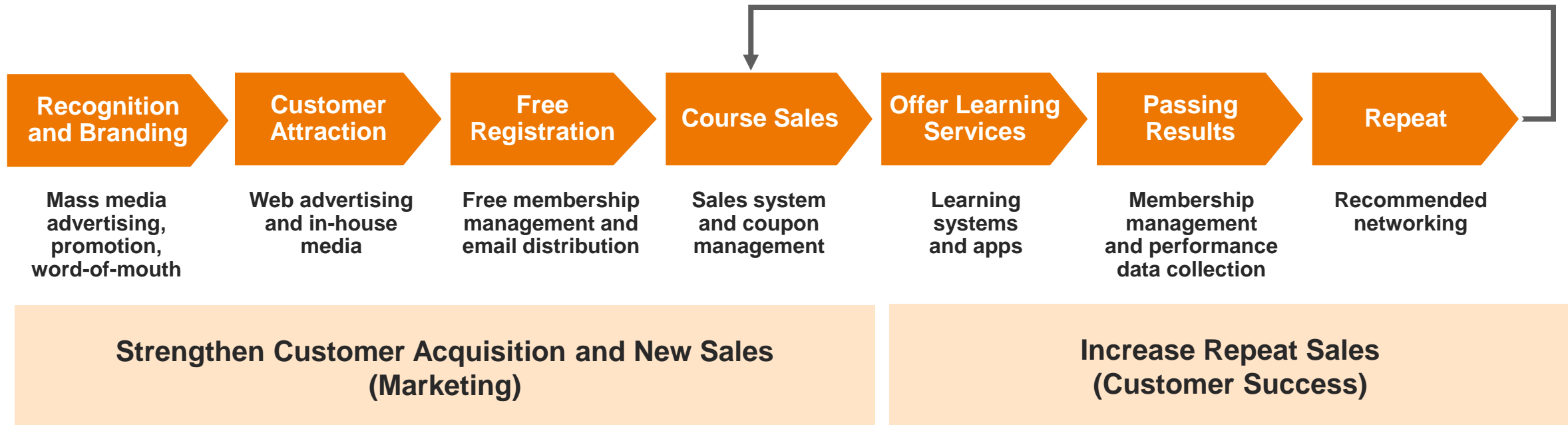
Optimize learning for each user based on AI and learning data, rather than through conventional uniform learning models

Strengthen AI functions to support the learning PDCA cycle

Leverage *AI Master Teacher* to improve motivation and integrate functions



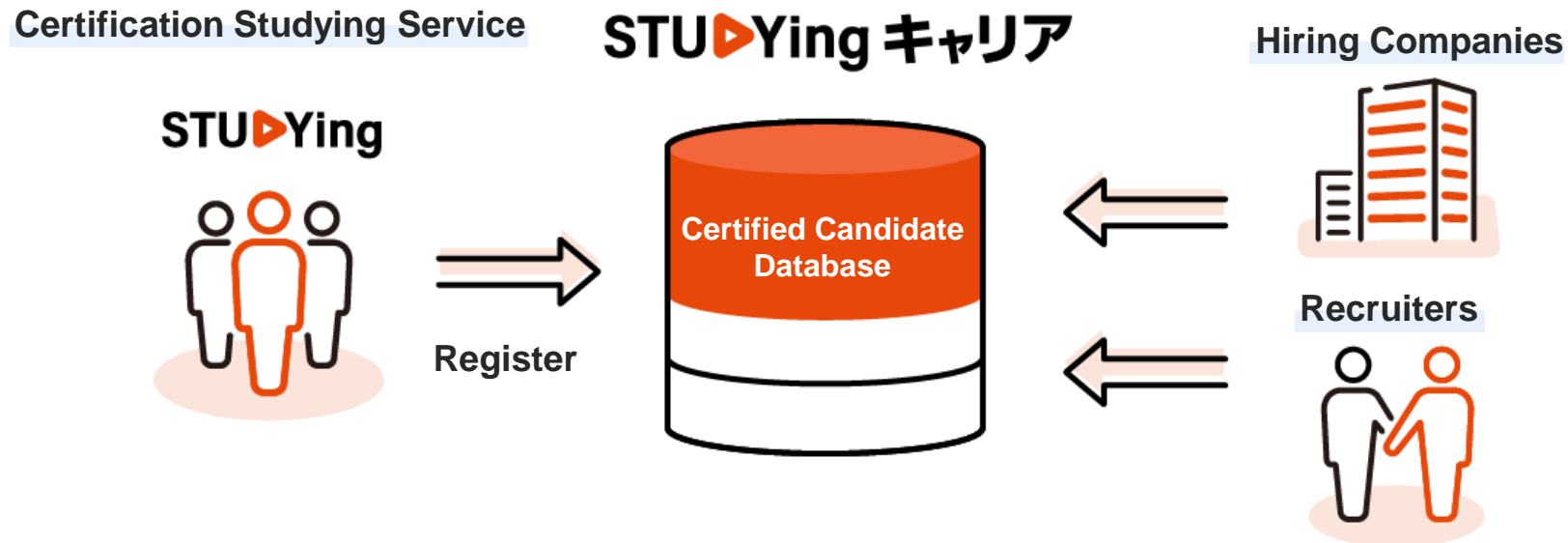
- Engage in awareness and branding activities to establish our brand position as the de facto place to study for certifications
- Diversify customer acquisition channels and improve profitability through customer acquisition efficiencies
- Strengthen repeat sales to existing customers through product updates, optional products, networking opportunities, etc.



New Business Development: Studying Career

Support lifelong careers through certifications and job search assistance

Providing matching services by leveraging a foundation of individual studying members and Corporate Education Business members



<Benefits for Job Applicants>

- Candidates leverage certifications to change jobs
- Direct contact from recruiting companies and recruitment agents
- Video content answers questions about job-hunting activities

<Benefits for Employers>

- Only cost is the contingency fee at the time of hire
- A human resources database that attracts people with proven qualifications and a high motivation to learn
- Supported by Studying business with more than 200,000 learners

Corporate Education Business: Concept



Employee education cloud services that solve problems related to human resources development



Unlimited Access to Various Employee Training Courses

Immediate access to high-quality and popular training courses such as new employee training, compliance, IT, business skills, etc.

Centralized Management of Employee Training

Equipped with learning reports and group training management functions. Reduce the burden on educators by centralizing employee training records.

Easily Create and Share In-house Courses

Easily create in-house own training videos, video-based manuals, tests, and questionnaires

Low Cost Even for Unlimited Training Plans

Low-cost subscription service (continuous billing): 200 yen per user per month for 1,000 users per year; zero initial cost.

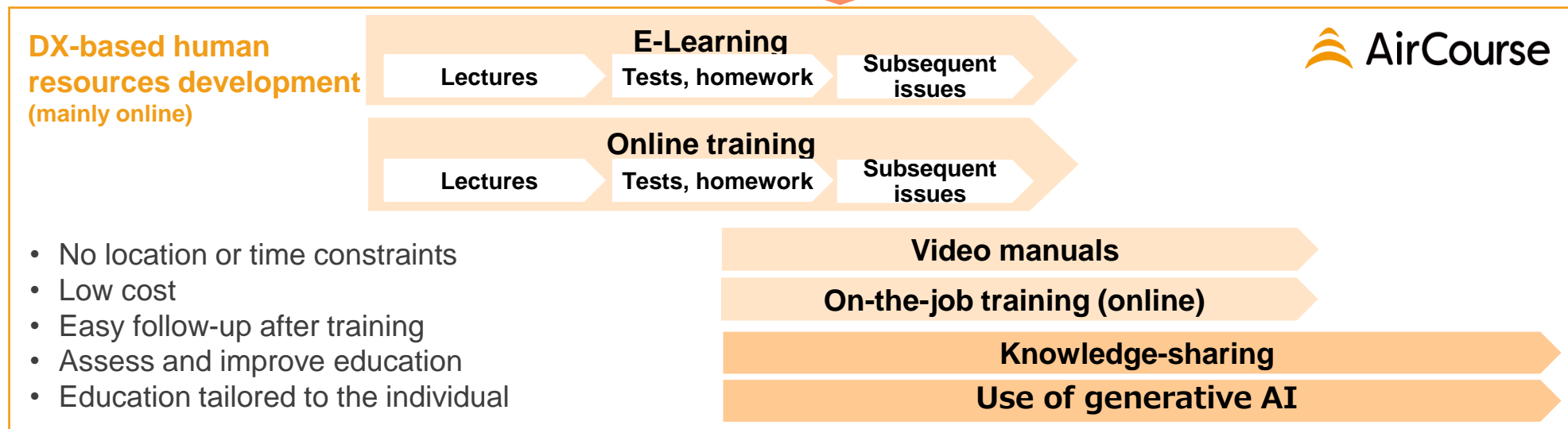
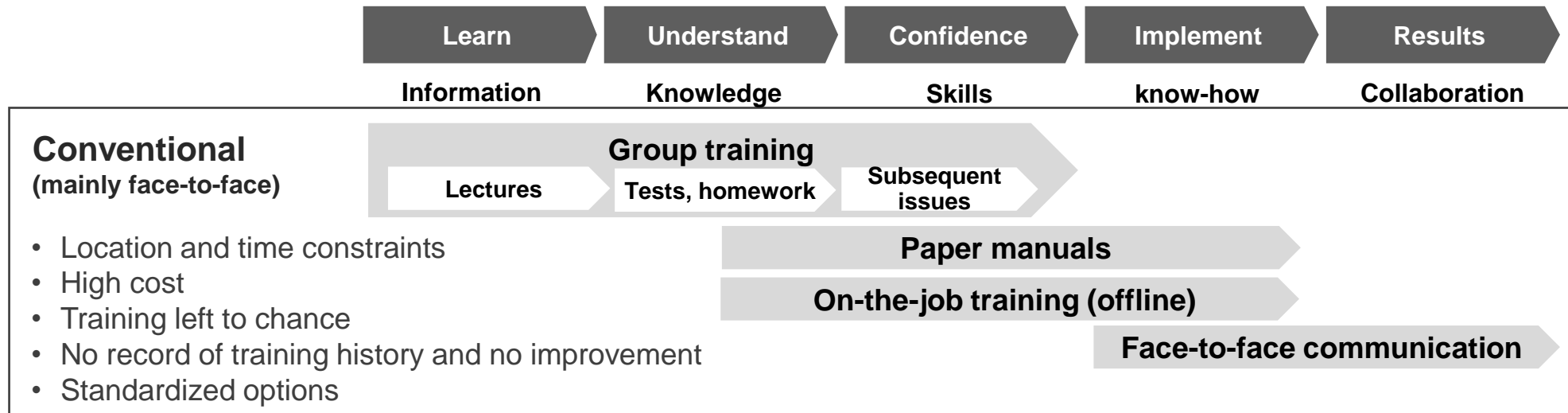
Basic Policy

- Enhance learning management systems (LMS), content, and related services to increase product offerings as a *Human Capital Utilization Platform*
- Grow sales through heightened marketing, sales, and customer success
- Grow into a second pillar of business

Key Measures

- 1. Expand AirCourse functions (Human Capital Utilization Platform)**
 - Add functions to help companies make the most of their human capital
- 2. Expand all-you-can-learn course offerings**
 - Expand reskilling-related and other content in high demand among corporations
- 3. Grow sales**
 - Grow sales through heightened marketing, sales, and customer success
- 4. Bolster business structure**
 - Recruit, train, and improve back-office operations to support a second business pillar
- 5. Develop and expand new services**
 - Strengthen sales of AI knowledge, explore and develop other peripheral businesses

Companies are shifting from traditional face-to-face human resources development to Dx-based human resources development
 AirCourse supports DX-based human resources development (e-learning, knowledge sharing, generative AI, etc.)



Unlimited access to high-quality video courses

Expanded lineup of courses in high demand by corporations (IT skills, DX training, compliance training, training by job level, etc.)

Covering a Wide Range of Levels

Management

Coaching, staff development, harassment, negotiation skills, etc.

Mid-level employees

Leadership, project management, facilitation, goal-setting, etc.

Less-experienced employees

Logical thinking, external communications, followership, presentations, etc.

New hires

Business manners, internal communications, job basics, etc.

Full Range of Subject-Specific and Department-Specific Training

IT Skills, DX



Compliance



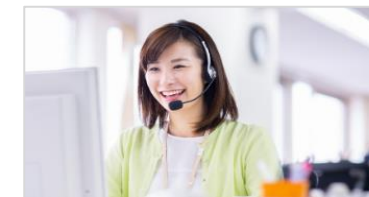
Accounting



Sales



Marketing



Human Resources, Labor Relations



Production Management



Project Management



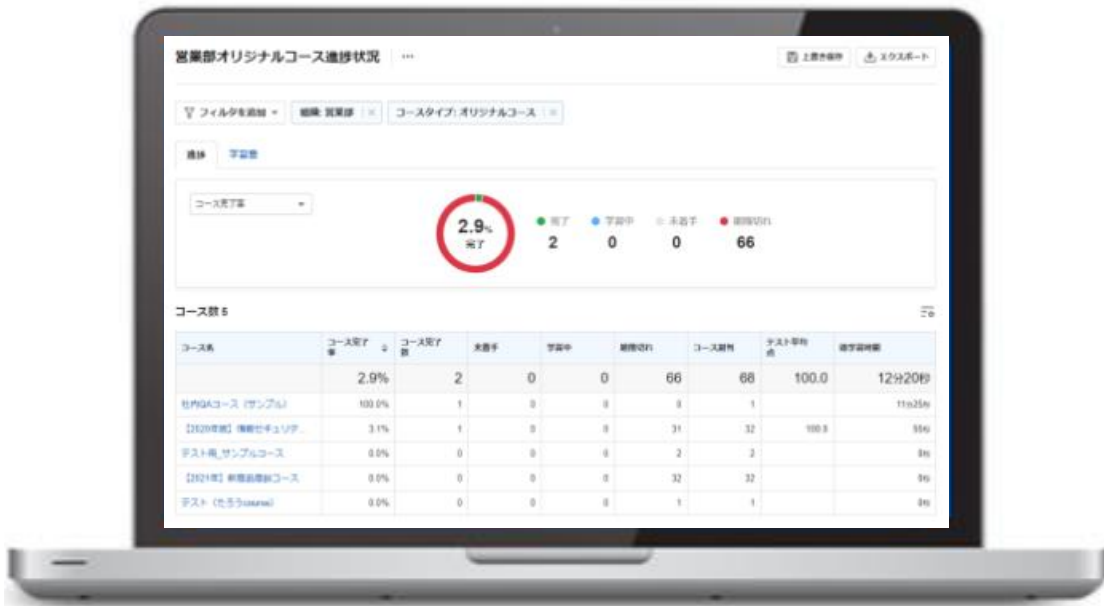
Management Strategy



Use learning reports to visualize employee learning status, test results, study time, etc., to enhance human capital Organization and group management, etc., for greater management efficiency at the organization level (user management, course assignments, learning status, etc.)

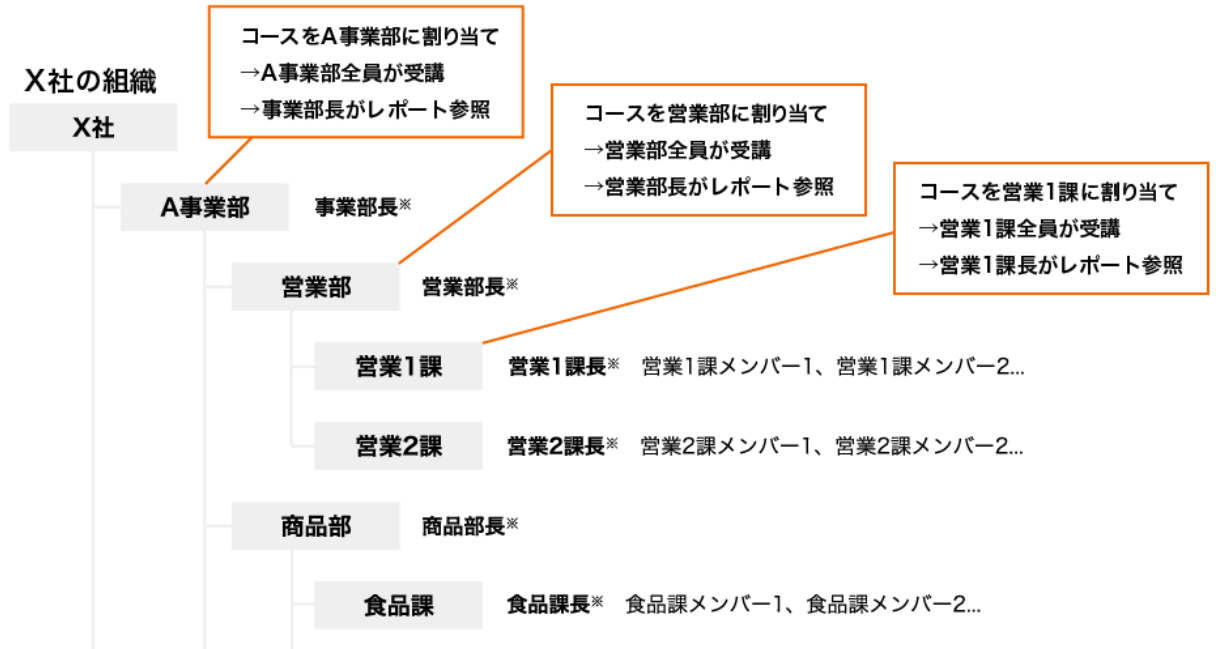
Learning Report

Clearly visualized reports to collect and analyze data (learning status, test results, study time, etc.)



Organization Management

Manage users efficiently, assign courses, and confirm learning status at the organization level



AirCourse AI Knowledge

Easy-to-use generative AI service for corporations

Organizational support for generative AI, which will become an important matter in advancing the use of corporate human capital



Four Features

Generative AI service designed for companies to adopt with confidence and facilitate use by employees

Knowledge sharing function that allows users to share the knowledge gained through the use of generated AI within the company



Safe and Secure

No in-house data used in AI training



Easy for Anyone

Over 100 prompt templates included



Knowledge Retention and Sharing

Share meeting minutes and other information summarized by generated AI within the company



Comprehensive Management Functions

Monitor usage of generative AI, etc.

A Vision of the Ideal Organization

KIYO Learning strives to be a company in which our families can be proud, helping individuals achieve high personal growth working diligently in friendly competition as small teams of elite professionals.

1. Foster high personal growth and provide opportunities

- Encourage ambitious goals and new challenges
- Provide promotions, advancements, and further opportunities for growth as a reward for performance
- Foster a meritocracy without regard to age, gender, nationality, etc.

2. Small, elite teams of professionals

- Friendly competition and collaboration with outstanding colleagues
- Contribute to the team to achieve goals
- Provide support for employees to develop and make the most of their abilities

3. A company employees are proud to show their families

- Contribute to society through services that support the growth of people and organizations, reaching new heights through constant innovation
- A company in which every person contributes and enjoys working
- A company that cares about people

FY2024 Performance Forecast

FY2024 Full-Year Performance Forecast

We expect net sales to increase +10.6% year on year to 4,200 million yen

We forecast a lower growth rate due to the impact of the Noto Peninsula earthquake in January, which affected interest in certification tests at the beginning of the year (we expect growth rates to recover toward the second half of the year).

Increase customer acquisition efficiencies, cost efficiencies, etc., to achieve Medium-Term Management Plan 2026 sales and profit targets

(Millions of yen)

Category	FY2023 (Results)	FY2024 (Forecast)	Year-on-year change
Net sales	3,798	4,200	10.6%
Studying Business	3,408	3,680	8.0%
Corporate Education Business	390	520	33.1%
Cost of sales	529	590	11.5%
Gross profit	3,269	3,610	10.4%
SG&A	3,133	3,470	10.8%
Operating profit (loss)	136	140	2.7%
Ordinary profit (loss)	140	140	-
Net income	112	130	15.8%

FY2024 Sales Forecast by Business

Raise business earnings capacity in the Studying Business by capturing a majority of customers in the market while improving customer acquisition efficiencies

We expect Corporate Education Business sales growth during an expansion phase, growing +33.1% year on year Focus on recruiting and systems development, aiming for growth as a second pillar of our business.

(Millions of yen)

Category	FY2023 (Results)	FY2024 (Forecast)	Year-on-year change
Net sales	3,798	4,200	10.6%
Studying Business	3,408	3,680	8.0%
Corporate Education Business	390	520	33.1%

FY2024 Performance Forecast by Half Year

As in previous years, net sales and operating profit will be lower between January and June due to minor shifts in moving from cash-based to accrual-based sales.

However, net sales and operating profit between July and December should be higher due to larger numbers in connection with the shift from cash-based to accrual-based sales.

Category	FY2024 (Forecast)				
	January-June	Year-on-year change	July-December	Year-on-year change	Full Year
Net sales	1,900	+11.6%	2,300	+9.8%	4,200
Operating profit (loss)	-255	—	395	+50.7%	140

Disclaimer

This document makes forward-looking statements based on current plans, estimates, outlooks and/or forecasts regarding trends in the Company's industry and regarding its business lines.

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.

Forward-looking statements in this document are made by the Company based on the information available at the time of this document's drafting, and no forward-looking statements shall be updated or changed to reflect future events or circumstances.

*The Japan Business Law Examination is a registered trademark of the Tokyo Chamber of Commerce and Industry.

*Mental Health Management® is a registered trademark of the Osaka Chamber of Commerce and Industry.

*The Intellectual Property Management Skills Test is a registered trademark of the Foundation for Intellectual Property

*TOEIC is a registered trademark of ETS.

This product is not endorsed or approved by ETS.