

Development of DX Promotion Business and Education and Training Business

Investment Rating (Jan.6)

FCE (9564/Tokyo Stock Exchange Standard)**Maintain "Overweight"**

Stock Price	Unit of Investment	Market Cap	52-Week High	52-Week Low	P/E Ratio (Est.)
¥719 (Jan.6)	100 shares	¥15.84billion (Jan.6)	¥957 (Aug. 19, 2025)	¥440 (Apr.7, 2025)	18.9 x (Jan.6)

Accelerating Revenue Growth by Expanding Stock Foundation

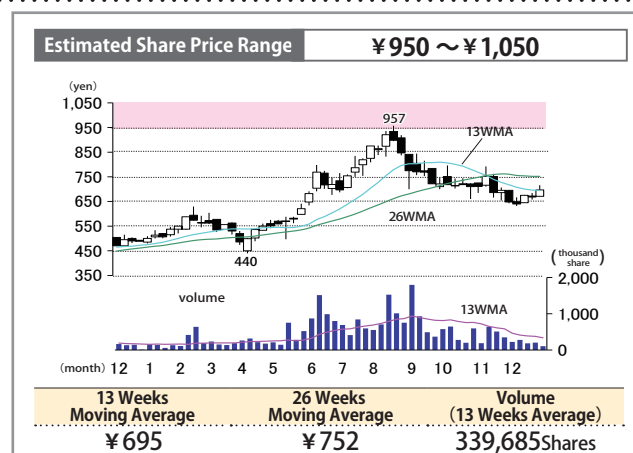
■ The adoption of our flagship service, "RPA Robo-Pat DX," continues to grow

For the fiscal year ending September 2025 (October 2024 to September 2025), consolidated results showed revenue of ¥6,099 million (+21.8% YoY) and operating profit of ¥912 million (+26.4% YoY). As of the end of September, the number of companies adopting the company's services was 1,834 for its flagship "RPA Robo-Pat DX" (+23.8% YoY) and 807 for "Smart Boarding" (direct sales only) (+17.3% YoY). By segment, the DX Promotion Business recorded revenue of ¥3,426 million (+29.9% YoY) and segment profit of ¥884 million (+42.5% YoY). The Education and Training Business recorded sales of ¥2,593 million (+13.2% YoY) and segment profit of ¥149 million (-28.7% YoY).

The IT needs of small and medium-sized enterprises (SMEs), the company's primary customers, remain strong, driving continued expansion in the adoption of its flagship RPA solution, Robo-Pat DX. The net increase in the number of companies adopting the solution on a quarterly basis was 104 in Q1 (October-December 2024), 43 in Q2 (January-March 2025), 103 in Q3 (April-June 2025), and 103 in Q4 (July-September 2025), maintaining a pace of roughly 100 new companies per quarter. Demand for the company's SaaS-based service, which is affordable and backed by robust post-implementation support, remains strong. The churn rate has stayed low, steadily building a solid customer base. Key performance indicators (KPIs) ARPU and MRR showed steady growth from Q1 to Q4: ARPU was ¥163,000 → ¥165,000 → ¥167,000 → ¥166,000, while MRR was ¥259 million → ¥274 million → ¥288 million → ¥306 million. Meanwhile, for Smart Boarding, since OEM partners have various needs and usage patterns, including time-limited use, the company is strengthening its direct sales efforts. The net increase in the number of companies adopting the service through direct sales was 44 → 33 → 19 → 23 from Q1 to Q4. Due to the strengthened direct sales, ARPU in the second half increased by approximately 9% YoY.

■ Entering the AI Agent Business

The consolidated earnings forecast for the fiscal year ending September 2026 projects revenue of ¥6,800 million (+11.5% YoY) and operating profit of ¥1,130 million (+23.9%YoY). The DX Promotion Business will continue capturing corporate demand for productivity enhancement, focusing on acquiring new client companies and expanding usage among existing clients (division sales are projected to increase by ¥550 million YoY). The Education and Training Business aims to increase revenue by leveraging its customer base, particularly in the training segment where demand is strengthening, while seeking synergies between Smart Boarding and training services (primarily talent



development-related) (expected to increase by ¥150 million). Regarding the new AI Agent Business launched through collaboration with the Genie Group, revenue is not reflected in the earnings forecast. Only expenses (approximately ¥100 million), including personnel costs and advertising expenses, are factored in. This business receives technology support from JAPAN AI Inc. (Shinjuku-ku, Tokyo), a Genie Group company handling AI operations. Leveraging consulting expertise accumulated in existing businesses, the company aims to capture this growth market. A dedicated department has been established, launching the next-generation platform "AI OMNI AGENT." The AI OMNI AGENT embodies the concept of an "AI employee" capable of performing the human processes of "understanding," "judgment," and "execution." It acquires tasks required across a wide range of departments, from sales to HR and accounting. Over 100 types of AI agents are pre-installed as standard, and users can also create their own agents using no-code functionality requiring no specialized knowledge, as needed.

■ FUNDINNO shares are also worth watching

The number of companies adopting the flagship RPA solution Robo-Pat DX is steadily increasing, solidly expanding the stock base. The stable revenue generated from this base enables a structure that continues profit growth without curbing investment in talent recruitment, development, or new business ventures. Beyond RPA for automating administrative tasks, the company is also capturing demand for AI—which is rapidly being implemented across society—through alliances. The potential market size for SME-focused RPA remains substantial. Beyond the fiscal year ending September 2026, the number of companies adopting RPA Robo-Pat DX is projected to grow at a net pace of around 100

Financial Results (as of Jan.6)

		Sales Revenue (Yen Mil)	YoY (%)	Operating Profit (Yen Mil)	YoY (%)	Income Before Income Taxes (Yen Mil)	YoY (%)	Net Profit (Yen Mil)	YoY (%)	EPS (Yen)
2024-9	Past Results	5,006	19.9	721	24.1	706	22.8	502	57.5	26.4
2025-9	Past Results	6,099	21.8	912	26.4	925	30.9	662	31.9	30.2
2026-9	Company est.	6,800	11.5	1,130	23.9	1,160	25.4	840	26.9	38.1
	WA est.	6,800	11.5	1,130	23.9	1,160	25.4	840	26.9	38.1
2027-9	WA est.	7,500	10.3	1,320	16.8	1,320	13.8	960	14.3	43.5

※ A stock split will be implemented on April 1, 2025 at a ratio of 2 shares for each common share.

companies per quarter. Furthermore, the Education and Training Business is seeing strong demand for training services using products like “The 7 Habits of Highly Effective People,” which support employee autonomy and self-direction. This, combined with the online employee onboarding tool Smart Boarding, is expected to boost overall revenue. Regarding shareholder returns, the dividend for the fiscal year ending September 2026 is projected at 10 yen (up from 7.5 yen in the previous period). Furthermore, the company holds 100,000 shares of FUNDINNO (462A, TSE Growth), which newly listed on December 5, 2025 (book value per share approx. 210 yen). Attention is focused on how these shares will be utilized, including their potential sale. Wealth Advisor (WA) has calculated a target share price range of ¥950 to ¥1,050 (previously ¥830 to ¥890) based on the company's mid- to long-term growth potential. Considering the deviation from the current market price, the investment rating remains “Overweight”. The projected share price was derived by applying a multiple of approximately 24 times to WA's projected earnings per share (EPS) for the fiscal year ending September 2027, based on the average price-to-earnings ratio (PER) over the past three months (using the fiscal year ending September 2025 EPS as the base).

(Souta Suzuki)

■ Company Overview

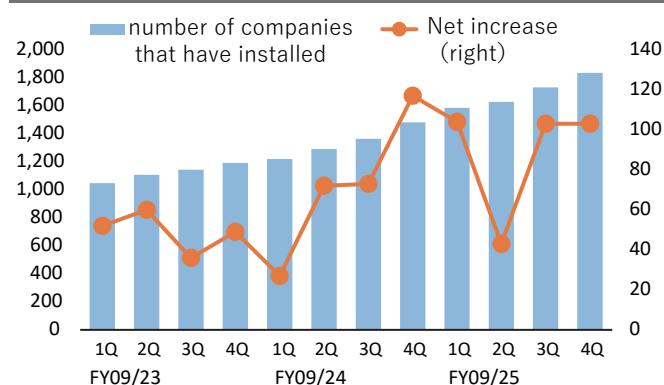
The company operates in their two columns: the DX Promotion Business and the Education and Training Business. In the DX (Digital Transformation) Promotion Business, the company develops and offers RPA products and provides support for DX. The main product, “RPA Robo-Pat DX,” is a subscription-type RPA (Robotic Process Automation) tool that automates intellectual work such as clerical work using PCs. It is easy to use, and its customers are not limited to clerical workers, but also include manufacturers, retailers including e-commerce, and even professional services such as tax accountants. The company's customers range in size from small companies with two employees to large corporations with tens of thousands of employees. The company provides a one-stop consulting service, including operational support, without requiring customers to bear additional costs after implementation.

In the Education and Training Business, the company is focusing on “Smart Boarding,” an integrated human resource development platform service. In addition, the company provides programs, training and consulting, and support for teachers, schools, and tutoring schools as a human resource development consulting service, and also offers self-coaching programs. In their other segment, the company publishes business books such as “The Complete Translation of the Seven Habits”. In January 2024, the company acquired Japan Cosmotopia, a well-established company in the educational ICT field. In August 2024, the company formed a capital and business alliance with management consulting firm LINK&M, and in September 2024 completed a third-party allocation of new shares to LINK&M, making it an equity method affiliate of the company.

■ Business Environment and Outlook

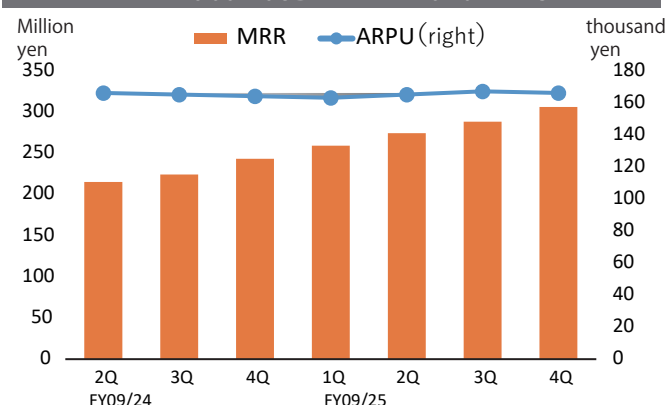
The size of the RPA market, to which the DX Promotion Business is related, is expected to continue to grow at a high rate of 20-30% per year. On the other hand, the rate of RPA adoption among SMEs, the company's main customer base,

The number of companies that have installed “RPA Robo-Pat DX”



Source: Wealth Advisor creating

“RPA Robo-Pat DX” MRR and ARPU



Source: Wealth Advisor creating

is still limited, leaving significant room for expansion. In the Education and Training Business, the impact of COVID has eased, and demand is rising in the e-learning market. While there are concerns about the impact of the declining birthrate and the aging population, the importance of active learning education for the purpose of improving the quality of learning, etc. is expected to increase.

Risk Factors

Sales of “Foresight” handbooks for students tend to be biased toward the second quarter (January-March) and the beginning of the third quarter (April-June), as sales are usually concentrated from the beginning of each year. If the number of students continues to decline due to the falling birthrate and aging population, the overall market may shrink.

Shareholder Return (as of Jan.6)

■ Dividends

		Dividend Per Share		
		First half	Second half	Annual
2024-9	Past Results	¥0	¥12.0	¥12.0
2025-9	Past Results	¥0	¥7.5	¥7.5
2026-9	Company est.	¥0	¥10.0	¥10.0

※ A stock split will be implemented on April 1, 2025 at a ratio of 2 shares for every 1 common share.

■ Shareholder Special Benefits

End of September: Shareholders who hold 100 shares or more will receive a QUO card worth 1,000 yen (actual results as of the end of September 2024)

Competitor Comparison (Bold red figures indicate superiority to competitors) (as of Jan.6)

		FCE (9564:TSE Standard)	Open Group (6572:TSE Prime)	Shikigaku (7049:TSE Growth)
Basic Point	Stock Price	¥719	¥310	¥998
	Unit of Investment	100 shares	100 shares	100 shares
	Minimum Investment Amount	¥71,900	¥31,000	¥99,800
	Fiscal Year End	September	February	February
Share Price Indicator	P/E Ratio (est.)	18.9x	36.3x	12.2x
	PBR	4.2x	1.6x	3.4x
	Dividend Yield (E)	1.4%	1.5%	0.0%
Growth	Revenue Growth Rate (E)	11.5%	17.7%	32.2%
	Operating Profit Growth Rate (E)	23.9%	47.0%	return to profitability
	EPS Growth Rate (E)	19.5%	19.6%	return to profitability
Profitability	Operating Margin (E)	16.6%	11.3%	13.4%
	ROE	18.5%	3.7%	18.2%
	ROA (Ordinary income/Total assets)	17.1%	1.2%	7.5%
Financial Stability	Equity Ratio	66.3%	60.0%	50.2%
	Debt-to-Equity (D/E) Ratio	7.0%	35.7%	10.0%
	Current Ratio	239.7%	260.6%	308.3%

The comparison companies selected were Open Group (6572, TSE Prime), a leading RPA industry company, and Shikigaku (7049, TSE Growth), a leading organization consulting firm.

※ A stock split will be implemented on April 1, 2025 at a ratio of 2 shares for each common share.

■Growth potential

For the fiscal year ending September 2026, the company forecasts continued double-digit sales growth at 11.5%. Operating profit growth is projected to be 23.9%. The flagship service “RPA Robo-Pat DX” is showing steady growth, driving an increase in the proportion of recurring revenue. Additionally, “Smart Boarding” has shifted to a direct sales-focused strategy, leading to rising average revenue per customer. The company has also newly entered the AI Agent Business, which is expected to contribute to performance over the medium to long term.

■Profitability

The company's plan for the operating profit margin in the fiscal year ending September 2026 is 16.6%, an improvement from the previous period's 15.0%. Profit margins are improving alongside the accumulation of revenue from the SaaS-based business models “RPA Robo-Pat DX” and “Smart Boarding”. ROE for the fiscal year ending September 2025 was 18.5%.

■Financial Stability

The equity ratio for the fiscal year ending September 2025 was 66.3%, indicating a solid capital base. In addition to serving as a source of investment funds, shareholder returns include a dividend forecast of ¥10 per share for the fiscal year ending September 2026 (compared to the previous year's actual dividend of ¥7.50).

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How to Read Wealth Advisor Equity Research Report

Our Uniqueness

(1) Emphasize Its Position as an Independent Evaluation Organization

Wealth Advisor emphasizes its position as an independent evaluation organization and is committed to providing objective comparison and assessment in the Wealth Advisor Equity Research Report. For all stocks covered by us, we determine investment decisions, estimated share price range and earnings forecasts based on expertise of an individual analyst as well as the stock assessment committee consisting of several analysts.

(2) Universe of Covered Stocks

The stock assessment committee selects covered stocks based on the following criteria.

[Stock Selection Criteria]

- Domestic emerging companies that are rarely covered by analysts
- Stocks that are popular among retail investors (refer to data from online security brokers)
- Size of market capitalization (over about 5 billion yen)
- Exclude stocks which are liquidated or trade control, or stocks with going concern and excessive debt

(3) Investment Decisions Classified into Three Groups

We determine investment decisions for covered stocks after consultation with the stock assessment committee based on research, interview and analysis by each Wealth Advisor analyst.

Each stock is classified into either of three groups according to the following criteria.

Overweight

: Forecasted to go beyond the current stock price level by 15% or more in the next 6 months.

Neutral

: Forecasted to fall into the range of -15% ~+15% of the current stock price level in the next 6 months.

Underweight

: Forecasted to go below the current stock price level by 15% or more in the next 6 months.

We flexibly respond to any changes of observations regarding earnings forecasts, financial situations and stock price trends, and change investment decisions accordingly. "Under Review" status may be applied if any new information comes out and extra time is needed to determine investment decisions. Also we don't change investment decisions during trading hours. "Suspension" status may be applied when an analyst leaves our company.

(4) Estimated Share Price Range in the Medium Term

It shows the price range for a stock price in the next 6 months. We determine upper and lower range of stock price based on fair value estimates from share price indicator, technical factors such as chart points, most recent high and low prices, trend line and moving average, trading volume in each price range and such.

Analysis Points

■ Analyst Comment

Each analyst reports and evaluates the most recent earnings trend and business environment. It shows the most important information for stock investment such as evidence for investment decisions, perspectives on earnings forecasts and business prospects. Also to make sure it is easy to comprehend, we write in 2-4 paragraphs and use bold to emphasize important texts.

■ Revenue and Earnings Trend

It reports earnings in past two fiscal years, company forecasts and our forecasts for the current and next fiscal year. We predict earnings based on research as well as past quarterly earnings trend and analysis by segments.

■ Company Overview

It explains in detail what businesses the company is engaged in and how revenue sources are defined. Also on the basis of our research, it discusses what businesses the company will focus on in years to come and how it carries out mid-term business plan.

■ Business Environment and Outlook

It discusses current circumstances and growth potential of the industry to which the company belongs. A comprehensive report on the industry from different perspectives is provided through research interviews to competitors. Specific figures of the industry data are also introduced.

■ Risk factors

It shows the company's risk factors and describes various aspects of risks such as business, earnings and financials. Typical stock market risks are also taken into consideration.