

POPER Co., Ltd.

5134

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Summary

Sales growth and a significant increase in profit for FY10/25. FY10/26 to be a year of revenue structure transformation and strategic investment

POPER Co., Ltd. <5134> (hereafter, also “the Company”) provides Comiru, a SaaS-based business management platform for education providers under the mission, “Teach” without a hitch. Support everyone’s “change.” The Company is an industry leader in providing services for cram schools, and while it is promoting DX primarily for the cram school market, it also aims to expand its business foundation into the lessons and school markets.

1. Overview of FY10/25 results

In terms of results for FY10/25, the Company recorded sales growth and a significant increase in profit, with sales of ¥1,389mn (up 29.7% year on year (YoY)), operating profit of ¥174mn (up 138.2%), ordinary profit of ¥172mn (up 145.5%), and net income of ¥138mn (up 65.9%). As of 1H FY10/25, the Company raised its full-year forecasts for operating profit and below by approximately 50%, and it steadily achieved these revised targets with sales at 102.9%, operating profit at 116.3%, ordinary profit at 117.4%, and net income at 117.6% of those forecasts. Driven by effective marketing activities focused on small and mid-sized cram schools and customer inflow from ComiruPay, which launched in January 2025, the number of paid contract companies increased 14.8% and the number of billed student IDs increased 13.7%, surpassing the major milestone of 500,000 IDs. Furthermore, ComiruPay has started functioning as a new growth driver, securing applications from 405 companies as of the end of October, just 10 months after its release. On the profit and loss front, in addition to the sales growth, improved efficiency in development work led gross profit to grow at a higher rate than sales. While SG&A expenses increased mainly due to higher personnel costs associated with business growth and advertising expenses for ComiruPay and other initiatives, the Company controlled the SG&A ratio through improvements in productivity per employee and marketing initiatives focused on return on investment (ROI), resulting in operating profit more than doubling YoY.

2. FY10/26 forecasts

For FY10/26, the Company forecasts an increase in sales but a significant decrease in profit, with sales of ¥1,425mn (up 2.6% YoY), operating profit of ¥85mn (down 50.8%), ordinary profit of ¥83mn (down 51.7%), and net income of ¥55mn (down 59.7%). To achieve sustainable future growth, the Company has shifted its strategy for the major client segment. It will basically move toward a selective intake of customization needs in new proposals and orders for customized development, focusing instead on developing the upper-mid and mid-tier segments with implementation through standardized modules centered on Comiru and its linked package, ComiruERP. While this shift is expected to reduce non-recurring revenue, the Company plans to ensure an increase in sales by accumulating recurring revenue from Comiru and ComiruERP. The Company recognizes that this approach offers cost benefits to customers compared to full-scratch development. Furthermore, even as a package, the basic functions of ComiruERP itself have been enhanced, and the Company seems to recognize that it is gaining a positive reception even among major cram schools as an alternative solution for customization needs. Additionally, as the number of billed student IDs and the number of customers are expected to increase following this change in strategy, the Company plans upfront investments, including expanding system capacity in its infrastructure systems and strengthening security, and therefore expects declines at each profit level.

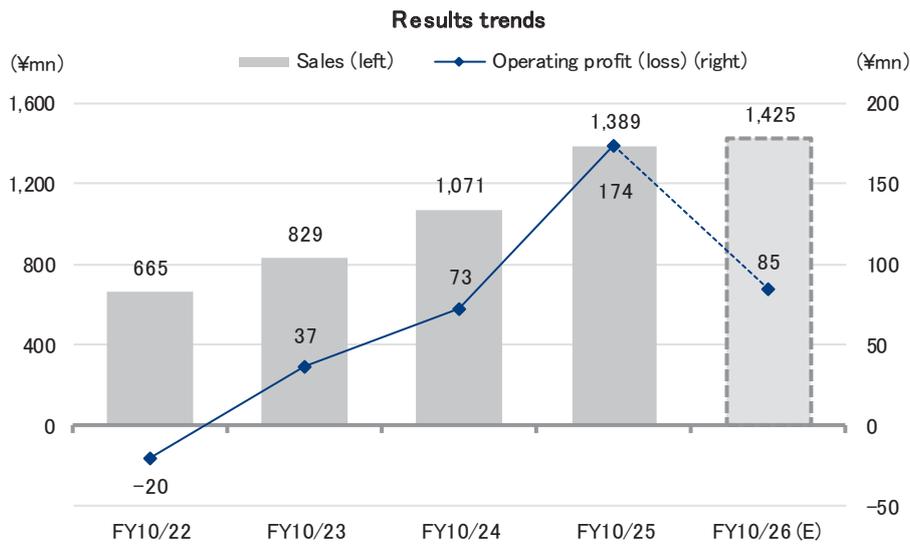
Summary

3. Topics

To acquire new customers, the Company held its first self-hosted conference, ComiruDay, in September 2025 as part of its marketing initiatives to enhance customer engagement. The event brought together more than 200 managers and instructors from cram schools and lessons schools. Targeting small and mid-sized cram schools and lessons schools, which have few opportunities for information sharing, the conference provided content focused on educational practice. By fostering a community where client companies can share challenges from a management perspective and grow together, the event achieved high satisfaction ratings, with satisfaction among managers and instructors exceeding 80%. In fact, it is increasingly contributing to lead generation, through such avenues as requests for lectures from industry-specific organizations and referrals generated by participating instructors' social media posts about ComiruDay.

Key Points

- Achieved steady growth in FY10/25 with sales increasing approximately 1.3 times and operating profit increasing approximately 2.4 times YoY
- Focusing on semi-customization centered on ComiruERP in FY10/26
- Building a community with the self-hosted conference ComiruDay as the starting point



Source: Prepared by FISCO from the Company's financial results

■ Company profile

Promoting DX at educational sites with Comiru, a SaaS-based business management platform

1. Company profile

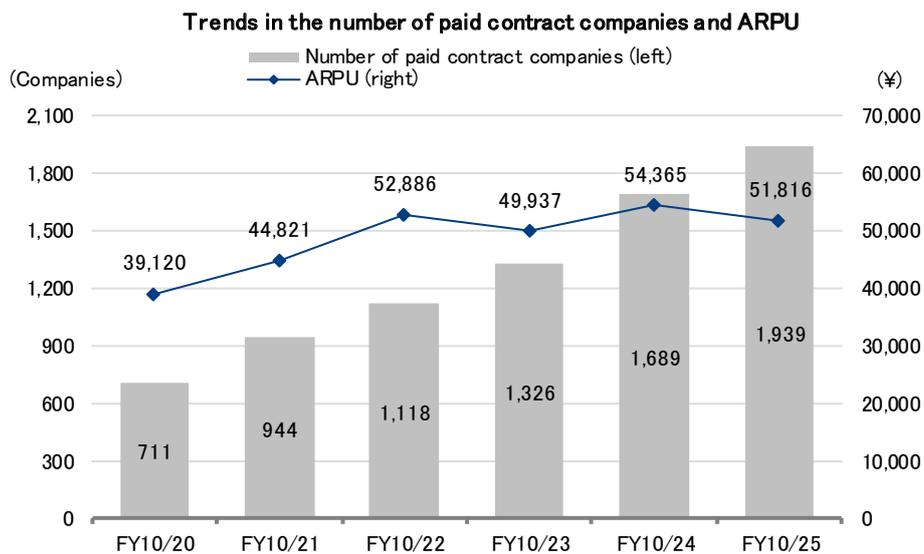
The Company provides Comiru, a SaaS-based business management platform for education providers under the mission, “Teach” without a hitch. Support everyone’s “change.” By promoting DX for back-office operations at educational sites such as cram schools, the Company aims to improve efficiency and increase “time to teach,” allowing instructors to spend more time with more students. As an industry leader in providing services for cram schools, the Company is promoting DX primarily for the cram school market while aiming to expand its business foundation into the lessons and public education markets, including schools.

The Company was founded in January 2015 with the desire to provide an environment where instructors at cram schools and other educational institutions can focus on their primary purpose of engaging directly with children. Believing that the essence of “teaching” lies in the relationship between teachers and students, the Company views this relationship as one of mutual respect, mutual openness, and mutual influence. Amid the increasing difficulty of building such relationships and based on the recognition of the challenge of what can be done to restore the teacher-student relationship to its ideal form, the Company operates its business to create an environment where instructors can devote themselves to “teaching” without being overwhelmed by complex back-office operations. The service name “Comiru” was derived from the prefix “Co,” which means “together” (as in “cooperate”) and also shares the same pronunciation as “ko” (meaning “child” in Japanese), combined with miru (“to watch over” or “to see”), reflecting the desire for educational sites and families to watch over children together. On the occasion of its 10th anniversary, the Company added “Support everyone’s ‘change’” to its previous mission statement: “Teach” without a hitch. By doing so, the Company clarified its commitment to supporting “everyone’s change,” envisioning a world where, beyond making “teaching” smoother, the hearts and minds of teachers, students, parents, and all stakeholders change, thereby enriching their relationships. Based on this revised mission, the Company plans to increase the number of people to whom it provides value from the current approximately 1.4 million (444,000 students, 60,000 instructors/teachers, and 880,000 parents and family members) to over 6 million. Furthermore, the Company upholds “Let’s be the cool adults that children look up to” as its value, with its code of conduct being “Be a person of utmost sincerity,” “Be humble,” and “What do you think? Speak up. Let’s create.”

Company profile

2. History

In December 2015, focusing on the cram school industry, where back-office operations are particularly complex within the education sector, the Company released Comiru, a SaaS-based business management platform equipped with guidance report and parent notification functions. While it initially offered only 1 function, it has expanded to 15 functions today as the Company deepened its understanding of on-site operations. In August 2020, the Company released ComiruAir, an online class and home study support service designed to facilitate more effective remote education in conjunction with Comiru. Following the launch of the GIGA School Concept by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) in 2019, cram schools were already promoting the use of ICT and improving their educational environments; subsequently, the COVID-19 pandemic necessitated online learning measures, which accelerated the adoption of ComiruAir primarily among cram schools. Furthermore, in December 2020, the Company released ComiruHR, a labor management and communication service for instructors and staff that enables shift coordination and payroll and labor management calculations. As the need for communication tools increased in cram schools during the pandemic, both the number of paid contract companies and ARPU grew steadily, paving the way for the Company's listing on the Tokyo Stock Exchange Growth Market in November 2022.



Note: From 3Q FY10/24, results include the BIT CAMPUS service succeeded to through an absorption-type split.
 Source: Prepared by FISCO from the Company's financial results and financial results briefing materials

In January 2023, the Company concluded a business alliance with FCE Education Co., Ltd., a consolidated subsidiary of FCE <9564>*. FCE Education provides programs and teaching materials that foster students' initiative, including 7 Habits J®, a children's program based on the global bestseller "The 7 Habits of Highly Effective People," which has sold 50 million copies worldwide, as well as online education and training systems for faculty and staff, to more than 1,300 public and private junior high and high schools nationwide. In particular, Foresight, a business planner for junior and senior high school students designed to help them master the PDCA cycle, has been used by over 2.59 million people cumulatively across more than 1,200 schools nationwide (FY2025). Through this business alliance, the Company is proposing Comiru, which incorporates the optional Foresight App (the digital version of Foresight), to cram schools and public and private schools, and it has already been adopted by multiple cram schools.

* In July 2024, FCE integrated its subsidiaries, including the absorption-type merger of FCE Education, and dissolved its pure holding company structure.

Company profile

In March 2024, the Company concluded a business alliance with Tieracom Co., Ltd. (headquartered in Kobe, Hyogo Prefecture), which operates a wide range of cram schools, mainly in the Kansai region, including Nouryoku Kaihatsu Center, Toshin Eisei Yobiko (franchise), and Yamamoto Juku. In May of the same year, the Company succeeded to the BIT CAMPUS cram school business support system business developed by Tieracom through a company split (simplified absorption-type split). The Company is working to expand its customer base and improve its market share by rolling out Comiru to the cram schools operated by Tieracom and through the succession of the BIT CAMPUS business. In addition, as the introduction of its services progresses at educational sites, the Company obtained certification for ISO/IEC 27001:2013 (JIS Q 27001:2014), the international standard for Information Security Management Systems (ISMS), in April 2024. It also completed the transition to ISO/IEC 27001:2022 (JIS Q 27001:2023) in March 2025 in order to ensure appropriate risk assessment of information assets and comprehensive information security. In January 2025, the Company began providing ComiruPay, adding a payment function to support billing and collection, which has reduced customers' workload and helped reduce their costs through pricing set lower than that of competing services.

Business overview

Comiru supports back-office operations for education providers

1. Business environment

In the education industry, competition to attract students among education providers is expected to intensify as the school-age population declines due to the falling birthrate. Since education providers are required to further improve operational efficiency and accelerate management decision-making, demand for the Company's services is increasing. According to the survey titled "ICT Market Potential in the Education Industry" conducted by Funai Consulting Inc. in October 2021, ICT adoption had become widespread only in business management systems in the cram school industry as of 2021, and the market size (SOM*1) for business management systems in the private education industry (cram schools, English conversation schools, music schools, private after-school care, etc.) was estimated at ¥54.2bn. In 2026, the learning management system market is also expected to expand along with the expansion of the business management system market and the progress of online education accompanying the GIGA School Concept and the COVID-19 pandemic, and the report estimates that the ICT market size of the private education industry (total of business management systems, BI/marketing tools, and learning management systems) will expand to ¥215.0bn (SAM*2). Furthermore, at school education sites, business improvement systems and learning management systems will become widespread due to "work-style reform and improved management efficiency" and "active learning." The report estimates that the ICT market size including both the private education industry and the school education industry will expand to ¥385.8bn (TAM*3).

*1 SOM: Serviceable Obtainable Market. Refers to the portion of the market that a company can realistically capture.

*2 SAM: Serviceable Available Market. Refers to the portion of the market that a company is capable of serving with its services.

*3 TAM: Total Addressable Market. Refers to the total size of the market that a product or service can potentially target.

Business overview

The market size for cram schools currently targeted by the Company is 52,070 classrooms*1, of which 26,000 classrooms, or half, belong to major cram schools. The Company currently has more than 6,000 classrooms as customers, suggesting that there is significant room for expansion. Regarding the introduction of business management systems, many major cram schools use on-premises systems where they commission major SIs to develop systems and programs from scratch and own and manage their infrastructure and servers in-house. On the other hand, many mid-sized and private cram schools lack the funds or resources for IT investment and develop their own systems using Excel or Access, while others have introduced systems that major cram schools have been selling externally for over a decade; the Company estimates these two groups to be roughly evenly split. Competitors include cram school operators, app development companies, and teaching material production/publishing companies that provide business management systems for cram schools. However, according to the report titled “Market Trends of Cloud-Based Business Management Systems for Cram Schools Experiencing Continued High Growth” (MIC IT Report, February 2021 issue) published by Deloitte Tohmatsu MIC Research Institute Co., Ltd. in February 2021, Comiru, provided by the Company, had the No. 1 share of approximately 25% in terms of the number of classrooms among the 10 major companies, and the Company is positioned as a leading company in the industry. The Company estimates the number of companies operating cram schools to be approximately 32,200*2 and classifies them into 3 segments according to the number of students: approximately 200 major cram schools (5,000 or more students), approximately 1,000 mid-sized cram schools (300 to 5,000 students), and approximately 31,000 private cram schools (fewer than 300 students). The Company’s share in these segments at the end of FY10/25 was 9.5%, 11.9%, and 4.9%, respectively, representing increases of 1.0 percentage point (pp), 1.0pp, and 0.4pp, respectively, compared with the end of FY10/24. The Company aims to raise these shares to 25% in the future.

*1 Source: Ministry of Economy, Trade and Industry, “2020 Economic Structure Survey Report – Cram School Edition”

*2 Source: The Company’s results briefing materials

Comiru’s market share

Customer	FY10/23		FY10/24		FY10/25		Target
	No. of companies	Share	No. of companies	Share	No. of companies	Share	
Major cram schools (5,000+ students) Approx. 200 companies	12	6.0%	17	8.5%	19	9.5%	25.0%
Mid-sized cram schools (300 to 5,000 students) Approx. 1,000 companies	77	7.7%	109	10.9%	119	11.9%	25.0%
Private cram schools (Less than 300 students) Approx. 31,000 companies	1,156	3.7%	1,404	4.5%	1,515	4.9%	25.0%

Source: Prepared by FISCO from the Company’s results briefing materials and Business Plans and Growth Potential presentation.

Additionally, the number of student IDs in the lessons sector, including cram schools where the introduction of business management systems is relatively advanced, is 13.06mn IDs*, representing a market size comparable to the 12.97mn IDs* in the public and private school sector. As of the end of October 2025, the Company’s number of billed student IDs was 505,000. Since competitors deploying multi-functional business management SaaS are limited, the Company can be said to have significant room for growth.

* Estimated by the Company based on sources including the “Statistical Abstract of Education, Culture, Sports Science, and Technology (FY2019 edition)” by the Ministry of Education, Culture, Sports, Science and Technology.

2. Business overview

(1) Service overview

The Company provides Comiru, a SaaS-based business management platform under a subscription-based recurring model* and offers a service menu of three basic plans. Specifically, these consist of: 1) ComiruFREE, a business management service provided free of charge and focused on customer acquisition functions such as application form creation, prospective customer management, and review collection and posting, aimed at education providers introducing digital tools for the first time; 2) ComiruBASIC, a business management service that adds parent communication and operational efficiency functions to the free features; and 3) ComiruPRO, a headquarters management service designed for major education providers that adds functions such as customer sales management for enrolled students and contract information, instructor management, and management administration, enabling centralized data management at the headquarters level. In addition, in conjunction with Comiru, the Company provides ComiruAir, an online class and home study support service, and ComiruHR, a labor management and communication service for instructors and other staff. Furthermore, since January 2025, the Company has also been providing ComiruPay, a payment service. ComiruPay integrates billing management and payment functions, reducing back-office workloads for tasks such as payment reconciliation. At present, the first phase provides only a bank transfer service, but the Company is considering expanding payment methods to include convenience store payments and credit cards going forward. Additionally, BIT CAMPUS, a cram school management support system whose business was succeeded from Tieracom in May 2024, centralizes the management of students and cram school operations, improving the efficiency of both general operations and sales activities. It also incorporates communication functions such as email and bulletin boards, as well as web-based testing functions that help students overcome weak areas. Furthermore, from FY10/24, the Company began providing ComiruERP, which supports major cram schools offering a wide variety of courses and programs. This service provides individually packaged standard modules with minimal customization, enabling shorter development lead times and lower development costs, and installs core systems on the customers' servers.

* A business model aimed at generating continuous revenue, ensuring long-term earnings by having the same customers use products and services on an ongoing basis.

The revenue model for each service consists of an initial fee charged when the service is introduced and a monthly fee calculated as the number of student IDs used multiplied by the unit price per ID. Compared with other companies, the Company offers the widest range of functions, while fees are kept relatively low. For instance, the initial fee for ComiruBASIC and ComiruAir is ¥30,000 per classroom, and the monthly fee is ¥300–¥500 per student ID. Because the Company prioritizes accelerating service penetration and increasing market share over a short period, it has set prices that make it easy for even small education providers to introduce the services. In addition, in January 2025, the Company introduced ComiruPay, a bank transfer service with transaction fees at the lowest level in the industry, which supports its price competitiveness while enabling the integrated provision of functions required by customers. BIT CAMPUS also charges usage fees under a recurring model based on the number of student IDs.

Business overview

Comiru service details

The diagram illustrates the Comiru service ecosystem. It is divided into five main components:

- Comiru FREE:** Business management system. Initial fee: ¥0/classroom, ¥0/student. Features include customer acquisition functions, application form creation, and collection of testimonials.
- Comiru BASIC:** Headquarters management system. Initial fee: ¥30,000/classroom, ¥300/student. Features include LINE* & app integration, notices & questionnaires, and student check-in/out management.
- Comiru PRO:** Headquarters management system. Initial fee: negotiable, ¥500/student. Features include prospective customer management, enrolled student management, and instructor management.
- ComiruAir:** Online lesson delivery system. Initial fee: ¥30,000/classroom, from ¥3,000. Features include live and recorded streaming lessons, video content use, and learning support rooms.
- ComiruHR:** Personnel and labor management system. Initial fee: Free, ¥300/instructor. Features include instructor communication, attendance management, shift management, and payroll management.

Source: Business Plans and Growth Potential presentation (January 26, 2024)

Comparison with competing business management SaaS providers

	Major cram school requirements			
	Classroom operations Mgmt. (communication, etc.)	Payment function	Management functions for HQ	Individual development ability for core systems, etc.
POPER	Communication apps pioneer in cram school industry No.1 domestic share ※1	Aiming the lowest payment fees in industry ※2	ComiruPro	ComiruERP
Company A Unlisted	○	△	-	-
Company B Unlisted	○	△	○	△
Company C Unlisted	-	-	○	○
Company D Listed	△	△	△	○

*1 In the report titled "Market Trends of Cloud-Based Business Management Systems for Cram Schools Experiencing Continued High Growth" (MIC IT Report, February 2021 issue) published by Deloitte Tohmatsu MIC Research Institute Co., Ltd., the Company's Comiru service ranked No.1 in the number of classrooms implementing cloud-based business management systems for cram schools.

*2 Prepared based on the Company's survey results as of October 2024.

Note: Evaluations for each item are prepared based on the official websites of each company and information from interviews with the Company's customers.

Source: Business Plans and Growth Potential presentation (January 30, 2025)

Business overview

(2) Functions

a) Comiru's functions

Comiru offers a total of 15 functions, categorized into communication, operational improvement, and student recruitment and management functions.

(Communication functions)

• Dedicated app & LINE integration	Through integration with a dedicated app and LINE, notifications and shared information from education providers can be delivered directly to parents' smartphones.
• Guidance reports and notices	By using templates, instructors can create guidance reports and announcements more quickly and easily than by hand, without sacrificing quality. Furthermore, they can check parents' viewing status, such as whether messages have been read or remain unread.
• Student check-in/out management	Education providers and other users are not required to pay for equipment purchases or card issuance, and the system automatically records students' check-in and check-out information and shares it with parents.
• Conference booking records & management	The system records and manages the details of conferences held with parents and students, such as conferences at the time of enrollment or conferences held before seasonal courses.

Source: Prepared by FISCO from the Company's Securities Report

(Operational improvement functions)

• Invoices	The system automatically creates monthly invoices to be sent by education providers and other users to parents. It is also possible to check payment status and resend requests for unpaid amounts.
• Bank transfers	If parents set up account transfers for tuition and other payments via the Internet, the payment processing fee payable by education providers and other users to the settlement bank is settled*1 through the system. This eliminates the need for cumbersome paper-based procedures for both education providers and parents, as the process is completed entirely online.
• Grade management	The system manages test results for each student as data. Test result data can also be reported to parents. Parents can directly input information such as students' school grades, making the cumbersome task of collecting school test results and other data easier for education providers.
• Credit card payments	Payment fees to payment service providers and other parties involved in credit card payments are offered from as low as 1.7%*2. This allows education providers and other users to introduce credit card payments at lower fees than if they were to conclude individual contracts with payment service providers. Furthermore, education providers and other users can easily handle billing and management by linking this with the invoice function.
• Seating management	The system supports class session management. Through automatic seat allocation for seasonal courses, it further reduces the operational burden on education providers and other users.
• Analysis	The system generates detailed data on usage status, such as whether parents have viewed announcements and guidance reports, as well as student tardiness and absences, learning progress, and homework submission status. By setting alert functions, education providers and other users can identify students with a tendency to withdraw at an early stage and provide them with necessary care.
• Learning progress management	The system manages learning plans and subjects, as well as study time and progress for each teaching material. Instructors, parents, and students can also exchange comments on these learning plans.
• Joint purchasing	Education providers and other users can purchase various supplies necessary for classroom operations, such as copy paper and stationery, at discounted prices through partnerships with major supply providers.

*1 Since payment processing fees are paid directly by education providers and other users to the settlement bank, they do not constitute revenue for the Company.

*2 Credit card payment fees are paid by education providers and other users to payment service providers and therefore do not constitute revenue for the Company.

Source: Prepared by FISCO from the Company's Securities Report

(Student recruitment and management functions)

• Prospective customer management	The system enables the creation of a database of prospective customer information and the management of their status and related actions.
• Review collection and posting	The system enables more efficient and effective collection and publication of reviews, which are a key factor in enrollment, compared with traditional methods such as handwritten reviews or instructor interviews.
• Web application	By placing an application form on their website, education providers and other users can respond to prospective customers without the need for phone calls.

Source: Prepared by FISCO from the Company's Securities Report

Business overview

b) ComiruAir functions

While standard web conferencing tools make it difficult to share screens or communicate in a manner tailored to individual students and require separate systems for communication and reporting before and after classes, ComiruAir offers specialized functions for online lessons. These include an “individual support” function that allows instructors to designate a specific student and communicate privately with that student, share screens, and switch audio from the instructor’s side. It also features a “learning support room” function to assist with home study, allowing for online Q&A sessions while students study at home and notifying parents of records of these interactions. Through integration with Comiru, it enables more efficient management of online learning.

c) ComiruHR functions

While standard time and attendance management tools make it difficult to manage wage systems by class type and task type or to adjust shifts in conjunction with class times, often requiring manual calculation and adjustment, ComiruHR offers labor management functions, including a “shift management and classroom entry/exit management” function tailored to the specific work patterns of education providers, such as attendance records on a per-class basis, multiple clock-ins and clock-outs per day, and the tracking of administrative work hours. This enables the centralized management of attendance and payroll for instructors and other staff that cannot be fully handled by other companies’ time and attendance management tools.

(3) Comiru service features and strengths

Comiru is a service specialized for the education industry, developed with an understanding of the characteristics and complexities of business management in this sector. Its strength lies in its ability to provide a one-stop solution that includes not only communication with parents but also multiple functions, including integration with accounting systems for billing operations and other tasks, alongside ComiruPay, a payment function added in January 2025. For cram schools and other users that implement the Comiru service, this can lead to lower operating costs and reduced administrative work time. At the same time, by conveying instruction details and outcomes, as well as test results and follow-up measures, to parents, communication with them is strengthened, which is expected to reduce the risk of student withdrawals and improve sales.

Comiru has evolved its service UI/UX by focusing on the cram school industry, where back-office and other operations are particularly complex. Since the Company employs former schoolteachers and cram school instructors, it can leverage their experience to better understand unmet customer needs and enhance after-sales support, thereby further increasing customer satisfaction. Another significant strength is its ability to respond quickly to customer requests and improvement suggestions; even now, the Company improves 40 to 50 items per week in response to such feedback. This is made possible by the agile methodology, which efficiently advances development with a small team in a short period by repeating development processes, such as requirements definition, design, development, and testing, in small cycles for each function. This offers many advantages, such as increasing customer satisfaction by responding quickly and accurately to changes in specifications and requirements while maintaining close communication with customers, and reducing costs associated with rework in the development process. Furthermore, to reduce the burden of software development for customers and lower the barrier to adopting Comiru, various Comiru functions are being made into open APIs*. As a result, customers can incorporate only the Comiru functions they need according to their own business processes, making customized development easier than before and allowing for the addition of functions that more closely reflect customer requirements.

* API: Application Programming Interface. A mechanism for sharing software functions. By linking different services via APIs, it becomes possible to share user data and perform other functions between services with the user’s consent.

Business overview

(4) Sales strategy for the Comiru service

Large-scale cram schools often already have core business systems in place. Previously, the Company had proposed a package combining ComiruPRO and paid development of the core systems required for API integration. However, from the fiscal year ending October 2025, the Company has centered its proposals on ComiruERP, which links with Comiru while addressing needs such as enrollment management, student management, and billing operations tailored to diverse lectures and courses, as well as resistance to scratch development and demand for cloud-based solutions. ComiruERP integrates core business functions, such as billing and accounting, human resources, and sales operations, on each customer's server while linking with Comiru. It was developed based on the Company's accumulated track record of advanced customization for the complex business workflows of major cram schools accumulated through previous paid development projects, and most of these functions have been standardized as modules. Leveraging the system development capabilities cultivated through the Comiru business, the Company promotes implementation with minimal customization.

For core system renewal projects, the process begins with consulting on business process improvement and system requirements definition, followed by customized development related to the implementation of ComiruPRO and ComiruERP, the introduction of ComiruAir, ComiruHR, and ComiruPay, and the provision of services such as BI and marketing tools. Since the pricing structure transitions from non-recurring revenue to recurring revenue depending on the project scale and customer needs, this contributes to the establishment of a stable revenue base. Going forward, the Company intends to enhance its competitiveness by considering factors such as overall profitability and project scale, and by utilizing recruitment or outsourcing as necessary to ensure no sales opportunities are missed.

Not only small and individual cram schools, but also mid-sized cram schools with limited financial resources often lack the capacity to build their own systems, and therefore frequently rely on Excel or Access to manage their operations. For these customers, the Company proposes the introduction of ComiruERP and initially supports their operations from a business management perspective. In addition, unlike large-scale schools, small and private schools have fewer opportunities to share information regarding the use of ICT. In response, the Company held its first self-hosted conference, ComiruDay, in September 2025. By creating a forum where challenges in education and management can be shared, the event achieved a satisfaction rate exceeding 80% among more than 200 participants. This initiative is successfully stimulating the use of ICT for management and operational efficiency across the entire cram school market.

Results trends

Introduction of ComiruERP is progressing among major cram schools. ComiruPay is gaining traction in the lessons sector and among small and mid-sized cram schools

1. Overview of FY10/25 results

In terms of results for FY10/25, the Company recorded sales growth and a significant increase in profit, with sales of ¥1,389mn (up 29.7% YoY), operating profit of ¥174mn (up 138.2%), ordinary profit of ¥172mn (up 145.5%), and net income of ¥138mn (up 65.9%). Regarding the FY10/25 results, the Company raised its full-year forecasts upward by approximately 50% for all profit levels at operating profit and below as of 1H FY10/25. This was based on an improvement in the gross profit margin through increased efficiency in development work, ROI-focused marketing initiatives, and the resulting determination that a portion of deferred tax assets was recoverable. The progress rates against the revised results forecast (sales of ¥1,350mn, operating profit of ¥150mn, ordinary profit of ¥147mn, and net income of ¥118mn) were 102.9%, 116.3%, 117.4%, and 117.6%, respectively, with all targets being met. In addition to improved recognition of Comiru in the education industry through effective marketing activities centered on small and mid-sized cram schools, customer inflow from ComiruPay, which was launched in January 2025, contributed to results. Consequently, the number of paid contract companies increased 14.8% to 1,939, and the number of billed student IDs increased 13.7% to 500,000, reaching a major milestone. These figures have been growing steadily, with an increase of 250 companies and 61,000 IDs over the past year. By maintaining a low churn rate of 0.6% alongside the increase in IDs, annual recurring revenue (ARR)*, a measure of stability and growth for SaaS companies, increased 9.4% to ¥1,205mn. Approximately half of the cancellations were due to business closures and similar factors. However, the Company mitigates this risk by targeting small and mid-sized cram schools with approximately 50 to 100 students, which have a relatively low probability of closing.

* ARR: annual recurring revenue. It is calculated by multiplying MRR at the end of the quarter (or the end of the reporting period) by 12. MRR stands for monthly recurring revenue and represents the total amount of monthly fees for customer contract plans as of the end of the target month (excluding one-time revenue).

ARPU* decreased 4.7% YoY to ¥51,816 due to an increase in small and mid-sized cram schools. However, the Company is promoting cross-selling of ComiruPay and other services, as well as the introduction of ComiruERP, and the trend shifted to expansion after bottoming out in 2Q FY10/25. Regarding major cram schools, in addition to paid customized development of core systems bundled with ComiruPRO, inquiries for the newly proposed ComiruERP are increasing. Due to advantages such as short delivery times and low costs, all 9 companies that placed orders in FY10/25 were customization projects based on ComiruERP. These generated non-recurring revenue and accounted for slightly over 10% of sales in FY10/25. Billing has commenced for two of these companies, and their contributions to ARPU and ARR have started to be reflected, contributing to both earnings growth and the establishment of a stable revenue base. In addition, ComiruPay, which was released in January 2025, had received applications from 405 companies as of the end of October. It has shown greater growth than expected and continues to accelerate and is starting to function as a new growth driver. In terms of the sales composition, approximately 60% comes from cram schools, approximately 30% from the lessons sector such as English conversation schools, and the remaining 10% from the after-school sector such as after-school care and free schools. Compared with the initial stage following its release, adoption in the lessons sector has been progressing.

* ARPU: average revenue per user. It is calculated by dividing MRR at the end of the quarter (or the end of the reporting period) by the number of paid contract companies.

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Results trends

In terms of profit and loss, regarding gross profit, although outsourcing expenses increased ¥6mn due to items such as sales commissions for BIT CAMPUS, the gross profit margin was 75.2% (up 0.7pp YoY). This was driven by higher sales and improved efficiency in development work through the use of generative AI (automation of testing and coding tasks, modularization of programs, etc.). Gross profit increased 30.9%, outstripping the growth rate of sales. SG&A expenses increased 20.1% due to personnel expenses of ¥506mn (up 20.6%) accompanying business growth, advertising expenses of ¥67mn (up 41.4%) associated with the provision of new services such as ComiruERP and ComiruPay, and amortization of goodwill and customer-related assets related to the succeeded BIT CAMPUS business. However, the SG&A ratio declined 5.0pp to 62.6% due to improvements in productivity per employee, cost control, and thoroughly ROI-focused marketing initiatives. As a result, operating profit more than doubled YoY. Furthermore, as the outlook for future taxable income improved due to enhanced profitability, the Company recorded deferred tax assets of ¥23mn. Consequently, income taxes were ¥7mn, and net income reached ¥138mn (up 69.5%).

Additionally, some classrooms of the major cram schools operated by Tieracom, which transferred the BIT CAMPUS business to the Company, are conducting trial introductions and verifications of Comiru, and some individual instruction divisions have begun the transition to Comiru, including full-scale introduction. BIT CAMPUS is a business management system for cram schools similar to Comiru, but it also has unique functions that Comiru does not currently provide. The Company plans to incorporate these functions and expertise into Comiru in the future, with the goal of eventually integrating the systems while strengthening the functionality of Comiru.

FY10/25 Results

(¥mn)

	FY10/24		FY10/25		YoY		Progress rate vs. revised forecast		
	Result	Vs. sales	Initial forecast	Revised forecast	Result	Vs. sales	Change	Change %	
Sales	1,071	100.0%	1,320	1,350	1,389	100.0%	318	29.7%	102.9%
Gross profit	797	74.5%	962	1,003	1,044	75.2%	246	30.9%	104.1%
SG&A expenses	724	67.6%	861	853	869	62.6%	145	20.1%	102.0%
Operating profit	73	6.8%	100	150	174	12.6%	101	138.2%	116.3%
Ordinary profit	70	6.6%	96	147	172	12.4%	102	145.5%	117.4%
Net income	83	7.8%	83	118	138	10.0%	55	65.9%	117.6%

Note: The revised forecasts reflect the revisions made on June 12, 2025.

Source: Prepared by FISCO from the Company's financial results and results briefing material

Trends in management indicators

	FY10/24				FY10/25				YoY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Change	Change %
Number of paid contract companies (companies)	1,349	1,423	1,634	1,689	1,731	1,806	1,890	1,939	250	14.8%
Number of billed student IDs (thousand IDs)	354	360	426	444	459	453	485	505	61	13.7%
ARPU (¥)	51,516	49,615	54,476	54,365	55,160	50,858	52,061	51,816	-2,549	-4.7%
ARR (¥mn)	833	847	1,068	1,101	1,145	1,102	1,180	1,205	103	9.4%
Customer churn rate (%)	0.4	0.5	0.4	0.4	0.4	0.5	0.6	0.6	0.2pp	-

Note: Customer churn rate is the average monthly churn rate over the most recent 12 months, based on the monthly churn rate calculated as the number of paid contract companies that cancelled during the month divided by the number of paid contract companies at the end of the previous month.

Source: Prepared by FISCO from the Company's financial results

2. Trends by customer base

(1) Cram school sector

Regarding major cram schools, the number of business negotiations increased significantly to 21 companies. Project managers (PMs) and engineers with exhaustive knowledge of the education industry engaged deeply with the complex operational requirements unique to major cram schools and presented solutions, resulting in a large number of orders, specifically from nine companies, including projects involving switches from competitors. The projects involved the introduction of ComiruERP, which integrates with the Comiru SaaS version launched in FY10/24, with additional functional customizations based on this platform. As a result, non-recurring revenue accounted for slightly over 10% of total sales, and recurring billing, which constitutes recurring revenue, commenced for 2 of the 9 companies, beginning to contribute to the stabilization of earnings. Regarding small and mid-sized cram schools, management seminars remain popular with an average of over 200 participants. In FY10/25, the Company obtained over 6,600 leads, conducted more than 1,120 business negotiations, achieved a record high of over 450 orders, and recorded an order rate of slightly over 40%.

(2) Lessons sector

In the lessons sector, including English conversation schools, programming schools, and music schools, the number of paid contract companies increased 79.9% YoY to 286, a net increase of 127 companies over the past year. In addition to sharing case studies of ongoing service use and holding industry-specific seminars, ComiruPay, which launched in January 2025, was used as a door-opening tool, contributing to this growth.

To acquire new customers, the Company held its first self-hosted conference, ComiruDay, in September 2025 as part of its marketing initiatives to enhance customer engagement. The event brought together more than 200 managers and instructors from cram schools and lessons schools. Targeting small and mid-sized cram schools and schools in the lessons sector, which have few opportunities for information sharing, the event offered content focused on educational practice. By fostering a community where client companies can share challenges from a management perspective and grow together, the event achieved high satisfaction ratings, with satisfaction among managers and instructors exceeding 80%. In fact, it is increasingly contributing to lead generation, through such avenues as requests for lectures from industry-specific organizations and referrals generated by participating instructors' social media posts about ComiruDay. The Company plans to hold the event annually and expand its scale to more than 200 participants, and by making the operational know-how for hosting the event routine, it is expected to become a highly cost-efficient marketing initiative. In terms of web advertising, the Company is strengthening advertising investment linked to sales growth by subdividing classroom categories within the lessons sector, alongside the cram school sector, and deploying multiple targeted advertisements and banners.

(3) School sector

In FY10/23, Comiru was adopted for a model project aimed at the regional transition of weekend and holiday extracurricular activities for junior high schools in Yachiyo City, Chiba Prefecture. In FY10/24, the initiative expanded to 11 junior high schools in Yachiyo City, and adoption was also decided in Narashino City. Furthermore, the Osaka City Board of Education decided to introduce the system at several schools in certain areas through Konami Sports Co., Ltd. Additionally, since FY2024, the Company has supported the digital transformation of school administrative operations in municipalities and target schools as a specialized advisor to Mynavi Corporation, the contractor for the "Operational Outsourcing Related to the School Operations Improvement DX Advisor Deployment Program," implemented by the Chiba Prefecture Board of Education. In June 2025, the Company concluded an agreement with Sakae Town, Inba District, Chiba Prefecture, and a Company employee was appointed as a NEXT GIGA Project Promotion Support Officer under the Regional Revitalization Entrepreneur System promoted by the Ministry of Internal Affairs and Communications, supporting the digital transformation of the public education environment in local governments.

Results trends

Trends in the number of paid contract companies by customer category for the Comiru service

	(Companies)									
	FY10/23 4Q	FY10/24				FY10/25				YoY change
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Major cram school (5,000+ students)	12	12	14	17	17	17	19	19	19	2
Mid-sized cram school (300 to 5,000 students)	77	78	82	107	109	110	113	113	119	10
Private cram school (Less than 300 students)	1,156	1,177	1,221	1,367	1,404	1,421	1,453	1,503	1,515	111
Other lessons	81	82	106	143	159	183	221	255	286	127
Total	1,326	1,349	1,423	1,634	1,689	1,731	1,806	1,890	1,939	250

Note: From 3Q FY10/24, the number of paid contract companies includes those of BIT CAMPUS, which was succeeded to through an absorption-type merger.

Source: Prepared by FISCO from the Company's financial results

3. Financial condition and management indicators

At the end of FY10/25, total assets increased ¥172mn from the end of the previous fiscal year to ¥1,242mn. This was due to a ¥142mn increase in cash and deposits, a ¥12mn increase in accounts receivable-trade accompanying the increase in sales, and a ¥21mn increase in investments and other assets due to the recognition of deferred tax assets. Total liabilities increased ¥19mn to ¥367mn. While accounts payable-other increased by ¥44mn due to business expansion and short-term borrowings increased ¥22mn to secure working capital, long-term borrowings decreased ¥35mn. Net assets increased ¥152mn to ¥875mn. In addition to a ¥4mn increase in share capital and a ¥4mn increase in capital surplus following the exercise of share acquisition rights, retained earnings increased ¥138mn due to the recording of net income, further strengthening the Company's internal reserves. The equity ratio rose 2.5pp YoY to 70.0%, reflecting the increase in net assets.

Balance sheets and key management indicators

	(¥mn)		
	End-FY10/24	End-FY10/25	Change
Current assets	853	998	145
Cash and deposits	705	848	142
Accounts receivable-trade	120	132	12
Non-current assets	217	244	26
Property, plant and equipment	11	8	-2
Intangible fixed assets	84	92	7
Investment and other assets	121	143	21
Total assets	1,070	1,242	172
Current liabilities	240	296	55
Short-term borrowings	0	22	22
Current portion of long-term borrowings	80	35	-45
Accounts payable-other	47	91	44
Accrued expenses	44	55	11
Non-current liabilities	106	70	-35
Long-term borrowings	106	70	-35
Total liabilities	347	367	19
Total net assets	723	875	152
Share capital	274	279	4
Capital surplus	514	519	4
Retained earnings	-67	71	138
Equity ratio	67.5%	70.0%	2.5pp
Interest-bearing debt ratio	25.9%	14.8%	-11.1pp
EPS (¥)	21.33	35.25	13.92

Source: Prepared by FISCO from the Company's financial results

Results trends

In FY10/25, cash flows from operating activities resulted in an inflow of ¥213mn, up ¥152mn YoY, primarily due to income before income taxes of ¥145mn. Cash flows from investing activities resulted in an outflow of ¥21mn, a decrease of ¥66mn. While a payment was recorded for the acquisition of intangible assets associated with software development, the ¥80mn payment recorded in the previous fiscal year for the acquisition of the BIT CAMPUS business from Tieracom was no longer present. As a result, free cash flow totaled ¥191mn. This amount, combined with proceeds from short-term borrowings of ¥22mn and proceeds of ¥9mn from the issuance of shares following the exercise of share acquisition rights, was used for the repayment of long-term borrowings of ¥80mn. As a result, cash and cash equivalents increased ¥142mn from the end of FY10/24.

Cash flow statements

	(¥mn)		
	FY10/24	FY10/25	Change
Cash flow from operating activities (a)	61	213	152
Cash flow from investing activities (b)	-87	-21	66
Cash flow from financing activities	73	-48	-121
Free cash flow (a) + (b)	-26	191	218
Change in cash and cash equivalents	46	142	96
Cash and cash equivalents at the beginning of the period	659	705	46
Cash and cash equivalents at the end of the period	705	848	142

Source: Prepared by FISCO from the Company's financial results

Outlook

Shifted to a strategy focused on Comiru and ComiruERP. Aiming to accelerate growth from FY10/27 onward through upfront investments

1. FY10/26 forecasts

For FY10/26, the Company forecasts an increase in sales but a significant decrease in profit, with sales of ¥1,425mn (up 2.6% YoY), operating profit of ¥85mn (down 50.8%), ordinary profit of ¥83mn (down 51.7%), and net income of ¥55mn (down 59.7%). To achieve sustainable future growth, the Company has shifted its strategy for the major client segment. It will basically move toward a selective intake of customization needs in new proposals and orders for customized development, focusing instead on developing the upper-mid and mid-tier segments with implementation through standardized modules centered on Comiru and its linked package, ComiruERP. While this shift is expected to reduce non-recurring revenue, the Company plans to ensure an increase in sales by accumulating recurring revenue from Comiru and ComiruERP. Additionally, as the number of billed student IDs and the number of customers are expected to increase due to the promotion of ComiruERP, the Company expects declines at each profit level due to upfront investments for future growth, including expanding capacity in its infrastructure systems to withstand scalability demands, expanding functionality, and strengthening security to ensure stable operations.

Outlook

In developing systems for major cram schools, it is necessary to deeply understand both the on-site operations unique to major cram schools and the strategies of management and headquarters, while organizing customer requirements and ensuring their adoption. This work involves a high degree of complexity and requires a long-term commitment. As a result, while the burden on the development department is significant, it is difficult to translate those outcomes into the further development of the Comiru series, and the Company determined that this does not necessarily contribute positively to sustainable growth. This is the background to the strategic shift in its approach to the major client segment. The Company intends to realign the direction of its business with its management philosophy and pursue renewed growth. However, since customer demand for customized development will not disappear, in cases where the burden of semi-customized development centered on ComiruERP increases, the Company may consider the adoption of a new customized development structure as an option, such as handling only the core project management (PM) functions while outsourcing development, including offshore. For customers, renewing core systems centered on ComiruERP or introducing business systems makes it possible to implement key functions tailored to the specific needs of educational institutions, which are one of the Company's strengths, in a short period and with minimal customized development. In addition, the initial implementation cost for ComiruERP is on the order of tens of millions of yen, representing a significant reduction compared with the tens of millions to several hundred million yen typically required for customized development. In fact, the Company is currently in negotiations with 12 companies. Of these companies, one or two are progressing based on existing ComiruPRO proposals, while discussions with the others are proceeding toward ComiruERP, and the Company expects to close these deals within one to three years at the latest. Note that when formulating its results forecasts, the Company includes projects in its plans only after receiving informal consent from customers, as the timing of orders for major cram school projects is difficult to predict due to customers' internal adjustments, and the lead time until the start of billing tends to be long.

Notable topics in the lessons sector include plans to implement a ticket management function and a school bus operation management function. The ticket management function will support contracts such as single-use tickets and multi-use ticket packages, while realizing convenience and back-office efficiency through automated calculations from payment to sales recognition. The school bus operation management function will support parents' peace of mind and safe bus operation management through real-time sharing of bus location information. The ticket management function is also one outcome of the Company's efforts to strengthen efficiency in lead acquisition through closer coordination between marketing and sales. In cases where leads did not generate orders, the sales team identified customer demand for a ticket management function, which led to planning the function from a marketing perspective and ultimately to product development. Because this function enhancement was driven by a market-in approach rather than by comprehensive functional expansion, FISCO believes it as likely to contribute to customer acquisition. In addition, the non-cram school sector has 8.78mn IDs, nearly double the size of the cram school sector. For this reason, to strengthen sales expansion in this area, the Company will establish a dedicated CS and sales structure and build ongoing relationships by providing comprehensive support to both users and service operators. In particular, the Company appears to be reinforcing its sales team by hiring personnel with experience in sales to local governments, where the lead acquisition process is unique.

Outlook

Furthermore, as strategic upfront investment, the Company plans to spend ¥60–70mn in FY10/26, primarily to expand its infrastructure systems in connection with the sales promotion of ComiruERP. However, as subsequent spending will be limited to revisions of minor details such as functional improvements, these investments are estimated to gradually decrease. The Company is also promoting AI initiatives aimed at improving productivity. In the development process, it has established a system in which AI predicts the programming language (code) during coding. Currently, the Company is working to further improve efficiency through AI; for example, by enabling the review of highly consistent specification documents from past development records when detailed specifications, which are particularly important during functional enhancement, are input. Completion of this initiative is scheduled for FY10/26. At the same time, the Company will strengthen investment in human resources. Regarding development engineers, one of the Company's longstanding strengths has been the establishment of a recruitment pipeline for talent from China, and it plans to further strengthen this advantage in order to secure outstanding personnel. For project managers (PMs), however, it is difficult in practice to recruit individuals from outside the Company who are deeply familiar with the education industry. Accordingly, the Company intends to expand this role through internal training in order to enhance its system development structure.

Results outlook for FY10/26

	FY10/25 Results	FY10/25 Forecasts	YoY	
			Change	Change %
Sales	1,389	1,425	35	2.6%
Gross profit	1,044	1,019	-25	-2.4%
Gross profit margin	75.2%	71.5%	-3.7pp	-
SG&A expenses	869	933	63	7.4%
Operating profit	174	85	-89	-50.8%
Operating profit margin	12.6%	6.0%	-6.6pp	-
Ordinary profit	172	83	-89	-51.7%
Net income	138	55	-83	-59.7%

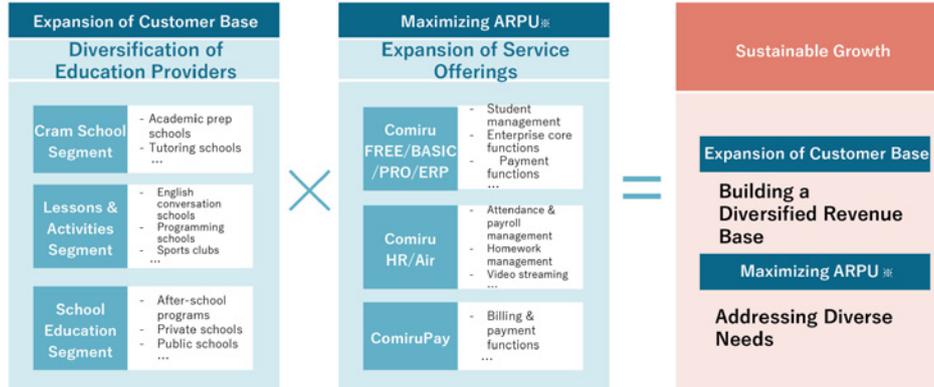
Source: Prepared by FISCO from the Company's financial results and results briefing materials

2. Future growth strategy

In FY10/26, as in the previous fiscal year, the Company will continue to pursue the two pillars of its growth strategy: expanding the customer base and maximizing ARPU. The Company will expand its business scope not only in the cram school industry but also into the lessons sector, including English conversation schools, programming schools, sports clubs, and music schools, as well as the school education sector, including after-school programs and public and private schools, thereby building a diverse revenue base. In terms of services provided, the Company intends to collect user needs and develop and implement functions that meet a wide range of needs across Comiru, as well as services such as ComiruAir, ComiruHR, and ComiruPRO, along with newer services including ComiruERP and ComiruPay, with the aim of maximizing ARPU.

Outlook

Overview of growth strategy



Source: The Company's results briefing materials

In the cram school sector, the Company aims to raise its market share for major, mid-sized, and private cram schools from 9.5%, 11.9%, and 4.9%, respectively (FY10/25), to 25% in the future. To achieve this goal, the Company will focus on replacement projects, particularly for upper-tier and mid-tier cram schools where core systems have become obsolete and demand for cloud migration and enhanced security is high. For other mid-sized and private cram schools, the Company will promote the diverse functions of Comiru along with ComiruPay, which has a strong competitive advantage particularly in terms of pricing. It aims to first secure a certain number of IDs and then raise ARPU by expanding sales of other services. In the lessons sector, the Company will continue focusing on new customer acquisition triggered by the strong performance of ComiruPay. In addition, as part of its marketing activities, the Company will expand its pool of prospective customers by increasing touchpoints both online and offline, including targeted web advertising mainly in the cram school and lessons sectors, and the referral effects from regularly holding its self-hosted conference, ComiruDay.

In addition, in the public and private school sector, the Company has been building a track record of adoption, including as a communication tool for extracurricular activities, through the boards of education of Yachiyo City and Narashino City in Chiba Prefecture. However, since the base unit price in the school sector is significantly lower than in the private education sector, its direct contribution to results is not large. Nevertheless, the market size of the public and private school sector is 12.97mn IDs, which is more than double the 4.28mn IDs of the cram school market (Ministry of Education, Culture, Sports, Science and Technology, FY2019), and FISCO expects that expanding the Company's market share in this sector will contribute to results going forward. The Company is also recruiting personnel with experience in sales to municipalities to strengthen its sales capabilities targeting municipalities, which serve as the entry point for the sales process. Through these measures, the Company aims to increase the share of sales from the lessons sector and the public and private school sector to 50% within 5 to 10 years.

Outlook

ComiruPay, which began service in January 2025, was initially expected to make a slow start, securing new contracts from approximately 100 companies in the first fiscal year. However, it secured new contracts from 405 companies within 10 months of its launch. As of the end of FY10/25, it had been adopted by approximately 20% of paid Comiru customers, indicating that users with a high level of information awareness responded early. There remains substantial room for future expansion, and the Company aims for new adoption by 80%–90% of its existing customers. In addition, ComiruPay is expected to function as a door-opening tool for introducing Comiru to the non-cram school sector. Therefore, the Company intends to support sales promotion through functional enhancement. Specifically, following the first phase introducing the bank transfer function, the second phase will add convenience store payments and credit card payments. Along with encouraging new adoption by differentiating itself with increased convenience and the education industry's lowest payment fees, ComiruPay is also expected to help prevent the churn of existing customers by increasing switching costs. The release of these additional functions is planned for FY10/27 onward.

To maximize ARPU, the Company will sequentially introduce new functions, including core system functions, to increase the unit price for both existing and new customers. Specifically, it aims to introduce ComiruERP in connection with the replacement of core systems in the major cram school and public education sectors, while promoting cross-selling of ComiruHR, ComiruAir, and ComiruPay. In addition, the Company will focus on upselling initiatives to increase the number of student IDs, including expanding usage from individual classrooms to all classrooms and sister schools, and from specific departments to other departments (for example, from group instruction departments to individual instruction departments). However, because ARPU tends to decline during phases when the number of small and medium-sized and private customers increases, it is positioned strictly as a comprehensive indicator. In terms of relevance to near-term growth, the number of paid contract companies and the number of billed student IDs will be more important.

3. Business strategy to achieve a market capitalization of ¥10.0bn by 2030

To respond to the Tokyo Stock Exchange's proposed revision to the listing maintenance criteria for the Growth Market announced in April 2025, requiring companies to maintain a market capitalization of ¥10.0bn or more 5 years after listing, with application beginning in or after 2030, the Company will promote the following 3 measures, based on its initiatives to expand the customer base and maximize ARPU.

(1) Maximize organic growth through continued investment in business growth

The Company will accelerate the enhancement and improvement of functions not only for Comiru but also for services such as ComiruERP and ComiruPay, with the aim of capturing demand for core systems and expanding sales in the small and mid-sized cram school and the lessons sectors. At the same time, it will focus on strengthening its infrastructure to ensure stable service operation and scalability. In addition, the Company will work to improve profit margins by maximizing synergies with BIT CAMPUS, whose development and maintenance have been internalized. To execute these strategies, the Company will strengthen the internal training of PM personnel and recruit additional engineers to build a robust development structure.

Outlook

(2) Expand business domains through strategic M&A

The Company will respond flexibly to M&A opportunities with partners capable of maximizing mutual benefits. The policy is to accelerate growth by integrating organizations joining the Group into the Company's established end-to-end operational structure—from in-house development to marketing and sales—through methods such as API integration, and by promoting cross-selling through the sharing of customers. Regarding the direction of M&A, for the purpose of strengthening the expansion of service functions, the Company envisions developing businesses not currently included in its service lineup, such as a specialized staffing business for the recruitment agency industry or a business that undertakes outsourced operations for business process outsourcing (BPO) companies.

(3) Flexible shareholder returns

The Company positions shareholder returns as an important management priority. Restrictions on financial resources for dividends and share buybacks are expected to be lifted in January 2026, and the Company is considering measures such as share buybacks while comprehensively taking into account the stock price level and funding needs.

4. Roadmap for medium- to long-term growth and capital allocation policy

The Company will focus on a SaaS-based recurring business by providing the ComiruERP package and semi-customization centered on Comiru, which establishes a continuous and stable earnings base, while widely promoting across the education industry its original business purpose of “supporting education by improving the operational efficiency of cram schools and other schools so that educators can better engage with children and parents.” Although earnings will temporarily decline due to a decrease in non-recurring revenue from customized development, the SaaS services centered on Comiru, which the Company is focusing on, primarily generate recurring revenue. Accordingly, the Company forecasts dramatic growth through the reacceleration of earnings expansion starting from FY10/27, when investment recovery begins. Furthermore, as progress is made in building a stable earnings base for SaaS services, the Company aims for an operating profit margin of 20%.

Under its capital allocation policy, the Company aims to improve corporate value on a per-share basis by balancing the efficient use of capital and shareholder returns through four policies: continued investment in business growth, implementation of M&A for business expansion, curtailment of new share issuance and use of cash reserves, and returns to shareholders via share buybacks. With a target operating profit margin of 20% by 2030, the Company prioritizes improving corporate value through investments for sustained business growth and expanding its business through active M&A. Funds required for M&A and growth investments will, in principle, be secured without issuing new shares by using debt and cash on hand. The interest-bearing debt ratio will be managed with a guideline of around 70% to avoid shareholder dilution. In FY10/25, the interest-bearing debt ratio was 14.8% (down 11.1pp from the end of FY10/24), and EPS was ¥35.25 (up ¥13.92). In addition, the Company believes it is necessary to introduce debt financing and reduce the weighted average cost of capital (WACC) through leverage effects in order to optimize the cost of capital. Furthermore, the Company plans to implement share buybacks aimed at improving EPS and shareholder returns, as well as M&A using treasury stock (share exchanges) and the granting of stock options.



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