
February 14, 2025

RareJob, Inc

FY 2025/3

Financial Results for the Nine Months Ended December 31, 2024

Agenda

- 01 - Summary**
- 02 - Our Business**
- 03 - Strategy**
- 04 - FY2025/3 3Q Results**
- 05 - Business Updates**
- 06 - Appendix**

01

Summary

01

01

Summary

Gruop

Summary of Cumulative Performance for the Third Quarter (Compared to Initial Performance Forecast)

Net Sales : 7,408 million yen(+72.6%)

EBITDA : 694 million yen(+134.9%) Operating income : 462 million yen(+231.1%)

Net income Attributable to owners of parent : 294 million yen(+420.8%)

The revision of the full-year consolidated earnings forecast for the fiscal year ending March 2025 is detailed on page 17.

Reskilling-related Business

The development of AI-powered products
and the offering of PROGOS tests have been increasing significantly.

Childcare Support Business

Securing projects for the next term by proposing hybrid learning opportunities that combine offline and
online methods.

Others

Released "RareLingo" and began expanding overseas.
Collaboration with the Gakken Group is also underway.

02

Our Business

02

Segments of RareJob group

Reskilling-Related Business

:Providing online services that offer knowledge and skills leading to the reskilling of adults.

Childcare Support Business

:Providing services targeted at children from early childhood through high school (K-12*).

*The educational period from preschool (the final year of kindergarten) to high school graduation.

Reskilling-Related Business



Childcare Support Business



02

Our service

Service of Rarejob group

In each segment, we provide services to three types of clients: B2B, B2C and B2School

	For businesses (B2B)	For individuals (B2C)	For educational institutions (B2School)
Reskilling-Related business	<div>レアジョブ英会話 One-on-one online English conversation service</div> <div>PROGOS for English Speaking AI Speaking Test</div> <div>Training solution services for global leader development programs etc.</div> <div>Providing programs to learn English communication skills</div>	<div>"RareJob English Conversation" app for overseas</div> <div>RareLingo</div> <div>資格スクエア Online preparatory school for legal qualifications</div>	
Childcare Support Business		<div>Online English conversation service for children</div> <div>ripple kidspark</div> <div>ボーダーリンク英会話 Online English conversation service for students</div> <div>English classes for children</div> <div>GLOBAL FIELD</div>	<div>BORDERLINK ALT Staffing</div> <div>English teacher dispatch to kindergartens and nursery schools</div>

03

Strategy

03

Japan's Social Issues and Our solution

- The expansion of companies' global business operations, the increased utilization of foreign talent, and the rapid growth in inbound demand.
- The widening of educational and regional disparities.
- The increasing need for the utilization of DX (Digital Transformation) and AI.

Global business
Utilizing foreign talent
Inbound demand



Improve Japanese
people's English skills by
providing learning
opportunities and taking
the PROGOS test

Educational
disparities
Regional
disparities



Eliminating the gap
with ALT dispatch and
online English lessons

DX • AI Utilization



Providing innovative
services to legacy
industries

03

Overview 1: Maximizing our value by combining human capabilities with AI.

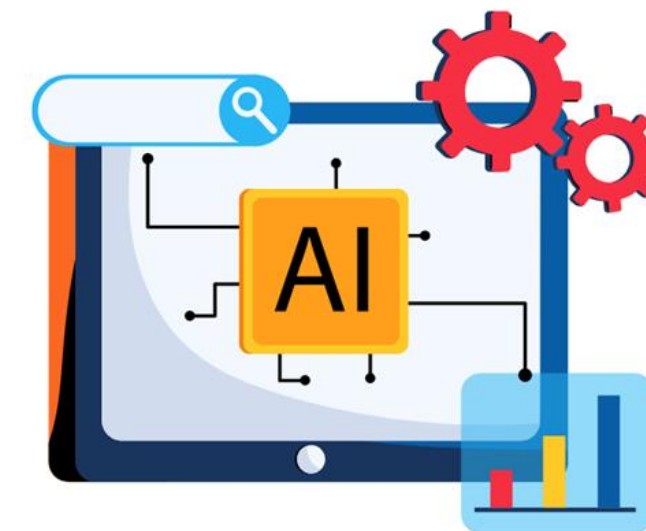
While utilizing the advantages of technology and AI in terms of homogenization and efficiency, it is 'people' who are responsible for valuable creation and service quality. Based on this philosophy, we aim to maximize the value provided by combining human and AI capabilities.

Human



×

AI

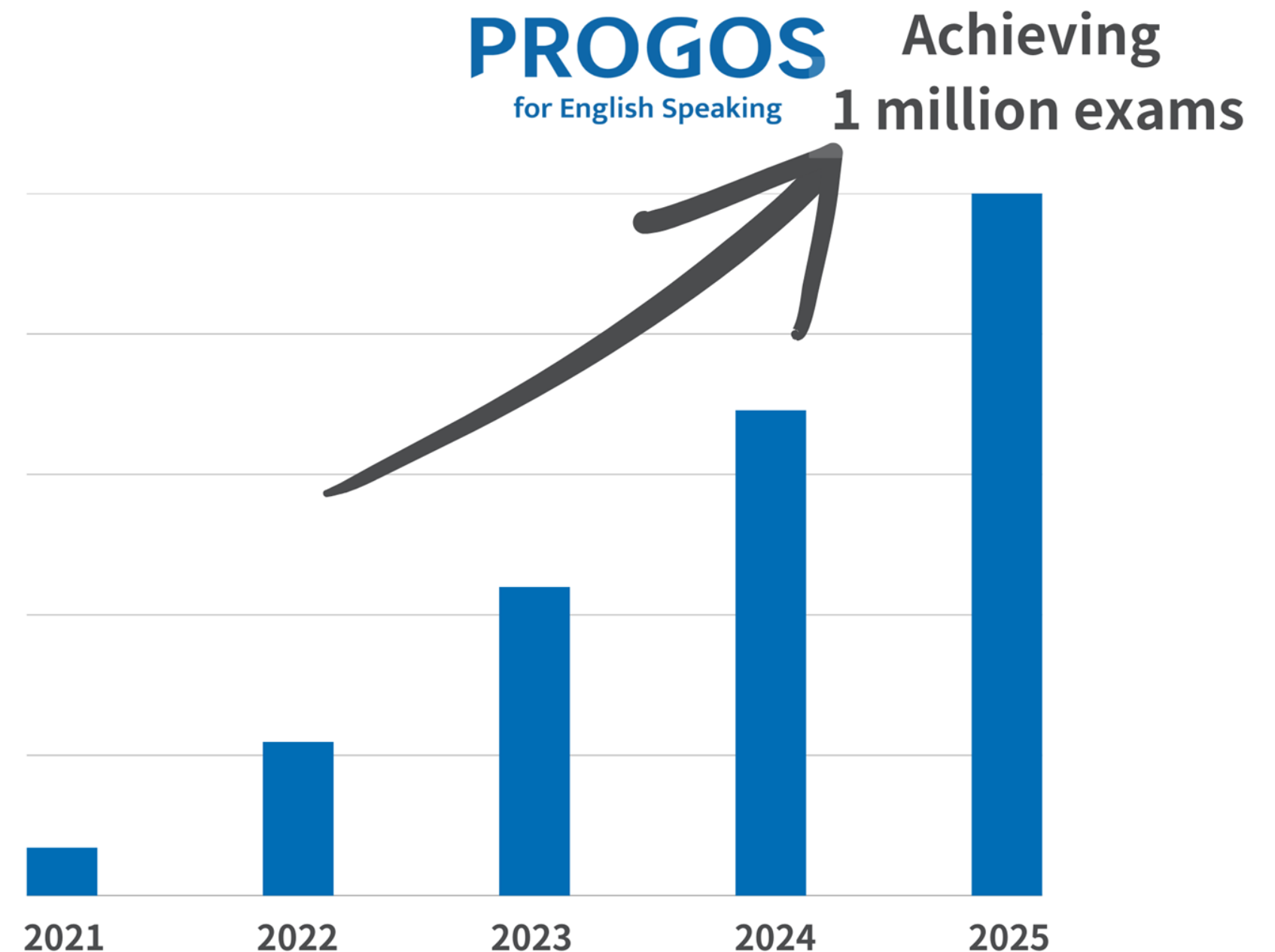


03

Strategy 1-1: Accelerate the deployment of products utilizing AI.

By promoting the CEFR and PROGOS tests, we aim to accelerate the establishment of a comprehensive framework for skill assessment.

PROGOS test is expected to be taken one million times by the end of 2025.



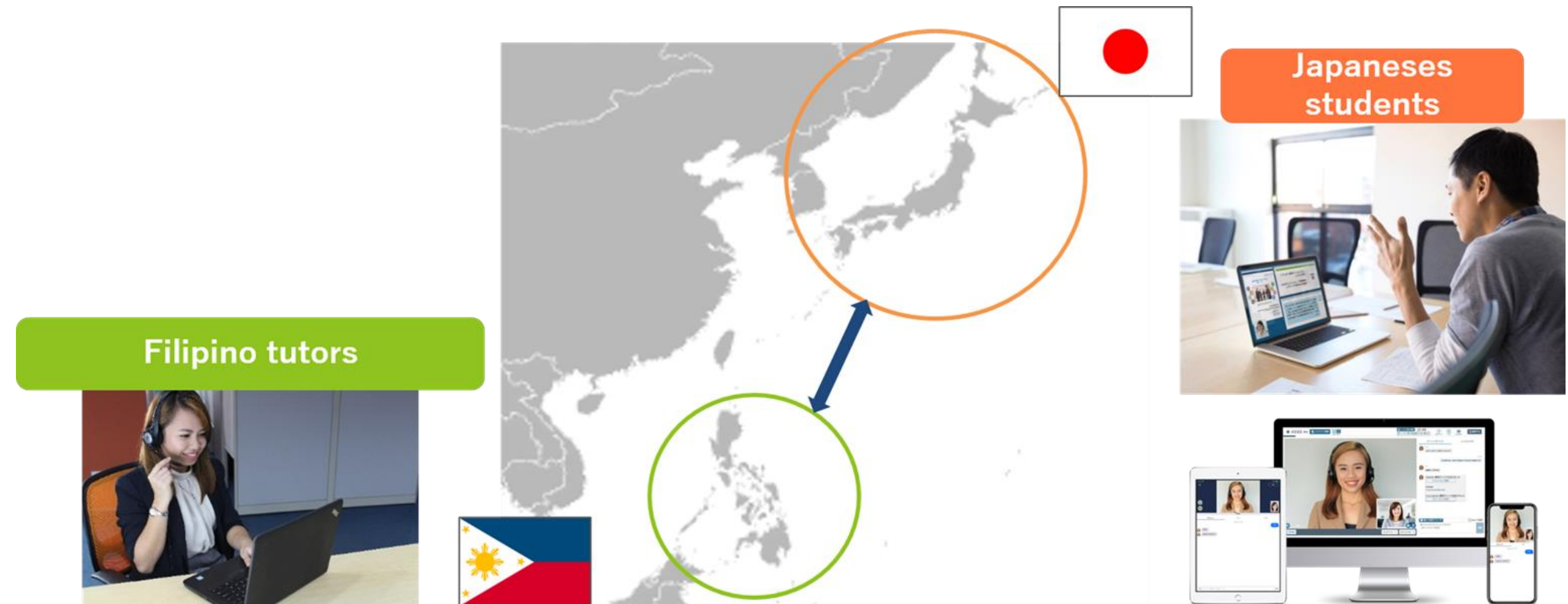
03

Strategy 1-2

:Leverage strengths that can only be realized by humans.

Providing high-quality lessons through 6,000 Filipino tutors.

By operating a subsidiary in the Philippines, we provide high-quality services tailored to fit the needs of Japanese students.

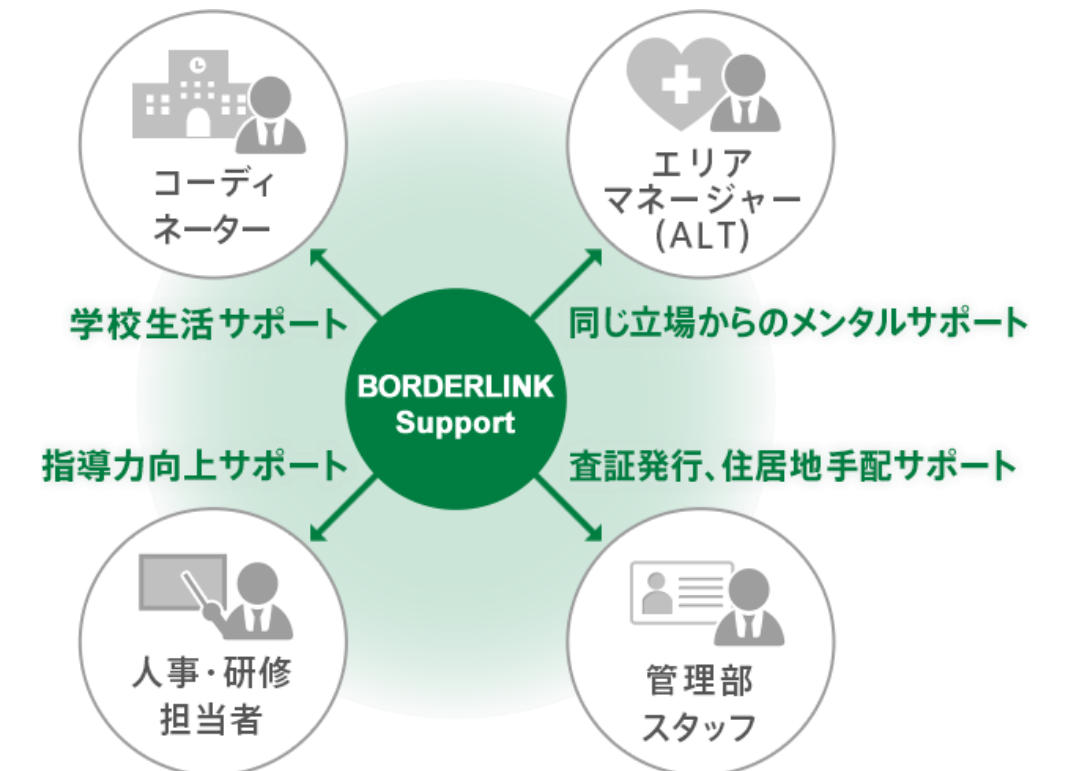


Strategy 1-2 :Leverage strengths that can only be realized by humans.

Dispatch ALT nationwide to support English class in schools.

Against the backdrop of the 2020 curriculum guideline revisions, the importance of "speaking" among the four English skills is increasing. Consequently, the demand for ALT dispatch services to support foreign language education classes, particularly in English, is expanding year by year.

The ALT dispatch service is a business that requires the unique strengths of "people" who stand in the school setting and provide instruction.



03

Overview 2: Establish a competitive advantage with group synergy.

2.Establish a competitive advantage with group synergy.

[Establishing a competitive advantage with in-house development]

[In-house development]
Adding AI-based features to existing services



"AI Lesson Report β"



"AI English Conversation β"



AI "descriptive" correction

[Cross-border group synergy]

[Utilizing ALTs as tutors]
Native lesson tutor
Corporate training tutor



【DX Promotion】
Acquiring leads through digital transformation training
Exploring the possibilities of product development



[Hiring tutors as ALTs]
Filipino tutor → ALT



[Product Utilization]
Using PROGOS tests to recruit ALTs



03

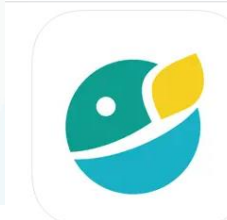
Strategy 2-1 :Expansion of business areas.

Offering existing services and products in overseas markets as well.

In February, we developed and launched our own English conversation app for overseas markets, "RareLingo." Additionally, by collaborating with overseas English learning services to provide the PROGOS test, we are achieving seamless product development and international expansion through collaboration within the group.



App Store 預覽



RareLingo - 日本先驅・真人1對1線上英語會話
日常對話|商務英語|學測會考|留學準備|海外旅遊
RareJob Inc.
免費・提供 App 內購買

iPhone 截圖



Strategy 2-2

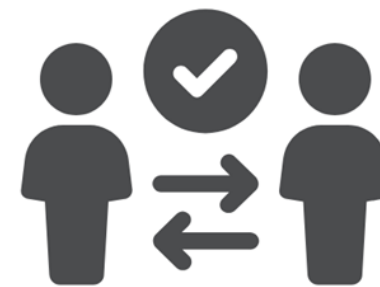
:Create synergy by collaborating with the Gakken Group.

Collaborate with the Gakken Group to accelerate cross-referrals, joint development, and the proposal of added value.

In November 2024, RareJob group entered into a capital and business alliance agreement with GAKKEN HOLDINGS Co., Ltd.

[Three collaborations]

Customer referrals and supplements



PROGOS

Joint development



Added value proposal



04

FY2025/3 3Q Results

04

The revision of the full-year consolidated earnings forecast for the fiscal year ending March 2025

Although Net Sales is expected to fall short of projections, operating income is anticipated to exceed expectations.

Net Sales

Net Sales is expected to fall short of projections.

Income

Operating income, ordinary income, and net income for the current period are all expected to exceed the previous forecast, ensuring profitability.

(In JPY MM)

	Net Sales	EBITDA	Operating income	Ordinary income	Net income Attributable to owners of parent	Basic earnings per share
The forecast announced previously (A)	10,200	515	200	185	70	7.40
The forecast announced this time (B)	9,700	739	400	380	160	16.81
(B) — (A)	-500	224	200	195	90	
Growth rate (%)	-4.9	43.4	100.0	105.4	128.5	
Cf.) Full-year results for the previous fiscal year	10,175	1,146	696	700	-288	-30.49

The revision of the full-year consolidated earnings forecast for the fiscal year ending March 2025

(In JPY MM)

While the Reskilling-related Business for B2C experienced a decrease in revenue, B2B remained steady. Segment profit is expected to improve compared to initial estimates.

In the child and Childcare Support Business, despite a decline in revenue from English learning for children services, segment profit has significantly improved.

		Initial Guidance for FY 2024/3	Revised Guidance for FY 2025/3	Change
Reskilling- Related Business	Net Sales	5,100	4,700	-7.8%
	B2C	3,300	2,850	-13.6%
	B2B	1,800	1,850	+2.8%
	Segment profit	350	385	+10.0%
Childcare Support Business	Net Sales	5,100	5,000	-2.0%
	ALT dispatch	4,630	4,640	+0.2%
	English learning for children	470	360	-23.4%
	Segment profit	120	275	+129.2%
Adjustment*		-270	-260	
Total	Net Sales	10,200	9,700	-4.9%
	Operating income	200	400	+100.0%

*Adjustments are mainly corporate expenses that do not belong to the reportable segments.

(In JPY MM)

Revenue decreased by 3.8% compared to the same period last year, and operating income declined by 26.1%.

Net Sales YoY

Reskilling-Related Business
-324 million yen(-8.2%)

Childcare Support Business
+29 million yen(+0.8%)

Operating income YoY

Reskilling-Related Business
-262 million yen(-40.4%)

Childcare Support Business
+34 million yen(+14.7%)

	FY 2024/3 3Q	FY 2025/3 3Q	Change YoY
Net Sales	7,703	7,408	-3.8%
EBITDA*	965	694	-28.1%
Operating income	625	462	-26.1%
Ordinary income	610	449	-26.3%
Net income Attributable to owners of parent	533	294	-44.7%
EBITDA margin	12.5%	9.4%	-3.2pt
Operating margin	8.1%	6.2%	-1.9pt

*Operating income + Depreciation + Amortization of goodwill

Segment profit/Loss for FY2025/3 3Q

Reskilling-Related Business is experiencing steady growth in B2B, Childcare Support Business is generating stable profits.

(In JPY MM)

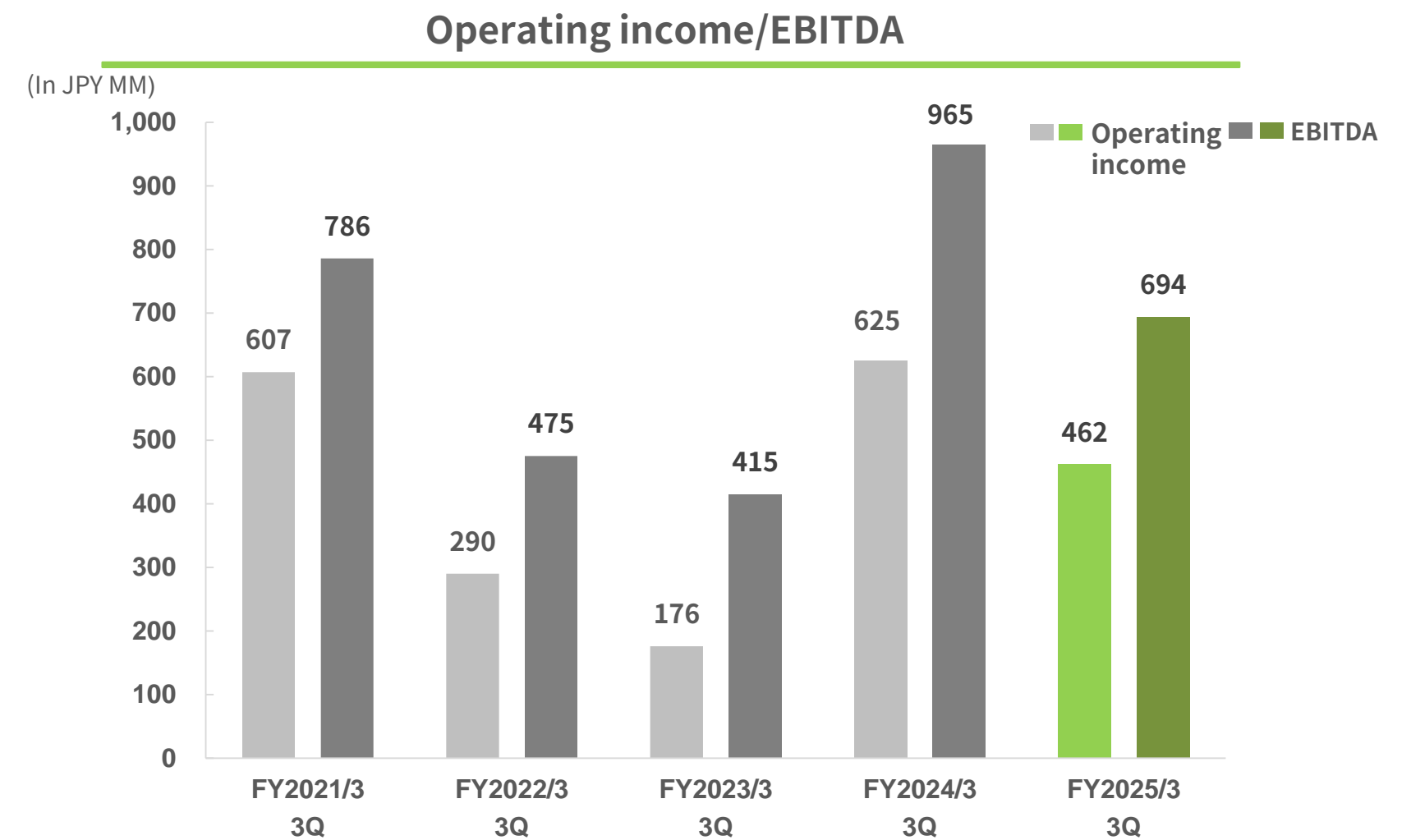
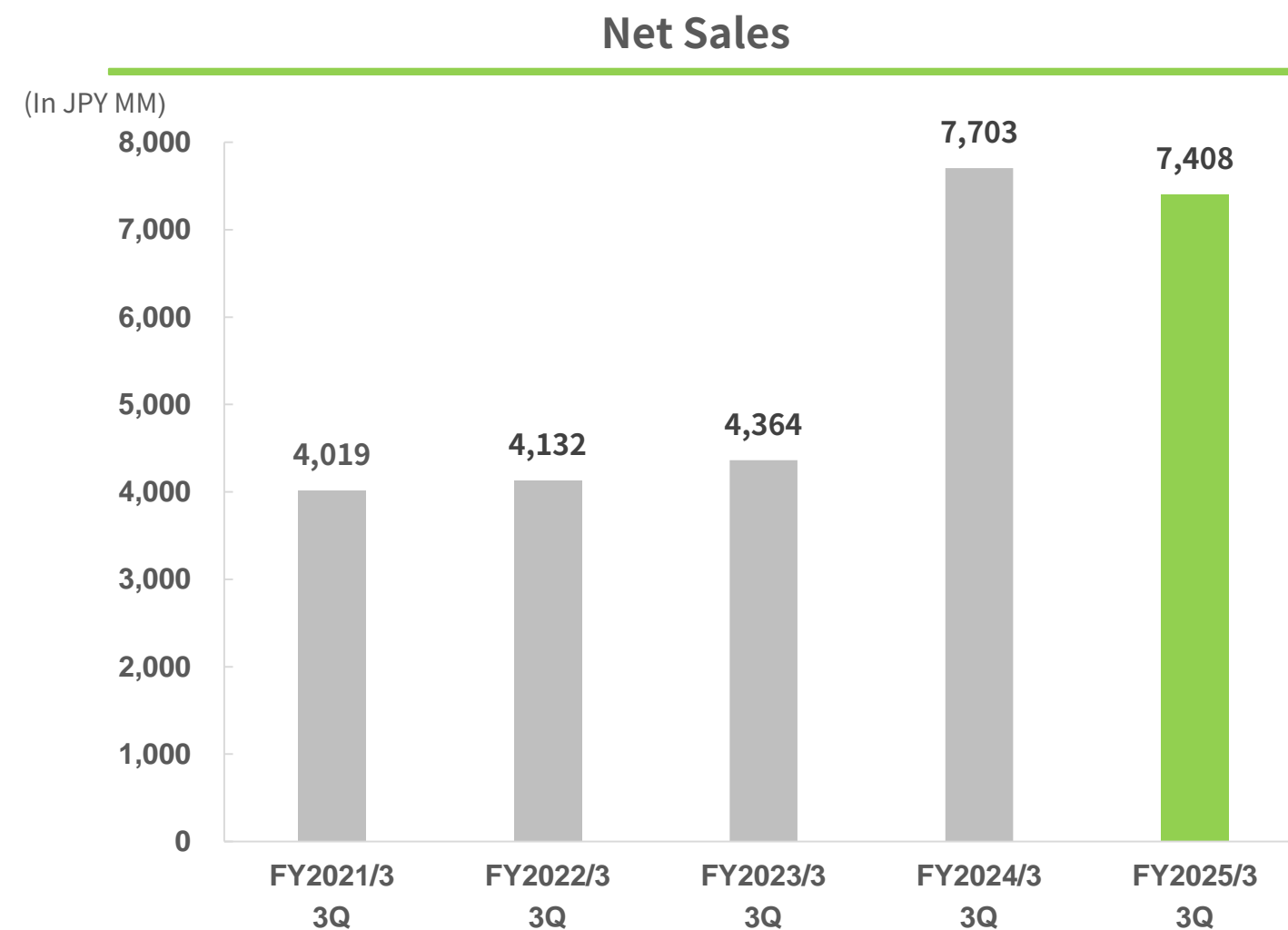
		FY 2024/3 3Q	FY 2025/3 3Q	Change YoY
Reskilling-Related Business	Net Sales	3,928	3,604	-8.2%
	B2C	2,564	2,199	-14.2%
	B2B	1,364	1,405	+3.0%
	Segment profit	651	388	-40.4%
Childcare Support Business	Net Sales	3,774	3,803	+0.8%
	ALT dispatch	3,444	3,533	+2.6%
	English learning for children	329	270	-18.0%
	Segment profit	232	266	+14.7%
Adjustment*		-257	-192	
Total	Net Sales	7,703	7,408	-3.8%
	Operating income	625	462	-26.1%

*Adjustments are mainly corporate expenses that do not belong to the reportable segments.

04

3Q Results for the last several years

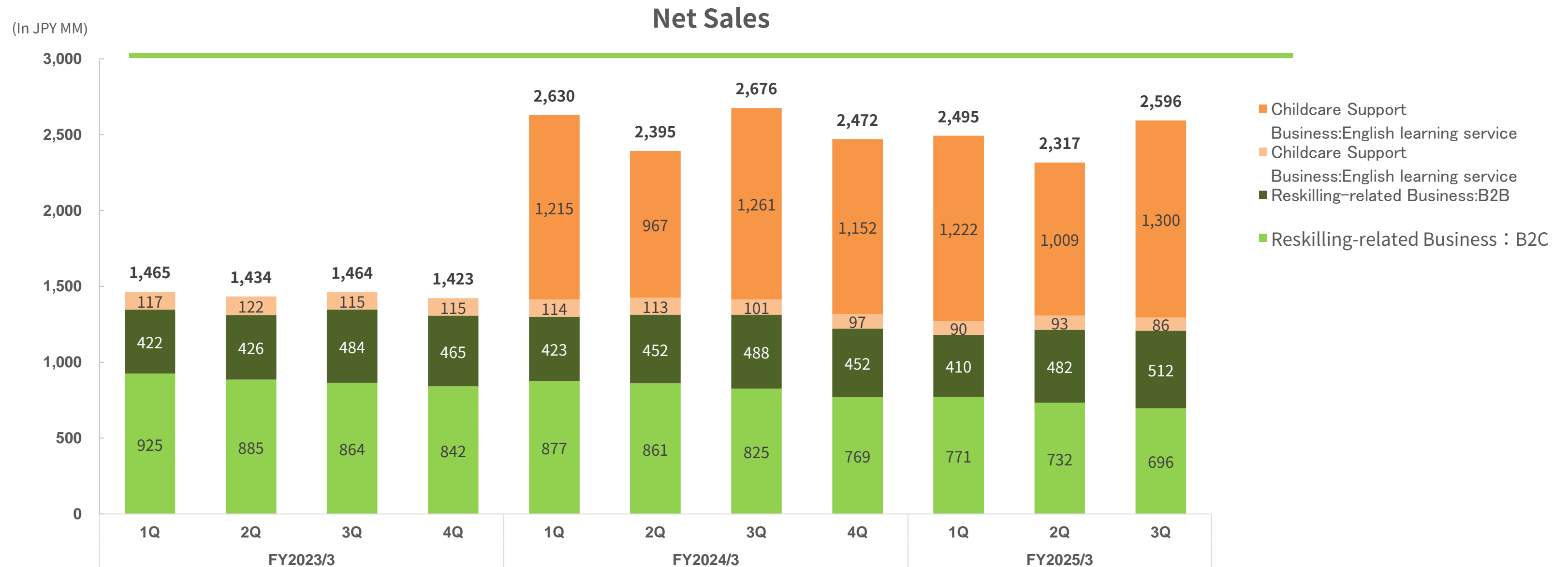
Net Sales remained at the same level as the same period last year. While ALT dispatch services and corporate offerings are showing strong growth, sales of individual services are slowing down. Operating income and EBITDA decreased due to an increase in advertising and promotional expenses aimed at enhancing brand awareness.



04

Breakdown of Quarterly Net Sales

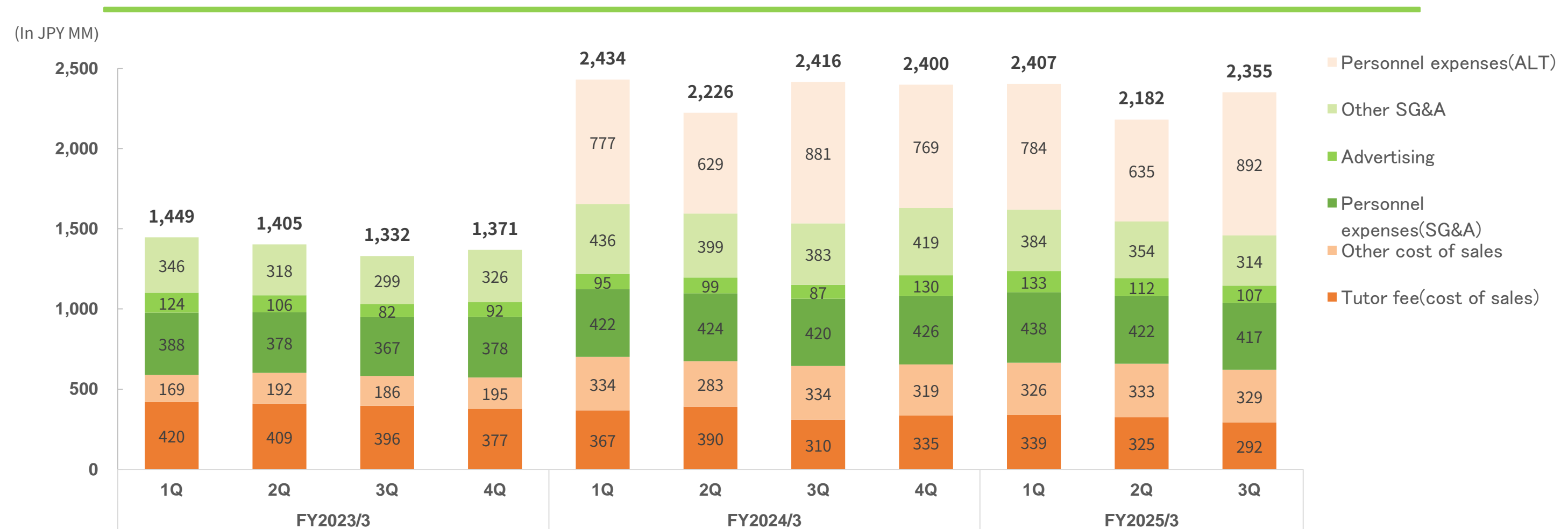
ALT dispatch service continues to perform well and is driving revenue growth. B2B are also performing strongly, with an increase in new customer acquisitions leading to growth compared to the previous fiscal year.



Quarterly Expenses Breakdown (Cost of Sales and SG&A) for FY 2025/3 3Q

ALT personnel expenses increased in line with revenue growth. Although advertising expenses have increased compared to the previous fiscal year, a certain level of brand awareness improvement has been confirmed, leading to a slight decrease compared to 1Q and 2Q of the current year.

Costs

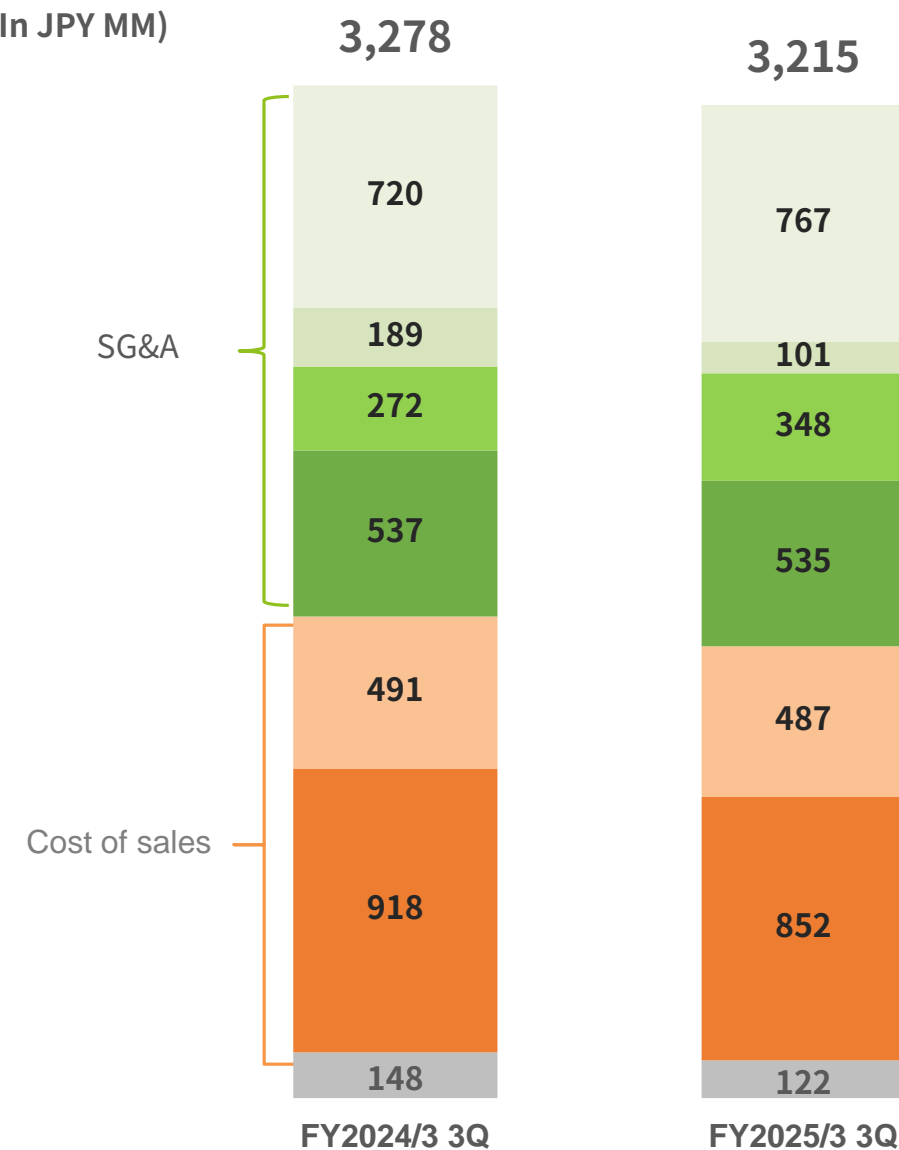


04

Expenses Breakdown for FY 2025/3 2Q : Reskilling-related Business

While advertising and expenses aimed at increasing brand awareness have risen, the overall expenses saw a slight decrease due to a reduction in goodwill amortization costs.

(In JPY MM)

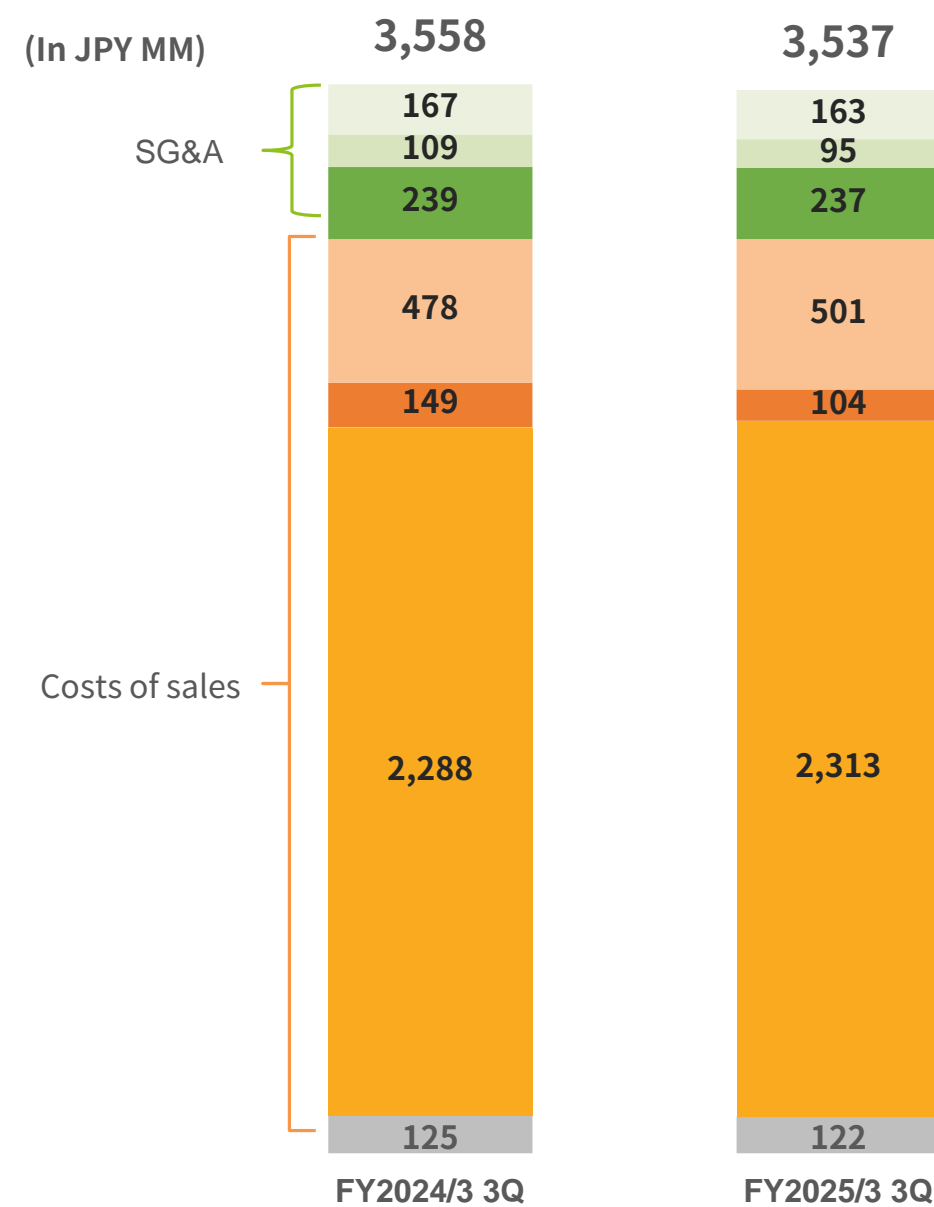


Costs	Change YoY	Factors
Other SG&A	+46 (+6.5%)	Increased in outsourcing and rising costs in the recruitment-related expenses.
Depreciation (Including amortization of goodwill)	-88 (-46.5%)	Depreciation expense fallout by impairment of goodwill in the previous period.
Advertising	+76 (+28.0%)	Increased due to advertising for online English service.
Personnel expenses(SG&A)	-1 (-0.4%)	Roughly the same as in the previous year.
Other cost of sales	-4 (-0.8%)	Roughly the same as in the previous year.
Tutor fee(cost of sales)	-66 (-7.2%)	Decreased along with the decline in the number of lessons.
Common expenses	-25 (-17.3%)	Decreased due to optimization of common expenses.

04

Expenses Breakdown for FY 2025/3 2Q : Childcare Support Business

Due to appropriate personnel allocation, ALT personnel expenses increased, while a review of the supply system for children's English conversation tutors led to a decrease in tutor compensation.



Costs	Change YoY	Factors
Other SG&A	-4 (-2.7%)	Roughly the same as in the previous year
Depreciation (Including amortization of goodwill)	-14 (-13.0%)	Decreased in amortization expense by impairment of some software recorded in the previous fiscal year.
Personnel expenses(SG&A)	-2 (-1.0%)	Roughly the same as in the previous year
Other cost of sales	+23 (+4.9%)	Other cost of sales increased mainly due to personnel expenses for coordinators of ALT dispatch.
Tutor fee (cost of sales)	-44 (-29.7%)	Decreased by the revision of tutor supply system for online English-speaking tutoring service.
Tutor fee (ALT dispatch)	+24 (+1.1%)	Increased due to appropriate staffing and the hiring of highly skilled tutors.
Common expenses	-2 (-2.3%)	Roughly the same as in the previous year

05

Business Updates

05

Releasing new features and services that leverage AI.

In the online English conversation platform, we have launched the "AI Eikaiwa β" feature, which enables users to take lessons in a chat format with an AI tutor.

The online prep school "Shikaku Square" has officially released an AI-based grading feature for "descriptive" questions aimed at the Administrative Scrivener exam.



Expanding the provision of
the PROGOS test in
collaboration with the
English learning platform
"EnglishCentral."



05

ALT dispatch : Childcare Support Business

Enhancing order acquisition and strengthen our competitive advantage by offering a hybrid learning solution that combines ALT dispatch services with online English conversation.

**ALT dispatch
【Offline】**



**Borderlink Eikaiwa
【Online】**



×

【Provision of hybrid learning opportunities.】

Promoting collaboration across various business areas and planning to implement campaigns, among other initiatives.

[B2C]

Introduce "RareJob English Conversation" to Gakken Group subscribers through email newsletters. Utilize as a new channel to acquire new users.



※image

[B2B]

Gakken Group sells RareJob Group services on behalf of the company



[B2School]

Sales activities in collaboration with Gakken Group



06

Appendix

06

Chances for everyone, everywhere.

**The realization of the world where everyone can
unlock their potentials to be valued.**

06

Initiatives for SDGs/ESG

Environment



Reducing energy consumption by having less travel



Promoting paperless environment

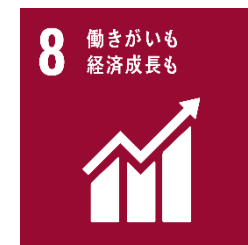
Social



Providing reasonable and high quality educations



More jobs for women



Creating jobs in the developing country



Realization of the society where people can make full use of their abilities

Governance

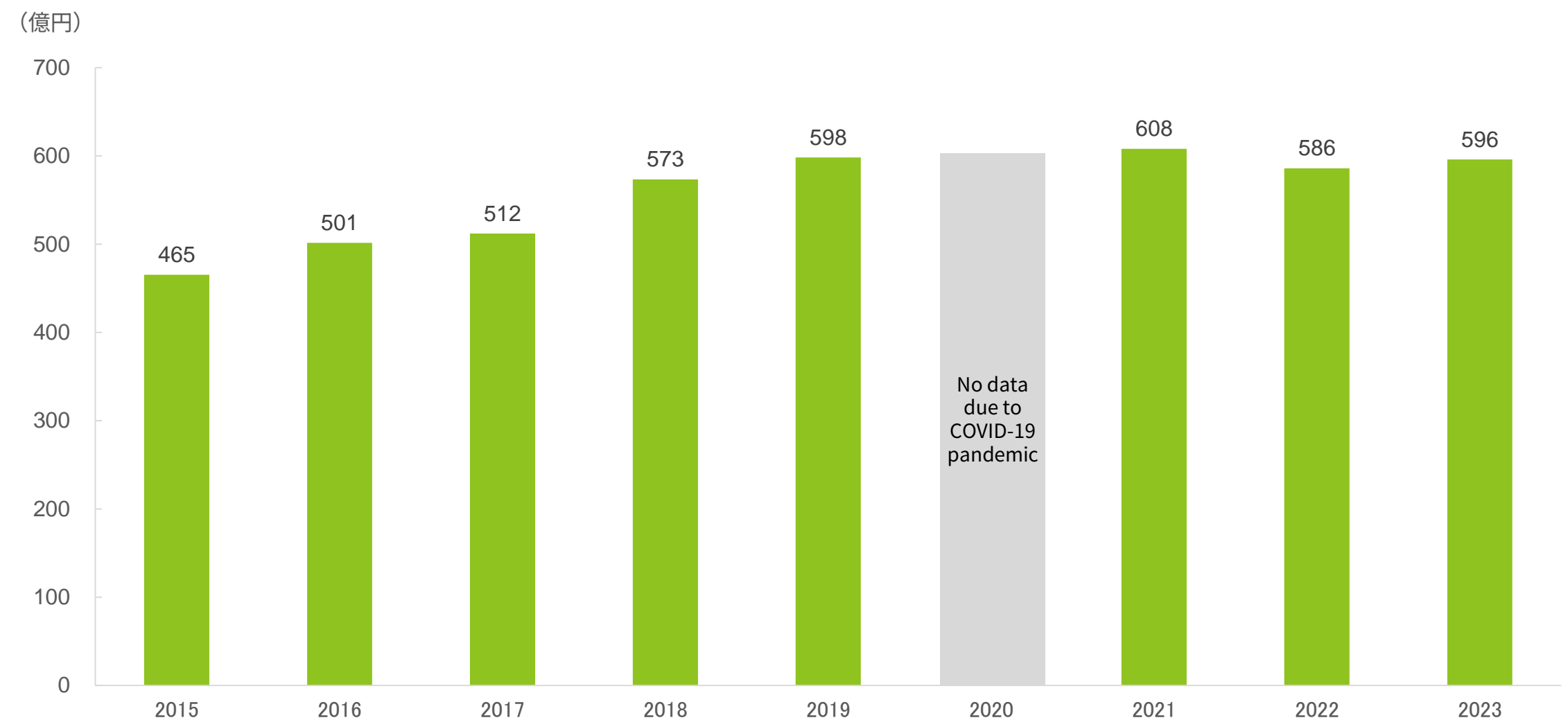


Corporate governance

06

ALT dispatch market

Though the market size shrank temporarily due to COVID-19 pandemic, the size is still close to about 60 billion yen.

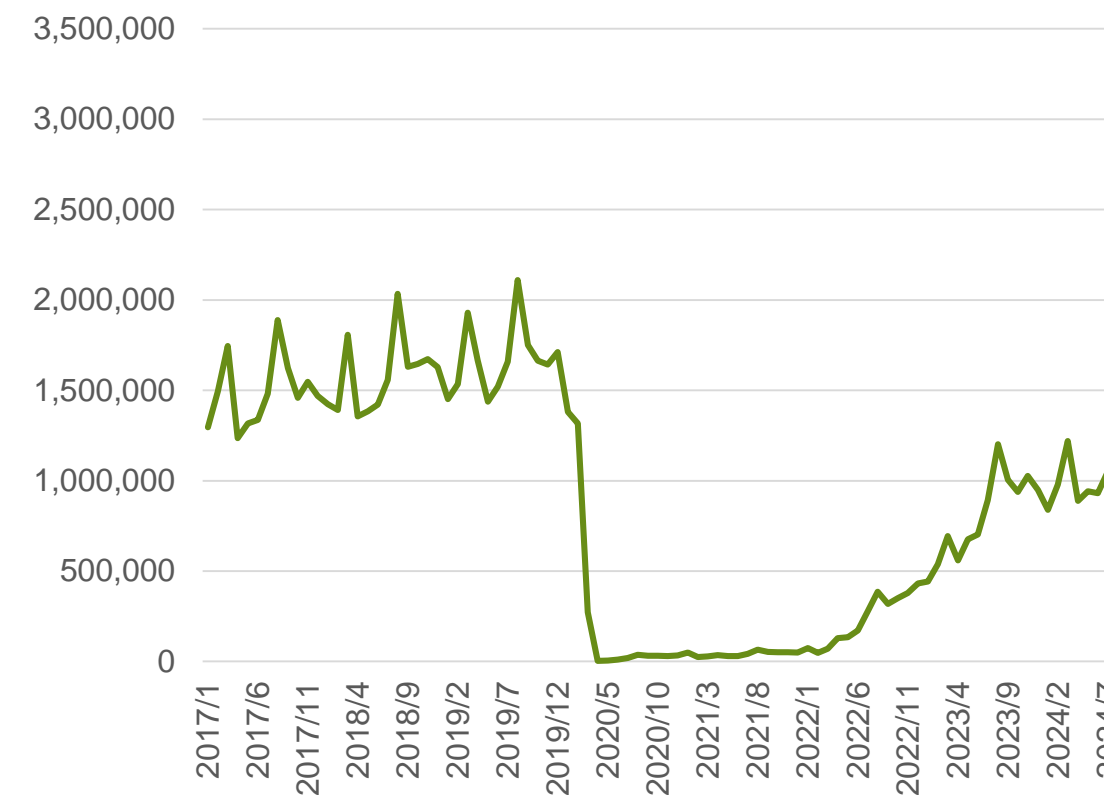


*RareJob estimated this based on the number of ALT excluding others from "Survey for Status of English Education" by MEXT and unit cost per ALT (4 million yen)

Slow recovery in the number of Japanese departures prevents of making the market positive

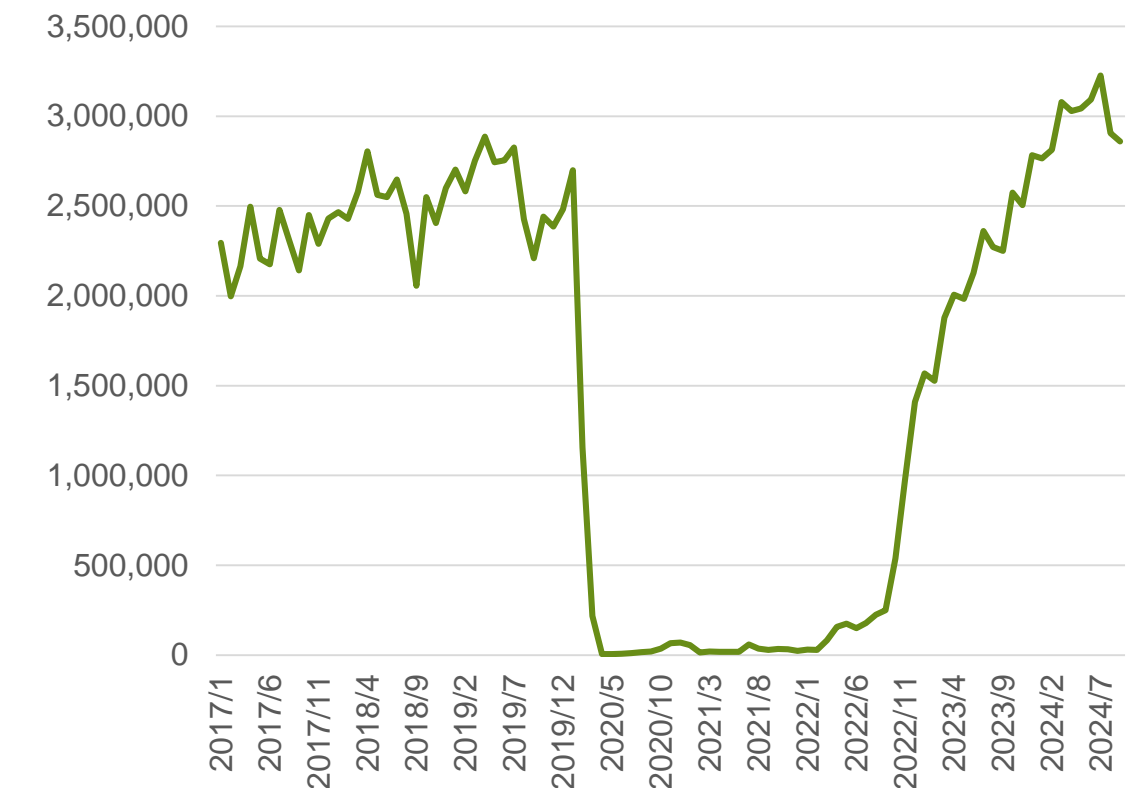
Number of Japanese departures

(person)



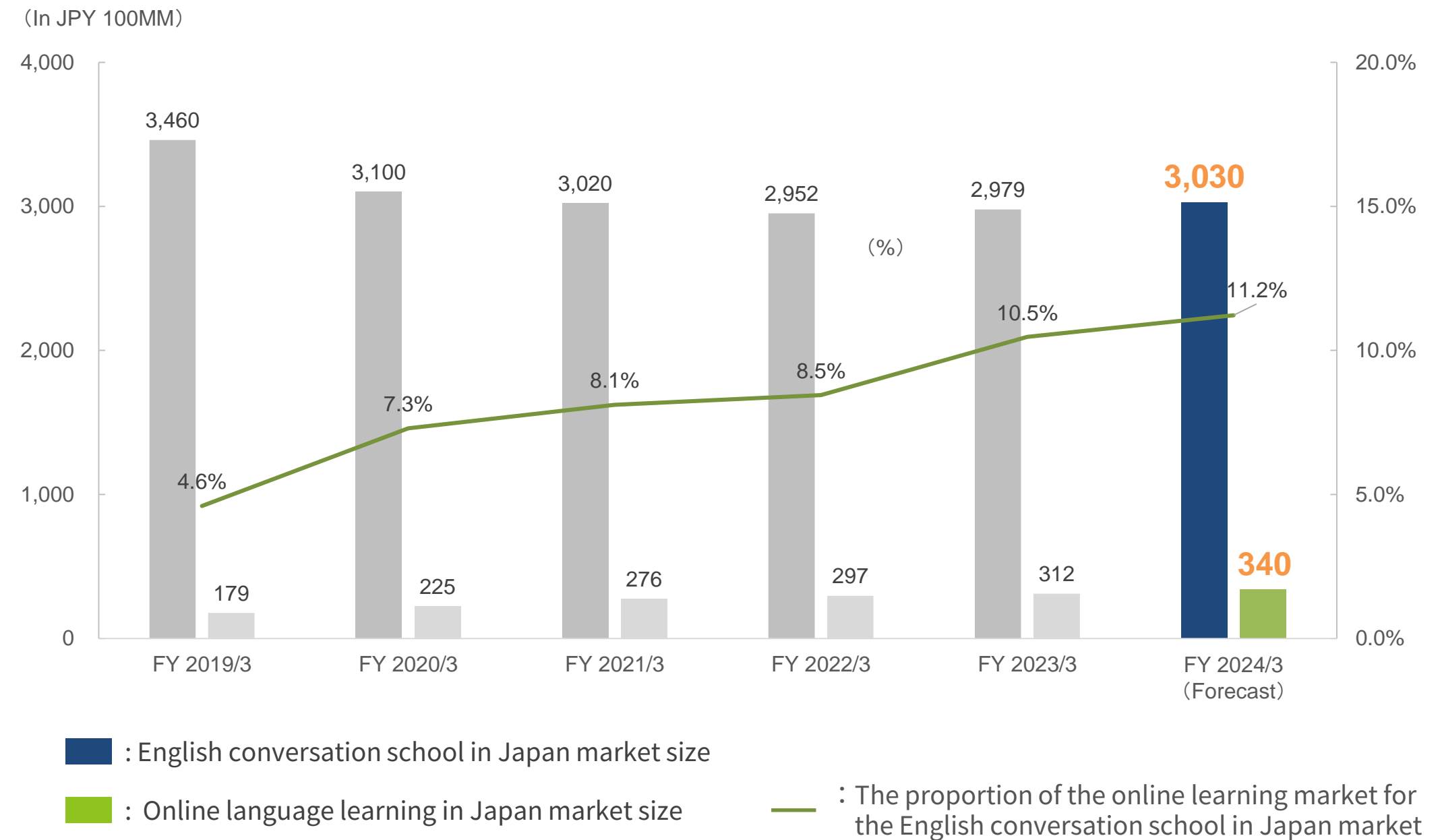
Number of foreigners entering the country

(人)



*Immigration Services Agency "Statistics of Immigration Management"

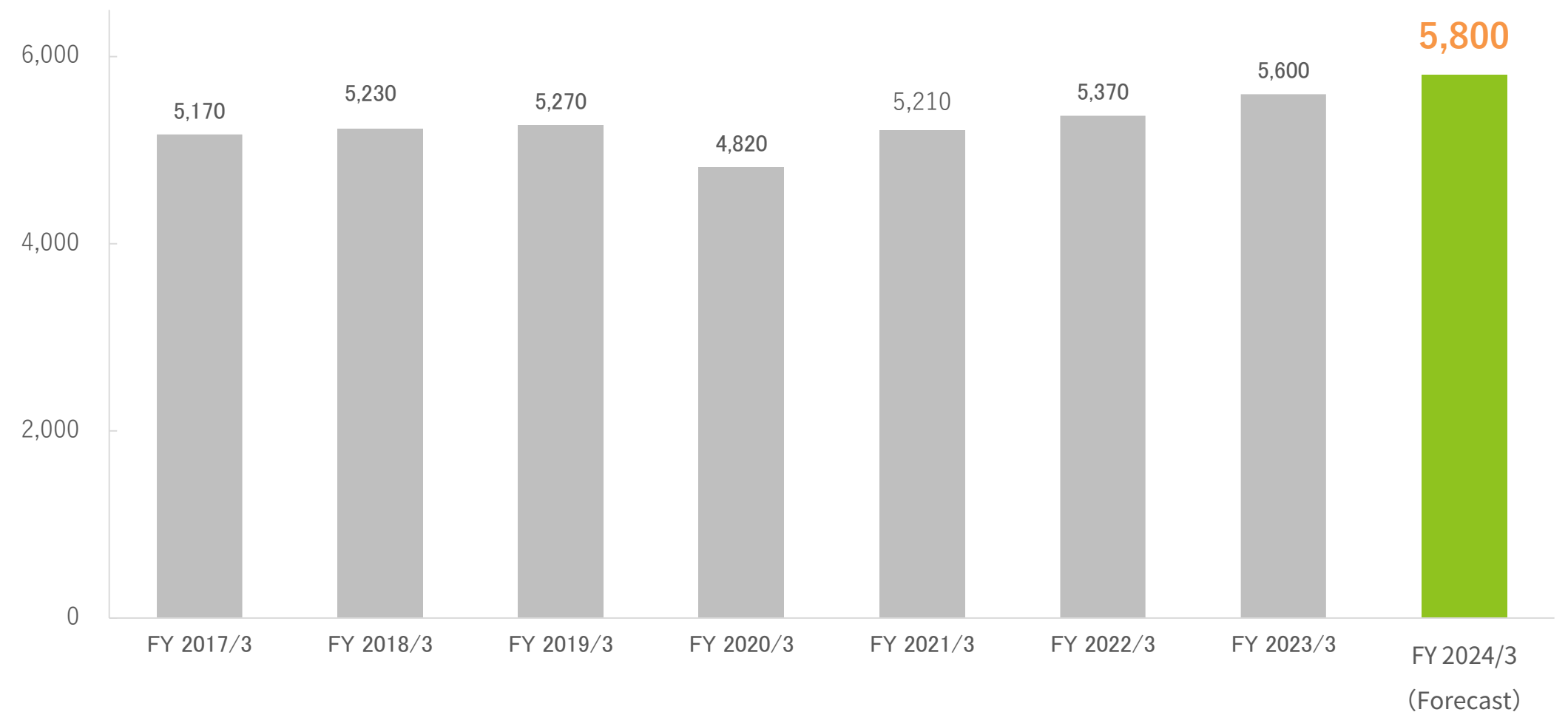
The online English learning market accounts for only **11.2%** of the English conversation school in Japan market, which means a huge potential for future growth in the online market.



Source: Yano Research Institute, “Language learning business report 2024”

The market size has been recovering since the decline caused by COVID-19 pandemic.

(In JPY 100MM)



*Source : Yano Research Institute, "Business Training Service Market and Outlook 2024"

- This material has been prepared by the Company for the purpose of informing investors of the current status of RareJob, Inc. (hereinafter referred to as "RareJob").
- The materials and information provided in this document include so-called "forward-looking statements". These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and are subject to uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements.
- These risks and uncertainties include general domestic and international economic conditions, such as general industry and market conditions, interest rate and currency exchange rate fluctuations.
- We assume no obligation to update or revise the forward-looking statements contained in this announcement, even in the event of new information or future events

Contact Information

RareJob Investor Relations

Mail : ir@rarejob.co.jp