



FY2022 1Q Financial Results Briefing Document

February 14, 2022

Topics

- FY2022 1Q Actual : Sales revenue 1,019 mil.yen
Operating profit 70 mil.yen
- Advertisement cost to sales ratio : 49%
(improved from the last Quarter, recently deteriorated)
- “Key lost” genre adversely affected by COVID-19 bottomed out,
and expected to recover gradually from now on

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FY2022 1Q

Performance reporting

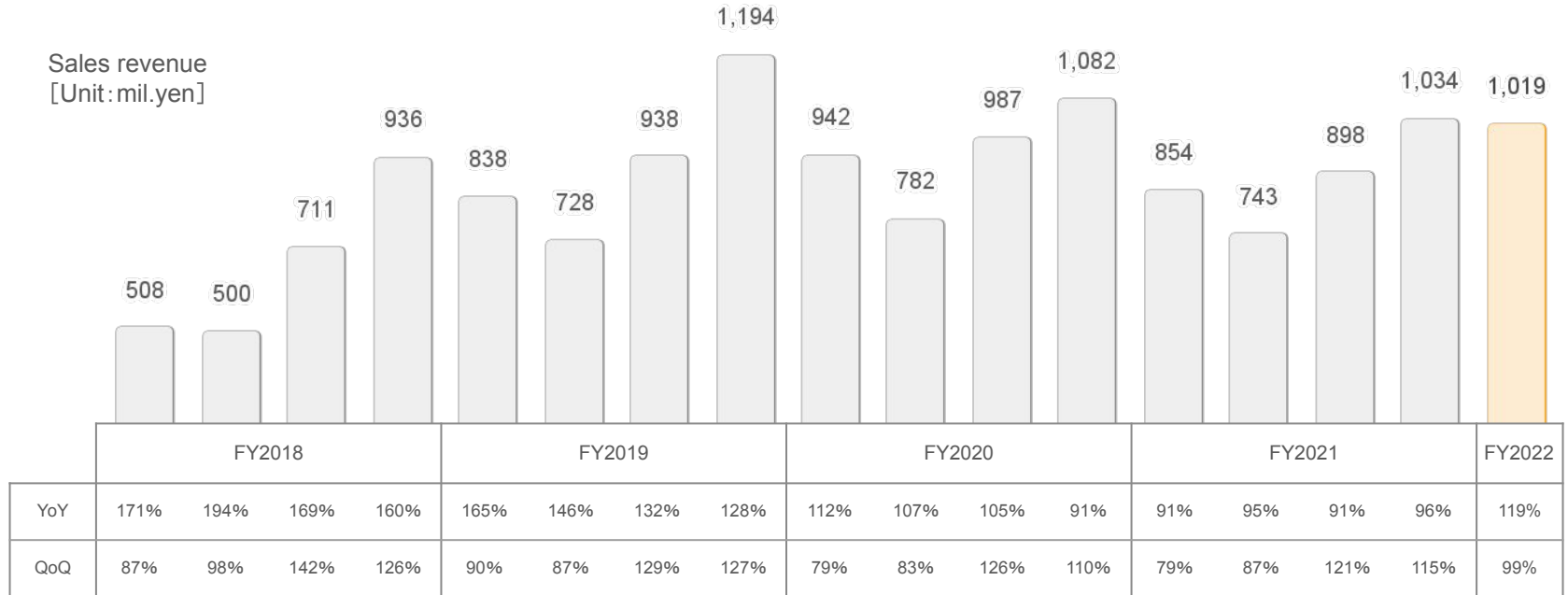
Consolidated FY2022 1Q results

1Q sales revenue were 1,019 mil.yen (+164 mil.yen YoY). Operating profit and Net income ended in 70 mil.yen (+47 mil.yen YoY), and 66 mil.yen respectively, due to increase of Sales revenue, optimization of Advertisement cost ratio to sales, and decreasing depreciation cost by impairment loss recognized in FY2021.

	1Q results FY2022	1Q results FY2021	YoY change
Sales revenue	1,019 mil.yen	854 mil.yen	+ 164 mil.yen
Operating profit	70 mil.yen	23 mil.yen	+ 47 mil.yen
Net income	66 mil.yen	(6) mil.yen	+ 73 mil.yen

Sales revenue trend of “Household problems” business

1Q Sales revenue were above previous 1Q (YoY 119%). QoQ (Quarter on the most recent Quarter) was 99%. While Sales revenue of FY2021 experienced decrease trend, Sales revenue of FY2022 will return to increase trend.



KPI of “Household problems” business

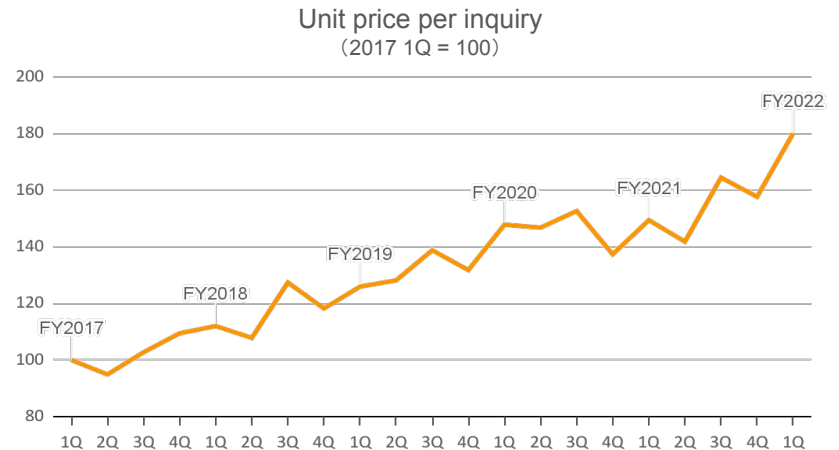
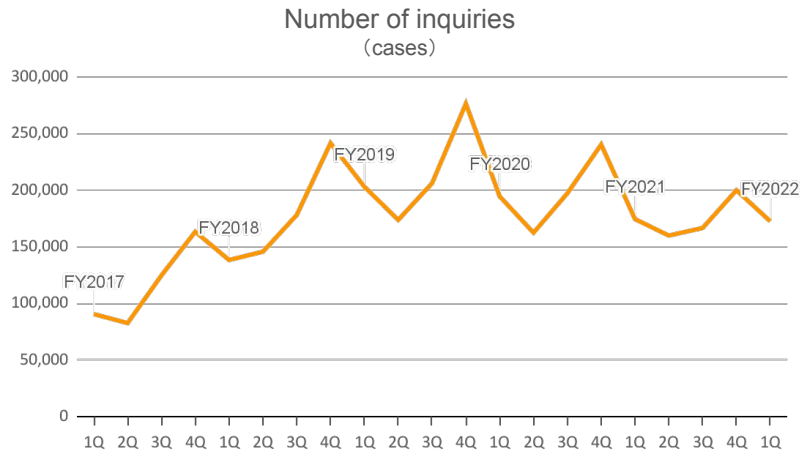
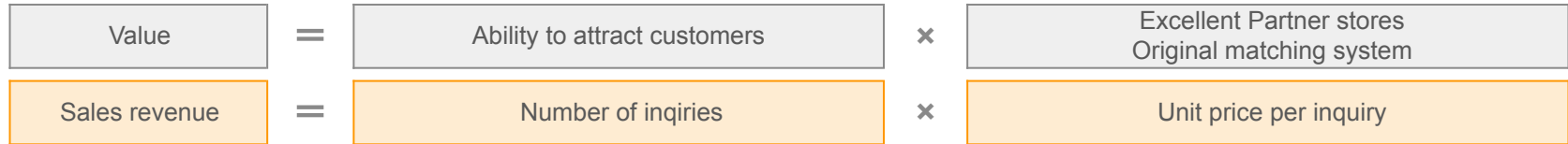
1Q operating profit ended in 70 mil.yen (+47 mil.yen YoY), due to increase of Sales revenue, decrease of depreciation cost, etc. While recently deteriorating Advertisement cost ratio to sales increased YoY, the ratio is on a declining trend within the upper limit of 56% of FY2021 3Q.

[mil.yen] (Ratio to sales)	FY2020※				FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Sales revenue	942	782	987	1,082	854	743	898	1,034	1,019
Cost of sales	15	17	14	14	11	22	23	27	29
Selling, general and administrative expenses	874	818	928	928	885	822	979	1,024	921
Advertise. (PPC)	355 (38%)	316 (41%)	402 (41%)	436 (40%)	384 (45%)	343 (46%)	501 (56%)	538 (52%)	499 (49%)
Labor cost of call center	85 (9%)	80 (10%)	78 (8%)	79 (7%)	71 (8%)	65 (9%)	82 (9%)	73 (7%)	75 (7%)
Others	433	421	446	412	429	413	395	413	346
Other balance	4	5	14	(34)	65	60	(10)	(979)	3
Operating profit (Loss)	56	(48)	58	105	23	(41)	(114)	(998)	70

※For comparison of current business apple on apple, excludes subsidiaries ceasing operation, WEB Consulting business, etc.

Analysis of Sales revenue

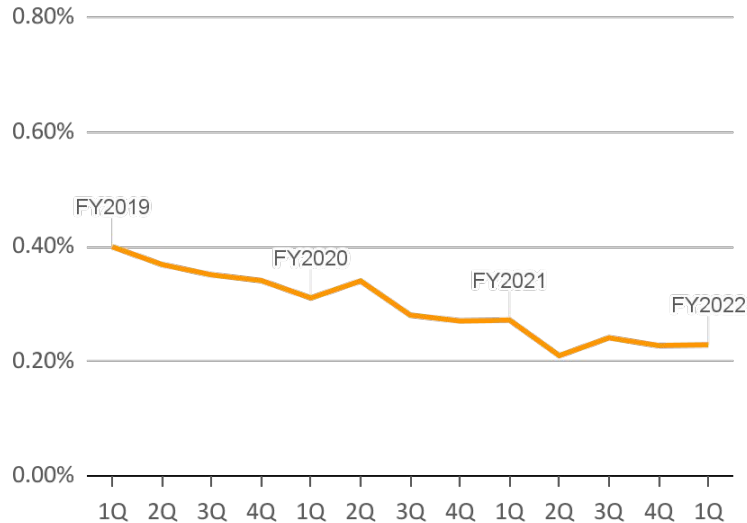
The trend of “Number of inquiries” and “Unit price per inquiry” consisting of Sales revenue are as follows. “Number of inquiries” stagnates recently, while “Unit price per inquiry” maintains increase trend. For future, increase of “Number of inquiries” is key for sales growth. Improving customer satisfaction, we will implement SEO countermeasures to increase inflow thru organic search.



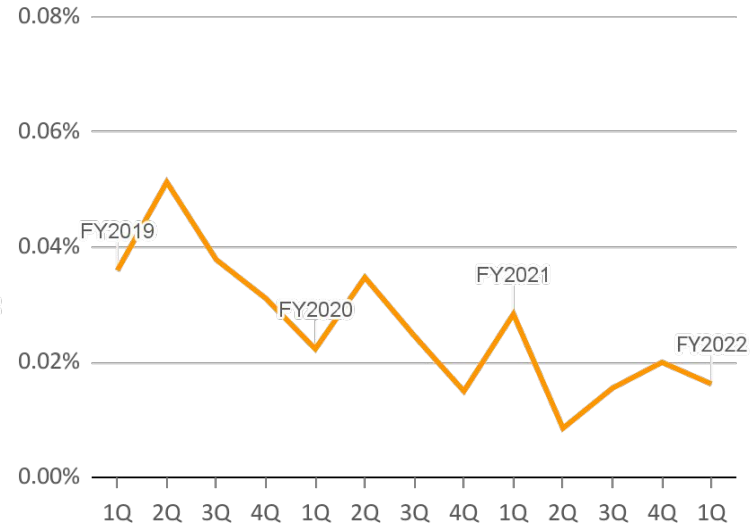
For Satisfaction of Customers and Partner Stores

Claim ratio from customers and partner stores are continuously low, with decreasing trend at certain level. For further customer satisfaction, we will continue to draw up on-site needs to reflect them on our business. To this end, we will improve our business model by implementing customer & partner store friendly platform.

Claim ratio from customers

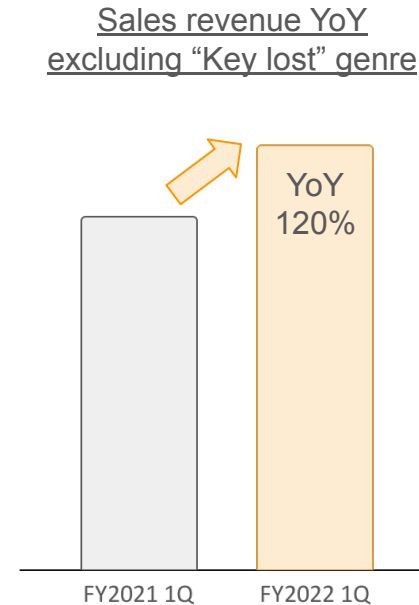
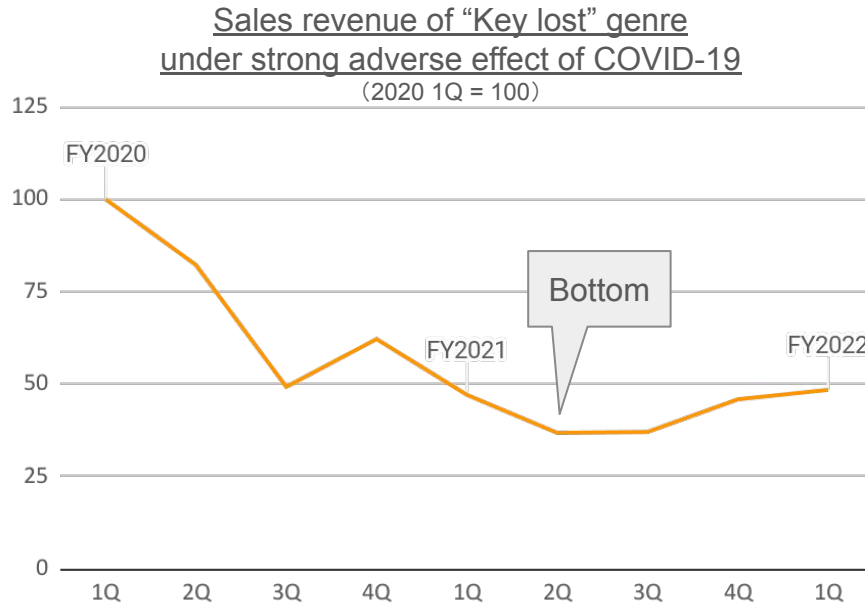


Claim ratio from partner stores



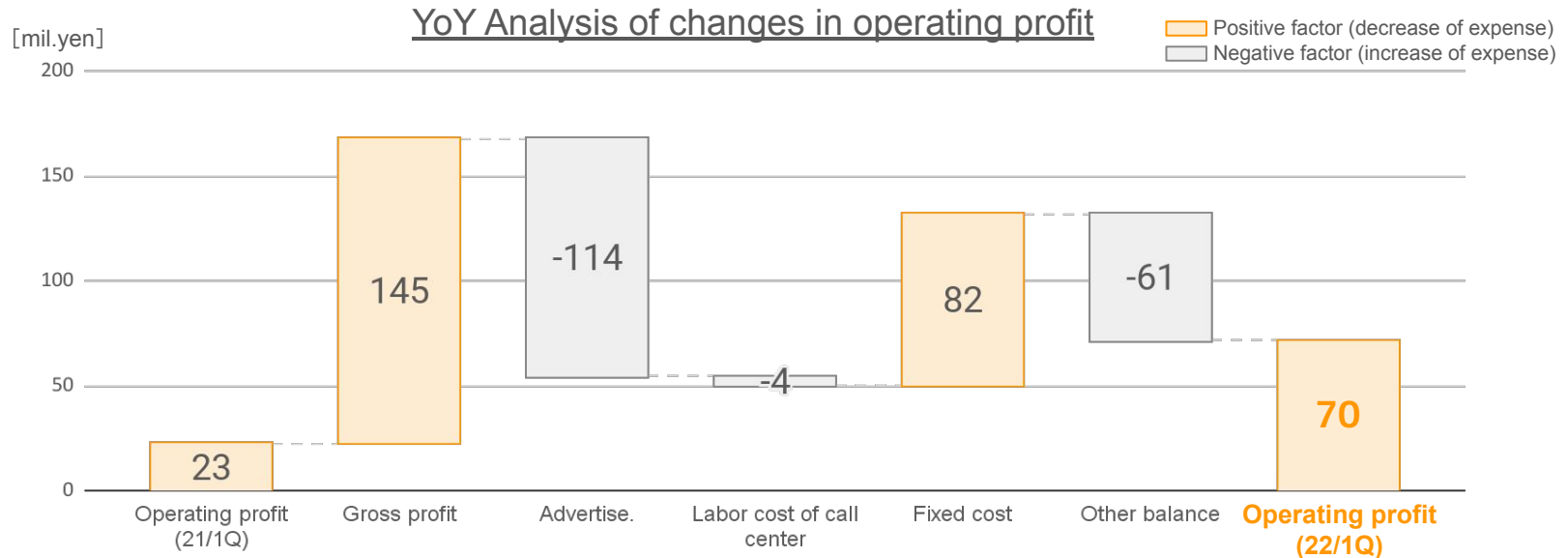
After bottom-out of COVID-19 adverse impact

“Key lost” genre under strong adverse effect of COVID-19 significantly (i.e. people refrain from outing, banquet), bottomed out in 2021FY 2Q, and has been gradually recovering. Sales revenue excluding “Key lost” genre has been continuing stably (YoY 120%). Recovery of “Key lost” genre will contribute to further increase of Sales revenue of the Company.



Analysis of changes in profit of 1Q

Gross profit increased by 145 mil.yen. Fixed cost drastically improved due to decreasing depreciation cost by impairment loss recognized in FY2021. While advertisement cost increased along with increase of Sales revenue under intensifying competition, ratio of Labor cost of call center to sales was contained below certain level. Furthermore, the Company will continue to increase Sales revenue and optimize the cost for stable increase of profit.



Supplementary materials

Solving “Household problems”

We have contracts with over 5,600 partner stores nationwide that can provide support for various “Household problems”. We accept customers who visit our website and introduce them to our partner stores.



Over 150 genres
From light work to renovations

Accepted 24 hours a day,
365 days a year
In-house call center

Corresponding throughout Japan
Over 5,600 partner stores

Type of our Websites

We operate 2 types of websites relating to “Household problems” business. One is “Seikatsu 110”, a portal site that posts multiple genres onto a single site. Another is approx. 200 vertical media websites that specialize in specific genres. The portal site mainly receives inflow from organic SEO, while vertical media sites have high inflow ratio from listings.



生活110番



Portal site



Over 150 genres



Mainly organic inflow



ペット葬儀110番 電気工事110番 etc.



Vertical media site



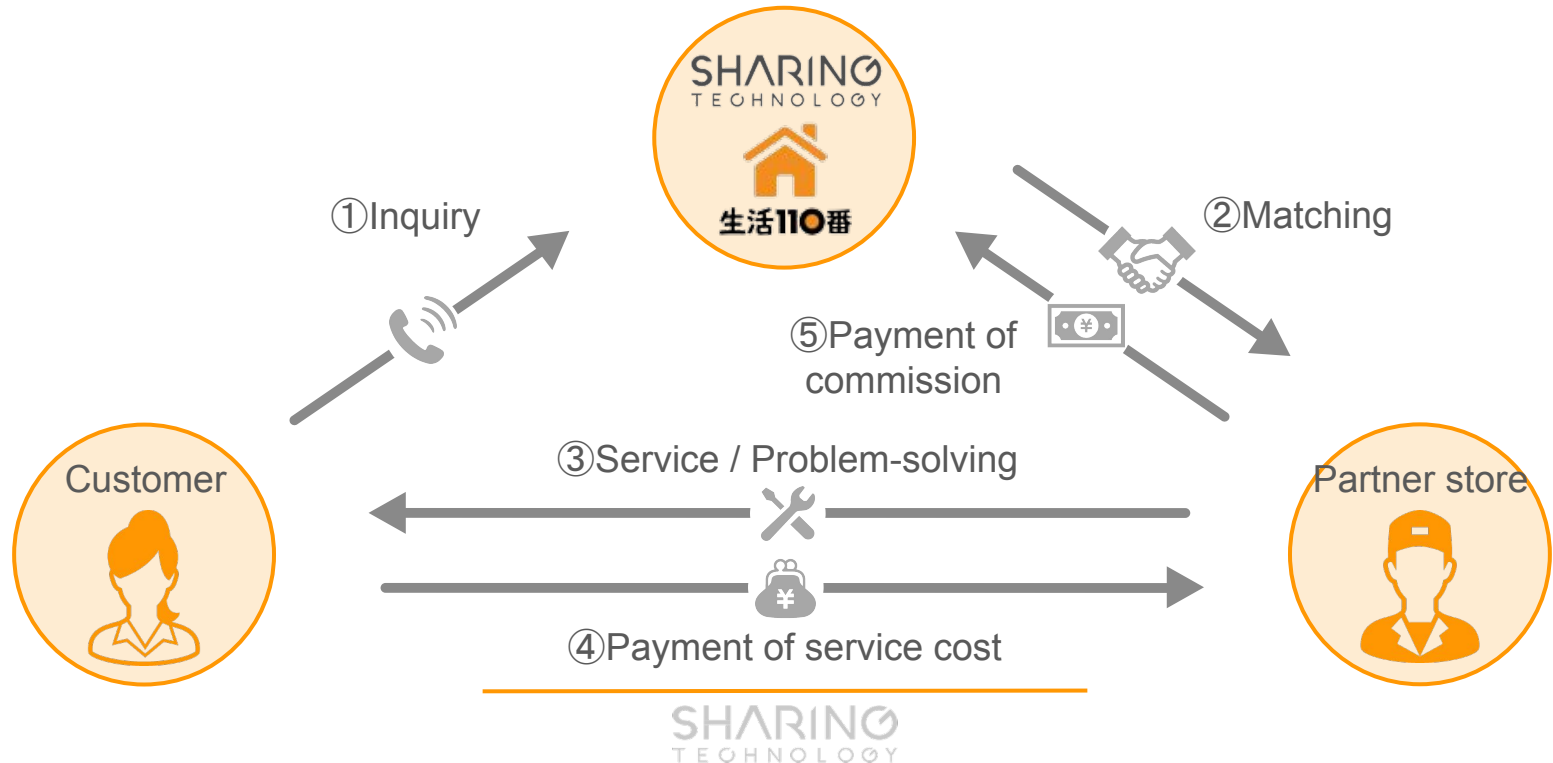
One genre per site



Mainly listing inflow

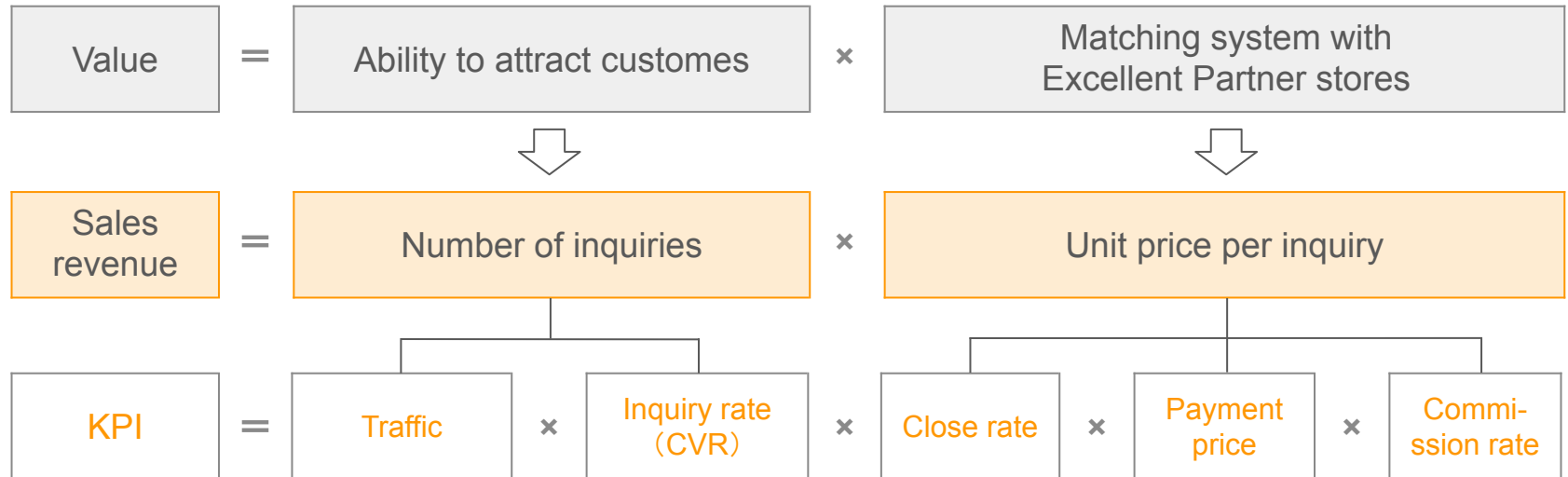
Business Flow

Customers with “Household problems” contact us through our website. Then, we match the most appropriate Partner store judging (1) Genre (2) Location (3) Preferred service date and time. We receive Commission either after service completion, or after introducing.



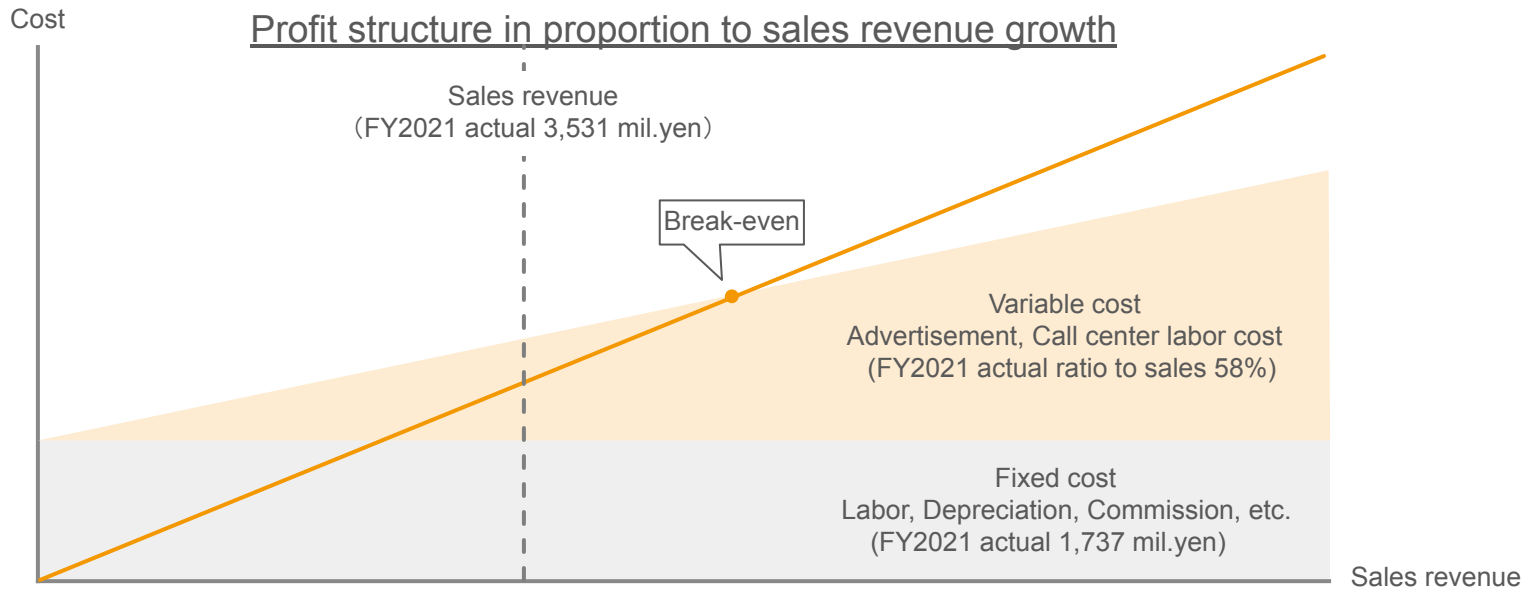
Profit Model

Our value source (Value) is defined as our ability to attract customers, our matching system to solve customers' problems, and excellent partner stores network. Each "Number of inquiries" and "Unit price per inquiry" is represented as numeric value. "Number of inquiries" is broken down into "Traffic", "Inquiry rate(CVR)", meanwhile, "Unit price per inquiry" is broken down into "Close rate", "Payment price", "Commission rate".



Profit structure image of “Household problems” business

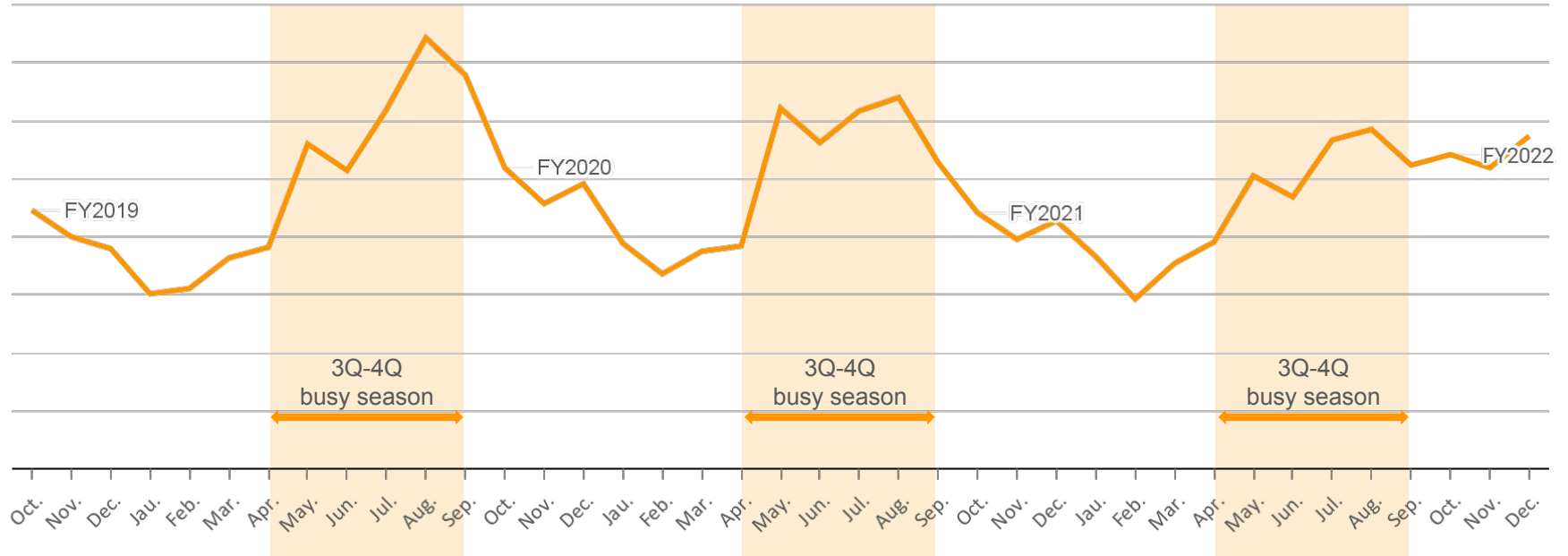
Comparing with FY2021 profit structure image, FY2022 1Q Sales revenue were 1,019 mil.yen (YoY 119%), Variable cost ratio to sales was 56%, Fixed cost were 376 mil.yen (YoY 85%). On YoY base, increase of Sales revenue, decrease of Fixed cost, and optimization of Variable cost have raised marginal profit ratio. Our profit structure has been strengthened in proportion to increase of Sales revenue.



Monthly Sales revenue of “Household problems” business

“Household problems” business has seasonality (e.g. Summer with pest control and mowing/gardening, early autumn of our 2nd half with typhoon damages on residential houses). This seasonality continues, and Sales revenue are expected to grow in the current fiscal year.

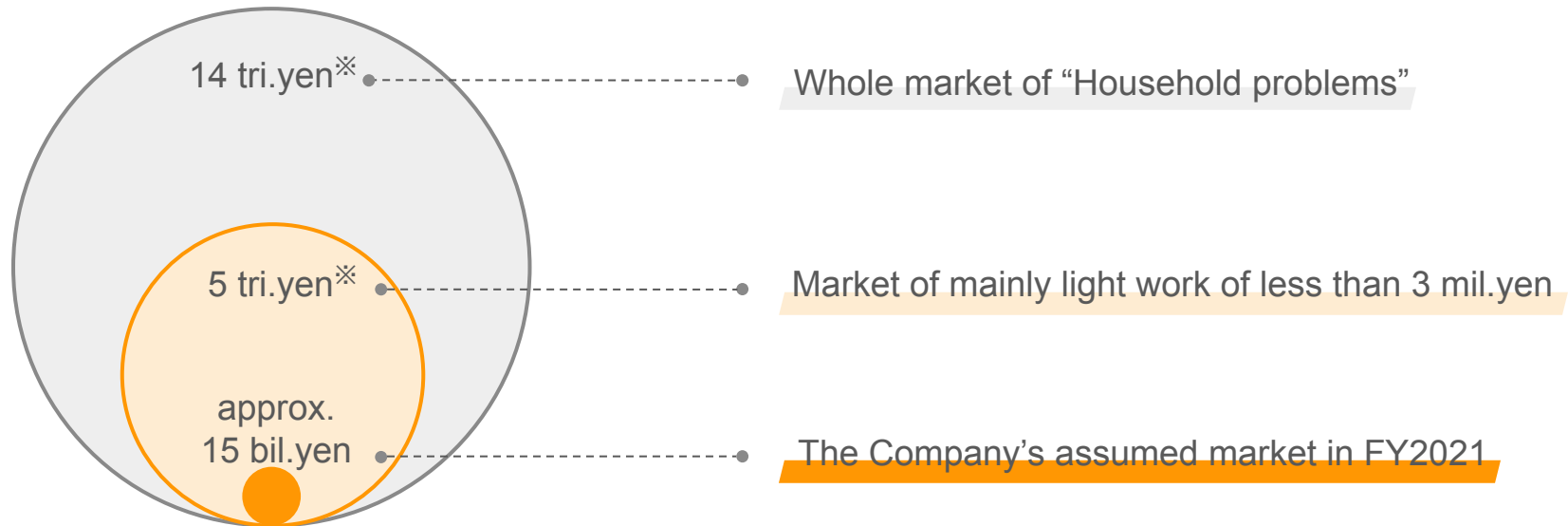
Sales trend of “Household problems” business fluctuating with change of season



Market of “Household problems” business

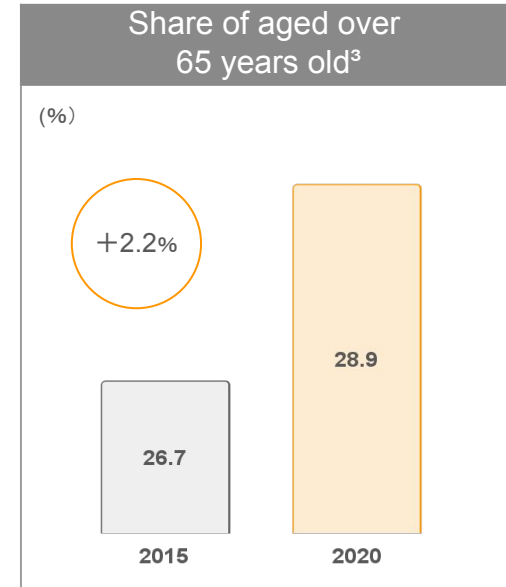
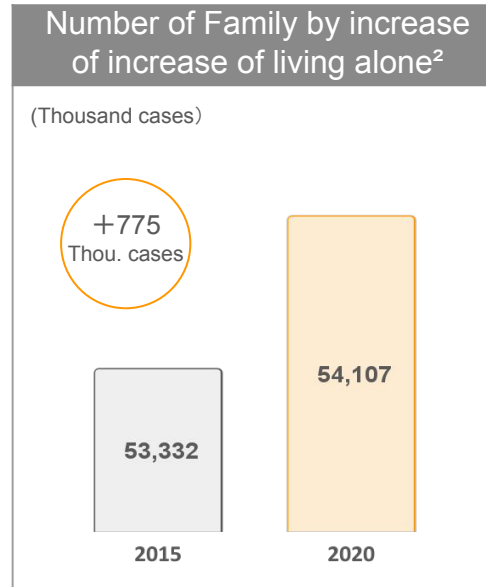
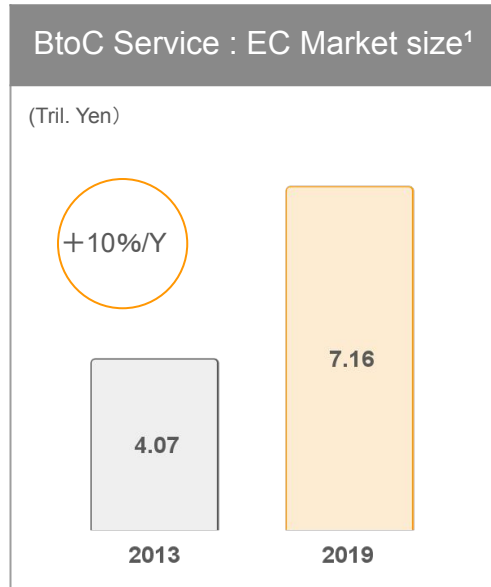
Domestic market of “Household problems” business is approx. 14 tri.yen, and of that, the market of low-price light work is estimated 5 tri.yen. With increase of the aged and people living alone, this market is expected to grow further. In addition, with an ongoing shift from current phone book to online, we assume further expansion of our business opportunities.

※ estimated based on a questionnaire survey of frequency and price of “Household problems” services that targeted 20,000 respondents conducted by an external specialized agency



Follow wind of Market opportunity

The increase of single and aged families, and spread of EC service will enlarge the market of our “Household problem” business.



1 Ministry of Economy, Trade and Industry “Infrastructure of Data Driven Society (EC Market Research)”

2 Notional Social Security Population Problem Research “Estimate of Japanese family number 2018”

3 Ministry of Public Management, Home Affairs Posts and Telecommunications “Statistics Topics No. 113 Japanese aged society”

FY2022 1Q Balance sheet

[million.yen]

	FY2022 1Q (As of Dec. 31,2021)	Previous year-end 2021 (As of Sep. 30,2021)	YoY change
Current assets	1,871	2,271	(400)
Fixed assets	762	808	(46)
Total assets	2,633	3,080	(446)
Current liabilities	2,015	2,073	(57)
Fixed liabilities	360	815	(455)
Total equity	257	190	+ 66
Capital ratio	9.8%	6.2%	+3.5%

FY2022 1Q P/L statement

[million.yen]

	FY2022 1Q YTD (As of Dec. 31,2021)	FY2021 1Q YTD (As of Dec. 31,2020)	YoY change
Sales revenue	1,019	854	+164
Cost of sales	29	11	+18
Gross profit	989	843	+145
SGA expense	921	885	+36
Operating profit	70	23	+47
Pre-tax profit	66	17	+49
Net income	66	(6)	+73

Company profile

- **Company name** SHARINGTECHNOLOGY INC.
- **Head Office** JP Tower Nagoya 19F, 1-1-1 Meieki, Nakamura-ku, Nagoya-shi, Aichi 450-6319
- **TEL/FAX** TEL: +81-52-414-5919 / FAX: +81-52-526-2000
- **Executive officers**

Representative Director, CEO	Nobuhiro Moriyoshi
Director	Eisaku Ueda
Director	Yoshitaka Katayama
Director Audit and Supervisory Committee Member	Chiaki Harada
Outside Director Audit and Supervisory Committee Member	Hiroo Asai
Outside Director Audit and Supervisory Committee Member	Yuichi Zenri
- **Capital** 1,308 million yen *As of the end of Dec.,2021
- **Number of Employees** 245 (including 69 temporary and part-time workers) *As of the end of Dec.,2021
- **Accounting Period** End of September
- **Market** Securities Code: 3989 (Tokyo Stock Exchange Mothers)

Precautions relating to future forecasts

The disclosed documents include matters relating to the future outlook of forecasts, perspectives, goals and plans relating to SHARINGTECHNOLOGY Group, and have been generated on the basis of forecasts at the time of disclosure based on the information that could be obtained at the time of disclosure.

Certain assumptions have been utilized for these matters, and they include risks and uncertainties that are merely decisions made by SHARINGTECHNOLOGY Group's management and subjective predictions.

As a result, please note that due to various factors, the performances, operating results and financial situations may yield different results compared to the current forecasts, perspectives, goals.

The disclosed documents are not intended for soliciting investments. We ask that all investors make your own judgments relating to investments.