

# Asahi Net, Inc.

## Financial Results for the Fiscal Year Ended March 2024 and Financial Forecasts for the Fiscal Year Ending March 31, 2025



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I am Hijikata, the President of Asahi Net, Inc.

I would like to explain the financial results for the fiscal year ended March 31, 2024.



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## <Cautionary Statement Concerning Forward-Looking Statements>

Statements made in this document with respect to the current plans, estimates, strategies, beliefs and other statements of Asahi Net, Inc. (the "Company") that are not historical facts are forward-looking statements about the future performance of the Company.

These statements are based on the judgment of the management of the Company drawn from currently available information. Accordingly, we advise you not to place undue reliance on these forecast statements. Actual financial results may differ significantly from these forecasts and may be worse than the forecasts due to various key factors.

The Company has taken the greatest care in the preparation of the information presented in this document but is not held liable for any errors in the information.

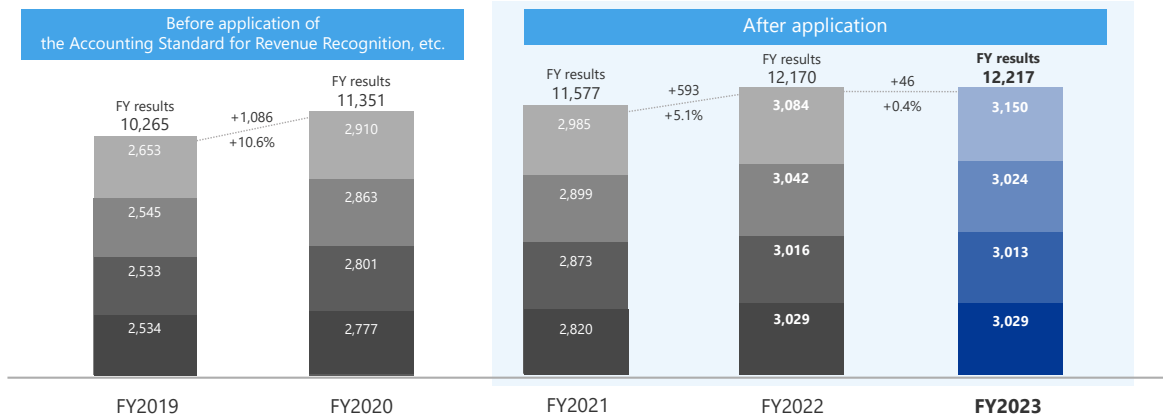
This is what I will talk about today.



## Trends in Net Sales

**Net sales increased for twelve consecutive years since FY2012, setting a record**

(Unit: millions of yen) ■ 1Q ■ 2Q ■ 3Q ■ 4Q



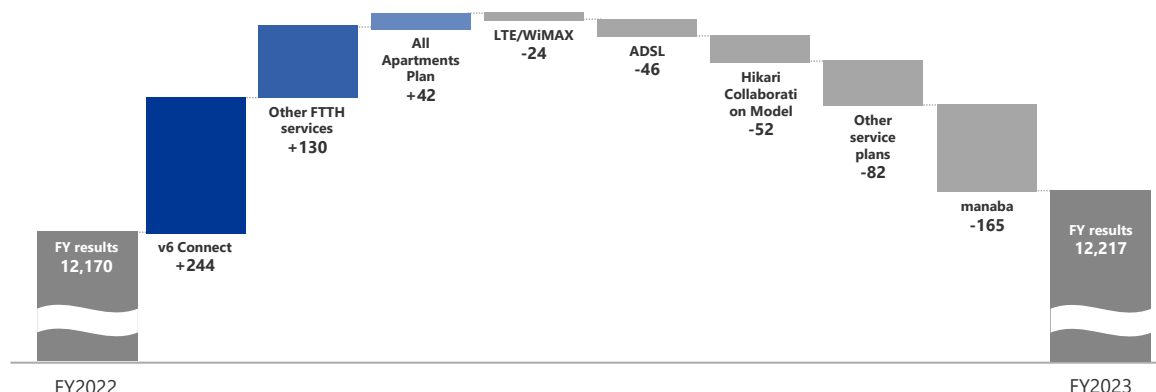
First, let's look at net sales. Net sales for FY2023 were 12,217 million yen. This was an increase of 46 million yen or 0.4% year on year. The figure increased for twelve consecutive years since FY2012, setting a record for net sales. The main factors were an increase in the number of subscribers to ISP Asahi Net's internet connection services, and increase in revenue due to the renewal of fixed IP addresses that we began providing in February 2024, and an increase in the traffic of VNE v6 Connect.



## Year-on-Year Difference in Net Sales

**Net sales increased due to an increase in the traffic of v6 Connect and an increase in the number of FTTH connection services subscribers**

(Unit: millions of yen)



Next, let me explain the main factors behind the increase in net sales from FY2022 to FY2023.

Firstly, let's look at v6 Connect. Net sales increased by 244 million yen. The increase was due to an increase in traffic handled with our partner companies.

Next, I will explain about the increase or decrease in each service of ISP Asahi Net.

Net sales from other FTTH services increased by 130 million yen. In FY2023, revenue increased due to strengthening of acquisition of subscribers through NTT Channels, Web Channels, and Major Corporate Customers. In addition, revenues increased due to the renewal of fixed IP addresses in February 2024.

We recorded an increase of 42 million yen in net sales from the All Apartments Plan, which provides internet connection services to apartment owners and residents through a sales channel partnership with NTT East and NTT West.

Net sales from Asahi Net Hikari and Asahi Net docomo Hikari, which leverage the Hikari Collaboration Model, decreased by 52 million yen. In the first quarter of FY2023, sales of Asahi Net Hikari declined as the acquisition of new subscribers failed to offset the decline in revenue from cancellations due to the migration of large corporate members from FLET'S lines to other carriers' lines.

Net sales from LTE and WiMAX mobile connection services decreased by 24 million yen. Among mobile connection services, net sales from LTE increased by 40 million yen. More and more corporate members are using SIM cards and fixed IP addresses to access remotely located IoT devices via the internet. We expect that opportunities to utilize IoT devices will increase in the future as cases of parking lot payment machines, river surveillance cameras, and solar power generation power monitoring increase. Net sales from WiMAX decreased by 64 million yen. Although we offer 5G services with unlimited usage at a fixed price, growth in subscribers was sluggish due to comparisons with other mobile devices and changes in usage patterns.

Net sales from ADSL services decreased by 46 million yen. This was attributable to the cancellation of memberships following the reduction of the service area of NTT East's and NTT West's FLET'S ADSL at the end of

January 2023. Net sales from ◎◎other service plans◎◎ decreased by 82 million yen, which mainly include narrowband connection services such as dial-up connection services.

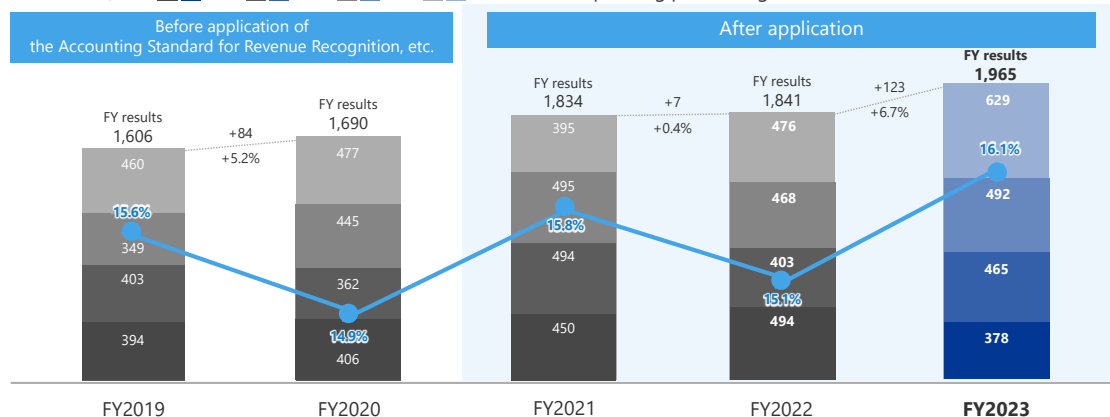
Net sales from the educational support service manaba decreased by 165 million yen. As planned at the beginning of the period, this was due to the expiry of the respon distributor contract between the Company and respon, Inc. and the Company and cancellations by eight universities.



## Trends in Operating Profit

**Achieved highest operating profit on record of 1,965 million yen**

(Unit: millions of yen) ■ 1Q ■ 2Q ■ 3Q ■ 4Q —●— Operating profit margin



Operating profit was 1,965 million yen, and operating profit margin was 16.1%. Operating profit increased by 123 million yen or 6.7% year on year. The rate of progress toward the FY forecast of 2,000 million yen was 98.3%.

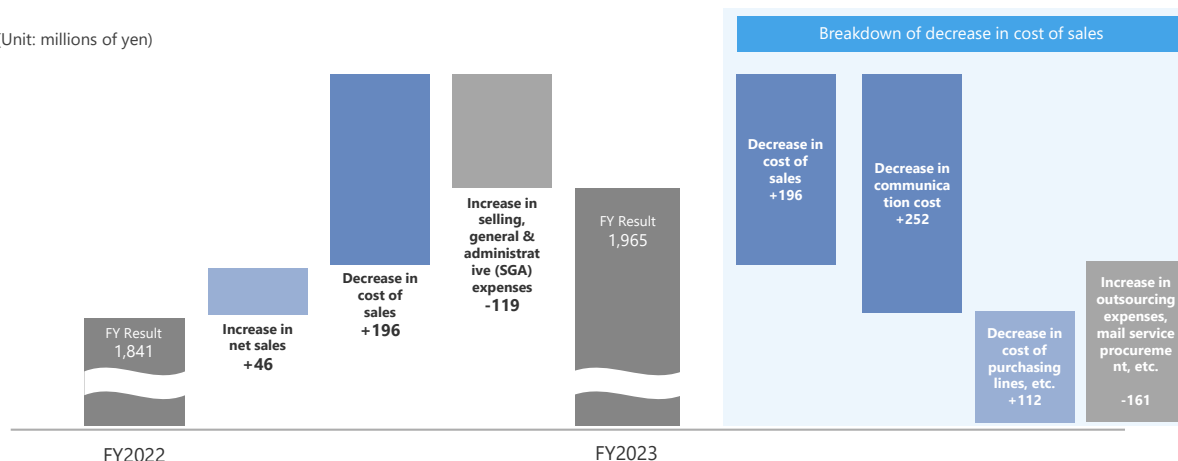
This slide shows the quarterly trends in operating profit. Cost of sales is decreasing due to the review of network facilities, which has been undertaken in stages starting in the second half of FY2022, and the operating profit margin is improving. In the third quarter of FY2023, one-time expenses were incurred due to the opening of the CS Center Nagasaki contact center. Fixed IP address renewals contributed to profit growth in the fourth quarter of FY2023.



## Year-on-Year Difference in Operating Profit

**Cost of sales decreased due to more efficient communication cost, while SGA expenses for membership acquisition increased**

(Unit: millions of yen)



Now, let me explain the main factors behind the increase in operating profit from FY2022 to FY2023.

As I mentioned earlier, net sales increased by 46 million yen. Cost of sales decreased by 196 million yen. SGA increased by 119 million yen.

The following are the main reasons for the decrease in cost of sales.

The first reason was a decrease in communication cost due to a review of network facilities to efficiently handle the traffic that will continue to increase in the future. Although traffic is expected to continue to increase, additional cost of sales can be kept to less than in the past.

The second reason is the decrease in line purchases as a result of the decline in the number of new subscribers, including access lines for Asahi Net Hikari and WiMAX +5G. The first half of FY2023 was affected by the number of new subscribers not achieving the plan and large cancellations. In the recent fourth quarter FY2023, the number of subscribers acquired is in line with plans, and line purchases are expected to increase in the future.

The third reason is the increase in outsourcing expenses and software costs. Software and outsourcing expenses increased for the Mail Services released during FY2022.

The fourth reason is a one-time expense due to the opening of the CS Center Nagasaki contact center in November 2023.

Depreciation, which is linked to capital expenditures, was flat year on year in FY2023. Depreciation is expected to increase in FY2024 due to the renewal of mission-critical systems, which are scheduled for release in the second quarter.

Selling, general and administrative expenses increased by 119 million yen. This was due to increases in sales promotion expenses and advertising expenses aimed at acquiring new individual and corporate members for ISP Asahi Net. In FY2023, we are mainly strengthening our subscriber acquisition channels to increase the number of FTTH subscribers, and we plan to continue to invest in this area in the future.



## Trends in EBITDA

**Working on updating mission-critical systems in FY2023,  
release scheduled for FY2024 2Q**

(Unit: millions of yen)

	FY2019	FY2020	FY2021	FY2022	<b>FY2023</b>
Operating profit	1,606	1,690	1,834	1,841	<b>1,965</b>
Depreciation	448	581	818	896	<b>883</b>
EBITDA <sup>(*)</sup>	2,054	2,272	2,653	2,737	<b>2,849</b>
EBITDA margin	20.0%	20.0%	22.9%	22.5%	<b>22.3%</b>
Investments in capital	831	1,295	1,160	1,055	<b>650</b>

<sup>(\*)</sup> EBITDA is calculated as the sum of operating profit and depreciation.

Next, I will explain the trends in EBITDA and EBITDA margin. In FY2023, EBITDA was 2,849 million yen and EBITDA margin was 22.3%. Investments in capital totaled 650 million yen. Major capital investment targets included the review of network infrastructure.

In FY2023, we have proceeded to update our mission-critical systems, and the first release is scheduled for the second quarter of FY2024. Following that, we are moving forward with a multi-year plan for investments in capital for the second and subsequent releases.





## Operating Results

(Unit: millions of yen)

	FY2022	<b>FY2023</b>	Change	Percentage change
Net sales	12,170	<b>12,217</b>	+46	0.4%
Operating profit	1,841	<b>1,965</b>	+123	6.7%
Ordinary profit	1,846	<b>1,986</b>	+139	7.6%
Profit	1,285	<b>1,289</b>	+4	0.3%
Earnings per share	45.92 yen	<b>46.46 yen</b>	—	—

Next is the operating results for FY2023. Net sales and operating profit were as explained earlier. Ordinary profit was 1,986 million yen. Profit was 1,289 million yen, and as a result, earnings per share was 46.46 yen.

For FY2023, the Company has recorded extraordinary losses of 66 million yen for loss on retirement of non-current assets and 41 million yen for impairment losses.

With regard to impairment losses, the Company was in the process of updating its mission-critical systems for contract management, data integration with other carriers, etc., but found it necessary to reformulate some of its plans at the end of the second quarter. Following a review of the future recoverability of some of the assets already recorded, the Company has posted impairment losses of 41 million yen in accordance with the "Accounting Standard for Impairment of Fixed Assets."



## Financial Position

(Unit: millions of yen)

	As of March 31, 2023	As of March 31, 2024	Change
Total assets	13,660	<b>14,279</b>	618
Total liabilities	1,699	<b>1,772</b>	73
Net assets	11,961	<b>12,506</b>	545
Equity ratio	87.6%	<b>87.6%</b>	—

Now, let's look at the financial position for FY2023. Total assets increased 618 million yen from the end of the previous fiscal year to 14,279 million yen, total liabilities increased 73 million yen from the end of the previous fiscal year to 1,772 million yen, and net assets increased 545 million yen from the end of the previous fiscal year to 12,506 million yen. Equity ratio was 87.6%.



## Management Conscious of Cost of Capital and Stock Price

(Unit: millions of yen)

	FY2021	FY2022	FY2023
Net sales	11,577	12,170	<b>12,217</b>
Operating profit	1,834	1,841	<b>1,965</b>
Profit	1,255	1,285	<b>1,289</b>
Net assets per share	403.48	427.08	<b>450.96</b>
ROE (return on equity)	11.3%	11.1%	<b>10.5%</b>
Stock price (March closing price)	588 yen	590 yen	<b>644 yen</b>
PBR (price to book ratio)	1.46	1.38	<b>1.43</b>

This slide is on indicators for management conscious of cost of capital and stock price.

The Company has set return on equity (ROE) as a target management indicator for the entire company, with the goal of achieving ROE of 10% or more, which is higher than the cost of shareholders equity (5% to 6%), the yield expected by investors. The Company's ROE has been as shown in the table for the last three fiscal years, achieving a return on capital that exceeds the cost of shareholders' equity calculated by the Company. The price to book ratio (PBR) is also shown in the table.



## Shareholder Return

**Year-end dividend for FY2023 was 11.50 yen, with full-year dividend of 23 yen**

(Unit: millions of yen)

	FY2019	FY2020	FY2021	FY2022	<b>FY2023</b>
Profit	1,150	1,301	1,255	1,285	<b>1,289</b>
Dividends	18.50 yen	19.50 yen	21.00 yen	22.50 yen	<b>23.00 yen</b>
Dividend payout ratio	45.2%	41.8%	46.7%	49.0%	<b>49.5%</b>

Note: A notification regarding own share repurchase through the Off-Auction Own Share Repurchase Transaction (ToSTNeT-3) was issued on May 9, 2024.

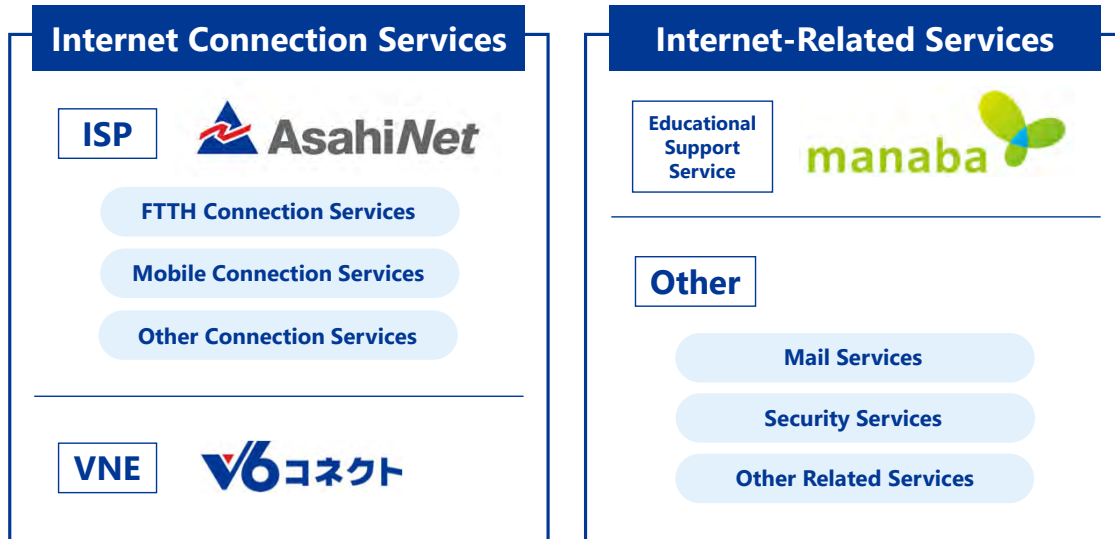
Next, I will explain the cash dividends for FY2023. The Company recognizes the return of profits to shareholders as a key management priority, and our basic policy is to maintain stable dividends while securing retained earnings for future business development and strengthening our management structure.

At present, we consider a dividend payout ratio of about 40% to 50% as an appropriate level. The annual dividend for FY2023 is 23 yen per share, consisting of an interim dividend of 11.50 yen and a year-end dividend of 11.50 yen. As a result, the dividend payout ratio is expected to be 49.5%.

The Company has also issued a press release today regarding the repurchase of its own shares. The total number of shares planned to be repurchased is 950,000.



## Service Lineup of Asahi Net



Next, let's look at each service in detail.

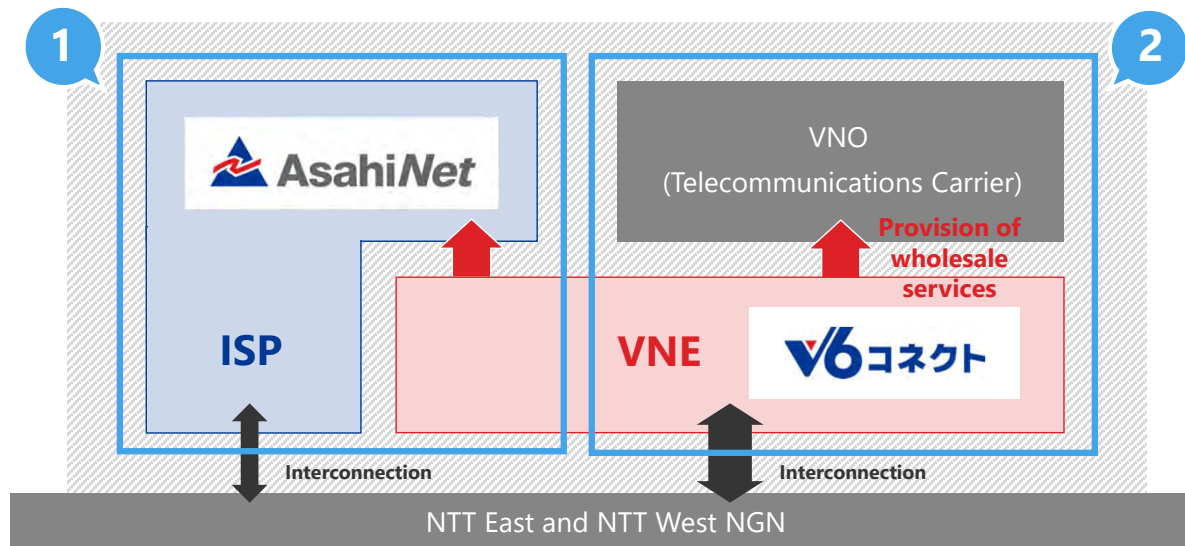
Net sales from ISP Asahi Net and VNE v6 Connect services are disclosed as net sales for internet connection services.

Net sales from the educational support service manaba and other services are disclosed as net sales for internet-related services.

I will explain based on these points.



## Structure of Internet Connection Services



First, I will explain the status of internet connection services.

Internet connection services consist of two categories. In the first category, as indicated on the upper left of the slide, the Company provides its own service Asahi Net as an ISP; and in the second category, as indicated on the upper right of the slide, the Company provides v6 Connect, an IPv6 connection service, to telecommunications carriers as a VNE.



## Net Sales from Internet Connection Services

(Unit: millions of yen)

	FY2022	<b>FY2023</b>	Change	Percentage change
ISP Asahi Net	8,865	<b>8,863</b>	-2	-0.0%
VNE v6 Connect	1,735	<b>1,979</b>	+244	14.1%
Total	10,601	<b>10,843</b>	+242	2.3%

This shows the net sales from internet connection services for FY2023.  
ISP Asahi Net posted 8,863 million yen, and VNE v6 Connect posted 1,979 million yen.

Year-on-year changes in net sales for each service are as follows. Net sales from ISP Asahi Net decreased by 2 million yen. Net sales from VNE v6 Connect increased by 244 million yen or 14.1%.

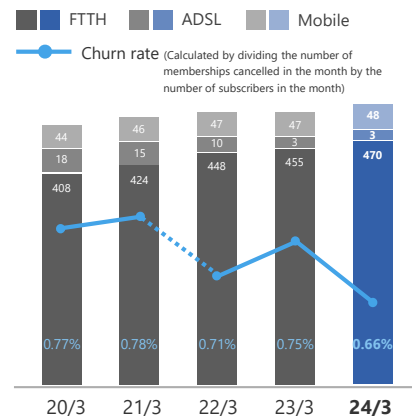


## Trends in the Number of Subscribers to ISP Asahi Net's Internet Connection Services

**Strengthened acquisition of subscribers and recorded an increase in the number of FTTH connection services subscribers**

(Unit: thousands of IDs)

	Mar. 31, 2023	Mar. 31, 2024	Change
FTTH (fiber-optic connection)	455	470	+15
ADSL	3	3	-1
Mobile connection	47	48	+1



Now, let me touch on the status of the ISP Asahi Net business. The number of subscriber IDs for FTTH connection services, including Asahi Net Hikari, increased by 15,000 year on year to 470,000. The number of subscriber IDs for ADSL connection services decreased by 1,000 to 3,000. The number of subscribers to mobile connection services increased by 1,000 IDs to 48,000 IDs. The churn rate for subscribers of internet connection services was 0.66%. The churn rate remained low.

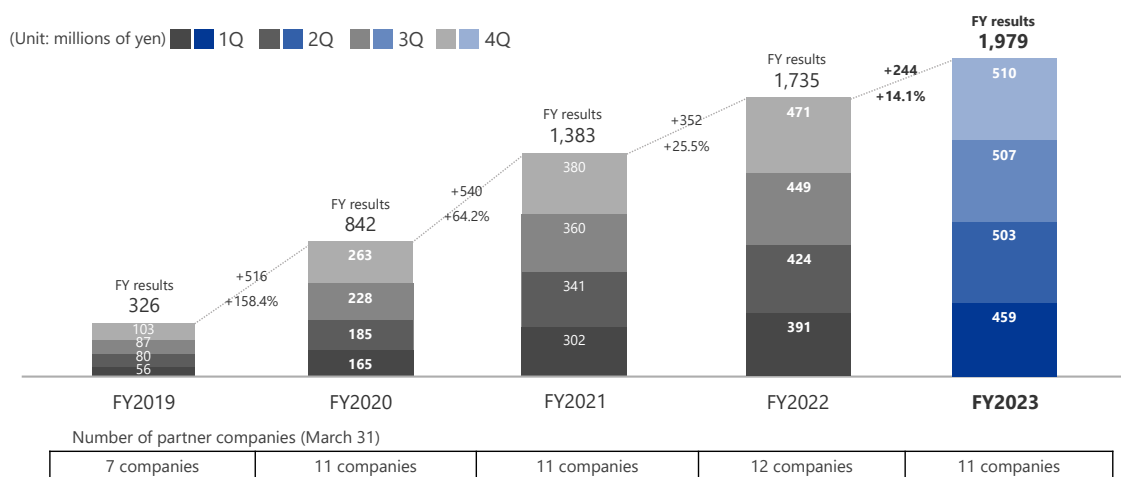
In FY2023, we strengthened the acquisition of subscribers through NTT Channels, Web Channels, and Major Corporate Customers. Until the second quarter of FY2023, growth in the number of subscribers of internet connection services was slower than planned due to changes in the competitive environment and cancellations by major corporate customers, but since the third quarter of FY2023, the results of our efforts have been accumulating in the form of the number of subscribers.





## Trends in Net Sales from VNE v6 Connect and the Number of Partner Companies

**Net sales from v6 Connect increased 14.1% year on year**



Now, let's look at VNE v6 Connect. Net sales from v6 Connect for FY2023 increased by 14.1% year on year to 1,979 million yen. The number of our partner companies decreased by one to a total of 11 companies.

V6 Connect is an IPv6 internet connection service for VNOs (telecommunications carriers), which is offered by using the IPoE connection method of FLET'S Hikari provided by NTT East and NTT West. The Company records as sales the amount of fees charged on a pay-as-you-go basis based on the traffic used by VNOs.

The bar chart on the slide shows the trends in quarterly net sales. There are two main factors contributing to the increase in net sales. The first is an increase in the number of FLET'S Hikari lines used by partner companies. The second is an increase in traffic per line. The increase in traffic per line contributed significantly to the increase in net sales for FY2023. Our contract with one partner company cancelled, but the impact on net sales for March 2025 is negligible.

In the business development of VNOs, the use of v6 Connect for maintaining communication quality and cost control in the business structure is of great significance. The Company strives to maintain medium-term relationships between the Company and partner companies as partners by adjusting prices and streamlining network maintenance costs in order for our partner VNOs to expand and maintain their businesses.



## Net Sales from Internet-Related Services

(Unit: millions of yen)

	FY2022	FY2023	Change	Percentage change
manaba	766	600	-165	-21.6%
Other	803	773	-30	-3.7%
Total	1,569	1,373	-195	-12.5%

Now, let's move on to look at the status of internet-related services.

Internet-related services include the educational support service manaba and related services such as mail and security services.

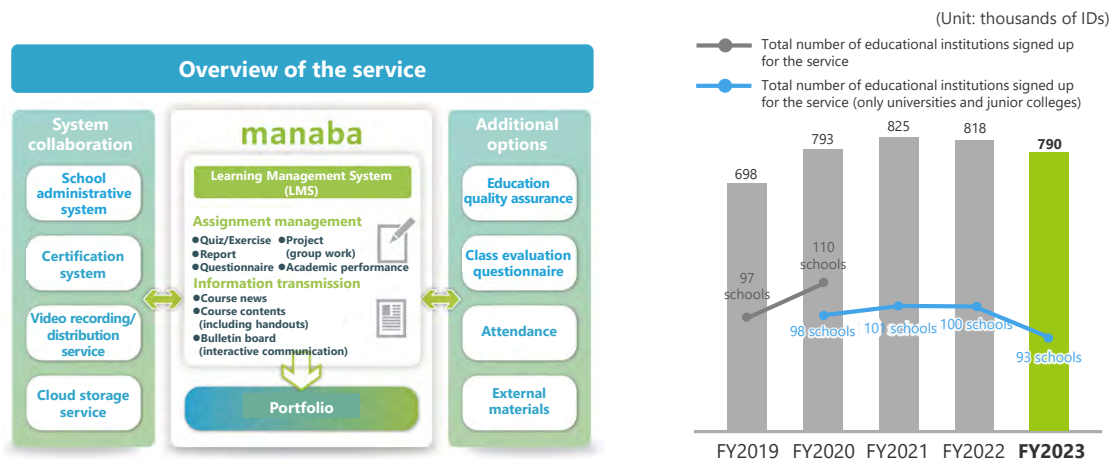
This shows the net sales from internet-related services for FY2023.

Net sales from the educational support service manaba decreased by 21.6% year on year to 600 million yen. Net sales from other services decreased by 3.7% to 773 million yen.



## Number of Subscriber IDs for manaba

**The number of subscriber IDs decreased by 28,000 year on year, while a total of 93 educational institutions have signed up for the service**



Next, let me talk about the educational support service manaba. manaba is a cloud based application service developed, sold and supported by the Company for educational institutions, mainly universities.

The number of subscriber IDs as of March 31, 2024, was 790,000 IDs, a year-on-year decrease of 28,000 IDs. In FY2023, the number of universities decreased by seven from the end of the same period of the previous year to 93, due to one university starting to use the system on a university-wide basis and some universities terminating their contracts.

The environment surrounding universities has been shaped by the digital transformation of education promoted by the Ministry of Education, Culture, Sports, Science and Technology, with new value now required of any LMS and portfolio. We believe it is necessary to provide the educational support service "manaba" to realize educational quality assurance and university IR, and in FY2023, we worked to expand the number of universities using the service and deter withdrawal from membership through three initiatives: strengthening integration with various systems, extracting logs to analyze learning behavior, and providing functions that encourage proactive learning by students.



# Summary of Financial Results for FY2023

## 1 Financial Results for FY2023

- Recorded net sales of 12,217 million yen, achieving a new record for net sales for twelve consecutive years since FY2012
- Recorded an operating profit of 1,965 million yen, achieving a 6.7% year-on-year increase

## 2 Status of Our Business

### ◆ ISP Asahi Net

The number of subscriber IDs for FTTH connection services increased by 15,000 year on year, with FTTH driving the increase in the number of Asahi Net subscribers.

### ◆ VNE v6 Connect

Net sales increased by 14.1% year on year. Sales increased due to increased traffic per line used by partner companies.

### ◆ manaba

The number of subscriber IDs decreased by 28,000 year on year to 790,000. Started provision of external linking function with various systems

Next is the summary of financial results for FY2023. Firstly, let's look at the financial results. Net sales for FY2023 reached a record high of 12,217 million yen. Net sales increased for twelve consecutive years from FY2012. Operating profit was 1,965 million yen, the highest operating profit on record.

Secondly, let's look at the status of our business. The number of subscriber IDs for the FTTH connection services of ISP Asahi Net increased by 15,000 year on year to 470,000. There was an increase in subscribers of FTTH connection services including FLET'S Hikari Net sales from VNE v6 Connect increased by 14.1% year on year to 1,979 million yen. The increase in sales is mainly due to the increased traffic per line used by partner companies. The number of subscriber IDs for the educational support service manaba decreased by 28,000 year on year to 790,000. Total number of educational institutions signed up for the service was 93.



## Earnings Forecast

**Policy** Produce tangible results to increase the respective revenues from ISP, VNE and manaba services

(Unit: millions of yen)

	FY2023	<b>FY2024 (Forecast)</b>	Change	Percentage change
Net sales	12,217	<b>12,800</b>	582	4.8%
Operating profit	1,965	<b>2,200</b>	234	12.0%
Ordinary profit	1,986	<b>2,200</b>	213	10.8%
Profit	1,289	<b>1,540</b>	250	19.4%
Earnings per share	46.46 yen	<b>55.53 yen</b>	—	—

Next, I would like to talk about the earnings forecast for FY2024. For FY2024, our policy is to “accumulate concrete results to increase revenues from ISP, VNE, and manaba, while at the same time aiming to systematizing processes to achieve many results efficiently.

ISP ASAHI Net aims to increase the number of subscriptions to FTTH connection services centered on “Hikari Collaboration” and FLET’S Services, which has been an ongoing initiative since FY2023, and to increase the number of subscribers of mobile connection services such as LTE, which is being used more widely for IoT devices. VNE v6 Connect will address traffic that increases every year and communication quality, and the “manaba” educational support service will work on LMS function development to realize education quality assurance.

Under this strategy, net sales are expected to reach 12,800 million yen, an increase of 582 million yen year on year and a growth rate of 4.8%. We plan to increase sales in the ISP, VNE, and manaba businesses. As for expenses, we are planning for an increase in line purchases, which is linked to net sales, and an increase in depreciation due to the renewal of mission-critical systems, which has been underway since the previous year, and operating profit is expected to be 2,200 million yen as a result. This represents an increase of 234 million yen in operating profit year on year and a growth rate of 12%.

Ordinary profit is expected to reach 2,200 million yen, which represents an increase of 213 million yen year on year and a growth rate of 10.8%. Profit is expected to reach 1,540 million yen, which represents an increase of 250 million yen year on year and a growth rate of 19.4%.

In addition, investments in capital for FY2024 will be 3,000 million yen. The first phase of the renewal of mission-critical systems, an effort that has been ongoing since the FY2022, is scheduled for the second quarter of FY2024. Following that, we will proceed with the renewal of mission-critical systems spanning multiple years. Investments in capital in network infrastructure and in the server area, which requires regular renewal, is expected to be of the same scale as in past years. In view of the above, EBITDA and EBITDA margin for FY2024 are expected to be 3,350 million yen and 26.2%, respectively.



## Shareholder Return

**The proposed amount of cash dividends for FY2024 is 24 yen**

(Unit: millions of yen)

	FY2020	FY2021	FY2022	FY2023	<b>FY2024 (Forecast)</b>
Profit	1,301	1,255	1,285	1,289	<b>1,540</b>
Dividends	19.50 yen	21.00 yen	22.50 yen	23.00 yen	<b>24.00 yen</b>
Dividend payout ratio	41.8%	46.7%	49.0%	49.5%	<b>43.2%</b>

Note: A notification regarding own share repurchase through the Off-Auction Own Share Repurchase Transaction (ToSTNeT-3) was issued on May 9, 2024.

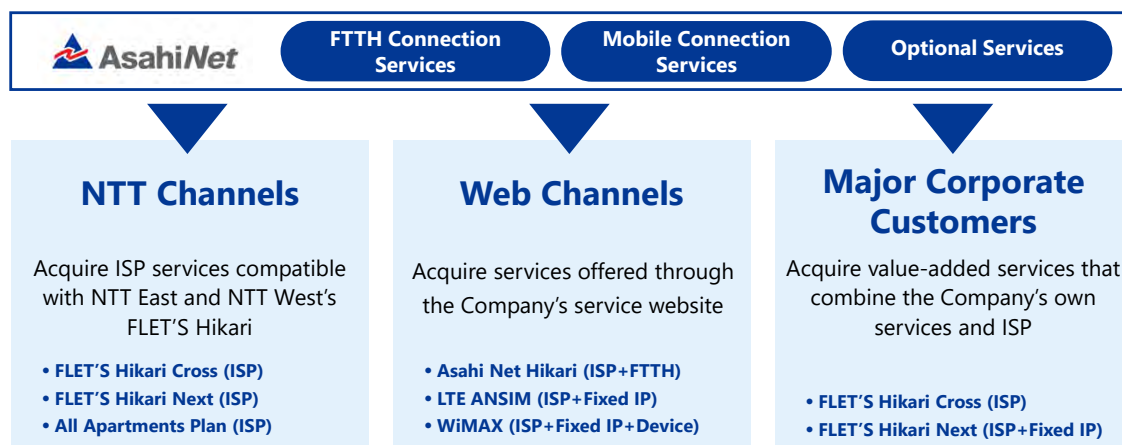
Now, let me explain our shareholder return plan. As mentioned previously, the Company recognizes the return of profits to shareholders as a key management priority, and our basic policy is to maintain stable dividends while securing retained earnings for future business development and strengthening our management structure.

Based on the policy of returning profits, we plan to pay an interim dividend of 12.00 yen and a year-end dividend of 12.00 yen for a full-year dividend of 24 yen for FY2024. We will continue to make appropriate decisions based on the situation.



## Plans of ISP Asahi Net

**Continue measures for FY2023, aiming to increase the number of subscribers**



Now, let me touch on the plans for the ISP Asahi Net business in FY2024.

Net sales of ASAHI Net increased in proportion to the number of FTTH connection service and mobile connection service subscriptions, and we disclose the number of Internet connection subscriptions as a leading indicator on a quarterly basis. As a result of strengthening to increase the number of subscribers in NTT Channels, Web Channels and Major Corporate Customers in FY2023, the number of subscribers was increasing as of March 31, 2024. Specific activities to increase the number of contracts will continue in FY2024.

The first is to strengthen NTT channels. We are expanding Asahi Net Hikari under the Hikari Collaboration Model and the All Apartments Plan distributed in partnership with NTT East and NTT West, while strengthening sales for FLET'S Hikari Next and FLET's Hikari Cross, which only offer the Company's ISP service for NTT East's and NTT West's FLET'S Hikari.

The second is to strengthen web channels. We are investing in advertising expenses and sales promotion expenses aimed at acquiring prospective customers through the Company's website.

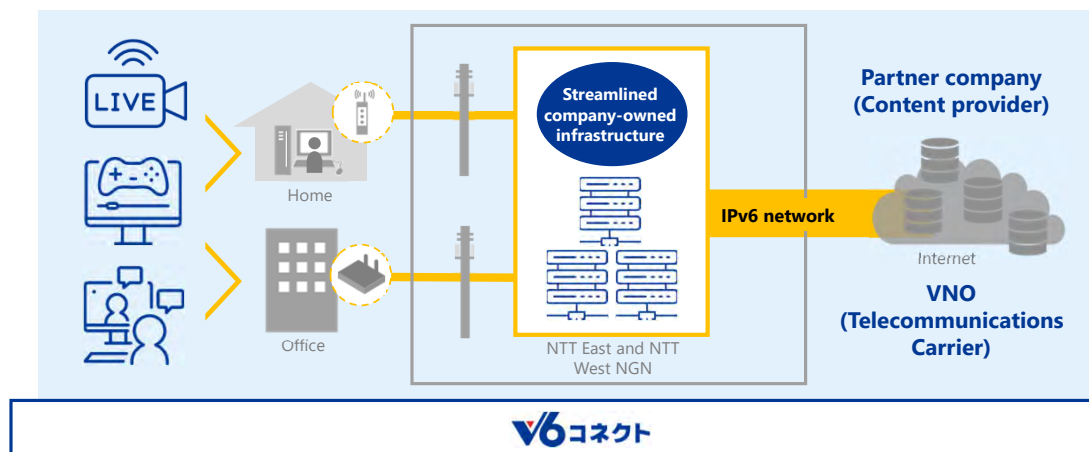
The third is to strengthen corporate memberships. One feature of the Company is that the number of our subscribers who are corporate members exceeds that of individual members, and we boast a higher ratio of corporate members compared to other ISPs. Internet access using a fixed IP address was the reason for our Company being selected, and we changed our service specifications and prices in February 2024. This allows static IPv4 IP addresses to be used over IPoE. Use cases are increasing, such as multi-factor authentication and access from remote locations via the Internet by fixing IP addresses.

The Company has won the top award for ten consecutive years in the ISP Overall category of the RBB TODAY Broadband Award 2023, whose winners are selected based on customer satisfaction surveys for internet communication services run by a third-party organization.



## Plan for VNE v6 Connect

**Maintain cooperative relationships with partner companies and streamline our network infrastructure**



Now, let me move on to explain the plan for VNE v6 Connect. As for VNE v6 Connect, we will continue to focus on maintaining cooperative relationships with our partner companies and expanding alliances with new VNOs (telecommunications carriers).

The use of downloaded content from watching live sporting events broadcasted over the internet, online game updates, etc., is expected to increase going forward and will continue to grow in the future.

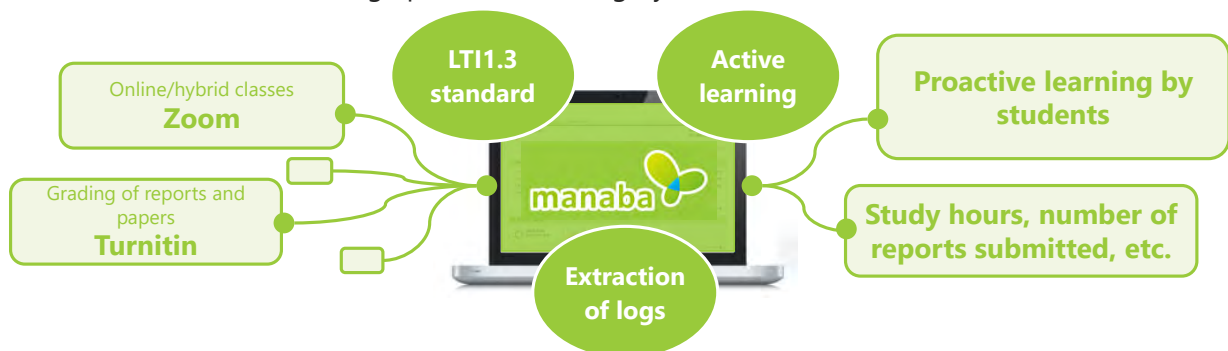
V6 Connect is a service that charges a usage fee according to the amount of traffic used by VNOs. In the business development of VNOs, the use of v6 Connect for maintaining communication quality and cost control in the business structure is of great significance. In FY2023, we reviewed part of the configuration of our IPv6 network, which is interconnected to NTT East and NTT West's NGN, as part of our efforts to increase the volume of traffic that can be handled while controlling cost increases more effectively than in the past. From FY2024, the Company strive to maintain medium-term relationships between the Company and partner companies as partners by adjusting prices and streamlining network maintenance costs in order for our partner VNOs to expand and maintain their businesses.



## Initiatives for manaba

**Key initiatives aimed at achieving the education quality assurance that is expected by the Ministry of Education, Culture, Sports, Science and Technology**

- (i) Strengthen integration with various systems in order to adapt to the changing academic environment
- (ii) Extract logs to analyze learning behavior
- (iii) Functions that encourage proactive learning by students



Now, I will talk about the plan for the educational support service manaba.

In FY2023, we have promoted three initiatives to achieve “education quality assurance” and university IR. The first is to strengthen integration with various systems in order to adapt to the changing academic environment. Specifically, we have been developing services to comply with LTI (Learning Tools Interoperability), a standard in the education industry, and have worked with Turnitin, a tool that performs similarity checks, and Zoom, a web conferencing tool, etc. The second is to extract logs to analyze learning behavior. The third is to provide functions that encourage proactive learning by students.

With regard to these three initiatives, we will work to improve the service in FY2024 by finding specific use cases and methods of utilization with universities that use “manaba” in order to increase the total number of educational institutions signed up for the service and the number of subscriber IDs. Educational institutions such as universities are engaged in the digital transformation of education encouraged by the Ministry of Education, Culture, Sports, Science and Technology, and we will embrace the challenge of new business areas in learning management systems (LMS) such as manaba and portfolios.



This is the end of my presentation on the financial results for the fiscal year ended March 31, 2024, and the plans for the year ending March 31, 2025.  
Thank you for listening.