

Operating AI-based English learning platform abceed

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【5575 Globee Sector : Information & Communication】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
May 2021	411	84.3	-23	-	-24	-	-25	-	-5.3	9.4	0.0
May 2022	709	72.4	64	-	62	-	54	-	11.1	20.5	0.0
May 2023 f	943	33.0	240	274.9	239	283.6	170	213.9	35.0	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending May 2023 are the company's forecasts.

Operator of AI-based English Learning Platform abceed

Globee is the operator of abceed, an AI-based English learning platform. By digitizing and incorporating AI into English educational infrastructure, the company offers a solution to a variety of learning issues faced by people studying English. At the same time, the company aids publishers by solving a problem by expanding sales of English-language educational materials, sales of which are lagging despite the materials being digitized.

Globee offers three services: abceed for individuals, the corporate-oriented abceed for school and ABCEED ENGLISH.

As of the end of February 2023, the company had 3,164,000 users, 65,000 paying members and the rest free members. Additionally, the company was able to offer 676 English-language titles of teaching materials.

abceed

abceed is an AI learning platform the company offers as a service for people learning English. Based on the concept of maximizing learning efficiency by enabling results to be achieved with a minimum volume of learning, the company has been expanding its user base, mainly comprised of individual English learners looking to boost their TOEIC® scores.

abceed for school

abceed for school allows corporate customers such as schools and general companies to take advantage of abceed's services. The content is essentially the same as that of abceed. Globee provides English instructors and training staff to the contracting corporation and offers a tool that enables centralized management of user learning data.

ABCEED ENGLISH

ABCEED ENGLISH is a service that uses abceed to create an individually optimized curriculum. The most significant feature, however, is the availability of online support from professional coaches.

Financial Statements

Statement of income	Fiscal Year	May 2021		May 2022		Nine months to Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		411	100.0	709	100.0	679	100.0
Cost of sales		257	62.5	402	56.7	348	51.4
Gross profit		154	37.5	307	43.3	330	48.6
Selling, general and administrative expenses		177	43.2	243	34.3	163	24.1
Operating profit		-23	-5.7	64	9.0	166	24.6
Non-operating income		0	-	0	-	0	-
Non-operating expenses		2	-	1	-	0	-
Ordinary profit		-24	-6.0	62	8.8	166	24.5
Profit before income taxes		-24	-6.0	62	8.8	166	24.5
Net profit		-25	-6.3	54	7.7	110	16.2

Balance sheet	Fiscal Year	May 2021		May 2022		Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		405	95.1	623	96.1	662	85.6
Cash and deposits		279	65.7	450	69.4	497	64.2
Accounts receivable-trade		73	17.2	104	16.1	97	12.6
Inventories		-	-	-	-	-	-
Non-current assets		20	4.9	25	3.9	111	14.4
Property, plant and equipment		18	4.4	16	2.5	15	2.1
Intangible assets		-	-	-	-	83	10.8
Investments and other assets		1	0.5	9	1.5	12	1.6
Total assets		425	100.0	648	100.0	774	100.0
Current liabilities		294	69.2	514	79.2	559	72.2
Accounts payable - trade		34	8.2	65	10.1	46	6.0
Non-current liabilities		85	20.1	34	5.3	4	0.6
Net assets		45	10.7	100	15.4	210	27.2
Owners' equity		45	10.7	100	15.4	210	27.2

Statement of cash flows	Fiscal Year	May 2021	May 2022
		(mn yen)	(mn yen)
Cash flows from operating activities		38	226
Depreciation		3	2
Cash flows from investing activities		-1	-
Cash flows from financing activities		83	-55
Dividends paid		-	-
Net increase in cash and cash equivalents		120	170
Cash and cash equivalents		279	450

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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