

FY2025/9 Q1

Earnings Report



FCE Inc.

February 13, 2025

Tokyo Stock Exchange Standard

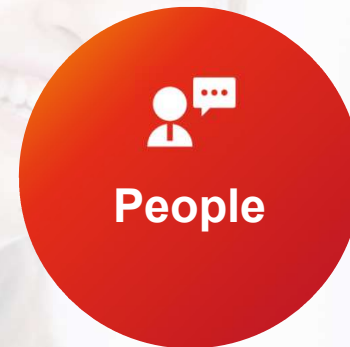
Securities Code: 9564



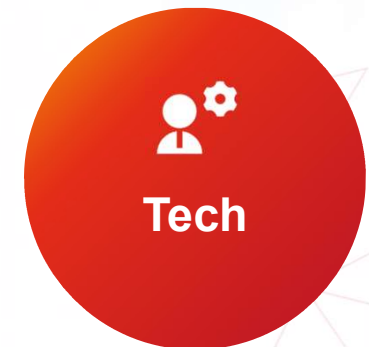
Purpose

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

Mission



×



Maximize Human Capital



**DX Promotion
Business**

**Education and
Training Business**

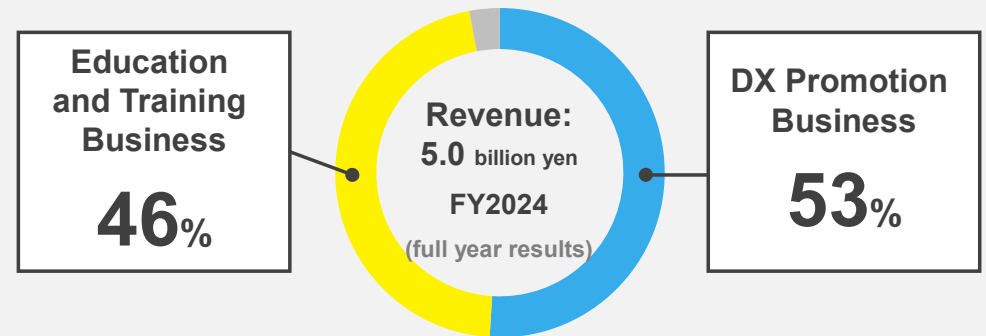


Company Overview

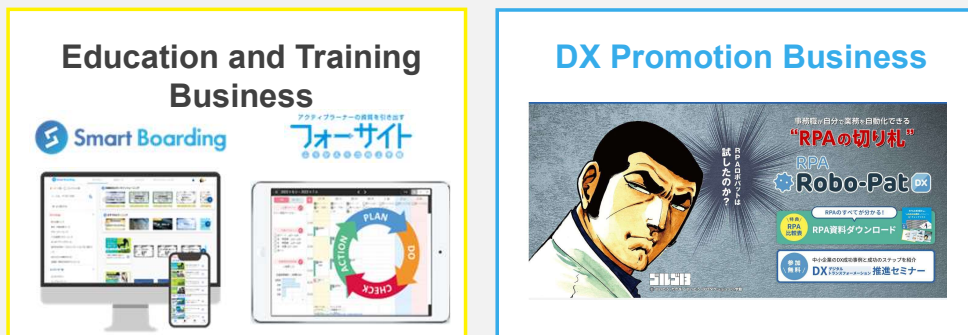
Company Name	FCE Inc.	Securities Code: 9564
Established	April 21, 2017	Group established February 19, 2004
NO. of employees	243 employees	

*as of December 31, 2024

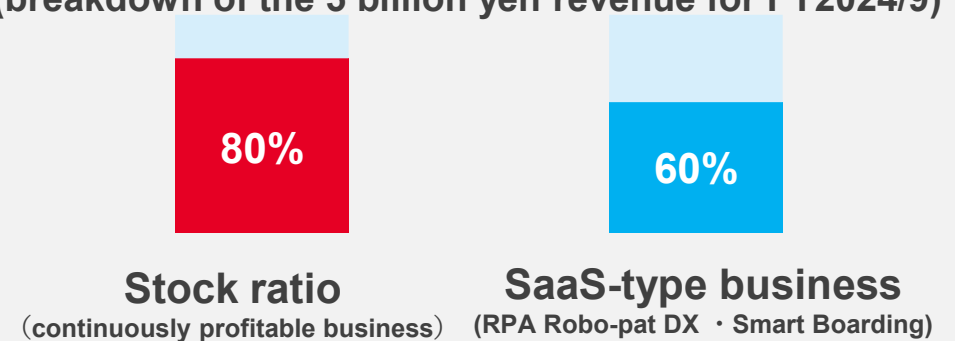
Business Portfolio



Main Business (Business segment)



Revenue composition (breakdown of the 5 billion yen revenue for FY2024/9)





Executive Summary ①

FY2025/9 Q1 Results

Revenue

1,375 million yen (YoY +32.7%) 

Ordinary Income

255 million yen (YoY +46.6%) 

Topics

- Actions to achieve management that is conscious of capital costs and stock prices
- Awarded Best Company for 13 consecutive years in the "Best Companies to Work For" ranking
- Progress of business alliances with Link and Motivation Inc.



Executive Summary ②

SaaS-type business offering “Robo-Pat DX,” a DX support SaaS utilizing RPA, and “Smart Boarding,” a SaaS for employee training, **continues to grow steadily and remain the core of our earnings.**

SaaS-Type Business Quarterly Trends



RPA Robo-pat DX Revenue (= DX Promotion Business)

▶ Quarterly revenue (FY25/9 Q1)

786 million yen

YoY **+30.7%** ↑

▶ Highlights

- ✓ Growth rate of maximum range after listing in October 2022, due in part to early success of young employees
- ✓ Churn rates remain low and the number of companies using the system is steadily increasing (surpassing 1,600 companies as of the end of January 2025)
- ✓ Expansion of sales accelerated interdepartmental customer referrals

Smart Boarding Revenue

▶ Quarterly revenue (FY25/9 Q1)

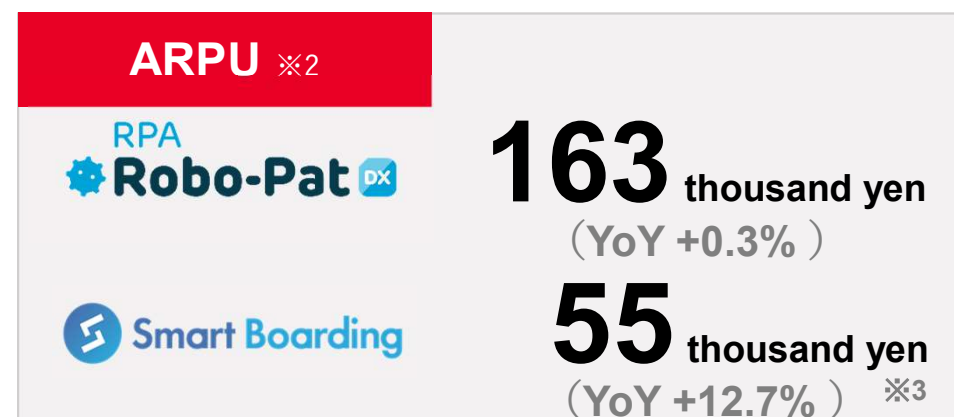
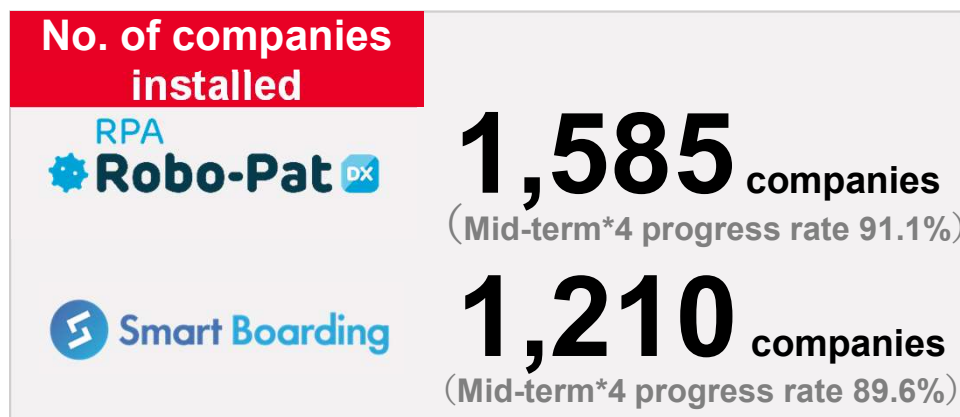
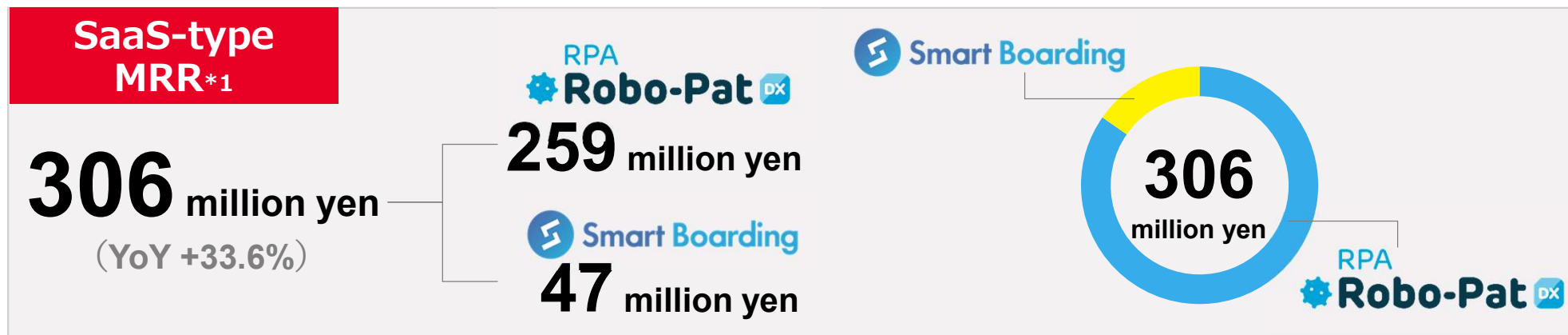
133 million yen

YoY **+55.7%** ↑

▶ Highlights

- ✓ OEM expansion strategy has been successful, with the largest range of growth since listing in October 2022
- ✓ Churn rates remain low and the number of companies using the system is steadily increasing (surpassing 1,200 companies as of the end of December 2024).
- ✓ Plan to increase ARPU by adding functions
- ✓ Accelerated interdepartmental customer referrals

KPI Summary



※1 : MRR (Monthly Recurring Revenue) Monthly recurring sales amount as of the end of the first quarter of the fiscal year ending September 30, 2025.

※2 : ARPU (Average Revenue Per User) Average amount of sales per installed company as of the end of the first quarter of the fiscal year ending September 30, 2025.

※3 : Average monthly sales amount of Smart Boarding per company (direct sales)

※4 : Refers to the plan for the number of companies installed as of the end of FY2025/9 in the "3-Year Business Strategy Summary and Key Performance Indicators (KPIs)" of the Medium-Term Management Plan disclosed on November 26, 2024.



Agenda

- **01 FY2025/9 Q1 (October – December) Topics**
- **02 FY2025/9 Q1 Results**
- **03 Business and Growth Strategy:
DX Promotion Business**
- **04 Business and Growth Strategy:
Education and Training Business**
- **Appendix**



Actions to Achieve Management that is Conscious of Capital Costs and Stock Prices

In order to achieve sustainable growth and increase corporate value over the medium to long term, we analyzed and evaluated the current status of measures to achieve capital cost and stock price conscious management, and disclosed our policy for future efforts to improve them.

(Disclosed of February 13, 2025)

Analysis of the Current Status

■ Capital cost and return on capital/market valuation:

- ✓ Cost of equity is assumed to be around 7% according to CAPM
- ✓ Need for further improvement in PBR
- ⇒ Since PBR is the product of ROE (rate of return) and PER (price-to-earnings ratio = growth expectations), we recognize the need to improve PBR by improving both the rate of return and growth expectations

■ IR activities

- ✓ Low recognition was a factor.
- Recognition that improvements should be made with respect to (1) volume and (2) number of shareholders

Plans and Initiatives for Realization

■ Target

- ✓ PER: 30 times or more, PBR: 4.5 times or more
(ROE is assumed to be about 15% of recent results)

Develop measures for the following items:

- Improvement of profitability and asset efficiency
- Efficient assets and optimal capital structure
- Lower cost of equity and higher expected growth rate
- Return to shareholders
- Toward expansion of dialogue with shareholders and investors

*for details, please refer to the timely disclosure.



Awarded Best Company for 13 consecutive years in the "Best Companies to Work For" *ranking



Press release: <https://prtimes.jp/main/html/rd/p/000000297.000029370.html>

*The Best Company to Work For award is determined by Great Place to Work® Institute Japan's overall evaluation of "Trust" and Maximization of Human Potential", "Values, Leadership Effectiveness and Innovation" based on the "Questionnaire for Workers" and the "Questionnaire for Companies".



Progress of Capital Business Alliance with Link and Motivation

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



Link and Motivation Group

Approx. **1,500** companies,
centered around large
companies



- ▶ Accelerated DX promotion through the use of “RPA Robo-Pat DX” within Link and Motivation
- ▶ Received customer referrals from Link and Motivation and made good progress in submitting proposals to referred companies

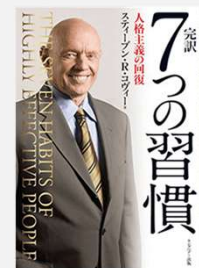
Developing the “Motivation Cloud Series” for small and medium sized companies



**MOTIVATION
CLOUD**

by Link and Motivation Group

Preparing a package for the sales of “The 7 Habits J®” and “The 7 Habits Self-Coaching” for elementary, junior high, high school, university students and adults



Career school
business
annual number of
students per year

Approx.

26,500
students

Tutoring school
business
annual number of
students per year

Approx.]

1,700
students

Accelerate growth to realize our mission, ‘Contribute to the maximization of human capital through “People” x “Tech”’

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

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



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FY2025/9 Q1 | Earnings Overview

Revenue

Revenue for Q1 increased by **32.3% YoY** due to an increase in revenue in the DX Promotion Business and the Education and Training Business.

Ordinary Income

Ordinary income for Q1 increased by **46.6% YoY** due to increased revenue in the SaaS-type business.

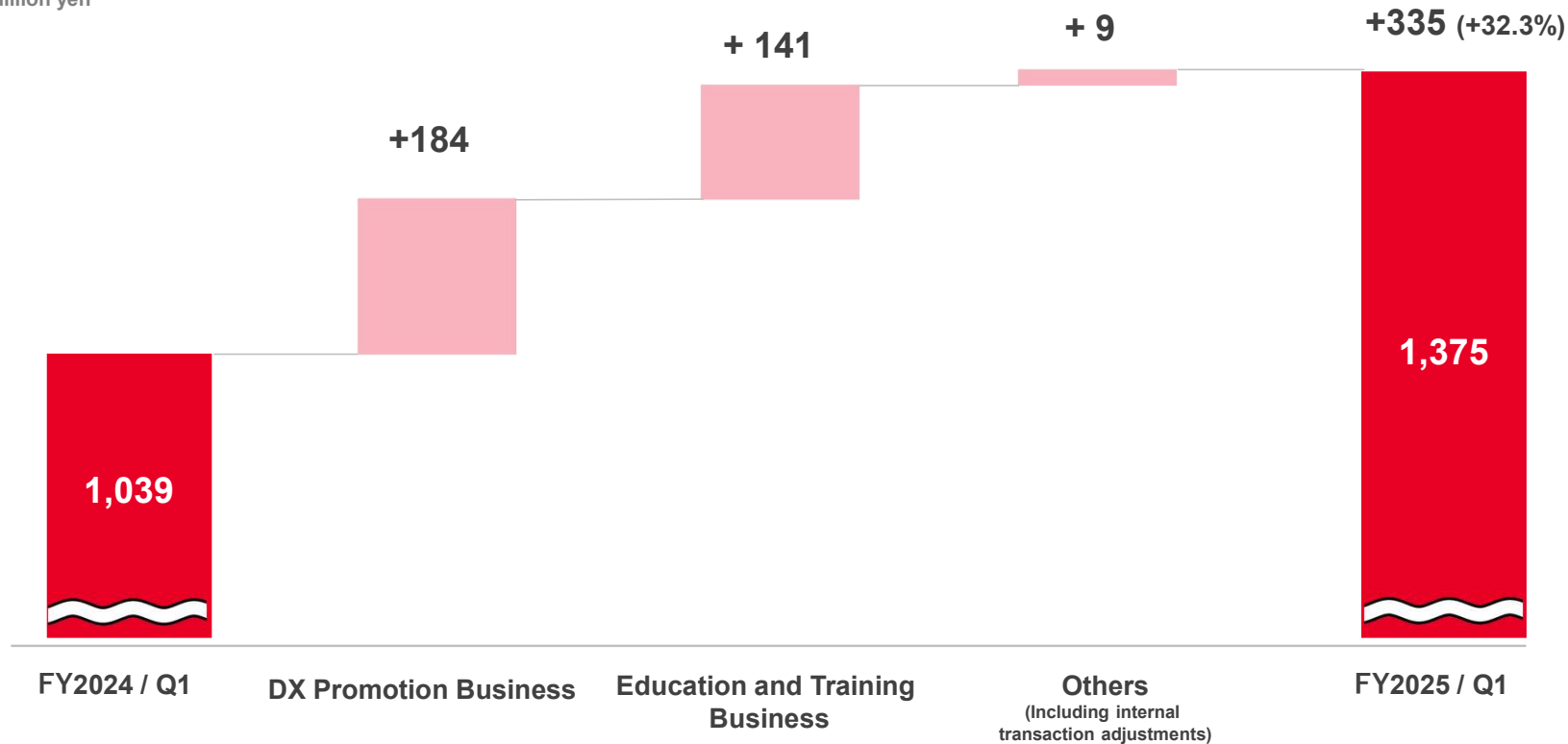
Units: million yen	FY2024/9	FY2025/9 1Q		FY2025/9 Full Year	
	Q1 (Oct – Dec)	Q1 (Oct – Dec)	YoY	Full Year Forecast	Progress Rate
Revenue	1,039	1,375	+335 (+32.3%)	5,750	23.9%
Operating Income	172	248	+76 (+44.4%)	900	27.6%
Ordinary Income	174	255	+81 (+46.6%)	915	28.0%
Net Income Attributable to Owners of the Parent	111	175	+63 (+57.5%)	630	27.8%
EBITDA※	181	268	+87 (+47.9%)	971	27.7%
Ordinary Margin	16.8%	18.6%	+1.8%pts	15.9%	-



FY2025/9 Q1 | Revenue

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

Unit: million yen

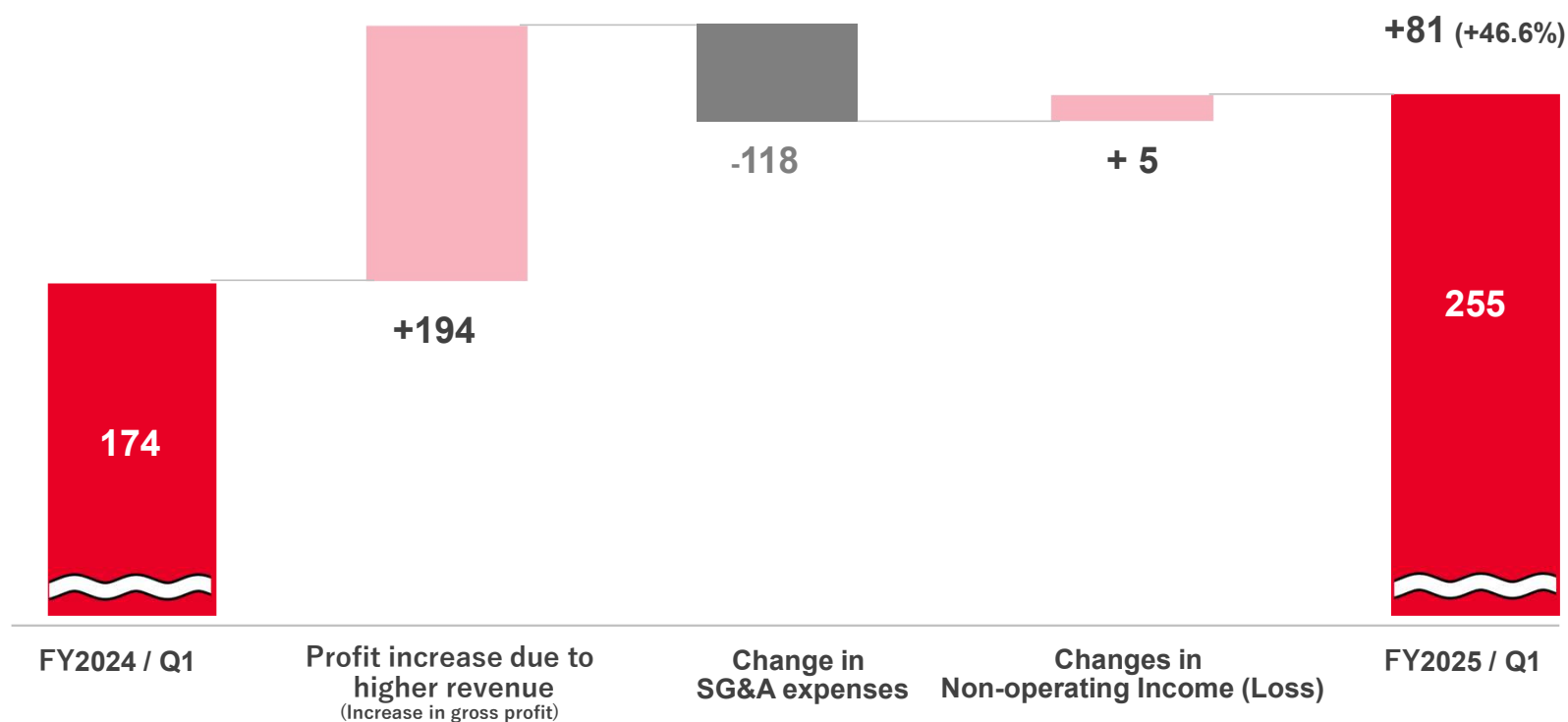




FY2025/9 Q1 | Ordinary Income

Ordinary income increased mainly due to higher profits from increased revenues
The increase in SG&A expenses was mainly due to an increase in personnel in the SaaS-type business and investments in new businesses (labor costs), but overall, the increase in revenue was greater than the increase in SG&A expenses.

Unit: million yen





Balance Sheet Overview

Unit: Million yen	End of September 2024	End of December 2024	Change (YoY)
Cash and deposits	2,597	2,417	-179
Other current assets	1,228	772	-455
Total current assets	3,825	3,190	-635
Total fixed assets	1,252	1,632	+380
Total assets	5,078	4,822	-255
Total liabilities	1,706	1,449	-256
Shareholder's Equity	3,354	3,400	+45
Other net assets	17	-26	-4
Net assets	3,371	3,373	+1
Total liabilities and net asset	5,078	4,822	-255
Equity ratio	66.4%	69.9%	+3.5% pts

Cash and cash equivalents decreased by 179 million yen due to bonus payments and accounts payable, etc.

Deposits: -499 million yen

*Deposits for the purchase of shares of Link and Motivation Inc. (transferred to investment securities)

Fixed assets: + 380 million yen

Due to the increase in investment securities

Allowance for bonuses: -168 million yen

Contract liabilities: -121 million yen

Arrears: -115 million yen

Retained earnings +44 million yen



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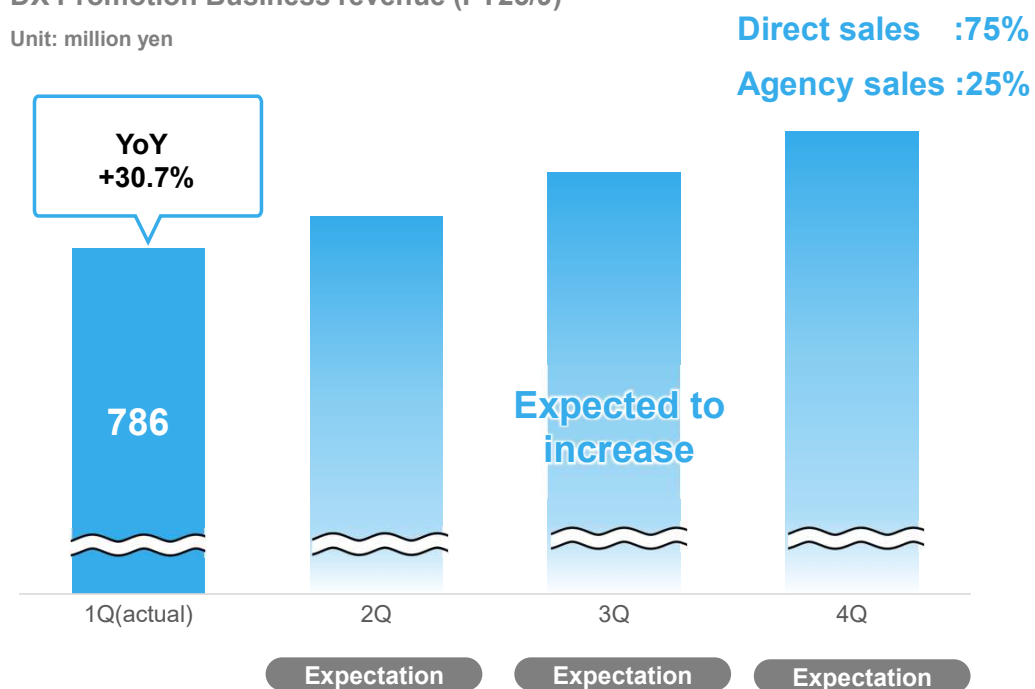


FY2025/9 Q1 | DX Promotion Business Performance and Main KPI

- Revenue increased by +30.7% YoY
- Continuous revenue increase is expected, due to the increase in the number of companies installing our system
- 1,585 companies have installed the RPA Robo-Pat DX as of December 31, 2024

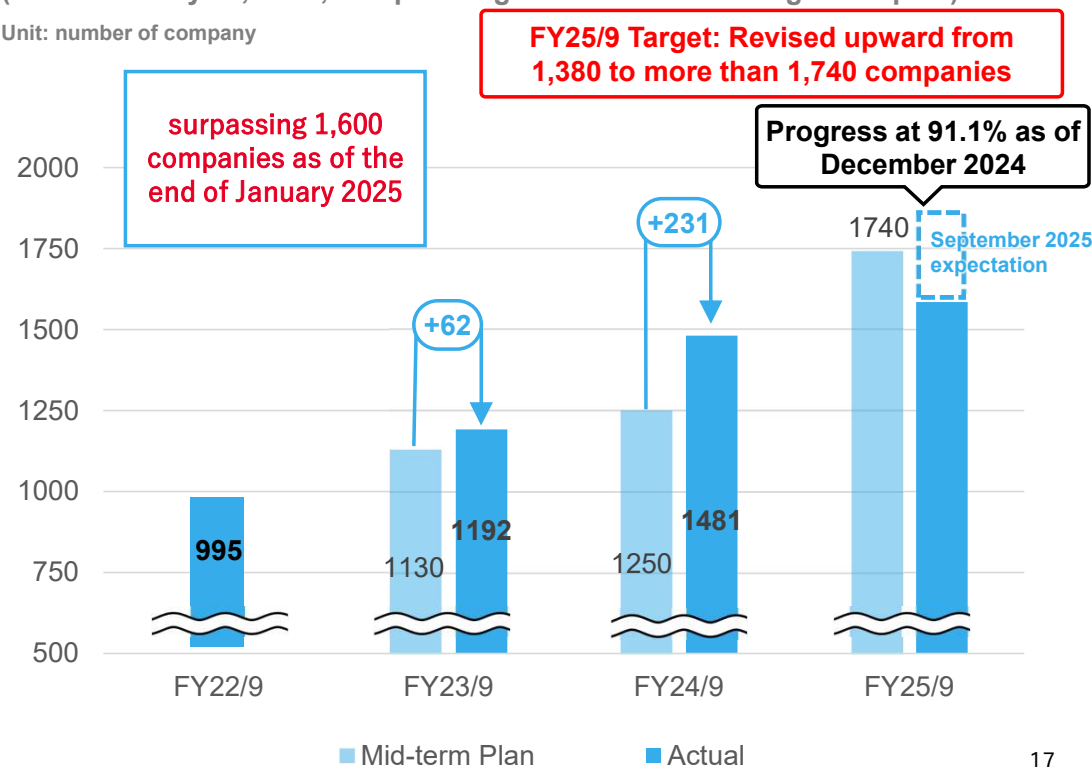
DX Promotion Business revenue (FY25/9)

Unit: million yen



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

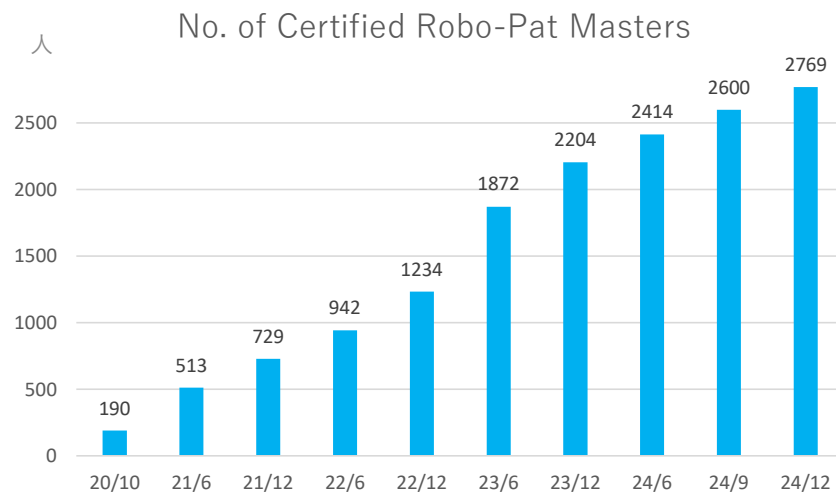
Unit: number of company





Establishment and DX Promotion Activities within Installed Companies

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



The number of certified Robo-Pat Masters promoting "DX" within the companies that have adopted the system has reached 2,700, and the system is now firmly established in these organizations!

Churn rate around **1%**



Top Management Seminar

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

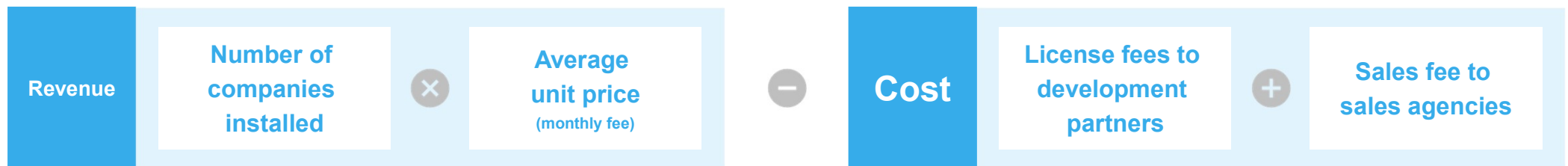
- Successfully converted 17,280 hours of work to RPA
- The point is not to save time, but to create time
- How to increase the number of people who want to be seriously involved in DX and how to accelerate the speed of DX promotion

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

RPA “Robo-Pat DX”

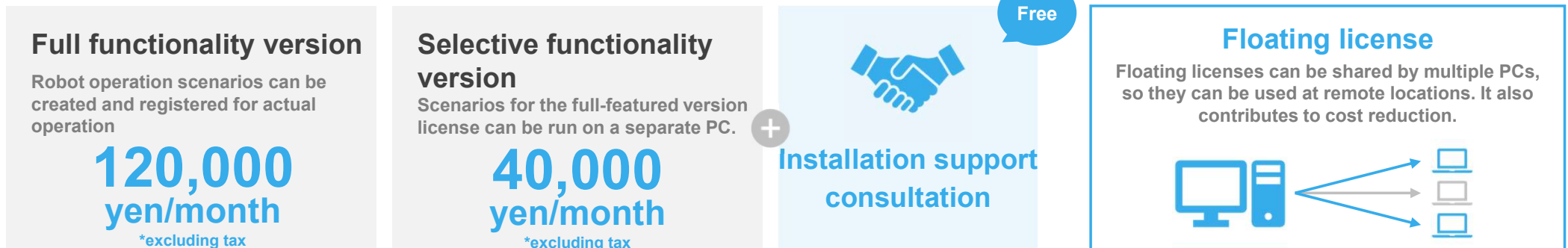
We will provide support for human resource development and organization building for RPA (Robotic Process Automation) and DX promotion

Profit structure of RPA Robo-Pat DX



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

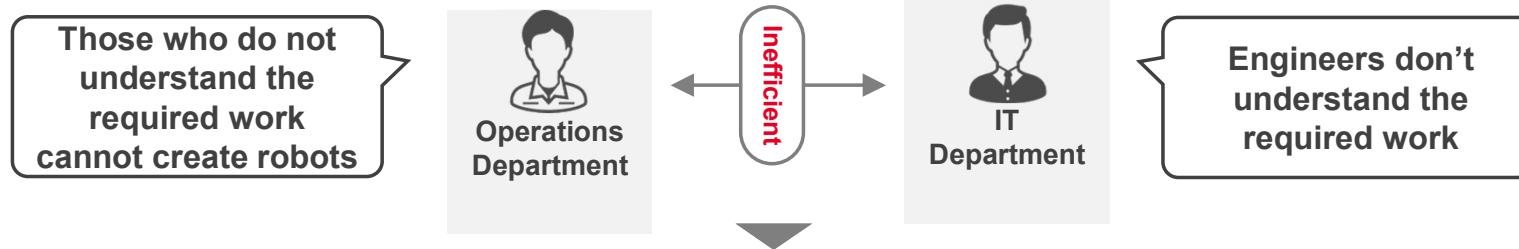
License types / fee structure



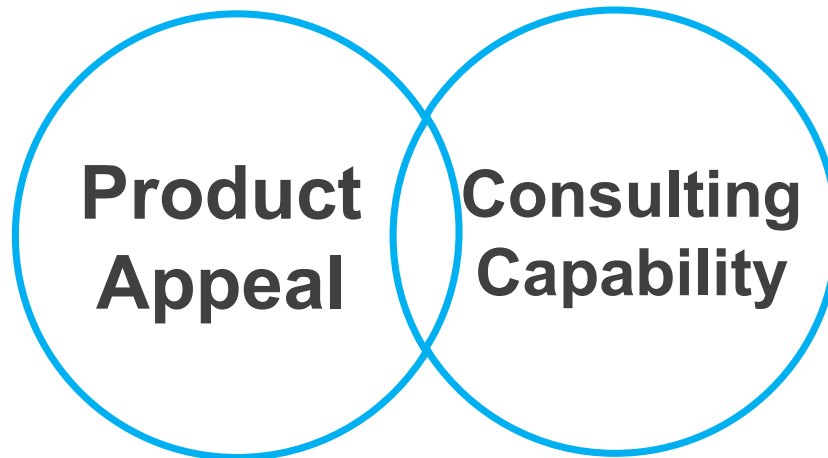
Characteristics of the RPA “Robo-Pat DX”

【Challenges of traditional RPA】

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



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



External Evaluation of RPA “Robo-Pat DX”



RPA
Robo-Pat DX

RPAロボパットDXが『最強ITツール』として

2023年 **第1位**
(約7,300 製品中)

2024年 **第2位**
(約10,000 製品中)

を獲得!

ITreview
Best Software
in Japan 2024

★ TOP 50 ★

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

ITreview Best Software in Japan 2024

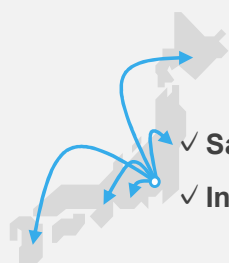
“Users' Choice Ranking of the 50 Most ‘Powerful IT Tools’”

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

(Review site “ITreview” / June 12, 2024)

Future DX Promotion Business Expansion Strategy

Sales channels are expanding, catering to a wide range of industries and company sizes



- ✓ Sales Partners
- ✓ Introductory Partners

Increase in number of companies installed

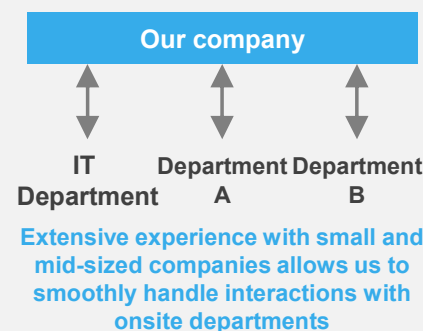
Expansion of recognition in regional areas
Strengthen/build sales structure

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Improvement of unit price

Scale out within customers' companies

Our approach

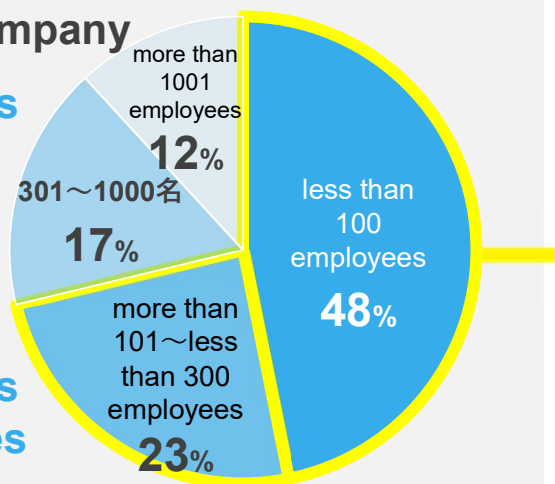


Percentage by size of company

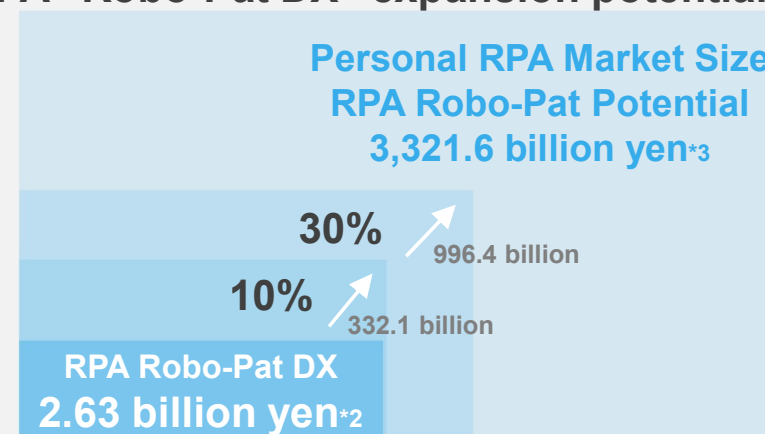
✓ Installed across various companies regardless of its size

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

✓ Installed across various businesses and industries



RPA "Robo-Pat DX" expansion potential *1



*1: Calculated by the Company according to below formula

*2: DX Promotion Business Net Sales of the Company for the fiscal year ending September 30, 2024

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



Progress of future DX Promotion Business expansion strategy

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



Partnerships



Shikoku Bank
(Regional Banks)



**Tax Accountant
Office**
(professional industry)



Creek & River
(DX Promotion
Consultation Window)



Kintone
(information and
communication industry)



Yamada Denki
(retail industry)



**Aomori Creation
Partners**
(regional banking)



WILLOF Work
(temporary employment
agency)

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



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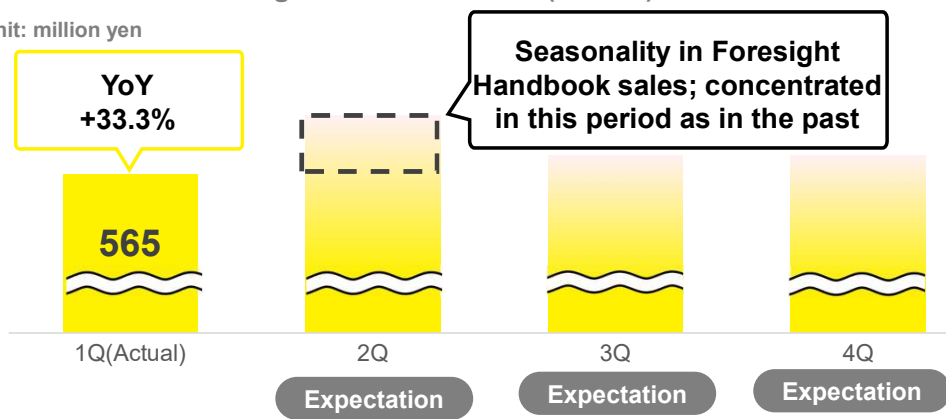


FY2025/9 Q1 | Education and Training Business Performance and Main KPI

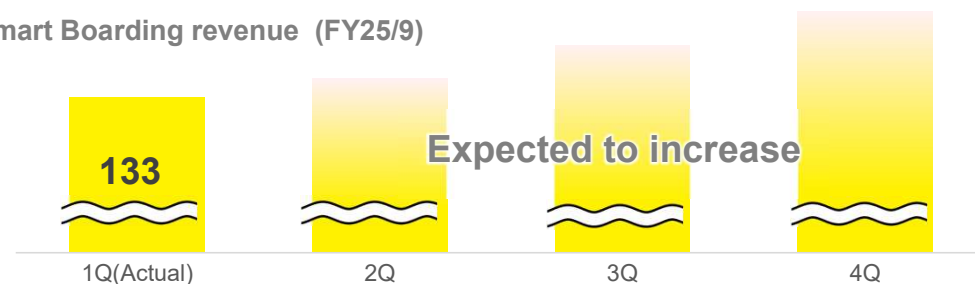
- Education and Training Business revenue increased by +33.3% YoY, mainly due to an increase in revenues from Smart Boarding
- Seasonality in Foresight Handbook for schools; revenue to build in Q2
- 1,210 companies have installed Smart Boarding as of December 31, 2024

Education and Training Business revenue (FY25/9)

Unit: million yen

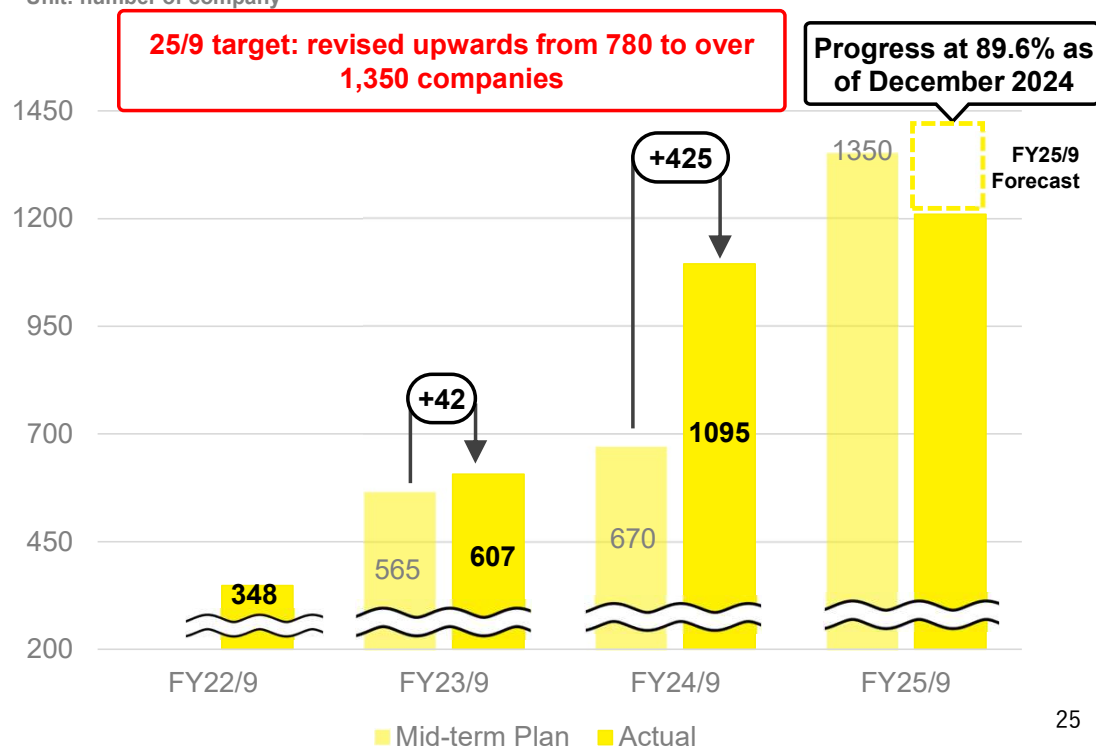


Smart Boarding revenue (FY25/9)



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

Unit: number of company



Training Business | Smart Boarding

Smart Boarding is a **HRxDX** software with **No.1** customer satisfaction that solve human resource development issues



All in one “employee training” for OJT, training, e-learning, etc.



Churn rate around **1%**

▶ BOXIL SaaS AWARD* Award history (excerpt)

- SaaS Award 2024 Winter e-Learning (System) Category Received the “**Good Service**” award
- SaaS Award 2023 Winter e-Learning (System) category Awarded the “**Good Service**” Award Awarded “**No.1 Customizability**”
- SaaS Award 2022 Autumn e-Learning category Awarded the “**Good Service**” Award
- SaaS Award 2021 Autumn Winner in the **Human Resource and Payroll category**

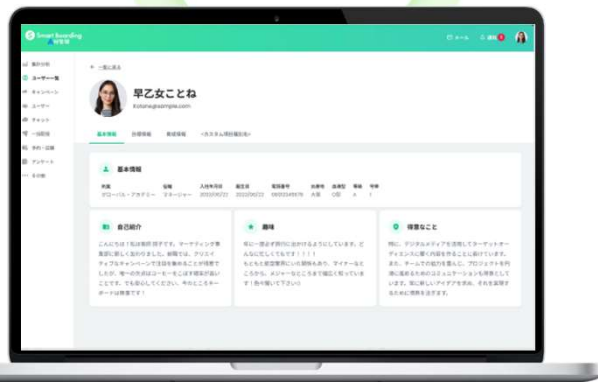
Note: The BOXIL SaaS AWARD is an event in which the SaaS comparison site "BOXIL SaaS" operated by Smart Camp Inc. awards the most highly regarded SaaS of the time.

Strengthening Product Appeal of Smart Boarding

In addition to the “Human Resource Development” function for employee training, we have newly released the “Human Resource Management” and “Human Resource Evaluation” functions to understand the current status of employees and to manage their goals.

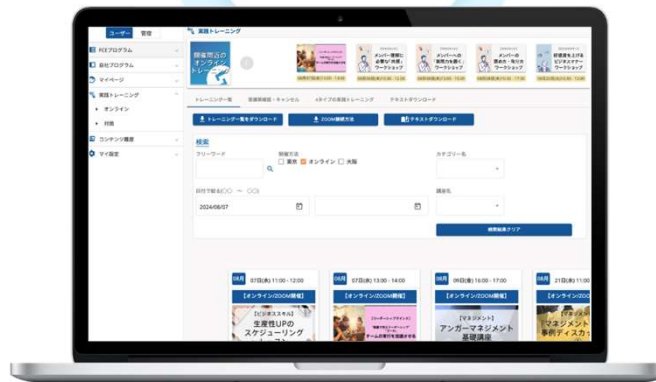
We are now able to provide a one-stop environment for human resources to grow.

 **Smart Boarding**
人材管理



Standardized Talent
Management

 **Smart Boarding**
人材育成



Customized Education
Program

 **Smart Boarding**
人材評価



Step by Step Evaluation
Function



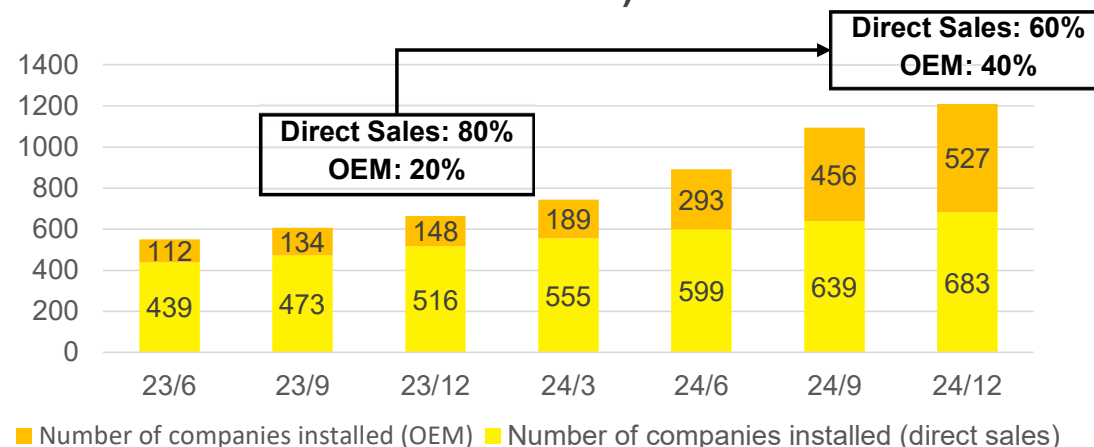
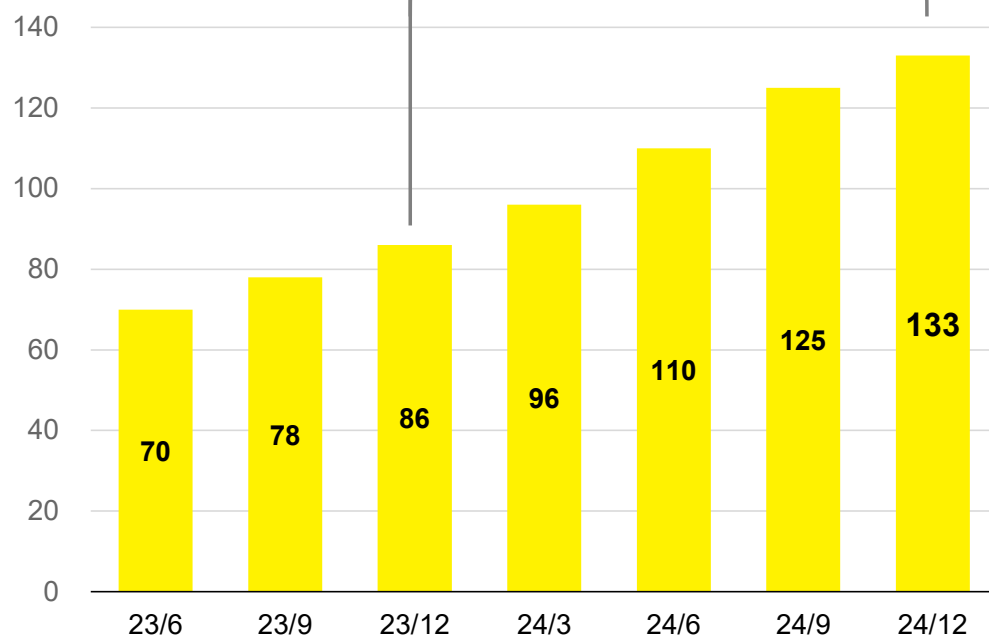
Trends in Revenue, number of companies implementing Smart Boarding, and ARPU(Direct Sales)

- Revenue increased 55.7% year-on-year
- Direct sales ARPU increased 12.7% from 49,000 yen (as of the end of December 2023) to 55,000 yen (as of the end of December 2024)

Smart Boarding Revenue (FY25/9)

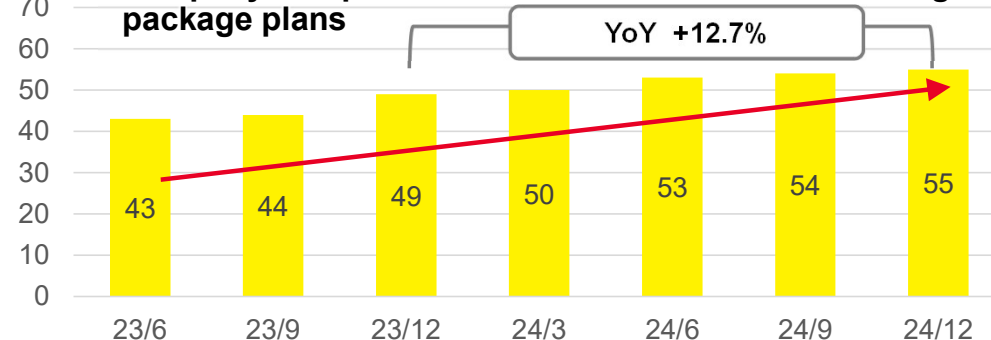
Unit: million yen

No. of
companies
installed



Unit:
thousand yen

ARPU increase due to increase in number of IDs within the company and price increase from the start of offering full package plans



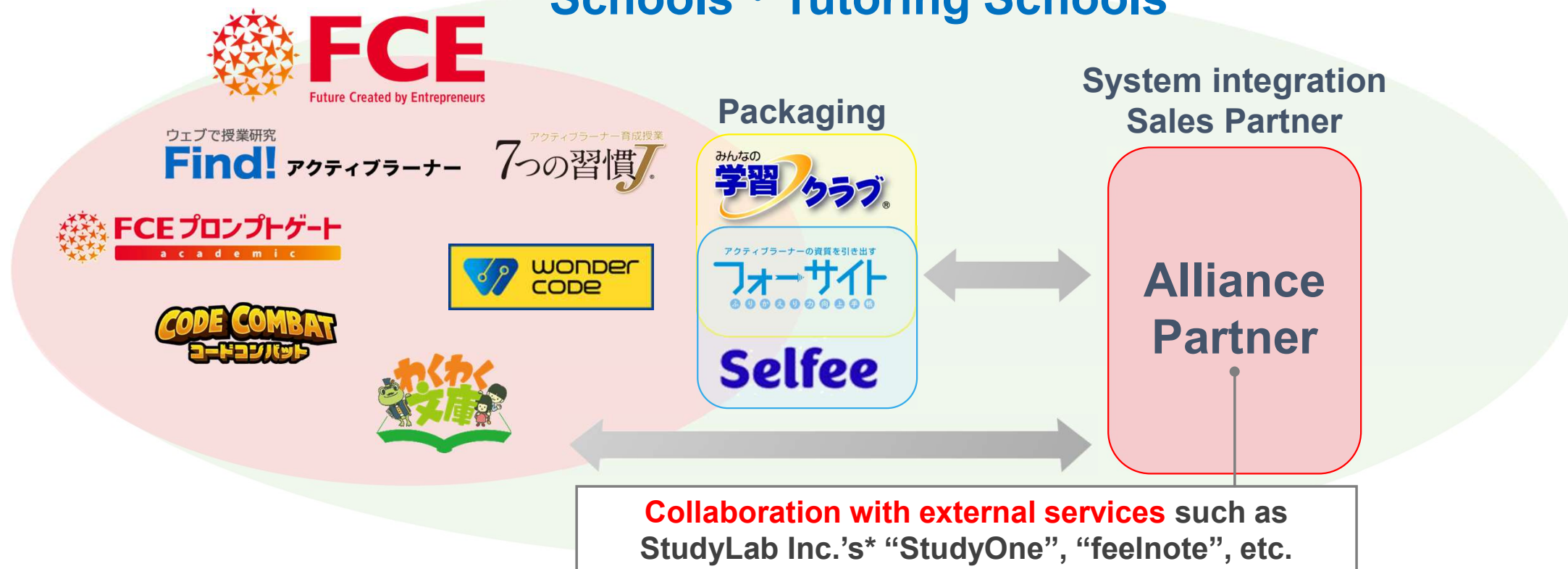
■ ARPU (direct sales) *quarterly average

Strategy for Expansion of the Education Business

We aim to create value by linking our products to systems to increase user convenience and learning effectiveness.

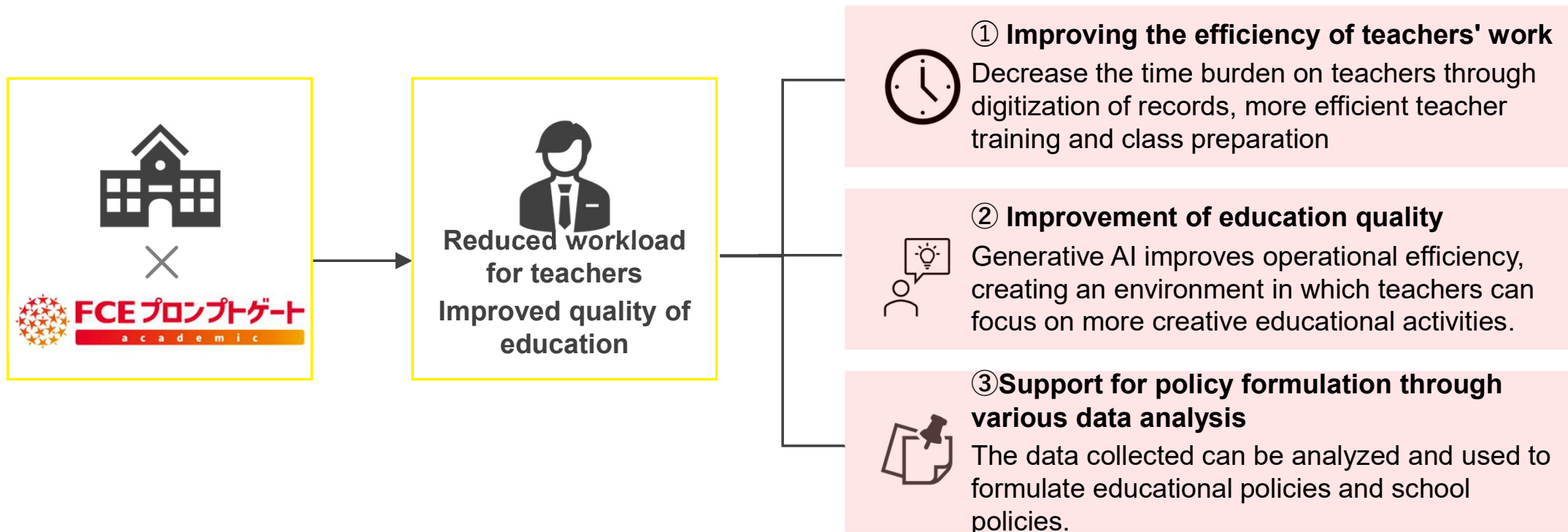
We will create a mutual sales cooperation system through collaboration with other companies to promote the spread of our products in the market.

Schools · Tutoring Schools



Gunma Prefectural Education Center and FCE launch demonstration project to improve teacher work efficiency

~ Using “FCE Prompt Gate Academic”, a platform for schools to utilize generative AI ~



Press release: <https://prtimes.jp/main/html/rd/p/000000288.000029370.html>



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FCE is an

Entrepreneur Firm

Each and every one of us will continue to be an entity that creates a world in which everyone can approach and solve challenges with all their might with an “entrepreneurial mindset”

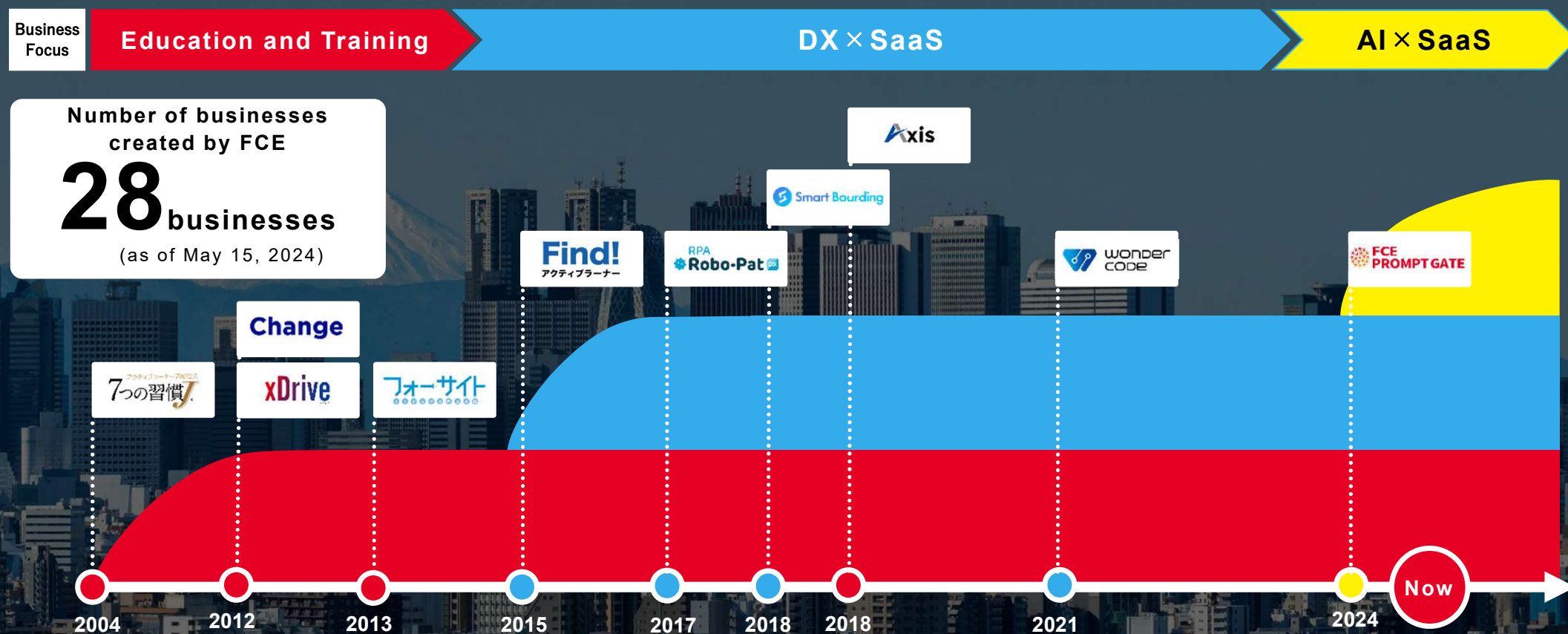
We aim to be “entrepreneurs”.
We do not want to “start” a business, but to have big “plans” to change society.
To achieve this, each of us is a “New Business Creator” who creates opportunities on their own. We will continue to believe in the potential of those involved and be prepared to be “Human Value Innovators” who provide opportunities.

Our History as an Entrepreneur Firm



FCE started out in the education and training business in 2004, adapting to changes in the business environment as times changed.

We have expanded our business by continuously launching new businesses.



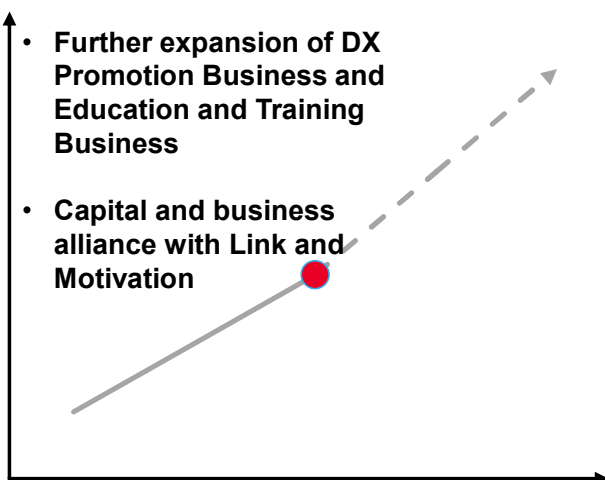


FCE's Business Policy

Existing businesses will gain further growth opportunities through a capital and business alliance with Link and Motivation*.

We aim to improve consolidated performance and achieve stable growth in profits through growth strategies and investments in each business.

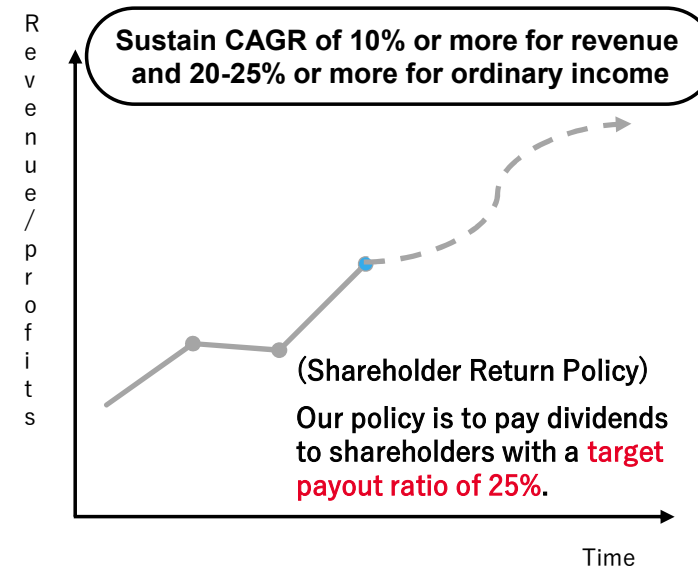
Existing Businesses



Growth Investments



Consolidated Performance



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

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



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

Revenue

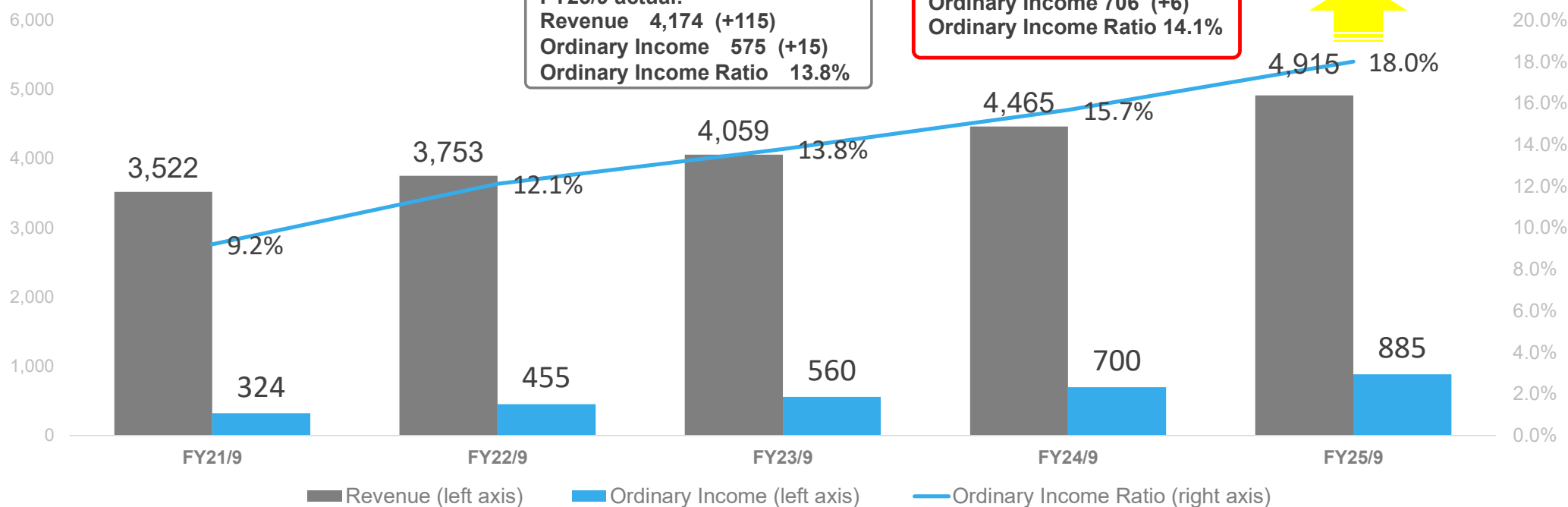
Achieve growth of 10% or more each fiscal year; projected to achieve more than 4.9 billion yen in FY25/9

Ordinary Income (Ratio)

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

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

単位：百万円





FY25/9 Forecasts (disclosed on November 23, 2024)

- Net sales are expected to be 5.75 billion yen, exceeding the mid-term management target and increasing YoY.
- While investing in mid- to long-term growth, we expect to continue to increase profits and improve profit margins.

Unit: million yen	FY24/9	FY24/9	FY25/9	
	Mid-term Management Plan	Actual	Forecast	YoY
Revenue	4,464	5,006	5,750	+743 (+14.9%)
Operating Income	702	721	900	+178 (+24.7%)
Ordinary Income	700	706	915	+208 (+29.4%)
Net Income Attributable to Owners of the Parent	450	502	630	+127 (+25.4%)
EBITDA*	-	781	971	+189 (+24.3%)
Net Income per Share (yen)	-	52.82	57.66	+4.84 (+9.2%)
Ordinary Income Ratio	15.7%	14.1%	15.9%	+1.8%pts

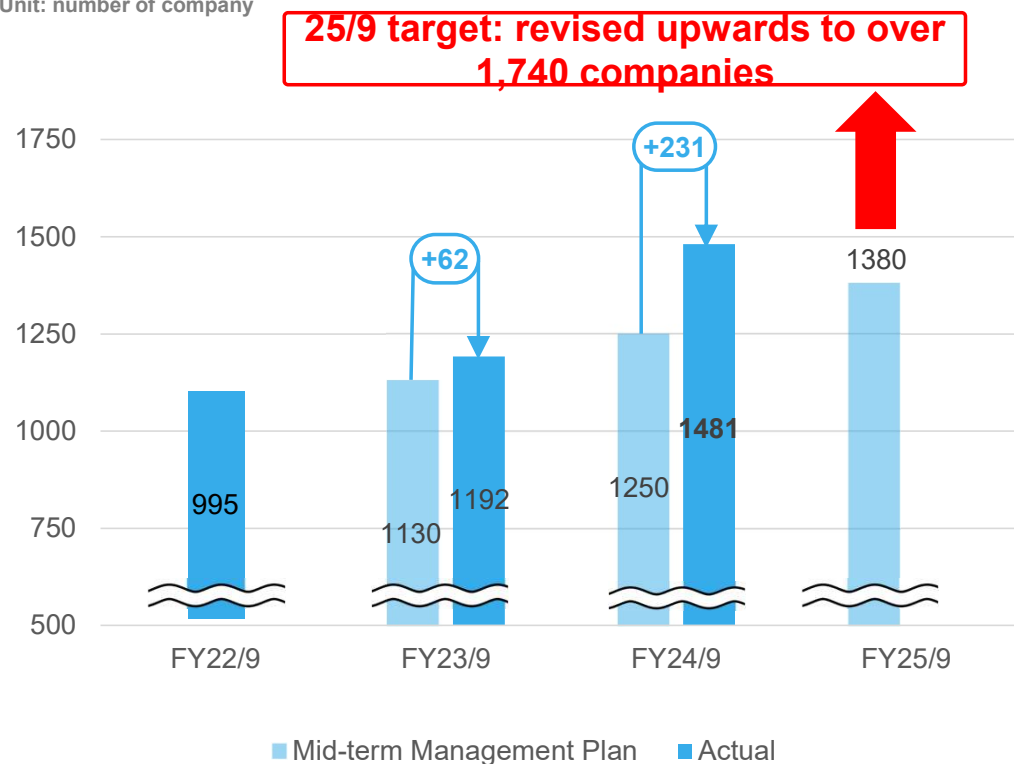


3 Year Plan: Progress of Key KPIs

Revised KPI targets upward as the number of Robo-Pat DX and Smart Boarding adopters has already reached the targets for FY25/9.

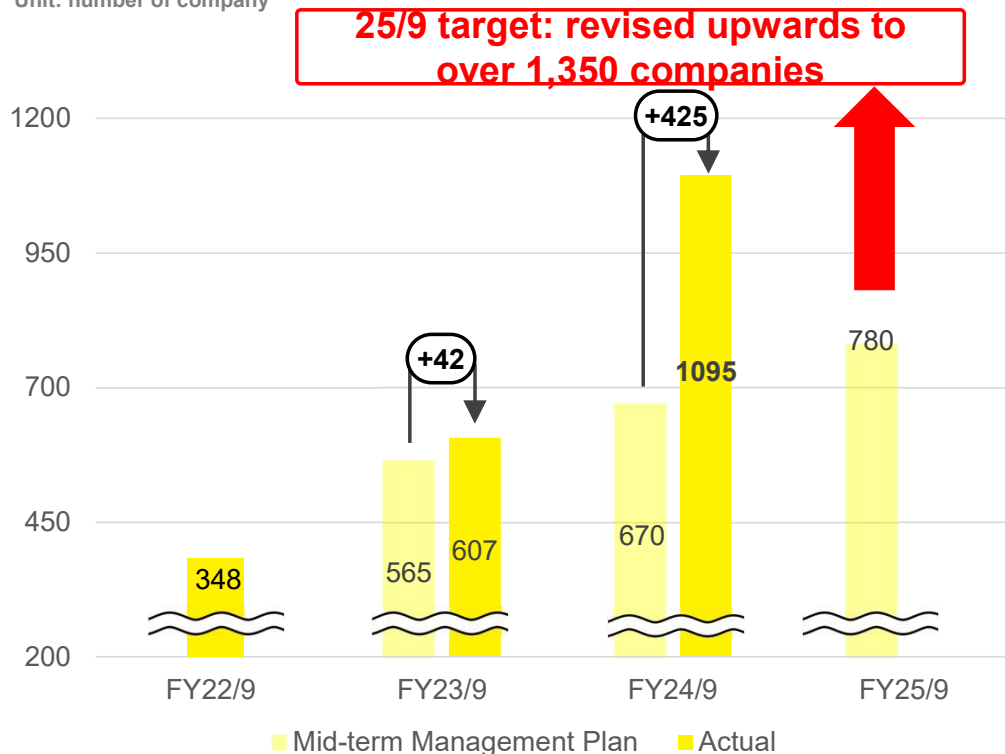
Number of companies installed RPA Robo-Pat DX
(disclosed on May 24, 2023; compared against mid-term management plan)

Unit: number of company



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

Unit: number of company



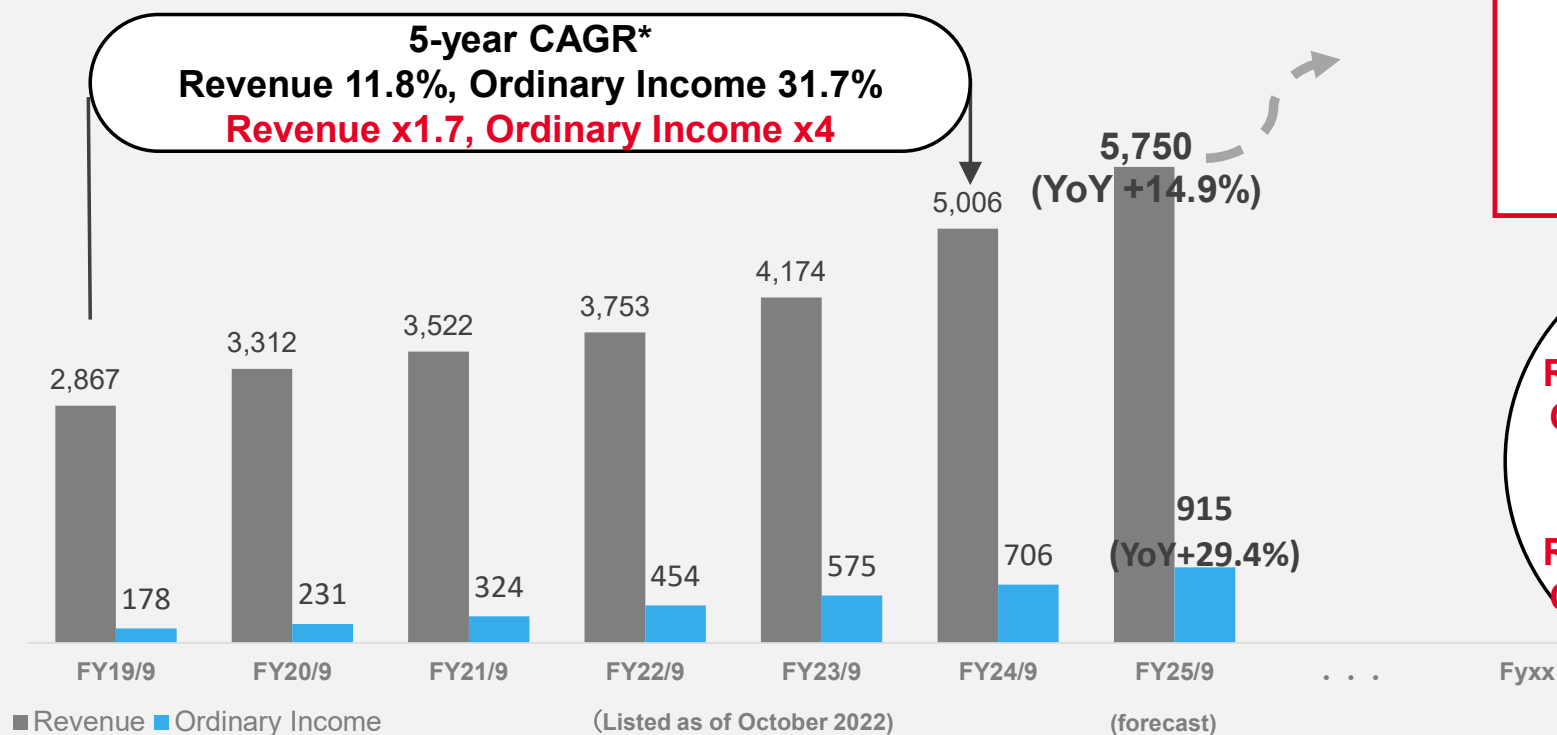


Future Policies (Financial Targets)

Continuous growth in both revenue and profit has been achieved every fiscal year.

We will continue to plan for growth while being conscious of the balance between new business initiatives and growth.

Unit: million yen (rounded down)



Revenue growth target:
CAGR over 10%

Profit growth target:
CAGR over 20% ~ 25%

***3 years from FY25/9:**
Revenue x1.5 (vs FY24/9)
Ordinary Income x2.2~2.5

***5 years from FY25/9**
Revenue x1.8 (vs FY24/9)
Ordinary Income x3.2~4.0

Future Policies (Shareholder Return)

The company paid its first dividend in the fiscal year ended September 30, 2024, **since becoming a listed company**.

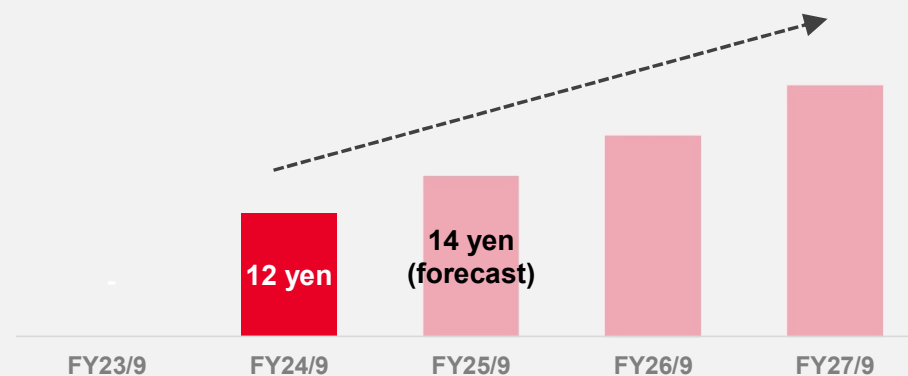
We plan to continue to return profits to shareholders through dividends, in line with stable profit growth.

	FY23/9	FY24/9	FY25/9 (forecast)
Dividend per share	No dividend	12.00 yen	14.00 yen
Net income per share	34.86 yen*	53.46 yen	57.66 yen

Note: The Company conducted a 3-for-1 stock split of common stock on April 1, 2024. Net income per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended September 30, 2023.

■ Dividend Policy

Our policy is to pay dividends to shareholders with the aim for a **dividend payout ratio of 25%**





Future Policies (HR)

Aggressive hiring policy for both new graduates and mid-career workers in line with business expansion (office expansion completed as of September 2024)

We have established an environment in which employees can grow through a number of training programs. We will continue to improve our human resource capabilities.

■ Hiring

- **20 new graduates** (graduating in March 2025)

With the establishment of an environment that allows young employees to play an active role, we have been hiring new employees centering on new graduates.

- **Mid-career hires**

Recruiting human resources in each business division due to business expansion

【Recruiting Divisions】

DX Promotion Business / FCE Prompt Gate Business / Human Resource Training Business / Education Business / Publishing Business / HR Division / Corporate Division



■ Development

Growth concept: “10 years of growth in 3 years”

Offers many development programs and environments

- Value Lecture Training
- New Business Creator Basic Course
- Consulting Sales Training
- Smart Boarding Course
- Productivity Improvement Campaign, etc.





IR information



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

ir@fce-hd.co.jp



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

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



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

https://x.com/fce_ir



Forward-Looking Statements

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

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

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

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