

## Financial Results Briefing Q&A Session Summary

Date & Time: November 11, 2024 (Monday) 15:00-16:00 (JST)

Speakers: Takayuki Funahashi (Representative Director, President and Chief Executive Officer),  
Shigeo Fujimoto (Director, 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: Please tell us about your future prospects now that you have changed your sales structure to five Profit Centers.**

A1: We have changed from one sales to five, and we are trying out various strategies in each sales department. We have been operating under the new structure since October, and the atmosphere has changed, with increased business activities and more sales visits, making things livelier. In addition, the functions of middle managers have been strengthened in each department, making it easier for sales representatives to do their jobs.

**Q2: The progress of October's monthly KPIs was positive, but is there another factor at play other than the organizational change?**

Q2: There is no doubt that the new leaders worked hard. Results for 1Q last year were a little weak, so that's also why the results look better this quarter. However, the proposals we have been making to both the public sector and local governments, as well as to the private sector, are starting to bear fruit, and we are working very actively.

**Q3: How do you feel about the increase in seminar classrooms for Open Seminars?**

A3: At present, we are receiving more and more applications for trainings to be held in our seminar classrooms. In addition, when we analyzed the market, we found that we were not attracting many people from areas far from the seminar classrooms. For this reason, we expect to be able to attract even more attendees from the Shinjuku and Shibuya areas by opening the first large-scale seminar classroom in the Shinjuku area. We will also be opening a classroom in Yurakucho, which is easily accessible from the Kasumigaseki and Chiyoda areas. The number of training conducted for executives is also increasing, so I think we can expect a good turnout.

**Q4: Regarding the IT Services Business "Leaf", I think that there has been an increase in the number of organizations introducing LMS as a result of the COVID-19 pandemic. And, there has also been some replacement, but do you have any prospects for expanding the number of organizations introducing it?**

A4: Leaf has become a top brand. Currently, inquiries from major companies, including requests for replacement, are increasing. In addition, Leaf is becoming the first choice for more and more public sector and local governments.

**Q5: Regarding Other Businesses, the target for this term is 18.9% growth, which is stronger than in previous years, but what areas will you be focusing on?**

A5: Firstly, the video/ e-Learning business is steadily growing, partly due to the increased recognition of the business. The consulting and assessment business is also becoming more well-known. We believe it will continue to grow in the future, too.

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