Our Mission

Bringing transformation to education
and empowerment to children.

There are children in this world who do not have adequate access to education
due to various reasons including gap in academic ability, lack of income, and regional disparities.
We provide children with new learning experiences that are tailored to their individual needs.
Through these learning experiences, children acquire true academic skills that can be used for
a lifetime and more importantly, realize that “hard work will pay off.”

We will work with schools, cram schools, and other educational institutions
to build new forms of learning to make this happen.

SuRaLa Net Co., Ltd.

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https://surala.jp

IMPACT MANAGEMENT REPORT 2022

FY 2022 Activity Report

SuRaLa Net Co., Ltd.

November 2023

Greetings — Takahiko Yunokawa, Founder & Chief Executive Officer

Takahiko Yunokawa, CEO

With the corporate philosophy of “Bringing transformation to education and empowerment to children,” SuRaLa Net Co., Ltd. provides AI-based ICT education system “Surala” to approximately 2,500* schools and cram schools in Japan. Outside of Japan, we also offer “Surala Ninja!,” an ICT math learning material for elementary school children. Continuing to grow by solving educational issues, including providing learning opportunities for children with developmental or learning disabilities, school absenteeism, and economically disadvantaged households, the company was listed on the TSE Mothers (now the TSE Growth Market) in 2017 as a leading EdTech startup company. *As of December 31, 2022

In 2020, we started to assess the impact of our business to visualize logically what social issues we will solve and what outcomes we aim to achieve. We took up four social issues, namely “school absenteeism,” “developmental and learning disabilities,” “poverty,” and “poor academic performance,” as the social impact of our business and evaluated them from both qualitative and quantitative perspectives. Our challenge for impact assessment has been highly praised as an incredibly unique and innovative approach for an EdTech company among IT venture companies in Japan.

Expanding “Surala” domestically and internationally and providing all children in the world with the opportunity to receive a high-quality education at a reasonable price will help to solve various educational disparity issues.

SuRaLa Net and Impact Management

Company philosophy of SuRaLa Net

There are children in this world who do not have adequate access to education due to various reasons including gap in academic ability, lack of income, and regional disparities. We provide children with new learning experiences that are tailored to their individual needs. Through these learning experiences, children acquire true academic skills that can be used for a lifetime and more importantly, realize that “hard work will pay off.” We will work with schools, cram schools, and other educational institutions to build new forms of learning to make this happen.

Impact management

The increasing global interest in building a sustainable society, exemplified by the ESG and SDGs initiatives, has resulted in companies being expected to play a leading role in this effort. SuRaLa Net has been actively working to achieve “No Poverty” (SDG 1), “Good Health and Well-being” (SDG 3), “Quality Education” (SDG 4), and “Gender Equality” (SDG 5) through its domestic and international projects. By incorporating impact management methods into the business evaluation process, SuRaLa Net demonstrates the positive impact of its business on society in an easily understandable manner.

Impact management is measuring and evaluating the results of business activities on society and the environment and enhancing these results by continuously improving the business. Specifically, we visualize the outcomes and strategies for achieving them in a “logic model”*, monitor the actual status, and use the analysis results for decision-making and reporting to stakeholders to implement the Plan-Do-Check-Action cycle. SuRaLa Net has conducted impact management to visualize the paths to solutions to each of the issues and to determine the impact quantitatively on society, clarify current issues, and make the best use of these findings in future initiatives. In addition to economic values such as sales and profits, we aim to enhance SuRaLa Net’ s corporate value by clarifying the social value that our business has created.

* A logic model specifies the logical cause-and-effect relationships that lead to achieving the goals of a given measure.

Social issues SuRaLa Net aims to solve and the path to solutions

Various challenges children are facing may continue into their future and into the next generation. SuRaLa Net desires to contribute to breaking such a vicious cycle and reducing further disparities. To achieve them, children need to be financially independent in the future. We focus on two capabilities to reach these goals.

1. **“Cognitive Abilities” such as academic performance**
2. **“Noncognitive abilities” such as problem-solving skills, cooperativeness, and autonomy**

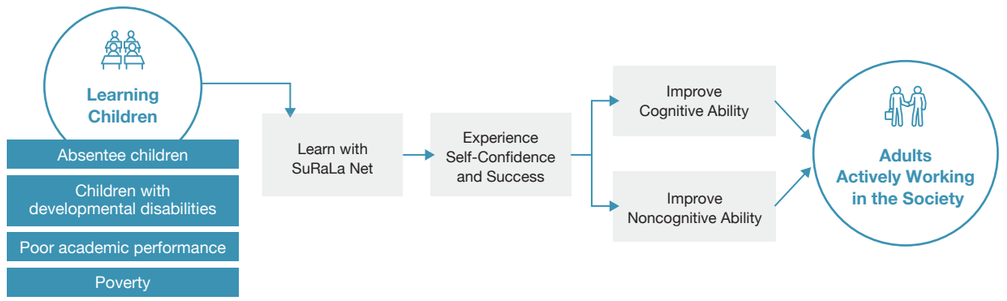
We believe that cognitive and noncognitive abilities are developed by cultivating a sense of “I can do it if I try” and that these abilities can be gained by accumulating self-confidence and small successful experiences. We believe that “Surala” can help children accumulate successful experiences through the opportunity of “learning” that is equally given to children who receive compulsory education, which will have a significant social impact.

“Surala” is used in various places such as clam schools, schools, and homes. We recognize that users include children and their families with various challenges. Aiming to contribute to children and their families facing difficulties and challenges such as “school absenteeism,” “learning/developmental disabilities,” “poverty,” and “poor academic performance,” SuRaLa Net has examined the impact on these children and families and each path to making that impact and clarified them in this Impact Management Report.

Mission of SuRaLa Net: “Eliminating educational inequality”

Current Status
Children with Challenges

Vision of SuRaLa Net (Final outcome)
Reduce disparities



The above outlines a common path for all logic models. By accumulating successes through learning (“cognitive development”), children gain confidence and become engaged in various activities (“noncognitive development”). As a result, they can think about their own higher education and career paths and make their own choices, becoming mentally and financially independent adults in the future. Increasing the number of such adults will ultimately contribute to solving social issues.

Features of "Surala" ICT learning materials provided by SuRaLa Net

Surala is a grade-free system that allows children to learn systematically regardless of their grade level, starting from the point they want to. For areas of weakness, children can proceed with their studies independently, with the AI automatically selecting questions to help them overcome obstacles and a test function to check their knowledge and practical skills. Surala also uses game design elements to keep children motivated rather than bored. Children can learn anywhere, as long as they have a terminal and an Internet connection, so even children with difficulty sitting at a desk can enjoy learning while having fun.

CASE #01
Absentee children

Main beneficiaries C ... Child P ... Parent(s)

Input

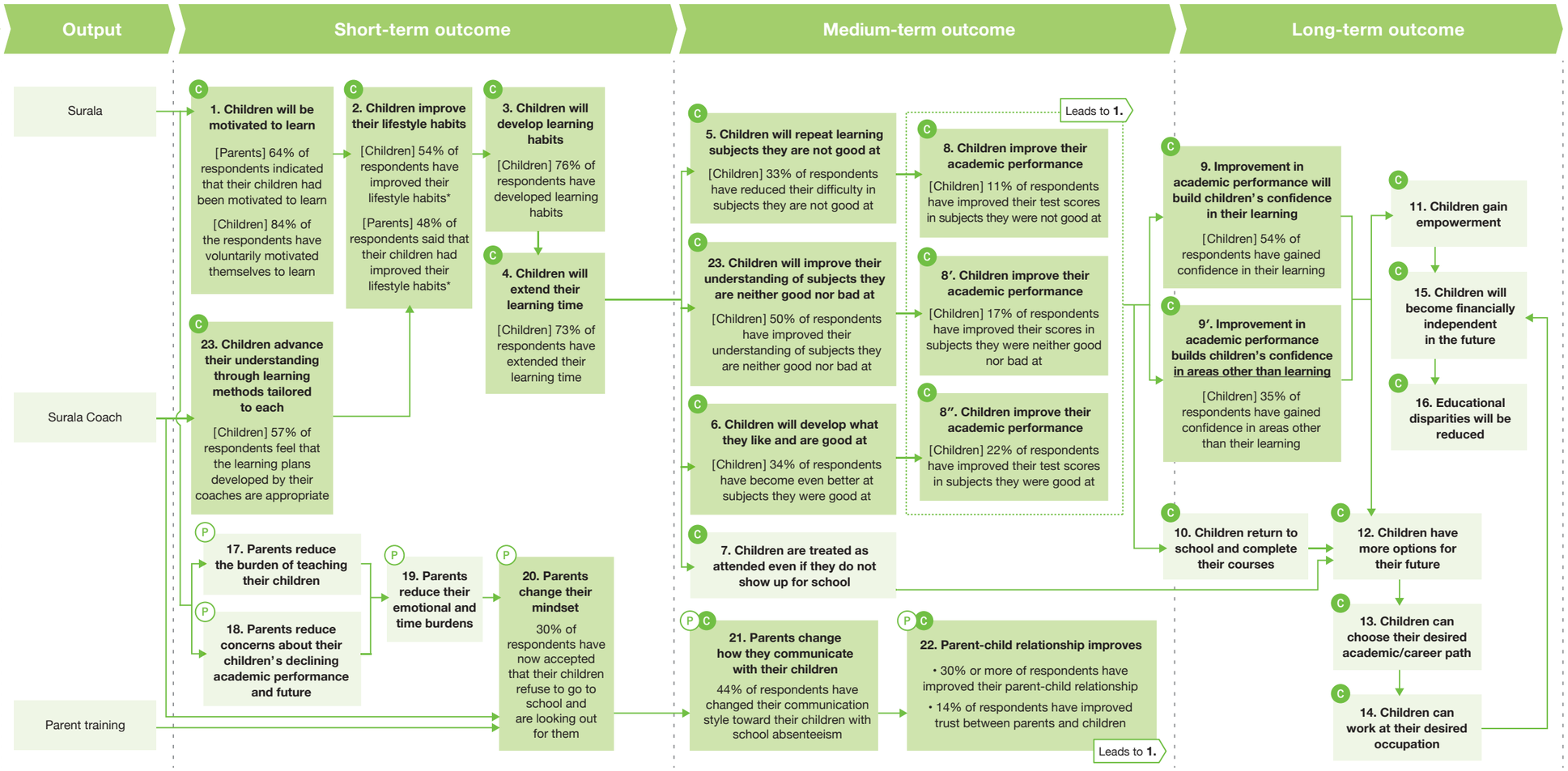
People

Things

Money

Already measured as KPIs / Add as an item for measurement / Outcomes to measure in the future

*Lifestyle habits ...
sleeping habits, eating habits, frequency of going out, frequency of playing games



Impact on children with school absenteeism and their parents

Children

- I have voluntarily motivated to learn 84%
- I have improved their lifestyle habits 54%
- I have developed learning habits 76%
- I have gained confidence in my learning 54%
- I have gained confidence in areas other than my learning 35%

Parents

- I have learned to accept and watch over my child's situation 30%
- I have changed my communication style toward my child 44%
- We have improved their parent-child relationship ..... 30% or more

★**Cumulative number of children certified under the deemed school attendance system:approx. 1,200; certification rate: approx. 80%**
*As of March 2023

Some children who are not attending school have difficulty in leading a regular life. By studying at "Surala" even on days when they cannot go to school, they can establish their lifestyle and study habits, and being able to study at home gives them confidence and the opportunity to return to school or challenge entrance exams.

COLUMN #1

Timing of when children with school absenteeism learn with "Surala"

There are varied reasons for children who refuse to go to school, such as personal relationships and learning delays. In the early stages of school absenteeism, gaps arise within the children between their rationality (they should go to school) and instinct (they do not want to go to school), and they are stuck in a state of conflicting feelings of guilt and self-loathing. And their parents are similarly stressed.

Forcing them to engage in learning during this period is not effective. "Surala" allows children to start anywhere to go back to the time when they were truant or unable to learn, and to learn according to their needs. Many of the children who have been out of school and are studying with "Surala" have set time each day to work on their studies. "Surala" can serve as a pacesetter for home study, keeping detailed records of the units and assignments worked on, the amount of time spent studying, and the percentage of achievement against the goals set, and can be used to accompany the children and their guardians.

Number of survey responses：Children 63, Parents 131

CASE #02
Developmental/ learning disabilities

Main beneficiaries C ... Child P ... Parent(s)

Input

People

Things

Money

Already measured as KPIs / Add as an item for measurement / Outcomes to measure in the future

* Lifestyle habits ...
sleeping habits, eating habits, frequency of going out, frequency of playing games

Activities

System development

Sales activity

Output

Surala

Surala Coaches
analyze learning and lifestyle habits identified through interviews with parents and propose appropriate learning methods

KABC-II

Parent training

Short-term outcome

1. Children will be motivated to learn
[Parents] 64% of respondents indicated that their children had been motivated to learn
[Children] 76% of respondents have voluntarily motivated themselves to learn

2. Children improve their lifestyle habits
[Children] 70% of respondents have improved one of their lifestyle habits*
[Parents] 28% of respondents indicated that their children had improved one of their lifestyle habits*

16. Parents reduce the burden of teaching their children

17. Parents reduce concerns about their children's declining academic performance and future

19. Parents reduce their emotional and time burdens

6. Children advance their understanding through learning methods tailored to each
[Children] 72% of respondents feel that the learning plans developed by their coaches are appropriate

18. Parents know their children's characteristics and academic strengths and weaknesses

20. Parents change their mindset
[Parents] 25% of respondents have changed how they interact with their children

Medium-term outcome

3. Children sustain their concentration (due to game-like learning materials)
[Children] 67% of respondents have improved their ability to concentrate on their learning

7. Children learn less unevenly, and their learning time becomes more stable
[Children] 82% of respondents have developed learning habits

4. Children develop what they like and are good at
[Children] 34% of respondents have become even better at subjects they were good at

23. Children improve their understanding of subjects they are neither good nor bad at
[Children] 50% of respondents have improved their understanding of subjects they are neither good at nor bad at

5. Children repeat learning subjects they are not good at (Q."Understanding of subjects they are not good at")
[Children] 24% of respondents have reduced their difficulty in subjects they are not good at

8. Children improve their academic performance
[Children] 40% of respondents have improved their test scores in subjects they were good at

8′. Children improve their academic performance
[Children] 37% of respondents have improved their scores in subjects they were neither good nor bad at

8″. Children improve their academic performance
[Children] 32% of respondents have improved their test scores in subjects they were not good at

21. Parents change how they communicate with their children
[Parents]
• 48% of respondents have started praising their children more
• 35% of respondents do not focus on what their children can't do and leave it at that

22. Parent-child relationship improves
[Parents]
• 25% of respondents have increased conversations with their children
• 32% of respondents have gained a better understanding of their children's feeling

Leads to **1.**

Long-term outcome

Leads to **1.**

9. Improvement in academic performance builds children's confidence in their learning
[Children] 56% of respondents have gained confidence in their learning

9′. Improvement in academic performance builds children's confidence in areas other than learning
[Children] 37% of respondents have gained confidence in areas other than their learning

10. Children gain empowerment

11. Children have more options for their future

12. Children can choose their desired academic/career path

13. Children can work at their desired occupation in the future

14. Children will become financially independent in the future

15. Educational disparities will be reduced

Impacts on children with developmental / learning disabilities and their parents

Children

- I have voluntarily motivated to learn 76%
- I have improved their lifestyle habits* 70%
- I have developed learning habits 82%
- I have gained confidence in my learning 56%
- I have gained confidence in areas other than my learning 37%

Parents

- I have changed how I interact with my child 25%
- I have started praising my children more 48%
- I have more conversations with my children and/or understand their feelings ..... 25% or more

Many children with developmental and learning disabilities have unique ways of learning. Even children who have difficulty understanding something just by listening to it once can learn at their own pace with "Surala," which allows them to listen to explanations repeatedly. In addition, SuRaLa Net provides parents with information on learning and interacting with their children according to their characteristics. Some parents have reported that their children's learning motivation has stabilized, and academic performance has improved.

COLUMN #2

"Surala" incorporates inclusive concepts to make it easier for children with developmental disabilities to learn.

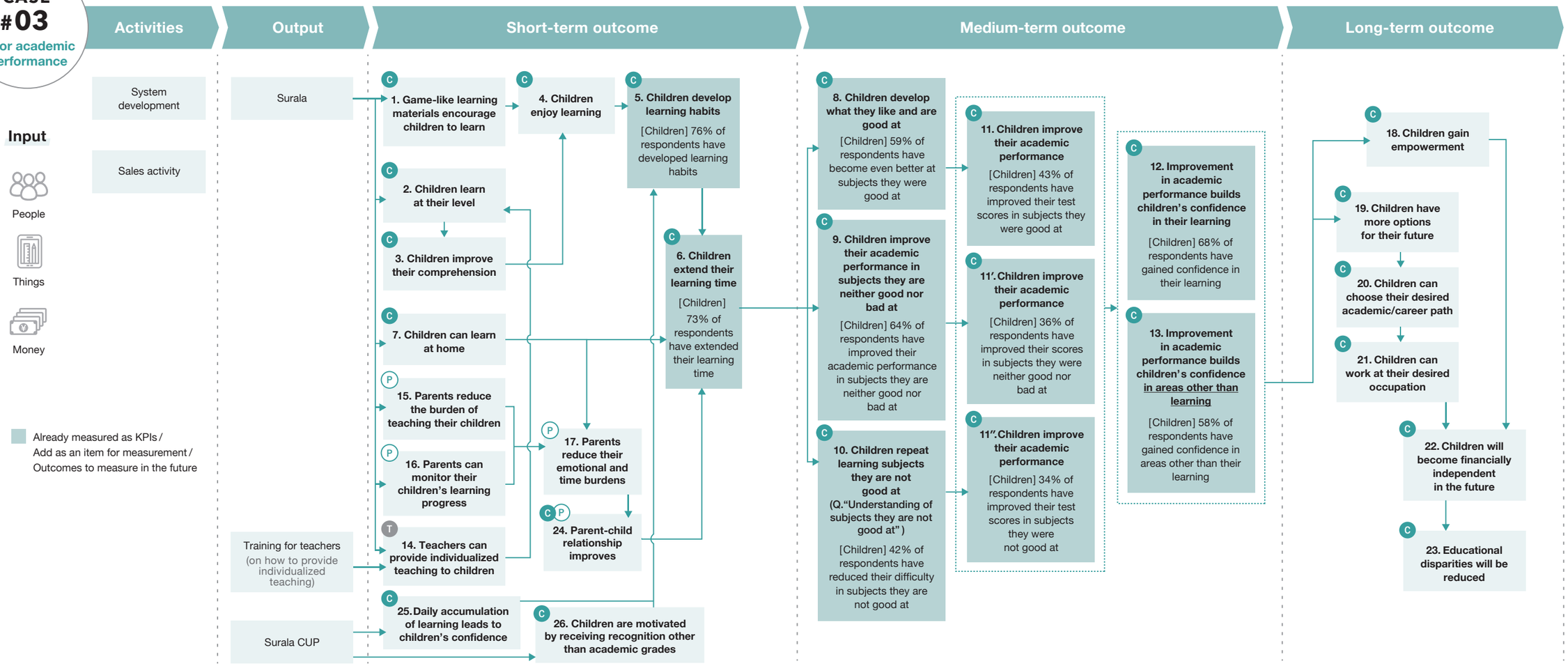
Children with developmental disabilities may face difficulties in school life and schoolwork because they cannot cope with group education at school due to their pronounced strengths and weaknesses or because they have difficulty communicating with their surroundings, which hinder their motivation to learn. To support the learning of such children, SuRaLa Net has developed a version of "Surala" for lower grades of elementary school under the supervision of "Child Developmental Science Research," an organization specializing in developmental disabilities.

Lecture screen for understanding number sense.

Number of survey responses：Children 57, Parents 126

CASE #03
Poor academic performance

Main beneficiaries C ... Child P ... Parent(s) T ... Teacher



Already measured as KPIs /
Add as an item for measurement /
Outcomes to measure in the future

Impact on children of poor academic performance

Children

- I have developed learning habits 76%
- I have extended my learning time 73%
- I have gained confidence in my learning 68%
- I have gained confidence in areas other than my learning 58%

Everyone at school needs to work on the same units, but with "Surala," children can accumulate small successes and develop a sense of "I can do it too" by solving exercises in the units that match their level of understanding, starting with the ones they can do. In addition, children can proceed with their learning according to their level of understanding, regardless of grade level, as the content of learning is not separated by grade level through systematic learning that promotes basic understanding. As a result, users of "Surala" with poor academic performance responded that they "gained confidence in learning" more than other users. Children who have gained confidence that they can do it have become more motivated to engage in activities outside of their studies, and some of them have become more positive and interested in society and their own future.

COLUMN #3

"Surala" is effective in eliminating academic performance gaps

»Tailored and optimized learning opportunities can be provided

The test function of "Surala" with AI technology is programmed to automatically generate questions on each child's weak points, allowing children to check and review their weak areas with the test. Each child's level of understanding can be assessed from the learning data, allowing teachers to follow up with children based on the data.

»Reduce educational disparities in depopulated area

In depopulated areas with a shortage of teachers and cram schools located far away, children cannot secure learning time outside of class hours, and it is not easy to compete with each other and improve their motivation to learn. A demonstration project conducted at a junior high school on Hachijojima (Hachijo Island) using "Surala" with 25 second-year junior high school students showed that 95% of the students improved their English scores, In this way, "Surala" has shown its usefulness as a solution to issues unique to depopulated areas.

Number of survey responses：Children 30, Parents 56

CASE #04
Poverty

Main beneficiaries C ... Child P ... Parent(s) T ... Teacher

Activities	Output	Short-term outcome	Medium-term outcome	Long-term outcome
Input People Things Money System development Sales activity • B2C sales • Municipalities • NPO	Surala	C 1. Children can access learning materials through inexpensive or free services C 2. Level-appropriate learning allows children to continue to learn C 3. Children develop IT literacy	C 12. Children extend their learning time C 13. Children will repeat learning subjects they are not good at C 14. Children further improve their favorite subject, math	C 16. Children improve their academic performance C 17. Improvement in academic performance will build children's confidence P 18. Parents recognize the importance of their children's learning P 19. Parents change their mindset P 20. Parents become more supportive of their children's learning	C 22. Children gain empowerment C 23. Children have more options for their future C 24. Children can choose their desired academic/career path for their future C 25. Children can work at their desired occupation C 21. Children's learning environment is improved Leads to 2.
	Calculation contest	C 4. Children expand their perspectives by making contact with children from other countries Children obtain opportunities where they can challenge themselves (e.g., calculation contests) C 5. Children increase their motivation to learn			
	Surala Usage Guideline	T 6. Teachers acquire autonomy and discipline T 7. Children acquire autonomy and discipline C 8. Children become more focused on learning	P 15. Children's changes increase parental well-being		C 26. Children will become financially independent in the future C P T 27. Educational disparities will be reduced
	Employment of women with economic difficulties	T 9. Employed women's incomes increase T 10. Employed women have more options for their future T 11. Employed women and their families have better livelihoods			

Already measured as KPIs / Add as an item for measurement / Outcomes to measure in the future

Impact on children in poverty

Yamuna, who runs a cram school in Sri Lanka, teaches math using "Surala Ninja!," a Japanese-style math ICT material for elementary school children. "Before starting to learn with 'Surala Ninja!,' most of the children used to do calculations with their fingers, but once they started using it, they gradually learned to do mental arithmetic, and their math scores improved dramatically. Interestingly, the improvement in academic performance also seems to have a positive impact on the children's personal development," said Yamuna.

Sri Lanka has a shortage of quality math instructors, and the high tuition fees required to obtain a certain quality of learning make it unaffordable for low-income families. The impact of providing children with a sense of "I can do this!" through enjoyable online learning at a relatively affordable cost will increase their options for the future, not just one subject of math.

COLUMN #4

SuRaLa Net's digital math materials are introduced to NGOs and NPOs in Sri Lanka one after another

SuRaLa Net has been working in developing countries since 2014. We have introducing "Surala Ninja!" in private schools, we provide math classes for children from low-income families in Sri Lanka. We also participate in educational support by providing "Surala Ninja!" through organizations such as SOS Children's Villages, an NGO that accepts orphans and children.

Learning screen of "Surala Ninja!".

Our demonstration project to improve math skills using "Surala Ninja!" has been well received and will be introduced at 15 facilities, including local educational institutions, international NGOs, and NPOs starting in 2023. We will further promote the introduction of the system in Sri Lanka, and by partnering with NGOs and NPOs in Indonesia and the Philippines, we aim to further expand our business.

COLUMN #5

The number of elementary and junior high school students with school absenteeism exceeded 240,000.

The number of elementary and junior high school students with school absenteeism reached a record high of more than 240,000*1. The number of inquiries to SuRaLa Net regarding the deemed school attendance system is also expected to increase by approximately 1.5 times compared to last year*2, reaching a record high.
Enabling children to learn at their own pace and on their own, “Surala” is very well suited to the learning needs of children with school absenteeism, and we have been actively supporting them. In addition to home study, cram schools, free schools, and NPOs, in recent years, even local governments develop their approaches to support children with school absenteeism by leveraging “Surala.”

›› Free schools realize grading of children with school absenteeism

“Manabiya Kanae,” a completely individualized coaching cram school (Nagano City, Nagano Prefecture)

Operating three schools (a tutoring school, a correspondence school, and a free school), “Manabiya Kanae” supports children by using SuRaLa Net’s ICT materials and interacting with each child individually to assess their learning progress and level of understanding. Kanae is developing a new support scheme for children with school absenteeism in close cooperation with the local government; learning at Kanae is qualified for the deemed school attendance system, and grading is realized. https://manabiya-kanae.jp/freeschool/

›› Demonstration project to support children with school absenteeism with cutting-edge technology and educational data

Kumamoto City Board of Education

The Kumamoto City Board of Education started a demonstration project in 2022 to support the increasing number of children with school absenteeism through virtual space with the participation of NTT Communications Corporation. This virtual space gives pupils/students the opportunity to gather and communicate freely. A dashboard centrally managing various learning data, including “Surala”, visualizes each student's learning status and transformation, enabling adequate support tailored to each.

*1 Based on the survey by the MEXT in 2022 *2 Based on data acquired by SuRaLa Net as of the end of June 2023

COLUMN #6

Household spending on cram schools reaches record-high

The “Survey of Children’s Learning Expenditures” for FY2021*3 released by the MEXT shows that household expenditures on cram schools for both public and private elementary and junior high school students continued to increase, with annual average expenditures at record highs for both public and private schools.

– **Public elementary school student**: 81,158 yen, a 52% increase from FY2018
– **Public elementary school student**: 250,196 yen, a 23% increase from FY2018
– **Private elementary school student**: 273,629 yen, an 8% increase from FY2018
– **Private elementary school student**: 175,435 yen, a 14% increase from FY2018

The percentage of families spending money on cram schools has not changed significantly for elementary school students, with 38.9% of public (down 0.2 points) and 73.0% of private (down 2.1 points). This means that cram school expenditures school per child appear to have increased.

*3 Based on “Survey of Children's Learning Expenditures" by the MEXT”
https://www.mext.go.jp/b_menu/toukei/chousa03/gakushuuhi/kekka/k_detail/mext_00001.html

Our Unique Approach

SuRaLa Net offers unique events that are open to all regions, ages, and environments. Many children participate in competitions every year not only for academic performance but also for “effort,” “ability to think about social issues,” “teamwork,” etc.

Surala CUP

About 300,000 users worldwide compete on the “amount of effort (hard work)” instead of scores or deviation values

“Surala CUP” is an event in which children worldwide who use SuRaLa Net’s ICT materials compete and are evaluated based on the amount of effort they put in for a year, such as the number of learning hours and the number of units they completed. Children in Indonesia and Sri Lanka who use the overseas version of “Surala,” “Surala Ninja!” and children who use Surala in the UK and South Korea will also participate in this worldwide event.

For example, “I became good at history, which I was not good at,” or “I got a perfect score on an English vocabulary test, which I disliked,” children can work on their weak subjects because Surala Cup is not based on scores or deviation values. This event will help children gain confidence through the experience of “I can do it if I try!”

National and international award winners share their joy at the online awards ceremony.

Surala Active Learning

Participants work on solving social issues through ICT, regardless of grade level or region

“Surala Active Learning” has been held annually since 2015 as an event that provides opportunities for pupils/students to acquire 21st-century skills, such as problem solving and communication skills, which are higher-level academic skills, by utilizing knowledge of subject studies learned in daily classes and through the Surala ICT materials. A total of more than 2,300 students have participated to date. The event has been highly evaluated by teachers and parents who look forward to seeing the changes in the children as they become aware of their interests, discover their dreams and hopes for the future, such as choosing academic/career path, and experience the joy of learning and become more optimistic about their subsequent studies.

The final presentation competition online

Voices from beneficiaries

Child with developmental or learning disabilities – Ms. H, whose child has a developmental disability

Interpersonal relationships improved as the complex about low academic performance disappeared

After starting to learn with “Surala,” his complex about low academic performance has been eliminated, and his friendships have improved. Complex about low academic performance will probably make him mean to his friends. He used to say, “My friends make fun of me. I want to die.” However, this stopped as he started learning with “Surala” and improving his academic performance. He made a lot of friends and was able to graduate from elementary school the other day.

Furthermore, since I am no longer concerned about his academic performance, I (the parent) no longer say, “You should study. Why don’t you understand it?” I believe the parent-child relationship has improved.

According to his teacher at the school, my son is now a role model for the younger students, and he now tells them to “study hard” and so on.

Absentee child #1 – Mr. T, whose child has been absent from school

My child had no hope for the future, but after starting to learn with “Surala”, she began to think about the future on her own

My daughter used to say, “I don’t want to study or work,” but by starting to learn with “Surala,” she seems to have begun to think about her future. She started asking me, “What do I have to do to get this kind of job?” she became interested in various professions that appear on TV. Now, she has been asking me all kinds of questions related to professions.

When she was not attending school, we applied to the school to have her learning with “Surala” treated as school attendance, which allowed her to take the high school entrance exam and pass it successfully. “Surala” is helpful because the system records the time spent learning, so it records her efforts. The records can be submitted to the school and have given her confidence.

Absentee child #2 – Ms. Y, whose child has been absent from school

Became a child with independence who “thinks and decides for himself”

My son can decide and act as if to say, “It's time for ‘Surala.’” I believe that starting to learn with “Surala” helped him regain his academic performance and his confidence in his ability to go to school.

Being able to go to school makes him learn various things from the people around him, and he is able to communicate with others a little more easily. When he cannot leave home, he learns with “Surala” to build up his confidence and gradually connect with the outside world. “Surala” is a bridge for him to the outside world.

About us

Bringing transformation to education and empowerment to children.

“Surala” is ICT educational material that started developing in 2005,
featuring an interactive lecture function with animated characters.
It has been developed with the cooperation of well-known instructors in English, Japanese,
arithmetic/mathematics, science, and social studies,
as well as university professors with expertise in e-learning research.

Unlike conventional one-way learning styles in which a teacher or instructor teaches students,
“Surala” is an ICT learning material that optimizes individualized learning
according to each student's level of understanding and progress by applying gamification
to increase motivation and willingness to learn and having AI automatically going back to the unit
in which the student has difficulty and asking questions.

SuRaLa Net Co., Ltd. plans, develops, and sells ICT educational materials
based on the basic concepts of “easy to understand,” “easy to do,” and “fun to learn,”
including “Surala,” and provides consulting services for schools and cram schools.

Company name

SuRaLa Net Co., Ltd.

Date of incorporation

August 29, 2008

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Contact information

TEL　+81.3.5283.5158

Capital stock

283,777,000 yen

Business description

Main Business: Provision of e-learning education services and related operational consulting services, provision of marketing and promotion services, including website operation

Website

https://surala.jp/en/