

Q&A Session Summary for Financial Results Briefing for FY24

Date & Time: November 6, 2025 (Thursday) 15: 30-16:30 (JST)

Speaker: Takayuki Funahashi (Representative Director, President and Chief Executive Officer),
Shigeo Fujimoto (Director, Executive Officer (Chief Financial Officer)),
Shin Kebukawa (Executive Officer)

The following is a summary of the main questions and answers at the financial results briefing. Some parts of the contents have been added or modified for better understanding.

All responses were made by CEO Funahashi in Japanese.

Q1: What are the factors behind the decline in the number of online attendees in Open Seminars?

A1: The first reason we can think of is the rise of Generative AI. Last year, the introduction to Generative AI was favorable, but this year it was a little sluggish. We needed to propose not only the use of Generative AI, but also the use of operations in terms of the broader concept. We believe there are a number of other internal factors, and as countermeasures to these, in this fiscal year, we will increase the lineup of online training and propose trainings combined with On-Site Training to expand the range of sales acquisition.

Q2: In IT Services, while Leaf customization sales are declining, recurring sales are strong. Do you expect to increase sales by raising the unit price of recurring charges in the future?

A2: We think it is possible to increase the unit price by adding value, rather than simply increasing the price. For example, in the future, functions as a platform for utilizing Generative AI will be added to Leaf, and an upselling strategy will be possible, which includes customization with enhancing Leaf functionality. We are considering the development not only of engineers but also of consultants.

Q3: The prospect of customization projects in IT Services are tough. Does its prospect make you think that you will enhance recurring?

A3: We will increase both Leaf customization and recurring. We also plan to release “Leaf AI Personnel Evaluation Support System”, which is described on page 22 of the financial results briefing materials. In addition, Leaf database is highly regarded as a single-tenant security-proof. This year, we would be more energetic than last year to ensure that we get successful results.

Q4: It is mentioned on page 28 of the financial results briefing materials, you are planning to invest 13.2 billion yen aggressively, but what is the breakdown? Please also let us know if there are any specific details relating to the M&A.

A4: Of the 13.2 billion yen respondents, 8 billion yen or so will be invested in human resources, and the remaining 5 billion yen or so invested in M&A. While we have been considering a range of possibilities for M&A partners; for example, consulting companies and those that provide educational services for essential workers.

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