

Development of DX Promotion Business and Education and Training Business

Investment Rating (Jun.22)

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.)
¥462 (Jun.22)	100 shares	¥10.20billion (Jun.22)	¥746 (Jan.8, 2026)	¥424 (Jun.4, 2026)	11.3 x (Jun.22)

Continued momentum of increased adoption of “Robo-Pat AI”

■ A robust stock base

For the first half of the fiscal year ending September 30, 2026, consolidated results showed revenue of 3,434 million yen (+14.0% YoY) and operating income of 742 million yen (+14.4% YoY). The growth rate of operating profit slowed from 22.3% in the first half of the fiscal year ended September 30, 2025 because the company is working to standardize expenses such as recruitment and investments in new businesses, which previously tended to be concentrated in the fourth quarter (July–September).

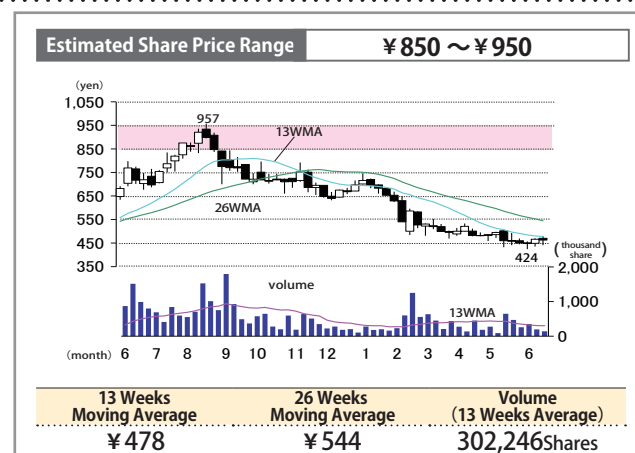
The profit growth rate for the second half (YoY) is expected to expand to 53.3%, and for the full fiscal year ending September 30, 2026, the company plans to achieve revenue of 6,800 million yen (+11.5% YoY) and operating income of 1,130 million yen (+23.9% YoY). Demand for IT solutions among small and medium-sized enterprises—the primary customers of the DX Promotion Business—remains strong. As of the end of March 2026, the number of companies using the flagship “Robo-Pat AI” service reached 2,055 (+26.2% YoY) (the company announced on June 4 that the number of companies using the service had surpassed 2,100). By division, first-half results for the DX Promotion Business were revenue of 2,027 million yen (+25.3% YoY) and segment profit of 505 million yen (+12.8% YoY), while the Education and Training Business reported revenue of 1,357 million yen (+0.4% YoY) and segment profit of 153 million yen (-6.8% YoY).

The net increase in the number of companies adopting “Robo-Pat AI” on a quarterly basis remained strong from the third quarter of the fiscal year ended September 30, 2025 (April–June 2025) to the second quarter of the fiscal year ending September 30, 2026 (January–March 2026), moving from 103 → 103 → 101 → 120. The KPIs ARPU and MRR for the same period were 167,000 yen → 166,000 yen → 167,000 yen → 167,000 yen and 288 million yen → 306 million yen → 324 million yen → 344 million yen, respectively. The increase in MRR reflects the steady expansion of the customer base. Meanwhile, sales for “Smart Boarding,” which shifted to direct sales in the Education and Training Business, were 156 million yen in the second quarter of the fiscal year ending September 30, 2026 (+12.2% YoY).

■ Accelerating the shift to AI with an eye on medium- to long-term growth

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■ Accelerating the shift to AI with an eye on medium- to long-term growth

The number of companies adopting the company’s flagship Robo-Pat AI has exceeded 100 per quarter and continues to grow, steadily expanding its stock base. The stable revenue generated from this base has created a cycle of sustained profit growth

Financial Results (as of Jun.22)

		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	865	30.5	39.2
	WA est.	6,850	12.3	1,180	29.4	1,180	27.6	880	32.9	40.1
2027-9	WA est.	7,670	12.0	1,420	20.3	1,420	20.3	1,060	20.5	45.7

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

without compromising on recruitment, employee development, or investment in new business ventures. Even as the wave of AI adoption surges, the RPA market for small and medium-sized enterprises continues to expand steadily, and its potential market size remains substantial. Furthermore, while the company is currently implementing AI in the short term to enhance the functionality of its existing services, it recognizes the potential for industry-wide structural changes in the medium to long term. Consequently, it has shifted its focus toward transformation by expanding investments in talent and development and forming alliances with leading companies. Taking these initiatives into account, Wealth Advisor (WA) believes the company will maintain continuous earnings growth even as concerns about the threat of AI to SaaS companies intensify. We also expect the company to meet the listing requirements for the Tokyo Stock Exchange Prime Market by the fiscal year ending September 30, 2027. Given the decline in valuations across the software sector due to concerns about the threat of AI, as well as the plateauing of the Education and Training Business, we have adjusted our target price range to 850–950 yen (previously 900–1,000 yen). However, given the current discount to market price, we maintain our “Overweight” rating. The target price was calculated by applying a P/E ratio of 20 to 22—close to the lower end of the average P/E ratio for the software sector—to Wealth Advisor’s earnings per share forecast for the fiscal year ending September 30, 2027. (Souta Suzuki)

■ Company Overview

The company operates in their two columns: the Digital Transformation (DX) Promotion Business and the Education and Training Business. In the DX Promotion Business, the company develops and offers Robotic Process Automation (RPA) products and provides support for DX. In addition, the company is currently focusing on integrating RPA and AI, and has rebranded its flagship SaaS product, “RPA Robo-Pat DX,” as “Robo-Pat AI.” The company’s client base extends beyond office workers to include manufacturing facilities, the retail sector (including e-commerce), and professionals such as tax accountants. Furthermore, the service is used by businesses of all sizes, ranging from micro-enterprises with just two employees to large corporations with tens of thousands of employees. The company provides a one-stop solution that includes consulting services, such as operational support, without requiring customers to incur additional costs after implementation.

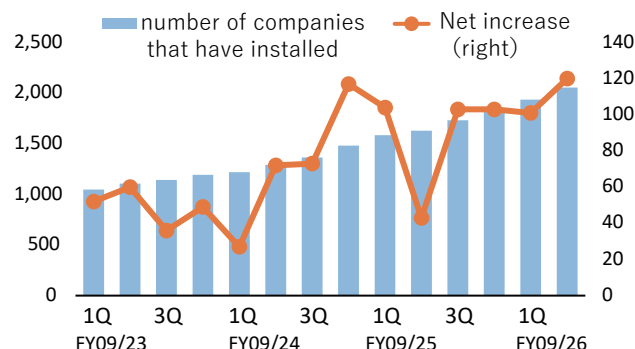
In the Education and Training Business segment, the company is focusing on “Smart Boarding,” an integrated human resource development platform service. In addition, the company provides programs, training and consulting, and support for teachers, schools, and tutoring schools as a human resource development consulting service. 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

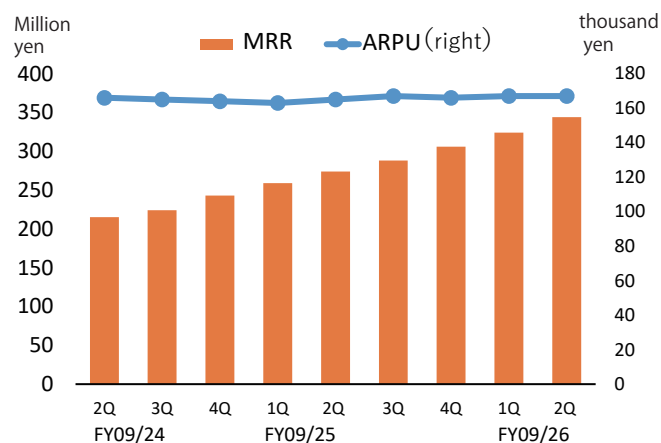
The size of the RPA market, to which the DX Promotion Business is related, is expected to continue to grow at a high rate of 20–30% per year. On the other hand, the rate of RPA adoption among small- and medium-sized enterprises (SMEs), the company’s main customer base, is still limited, leaving significant room for expansion. Furthermore, despite the rise of AI, demand for RPA continues to be

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

strong due to its ability to automate specific business processes at a low cost. In the Education and Training Business, the e-learning market, which expanded rapidly during the COVID, may have entered a mature stage. On the other hand, the importance of active learning education aimed at improving learning quality 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 Jun.22)

■ 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

Shareholders holding 100 or more shares as of the end of September will receive a QUO Card worth 1,000 yen (as recorded in 2025)

Competitor Comparison (Bold red figures indicate superiority to competitors) (as of Jun.22)

		FCE (9564:TSE Standard)	Open Group (6572:TSE Prime)	Shikigaku (7049:TSE Growth)
Basic Point	Stock Price	¥462	¥201	¥827
	Unit of Investment	100 shares	100 shares	100 shares
	Minimum Investment Amount	¥46, 200	¥20, 100	¥82, 700
	Fiscal Year End	September	February	February
Share Price Indicator	P/E Ratio (est.)	11.8x	17.2x	—
	PBR	2.7x	1.1x	2.5x
	Dividend Yield (E)	2.2%	3.2%	0.0%
Growth	Revenue Growth Rate (E)	11.5%	20.3%	—
	Operating Profit Growth Rate (E)	23.9%	9.6%	—
	EPS Growth Rate (E)	30.5%	5.4%	—
	Operating Margin (E)	16.6%	11.2%	—
Profitability	ROE	18.5%	5.7%	11.3%
	ROA (Ordinary income/Total assets)	17.1%	4.8%	10.2%
Financial Stability	Equity Ratio	66.3%	542.0%	56.8%
	Debt-to-Equity (D/E) Ratio	7.0%	41.4%	2.9%
	Current Ratio	239.7%	218.5%	360.4%

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. Shikigaku has not disclosed its earnings forecast for the current fiscal year ending in February.

■Growth potential

For the fiscal year ending September 30, 2026, the company forecasts double-digit revenue growth of 11.5%. Operating profit is expected to grow by 23.9%. The number of installations of the flagship service, “Robo-Pat AI,” is growing steadily, leading to an expansion in the proportion of recurring revenue. Additionally, “Smart Boarding” has shifted to a strategy focused on direct sales to increase average revenue per customer. The company has also entered the AI agent business, which is expected to contribute to earnings over the mid-to long-term.

■Profitability

The company’s target operating margin for the fiscal year ending September 30, 2026, is 16.6%, representing an improvement from the previous year’s 15.0%. Profit margins are improving as revenue from the SaaS-based business models “Robo-Pat AI” and “Smart Boarding” continues to grow. ROE for the fiscal year ended September 30, 2025, was 18.5%.

■Financial Stability

The equity ratio for the fiscal year ended September 30, 2025, was 66.3%, indicating a solid capital base. In addition to using this capital as a source of investment funds, the company has set its dividend forecast for the fiscal year ending September 30, 2026, at 10 yen (compared to 7.5 yen in the previous fiscal year).

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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.