Financial Results Presentation for the Fiscal Year Ended December 2023 and Medium-Term Management Plan 2026

February 2024

KIYO Learning Co., Ltd.

Growth (Tokyo Stock Exchange): 7353

Contents

1. **Financial Results Presentation for the Fiscal Year Ended December 2023**

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**

Financial Results Presentation for the Fiscal Year Ended December 2023

FY2023 Performance Highlights

- **Revenues increased +33.4% year-on-year**
  - Revenues amounted to 3,798 million yen, continuing high growth

- **Operating profit improved significantly, 319 million yen higher year on year**
  - Operating profit amounted to 136 million yen, 133.6% of forecast

- **Studying Business drove growth at +30.5% year on year**
  - Studying Business net sales continued high growth, amounting to 3,408 million yen

- **Corporate Education Business sales grew significantly at +64.7% year on year.**
  - Corporate Education Business sales amounted to 390 million yen, entering a true growth phase

- **Announced two new services**
  - Released Studying Career (November 7), a job search service making the most of one's professional qualifications
  - Announced generative AI service for corporate knowledge-sharing, *AirCourse AI Knowledge* (launched December 11)

FY2023 Performance Results

Revenues increased +33.4% year on year to 3,798 million yen, achieving 102.4% of forecast

Continued growth as we captured trends in the shift to online learning and reskilling

Operating profit improved 319 million yen to 136 million yen, compared to a loss of 183 million yen in the previous fiscal year

(Millions of yen)

Category	FY2022 (Results)	FY2023 (Results)	FY2023 (Forecast)	Year-on-year change	Forecast and comparison of results
Revenues	2,848	**3,798**	3,707	33.4%	102.4%
Studying Business	2,611	3,408	3,361	30.5%	101.4%
Corporate Education Business	237	390	346	64.7%	112.8%
Cost of sales	422	**529**	568	25.4%	93.1%
Gross profit	2,426	**3,269**	3,140	34.7%	104.1%
SG&A	2,609	**3,133**	3,038	20.1%	103.1%
Operating profit (loss)	-183	**136**	102	-	133.6%
Ordinary profit (loss)	-183	**140**	102	-	136.6%
Net income	-220	**112**	80	-	139.5%

Sales by Business

・Studying Business sales grew significantly, up +30.5% year on year

Online certification studying has gained wider acceptance, and the number of students is increasing as a result of our sales promotion measures

・Corporate Education Business sales grew significantly at +64.7% year on year

Orders increased in response to a major expansion in courses offered and our development of system functions for large companies

(Millions of yen)

Category	FY2022 (Results)	FY2023 (Results)	FY2023 (Forecast)	Year-on-year change	Forecast and comparison of results
Revenues	2,848	**3,798**	3,707	33.4%	102.4%
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Corporate Education Business	237	390	346	64.7%	112.8%

Cash Flows

Operating CF improved 287 million yen to 600 million yen, more than four times operating profit, demonstrating improved earning power

Investments in TV commercials and systems development will be a negative factor for CF in the short term; however, we intend to maximize corporate value by increasing free cash flow in the long term through customer growth
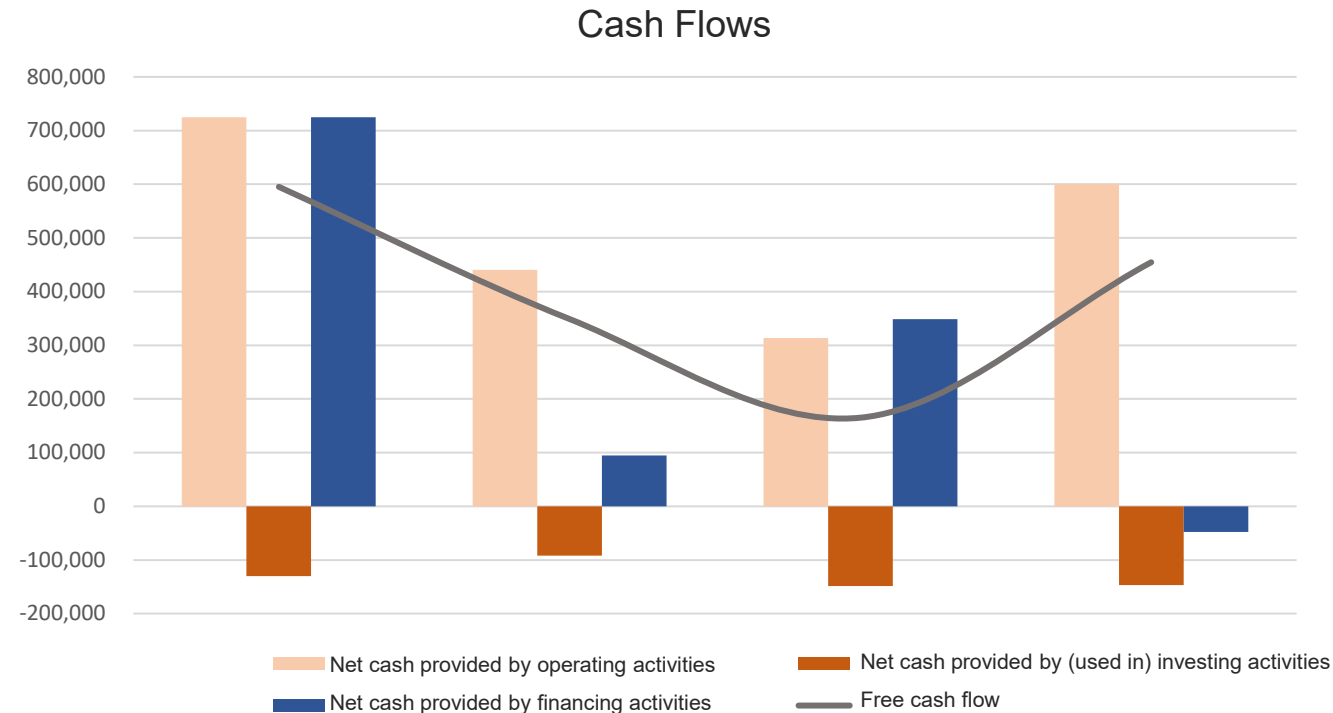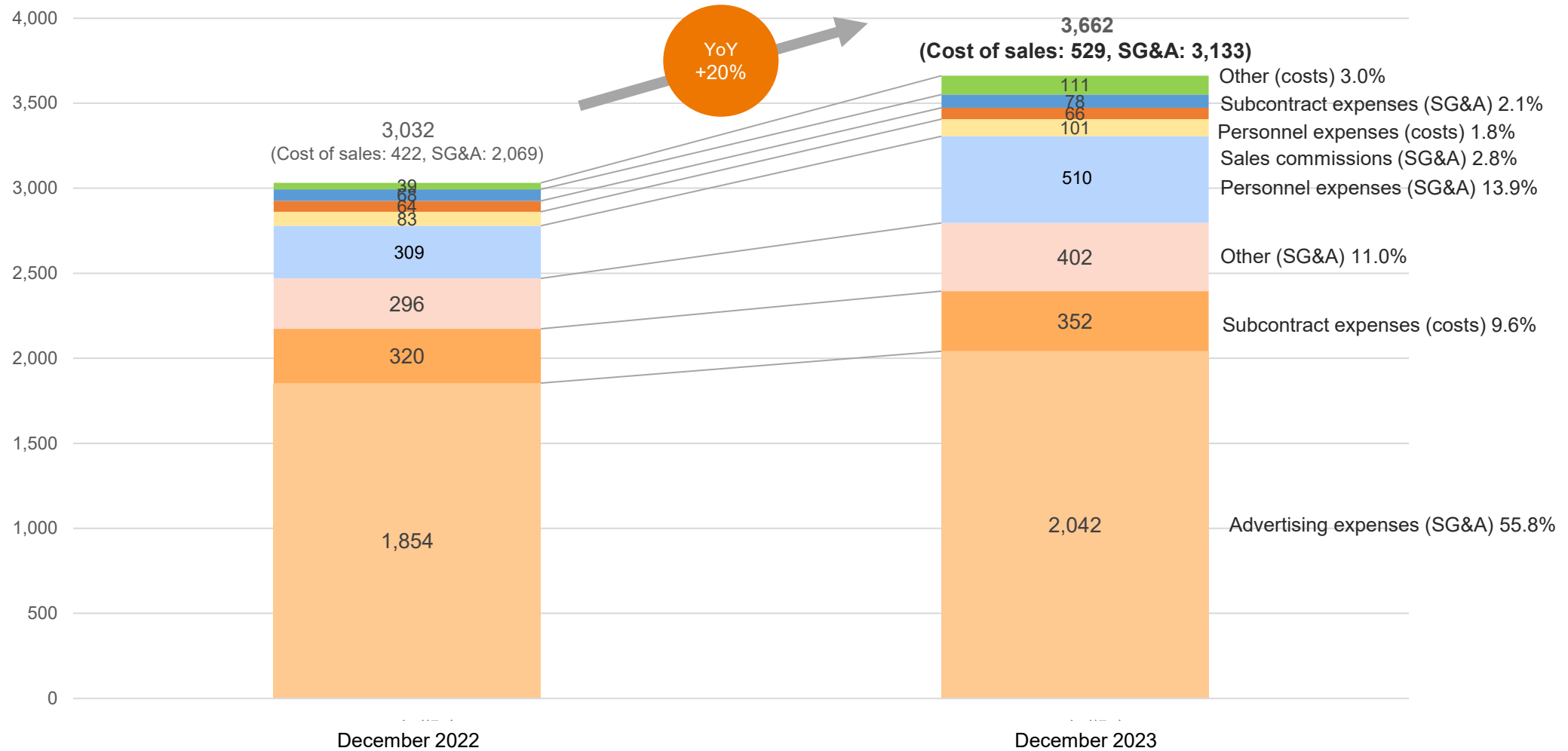
Cash Flows

	FY2020	FY2021	FY2022	FY2023
Net cash provided by operating activities	724,927	440,409	313,605	600,914
Net cash provided by (used in) investing activities	-130,038	-91,699	-148,536	-146,479
Free cash flow	594,889	348,710	165,069	454,435
Net cash provided by financing activities	724,575	94,653	348,708	-47,540
Cash and cash equivalents, end of period	1,830,191	2,273,554	2,787,332	3,194,226

Cost Structure

Proactive investments in advertising expenses, including TV commercials, and in securing talented personnel toward growth

Cost Analysis

December 2022 total: 3,032 (Cost of sales: 422, SG&A: 2,069)

- 39
- 68
- 64
- 83
- 309
- 296
- 320
- 1,854

YoY +20%

December 2023 total: 3,662 (Cost of sales: 529, SG&A: 3,133)

- 111 — Other (costs) 3.0%
- 78 — Subcontract expenses (SG&A) 2.1%
- 66 — Personnel expenses (costs) 1.8%
- 101 — Sales commissions (SG&A) 2.8%
- 510 — Personnel expenses (SG&A) 13.9%
- 402 — Other (SG&A) 11.0%
- 352 — Subcontract expenses (costs) 9.6%
- 2,042 — Advertising expenses (SG&A) 55.8%

December 2022   December 2023
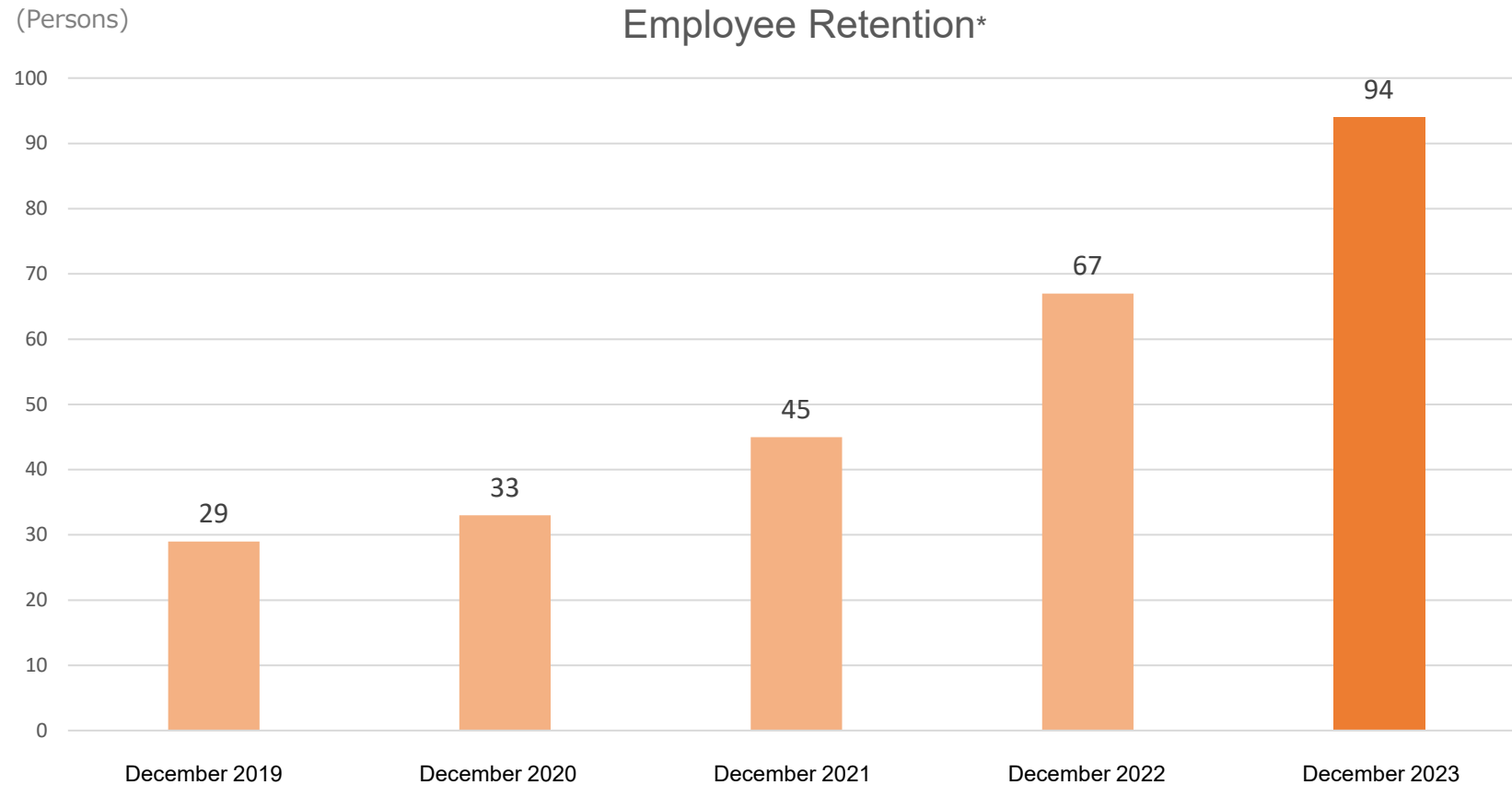
Q4 Performance (Oct-Dec)

Revenues (October-December) increased +27.0% year on year to 959 million yen

Growth in the Corporate Education Business and the Studying Business

(Millions of yen)

Category	FY2022 Q4 (Oct-Dec Results)	FY2023 Q4 (Oct-Dec Results)	Year-on-year change
Revenues	755	**959**	27.0%
Studying Business	682	842	23.4%
Corporate Education Business	72	116	61.0%
Cost of sales	112	**140**	25.0%
Gross profit	642	**818**	27.4%
SG&A	591	**694**	17.3%
Operating profit (loss)	51	**124**	143.9%
Ordinary profit (loss)	55	**134**	142.3%

Employee Retention

We hired 27 employees* during the period, demonstrating favorable progress in our recruitment plan

We establish the foundation for further growth through building organizational strength
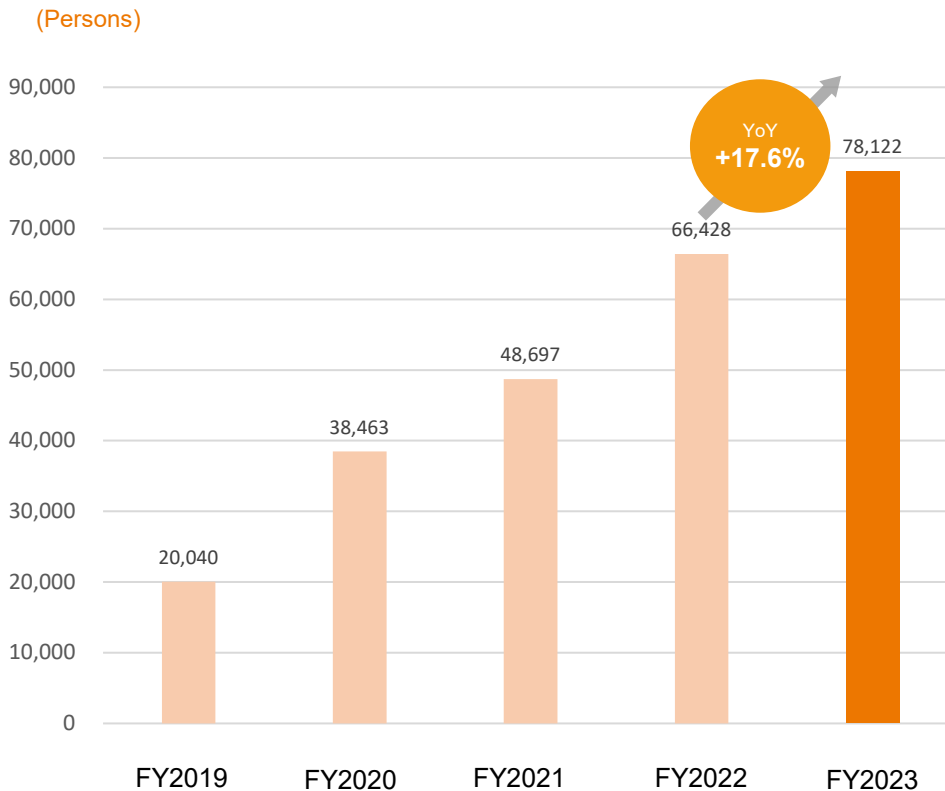
(Persons)

Employee Retention*

December 2019	December 2020	December 2021	December 2022	December 2023
29	33	45	67	94

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

Studying Business: KPIs (Cumulative)

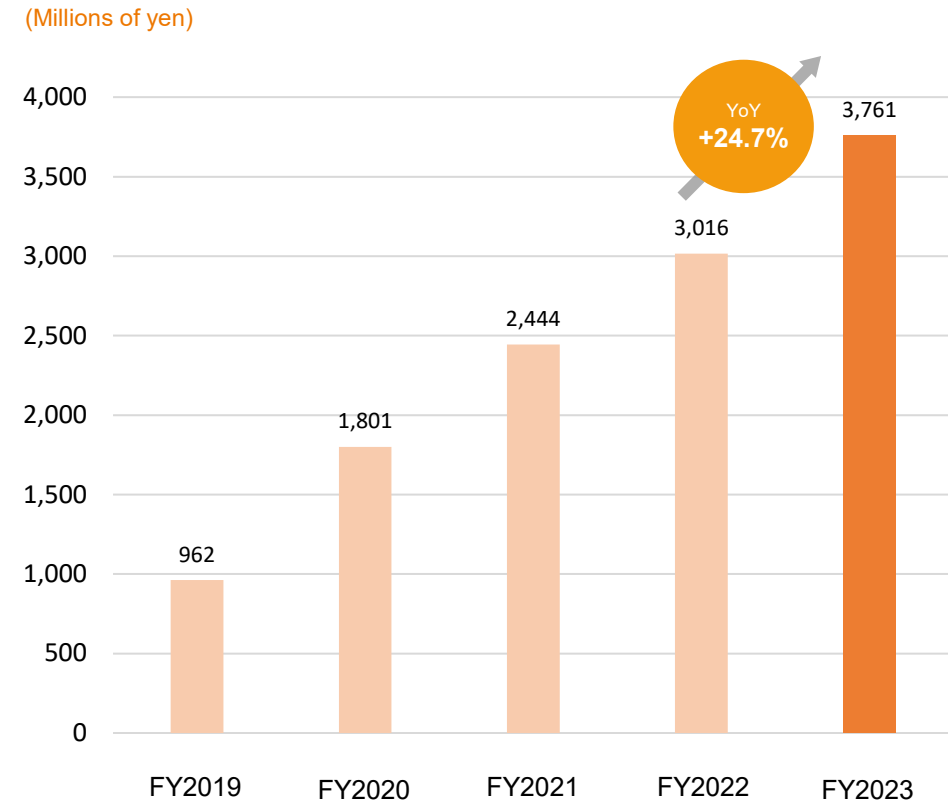Steady increase in new paying subscribers[1] (FY2023: +17.6% YoY)

Cash-based sales[2] also increased   (FY2023: +24.7% YoY)

Number of New Paid Members

(Persons)

YoY +17.6%

FY2019	FY2020	FY2021	FY2022	FY2023
20,040	38,463	48,697	66,428	78,122

*Includes those via corporate services

Net Cash-Based Sales

(Millions of yen)

YoY +24.7%

FY2019	FY2020	FY2021	FY2022	FY2023
962	1,801	2,444	3,016	3,761

*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)
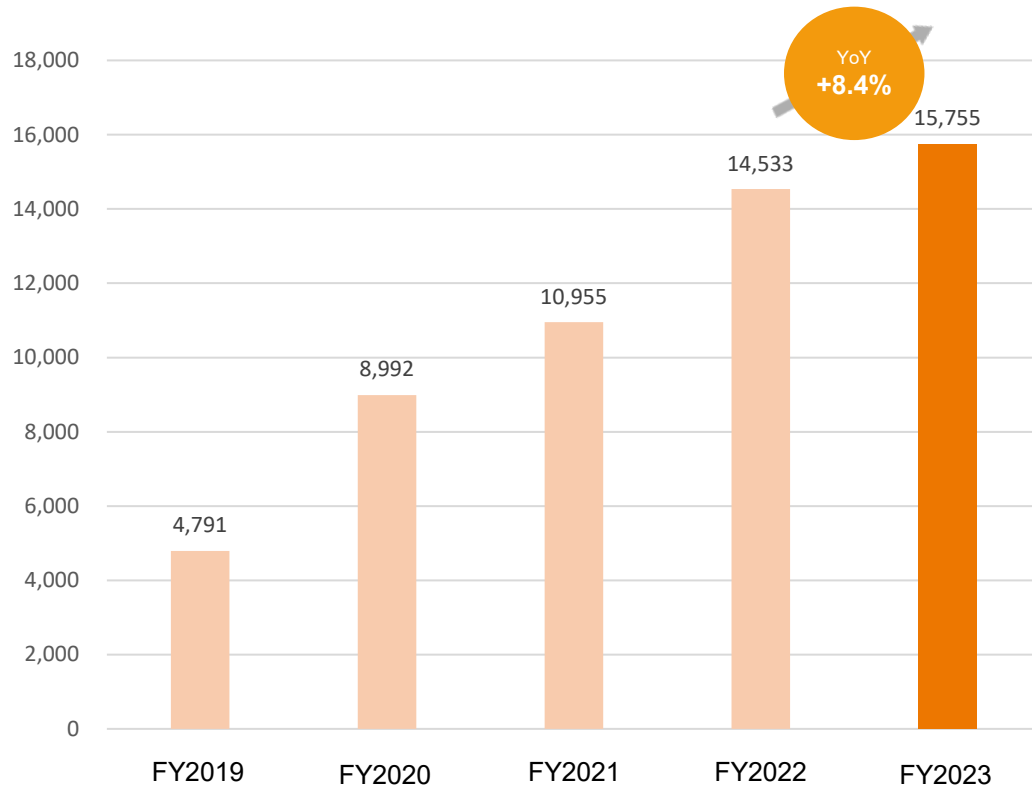
Studying Business: KPIs (Q4 Stand-Alone)

We kept advertising expenses low in Q4, prioritizing customer attraction efficiency

As a result, the cash-based sales growth rate slowed while profit increased
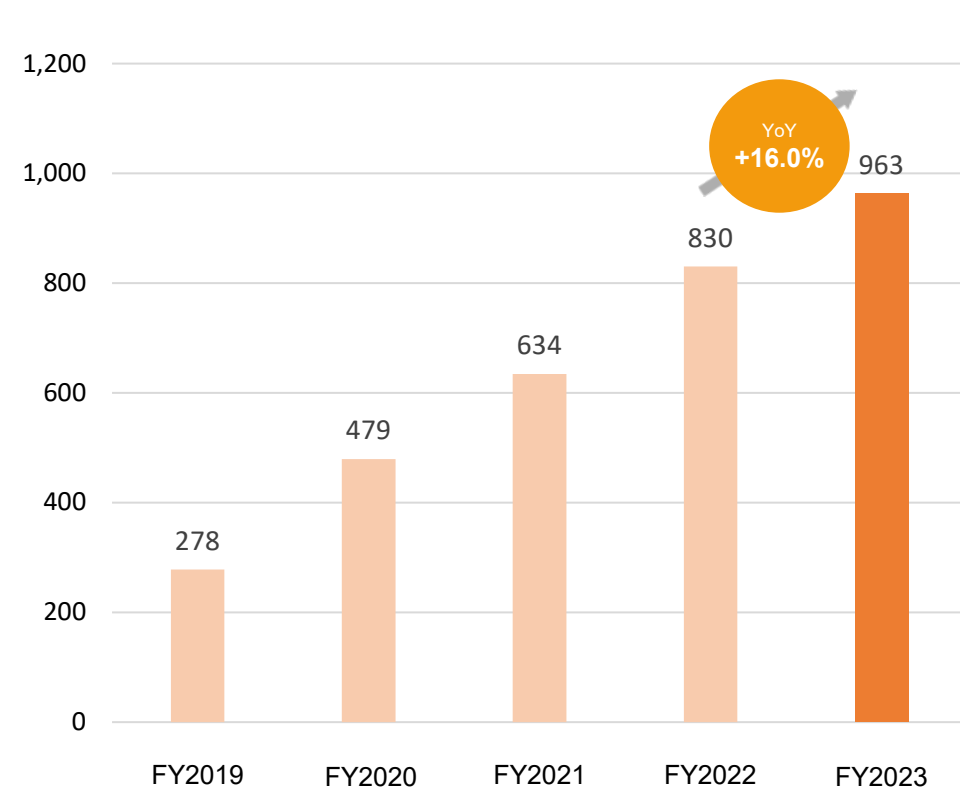
Number of New Paid Members

(Persons)

YoY +8.4%

FY	Value
FY2019	4,791
FY2020	8,992
FY2021	10,955
FY2022	14,533
FY2023	15,755

*Includes those via corporate services

Net Cash-Based Sales

(Millions of yen)

YoY +16.0%

| FY	Value
FY2019	278
FY2020	479
FY2021	634
FY2022	830
FY2023	963

*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 Q4 (Oct-Dec) grew +16% year on year to 963 million yen
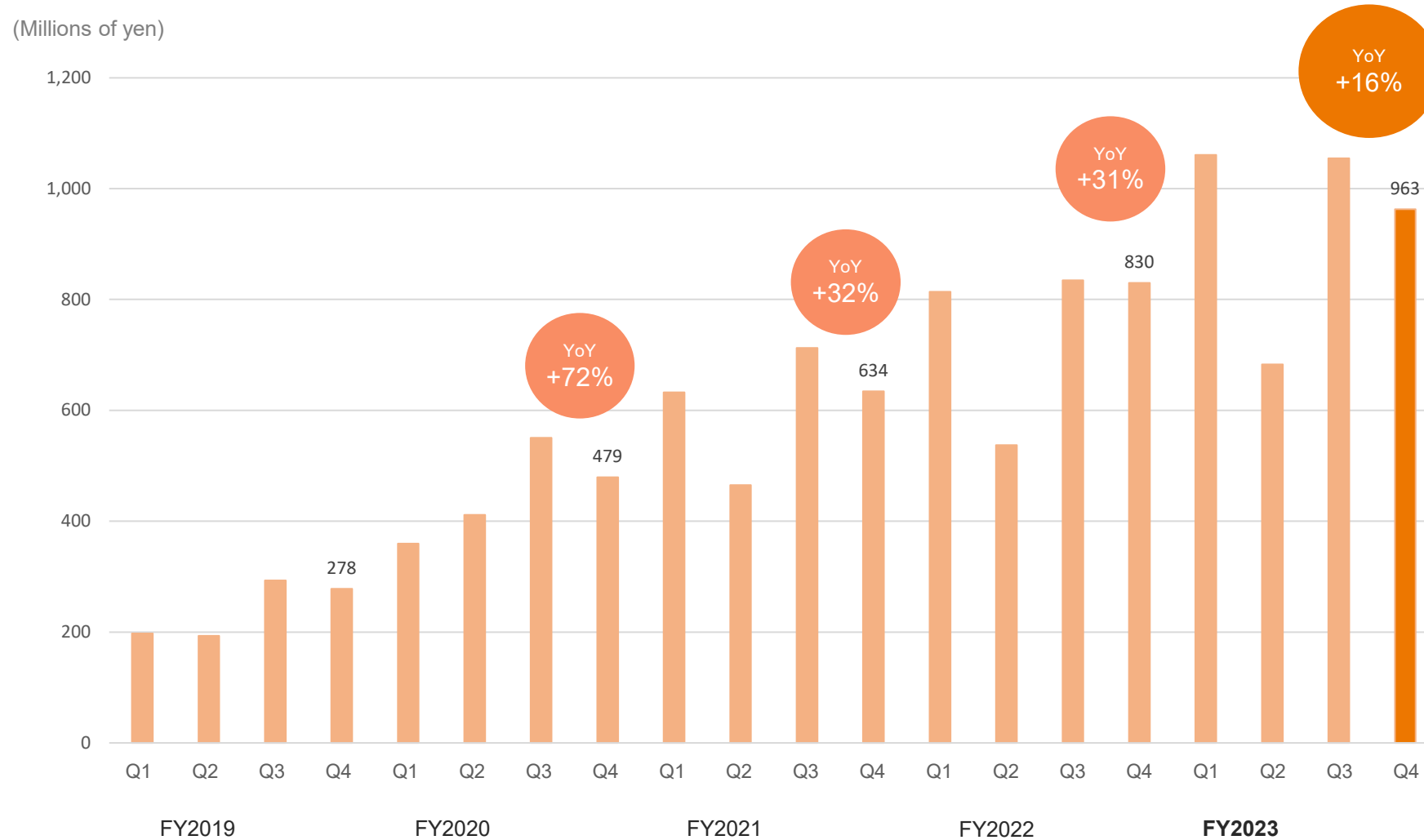
*Percentage notations show growth rates compared to Q4 net sales for each fiscal year (including those via corporate services)

Studying Business: Quarterly Trends in Sales and Profit

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

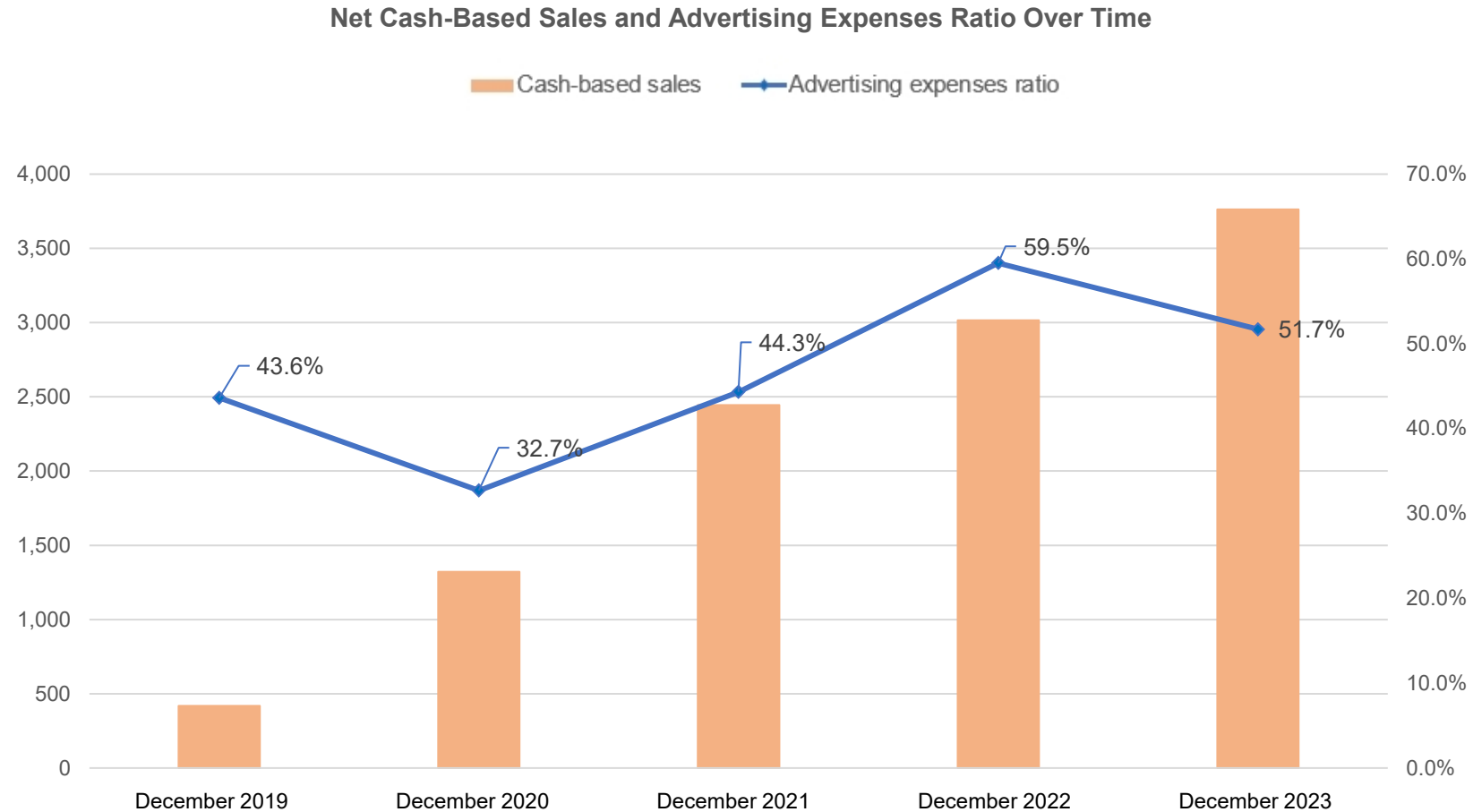We post sales on a cash basis when courses are purchased

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

Advertising expense ratio* decreased 7.8 points compared with the previous full year due to television commercial efficiencies

Net Cash-Based Sales and Advertising Expenses Ratio Over Time

Legend: ▮ Cash-based sales ◆ Advertising expenses ratio

- December 2019: 43.6%
- December 2020: 32.7%
- December 2021: 44.3%
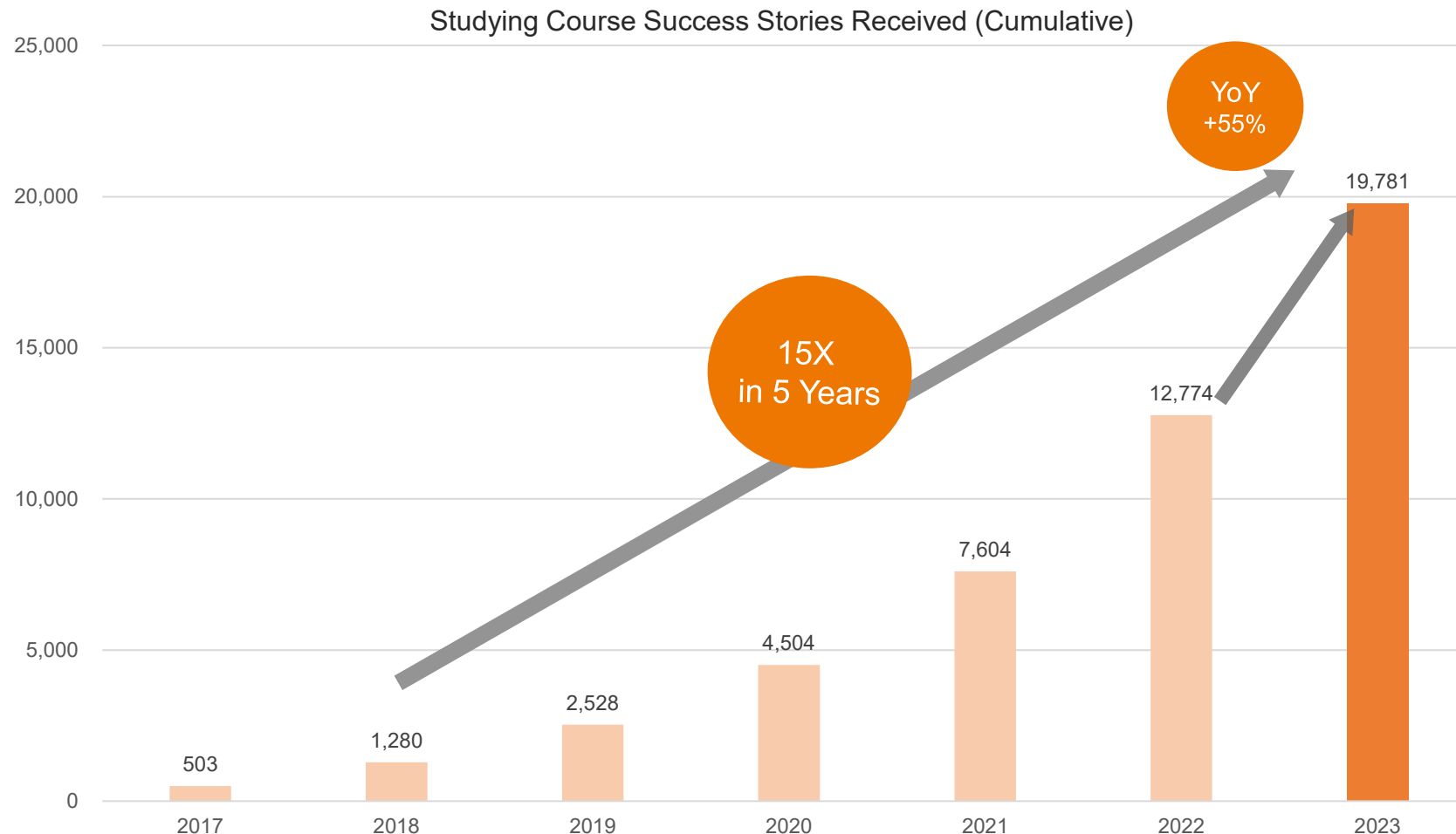- December 2022: 59.5%
- December 2023: 51.7%

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

Feedback From Successful Studying Business Students (Cumulative)

The number of students who pass exams in the Studying Business increase every year, reaching a cumulative 19,781

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

Studying Course Success Stories Received (Cumulative)

- 25,000
- YoY +55%
- 20,000
- 19,781
- 15,000
- 15X in 5 Years
- 12,774
- 10,000
- 7,604
- 5,000
- 4,504
- 2,528
- 1,280
- 503
- 0
- 2017 2018 2019 2020 2021 2022 2023

*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: 30 second commercial for our 2023 certification success partner *Studying*   https://www.youtube.com/watch?v=_oHsGw555-Q
15 second commercial for our 2023 certification success partner *Studying*   https://www.youtube.com/watch?v=Pro3zuE2wRw

Studying Business: Expanded Course Lineup

Information Security Management Course launched (October); Database Specialist Course launched (December)

With a lineup of 30 courses, we offer a wide range of certifications, from easy to difficult

Business and Management

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

IT

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

Difficult Certifications

High unit price: High revenue per course

Fewer examinees

Medium-Difficult Certifications

Step up from easy qualifications

Easy Certifications

Low unit price, small revenue per course

More examinees

18
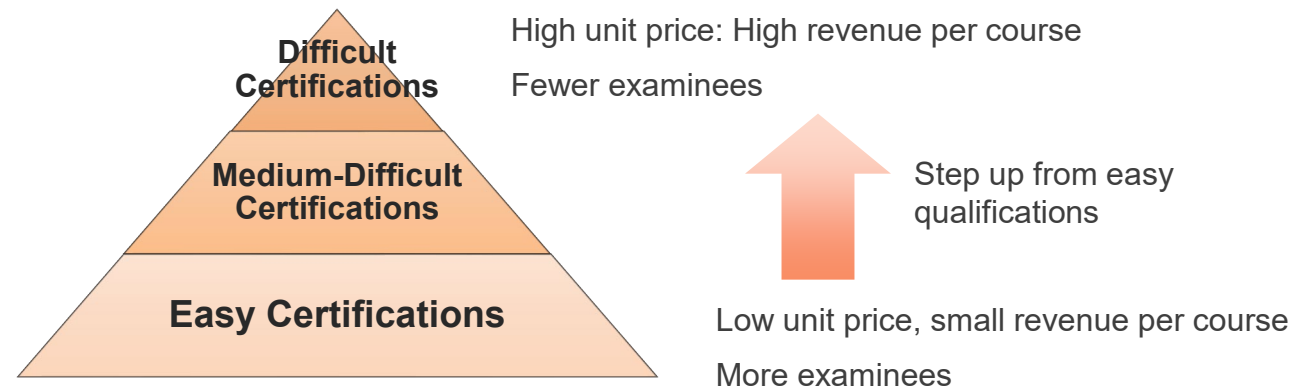
Studying Business: Utilizing Generative AI for *AI Master Teacher*

We released the AI Explanation function (beta in July; official version in December), which answers questions as the *AI Master Teacher*

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

Studying Business: Ongoing Support Through the Studying Challenge

Released the *Studying Challenge*, a new feature for users to continue certification studies through gamification (November)

Increased motivation to support continued certification studies over the long term

Studying Business: Individual Optimization of Learning Through AI

Began using the AI competency score function for Third/Second Class Bookkeeper courses (August), Patent Attorney courses (October), and Judicial Scrivener courses (December)

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

AI Study Plan function launched for First Class Registered Architect courses (July) and Patent Attorney courses (November)

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

AI Study Plan (Patent No. 6661139)

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

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

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

AI Search
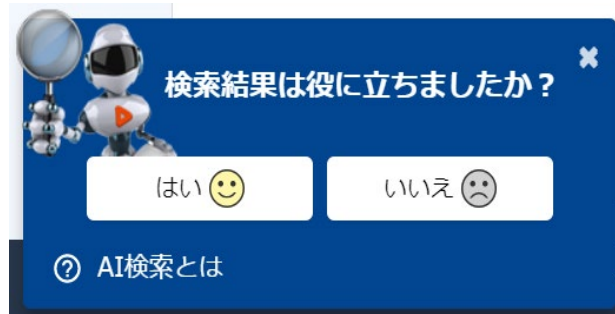
■ Cross-display of optimal content for questions during study

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

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

Corporate Education Business: KPIs

Corporate Education Business sales growth was +64% with an increase of +61% in AirCourse contracted companies

A growing customer base for our SaaS-based business model

Corporate Education Business Sales

(Millions of yen)

FY2020	FY2021	FY2022	FY2023
107	150	237	390

YoY +64%

AirCourse Contracted Companies

(No. of companies)

FY2020	FY2021	FY2022	FY2023
119	220	426	686

YoY +61%
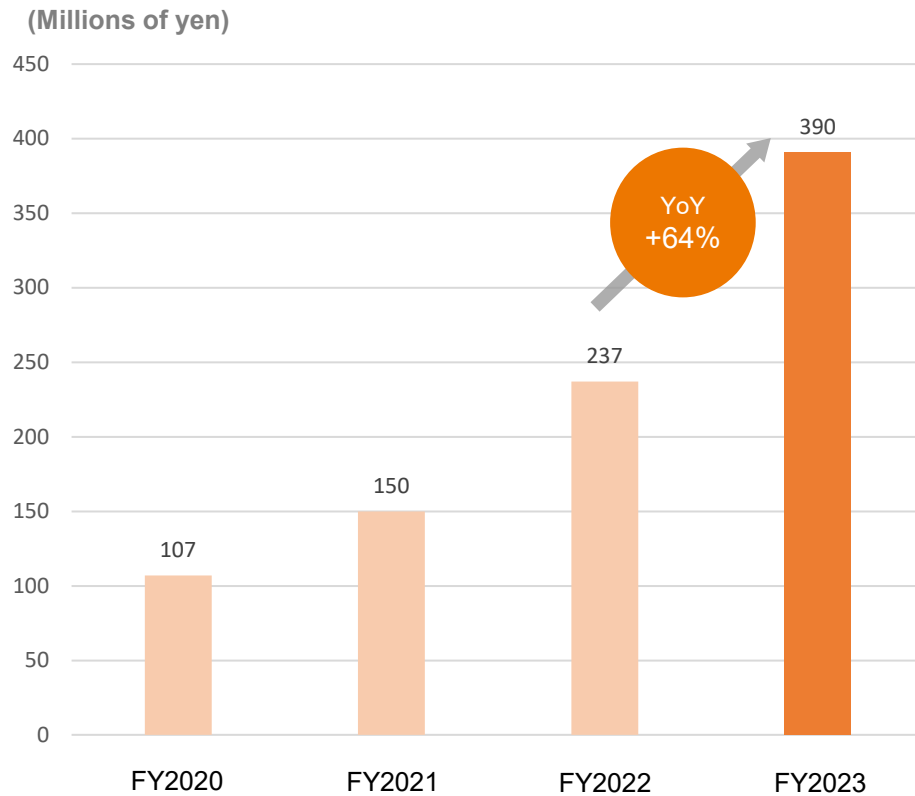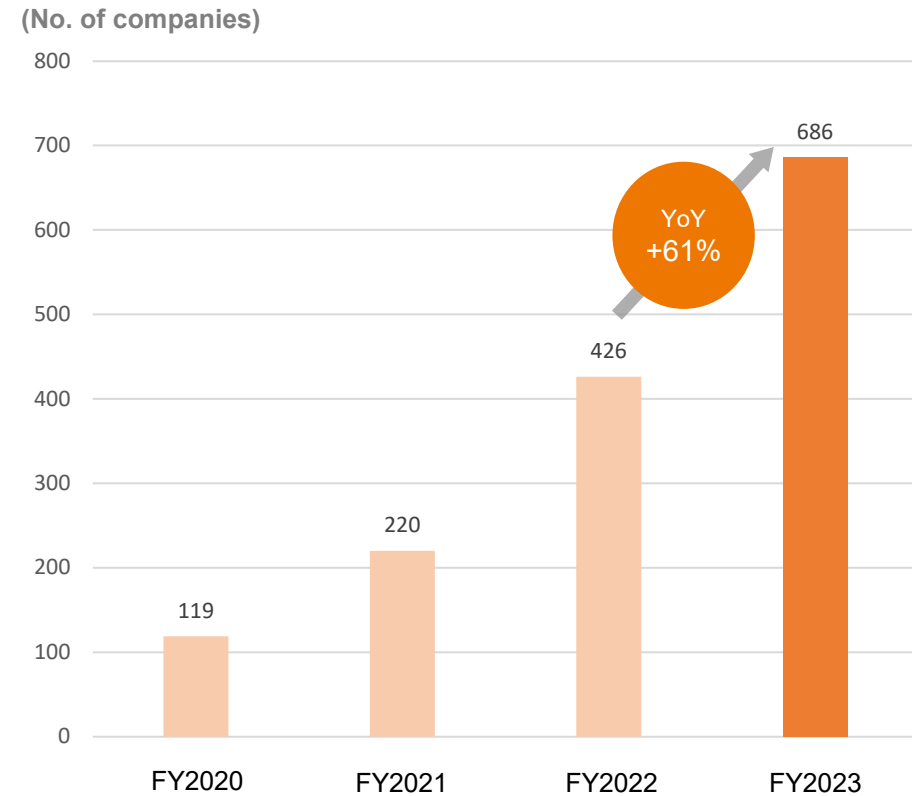
Corporate Education Business: Quarterly Trend in Contracted Companies/Average Churn Rate

Contracted companies with AirCourse increased +260 compared to the previous year to 686

Average churn rate for AirCourse* in Q4 was essentially unchanged at 1.09%

We plan to strengthen the on-boarding process to improve retention rates and facilitate upselling

(Companies)   (%)

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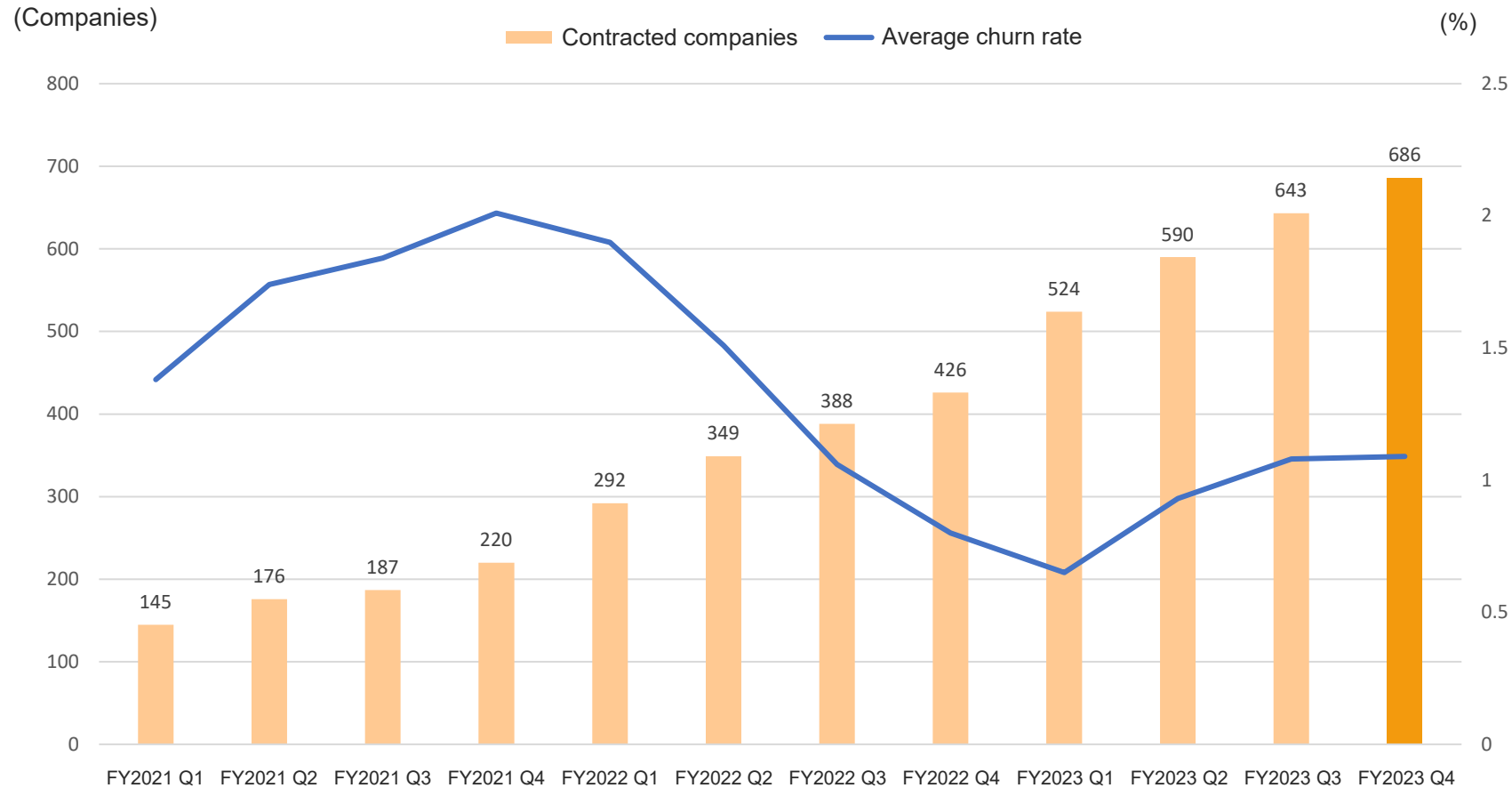
*The average churn rate is calculated by taking the monthly stock sales for AirCourse (monthly sales minus spot sales) and determining the rate of decrease from the previous month to the current month due to churn (= monthly termination rate), and averaging these numbers over a full year

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

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

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

AirCourse User Companies (in no particular order)

Centralized management of training information through e-learning, drastically reducing labor hours required for administration! Gurunavi, Inc.	e-learning covers all aspects of "onboarding for mid-career hires," "preparation for qualification exams," and "employee benefits" Nichii Carepalace Company	Customer building an environment where each department voluntarily uses e-learning to improve educational efficiency and effectiveness Tokyo Tama Intercity Monorail Co., LTD.	We have an in-house qualification test system that has evolved into a movement, achieving a 15.2% increase in order unit price SHIFT Inc.
AirCourse enables young employees to be active, revitalizes of internal communication, and restructures the education system HOKUETSU METAL Co., Ltd.	AirCourse enables us to pass on skills to younger employees, revitalize internal communication, and recruit more new graduates AIHARA Electrical Engineering Co., Ltd.	Using e-learning to develop human resources who will create the future Kanatsu Engineering Constructor	Rich support for developing the ideal career PERSOL TEMPSTAFF CO., LTD.
Full utilization from various training to promotion of understanding of company policies in combination with in-house content FMG & MISSION CO., Ltd.	E-learning across a wide range of topics supports career development for our employees Serio Inc.	E-learning offers a win-win educational environment for students and instructors FUJI SANGYO CO., LTD.	AirCourse provides educational opportunities for all employees, even when not every employee has their own PC FRESTA Co., Ltd

Corporate Education Business: Major Expansion of Standard Courses

Significantly expanded the number of all-you-can-learn courses offered by +208 compared with the previous year to 856 as of the end of December 2023

A lineup that incorporates the latest information and meets corporate needs, including GPT utilization and DX-related
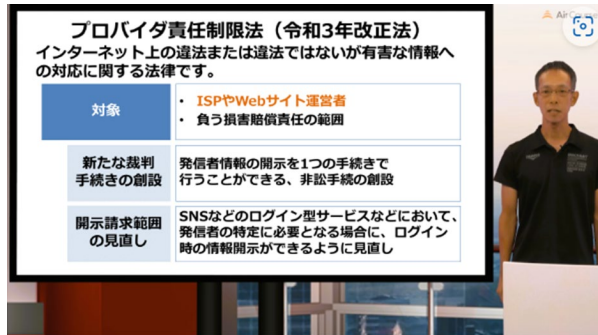
DX Series

Information Security

・ Information Security Guidelines

・ Intellectual Property

・Cyber Attacks and Methods

・Cryptographic Technology That Supports Society

・Authentication Technology: *Being Unaware Is Not an Option*

(Courses)

Trends in AirCourse Standard Courses (Cumulative)
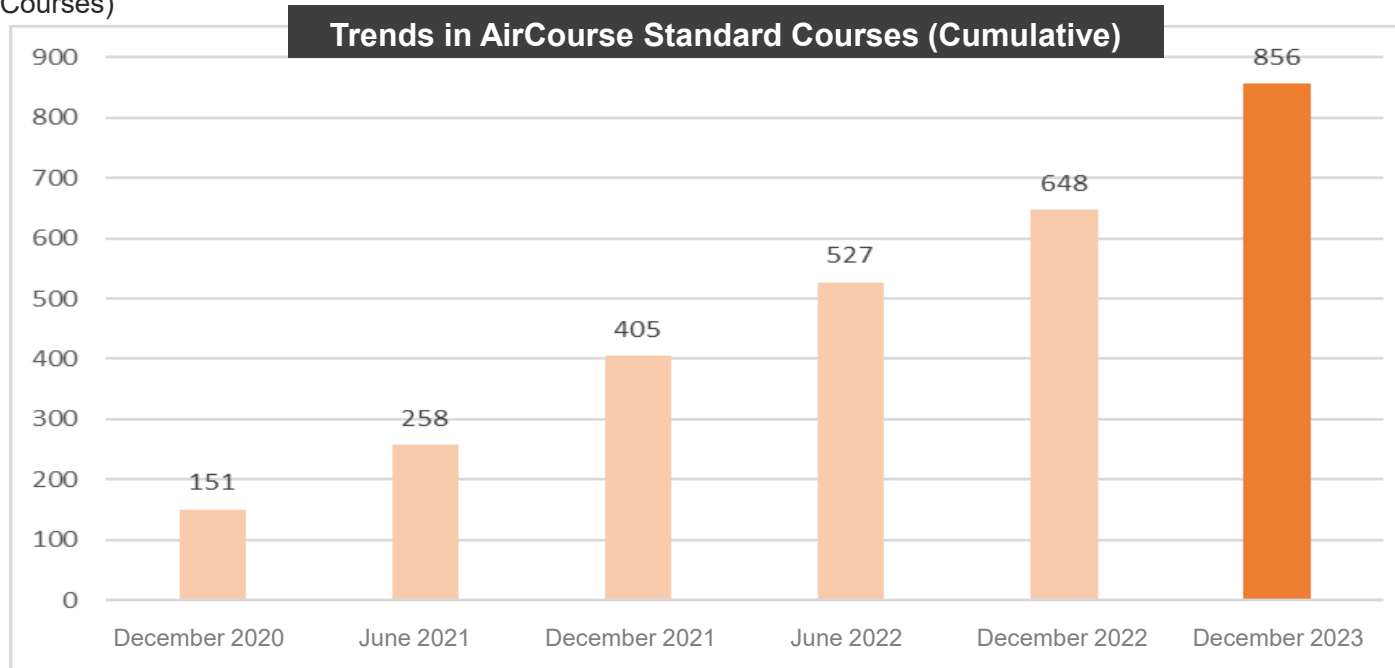
・The number of courses increased fivefold in three years

・Full content lineup includes IT, management, MBA series, Dx-related, GPT, and other subjects

Studying Career

Released Studying Career, a direct experienced-hire recruiting service highlighting an individual's professional qualifications (launched November 7, 2023)

AirCourse AI Knowledge

Announced generative AI service for corporate knowledge-sharing, *AirCourse AI Knowledge* (launched December 11, 2023)

Peace of Mind

AI Learning Data No Change of Misappropriation

Prompt Templates

More Than 100 Templates

Knowledge-Sharing

Improved Organizational Performance
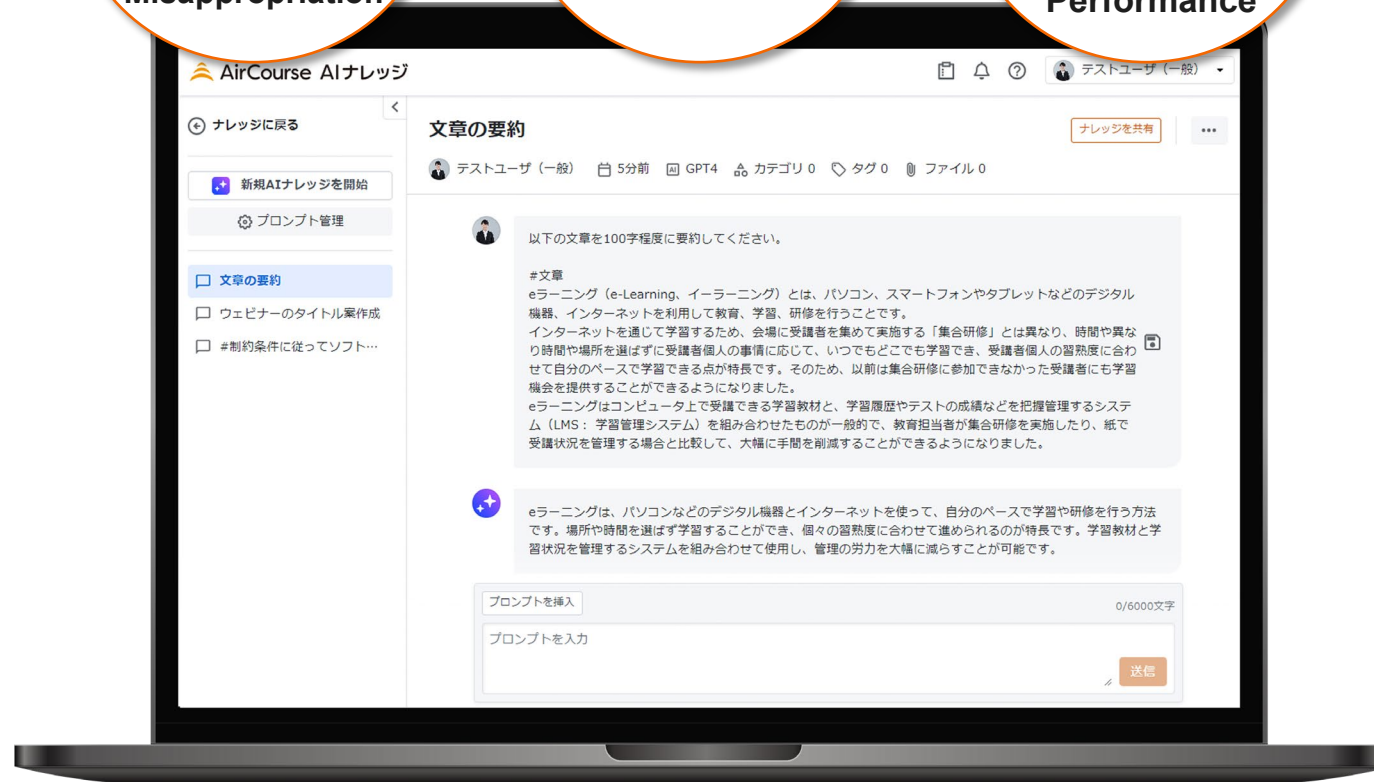
https://aircourse.com/ai-knowledge/

Medium-Term Management Plan 2026

February 2024

KIYO Learning Co., Ltd.

Growth (Tokyo Stock Exchange): 7353

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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

Net Sales

(Millions of yen)

Values: 1522, 2282, 2262, 3200, 2848, 4400, 3798

Sales Over 3 Years 249%

Plan / Results

December 2020, December 2021, December 2022, December 2023

Operating Profit

(Millions of yen)

Values: 172, 173, 148, 250, -183, 470, 136

Profit Over 3 Years 79%

Plan / Results

December 2020, December 2021, December 2022, December 2023
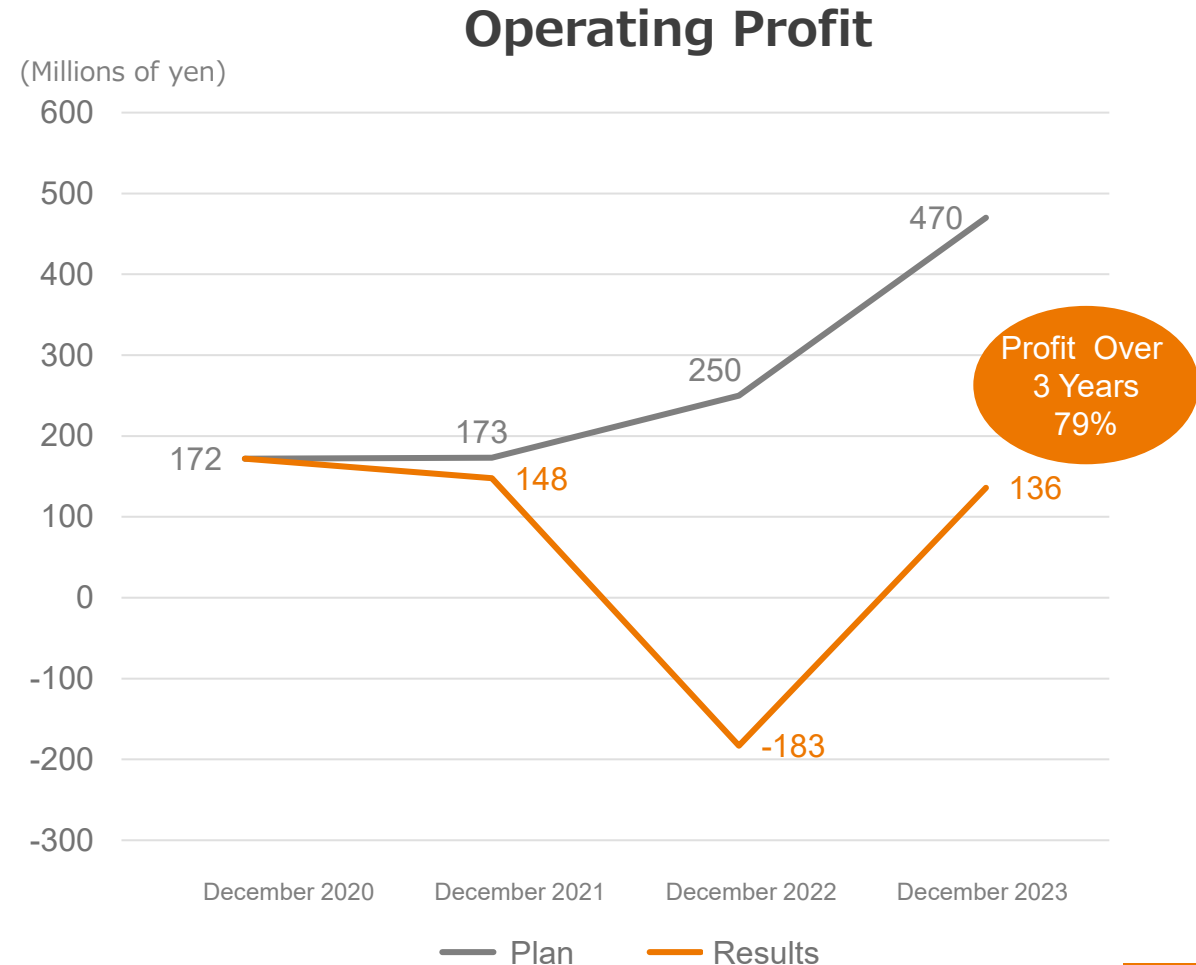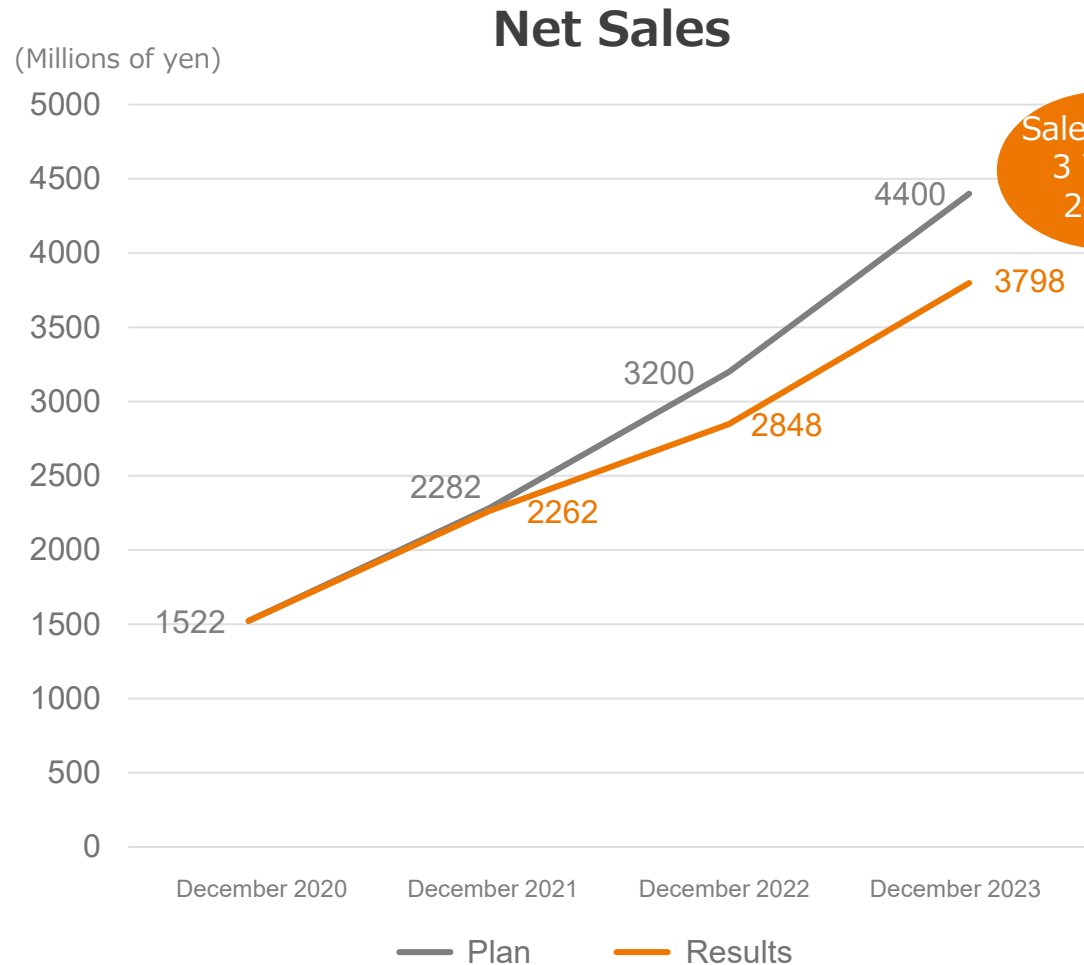
Medium-Term Management Plan 2023 Review: Sales by Business

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)

Sales Over 3 Years 240%

- 4060 (Plan, December 2023)
- 3408 (Results, December 2023)
- 2940 (Plan, December 2022)
- 2,611 (Results, December 2022)
- 2131 (Plan, December 2021)
- 2,111 (Results, December 2021)
- 1415 (December 2020)

— Plan   — Results
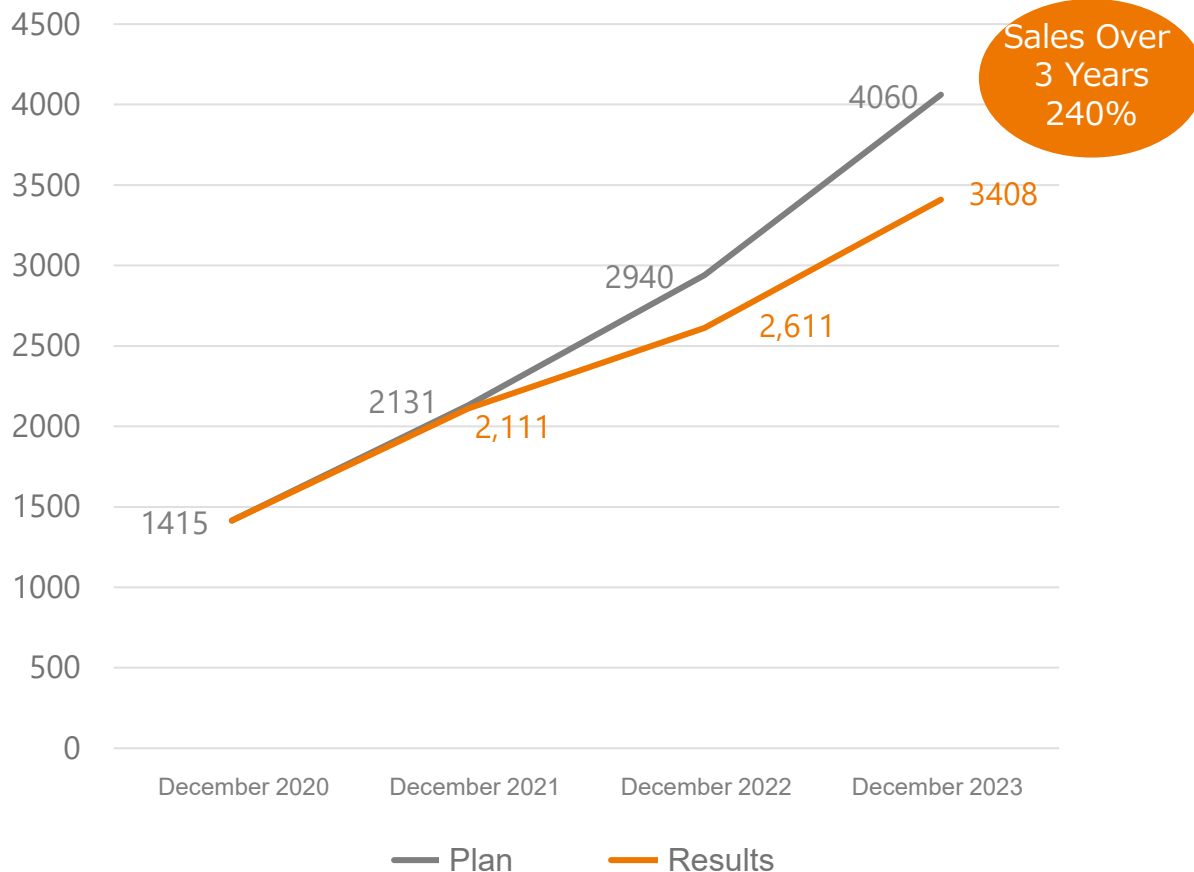
Corporate Education Business Net Sales

(Millions of yen)

Profit Over 3 Years 364%

- 390 (Results, December 2023)
- 340 (Plan, December 2023)
- 260 (Plan, December 2022)
- 237 (Results, December 2022)
- 151 (Plan, December 2021)
- 150 (Results, December 2021)
- 107 (December 2020)

— Plan   — Results
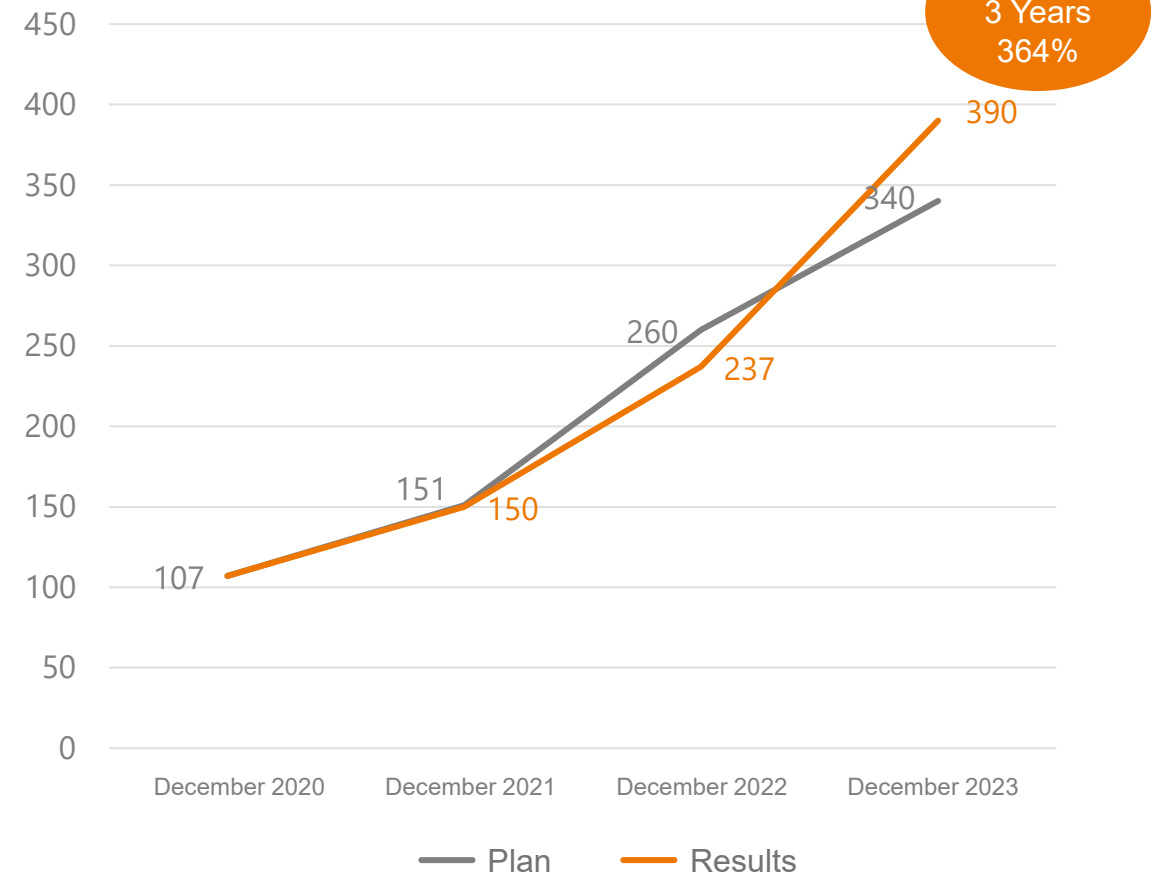
Medium-Term Management Plan 2023 Review: Employees

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
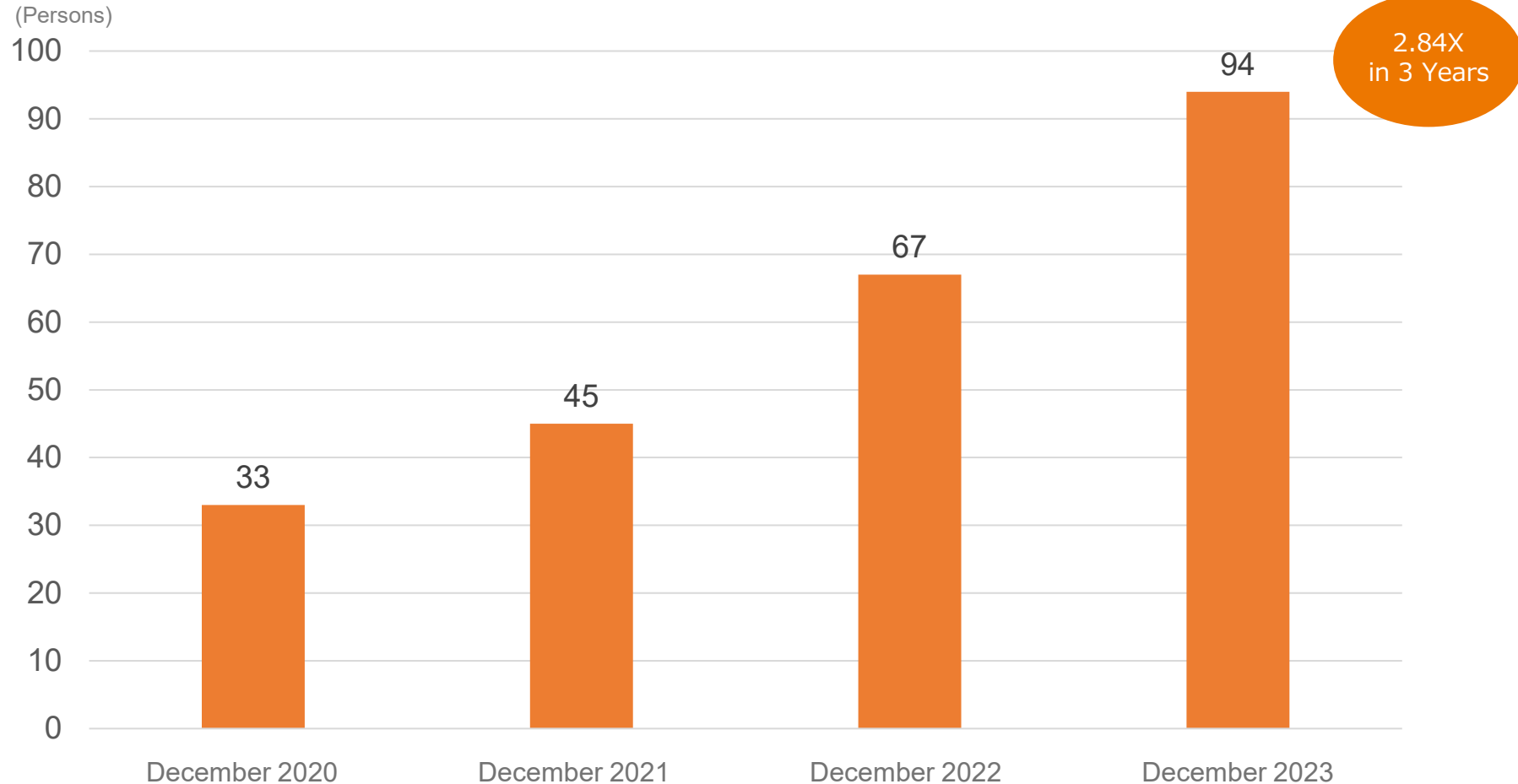
(Persons)

2.84X in 3 Years

	December 2020	December 2021	December 2022	December 2023
Persons	33	45	67	94

*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*)

Direction of Business Development

New

Market and Customers

Examples of Future Areas of Exploration and Development

(Courses other than certifications, etc.)

(Overseas business development, etc.)

AirCourse
Strengthen corporate education business

AirCourse AIナレッジ
Service using generative AI

Opened December 2023

Existing

STUDYing
Strengthen certification course business

STUDYing キャリア
Job search support service

Opened November 2023

Existing   **Organizational Capacity**   **New**

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 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)	• Did not meet sales targets, but achieved a certain degree of high growth (249% growth over three years)
Profit Growth	• Did not achieve expected operating profit growth (79% decline over three years)
Human Capital	• Recruitment has been steady; strengthened our organizational structure for growth (from 33 to 94 employees over three years)
Organizational Capacity, Technology	• Strengthened our organizational capacity, including the use of AI (related patent acquisitions, etc.) and marketing capabilities
Studying Business	• 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	• 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	• Launched *Studying Career* to expand into the job search market • Launched *AirCourse AI Knowledge*, 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

STUDYing

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

For Individuals/Corporations

STUDYing 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
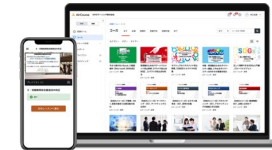
For Corporations

AirCourse AIナレッジ

Generative AI knowledge-sharing service
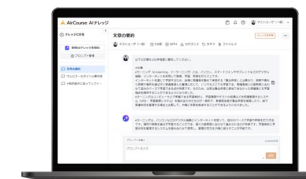
New! Launched December 2023

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.

Studying Cumulative New Paying Subscribers

Evolution in generative AI

Advancements in DX and reskilling

Widespread use of AI and data

Growth in the employee education market
Spread of cloud services

Spread of online video

Wider adoption of smartphones

Popularity of audio players and e-commerce growth

FY	Subscribers
FY2012	1,952
FY2013	3,260
FY2014	4,889
FY2015	7,132
FY2016	11,728
FY2017	21,401
FY2018	35,918
FY2019	55,958
FY2020	94,421
FY2021	143,118
FY2022	209,546
FY2023	287,668

October 2008
Launch of certification courses

January 2010
Incorporation of KIYO Learning

September 2012
In-house learning systems development

June 2014
Built video studio
Launched video courses

May 2017
Released AirCourse, employee education cloud service

May 2020
Released
AI Study Plan

July 2020
Listed on the TSE Mothers (currently Growth) exchange

July 2021
Released AI Competency Scoring

July 2022
Released AI Question Review

**November 2023
Released
Studying
Career**

**December 2023
Released
*AirCourse AI
Knowledge***

**July 2023
Released AI
Master Teacher**

Audio + teaching materials sold as a downloadable package at first

Practice questions made available via smartphone

Easy-to-understand video courses

Services revolutionizing employee training

Individual learning optimization via AI

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.

Sales (accrual based) ■   Ordinary profit (loss) ■

(Millions of yen)

FY	Sales	Ordinary profit (loss)
FY2015	84	-85
FY2016	200	-67
FY2017	360	-101
FY2018	609	-211
FY2019	835	-150
FY2020	1,522	158
FY2021	2,262	148
FY2022	2,848	-183
FY2023	3,798	140

45X in 8 Years
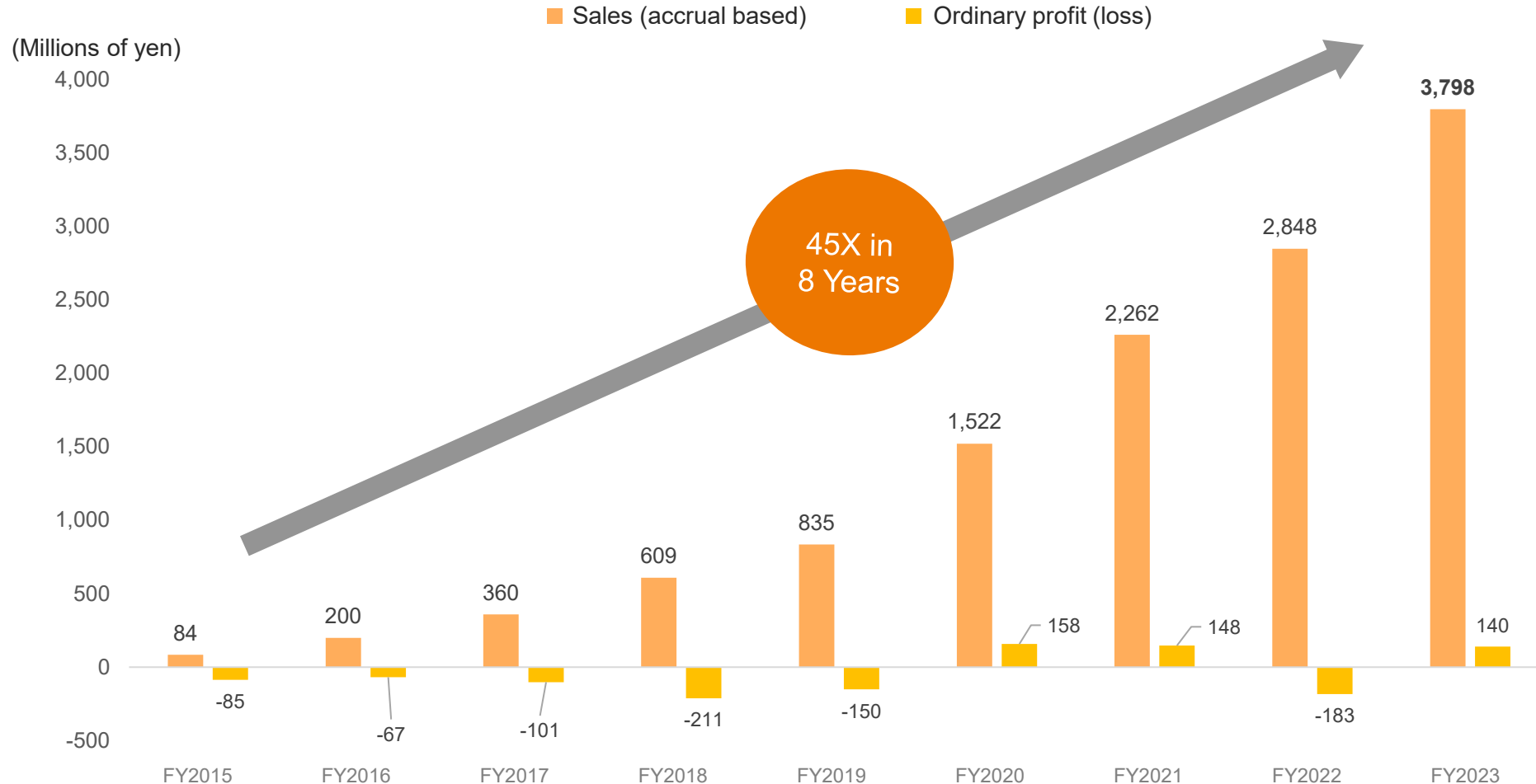
*For the fiscal years ended December 2015 through December 2017, the Company did not engage audits under the provisions of Article 193-2(1) of the Financial Instruments and Exchange Act.

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	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) • Generative AI used by employees to learn tasks and necessary skills (inevitable changes in human resources development)
DX and Reskilling	• Business transformation and productivity improvements through technological innovations and changes in the competitive environment	• Importance of employee reskilling to achieve DX • Organizational knowledge sharing necessary for productivity improvements
Human Capital Management	• Intensifying global competition • Decline in working population in Japan	• 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
Learning Environment	• Normalization of telework • Diversification of work styles and pursuit of work-life balance	• 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
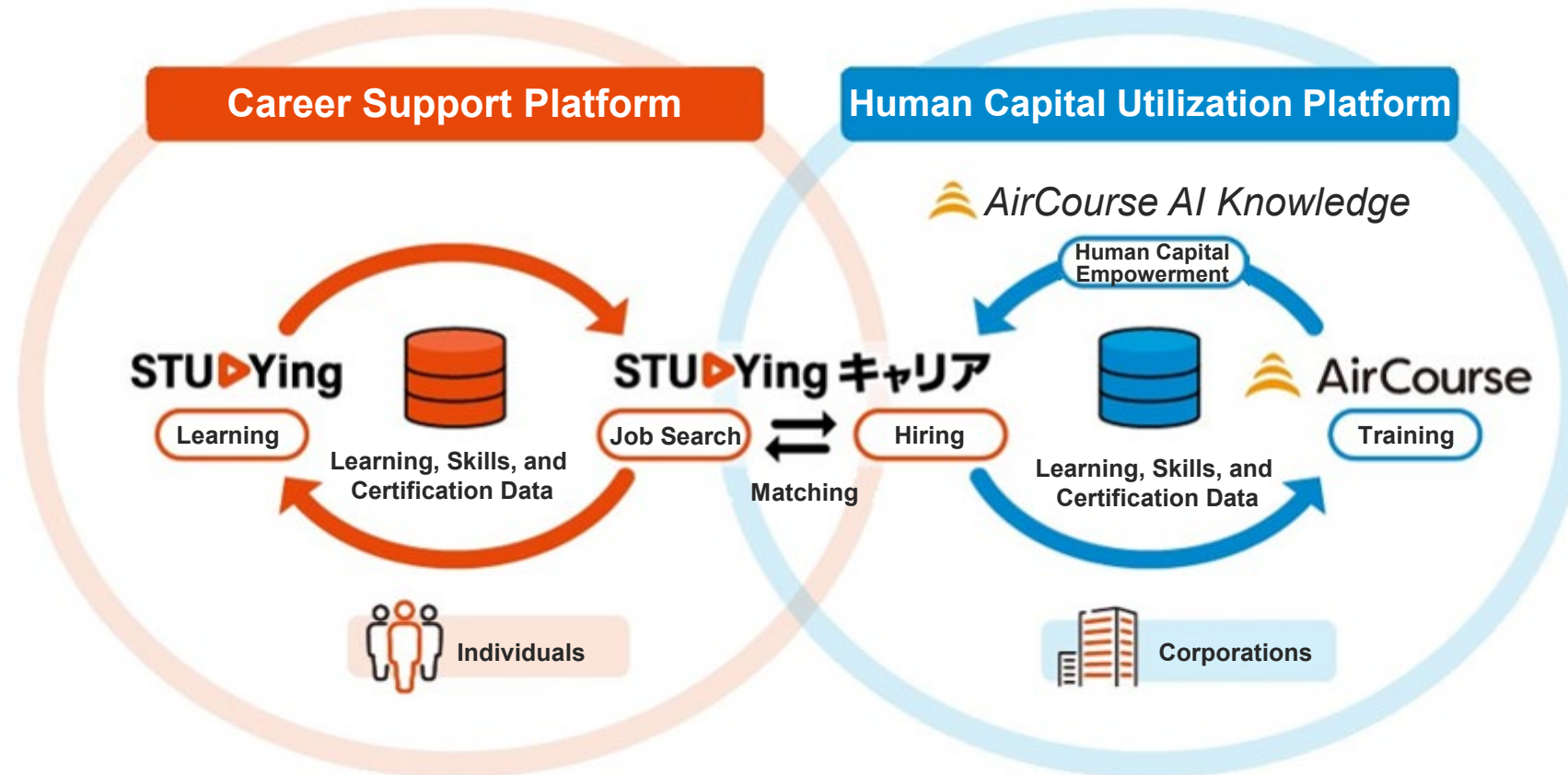
Supporting Careers Across All Stages
・Learning
・Job search
・Workplace use

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.

Direction of Business Development (Example)

New

Market and Customers

Courses other than certifications
IT education, etc.

Overseas expansion
IT education, etc.

Human resources-related services, etc.

AirCourse
Strengthen corporate education business

AirCourse AIナレッジ
Human resources support using generative AI

Existing

STUDYing
Strengthen certification course business

STUDYing キャリア
Career support

Existing   **Organizational Capacity**   New

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.)

Individuals	Certifications[1]	**192** billion yen	Current Target	STUDYing
	Language Education (for adults)[1]	**170** billion yen	*Future Development*	
	Distance Learning (for professionals)[1]	**80.8** billion yen		
Human Resources	Direct Recruiting[2]	**106.8** billion yen	Next Targets	STUDYing キャリア
Corporate	E-Learning and Video Education (B2B)[1]	**112.3** billion yen	Current Targets	AirCourse
	Corporate Training[1]	**550** billion yen	*Expand*	
Generative AI	Generative AI Market (for corporations)[3]	**78.6** billion yen	Next Targets	AirCourse AIナレッジ
Overseas Corporate			**Future Targets**	

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.

Organizational Capabilities

- Learning System Development Capabilities
- Learning Content Development Capabilities
- AI and Data Utilization Capabilities
  - Generative AI
- **Learning Technologies**
- Low-Cost Operations
- Online Customer Traffic Generation and Sales

Career Support Platform

Certification Market	Human Resources Market
STUDYing	STUDYing キャリア

Human Capital Utilization Platform

Corporate Education Market	Generative AI Market
AirCourse	AirCourse AIナレッジ

Strengthen Organizational Capabilities → Growth and Sustainable Competitive Advantage

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	FY2026 Targets
Net Sales	3,798 million yen	**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%)**

*Based on fiscal 2023 financial results, we revised the fiscal 2026 plan included in Long-Term Vision 2032, published originally on February 12, 2021.

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
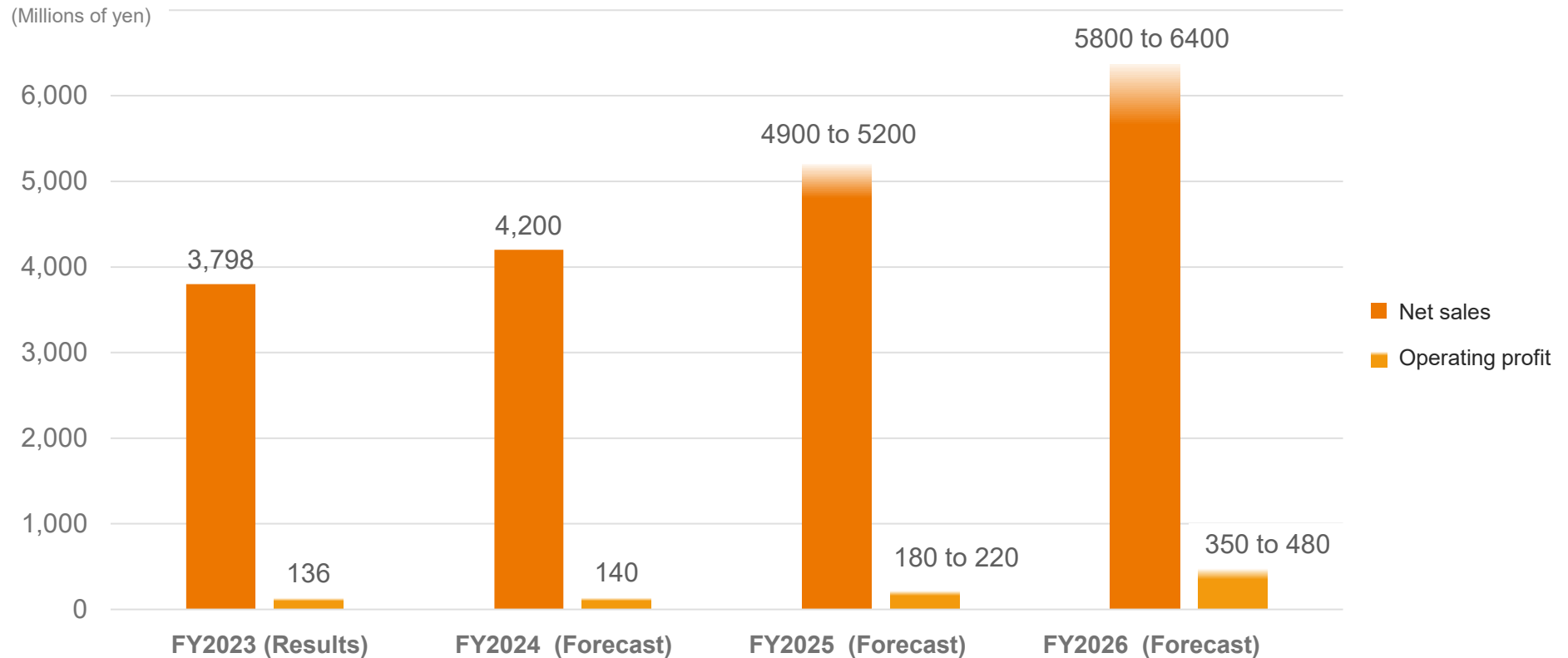
(Millions of yen)

(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
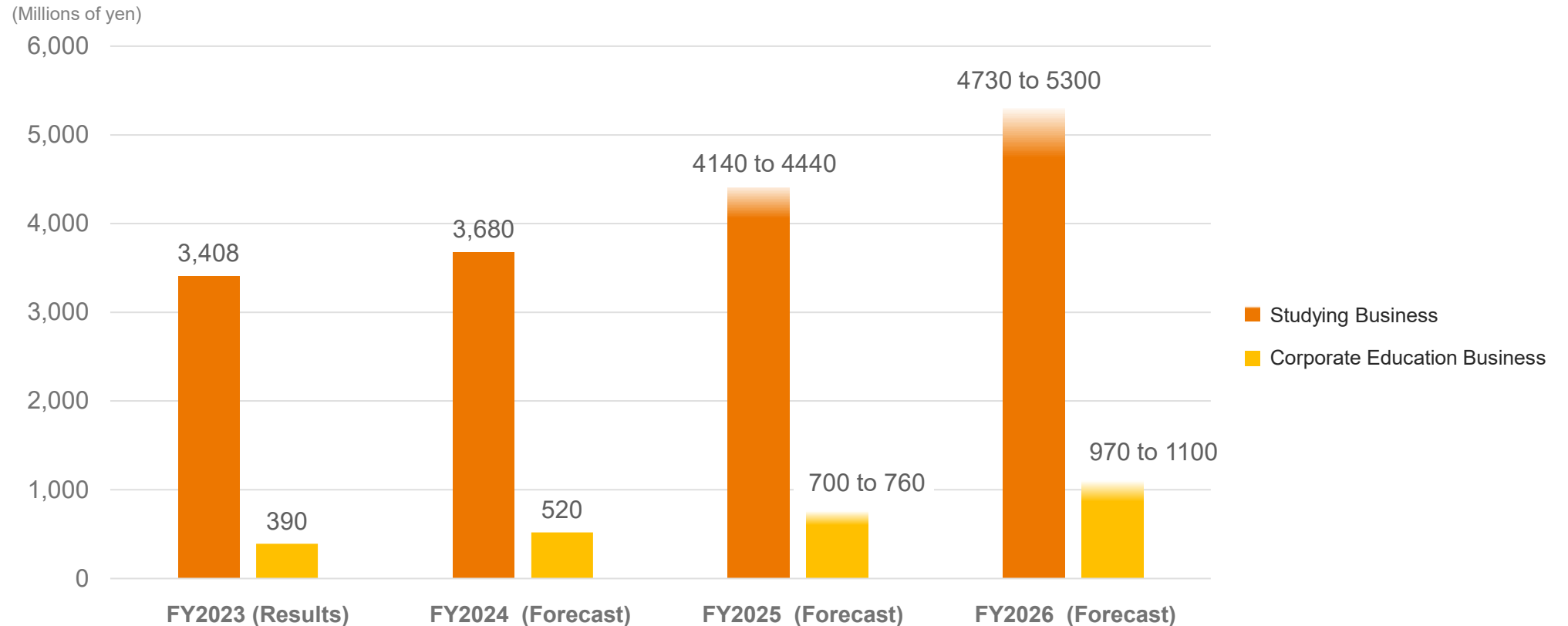
(Millions of yen)

(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

Sales Growth

Net Sales　5,800 million yen to 6,400 million yen

Earnings Growth

Operating Profit　350 million yen to 480 million yen
(operating income margin: 6.0% to 7.5%)

(1) Studying Business Growth and Earnings Capacity

Grow by capturing the majority of the certification market and strengthen earnings capacity through cost efficiencies

(2) Full-Scale Corporate Business Growth

Create a second pillar of business through full-scale expansion of the Corporate Business, focused on the e-learning market

(3) New Business Development and Platform Growth

Expand into the career business, the generative AI market, and other businesses that contribute to platform growth

Strengthen Organizational Capabilities

Strengthen learning systems, AI and data utilization, content development, and low-cost operations

Strengthen Human Resources and Management Infrastructure

Recruit and train outstanding human resources to support growth
Strengthen business management structure and corporate governance

Studying Business: Concept

STU▶Ying

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

Qualification Study for Busy People	Efficient Learning Systems
Study on smartphones, tablets, or PCs to take advantage of spare time during commutes, etc.	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	Low cost
Easy-to-understand video courses. All necessary questions are included for students to acquire the skills to pass qualification exams without difficulty.	Low price point possible through an efficient IT-based business model

Studying Business: Basic Strategy

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

5. Coordinate with the career business for growth

Low cost structure

Increase the number of successful applicants

Low cost

No.1 in Successful Applicants

Growth

Improve learning efficiency (easier to use, easier to understand, easier to stick with)

3. Strengthen customer acquisition and profitability

Increase in users (free→paid)

4. Increase the number of repeat users

Use AI and large amounts of data

2. Expand course and product lineup

High-quality content

Learning services optimized for each user

Excellent instructors and staff

1. Strengthen services using AI

Studying Business: Capture the Majority of the Market

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

To Date

Cost to Acquire Qualifications — Large to Small

- Classroom Courses
- Correspondence Courses
- Online Courses STU▶Ying
- Self-Study (Via Books)

The Future

Cost to Acquire Qualifications — Large to Small

- Classroom Courses
- Correspondence Courses
- Self-Study (Via Books)

Capture market share of existing courses

Online Courses STU▶Ying

Expand market share of online courses

Capture self-study segment

*The size of the circles in the figure represents the relative number of students.
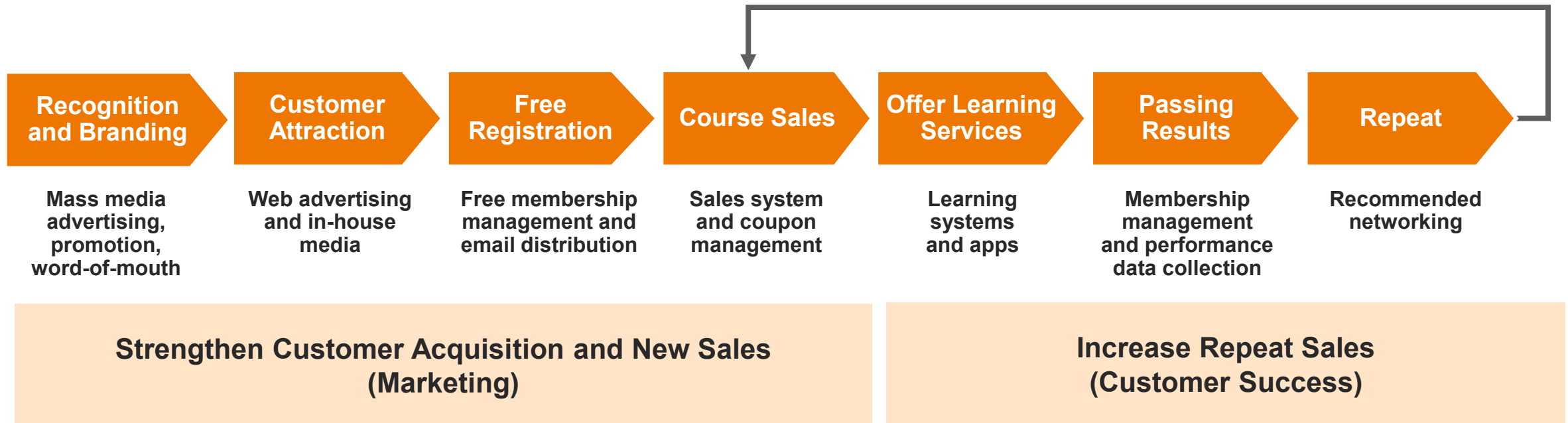
Studying Business: Using AI and Study Data

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
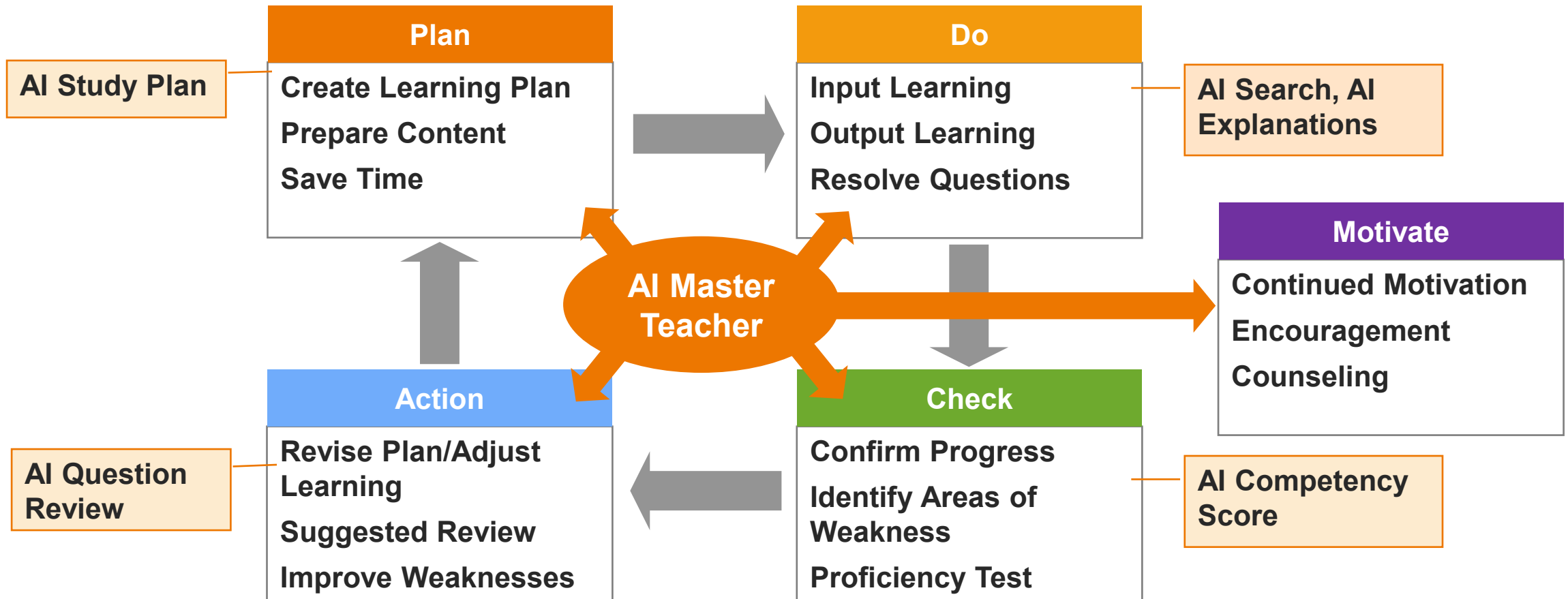
AI Study Plan

Plan
- Create Learning Plan
- Prepare Content
- Save Time

Do
- Input Learning
- Output Learning
- Resolve Questions

AI Search, AI Explanations

AI Master Teacher

Motivate
- Continued Motivation
- Encouragement
- Counseling

Action
- Revise Plan/Adjust Learning
- Suggested Review
- Improve Weaknesses

AI Question Review

Check
- Confirm Progress
- Identify Areas of Weakness
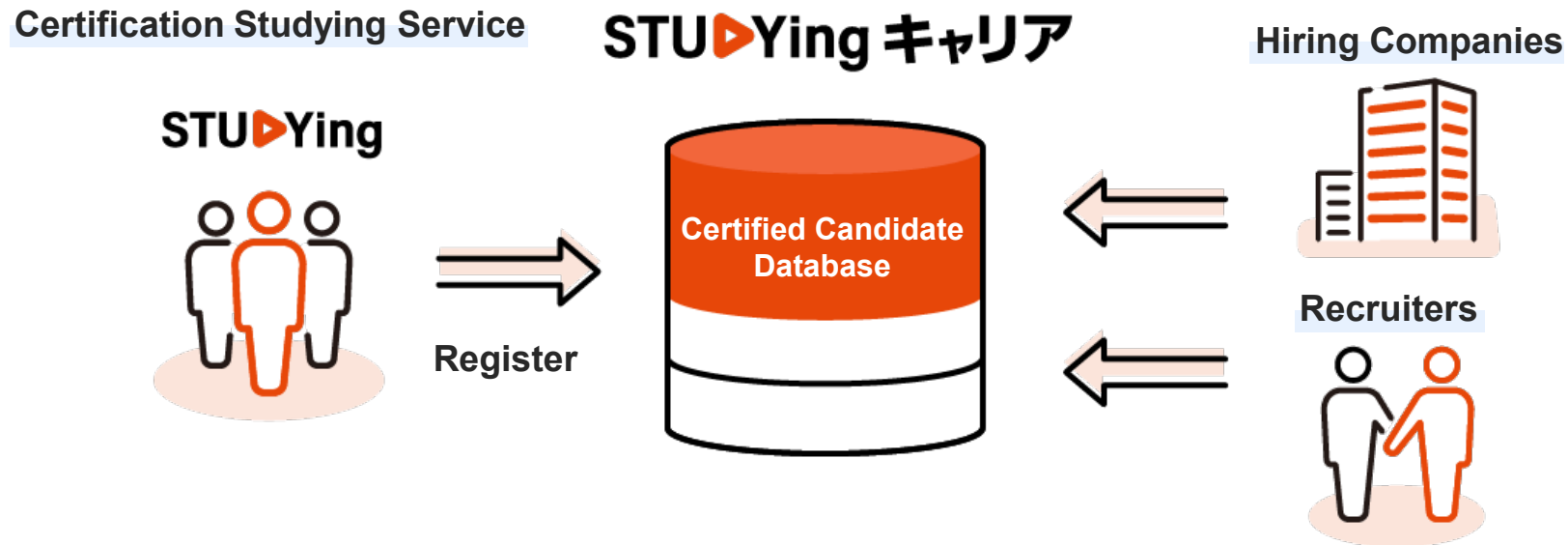- Proficiency Test

AI Competency Score

- 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.

Recognition and Branding	Customer Attraction	Free Registration	Course Sales	Offer Learning Services	Passing Results	Repeat
Mass media advertising, promotion, word-of-mouth	Web advertising and in-house media	Free membership management and email distribution	Sales system and coupon management	Learning systems and apps	Membership management and performance data collection	Recommended networking

Strengthen Customer Acquisition and New Sales (Marketing)

Increase Repeat Sales (Customer Success)

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

Certification Studying Service

STUⅮYing キャリア

Hiring Companies

STUⅮYing

Certified Candidate Database

Register

Recruiters

<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

AirCourse

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

Unlimited Access to Various Employee Training Courses	Easily Create and Share In-house Courses
Immediate access to high-quality and popular training courses such as new employee training, compliance, IT, business skills, etc.	Easily create in-house own training videos, video-based manuals , tests, and questionnaires

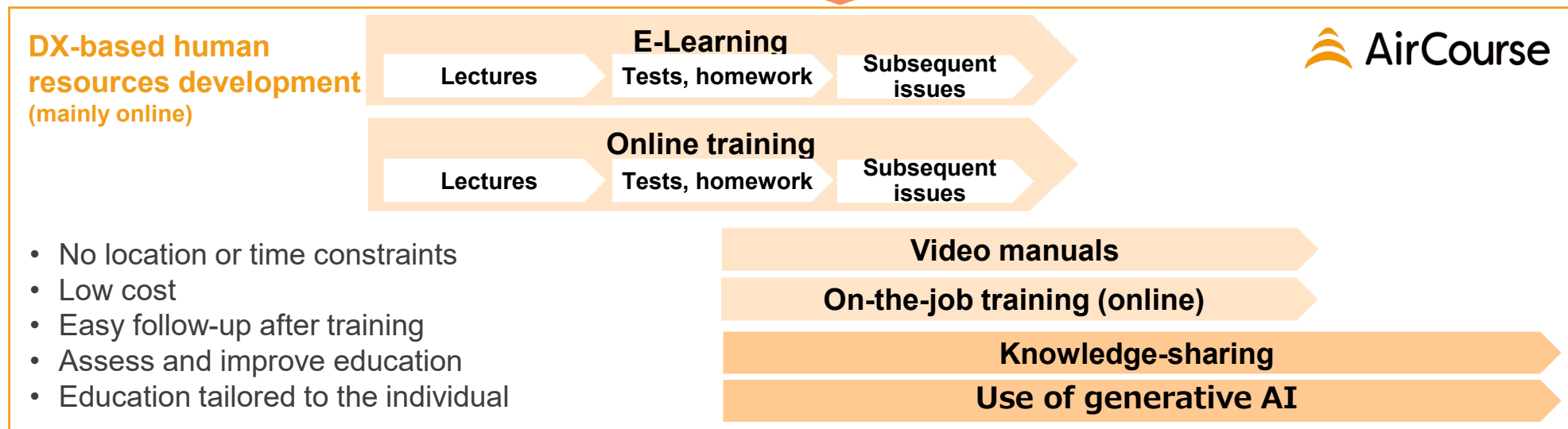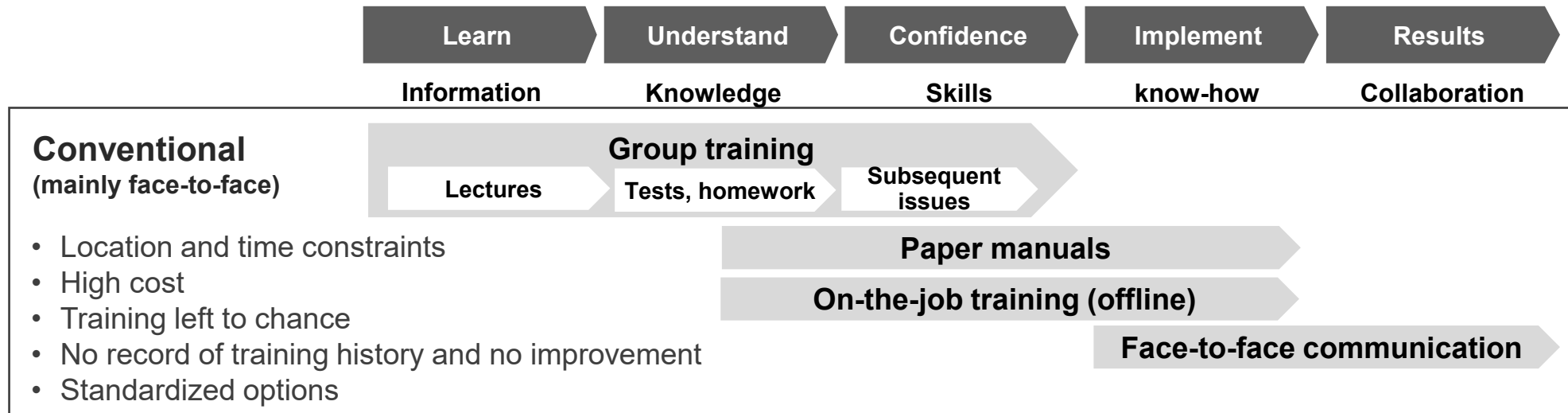| Centralized Management of Employee Training	Low Cost Even for Unlimited Training Plans
Equipped with learning reports and group training management functions. Reduce the burden on educators by centralizing employee training records.	Low-cost subscription service (continuous billing): 200 yen per user per month for 1,000 users per year; zero initial cost.

Corporate Education Business: Basic Strategy

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

Corporate Education Business: DX-Based Human Resources Development

AirCourse

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.)

Learn	Understand	Confidence	Implement	Results
Information	Knowledge	Skills	know-how	Collaboration

Conventional
(mainly face-to-face)

Group training
- Lectures
- Tests, homework
- Subsequent issues

Paper manuals

On-the-job training (offline)

Face-to-face communication

- Location and time constraints
- High cost
- Training left to chance
- No record of training history and no improvement
- Standardized options

DX-based human resources development
(mainly online)

AirCourse

E-Learning
- Lectures
- Tests, homework
- Subsequent issues

Online training
- Lectures
- Tests, homework
- Subsequent issues

Video manuals

On-the-job training (online)

Knowledge-sharing

Use of generative AI

- No location or time constraints
- Low cost
- Easy follow-up after training
- Assess and improve education
- Education tailored to the individual

AirCourse

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

Full Range of Subject-Specific and Department-Specific Training

Level	Topics
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.

IT Skills, DX

Compliance

Accounting

Sales

Marketing

Human Resources, Labor Relations

Production Management

Project Management

Management Strategy

AirCourse

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.)
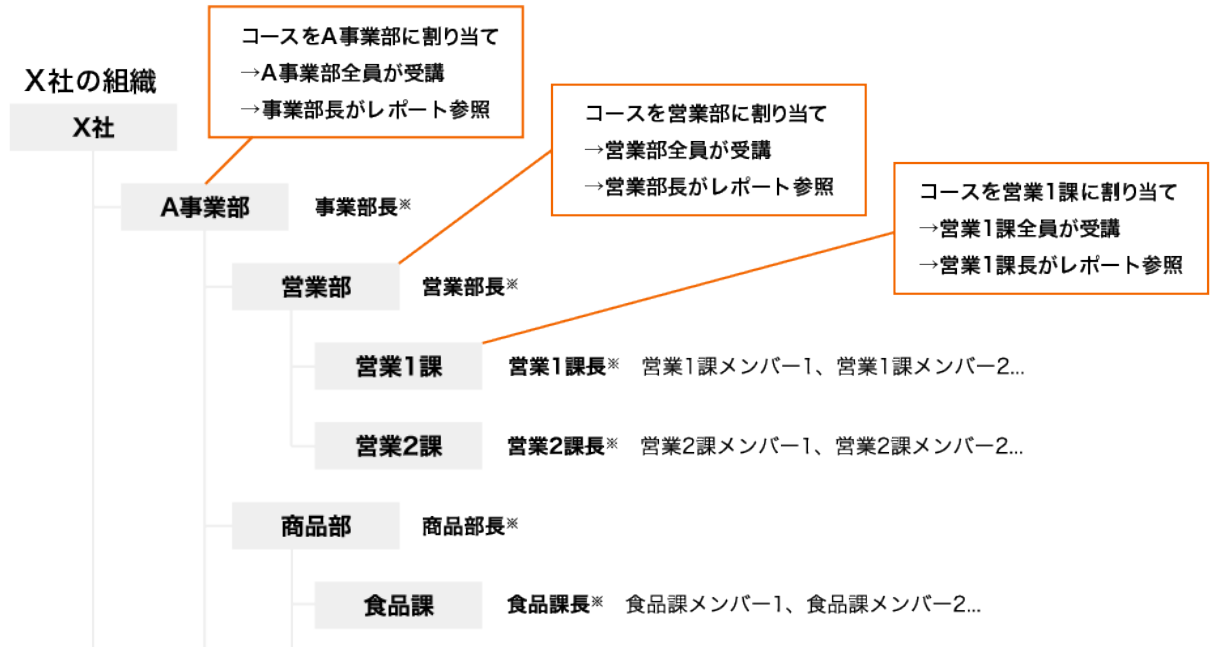
Learning Report

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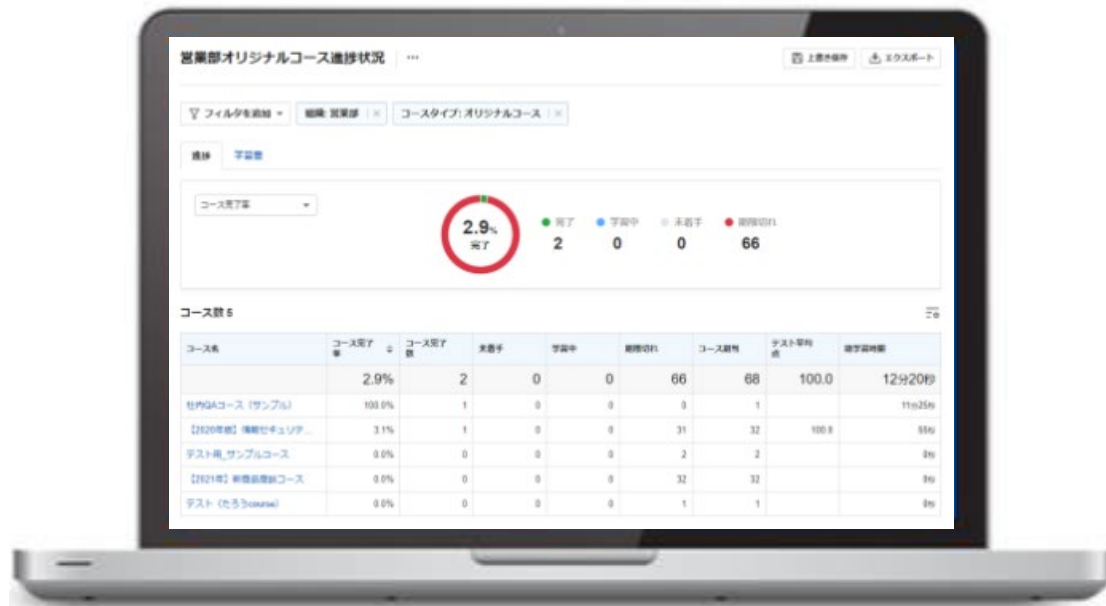
Organization Management

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

AirCourse AI Knowledge

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

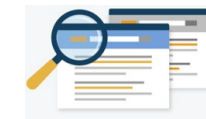## Safe and Secure
No in-house data used in AI training

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.

(Millions of yen)	FY2024 (Forecast)				
Category	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.

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