November 2024

FCE Inc.*

(TSE Standard:9564)

* Company name changed as of January 2024

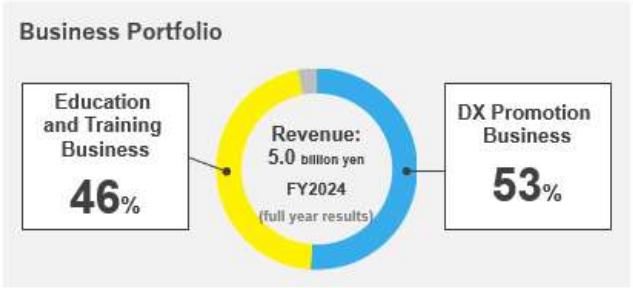
■Company Overview

Our company's purpose is **to create a world in which everyone can approach and solve challenges with all their might.**

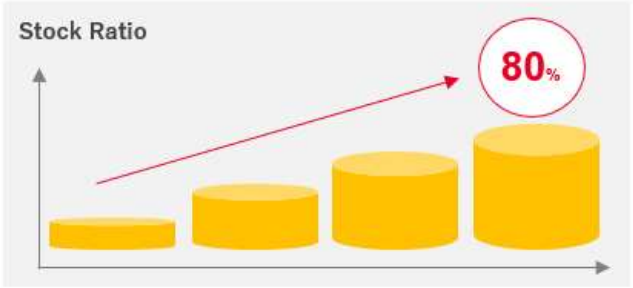
Our mission, to realize our purpose, is **contribute to maximizing human capital through "People" x "Tech"**

We will provide opportunities to maximize human capital through our **DX Promotion Business and Education and Training Businesses.**



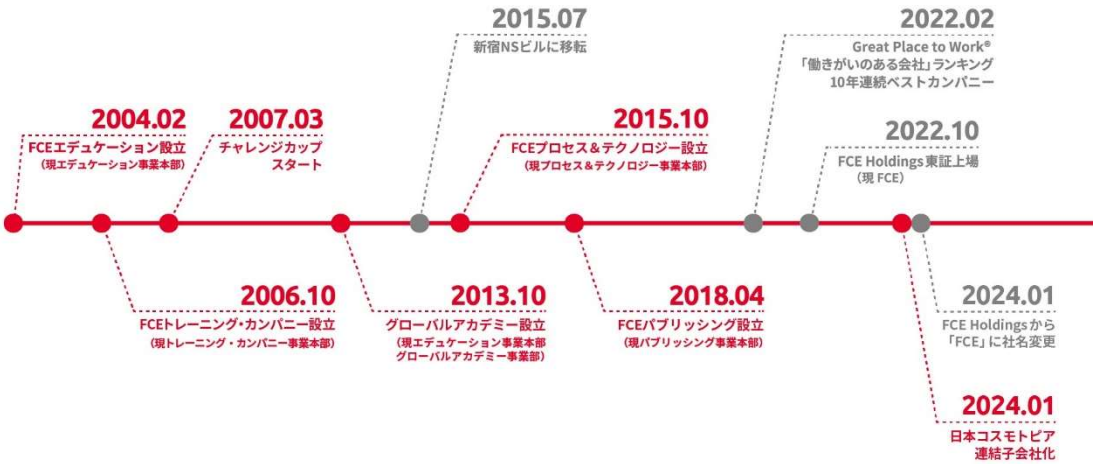






As of now, the percentage of sales for our DX Promotion Business exceeds 50% of our company sales. In addition, approximately 80% of overall sales are composed of recurring revenue streams, thereby increasing the stability of our operations.

■Company History



©2024 FCE Inc.

- February 2004: FCE Education established (current Education Business Division)
- October 2006: FCE Trading Company established (current Trading Company Business Division)
- March 2007: Start of the Challenge Cup
- October 2013: Global Academy established (current FCE Education's Global Academy Division)
- July 2015: Moved office to Shinjuku NS Building
- October 2015: FCE Process & Technology established (current Process & Technology Business Division)
- April 2018: FCE Publishing established (current Publishing Business Division)
- February 2022: Named Great Place to Work®'s "Best Company to Work" for ten consecutive years
- October 2022: FCE Holdings listed on Tokyo Stock Exchange (current FCE Inc.)
- January 2024: Company name changed to FCE Inc.
- January 2024: Made Cosmotopia Japan Inc. into a consolidated subsidiary.

Our company began with our Education Business in 2004 and has expanded into several businesses. In the process, we began to see an increase in requests from companies for training and consulting services to improve their productivity. We thought about how we could help increase productivity, not only through training and consulting, but also through technology, which is how we came across the RPA Business (the current DX Promotion Business). Thanks to current trends, the RPA Business, which is also a recurring sales business model, achieved rapid growth. Through the pandemic, our Education and Training Business is also transforming to a stock-type business like e-Learning.

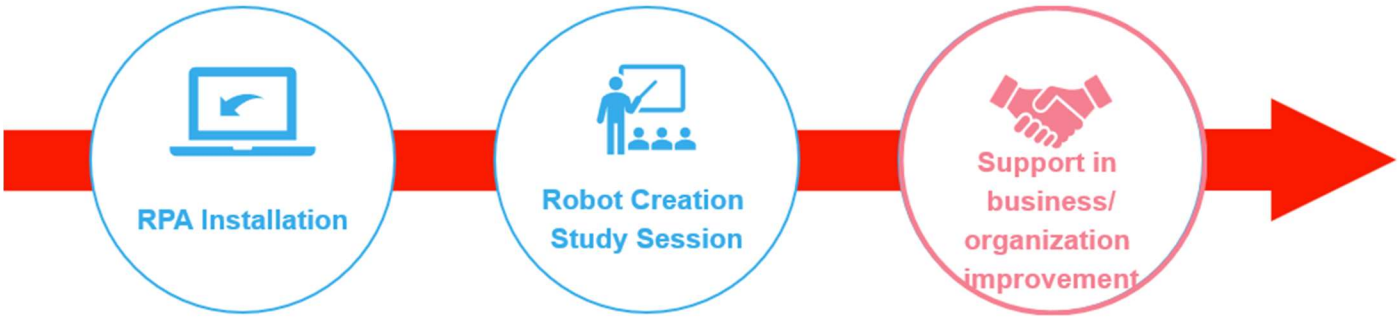
■Main Business

1. DX Promotion Business

We offer one-stop introduction, study sessions and business improvement consulting services for "RPA Robo-Pat DX," a domestically produced RPA software. The "RPA Robo-Pat DX" is a "personal RPA" that allows atomization of computer work without the need of programming knowledge. This is popular with small and medium-sized companies as well as large companies that are considering implementing the system on a departmental basis who otherwise see this implementation as a challenge. The current churn rate is maintained at a low rate of around 1%.

©2024 FCE Inc.

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



2. Education and Training Business

In our Education and Training Business, we offer lesson programs based on "The Seven Habits of Highly Efficient People J®" as well as sales of the "Foresight Handbook," a business handbook for junior high and high school students. Our "Foresight Handbook" has the top market share in the market for handbooks for junior high and high school students, and in line with the GIGA school concept, we developed an app, while also jointly developing educational DX with the Board of Education of Nomi City, Ishikawa Prefecture, etc. In our Training Business, we offer online training system "Smart Boarding" for employee training as well as training and consultation. The number of companies adopting "Smart Boarding" is steadily increasing due to the increase in market demand for e-learning as well as demand for reskilling.



Installed across approx.
350,000 people / 1,100 schools

The Foresight Handbook was developed to improve the ability to reflect and to cultivate the PDCA cycle by writing daily.
Started as paper media and achieved top share in the industry in FY23.
Released an app version from 2023; free trials are being offered to schools nationwide.



Platform for building an employee training system

An employee training platform that enables OJT, training, and e-learning through a single system.
Dedicated consultants also provide support for building an education system.

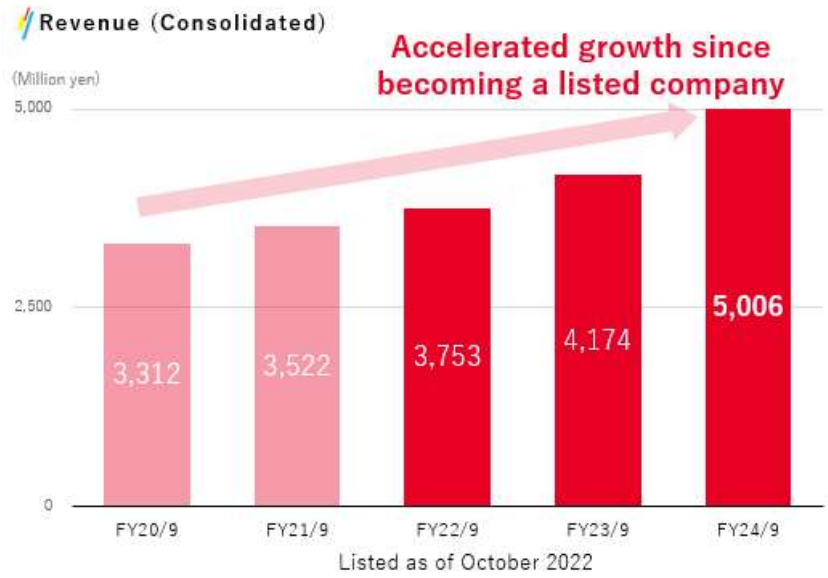
<Awards>

- Japan's HR Awards 2018: Professional Division, Human Resource Development and Training Category Grand Prize Winner
- BOXIL SaaS AWARD e-Learning (system) Category Good Service2023 Winter, 2023 Autumn, 2023 Summer, 2023 Spring
- BOXIL SaaS AWARD 2022 Overall Ranking Nominee in the Human Resources and Payroll category (6 Best Evaluation Awards)

©2024 FCE Inc.

■Highlights of FY24/9 Business Results

Continued steady growth in revenue and profit since becoming a listed company in October 2022

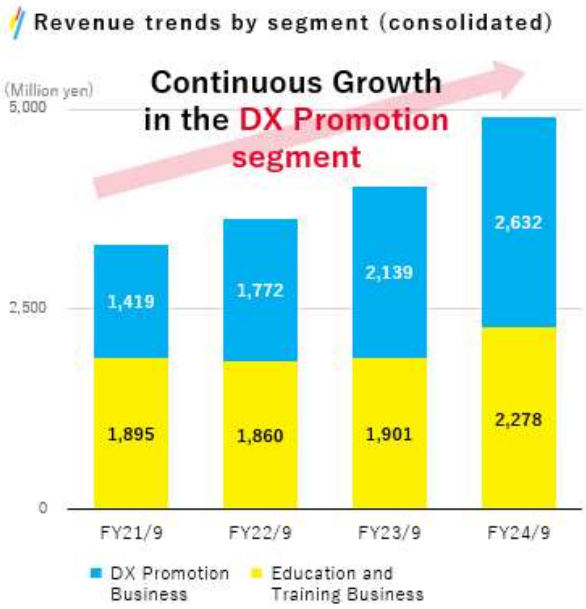


▶Revenue (FY24/9)
5,006 million yen
YoY +19.9%

▶Operating Income (FY24/9)
721 million yen
YoY +24.1%

▶Ordinary Income (FY24/9)
706 million yen
YoY +22.8%

The DX Promotion segment, which provides “Robo-Pat DX,” a DX support SaaS using RPA, and “Smart Boarding,” a DX SaaS for employee training, continues to show strong growth as the core of our revenue.



DX Promotion Business

▶Segment Revenue (FY24/9)
2,632 million yen
YoY +23.1%

▶Segment Revenue (FY24/9)
695 million yen
YoY +71.7%

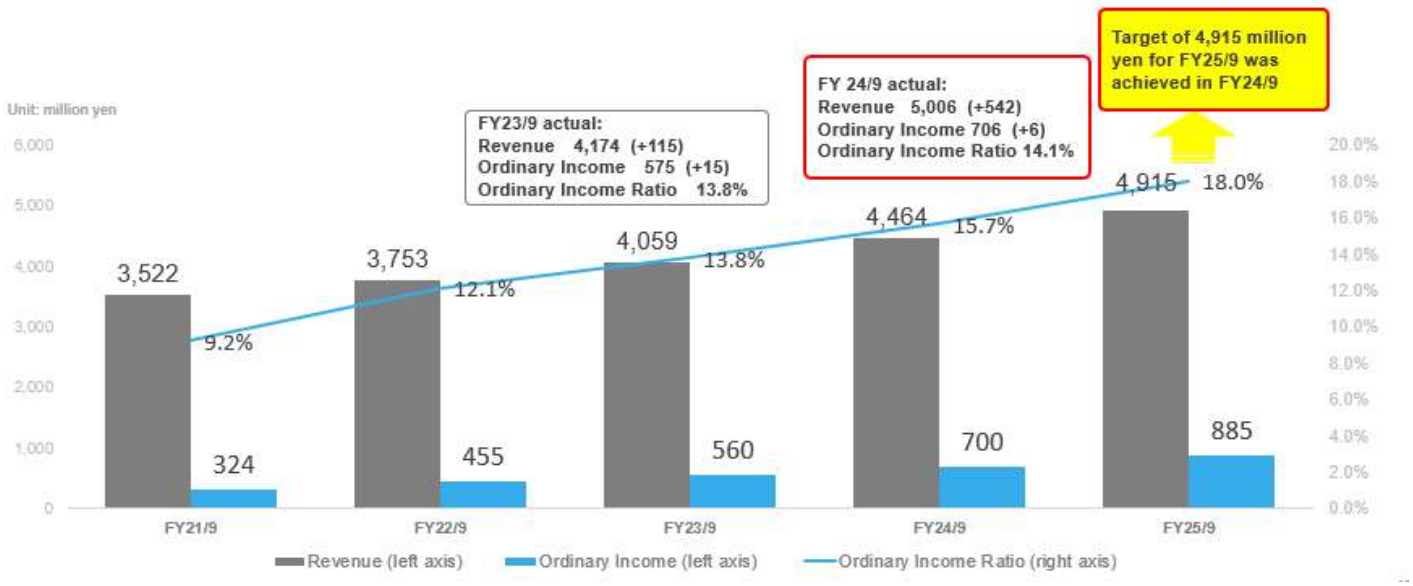
Education and Training Business

▶Segment Revenue (FY24/9)
2,278 million yen
YoY +19.8%

▶Segment Revenue (FY24/9)
297 million yen
YoY +60.9%

©2024 FCE Inc.

■ Revision of Mid-term Management Plan (FY23/9 ~ FY25/9) (disclosed on November 123, 2024)



In the fiscal year ending September 2024, we achieved our revenue target for the final year one year ahead of schedule.

In the fiscal year ending September 2025, the final year of the mid-term management plan, revenue and ordinary profit are expected to increase due to the continued strong performance of the SaaS-type businesses RPA Robo-Pat DX and Smart Boarding, the effect of making Japan Cosmotopia Inc. a consolidated subsidiary, which was not included in the mid-term management plan when it was announced, and the effect of the collaboration structure through the capital and business alliance with Link and Motivation disclosed on May 14, 2024. The forecasts for revenue and ordinary income have been revised to 5,750 million yen and 915 million yen, respectively.

In addition, the ordinary income margin was revised to 15.9%, as the initial plan was revised in light of the increased expenses related to strategic investments for the future.

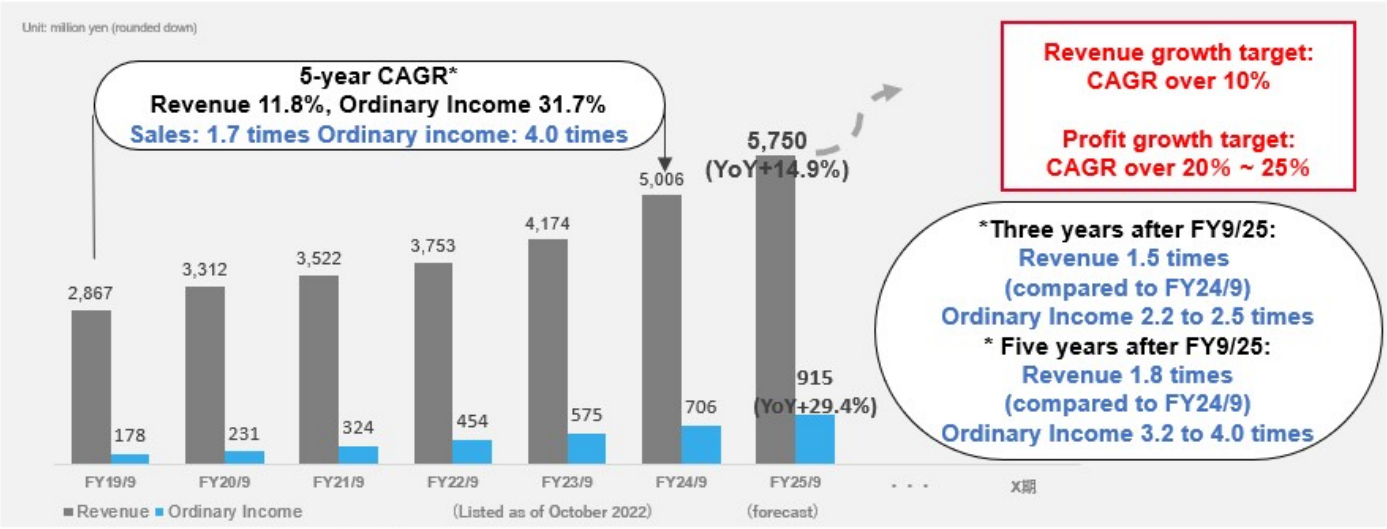
	FY23/9	FY24/9	**FY25/9 (final year)**	
	Actual	Actual	As of May 24, 2023	Revised plan
Revenue	4,174 million yen	5,006 million yen	4,915 million yen	**5,750 million yen**
Ordinary Income	575 million yen	706 million yen	885 million yen	**915 million yen**
Ordinary Income Ratio	13.8%	14.1%	18.0%	**15.9%**

For details, please refer to the following disclosure.

https://contents.xj-storage.jp/xcontents/AS05165/cada5769/3c96/421b/a9a3/55e6a9079b5c/140120241113521109.pdf

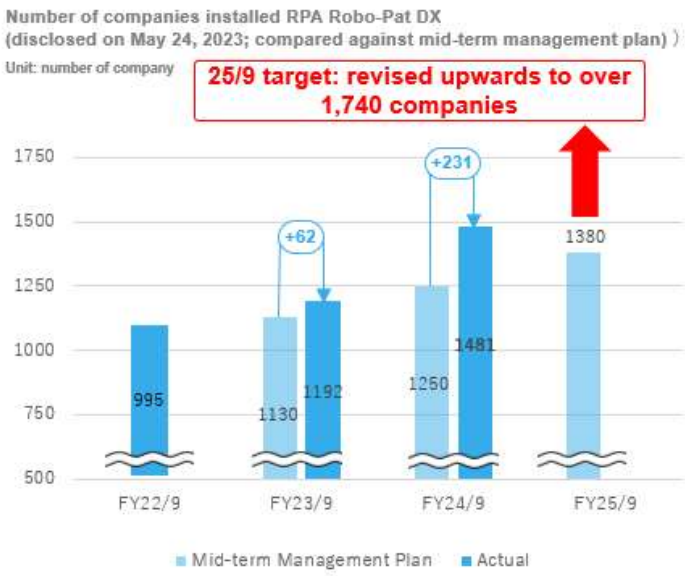
©2024 FCE Inc.

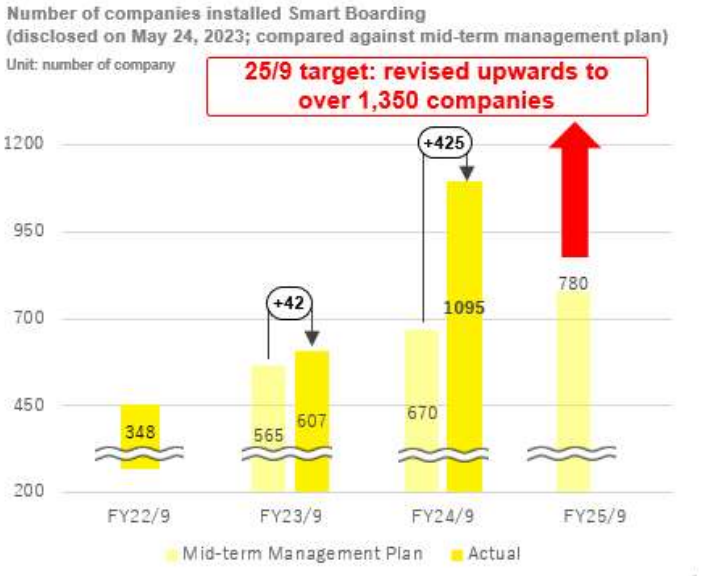
Continuous growth in both revenue and profit has been achieved every fiscal year.
We will continue to plan for growth while being conscious of the balance between new business initiatives and growth.



*CAGR： Compound Annual Growth Rate
*Revenue/Ordinary Income after 3 years/5 years: If Revenue and Ordinary Income grow by 10% and 20% to 25% from FY9/25 onward, the multiple compared to FY9/24

(Main KPI Status for DX Promotion Business and Education and Training Business)





©2024 FCE Inc.

■Shareholder Returns Policy

●Dividend Policy

While maintaining and improving our sound financial position, we aim to pay dividends to shareholders with **a dividend payout ratio of 25%**, taking into consideration such factors as profit levels, future capital investment, and free cash flow trends. Retained earnings will be used for investments to enhance corporate value and will be returned to shareholders through future business development.

●Dividend

The first dividend was paid in the fiscal year ended September 2024 after the company was listed on the stock exchange. 14 yen per share dividend (forecast) is to be paid in the fiscal year ending September 2025.

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

	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*	52.82 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 is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended September 30, 2023.

For details, please refer to the following disclosure.
https://contents.xj-storage.jp/xcontents/AS05165/05420576/c9ea/4fbe/b829/e9bc157645e6/140120240513592891.pdf

FCE GROUP
FCE Inc. IR website
https://fce-hd.co.jp/ir/
FCE Inc. Official X (Twitter)
https://x.com/fce_ir

©2024 FCE Inc.